

South African
Reserve Bank

Suid-Afrikaanse
Reserwebank

Quarterly Bulletin

Kwartaalblad

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

- denotes not available
- denotes value equal to nil
- 0 denotes value equal to less than half the digit shown
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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
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Quarterly economic review

Economic conditions and developments during the year that ended on 30 June 1974 were reviewed in some detail in the Governor's Address at the Reserve Bank's Annual General Meeting on 27 August and in the Reserve Bank's *Annual Economic Report*. As these reviews also covered the first and second quarters of 1974, the present review will be confined to a brief survey of main developments during the second quarter of the year and supplementary observations on more recent developments during July and August.

The principal features of economic developments and conditions during the more recent period may be summarised as follows:

1. The rate of increase in real economic activity, which had reached a high level in the third quarter of 1973 and had declined to slightly lower levels during the subsequent two quarters, accelerated appreciably during the second quarter of 1974. Because the economy has been in an expansionary phase from the fourth quarter of 1972, the utilisation of production capacity has reached a high level and more recently the labour and capital markets have tightened progressively. The emergence of these and other strains in the economy indicates that, except for the expansionary effect of the harvesting of the anticipated large summer crops in the third quarter, the real growth rate should in due course decline to a more maintainable but still relatively high level.

2. The acceleration of the economic growth rate during the second quarter stemmed from an increase in domestic demand as well as in exports. During this period, gross domestic expenditure exceeded gross national product by a wider margin than during the first quarter. This development was reflected in a larger deficit on the current account of the balance of payments. In addition, the increased monetary demand contributed to the current high rate of inflation in South Africa.

3. Apart from an increased deficit on the current account of the balance of payments, there was also an outflow of capital. Consequently, the overall balance of payments changed from a surplus in the first quarter to a deficit in the second quarter. However, the further narrowing of the interest rate differential between South Africa and other countries during the period June to August and the tightness of the domestic money and capital markets may lead to increased foreign borrowing and a termination of the capital outflow. In this regard, it is also the government's intention to raise more funds abroad.

4. The increase in aggregate demand not only led to a higher demand for credit and capital, but through

its influence on domestic saving also limited the growth of the supply of funds in the money and capital markets. As a result, a growing imbalance between the demand for and supply of funds developed in these markets, which was aggravated by the net capital outflow recorded in the balance of payments. Money and capital markets tightened progressively and interest rates, including deposit and other controlled interest rates, moved strongly upwards. The general scarcity of funds also gave rise to active competition between deposit-receiving and related institutions. Banking institutions, in particular, competed aggressively for deposits during the second quarter because of the need to build up their liquid asset holdings and to meet the strong demand for bank credit.

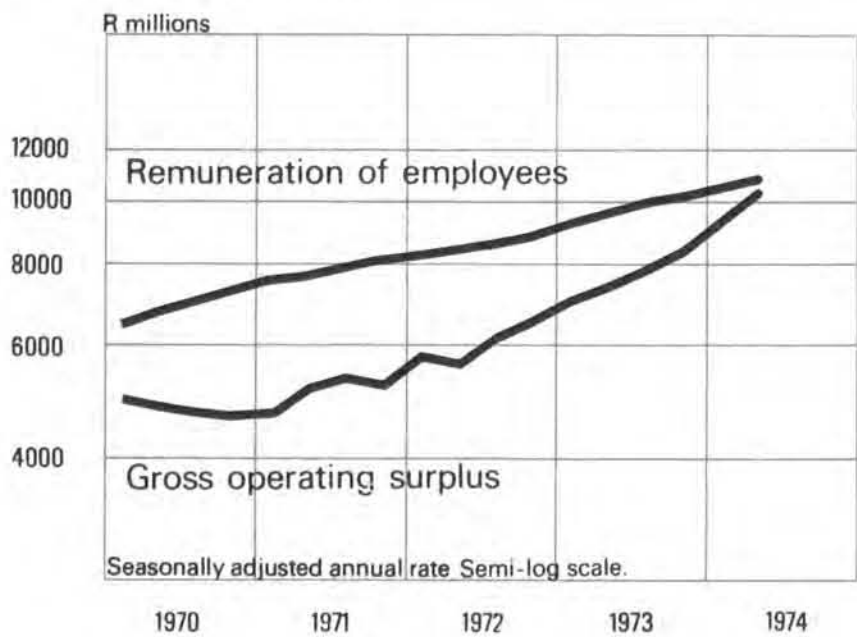
5. Although bank credit to the private and government sectors continued to rise at a high rate during the period April to July 1974, the seasonally adjusted annual rate of increase in the quantity of money and near-money declined. This was mainly the result of a substantial decline in the net gold and other foreign reserves and an unusually large increase in long-term deposits of the private sector with the banking sector during the second quarter of the year. Roughly half of the large increase in the banking sector's credit to the private sector, however, was accounted for by the Land Bank. Lending by the commercial banks, merchant banks and monetary hire-purchase banks actually decreased during July for the first time since July 1972. During the period April to July, monetary banking institutions improved their liquidity position from a shortfall to a small excess in their required liquid asset holdings.

National accounts

The gross domestic product at current market prices increased markedly further during the second quarter of 1974, mainly because of substantial increases in the gross operating surplus of the sectors agriculture, gold mining, manufacturing and commerce. Although the current high rate of inflation was reflected in the larger operating surpluses, the volume of production of the relevant sectors, with the exception of the gold mining industry, also increased notably. Consequently, the real economic growth rate accelerated during the second quarter of 1974, after it had declined slightly during the preceding two quarters from the high level reached in the third quarter of 1973.

The acceleration in economic activity during the second quarter of 1974 stemmed from an increase in domestic demand as well as an increase in exports. As is customary during periods of rapid economic ex-

Gross domestic product

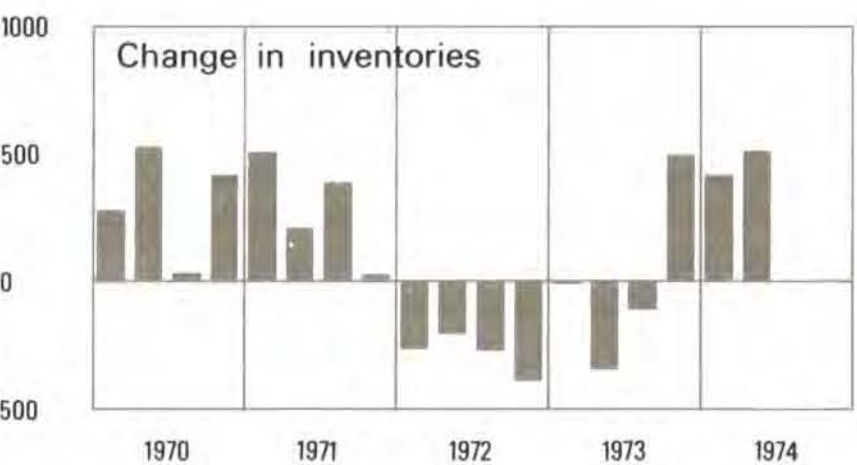
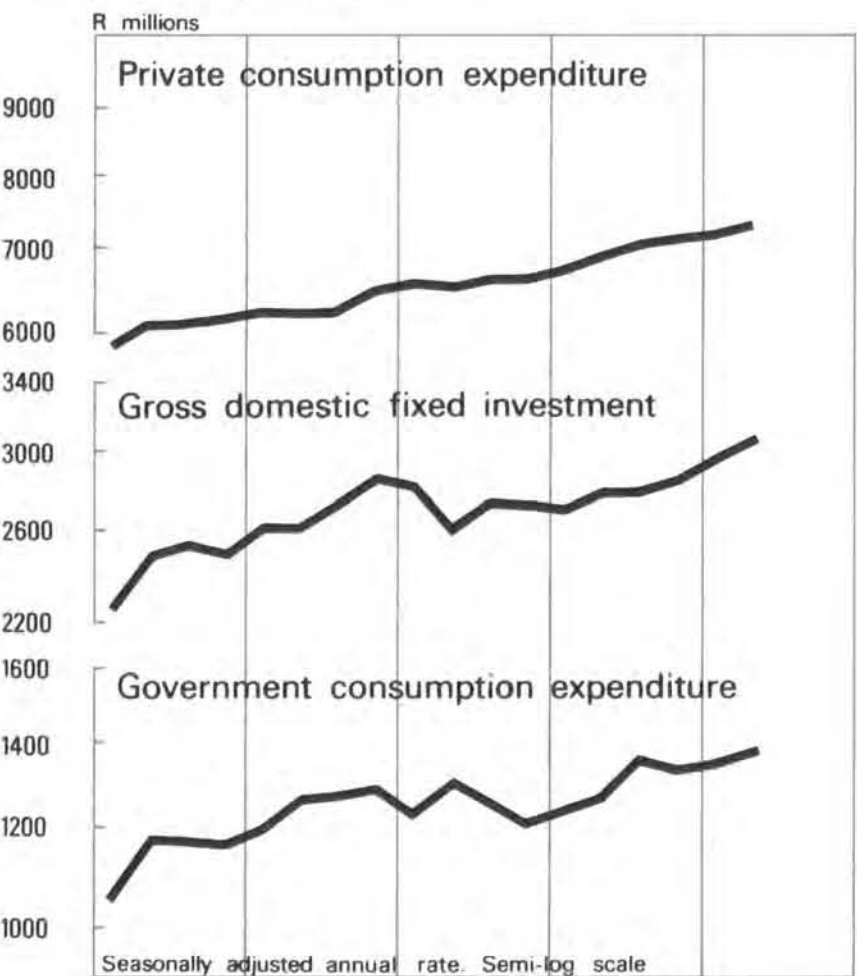


pansion, domestic demand increased at a faster rate than domestic supply and during the past three quarters, the gross domestic expenditure actually exceeded the gross national product by a notable margin. This development was reflected in a growing deficit on the current account of the balance of payments and during the second quarter of 1974 the deficit was substantially larger than during the first quarter.

All components of gross domestic expenditure contributed to the higher rate of increase during the second quarter as compared with the first quarter. In the case of real private consumption expenditure, outlays on durable goods, and in particular on motor cars, were mainly responsible for the higher rate of increase. Expenditure on clothing and footwear, in real terms, however levelled off at a high level. Government consumption expenditure, which had remained sluggish during the last quarter of 1973 and the first quarter of 1974, surged ahead during the second quarter, largely because of a substantial increase in outlays on goods and services other than the remuneration of employees.

The revival of total fixed investment, which had started in the third quarter of 1973, gained considerable momentum during the second quarter of 1974. Fixed investment expenditure of the private sector, especially that on transport equipment, machinery and other equipment by agriculture and manufacturing, was largely responsible for this high rate of increase. At current prices, private fixed investment was 30 per cent higher during the second quarter than during the corresponding quarter of 1973. In the case of private manufacturing, for example, the real fixed capital stock, i.e. after providing for price increases and depreciation, was about 11 per cent higher at the end of the second quarter than at the

Gross domestic expenditure at constant 1963 prices



end of the corresponding quarter of 1973. The fixed investment of public authorities actually declined slightly during the second quarter, after it had risen sharply during the first quarter, because of a reduction in capital outlays on roads, bridges and buildings by provincial administrations. Fixed investment of public corporations, however, increased strongly during the second quarter, after it had declined during the first quarter, and reached about the same high level as in the fourth quarter of 1973.

Inventory investment increased substantially during the last quarter of 1973 and the first half of 1974. The marked further addition to stocks during the second quarter of 1974 was mainly the result of an increase in industrial and commercial inventories.

Gross domestic saving remained at a high level, but

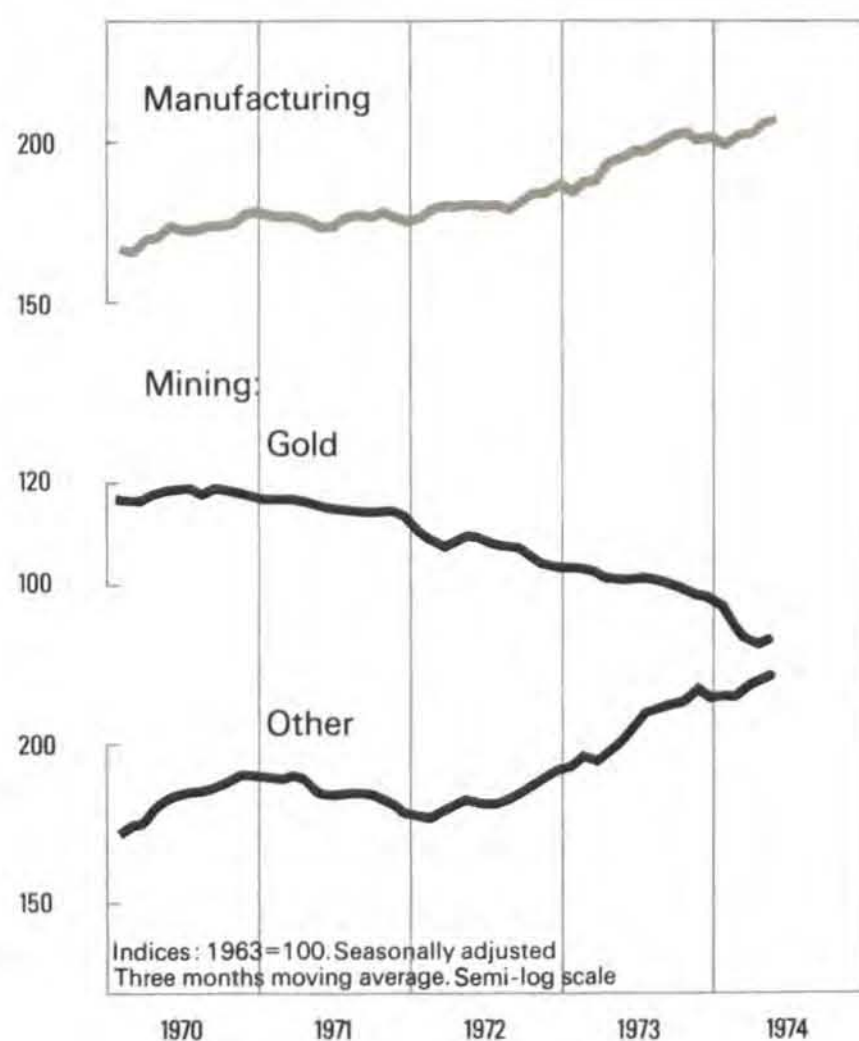
it nevertheless declined somewhat during the second quarter of 1974 and was insufficient to finance total fixed and inventory investment. Consequently, foreign funds were required to supplement domestic saving, but because of an actual outflow of foreign capital, gold and other foreign reserves had to be employed to a considerable extent. The decline in domestic saving was the net result of decreases in corporate saving and the current surplus of general government, almost no change in personal saving and a moderate increase in the provision for depreciation. Corporate saving and the current surplus of general government, however, were still at high levels, whereas personal saving remained at a very low level.

Production, trade and employment

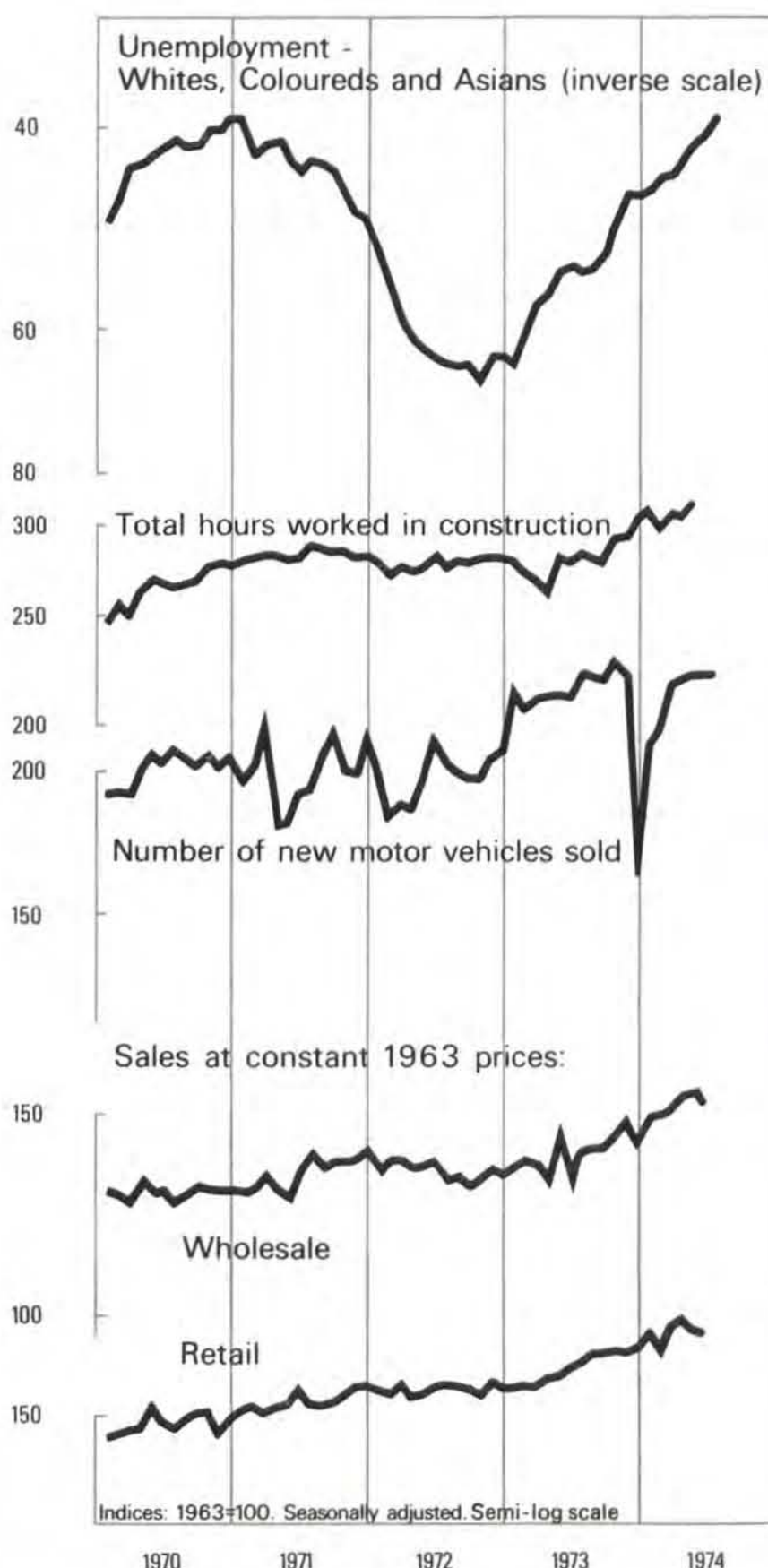
Notwithstanding the acceleration in the rate of increase in real economic activity during the second quarter of 1974, it is expected that the rate of increase in non-agricultural production will tend to level off at a high level because of the existing high level of production capacity utilisation and the tighter capital and labour market situation. Manufacturing production, which had levelled off from November 1973 to March 1974, increased fairly sharply during the second quarter of 1974, mainly on account of an increased output by industries producing basic metals,

metal products, transport equipment, textiles, clothing and beverages. During the first half of 1974 manufacturing production was 4,8 per cent higher than during the second half of 1973. Preliminary indications are that non-gold mining production, which had shown a similar tendency as manufacturing production up to the end of March 1974, also increased appreciably during the second quarter. During the first six months of 1974 the monthly average level of non-gold mining production was 2,5 per cent higher than

Physical volume of production



General economic indicators



during the second half of 1973. Gold mining production increased slightly from the low level reached in March 1974, but production during the second quarter was still 2,4 per cent below that for the first quarter.

