

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.
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 - denotes value equal to nil or less than half the digit shown
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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

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Quarterly economic review

General observations

One of the policy objectives for 1972 was to improve the balance of payments in order to remove the restraining effect on economic growth of a large overall deficit such as that recorded during 1970 and 1971. This aim was achieved through appropriate exchange rate and monetary and fiscal policies, assisted by favourable developments on international commodity markets, a sharp rise in the price of gold on the private market and a good agricultural season in South Africa. After overall balance of payments deficits of R286 million and R239 million had been registered in 1970 and 1971, respectively, a surplus of R405 million was recorded in 1972. The overall surplus in 1972 consisted of a capital inflow of R502 million and a small deficit on current account of R97 million. This small deficit on current account represented a dramatic improvement from a deficit of close to R1 000 million in 1971. It is furthermore gratifying that this strengthening of the current account was attributable not only to a substantial increase in the net gold output, but also to a marked increase in both the volume and value of merchandise exports. The value of imports showed only a slight decline although the volume dropped sharply. This turnabout in the balance of payments resulted in an approximate doubling of the gold and other foreign reserves from their low level of R570 million reached at the end of November 1971 to almost R1 100 million at the end of December 1972. The improvement in the balance of payments during 1972 enabled the Government to fix a new par value for the rand on 25 October 1972 at a level which was about 4 per cent higher than the market exchange rate to which the rand had floated downward with sterling after June 1972. Moreover, when on 12 February 1973 the dollar was devalued by 10 per cent and sterling depreciated further against the rand, the Government decided to maintain the parity of the rand in terms of gold. Towards the end of February the dollar again came under pressure and exchange markets were closed from 2 to 19 March 1973. From 19 March six of the EEC countries floated their currencies together against the dollar and the South African Government again decided to keep the parity of the rand unchanged in terms of gold and to continue to quote exchange rates in dollars.

On the domestic front, the various measures taken to stimulate economic growth and curb inflation were not as immediately successful as those to improve the balance of payments. The economic growth rate for 1972 as a whole was still disappointingly low, and at the same time, the rate of inflation was high by South African standards. However, if the favourable change in South Africa's terms of trade is taken into account, a higher real growth rate of approximately 4 per cent was attained during the past year. A gratifying feature of the increase in the gross domestic product in 1972 was that the largest contribution was made by profits of business enterprises, whereas salaries and wages rose much less in 1972 than in 1971. The moderate rise in salaries and wages, therefore, enabled exporters and other enterprises to take advantage of the changes in exchange rates that took place since 1971. Furthermore, although the growth rate for 1972 was low by South African standards, various monthly and quarterly economic indicators showed tendencies of a moderate revival towards the end of the year. This may indicate a more pronounced revival of economic activity in the course of 1973.

Another feature of economic developments during 1972 was the change in the composition of domestic demand, as reflected in the behaviour of the different components of domestic expenditure. The lower rate of growth in domestic demand was mainly reflected in a reversal in the trend of inventory investment from a substantial build-up over 3 years to a run-down during 1972, a marked reduction in the rate of increase in government consumption expenditure and non-infrastructure capital expenditure, and little change in fixed investment by the private sector. The rate of increase in private consumption expenditure at current prices rose further but in real terms a slightly lower rate was recorded, whereas fixed investment by public corporations and by public authorities on infrastructure development rose rapidly.

Regarding the high rate of price increases during 1972, it is important to be clear about the causes of the present inflation. With the lower rate of increase in demand and with labour and capital resources more freely available, the inflation in 1972 was not caused by excess demand as had been the case during most of the period from 1969 to 1971 and from 1964 to

1966. As the ratio of the money and near-money supply to the gross domestic product was relatively low during the past two years, the monetary situation as such can also be disregarded as a contributing factor. Wages and salaries also rose at a much lower rate during 1972 than in the previous years. From an analysis of the consumer price index, it would appear that the sharp rise in the prices of food and housing services contributed much to the rise in the index during 1972. Furthermore, the sharp rise in the prices of imported goods made a significant contribution to the rapid rise in wholesale prices. In addition to these items which can be identified in the price indices, various factors which cannot easily be quantified, also contributed to the rise in prices in 1972. These include, for example, the legacy of the past excess demand and inflation, in particular as reflected in upward adjustments to government-administered prices, and general inflationary expectations.

In the financial markets relatively easy conditions prevailed during most of 1972. The banks' surplus liquid assets, and thus their ability to extend more credit, increased further. Money market conditions eased and short-term interest rates declined substantially; long-term interest rates, however, declined only moderately. Fixed interest rate investments remained popular with investors and the stock exchange continued to be buoyant. The financial climate, therefore, became more conducive to a revival of real economic activity. This financial climate will assist the various expansionary measures already at work in the economy to promote higher economic growth.

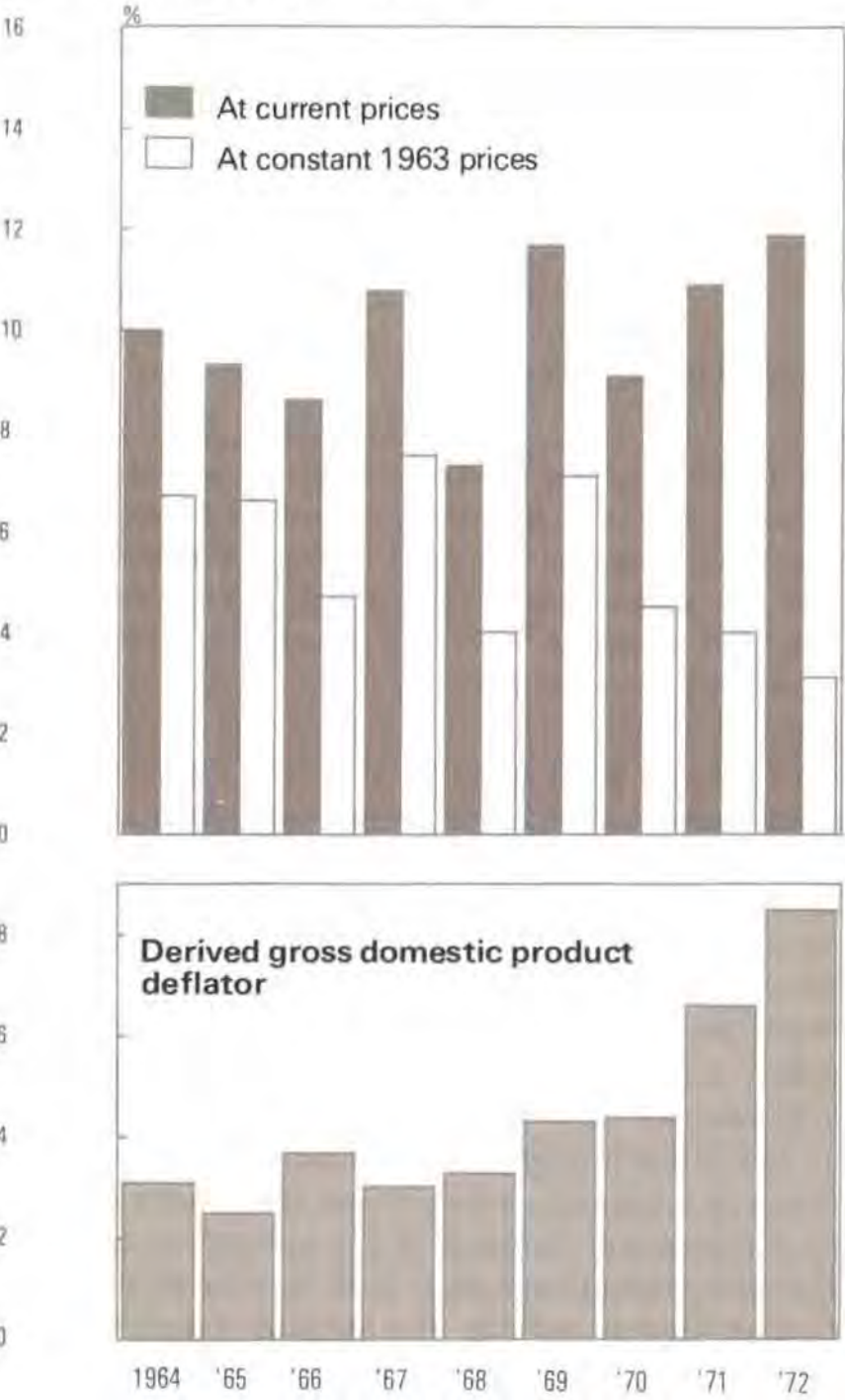
National accounts

Gross domestic product

The gross domestic product at current market prices rose by about 12 per cent during 1972, compared with an increase of 11 per cent during 1971. At constant prices the rate of increase in the gross domestic product declined, however, from about 4 per cent in 1971 to approximately 3 per cent in 1972. An analysis of this low overall growth rate reveals that despite relatively favourable climatic conditions, the volume of agricultural production increased by only about 4 per cent, while mining production actually declined by nearly the same rate, so that the primary sectors together made virtually no contribution to the growth rate. Activity in the construction industry also declined slightly, while the volume of manufacturing production rose by only 2,9 per cent.

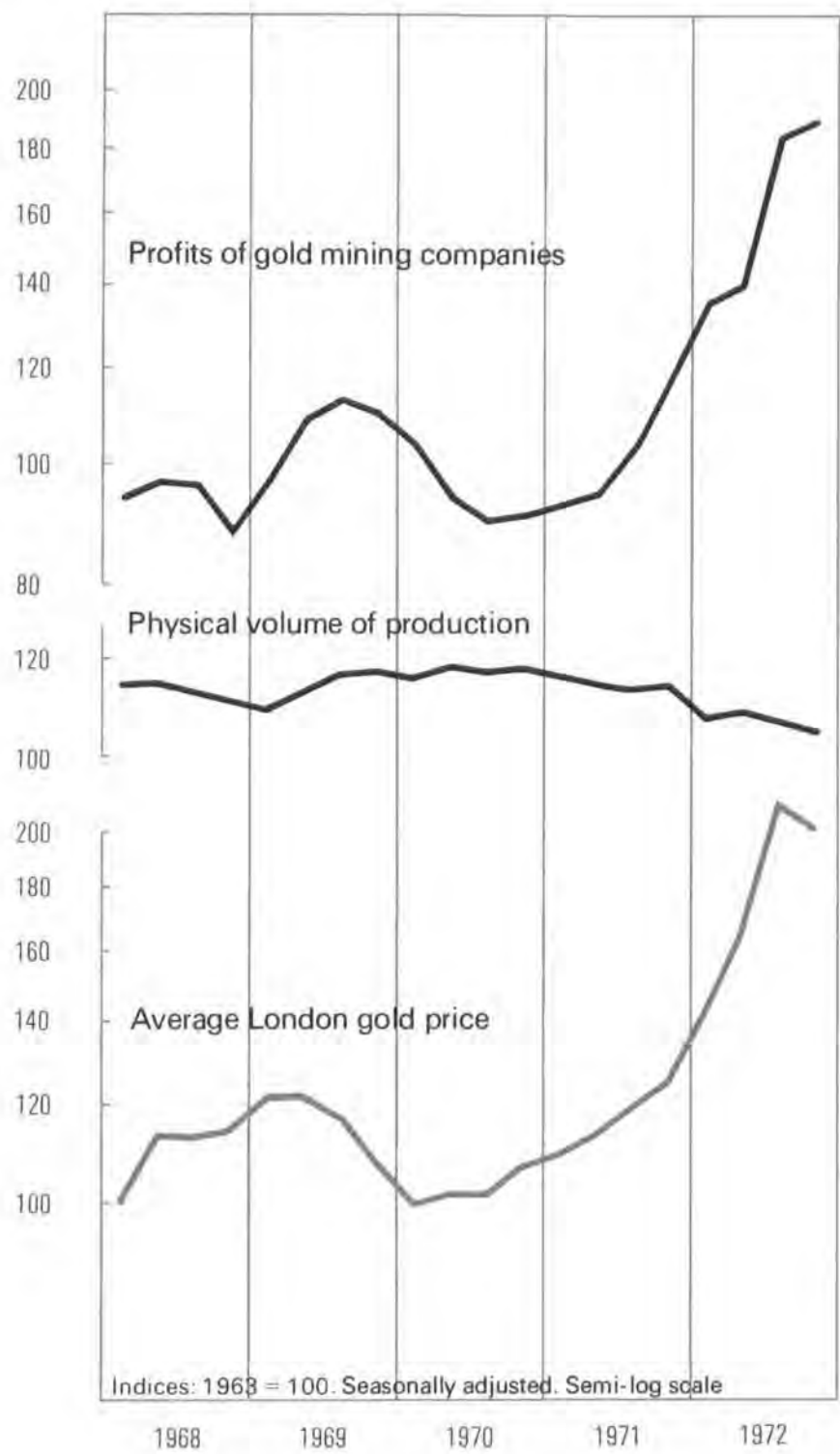
Although an increase of 3 per cent in the real gross domestic product is relatively low for South Africa, it must be noted that the volume of gold production declined by 7 per cent and thus contributed materially to a reduction in the rate of growth in this measure of domestic activity. However, the decline in gold production in kilograms did not mean that conditions in the gold mining industry deteriorated. On the con-

Average annual percentage change in gross domestic product



trary, the gold mining companies gained so much from the increase in the price of gold on the private market that their profits rose substantially, and this additional income, by itself, contributed to the country's economic welfare. It is important to note, therefore, that the rate of growth in the gross domestic product at constant prices is only a measure of *domestic economic activity* and *not* of the *economic welfare* of South Africans. To gauge the country's economic welfare, changes in the terms of trade must be taken into account. If export prices rise faster than import prices, a larger volume of imported goods can be exchanged for a given volume of exports and this will help to increase the standard of living of the residents of the country concerned. In 1972 the terms of trade turned in South Africa's favour because the higher prices obtained abroad for gold and other export products outweighed the increases in the prices of imported goods. When the gross domestic

Gold mining



product is adjusted for changes in the terms of trade a higher growth rate for the gross *national* product than for gross domestic product is, therefore, observed for 1972. In fact, instead of a growth rate of 3 per cent in the real gross domestic product the real gross national product indicated a growth rate of approximately 4 per cent.

The sharp rise in export prices during 1972 also contributed to the high rate of increase in the price element contained in the domestic product in 1972. Mainly for this reason, the gross domestic product deflator was 2 percentage points higher than the increase of 6½ per cent between 1971 and 1972 in the average level of the consumer price index.

A further analysis of the increase in the gross domestic product reveals that the largest contribution to the

rise of 12 per cent was made by increases in profits of business enterprises, whereas the remuneration of employees showed a much smaller increase in 1972 than in 1971. Not only did the profits of mining companies and the agricultural sector increase as a result of the higher prices obtained for their products, but profits of manufacturing companies rose as a result mainly of a running-down of inventories and a moderate increase in production. The operating surplus of all other sectors of the economy showed only moderate increases.

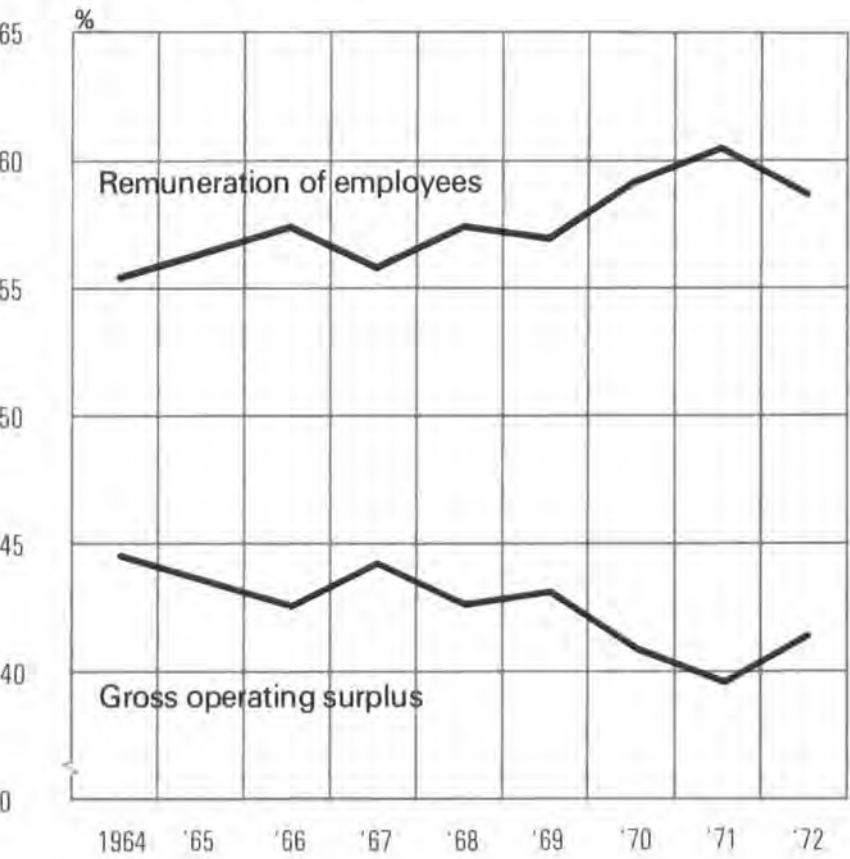
Although the overall economic growth rate was disappointingly low for 1972 as a whole, quarterly estimates indicate that during the fourth quarter of 1972 an acceleration in the expansion of real economic activity occurred in the non-agricultural sectors of the economy. It is also gratifying that the manufacturing sector contributed to this acceleration.

Lower rate of increase in domestic demand

Total domestic demand, measured by gross domestic expenditure, showed only a slight increase during 1972 as against much higher rises during preceding years. With the manufacturing sector producing at a level below full capacity and with labour and capital resources more freely available, there was, therefore, no question of excess demand during 1972 as was the case in previous years.

One of the main reasons for the reduction in the rate of increase in expenditure was the reversal in the trend of inventory investment from a substantial build-up over three years to a marked running-down during

Annual percentage distribution of gross domestic product



1972. Whereas an inventory build-up of R389 million was still recorded in 1971, a running-down of R346 million occurred in 1972. This brought inventories to a very low level in relation to gross domestic product. In fact, non-agricultural inventories as a percentage of the comparable gross domestic product declined to about 34 per cent in the fourth quarter of 1972—their lowest level since World War II. The inventory cycle, therefore, had an important influence on changes in domestic demand and business conditions during the past few years.

Other components of expenditure which contributed to the reduction in the rate of increase in domestic demand were a much lower increase in consumption expenditure by public authorities, a decline in the rate of increase in capital outlays of public authorities on non-infrastructure development, and the low level of private sector fixed investment. As the accompanying table shows some of these reductions were quite dramatic.

From the table it is also clear that fixed investment by public corporations (mainly ISCOR and ESCOM) and infrastructural investment by public authorities

Percentage change in major components of gross domestic expenditure

	1971	1972
Private consumption expenditure	10½	11
Government consumption expenditure	19	4
Fixed investment by public authorities:		
Infrastructural development	33	33
Non-infrastructure development	20	4
Fixed investment by public corporations	5½	32
Fixed investment by private sector	15	—

(mainly the South African Railways, the Post Office and the Department of Water Affairs) were the main components of expenditure that contributed materially to higher domestic demand. Private consumption expenditure also rose faster in 1972 than in 1971, but this acceleration was to a large extent attributable to the higher rate of increase in consumer prices. In real terms private consumption expenditure showed little change.

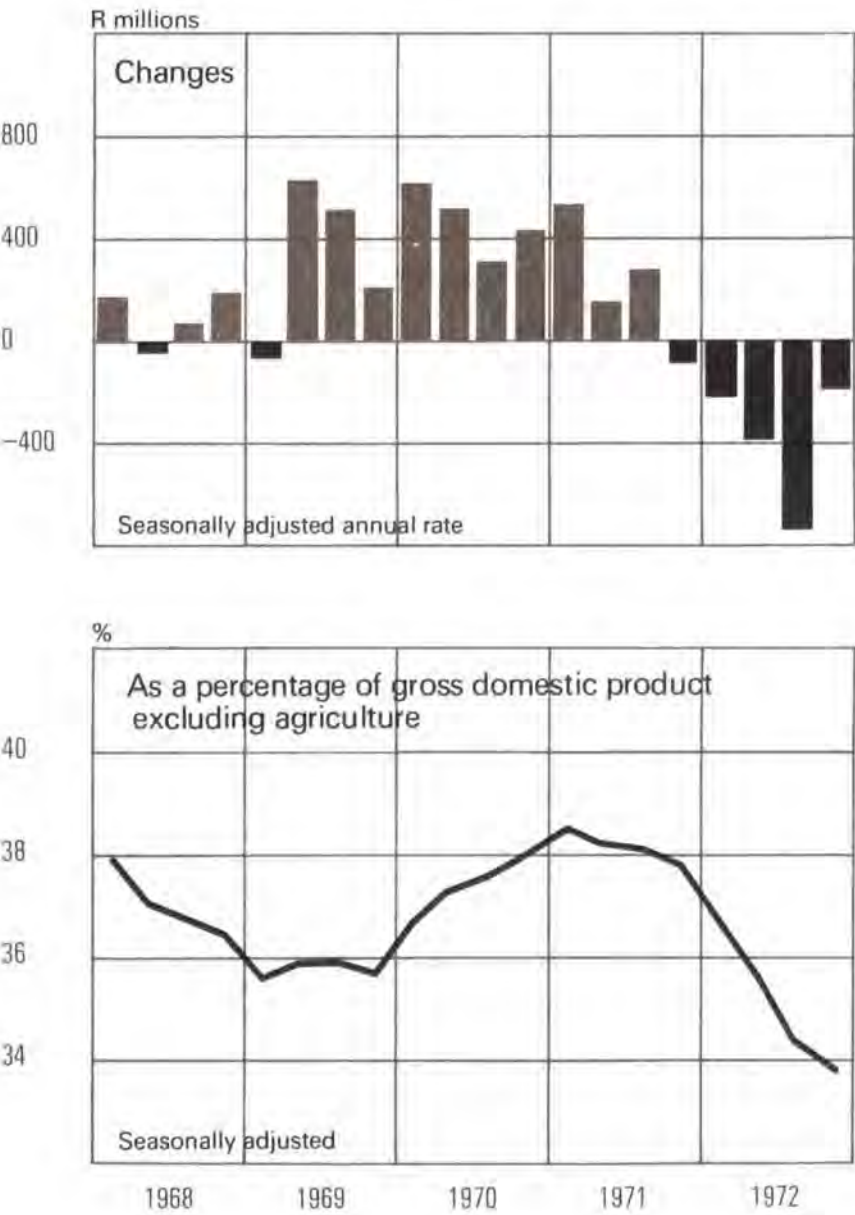
Substantial rise in gross domestic saving

Corporate saving and the current surplus of the general government made substantial contributions to the increase in gross domestic saving during 1972. The rise in corporate saving resulted largely from increased undistributed profits of the mining sector. At the same time the marked rise in the profits of mining companies, especially gold mining companies, led to a substantial increase in the government's tax receipts and consequently to a higher current surplus. Personal saving also rose materially in 1972 while depreciation allowances showed its normal increase. The net result of the substantial increase in total saving was that the savings ratio (i.e. gross domestic saving as a percentage of gross domestic product) rose to nearly 24 per cent in 1972 compared with an annual average of 22¾ per cent during the previous three years.

