South African Reserve Bank

Suid-Afrikaanse Reserwebank

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

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* denotes preliminary figures

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Quarterly economic review

Summary and general observations

In the Governor's Address at the Reserve Bank's Annual General Meeting on 21 August 1979 and in the Bank's **Annual Economic Report** published at the time of the meeting, economic developments during the year that ended on 30 June 1979, were reviewed in detail. This review will be limited, therefore, to a brief description of developments during the second quarter of 1979 and, depending on the availability of statistics, during July and August.

The moderate cyclical recovery of economic activity during 1978 and the first quarter of 1979 continued during the second quarter, but the pace of the upswing slackened somewhat during this quarter. In some sectors of the economy conditions remained sluggish and in others the rate of increase in activity slowed down. As a result, the real gross domestic product of the non-agricultural sectors of the economy increased only moderately in the second quarter, after an appreciable rise had occurred in the first quarter. A sharp increase in the real value added by agriculture raised the rate of growth in total real gross domestic product to a slightly higher level than in the first quarter, but this increase was merely the result of the earlier harvesting of summer crops. The slowdown in the rate of increase in the non-agricultural real gross domestic product was reflected in a slight rise in registered unemployment during the second quarter and the subsequent two months. This rise represented a reversal of a declining trend which had started at the end of 1977.

Although real aggregate domestic demand increased moderately in the second quarter, it could not sustain a higher rate of economic growth. In real terms, private consumption expenditure rose only marginally, government consumption expenditure showed virtually no change, and gross domestic fixed investment continued on a downward trend. Real inventory investment, however, changed markedly, but increases were confined mostly to agricultural stocks-in-trade and mining inventories. Although measures that are aimed at the further stimulation of the economy by means of encouraging demand were incorporated in the 1979/80 Budget, most of these will start taking effect only in the third quarter of 1979.

Because of the predominant influence of cost factors on price increases, the sluggish demand did not contribute towards lowering the rate of inflation. The rate of increase in consumer prices, which had started to accelerate in the first quarter of 1979, rose further in the second quarter and in July. Wholesale prices already began to rise at a higher rate in the last quarter of 1978 and the rate of increase accelerated markedly in the second quarter of 1979 and in July.

The marked improvement in the terms of trade during 1978 and the first quarter of 1979 did not continue during the second quarter. In addition, declines occurred in the seasonally adjusted volume of exports and net gold output. Despite these changes, the current account of the balance of payments continued to show a substantial surplus in the second quarter. This surplus was, however, well below the record figure in the preceding quarter. A substantial net outflow of capital, which exceeded the surplus on the current account, was recorded in the second quarter. This caused the net gold and other foreign reserves to decline for the first time during any quarter since the last quarter of 1977. During July the net foreign reserves of the Reserve Bank decreased substantially further, but increased again during August.

The narrowly defined money supply as well as the supply of money and near-money, seasonally adjusted, declined during the second quarter, but increased sharply during July. The decline in the money and near-money supply during the second quarter occurred notwithstanding a rapid increase in the monetary banking sector's claims on the private sector. This increase was offset, however, by a decline in the net gold and other foreign reserves of the monetary banking sector and in this sector's net claims on the government sector, as well as by a further rise in the private sector's long-term deposits with monetary banking institutions. A substantial increase in net claims on the government sector and a decline in long-term deposits of the private sector with monetary banking institutions were the most important causes of the increase during July. The expansion of bank credit to the private sector caused the unused facilities under the ceilings on the banks' discounts, loans and advances to decline considerably during the second quarter, but during July these facilities increased again. With effect from 31 August, these ceilings as well as those on private sector investments were raised by the Reserve Bank by an additional 4 per cent of their respective base figures as at the end of December 1975.

The liquidity of all groups of banking institutions remained at a high level during the second quarter and July. Excess liquidity even increased during this period and contributed to a marked easing of money market conditions, especially after the first few days of May up to late August. Reflecting these developments, money market interest rates declined almost uninterruptedly from the beginning of May and stood at considerably lower levels at the end of August. Bank rate was reduced on 13 August as a means of further relaxing monetary policy and in recognition of the decline in short-term interest rates.

This was followed by a lowering of the commercial banks' prime overdraft rate and of most deposit interest rates.

In the capital market, long-term fixed-interest security yields increased slightly during the second quarter, apparently more because of changed expectations regarding price increases and uncertainties about prospective interest rate movements than because of actual shifts in the supply of or demand for loanable funds. During July and August, however, the rise in yields was reversed to some extent. Share yields followed a similar course; a slight rise during the second quarter was followed by a decrease during July and August.

National accounts*

Real gross **domestic** product, which had risen by 2½ per cent in 1978, increased at annual rates of about 3½ per cent and 4 per cent in the first and second quarters of 1979, respectively. In the first half of 1979, real gross domestic product was approximately 3½ per cent higher than in the corresponding period in 1978. Because of a sharp increase in the first quarter, real gross **national** product was about 6 per cent higher in the first half of 1979 than in the corresponding six months of 1978. In terms of quarterly changes, however, real gross national product increased at a lower rate during the second quarter of 1979 because the marked improvement in South Africa's terms of trade during the first quarter was not maintained during this period.

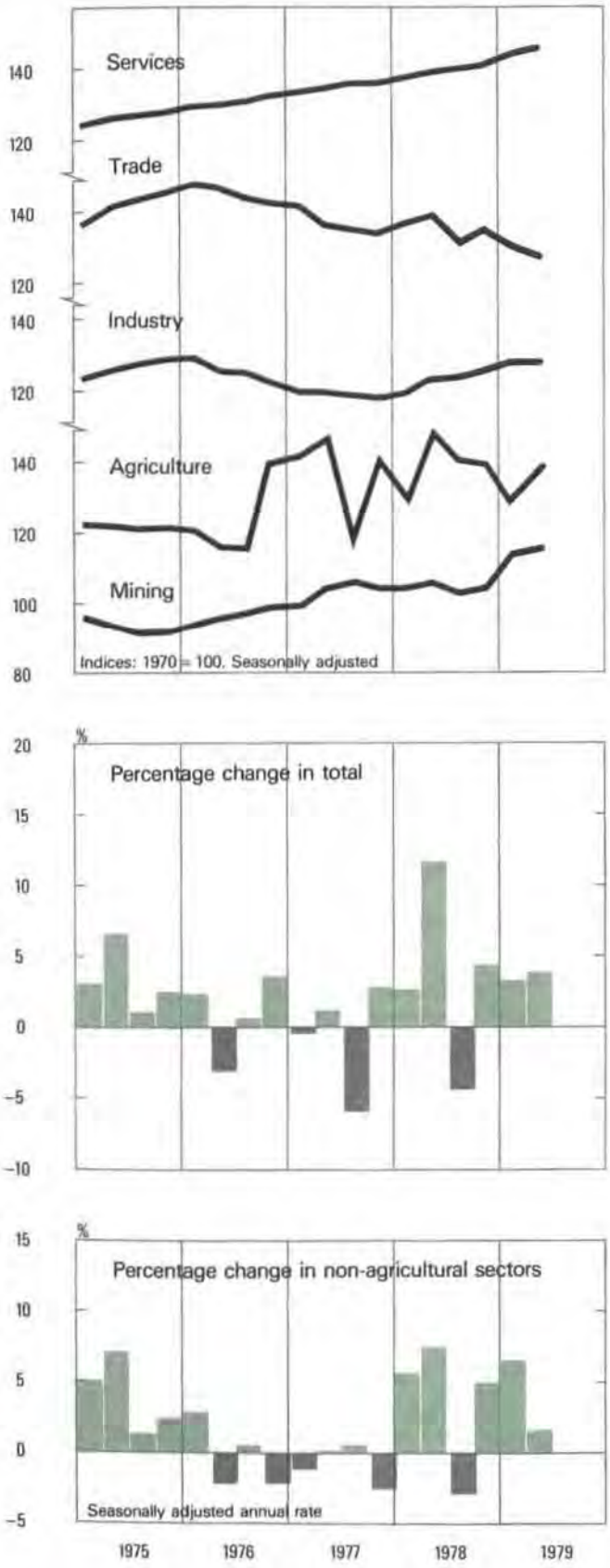
Most of the increase in the real gross domestic product in the second quarter of 1979 was accounted for by a substantial rise in the real value added by agriculture. Although summer crops are expected to be appreciably smaller in 1979 than in the preceding year, the early harvesting of these crops raised the real product of agriculture in the second quarter. The increase in the real value added by the non-agricultural sectors of the economy slowed down considerably from the first to the second quarter of 1979. Lower rates of growth in the second quarter were recorded in the real gross domestic product of such sectors as mining, manufacturing, transport and finance. A particularly sharp decrease occurred in the rate of growth in the real value added by mining, largely because the exceptionally rapid increase in the first quarter was not maintained in the second quarter. The real value added by the sector electricity, gas and water actually declined, following a substantial increase in the first quarter. In addition, the real value added by commerce decreased further during the second quarter.

Real gross domestic expenditure increased sharply at an annual rate of about 10 per cent in the second quarter, contributing materially to the level of such expenditure in the first half of 1979 being approximately 3½ per cent higher than in the corresponding period in 1978. The increase in the second quarter was almost solely accounted for by a substantial change in inventory investment; a sharp decline in inventories in the first quarter was followed by a small increase in the second quarter. This change could be observed in an increase in agricultural stocks-in-trade, mining inventories and, to a lesser extent, retail stocks, as well as in a smaller decline in manufacturing stocks. Wholesale stocks and the inventories of the motor trade continued to decline.

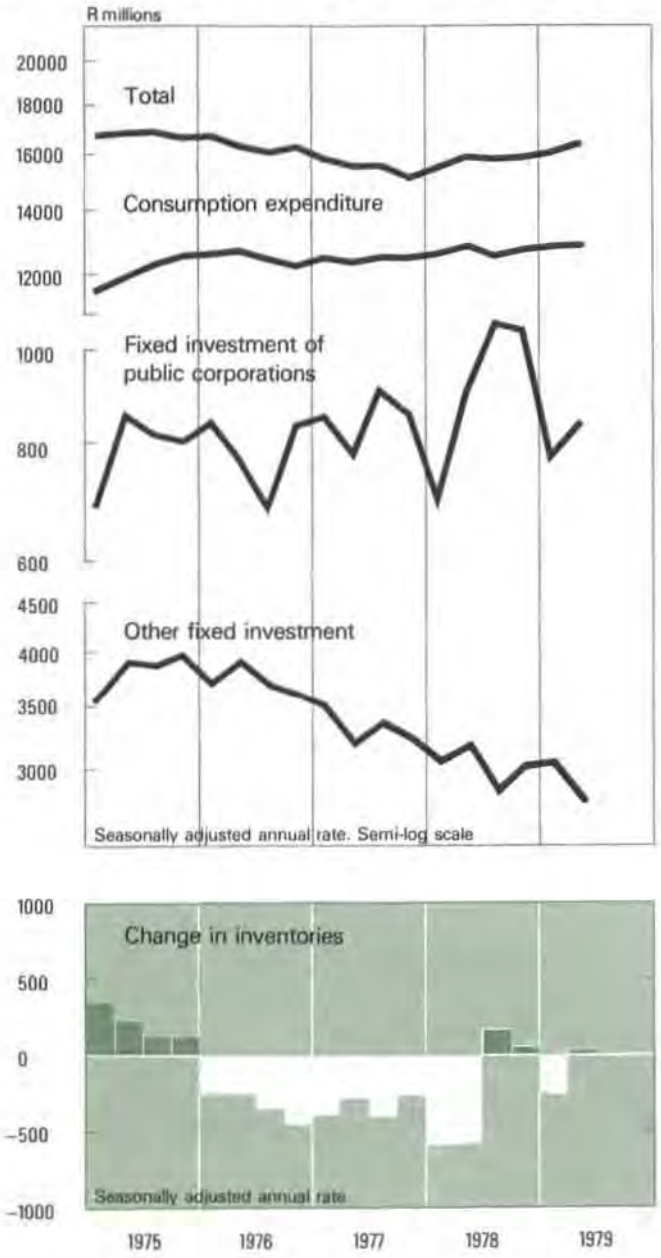
The other components of real gross domestic expenditure contributed, on balance, little to the

* Quarterly changes are based on seasonally adjusted data.

Gross domestic product at constant 1970 prices



Gross domestic expenditure at constant 1970 prices



increase in the second quarter. Private consumption expenditure rose only moderately, government consumption expenditure showed little change, and gross domestic fixed investment continued on a downward trend. The increase in real private consumption expenditure in the second quarter occurred in the durable and non-durable goods categories. Expenditure on semi-durable goods and on services actually declined in this period. The further decline in real gross domestic fixed investment was the net result of an increase in fixed capital outlays by public corporations and decreases in such outlays by the private sector and public authorities.