According to such indicators as the number of hours worked by production workers, overtime as a percentage of ordinary hours worked, and wholesale sales of building materials at constant prices, building and construction activity during the first five months of 1974 remained at the high level reached towards the end of 1973. However, the scarcity of labour and capital, together with the high rate of increase in the cost of capital and building materials, appears to inhibit a further significant increase in this activity.

Conditions in the wholesale, retail and motor trade remained buoyant during the second quarter of 1974. Substantial further increases were recorded in wholesale and retail sales at constant prices and the number of new motor vehicles sold. However, whereas wholesale sales at constant prices and new motor vehicles sold continued to increase throughout the second quarter, and in the case of motor vehicles up to July, retail sales at constant prices declined in May and June from the high level reached in April 1974. Particularly evident was the sharp decline in the volume of retail sales of furniture and household requisites since January 1974.

Because of the continuous growth recorded since the fourth quarter of 1972, the labour situation has grown progressively tighter. The ratio of overtime to ordinary hours worked in the manufacturing and construction sectors is currently at a high level and the registered number of unemployed Whites, Coloureds and Asians continued to decline up to the end of July 1974. The seasonally adjusted number of unemployed workers in July, namely 7 705, is the lowest figure recorded during the postwar period and, viewed against the constantly increasing employment, it serves as an indication of the tightness of the labour market.

Prices

After having remained at approximately the same high level during both the fourth quarter of 1973 and the first quarter of 1974, the rate of increase in the seasonally adjusted *consumer price* index accelerated fairly sharply in the second quarter. This acceleration was mainly the result of sharp increases in food prices, although prices of furniture, clothing and footwear also increased markedly. Owing to increases in mortgage rates and property taxes, the rate of increase in housing costs and, therefore, in prices of services, also started to accelerate during the first seven months of 1974. From July 1973 to July 1974, consumer prices increased by as much as 12,0 per cent with food prices recording a rise of 17,1 per cent.

Consumer prices

Percentage rate of change in seasonally adjusted indices

	3rd qtr. 1973 to 4th qtr. 1973	4th qtr. 1973 to 1st qtr. 1974	1st qtr. 1974 to 2nd qtr. 1974	July 1973 to July 1974
Services	1,6	1,8	2,3	8,4
Housing	1,3	1,9	3,4	9,2
Other	2,3	1,5	0,3	6,8
Goods	3,3	3,0	3,3	14,2
Food	4,5	1,3	3,9	17,1
Furniture and equipment	1,7	3,2	3,6	11,1
Clothing and footwear	2,4	4,3	4,7	14,9
Vehicles	1,5	2,1	0,7	5,4
Other	2,9	5,4	2,5	13,9
Total	2,6	2,6	2,9	12,0

Between July 1973 and July 1974 *wholesale prices* of goods for domestic use rose by 19,3 per cent. The rate of increase in wholesale prices of South African produced goods, which had increased at a relatively constant rate during the preceding four quarters, accelerated in the second quarter of 1974. Higher prices of agricultural products and manufactured basic metals and food products were largely responsible for this acceleration in the rate of increase. The rate of increase in the prices of imported goods continued its rising trend in the second quarter and, at an annual rate, these prices rose by no less than 26,2 per cent between the first and second quarters of 1974.

Wholesale prices

Percentage rate of change in seasonally adjusted indices

	3rd qtr. 1973 to 4th qtr. 1973	4th qtr. 1973 to 1st qtr. 1974	1st qtr. 1974 to 2nd qtr. 1974	July 1973 to July 1974
Goods produced in				
South Africa	3,6	3,4	5,1	18,9
Agriculture, forestry and fishing	5,1	-0,5	8,0	18,0
Manufacturing	3,3	4,4	4,6	19,9
Beverages and tobacco	1,2	1,7	-2,2	8,5
Textiles, clothing and footwear	5,9	6,0	5,1	23,6
Basic metals and metal products	2,8	4,2	6,0	25,3
Machinery and transport equipment	1,7	2,9	2,7	10,2
Food	4,4	2,3	5,6	19,2
Other	3,2	3,4	3,2	9,4
Imported goods	3,7	4,7	6,0	20,8
Total	3,6	3,8	5,2	19,3

Balance of payments

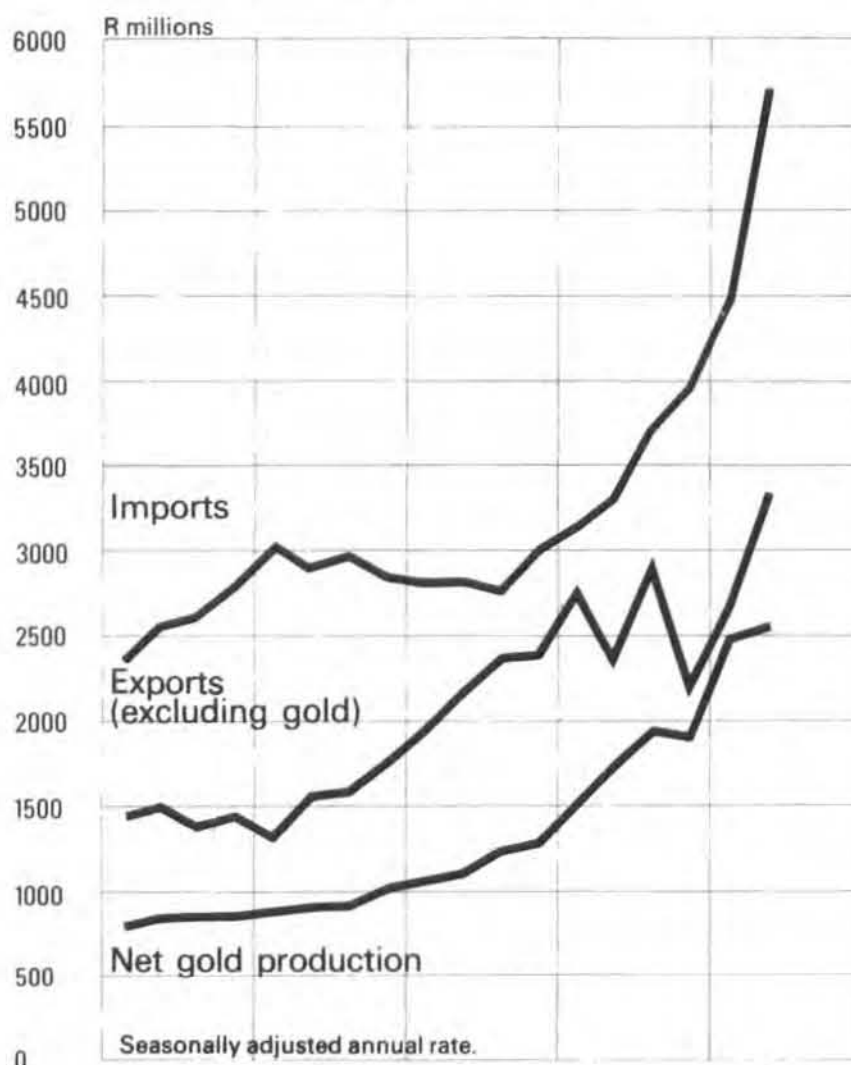
The overall balance of payments changed from a surplus of R80 million during the first quarter of 1974 to a deficit of R142 million during the second quarter. This change was brought about mainly by a reversal in foreign capital movements from a large net inflow to a small outflow of capital. In addition, there was also an increase in the deficit on the current account. The deficit increased from R63 million in the first quarter to R105 million in the second quarter, but taken at a seasonally adjusted annual rate, there was a marked increase from R138 million to R763 million. The larger current deficit was the result of a substantial increase in merchandise imports and net service payments, which more than offset a notable increase in exports and a slight further rise in the value of the net gold output.

Merchandise imports, taken at a seasonally adjusted annual rate, increased by 28 per cent to R5 716 million during the second quarter. The main contributions to this increase were made by imports of mineral products, machinery and electrical equipment, chemical products, transport equipment, textiles and plastic products. Net invisible payments to the rest of the world increased by about 20 per cent in the second quarter, owing mainly to a sharp rise in interest payments to foreigners and a slight decline in dividends received on foreign investments.

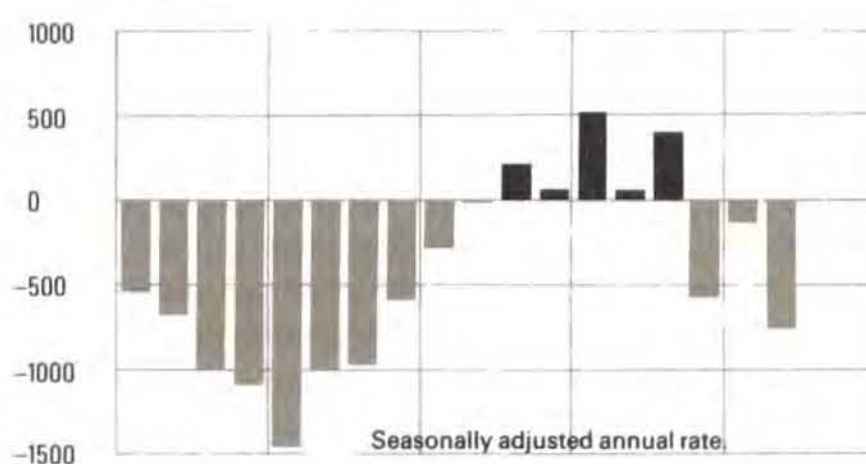
Merchandise exports, taken at a seasonally adjusted annual rate, increased by 26 per cent to R3 358 million during the second quarter, largely on account of increases in exports of diamonds, maize and sugar. The seasonally adjusted value of the net gold output increased by only 3 per cent during the second quarter, notwithstanding an increase of 9.3 per cent in the average price of gold on the London market. The low rate of increase in the net gold output was due to a decline in the volume of gold production. The value of the net gold output during the first half of 1974 was nevertheless 32 per cent higher than during the second half of 1973.

A small net foreign capital outflow of R37 million was recorded in the second quarter, as against a net inflow of R143 million in the first quarter. This change was brought about by a decline in the inflow of long-term capital and a further outflow of short-term capital. A decline in the foreign borrowing of public corporations, which more than offset an increase in the foreign loan commitments of the South African Railways, was largely responsible for the decline in the inflow of long-term capital. If the foreign loans of public corporations are excluded, there was also a small net outflow of other private long-term capital. The fact that interest rates in South Africa were lower than in most other countries continued to induce an outflow of private short-term capital. In addition, the central government and banking sector also experienced an outflow of short-term capital. The outflow of private

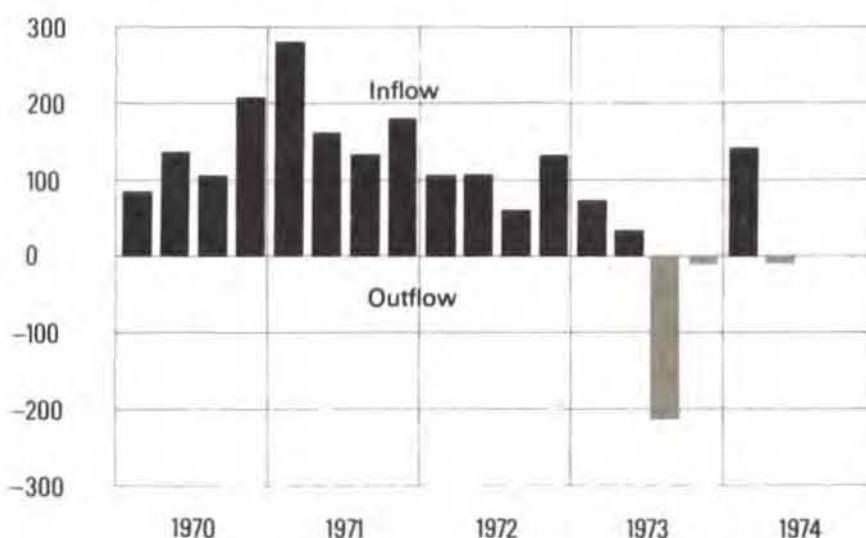
Balance of payments current account



Balance on current account



Total capital movements



short-term capital during the first half of 1974 was nevertheless substantially less than the outflow recorded during the second half of 1973.

The net result of the balance of payments transactions and valuation adjustments to reserves was a decline of R139 million in the gold and other foreign reserves during the second quarter, namely to a level of R929 million at the end of June 1974.

According to the monthly trade figures released by the Department of Customs and Excise, there was a sharp rise in both merchandise imports and exports during July. Taken at a seasonally adjusted annual rate, imports increased from R5 149 million in June to R5 465 million in July, whereas exports showed an increase from R2 965 million to R3 642 million. Preliminary data indicate that foreign borrowing by public corporations accounted for a considerable inflow of long-term capital during July. Moreover, during July and August the interest rate differential between South Africa and other countries narrowed considerably and this is expected to encourage an inflow of private capital. The gold and other foreign reserves of the Reserve Bank, nevertheless declined from R777 million at the end of June to R734 million on 6 September, reflecting the further deficit on the current account of the balance of payments after the middle of the year.

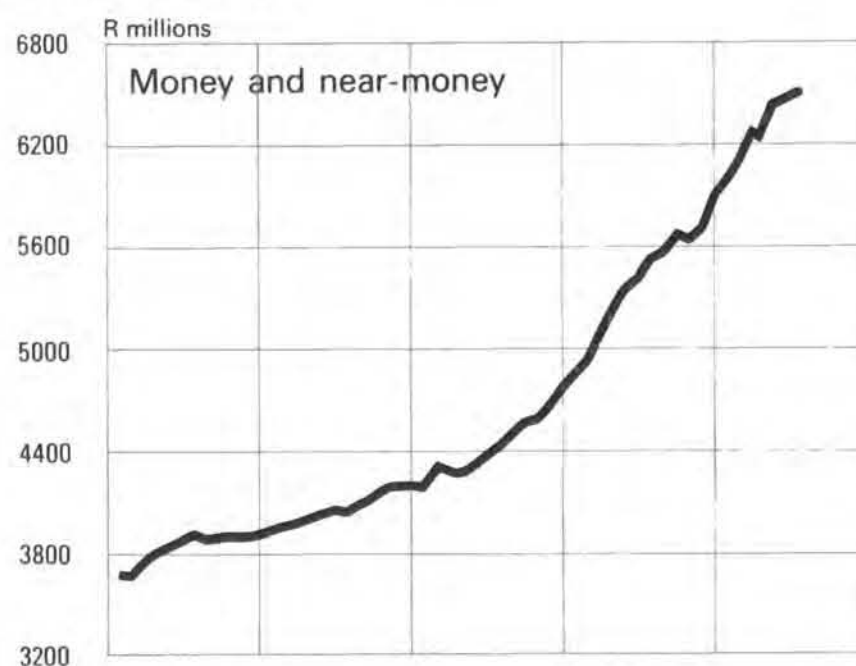
Since the policy of independent managed floating of the rand was adopted on 21 June 1974, the fixed exchange rate between the rand and the United States dollar was adjusted on five occasions. After a slight appreciation on 24 June 1974, the next three adjustments effectively depreciated the value of the rand, whereas the last, on 11 September, again resulted in an appreciation. Taken together, these adjustments led to an effective depreciation in the value of the rand of 2.0 per cent from 21 June to 11 September 1974 in relation to the currencies of South Africa's trading partners.

Monetary and banking situation

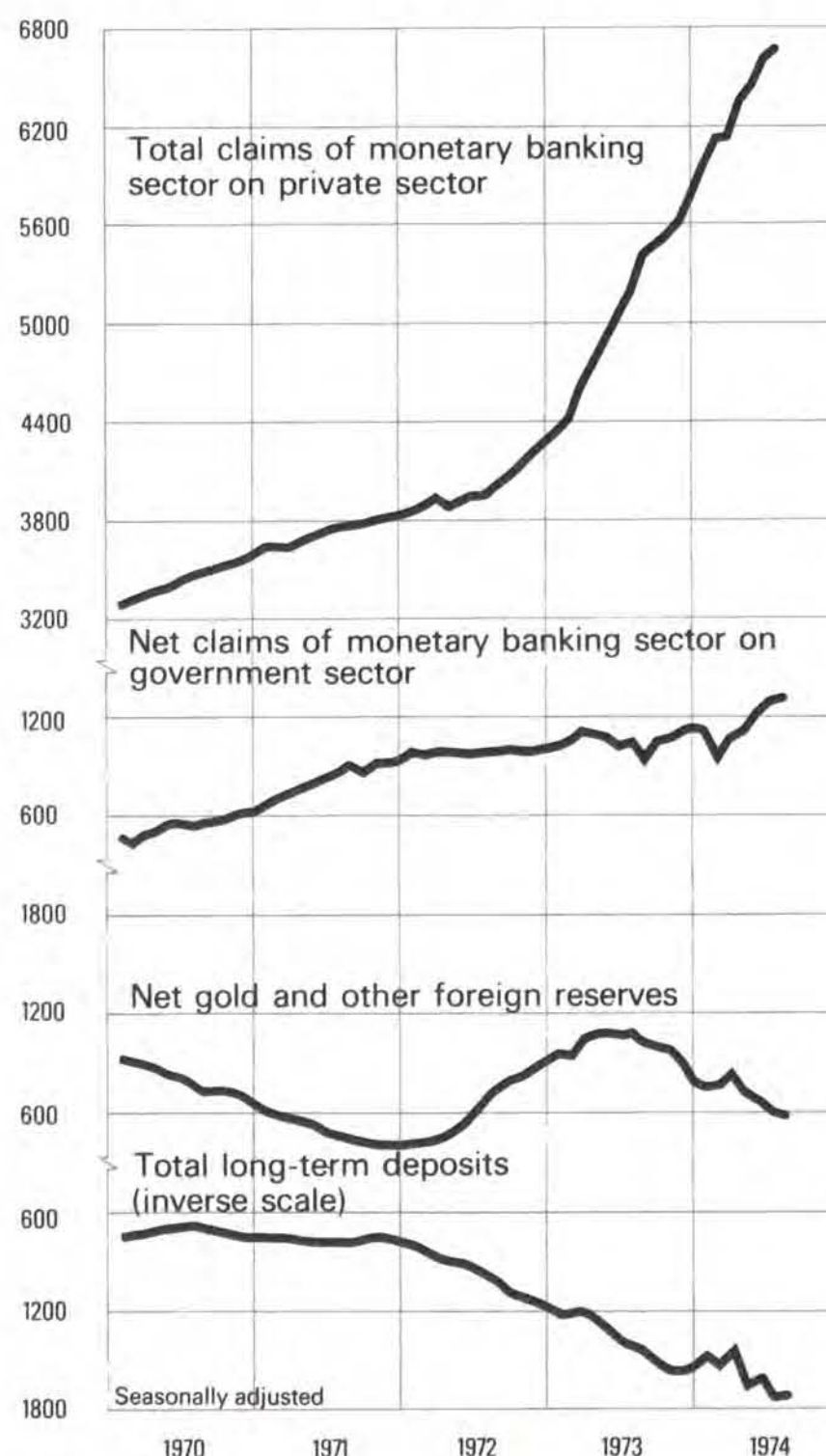
Money and near-money and bank liquidity

The increase in the quantity of money and near-money, which had amounted to 23 per cent during the calendar year 1973 and to a seasonally adjusted annual rate of 29 per cent during the first quarter of 1974, declined to a rate of just over 12 per cent during the second quarter of 1974 and to slightly less than 11 per cent during the period April to July. The further rise in money and near-money during this four-month period continued to be accounted for almost exclusively by a very large further expansion of bank credit to the private sector (R528 million, seasonally adjusted), and to the government sector (R213 million), the latter increase reflecting mainly a decrease of over R400 million in government deposits with the banking sector during the second quarter of the year. However, the expansionary effect of this extension of bank

Monetary analysis



Causes of changes in money and near-money



credit on the quantity of money and near-money was partly offset by a substantial decline in the net gold and other foreign reserves (R234 million) and by an unusually large increase in the amount of long-term deposits of the private sector (R264 million). Excluding near-money, the quantity of money actually decreased slightly during the period April to July, after having increased at an extremely high annual rate of approximately 46 per cent during the first quarter of the year.

