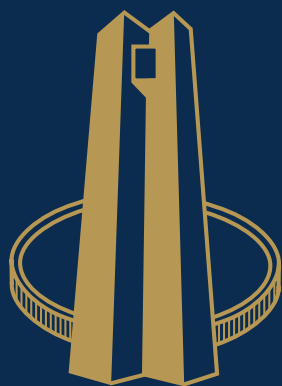


# Quarterly Bulletin Kwartaalblad

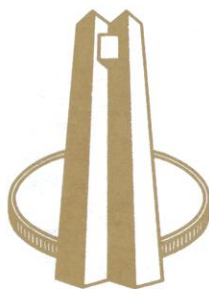


South African Reserve Bank  
Suid-Afrikaanse Reserwebank

# **Quarterly Bulletin Kwartaalblad**

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



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# Quarterly economic review

## Introduction

The growth momentum of the economy, which had generally been slackening from the second half of 1996, weakened further in the third quarter of 1997. However, mainly owing to firm growth in two major sectors, namely mining and transportation and communication, output growth still proceeded at a positive, though only modest, rate of  $\frac{1}{2}$  per cent in the third quarter of 1997 – well down from the comparatively firm growth of  $2\frac{1}{2}$  per cent registered in the second quarter.

Output growth outside the primary sectors of the economy slowed down noticeably. In particular, manufacturing output, which was envisaged to provide the impetus to economic development and employment growth, declined in absolute terms from the second to the third quarter of 1997.

The average level of total real gross domestic product in the first three quarters of 1997 nevertheless was some 2 per cent higher than in the first three quarters of 1996. Current projections point to a growth rate of the South African economy in the calendar year 1997 of between  $1\frac{1}{2}$  per cent and 2 per cent, which is considerably lower than had generally been expected at the beginning of the year and is also lower than the average growth rate experienced over the past three calendar years. Although a technical analysis could not provide conclusive evidence that South Africa had entered a downward phase of the business cycle, the economy was definitely not producing at full capacity in the third quarter of 1997 and output growth clearly did not match the economic growth potential of South Africa.

Real gross domestic expenditure in the third quarter of 1997 has declined for the fourth time in the five quarters completed since the third quarter of 1996. As output was still increasing over this period, the decline in aggregate spending facilitated a much better balance between aggregate supply and demand in the South African economy. The proximate causes of the general decline in aggregate expenditure were the persistent expectations of weaker future demand growth and the high carrying cost of inventories, which induced manufacturers and merchants to economise on inventory holdings. Further, whilst still maintaining a relatively high rate of expansion, the growth in real consumption expenditure by general government abated somewhat in the third quarter, thereby also making some contribution to the strengthening of macro balance in the economy.

Consumer sentiment also turned slightly negative in the third quarter and household spending grew weaker.

By contrast, real fixed investment expenditure persistently grew at rates higher than aggregate output growth in the first three quarters of 1997. Of particular significance was the gathering strength of private-sector real gross fixed capital formation which has increased at progressively higher growth rates since the first quarter of 1997. These growth rates were, admittedly, rather modest, but the trend movement augured well for future income growth.

The aggregate saving ratio in South Africa deteriorated further in the first three quarters of 1997. The low saving rate of the country remained a structural impediment to sustained, investment-driven, income and employment growth. Intentions to move the economy onto a steeper growth path without an increase in the saving ratio will imply increased reliance on net inflows of capital from outside the country. Excessive reliance on foreign borrowed capital, however, could eventually develop into unsustainable growth in foreign debt, which at some later stage would elicit stern corrective policy steps.

Partly owing to the improvement of macroeconomic balance in South Africa, significant progress was made with the lowering of inflation in recent months. Quarter-to-quarter changes in all the prominent indicators of price inflation moved into the single-digit area in the third quarter of 1997. The downward movement of inflation was, of course, strongly assisted by the relative strength of the rand in the early part of the year. By the same token, the gradual depreciation of the rand against other currencies from about the middle of March 1997 could, therefore, have been a portend of slower progress with the lowering of inflation.

In contrast to the benign counter-inflationary environment created by the relative stability of the rand in the first half of 1997, macroeconomic labour remuneration developments were less supportive of the policy objective of general price stability. The increase over four quarters in total employment costs rose again beyond the ten per cent mark in the second quarter of 1997. Although inflation-dampening productivity growth in the second quarter was procured through retrenchments in the formal sectors of the economy, the rate of increase in nominal unit labour costs also accelerated. As a consequence, employment in the formal non-agricultural sectors of the economy declined further and the recorded level of formal-sector employment receded to the levels which had been recorded in 1981.

The decline in formal-sector employment occurred in the face of continued, albeit moderate, growth in aggregate output and investment. For employment levels to rise parallel with output growth, it is important



that an appropriate configuration of output price changes, productivity growth and macroeconomic wage developments be established. This would ensure a solid platform for investment-driven output and employment growth.

As could be expected, the decline in real gross domestic expenditure in the third quarter of 1997 coexisted with a slight decline in the physical quantity of imported goods. Simultaneously, the physical quantity of merchandise exports declined too, mainly on account of smaller quantities of minerals and agricultural products exported. In the end the deficit on the current account of the balance of payments widened against the backdrop of a slowing economy in the third quarter. Significantly, however, the value of manufactured goods exported continued to increase, most likely because of the strengthened competitiveness of domestic manufacturers in export markets.

The widening of the deficit on the current account of the balance of payments, in conjunction with a sharply reduced net inflow of capital from abroad, resulted in a reduction in South Africa's net holdings of gold and other foreign exchange reserves in the third quarter of 1997. The inward movement of long-term capital in the third quarter was well down from the inflows witnessed in the second quarter when Government was actively mobilising funds in the international capital markets and when the partial privatisation of a parastatal corporation elicited a large inflow of equity capital into the economy. Moreover, outflows of short-term capital accelerated in the third quarter as private banks chose to reduce their foreign short-term liabilities at a time when the exchange rate of the rand and the money market shortage had been declining steadily. The Reserve Bank increased its foreign short-term obligations over the same period in order to bolster the overall level of gross gold and foreign exchange reserves.

Developments in the international exchange markets during the third quarter of 1997 were profoundly influenced by events in Asia, which had a contagion effect on other financial markets around the world. Structural weaknesses in the economies of a number of Southeast Asian countries which had been simmering for a long time, surfaced towards the end of the second quarter of 1997 and caused most Asian currencies to depreciate sharply against the United States dollar. The rand was not insulated from these events, but owing to the value correction it underwent in 1996 and the healthier state of macroeconomic management in South Africa, it depreciated considerably less against the dollar than the Asian currencies.

The growth in the broadly defined money supply slowed down appreciably in the third quarter of 1997, but was still at a level that exceeded the margin set for acceptable monetary growth over the year as a whole. Guided by expectations of declining long-term interest rates and some relaxation of a relatively tight monetary policy posture, deposit holders increasingly exhibited a

preference for longer-term deposits during the first eight months of 1997. This process came to an end in September when a major shift back to short-term deposits took place. It is still too early to judge whether this recent apparent change in liquidity preference should be viewed as a one-time event or whether it formed part of a more permanent realignment of the preferred portfolio composition of the general public.

The credit market witnessed a general slowdown in credit extension and more decisively in credit extension to the non-bank private sector in the third quarter of 1997. This slowdown, along with the slower expansion of M3 and the progress made in reducing inflation, prompted a decision by the Reserve Bank to lower Bank rate on 20 October 1997. Unlike bank credit extension to the non-bank private sector, net credit extension to the government sector increased strongly in the third quarter.

Easy conditions continued to prevail in the money market in the third quarter of 1997. Short-term interest rates were mostly declining to levels well below the prevailing Bank rate. Under these circumstances the Reserve Bank was willing to permit easier liquidity conditions to develop and refrained from influencing the market shortage in any systematic way, apart from specific smoothing operations to prevent unduly large fluctuations in liquidity. In October when the Reserve Bank intervened in order to stabilise the foreign-exchange market, conditions in the money market tightened considerably for a short while. Somewhat tighter conditions than during the third quarter continued to prevail in November.

The mood in the bond market was predominantly bullish in the first nine months of 1997 as yields on long-term government bonds and other long-term fixed interest-bearing stock gradually drifted downwards. Significantly, non-residents' net buying of South African securities shifted during this period from emphasising bond buying in the first quarter of the year to an emphasis on share purchases in the second and third quarters of 1997. In October 1997, non-residents became net sellers of bonds. Thus, during the course of the year South African shares increasingly offered better value than bonds, according to the judgement of non-resident investors.

The positive sentiment in the securities markets was brought to an abrupt end when the poor macroeconomic management of Southeast Asian economies triggered a downward re-rating of bond and share values in financial markets around the world. Share prices declined sharply on the Johannesburg Stock Exchange in October 1997, but in terms of percentages by much less than during the sharp decline of October 1987. In 1987 it took a full twenty-two months for the all-share price index to recover to pre-"crash" heights; in 1997 more than 40 per cent of the initial loss in the value of the index was recovered in a matter of two weeks. In a pattern resembling the



movement of share prices, the prices of long-term government bonds also responded to the turbulence in the financial markets and bond yields rose by 131 basis points, but then fell back again to register a net gain of 77 basis points from the low levels recorded immediately prior to the sharp fall in bond prices on 22 October 1997.

The decline in bond and share values in 1987 followed on the heels of a series of reductions in Bank rate and caused the fall in asset values to have little detrimental effect on subsequent domestic private-sector propensities to consume and invest. The eventual impact of the recent decline in asset values on domestic economic developments would also, therefore, depend to an important degree on the policy responses of the financial authorities, domestically and in the world's advanced economies.

The public-sector borrowing requirement relative to gross domestic product in the first half of fiscal 1997/98 increased in comparison with its counterpart in the first half of the previous fiscal year. However, the deficit before borrowing and debt repayment on the Exchequer Account relative to gross domestic product shrank from the first half of fiscal 1996/97 to the first half of fiscal 1997/98. Ominously, a substantial portion of the budgeted deficit of the National Government for fiscal 1997/98 as a whole has been absorbed in the first half of the fiscal year. This overshoot of the projected deficit was particularly acute at provincial government level.

## Domestic economic developments

### Domestic output<sup>1</sup>

The growth in aggregate *real gross domestic product* amounted to a seasonally adjusted and annualised rate of ½ per cent in the third quarter of 1997. This compared with a decline in aggregate output at an annualised rate of ½ per cent in the first quarter of 1997 and an increase at an annualised rate of 2½ per cent in the second quarter. The average level of real domestic output in the first three quarters of 1997 was about 2 per cent above the level in the first three quarters of 1996, thereby signalling that an economic growth rate of between 1½ and 2 per cent may be forecast with a fair degree of certainty for calendar year 1997 as a whole.

The growth slowdown in the third quarter of 1997 came mainly from unchanged output in the non-primary sectors of the economy – output growth accelerated in the primary sectors. *Agricultural output* declined further in the third quarter, but at a much lower rate than in the previous two quarters. The real value added by the agricultural sector was detrimentally affected by adverse climatic conditions during the past growing season, which decimated the maize crop in certain production areas.

<sup>1</sup> In accordance with normal practice during the third quarter of every year, revisions were made to national accounts data and incorporated in this issue of the *Quarterly Bulletin*. These revisions are based on more detailed or more appropriate data which have become available. In addition, seasonal factors have been updated.

After showing little growth in the first quarter of 1997, output in the *mining sector* recovered strongly and rose at sturdy annualised growth rates in the middle quarters of the year. This improvement was brought about by an increase in gold and non-gold mining production. Real value added by coal mines was bolstered by a sustained high level of export demand, while platinum production benefited from higher prices occasioned by uncertain Russian supplies of platinum group metals. Gold-mining output rose in the third quarter of 1997 as the newly introduced productivity measures apparently are beginning to filter through to the operational levels of the gold-mining sector.

Real value added by the *secondary sectors* declined at an annualised rate of ½ per cent in the third quarter of 1997 after it had increased at brisk rates of 5½ per cent in both the first and second quarters. Output in the manufacturing sector declined at an annualised rate of 1 per cent as slack aggregate domestic demand and slower growth in export demand for manufactured goods left their mark. The rate of increase in domestic manufacturing sales and order volumes slowed down in the third quarter of 1997, the ratio of unfilled orders to sales shrank and the utilisation of production capacity declined from 82 per cent in the second quarter to 81 per cent in the third quarter. Output declines occurred in industries producing food, paper products and machinery and transport equipment, while small increases could be seen in the real value added by subsectors such as clothing manufacturing, chemicals and non-metallic mineral production.

Real value added by the sector supplying *electricity, gas and water* continued to expand in the third quarter

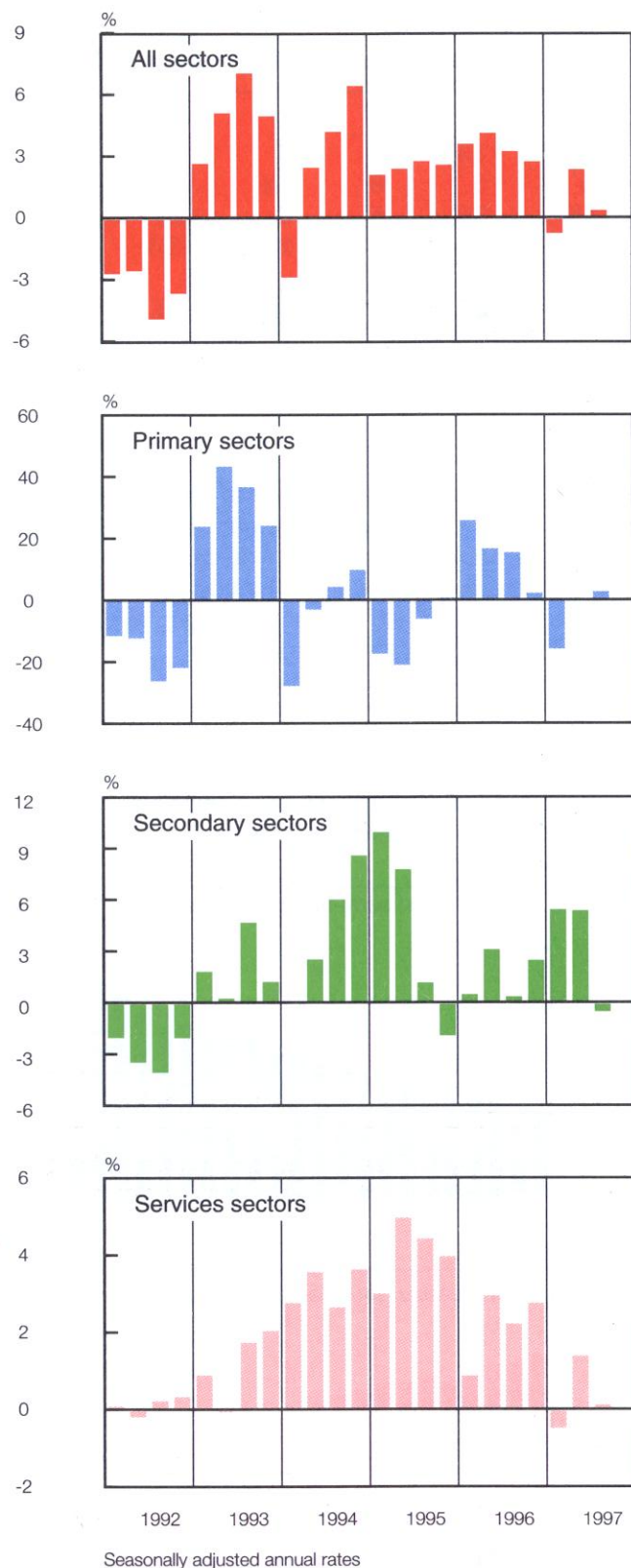
**Table 1. Real gross domestic product**

Percentage change at seasonally adjusted and annualised rates

Sectors	1996					1997		
	1st qr	2nd qr	3rd qr	4th qr	Year	1st qr	2nd qr	3rd qr
Primary sectors .....	26	16½	15½	2½	9	-15½	0	3
Agriculture .....	99	65	59½	4	29	-34½	-9	-½
Mining.....	-½	-5	-7½	1	-1½	½	6	5
Secondary sectors .....	½	3	½	2½	1	5½	5½	-½
Manufacturing.....	-1	3	-1	2	½	6	5½	-1
Tertiary sectors.....	1	3	2	3	3	-½	1½	0
Commerce.....	-2½	5½	0	3	3½	-2	2	-1½
Transport, storage and communication .....	1	2	3	2½	3	½	4	2½
Financial and other services .....	3½	3	4	4	3½	2	2	1
<b>Total .....</b>	<b>3½</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>-½</b>	<b>2½</b>	<b>½</b>
Non-agricultural sectors.....	½	2	½	2½	2	1½	3	½



## Growth in real gross domestic product



of 1997, but only at a rate of  $\frac{1}{2}$  per cent, which was well down from the growth rates of 4 per cent in the first quarter and 6 per cent in the second quarter. This slowdown mirrored the slower pace of domestic economic activity and some slack in the export demand for electricity. Real output in the *construction sector* also increased in the third quarter of 1997, but only slightly.

Growth in the combined *tertiary sectors* also slowed down from an annualised rate of  $1\frac{1}{2}$  per cent in the second quarter of 1997 to less than  $\frac{1}{2}$  per cent in the third quarter. The *commercial sector*, especially wholesale trade, was adversely affected by slowdowns in private consumption demand, investment demand and the acquisition of goods and services by general government departments. In the motor trade, sales of new vehicles could also have been curtailed by the introduction of more stringent fringe-benefit taxation on company cars and car allowances in the middle of 1997.

In the sector *transport, storage and communication* real value added rose at an annualised rate of  $2\frac{1}{2}$  per cent in the third quarter and in the *finance, real-estate and business services* sector at a rate of 1 per cent. Output growth in the transportation and communication sector maintained a relatively firm pace owing to the transportation of the bulk of the maize crop that was harvested in the third quarter and the high volume of tourist traffic. The modest growth in real value added by the financial services sector to some extent reflected the slack aggregate domestic demand in the third quarter of 1997.

## Domestic expenditure

Aggregate *real gross domestic expenditure* declined at a seasonally adjusted and annualised rate of  $\frac{1}{2}$  per cent in the first quarter of 1997, grew at a rate of  $1\frac{1}{2}$  per cent in the second quarter, but declined again by about  $\frac{1}{2}$  per cent in the third quarter. This took the accumulated total of real gross domestic expenditure in the first three quarters of 1997 to a level roughly equal to that of the first three quarters of 1996. The decline in gross domestic expenditure in the third quarter of 1997 was brought about by a sharp decline in real inventory levels, which more than offset the positive but somewhat sedate growth of real domestic final demand.

The growth rate in *real private consumption expenditure* accelerated slightly from a seasonally adjusted and annualised 1 per cent in the first quarter of 1997 to  $1\frac{1}{2}$  per cent in the second quarter, but receded again to 1 per cent in the third quarter. This further rise in real private consumption expenditure was brought about by sustained growth in real expenditure on non-durable goods and services, while real outlays on durable goods and semi-durable goods declined.

Total real private consumption expenditure on durable goods declined at a seasonally adjusted and annualised rate of  $2\frac{1}{2}$  per cent in the third quarter, after declines of  $2\frac{1}{2}$  and 2 per cent had been recorded in the

**Table 2. Real gross domestic expenditure**

Percentage change at seasonally adjusted and annualised rates

Components	1996					1997		
	1st qr	2nd qr	3rd qr	4th qr	Year	1st qr	2nd qr	3rd qr
Private consumption expenditure .....	3½	4	3	3	4	1	1½	1
Government consumption expenditure.....	6½	11	9	3½	6	4	4	2½
Gross domestic fixed investment.....	10½	6½	5	5	8	2½	3	3
Final domestic demand .....	5½	6	4½	3½	5	2	2½	1½
Change in inventories (R billions)* .....	1,2	6,8	2,4	0,4	2,7	-2,4	-3,3	-4,8
<b>Gross domestic expenditure .....</b>	<b>2</b>	<b>12½</b>	<b>-2</b>	<b>-2½</b>	<b>3</b>	<b>-½</b>	<b>1½</b>	<b>-½</b>

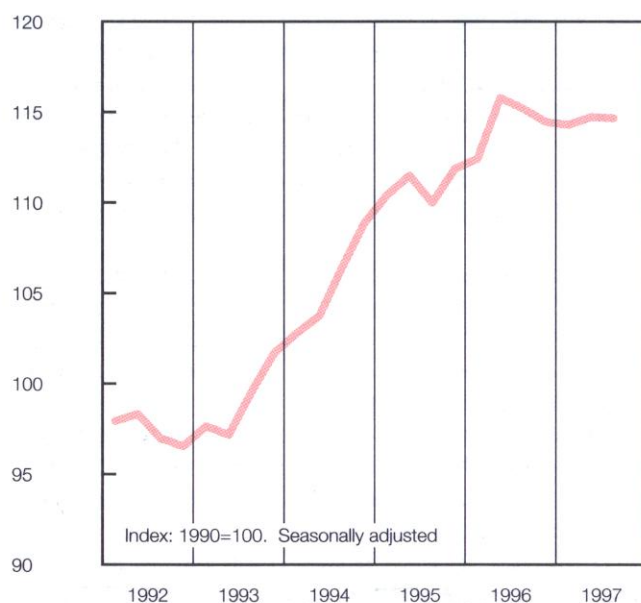
\* Constant 1990 prices

preceding two quarters of 1997. This was mainly the result of lower expenditure by households on furniture and household appliances and personal transport equipment.

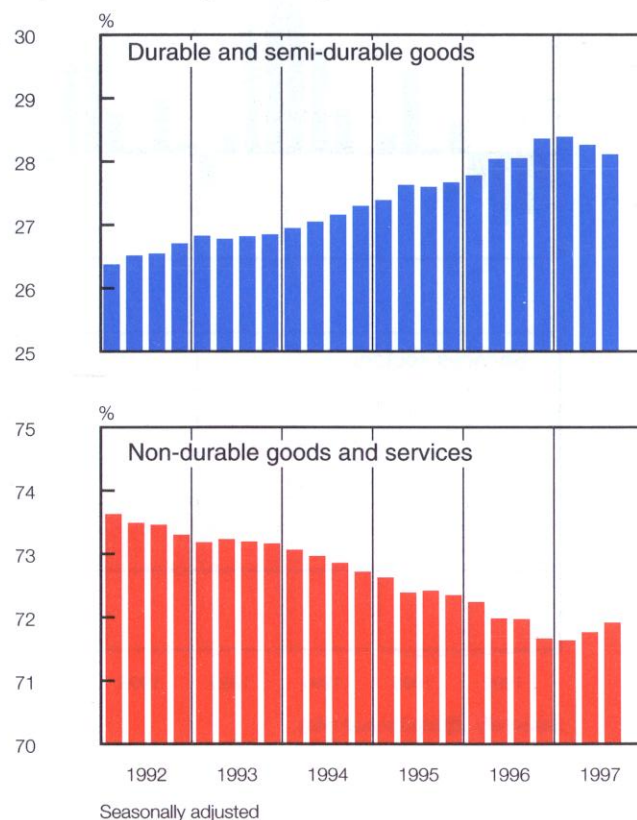
Quarter-to-quarter growth in real outlays on semi-durable goods at first slowed down from an annualised rate of 3½ per cent in the first quarter of 1997 to 1 per cent in the second quarter, but then turned negative at a rate of ½ per cent in the third quarter of 1997. Declines in real outlays by households on textiles and furnishings, motor car tyres, parts and accessories and other semi-

durable goods more than offset an increase in expenditure on clothing and footwear. In contrast, real outlays by households on non-durable goods and services increased further in the third quarter of 1997 at seasonally adjusted and annualised growth rates of 1½ per cent and 3 per cent respectively.

### Real gross domestic expenditure



### Components of real private consumption expenditure as percentage of total





The emphasis in household spending patterns during recent quarters shifted clearly towards spending on non-durable goods and services and away from generally higher-priced categories. This kind of spending behaviour is not indicative of a confident consumer society expecting continued firm income growth and with an appetite for luxury and other durable goods. It rather reflected low growth in real personal disposable income and weak consumer confidence that might have emanated from:

- the sustained high levels of unemployment;
- declining employment in the formal sector of the economy and general concern about job security;
- low levels of accumulated saving;
- high levels of household debt;
- the high cost of servicing debt;
- high levels of taxation on current income; and
- relatively poor short-term prospects for real income growth.

Under such circumstances households could reasonably be expected to be conservative in the deployment of their disposable income. Concerns about the strength of balance sheets are likely to encourage cutbacks on aggregate household spending and a sharper focus on essential non-discretionary consumer spending.

Aggregate real consumption expenditure by general government continued to increase in the third quarter of 1997, albeit at a slower pace than before. After *real*

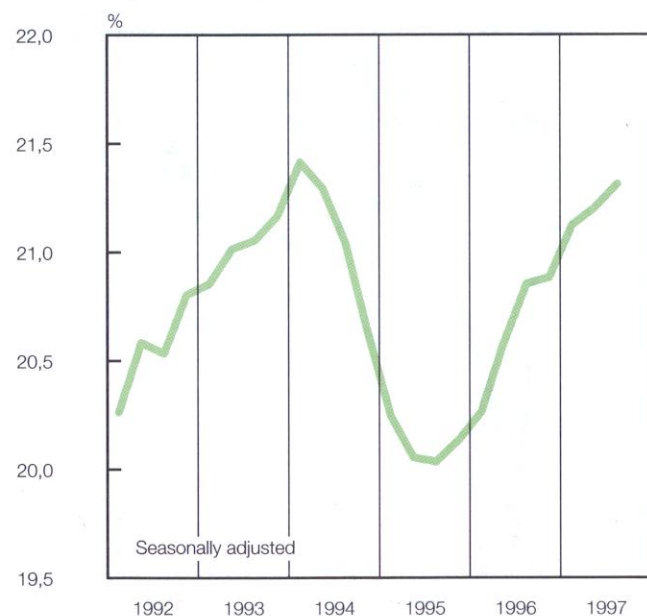
*consumption expenditure by general government* had risen at seasonally adjusted and annualised rates of 4 per cent in both the first and second quarters of 1997, it slowed down to 2½ per cent growth in the third quarter. This brought real expenditure on the consumption of goods and services by general government in the first nine months of 1997 to a level that was 5½ per cent higher than in the corresponding period of 1996. Lower growth in real outlays on intermediate goods and services and a decline in employment numbers were mainly responsible for the reported slowdown. The recent slowdown notwithstanding, the ratio of government consumption expenditure to gross domestic product rose from 20½ per cent in 1996 as a whole to an average of 21 per cent in the first three quarters of 1997.

The strong growth in *real gross domestic fixed investment*, at quarter-to-quarter annualised rates that varied between 5 and 10½ per cent during 1996, tapered off to an increase of 2½ per cent in the first quarter and 3 per cent in both the second and third quarters of 1997. Real fixed investment in the first three quarters of 1997 came to a level that was about 3 per cent higher than in the corresponding period of 1996. The growth in total real fixed investment in the third quarter of 1997 was brought about by increases in capital formation by all three institutional sectors, namely private business enterprises, public corporations and public authorities.

The growth in *real gross fixed investment by private-sector organisations* accelerated from 1 per cent in the first quarter of 1997 to 2 per cent in the second quarter and 2½ per cent in the third quarter. Production capacity in all the main sectors of economic activity benefited from the higher level of capital formation by private-sector entities. In the agricultural sector, capital investment, especially in the field-crop producing areas, responded to better than expected crops in the second half of 1997. The manufacturing sector stepped up investment activity as a result of supply-side tax concessions introduced by government and from the need to maintain profitability in increasingly competitive and globalised markets. In the commercial sector, investment spending increased for a variety of reasons such as the development of specialty stores which need special premises, the need to resuscitate ailing shopping centres in central business districts around the country, the expansion of smaller retail centres in suburban areas and the development of retail centres in some of the less-developed areas of the country.

