

South African Reserve Bank  
Suid-Afrikaanse Reserwebank

Quarterly Bulletin

Kwartaalblad

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... denotes not available

— denotes value equal to nil

0 denotes value equal to less than half the digit shown

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Weens die afronding van syfers sal die som van die onderskeie poste soms verskil van die totaal wat aangetoon word.

... dui aan nie beskikbaar nie

— dui aan 'n waarde gelyk aan nul

0 dui aan waarde gelyk aan minder as die helfte van die eenheid aangetoon

\* dui voorlopige syfers aan

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

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

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

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

# Quarterly economic review

## Introduction

Economic conditions in the second quarter of 1985 continued to reflect the success achieved by the authorities in curbing inflationary overspending and improving the underlying balance of payments. The stringent monetary policy measures adopted in 1984 and the fiscal discipline imposed in the March 1985 Budget resulted in substantial further decreases in real consumption expenditure and investment. Accordingly, real gross domestic expenditure declined to 9 per cent below its high level in the second quarter of 1984.

Although the effects of the depressed domestic demand on output volumes were cushioned by an increasing international demand for South African exports, real gross domestic product, at a seasonally adjusted annual rate, declined by 2½ per cent in the second quarter.

The deceleration of the growth of monetary demand during the first half of 1985 was reflected in a decline in the growth of the money supply aggregates as well as in their velocities of circulation. The rate of increase in total bank credit also slowed down in the second quarter of 1985.

The reduced rate of increase of spending and bank credit creation resulted in a substantial improvement in domestic savings. The savings ratio increased from 20 per cent of gross domestic product in the second quarter of 1984 to a level of 26 per cent in the second quarter of 1985. The largest contribution to this improvement came from personal saving, while the savings shortfall of general government was reduced appreciably. A slowdown in the profits of companies, however, led to a decline in corporate saving.

Considerable further success was also achieved in the second quarter in improving the balance of payments. The demand for imports continued to decline, while both the prices and volume of exports rose for the seventh consecutive quarter, mainly as a result of an increasing foreign demand for South Africa's mining products. More favourable agricultural conditions led to lower agricultural imports and moderately higher agricultural exports. As a ratio of gross domestic product, the surplus on the current account of the balance of payments amounted to 4½ per cent, which is large by any standard.

In addition, the net outflow on the capital account of the balance of payments decreased from R2 453 million in the first quarter of 1985 to only R9 million in the second quarter. This pronounced change was especially evident in the movements of short-term capital. The inflow of long-term capital declined somewhat, largely because non-residents from May onwards became net sellers of domestic securities. As a result of these

changes and the considerable surplus on current account, the net gold and foreign exchange reserves increased by R1,4 billion during the second quarter, while the effective exchange rate of the rand remained relatively stable.

As expected, the delayed effects of the over-spending experienced until the middle of 1984 and of the depreciation of the rand brought about upward adjustments in administered prices and an increase in the domestic inflation rate. Measured over a twelve-month period, the rate of increase in consumer prices accelerated from 13,3 per cent in December 1984 to 16,4 per cent in June 1985, before it declined slightly to 15,9 per cent in July. The increase in unit labour costs, however, abated somewhat in the first part of 1985.

These circumstances emphasise the importance of continued fiscal restraint. In this regard it is significant that, although Exchequer issues during the first five months of the 1985/86 fiscal year increased at a rate in excess of the budgeted figures for the fiscal year as a whole, these expenditures deviated only moderately from the projected expenditures of departments for this period. Moreover, Exchequer receipts increased at an even higher rate, contributing to the financing of the deficit before borrowing without recourse to bank credit.

Against the background of the restrictive March 1985 Budget of the Central Government, the decline in total spending and the increase in the surplus on the current account of the balance of payments, the Reserve Bank progressively relaxed its monetary policy from early May onwards. To this end it lowered its refinancing rates in four steps of 1 per cent each between 6 May and 4 July. On 20 August, the Bank took the further step of setting its new formal Bank rate at 16 per cent, i.e. 1¾ per cent below the then prevailing rediscount rate on Treasury bills to discount houses. In this manner the Reserve Bank brought about a marked decline in both short-term and long-term interest rates from early May onwards.

These developments during the second quarter illustrated that the adjustment process had created a sound foundation for the resumption of positive real economic growth. Subsequently, however, socio-political developments tended to neutralise the sound economic "fundamentals" by adversely affecting overseas perceptions of the domestic economic situation. As a result, certain foreign banks became reluctant to renew maturing credits to South African banks, while non-residents became net sellers of domestic securities. In addition, leads and lags in foreign payments and receipts developed, leading to severe strains on foreign exchange holdings and a sharp depreciation of the rand. The effective exchange rate of the rand declined by as much as 27 per cent from the end of June 1985 to 27 August.

Even though this abnormal pressure on the capital account and the rand exchange rate was unrelated to the healthy underlying economic conditions in the country, it was a reality that had to be taken into account. It was therefore decided to close the foreign exchange market and the Johannesburg Stock Exchange from 28 August to 1 September 1985 as a prelude to the introduction of new restrictions on outward capital movements. These restrictions, as announced on 1 September, basically comprised the introduction of a four month "standstill" period in repayments of foreign debt and the reintroduction of the financial rand system.

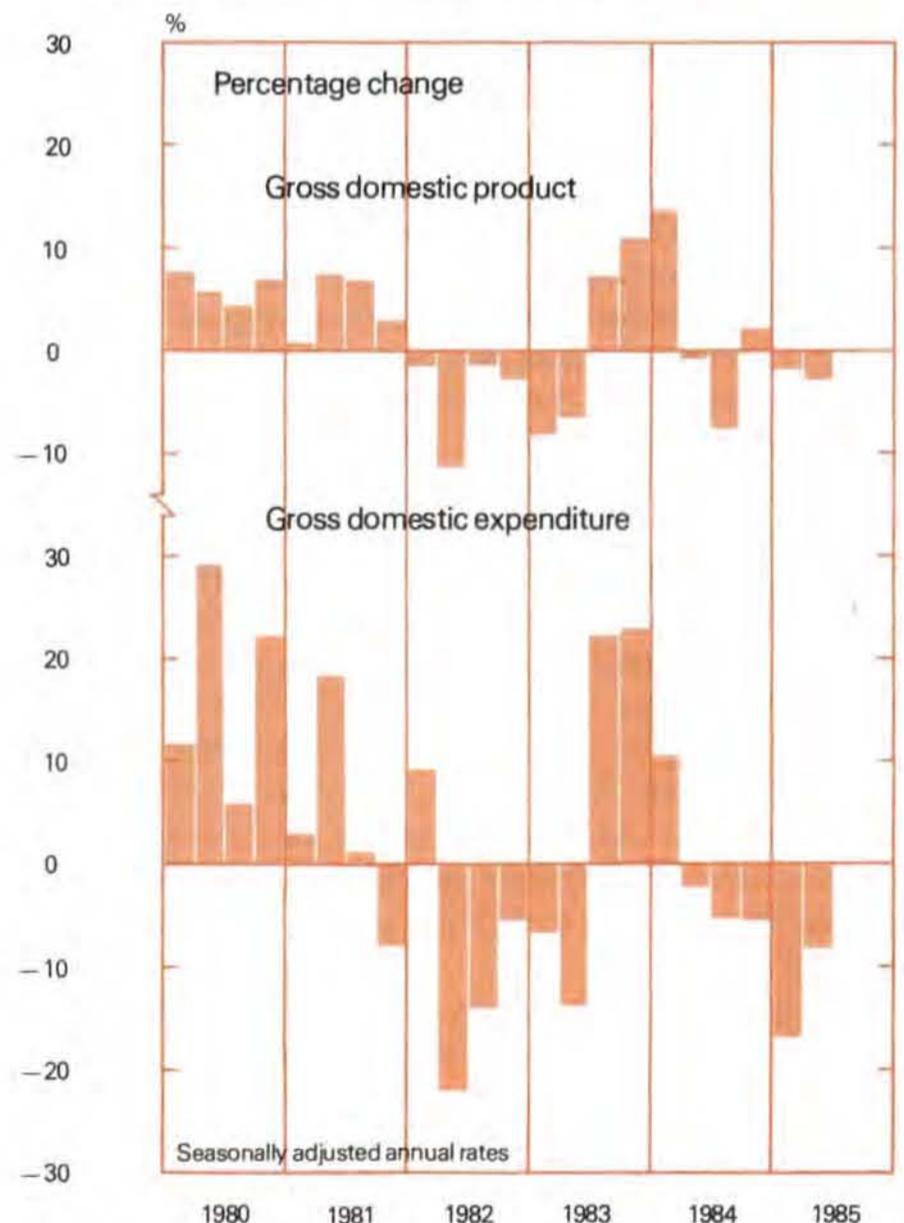
## Domestic economic developments

### Output

Reflecting the downward movement in economic activity, real gross domestic output continued to decline during the second quarter of 1985. Taken at a seasonally adjusted annual rate, the contraction in aggregate domestic output amounted to 2½ per cent, compared with 1½ per cent in the first quarter of the year.

The depressed domestic demand situation was responsible for further declines or lower growth in the output of nearly all the sectors of the economy. In particular, the contribution of wholesale and retail trade declined at a seasonally adjusted annual rate of 14 per cent. The contributions of construction, manufacturing, agriculture and transport, storage and communication also declined further, while the real output of all other sectors, with the exception of mining, rose moderately. Buoyant international demand conditions led to a further sharp increase in mining output.

### Real gross domestic product and expenditure



## Expenditure

Real gross domestic expenditure declined at a seasonally adjusted annual rate of 8 per cent in the second quarter of 1985. All the main expenditure components contributed to this fifth consecutive quarterly decline.

At a seasonally adjusted annual rate, private consumption expenditure at constant prices declined by 5½ per cent after its downward tendency had been temporarily interrupted by an increase of 4 per cent in the first quarter of 1985. The decline during the second quarter was particularly evident in real outlays on durable goods, which decreased by 28 per cent. Expenditure on non-durable goods also declined, but at a substantially lower

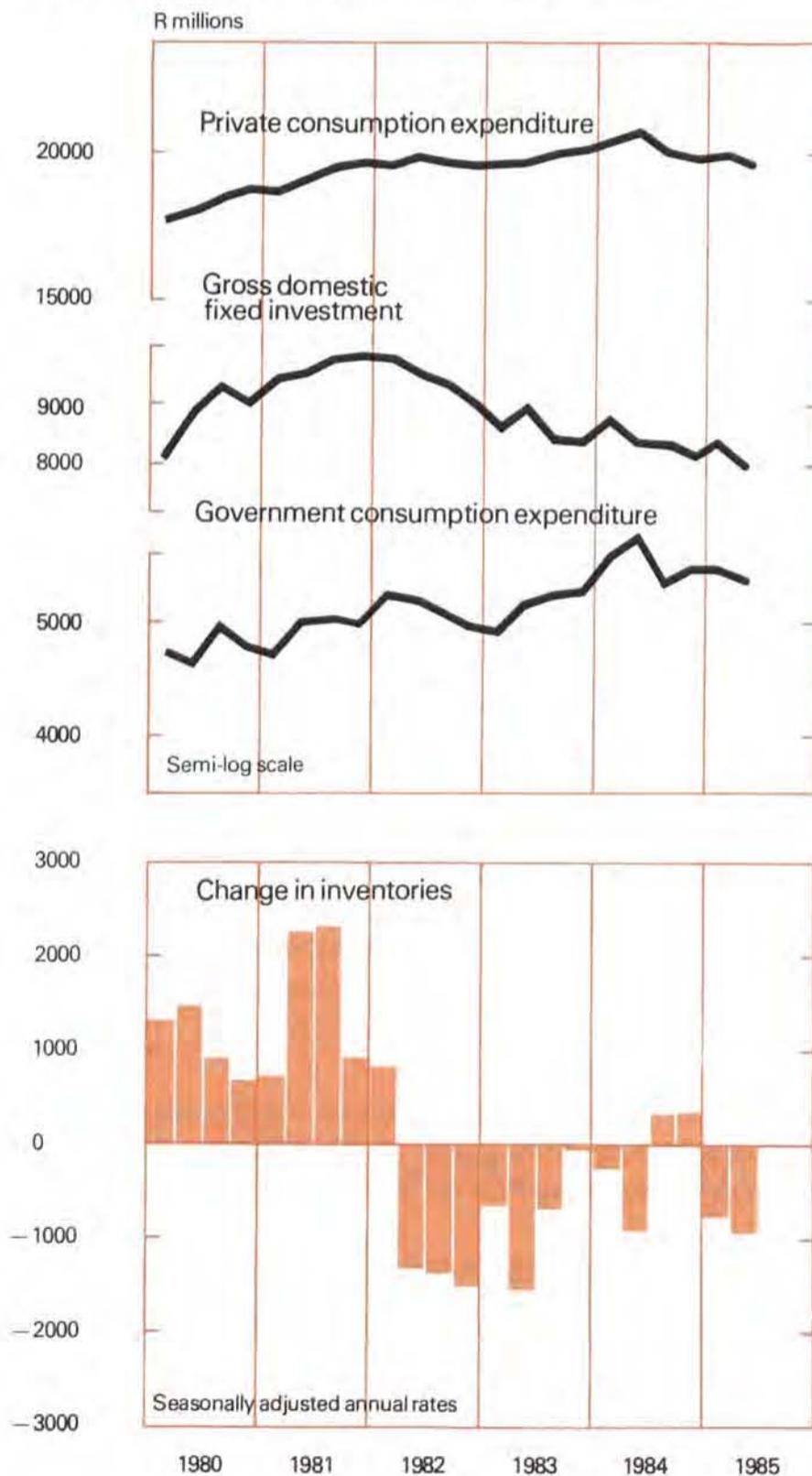
rate of 5 per cent. This low level of consumption expenditure continued during July and August.

In accordance with the commitment by the authorities not to allow real government expenditure to increase in the 1985/86 fiscal year, government consumption outlays in real terms, taken *at a seasonally adjusted annual rate*, declined by almost 8 per cent during the second quarter of 1985. Real outlays on goods and services other than salaries and wages declined to a level of 19 per cent below its recent peak in the second quarter of 1984.

Real gross domestic fixed investment, at a seasonally adjusted annual rate, declined by 13½ per cent in the second quarter of 1985. This substantial decrease was mainly attributed to declines in the real fixed capital outlays of both the public authorities and the private sector. The decrease in the real capital expenditure of public corporations amounted to only 4½ per cent. The decline in capital formation was widely dispersed among the various sectors of the economy, but was particularly evident in agriculture, construction, commerce and finance. Although the real fixed capital formation of the mining sector improved somewhat in the second quarter of 1985, it was still 27 per cent below its peak in the third quarter of 1981.

Steps were taken during the first half of 1985 to reduce inventories because of an involuntary build-up of stocks during the last half of 1984 as domestic consumption and fixed investment declined in real terms. Declines were reported in the second quarter in all inventory categories with the exception of real wholesale stocks and agricultural stocks-in-trade. As a result of the inventory run-down in the first half of 1985, the ratio of real industrial and commercial inventories to real non-agricultural gross domestic product declined from 23,8 per cent at the end of 1984 to 22,7 per cent at the end of June 1985.

## Components of real gross domestic expenditure



## Factor income and saving

Nominal factor income increased at rates well below the current rate of inflation during the second quarter of 1985. A slow-down in employment growth and a moderation of wage increases resulted in an increase in total remuneration of employees at a seasonally adjusted annual rate of only 9½ per cent during this quarter. The other main component of factor income, namely total gross operating surplus, increased by only 5 per cent because of the impact of the economic downswing on corporate profits. A large increase in the operating surplus of the mining sector reflecting higher rand export prices as well as higher export volumes of metals and minerals, was partly neutralised by declines in the operating surpluses of the sectors electricity, gas and water; commerce; and transport, storage and communication.

Despite the lower rate of increase in factor income, domestic saving improved substantially during the second quarter, and the savings ratio increased from a recent low of 20 per cent in the second quarter of 1984 to a

### Ratio of personal saving to personal disposable income



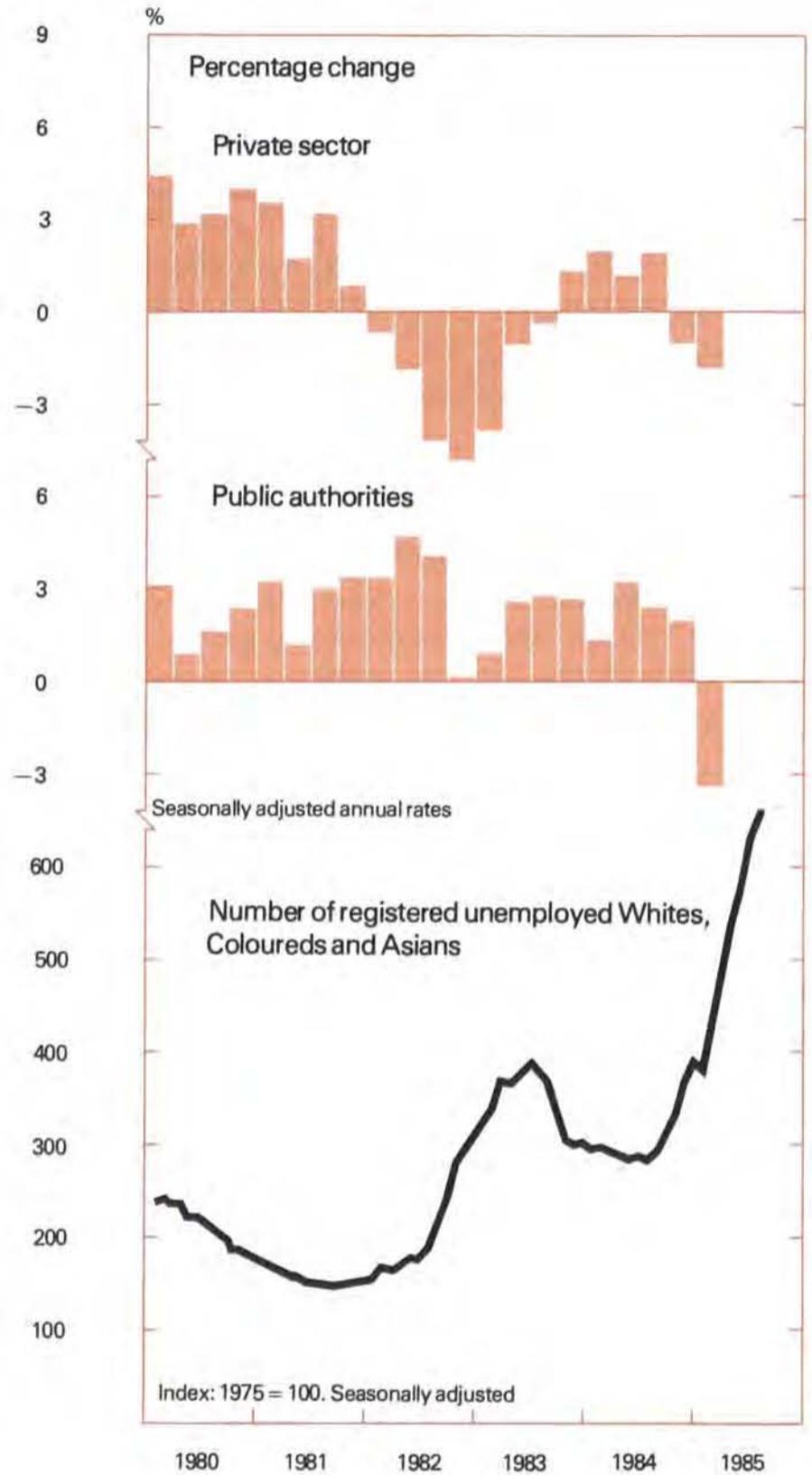
level of 26 per cent of gross domestic product. The largest contribution to this improvement came from increased savings by private households. Personal saving as a percentage of personal disposable income, in fact, changed from a negative figure in the second quarter of 1984 to a positive figure of 7½ per cent in the second quarter of 1985. General government saving remained negative, but the savings shortfall was reduced appreciably in the second quarter. Corporate saving, however, declined as company profits slowed down.

### Employment\*

In response to the lower domestic demand and the consequential decline in the output of goods and services in the economy from the third quarter of 1984, the demand for labour also diminished. After a sustained growth during the six preceding quarters, employment declined at seasonally adjusted annual rates of 0,2 per cent and 2,2 per cent in the fourth quarter of 1984 and the first quarter of 1985, respectively. Employment by public authorities increased at lower rates during the second half of 1984, before declining in the first quarter of 1985. This decline was the first in six years and occurred in both the general divisions and the business enterprises of the public authorities. Private-sector employment, on the other hand, showed a distinct cyclical downturn in the fourth quarter of 1984 and the first quarter of 1985. Information available for manufacturing, construction and mining for April and May indicates that this downward trend continued in the second quarter of 1985.

The net effect of the simultaneous decline in the demand for labour and the steady growth of the economically active population was an increase in unemployment among all population groups. Seasonally adjusted, the

### Non-agricultural employment



number of registered unemployed Whites, Coloureds and Asians rose from a low of 29 350 in July 1984 to 40 570 in December and 67 900 in July 1985.

### Labour costs and productivity

The easier labour market conditions were accompanied by a slow-down of the rise in nominal remuneration per worker in the first quarter of 1985. Measured over a four-quarter period, nominal salaries and wages per worker increased by 12,0 per cent, while in real terms they actually declined by 2,7 per cent in the first quarter of 1985.

\* Employment and labour remuneration statistics refer to the non-agricultural sectors of the economy and comprehensive data are available only up to the first quarter of 1985.

Labour productivity, as measured by the real gross domestic product per worker in the non-agricultural sectors of the economy, started to decline sharply in the second half of 1984 on account of cyclical factors. Measured over a four-quarter period, productivity declined further at a rate of 1,8 per cent in the first quarter of 1985. As a result of the decline in productivity and a further rise in nominal remuneration in the second half of 1984, the rate of increase in unit labour costs accelerated and by the fourth quarter the increase, measured over a four-quarter period, amounted to 17 per cent. In the first quarter of 1985, however, the increase in unit labour costs abated somewhat to 14 per cent because of the slow-down in the rise of nominal wages.

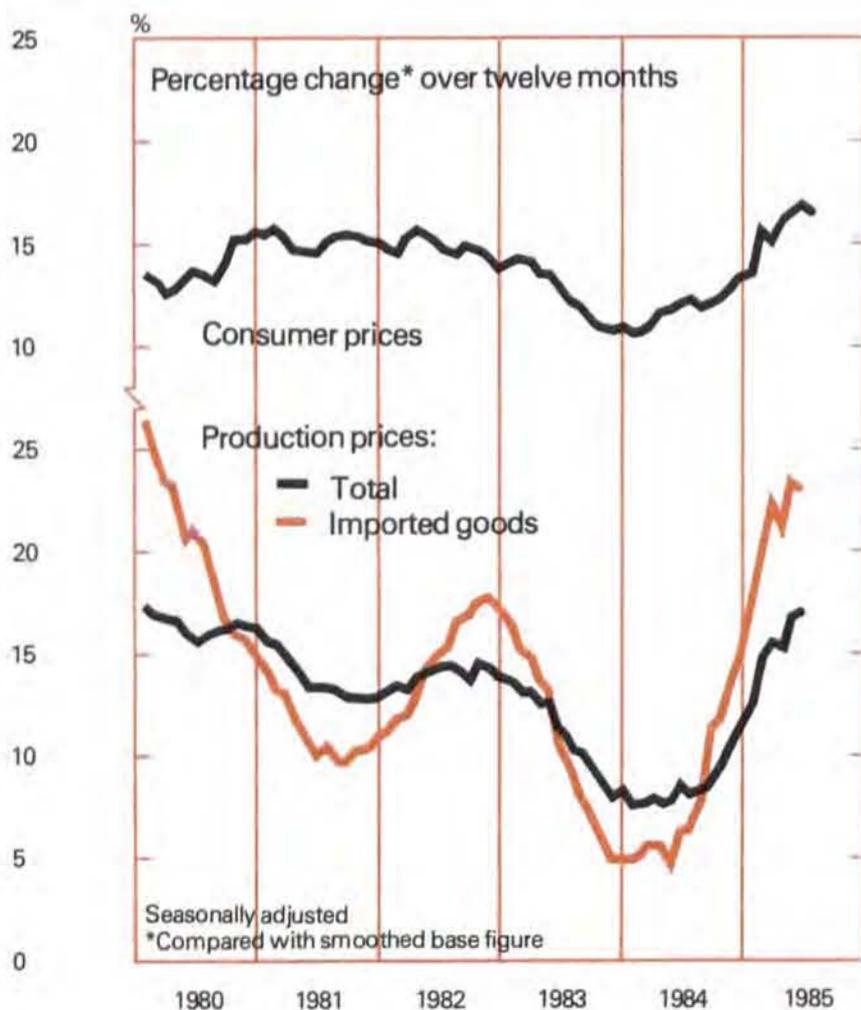
### Prices

The rate of inflation, as measured by changes in consumer and production price indices, accelerated from the second quarter of 1984 to the second quarter of 1985. The higher rate of increase in prices initially emanated mainly from excessive monetary demand during 1983 and the first half of 1984. Although demand pressures eased substantially from the third quarter of 1984, the after-effects of overspending as well as marked increases in import prices following the earlier depreciation of the rand and delayed upward adjustments in

administered prices contributed to a continued high inflation rate. Increases in the general sales tax rate, which came into effect on 1 July 1984 and 25 March 1985, also contributed to the rise in the consumer price index.