The more recent developments during July, however, differed from those during the second quarter in various respects. Increases in bank credit to the private and government sectors, seasonally adjusted, were small by recent standards. At the same time, the further decline in the net gold and other foreign reserves was considerably smaller than the monthly average during the second quarter, while long-term deposits showed little change.

Total claims of the monetary banking sector on the private sector increased at a seasonally adjusted annual rate of 28 per cent during the four-month period April to July 1974, compared with 25 per cent during the first quarter. However, slightly over R200 million of the total increase in banking sector claims on the private sector of R434 million (not seasonally adjusted) during the second quarter and July 1974 was accounted for by a marked rise in cash credit advances of the Land Bank. The increase in claims on the private sector of the commercial banks, merchant banks and monetary hire-purchase and general banks during the second quarter of 1974 and July amounted to less than half of the total increase in banking sector claims on the private sector, whereas it more or less consistently exceeded the total increase in all banking sector claims on the private sector during the preceding 18 months. Indeed, after fairly substantial increases during April and May 1974 and a large increase during June, the claims on the private sector of the commercial banks, merchant banks and monetary hire-purchase and general banks actually decreased by R70 million during July, the first such decrease since July 1972.

From a negative figure of R64 million, or 0,8 per cent of total liabilities to the public, at the end of April 1974, the excess liquid asset holdings of commercial banks, merchant banks and monetary hire-purchase and general banks subsequently increased fairly steadily. At the end of July, these banks' aggregate holdings of excess liquid assets amounted to R123 million or 1,4 per cent of their total liabilities to the public.

The commercial banks improved their liquidity positions from a shortfall in their required liquid asset holdings of R74 million at the end of April to excess holdings of liquid assets of R94 million at the end of July. To a significant extent this reflected a lengthening of the average unexpired maturity of the

Excess or deficit liquidity of monetary banking institutions, 1974

%

	April	May	June	July
Commercial banks	-1,4	0,1	0,4	1,6
Merchant banks	0,1	3,3	4,0	1,8
Monetary hire-purchase and general banks	0,5	0,6	0,2	0,5
Total:				
Ratio	-0,8	0,6	0,8	1,4
Amount of excess or shortfall (-) (Rm)	-64	52	69	123

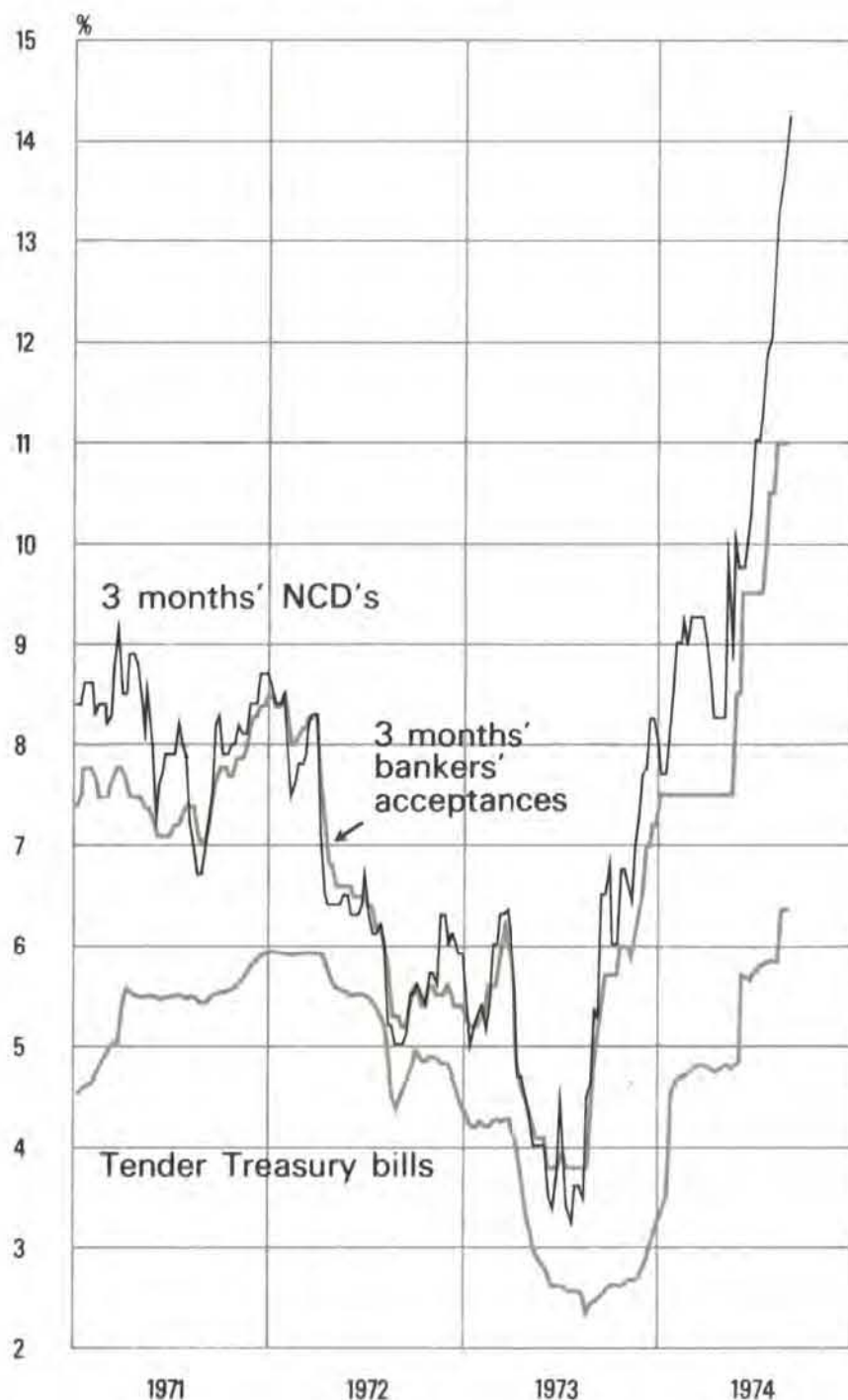
banks' liabilities to the public, as a result of their more aggressive bidding for time deposits and the issuing of negotiable certificates of deposit. Thus, whereas the banks' total liabilities to the public increased by approximately 6 per cent from the end of February 1974 to the end of June, the corresponding increase in their required liquid asset holdings from the end of March to the end of July amounted to less than one per cent. In addition, however, the banks experienced a marked rise in their actual holdings of liquid assets during this period, among other things because of a rapid increase in credit extended by the Reserve Bank and the National Finance Corporation to the Land Bank during July.

Money market situation and interest rates

During the period May to August there was a general easing of the money market, except for a brief tightening during late June and the first part of July and the expected seasonal tightening over the August month-end. In these circumstances, Reserve Bank accommodation to the banks and the discount houses, in the form of overdrafts and loans to banks plus overnight borrowing and the discounting of Treasury bills by the discount houses, remained fairly limited. However, at the end of August, the Bank's accommodation to the banks and discount houses, granted on relatively favourable terms, reached a peak of R207 million.

In accordance with the conservative policies pursued by the monetary authorities, short-term interest rates continued on a strongly upward trend during this period. Bank rate was raised from 6,5 to 7,5 per cent on 1 June and to 8 per cent on 14 August. Maximum deposit interest rates, as laid down by the interest rate control regulations, were raised on the same dates, the latter increase resulting in a maximum of 10 per cent on deposits of 24 months and longer. Effective from 14 August, deposits exceeding R250 000 were exempted from interest rate control. The commercial banks raised their prime overdraft rate from 9 to 10 per cent with effect from 1 June and to 10,5 per cent effective from 16 August. However, since 1 August the rate

Money market interest rates



actually charged to the banks' clients has ranged from a minimum of 11 per cent to 13,5 per cent.

The rate on three-month bankers' acceptances rose in steps from 7,5 per cent in the middle of May to 11 per cent from 9 August. The rate on 90-day NCD's increased sharply from 9,0 per cent on 17 May to 14,25 per cent on 30 August. The Treasury bill tender rate, which had reached a low point of 4,76 per cent on 17 May, increased to 5,72 per cent after the increase in Bank rate on 1 June and to 6,31 per cent after the Bank rate increase of 14 August. As announced by the Minister of Finance in his Budget Speech on 14 August, the maximum finance charge allowed in terms of the Limitation and Disclosure of Finance Charges Act on all money loans exceeding R400 was raised from 12 to 14 per cent.

Government finance

The strong upward trend of revenue receipts during the fiscal year 1973/74 continued during the second quarter of 1974. Increased income tax collections and, to a lesser extent, customs and excise duty receipts were mainly responsible for the high level of revenue receipts. Exchequer issues during the second quarter, although much higher than during the corresponding quarter of 1973, remained at virtually the same level as in the first quarter of 1974, if seasonal influences are disregarded. Consequently, the seasonally adjusted Exchequer deficit declined during the second quarter, as was also the case during the first quarter.

The actual Exchequer deficit of R130 million was financed by increases of R72 million in the Exchequer's net indebtedness to the monetary banking sector and R58 million in its indebtedness to the non-banking sector. The Public Debt Commissioners contributed R49 million to the amount of loans raised in the non-banking sector. The increase in the net indebtedness to the monetary banking sector was the net result of a decrease of R188 million in government deposits and a decline of R116 million in holdings of government securities.

During July, Exchequer receipts exceeded issues by R97 million and the surplus was reflected in an increase of R115 million in Exchequer balances. These balances showed a further seasonal rise of R144 million in August, partly because of income tax payments by gold mining companies and other provisional taxpayers. Net foreign borrowing of R20 million by the central government also contributed to the increase in Exchequer deposits during July and August. In the 1974/75 Budget presented to Parliament on 14 August the Minister of Finance anticipated a greater use of foreign loans as a means of financing Loan Account expenditure and improving the capital account of the balance of payments. During the first five months of the current fiscal year, i.e. from April to August 1974, foreign funds raised by the central government amounted to R73 million, as against redemptions of foreign loans to the amount of R45 million.

The 1974/75 Budget

In presenting the 1974/75 Budget, the Minister of Finance assessed that prevailing and prospective economic conditions would call for policy measures directed at four objectives, namely the maintenance of a satisfactory rate of growth, the preservation of economic stability and in particular the containment of inflation, the strengthening of the balance of payments, and the alleviation of the effects of inflation on the community. To achieve these objectives, various measures were introduced to increase productivity and production for the domestic and export markets. Proposals were made to strengthen the capital account of the balance of payments, such as larger

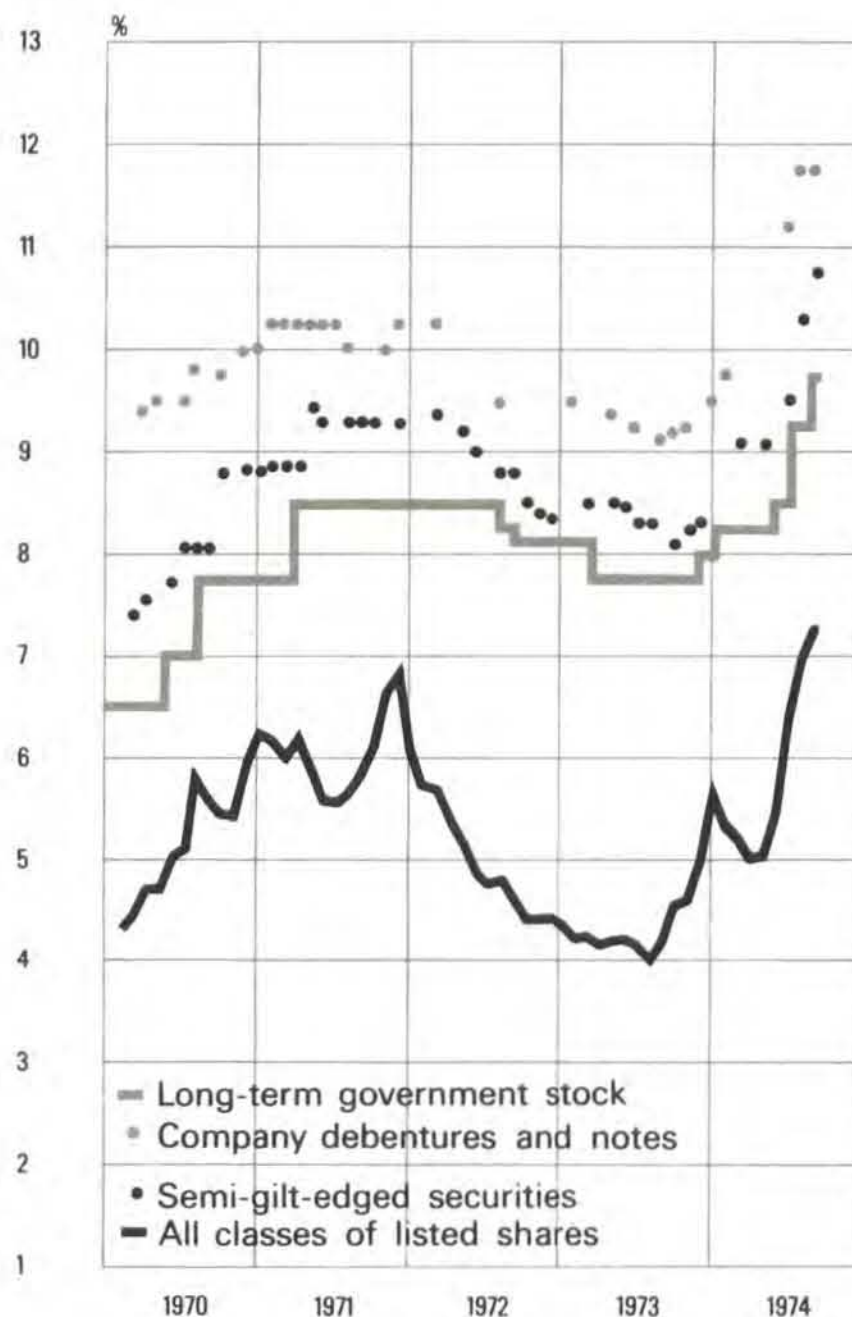
government borrowing in foreign financial markets and facilitating foreign borrowing by the private sector. Various tax concessions were made, including a reduction of the sales duty on more essential commodities, social and civil pensions were increased and certain subsidies were increased. With a view to the objective of economic stabilisation, the previous year's surplus on the Revenue Account was not used for the purpose of financing expenditure or reducing taxation, but instead R200 million of the surplus of R319 million was transferred to the Stabilization Account.

It was anticipated that receipts on the Revenue and Loan Accounts would rise by about 20 per cent to R4 869 million during 1974/75. Expenditure during the current fiscal year was estimated at R5 502 million, or 23 per cent higher than in the preceding year, which would leave a deficit of R633 million. Taking into account loan repayments, it was estimated that the Treasury's borrowing requirements would amount to R1 146 million, of which R812 million would be borrowed in the domestic financial market and R334 million in foreign markets.

Capital market

The tightening of capital market conditions from about the third quarter of 1973, continued during the second quarter and into the third quarter of 1974. In the market for fixed-interest securities, this development was reflected in a further upward movement of interest rates and an imbalance between the demand for and supply of funds. The yield on long-term government stock was raised from 8,25 to 8,50 per cent on 1 June, to 9,25 per cent on 12 July and further to 9,75 per cent on 14 August. During the four-month period April to July 1974, the predominant yield on long-term semi-gilt-edged securities and loan securities of companies increased from 9,1 to 10,3 per cent and from 9,75 to 11,75 per cent respectively. Notwithstanding the sharp rise in interest rates, some new issues of fixed-interest securities scheduled for June and July had to be cancelled or postponed because of the limited supply of funds. The inadequate supply of funds was due to the general scarcity of funds in the financial market, a withholding of investments because of expectations of a further increase in interest rates, high rates of interest on shorter-term investments and deposits, and earlier compliance by institutional investors with the statutory investment requirements in terms of which a minimum investment in gilt and semi-gilt-edged securities has to be maintained. Because of the tight domestic market, large borrowers such as public corporations had to divert most of their borrowing operations to foreign markets. During the second quarter the public corporations' net foreign borrowing amounted to R56 million, compared with R139 million during the first quarter, and during July a further amount of R82 million was raised. Individual

Yields



companies in the private sector also had to raise funds in foreign capital markets.