As had been the case in 1996, the growth in *real fixed capital formation by the public sector* (public corporations and public authorities) remained relatively strong in the first three quarters of 1997 and public-sector real fixed investment advanced at a robust rate of 3½ per cent in the third quarter of 1997. Higher real fixed capital formation by public-sector bodies resulted from infrastructure-related investments by organisations

**Real government consumption expenditure as percentage of real gross domestic product**





**Table 3. Real gross domestic fixed investment**

Percentage change at seasonally adjusted and annualised rates

Institutional sectors	1996					1997		
	1st qr	2nd qr	3rd qr	4th qr	Year	1st qr	2nd qr	3rd qr
Private business enterprises .....	6	3½	6	5½	6	1	2	2½
Public corporations .....	19½	-½	1½	4	10½	9	9	6
Public authorities .....	27½	34½	3½	3	15	2½	1½	1
<b>Total .....</b>	<b>10½</b>	<b>6½</b>	<b>5</b>	<b>5</b>	<b>8</b>	<b>2½</b>	<b>3</b>	<b>3</b>

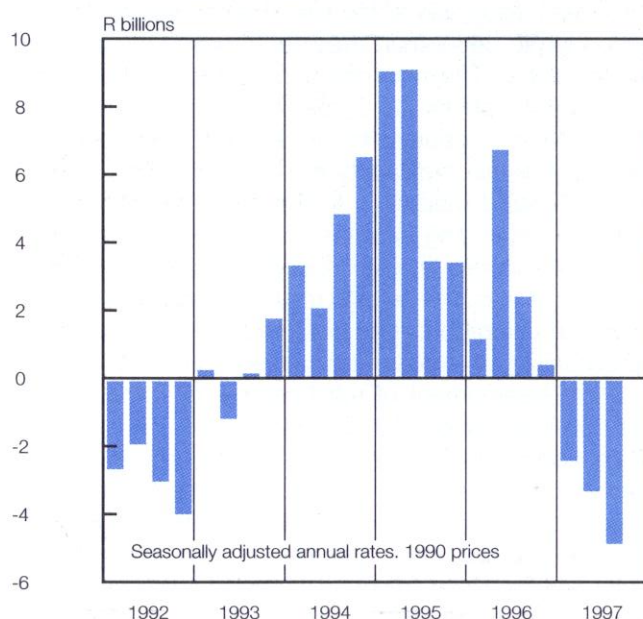
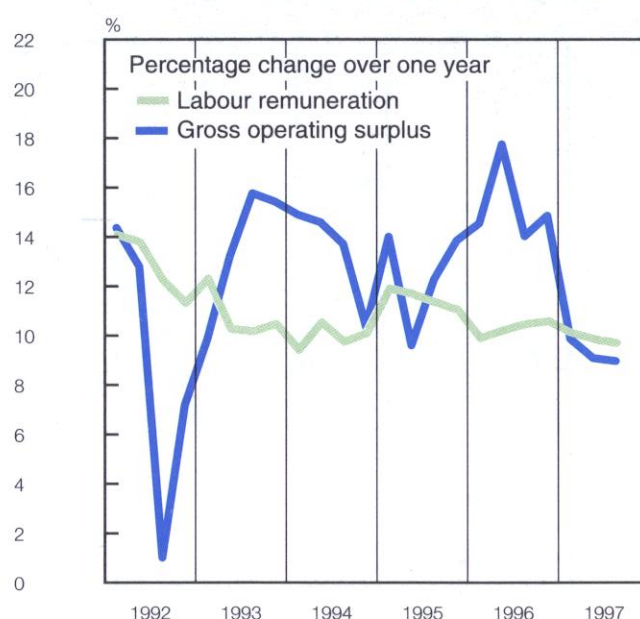
such as Transnet, Telkom and by the subsector supplying electricity, gas and water.

Whereas the inventory cycle merely lost momentum when the accumulation of *inventories* slowed down during 1996, inventory levels were actually reduced in the first three quarters of 1997. The declines in inventory levels in the third quarter of 1997 occurred mainly in the manufacturing, wholesale and retail trade sectors. The general slowdown in final domestic demand and the relatively high carrying cost of inventories urged manufacturers and other producers to economise on inventory holdings. As a consequence, the ratio of industrial and commercial inventories to gross domestic product in the non-agricultural sectors of the economy declined from an average of 18 per cent in the first two quarters of 1997 to 16½ per cent in the third quarter.

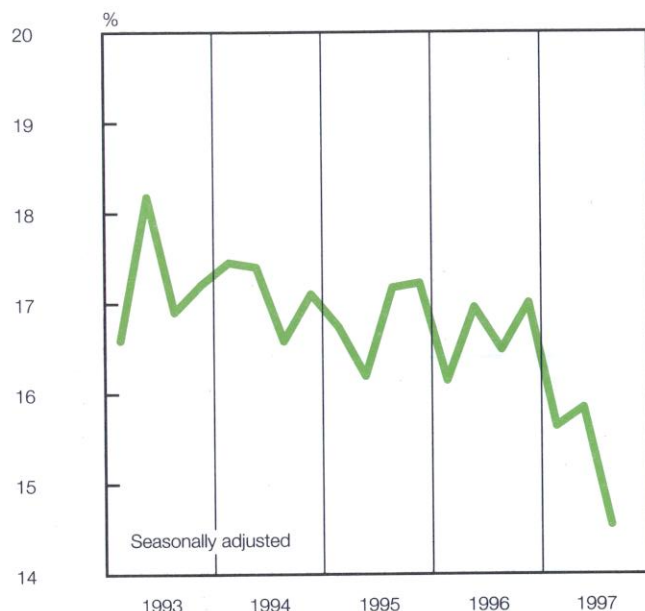
### Factor income and saving

The year-on-year growth in aggregate *nominal factor income* at market prices slowed down from 10½ per cent in the first quarter of 1997 to an average of 10 per cent in the second and third quarters. This slowdown in factor-income growth was due to lower growth of both operating surpluses of business enterprises and the remuneration of employees.

The growth over four quarters in aggregate nominal *gross operating surpluses* declined from 10 per cent in the first quarter of 1997 to an average of 9 per cent in the ensuing two quarters. Operating surpluses declined in the agricultural sector and increased at slower rates in some of the other major sectors such as manufacturing, commerce and financial services. Similarly, the rate of growth over one year in total *remuneration of employees*

**Change in total real inventories****Gross operating surplus and labour remuneration**

### Gross domestic saving as percentage of gross domestic product



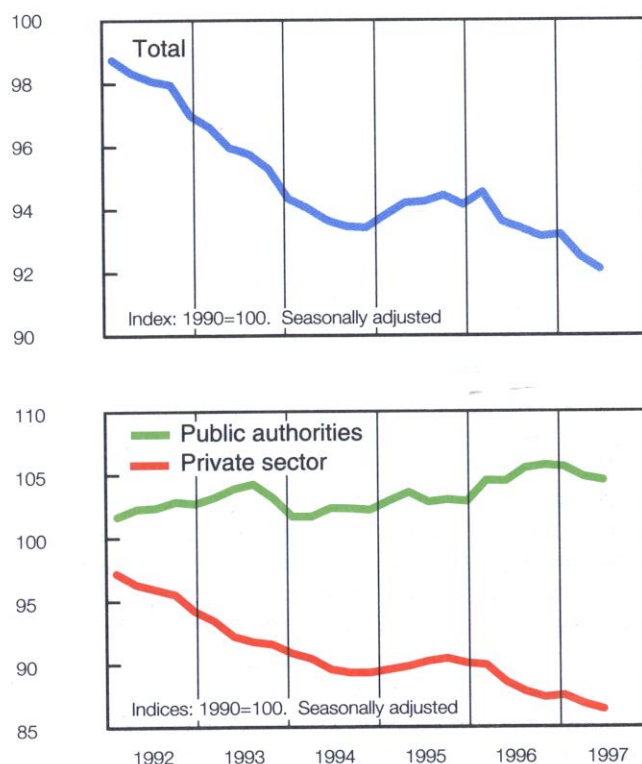
slowed down from 10 per cent in the second quarter of 1997 to 9½ per cent in the third quarter.

Gross domestic saving as a ratio of gross domestic product declined from 16½ per cent in 1996 to approximately 15½ per cent in the first three quarters of 1997. Net dissaving by general government remained at the level of 3½ per cent of gross domestic product throughout the first three quarters of 1997. Net corporate saving as a ratio of gross domestic product declined from an average of 5 per cent in the first half of 1997 to 4½ per cent in the third quarter. Over the same period, net saving by private households remained extremely low and, relative to gross domestic product, amounted to about 1 per cent in the first three quarters of 1997. In view of the development needs of the South African economy the dearth of saving as a means to finance strong investment-driven growth is evidently a serious structural shortcoming.

### Employment

Despite the continuation of positive economic growth, total employment in the formal non-agricultural sectors of the economy declined in the first half of 1997 at annualised rates of 3,0 per cent in the first quarter and 1,7 per cent in the second quarter. From the end of 1996 to the end of the second quarter of 1997, the level of measured aggregate employment in the formal sectors declined by 62 000 jobs. This brought total employment back to a level which was roughly equal to that of 1981. However, the recording of employment

### Non-agricultural employment



levels must be seen in the context of official statistics which currently do not account for jobs created by subcontractors and omit other forms of labour market restructuring, which might have enhanced job-creation in the insufficiently surveyed services sectors.

Employment in the formal private non-agricultural sectors declined at a seasonally adjusted and annualised rate of 3,0 per cent in the first quarter of 1997 and 2,0 per cent in the second quarter. This translated into a loss of about 43 000 jobs which occurred primarily in the manufacturing, mining and construction sectors, with lesser declines in the electricity generating sector, motor trade and the financial services sectors.

The decline in employment was partly a consequence of the growing integration of world markets. This "globalisation" of markets, along with rapid technological advances, is emphasising the need for South African manufacturers and other producers to be competitive in world markets and to maintain competitiveness in the tradable goods and services markets. This problem was addressed in South Africa essentially by the substitution of capital for labour in the processes of production, which has resulted in declining employment levels in the formal sectors of the economy since the beginning of the 1990s.



A minimal requirement, at present, would be for employment growth to move roughly in parallel with the growth in capital formation. Such a development would have to have as an antecedent an improvement in the return on investment for it to create the necessary circumstances for sustained investment-driven economic growth. To achieve such a benign investment environment would require that production cost increases be contained. Because labour costs constitute a significant component of aggregate production costs, an appropriate configuration of macroeconomic wage developments, output price changes and productivity growth would be important for increasing employment levels and reducing unemployment.

In order to ensure higher income on investment in the mining industry and to forestall the possible closure of gold mines, long-term agreements have been negotiated between mine management and trade unions at certain mines. Capital will be utilised more intensively by introducing additional shifts at certain mines and steps will be taken jointly by management and workers to increase production. These agreements are expected to ensure the viability and profitability of the gold-mining sector, while at the same time addressing workers' concerns about job security.

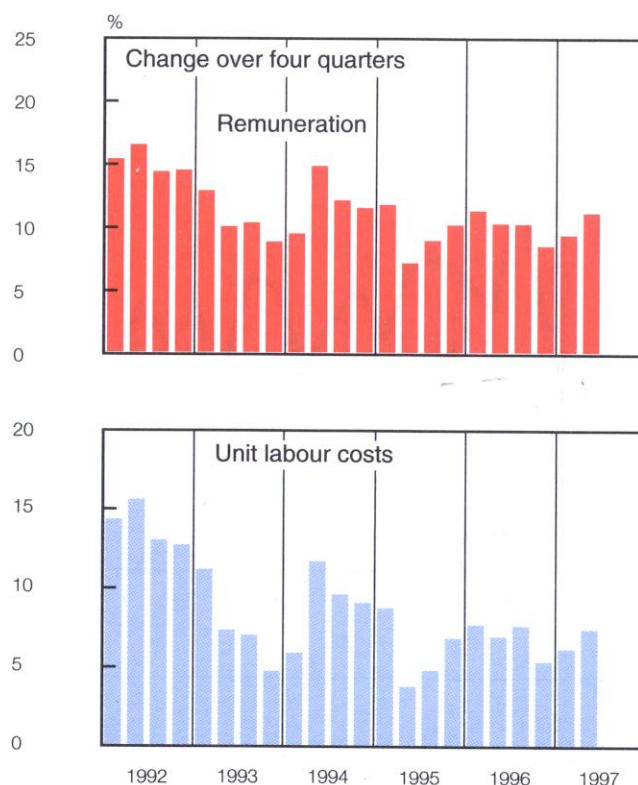
Unlike the years 1989 to 1996 when *public-sector employment* expanded simultaneously with the curtailment of private-sector employment, some progress appeared to have been made recently with efforts to reduce the number of jobs in the public sector. The size of the personnel corps in the public sector declined in three consecutive quarters at seasonally adjusted and annualised quarter-to-quarter rates of 0,5 per cent in the fourth quarter of 1996, 3,0 per cent in the first quarter of 1997 and 1,1 per cent in the second quarter. The decreases in employment opportunities seemingly occurred at the levels of both the national and the provincial governments.

The recorded decline in the number of formal-sector employment opportunities was corroborated by an increase of 0,4 per cent in the *total number of registered unemployed workers* in the first six months of 1997 compared with the first six months of 1996. Finally, in this regard, from 1 September 1997 the upper annual income limit for coverage by the Unemployment Insurance Fund (UIF) was raised by 8,3 per cent to an amount of R82 982. This increase will ensure that a greater number of the unemployed are assisted in future, but it will also cause an escalation in monetary contributions to the UIF.

### Labour costs and productivity

The excess supply of mostly unskilled labour in South Africa exerted little downward pressure on the growth of labour remuneration over the past year. Despite declining levels of formal-sector employment and rising levels of unemployment, the rate of increase over four quarters in *nominal remuneration per worker in the non-*

### Nominal remuneration per worker and unit labour costs



*agricultural sectors* of the economy accelerated from 8,4 per cent in the fourth quarter of 1996 to 11,0 per cent in the second quarter of 1997. Indications were that especially those employees covered by collective bargaining agreements had on average received salary and wage increments which were higher than year-on-year consumer price inflation in the first half of 1997.

The rate of increase over four quarters in nominal remuneration per worker in the *private non-agricultural sectors* of the economy, which had slowed down quite significantly to 7,7 per cent in the first quarter of 1997, increased again to a rate of 10,5 per cent in the second quarter. The year-on-year rate of increase in nominal remuneration of *public-sector workers* accelerated even more strongly from 7,5 per cent in the fourth quarter of 1996 to 11,8 per cent in the second quarter of 1997. Comparatively large remuneration increases were granted to employees of national government departments, Transnet and universities.

The year-on-year increase in nominal remuneration per worker continued to exceed the increase in output prices which was reflected by the price deflator for the non-agricultural gross domestic product in the second quarter of 1997. In fact, the increase over one year in the real remuneration per worker in the non-agricultural



**Table 4. Labour cost and productivity**

Percentage change over four quarters

Period	Remuneration per worker		Labour productivity	Nominal unit labour costs
	Nominal	Adjusted for inflation		
1996: 1st qr .....	11,2	2,1	3,3	7,6
2nd qr .....	10,2	0,5	3,1	6,9
3rd qr .....	10,1	0,2	2,4	7,5
4th qr .....	8,4	-1,7	3,0	5,3
1997: 1st qr .....	9,3	0,9	3,0	6,1
2nd qr .....	11,0	3,0	3,4	7,3

sectors (i.e. the ratio of nominal remuneration per worker to the deflator of output in the non-agricultural sectors as an indicator of output prices) accelerated from 0,9 per cent in the first quarter of 1997 to 3,0 per cent in the second quarter.

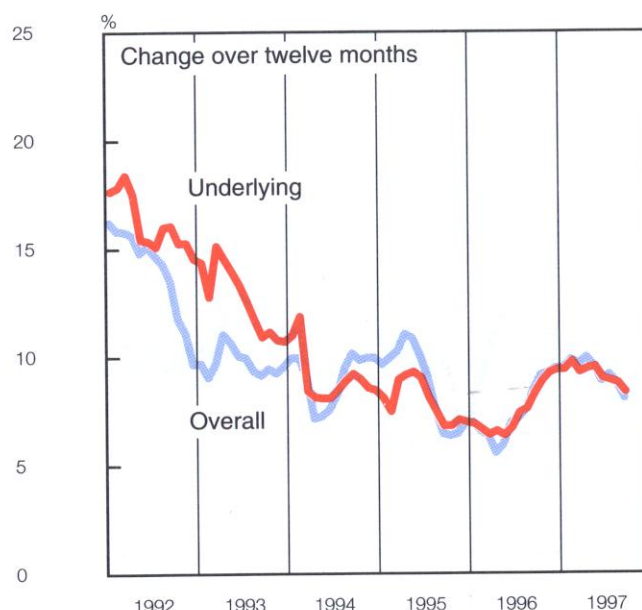
The growth in nominal remuneration per worker was accompanied by increases in *labour productivity*, albeit at a somewhat lower rate. Output per worker in the non-agricultural sectors increased over four quarters by 3,0 per cent in the fourth quarter of 1996 and in the first quarter of 1997 and then accelerated to 3,4 per cent in the second quarter. As a consequence of productivity growth not fully matching the growth in the remuneration per worker, *nominal unit labour costs* kept on rising. Indeed, the growth over four quarters in nominal unit labour costs accelerated from 5,3 per cent in the fourth quarter of 1996 to 6,1 per cent in the first quarter of 1997 and 7,3 per cent in the second quarter.

### Inflation

Inflation, as measured by the seasonally adjusted and annualised change from quarter to quarter in the *overall consumer price index*, declined further in the third quarter of 1997, falling below 7 per cent for the first time since the fourth quarter of 1995. *Underlying inflation*, measured as the quarter-to-quarter change in the seasonally adjusted consumer price index excluding the prices of food and non-alcoholic beverages, the costs of home-ownership and value-added tax, also declined to below 7 per cent in the third quarter of 1997. This was well below the recent peak of 12,6 per cent in the fourth quarter of 1996.

Measured over twelve months, overall consumer price inflation and underlying inflation have been moving in tandem since May 1996. Both these indicators of inflation have moved sharply downwards in recent months. The rise over one year in the overall consumer price index peaked at 9,9 per cent in April 1997, but subsequently declined to 8,0 per cent in September.

### Inflation in consumer prices



Underlying inflation had peaked two months earlier at 9,7 per cent in February 1997, but then fell to 8,3 per cent in September.

The prices of *consumer goods*, which usually tend to be more responsive to changes in productivity and nominal unit labour costs than the prices of *consumer services*, rose from the beginning of 1995 at rates well below the rate of increase in the prices of *consumer services*. From the beginning of 1997, the differential between the rates of increase over one year in the prices

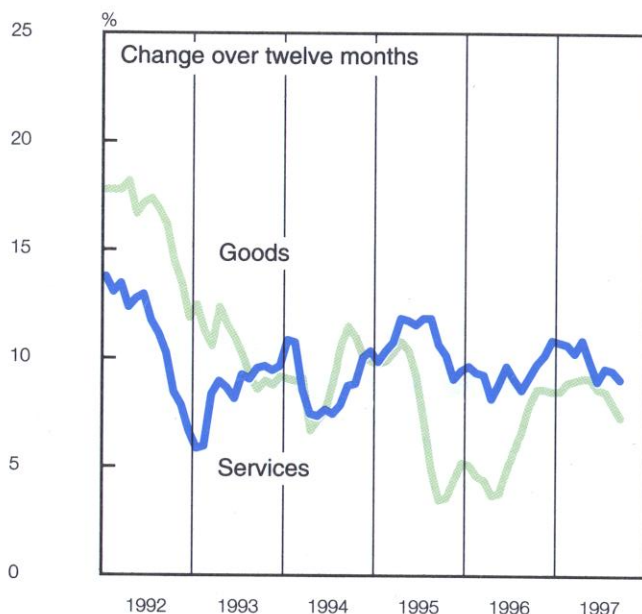
**Table 5. Indicators of inflation**

Quarter-to-quarter change at annualised rates

	1996		1997	
	4th qr	1st qr	2nd qr	3rd qr
Consumer prices				
Overall index.....	11,6	9,5	7,1	6,6
Underlying inflation*	12,6	7,4	8,1	6,7
Production prices				
All goods .....	12,7	8,4	2,7	2,1
Domestically produced goods	11,4	7,2	6,3	2,9
Imported goods .....	18,1	12,4	-10,7	-2,2

\* Change in consumer price index excluding the prices of food and non-alcoholic beverages, the costs of home-ownership and value-added tax.

### Inflation in consumer prices



of consumer goods and that of consumer services narrowed from 2,2 percentage points in January to 0,3 percentage points in June. In July 1997 the increase in the prices of consumer services accelerated sharply as a result of the steep increase in municipal tariffs, with the result that the differential between goods price inflation and services price inflation widened once again to 1,7 percentage points in September.

Other indicators of price inflation were even more subdued than the changes in consumer prices in the

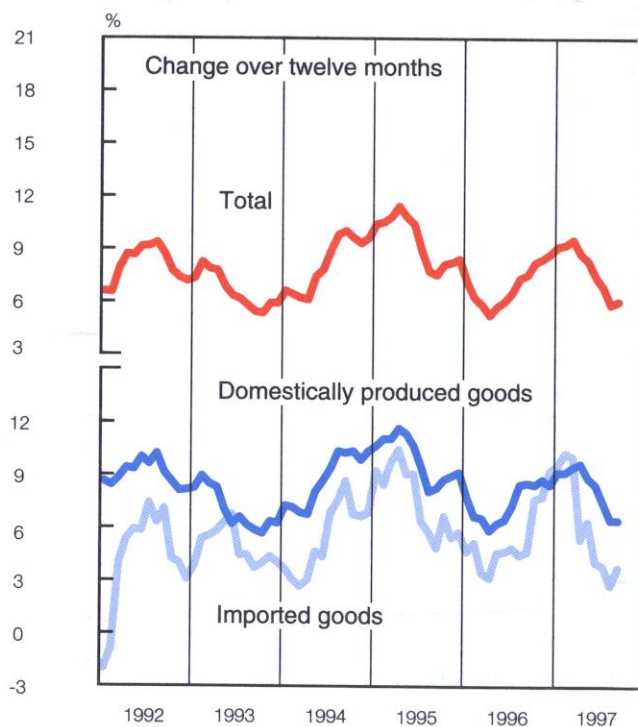
**Table 6. Prices of consumer goods and services**  
Percentage change over twelve months

Period	Consumer goods	Consumer services	Overall
1996: Nov .....	8,7	10,2	9,2
Dec .....	8,6	10,9	9,4
1997: Jan .....	8,6	10,8	9,4
Feb .....	9,0	10,7	9,8
Mar .....	9,1	10,3	9,6
Apr .....	9,2	10,9	9,9
May .....	9,2	9,9	9,5
Jun .....	8,7	9,0	8,8
Jul .....	8,6	9,6	9,1
Aug .....	8,0	9,5	8,7
Sep .....	7,4	9,1	8,0

third quarter of 1997. The quarter-to-quarter annualised change in the seasonally adjusted *all-goods production price index* at 2,1 per cent in the third quarter of 1997 was no less than 10,6 percentage points lower than the recent peak in the fourth quarter of 1996. Over the same period, the quarter-to-quarter change in the *prices of domestically produced goods* fell to 2,9 per cent in the third quarter of 1997. This continued slowdown in the price increases of domestically produced goods was mainly due to lower rates of increase in the prices of electricity, gas, water, textiles, clothing and footwear. Measured over periods of twelve months, the increase in the all-goods production price index fell to 6,1 per cent in September 1997 – 3,5 percentage points down from the recent peak in March 1997 – and the increase over twelve months in the prices of domestically produced goods fell to 6,5 per cent – 3,2 percentage points lower than the recent peak in May 1997.

The strengthening in the exchange value of the rand from the end of October 1996 to the middle of March 1997 made a significant contribution to inflation reduction in recent months. One measure of this is that the *prices of imported goods* included in the all-goods production price index declined from quarter to quarter at a seasonally adjusted annualised rate of 10,7 per cent in the second quarter of 1997, after having increased at an annualised rate of 18,1 per cent as recently as the

### Production price index





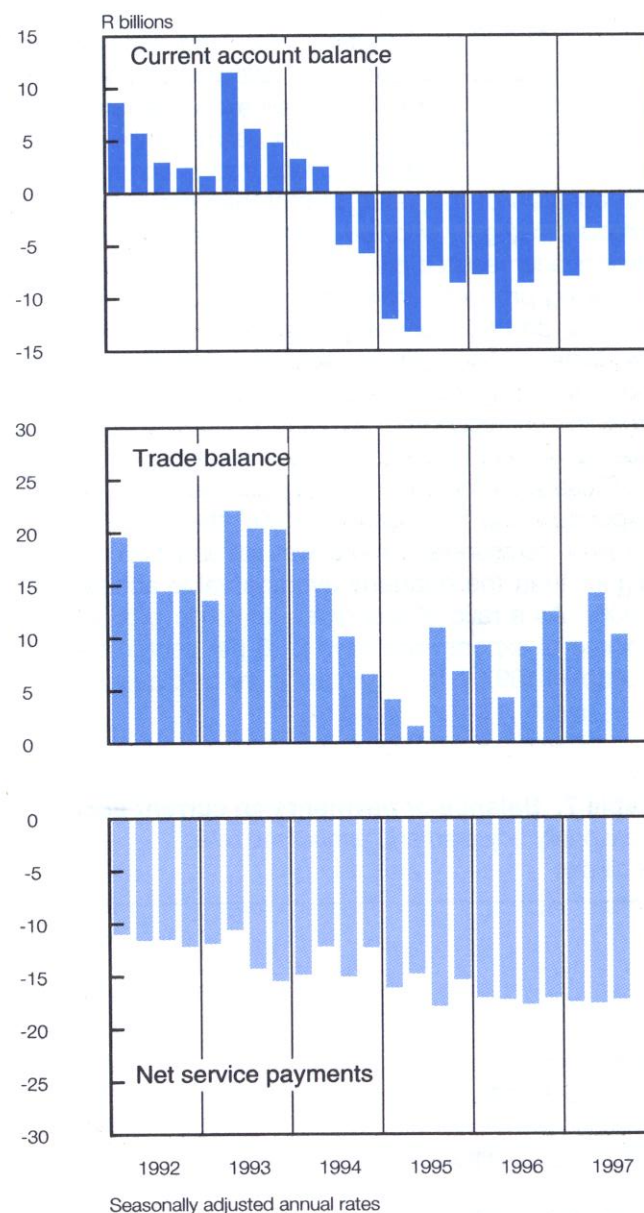
fourth quarter of 1996. The decline in the prices of imported goods in the second quarter of 1997 was particularly noticeable in the prices of crude oil which declined by 13,7 per cent from the first quarter and in the prices of paper and paper products which declined by 8,2 per cent from the first quarter. In the third quarter of 1997 the prices of imported goods declined further at a seasonally adjusted and annualised rate of 2,2 per cent. Measured over periods of twelve months, the prices of imported goods have increased by only 3,8 per cent in September 1997.

## Foreign trade and payments

### Balance of payments on current account

Despite the relatively mild expansion in economic activity, the *balance of payments on current account* deteriorated in the third quarter of 1997. The *deficit on the current account* (seasonally adjusted and annualised), which had narrowed from R10,4 billion in the first half of 1996 to R6,7 billion in the second half and R5,7 billion in the first half of 1997, widened in the third quarter. The seasonally adjusted and annualised deficit more than doubled from

### Current account



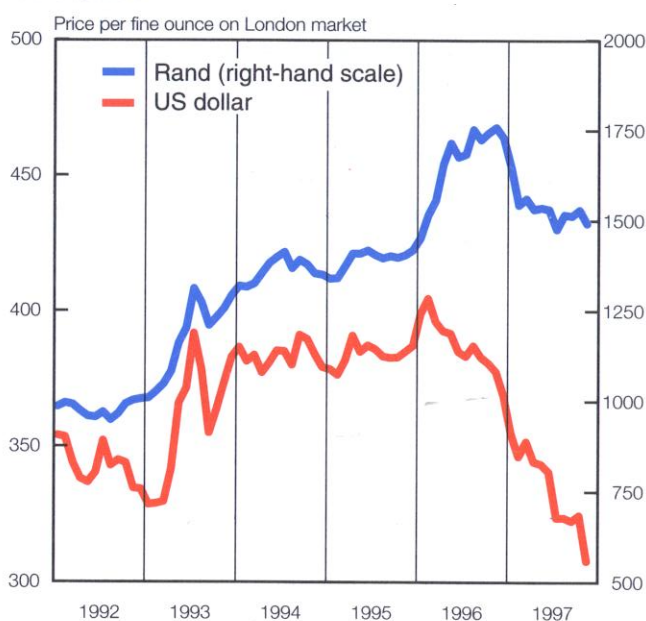
R3,4 billion in the second quarter to R7,0 billion in the third quarter. Nonetheless, as a percentage of gross domestic product the deficit on the current account of the balance of payments remained modest, being equal to 1,2 per cent in the third quarter of 1997.

The widening of the deficit on the current account in the third quarter of 1997 was largely caused by a decline in the value of merchandise exports and a further, albeit small, increase in the value of merchandise imports. This was not fully neutralised by an increase in the value of net gold exports and a decrease in net services and transfer payments to non-residents.

The value of *merchandise exports* (seasonally adjusted and annualised), which had reached an all-time high of R116,9 billion in the second quarter of 1997, contracted to R113,0 billion or by 3½ per cent in the third quarter. This decrease was the combined result of a decline of almost 5 per cent in the physical quantity of goods exported and a small rise of 1½ per cent in export prices. The slight increase in the rand-denominated prices of goods exported was a reflection of a decline in the value of the average weighted exchange rate of the rand which counteracted a slight decline in the foreign-currency prices of internationally traded commodities. An analysis of the value of merchandise exports by product category showed that the decline during the third quarter resulted primarily from a decline in the value of mining products, mainly precious and semi-precious stones, and agricultural products, mainly vegetable products. Exports of manufactured goods, probably still benefiting from the increased competitiveness gained from the depreciation of the rand in 1996, continued to rise but at a somewhat lower rate than before.

Despite the decline in the physical quantity of goods exported in the third quarter of 1997, the constant-price value of merchandise exports was still about 5½ per cent higher than the quarterly average value achieved in 1996. As a ratio of real gross domestic product, the volume of exports rose from 21,8 per cent in the first quarter of 1997 to 22,4 per cent in the third quarter.