Measured over a twelve-month period, the increase in consumer prices accelerated from a recent low of 10,0 per cent in February 1984 to 13,3 per cent in December 1984 and to 16,4 per cent in June 1985, before slowing down marginally to 15,9 per cent in July. The sharp depreciation of the rand from the end of 1983 resulted in an acceleration of the rate of increase of the import price component of the production price index from a low of 3,5 per cent in May 1984 to 25,2 per cent in July 1985. The corresponding acceleration in the rate of increase in the overall production price index was from a low of 6,9 per cent in January 1984 to 17,4 per cent in July 1985.

### Prices

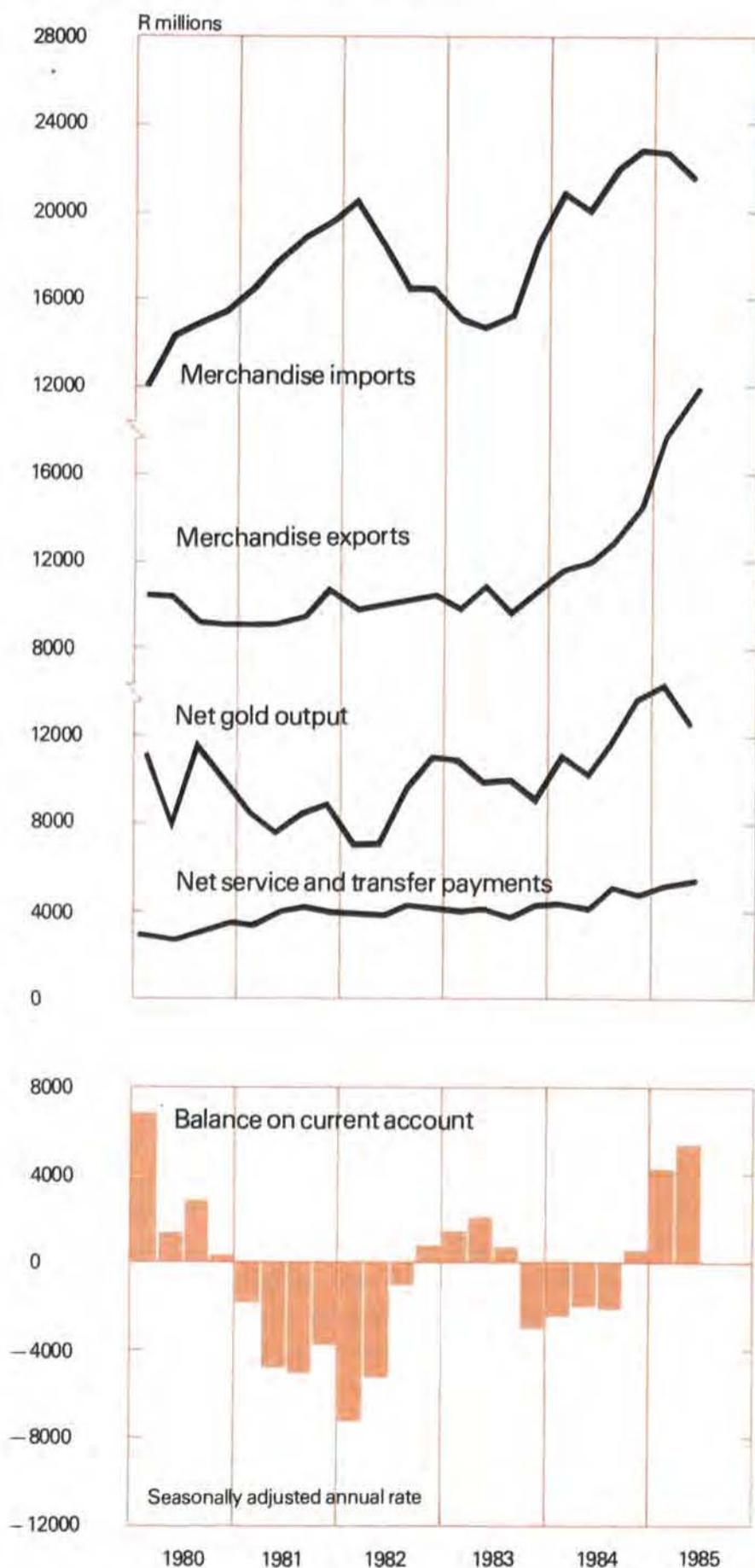


## Balance of payments

### Current account

Despite a deterioration in South Africa's terms of trade, a further substantial improvement was recorded on the current account of the balance of payments during the second quarter of 1985. At a seasonally adjusted annual

### Balance of payments : Current account



### Current account of the balance of payments

(Seasonally adjusted annual rates)  
(R millions)

	1985	
	1st qr	2nd qr
Merchandise exports .....	17 850	19 670
Net gold output .....	14 250	12 620
Merchandise imports .....	-22 630	-21 540
Net service and transfer payments ..	-5 140	-5 350
Balance on current account .....	4 330	5 400

rate, the surplus on the current account increased from R4,3 billion in the first quarter of 1985 to R5,4 billion in the second quarter. This increase was brought about mainly by a continued sharp rise in merchandise exports as well as a further decline in merchandise imports. These developments were partly offset by a decline in the value of the net gold output and a moderate rise in net service and transfer payments to the rest of the world.

Substantial increases in both the volume and prices of exports during the second quarter of 1985, led to the seventh consecutive quarterly rise in the value of merchandise exports. This outstanding export performance was related to the rising demand for mining products stemming from the economic expansion in the industrial countries as well as to the increased price competitiveness of South African exporters. In the second quarter of 1985, this was supplemented by higher agricultural exports. Although commodity prices on international markets generally remained depressed, export prices in rand terms increased sharply owing to the decline in the effective exchange rate of the rand.

The value of merchandise imports declined further in the second quarter of 1985, reflecting a decrease of 9 per cent in the volume of imported goods and an increase of 5 per cent in import prices in terms of rand. Particularly large decreases were recorded in the import volumes of agricultural products, prepared food, chemical products and machinery and electrical equipment. On the other hand, the import volume of mineral products increased somewhat. The weak performance of the rand on exchange markets was the main contributing factor to the increase in import prices. The seasonally adjusted value of imports during July was slightly below its average monthly value during the second quarter.

A decline in volume was entirely responsible for a decrease of 11½ per cent in the value of the net gold output during the second quarter of 1985. In view of the higher rand price of gold, the mines continued with their policy of mining lower-grade ore. In addition, the quantity of ore milled also declined moderately in the second quarter. The average fixing price of gold on the London market in terms of rand increased from R617 per fine ounce in the first quarter of 1985 to R627 in the second quarter. Subsequently, it declined slightly in July, before

## Gold price



surging to R787 per fine ounce in August because of the depreciation of the rand and a moderate increase in the US dollar price of gold. The latter price amounted to an average of \$330 per fine ounce in August, moderately above its average of \$317 in the preceding three months.

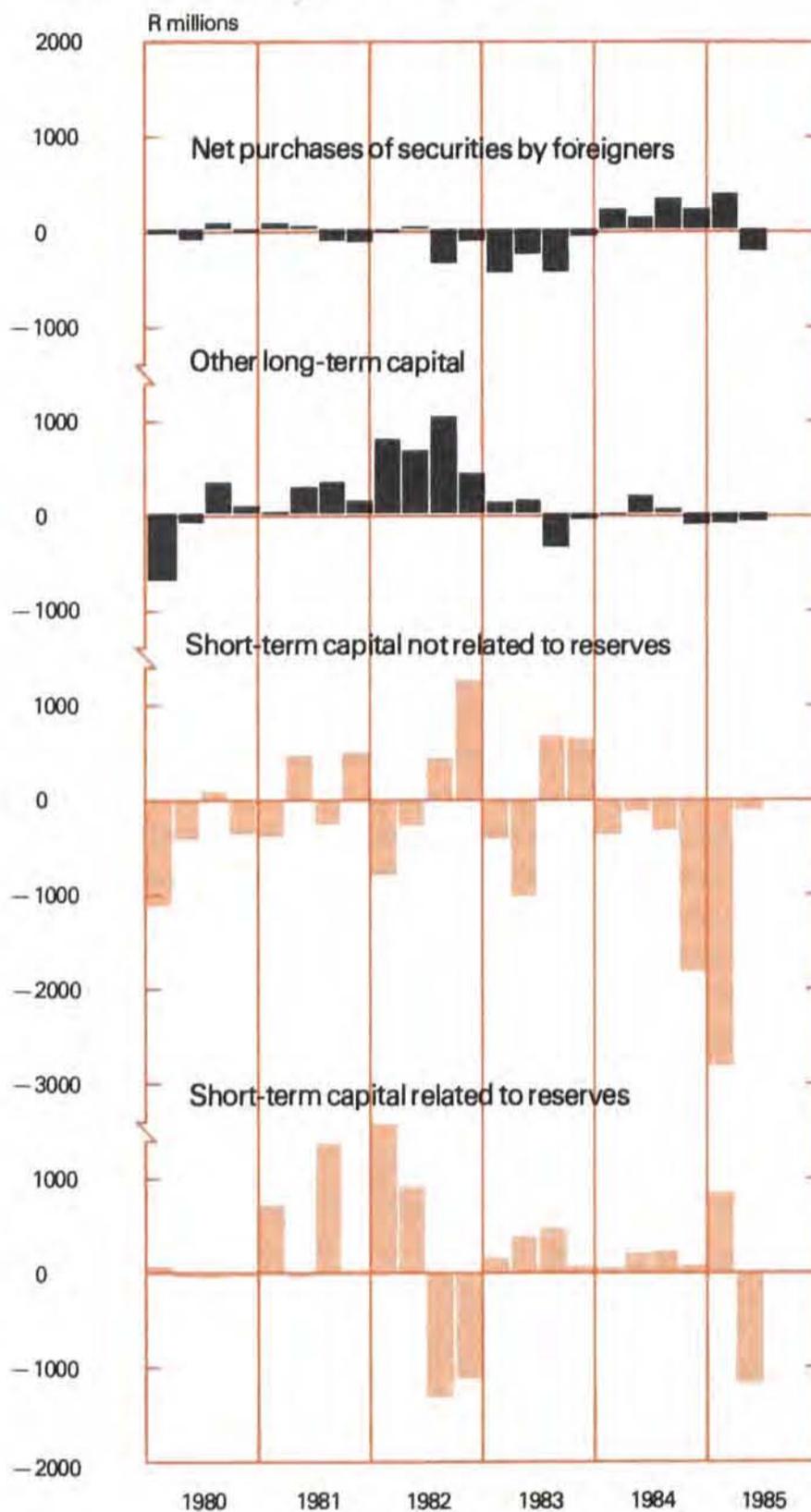
Net service and transfer payments to the rest of the world continued their upward trend in the second quarter of 1985. This further increase was mainly caused by higher payments in terms of rand in respect of freight and merchandise insurance, other transportation services and dividends and interest on foreign investments.

## Capital account

During the second quarter of 1985 a net outflow of only R9 million was registered on the capital account of the balance of payments, compared with outflows of R983 million in the fourth quarter of 1984 and R2 453 million in the first quarter of 1985. This pronounced swing in the capital account was most evident in the movements of short-term capital not related to reserves, including unrecorded transactions. The net outflow of such short-term capital fell from R2 808 million in the first quarter of 1985 to only R113 million in the second quarter. This significant decline was related, *inter alia*, to a decrease in repayments on foreign trade credits and the absence of any significant unfavourable leads and lags in foreign payments and receipts during the three-month period.

Despite a substantial increase in loan capital obtained abroad by public corporations, the net inflow of long-term capital declined from R355 million in the first quarter of 1985 to R104 million in the second quarter.

## Balance of payments: Capital account



This decrease to a large extent reflected net repayments on foreign loans by the Central Government and a reversal of the inflow through security transactions of non-residents on the Stock Exchange. After non-residents had been net purchasers of domestic securities to the extent of R1 303 million in the preceding sixteen months, they became net sellers of such securities from May onwards. During the three months up to the end of July these sales amounted to R467 million.

From the last week of July, the capital account of the balance of payments deteriorated substantially, particularly after certain foreign banks had made known their intention to call up maturing credit facilities provided to

South African banks and other enterprises. The concern that these actions might prove contagious understandably brought about new unfavourable "leads and lags" and caused the rand to depreciate substantially.

These developments forced the authorities to suspend trading on the foreign exchange market and to close the Johannesburg Stock Exchange for three trading days as from 28 August, as a prelude to the introduction of the new restrictions on outward capital movements. These restrictions, as announced on 1 September, basically comprised the introduction of a four-month "standstill" period for foreign debt repayments and the reintroduction of the financial rand system.

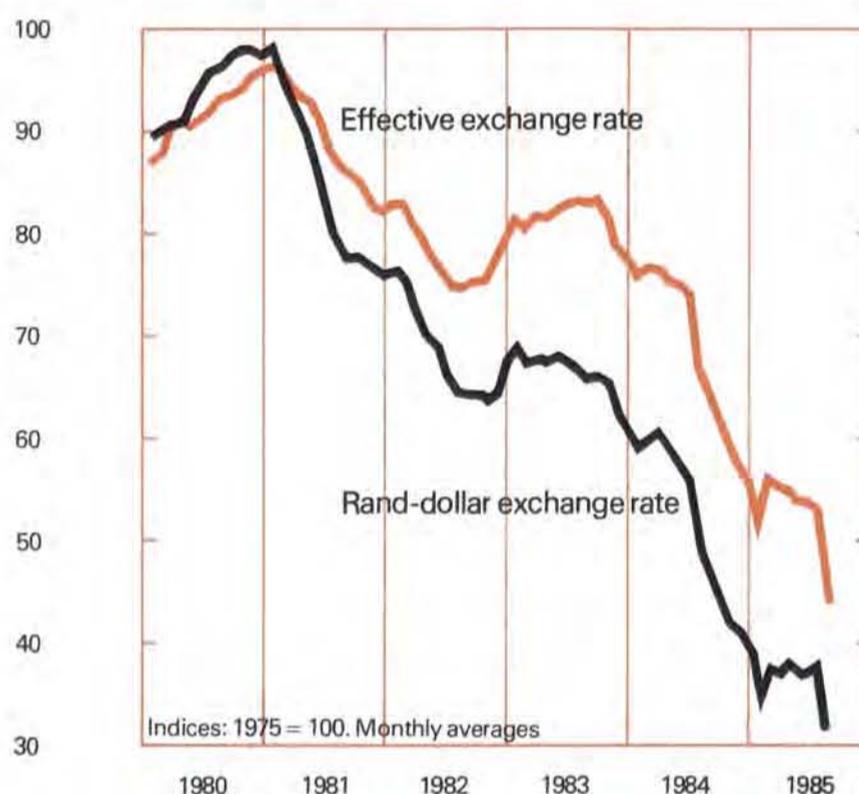
### Foreign reserves

The substantial surplus on the current account of the balance of payments and the improvement on the capital account caused the total net gold and other foreign reserves to increase by R1,4 billion in the second quarter of 1985. This increase largely reflected a reduction by the Reserve Bank and other banking institutions of their reserve-related foreign liabilities by R1,2 billion during this quarter. Despite the subsequent negative developments on the capital account referred to above, an increase of R110 million was still recorded in the total net gold and other foreign reserves during July. However, in August the net gold and other foreign reserves of the Reserve Bank declined by R535 million.

### Exchange rates

After the external value of the rand had increased during the first quarter, it drifted moderately downwards during the second quarter of 1985 and the first part of July. Political uncertainties and the withdrawal of foreign short-term capital subsequently resulted in a sharp depreciation of the rand from the last week of July to a new record low of 34,8 US cents on 27 August. Between the end of June and the temporary closure of the domestic foreign exchange market from 28 August to 1 September, the effective exchange rate of the rand declined by 27,2 per cent. Over the same period the depreciation of

### Exchange rates of the rand



the rand against the main currencies ranged from a low of about 26 per cent against the US dollar to a high of just more than 34 per cent against the Swiss franc.

When the foreign exchange market reopened on 2 September 1985, the Reserve Bank quoted its opening middle rate of exchange at 41,50 US cents. Between that morning and 16 September the rand-dollar rate ranged from 37,95 to 45,00 US cents. The weighted average value of the rand increased by 12 per cent from 27 August to 16 September.

In relatively thin trading the financial rand opened at 37 US cents per rand on 2 September 1985, reflecting a discount of 17,8 per cent compared with the discount of 16,1 per cent on 4 February 1983, when the financial rand was last quoted. Subsequently, the financial rand discount narrowed to 7,8 per cent on 16 September 1985.

### Changes in the exchange rates of the rand\*

%

	Dec 1984 to Mar 1985	Mar 1985 to Jun 1985	Jun 1985 to 27 Aug 1985	27 Aug 1985 to 16 Sept 1985
Weighted average .....	5,0	-5,0	-27,2	12,0
US dollar .....	6,0	-4,9	-25,9	10,4
British pound .....	-1,6	-8,2	-31,1	14,8
German mark .....	3,9	-5,9	-32,6	14,8
Swiss franc .....	6,1	-6,4	-34,1	15,5
Japanese yen .....	5,7	-5,6	-29,5	12,4
French franc .....	3,7	-6,0	-32,7	14,9

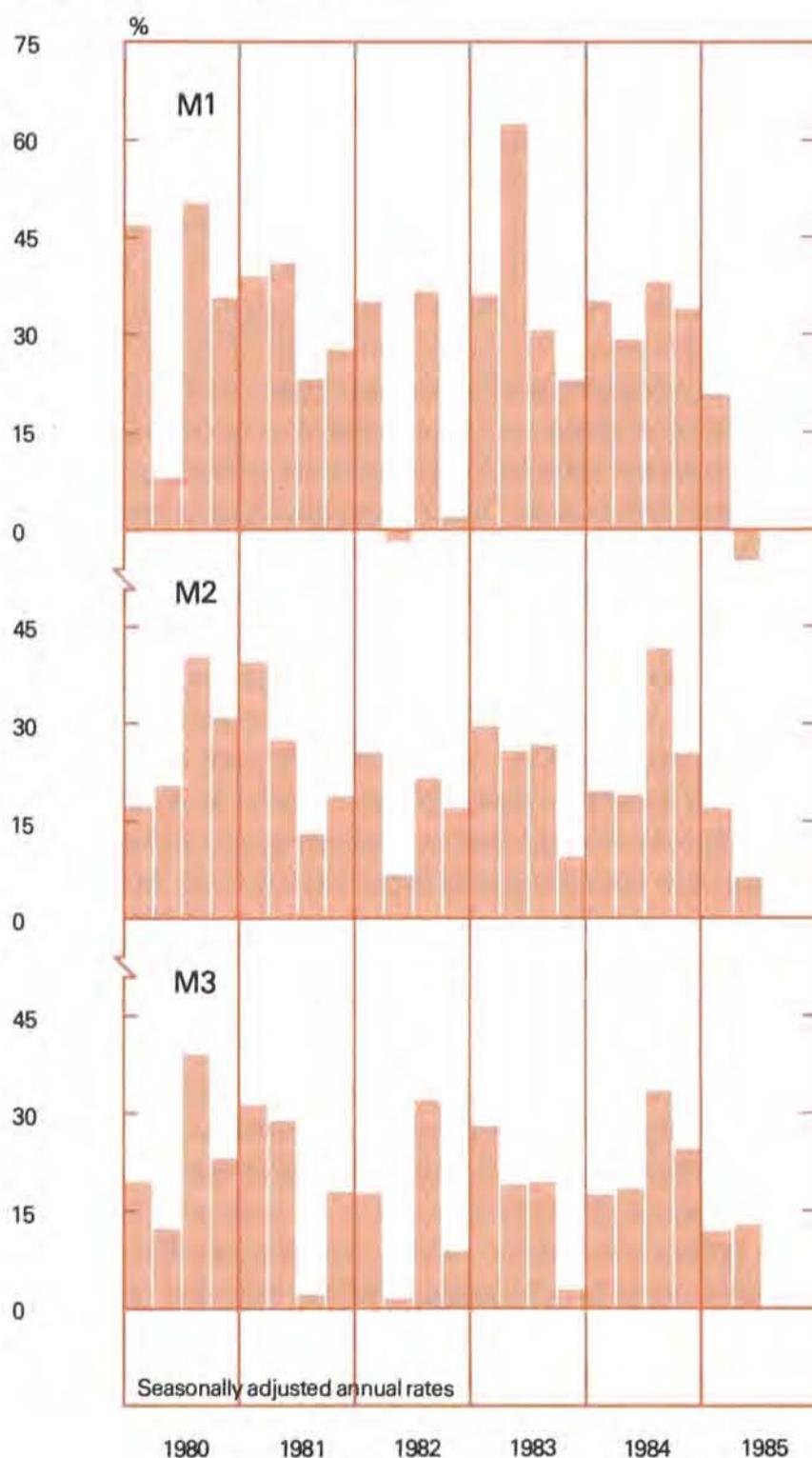
\*Based on figures as at month-ends.

## Money and banking

### Changes in money stock

The growth rate of the money stock continued to decline steadily during the first seven months of 1985. Measured over a twelve-month period, the rate of increase of M3 declined from 24,7 per cent in November 1984 to 20,5 per cent in June 1985 and to 18,8 per cent in July. The growth rates of the more narrowly defined monetary aggregates, M1 and M2, declined in a more or less similar way, but the rates of decline exceeded that of the broader monetary aggregate M3. The comparable growth rates of M1 and M2 decreased from 39,6 per cent and 28,9 per cent, respectively, in November 1984

### Changes in money stock



to 20,8 per cent and 21,3 per cent, respectively, in June 1985. This more rapid decline in the growth of the narrower monetary aggregates was caused by a shift from short-term to long-term deposits based both on actual and expected lower interest rates as well as the expected change in the term structure of interest rates. In July a slight increase in interest rates reversed this situation, and contributed to a substantial decline in the long-term deposits of the private sector with banks. Although the growth rate of M2 continued to decline in July, a slight rise was recorded in the rate of increase of M1.

The growth rates measured over a fairly long time-span of twelve months referred to above underestimate the extent of the deceleration in money growth. The tempo of short-term changes is better reflected by measuring the rates of increase of the various monetary aggregates as quarterly changes at seasonally adjusted annual rates. Measured in this way, the quarterly increases in M3, M2 and M1 declined from 24,3 per cent, 25,3 per cent and 34,0 per cent, respectively, in the fourth quarter of 1984 to 13,2 per cent, 6,0 per cent and -4,8 per cent, respectively, in the second quarter of 1985.

From the point of view of monetary control the slowdown in the rate of increase in the money stock was indeed very satisfactory during the first seven months of 1985. Moreover, the velocity of circulation of the various monetary aggregates declined further during the first quarter of 1985 and then remained more or less unchanged during the second quarter. The combined changes in the money stock and the velocity of circulation indicated a further deceleration in the rate of increase in monetary demand during the second quarter of 1985.

Net foreign reserves, which still exerted a contractionary influence on the money stock during the first quarter of 1985, overtook credit to the private sector during the second quarter as the predominant counterpart of monetary expansion. In the latter three months credit demand weakened considerably, while the overall balance of payments position changed to a large surplus. Net bank credit to the government sector remained more or less unchanged during the second quarter and then increased moderately in July.

### Bank credit

Despite the fact that net bank credit to the government sector remained more or less unchanged during the four months up to July 1985, total bank credit extension increased further. However, taken at a seasonally adjusted annual rate, the growth in total bank credit decelerated from 11,9 per cent in the first quarter of 1985 to 8,3 per cent in the next four months. These changes in total bank credit mainly reflected similar increases in bank credit to the private sector. At a seasonally adjusted annual rate, the rate of increase in bank credit to the private sector decelerated from 37,2 per cent in the

## Financial markets

### Reserve Bank operations in financial markets

The main objective of the Reserve Bank's operations in the financial markets during the five months up to August 1985 was the promotion of an orderly downward adjustment in short-term interest rates. The improvement in the "mix" of monetary and fiscal policy from April 1985 onwards, the decline in total spending and the large surplus on the current account of the balance of payments, induced the Reserve Bank to relax its monetary policy progressively during the period April to September 1985.

