

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.

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Navrae i.v.m. hierdie *Kwartaalblad* moet gerig word aan :

Die Hoof
Ekonomiese Departement
S.A. Reserwebank
Posbus 427
Pretoria
0001

Enquiries relating to this *Bulletin* should be addressed to :

The Head
Economic Department
S.A. Reserve Bank
P.O. Box 427
Pretoria
0001

Quarterly economic review

General observations

The slow economic growth, which had been experienced since the second half of 1974, continued during 1977. After having decelerated to $2\frac{1}{2}$ per cent in 1975 and $1\frac{1}{2}$ per cent in 1976, the rate of increase in the real gross domestic product decreased further to about $\frac{1}{2}$ per cent in 1977. However, as a result of an improvement in South Africa's terms of trade, the real gross national product increased by about 1 per cent during 1977 as against a decline of 1 per cent during 1976.

Economic growth during 1977 originated largely in the primary sectors of the economy, more specifically in sharp rises in agricultural and non-gold mining production, and to a lesser extent in the services sectors. In contrast, the real income generated by commerce and industry decreased quite substantially as a result of a decline in real aggregate domestic demand. However, a levelling out of the downward trend in real economic activity in commerce and industry became evident in most sections of these sectors during the second half of the year.

The principal components of real domestic demand, namely private and government consumption expenditure, gross domestic fixed investment, and inventory investment, all declined during 1977. At current prices, domestic demand, as measured by gross domestic expenditure, was exceeded by the gross national product in 1977 and the difference was reflected in a surplus on the current account of the balance of payments. This means that much progress has been made towards achieving one of the immediate policy objectives, namely the strengthening of the balance of payments.

As from the second quarter of 1976 the substantial deficit on the current account of the balance of payments declined progressively, and in the second quarter of 1977 the current account balance, seasonally adjusted, changed into a surplus. A positive balance was maintained during the second half of the year, resulting in a relatively large surplus being recorded for the year as a whole. The substantial further improvement in the current account during 1977 was due to increases in merchandise exports and the net gold output as well as to a decrease in merchandise imports. Net invisible payments to the rest of the world, however, increased slightly during the year.

In contrast to the improvement in the current account of the balance of payments, the capital account recorded a substantial net outflow of capital during 1977, as against a sizeable inflow during the preceding year. This change in the capital account was

caused by a smaller net inflow of long-term capital, repayments on short-term debt related to reserves, and an increase in the net outflow of other short-term capital. The net inflow of long-term capital to the private sector, mainly for the purpose of financing mining projects, uranium production and the containerisation programme remained almost at the same level as in 1976, and the smaller overall net inflow of long-term capital during 1977 was mostly due to repayments on foreign loans by the central government and the public corporations.

The effectiveness of the continued restrictive stance of monetary and fiscal policy during 1977 was reflected in an increase of only 7 per cent in the supply of money and near-money. Net claims of the monetary banking sector on the government sector rose moderately during 1977, compared with the rates of increase recorded during preceding years, and contributed significantly to the low rate of increase in the money and near-money supply. The other component of domestic credit extension, namely claims of the monetary banking sector on the private sector, also increased at a comparatively low rate. As a result of the relatively small increase in bank lending to the private sector, unused facilities under the ceilings on discounts, loans and advances increased appreciably during 1977. Bank liquidity, however, remained tight during the year and only in the case of commercial banks did the liquidity position ease fairly significantly towards the end of 1977. During January 1978 the seasonally adjusted supply of money and near-money decreased slightly and the liquidity position of monetary banking institutions tightened appreciably.

In accordance with government policy to curtail the rate of growth in public sector expenditure, the central government's own expenditure increased only moderately during 1977. This reduced the revenue shortfall which had to be financed by means of borrowing. In its borrowing operations the government was notably successful in raising funds in the domestic non-banking sector and had to rely to a much smaller extent than in preceding years on bank credit as a source of funds. In addition to contributing to a lower rate of increase in the supply of money and near-money, the limited growth in government expenditure was also a cause of the decline in real aggregate domestic demand.

Borrowing from the private non-banking sector was facilitated by an easing of conditions in the fixed-interest security section of the capital market. During 1977 a substantial amount of new funds was raised in this market by the public sector at downward moving yields. In addition to the easing of the fixed-interest

security section of the market, turnover and prices increased in the share market, but in the mortgage and real estate markets activity remained at a low level.

Although the rate of increase in the average level of consumer prices was slightly higher in 1977 than in 1976, it declined in the course of the year. The rate of increase in the average level of wholesale prices declined in 1977 and also decelerated in the course of the year, but it nevertheless remained high. Because of recent upward adjustments of government-administered prices, a higher rate of increase in prices is expected during the early months of 1978.

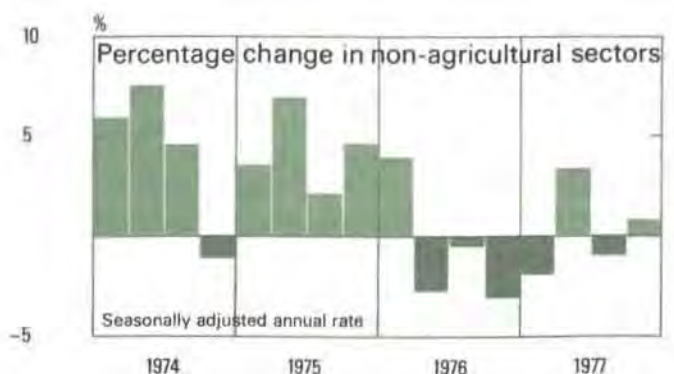
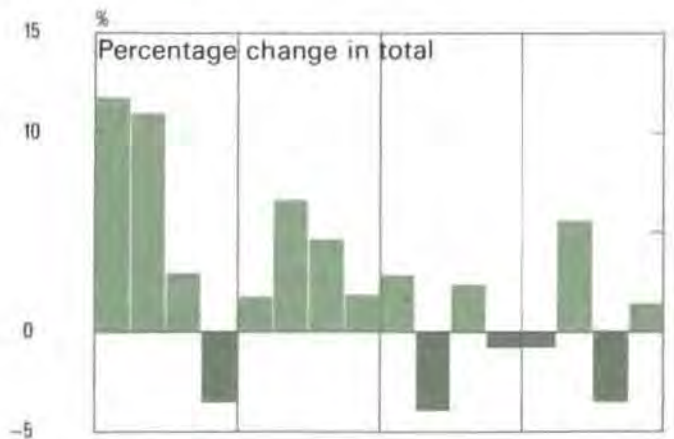
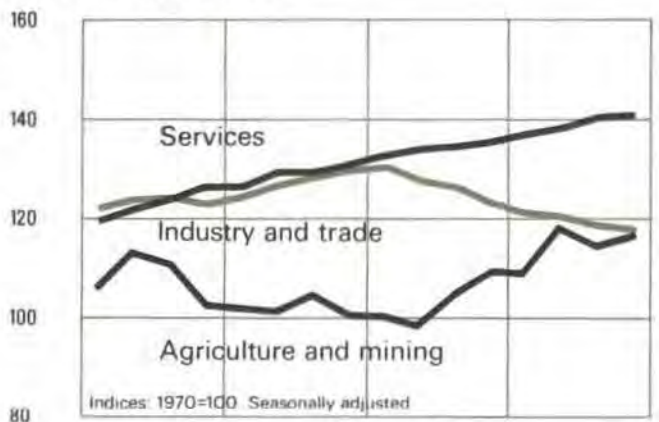
Reflecting the generally low level of economic activity in the South African economy, employment in the non-agricultural sectors during the first nine months of 1977 declined slightly compared with the corresponding period in 1976. As a result of this decline, the total demand for labour was insufficient to absorb the growing supply, and unemployment continued to rise among all population groups during 1977. However, during January 1978 the number of unemployed Whites, Coloureds and Asians declined.

National accounts*

Small but positive rate of economic growth

The slow economic growth which had commenced in the second half of 1974 continued during 1977. After having risen by about 2½ per cent in 1975 and 1½ per cent in 1976, the real gross domestic product increased by about ½ per cent in 1977. However, as a

Gross domestic product at constant 1970 prices



* Unless indicated otherwise, this section of the review is based on *seasonally adjusted* quarterly estimates of the national accounts.

result of an improvement in South Africa's terms of trade, the real gross national product increased by about 1 per cent during 1977 as against a decline of 1 per cent during the preceding year.

The main reason for the low rate of economic growth during 1977 was a sharp decline in the real income generated by commerce and industry, which was only slightly exceeded by a large rise in the real value added by the primary sector and a normal rate of increase in the real gross domestic product of the services sector. Excluding agriculture and mining, the real value added by the secondary and tertiary sectors of the economy declined by $1\frac{1}{2}$ per cent, whereas it increased by a similar percentage during 1976.

The substantial increase in the real income generated by the primary sector was accounted for by sharp rises in agricultural and non-gold mining production. Favourable weather conditions resulted in exceptionally good summer crops and increases in citrus fruit and livestock production. Non-gold mining production was boosted by higher export demand and new harbour facilities for mineral exports. In contrast, the volume of gold production continued to decrease during 1977.

The decline in the real income generated by commerce and industry during 1977 was due to a fall in real aggregate domestic demand. As is shown in the accompanying table, declines were recorded in the real value added by manufacturing, construction, and the retail, wholesale and motor trade. The decrease in the volume of manufacturing production was consistent

with the behaviour of other economic indicators such as manufacturing sales and unfilled orders at constant prices, and the utilisation of production capacity. Wholesale and retail sales at constant prices decreased by about $6\frac{1}{2}$ per cent and $8\frac{1}{2}$ per cent, respectively, and the number of new motor vehicles sold fell by nearly 15 per cent during 1977.

Quarterly estimates of the real gross domestic product do not reveal any definite trend in the course of 1977. For example, declines in the total real value added were recorded in the first and third quarters, and increases in the second and fourth quarters of 1977. During the fourth quarter of 1977 increases in the real value added by agriculture, non-gold mining, electricity and general government were only partly counter-balanced by decreases recorded by gold mining, construction and wholesale trade, with the real value added by other important sectors such as manufacturing, transport and financial services showing little change relative to that of the third quarter. Excluding agriculture and mining, the real value added by the non-primary sectors of the economy increased only slightly during the last quarter of 1977.

At current market prices, the gross domestic product increased at a higher rate in 1977 than in the preceding year, namely by about 14 per cent. However, the rates of increase in the components of the gross domestic product in 1977 differed from those in the preceding year. The remuneration of employees rose by only $10\frac{1}{2}$ per cent as against $14\frac{1}{2}$ per cent in 1976, the rate of increase in the gross operating surplus accelerated from 9 per cent in 1976 to 18 per cent in 1977, and indirect taxes, net of subsidies, increased by 25 per cent compared with 18 per cent in 1976. The acceleration of the rate of increase in the gross operating surplus during a period of depressed economic conditions was due to a sharp increase in agricultural income attributable to higher production and prices, increased profits of mining enterprises, and the higher income caused by increased tariffs for electricity and transport services. The operating surplus of manufacturing, construction and the wholesale, retail and motor trade either declined during 1977 or showed only a small increase.

The difference in the rates of growth in the gross domestic product at current and at constant prices during 1977 implies an increase of about $13\frac{1}{2}$ per cent in the gross domestic product deflator, compared with almost 11 per cent in 1976. This acceleration was primarily due to a rise in the average price of gold, higher prices of other exports, increased tariffs for electricity and transport services, and higher indirect taxes.

Percentage change in real gross domestic and real gross national product

	1975	1976	1977
Primary sector	$-5\frac{1}{2}$	1	11
Agriculture, forestry and fishing	-8	-1	14
Gold mining	-6	$-\frac{1}{2}$	-2
Non-gold mining	$\frac{1}{2}$	6	15
Commerce and industry	$3\frac{1}{2}$	$-\frac{1}{2}$	-6
Manufacturing	2	$-\frac{1}{2}$	$-5\frac{1}{2}$
Construction	$2\frac{1}{2}$	-7	-9
Electricity, gas and water	6	4	3
Wholesale, retail and motor trade	5	1	$-7\frac{1}{2}$
Services	$4\frac{1}{2}$	4	$3\frac{1}{2}$
Transport, storage and communication	7	5	$7\frac{1}{2}$
Finance, insurance, real estate and business services	2	$1\frac{1}{2}$	$\frac{1}{2}$
General government	$5\frac{1}{2}$	6	4
Other	4	4	3
Gross domestic product at factor cost	$2\frac{1}{2}$	$1\frac{1}{2}$	$\frac{1}{2}$
Gross national product	-1	-1	1

Substantial decline in real aggregate domestic demand

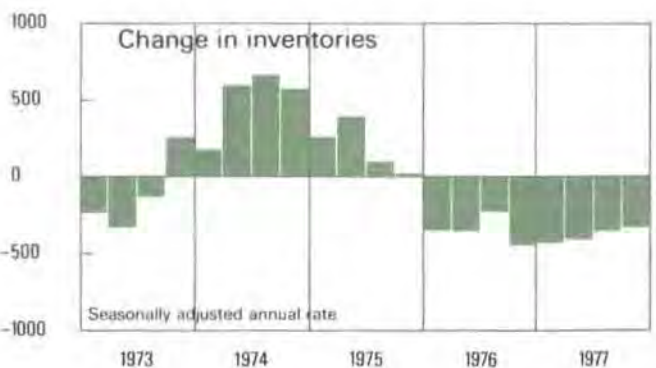
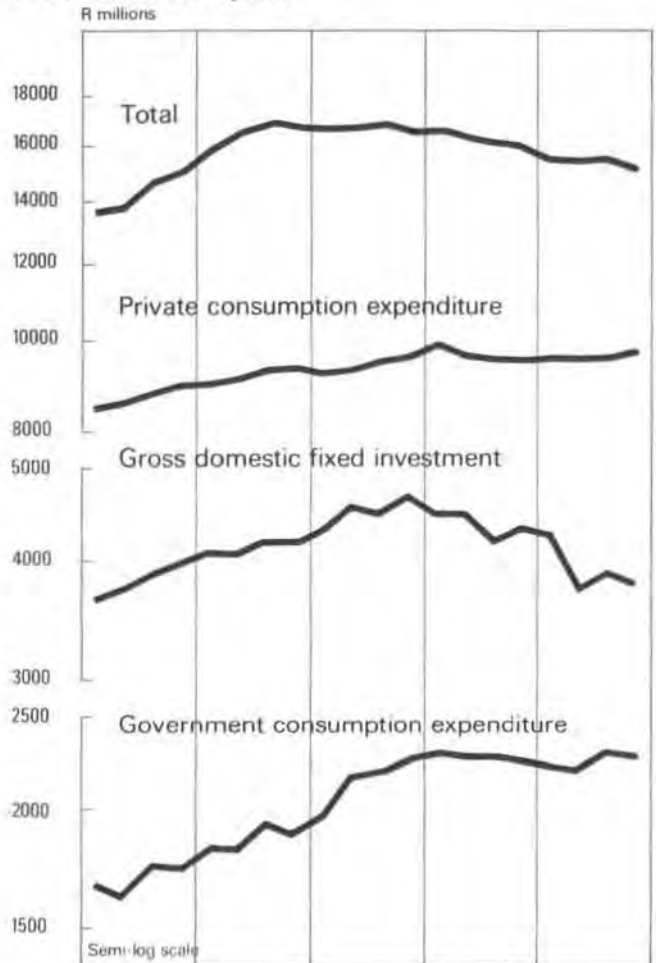
Real aggregate domestic demand, as measured by real gross domestic expenditure, declined by about 5 per cent during 1977, after having decreased by approximately 2½ per cent during 1976. All the main components of real gross domestic expenditure declined during 1977.

At current prices, the annual gross national product in 1977 exceeded the annual gross domestic expenditure for the first time in nine years. This development was reflected in the current account of the balance of payments and the balance changed from a large deficit in 1976 to a surplus in 1977.

Change in real gross domestic expenditure

	1975	1976	1977
Private consumption expenditure (%)	2½	2	-½
Government consumption expenditure (%)	15	5½	-1
Gross domestic fixed investment (%)	9	-3	-10
Change in inventories (R millions)	186	-349	-388
Gross domestic expenditure (%)	1	-2½	-5

Gross domestic expenditure at constant 1970 prices



Decline in real private consumption expenditure

The sharp decline in real gross domestic expenditure during 1977 was to a large extent due to a lower level of real private consumption expenditure, the first annual decline during the post-war period. Moderate increases in real outlays on non-durable goods and on services were exceeded by a decline in real expenditure on durable and semi-durable goods. The latter

Percentage change in real private consumption expenditure

	1975	1976	1977
Durable goods	4	-3	-15
Furniture and household appliances	-14	-8	-5
Personal transport equipment	1	-17	-10
Other goods, including television sets	80	32	-34
Semi-durable goods	3	½	-4½
Clothing and footwear	4	2	-6
Other goods	2	-1½	-3½
Non-durable goods	3	3	3
Services	2	4½	3
Total	2½	2	-½

decline was related to the lower rate of increase in real disposable income resulting from a rise in personal taxation, the absence of any general salary and wage scale increases, particularly in the public sector, and higher unemployment. In addition, personal saving increased in view of the prevailing economic uncertainties.

On a quarterly basis, real private consumption expenditure showed little change during the first half of 1977, but increased slightly during the third and fourth quarters. The increase during the fourth quarter occurred over a broad front, but was particularly evident in the case of real expenditure on personal transport equipment and on clothing and footwear.

Small decline in real government consumption expenditure

In accordance with government policy to curtail expenditure, real consumption expenditure by public authorities declined slightly during 1977, after having increased by 5½ per cent and 15 per cent during 1976 and 1975, respectively. The small decline in 1977 was accounted for by all levels of public authorities. Real salaries and wages increased by about 4 per cent, compared with an increase of 5½ per cent during the preceding year, but real outlays on goods and other services declined by about 6 per cent, mainly because of a reduction in defence expenditure.

Quarterly estimates show that real government consumption expenditure declined moderately in the course of 1977, except in the third quarter when a small increase was recorded.

Substantial decline in real gross domestic fixed investment

Real gross domestic fixed investment declined by about 10 per cent during 1977, compared with a decrease of 3 per cent during the preceding year, and this was an important factor in the overall decline in real gross domestic expenditure. As is shown in the accompanying table, the real fixed investment by the private sector and public authorities decreased, whereas that by public corporations showed a slight increase.

In the private sector lower levels of real fixed investment were recorded in manufacturing, mining, wholesale and retail trade, and residential construction. Only in the private transport sector did real fixed capital outlays increase because of the acquisition of ships for the containerisation programme and the export of iron ore.

Public corporations' real fixed capital outlays on manufacturing rose sharply during 1977 as a result of increased outlays by Sasol on the new oil-from-coal project. Real fixed investment by public corporations for the provision of electricity, gas and water again increased sharply, albeit at a lower rate than in the preceding two years, because of Escom's outlays on the nuclear power station in the Western Cape. The

Percentage change in real gross domestic fixed investment

	1975	1976	1977
Private sector	3	-9	-9
Mining	23	-3½	-8
Manufacturing	8	-5	-13
Commerce	-14	-10	-14
Transport	12	-20	92
Residential construction	-17	-8	-19
Public corporations	26	-1	1
Manufacturing	-15	-30	51
Electricity, gas and water	51	32	20
Other (mining, transport, etc.)	67	-6	-56
Public authorities	14	5	-19
S.A. Railways	21	29	-30
General departments	9	-6	-11
Total gross domestic fixed investment	9	-3	-10

substantial decline in the other components of real fixed capital expenditure by public corporations was due to the completion in 1976 of certain mining ventures and the Sishen-Saldanha project for the export of iron ore.

Reflecting government policy to cut back on capital expenditure, the real fixed capital outlays of public authorities decreased during 1977. The sharp turn-about in real fixed investment by the South African Railways was due to the completion of a programme of purchasing new aircraft.

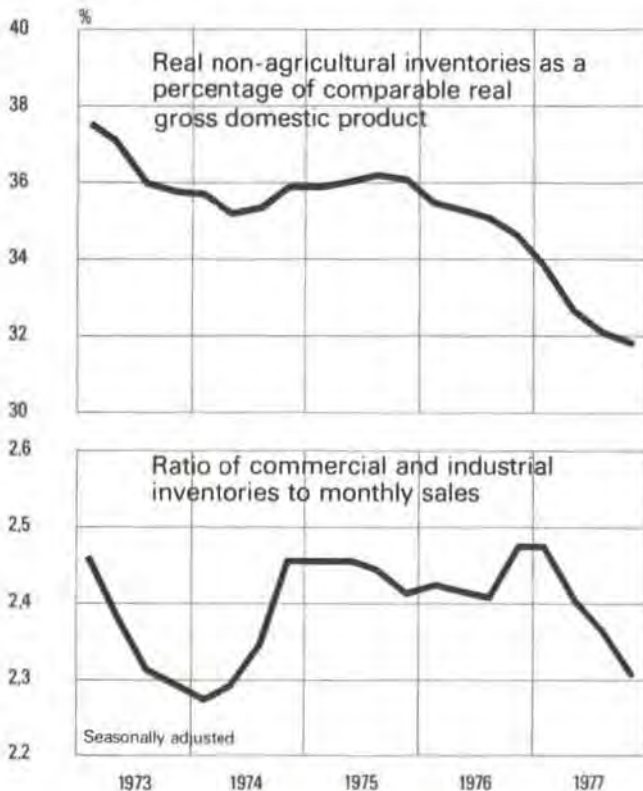
Quarterly estimates indicate that the real gross domestic fixed investment by public authorities declined uninterruptedly from the fourth quarter of 1976. After a substantial decline in the second quarter of 1977, the private sector's real fixed capital outlays increased moderately during the third quarter and showed little change in the fourth quarter. The real fixed investment by public corporations remained at a high level during all four quarters of 1977 because of increased outlays by Sasol and Escom.

Further sharp decline in real inventory investment

The level of total inventories at constant 1970 prices declined by R388 million in 1977, contributing not only materially to the further decline in real aggregate domestic demand but also to a decline in the volume of merchandise imports. Further sharp declines in real industrial and commercial inventories of the private sector were somewhat reduced by increases in real agricultural stocks in trade, real industrial inventories of public corporations, and the livestock inventory at constant prices.

Quarterly estimates show that real inventories declined uninterruptedly from the first quarter of 1976, but that the decline became progressively smaller in the

Inventory ratios



course of 1977. The further decline in total real non-agricultural inventories and the small increase in the corresponding real gross domestic product, lowered the inventory ratio to 31.7 per cent in the fourth quarter of 1977, compared with 32.0 per cent in the third quarter and the most recent peak of 36.1 per cent in the third quarter of 1975.

Marked improvement in gross domestic saving

Gross domestic saving rose substantially by R2 076 million in 1977, compared with an average annual increase of about R700 million during the preceding six years. For the first time in nine years, aggregate domestic saving in 1977 exceeded the amount needed to finance gross domestic investment. Consequently, an amount of R751 million was employed to reduce the country's net indebtedness to the rest of the world. The improvement in domestic saving brought the ratio of domestic saving to the gross domestic product to almost 27 per cent in 1977, compared with an average annual ratio of about 24½ per cent during the period 1970 to 1976. Increases were recorded in all components of gross domestic saving, namely the provision for depreciation, the current surplus of general government and corporate and personal saving.

Levelling out of declining trend in real economic activity

The general cyclical decline in real economic activity continued during 1977, but the downward trend appeared to have levelled out during the second half of the year. After having decreased for four consecutive quarters, real economic activity in the non-agricultural sectors of the economy increased during the second quarter of 1977. During the third quarter a slight decline was recorded, but this was followed by another increase during the fourth quarter. The tendency towards more stable economic conditions became evident in most sections of commerce and industry. The volume of manufacturing production during the last three quarters of 1977 remained more or less at the level to which it had declined in the first quarter. Wholesale and retail sales at constant prices, excluding motor vehicles, continued to decline during 1977, but the rate of decline became progressively smaller in the course of the year. The number of new motor vehicles sold increased significantly towards the end of 1977. Only in the construction sector did real activity maintain its downward course.

