

Quarterly Bulletin

Kwartaalblad



South African Reserve Bank
Suid-Afrikaanse Reserwebank

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**South African Reserve Bank
Suid-Afrikaanse Reserwebank**

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Quarterly economic review

Introduction

The upturn in economic activity, which had started fairly vigorously towards the middle of 1993 and had faltered somewhat during the political transition in the first half of 1994, regained much of the lost momentum and strengthened at a brisk and accelerating rate in the second half of 1994. The growth in domestic output was widespread and positive growth rates were recorded in all the main economic sectors, with the exception of mining. The mining of lower-grade ore, unstable labour conditions, the closure of some mines and technical difficulties experienced in the production process restricted the production of gold and were largely responsible for a decrease in the real value added of mining.

Owing to the strong growth in real domestic production and an improvement in South Africa's terms of trade, the real gross national product of the country rose by 3½ per cent in 1994. This was the first year since 1988 that the growth in real gross national product exceeded the population growth rate. The real gross national product per capita therefore recouped some of its previous losses and rose by 1 per cent to a level of about R6 650 in 1994.

Although part of the rise in domestic output was related to an increase in exports, the stimulus for the rise in production originated mainly from a substantial increase in domestic demand. All the components of domestic expenditure rose sharply throughout 1994, contributing to an increase of 6 per cent in aggregate real gross domestic expenditure. While the increase in real personal disposable income was only moderate, real private consumption expenditure increased at a rising rate throughout 1994, with the main thrust coming from spending on durable and semi-durable goods. The higher propensity to consume was made possible only by the utilisation of savings and a sharp rise in consumer credit, indicating an unsustainable position should household income not begin to rise more strongly. Real consumption expenditure of general government also rose sharply in 1994, largely because of the political transition.

More encouraging was the increased impetus of the recovery of fixed capital formation during 1994, which boded well for future income growth. The rate of increase in real gross domestic fixed investment accelerated throughout 1994 and led to an increase of 7 per cent in this aggregate for the full calendar year. A considerable part of this increase was due to investment in a few large capital projects, but it was also evident in increased capital outlays in other manufacturing

enterprises, agriculture, mining and the financial services sectors. This increase in investment took place mainly in the private sector, but extensions to the electricity reticulation system led to an increase in investment by public corporations. The more positive sentiment in the business community was also reflected in a continued build-up of inventories.

The rapid rate of increase in domestic expenditure during 1994, particularly in the outlays on capital formation, led to a sharp rise in the quantity of goods imported; in fact, the volume of imports increased at a much more rapid rate than real gross domestic expenditure. This rise in the marginal propensity to import was, however, not abnormally high for this stage of the business cycle and was below the average ratio in the preceding ten years. The rise in imports was therefore mainly related to an increase and change in the composition of expenditure and does not seem to reflect a general price advantage of imported goods.

Because the rise in the value of imports and service payments exceeded the increase in the proceeds from merchandise exports and net gold exports, the surplus on the current account of the balance of payments began to shrink in the first half of 1994 and was transformed into a fairly large deficit in the second half of the year. Over the same period the balance on the capital account changed from a net outflow to a large net inflow of capital. This was a remarkable achievement if account is taken of the commitments that fell due for repayment in 1994. The larger part of the net inflow of capital was related to trade, but towards the end of the year South Africa's relatively favourable country credit rating and the further normalisation of international financial relations also led to a net inflow of long-term capital.

The inflow of capital was larger than the deficit on the current account, with the result that both the net and gross gold and other foreign reserves of the country rose quite sharply in the second half of 1994, which contributed to a more stable exchange rate of the rand. On balance, both the nominal and the real effective exchange rates of the rand nevertheless decreased sharply in 1994. At the end of that year the real effective exchange rate of the rand was no less than 6½ per cent lower than at the end of 1992.

The sharp depreciation of the external value of the rand, together with rising oil prices, disruptions in the supply of agricultural produce and a strong domestic demand, caused a temporary reversal of the downward movement of production and consumer price inflation. However, in the fourth quarter of 1994 some of these price-raising forces started to dissipate and the quarter-to-quarter rise in the production and consumer price index declined sharply.

The continued sharp rise in domestic credit extension and money supply were nevertheless clear signals of a building-up of inflationary pressures and the danger that the balance of payments could move into an untenable position. Credit extension advanced rapidly and at an increasing rate throughout 1994. Moreover, an analysis of the monetary institutions' claims on the private sector by type of credit indicates that credit was to a large extent undertaken to finance increased consumer demand. This rise in credit demand was also responsible for high rates of increase in all the monetary aggregates and for the fact that the rise in M3 remained markedly higher than the upper limit of the guideline range. The increase in the liquidity preference of the private sector also contributed to the higher demand for money.

Reflecting these conditions, interest rates, which had started to firm in February 1994, generally rose further during the remainder of 1994 and the first seven weeks of 1995. The strong upward movement in the yields on long-term bonds in the first half of 1994 led to a steepening of the yield curve, which later flattened somewhat as short-term yields continued to rise and long-term yields became more stable. The upward slope of the yield curve over the early part of the maturity spectrum clearly pointed to expectations of further increases in short-term interest rates.

In view of the continued acceleration of the growth in the money supply and domestic credit extension, the danger of escalating price inflation, the upward movement in market-related interest rates and developments on the balance of payments, the authorities decided to adopt a more restrictive monetary policy stance (see complete monetary policy statement published in this *Quarterly Bulletin*). On 20 February 1995 the Governor of the Reserve Bank therefore announced the following changes in monetary policy:

- An increase in Bank rate, i.e. the rate at which the Reserve Bank provides accommodation to banks against the collateral of Treasury bills, Government stock, Reserve Bank bills and Land Bank bills with an outstanding maturity of less than 92 days, from 13 to 14 per cent on 21 February 1995. At the same time the rate on overnight loans extended against collateral of the same financial assets with outstanding maturities of 92 days and longer but less than 3 years, was raised from 14 to 15½ per cent per annum.

- A guideline range for the acceptable rate of growth in the M3 money supply from the fourth quarter of 1994 to the fourth quarter of 1995 was set at 6 to 10 per cent, compared with the 6 to 9 per cent for the preceding year. The higher upper limit takes account of potentially higher real growth in gross domestic product in 1995, whereas the unchanged lower limit of 6 per cent reflects the Reserve Bank's resolve to reduce the rate of inflation.

- An increase in the basic minimum cash reserve requirement from 1 per cent of the banks' total liabilities (minus capital and reserves) to 2 per cent from 21 March 1995. The additional interest-bearing reserve requirement of 1 per cent of short-term liabilities was retained.
- Quantitative guidelines for the banks on the maximum amount of credit that should be extended to the private sector in 1995 to give effect to the monetary policy objectives of the authorities. These guidelines are not mandatory but rely on the support of the banks to contain inflation.

In the financial markets, the private sector's demand for funds in the primary capital markets declined in 1994, reflecting the strong financial positions of businesses and the fact that some companies raised capital by means of convertible Eurobond issues. The net borrowing of the public sector in the primary bond market in calendar 1994 also fell back significantly compared with the preceding year, because of the policy pursued by the government of spreading the financing of the Exchequer deficit more evenly over the year.

Money market conditions remained relatively tight in 1994, while the buoyant conditions in the secondary bond and equity market began to wane in the fourth quarter of 1994 and in the first month of 1995. After having reached a new record high in November 1994, which was 93 per cent above the lower turning-point in October 1992, share prices began to decline. Turnover in the derivative markets, mortgage market and real estate market, however, increased throughout 1994.

In the area of public finance it seems fairly certain from the information for the first ten months of the fiscal year 1994/95 that the government will be successful in achieving its objective of reducing the Exchequer deficit before borrowing and debt repayment as a ratio of gross domestic product. Both the year-on-year rates of increase in Exchequer issues and receipts over this period were, however, well above the rates of increase that had been foreseen in the Budget for the full fiscal year. The further sharp rise in government debt relative to gross domestic product in 1994 is nevertheless a clear warning signal that the level of the Exchequer deficit must be reduced as quickly as possible.

A recent important positive development in the finances of the government was the decline in the dissaving by general government relative to gross domestic product from a peak of 6½ per cent in the first quarter of 1993 to 3 per cent in the fourth quarter of 1994. However, this smaller ratio of dissaving was not achieved by reducing the ratio of government's current expenditure to gross domestic product, but was the result of a sharp rise in tax receipts. It therefore probably reflected a shift in savings from the

private to the public sector, particularly a decline in the savings ratio of households. The ratio of aggregate domestic saving to gross domestic product accordingly remained unchanged in calendar 1994 as a whole, even though it increased slightly in the fourth quarter of the year.

Domestic economic development

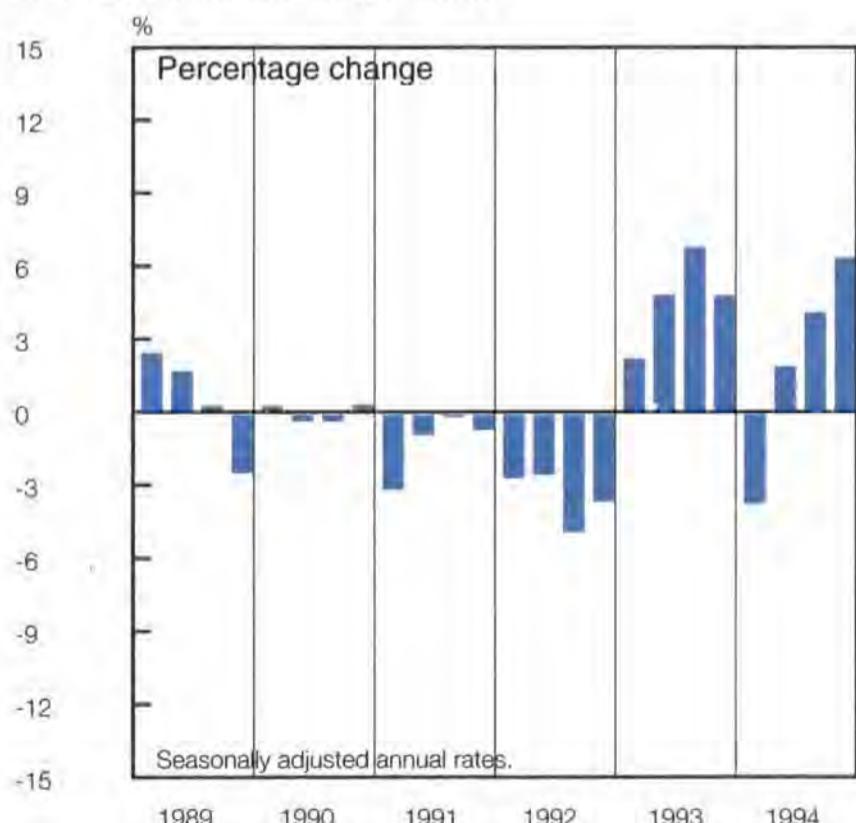
Domestic output

The seasonally adjusted and annualised rate of change in *total real gross domestic product* was reversed from a decrease of 3½ per cent in the first quarter of 1994 to upwardly revised increases of 2 per cent in the second quarter and 4 per cent in the third quarter. In the fourth quarter of 1994 the annualised growth in domestic product accelerated further to 6½ per cent; this took the seasonally adjusted real value of gross domestic product to about 1½ per cent above its previous peak in the third quarter of 1989.

After having registered negative growth in the period from 1990 to 1992, real gross domestic product rose by 1 per cent in 1993 and by 2½ per cent in 1994. Unfortunately, the growth in 1994 was disrupted by the political transition process as well as labour disputes and work stoppages which prevented the real gross domestic product from rising more strongly. However, the growth in domestic output was widespread and all the sectors, with the exception of the primary sectors, contributed to the acceleration in the growth of production.

Although the maize crop rose by more than one-third above the already high level of the preceding year, the growth in *agricultural output* slowed down significantly in 1994. Agricultural output was held back by the building-up of herds by livestock farmers when grazing conditions began to improve, extensive frost damage to vegetable output during the winter months, a serious disease which

Real gross domestic product



affected chicken production and a wheat crop that was considerably smaller than during the previous season.

Mining production recovered slightly in the second half of 1994 and rose at an annualised growth rate of $\frac{1}{2}$ per cent in both the third and fourth quarter; this followed a substantial decrease in the first half of the year. A revival in international demand for base metals and minerals as well as continued strong growth in the output of coal mines were mainly responsible for the increase in the real value added by mining. However, real output by the mining sector still decreased by $2\frac{1}{2}$ per cent in 1994 as a whole, largely because of a decline in gold production related to the mining of lower-grade ore and technical difficulties experienced in the production process.

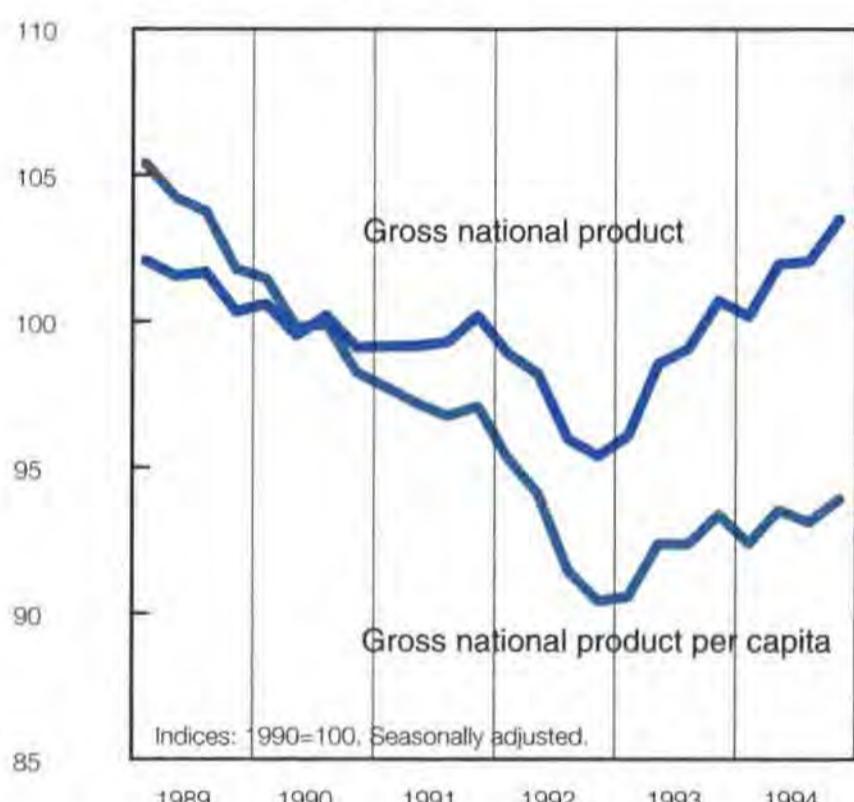
Output volumes in the secondary sectors rose strongly towards the end of 1994 and growth in the fourth quarter is currently estimated at an annualised rate of 8 per cent. The main impetus to this strong growth was provided by the manufacturing sector. Manufacturing output is estimated to have risen by about $2\frac{1}{2}$ per cent in 1994; the growth in this sector in 1993 came to less than $\frac{1}{2}$ per cent. The growth in demand for electricity and an extension of services led to a continued strong rate of increase in the output of the sector supplying electricity, gas and water, while the output of the construction sector increased at a steady but relatively modest rate throughout 1994.

All the tertiary sectors contributed to a much faster output expansion in 1994. The real value added by the tertiary sectors rose by 2 per cent in that year, compared with an increase of only $\frac{1}{2}$ per cent in 1993. After having increased at annualised growth rates varying between 2 and $2\frac{1}{2}$ per cent in the first three quarters of 1994, the real value added by the tertiary sector advanced at an annualised rate of 4 per cent in the fourth quarter.

The *wholesale and retail trade* sectors increased their output levels in the fourth quarter of 1994, with particularly strong growth occurring in the motor trade because dealers attempted to recoup the losses of the third quarter when the strike in the motor manufacturing industry disrupted normal trading. The trade and accommodation sector benefited from an increase in the number of domestic and foreign tourists. For 1994 as a whole the real value added by commerce therefore rose by 3 per cent, i.e. at a considerably higher rate than the $\frac{1}{2}$ per cent recorded in 1993.

The high level of activity in the industrial and commercial sectors and the substantial increase in the volume of trade caused the real value added by the *transport, storage and communication* sector to continue growing at an annualised rate of approximately 2 per cent in all four quarters of 1994 and brought the growth in this sector to $3\frac{1}{2}$ per cent for the year as a whole. The generally buoyant conditions in the financial markets and a revival in real estate transactions supported healthy quarterly annualised growth rates of more than 4 per cent throughout 1994 in the sector *finance, real estate and business services*.

Real gross national product



As a result of the strong growth in real domestic production and the improvement in South Africa's terms of trade, the *real gross national product* of the country rose by $3\frac{1}{2}$ per cent in 1994. The real gross national product, which had started to rise from the beginning of 1993, therefore increased further in 1994. After having decreased by $14\frac{1}{2}$ per cent from the beginning of 1989 to the end of 1992, the real gross national product per capita regained some of these losses and increased at an annualised rate of $3\frac{1}{2}$ per cent to a level of about R6 700 in the fourth quarter of 1994.

Table 1. Growth in real gross domestic product by sector

Per cent

	1992	1993	1994
Primary sectors	-8 $\frac{1}{2}$	6 $\frac{1}{2}$	1
Agriculture	-27 $\frac{1}{2}$	16 $\frac{1}{2}$	9
Mining.....	1 $\frac{1}{2}$	2 $\frac{1}{2}$	-2 $\frac{1}{2}$
Secondary sectors	-3	0	2 $\frac{1}{2}$
Manufacturing.....	-3	0	2 $\frac{1}{2}$
Tertiary sectors	0	$\frac{1}{2}$	2
Trade	-2 $\frac{1}{2}$	$\frac{1}{2}$	3
Transport	2	2 $\frac{1}{2}$	3 $\frac{1}{2}$
Finance.....	$\frac{1}{2}$	$\frac{1}{2}$	2 $\frac{1}{2}$
Total.....	-2 $\frac{1}{2}$	1	2 $\frac{1}{2}$

Table 2. Percentage changes in real private consumption expenditure, 1994

Quarter-to-quarter seasonally adjusted and annualised rates

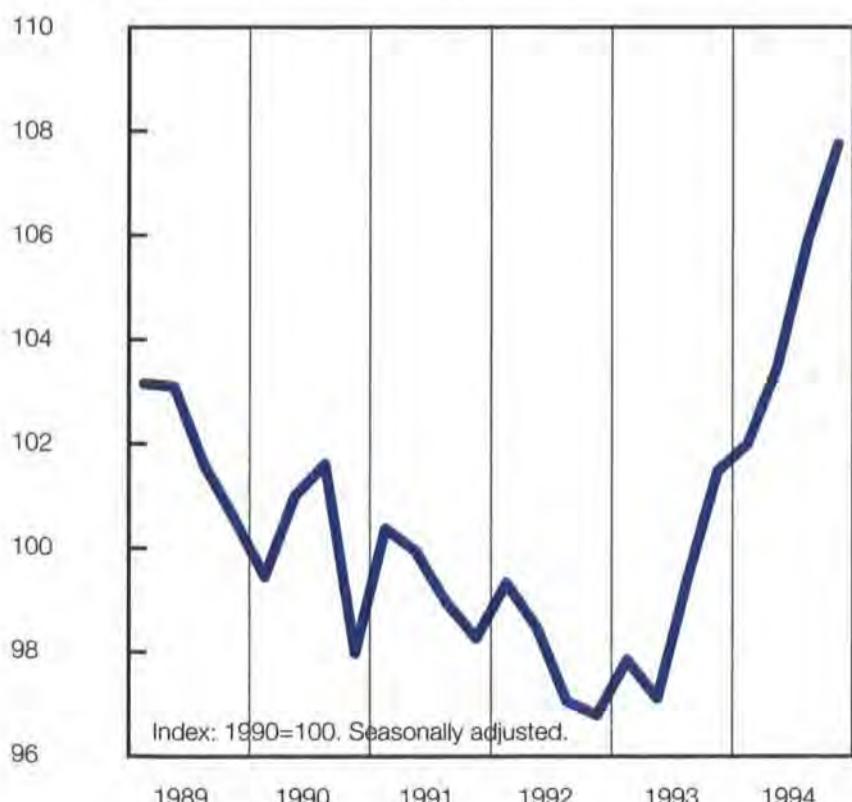
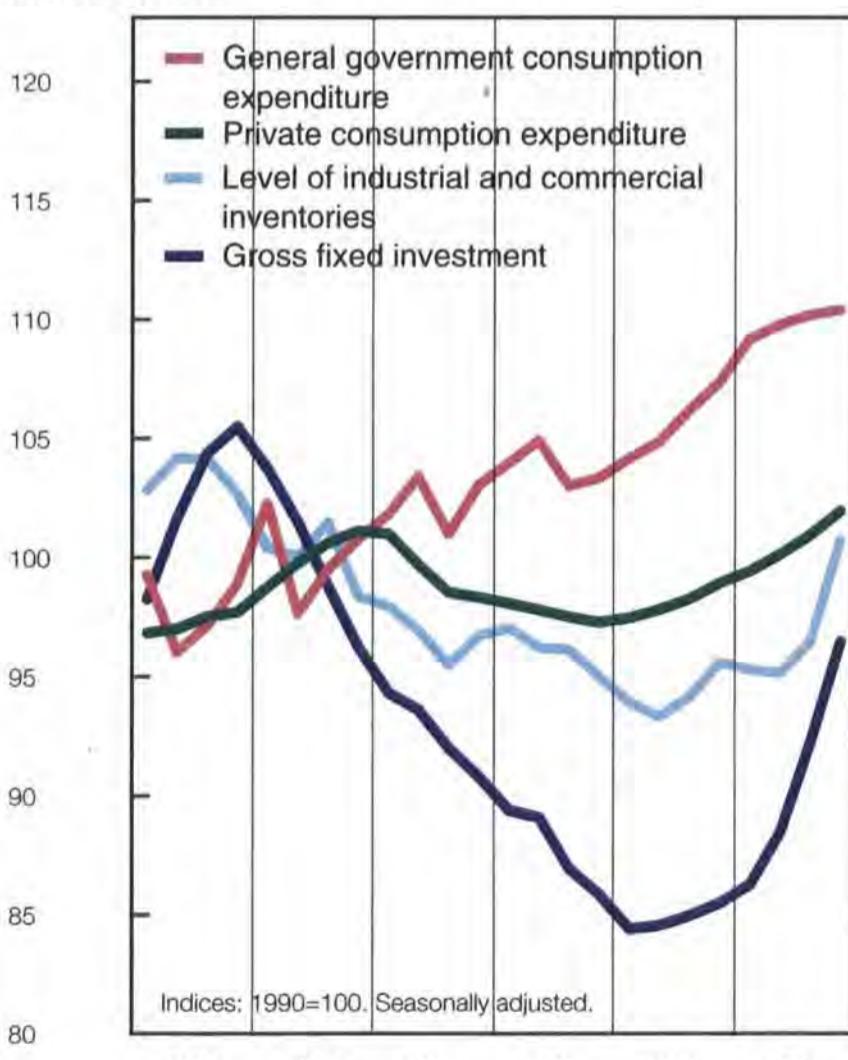
	1st qr	2nd qr	3rd qr	4th qr	1994
Durable goods.....	4	4	5	6	4
Semi-durable goods.....	3½	3½	4½	5½	3½
Non-durable goods	1½	3	3	3½	2½
Services	1	2	2	3½	1½
Total	2	3	3½	4	2½

Domestic expenditure

For the sixth consecutive quarter aggregate *real gross domestic expenditure* continued to advance at a rapid rate in the fourth quarter of 1994. Increases in all the main components of expenditure contributed to an increase at a seasonally adjusted and annualised rate of 7 per cent in the fourth quarter. For the full calendar year the growth in real domestic expenditure is estimated at 6 per cent; in 1993 it had increased by only 1 per cent. The continued sharp increase in all forms of expenditure caused aggregate real gross domestic expenditure to rise in the fourth quarter of 1994 to a level that was 11 per cent above its lower turning-point in the second quarter of 1993.

After having reached successively higher annualised rates of 2 per cent, 3 per cent and 3½ per cent in the first three quarters of 1994, the growth in *real private*

consumption expenditure accelerated further to 4 per cent in the fourth quarter. This brought the increase in real private consumption expenditure to 2½ per cent in calendar 1994. Although all the main components contributed to this high growth, the main thrust came from spending on durable and semi-durable goods (see Table 2). The increase in real consumption expenditure by households exceeded the growth in real personal disposable income of 1½ per cent in 1994, indicating that the average propensity to consume had increased and

Real gross domestic expenditure**Main components of real gross domestic expenditure**

that a large part of this increase had been financed by means of consumer credit.

The growth in *real consumption expenditure by general government*, which had amounted to an annualised rate of 7 per cent in the first quarter of 1994, slowed down sharply in the next three quarters and reached a level of only 1 per cent in the fourth quarter of 1994. This deceleration in the growth of government consumption was, however, unable to prevent an increase in this aggregate of 4 per cent for calendar 1994; in 1993 it had risen by 2 per cent. The sharp increase in the real outlays of the government on consumer goods and services in 1994 was mainly due to the political transition process.

Upwardly revised estimates of *aggregate real gross domestic fixed investment* (seasonally adjusted) showed annualised growth rates of 3½, 10½ and 18 per cent in the first three quarters of 1994. This was followed by an increase of 19½ per cent in the fourth quarter. For the full year real gross fixed investment therefore rose at a high rate of 7 per cent – this was the first year-to-year increase since 1989. This increase in capital formation was the result of an expansion in real outlays on capital equipment by the private sector and public corporations, which more than offset a further decline in real gross domestic fixed investment by public authorities.

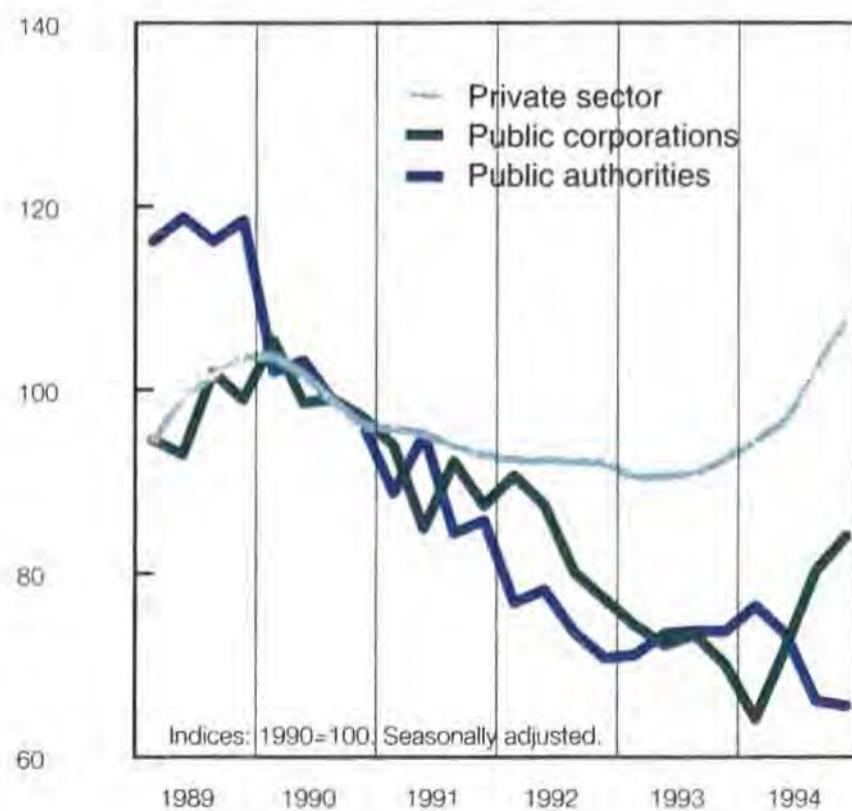
Real fixed capital formation by the *private sector* rose strongly throughout 1994. In the second half of the year real outlays on fixed capital formation accelerated to an annualised rate of 21 per cent from 8½ per cent in the first

half. In the calendar year 1994 real fixed investment by private organisations and households rose by 10 per cent, compared with a decline of 1½ per cent in 1993. Strong growth rates were particularly evident in the investment expenditure by agriculture, mining, manufacturing and the financial services sectors. Although this was to a large extent due to a few major capital projects, the return to a more stable political environment undoubtedly played some part in a more general strengthening of the private sector's investment.

The real fixed capital expenditure by *public corporations* increased sharply in the last three quarters of 1994. These increases followed sizable declines in the period 1991 to 1993 and were largely caused by the extension of Eskom's electric power network to high-density residential areas and to some rural areas. This outweighed declines in the fixed investment of other public corporations and led to an increase of 3½ per cent in the total fixed investment of these entities in 1994. The real capital outlays of *public authorities* continued to contract, with the result that a marginal decline was recorded in the real capital formation of the *public sector* as a whole in 1994.

The build-up in *inventories* from the second half of 1993 continued throughout 1994 and amounted to R5,7 billion at constant prices for the full year. The sharp increase in real investment in inventories was particularly evident in the mining, manufacturing and commercial sectors. This inventory accumulation could be ascribed to a more positive sentiment in the business community and a willingness among entrepreneurs to position themselves for a strengthening of final demand. The level of industrial and commercial inventories relative to gross domestic product accordingly rose from a low of less than 16 per cent in the third quarter of 1993 to about 17½ per cent in the fourth quarter of 1994.

Real gross domestic fixed investment



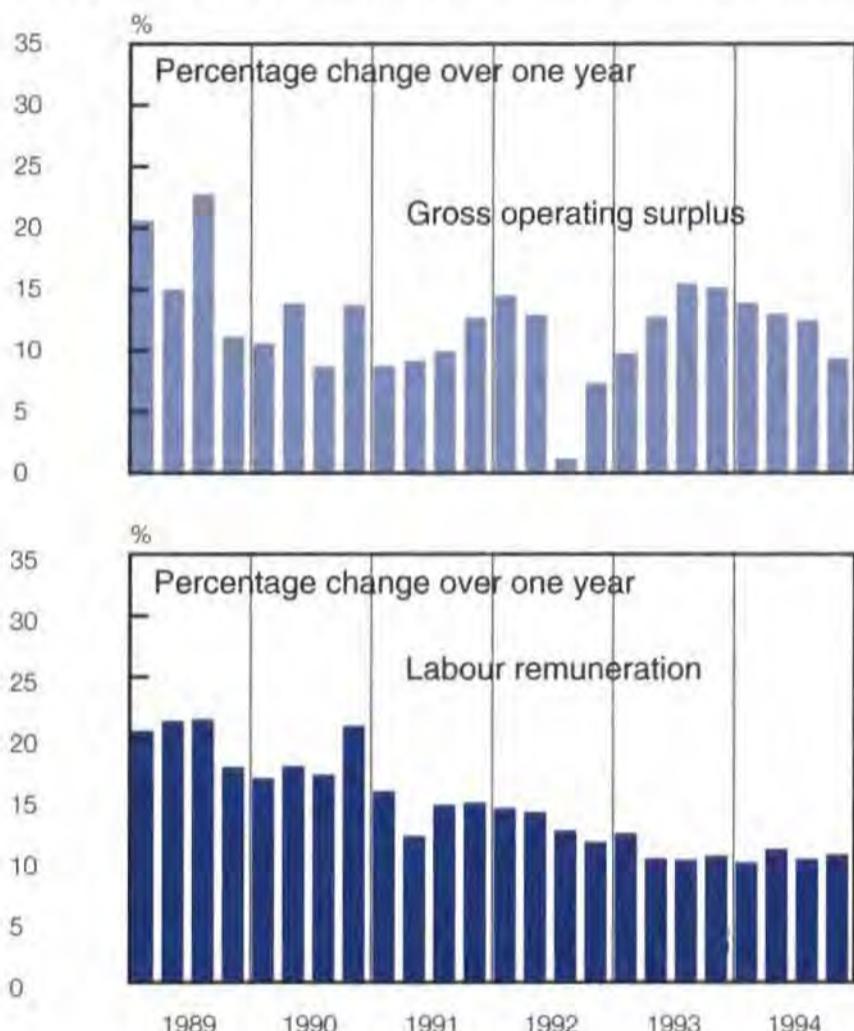
Factor income

The year-on-year increase in *total nominal factor income* slowed down from an average of 14 per cent in the last two quarters of 1993 to about 12½ per cent in the fourth quarter of 1994. This slowdown was the outcome of slightly lower growth in the year-on-year increase in the nominal gross operating surplus of business enterprises and a levelling-off in the year-on-year increase in the remuneration of employees.

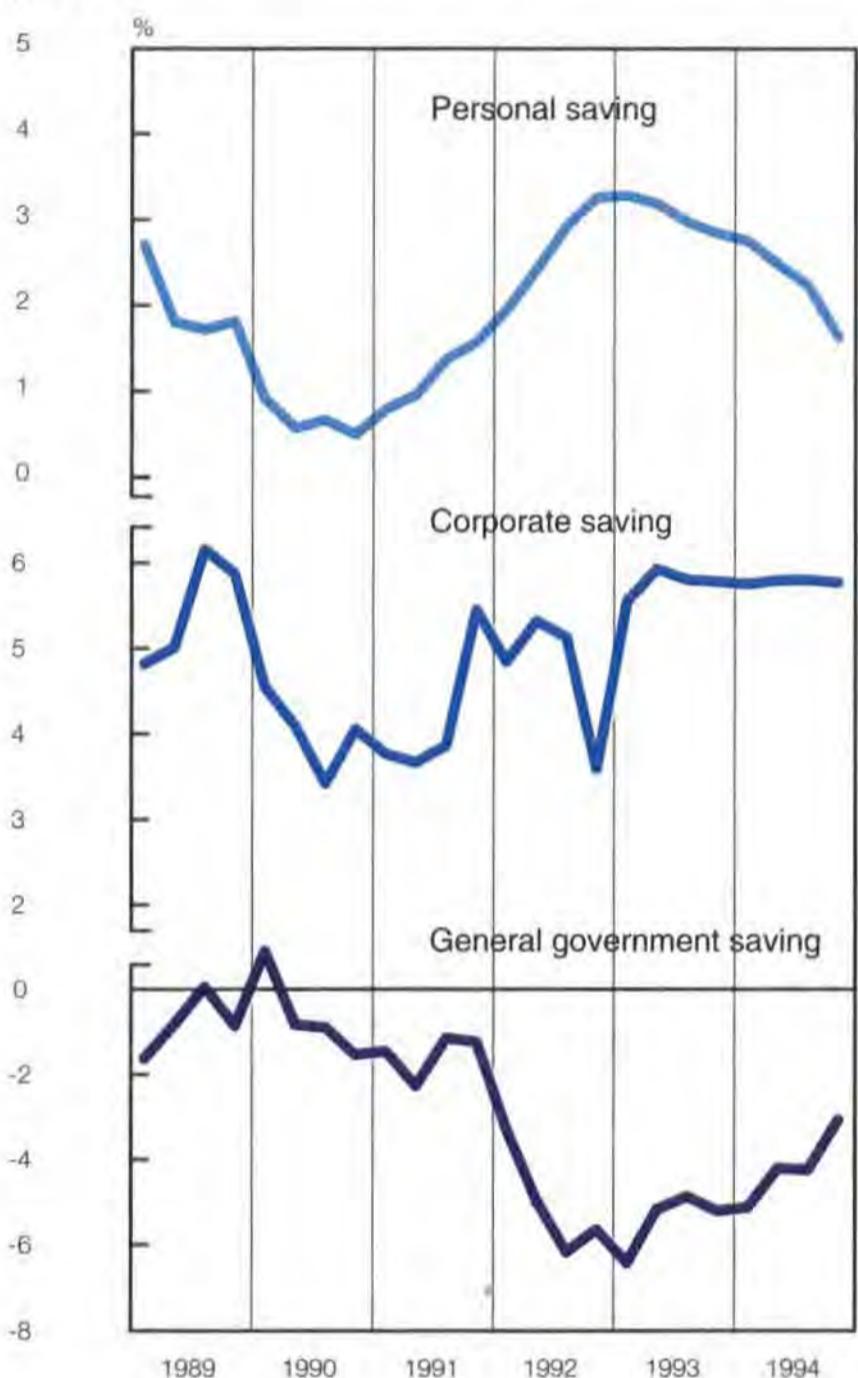
The rate of increase over four quarters in the nominal gross operating surplus declined from an average of 14½ per cent in the second half of 1993 to 11½ per cent in the second half of 1994. In 1994 as a whole the increase in the gross operating surplus totalled 12 per cent, against an increase of approximately 13½ per cent in 1993. Smaller increases were recorded particularly in the operating surpluses of enterprises engaged in mining, commerce and finance.

Measured over four quarters, the increase in aggregate employee remuneration continued to fluctuate downwards from 12 per cent in the first quarter of 1993

Gross operating surplus and labour remuneration



Net saving as percentage of gross domestic product



and reached 10½ per cent in the fourth quarter of 1994. On a calendar year basis the increase in total salaries and wages declined marginally from 10½ per cent in 1993 to slightly more than 10 per cent in 1994. These increases, however, exceeded the prevailing inflation rate, with the result that the real wage bill of the country rose despite a substantial rise in unemployment.

Domestic saving

The ratio of *gross domestic saving* to gross domestic product, which had decreased gradually from 18 per cent in the second quarter of 1993 to 17½ per cent in the third quarter of 1994, edged up to 18 per cent in the fourth quarter. On average, however, the total savings ratio in 1994 remained at the level of 17½ per cent reached in the preceding year.

The improvement in the savings ratio in the fourth quarter of 1994 could mainly be ascribed to a further lowering in the *dissaving by general government*. Dissaving by general government relative to gross domestic product has contracted fairly persistently from a level of 6½ per cent in the first quarter of 1993 to just above 4 per cent in the third quarter of 1994 and 3 per cent in the fourth quarter. This considerable improvement in government dissaving could be attributed to a sharp increase in tax receipts and therefore probably

partly reflected a shift in saving from the private to the public sector.

The rise in taxation, coupled with a sharp increase in private consumption expenditure and only moderate growth in current income, led to a further decline in the savings ratio of households. The *net saving by households* as a ratio of gross domestic product, contracted sharply from over 3 per cent in the first quarter of 1993 to 1½ per cent in the fourth quarter of 1994. For 1994 as a whole the ratio of household saving to gross domestic product amounted to about 2 per cent, against 3 per cent in the preceding year.

The *net corporate savings ratio* of approximately 6 per cent of gross domestic product in 1993 remained unchanged in 1994. This ratio compares favourably with the average level of 5 per cent attained over the previous ten years. A relatively high turnover and a sustained focus

on cost control and tight asset management enabled many companies to maintain healthy savings rates. The cash holdings of companies have strengthened further in 1994 and the corporate sector in general appears to be well placed to finance a higher level of investment.

Employment

Total employment in the formal non-agricultural sectors of the economy, which had declined throughout the recession and into the early stages of the current upswing in overall economic activity, increased at a seasonally adjusted and annualised rate of 0,6 per cent in the second quarter of 1994 (the most recent information released by the Central Statistical Service). This turn of events was largely due to an increase in the number of workers employed by public authorities. The workforce of the private sector still contracted in the second quarter of 1994, albeit at a much lower rate than during any of the preceding sixteen quarters.

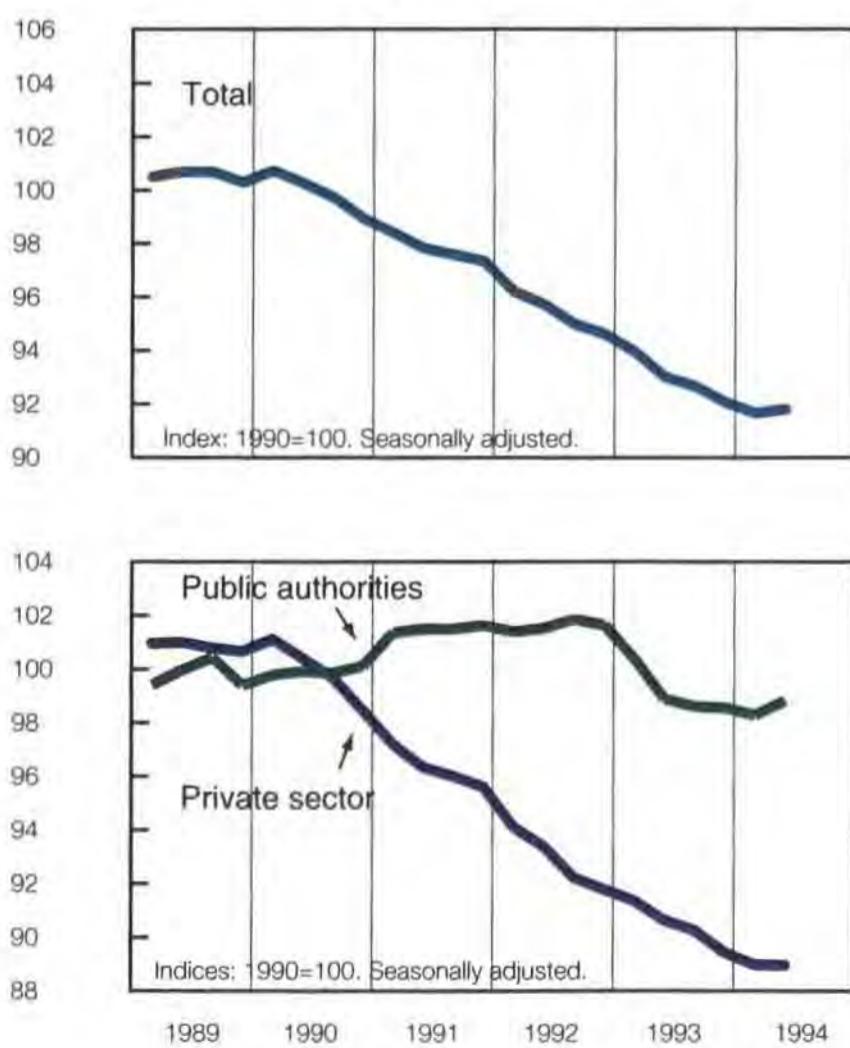
Until the second quarter of 1994 employment in the *non-agricultural private sector* was slow to respond to the strengthening in overall economic activity. The total number of people employed by private entities continued to decline in the second quarter of 1994, but the rate of decline slowed down to a seasonally adjusted and

annualised level of only 0,1 per cent from 2,0 per cent in the preceding quarter. This low rate of decline could be attributed mainly to increases in employment in the construction industry, the non-gold-mining sector, insurance companies and agricultural marketing control boards, while further reductions, albeit at lower rates, were recorded in the electricity-generating sector, retail trade, motor trade and private road transportation.

The overall employment level by *public authorities* increased at a seasonally adjusted and annualised rate of 2,3 per cent in the second quarter of 1994. This was the first increase in employment by public authorities since the third quarter of 1992. Increases in employment by the Central Government and provincial administrations, related partly to the employment of temporary workers over the election period in April 1994, were responsible for the rise in the number of workers employed by public authorities.

The small rise in the number of people employed in the formal non-agricultural sectors of the economy must be viewed against the loss of almost 500 000 job opportunities between the third quarter of 1989 and the first quarter of 1994 and the current high level of unemployment in the country. In fact, the number of registered unemployed workers has edged higher since the second quarter of 1994 to 292 000 in November 1994.

Non-agricultural employment



Labour costs and productivity

The year-on-year rate of increase in *nominal salaries and wages* per worker in the formal sectors of the economy fell from 16,0 per cent in the second quarter of 1992 to

Nominal remuneration per worker in non-agricultural sectors

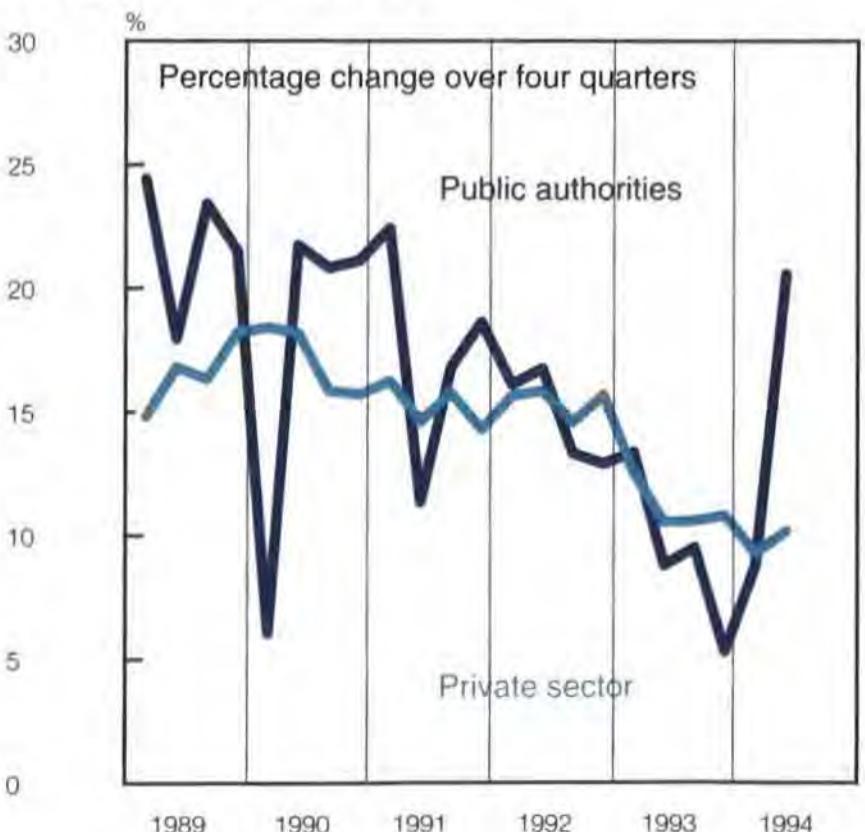


Table 3. The year-on-year rate of increase in nominal remuneration per worker

Percent

Period	Public authorities	Private sector	Total
1993: 1st qr	13,6	12,6	13,0
2nd qr	8,8	10,7	10,1
3rd qr	9,6	10,7	10,3
4th qr	5,5	10,9	9,1
1994: 1st qr	8,9	9,4	9,2
2nd qr	20,5	10,3	13,8

9,1 per cent in the fourth quarter of 1993 and to 9,2 per cent in the first quarter of 1994, before it accelerated again to 13,8 per cent in the second quarter of 1994. As shown in Table 3, the higher rate of increase in the second quarter of 1994 was essentially caused by adjustments in public-sector remuneration per worker. In the second quarter of 1994 annual and special bonuses were granted to certain categories of workers in the public sector and special allowances were paid to some

workers during the election period. Nominal remuneration per worker in the non-agricultural private sector also rose more rapidly, but not nearly to the same extent as that of workers in the public sector: the year-on-year increase in the remuneration of workers in the private sector rose from 9,4 per cent in the first quarter of 1994 to 10,3 per cent in the second quarter.

After having declined during the course of 1993, the year-on-year rate of change in *real remuneration* per worker rose again to 0,7 per cent and 4,6 per cent in the first two quarters of 1994. At the same time, the growth in *labour productivity* slowed down from a year-on-year rate of 4,4 per cent in the fourth quarter of 1993 to 3,1 per cent in the second quarter of 1994. As a result, *real unit labour costs* in the non-agricultural sectors (nominal costs deflated by the price deflator for the non-agricultural gross domestic product) increased again at a rate of 1,5 per cent in the second quarter of 1994 compared with the corresponding period in the preceding year. This was the first increase in real unit labour costs since the fourth quarter of 1992. The year-on-year rate of increase in *nominal unit labour costs* also rose sharply from 4,9 per cent in the first quarter of 1994 to 10,4 per cent in the second quarter.

Prices

The strong progress made in lowering *production price inflation* were temporarily reversed during the first three quarters of 1994. The weakening exchange rate of the rand, rising international oil prices, disruptions in the supply of agricultural produce and a strong demand in the domestic market caused the quarter-to-quarter rate of increase in the production price index to accelerate from a seasonally adjusted and annualised level of 3,0 per cent in the fourth quarter of 1993 to 14,6 per cent in the third quarter of 1994. In the fourth quarter of 1994 some of these price-raising forces started to dissipate and the quarter-to-quarter rise in the all-goods production price index declined to a seasonally adjusted and annualised rate of 5,1 per cent.

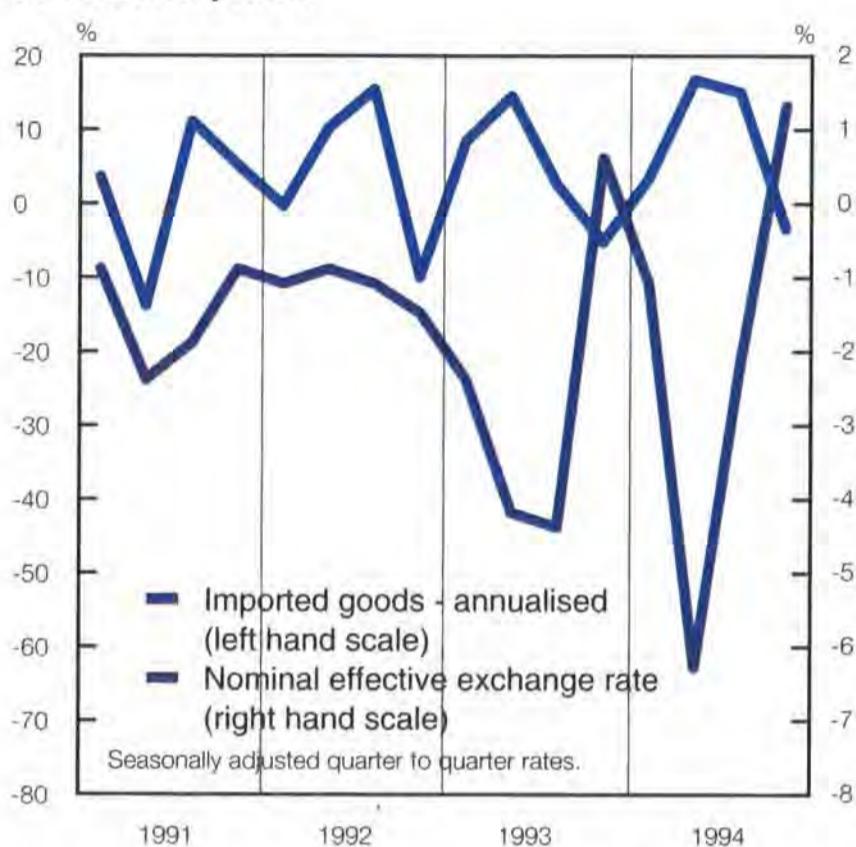
Measured over a period of twelve months, the increase in the all-goods production price index also rose from a low point of 5,4 per cent in October 1993 to 10,1 per cent in September 1994 before falling back to 9,4 per cent in November and 9,7 per cent in December. As a result of these changes, the year-to-year rate of increase in production prices also rose from 6,6 per cent in 1993 – the lowest rate of increase in this price index since 1971 – to 8,2 per cent in 1994.

The effect of the depreciation of the rand on production prices is clearly illustrated in the quarter-to-quarter changes in the *price index of imported goods*. Under relatively stable international price conditions these quarterly changes accelerated from a seasonally adjusted and annualised decline of 5,4 per cent in the fourth quarter of 1993 to increases of 16,6 per cent in the second quarter of 1994 and to 14,8 per cent in the third quarter. The prices of imports therefore reacted with a

Non-agricultural labour productivity, remuneration and unit labour costs



Production prices



lag to the depreciation of the rand and higher international oil prices in the first half of 1994. The strengthening of the nominal effective exchange rate of the rand during the second half of 1994, and a decline in international oil prices in the last three months of the year, then led to an actual decrease in the price index of imported goods amounting to 3,6 per cent at a seasonally adjusted and annualised rate in the fourth quarter of 1994.

Higher increases in the *price index of domestically produced goods* added to the acceleration in production price inflation. The quarter-to-quarter annualised rise in the seasonally adjusted production prices of domestically produced goods accelerated from 5,1 per cent in the fourth quarter of 1993 to 11,1 per cent in the first quarter of 1994, 9,0 per cent in the second quarter and 14,4 per cent in the third quarter. This increase was essentially caused by shortages in the supply of meat (on account of the rebuilding of livestock herds when grazing conditions improved) and vegetables (on account of frost damage to crops). When food supplies returned to more normal levels in the fourth quarter of 1994, the quarter-to-quarter increase in the production price index of domestically produced goods declined to a seasonally adjusted and annualised rate of 6,9 per cent.

As illustrated in Table 4, the quarter-to-quarter rate of change in the overall *consumer price index* followed a pattern fairly similar to that of the all-goods production price index: it also tended to accelerate during the first three quarters of 1994 before slowing down somewhat in

Table 4. Quarter-to-quarter rates of change in consumer prices at seasonally adjusted and annualised rates

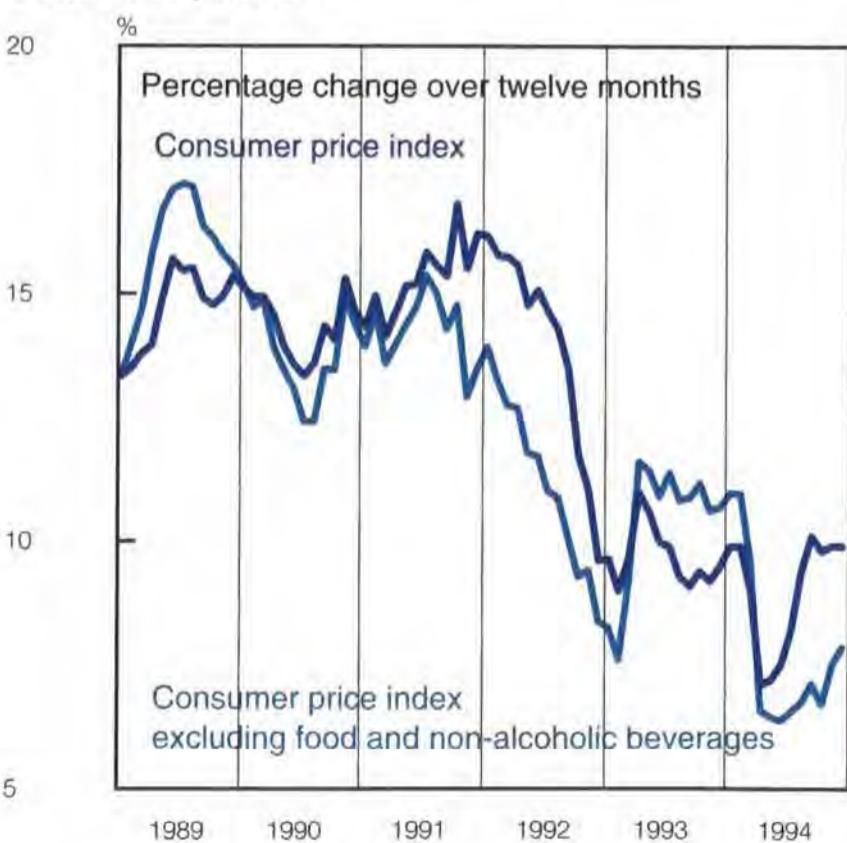
Per cent

Period	Goods	Services	Total
1993: 4th qr	6,2	1,2	5,3
1994: 1st qr	8,3	6,8	9,2
2nd qr	8,0	8,3	6,7
3rd qr	19,4	16,0	15,7
4th qr	6,7	9,1	8,4

the fourth quarter. This acceleration in the rate of increase in the overall consumer price index came about because of more rapid increases in the prices of consumer goods as well as in the prices of consumer services.