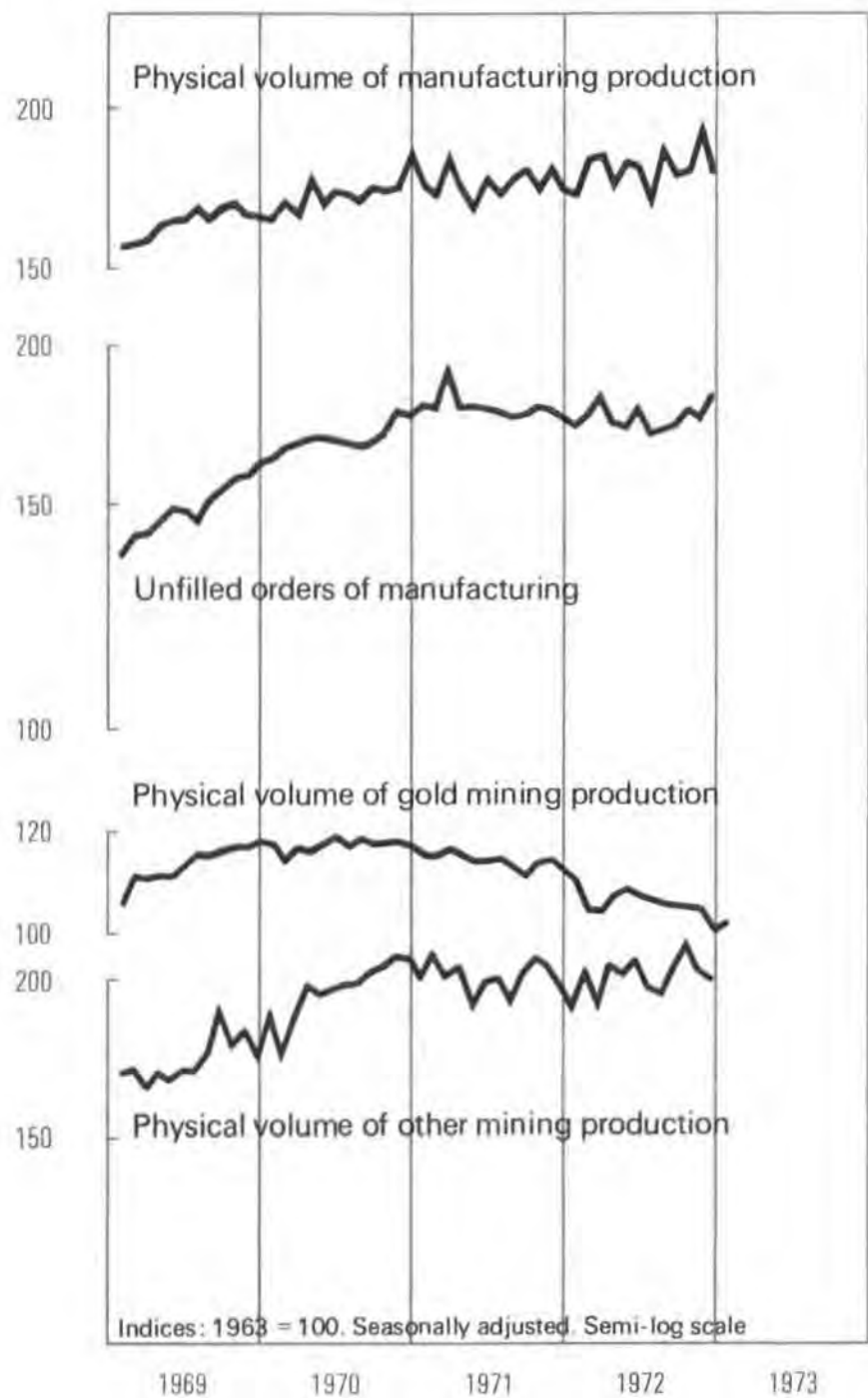
Production, trade and employment

A closer look at the changes in the monthly figures of production during the course of 1972 indicating the most recent trends, as against the average of the indices for 1972 compared to the average for 1971 (giving the increase from 1971 to 1972), reveals a revival in production of both manufacturing and mining other than gold in the course of 1972. In the case of manufacturing the revival was only noticeable towards the end of 1972, whereas mining production other than gold showed a moderate but continued upward tendency throughout 1972. However, gold mining production continued to decline throughout 1972. As lower grade ore was also mined during 1972, the tons milled declined significantly less than the kilograms of gold produced. The activity in the

Total inventories excluding agricultural stocks



Production



construction industry, as reflected by the number of hours worked, also increased from about March 1972.

In the case of commerce, however, the indices for retail and wholesale sales at constant prices showed a downward tendency during the first eleven months of 1972, whereas at current market prices both indices rose. The number of motor vehicles sold increased sharply in November and December 1972 and in January 1973.

The employment situation also changed during the course of 1972. From about the middle of 1972 the upward trend in the number of registered unemployed Whites, Coloureds and Asians was arrested, when the index levelled off. Towards the end of 1972 the number of unemployed actually declined.

Prices

Consumer prices rose at an exceptionally high rate during 1972 and January 1973, in particular during

General economic indicators



the third quarter of 1972. As the rate of increase in consumer prices fluctuated markedly from quarter to quarter during 1972, the average of the index for 1972 was only 6½ per cent higher than the average for 1971, whereas the change from December 1971 to December 1972 was 7,4 per cent. During January and February 1973 the rate of increase in consumer prices accelerated further mainly as a result of another sharp rise in food prices.

Consumer prices

Percentage rates of change in seasonally adjusted indices

	Dec. 1971 to Dec. 1972	Average 1971- 1972
Services:	7,6	6,8
Housing	7,9	7,0
Other	7,1	6,5
Goods:	7,3	6,3
Food	8,4	7,1
Furniture and equipment	5,8	5,7
Clothing and footwear	5,7	5,1
Purchase of vehicles	9,1	7,5
Other	6,1	5,5
Total	7,4	6,5

From the rates of change in the main items of the consumer price index given in the accompanying table, it is clear that the prices of services, food and the purchase of vehicles contributed materially to the sharp rise in prices. The rate of increase in food prices accelerated appreciably in the course of 1972, mainly owing to severe cold spells during the winter and drought conditions in summer which affected prices of fruit, vegetables and meat. From December 1971 to December 1972 vegetable prices, for example, increased by 23,7 per cent and those of meat by 17,3 per cent. In total, the rise in food prices accounted for 2,0 percentage points of the 7,4 per cent increase in consumer prices.

Housing costs contributed 1,7 percentage points of the 7,4 per cent rise in consumer prices so that food and housing costs together accounted for half the rise in the consumer price index. House and flat rent, home-owner costs and servants' wages are the main components of housing costs.

Another factor which cannot be identified in the consumer price index, but which obviously contributed to the rise in consumer prices is the increase in the prices of imported goods due to the devaluation of the rand and the change in other exchange rates, as well as the high rate of world inflation which continuously increases the cost of imported goods. It is estimated that this factor accounted for roughly about 2 percentage points of the 7,4 per cent rise in consumer prices during 1972. In total 5,7 percentage points of the 7,4 per cent rise in consumer prices can, therefore, roughly be accounted for by the three factors mentioned leaving only 1,7 per cent to the influence of rises in all other prices.

The important contribution made by prices of imported goods and agricultural products to price rises is also clear from the accompanying table showing the increases in the different components of the wholesale price index. During January 1973 further sharp rises in the prices of imported goods and agricultural products contributed to a further accelera-

Wholesale prices

Percentage rates of change in seasonally adjusted indices

	Dec. 1971 to Dec. 1972	Average 1971- 1972
Goods produced in South Africa:	9,5	7,0
Agriculture, forestry and fishing	16,3	10,2
Manufacturing	7,9	6,1
Other	13,4	10,8
Imported goods	14,4	12,2
Total	10,6	8,1

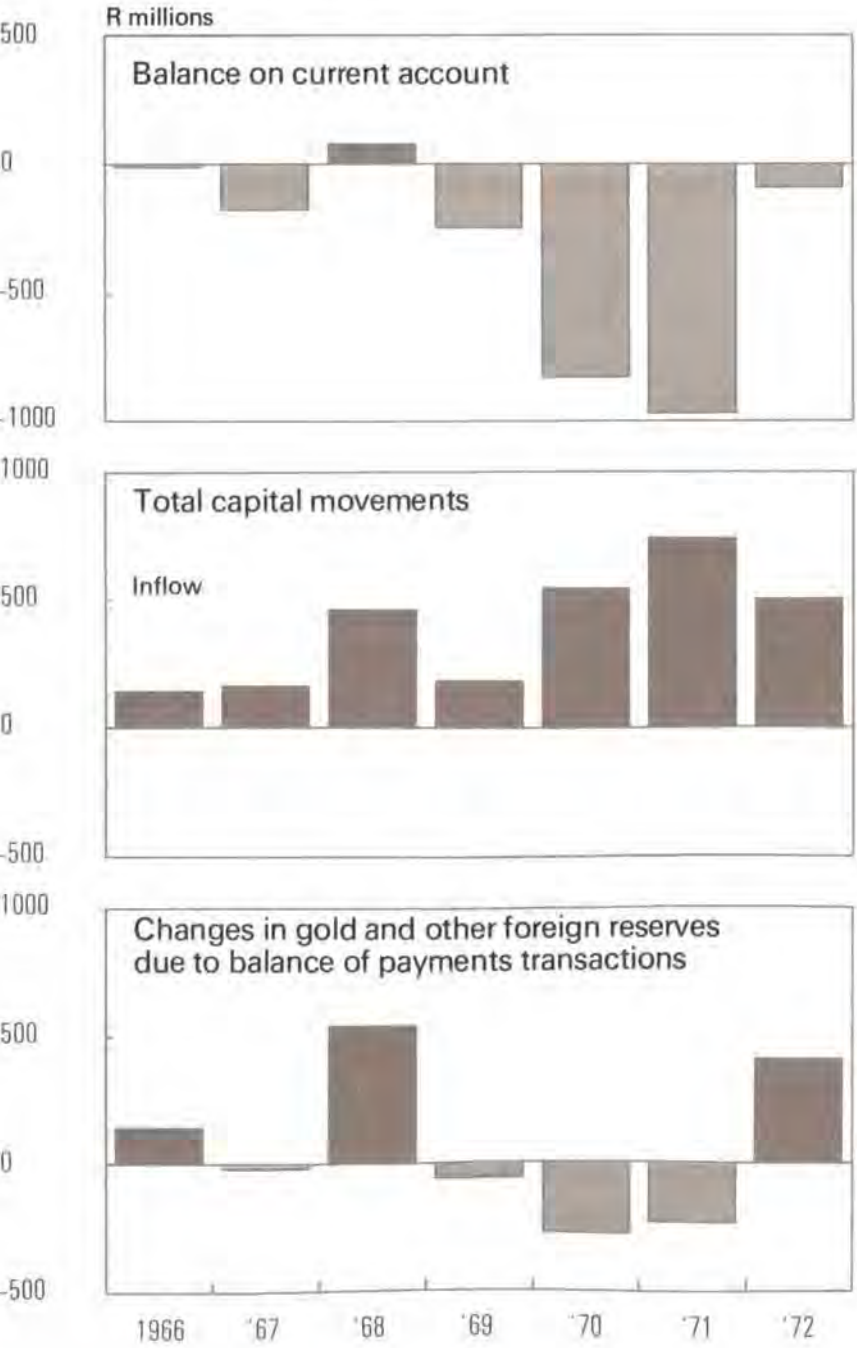
tion in the rate of increase in the wholesale price index.

Balance of payments

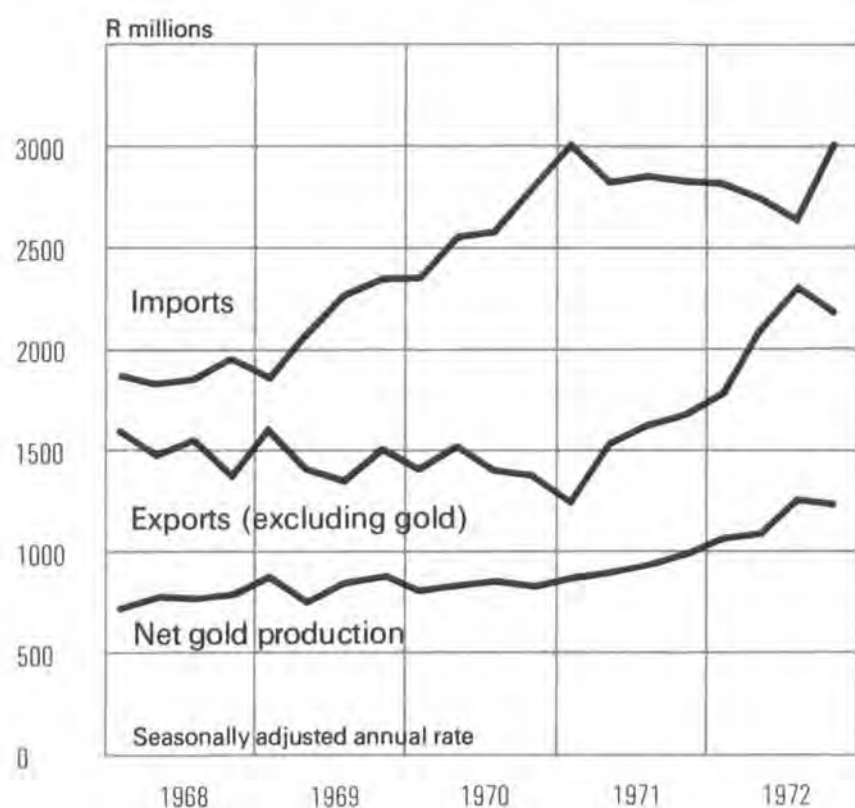
Marked improvement in balance of payments

One of the policy objectives for 1972 was to improve the balance of payments. This aim was achieved and the overall balance of payments deficits of R286

Balance of payments



Balance of payments current account



million in 1970 and R239 million in 1971 changed to a surplus of R405 million in 1972.

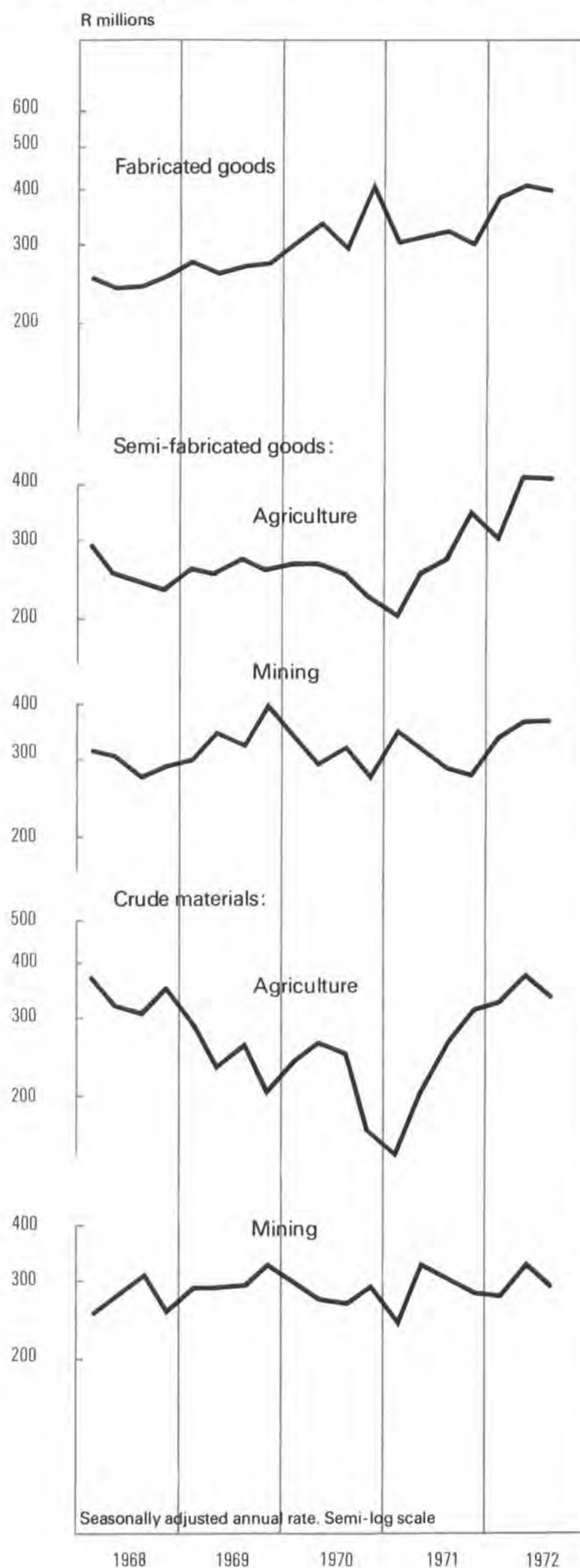
A considerable improvement in the current account was largely responsible for the improvement in the overall balance of payments during 1972. The record deficit of R976 million in 1971 was reduced to a deficit of only R97 million in 1972. This substantial improvement in the current account was the result of a sharp increase in merchandise exports and in the net gold output, and a slight decline in merchandise imports and net invisible payments to the rest of the world.

In contrast to a poor performance during the three preceding years, merchandise exports increased by no less than 36 per cent in 1972. Although favourable conditions on international commodity markets and the general realignment of exchange rates in December 1971 led to a substantial increase in the unit value of exports, a sharp increase in the volume of exports accounted for the major part of the exceptionally large rise in the value of exports. The value of most goods exported increased during 1972, but particularly sharp increases were recorded in the exports of diamonds, sugar, maize and wool. From a classification of exports

Percentage increase in volume and unit value of exports and imports

First ten months of	Exports (excluding gold)		Imports	
	Volume	Unit value	Volume	Unit value
1971	0,3	-5,6	12,9	2,7
1972	21,4	8,6	-17,1	17,0

Merchandise exports according to stage of manufacturing



according to stage of production for the first nine months of 1972, it is encouraging to note that sharp increases occurred in the exports of manufactured goods, raw materials and semi-manufactured goods originating in agriculture, whereas exported goods originating in mining, with the exception of diamonds, increased only moderately over the same period.

After merchandise imports had increased at a very rapid rate from 1968 to 1971, they declined by 2,5 per cent during 1972. This decline occurred notwithstanding a considerable increase in the prices of imported goods following the depreciation of the rand and the relatively high inflation rates experienced by most of South Africa's main trading partners. The decline in imports is, therefore, entirely attributable to a sharp decline in the volume of imports. Large decreases were recorded in the imports of mineral and chemical products, whereas the imports of basic metals and machinery and electrical equipment increased during the year. From a classification of imports according to stage of use it appears that the imports of consumer goods declined substantially during the first nine months of 1972, whereas the imports of capital and intermediate goods showed only a moderate declining tendency.

During 1972 the net gold output was no less than R1 162 million, i.e. an increase of 26 per cent, compared with 10 per cent during 1971. The increase in the net gold output was due to a sharp rise in the gold price on the private market and occurred notwithstanding a further decline in the physical volume of gold production. Net invisible payments to the rest of the world declined slightly during 1972, mainly because of a lower rate of increase in payments for services.

After improving for six consecutive quarters from a deficit, at a seasonally adjusted annual rate, of R1 505 million in the first quarter of 1971 to a surplus of R371 million in the third quarter of 1972, the balance on current account deteriorated in the fourth quarter and a deficit of about R300 million was recorded. This deterioration in the balance of payments on current account can partly be attributed to the irregular behaviour of imports as a result of the dock strikes in the United Kingdom. Imports were very low in September but increased substantially in October and November before declining slightly in December 1972. Exports also declined slightly during the fourth quarter.