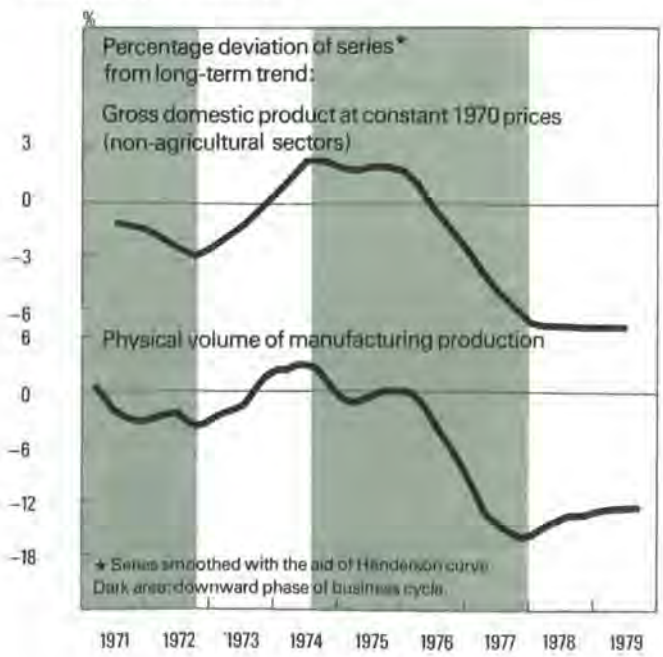
After a substantial further rise in the first quarter of 1979, gross domestic saving declined in the second quarter. Increases in personal saving and the provision for depreciation were more than offset by declines in corporate saving and the current surplus of general government. Gross domestic saving nevertheless exceeded gross domestic investment, the difference being reflected in a further surplus on the current account of the balance of payments.

Business cycle trends, labour conditions and prices

The cyclical recovery of economic activity during 1978 and the first quarter of 1979 continued during the second quarter. Judging from the slower increase in non-agricultural real gross domestic product and changes in other economic indicators, however, the pace of the upswing slackened somewhat during the second quarter. In some sectors of the economy, conditions remained sluggish and in others the rate of increase in activity slowed down. Although measures for the further stimulation of the economy were incorporated in the 1979/80 Budget, most of these measures will start taking effect only in the second half of 1979.

Comparatively high rates of increase in the volume of manufacturing and mining production in the first quarter of 1979 were followed by lower rates in the second quarter. Despite the more moderate increases in the second quarter, the volume of production in both these sectors was considerably higher in the first half of 1979 than in the corresponding period of 1978. Activity in the building and construction sector remained at a low level, but some improvement occurred during the first half of 1979. The value of wholesale and retail sales at constant prices, excluding sales of motor vehicles, declined further in the second quarter. In the first half of 1979 these sales were appreciably lower than in the first half of 1978. Average monthly sales of new motor vehicles increased sharply in the first four months of 1979,

Business cycle indicators



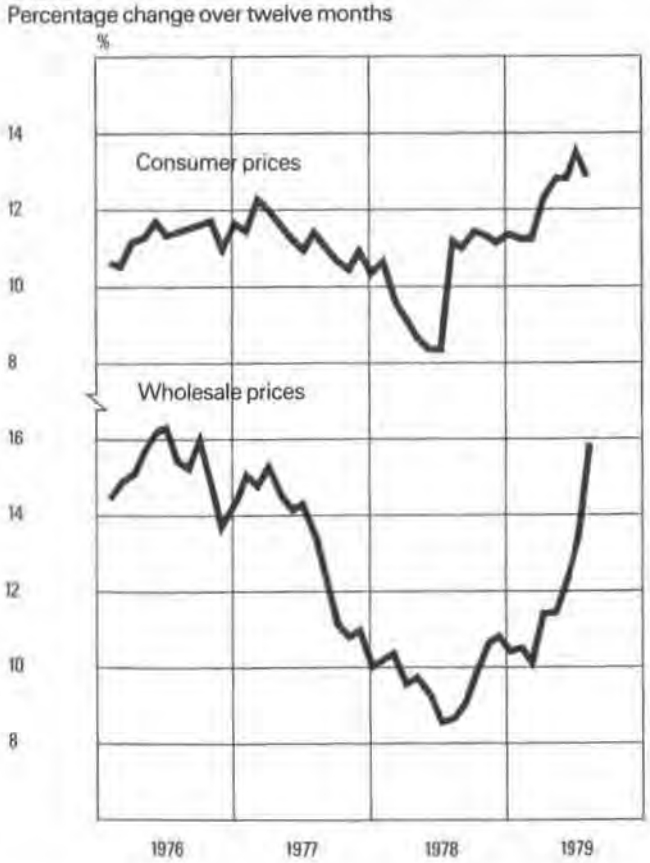
but declined during the subsequent four months. The number of new motor vehicles sold during the first eight months of the year was only slightly higher than in the corresponding period of 1978.

The slowdown in the rate of increase in the real gross domestic product of the non-agricultural sectors of the economy in the second quarter was reflected in a slight increase in registered unemployment. The seasonally adjusted number of registered unemployed Whites, Coloureds and Asians declined from its most recent peak of 31 750 in July 1978 to 27 270 in April 1979, before rising to 29 547 in July.

Based on quarterly averages, the seasonally adjusted consumer price index rose at an annual rate of 10,7 per cent in the first quarter and by 11,6 per cent in the second quarter of 1979. The more rapid price rise in the second quarter was attributable to a higher rate of increase in rent and servants' wages and in the prices of food, footwear, vehicles and petrol. The increase in petrol prices in June 1979 was reflected in the consumer price index for July, contributing an estimated 2,1 percentage points to the overall rise of 3,6 per cent in consumer prices between June and July. Compared with the same month in the preceding year, consumer prices rose by 12,8 per cent in both April and May, by 13,6 per cent in June, and by 12,9 per cent in July 1979. The lower rate of increase in July was due to the fact that the effect of the general sales tax was no longer reflected in the comparison of price figures over the twelve-month period.

The seasonally adjusted wholesale price index rose at annual rates of 12,9 per cent and 15,6 per cent in the first and second quarters of 1979, respectively. The acceleration in the rate of increase in the second quarter was due to more rapid rises in the prices of imported as well as domestically produced goods. Domestically produced goods of which the prices rose at higher rates included agricultural products, machinery, metal products, footwear and food. Between June and July wholesale prices increased by 2,6 per cent, largely on account of higher prices for steel and petroleum products. Compared with the same month in the preceding year, wholesale prices increased by 12,3 per cent in May, by 13,4 per cent in June, and by 15,8 per cent in July.

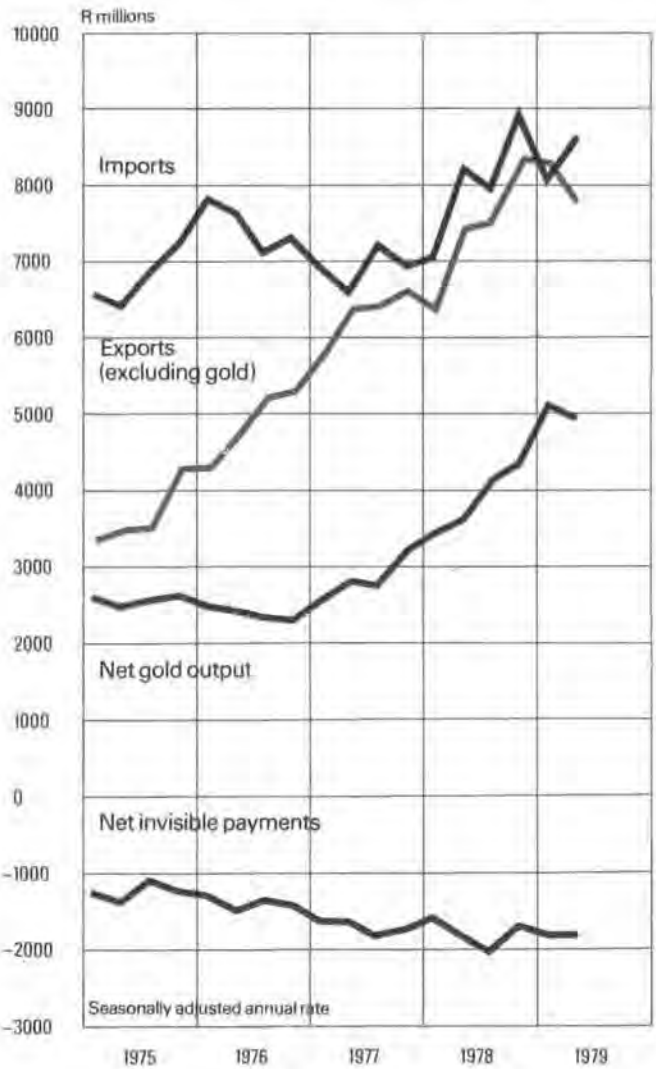
Prices
Percentage change over twelve months



Balance of payments

The surplus on the current account of the balance of payments decreased from a record figure of R1 025 million in the first quarter to R543 million in the second quarter of 1979. At a seasonally adjusted annual rate, the surplus on the current account amounted to R3 517 million in the first quarter and R2 257 million in the second quarter. Despite this decrease, the surplus in the second quarter was still equal to 5 per cent of the gross domestic product, compared with an average deficit ratio of 2 per cent in the post-war period. The smaller seasonally adjusted surplus in the second quarter was accounted for by an increase in merchandise imports, a decline in merchandise exports, and a lower net gold output. Net invisible payments to the rest of the world remained approximately the same as in the preceding quarter.

Balance of payments current account



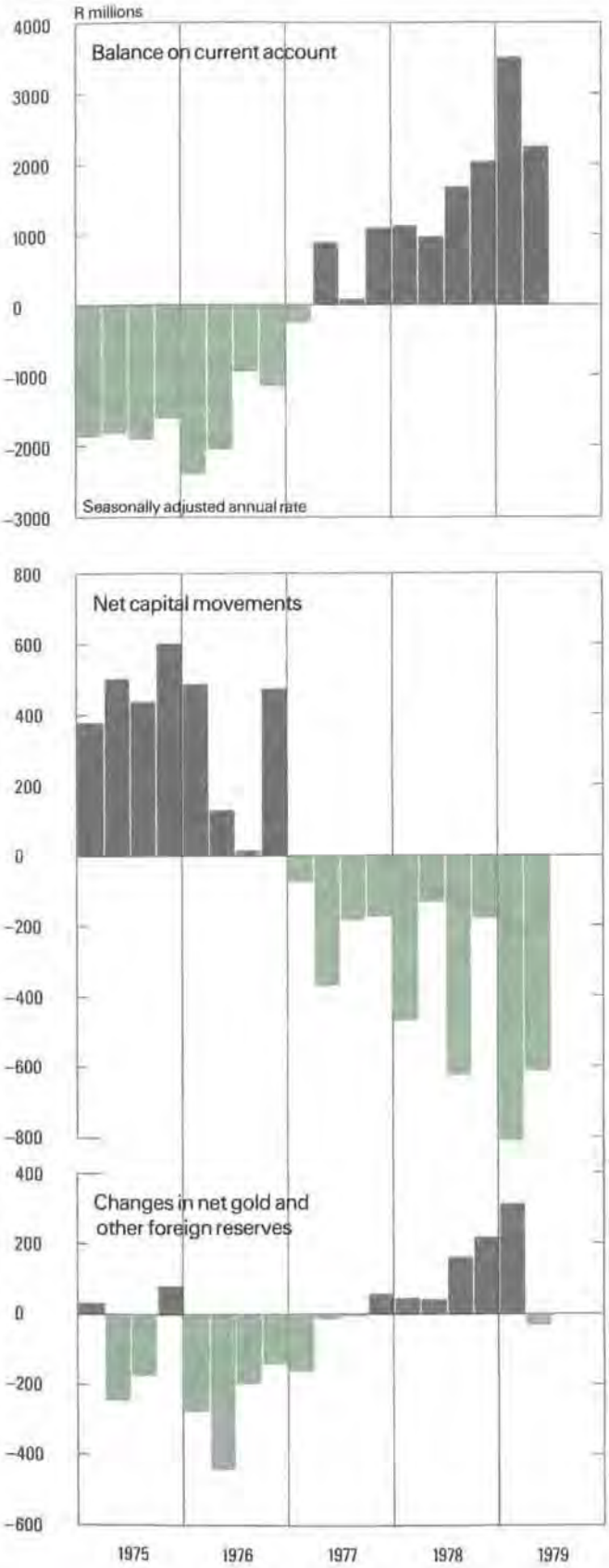
The value of merchandise imports, at a seasonally adjusted annual rate, increased from R8 014 million in the first quarter to R8 586 million in the second quarter of 1979. This increase occurred notwithstanding a further slight decline in the volume of imports, and was attributable, therefore, to a rise in import prices. The value of most categories of imports was higher in the second quarter, but particularly large increases were recorded in imports of petroleum products, machinery and electrical equipment, base metals, chemical products and artificial resins, and plastic materials. In July, however, the seasonally adjusted value of merchandise imports declined sharply, namely from an annual rate figure of R8 565 million in June to R7 670 million in July.

The value of merchandise exports, at a seasonally adjusted annual rate, declined from R8 280 million in the first quarter to R7 768 million in the second quarter of 1979, owing to a sharp decrease in the volume of exports. Export prices rose further during the second quarter, but at a lower rate than during the preceding quarter. The decline in the value of exports was attributable largely to lower diamond exports; the other main categories of exports continued to increase. Preliminary indications are that the seasonally adjusted value of merchandise exports increased appreciably in July.

At a seasonally adjusted annual rate, the value of the net gold output declined from R5 084 million in the first quarter of 1979 to R4 910 million in the second quarter because of a decline in volume. The price of gold continued to rise and the average price per fine ounce on the London market increased from $238,24 in the first quarter to $258,69 in the second quarter and $297,84 in the two-month period July to August.

A continued large net outflow of capital was recorded in the second quarter, but the amount of R614 million was nevertheless somewhat less than the corresponding amount of R813 million during the preceding quarter. A net outflow of short-term capital (including errors and omissions on the current as well as the capital account), amounting to R598 million, accounted for most of the outflow in the second quarter. Apart from a small net reduction of liabilities related to reserves, the net outflow of short-term capital consisted almost entirely of an outflow of private sector capital. To some extent this outflow was related to the widening of the margin between the effective cost of trade financing in terms of US dollars and in terms of rand. This margin amounted to 2,3 per cent at the end of March, but widened to 3,0 per cent in July and to 4,5 per cent in August. The net outflow of long-term capital amounted to only R16 million in the second quarter, compared with R133 million in the first quarter. The former figure consisted of a net inflow of R23 million to the central government and banking sector and a more than offsetting net outflow of R39 million from the private sector. The net inflow of capital to public corporations and local authorities was negli-

Balance of payments



gible because inflows in the form of project financing were counterbalanced by repayments on existing loans.