On a year-to-year basis the rate of increase in the overall consumer price index nevertheless continued to fall back from 15,3 per cent in 1991 to 9,7 per cent in 1993 and further to 9,0 per cent in 1994 – the lowest such rate of increase since 1972 when an increase of 6,1 per cent was registered. Measured over periods of twelve months, consumer price inflation quickened from 7,1 per cent in April 1994 to 10,1 per cent in September and then slowed down marginally to 9,9 per cent in November and December 1994. The price of food and non-alcoholic beverages can be singled out as the most

Consumer prices



important explanation for the acceleration in consumer price inflation in 1994. If these spending categories are excluded, the rise over twelve months in the prices of other consumer goods and services was less impressive but more consistent; it rose from 6,6 per cent in April 1994 to 7,9 per cent in December.

Foreign trade and payments

Balance of payments on current account

As could be expected with the rapid rate of increase in gross domestic expenditure, the *balance on the current account* of the balance of payments (seasonally adjusted and annualised) turned about from an average quarterly surplus of R2,0 billion in the first half of 1994 to a deficit of R5,4 billion in the third quarter and R7,0 billion in the fourth quarter. In 1994 as a whole a current account deficit of R2,1 billion was registered; this was the first deficit since 1984 and a significant change compared with the surplus of R5,8 billion in 1993. Such sharp swings in the current account balance are not, however, uncommon near the lower and upper turning points of the business cycle.

The marked deterioration in the balance on current account during the course of 1994 was primarily brought about by a substantial increase in the volume of *merchandise imports*. The physical quantity of goods imported in 1994 rose by 17½ per cent, or by 2,9 percentage points for every one percentage point increase in real gross domestic expenditure. This ratio is not abnormally high; it is, in fact, lower than the average ratio of 3,6 in the preceding ten years. The rise in merchandise imports was therefore mainly related to increased expenditure and does not seem to reflect a general price advantage of imported goods. At the same time, a decline in the exchange rate of the rand, combined with only moderate increases in the producer prices of trading partner countries, caused the prices of imported goods to increase by 8½ per cent and brought the rise in the value of imports to 27 per cent.

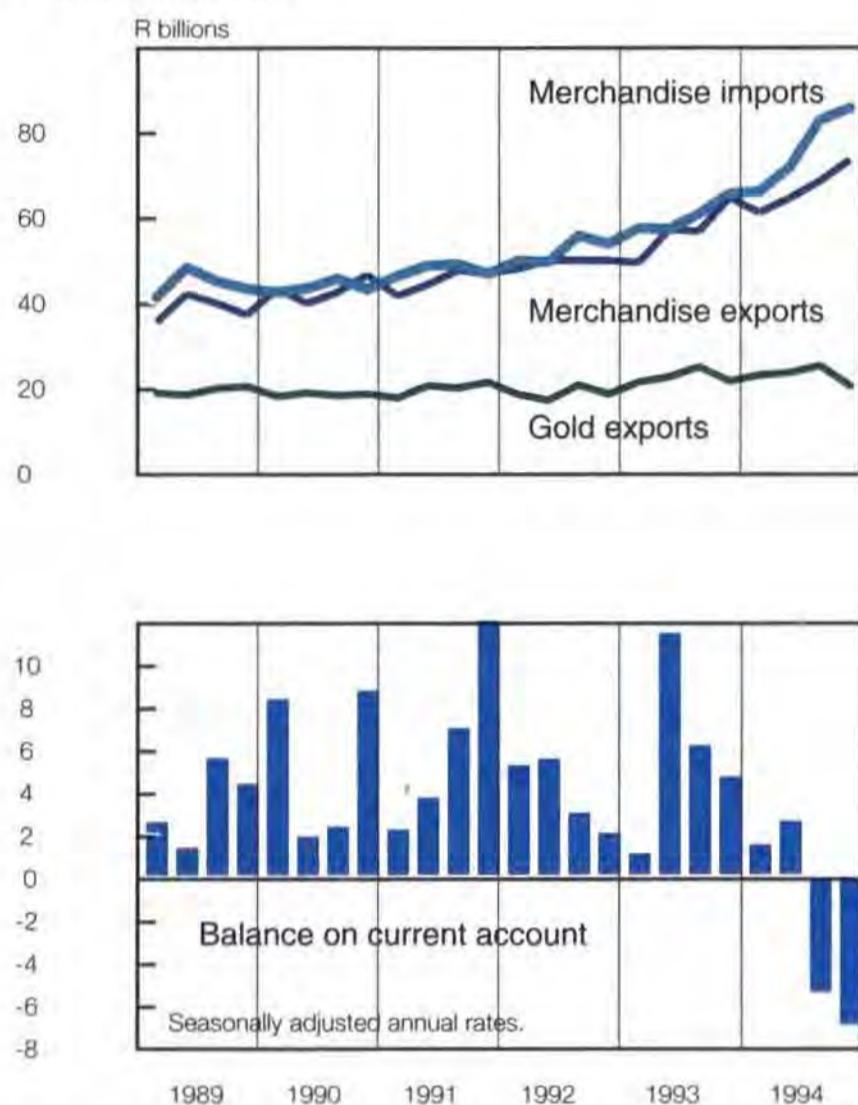
Pronounced increases occurred in the imports of machinery and electrical equipment, chemical products, textiles and transport goods. More important, a classification of imported goods according to stage of consumption shows that a substantial increase in the imports of capital goods was mainly responsible for the acceleration in the

Table 5. Balance of payments on current account, 1994

Seasonally adjusted and annualised rates
R billions

	1st qr	2nd qr	3rd qr	4th qr	1994
Merchandise exports.....	60,6	64,0	67,9	73,0	66,4
Net gold exports.....	22,6	23,2	24,8	20,1	22,7
Merchandise imports.....	-65,6	-71,3	-82,3	-85,1	-76,1
Net service and transfer payments	-16,1	-13,3	-15,8	-15,0	-15,1
Balance on current account	1,5	2,6	-5,4	-7,0	-2,1

Current account

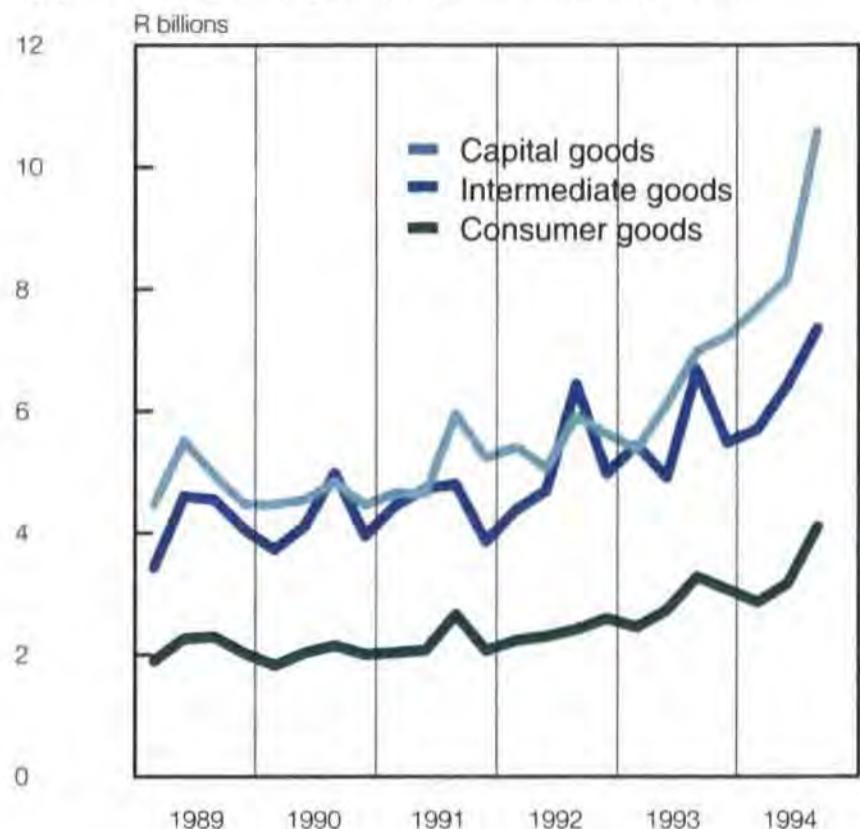


growth of imports. As large capital projects and other investment programmes gained momentum, the imports of capital goods also accelerated. More moderate increases were registered in the imports of intermediate and consumer goods.

The total value of *merchandise exports* rose by 17½ per cent in calendar 1994. An increase in international commodity prices and a decline in the nominal effective exchange rate of the rand led to an increase of close to 12 per cent in export prices. The volume of exports rose by 5 per cent in an environment of more rapid international economic recovery. Although this increase was lower than the estimated increase in the volume of world trade, it was nevertheless a remarkable performance if the effect on domestic production of the process of political transition and labour unrest are taken into consideration. These factors had a particularly strong impact on the exports of manufactured goods and metals and minerals.

The turnaround in the current account balance was also affected significantly by a decrease of 11 per cent in the volume of *net gold exports* in 1994, which largely arose from a further reduction in the average grade of ore mined. Not only the quality, but also the quantity of gold-

Imports according to stage of consumption



bearing ore milled decreased sharply. Technical difficulties relating to seismic incidents, the closing of some mines and unstable labour conditions, contributed to a sharp decline in production. Fortunately, the average price of gold per fine ounce rose from \$360 (R1 177) in 1993 to \$384 (R1 363) in 1994, with the result that the value of net gold exports advanced by 2 per cent in 1994. The gold price, however, reached an upper turning-point in the third quarter of 1994. After having increased persistently in the first part of 1994, the value of net gold exports (seasonally adjusted and annualised) receded accordingly from R24.8 billion in the third quarter of the year to R20.1 billion in the fourth quarter.

Higher spending by foreign tourists in South Africa and an increase in dividend receipts on investments in other countries contributed to a decline in *net service and transfer payments* to non-residents from the third to the fourth quarter of 1994. For 1994 as a whole, however, these payments amounted to R15.1 billion, i.e. 16 per cent higher than the R13.0 billion in 1993. Sharp increases were noticeable in the payments for freight and merchandise insurance and interest on foreign loans.

Capital account

A further *total net capital inflow* took place in the fourth quarter of 1994. Having switched from a net outflow of R3.6 billion in the first half of 1994 to a net inflow of R5.5 billion in the third quarter, the net inflow of capital not related to reserves amounted to R3.3 billion in the fourth quarter of the year. In 1994 as a whole the net inflow of

Table 6. Net capital movements not related to reserves

R billions

	1993		1994			Year
	Year	1st qr	2nd qr	3rd qr	4th qr	
Long-term capital						
Public authorities	-1,3	-1,1	-0,1	0,5	3,7	3,0
Public corporations.....	-1,6	-1,4	-0,2	0,3	0,7	-0,6
Private sector	2,6	0,8	-1,3	-0,4	-0,1	-1,0
Total long-term capital	-0,3	-1,7	-1,6	0,4	4,3	1,4
Short-term capital	-14,7	0,6	-0,9	5,1	-1,0	3,8
Total capital not related to reserves	-15,0	-1,1	-2,5	5,5	3,3	5,2

capital therefore totalled R5,2 billion, compared with a net outflow of capital of R15,0 billion in 1993. This was even more remarkable if account is taken of the fact that repayment obligations of R5,9 billion fell due for repayment on foreign long-term loans and affected debt during the year.

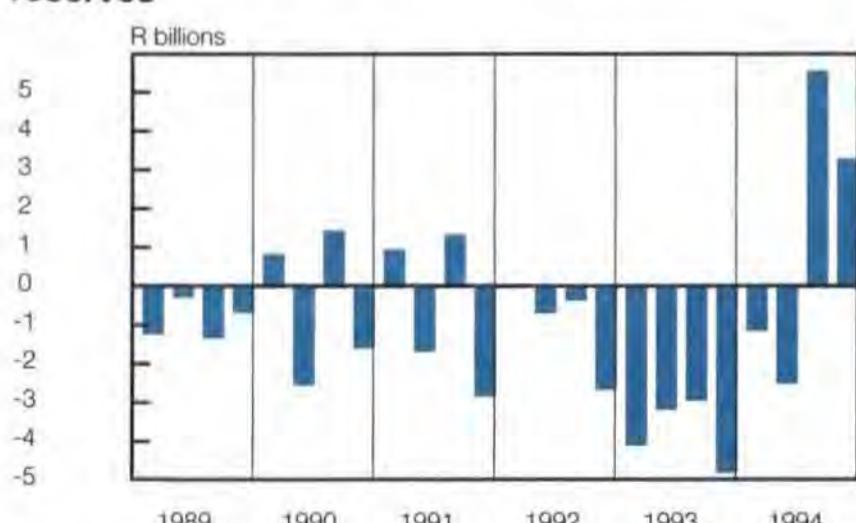
Despite these maturing loans, a net inflow of *long-term capital* amounting to R1,4 billion was recorded in 1994. This inflow of long-term capital occurred in the second half of the year, particularly in the fourth quarter: the long-term capital movements to and from South Africa changed from a net outflow of R3,3 billion in the first half of 1994 to a net inflow of R4,7 billion in the second half. The improvement in long-term capital flows was to a large extent due to the further normalisation of international financial relations and the relatively favourable formal credit ratings South Africa received in

October. In view of these changes, private placements to the amount of R630 million and an issue of government stock to the amount of US\$750 million (R2,7 billion) were made on international capital markets.

The public corporations also became net borrowers of foreign funds in the second half of 1994, while non-residents made major contributions to the large capital projects in progress. In addition, non-residents were net purchasers of securities to the amount of R1,2 billion on the Johannesburg Stock Exchange in 1994. These purchases were made through the financial-rand mechanism and therefore did not affect the foreign reserves of the country.

The largest part of the capital inflow consisted of *short-term capital* movements not related to reserves, but including unrecorded transactions. The short-term capital movements were reversed from a net outflow of R14,7 billion in 1993 to a net inflow of R3,8 billion in 1994. This inflow of short-term capital was mainly concentrated in the third quarter of 1994 and reflected factors such as the favourable costs and availability of foreign-trade finance, relatively tight money market conditions and the rise in the value of merchandise imports. In the fourth quarter of 1994 the practice followed by some foreign banks of reducing their outstanding claims on South Africa at the end of their financial years offset non-residents' net purchases of three-month South African Treasury bills of R1,7 billion and led to a net outflow of R1,0 billion in the form of short-term capital. This outflow of capital was also affected by the crisis in Mexico towards the end of the year.

Total net capital movements not related to reserves



Foreign reserves

As a result of the net inflow of total capital, the total *net gold and other foreign reserves* of South Africa rose by R3,0 billion in the fourth quarter of 1994. This brought the increase in the net foreign reserves since June 1994

Change in net gold and other foreign reserves

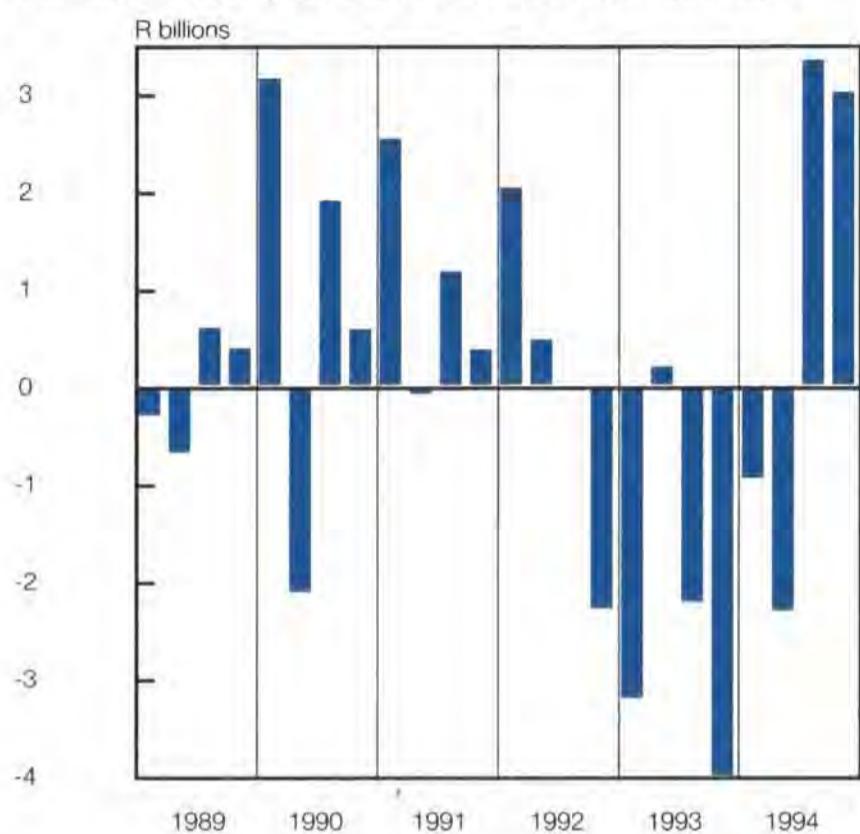


Table 7. Gold and other foreign reserves, 1994

R billions

Period	Changes in		Gross holdings*	
	Net reserves	Gross reserves	Reserve Bank	Total
1st qr.....	-0,9	-0,7	7,9	10,3
2nd qr	-2,3	-0,6	7,1	9,7
3rd qr	3,3	1,3	8,1	11,0
4th qr	3,0	3,1	11,1	14,1

* End of period.

Table 8. Changes in exchange rates of the rand

Per cent

	31 Dec 1993 to 13 Jul 1994	13 Jul 1994 to 30 Sep 1994	30 Sep 1994 to 31 Dec 1994	31 Dec 1993 to 31 Dec 1994	31 Dec 1994 to 23 Feb 1995
Weighted average	-12,1	2,6	1,5	-8,5	-3,5
US dollar	-7,0	2,3	0,8	-4,1	-1,8
British pound	-12,3	1,4	2,2	-9,2	-3,7
German mark	-17,8	3,1	1,1	-14,3	-6,6
Japanese yen	-18,9	3,4	2,2	-14,5	-4,4
Netherlands guilder	-17,6	3,1	1,0	-14,2	-6,6
Italian lira	-17,5	4,8	5,4	-8,8	-2,2

to R6,3 billion. In January 1995 the net gold and other foreign reserves of the Reserve Bank increased by a further R0,7 billion. The improvement in the overall balance of payments position allowed the Reserve Bank to make considerable repayments on its reserve-related loan commitments: the outstanding balance on the foreign loans of the Bank decreased from R8,5 billion at the end of April 1994 to R4,7 billion at the end of January 1995.

South Africa's gross gold and other foreign reserves increased by R3,1 billion from the end of September 1994 to R14,1 billion at the end of December 1994. This level of reserves was equivalent to more or less 6½ weeks' imports of goods and services. In January 1995 the gross foreign reserves of the Reserve Bank increased by a further R0,2 billion to a level of R11,3 billion.

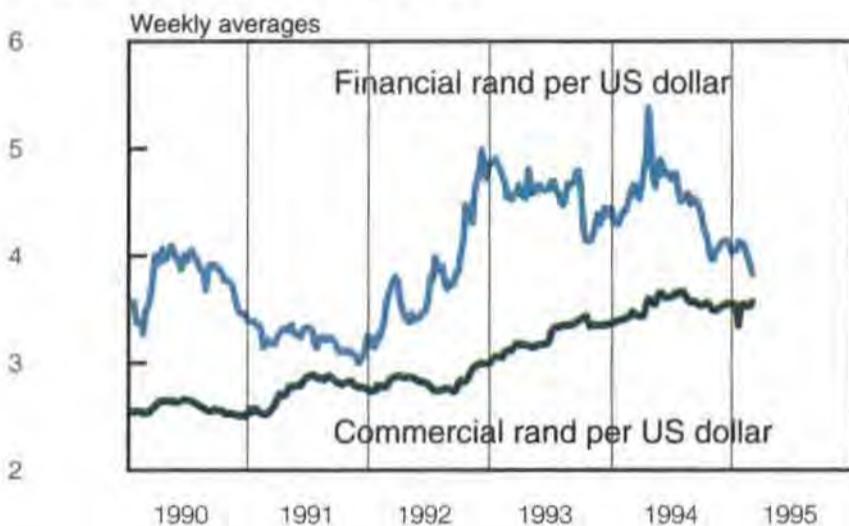
Exchange rates of the rand

Having declined sharply by more than 12 per cent from the end of 1993 to the middle of July 1994, the nominal effective exchange rate of the rand recovered significantly during the remainder of 1994. The nominal effective exchange rate of the rand nevertheless decreased, on balance, by 8,5 per cent during 1994. In the first seven weeks of 1995 the weighted index of the rand contracted moderately further, but then began to decrease sharply in anticipation of an expected abolition of the financial rand. The nominal effective exchange rate of the rand consequently decreased by 3,5 per cent from the end of 1994 to 23 February 1995.

The real effective exchange rate of the rand declined on average by 3,0 per cent during 1994; in calendar 1993 it had declined at a much more rapid rate of 4,7 per cent. From the end of 1992 to the end of December 1994 the real effective exchange rate of the rand therefore decreased by 6,6 per cent.

Speculation about the possible abolition of the dual exchange rate system in South Africa and relatively stable internal conditions led to an appreciation of the financial rand from an all-time low of R5,58 per dollar

Exchange rates of the rand



shortly before the April election to R3,92 per dollar on 21 October 1994. This caused the financial-rand discount to narrow from 35,7 per cent on 11 April 1994 to only 10,2 per cent on 21 October 1994. The turmoil in Mexico was subsequently mainly responsible for the depreciation of the financial rand to R4,10 per US dollar and a widening of the financial-rand discount to 13,9 per cent on 31 January 1995. Renewed speculation about the possible abolition of the financial rand in the second half of February caused an appreciation of the currency to R3,83 per dollar on 23 February 1995. The discount narrowed to only 5,7 per cent on the same day, as the commercial rand began to move sharply to the lower level of the financial rand.

Monetary developments, interest rates and financial markets

Money supply

The growth rates in M3 (seasonally adjusted and annualised) fluctuated considerably during 1994, but from March they remained markedly above the upper limit of the *guideline range* of 6 to 9 per cent for the 1994 guideline year. In the fourth quarter of 1994 the seasonally adjusted average value of M3 amounted to R237,7 billion; this was 14,6 per cent higher than the corresponding value of M3 in the fourth quarter of 1993. The actual increase in the quarterly average value of M3, as measured for money supply guideline purposes, was therefore R11,6 billion or 5,1 per cent above the upper limit of the guideline for 1994.

The twelve-month growth rates in the money supply, which had accelerated sharply during the first seven months of 1994, receded slightly in the following months before rising again in December 1994. The rate of increase over twelve months in the *broadly defined money supply* (M3) accelerated from 7,0 per cent in December 1993 to 16,9 per cent in July 1994; it then decreased somewhat to 14,7 per cent in November, but rose again to 15,7 per cent in December 1994. As shown in Table 9, the more *narrowly defined money supply aggregates* increased at much more rapid rates

Guidelines for growth in M3

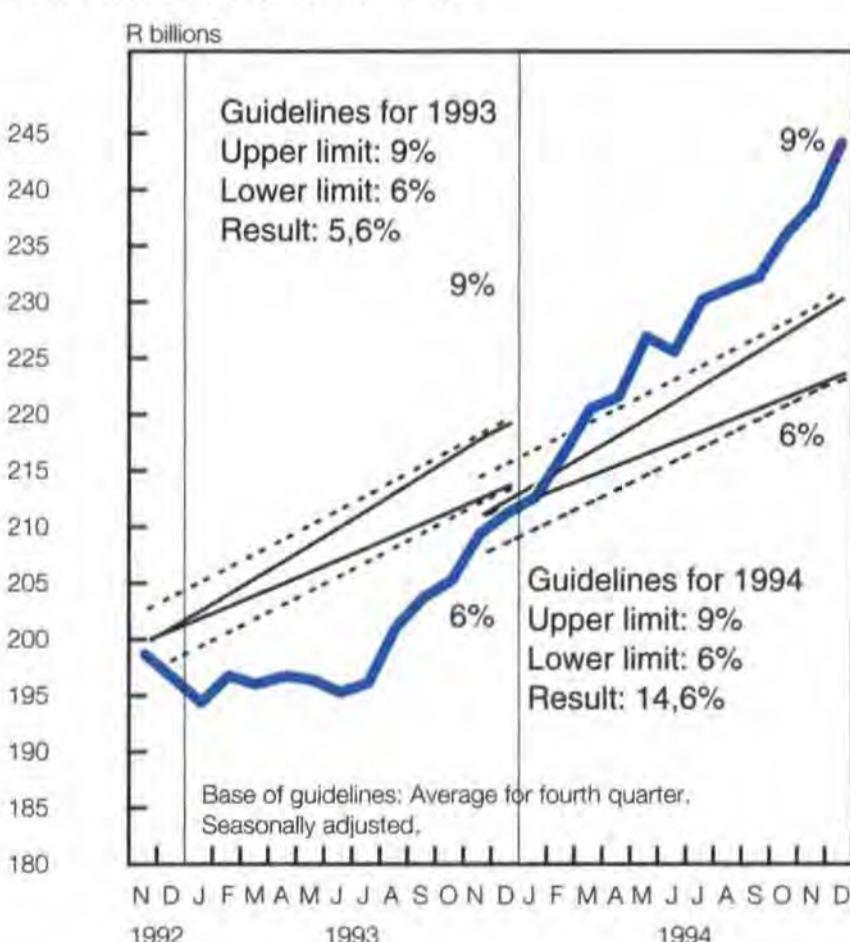


Table 9. Percentage change in money supply over twelve months

Period	M1A	M1	M2	M3
1993: Dec	16,6	6,7	3,9	7,0
1994: July	28,2	32,7	19,5	16,9
Aug	24,4	26,7	19,6	15,1
Sept	28,8	26,1	18,5	14,3
Oct	24,6	28,2	19,4	14,8
Nov	21,0	24,1	19,9	14,7
Dec	24,8	23,7	20,6	15,7

The M3 money supply increased by R33,2 billion in 1994, compared with only R13,8 billion in 1993. The main counterparts (in a statistical or accounting sense) of the increase in M3 during 1994 were as follows:

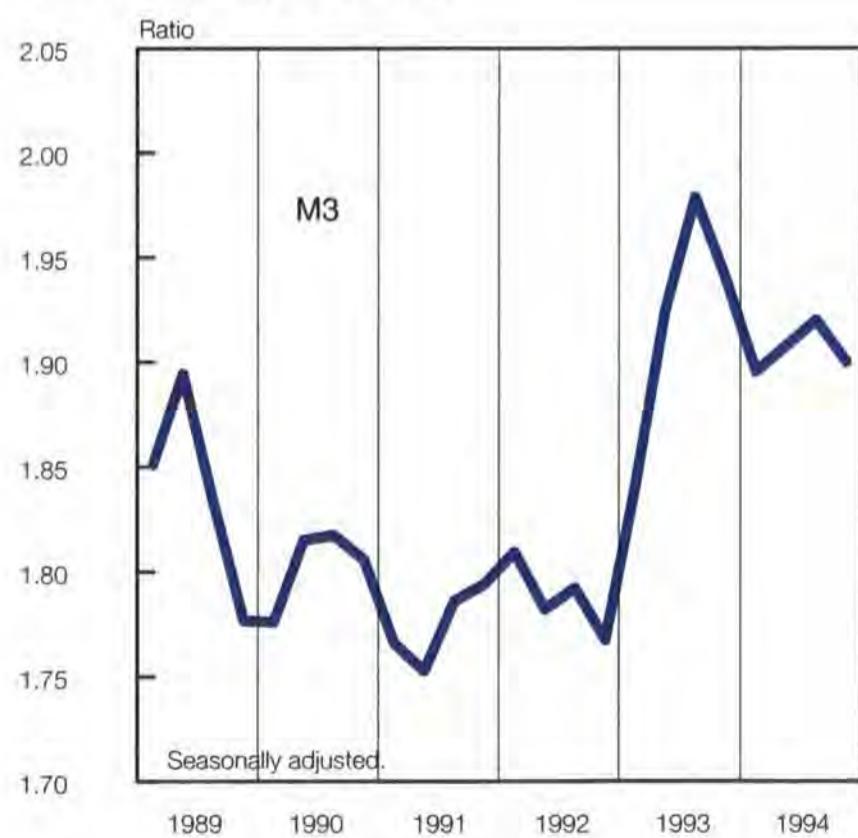
	R billions
Net foreign assets	- 0,3
Government sector: net claims	8,0
Gross claims	5,0
Government deposits (increase-, decrease+)	3,0
Claims on the private sector	39,1
Net other assets and liabilities	-13,6
Total change in M3	33,2

than M3, clearly reflecting a high liquidity preference. The public's higher demand for monetary assets was confirmed by a decline in the income velocity of M3 from a recent peak of 1,97 in the third quarter of 1993 to 1,90 in the fourth quarter of 1994, or by about 4 per cent.

The relatively rapid growth in money supply during 1994 was primarily the result of an increase in the demand for money to finance the high level of expenditure on consumption, investment and inventory accumulation. Another factor which contributed to the higher growth in money, was a rise in the liquidity preference of the private sector due to uncertainties prevailing during the political transition, expected interest rate changes and the perceived danger of major adjustments in the share and bond market.

As has already been indicated in previous quarterly surveys, the issuing of special government stock to the value of R7,5 billion to the Reserve Bank caused a switch in these statistical counterparts from changes in "net other assets and liabilities" to changes in the gross and net claims on the government, without affecting the overall change in M3. If this stock issue is not taken into account, the monetary sector's net claims on the government increased by only R0,5 billion in 1994. This small increase was mainly due to a decline in government deposits with monetary institutions related to the funding practices of the government: a policy of spreading the financing of the Exchequer deficit more evenly over the year and using available balances was followed in fiscal 1994/95, which led to a sharp decrease in government deposits with monetary institutions.

Income velocity of money

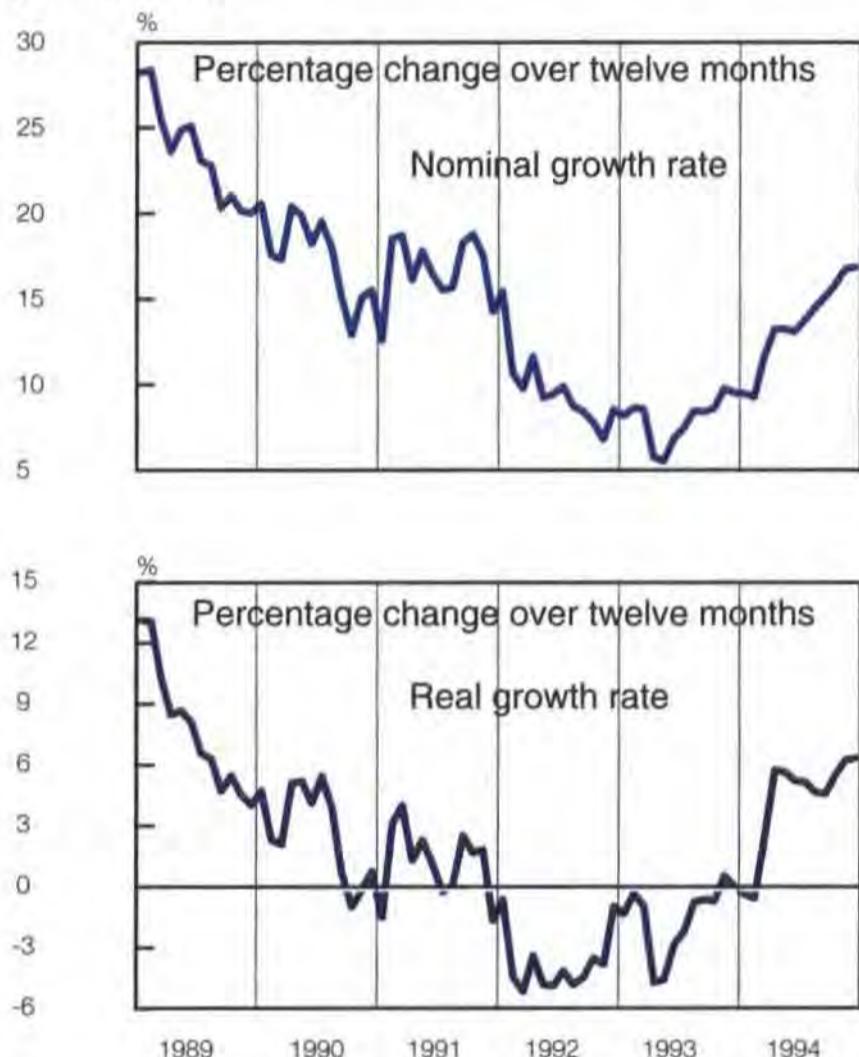


Credit extension

Credit extension to the private sector was the statistical counterpart primarily responsible for the accelerated growth in money supply. The twelve-month rate of increase in credit extension to the private sector by monetary institutions advanced from 9,7 per cent in December 1993 to 17,0 per cent in December 1994. These monthly growth rates exceeded the rates of consumer price inflation since March 1994, indicating that credit extension in real terms has been positive since that time.

An analysis of the monetary institutions' claims on the private sector by type of credit shows that the twelve-month rate of growth in mortgage advances remained at a level of about 17 per cent during 1994 and amounted to 17,9 per cent in December. Reflecting a sharp increase in sales of new motor vehicles, the rate of increase over twelve months in instalment sale credit accelerated further from 18,0 per cent in December 1993 to 27,6 per cent in December 1994. The general rise in expenditure led to an increase in the twelve-month growth rates of "other loans and advances" (including overdrafts) from 8,4 per cent to 12,8 per cent over the same period. The twelve-month rate of increase in leasing finance, however, remained at a relatively low

Credit extended by monetary institutions to private sector



level during 1994 and reached only 7,2 per cent in December.

In absolute terms credit extension by monetary institutions to the private sector during 1994 was dominated by mortgage advances and "other loans and advances". Mortgage advances contributed R17,3 billion

and other loans and advances R10,2 billion to the total increase of R39,1 billion in credit extension by monetary institutions to the private sector, or about 70 per cent.

Table 10 indicates that credit extension to households by monetary institutions increased by R17,9 billion in 1994, or by 14,7 per cent. Mortgage advances remained the most important type of credit used by households: at the end of 1994, 68 per cent of total credit extended by monetary institutions to individuals was in the form of mortgage advances. Instalment sale credit and so-called "other loans and advances" (excluding overdrafts) increased significantly in 1994, while overdrafts extended to households declined by 20 per cent, partly on account of a shift to flexible mortgage finance schemes from overdrafts.

Credit extended by monetary institutions to the private business sector rose by R12,4 billion, or 17,1 per cent, during 1994. This was mainly due to relatively sharp increases in overdrafts, mortgage advances and instalment sale credit. The rate of increase in "other loans and advances" (excluding overdrafts) amounted to only 8,5 per cent in 1994, but this remained the main type of credit used by the private business sector and comprised about 37 per cent of total credit utilised by private businesses at the end of 1994.

Interest rates and yields

Interest rates and bond yields, which had started to firm in February 1994, in general rose further in the fourth quarter of 1994 and the first two months of 1995. The strong upward movement in the yields on long-term bonds in the first half of 1994 led to a steepening in the yield curve, which later flattened somewhat as short-term yields continued to rise while long-term yields became more stable. This is clearly reflected in the margin between month-end yields on bonds with a maturity of one year and ten years: this margin widened from 2,0 percentage points in January 1994 to 3,0 percentage points in June 1994 as the yield curve steepened, and

Table 10. Changes in credit extended to households and private businesses during 1994

	Households		Private businesses	
	R billions	Percentage change	R billions	Percentage change
Mortgage advances	14,5	18,1	1,9	26,9
Instalment sale credit	1,8	15,3	4,5	39,9
Overdrafts	-2,5	-20,1	3,3	20,0
Leasing finance	1,1	17,4	0,1	1,6
Credit cards	1,1	30,1	0,2	-
Other loans and advances	1,9	25,0	2,4	8,5
Total.....	17,9	14,7	12,4	17,1

narrowed to 2,6 percentage points in January 1995 as the yield curve flattened. The upward slope of the yield curve still indicates expectations of further increases in short-term rates, while the flattening of the curve indicates an abatement of inflation expectations over the long term.

Money market interest rates, on balance, continued to show a distinct upward movement during 1994 and the first two months of 1995. The inter-bank call rate, for instance, rose from 9,75 per cent at the end of January 1994 to 11,00 per cent at the end of May 1994 before returning to levels reached at the beginning of the year. In reaction to the increase in Bank rate, this rate then rose by one percentage point to 10,75 per cent in September. In the subsequent months it increased further to 11,80 per cent at the end of January 1995 and softened somewhat to 11,50 per cent on 20 February. After the increase in the Bank rate, the inter-bank call rate rose to 11,75 per cent on 23 February 1995.

The increase in Bank rate from 12 to 13 per cent on 26 September 1994 led to a corresponding increase in both the banks' *prime lending rate* and the *predominant mortgage bond rate* to 16,25 per cent. The increase in the prime rate became effective on 26 September 1994 and the increase in the mortgage bond rate in October 1994 for new mortgage loans and between 28 October and 1 November 1994 for existing mortgage loans. The real or inflation-adjusted rate on both types of advances was 5,8 per cent in December 1994, compared with 5,2 per cent in December 1993. The measures announced

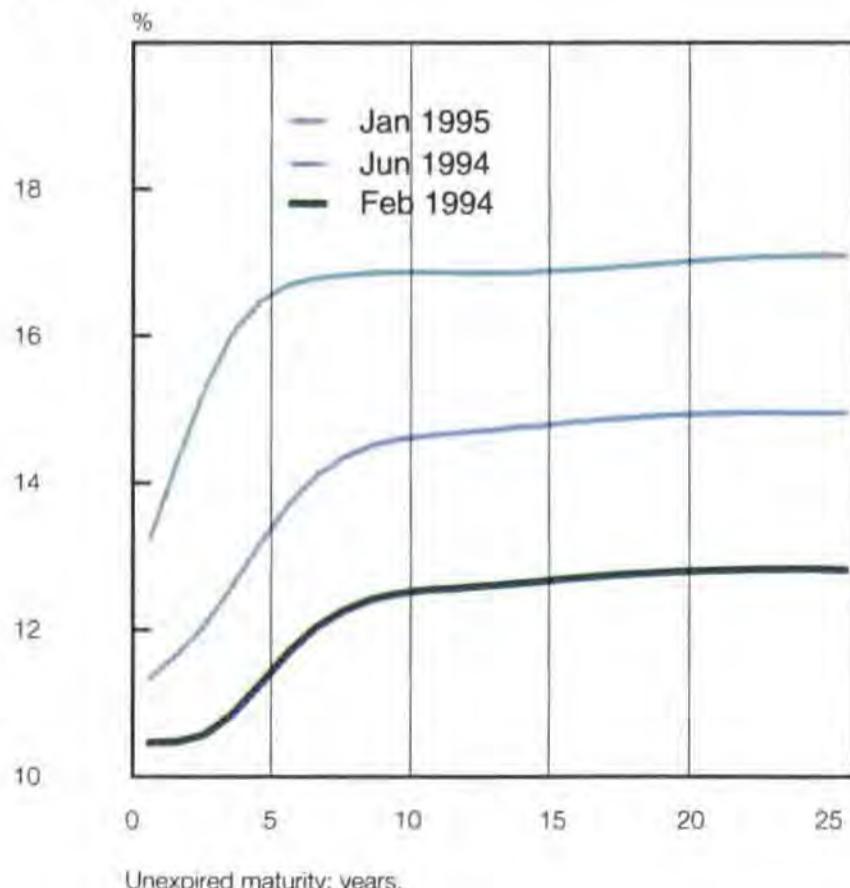
to tighten monetary policy in February 1995 caused a further rise of 1,25 percentage points in the prime overdraft rate to 17,5 per cent from 22 February 1995 and of 1,0 percentage point in the mortgage rate to 17,25 per cent per annum from 22 February 1995 on new loans and from 23 March to 1 April 1995 on existing loans.

Capital market yields also hardened appreciably during 1994. The monthly average *yield on long-term government stock* increased from 12,21 per cent in January 1994 to 15,87 per cent in August and to 16,89 per cent in September. In the subsequent months it fluctuated around this level and reached 17,02 per cent in January 1995. The real yield on long-term government stock rose from 2,1 per cent in January 1994 to 6,3 per cent in December 1994. Capital market yields hardly reacted to the latest increase in Bank rate.

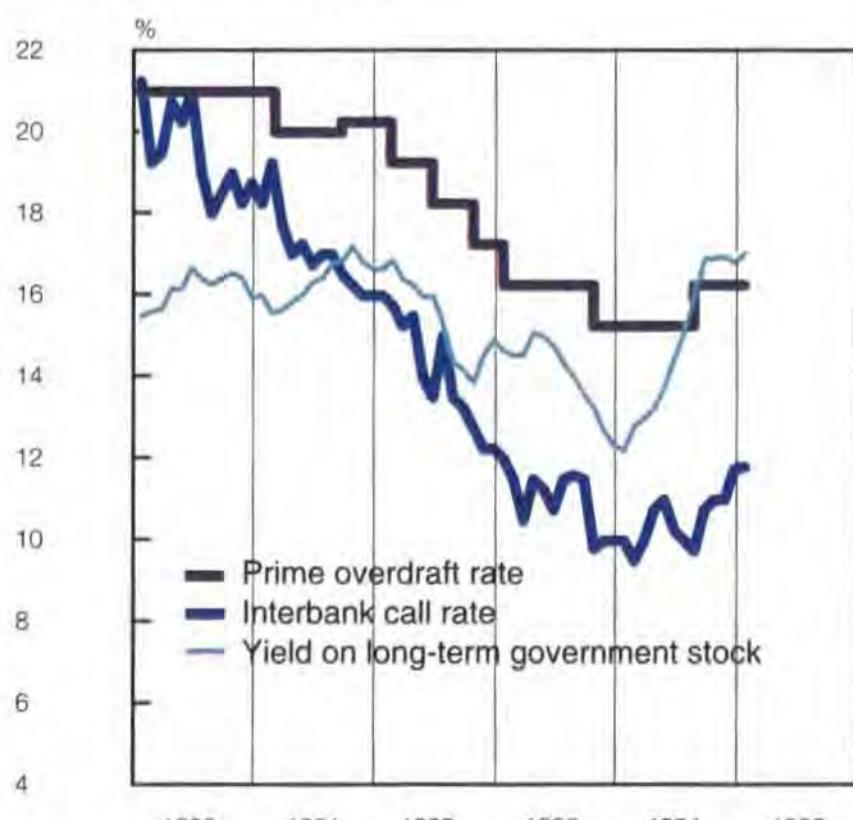
As a result of the increase in Bank rate in September 1994, the predominant *twelve-month retail deposit rate* of banks was adjusted upwards by one percentage point to 11,5 per cent in September 1994. In a bid by banks to attract longer-term deposits amid rising yields, this rate was increased further to between 12,0 and 12,25 per cent in October 1994, to 12,5 per cent in November and to 13,0 per cent in January 1995. At this level depositors earned a positive real yield before tax of 2,4 per cent in December 1994. At the end of February 1995 the twelve-month deposit rate was increased further to 13,5 per cent.

Other long-term rates were also increased in the fourth quarter of 1994 and the first two months of 1995.

Yield curves



Interest rates and yields



The standard interest rate applicable to loans granted by the State Revenue Fund (Exchequer Act, Act No. 66 of 1975), which had been raised in three steps from 13,25 per cent on 1 June 1994 to 15,5 per cent from 1 September 1994, was increased further to 17,0 per cent with effect from 1 November 1994 and to 17,25 per cent from 1 December 1994. On 1 January 1995 it was reduced again to 17,0 per cent before being increased to 17,25 per cent on 1 February 1995. The maximum permissible *finance charges rates*, as laid down in terms of the Usury Act, were increased with effect from 11 November 1994 from 23 to 25 per cent in respect of money lending, credit and leasing transactions for amounts of more than R6 000 (but not exceeding R500 000), and from 26 to 28 per cent in respect of amounts up to R6 000.

Money market conditions

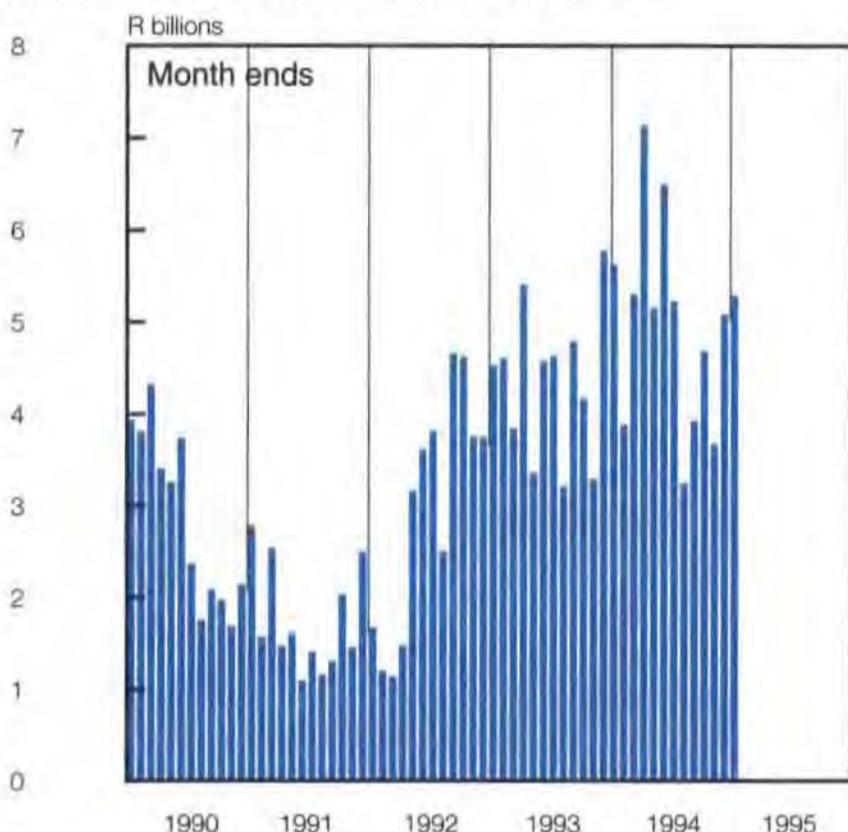
The relatively tight *money market conditions* that prevailed in the first six months of 1994 eased considerably in the third quarter, but the money market tightened again in the fourth quarter. This is clearly reflected by the accommodation at month ends, which contracted from R6,5 billion at the end of June 1994 to R3,9 billion at the end of September; it then increased again to R5,1 billion at the end of December. The tightening in money market conditions during the fourth quarter of 1994 could be attributed to an increase in notes and coin in circulation outside the Reserve Bank and the cash-draining effect of the decline in the Bank's net gold and foreign exchange reserves.

Although money market conditions eased somewhat during January 1995, the money market shortage rose further to R5,3 billion at the end of the month. These tighter conditions at the end of the month were mainly due to an increase in government deposits with the Reserve Bank, which more than offset a decrease in notes and coin in circulation outside the Reserve Bank and an increase in the net foreign assets of the Bank. In the first two weeks of February the shortage shrank to R2,6 billion, owing to a sharp rise in the net foreign assets of the Reserve Bank.

The operations of the Reserve Bank in the money market during the fourth quarter of 1994 and in January 1995 were fairly neutral and the Bank generally allowed the money market shortage to reflect underlying demand and supply conditions. Certain actions, such as the purchase of assets for the portfolio of the Corporation for Public Deposits and the redemption of the special Treasury bills that had been issued in August 1994, at times resulted in an easing of money market conditions. These operations were, however, offset by the Reserve Bank's management of the Tax and Loan Accounts.

Towards the end of January and the beginning of February 1995 the Reserve Bank started to take actions to prevent unduly sharp downward movements in the money market shortage. These actions included an increase in government deposits at the Bank of R1 150 million during the first two weeks of February. As part of

Accommodation at discount window



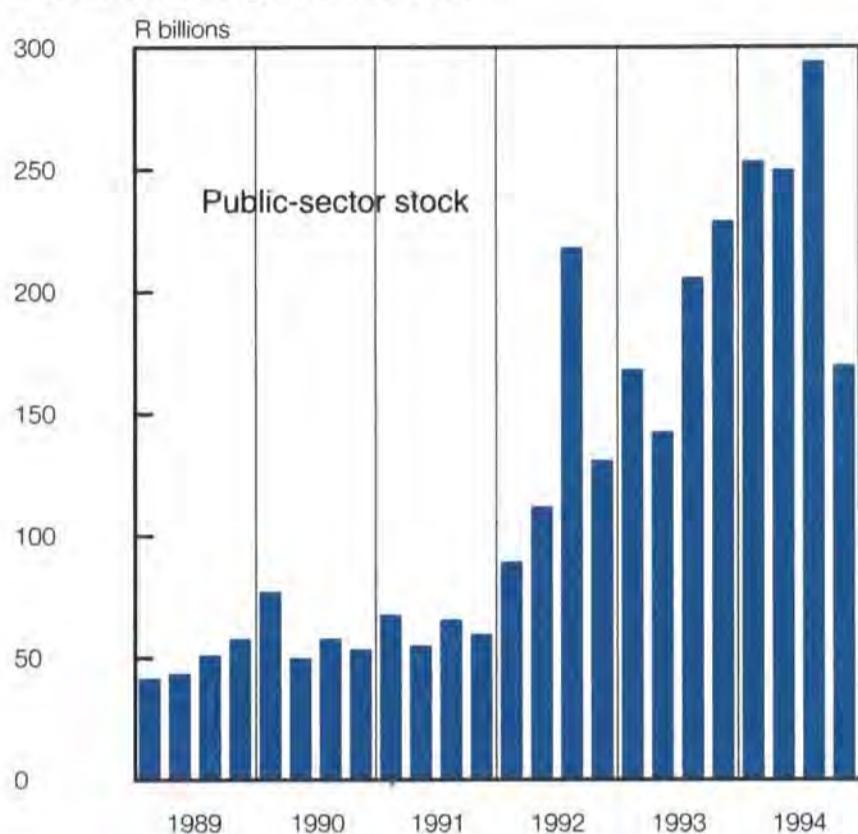
its more stringent monetary policy approach, the Bank positioned itself to mop up liquidity by increasing the basic minimum cash reserve requirement of the banks from 1 to 2 per cent of their total liabilities as adjusted with effect from 21 March 1995.¹

Bond market

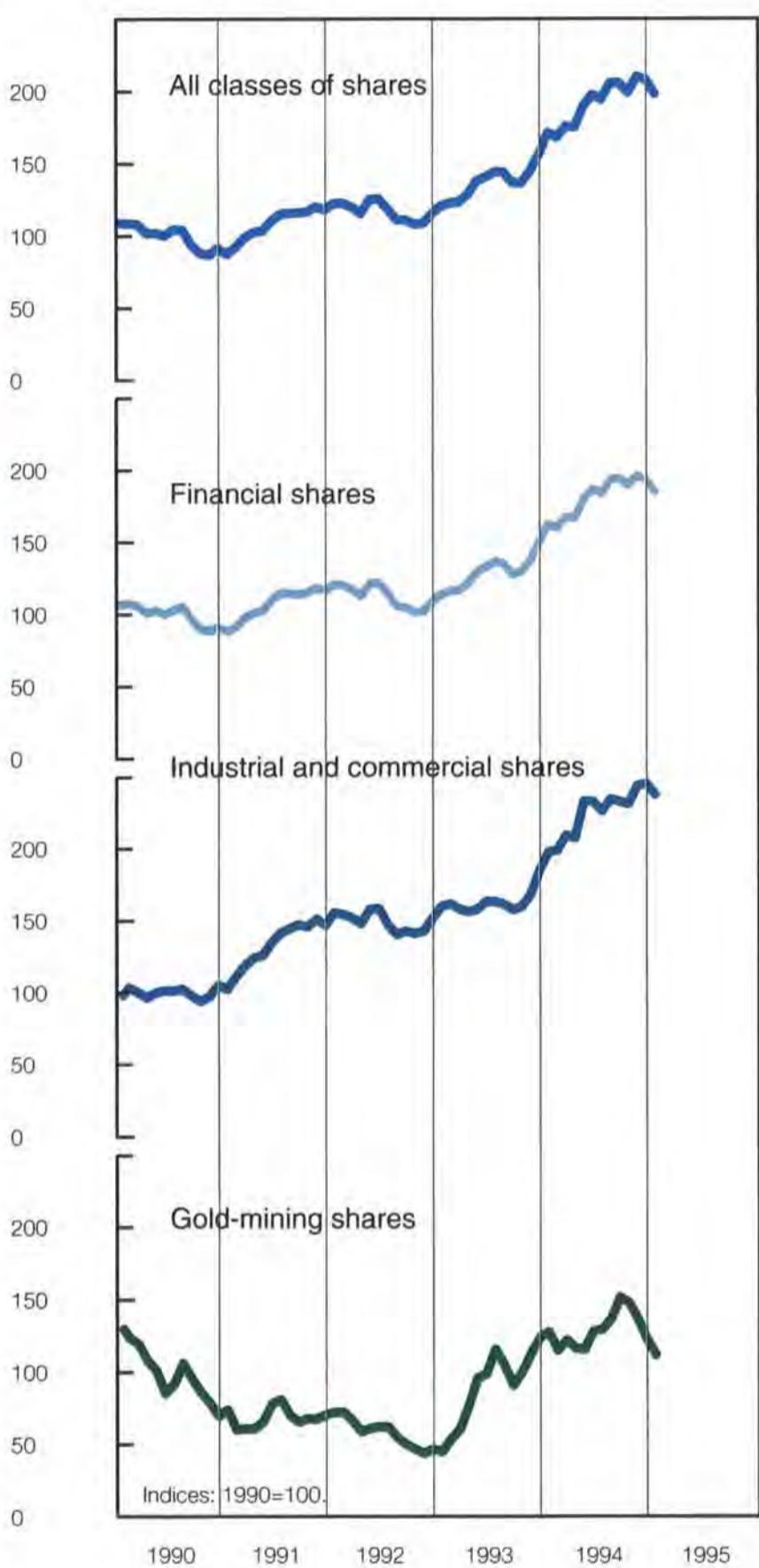
Net new borrowing in the *primary bond market* by the public sector fell back significantly from R7,2 billion in the second quarter of 1994 to R4,1 billion in the third quarter, and then increased to R7,8 billion in the fourth quarter. This brought the new issues of the public-sector stock to only R19,1 billion in the first nine months of fiscal 1994/95; in the corresponding period of the preceding year these issues had totalled R26,2 billion. The government also tapped the international capital market with a US dollar bond issue amounting to R2,7 billion in December 1994. This was the first international issue since 1991 and represented a further step in the normalisation of South Africa's international economic relations.

The private sector's demand for funds raised by means of primary fixed-interest securities abated in 1994 and new issues of such securities by listed companies in the private sector (against the backdrop of the firming in long-term interest rates and yields) declined by about 82 per cent to R138 million for the year 1994. A number of companies also raised capital by means of convertible Eurobond issues to the amount of \$175 million, which lowered the demand for loanable funds in the domestic capital market.

Stock exchange transactions



Share prices



Activity in the secondary bond market remained very buoyant throughout the first three quarters of 1994, but then declined sharply from October onwards. The value of public-sector stock traded on the Johannesburg Stock Exchange increased from an already high R253,5 billion in the first quarter of 1994 to a new record level of R294,5 billion in the third quarter, but decreased sharply to R170,1 billion in the fourth quarter. At R968,3 billion in 1994, the annual turnover of these stocks was nearly 30 per cent higher than in 1993. In January 1995 the value of public-sector stock traded fell back further to R52,4 billion from a monthly average of R56,7 billion in the fourth quarter of 1994.