Further large net inflow of capital

Although considerably smaller than the record net inflow of R737 million in 1971, a further relatively large net inflow of capital amounting to R502 million was recorded during 1972. As the accompanying table shows, the net capital inflow to both the private sector and the central government and banking sector was lower during 1972 than during 1971. In the case of the central government and banking sector, this was

Net inflow of capital, 1971 and 1972
R millions

	1971	1972
Private Sector:	540	418
Net foreign purchases on Johannesburg Stock Exchange	90	121
Long-term loans of public corporations and local authorities	134	190
Other long-term capital	77	178
Short-term capital, including errors and unrecorded transactions	239	-71
Central government and banking sector:	197	84
Long-term loans of central government	149	110
Other	48	-26
Total	737	502

due mainly to repayments of foreign loans, whereas the lower figure for the private sector was the result of a change from a substantial net inflow in 1971 to a net outflow in 1972 of short-term capital, including errors and unrecorded transactions. This change may be ascribed to factors such as rising interest rates abroad, the continued improvement in domestic capital market conditions and a declining trend in merchandise imports. Although the inflow of capital through the stock exchange was higher for 1972 than for 1971, no net inflow was recorded during the second half of 1972 following the introduction by the United Kingdom on 23rd June 1972 of exchange control restrictions on portfolio investments. Other long-term capital continued to show an increase.

Substantial increase in gold and other foreign reserves

The net result of the small deficit on current account and the large net capital inflow, was a substantial increase of R405 million in the gold and other foreign reserves due to balance of payments transactions. If the third allocation of special drawing rights and valuation adjustments are taken into account, total gold and other foreign reserves increased by R439 million during 1972, to reach a level of R1 090 million at the end of December, of which the Reserve Bank held R937 million.

Developments during January and February 1973

During the first two months of 1973 the gold and other foreign reserves of the Reserve Bank increased by a further R62 million to a level of nearly R1 000 million at the end of February and thereafter it rose further by R75 million to R1 074 million on 16 March 1973. According to monthly trade figures of the Department of Customs and Excise the trade balance showed a deterioration during the first two months of the year, mainly owing to a sharp rise in merchandise imports. After reaching a relatively low figure of only R2 633 million in December, merchandise imports at a seasonally adjusted annual rate increased to R3 214

million in January and to R3 420 million in February. Merchandise exports continued to increase slightly during the first two months of the year.

In the international monetary sphere the beginning of 1973 was characterised by a lack of faith in the U.S. dollar. Consequently the U.S. government on 12th February announced the devaluation of the dollar by 10 per cent. In view of the high level of the gold and other foreign reserves, the South African Government decided to maintain the present parity rate of the rand in terms of gold. Towards the end of February the dollar again came under pressure and exchange markets were closed from 2 to 19 March 1973. From 19 March six of the EEC countries floated their currencies against the dollar and the South African Government again decided to keep the parity of the rand unchanged in terms of gold and to continue to quote exchange rates in dollars.

Monetary and banking situation

Substantial increase in money and near-money

The quantity of money and near-money increased at a much higher rate during 1972 than during the preceding two years, namely by nearly 14 per cent, as against approximately 5½ and 7 per cent during 1970 and 1971, respectively. In absolute figures, the increase of R586 million during 1972 was twice as large as the increase registered during 1971.

As the accompanying table shows, the largest quarterly increase in money and near-money was recorded during the third quarter of 1972. The decline in the rate of increase during the fourth quarter mainly reflected a much lower rise in the net gold and other foreign reserves. During January 1973 the quantity of money and near-money continued to increase at approximately the same rate as during the fourth quarter of 1972.

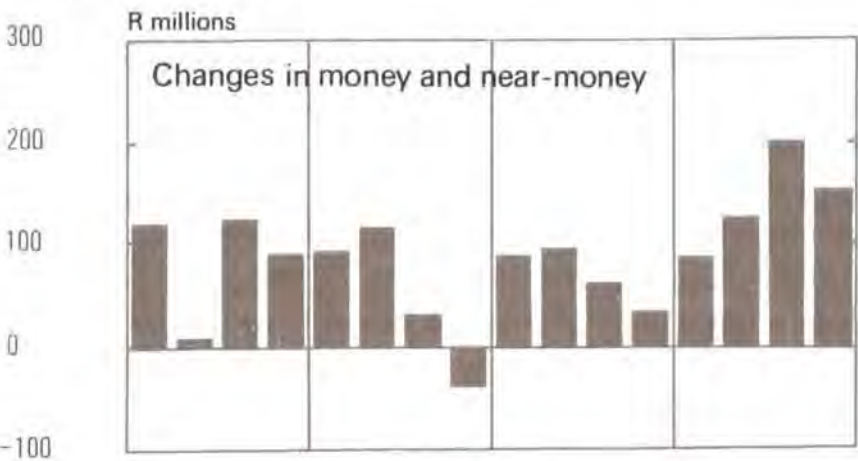
Increases in money and near-money

Seasonally adjusted annual rates

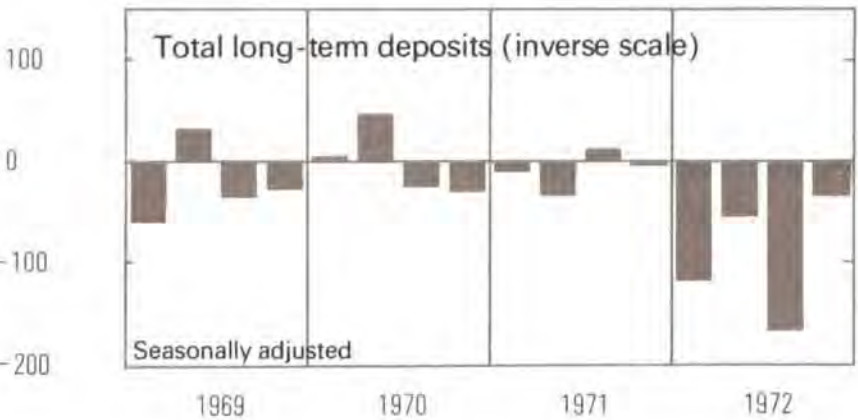
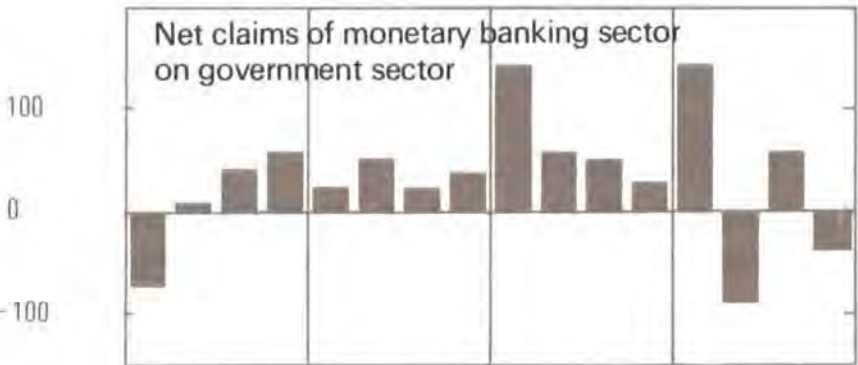
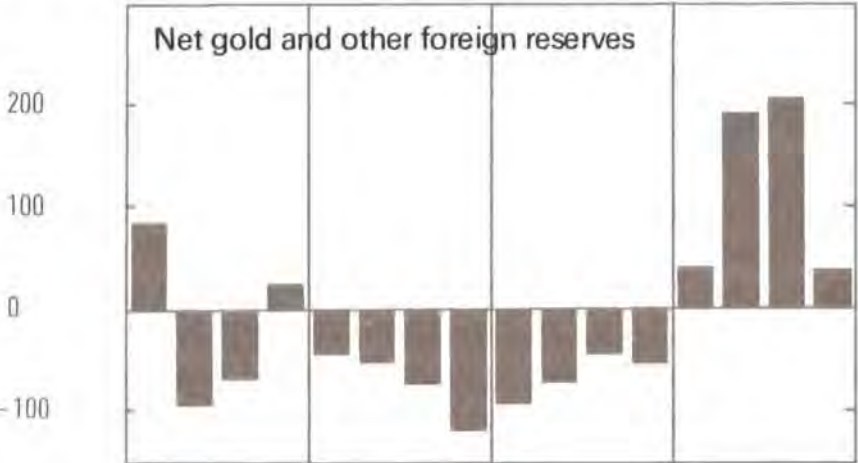
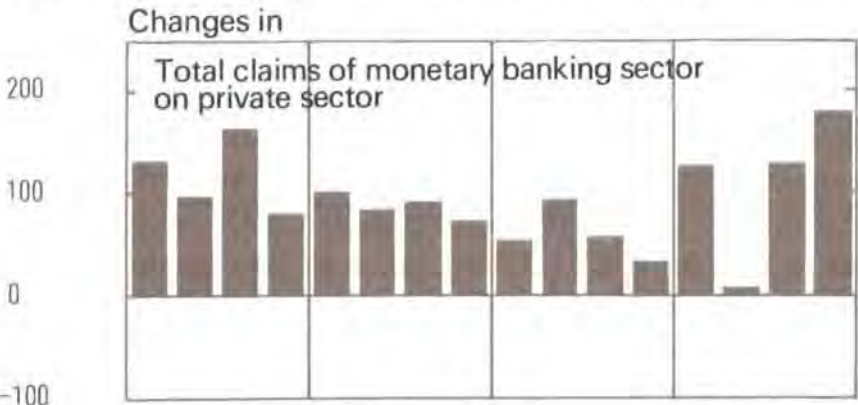
	%
1972—1st quarter	8,5
—2nd quarter	12,0
—3rd quarter	18,4
—4th quarter	13,2

When the increase in domestic prices is taken into account, the rise in the money and near-money supply during 1972 was not unduly large. This is apparent from the fact that the seasonally adjusted ratio of money and near-money to the gross domestic product at current market prices, although increasing slightly during the fourth quarter of 1972, actually declined from 29,4 per cent in the fourth quarter of 1971 to 28,7 per cent in the fourth quarter of 1972. In addition, the present level of this ratio still appears to be significantly below its longer-term trend.

Monetary analysis



Causes of changes in money and near-money



Causes of changes in money and near-money

The sharp increase in money and near-money during 1972 was caused mainly by the very substantial increase in the net gold and other foreign reserves, accompanied by a moderate increase in net claims of the monetary banking sector on the government and a relatively large increase in bank credit to the private sector. The positive effect on the money and near-money supply of these causal factors was, however, to a large extent offset by a rise in long-term deposits. The latter increased by a record amount of R375 million, or 47 per cent during 1972.

The increase in the net foreign reserves of the banking sector amounted to R464 million during the year, of which no less than R357 million was registered during the second and third quarters. The resulting increase in the availability of funds also contributed to improved facilities for government borrowing from non-banking sources. Thus, whereas banking sector claims on the government during 1972 increased by as much as R337 million, government deposits rose by R251 million (their first annual increase since 1968), indicating an increase in net bank credit to the government of less than R90 million during the year. Allowing for seasonal factors, net bank credit to the government decreased during the fourth quarter of 1972.

Bank credit to the private sector increased by R449 million, or 11,6 per cent, during the year. Probably reflecting partly the raising in September and abolition in November 1972 of the credit ceilings, as much as R388 million of this increase was recorded during the five months' period from August to December 1972. By far the larger part of the latter rise was, in turn, accounted for by increased discounts and advances of commercial banks and monetary hire-purchase and general banks. Contrary to developments during 1971, cash credits by the Land Bank showed very little change during the year.

Excess bank liquidity

The average excess liquid asset ratio of commercial banks, merchant banks and monetary hire-purchase and general banks was markedly higher during 1972 than during the preceding two years, amounting to 4,9 per cent as against 3,4 per cent during 1971. The 1972 ratio incorporates the effects of the revised

definition of liquid assets and related amendments to the Banks Act that have been in force since 1st November 1972. The excess liquidity ratios as calculated on the new basis rose markedly during December and then declined again in January 1973, partly reflecting normal seasonal tendencies.

Money market situation and interest rates

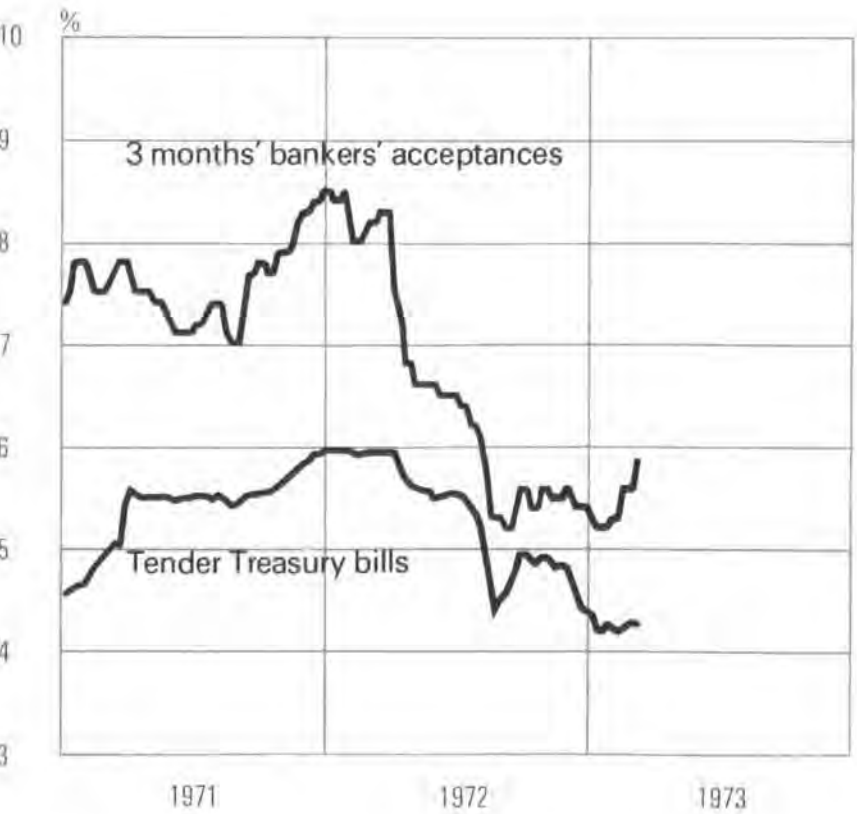
The sharp and sustained rise in the net gold and other foreign reserves in 1972 also contributed to an easing of money market conditions and a decline in short-term interest rates during the year. The Treasury bill tender rate on balance declined from 5,96 per cent at the end of 1971 to 5,20 per cent immediately preceding, and 4,78 per cent immediately after, the cut in Bank rate from 6½ to 6 per cent on 10 August. After a temporary rise during September, the rate continued to decrease fairly steadily during the fourth quarter of 1972 and early 1973 to a low point of 4,20 per cent on 9 February 1973. Similarly, the more volatile rates on 3 months' bankers' acceptances and 90-day NCDs declined from between 8½ and 8¾ per cent at the end of 1971 to below 6 per cent after the reduction of the Bank rate and to just over 5 per cent in middle January 1973. From the latter half of January 1973 money market conditions tightened considerably as a result of the seasonal flow of funds to the Treasury.

Following the reduction of Bank rate in August, the commercial banks' minimum and prime lending rates were reduced from 8½ to 8 and from 9 to 8½ per cent, respectively. Bank deposit interest rates also declined

Excess liquid asset ratios

	Com- mercial banks	Merchant banks	Other monetary banks	Total
	%	%	%	%
Annual average 1972	5,2	4,3	4,3	4,9
January 1973	4,9	3,2	4,6	4,7

Short-term interest rates



somewhat from the levels prevailing at the time of the imposition of interest rate control at the end of March 1972. Thus, in January 1973 commercial bank rates on notice deposits of up to 91 days were quoted at up to 5,5 per cent; the rate on 6 months' fixed deposits at 6¼ per cent; and the rate on 12-months' deposits at 7 per cent.

Government finance

Revenue and expenditure

As the accompanying table shows, public authorities, i.e. the central, provincial and local levels of government together, not only succeeded during 1972 in reducing substantially the rate of increase in their total expenditure on final goods and services, but also changed the composition of their total expenditure in such a manner that priority was given to capital outlays on infrastructural development at the expense of capital expenditure on non-infrastructural projects and consumption expenditure. Thus, during 1972 consumption expenditure rose at less than a quarter of the rate of increase during 1971, non-infrastructural capital outlays showed a small increase, as against a rise of 20 per cent in 1971, whereas the rate of increase in capital outlays on the different infrastructural developments increased or remained high.

Percentage change in expenditure by public authorities

	1971	1972
Consumption expenditure	17	4
Fixed capital investment:		
Infrastructural development:		
South African Railways	56	48
Post Office and other communication services	49	23
Other	18	25
Total	33	33
Non-infrastructural development	20	4
Total expenditure	22	14

Available data on revenue received during the first nine months of the current fiscal year on the Exchequer Account alone, suggests that current revenue may be higher than expected in the 1972/73 Budget. This is particularly noticeable in respect of income tax receipts and it would appear, therefore, that the overall deficit (excluding borrowing) may be well below the level anticipated by the Minister, provided that total expenditure does not deviate significantly from the original Budget estimates.

Sound financing of Exchequer Account deficit

During the calendar year 1972, the deficit on the Exchequer Account was not only about R100 million lower than in 1971, but the way in which the Treasury

Exchequer finance

R millions

	Years ended 31 December	
	1971	1972
Total deficit (excluding borrowing)	-845	-747
Financing:		
Change in net indebtedness to:		
Foreign sector	132	92
Private non-bank sector:		
Loan levies	117	80
Other	145	467
Total	261	548
Public Debt Commissioners	122	49
Sub-total	515	689
Monetary banking sector	330	57
Total financing	845	747

was able to finance the shortfall was also much more sound. The accompanying table shows that substantially less was borrowed from the banking sector, the reliance on foreign borrowing was reduced significantly while at the same time local borrowing from private non-banking sources was increased markedly, mainly as a result of the favourable response to government stock issues.

The favourable development in Exchequer finance continued after December 1972 when Exchequer deposits rose further and enabled the Treasury to transfer substantial amounts to the Stabilization Account. Moreover, statistics already available for government finance for the first nine months of the current fiscal year, indicate favourable financing operations for the 1972/73 fiscal year as a whole. For the fiscal year as a whole the Exchequer will probably borrow less from abroad and from the banking sector and significantly more from the private non-banking sector. Indeed, up to the end of February 1973 subscriptions to new stock issues by the private non-banking sector already exceeded the budgeted figure of R180 million by R59 million.

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Building societies

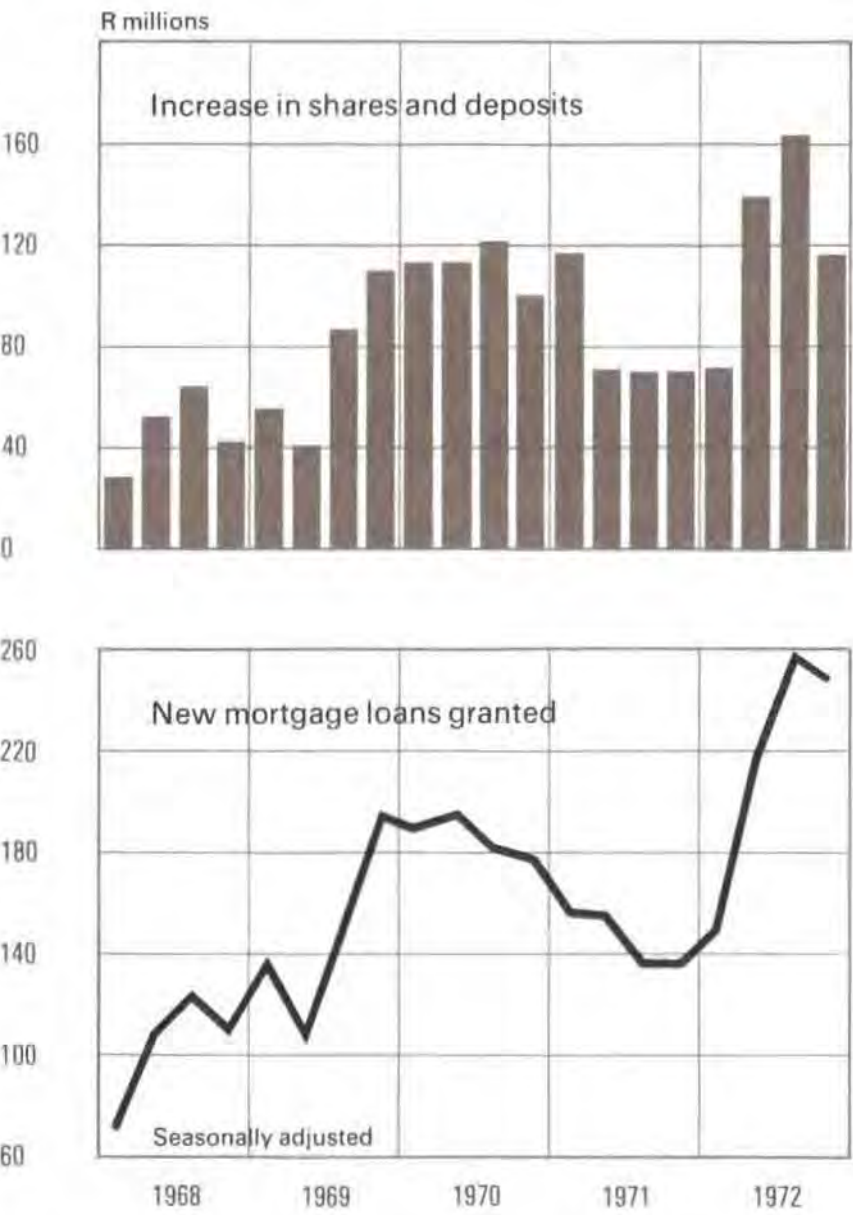
Building societies experienced a record year in 1972, both in respect of the inflow of funds and advances granted, as shown in the accompanying table.

Building societies

	Net inflow of funds		Increases in outstanding advances and loans		New advances granted
	R	%	R	%	R
	millions	increase*	millions	increase*	millions
1970	451	18,5	375	18,0	740
1971	329	11,4	342	13,9	583
1972	493	15,3	371	13,3	871
1971: 4th qtr	66		71		142
1972: 1st qtr	78		64		145
2nd qtr	111		74		208
3rd qtr	192		105		262
4th qtr	112		128		256

*In relation to previous year-end total.

