

# **Quarterly Bulletin**

# **Kwartaalblad**

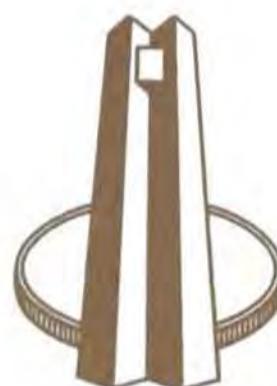


**South African Reserve Bank**  
**Suid-Afrikaanse Reserwebank**

# **Quarterly Bulletin Kwartaalblad**

**March 1996 Maart**

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

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# Quarterly economic review

## Introduction

The economic upturn in South Africa, which had started in May 1993, was still characterised by relatively strong but fluctuating economic growth in 1995. After having reached a high level in the fourth quarter of 1994, the rate of increase in real gross domestic product slowed down considerably in the first six months of 1995 owing to a decrease in the real value added by the primary sectors. A severe drought at the time had an adverse impact on agricultural production, while the output of gold and diamond mines contracted *inter alia* because of mine closures, labour unrest and lower grades of ore milled.

A rise in mining output, together with further strong increases in the real value added by the non-primary sectors, caused economic growth to pick up again in the third quarter of 1995. Growth then slackened in the fourth quarter primarily because of a decrease in manufacturing output. Production cut-backs in the manufacturing sector were probably motivated by the elimination of delivery backlogs, while the domestic demand remained strong. Export orders for manufactured goods also moved to a lower level.

Despite these fluctuations, real output growth in 1995 came to 3½ per cent – the highest rate since 1988. This increase in production was generally boosted by a robust demand for goods and services. High consumer confidence and a pent-up demand for durable and semi-durable goods led to an increase in real private consumption expenditure, which exceeded the growth in real personal disposable income. Private consumption expenditure was partly financed by means of credit extension, i.e. at the cost of domestic saving. This made the country more dependent on foreign funds to finance domestic investment, although dissaving by the government improved and the saving of the corporate sector increased.

Real gross domestic fixed investment increased by no less than 10½ per cent in 1995, but investment outlays slowed down in the fourth quarter with the completion of some major capital projects. Fixed investment became fairly widespread during the course of the economic recovery, with the manufacturing industry showing the strongest growth. The building-up of inventories also continued throughout 1995, but the rate of inventory accumulation slackened slightly in the second half of 1995.

The upturn in economic activity was accompanied by weak employment growth, probably largely due to attempts to contain cost increases and to raise production efficiency. The rate of increase in the

nominal wages and salaries per worker was nevertheless relatively inflexible and exceeded the rate of increase in output prices. Fortunately, the inflationary consequences of the increase in labour remuneration were absorbed partially by a strengthening of labour productivity, which brought about lower rates of increase in nominal and real unit labour costs.

The lower labour cost per unit of production was an important contributing factor to a decline in inflation rates in 1995 to levels last experienced in the early 1970s. The pursuance of a monetary policy stance consistently countering inflation was aided further by lower increases and at times even decreases in food prices in the second half of 1995. Developments such as an increase in the supply of livestock for slaughtering, the lowering of import tariffs on agricultural goods, a mild winter and reforms in the marketing of agricultural products, quelled the rise in food prices. In addition, an appreciation in the external value of the rand from May 1995, relatively low price increases in major trading partner countries, a general reduction in import tariffs and the removal of the surcharge on imported goods in October 1995 supported the lower inflation rates. Even excluding food and other special factors, the underlying inflation rate therefore also receded.

As could be expected with the strength in domestic demand, the value and volume of merchandise imports rose steeply in 1995, but showed signs of levelling off in the last quarter of 1995. Net service and transfer payments also continued to escalate, while the proceeds from international gold sales contracted. Despite a still good performance of merchandise exports, the deficit on the current account of the balance of payments deteriorated substantially in 1995. Moreover, towards the end of the year the demand for South African manufactured products from other countries began to abate.

The large deficit on the current account in 1995 was financed by an even larger net inflow of capital. The cumulative net inflow of capital not related to reserves came to nearly R31 billion from the middle of 1994 to the end of 1995. The bulk of this inflow consisted of foreign loan capital and portfolio equity investments. Foreign direct investment remained relatively small and consisted mainly of investments to buy existing operations, to form joint ventures or to take over South African companies.

These inflows of capital were responsible for a substantial increase in the gold and other foreign reserves and enabled the Reserve Bank to fully redeem all loans that had been entered into previously to

supplement the level of the foreign exchange holdings. Under these circumstances, the nominal and real effective exchange rate of the rand increased in the last seven months of 1995. After rising further in January, the external value of the rand depreciated substantially in February 1996.

The high levels of economic activity and domestic expenditure were also responsible for a rapid growth in money supply, which for the second consecutive year exceeded the upper limits of the money supply guidelines in 1995. The private sector's liquidity preference rose over the same period on account of expected interest rate changes and in anticipation of major adjustments in share and bond markets. In a statistical or accounting sense, the main counterpart of the growth in money supply was a substantial increase in bank credit extension to the private sector. However, in the second half of 1995 both the growth in money supply and credit extension to the private sector began to taper off. The quarter-to-quarter growth rates in these two aggregates, in particular, reached lower and more acceptable levels.

The financial markets were characterised by sharp increases in equity prices, which rose to new record levels in January 1996 buoyed by strong corporate profits and increased foreign interest after the dual exchange rate system had been terminated. The upward movement in share prices was led by industrial and financial shares, but in January 1996 the relatively depressed prices of gold-mining shares also reacted vigorously to the rise in the gold price to above \$400 per fine ounce on international markets. The value of shares traded on the Johannesburg Stock Exchange continued to recover throughout 1995 from the low level reached at the beginning of the year.

Activity in the domestic primary bond market was dominated by issues of entities in the public sector. As a result of the liquidity of the corporate sector, the relatively high cost of borrowing funds and the availability of capital from abroad, the funds mobilised by private-sector companies through new issues of fixed-interest securities stayed low. Private-sector companies were also reluctant to raise funds in the primary equity market, despite the high level of interest rates and increasing share prices. The number of shares issued as scrip dividends, however, increased substantially because of the high statutory rate of the Secondary Tax on Companies. Activity in the secondary bond market increased markedly in the second half of 1995 as long-term yields began to drop.

Long-term yields were fairly stable in the first six months of 1995, while short-term yields rose further. The yield curve accordingly flattened during this period, but still had a positive slope over the first five years of the maturity spectrum. It subsequently moved rapidly downwards, with long-term rates declining more than shorter-term yields. In January 1996 the yield curve was therefore not only markedly lower than at the

beginning of 1995, but also had a slightly inverted though generally horizontal shape.

Money market conditions tightened considerably in the second half of 1995, owing largely to a substantial increase in government deposits with the Reserve Bank. At times increases in the net foreign assets of the Reserve Bank related to an inflow of foreign capital caused these tight conditions to ease somewhat. The Reserve Bank's operations in the money market were concentrated mainly on measures to drain sporadic increases in liquidity and generally to maintain tight conditions. The Bank engaged in open-market sales from its own portfolio of securities to attain these objectives. In the short term, large fluctuations in the money market shortage were countered by means of adjustments in the asset portfolio of the Corporation for Public Deposits and management of the government's deposits with the Reserve Bank.

The public-sector borrowing requirement, i.e. the deficit before borrowing and debt repayment of the central government and all other levels of the public sector, amounted to only 4,6 per cent of gross domestic product in the first nine months of fiscal 1995/96. This considerably lower level of the public-sector borrowing requirement than in the preceding year was the net result of a large increase in the revenue of the public sector with only a moderate rise in public-sector expenditure. Problems encountered by some provincial governments in the re-organisation of functions and in the administration of activities prevented them from carrying out expenditure plans. The expected expenditure on reconstruction and development programmes was also not met in the first ten months of fiscal 1995/96. These results, however, do not include any overspending provided for in the Adjustment Budget.

## Domestic economic developments

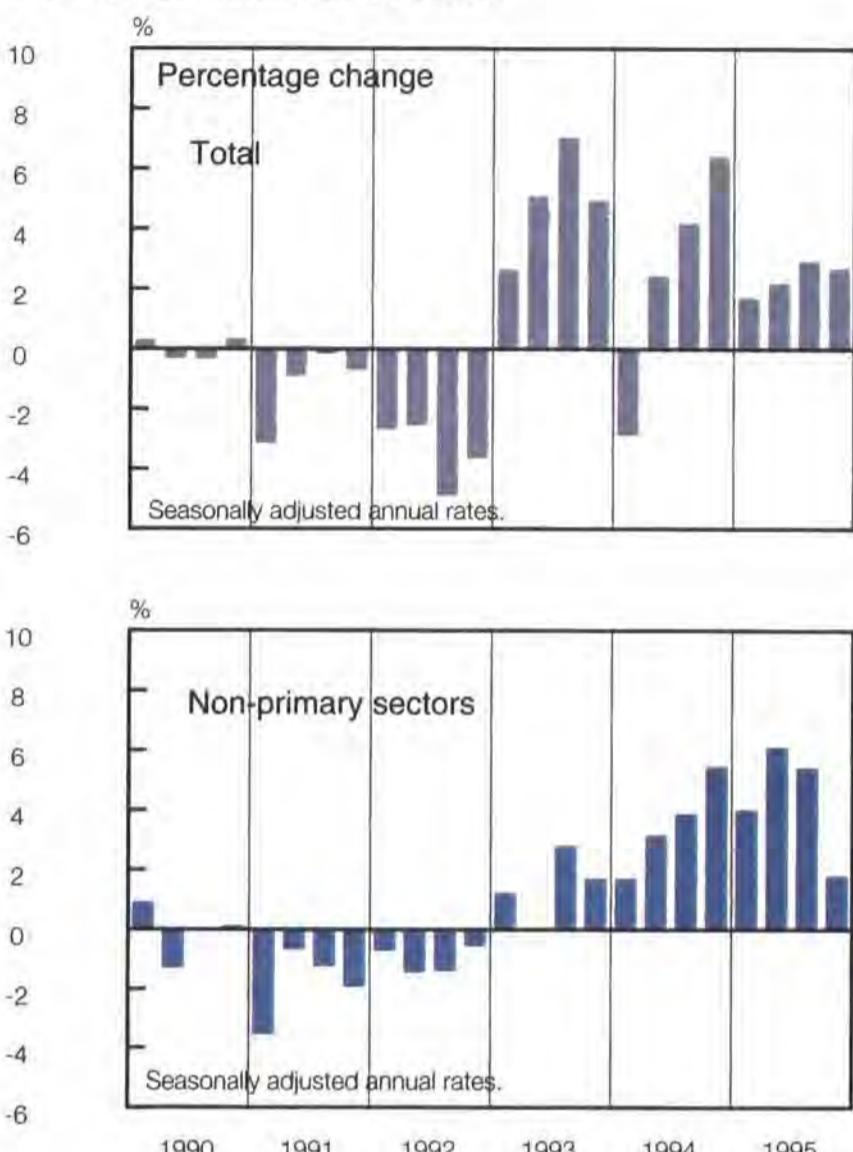
### Domestic output

The growth in *real gross domestic product*, which had moved sharply downwards from an annualised rate of 6½ per cent in the fourth quarter of 1994 to 1½ and 2 per cent in the first two quarters of 1995, recovered somewhat to 3 and 2½ per cent in the last two quarters of the year. This brought real output growth to nearly 3½ per cent for the full calendar year 1995 – the highest rate since 1988. In 1994 domestic output had expanded by 2½ per cent. The higher growth in 1995 was achieved despite output being severely hampered by steep declines in the real value added by the primary sectors of the economy; the real output growth in the non-primary sectors came to 4½ per cent in 1995.

The drought in the summer rainfall areas during the previous season had a grave impact on the gross income of farmers. Farm profits also came under pressure from the low-priced importation of agricultural products following deregulation. The real value added by the *agricultural sector* accordingly contracted by about 15 per cent in 1995. Towards the end of the year the rate of decline flattened out when farm income was supported by a better-than-expected wheat crop.

A recovery in the real value added by the *mining industry* in the second half of 1995 was unable to prevent a decrease of 3½ per cent in the real output of the mining sector for the year as a whole. Declines occurred mainly in the output volumes of gold and diamond mines as both these activities were plagued by labour problems. Diamond mining was constrained further by diamond sales of non-resident organisations on the international market in disregard of existing

### Real gross domestic product



**Table 1. Real gross domestic product**

Percentage change at seasonally adjusted and annualised rates

Sectors	1994		1995			Year
	Year	1st qr	2nd qr	3rd qr	4th qr	
Primary sector.....	2½	-12½	-22	-17	1	-8
Agriculture .....	12	-15%	-42	-50	-2½	-15
Mining .....	-2½	-10%	-7½	6	2½	-3½
Secondary sector.....	2½	6½	8½	7	-1½	6½
Manufacturing .....	2½	7	10	8½	-3	7½
Tertiary sector.....	2½	2½	5	4½	4	3½
Commerce .....	4	2½	9	8½	9	6
Transport and communication .....	3½	6½	7½	6	3½	4½
Financial services.....	3	3	4	4	2½	4
Non-primary sector.....	2½	4	6	5½	2	4½
<b>Total .....</b>	<b>2½</b>	<b>1½</b>	<b>2</b>	<b>3</b>	<b>2½</b>	<b>3½</b>

arrangements. The output of gold mines was also adversely affected by falling grades of ore milled because of a decline in the availability of ore with a high gold content, the milling of poor-quality surface material in order to supplement falling underground production and the difficulties encountered in raising grades without increasing working costs.

Real output growth in the *non-primary* sectors of the economy slowed from 6 per cent in the second quarter of 1995 and 5½ per cent in the third quarter to a relatively low 2 per cent in the fourth quarter. A decline at an annualised rate of 1½ per cent in the output of the secondary sectors was mainly responsible for this lower growth, but the rate of increase in the real value added by the tertiary sectors also slackened off.

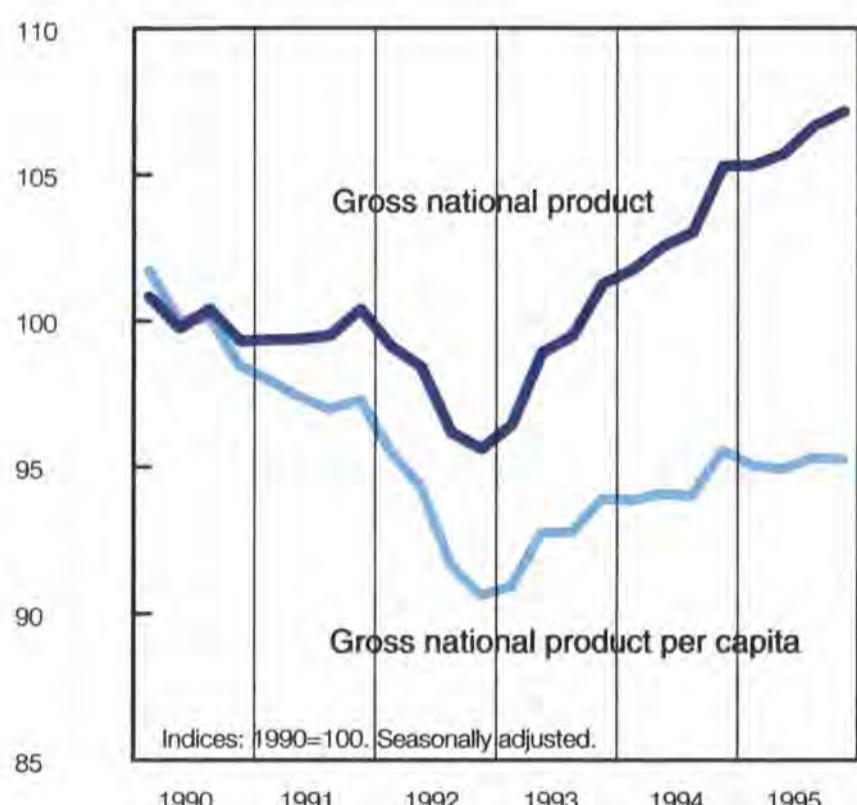
The real value added by the *manufacturing* sectors declined at a rate of 3 per cent in the fourth quarter of 1995, following high rates of increase in the preceding three quarters. The production cut-backs in manufacturing in this quarter probably stemmed from the elimination of delivery backlogs, as substantiated by a decrease in the real value of unfilled orders while the underlying demand apparently remained firm. Manufacturing output in 1995 was, however, still 7½ per cent higher than in 1994. The increase in manufacturing production in 1995 was assisted by much calmer industrial relations than in the preceding year.

The real value added by the sector supplying *electricity, gas and water* rose strongly throughout 1995 and came to 3½ per cent for the year as a whole; in 1994 the same growth rate was achieved. This strong growth could be attributed to the additional demand created by the expansion of the electricity network in less-developed regions of the country as well as the increase in real activity.

In the *construction industry* the positive growth that became apparent towards the end of 1993 advanced further throughout 1994 and 1995. This happened after a long period of declining output levels in the recent recession. The growth in real value added by the construction enterprises amounted to nearly 2 per cent in 1995; in the preceding year it was slightly lower at just above 1 per cent. The rise was mainly caused by the strengthening in the demand for residential building construction, which countered the mediocre performance of civil contractors.

All the major subsectors contributed to the relatively strong growth in the real value added by the *tertiary* sectors in 1995. Activity in the retail, wholesale and motor trade was boosted by the positive sentiment of consumers, rising personal disposable income, the availability of credit, the higher level of fixed investment in transport equipment, the containment of price increases and the successful introduction of new, low-priced motor cars. The high growth in transport, communication and financial services, was supported by the general buoyancy in aggregate domestic

### Real gross national product



demand, increased international trade, the sharp increase in foreign tourism and the growing integration of South Africa's financial markets into the global financial network.

The growth in real domestic production was countered to some extent by an increase in South Africa's net factor payments to the rest of the world and a deterioration in the terms of trade; the growth in the real *gross national product* was accordingly lower than in real gross domestic product. Moreover, the growth in real gross national product fell from 4 per cent in 1994 to 3 per cent in 1995. The real gross national product per capita rose accordingly by less than 1 per cent, bringing the accumulated increase in the real income per capita of South African nationals to only 2½ per cent in the current economic upturn. In the recession of 1989-93 the real income per capita had decreased by no less than 12 per cent.

### Domestic expenditure

The quarter-to-quarter growth in real *gross domestic expenditure* remained positive in 1995, but fluctuated considerably during the year (see Table 2). For the full calendar year 1995 the growth in real domestic expenditure is estimated at 5½ per cent; growth at 6½ per cent in 1994 was somewhat higher. Domestic investment and private consumption made the major contribution to the high domestic demand, and only a modest increase in real consumption outlays by general government was registered.

**Table 2. Real gross domestic expenditure**

Percentage change at seasonally adjusted and annualised rates

Components	1994		1995			Year
	Year	1st qr	2nd qr	3rd qr	4th qr	
Private consumption expenditure.....	3	4	5½	6½	5	5
Consumption expenditure by general government .....	4	-2	½	2	2	½
Gross domestic fixed investment.....	8½	8	8	7½	4	10½
Change in inventories (R billions) .....	4,7	8,0	9,6	6,9	6,3	7,7
<b>Gross domestic expenditure .....</b>	<b>6½</b>	<b>2½</b>	<b>7</b>	<b>1</b>	<b>4½</b>	<b>5½</b>

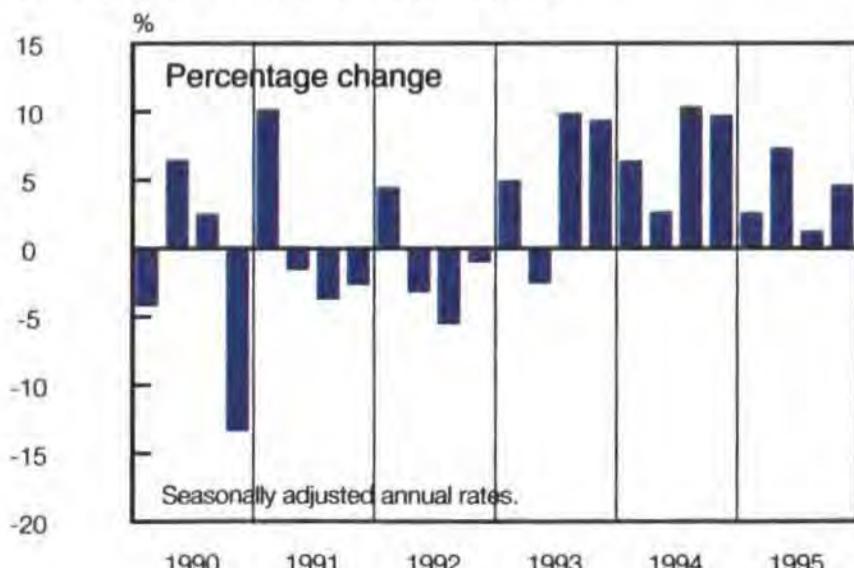
After having reached a high annualised rate of increase of 5½ per cent in the fourth quarter of 1994, real *private consumption expenditure* continued to advance strongly in 1995. Owing to a high level of consumer optimism, households were willing to increase real current consumption outlays by 5 per cent in 1995, while the increase in real personal disposable income was only 2½ per cent. The resulting increase in the average propensity to consume was achieved at the cost of private household saving and led to a rapid accumulation of consumer debt.

All the main components were instrumental to the rise in consumption expenditure, but the main thrust came from real outlays on durable goods which increased by 9 per cent in 1995. Personal transport equipment was especially in demand. Replacement demand for ageing vehicles and that arising from car theft, a decline in the relative prices of a number of new models and aggressive marketing strategies,

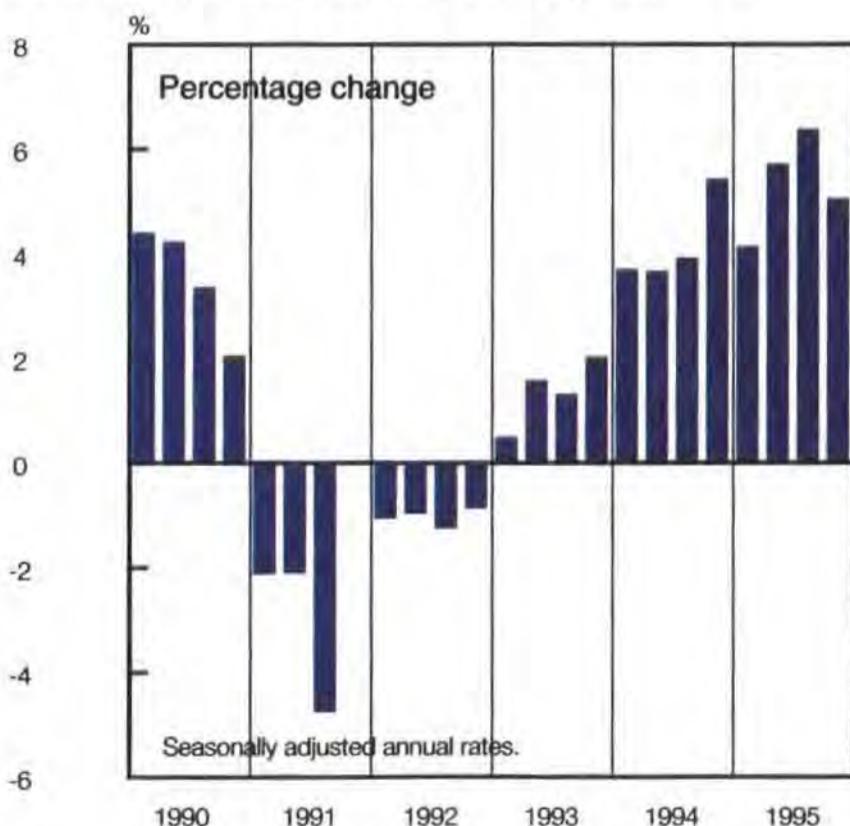
bolstered the demand for new motor cars. Large gains were also registered in semi-durable goods, such as furniture and appliances, motor car parts and accessories, and clothing and footwear. The real outlays on these types of goods rose by 6 per cent in 1995.

Real *consumption expenditure by general government* in 1995 was ½ per cent above its level in 1994; this was considerably lower than the rate of increase of 4 per cent in the preceding year. The ratio of consumption expenditure by general government to gross domestic product accordingly edged down from 21 per cent in 1994 to 20½ per cent in 1995. During the course of 1995 there was, however, a slight

#### Real gross domestic expenditure



#### Total real private consumption expenditure



upward movement in the rate of increase of government consumption of goods and services in real terms to a still modest annualised level of 2 per cent in the fourth quarter.

One of the main features of the current economic upswing has been the strong growth in aggregate real gross *domestic fixed investment* of 8½ per cent in 1994 and 10½ per cent in 1995. In the fourth quarter of 1995, however, the rate of increase in real fixed capital formation slowed down to 4 per cent from an average annualised rate of 8 per cent of the growth in the first three quarters of the year. This slackening in investment expenditure was primarily the result of the completion of some of the major capital projects in the private sector and the levelling-off in capital outlays of public corporations.

The real fixed investment in the *private sector* was initially restricted mainly to capital outlays on large new capital projects, but later became fairly widespread as the economic recovery gained momentum. Large expenditures were then incurred on transport and machinery and equipment to replace obsolete production equipment, the use of which had been extended beyond its normal economic lifespan in the years of sanctions against the country. In addition, the higher levels of demand and increased competition from the rest of the world raised the need for modernisation and additional production capacity.

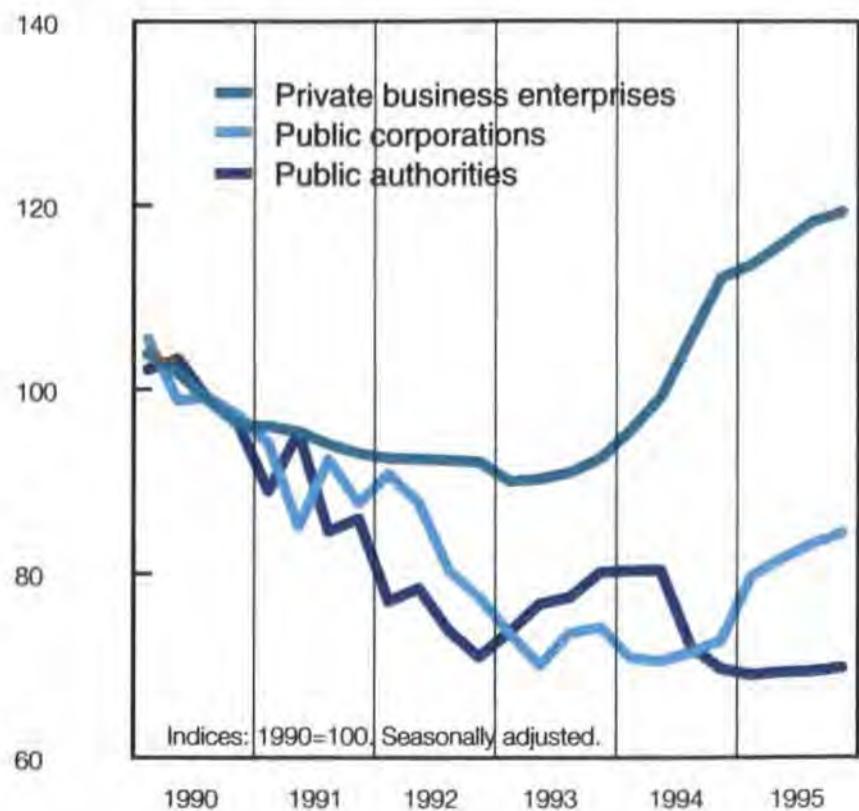
Real fixed investment expenditure in the manufacturing sector was particularly strong: it rose by

no less than 21 per cent in 1995. In the other sectors, the growth in real gross fixed investment varied between 5 per cent in the case of agriculture to about 12½ per cent in the commercial sector. As a result of this investment in manufacturing, the increase in the degree of capacity utilisation in this sector levelled off in the second half of 1995. At 83,4 per cent in the third quarter of 1995, capacity utilisation was nevertheless close to the utilisation rate of 84,1 per cent at the previous peak of the business cycle in 1989.

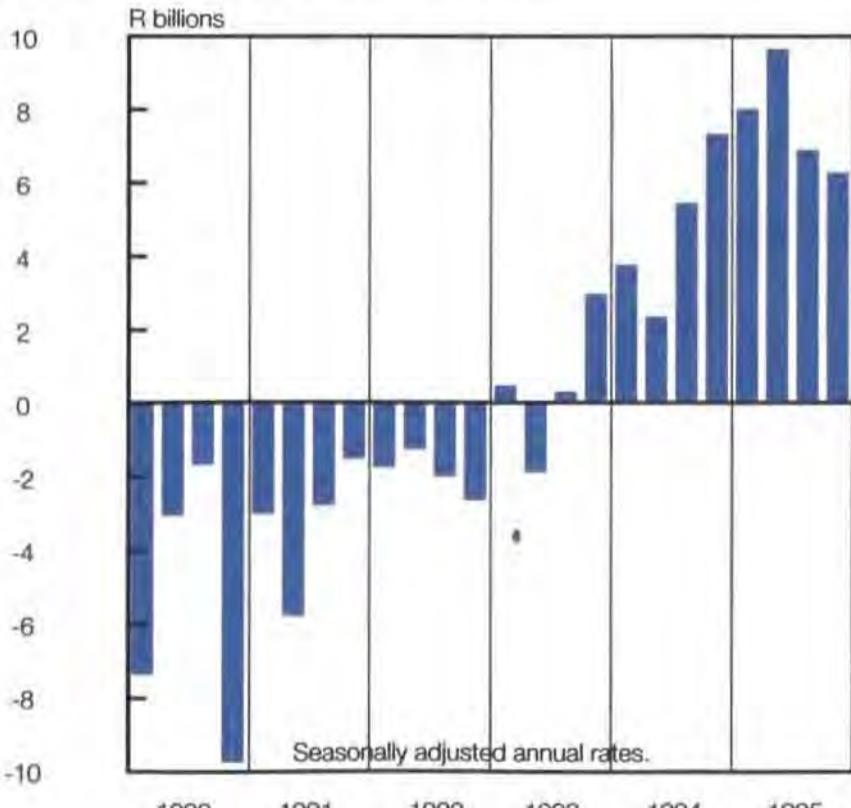
Following marked declines in the preceding four years, real fixed capital formation by the *public corporations* increased by 15 per cent in 1995. This stemmed largely from the expansion of the electricity network by Eskom and higher outlays on investment in machinery and transport equipment by Transnet. Real outlays on fixed investment by *public authorities* remained sluggish throughout 1995 and, apart from the local authorities, all subsectors of general government registered negative fixed-investment growth.

The build-up of *inventories* from the middle of 1993 continued throughout 1995, but the rate of inventory accumulation slackened somewhat in the second half of the year. For the calendar year 1995 the inventory accumulation contributed about 1 percentage point to the growth in real gross domestic product. The build-up of stock took place mainly in the mining, manufacturing and commercial sectors, and was presumably inspired by an expected strong rise in

#### Real gross domestic fixed investment



#### Change in total real inventories



sales. As a result, the ratio of industrial and commercial inventories to non-agricultural gross domestic product rose to 18 per cent, compared with an all-time low of 16 per cent in 1993.

### Factor income and saving

Aggregate nominal factor income at market prices, which had increased by 12½ per cent in both 1993 and 1994, increased again at this rate in 1995. This consistency in the growth of nominal factor income must be viewed against the backdrop of falling inflation and rising real output growth. Moreover, the relatively constant percentage increase in factor income was obtained while the rate of increase in the total nominal gross operating surplus slowed down from 13½ per cent in 1993 and 1994 to 12 per cent in 1995, because of declines in the operating surpluses of agriculture and mining. In contrast, the growth in the nominal operating surpluses of the non-primary sectors accelerated from about 11½ per cent in 1994 to 17½ per cent in 1995. The increase in the aggregate remuneration of employees amounted to 11½ per cent in 1995, compared with an average increase of 10½ per cent in the preceding two years.

Gross domestic saving as a ratio of gross domestic product declined from 17 per cent in 1994 to 16½ per cent in 1995, indicating that the country has become more dependent on foreign funds to finance domestic investment. This decline was registered regardless of a decrease in the net dissaving of the government

relative to gross domestic product from 5 per cent in 1994 to 4 per cent in 1995.

The net saving of the private sector weakened in 1995 and the saving of households and the corporate sector as a ratio of gross domestic product dropped from 8½ per cent in 1994 to 7 per cent in 1995. This result was realised even though the saving of the corporate sector rose from 5½ per cent of gross domestic product in 1994 to about 6 per cent in 1995. The corresponding savings ratio of households, however, contracted from 3 per cent to 1 per cent over the same period. Household income was badly affected in 1995 by the poor gross income of farmers, while the growth in household spending remained firm. A large part of the increase in spending was financed by means of credit, causing the savings rate to decline and the ratio of consumer credit to personal disposable income to rise from 23 per cent in 1994 to 25½ per cent in 1995.

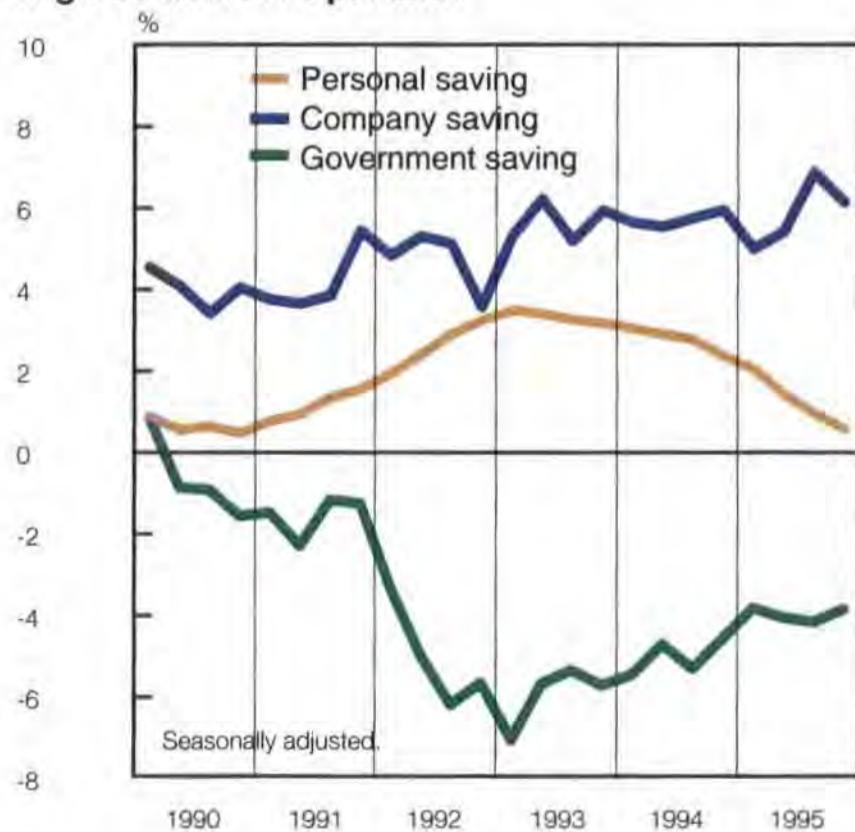
### Employment

The upturn in economic activity was accompanied by weak employment growth, probably largely due to efforts by producers to contain cost increases and to raise production efficiency. The employment cycle only reached its lower turning-point in the second quarter of 1994, i.e. about a year after the start of the economic upswing. Even then the employment growth was unsteady. After having declined almost uninterruptedly for nineteen calendar quarters, total employment in the non-agricultural sectors increased fairly strongly at seasonally adjusted and annualised rates of 2,2 and 4,4 per cent in the last two quarters of 1994; it then declined again at seasonally adjusted and annualised rates of 0,8 and 1,6 per cent in the first and second quarter of 1995 (the latest quarter for which data have been made available by the Central Statistical Service). From the start of the economic upswing up to the second quarter of 1995 only 12 000 employment opportunities had been created.

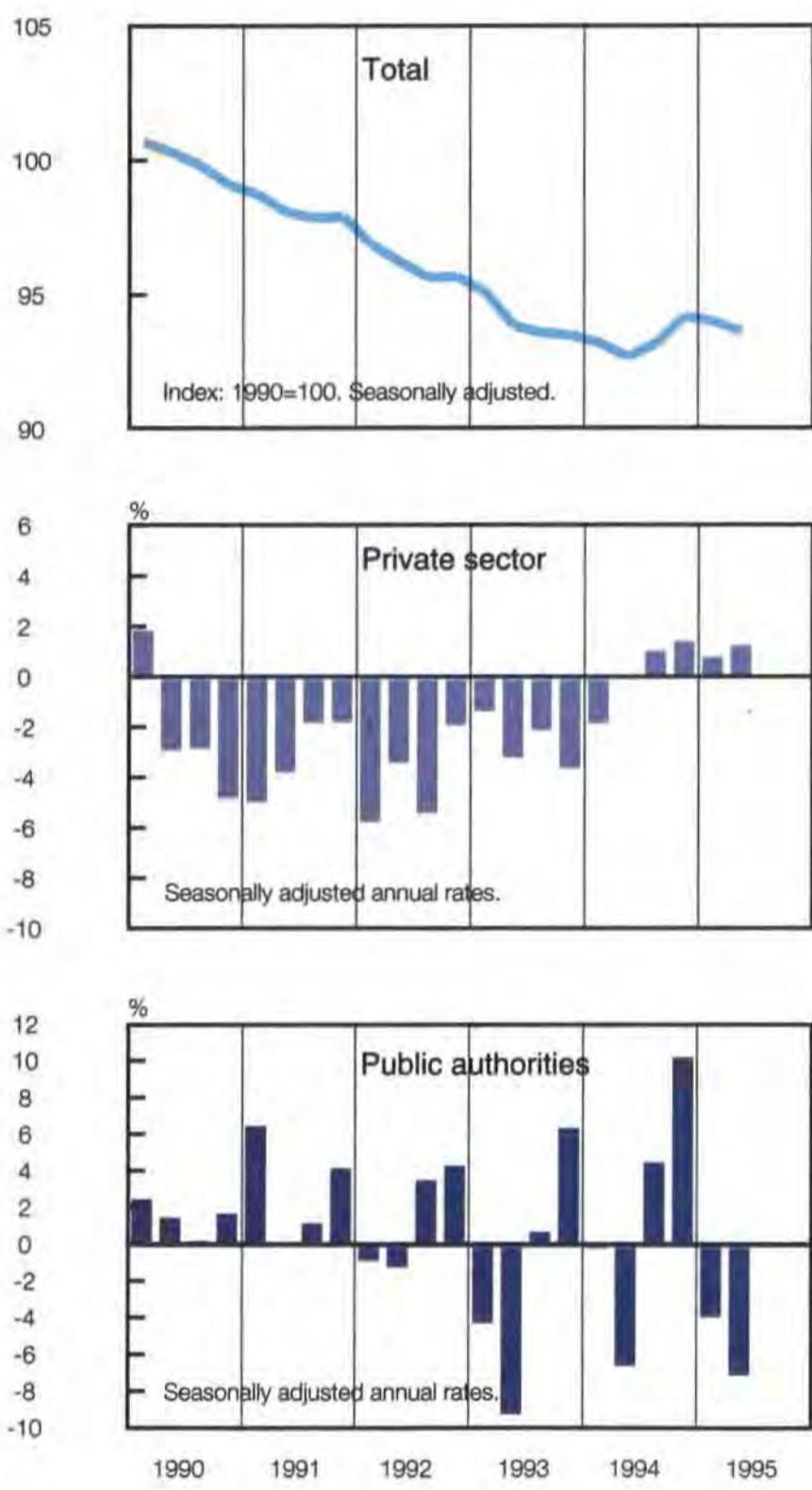
The decline in employment in the first half of 1995 could be attributed entirely to a reduction in employment by public authorities. Unlike employment in the private sector, total employment by public authorities increased virtually throughout the recession. Efforts by the central government to curb increases in current expenditure then caused employment by public authorities to contract by 1,2 per cent in 1993. From the third quarter of 1993 public-sector employment tended to increase again, but sporadic declines occurred from time to time. In the first half of 1995 employment by public authorities decreased sharply on account of 32 000 jobs having been rationalised by provincial governments.

Total employment in the non-agricultural private sector declined during each of the calendar years from 1990 to 1994 and only showed signs of picking up from the second half of 1994. It then increased in the

**Components of domestic saving as percentage of gross domestic product**



### Non-agricultural employment



four quarters up to the second quarter of 1995 at seasonally adjusted and annualised quarter-to-quarter rates that fluctuated between approximately 1 and 1½ per cent. In these four quarters a net gain of 40 000 employment opportunities was created in the private sector, against an increase of approximately 350 000 people in the economically active population.

### Labour costs and productivity

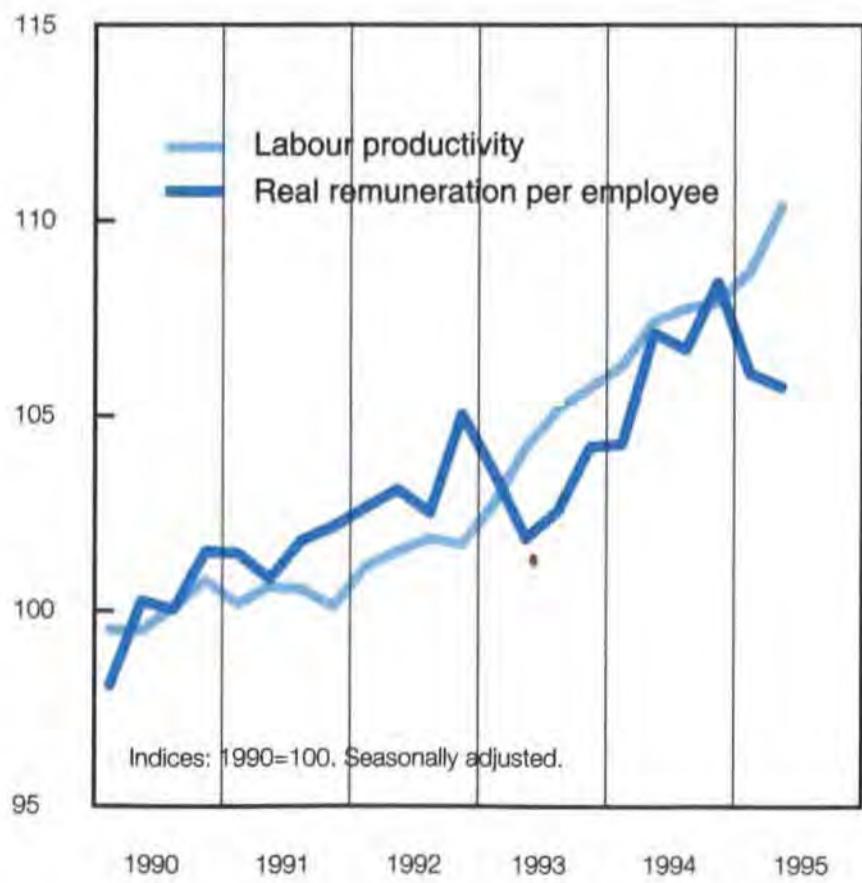
The rate of increase in the average annual nominal remuneration per worker in the non-agricultural sectors of the economy declined from a recent high point of 18,4 per cent in 1989 to 10,5 per cent in 1993 and

12,0 per cent in 1994. In the first six months of 1995 the year-on-year rate of increase in nominal salaries and wages per worker amounted to 11,1 per cent. The lower wage increases were initially entirely the result of a decline in the rate of increase in the nominal remuneration per worker employed by the *public authorities* from 21,6 per cent in 1989 to 9,2 per cent in 1993; it then, however, rose again to 14,9 per cent in 1994, before falling to only 4,9 per cent in the first half of 1995 compared with the same period in the preceding year.