Non-residents remained net buyers of bonds in the fourth quarter of 1994. For 1994 as a whole their net purchases of gilts on the Johannesburg Stock Exchange amounted to R1,1 billion. In January 1995 further net purchases to the amount of R0,1 billion were made by non-residents. Although their share of total gross purchases came to only 1,2 per cent in 1994, they continued to serve as an important indicator for investors in this market.

Equity market

The demand for funds in the primary equity market declined substantially in 1994, despite relatively favourable conditions for such issues. The value of rights issues of ordinary shares by companies listed on the stock exchange declined from R5,3 billion in 1993 to R2,7 billion in 1994, or by more than 50 per cent.

Activity in the secondary equity market, however,

was brisk. The value of shares traded on the Johannesburg Stock Exchange increased from a quarterly average of R10,9 billion in 1993 to an all-time-high quarterly level of R20,7 billion in the first quarter of 1994, before decreasing to R15,7 billion in the fourth quarter. Total share transactions in 1994 amounted to R71,6 billion, almost 66 per cent more than the turnover in 1993. In January 1995 the value of shares

traded contracted further from a monthly average of R5,2 billion in the fourth quarter of 1994 to R4,5 billion because of the volatility in the market and downward corrections in share prices.

Non-residents, who became net sellers of equities from the second quarter of 1994, made further net sales of R535 million in the fourth quarter. However, for the year as a whole they were still net buyers of equities totalling R185 million. In January 1995 non-residents made further net purchases of equities to the amount of R211 million. Non-residents continued to be important operators on the stock exchange and their gross purchases of shares amounted to approximately 31 per cent of the turnover of listed shares in 1994.

Supported by a strong performance in nearly all the share categories (with the exception of gold-mining shares), the monthly average price of all classes of shares fluctuated upwards and reached a new record high in November, which was 93 per cent above its lower turning-point in October 1992. In December 1994 and January 1995 the plunge in share prices on Wall Street, a lower gold price, the ripple effect of the Mexican crisis on emerging markets, the earthquake in Japan and pre-emptive action in anticipation of the possible abolition of the financial rand, led to a downward correction of 5,8 per cent in the average price level of all classes of shares.

Mirroring the increase in share prices, the average dividend and earnings yields decreased sharply throughout 1994, before rising somewhat in January 1995 (see Table 11). The price-earnings ratio reached a high in August 1994, but then declined during the next five months. The relative expensiveness of South African shares is also illustrated by the sharp rise in the yield gap (monthly average yield on long-term government stock minus the dividend yield) on all classes of shares, which rose from 9,8 percentage points in December 1993 to 14,7 percentage points in January 1995.

Table 11. Dividend yield, earnings yield, price-earnings ratio and yield gap on all classes of shares

	Dividend yield Per cent	Earnings yield* Per cent	Price-earnings ratio	Yield gap Points
1993: Dec.....	2,53	5,95	16,81	9,81
1994: Mar.....	2,30	5,50	18,18	10,69
Jun	2,14	5,08	19,69	12,32
Sept.....	2,12	5,09	19,65	14,77
Dec.....	2,19	5,27	18,97	14,61
1995: Jan.....	2,28	5,48	18,25	14,74

* Excluding gold-mining shares.

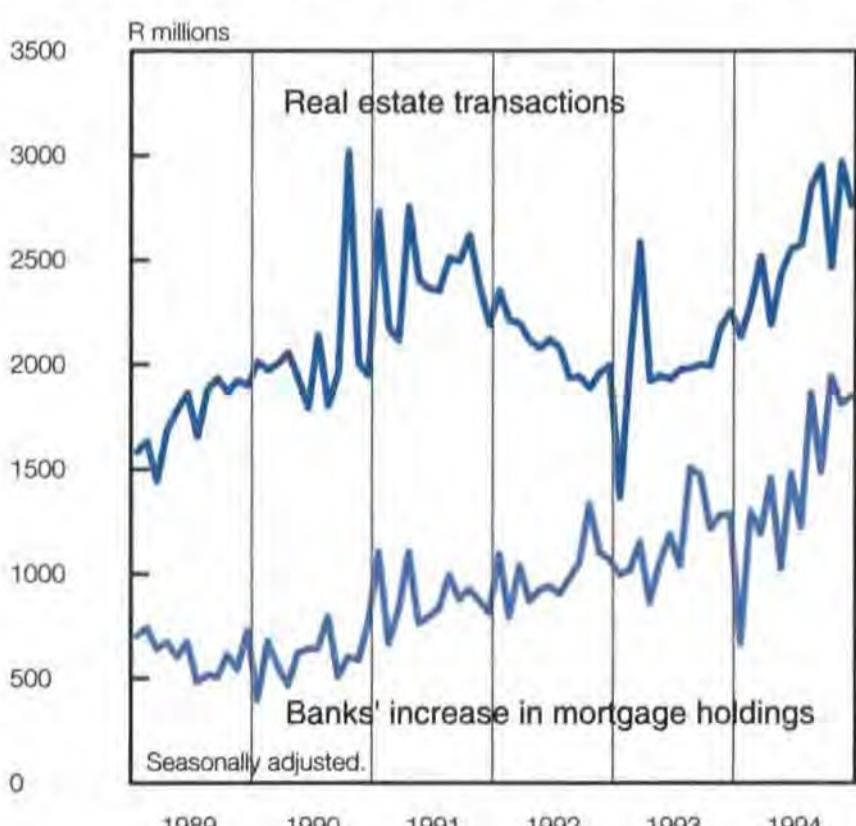
Other financial markets

Turnover in the formal *derivative market* for equity futures generally remained at a high level throughout 1994 and January 1995. The number of contracts traded in equity futures was accordingly nearly 34 per cent higher in 1994 than in 1993. Trade in options on equity futures, which had started in October 1992, also continued to increase sharply. Trade in these options amounted to 3,3 million contracts in 1994; this was about one and a half times the number of 2,1 million contracts traded in 1993. In January 1995 the trade in these options totalled 0,6 million contracts, compared with a monthly average of 0,3 million contracts in 1994.

Trading in a new *interest rate futures contract*, with the government stock R150 as the underlying instrument, commenced on 30 November 1994, and trading in options on 9 December 1994. Both these new instruments were fairly heavily traded in the next two months.

Growth in the *mortgage market* remained buoyant throughout the first eleven months of 1994, with the banks' total mortgage loans outstanding increasing from R92,9 billion in December 1993 to R108,7 billion in November 1994. The value and number of *real estate transactions* also increased throughout 1994 and the average price of all property transactions in November was 19,4 per cent above the corresponding month in the preceding year.

Mortgage lending and real estate transactions



Public finance

Public-sector borrowing requirement

The *public-sector borrowing requirement* (i.e. the deficit before borrowing and debt repayment of the consolidated Central Government, provincial governments, local authorities and the non-financial public enterprises) amounted to R20,7 billion in the first nine months of fiscal 1994/95, or to R0,7 billion more than the amount in the corresponding period of the preceding year. As a ratio of gross domestic product, the public-sector borrowing requirement came to 6,2 per cent in the first nine months of fiscal 1994/95, which was substantially lower than the 10,2 per cent for fiscal 1993/94 as a whole. The exceptionally high borrowing requirement in fiscal 1993/94 was, however, largely due to special non-recurrent transfers of R14,8 billion. If these transfers are excluded, the public-sector borrowing requirement in fiscal 1993/94 was equal to 6,4 per cent of gross domestic product, or only slightly higher than the deficit in the first nine months of fiscal 1994/95.

An analysis of the public-sector borrowing requirement by *level of government* shows that the Main Budget was responsible for approximately 96 per cent of the total borrowing requirement, and that the deficit on this account increased slightly (by R0,3 billion) from the first nine months of fiscal 1993/94 to the first nine months of fiscal 1994/95. The borrowing requirement of the non-financial public corporations and central government enterprises also increased from R0,1 billion to R0,4 billion

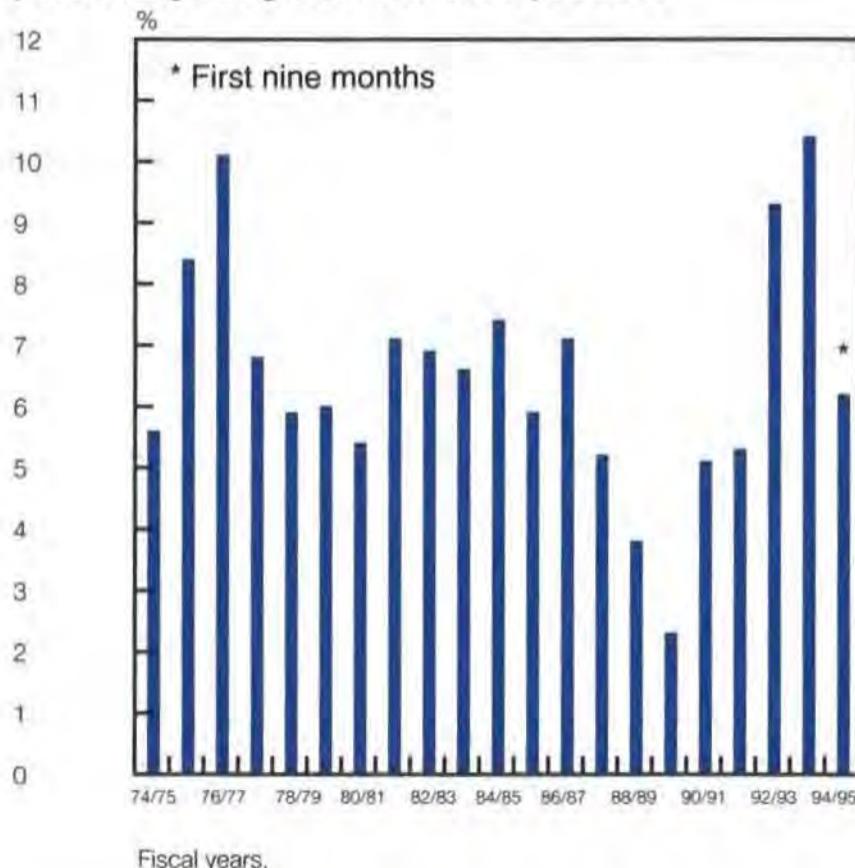
over the same period, while the surplus of R10 million of the extra-budgetary institutions was transformed into a deficit of R860 million. In contrast to these developments, the borrowing requirement of the local authorities was reduced from R310 million to R220 million and the surplus on the income and expenditure accounts of provincial governments increased from R193 million in the first nine months of fiscal 1993/94 to R805 million in the first nine months of fiscal 1994/95.

Exchequer Account

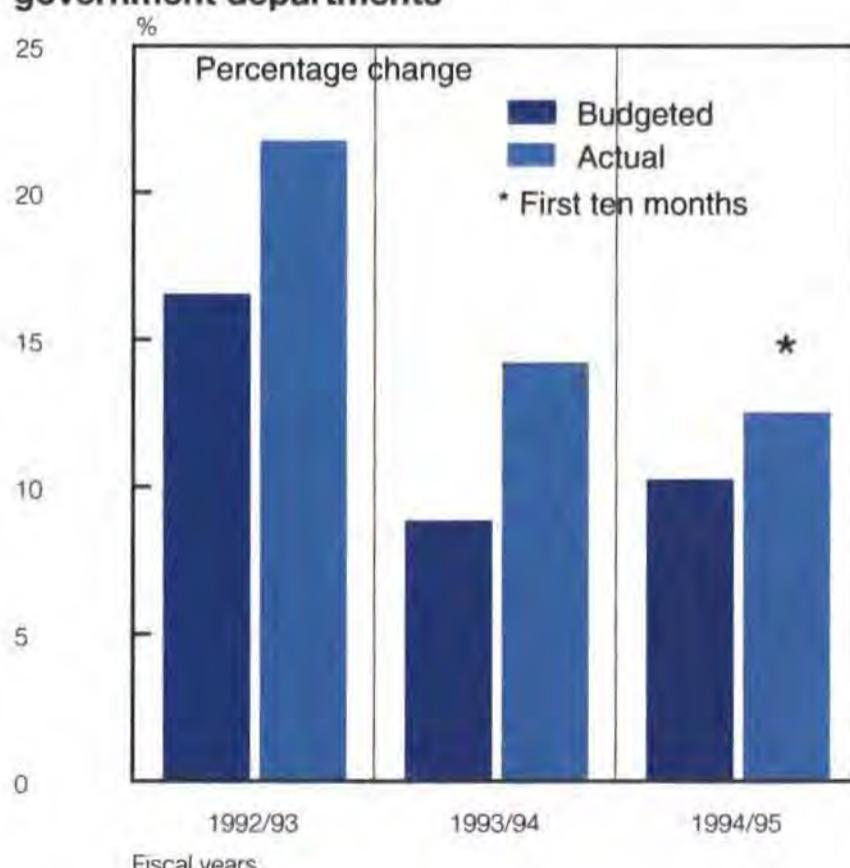
The deficit on the Exchequer Account before borrowing and debt repayment in the first ten months of fiscal 1994/95 was more or less in line with projections in the June 1994 Budget. Both the year-on-year rates of increase in Exchequer issues and receipts over this period were, however, well above the rates of increase that had been foreseen in the Budget for the full fiscal year.

The year-on-year rate of increase in *Exchequer issues* to government departments (adjusted for cash flows) in the first ten months of fiscal 1994/95 amounted to 12,5 per cent, which was markedly higher than the budgetary provision of 10,2 per cent for the year as a whole. This rate of increase in Exchequer issues was, however, well below the rate of increase of 14,1 per cent in the corresponding period of the previous fiscal year and the average rate of increase of 16,6 per cent in the first ten months of the preceding five fiscal years. As a ratio of gross domestic product, Exchequer issues also remained at a level of approximately 30% per cent of nominal gross

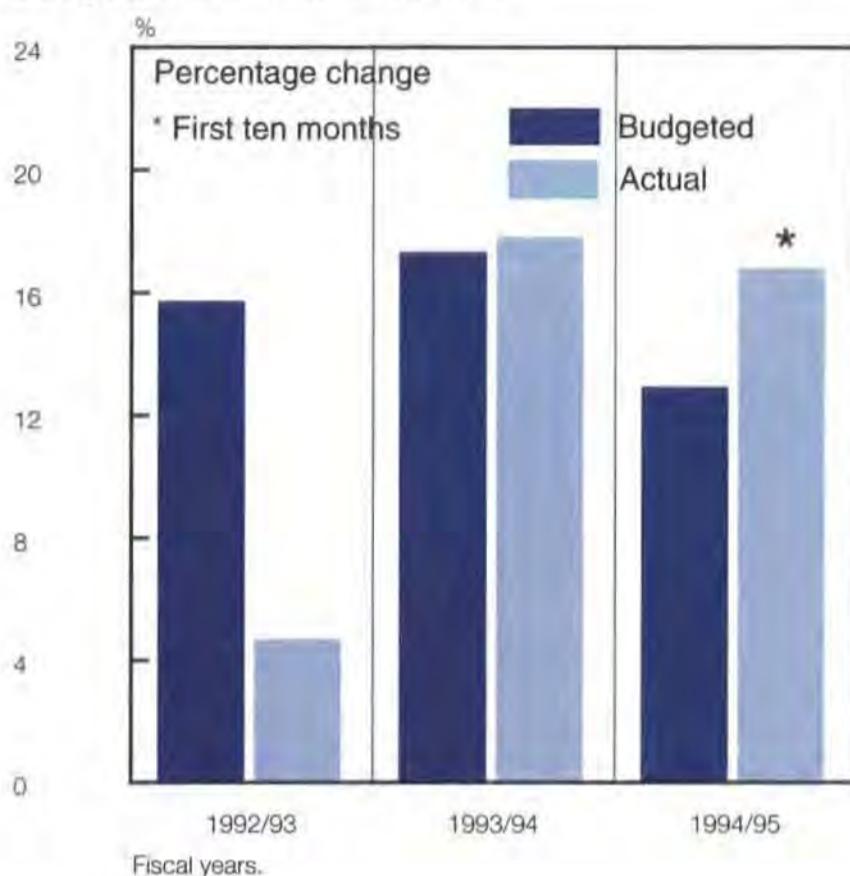
Public-sector borrowing requirement as percentage of gross domestic product



Budgeted and actual Exchequer issues to government departments



Budgeted and actual revenue



domestic product in the first nine months of fiscal 1994/95. These figures included certain planned government expenditure on reconstruction and development programmes. However, by the end of January 1995 no claims had been filed against the Reconstruction and Development Fund; these claims are likely to be made in the last two months of the fiscal year.

Exchequer receipts (adjusted to a cash flow basis and for capital profits¹) in the first ten months of 1994/95 were 16,8 per cent above the level in the first ten months of the preceding year; the growth in government revenue had been budgeted at 12,9 per cent for the year as a whole. In the corresponding period of the previous year government revenue rose by 17,4 per cent, while the average rate of increase over this period in the preceding five fiscal years came to 14,0 per cent. The exceptionally good performance of Exchequer receipts in fiscal 1993/94 could be attributed mainly to a substantial increase in the rate of value-added tax.

Although the increase in Exchequer receipts in the first ten months of fiscal 1994/95 was markedly lower than in the preceding year, it was still comparatively high and exceeded budgeted projections. As shown in Table 12, the higher-than-budgeted rate of increase in government revenue could be attributed to sharp

¹ Exchequer receipts were adjusted for capital profits arising from the consolidation of government stock, which did not present an actual cash flow or ordinary income.

Table 12. Percentage increase in Exchequer receipts

	Budgeted increase for fiscal 1994/95	Actual increase in first nine months of 1994/95
Customs and excise duties..	2,6	7,3
Inland revenue	14,8	17,5
Income tax	16,5	20,0
Value-added tax.....	15,3	15,8
Total receipts.....	12,9	16,3

increases in inland revenue as well as in the receipts from customs and excise. Inland revenue performed better than envisaged in the Budget because of a better-than-expected increase in personal income. The higher-than-budgeted rate of increase in income from customs and excise duties was brought about by a substantial increase in the value of merchandise imports.

Despite the introduction of a temporary transition levy on persons and companies, the total tax burden showed no significant change. After having increased sharply from a lower turning-point of 23,5 per cent in fiscal 1992/93 to 24,4 per cent in fiscal 1993/94, Exchequer receipts as a ratio of gross domestic product amounted to 24,3 per cent in the first nine months of fiscal 1994/95.

The net result of the higher-than-budgeted revenue and expenditure was a *deficit on the Exchequer Account* before borrowing and debt repayment of R17,8 billion for the first ten months of fiscal 1994/95. This amount was equal to 60,4 per cent of the deficit budgeted for the year as a whole, which was considerably lower than the ratio of 74,2 per cent for the corresponding period of the previous fiscal year and the average ratio of 64,2 per cent in the preceding five fiscal years. Despite an expected acceleration in government expenditure towards the end of the year, it seems fairly certain that the deficit for the fiscal year as a whole will not exceed the budgeted deficit significantly and could even be lower than expected.

Information on the *financing* of the deficit by *type of lender*, which is available for the first nine months of fiscal 1994/95 only (see Table 13), clearly shows that the deficit was financed mainly by funds obtained from the Public Investment Commissioners and the non-monetary private sector, while the monetary institutions' net claims on the government were reduced sharply. Treasury bills to the amount of R1,7 billion were sold to foreigners during the third quarter of fiscal 1994/95, while the global stock issue of the government in December 1995 contributed R2,7 billion towards the financing of the deficit.

The issuing of domestic long-term government stock, however, continued to be the main *borrowing instrument*

Table 13. Financing of Exchequer deficit by type of lender in the first nine months of fiscal 1994/95

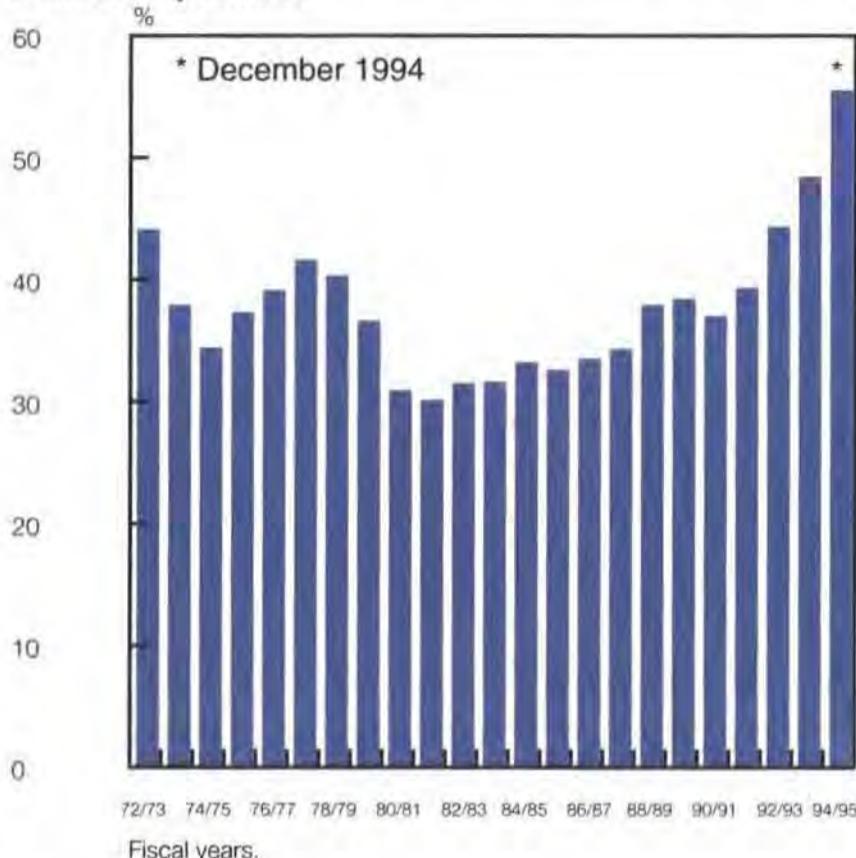
	R millions
Public Investment Commissioners.....	13 707
Non-monetary private sector	16 085
Monetary institutions:	-5 722
Corporation for Public Deposits	-2 383
Other monetary institutions	-3 339
Foreign sector	4 709
Extraordinary receipts.....	29
Total gross financing	28 808
Less: Discount on new government stock..	9 615
Plus: Premium on consolidation	1 170
Total net financing	20 363

utilised in the financing of the deficit. Seeing that government stock was issued at a substantially lower coupon rate than the ruling market interest rate, the discount on government stock (capitalised interest) increased from 6,5 per cent of the net increase in government stock in fiscal 1993/94 to 31,1 per cent in the first nine months of fiscal 1994/95. As a result, the discount on government stock issues also made a major contribution to the rise in government debt during fiscal 1994/95.

In an attempt to avoid increasing the pressure of the high cost of debt servicing on the government's finances and at the same time satisfy institutional investors' preferences for a capital market instrument with money market qualities, a new variable-rate stock was introduced in October 1994. This stock has a maturity of four years and a coupon rate that is derived quarterly from the ruling Treasury bill tender rate through the addition of a premium. This stock was very popular with investors and an amount of R5,2 billion was raised in the fourth quarter of 1994 by means of this instrument. Although this stock was issued to satisfy the needs of institutional investors, the Public Investment Commissioners and the monetary sector took up R3,6 billion or nearly 70 per cent of the total issue over this period.

The borrowing requirement of the Exchequer before debt repayment, plus the large discount on new government stock issues, led to an increase in government debt from R192,1 billion at the end of fiscal 1993/94 to R239,9 billion at the end of December 1994. A substantial portion of this increase (R14,2 billion) could be attributed to the transfer of the debt of the former TBVC countries and self-governing states to the South African national government. As a ratio of gross domestic product, the total government debt has now increased sharply from 37,2 per cent at the end of fiscal

Total government debt as percentage of gross domestic product



1990/91 to 48,7 per cent at the end of fiscal 1993/94 and further to 55,4 per cent at the end of December 1994. This is a clear warning signal that the present large deficits on the Exchequer Account are not sustainable and must be reduced as quickly as possible.

Monetary policy in 1995

Statement by Dr C.L. Stals, Governor of the South African Reserve Bank

20 February 1995

Part I: Summary of monetary policy measures

The Reserve Bank regards it as essential that a more restrictive monetary policy shall now be pursued in order to prevent inflation from escalating in the period ahead. By implementing preventive measures against inflation now, the encouraging current economic expansion shall be supported and hopefully also extended over a longer period of time.

The Bank has therefore decided to introduce the following changes to existing monetary policy measures:

1. A guideline range for an acceptable rate of growth in the M3 money supply from the fourth quarter of 1994 to the fourth quarter of 1995 has been set between limits of 6 to 10 per cent, compared with the limits of 6 to 9 per cent set for 1994, and an actual increase of 14,6 per cent in 1994.

2. The Bank rate, that is the rate at which the Reserve Bank provides accommodation to banking institutions against the collateral of Treasury bills, Government stock and Land Bank bills, all with an outstanding maturity of less than 92 days, will be increased as from tomorrow, 21 February 1995, from 13 to 14 per cent per annum. The rate on overnight loans extended against collateral of the same financial assets with outstanding maturities of 92 days and longer, but less than 3 years, will be raised from 14 to 15 per cent per annum.

3. Banks are at present required to hold a basic minimum cash reserve of 1 per cent of their total liabilities minus capital and reserves on deposit with the Reserve Bank and/or in the form of South African coin and bank notes, plus an additional interest-bearing reserve deposit with the Reserve Bank equal to 1 per cent of their short-term liabilities. As from 21 March 1995, the basic minimum reserve requirement will be increased from 1 per cent to 2 per cent of the defined total liabilities of each banking institution. The additional interest-bearing reserve deposit of 1 per cent of short-term liabilities will be retained.

4. Each banking institution will be supplied with quantitative guidelines on the maximum amount of credit that it should extend to the private sector during the rest of this year to give effect to the monetary policy objectives of the authorities. These guidelines are not mandatory and an appeal is made on each banking institution to give its full support in the effort to contain inflation.

A detailed motivation of these decisions is attached as Part II of this Statement.

Part II: Motivation for monetary policy measures

1. Financial developments in 1994

Against the background of the major socio-political changes introduced last year, the effects on the economy of pre-election uncertainties and post-election violence and industrial actions and the unsteady recovery in the overall economic situation, the Reserve Bank followed a mildly expansionary monetary policy in 1994.

Although it became clear during the course of the year that actual growth in the money supply will exceed the guidelines of 6 to 9 per cent announced by the Reserve Bank at the beginning of last year as an acceptable rate of growth in the broadly defined money supply (M3), the Bank's actions remained fairly neutral in the financial markets during the major part of 1994. It was only towards the end of September that the Bank for the first time showed its hand by raising Bank rate from 12 to 13 per cent.

The result of the rather lenient monetary policy was relatively rapid expansion in the two financial aggregates regarded by the Bank as important indicators of possible future trends in inflation:

* Over the twelve-month period from December 1993 to December 1994 the M3 money supply increased by 16 per cent. The average amount of the money supply in the fourth quarter of 1994 (the guideline target period) exceeded the average amount of M3 in the fourth quarter of 1993 by 14,6 per cent.

* Over the twelve-month period from November 1993 to November 1994 (the latest information available), the total amount of bank credit extended to all borrowers in South Africa, that is the government and the private sector, increased by 20,9 per cent. Total claims of all monetary institutions on the private sector rose by 16,9 per cent over the same period.

It is clear that, in these circumstances, financial stability will not be sustainable and inflation can easily accelerate again if these growth rates in the money supply and in bank credit extension are not checked.

Reflecting the increasing demand for credit, market-related interest rates in South Africa rose quite sharply over the year:

* the three-month Treasury bill tender rate rose from 10,2 per cent in December 1993 to 12,7 per cent in December 1994;

* the rate on three-month negotiable certificates of deposit rose from 10,4 to 12,8 per cent over the year; and

* the yield on long-term Government stock increased from 12,3 per cent at the end of 1993 to 16,8 per cent at the end of 1994.

Market-related interest rates therefore rose much faster than the Bank rate and rates traditionally linked to Bank rate, such as the prime overdraft rate of banking institutions and the mortgage rate for home loans, which were raised by only one percentage point after the increase in the Bank rate from 12 to 13 per cent on 26 September 1994.

Significant changes in the balance of payments during 1994 also affected financial developments and the monetary policy stance of the authorities:

* a small surplus of R412 million on the current account during the first half of 1994 changed into a deficit of R2,5 billion in the second half;

* a net capital outflow of R3,6 billion in the first half of the year changed into a net inflow of no less than R8,8 billion in the second half. For the year as a whole, South Africa therefore had a net capital inflow of R5,2 billion – the first year since 1984 to register a net capital inflow;

* the country's total net gold and other foreign exchange reserves declined by R3,2 billion from the end of December 1993 to the end of June 1994, but then increased by R6,4 billion over the last six months of 1994; and

* the average weighted exchange rate of the rand in nominal terms depreciated by 12,1 per cent from 31 December 1993 to 13 July 1994, but then appreciated by approximately 4 per cent up to 31 December 1994.

These trends in the balance of payments, reflecting the beneficial effects of South Africa's new position in the global economy, afforded the Reserve Bank with an opportunity of a more relaxed monetary policy last year.

2. A more restrictive approach needed for 1995

In retrospect, monetary policy may have been too easy in 1994. Bank credit extension and the money supply cannot be allowed to expand at the relatively high rates of last year and will have to be contained within more tolerable limits.

It would not be correct to link the increases in both the producer and consumer prices last year too directly to the monetary policy of 1994 – there are normally time lags of more than 12 months involved in changes in underlying monetary conditions and in prices. Other factors such as the depreciation of the rand in late 1993

and early 1994 and adverse climatic conditions affecting food prices, were to be blamed for most of the price rises last year.

The facts are, nevertheless, that the rate of change in the consumer price index measured over twelve months bottomed out at 7,1 per cent in April 1994, and then increased again to 9,9 per cent in December 1994. The rate of increase in producer prices already turned around from 5,4 per cent in October 1993, to reach a level of 9,7 per cent in December 1994. It would be a dire mistake to accommodate these trends in prices by creating more money that could, in the current situation, easily lead to an entrenchment of inflation at the higher level on a permanent basis.

The economic recovery, which started in the first half of 1993, remained rather frail throughout the first two quarters of 1994. Available national accounts statistics indicate, however, that the economic upswing has gained considerable momentum during the second half of last year. In the fourth quarter, real gross domestic product expanded at a seasonally adjusted annual rate of 6 per cent, whereas total real gross domestic expenditure increased at a rate of about 8 per cent.

These trends had their effect on the balance of payments, with imports rising quite sharply to create a current account deficit equal to a seasonally adjusted annual rate of R7 billion in the fourth quarter. A large net capital inflow was more than sufficient to cover the current account deficit, but the magnitude of the current deficit calls for caution.

In order to avoid a further buildup of inflationary pressures, and to protect the balance of payments from developing into an untenable situation, both of which would be detrimental to a continuation of economic growth, it is appropriate to bring monetary policy now in line with the longer-term objectives of a stable overall financial environment. It is indeed a precondition for the maintenance of continued economic expansion in the longer run.

There is one further reason why it has become necessary to apply a more stringent monetary policy at this juncture. The objective of some relaxation in exchange controls, and particularly in the exchange controls applicable to non-residents, requires vigil and a financial environment that will be supportive of further capital inflows. It would be even more risky to relax exchange controls in an environment of excess liquidity, unrealistically low interest rates and rising inflation. Recent increases in interest rates in some of the major industrial countries, for example in the United States of America and in the United Kingdom, exerted some upward pressure on South African interest rates, despite the artificial protection still afforded by the existing exchange controls.

3. Money supply guidelines for 1995

Money supply guidelines do not serve as rigid rules for monetary policy in South Africa. They do provide,

however, guidance in decisions on monetary policy and serve as important indicators to the general public on what can be expected of monetary policy.

Last year, the Reserve Bank did not regard it as expedient to force the money supply to stay within the guidelines of 6 to 9 per cent for the growth in M3 as announced at the beginning of the year. Actual growth in M3 in the end exceeded the upper limit of the guidelines by a substantial margin. Over the past three years, however, that is from 1992 to 1994 inclusive, the M3 money supply increased at an average annual rate of 9,2 per cent, whereas the average annual rate of inflation over this period as measured by the gross domestic product deflator amounted to 11,3 per cent. The average rate of growth in real gross domestic product over the three years was only 0,4 per cent, with the result that the rate of increase in the money supply was below the rate of growth in the total nominal value of gross domestic product.

This did not apply in 1994, however, when the rate of increase in the money supply exceeded the rate of inflation and also the rate of growth in nominal gross domestic product. This situation, if continued throughout 1995, would lead to an escalation of inflationary pressures in the economy. It is therefore essential immediately now to apply some brakes on the rate of growth in the money supply.

Taking account of the overall situation, the Reserve Bank has therefore decided to set guidelines for an acceptable rate of growth in the M3 money supply from the fourth quarter of 1994 to the fourth quarter of 1995 of 6 to 10 per cent, compared with the 6 to 9 per cent for last year. The higher upper limit of 10 per cent takes account of potentially higher real growth in gross domestic product in 1995 (hopefully in excess of 3 per cent), whereas the unchanged lower limit of 6 per cent reflects the Reserve Bank's resolve that, over the longer term, South Africa will have to reduce its rate of inflation to bring it more in line with the level of the average rate of inflation in the countries with which South Africa trades and competes in the international environment. To begin with, inflation must at least be kept below 10 per cent per annum. Even this will not be an easy task in 1995.

4. Interest rate policy

The rising trend of market interest rates over the past year, and the further escalation of particularly short-term rates recently, partly reflected the underlying trends in the market, and partly also the expectation that the monetary authorities will in 1995 pursue a more restrictive monetary policy.

The Bank rate of the Reserve Bank is now coming under severe pressure from these market trends. At the weekly tender for 91-day Treasury bills a rate of 13,01 per cent was set on Friday, 17 February 1995 – a clear indication that, in terms of the market assessment, Bank rate at 13 per cent is now too low.

Bank credit extension to the private sector remains the main statistical "cause" of increases in the money supply. The demand for bank credit is relatively sensitive to changes in interest rates, particularly over the longer term. The interest rate policy of the Reserve Bank, implemented through changes in the Bank rate, therefore remains one of the major operational instruments used for the achievement of the money supply objectives. An unrealistically low Bank rate will make "cheap" money available to banking institutions at the discount window, and will encourage them to pursue a more aggressive marketing policy for the extension of more credit, that is to create more money.

Banking institutions have not in recent months made excessive use of accommodation from the Reserve Bank. The amount of the money market shortage did, however, increase from R3,9 billion at the end of September to R5,1 billion at the end of December 1994, and further to R5,3 billion at the end of January 1995. Money market liquidity has, however, in recent months been supplemented by a continuous relatively large net capital inflow from abroad, and the money market shortage did not truly reflect the strengthening in the domestic demand for credit.

In these circumstances and in support of the money supply guidelines for 1995, the Reserve Bank has decided to raise its Bank rate, that is the rate at which the Bank is prepared to extend overnight loans to banking institutions, as from 21 February 1995, by one percentage point from 13 to 14 per cent per year.

Overnight loans at Bank rate are made available to banking institutions only against the collateral of Treasury bills, Government stock and Land Bank bills with a maturity of less than 92 days. To fulfil its role as lender of last resort, the Reserve Bank also provides overnight loans against collateral of the same financial assets with a maturity of 92 days and longer, but less than three years, but then only at a penalty rate. Up to now, the penalty rate has been set at 1 percentage point above Bank rate. As from 21 February 1995, the margin will be widened to 1 percentage points, and Reserve Bank accommodation in the second tier will be provided at a rate of 15 per cent per annum.

These adjustments bring Reserve Bank rates more in line with market-related interest rates and carry a clear signal of the resolve of the monetary authorities to bring rates of growth in the monetary aggregates back to a level more in line with the objective of the authorities to reduce inflation gradually in South Africa to a more acceptable level.

5. Management of overall liquidity

Although the rate of increase in the money supply is to an important extent driven by the demand for bank credit, other factors also affect the level of money in circulation. One such factor, which is gaining in importance at this stage, is the net inflow of capital from abroad. As already

indicated, these net inflows have in recent months exceeded the current account deficits and have led to a welcome increase in the foreign reserves of the Reserve Bank.

The present situation provides interesting challenges for the management of overall liquidity and the money supply in South Africa. There is a dire need for the Reserve Bank to increase its foreign reserves to a more acceptable level. Indeed, the present amount of about R11,3 billion in foreign reserves held by the Bank is barely enough to cover six weeks' imports and should be raised to a level of at least three months' imports. The Bank therefore uses every possible opportunity to obtain surplus foreign currencies from the foreign exchange market to supplement its reserves.

Within the framework of the existing exchange controls on capital outflows, an excessive inflow of foreign capital could, at least before exchange controls are relaxed, exert pressures for an appreciation of the exchange rate of the rand in the foreign exchange market. To relieve these pressures, the Reserve Bank must therefore intervene regularly in the foreign exchange market to absorb the surplus foreign exchange, and to prevent an appreciation of the rand which will, at this juncture, contribute further to the erosion of South Africa's competitive position in the international markets.

In the longer run, South Africa can only improve its competitiveness by raising multi-factor productivity, and by restraining the remuneration demanded by the various factors of production. It is an illusion to believe that a country can be made more competitive merely by devaluing its currency. However, in the current situation and pending certain exchange control relaxations, the Reserve Bank will continue to intervene in the foreign exchange market in order to prevent an undue appreciation of the rand at this stage.

Intervention by the Reserve Bank in the foreign exchange market in this way, however, creates prime liquidity and, if not counteracted or "sterilised", adds to the ability of banking institutions to provide more credit to their clients. Over the past seven months, the Reserve Bank's net foreign reserves increased by R6,8 billion, resulting in a similar amount of liquidity being created by the central bank. This conflict of objectives, that is on the one hand, to increase the foreign reserves of the Reserve Bank and to prevent an undue appreciation of the foreign exchange rate of the rand, and, on the other, to keep the money supply under control, requires the activation of more operational instruments of monetary policy than just the Bank rate.

Variations in the minimum reserves that banking institutions must maintain with the Reserve Bank can be a useful instrument in this situation. It should be noted that, in terms of the Reserve Bank Act, minimum reserves for banking institutions can be required against total liabilities and/or against any part of total liabilities, for example only short-term liabilities, and/or against any

increase as from a certain date in either the total or a defined component of total liabilities.

At this stage banking institutions are required to maintain with the Reserve Bank:

* a basic minimum reserve balance equal to 1 per cent of their total liabilities, minus capital and reserves. Banks may include South African coin and bank notes in their possession for purposes of maintaining these minimum balances; and

* a supplementary reserve balance equal to 1 per cent of their total short-term liabilities as adjusted. The Reserve Bank pays interest equal to a rate of per cent below the current Treasury bill tender rate on these reserve balances.

It has now been decided to raise the basic minimum reserve balance required from banking institutions from 1 per cent of total liabilities, minus capital and reserves, to 2 per cent of the total liabilities as adjusted of each banking institution. No interest will be paid on this total basic minimum reserve requirement and, as previously, banks will continue to be allowed to include their holdings of South African coin and bank notes in these minimum balances. The interest-bearing reserve deposit of 1 per cent of short-term liabilities will be retained.

The increase in the basic reserve requirement to 2 per cent will become effective as from the date of certification of the banks' monthly statements of Form DI 310 to be submitted to the Registrar of Banks not later than 21 March 1995. Based on the available statistics for November 1994, this requirement will "freeze" an additional amount of not more than R3 billion of the liquidity of the banks (to be reduced by the eligible amount of vault cash that can be included in terms of the existing arrangements).

6. The extension of credit to the private sector by banking institutions

The increase in the Bank rate is intended to reduce the demand for credit from banking institutions. The increase in the minimum reserve requirements is intended to restrict the amount of liquidity available in the banking system for funding loans to the private sector. The combined effect of these measures should be to gradually reduce the rate of expansion in the money supply.

The Reserve Bank remains averse to direct controls on the amount of bank credit extended by banking institutions. Such controls frustrate the working of the market system, and lead to distortions that will retard the maximum growth potential of the economy. In the end, it will lead to a weaker banking system.

It is, nevertheless, important for the Bank to monitor very closely future developments in the amount of credit extended by each banking institution. To achieve the

objective of a money supply growth of not more than 10 per cent in 1995, the amount of the total bank credit extended during 1995 should also not increase by much more than 10 per cent. The Bank has therefore calculated for each banking institution what its total claims on the private sector should not exceed as at the end of each of the four calendar quarters of 1995. These guidelines will be sent to each banking institution within the next few days.

Banking institutions are requested to co-operate with the authorities, and to manage their own activities in accordance with the guidelines provided, and in support of the overall monetary policy objectives. The more that can be achieved through such co-operation, the less painful will be further restrictive measures of a macro-policy nature that may be required to achieve the objectives.

7. Concluding remarks

The fight against inflation in South Africa is not confined to monetary policy alone. There are many other inflationary forces at work that could easily foil the efforts of the Reserve Bank to contain inflation. The Bank therefore needs the support of the fiscal authorities, the business community, the trade unions and indeed every man on the street to fight against the cancerous economic disease of inflation.

The objectives of the Reconstruction and Development Programme will be frustrated and will not be achievable in an environment of high inflation. The Reconstruction and Development Programme has therefore tasked the Reserve Bank to fight inflation:

"The main functions of the Reserve Bank are to maintain the value of the currency, to keep inflation relatively low, and to ensure the safety and soundness of the financial system".

The monetary policy measures announced today are intended to give effect to this assignment.

Business cycles in South Africa during the period 1986 to 1993

by B.E. van der Walt and W.S. Pretorius

Introduction

In previous studies¹ the reference turning-points of the business cycle in South Africa were determined for the period 1946 to 1986. In this article the cyclical developments during the upward phase from 1986 to 1989 and the downward phase in the subsequent period to 1993 are reviewed and the final reference turning-points of the cycle are determined.

The next section of this article describes the methods used to determine the reference turning-points of the business cycle and in the third section the statistical results of the methods employed are presented. In the fourth section the economic developments in the upward and downward phases since 1986 are reviewed and the final reference turning-points determined. The impact of various exogenous influences on the South African economy during the period under review made the recession of 1989-1993 exceptionally long. In the fifth section, the recent recessionary phase is therefore compared with earlier downward phases of the business cycle, with special attention to the Great Depression of the 1930s.

Methods used to determine the reference turning-points of the business cycle

The reference turning-points of the business cycle were determined by using the composite leading and coincident business cycle indicators, as well as comprehensive diffusion indices. However, the identification of turning-points is never a purely mechanical exercise and other important economic events and developments occurring near possible turning points are also taken into consideration in deciding when the turning-point was actually reached.

Comprehensive historical and current diffusion indices² were calculated from 267 seasonally adjusted

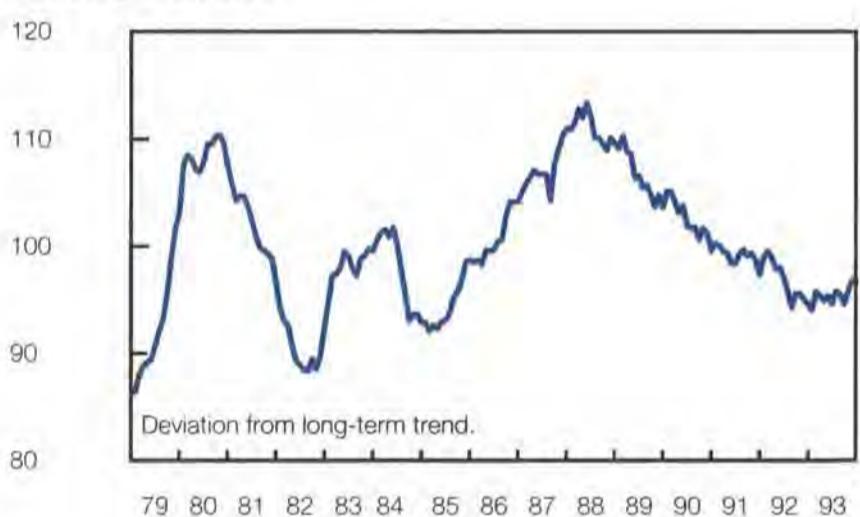
economic time series for the period 1978 to 1993. These series cover economic processes such as production, demand, employment and income in different industries or sectors of the economy. Weights were applied to the sectoral diffusion indices according to the relevant sector's contribution to the real gross domestic product. As the annual contributions of sectors to the gross domestic product have changed over time, average weights were calculated and applied for the sub-periods 1978-1985 and 1986-1993.

Statistical results

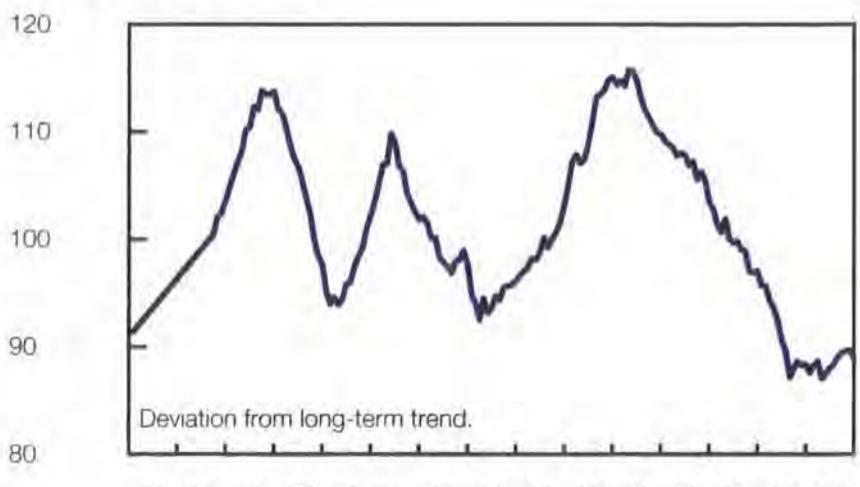
The methods applied clearly show that the South African economy experienced an upward and a downward phase of the business cycle during the period 1986 to 1993. According to the calculations, the business cycle reached a peak in 1989 and a trough in 1993. The

Graph 1: Composite business cycle indicators

Leading indicator



Coincident indicator



Dark area: Downward phase of the business cycle.

¹ Published in various issues of the *Quarterly Bulletin* of the South African Reserve Bank.

² A diffusion index can be defined as a measure of dispersion of the increases in a number of time series as at a particular date. Two types of diffusion indices are generally used, namely the historical and the current indices. In the case of the historical index, the turning-points of the cyclical component of each series are determined. The value of the index for a particular period is obtained by expressing the number of time series which increase during that period, as a percentage of the total number of time series considered. In addition to the total number of series which increase in a particular period, account is also taken of each series for which the cyclical component remained unchanged during that period.

The current diffusion index is calculated without determining specific turning-points. It is a composite index based on the actual change of individual time series.

reference turning-points of the preceding two business cycles, i.e. those of 1978-1983 and 1983-1986, were also confirmed by the current analysis.

The composite business cycle indicators

Composite business cycle indicators are summary measures of important activities or processes in the economy which portray the movement of and turning-points in the business cycle. The composite coincident business cycle indicator increased from 1986 – somewhat more vigorously during 1987-1988 – to reach a peak in April 1989. As could be expected, the composite leading indicator signalled a turning-point about one year earlier. This indicator declined during the period 1988-1992 and recorded a lower turning-point in January 1993. Based on its historical relationship over time with the business cycle, this change in the indicator pointed to an improvement in economic activity from about the middle of 1993. As shown in Graph 1, the cyclical downturn in the composite coincident business cycle indicator accelerated from 1989-1990 to 1991-1992 and reached a trough in April 1993.

The historical diffusion index

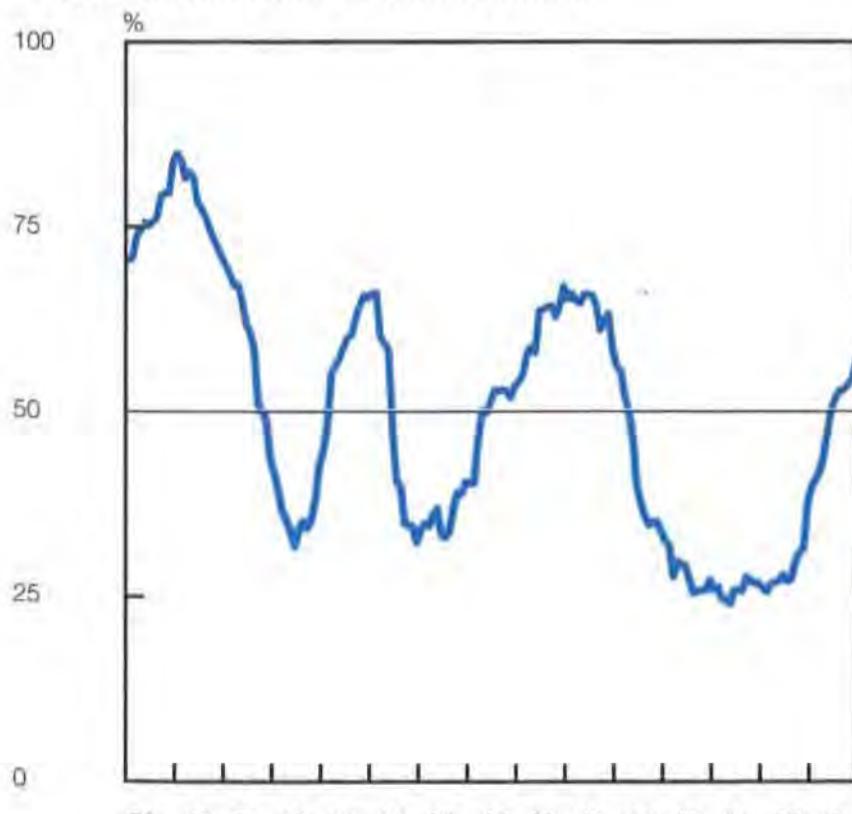
The historical diffusion index in Graph 2 shows the dispersion of changes in economic activities during the past fifteen years and covers the full cycle in the period 1986 to 1993. All the maximum and minimum percentages in the diffusion index cycle preceded the reference turning-points of the business cycle. As was

the case in the 1983-1984 upward phase, the monthly rates of increase in economic activity during 1987-1988 exceeded the long-term growth rate of these activities in only 65 per cent of the selected series, compared with 80 per cent in the 1978-1981 phase. This reflects the rather weak dispersion of the upturn during 1987-1988. The diffusion index remained above 50 per cent until the beginning of 1989, indicating an upper turning-point of the business cycle in March 1989. Economic activity subsequently slowed down and reached low levels from the second half of 1990. Economic activity remained weak until the middle of 1992, but improved in a number of sectors from the second half of that year. According to the diffusion index, a lower turning-point of the business cycle was reached in May 1993.

The current diffusion index

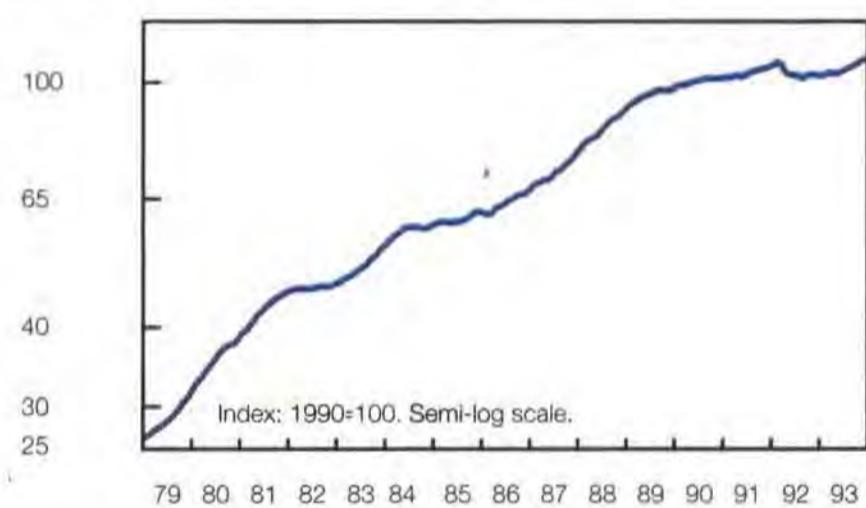
The increase in economic activity during the upward phase of 1986-1989 is clearly shown by the accelerated increase in the cumulated current diffusion index in Graph 3. From 1989 to 1991 the cumulated index levelled off as activity in various sectors was reduced or maintained at existing levels. The deviation of the index

Graph 2: Historical diffusion index



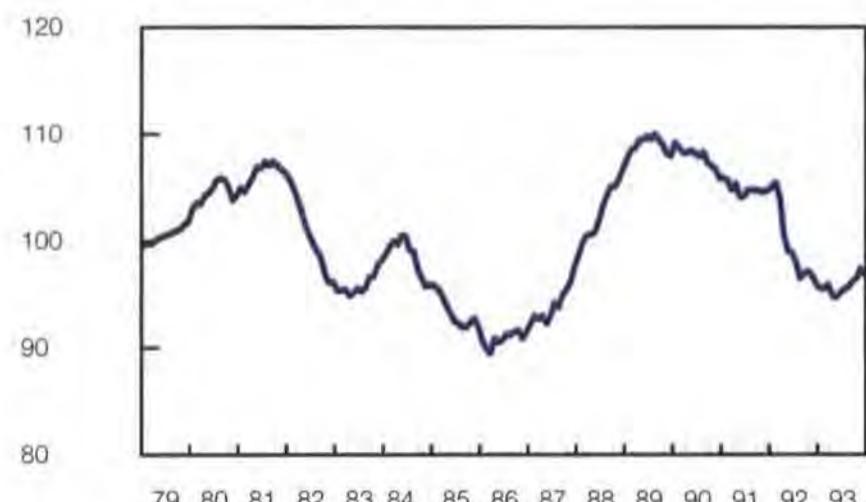
Dark area: Downward phase of the business cycle.

Graph 3: Current diffusion index



Index: 1990=100. Semi-log scale.

Deviation from long-term trend



Dark area: Downward phase of the business cycle.

from its long-term trend shows that the upward phase ended in August 1989. After a brief reversal of the decline in the second half of 1991, the current rate of change in economic activity declined strongly from the end of 1991 to the first half of 1993. The cyclical component of the diffusion index reached a lower turning-point in May 1993, before increasing again in the second half of 1993.

Economic developments³ and final reference turning-points of the business cycle

Business cycle developments during the 1980s took place against the background of a steady erosion of the growth potential of the economy. The relatively moderate growth in economic activity in the upward phase from 1986 to 1989 and the depth and duration of the subsequent recession were not only due to purely cyclical developments, but also reflected long-term structural weaknesses in the economy and the impact of some exogenous or non-economic factors. The rate of increase in real gross domestic product slowed down sharply to an average annual level of 1 per cent during the ten-year period 1984-1993, compared with 3 per cent during the 1970s and 6 per cent during the 1960s. Output growth slowed down in previous business cycle recessions from relatively high to more subdued but still positive rates; in the recessions of the past decade, however, real output declined.

The structural impediments to the achievement of sustained economic growth are, *inter alia*, weaker international terms of trade, poor labour productivity, uncompetitive conditions, shortages of skilled manpower, distortions of relative factor prices, the low domestic savings rate, the increased share of the public sector in the economy and the consequent heavy tax burden.