Building societies



The large inflow of funds to building societies amounting to nearly R500 million occurred despite the reduction announced on 18 August 1972 in the societies' borrowing rates. The societies also decided on 1 February 1973 to reduce the current mortgage rate on dwelling houses by $\frac{1}{4}$ per cent to $8\frac{3}{4}$ per cent.

Capital market

Conditions in the capital market improved considerably further during 1972. The yield on long-term government stock was consequently reduced in two stages from $8\frac{1}{2}$ to $8\frac{1}{4}$ per cent in August and to $8\frac{1}{8}$ per cent in September 1972. The market for fixed interest securities eased to such an extent that rates quoted for semi-gilt-edged securities declined by about 1 per cent to 8,4 per cent towards the end of the year. This reduced the gap between the yields of gilt-edged and semi-gilt-edged securities to a very narrow margin, namely approximately $\frac{1}{4}$ per cent compared with an average yield gap of 0,65 per cent during the past decade.

The share market also improved further during 1972 and both activity and share prices on the Johannesburg Stock Exchange rose substantially. A price increase of 55 per cent was recorded in the composite price index for all classes of shares. Dividend yields on non-mining shares declined further to an overall average of 3,8 per cent at the end of December 1972, with the result that the inverse yield gap between this yield and that on long-term government stock widened by more than 1 per cent to 4,3 per cent.

Statements regarding par value of the rand

Issued by the Honourable the Minister of Finance, Dr. N. Diederichs

13 February 1973

The Government has noted the statement by Mr. George Schultz, Secretary to the Treasury of the United States of America, that the U.S.A. dollar will be devalued by 10 per cent and that the Japanese yen will be allowed to float, further, that the parity of the West German mark and French franc will remain unchanged and that it is expected that the British pound, the Canadian dollar, and the Swiss franc will continue to float.

The Government has considered the position of the South African rand in the light of these developments and has decided, after the usual consultation with the other members of the Rand Currency Area, to maintain the parity of the rand unchanged.

From tomorrow, 14th February, 1973, the South African Reserve Bank will again be prepared to enter into purchase and sales transactions in U.S.A. dollars at the new rates which will be announced tomorrow morning.

A more detailed statement on the implications of this decision will be issued later during the day. (See statement below)

13 February 1973

The Smithsonian Agreement of the 21st December, 1971 resulted in a general realignment of exchange rates—the United States of America, inter alia, devalued the dollar by 7,89 per cent and South Africa the rand by 12,28 per cent.

The British pound was allowed to float in late June last year and South Africa decided for good reasons to leave the rand linked to the pound. Gradually, however, it became clear that the declining levels of the pound sterling could no longer be reconciled with the improved position of the rand and it was, consequently, decided on the 24th October, 1972, to allow the rand to return to a new fixed parity, approximately 4 per cent above the level of floating at that stage, but 4,202 per cent lower than the December 1971 parity level.

The recurrent deficits on the American balance of trade and payments and especially the recent announcement of a particularly large deficit for the year 1972 as a whole, gave rise to large speculative capital movements and placed the dollar under heavy pressure.

Consequently, after emergency meetings with the most important trading nations during the weekend, the American Government decided to devalue the U.S.A. dollar by 10 per cent. The Japanese yen will be allowed to float, the par values of the German mark and French franc will remain unchanged, while it is expected that the British pound, the Canadian dollar and the Swiss franc will continue to float.

The Cabinet thoroughly reviewed the position of the South African rand this morning and decided, after

the normal consultations with Botswana, Lesotho and Swaziland—the other three members of our Rand Monetary Area—to maintain the present par value of the rand. The reasons for this decision are to be found in the fact that South Africa is maintaining a particularly healthy balance of payments position and expectations are rosy indeed. In addition, the gold and other foreign reserves of the Reserve Bank have risen strongly and are still rising. Last Friday a level of nearly R1 000 million was reached while total reserves exceeded R1 100 million.

These facts, viewed in conjunction with the healthy economic expectations for 1973 and thereafter all pointed towards the maintenance by South Africa of the parity of the rand.

The decision not to change this parity will have a number of important consequences. In the first instance, our imports from the U.S.A. as well as from other countries also devaluing will become cheaper, and this will make an important contribution towards combating the price rises of imported goods and, consequently, the general rate of inflation. Japanese goods, however, may perhaps become somewhat more expensive.

On the export side the rand proceeds of our dollar exports will be lower.

As far as the gold mining industry is concerned, though the official dollar price of gold will increase from \$38 to \$42,22, the official rand price will nevertheless remain unchanged at R29,75 per fine ounce. Since the private market price is expressed in dollars, the rand proceeds per fine ounce of sales will, however, be lower than previously (i.e. to the extent that this is not neutralized by a further rise in the price on the private market). The relatively high and firm private market price has in any case already benefited our gold mining industry appreciably.

With respect to South Africa's foreign loan commitments, the decision implies that loans expressed in U.S.A. dollars will henceforth require fewer rand to effect interest and redemption payments and our dollar debts are correspondingly reduced.

I would like to emphasize the point here that South Africa's decision was taken from a position of strength. In fact, the U.S.A. dollar has devalued more than the rand since December 1971. Furthermore, recent events have once again focussed attention on the undisputed central role which gold, realistically priced, must play in future international monetary discussions and decisions.

I trust that the new and more acceptable level of the U.S.A. dollar will not now create a calmer atmosphere later in the year in which prudent decisions regarding the solution of international monetary problems may be taken.

18 March 1973

During the past few weeks the international monetary situation has once again been characterized by large speculative capital movements and far-reaching changes in exchange rates. The decision of February 12 to devalue the United States dollar by 10 per cent in terms of gold and to permit the Japanese yen to float upward, proved insufficient to calm the speculation and restore confidence. Under pressure of new speculative capital movements the main exchange markets had to remain closed for more than two whole weeks from the 2nd March while the EEC countries and other members of the Group of Ten held protracted discussions on possible solutions to the crisis.

Following the announcement made last Friday by the Ministers of Finance of this group of countries, it is now known what was finally decided upon. In the main it amounts to the fact that, after an initial revaluation of the German mark by 3 per cent, the EEC countries with the exception of the United Kingdom, Ireland and Italy, will continue to keep their currencies interlinked within narrow margins and float jointly against the U.S.A. dollar. For the time being the pound sterling and the Italian lira will continue to float independently. The Japanese yen, the Swiss franc and the Canadian dollar will also continue with their separate floats.

In the present uncertain climate it is not yet clear how all the floating currencies and particularly the linked EEC-currencies will perform in the exchange markets. From the announcement last Friday, however, it seems clear that all the participating countries consider the exchange rates which were recently established as more or less correct, and as a consequence they do not expect any major changes in this regard in the foreseeable future. The main purpose of the new joint float is, therefore, to protect these exchange rates against speculation rather than to try to find completely new levels. For this reason it has been agreed that the countries concerned will on their own initiative contribute to the stabilisation of the situation by intervening in their foreign exchange markets, and that the United States itself will, with the aid of drawings in terms of extensive "swap" arrangements, assist in supporting the dollar in the foreign exchange markets.

In the light of all these developments the South African authorities once again had to reconsider thoroughly the position of the rand. After careful consideration, and after the usual consultation with Botswana, Lesotho and Swaziland, *it has been decided to maintain the existing par value of the rand in terms of gold. The Reserve Bank will also, as from tomorrow, Monday 19th March 1973, be prepared again to enter into purchase and sales transactions in U.S.A. dollars at the same rates as those quoted prior to the suspension of its currency transactions on the 2nd March.*

Thanks to South Africa's particularly favourable

balance of payments position and prospects to which the Government's exchange rate policy of 1971 and 1972 made an important contribution, the rand is at present in a strong position. The financial and general economic climate, too, continues to be conducive to faster growth, and increasing proof exists that a business upturn is already being experienced.

Clearly in these circumstances a devaluation of the rand in terms of gold as a deliberate instrument of economic policy is out of the question. On the other hand, a further significant appreciation of the external value of the rand will also not be desirable at this stage. The decision of the Government not to follow the dollar devaluation of 12th February, resulted in an effective appreciation of the rand of about 11 per cent in terms of dollars, about 7 per cent in terms of sterling and on the average about 4 per cent against all foreign currencies. If one takes into account the substantial improvement in our balance of payments and reserves position and the necessity to curb inflation, this is a welcome result. Given the present international exchange rate situation, a further significant appreciation of the rand soon after this recent one, however, could exert a detrimental influence on both the current and the capital accounts of the balance of payments. It would also not contribute to the promotion of exports and sound import replacement and consequently also not to the attainment of a faster rate of real growth. It could impair the competitive ability of our industries on the domestic market as well as in foreign markets and would result in a reduction or in a smaller rise in the rand earnings of numerous exporters of minerals and agricultural products as well as of the gold mines. In addition it would affect government revenue adversely and would make the general financial climate less conducive to growth.

The decision to maintain the existing gold parity and official dollar rates of exchange naturally does not ensure that the rand will not experience some depreciation or appreciation, on the average, in terms of other currencies. Should the EEC currencies which will be floating jointly show a significant upward movement as against the dollar, an average depreciation of the rand will probably take place. As mentioned before, however, the present indications are that the jointly floating EEC currencies will appreciate only moderately, if at all, and that any average depreciation that the rand may in consequence experience, will thus be relatively small. Of course much depends also on the behaviour of sterling and whether it will at some later stage join the common float or not. A further sterling depreciation, for example, may counteract any average depreciation of the rand or may even convert it into a small appreciation.

Developments in this field will thus receive the constant attention of the authorities. Should the new EEC monetary arrangements become more permanently entrenched and be extended to all members, it

may be desirable at some later stage to associate the rand more closely with the EEC bloc. And if in the meantime the jointly floating currencies of the EEC should appreciate more than is generally expected at present, the authorities can always decide to adjust the dollar buying and selling rates of the Reserve Bank so as to bring about a further appreciation of the rand compared with the dollar and sterling. For the present, however, the existing exchange rate policy will continue to be applied.

It is clear that no permanent solution to the present international monetary problems has thus far been found. The statement issued in Paris last Friday confirms that the new arrangements will be of a temporary nature and that the task of the Committee of Twenty Governors of the International Monetary Fund to investigate the reform of the international monetary system has now become more urgent than ever before.

This process of reform will not be satisfactorily completed until clarity has been reached as to the monetary role of gold. It is ironical that the most recent fluctuations in the private market price of gold are regarded in certain circles as a sign of gold's instability as a monetary asset. In fact, these fluctuations are, in the main, a reflection of the present instability of currencies. If gold is not allowed to fulfil its rightful function in the international monetary system, no lasting stability can be achieved in this field.

Kwartaallikse ekonomiese oorsig

Algemene opmerkings

Een van die beleidsdoelstellings vir 1972 was om die betalingsbalans te verbeter ten einde die beperkende uitwerking op ekonomiese groei van 'n groot algehele tekort soos wat gedurende 1970 en 1971 aangeteken is, uit die weg te ruim. Hierdie doelstelling is bereik deur 'n gepaste wisselkoersbeleid en monetêre en fiskale beleidsmaatreëls aangehelp deur gunstige ontwikkelings op die internasionale kommoditeitsmarkte, 'n skerp styging in die prys van goud op die private mark en 'n goeie landbouseisoen in Suid-Afrika. Nadat in 1970 en 1971 totale betalingsbalanstekorte van onderskeidelik R286 miljoen en R239 miljoen ondervind is, is in 1972 'n oorskot van R405 miljoen aangeteken. Die totale oorskot in 1972 het bestaan uit 'n kapitaalinvloeiing van R502 miljoen en 'n klein tekort op die lopende rekening van R97 miljoen. Hierdie klein tekort op die lopende rekening het 'n dramatiese verbetering vanaf 'n tekort van bykans R1 000 miljoen in 1971 verteenwoordig. Dit is ook verblydend dat hierdie verbetering in die lopende rekening nie alleen toe te skryf was aan 'n aansienlike toename in die netto goudproduksie nie, maar ook aan 'n merkbare toename in sowel die volume as die waarde van goedere-uitvoere. Die waarde van invoere het slegs 'n geringe daling getoon hoewel die volume skerp afgeneem het. Hierdie ommekeer in die betalingsbalans het gelei tot 'n feitlike verdubbeling van die goud- en ander buitelandse reserwes vanaf hul lae peil van R570 miljoen wat aan die einde van November 1971 bereik is, tot bykans R1 100 miljoen aan die einde van Desember 1972. Die verbetering in die betalingsbalans gedurende 1972 het die regering in staat gestel om op 25 Oktober 1972 'n nuwe pariteitskoers vir die rand vas te stel op 'n peil wat 4 persent hoër was as die markwisselkoers waartoe die rand ná Junie 1972 saam met sterling afwaarts gesweef het. Boonop het die regering, toe die dollar op 12 Februarie 1973 met 10 persent gedevalueer is en sterling verder teenoor die rand gedeprimeer het, besluit om die pariteit van die rand in terme van goud te behou. Teen dié einde van Februarie het die dollar weer onder druk gekom en is die valutamarkte vanaf 2 tot 19 Maart 1973 gesluit. Vanaf 19 Maart het die geldeenhede van ses van die EEG lande gesamentlik teen die dollar gesweef en die Suid-Afrikaanse Regering het weer eens besluit om die pariteitswaarde van die rand in terme van goud onveranderd te laat en om aan te hou om wisselkoerse in terme van dollars te kwoteer.

Op die binnelandse front was die verskillende maatreëls wat getref is om ekonomiese groei te stimuleer en inflasie te bekamp nie onmiddellik so suksesvol as die maatreëls om die betalingsbalans te verbeter nie. Die ekonomiese groeikoers vir 1972 as geheel was nog

teleurstellend laag en terselfdertyd was die koers van inflasie hoog volgens Suid-Afrikaanse standaarde. As die gunstige verandering in Suid-Afrika se ruilvoet egter in berekening gebring word, is 'n hoër reële groeikoers van ongeveer 4 persent gedurende die afgelope jaar behaal. 'n Verblydende kenmerk van die toename in die bruto binnelandse produk gedurende 1972 was dat die grootste bydrae gemaak is deur winste van sake-ondernemings, terwyl salarisse en lone in 1972 baie minder as in 1971 gestyg het. Die matige styging in salarisse en lone het derhalwe uitvoerders en ander ondernemings in staat gestel om voordeel te trek uit die wisselkoersverandering wat sedert 1971 plaasgevind het. Alhoewel die groeikoers in 1972 volgens Suid-Afrikaanse standaarde laag was, toon verskeie maandelikse en kwartaallikse ekonomiese aanwysers egter tekens van 'n matige oplewing aan die einde van die jaar. Dit kan moontlik dui op 'n meer besliste oplewing in ekonomiese bedrywigheid in die loop van 1973.

'n Ander kenmerk van ekonomiese ontwikkelings gedurende 1972 was die verandering in die samestelling van binnelandse vraag, soos weerspieël in die gedrag van die verskillende komponente van binnelandse besteding. Die laer groeikoers van die binnelandse vraag is hoofsaaklik weerspieël in 'n ommekeer in die neiging van voorraadinvestering vanaf 'n aansienlike opbouing oor 3 jaar tot 'n intering gedurende 1972, 'n merkbare vermindering in die koers van toename in owerheidsverbruiksbesteding en nie-infrastrukturele kapitaalbesteding, en min verandering in vaste investering deur die private sektor. Die koers van toename in private verbruiksbesteding teen heersende pryse het verder toegeneem maar in reële terme is 'n laer koers van toename aangeteken, terwyl vaste investering deur die openbare korporasies en openbare owerhede vir infrastrukturele ontwikkeling vinnig gestyg het.

Met betrekking tot die hoër koers van prysstygings gedurende 1972 is dit belangrik om duidelikheid te kry aangaande die oorsake van die huidige inflasie. Met 'n laer koers van toename in vraag en met arbeids- en kapitaalbronne meer vryelik beskikbaar, is die inflasie in 1972 nie veroorsaak deur oormatige vraag soos wat wel gedurende die tydperk vanaf 1969 tot 1971 en vanaf 1964 tot 1966 die geval was nie. Aangesien die verhouding van die voorraad geld en kwasi-geld tot die bruto binnelandse produk gedurende die afgelope twee jare ook betreklik laag was, kan ook die monetêre toestand as 'n bydraende faktor buite rekening gelaat word. Salarisse en lone het gedurende 1972 eweneens teen 'n baie laer koers gestyg as gedurende vorige jare. Uit 'n ontleding van die verbruikersprysindeks wil dit voorkom asof die skerp styging in voedselpryse en die pryse van behuisings-

dienste baie tot die styging in die indeks gedurende 1972 bygedra het. Boonop het die skerp styging in die pryse van ingevoerde goedere 'n aansienlike bydrae tot die vinnige styging in groothandelspryse gemaak. Bykomstig tot hierdie poste wat in die prys-indekse geïdentifiseer kan word, het verskeie ander faktore wat nie maklik gekwantifiseer kan word nie, ook in 1972 tot die styging in pryse bygedra. Dit sluit byvoorbeeld in die nalatenskap van die vorige oorskotvraag en inflasie, wat veral weerspieël is in opwaartse aanpassings in staatsgeadministreerde pryse, en algemene inflasionistiese verwagtings.

In die finansiële markte het betreklik ruim toestande gedurende die grootste deel van 1972 voortgeduur. Die banke se oorskot likwiede bates, en gevolglik ook hulle vermoë om meer krediet te verleen, het verder toegeneem. Die geldmarktoestande het verruim en korttermynrentekoerse het aansienlik gedaal; langtermynrentekoerse het egter slegs matig gedaal. Beleggings teen 'n vaste rentekoers was nog steeds gewild by beleggers en die effektebeurs het lewendig gebly. Die finansiële klimaat het derhalwe meer bevorderlik vir 'n oplewing in reële ekonomiese bedrywigheid geword. Hierdie finansiële klimaat sal die verskillende ekspansionistiese maatreëls wat alreeds in die ekonomie aan die werk is om hoër ekonomiese groei te bevorder, aanhelp.

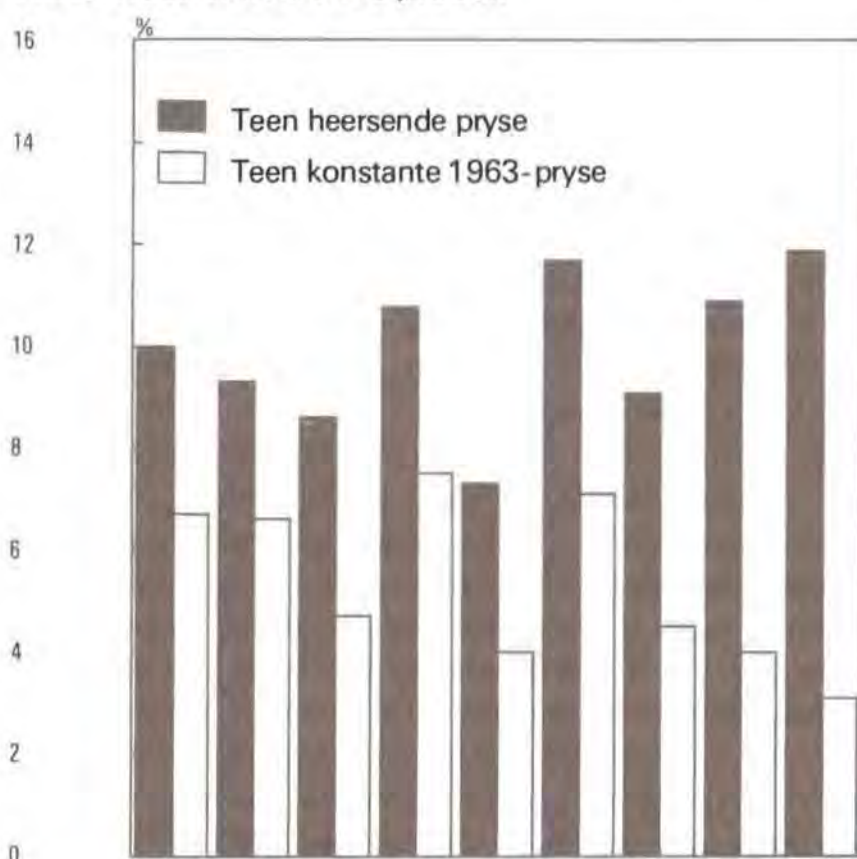
Nasionale rekeninge

Bruto binnelandse produk

Die bruto binnelandse produk teen heersende markpryse het in 1972 met ongeveer 12 persent toegeneem vergeleke met 'n styging van 11 persent gedurende 1971. Teen konstante pryse het die koers van toename in die bruto binnelandse produk egter afgeeneem vanaf omtrent 4 persent in 1971 tot ongeveer 3 persent in 1972. 'n Ontleding van hierdie lae totale groeikoers toon dat nieteenstaande relatief gunstige klimaatstoestande, die volume van landbouproduksie met slegs ongeveer 4 persent gestyg het terwyl mynbouproduksie in werklikheid teen omtrent dieselfde koers gedaal het, sodat die primêre sektore gesamentlik bykans geen bydrae tot die groeikoers gemaak het nie. Die aktiwiteit in die konstruksiebedryf het ook effens afgeneem, terwyl die volume van fabrieksproduksie met slegs 2,9 persent gestyg het.