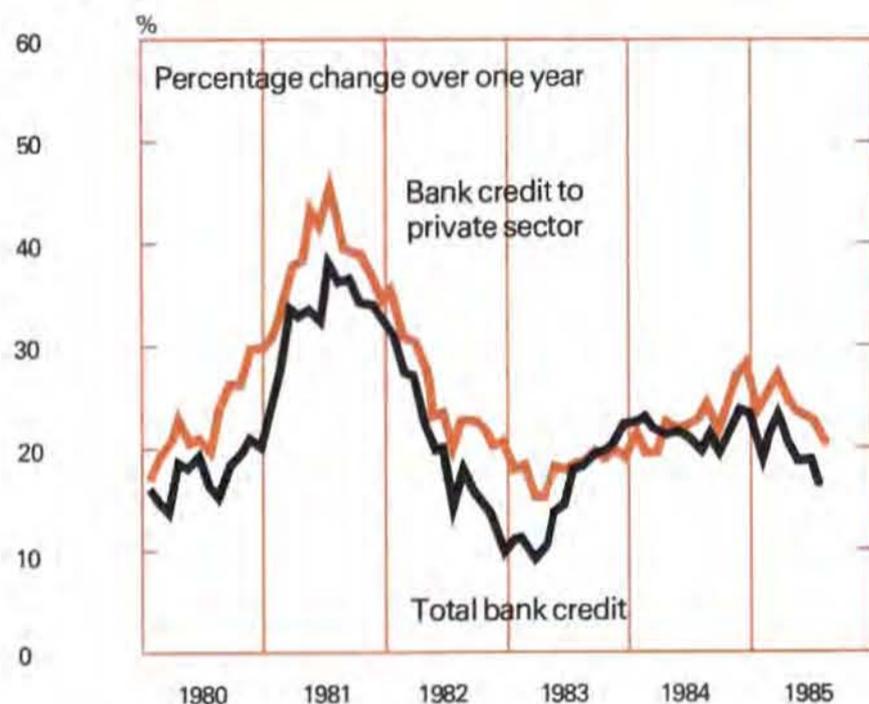
In recognition of the changed economic circumstances and the decline in money market interest rates, the Bank reduced its rediscount rates for discount houses in four steps of 1 per cent each from 6 May to 4 July. Subsequently, taking the view that the tightening in money market conditions towards the end of July and early in August was mainly the result of abnormal socio-political conditions and not caused by changes in economic fundamentals, the Bank on 20 August lowered its refinancing rates by an additional 1,75 per cent. These adjustments brought the Bank's rediscount rates for discount houses to 16,00 per cent for Treasury bills, 16,25 per cent for Land Bank bills and 16,50 per cent for bankers' acceptances. At the same time, in accordance with the recommendations of the Commission of Inquiry into the Monetary System and Monetary Policy in South Africa, the Reserve Bank re-introduced the traditional "Bank rate" as its formal rate for rediscounting Treasury bills for the discount houses. These changes were accompanied by broadly corresponding reductions in the Bank's rediscount rates for banks and in its interest rates on overnight loans to discount houses and banks.

The Reserve Bank's net sales of government stock amounted to R2 139 million during the second quarter of 1985 and to R341 million during July and August. These operations were aimed mainly at funding the Government's deficit before borrowing in a manner consistent with the strategy of reducing the rates of increase of the money supply aggregates.

Although the Reserve Bank's operations in the foreign exchange market were undertaken largely to stabilise exchange rate movements and to acquire foreign exchange for meeting outright forward exchange commitments, they also exerted an appreciable influence on conditions in the money market during the five months up to August 1985.

In order to assist the money market over the seasonally tight August month-end, resulting from the customary large flow of tax funds to the Government, the Reserve Bank made considerable use of repurchase agreements with banking institutions from 30 August onwards. Special tax Treasury bills amounting to R500 million, which matured at the end of August, also alleviated the tight market conditions over the month-end.

### Bank credit



fourth quarter of 1984 to 13,0 per cent in the first quarter of 1985 and 12,0 per cent in the subsequent four months.

The continued slow-down in the credit demand of the private sector during the four months up to July was largely the counterpart of a substantial decrease in nominal gross domestic expenditure. In particular, the demand for bank credit to finance the purchases of durable consumer goods and capital expenditure declined sharply. In fact, hire-purchase credit and leasing finance provided by banks actually declined in absolute terms during the second quarter and July 1985. The demand for bank credit by companies, however, remained relatively high. Additional bank credit was still needed by companies to augment their cash flows and to capitalise accrued interest on previously existing credit transactions.

The net result of the Reserve Bank's operations and other factors affecting the money market was a decrease in the Bank's refinancing in the form of rediscounts and overnight loans to discount houses and other banking institutions from a daily average of R1 921 million in March 1985 to R860 million in June. In July such refinancing increased again to R1 037 million. It then increased to R1 656 million at the end of August, before declining again to R965 million on 13 September 1985. Funds of the Corporation for Public Deposits placed with the discount houses were raised from R600 million at the end of May to R750 million at the end of June 1985 and, with minor fluctuations, were then held at this level up to 13 September 1985.

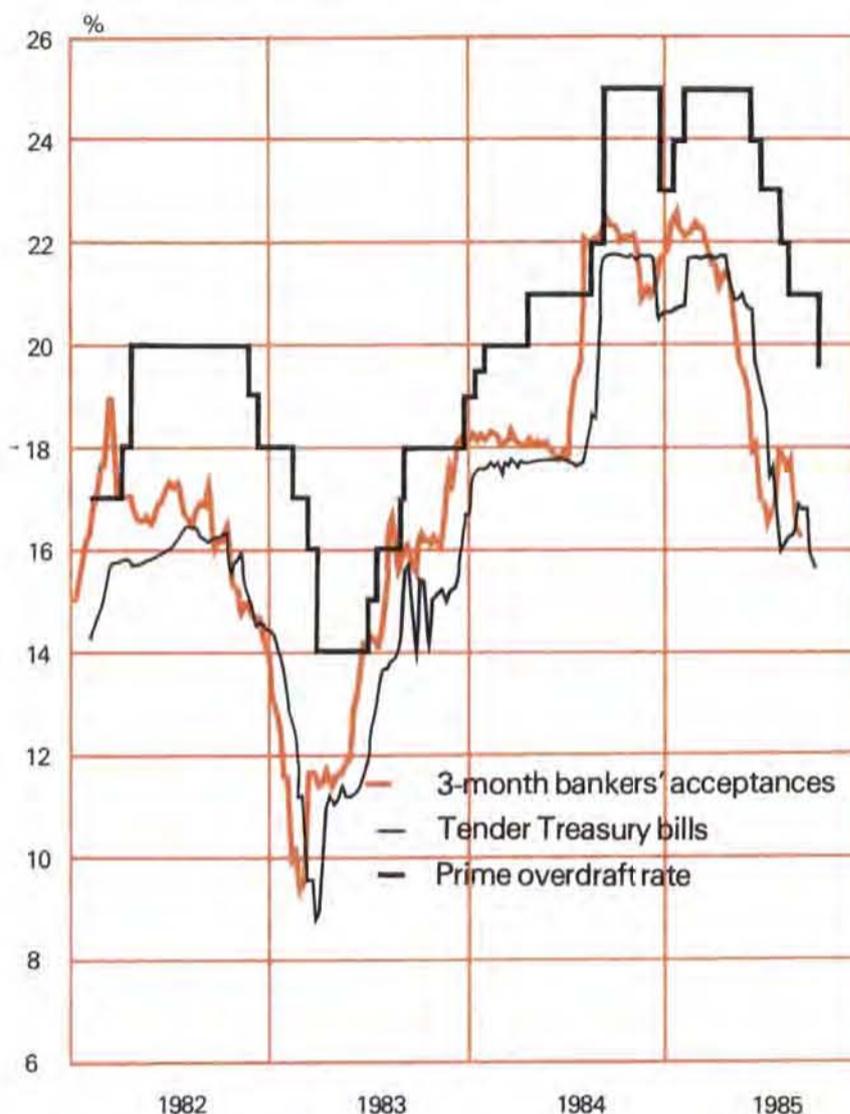
As recommended by the Commission of Inquiry into the Monetary System and Monetary Policy, the liquid asset requirements for banks were lowered to 20 per cent in the case of short-term liabilities and to 15 per cent in the case of medium-term liabilities. This was done in terms of an amendment to the *Banks Act*, promulgated on 31 July 1985. The 5 per cent requirement in respect of long-term liabilities remained unchanged, but the 5 per cent requirement in respect of acceptance liabilities and certain other contingent liabilities was abolished.

### Short-term interest rates

The progressive relaxation of monetary policy and the easing in money market conditions stemming from the lower level of economic activity, the further weakening of the private sector's demand for bank credit and the improvement in the overall balance of payments, resulted in a further decline in interest rates during June and early July 1985. The three-month bankers' acceptance rate declined from 19,00 per cent at the end of May to 16,40 per cent in the first week of July. The reductions in the refinancing rates of the Reserve Bank referred to earlier, induced the clearing banks to lower their prime overdraft rates from 23,0 per cent to 22,0 per cent on 24 June and to 21,0 per cent from the middle of July 1985.

Money market conditions tightened again during the second half of July and the first half of August because of socio-political developments which caused an increased demand for foreign exchange and a concomitant sharp decline in the exchange rate of the rand. The countervailing action taken by the Reserve Bank, as set out earlier, resulted in a resumption of the downward movement in short-term interest rates. Following the Bank rate reduction of 20 August, the rates on three-month bankers' acceptances and Treasury bills, which had risen to 18,0 per cent and 17,75 per cent, respectively, on 15 August declined again to 16,25 per cent and 15,72 per cent, respectively, at the end of August. The prime overdraft rates of the clearing banks were also lowered to 19,5 per cent at the beginning of September.

### Short-term interest rates

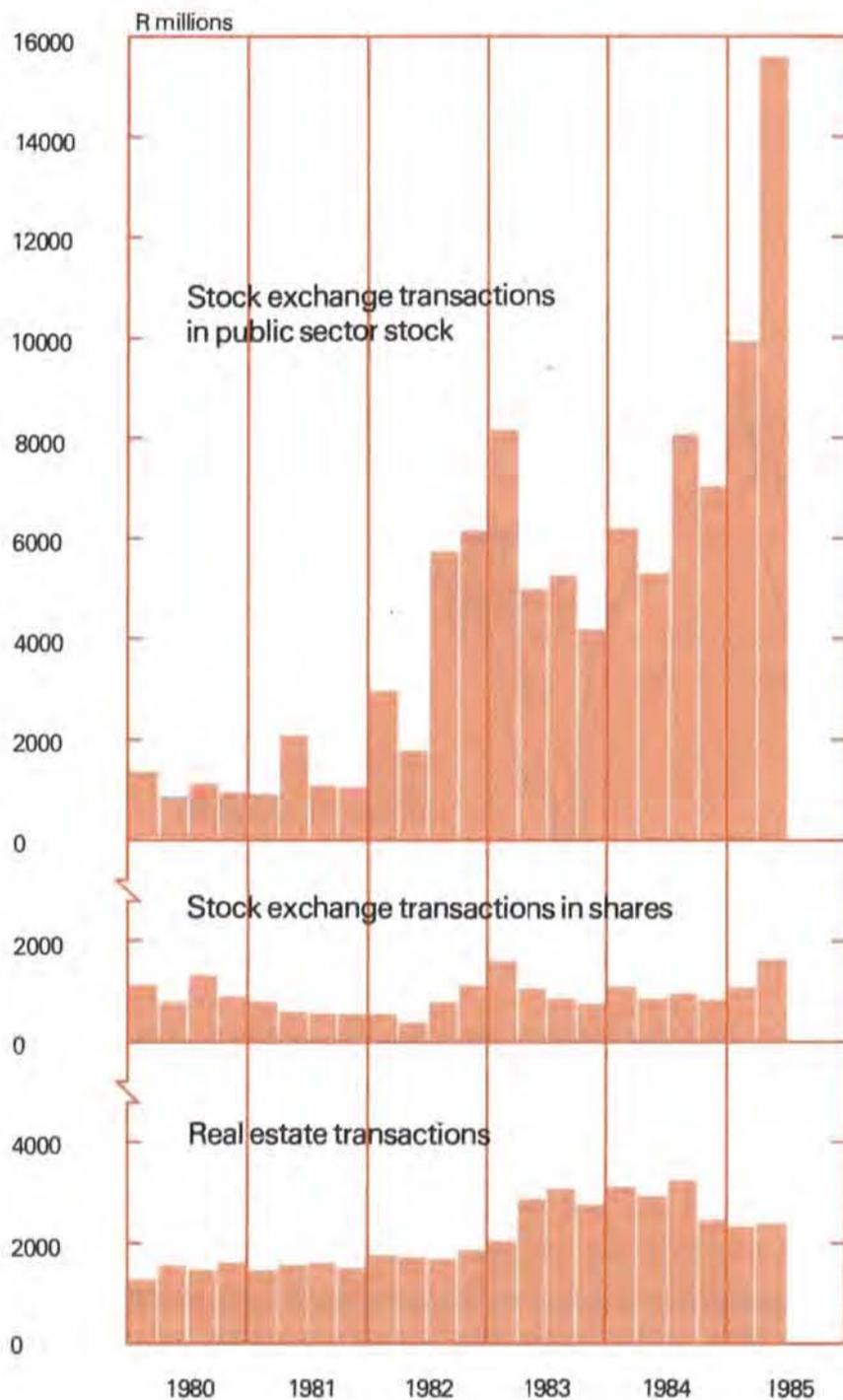


In September money market interest rates declined further. The three-month bankers' acceptance rate, for example, declined to 15,60 per cent and the Treasury bill rate to 15,16 per cent on 13 September 1985.

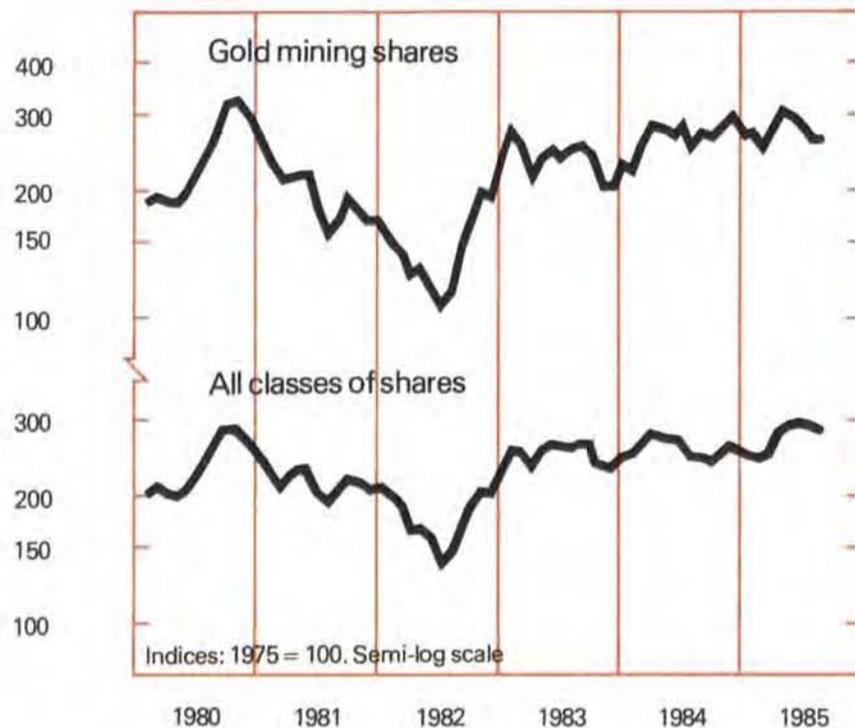
### Capital market activity

The activity on the capital market rose to new record levels during the second quarter of 1985, partly as a result of an increase in the general availability of funds and the simultaneous decline in real economic activity. This is illustrated by an increase in the value of public-sector stock traded on the Stock Exchange from R9,9 billion in the first quarter of 1985 to R15,5 billion in the second quarter. In July and August the turnover of these stocks averaged R5,4 billion, compared with the average monthly figure of R5,1 billion in the preceding three months. Likewise, the value of shares traded on the Stock Exchange rose from R1,0 billion to R1,6 billion in the first and second quarter of 1985, respectively, followed by a monthly average of R0,6 billion in July and August. In contrast, activity in the fixed property market remained relatively slack, and the value of real estate transactions improved only slightly from R2,3 billion in the first quarter of 1985 to R2,4 billion in the second

## Security and real estate transactions



## Share prices



quarter. In July real estate transactions amounting to R0,8 billion were approximately in line with the average level during the preceding three months.

The increased turnover in shares was partly related to sales by non-residents in the wake of the disinvestment sentiment generated abroad. However, the resilience of the share market was such that this selling pressure and the consequent decline of 17 per cent in gold mining share prices did not unduly depress the average price for all classes of shares. From the recent lower turning-point in February 1985, share prices rose on average by 19 per cent to a new peak in June and then declined by 4 per cent in the next two months. After the Stock Exchange had re-opened on 2 September following the closure on 28 August, share prices showed a further decline of only 3 per cent in the first week of September.

In the primary markets, the public sector raised new funds through issues of fixed-interest securities amount-

ing to R1 972 million in the second quarter of 1985, compared with R822 million in the first quarter. On the other hand, companies listed on the Stock Exchange made no new issues of fixed-interest securities during the first quarter of 1985 and raised only R213 million through new share capital issues in the second quarter. In view of the decline in real fixed investment, low cash flows associated with recessionary conditions, and the capitalisation of interest on existing credit, companies preferred to increase their use of bank credit. Accordingly, this credit (including leasing finance) increased by a further R212 million in the second quarter of 1985, over and above the increase of R706 million in the first quarter.

An improved net inflow of funds to building societies and participation mortgage bond schemes enabled these institutions to increase their mortgage lending from R894 million during the first quarter of 1985 to R1 111 million during the second quarter. Nevertheless, the demand for mortgage finance remained low because of the high cost of mortgage financing, and the lower growth in personal disposable income.

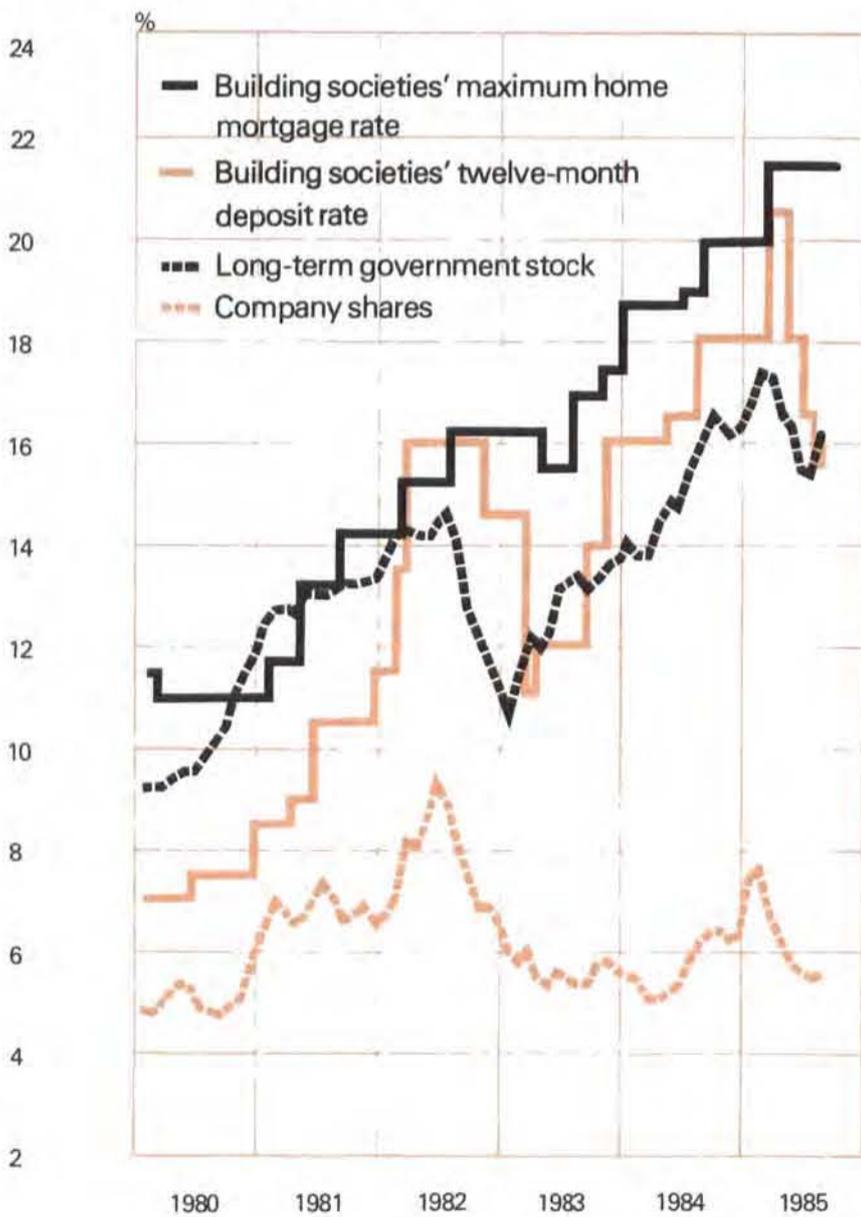
## Long-term interest rates

The greater availability of funds led to an easing of long-term interest rates during most of the period under review. After these rates had reached a peak in February 1985, they moved downwards until early July, but then rose again during the remainder of the month and during August. The monthly average yield on long-term government stock decreased from a peak of 17,4 per cent in February 1985 to 15,5 per cent in June and 15,3 per cent in July, before rising again to 16,2 per cent in

August. Likewise, the average dividend yield on all classes of shares declined from 7,7 per cent in February to 5,6 per cent in June and 5,4 per cent in July before rising again to 5,6 per cent in August. The building societies' maximum home mortgage rate, which had been increased to 21,5 per cent in April 1985, did not follow the decline in other long-term yields and interest rates until early September, when rates were reduced by as much as 1 per cent. Participation mortgage bond schemes revised their mortgage rates from 23,6 per cent in January 1985 to 20,0 per cent in June and 18,3 per cent in August.

An indication of the movement in long-term deposit rates is provided by changes in twelve-month deposit rates of banks and building societies. The predominant rate on these deposits, which had been increased to 20,5 per cent in March 1985, was reduced in steps to 16,0 per cent in June and 15,0 per cent in July. In August the banks lowered their predominant rate further to 14 per cent, but the building societies raised their corresponding rate to 16 per cent.

