

Quarterly economic review

Summary and general observations

In the Governor's Address at the Reserve Bank's Annual General meeting on 22 August and in the Bank's *Annual Economic Report* published before the meeting, economic developments during the year that ended on 30 June 1978, and in some cases also during July and the early part of August, were reviewed in detail. This review, therefore, covers mainly the second quarter of 1978 and, depending on the availability of statistics, also the subsequent two months.

Economic developments during the second quarter confirmed earlier evidence of a moderate economic upswing since the end of 1977. In this regard, the real gross domestic product of the non-agricultural sectors of the economy, which had begun to rise in the first quarter of 1978, increased considerably further in the second quarter. This further expansion, which was strengthened by an increase in the real value added by the agricultural sector, stemmed from a higher volume of exports and increases in all major components of real aggregate domestic demand, with the exception of real inventory investment.

The strength of the increase in domestic demand, however, is difficult to judge because an exceptionally large rise in real outlays on consumer durables during the second quarter partly reflected advance purchases prior to the introduction of the general sales tax on 3 July. In addition, the increase recorded in real gross domestic fixed investment during the second quarter was accounted for by higher outlays on selected projects only, and private fixed investment remained inhibited by the existence of surplus production capacity. Inventories declined to relatively low levels in the second quarter, and future replenishment of stocks will depend essentially on the underlying strength of the increase in consumption expenditure.

The moderate economic expansion during the first half of 1978 had the effect of slightly reducing unemployment. The number of registered unemployed Whites, Coloureds and Asians decreased significantly during the first quarter and although it rose again during the second quarter, the level in June was still well below that in December last year. According to available statistics, the number of unemployed Blacks also declined from October 1977 to March this year.

The rate of increase in wholesale and consumer prices decelerated notably during the second quarter. In July, however, the introduction of the general sales tax, together with deferred price adjustments, had a pronounced escalating effect on consumer prices. The rate of increase in wholesale prices in July, however, remained at the level to which it had declined in June.

Coinciding with the increase in real gross domestic expenditure, the volume of imports rose during the first half of 1978. The rate of increase accelerated during the second quarter and, together with a more rapid rise in import prices, accounted for a markedly higher level of imports during this period. At the same time, net invisible payments to the rest of the world increased sharply. The seasonally adjusted surplus on the current account of the balance of payments nevertheless declined only slightly compared with the first quarter because an increase in exports and the net gold output almost matched the rise in imports and net invisible payments.

The capital account of the balance of payments continued to show a net outflow during the second quarter, but this outflow was considerably smaller than during the preceding three months. A decline in the net outflow of short-term capital not related to reserves was largely responsible for the reduced overall net outflow of capital. This decline was probably due to the increase in imports and an accompanying rise in trade credits, despite the fact that the effective cost of trade financing abroad had risen above the comparable domestic cost.

The rates of increase in the narrowly defined money supply and the supply of money and near-money accelerated markedly during the second quarter and again during July. A sharp rise in bank credit to the private sector was the most important factor accounting for the increase in the monetary aggregates during the second quarter. A substantial part of the new bank credit extended to the private sector during this period was related to increased consumer expenditure ahead of the introduction of the general sales tax. During July bank credit to the private sector increased only moderately further, and the rise in the supply of money and near-money during this month was caused largely by an increase in net claims of the monetary banking sector on the government sector. The relatively small rise in bank credit to the private sector during July resulted in an increase in the unused facilities under the ceilings on the banks' discounts and advances, after these facilities had decreased during the second quarter notwithstanding the raising of the ceilings by an additional 4 per cent in May.

Bank rate was reduced from 9 to $8\frac{1}{2}$ per cent on 22 August and this was followed by a lowering on 24 August of the commercial banks' prime overdraft rate from $12\frac{1}{2}$ to 12 per cent. On 15 September it was announced that the banks' prime overdraft rate will be reduced by a further $\frac{1}{2}$ per cent and that the deposit rates of banking institutions and building societies, including those on building society shares, will generally be reduced by 1 per cent. Similar rate

reductions were also announced in respect of savings certificates of the Department of Posts and Telecommunications and certain Treasury bonds.

Exchequer receipts were slightly lower in the second than in the first quarter on account of the reduction of indirect taxes as part of government policy to stimulate the economy, and also in anticipation of the introduction of the general sales tax in July. Exchequer issues, on the other hand, were maintained at a relatively high level, causing a large deficit which had to be financed by means of borrowing. A successful raising of funds in the domestic non-banking sector obviated the need for credit from the monetary banking sector. During July, however, the government's net indebtedness to the monetary banking sector increased sharply when a further substantial deficit was recorded, partly because the proceeds of the general sales tax were not yet reflected in government revenue.

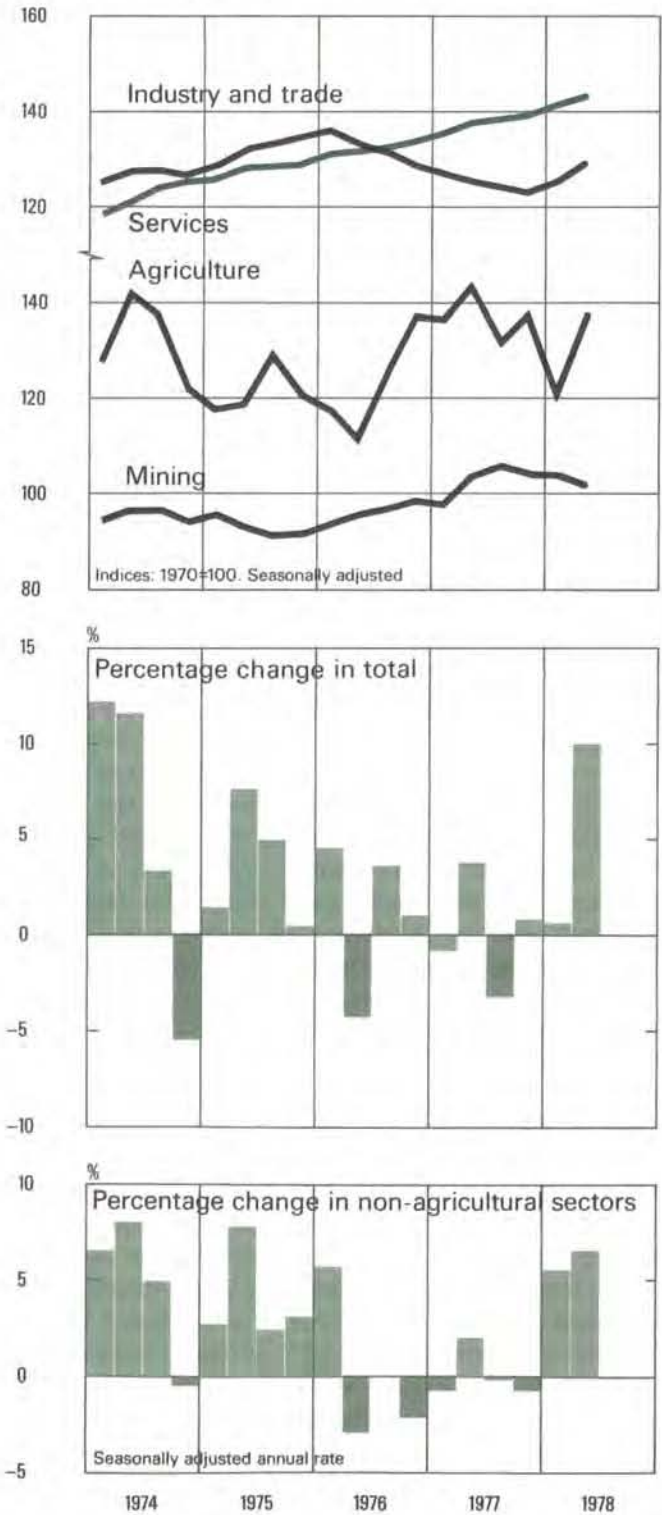
Except for periods of tightness over the June and August month-ends, money market conditions eased considerably during the second quarter and the ensuing two months. Money market rates declined during the first half of the second quarter, and after remaining more or less unchanged for about two months, resumed a downward trend during the remainder of July and August. The reduction in Bank rate was followed by a decline in all money market rates.

Easy conditions continued to exist in the fixed-interest security section of the capital market. Notwithstanding the raising of a substantial amount of new funds by the public sector, fixed-interest security yields continued their downward trend during the second quarter and the subsequent two months. In the share market, turnover and prices advanced strongly from May to August, after a temporary decline during the period February to April 1978. Activity in the mortgage and real estate markets, which had declined to a low level at the end of 1977 and recovered only moderately during the first quarter, expanded considerably during the second quarter and July.

National accounts

Real gross domestic product increased sharply from the first to the second quarter of 1978. A rise in the real value added by the secondary and tertiary sectors of the

Gross domestic product at constant 1970 prices



economy accounted for most of the increase, confirming earlier evidence of a cyclical upswing in economic activity from the end of 1977. The real value added by agriculture also increased appreciably in the second quarter, but real mining output remained more or less unchanged. Real gross domestic product was 2 $\frac{3}{4}$ per cent higher in the second quarter of 1978 than in the corresponding quarter of 1977, and in the first half of 1978 it was 2 per cent higher than in the first half of 1977.

Gross domestic product at current prices also increased markedly in the second quarter, largely reflecting higher profits by agriculture, mining, manufacturing and commerce. In contrast, the remuneration of employees rose at about the same rate as in the preceding quarter.

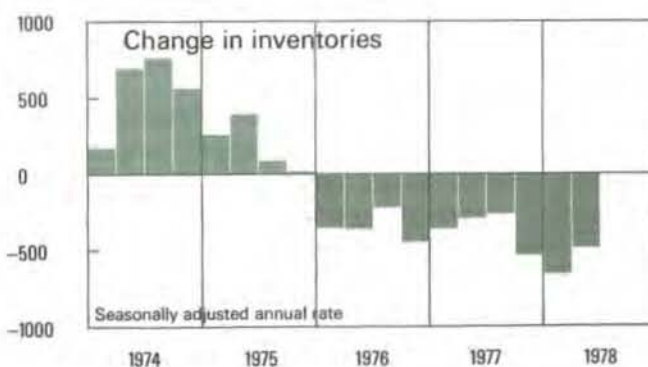
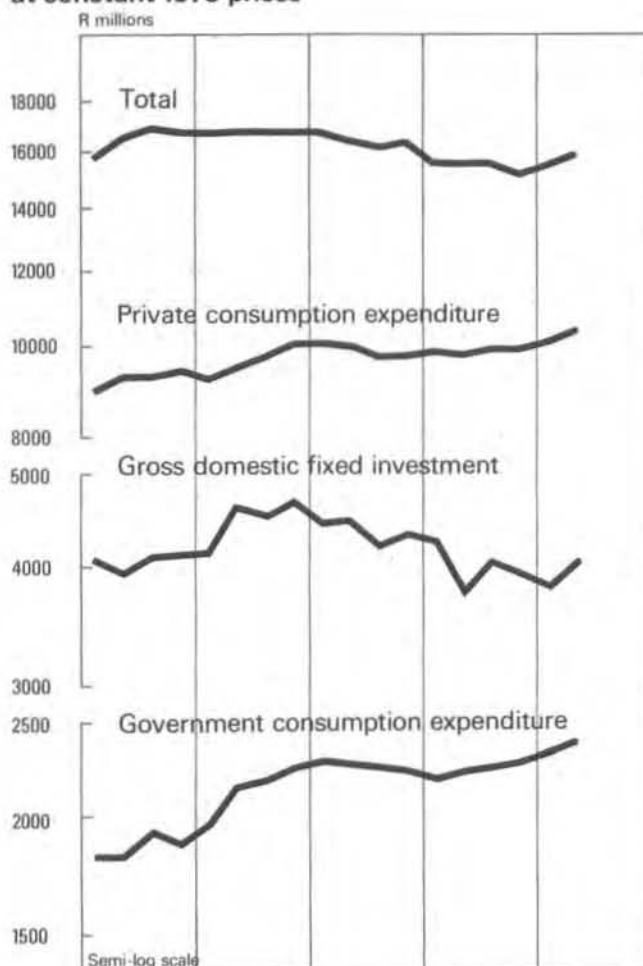
Apart from a higher volume of exports, the further increase in real gross domestic product during the second quarter of 1978 stemmed from rises in all major components of real aggregate domestic demand, with the exception of real inventory investment which declined for the tenth consecutive quarter. At current prices, the higher gross domestic expenditure was still less than the gross national product, and the difference was reflected in a fairly large surplus on the current account of the balance of payments.

Private consumption expenditure contributed materially to the increase in real aggregate domestic demand in the second quarter. Exceptionally large increases were recorded in real outlays on durable goods, reflecting large-scale purchases ahead of the introduction of the general sales tax of 4 per cent on 3 July. Real government consumption expenditure was maintained at the higher rate of increase that became apparent in the last quarter of 1977.

In real terms, gross domestic fixed investment increased markedly in the second quarter, after declining in the first quarter to its second lowest level in almost five years. The increase in the second quarter, however, was mainly accounted for by higher outlays on special projects such as the second oil-from-coal plant, the nuclear power station, the containerisation programme and plants for the production of uranium. The further decline in real inventory investment in the second quarter was noticeably smaller than in the preceding quarter. Decreases in real industrial and commercial inventories and diamond stocks-in-trade were partly offset by a sharp increase in real agricultural stocks. The ratio of real non-agricultural inventories to the real gross domestic product of the non-agricultural sectors fell to 31,4 per cent in the second quarter, compared with 33,1 per cent in the first quarter and the recent peak of 38,8 per cent in the third quarter of 1975.

Gross domestic saving increased substantially during the second quarter and exceeded the amount required to finance fixed and inventory investment for the fifth consecutive quarter. All components of gross

Gross domestic expenditure at constant 1970 prices



domestic saving increased in the second quarter, the largest increase being recorded in the case of corporate saving. Because of the higher level of consumption expenditure in the second quarter, the rate of increase in personal saving decreased noticeably during this period.