### Gold price



After having declined from R26,8 billion in the first quarter of 1997 to R24,5 billion in the second quarter, the seasonally adjusted and annualised value of *net gold exports* increased by 6 per cent to R26,0 billion in the third quarter of 1997. This improved performance could be attributed to an increase of 8½ per cent in the physical quantity of gold exported, largely owing to an increase in the production of gold and the delivery of gold previously sold forward. The average fixing price of gold on the London market fell from US\$343 per fine ounce in the second quarter of 1997 to US\$324 per fine ounce in the third quarter or by 5,5 per cent. Expressed

**Table 7. Balance of payments on current account**

Seasonally adjusted and annualised rates

R billions

	1996				1997		
	1st qr	2nd qr	3rd qr	4th qr	1st qr	2nd qr	3rd qr
Merchandise exports .....	88,5	93,1	102,6	111,0	105,6	116,9	113,0
Net gold exports.....	24,9	25,3	28,7	26,2	26,8	24,5	26,0
Merchandise imports .....	-104,1	-114,1	-122,2	-124,8	-122,9	-127,2	-128,7
Net service and transfer payments.....	-17,1	-17,2	-17,7	-17,1	-17,4	-17,6	-17,3
<b>Balance on current account.....</b>	<b>-7,8</b>	<b>-12,9</b>	<b>-8,6</b>	<b>-4,7</b>	<b>-7,9</b>	<b>-3,4</b>	<b>-7,0</b>



in rand, the price of gold per fine ounce declined by only 2 per cent because of the stabilising effect of the decline in the external value of the rand on the rand price of gold. At the end of September 1997 the fixing price of gold briefly rose to US\$337 per fine ounce before declining to \$308 per fine ounce on 13 November 1997 – the lowest fixing on the London market since 2 July 1985. This sharp decline in the gold price occurred shortly after it became known that a Swiss group of experts suggested that the Swiss authorities sell a substantial portion of their gold holdings.

Along with the decline in real gross domestic expenditure, the *physical quantity of merchandise imports* (seasonally adjusted and annualised) declined slightly in the third quarter of 1997. The depreciation of the rand and small price increases in trading-partner countries caused the prices of imported goods to increase at a rate which exceeded the absolute size of the percentage decline in the volume of merchandise imports. Accordingly, the seasonally adjusted and annualised value of merchandise imports increased slightly from R127,2 billion in the second quarter of 1997 to R128,7 billion in the third quarter.

Part of the decline in the physical quantity of merchandise imports was accounted for by a decline in the importation of agricultural products. By contrast, increased imports of mining products were recorded, especially in the categories base metals and precious and semi-precious stones.

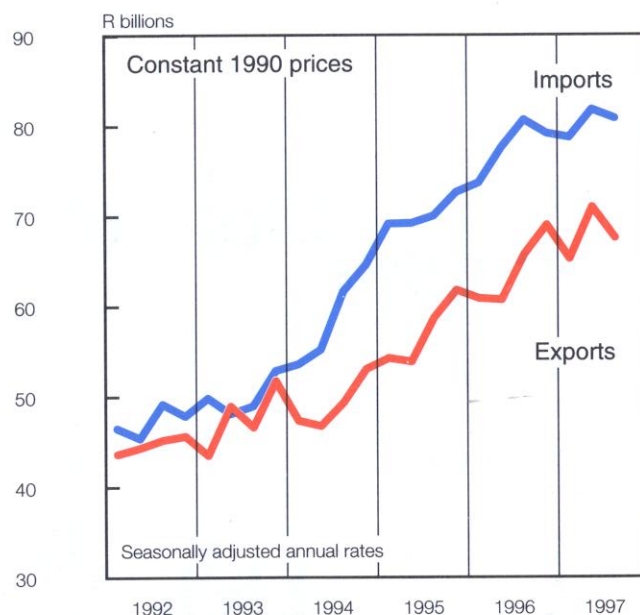
Net *service and transfer payments* to non-residents (seasonally adjusted and annualised), which had increased from R17,4 billion in the first quarter of 1997 to R17,6 billion in the second quarter, decreased slightly to R17,3 billion in the third quarter. These marginally lower net payments were the result of higher services receipts, especially from travel expenditure by foreign visitors to the country and from transport services provided to non-resident entities. The value of payments for services received increased too, but to a lesser extent than the rise in the value of receipts for services rendered to non-residents. An increase in interest payments to non-residents flowing from the rise in South Africa's rand-denominated foreign debt

**Table 8. Merchandise imports**

Quarter-to-quarter percentage change of seasonally adjusted data

	1997		
	1st qr	2nd qr	3rd qr
Value .....	-1½	3½	1
Price .....	-1	-½	2½
Volume .....	-½	4	-1

### Real merchandise trade



commitments made the major contribution to the increase in service payments to the rest of the world.

### Capital account

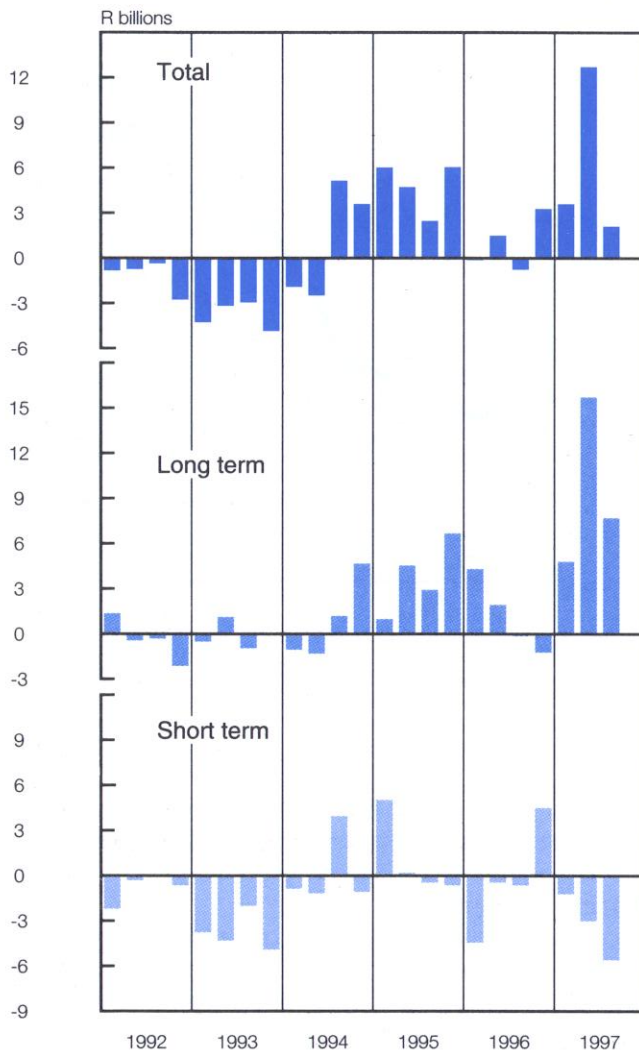
The total *net inward movement of capital not related to reserves* contracted from R12,7 billion in the second quarter of 1997 to R2,1 billion in the third quarter. This substantially reduced net inward movement of capital derived from a sharp decline in the net inflow of long-term capital and a fairly substantial increase in the outflow of short-term capital. Nevertheless, the cumulative net inflow of capital amounted to R18,4 billion in the first nine months of 1997, compared with only R0,6 billion in the corresponding period of 1996. In 1996 capital flows to South Africa were badly affected by negative investors' sentiment towards the country and the high volatility in the local foreign exchange market from February to October 1996.

The net inflow of *long-term capital* declined from R15,7 billion in the second quarter of 1997 to R7,7 billion in the third quarter. This decline was essentially caused by a sharp curtailment of cross-border capital movements to organisations in the public sector. Net long-term international capital movements to private-sector entities were reversed from a *net outflow* in the second quarter of 1997 to a sizeable *net inflow* in the third quarter.

The net inflow of long-term capital to the *public sector* was boosted to an unprecedented high in the second quarter of 1997 by two government bond issues



### Net capital movements (not related to reserves)



in the international capital markets and by the proceeds of the sale to a consortium of non-resident investors of a strategic interest in Telkom. No such major events occurred in the third quarter and the net inflow of international capital to *public authorities* accordingly subsided from R11,2 billion in the second quarter of 1997 to R2,1 billion in the third quarter. In the case of public corporations, the net inflow of long-term capital declined from R6,1 billion in the second quarter to R0,9 billion in the third quarter.

Bonds of the Government and other public-sector corporations listed on the Bond Exchange of South Africa were acquired by non-resident investors to a net amount of R6,0 billion during the third quarter of 1997. However, by the end of September a net amount of approximately R2,0 billion had not yet been settled. Furthermore, fixed capital obligations of public-sector

organisations to an amount of R2,5 billion became due for repayment to non-resident creditors during the third quarter of 1997.

International capital movements to *private-sector organisations* changed from net outflows in the second quarter of 1997 to fairly substantial inflows in the third quarter. The net inflow of foreign funds to the *non-bank private sector* amounted to R5,0 billion after a net outflow of R1,5 billion had been recorded in the second quarter. Included in the net inflows during the third quarter of 1997 were net purchases by non-residents of shares listed on the Johannesburg Stock Exchange to the value of R7,9 billion. During the same period South African institutional investors acquired foreign assets to the value of R4,1 billion through the mechanism of asset swaps with non-resident counterparties. Other foreign assets to the value of R2,7 billion were obtained through the offshore placement of shares by South African companies, which had a neutral effect on the value of the gold and foreign exchange reserves.

The net outflow of *short-term capital* not related to foreign reserves, but including errors and unrecorded transactions, increased from R3,0 billion in the second quarter of 1997 to R5,6 billion in the third quarter. The principal factor contributing to the increased net outward movement of short-term capital in the third quarter of 1997 was a sharp reduction in the outstanding foreign loan commitments of private banks. Unlike the second quarter of 1997, when the foreign-loan repayments of the private banks were more than fully counteracted by an accumulation of foreign liabilities in the form of non-resident foreign currency and rand-denominated deposits with domestic banks, such deposits rose by a much smaller amount in the third quarter. South African banks also increased their claims on non-residents by an amount of R0,8 billion during the third quarter.

The outflow of international short-term capital during the third quarter of 1997 was probably related to the steady decline in the external value of the rand, the high cost of forward cover against outstanding foreign financial commitments and the fairly easy access to domestic sources of credit. South African individuals also added to the net outflow of short-term capital during the third quarter of 1997 by depositing R274 million in offshore accounts. This was facilitated by the partial relaxation of exchange controls on individuals which came into force on 1 July 1997.

### Foreign debt

As a result of the continued net repayment of South Africa's foreign-debt commitments, the country's total foreign-currency-denominated debt declined from US\$23,6 billion at the end of 1996 to \$23,4 billion at the end of June 1997. Foreign debt, which existed in 1985 and had been renegotiated in terms of successive special arrangements with foreign creditors, decreased from \$2,7 billion at the end of 1996 to \$2,6 billion at the end of June 1997, whereas other foreign-currency-



**Table 9. Net capital movements not related to reserves**

R billions

	1996				1997		
	1st qr	2nd qr	3rd qr	4th qr	1st qr	2nd qr	3rd qr
Long-term capital							
Public authorities.....	1,3	0,1	-0,2	2,1	1,1	11,2	2,1
Public corporations.....	0,9	1,0	-0,8	2,5	1,4	6,1	0,9
Monetary sector.....	-0,2	-0,4	-0,2	-0,4	-0,2	-0,1	-0,3
Private sector.....	2,3	1,2	1,1	-5,4	2,5	-1,5	5,0
<b>Total long-term capital.....</b>	<b>4,3</b>	<b>1,9</b>	<b>-0,1</b>	<b>-1,2</b>	<b>4,8</b>	<b>15,7</b>	<b>7,7</b>
Short-term capital							
Monetary sector.....	-3,7	6,3	-0,4	8,6	2,6	5,3	-4,5
Other, including unrecorded transactions	-0,7	-6,7	-0,3	-4,1	-3,8	-8,3	-1,1
<b>Total short-term capital.....</b>	<b>-4,4</b>	<b>-0,4</b>	<b>-0,7</b>	<b>4,5</b>	<b>-1,2</b>	<b>-3,0</b>	<b>-5,6</b>
<b>Total capital.....</b>	<b>-0,1</b>	<b>1,5</b>	<b>-0,8</b>	<b>3,3</b>	<b>3,6</b>	<b>12,7</b>	<b>2,1</b>

denominated debt declined from \$20,9 billion to \$20,8 billion over the same period. Stated in rand at the exchange rate prevailing at the time of conversion, the ratio of foreign-currency-denominated debt to gross domestic product declined from 18,6 per cent at the end of December 1996 to 18,5 per cent at the end of June 1997 – substantially lower than the ratio of 43 per cent at the end of 1985 when the foreign debt standstill had been declared.

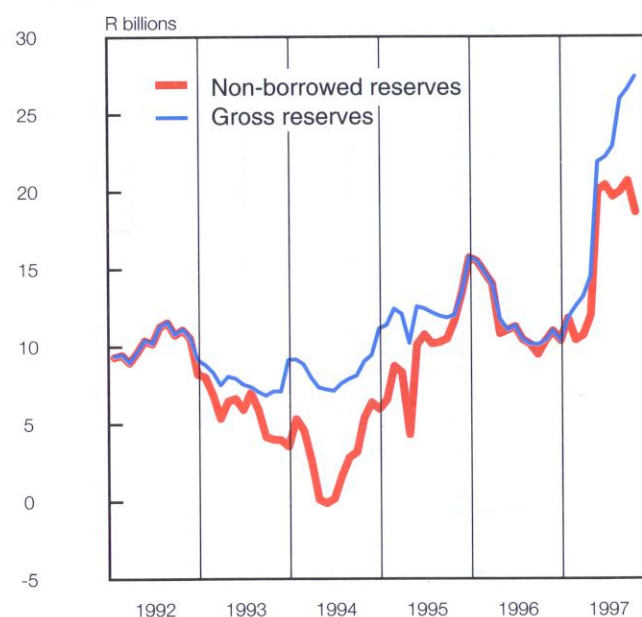
### Foreign reserves

The reduced net inflow of capital and the larger deficit on the current account of the balance of payments caused South Africa's *net gold and other foreign reserves* to decline by R1,2 billion in the third quarter of 1997. During the first nine months of 1997, however, the total earned foreign reserves still increased, on balance, by R12,6 billion. In October 1997, the net gold and other foreign reserves of the Reserve Bank declined by another R2,5 billion. The value of *non-borrowed foreign reserves* held by the Reserve Bank at the end of October 1997 amounted to R18,6 billion, compared with an amount of R10,3 billion at the end of December 1996.

Partly as a result of increased foreign short-term borrowing by the Reserve Bank, the country's total gross gold and other foreign reserves increased from R30,7 billion at the end of June 1997 to R33,6 billion at the end of September. Measured in terms of the United States dollar, this increase was from \$6,8 billion at the end of June 1997 to \$7,2 billion at the end of September. Relative to the value of imports of goods and services, gross reserves increased from 9½ weeks' worth of imports at the end of the second quarter of 1997 to 10 weeks at the end of the third quarter – more

than double the "import cover" of a year earlier. The gold reserves of the Reserve Bank increased from 3,8 million fine ounces at the end of June 1997 to 4,0 million ounces at the end of September. The gold component of total gross gold and other foreign reserves nevertheless declined from 16,9 per cent at the end of June 1997 to 16,1 per cent at the end of September.

### Foreign reserves of the Reserve Bank

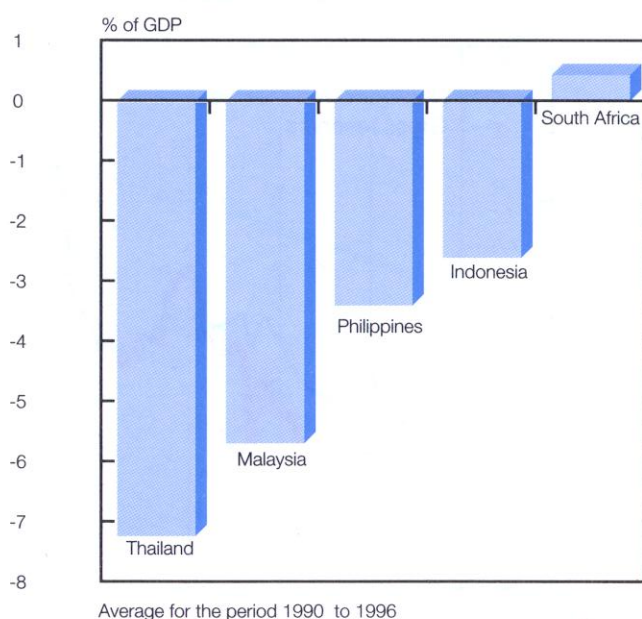


## Exchange rates

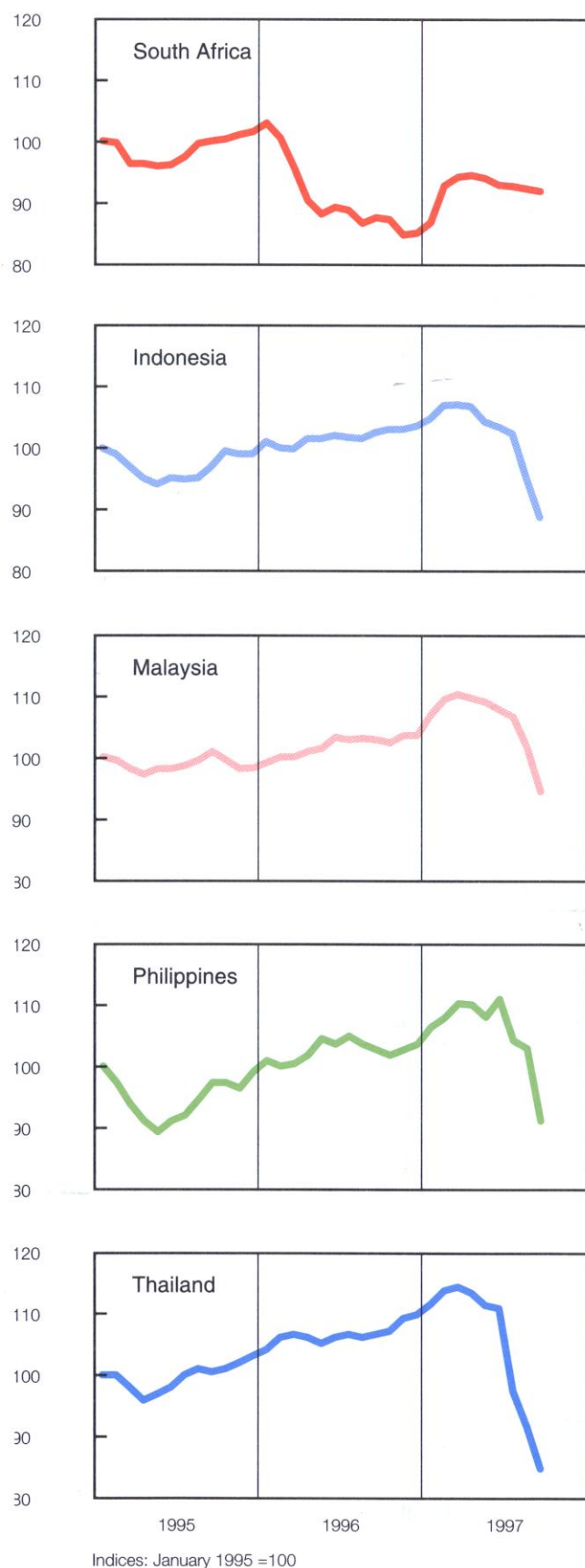
Developments in the international exchange markets from June to October 1997 were profoundly influenced by events in a number of Southeast Asian economies. Over a period of years these economies had experienced excessive money and credit growth, unsustainable deficits on the current accounts of their balance of payments, considerable net open forward positions in foreign exchange, nominal exchange rates pegged against the dollar and, consequently, inappropriate appreciations of real exchange rates. Concerns about the sustainability of macroeconomic balance in these economies led to capital withdrawals, which soon developed into major currency crises and the subsequent implementation of stern policy steps to correct structurally weak economic systems, in some instances with the involvement of the International Monetary Fund. From June to September 1997 the Thailand baht depreciated by 37,2 per cent against the US dollar, the Philippine peso by 24,4 per cent and the Indonesian rupiah by 22,6 per cent.

Owing largely to the correction of the rand during 1996 and the fundamentally healthier state of macroeconomic management in South Africa, the depreciation of the rand against the US dollar from June to October was mild in comparison with the performance of the struggling Asian currencies. From the end of June to 31 October 1997 the rand depreciated by only 6,0 per cent against the dollar and by 5,9 per cent against a basket of currencies. At the height of the decline in global financial markets, the rand

## Current account balance



## Real effective exchange rates





**Table 10. Changes in exchange rates of the rand**  
Per cent

	31 Oct 1996 to 13 Mar 1997	13 Mar 1997 to 30 Jun 1997	30 Jun 1997 to 31 Oct 1997	31 Dec 1996 to 25 Nov 1997
Weighted average.....	10,9	-3,9	-5,9	-0,9
US dollar.....	7,7	-2,8	-6,0	-3,4
British pound .....	9,7	-6,4	-6,6	-3,0
German mark.....	20,6	-0,1	-6,7	8,1
Japanese yen .....	16,2	-9,1	-1,2	6,3
Netherlands guilder.....	20,9	-0,1	-6,6	8,6
Italian lira.....	20,1	-2,3	-6,2	7,9

still held relatively firm and declined by 2,4 per cent on a nominal effective basis between 27 October and 31 October 1997.

The decline in the nominal effective exchange rate of the rand during the third quarter of 1997 was slightly more than the inflation differential between South Africa and its major trading-partner countries. The *real effective exchange rate* of the rand accordingly declined by 1,9 per cent from June to August 1997. On average, the level of the real effective exchange rate of the rand in the first eight months of 1997 was approximately ½ per cent below the average for the corresponding period of 1996.

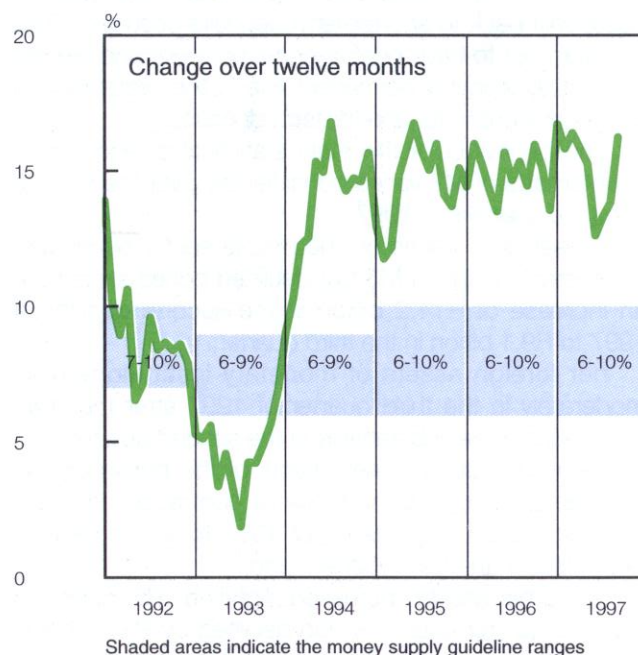
## Monetary developments, interest rates and financial markets

### Money supply

The quarter-to-quarter annualised growth in the average level of the *broadly defined money supply (M3)* slowed down from 18,1 per cent in the first quarter of 1997 to 16,4 per cent in the second quarter and 12,1 per cent in the third quarter. This brought the annualised growth in M3 closer to the guideline range for acceptable monetary growth which has been set at between 6 and 10 per cent for 1997. In contrast, the growth over periods of twelve months in M3 accelerated during the third quarter of 1997 from 12,7 per cent in June to 16,3 per cent in September. This acceleration in the twelve-month growth rate of M3 from June 1997 to September was not only the result of large increases from month to month, but also of a decline in the level of M3 in July 1996, which lowered the base of the twelve-month rate calculations. In September 1997 the seasonally adjusted value of M3 exceeded the upper limit of the guideline "tunnel" by R18,9 billion or 5,5 per cent. From the base of the guideline year in the fourth quarter of 1996 up to September 1997 M3 grew at an annualised rate of 17,3 per cent.

The continued rapid growth in the money supply was partly related to the growth in nominal domestic output and expenditure on consumption and fixed investment in the first nine months of 1997. Developments in the

### M3 money supply





financial markets also seemingly had an impact on increased money holdings by the general public. An analysis of *banks' liabilities according to type of depositor* shows that the increase in bank deposits was mostly concentrated in deposits held by *companies and close corporations*. These deposits increased by R24,5 billion in the first three quarters of 1997, substantially more than the increase of R7,1 billion over the corresponding period in 1996. Deposits held by *private households* also increased further by R6,3 billion during the first three quarters of 1997, following an increase of R8,9 billion in the corresponding period in 1996. Institutional investors apparently preferred to increase their exposure in the securities markets rather than hold more deposits as was reflected by the increase in the holdings of bank deposits by insurance companies and pension funds of only R2,5 billion in the first three quarters of 1997, compared with R8,0 billion in the first three quarters of 1996.

Although the growth rates over twelve months in the *narrower monetary aggregates* generally exceeded those of M3 during the first nine months of 1997, the growth in the narrower aggregates over shorter periods of time tended to subside between the fourth quarter of 1996 and the second quarter of 1997, but then rebounded in the third quarter. For example, the annualised quarter-to-quarter growth in the average quarterly value of M1 fell from 39,9 per cent in the fourth quarter of 1996 to a negative rate of 1,3 per cent in the second quarter, but then bounced back to 21,4 per cent in the third quarter. From the fourth quarter of 1996 until August 1997 there was a shift in the public's liquidity preference from shorter-term deposits to longer-term deposits with banks. This was motivated largely by expectations of declining long-term interest rates and an anticipated reduction of official lending rates. These developments were suddenly reversed in September 1997 when a major shift back to shorter-term deposits occurred. This may turn out to have been a one-time event and did not necessarily signal a permanent rise in the preference of the general public for shorter-term deposits.

The behaviour of the main statistical or accounting counterparts of M3 varied considerably over the second and third quarters of 1997:

- increases in claims on the private sector dominated the overall change in M3 but declined nonetheless from an increase of R14,2 billion in the second quarter of 1997 to R9,1 billion in the third quarter;
- net foreign assets of monetary institutions rose moderately in the third quarter of 1997 after they had risen much more substantially in the second quarter;
- the contribution of net claims of the banks on the government sector turned from a contraction of R3,2 billion in the second quarter of 1997 to an increase of R4,0 billion in the third quarter; and
- "net other assets" increased slightly by R0,9 billion in the third quarter after they had declined by R11,3 billion in the second quarter when surpluses on account of Reserve Bank involvement in the forward foreign-

**Table 11. Accounting counterparts of change in M3**

R billions

	1997	
	2nd qr	3rd qr
Net foreign assets.....	6,5	1,9
Net claims on government sector.....	-3,2	4,0
Claims on private sector.....	14,2	9,1
Net other assets .....	-11,3	0,9
<b>Total change in M3 .....</b>	<b>6,2</b>	<b>15,8</b>

currency market and a reduction in loans granted under resale agreements had a contractionary impact on the monetary sector's net other assets.

#### Credit extension

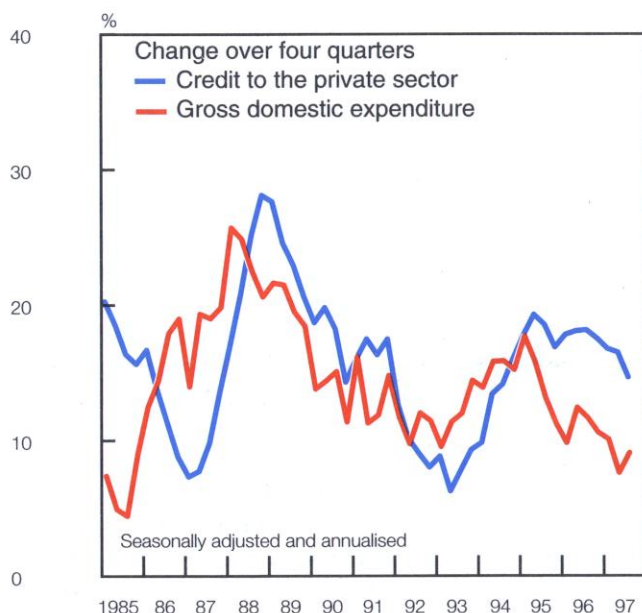
The rate of increase over twelve months in *total domestic credit extension* (i.e., the monetary sector's credit extended to the private sector and net claims on the government sector) decreased from 17,1 per cent in December 1996 to 15,3 per cent in September 1997. The quarter-to-quarter annualised growth rate in the average level of total credit extension decelerated even more impressively from 23,6 per cent in the first quarter of 1997 to 6,1 per cent in the third quarter.

The slower rate of increase in total domestic credit extension in the third quarter of 1997 was mainly the result of a decline in the growth of credit extension to the *private sector*. The twelve-month growth rate in credit extension to the private sector fell back from 17,4 per cent in April 1997 to 14,3 per cent in September as private-sector organisations economised on the use of bank credit. Nonetheless, these monthly growth rates still exceeded the inflation rate as measured by changes over twelve months in the consumer price index. Furthermore, despite the slowdown in credit extension to the non-bank private sector, credit growth has consistently outpaced the growth in nominal gross domestic expenditure by a considerable margin since early 1995. The rapid expansion of credit extended by the monetary sector to the private sector is also evident from the high level of the ratio of private-sector credit to gross domestic product which amounted to 65,6 per cent in the third quarter of 1997 – the second highest ratio ever recorded.