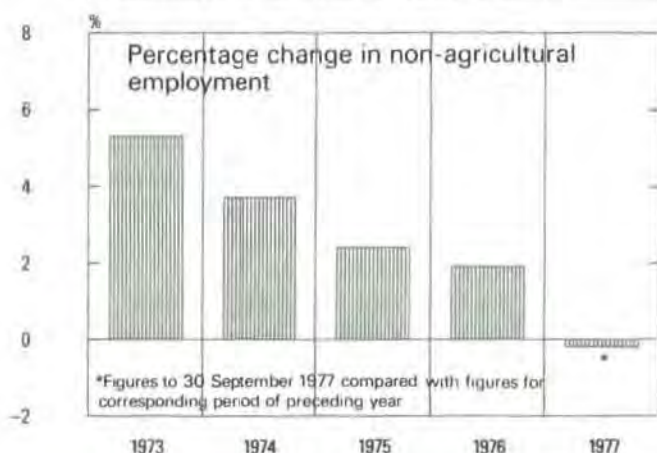
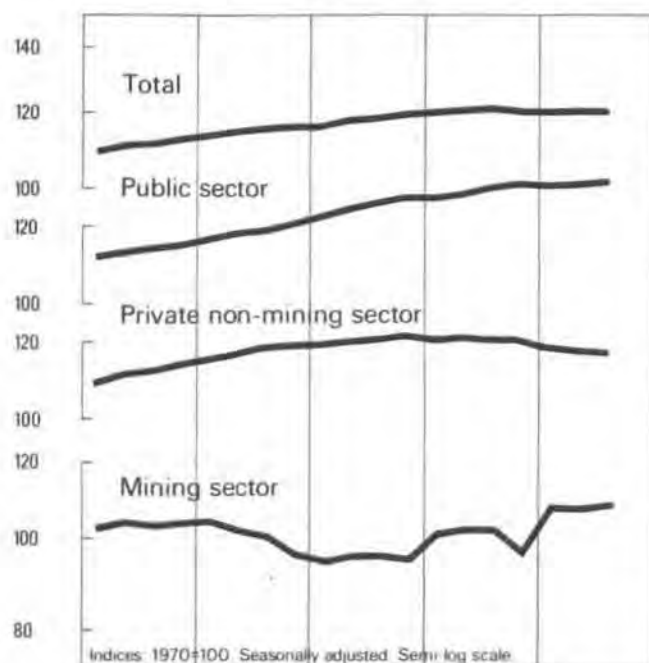
In contrast to the still depressed economic conditions in commerce and industry, real economic activity in the primary sectors continued to increase during 1977 and accounted for the small positive rate of real economic growth recorded for the year.

Lower level of employment in the non-agricultural sectors of the economy

The cyclically low level of economic activity in most sectors of the South African economy during 1977 was reflected in the employment situation. After having increased by 2.4 per cent in 1975 and 2.0 per cent in 1976, employment in the non-agricultural sectors of the economy in the first nine months of 1977 was on average 0.2 per cent lower than in the corresponding period in 1976. This lower level of non-agricultural employment in the nine-month period concerned was caused by a decline of 3.1 per cent in employment in the private non-mining sectors of the economy. In the private mining sector employment rose by 5.8 per cent. Public sector employment in this period also increased, namely by 2.1 per cent. A decline in employment in manufacturing, construction, the wholesale and retail trade, financial institutions, and the hotel industry contributed to the lower level of non-agricultural employment in the private non-mining sectors.

Quarterly figures indicate that the seasonally adjusted level of employment in the non-agricultural sectors of the economy declined during the fourth quarter of 1976 and first quarter of 1977 and then

Employment in the non-agricultural sectors



remained more or less unchanged during the second and third quarters of 1977.

The total demand for labour under the prevailing recessionary conditions proved to be insufficient to absorb the growing supply of labour, and unemployment continued to rise in 1977. Thus, the seasonally adjusted number of registered unemployed Whites, Coloureds and Asians rose continuously from 21 084 in December 1976 to 34 641 in December 1977 but declined to 30 207 and 30 642 in January and February 1978 respectively. The decrease during the first two months of 1978 occurred among all three population groups. In the third quarter of 1977 registered unemployment among these population groups amounted to 1,7 per cent of the corresponding labour force. Unemployed Blacks are estimated to have numbered 634 000, or 12,4 per cent of the economically active Black population, at the end of 1977.

Hours worked by production workers in manufacturing and construction

	1975	1976	1977
Percentage change in total hours worked:			
Manufacturing	-0,8	-0,4	-8,6 ¹
Construction	-0,1	-8,1	-7,9 ¹
Overtime hours as percentage of ordinary hours worked:			
Manufacturing	11,5	10,6	10,4 ²
Construction	11,2	9,9	9,9 ²

¹ First ten months of 1977 compared with the corresponding period in 1976.

² First ten months of 1977.

In accordance with the lower level of employment in manufacturing and construction in the first ten months of 1977, the total number of hours worked by production workers in these sectors during the period concerned declined sharply relative to the corresponding period in 1976. The average number of overtime hours worked in manufacturing and construction declined to a relatively low level in 1976 and remained at this level during the first ten months of 1977. The ratio of overtime to ordinary hours worked, however, showed a small decrease in the case of manufacturing, whereas it remained unchanged in the construction sector.

The rate of increase in the average remuneration per worker in the non-agricultural sectors of the economy slowed down from 12,9 per cent in 1976 to 9,5 per cent for the first nine months of 1977 compared with the corresponding period in 1976. Taking into account the rise in the cost of living, the real remuneration per worker in the first nine months of 1977 declined by 1,6 per cent compared with the corresponding period in 1976, after having increased by a similar percentage in 1976. As is shown in the accompanying table, the rate

Percentage change in salaries and wages per worker in the non-agricultural sectors

	1975	1976	1977*
Whites:			
At current prices	13,5	10,1	7,5
At constant prices	—	-0,9	-3,4
Non-Whites:			
At current prices	23,7	16,7	11,8
At constant prices	9,0	5,0	0,4
All races:			
At current prices	17,5	12,9	9,5
At constant prices	3,5	1,6	-1,6

*First three quarters of 1977 compared with the corresponding period in 1976.

of increase in the real remuneration of Non-White workers decreased, whereas the real remuneration of White workers continued to show an actual decline.

Continued high rate of price increases

The average monthly consumer price index rose by 11,3 per cent in 1977, compared with increases of 11,1 per cent and 13,5 per cent in 1976 and 1975, respectively. This slight acceleration was due to higher

rates of increase in the prices of various classes of goods such as grain products, fruit, sugar and allied products, non-alcoholic beverages and furniture, as well as in the prices of services other than house and flat rent and homeowners' costs.

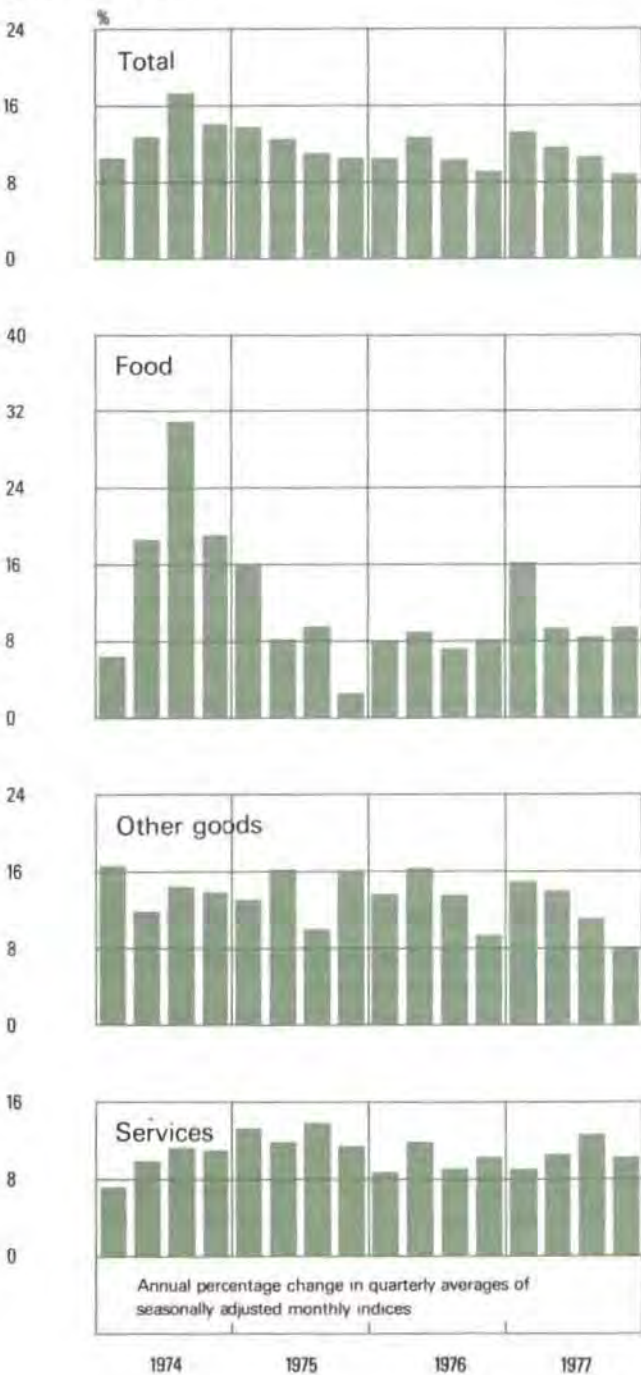
Quarterly increases in the consumer price index, however, slowed down in the course of 1977. After having risen at an annual rate of 13,3 per cent in the first quarter, the seasonally adjusted price index increased at an annual rate of 11,8 per cent in the second, 10,8 per cent in the third and 9,1 per cent in the fourth quarter. From January 1977 to January 1978 consumer prices increased by 11,3 per cent.

The average monthly wholesale price index for goods used domestically increased by 12,9 per cent in 1977, as against 15,1 per cent and 17,3 per cent in 1976 and 1975, respectively. The lower rate of increase in 1977 was due to a smaller rate of increase in the prices of domestically produced as well as imported goods during the second half of the year. With the exception of higher rates of increase in the prices of manufactured textiles, food and beverages and in electricity tariffs, the prices of all other domestically produced goods rose at lower rates in 1977 than in the preceding year.

On a quarterly basis, the seasonally adjusted wholesale price index increased at an annual rate of 16,0 per cent in the first quarter of 1977. Subsequently, the annual rate of increase slowed down to 13,3 per cent in the second and 6,3 per cent in the third quarter, before rising marginally to 7,1 per cent in the fourth quarter. From December 1976 to December 1977 wholesale prices increased by 9,9 per cent.

Because of recent upward adjustments of government-administered prices, higher rates of increase in wholesale and consumer prices are expected during the first few months of 1978.

Consumer prices



Balance of payments

Substantial surplus on current account

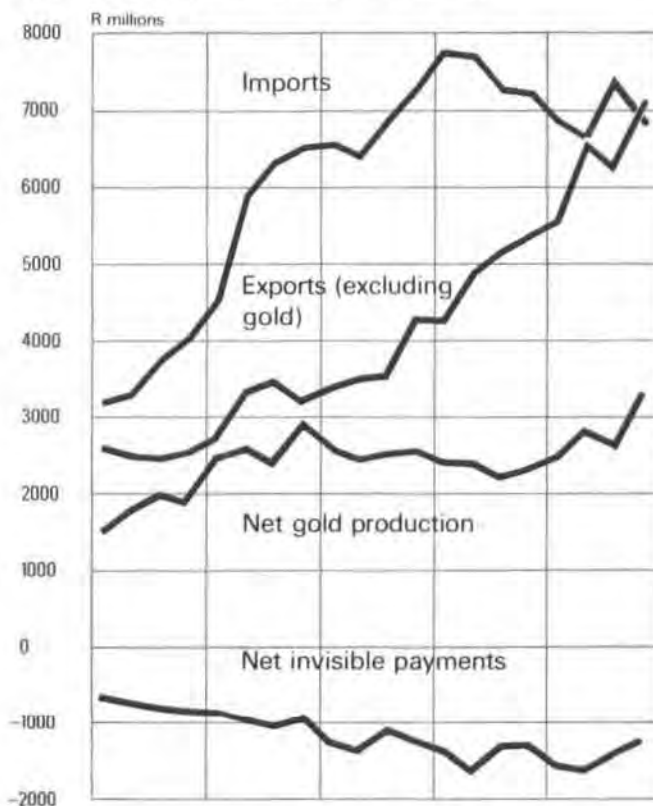
The improvement in the current account of the balance of payments from the second quarter of 1976 continued during 1977 and a surplus of R751 million was recorded for the year against a deficit of R1 630 million in 1976. At a seasonally adjusted annual rate, the deficit on the current account amounted to R2 416 million in the first quarter of 1976, but thereafter declined progressively to R427 million in the first quarter of 1977. During the second quarter of 1977 the current account balance changed into a surplus of R1 116 million, at a seasonally adjusted annual rate, followed by surpluses of R123 million and about R2 192 million in the third and fourth quarters, respectively. The substantial improvement in the current account during 1977 was the result of sharp increases in merchandise exports and the net gold output as well as of a decrease in merchandise imports. In contrast, net invisible payments to the rest of the world increased slightly during the year.

As during the preceding year, merchandise exports increased substantially during 1977, namely from R4 889 million in 1976 to R6 332 million in 1977, an increase of almost 30 per cent. This sharply rising trend started early in 1976 and merchandise exports increased, at a seasonally adjusted annual rate, from R4 248 million in the first quarter of 1976 to R7 034 million in the fourth quarter of 1977. In contrast to the preceding year when price increases made the largest contribution to the higher level of merchandise exports, a considerable increase in volume was mainly responsible for the sharp rise during 1977. Although South African export prices rose further during 1977, the rate of increase slowed down in the course of the year in accordance with the general decline in prices on international commodity markets from the second quarter of the year.

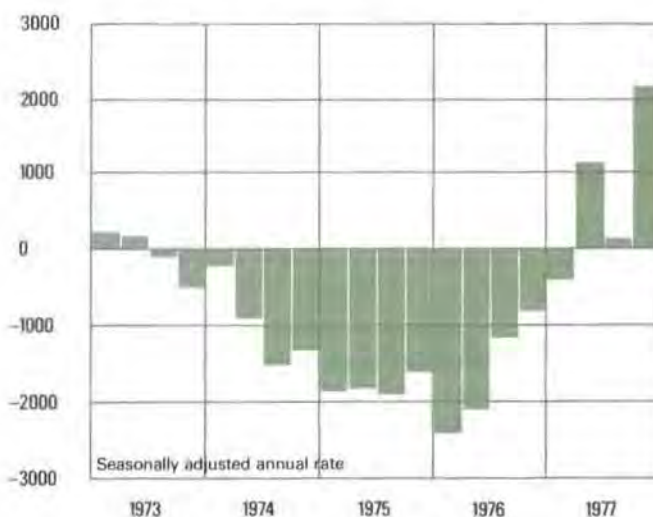
The increase in merchandise exports occurred over a wide range of commodities, but an exceptionally large increase was recorded in diamond exports because of a higher world demand and upward price adjustments of 15 per cent in March and 17 per cent in December 1977. The volume of iron ore and coal exported also rose substantially following the opening of the harbours at Saldanha Bay and Richards Bay. A favourable world demand led to a sharp increase in the value of uranium and chrome ore exported. Notwithstanding a decline in the international price, sugar exports increased sharply owing to a rise in the volume exported. Price increases were mainly responsible for the sharp rise in the value of citrus fruit and wool exports. In contrast, exports of maize and deciduous fruit were lower than in the preceding year.

After the value of the net gold output had declined during the preceding two years, it increased from R2 346

Balance of payments current account



Balance on current account



million in 1976 to R2 795 million in 1977, or by 19.1 per cent. The level of the net gold output in each of the four quarters of 1977 exceeded that in the corresponding quarters of the preceding year, but it rose especially sharply during the fourth quarter and amounted, at a seasonally adjusted annual rate, to R3 274 million. The increase in the net gold output in 1977 was entirely due to a sharp rise in the price of gold because the volume of gold produc-

tion actually declined slightly during this period. The monthly average price of gold per fine ounce on the London market increased from a lower turning point of \$109,99 in August 1976 to \$178,26 in February 1978. In 1977 the average price of gold on the London market was 18,3 per cent above that in the preceding year.

For the first time since 1972, the value of merchandise imports declined during 1977. The seasonally adjusted value of merchandise imports started decreasing during the second half of 1976 and this trend continued during the first half of 1977. Subsequently, during the second half of the year, it rose moderately again. The sharp decline in the value of merchandise imports from R7 443 million in 1976 to R6 893 million in 1977, a decrease of 7,4 per cent, was due to a lower volume of imports associated with a general decrease in real aggregate domestic demand. The volume of imports declined at an accelerated rate during the past three years and reached a comparatively low level in 1977. In relation to gross domestic product, it declined to 14,8 per cent, the lowest figure since 1962 and a percentage well below the average of 19 per cent for the post-war period. The decline in the volume of merchandise imports was to some extent offset by a rise in import prices. However, the success of trading-partner countries in containing their inflation rates, led to a lower rate of increase in import prices during 1977 than during the preceding year.

The decline in the value of merchandise imports during 1977 was reflected in virtually all main categories of goods. Imports of machinery and electrical equipment, in particular, declined sharply and fairly substantial decreases were also recorded in imports of textiles, base metals, and plastic and rubber products. Initially during 1977, imports of transport equipment also showed a marked decline, but purchases of new ships as part of the containerisation programme and for the purpose of exporting minerals, led to a substantial increase in this import category during the second half of the year. Oil imports continued to increase during 1977, partly because of the rise in the price of oil at the beginning of the year. In addition, increases were recorded in imports of coffee and tea.

In contrast to the improvement in the other current account aggregates, net invisible payments to the rest of the world increased slightly from R1 422 million in 1976 to R1 483 million in 1977. This increase was the net result of a moderate increase in service payments to and lower net transfer receipts from foreigners, and was almost offset by an increase in service receipts from other countries. The increase in service payments was due to a sharp rise in non-merchandise insurance and the remuneration of foreign migrant workers in South Africa, which exceeded the decline in freight and merchandise insurance and in dividends and interest payments on foreign investment in South Africa. Net transfer receipts declined moderately because of

increased emigrant funds transferred abroad. The moderate increase in service receipts, in turn, was attributable to increased sales of bunker oil to foreign vessels, which outweighed a decline in interest and dividend receipts on investments in other countries.

Substantial net outflow of capital

Various factors, such as political uncertainties in Southern Africa, a low level of domestic fixed investment and a decline in the value of merchandise imports, were responsible for a large net outflow of capital. In addition, net repayments on foreign loans also contributed to the net capital outflow which amounted to R1 096 million during 1977, compared with a net inflow of R1 110 million during 1976.

The accompanying table shows that although the net inflow of long-term capital decreased considerably during the past two years, a further moderate inflow was nevertheless recorded during 1977. This net inflow of long-term capital, coupled with the improvement in the current account, caused the basic balance to change from a negative figure in 1976 to a positive figure in 1977. This surplus basic balance, moreover, increased from R61 million in the first quarter to R326 million in the second quarter, before declining to R263 million in the fourth quarter of 1977.

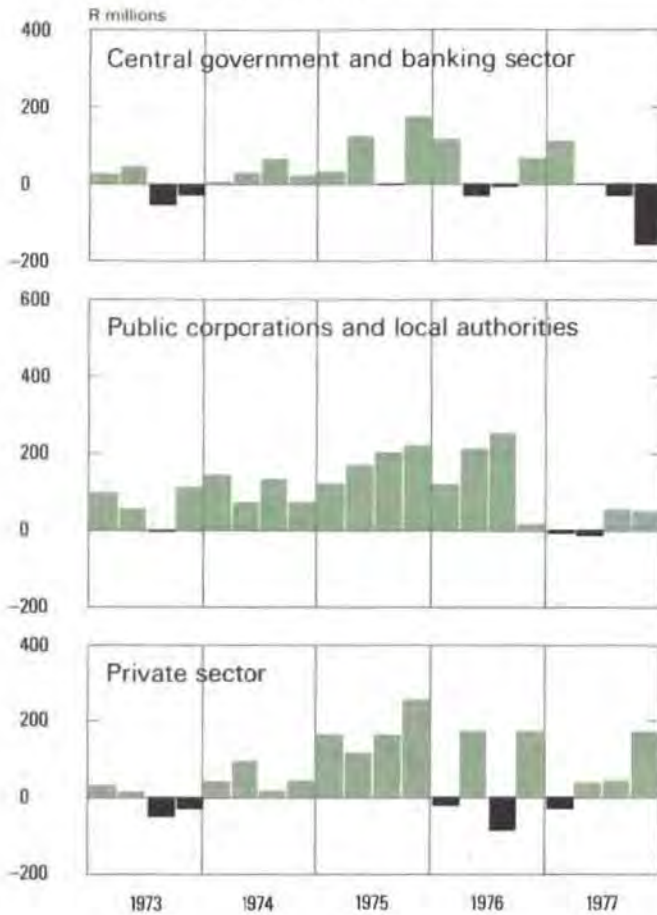
Net capital movements

R millions

	1975	1976	1977
Long-term capital:			
Central government and banking sector	331	148	-92
Public corporations and local authorities	718	606	80
Private sector	697	235	223
Total	1 746	989	211
Short-term capital related to reserves	418	536	-221
Other short-term capital, including errors and unrecorded transactions	-238	-415	-1 086
Total	1 926	1 110	-1 096

The substantially smaller net inflow of long-term capital during 1977 was due, firstly, to a net outflow from the central government and banking sector, as against a moderate net inflow during 1976. This net outflow was largely accounted for by net repayments by the central government on foreign loans. Secondly, there was a marked decline in the net inflow of long-term capital to public corporations and local authorities. New loans obtained by public corporations, in particular for the financing of Sasol's new oil-from-coal project and Eskom's nuclear power station, were to a large extent offset by repayments on earlier loans. In contrast to these developments,

Net long-term capital movements



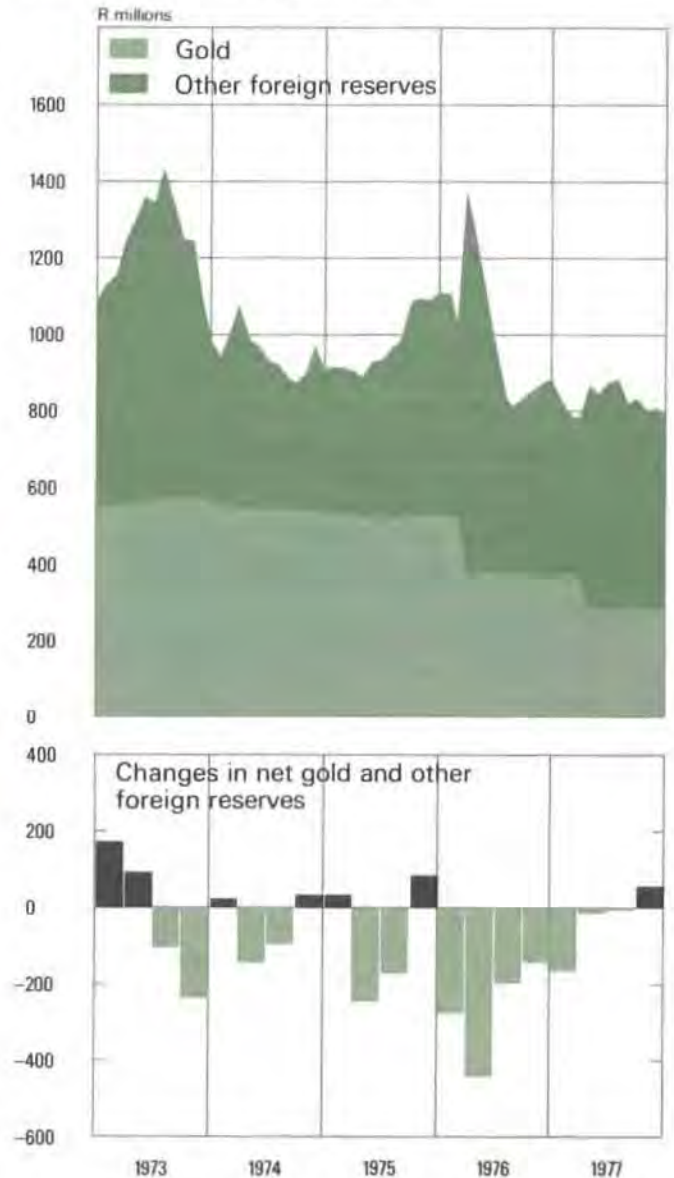
foreign long-term loans obtained by the private sector, mainly for the development of mining projects, uranium production and the containerisation programme, caused the net inflow of long-term capital to this sector during 1977 to remain almost at the same level as in the preceding year.

During 1977 net repayments were made on short-term liabilities related to reserves, whereas large amounts were borrowed during the preceding two years. These repayments were made during the last three quarters of the year and were relatively high in the second and fourth quarters. In addition to these loan repayments, a large net outflow of other short-term capital, including errors and unrecorded transactions, of R1 086 million, was recorded during 1977, compared with moderate outflows in the previous two years.

Small decline in gold and other foreign reserves

Balance of payments transactions and valuation adjustments resulted in the gross gold and other foreign reserves declining moderately by R99 million during 1977 to a level of R788 million at the end of the year. A slightly larger decrease of R124 million was recorded

Gold and other foreign reserves



in the net gold and other foreign reserves during 1977. Net repayments of R221 million on liabilities related to reserves were exceeded by the effect on reserves of further gold swap agreements and valuation adjustments, which together amounted to R246 million. The net gold and other foreign reserves improved in the course of 1977. After having declined by R162 million during the first quarter and a further R21 million during the subsequent six months, these reserves increased by R59 million during the fourth quarter. During January the gross gold and other foreign reserves of the Reserve Bank decreased by R13 million, mainly because of further repayments on foreign loans, before they increased by R8 million during February to a level of R631 million at the end of the month.

Monetary and banking situation

Further decline in the rate of increase in money and near-money

After having increased at a relatively low rate of 9 per cent during 1976, the supply of money and near-money rose at an even lower rate during 1977, namely by 7 per cent. The narrowly defined money supply also increased at a comparatively low rate of 5 per cent, which exceeded only slightly the rate of increase of 3 per cent during 1976.