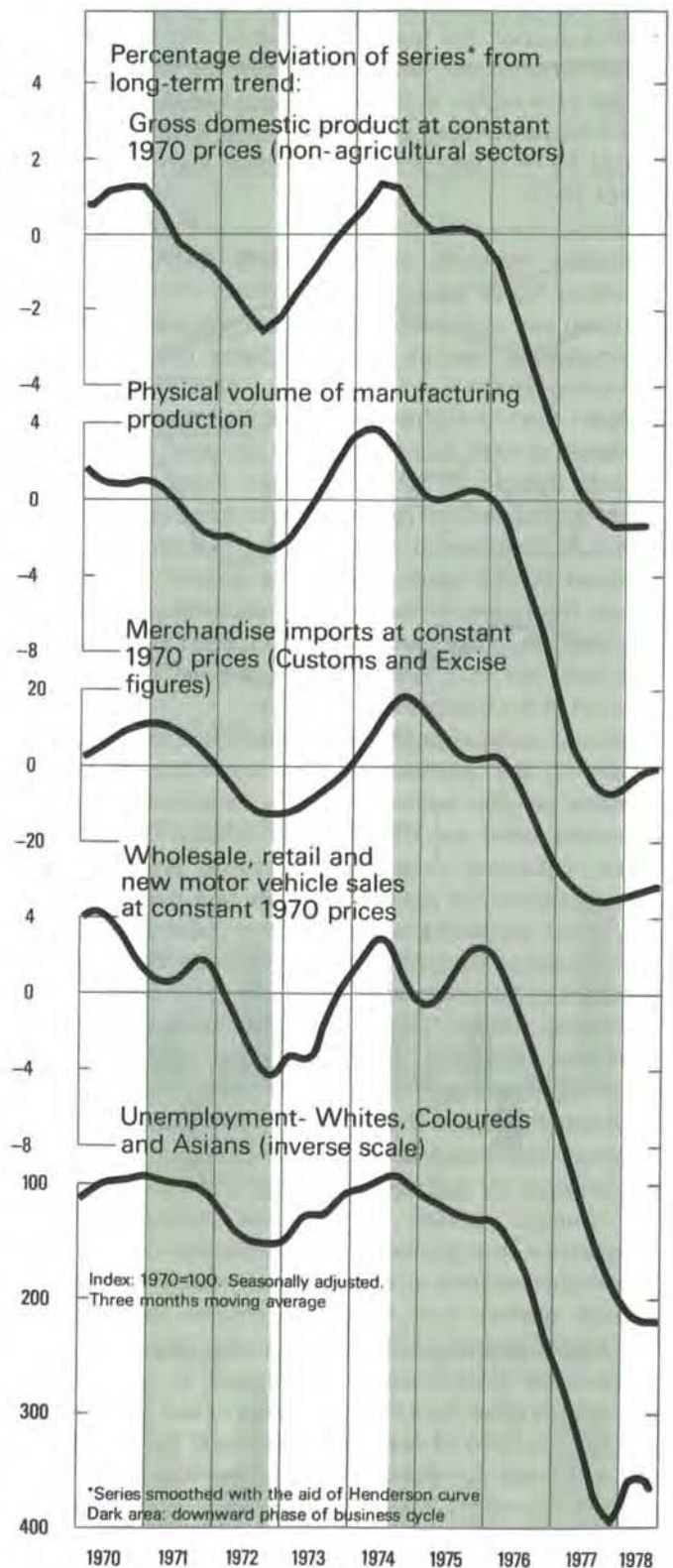
Business cycle trends, labour situation and prices

The behaviour of economic indicators during the second quarter of 1978 provided further evidence of the moderate upswing in economic activity from the end of 1977. In manufacturing the volume of production and sales at constant prices increased appreciably, and the higher level of activity was also reflected in an increase in the average rate of utilisation of production capacity from 83,9 per cent in the first quarter to 84,6 per cent in the second quarter. Wholesale and retail sales at constant prices rose further during the second quarter, and a particularly sharp rise occurred in new motor vehicle sales. These increased sales reflected a generally higher consumer demand, but also heavy consumer expenditure ahead of the introduction of the general sales tax. The effect of these advance purchases was a decline in the volume of retail sales and the number of new motor vehicles sold in July. Although activity in the construction sector was still at a relatively low level, a number of indicators, such as the volume of production and sales of building materials, residential building plans passed, real estate transactions, new mortgage loans granted by building societies, and mortgage registrations, pointed towards a revival during the second quarter.

In line with the expansion of economic activity during the first half of 1978, unemployment among all population groups tended to decline. The seasonally adjusted number of registered unemployed Whites, Coloureds and Asians decreased from 34 640 in December 1977 to 29 750 in March 1978, before increasing to 31 950 in July. According to a new survey of the Department of Statistics, the number of unemployed Blacks declined from about 633 000 in October 1977 to approximately 563 000 in March 1978.

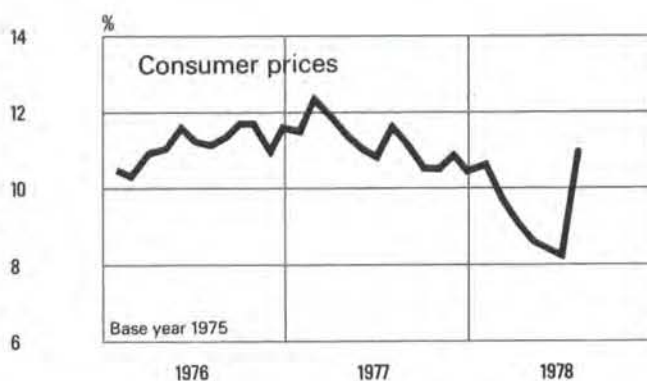
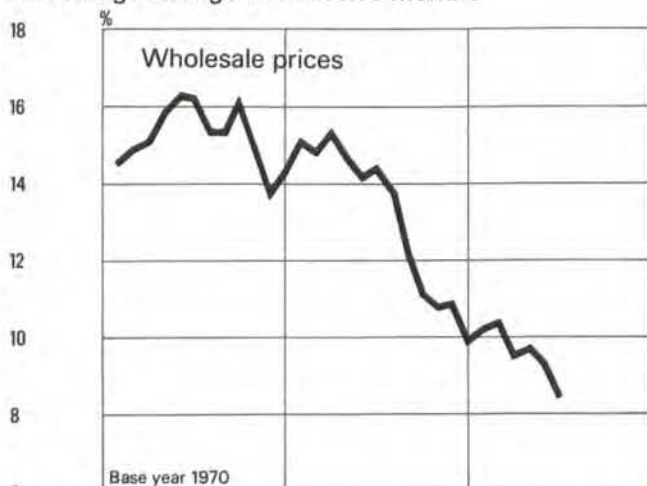
The new consumer price index of the Department of Statistics, which incorporates changed weights and coverage and is based on the 1975 expenditure patterns of households in different income categories, shows that for all income groups the seasonally adjusted annual rate of increase in consumer prices declined from 9,1 per cent in the first quarter to 5,1 per cent in the second quarter. This reflected lower rates of price increase for all goods as well as for services other than housing and transport. The lower rates of increase in the prices of goods were related to the reduction in sales duties and the surcharge on imports in March, and to price competition aimed at promoting consumer purchases before the introduction of the general sales tax. From June to July the consumer price index increased by 4,2 per cent, of which the general sales tax is estimated to have contributed 2,8 percentage points. Increases in the prices of food, motor cars and other transport goods, and laundry services, accounted for most of the additional rise of 1,4 percentage points.

Business cycle indicators



Prices

Percentage change over twelve months



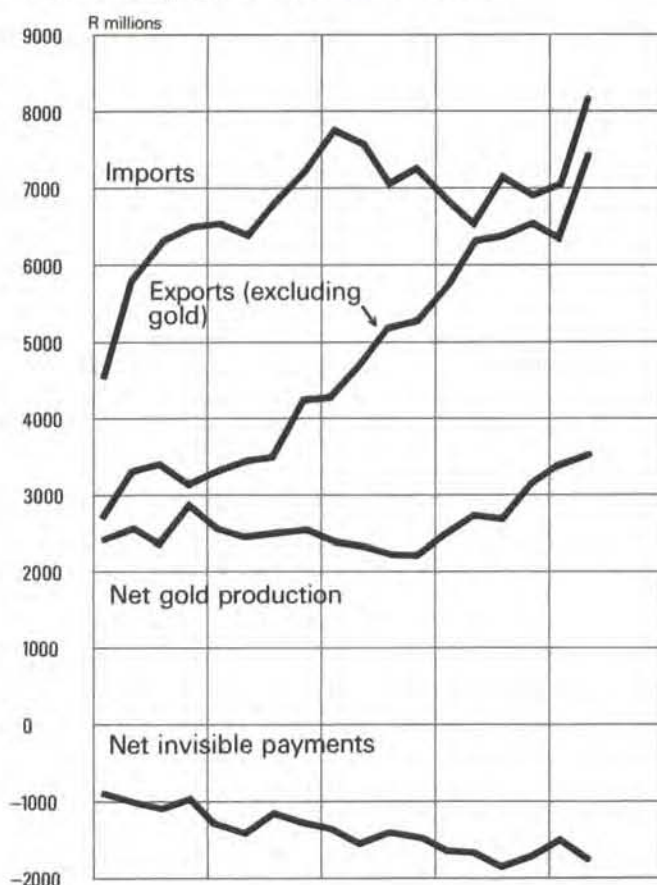
During August, however, price rises were lower again amounting to only 0,4 per cent. Compared with the same month in the preceding year, consumer prices rose by 8,6 per cent in April, 8,4 per cent in May, 8,2 per cent in June and 11,0 per cent in both July and August.

The seasonally adjusted wholesale price index rose sharply at an annual rate of 13,8 per cent in the first quarter of 1978, before the rate of increase decelerated to 9,6 per cent in the second quarter. This deceleration was caused by lower rates of increase in the prices of imported as well as domestically produced goods. Compared with the same month in 1977, wholesale prices rose by 9,7 per cent in April, 9,3 per cent in May and 8,5 per cent in both June and July.

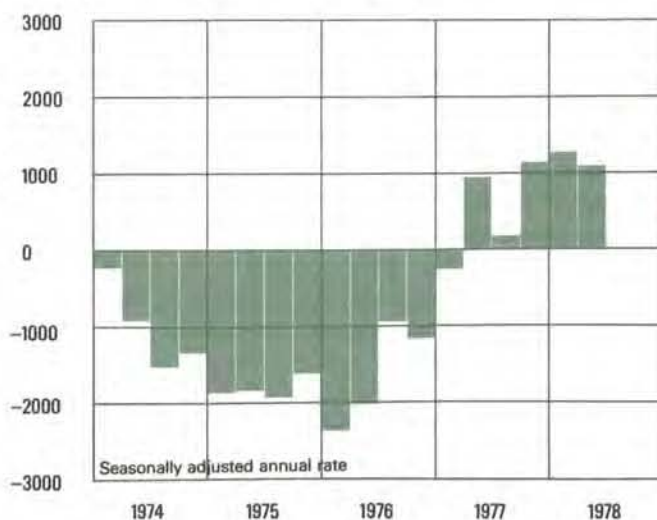
Balance of payments

A further surplus on the current account of the balance of payments was recorded in the second quarter of 1978, but the figure of R201 million was notably smaller than the comparatively large surplus of R494

Balance of payments current account



Balance on current account



million in the first quarter. If seasonal influences are eliminated, however, the surplus at an annual rate only declined from R1 256 million in the first quarter to R1 098 million in the second quarter. This small decline was the net result of substantial increases in merchandise imports and net invisible payments to the rest of the world, and an almost equally large increase in merchandise exports and the net gold output.

In line with the upturn in economic activity, the volume of merchandise imports started to rise from the end of 1977, and the rate of increase accelerated sharply in the second quarter of 1978. The larger volume of imports, together with a more rapid rate of increase in import prices, caused the value of merchandise imports to rise, at a seasonally adjusted annual rate, from R7 078 million in the first quarter to R8 204 million in the second quarter. This was attributable mainly to higher imports of machinery and electrical equipment, transport equipment and oil.

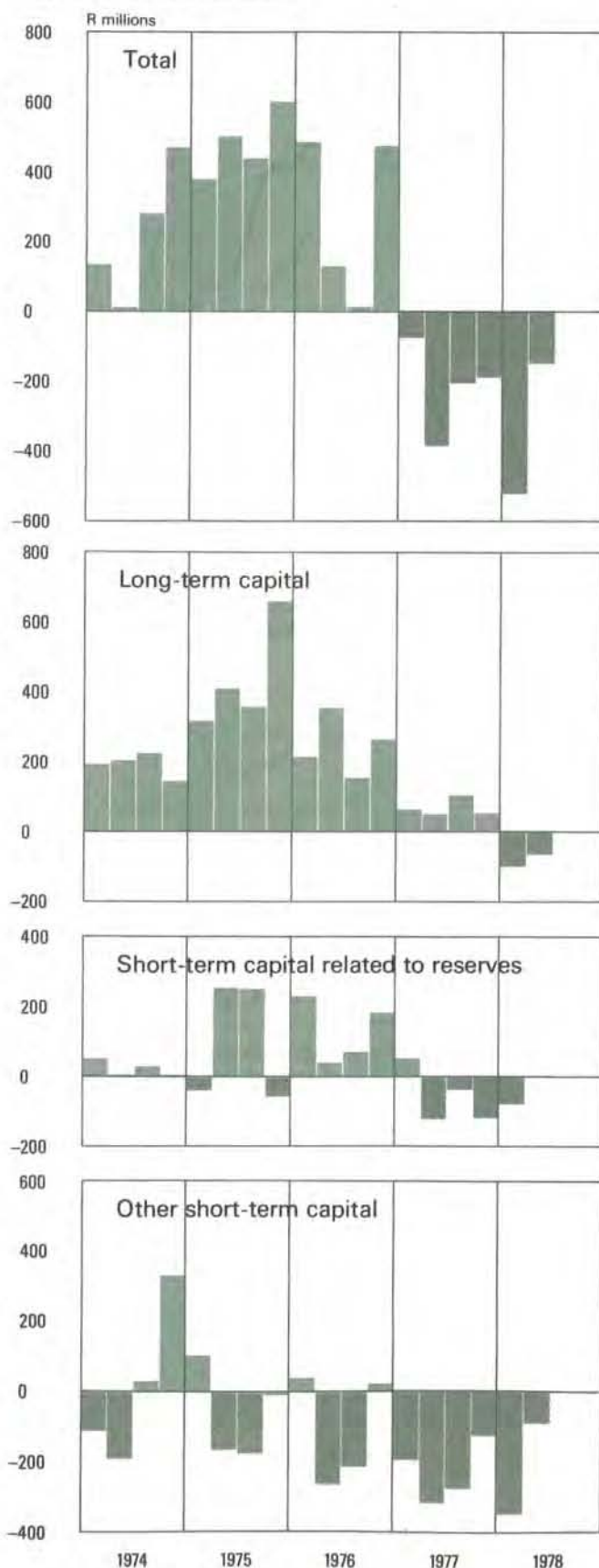
Taken at a seasonally adjusted annual rate, net invisible payments to the rest of the world rose from R1 453 million in the first quarter to R1 722 million in the second quarter. Service payments to foreigners increased sharply, mainly because of higher freight and merchandise insurance payments and increased income payments on foreign investment in South Africa. The increase in service payments was only slightly offset by a small rise in service receipts.