### Capital market interest rates



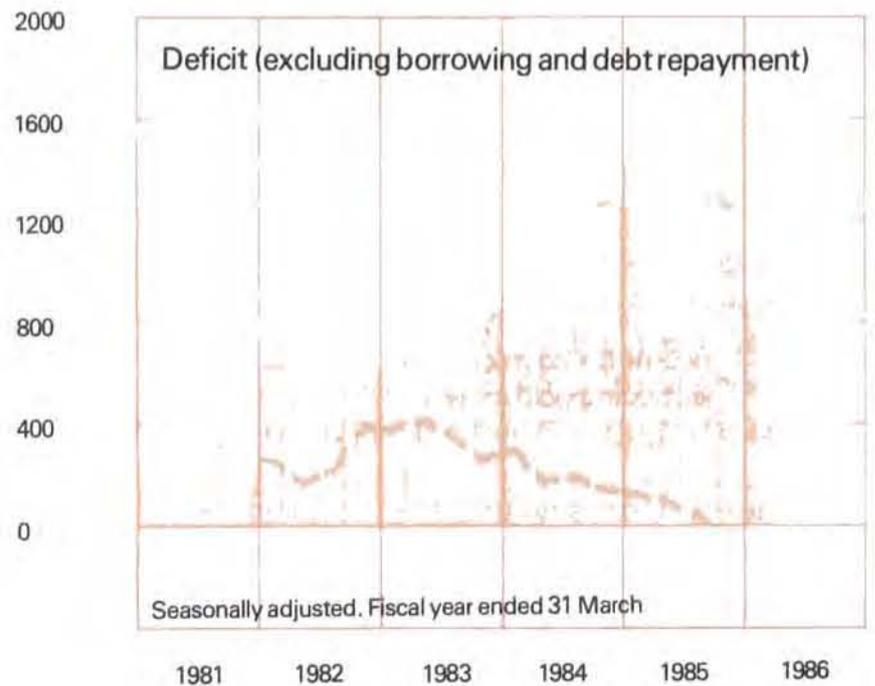
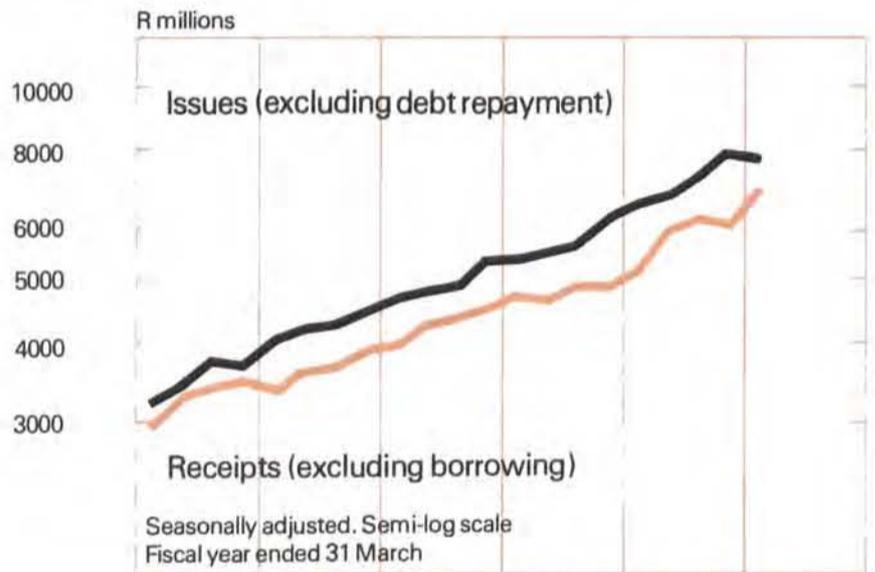
### Government finance

#### Exchequer issues\* and receipts

As during the past few years, Exchequer issues increased sharply during the first quarter of the 1985/86 fiscal year, namely April to June 1985. Compared with the same period of the preceding fiscal year, Exchequer issues to government departments increased by 18 per cent during this quarter. A substantial rise in issues during July and a very moderate increase during August, brought the growth rate of these issues to 22 per cent for the first five months of the fiscal year compared with the corresponding five months of 1984. This rate of increase, though higher than the budgeted increase in expenditure for the fiscal year as a whole, reflects only a small

\* The Exchequer Account is adjusted for changes in the balance on the Paymaster-General Account

### Exchequer Account



deviation from the projected expenditure of departments for the first five months of 1985/86.

Exchequer receipts, on the other hand, increased at an even more rapid rate than issues. Compared with the same quarter of the preceding year, an increase of 33 per cent was recorded in Exchequer receipts in the first quarter of the 1985/86 fiscal year. This substantial improvement in total receipts was mainly the result of higher income tax payments by non-mining companies owing to the "overflow" of tax receipts that were due in

the preceding fiscal year and substantially higher receipts from general sales tax associated with the increase in this tax rate from 10 to 12 per cent. In addition, income tax payments by gold mines also rose sharply because of higher rand proceeds related to the depreciation of the rand. The lower value of imports, however, resulted in a decline in receipts from customs duties.

In July and August, Exchequer receipts accelerated even more rapidly. This brought the increase in these receipts to 34 per cent during the first five months of the fiscal year, compared with the same period during the preceding year. This rise is considerably in excess of the budgeted increase of 18,8 per cent for the fiscal year as a whole. The further acceleration in total receipts during July was due to a sharp rise in income tax receipts from non-mining companies following the recently introduced additional third provisional tax payment by companies. It represents, therefore, the shortfall between the final estimate of the relevant companies' annual tax liability and the first two provisional payments, which fall due six months after the end of their financial year. A further increase in revenue collections from gold mines was mainly responsible for the rapid rise in receipts during August.

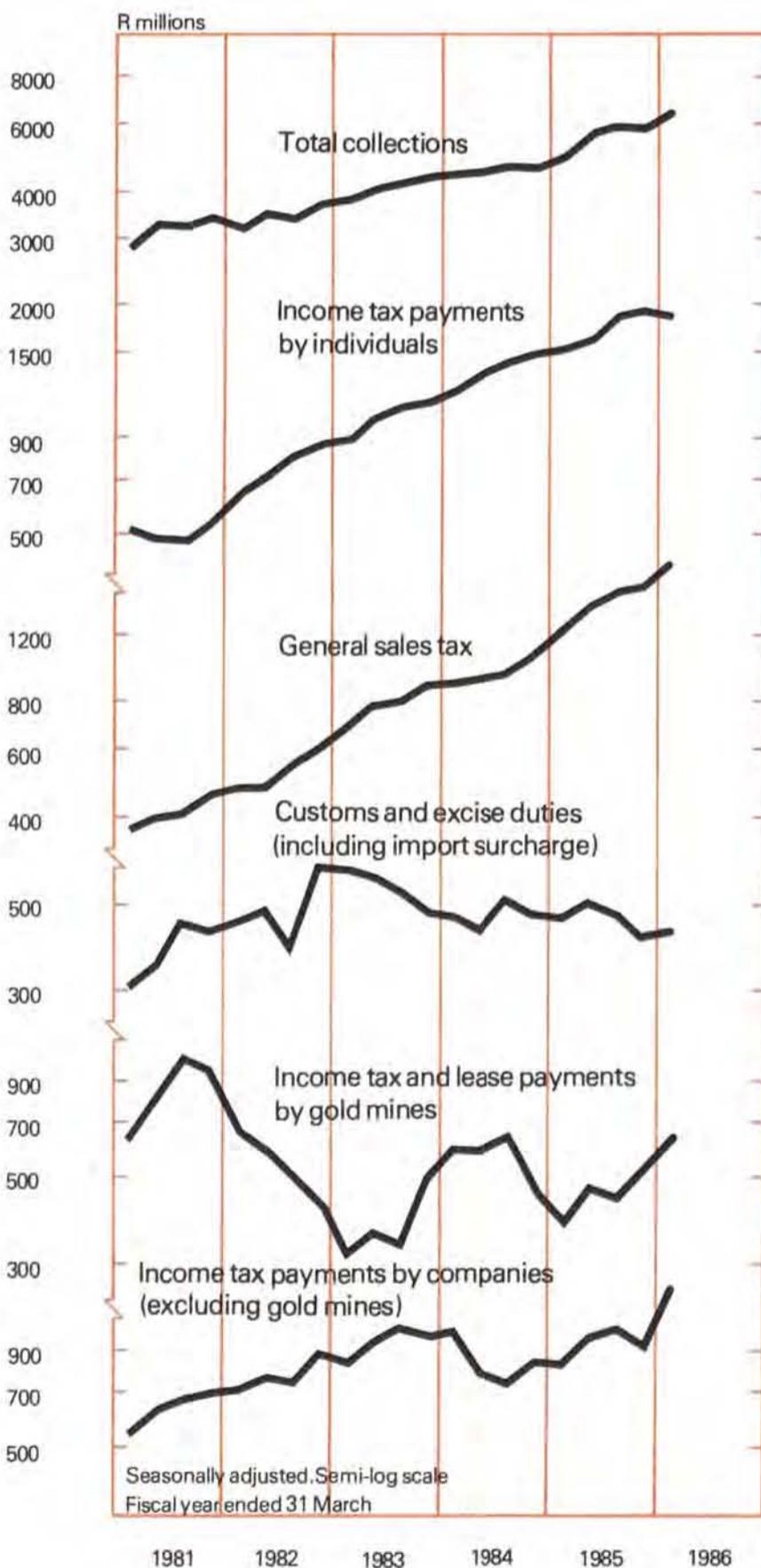
#### Financing of the deficit before borrowing

The deficit before borrowing and debt repayment for the first five months of the 1985/86 fiscal year amounted to R2 217 million, or R462 million below the figure of the corresponding period in the preceding year. Data available for the first four months of the fiscal year 1985/86 indicate that the higher deficit of R2 982 million for this period was financed without recourse to bank credit. It is also evident that by the end of July a substantial part of the Government's borrowing requirement for the whole 1985/86 had already been satisfied.

During the first four months of 1985/86 the deficit was financed from the following sources:

	R millions
Public Investment Commissioners .....	1 067
Non-bank private sector .....	2 131
Monetary banking sector .....	-264
Foreign sector .....	48
<b>Total .....</b>	<b>2 982</b>

#### Revenue collections — State Revenue Fund



# Statement on Bank rate

Issued by Dr Gerhard de Kock, Governor of the South African Reserve Bank

19 August 1985

With the approval of the Government the Reserve Bank has decided to implement, with immediate effect, the recommendations of the Commission of Inquiry into the Monetary System and Monetary Policy relating to the future role of discount policy and Bank rate in South Africa.

Basically, this means two things:

Firstly, the Reserve Bank will make increased and more clearly defined use of its discount policy as a means of influencing the money supply, interest rates and total spending – as an integral part of overall economic stabilisation policy. This will be done in close co-ordination with the other main instruments of monetary policy, including public debt management and open-market operations.

Secondly, the Reserve Bank will reintroduce the traditional "Bank rate" as its formal rate for rediscounting Treasury bills for the discount houses. This rate will be set and varied at the Bank's initiative within the official monetary policy framework. The element of discretionary judgement involved in this procedure will be constrained by the need to meet any targets that might in future be set for money supply growth, as well as by the close inter-relationship that exists between the money supply, interest rates and exchange rates.

With effect from Tuesday, 20 August 1985, the Reserve Bank will set its new formal Bank rate at 16 per cent. This means, in effect, a reduction of 1,75 percentage points in the Bank's rediscount rate for Treasury bills for discount houses from its present level of 17,75 per cent.

At the same time the Reserve Bank will reduce its rediscount rates for discount houses for Land Bank bills from 18,00 per cent to 16,25 per cent, and for liquid bankers' acceptances from 18,25 per cent to 16,50 per cent. Corresponding decreases will be effected in the Reserve Bank's rediscount rates for banks and in its interest rates on overnight loans to discount houses and banks.

It is anticipated that the Bank rate reduction will lead to a further decline in the prime overdraft rate of the commercial banks from its present level of 21 per cent to between 19 and 20 per cent. In due course, decreases in building society mortgage rates may also be expected.

The inducement for banks and their borrowing clients to use off-shore credits will not be diminished, as the Reserve Bank will make appropriate adjustments to the margins it quotes on forward exchange.

In taking this step the Reserve Bank was influenced by the following considerations:

(1) It is now abundantly clear that the restrictive monetary policy applied since August 1984 and the fiscal measures introduced in the March 1985 Budget have fully achieved their initial objective of curbing total private and public sector spending, i.e. the money supply multi-

plied by its velocity of circulation. Real gross domestic expenditure has now declined for five consecutive quarters. During the second quarter of 1985 it reached a level 9 per cent below that of the second quarter of 1984. Marked declines occurred over this period in all the main components of real expenditure, particularly in spending on durable consumer goods.

In addition, the annualised rates of growth of the money supply aggregates slowed down during the first half of 1985 to 7,2 per cent in the case of M1, 10,6 per cent in the case of M2 and 12,7 per cent in the case of M3.

Together with the latest statistical information on output, employment, sales and imports, these expenditure and money supply figures clearly show that excess demand or overspending has now been eliminated from the economy. Indeed, the real growth rate is at present negative and the lower turning point of the business cycle has probably not yet been reached.

As predicted, the rate of inflation has accelerated thus far in 1985, mainly owing to the delayed effects of the depreciation of the rand since September 1983, the related increases in administered prices, and the increase from 10 to 12 per cent in the general sales tax announced in the March Budget. As these effects peter out, however, the rate of inflation should begin to decline.

(2) The second major objective of the existing monetary and fiscal strategy, namely the transformation of the deficit in the balance of payments on current account into a surplus, has also been attained. Taken at seasonally adjusted annual rates, the current account changed from deficits of R2,5 billion during the first quarter of 1984, R2,0 billion during the second quarter and R2,1 billion during the third quarter, to surpluses of R0,6 billion during the fourth quarter of 1984, R4,3 billion during the first quarter of 1985 and R5,4 billion during the second quarter. It now looks likely that the current account surplus for 1985 as a whole will be of the order of R5 billion. This would be equal to about 4 per cent of gross domestic product, which is large by any standard.

(3) Substantial repayments of short-term foreign loans and credits have been made by the banking sector and private companies since September 1984. This has contributed to a decline in South Africa's net short-term foreign liabilities of about R5 billion during this period.

(4) The *net* official gold and foreign exchange reserves of the banking sector increased by R1,4 billion during the second quarter of 1985.

(5) Since the introduction of the Budget in March 1985 the "mix" of fiscal and monetary policy has improved greatly. After seasonal adjustment there has been a

marked reduction in both the rate of increase of government spending and the "deficit before borrowing". In addition, the government sector has made no net additional use of bank credit thus far in the present fiscal year. Indeed, after seasonal adjustment, the net claims of the banking sector on the government sector actually declined by R442 million during the April-June quarter.

(6) In its open-market operations the Reserve Bank has already sold a net amount of R2,3 billion of "tap" government stock for the 1985/86 financial year, as well as special tax anticipation Treasury bills of R600 million. Against this has to be set redemptions of government stock of R660 million.

The various developments and circumstances outlined above more than justify a further moderate easing of monetary policy in the form of a reduction in interest rates. The elimination of excess demand and the achievement of a large and sustainable surplus on the current account of the balance of payments have paved the way for a resumption of real economic growth. Moreover, the increased effectiveness of fiscal policy since the introduction of the March Budget in itself creates additional scope for justifiable interest rate reductions.

This conclusion is not fundamentally changed by the present abnormal political conditions prevailing in South Africa, including the township unrest, the state of emergency proclaimed in certain magisterial districts and the intensified threats of economic sanctions. Undoubtedly, these political developments have adversely affected overseas perceptions of the prospects for the South African economy and have resulted in some withholding of foreign capital and bank credit. This has been accompanied by a marked depreciation of the rand and a reversal of the downward movement shown by interest rates since March 1985. If the downward pressure on the rand had been associated with excessive money creation and overspending – as was the case during the first half of 1984 – the appropriate response of monetary policy would have been to allow interest rates to rise. But in the present recessionary conditions the situation calls for monetary measures to prevent the recent political developments from bringing about an undue contraction of money and credit accompanied by rising interest rates.

Monetary stability must and will be maintained. But now that overspending has been eliminated, an *unduly restrictive* policy stance must be avoided. The rates of increase of money and credit must be kept low enough to avoid rekindling the fires of inflation or harming the balance of payments, but high enough to promote rising investment, output and employment.

# Kwartaallikse ekonomiese oorsig

## Inleiding

Die ekonomiese toestand het in die tweede kwartaal van 1985 voortgegaan om die sukses wat deur die owerhede behaal is met die bekamping van die inflasionistiese oorbesteding en die verbetering in die onderliggende betalingsbalans, te weerspieël. Die streng monetêre beleidsmaatreëls wat in 1984 ingestel is en die fiskale dissipline wat deur die Begroting in Maart 1985 ingevoer is, het tot aansienlike verdere afnames in reële verbruiksbesteding en investering gelei. Gevolglik het die reële bruto binnelandse besteding gedaal tot 9 persent onder sy hoë vlak in die tweede kwartaal van 1984.

Alhoewel die uitwerking van die gedempte binnelandse vraag op die volume van produksie versag is deur 'n toenemende internasionale vraag na Suid-Afrikaanse uitvoer, het die reële bruto binnelandse produk in die tweede kwartaal van 1985 teen 'n seisoensaangesuiwerde jaarkoers van 2½ persent gedaal.

Die verlangsamings van die groei in monetêre vraag gedurende die eerste helfte van 1985 is weerspieël in 'n afname in sowel die groeiakoerse van die monetêre totale as in hulle omloopsnelheid. Die koers van toename in die totale bankkrediet het ook in die tweede kwartaal van 1985 verlangsaam.

Die laer koers van toename in besteding en die skeping van bankkrediet het tot 'n aansienlike verbetering in die binnelandse besparing gelei. Die besparingsverhouding het toegeneem van 20 persent van die bruto binnelandse produk in die tweede kwartaal van 1984 tot 'n vlak van 26 persent in die tweede kwartaal van 1985. Die grootste bydrae tot hierdie verbetering is gemaak deur persoonlike besparing terwyl die besparingstekort van die algemene owerheid aansienlik verminder het. 'n Verlangsamings in maatskappywinste het egter tot 'n daling in korporatiewe besparing gelei.

In die tweede kwartaal is ook aansienlike verdere sukses behaal met die verbetering van die betalingsbalans. Die vraag na invoer het verder gedaal terwyl sowel die pryse as die volume van die uitvoer vir die sewende opeenvolgende kwartaal gestyg het, hoofsaaklik as gevolg van 'n stygende vraag na Suid-Afrikaanse mynbouprodukte. Gunstiger landboustoestande het tot laer landbouinvoer en matige hoër landbou-uitvoer gelei. As 'n verhouding van die bruto binnelandse produk het die oorskot op die lopende rekening van die betalingsbalans 4½ persent bedra, wat volgens alle standaarde aansienlik is.

Boonop het die netto uitvloeï op die kapitaalrekening van die betalingsbalans afgeneem van R2 453 miljoen in die eerste kwartaal van 1985 tot slegs R9 miljoen in die tweede kwartaal. Hierdie aansienlike verandering was veral opmerklik in die bewegings van korttermynkapitaal. Die invloed van langtermynkapitaal het effens afgeneem, hoofsaaklik omdat nie-inwoners vanaf Mei netto verko-

pers van binnelandse effekte geword het. As gevolg van hierdie veranderings en die aansienlike oorskot op die lopende rekening, het die netto goud- en ander buitelandse reserwes gedurende die tweede kwartaal met R1,4 miljard toegeneem terwyl die effektiewe wisselkoers van die rand betreklik stabiel gebly het.

Soos wat verwag is, het die vertraagde uitwerking van die oorbesteding tot die middel van 1984 en van die depressiasie van die rand opwaartse aanpassings in geadministreerde pryse en 'n toename in die binnelandse inflasiekoers teweeggebring. Oor 'n tydperk van twaalf maande gemeet, het die koers van toename in verbruikerspryse versnel van 13,3 persent in Desember 1984 tot 16,4 persent in Junie 1985, voordat dit effens tot 15,9 persent in Julie verlangsaam het. Die toename in die arbeidseenheidskoste het egter in die eerste deel van 1985 effens verminder.

Hierdie omstandighede beklemtoon die belangrikheid van voortgesette fiskale beheersing. In hierdie opsig is dit opmerklik dat alhoewel die skatkisuitreikings gedurende die eerste vyf maande van die fiskale 1985/86 jaar toegeneem het teen 'n koers wat hoër was as wat vir die fiskale jaar in sy geheel in die vooruitsig gestel is, hierdie uitreikings slegs matig afgewyk het van die geprojekeerde uitgawes van departemente vir hierdie tydperk. Bovendien het die skatkisontvangste teen 'n selfs hoër koers toegeneem en dit het bygedra daartoe dat die tekort voor lenings sonder 'n beroep op bankkrediet gefinansier kon word.

Teen die agtergrond van die beperkende Begroting van die Sentrale Regering in Maart 1985, die daling in totale besteding en die toename in die oorskot op die lopende rekening van die betalingsbalans, het die Reserwebank vanaf vroeg in Mei sy monetêre beleid voortdurend verslap. Met die oog hierop het hy sy herfinansieringskoerse in vier stappe van 1 persent elk verlaag tussen 6 Mei en 4 Julie. Op 20 Augustus het die Bank die verdere stap gedoen om sy nuwe formele Bankkoers op 16 persent vas te stel, dit wil sê 1¾ persent onder die herdiskontingskoers op skatkiswissels vir die diskontohuise wat toe gegeld het. Op hierdie wyse het die Reserwebank vanaf vroeg in Mei 'n opmerklike daling in kort- sowel as langtermynrentekoerse teweeggebring.

Hierdie ontwikkelings gedurende die tweede kwartaal het getoon dat die aanpassingsproses 'n stewige fondament vir die hervatting van positiewe reële ekonomiese groei gelê het. Daarná het sosio-politieke ontwikkelings egter geneig om die gesonde ekonomiese grondslag te neutraliseer deur die buitelandse opvatting van die binnelandse ekonomiese toestand nadelig te beïnvloed. Gevolglik het sekere buitelandse banke onwillig geword om krediete wat aan Suid-Afrikaanse banke toegestaan is en wat vervaldatum bereik het, te hernieu, terwyl

nie-inwoners netto verkopers van binnelandse effekte geword het. Boonop het vervroegings en vertraging in buitelandse betalings en ontvangste ontwikkel en dit het gelei tot ernstige stremmings op die valutasaldo's en 'n skerp depresiasie van die rand. Die effektiewe wisselkoers van die rand het van die einde van Junie 1985 tot 27 Augustus met soveel as 27 persent gedaal.

Alhoewel hierdie abnormale druk op die kapitaalrekening en die wisselkoers van die rand nie met die gesonder onderliggende ekonomiese toestand in die land verband gehou het nie, was dit 'n werklikheid wat in aanmerking geneem moes word. Daar is derhalwe besluit om die valutamark en die Johannesburgse Effektebeurs van 28 Augustus tot 1 September 1985 te sluit as 'n voorloper tot die instelling van nuwe beperkings op uitwaartse kapitaalbeweings. Hierdie beperkings, wat op 1 September aangekondig is, het basies bestaan uit die instelling van 'n stilstand van vier maande in die terugbetaling van buitelandse skuld en die herinstelling van die finansiële-randstelsel.

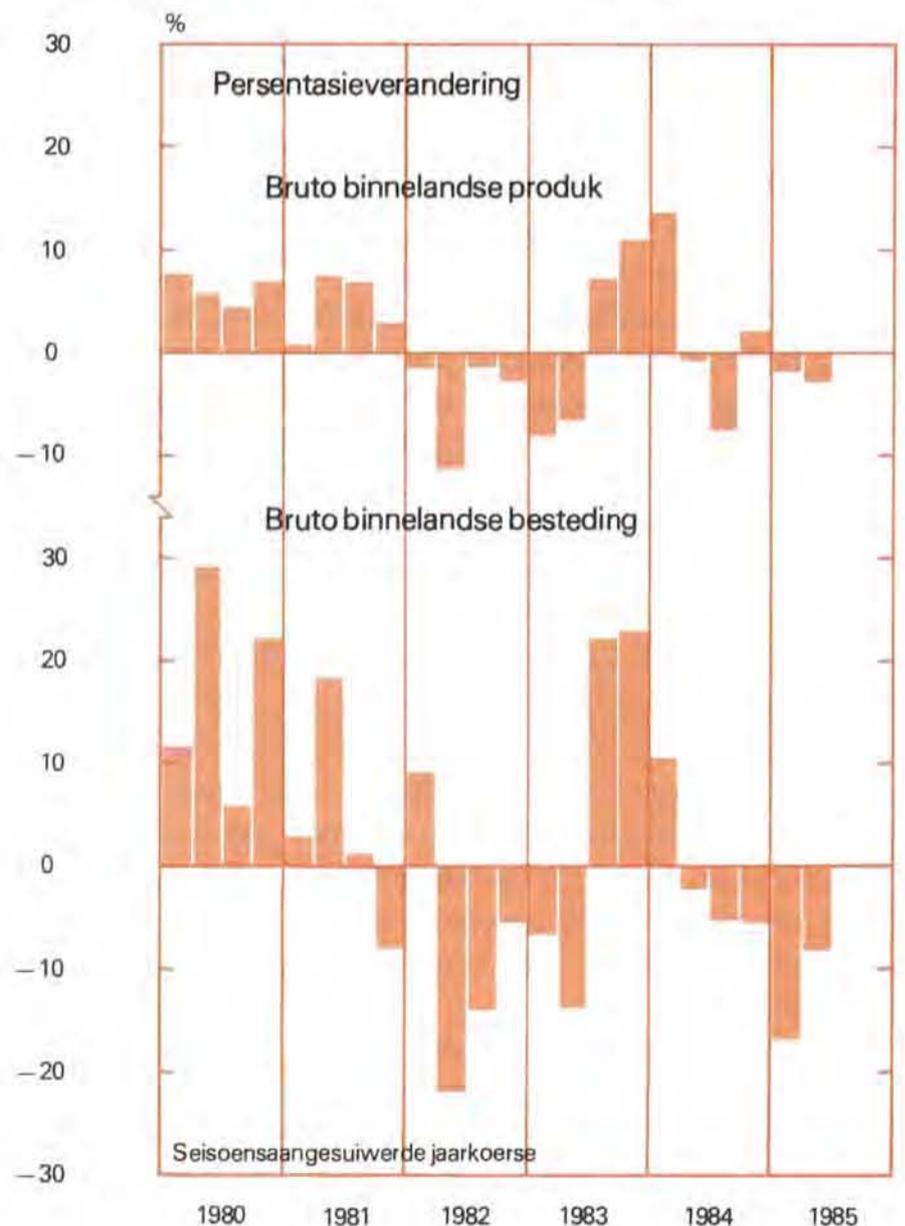
## Binnelandse ekonomiese ontwikkelings

### Produksie

As 'n weerspieëling van die afwaartse beweging in ekonomiese bedrywigheid, het die reële bruto binnelandse produksie gedurende die tweede kwartaal voortgegaan om te daal. Teen 'n seisoensaangesuiwerde jaarkoers het die daling in die totale binnelandse produksie 21½ persent bedra, vergeleke met 11½ persent in die eerste kwartaal van die jaar.