At around 15 per cent in the period 1989 to 1992, the rate of increase in the nominal remuneration per worker in the *private sector* was relatively inflexible during the major part of the recent recession. It was only in 1993 that private-sector wage increases began to respond to the increasing excess supply of labour. The rate of increase in the nominal remuneration per worker in the private sector dropped to 11,2 per cent in 1993 and to 10,2 per cent in 1994. The year-on-year rate of increase in the nominal remuneration per worker in the private sector then rose again to 11,7 per cent in the first half of 1995.

Since 1990 the rate of increase in the remuneration per worker had exceeded the rate of increase in output prices, except for a short interlude in 1993. In fact, the rate of increase in the *real remuneration* per worker (as deflated by the price deflator for non-agricultural gross domestic product) accelerated from 0,4 per cent in

### Non-agricultural labour productivity and remuneration



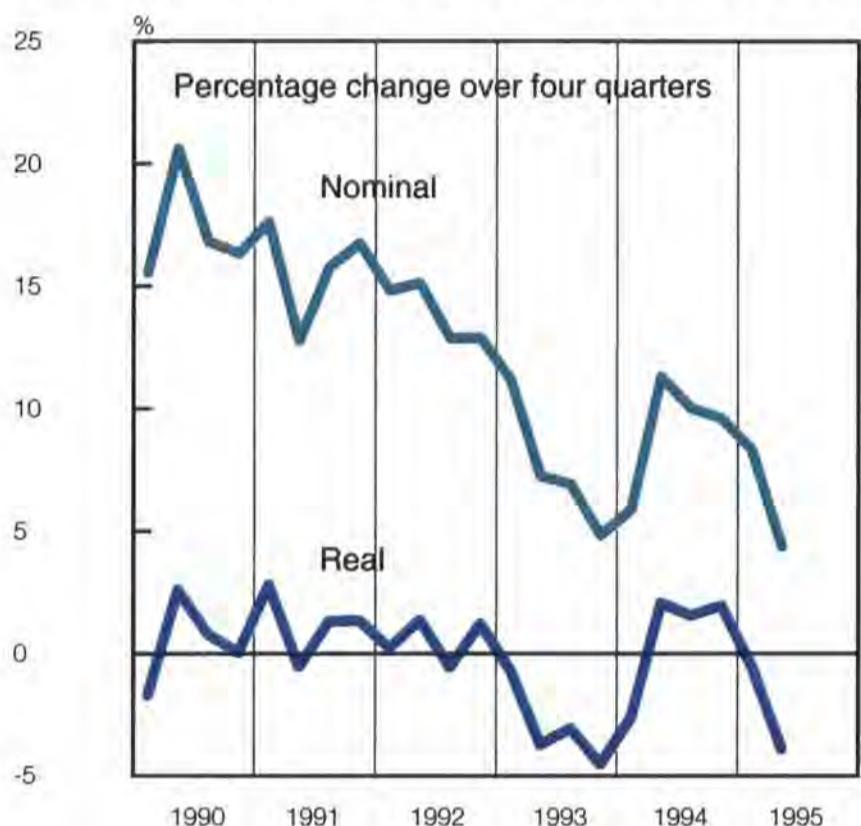
1990 to 1,7 per cent in 1992. After having declined marginally by 0,3 per cent in 1993, the real wage per worker increased again by a high 3,3 per cent in 1994. The real wages per worker in the first half of 1995 were 0,5 per cent higher than in the corresponding period of the preceding year.

The increase in real labour remuneration was backed to some extent by a strengthening in labour productivity. The rate of increase in *labour productivity* in the non-agricultural sectors of the economy rose from 0,4 per cent in 1991 to 2,8 per cent in 1993 and 1994; the year-on-year rate of increase then remained more or less at this level in the first half of 1995, amounting to 2,6 per cent. These productivity increases, however, were achieved at the cost of declining employment. An abatement in the number of man-days lost due to strikes and other work stoppages partly contributed to the productivity growth in 1995.

The rate of increase in *nominal unit labour costs* contracted from 17,3 per cent in 1990 to 7,4 per cent in 1993 – the lowest level since 1978. The sharp upward movement in nominal labour remuneration in 1994 then led to an acceleration of the increase in nominal labour costs per unit of physical output to 9,1 per cent in 1994. The year-on-year rate of increase then dropped again to 6,3 per cent in the first half of 1995. This slower growth, of course, contributed decisively to the waning of price inflation.

*Real unit labour costs*, which had remained positive throughout most of the recent recession and had declined by 3,1 per cent in 1993, increased again by 0,6 per cent in 1994. High wage increases caused real unit labour costs to increase immediately after the start of the upturn in economic activity from the third quarter of 1993. In previous upward phases of the business cycle there were normally a long lag between the rise in activity and the increase in real labour cost per unit of output. This change in the cyclical pattern is probably an important explanation of the weak response of formal employment to the

#### Non-agricultural nominal and real unit labour costs



recovery in business conditions. In the first half of 1995, however, real unit labour costs were 2,1 per cent lower than in the corresponding period of the preceding year.

#### Prices

The lower increases in labour cost per unit of production were an important contributing factor to the decline in inflation since 1993. The pursuance of a consistent counter-inflation monetary policy started to pay dividends in the second half of 1995 when the rates of increase in both production and consumer prices began

**Table 3. Year-on-year changes in non-agricultural labour remuneration, productivity and unit labour costs**

Per cent

Period	Real remuneration per worker	Labour productivity	Unit labour costs	
			Nominal	Real
1994: 1st qr.....	0,7	3,4	5,8	-2,6
2nd qr.....	5,2	3,1	11,3	2,0
3rd qr .....	4,0	2,5	10,0	1,5
4th qr.....	4,0	2,1	9,6	1,9
1995: 1st qr.....	2,2	2,4	8,3	-0,2
2nd qr.....	-0,9	2,9	4,4	-3,6

to subside. As a result, the inflation differential between South Africa and its major trading partner countries narrowed from 13,2 percentage points in January 1992 to 4,0 percentage points in October 1995.

The slowdown of inflation in the second half of 1995 was assisted by lower increases and at times even decreases in food prices. This behaviour of the prices of products such as fresh meat, vegetables, fruit, coffee and tea could, in turn, be attributed to developments such as:

- the drought in the country, which forced farmers to increase the supply of livestock for slaughtering;
- the lowering of import tariffs, which raised the supply of imported meat at competitive prices;
- a milder winter, which caused vegetable prices to increase more moderately, particularly in comparison with the preceding year's sharp increases under very cold weather conditions;
- reforms in the marketing of agricultural products, which allowed the prices of these products to reflect underlying supply and demand conditions more closely; and
- a restoration of the international supply of coffee, which caused the rate of increase in coffee prices to subside.

In addition, lower increases in the prices of imported goods made a major contribution to lower inflation rates. This factor not only contributed directly to the decline in inflation rates, but probably also had an important indirect effect because of the practice of import parity pricing followed by many domestic producers. The lower rate of increase in the prices of imported goods from April 1995 was related to an appreciation in the external value of the rand from May, a general reduction of import tariffs in accordance with the provisions of the multilateral trade negotiations and the final removal of the surcharge on imported goods in October 1995.

As a result of these developments, the average level of the *prices of imported goods* declined at a seasonally adjusted and annualised rate of 0,3 per cent from the second to the third quarter and then rose only moderately at a seasonally adjusted and annualised rate of 2,8 per cent in the fourth quarter of 1995. These changes can be compared with quarter-to-quarter rates of increase (seasonally adjusted and annualised) of 12,7 and 12,6 per cent in the first two quarters of 1995. The rate of increase over a period of twelve months in the prices of imported goods declined, on balance, from a high point of 10,5 per cent in April 1995 to 5,8 per cent in December.

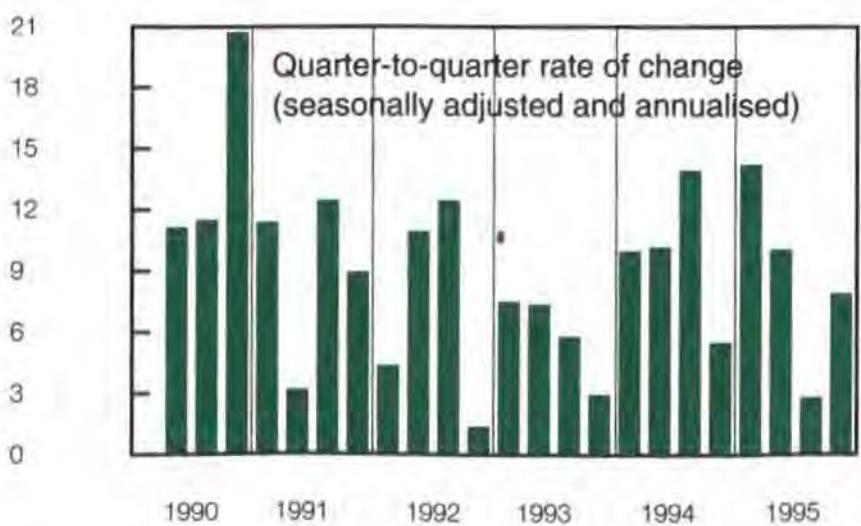
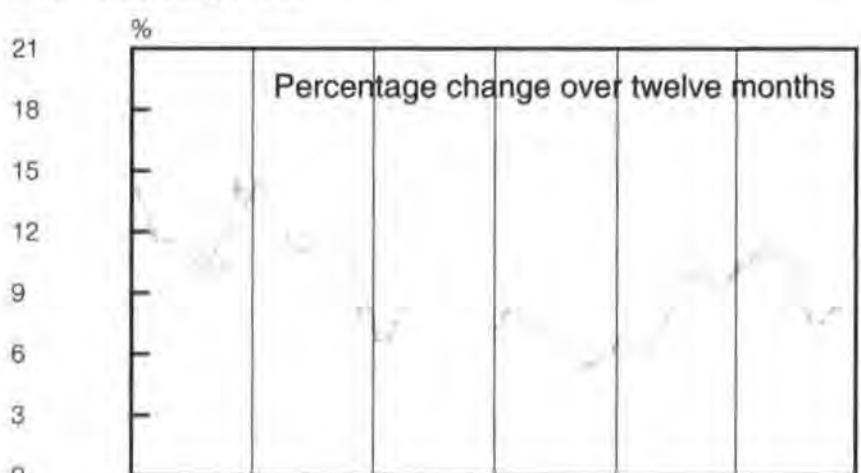
The quarter-to-quarter increase in the prices of *domestically produced goods* declined from a seasonally adjusted and annualised rate of 13,4 per cent in the first quarter of 1995 to 2,8 per cent in the third quarter. In the ensuing quarter a fairly steep rise in food prices caused the quarter-to-quarter increase in

the prices of domestically produced goods to accelerate once again to 9,8 per cent. The rate of increase over a period of twelve months in the prices of domestically produced goods also declined from a recent high point of 11,7 per cent in April 1995 to 8,1 per cent in August, but then rose again to 9,2 per cent in December 1995.

As a result of these changes in its two components, the quarter-to-quarter rate of increase in the *all-goods production price index* (seasonally adjusted and annualised), declined from 13,2 per cent in the first quarter of 1995 to 2,7 per cent in the third quarter and then rose somewhat to 7,9 per cent in the fourth quarter. The rate of increase over twelve months in the all-goods production price index also came down from 11,5 per cent in April 1995 to 7,6 per cent in September, before rising again to 8,5 per cent in December 1995. Despite these recent improvements in production prices, the increase in the average annual level of the all-goods production price index rose from 8,2 per cent in 1994 to 9,6 per cent in 1995.

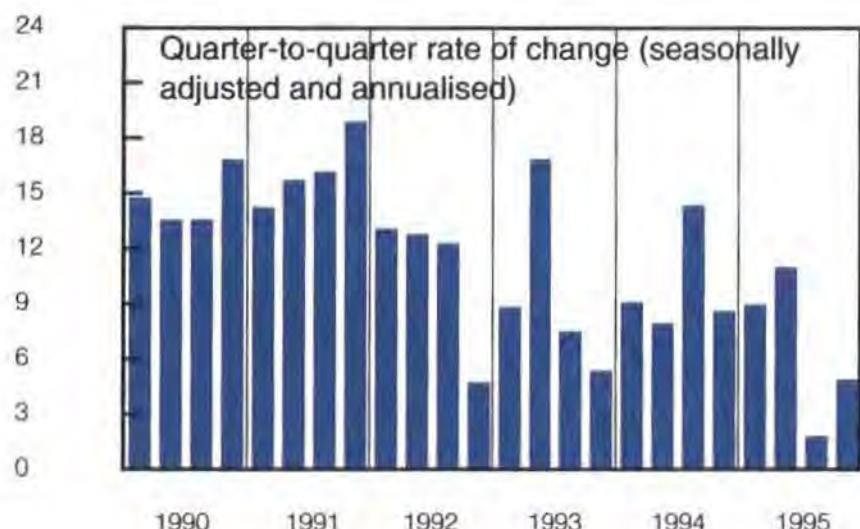
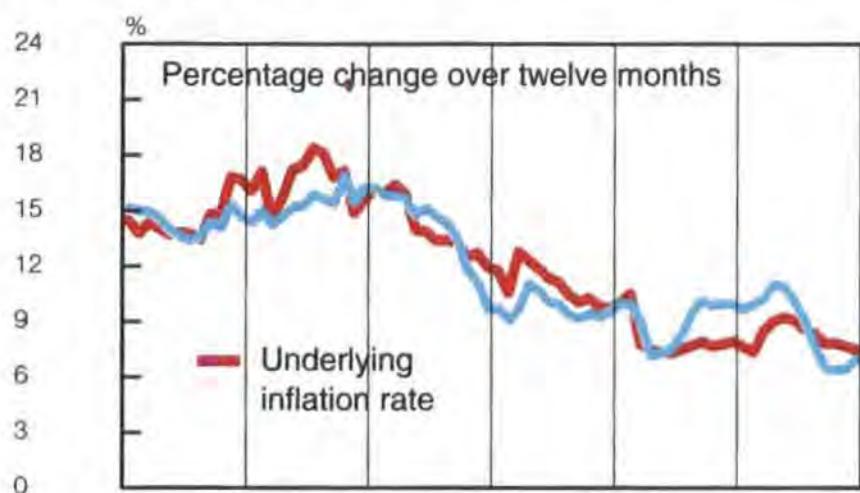
In contrast to these developments in production prices, the rate of increase in the *overall consumer price index* declined uninterruptedly from a peak of 15,3 per cent in 1991 to 8,7 per cent in 1995 – the

#### Production prices



## Foreign trade and payments

### Consumer prices



lowest rate of increase since the 6,1 per cent registered in 1972. The quarter-to-quarter rate of increase in the overall consumer price index reached its lowest level since the second quarter of 1968 when it shrank to a seasonally adjusted and annualised level of 1,7 per cent in the third quarter of 1995; it subsequently rose again to a still low 4,8 per cent in the fourth quarter.

The rate of increase over periods of twelve months in the overall consumer price index declined, on balance, from a peak of 11,0 per cent in April 1995 to a low point of 6,3 per cent in October. As already indicated, lower food prices were a strong force in reducing inflation. But the underlying inflation rate (i.e. the change in the total consumer price index excluding the prices of food and non-alcoholic beverages, home owners' costs and value-added tax) also declined from 9,2 per cent in May 1995 to 7,8 per cent in October. The underlying inflation rate then receded further to 7,4 per cent in December 1995, while the rate of increase in overall consumer prices reverted to 6,9 per cent.

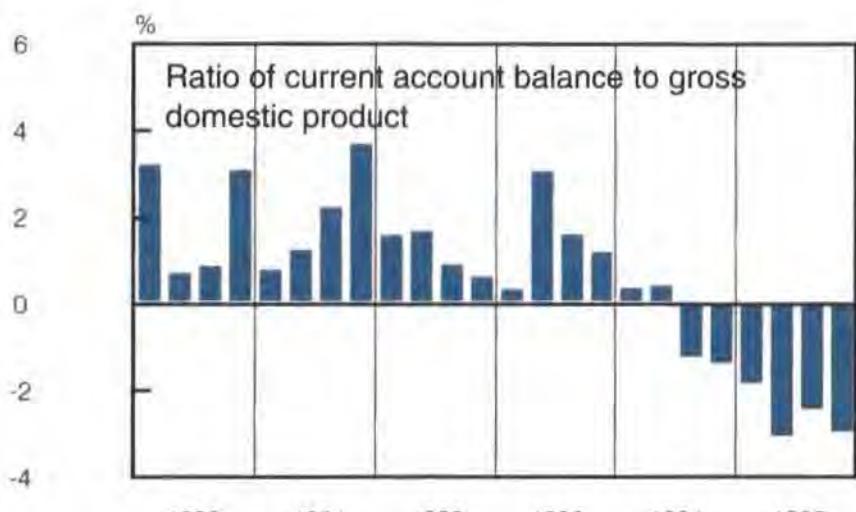
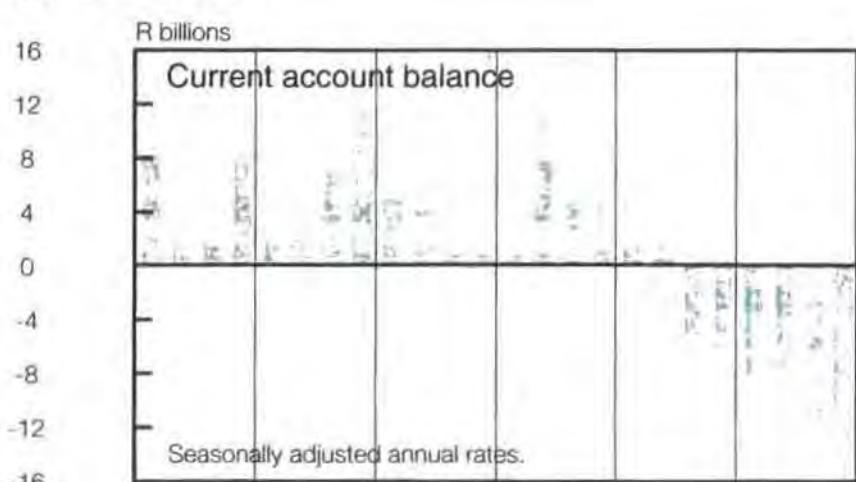
### Current account

The deficit on the current account of the balance of payments, which had appeared in the second half of 1994, increased rapidly from a seasonally adjusted and annualised rate of R6,4 billion in the fourth quarter of 1994 to R12,2 billion in the third quarter of 1995 and to no less than R15,0 billion in the fourth quarter. The deficit for 1995 as a whole amounted to R12,7 billion, or 2½ per cent of gross domestic product; this was significantly higher than the deficit of R2,2 billion or ½ per cent of gross domestic product in 1994.

A continued strong increase in the value of merchandise imports, which more than offset the rise in the level of merchandise exports, was primarily responsible for the increasingly large negative current account balance in 1995. In addition, the proceeds from net gold exports contracted and net service and transfer payments to non-residents continued to increase.

The value of *merchandise imports* (seasonally adjusted and annualised) moved sharply upwards from R85,8 billion in the fourth quarter of 1994 to R101,4

### Current account



**Table 4. Balance of payments on current account**

Seasonally adjusted and annualised rates

R billions

	1994		1995			Year
	Year	1st qr	2nd qr	3rd qr	4th qr	
Merchandise exports .....	65,0	81,4	79,0	81,2	82,4	81,0
Net gold exports .....	22,6	20,0	19,3	23,3	18,0	20,2
Merchandise imports .....	-76,3	-94,5	-97,7	-101,4	-100,2	-98,5
Net service and transfer payments.....	-13,5	-15,6	-15,4	-15,3	-15,2	-15,4
<b>Balance on current account.....</b>	<b>-2,2</b>	<b>-8,7</b>	<b>-14,8</b>	<b>-12,2</b>	<b>-15,0</b>	<b>-12,7</b>

billion in the third quarter of 1995 and then declined to R100,2 billion in the fourth quarter. In the full calendar year 1995 the value of imports was 29 per cent higher than in the preceding year. This substantial increase was mainly related to the volume of imports: the physical quantity of imports advanced very strongly in the first nine months of 1995, bringing the growth in 1995 to 20 per cent. Although increases were recorded in all the main categories of imports, pronounced increases were registered in machinery and electrical equipment, vehicle and transport equipment and mineral products.

Import prices continued to accelerate at a relatively rapid rate in the first half of 1995 and then declined

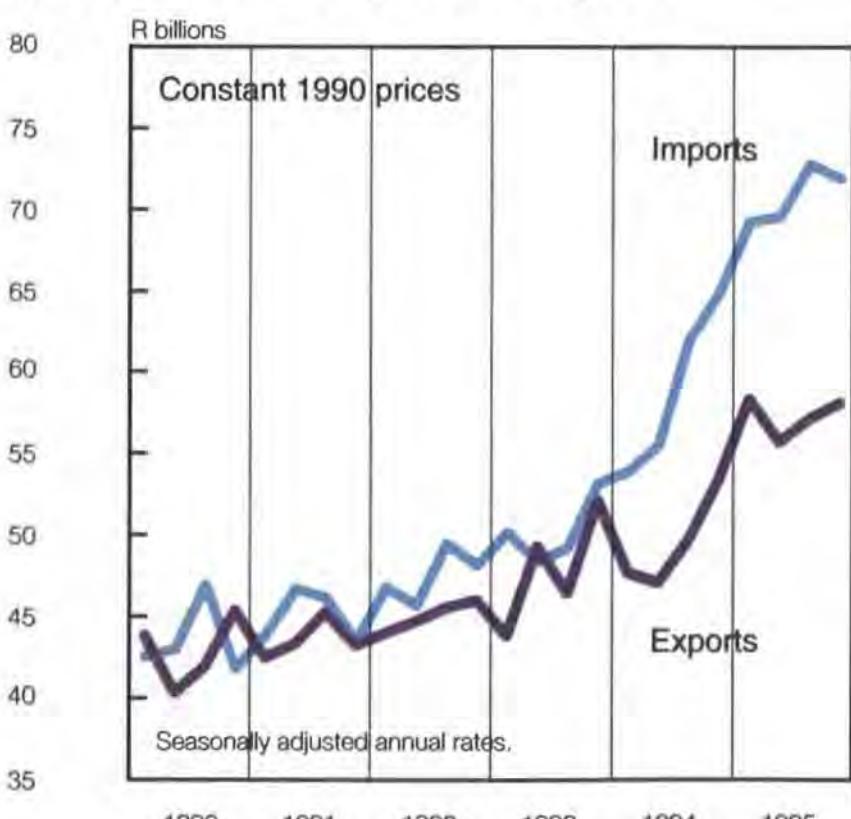
slightly in the second half. The strong external value of the rand and the relatively low inflation rates in South Africa's major trading partner countries were the main factors responsible for this turnaround in import prices. The average level of import prices in 1995 was nevertheless 7½ per cent higher than in the preceding year, which was nearly equal to the rate of increase of 8 per cent in 1994.

After having increased briskly in 1994, the seasonally adjusted and annualised value of *merchandise exports* fluctuated throughout 1995 around a more or less horizontal level. The average value of merchandise exports was, however, still 24½ per cent above the export proceeds in 1994. In particular, the exports of manufactured goods (chemical products, machinery and electrical equipment, transport equipment and paper products) as well as mining products performed well, while the poor agricultural conditions at that time hampered the growth in the export of agricultural products.

Both volume and price increases contributed to the rise in the average value of merchandise exports in 1995. The volume of exports expanded by 16 per cent, which was substantially higher than the increase of 3 per cent in 1994. As a ratio of real gross domestic product, merchandise exports at constant prices rose from 17½ per cent in 1994 to 20 per cent in 1995; these ratios were considerably higher than the low of 10½ per cent in 1984. A decline in international commodity prices and the strong value of the rand internationally in the second half of 1995 gave rise to a levelling-off in the upward movement in export prices. In any event, export prices rose by 7½ per cent in 1995 on top of the increase of 11½ per cent in 1994.

The value of *net gold exports* generally remained depressed throughout 1995, with the result that gold earnings declined by 11 per cent in the year as a whole. The volume of net gold exports receded by 13½ per cent in 1995 on account of the poor performance in the domestic production of gold described in some detail above. The average fixing

#### Real merchandise imports and exports



price of gold rose from R1 363 per fine ounce in 1994 to R1 393 per fine ounce in 1995. Expressed in US dollars, the average gold price remained unchanged at \$384 per fine ounce in 1995. A sharp rise in the investment demand for gold brought about a surge in the gold price from the beginning of 1996 and caused the average monthly gold price to strengthen to \$399 per fine ounce in January 1996.

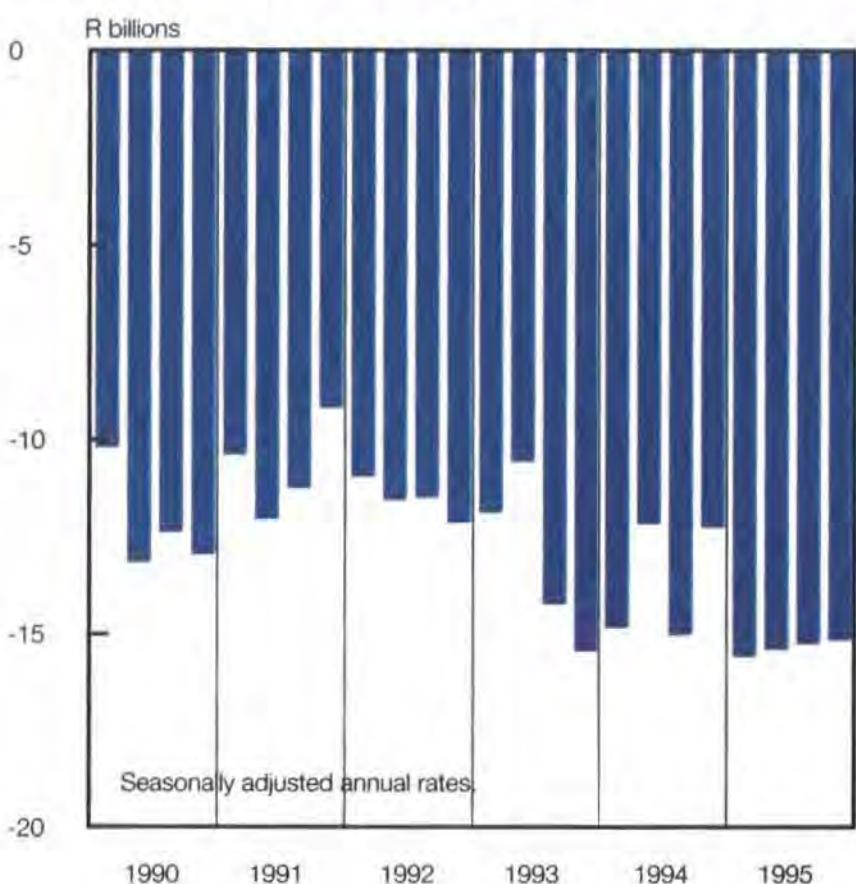
Net service and transfer payments to non-residents rose from R13,5 billion in 1994 to R15,4 billion in 1995, or by 13 per cent. Higher payments on freight and merchandise insurance on imports and interest payments on sharply rising foreign debt were mainly responsible for this increase. These higher payments were only partly offset by an increase in tourist receipts arising from the greater number of foreigners who visited South Africa in 1995.

#### Capital account

A continued large *total net inflow of capital* not related to reserves was recorded on the capital account of South Africa's balance of payments in the fourth quarter of 1995. Moreover, the total net inflow of capital not related to reserves increased from R3,8 billion in the third quarter of 1995 to R7,4 billion in the fourth quarter – the highest quarterly inflow recorded since the turnaround in capital movements had taken place after the election of the Government of National Unity. For the calendar year 1995 as a whole, the total net inflow of capital accordingly amounted to R21,7 billion. This followed a net inflow of R5,4 billion in 1994. The cumulative net inflow of capital not related to reserves from the middle of 1994 to the end of 1995 came to R30,8 billion, compared with a net outflow of capital of R51,7 billion from the beginning of 1985 up to the second quarter of 1994.

The improvement in the capital account in 1995 was mainly due to a net inflow of *long-term capital*, i.e. capital with an original maturity of longer than one year

#### Net service and transfer payments



or with an indefinite maturity. A large part of the inflow of long-term capital, however, consisted of portfolio investments which could be less permanent and more volatile. In 1995 non-residents were net purchasers of securities in the formal and informal markets to the amount of R6,0 billion, which represented nearly half of the total net inflow of long-term capital of R12,5 billion.

Various factors contributed to the remaining more permanent part of the inflow of long-term capital in 1995, such as:

**Table 5. Net capital movements not related to reserves**

R billions

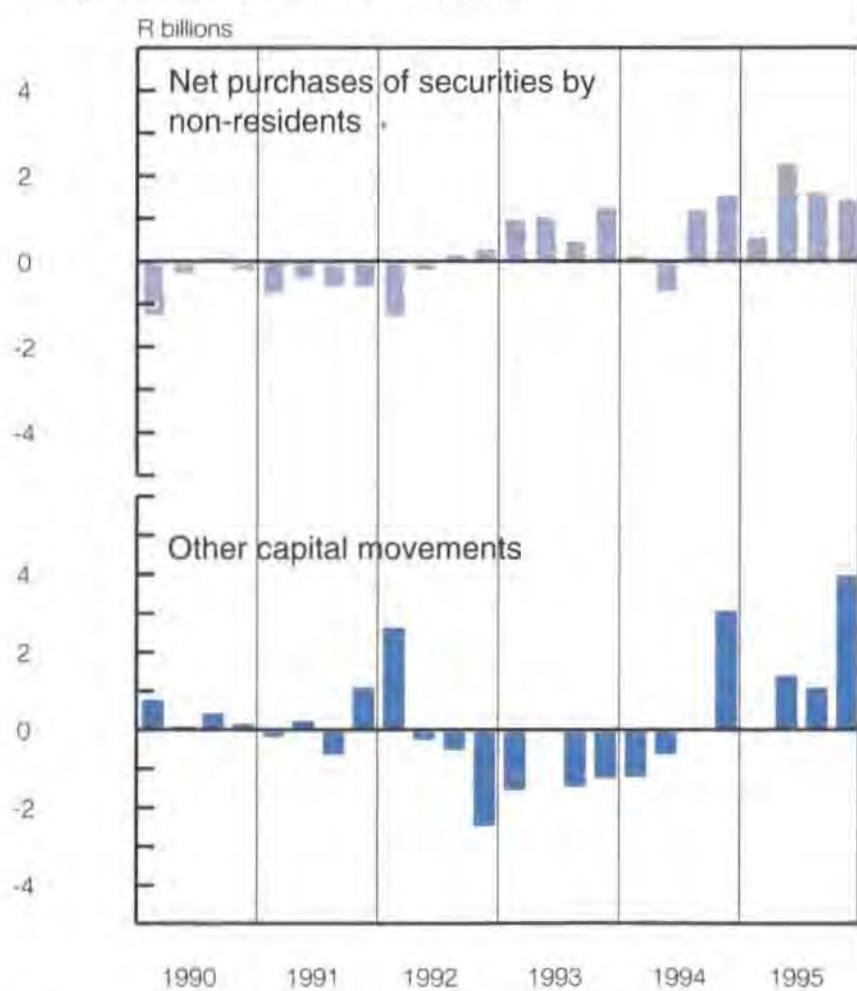
	1994		1995			Year
	Year	1st qr	2nd qr	3rd qr	4th qr	
<b>Long-term capital</b>						
Public authorities .....	3,5	-0,1	1,5	-	0,2	1,6
Public corporations.....	0,6	-0,4	-0,2	1,1	1,9	2,4
Private sector .....	-0,6	1,0	2,4	1,7	3,4	8,5
<b>Total</b> .....	<b>3,5</b>	<b>0,5</b>	<b>3,7</b>	<b>2,8</b>	<b>5,5</b>	<b>12,5</b>
Short-term capital .....	1,9	5,0	1,3	1,0	1,9	9,2
<b>Total capital</b> .....	<b>5,4</b>	<b>5,5</b>	<b>5,0</b>	<b>3,8</b>	<b>7,4</b>	<b>21,7</b>

- The rolling over of some of the country's fixed repayment obligations on foreign debt in view of the relatively favourable credit ratings which the country had received. Debt obligations which fell due for repayment in 1995 amounted to no less than R7,9 billion.
- The placement of various bond issues on the international capital markets by the public authorities, public corporations and the banking sector totalling R4,1 billion in 1995; in the fourth quarter of 1995 foreign funds raised by international bond issues came to R1,8 billion.

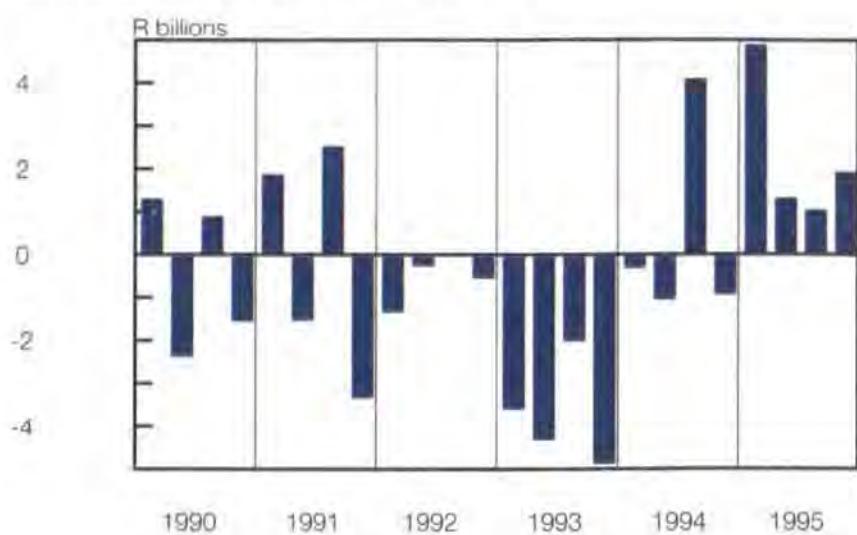
- Syndicated loans entered into first by the banking sector but later also by the public corporations to finance domestic operations. The maturity structure of these loans also lengthened considerably during 1995. Initially, only one-year syndicated loans were available; from the fourth quarter of 1995 South African banks successfully concluded negotiations for loans with a three-year redemption period.

Net *short-term capital movements* not related to reserves, but including unrecorded transactions, dropped from a high inflow of R5,0 billion in the first quarter of 1995 to an average net inflow of R1,4 billion in the next three quarters. This lower inflow could be attributed mainly to a decrease in trade-related liabilities. South African banks, however, continued to borrow considerably from abroad to finance their domestic credit extension. Besides their net long-term borrowing of R1,3 billion, the private banks raised short-term liabilities abroad amounting to R9,0 billion in 1995. These flows were primarily responsible for the total net inflow of short-term capital of R9,2 billion for calendar 1995, compared with R1,9 billion in the preceding year. In contrast to this borrowing of short-term funds by the banking sector, the public authorities and the private non-banking sector made net repayments on their foreign short-term debt.

### Long-term capital movements



### Short-term capital movements



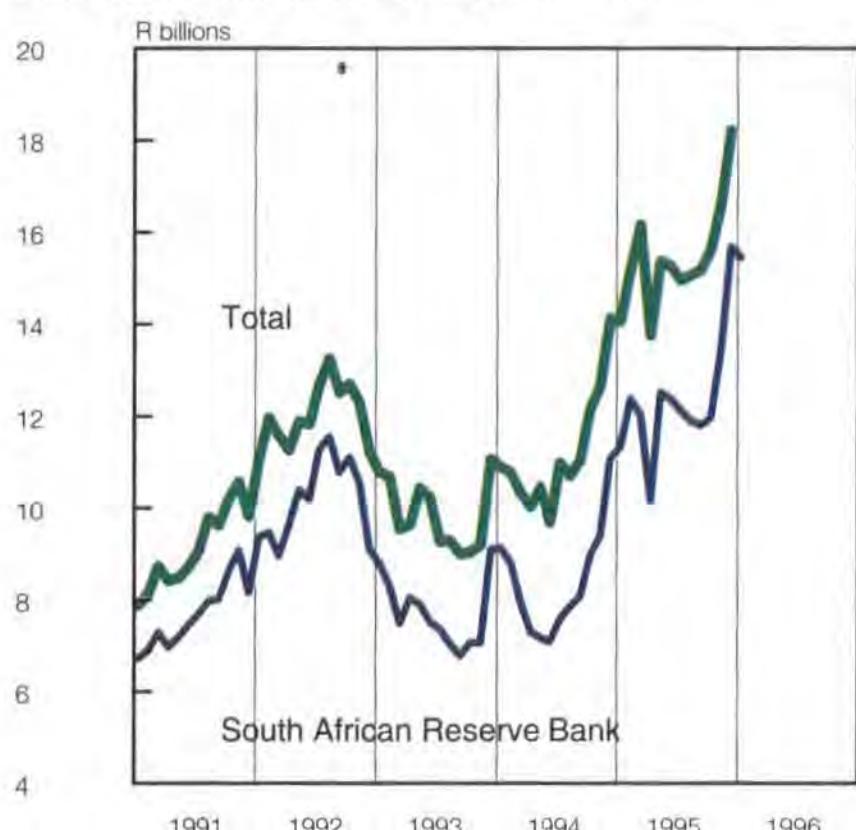
### Foreign reserves

The substantial net inflow of capital in 1995 was more than sufficient to finance the shortfall on the current account of the balance of payments, with the result that the *net gold and other foreign reserves* rose by R9,1 billion in the year. By far the largest quarterly increase, viz. R4,4 billion, was registered in the fourth quarter of 1995. However, the net gold and other reserves of the South African Reserve Bank declined again by R0,5 billion in January 1996.

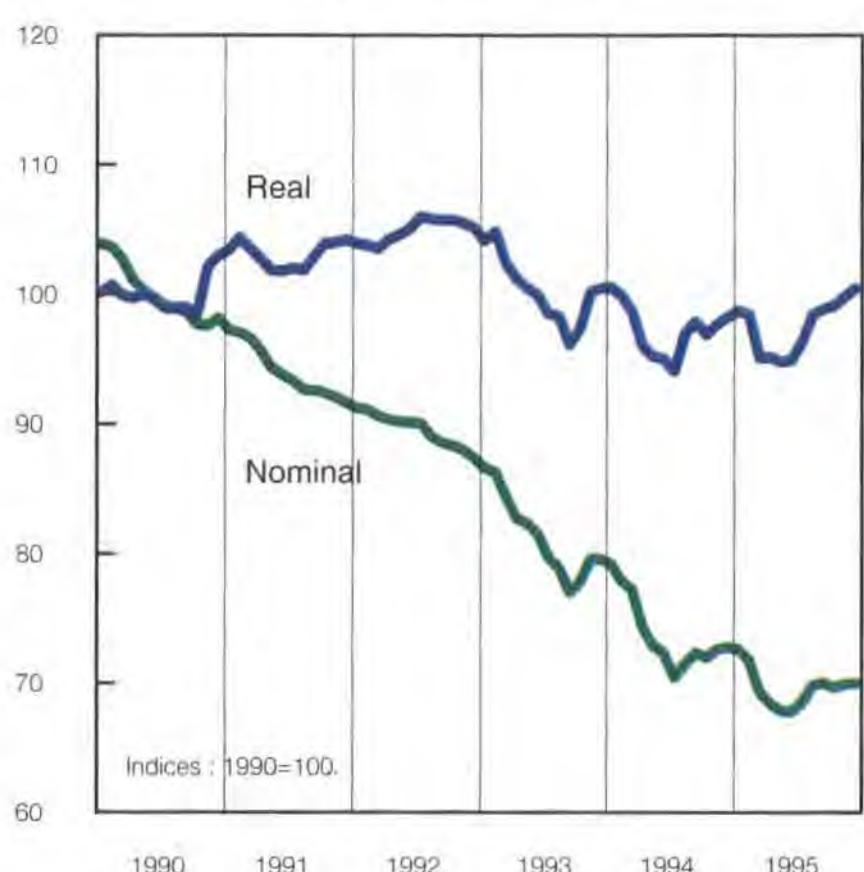
The significant improvement in the overall balance of payments position enabled the Reserve Bank to fully redeem its outstanding *reserve-related liabilities* in November 1995; the outstanding foreign loans of the Bank still amounted to R5,1 billion at the end of December 1994. From April 1994 the Reserve Bank has now repaid loans to the value of R8,5 billion undertaken to support the gross foreign exchange holdings of the country.

South Africa's total *gross gold and other foreign reserves* rose from R14,1 billion at the end of 1994 to R15,2 billion at the end of September 1995 and to R18,2 billion at the end of December 1995. After having increased by R2,2 billion in December 1995, the gross foreign reserves of the Reserve Bank decreased by R229 million in January 1996. Without taking into account the credit facilities of the monetary authority, the total foreign reserves of the country were equal to seven weeks' imports of goods and services at the end of December 1995.