Merchandise exports, at a seasonally adjusted annual rate, increased from R6 380 million in the first quarter to R7 461 million in the second quarter, owing to both volume and price increases. The largest contribution to this increase was made by the exports of diamonds and maize. Although the average price of gold on the London market remained at about the same relatively high level as in the first quarter, the net gold output, at a seasonally adjusted annual rate, increased moderately from R3 407 million in the first quarter to R3 563 million in the second quarter. Subsequently, the gold price rose further to reach averages of \$188,7 and \$206,0 per fine ounce in July and August, respectively, compared with \$178,4 per fine ounce in the second quarter.

The capital account of the balance of payments improved markedly in the second quarter. The net outflow of capital of R149 million during this period was substantially less than the figure of R522 million for the first quarter. This smaller outflow was due mainly to a decline in the net outflow of short-term capital not related to reserves, including unrecorded transactions, from R345 million in the first quarter to R91 million in the second quarter. The reduced net outflow of short-term capital was probably related to the increase in merchandise imports and an accompanying rise in trade credits, and occurred despite the fact that the effective cost of trade financing abroad had risen above the comparable domestic cost.

The improvement of the capital account in the

Net capital movements



second quarter was also due to a slight decline in the net outflow of long-term capital and a switch from a reduction to a small increase in short-term liabilities related to reserves. As during the preceding two quarters, the government and banking sector made large net repayments of long-term foreign loans. Public corporations and local authorities on balance also repaid long-term foreign debt, instead of being net recipients of long-term capital as in the first quarter. The decline in the net outflow of long-term capital during the second quarter was, therefore, attributable to a net inflow of capital to the private sector, in contrast to the net outflow during the preceding quarter.

Balance of payments transactions caused the net gold and other foreign reserves to increase by R48 million during the second quarter. These reserves increased by R157 million from the end of September 1977 to the end of June 1978. If changes in short-term liabilities related to reserves and valuation adjustments are taken into account, the gross gold and other foreign reserves increased by R1 157 million during the second quarter to reach a level of R1 929 million at the end of June 1978. This substantial rise was due almost entirely to the revaluation of the gold reserves of the Reserve Bank at market-related prices. During July and August the gold and other foreign reserves of the Reserve Bank increased by R146 million to a level of R1 920 million, again largely because of the revaluation of its gold holdings. The cash component of the Bank's reserves was, of course, not increased by the revaluation of the gold holdings, and it showed little change during the second quarter and the ensuing two months.

Monetary and banking situation

The seasonally adjusted money and near-money supply, which had increased at an annual rate of 2 per cent during the first quarter of 1978, rose sharply by R406 million, or at an annual rate of about 18 per cent, during the second quarter.* During July a further substantial increase of R409 million was recorded, resulting in a rate of increase of 27 per cent during the four-month period April to July 1978. The narrowly defined money supply, which had increased by R128 million or at a seasonally adjusted annual rate of 12 per cent during the second quarter, increased substantially by R139 million during July.

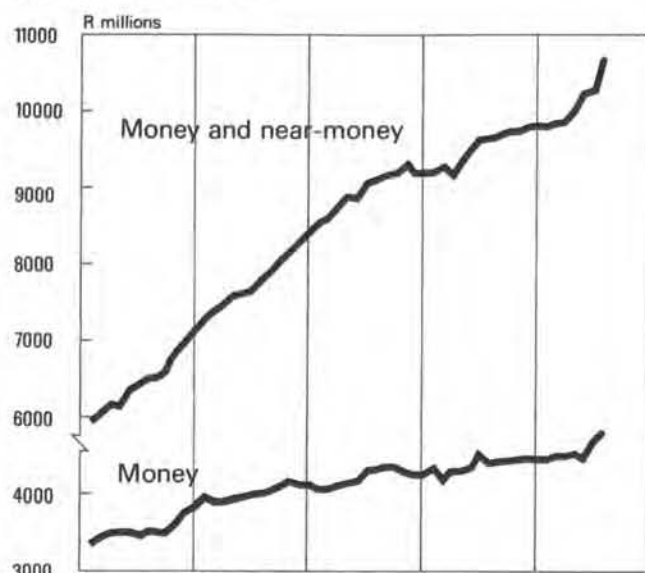
As shown in the accompanying table, the rapid rise in the seasonally adjusted money and near-money supply during the second quarter and July was mainly accounted for by an increase in domestic credit extension. Claims of the monetary banking sector on the private sector increased sharply during the second quarter and this was only partly offset by a decline in net claims on the government sector. During July net claims on the government sector rose markedly because of a decline in government deposits with the Reserve Bank while, at the same time, claims on the private sector showed a small further increase. The net gold and other foreign reserves of the monetary banking sector rose moderately during the second quarter and more sharply during July, when net repayments on short-term foreign loans amounted to R110 million. During August the net gold and other foreign reserves of the Reserve Bank increased by R78 million, excluding changes on account of the monthly revaluation of the Bank's gold holdings. The effect of the rise in overall bank credit extension and in the net gold and other foreign reserves on the supply of money and near-money was partly neutralised by a substantial

*The effect of a merger between a non-monetary general bank and a monetary general bank during April 1978 has been eliminated from all figures in the Reserve Bank's monetary analysis.

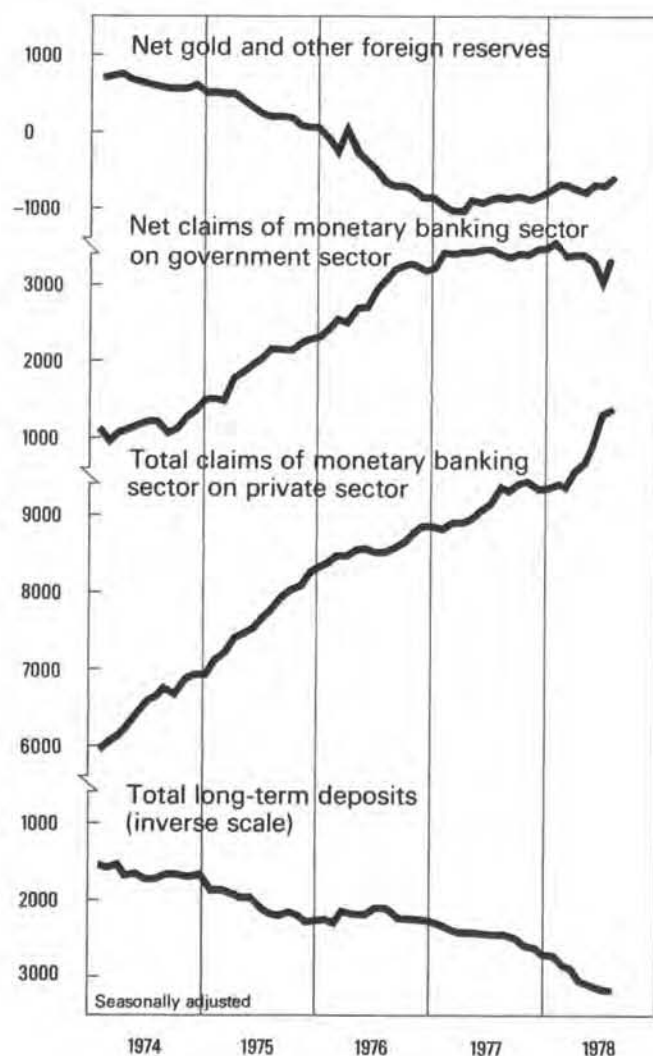
Causes of changes in money and near-money R millions

	Not seasonally adjusted			Seasonally adjusted		
	1st qtr. 1978	2nd qtr. 1978	July 1978	1st qtr. 1978	2nd qtr. 1978	July 1978
Net gold and other foreign reserves	45	64	97	57	44	95
Claims on government sector:						
Gross claims	-46	222	-141	...	...	...
Government deposits (increase-, decrease+)	-306	-68	415	...	...	...
Net claims	-352	159	274	-65	-385	288
Claims on private sector	215	634	74	204	732	43
Long-term deposits (increase-, decrease+)	-128	-354	-50	-186	-251	-34
Net other assets	81	82	-141	...	...	...
Total causes of changes	-139	580	254	48	406	409

Monetary analysis



Causes of changes in money and near-money



increase in long-term deposits of the private sector with monetary banks during the second quarter and a further small increase during July.

The annual rate of increase in the seasonally adjusted amount of bank credit to the private sector accelerated from 9 per cent in the first quarter of 1978 to 34 per cent in the second quarter, but declined to 26 per cent for the four months April to July as a result of the considerably smaller increase during July. A substantial part of the new bank credit to the private sector during the second quarter, and during June in particular, was related to increased consumer expenditure prior to the introduction of the general sales tax. During July the discounts and advances of the commercial banks, merchant banks and monetary hire-purchase and general banks actually declined, but hire-purchase and leasing finance continued to rise. Cash credit advances by the Land Bank, which had risen moderately during the second quarter, showed a large seasonal increase during July.

As a result of the sharp increase in bank credit to the private sector during the second quarter, unused facilities under the banks' ceilings on discounts and advances declined by R30 million, notwithstanding the raising of the ceilings by an additional 4 per cent in May. During July, however, the banks' unused facilities increased by R100 million.

The excess liquidity of banking institutions improved slightly during April and May, but deteriorated somewhat during June, mainly because of a large seasonal increase in government deposits. A substantial decline in government deposits, as well as an increase in the net gold and other foreign reserves, caused the banks' liquidity position to improve significantly during July.

Surplus liquidity ratios of banking institutions, 1978

	March	April	May	June	July
Commercial banks	1,3	2,5	3,5	2,6	3,0
Other monetary banks	1,3	1,7	1,3	1,0	1,9
Other banks	-1,3	-1,1	-0,8	-0,4	-1,0
All banks	1,2	2,1	2,7	2,0	2,5

Money market

The money market eased considerably during April and the first half of May, remained fairly steady up to late June, and then eased further during the latter part of July and most of August. Relatively tight conditions were experienced, however, during the last few days of June and in early July and over the August month-end. The June-July tightening reflected a combination of a large increase in government deposits, a decline in the net foreign reserves of the Reserve Bank, and an unusually sharp increase in the month-end amount of

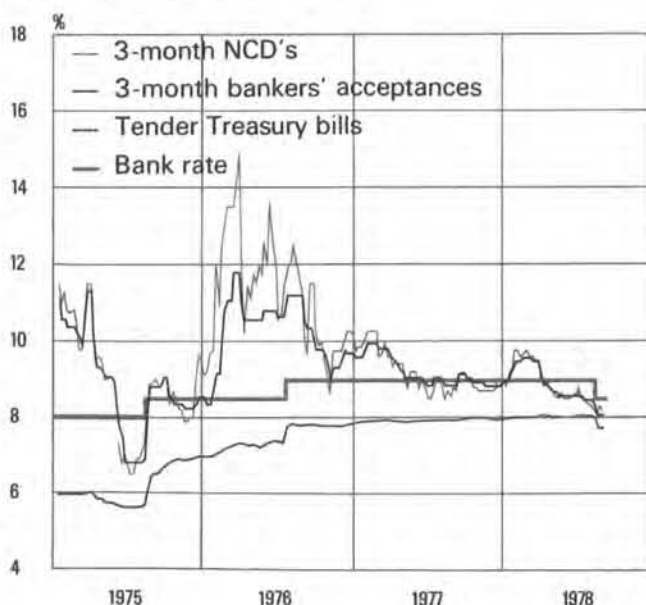
notes in circulation. The tightness over the August month-end was mainly due to large tax collections by the government.

Call loans to the discount houses reached a peak of R912 million on 26 June, but dropped sharply to R584 million on 5 July. After reaching a new record level of R971 million on 25 August, they fell back to R660 million on 1 September. Reserve Bank accommodation to the discount houses reached peaks of R371 million on 5 July and of R323 million on 31 August and 1 September. The banks' free balances with the National Finance Corporation were virtually depleted during most of the first half of July and over the August month-end.

Money market interest rates, which had shown little change from the middle of May to late-June, resumed a downward trend during July and August. After remaining unchanged at 8,5 per cent from the middle of May to the middle of July, the rate on three-month bankers' acceptances decreased during the ensuing period to 8,3 per cent immediately before the reduction of Bank rate from 9,0 to 8,5 per cent on 22 August, and then declined further to 8,0 per cent. The rate on three-month negotiable certificates of deposit remained generally at a level of 8,5 per cent from the middle of May to the middle of June, rose to 8,8 per cent on 7 July, and then declined steadily to 8,1 per cent on 25 August. The Treasury bill tender rate, which had remained at or close to 8 per cent from March to early August, decreased to 7,95 per cent on 18 August, and to 7,65 per cent on 25 August and on 1 September. Net sales of government securities by the Reserve Bank in the open market, which promoted an orderly down-

ward movement of interest rates, amounted to R299 million during the five months from April to August. Over the August month-end, however, securities were bought by the Bank. The commercial banks' prime rate was lowered from 12,5 to 12 per cent on 24 August and a further reduction of $\frac{1}{2}$ per cent was announced on 15 September. On the same date it was also announced that the deposit rates of banking institutions, with the exception of the rate on ordinary savings deposits, will be reduced by 1 per cent.

Money market interest rates

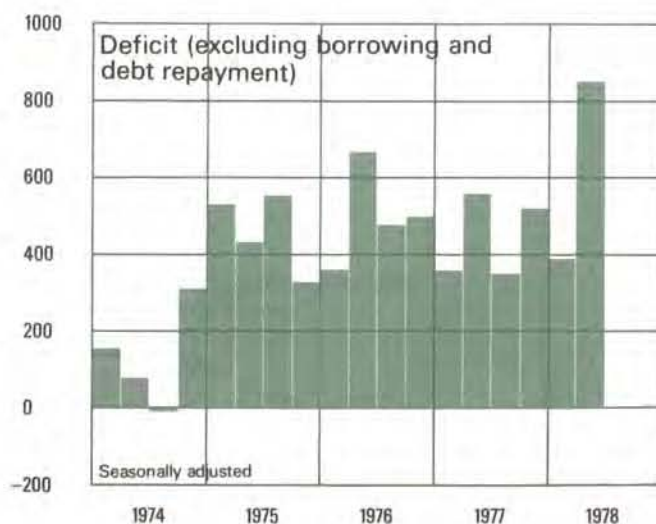
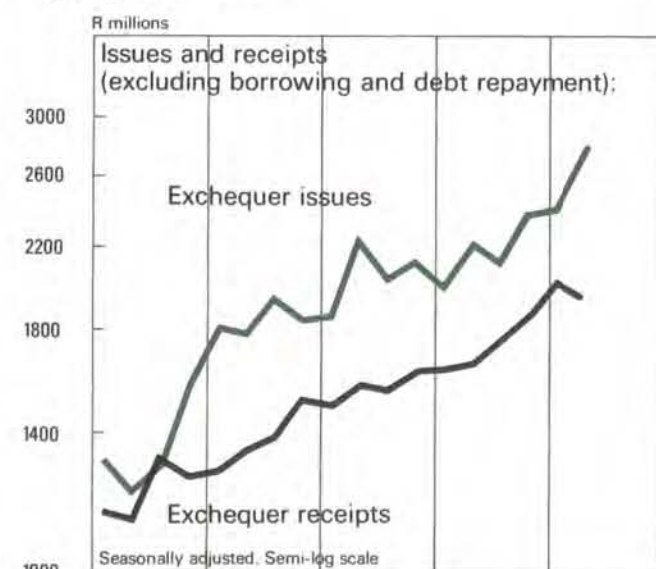


Government finance

Partly because of a reduction in the rates of sales duties and the surcharge on imports, announced by the Minister of Finance in March 1978, the seasonally adjusted receipts on the Exchequer Account declined slightly in the second quarter of 1978 compared with the preceding three months. As in the corresponding three months of 1977, issues rose at a relatively high rate in the second quarter, causing a comparatively large deficit on the Exchequer Account.