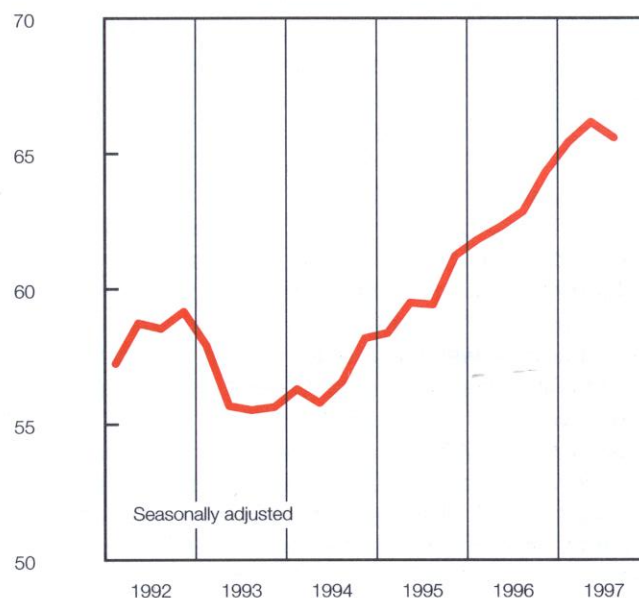
An analysis of monetary institutions' claims on the private sector by *type of credit* shows that the growth in credit extension to the private sector in the third quarter of 1997 consisted mainly of *overdrafts and other loans and advances*. The rate of increase over twelve months in this credit category has exceeded 20 per cent in each



### Credit extension to the private sector and nominal gross domestic expenditure



### Credit extension to the private sector as percentage of gross domestic product



and every month since April 1997. Strong demand for working capital by the corporate sector, some borrowing by companies struggling to keep afloat during a temporary slack in demand and the switching of foreign trade financing from offshore to domestic sources of credit were among the main forces behind the rise in corporate demand for bank credit.

The growth over twelve months in *mortgage advances* slowed down perceptibly from 14,7 per cent in June 1997 to 12,5 per cent in September. The growth over twelve months in *instalment sale credit* also

subsided from rates higher than 20 per cent at the beginning of 1997 to 14,3 per cent in June and 10,8 per cent in September. Similarly, the twelve-month growth in *leasing finance* declined from rates higher than 15 per cent at the beginning of 1997 to only 0,2 per cent in September.

The shift in the relative importance of credit extended by the monetary sector from *households* to the *corporate sector* continued in the third quarter of 1997. Credit extended to households increased by R4,6 billion in the second quarter of 1997 and by R3,7 billion in the

**Table 12. Twelve-month growth rates in main types of credit extended to the private sector**  
Per cent

Period	Investments	Bills discounted	Instalment sales	Leasing finance	Mortgage advances	Other loans and advances	Total
1997: Jan .....	2,6	-13,2	21,1	16,6	16,4	20,4	17,1
Feb .....	1,4	-2,2	20,2	15,1	16,3	21,2	17,3
Mar .....	-1,5	-16,0	18,1	14,3	15,8	19,9	16,0
Apr .....	4,7	-6,2	19,5	12,9	15,5	22,7	17,4
May .....	10,2	-10,9	15,8	11,9	15,1	22,4	16,7
Jun .....	9,9	-15,8	14,3	8,9	14,7	23,3	16,4
Jul .....	15,8	-14,9	12,2	6,6	13,4	20,5	14,7
Aug .....	5,6	-0,7	11,6	5,6	12,8	21,5	14,6
Sep .....	-1,0	13,0	10,8	0,2	12,5	22,2	14,3

third quarter, whereas credit extended to the corporate sector rose by R9,5 billion in the second quarter and R5,4 billion in the third quarter. In terms of percentage changes, the growth rate over twelve months in credit extension to households amounted to 12,4 per cent in September 1997 – well below the twelve-month growth of 16,9 per cent in credit extension to the corporate sector during the same period.

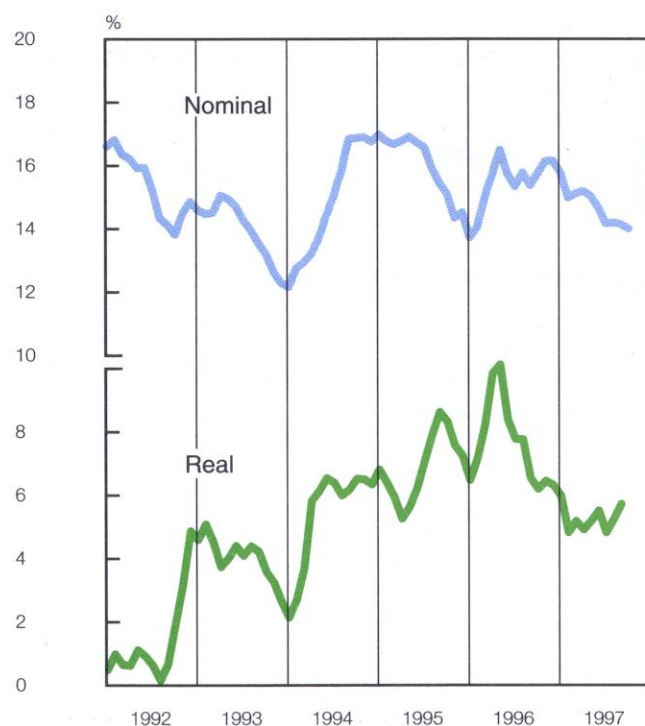
### Interest rates and yields

For the major part of the first nine months of 1997, sentiment in the South African bond market turned out to be mostly bullish as market participants traded on the expectation that inflation was likely to subside, the exchange rate was likely to remain firm and that official lending rates were likely to be lowered soon. Apart from a relatively short interlude from March to April 1997 when uncertainties about government's fiscal policy intentions and later also uncertainties surrounding the possible effect of the partial relaxation of exchange controls on residents caused bond yields to rise for a while, the overall mood in the bond market was predominantly optimistic. This positive sentiment came to an end towards the end of October 1997 when the turbulence in Southeast Asian financial markets reverberated throughout the global financial network, including the South African financial markets.

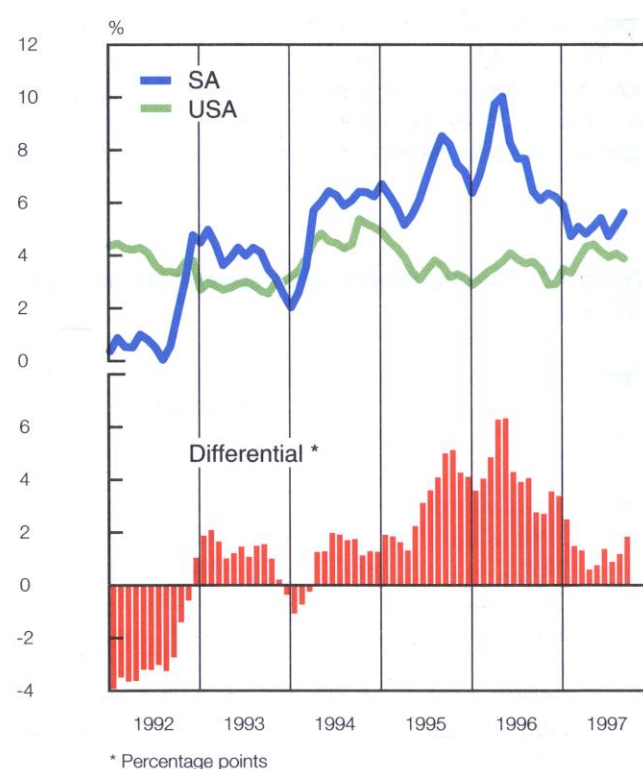
The *monthly average yield on long-term government bonds* declined from 15,2 per cent in April 1997 to 14,2 per cent in July, a level that was maintained in August and September. The *daily average yield on long-term government bonds* subsequently fell below 14 per cent for the first time since February 1996 and reached a low of 13,8 per cent on 22 October 1997. The sharp decline in bond prices in the Southeast Asian markets then followed and the daily average yield on long-term government bonds rebounded to 15,1 per cent on 28 October 1997 as non-resident investors became net sellers of bonds on a vast scale. Despite the sharp rise in bond yields in the last week of October, the monthly average yield in October 1997 nonetheless declined to 14,0 per cent from 14,2 per cent in the preceding month.

The *monthly average inflation-adjusted yield on long-term government bonds*, which had bottomed out at about 5,0 per cent over the period from February 1997 to July, increased to 6,2 per cent in October as the monthly average of nominal bond yields remained approximately unchanged and consumer price inflation over one year declined fairly decisively. This movement widened the differential between inflation-adjusted government bond yields in South Africa and the USA to margins that might have been a more accurate reflection of the differences in the country and currency risks of these two economies.

**Yield on long-term government bonds**



**Inflation-adjusted yields on long-term government bonds**





**Table 13. Interest rates and yields**

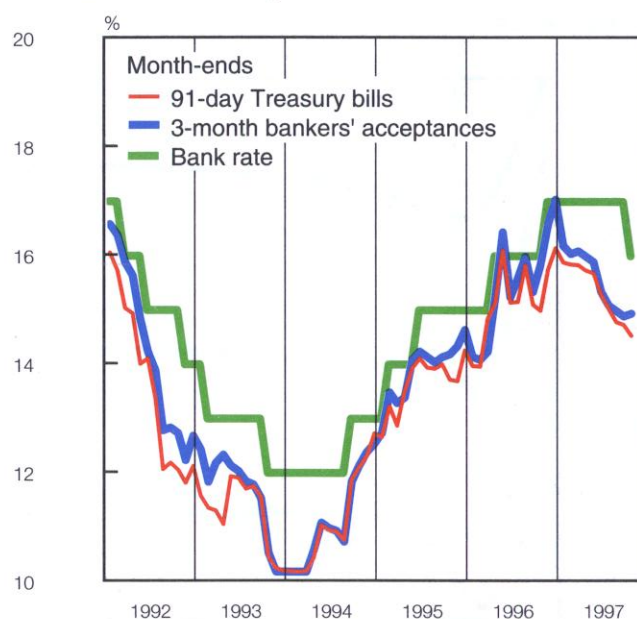
Per cent

Period	3-month bankers' acceptances*	Monthly average yield on long-term government bonds				Predominant rate on	
		South Africa		United States of America		Mortgage loans	12-month fixed deposits
		Nominal	Real	Nominal	Real		
1996: Nov.....	16,55	16,2	6,4	6,2	2,8	19,00	14,50
Dec.....	17,00	16,2	6,3	6,4	2,9	20,00	14,50
1997: Jan.....	16,15	15,8	5,9	6,5	3,4	20,00	14,50
Feb.....	16,00	15,0	4,8	6,5	3,3	20,00	14,50
Mar.....	16,05	15,2	5,1	6,7	3,8	20,00	14,50
Apr.....	15,95	15,2	4,9	6,8	4,3	20,00	14,50
May.....	15,85	15,1	5,1	6,7	4,4	20,00	14,50
Jun.....	15,30	14,7	5,5	6,4	4,1	20,00	14,50
Jul.....	15,05	14,2	4,8	6,2	3,9	20,00	14,50
Aug.....	14,95	14,2	5,2	6,3	4,0	20,00	14,50
Sep.....	14,85	14,2	5,7	6,1	3,8	20,00	14,50
Oct.....	14,90	14,0	6,2	6,0	3,8	20,00	14,50
Nov.....	...	...	...	...	...	19,00	13,50

\* As at end of month

Money market interest rates generally moved downwards from April 1997 up to September 1997. The rate on bankers' acceptances with a maturity of three months, which represents the overall movement in money market rates fairly closely, declined from 16,05 per cent at the end of March 1997 to 14,85 per cent at the end of September. This downward movement was mainly a result of easier money market conditions in the second and third quarters of 1997 and widespread expectations of a reduction in Bank rate. When Bank rate was lowered on 20 October, the rate on bankers' acceptances of three months declined further to 14,20 per cent on 23 October, but bounced back to 15,20 per cent on 28 October when money market conditions tightened considerably in the wake of the turmoil in the financial markets. By the end of October the bankers' acceptances rate had fallen back to 14,90 per cent and then remained more or less at this level during the first three weeks of November.

The tender rate on Treasury bills of three months moved in harmony with other money market rates from the first quarter of 1997. This rate declined from 15,79 per cent at the end of March 1997 to 14,69 per cent at the end of September. It then fell to 14,10 per cent on 24 October before being overtaken by the events in global markets in the last days of October when it rose again to 14,49 per cent. Strong demand by banks for assets qualifying as first-tier collateral kept the increase

**Bank rate and money market interest rates**



in the tender rate on Treasury bills at bay in the last days of October and in November.

A sizeable downward movement in bond yields across the full maturity spectrum from April 1997 to 22 October moved the *yield curve* lower to a level broadly similar to that which prevailed shortly before the rand started to depreciate in February 1996. The ensuing turbulence in financial markets increased short-term yields by 96 basis points to 28 October, whereas long-term yields increased by 108 basis points. The yield curve was thus restored to its level of April 1997, but still maintained its inverted gradient while becoming even flatter than before. The yield curve subsequently drifted downwards over the full maturity spectrum towards the end of October. Judging from the general level and shape of the yield curve, the flight away from emerging markets was clearly reflected in the re-rating of bond prices in South Africa.

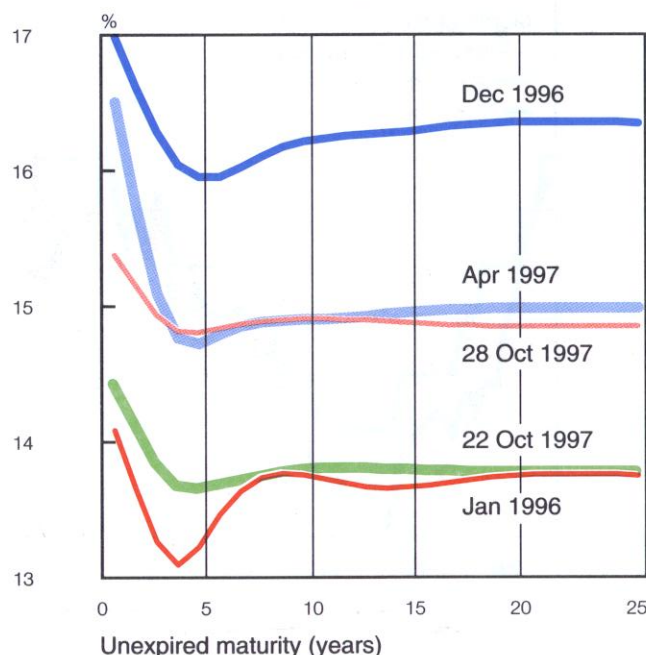
The lending rates of banks have remained relatively stable since November 1996. The *prime overdraft rate of banks* was raised to 20,25 per cent on 21 November 1996 and remained at this level until 20 October 1997. The slowdown in the quarter-to-quarter growth in the money supply and bank credit extension to the private sector during the third quarter and the resumption of a downward tendency in consumer and production price inflation permitted the Reserve Bank to announce a reduction in Bank rate from 17 per cent to 16 per cent with effect from 20 October. The banks followed this signal by lowering their prime overdraft rates from 20,25

per cent to 19,25 per cent in a series of reductions from 20 October to 1 November 1997. The *inflation-adjusted prime overdraft rate* (i.e. the nominal prime overdraft rate adjusted by the increase in the consumer price index over twelve months) declined from 11,3 per cent at the end of September 1997 to 10,9 per cent at the end of October owing to the twelve-month consumer price inflation rate declining sharply by 0,5 percentage points in October.

The *predominant rate on new mortgage loans by banks* was reduced by one percentage point to 19 per cent from 1 November 1997 in the aftermath of the reduction in Bank rate on 20 October. However, *fixed and maximum-rate home loan rates* were lowered by up to 1,5 percentage points between July and September 1997 as competition in the mortgage market intensified against the backdrop of subdued trading conditions and growing expectations of mortgage lending rate reductions.

The *predominant retail rate on twelve-month fixed deposits* was lowered by one percentage point to 13,5 per cent in November 1997. The *standard interest rate* applicable to loans granted from the State Revenue Fund was set at 14,0 per cent from 1 November 1997 – a net reduction of 2,5 percentage points since December 1996. The *maximum permissible finance charges rates* for most types of loans were raised by one percentage point in March 1997. These rates now stand at 29 per cent per annum in respect of money lending, credit and leasing transactions for amounts of more than R6 000 but less than R500 000, and 32 per cent in respect of amounts up to R6 000.

**Yield curves**



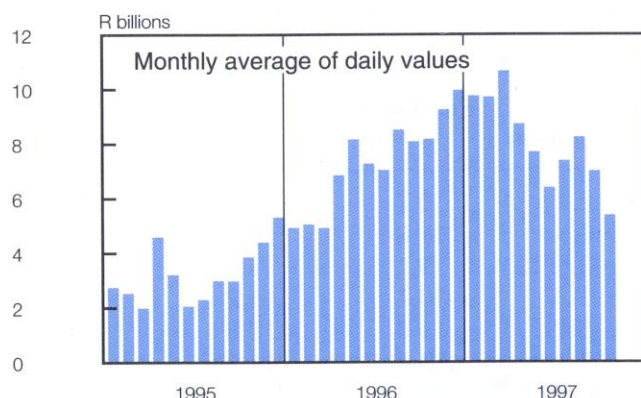
### Money market

The exceedingly tight money market conditions in the first quarter of 1997, eased considerably during the second and third quarters. The amount of accommodation which the Reserve Bank extended to banks declined from a daily average level of R10,6 billion in March 1997 to R6,3 billion in June and R6,9 billion in September. The daily average amount of accommodation subsequently declined to R5,3 billion in October. However, wide fluctuations occurred during the course of that month. Prior to the reduction of Bank rate on 20 October 1997 and in the days immediately thereafter, the daily amount of accommodation provided by the Reserve Bank declined to below R4 billion. In the midst of the largely unforeseen and unsettling developments in the global financial markets, the amount of accommodation provided by the Bank increased to R10,0 billion on 29 October before declining somewhat to R8,5 billion on the last day of the month.

The easier money market conditions that prevailed in the second quarter of 1997 were mainly due to a strengthening of the net foreign assets of the Reserve Bank which were neutralised only partially by surpluses originating from the Bank's transactions in the forward



### Borrowing at the accommodation window



foreign-currency market and an increase in government deposits with the Reserve Bank. The slightly tighter conditions in the third quarter of 1997 were primarily caused by a decline of R1,7 billion in the net foreign assets of the Reserve Bank. This decline in net foreign assets outweighed a decline of R0,5 billion in government deposits with the Bank which would otherwise have eased money market conditions, all else remaining unchanged.

A decrease in the net foreign assets of the Reserve Bank was mainly responsible for the tightening of money market conditions towards the end of October 1997. The potential for disorderly trading conditions to develop as a result of the global financial troubles forced the Reserve Bank to provide liquidity on a limited scale to the foreign exchange market. This had the desired effect of stabilising the foreign exchange market, but at the same time had a tightening effect on money market conditions. The rise in the money market shortage compelled some banks to tender second-tier assets as collateral for overnight borrowing from the Reserve Bank in the last days of October 1997 and in November.

The Reserve Bank's operations in the money market during the first ten months of 1997 were generally neutral and aimed towards permitting the money market shortage to reflect the underlying pressures prevailing in the market and to avoiding undue fluctuations in the amount of accommodation supplied to banks. During July the Bank sold government stock from its portfolio of zero-coupon bonds to drain liquidity emanating from the repatriation of the proceeds of the sale of a minority interest in Telkom to a consortium of foreign companies.

### Bond market

Capital raising activities by *private-sector companies* were focused exclusively on the primary share market in the first nine months of 1997 and companies listed on the Johannesburg Stock Exchange made *no rights issues of fixed-interest securities* during this period. An

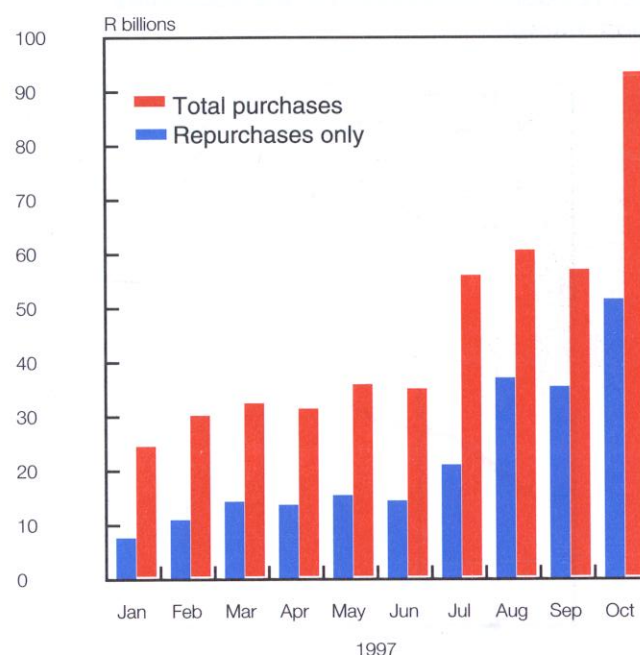
amount of R2,2 billion was raised through these instruments in 1996 as a whole. The only capital raised in the *domestic primary bond market* by private sector companies in 1997 occurred in February with three issues of bonds listed on the Bond Exchange of South Africa amounting in total to R1,2 billion. These were the first such listed bond issues since December 1992.

With private-sector companies abstaining from the domestic primary bond market, this market continued to be dominated by the activities of *public-sector borrowers*. Net issues of fixed-interest securities by public-sector bodies amounted to R9,3 billion in the first half of fiscal 1997/98, compared with R11,7 billion in the corresponding period of the previous fiscal year. These net issues exhibited fairly volatile movements from month to month. For instance, net stock redemptions amounting to R6,9 billion were made in August 1997.

The National Government raised an additional amount of R3,8 billion by issuing foreign-currency denominated bonds in the *international primary bond markets* during the first seven months of fiscal 1997/98. Eskom, Transnet and the Development Bank of Southern Africa also mobilised an amount of R813 million in the Eurobond market through the issuance of rand-denominated bonds in the period from April to October 1997.

Trading activity in the *secondary bond market* became extremely buoyant in the third quarter of 1997 as the generally downward movement in yields

### Non-resident participation on the Bond Exchange\*



\* At consideration value



**Table 14. Non-resident transactions in the bond and share markets**

R billions

Period	Bonds			Shares		
	Purchases	Sales	Net purchases	Purchases	Sales	Net purchases
1996: 1st qr .....	30,7	28,3	2,4	10,7	8,4	2,3
2nd qr .....	44,0	43,6	0,4	11,0	9,0	2,0
3rd qr .....	49,5	50,1	-0,6	9,1	7,6	1,5
4th qr .....	50,9	49,7	1,2	10,7	11,2	-0,5
1997: 1st qr .....	85,4	79,3	6,1	14,3	10,8	3,5
2nd qr .....	100,7	93,3	7,4	19,4	11,2	8,2
3rd qr .....	171,9	165,9	6,0	23,6	15,7	7,9

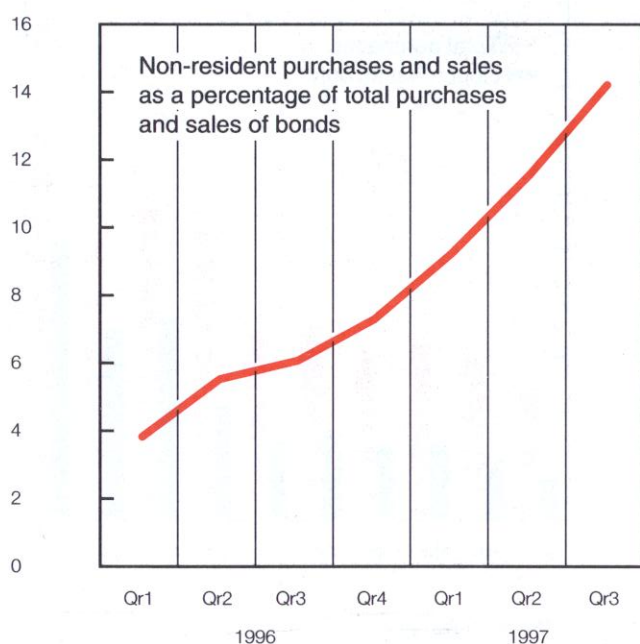
ostensibly became entrenched. The quarterly average value of bonds traded on the Bond Exchange of South Africa increased from R858 billion in the first half of 1997 to an all-time high of R1 182 billion in the third quarter. A steep rise in *total repurchase transactions* contributed materially to increased turnovers in the secondary bond market: repurchase transactions as a percentage of total turnover increased from 49 per cent in the first half of 1997 to 56 per cent in the third quarter. Total

turnover increased further to an all-time monthly high of R555 billion in October 1997, compared with a monthly average of R394 billion in the third quarter of 1997. A further step was taken in the process of improving the efficiency of bond trading in South Africa when a new settlement system was introduced in the bond market in November 1997. The old system of settlement on the second Thursday following the conclusion of a transaction was replaced by a system of settlement on the third day after a transaction had been concluded.

The value of transactions in the secondary bond market involving *non-resident investors* increased from R347 billion in 1996 to R887 billion in the first ten months of 1997. As a percentage of the total purchases and sales of bonds, purchases and sales by non-residents increased from 5,7 per cent in 1996 to 17,2 per cent in October 1997. *Repurchase transactions* also gained in popularity among non-resident investors; these type of transactions as a percentage of non-resident purchases of bonds increased from 41 per cent in the first half of 1997 to 54 per cent in the third quarter.

In view of the relatively attractive yields available in the domestic bond market and the prospects for continued rand stability, *non-residents* predominantly remained *net buyers* of bonds in the first nine months of 1997. The monthly value of these net purchases, however, declined from an all-time high of R4,7 billion in April 1997 to a monthly average of R1,7 billion from May to September. In October 1997 non-residents became net sellers of bonds to the amount of R5,2 billion. This change in behaviour was motivated by a desire to lock in profits when bond yields were declining sharply in the first three weeks of October, uncertainty about the continued stability of the exchange rate of the rand and the contagion effect on domestic financial markets of the turbulence in global markets.

#### Non-resident participation in the secondary bond market





## Share market

The demand for capital in the *primary share market* showed a distinct upward tendency in the first nine months of 1997. The value of *capital raised* increased from R7,9 billion in the first quarter of 1997 to R12,2 billion in the second quarter and R19,2 billion in the third quarter. Of the total amount of R39,3 billion mobilised in the primary share market during the first three quarters of 1997, some R17,2 billion or almost 44 per cent was in the form of shares issued for the acquisition of assets that were not already listed on the Johannesburg Stock Exchange.

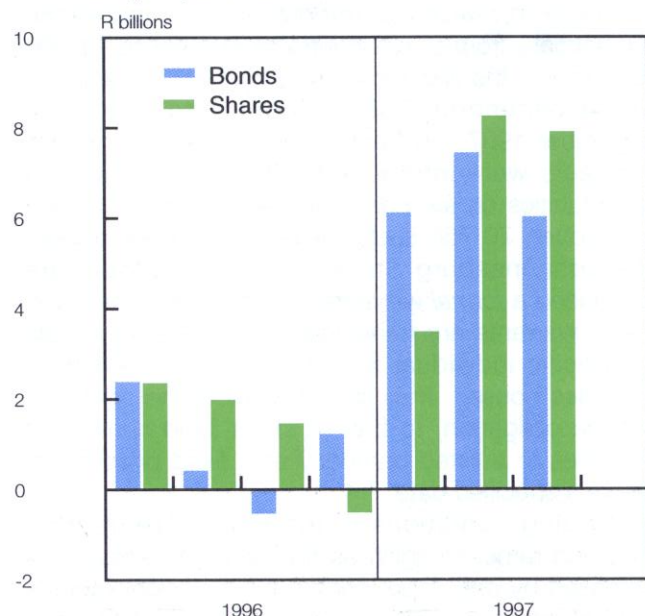
In the *secondary share market* the value of shares traded on the Johannesburg Stock Exchange increased from R41,2 billion in the first quarter of 1997 to R51,0 billion in the second quarter and R58,7 billion in the third quarter. The sudden and sharp decline in share prices on 23 October 1997 caused a flurry of trading activity which swept the value of share market trading higher to R21,8 billion in October compared with average monthly turnovers of R19,6 billion in the previous three calendar months.

*Non-residents* participated actively in trading on the Johannesburg Stock Exchange and their purchases and sales of shares accounted for 31,7 per cent of total purchases and sales of shares in the first ten months of 1997. In fact, net purchases of shares by non-residents exceeded their net buying of bonds by an amount of R2,7 billion in the second and third quarters of 1997. This marked quite some change from the fourth quarter

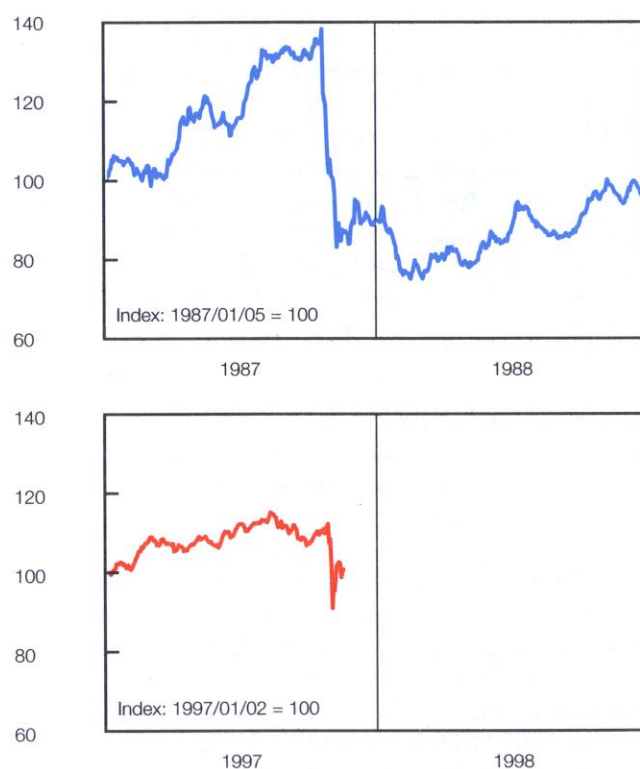
of 1996 and the first quarter of 1997 when net purchases of bonds by non-residents were R4,3 billion more than their net buying of shares. With the collapse of the global share markets in October 1997, the net purchases of shares by non-residents increased to R3,8 billion in that month compared with an amount of R2,3 billion in September and net sales of bonds amounting to R5,2 billion in October.