On a quarterly basis, the rate of increase in the supply of money and near-money showed wide fluctuations during 1977. After having decreased at an annual rate of 2 per cent during the first quarter, the seasonally adjusted money and near-money supply increased at annual rates of 27 per cent and 6 per cent during the second and third quarters, respectively, before declining again at an annual rate of 2 per cent during the fourth quarter.

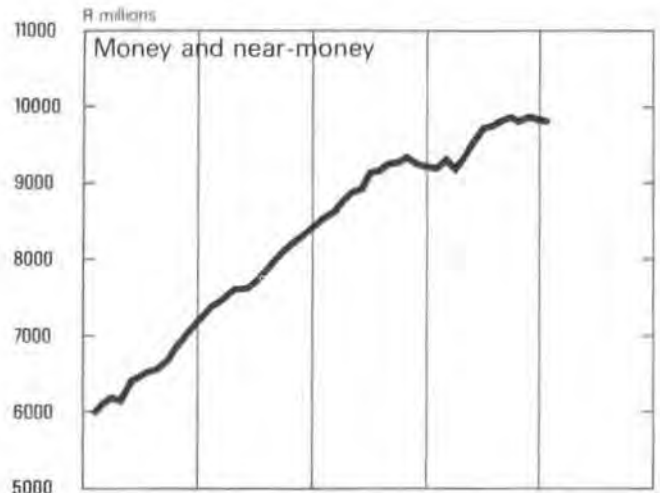
During January 1978 the seasonally adjusted money and near-money supply decreased slightly further by R30 million, or at an annual rate of almost 4 per cent.

Causes of changes in money and near-money

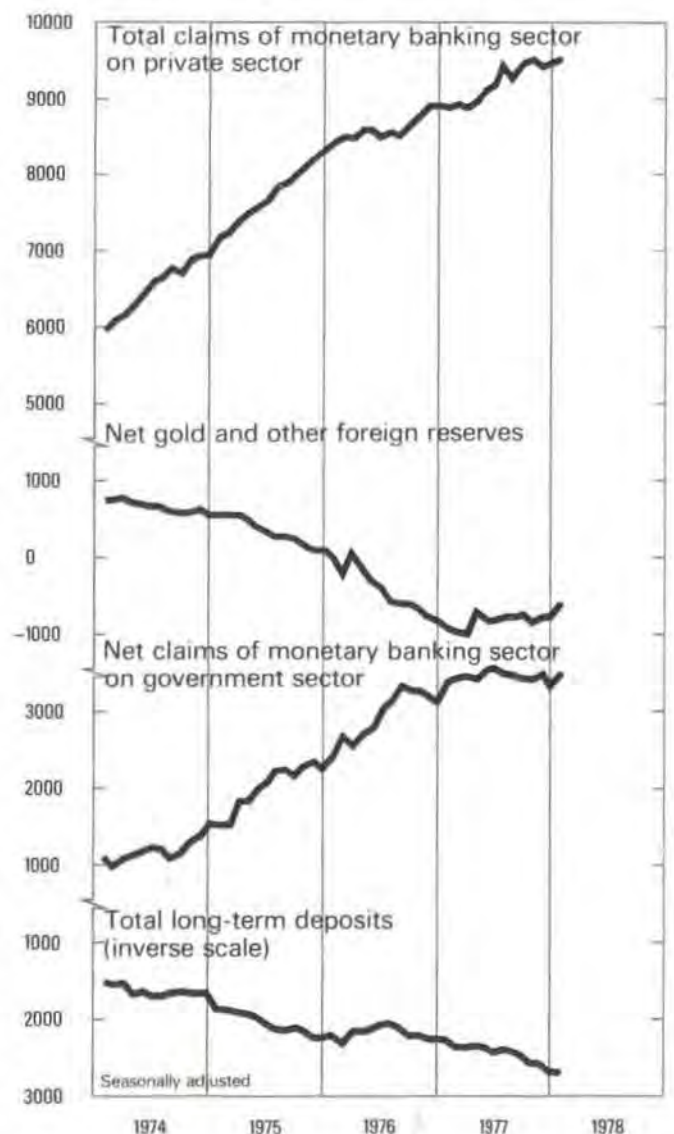
The much lower rate of increase in the seasonally adjusted money and near-money supply during the second half of 1977 was due to a decline in the net claims of the monetary banking sector on the government sector, a slightly lower increase in bank credit to the private sector and a higher rate of increase in long-term deposits with the monetary banking sector. The net gold and other foreign reserves of the monetary banking sector, on the other hand, increased by a somewhat larger amount during the second half of 1977 than during the first half.

The seasonally adjusted net claims of the monetary banking sector on the government sector, which had increased by R438 million during the first half of 1977, declined by R225 million during the second half. This change reflected the effect of a large rise of R691 million in government deposits during the second half of the year, which was only partly offset by increases of R348 million and R77 million in gross claims on the government sector during the third and fourth quarters, respectively. Claims on the private sector, after having shown a marginal decline during the first quarter, increased substantially during the second quarter and July. Thereafter, during the remaining five months of the year, these claims fluctuated considerably but at the end of the year stood at much the same level as at the end of July. The rate of increase in domestic credit extension, i.e. the sum of the monetary banking sector's net claims on the government sector and its claims on the private sector, therefore, slowed down from a seasonally adjusted annual rate of

Monetary analysis



Causes of changes in money and near-money



Causes of changes in money and near-money

R millions

	Not seasonally adjusted	Seasonally adjusted				
		1977				1978
		Year 1977	First quarter	Second quarter	Third quarter	Fourth quarter
Net gold and other foreign reserves	60	-186	197	55	-7	127
Claims on government sector						
Gross claims	568					
Government deposits (increase -, decrease +)	-356					
Net claims	212	340	98	-142	-83	158
Claims on private sector	526	-12	285	265	-13	52
Long-term deposits (increase -, decrease +)	-423	-131	-20	-70	-205	-15
Net other assets	269					
Total causes of changes	644	-38	556	151	-38	-30

12 per cent during the first half of 1977 to less than 1 per cent during the second half.

The seasonally adjusted long-term deposits of the private sector with the banking sector increased in each of the four quarters of 1977. A particularly sharp increase of R205 million occurred during the fourth quarter, contributing significantly to the decline in the seasonally adjusted money and near-money supply during this period.

The causes of changes in the money and near-money supply during January 1978 differed noticeably from those in the fourth quarter of 1977. After having recorded a small decline during the fourth quarter of 1977, the seasonally adjusted net gold and other foreign reserves increased markedly by R127 million during January. The seasonally adjusted net claims on the government sector also increased substantially by R158 million during January, after having decreased during the preceding two quarters. Claims on the private sector increased moderately during January and long-term deposits of the private sector with monetary banking institutions continued to rise.

Moderate increase in bank credit to the private sector

Bank credit to the private sector, which had increased by about 7 per cent during 1976, rose moderately again by 6 per cent during 1977. Compared with the period 1973 to 1975, during which the average annual increase amounted to almost 21 per cent, these increases were relatively small. The credit to the private sector changed little during the first quarter of 1977 and the largest part of the increase during 1977 occurred during the period April to July, when the seasonally adjusted annual rate of increase amounted to 19 per cent. An increase of R274 million in the cash credit advances of the Land Bank and an increase of R139 million in the banks' investment in private sector securities were mainly responsible for the expansion

during this period. Between August and December bank credit to the private sector, seasonally adjusted, decreased slightly by about R2 million.

Discounts and advances of the commercial banks, merchant banks and monetary hire-purchase and general banks increased by only about 2 per cent during 1977. Monthly changes were quite small, except in September when an increase of R285 million was recorded. Hire-purchase and leasing finance extended by commercial banks, merchant banks and monetary hire-purchase and general banks increased at a higher rate during 1977 than total advances, namely by about 10 per cent. Credit in the form of bills discounted by these banking institutions, however, declined sharply by R151 million, or about 28 per cent, *inter alia* reflecting a slack demand for this type of credit.

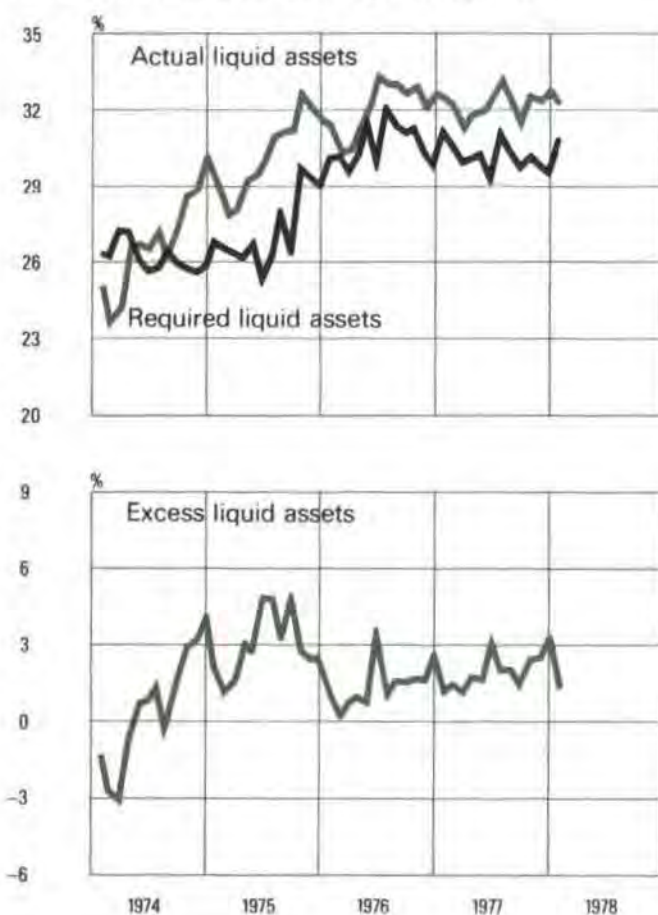
As a result of the relatively small increase in bank lending to the private sector during 1977, the amount of unused facilities under the ceilings on discounts and advances increased by R253 million. This growth in unused facilities occurred mainly after 1 September when the $\frac{1}{2}$ per cent monthly increase in the ceilings became operative again, following a temporary suspension from 1 April.

The moderate rise in bank credit to the private sector during January was accounted for by an increase in the discounts and advances of the commercial banks and a further net investment in private sector securities by all banking institutions, especially the discount houses.

Slight improvement in bank liquidity

The excess liquidity of banking institutions was generally at very low levels during the first five months of 1977. During the period June to December the excess liquidity of banking institutions other than commercial banks improved only slightly. The excess liquidity of commercial banks deteriorated from June to September, before improving steadily to December.

Liquidity ratios of all banking institutions



The improvement during December, which may have been of a seasonal nature, was caused mainly by an increase of R101 million in actual holdings of liquid assets.

The banks' required minimum holdings of liquid assets increased by R201 million, or about 5 per cent, during 1977 against an increase in their total liabilities to the public of 7 per cent. This difference was due to a change in the term structure of their deposits and other liabilities as a result of a shift from the short-term category to the medium-term and, especially, to the long-term category.

The excess liquidity of monetary banking institutions declined again during January 1978. The commercial banks' holdings of surplus liquid assets, for example, decreased from R410 million at the end of December 1977 to R155 million at the end of January. Actual liquid asset holdings of the commercial banks declined by R142 million, largely because of a decrease of R77 million in call loans to discount houses, whereas required liquid assets increased by R113 million.

Excess liquidity ratios of banking institutions

	1977						1978
	Mar.	Jun.	Sept.	Oct.	Nov.	Dec.	Jan.
Commercial banks	1,1	4,8	2,2	3,6	3,9	4,7	1,8
Other monetary banks	2,0	0,5	0,6	0,6	0,2	0,9	0,7
Other banks	-3,0	-2,9	-2,2	-1,2	-0,7	-1,1	0,3
All banks	1,2	3,2	1,5	2,4	2,5	3,3	1,3

Money market conditions and interest rates

Owing mainly to sharp fluctuations in the seasonal flow of funds to and from the government sector, the money market experienced varying periods of tightness and ease during 1977 and early 1978. After having tightened initially during January and February 1977, conditions in the money market eased up to the beginning of July, but then tightened sharply over the July and August month-ends and during September. During October, November and December 1977 the market eased, but then tightened again during January, February and early March 1978.

On a number of occasions during 1977 and during January 1978 the banks exhausted their surplus balances with the National Finance Corporation and reduced their call loans with the discount houses, resulting in the latter approaching the Reserve Bank for accommodation. For example, over the August month-end, when the banks' non-required balances with the National Finance Corporation were depleted, the banks' call loans with the discount houses declined sharply by over R200 million to a level of R640 million on 7 September. Treasury bills under discount with the Reserve Bank on that date amounted to R164 million. During October, November and December 1977 the banks were able to build up their balances with the discount houses and the National Finance Corporation, but were again forced to reduce them during the ensuing period. On 28 February, call loans with the discount houses declined by well over R250 million, resulting in large-scale accommodation by the Reserve Bank in the form of rediscounting of Treasury bills and, under the revised system of Reserve Bank accommodation (referred to below), bankers' acceptances and the granting of overnight loans.

Fluctuations exhibited by the rates on private money market instruments, although showing a generally downward trend during 1977, largely reflected conditions in the money market. The 3-month NCD rate, for example, declined from 10,25 per cent on 25 February to 8,5 per cent at the beginning of July, increased to 9,2 per cent on 30 September, again declined to approximately 8,7 per cent during the beginning of December and then increased sharply to 9,75 per cent

on 3 March 1978. The discount rate on 3-month bankers' acceptances exhibited similar movements. The Treasury bill tender rate fluctuated marginally during 1977 and early 1978, but tended mainly upward from 7.81 per cent on 7 January 1977 to 7.97 per cent on 3 March 1978. The deposit interest rates of the large commercial banks remained unchanged during 1977 and early 1978.

A number of interesting developments in the money market took place during 1977. Firstly, from May onwards the Reserve Bank, with a view to maintaining local shorter-term interest rates at appropriate levels relative to rates prevailing abroad, embarked on intermittent open-market sales of government securities to the banks, discount houses and certain institutional investors. Secondly, in order to stimulate interest in the weekly Treasury bill tender, the differential between the Treasury bill tender rate and the NFC's call rate was increased from 15 to 25 percentage points, effective from 26 August. Thirdly, the Governor of the Reserve Bank, in his 1977 Chairman's Address, indicated the Reserve Bank's willingness to allow the discount houses to use their bankers' acceptances, together with Treasury bills, for obtaining accommodation from the Reserve Bank. After consultations were held with the banks and discount houses, this modified method of assisting the discount houses was introduced from 1 January 1978 with two main purposes: to enable the Reserve Bank to monitor closely the quality of banker's acceptances certified as liquid assets, and to alleviate the pressure on the discount houses' asset category ratios brought about by the re-discounting of Treasury bills.

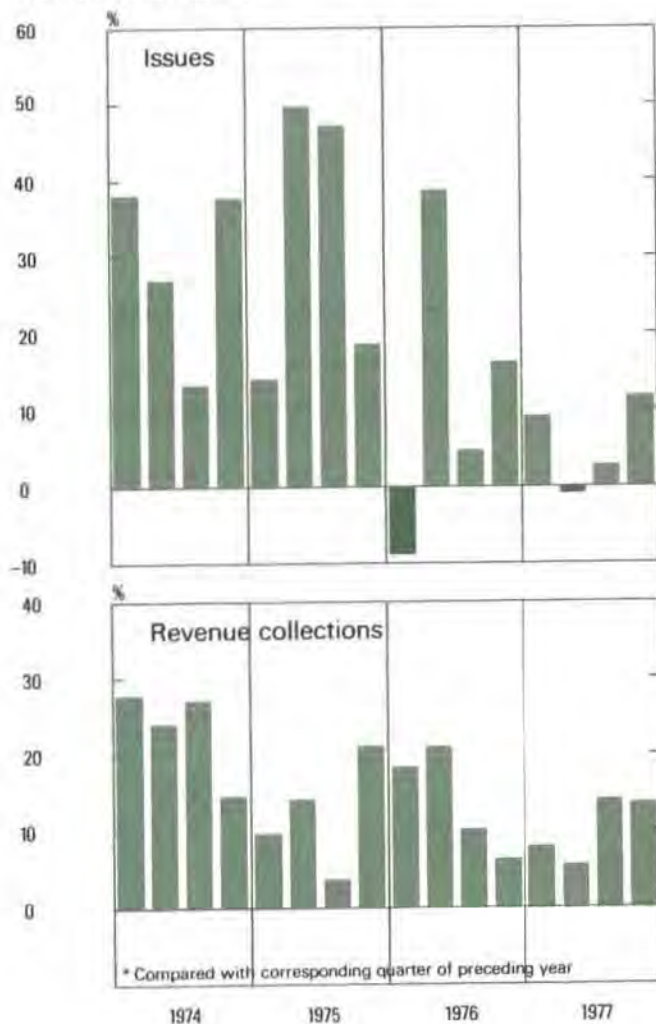
Government finance

Low rate of growth in Exchequer issues

In accordance with government policy to curtail the rate of increase in government expenditure, Exchequer issues increased by only 5.7 per cent during 1977, after having risen by 12 per cent during 1976. On a quarterly basis, issues followed the same pattern as in 1976 and decreased during the first and third quarters, but increased during the second and fourth quarters.

During the first nine months of the current fiscal year, i.e. the period April to December 1977, issues were only 4.6 per cent higher than during the corresponding period in 1976. This increase was considerably lower than the 7.8 per cent anticipated in the Budget for the fiscal year as a whole. Consequently, it is expected that issues will increase quite sub-

Percentage change* in Exchequer issues and revenue collections



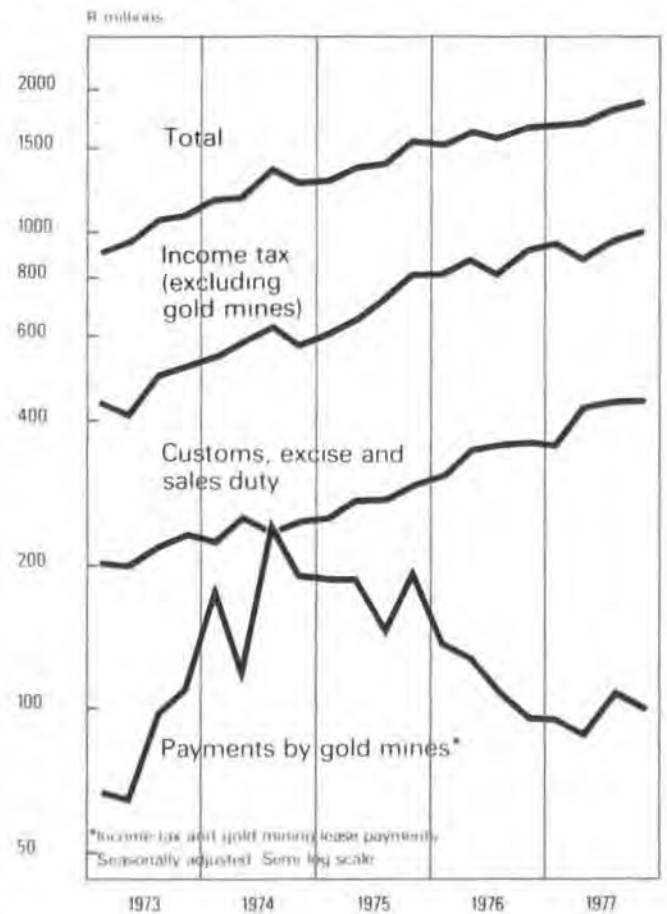
stantially during the first quarter of 1978, even before taking into account the usual additional appropriations approved by Parliament before the close of the financial year.

Lower than expected rate of increase in revenue collections

Revenue collections by the central government during 1977 increased by 12 per cent, compared with an increase of 14 per cent in 1976. Income tax collections, excluding income tax paid by gold mining companies, rose by 11 per cent during 1977, the lowest percentage increase recorded in the nineteen-seventies. A smaller rate of increase in tax paid by non-mining companies was largely responsible for the comparatively low rate of increase in this income category. In addition, income tax payments by individuals also increased at a lower rate. Revenue from gold mining companies in the form of income tax and lease payments continued to decline during the first half of 1977 and although this trend was reversed during the second half of the year because of a higher rate of increase in the price of gold, this form of revenue decreased during the year as a whole.

Following the introduction of a surcharge of 15 per cent on certain categories of imported goods, customs duty receipts increased substantially. For the year 1977 these receipts were 67 per cent higher than in the preceding year, but the yield was nevertheless smaller than anticipated because of a decline in imports. Collections of excise and sales duties also increased at a rela-

Revenue collections



Revenue collections – State Revenue Fund

	Calendar years		Fiscal years					
	1976	1977	1976/77		1977/78			
			Year	April-Dec	Budget data, year		April-Dec	
	R millions	R millions	R millions	R millions	R millions	% change	R millions	% change
Customs, excise and sales duties¹								
Customs duties	345	575	324	251	741	128.7	502	100.1
Excise duties	780	855	834	616	894	7.1	636	3.4
Sales duties	267	308	273	207	337	23.3	242	16.8
Total	1 392	1 739	1 432	1 073	1 972	37.7	1 380	28.6
Inland revenue								
Income tax (excluding payments by gold mines)	3 278	3 628	3 395	2 320	3 822	12.6	2 553	10.0
Payments by gold mines	457	371	408	310	560	37.2	273	-12.1
Other ²	1 114	1 247	1 145	781	1 195	4.4	884	13.2
Total	4 849	5 246	4 948	3 411	5 577	12.7	3 710	8.7
Total revenue	6 241	6 985	6 379	4 485	7 548	18.3	5 090	13.5

1. Includes collections in respect of payments to neighbouring countries in terms of customs agreements

2. To preserve data comparability, this item includes interest payments by South African Railways Administration but excludes interest and loan repayments by provincial administrations.

tively low rate, reflecting the sluggishness of domestic demand.

As is shown in the accompanying table, revenue collections during the first nine months of the current fiscal year increased at a lower rate than anticipated in the Budget for the fiscal year as a whole, namely by 13 per cent as against a Budget figure of 18 per cent. Most revenue items failed to record rates of increase corresponding to Budget estimates.

Exchequer deficit financed largely from domestic non-banking sources

The deficit on the Exchequer Account (excluding borrowing and debt repayment) amounted to R1 728 million during 1977. However, because of the relatively low rate of growth in Exchequer issues during the year, the deficit was almost R209 million less than in 1976.

In financing the deficit, the government succeeded in borrowing most of the required funds from domestic non-banking sources. By means of a number of well supported stock issues, supplemented by successful non-marketable bond issues and compulsory loan levies, an amount of R1 069 million, or 62 per cent of the Exchequer deficit, was raised in the private non-banking sector. In addition, the Public Debt Commissioners invested a net amount of R299 million in government securities.

Notwithstanding these successful non-bank borrowing operations, the Treasury's net indebtedness to the monetary banking sector still increased by R384 million. This figure, which represented only 22 per cent of the Exchequer deficit, consisted of an increase of R464 million in the monetary banking sector's holdings of government securities and a partly offsetting increase of R81 million in Exchequer deposits. During 1976 the

Treasury increased its net indebtedness to the monetary banking sector by R487 million.

In contrast to the preceding year, when a net amount of about R450 million (including drawings of R391 million on the International Monetary Fund) was borrowed from the foreign sector, the government actually reduced its foreign debt by R24 million during 1977. Foreign borrowing during 1977 included a further drawing of R78 million on the International Monetary Fund, which meant that the government actually repaid R102 million on its foreign debt during the year.

New stock issues

Two stock issues were made available for public subscription between 1 and 8 February 1978. The short-term issue offered a yield of $8\frac{3}{4}$ per cent and drew applications of R72 million, of which R69 million came from the monetary banking sector and R3 million from the private non-banking sector. The $10\frac{3}{4}$ per cent long-term stock issue, representing a further issue of stock already offered for subscription in November 1977, received applications of R88 million, excluding subscriptions by the Public Debt Commissioners. The monetary banking sector's applications for this stock amounted to R13 million, and R75 million was subscribed by the private non-banking sector, mainly insurers and pension funds.

Railway Budget

On 1 March 1978 the Minister of Transport presented the 1978/79 Budget of the South African Railways Administration to Parliament. Partly because of the continued slack economic conditions, revenue during the current financial year ending on 31 March 1978, will be lower than originally expected. On the other

Exchequer Account financing

R millions

	1976	1977				Total
		1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	
Deficit (excluding borrowing and repayment of debt)	1 936	92	816	130	689	1 728
Financed by:						
Domestic non-bank sources						
Public Debt Commissioners	227	-108	312	70	25	299
Paymaster-General	-120	—	—	—	—	—
Private sector	891	71	148	444	406	1 069
Total	999	-37	461	514	431	1 368
Monetary banking sector:						
Changes in debt holdings	565	22	55	335	52	464
Change in deposits ¹	-77	93	286	-721	261	-81
Total	487	115	341	-386	313	384
Foreign sector	450	14	15	2	-54	-24
Total financing	1 936	92	816	130	689	1 728

1. Increase —, decrease +

hand, substantial savings in expenditure were effected during the year and it is expected that the 1977/78 financial year will close with a surplus of R34 million. A surplus of only R134 000 was anticipated in the 1977/78 Budget.