The net gold and other foreign reserves, which had increased during the preceding six quarters, declined by R37 million during the second quarter of 1979 on account of balance of payments transactions. During July the net gold and other foreign reserves of the Reserve Bank decreased further, namely by R146 million, but during August an increase of R120 million was recorded. If changes in liabilities related to reserves and valuation adjustments are taken into account, the total gross gold and other foreign reserves increased by R202 million during the second quarter to reach a level of R2 807 million at the end of June. Subsequently, the gross gold and other foreign reserves of the Reserve Bank rose from R2 548 million at the end of June to R2 688 million at the end of August.

After the new exchange rate system had come into operation at the end of January, the rand appreciated by 2,9 per cent against the US dollar during the remaining two months of the first quarter. The effective exchange rate of the rand appreciated by 2,3 per cent during this period. During the second quarter and the subsequent two months the rand appreciated, on balance, by 1,1 per cent against the US dollar, whereas the effective exchange rate of the rand actually depreciated by 0,6 per cent.

Monetary and banking situation

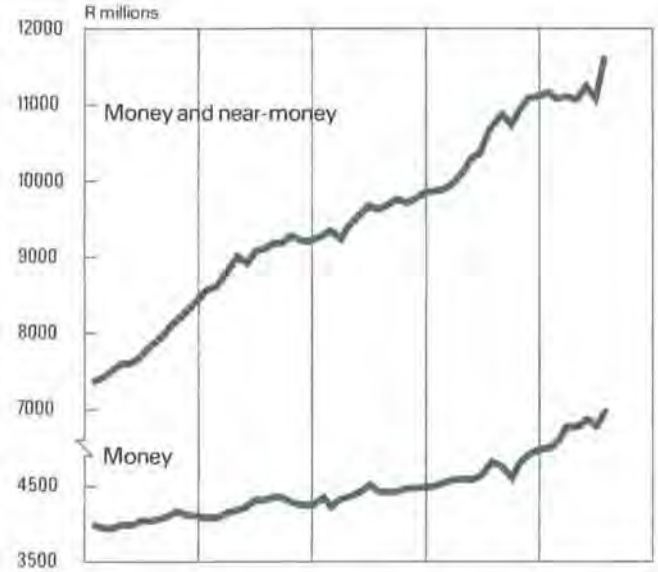
The seasonally adjusted supply of money and near-money, which had increased sharply during the second half of 1978 but only marginally during the first quarter of 1979, actually declined by R68 million, or at an annual rate of about 2 per cent, during the second quarter. During July, however, a substantial increase of R571 million occurred, resulting in an annual rate of increase of 14 per cent during the four-month period April to July 1979. After a substantial increase at a seasonally adjusted annual rate of 34 per cent during the preceding six months, the narrowly defined money supply declined slightly by R19 million during the second quarter of 1979, before rising sharply by R190 million during July.

As regards the causes of changes in the seasonally adjusted supply of money and near-money, claims of the monetary banking sector on the private sector rose rapidly at an annual rate of 20 per cent during the second quarter, compared with 11 per cent during the preceding quarter. This increase was more than offset, however, by decreases in the other causes of changes. The net gold and other foreign reserves of the monetary banking sector, which had increased consistently up to the first quarter, declined slightly by R28 million during the second quarter. A decline of R76 million in gross reserves, excluding valuation adjustments, was partly offset by a reduction of R48 million in the short-term foreign liabilities of the banking sector. Monetary banks' net claims on the government sector declined further by R69 million during the second quarter, bringing the total decline during the first half of 1979 to R482 million and net claims outstanding to their lowest level since May 1976. Long-term deposits of the private sector with monetary banking institutions, which had increased consistently during the past three years and at a high rate from the fourth quarter of 1977, rose more moderately by R157 million during the second quarter.

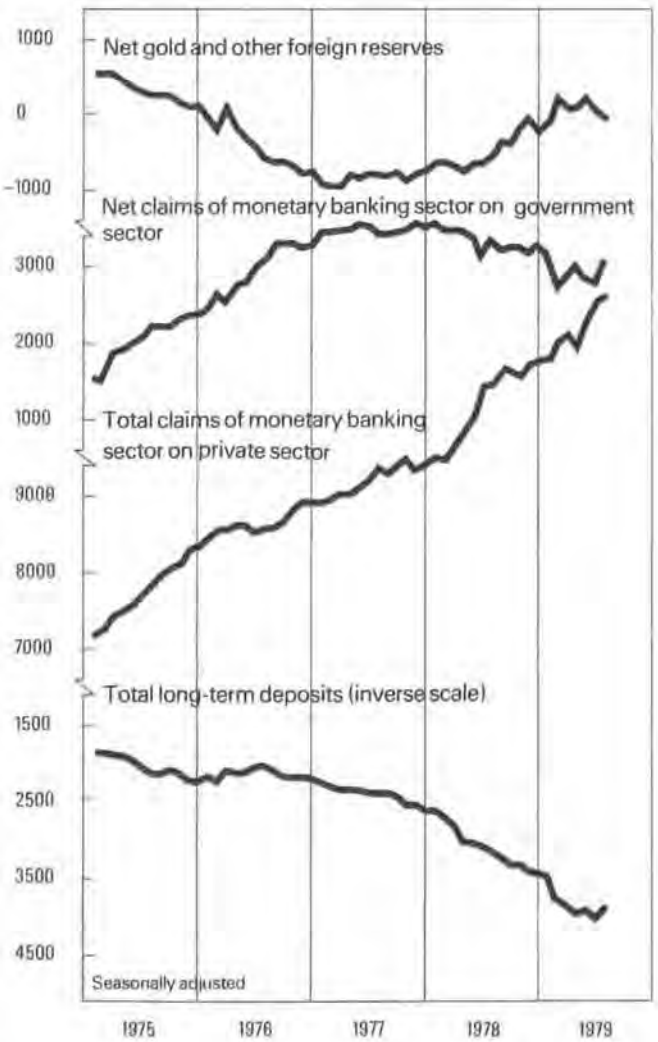
The increase in the seasonally adjusted supply of money and near-money during July was due to a large rise of R276 million in net claims on the government sector, mainly because of a substantial decline of R494 million in government deposits, a further moderate increase of R50 million in claims on the private sector, and a decrease of R150 million in long-term deposits of the private sector with monetary banks. The effect of these causes of change was partly offset by a decline of R106 million in the net gold and other foreign reserves of the monetary banking sector. During August, the net foreign reserves of the Reserve Bank, excluding the effect of the monthly revaluation of the gold reserves, increased by R123 million.

One reason for the more rapid rise in the monetary banking sector's claims on the private sector during the second quarter was a sharp increase of R98

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		
	1st qtr. 1979	2nd qtr. 1979	July 1979	1st qtr. 1979	2nd qtr. 1979	July 1979
Net gold and other foreign reserves	291	−28	−117	295	−28	−106
Claims on government sector						
Gross claims	−425	100	−202			
Government deposits (increase −, decrease +)	−226	289	494			
Net claims	−651	389	292	−413	−69	276
Claims on private sector	220	515	96	274	515	50
Long term deposits (increase −, decrease +)	−339	−292	179	−429	−157	150
Net other assets	226	−353	−21			
Total causes of changes	**−253**	**231**	**429**	**25**	**−68**	**571**

million in investments in private-sector securities. During the first quarter of 1979 these investments remained virtually unchanged. In addition, cash credit advances by the Land Bank rose by R85 million during the second quarter, increasing against the normal seasonal pattern by R124 million during June alone because of the earlier harvesting of summer crops. The discounts, loans and advances of commercial, merchant, monetary hire-purchase and general banks, which had increased sharply by R299 million in the first quarter, recorded a substantial further increase of R243 million during the second quarter. An analysis of this lending reveals that bills discounted rose by R67 million, hire-purchase credit by R111 million and leasing finance by R39 million. Other loans and advances, however, increased by only R26 million. The increase in the claims on the private sector during July was due to a substantial further rise of R135 million in the cash credit advances by the Land Bank. The discounts, loans and advances of commercial, merchant, monetary hire-purchase and general banks declined by R50 million.

In conformity with the expansion of bank credit to the private sector, the unused facilities under the banks' ceilings on discounts and advances declined by R84 million during the second quarter. During June they decreased by R164 million, but during July an increase of R90 million was recorded. As from 31 August, these ceilings as well as the ceilings on investments in private sector securities were raised by an additional 4 per cent of their base figures as at the end of December 1975.

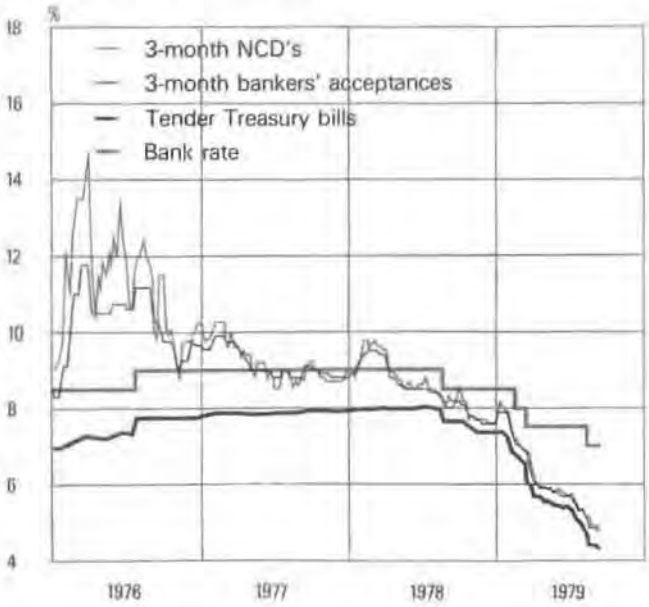
After the liquidity position of all groups of banking institutions had improved during March 1979, the banks' excess liquidity remained at a high level during the subsequent four months. The excess liquidity ratio of all monetary banking institutions increased from 3,7 per cent at the end of March to 4,7 per cent at the end of July. If two banks which are in the process of winding up operations are excluded, the excess liquidity ratio of non-monetary banks rose from 2,6 per cent to 4,7 per cent during the same period.

Money market conditions and interest rates

After relatively tight conditions had prevailed in the money market over the April month-end and during the first few days of May, the market eased substantially during the ensuing period up to late August. Moderately tighter conditions prevailed over the May, June and August month-ends, but over the July month-end the market continued to experience easy conditions. The tightening of the market over the May month-end mostly reflected a combination of a large rise in government deposits and an increase in notes in circulation, whereas the tightening over the June month-end was mainly caused by a large drop in the net foreign reserves of the Reserve Bank.

Call loans to the discount houses showed an

Money market interest rates



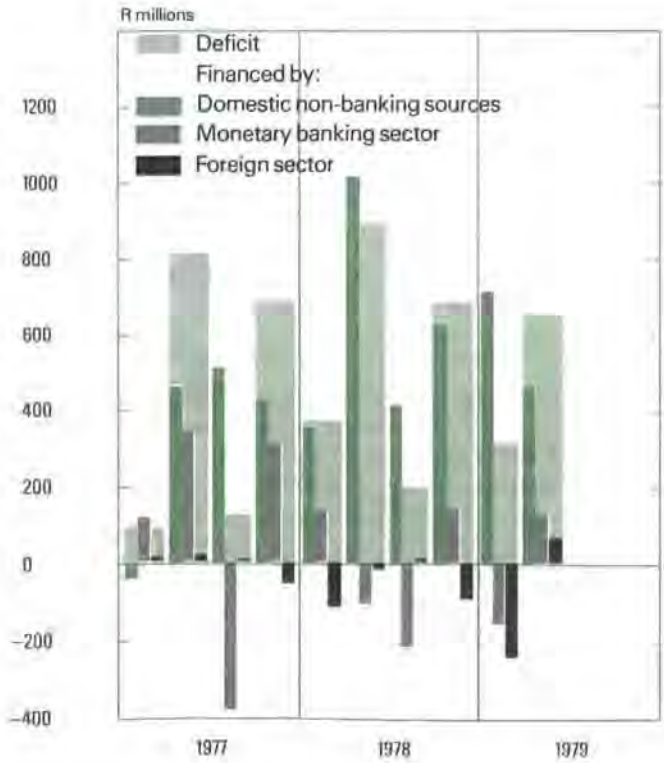
upward trend from early in May with only temporary declines over the May and June month-ends. After having reached a new record level of R1 033 million on 30 August, these loans declined to R874 million on 31 August and R886 million on 8 September. Reserve Bank accommodation remained at very low levels during most of the period under review, reaching a peak of R175 million on 30 June. Monetary banks' net free balances with the National Finance Corporation were also on a considerably higher average level during the period May to August than during the preceding four months. Only during the last days of May and June and over the August month-end were these balances virtually depleted.

Money market interest rates continued to decline almost uninterruptedly from the beginning of May. The rate on three-month bankers' acceptances and on three-month negotiable certificates of deposit declined from 5,9 per cent on 11 May to 4,9 per cent on 31 August. The Treasury bill tender rate decreased from 5,56 per cent on 11 May to 4,72 per cent on 10 August. After Bank rate was reduced from 7,5 per cent to 7 per cent on 13 August, the tender rate fell sharply to 4,47 per cent on 17 August, and to 4,35 per cent on 7 September. The commercial banks' prime overdraft rate was lowered from 10 to 9,5 per cent during the period 16 to 24 August. Effective from 24 August, the deposit rates of banking institutions, with the exception of the rate on ordinary savings deposits, generally also were reduced by one half of one per cent.