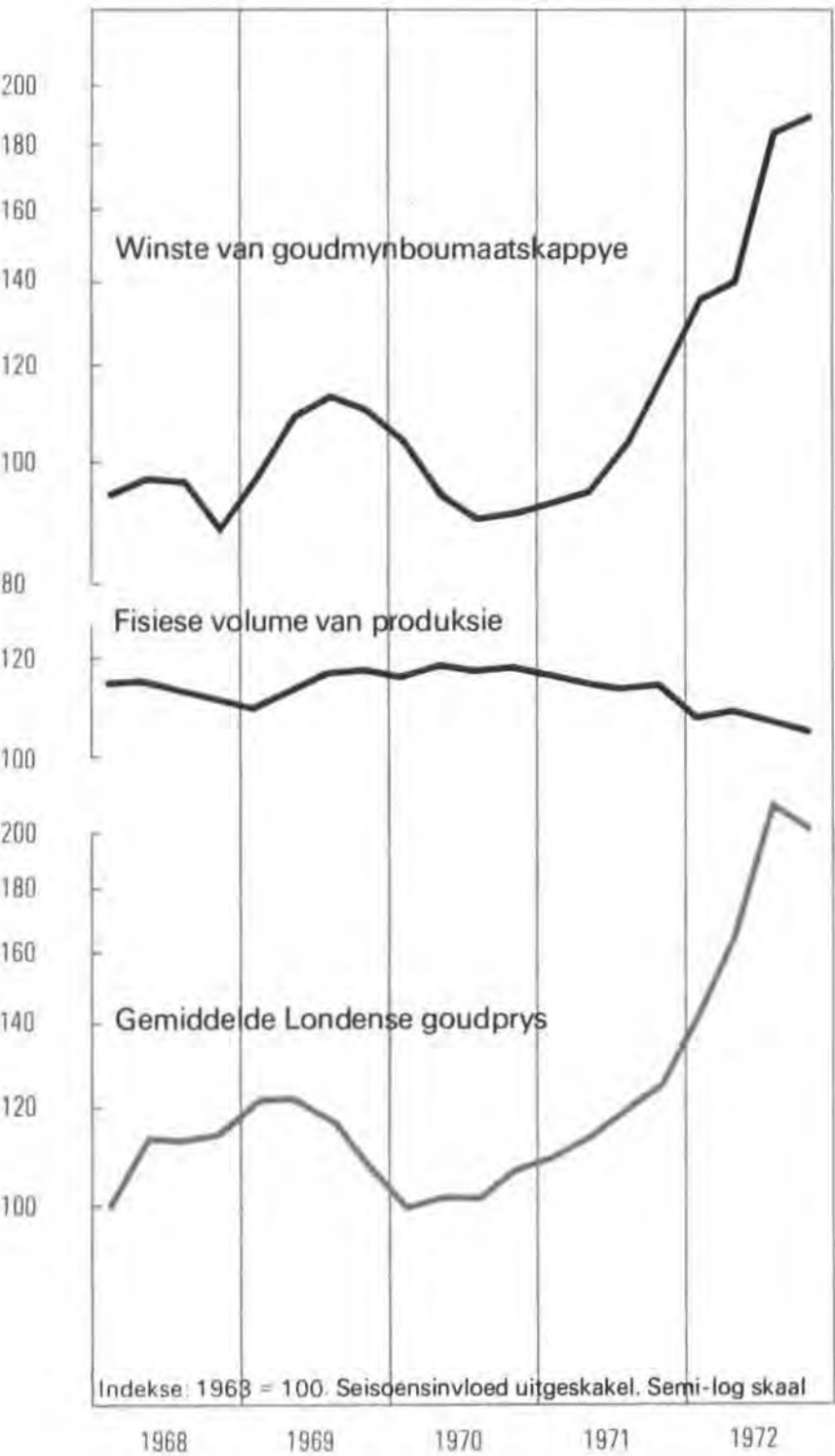
Alhoewel 'n styging van 3 persent in die bruto binnelandse produk relatief laag vir Suid-Afrika is, moet in ag geneem word dat die volume van die goudproduksie met 7 persent gedaal het en dus wesenlik tot die afname in die groeikoers volgens hierdie maatstaf van binnelandse aktiwiteit bygedra het. Die afname in die volume van die goudproduksie in kilogram beteken egter nie dat toestande in die goudmynbedryf verswak het nie. Die goudmynmaatskappye het intendeel so baie by die styging in die prys van goud op die private mark gebaat dat hul winste aansienlik gestyg het en

Gemiddelde jaarlikse persentasieverandering in die bruto binnelandse produk



hierdie bykomende inkomste het op sigself tot die ekonomiese welvaart van die land bygedra. Dit is derhalwe belangrik om daarop te let dat die groei in die bruto binnelandse produk teen konstante pryse slegs 'n maatstaf van *binnelandse ekonomiese aktiwiteit* is en *nie* van die ekonomiese *welvaart* van Suid-Afrikaners nie. Om die ekonomiese welvaart van 'n land te bepaal moet veranderinge in die ruilvoet ook in aanmerking geneem word. Indien uitvoerpryse vinniger as invoerpryse styg, kan 'n groter volume ingevoerde goedere vir 'n gegewe volume uitvoere verhandel word en dit sal meewerk om die lewenstandaard van die inwoners van die betrokke land te verhoog. In 1972 het die ruilvoet in Suid-Afrika se guns verander aangesien die hoër pryse wat oorsee vir goud en ander uitvoerprodukte behaal is, die toename in die pryse van ingevoerde goedere oortref het. As die bruto *binnelandse* produk vir veranderinge in die ruilvoet aangesuiwer word, word in 1972 derhalwe 'n hoër groeikoers vir die

Goudmynbou



bruto nasionale produk as vir die bruto binnelandse produk waargeneem. In plaas van 'n groeikoers van 3 persent in die reële bruto binnelandse produk het die reële bruto nasionale produk in werklikheid 'n groeikoers van ongeveer 4 persent getoon.

Die skerp styging in uitvoerpryse gedurende 1972 het ook bygedra tot die hoë koers van toename in 1972 in die pryselement wat in die binnelandse produk vervat is. Hoofsaaklik om hierdie rede was die bruto binnelandse produk deflator 2 persentasiepunte hoër as die toename van 6½ persent in die gemiddelde vlak van die verbruikersprysindeks tussen 1971 en 1972.

'n Verdere ontleding van die styging in die bruto binnelandse produk toon dat die grootste bydrae tot die toename van 12 persent deur 'n toename in die winste van sake-ondernemings gemaak is, terwyl die vergoeding van werknemers in 1972 'n baie kleiner koers

van toename as in 1971 getoon het. Nie slegs het die winste van mynboumaatskappye en die landbousektor gestyg as gevolg van hoër pryse wat vir hulle produkte betaal is nie, maar die winste van vervaardigingsmaatskappye het gestyg hoofsaaklik weens 'n intering op voorrade en 'n matige toename in produksie. Die bedryfsurplus van al die ander sektore van die ekonomie het slegs matige toenames getoon.

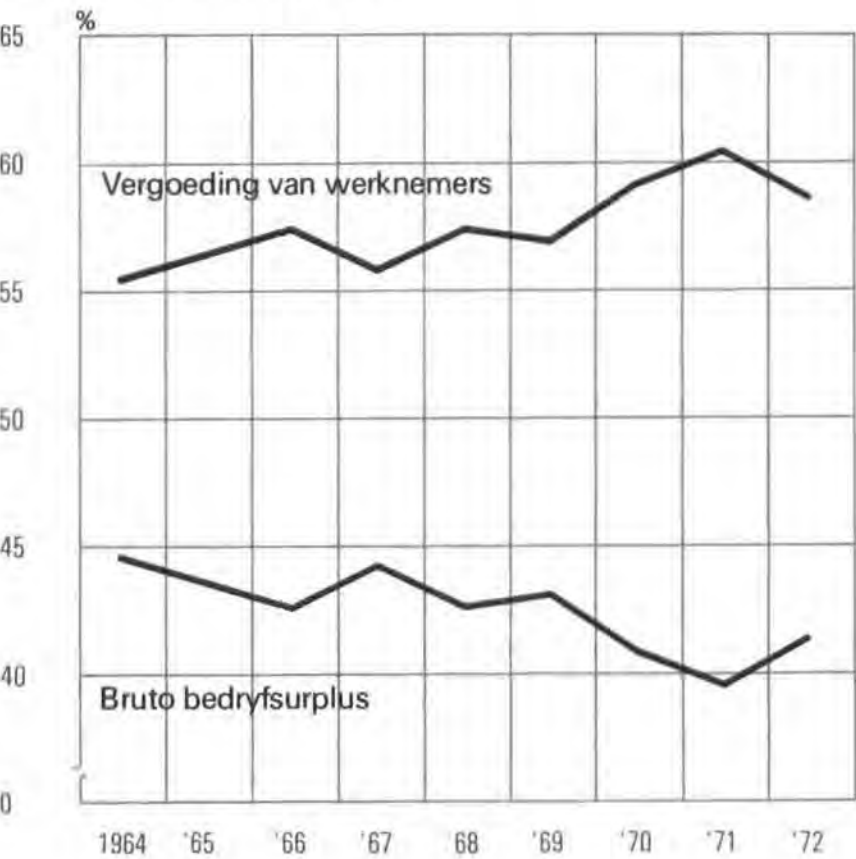
Alhoewel die totale ekonomiese groeikoers vir 1972 as geheel teleurstellend laag was, toon kwartaalramings dat 'n sekere mate van versnelling in die uitbreiding van die reële ekonomiese bedrywigheid in die nie-landbousektore van die volkshuishouding in die vierde kwartaal van 1972 voorgekom het. Dit is ook verblydend dat die fabriekswesesektor tot hierdie versnelling bygedra het.

Laer koers van toename in binnelandse vraag

Die totale binnelandse vraag, soos gemeet deur die bruto binnelandse besteding, het gedurende 1972 slegs 'n klein styging getoon teenoor baie groter toenames gedurende die voorafgaande jare. Met die fabriekswesesektor wat op 'n vlak benede volle besetting geproduseer het en met arbeids- en kapitaal hulpbronne wat meer vryelik beskikbaar was, was daar gevolglik gedurende 1972 geen sprake van oormatige vraag, soos in vorige jare die geval was nie.

Een van die hoofredes vir die vermindering in die koers van toename in besteding was die ommekeer in die neiging van voorraadinvestering vanaf 'n aansienlike opbouing oor drie jaar tot 'n merkbare intering gedurende 1972. Terwyl daar in 1971 nog 'n opbouing

Jaarlikse persentasieverdeling van bruto binnelandse produk



van voorrade ten bedrae van R389 miljoen aangeteken is, het 'n intering van R346 miljoen in 1972 voorgekom. Dit het voorrade tot op 'n baie lae peil in verhouding tot die bruto binnelandse produk gebring. In werklikheid het nie-landbouvoorrade as 'n persentasie van die ooreenstemmende bruto binnelandse produk in die vierde kwartaal van 1972 tot ongeveer 34 persent gedaal—die laagste vlak sedert Wêreldoorlog II. Die voorradesiklus het derhalwe gedurende die afgelope paar jare 'n belangrike invloed op veranderings in binnelandse vraag en saketoestande gehad.

Ander komponente van besteding wat tot die vermindering in die koers van toename in binnelandse vraag bygedra het, was 'n baie kleiner toename in owerheidsverbruiksbesteding, 'n daling in die koers van toename in die kapitaalbesteding deur openbare owerhede op nie-infrastrukturele ontwikkeling, en die lae peil van vaste investering van die private sektor. Soos die bygaande tabel toon, was sommige van hierdie afnames heeltemal dramatiese.

Uit die tabel is dit ook duidelik dat vaste investering deur openbare korporasies (hoofsaaklik Yskor en Evkom) en infrastrukturele ontwikkeling deur openbare owerhede (hoofsaaklik die Suid-Afrikaanse Spoorweë,

Persentasieverandering in die vernaamste komponente van bruto binnelandse besteding

	1971	1972
Private verbruiksbesteding	10½	11
Owerheidsverbruiksbesteding	19	4
Vaste investering deur openbare owerhede:		
Infrastrukturele ontwikkeling	33	33
Nie-infrastrukturele ontwikkeling	20	4
Vaste investering deur openbare korporasies	5½	32
Vaste investering deur die private sektor	15	—

die Poskantoor en die Departement van Waterwese) die enigste komponente van besteding was wat wesenlik tot die hoër binnelandse vraag bygedra het. Private verbruiksbesteding het ook in 1972 vinniger as in 1971 gestyg, maar hierdie versnelling is in 'n groot mate aan die hoër koers van toename in verbruikerspryse toe te skryf. Teen konstante pryse het private verbruiksbesteding min verandering getoon.

Aansienlike styging in bruto binnelandse besparing

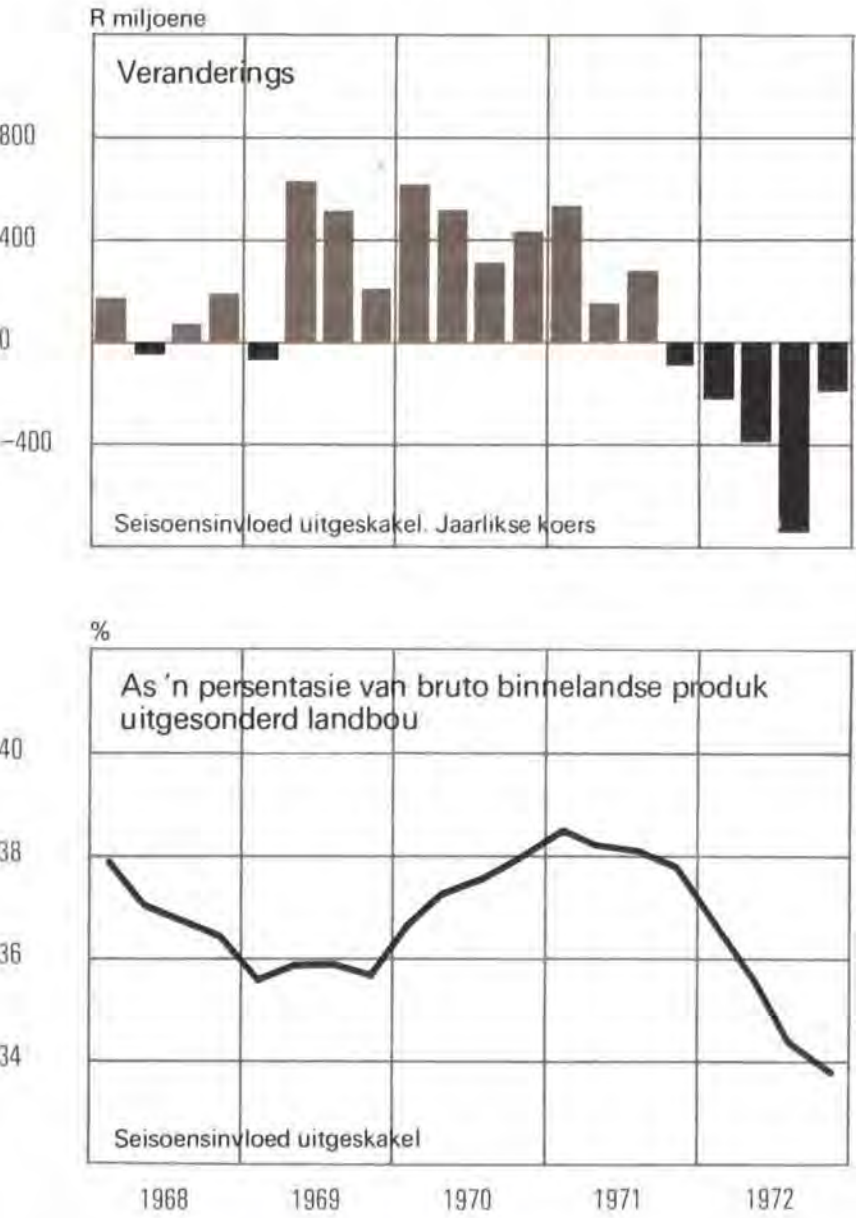
Maatskappybesparing en die lopende surplus van die algemene owerheid het gedurende 1972 aansienlike bydraes tot die styging in die bruto binnelandse besparing gemaak. Die styging in maatskappybesparing het hoofsaaklik voortgespruit uit groter onuitgekeerde winste van die mynbousektor. Terselfdertyd het die opmerkbare toename in die winste van mynmaatskappye, in besonder goudmynmaatskappye, tot 'n aansienlike toename in die regering se belastingontvangste en derhalwe tot 'n hoër lopende surplus gelei.

Die netto gevolg van die aansienlike toename in totale besparing was dat die besparingsverhouding (d.w.s. bruto binnelandse besparing as 'n persentasie van bruto binnelandse produk) in 1972 tot bykans 24 persent gestyg het vergeleke met 'n jaarlikse gemiddelde van 22¾ persent gedurende die vorige drie jaar.

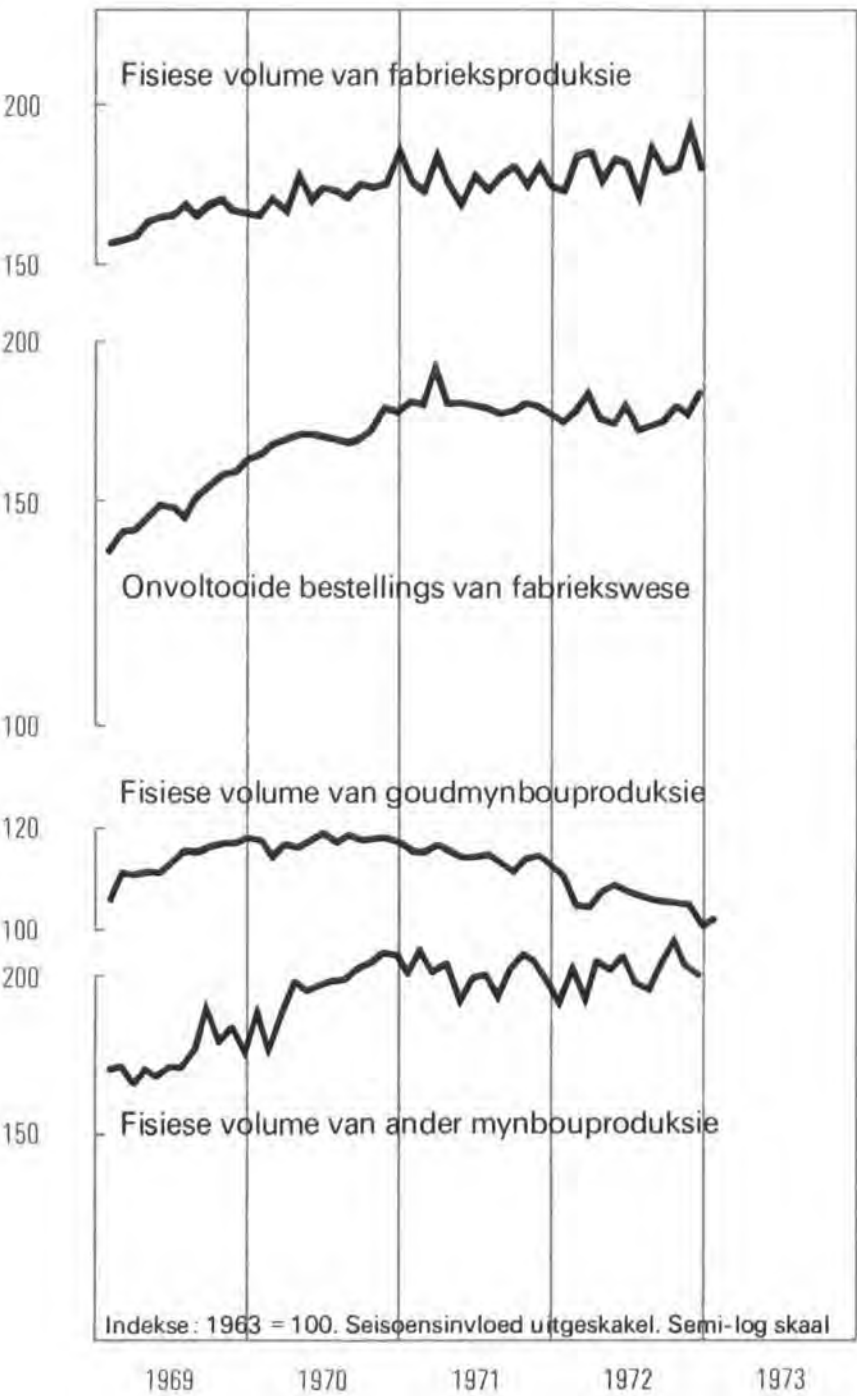
Produksie, handel en werkgeleentheid

'n Nadere beskouing van die veranderings in die maandelikse syfers van produksie gedurende die loop van 1972 as aanduiding van die mees onlangse neigings, teenoor die gemiddelde indekse van 1972 vergeleke met die gemiddelde indekse van 1971 (wat die toename vanaf 1971 na 1972 weergee) toon 'n oplewing in die produksie van die fabriekswese sowel as die mynbou, uitgesonderd goud, in die loop van 1972. In die geval van fabriekswese was die oplewing eers teen die einde van 1972 merkbaar, terwyl mynbouproduksie, uitgesonderd goud, regdeur 1972 deurgaans 'n matige maar voortgesette opwaartse neiging getoon het. Goudmynbouproduksie het egter voortgegaan om onafgebroke gedurende 1972 te daal. Aangesien laergraadse erts ook gedurende 1972 ontgin is, het die tonnemaat erts gemaal aansienlik minder afgeneem as die kilogram goud geproduseer. Bedrywigheid in die konstruksiebedryf, soos weerspieël in die aantal ure

Totale voorrade uitgesonderd landbouvoorrade



Produksie



gewerk, het ook vanaf ongeveer Maart 1972 toegeneem.