Die gedempte binnelandse vraag was verantwoordelik vir verdere afnames of laer groei in die produksie van bykans al die sektore in die ekonomie. In besonder het die bydrae van die groot- en kleinhandel teen 'n seisoensaangesuiwerde jaarkoers van 14 persent gedaal. Die bydraes van konstruksie, fabriekswese, landbou, en vervoer, opberging en kommunikasie het ook verder gedaal, terwyl die reële produksie van al die ander sektore, met die uitsondering van die mynswese, matig gestyg het. 'n Lewendige internasionale vraag het tot verdere skerp toenames in mynbouproduksie gelei.

### Reële bruto binnelandse produk en besteding

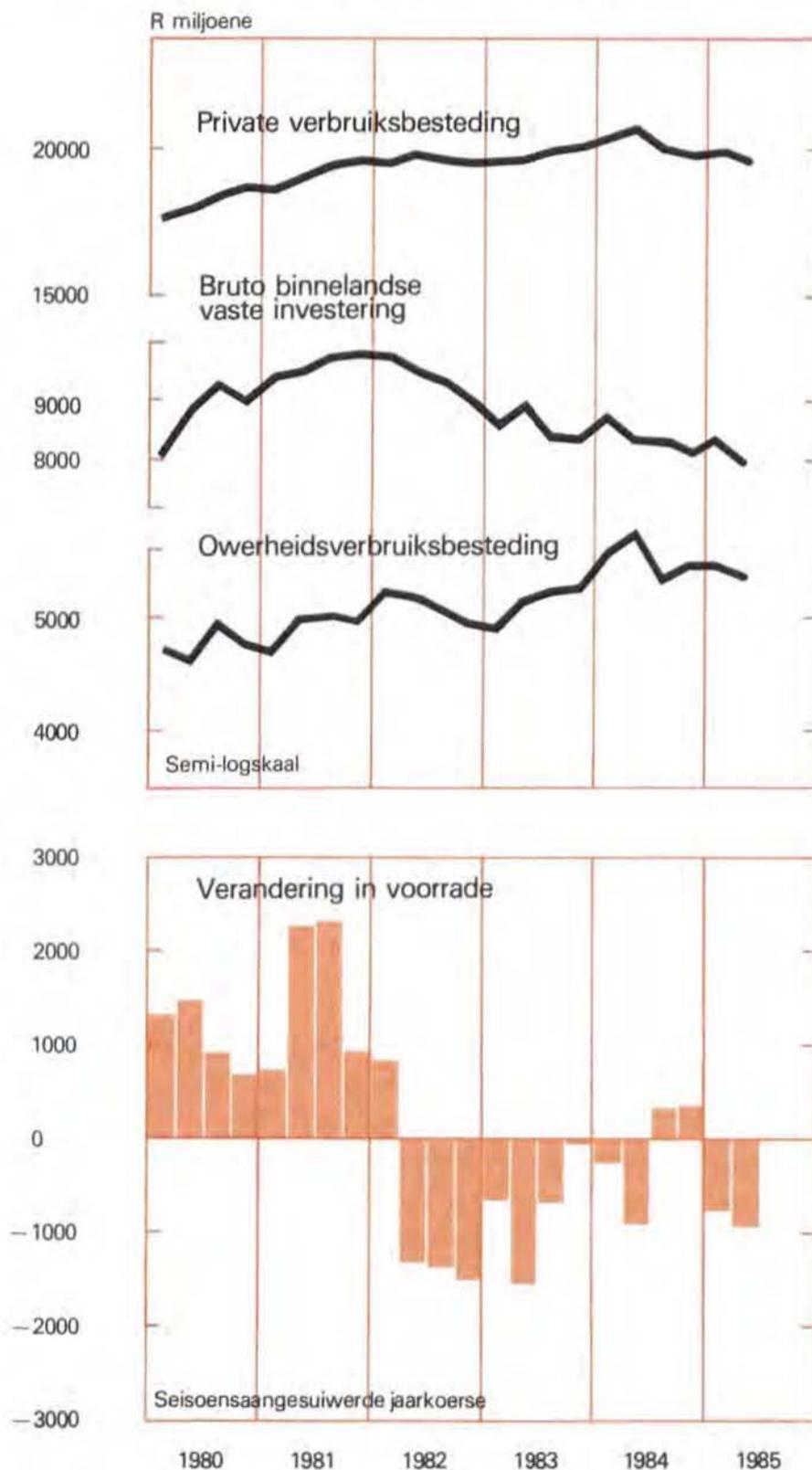


## Besteding

Die reële bruto binnelandse besteding het in die tweede kwartaal van 1985 teen 'n seisoensaangesuiwerde jaar-koers van 8 persent gedaal. Al die hoofkomponente van besteding het tot hierdie vyfde opeenvolgende kwartaal-likse afname bygedra.

Teen 'n seisoensaangesuiwerde jaar-koers het private verbruiksbesteding teen konstante pryse met 5½ persent afgeneem nadat die afwaartse neiging in die eerste kwartaal van 1985 tydelik onderbreek is deur 'n toename van 4 persent. Die afname in die tweede kwartaal was veral opmerklik in die reële besteding aan duursame goedere, wat met 28 persent afgeneem het. Besteding

### Komponente van reële bruto binnelandse besteding



aan nie-duursame goedere het ook afgeneem, maar teen 'n aansienlik laer koers van 5 persent. Hierdie lae vlak van verbruiksbesteding het gedurende Julie en Augustus voortgeduur.

In ooreenstemming met die oorneming van die owerhede om nie toe te laat dat reële owerheidsbesteding in die fiskale jaar 1985/86 toeneem nie, het reële owerheidsverbruiksbesteding teen 'n seisoensaangesuiwerde jaar-koers in die tweede kwartaal van 1985 met byna 8 persent gedaal. Reële besteding aan goedere en dienste uitgesonderd salarisse en lone, het tot 19 persent onder die onlangse hoogtepunt in die tweede kwartaal van 1984 gedaal.

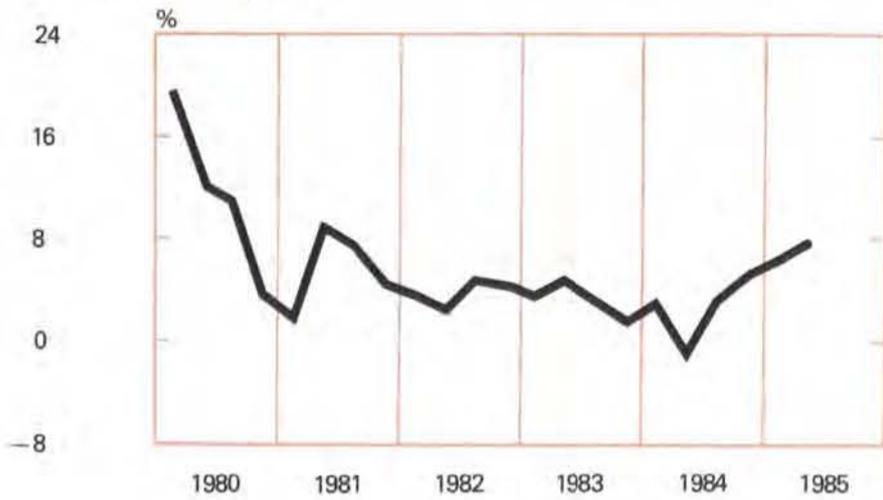
Reële bruto binnelandse vaste investering het, teen 'n seisoensaangesuiwerde jaar-koers, in die tweede kwartaal van 1985 met 13½ persent gedaal. Hierdie aansienlike afname was hoofsaaklik toe te skryf aan afnames in reële vaste kapitaalbesteding deur sowel die openbare owerhede as die private sektor. Die afname in die reële kapitaalbesteding van openbare korporasies het slegs 4½ persent bedra. Die afname in kapitaalvorming was wyd versprei tussen die verskillende sektore van die ekonomie, maar was veral opmerklik in die landbou, konstruksie, handel en finansies. Alhoewel die reële vaste kapitaalvorming van die mynbousektor in die tweede kwartaal van 1985 effens verbeter het, was dit nog 27 persent onder sy hoogtepunt in die derde kwartaal van 1981.

Stappe is gedurende die eerste helfte van 1985 gedoen om voorrade te verminder ná die gedwonge opbouing van voorrade gedurende die laaste helfte van 1984 namate verbruik en vaste investering in reële terme gedaal het. Afnames is in die tweede kwartaal aangeteken in al die klasse van voorrade met die uitsondering van reële groothandelsvoorrade en landbouvoorrade-in-die-handel. As gevolg van die intering op voorrade in die eerste helfte van 1985 het die verhouding van reële nywerheids- en handelsvoorrade tot die reële bruto binnelandse produk van die nie-landbousektore gedaal van 23,8 persent aan die einde van 1984 tot 22,7 persent aan die einde van Junie 1985.

### Faktorinkome en besparing

Nominale faktorinkome het gedurende die tweede kwartaal van 1985 teen heelwat laer koerse as die lopende inflasiëkoers toegeneem. 'n Verlangsaming in die groei van indiensneming en 'n matiging in loonverhogings, het tot 'n toename in die totale vergoeding van werknemers teen 'n seisoensaangesuiwerde jaar-koers van slegs 9½ persent gedurende hierdie kwartaal gelei. Die ander hoofkomponent van faktorinkome, naamlik die bruto bedryfsurplus, het met slegs 5 persent toegeneem as gevolg van die invloed van die ekonomiese afswaai op maatskappywinste. 'n Groot toename in die bedryfsurplus van die mynbousektor, wat die hoër uitvoerpryse in rand asook groter uitvoervolumes van metale en minerale weerspieël het, is gedeeltelik deur afnames in die bedryfs-

### Verhouding van persoonlike besparing tot persoonlike beskikbare inkome



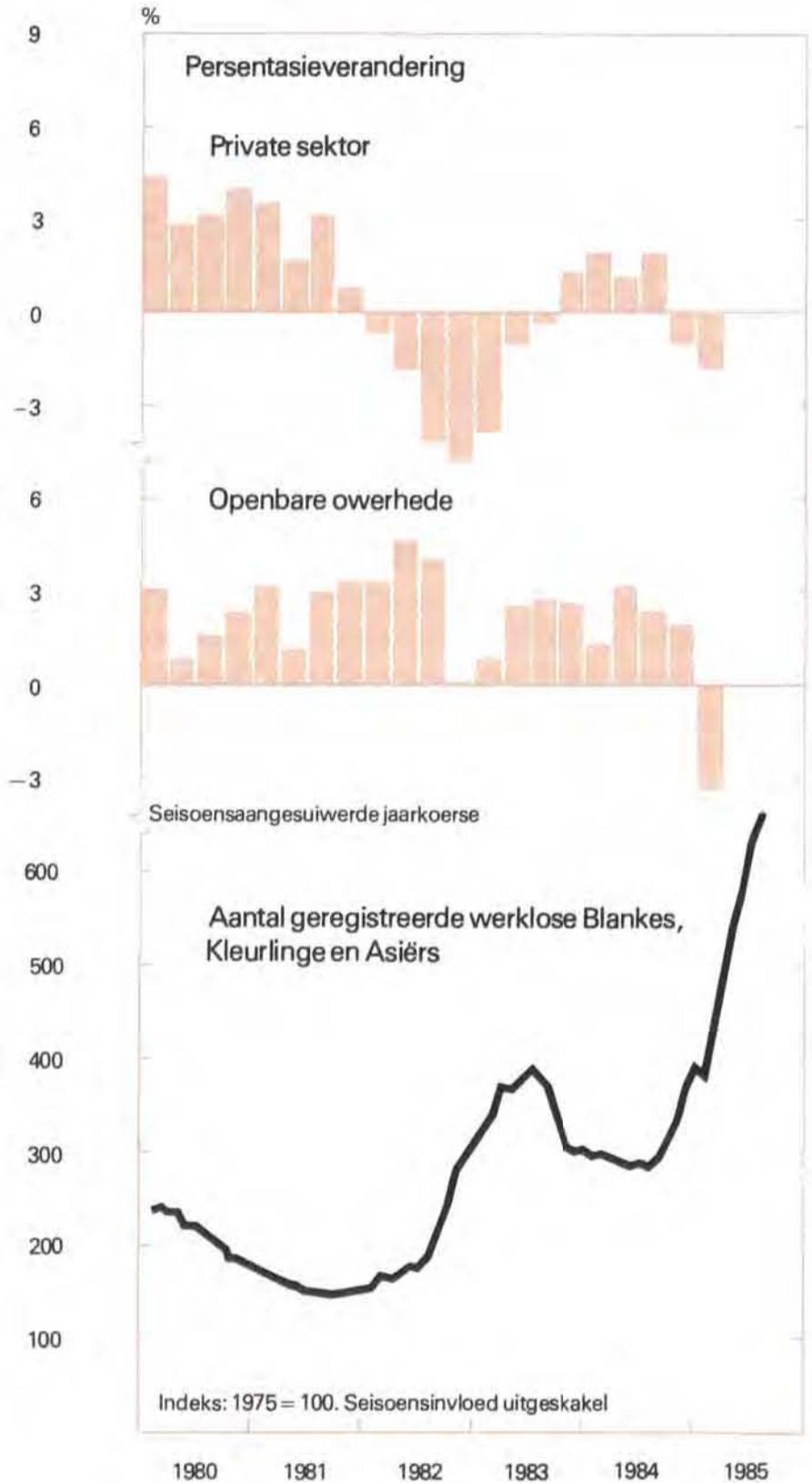
surplusse van die sektore elektrisiteit, gas en water; handel; en vervoer, opberging en kommunikasie geneutraliseer.

Ten spyte van die laer koers van toename in faktorinkome, het binnelandse besparing gedurende die tweede kwartaal aansienlik verbeter en die besparingsverhouding het van 'n onlangse laagtepunt van 20 persent in die tweede kwartaal van 1984 tot 'n vlak van 26 persent van die bruto binnelandse produk toegeneem. Die grootste bydrae tot hierdie verbetering het gekom van verhoogde besparing deur private huishoudings. Persoonlike besparing as 'n persentasie van persoonlike beskikbare inkome het in werklikheid van 'n negatiewe syfer in die tweede kwartaal van 1984 tot 'n positiewe syfer van 7½ persent in die tweede kwartaal van 1985 verander. Die besparing van die algemene owerheid het negatief gebly, maar die besparingstekort is gedurende die tweede kwartaal opmerklik verminder. Maatskappybesparing het egter afgeneem namate maatskappywinste afgeplat het.

### Werkverskaffing\*

In reaksie op die laer binnelandse vraag en die gevolglike daling in die produksie van goedere en dienste in die ekonomie vanaf die derde kwartaal van 1984, het die vraag na arbeid ook afgeneem. Ná 'n volgehoue groei gedurende die voorafgaande ses kwartale het die werkverskaffing in die vierde kwartaal van 1984 en die eerste kwartaal van 1985 teen seisoensaangesuiwerde jaar-koerse van onderskeidelik 0,2 en 2,2 persent afgeneem. Werkverskaffing deur die openbare owerhede het in die tweede helfte van 1984 teen laer koerse toegeneem voordat dit in die eerste kwartaal van 1985 gedaal het. Hierdie daling was die eerste in ses jaar en het voorgekom in sowel die algemene afdelings as die sakeondernemings

### Nie-landbouwerkverskaffing



van die openbare owerhede. Aan die ander kant het werkverskaffing deur die private sektor in die vierde kwartaal van 1984 en die eerste kwartaal van 1985 'n opmerklike sikliese afswaai getoon. Inligting wat beskikbaar is vir die fabriekswese, konstruksie en mynbou vir April en Mei, toon dat hierdie afwaartse neiging in die tweede kwartaal van 1985 voortgesit is.

Die netto uitwerking van die gelyktydige daling in die vraag na arbeid en die volgehoue groei van die ekonomies bedrywige bevolking was 'n toename in werkloosheid onder alle bevolkingsgroepe. Ná seisoensaansuiwering het die aantal geregistreerde werklose Blankes, Kleurlinge en Asiërs gestyg van 'n laagtepunt van 29 350 in Julie 1984 tot 40 570 in Desember en 67 900 in Julie 1985.

\*Die gegewens oor werkverskaffing en arbeidsvergoeding verwys na die nie-landbousektore van die ekonomie en omvattende inligting is slegs tot die eerste kwartaal van 1985 beskikbaar.

## Arbeidskoste en -produktiwiteit

Die ruimer toestand in die arbeidsmark het in die eerste kwartaal van 1985 gepaard gegaan met 'n verlangsaming in die nominale vergoeding per werker. Oor 'n tydperk van vier kwartale gemeet, het die nominale salarisse en lone per werker in die eerste kwartaal van 1985 met 12,0 persent toegeneem terwyl dit in reële terme in werklikheid met 2,7 persent gedaal het.

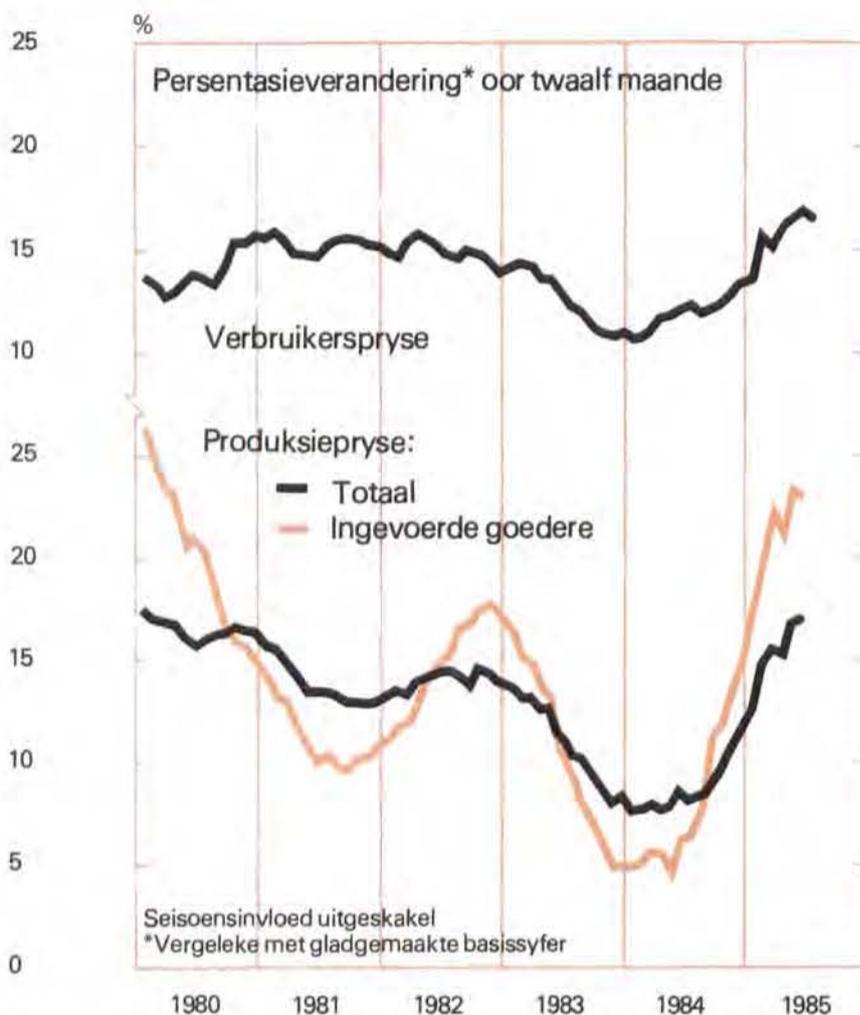
Arbeidsproduktiwiteit, soos gemeet volgens die reële bruto binnelandse produk per werker in die nie-landbou-sektore van die ekonomie, het in die tweede helfte van 1984 as gevolg van sikliese faktore skerp begin afneem. Oor 'n tydperk van vier kwartale gemeet, het produktiwiteit in die eerste kwartaal van 1985 met 'n verdere 1,8 persent afgeneem. As gevolg van die daling in produktiwiteit en 'n verdere styging in die nominale vergoeding in die tweede helfte van 1984, het die koers van toename in die arbeidseenheidskoste versnel en teen die vierde kwartaal het die styging, oor 'n tydperk van vier kwartale gemeet, 17 persent bedra. In die eerste kwartaal van 1985 het die toename in arbeidseenheidskoste egter effens afgeplat tot 14 persent as gevolg van die verlang-saming in die styging van nominale lone.

## Pryse

Die inflasiekoers, soos gemeet deur veranderings in die verbruikers- en produksieprysindeks, het van die tweede kwartaal van 1984 tot die tweede kwartaal van 1985 versnel. Die hoër koers van toename in pryse het aanvanklik hoofsaaklik voortgespruit uit die oormatige monetêre vraag gedurende 1983 en die eerste helfte van 1984. Alhoewel die vraagdruk vanaf die derde kwartaal van 1984 aansienlik afgeneem het, het die nagevolge van die oorbesteding sowel as die opmerklike toename in invoerpryse na aanleiding van die vroeëre depresiasie van die rand en die uitgestelde opwaartse aanpassings in geadministreerde pryse bygedra tot 'n voortgesette hoë inflasiekoers. Verhogings in die koers van die algemene verkoopbelasting, wat op 1 Julie 1984 en 25 Maart 1985 in werking getree het, het ook tot die styging in die verbruikersprysindeks bygedra.

Oor 'n tydperk van twaalf maande gemeet, het die toename in verbruikerspryse versnel van 'n onlangse laagtepunt van 10,0 persent in Februarie 1984 tot 13,3 persent in Desember 1984 en tot 16,4 persent in Junie 1985, voordat dit marginaal tot 15,9 persent in Julie verlangsaa het. Die skerp depresiasie van die rand vanaf die einde van 1983 het gelei tot 'n versnelling in die koers van toename in die invoerpryskomponent van die produksieprysindeks vanaf 'n laagtepunt van 3,5 persent in Mei 1984 tot 25,2 persent in Julie 1985. Die ooreenstemmende versnelling in die koers van toename in die totale produksieprysindeks was van 'n laagtepunt van 6,9 persent in Januarie 1984 tot 17,4 persent in Julie 1985.