As shown in the accompanying table, borrowing from domestic non-banking sources more than covered the Exchequer deficit. Slightly more than two-thirds of the deficit was financed by net borrowing from the private non-banking sector, largely as a result of a

Exchequer Account



Exchequer Account financing

R millions

	April-June 1977 1978	
Deficit (excluding borrowing and repayment of debt)	816	892
Financed by:		
Domestic non-banking sources	461	1 014
Public Debt Commissioners*	312	417
Private sector	148	598
Monetary banking sector	341	-103
Foreign sector	15	-20
Total	816	892

*Including the Department of Posts and Telecommunications

highly favourable response by this sector to two issues of government stock in May 1978. In addition to the amount of R421 million raised in the private non-banking sector by means of issues of marketable securities, this sector's net investment in non-marketable government bonds and its payment of compulsory loan levies amounted to R79 million and R98 million, respectively. The net investment in government securities by the Public Debt Commissioners and the Department of Posts and Telecommunications represented almost half of the amount required to finance the Exchequer deficit during the second quarter. These contributions to the financing of the deficit enabled the Treasury to reduce its net indebtedness to the foreign as well as the monetary banking sector. An increase of R205 million in the monetary banks' holdings of government securities was more than offset by a rise of R308 million in Exchequer Account deposits.

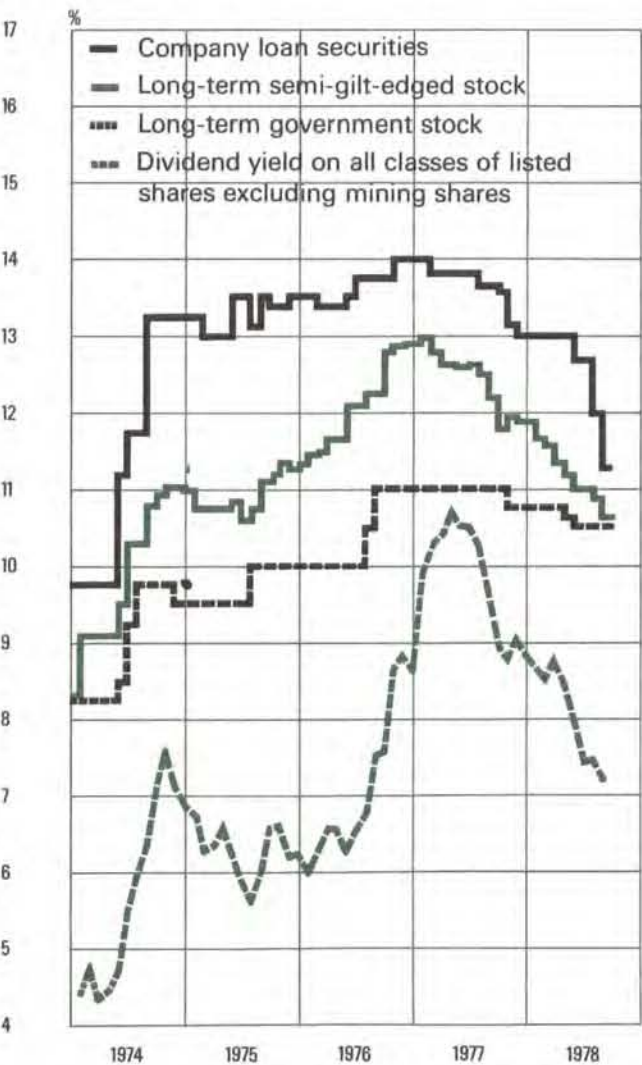
The effect of the changes in the indirect taxes became more apparent in July when collections of the newly introduced general sales tax were not yet reflected in Exchequer receipts. Receipts during this month were about R134 million less than in July 1977. Issues, on the other hand, were maintained at a high level and exceeded those in July 1977 by R128 million. The Exchequer Account accordingly showed a shortfall of R305 million, which was substantially larger than the deficit of R42 million recorded in July 1977. It is to be expected that receipts will rise considerably during August on account of collections of the general sales tax as well as higher income tax and mining lease payments by gold mining companies, resulting from the recent increase in the price of gold.

Capital market

Easy conditions continued to exist in the fixed-interest security market during the second quarter of 1978 and the ensuing two months. New issues of government stock in May were well supported and most new issues of semi-gilt-edged stock during the five-month period concerned were heavily over-subscribed. During the second quarter new funds raised in this market by means of issues of gilt-edged and semi-gilt-edged securities, excluding the increase in the borrowers' holdings of their own securities, amounted to R895 million, compared with R394 million in the first quarter of 1978 and a quarterly average of R530 million in 1977.

The yield on new issues of long-term government stock declined from 10,75 per cent in February to 10,50 per cent in June. In the secondary market the

Security yields



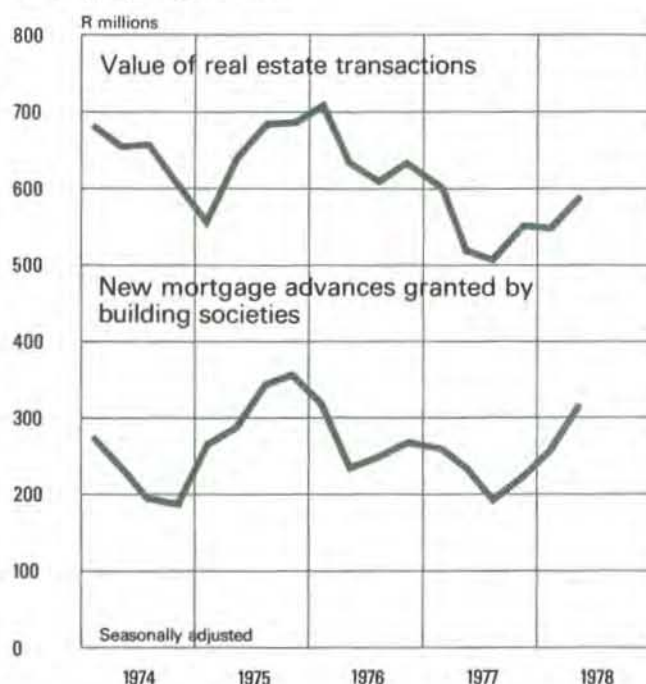
yield declined further to 10,34 per cent in August. The yield on new long-term issues of the highest grade semi-gilt-edged stock decreased from 11,56 per cent in March 1978 to 10,99 per cent in June and further to 10,62 per cent early in September. In the case of company loan securities, the yield on new issues declined from 13,00 per cent in December 1977 to 12,68 per cent in June, 11,97 per cent in July and 11,26 per cent early in September. The yield margin in the secondary market between long-term semi-gilt-edged and gilt-edged stock narrowed from 0,86 percentage points in March to 0,30 percentage points in August.

After a temporary decline in stock exchange activity and share prices during the period February to April 1978, both advanced strongly during the four months to August. In August share prices on average were 25 per cent higher than in April this year. The average levels of the number and value of shares traded on the stock exchange during the four-month period May to August 1978 were 43 per cent and 33 per cent, respectively, higher than those during the first four months of the year. As a result of the increase in share prices, the dividend yield on all classes of shares declined from 8,00 per cent in April to 6,73 per cent in August.

A greater availability of funds in the capital market was reflected in a substantially larger flow of longer-term funds to deposit-receiving and related institutions. Seasonally adjusted, the increase in longer-term funds held with banking institutions, building societies, participation mortgage bond schemes, and government savings facilities amounted to R727 million in the second quarter, compared with R582 million in the first quarter of 1978 and a quarterly average of R400 million for 1977. During July the seasonally adjusted inflow of funds to building societies amounted to R92 million, which was substantially higher than the monthly average of R57 million for the first half of the year. On 15 September it was announced that the deposit rates of banking institutions and building societies, including those on building society shares, as well as rates on savings certificates of the Department of Posts and Telecommunications and on certain Treasury bonds will generally be reduced by 1 per cent.

Activity in the mortgage and real estate markets expanded considerably during the second quarter of 1978. New mortgage loans granted by building societies during this period, seasonally adjusted, were 24 per cent higher than in the preceding quarter. The seasonally adjusted value of real estate transactions during the second quarter was 7 per cent higher than in the first quarter, and the average monthly level of transactions in the second quarter was 20 per cent higher than in December 1977, when these transactions reached their most recent lowest level. During July the value of real estate transactions showed a sharp further increase.

Fixed property market



Kwartaallikse ekonomiese oorsig

Opsomming en algemene opmerkings

In die Presidentsrede tydens die Reserwebank se algemene jaarvergadering op 22 Augustus en in die Reserwebank se *Jaarlikse Ekonomiese Verslag* wat voor daardie vergadering vrygestel is, is die ekonomiese ontwikkelings gedurende die jaar wat op 30 Junie 1978 geëindig het, en in sommige gevalle ook gedurende Julie en die begin van Augustus, in besonderhede bespreek. Hierdie oorsig dek derhalwe hoofsaaklik die tweede kwartaal van 1978 en, afhangende van die beskikbaarheid van gegewens, ook die daaropvolgende twee maande.

Ekonomiese ontwikkelings gedurende die tweede kwartaal het vroeëre aanduidings van 'n matige ekonomiese opswaai sedert die einde van 1977 bevestig. In hierdie verband het die reële bruto binnelandse produk van die nie-landbousektore van die ekonomie, wat in die eerste kwartaal van 1978 begin styg het, in die tweede kwartaal aansienlik verder toegeneem. Hierdie verdere uitbreiding wat deur 'n toename in die reële toegevoegde waarde van die landbousektor versterk is, het voortgespruit uit 'n hoër volume van die uitvoer en toenames in al die hoofkomponente van die totale binnelandse vraag, met uitsondering van die reële voorraadinvestering.

Dit is egter moeilik om die sterkte van die toename in die binnelandse vraag te bepaal, aangesien 'n buitengewoon groot styging in die reële besteding aan duursame verbruiksgoedere gedurende die tweede kwartaal gedeeltelik aankope voor die instelling van die algemene verkoopbelasting op 3 Julie weerspieël het. Boonop word die toename wat in die reële bruto binnelandse vaste investering gedurende die tweede kwartaal aangeteken is, slegs verklaar deur hoër besteding aan uitgesoekte projekte, terwyl die private vaste investering nog deur die bestaan van surplusproduksiekapasiteit teruggehou is. Die voorrade het in die tweede kwartaal tot betreklik lae vlakke gedaal, en toekomstige aanvulling van voorrade sal uitsluitlik afhang van die onderliggende sterkte van die toename in die verbruiksbesteding.

Die matige ekonomiese uitbreiding gedurende die eerste helfte van 1978 het meegebring dat die werkloosheid effens afgeneem het. Die aantal geregistreerde werklose Blankes, Kleurlinge en Asiërs het gedurende die eerste kwartaal betekenisvol gedaal en alhoewel dit gedurende die tweede kwartaal weer gestyg het, was die vlak daarvan in Junie nog steeds heelwat laer as in Desember verlede jaar. Volgens die beskikbare gegewens het die aantal werklose Swartes ook van Oktober 1977 tot Maart hierdie jaar gedaal.

Die koers van toename in die groothandels- en verbruikerspryse het gedurende die tweede kwartaal ook

opmerklik verlangsaam. In Julie het die instelling van die algemene verkoopbelasting, tesame met uitgestelde prysaanpassings, egter 'n sterk eskalerende uitwerking op die verbruikerspryse gehad. Die koers van toename in die groothandelspryse het egter in Julie op dieselfde vlak gebly as waartoe dit in Junie afgeneem het.

In ooreenstemming met die toename in die reële bruto binnelandse besteding, het die volume van die invoer gedurende die eerste helfte van 1978 gestyg. Die koers van toename het gedurende die tweede kwartaal versnel en het, tesame met 'n vinniger styging in die invoerpryse, gedurende hierdie tydperk 'n aansienlik hoër vlak van die invoere meegebring. Terselfdertyd het die netto onsigbare betalings aan die res van die wêreld skerp gestyg. Die seisoensaangesuiwerde oorskot op die lopende rekening van die betalingsbalans het nogtans in vergelyking met die eerste kwartaal slegs matig gedaal, aangesien 'n toename in uitvoere en in die netto goudproduksie die styging in die invoer en in die netto onsigbare betalings bykans geëwenaar het.

Die kapitaalrekening van die betalingsbalans het gedurende die tweede kwartaal voortgegaan om 'n netto uitvloeïing te toon, maar hierdie uitvloeïing was aansienlik kleiner as gedurende die voorafgaande drie maande. 'n Afname in die netto uitvloeïing van korttermynkapitaal nie verwant aan reserwes nie was hoofsaaklik vir die kleiner totale netto uitvloeïing van kapitaal verantwoordelik. Hierdie afname was waarskynlik te danke aan die toename in die invoer en 'n styging in handelskrediete wat daarmee gepaard gegaan het, in weerwil van die feit dat die effektiewe koste van handelsfinansiering oorsee tot bo die vergelykbare binnelandse koste gestyg het.