In addition to the structural weakening of the South African economy, some exogenous forces impacted adversely on potential output growth. These included the debt standstill of 1985 and the subsequent outflows of capital, the lack of confidence accompanying the political transformation, social unrest, the serious drought during the period from 1991 to 1992, and the somewhat subdued international economic conditions.

Upward phase: April 1986 to February 1989

Economic activity recovered hesitantly in 1986 due to an uneven recovery of output in various sectors of the economy. This was indicative of an economy

constrained by exogenous factors, in particular the pervasive sense of uncertainty, socio-political unrest and trade and financial sanctions imposed against South Africa. From 1985 to 1986 the real gross domestic product remained unchanged, whereas real gross domestic expenditure recorded an increase of about 1 per cent. Aggregate real domestic expenditure began to rise from the third quarter of 1986 as a result of an improvement in real private consumption expenditure, notably expenditure on durable and semi-durable goods, and inventory investment. Households and businesses nevertheless continued to consolidate their debts in order to avoid further additions to their indebtedness. This was clearly reflected in the lower growth of bank credit.

The surplus production capacity, the absence of renewed inflationary pressures arising from excessive monetary demand and the healthier balance of payments on current account prompted the authorities to ease monetary policy in the course of 1986. Bank rate was reduced on five occasions. Additional stimulatory fiscal measures were introduced in June 1986 and again in February 1987.

A number of favourable developments during 1985 and in the early stages of the business cycle upswing contributed to the improved economic climate. Among these, the sharp rise in the prices of gold and other commodities, and a large increase in the volumes of merchandise exports in 1985, contributed to a more positive business outlook. In 1987 the business mood was strengthened further when the authorities successfully negotiated a new debt standstill agreement with foreign creditor banks and the gold and other foreign reserves started to increase sharply. Fiscal policy also had a strong expansionary impact on production in 1987 and operated through an increase in general government expenditure, a large rise in the public-sector wage bill and only a modest growth in personal direct taxes.

These measures encouraged growth in aggregate demand and raised the level of output and employment, but unfortunately also strengthened the inflationary bias of the economy. The diffusion indices consequently show that economic activity improved further in 1987 and became stronger and much more dispersed in 1988. The growth in real gross domestic product of the non-primary sectors of the economy accelerated from 2½ per cent in 1987 to 4½ per cent in 1988. The real gross domestic product of the primary sector declined in 1987, but recovered again in 1988. The output of the primary sector in 1987 was affected by work stoppages in the gold mines and a drought and floods which reduced agricultural production in the summer rainfall areas.

Throughout the upward phase of the business cycle that started in 1986, the South African authorities were forced to maintain a level of economic growth that was consistent with a current account surplus in order to meet foreign debt repayments. The rise in gross domestic expenditure reached excessive proportions in

³ In this short review of economic developments reference is made only to major developments, because extensive reviews of short-term economic developments and details of policy measures during the period under discussion have already been provided in the *Annual Economic Reports* and *Quarterly Bulletins* of the South African Reserve Bank, as well as in addresses by the Governor of the Reserve Bank at the Bank's annual general meetings of stockholders and at conferences and other venues during the years from 1986 to 1994.

1988 and threatened to turn the surplus on the current account into a deficit. Real gross domestic expenditure increased by 6½ per cent in 1988, reflecting sharp increases of 12½ per cent and 5½ per cent in real gross domestic fixed investment and real private consumption expenditure. As a result of the excessive spending, the volume of imports rose by no less than 25 per cent. This increase in spending was made possible by an inordinate rise in the money supply in the second half of 1988, amounting to no less than 27 per cent at an annualised rate. In addition, the outflow of foreign capital exceeded anticipated debt repayments. A shift in trade financing from offshore to onshore sources occurred as a result of the increased real interest rate differentials between South Africa and the major financial centres of the world, and an expected depreciation of the rand.

To reduce the growth in money supply and total spending and relieve downward pressure on the exchange rate and the foreign exchange reserves, monetary policy was tightened in a series of steps during 1988 and early 1989. A more restrictive fiscal policy was also introduced in March 1989 and was reinforced in the second quarter by additional measures.

The economy responded to these policy measures and real domestic demand and domestic production either levelled off or declined from the second quarter of 1989. The diffusion indices and other economic indicators show that economic activity levelled off in the first few months of 1989. The cyclical components of the real non-agricultural gross domestic product and of real gross domestic expenditure reached peaks in the fourth quarter of 1988 and in the first quarter of 1989, respectively. The historical diffusion index recorded a peak in March 1989 and the composite coincident business cycle indicator in April. These results suggest that the upward phase of the business cycle ended in the first quarter of 1989, and February 1989 was accepted as the reference peak.

Downward phase: March 1989 to May 1993

The course of economic developments during the downward phase, which started in March 1989, was influenced by cyclical and structural forces and other exogenous factors such as the domestic political transformation, serious droughts and an international economic recession. This was the longest downward phase recorded in the 20th century. A closer investigation reveals that this downturn can be divided into two sub-periods.

In the first period, viz. 1989 to 1990, the downturn of economic activity was not widely dispersed, but restricted to certain sectors. Initially only the real value added by the secondary and mining sectors declined, whereas the real output of the tertiary and agricultural sectors remained buoyant. Domestic production was sustained to an important degree by the continued

strength of merchandise exports⁴. Real private and general government consumption expenditure remained positive, but their growth rates were more modest. However, after showing somewhat slower growth in 1989, the real expenditure on capital equipment and inventories declined in 1990 in response to the lower level of capacity utilisation in the economy, the implementation of rationalisation programmes by public and private sector institutions, the sporadic internal social unrest and violence in various parts of the country.

Monetary policy remained restrictive, in contrast with earlier recessions when policy had been pro-actively applied to stimulate aggregate domestic demand. Since 1989 monetary policy was directed towards protecting the domestic and external value of the rand rather than the short-term stimulation of aggregate domestic demand.

In the second sub-period, from 1991 to 1993, the economy was characterised by a deepening of the recession and the wider dispersion of the downturn. In fact, the historical diffusion index shows that economic activity remained at a relatively low level from the end of 1990 up to middle of 1992 (see Graph 2).

From the fourth quarter of 1990 the decrease in real gross domestic expenditure became more pronounced as real fixed investment continued its descent and real private consumption expenditure started declining. After having declined by 0,7 per cent in 1991, real gross domestic expenditure fell further by 1,5 per cent in 1992. The rate of decrease in aggregate real gross domestic product accelerated from 0,3 per cent in 1990 to 1,0 per cent in 1991 and 2,2 per cent in 1992, (reflecting amongst other, the effects of the serious drought during 1991-1992.)

Towards the end of 1992 and early in 1993 the internal unrest, violence and uncertainties about the outcome of political negotiations caused investors' confidence to deteriorate badly. The outlook for foreign trade was also not encouraging as most industrialised countries still experienced recessionary conditions.

In addition to the impact of the cyclical downturn of economic activity, structural forces, such as the implementation of rationalisation programmes by various

⁴ Business cycle movements in the industrialised countries are usually transmitted to South Africa. The business cycle in South Africa traditionally responded with a time lag to cyclical changes in the industrialised world. Contrary to this historical relationship, the peak of the business cycle in South Africa in February 1989 preceded the turning-points of the business cycle in most industrialised countries. The peaks of the business cycles in the United States of America, United Kingdom, West Germany, France, Italy and Japan only occurred in 1990 and 1991. The increased demand for South African merchandise on account of the higher cyclical level of activity in these countries during the period 1989 to 1991, contributed to the exceptionally strong export performance of South Africa during those years. In the face of reduced domestic output and demand, this development in international trade stabilised the slowdown somewhat during its early stages.

institutions, led to a loss of actual and potential output and a drop in employment levels. In terms of employment losses the recession was more severe than any of its predecessors. Almost 410 000 employment opportunities were lost in the formal non-agricultural sectors.

From the second half of 1992, a number of positive developments became apparent which contributed to an improvement in economic conditions. Agricultural production, which had declined substantially throughout 1992, recovered sharply in the first half of 1993. In other sectors, such as mining and manufacturing, the volume of production also started to increase. Greater financial stability was achieved and the growth in major monetary aggregates and credit extended by monetary institutions to the private sector was reduced. In addition, the inflation rate moved downwards and the exchange rate of the rand became more stable.

The prolonged recession of more than four years bottomed out in the first half of 1993 and economic activity increased in the second half of the year. This is illustrated by the composite business cycle and other indicators. The leading indicator rose from the beginning of 1993 and the coincident indicator reached a lower turning-point in April 1993. The specific turning-points of various output and demand indicators, such as the real gross domestic product and the volume of domestic trade, were clustered in March and in the second quarter of 1993. According to both the historical and the current diffusion indices, a lower turning-point in the business cycle was reached in May 1993. Based on these observations, May 1993 was selected as the final reference date of the trough in the business cycle.

The downturn from 1989 to 1993 compared with those of earlier cycles

The downturn in the business cycle during 1989 to 1993 had in many respects much the same characteristics as earlier downturns in the South African economy. There are, however, marked differences from what could be described as a representative post-war downturn in the business cycle. The recent downturn differed significantly from its predecessors, particularly as far as the average length and depth of recessions are concerned. In some circles it was regarded as the most severe recession experienced in South Africa in this century and has even been labelled by some analysts as a depression rather than a recession.⁵

The weakness of the economy during the 1980s reflected a combination of factors which developed over time and eroded the long-term productive capacity of the

economy, as well as policy measures introduced to correct some of these structural growth impediments⁶ and exogenous forces of a temporary nature that were suppressing domestic output levels. The confluence of these forces lent a distinct character to the 1989-1993 recession, which clearly distinguishes it from earlier recessions.

In the years after the Second World War the intensity of downturns in economic activity in the industrialised world became much milder than those of the 19th and early 20th century. Economic expansion turned into an almost unending process, and it was only during the 1970s that relatively unstable economic conditions returned to the industrialised countries. This greater degree of economic stability in the post-war years was primarily the result of material changes in economic institutions and the pursuit of so-called demand management or macro-economic stabilisation policies.

Instead of showing absolute declines in aggregate income, as was the case in the years prior to the Second World War, slowdowns in economic activity in the years since the 1940s were characterised by slower but still positive economic growth. These downturns were universally referred to as recessions, and not depressions as they were called in the early years of the current century. In recent years the occurrence of crises such as the oil price shocks affected the world economy structurally, but sharp contractions in world output, comparable with those of the years before the outbreak of the Second World War, did not occur.

The Great Depression in the world

The depression of 1929-1933 was experienced in most countries. As indicated in Table 1, industrial production decreased sharply. The overall intensity of the depression was, however, much more severe in the USA, Canada and certain European countries than for example in Japan and New Zealand.

The number of unemployed persons, as a percentage of the economically active population, rose sharply in practically every country and the peaks in unemployment were higher than those recorded previously. In the USA and the United Kingdom, for example, the unemployment rate rose to 24 and 23 per cent, respectively, in 1932.

The contraction in the American, British and German economies was transmitted to other countries through the mechanism of the gold standard. These countries reduced their imports as domestic demand decreased. They also reduced their capital exports or increased their capital imports in response to the tight credit conditions. Because less-developed countries

⁵ Depressions were fairly common occurrences in industrialised economies before the outbreak of the Second World War. Severe slumps in economic activity were recorded during periods such as 1815-1822, 1873-1879 and 1929-1933, which are generally regarded as depressions.

⁶ Lombard, J.A. et al.: *The key issues in the Normative Economic Model*, Central Economic Advisory Services, Pretoria, March 1993.

Table 1. Distribution of the percentage change in industrial production during the Great Depression of the 1930s

Percentage change from peak to trough	Countries
-0,1 to -10	Greece, Japan, New Zealand
-10,1 to -20	Denmark, Romania, Sweden, United Kingdom
-20,1 to -30	Chile, Estonia, Finland, Hungary, Norway
-30,1 to -40	Belgium, France, Italy
-40,1 to -50	Austria, Netherlands
-50,1 to -60	Canada, Czechoslovakia, Germany
-60,1 to -70	Poland, United States of America

Source: League of Nations: *World Production and Prices, 1935/36*, Geneva, 1936.

had low levels of foreign reserves and were unable to raise loan capital, they were forced to sell primary commodities for whatever the market would bring.⁷ Prices and incomes were consequently reduced.

The Great Depression in South Africa

Reliable information for South Africa for the 1930s is very limited, but a selection of the available economic indicators in Table 2 shows that output, employment and some other macro-economic data declined sharply during the cyclical downturn. A comparison of the selected indicators in South Africa and the USA shows that the reduction in economic activity was more severe in the USA than in South Africa.

Although various features of the Great Depression in the USA were also evident in South Africa at that time, the particular stage of development and structure of the South African economy made it less susceptible to the international depression. Gold output, for example, increased throughout the depression years and contributed to greater stability in the economy. Notwithstanding the mining of a lower grade of ore, the gold output increased from 10,3 million fine ounces in 1929 to 11 million fine ounces in 1933, and employment in gold mining increased by more than 40 000 workers over this period to reach 270 000 in 1933.

The Great Depression and cyclical downturn of 1989-1993 in the South African economy

In a comparison of the Great Depression of the 1930s with the downturn of 1989-1993 it is essential to recognise the changes that have taken place in the

structure of production over the past sixty years. The primary-output-oriented economic structure of South Africa in the 1930s was transformed into a more industrialised and service-oriented economy. Agriculture and mining contributed about one-third of total output in the 1930s, compared with an annual average of approximately 18 per cent since the second half of the 1980s. Manufacturing output, on the other hand, contributed only 9 per cent to total output in the 1930s, as against 24 per cent in the period 1985 to 1993. In view of the fact that the primary sector is subject to various exogenous influences, such as erratic climatic conditions and fluctuating commodity prices on international markets, the cyclical developments during the 1920s and 1930s were influenced much more strongly by external shocks than more recent business cycle movements. The more diversified production structure in recent years, together with technological progress, caused fluctuations in economic activity to become more diffused.

Owing to its size and relative openness, the South African economy is still influenced strongly by changes in international trade and is therefore affected by the cyclical oscillations in trading-partner countries. The composition of South Africa's international trade, however, changed significantly between the Great Depression and the recent downturn, which could have had an influence on the timing and extent of the impact of the international business cycle on the domestic business cycle.

Against the background of these fundamental changes in the South African economic structure over the past sixty years, the recent downturn of 1989-1993 may be compared with the Great Depression of 1929-1933. Owing to the lack of national accounts and other comparable short-term statistics for the 1930s, the comparative analysis will be of a more descriptive nature rather than a fundamental statistical investigation. The comparisons had to be confined to the small number of time series for which observations are available for the

Table 2. Comparison of selected economic indicators in South Africa and the USA during the Great Depression of the 1930s

	USA	SA
GNP/GDP at current prices	-46	-22
Employment:		
Manufacturing	-38	
Manufacturing, mining and transport		-13
Construction contracts:		
Residential buildings.....	-87	
Total buildings.....	-78	-57
Industrial share prices	-79	-39

⁷ Kindleberger, C.P.: *The World in Depression, 1929-1939*, University of California Press, Berkeley, 1973, p.144.

Great Depression and the recession of 1989-1993. The following graphs show the accumulated percentage change in the observations of the relevant time series from their values in the business cycle peak years of 1929 and 1989 for the duration of the downturn.

As shown in Graph 4, the gross domestic product at current prices increased during the period 1989-1993 compared with its declining tendency during the period 1929-1932. This difference largely reflects the differences in price movements between the two periods. Wholesale prices declined sharply during the Great Depression, whereas the level of production prices continued to rise during the 1989-1993 phase. Applying the wholesale price index as deflator for the gross domestic product at current prices during 1929-1932 and comparing this real value with the real gross domestic product during the downturn phase in 1989-1993, it would appear that the reduction in real output was, in fact, about the same, i.e. it declined at an average annual rate of $\frac{1}{2}$ per cent during both periods.

During the first three years of the business cycle downturn the decline of employment in manufacturing, mining and transport was more severe during the Great Depression than in 1989-1993. Owing to the severity and duration of the 1989-1993 downturn, the number of people employed declined further in the fourth year of the recession to a level more or less comparable to the change that took place in the depression in the 1930s.

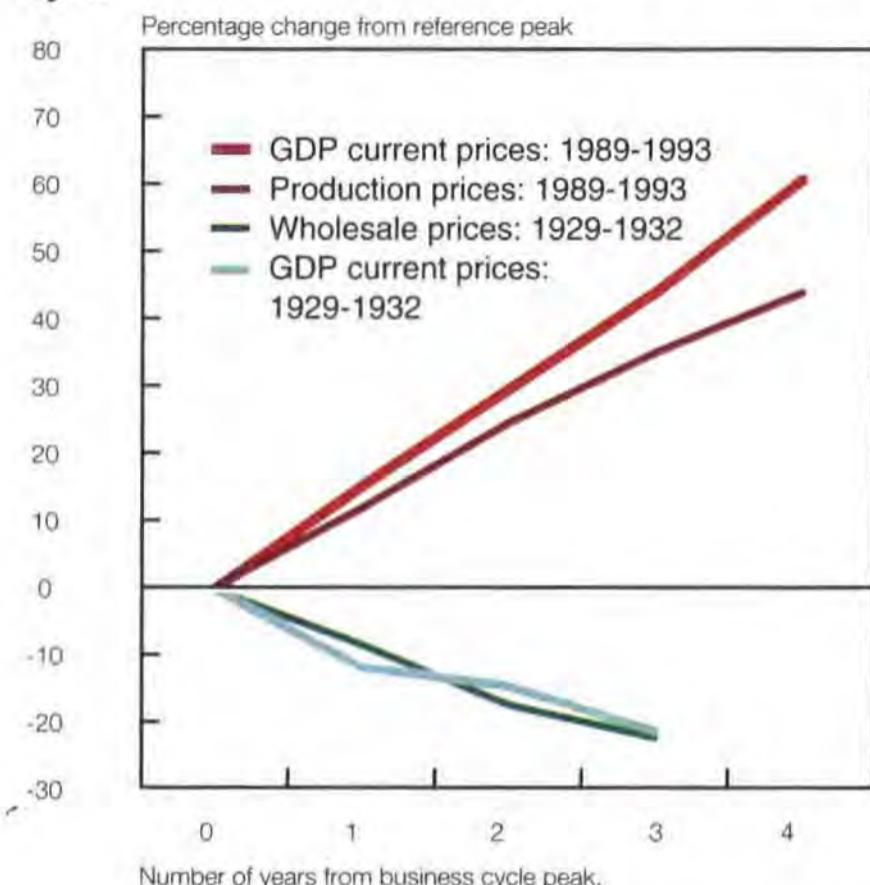
The cyclical comparisons of selected indicators relating to real demand and output in Graph 6 show that large reductions were recorded in these aggregates during the Great Depression. The relatively moderate declines or slight growth of these indicators during the 1989-1993 downturn confirm that this downturn was not as deep as, and, therefore, had less serious repercussions than the Great Depression.

The 1989-1993 business cycle downturn and other downturns since 1960

Compared with other downturns of the business cycle since 1960 in the industrialised countries and in South Africa, the recession of 1989-1993 in South Africa has been exceptionally long, lasting 51 months against an average of 19 months in South Africa (1960-1986) and of 20 months in the industrial countries. As pointed out earlier, various factors contributed to the protractedness of the downturn and the under-performance of the economy.

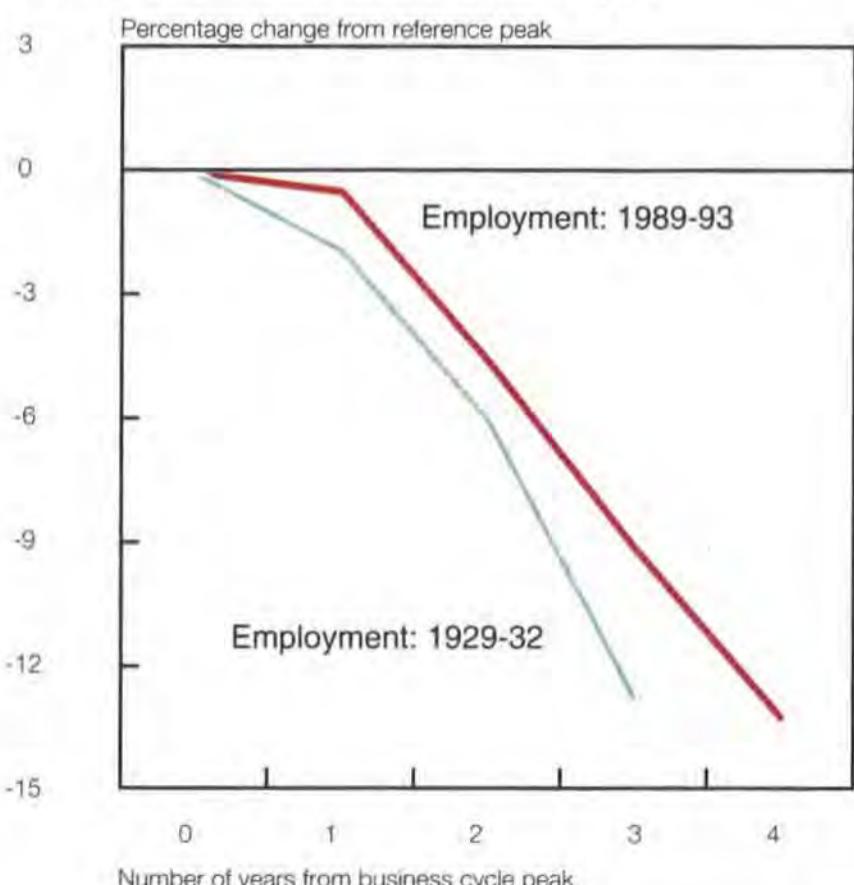
As shown in Graph 7, the real non-agricultural gross domestic product declined sharply in 1989-1993 and remained well below its most recent peak value. The average annual rate of decline amounted to 0,4 per cent from the peak of the business cycle in the first quarter of 1989 up to the second quarter of 1993. This compares poorly with the lower but still positive economic growth rates recorded during the recession phases of the period 1960 to 1980.

Graph 4: Comparison of total production and prices in the downward phase of the business cycle

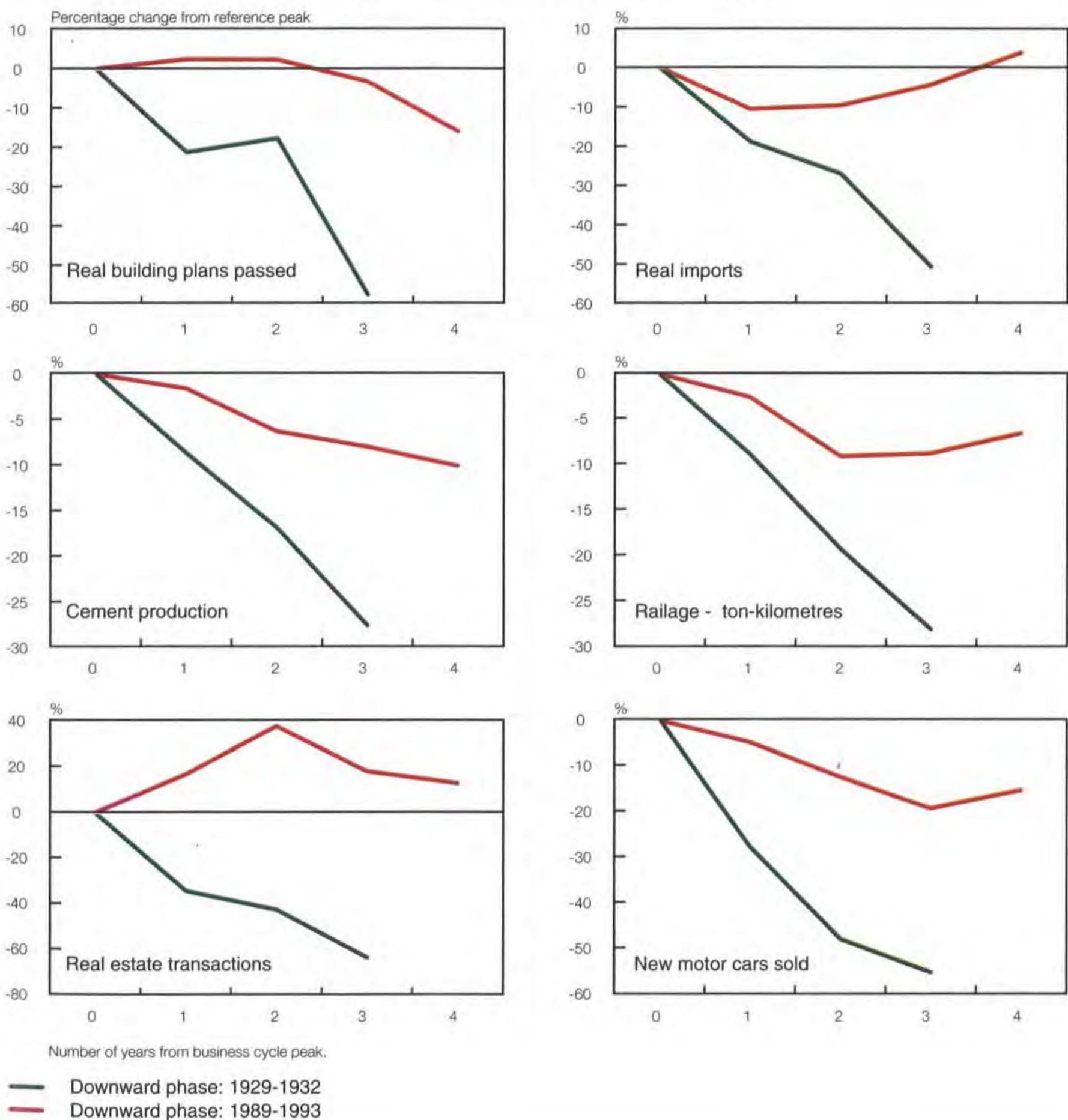


Notwithstanding its long duration, the decline in real output in the 1989-1993 phase was not as steep as during the 1981-1983 and 1984-1986 recessions. In the 1981-1983 recession real gross domestic product,

Graph 5: Comparison of employment in the downward phase of the business cycle



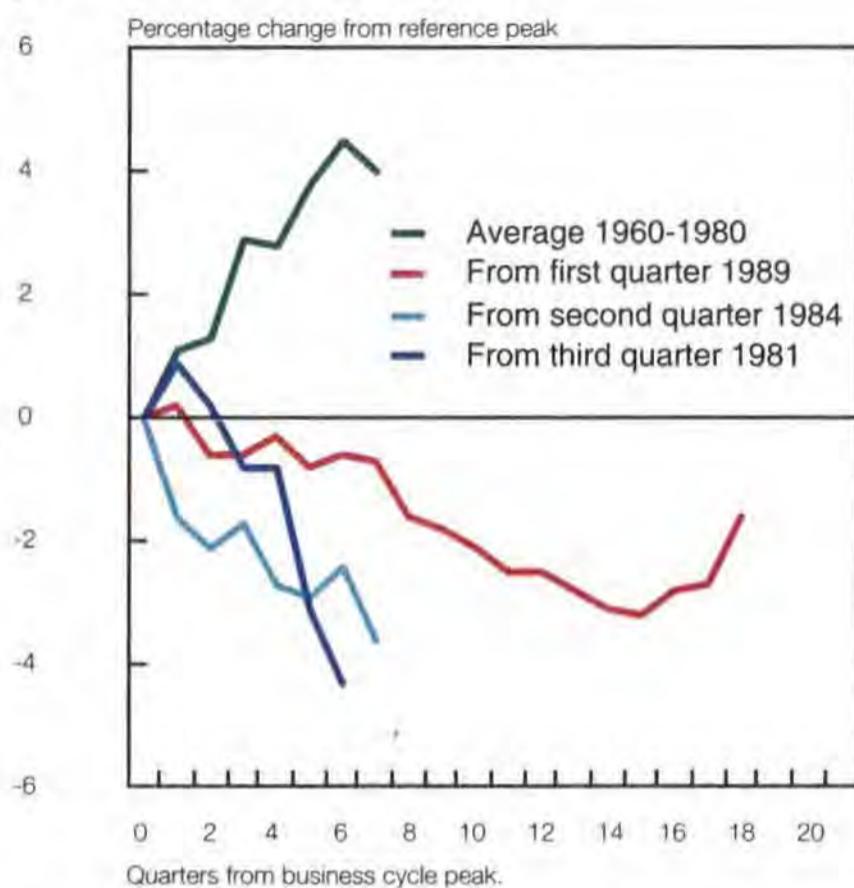
Graph 6: Comparison of selected economic indicators in the business cycle



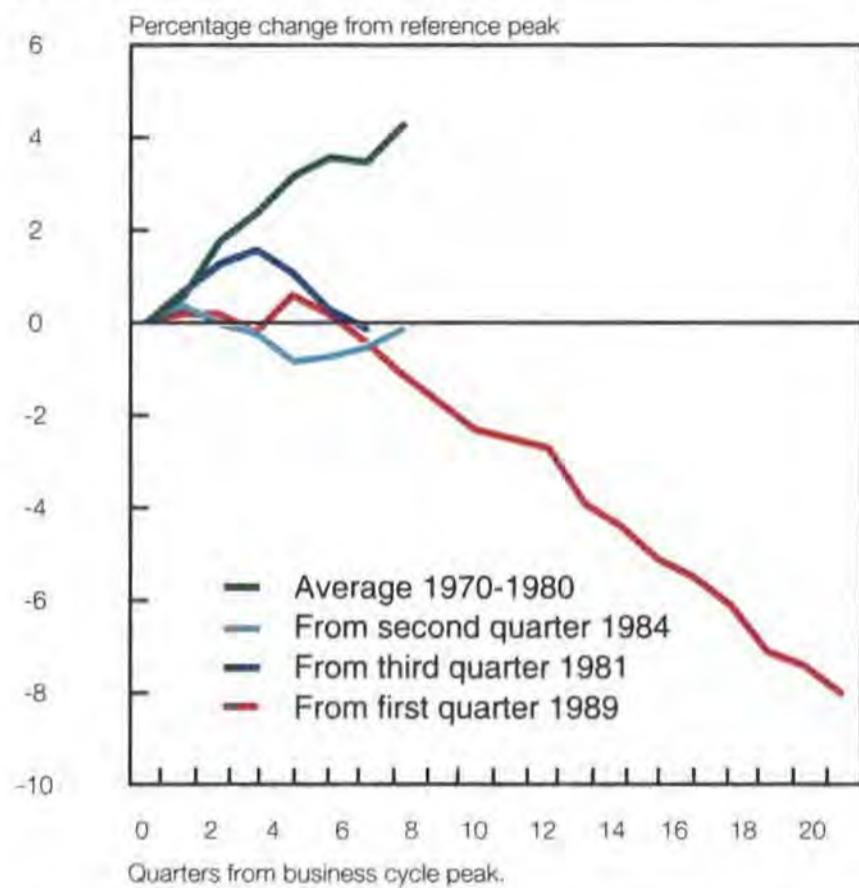
excluding agriculture, contracted at an annual rate of 2,3 per cent and in the 1984-1986 recession at an annual rate of 2,7 per cent. However, what made the decline in the 1989-1993 downturn very severe was the fact that it occurred after a period of poor secular growth in the economy. It therefore started off from a relatively low level and had a serious effect on employment in South Africa.

During the initial stage of the 1989-1993 downturn employment in the non-agricultural sectors remained relatively constant, compared with rising employment in the downturns of the 1970s and early 1980s. Six quarters after the peak of the business cycle in 1989 the labour situation deteriorated to such an extent that employment losses became more severe than during

Graph 7: Change in real gross domestic product, excluding agriculture, during the recession phases of the business cycle



Graph 8: Change in employment in the non-agricultural sectors during the recession phases of the business cycle



previous recessions. Labour-shedding continued in response to both cyclical and structural changes in the labour market and more than 400 000 job opportunities were lost in the formal sectors of the economy during this phase.

Summary and concluding comments

An overview of the successive upward and downward phases of the business cycle in the South African economy confirms that recurring business cycles have much in common, but also that each cycle has its unique features. In a broad sense, the changes in the various economic processes and activities during the business cycle in 1986-1993 are in many ways similar to those of previous cycles in South Africa. The recent downturn during the period 1989 - 1993 nevertheless differs significantly from its predecessors in that it occurred around a growth trend that was much flatter than the growth trend applicable to earlier recessions. The flatness of the growth trend in recent years was only partly related to the lack of macro-economic balance in the economy. Equally important was the impact of socio-political change on the economy.

A comparison of the recent downturn with the Great Depression of the 1930s revealed that certain developments during the Depression were not repeated in 1989-1993. Extreme speculation and panic did not occur, nor was money destroyed on such a wide scale as during the Depression. Despite its protracted nature,

the downturn of 1989-1993 was not as severe as the Great Depression of the 1930s.

Perhaps the most unique feature of the recession of 1989-1993 is that it occurred in a setting of rather dramatic social and political change in South Africa. The uncertainties created by the political changes that were taking place during this period prevented the restoration of the country's former growth momentum and delayed a recovery. Rather than portraying an economy in depression, the statistical evidence on the recession of 1989-1993 is indicative of an economy struggling to overcome the economic side-effects of political transition and certain structural weaknesses which prevented it from moving back onto a steeper growth path.

Kwartaallikse ekonomiese oorsig

Inleiding

Die oplewing in die ekonomiese bedrywigheid, wat teen die middel van 1993 taamlik sterk aan die gang gekom het en toe met die politieke oorgang gedurende die eerste helfte van 1994 effens wankelrig vertoon het, het in die tweede helfte van 1994 heelwat verlore stukrag herwin en teen 'n hoë en versnellende koers verstewig. Die groei in die binnelandse produksie was wydverspreid en positiewe groeikoerse is in al die belangrikste ekonomiese sektore, met die uitsondering van die mynbou, aangeteken. Die ontginding van erts met 'n laer goudinhoud, onbestendige arbeidstoestande, die sluiting van sommige myne en tegniese probleme wat in die produksieproses ondervind is, het die goudproduksie aan bande gelê en was grotendeels vir die afname in die reële toegevoegde waarde van die mynbou verantwoordelik.

Vanweë die sterk groei in die reële binnelandse produksie en die verbetering in die ruiervoet van Suid-Afrika, het die reële bruto nasionale produk van die land in 1994 met 3½ persent gestyg. Dit was die eerste jaar sedert 1988 waarin die groei in die reële bruto nasionale produk die bevolkingaanwas oorskry het. Die reële bruto nasionale produk per capita het gevoldiglik sommige van sy vorige verliese herwin en met 1 persent tot 'n vlak van ongeveer R6 650 in 1994 toegeneem.

Hoewel 'n deel van die styging in die binnelandse produksie met 'n toename in die uitvoer verband gehou het, het die aansporing vir die styging in die produksie hoofsaaklik uit 'n aansienlike toename in die binnelandse vraag ontstaan. Al die komponente van die binnelandse besteding het gedurende 1994 skerp gestyg en tot 'n toename van 6 persent in die reële bruto binnelandse besteding bygedra. Ondanks 'n klein toename in die reële persoonlike beskikbare inkomse, het die reële private verbruiksbesteding dwarsdeur 1994 teen 'n stygende koers toegeneem; die grootste stukrag het van die besteding aan duursame en semi-duursame goedere gekom. Die hoér geneigdheid om te verbruik was slegs moontlik gemaak deur die benutting van besparing en 'n skerp styging in verbruikerskrediet, wat dui op 'n toestand wat nie volgehou sal kan word nie tensy die inkomse van huishoudings sterker begin styg. Die reële verbruiksbesteding van die regering het hoofsaaklik as gevolg van die politieke oorgang ook skerp in 1994 toegeneem.

Meer bemoedigend is die groter stukrag in die herstel van vaste kapitaalvorming in 1994, wat vir die toekomstige groei in inkomse goeie vooruitsigte inhoud. Die koers van toename in die reële bruto binnelandse vaste investering het dwarsdeur 1994 versnel en het vir die volle kalenderjaar tot 'n styging van 7 persent in

hierdie bestedingstotaal geleid. 'n Aansienlike deel van hierdie toename kan aan die investering in 'n paar groot kapitaalprojekte toegeskryf word, maar dit was ook waarneembaar in die verhoogde kapitaaluitgawes in sektore soos die ander vervaardigingsbedrywe, die landbou, die mynbou en die finansiële dienste. Die toename in investering het hoofsaaklik in die private sektor plaasgevind, maar uitbreidings aan die elektrisiteitsnetwerkstelsel het tot 'n toename in die investering deur die openbare korporasies aanleiding gegee. Die positiever ingesteldheid van die sakegemeenskap het ook in 'n voortgesette opbouing van voorrade tot uiting gekom.

Die vinnige koers van toename in 1994 in die binnelandse besteding, veral in die besteding aan kapitaalvorming, het 'n skerp styging in die hoeveelheid van die invoer van goedere veroorsaak; die fisiese omvang van die invoer het trouens teen 'n baie vinniger koers as die reële bruto binnelandse besteding toegeneem. Hierdie styging in die grensgeneigdheid om in te voer was egter nie buitengewoon hoog vir hierdie fase van die konjunktuur nie en was laer as die gemiddelde verhouding in die voorafgaande tien jaar. Die styging in die invoer het gevoldiglik in 'n groot mate verband gehou met 'n styging in en verandering van die samestelling van besteding en is klaarblyklik nie 'n aanduiding van 'n algemene prysvoordeel van ingevoerde goedere nie.

Aangesien die styging in die waarde van die invoer en betalings vir dienste die styging in die opbrengs uit die goedere-uitvoer en die netto gouduitvoer oorskry het, het die oorskot op die lopende rekening van die betalingsbalans in die eerste helfte van 1994 begin verswak en in die tweede helfte van die jaar in 'n taamlike groot tekort verander. Die saldo op die kapitaalrekening het oor dieselfde tydperk van 'n netto uitvloeiing na 'n groot netto invloeiing van kapitaal verander. Dit was 'n opmerklike prestasie as rekening gehou word met die verpligtings wat in 1994 betaalbaar geword het. Die grootste deel van die netto invloeiing van kapitaal het met die handel verband gehou, maar teen die einde van die jaar het die betreklik gunstige kredietgradering van Suid-Afrika en die verdere normalisering van internasionale finansiële betrekkinge ook 'n netto invloeiing van langtermynkapitaal veroorsaak.

Die invloeiing van kapitaal was groter as die tekort op die lopende rekening. Die netto en bruto goud- en ander buitelandse reserwes van die land het dus in die tweede helfte van 1994 taamlik skerp gestyg, wat tot 'n bestendiger wisselkoers van die rand bygedra het. Die nominale sowel as die reële effektiewe wisselkoers van die rand het nietemin per saldo in 1994 skerp gedaal. Aan die einde van daardie jaar was die reële effektiewe wisselkoers van die rand nie minder nie as 6½ persent laer as aan die einde van 1992.

Die skerp depresiasié in die eksterne waarde van die rand, tesame met stygende oliepryse, ontwrigtings in die aanbod van landbouprodukte en die sterk binnelandse vraag, het 'n tydelike ommekeer in die afwaartse beweging van produksie- en verbruikersprysinflasie veroorsaak. Sommige van hierdie prysverhogende kragte het egter in die vierde kwartaal van 1994 begin kwyn en die toename van kwartaal tot kwartaal in die produksie- en verbruikersprysindeks het skerp gedaal.

Die voortgesette skerp styging in binnelandse kredietverlening en die geldvoorraad was desondanks duidelike aanduidings van 'n opbouing van inflasionistiese druk en die gevaar dat die betalingsbalans in 'n onhoudbare posisie kon inbeweeg. Kredietverlening het deur die hele 1994 vinnig en teen 'n toenemende koers gestyg. Bowendien toon 'n ontleding van die monetêre instellings se eise teen die private sektor volgens soort krediet, dat krediet grotendeels verleen is om 'n toename in die verbruikersvraag te finansier. Hierdie styging in die kredietvraag was ook verantwoordelik vir hoë koerse van toename in al die monetêre totale en ook vir die feit dat die toename in M3 aansienlik hoër as die boonste perk van die riglyngrense gebly het. Die toename in die likwiditeitsvoorkleur van die private sektor het ook tot die hoë vraag na geld bygedra.

As 'n weerspieëling van hierdie toestande het rentekoerse, wat in Februarie 1994 begin verstewig het, oor die algemeen gedurende die res van 1994 en in die eerste sewe weke van 1995 verder gestyg. Die sterk opwaartse beweging in die opbrengskoerse op langtermyn-effekte in die eerste helfte van 1994 het daar toe gelei dat die opbrengskoerskromme steiler geword het; hierdie kromme het later weer afgeplat namate korttermynopbrengskoerse voortgegaan het om te styg en langtermynopbrengskoerse bestendiger geraak het. Die stygende helling van die opbrengskoerskromme oor die eerste deel van die aflossingstruktuur het duidelik op verwagte verdere toenames in korttermynrentekoerse gedui.

In die lig van die voortgesette versnelling in die groei van die geldvoorraad en binnelandse kredietverlening, die gevaar van stygende prysinflasie, die opwaartse beweging in markverwante rentekoerse en gebeure op die betalingsbalans, het die owerhede besluit om 'n meer beperkende monetêre beleidsingesteldheid te aanvaar (sien die volledige monetêre beleidsverklaring wat in hierdie *Kwartaalblad* gepubliseer is). Die President van die Reserwebank het gevvolglik op 20 Februarie 1995 die volgende veranderings in monetêre beleid aangekondig:

- 'n Verhoging in die Bankkoers van 13 tot 14 persent op 21 Februarie 1995, dit wil sê die koers waarteen die Reserwebank akkommodasie aan die banke verskaf met skatkiswissels, staatseffekte, wissels van die Reserwebank en Landbankwissels met 'n uitstaande looptyd van minder as 92 dae as onderpand. Terselfdertyd is die koers op oornaglenings wat teen onderpand van dieselfde finansiële bates met uitstaande

looptye van 92 dae en langer maar minder as 3 jaar verleen word, van 14 tot 15% persent per jaar verhoog.

- Riglynperke vir die aanvaarbare groei in die M3-geldvoorraad vanaf die vierde kwartaal van 1994 tot die vierde kwartaal van 1995 is op 6 tot 10 persent vasgestel, vergeleke met die 6 tot 9 persent gedurende die voorafgaande jaar. Die hoë boonste perk neem die moontlikheid van hoë reële groei in die bruto binnelandse produk in 1995 in ag, terwyl die onveranderde onderste grens van 6 persent die Reserwebank se voorname weerspieël om inflasie te bekamp.
- 'n Toename in die basiese minimum kontantreservereiste van 1 persent tot 2 persent van die banke se totale laste (minus kapitaal en reserwes) vanaf 21 Maart 1995. Die bykomende reserwevereiste van 1 persent van korttermynverpligtings waarop rente betaal word, is behou.
- Kwantitatiewe riglyne vir die banke ten opsigte van die maksimum bedrag aan krediet wat in 1995 aan die private sektor verleen behoort te word ten einde uitvoering aan die beleidsoogmerke van die owerhede te gee. Hierdie riglyne is nie verpligtend nie, maar maak staat op die samewerking van die banke om die inflasiekoers te bedwing.

In die finansiële markte het die private sektor se vraag na fondse in die primêre kapitaalmarkte in 1994 afgeneem, wat 'n aanduiding is van die sterk finansiële posisie van sakeondernemings en die feit dat sommige maatskappye kapitaal deur middel van omskepbare Euro-effekte opgeneem het. In vergelyking met die voorafgaande jaar het die netto lenings van die openbare sektor in die primêre effektemark in die kalenderjaar 1994 ook opmerklik teruggesak as gevolg van die beleid wat deur die regering gevvolg is om die financiering van die skatkistekort meer eweredig oor die jaar te versprei.

Geldmarktoestande het in 1994 betreklik stram gebly, terwyl die lewendige toestande in die sekondêre effekte- en aandelemark in die vierde kwartaal van 1994 en die eerste maand van 1995 begin het om af te plat. Nadat 'n nuwe hoogtepunt in November 1994 bereik is, wat 93 persent bo die onderste draaipunt in Oktober 1992 was, het aandelepryse begin daal. Die omset in die afgeleide markte, verbandmark en vaste eiendomsmark het egter dwarsdeur 1994 toegeneem.

Op die gebied van die openbare finansies lyk dit uit die inligting vir die eerste tien maande van die fiskale jaar 1994/95 redelik seker dat die regering suksesvol sal wees in die bereiking van sy doelwit om die skatkistekort voor lenings en skuldaflossings in verhouding tot die bruto binnelandse produk te verminder. Die koerse van toename van jaar tot jaar in sowel skatkisuitreikings as -ontvangste was gedurende hierdie tydperk egter aansienlik hoër as die koerse van toename wat in die Begroting vir die fiskale jaar in die geheel voorsien is. Die

verdere skerp styging in staatskuld in verhouding tot die bruto binnelandse produk in 1994, is nietemin 'n duidelike waarskuwingsteken dat die vlak van die skatkistekort so gou as moontlik verminder moet word.

'n Onlangse belangrike positiewe ontwikkeling in die staatsfinansies was die afname in die ontsparing deur die algemene owerheid in verhouding tot die bruto binnelandse produk van 'n hoogtepunt van 6½ persent in die eerste kwartaal van 1993 tot 3 persent in die vierde kwartaal van 1994. Hierdie kleiner verhouding van ontsparing is egter nie behaal deur die verhouding van lopende staatsuitgawes tot bruto binnelandse produk te verminder nie, maar was die gevolg van 'n skerp styging in belastingontvangste. Dit het dus moontlik 'n verskuiwing van besparing van die private na die openbare sektor weerspieël, veral 'n afname in die besparingsverhouding van huishoudings. Die verhouding van die totale binnelandse besparing tot die bruto binnelandse produk het dienooreenkomsdig in die kalenderjaar 1994 in die geheel onveranderd gebly, hoewel dit in die vierde kwartaal van die jaar effens toegeneem het.

Binnelandse ekonomiese ontwikkelings

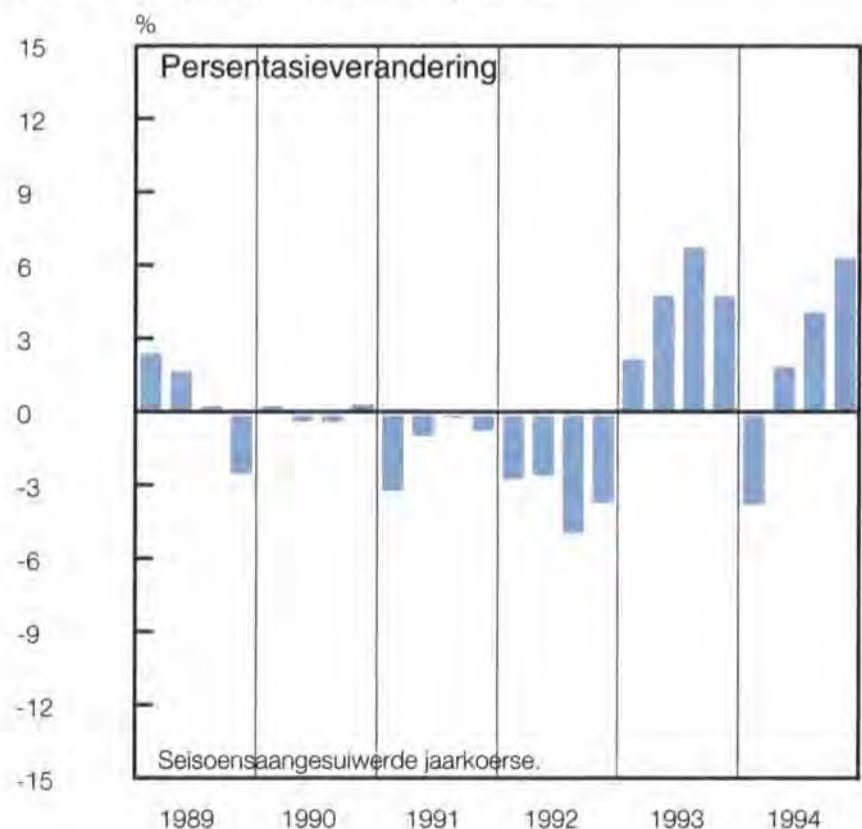
Binnelandse produksie

Die verandering in die *totale reële bruto binnelandse produk* teen 'n seisoensaangesuiwerde jaarkoers het omgeswaai van 'n afname van 3½ persent in die eerste kwartaal van 1994 na opwaarts hersiene toenames van 2 persent in die tweede kwartaal en 4 persent in die derde kwartaal. In die vierde kwartaal van 1994 het die jaarkoers van toename in die binnelandse produksie verder tot 6½ persent versnel; dit het die seisoensaangesuiwerde reële waarde van die bruto binnelandse produk tot ongeveer 1½ persent bokant die vorige hoogtepunt in die derde kwartaal van 1989 geneem.

Nadat negatiewe groei in die reële bruto binnelandse produk in die tydperk 1990 tot 1992 aangeteken is, het dit met 1 persent in 1993 en met 2½ persent in 1994 gestyg. Die groei in 1994 is ongelukkig deur die politieke oorgangsproses sowel as arbeidsonrus en werkstopsettings ontwrig, wat die reële bruto binnelandse produk verhinder het om nog sterker te styg. Die groei in die binnelandse produk was nietemin wydverspreid en al die sektore, behalwe die primêre sektore, het tot die versnelling in die groei van produksie bygedra.

Hoewel die mielie-oes met meer as een derde bokant die reeds hoë vlak van die vorige jaar gestyg het, het die groei in *landbouproduksie* in 1994 betekenisvol verlangsaaam. Landbouproduksie is teruggehou deur die opbouing van kuddes deur veeboere toe weidingstoestande begin verbeter het, uitgebreide rypskade aan

Reële bruto binnelandse produk



groenteproduksie gedurende die wintermaande, 'n ernstige siekte wat hoenderproduksie beïnvloed het en 'n koringoes wat heelwat kleiner was as gedurende die vorige seisoen.

Mynbouproduksie het in die tweede helfte van 1994 effens herstel en in die derde sowel as die vierde kwartaal teen 'n jaarkoers van $\frac{1}{2}$ persent gestyg; dit het gevvolg op 'n aansienlike afname in die eerste helfte van die jaar. 'n Oplewing in die internasionale vraag na onedele metale en minerale sowel as 'n voortgesette sterk groei in die produksie van die steenkoolmyne was hoofsaaklik vir die toename in die reële toegevoegde waarde van die mynbou verantwoordelik. Die reële produksie deur die mynbousektor het nogtans in 1994 met $2\frac{1}{2}$ persent afgeneem, hoofsaaklik vanweë 'n daling in die goudproduksie wat verband gehou het met die ontginning van erts met 'n laer goudinhoud en tegniese probleme wat in die produksieproses ondervind is.

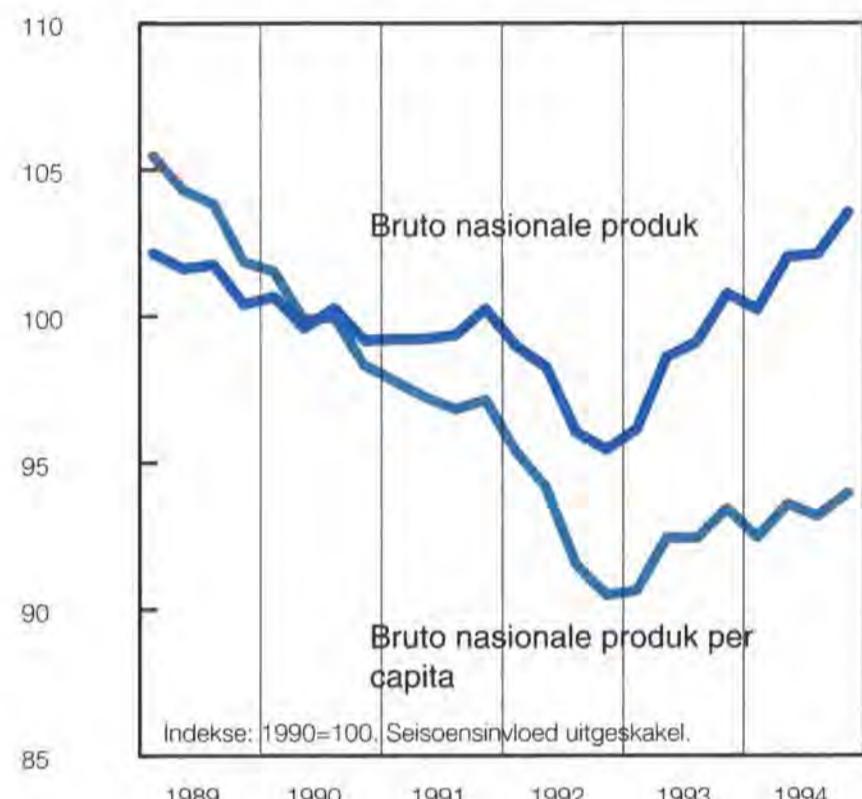
Produksiehoeveelhede in die sekondêre sektore het teen die einde van 1994 sterk begin styg en die groei in die vierde kwartaal word tans teen 'n jaarkoers van 8 persent geraam. Die vernáamste stukrag vir hierdie sterk groei het van die fabriekswese gekom. Daar word geraam dat fabrieksproduksie in 1994 met ongeveer $2\frac{1}{2}$ persent gestyg het; die groei in hierdie sektor in 1993 was minder as $\frac{1}{2}$ persent. Die toename in die vraag na elektrisiteit en die uitbreiding van dienslewering het geleid tot 'n voortgesette sterk koers van toename in die produksie van die sektor wat elektrisiteit, gas en water verskaf, terwyl die produksie in die konstruksiesektor dwarsdeur 1994 teen 'n bestendige maar betreklik beskeie koers gestyg het.

Al die tersiêre sektore het in 1994 tot 'n baie vinniger uitbreiding van produksie bygedra. Die reële toegevoegde waarde van die tersiêre sektore het in daardie jaar met 2 persent gestyg, vergeleke met 'n toename van slegs $\frac{1}{2}$ persent in 1993. Nadat die reële toegevoegde waarde van die tersiêre sektor gestyg het teen jaarkoerse wat in die eerste drie kwartale van 1994 tussen 2 en $2\frac{1}{2}$ persent gewissel het, het dit in die vierde kwartaal teen 'n jaarkoers van 4 persent toegeneem.

Die produksievlekke in die groot- en kleinhandelssektore het in die vierde kwartaal van 1994 toegeneem met sterk groei wat veral in die motorhandel voorgekom het omdat handelaars gepoog het om die verliese van die derde kwartaal in te haal toe die staking in die motorvervaardigingsbedryf die normale handel ontwrig het. Die handel- en akkommodasiesektor het voordeel getrek uit 'n toename in die aantal binnelandse en buitelandse toeriste. Die reële toegevoegde waarde deur die handel het derhalwe vir 1994 in die geheel met 3 persent gestyg, dit wil sê teen 'n aansienlike hoér koers as die $\frac{1}{2}$ persent wat in 1993 aangeteken is.

Die hoë vlak van bedrywigheid in die nywerheid- en handelsektore en die aansienlike toename in die omvang van die handel het meegebring dat die toegevoegde waarde van die sektor *vervoer, opberging en kommunikasie* in al vier die kwartale van 1994 teen 'n

Reële bruto nasionale produk



jaarkoers van ongeveer 2 persent toegeneem het en dat die groei in hierdie sektor vir die jaar in die geheel op $3\frac{1}{2}$ persent te staan gekom het. Die algemeen lewendige toestande in die finansiële markte en die oplewing in die transaksies in vaste eiendom het dwarsdeur 1994 hoë kwartaallikse groeikoerse teen 'n jaarkoers van meer as 4 persent, in die sektor finansies, vaste eiendom en besigheidsdienste gerugsteun.