At existing tariffs, revenue during the 1978/79 financial year is estimated at R2 880 million, and it is expected to fall short by R242 million of anticipated total expenditure of R3 121 million. To cover this shortfall, a wide range of tariff increases were announced. These increases, averaging 8,6 per cent, will be introduced as from 1 April 1978 and will yield additional revenue of R241 million. The 1978/79 financial year, therefore, is expected to close with a deficit of R168 000.

Post Office Budget

Introducing the 1978/79 Budget for the Department of Posts and Telecommunications on 13 March 1978, the Minister of Posts and Telecommunications stated that although only about 40 per cent of the Department's capital expenditure could be financed from its own sources and considerable losses were sustained on certain services, it was decided not to increase tariffs at this stage. During the current financial year ending on 31 March 1978, total operating and capital expenditure and revenue are expected to increase slightly more than originally anticipated. In the 1978/79 Budget it is estimated that operating expenditure will increase by 13 per cent to R693 million and capital expenditure by 22 per cent to R317 million. Revenue is budgeted at R744 million, or 10 per cent more than in 1977/78. During 1978/79 almost 60 per cent of capital expenditure will be financed by means of loans, the balance being acquired from operating surpluses, provisions for depreciation and money invested in the Post Office Savings Bank.

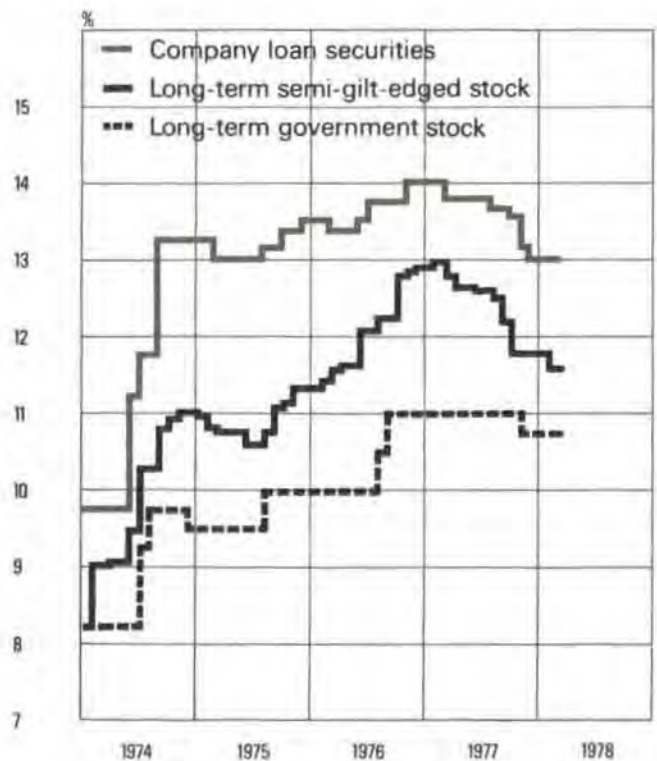
Capital market

Easing of the market for fixed-interest securities

The tight conditions which had prevailed in the fixed-interest security market throughout 1976 and the first two months of 1977, eased considerably during the remaining ten months of the year, notwithstanding a substantial increase in the demand for new funds. Net new issues of marketable stock by the public sector, excluding the increase in the relevant borrowers' holdings of their own stock, for example, amounted to R2 083 million during 1977, compared with R1 163 million during 1976. The public sector's success in raising funds in this market was attributable to the fairly limited amount of funds required by the private sector, the increase in the statutory obligation of financial institutions to maintain a larger investment in gilt and semi-gilt-edged securities, and investor's expectations of a downward adjustment of security yields. New issues of fixed-interest securities by private sector companies listed on the stock exchange amounted to R190 million during 1977.

The easing of market conditions was reflected in a decline in fixed-interest security yields. Thus, the yield on new issues of the highest grade long-term semi-gilt-edged stock reached a peak of 12,98 per cent in February 1977, and declined subsequently by 1,18 per-

Yields on fixed-interest securities



centage points to reach a level of 11,80 per cent at the end of 1977. Similarly, the yield on new issues of company loan securities decreased from 14,0 per cent in March 1977 to 13,0 per cent at the end of the year. The yield on new issues of long-term government stock remained unchanged at 11,0 per cent from September 1976 to the beginning of November 1977 when it was lowered to 10,75 per cent. Because of these changes, the yield margin between long-term semi-gilt-edged stock and gilt-edged stock narrowed from 1,98 per cent in February 1977 to 1,05 per cent at the end of the year. This gap was only slightly higher than the average margin of 0,97 per cent for the preceding five years.

The easier conditions in the fixed-interest security market continued during the first two months of 1978

and the yield on new issues of long-term semi-gilt-edged stock decreased further to 11,58 per cent in February.

General recovery in share prices and stock exchange turnover

The downward trend in the prices of most classes of shares continued during the first half of 1977, but share prices recovered appreciably during the second half of the year. The share price index, covering all shares listed on the stock exchange, declined by 6 per cent during the first six months of 1977, before rising by 21 per cent during the second half. In December 1977 share prices were on average 14 per cent higher than in December 1976. In comparison, the prices of gold mining, coal mining, and other metal and mineral shares rose by 17 per cent, 13 per cent and 31 per cent respectively. Financial share prices showed an increase of 14 per cent and the slowest advance was made by industrial and commercial share prices, which rose by only 5 per cent. This firmer trend continued during January 1978, but share prices declined over a broad front during February when the prices of all classes of shares were on average about 3 per cent lower than in January.

In accordance with the increase in share prices, the average dividend yield on all classes of shares declined from 9,53 per cent in December 1976 to 7,96 per cent in December 1977. The inverse yield gap between shares and long-term government stock widened from 1,47 per cent in December 1976 to 2,79 per cent in December 1977.

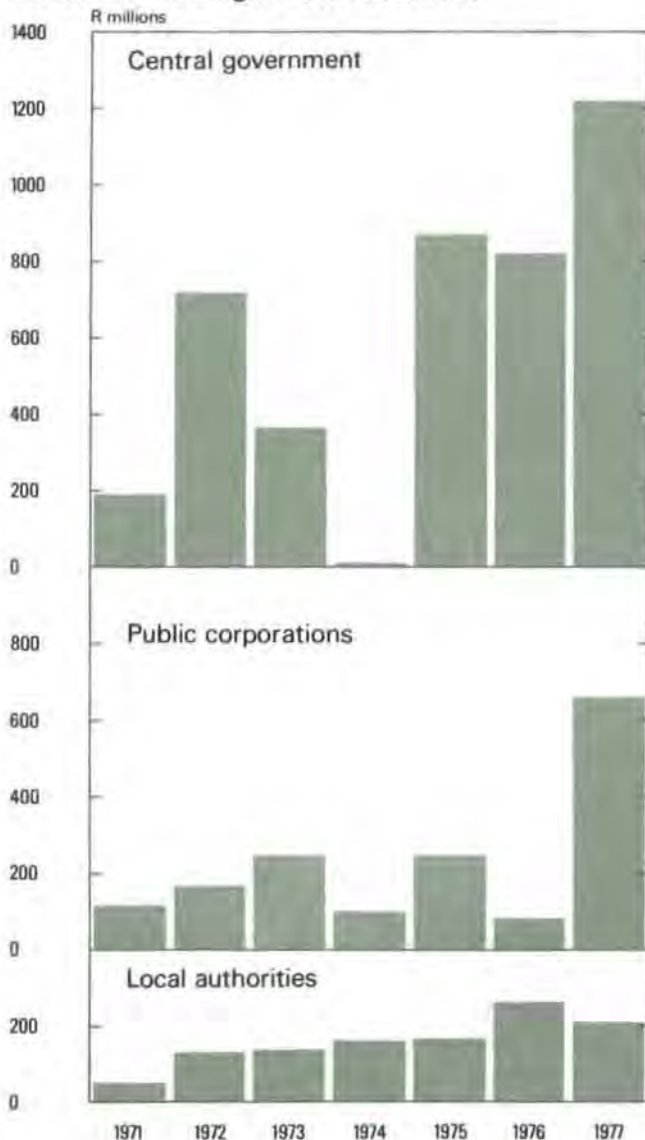
The improvement in stock exchange conditions was also reflected in a higher level of stock exchange turnover. The number of shares traded during the second half of 1977 was on average 21 per cent higher than during the first half, and turnover during the full year was 8 per cent higher than in 1976. During January 1978 the number of shares traded showed a further increase, but declined notably during February.

Unit trusts experienced a net outflow of funds for the seventh consecutive year. Net repurchases of units amounted to R9 million, compared with R8 million during 1976. Notwithstanding this outflow, an increase in share prices raised the market value of the trusts' net assets by R42 million during 1977 to a level of R325 million at the end of the year. The net outflow of funds continued during January 1978 when net repurchases of units amounted to R2 million.

Increased flow of longer-term funds to deposit-receiving and related institutions and government savings facilities

The flow of longer-term funds to deposit-receiving and related institutions and government savings facilities, which had increased during the second half of 1976, remained more or less at the higher level during the first three quarters of 1977. During the fourth quarter

Net issues of marketable securities excluding borrowers' holdings of own securities



Seasonally adjusted flow of longer-term funds to deposit-receiving and related institutions and government savings facilities

R millions

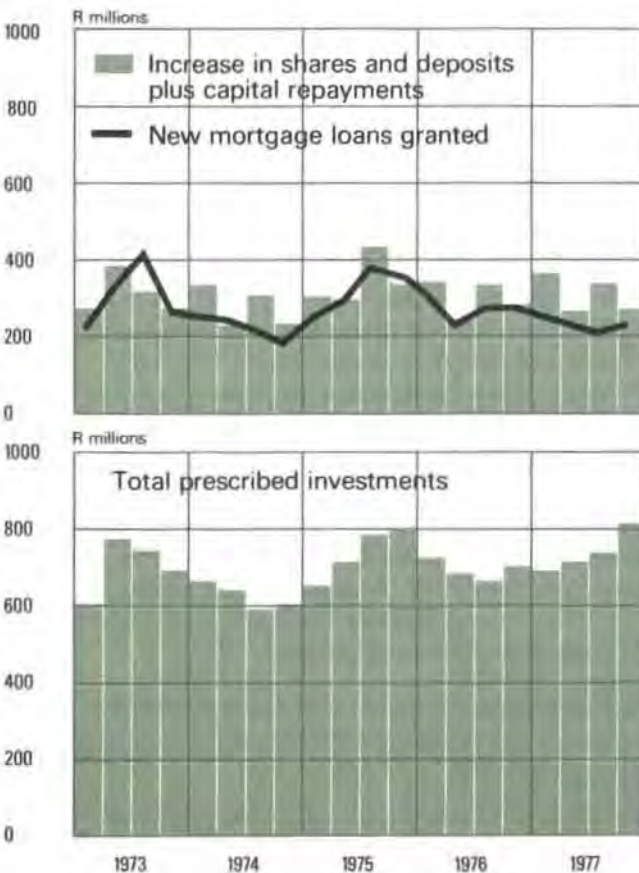
	1976	1977				Year
	Year	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	
Increase in building society shares and deposits	574	130	136	153	160	579
Increase in savings and long-term deposits with banking institutions	286	198	138	66	261	663
Net investment in participation mortgage bond schemes	64	-8	10	8	4	14
Net investment in Post Office Savings Bank and National Savings Certificates	183	56	61	52	42	211
Net investment in Treasury bonds	5	—	6	48	73	127
Total	1 112	376	351	327	540	1 594

this flow of funds increased markedly further and for the year as a whole it was 43 per cent higher than in 1976. The larger flow was most pronounced in the case of banking institutions and government savings facilities (excluding Post Office facilities). More moderate increases occurred in the case of building societies and Post Office savings facilities. The flow of funds to participation mortgage bond schemes remained at a

low level during 1977, showing a decline compared with the preceding year.

The seasonally adjusted flow of funds to building societies during January 1978 was at approximately the same level as the monthly average for the fourth quarter of 1977, but the flow of longer-term funds to monetary banking institutions was well above the already high monthly average during the last quarter of 1977.

Building societies



Lower level of activity in the mortgage and real estate markets

In contrast to the other sections of the capital market, activity in the mortgage and real estate markets did not increase during 1977. New mortgage loans granted by building societies during 1977 amounted to R910 million, or 15 per cent less than the corresponding amount of R1070 million for 1976. The amount actually paid out on new mortgages during 1977 totalled R986 million, which was also less than the corresponding amount of R1199 million for the preceding year. The amount paid out on new mortgages by participation mortgage bond schemes also decreased, namely from R145 million in 1976 to R90 million in 1977.

The amount of funds allocated by building societies to new mortgage loans during 1977 was influenced by their obligation to maintain a minimum amount of prescribed investments, following the reinstatement of prescribed investment requirements for building societies in the 1977/78 Budget. The societies' holdings of prescribed investments (including liquid assets) which had declined by R96 million during 1976 and further by R8 million during the first quarter of 1977, increased by R122 million during the subsequent nine months.

Activity in the real estate market remained at a low level during 1977. The value of real estate transactions during the year was 15 per cent lower than in 1976.

Kwartaallikse ekonomiese oorsig

Algemene opmerkings

Die stadige ekonomiese groei, wat sedert die tweede helfte van 1974 ondervind is, het gedurende 1977 voortgeduur. Nadat dit in 1975 tot $2\frac{1}{2}$ persent en in 1976 tot $1\frac{1}{2}$ persent verlangsaam het, het die koers van toename in die reële bruto binnelandse produk in 1977 verder afgeneem tot ongeveer $\frac{1}{2}$ persent. As gevolg van 'n verbetering in Suid-Afrika se ruilvoet, het die reële bruto nasionale produk egter gedurende 1977 met 1 persent gestyg, teenoor 'n daling van 1 persent gedurende 1976.

Die ekonomiese groei gedurende 1977 het hoofsaaklik sy oorsprong gehad in die primêre sektore van die ekonomie, meer in die besonder in skerp stygings in die landbou- en nie-goudmynbouproduksie, en in mindere mate in die dienstesektore. In teenstelling hiermee het die reële inkome wat deur die handel en nywerheid geskep is, taamlik aansienlik afgeneem as gevolg van 'n daling in die totale reële binnelandse vraag. 'n Afplatting van die afwaartse neiging in die reële ekonomiese bedrywigheid in die handel en nywerheid het egter gedurende die tweede helfte van die jaar in die meeste afdelings van hierdie sektore na vore getree.

Die hoofkomponente van die reële binnelandse vraag, naamlik private en owerheidsverbruiksbesteding, bruto binnelandse vaste investering, en voorraad-investering, het gedurende 1977 almal gedaal. Teen heersende pryse is die binnelandse vraag, soos gemeet deur die bruto binnelandse besteding, in 1977 deur die bruto nasionale produk oorskry en die verskil is weerspieël deur 'n oorskot op die lopende rekening van die betalingsbalans. Dit het beteken dat baie vordering gemaak is met die verwesenliking van een van die onmiddellike beleidsdoelstellings, naamlik om die betalingsbalans te verstewig.

Vanaf die tweede kwartaal van 1976 het die aansienlike tekort op die lopende rekening van die betalingsbalans progressief afgeneem en in die tweede kwartaal van 1977 het die seisoensaangesuiwerde saldo op die lopende rekening na 'n oorskot verander. 'n Positiewe saldo is gedurende die tweede helfte van die jaar gehandhaaf, met die gevolg dat 'n betreklik groot oorskot vir die jaar in sy geheel aangeteken is. Die aansienlike verdere verbetering van die lopende rekening gedurende 1977 is meegebring deur toenames in goedere-uitvoere en die netto goudproduksie sowel as deur afnames in goedere-invoere. Netto onsigbare betalings aan die res van die wêreld het egter gedurende die jaar effens toegeneem.

In teenstelling met die verbetering in die lopende rekening van die betalingsbalans, het die kapitaal-

rekening in 1977 'n aansienlike netto uitvloeiing van kapitaal getoon, teenoor 'n aansienlike invloeiing gedurende die vorige jaar. Hierdie verandering in die kapitaalrekening is meegebring deur 'n kleiner netto invloeiing van langtermynkapitaal, terugbetalings van korttermynverpligtings verwant aan reserves, en 'n toename in die netto uitvloeiing van ander korttermynkapitaal. Die netto invloeiing van langtermynkapitaal na die private sektor, hoofsaaklik vir doeleindes van finansiering van mynbouprojekte, uraanproduksie en die behoueringsprogram, het op bykans dieselfde vlak as in 1976 gebly en die kleiner totale netto invloeiing van langtermynkapitaal gedurende 1977 was hoofsaaklik die gevolg van terugbetalings op buitelandse lenings deur die sentrale regering en die openbare korporasies.

Die effektiwiteit van die voortgesette beperkende monetêre en fiskale beleidsbenadering gedurende 1977 is weerspieël in 'n toename van slegs 7 persent in die voorraad geld en kwasi-geld. Die netto eise van die monetêre banksektor teen die regeringsektor het gedurende 1977, in vergelyking met die koerse van toename wat in die voorafgaande jare aangeteken is, slegs matig gestyg en beduidend tot die lae koers van toename in die hoeveelheid geld- en kwasi-geld bygedra. Die ander komponent van die binnelandse kredietverlening, naamlik die eise van die monetêre banksektor teen die private sektor, het ook teen 'n betreklik lae koers toegeneem. As gevolg van die betreklik klein toename in die bankkrediet wat aan die private sektor verleen is, het die onbenutte fasiliteite onder die plafonne op diskonteringe, lenings en voorskotte gedurende 1977 aanmerklik gestyg. Banklikwiteit het gedurende die jaar egter stram gebly en slegs in die geval van die handelsbanke het die likwiteitstoestand teen die einde van 1977 redelik betekenisvol verbruim. Gedurende Januarie 1978 het die seisoensaangesuiwerde hoeveelheid geld en kwasi-geld effens afgeneem en die likwiteitstoestand van die monetêre bankinstellings het aansienlik vernou.

In ooreenstemming met die beleid van die regering om die groeikoers van die besteding deur die openbare sektor binne perke te hou, het die sentrale regering se eie besteding in 1977 slegs matig gestyg. Dit het die inkomste-tekort wat deur middel van lenings gefinansier moes word, verminder. In sy leningsbedrywighede het die regering opmerklik goed daarin geslaag om fondse van die binnelandse nie-banksektor op te neem en was hy in veel mindere mate as in vorige jare daartoe genoodsaak om op bankkrediet as 'n bron van fondse staat te maak. Afgesien van die feit dat dit bygedra het tot 'n laer koers van toename in die hoeveelheid geld en kwasi-geld, was die beperkte groei

van die regeringuitgawes ook 'n oorsaak van die daling in die reële totale binnelandse vraag.

Die leen van fondse van die private nie-banksektor is heelwat vergemaklik deur 'n verruiming van die toestand in die vaste-rentedraende-effekte-afdeling van die kapitaalmark. Gedurende 1977 is 'n aansienlike bedrag aan nuwe fondse teen dalende opbrengskoerse deur die openbare sektor in hierdie mark opgeneem. Benewens die feit dat die vaste-rentedraende-effekte-afdeling van die mark verruim het, het die omset en die pryse in die aandelemark gestyg, maar die bedrywigheid in die verband- en vaste eiendomsmark het op 'n lae vlak gebly.

Alhoewel die koers van toename in die gemiddelde vlak van verbruikerspryse in 1977 effens hoër was as in 1976, het dit in die loop van die jaar afgeneem. Die koers van toename in die gemiddelde vlak van groot-handelspryse het in 1977 gedaal en ook in die loop van die jaar verlangsaam maar het nogtans hoog gebly. As gevolg van die onlangse opwaartse aanpassing van staats-gedadministreerde pryse, word 'n hoër koers van prysstygings gedurende die eerste maande van 1978 verwag.

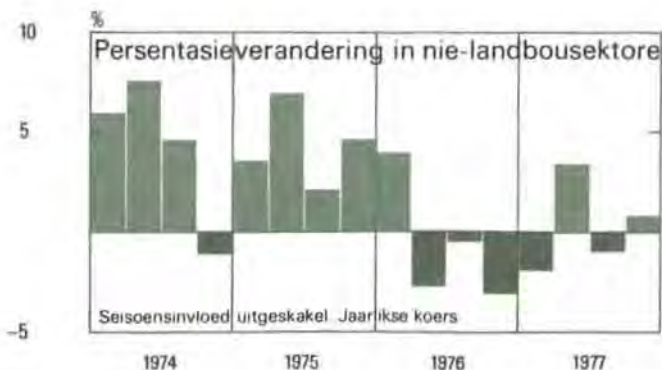
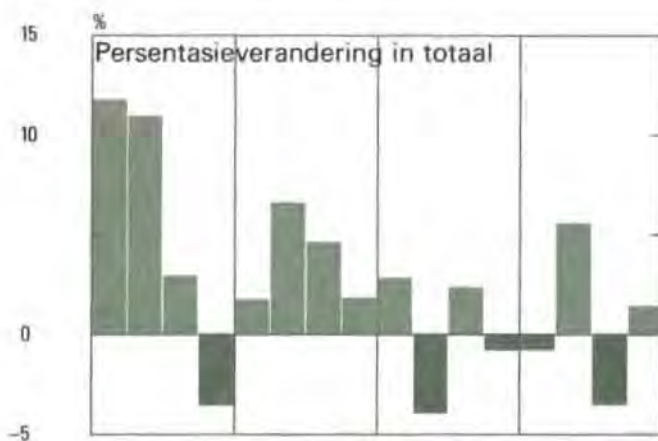
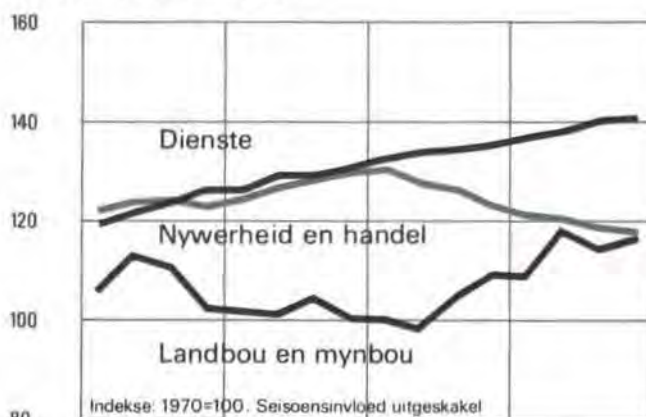
As 'n weerspieëling van die algemeen lae vlak van die ekonomiese bedrywigheid in die Suid-Afrikaanse ekonomie, het die indiensneming in die nie-landbou-sektore gedurende die eerste nege maande van 1977 effens gedaal in vergelyking met die ooreenstemmende tydperk van 1976. As gevolg van hierdie daling was die totale vraag na arbeid onvoldoende om die groeiende aanbod te absorbeer en werkloosheid het gedurende 1977 voortgegaan om onder alle bevolkingsgroepe te styg. Gedurende Januarie 1978 het die aantal werklose Blankes, Kleurlinge en Asiërs egter gedaal.

Nasionale rekeninge*

Klein maar positiewe ekonomiese groeikoers

Die stadige ekonomiese groei wat in die tweede helfte van 1974 begin het, het gedurende 1977 voortgeduur. Nadat die reële bruto binnelandse produk in 1975 met ongeveer 2½ persent en in 1976 met 1½ persent gestyg het, het dit in 1977 met ongeveer ½ persent

Bruto binnelandse produk teen konstante 1970-pryse



*Tensy anders aangedui is hierdie afdeling van die oorsig gebaseer op seisoensaangesuiwerde kwartaalramings van die nasionale rekeninge.

toegeneem. As gevolg van die verbetering in Suid-Afrika se ruilvoet, het die reële bruto nasionale produk gedurende 1977 egter met ongeveer 1 persent toegeneem, teenoor 'n afname van 1 persent gedurende die voorafgaande jaar.

Die vernaamste rede vir die lae ekonomiese groei koers gedurende 1977 was 'n skerp afname in die reële inkome geskep deur die handel en nywerheid, wat slegs in geringe mate deur 'n groot toename in die reële toegevoegde waarde van die primêre sektor en 'n normale koers van toename in die reële bruto binnelandse produk van die diensesektor oorskry is. Uitgesonderd die landbou en mynbou, het die reële toegevoegde waarde van die sekondêre en tersiêre sektore van die ekonomie met $1\frac{1}{2}$ persent gedaal, terwyl dit gedurende 1976 met dieselfde persentasie toegeneem het.

Die aansienlike toename in die reële inkome geskep deur die primêre sektor word verklaar deur skerp stygings in die landbou- en nie-goudmynproduksie. Gunstige weersomstandighede het uitsonderlik goeie somer-oeste en toenames in die produksie van sitrusvrugte en lewende hawe tot gevolg gehad. Die nie-goudmynproduksie is aangehelp deur 'n hoër uitvoervraag en deur nuwe hawegeriewe vir die uitvoer van minerale. Daarteenoor het die volume van die goudproduksie gedurende 1977 aangehou om te daal.