Die koerse van toename in die eng gedefiniëerde geldvoorraad en in die hoeveelheid geld en kwasi-geld het gedurende die tweede kwartaal en weer in Julie skerp versnel. 'n Skerp styging in bankkrediet aan die private sektor was die belangrikste faktor wat vir die styging in die monetêre totale gedurende die tweede kwartaal verantwoordelik was. 'n Aansienlike deel van die nuwe bankkrediet wat gedurende hierdie tydperk aan die private sektor verleen is, het verband gehou met die groter verbruiksbesteding voor die instelling van die algemene verkoopbelasting. Gedurende Julie het die bankkrediet aan die private sektor slegs matig verder toegeneem en die styging in die hoeveelheid geld en kwasi-geld gedurende hierdie maand is hoofsaaklik meegebring deur 'n toename in die netto eise van die monetêre banksektor teen die regeringsektor. Die betreklik klein styging in bankkrediet aan die private sektor gedurende Julie het gelei tot 'n toename in die onbenutte fasiliteite onder die plafonne op die banke se

diskonteringe en voorskotte, nadat hierdie fasiliteite gedurende die tweede kwartaal gedaal het in weerwil van die verhoging van die plafonne met 'n bykomende 4 persent in Mei.

Die Bankkoers is op 22 Augustus van 9 na $8\frac{1}{2}$ persent verminder en dit is deur 'n verlaging van die handelsbanke se prima-oortrekkingskoers van $12\frac{1}{2}$ na 12 persent op 24 Augustus gevolg. Op 15 September is aangekondig dat die banke se prima-oortrekkingskoers met 'n verdere $\frac{1}{2}$ persent verlaag sal word en dat die depositokoerse van bankinstellings en bouverenigings, insluitende dié op bouverenigingaandeel, in die algemeen met 1 persent verlaag sal word. Soortgelyke koersvermindering is ook aangekondig ten opsigte van die spaarsertifikate van die Departement van Pos- en Telekomunikasiwese en sekere Tesourie-obligasies.

Skatkisontvangste was in die tweede kwartaal effens laer as in die eerste kwartaal as gevolg van die verlaging van indirekte belastinge as deel van die owerheidsbeleid om die ekonomie te stimuleer en ook in afwagting van die instelling van die algemene verkoopbelasting in Julie. Die skatkisuitreikings, aan die ander kant, is op 'n betreklik hoë vlak gehandhaaf, wat 'n groot tekort, wat deur middel van lenings gefinansier moes word, meegebring het. 'n Suksesvolle opname van fondse in die binnelandse nie-banksektor het die behoefte aan krediet vanaf die monetêre banksektor uitgeskakel. Gedurende Julie het die regeringsektor se netto skuldposisie teenoor die monetêre banksektor egter skerp toegeneem toe 'n verdere aansienlike tekort aangeteken is, gedeeltelik as gevolg van die feit dat die opbrengs van die algemene verkoopbelasting nog nie in die owerheidsinkomste weerspieël is nie.

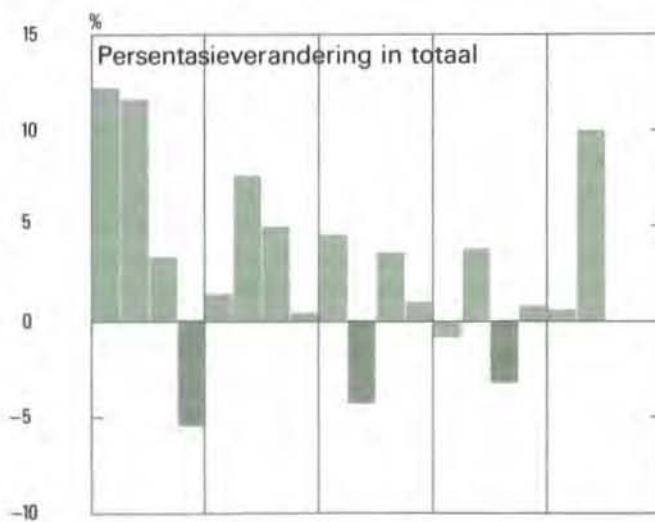
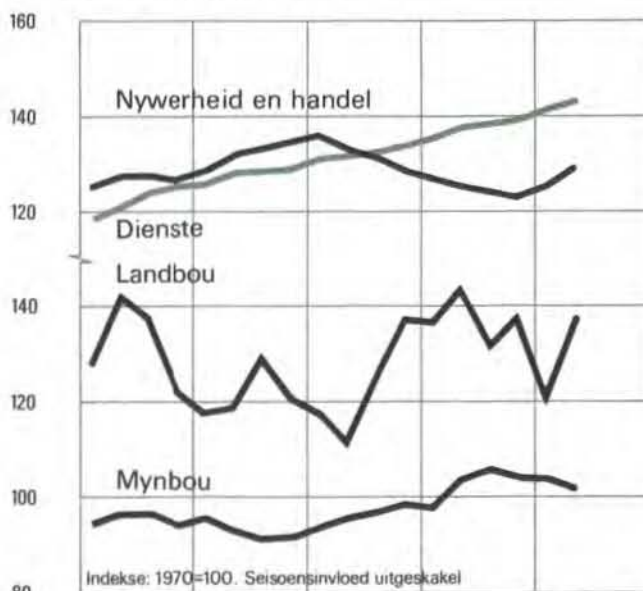
Afgesien van tydperke van stramheid oor die maande van Junie en Augustus, het die geldmarktoestand gedurende die tweede kwartaal en die daaropvolgende twee maande aansienlik verruim. Die geldmarkrentekoerse het gedurende die eerste helfte van die tweede kwartaal gedaal, en nadat dit vir ongeveer twee maande min of meer onveranderd gebly het, het dit gedurende die res van Julie en Augustus 'n afwaartse neiging hervat. Die verlaging van die Bankkoers is deur 'n daling in alle geldmarkrentekoerse gevolg.

Ruimer toestande het bly heers in die vaste-rentedraende afdeling van die kapitaalmark. Nieteenstaande die opname van 'n aansienlike bedrag aan nuwe fondse deur die openbare sektor, het die opbrengskoerse op vaste-rentedraende effekte gedurende die tweede kwartaal en die daaropvolgende twee maande hulle afwaartse neiging voortgesit. In die aandelemark het die omset en die pryse van Mei tot Augustus sterk gestyg ná 'n tydelike daling gedurende die tydperk Februarie tot April 1978. Die bedrywigheid in die verband- en vaste eiendomsmark, wat tot 'n lae vlak aan die einde van 1977 gedaal het en gedurende die eerste kwartaal slegs matig herstel het, het gedurende die tweede kwartaal en Julie aansienlik uitgebrei.

Nasionale rekeninge

Die reële bruto binnelandse produk het van die eerste na die tweede kwartaal van 1978 skerp gestyg. 'n Toename in die reële toegevoegde waarde van die

Bruto binnelandse produk teen konstante 1970-pryse



sekondêre en tersiêre sektore van die ekonomie was vir die grootste deel van die styging verantwoordelik en het vroeëre aanduidings van 'n sikliese opswaai in die ekonomiese bedrywigheid vanaf die einde van 1977 bevestig. Die reële toegevoegde waarde van die landbou het in die tweede kwartaal ook aansienlik gestyg, maar die reële mynbouproduksie het min of meer onveranderd gebly. Die reële bruto binnelandse produk was in die tweede kwartaal van 1978 2 $\frac{3}{4}$ persent hoër as in die ooreenstemmende kwartaal van 1977, en in die eerste helfte van 1978 was dit 2 persent hoër as in die eerste helfte van 1977.

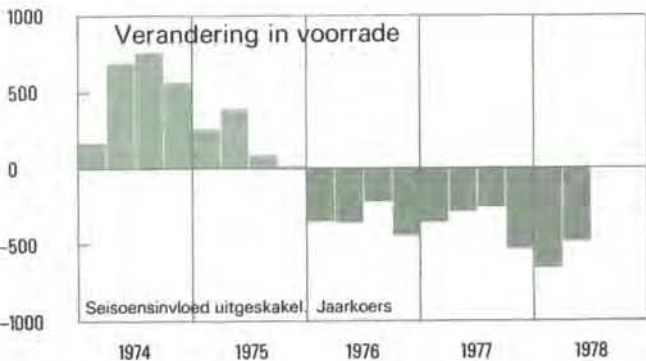
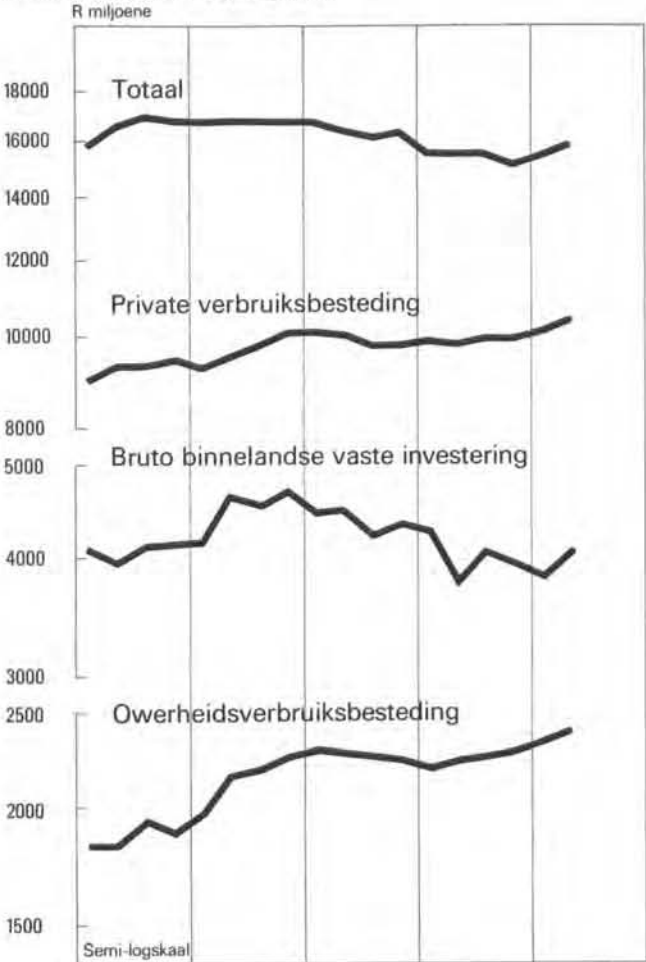
Die bruto binnelandse produk teen heersende pryse het in die tweede kwartaal ook opmerklik gestyg, wat grotendeels hoër winste in die landbou, mynbou, fabriekswese en handel weerspieël het. In teenstelling hiermee, het die vergoeding van werknemers teen ongeveer dieselfde koers as in die voorafgaande kwartaal toegeneem.

Afgesien van 'n hoër volume van uitvoere, het die verdere toename in die reële bruto binnelandse produk gedurende die tweede kwartaal van 1978 voortgespruit uit toenames in al die hoofkomponente van die reële totale binnelandse vraag, met uitsondering van die reële voorraadinvestering wat vir die tiende opeenvolgende kwartaal gedaal het. Teen heersende pryse was die hoër bruto binnelandse besteding nog steeds laer as die bruto nasionale produk, en die verskil is weerspieël in 'n taamlike groot oorskot op die lopende rekening van die betalingsbalans.

Die private verbruiksbesteding het 'n wesenlike bydrae tot die toename in die reële totale binnelandse vraag in die tweede kwartaal gelever. Uitsonderlik groot toenames is aangeteken in die reële besteding aan duursame goedere wat grootskaalse aankope voor die instelling van die algemene verkoopbelasting van 4 persent op 3 Julie weerspieël het. Die reële owerheidsverbruiksbesteding is op die hoër koers van toename wat in die laaste kwartaal van 1977 na vore gekom het, gehandhaaf.

In reële terme het die bruto binnelandse vaste investering in die tweede kwartaal opmerklik toegeneem, nadat dit in die eerste kwartaal tot sy tweede laagste vlak in bykans vyf jaar gedaal het. Die toename in die tweede kwartaal was egter hoofsaaklik toe te skryf aan groter besteding aan besondere projekte soos die tweede olie-uit-steenkool-aanleg, die kernkragsentrale, die behoueringsprogram, en aanlegte vir die produksie van uraan. Die verdere afname in die reële voorraadinvestering in die tweede kwartaal was opmerklik kleiner as in die voorafgaande kwartaal. Afnames in die reële nywerheids- en handelsvoorrade en in die diamantvoorrade in die handel is gedeeltelik deur 'n skerp toename in die reële landbouvoorrade geneutraliseer. Die verhouding van die reële nie-landbouvoorrade tot die reële bruto binnelandse produk van die nie-landbou-sektore het tot 31,4 persent in die tweede kwartaal gedaal, in vergelyking met 33,1 persent in die eerste

Bruto binnelandse besteding teen konstante 1970-pryse



kwartaal en die onlangse hoogtepunt van 38,8 persent in die derde kwartaal van 1975.

Die bruto binnelandse besparing het gedurende die tweede kwartaal aansienlik gestyg en het die bedrag wat nodig was om die vaste en voorraadinvestering te finansier, vir die vyfde opeenvolgende kwartaal oorskry. Al die komponente van die bruto binnelandse besparing het in die tweede kwartaal gestyg, met die grootste styging wat in die geval van die maatskappybesparing aangeteken is. Vanweë die hoër vlak van die verbruiksbesteding in die tweede kwartaal, het die koers van toename in die persoonlike besparing in hierdie tydperk egter opmerklik afgeneem.