### Gross gold and other foreign reserves



### Effective exchange rates of the rand



### Foreign exchange market

The general stability in the international market in foreign exchange was probably mainly responsible for a small decline in the net daily turnover (gross figures adjusted for double-counting arising from domestic interbank business) in foreign exchange in South Africa from \$5,2 billion in the third quarter of 1995 to \$5,0 billion in the fourth quarter. More particularly, the

turnover in forward cover contracted over this period, while the turnover in spot transactions rose moderately.

After having declined by 7,6 per cent in the first five months of 1995, the *nominal effective exchange rate* of the rand rose by 4,4 per cent up to the end of December 1995. This rise brought the decline in the average weighted value of the rand to 3,6 per cent in 1995; this was considerably smaller than the decline of 8,5 per cent during the calendar year 1994. In January 1996 the nominal effective exchange rate of the rand increased further by 1,4 per cent.

As shown in the accompanying table, the rand depreciated against all the *major currencies* in 1995, with the exception of the Japanese yen. Large depreciations were particularly registered against the German mark and the Netherlands guilder.

The increase in the nominal effective exchange rate of the rand and the smaller inflation differential between South Africa and its major trading partner countries brought about an increase of 5,3 per cent in the *real effective exchange rate* of the rand from May 1995 until December. At the end of December 1995 the real effective exchange rate of the rand was therefore 1,5 per cent above its level at the end of 1994.

**Table 6. Changes in the exchange rates of the rand**

Per cent

	31 Dec 1994 to 31 May 1995 to 31 May 1995	31 May 1995	31 Dec 1994 to 31 Dec 1995	31 Dec 1995	31 Dec 1995 to 31 Jan 1996	31 Jan 1996
Weighted						
average.....	-7,6	4,4	-3,6	1,4		
US dollar.....	-3,3	0,5	-2,9	-0,1		
British pound.....	-6,0	4,1	-2,1	2,6		
German mark.....	-13,3	3,8	-10,0	3,5		
Japanese yen.....	-19,4	24,4	0,2	3,7		
Netherlands						
guilder.....	-13,3	3,8	-10,1	3,5		
Italian lira.....	-4,0	-1,5	-5,4	0,7		

## Monetary developments, interest rates and financial markets

### Money supply

The growth rate over twelve months in the *broadly defined money supply* (M3), which had peaked at 16,9 per cent in July 1994, dropped to 11,8 per cent in February 1995 and then rose to 16,8 per cent in June before declining again to 13,8 per cent in November. In December 1995 it rose abruptly to 15,1 per cent. The generally rapid growth in money supply during 1995 was primarily demand driven, reflecting the higher level of economic activity and increases in expenditure on consumption, investment and inventory accumulation. The private sector's liquidity preference rose at the same time, *inter alia* on account of expected interest rate changes and in anticipation of major adjustments in the share and bond markets.

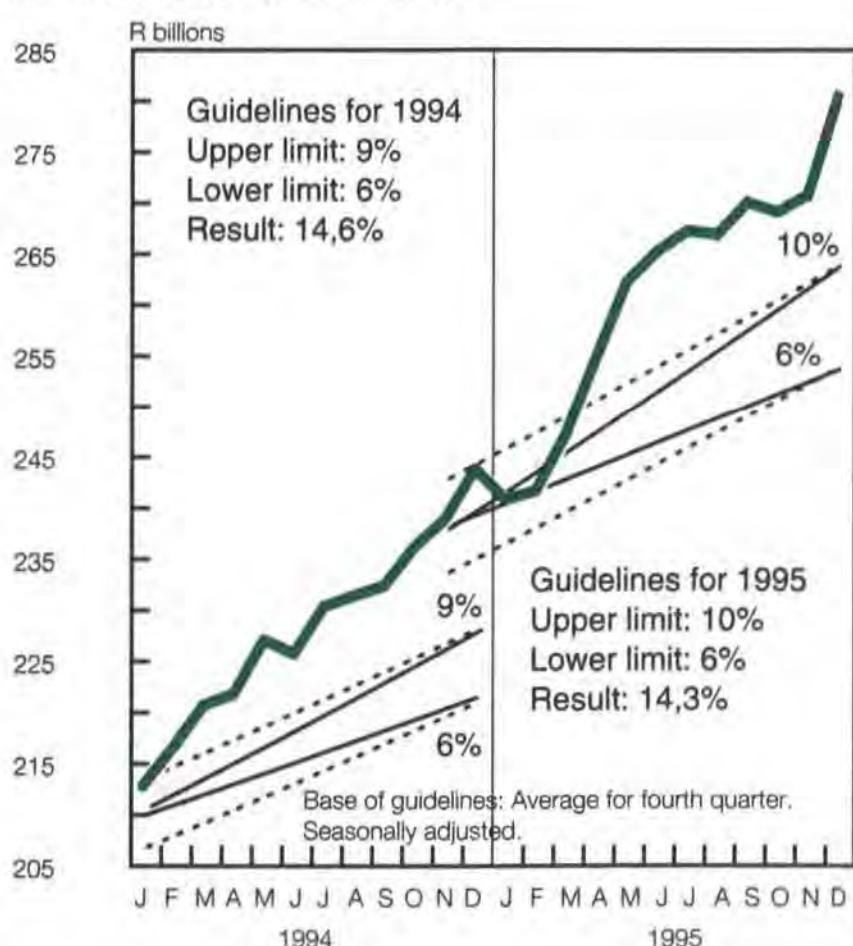
The quarter-to-quarter growth in M3, at seasonally adjusted and annualised rates, peaked at 27,3 per cent in the second quarter of 1995 and then declined to 15,5 per cent in the third quarter and 6,9 per cent in the fourth quarter. This lower growth was recorded while economic activity accelerated somewhat and probably indicated a decrease in the liquidity preference proper in view of sharply increasing share and bond prices in the second half of 1995. The

margin between the banks' deposit and lending rates also widened during this period which is conducive to disintermediation practices and a slowdown in monetary growth.

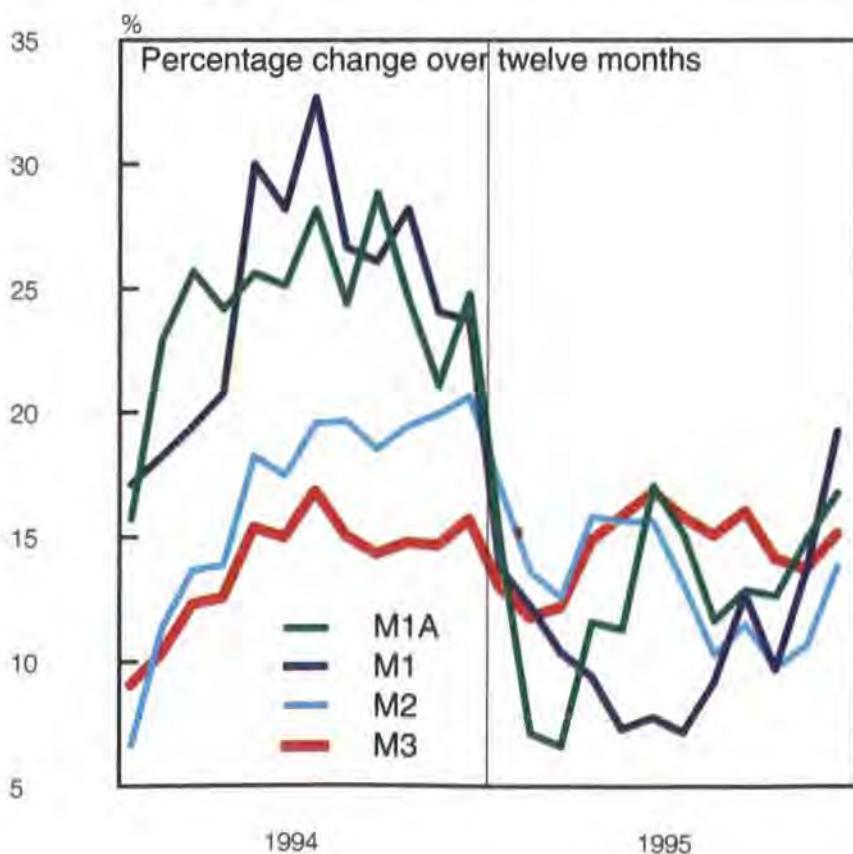
The money supply growth during 1995 nevertheless exceeded the *monetary guidelines* for the second consecutive year. During the 1994 guideline year the growth in M3 amounted to 14,6 per cent from the fourth quarter of 1993 to the fourth quarter of 1994, against the guideline range of only 6 to 9 per cent. After having stayed within the guideline range in the first two months of 1995, the monthly values of M3 exceeded the corresponding values of the upper limits of the money supply guideline range continuously from March 1995. The growth in the quarterly average value of the broadly defined money supply from the fourth quarter of 1994 to the fourth quarter of 1995 eventually came to 14,3 per cent; this was sizeably higher than the upper limit of the guideline range of 6 to 10 per cent.

As shown in the accompanying graph, the twelve-month growth rates in the *narrowly defined monetary aggregates* generally displayed the same pattern as the corresponding rates of increase in M3. The growth rates in the narrowly defined aggregates were, however, more volatile and generally on higher levels than those of M3 in 1994 and the first three months of 1995. These high growth rates probably reflected the liquidity preference of private-sector depositors at that time due to expected interest rate increases. From the

### Guidelines for growth in M3



### Monetary aggregates



middle of 1995 the rates of increase over twelve months in the narrower monetary aggregates, with the exception of M1, broadly corresponded with that of M3, but were at considerably lower levels. The relatively faster growth in M3 than in the narrower monetary aggregates was the result of a shift from demand deposits to other short- and medium-term deposits and long-term deposits with the monetary sector, particularly when expectations of a decline in long-term interest rates arose.

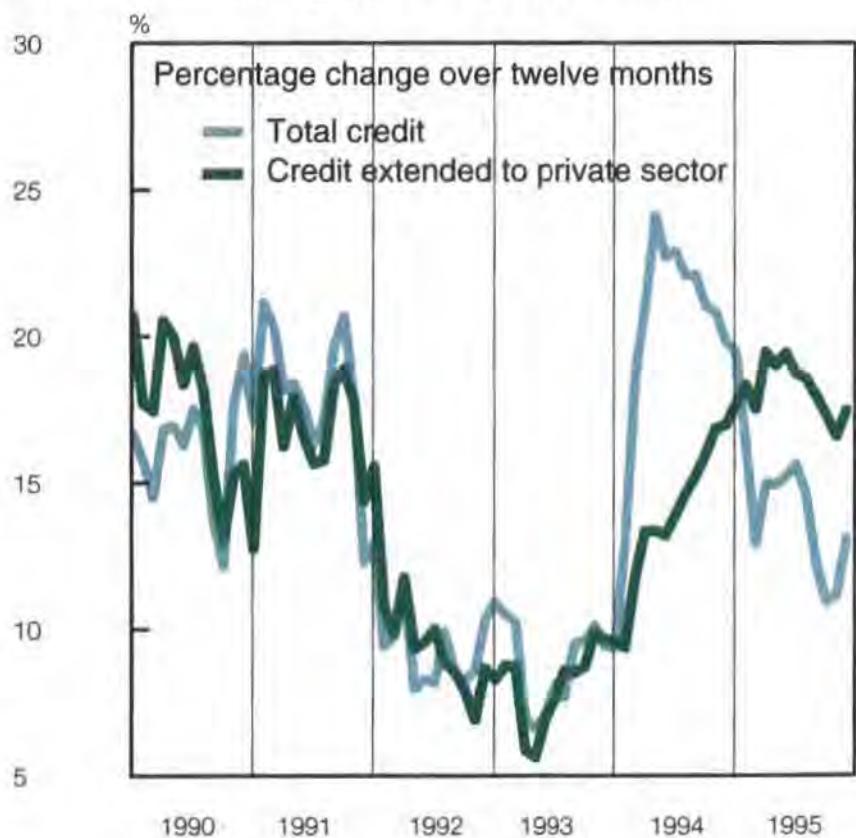
In an accounting or statistical sense, the counterparts of the increase of R37,0 billion in M3 during 1995 were as follows:

	R billions
Net foreign assets .....	-
Net gold and foreign exchange reserves.....	9,1
Net other foreign assets.....	-9,1
Net claims on government sector.....	-9,7
Gross claims.....	-0,1
Government deposits .....	9,6
Claims on private sector.....	47,1
Net other assets and liabilities .....	-0,4
<b>Increase in M3.....</b>	<b>37,0</b>

#### Credit extension

The growth over twelve months in *total domestic credit extension* by the monetary sector receded from 19,9 per cent in December 1994 to 11,0 per cent in October 1995, but increased again to 13,2 per cent in December.

#### Credit extended by monetary institutions



This lower rate of increase in credit extension was mainly the result of a contraction in the net claims on the government sector of monetary institutions owing to a sharp increase in government deposits with banks. Particularly in the second half of 1995 the net credit extended to the government sector declined sharply.

The twelve-month rate of increase in *credit extension to the private sector* by monetary institutions advanced from an already high 17,0 per cent in December 1994 to a peak of 19,5 per cent in June 1995; it then receded to 16,7 per cent and 17,5 per cent in November and December, respectively. These monthly growth rates have exceeded the rate of increase over twelve months in the consumer price index since March 1994, indicating that credit extension in real terms has been consistently positive. Recently, however, the twelve-month rate of increase in real credit extension to the private sector abated somewhat from 10,9 per cent in September 1995 to 9,9 per cent in December. The quarter-to-quarter growth (at seasonally adjusted and annualised rates) declined too, viz. from 21,3 per cent in the second quarter of 1995 to 14,1 per cent in the fourth quarter.

An analysis of the monetary institutions' claims on the private sector by *type of credit* shows that the growth rate over twelve months in the main categories of credit extension varied considerably in 1995. The following main tendencies were discernible:

- the growth in mortgage advances began to taper off in the second half of the year;
- instalment sales continued to increase at exceptionally high rates;
- leasing finance began to expand rapidly in the second half of the year owing to the buoyant sales of new motor vehicles;

**Table 7. Percentage change over twelve months in credit extension to the private sector by main type of credit**

	1994					1995				
	Dec	Mar	Jun	Sept	Dec	Dec	Mar	Jun	Sept	Dec
Mortgages .....	17,9	19,6	19,5	18,9	17,7	17,7	19,6	19,5	18,9	17,7
Instalment sales....	27,6	25,4	27,8	28,1	27,2	27,2	25,4	27,8	28,1	27,2
Leasing finance.....	7,2	7,9	13,8	17,8	16,6	16,6	7,9	13,8	17,8	16,6
Investments and bills discounted..	28,0	33,6	27,0	4,1	11,1	11,1	33,6	27,0	4,1	11,1
Other loans and advances .....	12,8	12,2	16,7	16,6	15,6	15,6	12,2	16,7	16,6	15,6
<b>Total .....</b>	<b>17,0</b>	<b>17,6</b>	<b>19,5</b>	<b>18,0</b>	<b>17,5</b>	<b>17,5</b>	<b>19,5</b>	<b>18,0</b>	<b>17,5</b>	<b>17,5</b>
Total real credit extension .....	6,5	6,7	8,6	10,9	9,9	9,9	6,7	8,6	10,9	9,9

- the growth in investments and bills discounted contracted to relatively insignificant rates; and
- the rate of increase in "other loans and advances", which had accelerated in the first half of the year, became more subdued in the last six months.

In absolute terms credit extension by monetary institutions to the private sector was dominated during 1995 by mortgage advances and "other loans and advances". These two credit instruments contributed R34,3 billion, or approximately 73 per cent, to the total increase of R47,1 billion in credit extension to the private sector.

Credit extension to *households* by monetary institutions increased by R26,0 billion, or 18,7 per cent, in 1995. The rate of increase over twelve months in the credit extension to households initially rose from 14,7 per cent in December 1994 to 18,7 per cent in December 1995. Mortgage advances remained the most important type of credit to households and 66 per cent of the outstanding household credit at the end of 1995 was secured by mortgages.

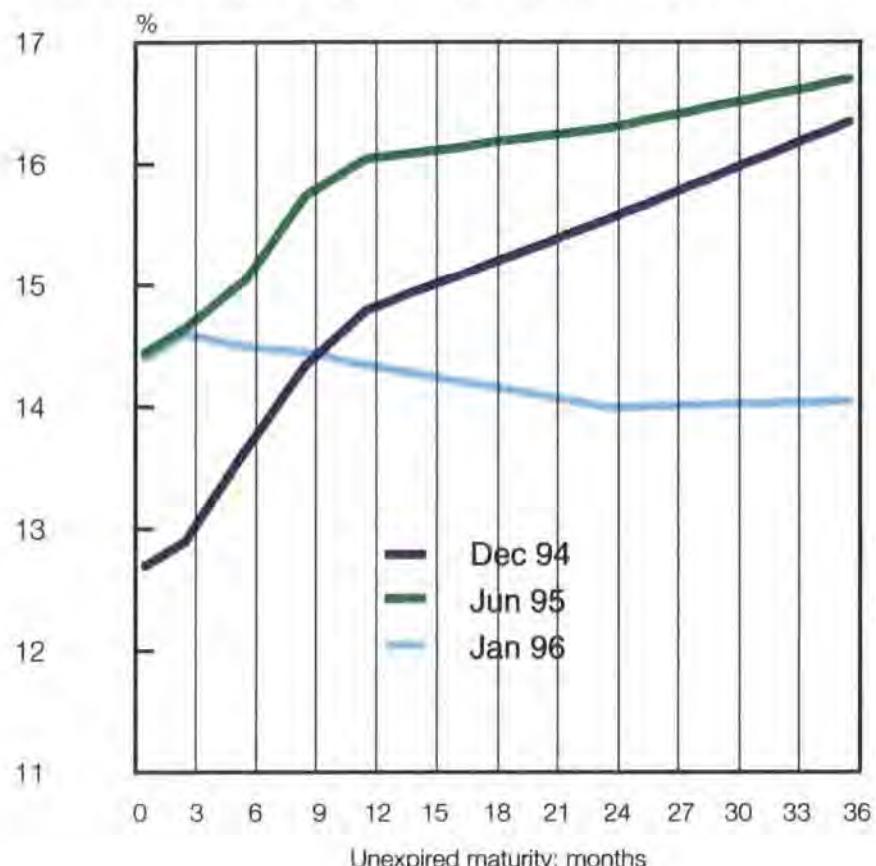
The twelve-month rate of increase in credit extended by monetary institutions to the *private business sector* declined from 17,1 per cent in December 1994 to 14,8 per cent in March 1995, before accelerating again to 17,1 per cent in December 1995. With the exception of overdrafts, all types of credit contributed to the more rapid growth of credit to private enterprises.

#### **Interest rates and yields**

*Money market interest rates*, which had started to rise during 1994, increased steeply in the first six months of 1995 and remained relatively firm in the last half of the year. In January 1996 these rates generally began to move downwards. The rate on bankers' acceptances with a maturity of three months, for instance, increased from 12,50 per cent at the end of December 1994 to 14,20 per cent at the end of June 1995 and 14,60 per cent at the end of December 1995; it then softened to 14,10 per cent at the end of January 1996. The tender rate on Treasury bills of three months similarly rose from 12,69 per cent at the end of 1994 to 14,07 per cent at the end of June 1995; it then fluctuated upwards to 14,22 per cent at the end of December 1995 and contracted to 13,93 per cent at the end of January 1996.

These movements in money market interest rates during 1995 were also reflected in the term structure on negotiable certificates of deposit (see graph). The yields on negotiable certificates of deposit with an outstanding maturity of up to six months moved steeply upwards during the course of 1995. In contrast to these movements, the yields on negotiable certificates of deposits with outstanding maturities of twelve months and longer softened in the second half

#### **Yield curves for negotiable certificates of deposit**

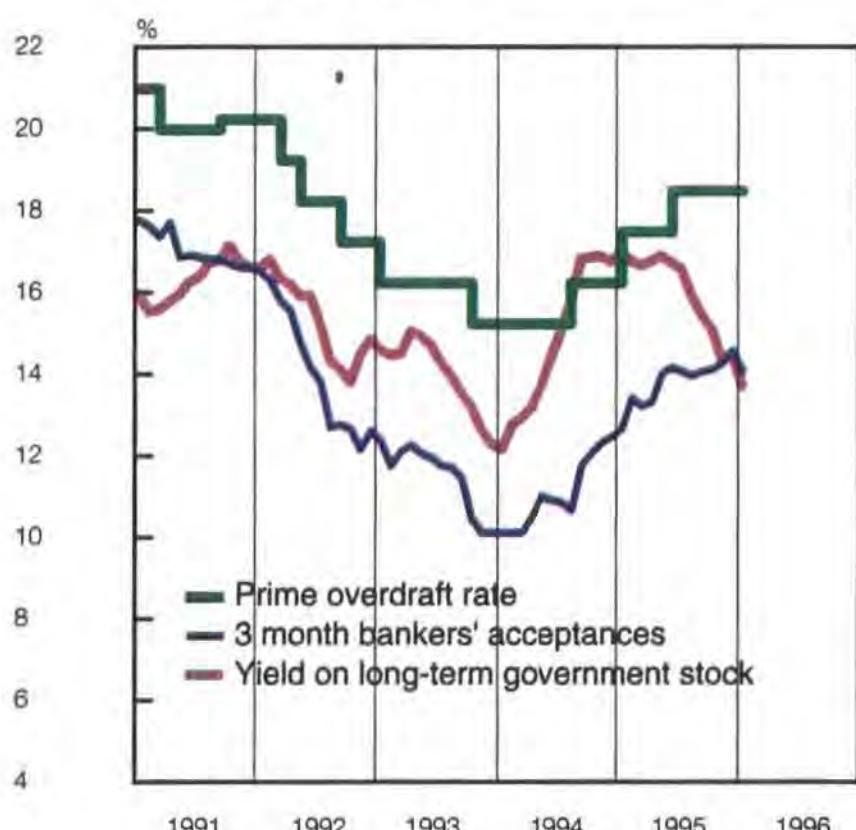


of 1995. The yield curve of negotiable certificates of deposit consequently became inverted, which may be an indication of an expected decline in money market rates.

The *longer-term interest rate structure*, as embodied in the yield curve of government securities, also changed considerably during the course of 1995. In June 1995 long-term yields were substantially higher than shorter-term yields, but in the second half of the year long-term yields moved downwards more rapidly than shorter-term yields. The yield curve at the end of October 1995 was therefore not only markedly lower than in June 1995, but also relatively flat. From November 1995 bond yields across the maturity spectrum moved even lower.

The monthly average yield on long-term government stock initially receded hesitantly from a high of 17,02 per cent in January 1995 to 16,62 per cent in July 1995, and then declined rapidly to 13,77 per cent in January 1996. Various factors probably contributed to the fall in capital market yields during this period, including significant downward adjustments in inflation expectations; an increase in domestic liquidity due to large capital inflows from abroad; a relatively low demand for funds in the domestic capital market; and declines in international long-term yields. Despite this decline in nominal yields, the monthly average real yield on long-term government stock of 7,2 per cent in December 1995 was still comparatively high.

### Interest rates and yields



The other borrowing and lending rates have remained relatively stable since July 1995. The prime overdraft rate and the predominant rate on mortgage loans of banks were maintained at their respective levels of 18,50 and 18,25 per cent. The predominant rate on twelve-month fixed deposits with banks was reduced by 0,5 percentage points to 14,0 per cent in November 1995 because of easier market conditions. This increased the margin between the prime lending and twelve-month deposit rates to 4,5 per cent. The pre-tax real yields (i.e. nominal rates adjusted by the increase in the consumer price index over twelve months) on twelve-month deposits and mortgage loans amounted to 6,6 and 10,6 per cent in December 1995.

The maximum permissible finance charge rates, as laid down in terms of the Usury Act, were increased by three percentage points during 1995. At the end of 1995 these rates stood at 31 per cent in respect of money lending, credit and leasing transactions for amounts of less than R6 000 and at 28 per cent for amounts higher than R6 000 but not exceeding R500 000. The standard interest rate applicable to loans granted by the State out of the State Revenue Fund (Exchequer Act, Act No 66 of 1975) was lowered in six steps from 17,25 per cent in June 1995 to 14,50 per cent from 1 December 1995, and then increased again to 14,75 per cent from 1 January 1996. With effect from 1 February 1996 this rate was lowered to 14,00 per cent.

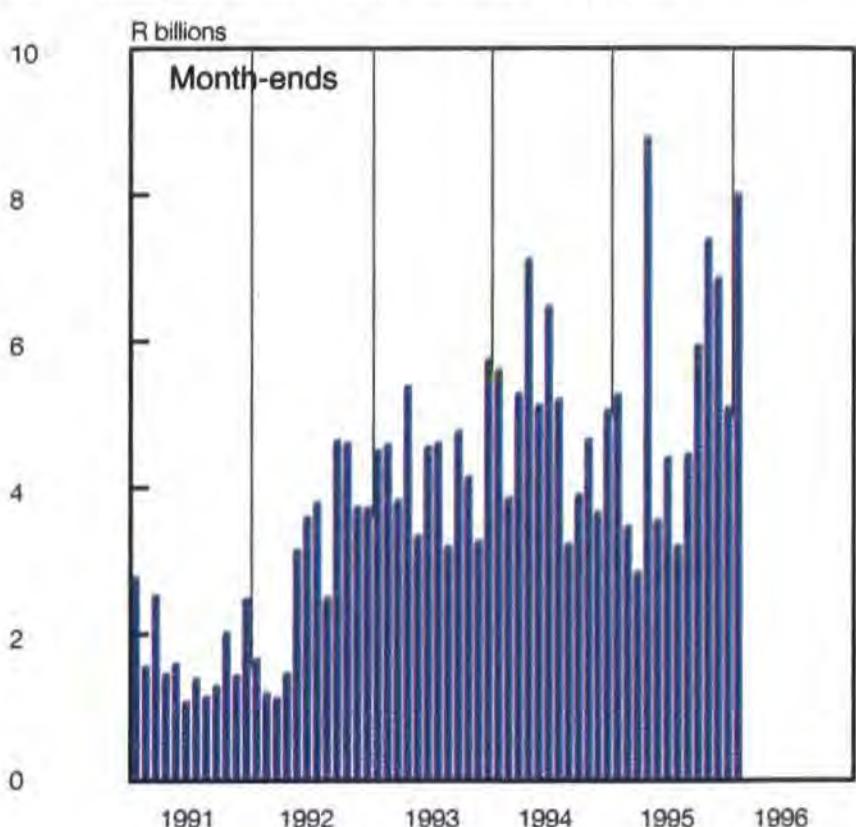
### Money market

Money market conditions, which had generally been easy in the first seven months of 1995, tightened considerably during the rest of the year and in January 1996. This was clearly reflected in the amount of accommodation which the Reserve Bank provided to banks. This so-called money market shortage rose from R3,2 billion at the end of July 1995 to R7,4 billion at the end of October, contracted to R5,1 billion at the end of December 1995 and rose again sharply to R8,0 billion at the end of January 1996.

These tight conditions in the money market could to a large extent be attributed to an increase in government deposits with the Reserve Bank from R3,9 billion on 31 July 1995 to R5,8 billion on 31 October; it then contracted to R2,9 billion at the end of 1995 before rising to R7,9 billion on 31 January 1996. The tightening effect of these changes was supported by an increase in notes and coin in circulation outside the Reserve Bank in the second half of the year and a decrease in the net foreign assets of the Reserve Bank during August and September 1995. However, in the fourth quarter of 1995 the net foreign assets of the Reserve Bank increased by R5,5 billion.

After having adopted a much more conservative policy stance towards the end of the first quarter of 1995, the Reserve Bank's operations in the money market in the rest of the year concentrated mainly on measures to drain liquidity. In accordance with this approach, the Reserve Bank undertook open-market

### Accommodation at the discount window



operations from its own portfolio with a net tightening effect on money market conditions. In addition, short-term adjustments were made in the asset portfolio of the Corporation for Public Deposits and government deposits with the Reserve Bank were managed in such a way as to counter large fluctuations in the money market shortage.

#### Bond market

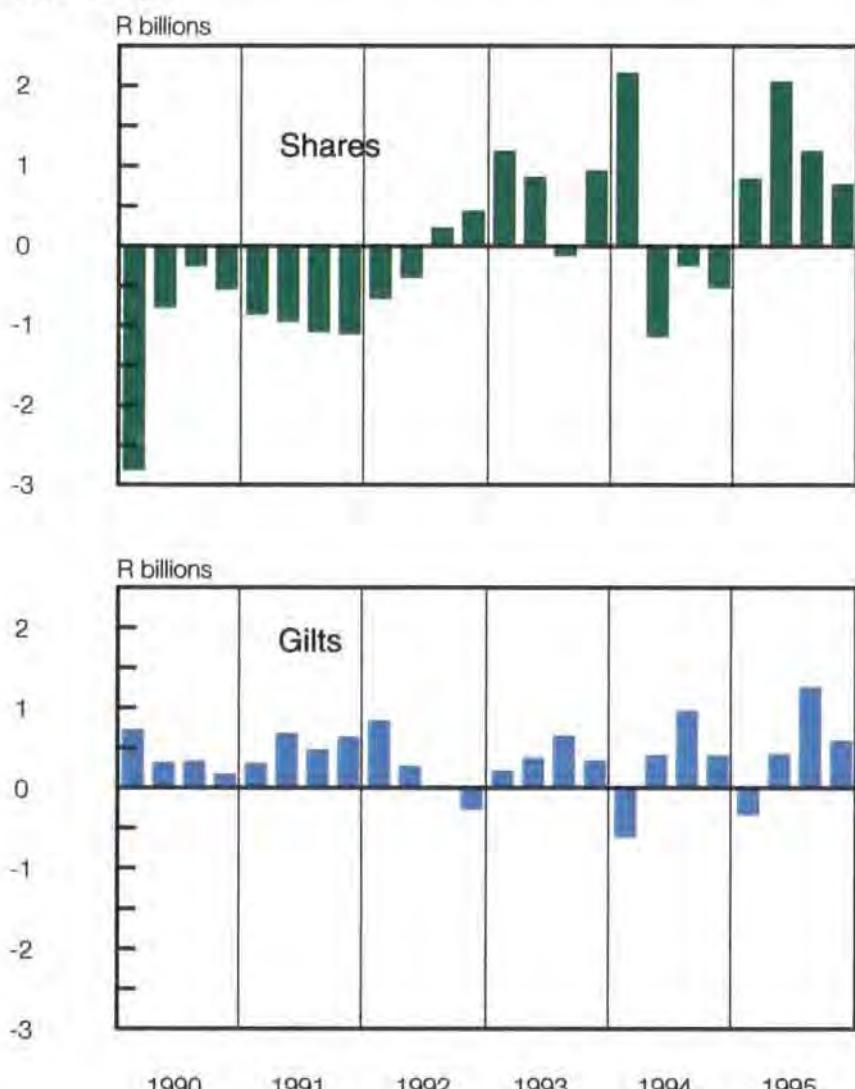
During 1995 net new issues of fixed-interest securities in the domestic *primary bond market* by the *public sector* increased significantly from R3,5 billion in the first quarter to levels of R9,5 billion and R10,0 billion in the next two quarters, before decreasing to R1,5 billion in the fourth quarter. The net issues of public-sector stock in the first nine months of fiscal 1995/96 (i.e. the period April 1995 to December 1995) therefore totalled R21,1 billion; in the corresponding period of the preceding year these issues amounted to R19,1 billion. The redemption dates of the new issues of stock were predominantly in the five-to-fifteen year range because these bonds were in great demand.

In addition to these domestic issues, the authorities continued their efforts to normalise *international financial relations* by reintroducing South Africa to the international investment community and expanding the investor base of the country. The government's issue of R1,3 billion (¥30 billion) in the Samurai market in May 1995 was followed by an issue of R560 million (£100 million) in the UK market in January 1996. The last-mentioned bond has a maturity of ten years and local institutions were allowed to buy up to 10 per cent of the issue. The tight spread at the time of issue of 190 basis points above the equivalent British government bonds illustrated the improved investor rating of South Africa. Other institutions in the public sector raised R1,4 billion in the Japanese bond market in the fourth quarter of 1995.

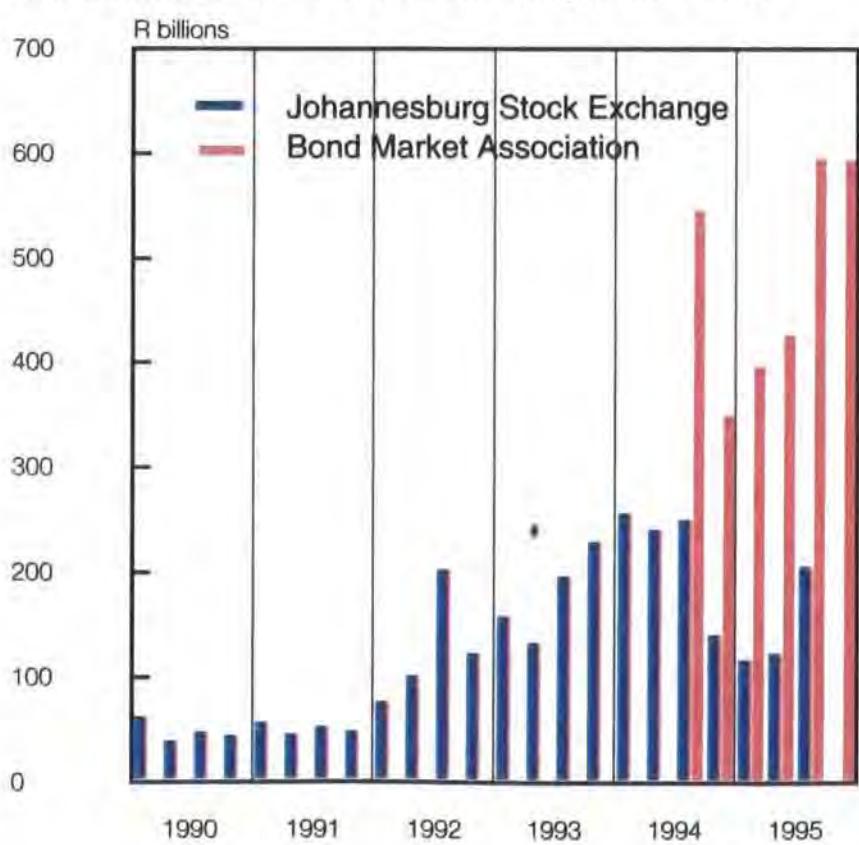
Funds acquired by listed *private-sector* companies through new issues of fixed-interest securities in the primary market remained low in 1995. This was most probably due to the liquid position of the corporate sector. In 1995 these issues by private-sector companies listed on the stock exchange amounted to R932 million. A number of companies, however, raised capital in foreign markets by means of convertible bonds to the amount of R1,9 billion during this period.

Activity in the *secondary bond market* was subdued at the beginning of 1995 due to uncertainty regarding prospective movements in long-term yields, but increased markedly from the third quarter as yields began to soften. The value of public-sector stock traded on the bond market, as published by the Bond Market Association, advanced from R394 billion in the first quarter of 1995 to R595 billion in the third quarter and R592 billion in the fourth quarter. In January 1996 the value of public-sector stock traded came to R227 billion; this was slightly higher than the monthly

#### Non-residents' net transactions on the stock exchange



#### Transactions in securities of the public sector



average of R197 billion in the fourth quarter of 1995.

*Non-residents* were actively involved in the secondary bond market and became large net purchasers of stock from April 1995. This could be attributed to the successful abolition of the dual exchange rate system, a stable external value of the rand, attractive domestic yields and declining rates abroad. In the nine months to December 1995 non-residents' net purchases on the Johannesburg Stock Exchange amounted to R2,2 billion, which brought their net purchases for the year as a whole to R1,9 billion. In 1994 non-residents' net purchases of bonds on the stock exchange amounted to R1,1 billion.

#### Equity market

Funds raised in the *primary equity market* on a quarterly basis showed a distinct downward movement in 1995. The value of rights issues of ordinary shares by listed private sector companies on the Johannesburg Stock Exchange decreased from R2,3 billion in the first quarter of 1995 to R1,3 billion in the third quarter and R1,0 billion in the fourth quarter. In the full calendar year 1995 the value of these issues nevertheless amounted to R6,2 billion, which was considerably in excess of the total of R2,7 billion raised in the preceding year.

Turnover in the *secondary equity market* was affected positively by rising share prices, good company results and declining bond yields in the second half of the year. The value of shares traded on the Johannesburg Stock Exchange increased from a

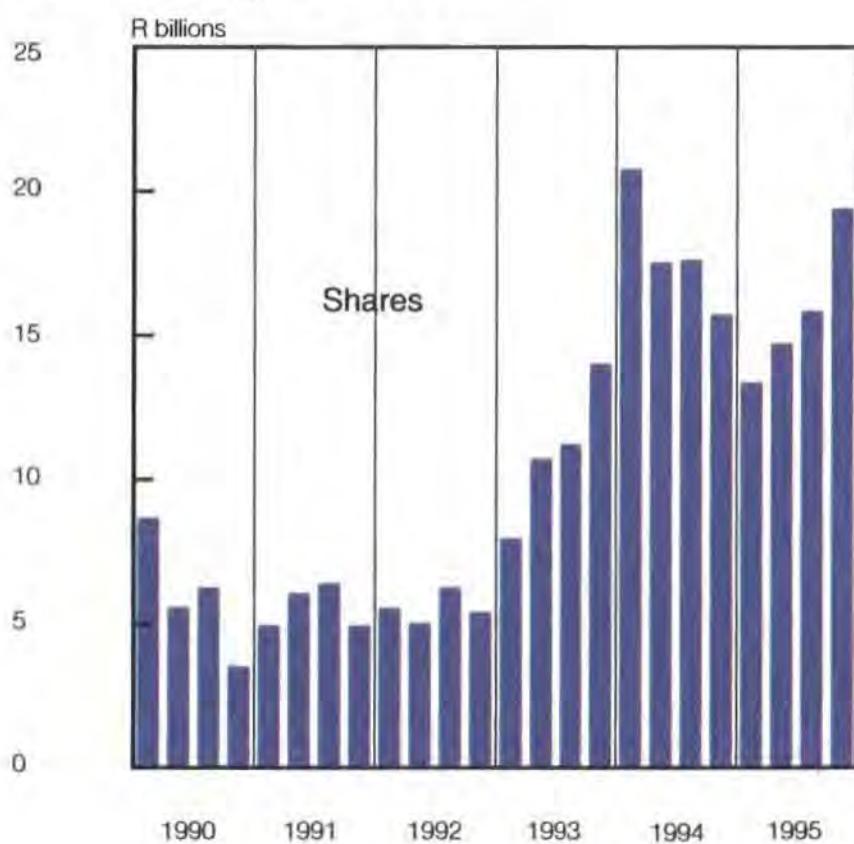
recent lower turning-point of R13,3 billion in the first quarter of 1995 to R19,4 billion in the fourth quarter, only 6,6 per cent below the record figure reached in the first quarter of 1994. Despite this upward movement, the value of these transactions in 1995 was, at R63,2 billion, still nearly 11,7 per cent lower than in 1994. The monthly average value of shares traded increased further from R6,5 billion in the fourth quarter of 1995 to R9,6 billion in January 1996.

*Non-residents* were active net buyers of shares on the Johannesburg Stock Exchange during 1995. Their total net purchases amounted to R4,8 billion in this year, compared with R0,2 billion in 1994. The monthly value of net purchases by non-residents grew further from an average of R254 million in the fourth quarter of 1995 to R726 million in January 1996.

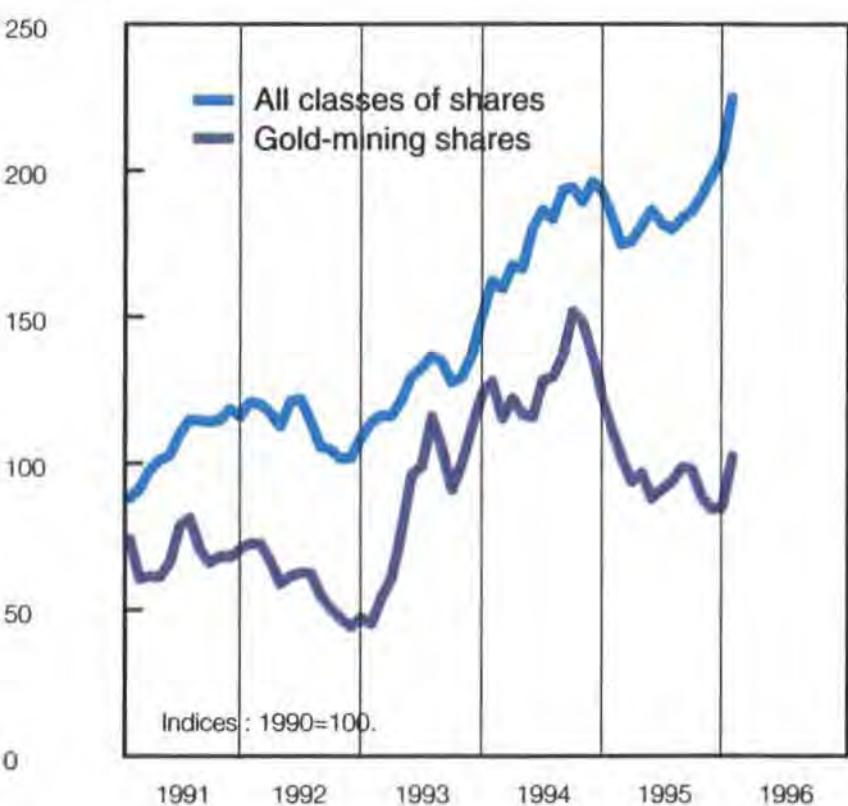
The average *price level of all classes of shares* rose steadily from a low in February 1995 to a new all-time high in January 1996. The soaring share prices were led by industrial and financial shares, but in January 1996 the up to then relatively depressed prices of gold-mining shares also reacted vigorously to the higher gold price, which broke through the four hundred dollar resistance level for the first time since July 1993.

The increase in share prices up to September 1995 was less than the average rise in dividends and earnings, with the result that both the *dividend yield* and the *earnings yield* increased in the first nine months of the year. Both these indicators, however, then contracted sharply in the four months up to January when share prices rallied. Owing to the

#### Stock exchange transactions



#### Share prices



marked decline in long-term yields, the *yield gap* (the monthly average yield on long-term government stock less the dividend yield on all classes of shares) decreased sharply from 14,6 percentage points in May 1995 to 11,7 percentage points in January 1996.