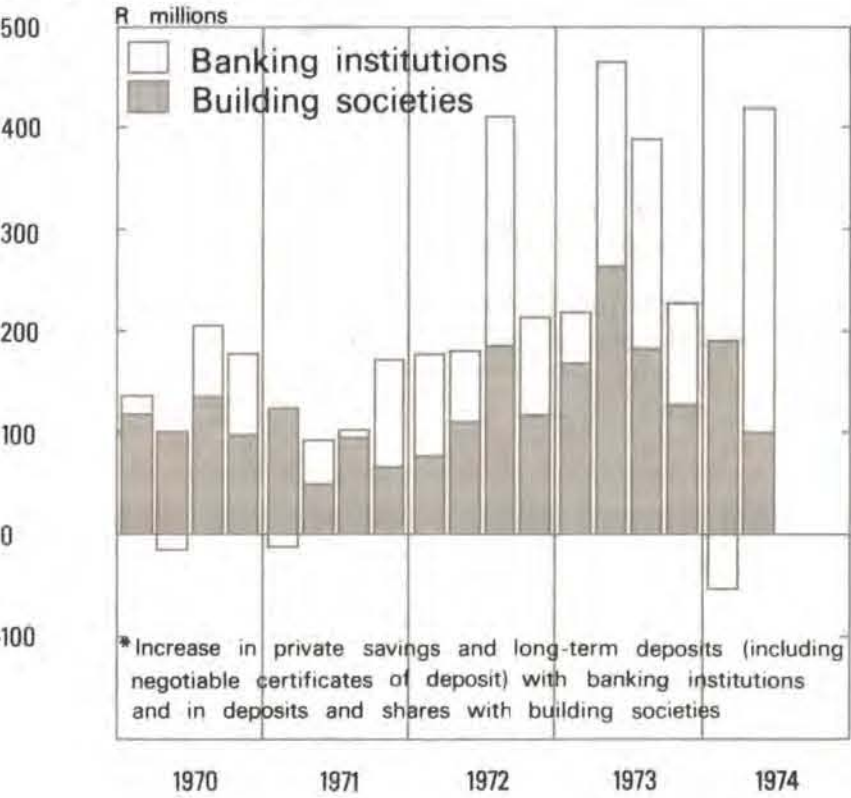
After a temporary recovery of share prices during the first four months of 1974, the prices of all classes of shares, except gold mining shares, moved downwards during the subsequent three months. Even gold mining share prices, which had been rising strongly from the end of 1971, declined during May and June, but rose again during July. Activity on the stock exchange likewise declined and was on average about 50 per cent lower during the period May to July than during the first four months of 1974. Because of an increase in dividend payments resulting from higher company profits, and the decline in share prices, dividend yields increased notably during the second quarter and July. At the end of July the average dividend yield on all classes of shares amounted to 7,0 per cent, compared with 5,0 per cent at the end of the first quarter.

The flow of funds to banking institutions, building societies and participation mortgage bonds, in the form of an increase in savings and long-term deposits (including negotiable certificates of deposit), building society shares and investments in mortgage participations, increased substantially during the second quarter of 1974 and amounted to R454 million, compared with R169 million during the first quarter. The higher inflow of funds was accounted for by a sharp increase in the flow of longer-term funds to banking institutions which competed very actively for funds during the second quarter. The flow of funds to building societies showed a marked decline, whereas that to participation mortgage bond schemes decreased slightly. Part of the increase in the longer-term deposits of banking institutions represented a shift from shorter-term deposits, but a significant part thereof stemmed from net issues of negotiable certificates of deposit.

amounts of more than R250 000 accepted for investment in participation mortgage bonds and debentures issued by institutions for the purpose of granting credit to the public. Exemption of inter-bank deposits from interest rate control was granted in June and in August this exemption was extended to deposits accepted by banking institutions and building societies from each other.

The general imbalance between the demand for and supply of funds also extended to the mortgage market. The supply of mortgage loans by building societies was reduced on account of the smaller inflow of funds. Because of the higher borrowing rates, the societies in June decided to raise the mortgage rate on dwelling houses from 9,25 to 10,50 per cent and that on other mortgages from 10,00 to 11,25 per cent. The rate on participation mortgage bonds was also increased from 9,6 to 11,2 per cent in July.

Flow of funds to banking institutions and building societies*



Because of the shortfall in the supply of deposit-type funds relative to the demand and the stronger competition for funds, the upward pressure on deposit interest rates was strengthened considerably. As a result, the controlled maximum rates for various classes of deposits and building society shares (excluding subscription and tax-free shares) were raised by 1,5 per cent on 1 June. At the same time, rates on the subscription and tax-free shares of building societies were increased by 1 per cent. On 14 August interest rate control was abolished in respect of individual deposits exceeding R250 000 and individual

Statement regarding exchange rate policy

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

21 June 1974

Although most countries, including South Africa, still favour an eventual return to an exchange rate system based on stable but adjustable par values, it has become increasingly clear in recent months that the present situation of widespread floating of currencies is likely to continue for some time to come. Moreover, in view of the fundamental changes now occurring in the world balance of payments structure as a result of world inflation, the energy situation and other unsettled conditions, the possibility of considerable fluctuations in the exchange rates of the major industrial countries during the period ahead cannot be excluded.

In these circumstances it has been decided, with effect from 24 June 1974, to discontinue the existing practice of maintaining a fixed rate of exchange between the South African rand and the United States dollar for lengthy periods, and, instead, to adopt an exchange rate policy of independent managed floating. In the past South Africa has, of course, from time to time adjusted the rand-dollar exchange rate, or formerly the rand-sterling rate, when this was deemed in the country's interests. In February 1973, for example, when the dollar was devalued by 10 per cent, the rand did not follow. Then again, in June 1973, the rand was unilaterally appreciated by 5 per cent. But in between adjustments of this kind the rand has since October 1972 remained pegged to the dollar and has therefore fluctuated with it in terms of other currencies.

Given the absence of a developed foreign exchange market in South Africa, this technical practice of pegging the rand to a major intervention currency like the dollar or sterling and altering the exchange rate with that currency only infrequently when deemed desirable, has in general served the interests of the country well in the past. Not only was it a simple, practical and convenient arrangement, but, for months at a time, it also provided complete exchange rate stability with at least one major reserve currency with a relatively large weight in South Africa's trade and other current transactions with the rest of the world.

During the past seven months, however, as the dollar first appreciated strongly in terms of other currencies and then depreciated sharply, this policy has resulted in unduly wide fluctuations in the weighted average effective exchange rate of the rand—fluctuations which have borne little or no relationship to South Africa's own balance of payments situation at the time. Between 5 June 1973 and 25 January 1974, for example, the rand showed an effective appreciation in terms of all other currencies of about 8,4 per cent, during a period when the gold and other foreign reserves were declining. Then, between the latter date and 29 March 1974, during which period the reserves were rising again, the rand registered an

average effective depreciation of about 5,4 per cent.

It is felt, therefore, that in the uncertain period ahead a policy of independent managed floating would result in movements in the exchange rates of the rand in terms of different foreign currencies which would more closely reflect changes in South Africa's underlying balance of payments and domestic economic situation.

In the relatively undeveloped South African foreign exchange market, in which the Reserve Bank as the major provider of foreign currencies obtained from the sale of gold plays a key role, a "managed float" would necessarily entail the continued fixing of the rand-dollar rate by the Bank. But under the new policy the Bank probably would, in response to changing circumstances, effect smaller and more frequent adjustments to this rate than under the existing arrangements. It is envisaged that the rate will only be adjusted when necessary in the light of foreign or domestic developments and not necessarily every day, every week or at regular intervals of any kind.

Under the new policy, the monetary authorities will not necessarily peg the rand to any weighted average value of all other currencies. In other words, there will be no firm commitment, even in the short term, to avoid any effective appreciation or depreciation of the rand in terms of all other currencies. Under South African conditions any such commitment might expose the Reserve Bank to undue exchange speculation by dealers in foreign exchange and create other practical difficulties. More important, it cannot be assumed *a priori* that in a world of floating currencies a constant average external value of the rand will be in the economic interests of the country.

Nevertheless, in adjusting the rand-dollar rate from time to time the monetary authorities will be guided to some extent by movements in the effective average exchange rate of the rand. Other factors which will be taken into account are changes in the exchange rates of individual currencies of special importance to the Rand Monetary Area, the Reserve Bank's own foreign exchange dealings, actual and prospective balance of payments tendencies and the domestic financial and economic situation. As under the former arrangements, South Africa will, of course, remain conscious of its international obligations in regard to exchange rates and will continue to co-operate with the International Monetary Fund in the interests of orderly exchange rate conditions.

In bringing the new policy into operation, the Reserve Bank will, with effect from 24 June and until further notice, quote public buying and selling rates for US dollars of \$1,5037 and \$1,4962 per rand respectively, based on a new middle rate of \$1,50 per rand with the same total spread of $\frac{1}{2}$ per cent as before. By comparison with the existing middle rate of \$1,49 this represents an appreciation of the rand of 0,67 per cent.

Statement regarding interest rate adjustments

Issued by the Governor of the South African Reserve Bank, Dr T. W. de Jongh.

13 August 1974.

After the usual consultation with the Treasury, the Reserve Bank has decided to make the following interest rate adjustments with effect from 14 August 1974:

(1) The Bank rate is increased from $7\frac{1}{2}$ to 8 per cent.

(2) The pattern of interest rates for the Reserve Bank's transactions in Government securities is adjusted as follows:

The rate for securities with an outstanding maturity of 3 years is increased from $6\frac{1}{2}$ to 7 per cent per annum and the rate for securities with outstanding maturities of 20 years and longer from $9\frac{1}{4}$ to $9\frac{3}{4}$ per cent per annum. The necessary adjustments will be effected to the rates for securities with outstanding maturities of between 3 and 20 years.

(3) The existing control over the interest rates which banks and building societies may pay on deposits is abolished for all individual deposits exceeding R250 000. As far as individual deposits of R250 000 and less and building society shares are concerned, the existing maximum interest rates will continue to apply. However, the existing exemption in respect of inter-bank deposits is now also extended to building societies. In other words, the maximum interest rates will in future not apply to deposits which building societies and registered banking institutions accept from one another. The necessary Government Notice regarding these changes will appear in the Government Gazette.

It has also been decided, with effect from 14 August 1974, to abolish interest rate control in respect of investments exceeding in the aggregate R250 000 in participation bonds and in debentures issued by institutions for the purpose of granting credit to the public. The necessary Government Notice by the Registrar of Financial Institutions regarding these changes will appear in the Government Gazette.

An announcement will also be made by the Minister of Finance in regard to the Act on Limitation and Disclosure of Finance Charges.

The above-mentioned interest rate adjustments reflect recent changes in supply and demand conditions in the relevant financial markets, which, in turn, are related to the present rapid rate of growth of the South African economy and the exceptionally high interest rates abroad. The adjustments form part of a broad monetary policy which is aimed at curbing demand inflation as well as encouraging a net inflow of foreign capital and strengthening the balance of payments as a whole, with the ultimate objective of maintaining a high rate of growth on a sound basis.

Kwartaallikse ekonomiese oorsig

Ekonomiese toestande en ontwikkelings gedurende die jaar wat op 30 Junie 1974 geëindig het, is in besonderhede in die Presidentsrede tydens die algemene jaarvergadering van die Reserwebank op 27 Augustus en in die Reserwebank se *Jaarlikse Ekonomiese Verslag* bespreek. Aangesien hierdie oorsigte ook die eerste en tweede kwartale van 1974 gedek het, word die huidige oorsig beperk tot 'n kort beskouing van ontwikkelings gedurende die tweede kwartaal van die jaar en aanvullende opmerkings oor meer onlangse ontwikkelings gedurende Julie en Augustus.

Die vernaamste kenmerke van ekonomiese ontwikkelings en toestande gedurende die meer onlangse tydperk kan soos volg saamgevat word:

1. Die koers van toename in reële ekonomiese bedrywigheid, wat in die derde kwartaal van 1973 'n hoë vlak bereik en in die daaropvolgende twee kwartale tot effens laer vlakke gedaal het, het gedurende die tweede kwartaal van 1974 aansienlik versnel. Aangesien die volkshuishouding sedert die vierde kwartaal van 1972 in 'n ekspansionistiese fase is, het die benutting van produksiekapasiteit 'n hoë vlak bereik en meer onlangs het die arbeids- en kapitaalmarkte in toenemende mate vernou. Die verskyning van hierdie en ander stremmings in die volkshuishouding dui daarop dat die reële groeikoers, afgesien van die ekspansionistiese uitwerking van die insameling van die verwagte groot someroeste in die derde kwartaal, mettertyd tot 'n meer handhaafbare maar steeds betreklik hoë peil behoort te daal.

2. Die versnelling in die ekonomiese groeikoers gedurende die tweede kwartaal het voortgespruit uit 'n toename in die binnelandse vraag sowel as in uitvoere. Gedurende hierdie tydperk het die bruto binnelandse besteding die bruto nasionale produk met 'n groter marge as in die eerste kwartaal oorskry. Hierdie ontwikkeling is weerspieël in 'n groter tekort op die lopende rekening van die betalingsbalans. Hierbenewens het die groter monetêre vraag verder tot die heersende hoë koers van inflasie in Suid-Afrika bygedra.

3. Afgesien van 'n groter tekort op die lopende rekening van die betalingsbalans was daar ook 'n uitvloeiing van kapitaal. Gevolglik het die totale betalingsbalans omgeswaai vanaf 'n oorskot in die eerste kwartaal tot 'n tekort in die tweede kwartaal. Die verdere vernouing van die rentekoersverskille tussen Suid-Afrika en ander lande gedurende die tydperk Junie tot Augustus en die stramheid van die binnelandse geld- en kapitaalmarkte kan lei tot groter buitelandse lenings en 'n beëindiging van die kapitaaluitvloeiing. In hierdie opsig is dit ook die regering se voorneme om meer fondse in die buiteland te leen.

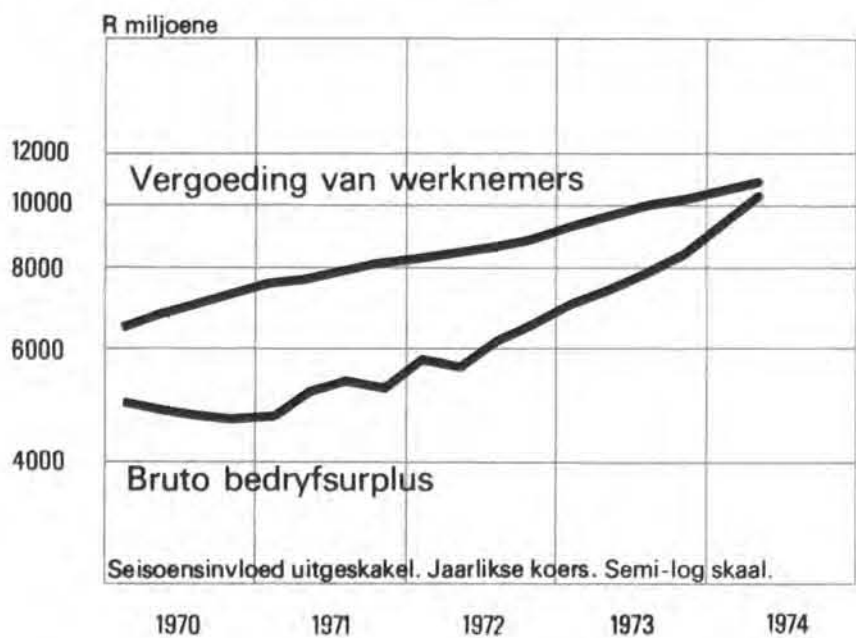
4. Die toename in die totale vraag het nie slegs tot 'n groter vraag na krediet en kapitaal gelei nie, maar ook deur sy invloed op binnelandse besparing die groei in die aanbod van fondse in die geld- en kapitaalmarkte beperk. Gevolglik het 'n groeiende wanbalans tussen die vraag na en aanbod van fondse in hierdie markte ontwikkel, wat deur die netto uitvloeiing van fondse wat in die betalingsbalans aangeteken is, vererger is. Die geld- en kapitaalmarkte het progressief vernou en rentekoerse, insluitende deposito- en ander beheerde rentekoerse, het sterk opwaarts beweeg. Die algemene skaarste aan fondse het ook gelei tot aktiewe mededinging tussen depositonemende en verwante instellings. Bankinstellings in die besonder het gedurende die tweede kwartaal aggressief om deposito's meegeë, vanweë die noodsaaklikheid om hulle likwiede batebesit op te bōu en om aan die sterk vraag na bankkrediet te voldoen.

5. Alhoewel die bankkrediet aan die private en regeringsektore gedurende die tydperk April tot Julie 1974 voortgegaan het om teen 'n hoë koers te styg, het die seisoensaangesuiwerde jaarkoers van toename in die hoeveelheid geld en kwasi-geld gedaal. Dit was hoofsaaklik die gevolg van 'n aansienlike afname in die netto goud- en ander buitelandse reserwes en 'n buitengewoon groot toename in langtermyndeposito's van die private sektor by die banksektor gedurende die tweede kwartaal van die jaar. Ongeveer die helfte van die groot toename in die krediet van die banksektor aan die private sektor is egter verklaar deur die Landbank. Kredietverlening deur die handelsbanke, aksepanke en monetêre huurkoopbanke het in werklikheid gedurende Julie vir die eerste keer sedert Julie 1972 gedaal. Gedurende die tydperk April tot Julie het die monetêre bankinstellings hulle likwiditeitsposisie verbeter vanaf 'n tekort tot 'n klein oorskot in hulle besit aan vereiste likwiede bates.

Nasionale rekeninge

Die bruto binnelandse produk teen heersende markpryse het gedurende die tweede kwartaal van 1974 opmerklik verder toegeneem, hoofsaaklik as gevolg van aansienlike toenames in die bruto bedryfsurplus van die sektore landbou, goudmynbou, fabriekswese en die handel. Ofskoon die huidige hoë inflasiekoers in die groter bedryfsurplusse weerspieël is, het die volume van produksie van die betrokke sektore, met uitsondering van die goudmynbousektor, ook opmerklik toegeneem. Gevolglik het die reële ekonomiese groeikoers gedurende die tweede kwartaal van 1974 versnel, nadat dit gedurende die voorafgaande twee kwartale effens gedaal het vanaf die hoë vlak wat in die derde kwartaal van 1973 bereik is.