After a period of consolidation lasting almost a year, the *monthly average price level of all classes of shares* on the Johannesburg Stock Exchange increased, on balance, by 14,6 per cent from December 1996 to August 1997. Some nervousness then set in, which caused the monthly average level of the all-share price index to decline by 2,8 per cent in September 1997 before the sharp plunge of share prices in the last week of October took the monthly average index value down by 3,4 per cent in that month. Compared with the "crash" of 1987, the slump in share prices in October 1997 was relatively moderate – the all-share price index declined by as much as 45 per cent from 19 October 1987 to 12 February 1988, whereas the decline from the most recent daily high on 7 August 1997 to 28 October was 21 per cent. The monthly average prices of gold-

## Non-residents' quarterly net transactions in the secondary capital market



## Share price indices of all classes of shares





**Table 15. Yields and price ratios**

Period	Dividend yield Per cent	Earnings yield* Per cent	Price-earnings ratio*	Yield differential Percentage points
1996: Dec.....	2,46	7,01	14,27	13,73
1997: Jan.....	2,46	6,89	14,51	13,36
Feb.....	2,37	6,68	14,96	12,66
Mar.....	2,40	6,62	15,11	12,76
Apr.....	2,41	6,66	15,01	12,83
May.....	2,40	6,70	14,93	12,68
Jun.....	2,37	6,87	14,55	12,35
Jul.....	2,31	6,56	15,23	11,90
Aug.....	2,33	6,59	15,17	11,91
Sep.....	2,44	6,77	14,76	11,74
Oct.....	2,53	7,13	14,03	11,52

\* Excluding gold-mining shares

mining shares, which were badly affected by a fall of about US\$68 in the price of gold per fine ounce, declined by 44 per cent from May 1996 to October 1997.

The monthly average *dividend yield* on all classes of shares declined from 2,46 per cent in December 1996 to 2,31 per cent in July 1997, but then increased again to 2,53 per cent in October. The monthly *average earnings yield* (gold-mining shares excluded) declined likewise from 7,01 per cent in December 1996 to 6,56 per cent in July, before increasing to 7,13 per cent in October. The *yield differential* between long-term government bonds and all classes of shares narrowed from 13,7 percentage points in December 1996 to 11,5 percentage points in October 1997 as the yield on government bonds generally declined while the dividend yield on shares remained broadly unchanged. The *price-earnings ratio* of all classes of shares, apart from gold-mining shares, averaged about 14,9 over the period from January to September 1997, but then declined to 14,0 in October.

#### Other financial markets

Activity in the *formal derivatives market* for equity and interest rate futures and options contracts receded from an all-time high of 3,4 million contracts in the first quarter of 1997 to 2,5 million in the second quarter and 2,2 million in the third quarter. Trading volumes in the first ten months were nevertheless still 21 per cent more than in the first ten months of 1996. However, non-resident participation in the derivatives market increased from 15,8 per cent of open interest in January 1997 to 26,9 per cent in October.

In contrast to the continued increases in the value of turnover in the share market, the aggregate quarterly number of *equity futures and options*

*contracts* declined throughout the first three quarters of 1997, but increased strongly in October 1997 on account of heightened volatility in the share market. The high level of activity in the bond market, however, redounded to both *interest rate futures and options contracts*, which increased from an aggregate quarterly number of 6 500 contracts in the first quarter of 1997 to 9 200 contracts in the second quarter and 12 200 contracts in the third quarter.

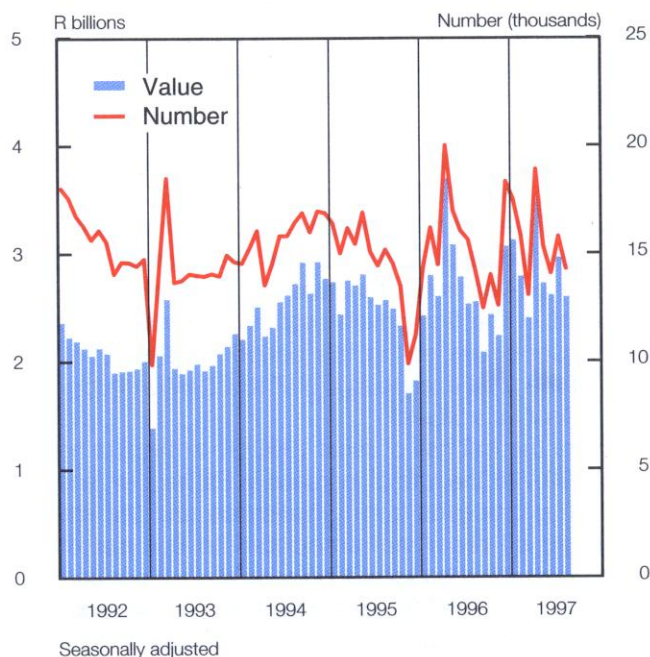
Since their introduction in May 1997 a total of 365 *rand-dollar futures contracts* had been traded at the end of October 1997. The lack of interest in these contracts could probably be attributed to the high level of liquidity in the underlying spot and over-the-counter forward foreign-exchange markets.

Trade in *maize commodity futures* increased substantially from 2 700 contracts in 1996 to 11 900 contracts in the first ten months of 1997. Trading in *wheat commodity futures contracts* started in November 1997. In September 1997 *equity options contracts* were introduced, offering new hedging opportunities on six individual shares. Up to the end of October, 70 750 such contracts had been traded. The Johannesburg Stock Exchange furthermore introduced a *formal warrants market* in October 1997. These warrants are transferable securities applicable to specific individual shares and are issued by a securities house. They give the holder the right, but not the obligation, to buy or sell a fixed number of securities in a listed company at a fixed price on or before a specified date.

Trading conditions in the *real-estate market* remained rather sluggish as the value of transactions increased by only 1 per cent in the first eight months of 1997 over the corresponding period of the previous year, whereas the number of transactions decreased by about 2 per cent over the same period. It is



## Real-estate transactions



expected that activity in the real-estate market might benefit somewhat from the recent reduction in mortgage rates.

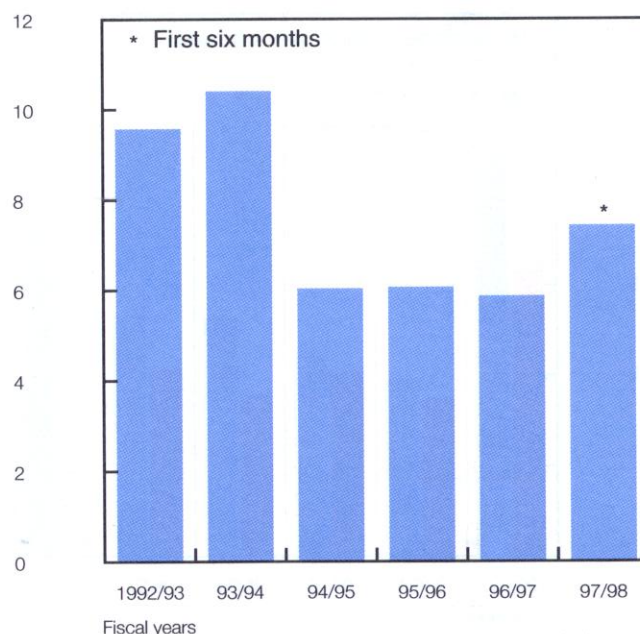
## Public finance

### 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 non-financial public corporations and public enterprises) declined in typical seasonal fashion from R12,5 billion in the period April to June 1997 to R9,7 billion in the period July to September. The accumulated deficit of R22,2 billion in the first half of fiscal 1997/98 was nonetheless R3,9 billion more than its counterpart in the first half of fiscal 1996/97. This increase took the ratio of the public-sector borrowing requirement to gross domestic product to 7,4 per cent in the first half of fiscal 1997/98, compared with 6,7 per cent in the first half of fiscal 1996/97.

The increase in the public-sector borrowing requirement from fiscal 1996/97 to fiscal 1997/98 was mainly brought about by the deterioration of the finances of provincial governments: the financial shortfall of provincial governments deteriorated from R0,5 billion in the first half of fiscal 1996/97 to R4,3 billion in the first half of 1997/98. This widening of the deficit of provincial governments can be attributed to sustained high levels of expenditure on education, health care and welfare services and on salary and wage increases which took effect on 1 July 1997, without a concomitant transfer of funds from National Government.

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





A sizeable disparity developed between changes in *general government expenditure and revenue* during the first half of fiscal 1997/98. Although the year-on-year growth in total expenditure declined from 14,6 per cent in the first half of fiscal 1996/97 to 11,4 per cent in the first half of fiscal 1997/98, the growth over one year in general government revenue declined even more from 14,2 per cent in the first half of fiscal 1996/97 to 8,9 per cent in the first half of fiscal 1997/98. The proximate cause of the disparate growth in revenue and expenditure was a decline in the year-on-year growth in tax revenue from 14,1 per cent in the first half of 1996/97 to 10,1 per cent in the first half of 1997/98.

### Exchequer account

The deficit on the Exchequer account as a percentage of gross domestic product in the first half of fiscal 1997/98 was substantially higher than the target envisaged in the Budget for the full fiscal year. The relatively large deficit in the first half of the year reflected expenditure growth in excess of the normal seasonal pattern and revenue growth which fell short of the Budget estimates.

The rate of increase over one year in *Exchequer issues* to government departments (adjusted to reflect cash flows) amounted to 7,9 per cent in the first half of 1997/98, which was notably higher than the budgetary provision of 6,1 per cent for the year as a whole. When budgeted expenditure in fiscal 1997/98 is compared with actual outcome of Exchequer issues in 1996/97, government spending in 1997/98 is supposed to grow

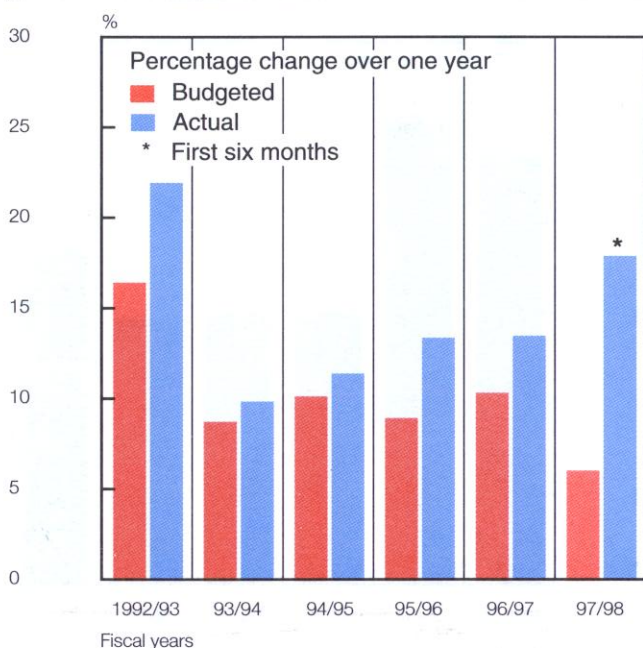
by only 5,4 per cent in fiscal 1997/98. The year-on-year rate of increase in Exchequer issues during the first half of fiscal 1997/98 was, however, well below the average year-on-year rate of increase of 14,0 per cent recorded in the first half of the preceding five fiscal years. As a *ratio of gross domestic product*, Exchequer issues to government departments accordingly declined to 31,9 per cent in the first half of fiscal 1997/98 from a ratio of 32,4 per cent in the first half of fiscal 1996/97.

In October 1997 Exchequer issues decreased by 1,7 per cent compared with October 1996, which brought the year-on-year rate of increase in these issues to 6,5 per cent in the first seven months of fiscal 1997/98. Exchequer issues during this period equalled 58,9 per cent of the total expenditure of R186,7 billion budgeted for the year as a whole.

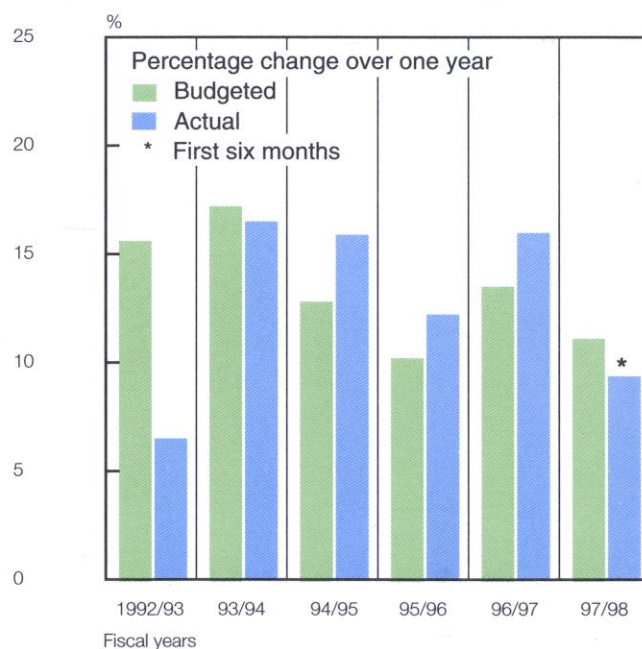
From the first half of fiscal 1996/97 to the first half of fiscal 1997/98 the rate of increase in *Exchequer receipts* (excluding proceeds from privatisation and the sale of strategic oil reserves) amounted to 9,4 per cent, compared with a budgeted increase of 11,2 per cent for the fiscal year 1997/98 as a whole and an average rate of increase of 13,0 per cent for the corresponding period of the preceding five fiscal years.

The year-on-year rate of increase in Inland revenue receipts in the first half of fiscal 1997/98 was more or less on target with the Budget projections. Collections of customs and excise duties, in contrast, fell well short of the Budget objectives. The deviation between the actual and projected revenue from customs and excise

**Budgeted and actual Exchequer issues to government departments**



**Budgeted and actual Exchequer receipts**





**Table 16. Percentage increase in government revenue**

	Budgeted increase: fiscal year 1997/98	Actual increase: first half 1997/98
Exchequer receipts .....	11,2	9,4
Customs and excise duties .....	8,0	-0,4
Inland revenue .....	11,7	11,6
Income tax .....	13,5	12,4
Value-added tax .....	11,4	9,8

duties was the result of the accelerated implementation of tariff reductions agreed to in the Final Act of the Uruguay Round of trade negotiations and in the Marrakesh Agreement which established the World Trade Organisation (WTO). Value-added tax collections also fell short of their budgeted rate of growth as private consumption expenditure failed to live up to the expectations which were held at the time of the Budget.

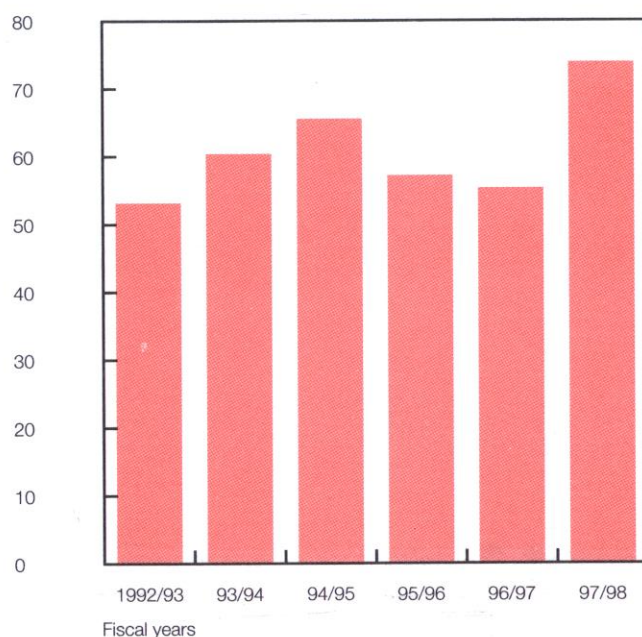
As a ratio of gross domestic product, Exchequer receipts amounted to 25,5 per cent in the first half of fiscal 1997/98 – fractionally lower than a ratio of 25,6 per cent in the first half of fiscal 1996/97. In October 1997 Exchequer receipts decreased by 5,4 per cent compared with October 1996. This brought the year-

on-year rate of increase in Exchequer receipts to 6,6 per cent in the first seven months of fiscal 1997/98, which accounted for 56,7 per cent of total revenue of R162 billion that was budgeted for the year as a whole.

The net result of the lower-than-budgeted revenue and higher-than-budgeted expenditure was a deficit before borrowing and debt repayment of R19 billion in the first half of fiscal 1997/98. As a percentage of gross domestic product this deficit came to 6,4 per cent. This ratio compared with a ratio of 6,8 per cent in the corresponding period of fiscal 1996/97 and a budgeted deficit of 4,0 per cent of gross domestic product for the fiscal year 1997/98 as a whole. In the *first seven months* of fiscal 1997/98 the deficit before borrowing and debt repayment amounted to R18,2 billion or 73,5 per cent of the deficit budgeted for the fiscal year as a whole.

The means of financing the deficit of R19,0 billion in the first half of fiscal 1997/98 are indicated in Table 17. Long-term government stock continued to be the dominant debt-financing instrument. Treasury bills contributed R7,4 billion to overall financing, R3,6 billion of which was absorbed by the Corporation for Public Deposits and R2,9 billion by the private banks. Special Treasury bills with a maturity of three days were issued during the third quarter at times when the cash balances of Government were almost completely exhausted. An amount of R0,5 billion was raised in this manner on 1 September 1997 and a further amount of R1,0 billion on 22 September. The net outcome of Government's borrowing activities was an increase of

**Exchequer deficit in first seven months as percentage of budgeted deficit**



**Table 17. Financing the deficit – April to September 1997**

Source of finance	R billions
Government stock (including discount) .....	12,6
Less: Discount on government stock .....	2,3
<b>Net receipts from government stock issued .....</b>	<b>10,3</b>
Treasury bills .....	7,4
Foreign loans .....	3,4
Non-marketable securities .....	-0,1
Redemption of Namibian debt .....	-0,2
Redemption of Section 239 debt* .....	-3,5
Transfer from IMF accounts .....	0,3
Extraordinary receipts .....	2,9
Increase in available cash balances** .....	-1,5
<b>Total net financing .....</b>	<b>19,0</b>

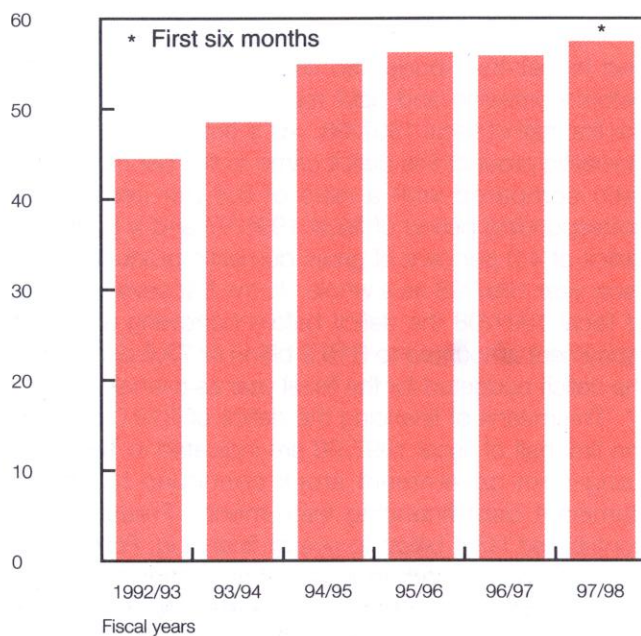
\* Former independent republics of Tanskei, Bophuthatswana, Venda and Ciskei and self-governing states.

\*\* Included in the increase in available cash balances is an amount of R345 million which was transferred to the IMF but had not yet fully been accounted for in the Exchequer Account.



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



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government debt from R310,6 billion, or 55,9 per cent of gross domestic product, at the end of March 1997 to R334,7 billion, or 57,4 per cent of gross domestic product, at the end of September.

# Statement on the Bank rate

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

17 October 1997

Most of the financial aggregates used by the Reserve Bank as a basis for monetary policy decisions have moved in the right direction recently to justify a reduction in the Bank rate. In some instances, for example in the case of the money supply, the level of the rate of increase still exceeds what is regarded as prudent for sustainable financial stability, but recent declines in this level are nevertheless encouraging.

The M3 money supply increased by 13,9 per cent over the twelve months up to August 1997, down from the 15,9 per cent registered in April this year, but still well outside of the Reserve Bank's guideline of an increase of 10 per cent for the current calendar year. However, in the recent past, more specifically from June to August 1997, the seasonally adjusted annualised rate of increase in M3 was only 11,4 per cent.

The rate of increase in the amount of credit extended to the private sector measured over a period of twelve months likewise declined from 17,4 per cent in April 1997 to 14,6 per cent in August 1997. Over the three months' period from June to August 1997, the seasonally adjusted annualised rate of growth in the total amount of bank credit extended to the private sector indeed declined to the low level of 5,9 per cent.

The Reserve Bank is also encouraged by the turnaround since earlier this year in the rising trend in both consumer and producer price inflation. In the case of consumer prices, the rate of increase in the overall index peaked at 9,9 per cent in April, before declining to 8,7 per cent in August 1997. The rate of change in the production price index declined from 9,6 per cent in March 1997 to 5,9 per cent in August.

After the depreciation of 21,9 per cent last year, the exchange rate of the rand has stabilised again. On 16 October 1997, the effective nominal exchange rate of the rand was about 2½ per cent above its level of 31 December 1996. The total gross gold and foreign exchange reserves of the Reserve Bank also increased from R10,3 billion at the end of last year, to R26,5 billion at the end of last month.

South Africa has now successfully weathered the storms of last year in the foreign exchange market and has, to an important extent, succeeded in preventing an escalation in the adverse effects of the depreciation on domestic financial conditions. There are, nevertheless, good reasons for a cautious approach to the relaxation of monetary policy, particularly if account is taken of the continuing nervousness in the foreign currency markets of a number of East Asian countries. In many of these countries, problems were created by a prolonged period of excessive money and credit growth and unsustainable levels of interest and exchange rates.

Taking account of all these financial developments, the Reserve Bank is satisfied that a reduction of one percentage point in the Bank's lending rates to banking institutions can now be justified. As from Monday, 20 October 1997, the Bank rate will therefore be reduced from 17 to 16 per cent per annum. All related interest rates of the Reserve Bank will likewise be reduced by one percentage point.

Most of the more flexible market interest rates, such as the Treasury bill tender rate, rates on bankers' acceptances and negotiable certificates of deposit, and the yield on long-term Government bonds, have already discounted a decline of at least one percentage point in the Bank rate. It can be expected that the lending rates of banking institutions will now follow the decline in the Bank rate. Banking institutions are requested, however, to remain cautious with the extension of additional credit, and to continue to support the monetary authorities in their quest for eventual financial stability.

The progress made so far in establishing greater financial stability should contribute to the overall objective of South Africa to stimulate economic development and to create more employment opportunities to the advantage of all South Africans. The maintenance of a stable overall financial environment must be acknowledged as an important precondition for sustainable economic growth at a higher level, as envisaged in the Government's *Macroeconomic Strategy for Growth, Employment and Redistribution*.



# Monetary policy challenges in South Africa

Address by Dr C.L. Stals, Governor of the South African Reserve Bank, at a South African Financial Markets Conference arranged by Standard Bank of South Africa Limited, Cape Town

7 November 1997

## 1. Challenge number one - to find consensus on what the objective of monetary policy should be in South Africa

In the international community of central bankers, there is widespread consensus that the primary goal of monetary policy must be domestic price stability. Price stability, however, is only a means to an end, and not a final goal of overall macroeconomic policy. The ultimate goal is determined by governments and is normally linked to the objective of maximum economic growth, development and the creation of more employment opportunities.

Contemporary economic theory supports the view, however, that financial stability, as measured by a low rate of inflation, is a precondition for the attainment of optimum economic development. Furthermore, monetary policy, being only one of the sub-elements of overall macroeconomic policy, is tasked with the responsibility to create and maintain such a stable financial environment that will be conducive to sustainable economic growth at an optimum rate in the medium and longer term.

In South Africa, however, confusion remains on what the task and the functions of the central bank should be. The most important delusion, supported by certain business people, politicians and even some academics, is linked to the now defunct Phillips curve approach in terms of which the assumption is made that a higher inflation rate can produce a sustained lift in growth and employment. World-wide experience, as long back as in the 1970s, provided sufficient evidence that the assumed trade-off of higher inflation for lower unemployment could only be exploited over the limited period in which inflation expectations did not fully adjust to the new higher rate of inflation. With a more effective implementation of the theory of rational expectations within modern communities, this limited period has indeed become very short.

Another reason why the conventional theory of demand management through the application of monetary policy is no longer appropriate, is the major shift that took place in recent years in macroeconomic management, away from conventional Keynesian demand management to contemporary supply side economics. The Phillips-curve approach is based on the theory of demand-driven inflationary or deflationary conditions. The world-wide situation in the 1970s, when there was a simultaneous rise in inflation and in unemployment in many of the industrial countries, refuted the theory of the trade-off and forced new thinking on particularly the implementation of monetary policy.

The present universal approach on monetary policy therefore takes account of the new electronic environment of instant communication leading to a more swift dissection of policy actions and immediate reaction by markets, and of the more general need in most countries to raise production capacity, and not to stimulate demand. In this environment, the appropriate role for monetary policy has been redefined as a responsibility for the creation and maintenance of stable financial conditions that will be reflected in low inflation. This is what central banks can do best to support governmental programmes for overall economic growth and development.

In South Africa, considering the many attacks made on Reserve Bank policy during this past year, there is still a major lack of consensus on what the prime objective of monetary policy should be. Unless we can get consensus and support for the almost global approach of contemporary central bank policy, and unless we can agree to pursue these policies also in South Africa, the road to the internationalisation of the South African economy will be rough and difficult.

## 2. Challenge number two - deciding on an appropriate framework for monetary policy

Given the objective of price stability, each central bank must design a framework or a consistent model within which monetary policy can be implemented, taking account of the structure of the financial system and of the economy of the country. Various models are available to choose from, but whatever model is preferred, the final objective of monetary policy should always be the protection of the value of the currency.

In the Bretton Woods system of fixed par values, the main intermediate objective of monetary policy was the protection of exchange rates, or the external value of the currency. By linking global exchange rates through fixed gold parities, there was a convergence of inflation, at a relatively low level, at least for the many countries that succeeded in maintaining fixed exchange rates over relatively long periods of time. Needless to say, the system broke down in the late sixties and early seventies when more expansionary monetary policies were followed by some of the major industrial countries, and inflation escalated. Today, some smaller countries still attach their exchange rates to a selected major international currency, and then accept the unavoidable



consequence that the rate of inflation in the smaller country must converge with the rate of inflation in the economy of the anchor currency. A good example of this approach is provided by Argentina with its convertibility law of 1 peso = 1 US dollar.

A second widely-used model is the one of monetary targeting where an important monetary aggregate such as the money supply or the amount of bank credit extension is used as an anchor for monetary policy. Within the context of the prime monetary policy objective of maintaining low inflation, a monetary target (or exchange rate target) represents but an intermediate objective of the policy.

South Africa is one of the many countries that introduced money supply targeting as an anchor for monetary policy during the course of the 1980s. Initially, the policy served the country well. It made an important contribution to a better understanding of policy decisions, and also made a major contribution towards the successful reduction in the level of the rate of inflation from an average of about 15 per cent over the twenty years from 1973 to 1992, to about 8½ per cent over the past four years.

The South African experience with money supply targeting is not very different from those of other comparable countries such as Canada and Australia – with the difference that the process in South Africa is a slower and lagged one, mainly because of the economic isolation of this country from the rest of the world up to 1993. Australia introduced money supply targets in 1976, and then abandoned them “with reluctance” in February 1985. At the time, Australia tendered two reasons for ending the M3 targeting stage:

“The first was the problem of controllability. The fact that targets were often missed was an indication that close control was either not possible, or would have required undesirable movements in the policy instruments. The second was the instability of the relationship between money supply and the ultimate objective of policy such as inflation.” (Address by Governor Macfarlane at a Conference of Economists in Hobart, 29 September 1997.)

It was Governor Gerald Bouey of Canada at the time who made the famous statement: “In Canada, we did not abandon money supply targets, they abandoned us.”

In view of the liberalisation of the South African financial markets in recent years, the integration of the South African economy in the world financial markets and the increasing importance of large and volatile international capital flows, South Africa may have reached the same stage now where the usefulness of the M3 money supply as a target for monetary policy has been diluted to a point where some alternative anchor should be considered.