Important operational and regulatory changes were introduced, or are envisaged in the near future, in the Stock Exchange Control Act passed by Parliament in September 1995 and in the new constitution of the Johannesburg Stock Exchange. The major changes included the introduction of:

- limited liability corporate membership and the ownership of broking firms by non-stockbrokers;
- the eligibility of foreign stockbrokers to form new stockbroking companies;
- dual capacity trading;
- fully negotiable brokerage commissions;
- an automated trading system; and
- an electronic scrip registry and rolling settlement.

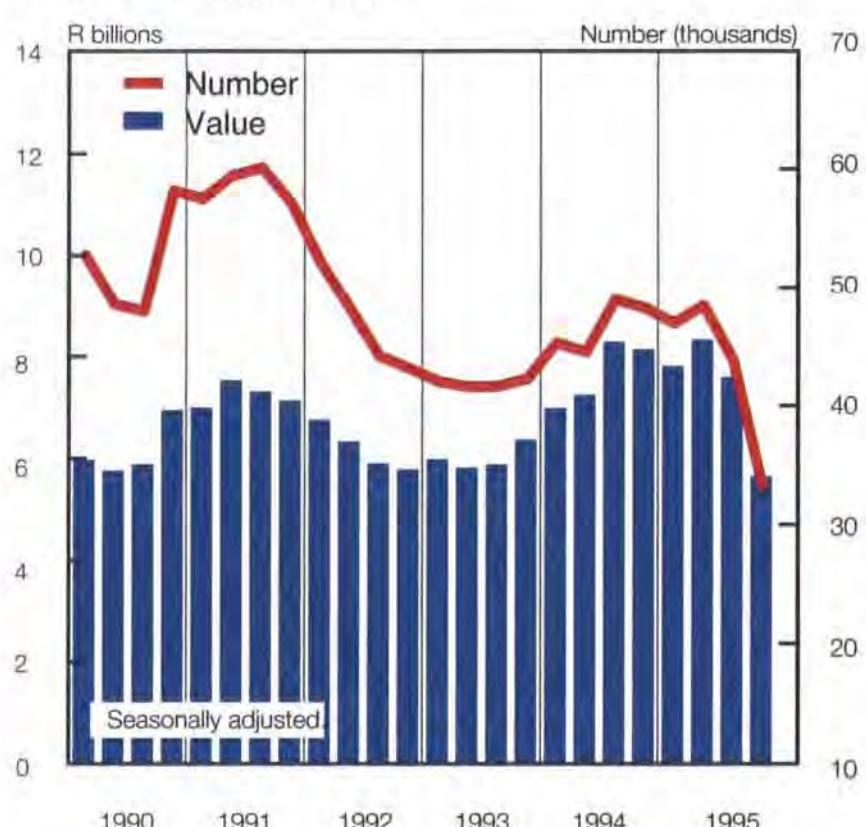
In accordance with the Johannesburg Stock Exchange's goal of contributing to the restructuring of the South African economy, the first company in the new Redevelopment Sector was also listed on the financial board in December 1995. In addition, a new sector known as the Development Stage was included on the industrial board in January 1996.

#### **Other financial markets**

In view of the fact that equity futures contracts, at 98,8 per cent of total turnover, dominated trading on the South African Futures Exchange in 1995, the activity in the *formal derivative market* more or less followed that in the equity market. The turnover in *futures contracts* fell back from an all-time high of 1,4 million contracts in the first quarter of 1995 to 0,7 million contracts in the fourth quarter. The total number of contracts traded in 1995 was 13,1 per cent less than in 1994. In January 1996, however, trade began to pick up again. Trade in *options* on futures contracts followed a similar pattern and declined from 1,5 million contracts in the first quarter of 1995 to 0,9 million contracts in the fourth quarter, before increasing sharply in January 1996. During 1995 as a whole trade in these options amounted to 3,6 million contracts, 9,5 per cent more than in 1994.

As indicated earlier, the *mortgage market* remained buoyant during 1995 owing to the active promotion of this comparatively low-cost credit facility. The total amount of mortgage loans outstanding to banks accordingly increased from R110 billion at the end of 1994 to R130 billion at the end of 1995. In the *real estate market*, the value and number of transactions declined from May 1995. The value of real estate transactions in 1995 therefore amounted to R29,5 billion – 4 per cent less than in the previous year. The number of transactions decreased by 7,7 per cent over this same period.

#### **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) decreased from R8,6 billion in the first quarter of fiscal 1995/96 (the second quarter of the calendar year 1995) to R5,3 billion in the second quarter and then even further to R3,2 billion in the third quarter. This brought the cumulative public-sector borrowing requirement to R17,1 billion in the first nine months of fiscal 1995/96, or to R5,8 billion below the level in the corresponding period of the preceding year. As a ratio of gross domestic product, the public-sector borrowing requirement amounted to 4,6 per cent in the first nine months of fiscal 1995/96, compared with 6,9 per cent in the first nine months of fiscal 1994/95.

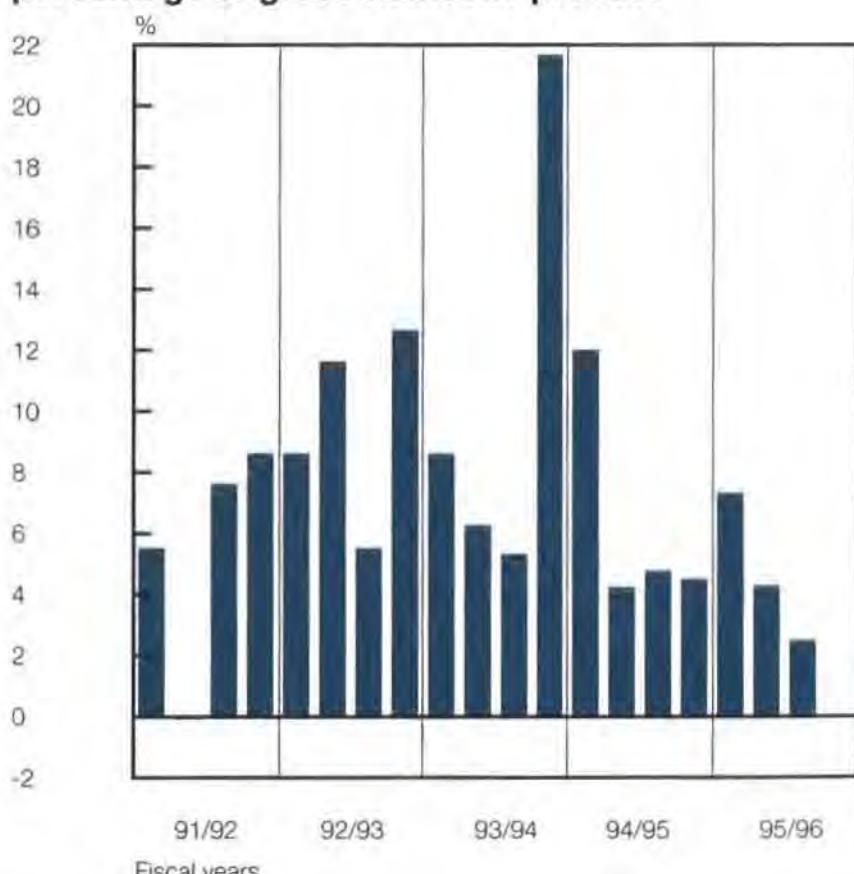
The lower borrowing requirement of the public sector could be attributed to a small increase in the surplus of the non-financial public corporations and a substantial contraction in the borrowing requirement of *general government*. With the exception of the deficit on the income and expenditure accounts of local authorities and social security funds, the balances on the accounts of all other tiers of general government improved in the first nine months of fiscal

1995/96. The Main Budget borrowing requirement decreased slightly from R20,0 billion in the first nine months of fiscal 1994/95 to R19,1 billion in the first nine months of fiscal 1995/96, while the balance on the income and expenditure accounts of provincial governments turned around from a deficit of R2,2 billion to a surplus of R2,1 billion during the same period. The last-mentioned figure, however, includes a deficit of R864 million recorded in the books of the provincial governments during the third quarter of fiscal 1995/96. This could be an indication that some of the provincial governments have now mastered initial problems encountered in the re-organisation of functions and in the administration and management of their activities.

Owing largely to the inability of the government to adapt immediately to all the planned structural changes and reforms, general government expenditure increased at a year-on-year rate of only 6,3 per cent in the first nine months of fiscal 1995/96; in the corresponding period of the preceding year this increase amounted to 17,8 per cent. The Main Budget showed a marked decrease in expenditure on goods and services, and a sharp increase in transfer payments to lower levels of government. At the same time, expenditure on goods and services by the provincial governments increased because of the shift in functions.

Total revenue receipts of general government recorded a year-on-year rate of increase of 13,4 per cent in the first nine months of fiscal 1995/96. Although this was considerably higher than the rate of increase in general government expenditure, it was somewhat lower than the corresponding rate of increase in revenue during the same period of the preceding year. From the information in Table 8, it is

### Public-sector borrowing requirement as percentage of gross domestic product



**Table 8. Year-on-year rates of increase in general government revenue by type of income**  
Per cent

	First nine months of fiscal 1994/95	First nine months of fiscal 1995/96
Taxes on income and profits .....	22,4	12,2
Taxes on property .....	34,2	5,0
Taxes on goods and services .....	7,4	17,9
Taxes on international trade .....	-0,9	11,7
Other taxes.....	9,7	-21,1
Other revenue.....	21,9	18,7
<b>Total revenue.....</b>	<b>17,2</b>	<b>13,4</b>

apparent that only taxes on goods and services (value-added tax, the fuel levy and excise duties) and taxes on international trade (import duties) had higher rates of increase in the first nine months of fiscal 1995/96 than in the corresponding period of fiscal 1994/95.

#### **Exchequer account**

The deficit on the Exchequer account in the first ten months of fiscal 1995/96 conformed more or less with the projections of the Budget for the year. This was the net result of higher-than-budgeted increases in both Exchequer issues and receipts.

*Exchequer issues* to government departments (adjusted to a cash flow basis) in the first ten months of fiscal 1995/96 were 10,6 per cent higher than in the first ten months of the preceding year; the Budget provided for an increase of 9,0 per cent in government expenditure for the full fiscal year. This relatively favourable outcome does, however, not include any overspending that was addressed in the Adjustment Budget in February 1996. Such expenditure will only be taken into account in the Exchequer account of March 1996. Furthermore, the government expenditure in the first ten months of fiscal 1995/96 included only R1,7 billion of the R4,8 billion available for Reconstruction and Development programmes in the current fiscal year.

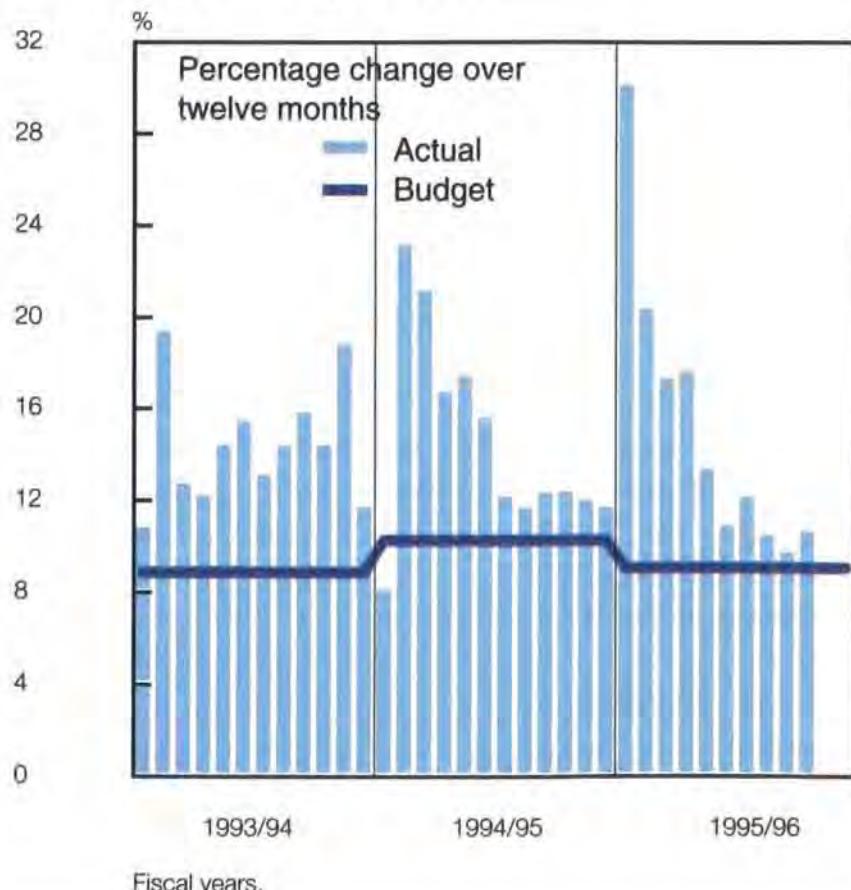
The year-on-year rate of increase in *Exchequer receipts* on a cash flow basis in the first ten months of

fiscal 1995/96 amounted to 14,0 per cent; in the Budget it had been projected that revenue would rise by 10,3 per cent. Inland revenue continued to perform well with the rise in nominal salaries and wages, higher company profits, the effects of fiscal drag, the acceleration in the growth of domestic expenditure and greater efficiency in tax administration. Customs and excise receipts were also higher than anticipated in the Budget because of the substantial increase in merchandise imports and higher excise rates. Slower growth in excise duties can be expected in the last part of the year because excise duties on all motor vehicles had been abolished as from 1 September 1995 while an ad valorem tax came into force on motor vehicles on 22 December 1995. Excise duties in the form of an ad valorem tax are now levied on domestically produced motor vehicles, while customs duties include an ad valorem tax on imported motor vehicles.

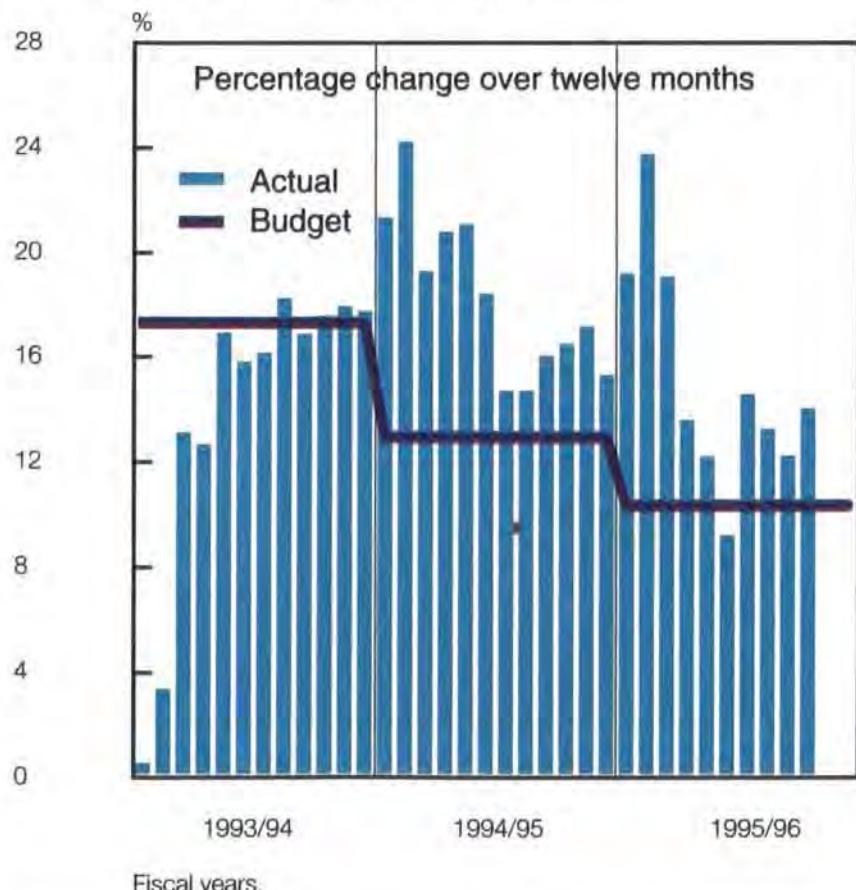
The net result of these changes in Exchequer issues and receipts was a *deficit before borrowing* and *debt repayment* on the Exchequer account of R16,5 billion in the first ten months of fiscal 1995/96. As a ratio of gross domestic product, the deficit came to 5,5 per cent in the first nine months of fiscal 1995/96, against a budgeted deficit of 5,9 per cent for the fiscal year as a whole.

The deficit before borrowing and the discount on new government stock issues of R8,8 billion were financed by means of the following debt instruments:

#### **Cumulative Exchequer issues**



#### **Cumulative Exchequer receipts**



	R millions
Government stock .....	25 351
Treasury bills .....	836
Foreign loans .....	1 199
Non-marketable securities.....	-144
Money market instruments.....	-1 225
Extraordinary receipts .....	1 245
Increase in available cash balances .....	-10 760
Reserve Bank .....	-5 228
Banks .....	-5 532
<b>Total.....</b>	<b>16 504</b>

A large part of government stock was taken up by the non-monetary private sector, but monetary institutions' holdings of government stock also rose sharply in the first ten months of fiscal 1995/96. The net claims of monetary institutions on the government nevertheless declined because of the build-up of government deposits with banks. In contrast to preceding years, the Public Investment Commissioners took up only a relatively small proportion of the newly issued government stock. The change in the investment behaviour of the Public Investment Commissioners could mainly be attributed to their desire to obtain a more diversified investment portfolio, which in the past consisted mainly of government stock.

The financing of the Exchequer deficit resulted in an increase of outstanding *government debt* from R244,6 billion at the end of March 1995 to R276,2 billion at the end of December 1995. As a ratio of gross domestic

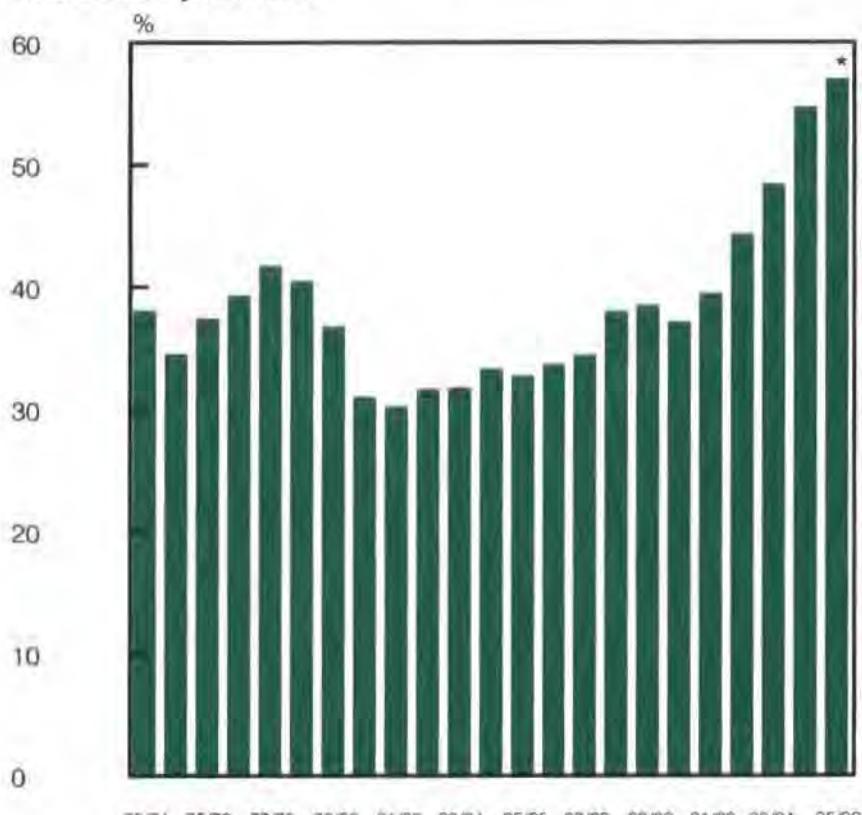
product, government debt increased from 55,0 per cent to 57,0 per cent over the same period; at the end of fiscal 1990/91 it still amounted to only 37,2 per cent.

#### Adjustment Budget

In the Adjustment Budget tabled in Parliament on 13 February 1996 *additional expenditure* of R15,1 billion was approved. However, if declared savings and suspension of funds, the shifting of functions, recoveries from the pension funds for the improvement of conditions for services, the roll-over of funds and the double counting in respect of the national budget's contribution to the Reconstruction and Development Program Fund are taken into consideration, the expenditure is estimated to increase by only R3,0 billion to R157,4 billion in fiscal 1995/96. This amount includes a provision for revenue shortfalls of R1,5 billion in the provinces and a so-called transitional reserve of R1,0 billion to cover the provinces' spending needs on health and welfare. As a ratio of gross domestic product, the revised government expenditure is expected to amount to 31,5 per cent, i.e. slightly higher than the ratio of 31,2 per cent in the preceding year.

In the Adjustment Budget provision was also made for a considerable increase in *government revenue* from an initially projected R124,2 billion to a revised estimate of R127,3 billion (including extraordinary revenue of R1,2 billion). This will bring government revenue to an estimated 25,5 per cent of gross domestic product; in the preceding year this ratio was marginally higher at 25,6 per cent.

**Total government debt as percentage of gross domestic product**



\* As at 31 December 1995

**Table 9. Revised Budget estimates for fiscal 1995/96**

	R millions
Printed estimate of expenditure.....	154 374
Plus: Adjustments estimate .....	15 017
Plus: Standing appropriations.....	63
<b>Subtotal.....</b>	<b>169 454</b>
Less: Roll-over of unspent funds .....	6 440
Expected savings.....	908
Shifting of functions .....	129
Recovery from pension funds.....	1 060
Double counting in respect of RDP Fund .....	3 557
<b>Estimated expenditure for 1995/96.....</b>	<b>157 360</b>
Estimated revenue and grants (including extraordinary revenue of R1 231 million) .....	127 269
Estimated deficit .....	30 091
Estimated deficit as percentage of gross domestic product .....	6,0

In view of these estimated changes in government expenditure and revenue, the *deficit before borrowing and debt repayment* is now estimated at R30,1 billion in fiscal 1995/96, or 6,0 per cent of gross domestic product. This ratio is only slightly higher than the budgeted ratio of 5,8 per cent.

# The challenges for monetary policy

**Address by Dr C. L. Stals, Governor of the South African Reserve Bank, at the 19th Annual Investment Conference arranged by Frankel Pollak (Pty) Limited Johannesburg, 20 February 1996**

## 1. The task of monetary policy

Macroeconomic policy measures are normally directed towards the promotion of economic growth and development, the creation of more jobs and the employment of more people, the improvement of the living conditions of all the people of the country, and the elimination of unjustifiable discrepancies between average incomes of various groups of participants in economic activity.

Monetary policy, being a subsidiary part of macroeconomic policy, has but an intermediate part to play in the implementation of overall macroeconomic policy. It is expected of monetary policy to create and maintain a stable financial environment within which overall economic activity can operate. None of the above ultimate objectives of macroeconomic policy will be attainable in an environment of financial instability. Although overall financial stability by itself cannot guarantee the achievement of the aforementioned ultimate macroeconomic objectives, it is an important precondition for reaching those goals.

In order to comply with its obligation and to meet its commitment, the central bank should pursue its objectives with a medium- and longer-term view in mind. Financial stability should, for example, be maintained throughout the business cycle in both the expansion and contraction phases of the economy, and should in the democratic political system of periodic elections, stretch beyond the duration of successive governments. It is *inter alia* for this reason that central banks need some autonomy for the execution of their duties.

What are the challenges now facing the South African Reserve Bank to meet the objective of maintaining overall financial stability in the context of the new South Africa?

## 2. Major economic developments during the past year

From the point of view of the central bank, the South African economy performed extremely well during 1995.

Firstly, the real rate of growth in gross domestic product of almost 3½ per cent last year may not be good enough for the actual needs of the country at this stage, but nevertheless represented the best performance since 1988. This relatively good growth was attained despite declines of 15 per cent in agricultural and 10½ per cent in gold production. Total value added by manufacturing actually increased by 7½ per cent after it had already risen by 2½ per cent in 1994.

The growth in domestic production was supported by even stronger growth in real gross domestic expenditure, which rose by 5½ per cent last year, following upon an even larger relative increase of 6½ per cent in 1994. As in the previous year, gross domestic fixed investment made the most important contribution to total growth in 1995, with a rise of 10½ per cent. Inventories increased further, whereas private consumption expenditure gained strong momentum and rose by seasonally adjusted annualised rates of 6½ and 5 per cent in the last two quarters of last year.

Secondly, the improvement in real domestic economic activity did not in 1995 lead to any undue pressure on the balance of payments. The rise in domestic expenditure, particularly in fixed investment in manufacturing, led to a predictable sharp increase of almost 30 per cent in the value of imports, mainly attributable to a rise of about 20 per cent in the volume of imports. Excluding gold, merchandise exports also performed well, with a rise of almost 25 per cent on the level of 1994. The volume of exports rose by about 16 per cent. Declines in the value of net gold exports and in the negative figure for net services, however, contributed to a substantial increase in the deficit on the current account of the balance of payments, which rose to R12½ billion in 1995.

The financing of the current account deficit, equal to about 2½ per cent of gross domestic product, presented no difficulties as the net capital inflow into the country rose to almost R22 billion in 1995. Short-term capital (mainly in the form of foreign borrowing by South African banking institutions) accounted for about R9 billion of this total. The net inflow through the acquisition of South African securities by non-residents accounted for R6 billion of the so-called medium- and long-term capital inflows.

The excess of the supply of foreign exchange enabled the Reserve Bank to increase its net foreign reserves (gross reserves minus foreign liabilities) by R9 billion. This was mainly done through intervention in the foreign exchange market. At the end of 1995, the gross foreign reserves of the country had risen to R18,2 billion, which represented about 7 weeks' imports at current levels.

The foreign exchange rate of the rand remained remarkably stable in 1995, despite the fact that all remaining foreign exchange controls on non-residents were removed, and some progress was also made with the gradual reduction in exchange controls applicable to resident corporates and institutional investors. Against the background of the large net foreign capital inflows into the country, the average weighted nominal value of the rand against a basket of

currencies of South Africa's major trading partners declined by only 3,6 per cent over the year as a whole, but rose by 4,4 per cent over the last five months of 1995, and by a further 1,4 per cent in January 1996. Adjusted for inflation rate differentials, the effective average real value of the rand appreciated by 1,5 per cent from December 1994 to December 1995, and by 5,3 per cent from May until December 1995.

Thirdly, the combination of improved real domestic economic activity and a surplus on the overall balance of payments was accompanied by relatively stable conditions in the domestic financial markets. The Reserve Bank had some concern about a substantial increase in the M3 money supply which rose by 15,1 per cent over the twelve months up to December last year. From the fourth quarter of 1994 to the fourth quarter of 1995, the average level of the money supply rose by 14,3 per cent, which was sizeably higher than the upper limit of an acceptable guideline range of 6 to 10 per cent indicated by the Reserve Bank at the beginning of last year. It should, however, be noted that the rate of increase in M3 abated towards the end of last year. The quarter-to-quarter growth in M3, at seasonally adjusted and annualised rates, peaked at 27,3 per cent in the second quarter of 1995 and then declined to 15,5 per cent in the third, and only 6,9 per cent in the fourth quarter.

Although the increase in the Reserve Bank's net gold and foreign exchange reserves also added to the money supply, this was partly offset by a significant increase in the foreign borrowing of the banking sector. A large increase in bank credit extended to the private sector, which rose by 17,5 per cent over the calendar year, was therefore mainly responsible for the increase in the money supply. In the longer run, economic growth based on a continuous rise in the money supply cannot be sustainable and will eventually lead to unstable financial conditions and an unavoidable painful downward adjustment. It is therefore encouraging to note that the annualised rate of increase in the net amount of bank credit extended to the private sector slowed down to 14,1 per cent in the fourth quarter, compared with 21,3 per cent in the second quarter of 1995.

Most short-term interest rates were driven upwards by a strong demand for credit in 1995, particularly during the first six months of the year. The rate on bankers' acceptances with a maturity of three months, for instance, increased from 12,5 per cent at the end of December 1994, to 14,2 per cent at the end of June 1995. During the second half of the year, short-term rates remained firm, with only slight marginal declines in some cases.

Long-term rates, however, showed a different trend. The monthly average yield on long-term government stock initially receded hesitantly from a high of 17,02 per cent in January 1995, and then declined rapidly to 13,77 per cent in January 1996. At

this stage, the yield curve was not only markedly lower than a year before, but also relatively flat.

Fourthly, and very encouraging from the monetary policy point of view, inflation showed clear signs of further abatement last year. Trends in the consumer price index were distorted by, first, a rise and then an equally sharp decline in food prices in the second half of the year. The rate of increase over periods of twelve months in the overall consumer price index declined from a peak of 11,0 per cent in April 1995 to a low point of 6,3 per cent in October, before rising again to 6,9 per cent in December 1995. The average rate of inflation for the year 1995 was 8,7 per cent – the lowest rate of increase in consumer prices over a year since the 6,1 per cent registered in 1972.

Producer price inflation also remained below 10 per cent last year, although the average of the increase for the year in the all-goods production price index rose from 8,0 per cent in 1994 to 9,6 per cent in 1995.

The combination of higher economic growth, an overall balance of payments surplus, relatively stable conditions in the domestic financial situation, and relatively low inflation, was facilitated by the political and social changes over the last few years, and vindicated the course of recent macroeconomic policies. In the longer term, the economic growth potential of the country will have to be raised to a higher level.

### 3. Challenges for 1996

Can monetary policy again succeed in maintaining overall financial stability in 1996? It should be noted that monetary policy can only be successful to the extent that underlying developments in the market will support stable financial conditions. In case of major shocks in the markets, monetary policy operating in the environment of a market economy can normally only lean against the wind, smooth out some volatile over-reactions, and alleviate painful adjustments in the short term. In the longer run, fundamentals should be allowed to determine financial aggregates such as interest rates, exchange rates and financial asset prices.

Firstly, as far as the domestic financial situation is concerned, monetary policy in South Africa is still firmly guided by changes in the money supply. The model for monetary policy, introduced by the De Kock Commission of Enquiry into Monetary Policy in the mid-eighties, was never intended to be a rigid money rule for monetary policy, but fitted the situation well in serving as the most important indicator or reflection of current developments of underlying potentially inflationary pressures in the economy. Indeed, the decline in inflation in South Africa from over 20 per cent at one stage in 1987 to its present level, coincided with the introduction and consistent implementation of the model based on a pre-announced acceptable range for the rate of increase in the M3 money supply.

The Reserve Bank has in recent years occasionally stated that the value of the M3 money supply, as an anchor for monetary policy may be eroded by South Africa's reintegration into the international financial markets, particularly at a time when the globalisation of financial markets is reducing the usefulness of domestic financial indicators, such as the money supply, also for other countries. The Bank is therefore gradually applying a more pragmatic approach and is taking a broader view of movements in a whole array of financial developments to guide it in its decisions on monetary policy. In the new emerging model, however, changes in the money supply still carry by far the highest weight.

It is becoming increasingly difficult for the Reserve Bank to control the money supply. South African banks now have easier access to an outside source of liquidity, and that is foreign borrowing. This was evidenced by the increase of approximately R6 billion in the outstanding short-term foreign liabilities of the South African banking sector (excluding the Reserve Bank) in 1995. It is therefore of growing importance that the South African financial markets be liberalised further and become more effective as a self-regulatory discipline on the participants in the markets.

The challenge for the Reserve Bank is to maintain some influence over the overall liquidity situation in the country, despite inflows and outflows of large amounts of funds through the balance of payments. This gives new importance to the open market operations of the Bank – monetary policy has become more complex and more dimensional. The Bank, therefore, over the past year used this instrument of monetary policy more actively to absorb surplus liquidity created by the relatively large net inflows of capital from abroad. In the process the Reserve Bank's own portfolio of government stock declined from R8,8 billion at the end of December 1994 to R4,8 billion at the end of 1995.

The interest rate policy of the Reserve Bank is also being challenged by the new situation. Interest rates are, of course, determined by market forces of demand and supply, but can always be influenced to some extent by monetary policy intervention working through the market mechanism. On the one hand, in the present situation, an excessive expansion of bank credit is putting undue pressure on the money supply and dictates the need for maintaining high interest rates. On the other hand, high interest rates attract more short-term and volatile capital from the rest of the world, which again adds to the liquidity of the system, and to the ability of the banks to extend more credit and, in the process, adds to the money supply. It is a challenge for monetary policy to strike a right balance between these opposing financial forces in the implementation of its interest rate policy.

Secondly, as far as the international financial relations with direct implications for monetary policy are concerned, similar interesting challenges now face the

Reserve Bank. During the past year, the Bank intervened quite heavily in the foreign exchange market, mainly as a net buyer of foreign exchange in order to prevent the exchange rate of the rand from appreciating under the pressure of a continuous large net inflow of capital. These intervention operations at times clashed with the monetary policy model of the Bank which is in principle anchored to the control of the money supply, but they were nevertheless justified on the basis of the following three arguments:

- The Reserve Bank found itself in April 1994 in the unenviable situation that, on a net basis, it had zero foreign reserves to assist it in its efforts to maintain orderly conditions in the foreign exchange market.
- Based on the fundamentals of the South African economy, any strong appreciation of the exchange rate of the rand at this stage will not be in line with the developments in the relative competitiveness of the South African production machinery, be it in the primary, secondary or tertiary sectors of the economy.
- It must be remembered that the floating exchange rate system in terms of which forces of demand and supply operating through the foreign exchange market determine the exchange rate of the rand, remains subject to the distortions of the exchange controls still applicable to outward capital investments by South African residents. The determined rate is, therefore, not necessarily a reliable reflection of an equilibrium exchange value of the rand.

With these considerations in mind, the Reserve Bank, contrary to the dictates of the accepted monetary policy model anchored to changes in the money supply, bought a substantial amount of foreign exchange in the market last year. At the same time, the Bank used internal measures such as open market operations to neutralise the counter-effects of the foreign exchange market intervention on the domestic money and capital markets.

Should the surplus on the overall balance of payments continue in 1996, the management of the sometimes conflicting objectives of preventing an appreciation of the rand and controlling the money supply at the same time, will certainly provide an interesting challenge for monetary policy.

The intervention by the Reserve Bank over the past year in the foreign exchange market in a situation of continuous upward pressure on the external value of the rand, apparently created the false impression in certain circles that the Reserve Bank is now targeting the exchange rate and is fixing it within a narrow band around the US dollar. This is a completely false perception.

Taking account of the aforementioned reasons for the Bank's intervention in the foreign exchange market

over the past year in order to prevent an appreciation of the rand, the deduction may be made that the Bank's exchange rate policy is asymmetrical. The Bank, however, has no intention of fixing the exchange rate of the rand at any predetermined level. Once exchange controls have been removed and the amount of foreign reserves held by the Reserve Bank has been restored to a more comfortable level, there should at most times be only little official intervention in the foreign exchange market.

This policy approach was illustrated by the developments of the last few days when an unfortunate combination of a few events led to a large-scale speculation against the exchange rate of the rand. The Reserve Bank intervened in an effort to bring some order to the market, to ensure that enough liquidity would prevail and to discourage over-reaction based on unfounded and obviously mistaken rumours. The Bank, however, did not fix the exchange rate at any predetermined level.

In the present global environment, where foreign exchange transactions arising from capital movements are seventy times as big as gross turnovers for current balance of payments transactions, it is extremely difficult to decide what the appropriate exchange rate for any currency should be, particularly in the short term. We, in the Reserve Bank, believe that references to an overvalued or undervalued exchange rate of the rand should in these circumstances be used sparingly. It is not possible for the authorities to decide what an equilibrium exchange rate would be, and it will be dangerous policy to try to fix the exchange rate at any artificial level. In the environment of financial globalisation, we shall have to learn to accept the dictums of the international market place. Even the wise economists of the Bahnhoffstrasse can easily be proved wrong in their assessment of over- or undervalued exchange rates.

Thirdly, what should the exchange control policy be in this situation? The Reserve Bank has always supported a gradual approach to the elimination of exchange controls. Government has the final say on the exchange control policy, but the Minister of Finance has on various occasions also expressed his views, which are similar to those of the Bank. It is therefore preposterous to speculate from time to time that there will be a sudden "big bang" removal of all the remaining exchange controls.

Furthermore, the Bank has many times stated that gradualism in practice means exchange control relaxations with the retention of financial stability. The Bank would not advise the Government to relax on exchange controls if it should believe that such relaxations will lead to the destabilisation of internal or external financial conditions.

As long as exchange controls are in force, there will always be rumours and speculation on their removal – one of the many disadvantages of direct controls

applied in a basically market-oriented economy. Investors should, however, not be disturbed by such rumours. The Reserve Bank will continue to act with responsibility and within the framework of the aforementioned stated objectives of the programme of gradually removing the exchange controls applicable to outward investment by South African residents. The challenge to abolish exchange controls in this way and to maintain financial stability at the same time, is not an easy one. So far it has worked well – we have good reason to believe it will continue to work well in future.

Fourthly, the Reserve Bank also faces the challenge of maintaining a sound and well-functioning banking system in South Africa, a system that will not only retain the confidence of the international financial community, but will also be trusted by the South African public in general. The banking system is the trustee of the public's money and of an important part of people's savings. The Reserve Bank cannot support the development, under the aegis of the banking system, of high-risk financial ventures that must eventually lead to losses for some investors. This will not only cause unreasonable claims for compensation to be made against the Bank and the Government, but will also undermine confidence in the South African financial system.

The Reserve Bank therefore faces the demanding challenge, on the one hand, to promote and develop a sophisticated national payments, clearing and settlement system, based on modern electronic technology that will link our financial system with the global economy and, on the other hand, also to foster a banking system that will provide in the diverse needs of all the people of South Africa.

In summary, the challenges the Reserve Bank faces to maintain overall financial stability, to integrate the South African financial system in a volatile and complex global market economy, to continue with the process of a gradual relaxation of exchange controls, and to foster and protect the development of a sound banking system, will be very demanding. I have full confidence in the integrity, devotion and competence of the staff of the Reserve Bank to meet these challenges.

# Kwartaallikse ekonomiese oorsig

## Inleiding

Die ekonomiese oplewing wat in Mei 1993 in Suid-Afrika begin het, is in 1995 nog steeds gekenmerk deur sterk, ofskoon wisselende, ekonomiese groei. Nadat die koers van toename in die reële bruto binnelandse produk in die vierde kwartaal van 1994 'n hoë vlak bereik het, het dit in die eerste ses maande van 1995 aansienlik verlangsaam vanweë 'n daling in die reële toegevoegde waarde van die primêre sektore. 'n Ernstige droogte het in die tyd 'n nadelige uitwerking op die landbouproduksie gehad, terwyl die produksie van goud- en diamantmyne afgeneem het, onder andere as gevolg van die sluiting van myne, arbeidsonrus en die laer kwaliteit van erts wat gemaal is.

'n Styging in die mynbouproduksie, tesame met die verdere sterk stygings in die reële toegevoegde waarde van die nie-primêre sektore, het tot 'n verbetering in die ekonomiese groei in die derde kwartaal van 1995 geleid. Groei het daarna in die vierde kwartaal weer verslap, hoofsaaklik omdat die nywerheidsproduksie gedaal het. Produksievermindering in die fabriekswesesektor is waarskynlik veroorsaak deur die uitskakeling van afleveringsagterstande, terwyl die binnelandse vraag sterk gebly het. Uitvoerbestellings vir vervaardigde goedere het ook afgeneem.

Ondanks hierdie wisselinge, het die reële produksiegroei in 1995 op 3½ persent te staan gekom – die hoogste koers sedert 1988. Hierdie toename in produksie is oor die algemeen aangewakker deur 'n sterk vraag na goedere en dienste. Hoër verbruikersvertroue en 'n uitgestelde vraag na duursame en semi-duursame goedere het 'n styging in die reële private verbruiksbesteding bewerkstellig, wat die groei in die reële persoonlike beskikbare inkome oorskry het. Private verbruiksbesteding is deels deur middel van kredietverlening gefinansier, dit wil sê ten koste van binnelandse besparing. Dit het die land afhangliker gemaak van buitelandse fondse vir die finansiering van binnelandse investering, hoewel die ontsparing van die regering verbeter en die besparing van die maatskappysektor toegeneem het.

Die reële bruto binnelandse vaste investering het in 1995 met nie minder nie as 10½ persent toegeneem, maar investeringsuitgawes het in die vierde kwartaal verlangsaam nadat enkele groot kapitaalprojekte voltooi is. Vaste investering het in die loop van die ekonomiese herstel betreklik wydverspreid voorgekom, met die fabriekswese wat die sterkste groei getoon het. Die opbouing van voorrade het ook in 1995 voortgeduur, maar die koers van voorraadopbouing het in die tweede helfte van 1995 effens verlangsaam.

Die oplewing in ekonomiese bedrywigheid het met swak werkverskaffingsgroei gepaardgegaan, waarskynlik grotendeels te wye aan pogings om kostestygings in bedwang te hou en produksiedoeltreffendheid te verhoog. Die koers van toename in die nominale lone en salaris per werker was nietemin betreklik onbuigsaam en het die koers van toename in die pryse van eindprodukte oorskry. Gelukkig is die inflasiegevolge van die toename in arbeidsvergoeding deels geneutraliseer deur die verstewiging van arbeidsproduktiwiteit, wat laer koerse van toename in die nominale en reële eenheidskoste van arbeid teweeggebring het.

Die laer arbeidskoste per eenheid van produksie was 'n belangrike bydraende faktor tot die daling in die inflasiekoers in 1995 tot vlakke wat laas in die vroeë sewentigerjare ondervind is. Die nastrewing van 'n monetêre beleidstand wat beginselvas teen inflasie gerig was, is in die tweede helfte van 1995 verder aangehelp deur laer toenames, en by tye selfs dalings, in voedselprys. Ontwikkelings soos 'n toename in die aanbod van lewende hawe vir slagdoeleindes, die verlaging van invoertariewe op landbouprodukte, 'n matige winter en aanpassings in die bemarking van landbouprodukte, het die styging in voedselprys gedemp. Boonop het 'n appresiasie van die buitelandse waarde van die rand sedert Mei 1995, betreklik lae prysstygings in die vernaamste handelsvennootlande, 'n algemene vermindering van invoertariewe en die afskaffing van die bobelasting op ingevoerde goedere in Oktober 1995, die laer inflasiekoerse aangehelp. Selfs indien voedsel en ander spesiale faktore buite rekening gelaat word, het die onderliggende inflasie derhalwe afgeneem.