## Pryse

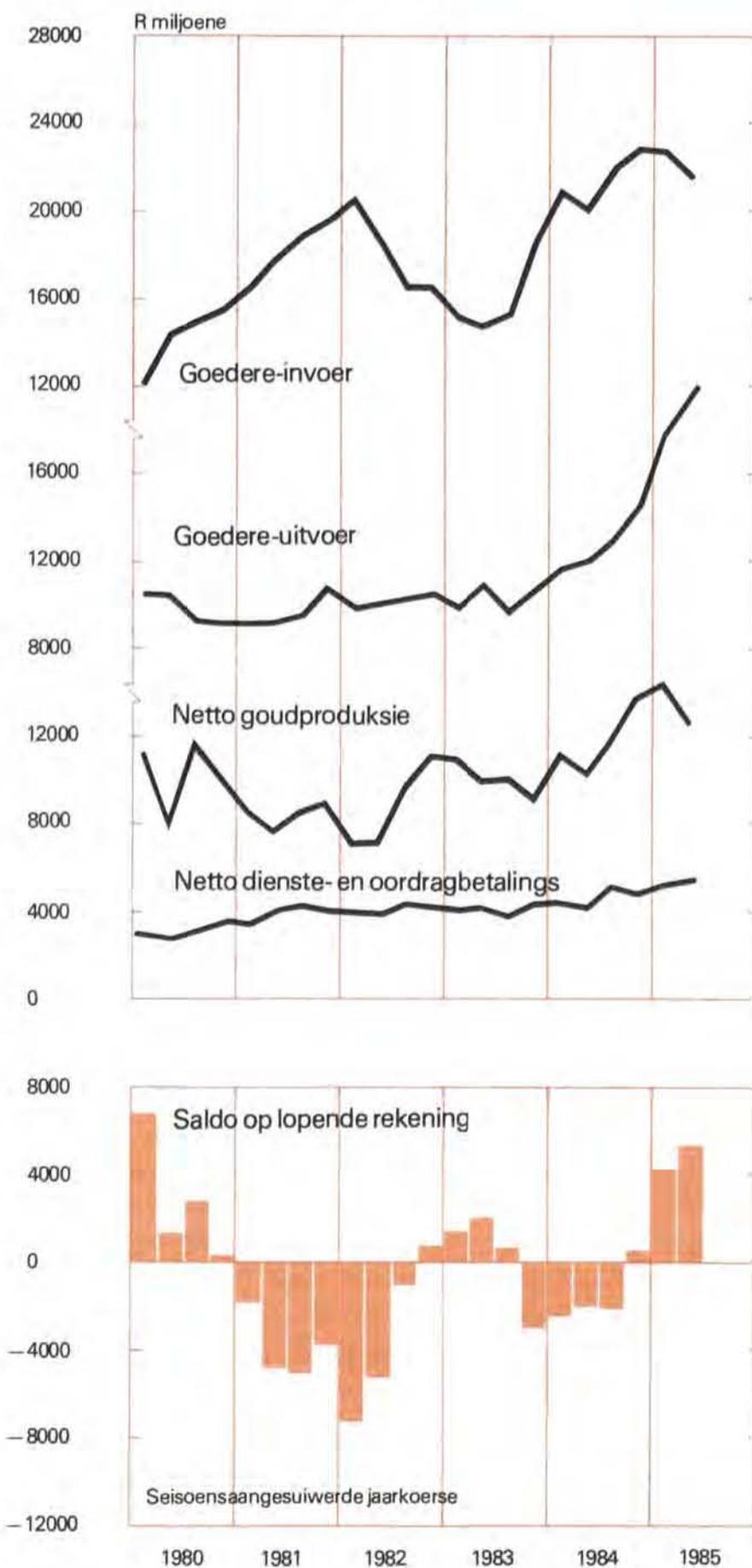


## Betalingsbalans

### Lopende rekening

Ten spyte van 'n verswakking in Suid-Afrika se ruilvoet, is 'n verdere aansienlike verbetering in die lopende rekening van die betalingsbalans gedurende die tweede kwartaal van 1985 aangeteken. Teen 'n seisoensaangesuiwerde

### Betalingsbalans : Lopende rekening



### Lopende rekening van die betalingsbalans

(Seisoensaangesuiwerde jaarkoerse)  
(R miljoene)

	1985	
	1e kw	2e kw
Goedere-uitvoer .....	17 850	19 670
Netto goudproduksie .....	14 250	12 620
Goedere-invoer .....	-22 630	-21 540
Netto dienste- en oordragbetalings	-5 140	-5 350
<b>Saldo op lopende rekening .....</b>	<b>4 330</b>	<b>5 400</b>

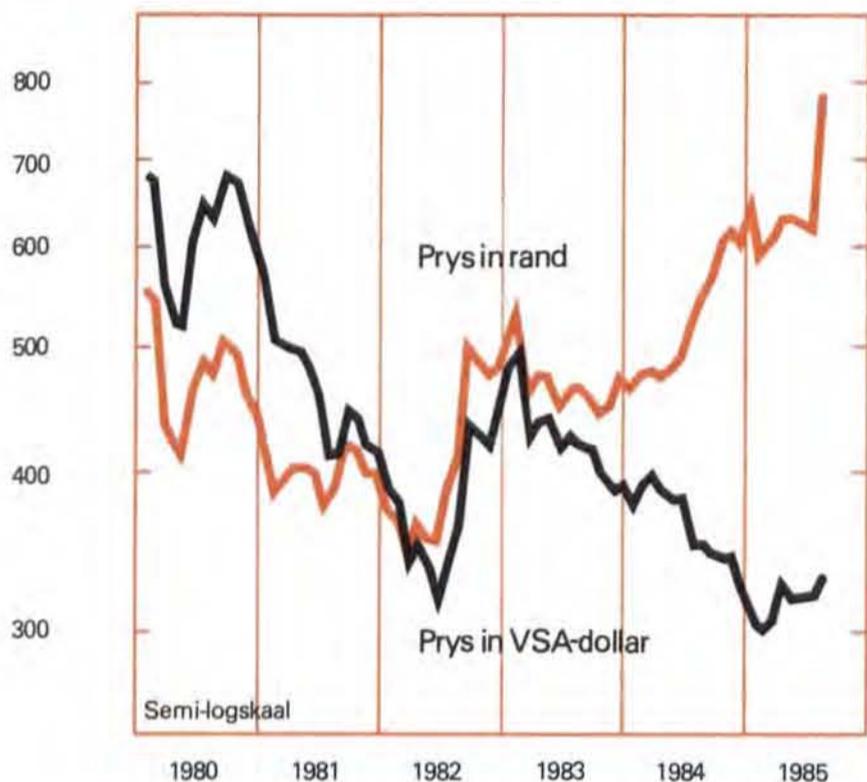
jaarkoers het die oorskot op die lopende rekening van R4,3 miljard in die eerste kwartaal van 1985 tot R5,4 miljard in die tweede kwartaal toegeneem. Hierdie toename is hoofsaaklik deur 'n volgehoue skerp styging in die goedere-uitvoer sowel as 'n verdere daling in die goedere-invoer teweeggebring. Hierdie ontwikkelings is gedeeltelik geneutraliseer deur 'n afname in die waarde van die netto goudproduksie en 'n matige styging in netto dienste- en oordragbetalings aan die res van die wêreld.

Aansienlike toenames in sowel die volume as die pryse van uitvoer-goedere het gedurende die tweede kwartaal van 1985 tot die sewende opeenvolgende kwartaallike styging in die waarde van die goedere-uitvoer gelei. Hierdie uitstaande uitvoerprestasie het verband gehou met die stygende vraag na mynbouprodukte wat verband gehou het met die ekonomiese uitbreiding in die nywerheidslande, sowel as met die verhoogde prysmededingendheid van Suid-Afrikaanse uitvoerders. In die tweede kwartaal van 1985 is dit deur hoër landbou-uitvoer aangehelp. Alhoewel kommoditeitspryse op internasionale markte oor die algemeen gedemp gebly het, het uitvoerpryse in randterme skerp toegeneem vanweë die daling in die effektiewe wisselkoers van die rand.

Die waarde van die goedere-invoer het in die tweede kwartaal van 1985 verder gedaal as 'n weerspieëling van 'n afname van 9 persent in die volume van ingevoerde goedere en 'n toename van 5 persent in invoerpryse in terme van rand. Besondere groot dalings is in die invoervolume van landbouprodukte, voorbereide voedsel, chemiese produkte en masjinerie en elektriese toerusting aangeteken. Aan die ander kant het die invoervolume van mineraalprodukte effens toegeneem. Die swak vertoning van die rand op die valutamarkte was die belangrikste bydraende faktor tot die toename in invoerpryse. Gedurende Julie was die seisoensaangesuiwerde waarde van die invoer effens onder sy gemiddelde maandelikse waarde gedurende die tweede kwartaal.

'n Daling in volume was gedurende die tweede kwartaal van 1985 geheel en al verantwoordelik vir 'n daling van 11½ persent in die waarde van die netto goudproduksie. Met die oog op die hoër prys van goud in rand, het die myne voortgegaan met hul beleid om laergraadse erts te ontgin. Hierbenewens het die hoeveelheid erts gemaal ook gedurende die tweede kwar-

## Goudprys



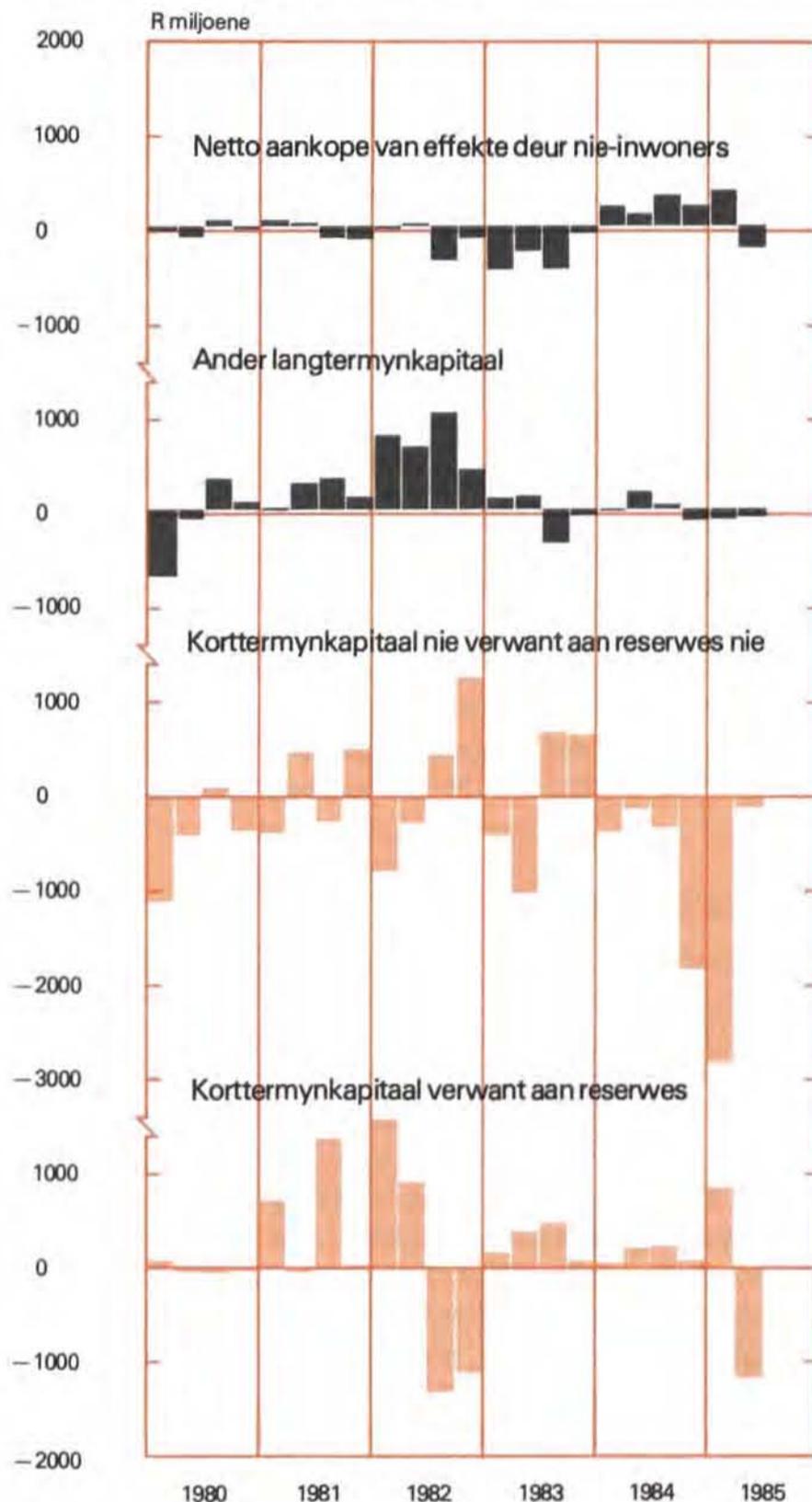
taal matig gedaal. Die gemiddelde vasstellingsprys van goud op die Londense mark het, in terme van rand, van R617 per fyn ons in die eerste kwartaal van 1985 tot R627 per fyn ons in die tweede kwartaal gestyg. Daarna het dit in Julie effens gedaal voordat dit in Augustus tot R787 per fyn ons opgeskiet het as gevolg van die depresiasie van die rand en 'n matige toename in die VSA-dollarprys van goud. Laasgenoemde prys het gemiddeld \$330 per fyn ons in Augustus bedra, effens bo sy gemiddelde van \$317 in die voorafgaande drie maande.

Netto dienste- en oordragbetalings aan die res van die wêreld het in die tweede kwartaal van 1985 hul opwaartse neiging voortgesit. Hierdie verdere toename is hoofsaaklik deur hoër betalings in terme van rand ten opsigte van vrag en versekering op goedere, ander vervoerdienste en dividende en rente op buitelandse beleggings meebring.

## Kapitaalrekening

Gedurende die tweede kwartaal van 1985 is 'n netto uitvloeï van slegs R9 miljoen op die kapitaalrekening van die betalingsbalans aangeteken, vergeleke met uitvloeïe van R983 miljoen in die vierde kwartaal van 1984 en R2 453 miljoen in die eerste kwartaal van 1985. Hierdie skerp swaai in die kapitaalrekening was veral opmerklik in die bewegings van korttermynkapitaal nie verwant aan reserwes nie, insluitende onaangetekende transaksies. Die netto uitvloeï van sodanige korttermynkapitaal het van R2 808 miljoen in die eerste kwartaal van 1985 tot slegs R113 miljoen in die tweede kwartaal gedaal. Hierdie aansienlike daling het onder andere verband gehou met 'n afname in terugbetalings op buitelandse handelskre-

## Betalingsbalans: Kapitaalrekening



diet en die afwesigheid van enige beduidende ongunstige vervroegings en verdragings in buitelandse betalings en ontvangste gedurende hierdie tydperk van drie maande.

Ten spyte van 'n aansienlike toename in leningskapitaal wat deur openbare korporasies in die buiteland verkry is, het die netto invloeï van langtermynkapitaal gedaal van R355 miljoen in die eerste kwartaal van 1985 tot R104 miljoen in die tweede kwartaal. Hierdie daling was in 'n groot mate 'n weerspieëling van die netto terugbetaling op die buitelandse lenings deur die Sentrale Regering, en 'n ommeswaai van die invloeï deur effektetransaksies van nie-inwoners deur die effektebeurs. Nadat nie-inwo-

ners netto aankopers van binnelandse effekte ten bedrae van R1 303 miljoen in die voorafgaande sestien maande was, het hulle vanaf Mei netto verkopers van sodanige effekte geword. Gedurende die drie maande tot aan die einde van Julie het hierdie verkope R467 miljoen bedra.

Vanaf die laaste week van Julie het die kapitaalrekening van die betalingsbalans aansienlik verswak, in besonder nadat sekere buitelandse banke hulle voorneme bekend gemaak het om kredietfasiliteite wat hulle aan Suid-Afrikaanse banke en ondernemings toegestaan het, in te trek. Besorgdheid dat hierdie aksie kan versprei het begryplikerwys tot nuwe ongunstige vervroegings en vertraginge gelei wat veroorsaak het dat die rand aansienlik gedeprimeer het.

Hierdie ontwikkelings het die owerhede verplig om transaksies op die mark in buitelandse valuta op te skort en die Johannesburgse Effektebeurs vanaf 28 Augustus vir drie handelsdae te sluit as 'n voorloop tot die instelling van nuwe beperkings op uitwaartse kapitaalbewegings. Hierdie beperkings, wat op 1 September aangekondig is, het basies bestaan uit die instelling van 'n stilstand van vier maande vir die terugbetalings van buitelandse skuld en die herinstelling van die finansiële-randstelsel.

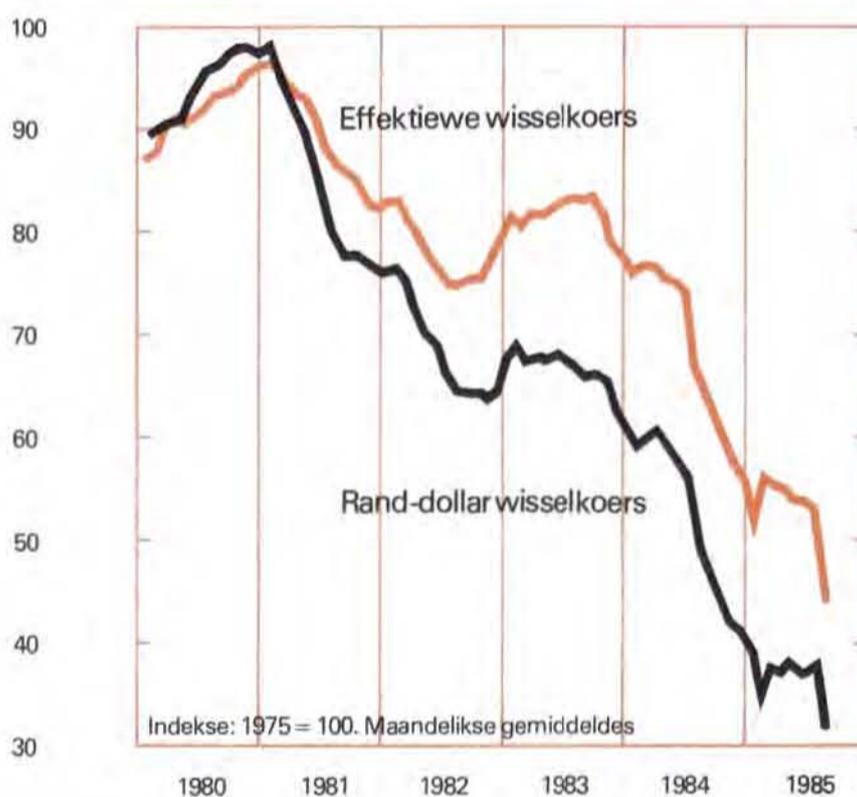
#### Buitelandse reserwes

Die aansienlike oorskot op die lopende rekening van die betalingsbalans en die verbetering in die kapitaalrekening het in die tweede kwartaal van 1985 tot gevolg gehad dat die netto goud- en ander buitelandse reserwes met R1,4 miljard toegeneem het. Hierdie toename was hoofsaaklik 'n weerspieëling van die Reserwebank en ander bankinstellings se vermindering van hul reserweverwante buitelandse verpligtings met R1,2 miljard gedurende hierdie kwartaal. Ten spyte van die daaropvolgende negatiewe ontwikkelings op die kapitaalrekening waarna hierbo verwys is, is daar nogtans gedurende Julie 'n toename van R110 miljoen in die totale netto goud- en ander buitelandse reserwes aangeteken. In Augustus het die netto goud- en ander buitelandse reserwes van die Reserwebank egter met R535 miljoen gedaal.

#### Wisselkoerse

Nadat die eksterne waarde van die rand gedurende die eerste kwartaal toegeneem het, het dit gedurende die tweede kwartaal van 1985 en die eerste deel van Julie matig afwaarts beweeg. Politieke onsekerhede en die onttrekking van korttermyn- buitelandse kapitaal het daarna vanaf die laaste week in Julie tot 'n skerp depressie van die rand gelei tot 'n nuwe rekordlaagtepunt van 34,8 VSA-sent op 27 Augustus. Tussen die einde van Junie en die tydelike sluiting van die binnelandse valutamark van 28 Augustus tot 1 September, het die effektiewe wisselkoers van die rand met 27,2 persent gedaal. Oor dieselfde tydperk het die depressie van die rand teenoor die ander belangrike geldeenhede gewissel vanaf 'n laagtepunt van ongeveer 26 persent teenoor die

#### Wisselkoerse van die rand



#### Veranderinge in die wisselkoerse van die rand\*

	Des 1984 tot Mrt 1985	Mrt 1985 tot Jun 1985	Jun 1985 tot 27 Aug 1985	27 Aug 1985 tot 16 Sept 1985
Geweegde gemiddelde .....	5,0	-5,0	-27,2	12,0
VSA-dollar .....	6,0	-4,9	-25,9	10,4
Britse pond .....	-1,6	-8,2	-31,1	14,8
Duitse mark .....	3,9	-5,9	-32,6	14,8
Switserse frank .....	6,1	-6,4	-34,1	15,5
Japanse jen .....	5,7	-5,6	-29,5	12,4
Franse frank .....	3,7	-6,0	-32,7	14,9

\*Gebaseer op syfers soos op maandeindes.

VSA-dollar en 'n hoogtepunt van net meer as 34 persent teenoor die Switserse frank.

Toe die valutamark op 2 September heropen het, het die Reserwebank 'n openingsmiddelkoers van 41,50 VSA-sent gekwoteer. Tussen daardie heropening en 16 September het die rand/dollarwisselkoers tussen 37,95 en 45,00 VSA-sent geskommel. Die geweege gemiddelde waarde van die rand het van 27 Augustus tot 16 September met 12 persent gestyg.

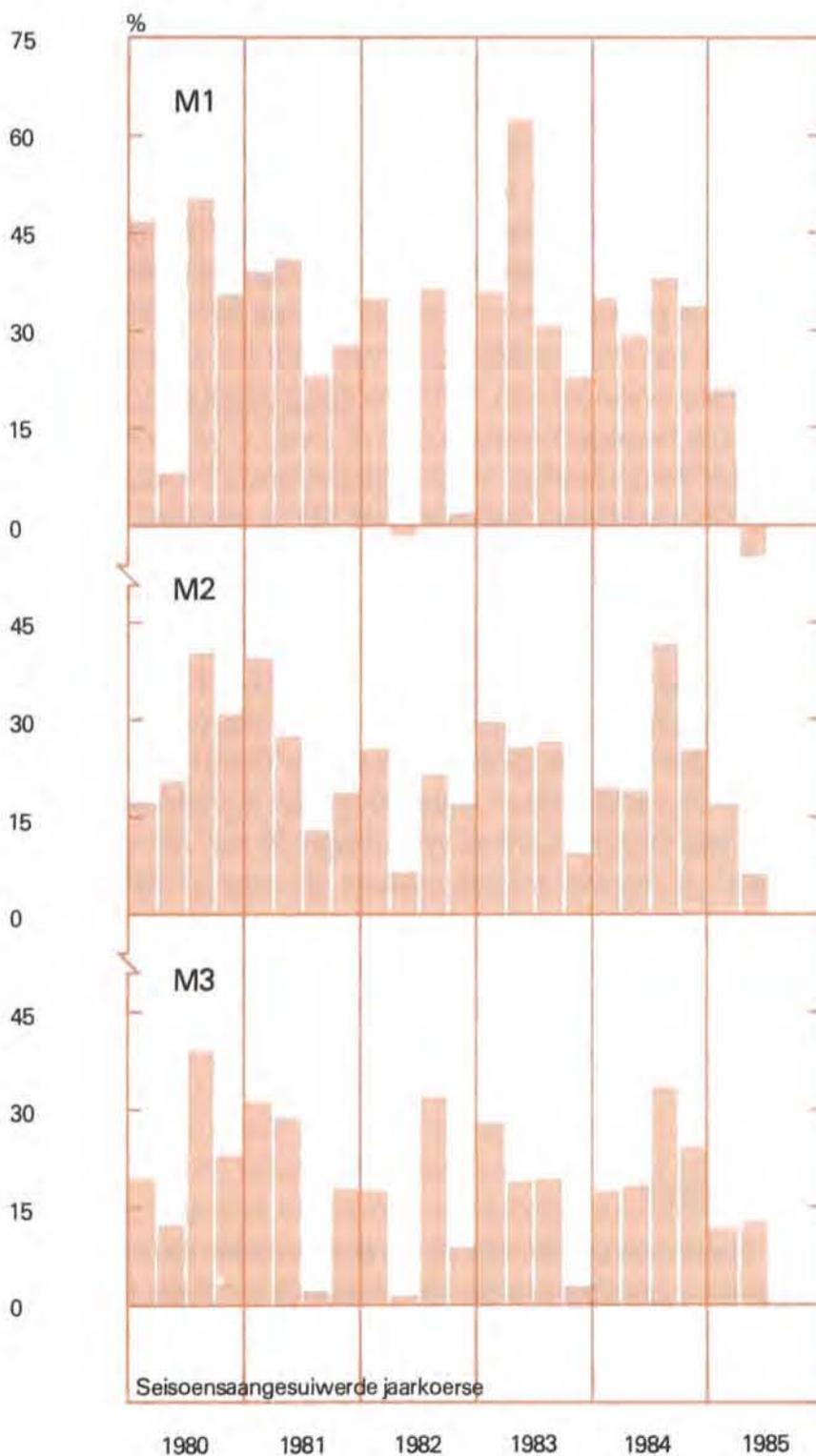
In transaksies van beperkte omvang het die finansiële rand op 2 September 1985 op 37 VSA-sent geopen wat 'n diskonto van 17,8 persent weerspieël het vergeleke met 'n diskonto van 16,1 persent op 4 Februarie 1983 toe die finansiële rand die laaste keer gekwoteer is. Vervolgens het die finansiële-randdiskonto tot 7,8 persent op 16 September 1985 vernou.