Bruto binnelandse produk

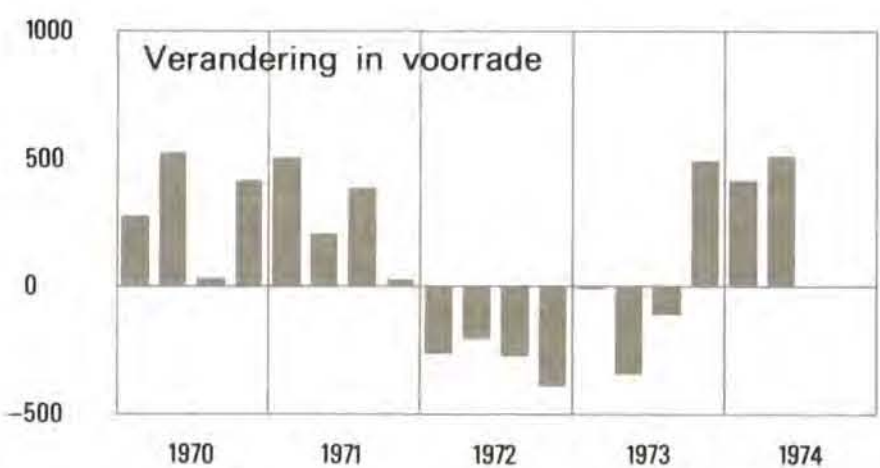
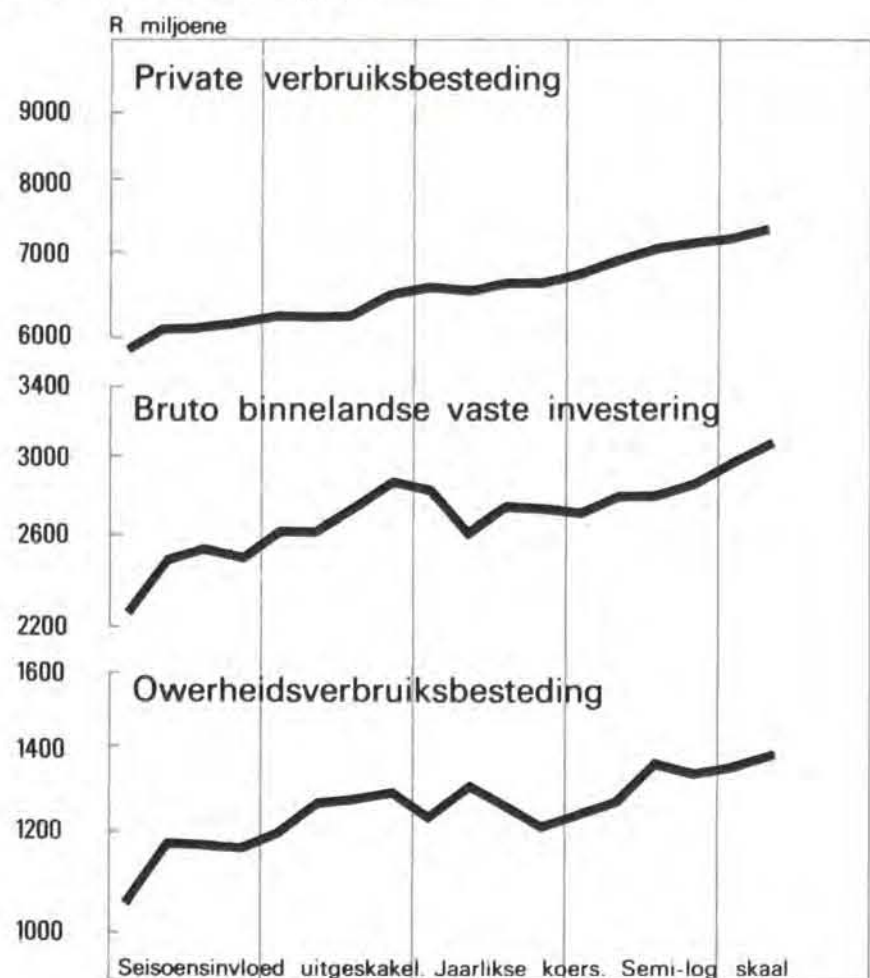


Die versnelling in ekonomiese bedrywigheid gedurende die tweede kwartaal van 1974 het uit 'n toename in die binnelandse vraag sowel as 'n toename in uitvoere voortgespruit. Soos gewoonlik gedurende tydperke van vinnige ekonomiese uitbreiding die geval is, het die binnelandse vraag teen 'n vinniger koers as die binnelandse aanbod toegeneem, en gedurende die afgelope drie kwartale het die bruto binnelandse besteding in werklikheid die bruto nasionale produk in aansienlike mate oorskry. Hierdie ontwikkeling is in 'n groterwordende tekort op die lopende rekening van die betalingsbalans weerspieël en gedurende die tweede kwartaal van 1974 was die tekort aansienlik groter as gedurende die eerste kwartaal.

In vergelyking met die eerste kwartaal het al die komponente van die bruto binnelandse besteding tot die hoër koers van toename gedurende die tweede kwartaal bygedra. In die geval van die reële private verbruiksbesteding was die uitgawes aan duursame goedere, en in die besonder aan motors, hoofsaaklik vir die hoër koers van toename verantwoordelik. Die besteding aan klerasie en skoeisel het egter in reële terme op 'n hoë vlak afgeplat. Die owerheidsverbruiksbesteding, wat gedurende die laaste kwartaal van 1973 en die eerste kwartaal van 1974 traag gebly het, het gedurende die tweede kwartaal baie vinnig gestyg, hoofsaaklik as gevolg van 'n aansienlike toename in die besteding aan goedere en dienste, uitgesonderd vergoeding van werknemers.

Die herlewing van die totale vaste investering, wat in die derde kwartaal van 1973 begin het, het gedurende die tweede kwartaal van 1974 aansienlike stukrag gekry. Vaste investering deur die private sektor, veral dié aan vervoertoerusting, masjinerie en ander toerusting deur die landbou en die fabriekswese, was in hoofsaak vir die hoër koers van toename verant-

Bruto binnelandse besteding teen konstante 1963-pryse



woordelik. Die private vaste investering teen heersende pryse was gedurende die tweede kwartaal 30 persent hoër as gedurende die ooreenstemmende kwartaal van 1973. In die geval van die private fabriekswese was die reële vaste kapitaalvoorraad, d.w.s. nadat voorsiening gemaak is vir prysstygings en waardevermindering, aan die einde van die tweede kwartaal byvoorbeeld ongeveer 11 persent hoër as aan die einde van die ooreenstemmende kwartaal van 1973. Vaste investering deur openbare owerhede het, nadat dit gedurende die eerste kwartaal skerp gestyg het, gedurende die tweede kwartaal in werklikheid effens afge neem, as gevolg van 'n vermindering in die kapitaaluitgawes aan paaie, brûe en geboue deur provinsiale administrasies. Vaste investering deur openbare korporasies het egter nadat dit gedurende die eerste

kwartaal afgeneem het, gedurende die tweede kwartaal sterk toegeneem en ongeveer dieselfde hoë vlak as in die vierde kwartaal van 1973 bereik.

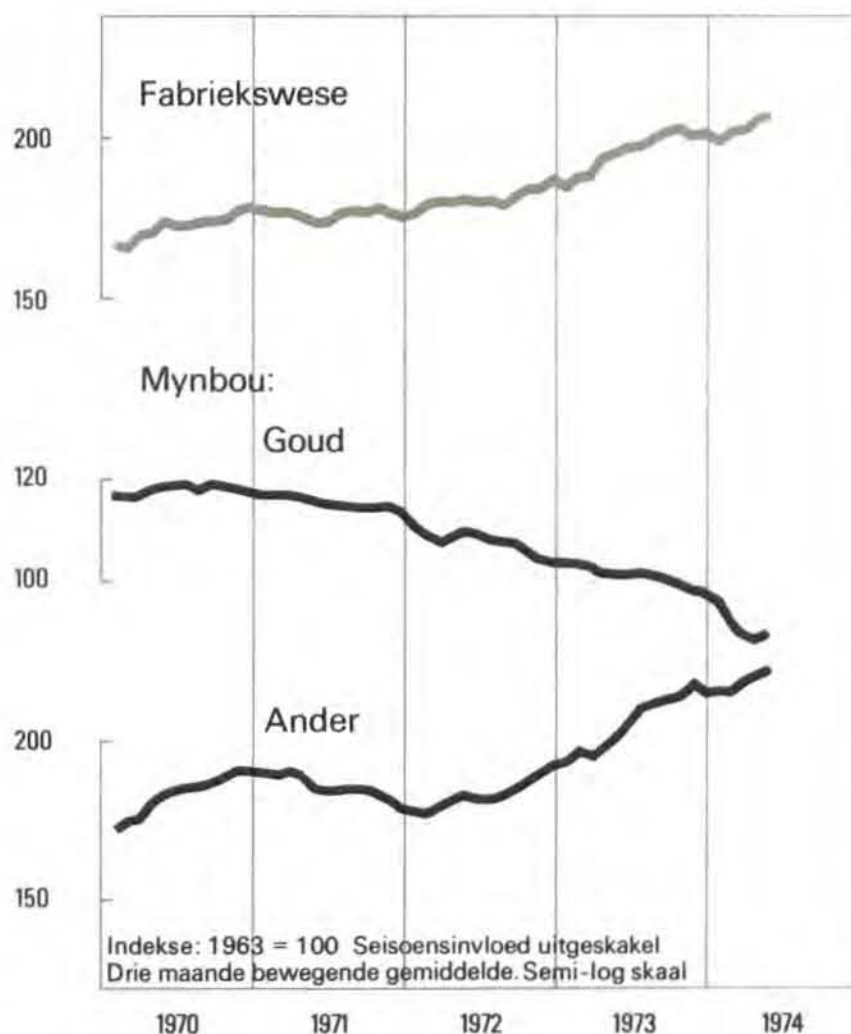
Die voorraadinvestering het gedurende die laaste kwartaal van 1973 en die eerste helfte van 1974 aansienlik toegeneem. Die opmerkbare verdere toevoeging tot voorrade gedurende die tweede kwartaal van 1974 was hoofsaaklik die gevolg van 'n toename in nywerheids- en handelsvoorrade.

Die bruto binnelandse besparing het op 'n hoë vlak gebly, maar het nietemin gedurende die tweede kwartaal van 1974 ietwat afgeneem en was onvoldoende om die totale vaste en voorraadinvestering te finansier. Gevolglik was buitelandse fondse nodig om die binnelandse besparing aan te vul, maar as gevolg van 'n werklike uitvloeï van buitelandse kapitaal moes die goud- en ander buitelandse reserves in aansienlike mate aangewend word. Die afname in die binnelandse besparing was die netto resultaat van afnames in maatskappybesparing en die lopende surplus van die algemene owerheid, bykans geen verandering in die persoonlike besparing nie, en 'n matige toename in die voorsiening vir waardevermindering. Maatskappybesparing en die lopende surplus van die algemene owerheid was nietemin nog steeds op 'n hoë vlak, terwyl persoonlike besparing op 'n baie lae vlak gebly het.

Produksie, handel en werkverskaffing

Nieteenstaande die versnelling in die koers van toename in die reële ekonomiese bedrywigheid gedurende die tweede kwartaal van 1974, word daar verwag dat die koers van toename in die nie-landbouproduksie sal neig om op 'n hoë vlak af te plat, as gevolg van die bestaande hoë vlak van produksiekapasiteitsbenutting en die strammer toestand op die kapitaal- en arbeidsmark. Die fabrieksproduksie, wat vanaf November 1973 tot Maart 1974 afgeplat het, het gedurende die tweede kwartaal van 1974 taamlik skerp toegeneem, hoofsaaklik as gevolg van hoër produksie deur die nywerhede wat basiese metale, metaalprodukte, vervoertoerusting, tekstiele, klerasie en drank vervaardig. Gedurende die eerste helfte van 1974 was die fabrieksproduksie 4,8 persent hoër as gedurende die tweede helfte van 1973. Voorlopige aanduidings is dat die nie-goudmynbouproduksie, wat tot die einde van Maart 1974 'n soortgelyke neiging as die fabrieksproduksie getoon het, ook gedurende die tweede kwartaal 'n aansienlike toename getoon het. Gedurende die eerste ses maande van 1974 was die maandelikse gemiddelde vlak van die nie-goudmynbouproduksie 2,5 persent hoër as gedurende die tweede helfte van 1973. Die goudmynproduksie het ietwat toegeneem vanaf die lae vlak wat in Maart 1974 bereik is, maar die produksie gedurende die tweede kwartaal was nogtans 2,4 persent laer as in die eerste kwartaal.

Fisiese volume van produksie



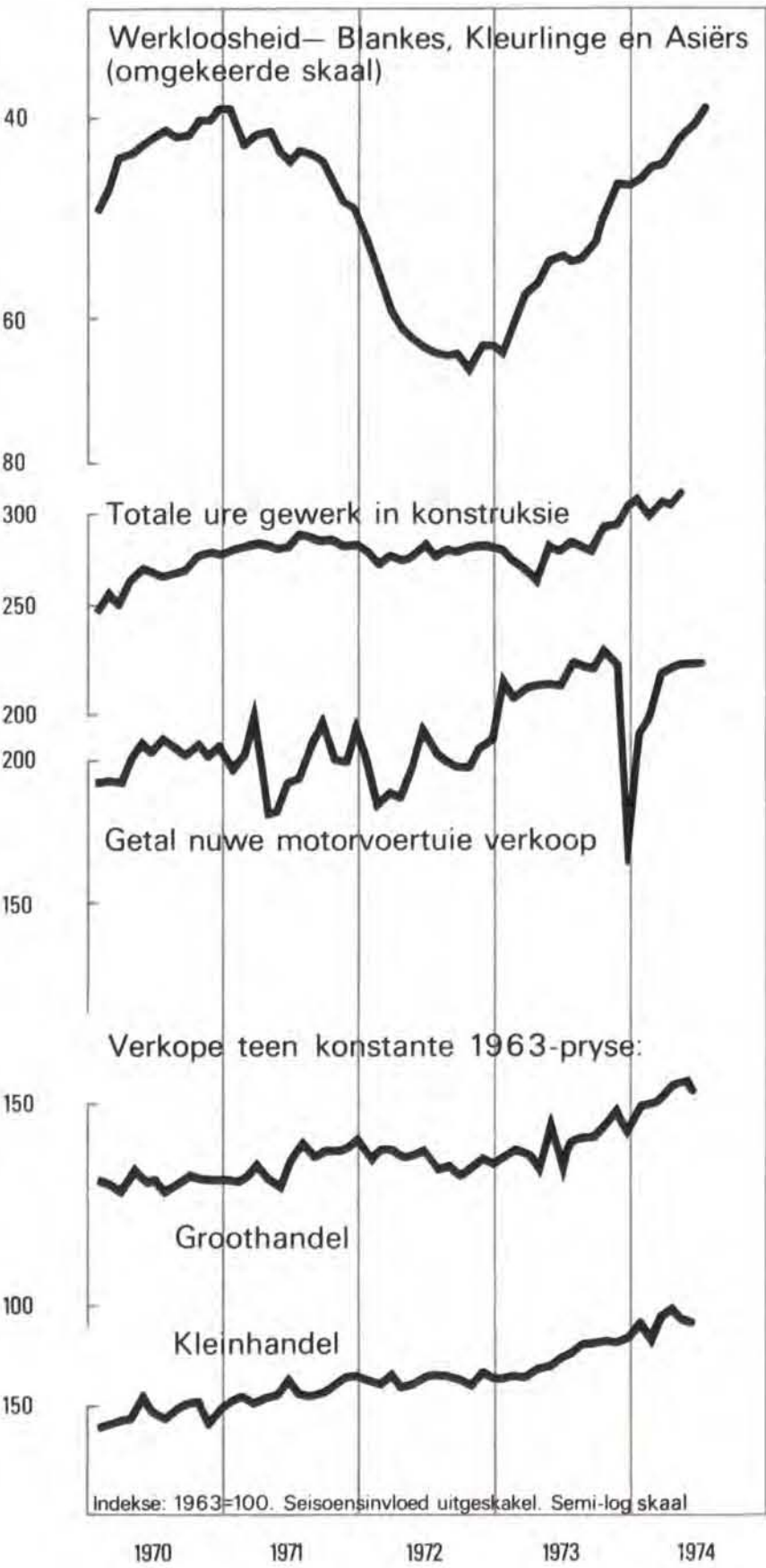
Volgens aanwysers soos die aantal ure gewerk deur produksiewerkers, oortyd as 'n persentasie van gewone ure gewerk, en groothandelsverkope van boumateriaal teen konstante pryse, het bou- en konstruksiebedrywigheid gedurende die eerste vyf maande van 1974 op die hoë vlak gebly wat teen die einde van 1973 bereik is. Dit wil egter voorkom of die skaarste aan arbeid en kapitaal, tesame met die hoë koers van toename in die koste van kapitaal en boumateriaal, 'n verdere betekenisvolle toename in hierdie bedrywigheid belemmer.

Toestande in die groot-, klein- en motorhandel het gedurende die tweede kwartaal van 1974 lewendig gebly. Aansienlike verdere stygings is aangeteken in groot- en kleinhandelsverkope teen konstante pryse en in die aantal nuwe motorvoertuie verkoop. Maar terwyl die groothandelsverkope teen konstante pryse en die nuwe motorvoertuie verkoop voortgegaan het om te styg gedurende die tweede kwartaal, en in die geval van motorvoertuie tot Julie, het die kleinhandelsverkope teen konstante pryse in Mei en Junie gedaal vanaf die hoë vlak wat in April 1974 bereik is. 'n Skerp afname was veral opmerklik in die volume van die kleinhandelsverkope van meubels en huishoudelike toebehore sedert Januarie 1974.

As gevolg van die volgehoue groei wat sedert die vierde kwartaal van 1972 aangeteken is, het die

arbeidstoestand in toenemende mate strammer geword. Die verhouding van oortyd tot gewone ure gewerk in die fabriekswese- en konstruksiesektor is tans op 'n hoë vlak en die geregistreeerde aantal werklose Blankes, Kleurlinge, en Asiërs het voortgegaan om tot aan die einde van Julie 1974 te daal. Die seisoensaangesuiwerde aantal werkloses in Julie, naamlik 7 705, is die laagste syfer wat gedurende die na-oorlogse tydperk aangeteken is en gesien in die lig van die konstante toename in werkverskaffing, gee dit 'n aanduiding van die stramheid van die arbeidsmark.

Algemene ekonomiese aanwysers



Pryse

Nadat dit gedurende sowel die vierde kwartaal van 1973 as die eerste kwartaal van 1974 op ongeveer dieselfde hoë vlak gebly het, het die koers van toename in die seisoensaangesuiwerde *verbruikersprysindeks* in die tweede kwartaal taamlik skerp versnel. Hierdie versnelling was hoofsaaklik die gevolg van skerp toenames in voedselpryse, alhoewel die pryse van meubels, klerasie en skoeisel ook aansienlik gestyg het. Vanweë verhogings van verbandkoerse en eien-domsbelasting, het die koers van toename in behuisingskoste, en gevolglik in die pryse van dienste, ook gedurende die eerste sewe maande van 1974 begin versnel. Vanaf Julie 1973 tot Julie 1974 het verbruikerspryse met nie minder nie as 12,0 persent gestyg, terwyl voedselpryse 'n styging van 17,1 persent aangeteken het.