Soos met die sterk binnelandse vraag verwag kon word, het die waarde en die fisiese omvang van die invoer van goedere in 1995 skerp gestyg, maar dit het in die laaste kwartaal van 1995 tekens van 'n gelyker verloop getoon. Netto dienste- en oordragbetalings het ook bly styg, terwyl die opbrengs uit internasionale goudverkope gedaal het. Ondanks 'n steeds goeie prestasie van die goedere-uitvoer, het die tekort op die lopende rekening van die betalingsbalans in 1995 aansienlik verswak. Daarbenewens het die vraag na Suid-Afrikaans vervaardigde produkte uit ander lande teen die einde van die jaar begin afneem.

Die groot tekort op die lopende rekening in 1995 is gefinansier deur 'n selfs groter netto invloeiing van kapitaal. Die kumulatiewe netto invloeiing van kapitaal nie verwant aan reserwes nie het van die middel van 1994 tot die einde van 1995 op bykans R31 miljard te staan gekom. Die grootste deel van hierdie invloeiing het bestaan uit buitelandse leningskapitaal en portefeuilbeleggings in aandele. Buitelandse regstreekse

beleggings het betreklik klein gebly en het hoofsaaklik bestaan uit beleggings vir die aankoop van bestaande ondernemings, om gesamentlike ondernemings te begin of om Suid-Afrikaanse maatskappye oor te neem.

Hierdie kapitaalinvloeiinge was verantwoordelik vir 'n aansienlike toename in die goud- en ander buitelandse reserwes en het dit vir die Reserwebank moontlik gemaak om alle lenings ten volle af te los wat voorheen aangegaan is om die vlak van die besit aan buitelandse reserwes aan te vul. Onder hierdie omstandighede het die nominale en reële effektiewe wisselkoers van die rand in die laaste sewe maande van 1995 toegeneem. Nadat die eksterne waarde van die rand verder in Januarie gestyg het, het dit in Februarie 1996 aansienlik gedepresieer.

Die hoë vlakke van ekonomiese bedrywigheid en binnelandse besteding was ook verantwoordelik vir die vinnige groei in die geldvoorraad, wat in 1995 vir die tweede agtereenvolgende jaar die boonste perke van die geldvoorraadriglyne oorskry het. Die likwiditeitsvoorkleur van die private sektor het gedurende dieselfde tydperk toegeneem as gevolg van verwagte veranderings in die rentekoerse en in awagting van belangrike aanpassings in die aandele- en effektemark. In 'n statistiese of rekeningkundige sin was die belangrikste teenhanger vir die groei in die geldvoorraad 'n aansienlike toename in kredietverlening deur die banke aan die private sektor. Die groei in die geldvoorraad sowel as kredietverlening aan die private sektor het egter in die tweede helfte van die jaar begin verminder. Veral die groeikoerse van kwartaal tot kwartaal in hierdie twee groothede het laer en meer aanvaarbare vlakke begin bereik.

Die finansiële markte is gekenmerk deur skerp toenames in aandelepryse wat in Januarie 1996, met die hulp van stellige maatskappywinste en 'n toename in buitelandse belangstelling na die afskaffing van die tweeledige wisselkoersstelsel tot nuwe rekordvlakte gestyg het. Die opwaartse beweging in aandelepryse is geleid deur nywerheids- en finansiële aandele, maar die betreklik lae prys van goudmynaandele het in Januarie 1996 ook lewendig gereageer op die styging in die goudprys tot bo \$400 per fyn ons op internasionale markte. Die waarde van aandele wat op die Johannesburgse Effektebeurs verhandel is, het deur die hele 1995 voortgegaan om te verbeter vanaf die lae vlak wat aan die begin van die jaar bereik is.

Die bedrywigheid in die binnelandse primêre effektemark is oorheers deur uitgiftes van entiteite in die openbare sektor. As gevolg van die likwiditeit van die korporatiewe sektor, die betreklik hoë koste om fondse teleen en die beskikbaarheid van buitelandse kapitaal, het die fondse wat maatskappye in die private sektor deur nuwe uitgiftes van vaste-rentedraende sekuriteite gemobiliseer het, laag gebly. Ondanks die hoë vlak van rentekoerse en stygende aandelepryse, was maatskappye in die private sektor ook traag om fondse in die primêre aandelemark op te neem. As gevolg van die hoë wetlike koers van Sekondêre Belasting op

Maatskappye, het die aantal aandele wat as skripsi dividende uitgegee is egter aansienlik toegeneem. Bedrywigheid in die sekondêre effektemark het in die tweede helfte van 1995 aansienlik toegeneem namate langtermynopbrengskoerse begin daal het.

Langtermynopbrengskoerse was in die eerste ses maande van 1995 betreklik bestendig, terwyl korttermynopbrengskoerse verder gestyg het. Die opbrengskoerskromme het gedurende hierdie tydperk dienooreenkomsdig meer gelyk verloop, maar dit het oor die eerste vyf jaar van die aflossingskedisjule steeds 'n positiewe helling gehad. Dit het daná vinnig afwaarts beweeg met langtermynkoerse wat meer as korttermynkoerse gedaal het. Die opbrengskoerskromme was in Januarie 1996 dus nie net opmerklik laer as aan die begin van 1995 nie, maar het ook 'n effens omgekeerde, dog oor die algemeen horizontale verloop gehad.

Geldmarktoestande het in die tweede helfte van 1995 beduidend vernou, grotendeels vanweë 'n aansienlike toename in regeringsdeposito's by die Reserwebank. By tye het die netto buitelandse bates van die Reserwebank wat met die invloeiing van buitelandse kapitaal verband gehou het, hierdie stram toestande ietwat verlig. Die Reserwebank se optredes in die geldmark was hoofsaaklik toegespits op maatreëls om die sporadiese toenames in likwiditeit op te ruim en om stram toestande oor die algemeen te handhaaf. Ten einde hierdie doelwitte te kon bereik, het die Bank opemarkverkope uit sy eie effekteportefeuille aangegaan. Op kort termyn is groot fluktusies in die geldmarktekort teengewerk deur aanpassings in die bateportefeuille van die Korporasie vir Openbare Depositos en die bestuur van die regeringsdeposito's by die Reserwebank.

Die leningsbehoefte van die openbare sektor, dit wil sê die tekort voor lenings en skuldaflossings van die sentrale regering en alle ander vlakke van die openbare sektor, het in die eerste nege maande van die fiskale jaar 1995/96 slegs 4,6 persent van die bruto binnelandse produk beloop. Hierdie aansienlik laer vlak van die leningsbehoefte van die openbare sektor as in die vorige jaar was die netto resultaat van 'n groot toename in die inkomste en slegs 'n matige toename in die besteding van die openbare sektor. Probleme wat sekere provinsiale regerings met die herorganisasie van hul funksies en administratiewe bedrywigheide ervaar het, het verhinder dat bestedingsplanne uitgevoer is. Die verwagte besteding aan heropbou- en ontwikkelingsprogramme is ook nie in die eerste tien maande van die fiskale jaar 1995/96 aangevind nie. Hierdie resultate sluit egter nie enige oorbesteding in waarvoor in die Aansuiweringsbegroting voorsiening gemaak is nie.

## Binnelandse ekonomiese ontwikkelings

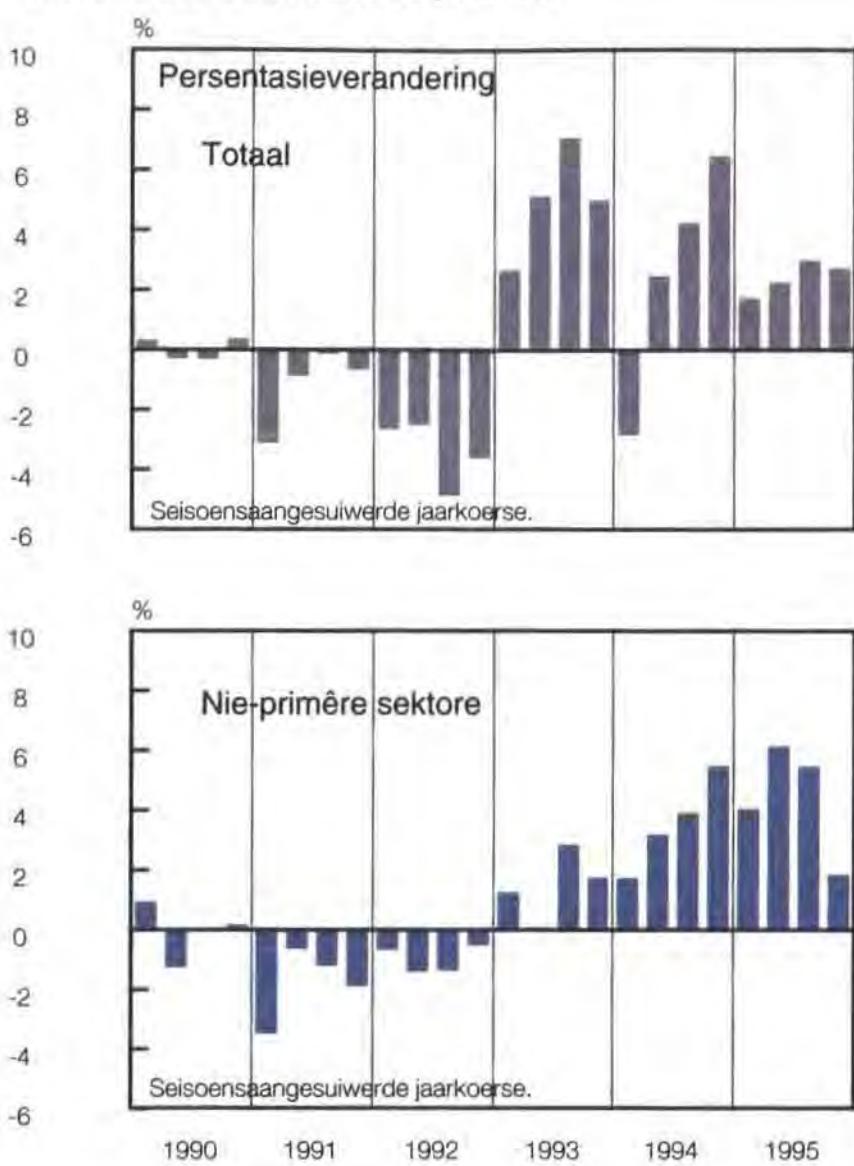
### Binnelandse produksie

Die groei in die *reële bruto binnelandse produk*, wat in die vierde kwartaal van 1994 van 'n jaarkoers van 6½ persent skerp afwaarts beweeg het tot 1½ en 2 persent in die eerste twee kwartale van 1995, het in die laaste twee kwartale van die jaar effens tot 3 en 2½ persent herstel. Dit het die groei in reële produksie vir die volle kalenderjaar 1995 op bykans 3½ persent te staan gebring – die hoogste koers sedert 1988. In 1994 het die binnelandse produksie met 2½ persent uitgebrei. Die hoër groei in 1995 is bereik ondanks produksie wat ernstig deur skerp dalings in die reële toegevoegde waarde van die primêre sektore van die ekonomie belemmer is; die groei in die reële produksie van die nie-primêre sektore het in 1995 op 4½ persent te staan gekom.

Die droogte gedurende die vorige seisoen in die somerreënvalgebiede het 'n hewige uitwerking op die bruto inkomste van boere gehad. Boerderywinste is ook ná die verslapping van beheermaatreëls deur die invoer van goedkoop landbouprodukte aan bande gelê. Die reële toegevoegde waarde van die *landbousektor* het gevloeglik in 1995 met sowat 15 persent gedaal. Teen die einde van die jaar het die koers van afname meer gelyk verloop toe boerdery-inkomste deur 'n beter-as-verwagte koringoes aangehelp is.

'n Herstel in die reële toegevoegde waarde van die *mynboubedryf* in die tweede helfte van 1995 kon nie 'n afname van 3½ persent in die reële produksie van die mynbousektor vir die jaar in die geheel voorkom nie. Dalings het hoofsaaklik in die produksiehoeveelhede van goud- en diamantmyne voorgekom omdat hierdie bedrywighede deur arbeidsprobleme geteister is.

### Reële bruto binnelandse produk



**Tabel 1. Reële bruto binnelandse produk**

Persentasieverandering teen seisoensaangesuiwerde jaarkoerse

Sekture	1994		1995			Jaar
	Jaar	1e kw	2e kw	3e kw	4e kw	
Primêre sektor .....	2½	-12½	-22	-17	1	-8
Landbou.....	12	-15½	-42	-50	-2½	-15
Mynbou .....	-2½	-10½	-7½	6	2½	-3½
Sekondêre sektor.....	2½	6½	8½	7	-1½	6½
Fabriekswese .....	2½	7	10	8½	-3	7½
Tertiêre sektor .....	2½	2½	5	4½	4	3½
Handel.....	4	2½	9	8½	9	6
Vervoer en kommunikasie.....	3½	6½	7½	6	3½	4½
Finansiële dienste .....	3	3	4	4	2½	4
Nie-primêre sektor .....	2½	4	6	5½	2	4½
<b>Totaal .....</b>	<b>2½</b>	<b>1½</b>	<b>2</b>	<b>3</b>	<b>2½</b>	<b>3½</b>

Diamantmynbou is verder beperk deur diamantverkope van buitelandse organisasies op die internasionale mark waar bestaande ooreenkomsverontagsaam is. Die produksie van die goudmyne is ook nadelig getref deur die daling in die gehalte van die erts wat gemaal is weens 'n afname in die beskikbaarheid van erts met 'n hoë goudinhoud, die verwerking van bogrondse ontginningsmateriaal van lae gehalte om die dalende ondergrondse produksie aan te vul en die probleme om die ertsgehalte te verhoog sonder om bedryfskoste te laat styg.

Die groei in die reële produksie van die *nie-primêre sektore* van die ekonomie het van 6 persent in die tweede kwartaal van 1995 en 5½ persent in die derde kwartaal tot 'n betreklik lae 2 persent in die vierde kwartaal verlangsaam. 'n Daling teen 'n jaarkoers van 1½ persent in die produksie van die sekondêre sektore was hoofsaaklik vir hierdie laer groei verantwoordelik, maar die koers van toename in die reële toegevoegde waarde van die tersiêre sektore het ook verminder.

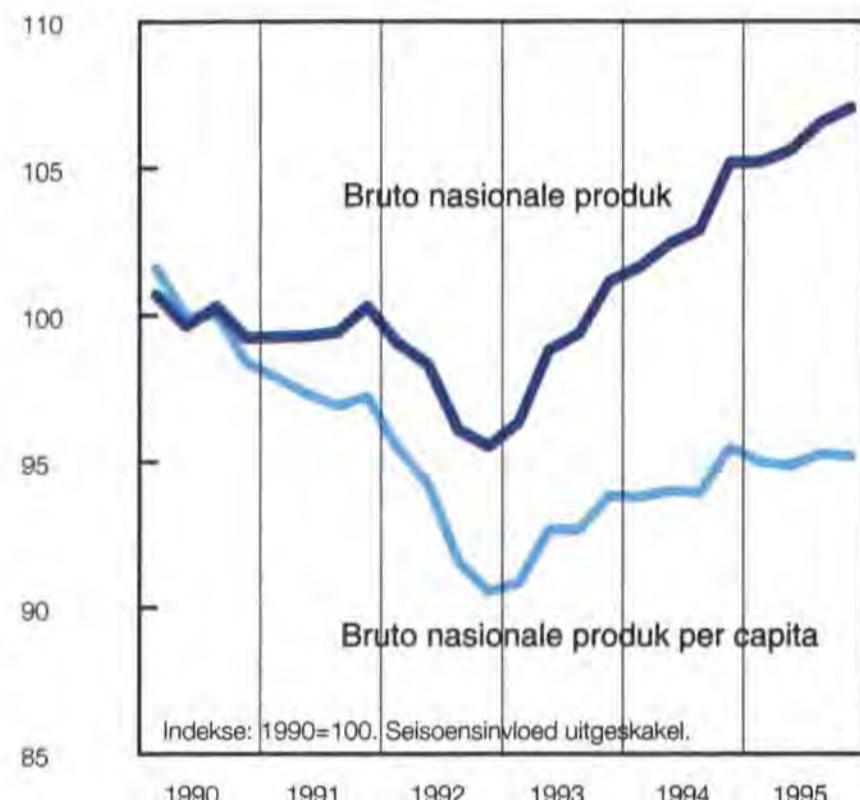
Die reële toegevoegde waarde van die *fabrieks-wesesektor* het in die vierde kwartaal van 1995 teen 'n koers van 3 persent gedaal. Dit het op hoë koerse van toename in die voorafgaande drie kwartale gevvolg. Die vermindering van fabrieksproduksie in hierdie kwartaal het waarskynlik ontstaan as gevolg van die uitskakeling van agterstande met aflewerings wat deur 'n afname in die reële waarde van onvoltooide bestellings bevestig is, terwyl die onderliggende vraag skynbaar stewig gebly het. Fabrieksproduksie was in 1995 egter steeds 7½ persent hoër as in 1994. Die toename in fabrieksproduksie in 1995 is deur beter arbeidsbetrekkinge as in die voorafgaande jaar aangehelp.

Die reële toegevoegde waarde van die sektor wat *elektrisiteit, gas en water voorsien*, het in 1995 deurentyd sterk gestyg en vir die jaar in die geheel op 3½ persent te staan gekom; in 1994 is dieselfde groeikoers behaal. Hierdie sterk groei kon toegeskryf word aan die bykomende vraag wat deur die uitbreiding van die elektrisiteitsnetwerk in die minder ontwikkelde gebiede van die land ontstaan het, sowel as die toename in reële bedrywigheid.

In die *konstruksiebedryf* het die positiewe groei wat teen die einde van 1993 waargeneem is, deurgaans in 1994 en 1995 verder toegeneem. Dit het gevvolg op 'n lang tydperk van dalende produksievlekke in die jongste resessie. Die groei in die reële toegevoegde waarde van die *konstruksieondernemings* het in 1995 bykans 2 persent bedra; in die voorafgaande jaar was dit effens laer op net meer as 1 persent. Die styging is hoofsaaklik teweeggebring deur die verbetering in die vraag na woonhuise, wat die middelmatige vertoning van die siviele kontrakteurs teengewerk het.

Al die belangrikste subsektore het tot die betreklike sterk groei in die reële toegevoegde waarde van die *tersiêre sektore* in 1995 bygedra. Die bedrywigheid in die klein-, groot- en motorhandel is versterk deur die positiewe sienswyse van verbruikers, stygende persoonlike beskikbare inkome, die beskikbaarheid van

## Reële bruto nasionale produk



krediet, die hoér vlak van vaste investering in vervoertoerusting, die beteueling van prystoename en die suksesvolle bekendstelling van nuwe motors teen laer pryse. Die hoë groei in vervoer, kommunikasie en finansiële dienste is gerugsteun deur die algemene lewenskragtigheid van die totale binnelandse vraag, verhoogde buitelandse handel, die skerp toename in buitelandse toerisme en die toenemende inskakeling van Suid-Afrika se finansiële markte by die finansiële netwerk van die wêreld.

Die groei in die reële binnelandse produksie in die vierde kwartaal van 1995 is in 'n sekere mate deur 'n toename in Suid-Afrika se netto faktorbetalings aan die res van die wêreld en 'n verswakkende in die ruilvoer teengewerk; die groei in die reële *bruto nasionale produk* was gevvolglik laer as die groei in die reële *bruto binnelandse produk*. Die groei in die reële *bruto nasionale produk* het boonop van 4 persent in 1994 tot 3 persent in 1995 gedaal. Die reële *bruto nasionale produk* per hoof van die bevolking het dus met minder as 1 persent gestyg, wat die totale toename in die reële inkome per hoof van die bevolking van Suid-Afrikaanse burgers in die jongste ekonomiese opwaartse beweging op slegs 2½ persent te staan gebring het. In die resessie van 1989-93 het die reële inkome per hoof van die bevolking met nie minder nie as 12 persent gedaal.

## Binnelandse besteding

Die groei van kwartaal tot kwartaal in die reële *bruto binnelandse besteding* het in 1995 positief gebly, maar

**Tabel 2. Reële bruto binnelandse besteding**

Persentasieverandering teen seisoensaangesuiwerde jaarkoerse

Komponente	1994			1995		
	Jaar	1e kw	2e kw	3e kw	4e kw	Jaar
Private verbruiksbesteding .....	3	4	5½	6½	5	5
Verbruiksbesteding deur die algemene owerheid.....	4	-2	½	2	2	½
Bruto binnelandse vaste investering.....	8½	8	8	7½	4	10½
Verandering in voorrade (R miljarde).....	4,7	8,0	9,6	6,9	6,3	7,7
<b>Bruto binnelandse besteding .....</b>	<b>6½</b>	<b>2½</b>	<b>7</b>	<b>1</b>	<b>4½</b>	<b>5½</b>

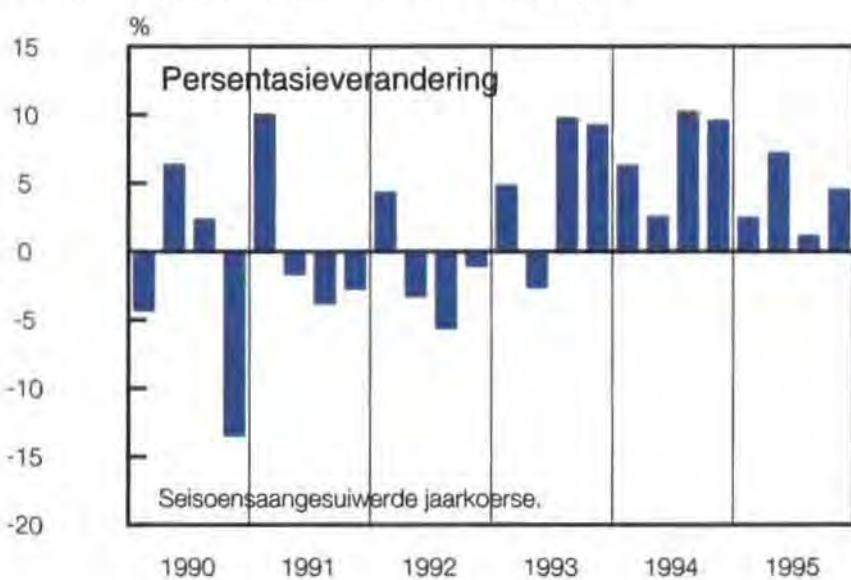
gedurende die jaar aansienlik gewissel (kyk tabel 2). Vir die volle kalenderjaar 1995 is die groei in die reële binnelandse besteding op 5½ persent geraam; in 1994 was die groei effens hoër teen 6½ persent. Binnelandse investering en private verbruiksbesteding het die belangrikste bydrae tot die hoë binnelandse vraag gemaak en slegs 'n matige toename is in die reële verbruiksbesteding deur die algemene owerheid aangeteken.

Nadat 'n hoë toename in reële *private verbruiksbesteding* teen 'n jaarkoers van 5½ persent in die vierde kwartaal van 1994 aangeteken is, het dit in 1995 sterk bly toeneem. As gevolg van 'n hoë vlak van optimisme onder verbruikers, was huishoudings bereid om reële lopende verbruiksbesteding in 1995 met 5 persent te verhoog, terwyl die toename in reële persoonlike beskikbare inkomte slegs 2½ persent was. Die gevoldlike toename in die gemiddelde verbruiksgeneigdheid is bereik ten koste van besparing deur private huishoudings

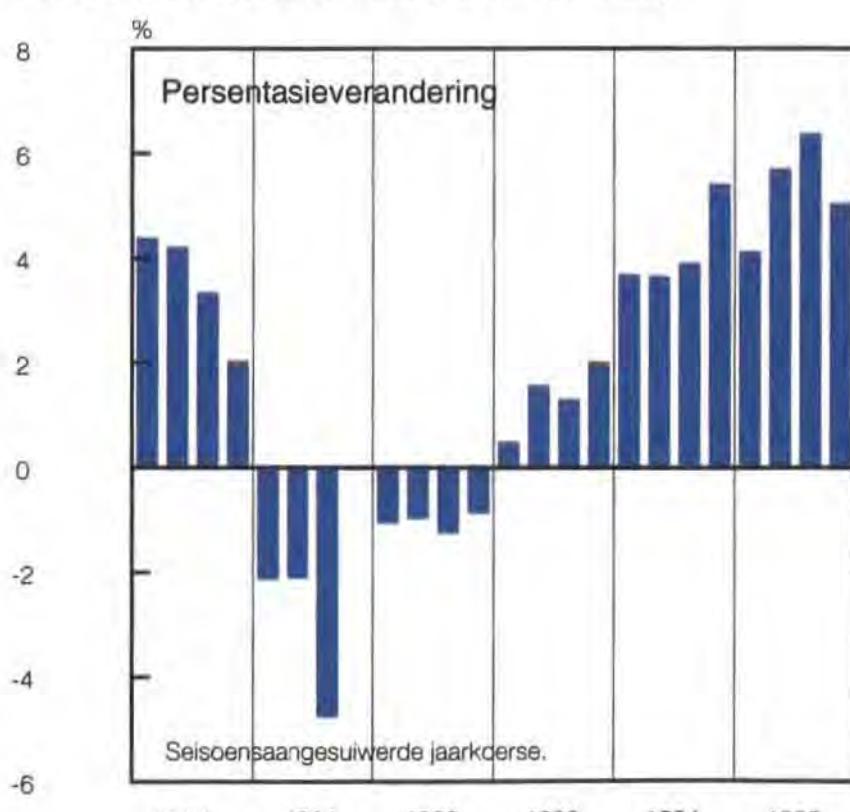
en het 'n vinnige ophoping van verbruikerskrediet veroorsaak.

Al die hoofkomponente het tot die styging in verbruiksbesteding bygedra, maar die vernaamste stukrag het van die reële besteding aan duursame goedere gekom, wat met 9 persent in 1995 toegeneem het. Persoonlike vervoertoerusting was veral in aanvraag. Vervangingsvraag vanweë verouderde voertuie en motordiefstal, 'n daling in die relatiewe pryse van 'n aantal nuwe modelle en aggressiewe bemarkingstrategieë het aan die vraag na nuwe motors stukrag verleen. Groot toenames is ook in die besteding aan semi-duursame goedere, soos meubels en toestelle, motoronderdele en

### Reële bruto binnelandse besteding



### Totale reële private verbruiksbesteding



-toebehoere en klerasie en skoeisel aangeteken. Die reële besteding aan hierdie soort goedere het in 1995 met 6 persent gestyg.

Die reële verbruiksbesteding deur die algemene owerheid was in 1995  $\frac{1}{2}$  persent bokant die vlak van 1994; dit was aansienlik laer as die koers van toename van 4 persent in die voorafgaande jaar. Die verhouding van die verbruiksbesteding deur die algemene owerheid tot die bruto binnelandse produk het gevoldig van 21 persent in 1994 tot 20% persent in 1995 verminder. Gedurende 1995 was daar egter 'n effense opwaartse beweging in die koers van toename van reële owerheidsbesteding aan verbruiksgoedere en -dienste tot 'n steeds matige jaarkoers van 2 persent in die vierde kwartaal.

Een van die hoofkenmerke van die jongste ekonomiese opwaartse beweging is die sterk groei in die totale reële bruto binnelandse vaste investering van  $8\frac{1}{2}$  persent in 1994 en  $10\frac{1}{2}$  persent in 1995. In die vierde kwartaal van 1995 het die koers van toename in die reële vaste kapitaalvorming egter van 'n gemiddelde jaarkoers van 8 persent in die eerste drie kwartale van die jaar tot 4 persent verlangsaam. Hierdie verlangsaming in investering was hoofsaaklik die gevolg van die voltooiing van sekere groot kapitaalprojekte in die private sektor en die verlangsaming in die kapitaalbesteding deur openbare korporasies.

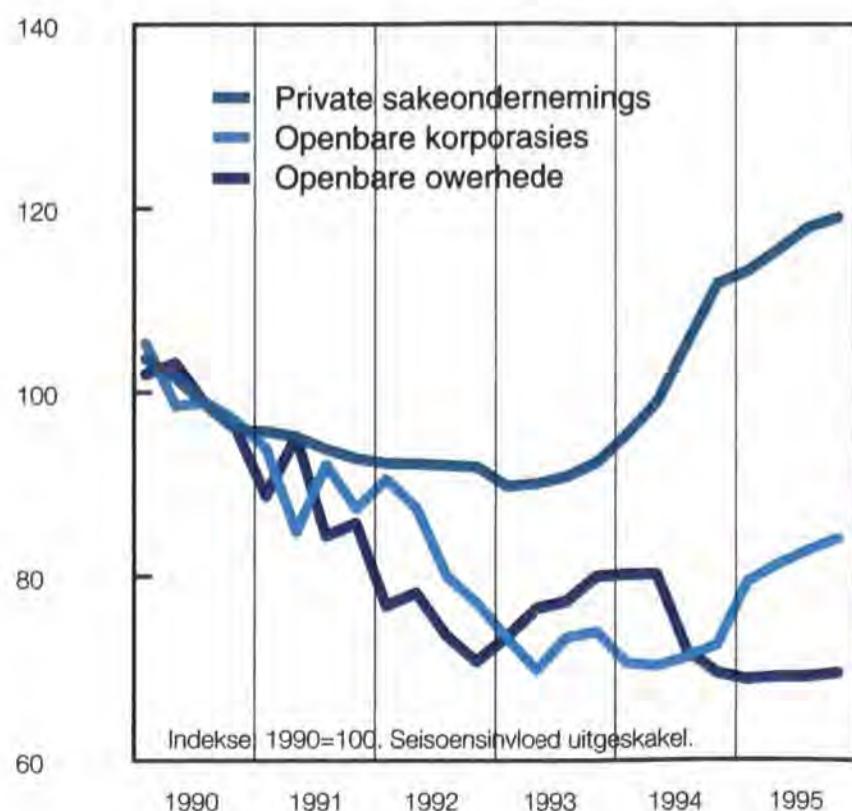
Die reële vaste investering in die private sektor was aanvanklik hoofsaaklik beperk tot kapitaalbesteding aan groot nuwe kapitaalprojekte, maar later het dit betreklik

wydverspreid voorgekom namate die ekonomiese herstel momentum begin kry het. Groot besteding is aangegaan vir die aankoop van voertuie en masjinerie en toerusting om verouderde produksietoerusting te vervang wat in die jare van sanksies teen die land vir langer tydperke as die normale ekonomiese leeftyd gebruik is. Verder het die hoër vlakke van die vraag en toenemende mededinging uit die buiteland die behoefte na modernisering en bykomende produksievermoë verhoog.

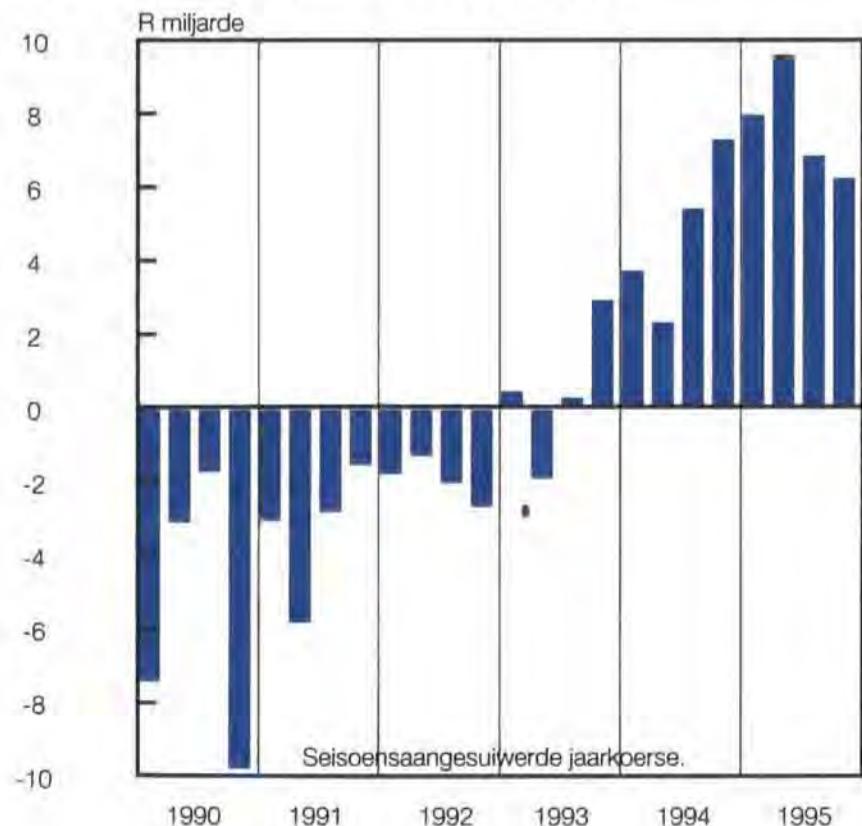
In die fabriekswesese sektor was die reële investering veral sterk; dit het in 1995 met nie minder nie as 21 persent gestyg. In die ander sektore het die groei in die reële bruto vaste investering tussen 5 persent in die geval van die landbou en ongeveer  $12\frac{1}{2}$  persent in die handelsektor gewissel. As gevolg van hierdie investering in die fabriekswese, het die toename in die mate van kapasiteitsbenutting in hierdie sektor in die tweede helfte van 1995 afgeplat. Teen 83,4 persent was die benutting van die produksievermoë in die derde kwartaal van 1995 nietemin naby aan die benuttingskoers van 84,1 persent wat by die vorige hoogtepunt van die konjunktuur in 1989 aangeteken is.

Na merkbare dalings in die voorafgaande vier jare, het die reële vaste kapitaalvorming deur die *openbare korporasies* in 1995 met 15 persent toegeneem. Dit was hoofsaaklik die gevolg van die uitbreiding van die elektrisiteitsnetwerk deur Eskom en die hoër besteding aan investering op masjinerie en vervoertoerusting deur Transnet. Die reële besteding aan vaste investering deur die *openbare owerhede* het in 1995 deurgaans traag

### Reële bruto binnelandse vaste investering



### Verandering in totale reële voorrade



gebly en benewens die plaaslike owerhede, het al die subsektore van die algemene owerheid negatiewe groei in vaste investering aangeteken.

Die opbouing van voorrade van die middel van 1993 het gedurende 1995 voortgeduur, maar die koers van voorraadopbouing het in die tweede helfte van die jaar iets verlangsaam. Vir die kalenderjaar 1995 het die voorraadopbouing ongeveer 1 persentasiepunt tot die groei in die bruto binnelandse produk bygedra. Die opbouing van voorrade het hoofsaaklik in die mynbou, fabriekswese en handel plaasgevind en is waarskynlik deur verwagtings van sterk stygings in verkope aangemoedig. As gevolg hiervan, het die verhouding van die nywerheids- en handelsvoorraade tot die bruto binnelandse produk buite die landbou tot 18 persent gestyg, vergeleke met 'n historiese laagtepunt van 16 persent in 1993.

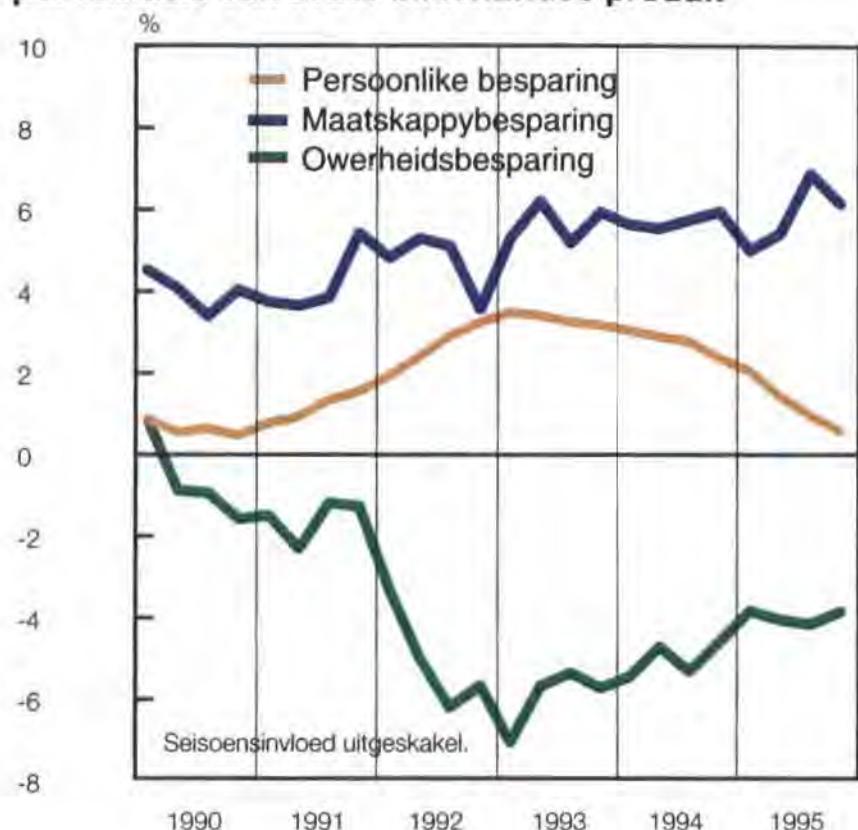
### Faktorinkome en besparing

Die totale *nominale faktorinkome* teen markpryse, wat in 1993 en 1994 teen 12½ persent gestyg het, het in 1995 weer teen dieselfde koers toegeneem. Hierdie bestendigheid in die groei van die nominale faktorinkome moet teen die agtergrond van dalende inflasie en die toename in die groei in die reële produksie beoordeel word. Die betreklik bestendige persentasietoename in die faktorinkome is boonop behaal terwyl die koers van toename in die totale nominale bruto bedryfsurplus van 13½ persent in 1993 en 1994 tot 12 persent in 1995 verlangsaam het vanweë dalings in die bedryfsurplusse van die landbou en die mynbou. In teenstelling hiermee, het die groei in die nominale bedryfsurplusse van die nie-primêre sektore van ongeveer 11½ persent in 1994 tot 17½ persent in 1995 versnel. Die toename in die totale vergoeding van werknemers het in 1995 11½ persent bedra, vergeleke met 'n gemiddelde toename van 10½ persent in die twee voorafgaande jare.

*Bruto binnelandse besparing* in verhouding tot die bruto binnelandse produk het van 17 persent in 1994 tot 16½ persent in 1995 gedaal, wat daarop dui dat die land meer afhanklik van buitelandse fondse geword het om binnelandse investering te finansier. Hierdie daling is aangeteken ondanks 'n afname in die netto ontsparing van die owerheid in verhouding tot die bruto binnelandse produk van 5 persent in 1994 tot 4 persent in 1995.

Die netto besparing van die private sektor het in 1995 verswak en die besparing deur huishoudings en die maatskappysektor in verhouding tot die bruto binnelandse produk het van 8½ persent in 1994 tot 7 persent in 1995 gedaal. Hierdie resultaat is verkry ondanks die styging in die besparing van die maatskappysektor van 5½ persent van die bruto binnelandse produk in 1994 tot ongeveer 6 persent in 1995. Die ooreenstemmende besparingsverhouding van huishoudings het egter oor dieselfde tydperk van 3 persent tot 1 persent gedaal. Die inkome van huishoudings is in 1995 nadelig deur die swak bruto boerderyinkomste getref, terwyl die groei in die besteding

### Komponente van binnelandse besparing as persentasie van bruto binnelandse produk

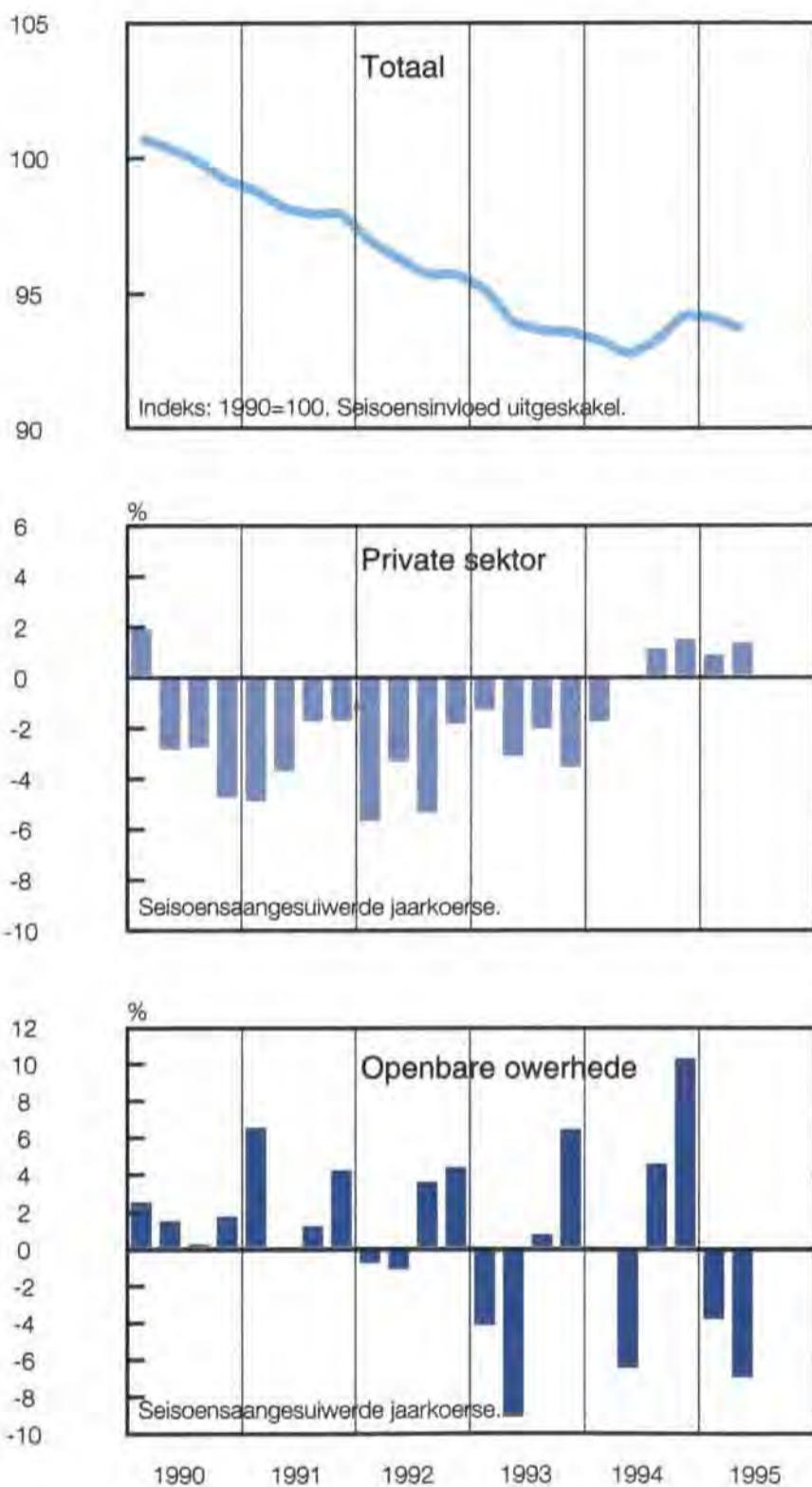


van huishoudings stewig gebly het. 'n Groot deel van die toename in besteding is met behulp van krediet gefinansier, wat die besparingskoers laat daal het en die verhouding van verbruikerskrediet tot persoonlike beskikbare inkome van 23 persent in 1994 tot 25½ persent in 1995 laat styg het.