Die afname in die reële inkome geskep deur die handel en nywerheid gedurende 1977 was die gevolg van 'n daling in die reële totale binnelandse vraag. Soos in die bygaande tabel getoon word, is afnames in die reële toegevoegde waarde van die fabriekswese,

konstruksie en die klein-, groot- en motorhandel aangeteken. Die afname in die volume van die fabrieksproduksie was in ooreenstemming met die verloop van ander ekonomiese aanwysers soos fabrieksverkope en onvoltooide bestellings teen konstante pryse, en die benutting van produksiekapasiteit. Die groot- en kleinhandelsverkope teen konstante pryse het gedurende 1977 met onderskeidelik $6\frac{1}{2}$ persent en $8\frac{1}{2}$ persent gedaal en die aantal nuwe motorvoertuie verkoop het met bykans 15 persent afgeneem.

Die kwartaalramings van die reële bruto binnelandse produk het nie in die loop van 1977 enige bepaalde neiging getoon nie. So byvoorbeeld is dalings in die totale reële toegevoegde waarde in die eerste en derde kwartale aangeteken en toenames in die tweede en vierde kwartale van 1977. Gedurende die vierde kwartaal van 1977 is toenames in die reële toegevoegde waarde van die landbou, nie-goudmynbou, elektrisiteit en algemene owerheid slegs gedeeltelik geneutraliseer deur afnames aangeteken deur goudmynbou, konstruksie en groothandel, terwyl die reële toegevoegde waarde van ander belangrike sektore soos die fabriekswese, vervoer en finansiële dienste in vergelyking met dié in die derde kwartaal betreklik min verander het. Met die uitsondering van die landbou en mynbou het die reële toegevoegde waarde van die nie-primêre sektore van die ekonomie gedurende die laaste kwartaal van 1977 slegs effens toegeneem.

Teen heersende markpryse het die bruto binnelandse produk in 1977 teen 'n hoër koers as in die voorafgaande jaar toegeneem, naamlik met ongeveer 14 persent. Die koerse van toename in 1977 in die komponente van die bruto binnelandse produk verskil egter van dié in die voorafgaande jaar. Die vergoeding van werknemers het met slegs $10\frac{1}{2}$ persent gestyg teenoor $14\frac{1}{2}$ persent in 1976, die koers van toename in die bruto bedryfsurplus het van 9 persent in 1976 tot 18 persent in 1977 versnel, en indirekte belasting, ná aftrekking van subsidies, het met 25 persent toegeneem, vergeleke met 18 persent in 1976. Die versnelling van die koers van toename in die bruto bedryfsurplus gedurende 'n tydperk van gedempte ekonomiese toestande was die gevolg van 'n skerp toename in landbou-inkome wat aan hoër produksie en pryse toegeskryf kon word, verhoogde winste van mynbou-ondernemings, en die hoër inkome wat deur verhoogde tariewe vir elektrisiteit en vervoerdienste meegebring is. Die bedryfsurplus van die fabriekswese, konstruksie en die groot-, klein- en motorhandel het gedurende 1977 of gedaal of slegs 'n klein toename getoon.

Die verskil tussen die groei koerse van die bruto binnelandse produk teen heersende en teen konstante pryse gedurende 1977 impliseer 'n toename in die bruto binnelandse produk-deflator van ongeveer $13\frac{1}{2}$ persent, vergeleke met bykans 11 persent in 1976. Hierdie versnelling was hoofsaaklik te wyte aan 'n

Persentasieverandering in die reële bruto binnelandse en reële bruto nasionale produk

	1975	1976	1977
Primêre sektor	$-5\frac{1}{2}$	1	11
Landbou, bosbou en vissery	-8	-1	14
Goudmynbou	-6	$-\frac{1}{2}$	-2
Nie-goudmynbou	$\frac{1}{2}$	6	15
Handel en nywerheid	$3\frac{1}{2}$	$-\frac{1}{2}$	-6
Fabriekswese	2	$-\frac{1}{2}$	$-5\frac{1}{2}$
Konstruksie	$2\frac{1}{2}$	-7	-9
Elektrisiteit, gas en water	6	4	3
Groot-, klein- en motorhandel	5	1	$-7\frac{1}{2}$
Dienste	$4\frac{1}{2}$	4	$3\frac{1}{2}$
Vervoer, opberging en kommunikasie	7	5	$7\frac{1}{2}$
Finansies, versekering, vaste eiendom en besighheidsdienste	2	$1\frac{1}{2}$	$\frac{1}{2}$
Algemene owerheid	$5\frac{1}{2}$	6	4
Ander	4	4	3
Bruto binnelandse produk teen faktorkoste	$2\frac{1}{2}$	$1\frac{1}{2}$	$\frac{1}{2}$
Bruto nasionale produk	-1	-1	1

styging in die gemiddelde prys van goud, hoër pryse van ander uitvoere, tariefverhogings vir elektrisiteits- en vervoerdienste, en hoër indirekte belastings.

Aansienlike afname in die reële totale binnelandse vraag

Die reële totale binnelandse vraag, soos gemeet deur die reële bruto binnelandse besteding, het gedurende 1977 met ongeveer 5 persent gedaal nadat dit gedurende 1976 met naastebly 2½ persent afgeneem het. Al die hoofkomponente van die reële bruto binnelandse besteding het gedurende 1977 gedaal.

Teen heersende pryse het die jaarlikse bruto nasionale produk in 1977 die jaarlikse bruto binnelandse besteding vir die eerste keer in nege jaar oorskry. Hierdie ontwikkeling is in die lopende rekening van die betalingsbalans weerspieël en die saldo het van 'n groot tekort in 1976 na 'n oorskot in 1977 verander.

Verandering in reële bruto binnelandse besteding

	1975	1976	1977
Private verbruiksbesteding (%)	2½	2	-½
Owerheidsverbruiksbesteding (%)	15	5½	-1
Bruto binnelandse vaste investering (%)	9	-3	-10
Verandering in voorrade (R miljoene)	186	-349	-388
Bruto binnelandse besteding (%)	1	-2½	-5

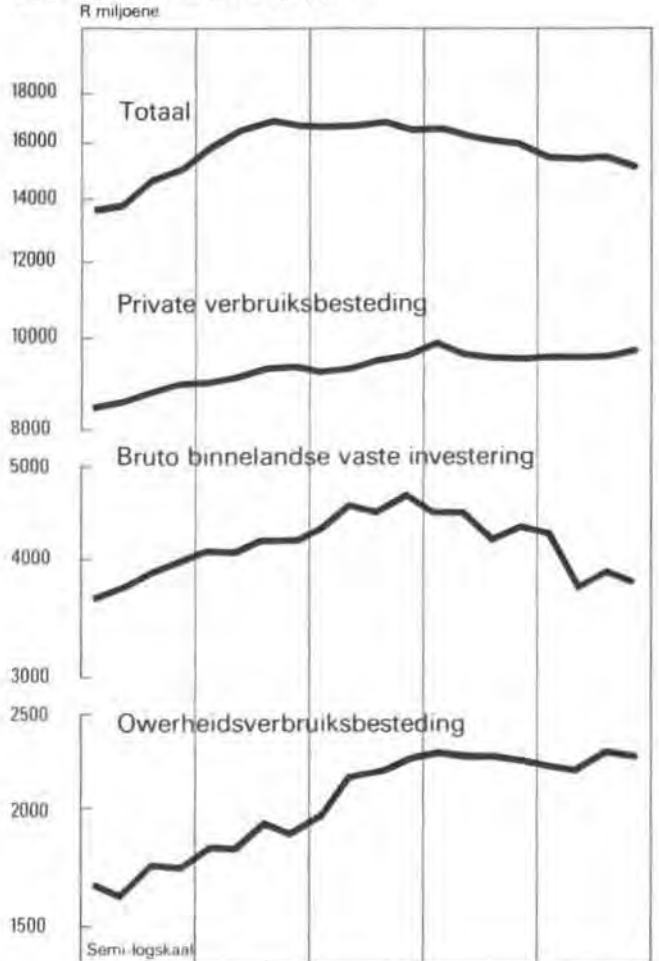
Daling in die reële private verbruiksbesteding

Die skerp daling in die reële bruto binnelandse besteding gedurende 1977 kon in groot mate toegeskryf word aan 'n laer vlak van die reële private verbruiksbesteding, die eerste jaarlikse daling gedurende die na-oorlogse tydperk. Matige toenames in

Persentasieverandering in reële private verbruiksbesteding

	1975	1976	1977
Duursame goedere	4	-3	-15
Meubels en huishoudelike toestelle	-14	-8	-5
Persoonlike vervoertoerusting	1	-17	-10
Ander goedere, insluitende televisiestelle	80	32	-34
Semi-duursame goedere	3	½	-4½
Klerasie en skoeisel	4	2	-6
Ander goedere	2	-1½	-3½
Nie-duursame goedere	3	3	3
Dienste	2	4½	3
Totaal	2½	2	-½

Bruto binnelandse besteding teen konstante 1970-pryse



die reële besteding aan nie-duursame goedere en aan dienste is deur 'n afname in die reële besteding aan duursame en semi-duursame goedere oorskry. Laasgenoemde daling het verband gehou met die laer koers van toename in die reële beskikbare inkome wat uit 'n styging in persoonlike belasting voortgespruit het, die afwesigheid van enige algemene salaris- en loonskaalverhogings, veral in die openbare sektor, en groter werkloosheid. Daarbenewens het die persoonlike besparing toegeneem op grond van die heersende ekonomiese onsekerhede.

Op 'n kwartaalbasis het die reële private verbruiksbesteding gedurende die eerste helfte van 1977 min verandering getoon maar gedurende die derde en vierde kwartale effens gestyg. Die styging gedurende die vierde kwartaal het oor 'n wye front voorgekom maar was veral opmerklik in die geval van die reële besteding aan persoonlike vervoertoerusting en aan klerasie en skoel.

Klein daling in reële owerheidsverbruiksbesteding

In ooreenstemming met die owerheid se beleid om die besteding in te kort, het die reële verbruiksbesteding deur openbare owerhede gedurende 1977 effens gedaal nadat dit gedurende 1976 en 1975 met onderskeidelik $5\frac{1}{2}$ persent en 15 persent gestyg het. Die klein daling in 1977 word deur alle vlakke van die openbare owerhede verklaar. Die reële salarisse en lone het met ongeveer 4 persent gestyg, vergeleke met 'n toename van $5\frac{1}{2}$ persent in die vorige jaar, maar die reële besteding aan goedere en ander dienste het met ongeveer 6 persent gedaal, hoofsaaklik as gevolg van 'n vermindering in reële verdedigingsuitgawes.

Kwartaalamings toon dat die reële owerheidsverbruiksbesteding in die loop van 1977 matig gedaal het, behalwe in die derde kwartaal toe 'n klein styging aangeteken is.

Aansienlike afname in reële bruto binnelandse vaste investering

Die reële bruto binnelandse vaste investering het gedurende 1977 met ongeveer 10 persent afgeneem, vergeleke met 'n daling van 3 persent gedurende die voorafgaande jaar, en dit was 'n belangrike faktor in die totale afname in die reële bruto binnelandse besteding. Soos in die bygaande tabel getoon word, het die reële vaste investering deur die private sektor sowel as die openbare owerhede afgeneem, terwyl dié deur openbare korporasies effens toegeneem het.

In die private sektor is laer vlakke van reële vaste investering in die fabriekswese, mynbou, die groot- en kleinhandel en woningboukonstruksie aangeteken. Slegs in die private vervoersektor het die reële vaste kapitaalbesteding toegeneem as gevolg van die aankoop van skepe vir die behoueringsprogram en die uitvoer van ystererts.

Openbare korporasies se reële vaste kapitaalbesteding aan fabriekswese het in 1977 skerp gestyg

Persentasieverandering in reële bruto binnelandse vaste investering

	1975	1976	1977
Private sektor	3	-9	-9
Mynbou	23	$-3\frac{1}{2}$	-8
Fabriekswese	8	-5	-13
Handel	-14	-10	-14
Vervoer	12	-20	92
Woningboukonstruksie	-17	-8	-19
Openbare korporasies	26	-1	1
Fabriekswese	-15	-30	51
Elektrisiteit, gas en water	51	32	20
Ander (mynbou, vervoer, ens.)	67	-6	-56
Openbare owerhede	14	5	-19
S.A. Spoorweë	21	29	-30
Algemene afdelings	9	-6	-11
Totale bruto binnelandse vaste investering	9	-3	-10

as gevolg van verhoogde besteding deur Sasol aan die nuwe olie-uit-steenkool-projek. Die reële vaste investering deur openbare korporasies vir die voorsiening van elektrisiteit, gas en water het weer skerp gestyg, alhoewel teen 'n laer koers as in die voorafgaande twee jare, as gevolg van Evkom se besteding aan die kernkragsentrale in die Wes-Kaap. Die aansienlike afname in die ander komponente van die reële vaste kapitaalbesteding deur openbare korporasies is toe te skryf aan die voltooiing van sekere mynbouprojekte in 1976 en die voltooiing van die Sishen-Saldanha-projek vir die uitvoer van ystererts.

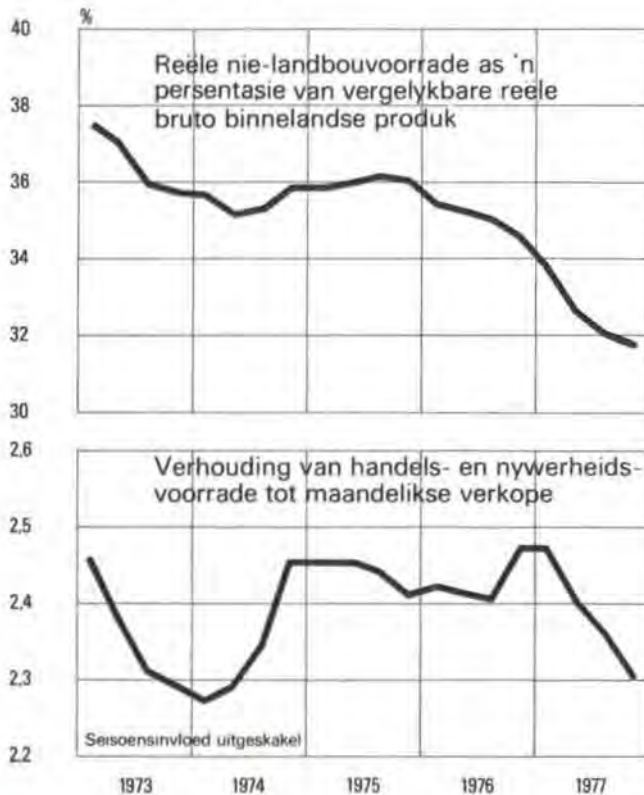
As weerspieëling van die beleid van die owerheid om kapitaalbesteding te besnoei, het die reële vaste kapitaaluitgawes van openbare owerhede gedurende 1977 afgeneem. Die skerp ommeswaai in die reële vaste investering deur die Suid-Afrikaanse Spoorweë was toe te skryf aan die voltooiing van 'n program met betrekking tot die aankoop van nuwe vliegtuie.

Kwartaalamings dui daarop dat die reële bruto binnelandse vaste kapitaalbesteding deur openbare owerhede vanaf die vierde kwartaal van 1976 ononderbroke gedaal het. Ná 'n aansienlike afname gedurende die tweede kwartaal van 1977, het die private sektor se reële vaste kapitaalbesteding in die derde kwartaal matig toegeneem en in die vierde kwartaal min verandering getoon. Die reële vaste investering deur openbare korporasies het gedurende al vier kwartale van 1977 op 'n hoë vlak gebly vanweë verhoogde besteding deur Sasol en Evkom.

Verdere skerp afname in reële voorraadinvestering

Die vlak van die totale voorrade teen konstante 1970-pryse het in 1977 met R388 miljoen afgeneem, wat nie net aansienlik tot die verdere afname in die reële totale binnelandse vraag bygedra het nie, maar ook tot

Voorraadverhoudings



aangewend om die land se netto skuldposisie teenoor die res van die wêreld te verminder. Die verbetering in die binnelandse besparing het die verhouding van die binnelandse besparing tot die bruto binnelandse produk in 1977 op bykans 27 persent te staan gebring, vergeleke met 'n gemiddelde jaarlikse verhouding van ongeveer $24\frac{1}{2}$ persent gedurende die tydperk 1970 tot 1976. Toenames is aangeteken in al die komponente van die bruto binnelandse besparing, naamlik die voorsiening vir waardevermindering, die lopende surplus van die algemene owerheid en maatskappy- en persoonlike besparing.

'n afname in die volume van goedere-invoere. Verdere skerp afnames in die reële nywerheids- en handelsvoorrade van die private sektor is ietwat verminder deur toenames in die reële landbouvoorrade in die handel, die reële nywerheidsvoorrade van openbare korporasies, en die vee-inventaris teen konstante pryse.

Kwartaalramings toon dat die reële voorrade vanaf die eerste kwartaal van 1976 onafgebroke gedaal het, maar dat die afname in die loop van 1977 progressief kleiner geword het. Die verdere afname in die totale reële nie-landbouvoorrade en die klein toename in die ooreenstemmende reële bruto binnelandse produk het die voorraadverhouding in die vierde kwartaal van 1977 tot 31,7 persent verlaag, in vergelyking met 32,0 persent in die derde kwartaal en die mees onlangse hoogtepunt van 36,1 persent in die derde kwartaal van 1975.

Merkbare verbetering in bruto binnelandse besparing

Die bruto binnelandse besparing het in 1977 'n aansienlike toename van R2 076 miljoen getoon, in vergelyking met 'n gemiddelde jaarlikse toename van ongeveer R700 miljoen gedurende die voorafgaande ses jaar. Vir die eerste keer in nege jaar het die totale binnelandse besparing in 1977 die bedrag wat benodig was om die bruto binnelandse investering te finansier, oorskry. Gevolglik is 'n bedrag van R751 miljoen

Konjunkturoneigings, arbeidstoestand en pryse

Afplatting van die dalende neiging in die reële ekonomiese bedrywigheid

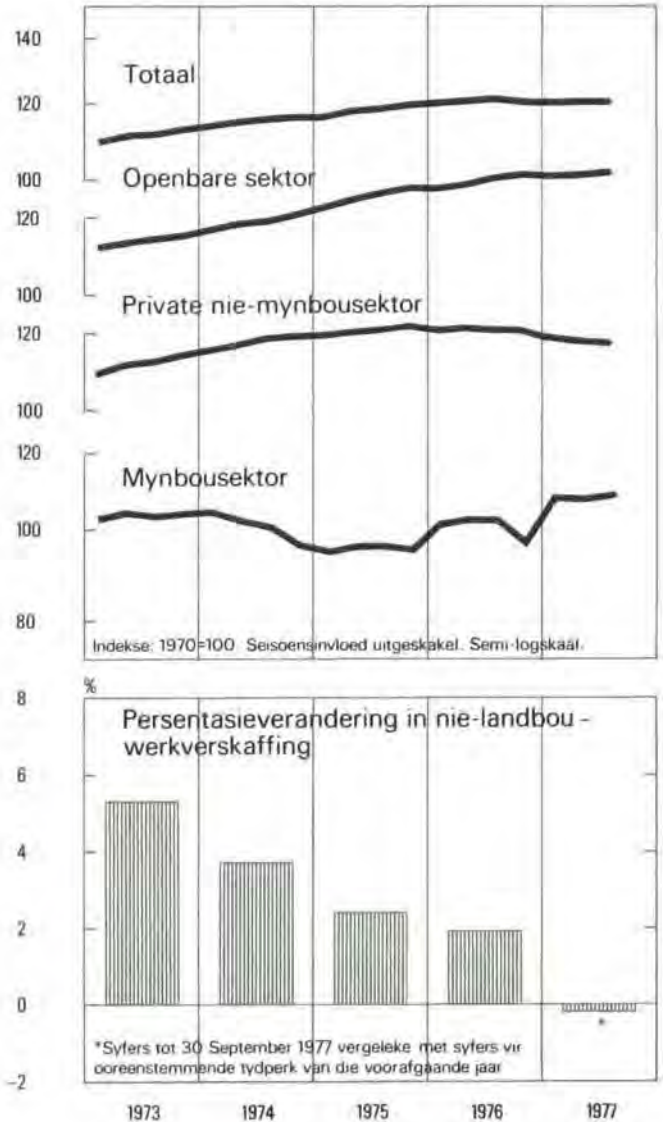
Die algemene sikliese daling in die reële ekonomiese bedrywigheid het gedurende 1977 voortgeduur, maar dit wil voorkom asof die afwaartse neiging gedurende die tweede helfte van die jaar afgeplat het. Nadat die reële ekonomiese bedrywigheid in die nie-landbousektore van die ekonomie vir vier agtereenvolgende kwartale afgeneem het, het dit gedurende die tweede kwartaal van 1977 toegeneem. Gedurende die derde kwartaal is 'n effense afname aangeteken, maar dit is weer deur 'n toename gedurende die vierde kwartaal gevolg. Die neiging na 'n meer stabiele ekonomiese toestand het in die meeste afdelings van die handel en nywerheid begin duidelik word. Die volume van die fabrieksproduksie het gedurende die laaste drie kwartale van 1977 min of meer op die vlak gebly waartoe dit in die eerste kwartaal gedaal het. Die afname in groot- en kleinhandelsverkope teen konstante pryse, uitgesonderd motorvoertuie, het gedurende 1977 voortgeduur, maar die koers van afname het in die loop van die jaar progressief kleiner geword. Die aantal nuwe motorvoertuie verkoop het teen die einde van 1977 betekenisvol toegeneem. Slegs in die konstruksiesektor het die reële bedrywigheid sy afwaartste beweging voortgesit.

In teenstelling met die ekonomiese toestand in die handel en nywerheid, wat nog steeds gedemp was, het die reële ekonomiese bedrywigheid in die primêre sektore gedurende 1977 steeds toegeneem, en was dit verantwoordelik vir die klein positiewe reële ekonomiese groeikoers wat vir die jaar aangeteken is.

Laer vlak van werkverskaffing in die nie-landbousektore van die ekonomie

Die sikliese lae vlak van die ekonomiese bedrywigheid in die meeste sektore van die Suid-Afrikaanse ekonomie gedurende 1977 is deur die indiensnemingstoestand weerspieël. Na 'n toename van 2,4 persent in 1975 en 2,0 persent in 1976, was die werkverskaffing in die nie-landbousektore van die ekonomie in die eerste nege maande van 1977 gemiddeld 0,2 persent laer as in die ooreenstemmende tydperk in 1976. Hierdie laer vlak van die nie-landbouwerkverskaffing in die betrokke tydperk van nege maande is deur 'n afname van 3,1 persent in die indiensneming in die private nie-mynbousektore van die ekonomie meegebring. In die private mynbousektor het die werkverskaffing met 5,8 persent gestyg. Indiensneming in die openbare sektor het in hierdie tydperk ook gestyg, naamlik met 2,1 persent. 'n Afname in indiensneming in die fabriekswese, konstruksie, die groot- en kleinhandel, finansiële instellings en die hotelrywerheid het tot die laer vlak van die nie-landbouwerkverskaffing in die private nie-mynbousektore bygedra.

Werkverskaffing in die nie-landbousektore



Kwartaalsyfers dui aan dat die seisoensaangesuiwerde vlak van die werkverskaffing in die nie-landbousektore van die ekonomie gedurende die vierde kwartaal van 1976 en die eerste kwartaal van 1977 afgeneem het en daarna gedurende die tweede en derde kwartale van 1977 min of meer onveranderd gebly het.

Die totale vraag na arbeid onder die heersende resessionêre toestande het geblyk onvoldoende te wees om die groeiende aanbod van arbeid te absorbeer, en die werkloosheid het gedurende 1977 bly styg. So het die seisoensaangesuiwerde aantal geregistreerde werklose Blankes, Kleurlinge en Asiërs ononderbroke van 21 084 in Desember 1976 tot 34 641 in Desember 1977 toegeneem, maar in Januarie en Februarie 1978 tot 30 207 en 30 642 onderskeidelik gedaal. Die afname in die eerste twee maande van 1978 het onder al

drie bevolkingsgroepe voorgekom. In die derde kwartaal van 1977 het die geregistreerde werkloosheid onder hierdie bevolkingsgroepe 1,7 persent van die ooreenstemmende arbeidsmag beloop. Dit word geraam dat die aantal werklose swartes aan die einde van 1977 634 000, of 12,4 persent van die ekonomiesbedrywige Swart bevolking, beloop het.

In ooreenstemming met die laer vlak van die indiensneming in die fabriekswese en konstruksie in die eerste tien maande van 1977, het die totale aantal ure gewerk deur produksiewerkers in hierdie sektore gedurende die betrokke tydperk skerp afgeneem, vergeleke met die ooreenstemmende tydperk in 1976. Die gemiddelde aantal oortyd-ure wat in die fabriekswese en konstruksie gewerk is, het in 1976 tot 'n betreklik lae vlak gedaal en het gedurende die eerste tien maande van 1977 op hierdie vlak gebly. Die verhouding van oortyd-ure tot gewone ure gewerk, het egter in die geval van die fabriekswese 'n klein afname getoon, terwyl dit in die konstruksiesektor onveranderd gebly het.