Verbruikerspryse

Persentasiekoers van verandering in seisoens-aangesuiwerde indekse

	3e kw. 1973 tot 4e kw. 1973	4e kw. 1973 tot 1e kw. 1974	1e kw. 1974 tot 2e kw. 1974	Julie 1973 tot Julie 1974
Dienste	1,6	1,8	2,3	8,4
Behuising	1,3	1,9	3,4	9,2
Ander	2,3	1,5	0,3	6,8
Goedere	3,3	3,0	3,3	14,2
Voedsel	4,5	1,3	3,9	17,1
Meublement en toerusting	1,7	3,2	3,6	11,1
Klerasie en skoeisel	2,4	4,3	4,7	14,9
Ander	2,9	5,4	2,5	13,9
Totaal	2,6	2,6	2,9	12,0

Tussen Julie 1973 en Julie 1974 het die *groot-handelspryse* van goedere vir binnelandse gebruik met 19,3 persent gestyg. Die koers van toename van groot-handelspryse van Suid-Afrikaans-geproduseerde goedere, wat gedurende die voorafgaande vier kwartale teen 'n betreklik konstante koers gestyg het, het in die tweede kwartaal van 1974 versnel. Hoër pryse van landbouprodukte en vervaardigde basiese metale en voedselprodukte was hoofsaaklik vir hierdie versnelling in die koers van toename verantwoordelik. Die koers van toename in die pryse van ingevoerde goedere het sy stygende neiging in die tweede kwartaal voortgesit en tussen die eerste en tweede kwartale van 1974 teen 'n jaarkoers van nie minder nie as 26,2 persent gestyg.

Groothandelspryse

Persentasiekoers van verandering in seisoens-aangesuiwerde indekse.

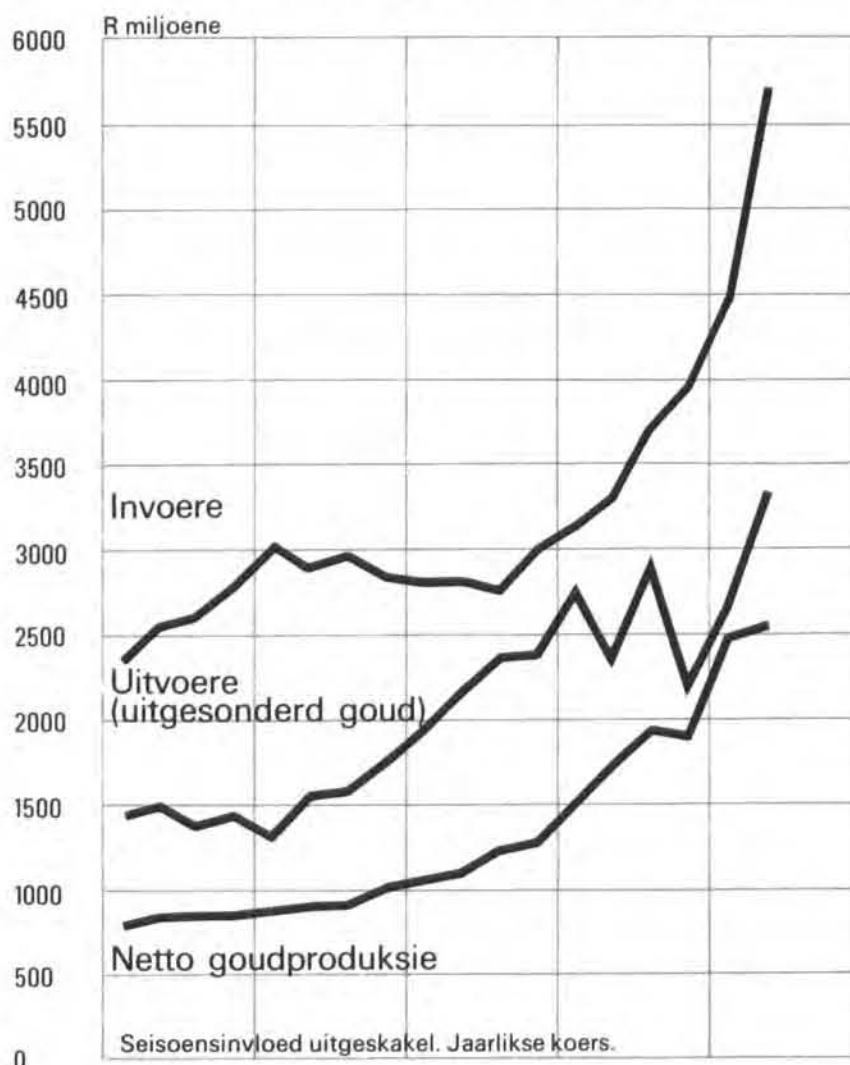
	3e kw. 1973 tot 4e kw. 1973	4e kw. 1973 tot 1e kw. 1974	1e kw. 1974 tot 2e kw. 1974	Julie 1973 tot Julie 1974
Goedere geproduseer in Suid-Afrika	3,6	3,4	5,1	18,9
Landbou, bosbou en vissery	5,1	-0,5	8,0	18,0
Fabriekswese	3,3	4,4	4,6	19,9
Drank en tabak	1,2	1,7	-2,2	8,5
Tekstiele, klerasie en skoeisel	5,9	6,0	5,1	23,6
Basiese metale en metaalprodukte	2,8	4,2	6,0	25,3
Masjinerie en vervoertoerusting	1,7	2,9	2,7	10,2
Voedsel	4,4	2,3	5,6	19,2
Ander	3,2	3,4	3,2	9,4
Ingevoerde goedere	3,7	4,7	6,0	20,8
Totaal	3,6	3,8	5,2	19,3

Betalingsbalans

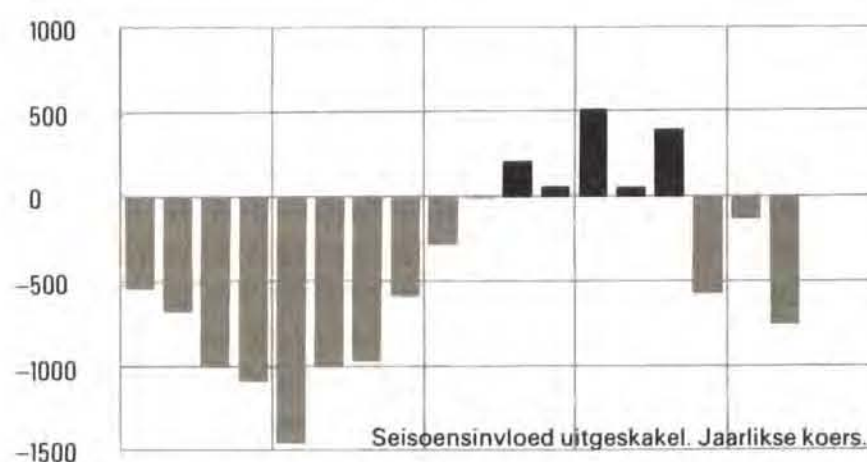
Die totale betalingsbalans het vanaf 'n oorskot van R80 miljoen gedurende die eerste kwartaal van 1974 na 'n tekort van R142 miljoen gedurende die tweede kwartaal verander. Hierdie verandering is hoofsaaklik veroorsaak deur 'n omkering van buitelandse kapitaalbewegings vanaf 'n groot netto invloeiing na 'n klein uitvloeiing van kapitaal. Daarbenewens was daar ook 'n toename in die tekort op lopende rekening. Die tekort het vanaf R63 miljoen in die eerste kwartaal tot R105 miljoen in die tweede kwartaal toegeneem, maar teen 'n seisoensaangesuiwerde jaarkoers was daar 'n opvallende toename vanaf R138 miljoen tot R763 miljoen. Hierdie groter tekort op die lopende rekening was die gevolg van 'n aansienlike toename in goedere-invoere en netto dienstebetalings, wat die opmerkbare toename in uitvoere en 'n verdere klein styging in die waarde van die netto goudproduksie meer as geneutraliseer het.

Goedere-invoere het gedurende die tweede kwartaal teen 'n seisoensaangesuiwerde jaarkoers van 28 persent tot R5 716 miljoen toegeneem. Die hoofbydraes tot hierdie toename is deur die invoer van mineraalprodukte, masjinerie en elektriese toerusting, chemiese produkte, vervoertoerusting, tekstiele en plastiekprodukte gemaak. Netto onsigbare betalings aan die res van die wêreld het in die tweede kwartaal met 20 persent toegeneem, hoofsaaklik vanweë 'n skerp styging in rentebetalinge aan buitelanders en 'n klein afname in dividende ontvang op buitelandse beleggings.

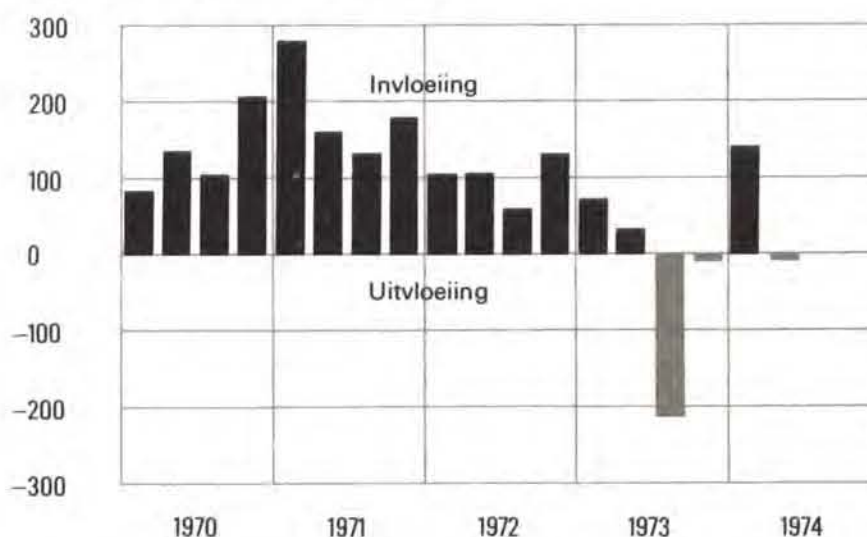
Lopende rekening van die betalingsbalans



Saldo op lopende rekening



Totale kapitaalbewegings



Goedere-uitvoere het gedurende die tweede kwartaal teen 'n seisoensaangesuiwerde jaarkoers van 26 persent tot R3 358 miljoen toegeneem, hoofsaaklik as gevolg van toenames in die uitvoer van diamante, mielies en suiker. Die seisoensaangesuiwerde waarde van die netto goudproduksie het gedurende die tweede kwartaal met slegs 3 persent toegeneem, ten spyte van 'n toename van 9,3 persent in die gemiddelde prys van goud op die Londense mark. Die lae koers van toename in die netto goudproduksie was te wyte aan 'n afname in die volume van die goudproduksie. Die waarde van die netto goudproduksie gedurende die eerste helfte van 1974 was nogtans 32 persent hoër as gedurende die tweede helfte van 1973.

'n Klein netto buitelandse kapitaaluitvloeiing van R37 miljoen is gedurende die tweede kwartaal aange-teken, teenoor 'n netto invloeiing van R143 miljoen in die eerste kwartaal. Hierdie verandering is deur 'n afname in die invloeiing van langtermynkapitaal en 'n verdere uitvloeiing van korttermynkapitaal teweeggebring. 'n Afname in die buitelandse lenings deur openbare korporasies, wat die toename in die buitelandse leningsverplichtings van die Suid-Afrikaanse Spoorweë meer as geneutraliseer het, was hoofsaaklik vir die afname in die invloeiing van langtermynkapitaal verantwoordelik. Indien die buitelandse lenings van openbare korporasies uitgesluit word, was daar ook 'n klein netto uitvloeiing van ander private langtermynkapitaal. Die feit dat rentekoerse in Suid-Afrika laer was as in die meeste ander lande, het voortgegaan om 'n uitvloeiing van private korttermynkapitaal aan te moedig. Daarbenewens is 'n uitvloeiing van korttermynkapitaal ook deur die sentrale regering en banksektor ondervind. Die uitvloeiing van private korttermynkapitaal gedurende die eerste helfte van 1974 was nogtans aansienlik kleiner as die uitvloeiing wat gedurende die tweede helfte van 1973 aangeteken is.

Die netto resultaat van die betalingsbalans-transaksies en waardasieaansuiwerings op die reserwes was 'n afname van R139 miljoen in die goud- en ander buitelandse reserwes gedurende die tweede kwartaal, naamlik tot 'n vlak van R929 miljoen aan die einde van Junie 1974.

Volgens die maandelikse handelsyfers wat deur die Departement van Doeane en Aksyns vrygestel is, was daar 'n skerp toename in sowel goedere-invoere as -uitvoere gedurende Julie. Teen 'n seisoensaangesuiwerde jaarkoers het invoere vanaf R5 149 miljoen in Junie tot R5 465 miljoen in Julie toegeneem, terwyl uitvoere 'n toename vanaf R2 965 miljoen tot R3 642 miljoen getoon het. Voorlopige gegewens dui daarop dat buitelandse lenings deur openbare korporasies gedurende Julie vir 'n aansienlike invloeiing van langtermynkapitaal verantwoordelik was. Bowendien het die rentekoersverskille tussen Suid-Afrika en ander lande gedurende Julie en Augustus aansienlik

vernou en dit word verwag dat dit 'n invloeiing van private kapitaal sal aanmoedig. Die goud- en ander buitelandse reserwes van die Reserwebank het nogtans gedaal vanaf R777 miljoen aan die einde van Junie tot R734 miljoen op 6 September, wat 'n verdere tekort op die lopende rekening van die betalingsbalans sedert die middel van die jaar weerspieël.

Sedert die beleid van beheerde swewing van die rand op 21 Junie 1974 aanvaar is, is die vaste wisselkoers tussen die rand en die Amerikaanse dollar by vyf geleenthede aangepas. Na 'n matige appresiasie op 24 Junie 1974 het die volgende drie aanpassings effektief die waarde van die rand gede presiëer, terwyl die laaste, op 11 September, weer 'n appresiasie meegebring het. Tesame het hierdie aanpassings gelei tot 'n effektiewe depresiasie in die waarde van die rand van 2,0 persent vanaf 21 Junie tot 11 September in verhouding tot die geldeenhede van Suid-Afrika se handelsvennote.

Monetêre en banktoestand

Geld en kwasi-geld en banklikwiditeit

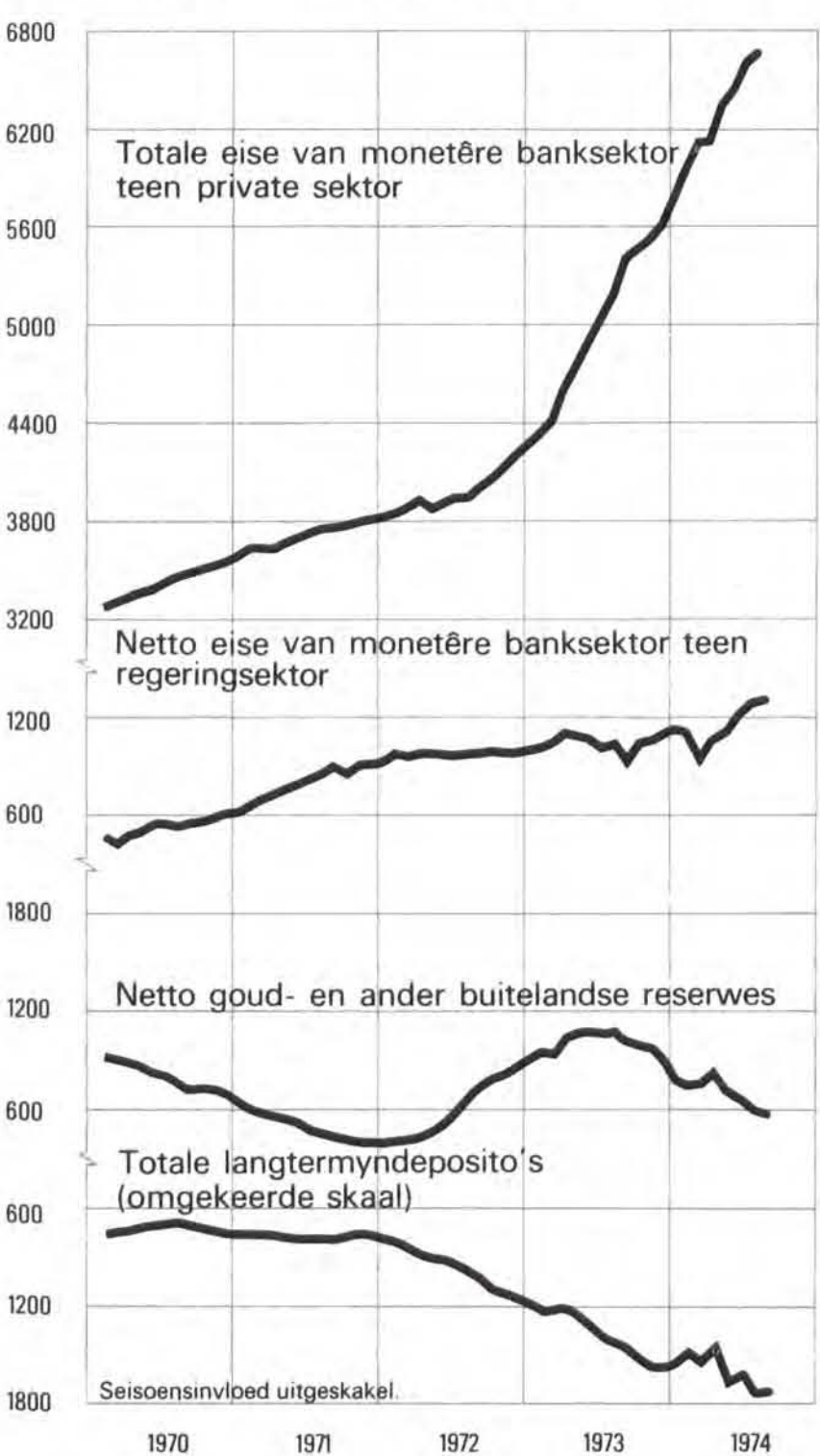
Die toename in die hoeveelheid geld en kwasi-geld, wat gedurende die kalenderjaar 1973 23 persent beloop het en gedurende die eerste kwartaal van 1974 'n seisoensaangesuiwerde jaarkoers van 29 persent bereik het, het gedurende die tweede kwartaal van 1974 tot 'n koers van net meer as 12 persent en gedurende die tydperk April-Julie tot effens minder as 11 persent gedaal. Die verdere styging in geld en kwasi-geld gedurende hierdie tydperk van vier maande is weer eens byna uitsluitend deur 'n baie groot verdere uitbreiding van bankkrediet aan die private sektor (R528 miljoen, seisoensinvloed uitgeskakel), en aan die regeringsektor (R213 miljoen), verklaar, waarby laasgenoemde toename hoofsaaklik 'n weerspieëling was van 'n afname van meer as R400 miljoen in regeringsdeposito's by die banksektor gedurende die tweede kwartaal van die jaar. Die ekspansionistiese uitwerking van hierdie verlening van bankkrediet op die hoeveelheid geld en kwasi-geld is egter gedeeltelik geneutraliseer deur 'n aansienlike daling in die netto goud- en ander buitelandse reserwes (R234 miljoen) en deur 'n buitengewoon groot toename in die bedrag van die langtermyndeposito's van die private sektor (R264 miljoen). Indien kwasi-geld uitgesluit word, het die geldhoeveelheid gedurende die tydperk van April tot Julie in werklikheid ietwat gedaal, nadat dit gedurende die eerste kwartaal van die jaar teen 'n buitengewoon hoë jaarkoers van ongeveer 46 persent toegeneem het.