As gevvolg van die sterk groei in die reële binnelandse produksie en 'n verbetering in die ruiervoer van Suid-Afrika, het die *reële bruto nasionale produk* van die land in 1994

Tabel 1. Groei in die reële bruto binnelandse produk per sektor

Persent

	1992	1993	1994
Primêre sektore.....	-8%	6%	1
Landbou	-27%	16%	9
Mynbou	1%	2%	-2%
Sekondêre sektore.....	-3	0	2%
Fabriekswese.....	-3	0	2%
Tersiêre sektore.....	0	$\frac{1}{2}$	2
Handel	-2%	$\frac{1}{2}$	3
Vervoer	2	2%	3%
Finansies.....	$\frac{1}{2}$	$\frac{1}{2}$	2%
Totaal.....	-2%	1	2%

met 3½ persent gestyg. Die reële bruto nasionale produk wat sedert die begin van 1993 begin styg het, het dus in 1994 verder toegeneem. Nadat die reële bruto nasionale produk per hoof van die bevolking met 14½ persent van die begin van 1989 tot aan die einde van 1992 afgeneem het, het dit sommige van hierdie verliese herwin en teen 'n jaarkoers van 3½ persent tot 'n vlak van ongeveer R6 700 in die vierde kwartaal van 1994 toegeneem.

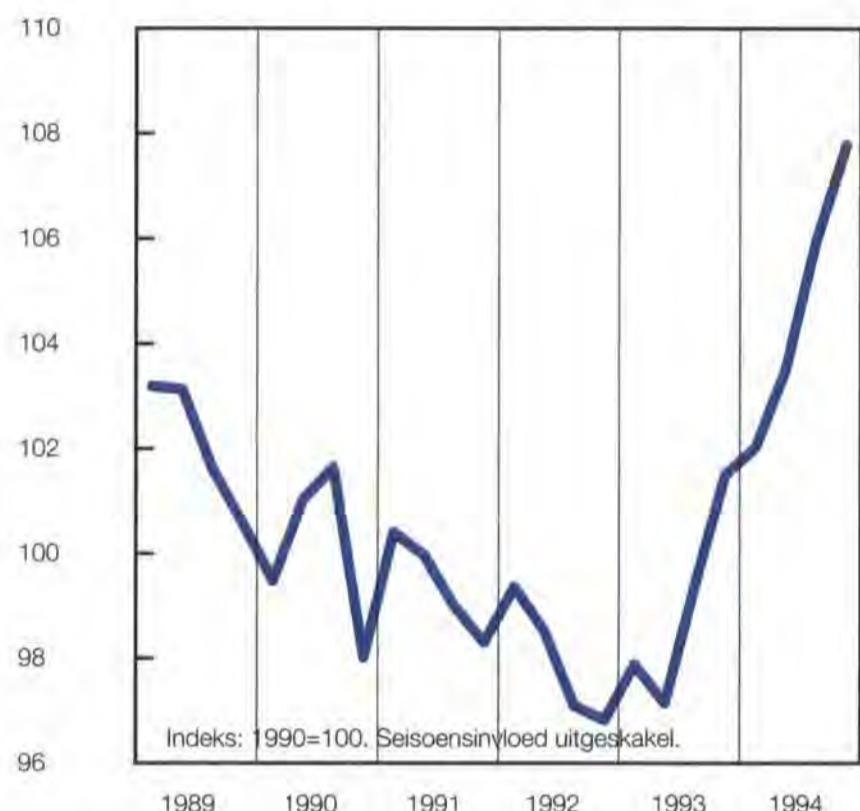
Binnelandse besteding

Die totale reële bruto binnelandse besteding het in die vierde kwartaal van 1994 vir die sesde agtereenvolgende kwartaal aangehou om teen 'n vinnige koers toe te neem. Toenames in al die hoofkomponente van besteding het tot 'n toename teen 'n seisoensaangesuiwerde jaarkoers van 7 persent in die vierde kwartaal bygedra. Vir die volle kalenderjaar word die groei in die reële binnelandse besteding op 6 persent geraam; in 1993 het dit met slegs 1 persent toegeneem. Die voortdurende skerp toename in alle vorme van besteding het veroorsaak dat die totale reële bruto binnelandse besteding in die vierde kwartaal van 1994 toegeneem het tot 'n vlak wat 11 persent hoër was as die onderste draaipunt in die tweede kwartaal van 1993.

Nadat die groei in die reële private verbruiksbesteding agtereenvolgens teen jaarkoerse van 2 persent, 3 persent en 3½ persent in die eerste drie kwartale van 1994 toegeneem het, het dit in die vierde kwartaal verder versnel tot 4 persent. Dit het die toename in die reële private verbruiksbesteding in die kalenderjaar 1994 op 2½ persent te staan gebring. Hoewel al die hoofkomponente tot hierdie hoë groei bygedra het, het die vernaamste stukrag van die besteding aan duursame en semi-duursame goedere gekom (sien tabel 2). Die toename in die reële verbruiksbesteding deur huishoudings het die groei in die reële persoonlike beskikbare inkome van 1½ persent in 1994 oortref, wat daarop dui dat die gemiddelde verbruiksgeneigdheid toegeneem het en dat 'n groot deel van hierdie toename deur verbruikerskrediet gefinansier is.

Die groei in die reële verbruiksbesteding deur die algemene owerheid, wat in die eerste kwartaal van 1994 'n jaarkoers van 7 persent bedra het, het in die volgende drie kwartale skerp afgeneem en in die vierde kwartaal

Reële bruto binnelandse besteding



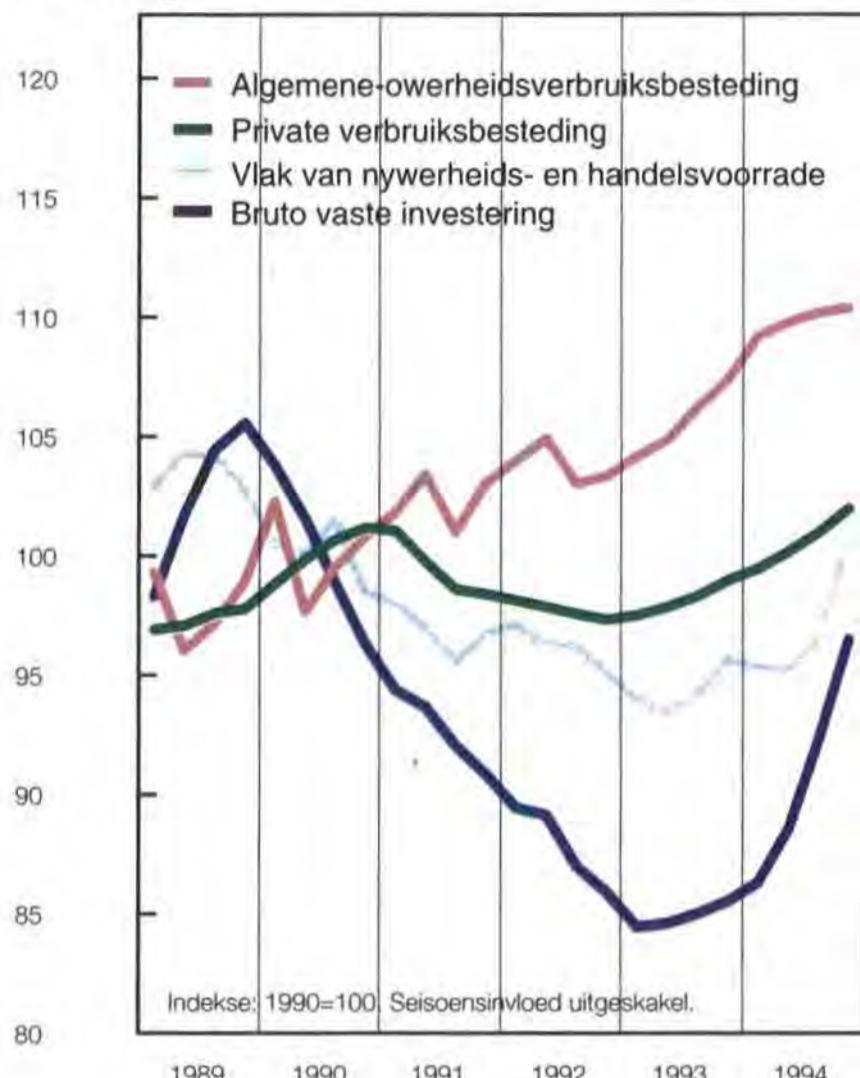
van 1994 'n vlak van slegs 1 persent bereik. Hierdie vermindering in die groei van owerheidsverbruik kon egter nie 'n toename van 4 persent in hierdie grootheid vir die kalenderjaar 1994 verhinder nie; in 1993 het dit met 2 persent gestyg. Die skerp toename in die reële besteding van die owerheid aan verbruiksgoedere en -dienste in 1994 was hoofsaaklik die gevolg van die politieke oorgangsproses.

Opwaarts hersiene ramings toon dat die totale reële bruto binnelandse vaste investering (seisoensaangesuiwerd) in die eerste drie kwartale van 1994 teen jaarkoerse van 3½, 10½ en 18 persent toegeneem het. Dit is in die vierde kwartaal deur 'n toename van 19½ persent gevolg. Die reële bruto vaste investering het daarom vir dié jaar in die geheel teen 'n hoë koers van 7 persent gestyg – dit was die eerste jaar-tot-jaar toename sedert 1989. Hierdie toename in die kapitaalvorming was

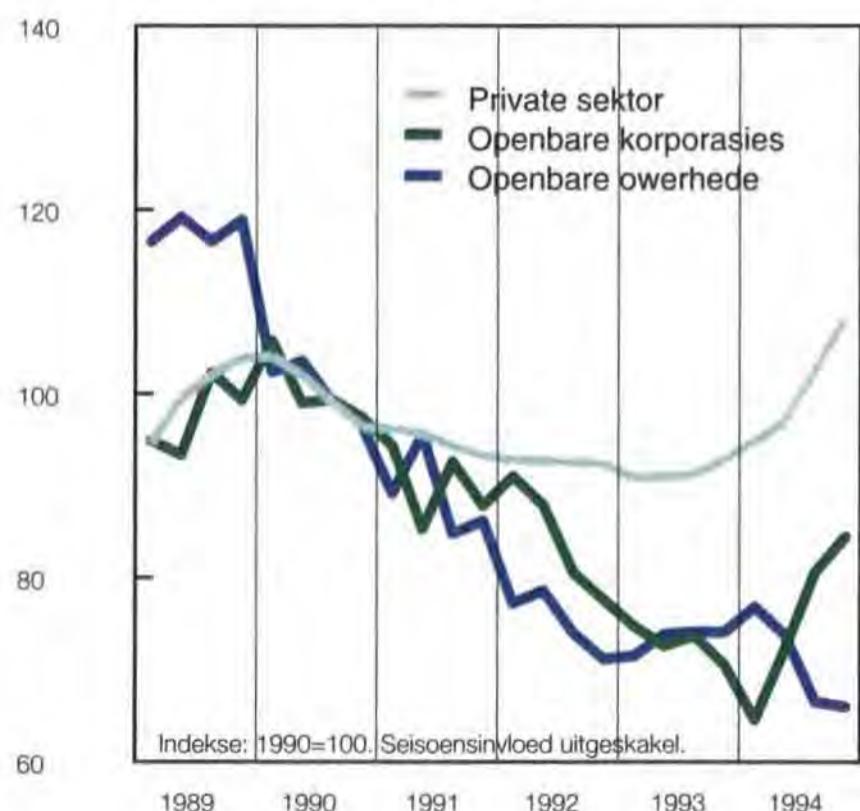
Tabel 2. Persentasieverandering in reële private verbruiksbesteding, 1994
Seisoensaangesuiwerde jaarkoers van kwartaal tot kwartaal

	1e kw	2e kw	3e kw	4e kw	1994
Duursame goedere.....	4	4	5	6	4
Semi-duursame goedere	3½	3½	4½	5½	3½
Nie-duursame goedere.....	1½	3	3	3½	2½
Dienste.....	1	2	2	3½	1½
Totaal	2	3	3½	4	2½

Hoofkomponente van reële bruto binnelandse besteding



Reële bruto binnelandse vaste investering



die gevolg van 'n uitbreiding in die reële besteding aan kapitaaltoerusting deur die private sektor en openbare korporasies, wat 'n verdere daling in die reële bruto binnelandse vaste investering deur openbare owerhede meer as net teengewerk het.

Die reële vaste kapitaalvorming deur die *private sektor* het gedurende 1994 sterk gestyg. Die reële besteding aan vaste kapitaalvorming het van 'n jaarkoers van 8½ persent in die eerste helfte van die jaar tot 21 persent in die tweede helfte van die jaar versnel. In die kalenderjaar 1994 het die reële vaste investering deur private ondernemings en huishoudings met 10 persent toegeneem in vergelyking met 'n daling van 1½ persent in 1993. Sterk groeikoerse was veral in die investering deur die landbou, die mynbou, die fabriekswese en die finansiële dienste waarneembaar. Hoewel dit in 'n groot mate aan 'n aantal belangrike kapitaalprojekte toegeskryf kan word, het bestendiger politieke omstandighede ongetwyfeld tot 'n meer algemene verstewiging in die investering van die private sektor bygedra.

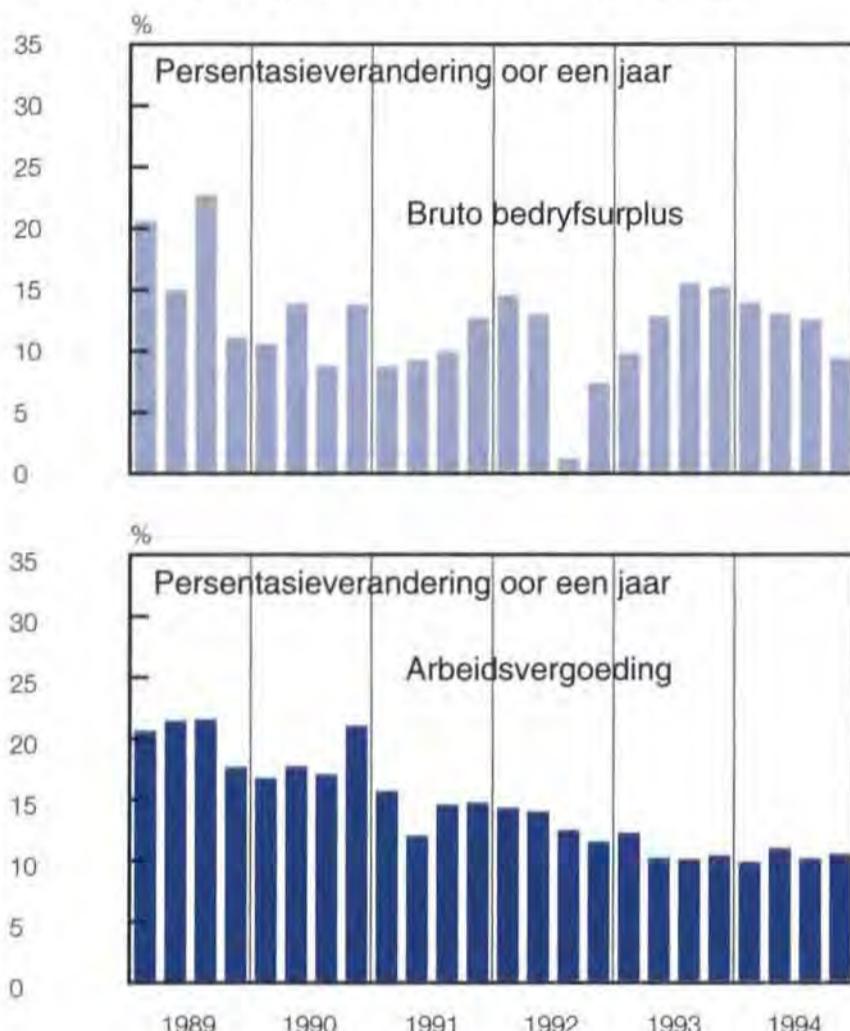
Die reële vaste kapitaalbesteding deur die *openbare korporasies* het in die laaste drie kwartale van 1994 skerp toegeneem. Hierdie toenames het op aansienlike afnames gedurende die tydperk 1991 tot 1993 gevvolg en is hoofsaaklik deur die uitbreiding van Eskom se elektrisiteitsnetwerk na digbevolkte woongebiede sowel as na sommige plattelandse gebiede teweeggebring. Dit het afnames in die vaste investering van ander openbare korporasies meer as geneutraliseer en daartoe geleid dat die totale vaste investering van hierdie ondernemings met 3½ persent in 1994 toegeneem het. Die reële kapitaalbesteding van die *openbare owerhede* het bly daal, met die gevolg dat 'n klein afname in die reële kapitaalvorming van die *openbare sektor* in 1994 in die geheel aangeteken is.

Die opbouing van voorrade sedert die tweede helfte van 1993 is dwarsdeur 1994 voortgesit en het teen konstante pryse op R5,7 miljard vir die volle jaar te staan gekom. Die skerp toename in die reële investering in voorrade was veral in die sektore mynbou, fabriekswese en handel waarneembaar. Hierdie opbouing van voorrade kon aan 'n positiewer ingesteldheid van die sakegemeenskap toegeskryf word en 'n bereidwilligheid van ondernemers om hulself voor te berei op 'n oplewing in die finale vraag. Die vlak van die nywerheids- en handelsvoorraad in verhouding tot die bruto binnelandse produk het dienooreenkomsdig van 'n laagtepunt van bykans 16 persent in die derde kwartaal van 1993 tot ongeveer 17½ persent in die vierde kwartaal van 1994 gestyg.

Faktorinkome

Die toename in die totale nominale faktorinkome van jaar tot jaar het van 'n gemiddelde van 14 persent in die laaste twee kwartale van 1993 tot ongeveer 12½ persent in die vierde kwartaal van 1994 verlangsamt. Hierdie verlangsaming was die gevolg van 'n effens laer groeikoers in die toename van jaar tot jaar in die nominale bruto bedryfsurplus van sakeondernemings en 'n afplat-

Bruto bedryfsurplus en arbeidsvergoeding



ting in die toename van jaar tot jaar in die vergoeding van werknemers.

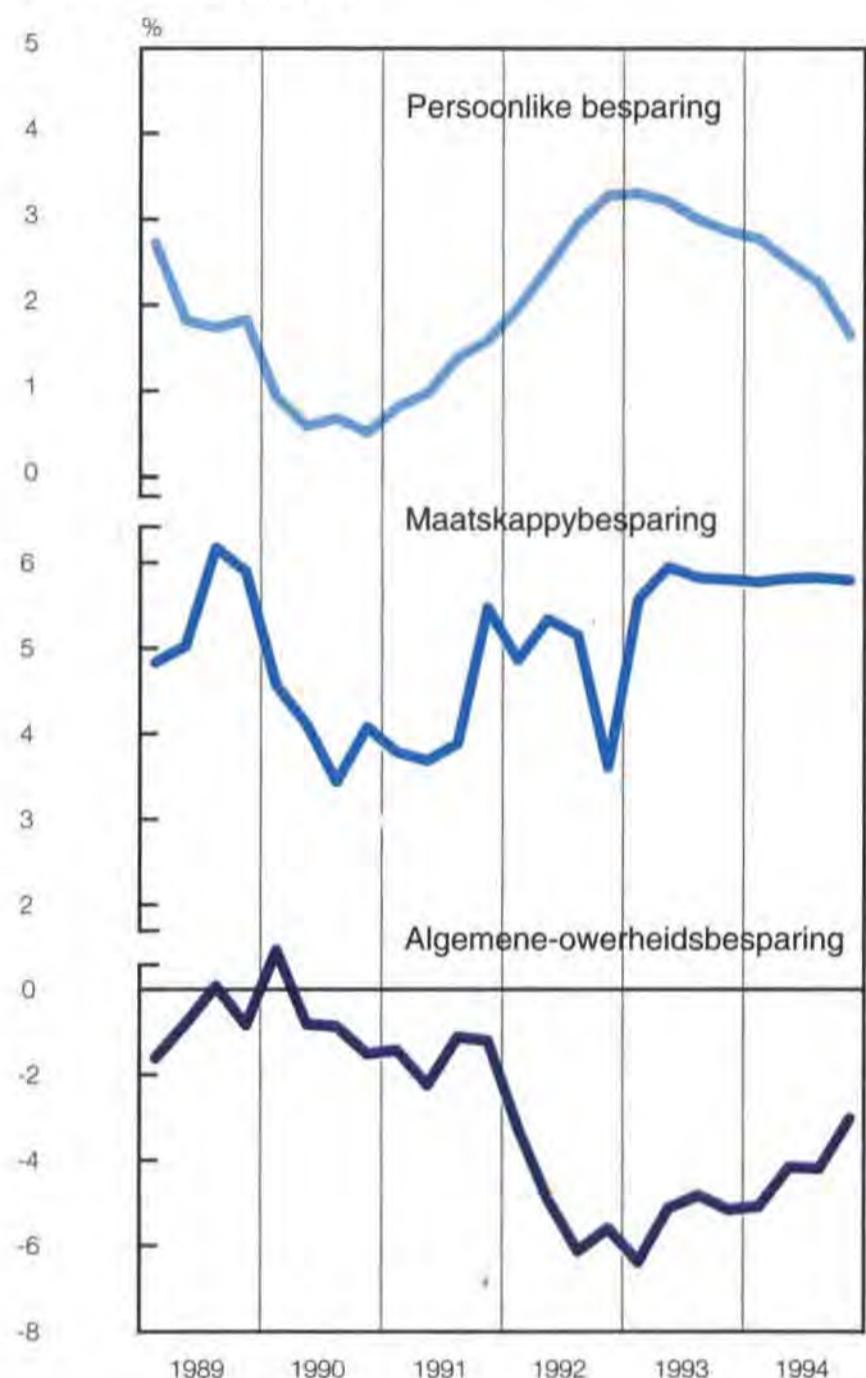
Die koers van toename oor vier kwartale in die nominale *bruto bedryfsurplus* het van 'n gemiddelde van 14% persent in die tweede helfte van 1993 tot 11½ persent in die tweede helfte van 1994 gedaal. Vir 1994 in die geheel het die toename in die *bruto bedryfsurplus* op 12 persent te staan gekom, teenoor 'n toename van ongeveer 13½ persent in 1993. Kleiner toenames is veral aangeteken in die bedryfsurplusse van ondernemings wat in die mynbou, die handel en die finansies bedrywig is.

Die toename in die totale vergoeding van werknemers, gemeet oor vier kwartale, het sedert die eerste kwartaal van 1993 afgwaarts van 12 persent gewissel en in die vierde kwartaal van 1994 op 10½ persent te staan gekom. Op 'n kalenderjaargrondslag het die toename in salaris en lone effens gedaal van 10½ persent in 1993 tot net meer as 10 persent in 1994. Hierdie toenames het egter die heersende inflasiekoers oorskry, met die gevolg dat die reële loonrekening van die land toegeneem het ondanks die aansienlike styging in werkloosheid.

Binnelandse besparing

Die verhouding van die *bruto binnelandse besparing* tot die *bruto binnelandse produk*, wat geleidelik van 18 persent in die tweede kwartaal van 1993 tot 17½ persent in die derde kwartaal van 1994 gedaal het, het in die

Netto besparing as persentasie van bruto binnelandse produk



vierde kwartaal effens tot 18 persent gestyg. Die totale besparingsverhouding het in 1994 egter gemiddeld op die vlak van 17½ persent gebly wat in die vorige jaar bereik is.

Die verbetering in die besparingsverhouding in die vierde kwartaal van 1994 kon hoofsaaklik aan die verdere vermindering in die *ontsparing deur die algemene owerheid* toegeskryf word. Die *ontsparing deur die algemene owerheid* in verhouding tot die *bruto binnelandse produk* het op 'n betreklik volgehoue grondslag afgeneem van 'n vlak van 6½ persent in die eerste kwartaal van 1993 tot net hoër as 4 persent in die derde kwartaal van 1994 en 3 persent in die vierde kwartaal. Hierdie aansienlike verbetering in die *ontsparing deur die owerheid* kon aan 'n sterk toename in belastingontvangste toegeskryf word en was daarom waarskynlik deels 'n weerspieëeling van 'n verskuiwing van besparing van die private na die openbare sektor.

Die styging in belasting, tesame met 'n skerp toename in die private verbruiksbesteding en slegs 'n

matige toename in lopende inkomte, het tot 'n verdere daling in die besparingsverhouding van huishoudings gelei. Die netto *besparing deur huishoudings* as 'n persentasie van die bruto binnelandse produk het skerp afgeneem van meer as 3 persent in die eerste kwartaal van 1993 tot 1½ persent in die vierde kwartaal van 1994. Vir 1994 in die geheel het die verhouding van die besparing van huishoudings tot die bruto binnelandse produk ongeveer 2 persent bedra, teenoor 3 persent in die vorige jaar.

Die netto *maatskappybesparingsverhouding* van bykans 6 persent van die bruto binnelandse produk in 1993 het in 1994 onveranderd gebly. Hierdie verhouding vergelyk goed met die gemiddelde vlak van 5 persent wat in die vorige tien jaar aangeteken is. 'n Betreklik hoë omset en 'n voortgesette ingesteldheid op kostebeheer en streng batebestuur het baie maatskappye in staat gestel om gesonde besparingskoerse te handhaaf. Die kontantsaldo's van maatskappye het in 1994 verder versterk en dit wil voorkom asof die maatskappysektor oor die algemeen in 'n goeie posisie verkeer om 'n hoër vlak van investering te kan finansier.

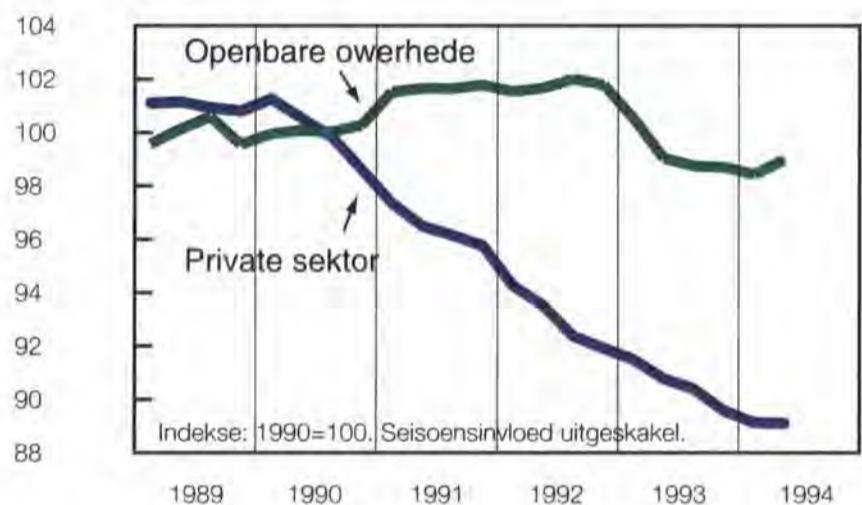
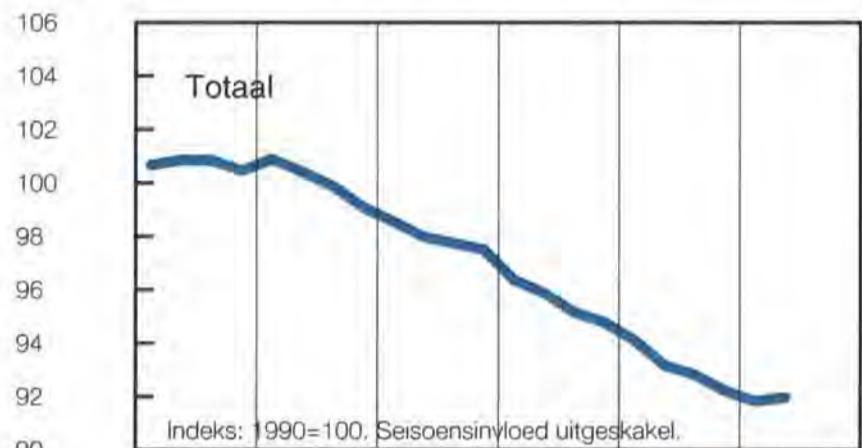
Werkverskaffing

Die totale werkverskaffing in die formele sektore van die ekonomie buite die landbou, wat deurgaans gedurende die resessie en tot in die vroeë stadia van die huidige opwaartse beweging in die algemene ekonomiese bedrywigheid bly daal het, het in die tweede kwartaal van 1994 teen 'n seisoensaangesuiwerde jaarkoers van 0,6 persent toegeneem (die jongste gegewens wat deur die Sentrale Statistiekdiens beskikbaar gestel is). Hierdie gebeure kan grotendeels toegeskryf word aan 'n toename in die aantal werkers in diens van die openbare owerhede. Die arbeidsmag van die private sektor het in die tweede kwartaal van 1994 bly daal, hoewel teen 'n heelwat laer koers as gedurende enige van die voorafgaande sestien kwartale.

Die werkverskaffing in die *private sektor buite die landbou* was tot en met die tweede kwartaal van 1994 traag om te reageer op die verstewiging in die algemene ekonomiese bedrywigheid. Die totale aantal persone in die diens van private ondernemings het in die tweede kwartaal van 1994 bly afneem, maar die koers van afname het verminder tot 'n seisoensaangesuiwerde jaarkoers van 0,1 persent vergeleke met 2,0 persent in die voorafgaande kwartaal. Hierdie lae koers van afname kon hoofsaaklik toegeskryf word aan toenames in die werkverskaffing in die konstruksiebedryf, die mynbou-sektor uitgesonnerd goud, versekeringsmaatskappye en landboubemarkingsrade, terwyl verdere afnames teen laer koerse in die elektrisiteitsopwekkingsbedryf, die kleinhandel, die motorhandel en die private padvervoer aangeteken is.

Die totale werkverskaffing deur die *openbare owerhede* het in die tweede kwartaal van 1994 teen 'n seisoensaangesuiwerde jaarkoers van 2,3 persent toegeneem. Dit was die eerste toename in die

Werkverskaffing in nie-landbousektore



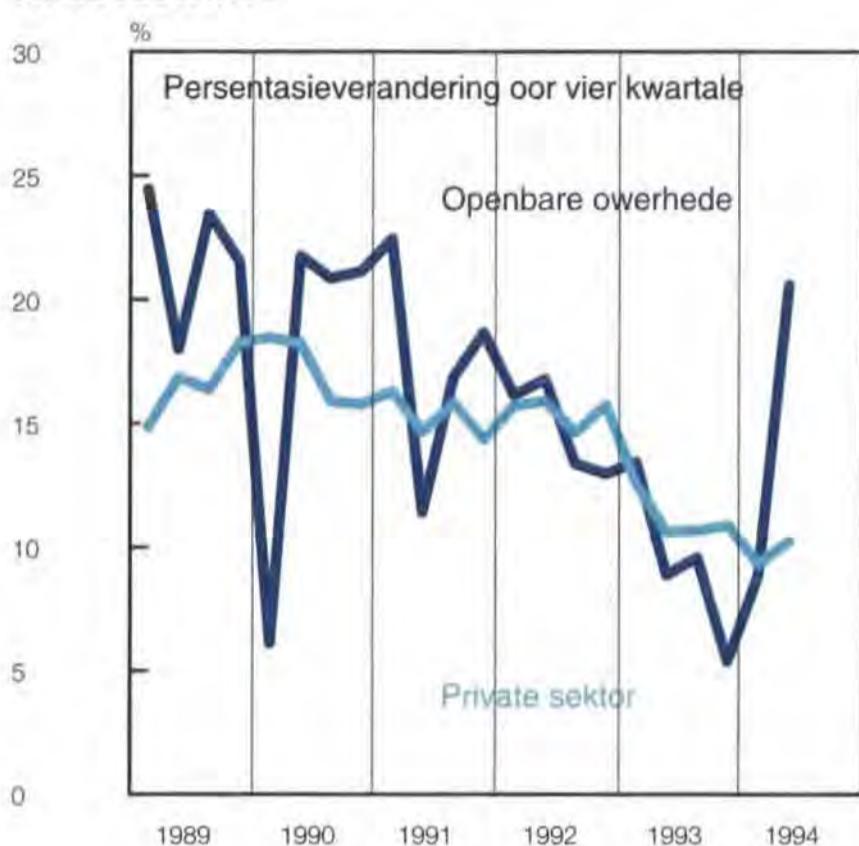
werkverskaffing deur die openbare owerhede sedert die derde kwartaal van 1992. Toenames in die werkverskaffing deur die sentrale regering en die provinsiale administrasies wat deels verband gehou het met die indiensneming van tydelike werkers gedurende die verkiesingstydperk in April 1994, was vir die toename in die aantal werkers in diens van die openbare owerhede verantwoordelik.

Die klein toename in die aantal persone wat in die formele sektore van die ekonomie buite die landbou werksaam is, moet beoordeel word teen die verlies van bykans 500 000 werkgeleenthede tussen die derde kwartaal van 1989 en die eerste kwartaal van 1994 en die huidige hoë vlak van werkloosheid in die land. Die aantal *geregistreerde werkloses* het trouens sedert die tweede kwartaal van 1994 hoér geneig en 292 000 in November 1994 beloop.

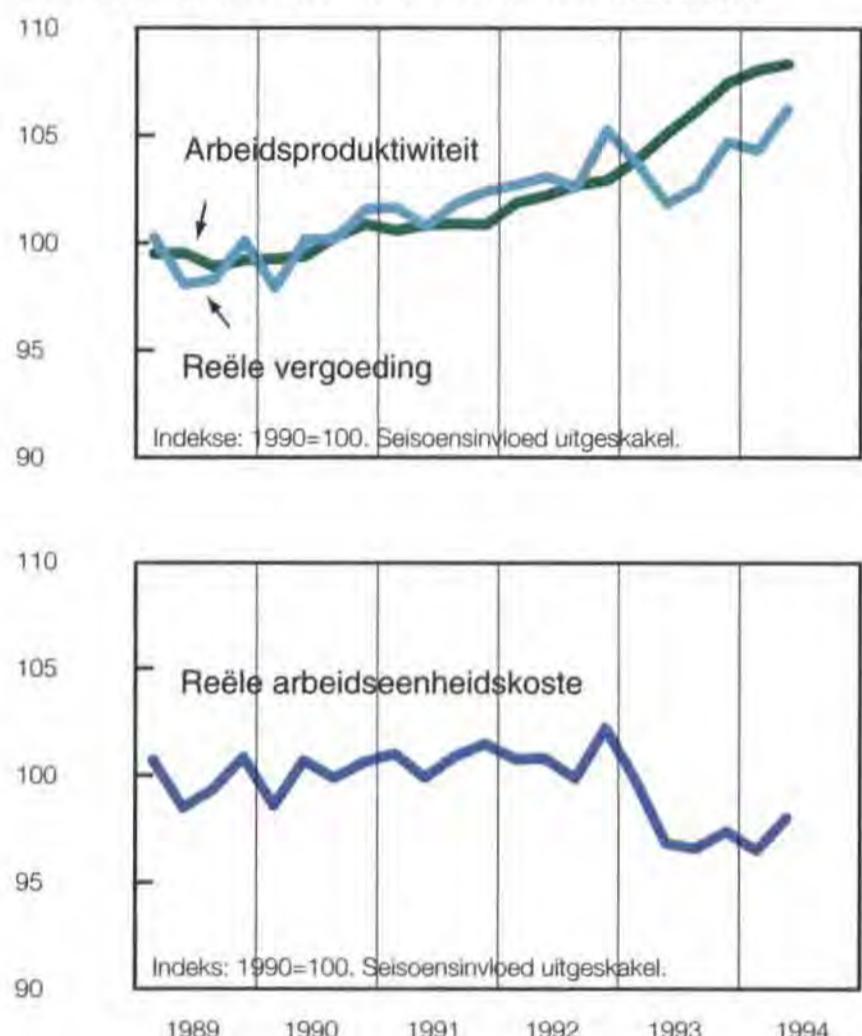
Arbeidskoste en produktiwiteit

Die koers van toename oor vier kwartale in die *nominale salaris* en *lone* per werker in die formele sektore van die ekonomie buite die landbou het van 16,0 persent in die tweede kwartaal van 1992 tot 9,1 persent in die vierde kwartaal van 1993 en tot 9,2 persent in die eerste kwartaal van 1994 afgeneem, voordat dit weer tot 13,8 persent in die tweede kwartaal van 1994 versnel het.

Nominale vergoeding per werker in nie-landbousektore



Arbeidsproduktiwiteit, vergoeding en arbeidseenheidskoste in nie-landbousektore



Soos in tabel 3 aangedui word, is die hoër koers van toename in die tweede kwartaal van 1994 hoofsaaklik veroorsaak deur aanpassings in die vergoeding van werkers in die openbare sektor. In die tweede kwartaal van 1994 is jaarlikse en spesiale bonusse aan sekere klasse van werkers in die openbare sektor toegestaan en is spesiale toelaes gedurende die verkiesingstyd aan sommige werkers betaal. Die nominale vergoeding per werker in die private sektor buite die landbou het ook vinniger toegeneem, maar nie naastenby in dieselfde mate as dié van werkers in die openbare sektor nie: die koers van toename oor vier kwartale in die vergoeding van werkers in die private sektor het van 9,4 persent in die eerste kwartaal van 1994 tot 10,3 persent in die tweede kwartaal gestyg.

Tabel 3. Die koers van toename oor vier kwartale in die nominale vergoeding per werker

Percent

Tydperk	Openbare owerhede	Private sektor	Totaal
1993: 1e kw	13,6	12,6	13,0
2e kw	8,8	10,7	10,1
3e kw	9,6	10,7	10,3
4e kw	5,5	10,9	9,1
1994: 1e kw	8,9	9,4	9,2
2e kw	20,5	10,3	13,8

Nadat die *reële vergoeding* per werker gedurende 1993 afgeneem het, het die koers van toename oor vier kwartale in die eerste twee kwartale van 1994 weer met 0,7 persent en 4,6 persent gestyg. Die groei in die *arbeidsproduktiwiteit* het terselfdertyd van 'n koers van toename oor vier kwartale van 4,4 persent in die vierde kwartaal van 1993 tot 3,1 persent in die tweede kwartaal van 1994 verlangsaam. As gevolg hiervan het die *reële arbeidseenheidskoste* in die sektore buite die landbou (nominale koste gedefleer met die prysdeflator vir die bruto binnelandse produk buite die landbou) weer toegeneem teen 'n koers van 1,5 persent in die tweede kwartaal van 1994 vergeleke met die ooreenstemmende tydperk in die voorafgaande jaar. Dit was die eerste toename in die *reële arbeidseenheidskoste* sedert die vierde kwartaal van 1992. Die koers van toename oor vier kwartale in die *nominale arbeidseenheidskoste* het ook skerp gestyg van 4,9 persent in die eerste kwartaal van 1994 tot 10,4 persent in die tweede kwartaal.

Pryse

Die goeie vordering wat met die verlaging van *inflasie in die produksiepryse* gemaak is, is gedurende die eerste drie kwartale van 1994 tydelik omgekeer. Die verswakkende wisselkoers van die rand, stygende internasionale oliepryse, ontwrigtings in die aanbod van landbou-

produkte en 'n stellige vraag in die binnelandse mark het veroorsaak dat die koers van toename van kwartaal tot kwartaal in die omvattende produksieprysindeks versnel het van 'n seisoensaangesuiwerde jaarkoers van 3,0 persent in die vierde kwartaal van 1993 tot 14,6 persent in die derde kwartaal van 1994. In die vierde kwartaal van 1994 het sommige van hierdie prysverhogende kragte begin afneem en het die toename van kwartaal tot kwartaal in die omvattende produksieprysindeks tot 'n seisoensaangesuiwerde jaarkoers van 5,1 persent gedaal.

Die koers van toename oor 'n tydperk van twaalf maande in die omvattende produksieprysindeks het ook toegeneem van 'n laagtepunt van 5,4 persent in Oktober 1993 tot 10,1 persent in September 1994 voordat dit tot 9,4 persent in November en 9,7 persent in Desember afgeneem het. As gevolg van hierdie veranderings, het die koers van toename van jaar tot jaar in die produksiepryse ook van 6,6 persent in 1993 – die laagste koers van toename in hierdie prysindeks sedert 1971 – tot 8,2 persent in 1994 gestyg.

Die uitwerking van die depresiasi van die rand op produksiepryse word duidelik in die veranderings van kwartaal tot kwartaal in die *prysindeks van ingevoerde goedere weerspieël*. Te midde van betreklik bestendige internasionale prysen het hierdie kwartaallike veranderings versnel van 'n daling teen 'n seisoensaangesuiwerde jaarkoers van 5,4 persent in die vierde kwartaal van 1993 tot toenames van 16,6 persent in die tweede kwartaal van 1994 en tot 14,8 persent in die derde kwartaal. Die prysen van invoerprodukte het derhalwe in

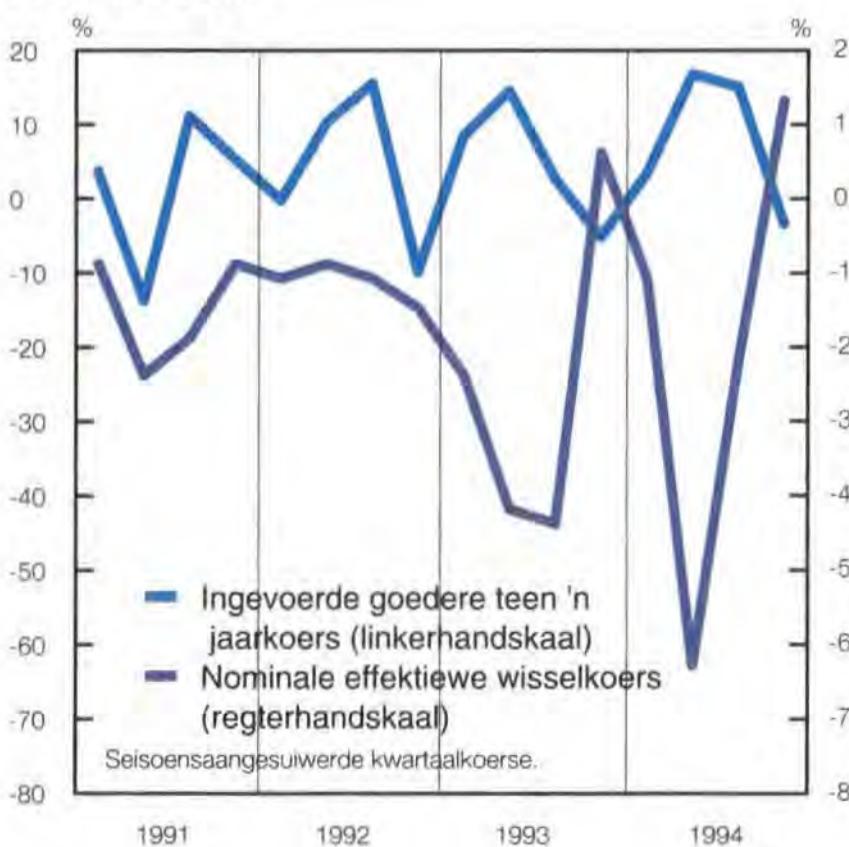
die eerste helfte van 1994 met 'n sloering gereageer op die depresiasi van die rand en hoër internasionale oliepryse. Die verstewiging in die nominale effektiewe wisselkoers van die rand gedurende die tweede helfte van 1994 en 'n daling in internasionale oliepryse in die laaste drie maande van die jaar het daarna aanleiding gegee tot 'n werklike daling in die prysindeks van ingevoerde goedere, wat teen 'n seisoensaangesuiwerde jaarkoers 3,6 persent in die vierde kwartaal van 1994 beloop het.

Hoër toenames in die *prysindeks van binnelands geproduseerde goedere* het bygedra tot die versnelling van inflasie in die produksiepryse. Die jaarkoers van toename van kwartaal tot kwartaal in die seisoensaangesuiwerde produksiepryse van binnelands geproduseerde goedere het versnel van 5,1 persent in die vierde kwartaal van 1993 tot 11,1 persent in die eerste kwartaal van 1994, 9,0 persent in die tweede kwartaal en 14,4 persent in die derde kwartaal. Hierdie toename is grotendeels veroorsaak deur tekorte in die aanbod van vleis (as gevolg van die aanvulling van veekuddes toe die weidingsstoestande verbeter het) en groente (as gevolg van rypskade aan oeste). Nadat die aanbod van voedsel in die vierde kwartaal van 1994 weer na meer normale vlakke teruggekeer het, het die koers van toename van kwartaal tot kwartaal in die produksieprysindeks van binnelands geproduseerde goedere tot 'n seisoensaangesuiwerde jaarkoers van 6,9 persent afgeneem.

Soos in tabel 4 aangetoon word, het die koers van verandering van kwartaal tot kwartaal in die omvattende *verbruikersprysindeks* 'n patroon gevvolg wat heelwat ooreengestem het met dié van die omvattende produksieprysindeks: dit het ook geneig om gedurende die eerste drie kwartale van 1994 te versnel voordat dit in die vierde kwartaal ietwat verlangsaam het. Hierdie versnelling in die koers van toename in die omvattende verbruikersprysindeks het ontstaan as gevolg van vinniger toenames in die prysen van sowel verbruikersgoedere as in die prysen van verbruikersdienste.

Die koers van toename van jaar tot jaar in die omvattende verbruikersprysindeks het nietemin verder van 15,3 persent in 1991 tot 9,7 persent in 1993 en 9,0 persent in 1994 afgeneem – die laagste koers van

Produksiepryse



Tabel 4. Koerse van verandering van kwartaal tot kwartaal in die verbruikerspryse teen seisoensaangesuiwerde jaarkoerse

Persent	Tydperk	Goedere	Dienste	Totaal
	1993: 4e kw	6,2	1,2	5,3
	1994: 1e kw.....	8,3	6,8	9,2
	2e kw	8,0	8,3	6,7
	3e kw	19,4	16,0	15,7
	4e kw	6,7	9,1	8,4

Buitelandse handel en betalings

Verbruikerspryse



toename sedert 1972 toe 'n toename van 6,1 persent aangeteken is. Verbruikersprysinflasie, gemeet oor tydperke van twaalf maande, het versnel van 7,1 persent in April 1994 tot 10,1 persent in September en toe effens verlangsaam tot 9,9 persent in November en Desember 1994. Die prys van voedsel en nie-alkoholiese drank kan uitgesonder word as die belangrikste verklaring vir die versnelling van inflasie in die verbruikerspryse gedurende 1994. Indien hierdie bestedingsitems buite rekening gelaat word, was die toename oor twaalf maande in die pryse van ander verbruiksgoedere en -dienste minder opvallend maar bestendiger; dit het van 6,6 persent in April 1994 tot 7,9 persent in Desember toegeneem.

Betalingsbalans op lopende rekening

Soos wat met die vinnige koers van toename in die bruto binnelandse besteding verwag kon word, het die saldo op die lopende rekening van die betalingsbalans (seisoensaangesuiwerde en tot 'n jaarkoers verhef) omgeswaai van 'n gemiddelde kwartaallikse oorskot van R2,0 miljard in die eerste helfte van 1994 tot 'n tekort van R5,4 miljard in die derde kwartaal en R7,0 miljard in die vierde kwartaal. Vir 1994 in die geheel is 'n tekort van R2,1 miljard op die lopende rekening aangeteken; dit was die eerste tekort sedert 1984 en 'n aansienlike verandering vergeleke met die oorskot van R5,8 miljard in 1993. Sulke skerp fluktusies in die saldo op die lopende rekening is egter nie ongewoon naby die onderste en boonste draaipunte van die konjunktursiklus nie.

Die merkbare verswakking in die saldo op die lopende rekening gedurende 1994 was hoofsaaklik te wyte aan 'n aansienlike toename in die omvang van die goedere-invoer. Die fisiese hoeveelheid van ingevoerde goedere het in 1994 met 17½ persent gestyg, of met 2,9 persentasiepunte vir elke toename van een persentasiepunt in die reële bruto binnelandse besteding. Hierdie verhouding is nie abnormaal hoog nie; dit is trouens laer as die gemiddelde verhouding van 3,6 in die voorafgaande tien jaar. Die toename in die goedere-invoer het dus hoofsaaklik met hoér besteding verband gehou en is klaarblyklik nie 'n aanduiding van 'n algemene prysvoordeel van ingevoerde goedere nie. Die daling in die wisselkoers van die rand tesame met slegs matige toenames in die produsentépryse van handelsvennootlande het terselfdertyd veroorsaak dat die pryse van ingevoerde goedere met 8½ persent gestyg het, wat die toename in die waarde van die invoer-op 27 persent te staan gebring het.

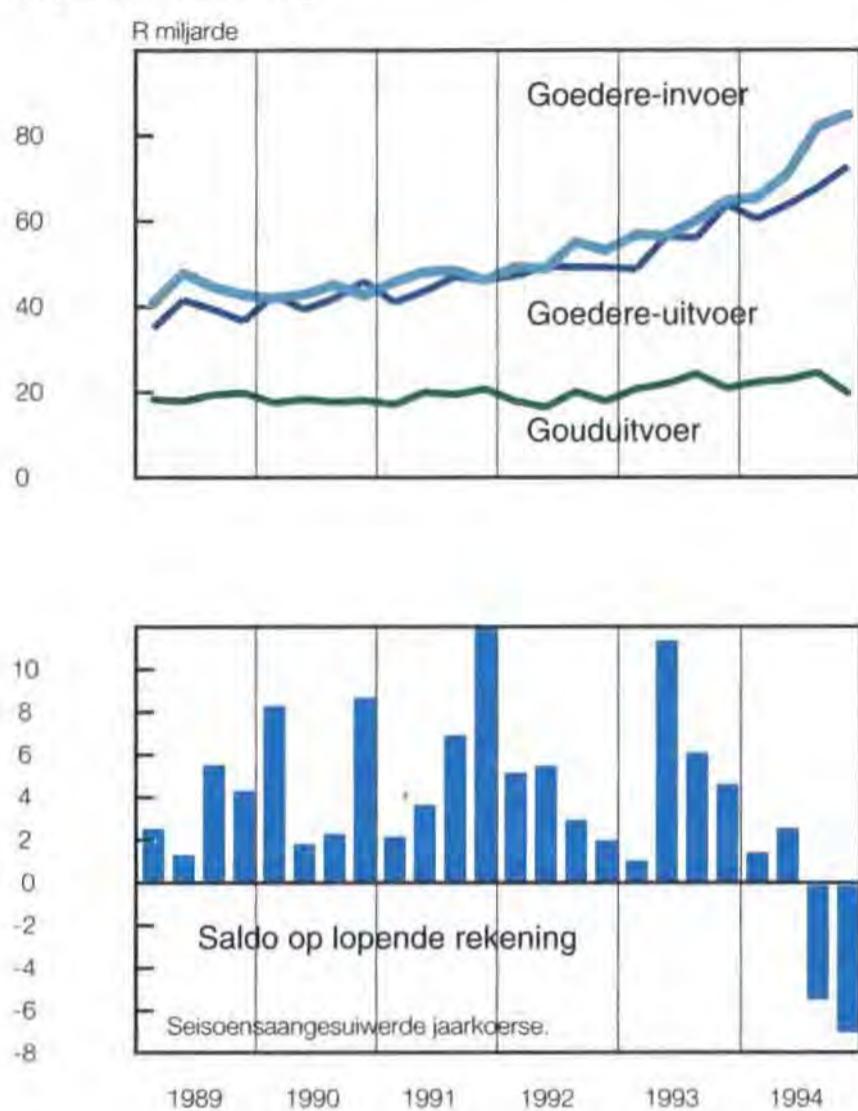
Skerp stygings het in die invoer van masjinerie en elektriese toerusting, chemiese produkte, tekstiele en vervoertoerusting voorgekom. Belangriker nog, duis die klassifikasie van ingevoerde produkte volgens stadium van verbruik daarop dat 'n aansienlike verhoging in die invoer van kapitaalgoedere hoofsaaklik vir die versnelling

Tabel 5. Lopende rekening van die betalingsbalans, 1994

Seisoensaangesuiwerde jaarkoerse
R miljarde

	1e kw	2e kw	3e kw	4e kw	1994
Goedere-uitvoer	60,6	64,0	67,9	73,0	66,4
Netto gouduitvoer.....	22,6	23,2	24,8	20,1	22,7
Goedere-invoer	-65,6	-71,3	-82,3	-85,1	-76,1
Netto dienste- en oordragbetalings.....	-16,1	-13,3	-15,8	-15,0	-15,1
Saldo op lopende rekening	1,5	2,6	-5,4	-7,0	-2,1

Lopende rekening

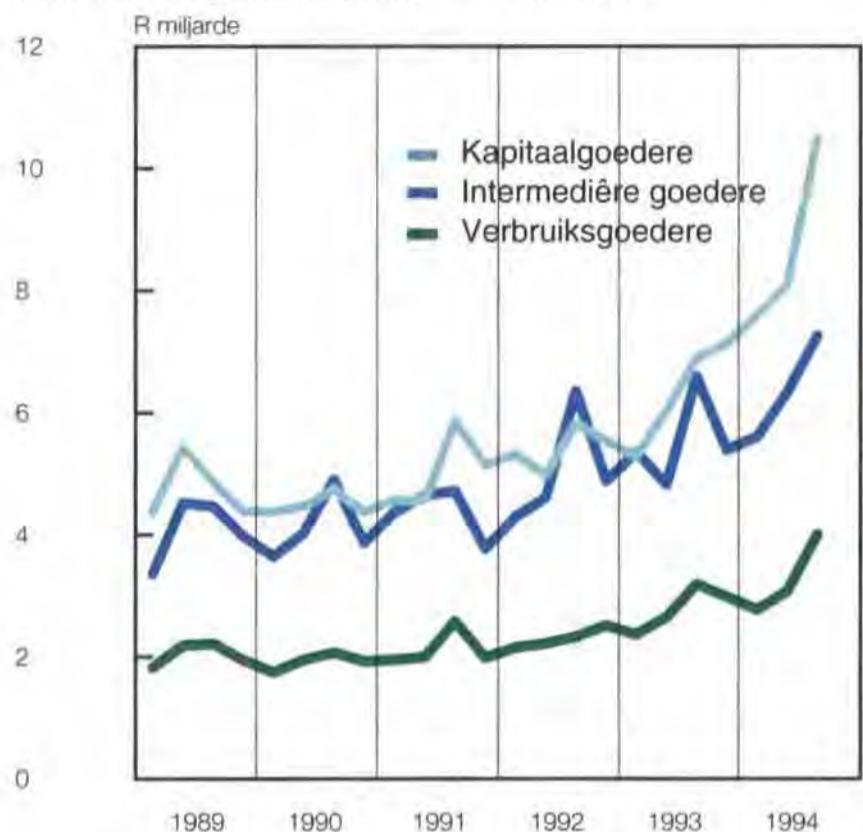


in die groei van die invoer verantwoordelik was. Namate groot kapitaalprojekte en ander investeringsprogramme momentum begin kry het, het die invoer van kapitaalgoedere ook versnel. Matiger stygings is in die invoer van intermediêre en verbruikersgoedere aangeteken.

Die totale waarde van die *goedere-uitvoer* het in die kalenderjaar 1994 met 17½ persent gestyg. 'n Styging in internasionale grondstofpryse en 'n daling in die nominale effektiewe wisselkoers van die rand het tot 'n verhoging van bykans 12 persent in uitvoerprys geleid. Die omvang van die uitvoer het te midde van 'n vinniger internasionale ekonomiese herstel met 5 persent toegeneem. Hoewel hierdie toenames laer was as die geraamde toename in die hoeveelheid van wêreldhandel, was dit nogtans 'n merkwaardige prestasie as die invloed van die proses van politieke oorgang en arbeidsonrus op binnelandse produksie in ag geneem word. Hierdie faktore het die uitvoer van vervaardigde goedere en metale en mineraalprodukte in die besonder beïnvloed.