Ure gewerk deur produksiewerkers in fabriekswese en konstruksie

	1975	1976	1977
Persentasieverandering in totale ure gewerk:			
Fabriekswese	-0,8	-0,4	-8,6 ¹
Konstruksie	-0,1	-8,1	-7,9 ¹
Oortyd-ure as persentasie van gewone ure gewerk:			
Fabriekswese	11,5	10,6	10,4 ²
Konstruksie	11,2	9,9	9,9 ²

1 Eerste tien maande van 1977 vergeleke met die ooreenstemmende tydperk in 1976

2 Eerste tien maande van 1977

Die koers van toename in die gemiddelde vergoeding per werknemer in die nie-landbousektore van die ekonomie, het vanaf 12,9 persent in 1976 tot 9,5 persent vir die eerste nege maande van 1977, vergeleke met die ooreenstemmende tydperk in 1976 verlangsaam. Met inagneming van die styging in die lewenskoste, het die reële vergoeding per werknemer in die eerste nege maande van 1977 vergeleke met die ooreenstemmende tydperk in 1976 met 1,6 persent afgeneem, nadat dit in 1976 met 'n soortgelyke persentasie gestyg het. Soos in die bygaande tabel getoon word, het die koers van toename in die reële vergoeding van Nie-Blanke werknemers gedaal, terwyl die reële vergoeding van Blanke werknemers voortgegaan het om 'n werklike afname te toon.

Persentasieverandering in salarisse en lone per werker in die nie-landbousektore

	1975	1976	1977*
Blankes:			
Teen heersende pryse	13,5	10,1	7,5
Teen konstante pryse	—	-0,9	-3,4
Nie-Blankes:			
Teen heersende pryse	23,7	16,7	11,8
Teen konstante pryse	9,0	5,0	0,4
Alle rasse:			
Teen heersende pryse	17,5	12,9	9,5
Teen konstante pryse	3,5	1,6	-1,6

*Eerste drie kwartale van 1977 vergeleke met die ooreenstemmende tydperk in 1976.

Volgehoue hoë koers van prysstygings

Die gemiddelde maandelikse verbruikersprysindeks het in 1977 met 11,3 persent gestyg, vergeleke met stygings van 11,1 persent en 13,5 persent in 1976 en 1975 onderskeidelik. Hierdie effense versnelling was die gevolg van hoër koerse van toename in die pryse van verskeie klasse goedere soos graanprodukte, vrugte, suiker en verwante produkte, nie-alkoholiese drank en meubels, sowel as in die pryse van dienste uitgesonderd huis- en woonstelhuur en huiseienaarskoste.

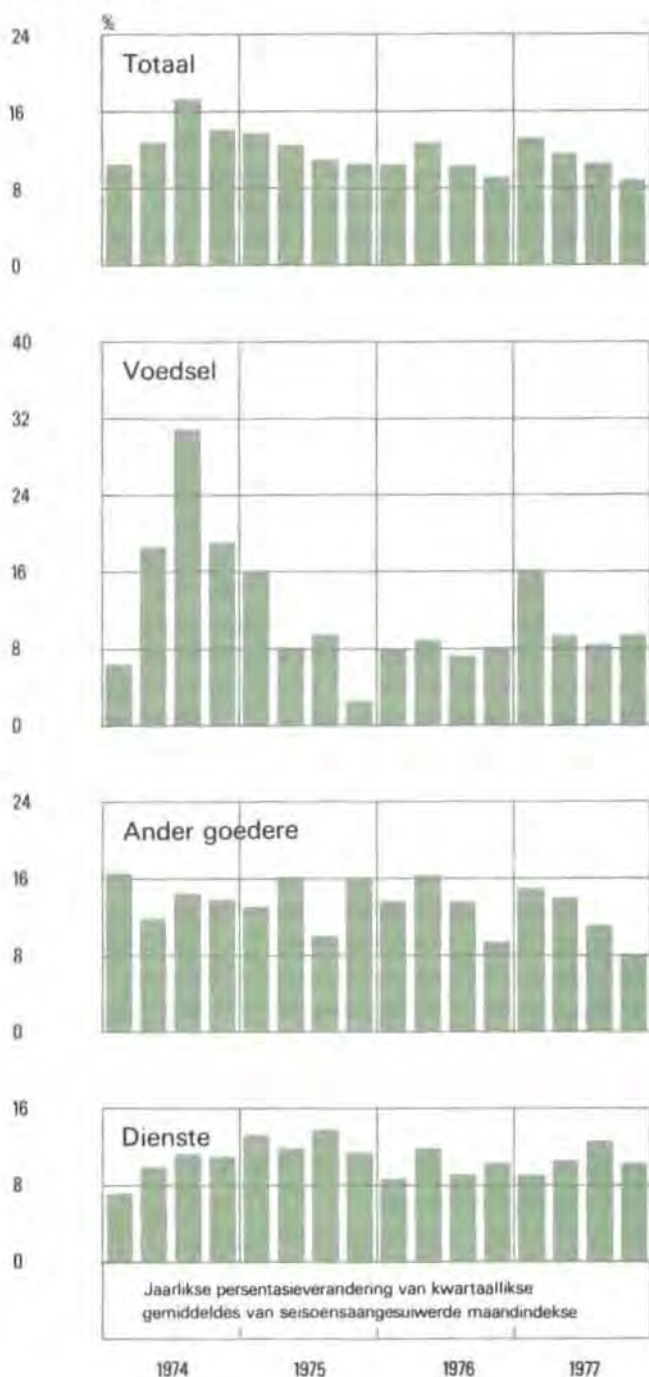
Kwartaallikse stygings in die verbruikersprysindeks het egter gedurende 1977 verlangsaam. Ná 'n styging teen 'n jaarkoers van 13,3 persent in die eerste kwartaal, het die seisoensaangesuiwerde prysindeks teen 'n jaarkoers van 11,8 persent in die tweede, 10,8 persent in die derde en 9,1 persent in die vierde kwartaal gestyg. Van Januarie 1977 tot Januarie 1978 het die verbruikerspryse met 11,3 persent gestyg.

Die gemiddelde maandelikse groothandelsprysindeks van goedere vir binnelandse aanwending het in 1977 met 12,9 persent gestyg, teenoor 15,1 persent en 17,3 persent in 1976 en 1975 onderskeidelik. Die laer koers van toename in 1977 was die gevolg van 'n laer koers van toename in die pryse van binnelandsegeproduseerde sowel as ingevoerde goedere gedurende die tweede helfte van die jaar. Met uitsondering van hoër koerse van toename in die pryse van vervaardigde tekstiele, voedsel en drank en in elektrisiteitstariewe, het die pryse van alle ander binnelandsegeproduseerde goedere in 1977 teen laer koerse as in die voorafgaande jaar gestyg.

Op 'n kwartaallikse basis het die seisoensaangesuiwerde groothandelsprysindeks in die eerste kwartaal van 1977 teen 'n jaarkoers van 16,0 persent gestyg. Daarna het die jaarkoers van toename tot 13,3 persent in die tweede en 6,3 persent in die derde kwartaal verlangsaam, voordat dit in die vierde kwartaal marginaal tot 7,1 persent gestyg het. Van Desember 1976 tot Desember 1977 het die groothandelspryse met 9,9 persent gestyg.

As gevolg van onlangse opwaartse aanpassings van staatsgeadministreerde pryse, word hoër koerse van toename in groothandels- en verbruikerspryse gedurende die eerste paar maande van 1978 verwag.

Verbruikerspryse



Betalingsbalans

Aansienlike oorskot op lopende rekening

Die verbetering in die lopende rekening van die betalingsbalans vanaf die tweede kwartaal van 1976 het gedurende 1977 voortgeduur en 'n oorskot van R751 miljoen is vir die jaar aangeteken, teenoor 'n tekort van R1 630 miljoen in 1976. Teen 'n seisoensaangesuiwerde jaarkoers het die tekort op die lopende rekening in die eerste kwartaal van 1976 R2 416 miljoen bedra maar daarna progressief afgeneem tot R427 miljoen in die eerste kwartaal van 1977. Gedurende die tweede kwartaal van 1977 het die saldo op die lopende rekening verander na 'n oorskot teen 'n seisoensaangesuiwerde jaarkoers van R1 116 miljoen, wat deur oorskotte van onderskeidelik R123 miljoen en ongeveer R2 192 miljoen in die derde en vierde kwartale gevolg is. Die aansienlike verbetering in die lopende rekening gedurende 1977 was die gevolg van skerp toenames in goedere-uitvoere en die netto goudproduksie sowel as 'n afname in goedere-invoere. In teenstelling hiermee het netto onsigbare betalings aan die res van die wêreld gedurende die jaar effens toegeneem.

Net soos gedurende die voorafgaande jaar, het goedere-uitvoere gedurende 1977 aansienlik toegeneem, naamlik vanaf R4 889 miljoen in 1976 tot R6 332 miljoen in 1977, 'n toename van bykans 30 persent. Hierdie skerp stygende neiging het vroeg in 1976 begin en goedere-uitvoere het, teen 'n seisoensaangesuiwerde jaarkoers, vanaf R4 248 miljoen in die eerste kwartaal van 1976 tot R7 034 miljoen in die vierde kwartaal van 1977 toegeneem. In teenstelling met die voorafgaande jaar toe prysstygings die grootste bydrae tot die hoër vlak van goedere-uitvoere gemaak het, was 'n aansienlike toename in die volume hoofsaaklik vir die skerp styging gedurende 1977 verantwoordelik. Alhoewel Suid-Afrika se uitvoerpryse gedurende 1977 verder gestyg het, het die koers van toename in die loop van die jaar verlangsaam, in ooreenstemming met die algemene daling in pryse op die internasionale kommoditeitsmarkte vanaf die tweede kwartaal van die jaar.

Die toename in goedere-uitvoere het onder 'n wye reeks kommoditeite voorgekom, maar 'n buitengewoon groot toename is in diamantuitvoere aangeteken as gevolg van 'n groter wêreldvraag en opwaartse prysaanpassings van 15 persent in Maart en 17 persent in Desember 1977. Die volume van ystererts- en steenkooluitvoere het ook aansienlik gestyg ná die opening van die hawens by Saldanhabaai en Richardsbaai. 'n Gunstige wêreldvraag het tot 'n skerp toename in die uitvoer van uraan en chroomerts gelei. Ondanks 'n daling in die internasionale suikerprys, het suikeruitvoere, as gevolg van 'n styging in die volume uitvoer, skerp toegeneem. Prysstygings was hoof-

saaklik vir die skerp styging in die waarde van sitrus- en woluitvoere verantwoordelik. In teenstelling hiermee, was die uitvoer van mielies en sagtevrugte laer as in die voorafgaande jaar.

Nadat die waarde van die netto goudproduksie gedurende die voorafgaande twee jare afgeneem het, het dit van R2 346 miljoen in 1976 tot R2 795 miljoen in 1977, of met 19,1 persent, toegeneem. Die vlak van die netto goudproduksie het in elk van die vier kwartale

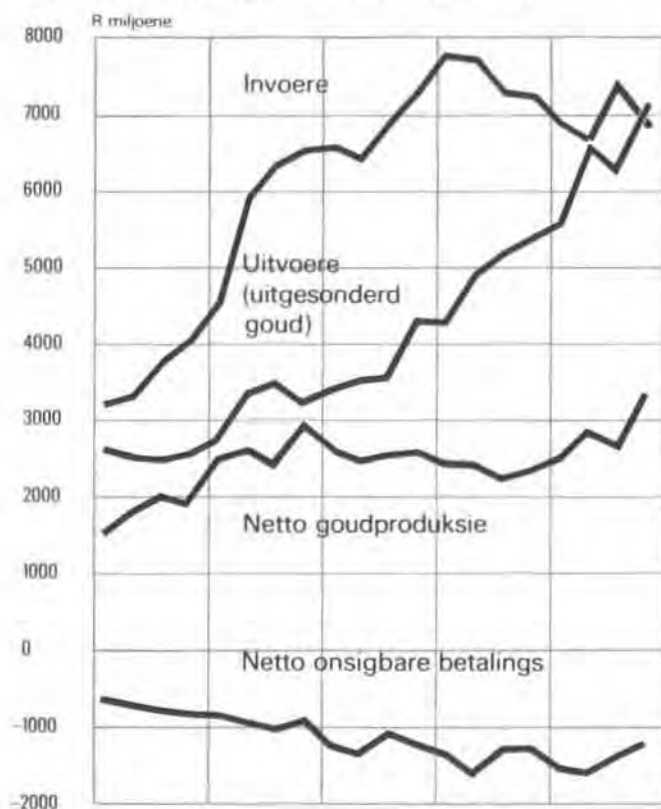
van 1977 dié van die ooreenstemmende kwartale van die voorafgaande jaar oorskry, maar het veral in die vierde kwartaal skerp gestyg en teen 'n seisoens-aangesuiwerde jaarkoers R3 274 miljoen bedra. Die toename in die netto goudproduksie in 1977 was geheel en al toe te skryf aan 'n skerp styging in die goudprys, aangesien die volume van die goudproduksie gedurende hierdie tydperk in werklikheid effens gedaal het. Die maandelikse gemiddelde goudprys per fyn ons op die Londense mark het van 'n onderste draaipunt van \$109,99 in Augustus 1976 tot \$178,26 in Februarie 1978 toegeneem. In 1977 was die gemiddelde goudprys op die Londense mark 18,3 persent bo dié van die voorafgaande jaar.

Vir die eerste keer sedert 1972 het die waarde van goedere-invoere gedurende 1977 afgeneem. Die seisoens-aangesuiwerde waarde van goedere-invoere het gedurende die tweede helfte van 1976 begin daal en hierdie neiging is gedurende die eerste helfte van 1977 voortgesit. Daarna het dit gedurende die tweede helfte van die jaar weer matig toegeneem. Die skerp afname in die waarde van goedere-invoere vanaf R7 443 miljoen in 1976 tot R6 893 miljoen in 1977, 'n afname van 7,4 persent, is toe te skryf aan 'n laer volume van invoere wat gepaard gegaan het met 'n algemene afname in die totale reële binnelandse vraag. Die volume van invoere het gedurende die afgelope drie jare teen 'n versnellende koers afgeneem en in 1977 'n relatiewe laagtepunt bereik. In verhouding tot die reële bruto binnelandse produk het dit tot 14,8 persent afgeneem, die laagste syfer sedert 1962 en 'n persentasie wat heelwat laer is as die gemiddelde van 19 persent vir die na-oorlogse tydperk. Die afname in die volume van goedere-invoere is in 'n sekere mate deur 'n styging in invoerpryse geneutraliseer. Die sukses van handelsvennootlande om hul inflasiekoerse te beteuel het egter gelei tot 'n laer koers van toename in die invoerpryse gedurende 1977 as in die voorafgaande jaar.

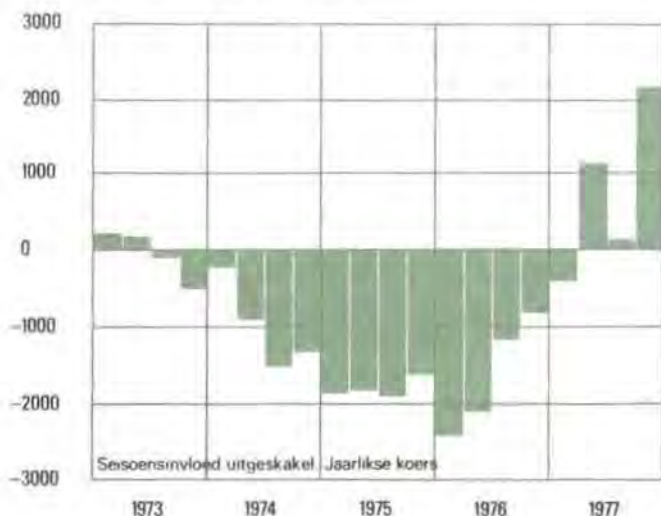
Die afname in die waarde van goedere-invoere gedurende 1977 is in bykans al die belangrikste groepe goedere weerspieël. In die besonder het die invoer van masjinerie en elektriese toerusting skerp afgeneem en taamlik aansienlike afnames is ook ten opsigte van die invoer van tekstiele, basiese metale en plastiese en rubberprodukte aangeteken. Die invoer van vervoer-toerusting het aanvanklik gedurende 1977 ook 'n opmerkbare afname getoon, maar die aankope van nuwe skepe as deel van die behoueringsprogram en vir doeleindes van die uitvoer van minerale, het gedurende die tweede helfte van die jaar tot 'n aansienlike toename in hierdie invoerkategorie gelei. Die invoer van olie het gedurende 1977 aangehou styg, gedeeltelik as gevolg van die styging in die olieprys aan die begin van die jaar. Hierbenewens is toenames in die invoer van koffie en tee aangeteken.

In teenstelling met die verbetering in die ander lopende rekening-groothede, het netto onsigbare betalings aan die res van die wêreld effens gestyg van

Lopende rekening van die betalingsbalans



Saldo op lopende rekening



R1 422 miljoen in 1976 tot R1 483 miljoen in 1977. Hierdie toename was die netto gevolg van 'n matige styging in dienstebetalings aan en laer netto ontvangste uit oordragbetalings van buitelanders, en is bykans geneutraliseer deur 'n toename in dienste-ontvangste van ander lande. Die toename in dienstebetalings is meegebring deur 'n skerp styging in nie-goedereversekering en die vergoeding van buitelandse trekwerkers in Suid-Afrika, wat die daling in vrag- en goedereversekering en dividend- en rentebetalings op buitelandse beleggings in Suid-Afrika oorskry het. Netto oordragbetalings het matig gedaal as gevolg van 'n toename in emigrantefondse wat na die buiteland oorgeplaas is. Die matige toename in dienste-ontvangste was op sy beurt toe te skryf aan groter verkope van bunkerolie aan buitelandse skepe en het 'n daling in rente- en dividendontvangste op beleggings in ander lande oorskry.

Aansienlike netto kapitaaluitvloeiing

Verskeie faktore, soos politieke onsekerhede in Suider-Afrika, 'n lae vlak van die binnelandse vaste investering, en 'n daling in die waarde van goedere-invoere, was verantwoordelik vir 'n groot netto uitvloeiing van kapitaal. Hierbenewens het netto terugbetalings op buitelandse lenings ook bygedra tot die netto kapitaaluitvloeiing wat gedurende 1977 R1 096 miljoen beloop het, vergeleke met 'n netto invloeiing van R1 110 miljoen gedurende 1976.

Die bygaande tabel toon dat alhoewel die netto invloeiing van langtermynkapitaal gedurende die afgelope twee jare aansienlik afgeneem het, 'n verdere matige invloeiing nogtans in 1977 aangeteken is. Hierdie netto invloeiing van langtermynkapitaal, tesame met die verbetering in die lopende rekening, het meegebring dat die basiese saldo van 'n negatiewe syfer in 1976 na 'n positiewe syfer in 1977 verander het. Hierdie gunstige basiese saldo het boonop van R61 miljoen in die eerste kwartaal tot R326 miljoen in

die tweede kwartaal toegeneem voordat dit tot R263 miljoen in die vierde kwartaal van 1977 gedaal het.

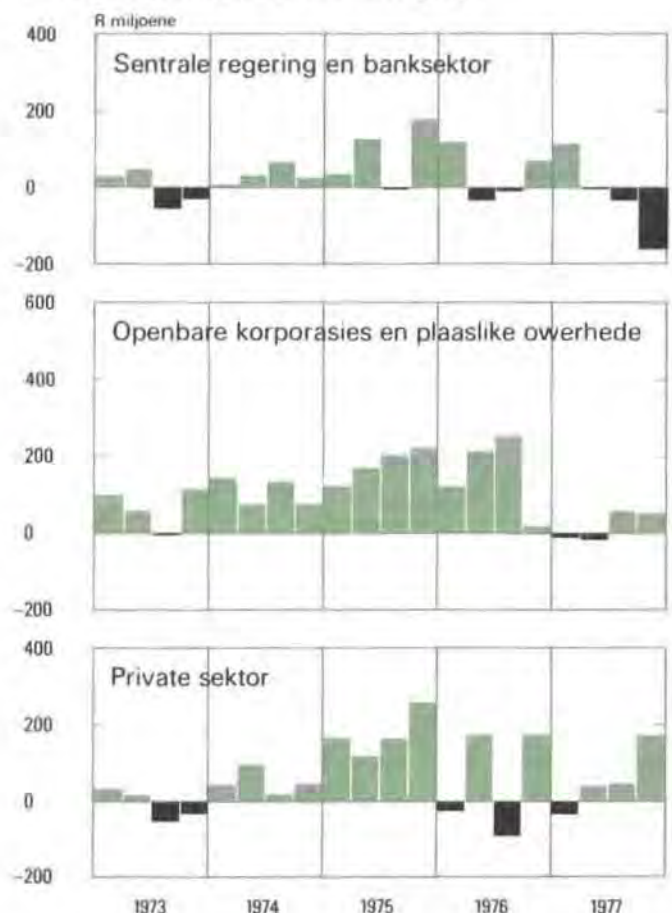
Die aansienlik kleiner netto invloeiing van langtermynkapitaal gedurende 1977 was eerstens te wyte aan 'n netto uitvloeiing vanaf die sentrale regering en banksektor, teenoor 'n matige invloeiing gedurende 1976. Hierdie netto uitvloeiing is hoofsaaklik meegebring deur netto terugbetalings op buitelandse lenings deur die sentrale regering. Tweedens was daar 'n opmerklieke afname in die netto invloeiing van langtermynkapitaal na openbare korporasies en plaaslike owerhede. Nuwe lenings wat deur openbare korporasies verkry is, in die besonder vir die finansiering van Sasol se nuwe olie-uit-steenkoolprojek en Evkom se kernkragsentrale, is in 'n groot mate deur terugbetalings op vroeëre lenings geneutraliseer. In teenstelling met hierdie ontwikkelings, het buitelandse langtermynlenings wat deur die private sektor verkry is, hoofsaaklik vir die ontwikkeling van mynbouprojekte, uraanproduksie en die behoueringsprogram, meegebring dat die netto invloeiing van langtermynkapitaal na hierdie sektor in 1977 op bykans dieselfde vlak as in die voorafgaande jaar gebly het.

Netto kapitaalbewegings

R miljoene

	1975	1976	1977
Langtermynkapitaal			
Sentrale regering en banksektor	331	148	-92
Openbare korporasies en plaaslike owerhede	718	606	80
Private sektor	697	235	223
Totaal	1 746	989	211
Korttermynkapitaal verwant aan reserwes	418	536	-221
Ander korttermynkapitaal, insluitende foute en onaangetekende transaksies	-238	-415	-1 086
Totaal	1 926	1 110	-1 096

Netto langtermynkapitaalbewegings

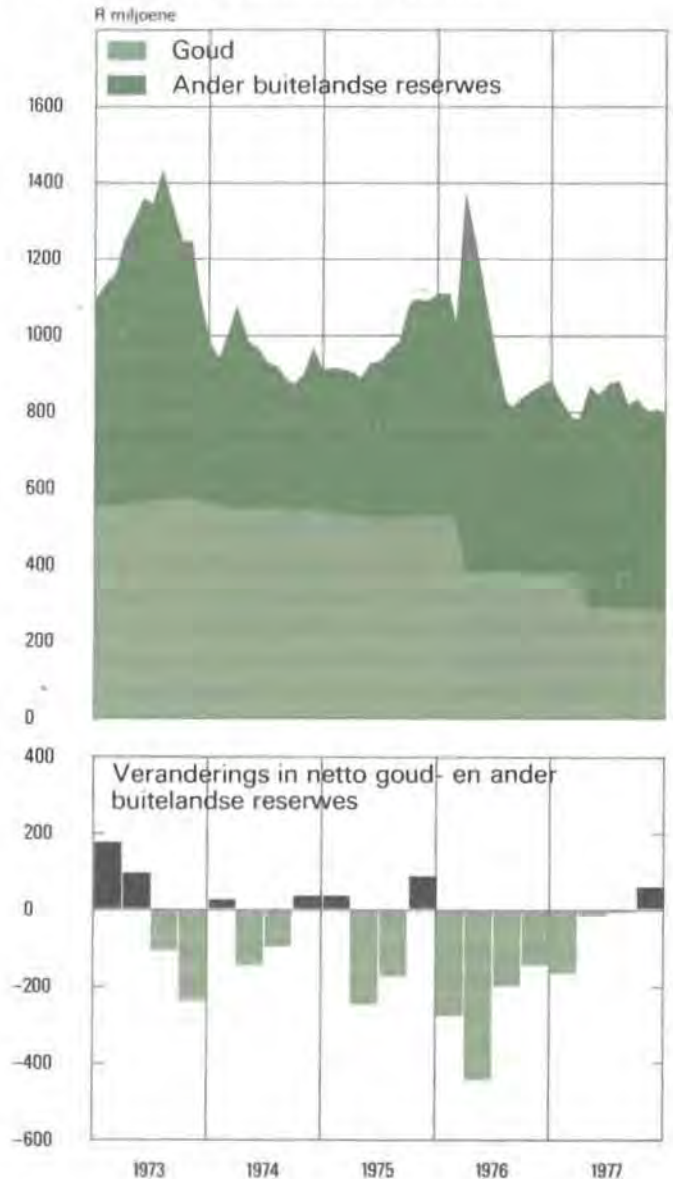


Gedurende 1977 is netto terugbetalings op kort-termynlaste verwant aan reserwes gemaak, terwyl groot bedrae gedurende die voorafgaande twee jare geleen is. Hierdie terugbetalings is in die laaste drie kwartale van die jaar gemaak en was betreklik groot in die tweede en vierde kwartale. Benewens hierdie terugbetalings, is 'n groot netto uitvloeiing van ander kort-termynkapitaal ten bedrae van R1 086 miljoen, insluitend foute en onaangetekende transaksies, gedurende 1977 aangeteken, vergeleke met matige uitvloeiings gedurende die voorafgaande twee jare.