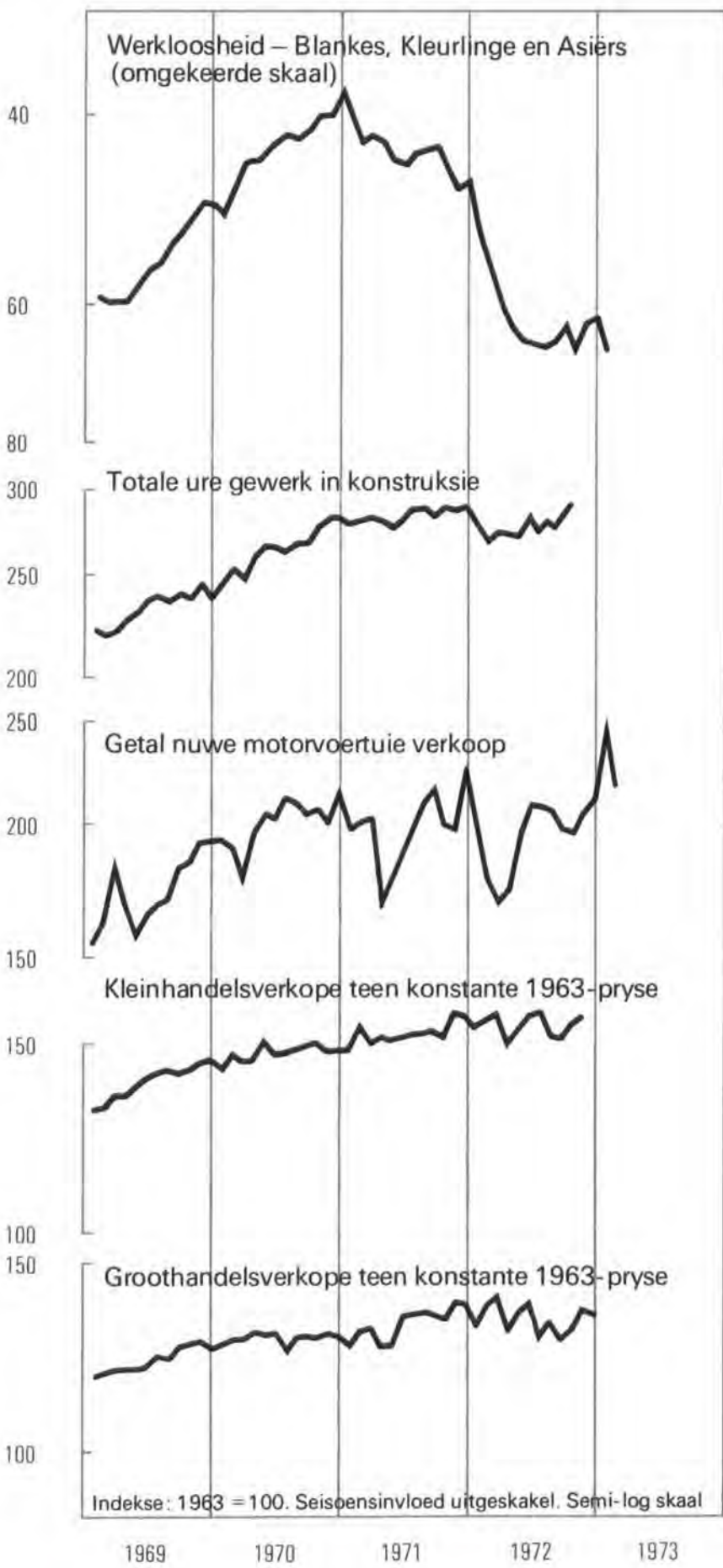
In die geval van die handel het die indekse van klein- en groothandelsverkope teen konstante pryse, gedurende die eerste elf maande van 1972 egter 'n afwaartse neiging getoon, terwyl albei teen heersende pryse toegeneem het. Die aantal motorvoertuie verkoop het gedurende die laaste twee maande van 1972 en die eerste twee maande van 1973 skerp toegeneem.

Die arbeidsposisie het ook gedurende 1972 verander. Vanaf ongeveer die middel van 1972 is die opwaartse neiging in die aantal geregistreerde werklose Blankes, Kleurlinge en Asiërs gestuit toe die indeks afgeplat het. Teen die einde van 1972 het die aantal werkloses in werklikheid afgeneem.

Pryse

Verbruikerspryse het gedurende 1972 en Januarie 1973 teen 'n buitengewoon hoë koers gestyg, veral gedurende die derde kwartaal van 1972. Aangesien

Algemene ekonomiese aanwysers



die koers van toename in verbruikerspryse gedurende 1972 merkbaar van kwartaal tot kwartaal geskommel het, was die gemiddelde van die indeks vir 1972 slegs $6\frac{1}{2}$ persent hoër as die gemiddelde vir 1971, terwyl die verandering vanaf Desember 1971 tot Desember 1972 7,4 persent was. Gedurende Januarie en Februarie 1973 het die koers van toename in verbruikerspryse verder versnel, hoofsaaklik as gevolg van nog 'n skerp styging in voedselpryse.

Verbruikerspryse

Persentasiekoerse van verandering in seisoens-aangesuiwerde indekse

	Des. 1971 tot Des. 1972	Gemiddelde 1971-1972
Dienste:	7,6	6,8
Behuising	7,9	7,0
Ander	7,1	6,5
Goedere:	7,3	6,3
Voedsel	8,4	7,1
Meublement en toerusting	5,8	5,7
Klerasie en skoeisel	5,7	5,1
Aankoop van voertuie	9,1	7,5
Ander	6,1	5,5
Totaal	7,4	6,5

Uit die koers van verandering van die belangrikste poste van die verbruikersprysindeks, aangegee in die bygaande tabel, is dit duidelik dat die pryse van dienste, voedsel, en aankoop van voertuie, wesenlik tot die skerp styging in pryse bygedra het. Die koers van toename in voedselpryse het gedurende 1972 aanmerklik versnel, hoofsaaklik as gevolg van tydperke van strawwe koue gedurende die winter en droogtetoestande in die somer, wat die pryse van vrugte, groente en vleis beïnvloed het. Vanaf Desember 1971 tot Desember 1972 het die pryse van groente, byvoorbeeld, met 23,7 persent, en dié van vleis met 17,3 persent, toegenem. In totaal het die styging in voedselpryse 2,0 persentasiepunte tot die toename van 7,4 persent in verbruikerspryse bygedra.

Behuisingskoste het 1,7 persentasiepunte tot die styging van 7,4 persent in verbruikerspryse bygedra, sodat voedselpryse en behuisingskoste gesamentlik vir die helfte van die styging in die verbruikersprysindeks verantwoordelik was. Huis- en woonstelhuur, huiseienaarskoste en bediendelone is die hoofkomponente van behuisingskoste.

'n Verdere faktor wat nie in die verbruikersprysindeks geïdentifiseer kan word nie, maar wat klaarblyklik tot die styging in verbruikerspryse bygedra het, is die styging in die pryse van ingevoerde goedere as gevolg van die devaluasie van die rand en die veranderinge in ander wisselkoerse, asook die hoë koers van wêreldinflasie wat aanhoudend die koste van ingevoerde goedere verhoog. Dit word beraam dat hierdie faktor vir omstreeks 2 persentasiepunte van die styging van 7,4 persent in verbruikerspryse gedurende 1972 verantwoordelik was. In geheel kan 5,7 persentasiepunte van die styging in verbruikerspryse van 7,4 persent gevolglik by benadering aan genoemde drie faktore toegeskryf word, wat slegs 1,7 persent oorlaat vir die styging in alle ander pryse.

Die belangrike bydrae wat pryse van ingevoerde en landbouprodukte tot prysstygings gemaak het, is ook duidelik uit die bygaande tabel wat die stygings in die verskillende komponente van die groothandelsprysin-

Groothandelspryse

Persentasiekoerse van verandering in seisoens-aangesuiwerde indekse

	Des. 1971 tot Des. 1972	Gemiddeld 1971-1972
Goedere geproduseer in Suid-Afrika:	9,5	7,0
Landbou, bosbou en vissery	16,3	10,2
Fabriekswese	7,9	6,1
Ander	13,4	10,8
Ingevoerde goedere	14,4	12,2
Totaal	10,6	8,1

deks aantoon. Gedurende Januarie 1973 het verdere skerp stygings in die pryse van ingevoerde goedere en landbouprodukte tot 'n verdere versnelling in die koers van toename van die groothandelsprysindeks bygedra.

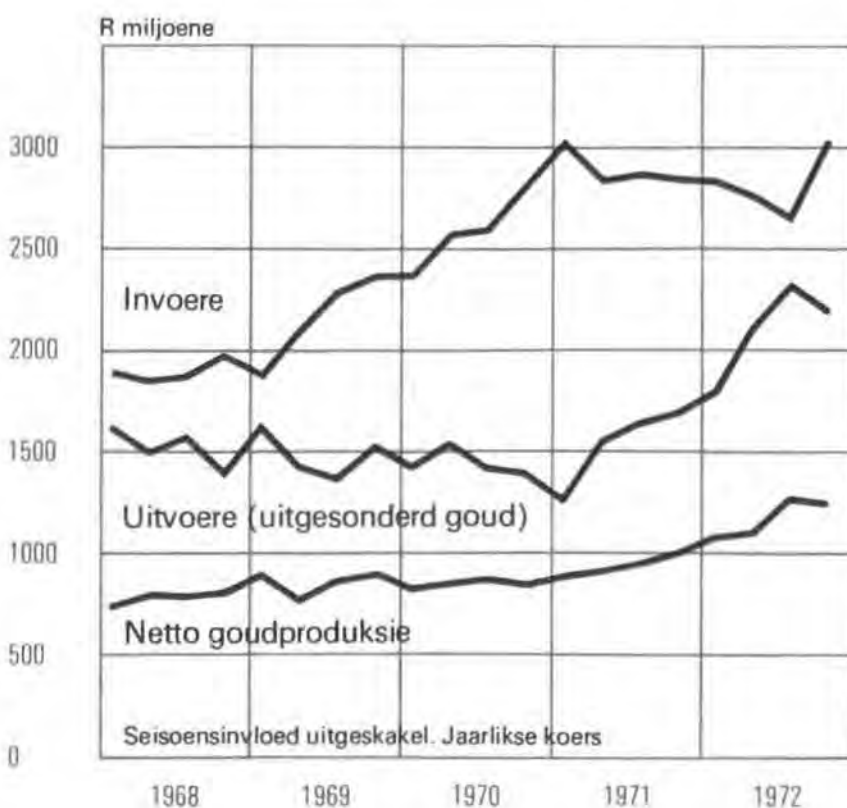
Betalingsbalans

Opmerklike verbetering in die betalingsbalans

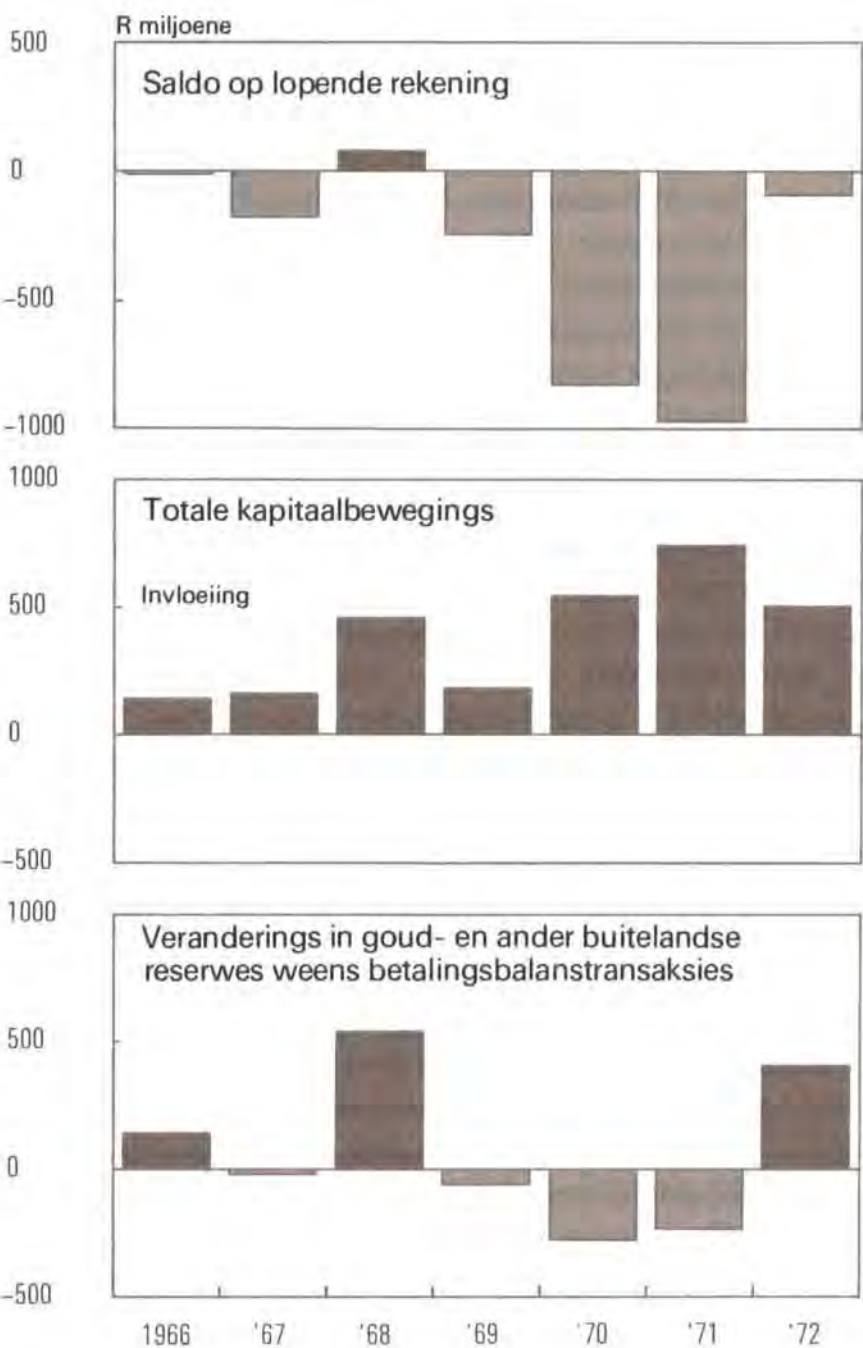
Een van die beleidsdoelstellings vir 1972 was om die betalingsbalans te verbeter. Hierdie oogmerk is bereik en die totale betalingsbalanstekorte van R286 miljoen in 1970 en R239 miljoen in 1971 het verander na 'n oorskot van R405 miljoen in 1972.

'n Aansienlike verbetering in die lopende rekening was grotendeels vir die verbetering in die totale betalingsbalans gedurende 1972 verantwoordelik. Die rekord tekort van R976 miljoen in 1971 is verminder tot 'n tekort van slegs R97 miljoen in 1972. Hierdie aansienlike verbetering in die lopende rekening was die

Lopende rekening van die betalingsbalans



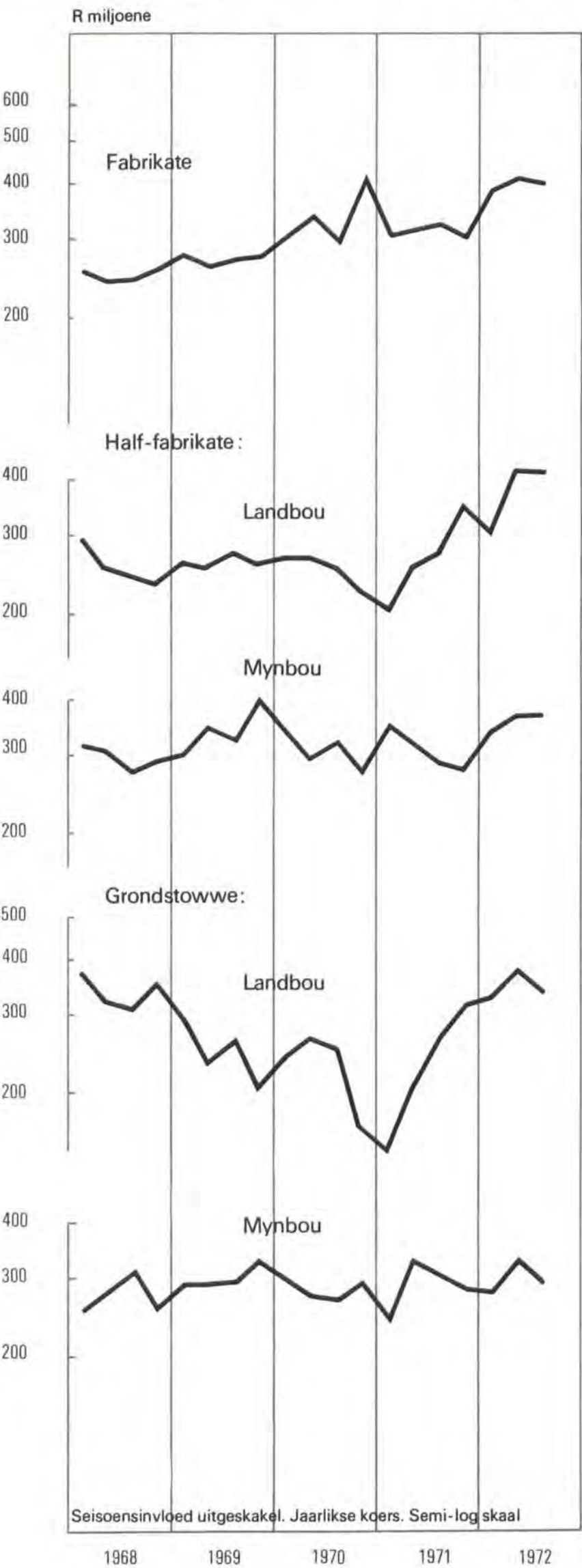
Betalingsbalans



resultaat van 'n skerp toename in goedere-uitvoere en in die netto goudproduksie, en 'n geringe afname in goedere-invoere en netto onsigbare betalings aan die res van die wêreld.

In teenstelling met 'n swak vertoning van goedere-uitvoere gedurende die voorafgaande drie jare, het dit in 1972 met nie minder nie as 36 persent toegeneem. Alhoewel gunstige toestande op internasionale kommoditeitsmarkte en die algemene herskikking van wisselkoerse in Desember 1971 tot 'n aansienlike toename in die eenheidswaarde van uitvoere gelei het, was 'n skerp toename in die volume van uitvoere vir die grootste gedeelte van die buitengewone groot styging in die waarde van uitvoere verantwoordelik. Die waarde van die meeste uitvoergoedere het gedurende 1972 toegeneem maar skerp toenames is veral aangeteken in die uitvoer van diamante, suiker, mielies en wol. Uit 'n klassifikasie van uitvoere volgens stadium van produksie vir die eerste nege maande van 1972 is dit ook bemoedigend om op te merk dat skerp stygings in die uitvoer van vervaardigde goedere, grondstowwe en

Goedere-uitvoere volgens stadium van vervaardiging



halfvervaardigde goedere van landbou-oorsprong voorgekom het terwyl uitgevoerde goedere van mynbou-oorsprong, met die uitsondering van diamante, oor dieselfde tydperk slegs matig toegeneem het.

Persentasietoename in volume en eenheidswaarde van invoere en uitvoere

Eerste 10 maande van:	Uitvoere (uitgesonderd goud)		Invoere	
	Volume	Eenheids- waarde	Volume	Eenheids- waarde
1971	0,3	-5,6	12,9	2,7
1972	21,4	8,6	-17,1	17,0

Nadat goedere-invoere vanaf 1968 tot 1971 teen 'n baie vinnige koers toegeneem het, het dit gedurende 1972 met 2,5 persent gedaal. Hierdie afname het plaasgevind ondanks 'n aansienlike toename in die pryse van Ingevoerde goedere vanweë die depresiasie van die rand en die betreklik hoë inflasiekoerse wat deur die meeste van Suid-Afrika se belangrikste handelsvennote ondervind is. Die afname in invoere is derhalwe geheel-en-al toe te skryf aan 'n skerp afname in die volume van invoere. Groot afnames in die invoere van minerale en chemiese produkte is aangeteken, terwyl die invoere van basiese metale en masjinerie en elektriese toerusting gedurende die jaar toegeneem het. Uit 'n klassifikasie van invoere volgens stadium van gebruik blyk dit dat die invoer van verbruikersgoedere gedurende die eerste nege maande van 1972 aansienlik gedaal het, terwyl die invoer van kapitaal- en inter-mediêre goedere slegs 'n matig dalende neiging getoon het.

Gedurende 1972 het die netto goudproduksie nie minder nie as R1162 miljoen bedra, d.w.s. 'n toename van 26 persent, vergeleke met 10 persent gedurende 1971. Die toename in die netto goudproduksie kan toegeskryf word aan 'n skerp styging in die goudprys op die private mark en het voorgekom niesteenstaande 'n verdere afname in die fisiese volume van die goudproduksie. Netto onsigbare betalings aan die res van die wêreld het gedurende 1972 effens afgeneem, hoofsaaklik vanweë 'n laer koers van toename in betalings vir dienste.

Nadat die saldo op lopende rekening vir ses opeenvolgende kwartale vanaf 'n tekort teen 'n seisoensaangesuiwerde jaarkoers van R1 505 miljoen gedurende die eerste kwartaal van 1971 tot 'n surplus van R371 miljoen gedurende die derde kwartaal van 1972 verbeter het, het dit gedurende die vierde kwartaal verswak en is 'n tekort van ongeveer R300 miljoen aangeteken. Hierdie verswakking in die saldo op lopende rekening kan hoofsaaklik aan die onreëlmatige verloop van invoere as gevolg van die dokstakings in die Verenigde Koninkryk toegeskryf word. Invoere was baie laag gedurende September, maar het gedurende Oktober en November aansienlik toegeneem voordat dit weer

gedurende Desember 1972 effens afgeneem het. Uitvoere het ook gedurende die vierde kwartaal effens afgeneem.