Government finance

Receipts on the Exchequer Account in the second quarter of 1979, i.e. the first quarter of the 1979/80 fiscal year, were 24 per cent higher than in the corresponding period of the preceding year. This substantial increase was due to a sharp rise in income tax and mining lease payments by gold mining companies, the effect of the general sales tax which had not yet been in operation in the first quarter of the preceding fiscal year, and the fact that not all tax concessions granted in the 1979/80 Budget had taken effect in the second quarter of 1979. Proceeds of the surcharge on imports declined appreciably in the second quarter following the lowering of the rate of the surcharge from 12½ to 7½ per cent in the Budget, but income tax concessions granted to individuals and companies will begin to have their effect on provisional tax payments and tax payments under the pay-as-you-earn system only in the second quarter of the current fiscal year, i.e. the third quarter of 1979. In the case of personal income tax, for example, revised tables for the monthly deduction of taxes by employers came into operation only in July, with the result that the lower tax deductions will be reflected in the August Exchequer receipts. Because of all these factors, the rate of increase in Exchequer receipts in the first quarter of the 1979/80

Exchequer Account deficit and financing



fiscal year was substantially higher than the anticipated rate of increase of 4 per cent for the year as a whole.

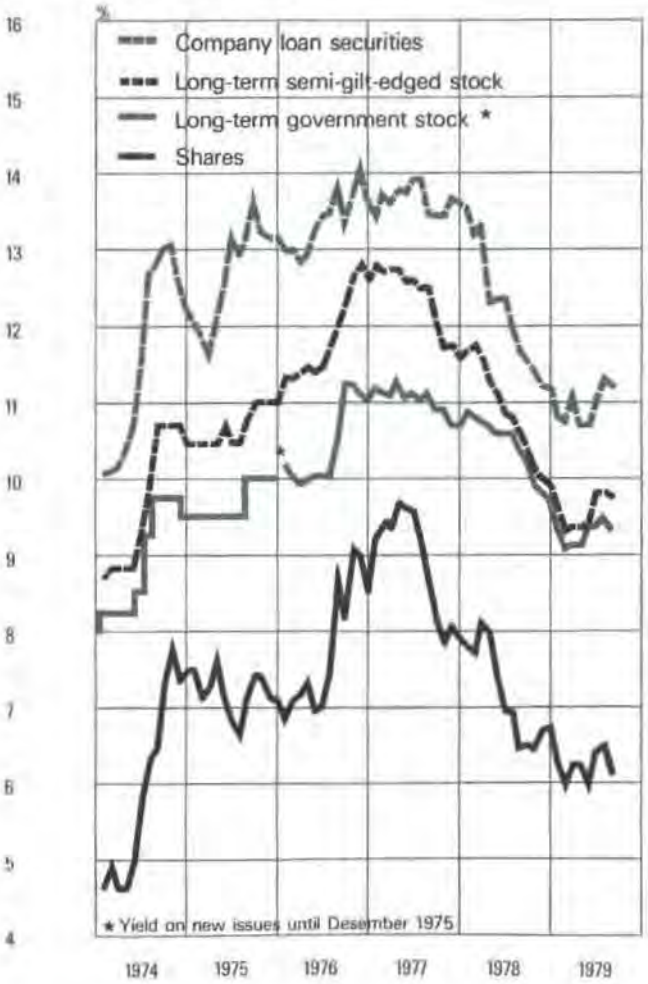
Exchequer issues in the first quarter of the current fiscal year were 7 per cent higher than in the corresponding quarter of the preceding year. This increase was markedly lower than the anticipated rate of growth in expenditure of 12 per cent for the fiscal year as a whole, indicating that Exchequer issues will rise more rapidly during the remaining part of the fiscal year.

Issues exceeded receipts by R660 million in the quarter under review, or by R232 million less than in the corresponding quarter of the preceding year. The largest part of this deficit, namely about 70 per cent, was financed by means of borrowing from domestic non-banking sources. Borrowing from the Public Debt Commissioners amounted to R222 million and that from the private non-banking sector to R240 million. The latter amount consisted mainly of investments in non-marketable bonds, particularly National Defence Bonds, and receipts of compulsory loan levies. In contrast with the preceding quarter and the first quarter of the 1978/79 fiscal year, the Treasury again made use of bank credit, namely to the extent of R129 million, in the first quarter of the current fiscal year. This amount represented an increase of R226 million in the monetary banking sector's holdings of government securities and an offsetting rise of R97 million in Exchequer Account deposits with this sector. Net foreign borrowing by the Treasury amounted to R69 million during the quarter under review.

Capital market

Conditions in the fixed-interest security market tightened slightly during the second quarter of 1979. Support for new issues weakened and yields increased slightly. This tightening of the market was apparently not caused by shifts in the availability of loanable funds or the demand for new capital, but rather by uncertainties regarding prospective yield movements, an actual and expected higher rate of inflation, and portfolio adjustments by institutional investors. During July and August an easing of market conditions became apparent; new issues of securities were again over-subscribed and fixed-interest security yields in the secondary market tended to decline slightly below the levels to which they had risen during the second quarter. The yield on long-term government stock increased from 9,11 to 9,35 per cent during the second quarter, before decreasing to 9,33 per cent in August. Long-term yields on the highest grade semi-gilt-edged stock rose from 9,43 to

Secondary market security yields



9,89 per cent during the second quarter, but then declined to 9,81 per cent in August. The yield on long-term loan securities of companies amounted to 11,25 per cent in August, which was still marginally higher than the yield of 11,01 per cent in June.

Net new issues of fixed-interest securities by the public sector, adjusted for changes in the issuers' holdings of their own securities, amounted to R368 million in the second quarter, compared with a net repayment of R132 million in the first quarter. During July the central government repaid maturing stock amounting to R497 million and attracted new funds to the amount of R397 million by means of issues, including a long-term issue at 9,375 per cent.

Stock exchange turnover increased further in the second quarter. The nominal value of gilt-edged and semi-gilt-edged stock traded amounted to R555 million, compared with a quarterly average of R287 million for the preceding three quarters. The value of shares traded on the stock exchange during the second quarter increased more moderately and was 5 per cent higher than in the first quarter. The latter increase was mainly accounted for by a rise in share prices. The comprehensive share price index, covering all classes of shares, rose by 6 per cent during the second quarter. In July the value of shares traded declined slightly, but on average share prices remained unchanged. In August, however, share turnover rose sharply and the comprehensive share price index increased by 7 per cent. The average dividend yield on all classes of shares increased from 6,3 to 6,4 per cent during the second quarter, but declined to 6,2 per cent in August.

The seasonally adjusted flow of longer-term funds to deposit-receiving and related savings institutions remained at a high level and amounted to R921 million in the second quarter, compared with R967 million in the first quarter. The building societies' share in these funds decreased slightly from 52 per cent of the total in the first quarter to 50 per cent in the second quarter. Gross mortgage loans granted by building societies amounted to R636 million in the second quarter, or 10 per cent more than in the preceding quarter. Notwithstanding this increase, the demand for mortgage loans was inadequate to absorb the societies' inflow of funds and, as a result, the societies had to increase their prescribed investments by R125 million during the second quarter. During July the societies experienced a further net inflow of funds amounting to R144 million, or slightly less than the monthly average of R155 million for the second quarter.

In the real estate market, the value of transactions continued to edge upwards during the second quarter and exceeded the figure for the first quarter by 3 per cent. A more rapid increase in transactions occurred in July.

Statement regarding monetary policy

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

11 August 1979

After the usual consultation with the Treasury, the Reserve Bank has decided to reduce Bank rate by ½ per cent to 7 per cent per annum with effect from 13 August 1979.

This step represents a further relaxation of monetary term interest rates in the market during recent weeks, which has resulted in an excessive gap between these rates and Bank rate.

Kwartaallikse ekonomiese oorsig

Opsomming en algemene opmerkings

In die Presidentsrede tydens die Reserwebank se algemene jaarvergadering op 21 Augustus 1979 en in die Bank se **Jaarlikse Ekonomiese Verslag** wat ten tye van die vergadering vrygestel is, is die ekonomiese ontwikkelings gedurende die jaar wat op 30 Junie 1979 geëindig het in besonderhede bespreek. Hierdie oorsig sal derhalwe beperk word tot 'n kort beskrywing van ontwikkelings gedurende die tweede kwartaal van 1979, en afhangende van die beskikbaarheid van gegewens, gedurende Julie en Augustus.

Die matige sikliese herstel van die ekonomiese bedrywigheid gedurende 1978 en die eerste kwartaal van 1979 is gedurende die tweede kwartaal voortgesit maar die tempo van die opswaai het gedurende hierdie kwartaal ietwat verslap. In sommige sektore van die ekonomie het die toestand traag gebly en in ander het die koers van toename in die bedrywigheid verlangsaam. Gevolglik het die reële bruto binnelandse produk van die nie-landbousektore van die ekonomie in die tweede kwartaal slegs matig toegeneem nadat daar in die eerste kwartaal 'n aanmerklike toename aangeteken is. 'n Skerp toename in die reële toegevoegde waarde van die landbou het die groeikoers van die totale reële bruto binnelandse produk laat styg tot 'n effens hoër vlak as in die eerste kwartaal, maar hierdie styging was bloot die gevolg van die vroeëre insameling van die oeste van somergewasse. Die verlangsaming van die koers van toename in die reële bruto binnelandse produk van die nie-landbousektore is weerspieël in 'n effense styging in die geregistreerde werkloosheid gedurende die tweede kwartaal en die daaropvolgende twee maande. Hierdie styging het 'n ommekeer verteenwoordig van die dalende neiging wat aan die einde van 1977 begin het.

Alhoewel die reële totale binnelandse vraag gedurende die tweede kwartaal matig toegeneem het, was dit nie in staat om as basis vir 'n hoër ekonomiese groeikoers te dien nie. Reëel gesproke het die private verbruiksbesteding slegs marginaal toegeneem, die owerheidsverbruiksbesteding het bykans geen verandering getoon nie en die bruto binnelandse vaste investering het sy afwaartse neiging voortgesit. Die reële voorraadinvestering het egter opmerklik verander, maar die toenames daarin was hoofsaaklik tot landbouvoorrade-in-die-handel en mynbouvoorrade beperk. Alhoewel maatreëls wat gemik is op 'n verdere stimulering van die ekonomie deur aanmoediging van die vraag in die Begroting vir 1979/80 opgeneem is, sal die meeste daarvan eers in die derde kwartaal van 1979 hulle uitwerking begin toon.

As gevolg van die oorheersende invloed van kostefaktore op die prysstygings, het die trae vraag nie tot 'n verlaging van die inflasiekoers bygedra nie. Die koers van toename in die verbruikerspryse, wat in die eerste kwartaal van 1979 begin versnel het, het in die tweede kwartaal en Julie verder gestyg. Die groothandelspryse het reeds in die laaste kwartaal van 1978 teen 'n hoër koers begin styg en die koers van toename het in die tweede kwartaal van 1979 en in Julie opmerklik verder versnel.

Die opvallende verbetering in die ruilvoet gedurende 1978 en die eerste kwartaal van 1979 is nie gedurende die tweede kwartaal voortgesit nie. Boonop het afnames voorgekom in die seisoensaangesuiwerde volume van die uitvoer en die netto goudproduksie. In weerwil van hierdie veranderings het die lopende rekening van die betalingsbalans in die tweede kwartaal voortgegaan om 'n aansienlike oorskot te toon. Hierdie oorskot was egter aansienlik laer as die rekordsyfer van die voorafgaande kwartaal. 'n Aansienlike netto uitvloeiing van kapitaal, wat die oorskot op die lopende rekening oortref het, is in die tweede kwartaal aangeteken. Dit het die netto goud- en ander buitelandse reserwes vir die eerste keer in enige kwartaal sedert die laaste kwartaal van 1977 laat daal. Gedurende Julie het die netto buitelandse reserwes van die Reserwebank aansienlik verder gedaal maar gedurende Augustus het dit weer gestyg.

Die eng gedefinieerde geldvoorraad sowel as die hoeveelheid geld en kwasi-geld, albei seisoensaangesuiwerd, het gedurende die tweede kwartaal gedaal maar gedurende Julie skerp gestyg. Die afname in die hoeveelheid geld en kwasi-geld gedurende die tweede kwartaal het voorgekom in weerwil van 'n vinnige toename in die monetêre banksektor se eise teen die private sektor. Hierdie toename is egter geneutraliseer deur 'n afname in die netto goud- en ander buitelandse reserwes van die monetêre banksektor en in hierdie sektor se netto eise teen die regeringsektor, asook deur 'n verdere styging in die private sektor se langtermyndeposito's by die monetêre bankinstellings. 'n Aansienlike toename in die netto eise teen die regeringsektor en 'n afname in die langtermyndeposito's van die private sektor by die monetêre bankinstellings was die belangrikste oorsake van die toename gedurende Julie. Die uitbreiding van bankkrediet aan die private sektor het meegebring dat die onbenutte fasiliteite onder die plafonne op die banke se diskonteringe, lenings en voorskotte gedurende die tweede kwartaal aansienlik gedaal het, maar gedurende Julie het hierdie fasiliteite weer gestyg. Met ingang 31 Augustus is hierdie plafonne sowel as dié op beleggings in die private sektor met 'n bykomende 4 persent van hulle onderskeie basissyfers soos aan die einde van Desember 1975 deur die Reserwebank verhoog.