### Werkverskaffing

Die oplewing in ekonomiese bedrywigheid het met 'n swak groei in die werkverskaffing gepaardgegaan, waarskynlik grotendeels as gevolg van die pogings van produsente om kostestygings in toom te hou en produksiedoeltreffendheid te verhoog. Die werkverskaffingsiklus het in die tweede kwartaal van 1994 eers 'n onderste draapunt bereik, met ander woorde ongeveer een jaar ná die begin van die ekonomiese oplewing. Selfs daarna was die groei in die werkverskaffing wisselvallig. Nadat die *totale werkverskaffing* in die sektore van die ekonomie buite die landbou vir negentien kalenderkwartale bykans ononderbroke gedaal het, het dit in die laaste twee kwartale van 1994 betreklik sterk teen seisoensaangesuiwerde jaarkoerse van 2,2 en 4,4 persent toegenem; dit het daarna in die eerste en tweede kwartaal van 1995 (die jongste kwartaal waarvoor inligting deur die Sentrale Statistiekdiens beskikbaar gestel is) weer teen seisoensaangesuiwerde jaarkoerse van 0,8 en 1,6 persent gedaal. Slegs sowat 12 000 werkgeleenthede is van die begin van die ekonomiese oplewing tot die tweede kwartaal van 1995 geskep.

## Werkverskaffing in nie-landbousektore



Die daling in die werkverskaffing in die eerste helfte van 1995 kon geheel en al aan 'n afname in die werkverskaffing deur die *openbare owerhede* toegeskryf word. Anders as die werkverskaffing in die private sektor, het die totale werkverskaffing deur die *openbare owerhede* bykans deur die hele resessie toegeneem. Pogings van die sentrale regering om toenames in sy lopende besteding in te kort, het daarná meegebring dat die werkverskaffing deur die *openbare owerhede* in 1993 met 1,2 persent gedaal het. Sedert die derde kwartaal van 1993 het die werkverskaffing in die *openbare sektor* weer geneig om toe te neem, maar sporadiese afnames het van tyd tot tyd voorgekom. In die eerste helfte van 1995 het die werkverskaffing deur die *openbare*

*owerhede* skerp gedaal vanweë 32 000 werkgeleenthede wat deur die provinsiale regerings afgeskaf is.

Die totale werkverskaffing in die *private sektor buite die landbou* het gedurende elk van die kalenderjare van 1990 tot 1994 afgeneem en eers vanaf die tweede helfte van 1994 tekens van 'n toename begin toon. Dit het daarna in die vier kwartale tot die tweede kwartaal van 1995 toegeneem teen seisoensaangesuiwerde jaarkoerse wat tussen ongeveer 1 en 1½ persent gewissel het. In hierdie vier kwartale is 40 000 netto werkgeleenthede in die private sektor geskep, teenoor 'n toename van bykans 350 000 persone in die ekonomies bedrywige bevolking.

## Arbeidskoste en produktiwiteit

Die koers van toename in die jaarlikse gemiddelde *nominale vergoeding per werker* in die sektore van die ekonomie buite die landbou het van 'n jongste hoogtepunt van 18,4 persent in 1989 tot 10,5 persent in 1993 en 12,0 persent in 1994 afgeneem. In die eerste ses maande van 1995 het die koers van toename van jaar tot jaar in die nominale salaris en lone per werker 11,1 persent bedra. Die laer stygings in lone was aanvanklik uitsluitlik die gevolg van 'n daling in die koers van toename in die nominale vergoeding per werker in diens van die *openbare owerhede* van 21,6 persent in 1989 tot 9,2 persent in 1993; dit het daarna egter in 1994 weer tot 14,9 persent gestyg, voordat dit teruggeval het tot slegs 4,9 persent in die eerste helfte van 1995 vergeleke met dieselfde tydperk in die voorafgaande jaar.

Teen ongeveer 15 persent in die tydperk 1989 tot 1992, was die koers van toename in die nominale vergoeding per werker in die *private sektor* gedurende die grootste deel van die jongste resessie betreklik onbuigsaam. Eers in 1993 het die loontoenames in die *private sektor* op die toenemende ooraanbod van arbeid begin reageer. Die koers van toename in die nominale vergoeding per werker in die *private sektor* het tot 11,2 persent in 1993 en tot 10,2 persent in 1994 gedaal. Die koers van toename van jaar tot jaar in die nominale vergoeding per werker in die *private sektor* het toe weer in die eerste helfte van 1995 tot 11,7 persent gestyg.

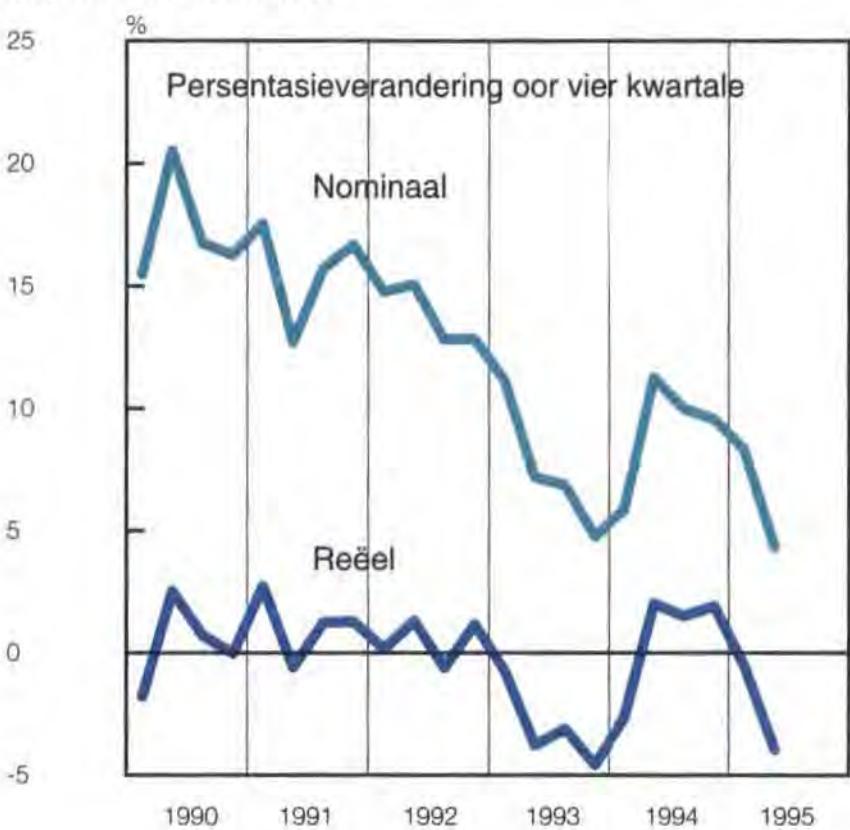
Sedert 1990 het die koers van toename in die vergoeding per werker die koers van toename in die prys van eindprodukte oorskry, behalwe vir 'n kort tydperk in 1993. Die koers van toename in die *reële vergoeding per werker* (soos gedefleer deur die prysdeflator vir die bruto binnelandse produk buite die landbou) het trouens van 0,4 persent in 1990 tot 1,7 persent in 1992 versnel. Nadat die *reële loon per werker* in 1993 effens met 0,3 persent gedaal het, het dit weer in 1994 teen 'n hoë 3,3 persent toegeneem. Die *reële loon per werker* was in die eerste helfte van 1995 0,5 persent hoër as in die ooreenstemmende tydperk van die voorafgaande jaar.

Die toename in die *reële arbeidsvergoeding* is in 'n mate deur 'n versterking in die arbeidsproduktiwiteit gesteun. Die koers van toename in die *arbeids-*

### Arbeidsproduktiwiteit en -vergoeding in nie-landbousektore



### Nominale en reële arbeidseenheidskoste in nie-landbousektore



produktiwiteit in die sektore van die ekonomie buite die landbou het van 0,4 persent in 1991 tot 2,8 persent in 1993 en 1994 gestyg; die koers van toename van jaar tot jaar het toe in die eerste helfte van 1995 min of meer op hierdie vlak gebly en 2,6 persent beloop. Hierdie toenames in produktiwiteit is egter behaal ten koste van dalende werkverskaffing. 'n Afname in die aantal mandaie wat weens stakings en ander werkstopsettings verlore gegaan het, het deels tot die produktiwiteitsgroei in 1995 bygedra.

Die koers van toename in die *nominale arbeidseenheidskoste* het van 17,3 persent in 1990 tot 7,4

persent in 1993 afgeneem – die laagstevlak sedert 1978. Die skerp opwaartse beweging in die nominale arbeidsvergoeding in 1994 het daarna aanleiding gegee tot 'n versnelling van die toename in die nominale arbeidseenheidskoste per eenheid fisiese produksie tot 9,1 persent in 1994. Die koers van toename van jaar tot jaar het toe weer in die eerste helfte van 1995 tot 6,3 persent gedaal. Hierdie stadiger groei het uiteraard deurslaggewend tot die afname in prysinflasie bygedra.

Die *reële arbeidseenheidskoste*, wat deur die grootste deel van die jongste resessie positief gebly het en in 1993 met 3,1 persent gedaal het, het weer in 1994 met 0,6 persent toegeneem. Hoë loontoenames het veroorsaak

**Tabel 3. Veranderings oor vier kwartale in arbeidsvergoeding, produktiwiteit en arbeidseenheidskoste in die sektore buite die landbou**

Percent

Tydperk	Reële vergoeding per werker	Arbeidsproduktiwiteit	Arbeidseenheidskoste	
			Nominaal	Reëel
1994: 1e kw .....	0,7	3,4	5,8	-2,6
2e kw .....	5,2	3,1	11,3	2,0
3e kw .....	4,0	2,5	10,0	1,5
4e kw .....	4,0	2,1	9,6	1,9
1995: 1e kw .....	2,2	2,4	8,3	-0,2
2e kw .....	-0,9	2,9	4,4	-3,6

dat die reële arbeidseenheidskoste onmiddellik na die begin van die oplewing in die ekonomiese bedrywigheid vanaf die derde kwartaal van 1993 gestyg het. Gedurende vorige opwaartse fases van die konjunkturgolf was daar gewoonlik 'n lang sloering tussen die toename in die bedrywigheid en die toename in die reële arbeidskoste per produksie-eenheid. Hierdie verandering in die konjunkturele patroon is waarskynlik 'n belangrike verklaring vir die swak reaksie van die formele werkverskaffing op die herstel in saketoestande. In die eerste helfte van 1995, was die reële arbeidseenheidskoste egter 2,1 persent laer as in die ooreenstemmende tydperk van die voorafgaande jaar.

### Pryse

Die laer toenames in die arbeidskoste per eenheid produksie was sedert 1993 'n belangrike bydraende faktor tot die daling in inflasie. Die volharding met 'n anti-inflasionêre monetêre beleid het in die tweede helfte van 1995 resultate begin lewer toe die koers van toename in sowel die produksie- as die verbruikerspryse begin afneem het. As gevolg hiervan het die inflasieverskil tussen Suid-Afrika en sy vernaamste handelsvennootlande van 13,2 persentasiepunte in Januarie 1992 tot 4,0 persentasiepunte in Oktober 1995 vernou.

Die verlangsaming in inflasie in die tweede helfte van 1995 is aangehelp deur laer toenames en selfs dalings in voedselprysse. Hierdie gedrag in die prys van produkte soos vars vleis, groente, vrugte, koffie en tee kon op hul beurt weer toegeskryf word aan ontwikkelings soos:

- die droogte in die land wat boere genoop het om die aanbod van lewende hawe vir slagting te verhoog;
- die verlaging van invoertariewe wat die aanbod van ingevoerde vleis teen mededingende prys verhoog het;
- 'n matige winter wat meegebring het dat groentepryse stadiger gestyg het, veral vergeleke met die voorafgaande jaar se skerp stygings vanweë die baie koue weerstoestande;
- hervormings in die bemarking van landbouprodukte wat die prys van hierdie produkte toegelaat het om die onderliggende vraag- en aanbodstoestande meer getrou te weerspieël; en
- 'n herstel van die internasionale aanbod van koffie wat meegebring het dat die koers van toename in koffiepryse verminder het.

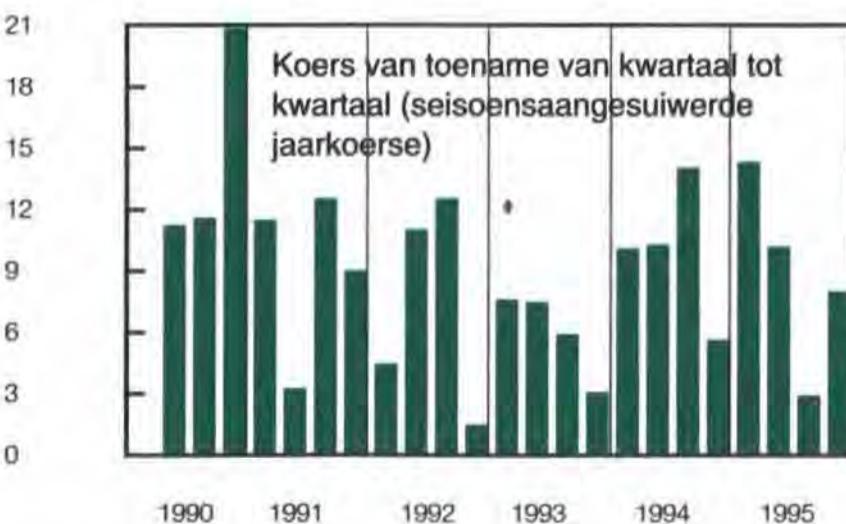
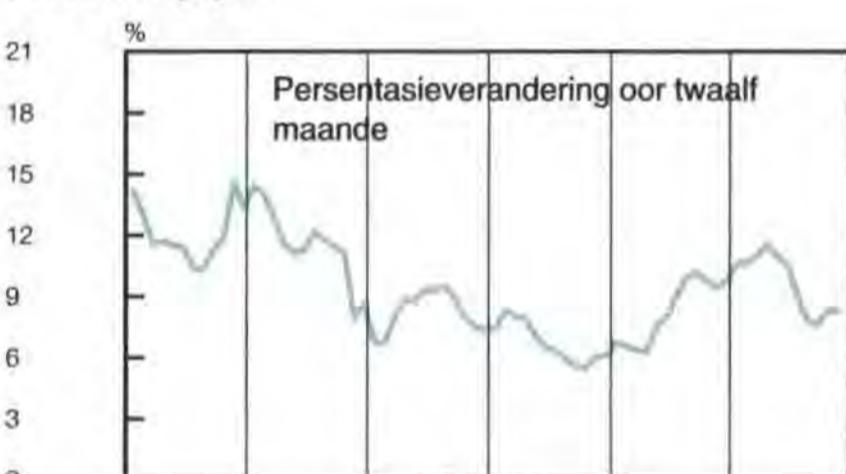
Hierbenewens het laer koers van toename in die prys van ingevoerde goedere ook 'n belangrike bydrae gelewer tot die laer inflasiekoerse. Hierdie faktor het nie net regstreeks bygedra tot die daling in die inflasiekoerse nie, maar het waarskynlik ook 'n belangrike onregstreekse uitwerking gehad omdat baie binnelandse produsente die gebruik van invoerpariteitsprysvasstelling volg. Die laer koers van toename in die prys van ingevoerde goedere vanaf April 1995, het verband gehou met 'n appresiasie in die buitelandse waarde van die rand sedert Mei, 'n algemene verlaging in invoertariewe in ooreenstemming met die bepalings van die multilaterale

handelsonderhandelings, en die finale afskaffing van die bo-belasting op ingevoerde goedere in Oktober 1995.

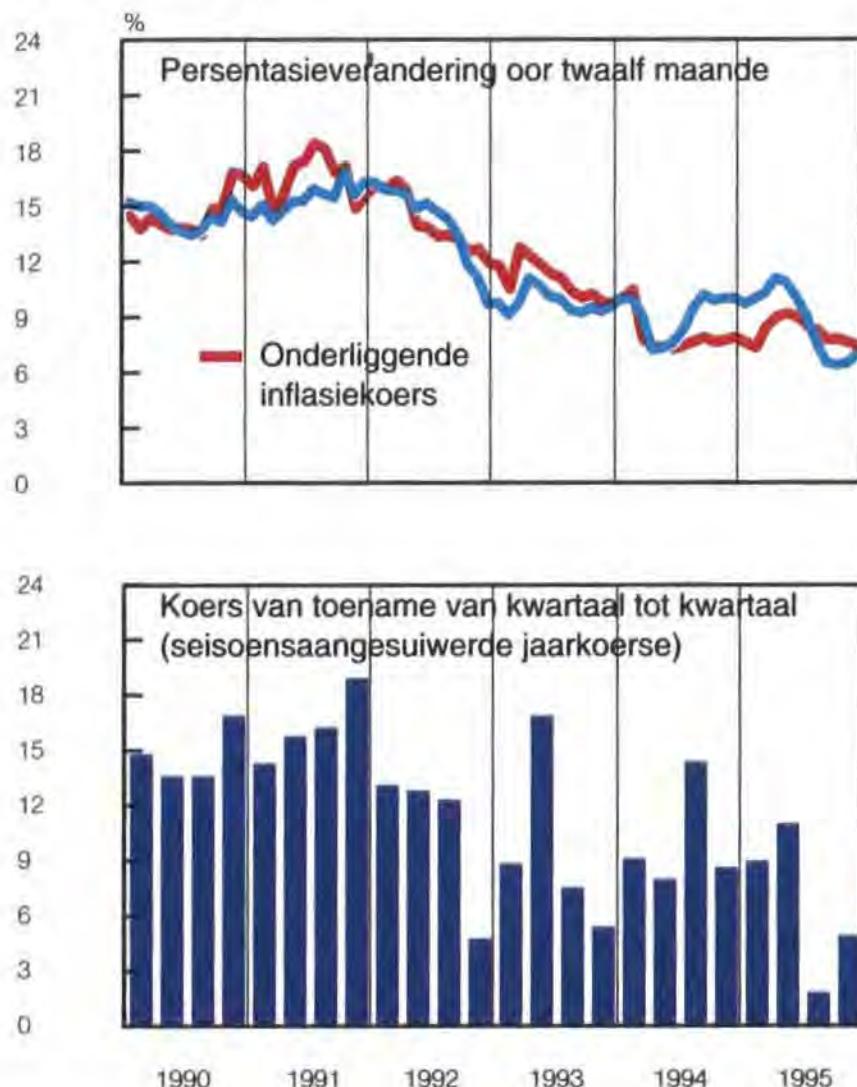
Die gemiddelde vlak van die prys van *ingevoerde goedere* het as gevolg van hierdie ontwikkelings van die tweede tot die derde kwartaal van 1995 teen 'n seisoensaangesuiwerde jaarkoers van 0,3 persent gedaal en toe in die vierde kwartaal van 1995 slegs matig teen 'n seisoensaangesuiwerde jaarkoers van 2,8 persent toegeneem. Hierdie veranderings kan vergelyk word met koers van toename van kwartaal tot kwartaal (seisoensaangesuiwerd en tot 'n jaarkoers verhef) van 12,7 en 12,6 persent in die eerste twee kwartale van 1995. Die koers van toename oor 'n tydperk van twaalf maande in die prys van ingevoerde goedere het per saldo van 'n hoogtepunt van 10,5 persent in April 1995 tot 5,8 persent in Desember gedaal.

Die koers van toename van kwartaal tot kwartaal in die prys van *binnelands geproduseerde goedere* het vanaf 'n seisoensaangesuiwerde jaarkoers van 13,4 persent in die eerste kwartaal van 1995 tot 2,8 persent in die derde kwartaal gedaal. In die daaropvolgende kwartaal het 'n betreklike skerp stygging in voedselprysse veroorsaak dat die koers van toename van kwartaal tot kwartaal in die prys van binnelands geproduseerde goedere weer tot 9,8 persent versnel het. Die koers van

### Produksiepryse



## Verbruikerspryse



toename oor 'n tydperk van twaalf maande in die pryse van binnelands geproduseerde goedere het ook van 'n jongste hoogtepunt van 11,7 persent in April 1995 tot 8,1 persent in Augustus afgeneem, maar toe weer tot 9,2 persent in Desember 1995 gestyg.

As gevolg van hierdie veranderings in sy twee komponente, het die koers van toename van kwartaal tot kwartaal in die *omvattende produksieprysindeks* (seisoensaangesuiwerd en teen 'n jaarkoers) van 13,2 persent in die eerste kwartaal van 1995 tot 2,7 persent in die derde kwartaal gedaal en daarna effens tot 7,9 persent in die vierde kwartaal gestyg. Die koers van toename oor 'n tydperk van twaalf maande in die *omvattende produksieprysindeks* het van 11,5 persent in April 1995 tot 7,6 persent in September gedaal, voordat dit weer tot 8,5 persent in Desember 1995 gestyg het. Ondanks hierdie jongste verbeterings in die produksiepryse, het die toename in die gemiddelde jaarlikse vlak van die *omvattende produksieprysindeks* van 8,2 persent in 1994 tot 9,6 persent in 1995 toegeneem.

In teenstelling met hierdie ontwikkelings in die produksiepryse, het die koers van toename in die *omvattende verbruikersprysindeks* ononderbroke van 'n hoogtepunt van 15,3 persent in 1991 tot 8,7 persent in

1995 gedaal – die laagste koers van toename sedert die 6,1 persent wat in 1972 aangeteken is. Die koers van toename van kwartaal tot kwartaal in die omvattende verbruikersprysindeks het sy laagste vlak sedert die tweede kwartaal van 1968 bereik toe dit in die derde kwartaal van 1995 tot 'n seisoensaangesuiwerde jaarkoers van 1,7 persent afgeneem het; dit het daarna in die vierde kwartaal weer tot 'n steeds lae 4,8 persent toegeneem.

Die koers van toename oor tydperke van twaalf maande in die omvattende verbruikersprysindeks het per saldo van 'n hoogtepunt van 11,0 persent in April 1995 tot 'n laagtepunt van 6,3 persent in Oktober gedaal. Soos reeds aangetoon is, was laer voedselprys 'n belangrike faktor in die verlaging van inflasie. Die onderliggende inflasiekoers (dit wil sê die verandering in die omvattende verbruikersprysindeks met uitsluiting van die pryse van voedsel en nie-alkoholiese drank, huiseienaarskoste en die belasting op toegevoegde waarde) het egter ook van 9,2 persent in Mei 1995 tot 7,8 persent in Oktober afgeneem. Die onderliggende inflasiekoers het toe verder tot 7,4 persent in Desember 1995 gedaal, terwyl die koers van toename in die omvattende verbruikersprysindeks tot 6,9 persent terugbeweeg het.

## Buitelandse handel en betalings

### Lopende rekening

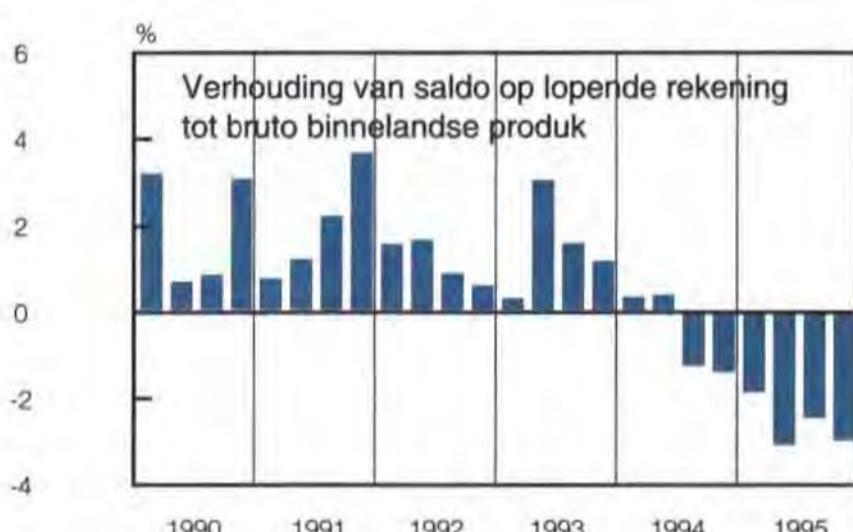
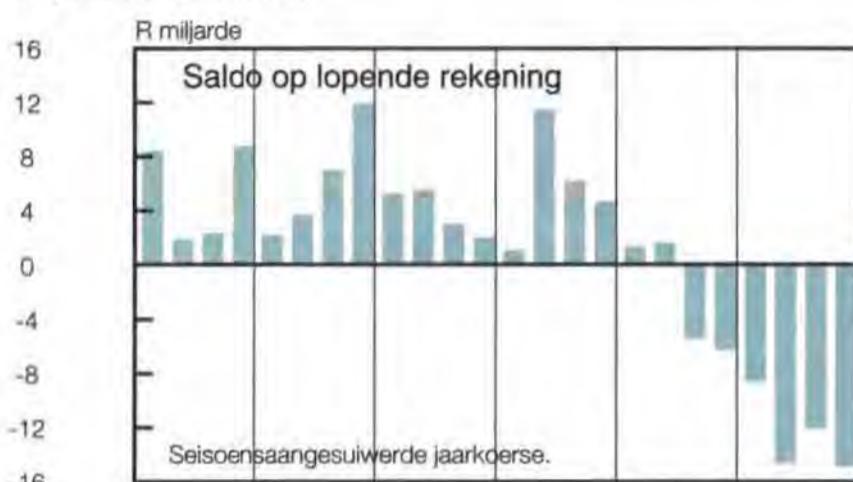
Die tekort op die lopende rekening van die betalingsbalans, wat in die tweede helfte van 1994 ontstaan het, het vinnig toegeneem van 'n seisoensaangesuiwerde jaarkoers van R6,4 miljard in die vierde kwartaal van 1994 tot R12,2 miljard in die derde kwartaal van 1995 en tot nie minder nie as R15,0 miljard in die vierde kwartaal. Die tekort vir 1995 in die geheel het R12,7 miljard of 2½ persent van die bruto binnelandse produk beloop; dit was opmerklik hoër as die tekort van R2,2 miljard of ½ persent van die bruto binnelandse produk in 1994.

'n Voortgesette sterk toename in die waarde van goedere-invoer wat die stygging in die vlak van goedere-uitvoer meer as geneutraliseer het, was hoofsaaklik vir die toenemend groter negatiewe saldo op die lopende rekening in 1995 verantwoordelik. Die opbrengs uit netto gouduitvoer het boonop gekrimp en netto dienste- en oordragbetalings aan nie-inwoners het bly toeneem.

Die waarde van goedere-invoer (seisoensaangesuiwerd en tot 'n jaarkoers verhef), het skerp opwaarts beweeg van R85,8 miljard in die vierde kwartaal van 1994 tot R101,4 miljard in die derde kwartaal van 1995, en daarna tot R100,2 miljard in die vierde kwartaal gedaal. Vir die volle kalenderjaar 1995 was die waarde van invoer 29 persent hoër as in die voorafgaande jaar. Hierdie aansienlike toename het hoofsaaklik met die fisiese omvang van invoer verband gehou: die hoeveelheid ingevoer het in die eerste nege maande van 1995 baie skerp toegeneem, met die gevolg dat die groei in 1995 op 20 persent te staan gekom het. Hoewel stygings in al die vernaamste kategorieë van invoer aangeteken is, is betekenisvolle toenames in masjinerie en elektriese toerusting, voertuie en vervoertoerusting, en mineraalprodukte geregistreer.

Invoerpryse het in die eerste helfte van 1995 teen 'n betreklik vinnige koers bly versnel en daarna in die tweede helfte effens gedaal. Die sterk buitelandse

### Lopende rekening



waarde van die rand en die betreklik lae inflasiekoerse in Suid-Afrika se vernaamste handelsvennootlande was die belangrikste faktore wat vir hierdie ommekteer in invoerpryse verantwoordelik was. Die gemiddelde vlak van invoerpryse was in 1995 nietemin 7½ persent hoër as in die voorafgaande jaar, wat bykans gelyk was aan die koers van toename van 8 persent in 1994.

Nadat die waarde van goedere-uitvoer (seisoensaangesuiwerd en tot 'n jaarkoers verhef) in 1994 skerp

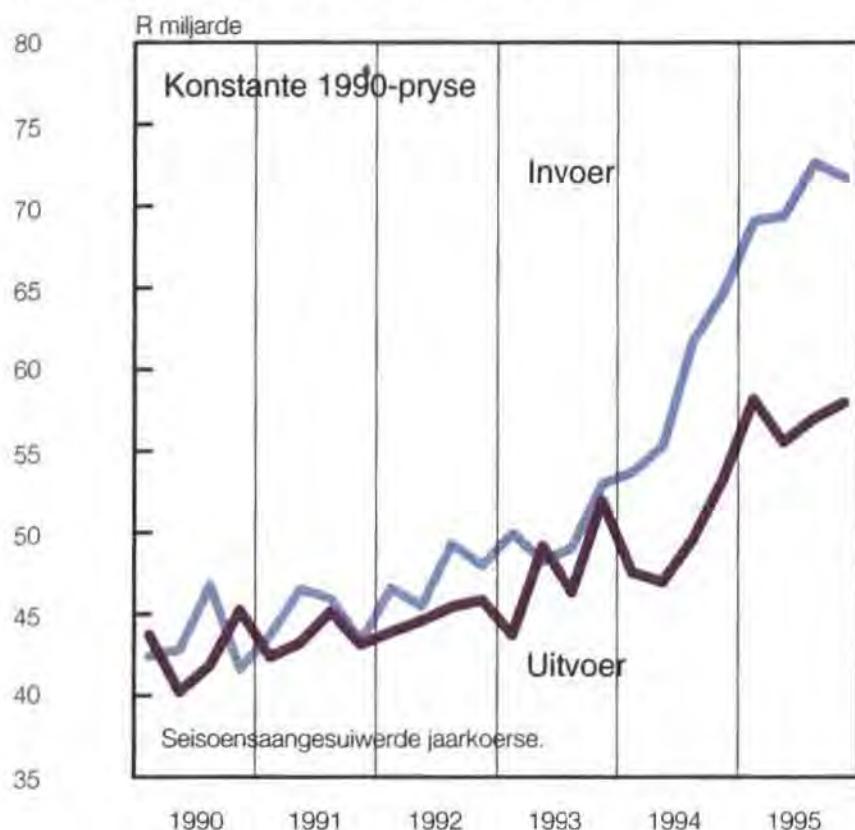
**Tabel 4. Lopende rekening van die betalingsbalans**

Seisoensaangesuiwerde jaarkoerse

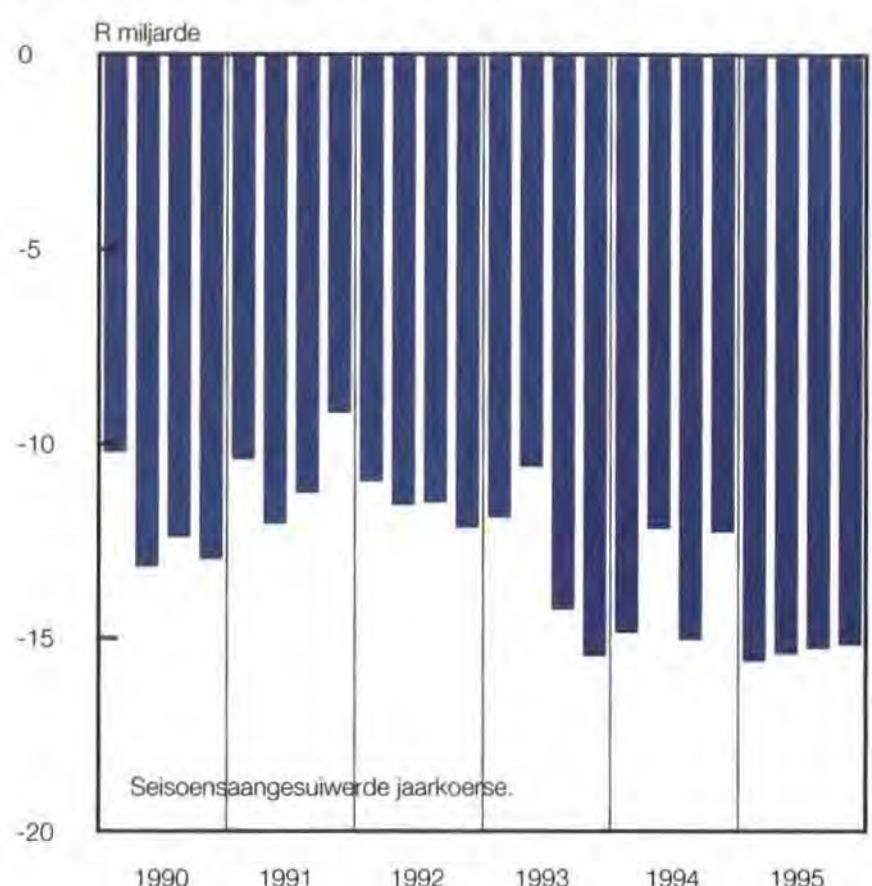
R miljarde

	1994				1995	
	Jaar	1e kw	2e kw	3e kw	4e kw	Jaar
Goedere-uitvoer.....	65,0	81,4	79,0	81,2	82,4	81,0
Netto gouduitvoer .....	22,6	20,0	19,3	23,3	18,0	20,2
Goedere-invoer.....	-76,3	-94,5	-97,7	-101,4	-100,2	-98,5
Netto dienste- en oordragbetalings .....	-13,5	-15,6	-15,4	-15,3	-15,2	-15,4
<b>Saldo op lopende rekening .....</b>	<b>-2,2</b>	<b>-8,7</b>	<b>-14,8</b>	<b>-12,2</b>	<b>-15,0</b>	<b>-12,7</b>

### Reële goedere-invoer en -uitvoer



### Netto dienste- en oordragbetalings



toegeneem het, het dit deurgaans in 1995 rondom 'n min of meer horizontale vlak gewissel. Die gemiddelde waarde van goedere-uitvoer was egter steeds 24½ persent hoër as die uitvoerverdienste in 1994. In die besonder het die uitvoer van vervaardigde goedere (chemiese produkte, masjinerie en elektriese toerusting, vervoertoerusting en papierprodukte) sowel as mynbouprodukte goed vertoon, terwyl die swak landbouthouerstande in daardie stadium die groei in die uitvoer van landbouprodukte belemmer het.

Sowel hoeveelheids- as prystoename het in 1995 tot die styging in die gemiddelde waarde van goedere-uitvoer bygedra. Die hoeveelhede van uitvoer het met 16 persent uitgebrei, wat aansienlik hoër as die toename van 3 persent in 1994 was. In verhouding tot die reële bruto binnelandse produk, het die goedere-uitvoer teen konstante prys van 17½ persent in 1994 tot 20 persent in 1995 gestyg; hierdie verhoudings was aansienlik hoër as die laagtepunt van 10½ persent in 1984. 'n Daling in internasionale grondstofpryse en die sterk internasionale waarde van die rand in die tweede helfte van 1995 het tot 'n afplatting in die opwaartse beweging in uitvoerpryse geleid. Uitvoerpryse het nogtans in 1995 met 7½ persent gestyg, nadat dit in 1994 met 11½ persent toegeneem het.

Die waarde van *netto gouduitvoer* het deurgaans in 1995 laag gebly, met die gevolg dat die goudverdienste in die jaar in die geheel met 11 persent gedaal het. Die hoeveelheid van netto gouduitvoer het in 1995 met 13½ persent teruggesak vanweë die swak prestasie in die binnelandse goudproduksie wat vroeër in meer

besonderhede beskryf is. Die gemiddelde vasstellingsprys van goud het van R1 363 per fyn ons in 1994 tot R1 393 per fyn ons in 1995 gestyg. Uitgedruk in VSA-dollars, het die gemiddelde goudprys in 1995 onveranderd op \$384 per fyn ons gebly. 'n Skerp styging in die beleggersvraag na goud het aan die begin van 1996 'n oplewing in die goudprys tot gevolg gehad, wat meegebring het dat die gemiddelde maandelikse goudprys in Januarie 1996 tot \$399 per fyn ons verstewig het.

Netto dienste- en oordragbetalings aan nie-inwoners het van R13,5 miljard in 1994 tot R15,4 miljard in 1995, of met 13 persent, gestyg. Hoër betalings vir vrag en versekering op invoer en rentebetalings op die skerp stygende buitelandse skuld was hoofsaaklik vir hierdie toename verantwoordelik. Hierdie hoër betalings is slegs deels teengewerk deur 'n toename in die ontvangste uit toerisme voortspruitend uit die groter aantal buitelanders wat Suid-Afrika in 1995 besoek het.

### Kapitaalrekening

'n Voortgesette groot totale *netto invloeiing van kapitaal* nie verwant aan reserwes nie is in die vierde kwartaal van 1995 op die kapitaalrekening van Suid-Afrika se betalingsbalans aangeteken. Die totale netto invloeiing van kapitaal nie verwant aan reserwes nie het boonop van R3,8 miljard in die derde kwartaal van 1995 tot R7,4 miljard in die vierde kwartaal toegeneem – die grootste kwartaallikse invloeiing wat aangeteken is sedert die ommekeer in kapitaalbewegings na afloop van die

**Tabel 5. Netto kapitaalbewegings nie verwant aan reserwes nie**

R miljarde

	1994		1995			Jaar
	Jaar	1e kw	2e kw	3e kw	4e kw	
Langtermynkapitaal						
Openbare owerhede.....	3,5	-0,1	1,5	-	0,2	1,6
Openbare korporasies .....	0,6	-0,4	-0,2	1,1	1,9	2,4
Private sektor .....	-0,6	1,0	2,4	1,7	3,4	8,5
<b>Totaal .....</b>	<b>3,5</b>	<b>0,5</b>	<b>3,7</b>	<b>2,8</b>	<b>5,5</b>	<b>12,5</b>
Korttermynkapitaal.....	1,9	5,0	1,3	1,0	1,9	9,2
<b>Totale kapitaal.....</b>	<b>5,4</b>	<b>5,5</b>	<b>5,0</b>	<b>3,8</b>	<b>7,4</b>	<b>21,7</b>

verkiesing van die Regering van Nasionale Eenheid. Vir die kalenderjaar 1995 in die geheel het die totale netto invloeiing van kapitaal gevvolglik R21,7 miljard beloop. Hierdie invloeiing het gevvolg op 'n netto invloeiing van R5,4 miljard in 1994. Die kumulatiewe netto invloeiing van kapitaal nie verwant aan reserwes nie het vanaf die middel van 1994 tot aan die einde van 1995 op R30,8 miljard te staan gekom, vergeleke met 'n netto uitvloeiing van kapitaal van R51,7 miljard vanaf die begin van 1985 tot die tweede kwartaal van 1994.

Die verbetering in die kapitaalrekening in 1995 was hoofsaaklik die gevolg van 'n netto invloeiing van langtermynkapitaal, dit wil sê kapitaal met 'n oorspronklike looptyd van langer as een jaar of met 'n onbepaalde looptyd. 'n Groot deel van die invloeiing van langtermynkapitaal het egter uit portefeuillebeleggings bestaan wat minder permanent en meer onbestendig kan wees. In 1995 was nie-inwoners netto aankopers van sekuriteite ten bedrae van R6,0 miljard in die formele en informele markte, wat bykans die helfte van die totale netto invloeiing van langtermynkapitaal van R12,5 miljard verteenwoordig het.