Verdere groot netto invloeiing van kapitaal

Alhoewel aansienlik kleiner as die rekord netto invloeiing van R737 miljoen gedurende 1971, is 'n verdere relatief groot netto invloeiing van kapitaal ten bedrae van R502 miljoen gedurende 1972 aangeteken. Soos die bygaande tabel aantoon, was die kapitaalinvloeiing na sowel die private sektor as die sentrale regering en banksektor gedurende 1972 laer as gedurende 1971. In die geval van die sentrale regering en banksektor was dit hoofsaaklik toe te skryf aan terugbetalings van buitelandse lenings, terwyl die laer syfer vir die private sektor die gevolg was van 'n verandering vanaf 'n aansienlike netto invloeiing in 1971 na 'n netto uitvloeiing in 1972 van korttermynkapitaal, insluitende foute en onaangetekende transaksies. Hierdie verandering kan toegeskryf word aan faktore soos stygende rentekoerse in die buiteland, die volgehoue verbetering van binne-landse kapitaalmarktoestande, en 'n dalende neiging in goedere-invoere. Alhoewel die invloeiing van kapitaal deur die effektebeurs in 1972 hoër was as in 1971, is geen invloeiing gedurende die tweede helfte van 1972 aangeteken nie ná die instelling van valutabeheerbeperkings op portefeuljebeleggings deur die Verenigde Koninkryk op 23 Junie 1972. Ander langtermynkapitaal het voortgegaan om 'n toename te wys.

Netto invloeiing van kapitaal, 1971 en 1972

R miljoene

	1971	1972
Private sektor	540	418
Netto buitelandse aankope op		
Johannesburgse Effektebeurs	90	121
Langtermynlenings van openbare		
korporasies en plaaslike owerhede	134	190
Ander langtermynkapitaal	77	178
Korttermynkapitaal insluitende foute en		
onaangetekende transaksies	239	-71
Sentrale regering en banksektor	197	84
Langtermynlenings van die sentrale		
regering	149	110
Ander	48	-26
Totaal	737	502

Aansienlike toename in goud- en ander buitelandse reserwes

Die netto resultaat van die klein tekort op lopende rekening en die groot netto kapitaalinvloeiing was 'n aansienlike toename van R405 miljoen in die goud- en ander buitelandse reserwes as gevolg van betalings-balanstransaksies. As die derde toekenning van spesiale trekkingsregte en waardasie-aansuiwerings in berekening gebring word, het die totale goud- en ander buitelandse reserwes gedurende 1972 met R439 miljoen toegeneem om 'n vlak te bereik van

R1090 miljoen aan die einde van Desember, waarvan R937 miljoen deur die Reserwebank gehou is.

Ontwikkelings gedurende Januarie en Februarie 1973

Gedurende die eerste twee maande van 1973 het die goud- en ander buitelandse reserwes van die Reserwebank met 'n verdere R62 miljoen gestyg tot 'n peil van bykans R1 000 miljoen aan die einde van Februarie. Daarna het dit met 'n verdere R75 miljoen tot R1074 miljoen op 16 Maart 1973 gestyg. Volgens die maandelikse buitelandse handelstatistiek van die Departement van Doeane en Aksyns het die handelsbalans gedurende die eerste twee maande van die jaar verswak, hoofsaaklik vanweë 'n skerp styging in die goedere-invoer. Nadat dit in Desember die betreklik lae syfer van slegs R2 633 miljoen bereik het, het goedere-invoere, ná uitskakeling van die seisoensinvloed en gereken teen 'n jaarkoers, tot R3 214 miljoen in Januarie tot R3 420 miljoen in Februarie gestyg. Die goedere-uitvoer het gedurende die eerste twee maande van die jaar voortgegaan om te styg.

In die internasionale monetêre sfeer is die begin van 1973 gekenmerk deur 'n afwesigheid van vertroue in die V.S.A.-dollar. Die Amerikaanse regering het gevolglik op 12 Februarie 'n devaluasie van die dollar met 10 persent aangekondig. Met die oog op die hoë peil van die goud- en ander buitelandse reserwes, het die Suid-Afrikaanse Regering besluit om die huidige pariteit van die rand in terme van goud te behou. Teen die einde van Februarie het die dollar weer onder druk gekom en is die valutamarkte vanaf 2 tot 19 Maart 1973 gesluit. Vanaf 19 Maart het die geldeenheid van ses van die EEG lande gesamentlik teen die dollar gesweef en die Suid-Afrikaanse Regering het weer eens besluit om die pariwaarde van die rand in terme van goud onveranderd te laat en om aan te hou om wisselkoerse in terme van dollars te kwoteer.

Monetêre en banktoestand

Aansienlike toename in geld en kwasi-geld

Die hoeveelheid geld en kwasi-geld het gedurende 1972 teen 'n veel hoër koers toegeneem as gedurende die voorafgaande twee jaar, nl. met byna 14 persent teenoor ongeveer 5½ en 7 persent gedurende 1970 en 1971, onderskeidelik. In absolute syfers was die toename van R586 miljoen gedurende 1972 tweemaal so groot as die toename wat gedurende 1971 aange-teken is.

Soos die bygaande tabel toon, is die grootste kwartaallikse toename in geld en kwasi-geld gedurende die derde kwartaal van 1972 aangeteken. Die daling in die koers van toename gedurende die vierde kwartaal was hoofsaaklik 'n weerspieëling van 'n veel kleiner styging in die netto goud- en ander buitelandse reserwes. Gedurende Januarie 1973 het die hoeveelheid geld en kwasi-geld voortgegaan om teen ongeveer dieselfde koers as in die vierde kwartaal van 1972 te styg.

Toenames in geld en kwasi-geld
Seisoensaangesuiwerde jaarkoerse

	%
1972 – 1ste kwartaal	8,5
– 2de kwartaal	12,0
– 3de kwartaal	18,4
– 4de kwartaal	13,2

As die styging in binnelandse pryse in aanmerking geneem word, was die styging in die geld- en kwasi-geldvoorraad gedurende 1972 nie buitensporig groot nie. Dit blyk uit die feit dat die seisoensaangesuiwerde verhouding van geld en kwasi-geld tot die bruto binne-landse produk teen heersende markpryse, alhoewel dit gedurende die vierde kwartaal van 1972 effens gestyg het, in werklikheid vanaf 29,4 persent gedurende die vierde kwartaal van 1971 tot 28,7 persent in die vierde kwartaal van 1972 gedaal het. Bowendien wil dit voorkom of die huidige peil van hierdie verhouding nog steeds beduidend onder die langer-termyn-neiging is.

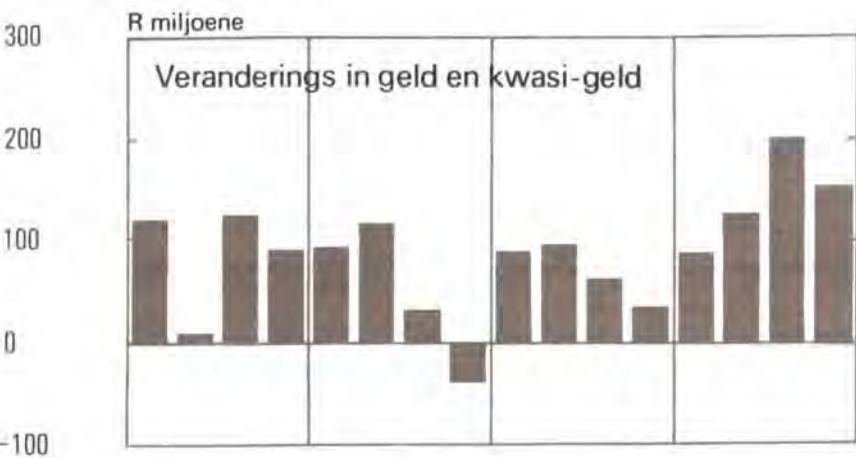
Oorsake van veranderinge in geld en kwasi-geld

Die skerp toename in geld en kwasi-geld gedurende 1972 is hoofsaaklik veroorsaak deur die aansienlike styging in die netto goud- en ander buitelandse reserwes, vergesel van 'n matige styging in die netto eise van die monetêre banksektor teen die regering en 'n betreklik groot toename in bankkrediet aan die private sektor. Die positiewe bydrae tot die hoeveelheid geld en kwasi-geld van hierdie oorsaaklike faktore is egter in 'n groot mate deur 'n styging in langtermyndeposito's teengewerk. Laasgenoemde het gedurende 1972 met die rekordbedrag van R375 miljoen, of 47 persent, toegeneem.

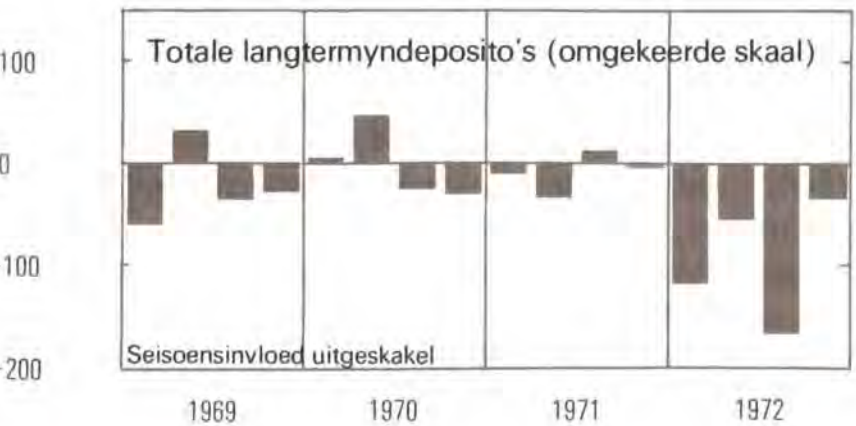
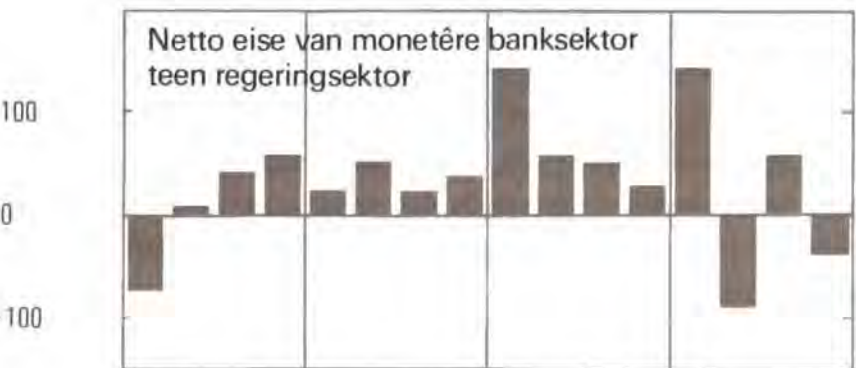
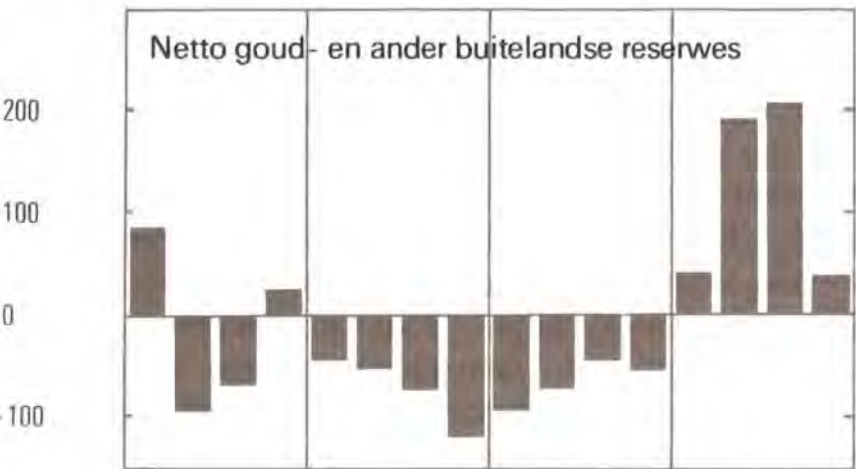
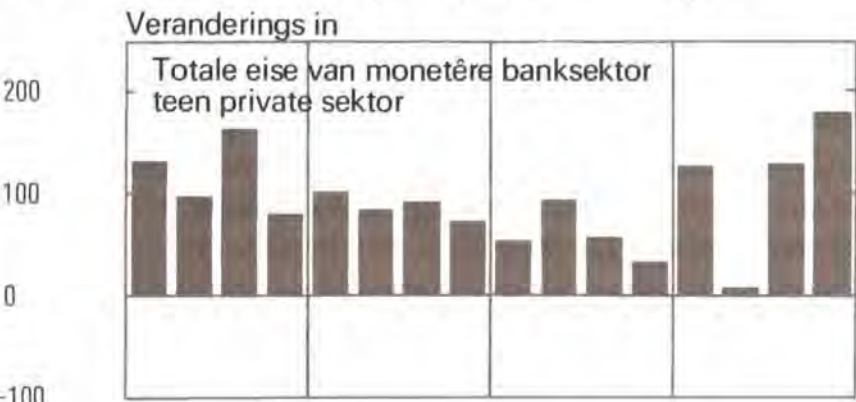
Die styging in die netto buitelandse reserwes van die banksektor het gedurende die jaar R464 miljoen be-loop, waarvan nie minder nie as R357 miljoen gedurende die tweede en derde kwartale aangeteken is. Die gevolglike toename in die beskikbaarheid van fondse het ook bygedra tot verbeterde moontlikhede vir die regering om te leen uit nie-bank-bronne. Terwyl die eise van die banksektor teen die regering gedurende 1972 met nie minder nie as R337 miljoen toegeneem het, het regeringsdeposito's met R251 miljoen gestyg (die eerste jaarlikse styging daarvan sedert 1968), sodat die *netto* bankkrediet aan die regering gedurende die jaar met minder as R90 miljoen toegeneem het. Wanneer seisoensfaktore in ag geneem word, was daar 'n daling in netto bankkrediet aan die regering gedurende die vierde kwartaal van 1972.

Bankkrediet aan die private sektor het gedurende die jaar met R449 miljoen of 11,6 persent toegeneem. Waarskynlik gedeeltelik as 'n weerspieëling van die verhoging in September en afskaffing in November 1972 van die kredietplafonne, is nie minder nie as R388 miljoen van hierdie toename gedurende die

Monetêre ontleding



Oorsake van veranderings in geld en kwasi-geld



tydperk van vyf maande vanaf Augustus tot Desember 1972 aangeteken. Verreweg die grootste deel van laasgenoemde styging is op sy beurt verklaar deur verhoogde diskonteringe en voorskotte van handelsbanke en monetêre huurkoop- en algemene banke. In teenstelling met die ontwikkeling gedurende 1971, het die kaskrediete van die Landbank gedurende die jaar betreklik min verandering getoon.

Oorskot-banklikwiditeit

Die gemiddelde oorskot-likwiede bateverhouding van handelsbanke, aksepbanke en monetêre huurkoop- en algemene banke was gedurende 1972 opmerklik hoër as gedurende die voorafgaande twee jaar en het 4,9 persent beloop teenoor 3,4 persent gedurende 1971. Die 1972-verhouding sluit die invloed in van die gewysigde definisie van likwiede bates en verwante wysigings van die Bankwet wat sedert 1 November 1972 van krag is.

Oorskot-likwiede bateverhoudings

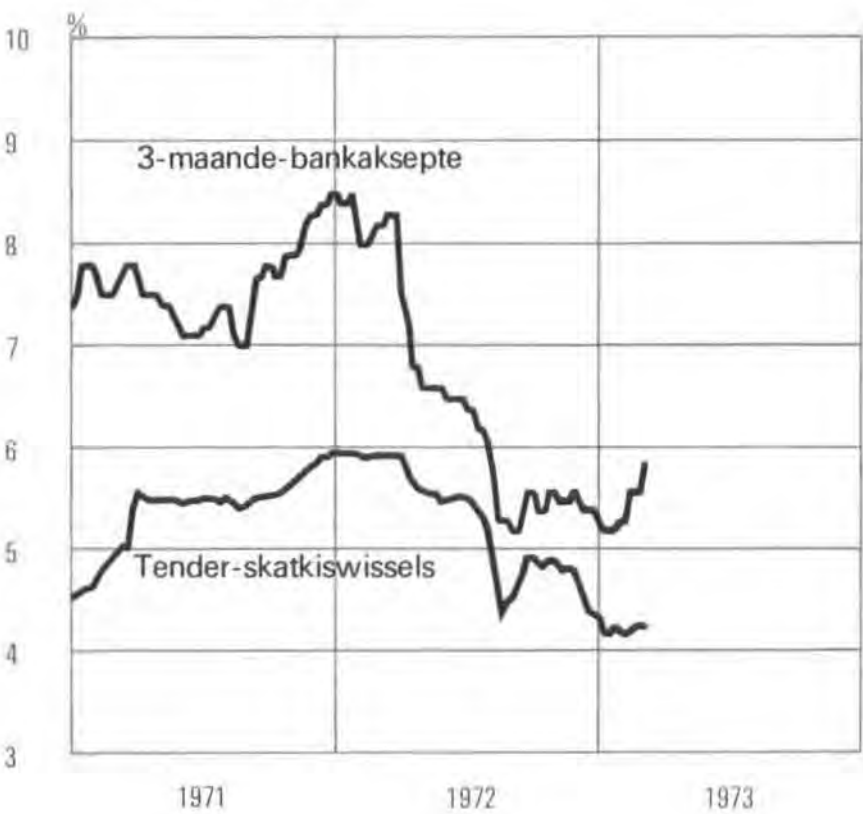
	Handelsbanke	Aksepbanke	Ander monetêre banke	Totaal
	%	%	%	%
Jaarlikse gemiddelde				
1972	5,2	4,3	4,3	4,9
Januarie 1973	4,9	3,2	4,6	4,7

Gedeeltelik as 'n weerspieëling van normale seisoensneigings, het die oorskotlikwiditeitsverhoudings, soos op die nuwe basis bereken, gedurende Desember opmerklik gestyg en daarna in Januarie 1973 weer gedaal.

Geldmarktoestand en rentekoerse

Die skerp en volgehoue styging in die netto goud- en ander buitelandse reserves in 1972 het ook bygedra tot 'n verruiming van die toestand op die geldmark en 'n daling in korttermynrentekoerse gedurende die jaar. Die skatkiswissel-tenderkoers het per saldo gedaal vanaf 5,96 persent aan die einde van 1971 tot 5,20 persent onmiddellik voor, en 4,78 persent onmiddellik ná, die verlaging van die Bankkoers vanaf 6½ tot 6 persent op 10 Augustus. Ná 'n tydelike styging gedurende September, het die koers gedurende die vierde kwartaal van 1972 en die begin van 1973 aangehou om betreklik gelykmatig te daal tot op 4,20 persent op 9 Februarie 1973. Die meer wisselvallige koerse op bankaksepte van drie maande en VDS e van 90 dae het op soortgelyke wyse gedaal vanaf 8½–8¾ persent aan die einde van 1971 tot onder 6 persent ná die verlaging van die Bankkoers en tot net meer as 5 persent in middel-Januarie 1973. Vanaf die tweede helfte van Januarie 1973 het die toestand op die geldmark aansienlik vernou as gevolg van die seisoenale vloed van fondse na die Tesourie.

Korttermynrentekoerse



Ná die Bankkoersverlaging in Augustus is die minimum- en prima-uitleenkoerse van die handelsbanke verlaag vanaf $8\frac{1}{2}$ tot 8 en vanaf 9 tot $8\frac{1}{2}$ persent, onderskeidelik. Die depositorentekoerse van die banke het ook ietwat gedaal vanaf die peil wat ten tyde van die instelling van rentekoersbeheer aan die einde van Maart 1972 bestaan het. So is koerse op kennisgewingdeposito's van tot by 91 dae by die handelsbanke in Januarie 1973 gekwoteer as tot op 5,5 persent; die koers op vaste deposito's van 6 maande as $6\frac{1}{4}$ persent; en die koers op deposito's van 12 maande as 7 persent.

Staatsfinansies

Inkomste en uitgawes

Soos in bygaande tabel aangetoon word, het openbare owerhede, d.w.s. die sentrale, provinsiale en plaaslike vlakke van regering gesamentlik, nie slegs daarin geslaag om gedurende 1972 die koers van toename in hul totale uitgawes op finale goedere en dienste aansienlik te verlaag nie, maar ook die samestelling van hulle totale besteding op so 'n wyse verander dat voorkeur verleen is aan kapitaalluitgawes op infrastrukturele ontwikkeling ten koste van kapitaalluitgawes op nie-infrastrukturele skemas en verbruiksbesteding. So het verbruiksbesteding gedurende 1972 met minder as 'n kwart van die koers van styging in 1971 toegeneem, nie-infrastrukturele kapitaalluitgawes het 'n klein toename getoon teenoor 'n styging van 20 persent in 1971, terwyl die koers van toename in kapitaalluitgawes op die verskillende infrastrukturele ontwikkelings toegeneem of hoog gebly het.

Persentasieverandering in besteding deur openbare owerhede

	1971	1972
Verbruiksbesteding	19	4
Vaste investering:		
Infrastrukturele ontwikkeling:		
Suid-Afrikaanse Spoorweë	56	48
Poskantoor en ander kommunikasie-dienste	49	23
Ander	18	25
Totaal	33	33
Nie-infrastrukturele ontwikkeling	20	4
Totale besteding	22	14

Beskikbare gegewens oor inkomste ontvang gedurende die eerste nege maande van die huidige fiskale jaar op die Skatkisrekening alleen dui daarop dat lopende inkomste moontlik hoër kan wees as wat in die 1972/73-Begroting verwag is. Dit is veral merkbaar ten opsigte van inkomstebelastingontvangste en dit wil voorkom of die totale tekort (uitgesonderd lenings) derhalwe heelwat benede die peil kan wees wat deur die Minister verwag is, mits totale uitgawes nie wesenlik afwyk van die oorspronklike Begrotingsramings nie.