Die likwiditeit van alle groepe bankinstellings het gedurende die tweede kwartaal en Julie op 'n hoë vlak gebly. Die oorskotlikwiditeit het gedurende hierdie

tydperk selfs toegeneem en tot 'n opmerklike verruiming van die geldmarktoestand bygedra, in die besonder ná die eerste paar dae van Mei tot en met laat in Augustus. As 'n weerspieëling van hierdie ontwikkelings het die rentekoerse in die geldmark vanaf die begin van Mei feitlik onafgebroke gedaal en aan die einde van Augustus op aansienlike laer vlakke gestaan. Die Bankkoers is op 13 Augustus verlaag as 'n metode om die monetêre beleid verder te verslap en as erkenning van die daling in die korttermynrentekoerse. Dit is deur 'n verlaging van die handelsbanke se prima-oortrekkingskoers en van die meeste depositorentekoerse gevolg.

In die kapitaalmark het die opbrengskoerse op langtermyn vaste-rentedraende effekte gedurende die tweede kwartaal effens gestyg, skynbaar meer vanweë veranderde verwagtings aangaande prysstygings en onsekerheid omtrent toekomstige rentekoersbewegings as vanweë werklike verskuiwings in die aanbod van of die vraag na uitleenbare fondse. Gedurende Julie en Augustus is die styging in die opbrengskoers egter in sekere mate omgekeer. Die opbrengskoerse op aandele het 'n soortgelyke verloop getoon; 'n effense styging gedurende die tweede kwartaal is gedurende Julie en Augustus deur 'n daling gevolg.

Nasionale rekeninge*

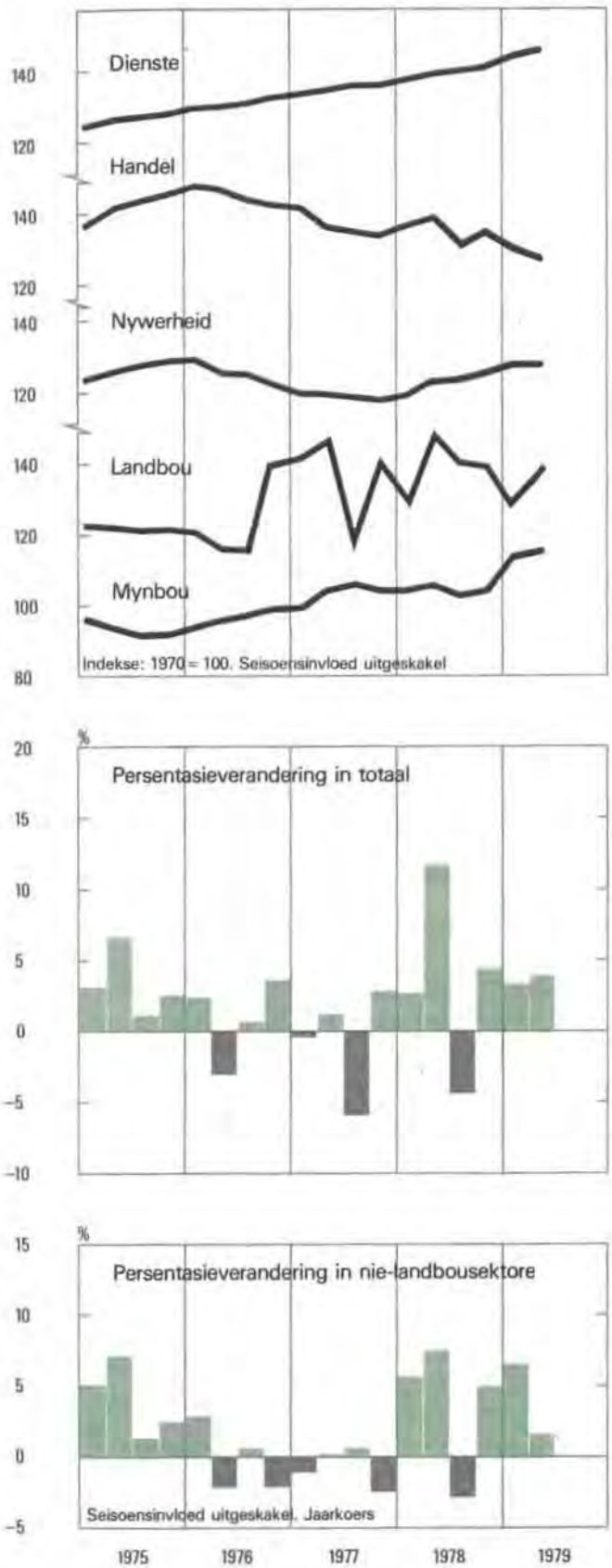
Die reële bruto **binnelandse** produk, wat in 1978 met 2½ persent gestyg het, het in die eerste en tweede kwartale van 1979 teen jaarkoerse van ongeveer 3½ persent en 4 persent onderskeidelik toegeneem. In die eerste helfte van 1979 was die reële bruto binnelandse produk ongeveer 3½ persent hoër as in die ooreenstemmende tydperk in 1978. As gevolg van 'n skerp toename in die eerste kwartaal, was die reële bruto **nasionale** produk in die eerste helfte van 1979 ongeveer 6 persent hoër as in die ooreenstemmende ses maande van 1978. In terme van kwartaallikse veranderings het die reële bruto nasionale produk gedurende die tweede kwartaal van 1979 egter teen 'n laer koers toegeneem omdat die opmerklike verbetering in Suid-Afrika se ruilvoet in die eerste kwartaal nie gedurende hierdie tydperk gehandhaaf is nie.

Die grootste deel van die toename in die reële bruto binnelandse produk in die tweede kwartaal van 1979 is deur 'n aansienlike styging in die reële toegevoegde waarde van die landbou verklaar. Alhoewel verwag word dat die oeste van somergewasse in 1979 heelwat kleiner sal wees as in die vorige jaar, het die vroeë insameling van hierdie oeste die reële produk van die landbou in die tweede kwartaal laat styg. Die toename in die reële toegevoegde waarde van die nie-landbousektore van die ekonomie het van die eerste na die tweede kwartaal aansienlik verlangsaam. Laer koerse van toename in die tweede kwartaal is aangeteken in die reële bruto binnelandse produk van sektore soos die mynbou, die fabriekswese, vervoer en finansies. 'n Besonder skerp daling het in die koers van toename in die toegevoegde waarde van die mynbou voorgekom, hoofsaaklik omdat die buitengewoon vinnige toename in die eerste kwartaal nie in die tweede kwartaal gehandhaaf is nie. Die reële toegevoegde waarde van die sektor elektrisiteit, gas en water het in werklikheid afgeneem ná 'n aansienlike styging in die eerste kwartaal. Daarbenewens het die reële toegevoegde waarde van die handel gedurende die tweede kwartaal verder gedaal.

Die reële bruto binnelandse besteding het in die tweede kwartaal skerp toegeneem teen 'n jaarkoers van ongeveer 10 persent en wesenlik daartoe bygedra dat die vlak van hierdie besteding in die eerste helfte van 1979 ongeveer 3½ persent hoër was as in die ooreenstemmende tydperk in 1978. Die toename in die tweede kwartaal is bykans uitsluitend verklaar deur 'n aansienlike verandering in die voorraadinvestering; 'n skerp afname in die voorrade in die eerste kwartaal is deur 'n klein toename in die tweede kwartaal gevolg. Hierdie verandering is waargeneem in 'n toename in landbouvoorrade-in-die-handel, mynbouvoorrade en in mindere mate, kleinhandels-

* Kwartaallikse veranderings word op seisoensaangesuiwerde gegewens gebaseer.

Bruto binnelandse produk teen konstante 1970-pryse



voorrade, sowel as 'n kleiner afname in nywerheidsvoorrade. Die groothandelsvoorrade en die voorrade van die motorhandel het aangehou om te daal.

Die ander komponente van die reële bruto binnelandse besteding het per saldo min tot die toename in die tweede kwartaal bygedra. Die private verbruiksbesteding het slegs matig toegeneem, die owerheidsverbruiksbesteding het min verandering getoon en die bruto binnelandse vaste investering het sy dalende neiging voortgesit. Die toename in die reële private verbruiksbesteding in die tweede kwartaal het in die duursame en nie-duursame goedereklasse voorgekom. Die besteding aan semi-duursame goedere en

Bruto binnelandse besteding teen konstante 1970-pryse

aan dienste het in werklikheid gedurende hierdie tydperk gedaal. Die verdere afname in die reële bruto binnelandse vaste investering was die netto gevolg van 'n toename in die vaste kapitaaluitgawes van die openbare korporasies en afnames in hierdie soort besteding deur die private sektor en die openbare owerhede.

Ná 'n aansienlike verdere styging in die eerste kwartaal van 1979, het die bruto binnelandse besparing in die tweede kwartaal afgeneem. Toenames in die persoonlike besparing en in die voorsiening vir waardevermindering is meer as geneutraliseer deur afnames in die maatskappybesparing en in die lopende surplus van die algemene owerheid. Die bruto binnelandse besparing het nietemin die bruto binnelandse investering oorskry en die verskil is in 'n verdere oorskot op die lopende rekening van die betalingsbalans weerspieël.

Konjunktuurneigings, arbeidstoestand en pryse

Die sikliese herstel van die ekonomiese bedrywigheid gedurende 1978 en die eerste kwartaal van 1979 is gedurende die tweede kwartaal voortgesit. Te oordeel na die stadiger toename in die reële bruto binnelandse produk van die nie-landbousektore en veranderings in ander ekonomiese aanwysers, het die tempo van die opswaai gedurende die tweede kwartaal egter ietwat verslap. In sommige sektore van die ekonomie het die toestand traag gebly en in ander het die koers van toename in die bedrywigheid verlangsaam. Hoewel maatreëls vir 'n verdere stimulering van die ekonomie by die Begroting vir 1979/80 ingesluit is, sal die meeste van hierdie maatreëls eers vanaf die tweede helfte van 1979 'n uitwerking begin hê.

Betreklik hoë koerse van toename in die volume van die fabrieks- en mynbouproduksie in die eerste kwartaal van 1979 is deur laer koerse in die tweede kwartaal gevolg. Ten spyte van die matiger styging in die tweede kwartaal, was die volume van die produksie in albei hierdie sektore in die eerste helfte van 1979 aansienlik hoër as in die ooreenstemmende tydperk van 1978. Die bedrywigheid in die bou- en konstruksiesektor het op 'n lae vlak gebly, maar 'n sekere verbetering het gedurende die eerste helfte van 1979 voorgekom. Die waarde van die groot- en kleinhandelsverkope teen konstante pryse, uitgesonderd die verkope van motorvoertuie, het in die tweede kwartaal verder afgeneem. In die eerste helfte van 1979 was hierdie verkope aansienlik laer as in die eerste helfte van 1978. Die gemiddelde maandelikse

Konjunktuuraanwysers

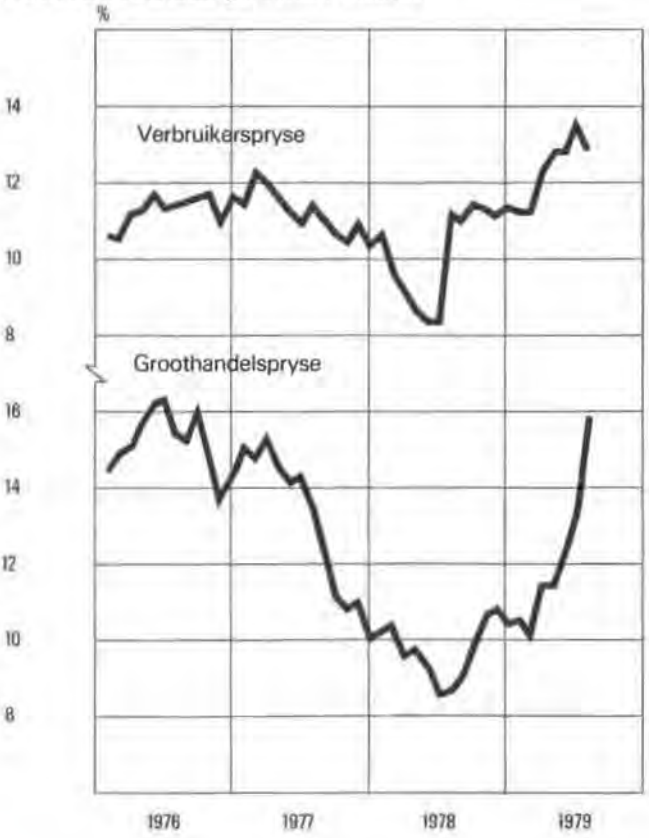
verkope van nuwe motorvoertuie het in die eerste vier maande van 1979 skerp toegeneem maar gedurende die daaropvolgende vier maande gedaal. Die aantal nuwe motorvoertuie verkoop gedurende die eerste agt maande van die jaar was slegs effens hoër as in die ooreenstemmende tydperk van 1978.

Die verlangsaming van die koers van toename in die reële bruto binnelandse produk van die nie-landbousektore van die ekonomie in die tweede kwartaal is weerspieël in 'n effense toename in die geregistreerde werkloosheid. Die seisoensaangesuiwerde aantal geregistreerde werklose Blankes, Kleurlinge en Asiërs het afgeneem van sy mees onlangse hoogtepunt van 31 750 in Julie 1978 tot 27 270 in April 1979 voordat dit weer tot 29 547 in Julie gestyg het.