Klein afname in die goud- en ander buitelandse reserwes

Betalingsbalanstransaksies en waardasie-aansuiweringe het daartoe gelei dat die bruto goud- en ander buitelandse reserwes gedurende 1977 matig met R99 miljoen tot 'n vlak van R788 miljoen aan die einde van die jaar gedaal het. 'n Effens groter afname van R124 miljoen is gedurende 1977 in die netto goud- en ander buitelandse reserwes aangeteken. Die netto terugbetalings van R221 miljoen op laste verwant aan reserwes is oorskry deur die uitwerking op die reserwes van verdere goudruiloorreënkomste en waardasie-aansuiweringe, wat gesamentlik R246 miljoen bedra het. Die netto goud- en ander buitelandse reserwes het in die loop van 1977 verbeter. Hierdie reserwes het, nadat dit in die eerste kwartaal met R162 miljoen en gedurende die daaropvolgende ses maande met 'n verdere R21 miljoen gedaal het, gedurende die vierde kwartaal met R59 miljoen gestyg. Gedurende Januarie het die bruto goud- en ander buitelandse reserwes van die Reserwebank met R13 miljoen gedaal, hoofsaaklik vanweë verdere terugbetalings op buitelandse lenings, voordat dit weer gedurende Februarie met R8 miljoen gestyg het tot 'n vlak van R631 miljoen aan die einde van die maand.

Goud- en ander buitelandse reserwes



Monetêre en banktoestand

Verdere daling in die koers van toename in geld en kwasi-geld

Nadat dit gedurende 1976 teen 'n betreklik lae koers van 9 persent toegeneem het, het die hoeveelheid geld en kwasi-geld gedurende 1977 selfs teen 'n nog laer koers gestyg, naamlik met 7 persent. Die eng gedefinieerde geldvoorraad het ook teen 'n vergelykenderwys lae koers van 5 persent toegeneem, wat die koers van toename van 3 persent gedurende 1976 slegs effens oorskry het.

Op 'n kwartaalbasis het die koers van toename in die geld- en kwasi-geldvoorraad gedurende 1977 groot skommelings getoon. Nadat dit gedurende die eerste kwartaal teen 'n jaarkoers van 2 persent afgeneem het, het die seisoensaangesuiwerde geld- en kwasi-geldhoeveelheid gedurende die tweede en derde kwartale teen jaarkoerse van 27 persent en 6 persent, onderskeidelik, toegeneem voordat dit gedurende die vierde kwartaal weer teen 'n jaarkoers van 2 persent gedaal het.

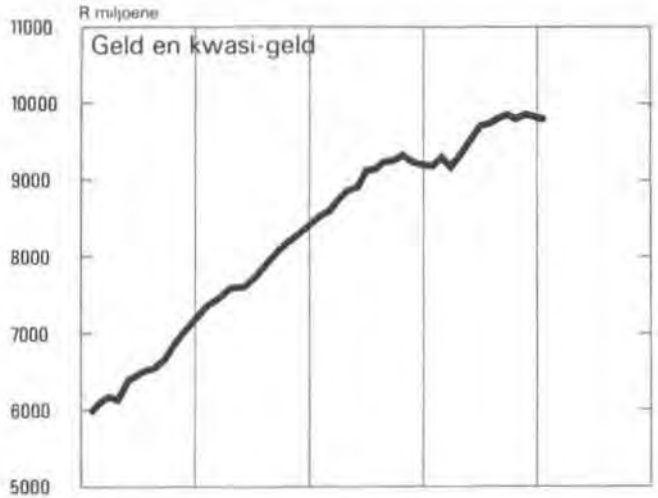
Gedurende Januarie 1978 het die seisoensaangesuiwerde geld- en kwasi-geldvoorraad effens verder met R30 miljoen, of teen 'n jaarkoers van bykans 4 persent, gedaal.

Oorsake van verandering in geld en kwasi-geld

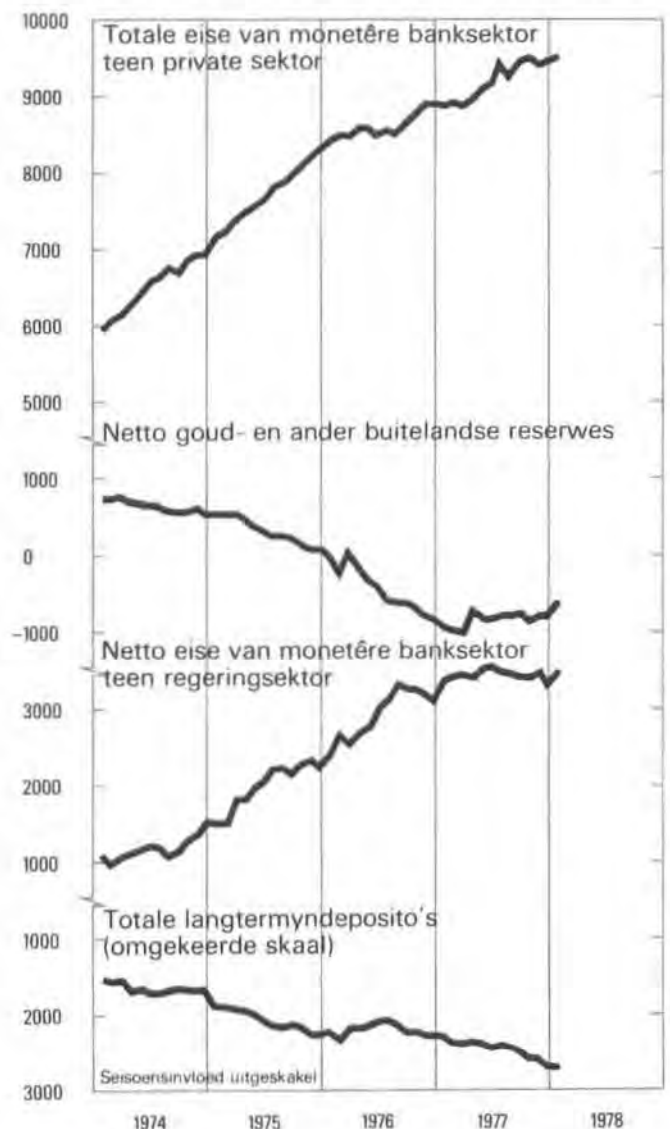
Die veel laer koers van toename in die seisoensaangesuiwerde hoeveelheid geld en kwasi-geld gedurende die tweede helfte van 1977 was die gevolg van 'n daling in die netto eise van die monetêre banksektor teen die regeringsektor, 'n effens laer toename in bankkrediet aan die private sektor, en 'n hoër koers van toename in langtermyndeposito's by die monetêre banksektor. Die netto goud- en ander buitelandse reserwes van die monetêre banksektor, daarenteen, het gedurende die tweede helfte van 1977 met 'n effens groter bedrag as gedurende die eerste helfte toegeneem.

Die seisoensaangesuiwerde netto eise van die monetêre banksektor teen die regeringsektor, wat gedurende die eerste helfte van 1977 met R438 miljoen gestyg het, het gedurende die tweede helfte met R225 miljoen gedaal. Hierdie verandering het die uitwerking weerspieël van 'n groot styging van R691 miljoen in regeringsdeposito's gedurende die tweede helfte van die jaar, wat slegs gedeeltelik deur toenames van R348 miljoen en R77 miljoen in die bruto eise teen die regeringsektor gedurende die derde en vierde kwartale, onderskeidelik, geneutraliseer is. Die eise teen die private sektor het, nadat dit gedurende die eerste kwartaal 'n marginale afname getoon het, gedurende die tweede kwartaal en Julie aansienlik toegeneem. Daarná het hierdie eise gedurende die oorblywende vyf maande van die jaar aanmerklik geskommel maar aan die einde van die jaar op

Monetêre ontleding



Oorsake van verandering in geld en kwasi-geld



Oorsake van veranderings in geld en kwasi-geld

R miljoene

	Seisoens- invloed nie uitgeskakel nie	Seisoensinvloed uitgeskakel				
		1977				1978
		Jaar 1977	1e kwartaal	2e kwartaal	3e kwartaal	4e kwartaal
Netto goud- en ander buitelandse reserwes	60	-186	197	55	-7	127
Eise teen die regeringsektor						
Bruto eise	568					
Regeringsdeposito's (toename -, afname +)	-356					
Netto eise	212	340	98	-142	-83	158
Eise teen die private sektor	526	-12	285	265	-13	52
Langtermyndeposito's (toename -, afname +)	-423	-131	-20	-70	-205	-15
Netto ander bates	269					
Totale oorsake van veranderings	644	-38	556	151	-38	-30

nagenoeg dieselfde peil gestaan as aan die einde van Julie. Die koers van toename in die binnelandse kredietverlening, d.w.s. die som van die monetêre banksektor se netto eise teen die regeringsektor en sy eise teen die private sektor, het gevolglik van 'n seisoensaangesuiwerde jaarkoers van 12 persent gedurende die eerste helfte van 1977 tot minder as 1 persent gedurende die tweede helfte verlangsam.

Die seisoensaangesuiwerde langtermyndeposito's van die private sektor by die banksektor het in elkeen van die vier kwartale van 1977 toegeneem. 'n Besonder skerp toename van R205 miljoen het gedurende die vierde kwartaal voorgekom, wat beduidend tot die daling in die seisoensaangesuiwerde geld- en kwasi-geldhoeveelheid gedurende daardie tydperk bygedra het.

Die oorsake van veranderings in die voorraad geld en kwasi-geld gedurende Januarie 1978 het merkbaar verskil van dié in die vierde kwartaal van 1977. Nadat dit gedurende die vierde kwartaal van 1977 'n klein afname getoon het, het die seisoensaangesuiwerde netto goud- en ander buitelandse reserwes gedurende Januarie aansienlik gestyg met R127 miljoen. Die seisoensaangesuiwerde netto eise teen die owerheidsektor het ook gedurende Januarie aansienlik gestyg met R158 miljoen nadat dit gedurende die voorafgaande twee kwartale gedaal het. Eise teen die private sektor het gedurende Januarie matig gestyg en langtermyndeposito's van die private sektor by die monetêre bankinstellings het aangehou styg.

Matige styging in bankkrediet aan die private sektor

Die bankkrediet aan die private sektor, wat gedurende 1976 met ongeveer 7 persent toegeneem het, het gedurende 1977 weer matig met 6 persent gestyg. Vergeleke met die tydperk 1973 tot 1975, toe die gemiddelde jaarlikse toename bykans 21 persent beloop het, was hierdie toenames betreklik klein. Die

krediet aan die private sektor het gedurende die eerste kwartaal van 1977 min verander en die grootste deel van die toename gedurende 1977 het gedurende die tydperk April tot Julie voorgekom toe die seisoensaangesuiwerde jaarkoers van toename 19 persent beloop het. 'n Toename van R274 miljoen in die kaskredietvoorskotte van die Landbank en 'n toename van R139 miljoen in die banke se beleggings in effekte van die private sektor was hoofsaaklik vir die uitbreiding gedurende hierdie tydperk verantwoordelik. Tussen Augustus en Desember het die bankkrediet aan die private sektor, ná uitkakeling van die seisoensinvloed, effens met ongeveer R2 miljoen afgeneem.

Die diskonteringe en voorskotte van die handelsbanke, aksepanke en monetêre huurkoop- en algemene banke het gedurende 1977 met slegs ongeveer 2 persent gestyg. Die maandelikse veranderings was taamlik klein, behalwe in September toe 'n styging van R285 miljoen aangeteken is. Die huurkoop- en bruikhuurfinansiering wat deur die handelsbanke, aksepanke en monetêre huurkoop- en algemene banke verleen is, het gedurende 1977 teen 'n hoër koers toegeneem as die totale voorskotte, naamlik met ongeveer 10 persent. Krediet in die vorm van wissels wat deur hierdie bankinstellings verdiskonteer is, het egter skerp met R151 miljoen, of ongeveer 28 persent, gedaal, as 'n weerspieëling van 'n swak vraag na hierdie soort krediet.

As gevolg van die betreklik klein toename in die banke se voorsiening van lenings aan die private sektor gedurende 1977, het die bedrag van die onbenutte fasiliteite onder die plafonne op diskonteringe en voorskotte met R253 miljoen gestyg. Hierdie groei van die onbenutte fasiliteite het hoofsaaklik ná 1 September voorgekom, toe die maandelikse verhoging van die plafonne met $\frac{1}{2}$ persent weer in werking getree het ná 'n tydelike opskorting vanaf 1 April.

Die matige styging in bankkrediet aan die private sektor gedurende Januarie was aan 'n toename in die

diskonteringe en voorskotte van handelsbanke en 'n verdere netto belegging in effekte van die private sektor deur alle bankinstellings, in besonder die diskontohuise, toe te skryf.

Geringe verbetering in banklikwiditeit

Die oorskotlikwiditeit van bankinstellings was gedurende die eerste vyf maande van 1977 oor die algemeen op baie lae peile. Gedurende die tydperk Junie tot Desember het die oorskotlikwiditeit van bankinstellings ander as handelsbanke slegs effens verbeter. Die oorskotlikwiditeit van die handelsbanke het vanaf Junie tot September verswak voordat dit tot Desember bestendig verbeter het. Die verbetering gedurende Desember, wat moontlik van seisoenale aard was, is hoofsaaklik deur 'n toename van R101 miljoen in die werklike besit aan likwiede bates teweeggebring.

Die banke se vereiste minimum besit aan likwiede bates het gedurende 1977 met R201 miljoen of ongeveer 5 persent toegeneem, teenoor 'n toename in hul totale verpligtings teenoor die publiek van 7 persent. Hierdie verskil kan toegeskryf word aan 'n verandering in die termynstruktuur van hul deposito's en ander verpligtings as gevolg van 'n verskuiwing vanaf die kort-

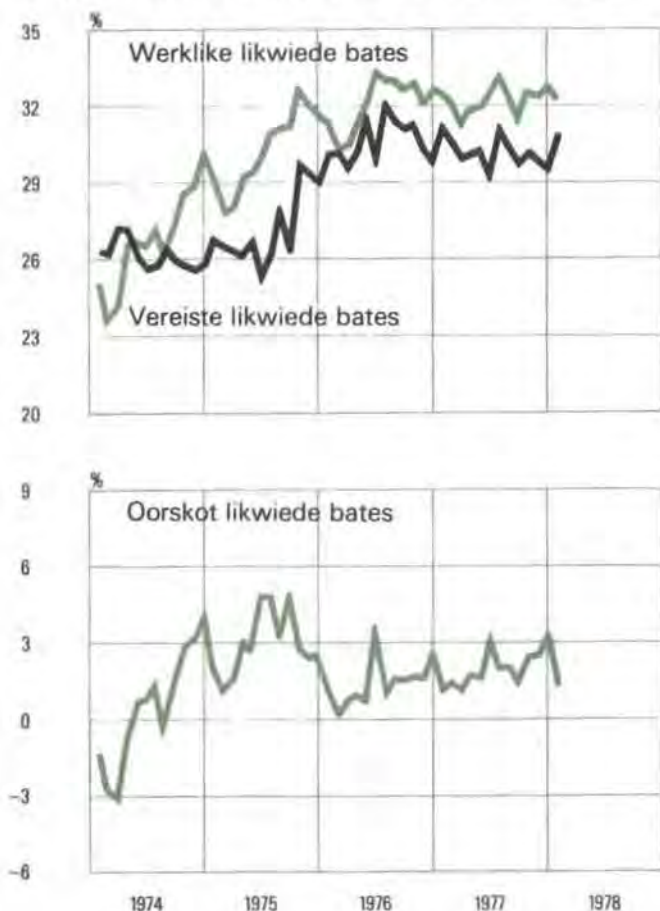
Oorskotlikwiditeitsverhoudings van bankinstellings %

	1977						1978
	Mrt.	Jun.	Sept.	Okt.	Nov.	Des.	Jan.
Handelsbanke	1.1	4.8	2.2	3.6	3.9	4.7	1.8
Ander monetêre banke	2.0	0.5	0.6	0.6	0.2	0.9	0.7
Ander banke	-3.0	-2.9	-2.2	-1.2	-0.7	-1.1	0.3
Alle banke	1.2	3.2	1.5	2.4	2.5	3.3	1.3

termynkategorie na die middel- en veral na die langtermynkategorie.

Die oorskotlikwiditeit van die monetêre bankinstellings het gedurende Januarie 1978 weer gedaal. Handelsbanke se besit aan oorskot likwiede bates het byvoorbeeld van R410 miljoen aan die einde van Desember 1977 tot R155 miljoen aan die einde van Januarie gedaal. Die werklike besit aan likwiede bates van die handelsbanke het met R142 miljoen gedaal, hoofsaaklik as gevolg van 'n afname van R77 miljoen in daggeldlenings aan die diskontohuise, terwyl die vereiste likwiede bates met R113 miljoen gestyg het.

Likwiditeitsverhoudings van alle bankinstellings



Toestand op die geldmark en rentekoerse

Hoofsaaklik as gevolg van skerp skommelings in die seisoenale beweging van fondse na en van die regeringsektor, het die geldmark gedurende 1977 en vroeg in 1978 afwisselende tydperke van stramtheid en ruimte ondervind. Nadat dit gedurende Januarie en Februarie 1977 aanvanklik vernou het, het die toestand op die geldmark tot die begin van Julie verruim maar vervolgens oor die maandeindes van Julie en Augustus en gedurende September skerp vernou. Gedurende Oktober, November en Desember 1977 het die mark verruim maar vervolgens gedurende Januarie, Februarie en vroeg in Maart 1978 weer vernou.

By 'n aantal geleenthede gedurende 1977 en gedurende Januarie 1978 het die banke hul oorskot-saldo's by die Nasionale Finansiële korporasie uitgeput en hul daggeld by die diskontohuise verminder, wat daartoe gelei het dat laasgenoemde instellings die Reserwebank vir akkommodasie genader het. Oor die Augustus-maandeinde, toe die banke se nie-vereiste saldo's by die Nasionale Finansiële korporasie uitgeput is, het die banke se daggeld by die diskontohuise byvoorbeeld skerp met meer as R200 miljoen tot 'n vlak van R640 miljoen op 7 September gedaal. Skatkiswissels onder verdiskontering by die Reserwebank het op daardie datum R164 miljoen beloop. Gedurende Oktober, November en Desember 1977 was die banke in staat om hul saldo's by die diskontohuise en die Nasionale Finansiële korporasie op te bou, maar gedurende die daaropvolgende tydperk was hulle weer eens genoodsaak om dit te verminder. Daggeldlenings by die diskontohuise het op 28 Februarie met heelwat meer as R250 miljoen gedaal, met die gevolg dat die

Reserwebank op groot skaal akkommodasie moes verleen met die verdiskontering van skatkiswissels en, onder die hersiene stelsel van Reserwebank-akkommodasie (waarna hieronder verwys word), bankaksepte en die toestaan van oornaglenings.

Die skommelings wat deur die koerse op private geldmarkinstrumente aan die dag gelê is, het, alhoewel dit oor die algemeen gedurende 1977 'n afwaartse neiging getoon het, grotendeels die toestand op die geldmark weerspieël. Die koers op verhandelbare depositosertifikate van drie maande het byvoorbeeld van 10,25 persent op 25 Februarie tot 8,5 persent aan die begin van Julie gedaal, tot 9,2 persent op 30 September gestyg, weer tot ongeveer 8,7 persent gedurende die begin van Desember gedaal, en vervolgens skerp tot 9,75 persent op 3 Maart 1978 gestyg. Die diskontokoers op bankaksepte van drie maande het soortgelyke bewegings getoon. Die skatkiswissel-tenderkoers het gedurende 1977 en vroeg in 1978 marginaal geskommel maar hoofsaaklik opwaarts geneig van 7,81 persent op 7 Januarie 1977 tot 7,97 persent op 3 Maart 1978. Die depositorente-koerse van die groot handelsbanke het gedurende 1977 en vroeg in 1978 onveranderd gebly.

'n Aantal interessante ontwikkelings in die geldmark het gedurende 1977 plaasgevind. Eerstens het die Reserwebank, met die doel om die plaaslike korttermyn-rente-koerse in verhouding tot die koerse wat in die buiteland geheers het, op gepaste vlakke te hou, vanaf Mei begin om van tyd tot tyd staatseffekte in die ope mark aan die banke, diskontohuise en sekere institusionele beleggers te verkoop. Tweedens is, ten einde belangstelling in die weeklikse skatkiswissel-tender aan te moedig, die verskil tussen die skatkiswissel-tenderkoers en die daggeldkoers van die NFK met ingang 26 Augustus van 15 na 25 persentasiepunte verhoog. Derdens het die President van die Reserwebank, in sy Voorsittersrede van 1977, aangedui dat die Reserwebank bereid sou wees om die diskontohuise toe te laat om hul bankaksepte, tesame met skatkiswissels, te gebruik om akkommodasie van die Reserwebank te verkry. Nadat oorlegplegings met die banke en diskontohuise gevoer is, is hierdie gewysigde metode om bystand aan die diskontohuise te verleen met ingang 1 Januarie 1978 ingestel, met twee hoofogmerke: om die Reserwebank in staat te stel om die kwaliteit van bankaksepte wat as likwiede bates gesertifiseer is, sorgvuldig te kontroleer, en om die druk te verlig op die verhoudings van die batekategorieë van die diskontohuise wat deur die herdiskontering van skatkiswissels teweeggebring word.

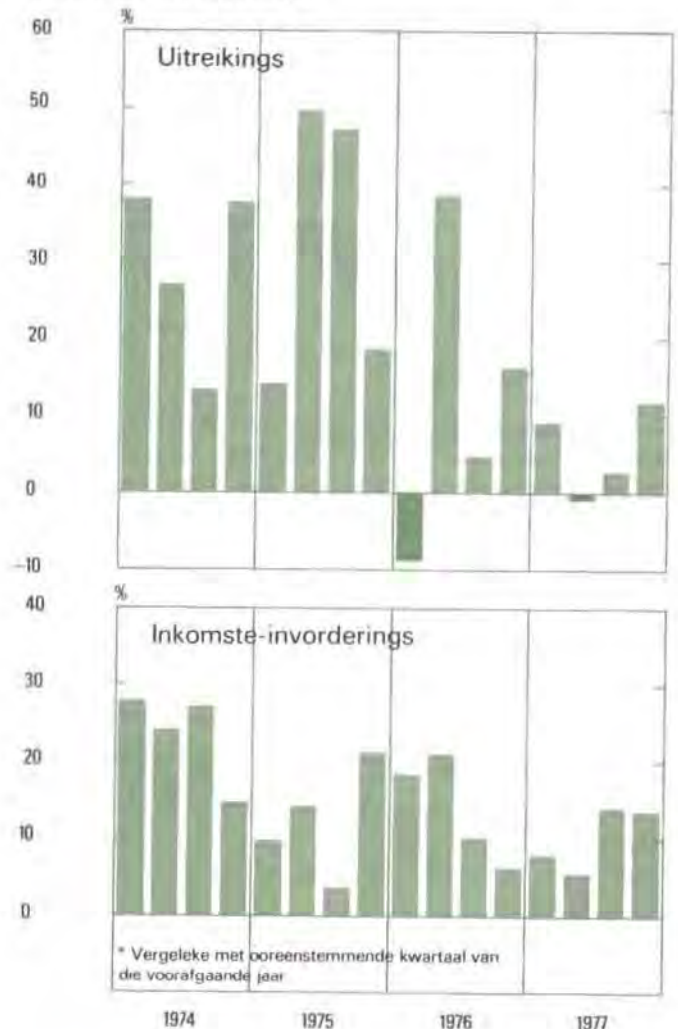
Staatsfinansies

Lae groeikoers in skatkisuitreikings

In ooreenstemming met die beleid van die regering om die koers van toename in die regeringsuitgawes te beteuel, het die skatkisuitreikings gedurende 1977 met slegs 5,7 persent gestyg, nadat dit in 1976 met 12 persent toegeneem het. Op 'n kwartaalbasis het die uitreikings dieselfde patroon as in 1976 gevolg en in die eerste en derde kwartale gedaal maar in die tweede en vierde kwartale gestyg.