Following the demise of money supply targeting during the mid 1980s, both Canada and Australia went through a transitional period which lasted until the early

1990s. During this transitional period a policy of “monetary pragmatism” was followed. There was indeed no formal or strictly defined framework to guide monetary policy. A “check-list” of an *ad hoc* mixture of intermediate objectives was introduced and the central bank was allowed a wide degree of discretion in the implementation of monetary policy. After the “rule” of monetary targeting broke down, the policy was “to look at everything”.

Although such a pragmatic approach may have some advantages, particularly in an environment of major structural changes and volatile international shocks, it has the major disadvantage of not being transparent. As Charles Goodhart put it:

“Supporters would describe it as sensible pragmatism, detractors as a reversion to a muddled discretion which, once again, allows the authorities more rope than is good for them, or us.” (The Conduct of Monetary Policy, Economic Journal 1989).

Both Australia and Canada, and a growing number of other countries, have recently moved to direct targeting of inflation. In all these countries, however, not only central banks but also governments commit themselves jointly with the central banks to a predetermined target for inflation. In the United Kingdom, the Chancellor of the Exchequer indeed sets the target for inflation in his Annual Budget, and then instructs the Bank of England to pursue the goal with its monetary policy instruments. Nowhere does the central bank on its own decide on an inflation target.

For an inflation target to be credible, there must be a commitment at least of the central bank and the government, and, if possible, also of the business community and labour, to the achievement of the goal. Furthermore, it will do more harm than good for a country to introduce a formal inflation target that is much out of line with the rest of the world. Of the seven countries reported in the BIS Annual Report for 1996 with formal inflation targets, no one has set a goal for inflation of more than 3 per cent per annum. The central bank must be given sufficient operational autonomy to pursue the inflation target with vigour and without the fear of intimidation by politicians or other pressure groups. And, finally, markets must be free, flexible and responsive to underlying changes. Inflation is often a symptom of malfunctioning markets and the cure lies not with monetary policy, but with a restructuring of the markets.

It is a big challenge for South Africa to prepare itself for this new age of direct inflation targeting as an anchor for monetary policy. The proposals made by the Reserve Bank last week for the introduction in March next year of a more flexible system of providing accommodation to banking institutions, represent an important further step on this road towards a more effective monetary policy system that will be compatible with global policies.



### **3. Challenge number three - establishing an effective institutional framework for monetary policy**

There is a lot of misunderstanding in South Africa about what is meant with the independence of the Reserve Bank. The Bank can never be made responsible for determining the overall macroeconomic policy objectives of the country. This is a prerogative of government. The central bank must, however, be given a clear mandate from government on what its policy objective should be, but should then be given the necessary autonomy to pursue and achieve this objective.

Taking account of the powers and influences of central banks, the obvious directive by government to the monetary authority should be to protect the value of the currency in the interest of sustainable optimum economic growth and development in the longer term. To achieve this objective, a central bank must at times apply financial disciplines that are unpopular, will be opposed by pressure groups and are perceived to be against the interests of private-sector profiteers, and political popularity. It is *inter alia* for this reason, and only in respect of the implementation of measures that may at times prove to be unpopular, that central banks should be given "independence" from governments. To quote once more from what a former Governor of the Reserve Bank of Australia once said:

"The Reserve Bank must be given all the freedom of the prison exercise yard". (R.A. Johnston – Comments on Professor Schedvin – Economic Papers – 1992).

Although this autonomy has been given to the South African Reserve Bank in terms of the Constitution of the Republic of South Africa, the disciplinary actions applied by the Bank in the pursuance of its mandate are often challenged by economists, business people and politicians whenever they believe their vested interests are impeded by the actions. Many South Africans must still learn to be more tolerant towards the need of painful financial disciplines, when justified by adverse macroeconomic situations. These may often be forced on us by international developments over which we have no control.

Apart from an effective institutional framework for the Reserve Bank, South Africa also needs well-managed private-sector banking institutions, well-functioning financial markets and an effective clearing, settlement and payment arrangement for inter-bank transactions. The challenge is therefore not only to liberalise the South African financial sector further, but also to ensure good and prudent financial regulation, and to provide the country with a modern electronically-based national payment system. The new system to be introduced by the Reserve Bank in March 1998 for an improved clearing and settlement system will provide a further step on the road of preparing for an effective integration of the South African financial system in the global economy.

The challenge for South Africa is not to isolate itself from the adverse effects of the globalisation process, but to continue to participate in the programme of gradual international integration.

### **4. The overriding challenge for monetary policy is to keep inflation low**

Financial stability in South Africa is threatened from time to time by new and more intensive inflationary pressures. We have not yet succeeded in suppressing the prevailing inflation psychosis in this country. Expectations at this juncture may have settled around the 8 per cent per annum level, which is about half of what it used to be at the beginning of this decade. But this is still about three times the amount of actual inflation in the economies of our major trading partners.

The process of globalisation unavoidably leads to a convergence of the major financial aggregates such as inflation, real rates of interest and budget deficits. South Africa will either continue to be part of the globalisation process, together with its inevitable convergence effects, or will be marginalised and excluded from the advantages of being part of the world-wide process.

In this period of transition from monetary policy targeting to the introduction of a national inflation objective, monetary policy must continue to maintain overall financial stability. This is essential in order to buy time while other policies (as proposed in GEAR) are put in place to handle the more deep-seated structural deficiencies that must be corrected before South Africa will be able to experience optimum economic growth with financial stability.

### **5. Conclusion and summary**

The challenges facing monetary policy in South Africa at this stage can be summarised as follows:

- We must convince more South Africans that the one and only task for monetary policy must be to protect the value of the currency.
- We must adapt monetary policy to the changing environment in which we now have to operate. This may require of us to move away from money supply targeting and to adopt a more direct focus on inflation developments.
- We must guard against growing pressures in our country for the curtailment of the autonomy of the central bank.



- The Reserve Bank must continue to guide the South African financial markets into the world financial system. This will require further progress in the gradual elimination of exchange control, the modernisation of the payments system, the encouragement of the development of more efficient markets and, in the context of Africa, support for co-operation and integration of financial markets within the Southern African Development Community.

- The overriding challenge remains to bring inflation in South Africa to a lower level that will be more in line with the average rate of inflation of our major trading partners. This will require a sound monetary policy approach, based on realistic (but not necessarily low) interest rates; a stable (but not necessarily fixed) exchange rate; a sound (but not necessarily protected) banking sector, and effective and well-functioning financial markets.



# Notes on a composite leading indicator of inflation

by W.S. Pretorius

## Introduction

In many countries leading indicators are used to forecast turning-points in the cyclical movement of *economic activity*. Although equally deserving, leading indicators for the future evolution of *price inflation* have not attracted similar attention.

The main objective of monetary policy<sup>1</sup> is to protect the value of the currency. This task is complicated by the long and variable lags between changes in the monetary policy stance and its ultimate effect on inflation. The delay between changes in monetary policy and their full effect on inflation could be as long as two and a half years. This means that monetary policy decisions have to be forward-looking and that policy-makers should avail themselves of information which could provide insight into future inflation. Reliable forecasts of inflation are therefore important.

The aim of this note is to introduce and propose a composite indicator that should be capable of foreshadowing movements in inflation. The purpose is not so much to forecast the magnitude of inflation, but merely to indicate important possible changes in the direction of inflation.

## Reference data series

The generally accepted measure of inflation is the percentage change over periods of twelve months in the overall consumer price index. This statistical time series does, however, have some shortcomings when it is used as a reference series on which a leading indicator of inflation is to be based.

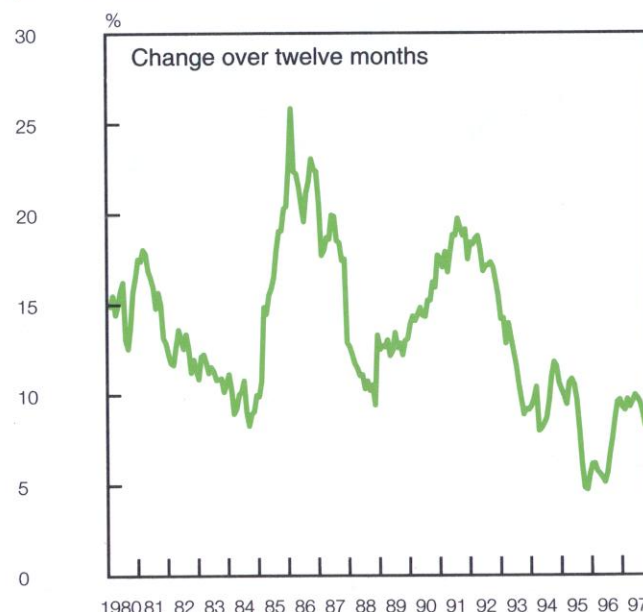
A rise in interest rates, for example, will increase measured inflation directly as the South African consumer price index includes the mortgage bond rate as a component of home-owner's costs. However, increases in interest rates are meant to reduce inflation in an indirect way through their effects on saving and consumption in the medium to long term. To avoid this apparent anomaly, home-owner's costs should therefore be excluded from the overall consumer price index, for the purpose of this exercise.

Apart from monetary policy steps, some fiscal policy measures are often applied for broader macroeconomic purposes despite their potential short-term price-raising effects on the general level of prices. More specifically, the price-raising effect of value-added tax (VAT) should for instance preferably be excluded from the consumer price index to obtain a more reliable reference series of inflation.

Accordingly, the reference data series of inflation used in this note is the percentage change over twelve months in the overall consumer price index, excluding home-owner's costs and value-added tax (see Graph 1).

It could be argued that the prices of food which are often affected by extraneous climatic conditions should also be excluded from the consumer price index. This will reduce the reference data series to what is commonly referred to as underlying inflation. Food, however, comprises a substantial part of consumer spending. (The average weight of food in the overall consumer price index is almost 20 per cent, ranging from about 45 per cent in the case of very low expenditure categories to 15 per cent in the highest expenditure categories.) Furthermore, the impact of food prices is dispersed over a wide variety of potential leading indicators, thereby frustrating any attempt to eliminate the effect of food prices on a composite

**Graph 1: Reference data series of consumer price inflation**



<sup>1</sup> To attain the ultimate objective of price stability, the monetary authorities determine an acceptable growth rate for the money supply as an intermediate objective. The growth in the money supply is then affected by changes in the amount of liquidity available in the banking system and by changing the cost of accommodating the money market shortage.



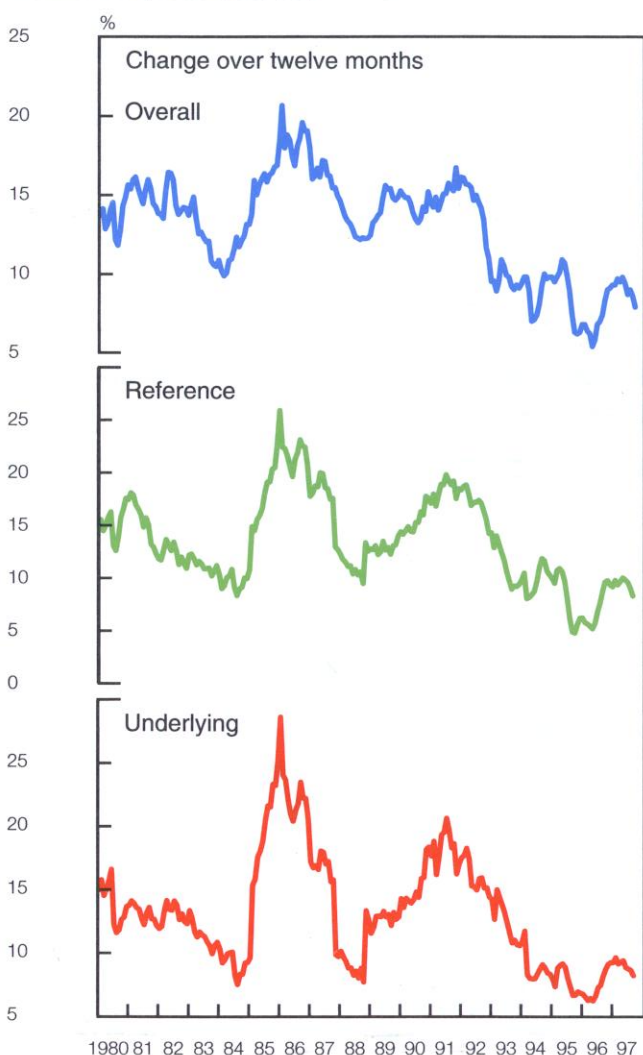
leading indicator. It was therefore decided not to exclude food from the reference data series. However, as food prices are subject to abrupt fluctuations from time to time, they could introduce corresponding movements in the reference data series. Although the various prospective leading indicators will be compared with the reference data series, the relationship between such indicators and underlying and overall inflation may still be valuable in explaining particular movements in inflation( see Graph 2).

According to Table 1 the turning-points of the reference data series show only a few deviations from those of the more comprehensive overall inflation rate. The only significant difference occurred when the overall inflation cycle of 1989-1990 was not accompanied by a corresponding cycle in either the reference or the underlying data series. This can mainly be explained by

**Table 1. Turning-points of inflation**

	Overall	Reference	Underlying
Trough .....	Feb 1984	Aug 1984	Aug 1984
Peak .....	Jan 1986	Jan 1986	Jan 1986
Trough .....	Aug 1988	Oct 1988	Oct 1988
Peak .....	Jun 1989	...	...
Trough .....	Jul 1990	...	...
Peak .....	Oct 1991	Jul 1991	Jul 1991
Trough .....	Apr 1994	...	...
Peak .....	Apr 1995	...	...
Trough .....	Apr 1996	Oct 1995	May 1996

**Graph 2: Overall, reference and underlying consumer price inflation**



the strong contribution of a rise of 3 percentage points in the mortgage bond rate between November 1988 and October 1989. In the period 1994-1995 the overall inflation series again experienced a cycle that was not clearly reflected in the reference data series and even less so in the underlying inflation series. The major contribution to this difference was an increase in the prices of food resulting from the lower-than-expected growth in agricultural output on account of the withholding of livestock from the market to replenish herds, as well as frost damage to vegetable production and drought-related damage to the wheat crop.

### Identification of indicators

To compile a composite indicator as accurately as possible, a large number of economic time series were evaluated. Those series identified as consistent reliable predictors of inflation were then combined into a single composite indicator. The methodology applied was the same as that used to compile the leading business cycle indicator in South Africa (Van der Walt 1983 and Van der Walt & Pretorius 1995).

To reduce the degree of subjective discretion in choosing individual indicators, an objective evaluation system similar to those used in various other countries was relied upon. The main criteria used in the evaluation system were the economic significance of the specific activity or process included in the indicator, the statistical adequacy of the data, the historical conformity and the relationship with the reference cycle as to the timing of changes, the smoothness of the time series, and the timely availability of data. Marks or scores were allotted to each criterion. As the reliability of economic time series as reference cycle indicators is of overriding importance, historical conformity and the timing of changes with the reference cycle were regarded as the most important criteria. In accordance with practices used in other studies (see for example



Moore & Shiskin 1967, Beck, Bush & Hayes 1973 and Zarnowitz & Boschan 1975), those economic time series that closely conformed with the specified criteria were awarded the highest scores.

## Evaluation of indicators

More than sixty different time series, including quantitative and qualitative indicators, which could possibly have some relationship with inflation, were tested for inclusion in the composite leading indicator of inflation. Ultimately, nine indicators were selected for incorporation into the composite index. Selection criteria consisted not only of the highest scores obtained in the evaluation process, but various activities and processes in the economy that may conceivably reflect the origins of inflation were seriously considered for inclusion in the indicator irrespective of whether they have been awarded the highest scores. Among these were excess demand, supply shortages, cost increases and inflation expectations. In many cases the data series were transformed into percentage changes over a period of twelve months to conform with the measurement of inflation. In the case of time series with quarterly frequencies, the data were converted into time series with a monthly frequency.

The nine indicators selected to serve as leading indicators of inflation are presented in Table 2. These nine individual components were then combined into a single composite indicator using the techniques described by Van der Walt and Pretorius (1995).

The relationship between the movement in the composite leading indicator and inflation is indicated in

**Graph 3: Composite leading indicator of inflation**

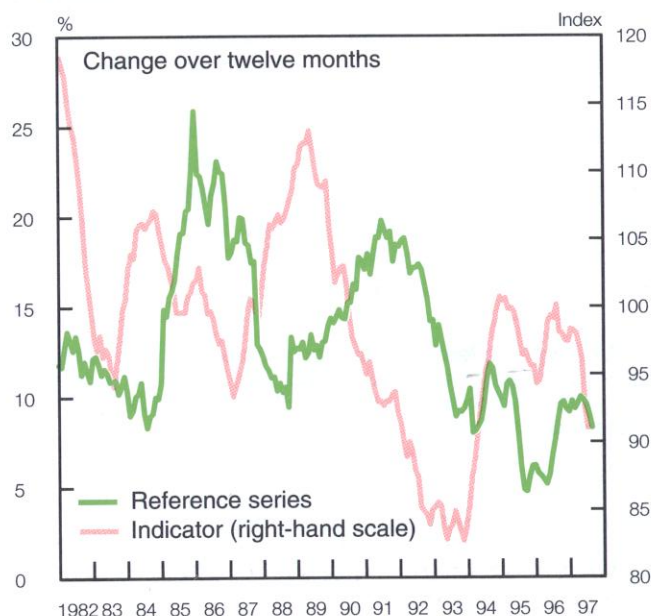


Table 3 (as well as Graph 3). The changes in the direction of the composite indicator gave early warnings of changes in the direction of inflation – one to two years ahead of the actual change in the reference data series of inflation.

**Table 2. Leading indicators of inflation**

Indicator	Measuring unit
Value of retail trade sales at constant prices	Percentage change over twelve months
Gross domestic expenditure as percentage of gross domestic product	Percentage and converted to monthly frequency
Output gap (difference between potential and actual real gross domestic product in the private non-agricultural sectors)	Percentage and converted to monthly frequency
Delivery period of orders received in manufacturing (opinion survey)	Net percentage and converted to monthly frequency
Unit labour costs in the non-agricultural sectors	Percentage change over four quarters and converted to monthly frequency
Prices of imported goods and non-factor services	Percentage change over four quarters and converted to monthly frequency
M3 money supply	Percentage change over twelve months
Yield on government stock with maturity of 10 years and longer	Percentage
Expected average retail selling price (opinion survey)	Net percentage and converted to monthly frequency



**Table 3. Turning-points of the composite leading indicator**

	Leading indicator	Reference data series of inflation	Lead time (months)
Trough .....	Aug 1983	Aug 1984	12
Peak.....	Oct 1984	Jan 1984	15
Trough .....	Feb 1987	Oct 1988	20
Peak.....	May 1989	Jul 1991	26
Trough .....	Nov 1993	Oct 1995	23
Peak.....	Aug 1996*	...	...

\* Although the leading indicator showed a "peak" early in 1995, this "peak" was solely attributable to two components which increased strongly over a short period, before declining again equally strongly.

Firstly, the strong upward movement of domestic rates on long-term bonds in 1994 was caused by factors such as uncertainties pertaining to political developments and concern about the government's large financing needs.

Secondly, there was a sharp increase in 1994 in the number of manufacturers who experienced a lengthening in the delivery period of orders received.

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## Concluding comments

The composite leading indicator of inflation turned out to be a reliable predictor of inflation turning-points during the 1980s. The forecasting power of the indicator was broadly left intact in the 1990s. A deep trough in the leading indicator in 1993 was followed by a trough in the reference data series in 1995.

After having reached a peak in 1996, the composite leading indicator moved downwards. This movement still has to be reflected more convincingly in a further slowdown in the rate of increase in consumer prices. Movements in inflation in the months to come are likely to confirm that the composite indicator is still, also under present circumstances, a reliable predictor for the movement in consumer price inflation.



# Kwartaallikse ekonomiese oorsig

## Inleiding

Die groeimomentum van die ekonomie wat sedert die tweede helfte van 1996 oor die algemeen begin stoom verloor het, het in die derde kwartaal van 1997 verder verswak. Die sterk groei in twee van die belangrikste sektore, naamlik mynbou, en vervoer en kommunikasie, het egter toegesien dat groei in produksie in die derde kwartaal van 1997 steeds teen 'n positiewe, hoewel skamele, koers van  $\frac{1}{2}$  persent bly toeneem het – heelwat laer as die vergelykenderwys stewige groei van  $2\frac{1}{2}$  persent wat in die tweede kwartaal aangeteken is.

Die groei in die produksie buite die primêre sektore van die ekonomie het merkbaar verlangsaam. Veral die produksie in die fabriekswesesektor, die sektor waarvan verwag word om stukrag aan ekonomiese ontwikkeling en groei in werkverskaffing te verleen, het van die tweede tot die derde kwartaal van 1997 'n absolute afname getoon.

Die gemiddelde vlak van die totale reële bruto binnelandse produk was in die eerste drie kwartale van 1997 nogtans sowat 2 persent hoër as in die eerste drie kwartale van 1996. Die jongste projeksies dui op 'n groeikoers in die Suid-Afrikaanse ekonomie van tussen  $1\frac{1}{2}$  persent en 2 persent in die kalenderjaar 1997, wat aansienlik laer is as wat oor die algemeen aan die begin van die jaar in die vooruitsig gestel is en ook laer as die gemiddelde groeikoers van die afgelope drie kalenderjare. Hoewel 'n tegniese ontleding nie voldoende getuienis kon lewer dat Suid-Afrika 'n afwaartse fase van die konjunkturgolf betree het nie, het die ekonomie beslis nie in die derde kwartaal van 1997 teen volle kapasiteit geproduseer nie, en was die groei in produksie duidelik minder as die ekonomiese groeivermoë van Suid-Afrika.

Die reële bruto binnelandse besteding het in die derde kwartaal van 1997 vir die vierde keer in die vyf kwartale sedert die derde kwartaal van 1996 afgeneem. Aangesien produksie oor hierdie tydperk bly toeneem het, het die afname in totale besteding 'n baie beter balans tussen die totale aanbod en vraag in die Suid-Afrikaanse ekonomie bewerkstellig. Die onmiddellike oorsake van die algemene afname in totale besteding was die volgehoue verwagtings van swakker groei in vraag in die toekoms en die hoë koste van voorraadbeseit wat vervaardigers en handelaars genoop het om die vlak van voorrade te verminder. Hoewel die groei in reële verbruiksbesteding deur die algemene owerheid steeds betreklik hoog was, het dit in die derde kwartaal effens afgeneem en daardeur ook bygedra tot die verstewiging van makro-ekonomiese ewewig.

Verbruikerssentiment het ook in die derde kwartaal 'n

sweem van negatiwiteit getoon en huishoudings se besteding het stadiger toegeneem. In teenstelling hiermee, het reële vaste investering in die eerste drie kwartale van 1997 deurgaans toegeneem teen koerse wat hoër was as die groei in totale produksie. Van besondere belang was die toenemende veerkrag van reële bruto vaste kapitaalvorming deur die private sektor, wat sedert die eerste kwartaal van 1997 teen al vinniger koerse gegroei het. Hierdie groeikoerse was weliswaar steeds betreklik beskeie, maar die tendens het belofte ingehou vir toekomstige groei in inkome.

Die totale besparingsverhouding in Suid-Afrika het gedurende die eerste drie kwartale van 1997 verder verswak. Die lae besparingskoers van die land het 'n strukturele struikelblok gebly vir investeringsgedrewe groei in inkome en werkverskaffing. Voornemens om die ekonomie op 'n steiler groeipad te plaas, sonder 'n toename in die besparingskoers, sal 'n toenemende afhanklikheid van netto invloeiinge van buitelandse kapitaal impliseer. Buitensporige afhanklikheid van geleende buitelandse kapitaal kan egter uiteindelik ontaard in nie-handhaafbare groei in buitelandse skuld, wat op 'n latere tydstip streng regstellende beleidstappe tot gevolg kan hê.

Deels as gevolg van die verbetering van makro-ekonomiese ewewig in Suid-Afrika, is in onlangse maande beduidende vordering met die verlaging van inflasie gemaak. Veranderings van kwartaal-tot-kwartaal in al die prominente aanwysers van prysinflasie het gedurende die derde kwartaal van 1997 enkelsyfervlakke bereik. Die verlangsaaming van inflasie het natuurlik 'n stewige hupstoot gekry weens die relatiewe sterkte van die rand in die eerste deel van die jaar. Net so kan die geleidelike depresiasie van die rand teenoor ander geldeenheide vanaf die middel van Maart 1997 op stadiger vordering met die verlaging van inflasie dui.

In teenstelling met die gunstige anti-inflasionistiese omgewing wat in die eerste helfte van 1997 deur die betreklike bestendigheid van die rand geskep is, was die ontwikkelings op die gebied van makro-ekonomiese arbeidsvergoeding minder ondersteunend van die beleidsoogmerk van algemene prysbestendigheid. Die toename oor vier kwartale in totale werkverskaffingskoste het in die tweede kwartaal van 1997 weer bo die vlak van tien persent beweeg. Hoewel inflasiedempende produktiwiteitsgroei deur afdankings in die formele sektore van die ekonomie in die tweede kwartaal bewerkstellig is, het die koers van toename in nominale arbeidseenheidskoste ook versnel. Werkverskaffing in die formele nie-landbousektore van die ekonomie het gevolglik verder afgeneem en die vlak van werkverskaffing in die formele sektore het teruggesak tot vlakke wat in 1981 aangeteken is.



Die afname in werkverskaffing in die formele sektore het plaasgevind ondanks voortgesette, hoewel matige groei in totale produksie en investering. Om werkverskaffingsvlakke te laat styg in ooreenstemming met groei in produksie, is dit belangrik dat 'n toepaslike kombinasie van veranderings in uitsetpryse, produktiwiteitsgroei en makro-ekonomiese loonontwikkelings geskep word. Dit sal 'n stewige grondslag vorm vir investeringsgedrewe produksie en groei in werkverskaffing.

Soos verwag kon word, het die afname in reële bruto binnelandse besteding in die derde kwartaal van 1997 met 'n effense afname in die fisiese hoeveelheid ingevoerde goedere gepaard gegaan. Die fisiese hoeveelheid goedere-uitvoer het terselfdertyd ook afgeneem, hoofsaaklik as gevolg van kleiner hoeveelhede minerale en landbouprodukte wat uitgevoer is. Die tekort op die lopende rekening van die betalingsbalans het op stuk van sake groter geword teen die agtergrond van 'n verlang-saming in die ekonomie gedurende die derde kwartaal. Dit is egter betekenisvol dat die waarde van vervaardigde goedere wat uitgevoer is bly toeneem het, bes moontlik as gevolg van die verbeterde mededingendheid van plaaslike vervaardigers in uitvoermarkte.

Die verbreding van die tekort op die lopende rekening van die betalingsbalans in samehang met 'n skerp afname in die netto invloeiing van buitelandse kapitaal, het tot 'n afname in Suid-Afrika se netto besit aan goud- en ander buitelandse reserwes in die derde kwartaal van 1997 gelei. Die inwaartse beweging van langtermynkapitaal was in die derde kwartaal aansienlik laer as die invloeiing wat in die tweede kwartaal waargeneem is toe die Regering aktief fondse op die internasionale kapitaal-mark gewerf het en die gedeeltelike privatisering van 'n semi-staatsinstelling ook vir 'n groot invloeiing van aandelekapitaal in die ekonomie gesorg het. Boonop het die uitvloeing van korttermynkapitaal in die derde kwartaal versnel toe private banke verkies het om hul buitelandse korttermynverpligtinge te verminder gedurende 'n tydperk van 'n geleidelike daling in die wisselkoers van die rand en die tekort in die geldmark. Die Reserwebank het sy buitelandse korttermynverpligtinge gedurende dieselfde tydperk verhoog om die algehele vlak van die bruto goud- en ander buitelandse reserwes te ondersteun.

Ontwikkelings in die internasionale valutamarkte is gedurende die derde kwartaal van 1997 ingrypend aangetas deur gebeure in Asië wat na ander finansiële markte dwarsoor die wêreld uitkring het. Strukturele swakhede in die ekonomieë van 'n aantal Suidoos-Asiatiese lande wat vir 'n lang tyd smeulend was, het teen die einde van die tweede kwartaal van 1997 na vore gekom en veroorsaak dat die meeste Asiatiese geld-eenhede skerp teen die Amerikaanse dollar gedeapresieer het. Die rand was nie geïsoleer van die gebeure nie, maar as gevolg van die waarde-aanpassing wat dit in 1996 ondergaan het en die gesonder stand van makro-ekonomiese bestuur in Suid-Afrika, het dit heelwat minder as die Asiatiese geldeenheide teen die dollar gedeapresieer.

Die groei in die omvattend gedefinieerde geldvoorraad het in die derde kwartaal van 1997 aansienlik verlangsaam, maar op 'n vlak gebly wat die perk vir aanvaarbare monetêre groei vir die volle jaar oorskry het. Aangespoor deur verwagtings dat langtermynrentekoerse sal daal en dat die betreklike stram monetêre beleids-benadering verslap sal word, het deposante gedurende die eerste agt maande van 1997 'n al groter voorkeur vir langertermyndeposito's getoon. Hierdie proses het teen die einde van September opgehou, toe 'n groot verskuiwing na korttermyndeposito's plaasgevind het. Dit is nog te gou om te oordeel of die jongste klaarblyklake verandering in likiditeitsvoorkeur as 'n eenmalige gebeurtenis beskou moet word en of dit deel was van 'n meer permanente aanpassing in die gewenste portefeuljesamestelling van die algemene publiek.