Gebaseer op die kwartaallikse gemiddeldes, het die seisoensaangesuiwerde verbruikersprysindeks in die eerste kwartaal teen 'n jaarkoers van 10,7 persent en in die tweede kwartaal van 1979 met 11,6 persent gestyg. Die vinnige prysstyging in die tweede kwartaal kon toegeskryf word aan 'n hoër koers van toename in huur en bediendelone en in die pryse van voedsel, skoeisel, voertuie en petrol. Die verhoging van die petrolpryse in Junie 1979 is in die verbruikersprysindeks vir Julie weerspieël en het ongeveer 2,1 persentasiepunte tot die totale styging van 3,6 persent in die verbruikerspryse tussen Junie en Julie bygedra. Vergeleke met dieselfde maand in die voorafgaande jaar, het die verbruikerspryse in sowel April as Mei met 12,8 persent gestyg, in Junie met 13,6 persent en in Julie 1979 met 12,9 persent. Die laer koers van toename in Julie was die gevolg van die feit dat die invloed van die algemene verkoopbelasting nie meer in die vergelyking van die prys-syfers oor 'n tydperk van twaalf maande weerspieël is nie.

Die seisoensaangesuiwerde groothandelsprysindeks het in die eerste en tweede kwartale van 1979 teen jaarkoerse van onderskeidelik 12,9 persent en 15,6 persent gestyg. Die versnelling in die koers van toename in die tweede kwartaal was die gevolg van vinniger stygings in die pryse van ingevoerde sowel as binnelandsgeproduseerde goedere. Binnelandsgeproduseerde goedere waarvan die pryse teen hoër koerse gestyg het, sluit in landbouprodukte, masjinerie, metaalprodukte, skoeisel en voedsel. Tussen Junie en Julie het die groothandelspryse met 2,6 persent gestyg, hoofsaaklik as gevolg van hoër pryse vir staal- en petroleumprodukte. Vergeleke met dieselfde maand in die vorige jaar, het die groothandelspryse in Mei met 12,3 persent, in Junie met 13,4 persent en in Julie met 15,8 persent gestyg.

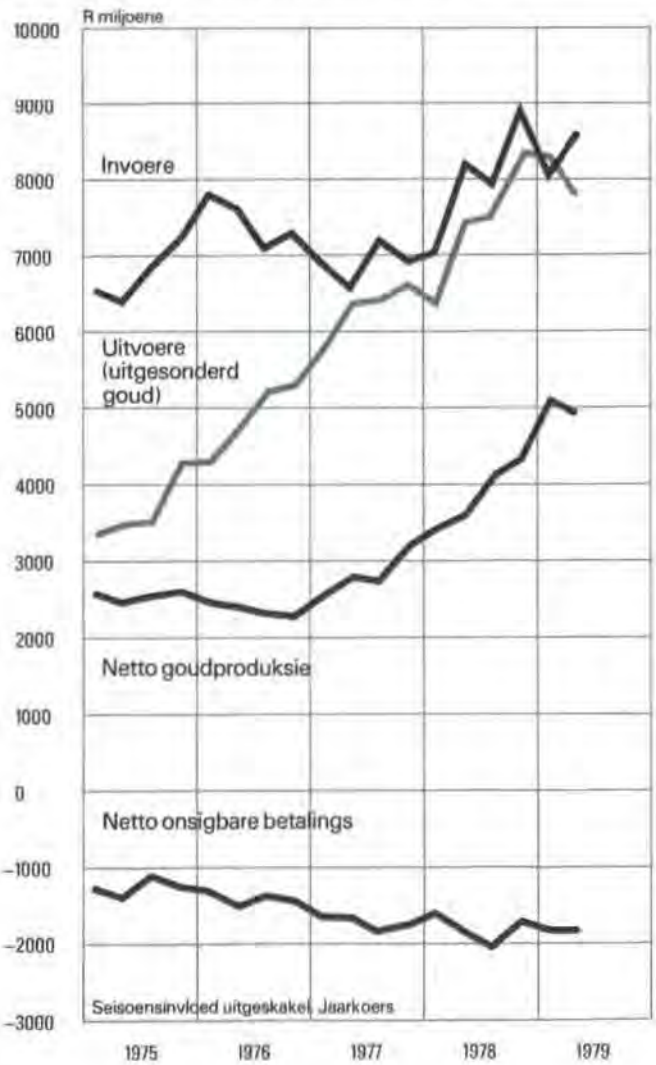
Pryse
Persentasieverandering oor twaalf maande



Betalingsbalans

Die oorskot op die lopende rekening van die betalingsbalans het van 'n rekordsyfer van R1 025 miljoen in die eerste kwartaal tot R543 miljoen in die tweede kwartaal van 1979 afgeneem. Teen 'n seisoensaangesuiwerde jaarkoers het die oorskot op die lopende rekening in die eerste kwartaal R3 517 miljoen en in die tweede kwartaal R2 257 miljoen beloop. Ten spyte van hierdie afname, het die oorskot in die tweede kwartaal nog 5 persent van die bruto binnelandse produk bedra, vergeleke met 'n gemiddelde verhouding van die tekort tot die binnelandse produk van 2 persent in die na-oorlogse tydperk. Die kleiner seisoensaangesuiwerde oorskot in die tweede kwartaal was die gevolg van 'n toename in die goedere-invoer, 'n afname in die goedere-uitvoer en 'n laer netto goudproduksie. Die netto onsigbare betalings aan die res van die wêreld was ongeveer dieselfde as in die voorafgaande kwartaal.

Lopende rekening van die betalingsbalans



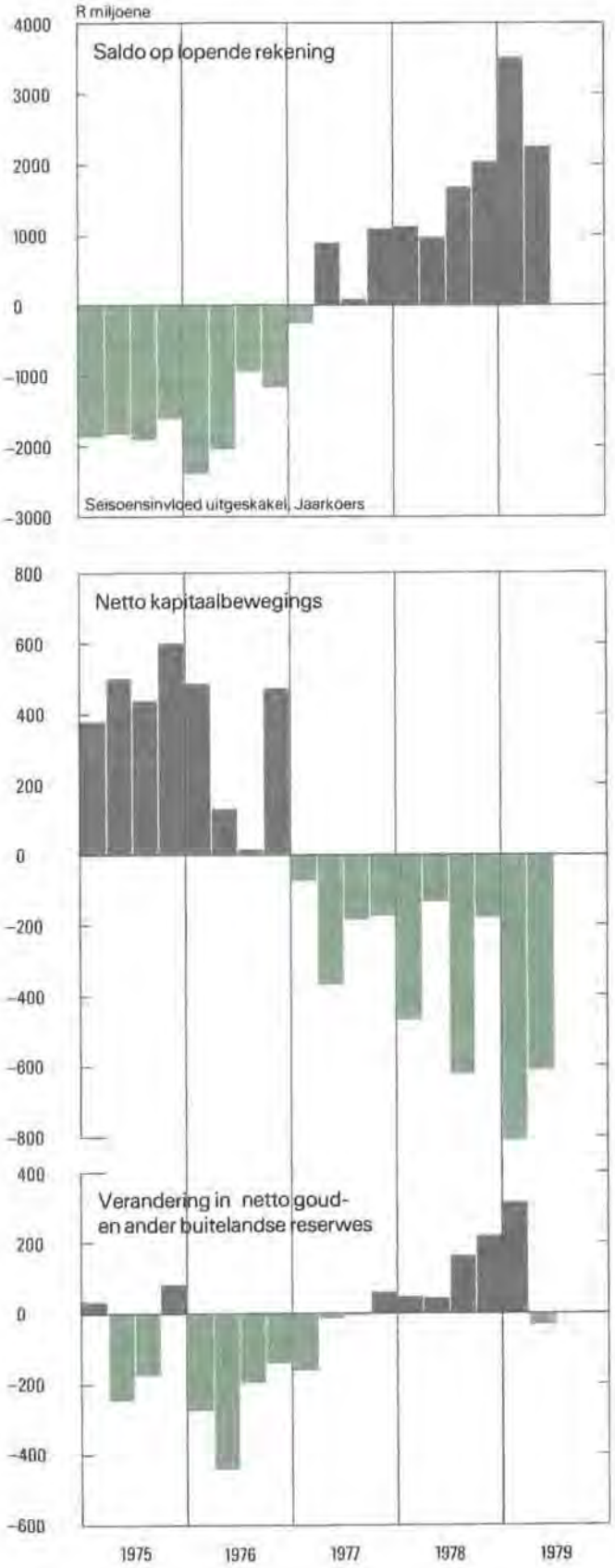
Die waarde van die goedere-invoer het teen 'n seisoensaangesuiwerde jaarkoers van R8 014 miljoen in die eerste kwartaal tot R8 586 miljoen in die tweede kwartaal van 1979 toegeneem. Hierdie toename het plaasgevind ten spyte van 'n effense verdere afname in die volume van die invoer en was derhalwe aan 'n styging in invoerpryse toe te skryf. Die waarde van die meeste groepe invoere was hoër in die tweede kwartaal, maar besonder groot toenames is in die invoer van petroleumprodukte, masjinerie en elektriese toerusting, basiese metale, chemiese produkte en kunsharse, en plastiekstowwe aangeteken. In Julie het die seisoensaangesuiwerde waarde van die goedere-invoer egter skerp gedaal van 'n jaarkoers van R8 565 miljoen in Junie tot R7 670 miljoen in Julie.

Die waarde van die goedere-uitvoer het teen 'n seisoensaangesuiwerde jaarkoers van R8 280 miljoen in die eerste kwartaal tot R7 768 miljoen in die tweede kwartaal van 1979 gedaal as gevolg van 'n skerp afname in die volume van die uitvoer. Die uitvoerpryse het gedurende die tweede kwartaal verder gestyg, maar teen 'n laer koers as gedurende die voorafgaande kwartaal. Die daling in die waarde van die uitvoer kon grotendeels aan 'n verminderde uitvoer van diamante toegeskryf word; die ander hoofgroepe uitvoergoedere het voortgegaan om te styg. Voorlopige aanduidings is dat die seisoensaangesuiwerde waarde van die goedere-uitvoer in Julie aanmerklik toegeneem het.

Teen 'n seisoensaangesuiwerde jaarkoers het die waarde van die netto goudproduksie van R5 084 miljoen in die eerste kwartaal van 1979 tot R4 910 miljoen in die tweede kwartaal afgeneem as gevolg van 'n daling in die volume. Die goudprys het aangehou om te styg en die gemiddelde prys per fyn ons op die Londense mark het van $238,24 in die eerste kwartaal tot $258,69 in die tweede kwartaal en $297,84 in die tydperk van twee maande Julie en Augustus toegeneem.

'n Voortgesette groot netto uitvloeiing van kapitaal is in die tweede kwartaal aangeteken, maar die bedrag van R614 miljoen was nietemin ietwat kleiner as die ooreenstemmende syfer van R813 miljoen gedurende die voorafgaande kwartaal. 'n Netto uitvloeiing van korttermynkapitaal (insluitende foute en weglatings op die lopende sowel as kapitaalrekening) ten bedrae van R598 miljoen was verantwoordelik vir die grootste deel van die uitvloeiing in die tweede kwartaal. Afgesien van 'n klein vermindering van die laste verwant aan reserwes, het die netto uitvloeiing van korttermynkapitaal bykans geheel en al uit die uitvloeiing van kapitaal vanaf die private sektor bestaan. Hierdie uitvloeiing het in sekere mate verband gehou met die vergroting van die marge tussen die effektiewe koste van handelsfinansiering in terme van VSA-dollars en in terme van rand. Hierdie marge het aan die einde van Maart 2,3 persent bedra, maar het in Julie tot 3,0 persent en in Augustus tot 4,5 persent vergroot. Die netto uitvloeiing van langtermynkapitaal het in die tweede kwartaal slegs

Betalingsbalans



R16 miljoen bedra, vergeleke met R133 miljoen in die eerste kwartaal. Eersgenoemde syfer het bestaan uit 'n netto invloeiing van R23 miljoen na die sentrale regering en banksektor wat meer as geneutraliseer is deur 'n uitvloeiing van R39 miljoen vanaf die private sektor. Die netto invloeiing van kapitaal na die openbare korporasies en plaaslike owerhede was onbeduidend deurdat invloeiings in die vorm van projekfinansiering deur terugbetalings op bestaande lenings teengewerk is.

Die netto goud- en ander buitelandse reserwes, wat gedurende die voorafgaande ses kwartale toegeneem het, het gedurende die tweede kwartaal van 1979 as gevolg van betalingsbalanstransaksies met R37 miljoen gedaal. Gedurende Julie het die netto goud- en ander buitelandse reserwes van die Reserwebank verder met R146 miljoen afgeneem, maar gedurende Augustus is 'n toename van R120 miljoen aangeteken. As veranderings in die laste verwant aan reserwes en waardasie-aansuiwerings in aanmerking geneem word, het die totale bruto goud- en ander buitelandse reserwes gedurende die tweede kwartaal met R202 miljoen toegeneem en aan die einde van Junie 'n vlak van R2 807 miljoen bereik. Daarná het die bruto goud- en ander buitelandse reserwes van die Reserwebank van R2 548 miljoen aan die einde van Junie tot R2 688 miljoen aan die einde van Augustus gestyg.

Nadat die nuwe wisselkoersstelsel aan die einde van Januarie in werking getree het, het die rand gedurende die oorblywende twee maande van die eerste kwartaal met 2,9 persent teenoor die VSA-dollar geappresieer. Die effektiewe wisselkoers van die rand het gedurende hierdie tydperk met 2,3 persent geappresieer. Gedurende die tweede kwartaal en die daaropvolgende twee maande het die rand per saldo met 1,1 persent teenoor die VSA-dollar geappresieer terwyl die effektiewe wisselkoers van die rand in werklikheid met 0,6 persent gedepresieer het.