Die meer onlangse ontwikkelings gedurende Julie het egter in verskeie opsigte van dié gedurende die tweede kwartaal verskil. Die toenames in bankkrediet aan die private en regeringsektore, ná uitskakeling van die seisoensinvloed, was klein volgens onlangse standarde. Terselfdertyd was die verdere daling in die

Monetêre ontleding



Oorsake van veranderings in geld en kwasi-geld



netto goud- en ander buitelandse reserwes aansienlik kleiner as die maandelikse gemiddelde gedurende die tweede kwartaal, terwyl die langtermyndeposito's min verandering getoon het.

Die totale eise van die monetêre banksektor teen die private sektor het gedurende die tydperk van vier maande vanaf April tot Julie teen 'n seisoensaangesuiwerde jaarkoers van 28 persent gestyg, in vergelyking met 25 persent gedurende die eerste kwartaal, letwat meer as R200 miljoen van die totale toename in die eise van die banksektor teen die private sektor van R434 miljoen (seisoensinvloed nie uitgeskakel nie) gedurende die tweede kwartaal en Julie 1974 is egter verklaar deur 'n opmerklike styging in die kaskredietvoorskotte van die Landbank. Die styging in die eise teen die private sektor van die handelsbanke, aksepbanke en monetêre huurkoop- en algemene banke gedurende die tweede kwartaal van 1974 en Julie het minder as die helfte van die totale toename in die eise van die banksektor teen die private sektor beloop, terwyl dit gedurende die voorafgaande 18 maande min of meer deurlopend die totale toename in alle eise van die banksektor teen die private sektor oorskry het. Ná betreklik aansienlike stygings gedurende April en Mei 1974 en 'n groot styging gedurende Junie, het die eise teen die private sektor van die handelsbanke, aksepbanke en monetêre huurkoop- en algemene banke gedurende Julie in werklikheid met R70 miljoen gedaal, die eerste sodanige daling sedert Julie 1972.

Vanaf 'n negatiewe syfer van R64 miljoen, of 0,8 persent van die totale verpligtings teenoor die publiek aan die einde van April 1974, het die oorskotbesit aan likwiede bates van die handelsbanke, aksepbanke en monetêre huurkoop- en algemene banke daarna betreklik bestendig gestyg. Aan die einde van Julie het die gesamentlike besit aan oorskot-likwiede bates van hierdie banke R123 miljoen of 1,4 persent van hul totale verpligtings teenoor die publiek bedra.

Die handelsbanke het hul likwiditeitsposisies verbeter vanaf 'n tekort in hul vereiste likwiede batebesit van R74 miljoen aan die einde van April tot 'n oorskotbesit aan likwiede bates van R94 miljoen aan die einde van Julie. Dit was in 'n beduidende mate 'n weerspieëling

Oorskotte of tekorte aan likwiditeit van monetêre bankinstellings, 1974

	April	Mei	Junie	Julie
Handelsbanke	-1,4	0,1	0,4	1,6
Aksepbanke	0,1	3,3	4,0	1,8
Monetêre huurkoop- en algemene banke . . .	0,5	0,6	0,2	0,5
Totaal:				
Verhouding	-0,8	0,6	0,8	1,4
Bedrag van oorskot of tekort (-) (Rm) . . .	-64	52	69	123

van die verlenging van die gemiddelde onverstreke looptyd van die banke se verpligtings teenoor die publiek, as gevolg van hul meer aggressiewe mededinging om termyndeposito's en die uitreiking van verhandelbare depositosertifikate. So het die banke se totale verpligtings teenoor die publiek vanaf die einde van Februarie 1974 tot die einde van Junie met ongeveer 6 persent toegeneem, terwyl die dienoooreenkomstige toename in hul vereiste likwiede batebesit vanaf die einde van Maart tot die einde van Julie minder as een persent bedra het. Hierbenewens het die banke gedurende hierdie tydperk egter 'n opmerkbare styging in hul werklike besit aan likwiede bates ondervind, onder andere vanweë 'n vinnige toename gedurende Julie in die krediet wat deur die Reserwebank en die Nasionale Finansiële Korporasie aan die Landbank verleen is.

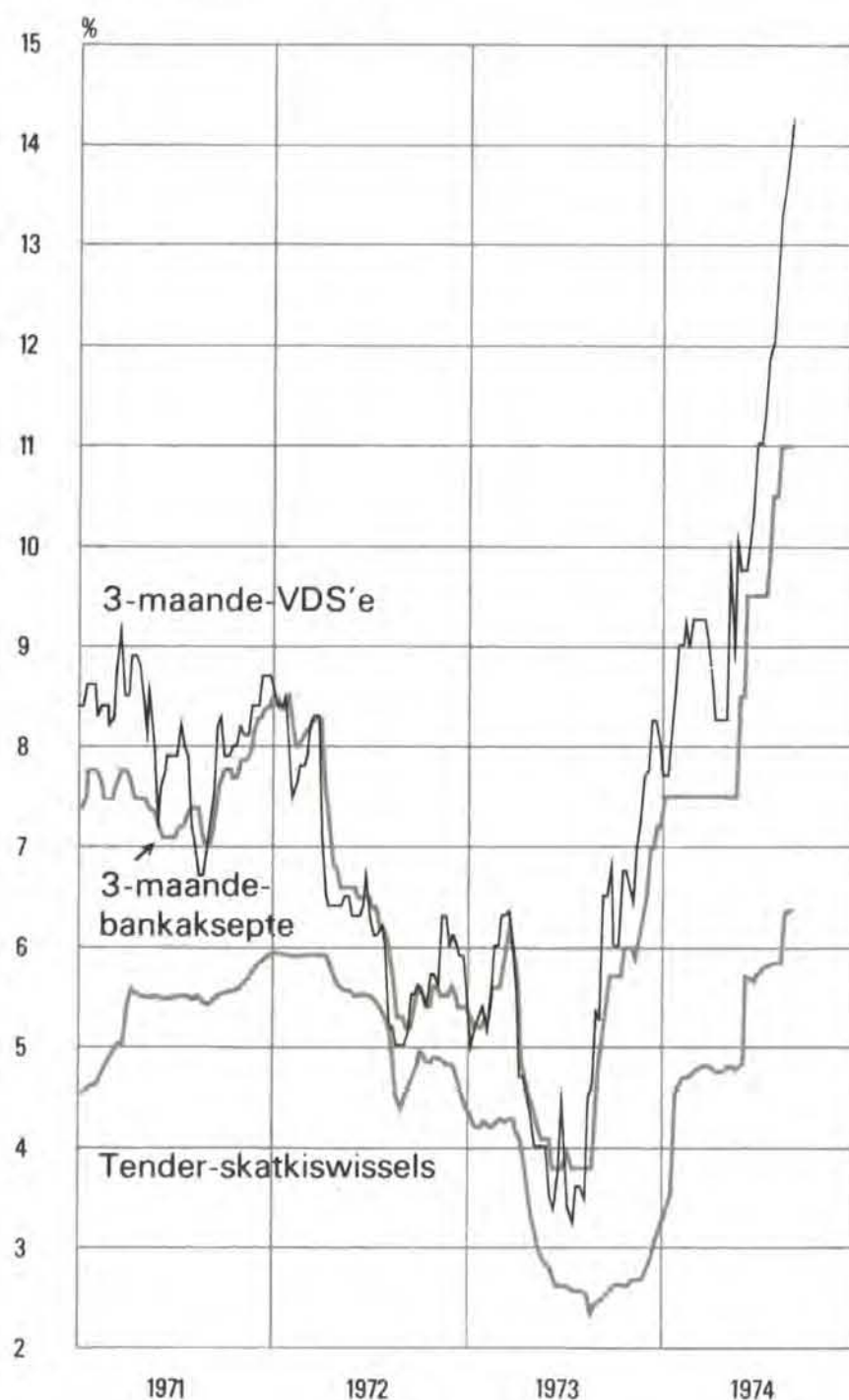
Toestand op die geldmark en rentekoerse

Gedurende die tydperk Mei tot Augustus was daar 'n algemene verruiming van die geldmark, met uitsondering van 'n kortstondige vernouing teen die einde van Junie en in die eerste deel van Julie, en van die verwagte seisoenale vernouing oor die maandeinde van Augustus. Onder hierdie omstandighede het die akkommodasie van die Reserwebank aan die banke en die diskontohuise, in die vorm van oortrekkings en lenings aan die banke plus oornag-lenings en die verdiskontering van skatkiswissels deur die diskontohuise, betreklik beperk gebly. Aan die einde van Augustus het die Bank se akkommodasie aan die banke en die diskontohuise, wat op betreklik gunstige voorwaardes toegestaan is, egter 'n hoogtepunt van R207 miljoen bereik.

In ooreenstemming met die konserwatiewe beleid wat deur die monetêre owerhede gevolg is, het korttermynrentekoerse gedurende hierdie tydperk nog steeds 'n sterk opwaartse neiging getoon. Die Bankkoers is op 1 Junie van 6,5 na 7,5 persent en op 14 Augustus na 8 persent verhoog. Die maksimum depositorentekoerse, soos dit deur die rentekoersbeheerregulasies vasgestel word, is op dieselfde datums verhoog, waarby laasgenoemde verhoging gelei het tot 'n maksimum van 10 persent op deposito's van 24 maande of langer. Met ingang 14 Augustus is deposito's van meer as R250 000 van die rentekoersbeheer vrygestel. Die handelsbanke het hul prima-oortrekkingskoers met ingang 1 Junie vanaf 9 na 10 persent en met ingang 16 Augustus tot 10,5 persent verhoog. Die koers wat in werklikheid van die banke se kliënte gehef word, het egter vanaf 1 Augustus gestrek vanaf 'n minimum van 11 persent tot 13,5 persent.

Die koers op bankaksepte van drie maande het stapsgewys vanaf 7,5 persent in die middel van Mei tot 11 persent vanaf 9 Augustus gestyg. Die koers op VDS-e van 90 dae het skerp gestyg vanaf 9,0 persent op 17 Mei tot 14,25 persent op 30 Augustus. Die skatkiswissel-tenderkoers, wat op 17 Mei 'n

Geldmarkrentekoerse



laagtepunt van 4,76 persent bereik het, het ná die verhoging van die Bankkoers op 1 Junie tot 5,72 persent en ná die Bankkoersverhoging van 14 Augustus tot 6,31 persent gestyg. Soos deur die Minister van Finansies in sy Begrotingsrede op 14 Augustus aangekondig is, is die maksimum finansieringsheffing wat kragtens die Wet op die Beperking en Bekendmaking van Finansieringskoste op alle geldlenings van meer as R400 toegelaat word, vanaf 12 tot 14 persent verhoog.

Staatsfinansies

Die sterk opwaartse neiging in inkomste-ontvangste gedurende die fiskale jaar 1973/74 het gedurende die tweede kwartaal van 1974 voortgeduur. Groter inkomstebelastinginvorderings, en in 'n mindere mate ontvangste van doeane- en aksynsregte, was hoofsaaklik vir die hoë peil van die inkomste-ontvangste verantwoordelik. Die skatkisuitreikings, alhoewel heelwat hoër as gedurende die ooreenstemmende kwartaal van 1973, het gedurende die tweede kwartaal feitlik op dieselfde peil gebly as gedurende die eerste kwartaal van 1974, indien seisoensfaktore buite rekening gelaat word. Gevolglik het die seisoensaangesuiwerde skatkistekort gedurende die tweede kwartaal afgeneem, soos wat ook gedurende die eerste kwartaal die geval was.

Die werklike skatkistekort van R130 miljoen is gefinansier deur toenames van R72 miljoen in die Skatkis se netto skuldposisie teenoor die monetêre banksektor en van R58 miljoen in sy skuldposisie teenoor die nie-banksektor. Die Staatsskuldkommissaris het R49 miljoen bygedra tot die bedrag aan lenings wat in die nie-banksektor opgeneem is. Die toename in die netto skuldposisie teenoor die monetêre banksektor was die netto resultaat van 'n afname van R188 miljoen in regeringsdeposito's en 'n afname van R116 miljoen in hierdie sektor se besit aan staatskuldbewyse.

Gedurende Julie het die skatkisontvangste die uitreikings met R97 miljoen oorskry en hierdie surplus is weerspieël in 'n toename van R115 miljoen in die skatkissaldo. Hierdie saldo het in Augustus 'n verdere seisoenale toename van R144 miljoen getoon, gedeeltelik as gevolg van inkomstebelastingbetalings deur goudmynmaatskappye en ander voorlopige belastingbetalers. Netto buitelandse lenings deur die sentrale regering van R20 miljoen het ook tot die toename in skatkisdeposito's gedurende Julie en Augustus bygedra. In die Begroting vir 1974/75 wat op 14 Augustus aan die Parlement voorgelê is, het die Minister van Finansies 'n groter gebruik van buitelandse lenings as 'n metode van finansiering van Leningsrekening-uitgawes en verbetering van die kapitaalrekening van die betalingsbalans in die vooruitsig gestel. Gedurende die eerste vyf maande van die huidige fiskale jaar, dit wil sê vanaf April tot Augustus 1974, het die buitelandse fondse wat deur die sentrale regering opgeneem is R73 miljoen bedra, teenoor aflossings van buitelandse lenings tot 'n bedrag van R45 miljoen.

Die Begroting vir 1974/75

By die voorlegging van die Begroting vir 1974/75 was die Minister van Finansies van oordeel dat die heersende en verwagte ekonomiese toestande beleidsmaatreëls vereis wat op vier oogmerke gerig moet wees, naamlik die handhawing van 'n bevredigende groeikoers, die behoud van ekonomiese stabiliteit en

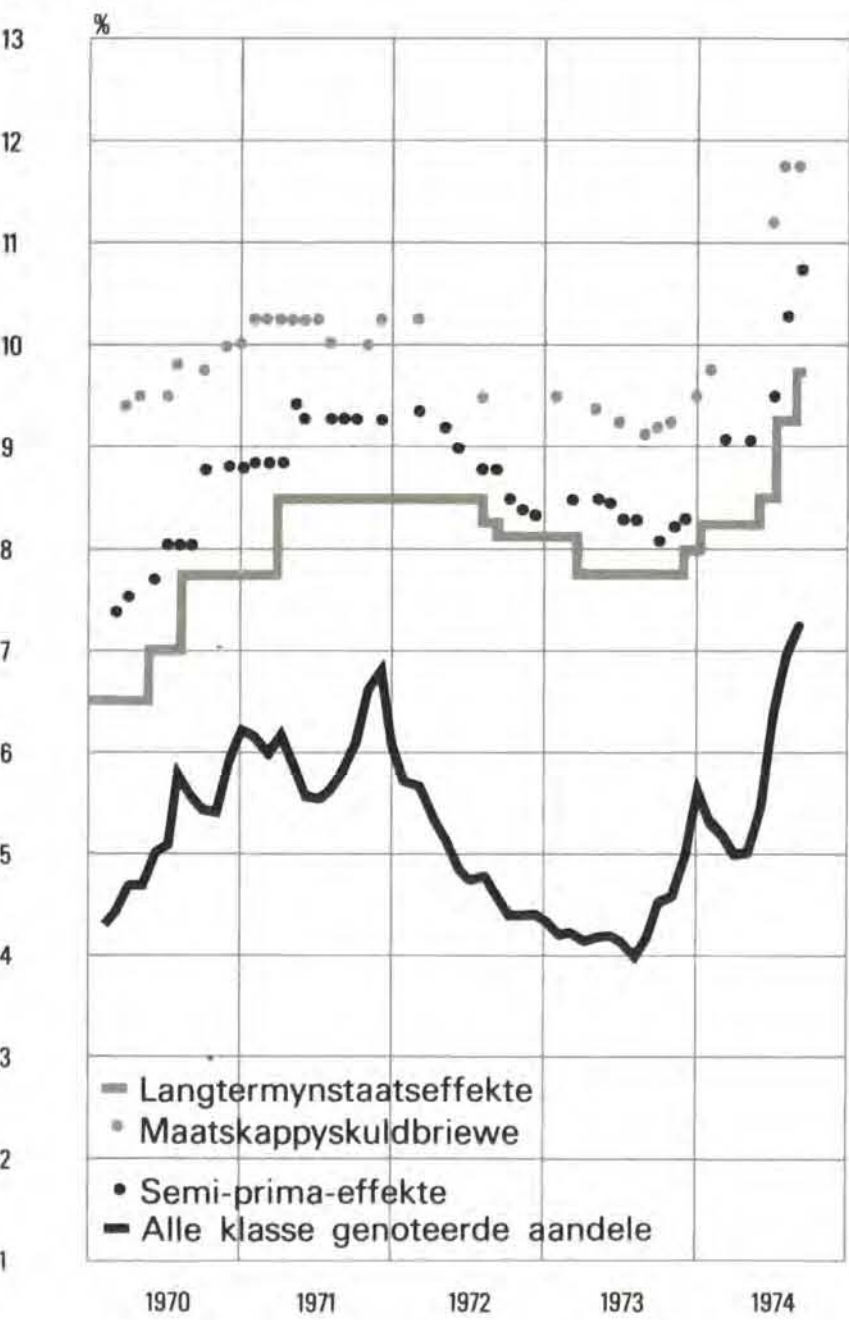
in die besonder die beteueling van inflasie, die versterking van die betalingsbalans, en verligting van die uitwerking van inflasie op die gemeenskap. Om hierdie doelstellings te verwesenlik, is verskeie maatreëls getref om die produktiwiteit en produksie vir die plaaslike en uitvoermarkte te verhoog. Voorstelle is gemaak om die kapitaalrekening van die betalingsbalans te versterk, soos groter lenings deur die regering in buitelandse finansiële markte en die vergemakliking van die aangaan van buitelandse lenings deur die private sektor. Verskeie belastingtoegewings is gemaak, insluitende 'n vermindering van die verkoopreg op meer noodsaaklike goedere, sosiale en siviele pensioene is verhoog en sekere subsidies is verhoog. Met die oog op ekonomiese stabilisasie is die surplus op die Inkomsterekening van die vorige jaar nie aangewend om uitgawes te finansier of belasting te verminder nie, maar in plaas daarvan is R200 miljoen van die surplus van R319 miljoen na die Stabilisasierekening oorgeplaas.