Die oommekeer in die saldo op die lopende rekening is ook in 1994 in 'n aansienlike mate beïnvloed deur 'n daling van 11 persent in die hoeveelheid van die *netto gouduitvoer* wat grotendeels die gevolg was van 'n verdere verlaging in die gemiddelde graad van erts wat gemyn is. Nie net die kwaliteit nie, maar ook die

Invoere volgens stadium van verbruik



hoeveelheid van gouddraende erts wat vergruis is, het skerp gedaal. Tegniese probleme as gevolg van aardbewings, die sluiting van sommige myne en onbestendige arbeidstoestande het daar toe bygedra dat produksie skerp gedaal het. Die gemiddelde prys van goud per fyn ons het gelukkig van \$360 (R1 177) in 1993 tot \$384 (R1 363) in 1994 gestyg en gevoglik het die waarde van die netto gouduitvoer in 1994 met 2 persent toegeneem. Die goudprys het egter in die derde kwartaal van 1994 'n boonste draapunt bereik. Na voortdurende stygings in die eerste helfte van 1994, het die waarde van die gouduitvoer (seisoensaangesuiwerd en tot 'n jaarkoers verhef) gevoglik van R24,8 miljard in die derde kwartaal van die jaar tot R20,1 miljard in die vierde kwartaal gedaal.

Hoër besteding deur buitelandse toeriste in Suid-Afrika en 'n toename in dividendontvangste op beleggings in ander lande, het tot 'n afname in *netto diensten en oordragbetalings* aan nie-inwoners van die derde tot die vierde kwartaal van 1994 bygedra. Vir 1994 in die geheel het hierdie betalings egter R15,1 miljard bedra; dit is 16 persent hoër as die R13,0 miljard in 1993. Skerp toenames was in die betalings vir vrag en versekering op goedere en rente op buitelandse lenings te bespeur.

Kapitaalrekening

'n Verdere totale *netto kapitaalinvloeiing* het in die vierde kwartaal van 1994 plaasgevind. Nadat 'n netto uitvloeiing van R3,6 miljard in die eerste helfte van 1994 na 'n netto invloeiing van R5,5 miljard in die derde

Tabel 6. Netto kapitaalbewegings nie verwant aan reserwes nie

R miljarde

	1993		1994			Jaar
	Jaar	1e kw	2e kw	3e kw	4e kw	
Langtermynkapitaal						
Openbare owerhede.....	-1,3	-1,1	-0,1	0,5	3,7	3,0
Openbare korporasies	-1,6	-1,4	-0,2	0,3	0,7	-0,6
Private sektor	2,6	0,8	-1,3	-0,4	-0,1	-1,0
Totale langtermynkapitaal	-0,3	-1,7	-1,6	0,4	4,3	1,4
Korttermynkapitaal.....	-14,7	0,6	-0,9	5,1	-1,0	3,8
Totale kapitaalbewegings nie verwant aan reserwes nie.....	-15,0	-1,1	-2,5	5,5	3,3	5,2

kwartaal omgeswaai het, het die netto invloeiing van kapitaal nie verwant aan reserwes nie in die vierde kwartaal van die jaar op R3,3 miljard te staan gekom. Vir 1994 in die geheel het die netto invloeiing van kapitaal R5,2 miljard bedra, vergeleke met 'n netto uitvloeiing van kapitaal van R15,0 miljard in 1993. Die prestasie was egter nog merkwaardiger indien in ag geneem word dat verpligtinge van R5,9 miljard op buitelandse langtermynlenings en geaffekteerde skuld gedurende die jaar betaalbaar geword het.

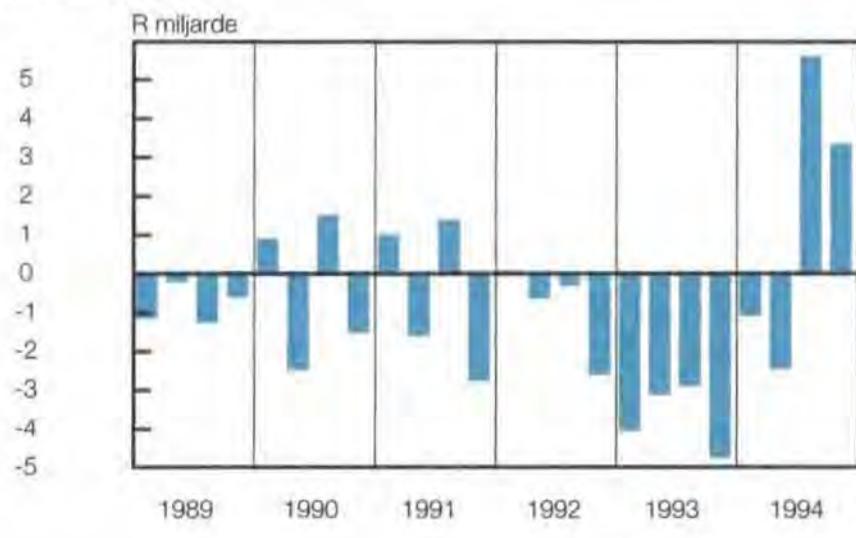
Ondanks hierdie lenings wat verval het, is 'n netto invloeiing van *langtermynkapitaal* van R1,4 miljard in 1994 aangeteken. Hierdie invloeiing van langtermynkapitaal het in die tweede helfte van die jaar en veral in die vierde kwartaal voorgekom: die langtermynkapitaalbewegings van en na Suid-Afrika het verander van 'n netto uitvloeiing van R3,3 miljard in die eerste helfte van 1994 na 'n netto invloeiing van R4,7 miljard in die tweede helfte. Die verbetering in langtermynkapitaalvloeiinge was in 'n groot mate die gevolg van 'n verdere normalisering van internasionale finansiële verhoudings en die betreklik gunstige formele kredietwaarderings van Suid-Afrika in Oktober. In die lig van hierdie veranderinge is private plasings ten bedrae van R630 miljoen en 'n uitgif van regeringseffekte ten bedrae van VSA\$750 miljoen (R2,7 miljard) op internasionale kapitaalmarkte gemaak.

Die openbare korporasies het ook in die tweede helfte van 1994 netto leners van buitelandse fondse geword, terwyl nie-inwoners aansienlike bydraes gelewer het tot die groot kapitaalprojekte wat aan die gang is. Nie-inwoners was bowendien in 1994 netto aankopers van sekuriteite ten bedrae van R1,2 miljard op die Johannesburgse Effektebeurs. Hierdie aankope het deur middel van die finansiële rand plaasgevind en het gevvolglik nie die buitelandse reserwes van die land beïnvloed nie.

Die grootste deel van die kapitaalinvloeiing het uit *korttermynkapitaalbewegings* nie verwant aan reserwes

nie, maar met inbegrip van onaangetekende transaksies, bestaan. Die korttermynkapitaalbewegings het van 'n netto uitvloeiing van R14,7 miljard in 1993 na 'n netto invloeiing van R3,8 miljard in 1994 omgeswaai. Hierdie invloeiing van korttermynkapitaal het hoofsaaklik in die derde kwartaal van 1994 plaasgevind en het faktore soos die gunstige koste en beskikbaarheid van buitelandse handelsfinansiering, betreklike stram geldmarktoestande en die styging in die waarde van die goedere-invoer weerspieël. In die vierde kwartaal van 1994 het die praktyk van sommige buitelandse banke om hul uitstaande eise teen Suid-Afrika aan die einde van hul finansiële jare te verminder,¹ nie-inwoners se netto aankope van R1,7 miljard van skatkiswissels van drie maande geneutraliseer en tot 'n netto uitvloeiing van R1,0 miljard in die vorm van korttermynkapitaal aanleiding gegee. Hierdie kapitaaluitvloeiing is ook deur die krisis in Mexiko teen die einde van die jaar beïnvloed.

Totale netto kapitaalbewegings nie verwant aan reserwes nie



Tabel 7. Goud- en ander buitelandse reserwes, 1994

R miljarde

Tydperk	Verandering in		Bruto besit*	
	Netto reserwes	Bruto reserwes	Reserwe- bank	Totaal
1e kw	-0,9	-0,7	7,9	10,3
2e kw	-2,3	-0,6	7,1	9,7
3e kw	3,3	1,3	8,1	11,0
4e kw	3,0	3,1	11,1	14,1

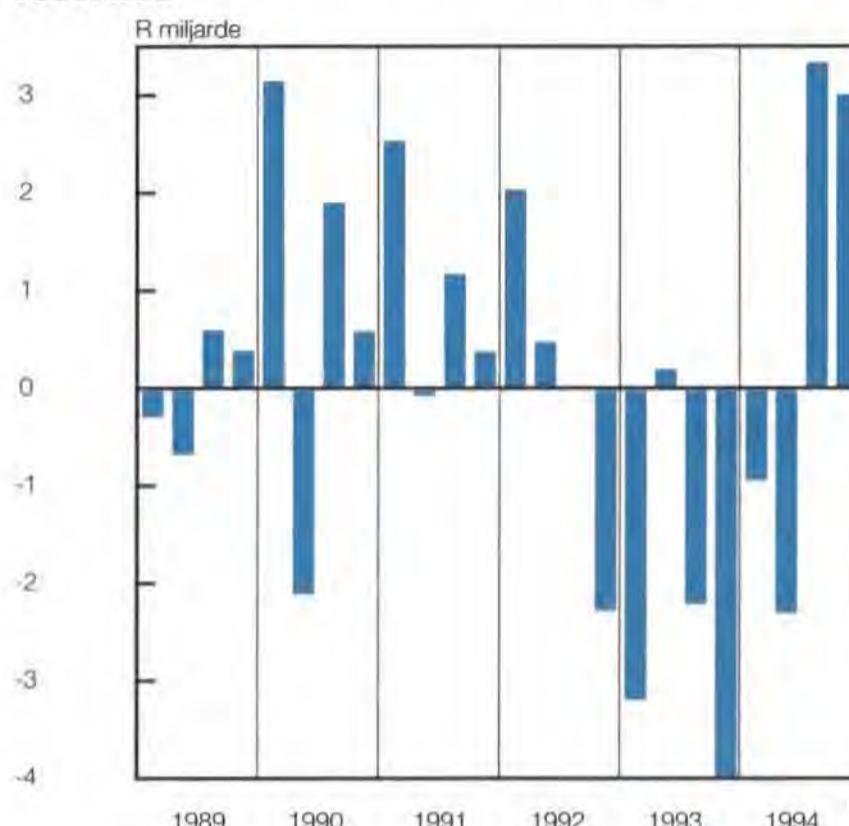
* Einde van tydperk.

Buitelandse reserwes

Vanweë die totale netto kapitaalinvloeiing, het die *netto goud- en ander buitelandse reserwes* van Suid-Afrika in die vierde kwartaal van 1994 met R3,0 miljard gestyg. Dit het die toename in die netto reserwes sedert Junie 1994 op R6,3 miljard te staan gebring. In Januarie 1995 het die netto goud- en ander buitelandse reserwes van die Reserwebank met 'n verdere R0,7 miljard toegeneem. Die verbetering in die algehele betalingsbalansposisie het die Reserwebank in staat gestel om aansienlike terugbetalings op lenings verwant aan reserwes te maak: die uitstaande saldo op die Bank se buitelandse lenings het van R8,5 miljard aan die einde van April 1994 tot R4,7 miljard aan die einde van Januarie 1995 gedaal.

Suid-Afrika se *bruto goud- en ander buitelandse reserwes* het met R3,1 miljard van die einde van September 1994 tot R14,1 miljard aan die einde van Desember 1994 toegeneem. Hierdie vlak van reserwes was gelyk aan ongeveer 6½ weke se invoer van goedere en dienste. In Januarie 1995 het die bruto buitelandse reserwes van die Reserwebank met 'n verdere R0,2 miljard tot 'n vlak van R11,3 miljard gestyg.

Verandering in netto goud- en ander buitelandse reserwes



Wisselkoerse van die rand

Na 'n skerp daling van meer as 12 persent van die einde van 1993 tot die middel van Julie 1994, het die nominale effektiewe wisselkoers van die rand gedurende die res van 1994 beduidend herstel. Die *nominale effektiewe wisselkoers van die rand* het nietemin steeds, per saldo, gedurende 1994 met 8,5 persent gedaal. In die eerste sewe weke van 1995 het die geweegde indeks van die rand 'n verdere matige daling getoon, maar daarna skerp gedaal in afwagting van die verwagte afskaffing van die finansiële rand. Gevolglik het die nominale effektiewe wisselkoers van die rand van die einde van 1994 tot op 23 Februarie 1995 met 3,5 persent gedaal.

Die *reële effektiewe wisselkoers van die rand* het

Tabel 8. Veranderings in die wisselkoerse van die rand

Persent

	31 Des 1993 tot 13 Jul 1994	13 Jul 1994 tot 30 Sept 1994	30 Sept 1994 tot 31 Des 1994	31 Des 1993 tot 31 Des 1994	31 Des 1994 tot 23 Febr 1995
	13 Jul 1994	30 Sept 1994	31 Des 1994	31 Des 1994	23 Febr 1995
Geweegde gemiddelde	-12,1	2,6	1,5	-8,5	-3,5
VSA-dollar	-7,0	2,3	0,8	-4,1	-1,8
Britse pond	-12,3	1,4	2,2	-9,2	-3,7
Duitse mark	-17,8	3,1	1,1	-14,3	-6,6
Japanse yen	-18,9	3,4	2,2	-14,5	-4,4
Nederlandse gulden	-17,6	3,1	1,0	-14,2	-6,6
Italiaanse lira	-17,5	4,8	5,4	-8,8	-2,2

Wisselkoerse van die rand



gedurende 1994 gemiddeld met 3,0 persent gedaal; in die kalenderjaar 1993 het dit teen 'n veel vinniger koers van 4,7 persent afgeneem. Van die einde van 1992 tot aan die einde van Desember 1994 het die reële effektiewe wisselkoers van die rand dus met 6,6 persent verminder.

Spekulasie oor die moontlike afskaffing van die tweeledige wisselkoersstelsel in Suid-Afrika en betreklik bestendige binnelandse toestande het tot 'n appresiasie van die *finansiële rand* van 'n historiese laagtepunt van R5,58 per dollar net voor die verkiesing in April tot R3,92 per dollar op 21 Oktober 1994 aanleiding gegee. Dit het veroorsaak dat die diskonto op die finansiële rand van 35,7 persent op 11 April 1994 tot slegs 10,2 persent op 21 Oktober 1994 vernou het. Die probleme in Mexiko was vervolgens hoofsaaklik verantwoordelik vir die depresiasie van die finansiële rand tot R4,10 per VSA-dollar en die verbreding van die diskonto op die finansiële rand tot 13,9 persent op 31 Januarie 1995. Hernieuwe spekulasie oor die moontlike afskaffing van die finansiële rand het in die tweede helfte van Februarie 'n appresiasie van die geldeenheid tot R3,83 per dollar op 23 Februarie 1995 veroorsaak. Namate die kommersiële rand vinnig na die laervlak van die finansiële rand beweeg het, het die diskonto op dieselfde dag tot slegs 5,7 persent vernou.

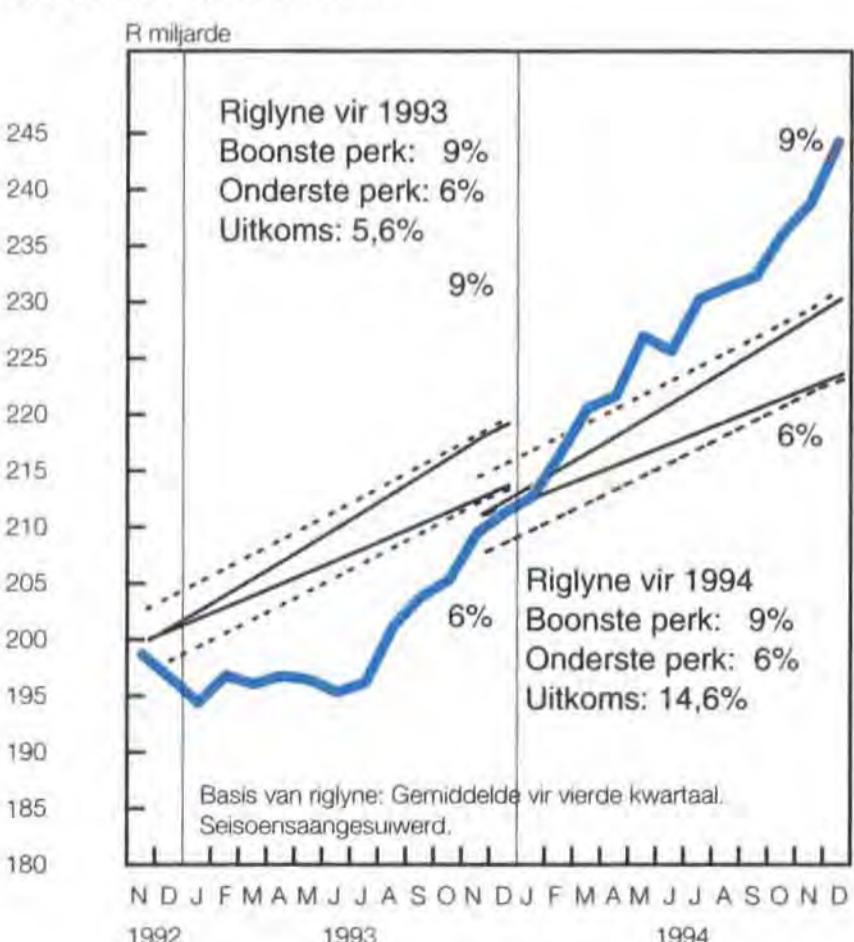
Monetêre ontwikkelings, rentekoerse en finansiële markte

Geldvoorraad

Die groeikoers in M3 (seisoensaangesuiwerd en tot 'n jaarkoers verhef) het gedurende 1994 aansienlik gewissel, maar vanaf Maart het die koers merkbaar bo die boonste perk van die *riglyngrens* van 6 tot 9 persent vir die 1994-riglynjaar gebly. Die seisoensaangesuiwerde gemiddelde waarde van M3 het in die vierde kwartaal van 1994 R237,7 miljard beloop; dit was 14,6 persent hoër as die ooreenstemmende waarde van M3 in die vierde kwartaal van 1993. Die werklike toename in die kwartaallike gemiddelde waarde van M3, soos dit vir doeleindes van die geldvoorraadriglyne gemeet word, was gevvolglik R11,6 miljard, of 5,1 persent meer as die boonste perk van die riglyngrens vir 1994.

Die groeikoers oor twaalf maande in die geldvoorraad, wat gedurende die eerste sewe maande van 1994 vinnig versnel het, het in die daaropvolgende maande ietwat teruggesak voordat dit in Desember 1994 weer gestyg het. Die koers van toename oor twaalf maande in die *omvattend gedefinieerde geldvoorraad* (M3) het van 7,0 persent in Desember 1993 tot 16,9 persent in Julie 1994 versnel; dit het daarna effens tot 14,7 persent in November gedaal en weer tot 15,7 persent in Desember 1994 gestyg. Soos in tabel 9 gesien kan word, het die *enger gedefinieerde geldvoorraadtale* teen aansienlik

Riglyne vir groei in M3



Tabel 9. Persentasieverandering in die geldvoorraad oor twaalf maande

Tydperk	M1A	M1	M2	M3
1993: Des	16,6	6,7	3,9	7,0
1994: Jul	28,2	32,7	19,5	16,9
Aug	24,4	26,7	19,6	15,1
Sept	28,8	26,1	18,5	14,3
Okt	24,6	28,2	19,4	14,8
Nov	21,0	24,1	19,9	14,7
Des	24,8	23,7	20,6	15,7

vinniger koerse as M3 toegeneem, wat 'n duidelike weerspieëling van 'n hoë likwiditeitsvoorkleur is. Die hoër vraag na monetêre bates deur die publiek word deur 'n afname in die inkome-omloopsnelheid van M3 bevestig wat van 'n jongste hoogtepunt van 1,97 in die derde kwartaal van 1993 tot 1,90 in die vierde kwartaal van 1994, of met ongeveer 4 persent, afgeneem het.

Die betreklik vinnige groei in die geldvoorraad gedurende 1994 was hoofsaaklik die gevolg van 'n toename in die vraag na geld om die hoë vlak van verbruiksbesteding, investering en voorraadopbouing te finansier. 'n Ander faktor wat tot die hoër groei in geld bygedra het, was 'n toename in die likwiditeitsvoorkleur van die private sektor vanweë die onsekerheid wat bestaan het gedurende die politieke oorgang, verwagte rentekoersveranderings en die waargenome gevær van

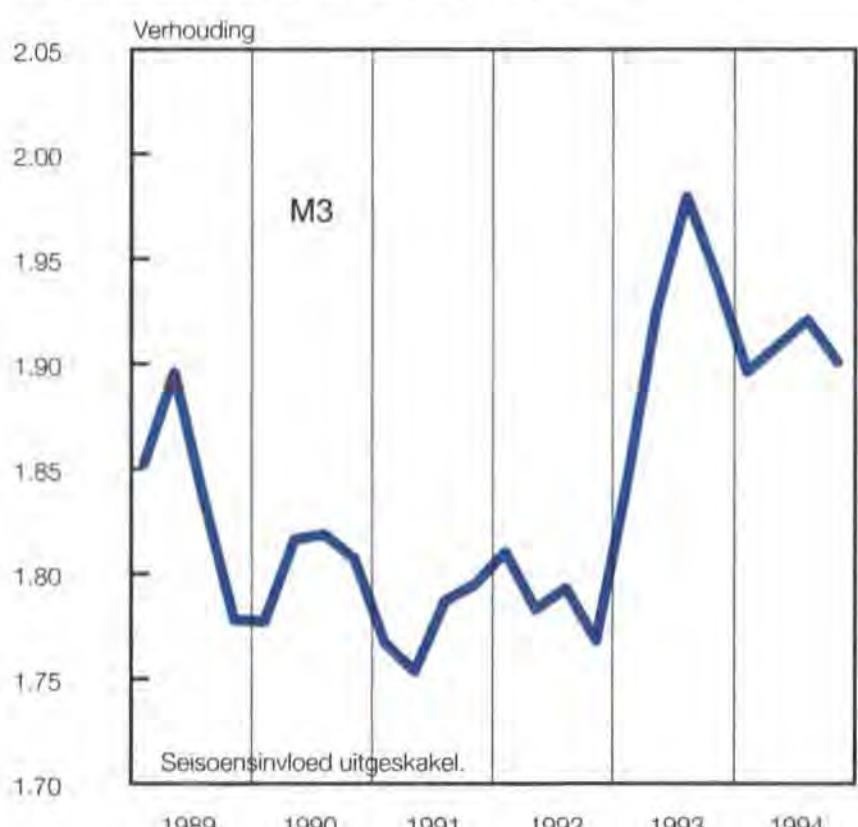
groot aanpassings in die aandele- en effektemark.

Die M3-geldvoorraad het met R33,2 miljard in 1994 gestyg vergeleke met slegs R13,8 miljard in 1993. Die vernaamste teenhangers (in 'n statistiese of rekening-kundige sin) van die toename in M3 gedurende 1994, was soos volg:

	R miljard
Netto buitelandse bates	-0,3
Regeringsektor: netto eise	8,0
Bruto eise	5,0
Regeringsdeposito's (toename-, afname+)	3,0
Eise teen die private sektor	39,1
Netto ander bates en laste	-13,6
Totale verandering in M3.....	33,2

Soos reeds in vorige kwartaallikse oorsigte aangedui is, het die uitreiking van spesiale staatseffekte ten bedrae van R7,5 miljard aan die Reserwebank 'n verskuiwing in hierdie statistiese teenhangers meegebring van veranderings in "netto ander bates en laste" na veranderings in die bruto en netto eise teen die regering, sonder om die algehele verandering in M3 te beïnvloed. Indien hierdie effekte-uitgifte nie in aanmerking geneem word nie, het die monetêre sektor se netto eise teen die regering in 1994 met slegs R0,5 miljard toegeneem. Hierdie klein toename was hoofsaaklik die gevolg van 'n afname in regeringsdeposito's by monetêre instellings wat met die finansieringspraktyke van die regering verband gehou het: 'n beleid om die finansiering van die skatkistekort meer eweredig oor die jaar te versprei en beskikbare saldo's te gebruik is in die fiskale jaar 1994/95 gevolg, wat tot 'n skerp afname in regeringsdeposito's by monetêre instellings geleid het.

Inkome-omloopsnelheid van geld



Kredietverlening

Kredietverlening aan die private sektor was die statistiese teenhanger wat hoofsaaklik vir die versnelde groei in die geldvoorraad verantwoordelik was. Die groeikoers oor twaalf maande in kredietverlening aan die private sektor deur monetêre instellings het van 9,7 persent in Desember 1993 tot 17,0 persent in Desember 1994 gestyg. Hierdie maandelikse groeikoerse het sedert Maart 1994 die koerse van verbruikersprysinflasie oorskry, wat daarop dui dat kredietverlening in reële terme in daardie stadium positief geword het.

'n Ontleding van die monetêre instellings se eise teen die private sektor volgens die soort krediet, toon dat die groeikoers oor twaalf maande in verbandvoorskotte gedurende 1994 op 'n vlak van ongeveer 17 persent gebly het en in Desember 17,9 persent beloop het. In weerspieëling van 'n skerp toename in die verkoop van nuwe motorvoertuie het die groeikoers oor twaalf maande in afbetaalingsverkoopkrediet verder van 18,0 persent in Desember 1993 tot 27,6 persent in Desember 1994 versnel. Die algemene styging in besteding het oor dieselfde tydperk tot 'n toename in die groeikoers oor

Kredietverlening deur monetêre instellings aan private sektor



twaalf maande in "ander lenings en voorskotte" (insluitend oortrokke rekeninge) van 8,4 persent tot 12,8 persent aanleiding gegee. Die groeikoers oor twaalf maande in bruikhuurfinansiering het egter gedurende 1994 op 'n betreklik laevlak gebly en in Desember slegs 7,2 persent beloop.

In rand uitgedruk is die kredietverlening deur monetêre instellings aan die private sektor gedurende 1994 deur verbandvoorskotte en "ander lenings en voorskotte" oorheers. Verbandvoorskotte het R17,3 miljard en ander lenings en voorskotte R10,2 miljard of omstrengt 70 persent tot die totale toename van R39,1 miljard in kredietverlening deur monetêre instellings aan die private sektor bygedra.

Tabel 10 toon dat kredietverlening aan *huishoudings* deur monetêre instellings in 1994 met R17,9 miljard of 14,7 persent toegeneem het. Verbandvoorskotte was steeds die vernaamste soort krediet wat deur huishoudings gebruik word: aan die einde van 1994 het 68 persent van die totale kredietverlening deur monetêre instellings aan individue die vorm van verbandvoorskotte aangeneem. Afbetalingsverkoopkrediet en sogenaamde "ander lenings en voorskotte" (oortrokke rekeninge uitgesonderd) het gedurende 1994 aansienlik gestyg, terwyl oortrokke rekeninge wat aan huishoudings toegestaan is met 20 persent afgeneem het, deels vanweë 'n verskuiwing na die buigsame verbandfinansieringskemas vanaf oortrokke rekeninge.

Kredietverlening deur monetêre instellings aan die *private sake sektor* het gedurende 1994 met R12,4 miljard of 17,1 persent gestyg. Dit kan hoofsaaklik toegeskryf word aan die betreklike skerp stygings in oortrokke rekeninge, verbandvoorskotte en afbetalingsverkoopkrediet. Die koers van toename in "ander lenings en voorskotte" (oortrokke rekeninge uitgesonderd) het in 1994 slegs 8,5 persent bedra, maar dit het die vernaamste vorm van krediet gebly waarvan die private sake sektor gebruik gemaak het en het aan die einde van 1994 ongeveer 37 persent van die totale krediet uitgemaak wat deur private sakeondernemings benut is.

Rentekoerse en opbrengskoerse

Rentekoerse en opbrengskoerse op effekte, wat in Februarie 1994 begin verstewig het, het in die vierde

Tabel 10. Verandering in kredietverlening aan huishoudings en private sakeondernemings in 1994

	Huishoudings		Private sakeondernemings	
	R miljarde	Persentasieverandering	R miljarde	Persentasieverandering
Verbandvoorskotte.....	14,5	18,1	1,9	26,9
Afbetalingsverkoopkrediet	1,8	15,3	4,5	39,9
Oortrokke rekeninge.....	-2,5	-20,1	3,3	20,0
Bruikhuurfinansiering.....	1,1	17,4	0,1	1,6
Kredietkaarte	1,1	30,1	0,2	-
Ander lenings en voorskotte.....	1,9	25,0	2,4	8,5
Totaal.....	17,9	14,7	12,4	17,1

kwartaal van 1994 en die eerste twee maande van 1995 oor die algemeen verder gestyg. Die sterk opwaartse beweging in die opbrengskoerse op langtermynstaatseffekte in die eerste helfte van 1994 het tot 'n skerper opbrengskoerskromme gelei, wat later meer gelyk verloop het namate korttermynopbrengskoerse aanhou styg het en langtermynopbrengskoerse bestendiger geword het. Dit word duidelik weerspieël in die marge tussen opbrengskoerse soos op maandeinde op effekte met 'n looptyd van een jaar en tien jaar: hierdie marge het vergroot van 2,0 persentasiepunte in Januarie 1994 tot 3,0 persentasiepunte in Junie 1994 toe die opbrengskoerskromme steiler geword het, en het tot 2,6 persentasiepunte in Januarie 1995 vernou namate die opbrengskoerskromme meer gelyk geword het. Die opwaartse helling van die opbrengskoerskromme dui op verwagtings van verdere toenames in korttermynkoerse, terwyl die gelyke verloop van die kromme 'n afname in inflasieverwagtings oor die lang termyn weerspieël.

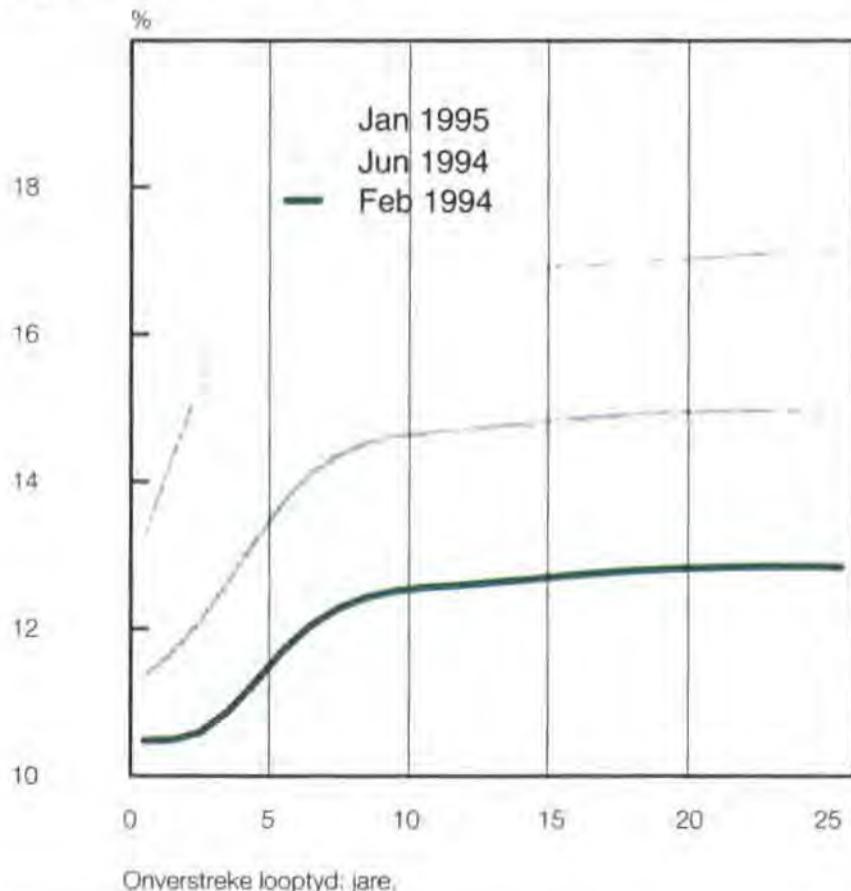
Geldmarkrentekoerse het per saldo steeds gedurende 1994 en die eerste twee maande van 1995 'n duidelik opwaartse beweging getoon. Die interbankkoers het byvoorbeeld van 9,75 persent aan die einde van Januarie 1994 tot 11,00 persent aan die einde van Mei 1994 gestyg, voordat dit teruggekeer het tot die vlakke wat aan die begin van die jaar bereik is. In reaksie op die toename in Bankkoers het hierdie koers daarná met een persentasiepunt tot 10,75 persent in September gestyg. Gedurende die daaropvolgende maande het dit verder tot 11,80 persent aan die einde van Januarie 1995 toegeneem en ietwat tot 11,50 persent op 20 Februarie

versag. Na die verhoging in Bankkoers het die interbankkoers op 23 Februarie tot 11,75 persent gestyg.

Die verhoging in Bankkoers van 12 tot 13 persent op 26 September 1994 het tot 'n ooreenstemmende styging in die banke se *uitleenkoers op prima oortrekings* sowel as die *oorheersende koers op verbandlenings* gelei. Die toename in die primakoers het op 26 September 1994 in werking getree en die toename in die koers op verbandlenings in Oktober 1994 vir nuwe verbandlenings en tussen 28 Oktober en 1 November 1994 vir bestaande verbandlenings. Die reële of inflasie-aangepaste koers op albei hierdie voorskotte was 5,8 persent in Desember 1994 in vergelyking met 5,2 persent in Desember 1993. Die maatreëls wat aangekondig is om monetêre beleid strammer te maak, het 'n verdere styging van 1,25 persentasiepunte tot 17,5 persent vanaf 22 Februarie 1995 in die uitleenkoers op prima oortrekings veroorsaak en van 1,0 persentasiepunt tot 17,25 persent per jaar in die verbandkoers vanaf 22 Februarie 1995 op nuwe lenings en vanaf 23 Maart tot 1 April 1995 op bestaande lenings.

Kapitaalmarkopbrengskoerse het ook gedurende 1994 merkbaar opwaarts beweeg. Die maandelikse gemiddelde *opbrengskoers op langtermynstaatseffekte* het van 12,21 persent in Januarie 1994 tot 15,87 persent in Augustus en tot 16,89 persent in September toegeneem. In die daaropvolgende maande het dit om hierdie vlak gewissel en in Januarie 1995 17,02 persent bereik. Die reële opbrengskoers op langtermynstaatseffekte het van 2,1 persent in Januarie 1994 tot 6,3 persent in Desember 1994 gestyg. Kapitaalmark-

Opbrengskoerskrommes



Rente- en opbrengskoerse



opbrengskoerse het bykans geen reaksie op die jongste verhoging in Bankkoers getoon nie.

As gevolg van die verhoging in Bankkoers in September 1994, is die oorheersende koers op kleinhandeldeposito's van twaalf maande by banke in September 1994 met een persentasiepunt opwaarts tot 11,5 persent aangepas. In 'n poging deur die banke om langertermyndeposito's te midde van stygende opbrengskoerse aan te lok, is hierdie koers verder verhoog tot tussen 12,0 en 12,25 persent in Oktober 1994, tot 12,5 persent in November en tot 13,0 persent in Januarie 1995. Op hierdie vlak het deposante in Desember 1994 'n positiewe reële opbrengs voor belasting van 2,4 persent verdien. Aan die einde van Februarie 1995 is die koers op deposito's van twaalf maande verder tot 13,5 persent verhoog.

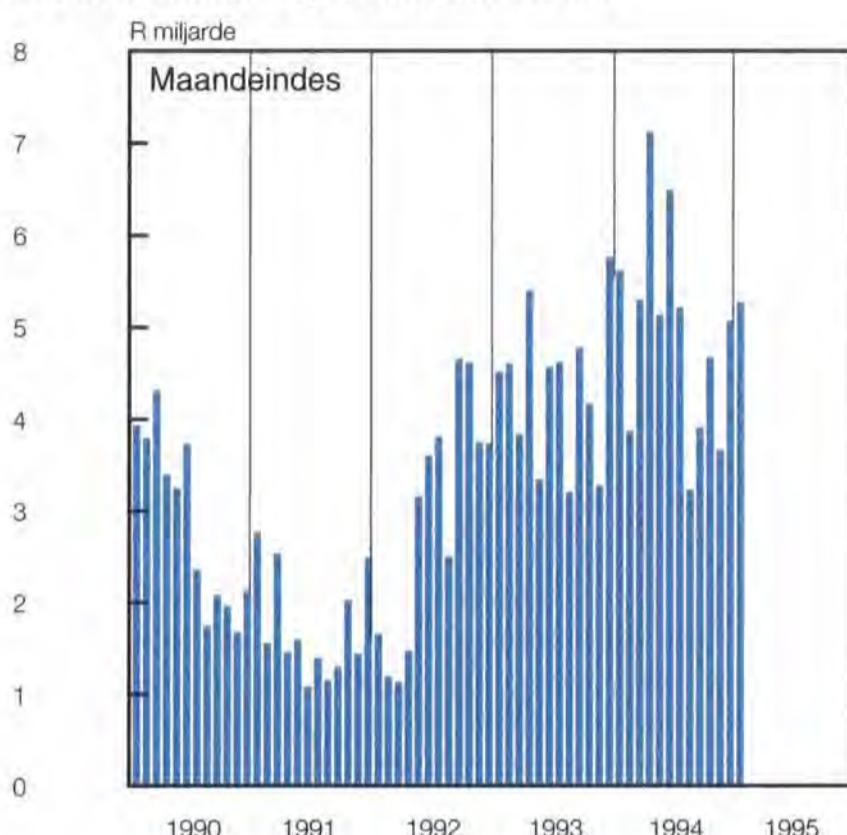
Ander langtermynkoerse is ook in die vierde kwartaal van 1994 en die eerste twee maande van 1995 verhoog. Die standaardrentekoers van toepassing op lenings wat ingevolge die Staatsinkomstefonds toegestaan is (Skatkiswet, Wet no. 66 van 1975), wat in drie fases van 13,25 persent op 1 Junie 1994 tot 15,5 persent van 1 September 1994 verhoog is, is verder verhoog tot 17,0 persent met ingang van 1 November 1994 en tot 17,25 persent vanaf 1 Desember 1994. Op 1 Januarie 1995 is dit weer tot 17,0 persent verminder, voordat dit op 1 Februarie 1995 weer tot 17,25 persent verhoog is. Die maksimum toelaatbare koerse op finansieringskoste, soos dit ingevolge die Woekerwet vasgestel is, is met ingang van 11 November 1994 van 23 tot 25 persent verhoog in die geval van geldlenings, krediet- en bruikhuurtransaksies vir bedrae van meer as R6 000 (maar nie meer as R500 000 nie), en van 26 tot 28 persent in die geval van bedrae tot en met R6 000.

Geldmarktoestande

Die betreklike stram geldmarktoestande wat gedurende die eerste ses maande van 1994 bestaan het, het in die derde kwartaal aansienlik verruim voordat die geldmark in die vierde kwartaal weer strammer geword het. Dit word duidelik deur die akkommodasie soos op maandeindes weerspieël, wat van R6,5 miljard aan die einde van Junie 1994 tot R3,9 miljard aan die einde van September gedaal het; dit het daarna weer tot R5,1 miljard aan die einde van Desember gestyg. Die vernouing in geldmarktoestande gedurende die vierde kwartaal van 1994 kon toegeskryf word aan 'n styging in note en munte in omloop buite die Reserwebank en die likwiditeit-opruimende invloed van die Bank se transaksie in goud en buitelandse valuta.

Hoewel geldmarktoestande gedurende Januarie 1995 ietwat verruim het, het die geldmarktekort aan die einde van die maand verder tot R5,3 miljard gestyg. Hierdie strammer toestande teen die einde van die maand was hoofsaaklik die gevolg van 'n toename in regeringsdeposito's by die Reserwebank wat 'n afname in note en munte in omloop buite die Reserwebank en 'n styging in die Bank se netto buitelandse bates meer as voldoende

Akkommodasie by diskontovenster



teengewerk het. Gedurende die eerste twee weke van Februarie het hierdie tekort tot R2,6 miljard gekrimp vanweë 'n skerp toename in die netto buitelandse bates van die Reserwebank.

Die optrede van die Reserwebank in die geldmark gedurende die vierde kwartaal van 1994 en in Januarie 1995 was betreklik neutraal en die Bank het oor die algemeen toegelaat dat die geldmarktekort die onderliggende vraag en aanbodtoestande weerspieël. Sekere optredes, soos die aankoop van bates vir die portefeuille van die Korporasie vir Openbare Deposito's en die aflossing van die spesiale skatkiswissels wat in Augustus 1994 uitgereik is, het by tye 'n verruimende uitwerking op geldmarktoestande gehad. Hierdie optredes is egter deur die Reserwebank se bestuur van die Belasting- en Leningsrekening teengewerk.

Teen die einde van Januarie en die begin van Februarie 1995 het die Reserwebank begin met optredes om oormatige skerp dalings in die geldmarktekort te verhoed. Hierdie optredes het 'n toename van R1 150 miljoen in regeringsdeposito's by die Bank gedurende die eerste twee weke van Februarie ingesluit. As deel van die strenger monetêre beleidsbenadering het die Bank hom gereed gemaak om likwiditeit op te ruïn deur die minimum kontantreserwevereiste van die banke met ingang van 21 Maart 1995 van 1 tot 2 persent van hul totale verpligtinge te verhoog.

Effektemark

Netto nuwe lenings deur die openbare sektor in die primêre effektemark het aansienlik teruggesak van R7,2

miljard in die tweede kwartaal van 1994 tot R4,1 miljard in die derde kwartaal, en daarna tot R7,8 miljard in die vierde kwartaal toegeneem. Dit het die nuwe uitgifte van effekte van die openbare sektor in die eerste nege maande van die fiskale jaar 1994/95 op slegs R19,1 miljard te staan gebring. Hierdie uitgifte het in die ooreenstemmende tydperk van die voorafgaande jaar R26,2 miljard beloop. Die regering het in Desember 1994 ook 'n uitgif van effekte ten bedrae van R2,7 miljard in VSA-dollar op die internasionale kapitaalmark gemaak. Dit was die eerste internasionale uitgifte sedert 1991 en verteenwoordig 'n verdere stap in die normalisering van Suid-Afrika se internasionale ekonomiese betrekkinge.

Die private sektor se vraag na fondse wat verkry is deur middel van primêre vaste-rentedraende sekuriteite het in 1994 afgeneem en nuwe uitgifte van sodanige sekuriteite deur genoteerde maatskappye in die private sektor (teen die agtergrond van 'n verstewiging in langtermynrente- en opbrengskoerse) het in die jaar 1994 met ongeveer 82 persent tot R138 miljoen gedaal. 'n Aantal maatskappye het ook kapitaal deur middel van die uitgifte van omskepbare Euro-effekte ten bedrae van \$175 miljoen bekom, wat die vraag naleenbare fondse in die binnelandse kapitaalmark verminder het.

Die bedrywigheid in die sekondêre effektemark het in die eerste drie kwartale van 1994 baie lewendig gebly, maar daarna vanaf Oktober verder skerp afgeneem. Die waarde van effekte van die openbare sektor wat op die Johannesburgse Effektebeurs verhandel is, het toegeneem van 'n reeds hoë vlak van R253,5 miljard in die eerste kwartaal van 1994 tot 'n nuwe rekordvlak van

R294,5 miljard in die derde kwartaal, maar toe skerp afgeneem tot R170,1 miljard in die vierde kwartaal. Teen R968,3 miljard in 1994 was die jaarlikse omset van hierdie effekte bykans 30 persent hoër as in 1993. In Januarie 1995 het die waarde van verhandelde effekte van die openbare sektor verder teruggesak tot R52,4 miljard van 'n maandelikse gemiddelde van R56,7 miljard in die vierde kwartaal van 1994.

Nie-inwoners het in die vierde kwartaal van 1994 netto aankopers van effekte gebly. Hul netto aankope van effekte op die Johannesburgse Effektebeurs het vir 1994 in die geheel R1,1 miljard beloop. In Januarie 1995 is verdere netto aankope deur nie-inwoners ten bedrae van R0,1 miljard gedoen. Hoewel nie-inwoners se deelname in die totale bruto aankope in 1994 op slegs 1,2 persent te staan gekom het, het hulle steeds as 'n belangrike aanwyser vir beleggers in hierdie mark gedien.

Aandelemark

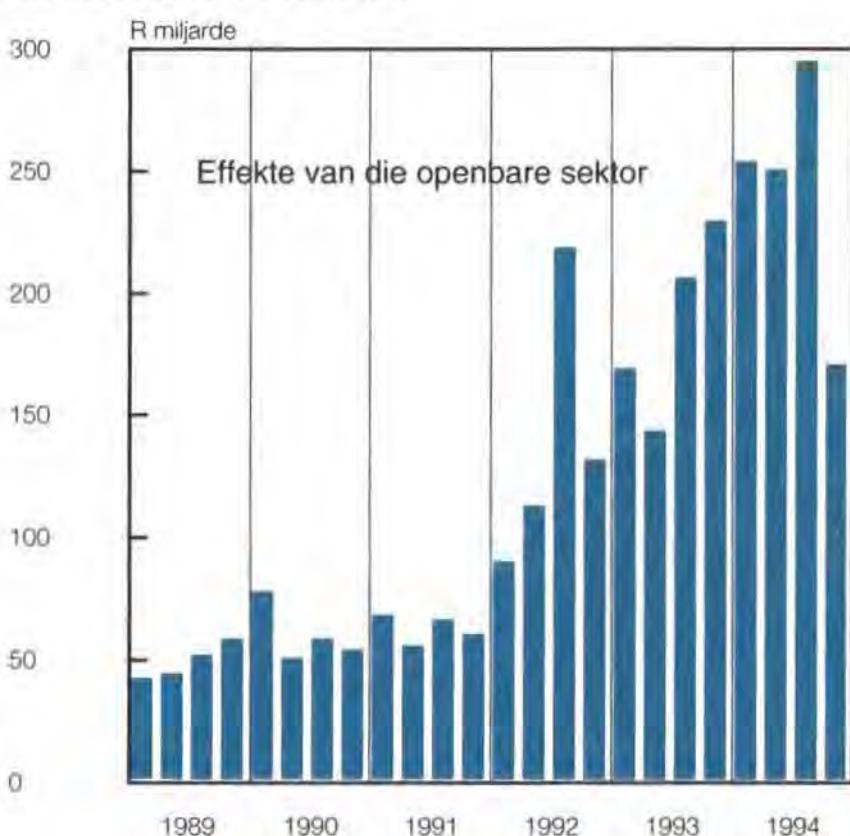
Die vraag na fondse in die primêre aandelemark het in 1994 aansienlik afgeneem ondanks redelik gunstige toestande vir sodanige uitgifte. Die waarde van regte-uitgifte van gewone aandele van maatskappye wat op die effektebeurs genoteer is, het van R5,3 miljard in 1993 tot R2,7 miljard in 1994, of met meer as 50 persent afgeneem.

Die bedrywigheid in die sekondêre aandelemark was egter lewendig. Die waarde van aandele wat op die Johannesburgse Effektebeurs verhandel is, het van 'n kwartaallikse gemiddelde van R10,9 miljard in 1993 tot 'n nuwe kwartaallikse rekordvlak van R20,7 miljard in die eerste kwartaal van 1994 toegeneem, voordat dit in die vierde kwartaal tot R15,7 miljard afgeneem het. Die totale aandeletransaksies het in 1994 R71,6 miljard beloop, bykans 66 persent meer as die omset in 1993. In Januarie 1995 het die waarde van verhandelde aandele verder gekrimp van 'n maandelikse gemiddeld van R5,2 miljard in die vierde kwartaal van 1994 tot R4,5 miljard vanweë die onbestendigheid in die mark en die afwaartse aanpassings in aandelepryse.

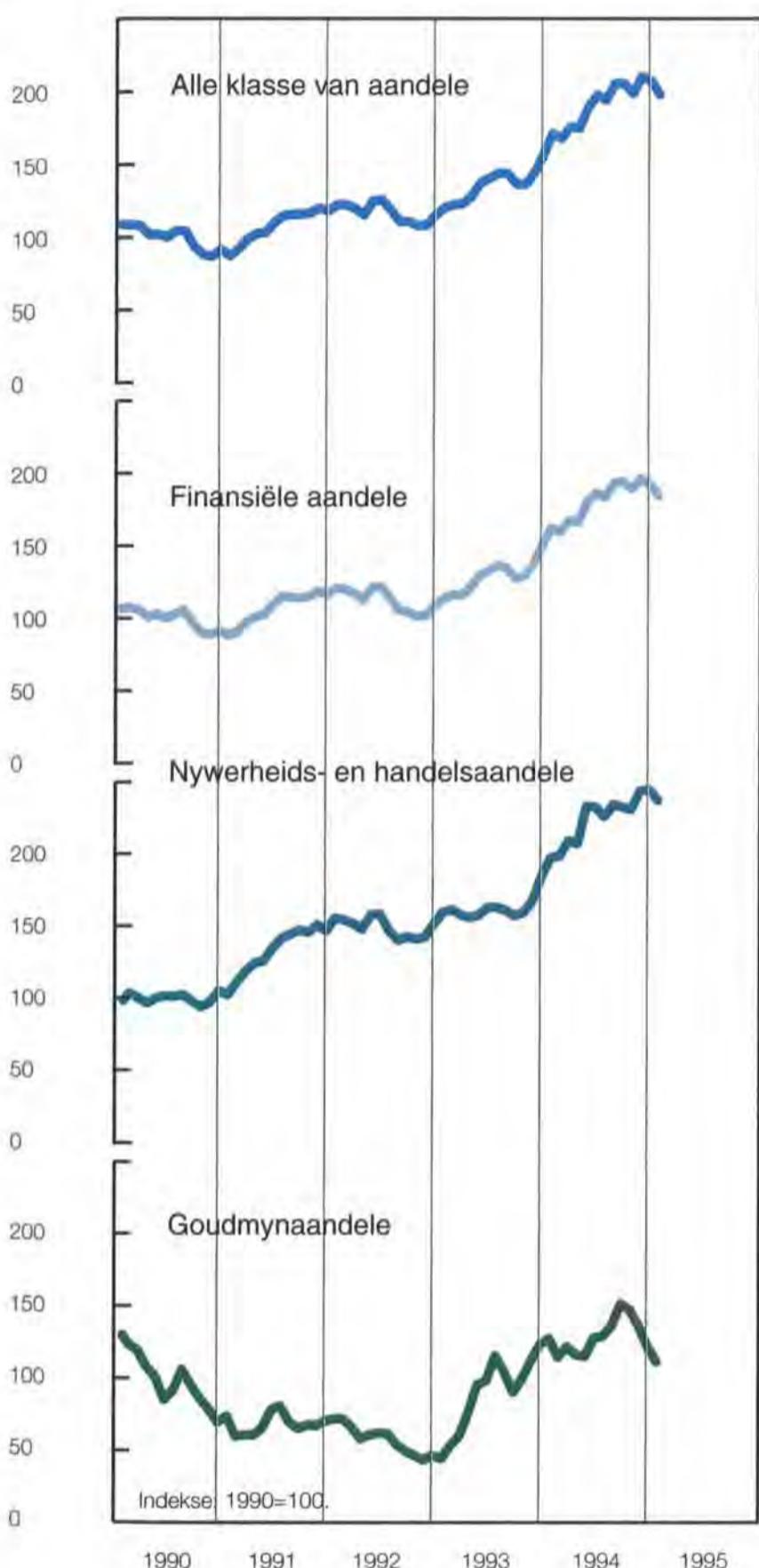
Nie-inwoners, wat vanaf die tweede kwartaal van 1994 netto verkopers van aandele geword het, het in die vierde kwartaal verdere netto verkoop van R535 miljoen aangegaan. Vir die jaar in die geheel was hulle egter steeds netto aankopers van aandele ten bedrae van R185 miljoen. In Januarie 1995 het nie-inwoners verdere netto aankope van aandele ten bedrae van R211 miljoen gedoen. Nie-inwoners bly belangrike deelnemers in die effektebeurs en hul bruto aankope van aandele het in 1994 ongeveer 31 persent van die omset van genoteerde aandele beloop.

Gerugsteun deur sterk vertonings in bykans al die aandelekategorieë (met die uitsondering van goudmynaandele), het die maandelikse gemiddelde prys van alle klasse van aandele opwaarts beweeg en in November 'n nuwe rekordhoogtepunt bereik, wat 93 persent bo die onderste draaipunt in Oktober 1992 was. In Desember 1994 en Januarie 1995 het die insinking in aandelepryse

Effektebeurstransaksies



Aandelepryse



Tabel 11. Dividendopbrengskoers, verdiensteopbrengskoers, prys-verdienste-verhouding en rendementsgaping op alle klasse van aandele

	Dividend- opbrengs- koers Percent	Verdienste- opbrengs- koers* Percent	Prys- verdienste- verhouding	Rendements- gaping Punte
1993:				
Des.....	2,53	5,95	16,81	9,81
1994:				
Mrt.....	2,30	5,50	18,18	10,69
Jun	2,14	5,08	19,69	12,32
Sept.....	2,12	5,09	19,65	14,77
Des.....	2,19	5,27	18,97	14,61
1995:				
Jan	2,28	5,48	18,25	14,74

* Uitgesonderd goudmynaandele.

gedurende 1994 skerp gedaal, voordat dit in Januarie 1995 ietwat gestyg het (sien tabel 11). Die prys-verdienste-verhouding het in Augustus 1994 'n hoogtepunt bereik, maar toe in die volgende vyf maande afgeneem. Die betreklike duurheid van Suid-Afrikaanse aandele word ook aangedui deur die skerp toename in die rendementsgaping (die maandelikse gemiddelde opbrengskoers op langtermynstaatseffekte minus die dividendopbrengskoers) op alle klasse van aandele wat van 9,8 persentasiepunte in Desember 1993 tot 14,7 persentasiepunte in Januarie 1995 gestyg het.

Ander finansiële markte

Die omset in die formele *afgeleide mark vir aandeletermynkontrakte* het gedurende 1994 en Januarie 1995 oor die algemeen op 'n hoë vlak gebly. Die aantal aandeletermynkontrakte wat verhandel is, was in 1994 gevvolglik bykans 34 persent hoër as in 1993. Opsies op aandeletermynkontrakte wat in Oktober 1992 begin verhandel het, het ook skerp bly toeneem. Handel in hierdie opsies het in 1994 3,3 miljoen kontrakte beloop; dit was ongeveer een-en-'n-half keer die aantal van 2,1 miljoen kontrakte wat in 1993 verhandel is. In Januarie 1995 het handel in hierdie opsies 0,6 miljoen kontrakte bedra, vergeleke met die maandelikse gemiddelde van 0,3 miljoen kontrakte in 1994.