## Geld- en bankwese

### Veranderings in geldvoorraad

Die groeikoers van die geldvoorraad het gedurende die eerste sewe maande van 1985 'n geleidelike daling getoon. Gemeet oor 'n tydperk van twaalf maande het die koers van toename in M3 afgeneem van 24,7 persent in November 1984 tot 20,5 persent in Junie 1985 en tot 18,8 persent in Julie. Die groeikoerse van die enger gedefinieerde monetêre totale, M1 en M2, het op min of meer soortgelyke wyse afgeneem, maar die koerse van afname het dié van die breër monetêre totaal M3 oorskry. Die vergelykbare groeikoerse van M1 en M2 het afgeneem van onderskeidelik 39,6 persent en 28,9 persent

### Veranderings in geldvoorraad



in November 1984 tot onderskeidelik 20,8 persent en 21,3 persent in Junie 1985. Hierdie vinniger afname in die groei van die enger monetêre totale is meegebring deur 'n verskuiwing van korttermyn- na langtermyndeposito's wat op sowel werklike as verwagte laer rentekoerse en die verwagte verandering in die rentekoersstruktuur gebaseer was. In Julie het 'n klein styging in rentekoerse hierdie toestand omgekeer en tot 'n aansienlike daling in die langtermyndeposito's van die private sektor by banke bygedra. Hoewel die groeikoerse van M2 in Julie voortgegaan het om te daal, is 'n klein styging in die koers van toename van M1 aangeteken.

Die groeikoerse gemeet oor 'n redelike lang tydspan van twaalf maande waarna hierbo verwys is, onderskat die omvang van die verlangsaming in die geldgroei. Die tempo van verandering oor die korttermyn word beter weergegee deur koerse van toenames van die verskillende monetêre totale as kwartaallikse veranderinge teen seisoensaangesuiwerde jaarkoerse te meet. Op hierdie wyse gemeet, het die kwartaallikse toenames in M3, M2 en M1 van onderskeidelik 24,3 persent, 25,3 persent en 34,0 persent in die vierde kwartaal van 1984 tot onderskeidelik 13,2 persent, 6,0 persent en -4,8 persent in die tweede kwartaal van 1985 afgeneem.

Vanuit 'n oogpunt van monetêre beheer was die verlangsaming in die koers van toename van die geldvoorraad gedurende die eerste sewe maande van 1985 inderdaad baie bevredigend. Daarbenewens het die omloopsnelheid van die verskillende monetêre totale gedurende die eerste kwartaal van 1985 verder gedaal en toe gedurende die tweede kwartaal min of meer onveranderd gebly. Die veranderinge in die geldvoorraad tesame met die omloopsnelheid daarvan het op 'n verdere verlangsaming in die koers van toename in monetêre vraag gedurende die tweede kwartaal van 1985 gedui.

Die netto buitelandse reserwes, wat gedurende die eerste kwartaal van 1985 nog 'n vernouende uitwerking op die geldvoorraad gehad het, het in die tweede kwartaal krediet aan die private sektor as belangrikste teenhanger van monetêre uitbreiding, verbygesteek. Gedurende die laasgenoemde drie maande het die vraag na krediet aansienlik verswak, terwyl die posisie van die betalingsbalans in sy geheel verander het en 'n groot oorskot getoon het. Netto bankkrediet aan die regeringsektor het gedurende die tweede kwartaal min of meer onveranderd gebly en toe gedurende Julie matig toege neem.

## Bankkrediet

Ten spyte van die feit dat netto bankkrediet aan die regeringsektor gedurende die vier maande tot Julie 1985 min of meer onveranderd gebly het, het die totale kredietverlening deur die banke verder toegeneem. Teen 'n seisoensaangesuiwerde jaarkoerse het die groei in totale bankkrediet egter van 11,9 persent in die eerste kwartaal van 1985 tot 8,3 persent in die daaropvolgende vier maande verlangsaaam. Hierdie veranderinge in totale bankkre-

## Bankkrediet



diet weerspieël hoofsaaklik soortgelyke toenames in bankkrediet aan die private sektor. Teen 'n seisoensaangesuiwerde jaarkoerse het die koers van toename in bankkrediet aan die private sektor verlangsaaam van 37,2 persent in die vierde kwartaal van 1984 tot 13,0 persent in die eerste kwartaal van 1985 en tot 12,0 persent in die daaropvolgende vier maande.

Die volgehoue verlangsaming in die vraag na krediet deur die private sektor gedurende die vier maande tot Julie 1985 was hoofsaaklik die teenhanger van 'n aansienlike afname in nominale bruto binnelandse besteding. Veral die vraag na bankkrediet vir die finansiering van aankope van duursame verbruiksgoedere en kapitaalbesteding het skerp gedaal. Trouens, huurkoopkrediet en bruikhuurfinansiering wat deur banke voosien is, het in werklikheid gedurende die tweede kwartaal en Julie in absolute terme gedaal. Die vraag na bankkrediet deur maatskappye het egter betreklik hoog gebly. Bykomende bankkrediet is steeds deur maatskappye benodig om hul kontantvloeï aan te vul en om opgelope rente op reedsbestaande kredietfasiliteite te kapitaliseer.

## Finansiële markte

### Reserwebank-optrede in finansiële markte

Die belangrikste mikpunt van die Reserwebank se optrede in die finansiële markte gedurende die vyf maande tot Augustus 1985 was die bevordering van 'n ordelike afwaartse aanpassing van korttermynrentekoerse. Die verbetering in die monetêre en fiskale beleidspakket vanaf April 1985, die afname in totale besteding en die groot oorskot op die lopende rekening van die betalingsbalans, het die Reserwebank genoop om gedurende die tydperk April tot September 1985 sy monetêre beleid voortdurend te verslap.

Ter erkenning van die veranderde ekonomiese omstandighede en die daling in geldmarkrentekoerse, het die Bank sy herdiskonteringskoerse in vier stappe van 1 persent elk tussen 6 Mei en 4 Julie verlaag. Uitgaande van die standpunt dat die vernouing in die geldmarktoestand teen die einde van Julie en vroeg in Augustus hoofsaaklik die gevolg van 'n abnormale sosio-politieke toestand was en nie deur veranderings in grondliggende ekonomiese faktore veroorsaak is nie, het die Bank daarná sy herfinansieringskoerse op 20 Augustus met 'n verdere 1,75 persent verlaag. Hierdie aanpassings het die Bank se herdiskonteringskoerse vir diskontohuise op 16 persent vir skatkiswissels, 16,25 persent vir Landbankwissels en 16,50 persent vir bankaksepte te staan gebring. Die Reserwebank het terselfdertyd in ooreenstemming met die aanbevelings van die Kommissie van Ondersoek na die Monetêre Stelsel en Monetêre Beleid in Suid-Afrika, die tradisionele "Bankkoers" as sy formele koers vir die herdiskontoring van skatkiswissels vir diskontohuise heringestel. Hierdie veranderings het met breedweg ooreenstemmende verlagings in die Bank se herdiskonteringskoerse vir banke en in sy rentekoerse op oornaglenings aan diskontohuise en banke gepaard gegaan.

Die Reserwebank se netto verkope van staatseffekte gedurende die tweede kwartaal van 1985 het R2 139 miljoen bedra en gedurende Julie en Augustus R341 miljoen. Hierdie optrede was hoofsaaklik gemik op die befondsing van die Regering se tekort voor lenings op 'n wyse in ooreenstemming met die strategie om die koerse van toename in die geldvoorraadtotale te verminder.

Hoewel die Reserwebank se optrede in die valutamark hoofsaaklik daarop gerig was om wisselkoersbewegings te stabiliseer en om buitelandse valuta te verkry ten einde aan regstreekse termynvalutaverpligtings te voldoen, het dit ook 'n aansienlike invloed op die toestand in die geldmark gedurende die vyf maande tot Augustus 1985 uitgeoefen.

Ten einde die geldmark oor die seisoenaal stram maandeinde van Augustus, wat uit die gebruikelike groot beweging van belastingfondse na die Regering voortvloei, by te staan, het die Reserwebank aansienlike gebruik gemaak van terugkoopvooreenkomste vanaf 30 Augustus. Spesiale belastingskatkissels ten bedrae van R500

miljoen wat teen die einde van Augustus verval het, het ook die stram marktoestand oor die maandeinde verlig.

Die netto resultaat van die Reserwebank se optrede en ander faktore wat die geldmark beïnvloed het, was 'n afname in die Bank se herfinansiering in die vorm van herdiskonterings en oornaglenings aan diskontohuise en ander bankinstellings van 'n daaglikse gemiddelde van R1 921 miljoen in Maart 1985 tot R860 miljoen in Junie. In Julie het hierdie finansiering weer tot R1 037 miljoen toegeneem. Daarná het die bedrag toegeneem tot R1 656 miljoen aan die einde van Augustus, voordat dit weer tot R965 miljoen op 13 September 1985 gedaal het. Fondse van die Korporasie vir Openbare Deposito's wat by die diskontohuise geplaas is, is verhoog van R600 miljoen aan die einde van Mei tot R750 miljoen aan die einde van Junie 1985 en is daarna met geringe skommelings tot 13 September op hierdie vlak gehou.

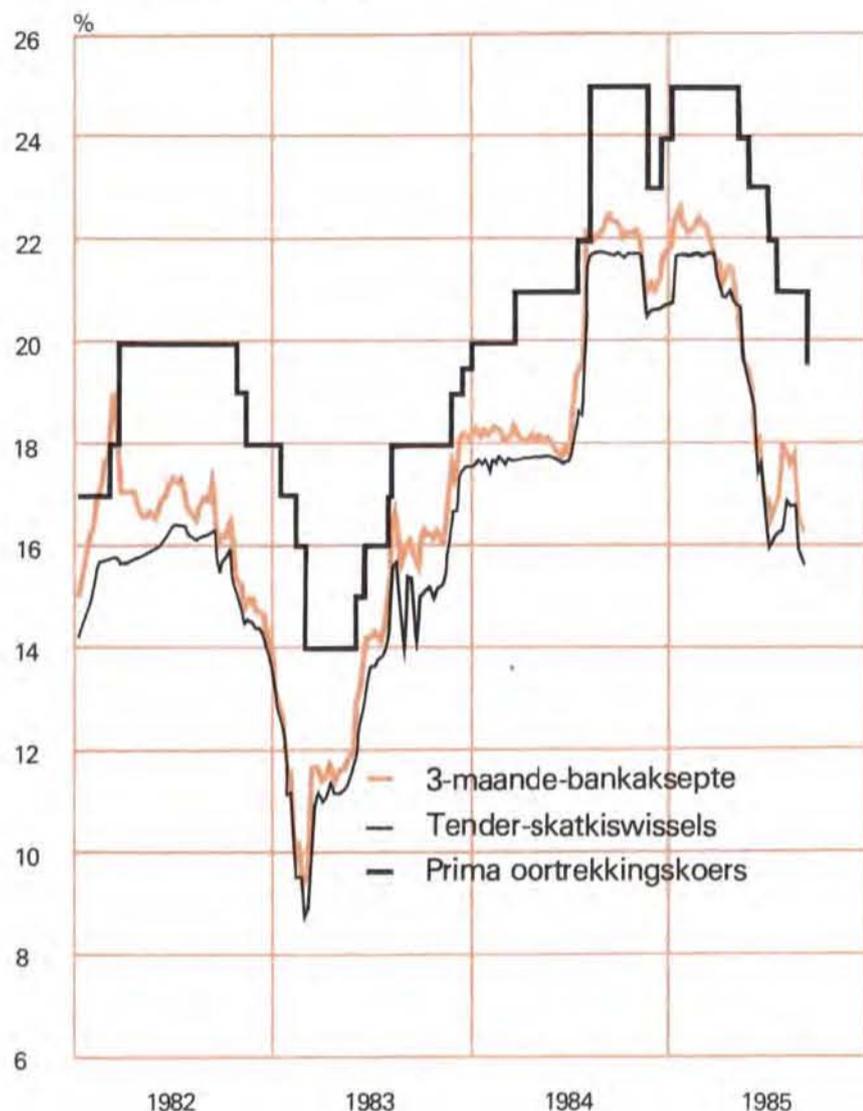
Soos deur die Kommissie van Ondersoek na die Monetêre Stelsel en Monetêre Beleid aanbeveel is, is die likwiedebatevereistes van die banke verlaag tot 20 persent in die geval van korttermynverpligtings en 15 persent in die geval van middeltermynverpligtings. Dit is gedoen ingevolge 'n wysiging in die *Bankwet*, wat op 31 Julie 1985 gepromulgeer is. Die 5-persent vereiste ten opsigte van langtermynverpligtings het onveranderd gebly, maar die 5-persent vereiste ten opsigte van aksepte-verpligtings en sekere ander voorwaardelike aanspreeklikhede is opgehef.

### Korttermynrentekoerse

Die voortgesette verslapping van monetêre beleid en die verruiming in die geldmarktoestand voortspruitende uit die laer vlak van ekonomiese bedrywigheid, die verdere verswakking in die private sektor se vraag na bankkrediet en die verbetering in die betalingsbalans in sy geheel, het 'n verdere daling in rentekoerse gedurende Junie en vroeg in Julie 1985 tot gevolg gehad. Die koers op bankaksepte van drie maande het van 19,00 persent aan die einde van Mei tot 16,40 persent in die eerste week van Julie gedaal. Die verlagings in die herfinansieringskoerse van die Reserwebank waarna hierbo verwys is, het die verrekeningsbanke aangespoor om hulle prima oortrekkingskoerse op 24 Junie van 23 persent tot 22 persent en vanaf die middel van Julie 1985 tot 21 persent te verlaag.

Die toestand op die geldmark het gedurende die tweede helfte van Julie en die eerste helfte van Augustus weer vernou as gevolg van die sosio-politieke ontwikkelings wat 'n groter vraag na buitelandse valuta en 'n gepaardgaande skerp afname in die wisselkoers van die rand tot gevolg gehad het. Die teenmaatreëls wat deur die Reserwebank getref is, soos hierbo uiteengesit, het tot gevolg gehad dat die afwaartse beweging in rentekoerse hervat is. Ná die Bankkoersverlaging van 20 Augustus het die koers op bankaksepte van drie maande en skatkiswissels wat op 15 Augustus tot onderskeidelik 18,0 persent en 17,75 persent gestyg het, teen die einde

## Korttermynrentekoerse

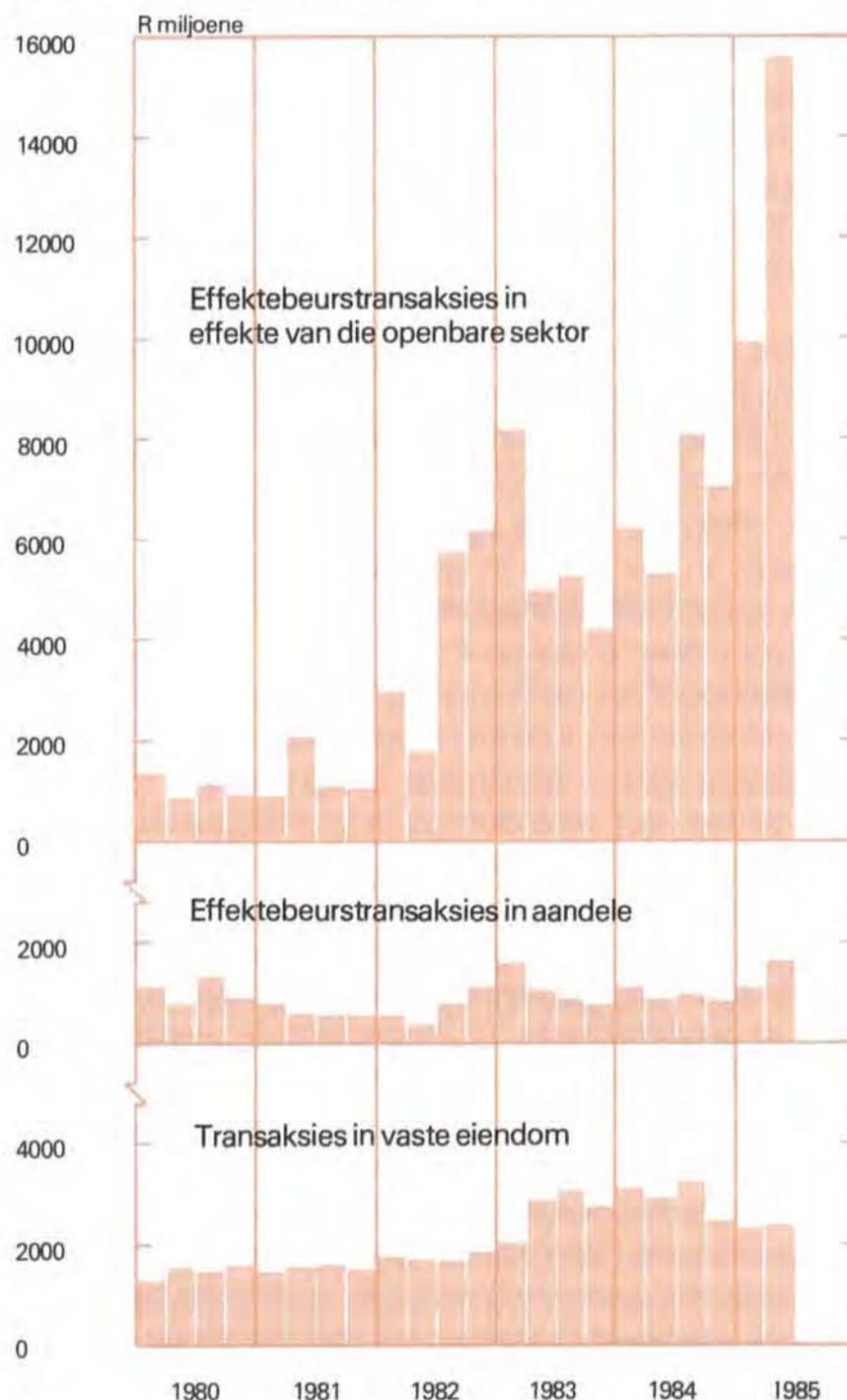


van Augustus weer tot onderskeidelik 16,25 persent en 15,72 persent gedaal. Die prima oortrekkingskoerse van die verrekingsbanke is ook aan die begin van September tot 19,5 persent verlaag. In September het geldmarkrentekoerse verder gedaal. Die koers op bankaksepte van drie maande het byvoorbeeld op 13 September 1985 tot 15,60 persent en die skatkisswisselkoers tot 15,16 persent gedaal.

## Kapitaalmarkbedrywigheid

Die bedrywigheid op die kapitaalmark het gedurende die tweede kwartaal van 1985 tot nuwe rekordvlakke gestyg deels as gevolg van die toename in die algemene beskikbaarheid van fondse en die gelyktydige daling in reële ekonomiese bedrywigheid. Dit word geïllustreer deur 'n toename in die waarde van effekte van die openbare sektor wat op die effektebeurs verhandel is, van R9,9 miljard in die eerste kwartaal van 1985 tot R15,5 miljard in die tweede kwartaal. In Julie en Augustus het die omset van hierdie effekte gemiddeld R5,4 miljard bedra, vergeleke met 'n maandelikse gemiddelde van R5,1 miljard gedurende die voorafgaande drie maande. Insgelyks het die waarde van aandele wat op die effektebeurs verhandel

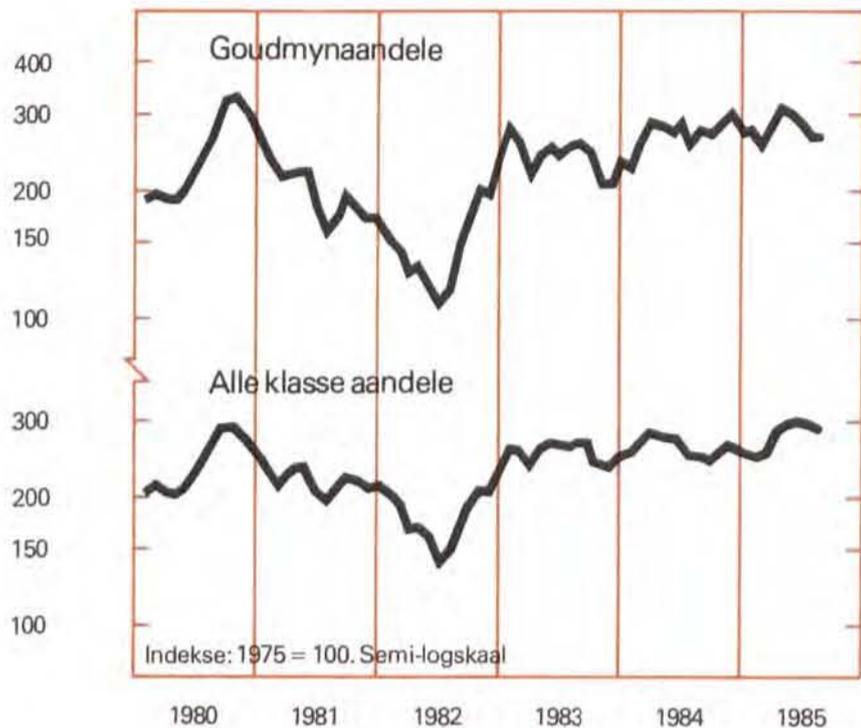
## Transaksies in effekte en vaste eiendom



is van R1,0 miljard tot R1,6 miljard gedurende die eerste en tweede kwartaal van 1985 onderskeidelik gestyg, gevolg deur 'n maandelikse gemiddelde van R0,6 miljard in Julie en Augustus. In teenstelling hiermee het die bedrywigheid op die mark in vaste eiendom betreklik traag gebly en het die waarde van transaksies in vaste eiendom slegs effens verbeter van R2,3 miljard in die eerste kwartaal van 1985 tot R2,4 miljard in die tweede kwartaal. In Julie het die transaksies in vaste eiendom R0,8 miljard beloop wat min of meer ooreenstem met die gemiddelde vlak gedurende die voorafgaande drie maande.

Die groter aandele-omset het gedeeltelik verband gehou met die verkope deur nie-inwoners in navolging van die disinvesteringssentiment wat in die buiteland opgewek is. Die veerkragtigheid van die aandelemark was egter sodanig dat hierdie verkoopdruk en die daaropvolgende daling van 17 persent in die pryse van goudmynaandele,

## Aandelepryse



nie die gemiddelde prys van alle aandele noemenswaardig afgedruk het nie. Vanaf die onlangse onderste draaipunt in Februarie 1985, het aandelepryse met gemiddeld 19 persent tot 'n nuwe hoogtepunt in Junie gestyg en daarna met 4 persent in die volgende twee maande gedaal. Nadat die effektebeurs op 2 September 1985 heropen is, na die sluiting op 28 Augustus, het aandelepryse gedurende die eerste week van September 'n verdere daling van slegs 3 persent getoon.

In die primêre markte het die openbare sektor gedurende die tweede kwartaal van 1985 nuwe fondse ten bedrae van R1 972 miljoen met die uitreiking van vastere-rentedraende effekte verkry, vergeleke met R822 miljoen in die eerste kwartaal. Hierteenoor het maatskappye wat op die effektebeurs genoteer is gedurende die eerste kwartaal van 1985 geen nuwe uitgiftes van vastere-rentedraende effekte gemaak nie en gedurende die tweede kwartaal slegs R213 miljoen deur middel van nuwe aandele-uitgiftes opgeneem. Met die oog op die afname in reële vaste investering, die lae kontantvloeï wat met die resessietoestand verband gehou het en die kapitalisering van rente op bestaande krediet, het maatskappye verkies om hulle gebruik van bankkrediet te vergroot. Gevolglik het hierdie krediet (insluitende bruikhuurfinansiering) gedurende die tweede kwartaal van 1985 met 'n verdere R212 miljoen toegeneem bo en behalwe die styging van R706 miljoen gedurende die eerste kwartaal.