Die kredietmark het in die derde kwartaal van 1997 'n algemene verlangsamings in kredietverlening beleef en meer bepaald in kredietverlening aan die nie-bank private sektor. Hierdie verlangsamings, in samehang met die stadiger uitbreiding van M3 en die vordering wat gemaak is om inflasie af te bring, het aanleiding gegee tot die besluit van die Reserwebank om Bankkoers op 20 Oktober 1997 te verlaag. In teenstelling met kredietver-lening aan die nie-bank private sektor het netto krediet-verlening aan die regeringsektor in die derde kwartaal sterk toegeneem.

Ruim toestande het in die derde kwartaal van 1997 in die geldmark voortgeduur. Korttermynrentekoerse was meestal aan die daal tot vlakke aansienlik laer as die heersende Bankkoers. Onder hierdie omstandighede was die Reserwebank bereid om toe te laat dat ruimer likiditeitstoestande ontwikkel, en het die Bank hom daarvan weerhou om die tekort aan likiditeit enigsins stelselmatig te beïnvloed buiten vir bepaalde gevalle waar dit nodig was om groot skommelings in likiditeit glad te stryk. Toe die Bank in Oktober ingemeng het om die mark in buitelandse valuta te bestendig, het toestande in die geldmark vir 'n wyle aansienlik vernou. Effens strammer toestande as gedurende die derde kwartaal het in November bly voortduur.

Die stemming in die effektemark was gedurende die eerste nege maande van 1997 oorwegend positief terwyl die opbrengskoeerse op langtermynstaatsseffekte en ander vasterentedraende effekte geleidelik afwaarts beweeg het. Dit is betekenisvol dat daar gedurende hierdie tydperk 'n verskuiwing van nie-inwoners se netto aankope van Suid-Afrikaanse sekuriteite was; waar die klem in die eerste kwartaal van die jaar op die aankoop van effekte geval het, het dit in die tweede en derde kwartale van 1997 na die aankoop van aandele verskuif. In Oktober 1997 het nie-inwoners netto verkopers van effekte geword. Te oordeel na die optrede van nie-inwonerbeleggers het Suid-Afrikaanse aandele dus deur die loop van die jaar toenemend beter waarde as effekte gebied.

Die positiewe stemming in die mark vir sekuriteite het skielik tot 'n einde gekom toe die swak makro-ekono-miese bestuur van die Suidoos-Asiatiese ekonomieë 'n



afwaartse herwaardering van effekte en aandele op finansiële markte regoor die wêreld aan die gang gesit het. Aandelepryse op die Johannesburgse Aandelebeurs het in Oktober 1997 skerp gedaal, hoewel dit persentasiegewys baie minder was as gedurende die skerp daling van Oktober 1987. In 1987 het dit die aandeleprysindeks vir alle klasse aandele 'n volle twee-en-twintig maande geneem om tot die hoogtepunt van voor die ineenstorting te herstel; in 1997 het dit net twee weke geneem om meer as 40 persent van die aanvanklike afname in die waarde van die indeks te verhaal. Min of meer in ooreenstemming met die beweging in aandelepryse het die pryse van langtermynstaatseffekte ook gereageer op die onstuimigheid in die finansiële markte en opbrengskoerse op effekte het met 131 basispunte gestyg, maar daarna weer teruggesak om 'n netto styging van 77 basispunte bo die lae vlakke wat net voor die skerp daling in effektepryse op 22 Oktober 1997 geheers het, aan te teken.

Die daling in die waarde van effekte en aandele in 1987 het op die hakke van 'n reeks verlaginge in Bankkoers gevolg en daartoe aanleiding gegee dat die daling in batewaardes nie juis die binnelandse private sektor se geneigdheid om te verbruik en te investeer kon beïnvloed nie. Die uiteindelijke uitwerking van die onlangse afname in batewaardes op binnelandse ekonomiese ontwikkelings sal dus ook in 'n groot mate afhang van die beleidsreaksies van die finansiële owerhede, hier ter plaatse sowel as in die wêreld se ontwikkelde ekonomieë.

Die leningsbehoefte van die openbare sektor in verhouding tot die bruto binnelandse produk het gedurende die eerste helfte van die fiskale jaar 1997/98 toegeneem vergeleke met sy teenhanger in die eerste helfte van die vorige fiskale jaar. Die tekort voor lenings en skuldterugbetaling op die Skatkisrekening in verhouding tot die bruto binnelandse produk het egter van die eerste helfte van die fiskale jaar 1996/97 tot die eerste helfte van die fiskale jaar 1997/98 gekrimp. Ongelukkig is 'n aansienlike deel van die begrote tekort van die Nasionale Regering vir die fiskale jaar 1997/98 in die geheel reeds in die eerste helfte van die fiskale jaar opgeneem. Die oorskryding van die geraamde tekort was besonder ernstig op provinsiale regeringsvlak.



## Binnelandse ekonomiese ontwikkelings

### Binnelandse produksie<sup>1</sup>

Die groei in die totale *reële bruto binnelandse produk* het in die derde kwartaal van 1997 op 'n seisoens-aangepaste jaarkoers van ½ persent te staan gekom. Dit vergelyk met 'n daling in die totale produksie teen 'n jaarkoers van ½ persent in die eerste kwartaal van 1997 en 'n toename teen 'n jaarkoers van 2½ persent in die tweede kwartaal. In die eerste drie kwartale van 1997 was die gemiddelde vlak van die reële binnelandse produksie ongeveer 2 persent hoër as in die eerste drie kwartale van 1996, wat daarop dui dat 'n ekonomiese groeikoers van tussen 1½ en 2 persent met 'n redelike mate van sekerheid vir die kalenderjaar 1997 in die geheel in die vooruitsig gestel kan word.

Die verlengsaming in die groei in die derde kwartaal van 1997 was hoofsaaklik die gevolg van onveranderde produksie in die nie-primêre sektore van die ekonomie – die groei van produksie in die primêre sektore het versnel. *Landbouproduksie* het in die derde kwartaal verder gedaal, maar teen 'n baie stadiger koers as in die vorige twee kwartale. Die reële toegevoegde waarde van die landbousektor is nadelig geraak deur swak klimaatstoestand gedurende die afgelope groeiseisoen wat die mielie-oes in sekere produksiegebiede benadeel het.

<sup>1</sup> Soos gebruikelik in die derde kwartaal van elke jaar, is die gegewens van die nasionale rekeninge hersien en in hierdie uitgawe van die *Kwartaalblad* opgeneem. Hierdie hersienings is gebaseer op meer volledige of meer toepaslike gegewens wat beskikbaar geraak het. Daarbenewens is seisoensfaktore ook op datum gebring.

Nadat die produksie in die *mynbousektor* in die eerste kwartaal van 1997 min groei getoon het, het dit sterk herstel en in die middelkwartale van die jaar teen bestendige jaarkoerse gestyg. Hierdie verbetering is deur 'n toename in goud- en nie-goudmynbouproduksie veroorsaak. Die reële toegevoegde waarde van die steenkoolmyne is deur 'n volgehoue hoë vlak van die uitvoervraag aangehelp, terwyl platinumproduksie voordeel geput het uit hoër pryse as gevolg van die onsekerheid oor die Russiese lewering van metale in die platinumgroep. Goudmynbouproduksie het in die derde kwartaal van 1997 gestyg toe die uitwerking van die nuwe produktiviteitsmaatreëls waarskynlik begin het om na die bedryfsvlakke van die goudmynbousektor deur te syfer.

Die reële toegevoegde waarde van die *sekondêre sektore* het in die derde kwartaal van 1997 teen 'n jaarkoers van ½ persent gedaal, nadat dit teen lewendige koerse van 5½ persent in die eerste en die tweede kwartaal toegeneem het. Fabrieksproduksie het teen 'n jaarkoers van 1 persent gedaal namate 'n verswakking in die totale binnelandse vraag en stadiger groei in die uitvoervraag na vervaardigde goedere hul merk gelaat het. Die koers van toename in die binnelandse verkope van vervaardigde goedere en die omvang van bestellings het in die derde kwartaal van 1997 verlengsaam, die verhouding van onvoltooide bestellings tot verkope het gedaal en die benutting van produksievermoë het van 82 persent in die tweede kwartaal tot 81 persent in die derde kwartaal afgeneem. Dalings in produksie het voorgekom in die bedrywe wat voedsel, papierprodukte, masjinerie en vervoertoerusting vervaardig, terwyl klein toenames in die reële toegevoegde waarde van subsektore soos die klerasiebedryf, chemikalieë en nie-metaalhoudende minerale waargeneem kon word.

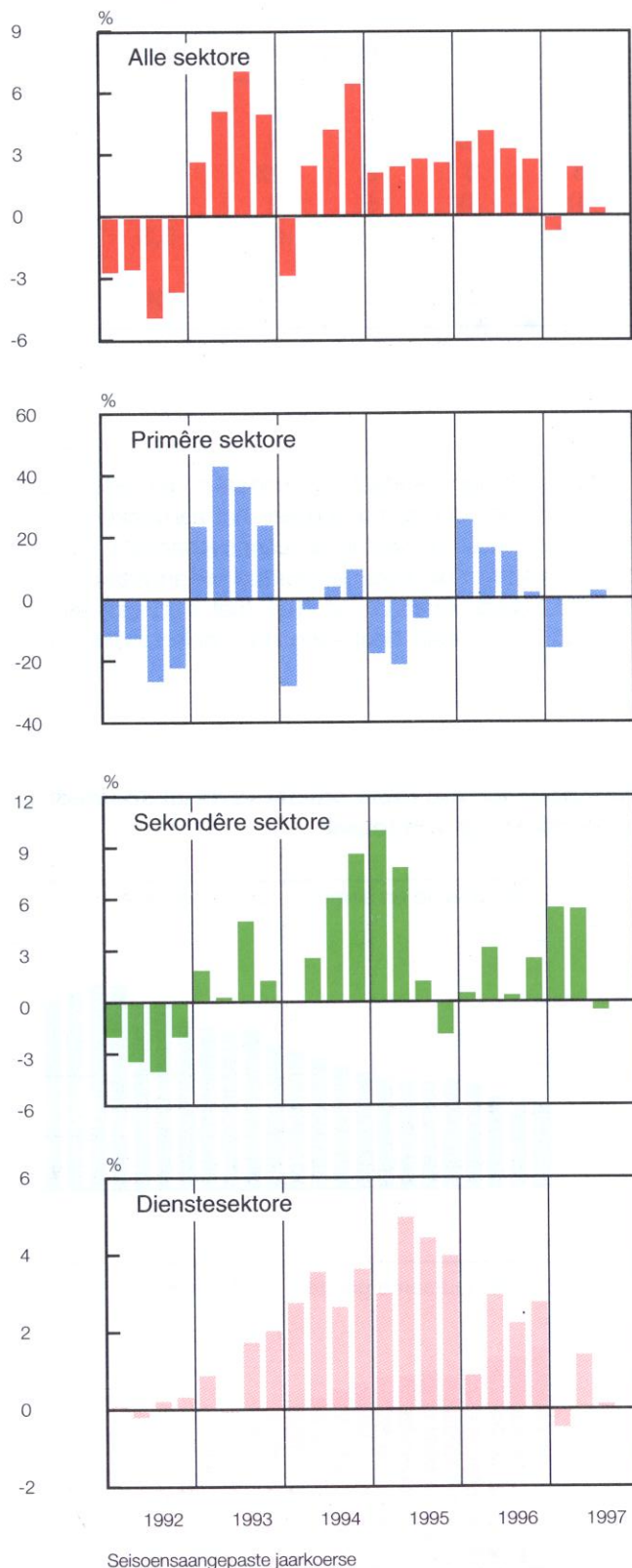
**Tabel 1. Reële bruto binnelandse produk**

Persentasieverandering teen seisoens-aangepaste jaarkoerse

Sektore	1996					1997		
	1e kw	2e kw	3e kw	4e kw	Jaar	1e kw	2e kw	3e kw
Primêre sektore .....	26	16½	15½	2½	9	-15½	0	3
Landbou .....	99	65	59½	4	29	-34½	-9	-½
Mynbou .....	-½	-5	-7½	1	-1½	½	6	5
Sekondêre sektore .....	½	3	½	2½	1	5½	5½	-½
Fabriekswese .....	-1	3	-1	2	½	6	5½	-1
Tersiêre sektore .....	1	3	2	3	3	-½	1½	0
Handel .....	-2½	5½	0	3	3½	-2	2	-1½
Vervoer, opberging en kommunikasie .....	1	2	3	2½	3	½	4	2½
Finansiële en ander dienste .....	3½	3	4	4	3½	2	2	1
<b>Totaal .....</b>	<b>3½</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>-½</b>	<b>2½</b>	<b>½</b>
Nie-landbousektore .....	½	2	½	2½	2	1½	3	½



## Groei in reële bruto binnelandse produk



Die reële toegevoegde waarde van die sektor wat *elektrisiteit, gas en water* voorsien, het in die derde kwartaal van 1997 bly toeneem, maar net teen 'n koers van ½ persent – dit was baie laer as die groeikoerse van 4 persent in die eerste kwartaal en 6 persent in die tweede kwartaal. Hierdie verlangsamings was 'n weerspieëling van die stadiger tempo van die binnelandse ekonomiese bedrywigheid en 'n mate van verslapping in die uitvoervraag na elektrisiteit. Die reële produksie in die *konstruksiesektor* het ook net effens in die derde kwartaal van 1997 toegeneem.

Die groei in die *tersiêre sektore* het ook gesamentlik van 'n jaarkoers van 1½ persent in die tweede kwartaal van 1997 tot minder as ½ persent in die derde kwartaal verlangsaam. Die *handelsektor*, veral die groothandel, is nadelig geraak deur verlangsamings in private verbruiksbesteding, die investeringsvraag en die verkryging van goedere en dienste deur departemente van die algemene owerheid. In die motorhandel is die verkope van nuwe voertuie moontlik ook aan bande gelê deur die instelling in die middel van 1997 van 'n strenger byvoordeelbelasting op maatskappymotors en motortoelaes.

In die sektor *vervoer, opberging en kommunikasie* het die reële toegevoegde waarde in die derde kwartaal teen 'n jaarkoers van 2½ persent gestyg en in die sektor *finansies, vaste eiendom en sakedienste* teen 'n koers van 1 persent. Die groei in die produksie van die sektor vervoer en kommunikasie het 'n betreklik stewige pas gehandhaaf as gevolg van die vervoer van die grootste deel van die mielie-oes wat in die derde kwartaal ingesamel is en die groot hoeveelheid toerismeverkeer. Die matige groei in die reële toegevoegde waarde van die finansiële dienstesektor in die derde kwartaal van 1997 was in 'n mate 'n weerspieëling van die verlangsamings in die totale binnelandse vraag.

## Binnelandse besteding

Die totale *reële bruto binnelandse besteding* het in die eerste kwartaal van 1997 teen 'n seisoensaangepaste jaarkoers van ½ persent gedaal, in die tweede kwartaal teen 'n koers van 1½ persent gestyg, maar in die derde kwartaal weer teen ongeveer ½ persent gedaal. Dit het die totale reële bruto binnelandse besteding in die eerste drie kwartale van 1997 op ongeveer dieselfde vlak gebring as in die eerste drie kwartale van 1996. Die daling in die bruto binnelandse besteding in die derde kwartaal van 1997 is deur 'n skerp afname in die reële voorraadvlakke teweeggebring wat die positiewe, maar effens stadiger groei in die reële binnelandse finale vraag sterk teengewerk het.

Die groeikoerse in *reële private verbruiksbesteding* het effens versnel van 'n seisoensaangepaste jaarkoers van 1 persent in die eerste kwartaal van 1997 tot 1½ persent in die tweede kwartaal, maar in die derde kwartaal weer tot 1 persent gedaal. Hierdie verdere toename in reële private verbruiksbesteding is deur 'n volgehoue groei in die reële besteding aan nie-duursame goedere en



**Tabel 2. Reële bruto binnelandse besteding**

Persentasieverandering teen seisoensaangepaste jaarkoerse

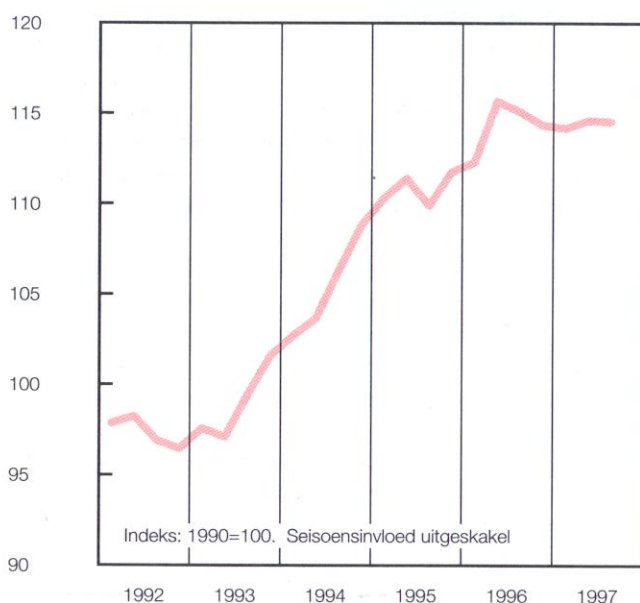
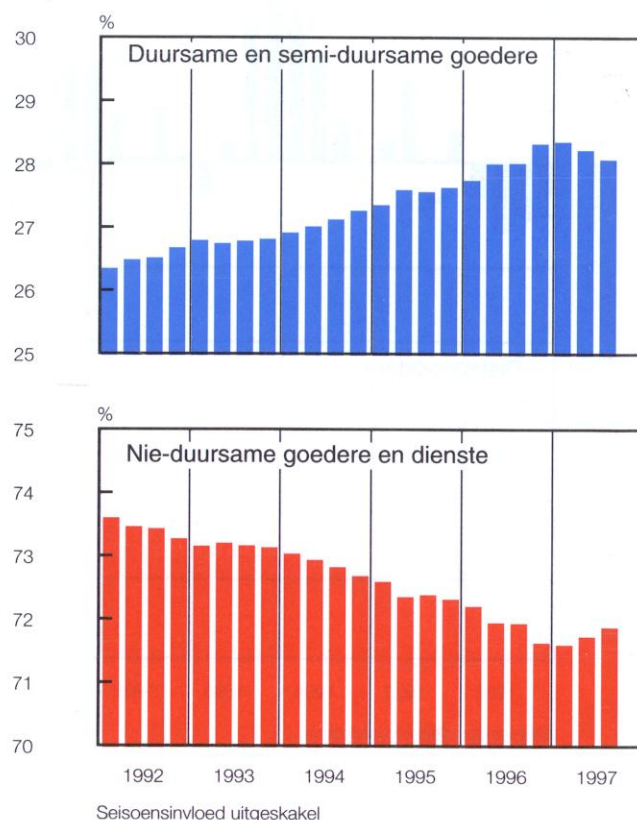
Komponente	1996					1997		
	1e kw	2e kw	3e kw	4e kw	Jaar	1e kw	2e kw	3e kw
Private verbruiksbesteding.....	3½	4	3	3	4	1	1½	1
Owerheidsverbruiksbesteding .....	6½	11	9	3½	6	4	4	2½
Bruto binnelandse vaste investering. ....	10½	6½	5	5	8	2½	3	3
Binnelandse finale vraag .....	5½	6	4½	3½	5	2	2½	1½
Verandering in voorrade (R miljarde)* .....	1,2	6,8	2,4	0,4	2,7	-2,4	-3,3	-4,8
<b>Bruto binnelandse besteding .....</b>	<b>2</b>	<b>12½</b>	<b>-2</b>	<b>-2½</b>	<b>3</b>	<b>-½</b>	<b>1½</b>	<b>-½</b>

\* Konstante 1990-pryse

dienste teweeggebring, terwyl reële besteding aan duursame en semi-duursame goedere gedaal het.

Die totale reële private verbruiksbesteding aan duursame goedere het in die derde kwartaal teen 'n seisoensaangepaste jaarkoerse van 2½ persent gedaal nadat dalings van 2½ en 2 persent in die voorafgaande twee kwartale van 1997 aangeteken is. Dit was hoofsaaklik die gevolg van laer besteding deur huishoudings aan meubels en huishoudelike toebehore en persoonlike vervoertoerusting.

Die groei van kwartaal tot kwartaal in die reële besteding aan semi-duursame goedere het aanvanklik van 'n jaarkoerse van 3½ persent in die eerste kwartaal van 1997 tot 1 persent in die tweede kwartaal verlangsaam, maar toe in die derde kwartaal van 1997 met ½ persent gedaal. Dalings in die reële besteding deur huishoudings aan

**Reële bruto binnelandse besteding****Komponente van reële private verbruiksbesteding as persentasie van totaal**



tekstiele en toebehore, motorbande, -onderdele en -toebehore en ander semi-duursame goedere het 'n toename in die besteding aan klerasie en skoeisel meer as geneutraliseer. In teenstelling hiermee het die reële besteding deur huishoudings aan nie-duursame goedere en aan dienste in die derde kwartaal van 1997 verder teen seisoensaangepaste jaarkoerse van onderskeidelik 1½ persent en 3 persent toegeneem.

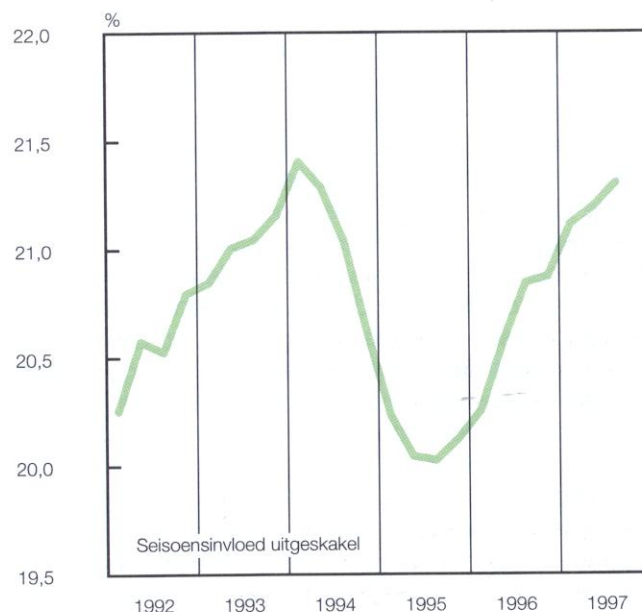
Die klem in die bestedingspatrone van huishoudings het gedurende onlangse kwartale duidelik verskuif na besteding aan nie-duursame goedere en dienste en weg van die algemeen duurder prysklasse. Hierdie soort bestedingsgedrag dui nie op 'n verbruikersgemeenskap met selfvertroue wat 'n volgehoue sterk groei in inkome verwag en wat 'n sterk vraag na luukse en ander duursame goedere het nie. Dit was eerder 'n weerspieëling van lae groei in reële persoonlike beskikbare inkome as 'n gebrek aan verbruikersvertroue wat moontlik kon spruit uit:

- die volgehoue hoë vlakke van werkloosheid;
- dalende indiensneming in die formele sektor van die ekonomie en 'n algemene besorgdheid oor werksekerheid;
- lae vlakke van opgelope besparing;
- hoë vlakke van huishoudingskuld;
- die hoë finansieringskoste van skuld;
- hoë vlakke van belasting op lopende inkome; en
- betreklike swak korttermynvooruitsigte vir groei in reële inkome.

Onder sulke omstandighede is dit redelik om te verwag dat huishoudings hul beskikbare inkome konserwatief sal aanwend. Kommer oor die gehalte van balansstate sal waarskynlik die besnoeiing van totale besteding en 'n skerper ingesteldheid op noodsaaklike en nie-diskresionêre verbruiksbesteding aanmoedig.

Die totale reële verbruiksbesteding deur die algemene owerheid het in die derde kwartaal van 1997 bly toeneem, hoewel teen 'n laer koers as voorheen. Nadat die reële verbruiksbesteding van die algemene owerheid in die eerste en die tweede kwartaal van 1997 teen seisoensaangepaste jaarkoerse van 4 persent gestyg het, het dit in die derde kwartaal tot groei van 2½ persent verlangsaam. Dit het die reële besteding aan verbruik van goedere en dienste deur die algemene owerheid in die

#### Reële owerheidsverbruiksbesteding as persentasie van reële bruto binnelandse produk



eerste nege maande van 1997 op 'n vlak gebring wat 5½ persent hoër was as in die ooreenstemmende tydperk in 1996. Laer groei in die reële besteding aan intermediêre goedere en dienste en 'n daling in die aantal werknemers was hoofsaaklik verantwoordelik vir die verlangsaming wat aangeteken is. Ondanks die onlangse verlangsaming, het die verhouding van owerheidsverbruiksbesteding tot die bruto binnelandse produk van 20½ persent in 1996 tot 'n gemiddeld van 21 persent in die eerste drie kwartale van 1997 gestyg.

Die sterk groei in die reële bruto binnelandse vaste investering, wat gedurende 1996 van kwartaal tot kwartaal teen jaarkoerse van tussen 5 en 10½ persent gewissel het, het tot 'n toename van 2½ persent in die eerste kwartaal en 3 persent in sowel die tweede as die derde kwartaal van 1997 afgeneem. Reële vaste investering het in die eerste drie kwartale van 1997 op 'n vlak te staan gekom wat ongeveer 3 persent hoër was as in die ooreenstem-

**Tabel 3. Reële bruto binnelandse vaste investering**  
Persentasieverandering teen seisoensaangepaste jaarkoerse

Institusionele sektore	1996					1997		
	1e kw	2e kw	3e kw	4e kw	Jaar	1e kw	2e kw	3e kw
Private sakeondernemings .....	6	3½	6	5½	6	1	2	2½
Openbare korporasies .....	19½	-½	1½	4	10½	9	9	6
Openbare owerhede .....	27½	34½	3½	3	15	2½	1½	1
<b>Totaal .....</b>	<b>10½</b>	<b>6½</b>	<b>5</b>	<b>5</b>	<b>8</b>	<b>2½</b>	<b>3</b>	<b>3</b>



mende tydperk van 1996. Die groei in die totale reële vaste investering in die derde kwartaal van 1997 is deur toenames in kapitaalvorming deur al drie institusionele sektore, naamlik die private sektor, die openbare korporasies en die openbare owerhede teweeggebring.

Die groei in die *reële bruto binnelandse vaste investering deur ondernemings in die private sektor* het van 1 persent in die eerste kwartaal van 1997 tot 2 persent in die tweede kwartaal en 2½ persent in die derde kwartaal versnel. Die produksievermoë in al die hoofsektore van ekonomiese bedrywigheid het gebaat by die hoër vlak van kapitaalvorming deur ondernemings in die private sektor. In die landbousektor het kapitaalbesteding, veral in die akkerbougebiede, op die beter as verwagte oeste in die tweede helfte van 1997 gereageer. Die fabriekswesesektor het sy investeringsbedrywigheid verhoog as gevolg van die aanbodkant-belastingvergunning wat deur die regering toegestaan is en die behoefte aan volgehoue winsgewendheid te midde van toenemend mededingende en geïntegreerde wêreldmarkte. In die handelssektor het investering as gevolg van verskeie redes toegeneem, waaronder die ontwikkeling van spesialiteitswinkels wat spesiale persele nodig het, die behoefte om lewe te blaas in sukkelende winkelsentra in sentrale sakegebiede, die uitbreiding van kleiner winkelsentra in voorstedelike gebiede en die ontwikkeling van kleinhandelsentra in sommige van die minderontwikkelde gebiede van die land.

Soos die geval in 1996 was, het die groei in reële vaste kapitaalvorming deur die openbare sektor (open-

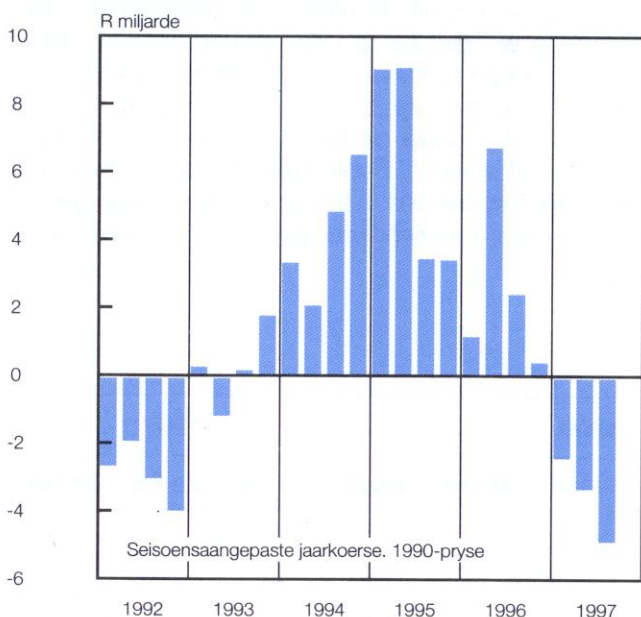
bare korporasies en openbare owerhede) in die eerste drie kwartale van 1997 betreklik sterk gebly en het die reële vaste investering van die openbare sektor teen 'n stewige koers van 3½ persent in die derde kwartaal van 1997 toegeneem. Hoër reële vaste kapitaalvorming deur ondernemings in die openbare sektor was die gevolg van infrastruktuurverwante investering deur ondernemings soos Transnet, Telkom en die subsektor wat elektrisiteit, gas en water voorsien.