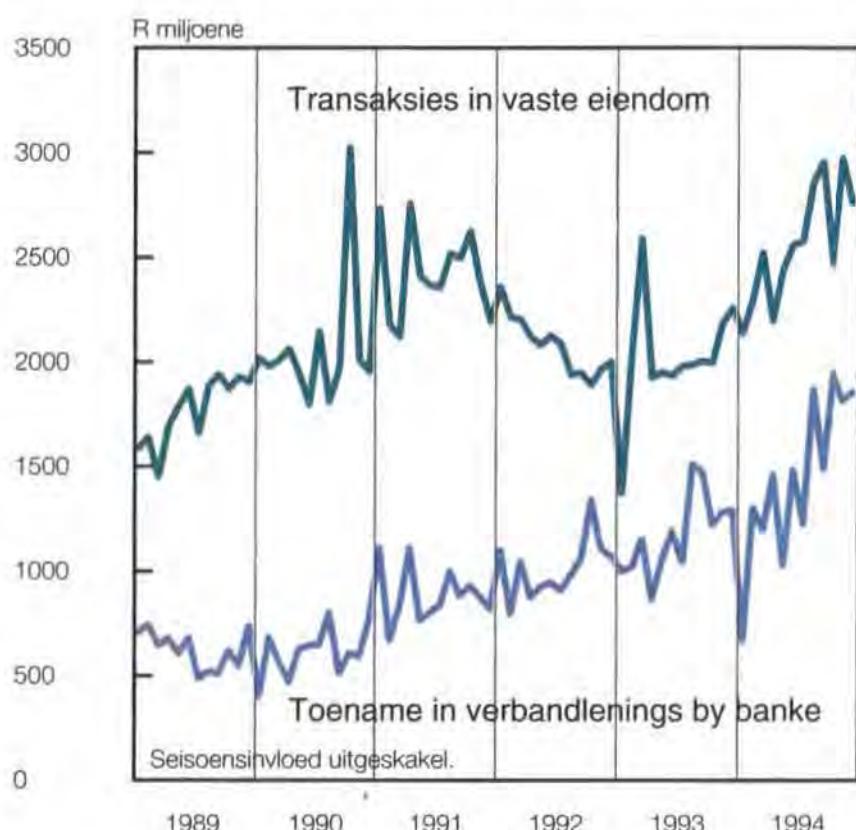
Verhandeling in 'n nuwe *rentekoerstermynkontrak* met die R150 staatseffek as onderliggende instrument, het op 30 November 1994 begin en in opsies op 9 Desember 1994. In die daaropvolgende twee maande is albei hierdie nuwe instrumente taamlik druk verhandel.

Groei in die *verbandmark* het gedurende die eerste elf maande van 1994 lewendig gebly, met die totale uitstaande bedrag aan verbandvoorskotte van die banke wat van R92,9 miljard in Desember 1993 tot R108,7

in Wallstraat, 'n laer goudprys, die uitkringende uitwerking van die Meksikaanse krisis op opkomende markte, die aardbewing in Japan en voorkomende optredes in afwagting van die moontlike afskaffing van die finansiële rand, tot 'n afwaartse regstelling van 5,8 persent in die gemiddelde prysvlak van alle klasse van aandele gelei.

In weerspieëeling van die toename in aandelepryse, het die gemiddelde dividend- en verdienste-opbrengskoerse

Verbandlenings en transaksies in vaste eiendom



miljard in November 1994 toegeneem het. Die waarde van en aantal *transaksies in vaste eiendom* het ook gedurende 1994 toegeneem en die gemiddelde prys van alle eiendomstransaksies in November was 19,4 persent hoër as dié in die ooreenstemmende maand van die voorafgaande jaar.

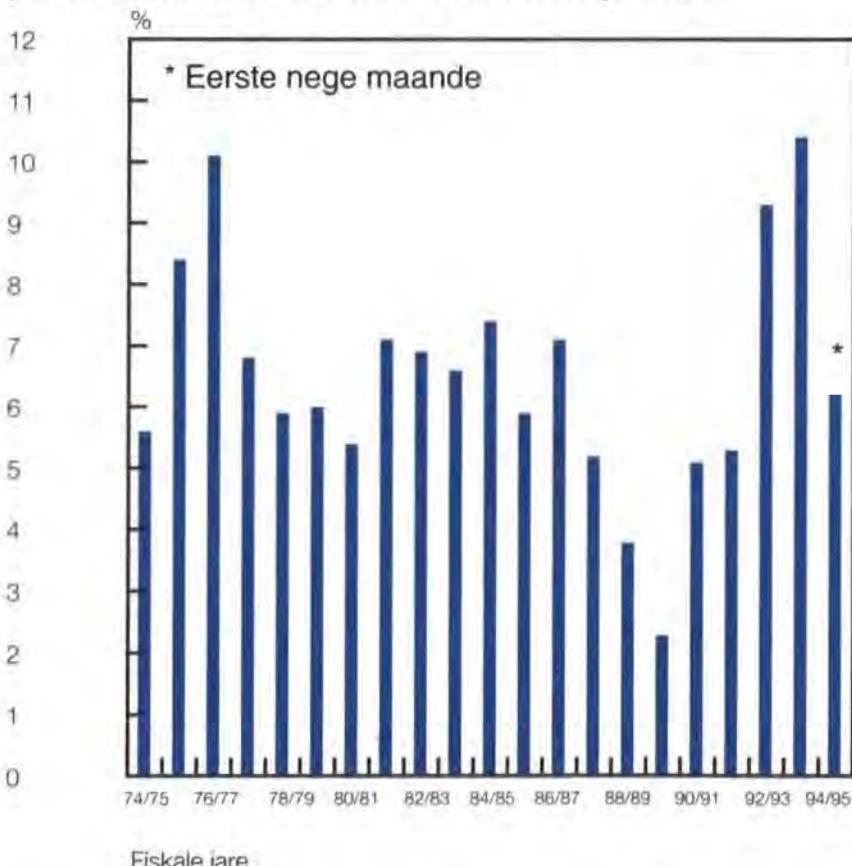
Openbare finansies

Leningsbehoefte van die openbare sektor

Die *leningsbehoefte van die openbare sektor* (dit wil sê die tekort voor lenings en skuldaflossing van die gekonsolideerde sentrale regering, provinsiale regerings, plaaslike owerhede en nie-finansiële openbare ondernemings) het R20,7 miljard in die eerste nege maande van die fiskale jaar 1994/95 bedra, of was R0,7 miljard bo die vlak van die voorafgaande jaar. In verhouding tot die bruto binnelandse produk het die leningsbehoefte van die openbare sektor gedurende die eerste nege maande van die fiskale jaar op 6,2 persent te staan gekom, wat betekenisvol laer was as die 10,2 persent vir die fiskale jaar 1993/94 in die geheel. Die uitsonderlik hoë leningsbehoefte in die fiskale jaar 1993/94 kon egter hoofsaaklik toegeskryf word aan buitengewone nie-herhalende oordragte van R14,8 miljard. Indien hierdie oordragte buite rekening gelaat word, was die leningsbehoefte van die openbare sektor in die fiskale jaar 1993/94 gelyk aan 6,4 persent van die bruto binnelandse produk, of slegs ietwat hoër as die tekort in die eerste nege maande van die fiskale jaar 1994/95.

'n Ontleding van die leningsbehoefte van die openbare sektor volgens die *vlak van owerheid* toon dat die Hoofbegroting verantwoordelik was vir ongeveer 96 persent van die totale leningsbehoefte en dat die tekort op hierdie rekening van die eerste nege maande van die fiskale jaar 1993/94 tot die eerste nege maande van die

Leningsbehoefte van die openbare sektor as persentasie van bruto binnelandse produk



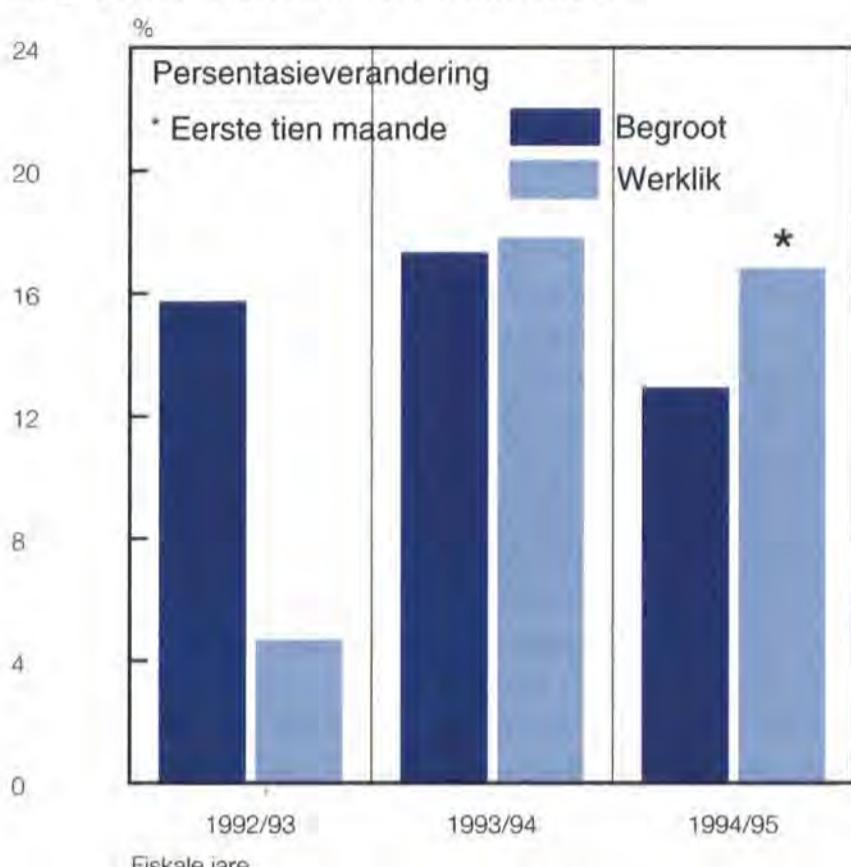
fiskale jaar 1994/95 effens (met R0,3 miljard) toegeneem het. Die leningsbehoefte van die nie-finansiële openbare korporasies en die sentrale owerheidsondernehemings het oor dieselfde tydperk ook van R0,1 miljard tot R0,4 miljard gestyg, terwyl die oorskot van R10 miljoen van die buitebegrotingsinstellings in 'n tekort van R860 miljoen omgeswaai het. In teenstelling met hierdie gebeure, is die leningsbehoefte van die plaaslike owerhede van R310 miljoen tot R220 miljoen verminder en het die oorskot op die inkome-en uitgawerekenings van die provinsiale regerings van R193 miljoen in die eerste nege maande van die fiskale jaar 1993/94 tot R805 miljoen in die eerste nege maande van die fiskale jaar 1994/95 toegeneem.

Skatkisrekening

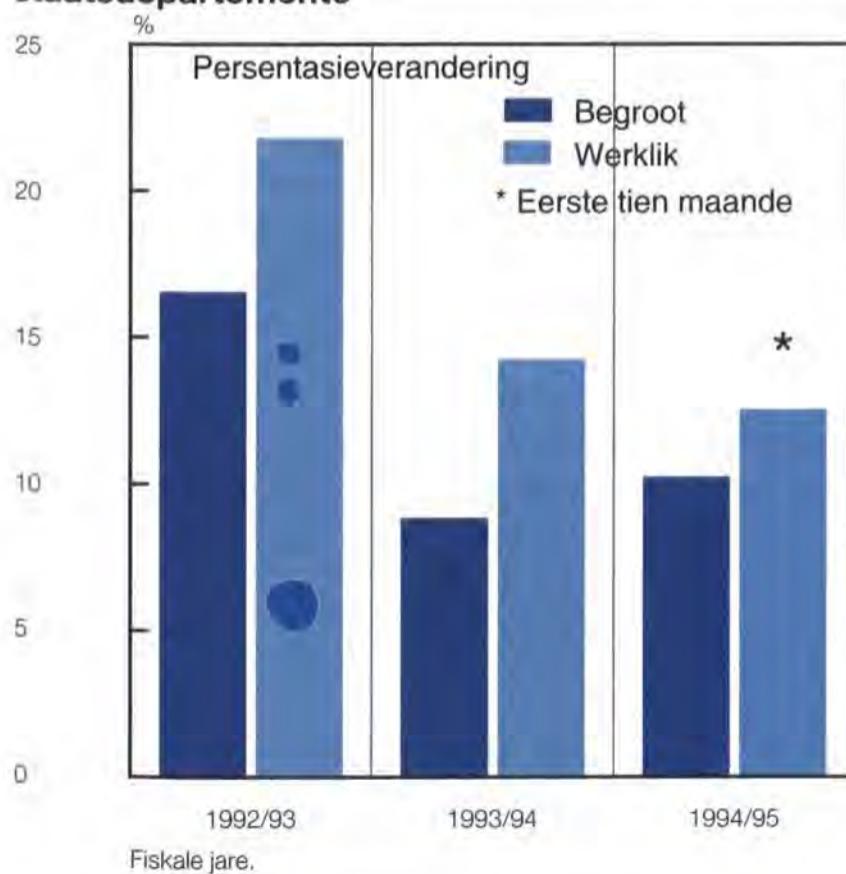
Die tekort op die Skatkisrekening voor lenings en skuldaflossing vir die eerste tien maande van die fiskale jaar 1994/95 was min of meer gelyk aan die projeksies van die Begroting van Junie 1994. Die koers van toename van jaar tot jaar in sowel skatkisuitreikings as -ontvangste was oor hierdie tydperk egter heelwat hoër as die koers van toename wat vir die volle fiskale jaar in die Begroting voorsien is.

Die koers van toename van jaar tot jaar in *skatkisuitreikings* aan staatsdepartemente (aangepas vir kontantvloeiinge) het in die eerste tien maande van die fiskale jaar 12,5 persent bedra, wat heelwat hoër was as die begrote voorsiening van 10,2 persent vir die jaar in die geheel. Hierdie koers van toename in skatkisuitreikings was egter beduidend laer as die koers van toename van 14,1 persent in die ooreenstemmende tydperk van die

Begrote en werklike staatsinkomste



Begrote en werklike skatkisuitreikings aan staatsdepartemente



vorige fiskale jaar en die gemiddelde koers van toename van 16,6 persent in die eerste tien maande van die voorafgaande vyf fiskale jare. In verhouding tot die bruto binnelandse produk, het skatkisuitreikings in die eerste nege maande van die fiskale jaar 1994/95 ook op 'n vlak van ongeveer 30% persent van die nominale bruto binnelandse produk gebly. Hierdie syfers het sekere beplande staatsbesteding aan die heropbou- en ontwikkelingsprogramme ingesluit. Teen die einde van Januarie 1995 was daar egter nog geen eise teen die Heropbou- en Ontwikkelingsfonds ingestel nie; hierdie eise sal waarskynlik in die laaste twee maande van die fiskale jaar plaasvind.

Skatkisontvangste (aangepas na 'n kontantvloeigrondslag en vir kapitaalwinste¹) was in die eerste tien maande van 1994/95 16,8 persent bo die vlak van die eerste tien maande in die voorafgaande jaar; die toename in staatsinkomste is teen 12,9 persent vir die jaar in die geheel begroot. In die ooreenstemmende tydperk van die voorafgaande jaar het staatsinkomste met 17,4 persent gestyg, terwyl die gemiddelde koers van toename oor hierdie tydperk in die voorafgaande vyf fiskale jare 14,0 persent beloop het. Die buitengewoon goeie prestasie van skatkisontvangste in die fiskale jaar 1993/94 kon hoofsaaklik aan 'n aansienlike styging in die koers van belasting op toegevoegde waarde toegeskryf word.

¹ Skatkisontvangste is aangepas vir kapitaalwinste wat ontstaan het uit die konsolidasie van staatseffekte, wat nie 'n werklike kontantvloeiing of normale inkome verteenwoordig het nie.

Hoewel die toename in skatkisontvangste in die eerste tien maande van die fiskale jaar 1994/95 aansienlik laer was as in die voorafgaande jaar, was dit nog betreklik hoog en het dit die begrote ramings oorskry. Soos in tabel 12 aangetoon word, kon die hoér-as-begrote koers van toename in staatsinkomste aan die skerp toename in binnelandse inkomste sowel as in die ontvangste vanaf doeane en aksyns toegeskryf word. Vanweë 'n beter-as-verwagte toename in persoonlike inkomste, het binnelandse inkomste beter vertoon as wat in die Begroting voorsien is. Die hoér-as-begrote koers van toename in die inkomste van doeane- en aksynsregte is deur 'n wesenlike toename in die waarde van goedere-invoer veroorsaak.

Ondanks die instelling van 'n tydelike oorgangsheffing op persone en maatskappye, het die totale belastingglas geen beduidende verandering getoon nie. Nadat skatkisontvangste as 'n persentasie van die bruto binnelandse produk skerp toegeneem het van die lae draapunt van 23,5 persent in die fiskale jaar 1992/93 tot 24,4 persent in die fiskale jaar 1993/94, het dit in die eerste nege maande van die fiskale jaar 1994/95 24,3 persent bedra.

Die netto resultaat van die hoér-as-begrote ontvangste en uitgawes in die eerste tien maande van die fiskale jaar 1994/95 was 'n tekort op die Skatkisrekening voor lenings en skuldaflassing van R17,8 miljard. Hierdie bedrag was gelyk aan 60,4 persent van die begrote tekort vir die jaar in die geheel, wat aansienlik minder was as die 74,2 persent in die ooreenstemmende tydperk van die vorige jaar en die gemiddelde verhouding van 64,2 persent in die voorafgaande vyf fiskale jare. Ongeag die verwagte versnelling in staatsuitgawes aan die einde van die jaar, lyk dit redelik seker dat die tekort vir die fiskale jaar in die geheel die begrote tekort nie noemenswaardig sal oorskry nie en dat dit selfs laer kan wees as wat verwag word.

Inligting oor die *finansiering* van die tekort volgens *tipe lener* wat slegs vir die eerste nege maande van die fiskale

Tabel 12. Persentasietoename in skatkisontvangste

	Begrote toename vir die fiskale jaar 1994/95	Werklike toename in die eerste nege maande van 1994/95
Doeane- en aksynsregte.....	2,6	7,3
Binnelandse inkomste.....	14,8	17,5
Inkomstebelasting	16,5	20,0
Belasting op toegevoegde waarde.....	15,3	15,8
Totale ontvangste.....	12,9	16,3

Tabel 13. Finansiering van die skatkistekort vir die eerste nege maande van die fiskale jaar 1993/4 volgens tipe lener

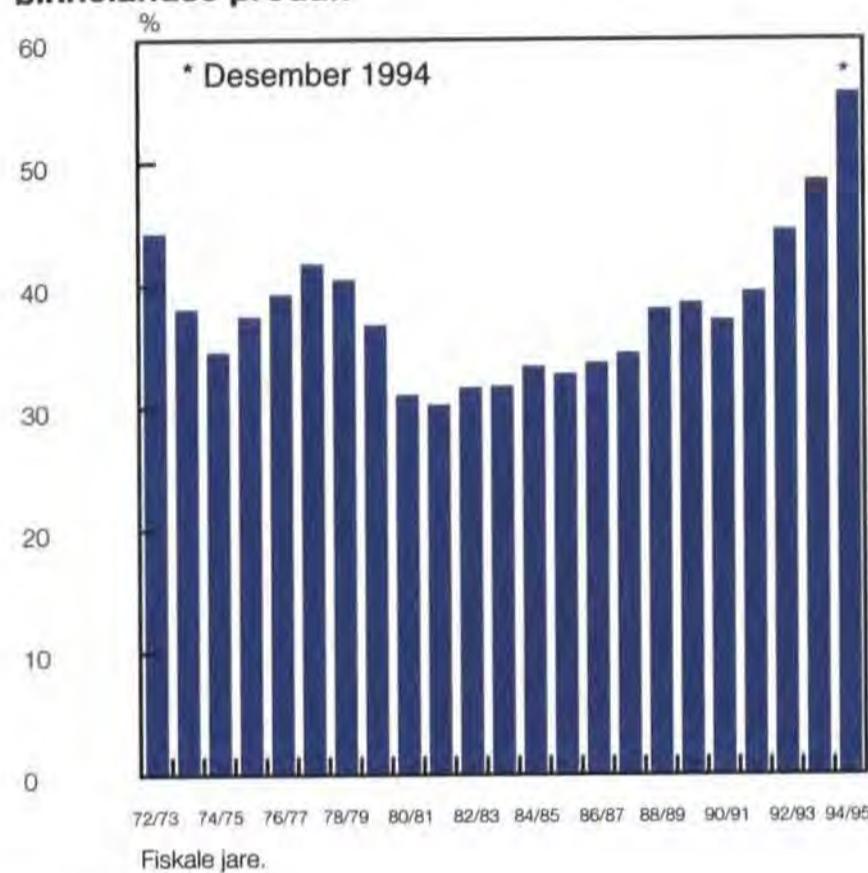
	R miljoene
Openbare Beleggingskommissaris.....	13 707
Nie-monetêre private sektor	16 085
Monetêre instellings.....	-5 722
Korporasie vir Openbare Deposito's.....	-2 383
Ander monetêre instellings	-3 339
Buitelandse sektor	4 709
Buitengewone ontvangste	29
Totale bruto finansiering.....	28 808
Min: Diskonto op nuwe uitgifte van staats- effekte.....	9 615
Plus: Premie op konsolidasie	1 170
Totale netto finansiering	20 363

jaar 1994/95 beskikbaar is (sien tabel 13), toon duidelik dat die tekort hoofsaaklik gefinansier is deur fondse wat van die Openbare Beleggingskommissaris en die nie-monetêre private sektor verkry is, terwyl die monetêre instellings se netto eise teen die regering skerp afgeneem het. Skatkiswissels ten bedrae van R1,7 miljard is gedurende die derde kwartaal van die fiskale jaar 1994/95 aan buitelanders verkoop, terwyl die regering se effekte-uitgifte op die wêreldmark in Desember 1994 R2,7 miljard tot die finansiering van die tekort bygedra het.

Die uitreiking van binnelandse langtermynstaatseffekte was egter steeds die vernamste leningsinstrument wat gebruik is in die finansiering van die tekort. Aangesien die staatseffekte uitgereik is teen 'n koeponkoers wat aansienlik laer was as die heersende markrentekoers, het die diskonto op staatseffekte (gekapitaliseerde rente) gestyg van 6,5 persent van die netto toename in staatseffekte in die fiskale jaar 1993/94 tot 31,1 persent in die eerste nege maande van die fiskale jaar 1994/95. As gevolg hiervan het die diskonto op die uitreiking van staatseffekte ook 'n groot bydrae gemaak tot die toename in staatskuld gedurende die fiskale jaar 1994/95.

In 'n poging om 'n toename in die druk van die hoë rentekoste van die skuld op die owerheid se finansies te vermy en om tegelykertyd aan institutionele beleggers se voorkeur vir 'n kapitaalmarkinstrument met geldmarkeenskappe te voldoen, is 'n nuwe effek met 'n wisselende koers gedurende Oktober 1994 bekend gestel. Hierdie effek het 'n looptyd van vier jaar en 'n koeponkoers wat kwartaalliks afgelei word van die heersende skatkiswisseltenderkoers deur die byvoeging van 'n premie. Hierdie effek was baie gewild by die beleggers en 'n bedrag van R5,2 miljard is in die vierde kwartaal van 1994 deur hierdie instrument verkry. Hoewel hierdie effek uitgereik is met die doel om in die behoeftes van

Totale staatskuld as persentasie van bruto binnelandse produk



institusionele beleggers te voorsien, het die Openbare Beleggingskommissaris en die monetêre sektor R3,6 miljard, of sowat 70 persent van die totale uitreiking in hierdie tydperk opgeneem.

Die leningsbehoefte van die Skatkis voor skuldaflossing plus die groot diskonto op die uitreiking van nuwe staatseffekte het geleid tot 'n toename in *staatskuld* van R192,1 miljard aan die einde van die fiskale jaar 1993/94 tot R239,9 miljard aan die einde van Desember 1994. 'n Aansienlike deel van hierdie toename (R14,2 miljard) kon aan die oordrag van skuld vanaf die voormalige TBVC-lande en selfregerende state na die Suid-Afrikaanse nasionale regering toegeskryf word. In verhouding tot die bruto binnelandse produk het die totale staatskuld skerp toegeneem van 37,2 persent aan die einde van die fiskale jaar 1990/91 tot 48,7 persent aan die einde van die fiskale jaar 1993/94 en verder tot 55,4 persent aan die einde van Desember 1994. Dit is 'n duidelike waarskuwingsteken dat die huidige groot tekorte op die Skatkisrekening nie gehandhaaf sal kan word nie en so gou moontlik verminder moet word.

Monetêre beleid in 1995

Verklaring deur dr C.L. Stals, President van die Suid-Afrikaanse Reserwebank

20 Februarie 1995

Deel I: Samevatting van monetêre beleidsmaatreëls

Die Reserwebank ag dit noodsaaklik dat 'n meer beperkende monetêre beleid nou ingestel word ten einde te voorkom dat inflasie in die toekoms verder sal toeneem. Deur voorkomende maatreëls nou in werking te stel, sal die bemoedigende huidige ekonomiese uitbreiding ondersteun word en hopelik oor 'n langer termyn kan voortduur.

Die Bank het derhalwe besluit om die volgende veranderings aan die bestaande monetêre beleidsmaatreëls aan te bring:

1. Riglyne vir 'n aanvaarbare groeikoers in die M3-geldvoorraad vanaf die vierde kwartaal van 1994 tot die vierde kwartaal van 1995 is binne die perke van 6 tot 10 persent neergelê. Dit vergelyk met perke van 6 tot 9 persent wat vir 1994 gestel is en die werklike toename van 14,6 persent in 1994.

2. Die Bankkoers, dit wil sê die koers waarteen die Reserwebank akkommodasie aan bankinstellings verleen teen die onderpand van Skatkiswissels, staatseffekte en Landbankwissels, almal met 'n onverstreke looptyd van minder as 92 dae, word vanaf 21 Februarie 1995 van 13 tot 14 persent per jaar verhoog. Die koers van oornaglenings wat teen die onderpand van dieselfde finansiële bates met onverstreke looptye van 92 dae en langer, maar korter as 3 jaar, toegestaan word, sal vanaf 14 tot 15 persent per jaar verhoog word.

3. Banke word in hierdie stadium verplig om 'n basiese minimum kontantreserwe van 1 persent van hul totale verpligtings, minus kapitaal en reserves, op deposito by die Reserwebank en/of in die vorm van Suid-Afrikaanse munte en banknote te hou, plus 'n addisionele rentedraende reserwedeposito by die Reserwebank gelykstaande aan 1 persent van hul korttermynverpligtigs. Soos vanaf 21 Maart 1995 sal die basiese minimum reserwevereiste verhoog word vanaf 1 persent tot 2 persent van die gedefinieerde totale verpligtigs van elke bankinstelling. Die addisionele rentedraende reserwedeposito van 1 persent van korttermynverpligtigs word behou.

4. Elke bankinstelling sal voorsien word van kwantitatiewe riglyne vir die maksimum bedrag van krediet wat hy aan die private sektor gedurende die res van hierdie jaar behoort toe te staan ten einde uitvoering te gee aan die monetêre beleidsdoelwitte van die owerhede. Hierdie riglyne is nie verpligtend nie en 'n beroep word op elke bankinstelling gedoen om sy volle ondersteuning te

verleen in die poging om inflasie in toom te hou.

'n Gedetailleerde motivering vir hierdie besluite word as Deel II van hierdie Verklaring aangeheg.

Deel II: Motivering vir monetêre beleidsmaatreëls

1. Finansiële ontwikkelings in 1994

Teen die agtergrond van die belangrike sosio-ekonomiese veranderings wat verlede jaar ingestel is, die invloed van onsekerhede voor die verkiesing en die geweld en nywerheidsoptrede ná die verkiesing op die ekonomie, en die huiwerige herstel in die algehele binnelandse ekonomiese toestand, het die Reserwebank in 1994 'n matig ekspanzionistiese monetêre beleid gevvolg.

Hoewel dit met die verloop van die jaar duidelik geword het dat die werklike groei in die geldvoorraad die riglyne van 6 tot 9 persent wat aan die begin van die jaar as 'n aanvaarbare groeikoers in die breedgedefinieerde geldvoorraad (M3) beskou is sou oorskry, het die Bank se optrede in die finansiële markte betreklik neutraal gebly. Slegs teen die einde van September 1994 het die Bank vir die eerste keer sy hand gewys deur die Bankkoers van 12 tot 13 persent te verhoog.

Die gevolg van hierdie redelik matige monetêre beleid was dat die twee finansiële groothede wat deur die Bank as belangrike aanwysers van moontlike toekomstige inflasieneigings beskou word, betreklik vinnig uitgebred het:

* oor die tydperk van twaalf maande van Desember 1993 tot Desember 1994 het die M3-geldvoorraad met 16 persent toegeneem. Die gemiddelde bedrag van die geldvoorraad in die vierde kwartaal van 1994 (die riglynteikenperiode) het die gemiddelde bedrag van M3 in die vierde kwartaal van 1993 met 14,6 persent oorskry;

* oor die tydperk van twaalf maande van November 1993 tot November 1994 (die jongste beskikbare inligting) het die totale bedrag bankkredietverlening aan alle binnelandse leners in Suid-Afrika, dit wil sê die regering en die private sektor, met 20,9 persent toegeneem. Die totale eise van alle monetêre instellings teen die private sektor het oor dieselfde tydperk met 16,9 persent gestyg.

Dit is duidelik dat finansiële bestendigheid nie gehandhaaf sal kan word nie en dat inflasie maklik sal kan versnel indien die groeikoerse in die geldvoorraad en in die banke se kredietverlening nie gestuit word nie.

As 'n weerspieëeling van die toenemende vraag na krediet, het markverwante rentekoerse in Suid-Afrika redelik skerp oor die jaar gestyg:

- * die tenderkoers op Skatkiswissels van drie maande het van 10,2 persent in Desember 1993 tot 12,7 persent in Desember 1994 gestyg;
- * die koers op verhandelbare depositosertifikate van drie maande het van 10,4 tot 12,8 persent oor die jaar gestyg; en
- * die opbrengskoers op langtermynstaatseffekte het van 12,3 persent aan die einde van 1993 tot 16,8 persent aan die einde van 1994 toegeneem.

Markverwante rentekoerse het dus baie vinniger gestyg as die Bankkoers en daardie koerse wat tradisioneel aan die Bankkoers gekoppel is, soos die primakoers op oortrekings van bankinstellings en die verbandkoers vir huislenings wat eers met een persentasiepunt verhoog is nadat die Bankkoers van 12 tot 13 persent op 26 September 1994 verhoog is.

Belangrike veranderings in die betalingsbalans gedurende 1994 het ook die finansiële ontwikkelings en die monetêre beleidsbenadering van die owerhede beïnvloed:

- * 'n Klein oorskot van R412 miljoen op die lopende rekening in die eerste helfte van die jaar het na 'n tekort van R2,5 miljard in die tweede helfte omgeswaai;
- * 'n netto kapitaaluitvloeiing van R3,6 miljard in die eerste helfte van die jaar het in 'n netto invloeiing van nie minder nie as R8,8 miljard in die tweede helfte van die jaar verander. Vir die jaar in die geheel het Suid-Afrika dus 'n netto kapitaalinvloeiing van R5,2 miljard gehad – die eerste jaar sedert 1984 waarin 'n netto kapitaalinvloeiing aangeteken is;
- * die land se totale netto goud- en ander buitelandse reserwes het met R3,2 miljard van die einde van Desember 1993 tot die einde van Junie 1994 afgeneem, maar daarna met R6,4 miljard oor die laaste ses maande van die jaar toegeneem;
- * die geweegde gemiddelde nominale waarde van die rand het van 31 Desember 1993 tot 13 Julie 1994 met 12,1 persent gedepresieer, maar het toe met ongeveer 4 persent tot 31 Desember 1994 geappresieer.

Hierdie neigings op die betalingsbalans, wat die voordeelige gevolge van Suid-Afrika se nuwe posisie in die wêreldekonomie weerspieël, het die Reserwebank verlede jaar die geleenthed gebied om 'n ruimer monetêre beleid te volg.

2. 'n Meer beperkende benadering vir 1995 benodig

Agterna beskou kon die monetêre beleid in 1994 te ruim gewees het. Die bankkredietverlening en die geldvoorraad kan nie toegelaat word om teen dieselfde

betreklik hoë groeikoerse van verlede jaar uit te brei nie, en die groeikoerse sal tot binne meer aanvaarbare grense ingekort moet word.

Dit is nie korrek om verlede jaar se stygings in die produksie- en verbruikerspryse té regstreeks met die monetêre beleid van 1994 in verband te bring nie – daar is normaalweg tydsloerings van meer as 12 maande betrokke by veranderings in die onderliggende monetêre toestande en in prys. Ander faktore soos die depresiasi van die rand teen die einde van 1993 en vroeg in 1994 en die nadelige weerstoestande wat voedselprysbeïnvloed het, kan vir die grootste gedeelte van verlede jaar se prysstygings geblameer word.

Desondanks het die koers van verandering in die verbruikersprysindeks gemeet oor twaalf maande 'n laagtepunt van 7,1 persent in April 1994 bereik en daarna tot 9,9 persent in Desember 1994 toegeneem. Die koers van toename in produksiepryse het reeds omgekeer van 5,4 persent in Oktober 1993 en 'n vlak van 9,7 persent in Desember 1994 bereik. Dit sal 'n groot fout wees om hierdie neigings te akkommodeer deur meer geld te skep wat in die huidige omstandighede maklik tot die permanente vestiging van inflasie op 'n hoërvlak aanleiding kan gee.

Die ekonomiese herstel, wat in die eerste helfte van 1993 begin het, was betreklik broos in die eerste twee kwartale van 1994. Die beskikbare nasionalerekeningeggewens toon egter dat die ekonomiese oplewing in die tweede helfte van verlede jaar aansienlike stukrag ontwikkel het. Die reële bruto binnelandse produk het in die vierde kwartaal teen 'n seisoensaangesuiwerde jaarkoers van 6 persent uitgebrei, terwyl die totale reële bruto binnelandse besteding teen 'n koers van ongeveer 8 persent toegeneem het.

Hierdie neigings het hul uitwerking op die betalingsbalans gehad met die invoer wat taamlik skerp gestyg het om 'n tekort op die lopende rekening teen 'n jaarkoers van R7 miljard in die vierde kwartaal te laat ontstaan. 'n Groot netto kapitaalinvloeiing was meer as voldoende om die tekort op die lopende rekening uit te skakel, maar die omvang van die lopende tekort maan tot versigtigheid.

Ten einde die verdere opbouing van inflasiedruk te verhoed, en om die betalingsbalans te beskerm teen die ontstaan van 'n onhoudbare toestand – albei is nadelig vir die handhawing van ekonomiese groei – is dit gepas om die monetêre beleid nou in ooreenstemming te bring met die langtermyndoelwitte van 'n bestendige algehele finansiële omgewing. Dit is inderdaad 'n voorvereiste vir die behoud van voortgesette ekonomiese uitbreiding in die lang termyn.

Daar is een verdere rede waarom dit in hierdie stadium nodig geword het om 'n strenger monetêre beleid toe te pas. Die doelstelling van 'n effense verslapping in valutabeheer, veral in die valutabeheer wat op nie-inwoners van toepassing is, vereis waaksamheid en 'n finansiële omgewing wat verdere kapitaalinvloeiinge sal

ondersteun. Dit sal selfs meer riskant wees om valutabeheer in 'n omgewing van oormatige likwiditeit, onrealistiese lae rentekoerse en stygende inflasie te verslap. Onlangse verhogings in rentekoerse in sommige van die belangrike nywerheidslande, soos byvoorbeeld in die Verenigde State van Amerika en die Verenigde Koninkryk, het opwaartse druk op Suid-Afrikaanse rentekoerse uitgeoefen ten spyte van die kunsmatige beskerming wat steeds deur die bestaande valutabeheer verleen is.

3. Geldvoorraadriglyne vir 1995

Geldvoorraadriglyne dien nie as onbuigsame reëls vir monetêre beleid in Suid-Afrika nie. Hulle verskaf egter 'n rigsnoer vir besluite rakende monetêre beleid en dien as belangrike aanwysers vir die algemene publiek oor wat van monetêre beleid verwag kan word.

Die Reserwebank het dit nie verlede jaar gerade geag om die geldvoorraad te dwing om binne die riglyne van 6 tot 9 persent vir groei in M3, soos wat aan die begin van die jaar aangekondig is, te bly nie. Werklike groei in M3 het die boonste perk van die riglyne met 'n aansienlike marge oorskry. Oor die afgelope drie jaar, dit wil sê met inbegrip van 1992 tot 1994, het die M3-geldvoorraad egter teen 'n gemiddelde jaarlikse koers van 9,2 persent toegeneem, terwyl die gemiddelde jaarlikse inflasiekoers soos gemeet deur die bruto binnelandse produk deflator oor die tydperk 11,3 persent bedra het. Die gemiddelde groeikoers in die reële bruto binnelandse produk oor die drie jaar was slegs 0,4 persent, met die gevolg dat die koers van toename in die geldvoorraad laer was as die groei in die totale nominale waarde van die bruto binnelandse produk.

Dit was egter nie in 1994 die geval nie, toe die koers van toename in die geldvoorraad die inflasiekoers en die groeikoers in die nominale bruto binnelandse produk oorskry het. Hierdie situasie sal, indien dit regdeur 1995 voortduur, tot 'n toename in inflasiedruk in die ekonomie lei. Dit is dus noodsaaklik dat die groei in die geldvoorraad nou onmiddellik tot 'n mate aan bande gelê word.

Met inagneming van die algehele toestand het die Reserwebank dus besluit om riglyne vir 'n aanvaarbare groeikoers in die M3-geldvoorraad vanaf die vierde kwartaal van 1994 tot die vierde kwartaal van 1995 op 6 tot 10 persent te stel, vergeleke met die 6 tot 9 persent vir die vorige jaar. Die hoér boonste perk van 10 persent neem die potensiële hoér reële groei in bruto binnelandse produk (hopelik meer as 3 persent) in ag, en die onveranderde onderste perk van 6 persent weerspieël die Bank se voorname dat Suid-Afrika sy inflasiekoers oor die langer termyn sal moet afbring tot 'n vlak wat meer in ooreenstemming is met die vlak van die gemiddelde inflasiekoers in die lande met wie Suid-Afrika handel dryf en in die internasionale omgewing meeding. As vertrekpunt moet inflasie ten minste tot onder 10 persent beperk word. Selfs dit sal nie 'n maklike taak in 1995 wees nie.

4. Rentekoersbeleid

Die stygende neiging van markrentekoerse oor die afgelope jaar en die onlangse verdere versnelling van korttermynkoerse in die besonder, het gedeeltelik die onderliggende neigings in die mark weerspieël en gedeeltelik ook die verwagtinge dat die monetêre owerhede in 1995 'n meer beperkende monetêre beleid sal volg.

Die Bankkoers van die Reserwebank kom nou onder geweldige druk van hierdie markneigings. Op Vrydag 17 Februarie 1995 is 'n koers van 13,01 persent vir Skatkiswissels tydens die weeklikse tender vasgestel – 'n duidelike aanduiding dat, volgens die mark se mening, die Bankkoers teen 13 persent nou te laag is.

Bankkrediet aan die private sektor toegestaan bly die belangrikse statistiese "oorsaak" vir die toenames in die geldvoorraad. Die vraag na bankkrediet is betreklik gevoelig vir rentekoersveranderings, in die besonder oor die langer termyn. Die rentekoersbeleid van die Reserwebank, soos toegepas deur veranderings in die Bankkoers, bly gevvolglik een van die belangrikste operasionele instrumente wat gebruik word om die geldvooraadmikpunte te bereik. 'n Onrealistiese lae Bankkoers sal "goedkoop" geld tot die beskikking van bankinstellings by die diskontovenster stel, en sal hul aanmoedig om 'n nog meer aggressiewe bemarkingsbeleid vir die toestaan van meer krediet te volg, dit is om meer geld te skep.

Bankinstellings het nie in onlangse maande van oormatige akkommodasie van die Reserwebank gebruik gemaak nie. Die bedrag van die geldmarktekort het egter toegeneem van R3,9 miljard aan die einde van September tot R5,1 miljard aan die einde van Desember 1994, en tot R5,3 miljard aan die einde van Januarie 1995. Gedurende onlangse maande is geldmarklikwiditeit egter aangevul deur 'n voortdurende betreklik groot netto buitelandse kapitaalinvloeiing, en was die grootte van die geldmarktekort nie 'n getroue weerspieëling van die sterke van die binnelandse vraag na krediet nie.

In hierdie omstandighede, en as ondersteuning van die geldvooraadmikpunte vir 1995, het die Reserwebank besluit om sy Bankkoers, dit is die koers waarteen die Bank bereid is om oornaglenings aan bankinstellings toe te staan, vanaf 21 Februarie 1995 met een persentasiepunt van 13 tot 14 persent per jaar te verhoog.

Oornaglenings teen Bankkoers word slegs aan bankinstellings toegestaan teen die onderpand van Skatkiswissels, staatseffekte en Landbankwissels met 'n looptyd van minder as 92 dae. Om sy rol as lener in laaste instansie te vervul, staan die Reserwebank ook oornaglenings toe teen die onderpand van dieselfde finansiële bates met 'n looptyd van 92 dae en langer maar minder as drie jaar, maar slegs teen 'n strafkoers. Tot nou is die strafkoers vasgestel op een persentasiepunt bo die Bankkoers. Vanaf 21 Februarie 1995 sal die marge tot 1 persentasiepunt verbreed word, en sal Reserwebankakkommodasie in die tweede kategorie teen 'n koers van 15 persent toegestaan word.

Hierdie aanpassings bring Reserwebankkoerse meer in lyn met markverwante rentekoerse en is 'n duidelike teken van die monetêre owerhede se vasbeslotenheid om groeikoerse van die monetêre groothede terug te bring na 'n vlak wat meer in ooreenstemming is met die owerhede se mikpunt om inflasie in Suid-Afrika geleidelik tot 'n meer aanvaarbare vlak te verlaag.

5. Bestuur van algehele likwiditeit

Ofskoon die tempo van toename in die geldvoorraad in 'n groot mate deur die vraag na bankkrediet gedryf word, beïnvloed ander faktore ook die vlak van geld in omloop. Een sodanige faktor, wat in hierdie stadium in belang-rikheid toeneem, is die netto kapitaalinvloeiing vanaf die buiteland. Soos reeds aangedui, het dié netto invloeiinge in die laaste maande die tekorte op die lopende rekening oorskry en 'n welkomme toename in die buitelandse reserwes van die Reserwebank tot gevolg gehad.

Die huidige toestand bied interessante uitdagings ten opsigte van die bestuur van algehele likwiditeit en die geldvoorraad in Suid-Afrika. Daar bestaan 'n nypende behoefte dat die Reserwebank sy buitelandse reserwes tot 'n aanvaarbaarder vlak moet verhoog. Die huidige bedrag van ongeveer R11,3 miljard aan buitelandse reserwes deur die Bank gehou, is skaars genoeg om ses weke se invoere te dek en behoort tot 'n vlak van ten minste drie maande se invoere verhoog te word. Die Bank maak derhalwe van elke moontlike geleentheid gebruik om surplus buitelandse valuta vanaf die valutamark te verkry ten einde sy reserwes aan te vul.

Binne die raamwerk van die bestaande valutabeheermaatreëls op kapitaaluitvloeiinge kan 'n oormatige invloeiing van buitelandse kapitaal moontlik druk ten opsigte van 'n waardestyging in die wisselkoers van die rand in die valutamark uitoefen, ten minste voordat valutabeheermaatreëls verslap word. Ten einde sodanige druk te verlig, moet die Reserwebank dus gereeld in die valutamark ingryp om die surplus valuta te absorbeer, en om 'n styging in die rand, wat op dié tydstip verder tot 'n erosie van Suid-Afrika se mededingende posisie in die internasionale markte sal bydra, te verhoed.

Oor die langer termyn kan Suid-Afrika sy mededingendheid slegs verbeter deur multifaktor-produktiwiteit te verhoog en die vergoeding gevra deur verskillende produksiefaktore in toom te hou. Dit is 'n illusie om te glo dat 'n land meer mededingend gemaak kan word bloot deur sy geldeenheid te devalueer. Oor die kort termyn, en terwyl sekere valutabeheerverslappings nog hangende is, sal die Reserwebank egter aanhou om in die valutamark in te meng ten einde in hierdie stadium 'n waardestyging in die rand te verhoed.

Ingryping op dié wyse in die valutamark deur die Reserwebank skep egter prima-likwiditeit en, indien dit nie teengewerp of "gesteriliseer" word nie, verhoog dit die vermoë van bankinstellings om meer krediet aan hul

kliënte te voorsien. Oor die afgelope sewe maande het die Reserwebank se netto buitelandse reserwes met R6,2 miljard toegeneem, wat tot gevolg gehad het dat 'n soortgelyke bedrag aan likwiditeit deur die sentrale bank geskep is. Dié botsing van doelwitte, dit wil sê aan die een kant om die buitelandse reserwes van die Reserwebank te verhoog en om 'n waardestyging van die wisselkoers van die rand te verhoed, en aan die ander kant om die geldvoorraad in toom te hou, vereis die aktivering van meer operasionele instrumente van monetêre beleid as slegs die Bankkoers.

Variasies in die minimum reserwes wat bankinstellings by die Reserwebank in stand moet hou, word 'n nuttige instrument in dié omstandighede. Daar dien op gelet te word dat kragtens die Wet op die Reserwebank, minimum reserwes vir bankinstellings vereis kan word ten opsigte van hul totale verpligtings en/of ten opsigte van enige gedeelte van die totale verpligtings, byvoorbeeld die korttermynverpligtings, en/of ten opsigte van enige verhoging vanaf 'n sekere datum aan óf die totaal óf 'n gedefinieerde onderafdeling van die totale verpligtings.

In dié stadium is bankinstellings verplig om die volgende by die Reserwebank in stand te hou:

* 'n basiese minimum reserwesaldo gelyk aan 1 persent van hul totale verpligtinge min kapitaal en reserwes. Banke mag Suid-Afrikaanse munte en banknote in hul besit vir doeleindes van die instandhouding van die minimum saldo's insluit; en

* 'n bykomende reserwesaldo gelyk aan 1 persent van hul totale korttermynverpligtings, soos aangepas. Die Reserwebank betaal rente gelykstaande aan 'n koers van persent onder die huidige skatkiswissel-tenderkoers op dié reserwesaldo's.

Daar is nou besluit om die basiese minimum reserwesaldo wat van bankinstellings vereis word, te verhoog van 1 persent van totale verpligtings min kapitaal en reserwes tot 2 persent van die totale verpligtings min kapitaal en reserwes van elke individuele bankinstelling. Geen rente sal op dié totale basiese minimum reserwevereiste betaal word nie en, soos voorheen toegelaat, sal banke steeds toegelaat word om Suid-Afrikaanse munte en banknote in hul besit in dié minimum saldo's in te sluit. Die rentedraende reserwedeposito van 1 persent van korttermynverpligtings word behou.

Die bykomende 1 persent vereiste sal in werking tree met ingang van die datum van sertifisering van die banke se maandelikse state van Vorm DI 310, wat voor of op 21 Maart 1995 by die Registrateur van Banke ingedien moet word. Gegrond op die beskikbare statistiek ten opsigte van November 1994 sal dié vereiste 'n bedrag van nie meer as R3 miljard nie van die likwiditeit van die banke "bevries" (wat deur die toelaatbare bedrag aan kontantkluis wat kragtens die bestaande reëlings ingesluit kan word, verminder sal word).

6. Uitbreiding van krediet aan die private sektor deur bankinstellings

Die verhoging in die Bankkoers is daarop gemik om die vraag na krediet by bankinstellings te verminder. Die verhoging in die minimum reserwevereiste is daarop gemik om die beskikbare likwiditeit in die bankstelsel vir die finansiering van lenings aan die private sektor te beperk. Die effek van hierdie maatreëls behoort 'n afname in die koers van toename in die geldvoorraad tot gevolg te hê.

Die Reserwebank bly afkerig van direkte beheer op die omvang van bankkrediet wat deur bankinstellings toegestaan mag word. Sodanige beheer frustreer die werking van die marksisteem, en lei tot verwringings wat die maksimum groeipotensiaal van die ekonomie sal belemmer. Uiteindelik sal dit 'n swakker banksisteem tot gevolg hê.

Dit is nietemin belangrik vir die Bank om toekomstige ontwikkelings in die omvang van krediet wat deur elke bankinstelling toegestaan word, baie noukeurig te moniter. Om die doelwit fe bereik dat die toename in die geldvoorraad in 1995 nie meer as 10 persent sal beloop nie, moet die omvang van die uitbreiding in die totale bankkrediet in 1995 ook nie veel meer as 10 persent wees nie. Die Bank het gevvolglik vir elke bankinstelling 'n vlak van sy totale eise teenoor die private sektor soos aan die einde van elk van die vier kalenderkwartale van 1995 bereken wat nie oorskry behoort te word nie. Hierdie riglyne sal binne die volgende paar dae aan elke bankinstelling gestuur word.

Bankinstellings word versoek om met die owerhede saam te werk en om hul eie bedrywighede in ooreenstemming met die voorsiene riglyne en ter ondersteuning van die oorhoofse monetêre beleidsdoelwitte te bestuur. Hoe meer daar met sulke samewerking bereik kan word, hoe minder pynlik sal verdere beperkende makrobeleidsmaatreëls wees wat benodig mag word om die doelwitte te bereik.

7. Slotopmerkings

Die stryd teen inflasie in Suid-Afrika is nie net tot monetêre beleid alleen beperk nie. Daar is verskeie ander inflasionistiese kragte in werking wat maklik die pogings van die Reserwebank kan fnuik om inflasie aan bande te lê. Die Bank benodig gevvolglik die ondersteuning van die fiskale owerhede, die sakegemeenskap, die vakbonde en inderwaarheid elke landsburger om hierdie kankeragtige ekonomiese siekte te bestry.

Die doelwitte van die Heropbou- en Ontwikkelingsprogram sal in 'n omgewing van hoë inflasie gefrustreer word en nie haalbaar wees nie. Die Heropbou- en Ontwikkelingsprogram het die Reserwebank gevvolglik met die verantwoordelikheid belas om inflasie te bestry:

"Die vernaamste funksies van die Reserwebank is om die waarde van die geldeenheid te beskerm, om inflasie relatief laag te hou en om die veiligheid en soliditeit van

die finansiële stelsel te verseker".

Die monetêre beleidsmaatreëls wat vandag bekend gemaak is, is daarop gemik om aan hierdie opdrag uitvoering te gee.

Konjunktuurgolwe in Suid-Afrika gedurende die tydperk 1986 tot 1993

deur B.E. van der Walt en W.S. Pretorius

Inleiding

In vorige studies¹ is die verwysingsdraaipunte van die konjunktuurgolf in Suid-Afrika vir die tydperk 1946 tot 1986 bepaal. In hierdie artikel word die konjunkturele ontwikkelings gedurende die opwaartse fase van 1986 tot 1989 en die afwaartse fase in die daaropvolgende tydperk tot 1993 ondersoek en word die finale verwysingsdraaipunte van die golf vasgestel.

Die volgende afdeling van hierdie artikel beskryf die metodes wat gebruik is om die verwysingsdraaipunte van die konjunktuurgolf te bepaal en in die derde afdeling word die statistiese resultate aangebied van die metodes wat toegepas is. In die vierde afdeling word die ekonomiese ontwikkelings in die opwaartse en afwaartse fases sedert 1986 bespreek en die finale verwysingsdraaipunte vasgestel. Vanweë verskeie eksogene invloede op die Suid-Afrikaanse ekonomie gedurende die tydperk onder bespreking, was die resessie van 1989-1993 besonder lank. In die vyfde afdeling word die jongste resessiefase dus vergelyk met vroeëre afwaartse fases van die konjunktuurgolf, met spesiale verwysing na die Groot Depressie van die dertigerjare.

Metodes wat aangewend is om die verwysingsdraaipunte van die konjunktuurgolf te bepaal

Die verwysingsdraaipunte van die konjunktuurgolf is bepaal deur gebruikmaking van die saamgestelde leidende en samevallende konjunktuuraanwysers asook omvattende diffusie-indekse. Die identifisering van draaipunte is egter nooit 'n suiwer meganiese oefening nie en ander belangrike ekonomiese gebeure en ontwikkelings wat naby die moontlike draaipunte plaasvind, word ook in oorweging geneem om vas te stel wanneer die draaipunt in werklikheid plaasgevind het. Omvattende historiese en lopende diffusie-indekse² is

¹ In verskeie uitgawes van die *Kwartaalblad* van die Suid-Afrikaanse Reserwebank gepubliseer.

² 'n Diffusie-indeks kan omskryf word as 'n maatstaf van die mate waarin die toenames in 'n aantal tydreekse op 'n spesifieke datum versprei is. Oor die algemeen word twee soorte diffusie-indekse gebruik, naamlik die historiese en die lopende indekse. In die geval van die historiese indeks word die draaipunte van die sikliese komponent van elke reeks bepaal. Die waarde van die indeks vir 'n bepaalde tydperk word verkry deur die aantal tydreekse wat gedurende daardie tydperk toeneem, uit te druk as persentasie van die totale aantal tydreekse wat in ag geneem is. Benewens die totale aantal tydreekse wat gedurende die betrokke tydperk toeneem, word ook rekening gehou met elke reeks waarvan die sikliese komponent gedurende die betrokke tydperk onveranderd gebly het.

Die lopende diffusie-indeks word bereken sonder om spesifieke draaipunte te bepaal. Dit is 'n saamgestelde aanwyser wat op die werklike verandering in individuele tydreekse gegrond is.

bereken op grond van 267 seisoensaangesuiwerde ekonomiese tydreekse vir die tydperk 1978 tot 1993. Hierdie reekse dek ekonomiese prosesse soos produksie, vraag, werkverskaffing en inkomte in verskillende nywerhede of sektore van die ekonomie. Gewigte is toegepas op die sektorale diffusie-indekse volgens die betrokke sektor se bydrae tot die reële bruto binnelandse produk. Aangesien die jaarlikse bydraes van die sektore tot die bruto binnelandse produk met verloop van tyd verander het, is gemiddelde gewigte vir die subtydperke 1978-1985 en 1986-1993 bereken en toegepas.

Statistiese resultate

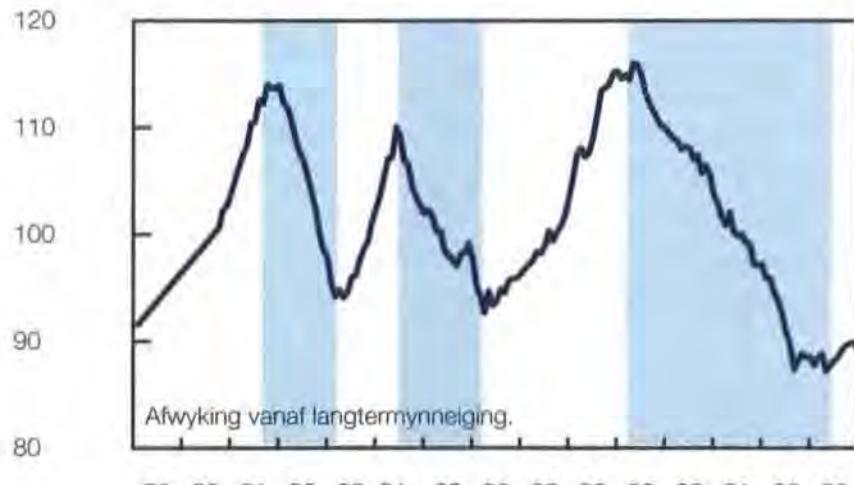
Die metodes wat toegepas is, toon duidelik dat die Suid-Afrikaanse ekonomie gedurende die tydperk 1986 tot 1993 'n opwaartse en 'n afwaartse fase van die konjunktuurgolf ondervind het. Volgens die berekenings het die

Grafiek 1: Saamgestelde konjunktuuraanwysers

Leidende aanwyser



Samevallende aanwyser



Donker area: Afwaartse fase van die konjunktuurgolf.

konjunktuurgolf 'n piek in 1989 bereik en 'n trog in 1993. Die verwysingsdraaipunte van die voorafgaande twee konjunktuurgolwe, met ander woorde dié van 1978-1983 en 1983-1986, is ook in die huidige ontleding bevestig.