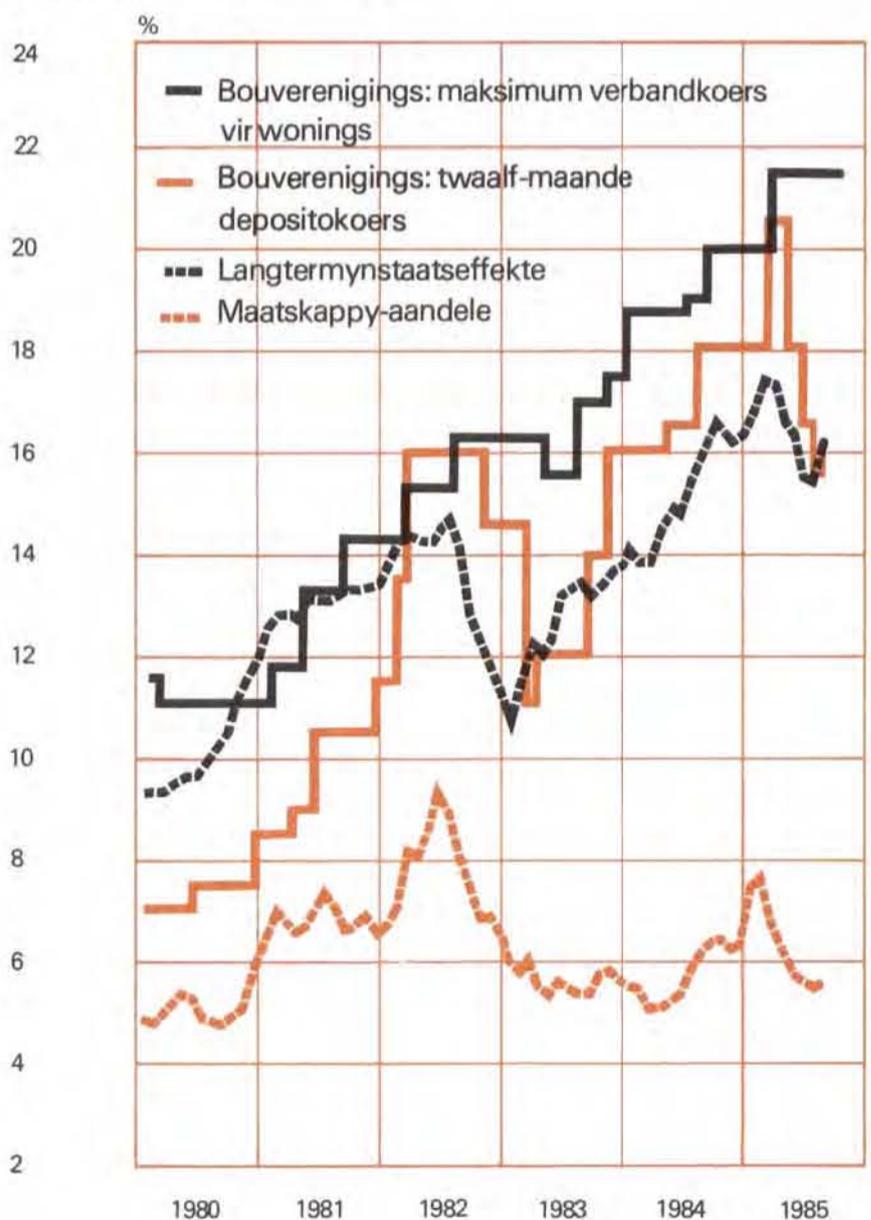
'n Verbeterde netto vloeï van fondse na bouverenigings en deelnemingsverbandskemas, het hierdie instellings in staat gestel om hul verbandlenings van R894 miljoen gedurende die eerste kwartaal van 1985 tot R1 111 miljoen gedurende die tweede kwartaal te verhoog. Desnieteenstaande het die vraag na verbandfinan-

siering swak gebly vanweë die hoë koste van verbandfinansiering en die laer groei in persoonlike beskikbare inkome.

## Langtermynrentekoerse

Die groter beskikbaarheid van fondse het gelei tot 'n daling in langtermynrentekoerse gedurende die grootste deel van die tydperk onder bespreking. Nadat hierdie koerse in Februarie 1985 'n hoogtepunt bereik het, het hulle tot vroeg in Julie afwaarts beweeg maar daarna gedurende die res van die maand en in Augustus weer gestyg. Die maandelikse gemiddelde opbrengskoers op langtermynstaatseffekte het van 'n piek van 17,4 persent in Februarie 1985 tot 15,5 persent in Junie en 15,3 persent in Julie gedaal, voordat dit weer tot 16,2 persent in Augustus gestyg het. Insgelyks het die gemiddelde dividendopbrengskoers op alle klasse aandele van 7,7 persent in Februarie tot 5,4 persent in Julie gedaal voordat dit weer tot 5,6 persent in Augustus gestyg het. Die bouverenigings se maksimum verbandkoers op wonings, wat in April 1985 tot 21,5 persent verhoog is, het nie die daling in die ander langtermynrente- en opbrengskoerse

## Kapitaalmarkrentekoerse



gevolg nie tot vroeg in September toe verbandkoerse met soveel as 1 persent verlaag is. Deelnemingsverbandskemas het hul verbandkoerse van 23,6 persent in Januarie 1985 tot 20,0 persent in Junie en 18,3 persent in Augustus hersien.

'n Aanduiding van die verloop van langtermyndepositokoerse word verskaf deur die veranderings in die banke en bouverenigings se koers op deposito's van twaalf maande. Die oorheersende koerse op hierdie deposito's, wat in Maart 1985 tot 20,5 persent verhoog is, is trapsgewys tot 16,0 persent in Junie en 15,0 persent in Julie verlaag. In Augustus het die banke hulle oorheersende koers verder verlaag tot 14 persent, maar die bouverenigings het hulle ooreenstemmende koers tot 16 persent verhoog.

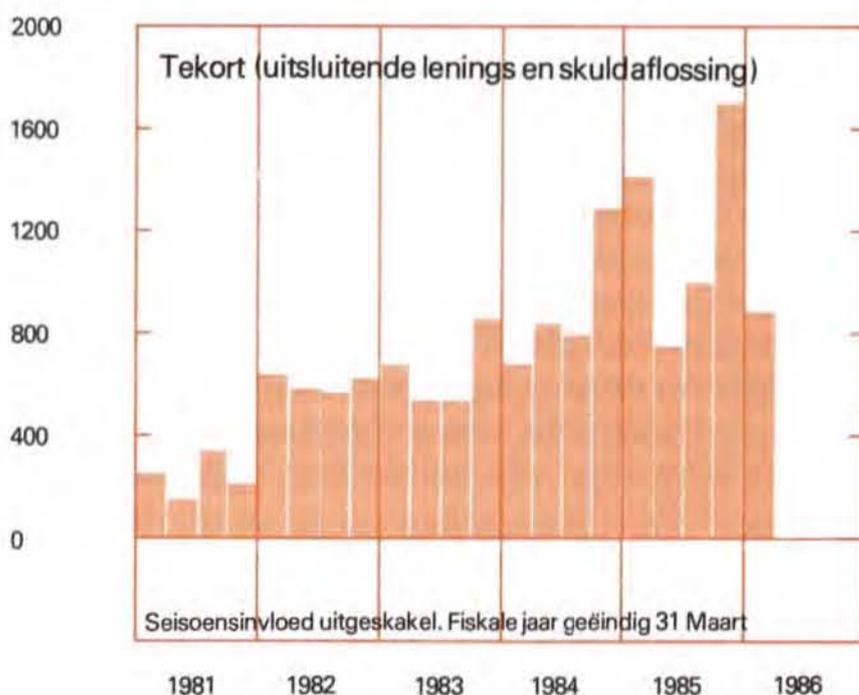
## Staatsfinansies

### Skatkisuitreikings\* en -ontvangstes

Soos gedurende die afgelope paar jaar, het die skatkisuitreikings gedurende die eerste kwartaal van die fiskale jaar 1985/86, naamlik April tot Junie 1985, skerp toegeneem. Vergeleke met die ooreenstemmende tydperk van die voorafgaande fiskale jaar, het die skatkisuitreikings aan staatsdepartemente gedurende hierdie kwartaal met 18 persent toegeneem. 'n Aansienlike styging gedurende Julie en 'n baie matige toename gedurende Augustus, het die groeikoers van hierdie uitreikings vir die eerste vyf maande van die fiskale jaar, vergeleke met die ooreenstemmende vyf maande van 1984, op 22 persent te staan gebring. Alhoewel hierdie koers van toename hoër as

\*Die Skatkisrekening is aangesuiwer vir veranderings in die saldo op die Betaalmeestergeneraalrekening.

### Skatkisrekening



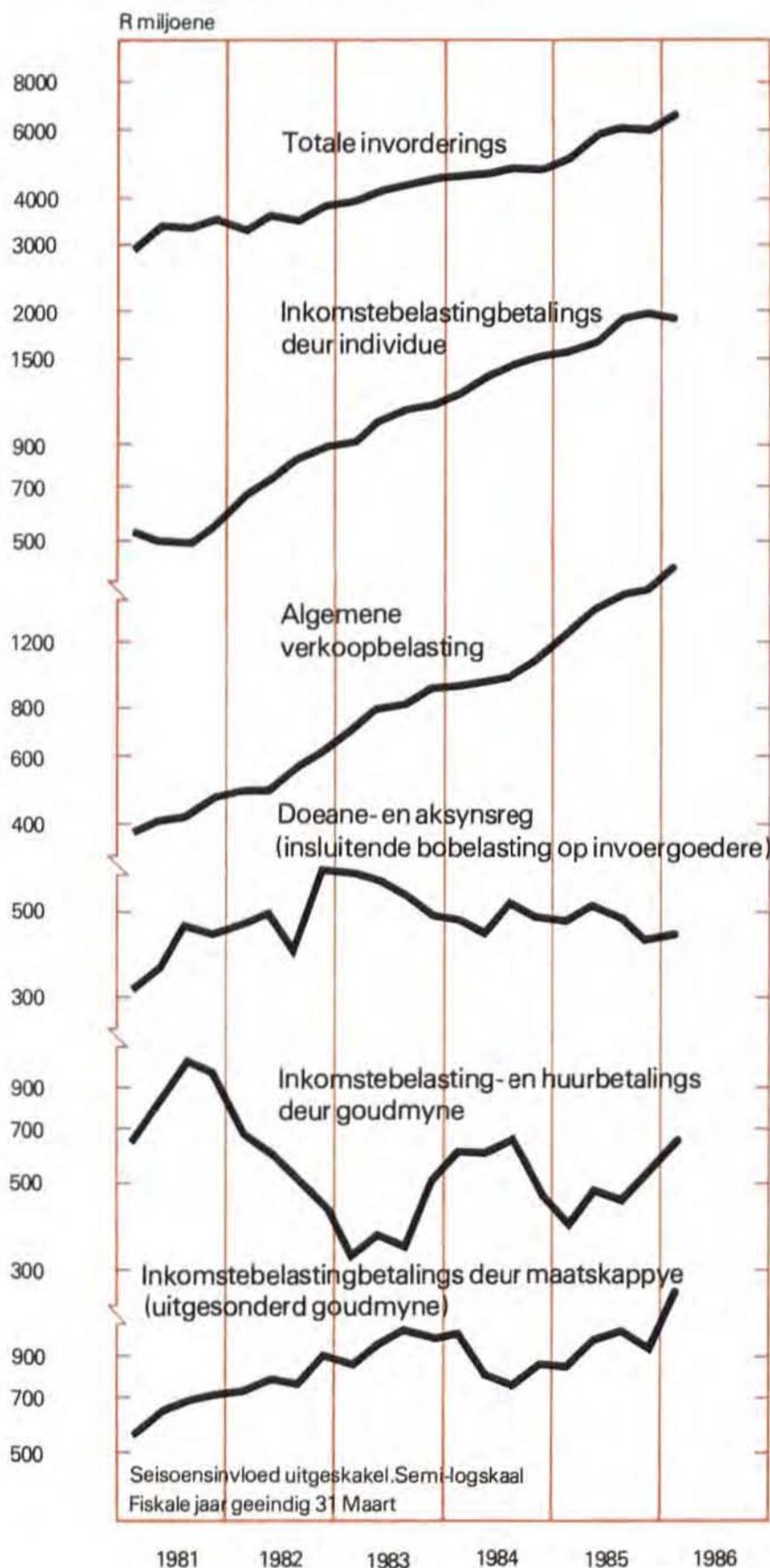
dié van die begrote toename in uitgawes vir die fiskale jaar in sy geheel was, toon dit slegs 'n klein afwyking van die geprojekteerde uitgawes van departemente vir die eerste vyf maande van 1985/86.

Aan die ander kant het die skatkisontvangste teen 'n nog sneller koers as uitreikings toegeneem. Vergeleke met die ooreenstemmende kwartaal van die voorafgaande jaar, is 'n toename van 33 persent in skatkisontvangste in die eerste kwartaal van die fiskale jaar 1985/86 aangeteken. Hierdie aansienlike verbetering in die totale

ontvangste was hoofsaaklik die gevolg van hoër inkomstebelastingbetalings deur nie-mynmaatskappye vanweë die "oorloop" van belastingontvangste wat in die voorafgaande fiskale jaar betaalbaar was en aansienlike hoër ontvangste van algemene verkoopbelasting wat verband hou met die verhoging in hierdie belastingkoers van 10 tot 12 persent. Boonop het inkomstebelastingbetalings deur goudmyne ook skerp gestyg as gevolg van die hoër randopbrengste voortspruitend uit die depresiasie van die rand. Die laer waarde van invoer het egter 'n afname in ontvangste uit doeanereg tot gevolg gehad.

In Julie en Augustus, het skatkisontvangste selfs vinniger versnel. Dit het die toename in hierdie ontvangste gedurende die eerste vyf maande van die fiskale jaar in vergelyking met die ooreenstemmende tydperk gedurende die voorafgaande jaar, op 34 persent te staan gebring. Hierdie styging is aansienlik hoër as die begrote toename van 18,8 persent vir die fiskale jaar in sy geheel. Die verdere versnelling in die totale ontvangste gedurende Julie was die gevolg van 'n skerp toename in inkomstebelastingontvangste vanaf nie-mynmaatskappye ná die onlangs-ingestelde bykomende derde voorlopige belastingbetaling deur maatskappye. Dit verteenwoordig dus die tekort tussen die finale raming van die betrokke maatskappye se jaarlikse belastingverplichting en die eerste twee voorlopige betalings, wat binne ses maande na die einde van hulle finansiële jaar betaalbaar is. 'n Verdere styging in inkomste-invorderings vanaf goudmyne was hoofsaaklik verantwoordelik vir die vinnige styging in ontvangste gedurende Augustus.

### Inkomste-invorderings — Staatsinkomstefonds



### Finansiering van die tekort voor lenings

Die tekort voor lenings en skuldaflossing vir die eerste vyf maande van die fiskale jaar 1985/86 het R2 217 miljoen beloop, of R462 miljoen minder as die syfer vir die ooreenstemmende tydperk in die voorafgaande jaar. Inligting wat vir die eerste vier maande van die fiskale jaar 1985/86 beskikbaar is, dui daarop dat die hoër tekort van R2 982 miljoen vir hierdie tydperk gefinansier is sonder om van bankkrediet gebruik te maak. Dit is ook duidelik dat 'n aansienlike deel van die Regering se leningsbehoefte vir 1985/86 in sy geheel alreeds teen die einde van Julie bevredig is.

Gedurende die eerste vier maande van 1985/86 is die tekort uit die volgende bronne gefinansier:

	R miljoene
Openbare Beleggingskommissarisse .....	1 067
Nie-bank- private sektor .....	2 131
Monetêre banksektor .....	-264
Buitelandse sektor .....	48
<b>Totaal .....</b>	<b>2 982</b>

# Verklaring oor Bankkoers

Uitgereik deur dr Gerhard de Kock, President van die Suid-Afrikaanse Reserwebank

19 Augustus 1985

Met die goedkeuring van die Regering het die Reserwebank besluit om met onmiddellike inwerkingtreding uitvoering te gee aan die aanbevelings van die Kommissie van Ondersoek na die Monetêre Stelsel en Monetêre Beleid met betrekking tot die toekomstige rol van diskonto-beleid en die Bankkoers in Suid-Afrika.

Basies beteken dit twee dinge:

Eerstens sal die Reserwebank meer en duideliker omskrewe gebruik maak van sy diskontobeleid as 'n metode om die geldvoorraad, rentekoerse en totale besteding te beïnvloed – as 'n integrerende deel van die algemene ekonomiese stabilisasiebeleid. Dit sal gedoen word in volle koördinasie met die ander hoofinstrumente van monetêre beleid, waarby staatskuldbeheer en opemark-transaksies ingesluit is.

Tweedens sal die Reserwebank weer die tradisionele "Bankkoers" instel as die formele koers waarteen hy skatkiswissels vir die diskontohuise sal herdiskonteer. Hierdie koers sal op die Bank se inisiatief binne die raamwerk van die amptelike monetêre beleid vasgestel en verander word. Die element van diskresionêre oordeel wat by hierdie werkwyse betrokke is, sal beperk word deur die behoefte om te voldoen aan enige mikpunte wat in die toekoms vir die groei van die geldvoorraad gestel mag word, asook deur die noue onderlinge verwantskap wat daar tussen die geldhoeveelheid, rentekoerse en wisselkoerse bestaan.

Met ingang van Dinsdag, 20 Augustus 1985, sal die Reserwebank sy nuwe formele Bankkoers vasstel op 16 persent. Dit kom neer op 'n verlaging van 1,75 persentapunte in die Bank se herdiskonteringskoers vir skatkiswissels vir diskontohuise vanaf die huidige vlak van 17,75 persent.

Terselfdertyd sal die Reserwebank sy herdiskonteringskoerse vir diskontohuise vir Landbankwissels van 18 persent tot 16,25 persent en vir likwiede bankakseptes van 18,25 persent tot 16,50 persent verlaag. Ooreenkomstige verlaging sal in die Reserwebank se herdiskonteringskoerse vir banke en in sy rentekoerse op oornaglenings aan diskontohuise en banke aangebring word.

Die verwagting is dat die Bankkoersverlaging sal lei tot 'n verdere daling van die prima oortrekkingskoers van die handelsbanke vanaf die huidige vlak van 21 persent tot tussen 19 en 20 persent. Verlaging van die verbandkoerse van bouverenigings kan ook mettertyd verwag word.

Die aansporing vir die banke en hul kliënte om van buitelandse krediete gebruik te maak, sal nie verminder word nie aangesien die Reserwebank gepaste wysigings sal aanbring aan die marges wat hy ten opsigte van termynvaluta noteer.

In sy besluit om hierdie stap te doen, is die Reserwebank deur die volgende oorwegings beïnvloed:

(1) Dit is nou volkome duidelik dat die beperkende monetêre beleid wat sedert Augustus 1984 toegepas is en die fiskale maatreëls wat in die Begroting van Maart 1985 ingestel is, hul oorspronklike doelstelling om die totale besteding van die private en die openbare sektor – dit wil sê die geldvoorraad vermenigvuldig met die omloopsnelheid daarvan – aan bande te lê, ten volle verwesenlik het. Die reële bruto binnelandse besteding het nou vir vyf opeenvolgende kwartale gedaal. Gedurende die tweede kwartaal van 1985 het dit 'n vlak bereik wat 9 persent laer was as dié van die tweede kwartaal van 1984. Opmerklike dalings het gedurende hierdie tydperk in al die belangrikste komponente van reële besteding voorgekom, in die besonder in die besteding aan duurzame verbruiksgoedere.

Hierbenewens het die groeiakoerse van die geldvoorraadtotaal, teen jaarkoerse bereken, gedurende die eerste helfte van 1985 in die geval van M1 tot 7,2 persent, in die geval van M2 tot 10,6 persent, en in die geval van M3 tot 12,7 persent gedaal.

Tesame met die jongste statistiese inligting oor produksie, indiensneming, verkope en invoer, toon hierdie bestedings- en geldvoorraadsyfers duidelik dat oormatige vraag of oorbesteding nou geheel en al uit die ekonomie verwyder is. Die reële groeiakoerse is in werklikheid tans negatief en die onderste draaipunt van die konjunkturgolf is waarskynlik nog nie bereik nie.

Soos voorspel is, het die inflasiakoerse tot dusver in 1985 versnel, hoofsaaklik as gevolg van die vertraagde uitwerking van die depresiasie van die rand sedert September 1983, die verhogings van geadministreerde pryse wat daarmee verband gehou het, en die verhoging van 10 tot 12 persent in die algemene verkoopbelasting wat in die Begroting van Maart aangekondig is. Namate die invloed hiervan wegwyn, behoort die inflasiakoerse egter te begin daal.

(2) Die tweede hoofdoelstelling van die bestaande monetêre en fiskale strategie, naamlik om die tekort op die betalingsbalans in lopende rekening in 'n oorskot te omskep, is ook bereik. Teen seisoensaangesuiwerde jaarkoerse bereken, het die lopende rekening verander van tekorte van R2,5 miljard gedurende die eerste kwartaal van 1984, R2,0 miljard gedurende die tweede kwartaal en R2,1 miljard gedurende die derde kwartaal, na oorskotte van R0,6 miljard gedurende die vierde kwartaal van 1984, R4,3 miljard gedurende die eerste kwartaal van 1985, en R5,4 miljard gedurende die tweede kwartaal. Dit lyk nou waarskynlik dat die oorskot op lopende rekening vir 1985 in sy geheel om en by R5 miljard sal beloop. Dit sou gelykstaan aan ongeveer 4 persent van die bruto binnelandse produk, wat volgens enige maatstaf aansienlik is.

(3) Aansienlike terugbetalings van korttermyn- buitelandse lenings en krediete is sedert September 1984 deur die banksektor en private maatskappye gemaak. Dit het gedurende hierdie tydperk bygedra tot 'n afname in Suid-Afrika se netto korttermyn- buitelandse verpligtings van ongeveer R5 miljard.

(4) Die *netto* amptelike goud- en buitelandsevalutare-reserwes van die banksektor het gedurende die tweede kwartaal van 1985 met R1,4 miljard toegeneem.

(5) Sedert die indiening van die Begroting in Maart 1985 het die "mengsel" van fiskale en monetêre beleid aansienlik verbeter. Ná seisoensaansuiwering was daar 'n opmerklike verlaging van sowel die koers van toename in owerheidsbesteding as van die "tekort voor lenings". Hierbenewens het die regeringsektor tot dusver in die huidige fiskale jaar geen netto bykomende gebruik van bankkrediet gemaak nie. In werklikheid het die netto eise van die banksektor teen die regeringsektor ná seisoensaansuiwering gedurende die kwartaal April tot Junie selfs met R442 miljoen gedaal.

(6) In sy opemarktransaksies het die Reserwebank vir die finansiële jaar 1985/86 reeds 'n netto bedrag van R2,3 miljard aan staatseffekte "op aanvraag" verkoop, asook spesiale belastingafwagting-skatkisswissels ten bedrae van R600 miljoen. Hierteenoor moet in berekening gebring word aflossings van staatseffekte ten bedrae van R660 miljoen.

Die verskillende ontwikkelings en omstandighede wat hierbo geskets is, bied meer as voldoende regverdiging vir 'n verdere matige verslapping van monetêre beleid in die vorm van 'n verlaging van rentekoerse. Die uitskaking van oormatige vraag en die bewerkstelling van 'n groot en volgehoue oorskot op die lopende rekening van die betalingsbalans het die weg gebaan vir 'n hervatting van reële ekonomiese groei. Bowendien skep die groter doeltreffendheid van fiskale beleid sedert die indiening van die Maart-Begroting op sigself bykomende ruimte vir geregverdigde rentekoersverlagings.

Hierdie gevolgtrekking word nie wesenlik verander deur die abnormale politieke omstandighede wat tans in Suid-Afrika heers nie, waarby die oproerigheid in stadsgebiede, die noodtoestand wat in sekere landdrostdistrikte afgekondig is, en die versterkte bedreiging van ekonomiese sanksies ingesluit is. Hierdie politieke verwickelinge het ongetwyfeld wel die indrukke wat oorsee oor die vooruitsigte vir die Suid-Afrikaanse ekonomie bestaan, ongunstig beïnvloed en daartoe gelei dat buitelandse kapitaal en bankkrediet in sekere mate weerhou word. Dit het gepaard gegaan met 'n opmerklike depresiasie van die rand en 'n ommekeer van die afwaartse beweging wat sedert Maart 1985 deur rentekoerse aan die dag gelê is. Indien die afwaartse druk op die rand verband gehou het met oormatige geldskepping en oorbesteding – soos wel die geval gedurende die eerste helfte van 1984 was – sou die regte reaksie van monetêre beleid gewees het om

rentekoerse toe te laat om te styg. Maar in die huidige resessietoestand is dit gewens om monetêre maatreëls toe te pas om te verhoed dat die onlangse politieke gebeure 'n oormatige inkrimping van geld en krediet met 'n gepaardgaande styging in rentekoerse teweegbring.

Monetêre stabiliteit moet en sal gehandhaaf word. Maar noudat oorbesteding uitgeskakel is, moet 'n *onnodig beperkende* beleidshouding vermy word. Die toenamekoerse van geld en krediet moet laag genoeg gehou word om enige aanblasing van die vure van inflasie of skade aan die betalingsbalans te voorkom, maar hoog genoeg om toenemende investering, produksie en indiensneming te bevorder.