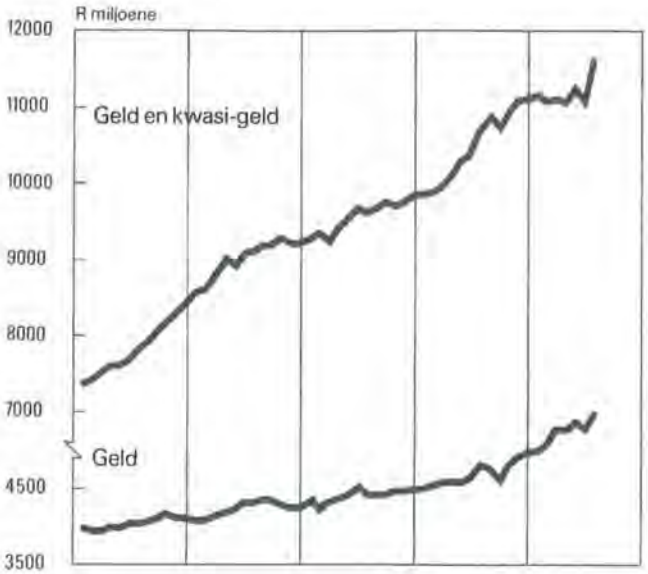
Monetêre en banktoestand

Die seisoensaangesuiwerde hoeveelheid geld en kwasi-geld, wat gedurende die tweede helfte van 1978 skerp maar gedurende die eerste kwartaal van 1979 slegs marginaal toegeneem het, het gedurende die tweede kwartaal in werklikheid met R68 miljoen, of teen 'n jaarkoers van ongeveer 2 persent, gedaal. Gedurende Julie het daar egter 'n aansienlike styging van R571 miljoen voorgekom, waardeur die jaarkoers van toename gedurende die tydperk van vier maande van April tot Julie 1979 op 14 persent te staan gekom het. Ná 'n aansienlike styging teen 'n seisoensaangesuiwerde jaarkoers van 34 persent gedurende die voorafgaande ses maande, het die eng gedefinieerde geldvoorraad gedurende die tweede kwartaal van 1979 effens gedaal, naamlik met R19 miljoen, voordat dit gedurende Julie skerp met R190 miljoen gestyg het.

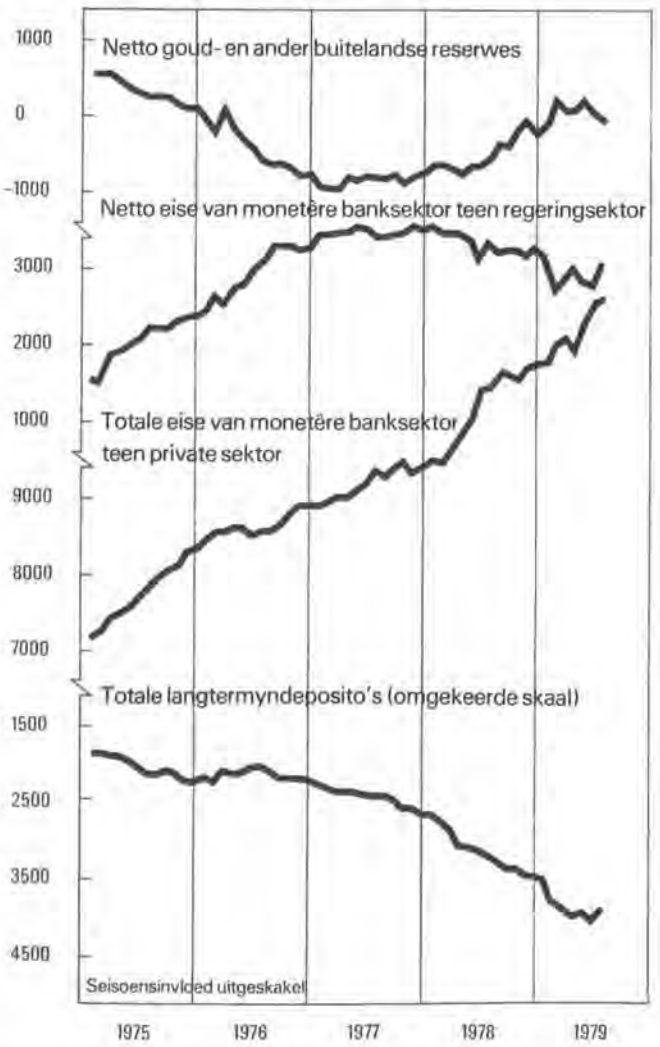
Wat die oorsake van veranderings in die seisoensaangesuiwerde geld- en kwasi-geldvoorraad betref, het die eise van die monetêre banksektor teen die private sektor gedurende die tweede kwartaal vinnig gestyg teen 'n jaarkoers van 20 persent, in vergelyking met 11 persent gedurende die voorafgaande kwartaal. Hierdie styging is egter meer as geneutraliseer deur dalings in die ander oorsake van veranderings. Die netto goud- en ander buitelandse reserwes van die monetêre banksektor, wat tot en met die eerste kwartaal aanhoudend toegeneem het, het gedurende die tweede kwartaal effens gedaal, naamlik met R28 miljoen. 'n Daling van R76 miljoen in die bruto reserwes, waarvan waardasie-aansuiwerings uitgesluit is, is gedeeltelik deur 'n vermindering van R48 miljoen in die korttermyn-buitelandse laste van die banksektor geneutraliseer. Die monetêre banke se netto eise teen die regeringsektor het gedurende die tweede kwartaal verder gedaal met R69 miljoen, waardeur die totale daling gedurende die eerste helfte van 1979 op R482 miljoen en die netto eise uitstaande op hul laagste vlak sedert Mei 1976 te staan gekom het. Die langtermyndeposito's van die private sektor by die monetêre bankinstellings, wat gedurende die afgelope drie jaar aanhoudend en vanaf die vierde kwartaal van 1977 teen 'n hoë koers gestyg het, het gedurende die tweede kwartaal meer matig met R157 miljoen toegeneem.

Die toename in die seisoensaangesuiwerde geld- en kwasi-geldvoorraad gedurende Julie was die gevolg van 'n groot styging van R276 miljoen in die netto eise teen die regeringsektor, hoofsaaklik vanweë 'n aansienlike daling in die regeringsdeposito's, 'n verdere matige styging van R50 miljoen in die eise teen die private sektor, en 'n afname van R150 miljoen in die langtermyndeposito's van die private sektor by die monetêre banke. Die uitwerking van hierdie oorsake van verandering is gedeeltelik deur 'n daling van R106 miljoen in die netto goud- en ander buitelandse reserwes van die monetêre banksektor geneutraliseer. Gedurende Augustus het die netto buitelandse reserwes van die Reserwebank, met

Monetêre ontleding



Oorsake van veranderings in geld en kwasi-geld



Oorsake van veranderings in geld en kwasi-geld
R miljoene

	Seisoensinvloed nie uitgeskakel nie			Seisoensinvloed uitgeskakel		
	1e kw. 1979	2e kw. 1979	Julie 1979	1e kw. 1979	2e kw. 1979	Julie 1979
Netto goud en ander buitelandse reserwes	291	–28	–117	295	–28	–106
Eise teen die regeringsektor						
Bruto eise	–425	100	–202			
Regeringsdeposito's (toename –, afname +)	–226	289	494			
Netto eise	–651	389	292	–413	–69	276
Eise teen die private sektor	220	515	96	274	515	50
Langtermyndeposito's (toename –, afname +)	–339	–292	179	–429	–157	150
Netto ander baites	226	–353	–21			
Total oorsake van veranderings	**–253**	**231**	**429**	**25**	**–68**	**571**

uitsluiting van die uitwerking van die maandelikse herwaardering van die goudreserwes, met R123 miljoen toegeneem.

Een rede vir die vinniger styging in die monetêre banksektor se eise teen die private sektor gedurende die tweede kwartaal was 'n skerp toename van R98 miljoen in die beleggings in effekte van die private sektor. Gedurende die eerste kwartaal van 1979 het hierdie beleggings feitlik onveranderd gebly. Hierbenewens het die kaskredietvoorskotte van die Landbank gedurende die tweede kwartaal met R85 miljoen gestyg en in Junie alleen, teen die normale seisoenspatroon in, met R124 miljoen toegeneem as gevolg van die vroeër insameling van die oes van somergewasse. Die diskonteringe, lenings en voorskotte van die handels-, aksep- en monetêre huurkoop- en algemene banke, wat in die eerste kwartaal skerp gestyg het met R299 miljoen, het gedurende die tweede kwartaal 'n aansienlike verdere toename van R243 miljoen aangeteken. 'n Ontleding van hierdie leningsvoorsiening toon dat verdiskonteerde wissels met R67 miljoen, huurkoopkrediet met R111 miljoen en bruikhuurfinansiering met R39 miljoen toegeneem het. Ander lenings en voorskotte het egter met slegs R26 miljoen toegeneem. Die styging in die eise teen die private sektor gedurende Julie was die gevolg van 'n aansienlike verdere styging van R135 miljoen in die kaskredietvoorskotte van die Landbank. Die diskonteringe, lenings en voorskotte van die handels-, aksep- en monetêre huurkoop- en algemene banke het met R50 miljoen gedaal.

In ooreenstemming met die uitbreiding van bankkrediet aan die private sektor, het die onbenutte fasiliteite onder die banke se plafonne op diskonteringe en voorskotte gedurende die tweede kwartaal met R84 miljoen gedaal. Gedurende Junie het hulle met R164 miljoen afgeneem maar gedurende Julie is 'n styging van R90 miljoen aangeteken. Met ingang van 31 Augustus is sowel hierdie plafonne as die plafonne op die beleggings in effekte van die private sektor met 'n bykomende 4 persent van hul basissyfers soos aan die einde van Desember 1975 verhoog.

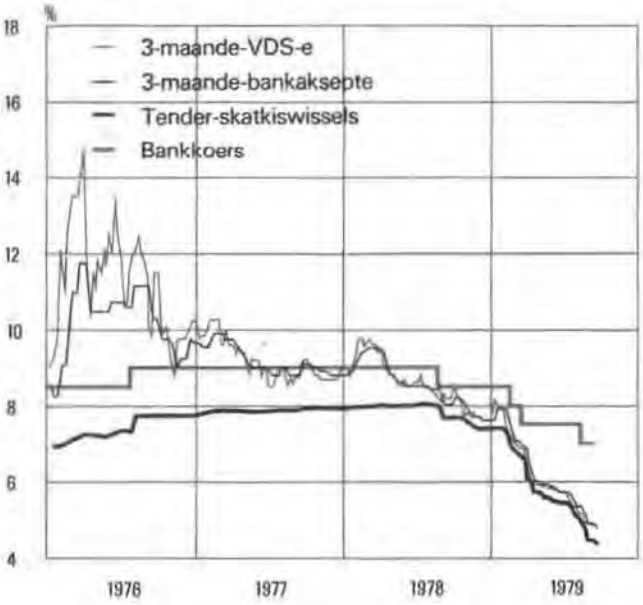
Nadat die likwiditeitsposisie van alle groepe bankinstellings gedurende Maart 1979 verbeter het, het die banke se oorskotlikwiditeit gedurende die daaropvolgende vier maande op 'n hoë vlak gebly. Die oorskotlikwiditeitsverhouding van alle monetêre bankinstellings het van 3,7 persent aan die einde van Maart tot 4,7 persent aan die einde van Julie gestyg. Indien twee banke wat besig is om hul sake af te wikkel, uitgesluit word, het die oorskotlikwiditeitsverhouding van die nie-monetêre banke gedurende dieselfde tydperk van 2,6 persent tot 4,7 persent gestyg.

Toestand op die geldmark en rentekoerse

Nadat daar oor die maandeinde van April en gedurende die eerste paar dae van Mei 'n betreklik knap toestand op die geldmark geheers het, het die mark gedurende die daaropvolgende tydperk tot laat in Augustus aanmerklik verruim. Oor die maandeindes van Mei, Junie en Augustus het daar matig knap toestande bestaan, maar oor die maandeinde van Julie het die mark nog steeds 'n ruim toestand ondervind. Die vernouing van die mark oor die maandeinde van Mei was grotendeels 'n weerspieëling van 'n kombinasie van 'n groot styging in die regeringsdeposito's en 'n toename in die bedrag aan banknote in omloop, terwyl die vernouing oor die maandeinde van Junie hoofsaaklik deur 'n groot daling in die netto buitelandse reserwes van die Reserwebank meegebring is.