Verskeie faktore het tot die groot oorblywende en meer permanente deel van die invloeiing van langtermynkapitaal in 1995 bygedra, soos:

- Die omrolling van sommige van die land se vaste terugbetalingsverpligte op buitelandse skuld in die lig van die betreklik gunstige kredietgraderings wat die land ontvang het. Skuldverpligte wat in 1995 terugbetaalbaar was, het nie minder nie as R7,9 miljard beloop.
- Die plasing van verskeie effekte-uitgifte op die internasionale kapitaalmarkte gedurende 1995 deur die openbare owerhede, openbare korporasie en die banksektor wat in totaal op R4,1 miljard te staan gekom het; in die vierde kwartaal van 1995 het buitelandse fondse wat deur internasionale effekte-uitgifte verkry is, R1,8 miljard bedra.
- Sindikaatlénings wat eers deur die banksektor en later

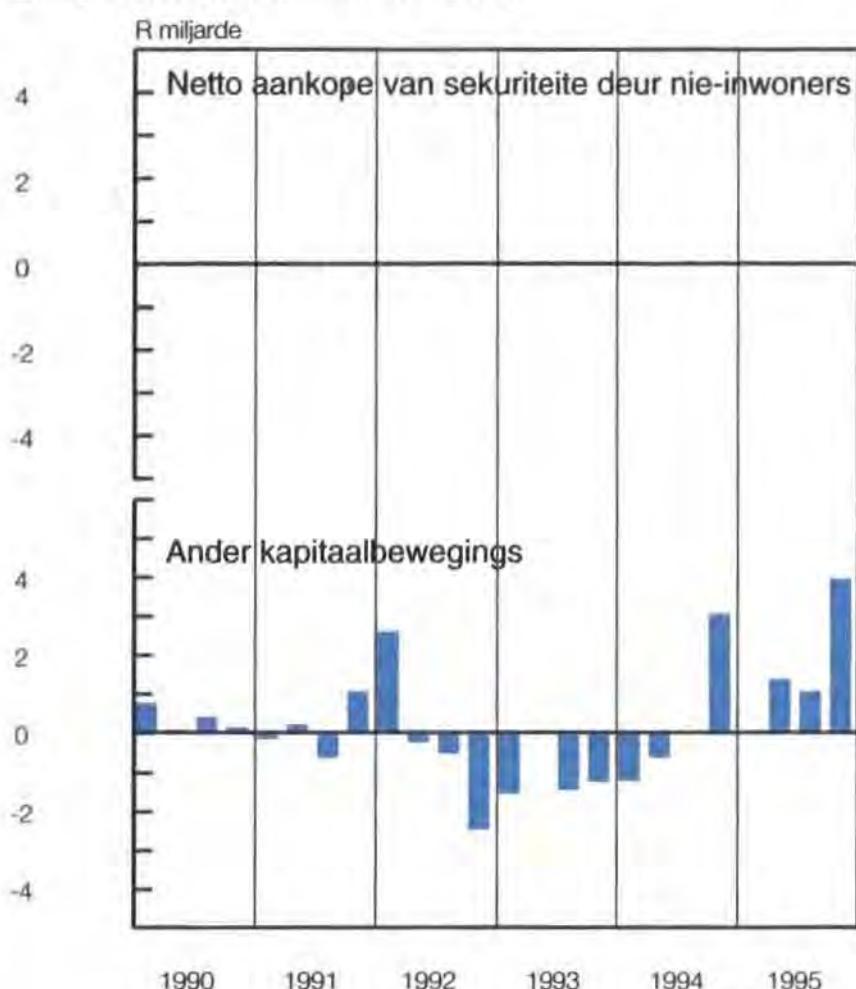
ook deur die openbare korporasies aangegaan is om binnelandse projekte te finansier. Die aflossingstruktuur van hierdie lenings het gedurende 1995 ook aansienlik langer geword. Aanvanklik was slegs sindikaatlénings van een jaar beskikbaar; sedert die vierde kwartaal van 1995 was Suid-Afrikaanse banke suksesvol met leningsonderhandelings vir 'n aflossingstermijn van drie jaar.

Netto korttermynkapitaalbewegings nie verwant aan reserwes nie, met inbegrip van onaangegetekende transaksies, het van 'n groot invloeiing van R5,0 miljard in die eerste kwartaal van 1995 tot 'n invloeiing van gemiddeld R1,4 miljard in die volgende drie kwartale gedaal. Hierdie kleiner invloeiing kon hoofsaaklik aan 'n afname in handelsverwante laste toegeskryf word. Suid-Afrikaanse banke het egter voortgegaan om aansienlik in die buiteland te leen om hul binnelandse kredietverlening te finansier. Afgesien van netto langtermynlenings van R1,3 miljard, het private banke in 1995 korttermynlaste ten bedrae van R9,0 miljard in die buiteland bekom. Hierdie vloeiinge was grotendeels vir die totale netto invloeiing van korttermynkapitaal van R9,2 miljard in die kalenderjaar 1995 verantwoordelik, vergeleke met R1,9 miljard in die voorafgaande jaar. In teenstelling met dié lening van korttermynfondse deur die banksektor, het die openbare owerhede en die private nie-banksektor netto terugbetaalings op hul buitelandse korttermynskuld gemaak.

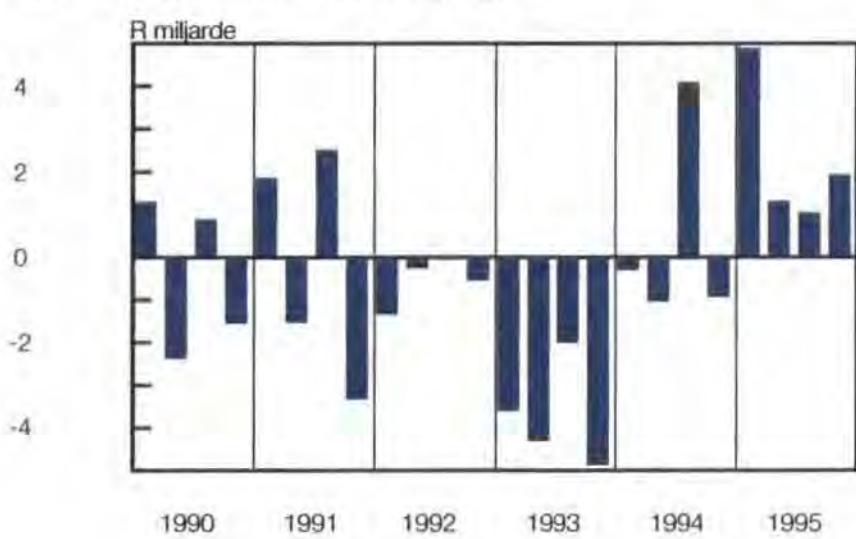
#### Buitelandse reserwes

Die aansienlike netto invloeiing van kapitaal in 1995 was meer as voldoende om die tekort op die lopende rekening van die betalingsbalans te finansier, met die gevolg dat die *netto goud- en ander buitelandse reserwes* gedurende die jaar met R9,1 miljard gestyg het. Verreweg die grootste kwartaallikse toename, naamlik R4,4 miljard, is in die vierde kwartaal van 1995 aangegetek. Die netto goud- en ander buitelandse reserwes van die Suid-Afrikaanse Reserwebank het egter in

## Langtermynkapitaalbewegings



## Korttermynkapitaalbewegings

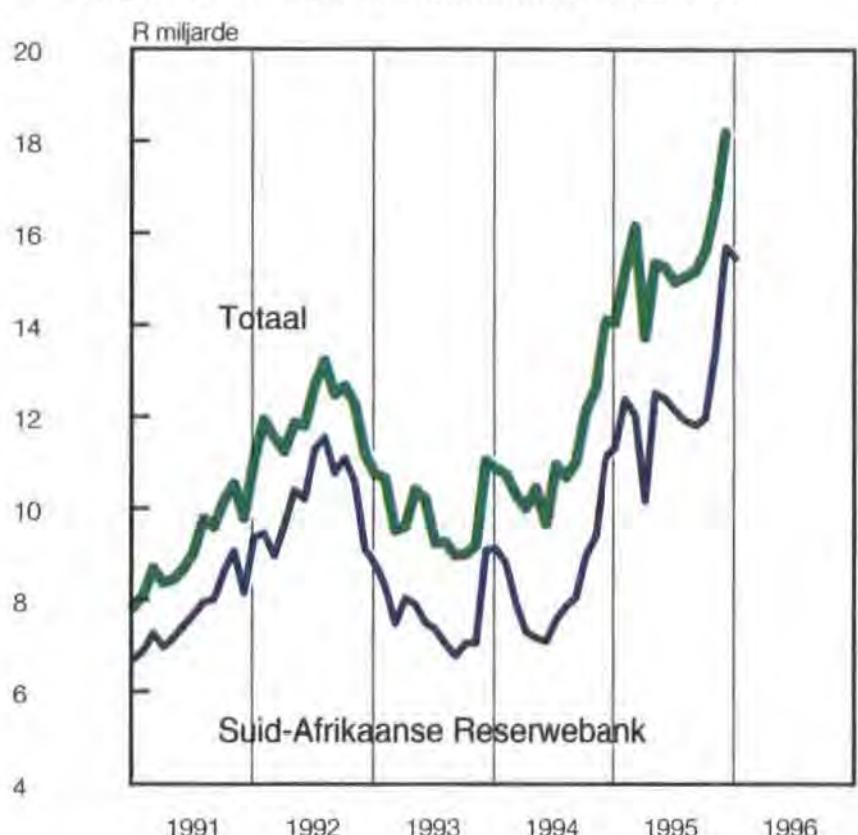


Januarie 1996 met R0,5 miljard gedaal.

Die betekenisvolle verbetering in die algehele betalingsbalansposisie het die Reserwebank in staat gestel om sy uitstaande reserwe-verwante laste in November 1995 ten volle terug te betaal; die uitstaande buitelandse lenings van die Bank het aan die einde van Desember 1994 R5,1 miljard beloop. Vanaf April 1994 het die Reserwebank nou lenings ter waarde van R8,5 miljard terugbetaal wat vroeër aangegaan is om die bruto buitelandse batebesit van die land aan te vul.

Suid-Afrika se totale bruto goud- en ander buitelandse reserwes het van R14,1 miljard aan die einde van

## Bruto goud- en ander buitelandse reserwes



1994 tot R15,2 miljard aan die einde van September 1995 en R18,2 miljard aan die einde van Desember 1995 gestyg. Na 'n toename van R2,2 miljard in Desember 1995, het die bruto buitelandse reserwes van die Reserwebank in Januarie 1996 met R229 miljoen afgeneem. Sonder om die kredietfasilitete van die monetêre owerheid in aanmerking te neem, was die totale buitelandse reserwes van die land aan die einde van Desember 1995 gelykstaande aan sewe weke se invoer van goedere en dienste.

## Mark in buitelandse valuta

Die algemene bestendigheid in die internasionale mark in buitelandse valuta was waarskynlik hoofsaaklik verantwoordelik vir die klein daling in die netto daagliks omset (bruto syfers aangepas vir dubbeltelting na aanleiding van binnelandse interbanksake) in buitelandse valuta in Suid-Afrika van \$5,2 miljard in die derde kwartaal van 1995 tot \$5,0 miljard in die vierde kwartaal. Veral die omset in termyndekking het oor hierdie tydperk verminder, terwyl die omset in kontanttransaksies matig gestyg het.

Nadat die nominale effektiewe wisselkoers van die rand in die eerste vyf maande van 1995 met 7,6 persent gedaal het, het dit tot aan die einde van Desember 1995 met 4,4 persent gestyg. Hierdie stygging het die daling in die geweegde gemiddelde waarde van die rand in 1995 op 3,6 persent te staan gebring; dit was aansienlik minder as die daling van 8,5 persent in die kalenderjaar 1994. In Januarie 1996 het die nominale effektiewe wis-

**Tabel 6. Veranderings in die wisselkoerse van die rand**

Percent

	31 Des 1994 tot 31 Mei 1995	31 Mei 1995 tot 31 Des 1995	31 Des 1994 tot 31 Des 1995	31 Des 1995 tot 31 Jan 1996
Geweegde				
gemiddelde .....	-7,6	4,4	-3,6	1,4
VSA-dollar.....	-3,3	0,5	-2,9	-0,1
Britse pond .....	-6,0	4,1	-2,1	2,6
Duitse mark.....	-13,3	3,8	-10,0	3,5
Japanse yen.....	-19,4	24,4	0,2	3,7
Nederlandse				
gulden.....	-13,3	3,8	-10,1	3,5
Italiaanse lira.....	-4,0	-1,5	-5,4	0,7

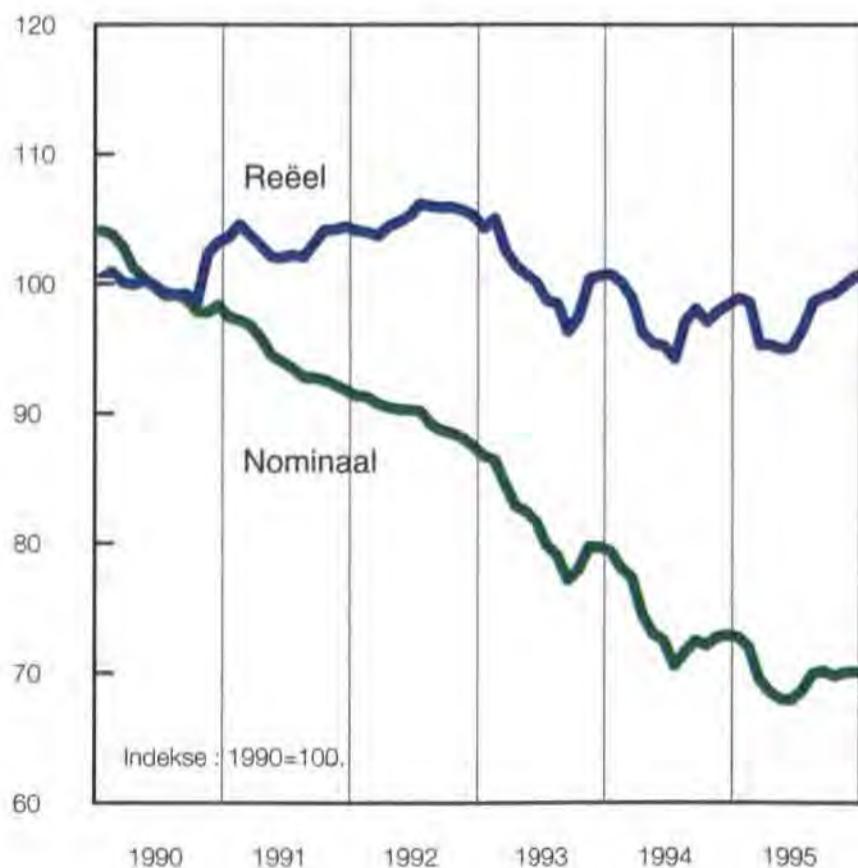
selkoers van die rand verder met 1,4 persent toegeneem.

Soos in die bygaande tabel aangetoon word, het die rand in 1995 teenoor al die vernaamste geldeenhede, met die uitsondering van die Japanse yen, gedepresieer. Groot depresiasies is in die besonder teenoor die Duitse mark en Nederlandse gulden aangeteken.

Die toename in die nominale effektiewe wisselkoers

van die rand en die kleiner inflasiedifferensiaal tussen Suid-Afrika en sy vernaamste handelsvennootlande, het 'n toename van 5,3 persent in die *reële effektiewe wisselkoers* van die rand van Mei 1995 tot Desember tot gevolg gehad. Aan die einde van Desember 1995 was die reële effektiewe wisselkoers van die rand gevölglik 1,5 persent hoër as die vlak aan die einde van 1994.

#### Effektiewe wisselkoerse van die rand



## Monetêre ontwikkelings, rentekoerse en finansiële markte

### Geldvoorraad

Die koers van toename oor twaalf maande in die *omvattend gedefinieerde geldvoorraad (M3)*, wat in Julie 1994 'n boonste draapunt van 16,9 persent bereik het, het in Februarie 1995 tot 11,8 persent gedaal en in Junie tot 16,8 persent gestyg voordat dit in November tot 13,8 persent afgeneem het. In Desember 1995 het dit skerp tot 15,1 persent gestyg. Die betreklik vinnige groei in die geldvoorraad gedurende 1995 was hoofsaaklik vraaggedreve, wat die hoër vlak van ekonomiese bedrywigheid en toenames in besteding aan verbruik, investering en voorraadopbouing weerspieël het. Die likwiditeitsvoordeur van die private sektor het gedurende dieselfde tydperk gestyg, onder ander as gevolg van verwagte rentekoersveranderings en in afwagting van groot aanpassings in die aandele- en effektemark.

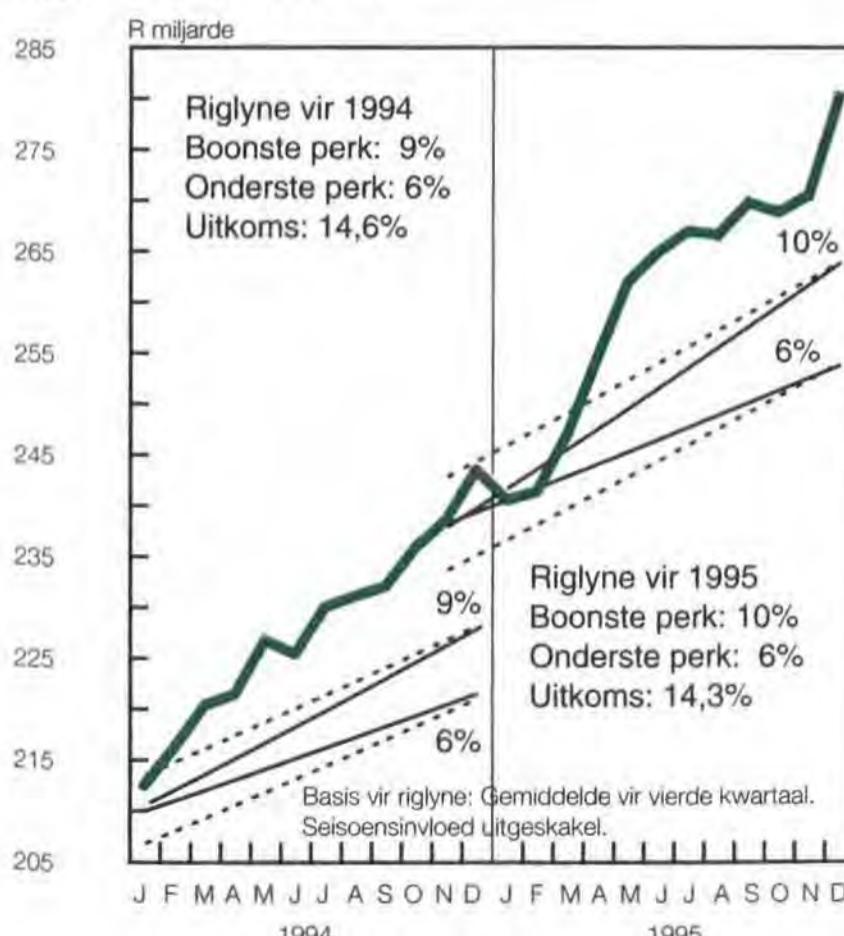
Die groei in M3 van kwartaal tot kwartaal teen seisoensaangesuiwerde jaarkoerse het in die tweede kwartaal van 1995 'n hoogtepunt van 27,3 persent bereik en daarna tot 15,5 persent in die derde kwartaal en 6,9 persent in die vierde kwartaal afgeneem. Hierdie laer groei is aangeteken terwyl die reële ekonomiese bedrywigheid ietwat versnel het en het waarskynlik gedui op 'n afname in die ware likwiditeitsvoordeur, vanweë die skerp styging in die aandele- en effektepryse in die

tweede helfte van die jaar. Die gaping tussen banke se deposito- en uitleenkoerse het ook gedurende hierdie tydperk vergroot, wat bevorderlik vir disintermediasieprakteke en 'n verlangsaming in monetêre groei is.

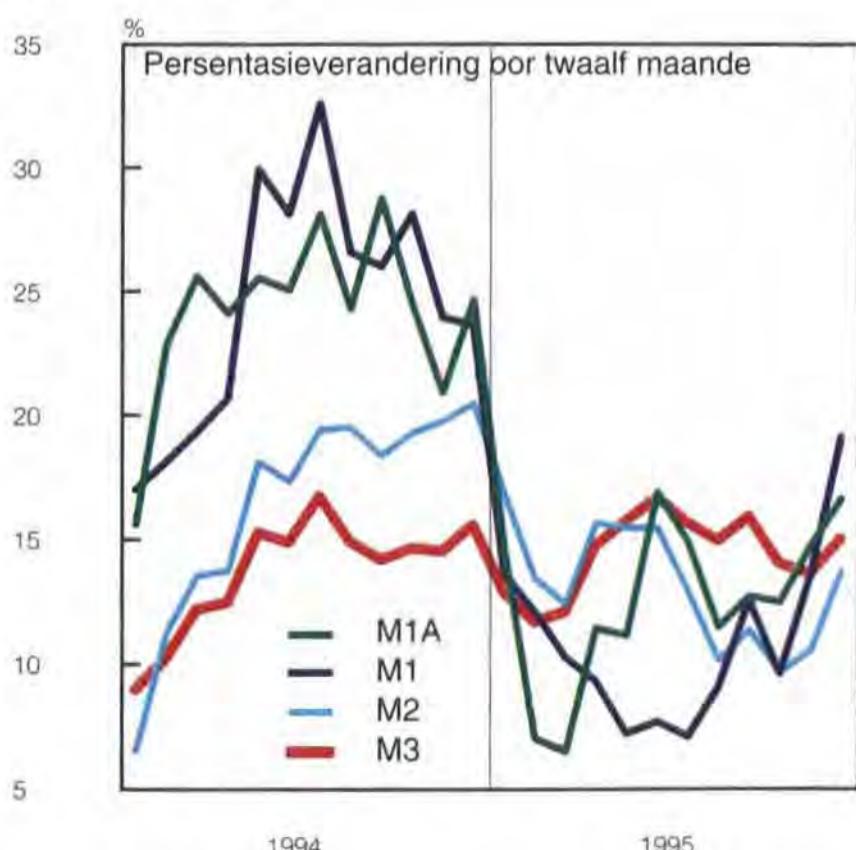
Die groei in die geldvoorraad gedurende 1995 het nietemin die *monetêre riglyne* vir die tweede agtereenvolgende jaar oorskry. Gedurende die riglynjaar 1994 het die groeikoers in M3 van die vierde kwartaal van 1993 tot die vierde kwartaal van 1994 14,6 persent beloop, teenoor die riglyngebied van slegs 6 tot 9 persent. Nadat die maandelikse waardes van M3 in die eerste twee maande van 1995 binne die riglyngebied gebly het, het dit die ooreenstemmende waardes van die boonste perk van die riglyngebied sedert Maart 1995 herhaaldelik oorskry. Die groei in die kwartaallikse gemiddelde waarde van die omvattend gedefinieerde geldvoorraad van die vierde kwartaal van 1994 tot die vierde kwartaal van 1995 het uiteindelik op 14,3 persent te staan gekom; dit was aansienlik hoër as die boonste perk van die riglyngebied van 6 tot 10 persent.

Soos in die bygaande grafiek getoon word, het die groeikoerse oor twaalf maande in die *eng gedefinieerde monetêre totale* oor die algemeen dieselfde patroon as die ooreenstemmende koerse van toename in M3 getoon. Die groeikoerse in die *eng gedefinieerde totale* het egter meer gewissel en was oor die algemeen hoër as dié van M3 in 1994 en die eerste drie maande van 1995. Hierdie hoë groeikoerse was in daardie stadium waarskynlik 'n weerspieëling van die likwiditeitsvoordeur van deposante in die private sektor as gevolg van verwagte stygings in rentekoerse. Sedert die middel van

### Riglyne vir groei in M3



### Monetêre totale



1995 het die koerse van toename oor twaalf maande in die enger monetêre totale, met die uitsondering van M1, oor die algemeen met dié van M3 ooreengestem, maar dit was aansienlik laer. Die betreklik vinniger groei in M3 as in die enger monetêre totale gedurende hierdie tydperk was die resultaat van 'n verskuiwing van onmiddellik opeisbare deposito's na ander kort- en middeltermyndeposito's en langtermyndeposito's by die monetêre sektor, veral toe verwagtings van 'n afname in langertermynrentekoerse ontstaan het.

In 'n rekeningkundige of statistiese sin was die teenhangers van die toename van R37,0 miljard in M3 gedurende 1995 soos volg:

	R miljarde
Netto buitelandse bates .....	-
Netto goud- en buitelandse valuta-reserwes.....	9,1
Netto ander buitelandse bates .....	-9,1
Netto eise teen die regeringsektor .....	-9,7
Bruto eise .....	-0,1
Regeringsdeposito's .....	9,6
Eise teen die private sektor .....	47,1
Netto ander bates en laste .....	-0,4
<b>Toename in M3 .....</b>	<b>37,0</b>

### Kredietverlening

Die groei oor twaalf maande in die *totale binnelandse kredietverlening* deur die monetêre sektor het van 19,9 persent in Desember 1994 tot 11,0 persent in November 1995 gedaal, maar weer tot 13,2 persent in Desember

gestyg. Hierdie laer koers van toename in kredietverlening was hoofsaaklik die gevolg van 'n inkrimping in die netto eise van monetêre instellings teen die regeringsektor vanweë 'n skerp styging in regeringsdeposito's by banke. Die netto kredietverlening aan die regeringsektor het veral gedurende die tweede helfte van 1995 skerp gedaal.

Die koers van toename oor twaalf maande in die *kredietverlening aan die private sektor* deur monetêre instellings het van 'n reeds hoë 17,0 persent in Desember 1994 tot 'n hoogtepunt van 19,5 persent in Junie 1995 gestyg; dit het daarna effens teruggesak tot onderskeidelik 16,7 persent en 17,5 persent in November en Desember. Hierdie maandelikse groeikoerse het die koers van toename oor twaalf maande in die verbruikersprysindeks sedert Maart 1994 oorskry, wat daarop duï dat kredietverlening reëel gesproke voortdurend positief was. Die koers van toename oor twaalf maande in reële kredietverlening aan die private sektor het egter in die jongste tyd van 10,9 persent in September 1995 tot 9,9 persent in Desember 1995 verminder. Die groei van kwartaal tot kwartaal (teen seisoensaangesuiwerde jaarkoerse) het ook afgeneem, te wete van 21,3 persent in die tweede kwartaal van 1995 tot 14,1 persent in die vierde kwartaal.

'n Ontleding van die monetêre instellings se eise teen die private sektor volgens soort *krediet* toon dat die groeikoers oor twaalf maande in die belangrikste kategorieë van kredietverlening in 1995 aansienlik gewissel het. Die volgende vernaamste neigings was waarneembaar:

- die groei in verbandvoorskotte het in die tweede helfte van die jaar begin afneem;
- afbetaalingsverkope het steeds teen buitengewoon hoë koerse toegeneem;
- bruikhuurfinansiering het in die tweede helfte van die jaar begin om vinnig uit te brei as gevolg van lewendige verkope van nuwe motorvoertuie;
- die groei in beleggings en wissels wat verdiskonter is, het tot betreklik lae koerse gekrimp; en
- die koers van toename in "ander lenings en voorskotte", wat in die eerste helfte van die jaar versnel het, het in die laaste ses maande verlangsaam.

In absolute terme is kredietverlening deur monetêre instellings aan die private sektor gedurende 1995 deur verbandvoorskotte en "ander lenings en voorskotte" oorheers. Hierdie twee kredietinstrumente het R34,3 miljard of ongeveer 73 persent tot die totale toename van R47,1 miljard in kredietverlening aan die private sektor bygedra.

Kredietverlening deur monetêre instellings aan *huishoudings* het in 1995 met R26,0 miljard of 18,7 persent gestyg. Die koers van toename oor twaalf maande in die kredietverlening aan huishoudings het van 14,7 persent in Desember 1994 tot 18,7 persent in Desember 1995 toegeneem. Verbandvoorskotte het die vernaamste soort krediet aan huishoudings gebly en aan

### Kredietverlening deur monetêre instellings



**Tabel 7. Persentasieverandering oor twaalf maande in kredietverlening aan die private sektor volgens vernaamste soort krediet**

	1994		1995		
	Des	Mrt	Jun	Sept	Des
Verbandvoorskotte	17,9	19,6	19,5	18,9	17,7
Afbetalingsverkope	27,6	25,4	27,8	28,1	27,2
Bruikhuurfinansiering	7,2	7,9	13,8	17,8	16,6
Beleggings en wissels					
verdiskonterer.....	28,0	33,6	27,0	4,1	11,1
Ander lenings en voorskotte.....	12,8	12,2	16,7	16,6	15,6
<b>Totaal.....</b>	<b>17,0</b>	<b>17,6</b>	<b>19,5</b>	<b>18,0</b>	<b>17,5</b>
Totale reële kredietverlening	6,5	6,7	8,6	10,9	9,9

die einde van 1995 was 66 persent van die uitstaande krediet aan huishoudings deur verbande beskerm.

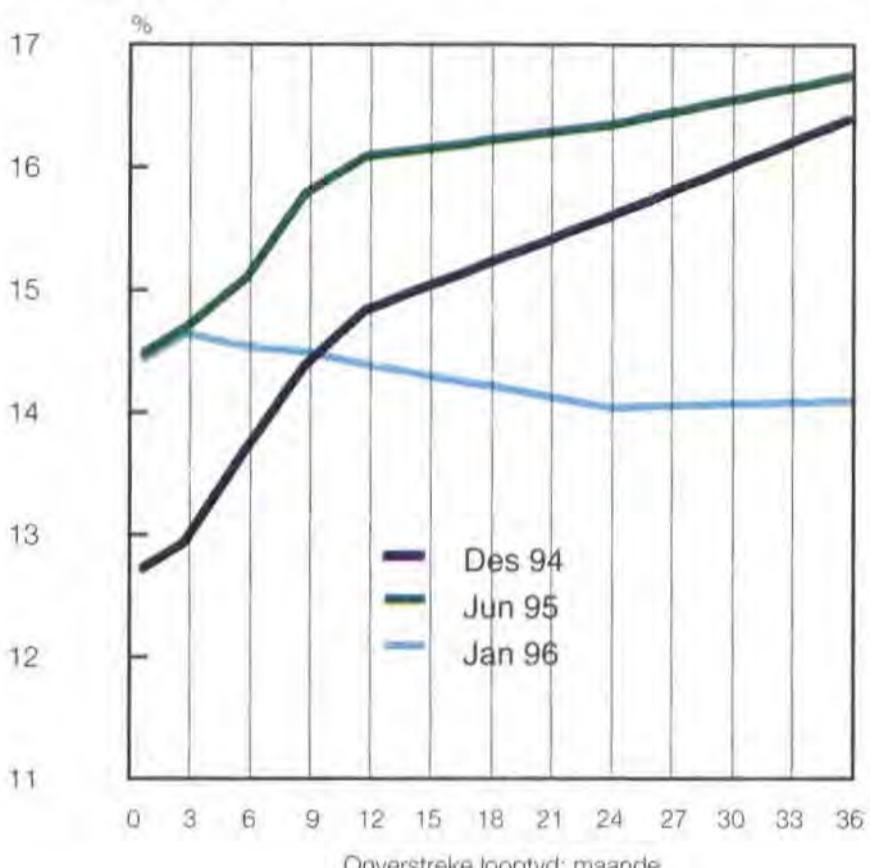
Die koers van toename oor twaalf maande in kredietverlening deur monetêre instellings aan die *private sakesektor* het van 17,1 persent in Desember 1994 tot 14,8 persent in Maart 1995 afgeneem, voordat dit weer tot 17,1 persent in Desember 1995 versnel het. Met die uitsondering van oortrokke rekeninge, het alle soorte krediet tot die vinniger groei in krediet aan private ondernemings bygedra.

#### Rente- en opbrengskoerse

Geldmarkrentekoerse, wat gedurende 1994 begin styg het, het in die eerste ses maande van 1995 aansienlik verstewig en gedurende die laaste helfte van die jaar betreklik hoog gebleef. Gedurende Januarie 1996 het hierdie koerse oor die algemeen afwaarts begin beweeg. Die koers op bankaksepte met 'n looptyd van drie maande het byvoorbeeld van 12,50 persent aan die einde van Desember 1994 tot 14,20 persent aan die einde van Junie 1995 en tot 14,60 persent aan die einde van Desember 1995 gestyg; dit het daná tot 14,10 persent aan die einde van Januarie 1996 versag. Die tenderkoers op skatkiswissels van drie maande het insgelyks skerp gestyg van 12,69 persent aan die einde van 1994 tot 14,07 persent aan die einde van Junie 1995; dit het daná opwaarts geneig tot 14,22 persent aan die einde van Desember 1995 voordat dit tot 13,93 persent aan die einde van Januarie 1996 verminder het.

Hierdie bewegings in geldmarkrentekoerse gedurende 1995 is ook deur die termynstruktuur van verhandelbare depositosertifikate weerspieël (sien grafiek). Die opbrengskoerse op verhandelbare depositosertifikate met 'n onverstreke looptyd van tot ses maande, het in die loop van 1995 skerp opwaarts

**Opbrengskoerskrommes vir verhandelbare depositosertifikate**

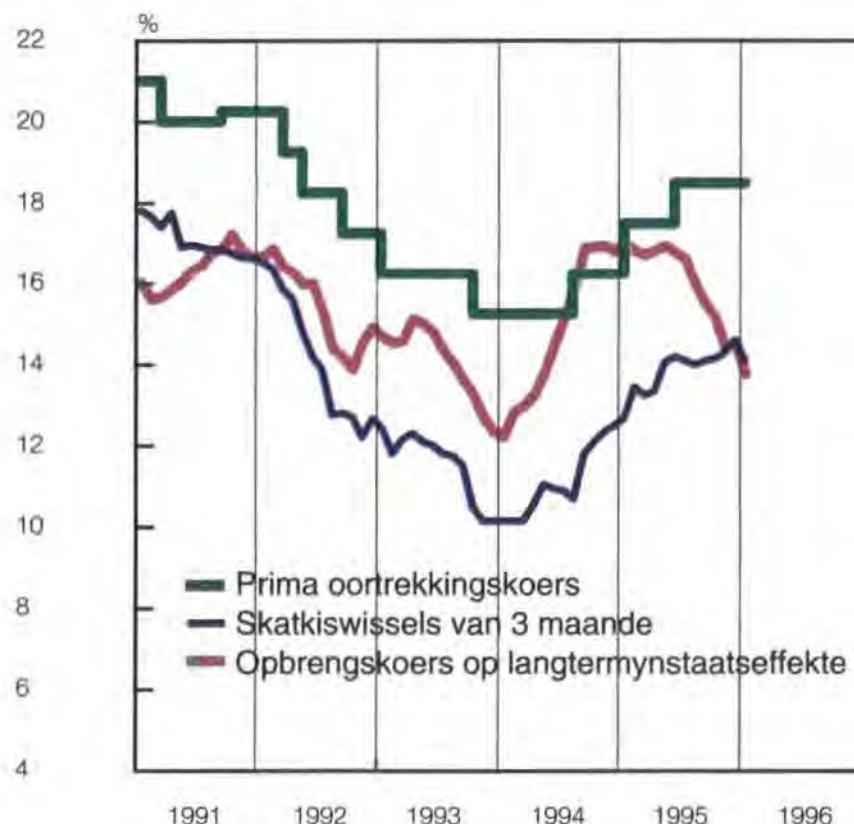


beweeg. In teenstelling met hierdie bewegings, het die opbrengskoerse op verhandelbare depositosertifikate met 'n onverstreke looptyd van twaalf maande en langer in die tweede helfte van 1995 afwaarts begin beweeg. Gevolglik het die opbrengskoerskromme van verhandelbare depositosertifikate negatief begin verloop, wat moontlik op 'n verwagte afname in geldmarkkoerse du.

Die struktuur van langertermynrentekoerse, soos omvat in die opbrengskoerskromme van staatseffekte, het ook in die loop van 1995 aansienlik verander. In Junie 1995 was langtermynopbrengskoerse aansienlik hoër as kortertermynopbrengskoerse, maar in die tweede helfte van die jaar het langtermynopbrengskoerse vinniger as kortertermynopbrengskoerse gedaal. Die opbrengskoerskromme aan die einde van Oktober 1995 was gevoglik nie net merkbaar laer as in Junie 1995 nie, maar ook redelik horisontaal. Opbrengskoerse op effekte oor die hele aflossingspektrum het van November 1995 selfs laer beweeg.

Die gemiddelde maandelikse opbrengskoers op langtermynstaatseffekte het aanvanklik geleidelik van 'n hoogtepunt van 17,02 persent in Januarie 1995 tot 16,62 persent in Julie 1995 verlangsaam, voordat dit skerp tot 13,77 persent in Januarie 1996 gedaal het. Verskeie faktore het waarskynlik tot die daling in opbrengskoerse op die kapitaalmark gedurende hierdie tydperk bygedra, met inbegrip van beduidende afwaartse aanpassings in inflasieverwagtings; 'n toename in binnelandse likwiditeit as gevolg van groot kapitaalinvloeiinge vanaf die buiteland; 'n betreklike klein vraag na fondse in die

## Rente- en opbrengskoerse



binnelandse kapitaalmark; en afnames in internasionale langtermynopbrengskoerse. Ondanks hierdie afname in nominale opbrengskoerse, was die gemiddelde maandelikse reële opbrengskoers op langtermynstaatseffekte van 7,2 persent in Desember 1995 vergelykenderwys steeds hoog.

Die ander leen- en uitleenkoerse het sedert Julie 1995 betreklik bestendig gebly. Die koers op prima-oortrekings en die oorheersende koers op verbandlenings van banke is op hul onderskeie vlakke van 18,50 en 18,25 persent gehandhaaf. Die oorheersende koers op vaste deposito's van twaalf maande by banke is in November 1995 met 0,5 persentasiepunte tot 14,0 persent verlaag vanweë ruimer marktoestande. Dit het die marge tussen die prima uitleenkoerse en die koerse op deposito's van twaalf maande tot 4,5 persent verhoog. Die voorbelaste reële opbrengskoerse (dit wil sê nominale koerse aangepas vir die styging in die verbruikersprysindeks oor twaalf maande) op deposito's van twaalf maande en verbandlenings het in Desember 1995 6,6 en 10,6 persent bedraa.

Die maksimum toelaatbare finansieringskostekoerse, soos dit ingevolge die Woekerwet vasgestel word, is gedurende 1995 met drie persentasiepunte verhoog. Aan die einde van 1995 het hierdie koerse op 31 persent in die geval van geldlenings, krediet- en bruikhuurtransaksies vir bedrae van minder as R6 000 en 28 persent vir bedrae van meer as R6 000 maar wat nie R500 000 oorskry nie, te staan gekom. Die standaardrentekoers van toepassing op lenings wat deur die Staat

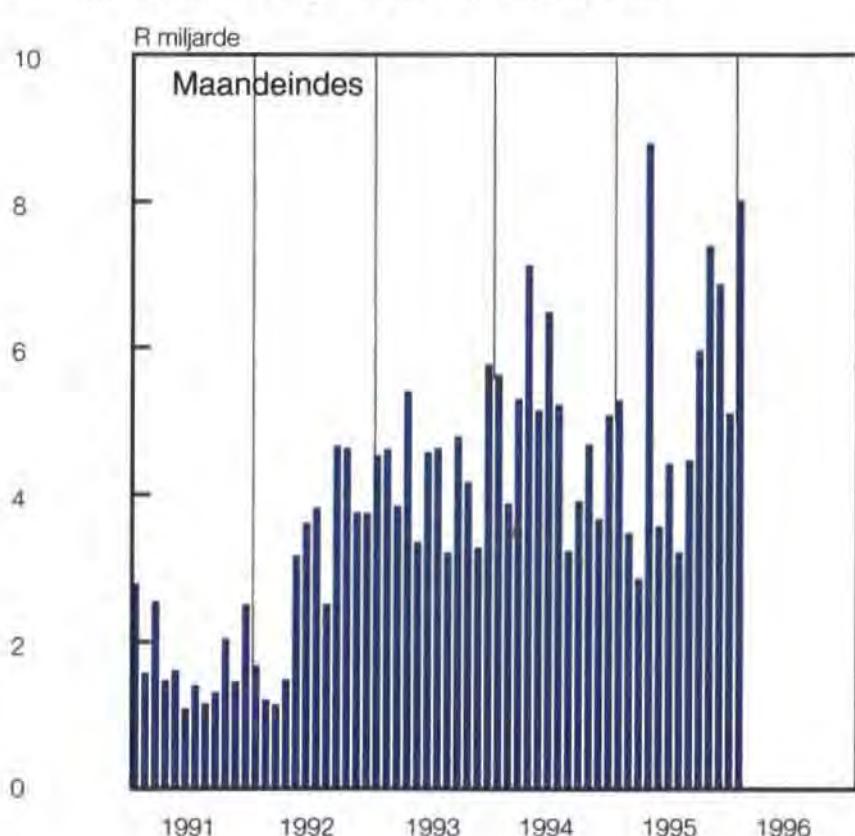
uit die Staatsinkomstefonds (Skatkiswet, Wet no. 66 van 1975) toegestaan is, is in ses stappe van 17,25 persent in Junie 1995 tot 14,50 persent vanaf 1 Desember 1995 verlaag, en daarna vanaf 1 Januarie 1996 weer tot 14,75 persent verhoog. Met ingang van 1 Februarie 1996 is die koers tot 14,00 persent verlaag.

## Geldmark

Geldmarktoestande, wat gedurende die eerste sewe maande van 1995 oor die algemeen betreklik ruim was, het gedurende die res van die jaar en in Januarie 1996 aansienlik vernou. Dit word duidelik weerspieël in die bedrag aan akkommodasie wat deur die Reserwebank aan banke verleen is. Hierdie sogenaamde geldmarktekort het van R3,2 miljard aan die einde van Julie 1995 tot R7,4 miljard aan die einde van Oktober 1995 toegenem, aan die einde van Desember 1995 tot R5,1 miljard afgeneem en weer skerp gestyg tot R8,0 miljard aan die einde van Januarie 1996.

Hierdie stram geldmarktoestande kon in 'n groot mate aan 'n aansienlike toename in regeringsdeposito's by die Reserwebank toegeskryf word, wat van R3,9 miljard op 31 Julie 1995 tot R5,8 miljard op 31 Oktober gestyg het; dit het daarna tot R2,9 miljard aan die einde van 1995 gedaal, voordat dit tot R7,9 miljard op 31 Januarie 1996 gestyg het. Die vernouende invloed van hierdie veranderinge is gerugsteun deur 'n toename in note en munte in omloop buite die Reserwebank in die laaste helfte van die jaar en 'n afname in die netto buitelandse bates van die Reserwebank gedurende Augustus en

## Akkommodasie by die diskontovenster



September 1995. Die netto buitelandse bates van die Reserwebank het egter in die vierde kwartaal van 1995 met R5,5 miljard toegeneem.

Nadat die Reserwebank sedert die einde van die eerste kwartaal van 1995 'n konserwatiewer beleidsingesteldheid ingeneem het, was die optrede van die Bank in die geldmark gedurende die res van die jaar hoofsaaklik gemik op maatreëls om likwiditeit op te ruim. In ooreenstemming met hierdie benadering het die Reserwebank opemarktransaksies vanuit sy eie portefeuille aangegaan, met 'n netto vernouende invloed op geldmarktoestande. Hierbenewens is korttermynaanpassings in die bateportefeuille van die Korporasie vir Openbare Deposito's gemaak en die regeringsdeposito's by die Reserwebank is ook op sodanige wyse bestuur dat dit groot wisselings in die geldmarktekort teengewerk het.