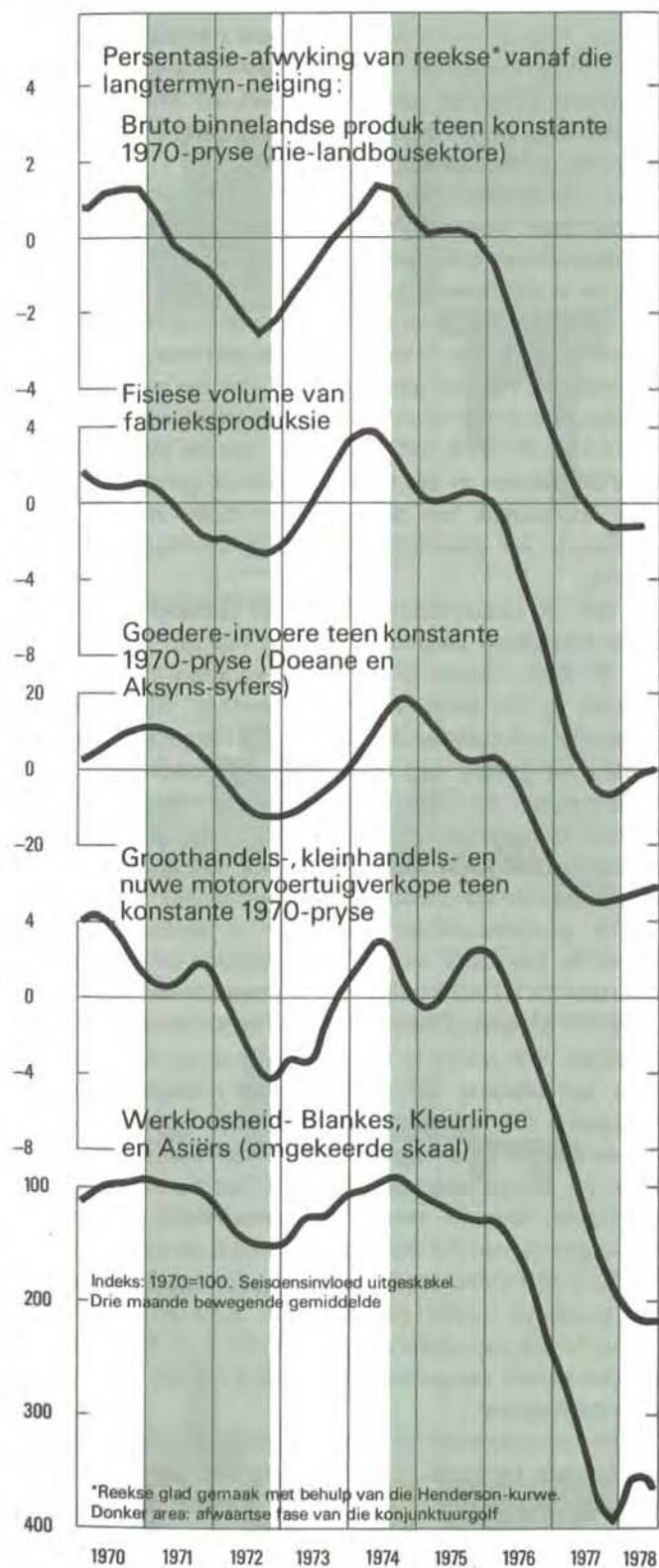
Konjunktuerneigings, arbeidstoestand en pryse

Die verloop van ekonomiese aanwysers gedurende die tweede kwartaal van 1978 het verdere aanduidings gegee van die matige opswaai in die ekonomiese bedrywigheid vanaf die einde van 1977. In die fabriekswese het die volume van die produksie en verkope teen konstante pryse aansienlik gestyg, en die hoër peil van die bedrywigheid is ook weerspieël in 'n toename in die gemiddelde vlak van benutting van die produksiekapasiteit van 83,9 persent in die eerste kwartaal tot 84,6 persent in die tweede kwartaal. Die groot- en kleinhandelsverkope teen konstante pryse het gedurende die tweede kwartaal verder gestyg en 'n besonder skerp styging het in die verkope van nuwe motorvoertuie voorgekom. Hierdie groter verkope het 'n algemene verhoging van die verbruikersvraag weerspieël, maar ook drukke verbruiksbesteding voor die instelling van die algemene verkoopbelasting. Die gevolg van hierdie vervroegde aankope was 'n daling in die volume van die kleinhandelsverkope en die aantal nuwe motorvoertuie verkoop gedurende Julie. Hoewel die bedrywigheid in die konstruksiesektor nog betreklik laag was, het 'n aantal aanwysers, soos die volume van die produksie en verkope van boumateriale, woongebouplanne goedgekeur, transaksies in vaste eiendom, nuwe verbandlenings deur bouverenigings toegestaan, en verbande geregistreer, op 'n herstel gedurende die tweede kwartaal gedui.

In ooreenstemming met die uitbreiding van die ekonomiese bedrywigheid gedurende die eerste helfte van 1978, het die werkloosheid onder alle bevolkingsgroepe geneig om af te neem. Die seisoensaangesuiwerde aantal geregistreeerde werklose Blankes, Kleurlinge en Asiërs het gedaal van 34 640 in Desember 1977 tot 29 750 in Maart 1978 voordat dit tot 31 950 in Julie toegeneem het. Volgens 'n nuwe opname deur die Departement van Statistiek, het die aantal werklose Swartes gedaal van sowat 633 000 in Oktober 1977 tot ongeveer 563 000 in Maart 1978.

Die nuwe verbruikersprysindeks van die Departement van Statistiek, wat veranderde gewigte en dekking insluit en gebaseer is op die bestedingspatrone van huishoudings in die verskillende inkomstegroepe in 1975, toon dat die seisoensaangesuiwerde jaarkoers van toename in die verbruikerspryse vir alle inkomstegroepe afgeneem het van 9,1 persent in die eerste kwartaal tot 5,1 persent in die tweede kwartaal. Dit was 'n weerspieëling van laer koerse van prysstygings vir alle goedere asook dienste met uitsondering van behuising en vervoer. Die laer koerse van toename in die pryse van goedere het verband gehou met die verlaging van die verkoopreg en die bo-belasting op invoere in Maart, en met prysmededinging wat daarop gemik was om aankope deur verbruikers voor die instelling van die algemene verkoopbelasting aan te moedig. Van Junie tot Julie het die verbruikersprysindeks met 4,2 persent gestyg, waarvan die algemene

Konjunkturaanwysers

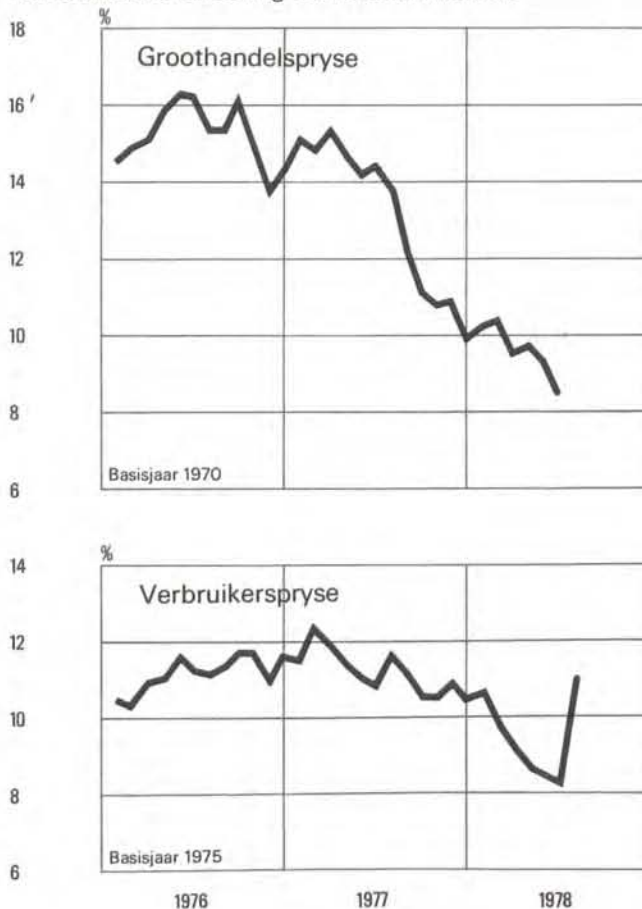


verkoopbelasting na raming 2,8 persentasiepunte bygedra het. Toenames in die pryse van voedsel, motors en ander vervoergoedere, en droogskoonmaakdienste, was hoofsaaklik vir die bykomende styging van 1,4 persentasiepunte verantwoordelik. Gedurende Augustus het prysstygings egter weer afgeneem en het dit slegs 0,4 persent bedra. Vergeleke met dieselfde maand van die voorafgaande jaar, het die verbruikerspryse in April met 8,6 persent, in Mei met 8,4 persent, in Junie met 8,2 persent, en in sowel Julie as Augustus met 11,0 persent gestyg.

Die seisoensaangesuiwerde groothandelsprysindeks het skerp teen 'n jaarkoers van 13,8 persent in die eerste kwartaal van 1978 gestyg voordat die koers van toename in die tweede kwartaal tot 9,6 persent verlangsaam het. Hierdie verlangsaaming is meegebring deur laer koerse van toename in die pryse van ingevoerde sowel as binnelands-geproduseerde goedere. Vergeleke met dieselfde maand in 1977, het die groothandelspryse in April met 9,7 persent, in Mei met 9,3 persent, en in sowel Junie as Julie met 8,5 persent gestyg.

Pryse

Persentasieverandering oor twaalf maande



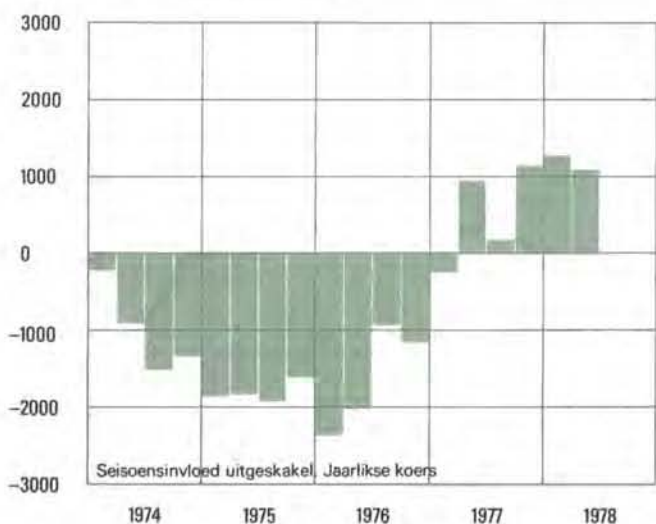
Betalingsbalans

'n Verdere oorskot op die lopende rekening van die betalingsbalans is in die tweede kwartaal van 1978 aangeteken, maar die syfer van R201 miljoen was opmerklik kleiner as die betreklik groot oorskot van

Lopende rekening van die betalingsbalans



Saldo op lopende rekening



R494 miljoen in die eerste kwartaal. As seisoensinvloede uitgeskakel word, het die oorskot teen 'n jaar-koers egter slegs van R1 256 miljoen in die eerste kwartaal tot R1 098 miljoen in die tweede kwartaal gedaal. Hierdie klein daling was die netto gevolg van aansienlike toenames in die goedere-invoer en netto onsigbare betalings aan die res van die wêreld, en 'n bykans ewe groot toename in die goedere-uitvoer en die netto goudproduksie.

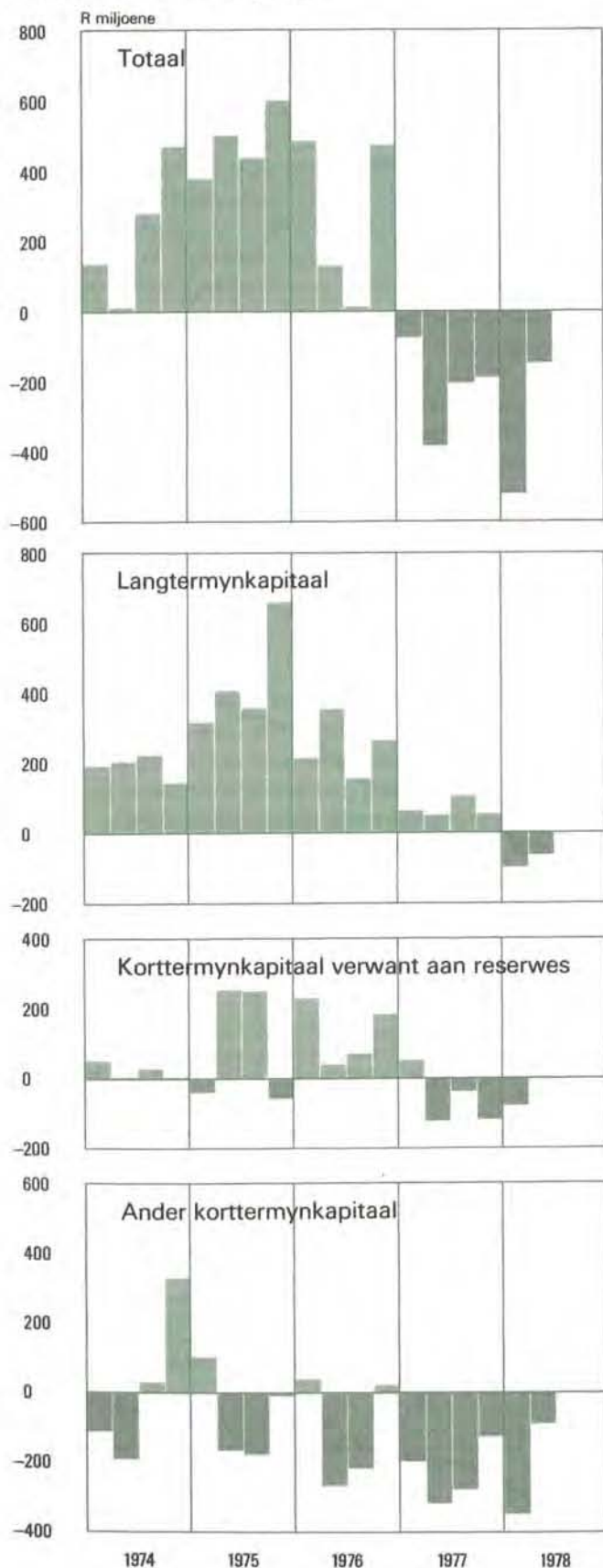
In ooreenstemming met die opswaai in die ekonomiese bedrywigheid, het die volume van die goedere-invoer ook vanaf die einde van 1977 begin styg en in die tweede kwartaal van 1978 het die koers van toename skerp versnel. Die groter volume van die invoer, tesame met 'n vinniger koers van toename in die invoerpryse, het tot gevolg gehad dat die waarde van die goedere-invoer teen 'n seisoensaangesuiwerde jaar-koers van R7 078 miljoen in die eerste kwartaal tot R8 204 miljoen in die tweede kwartaal gestyg het. Dit was hoofsaaklik toe te skryf aan hoër invoere van masjinerie en elektriese toerusting, vervoertoerusting en olie.

Teen 'n seisoensaangesuiwerde jaar-koers, het die netto onsigbare betalings aan die res van die wêreld van R1 453 miljoen in die eerste kwartaal tot R1 722 miljoen in die tweede kwartaal gestyg. Die dienstebetalings aan buitelanders het skerp toegeneem, hoofsaaklik as gevolg van hoër vrag- en goedereversekeringsbetalings en groter inkomstebetalings op buitenlandse beleggings in Suid-Afrika. Die toename in dienstebetalings is slegs gedeeltelik deur 'n klein styging in dienste-ontvangste geneutraliseer.

Die goedere-uitvoer het, teen 'n seisoensaangesuiwerde jaar-koers, van R6 380 miljoen in die eerste kwartaal tot R7 461 miljoen in die tweede kwartaal toegeneem, as gevolg van toenames in sowel die volume as pryse. Die grootste bydraes tot hierdie toename is deur die uitvoere van diamante en mielies gemaak. Alhoewel die gemiddelde prys van goud op die Londense mark op ongeveer dieselfde relatief hoë vlak as in die eerste kwartaal gebly het, het die netto goudproduksie, teen 'n seisoensaangesuiwerde jaar-koers, matig gestyg van R3 407 miljoen in die eerste kwartaal tot R3 563 miljoen in die tweede kwartaal. Daarna het die goudprys verder gestyg en in Julie en Augustus gemiddeldes van onderskeidelik \$188,7 en \$206,0 per fyn ons bereik, vergeleke met \$178,4 per fyn ons in die tweede kwartaal.