Gedurende die eerste nege maande van die huidige fiskale jaar, d.w.s. die tydperk April tot Desember 1977, was die uitreikings slegs 4,6 persent hoër as in die ooreenstemmende tydperk in 1976. Hierdie toename was aansienlik laer as die 7,8 persent wat in die Begroting vir die jaar in sy geheel verwag is. Gevolglik is die verwagting dat uitreikings in die eerste kwartaal van 1978 taamlik aansienlik sal styg, selfs voordat die

Persentasieverandering* in skatkisuitreikings en inkomste-invorderings



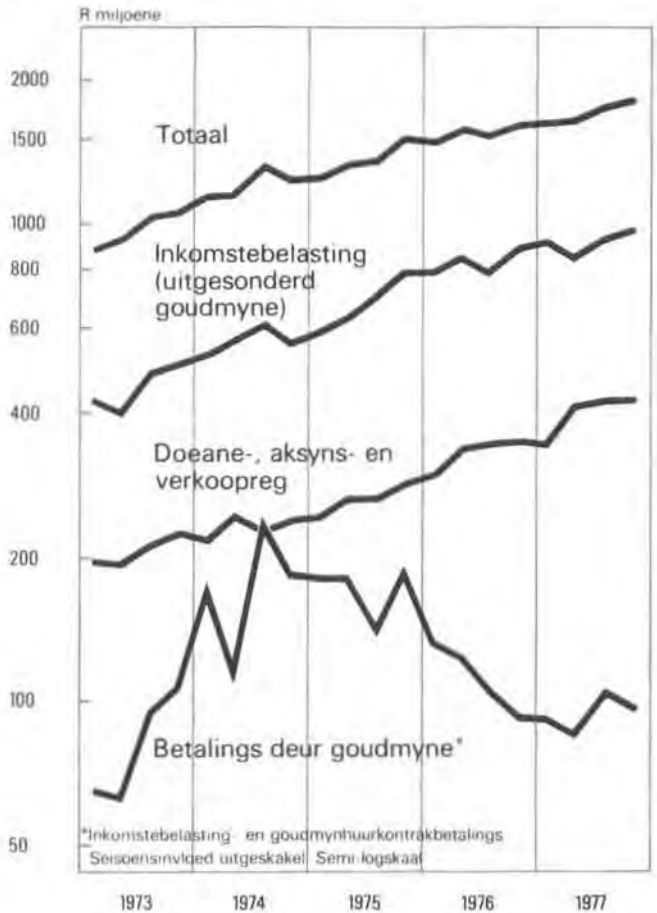
gebruiklike addisionele bewilligings wat deur die Parlement voor die einde van die finansiële jaar goedgekeur word, in ag geneem is.

Laer as verwagte styging in inkomste-invorderings

Gedurende 1977 het die inkomste-invorderings deur die sentrale regering met 12 persent gestyg, vergeleke met 'n toename van 14 persent in 1976. Die ingevorderde inkomstebelasting, uitgesonderd inkomstebelastingbetalings deur goudmynmaatskappye, het gedurende 1977 met 11 persent toegeneem, die laagste persentasiestyging wat in die sewentigerjare aangeteken is. 'n Laer koers van toename in die belasting betaal deur nie-mynboumaatskappye was grotendeels vir die betreklik lae koers van toename in hierdie inkomstekategorie verantwoordelik. Daarbenewens het die inkomstebelastingbetalings deur individue ook teen 'n laer koers toegeneem. Die ontvangste vanaf goudmyne in die vorm van inkomstebelasting en mynhuurkontrakte het in die eerste helfte van 1977 voortgegaan om te daal en alhoewel hierdie neiging in die tweede helfte van die jaar vanweë 'n hoër koers van toename in die prys van goud omgeswaai het, het hierdie bron van inkomste gedurende die jaar in sy geheel gedaal.

Ná die instelling van 'n bo-belasting van 15 persent op sekere kategorieë ingevoerde goedere, het die ontvangste aan doeaneregte aansienlik gestyg. Vir die jaar 1977 was hierdie ontvangste 67 persent hoër as in die voorafgaande jaar, maar as gevolg van 'n daling in invoere was die opbrengs nogtans kleiner as wat verwag is. Die invorderings van aksyns- en verkoopreg

Inkomste-invorderings



Inkomste-invorderings – Staatsinkomstefonds

	Kalenderjare		Fiskale jare					
	1976	1977	1976/77		1977/78			
			Jaar	April-Des.	Begrotingsdata, jaar		April-Des.	
	R miljoene	R miljoene	R miljoene	R miljoene	R miljoene	% verander	R miljoene	% verander
Doeane-, aksyns- en verkoopreg¹								
Doeanereg	345	575	324	251	741	128,7	502	100,1
Aksynsreg	780	855	834	616	894	7,1	636	3,4
Verkoopreg	267	308	273	207	337	23,3	242	16,8
Totaal	1 392	1 739	1 432	1 073	1 972	37,7	1 380	28,6
Binnelandse inkomste								
Inkomstebelasting (uitgesonderd betalings deur goudmyne)	3 278	3 628	3 395	2 320	3 822	12,6	2 553	10,0
Betalings deur goudmyne	457	371	408	310	560	37,2	273	-12,1
Ander ²	1 114	1 247	1 145	781	1 195	4,4	884	13,2
Totaal	4 849	5 246	4 948	3 411	5 577	12,7	3 710	8,7
Totale inkomste	6 241	6 985	6 379	4 485	7 548	18,3	5 090	13,5

1. Sluit invorderings ten opsigte van betalings aan aangrensende gebiede kragtens doeanebereenkomste in.

2. Om vergelykbaarheid van gegewens te verseker, sluit hierdie pos rentebetalings deur die Suid-Afrikaanse Spoorweg-administrasie in maar nie rente- en delgingsbetalings deur provinsiale administrasies nie.

het ook teen 'n betreklik lae koers toegeneem, wat die slapte van die binnelandse vraag weerspieël het.

Soos in die bygaande tabel getoon word, het die invorderings van inkomste gedurende die eerste nege maande van die fiskale jaar teen 'n laer koers gestyg as wat in die Begroting vir die fiskale jaar in sy geheel verwag is, naamlik met 13 persent teenoor 'n begrotingsyfer van 18 persent. Die meeste inkomste-poste het nie daarin geslaag om die koerse van toename te bereik wat in die begrotingsramings voorsien is nie.

Skatkistekort hoofsaaklik uit binnelandse nie-bankbronne gefinansier

Die tekort op die Skatkisrekening (uitgesonderd lenings en skulddelging) het in 1977 R1 728 miljoen beloop. Vanweë die betreklik lae koers van toename in die skatkisuitreikings gedurende die jaar, was die tekort egter bykans R209 miljoen minder as in 1976.

By die finansiering van die tekort het die regering daarin geslaag om die meeste van die benodigde fondse by binnelandse nie-bankbronne te leen. Deur middel van 'n aantal goed ondersteunde effekte-uitgiftes, wat deur suksesvolle uitgiftes van nie-bemerkbare effekte en verpligte leningsheffings aangevul is, is 'n bedrag van R1 069 miljoen, of 62 persent van die skatkistekort, van die private nie-banksektor verkry. Daarbenewens is 'n netto bedrag van R299 miljoen deur die Staatskuldkommissarisse in staatskuldbewyse belê.

Nieteenstaande hierdie geslaagde nie-bank-lenings-bedrywighede, het die Tesourie se netto skuldposisie teenoor die monetêre banksektor nogtans met R384 miljoen gestyg. Hierdie syfer, wat slegs 22 persent van die skatkistekort verteenwoordig het, het bestaan uit 'n

toename van R464 miljoen in die monetêre banksektor se besit aan staatskuldbewyse en 'n gedeeltelik neutraliserende styging van R81 miljoen in skatkis-deposito's. Gedurende 1976 het die netto skuldposisie van die Tesourie teenoor die monetêre banksektor met R487 miljoen toegeneem.

In teenstelling met die voorafgaande jaar toe 'n netto bedrag van ongeveer R450 miljoen (insluitende trekkings van R391 miljoen by die Internasionale Monetêre Fonds) van die buitelandse sektor geleen is, het die regering gedurende 1977 in werklikheid sy buitelandse skuld met R24 miljoen verminder. Die buitelandse lenings wat gedurende 1977 aangegaan is, het 'n verdere trekking van R78 miljoen by die Internasionale Monetêre Fonds ingesluit, wat beteken het dat die regering gedurende die jaar in werklikheid R102 miljoen aan buitelandse skuld terugbetaal het.

Nuwe effekte-uitgiftes

Tussen 1 en 8 Februarie 1978 is twee effekte-uitgiftes vir openbare inskrywing beskikbaar gestel. Die korttermyn-uitgifte het 'n opbrengskoers van $8\frac{3}{4}$ persent aangebied en aansoeke ten bedrae van R72 miljoen getrek, waarvan R69 miljoen van die monetêre banksektor en R3 miljoen van die private nie-banksektor afkomstig was. Die langtermyn-effekte-uitgifte van $10\frac{3}{4}$ persent, wat 'n verdere uitgifte van die effekte was wat reeds in November 1977 vir inskrywing beskikbaar gestel is, het aansoeke ter waarde van R88 miljoen, uitgesonderd inskrywings deur die Staatskuldkommissarisse, ontvang. Die aansoeke deur die monetêre banksektor vir hierdie uitgifte het R13 miljoen bedra, terwyl die private nie-banksektor, hoofsaaklik versekeraars en pensioenfondse, vir 'n bedrag van R75 miljoen ingeskryf het.

Skatkisfinansiering

R miljoene

	1976	1977				Totaal
		1ste kw.	2de kw.	3de kw.	4de kw.	
Tekort (uitgesonderd lenings en skulddelging)	1 936	92	816	130	689	1 728
Gefinansier deur:						
Binnelandse nie-bankbronne:						
Staatskuldkommissarisse	227	-108	312	70	25	299
Betaalmeestergeneraal	-120	—	—	—	—	—
Private sektor	891	71	148	444	406	1 069
Totaal	999	-37	461	514	431	1 368
Monetêre banksektor:						
Verandering in skuldbesit	565	22	55	335	52	464
Verandering in deposito's ¹	-77	93	286	-721	261	-81
Totaal	487	115	341	-386	313	384
Buitelandse sektor	450	14	15	2	-54	-24
Totale finansiering	1 936	92	816	130	689	1 728

1. Toename —, afname +

Spoorwegbegroting

Op 1 Maart 1978 het die Minister van Vervoer die 1978/79-Begroting van die Suid-Afrikaanse Spoorwegadministrasie by die Parlement ingedien. Gedeeltelik as gevolg van die voortgesette trae ekonomiese toestand sal die inkomste gedurende die lopende finansiële jaar wat op 31 Maart 1978 eindig, laer wees as wat oorspronklik beraam is. Aan die ander kant is aansienlike besparings in besteding gedurende die jaar bewerkstellig en daar word verwag dat die 1977/78 finansiële jaar met 'n surplus van R34 miljoen afgesluit sal word. 'n Surplus van slegs R134 000 is in die 1977/78-Begroting in die vooruitsig gestel.

Teen die bestaande tariewe word inkomste gedurende die 1978/79 finansiële jaar op R2 880 miljoen geraam en dit word verwag om R242 miljoen minder te bedra as die verwagte totale besteding van R3 121 miljoen. Om hierdie tekort te dek is 'n wyë reeks tariefverhogings aangekondig. Hierdie verhogings, wat gemiddeld 8,6 persent bedra, sal met ingang 1 April 1978 in werking tree en 'n bykomende inkomste van R241 miljoen lewer. Daar word derhalwe verwag dat die 1978/79 finansiële jaar met 'n tekort van R168 000 afgesluit sal word.

Die Poskantoorbegroting

Toe hy die 1978/79-Begroting van die Department van Pos- en Telekommunikasiewese op 13 Maart 1978 ingedien het, het die Minister van Pos- en Telekommunikasiewese verklaar dat alhoewel net 40 persent van die Department se besteding uit eie bronne gefinansier kon word en dat aansienlike verliese op sekere dienste gely word, daar besluit is om nie tariewe op hierdie stadium te verhoog nie. Gedurende die lopende finansiële jaar wat op 31 Maart 1978 eindig word verwag dat die totale bedryfs- en kapitaalbesteding en inkomste effens meer sal styg as wat in die vooruitsig gestel is. In die 1978/79-Begroting word beraam dat die bedryfsuitgawe met 13 persent sal toeneem tot R693 miljoen en kapitaalbesteding met 22 persent tot R317 miljoen. Inkomste word beraam op R744 miljoen, of 10 persent meer as in 1977/78. Gedurende 1978/79 sal bykans 60 persent van die kapitaalbesteding deur middel van lenings gefinansier word en die saldo sal verkry word uit bedryfsurplusse, voorsiening vir waardervermindering en geld wat in die Posspaarbank belê word.

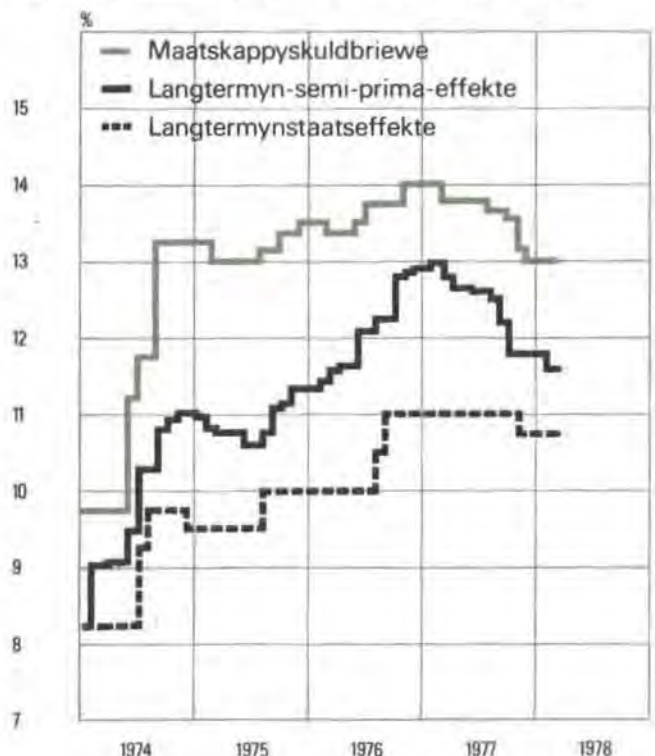
Kapitaalmark

Verruiming in die mark vir vaste-rentedraende effekte

Die stram toestand wat regdeur 1976 en die eerste twee maande van 1977 in die mark vir vaste-rentedraende effekte geheers het, het gedurende die oorblywende tien maande van die jaar merkbaar verruim, nieteenstaande 'n aansienlike toename in die vraag na nuwe fondse. Die netto nuwe uitgiftes van bemerkbare effekte deur die openbare sektor, uitgesonderd die toename in die betrokke leners se besit aan hul eie effekte, het gedurende 1977 byvoorbeeld R2 083 miljoen bedra, vergeleke met R1 163 miljoen in 1976. Die sukses van die openbare sektor met die verkryging van fondse in hierdie mark was toe te skryf aan die betreklik beperkte bedrag aan fondse wat deur die private sektor benodig was, die verhoging van die wetlike verpligting van finansiële instellings om groter beleggings in prima- en semi-prima-effekte te hou, en die verwagtings van beleggers dat die opbrengskoerse op effekte afwaarts aangepas sou word. Die nuwe uitgiftes van vaste-rentedraende effekte deur maatskappye in die private sektor wat op die effektebeurs genoteer is, het gedurende 1977 R190 miljoen bedra.

Die verruiming van die toestand in die mark is in laer opbrengskoerse op vaste-rentedraende effekte weerspieël. So het die opbrengskoerse op nuwe

Opbrengskoerse op vaste-rentedraende effekte



langtermynuitgiftes van die hoogste graad semi-prima-effekte gedurende Februarie 1977 'n hoogtepunt van 12,98 persent bereik en daarna met 1,18 persentasiepunte gedaal tot 'n vlak van 11,80 persent aan die einde van 1977. Insgelyks het die opbrengskoers op nuwe uitgiftes van maatskappyskuldbriewe van 14,0 persent in Maart 1977 tot 13,0 persent aan die einde van die jaar gedaal. Die opbrengskoers op nuwe uitgiftes van langtermynstaatseffekte het vanaf September 1976 onveranderd op 11,0 persent gebly totdat dit aan die begin van November 1977 tot 10,75 persent verlaag is. As gevolg van hierdie veranderings, het die marge tussen die opbrengskoerse op langtermynsemi-prima- en prima-effekte vanaf 1,98 persent in Februarie 1977 tot 1,05 persent aan die einde van die jaar vernou. Hierdie gaping was slegs effens groter as die

gemiddelde marge van 0,97 persent gedurende die voorafgaande vyf jaar.

Die ruimer toestand in die mark vir vaste-rentedraende effekte het gedurende die eerste twee maande van 1978 voortgeduur en die opbrengskoers op nuwe uitgiftes van langtermynsemi-prima-effekte het in Februarie verder gedaal tot 11,58 persent.

Algemene herstel in aandelepryse en effektebeursomset

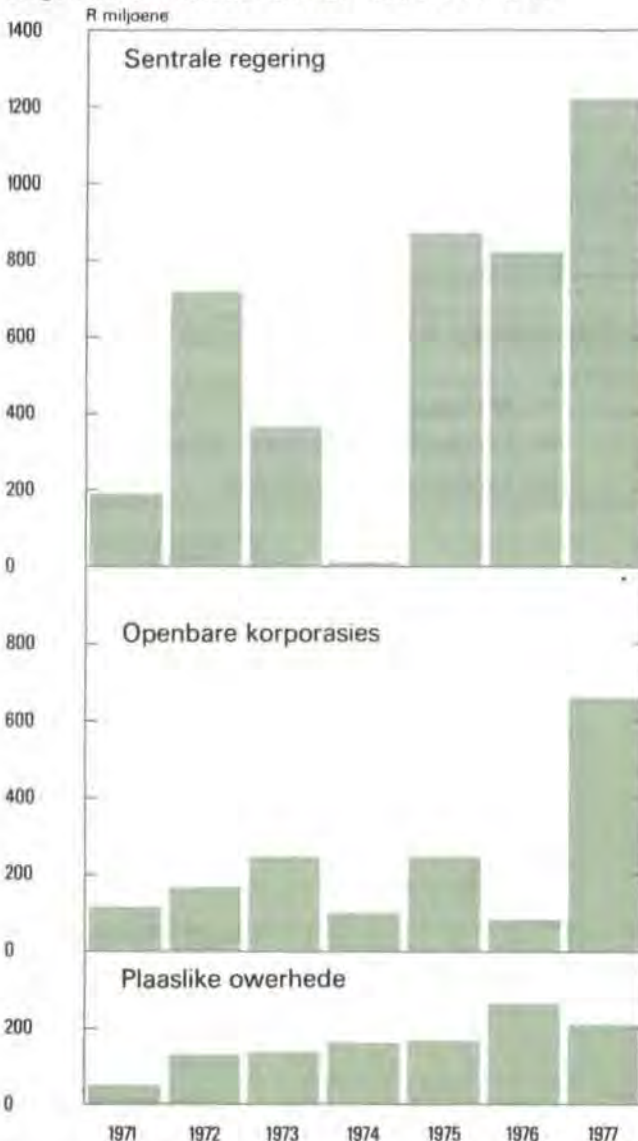
Die afwaartse beweging van die pryse van die meeste klasse aandele het gedurende die eerste helfte van 1977 voortgeduur, maar gedurende die tweede helfte van die jaar het die aandelepryse opmerklik herstel. Die aandeleprysindeks, wat alle aandele wat op die effektebeurs genoteer word insluit, het gedurende die eerste ses maande van 1977 met 6 persent gedaal voordat dit gedurende die tweede helfte met 21 persent gestyg het. In Desember 1977 was die aandelepryse gemiddeld 14 persent hoër as in Desember 1976. In vergelyking hiermee het die pryse van goudmyn-, steenkoolmyn- en ander metaal- en mineraalaandele met onderskeidelik 17 persent, 13 persent en 31 persent gestyg. Die finansiële aandelepryse het 'n toename van 14 persent getoon en die stadigste styging is getoon deur die nywerheids- en handelsaandelepryse, wat met 5 persent gestyg het. Hierdie verstewiging is in Januarie 1978 voortgesit maar aandelepryse het in Februarie oor 'n breë front gedaal en die pryse van alle klasse aandele was gemiddeld ongeveer 3 persent laer as in Januarie.

In ooreenstemming met die styging in die aandelepryse, het die gemiddelde dividendopbrengskoers op alle klasse aandele van 9,53 persent in Desember 1976 tot 7,96 persent in Desember 1977 gedaal. Die omgekeerde rendementsgaping tussen aandele en langtermynstaatseffekte het van 1,47 persent in Desember 1976 tot 2,79 persent in Desember 1977 vergroot.

Die verbetering in die toestand op die effektebeurs is ook in 'n hoër vlak van die effektebeursomset weerspieël. Die aantal aandele wat gedurende die tweede helfte van 1977 verhandel is, was gemiddeld 21 persent hoër as gedurende die eerste helfte, en die omset gedurende die jaar in sy geheel was 8 persent hoër as in 1976. Gedurende Januarie 1978 het die aantal aandele verhandel 'n verdere styging getoon maar gedurende Februarie opmerklik gedaal.

Die effeketrusts het vir die sewende opeenvolgende jaar 'n uitvloeiing van fondse ondervind. Die netto terugkope van onderaandele het R9 miljoen bedra, vergeleke met R8 miljoen gedurende 1976. Ten spyte van hierdie uitvloeiing, het die styging in die aandelepryse die markwaarde van die trusts se netto bates gedurende 1977 met R42 miljoen, tot 'n vlak van R325 miljoen aan die einde van die jaar, laat styg. Die netto uitvloeiing van fondse is in Januarie 1978 voortgesit toe die netto terugkope van onderaandele R2 miljoen bedra het.

Netto uitgiftes van bemerkbare effekte uitgesonderd leners se besit aan eie effekte



Seisoensaangesuiwerde beweging van langertermynfondse na deposito-nemende en verwante instellings en staatspaarfasiliteite
R miljoene

	1976	1977				
	Jaar	1 ste kw.	2de kw.	3de kw.	4de kw.	Jaar
Toename in bouverenigingaandele en -deposito's	574	130	136	153	160	579
Toename in spaar- en langtermyndeposito's by bankinstellings	286	198	138	66	261	663
Netto belegging in deelnemingsverband-skemas	64	-8	10	8	4	14
Netto belegging in Posspaarkbank en Nasionale Spaarsertifikate	183	56	61	52	42	211
Netto belegging in Tesourie-obligasies	5	—	6	48	73	127
Totaal	1 112	376	351	327	540	1 594

Toename in die beweging van langertermynfondse na depositonemende en verwante instellings en staatspaarfasiliteite

Die beweging van langertermynfondse na depositonemende en verwante instellings en staatspaarfasiliteite wat gedurende die tweede helfte van 1976 toegeneem het, het gedurende die eerste drie kwartale van 1977 min of meer op die hoër vlak gebly. Gedurende die vierde kwartaal het hierdie beweging van fondse opvallend verder toegeneem en vir die jaar in sy geheel was dit 43 persent hoër as in 1976. Hierdie groter beweging was die opmerklikste in die geval van bankinstellings en die staatspaarfasiliteite (Poskantoorfasiliteite uitgesluit). Matiger toenames het in die geval van die bouverenigings en die Poskantoorpaarfasiliteite voorgekom. Die beweging van fondse na die deelnemingsverband-skemas het gedurende 1977 op 'n lae vlak gebly en het in vergelyking met die voorafgaande jaar 'n daling getoon.

Die seisoensaangesuiwerde beweging van fondse na die bouverenigings was gedurende Januarie 1978 op ongeveer dieselfde vlak as die maandelikse gemiddelde vir die vierde kwartaal van 1977, maar die beweging van langertermynfondse na die monetêre bankinstellings was heelwat hoër as die reeds hoë maandelikse gemiddelde gedurende die laaste kwartaal van 1977.

Laer vlak van bedrywigheid in die verband- en vaste eiendomsmark

In teenstelling met die ander afdelings van die kapitaalmarkt, het die bedrywigheid in die verband- en vaste eiendomsmark nie gedurende 1977 toegeneem nie. Nuwe verbandlenings toegestaan deur die bouverenigings het gedurende 1977 R910 miljoen bedra, of 15 persent minder as die ooreenstemmende bedrag van R1 070 miljoen vir 1976. Die bedrag wat gedurende 1977 in werklikheid aan nuwe verbande uitbetaal is, het R986 miljoen beloop, wat ook minder was as die ooreenstemmende bedrag van R1 199 miljoen gedurende die voorafgaande jaar. Die bedrag wat deur die deelnemingsverband-skemas aan nuwe verband-

Bouverenigings



lenings uitbetaal is, het ook afgeneem, naamlik van R145 miljoen in 1976 tot R90 miljoen in 1977.

Die bedrag van die fondse wat die bouverenigings gedurende 1977 aan nuwe verbandlenings toegedeel het, is beïnvloed deur hul verpligting om 'n minimum bedrag aan voorgeskrewe beleggings in stand te hou, ná die herinstelling van die voorgeskrewe beleggingsvereistes vir bouverenigings in die 1977/78-Begroting. Die verenigings se besit aan voorgeskrewe beleggings

(insluitende likwiede bates), wat gedurende 1976 met R96 miljoen en gedurende die eerste kwartaal van 1977 met 'n verdere R8 miljoen gedaal het, het gedurende die daaropvolgende nege maande met R122 miljoen toegeneem.

Die bedrywigheid in die vaste eiendomsmark het gedurende 1977 op 'n lae vlak gebly. Die waarde van die vaste eiendomstransaksies gedurende die jaar was 15 persent laer as in 1976.