Die saamgestelde konjunktuuraanwysers

Die saamgestelde konjunktuuraanwysers is opsommende maatstawwe van belangrike bedrywigheede of prosesse in die ekonomie wat die beweging van en die draaipunte in die konjunktuurgolf weergee. Die saamgestelde samevallende konjunktuuraanwyser het van 1986 toegeneem – ietwat sterker gedurende 1987-1988 – om in April 1989 'n piek te bereik. Soos verwag kon word, het die saamgestelde leidende aanwyser ongeveer 'n jaar vroeër 'n aanduiding van 'n draaipunt gegee. Die saamgestelde leidende aanwyser het gedurende die tydperk 1988-1992 afgeneem en in Januarie 1993 'n onderste draaipunt aangeteken. Gegrond op sy historiese verwantskap oor tyd met die konjunktuurgolf, het hierdie verandering in die aanwyser op 'n verbetering in ekonomiese bedrywigheid vanaf ongeveer die middel van 1993 gewys. Soos in grafiek 1 aangedui is, het die sikliese afwaartse beweging in die saamgestelde samevallende konjunktuuraanwyser van 1989-1990 tot 1991-1992 versnel en in April 1993 'n laagtepunt bereik.

Die historiese diffusie-indeks

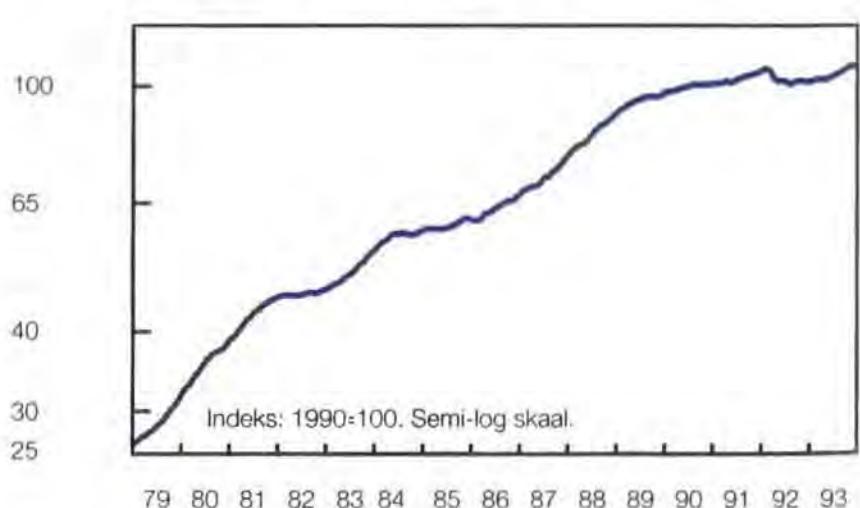
Die historiese diffusie-indeks in grafiek 2 toon die verspreiding van veranderings in die ekonomiese bedrywigheid gedurende die afgelope vyftien jaar en dek

die hele golf in die tydperk 1986 tot 1993. Al die maksimum en minimum persentasies in die diffusie-indeks-golf het die verwysingsdraaipunte van die konjunktuurgolf voorafgegaan. Die maandelikse koerse van toename in die ekonomiese bedrywigheid gedurende 1987-1988 het, net soos in die geval van die opwaartse fase in 1983-1984, die langtermyngroeikoers van hierdie bedrywigheede slegs in 65 persent van die uitgesoekte reekse oortref vergeleke met 80 persent in die 1978-1981-fase. Dit weerspieël die redelike swak verspreiding van die opwaartse fase gedurende 1987-1988. Die diffusie-indeks het tot aan die begin van 1989 bokant 50 persent gebly wat 'n boonste draaipunt van die konjunktuurgolf in Maart 1989 aangedui het. Daarna het die ekonomiese bedrywigheid afgeneem en vanaf die tweede kwartaal van 1990 lae vlakke bereik. Die ekonomiese bedrywigheid het tot in die middel van 1992 swak gebly, maar in die tweede helfte van daardie jaar in 'n aantal sektore verbeter. Volgens die diffusie-indeks is 'n onderste draaipunt van die konjunktuurgolf in Mei 1993 bereik.

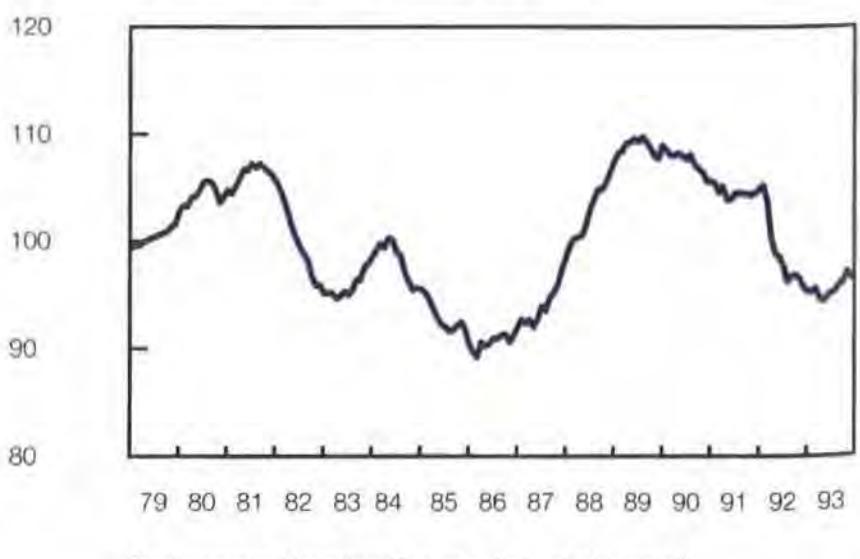
Die lopende diffusie-indeks

Die toename in ekonomiese bedrywigheid gedurende die opwaartse fase van 1986-1989 word duidelik uitgebeeld

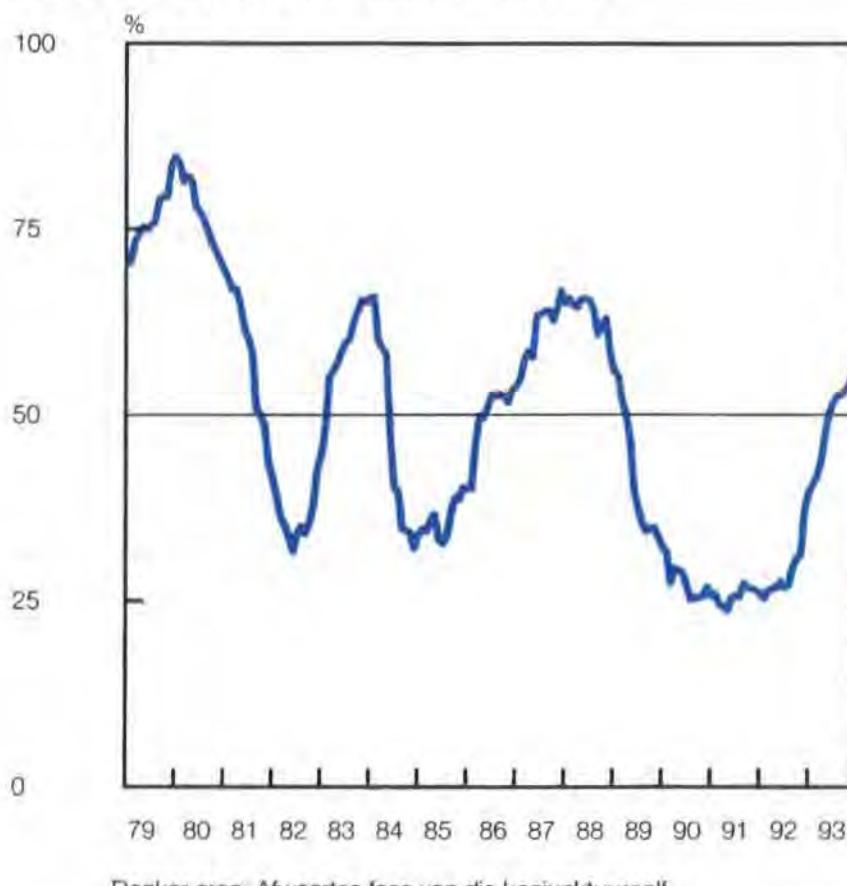
Grafiek 3: Lopende diffusie-indeks



Afwyking vanaf langtermynneiging



Grafiek 2: Historiese diffusie-indeks



deur die versnelde toename in die geakkumuleerde lopende diffusie-index in grafiek 3. Die geakkumuleerde index het van 1989 tot 1991 gelyk verloop namate die bedrywigheid in verskeie sektore afgeneem of op bestaande vlakke gebly het. Die afwyking van die indeks vanaf sy langtermynneiging wys daarop dat die opwaartse fase in Augustus 1989 geëindig het. Ná 'n kortstondige ommekeer van die afname in die heersende koers van verandering in ekonomiese bedrywigheid in die tweede helfte van 1991, het dit van die einde van 1991 tot die eerste helfte van 1993 sterk afgeneem. Die silkliese komponent van die diffusie-index het in Mei 1993 'n onderste draapunt bereik voordat dit in die tweede helfte van 1993 weer toegeneem het.

Ekonomiese ontwikkelings³ en die finale verwysingsdraapunte van die konjunktuurgolf

Die ontwikkeling in die konjunktuurgolf gedurende die tagtigerjare het plaasgevind teen die agtergrond van 'n standhoudende verwering van die groepotensiaal van die ekonomie. Die betreklik matige groei in die ekonomiese bedrywigheid in die opwaartse fase van 1986 tot 1989 en die diepte en duur van die daaropvolgende resessie was nie slegs toe te skryf aan suiwer konjunkturele ontwikkelings nie, maar het ook die strukturele swakhede in die ekonomie oor die lang termyn en die uitwerking van sekere eksogene of nie-ekonomiese faktore weerspieël. Die koers van toename in die reële bruto binnelandse produk het gedurende die tienjaartydperk 1984-1993 skerp afgeneem tot 'n gemiddelde jaarlikse vlak van 1 persent, vergeleke met 3 persent gedurende die sewentigerjare en 6 persent gedurende die sestigerjare. Die groei in produksie het in vorige resessies van die konjunktuurgolf afgeneem van betreklik hoë na meer gematigde, maar steeds positiewe koerse; in die resessies van die afgelope dekade het die reële produksie egter afgeneem.

Die strukturele struikelblokke in die bereiking van voortgesette ekonomiese groei, is onder andere 'n swakker internasionale ruilvoet, lae arbeidsproduktiwiteit, onmededingende toestande, tekorte aan geskoold mannekrag, verwringings van die relatiewe faktorpryse, die lae binnelandse besparingskoers, die groter aandeel van die openbare sektor in die ekonomie en die gevoglike swaar belastingglas.

Benewens die strukturele verswakking van die Suid-Afrikaanse ekonomie, het sekere eksogene kragte ook

negatief op die potensiële groei in produksie ingewerk. Dit sluit in die skuldstilstand van 1985 en die daaropvolgende uitvloeiing van kapitaal, die gebrek aan vertroue wat met die politieke oorgang saamgeval het, sosiale onrus, die ernstige droogte gedurende die tydperk van 1991 tot 1992, en die ietwat gedempte internasionale ekonomiese toestande.

Opwaartse fase: April 1986 tot Februarie 1989

Die ekonomiese bedrywigheid het in 1986 weifelend herstel as gevolg van 'n ongelyke herstel van die produksie in verskeie sektore van die ekonomie. Dit het gedui op 'n ekonomie wat deur eksogene faktore beperk is, in besonder die voortdurende gevoel van onsekerheid, sosio-politieke onrus en handels en finansiële sanksies wat teen Suid-Afrika ingestel is. Van 1985 tot 1986 het die reële bruto binnelandse produk onveranderd gebly, terwyl die reële bruto binnelandse besteding 'n toename van omrent 1 persent aangeteken het. Die totale reële binnelandse besteding het sedert die derde kwartaal van 1986 begin toeneem as gevolg van 'n verbetering in die reële private verbruiksbesteding, veral besteding aan duursame en semi-duursame goedere, en voorraad-investering. Huishoudings en sakeondernemings het nogtans voortgegaan om hul skuld te konsolideer ten einde verdere toevoegings tot hul skuldas te vermy. Dit is duidelik in die laer groei van bankkrediet weerspieël.

Die surplus produksiekapasiteit, die afwesigheid van hernieuwe inflasiedruk wat voortspruit uit oormatige monetêre vraag en die gesonder lopende rekening van die betalingsbalans het die owerhede aangespoor om die monetêre beleid in die loop van 1986 te verslap. Bankkoers is by vyf geleenthede verminder. Bykomende stimulerende fiskale maatreëls is in Junie 1986 en weer in Februarie 1987 ingestel.

'n Aantal gunstige ontwikkelings gedurende 1985 en in die vroeë stadium van die opwaartse beweging van die konjunktuurgolf het bygedra tot die verbeterde ekonomiese klimaat. Die skerp styging in die prys van goud en ander grondstowwe, en 'n groot toename in die fisiese omvang van die goedere-uitvoer in 1985 het onder ander tot 'n meer positiewe sakevooruitsig bygedra. Die sakeklimaat is in 1987 verder versterk toe die owerhede 'n nuwe skuldstilstandooreenkomis suksesvol met die buitelandse krediteurbanke onderhandel het en die goud- en ander buitelandse reserwes skerp begin toeneem het. Fiskale beleid het ook 'n sterk uitbreidende uitwerking op produksie in 1987 gehad deur middel van 'n toename in die besteding van die algemene owerheid, 'n groot styging in die loonrekening van die openbare sektor en slegs 'n beskeie toename in persoonlike direkte belastings.

Hierdie maatreëls het groei in die totale vraag aangemoedig en die vlak van produksie en werkverskaffing verhoog, maar dit het ongelukkig ook die inflasiesydigheid van die ekonomie versterk. Die diffusie-index toon dus dat ekonomiese bedrywigheid in 1987 verder verbeter het en in 1988 sterker en baie meer

³ In hierdie kort oorsig van ekonomiese ontwikkelings word slegs na die belangrikste ontwikkelings verwys, aangesien uitgebreide oorsigte van ekonomiese gebeure op kort termyn en besonderhede van beleidsoptrede gedurende die tydperk onder bespreking reeds in die *Jaarlikse Ekonomiese Verslae en Kwartaalblaais* van die Suid-Afrikaanse Reserwebank voorsien is, asook in toesprake wat die President van die Reserwebank by die Bank se jaarlikse algemene vergaderings van aandeelhouers en by konferensies gedurende die jare 1986 tot 1994 gelewer het.

verspreid geraak het. Die groei in die reële bruto binnelandse produk van die nie-primêre sektore van die ekonomie het van 2½ persent in 1987 tot 4½ persent in 1988 versnel. Die reële bruto binnelandse produk van die primêre sektor het in 1987 afgeneem, maar weer in 1988 herstel. Die produksie van die primêre sektor is in 1987 beïnvloed deur werkstopsettings in die goudmyne, en deur 'n droogte en oorstromings wat die landbouproduksie in die somerreënvalstreke verminder het.

Dwarsdeur die opwaartse fase van die konjunktuurgolf wat in 1986 begin het, was die Suid-Afrikaanse owerhede verplig om 'n vlak van ekonomiese groei te handhaaf wat verband gehou het met 'n oorskot op die lopende rekening om die terugbetalings van buitelandse skuld na te kom. Die toename in die bruto binnelandse besteding het in 1988 buitensporige afmetings aangeneem en gedreig om die oorskot op die lopende rekening in 'n tekort te verander. Die reële bruto binnelandse besteding het in 1988 met 6½ persent toegeneem wat skerp stygging van 12½ persent en 5½ persent in die reële bruto binnelandse vaste investering en reële private verbruiksbesteding weerspieël het. As gevolg van die oormatige besteding het die hoeveelheid van die invoer met ten minste 25 persent toegeneem. Hierdie toename in die besteding is moontlik gemaak deur die buiten-sporige styging in die geldvoorraad in die tweede helfte van 1988 van ten minste 27 persent teen 'n jaarkoers bereken. Daarbenewens het die uitvloeiing van buitelandse kapitaal die verwagte skuldterugbetaling oortref. 'n Verskuiwing van die handelsfinansiering van buiten- na binnelandse bronne het plaasgevind as gevolg van die toenemende rentekoersverskille tussen Suid-Afrika en die belangrikste finansiële sentra van die wêreld, en 'n verwagte depresiasi van die rand.

Monetêre beleid is gedurende 1988 en vroeg in 1989 in verskeie stappe verskerp, ten einde die groei in die geldvoorraad en die totale besteding te verminder en die afwaartse druk op die wisselkoers en die buitelandse valuta reserwes te verlig. 'n Meer beperkende fiskale beleid is ook in Maart 1989 ingestel en in die tweede kwartaal is dit met verdere maatreëls aangevul.

Die ekonomie het op hierdie beleidsmaatreëls gereageer en die binnelandse vraag en produksie het vanaf die tweede kwartaal van 1989 óf meer gelyk verloop óf afgeneem. Die diffusie-indeks en ander ekonomiese aanwysers toon dat die ekonomiese bedrywigheid in die eerste paar maande van 1989 afgeplat het. Die sikliese komponente van die reële bruto binnelandse produk buite die landbou en van die reële bruto binnelandse besteding het onderskeidelik in die vierde kwartaal van 1988 en die eerste kwartaal van 1989 hoogtepunte aangedui. Die historiese diffusie-indeks het in Maart 1989 'n hoogtepunt bereik en die saamgestelde samevallende konjunktuuranaalwyser in April. Hierdie resultate dui daarop dat die opwaartse fase van die konjunktuurgolf in die eerste kwartaal van 1989 geëindig het, en Februarie 1989 is as die verwysingspiek aanvaar.

Afwaartse fase: Maart 1989 tot Mei 1993

Die verloop van die ekonomiese ontwikkelings gedurende die afwaartse fase wat in Maart 1989 begin het, is beïnvloed deur konjunkturele en strukturele kragte en ander eksogene faktore soos die binnelandse politieke oorgang, ernstige droogtes en 'n internasionale ekonomiese resessie. Dit is die langste afwaartse fase wat in die twintigste eeu aangeteken is. Van nader beskou, kan hierdie afwaartse beweging in twee sub-tydperke verdeel word.

In die eerste tydperk, naamlik van 1989 tot 1990, het die afwaartse beweging in die ekonomiese bedrywigheid nie wydverspreid voorgekom nie, maar is dit tot sekere sektore beperk. Aanvanklik het net die reële toegevoegde waarde van die sekondêre en die mynbousektore afgeneem, terwyl die reële produksie van die tersiêre en die landbousektore nog vinnig gegroeи het. Die binnelandse produksie is in 'n hoë mate deur die voortdurende sterke van die goedere-uitvoer onderskraag.⁴ Die reële private- en algemene-owerheidsverbruiksbesteding het positief gebly maar hul groeikoerse was matiger. Nadat die reële besteding aan kapitaaltoerusting en voorrade in 1989 ietwat stadiger toegeneem het, het dit in 1990 egter afgeneem in reaksie op die laer vlak van die benutting van die produksiekapasiteit in die ekonomie, die inwerkingstelling van rasionalisasieprogramme deur instellings van die openbare en private sektor, sporadiese binnelandse sosiale onrus en geweldpleging in verskeie dele van die land.

In teenstelling met vroeëre resessies toe die beleid pro-aktief toegepas is om die totale binnelandse vraag te stimuleer, het monetêre beleid beperkend gebly. Sedert 1989 is monetêre beleid daarop toegespits om die binnelandse en die buitelandse waarde van die rand te beskerm eerder as om die totale binnelandse vraag op kort termyn te stimuleer.

In die tweede subtydperk, van 1991 tot 1993, is die ekonomie gekenmerk deur 'n verdieping van die resessie en die wyer verspreiding van die afwaartse beweging. Die historiese diffusie-indeks toon trouens dat die ekonomiese bedrywigheid vanaf die einde van 1990 tot die middel van 1992 op 'n betreklik laevlak gebly het

⁴ Konjunkturbewegings in die nywerheidslande word gewoonlik op Suid-Afrika oorgedra. Tradisioneel het die konjunktuurgolf in Suid-Afrika met 'n tydsloering op konjunkturele verandering in die nywerheidslande gereageer. Die piek van die konjunktuurgolf in Suid-Afrika het, in teenstelling met hierdie historiese verwantskap, in Februarie 1989 die draipunte van die konjunktuurgolf in die meeste nywerheidslande vooruitgegaan. Die pieke van die konjunkturgolwe in die Verenigde State van Amerika, Verenigde Koninkryk, Wes-Duitsland, Frankryk, Italië en Japan het eers in 1990 en 1991 voorgekom. Die verhoogde vraag na Suid-Afrikaanse goedere as gevolg van die hoër konjunkturele vlak van bedrywigheid in hierdie lande gedurende die tydperk van 1989 tot 1991, het bygedra tot die buitengewoon sterk uitvoervertoning van Suid-Afrika gedurende daardie jare. Tenoor die verminderde binnelandse produksie en vraag het hierdie ontwikkeling in internasionale handel die afwaartse beweging gedurende sy vroeë stadia ietwat bestendiger laat verloop.

(sien grafiek 2).

Die reële bruto binnelandse besteding het vanaf die vierde kwartaal van 1990 skerper afgeneem toe die reële vaste investering aanhou daal het en die reële private verbruiksbesteding begin afneem het. Nadat die reële bruto binnelandse besteding in 1991 met 0,7 persent afgeneem het, het dit in 1992 verder met 1,5 persent gedaal. Die koers van afname in die totale reële bruto binnelandse produk het van 0,3 persent in 1990 tot 1,0 persent in 1991 en 2,2 persent in 1992 versnel wat onder andere die invloed van die droogte gedurende 1991-1992 weerspieël het.

Teen die einde van 1992 en vroeg in 1993 het die binnelandse onrus, geweld en onsekerhede oor die uitslag van die politieke onderhandelinge veroorsaak dat die beleggersvertroue erg verswak het. Die vooruitsig vir buitelandse handel was ook nie bemoedigend nie aangesien die meeste nywerheidslande nog resessie-toestande ondervind het.

Benewens die uitwerking van die konjunkturele afwaartse beweging in die ekonomiese bedrywigheid, het strukturele kragte soos die inwerkingsstelling van die rasionalisasieprogramme deur verskeie instellings tot 'n verlies aan werklike en potensiële produksie en 'n laer vlak van werkverskaffing gelei. Ten opsigte van die verlies aan werkgeleenthede was die resessie erger as enige van sy voorgangers. In die formele sektore van die ekonomie buite die landbou is bykans 410 000 werkgeleenthede vernietig.

'n Aantal positiewe ontwikkelings wat tot 'n verbetering in die ekonomiese toestande bygedra het, het vanaf die tweede helfte van 1992 sigbaar geword. Die landbouproduksie wat dwarsdeur 1992 betekenisvol gedaal het, het in die eerste helfte van 1993 skerp herstel. In ander sektore, soos die mynbou en fabrieks-wese, het die omvang van produksie ook begin toeneem. Groter finansiële bestendigheid is behaal en die groei van die belangrikste monetêre groothede en kredietverlening deur die monetêre instellings aan die private sektor is verminder. Daarbenewens het die inflasiekoers afwaarts beweg en die wisselkoers van die rand het bestendiger geraak.

Die uitgerekte resessie van meer as vier jaar het in die eerste helfte van 1993 uitgevlak en in die tweede helfte van die jaar het die ekonomiese bedrywigheid toege-neem. Dit word deur die saamgestelde konjunktuur en ander aanwysers aangetoon. Die leidende aanwyser het vanaf die begin van 1993 toegeneem en die same-vallende aanwyser het in April 1993 'n onderste draaipunt bereik. Die spesifieke draaipunte van verskeie produksie- en vraagaanwysers soos die reële bruto binnelandse produk en die hoeveelheid van die binne-landse handel, het in Maart en in die tweede kwartaal van 1993 voorgekom. Volgens die historiese sowel as die lopende diffusie-indekse is 'n onderste draaipunt in die konjunktuurgolf in Mei 1993 bereik. Op grond van hierdie waarnemings is Mei 1993 as die finale verwy-singsdatum van die trog in die konjunktuurgolf gekies.

Die afwaartse beweging van 1989 tot 1993 vergeleke met dié van vroeëre golwe

Die afwaartse beweging in die konjunktuurgolf gedurende 1989-1993 het in baie opsigte dieselfde kenmerke as vroeëre afwaartse fases in die Suid-Afrikaanse ekonomie gehad. Daar is egter duidelike verskille van dit wat as 'n verteenwoordigende na-oorlogse afwaartse fase in die konjunktuurgolf beskryf kan word. Die jongste afwaartse beweging het betekenisvol van sy voorgangers verskil, veral wat betref die gemiddelde lengte en diepte van die resessies. In sommige kringe is dit beskou as die ernstigste resessie wat Suid-Afrika in hierdie eeu beleef het en deur sommige ontleders is dit selfs as 'n depressie eerder as 'n resessie bestempel.⁵

Die swakheid van die ekonomie gedurende die tagtigerjare het 'n kombinasie van faktore weerspieël wat met die verloop van tyd ontwikkel en gelei het tot die verwering van die produksiekapasiteit van die ekonomie oor die lang termyn, sowel as beleidsmaatreëls wat ingestel is op die verwydering van sekere van die struikelblokke⁶ in die weg van strukturele groei en eksogene kragte van 'n tydelike aard wat die binnelandse produksievlekke onderdruk het. Die sameloop van hierdie kragte het 'n besondere karakter aan die resessie van 1989-1993 verleen wat dit duidelik van die vroeëre resessies onderskei.

In die jare na die Tweede Wêreldoorlog het die felheid van die afwaartse fases in die ekonomiese bedrywigheid in die geïndustrialiseerde wêreld baie matiger geword as dié van die negentiende en vroeg-twintigste eeu. Ekonomiese uitbreiding het in 'n bykans oneindige proses verander en dit was slegs gedurende die sewentigerjare dat betreklik onbestendige ekonomiese toestande na die nywerheidslande teruggekeer het. Hierdie groter mate van ekonomiese bestendigheid in die na-oorlogse jare was hoofsaaklik die gevolg van wesenlike veranderings in die ekonomiese instellings en die uitoefening van die sogenaamde vraagbestuur of makro-ekonomiese stabilisasiebeleide.

In plaas van volslae afnames in die totale inkomse soos die geval was in die jare voor die Tweede Wêreldoorlog, is die afwaartse fases in die ekonomiese bedrywigheid in die jare sedert die veertigers gekenmerk deur stadiger maar steeds positiewe ekonomiese groei. Hierdie afwaartse fases is wêreldwyd na verwys as resessies en nie depressies soos wat hulle in die vroeë jare van hierdie eeu genoem is nie. In die jongste jare het die voorkoms van krisisse soos die olieprysskok die wêreldekonomie

⁵ Depressies het voor die uitbreek van die Tweede Wêreldoorlog, redelik algemeen in die nywerheidsekonomieë voorgekom. Ernstige ineenstortings in die ekonomiese bedrywigheid wat algemeen as depressies beskou word, is gedurende tydperke soos 1815-1822, 1873-1879 en 1929-1933 aangeteken.

⁶ Lombard, J.A. et al.: *The key issues in the Normative Economic Model*, Sentrale Ekonomiese Adviesdiens, Pretoria, Maart 1993.

Tabel 1. Verspreiding van die persentasieverandering in nywerheidsproduksie gedurende die Groot Depressie van die dertigerjare

Persentasieverandering van piek tot trog	Lande
-0,1 to -10	Griekeland, Japan Nieu-Seeland
-10,1 to -20	Denemarke, Roemenië, Swede, Verenigde Koninkryk
-20,1 to -30	Chili, Estland, Finland, Hongarye, Noorweë
-30,1 to -40	België, Frankryk, Italië
-40,1 to -50	Oostenryk, Nederland
-50,1 to -60	Kanada, Tsjeego-Slowakye, Duitsland
-60,1 to -70	Pole, Verenigde State van Amerika

Bron: Volkebond: *World's Production and Prices, 1935-36*, Genève, 1936.

struktureel beïnvloed maar skerp afnames in wêreldproduksie wat vergelykbaar is met dié van die jare voor die uitbreek van die Tweede Wêreldoorlog het nie voorgekom nie.

Die Groot Depressie in die wêreld

Die depressie van 1929-1933 is in die meeste lande van die wêreld ondervind. Soos in tabel 1 aangedui word, het nywerheidsproduksie skerp gedaal. Die algehele felheid van die depressie was egter in die VSA, Kanada en sekere Europese lande baie ernstiger as byvoorbeeld in Japan en Nieu-Seeland.

Die aantal werklose mense, as 'n persentasie van die ekonomies bedrywige bevolking, het feitlik in elke land skerp gestyg en die pieke in werkloosheid was hoër as dié wat vroeër aangeteken is. In die VSA en die Verenigde Koninkryk het die werkloosheidskoers byvoorbeeld tot onderskeidelik 24 en 23 persent in 1932 gestyg.

Die inkrimping in die Amerikaanse, Britse en Duitse ekonomieë is op die ander lande oorgedra deur middel van die meganisme van die goudstandaard. Hierdie lande het hul invoer verminder namate die binnelandse vraag afgeneem het. Hulle het ook hul kapitaaluitvoer verminder of hul kapitaalinvoer verhoog in reaksie op die beperkende krediettoestande. Aangesien die minder ontwikkelde lande lae vlakke van buitelandse reserwes gehad het en nie in staat was om leningskapitaal te verkry nie, was hulle verplig om primêre grondstowwe te verkoop teen watter prys die mark ook al sou bied.⁷ Pryse en inkomse is dus verlaag.

Die Groot Depressie in Suid-Afrika

Betroubare gegewens vir Suid-Afrika vir die dertigerjare is baie beperk, maar in tabel 2 toon 'n uitgesoekte aantal beskikbare ekonomiese aanwysers dat produksie, werkverskaffing en sommige ander bedrywigheede gedurende die konjunkturele afwaartse beweging skerp gedaal het. 'n Vergelyking van uitgesoekte aanwysers in Suid-Afrika en die VSA toon dat die afname in die ekonomiese bedrywigheid baie ernstiger in die VSA as in Suid-Afrika was.

Hoewel verskeie kenmerke van die Groot Depressie in die VSA op daardie tydstip ook in Suid-Afrika waargeneem is, het die besondere stadium van ontwikkeling en die struktuur van die Suid-Afrikaanse ekonomie dit minder ontvanklik gemaak vir die internasionale depressie. Die goudproduksie het byvoorbeeld dwarsdeur die depressiejare toegeneem en tot groter bestendigheid in die ekonomie bygedra. Ondanks die ontginning van 'n laer graad van erts, het die goudproduksie van 10,3 miljoen fyn onse in 1929 tot 11 miljoen fyn onse in 1933 toegeneem en die werkverskaffing in die goudmyne het oor hierdie tyelperk met meer as 40 000 werkers tot 270 000 in 1933 vermeerder.

Die Groot Depressie en die konjunkturele afwaartse beweging van 1989-1993 in die Suid-Afrikaanse ekonomie

In 'n vergelyking van die Groot Depressie van die dertigerjare met die afwaartse beweging van 1989-1993 is dit noodsaaklik om die veranderings wat in die produksiestructuur oor die afgelope sestig jaar plaasgevind het, raak te sien. Die ekonomiese struktuur van Suid-Afrika wat in die dertigerjare hoofsaaklik op primêre produksie gerig was, is in 'n meer geindustrialiseerde en diensgeoriënteerde ekonomie verander. Landbou en mynbou het in die dertigerjare omtrent een derde van die totale produksie bygedra vergeleke met 'n jaarlikse gemiddelde van ongeveer 18 persent sedert die tweede helfte van die tagtigerjare. Aan die ander kant het fabrieksproduksie in die dertigerjare slegs 9 persent van

Tabel 2. 'n Vergelyking van ekonomiese aanwysers gedurende die Groot Depressie van die dertigerjare

	VSA	SA
BNP/BBP teen heersende pryse.....	-46	-22
Werkverskaffing:		
Fabrieksweise	-38	
Fabrieksweise, mynbou en vervoer		-13
Konstruksiekontrakte:		
Woongeboue	-87	
Totale geboue	-78	-57
Nywerheidsaandelepryse	-79	-39

⁷ Kindleberger, C.P.: *The World in Depression, 1929-1939*, University of California Press, Berkeley, 1973, p.144.

die totale produksie verteenwoordig teenoor 24 persent in die tydperk 1985 tot 1993. Aangesien die primêre sektor onderhewig is aan verskeie eksogene invloede soos wisselvallige klimaatstoestande en fluktuerende grondstofpryse op die internasionale markte, is die konjunkturele ontwikkelings gedurende die twintiger- en dertigerjare baie sterker deur eksterne skokke beïnvloed as die meer onlangse konjunktuurbewegings. Die meer gediversifieerde produksiestruktuur in die jongste jare tesame met die tegnologiese vooruitgang, het veroorsaak dat fluktuaties in die ekonomiese bedrywigheid meer verspreid voorkom.

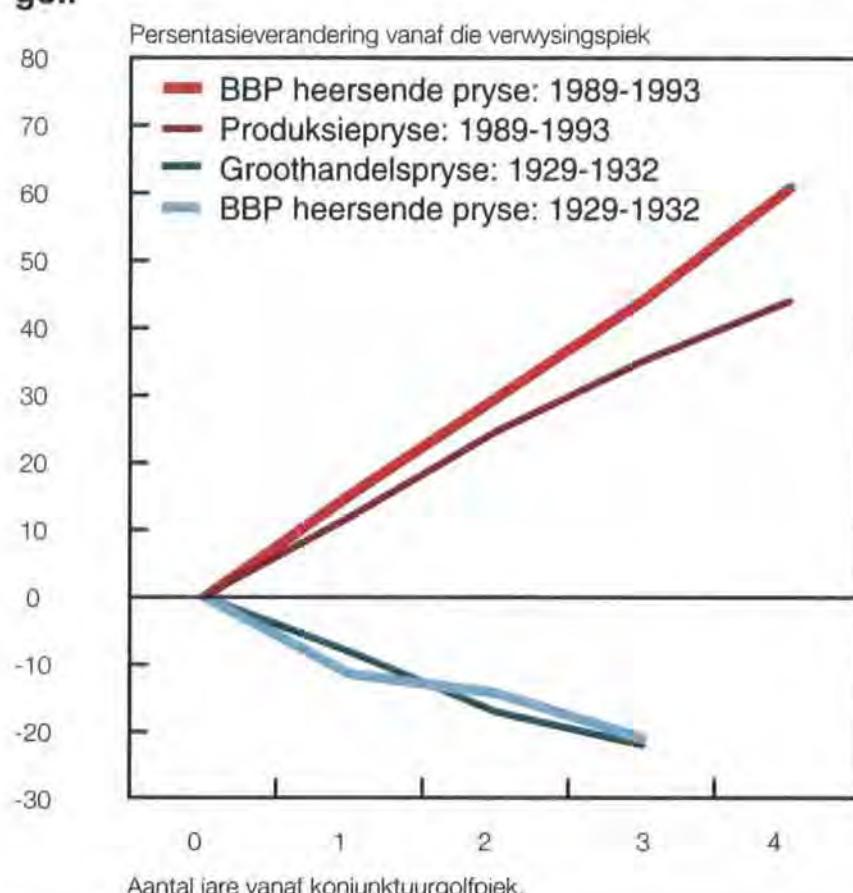
As gevolg van die omvang en betreklike oopheid van die Suid-Afrikaanse ekonomie, word dit nog sterk beïnvloed deur veranderings in die internasionale handel en dus deur die konjunkturele veranderings in die handelsvennootlande. Die samestelling van Suid-Afrika se internasionale handel het egter tussen die Groot Depressie en die jongste afwaartse fase betekenisvol verander, wat 'n invloed op die tydsverwantskap en die omvang van die uitwerking van die internasionale konjunktuurgolf op die binnelandse konjunktuurgolf kon gehad het.

Teen die agtergrond van hierdie fundamentele veranderings in die ekonomiese struktuur van Suid-Afrika oor die afgelope sestig jaar, kan die jongste afwaartse beweging van 1989-1993 met die Groot Depressie van 1929-1933 vergelyk word. Vanweë die gebrek aan nasionale rekeninge en ander vergelykbare korttermyngegewens vir die dertigerjare, sal die vergelykbare ontleding meer van 'n beskrywende aard as 'n grondige statistiese ondersoek wees. Die vergelykings moes beperk word tot 'n klein aantal tydreekse waarvoor die waarnemings vir die Groot Depressie en die resessie van 1989-1993 beskikbaar was. Die volgende grafieke toon die geakkumuleerde persentasieverandering in die waarnemings van die betrokke tydreekse vanaf hul waarde in die piekjare van die konjunktuurgolf van 1929 en 1989 vir die duur van die afwaartse fase aan.

Soos in grafiek 4 aangetoon is, het die bruto binnelandse produk teen heersende prys gedurende die tydperk 1989-1993 toegeneem vergeleke met 'n afwaartse beweging gedurende die tydperk 1929-1932. Hierdie verskil weerspieël grootliks die verskille in die prysbewegings tussen die twee tydperke. Die groothandelspryse het gedurende die Groot Depressie skerp gedaal, terwyl die vlak van die produksiepryse gedurende die 1989-1993 fase aanhou styg het. Deur die groothandelsprysindeks as deflator vir die bruto binnelandse produk teen heersende prys gedurende 1929-1932 te gebruik en hierdie reële waarde met die reële bruto binnelandse produk gedurende die afwaartse fase in 1989-1993 te vergelyk, wil dit voorkom asof die afname in die reële produksie trouens omtrent dieselfde was, dit het naamlik teen 'n gemiddelde jaarlikse koers van $\frac{1}{2}$ persent gedurende albei die tydperke gedaal.

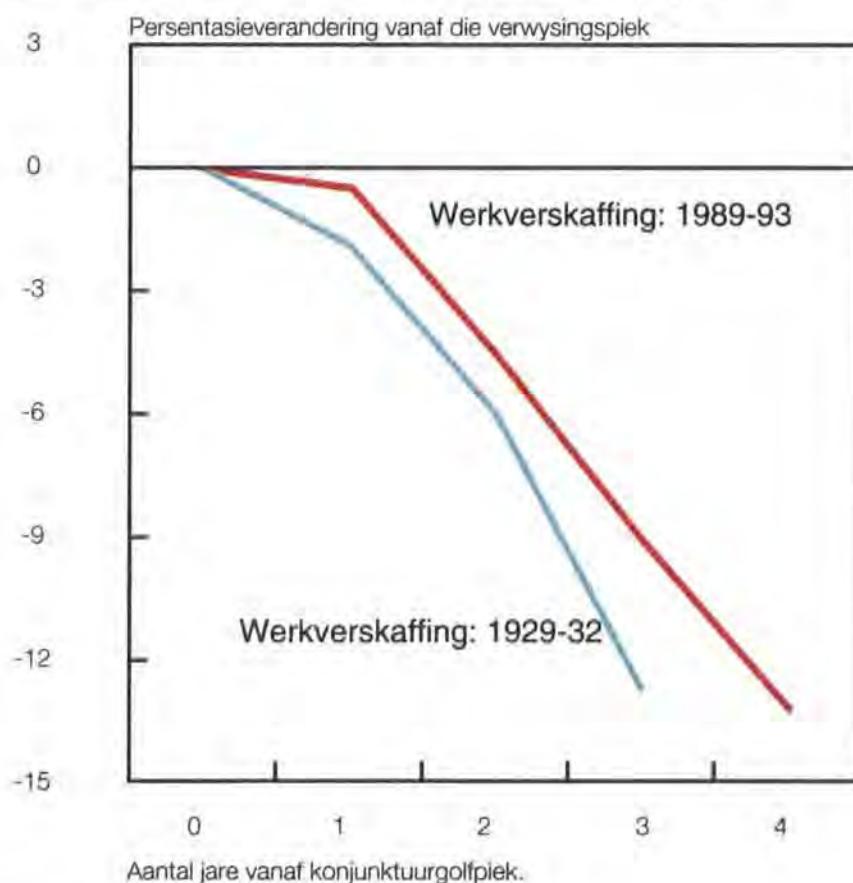
Gedurende die eerste drie jaar van die afwaartse fase van die konjunktuurgolf was die daling in werkverskaffing

Grafiek 4: 'n Vergelyking van totale produksie en prys in die afwaartse fase van die konjunktuurgolf

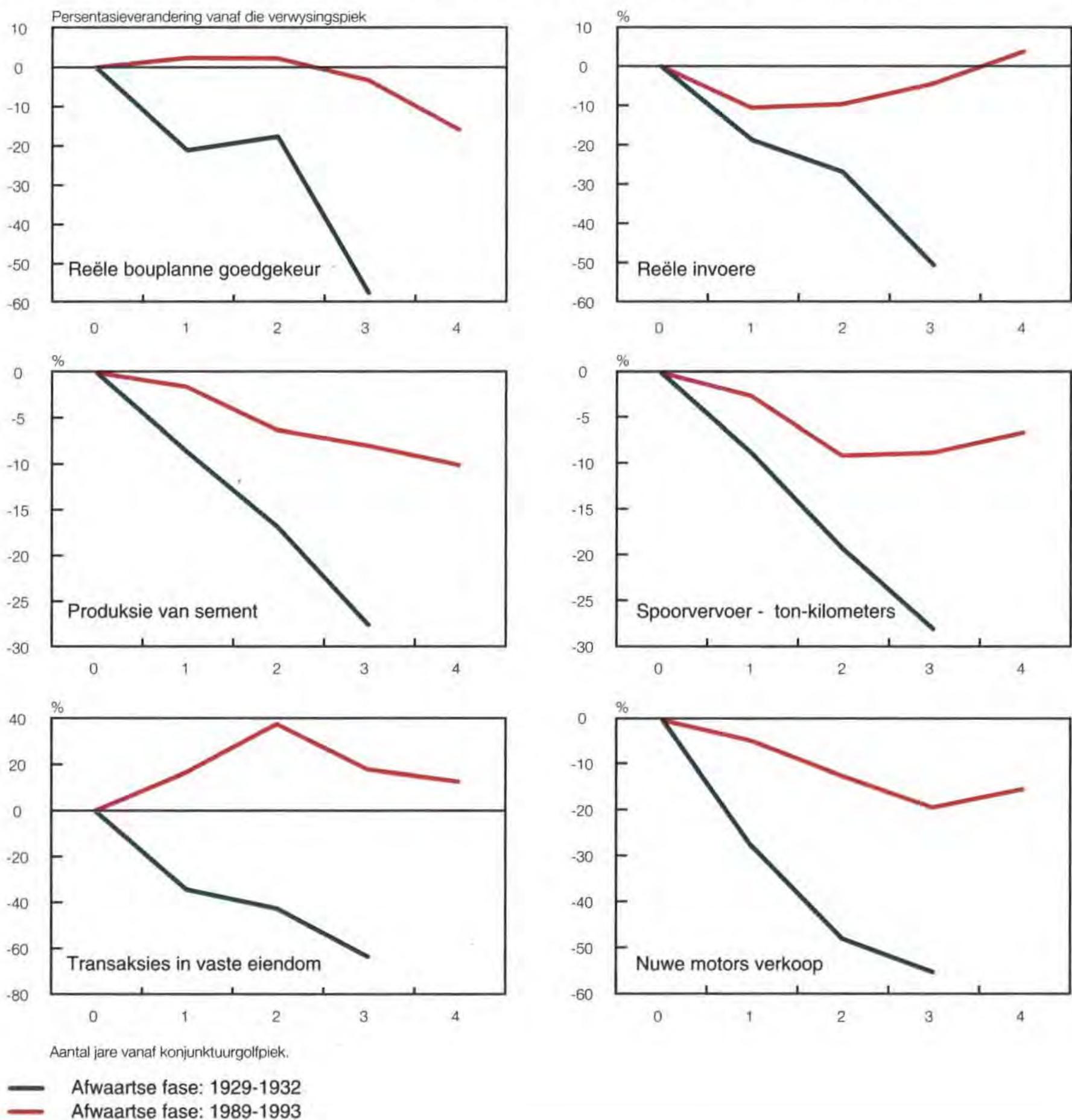


in die fabriekswese, mynbou en vervoer baie ernstiger gedurende die Groot Depressie as in 1989-1993. Vanweë die felheid en die duur van die 1989-1993 afwaartse beweging, het die aantal werkers in die vierde jaar van die resessie verder verminder tot 'nvlak wat min

Grafiek 5: 'n Vergelyking van werkverskaffing in die afwaartse fase van die konjunktuurgolf



Grafiek 6: 'n Vergelyking van uitgesoekte ekonomiese aanwysers in die konjunktuurgolf



of meer vergelykbaar is met die verandering wat in die depressie in die dertigerjare plaasgevind het.

Die konjunkturele vergelykings van uitgesoekte aanwysers wat verband hou met die reële vraag en produksie toon in grafiek 6 dat groot afnames in hierdie groothede gedurende die Groot Depressie aangeteken is. Die betreklik matige afnames of effense groei van hierdie aanwysers gedurende die afwaartse beweging van 1989-1993 bevestig dat hierdie afwaartse beweging

nie so diep was nie en dus minder ernstige gevolge as die Groot Depressie gehad het.

Die konjunkturele afswaai van 1989-1993 en ander afwaartse fases sedert 1960

Vergeleke met ander afwaartse fases van die konjunktuurgolf in die nywerheidslande en in Suid-Afrika sedert 1960, was die Suid-Afrikaanse resessie van 1989-1993 besonder lank, naamlik 51 maande teenoor 'n

gemiddelde van 19 maande in Suid-Afrika (1960-1986) en 20 maande in die nywerheidslande. Soos voorheen aangedui is, het verskeie faktore tot die langdurigheid van die afwaartse fase en die onderprestering van die ekonomie bygedra.

Soos in grafiek 7 getoon word, het die reële bruto binnelandse produk buite die landbou in 1989-1993 skerp gedaal en aansienlik onder sy jongste piekwaarde gebly. Die gemiddelde jaarlikse koers van afname het van die piek van die konjunktuurgolf in die eerste kwartaal van 1989 tot die tweede kwartaal van 1993 0,4 persent beloop. Dit vergelyk swak met die laer maar tog positiewe groeikoorse wat gedurende die resessiefases van die tydperk 1960 tot 1980 aangeteken is.

Nieteenstaande die lang duur van die 1989-1993 fase, was die daling in die reële produksie nie so skerp as gedurende die 1981-1983 en 1984-1986 resessies nie. In die 1981-1983 resessie het die reële bruto binnelandse produk buite die landbou teen 'n jaarkoers van 2,3 persent afgeneem en in die 1984-1986 resessie teen 'n jaarkoers van 2,7 persent. Wat die daling in die afwaartse fase van 1989-1993 egter baie ernstig gemaak het was die feit dat dit na 'n tydperk van swak langtermyngroei in die ekonomie plaasgevind het. Dit het dus op 'n betreklik laevlak begin en 'n ernstige uitwerking op werkverskaffing in Suid-Afrika gehad.

Gedurende die beginstadium van die afwaartse beweging van 1989-1993 het werkverskaffing in die sektore buite die landbou betreklik konstant gebly vergeleke met die stygende werkverskaffing in die

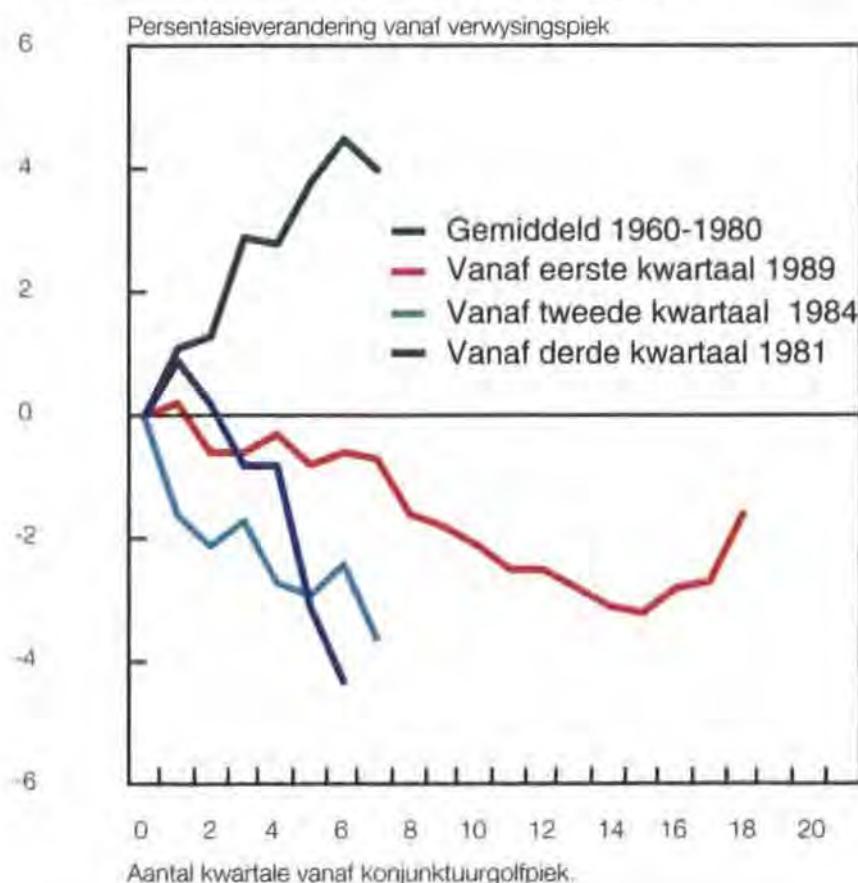
afwaartse fases van die sewentiger- en vroeë tagtigerjare. Ses kwartale na die piek van die konjunktuurgolf in 1989 het die arbeidsituasie in so 'n mate agteruitgegaan dat die verlies aan werkgeleenthede erger geraak het as gedurende vorige resessies. Arbeidsvermindering is voortgesit in reaksie op konjunkturele sowel as strukturele veranderings in die arbeidsmark en meer as 400 000 werkgeleenthede is gedurende hierdie fase in die formele sektore van die ekonomie verloor.

Opsomming en slotopmerkings

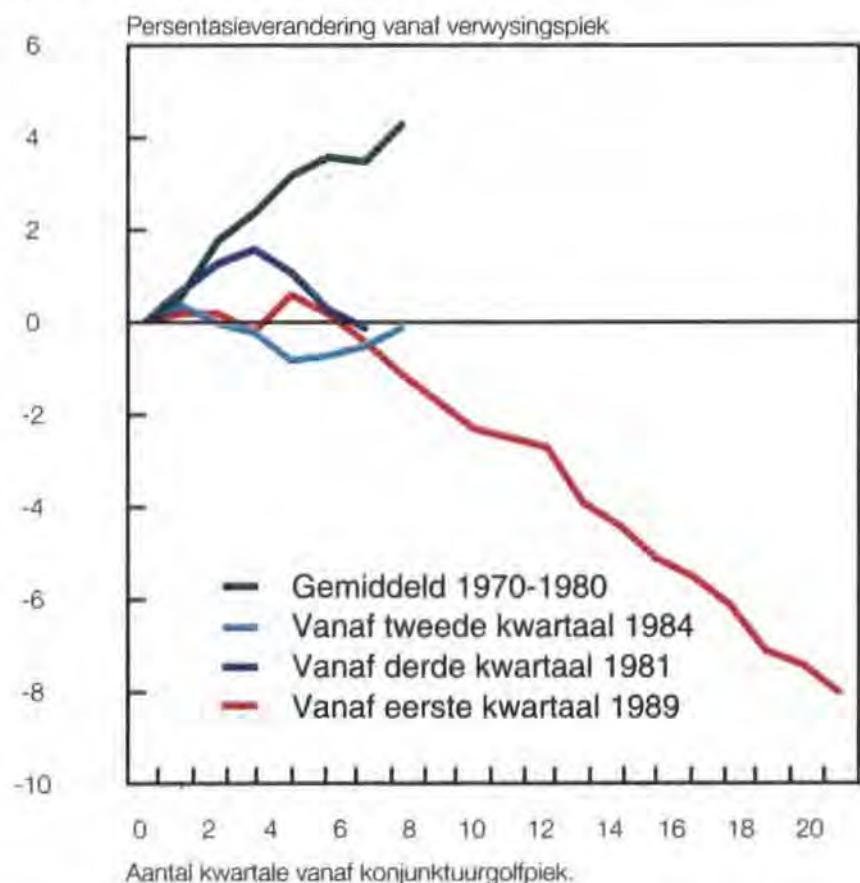
'n Oorsig van die opeenvolgende opwaartse en afwaartse fases van die konjunktuurgolf in die Suid-Afrikaanse ekonomie bevestig dat die herhalende konjunktuurgolwe baie in gemeen het, maar dat elke golf ook sy unieke kenmerke het. Oor die algemeen is die veranderings in die verskeie ekonomiese prosesse en bedrywighede gedurende die konjunktuurgolf van 1986-1993 in baie opsigte soortgelyk aan dié van vorige golwe in Suid-Afrika. Die jongste afwaartse fase gedurende die tydperk 1989-1993 verskil egter betekenisvol van sy voorgangers deurdat dit voorgekom het rondom 'n groeineiging wat baie platter was as die groeineiging tydens vroeëre resessies. Die stadiger groeineiging in die jongste jare het slegs deels verband gehou met die gebrek aan makro-ekonomiese ewewig in die ekonomie. Net so belangrik was die uitwerking van sosio-politieke veranderings op die ekonomie.

'n Vergelyking van die jongste afwaartse beweging

Grafiek 7: Verandering in reële bruto binnelandse produk buite die landbou gedurende die resessiefases van die konjunktuurgolf



Grafiek 8: Verandering in werkverskaffing in die nie-landbousektore gedurende die resessiefases van die konjunktuurgolf



met die Groot Depressie van die dertigerjare het aan die lig gebring dat sekere ontwikkelings gedurende die Depressie nie in 1989-1993 herhaal is nie. Uitermatige spekulasie en paniek het nie voorgekom nie, en geld is ook nie op so 'n groot skaal vernietig as gedurende die Depressie nie. Ondanks die uitgerekte aard van die afwaartse beweging van 1989-1993, was dit nie so ernstig as die Groot Depressie van die dertigerjare nie.

Die mees unieke kenmerk van die resessie van 1989-1993 was miskien dat dit in 'n omgewing van taamlik buitengewone sosiale en politieke verandering in Suid-Afrika voorgekom het. Die onsekerhede wat deur die politieke veranderings gedurende hierdie tydperk geskep is, het verhoed dat die land weer sy vorige groei-momentum kon bereik en het 'n herstel vertraag. Die statistiese inligting oor die resessie van 1989-1993 weerspieël nie soseer 'n ekonomiese in 'n depressie nie, maar gee 'n uitbeelding 'n ekonomiese wat 'n stryd voer om die oorhand te kry oor die newe-effekte van die politieke oorgang en sekere strukturele swakhede wat verhoed dat dit na 'n vinniger groeipad terugbeweeg.