Die kapitaalrekening van die betalingsbalans het in die tweede kwartaal opmerklik verbeter. Die netto uitvloeiing van kapitaal van R149 miljoen gedurende hierdie tydperk was aansienlik kleiner as die syfer van R522 miljoen vir die eerste kwartaal. Hierdie kleiner uitvloeiing was hoofsaaklik toe te skryf aan 'n afname in die netto uitvloeiing van korttermynkapitaal nie verwant aan reserwes nie, insluitende onaantekende transaksies, van R345 miljoen in die eerste kwartaal tot R91 miljoen in die tweede kwartaal. Die verminderde netto

Netto kapitaalbewegings



uitvloeiing van korttermynkapitaal het waarskynlik verband gehou met die toename in goedere-invoere en die daarmee gepaardgaande styging in buitelandse handelskrediete, en het plaasgevind ten spyte van die feit dat die effektiewe koste van buitelandse handelsfinansiering bo die vergelykbare binnelandse koste gestyg het.

Die verbetering van die kapitaalrekening in die tweede kwartaal was ook te danke aan 'n effense afname in die netto uitvloeiing van langtermynkapitaal en 'n ommeswaai van 'n afname na 'n klein toename in die korttermynlaste verwant aan reserwes. Net soos gedurende die voorafgaande twee kwartale, het die regering en banksektor groot netto terugbetalings op langtermyn- buitelandse lenings gemaak. Openbare korporasies en plaaslike owerhede het per saldo ook langtermyn- buitelandse skuld terugbetaal in plaas van om, soos in die eerste kwartaal, netto ontvangers van langtermynkapitaal te wees. Die afname in die netto uitvloeiing van langtermynkapitaal gedurende die tweede kwartaal was derhalwe toe te skryf aan 'n netto inflouing van kapitaal na die private sektor, in teenstelling met die netto uitvloeiing gedurende die voorafgaande kwartaal.

Betalingsbalanstransaksies het meegebring dat die netto goud- en ander buitelandse reserwes gedurende die tweede kwartaal met R48 miljoen gestyg het. Hierdie reserwes het vanaf die einde van September 1977 tot aan die einde van Junie 1978 met R157 miljoen toegeneem. Indien veranderinge in die korttermynlaste verwant aan reserwes en waardasie-aansuiwerings in aanmerking geneem word, het die bruto goud- en ander buitelandse reserwes gedurende die tweede kwartaal met R1 157 miljoen gestyg om aan die einde van Junie 1978 'n vlak van R1 929 miljoen te bereik. Hierdie aansienlike styging was bykans geheel en al die gevolg van die herwaardering van die goudreserwes van die Reserwebank teen markverwante pryse. Gedurende Julie en Augustus het die goud- en ander buitelandse reserwes van die Reserwebank met R146 miljoen tot 'n vlak van R1 920 miljoen gestyg, grotendeels weer as gevolg van die herwaardering van sy goudbesit. Die kontantinhoud van die Bank se reserwes is natuurlik nie deur die herwaardering van die goudbesit verhoog nie, en dit het gedurende die tweede kwartaal en die daaropvolgende twee maande min verandering getoon.

Monetêre en banktoestand

Die seisoensaangesuiwerde geld- en kwasi-geldhoeveelheid, wat gedurende die eerste kwartaal van 1978 teen 'n jaarkoers van 2 persent toegeneem het, het gedurende die tweede kwartaal skerp gestyg met R406 miljoen of teen 'n jaarkoers van ongeveer 18 persent.* Gedurende Julie is 'n verdere aansienlike styging van R409 miljoen aangeteken, wat gelei het tot 'n koers van toename van 27 persent gedurende die tydperk van vier maande van April tot Julie 1978. Die eng gedefinieerde geldvoorraad, wat gedurende die tweede kwartaal met R128 miljoen of teen 'n seisoensaangesuiwerde jaar-koers van 12 persent gestyg het, het gedurende Julie aansienlik met R139 miljoen toegeneem.

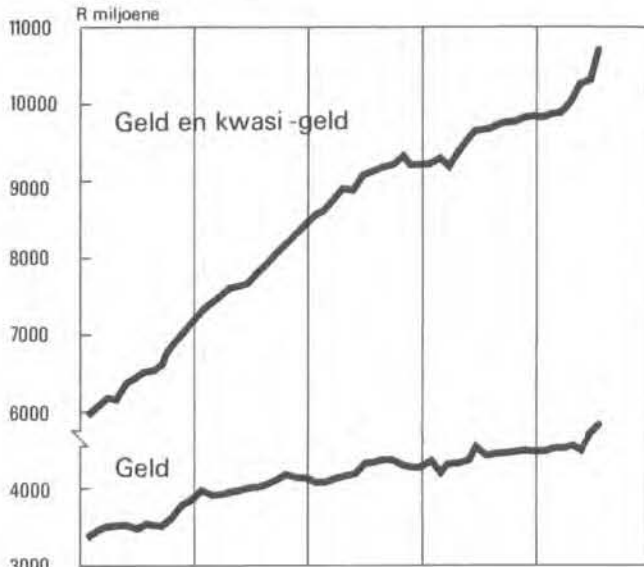
Soos in die bygaande tabel getoon word, is die vinnige styging in die seisoensaangesuiwerde geld- en kwasigeldhoeveelheid gedurende die tweede kwartaal en Julie hoofsaaklik verklaar deur 'n toename in die binnelandse kredietverlening. Die eise van die monetêre banksektor teen die private sektor het gedurende die tweede kwartaal skerp gestyg en dit is slegs gedeeltelik deur 'n daling in die netto eise teen die regeringsektor geneutraliseer. Gedurende Julie het die netto eise teen die regeringsektor opmerklik toegeneem vanweë 'n daling in die regeringsdeposito's by die Reserwebank, terwyl die eise teen die private sektor terselfdertyd 'n klein verdere styging getoon het. Die netto goud- en ander buitelandse reserwes van die monetêre banksektor het matig gestyg gedurende die tweede kwartaal maar vinniger gedurende Julie, toe die netto terugbetalings op korttermyn buitelandse lenings R110 miljoen beloop het. Gedurende Augustus het die netto goud- en ander buitelandse reserwes van die Reserwebank met R78 miljoen toegeneem, wat veranderinge uit hoofde van die maandelikse herwaardering van die

*Die uitwerking van 'n samesmelting tussen 'n nie-monetêre algemene bank en 'n monetêre bank gedurende April 1978 is uitgeskakel uit al die syfers in die Reserwebank se monetêre ontleding.

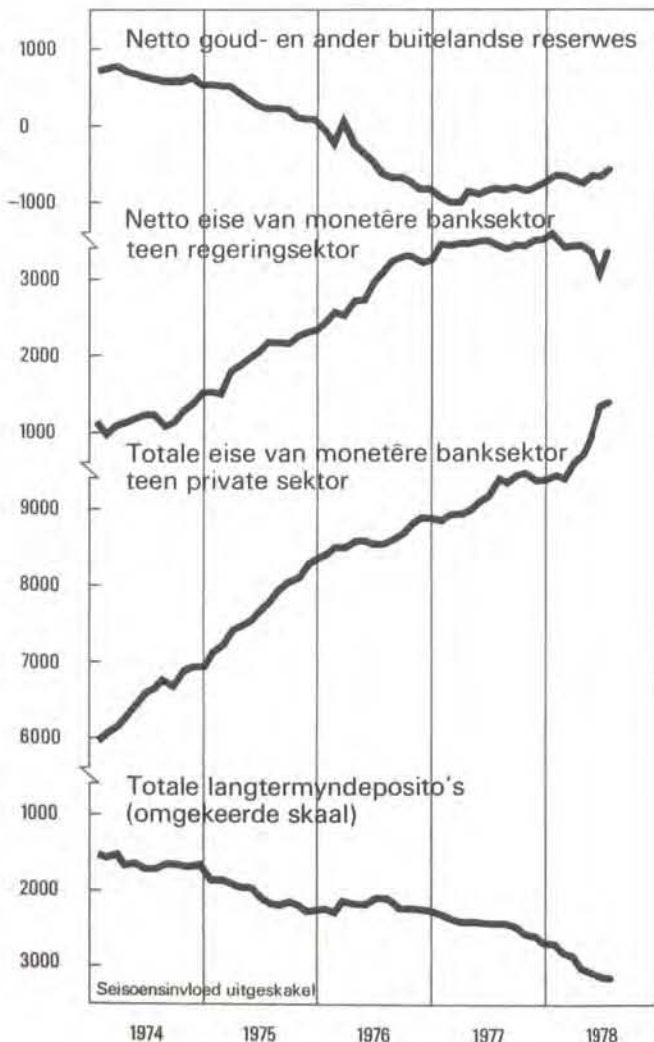
Oorsake van veranderinge in geld en kwasi-geld R miljoene

	Seisoensinvloed nie uitgeskakel nie			Seisoensinvloed uitgeskakel		
	1e kw. 1978	2e kw. 1978	Julie 1978	1e kw. 1978	2e kw. 1978	Julie 1978
Netto goud- en ander buitelandse reserwes	45	64	97	57	44	95
Eise teen die regeringsektor:						
Bruto eise	-46	222	-141	...	...	...
Regeringsdeposito's (toename-, afname+)	-306	-68	415	...	...	...
Netto eise	-352	154	274	-65	-385	288
Eise teen die private sektor	215	634	74	204	732	43
Langtermyndeposito's (toename-, afname+)	-128	-354	-50	-186	-251	-34
Netto ander bates	81	82	-141	...	...	...
Totale oorsake van veranderinge	-139	580	254	48	406	409

Monetêre ontleding



Oorsake van veranderings in geld en kwasi-geld



Bank se goudbesit uitsluit. Die uitwerking van die styging in die totale bankkredietverlening en in die netto goud- en ander buitelandse reserwes op die geld- en kwasi-geldvoorraad is gedeeltelik deur 'n aansienlike styging in die langtermyndeposito's van die private sektor by die monetêre banke gedurende die tweede kwartaal, en 'n verdere klein styging gedurende Julie, geneutraliseer.

Die jaarkoers van toename in die seisoensaange-suiwerde bedrag van die bankkrediet aan die private sektor het van 9 persent in die eerste kwartaal van 1978 tot 34 persent in die tweede kwartaal versnel, maar het as gevolg van die aansienlik kleiner styging gedurende Julie vir die vier maande van April tot Julie tot 26 persent afgeneem. 'n Aansienlike deel van die nuwe bankkrediet aan die private sektor gedurende die tweede kwartaal, en gedurende Junie in die besonder, het in verband gestaan met die verhoogde verbruiks-besteding voor die instelling van die algemene verkoopsbelasting. Gedurende Julie het die dis-konteringe en voorskotte van die handelsbanke, aksep-banke en monetêre huurkoop- en algemene banke in werklikheid gedaal, maar huurkoop- en bruikhuurfinan-siering het aangehou om te styg. Die kaskredietvoor-skotte van die Landbank, wat gedurende die tweede kwartaal matig gestyg het, het gedurende Julie 'n groot seisoenale toename getoon.

As gevolg van die skerp styging in bankkrediet aan die private sektor gedurende die tweede kwartaal, het die onbenutte fasiliteite onder die banke se plafonne op diskonteringe en voorskotte met R30 miljoen gedaal, niesteenstaande die verhoging van die plafonne met 'n bykomende 4 persent in Mei. Gedurende Julie het die banke se onbenutte fasiliteite egter met R100 miljoen toegeneem.

Die oorskotlikwiditeit van bankinstellings het gedurende April en Mei effens verbeter maar gedurende Junie ietwat verswak, hoofsaaklik as gevolg van 'n groot seisoenale styging in die regeringsdeposito's. 'n Aansienlike daling in die regeringsdeposito's, sowel as 'n toename in die netto goud- en ander buitelandse reserwes, het meegebring dat die banke se likwiditeits-posisie in Julie beduidend verbeter het.

Oorskot-likwiditeitsverhoudings van bankinstellings, 1978

	Maart	April	Mei	Junie	Julie
Handelsbanke . . .	1,3	2,5	3,5	2,6	3,0
Ander monetêre banke	1,3	1,7	1,3	1,0	1,9
Ander banke	-1,3	-1,1	-0,8	-0,4	-1,0
Alle banke	1,2	2,1	2,7	2,0	2,5

Geldmark

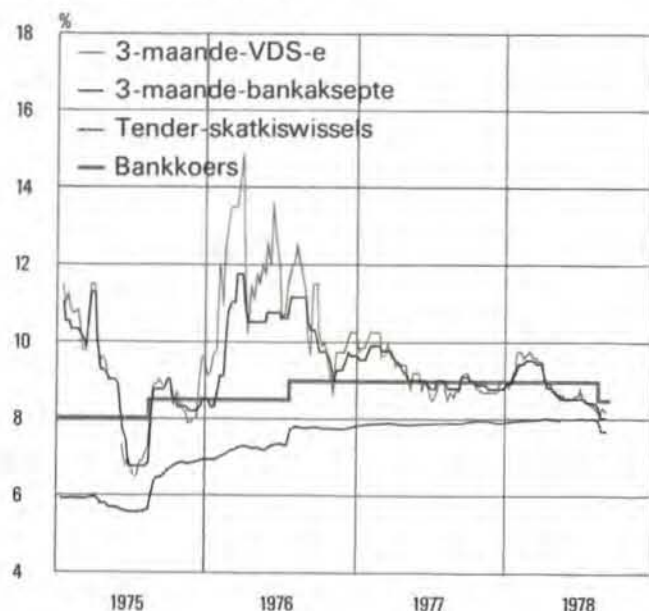
Die geldmark het gedurende April en die eerste helfte van Mei aansienlik verbruim, tot in laat-Junie betreklik bestendig gebly, en daarna gedurende die tweede helfte van Julie en die grootste deel van Augustus verder verbruim. Gedurende die laaste paar dae van Junie en die begin van Julie, en oor die maandeinde van Augustus, is daar egter betreklik stram toestande ondervind. Die Junie-Julie vernouing was 'n weer-spieëling van 'n sameloop van 'n groot toename in die regeringsdeposito's, 'n daling in die netto buitelandse reserwes van die Reserwebank, en 'n ongewoon skerp styging in die bedrag van die note in omloop oor die maandeinde. Die stramheid oor die maandeinde van Augustus was hoofsaaklik die gevolg van groot belastinginvorderings deur die regering.