Die daggeldlenings aan die diskontohuise het vanaf vroeg in Mei 'n opwaartse neiging getoon wat slegs deur tydelike dalings oor die maandeindes van Mei en Junie onderbreek is. Nadat hierdie lenings op 30 Augustus 'n nuwe rekordvlak van R1 033 miljoen bereik het, het dit tot R874 miljoen op 31 Augustus en R886 miljoen op 8 September gedaal. Die akkommodasie van die Reserwebank het gedurende die grootste deel van die oorsigtydperk op 'n baie lae vlak gebly en het op 30 Junie 'n hoogtepunt van R175 miljoen bereik. Die monetêre banke se netto vrye saldo's by die Nasionale Finansiekorporasie was gedurende die tydperk Mei tot Augustus ook op 'n

Geldmarkrentekoerse



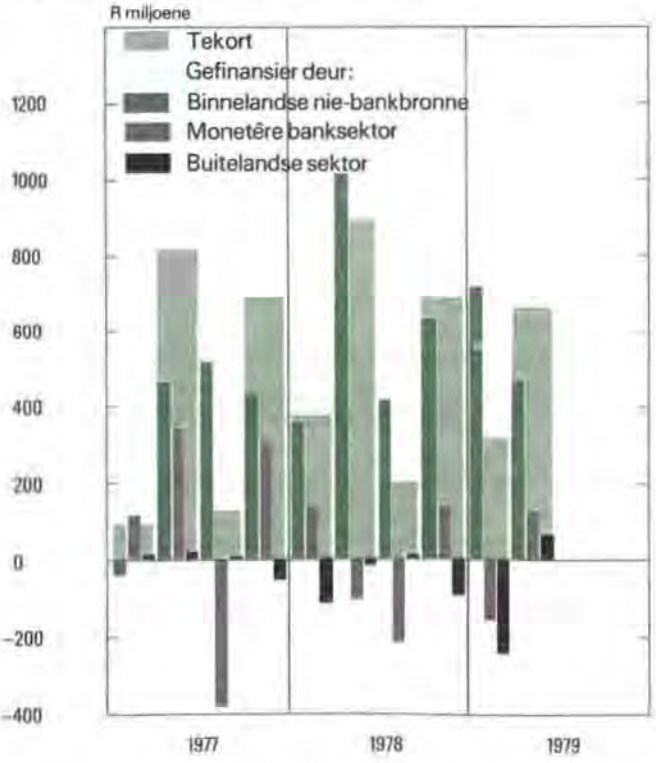
aanmerklik hoër gemiddelde vlak as gedurende die voorafgaande vier maande. Slegs gedurende die laaste dae van Mei en Junie en oor die maandeinde van Augustus was hierdie saldo's feitlik uitgeput.

Die rentekoerse in die geldmark het vanaf die begin van Mei voortgegaan om bykans ononderbroke te daal. Die koers op bankaksepte en verhandelbare depositosertifikate van drie maande het van 5,9 persent op 11 Mei tot 4,9 persent op 31 Augustus gedaal. Die skatkiswissel-tenderkoers het van 5,56 persent op 11 Mei tot 4,72 persent op 10 Augustus gedaal. Nadat die Bankkoers op 13 Augustus van 7,5 persent na 7 persent verlaag is, het die tenderkoers skerp gedaal tot 4,47 persent op 17 Augustus en tot 4,35 persent op 7 September. Die handelsbanke se prima-oortrekkingskoers is gedurende die tydperk 16 tot 24 Augustus van 10 na 9,5 persent verlaag. Met ingang van 24 Augustus is die depositokoerse van bankinstellings, met uitsondering van die koers op gewone spaardeposito's oor die algemeen ook met 'n half persent verlaag.

Staatsfinansies

Die ontvangste op die Skatkisrekening was gedurende die tweede kwartaal van 1979, dit wil sê die eerste kwartaal van die fiskale jaar 1979/80, 24 persent hoër as gedurende die ooreenstemmende tydperk van die voorafgaande jaar. Hierdie aansienlike toename was toe te skryf aan 'n skerp styging in die inkomstebelasting- en mynhuurbetalings deur die goudmynmaatskappye, die invloed van die algemene verkoopbelasting wat gedurende die eerste kwartaal van die voorafgaande fiskale jaar nog nie in werking was nie, en die feit dat nie al die belastingtoegewings wat in die Begroting vir 1979/80 toegestaan is, gedurende die tweede kwartaal van 1979 alreeds in werking getree het nie. Die opbrengs van die bobelasting op invoergoedere het in die tweede kwartaal heelwat afgeneem ná die verlaging in die koers van die bobelasting van 12½ tot 7½ persent in die Begroting, maar die inkomstebelastingtoegewings aan individue en maatskappye sal eers in die tweede kwartaal van die huidige fiskale jaar, dit wil sê in die derde kwartaal van 1979, hul invloed op voorlopige belastingbetalings en op die betalings van belasting kragtens die lopende betaalstelsel begin toon. In die geval van persoonlike inkomstebelasting, het die hersiene tabelle vir die maandelikse aftrekking van belasting deur werkgewers byvoorbeeld eers in Julie in werking getree, met die gevolg dat die laer belastingaftrekkings

Skatkisrekeningtekort en -finansiering



eers in die skatkisontvangste vir Augustus weerspieël sal word. As gevolg van al hierdie faktore was die koers van toename in die skatkisontvangste in die eerste kwartaal van die fiskale jaar 1979/80 aansienlik hoër as die verwagte koers van toename van 4 persent vir die jaar in sy geheel.

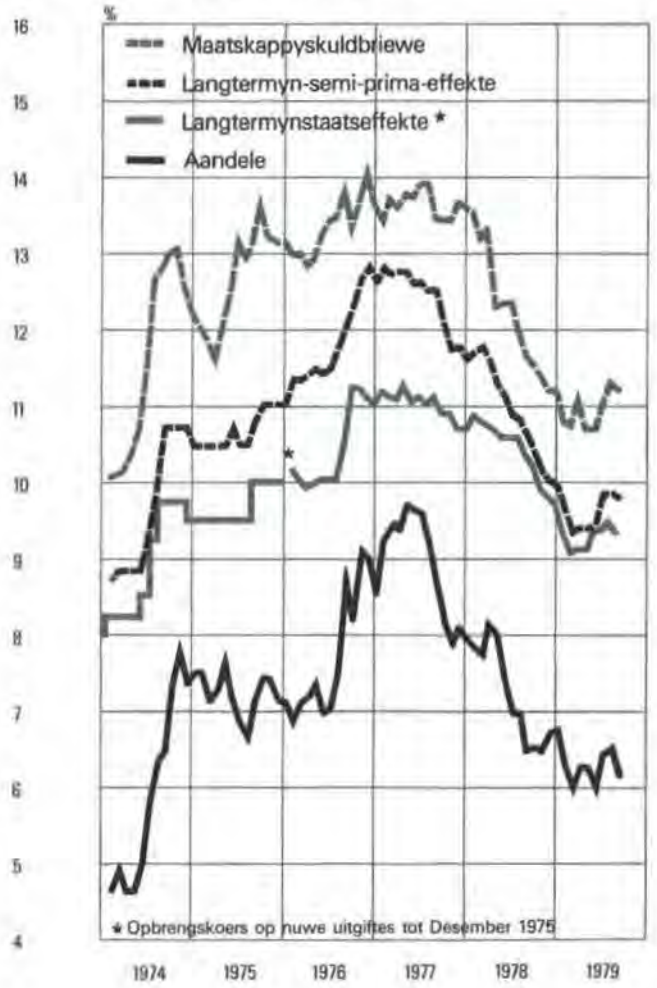
Die skatkisuitreikings was gedurende die eerste kwartaal van die huidige fiskale jaar 7 persent hoër as in die ooreenstemmende kwartaal van die voorafgaande jaar. Hierdie styging was opmerklik laer as die verwagte groeikoers van 12 persent in die uitgawes vir die fiskale jaar in sy geheel, wat daarop dui dat die skatkisuitreikings gedurende die oorblywende deel van die fiskale jaar vinniger sal toeneem.

Die uitreikings het die ontvangste in die kwartaal onder bespreking met R660 miljoen oorskry, of met R232 miljoen minder as gedurende die ooreenstemmende kwartaal van die voorafgaande jaar. Die grootste deel van hierdie tekort, naamlik ongeveer 70 persent, is deur middel van lenings vanaf binnelandse nie-bankbronne gefinansier. Die bedrag aan leenfondse wat van die Staatskuldkommissarisse opgeneem is, het R222 miljoen en dié vanaf die private nie-banksektor R240 miljoen bedra. Laasgenoemde bedrag het hoofsaaklik uit beleggings in nie-verhandelbare obligasies, in die besonder in Nasionale Verdedigingsobligasies, en ontvangste van verpligte leningsheffings bestaan. In teenstelling met die voorafgaande kwartaal en die eerste kwartaal van die fiskale jaar 1978/79, het die Tesourie gedurende die eerste kwartaal van die huidige fiskale jaar weer eens van bankkrediet gebruik gemaak, en wel tot 'n bedrag van R129 miljoen. Hierdie bedrag het bestaan uit 'n toename van R226 miljoen in die monetêre banksektor se besit aan staatskuldbewyse wat gedeeltelik deur 'n styging van R97 miljoen in die deposito's op die Skatkisrekening by hierdie sektor geneutraliseer is. Die netto opname van buitelandse leenfondse deur die Tesourie het gedurende die kwartaal onder bespreking R69 miljoen bedra.

Kapitaalmark

Die toestand in die mark vir vaste-rentedraende effekte het gedurende die tweede kwartaal van 1979 effens vernou. Die ondersteuning van nuwe uitgiftes het verswak en die opbrengskoerse het effens toegeneem. Hierdie vernouing van die mark is skynbaar nie deur verskuiwings in die beskikbaarheid van uitleenbare fondse of in die vraag na nuwe kapitaal veroorsaak nie, maar eerder deur onsekerheid aangaande toekomstige opbrengskoersbewegings, 'n werklike en verwagte hoër inflasiekoers, en portefeulje-aanpassings deur institusionele beleggers. Gedurende Julie en Augustus het 'n verruiming van die marktoestand sigbaar geword; nuwe uitgiftes van effekte is weer oorvolteken en die opbrengskoerse op vaste-rentedraende effekte in die sekondêre mark het geneig om te daal tot effens benede die vlakke waartoe dit gedurende die tweede kwartaal gestyg het. Die opbrengskoers op langtermynstaatseffekte het gedurende die tweede kwartaal van 9,11 tot 9,35 persent toegeneem voordat dit tot 9,33 persent in Augustus

Opbrengskoerse in sekondêre mark



gedaal het. Die langtermynopbrengskoers op die hoogste graad semi-prima-effekte het gedurende die tweede kwartaal van 9,43 tot 9,89 persent toegeneem, maar daarná in Augustus tot 9,81 persent gedaal. Die opbrengskoers op die langtermynskuldbriewe van maatskappye het in Augustus 11,25 persent beloop, wat nog steeds marginaal hoër was as die opbrengskoers van 11,01 persent in Junie.

Die netto bedrag aan nuwe uitgiftes van vasterentedraende effekte deur die openbare sektor, aangesuiwer vir veranderings in die betrokke leners se besit aan hul eie effekte, het in die tweede kwartaal R368 miljoen bedra, vergeleke met 'n netto terugbetaling van R132 miljoen in die eerste kwartaal. Gedurende Julie het die sentrale regering effekte wat vervaldatum bereik het ter waarde van R497 miljoen terugbetaal en nuwe fondse ten bedrae van R397 miljoen opgeneem deur middel van nuwe uitgiftes, met insluiting van 'n langtermynuitgifte teen 9,375 persent.

Die omset op die aandelebeurs het gedurende die tweede kwartaal verder toegeneem. Die nominale waarde van prima- en semi-prima-effekte verhandel het R555 miljoen bedra, vergeleke met 'n kwartaallikse gemiddelde van R287 miljoen vir die voorafgaande drie kwartale. Die waarde van aandele verhandel op die effektebeurs gedurende die tweede kwartaal het matiger toegeneem en was 5 persent hoër as in die eerste kwartaal. Laasgenoemde toename was hoofsaaklik die gevolg van 'n styging in die aandelepryse. Die omvattende aandeleprysindeks, wat alle klasse aandele insluit, het gedurende die tweede kwartaal met 6 persent gestyg. In Julie het die waarde van die aandele verhandel effens afgeneem, maar oor die algemeen het die aandelepryse onveranderd gebly. In Augustus het die aandeleomset egter skerp gestyg en die omvattende aandeleprysindeks het met 7 persent toegeneem. Die gemiddelde dividendopbrengskoers op alle klasse aandele het gedurende die eerste kwartaal van 6,3 tot 6,4 persent gestyg maar in Augustus tot 6,2 persent gedaal.

Die seisoensaangesuiwerde vloei van langertermynfondse na depositonemende en verwante spaarinstellings het gedurende die tweede kwartaal op 'n hoë vlak gebly en R921 miljoen bedra, vergeleke met R967 miljoen in die eerste kwartaal. Die bouverenigings se aandeel in hierdie fondse het effens afgeneem van 52 persent van die totaal in die eerste kwartaal tot 50 persent in die tweede kwartaal. Die bedrag van die bruto verbandlenings deur bouverenigings toegestaan het in die tweede kwartaal R636 miljoen beloop, wat 10 persent meer was as in die voorafgaande kwartaal. Nieteenstaande hierdie toename was die vraag na verbandlenings onvoldoende om die verenigings se invloeiing van fondse te absorbeer en as gevolg hiervan moes die verenigings hulle voorgeskrewe beleggings gedurende die tweede kwartaal met R125 miljoen verhoog. Gedurende Julie het die verenigings 'n verdere invloeiing van fondse van R144 miljoen ondervind, wat effens minder was as die maandelikse gemiddelde van R155 miljoen vir die tweede kwartaal.

In die vaste eiendomsmark het die waarde van transaksies gedurende die tweede kwartaal opwaarts bly beweeg en die syfer vir die eerste kwartaal met 3 persent oorskry. 'n Groter toename in transaksies het in Julie voorgekom.

Verklaring insake monetêre beleid

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

11 Augustus 1979

Ná die gebruiklike oorlegpleging met die Tesourie het die Reserwebank besluit om die Bankkoers soos vanaf Maandag 13 Augustus 1979 met ½ persent tot 7 persent per jaar te verlaag.

Hierdie stap verteenwoordig 'n verdere verslapping van monetêre beleid en neem in ag die aansienlike daling gedurende die jongste weke in korttermynrentekoerse in die mark wat tot 'n oormatige gaping tussen hierdie koerse en die Bankkoers gelei het.