Gesonde finansiering van Skatkisrekening-tekort

Gedurende die 1972 kalenderjaar, was die tekort op die skatkisrekening nie alleen ongeveer R100 miljoen laer as in 1971 nie, maar die wyse waarop die Tesourie in staat was om die tekort te finansier was ook meer gesond. Die bygaande tabel toon dat aansienlik minder van die banksektor geleen is, die afhanklikheid van buitelandse lenings is merkbaar verminder, terwyl plaaslike lenings van private nie-banksektor bronne terselfdertyd aanmerklik verhoog is, hoofsaaklik as gevolg van 'n gunstige reaksie op die uitgiftes van staatseffekte.

Skatkisfinansies

R miljoene

	Jare geëindig 31 Desember	
	1971	1972
Totale tekort (uitgesonderd lenings)	-845	-747
Finansiering:		
Verandering in netto skuldposisie teenoor:		
Buitelandse sektor	132	92
Private nie-banksektor:		
Leningsheffings	117	80
Ander	145	467
Totaal	261	548
Staatskuldkommissarisse	122	49
Sub-totaal	515	689
Monetêre banksektor	330	57
Totale finansiering	845	747

Die gunstige ontwikkeling in skatkisfinansies is sedert Desember 1972 voortgesit toe skatkisdeposito's verder toegeneem het en die Tesourie in staat gestel het om aansienlike bedrae na die Stabilisasie-rekening oor te plaas. Bowendien dui staatsfinansie-statistiek, wat reeds vir die eerste nege maande van die huidige fiskale jaar beskikbaar is, op gunstige finansieringsbedrywighede vir die fiskale jaar 1972/73 as 'n geheel. Vir die fiskale jaar in sy geheel sal die Skatkis waarskynlik minder van die buiteland en die banksektor hoef te leen en heelwat meer van die private nie-banksektor. Inderwaarheid het inskrywings deur die private nie-banksektor vir nuwe effekte-uitgiftes tot die einde van Februarie 1973 alreeds die begrote bedrag van R180 miljoen met R59 miljoen oorskry.

Bouverenigings

Bouverenigings het in 1972 'n rekordjaar ondervind sowel ten opsigte van die invloeiing van fondse as die toestaan van voorskotte, soos in die bygaande tabel aangetoon word.

Bouverenigings

	Netto invloeiing van fondse		Toenames in uitstaande voorskotte en lenings		Nuwe voorskotte toegestaan
	R milj.	% toename*	R milj.	% toename*	R milj.
1970	451	18,5	375	18,0	740
1971	329	11,4	342	13,9	583
1972	493	15,3	371	13,3	871
1971: 4de kw.	66	—	71	—	142
1972: 1ste kw.	78	—	64	—	145
2de kw.	111	—	74	—	208
3de kw.	192	—	105	—	262
4de kw.	112	—	128	—	256

*In verhouding tot die totaal aan die einde van die vorige jaar.

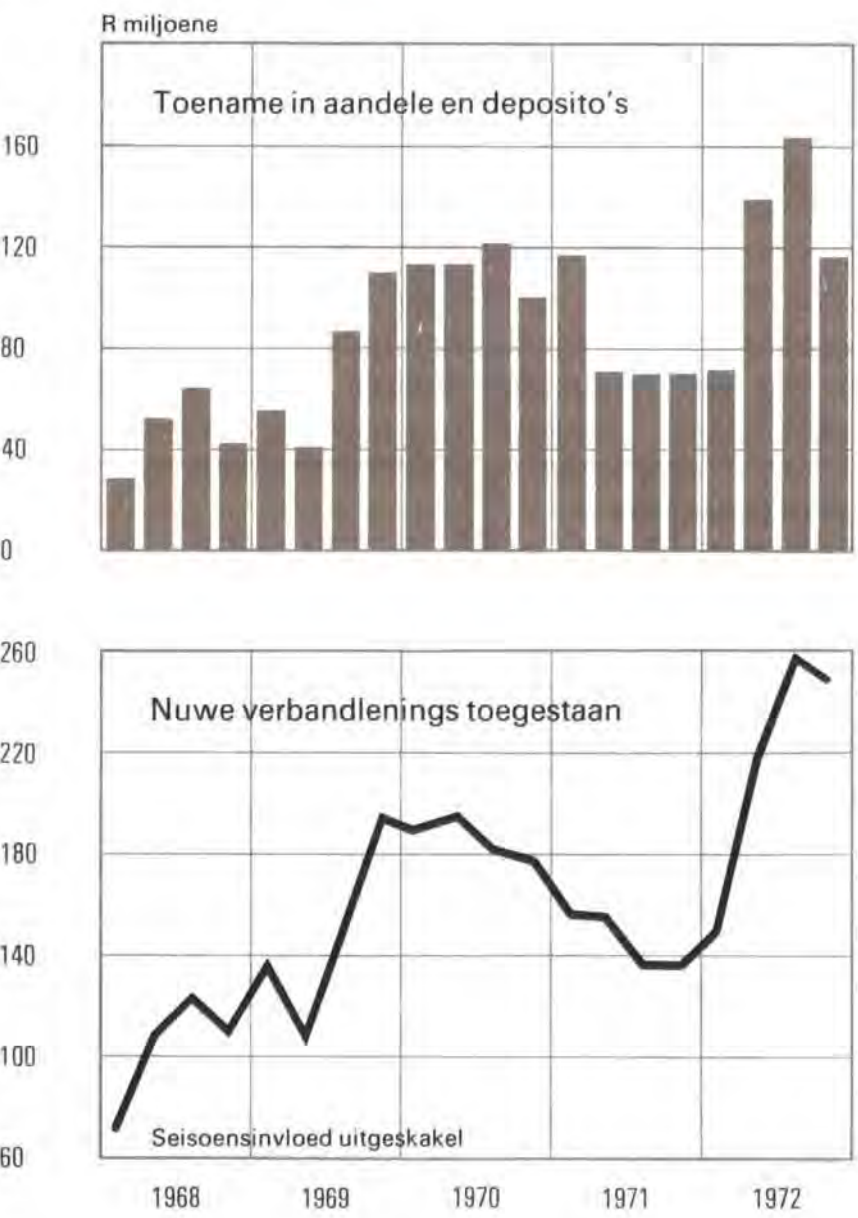
Die groot invloeiing van fondse na bouverenigings ten bedrae van bykans R500 miljoen het plaasgevind ten spyte daarvan dat die bouverenigings op 18 Augustus 1972 'n verlaging in hul leenkoerse aangekondig het. Die bouverenigings het ook op 1 Februarie 1973 besluit om die heersende verbandkoers op woonhuise met 'n ¼ persent tot 8¾ persent te verlaag.

Kapitaalmark

Die toestand in die kapitaalmark het gedurende 1972 aansienlik verbeter. Die opbrengskoers op langtermynstaatseffekte is derhalwe in twee stappe verlaag vanaf 8½ tot 8¼ persent in Augustus en tot 8⅙ persent in September 1972. Die mark vir vaste-rentedraende effekte het dermate verruim dat die koerse wat op semi-prima-effekte gekwoteer word, met omtrent 1 persent tot 8,4 persent aan die einde van die jaar afgeneem het. Dit het die gaping tussen die opbrengskoerse op prima- en semi-prima-effekte tot 'n baie klein marge vernou, naamlik tot slegs ongeveer ¼ persent, vergeleke met 'n gemiddelde gaping van 0,65 persent gedurende die afgelope dekade.

Die aandelemark het ook gedurende 1972 verder verbeter en die omset sowel as aandelepryse op die Johannesburgse Effektebeurs het aansienlik gestyg. 'n Toename van 55 persent het in die saamgestelde prysindeks van alle klasse aandele voorgekom. Die dividendopbrengskoers op nie-mynaandele het verder afgeneem tot 'n gemiddelde van 3,8 persent aan die einde van Desember 1972 met die gevolg dat die omgekeerde rendementsgaping tussen hierdie opbrengskoers en dié op langtermynstaatseffekte met meer as 1 persent tot 4,3 persent vergroot het.

Bouverenigings



Verklarings insake pari-waarde van die rand

Uitgereik deur Sy Edele die Minister van Finansies, Dr. N. Diederichs

13 Februarie 1973

Die Regering het kennis geneem van die verklaring van mnr. George Schultz, Sekretaris van die Tesourie van die Verenigde State van Amerika, dat die V.S.A. dollar met 10 persent gedevalueer gaan word en dat die Japanese jen toegelaat sal word om te sweef; verder dat die pari-waardes van die Wes-Duitse mark en die Franse frank onveranderd sal bly en dat dit verwag word dat die Britse pond, die Kanadese dollar en die Switserse frank sal voortgaan om te sweef.

In die lig van hierdie verwickelinge het die Regering die posisie van die Suid-Afrikaanse rand oorweeg en, na die gebruikelike oorleg met die ander lede van die Rand Monetêre Gebied, besluit dat die pari-waarde van die rand onveranderd sal bly.

Vanaf môre, 14 Februarie 1973, sal die Suid-Afrikaanse Reserwebank weer bereid wees om aankoop- en verkooptransaksies in V.S.A. dollar aan te gaan teen die nuwe koerse wat môre-oggend bekend gemaak sal word.

'n Meer volledige verklaring oor die implikasies van hierdie besluit sal later vandag uitgereik word. (Kyk verklaring hieronder).

13 Februarie 1973

Die Smithsonian Ooreenkoms van 21 Desember 1971 het 'n algemene herskikking van wisselkoerse tot gevolg gehad—o.a. het die Verenigde State van Amerika die dollar met 7,89 persent gedevalueer en Suid-Afrika die rand met 12,28 persent.

Laat in Junie verlede jaar is die Britse pond toegelaat om te sweef en het Suid-Afrika om goeie redes besluit om die rand aan die pond gekoppel te laat bly. Gaandeweg het dit egter duidelik geword dat die dalende vlakke van die pond sterling nie met die verbeterde posisie van die rand versoen kon word nie, en is daar gevolglik op 24 Oktober 1972 besluit om die rand na 'n nuwe vaste pari-waarde te laat terugkeer, ongeveer 4 persent hoër as die vlak van swewing, maar 4,202 persent laer as die Desember 1971 pari-vlak.

Die herhalende tekorte op die Amerikaanse handels- en betalingsbalans, en veral die onlangse bekendmaking van 'n besonder groot tekort vir die jaar 1972 as geheel, het aanleiding gegee tot groot spekulatiewe kapitaalbewegings en die dollar onder hewige druk geplaas.

Die Amerikaanse Regering het gevolglik, nadat noodsettings saam met die belangrikste handelslande gedurende die naweek gehou is, besluit om die V.S.A. dollar met 10 persent te devalueer. Die Japanese jen sal toegelaat word om te sweef, die pari-waardes van die Duitse mark en Franse frank bly onveranderd, terwyl dit verwag word dat die Britse pond, die Kanadese dollar en die Switserse frank sal voortgaan om te sweef.

Die Kabinet het vanoggend die posisie van die Suid-Afrikaanse rand deeglik in oënskou geneem en, na die gebruikelike oorleg met Botswana, Lesotho en Swaziland—die ander drie lede van ons Rand Monetêre Gebied—besluit om die pari-waarde van die rand onveranderd te laat. Die redes vir hierdie besluit lê daarin dat Suid-Afrika tans 'n besondere sterk betalingsbalansposisie handhaaf met rooskleurige vooruitsigte. Verder het die Reserwebank se reserwes aan goud en ander buitelandse betaalmiddele sterk gestyg en hulle styg nog steeds. 'n Vlak van byna R1 000 miljoen is verlede Vrydag bereik, terwyl totale reserwes R1 100 miljoen oorskry. Hierdie feite, tesame met die gesonde ekonomiese vooruitsigte vir 1973 en daarna, het almal daarop gedui dat die Suid-Afrikaanse rand sy pariteit moet behou.

Die besluit tot onveranderde pariteit sal dan ook verskillende belangrike gevolge hê. Eerstens, natuurlik, sal ons invoere vanuit die V.S.A., asook uit ander lande wat saam gedevalueer het, goedkoper word en sal dit 'n belangrike bydrae lewer tot die bekamping van prysstygings van ingevoerde goedere en gevolglik van die algemene koers van inflasie. Japanse goedere sal egter moontlik effens duurder word.

Aan die uitvoerkant sal die randopbrengs van ons dollar-uitvoere daal. Wat die goudmynbedryf betref, egter, hoewel die amptelike dollarprys van goud styg van \$38 na \$42,22 per fyn ons, bly die amptelike randprys nogtans vas op R29,75 per fyn ons. Aangesien die private markprys in dollars uitgedruk word, sal die randopbrengs per fyn ons goud van sulke verkope, egter laer wees as voorheen (d.w.s. in die mate wat dit nie teëgewerk word deur 'n verdere styging van die prys op die private mark nie). Die relatief hoë en stewige private markprys het in elk geval ons goudmynbedryf reeds aansienlik bevoordeel.

Wat Suid-Afrika se buitelandse leningsverplichtings betref, beteken die besluit dat lenings in V.S.A. dollars uitgedruk nou minder rand vir rente- en delgingsbetalings sal vereis en ons dollarskuld word dus dien-ooreenkomstig verlaag.

Ek wil dit graag hier beklemtoon dat Suid-Afrika sy besluit vanuit 'n posisie van sterkte geneem het. Inderwaarheid het die V.S.A. dollar sedert Desember 1971 meer as die rand gedevalueer. Verder het die onlangse gebeurtenisse weereens die kalklig laat val op die ongetwyfelde kernrol wat goud, teen 'n realistiese prys, moet speel in toekomstige monetêre besprekings en besluite.

Ek vertrou dat die nuwe en meer aanvaarbare vlak van die V.S.A. dollar nou daartoe sal bydra dat daar later vanjaar in 'n veel kalmer atmosfeer wyse besluite oor die oplossing van internasionale monetêre vraagstukke geneem sal word.

18 Maart 1973

Gedurende die afgelope aantal weke is die internasionale monetêre toestand weer eens deur groot spekulatiewe kapitaalbewegings en ingrypende veranderings in wisselkoerse gekenmerk. Die besluit van 12 Februarie om die V.S.A. dollar met 10 persent in terme van goud te devalueer en die Japanese jen opwaarts te laat sweef, het geblyk onvoldoende te wees om die spekulasie te laat bedaar en vertroue te herstel. Vanaf 2 Maart moes die vernaamste valutamarkte onder die druk van nuwe spekulatiewe kapitaalbewegings vir meer as twee volle weke gesluit bly, terwyl die EEG-lande en die ander lede van die Groep van Tien uitgebreide samesprekings oor moontlike oplossings vir die krisis gevoer het.

Na die aankondiging wat verlede Vrydag deur die Ministers van Finansies van hierdie groep lande uitgereik is, is dit nou bekend waarop finaal besluit is. In hoofsaak kom dit daarop neer dat na 'n aanvanklike revaluasie van die Duitse mark van 3 persent, die EEG-lande, uitgesonderd die Verenigde Koninkryk, Ierland en Italië, hulle geldeenhede binne enge marges aan mekaar gaan bly vaskoppel en gesamentlik teenoor die V.S.A. dollar gaan sweef. Die pond sterling en die Italiaanse lira sal voorlopig op hul eie bly sweef. Ook sal die Japanese jen, die Switserse frank en die Kanadese dollar met hul afsonderlike swewings voortgaan.

In die huidige onsekere klimaat is dit nog nie duidelik hoe al die swewende geldeenhede en spesifiek die saamgebonde EEG-geldeenhede in die valutamarkte sal vaar nie. Uit die verklaring van verlede Vrydag blyk dit egter duidelik dat al die deelnemende lande die wisselkoerse wat onlangs tot stand gekom het as min of meer korrek beskou en dat hulle dus nie in die voorsienbare toekoms groot veranderings daarin verwag nie. Die hoofdoel van die nuwe gesamentlike swewing is dan ook om hierdie wisselkoerse teen spekulasie te beskerm eerder as om heeltemal nuwé vlakke te probeer vind. Om hierdie rede is ooreengekom dat die betrokke lande op eie inisiatief deur inmenging in hulle valutamarkte tot die bestendiging van die situasie sal bydra en dat die Verenigde State self, met behulp van trekkings ingevolge uitgebreide "ruiloorreënkoms", die dollar in die valutamarkte sal help ondersteun.

In die lig van al hierdie verwickelinge moes die Suid-Afrikaanse owerhede weer eens die posisie van die rand deeglik in oënskou neem. Na versigtige oorweging, en na die gebruiklike oorleg met Botswana, Lesotho en Swaziland, is besluit om die bestaande pari-waarde van die rand in terme van goud te handhaaf. Ook sal die Reserwebank vanaf môre, Maandag 19 Maart 1973, weer bereid wees om koop- en verkooptransaksies in V.S.A. dollars aan te gaan teen dieselfde koers as wat hy voor die opskorting van sy valutatransaksies op 2 Maart gekwoteer het.

Danksy Suid-Afrika se besonder gunstige betalingsbalansposisie en -vooruitsigte, waartoe die Regering

se wisselkoersbeleid van 1971 en 1972 'n belangrike bydrae gelewer het, is die rand tans in 'n sterk posisie. Ook bly die finansiële en algemene ekonomiese klimaat steeds bevorderlik vir vinniger groei, en is daar toeneemende bewyse dat 'n sake-oplewing reeds aan die gang is.

In hierdie omstandighede is daar vanselfsprekend geen sprake van 'n devaluasie van die rand in terme van goud as doelbewuste instrument van ekonomiese beleid nie. Aan die ander kant sou 'n verdere betekenisvolle appresiasie van die buitewaarde van die rand ook nie in hierdie stadium wenslik wees nie. Die Regering se besluit om nie die dollardevaluasie van 12 Februarie na te volg nie het so pas 'n effektiewe appresiasie van die rand van omtrent 11 persent in terme van dollars, omtrent 7 persent in terme van sterling en gemiddeld sowat 4 persent teenoor alle buitelandse geldeenhede meegebring. Gesien die groot verbetering in ons betalingsbalans- en reserweposisie en die noodsaak om inflasie te beteuel, is hierdie 'n gewenste resultaat. Gegewe die huidige internasionale wisselkoerssituasie, sou 'n verdere betekenisvolle appresiasie van die rand kort op die hakke van hierdie een egter sowel die lopende as die kapitaalrekening van die betalingsbalans nadelig kon beïnvloed. Dit sou ook nie bydra tot die bevordering van uitvoere en gesonde invoervervanging nie en dus ook nie tot die bereiking van 'n vinniger reële groeikoers nie. Dit sou die mededingende vermoë van ons nywerhede in sowel die plaaslike mark as in die buiteland nadelig kon beïnvloed en 'n vermindering of kleiner toename in die randinkomste van talle uitvoerders van minerale en landbouprodukte, asook van die goudmyne, meebring. Verder sou dit die staatsinkomste nadelig tref en die algemene finansiële klimaat en rentekoerssituasie minder bevorderlik vir groei maak.

Die besluit om die bestaande goudpariteit en amp telike dollarkoerse te handhaaf, verseker natuurlik nie dat die rand geen gemiddelde depresiasie of appresiasie in terme van ander geldeenhede sal ondergaan nie. Indien die EEG-geldeenhede wat gesamentlik gaan sweef 'n betekenisvolle opwaartse beweging teenoor die dollar sou toon, sal daar waarskynlik 'n gemiddelde depresiasie van die rand plaasvind. Soos reeds genoem, is die huidige aanduidings egter dat die saamswewende EEG-geldeenhede slegs matig, indien wel, sal appresieer en dat enige gemiddelde depresiasie wat die rand hierdeur mag ondergaan dus betreklik klein sal wees. Baie hang natuurlik ook van die gedrag van sterling af en of hy hom later by die gesamentlike swewing gaan aansluit of nie. 'n Verdere sterling-depresiasie mag, byvoorbeeld, enige gemiddelde depresiasie van die rand teenwerk of selfs in 'n klein appresiasie omskep.

Die verwickelinge op hierdie terrein sal dus die voortdurende aandag van die owerhede geniet. Indien die nuwe EEG monetêre reëlins 'n meer permanente beslag verkry en tot alle lede uitgebrei word, mag dit in

'n later stadium wenslik wees om die rand nouer by die EEG-blok aan te sluit. En indien die saamswewende EEG-geldeenhede in die tussentyd meer sou appresieer as wat tans algemeen verwag word, kan die owerhede altyd besluit om die Reserwebank se koop- en verkoopkoerse vir die dollar aan te pas om 'n verdere appresiasie van die rand teenoor die dollar en sterling te bewerkstellig. Vir die huidige sal die bestaande wisselkoersbeleid egter voortgesit word.

'n Permanente oplossing vir die huidige internasionale monetêre vraagstukke is duidelik nog nie gevind nie. Die verklaring wat Vrydag in Parys uitgereik is bevestig dat die nuwe reëlins tydelik van aard sal wees en dat die taak van die Komitee van Twintig Goewerneurs van die Internasionale Monetêre Fonds om die hervorming van die internasionale monetêre stelsel te ondersoek, nou dringender as ooit geword het.

Hierdie hervormingsproses sal nie bevredigend afgehandel kan word alvorens daar nie klaarheid gekom het oor die monetêre rol van goud nie. Dit is ironies dat die jongste skommeling in die private markprys van goud in sekere kringe as 'n teken van goud se onstabiliteit as monetêre bate beskou word. In werklikheid weerspieël hierdie skommeling hoofsaaklik die huidige onstabiliteit van geldeenhede. As goud nie toegelaat word om sy regmatige funksie in die internasionale geldstelsel te vervul nie, kan blywende stabiliteit op hierdie gebied nie verkry word nie.