Die daggeldlenings aan die diskontohuise het op 26 Junie 'n hoogtepunt van R912 miljoen bereik maar skerp gedaal tot R584 miljoen op 5 Julie. Nadat dit op 25 Augustus 'n nuwe rekordvlak van R971 miljoen bereik het, het dit tot R660 miljoen op 1 September teruggesak. Die akkommodasie van die Reserwebank aan die diskontohuise het hoogtepunte bereik van R371 miljoen op 5 Julie en van R323 miljoen op 31 Augustus en 1 September. Die banke se vrye saldo's by die Nasionale Finansiële korporasie is gedurende die grootste deel van die eerste helfte van Julie en oor die maandeinde van Augustus feitlik uitgeput.

Die geldmarkrentekoerse, wat vanaf die middel van Mei tot in laat-Junie min verandering getoon het, het gedurende Julie en Augustus hul afwaartse neiging hervat. Nadat dit van die middel van Mei tot die middel

van Julie onveranderd gebly het op 8,5 persent, het die koers op bankaksepte van drie maande gedurende die daaropvolgende tydperk gedaal tot 8,3 persent onmiddellik voor die verlaging van die Bankkoers van 9 na 8,5 persent op 22 Augustus en daarna verder tot 8,0 persent afgeneem. Die koers op verhandelbare depositosertifikate van drie maande het vanaf die middel van Mei tot die middel van Junie oor die algemeen op 'n peil van 8,5 persent gebly, tot 8,8 persent op 7 Julie gestyg, en vervolgens gestadig tot 8,1 persent op 25 Augustus gedaal. Die skatkiswissel-tenderkoers, wat vanaf Maart tot in die begin van Augustus op of naby 8 persent gebly het, het tot 7,95 persent op 18 Augustus en tot 7,65 persent op 25 Augustus en 1 September gedaal. Die netto verkope van staatseffekte deur die Reserwebank in die ope mark, wat 'n ordelike afwaartse beweging van die rentekoerse bevorder het, het gedurende die vyf maande vanaf April tot Augustus R299 miljoen bedra. Oor die maandeinde van Augustus is daar egter effekte deur die Bank aangekoop. Die primakoers van die handelsbanke is op 24 Augustus van 12,5 na 12 persent verlaag en 'n verdere vermindering van $\frac{1}{2}$ persent is op 15 September aangekondig. Op dieselfde datum is ook aangekondig dat die depositokoerse van bankinstellings, met die uitsondering van die koers op gewone spaardeposito's, met 1 persent verlaag sal word.

Geldmarkrentekoerse

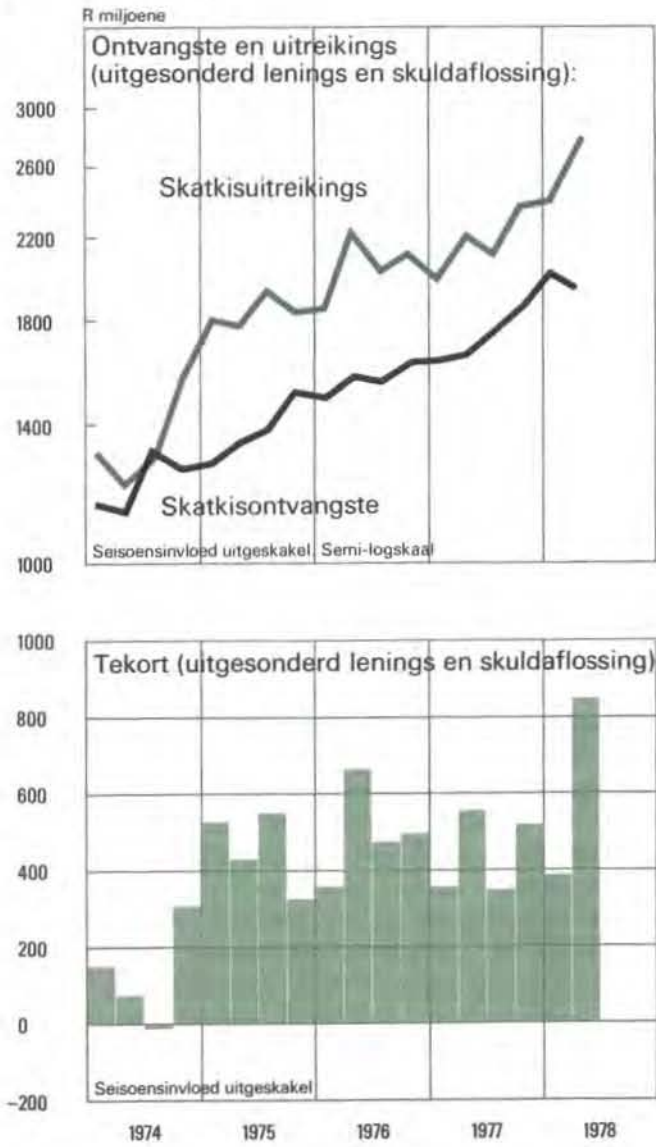


Staatsfinansies

Die seisoensaangesuiwerde ontvangste op die Skatkisrekening het in die tweede kwartaal van 1978 effens gedaal vergeleke met die voorafgaande drie maande, gedeeltelik as gevolg van 'n verlaging van die koerse van verkoopreg en van die bo-belasting op invoere wat in Maart 1978 deur die Minister van Finansies aangekondig is. Soos in die ooreenstemmende drie maande van 1977, het die uitreikings in die tweede kwartaal teen 'n relatief hoë koers toegeneem, wat 'n betreklike groot tekort op die Skatkisrekening tot gevolg gehad het.

Soos in die bygaande tabel getoon word, het lenings vanaf binnelandse nie-bankbronne die skatkistekort meer as ten volle gedek. Effens meer as twee-derdes

Skatkisrekening



Finansiering van die Skatkisrekening
R miljoene

	April-Junie	
	1977	1978
Tekort (uitgesonderd lenings en skuldaflossing)	816	892
Gefinansier deur:		
Binnelandse nie-bankbronne	461	1 014
Staatskuldkommissaris	312	417
Private sektor	148	598
Monetêre banksektor	341	-103
Buitelandse sektor	15	-20
Totaal	816	892

*Insluitende die Departement van Pos- en Telekommunikasiewese.

van die tekort is deur netto lenings vanaf die private nie-banksektor gefinansier, hoofsaaklik as gevolg van 'n baie gunstige reaksie van hierdie sektor op twee uitgiftes van staatseffekte gedurende Mei 1978. Benewens die bedrag van R421 miljoen wat deur middel van die uitgiftes van bemarkbare staatskuldbewyse vanaf die private nie-banksektor verkry is, het hierdie sektor se netto belegging in nie-bemarkbare regeringsobligasies en sy betaling van verpligte leningsheffing onderskeidelik R79 miljoen en R98 miljoen bedra. Die netto belegging in staatskuldbewyse deur die Staatskuldkommissaris en die Departement van Pos- en Telekommunikasiewese het feitlik die helfte van die bedrag verteenwoordig wat nodig was om die skatkistekort gedurende die tweede kwartaal te finansier. Hierdie bydraes tot die finansiering van die tekort het die Tesourie in staat gestel om sy netto skuldposisie teenoor sowel die buitelandse sektor as die monetêre banksektor te verminder. 'n Styging van R205 miljoen in die monetêre banke se besit aan staatskuldbewyse is meer as geneutraliseer deur 'n styging van R308 miljoen in die skatkisrekeningdeposito's.

Die uitwerking van die veranderings in indirekte belasting het gedurende Julie duideliker geword, toe die invordering van die nuut-ingestelde algemene verkoopbelasting nog nie in die skatkisontvangste weerspieël is nie. Die ontvangste gedurende hierdie maand was ongeveer R134 miljoen minder as gedurende Julie 1977. Die uitreikings, daarenteen, is op 'n hoë vlak gehandhaaf en het dié gedurende Julie 1977 met R128 miljoen oorskry. Die Skatkisrekening het gevolglik 'n tekort van R305 miljoen getoon, wat aansienlik hoër was as die tekort van R42 miljoen wat gedurende Julie 1977 aangeteken is. Daar kan verwag word dat die ontvangste gedurende Augustus aansienlik sal styg as gevolg van die invordering van die algemene verkoopbelasting asook verwagte hoër inkomste-belasting- en huurkontrakbetaling deur goudmynmaatskappye, wat voortspruit uit die onlangse styging in die goudprys.

Kapitaalmark

Ruim toestande in die mark vir vaste-rentedraende effekte het gedurende die tweede kwartaal en die daaropvolgende twee maande voortgeduur. Die nuwe uitgifte van staatseffekte in Mei is goed ondersteun en die meeste nuwe uitgifte van semi-prima-effekte is aansienlik oorvolteken. Gedurende die tweede kwartaal het die bedrag aan nuwe fondse wat deur middel van uitgifte van prima- en semi-prima-effekte in hierdie mark verkry is, met uitsluiting van die toename in leners se besit aan hulle eie effekte, R895 miljoen bedra, vergeleke met R394 miljoen gedurende die eerste kwartaal van 1978 en 'n kwartaallikse gemiddelde van R530 miljoen gedurende 1977.

Die opbrengskoers op nuwe uitgifte van langtermynstaatseffekte het van 10,75 persent in Februarie tot 10,50 persent in Junie gedaal. In die sekondêre

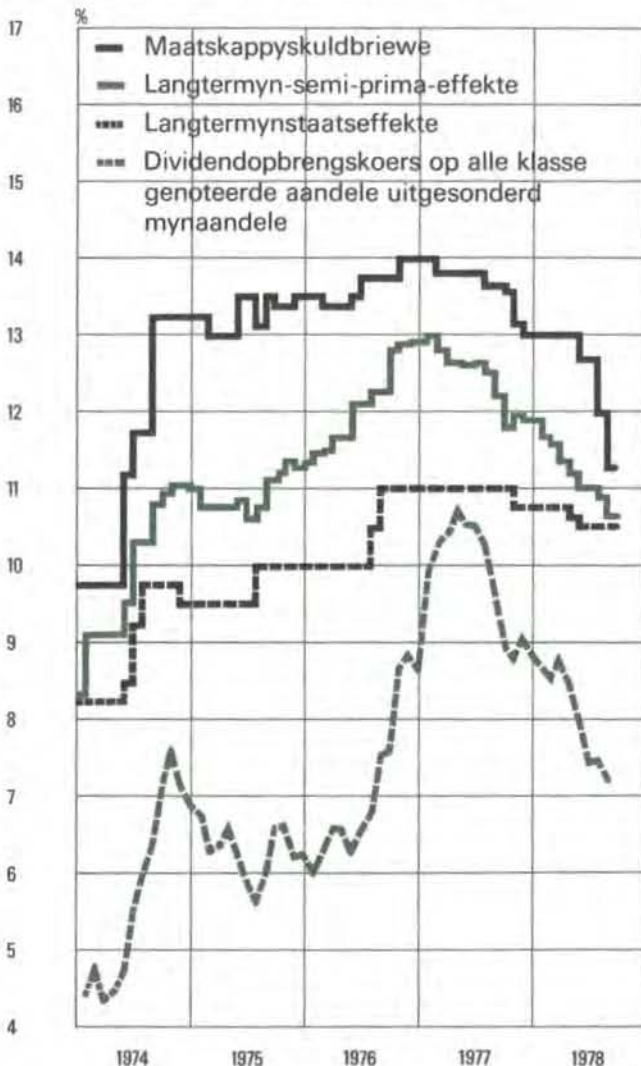
mark het die opbrengskoers in Augustus verder tot 10,34 persent gedaal. Die opbrengskoers op nuwe langtermynuitgifte van semi-prima-effekte van die hoogste graad het van 11,56 persent in Maart tot 10,99 persent in Junie en verder tot 10,62 persent vroeg in September gedaal. In die geval van maatskapskuldbriewe het die opbrengskoers op nuwe uitgifte gedaal van 13,00 persent in Desember 1977 tot 12,68 persent in Junie, 11,97 persent in Julie, en 11,26 persent vroeg in September. In die sekondêre mark het die opbrengsgaping tussen langtermyn semi-prima- en prima-effekte van 0,86 persentasiepunte in Maart tot 0,30 persentasiepunte in Augustus vernou.

Ná 'n tydelike afname in die bedrywigheid op die effektebeurs en in die aandelepryse gedurende die tydperk Februarie tot April 1978, het albei gedurende die daaropvolgende vier maande tot in Augustus sterk gestyg. In Augustus was die aandelepryse gemiddeld 25 persent hoër as in April vanjaar. Die gemiddelde vlakke van die aantal aandele en die waarde van die aandele wat gedurende die vier maande Mei tot Augustus 1978 op die aandelebeurs verhandel is, was onderskeidelik 43 en 33 persent hoër as die ooreenstemmende syfers gedurende die eerste vier maande van die jaar. As gevolg van die hoër aandelepryse, het die dividendopbrengskoers vir alle klasse aandele van 8,00 persent in April tot 6,73 persent in Augustus gedaal.

'n Groter beskikbaarheid van fondse in die kapitaalmark is weerspieël in die aansienlik groter toevloei van langer-termynfondse na depositonemende en verwante instellings. Die seisoensaangesuiwerde styging in langer-termynfondse belê by bankinstellings, bouverenigings, deelnemingsverbandskemas en staatspaarfasiliteite het gedurende die tweede kwartaal R727 miljoen beloop, vergeleke met R582 miljoen in die eerste kwartaal en 'n kwartaallikse gemiddelde van R400 miljoen gedurende 1977. Gedurende Julie het die seisoensaangesuiwerde toevloei van fondse na die bouverenigings R92 miljoen bedra, wat aansienlik hoër was as die maandelikse gemiddelde van R57 miljoen vir die eerste helfte van 1978. Op 15 September is aangekondig dat die depositokoerse van bankinstellings en bouverenigings, insluitende dié op bouverenigingaandele, sowel as die koerse op spaarsertifikate van die Departement van Pos- en Telekommunikasiewese en op sekere Tesourie-obligasies in die algemeen met 1 persent verlaag sal word.

Die bedrywigheid in die verband- en vaste-eiendomsmark het gedurende die tweede kwartaal van 1978 aansienlik toegeneem. Nuwe verbandvoorskotte deur bouverenigings gedurende hierdie tydperk toegestaan, was, ná seisoensaansuiwering, 24 persent hoër as gedurende die voorafgaande kwartaal. Die seisoensaangesuiwerde waarde van vaste-eiendomstransaksies gedurende die tweede kwartaal was 7 persent hoër as in die eerste kwartaal, en die maandelikse gemiddelde vlak van die transaksies in die tweede

Opbrengskoerse op effekte en aandele



Mark vir vaste eiendom



kwartaal was 20 persent hoër as gedurende Desember 1977, toe hierdie transaksies hul mees onlangse laagtepunt bereik het. Gedurende Julie het die waarde van die vaste-eiendomstransaksies 'n verdere skerp toename getoon.