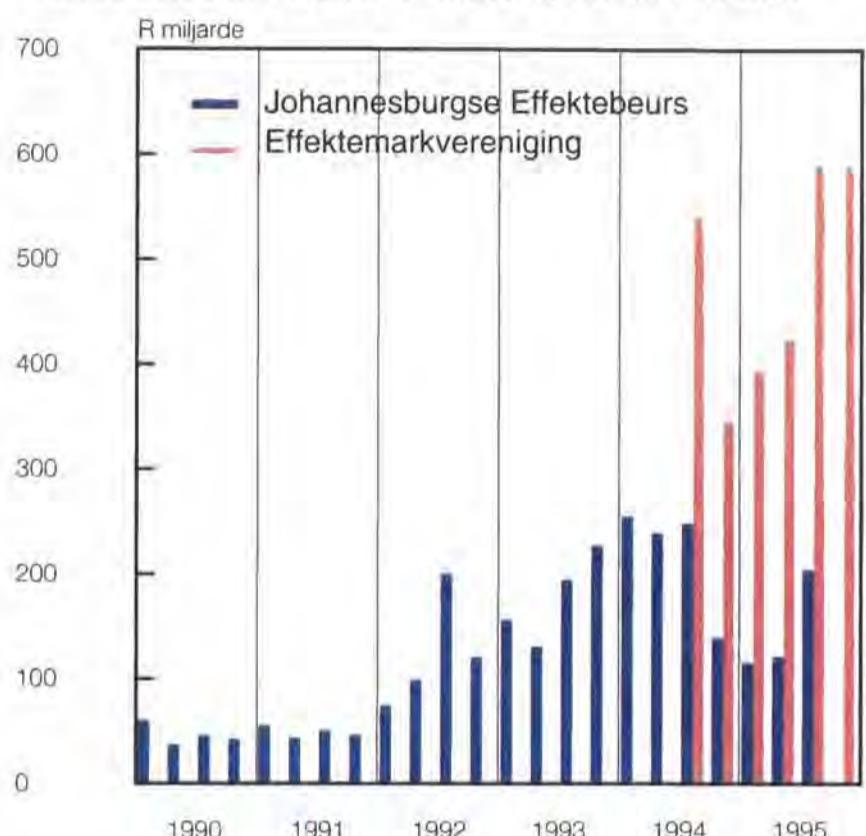
#### Effektemark

Gedurende 1995 het die netto nuwe uitgifte van vaste-rentedraende sekuriteite in die binnelandse *primère effektemark* deur die *openbare sektor* aansienlik toegeneem van R3,5 miljard in die eerste kwartaal tot vlakke van R9,5 miljard en R10,0 miljard in die volgende twee kwartale, voordat dit tot R1,5 miljard in die vierde kwartaal gedaal het. Die netto uitgifte van effekte van die openbare sektor in die eerste nege maande van die fiskale jaar 1995/96 (dit wil sê die tydperk April 1995 tot Desember 1995) het derhalwe R21,1 miljard bedra; in die ooreenstemmende tydperk van die voorafgaande jaar het hierdie uitgifte R19,1 miljard beloop. Die aflossing-datum van die nuwe uitgifte van effekte was oorheersend in die omgewing van vyf tot vyftien jaar, omdat daar 'n groot vraag na hierdie effekte was.

Benewens hierdie binnelandse uitgifte, het die owerhede hul pogings voortgesit om *internasjonale finansiële betrekkinge* te normaliseer deur Suid-Afrika weer aan die internasjonale beleggersgemeenskap bekend te stel en die beleggersbasis van die land uit te brei. Die regering se uitgifte van R1,3 miljard (¥30 miljard) in die Samoerai-mark in Mei 1995 is gevolg deur 'n uitgifte van R560 miljoen (£100 miljoen) in die VK-mark in Januarie 1996. Laasgenoemde effek het 'n looptyd van tien jaar en plaaslike instellings is toegelaat om tot 10 persent van die uitgifte op te neem. Die nou marge van 190 basispunte bo die ekwivalente Britse staatseffekte tydens die uitgifte, was 'n weerspieëeling van die verbeterde beleggersgradering van Suid-Afrika. Ander instellings in die openbare sektor het in die vierde kwartaal van 1995 R1,4 miljard in die Japanse effektemark verkry.

Genoteerde maatskappye in die *private sektor* het in 1995 min fondse deur nuwe uitgifte van vaste-rentedraende sekuriteite in die primère mark opgeneem. Dit kon heel waarskynlik toegeskryf word aan die likwiede posisie van die korporatiewe sektor. Hierdie uitgifte deur maatskappye in die private sektor wat op die aandelebeurs genoteer is, het in 1995 R932 miljoen bedra. 'n Aantal maatskappye het egter gedurende

#### Transaksies in effekte van die openbare sektor

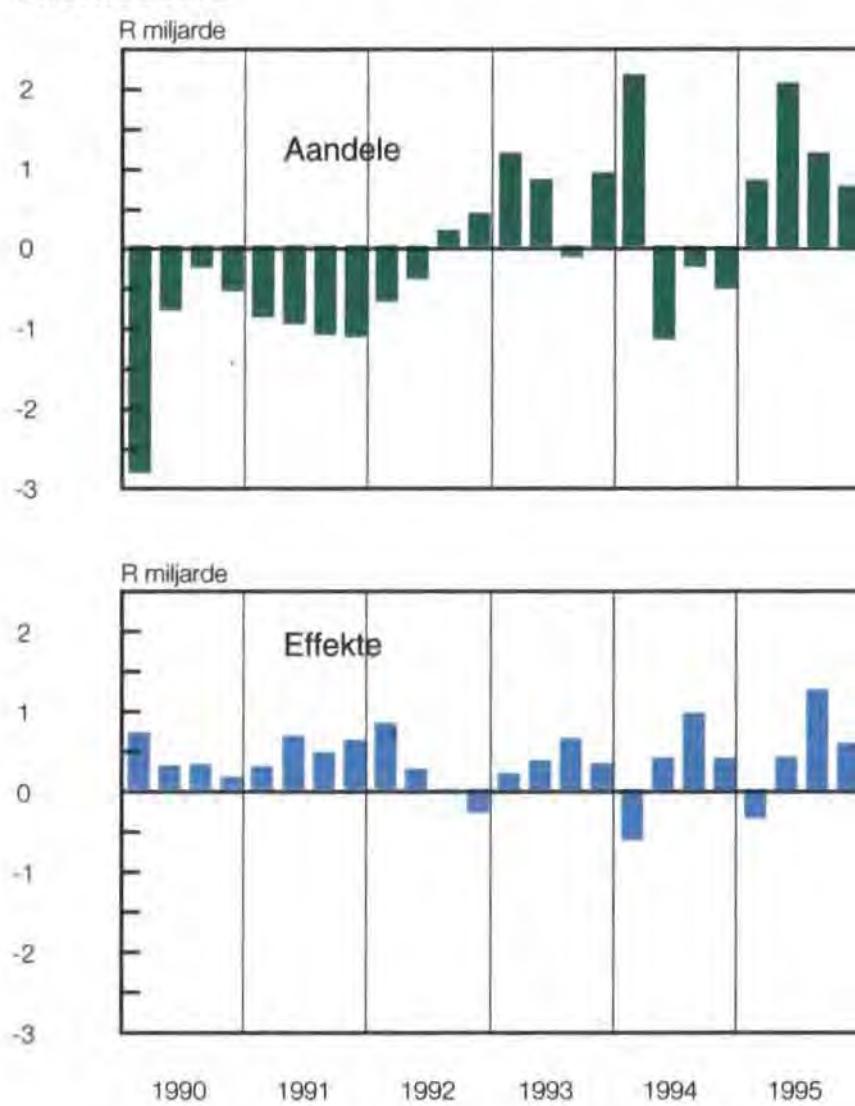


hierdie tydperk kapitaal ten bedrae van R1,9 miljard deur middel van omskepbare effekte in die buitelandse markte bekom.

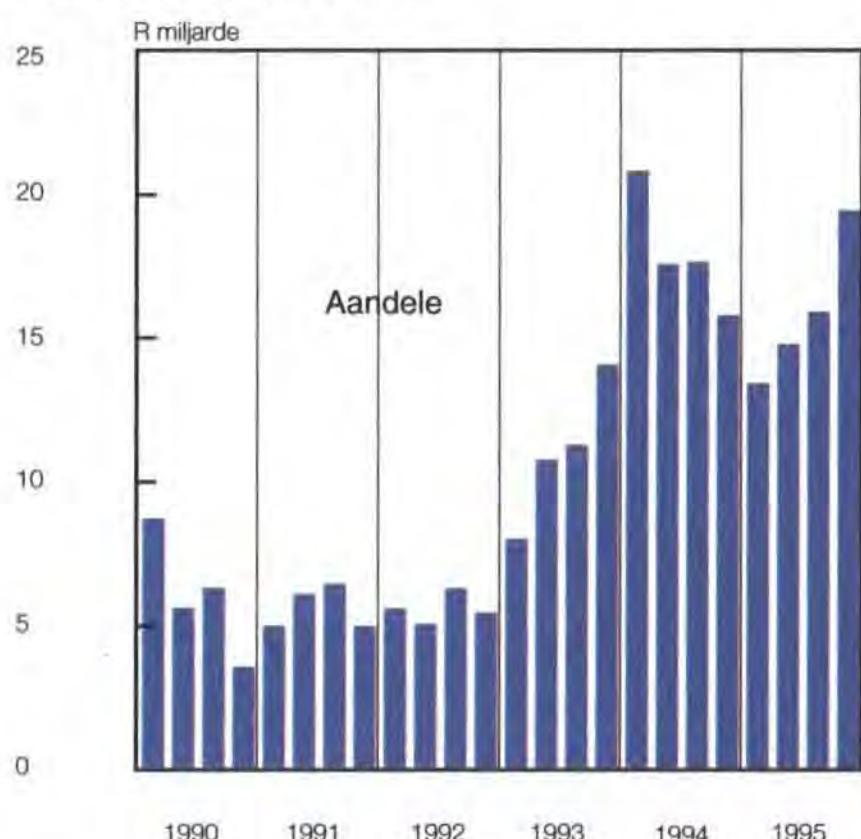
Die bedrywigheid in die *sekondêre effektemark* was aan die begin van 1995 stil omdat onsekerheid oor moontlike bewegings in langtermynopbrengskoerse bestaan het, maar van die derde kwartaal het dit opmerklik toegeneem namate opbrengskoerse begin daal het. Die waarde van effekte van die openbare sektor wat op die effektemark verhandel is, soos deur die Effektemarkvereniging gepubliseer, het van R394 miljard in die eerste kwartaal van 1995 tot R595 miljard in die derde kwartaal en R592 miljard in die vierde kwartaal gestyg. In Januarie 1996 het die waarde van effekte van die openbare sektor wat verhandel is, R227 miljard bedra; dit was effens hoër as die maandelikse gemiddelde van R197 miljard in die vierde kwartaal van 1995.

*Nie-inwoners* was aktief in die sekondêre effektemark betrokke en het sedert April 1995 groot netto aankopers van effekte geword. Dit kon aan die suksesvolle afskaffing van die tweeledige wisselkoersstelsel, 'n bestendige eksterne waarde van die rand, aantreklike binnelandse opbrengskoerse en dalende koerse in die buiteland toegeskryf word. In die nege maande tot Desember 1995 het nie-inwoners se netto aankope op die Johannesburgse Effektebeurs R2,2 miljard beloop, wat hul netto aankope vir die jaar in die geheel op R1,9 miljard te staan gebring het. In 1994 het nie-inwoners se netto aankope van effekte op die effektebeurs R1,1 miljard bedra.

## Nie-inwoners se netto transaksies op die effektebeurs



## Effektebeurstransaksies



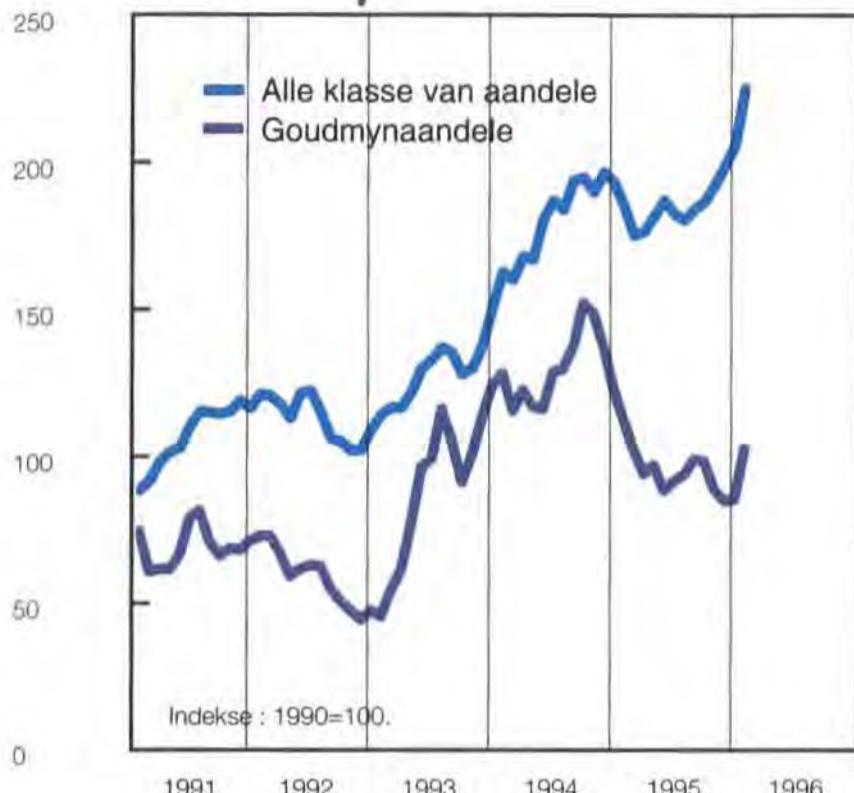
steeds nagenoeg 11,7 persent laer as in 1994. Die maandelikse gemiddelde waarde van aandele wat verhandel is, het verder van R6,5 miljard in die vierde kwartaal van 1995 tot R9,6 miljard in Januarie 1996 toegeneem.

*Nie-inwoners* was groot netto aankopers van aandele op die Johannesburgse Effektebeurs gedurende 1995. Hul totale netto aankope het in dié jaar R4,8 miljard bedra, vergeleke met R0,2 miljard in 1994. Die maandelikse gemiddelde waarde van die netto aankope deur nie-inwoners het van R254 miljoen in die vierde kwartaal van 1995 tot R726 miljoen in Januarie 1996 gestyg.

Die gemiddelde prysvlak van alle klasse van aandele het geleidelik van 'n laagtepunt in Februarie 1995 tot 'n nuwe hoogtepunt in Januarie 1996 gestyg. Die vinnige styging in aandelepryse is deur nywerheids- en finansiële aandele gelei, maar in Januarie 1996 het die betreklik lae pryse van goudmynaandele ook skerp op die hoër goudprys gereageer, wat vir die eerste keer sedert Julie 1993 deur die weerstandsvlak van vierhonderd dollar gebreek het. \*

Die styging in aandelepryse tot September 1995 was minder as die gemiddelde styging in dividende en verdienstes, met die gevolg dat die dividendoprysts koers sowel as die verdienste-prysts koers in die eerste nege maande van die jaar toegeneem het. Albei hierdie aanwysers het egter daarna in die vier maande tot Januarie skerp teruggesak, terwyl aandelepryse herstel het. Vanweë die opvallende afname in langtermynoprysts koers, het die rendementsgaping

## Aandelepryse



(die maandelikse gemiddelde opbrengskoers op langtermynstaatseffekte minus die dividend-opbrengskoers op alle klasse van aandele) van 14,6 persentasiepunte in Mei 1995 tot 11,7 persentasiepunte in Januarie 1996 afgeneem.

Die Wet op Beheer van Effektebeurse, wat in September 1995 deur die Parlement aangeneem is, en die nuwe konstitusie van die Johannesburgse Effektebeurs het belangrike *operasionele en regulatoriese veranderings* aangebring of vir die nabye toekoms in die vooruitsig gestel. Die vernaamste veranderings sluit in die implementering van:

- korporatiewe lidmaatskap met beperkte aanspreeklikheid en die eienaarskap van makelaarsfirmas deur nie-effektemakelaars;
- die reg van buitelandse effektemakelaars om nuwe makelaarsfirmas tot stand te bring;
- tweeledige handelskapasiteit;
- ten volle onderhandelbare makelaarslone;
- 'n geautomatiseerde verhandelingstelsel; en
- 'n elektroniese bewaarplek vir waardepapier en lopende vereffening.

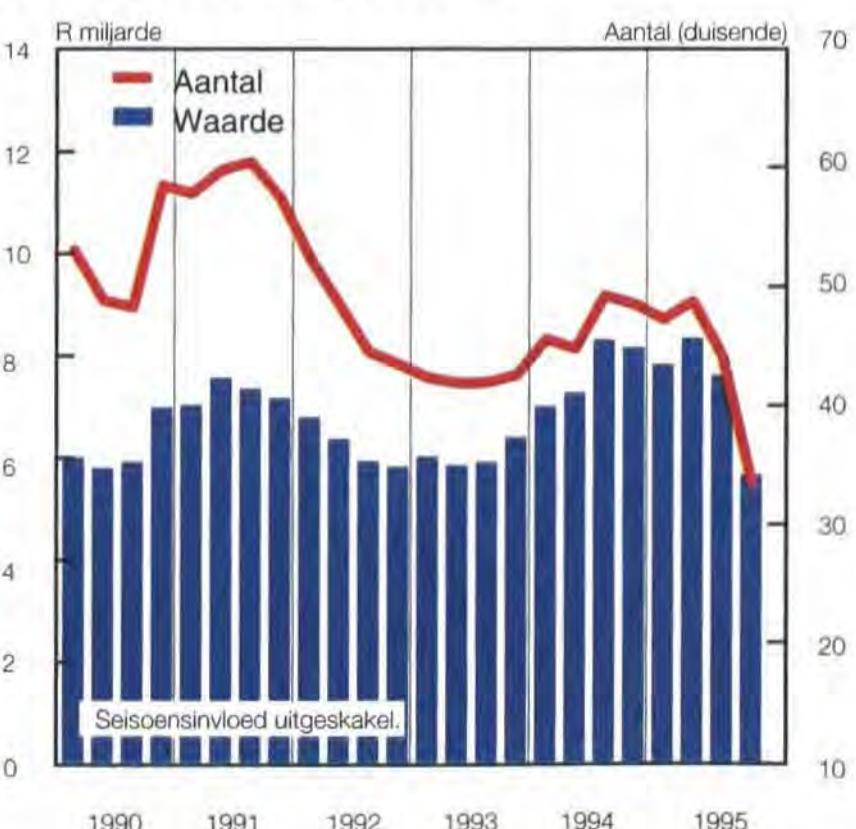
In ooreenstemming met die Johannesburgse Effektebeurs se oogmerk om tot die herstrukturering van die Suid-Afrikaanse ekonomie by te dra, is die eerste maatskappy in die nuwe Herontwikkelingsektor ook in Desember 1995 in die finansiële lys genoteer. Hierbenewens is 'n nuwe sektor, bekend as die Ontwikkelingsfase, in Januarie 1996 in die nywerheidslys ingesluit.

## Ander finansiële markte

Aangesien aandeleteermynkontrakte, teen 98,8 persent van die totale omset, die transaksies op die Suid-Afrikaanse Termynbeurs in 1995 oorheers het, het die bedrywigheid in die *formelege afgeleide mark* min of meer dié in die aandelemark gevolg. Die omset in termynkontrakte het van 'n nuwe rekordhoogtepunt van 1,4 miljoen kontrakte in die eerste kwartaal van 1995 tot 0,7 miljoen kontrakte in die vierde kwartaal teruggesak. Die totale aantal kontrakte wat in 1995 verhandel is, was 13,1 persent minder as in 1994. In Januarie 1996 het die verhandeling egter weer begin toeneem. Transaksies in opsies op termynkontrakte het 'n soortgelyke patroon gehad en van 1,5 miljoen kontrakte in die eerste kwartaal van 1995 tot 0,9 miljoen kontrakte in die vierde kwartaal afgeneem, voordat dit in Januarie 1996 skerp toegeneem het. In 1995 in die geheel het transaksies in hierdie opsies 3,6 miljoen kontrakte, 9,5 persent meer as in 1994, beloop.

Soos reeds aangedui is, het die *verbandmark* gedurende 1995 lewendig gebly vanweë die daadwerklike bevordering van hierdie kredietfasilitet teen betreklik lae koste. Die totale uitstaande bedrag aan verbandlenings wat aan banke verskuldig is, het dienooreenkomsdig van R110 miljard aan die einde van 1994 tot R130 miljard aan die einde van 1995 toegeneem. In die *mark vir vaste eiendom* het die waarde en aantal transaksies sedert Mei 1995 gedaal. Die waarde van die transaksies in vaste eiendom het in 1995 gevvolglik R29,5 miljard beloop – 4 persent minder as in die ooreenstemmende tydperk van die voorafgaande jaar. Die aantal transaksies het oor dieselfde tydperk met 7,7 persent verminder.

## Transaksies in vaste eiendom



## 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 die nie-finansiële openbare ondernemings) het van R8,6 miljard in die eerste kwartaal van die fiskale jaar 1995/96 (die tweede kwartaal van die kalenderjaar 1995) tot R5,3 miljard in die tweede kwartaal en toe selfs verder tot R3,2 miljard in die derde kwartaal afgeneem. Dit het die kumulatiewe leningsbehoefte van die openbare sektor in die eerste nege maande van die fiskale jaar 1995/96 op R17,1 miljard te staan gebring, of R5,8 miljard onder die vlak in die ooreenstemmende tydperk van die voorafgaande jaar. In verhouding tot die bruto binnelandse produk, het die leningsbehoefte van die openbare sektor in die eerste nege maande van die fiskale jaar 1995/96 4,6 persent bedra, vergeleke met 6,9 persent in die eerste nege maande van die fiskale jaar 1994/95.

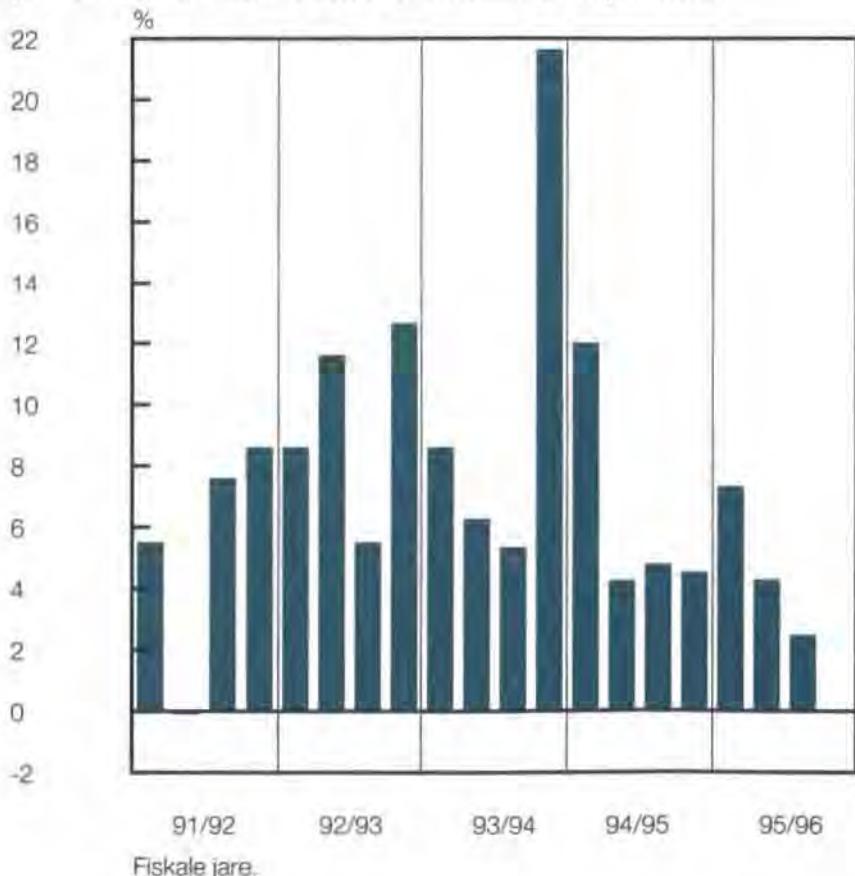
Die laer leningsbehoefte van die openbare sektor kon aan 'n klein toename in die oorskot van die nie-finansiële openbare ondernemings en 'n betekenisvolle vermindering in die leningsbehoefte van die algemene owerheid toegeskryf word. Met die uitsondering van die tekort op die inkomste- en uitgawerekeninge van die plaaslike owerhede en die bestaansbeveiligingsfondse, het die saldo's op die rekeninge van al die ander vlakke

van die algemene owerheid in die eerste nege maande van die fiskale jaar 1995/96 verbeter. Die leningsbehoefte van die Hoofbegroting het effens afgeneem van R20,0 miljard in die eerste nege maande van die fiskale jaar 1994/95 tot R19,1 miljard in die eerste nege maande van die fiskale jaar 1995/96, terwyl die saldo op die inkomste- en uitgawerekeninge van die provinsiale regerings gedurende dieselfde tydperk van 'n tekort van R2,2 miljard na 'n oorskot van R2,1 miljard omgeswaai het. Laasgenoemde syfer sluit egter 'n tekort van R864 miljoen in die boeke van die provinsiale regerings gedurende die derde kwartaal van die fiskale jaar 1995/96 in. Dit kan 'n aanduiding wees dat sommige van die provinsiale regerings die aanvanklike probleme wat met die reorganisasie van funksies en met die administrasie en bestuur van hul bedrywigheid ondervind is, nou te bowe gekom het.

Grotendeels vanweë die regering se onvermoë om onmiddellik by al die beplande strukturele veranderings en hervormings aan te pas, het die koers van toename van jaar tot jaar in die algemene owerheid se besteding in die eerste nege maande van die fiskale jaar 1995/96 slegs 6,3 persent bedra; in die ooreenstemmende tydperk van die voorafgaande jaar was hierdie toename 17,8 persent. Die Hoofbegroting het 'n merkbare afname in die besteding aan goedere en dienste en 'n skerp toename in oordragbetelings aan die laer vlakke van owerheid getoon. Terselfdertyd het die besteding aan goedere en dienste deur die provinsiale regerings toegeneem omdat funksies verskuif is.

Die totale inkomste wat deur die algemene owerheid in die eerste nege maande van die fiskale jaar 1995/96 ontvang is, het 'n koers van toename van jaar tot jaar van 13,4 persent getoon. Hoewel dit heelwat hoër was as

### Leningsbehoefte van die openbare sektor as persentasie van bruto binnelandse produk



Tabel 8. Koers van toename van jaar tot jaar in die inkomste van die algemene owerheid volgens tipe inkomste

Persent

	Eerste nege maande van die fiskale jaar 1994/95	Eerste nege maande van die fiskale jaar 1995/96
Belastings op inkomste en winste .....	22,4	12,2
Belastings op eiendom .....	34,2	5,0
Belastings op goedere en dienste .....	7,4	17,9
Belastings op internasionale handel .....	-0,9	11,7
Ander belastings .....	9,7	-21,1
Ander ontvangste .....	21,9	18,7
<b>Totale ontvangste .....</b>	<b>17,2</b>	<b>13,4</b>

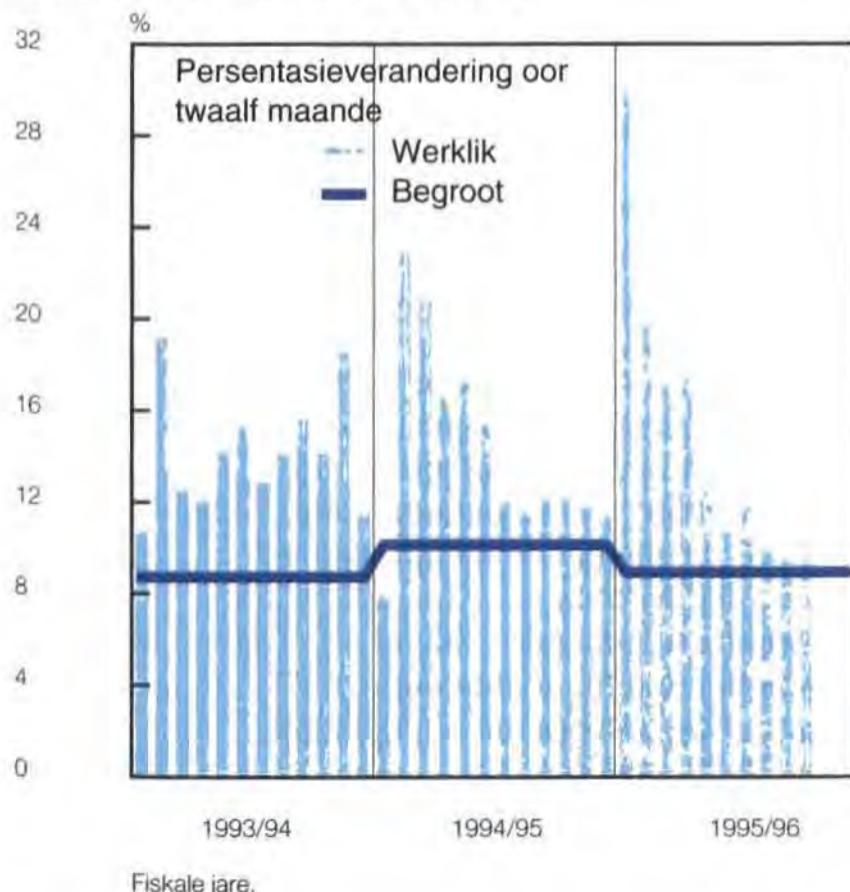
die koers van toename in die algemene owerheid se besteding, was dit effens laer as die ooreenstemmende koers van toename in inkomste gedurende dieselfde tydperk in die voorafgaande jaar. Uit die inligting in tabel 8, is dit duidelik dat slegs belastings op goedere en dienste (belasting op toegevoegde waarde, die brandstofheffing, en aksynsregte) en belastings op internasionale handel (invoerrege) in die eerste nege maande van die fiskale jaar 1995/96 hoër koers van toename gehad het as in die ooreenstemmende tydperk van die fiskale jaar 1994/95.

#### Skatkisrekening

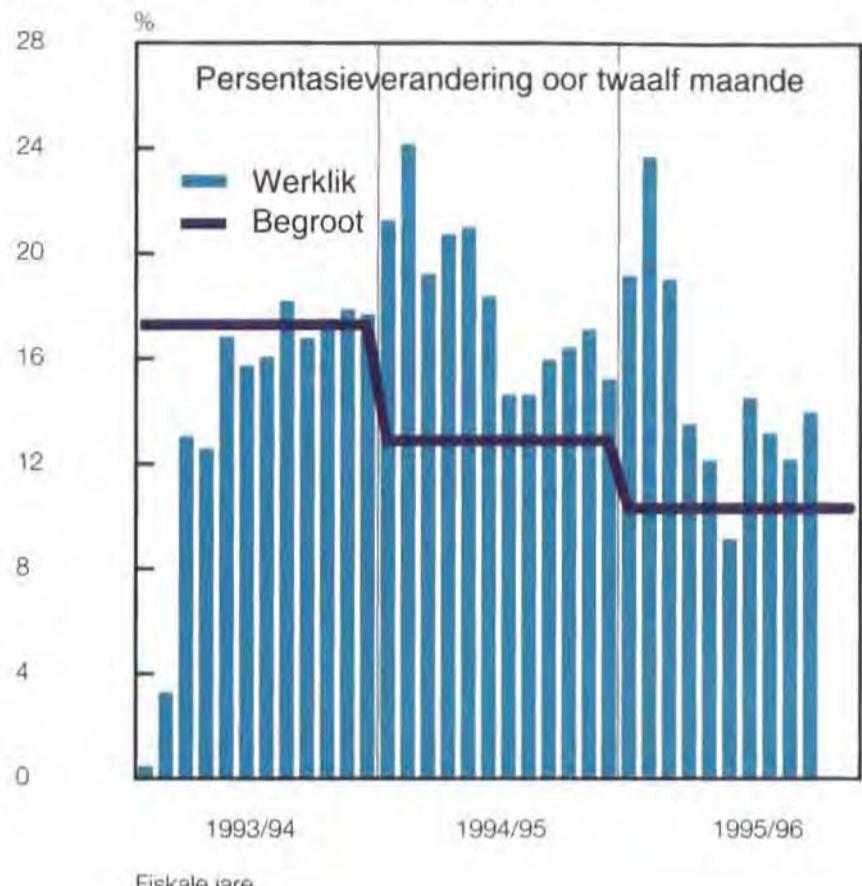
Die tekort op die Skatkisrekening in die eerste tien maande van die fiskale jaar 1995/96 het min of meer ooreengekom met die ramings van die Begroting vir die jaar. Dit was die netto resultaat van hoër-as-begrote toenames in skatkisuitreikings sowel as -ontvangste.

*Skatkisuitreikings* aan staatsdepartemente (aangesuiwer om kontantvloeiinge te weerspieël) was in die eerste tien maande van die fiskale jaar 1995/96 10,6 persent hoër as in die eerste tien maande van die voorafgaande jaar; die Begroting het vir 'n toename van 9,0 persent in owerheidsbesteding vir die volle fiskale jaar voorsiening gemaak. Hierdie betreklik gunstige uitkoms sluit egter nie enige oorbesteding wat in die Aansuiweringsbegroting in Februarie 1996 aangespreek is, in nie. Sodanige uitgawes sal eers in die Skatkisrekening van Maart 1996 in berekening gebring word. Daarbenewens het die owerheidsbesteding in die eerste tien

#### Kumulatiewe skatkisuitreikings



#### Kumulatiewe skatkisontvangste



maande van die fiskale jaar 1995/96 slegs R1,7 miljard van die R4,8 miljard ingesluit wat in die huidige fiskale jaar vir heropbou- en ontwikkelingsprogramme beskikbaar is.

Die koers van toename van jaar tot jaar in skatkisontvangste op 'n kontantvloeigrondslag het in die eerste tien maande van die fiskale jaar 1995/96 14,0 persent beloop; in die Begroting is voorsien dat inkomste met 10,3 persent sou styg. Binnelandse inkomste het goed bly presteer weens die toename in nominale salaris en lone, hoër maatskappywinste, die invloed van fiskale sloering, die versnelling in die groei van binnelandse besteding en die groter doeltreffendheid in belastingadministrasie. As gevolg van 'n aansienlike toename in die goedere-invoer en hoër aksynsregte, was doeane- en aksynsontvangste ook hoër as wat in die Begroting geraam is. Stadiger groei in aksynsregte kan in die laaste deel van die jaar verwag word, omdat aksynsregte op alle motorvoertuie op 1 September 1995 afgeskaf is terwyl 'n ad valorem-belasting op motorvoertuie op 22 Desember 1995 in werking gekom het. Aksynsregte in die vorm van 'n ad valorem-belasting word nou op binnelandse vervaardigde motorvoertuie gehef, terwyl doeane regte 'n ad valorem-belasting op ingevoerde motorvoertuie insluit.

Die netto gevolg van hierdie veranderinge in skatkisuitreikings en -ontvangste in die eerste tien maande van die fiskale jaar 1995/96 was 'n *tekort van R16,5 miljard op die Skatkisrekening voor lenings en skuldaflassing*. In verhouding tot die bruto binnelandse produk, het die tekort in die eerste nege maande van die

fiskale jaar 1995/96 5,5 persent beloop, teenoor 'n begrote tekort van 5,9 persent vir die volle fiskale jaar.

Die tekort voor lenings en die diskonto op die uitreiking van nuwe staatseffekte van R8,8 miljard is deur middel van die volgende instrumente gefinansier:

	R miljoene
Staatseffekte .....	25 351
Skatkiswissels.....	836
Buitelandse lenings.....	1 199
Nie-bemarkbare sekuriteite.....	-144
Geldmarkinstrumente .....	-1 225
Buitengewone ontvangste .....	1 245
Toename in beskikbare kontantsaldo's .....	-10 760
Reserwebank.....	-5 228
Banke .....	-5 532
<b>Totaal.....</b>	<b>16 504</b>

'n Groot deel van staatseffekte is deur die nie-monetêre private sektor opgeneem, maar die monetêre instellings se besit aan staatseffekte het ook in die eerste tien maande van die fiskale jaar 1995/96 skerp gestyg. As gevolg van die opbouing van regeringsdeposito's by banke het die netto eise van die monetêre instellings teen die owerheid nogtans afgeneem. In teenstelling met vorige jare, het die Openbare Beleggingskommissaris slegs 'n betreklik geringe deel van die nuut uitgereikte staatseffekte opgeneem. Die verandering in die beleggingsgedrag van die Openbare Beleggings-

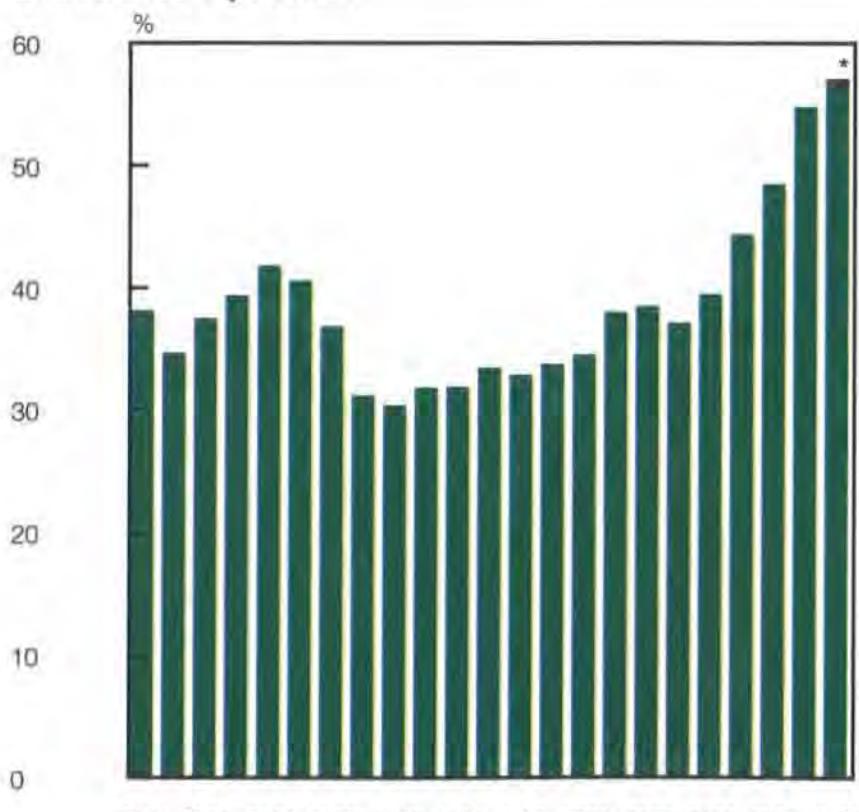
kommissaris kon hoofsaaklik toegeskryf word aan hul begeerde om 'n meer gediversifiseerde investeringsportefeuille te verkry wat in die verlede hoofsaaklik uit staatseffekte bestaan het.

Die finansiering van die skatkistekort het tot 'n toename in die uitstaande staatskuld vanaf R244,6 miljard aan die einde van Maart 1995 tot R276,2 miljard aan die einde van Desember 1995 aanleiding gegee. In verhouding tot die bruto binnelandse produk, het staatskuld oor dieselfde tydperk van 55,0 persent tot 57,0 persent gestyg; aan die einde van die fiskale jaar 1990/91 het dit nog net 37,2 persent bedra.

#### Aansuiweringsbegroting

In die Aansuiweringsbegroting wat op 13 Februarie 1996 in die Parlement ter tafel gelê is, is *addisionele besteding* van R15,1 miljard goedgekeur. Indien verklaarde besparings en opskortings van fondse, die verskuiwing van funksies, terugvorderings vanaf die pensioenfondse vir die verbetering van diensvoorraad, die oordra van fondse en die dubbeltelling ten opsigte van die nasionale begroting se bydrae tot die Heropbou- en Ontwikkelingsprogram egter in ag geneem word, neem die verwagte besteding in die fiskale jaar 1995/96 met slegs R3,0 miljard tot R157,4 miljard toe. Hierdie bedrag sluit 'n voorsiening vir die onderverhaling van inkomste van R1,5 miljard by provinsies en 'n sogenaamde oorgangsreserwe van R1,0 miljard vir provinsiale bestedingsbehoeftes aan gesondheid en welsyn in. In verhouding tot die bruto binnelandse produk, word die hersiene staatsbesteding op 31,5 persent geraam, dit wil sê effens hoër as die verhouding van 31,2 persent in die voorafgaande jaar.

#### Totale staatskuld as persentasie van bruto binnelandse produk



Fiskale jare.

\* Soos op 31 Desember 1995

**Tabel 9. Hersiene Begrotingsraming vir die fiskale jaar 1995/96**

	R miljoene
Gedrukte raming van uitgawes.....	154 374
Plus: Aansuiweringsramings .....	15 017
Plus: Staande toewysings.....	63
Subtotaal.....	169 454
Min: Oordra van onbestede fondse.....	6 440
Verwagte besparings .....	908
Verskuiwing van funksies .....	129
Verhaling van pensioenfondse.....	1 060
Dubbeltelling ten opsigte van die HOP-fonds .....	3 557
Verwagte besteding vir 1995/96 .....	157 360
Verwagte inkomste en oordragte (insluitende buitengewone ontvangste van R1 231 miljoen) .....	127 269
Verwagte tekort .....	30 091
Verwagte tekort as persentasie van die bruto binnelandse produk.....	6,0

In die Aansuiweringsbegroting is ook voorsiening gemaak vir 'n aansienlike toename in *staatsinkomste* vanaf 'n aanvanklike geproekteerde R124,2 miljard tot 'n hersiene raming van R127,3 miljard (insluitende buitengewone ontvangste van R1,2 miljard). Dit sal staatsinkomste op 'n geraamde 25,5 persent van die bruto binnelandse produk te staan bring; in die voorafgaande jaar was hierdie verhouding effens hoër op 25,6 persent.

Vanweë hierdie geraamde veranderings in staatsbesteding en inkomste, word die *tekort voor lenings en skuldaflossing* vir die fiskale jaar 1995/96 nou op R30,1 miljard, of 6,0 persent van die bruto binnelandse produk, geraam. Hierdie verhouding is net effens hoër as die begrote verhouding van 5,8 persent.