Daar word voorsien dat die ontvangste op die Inkomste- en Leningsrekening gedurende 1974/75 met ongeveer 20 persent tot R4 869 miljoen sal styg. Die uitgawes gedurende die lopende fiskale jaar word geraam op R5 502 miljoen, of 23 persent meer as gedurende die voorafgaande jaar, wat 'n tekort van R633 miljoen sal laat. Indien die aflossing van lenings in aanmerking geneem word, word geraam dat die Tesourie se leningsbehoefte R1 146 miljoen sal bedra, waarvan R812 miljoen in die binnelandse finansiële mark en R334 miljoen in die buitelandse markte geleen sal word.

Kapitaalmark

Die vernouing van die toestand op die kapitaalmark vanaf ongeveer die derde kwartaal van 1973 het gedurende die tweede en tot in die derde kwartaal van 1974 voortgeduur. Hierdie verloop is in die mark vir vaste-rentedraende effekte in 'n verdere opwaartse beweging van rentekoerse en 'n wanbalans tussen die vraag na en aanbod van fondse weerspieël. Die opbrengskoers op langtermynstaatseffekte is op 1 Junie vanaf 8,25 tot 8,50 persent, op 12 Julie tot 9,25 persent, en op 14 Augustus verder tot 9,75 persent verhoog. Gedurende die tydperk van vier maande vanaf April tot Julie 1974 het die oorheersende koers op langtermynsemi-prima-effekte en maatskappyskuldbriewe onderskeidelik toegeneem vanaf 9,1 tot 10,3 persent en vanaf 9,75 tot 11,75 persent. Nieteenstaande die skerp styging in rentekoerse, moes sommige nuwe uitgiftes van vaste-rentedraende effekte wat vir Junie en Julie beplan was, as gevolg van die beperkte aanbod van fondse afgestel of uitgestel word. Die onvoldoende aanbod van fondse was die gevolg van die algemene skaarste aan fondse in die finansiële mark, 'n terughouding van beleggings vanweë verwagtings van verdere stygings in rentekoerse, hoë

Opbrengskoerse



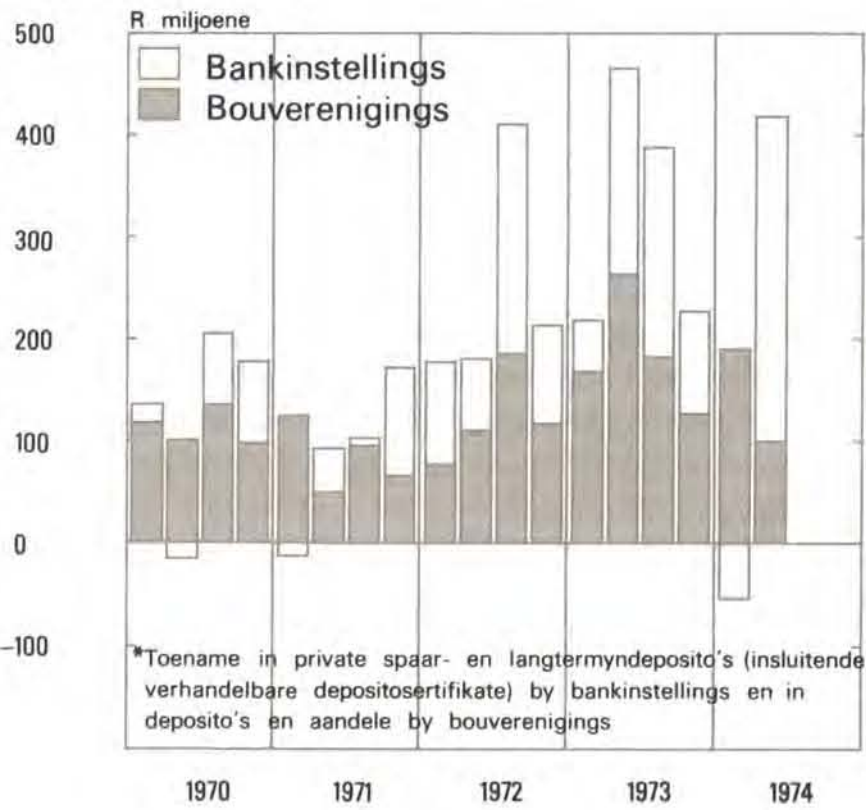
rentekoerse op korter termynbeleggings en -deposito's, en die vroeëre voldoening van institusionele beleggers aan die wetlike beleggingsvereistes, ingevolge waarvan 'n minimum belegging in prima- en semi-prima-effekte in stand gehou moet word. As gevolg van die stram binnelandse mark, moes groot leners soos die openbare korporasies die meeste van hul leenbedrywigheide na buitelandse markte verskuif. Netto buitelandse lenings deur die openbare korporasies het gedurende die tweede kwartaal R56 miljoen bedra, vergeleke met R139 miljoen gedurende die eerste kwartaal, terwyl 'n verdere bedrag van R82 miljoen gedurende Julie opgeneem is. Individuele maatskappye in die private sektor moes ook fondse op die buitelandse kapitaalmark bekom.

Na 'n tydelike herstel van aandelepryse gedurende die eerste vier maande van 1974, het die pryse van alle klasse aandele, met uitsondering van goudmynaandele, gedurende die daaropvolgende drie maande afwaarts beweeg. Selfs die pryse van goudmynaandele, wat vanaf die einde van 1971 sterk gestyg het,

het gedurende Mei en Junie gedaal, maar gedurende Julie weer gestyg. Die effektebeursbedrywigheid het dienoooreenkomstig afgeneem en was gedurende die tydperk van Mei tot Julie gemiddeld ongeveer 50 persent laer as gedurende die eerste vier maande van 1974. As gevolg van 'n toename in dividendbetalings, voortspruitende uit hoër maatskappywinste, en die daling van aandelepryse, het dividendopbrengskoerse gedurende die tweede kwartaal en Julie opmerklik toegeneem. Die gemiddelde dividendopbrengskoers op alle klasse aandele het aan die einde van Julie 7,0 persent bedra, vergeleke met 5,0 persent aan die einde van die eerste kwartaal.

Die vloei van fondse na bankinstellings, bouverenigings en deelnemingsverbandskemas in die vorm van toenames in spaar- en langtermyndeposito's (met insluiting van verhandelbare depositosertifikate), bouverenigingaandele en beleggings in deelnemingsverbande, het gedurende die tweede kwartaal van 1974 aansienlik toegeneem tot R454 miljoen, vergeleke met R169 miljoen gedurende die eerste kwartaal. Die groter invloeiing van fondse was die gevolg van 'n skerp toename in die vloei van langtermynfondse na bankinstellings wat gedurende die tweede kwartaal baie aktief om fondse meegeding het. Die vloei van fondse na die bouverenigings het opmerklik afgeneem, terwyl dié na die deelnemingsverbandskemas effens afgeneem het. 'n Deel van die toename in langertermynfondse by die bankinstellings het 'n verskuiwing vanaf kortertermyndeposito's verteenwoordig, maar 'n groot gedeelte daarvan het uit netto uitgiftes van verhandelbare depositosertifikate voortgespruit.

Vloei van fondse na bankinstellings en bouverenigings*



*Toename in private spaar- en langtermyndeposito's (insluitende verhandelbare depositosertifikate) by bankinstellings en in deposito's en aandele by bouverenigings

As gevolg van die tekort in die aanbod van deposito-tipe fondse in verhouding tot die vraag en die skerper mededinging vir fondse, het die opwaartse druk op deposito-rentekoerse aansienlik sterker geword. Gevolglik is die beheerde maksimumkoerse vir verskeie klasse deposito's en bouvereniging aandele (uitgesonderd subskripsie- en belastingvrye aandele) op 1 Junie met 1,5 persent verhoog. Die koerse op subskripsie- en belastingvrye aandele is terselfdertyd met 1 persent verhoog. Op 14 Augustus is rentekoersbeheer ten opsigte van individuele deposito's wat R250 000 oorskry en individuele bedrae van meer as R250 000 wat aangeneem word vir belegging in deelnemingsverbandskemas of in skuldbriewe wat deur die instellings uitgegee word vir die doel om krediet aan die publiek te verleen, opgehef. Interbank-deposito's is gedurende Junie vrygestel van rentekoersbeheer en hierdie vrystelling is in Augustus uitgebrei om ook deposito's wat bankinstellings en bouverenigings van mekaar aanvaar, in te sluit.

Die algemene wanbalans tussen die vraag na en die aanbod van fondse het ook tot die verbandmark uitgebrei. Die aanbod van verbandvoorskotte deur bouverenigings het verminder as gevolg van die kleiner invloeiing van fondse. Die verenigings het ook, as gevolg van die hoër leenkoerse, gedurende Junie besluit om die verbandkoers op woonhuise vanaf 9,25 tot 10,50 persent en dié op ander verbande vanaf 10,00 tot 11,25 persent te verhoog. Die koers op deelnemingsverbande is ook in Julie vanaf 9,6 tot 11,2 persent verhoog.

Verklaring insake wisselkoersbeleid

Uitgereik deur Sy Edele, dr. N. Diederichs, Minister van Finansies

21 Junie 1974

Alhoewel die meeste lande, insluitende Suid-Afrika, steeds ten gunste is van 'n uiteindelijke terugkeer tot 'n wisselkoersstelsel wat op vaste maar aanpasbare pariteitswaardes gebaseer is, het dit in die afgelope maande toenemend duidelik geword dat die huidige toestand van wydverspreide swewing van geldeenhede waarskynlik nog vir 'n geruime tyd sal voortduur. Bovendien, vanweë die fundamentele veranderings wat tans plaasvind in die wêreld se betalingsbalans-struktuur as gevolg van die wêreldinflasie, die energieposisie en ander onbestendige toestande, kan die moontlikheid van aansienlike skommelings in die wisselkoerse van die belangrikste nywerheidslande in die tydperk wat voorlê nie uitgesluit word nie.

In hierdie omstandighede is besluit om, met ingang vanaf 24 Junie 1974, die bestaande gebruik om 'n vaste wisselkoers tussen die Suid-Afrikaanse rand en die Verenigde State dollar vir langdurige tydperke te handhaaf te beëindig en, in plaas daarvan, 'n wisselkoersbeleid van onafhanklike beheerde swewing te aanvaar. In die verlede het Suid-Afrika natuurlik van tyd tot tyd die rand-dollarwisselkoers, of voorheen die rand-sterlingkoers, aangepas wanneer dit in die land se belang geag is. In Februarie 1973, byvoorbeeld, toe die dollar met 10 persent gedevalueer is, het die rand dit nie gevolg nie. Toe weer is die rand eensydig met 5 persent in Junie 1973 geappresieer. Maar tussen aanpassings van hierdie aard het die rand sedert Oktober 1972 aan die dollar gekoppel gebly en gevolglik saam met dit teenoor ander geldeenhede geskommel.

Gegewe die gebrek aan 'n ontwikkelde buitelandse valutamark in Suid-Afrika, het hierdie tegniese gebruik om die rand aan 'n belangrike intervensie-geldeenhede soos die dollar of sterling te koppel en die wisselkoers met daardie geldeenhede slegs by uitsondering, wanneer dit wenslik geag is, te verander, in die verlede die belange van die land oor die algemeen goed gedien. Nie alleen was dit 'n eenvoudige, praktiese en gerieflike reëling nie, maar het dit by tye vir maande aaneen ook gesorg vir algehele wisselkoersstabiliteit met ten minste een belangrike reserwegeldeenhede wat 'n betreklik groot gewig in Suid-Afrika se handels- en ander lopende transaksies met die res van die wêreld het.

Tydens die afgelope sewe maande, terwyl die dollar eers sterk teenoor die ander geldeenhede geappresieer en toe weer skerp gedevalueer het, het hierdie beleid egter oormatig wye skommelings in die geweegde gemiddelde effektiewe wisselkoers van die rand tot gevolg gehad—skommelings wat min of geen verband met Suid-Afrika se eie betalingsbalansposisie gedurende dié tydperk gehad het nie. Tussen 5 Junie 1973 en 25 Januarie 1974 het die rand, byvoorbeeld, 'n effektiewe appresiasie van 8,4

persent teenoor alle ander geldeenhede getoon in 'n tydperk toe die goud- en ander buitelandse reserwes besig was om te daal. Vervolgens, tussen laasgenoemde datum en 29 Maart 1974, gedurende welke tydperk die reserwes weer besig was om te styg, het die rand 'n gemiddelde effektiewe depresiasie van ongeveer 5,4 persent getoon.

Dit word daarom gevoel dat in die onsekere tydperk wat voorlê, 'n beleid van onafhanklike beheerde swewing bewegings in die wisselkoers van die rand teenoor die verskillende buitelandse geldeenhede tot gevolg sal hê wat in 'n groter mate veranderings in Suid-Afrika se onderliggende betalingsbalans- en binnelandse ekonomiese posisie weerspieël.

In die betreklik onontwikkelde Suid-Afrikaanse buitelandse valutamark, waarin die Reserwebank as die belangrikste voorsiener van buitelandse geldeenhede wat deur die verkoop van goud verkry word, 'n sleutelrol speel, sal 'n „beheerde swewing“ noodwendig die voortgesette vasstelling van die rand-dollar koers deur die Bank meebring. Maar ingevolge die nuwe beleid sal die Bank, in reaksie op veranderende omstandighede, waarskynlik meer dikwels en kleiner aanpassings aan hierdie koers as onder die bestaande reëlings aanbring. Dit word voorsien dat die koers slegs wanneer dit in die lig van buitelandse of binnelandse ontwikkelings nodig mag wees, aangepas sal word en nie noodwendig elke dag, elke week of met gereelde tussenposes van enige aard nie.

Ingevolge die nuwe beleid sal die monetêre owerhede nie noodwendig die rand koppel aan enige geweegde gemiddelde waarde van alle ander geldeenhede nie. Met ander woorde, selfs oor die kort termyn sal daar geen vaste verpligting wees om 'n effektiewe appresiasie of depresiasie van die rand teenoor alle ander geldeenhede te voorkom nie. In Suid-Afrikaanse toestande mag enige sodanige verpligting die Reserwebank blootstel aan buitensporige valutaspekulasie deur handelaars in buitelandse valuta en ook ander praktiese probleme skep. Wat meer belangrik is, dit kan nie *a priori* aanvaar word dat in 'n wêreld van swewende geldeenhede 'n konstante gemiddelde eksterne waarde van die rand in die ekonomiese belang van die land sal wees nie.

Nietemin, soos die rand-dollar koers van tyd tot tyd aangepas word, sal die monetêre owerhede hulle in 'n mate laat lei deur bewegings in die effektiewe gemiddelde wisselkoers van die rand. Ander faktore wat in aanmerking geneem sal word, is veranderings in die wisselkoerse van individuele geldeenhede wat van besondere belang vir die Rand Monetêre Gebied is, die Reserwebank se eie buitelandse valuta-transaksies, werklike en verwagte neigings in die betalingsbalans en die binnelandse finansiële en ekonomiese toestande. Soos ooreenkomstig die vorige reëlings, sal Suid-Afrika natuurlik van sy internasionale verpligtings t.o.v. wisselkoerse bewus bly en sal hy voortgaan om met die Internasionale Monetêre Fonds

in die belang van ordelike wisselkoerstoe­stande saam te werk.

Met die inwerkingstelling van die nuwe beleid sal die Reserwebank, met ingang vanaf 24 Junie en tot nadere kennisgewing, publieke aankoop- en verkoopkoerse vir die VSA-dollar van onderskeidelik \$ 1,5037 en \$ 1,4962 per rand noteer, wat op 'n nuwe middelkoers van \$ 1,50 per rand gebaseer is met dieselfde totale spreiding van $\frac{1}{2}$ persent soos voorheen. Vergeleke met die bestaande middelkoers van \$ 1,49 verteenwoordig dit 'n appresiasie van die rand van 0,67 persent.

Verklaring insake rentekoersaanpassings

Uitgereik deur die President van die Suid-Afrikaanse Reserwebank, dr. T. W. de Jongh

13 Augustus 1974.

Ná die gebruiklike oorlegpleging met die Tesourie het die Reserwebank besluit om met ingang 14 Augustus 1974 die volgende rentekoersaanpassings aan te bring:

(1) Die Bankkoers word vanaf $7\frac{1}{2}$ tot 8 persent verhoog.

(2) Die stel rentekoerse vir die Reserwebank se transaksies in staatseffekte word soos volg aangepas:

Die koers vir effekte met 'n uitstaande looptyd van 3 jaar word vanaf $6\frac{1}{2}$ tot 7 persent per jaar en die koers vir effekte met uitstaande looptye van 20 jaar en langer vanaf $9\frac{1}{4}$ tot $9\frac{3}{4}$ persent per jaar verhoog. Die nodige aanpassings in die koerse van effekte met uitstaande looptye van tussen 3 en 20 jaar word aangebring.

(3) Die bestaande beheer oor die rentekoerse wat banke en bouverenigings op deposito's mag betaal, word opgehef vir alle individuele deposito's bo R250 000. Wat individuele deposito's van R250 000 en minder en bouverenigingsaandele betref, bly die bestaande maksimum rentekoerse van toepassing. Die bestaande vrystelling ten opsigte van interbank-deposito's word egter nou ook tot bouverenigings uitgebrei. Met ander woorde, die maksimum rentekoerse is voortaan nie van toepassing op deposito's wat bouverenigings en geregistreerde bank-instellings van mekaar neem nie. Die nodige Regeringskennisgewing met betrekking tot hierdie verandering sal in die Staatskoerant verskyn.

Daar is ook besluit om met ingang 14 Augustus 1974 rentekoersbeheer op te hef ten opsigte van beleggings van meer as R250 000 in totaal in deelnemingsverbande en in skuldbriewe uitgereik deur instellings met die doel om krediet aan die publiek te verleen. Die nodige Regeringskennisgewing deur die Registrateur van Finansiële Instellings met betrekking tot hierdie verandering sal in die Staatskoerant verskyn.

'n Aankondiging sal ook nog deur die Minister van Finansies gedoen word met betrekking tot die Wet op Beperking en Bekendmaking van Finansieringskoste.

Die bogenoemde rentekoersaanpassings weer-spieël onlangse veranderinge in die vraag- en aanbodtoestande in die betrokke finansiële markte, wat weer op hul beurt met die huidige vinnige groeitempo van die Suid-Afrikaanse ekonomie en die buitengewoon hoë rentekoerse in die buiteland saamhang. Die aanpassings vorm deel van 'n breë monetêre beleid wat daarop gemik is om sowel vraag-inflasie te beteuel as om 'n netto invloeiing van buitelandse kapitaal aan te moedig en die betalingsbalans as geheel te versterk, met die einddoel om 'n hoë groeikoers op 'n gesonde grondslag te handhaaf.