Terwyl die voorradesiklus gedurende 1996 slegs stukrag verloor het toe die opbou van *voorrade* verlangsaam het, het die vlak van voorrade in die eerste drie kwartale van 1997 in werklikheid gedaal. Die dalings in die voorraadvlakke in die derde kwartaal van 1997 het hoofsaaklik in die fabriekswese, en groot- en kleinhandel-sektore voorgekom. Die algemene verlangsaaming in die binnelandse finale vraag en die betreklik hoë koste om voorrade te dra het vervaardigers en produsente aangespoor om voorrade te verminder. As gevolg hiervan het die verhouding van nywerheids- en handelsvoorrade tot die bruto binnelandse produk, met die uitsondering van die landbousektor, van 'n gemiddelde van 18 persent in die eerste twee kwartale van 1997 tot 16½ persent in die derde kwartaal gedaal.

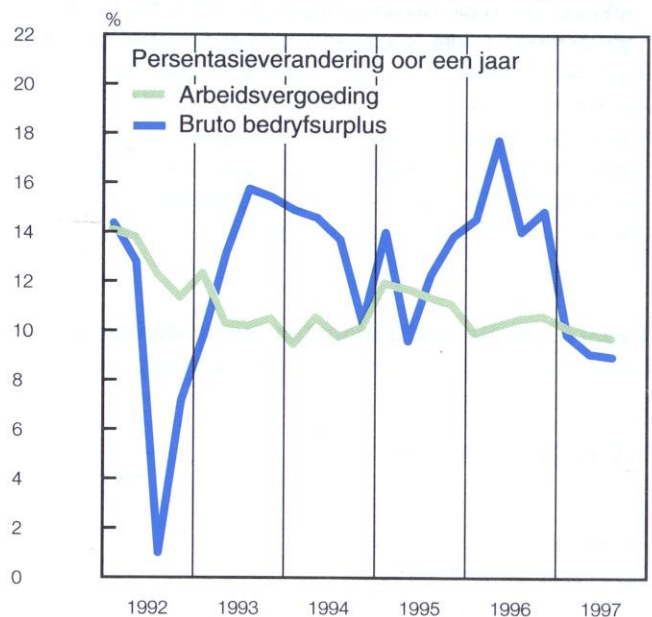
### Faktorinkome en besparing

Die groei van jaar tot jaar in die *totale nominale faktorinkome* teen markpryse, het van 10½ persent in die eerste kwartaal van 1997 tot gemiddeld 10 persent in die tweede en die derde kwartaal verlangsaam. Hierdie

### Verandering in totale reële voorrade



### Bruto bedryfsurplus en arbeidsvergoeding





verlangsaming in die groei van faktorinkome was die gevolg van stadiger groei in sowel die bedryfsurplusse van sakeondernemings as die vergoeding van werknemers.

Die groei oor vier kwartale in die totale nominale *bruto bedryfsurplusse* het van 10 persent in die eerste kwartaal van 1997 tot gemiddeld 9 persent in die tweede en die derde kwartaal gedaal. Die bruto bedryfsurplusse het in die landbousektor gedaal terwyl dit in sommige van die ander belangrike sektore, soos fabriekswese, handel en finansiële dienste, teen stadiger koerse toegeneem het. Die groei koerse oor een jaar in die totale *vergoeding van werknemers* het dienoooreenkomstig van 10 persent in die tweede kwartaal van 1997 tot 9½ persent in die derde kwartaal verlangsaa.

*Bruto binnelandse besparing* in verhouding tot die bruto binnelandse produk het van 16½ persent in 1996 tot ongeveer 15½ persent in die eerste drie kwartale van 1997 gedaal. *Netto ontsparing deur die algemene owerheid* het in die eerste drie kwartale van 1997 deurentyd op die vlak van 3½ persent van die bruto binnelandse produk gebly. *Netto maatskappybesparing* in verhouding tot die bruto binnelandse produk het van 'n gemiddelde van 5 persent in die eerste helfte van 1997 tot 4½ persent in die derde kwartaal gedaal. Oor dieselfde tydperk het die *netto besparing van private huishoudings* baie laag gebly; in verhouding tot die bruto binnelandse produk het dit in die eerste drie kwartale van 1997 ongeveer 1 persent bedra. As gevolg van die ontwikkelingsbehoefte van die Suid-Afrikaanse

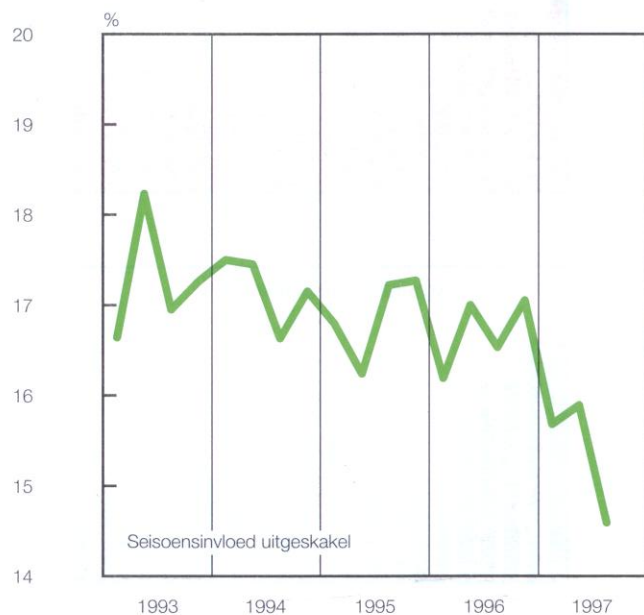
ekonomie is die gebrek aan besparing vir die finansiering van investering wat stukrag aan groei sal verleen, ooglopend 'n ernstige strukturele tekortkoming.

### Werkverskaffing

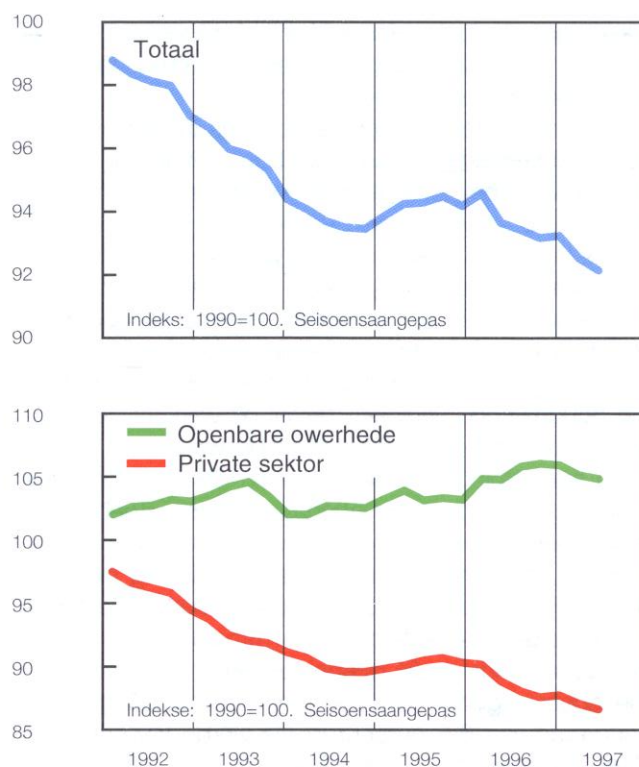
Ondanks voortgesette positiewe ekonomiese groei het die *totale werkverskaffing in die formele sektore van die ekonomie buite die landbou* in die eerste helfte van die jaar teen jaarkoerse van 3,0 persent in die eerste kwartaal van 1997 en 1,7 persent in die tweede kwartaal afgeneem. Van die einde van 1996 tot die einde van die tweede kwartaal van 1997 het die vlak van die totale werkverskaffing in die formele sektore met 62 000 werkgeleenthede afgeneem. Dit het die totale werkverskaffing te staan gebring op 'n vlak wat naasteby ooreengestem het met dié van 1981. Die meting van werkverskaffingsvlakke moet egter gesien word in die lig van amptelike statistieke wat tans nie voorsiening maak vir werkgeleenthede wat deur subkontraakteurs geskep word nie en wat ook nie rekening hou met ander soorte herstrukturings van die arbeidsmark, wat werkskepping aanhelp in die dienstesektor waarvoor slegs onvolledige statistieke tans beskikbaar is nie.

Werkverskaffing in die *formele private sektore buite die landbou* het teen 'n seisoensaangepaste

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



### Werkverskaffing in die sektore buite die landbou





jaarkoers van 3,0 persent in die eerste kwartaal van 1997 en 2,0 persent in die tweede kwartaal afgeneem. Dit verteenwoordig 'n afname van ongeveer 43 000 werkgeleenthede wat hoofsaaklik in die fabriekswese, mynbou- en konstruksiesektore voorgekom het, met kleiner afnames in die elektrisiteitsopwekkingsektor, motorhandel en die finansiële-dienste-sektore.

Die afname in werkverskaffing was deels die gevolg van die toenemende integrasie van wêreldmarkte. Hierdie integrasie van wêreldmarkte, tesame met vinnige tegnologiese vooruitgang, benadruk die noodsaak vir Suid-Afrikaanse vervaardigers en ander produsente om mededingend te wees in wêreldmarkte en om hul mededingendheid in die mark vir internasionaal verhandelbare goedere en dienste te bly handhaaf. Die oplossing vir hierdie probleem word oorwegend in Suid-Afrika gevind in die vervanging van arbeid met kapitaal in die produksieproses. Dit het sedert die begin van die negentigerjare 'n afname in die werkverskaffingsvlakke in die formele sektore van die ekonomie tot gevolg gehad.

Dit sal gewens wees as groei in werkverskaffing min of meer saam met groei in kapitaalvorming kan plaasvind. So 'n ontwikkeling moet voorafgegaan word deur 'n verbetering in die beleggingsopbrengs om sodoende die omstandighede te skep wat nodig is vir volgehoue investeringsgedrewe ekonomiese groei. Om so 'n gunstige investeringsomgewing te bewerkstellig is dit belangrik dat toenames in produksiekoste in bedwang gehou moet word. Omdat arbeidskoste 'n belangrike komponent van totale produksiekoste verteenwoordig, is 'n gepaste kombinasie van makro-ekonomiese loonontwikkelings, uitsetprysveranderinge en produktiwiteitsgroei belangrik vir die verhoging van werkverskaffingsvlakke en die vermindering van werkloosheid.

Om 'n groter beleggingsopbrengs in die mynbou-bedryf te verseker en die moontlike sluiting van goudmyne te voorkom, is langtermyn-ooreenkomste tussen die mynbestuur en vakbonde by sekere myne aangegaan. Kapitaal sal meer intensief benut word deur die instelling van addisionele skofte by sekere myne en gesamentlike stappe gaan deur die bestuur en werkers gedoen word om produksie te verhoog. Hierdie ooreenkomste sal na verwagting die lewensvatbaarheid en winsgewendheid van goudmynbou verseker, terwyl dit werkers se sorge oor werksekerheid terselfdertyd sal besweer.

In teenstelling met die jare van 1989 tot 1996 toe *werkverskaffing deur die openbare sektor* uitgebrei het terwyl werkverskaffing in die private sektor ingekort is, kom dit voor asof 'n mate van vordering onlangs gemaak is met pogings om die aantal werkgeleenthede in die openbare sektor te verminder. Die aantal werkgeleenthede in die openbare sektor het gevolglik in drie opeenvolgende kwartale teen seisoensaangepaste jaarkoerse van 0,5 persent in die vierde kwartaal van 1996, 3,0 persent in die eerste kwartaal van 1997 en 1,1 persent in die tweede kwartaal afgeneem. Die daling in werkgeleentheid het oënskynlik op sowel nasionale as

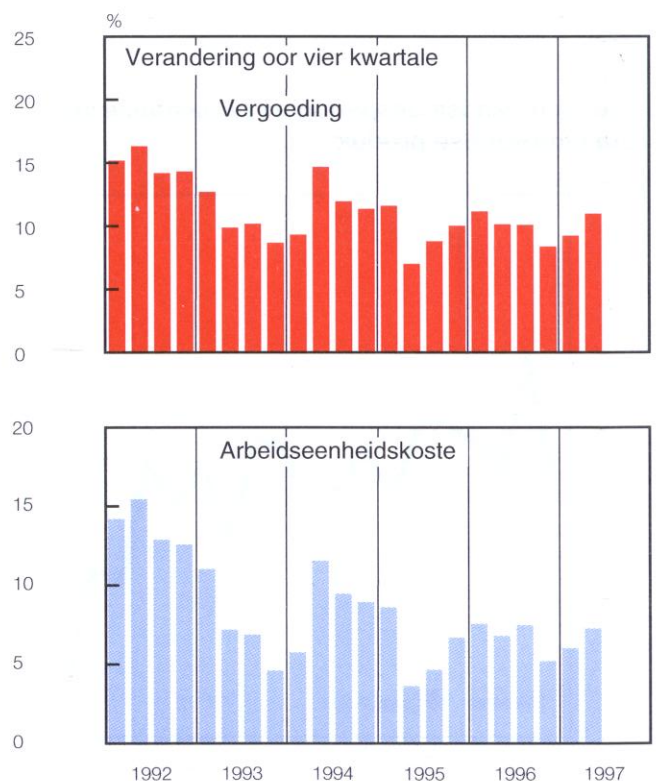
provinsiale regeringsvlak voorgekom.

Die afname in die aantal werkgeleenthede in die formele sektore is gestaaf deur 'n toename van 0,4 persent in die *totale aantal geregistreerde werkloos* in die eerste ses maande van 1997 vergeleke met die eerste ses maande van 1996. Ten slotte is die boonste jaarlikse inkomsteperk vir dekking deur die Werkloosheidsversekeringsfonds vanaf 1 September 1997 met 8,3 persent tot 'n bedrag van R82 982 verhoog. Hierdie toename sal verseker dat 'n groter aantal werkloos in die toekoms hulp sal ontvang, maar dit sal ook die geldelike bydraes tot die Fonds verhoog.

### Arbeidskoste en produktiwiteit

Die ooraanbod van veral ongeskoolde arbeid in Suid-Afrika het oor die afgelope jaar min afwaartse druk op die groei in arbeidsvergoeding uitgeoefen. Ten spyte van afnemende vlakke van werkverskaffing in die formele sektor en toenemende vlakke van werkloosheid, het die koers van toename oor vier kwartale in *nominale vergoeding per werker in die sektore van die ekonomie buite die landbou* van 8,4 persent in die vierde kwartaal van 1996 tot 11,0 persent in die tweede kwartaal van 1997 versnel. Dit kom voor asof veral die werknemers waarvoor daar kollektiewe bedingingssooreenkomste

### Nominale vergoeding per werker en arbeidseenheidskoste





bestaan, in die eerste helfte van 1997 salaris- en loonverhogings ontvang het wat die verbruikersprysinflasie oor twaalf maande te bowe gegaan het.

Die koers van toename oor vier kwartale in die nominale vergoeding per werker in die *private sektore van die ekonomie buite die landbou* wat in die eerste kwartaal van 1997 betekenisvol tot 7,7 persent afgeneem het, het in die tweede kwartaal van 1997 weer tot 'n koers van 10,5 persent toegeneem. Die koers van toename oor vier kwartale in die nominale vergoeding van *werkers in die openbare sektor* het selfs vinniger van 7,5 persent in die vierde kwartaal van 1996 tot 11,8 persent in die tweede kwartaal van 1997 versnel. Betreklik groot salarisverhogings is aan werknemers van nasionale regeringsdepartemente, Transnet en die universiteite toegestaan.

Die toename van jaar tot jaar in die nominale vergoeding per werker was in die tweede kwartaal van 1997 steeds hoër as die toename in uitsetpryse, soos deur die prysdeflator vir die bruto binnelandse produk buite die landbou weerspieël word. Die toename oor een jaar in die reële vergoeding per werker in die nie-landbousektore (dit wil sê die verhouding van die nominale vergoeding per werker tot die deflator van produksie in die nie-landbousektore as 'n aanwyser van uitsetpryse) het trouens van 0,9 persent in die eerste kwartaal van 1997 tot 3,0 persent in die tweede kwartaal versnel.

Die groei in die nominale vergoeding per werker het met toenames in *arbeidsproduktiwiteit* gepaard gegaan, ofskoon teen 'n ietwat laer koers. Produksie per werker in die nie-landbousektore oor vier kwartale het in die vierde kwartaal van 1996 en in die eerste kwartaal van 1997 met 3,0 persent toegeneem en daarna tot 3,4 persent in die tweede kwartaal versnel. As gevolg daarvan dat produktiwiteitsgroei nie ten volle met die groei in die vergoeding per werker tred gehou het nie, het *nominale arbeidseenheidskoste* bly toeneem. Die groei oor vier kwartale in nominale arbeidseenheidskoste het

trouens van 5,3 persent in die vierde kwartaal van 1996 tot 6,1 persent in die eerste kwartaal van 1997 en 7,3 persent in die tweede kwartaal versnel.

### Inflasie

Inflasie, soos gemeet deur die seisoensaangepaste verandering oor twaalf maande in die *omvattende verbruikersprysindeks* van kwartaal tot kwartaal, het in die derde kwartaal van 1997 verder afgeneem en vir die eerste keer sedert die vierde kwartaal van 1995 tot onder 7 persent gedaal. *Onderliggende inflasie*, soos gemeet deur die verandering van kwartaal tot kwartaal in die seisoensaangepaste verbruikersprysindeks met die uitsluiting van die pryse van voedsel en nie-alkoholiese drank, huiseienaarskoste en belasting op toegevoegde waarde, het ook in die derde kwartaal van 1997 tot onder 7 persent gedaal. Dit was heelwat laer as die onlangse hoogtepunt van 12,6 persent in die vierde kwartaal van 1996.

Die omvattende verbruikersprysinflasie en die onderliggende inflasie oor twaalf maande het sedert Mei 1996 gelyk verloop. Albei hierdie aanwysers van inflasie het in onlangse maande skerp afwaarts beweeg. Die styging oor een jaar in die omvattende verbruikersprysindeks het in April 1997 teen 9,9 persent 'n hoogtepunt bereik, maar het daarna tot 8,0 persent in September afgeneem. Onderliggende inflasie het twee maande vroeër, in Februarie 1997, 'n hoogtepunt van 9,7 persent bereik, maar daarna tot 8,3 persent in September gedaal.

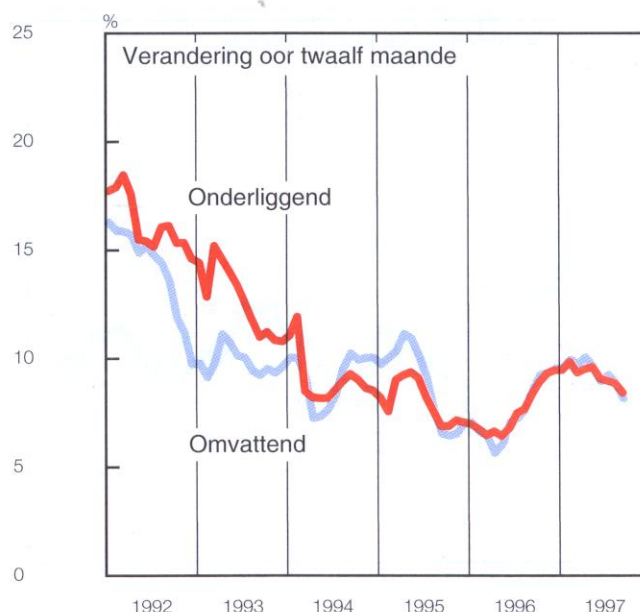
Die pryse van *verbruikersgoedere*, wat gewoonlik geneig is om sterker as die pryse van *verbruikersdienste*

**Tabel 4. Arbeidskoste en produktiwiteit**

Persentasieverandering oor vier kwartale

	Vergoeding per werker		Arbeids- produk- tiwiteit	Nominale arbeids- een- heids- koste
	Nominaal	Aangepas vir inflasie		
1996: 1e kw .....	11,2	2,1	3,3	7,6
2e kw .....	10,2	0,5	3,1	6,9
3e kw .....	10,1	0,2	2,4	7,5
4e kw .....	8,4	-1,7	3,0	5,3
1997: 1e kw .....	9,3	0,9	3,0	6,1
2e kw .....	11,0	3,0	3,4	7,3

### Inflasie in verbruikerspryse





**Tabel 5. Aanwysers van inflasie**

Verandering van kwartaal tot kwartaal teen jaarkoerse

	1996		1997	
	4e kw	1e kw	2e kw	3e kw
Verbruikerspryse				
Omvattende indeks	11,6	9,5	7,1	6,6
Onderliggende inflasie*	12,6	7,4	8,1	6,7
Produksiepryse				
Alle goedere	12,7	8,4	2,7	2,1
Binnelands geproduseerde goedere	11,4	7,2	6,3	2,9
Ingevoerde goedere	18,1	12,4	-10,7	-2,2

\* Verandering in verbruikersprysindeks met die uitsluiting van die pryse van voedsel en nie-alkoholiese drank, huiseienaars-koste en belasting op toegevoegde waarde.

op veranderings in produktiwiteit en nominale arbeids-eenhetskoste te reageer, het van die begin van 1995 heelwat stadiger as die pryse van verbruikersdienste toegeneem. Die verskil tussen die koerse van toename oor tydperke van een jaar in die pryse van verbruikers-goedere en die pryse van verbruikersdienste het van die begin van 1997 van 2,2 persentasiepunte in Januarie tot 0,3 persentasiepunte in Junie verminder. In Julie 1997 het die toename in die pryse van verbruikersdienste

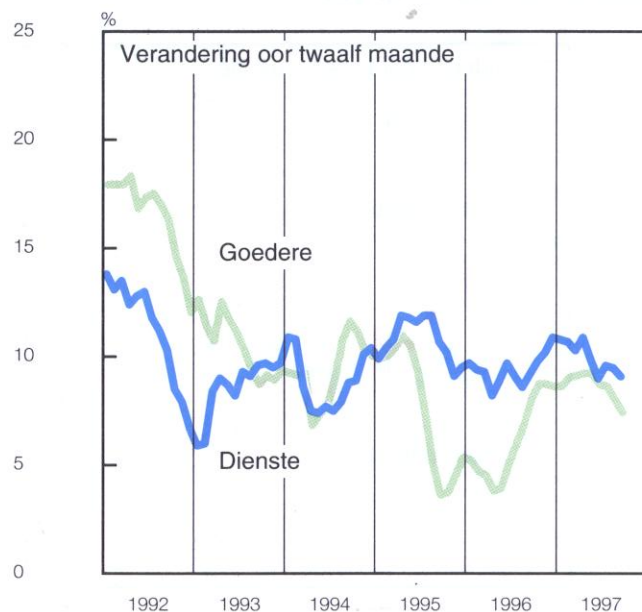
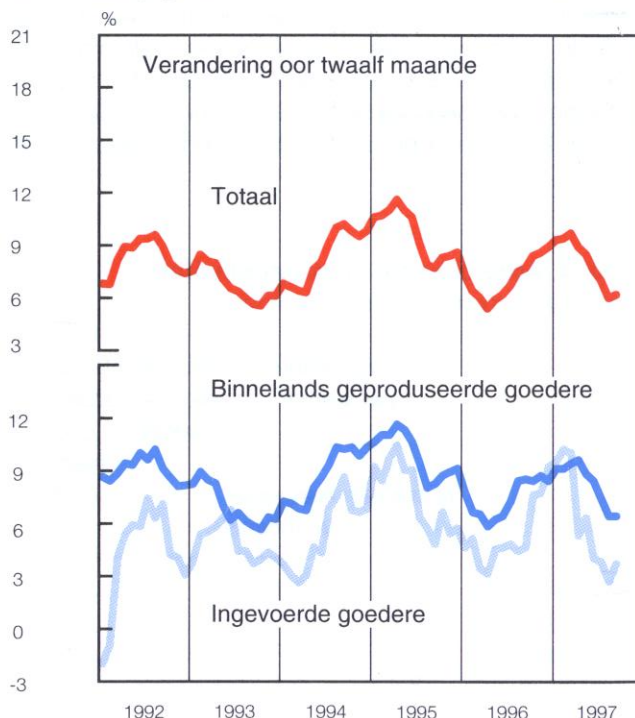
**Tabel 6. Pryse van verbruikersgoedere en -dienste**

Persentasieverandering oor twaalf maande

Tydperk	Verbruikers-goedere	Verbruikers-dienste	Totaal
1996: Nov .....	8,7	10,2	9,2
Des.....	8,6	10,9	9,4
1997: Jan .....	8,6	10,8	9,4
Feb.....	9,0	10,7	9,8
Mrt .....	9,1	10,3	9,6
Apr .....	9,2	10,9	9,9
Mei .....	9,2	9,9	9,5
Jun .....	8,7	9,0	8,8
Jul .....	8,6	9,6	9,1
Aug .....	8,0	9,5	8,7
Sep .....	7,4	9,1	8,0

vinnig versnel as gevolg van die skerp toename in munisipale tariewe, met die gevolg dat die verskil tussen goedereprysinflasie en diensteprysinflasie opnuut tot 1,7 persentasiepunte in September vergroot het.

Ander aanwysers van prysinflasie was in die derde kwartaal van 1997 nog meer getemperd as die veranderings in verbruikerspryse. Die toename van 2,1 persent van kwartaal tot kwartaal teen 'n seisoensaangepaste jaarkoers in die *omvattende produksieprysindeks* in die

**Inflasie in verbruikerspryse****Produksieprysindeks**



derde kwartaal van 1997 was nie minder nie as 10,6 persentasiepunte laer as die onlangse hoogtepunt in die vierde kwartaal van 1996. Die toename van kwartaal tot kwartaal in die *pryse van binnelands geproduseerde goedere* het oor dieselfde tydperk tot 2,9 persent in die derde kwartaal van 1997 gedaal. Hierdie voortgesette verlangsamings in die prystoenames van binnelands geproduseerde goedere was hoofsaaklik die gevolg van laer koerse van toename in die pryse van elektrisiteit, gas, water, tekstiele, klere en skoeisel. Die toename in die omvattende produksieprysindeks, soos gemeet oor tydperke van twaalf maande, het tot 6,1 persent in September 1997 gedaal – 3,5 persentasiepunte laer as die onlangse hoogtepunt in Maart 1997 – en die toename oor tydperke van twaalf maande in die pryse van binnelands geproduseerde goedere tot 6,5 persent – 3,2 persentasiepunte laer as die onlangse hoogtepunt in Mei 1997.

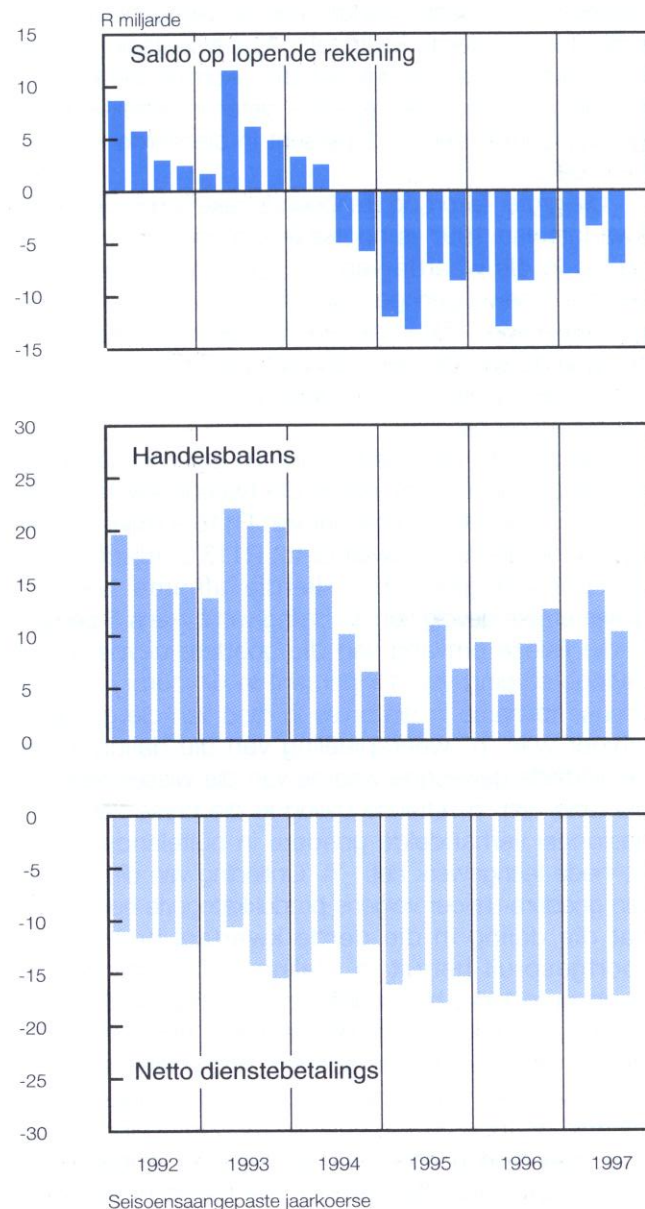
Die toename in die wisselkoers van die rand sedert die einde van Oktober 1996 tot die helfte van Maart 1997, het 'n betekenisvolle bydrae gelewer tot die verlaging van inflasie in die afgelope paar maande. Een aanduiding hiervan is dat die *pryse van ingevoerde goedere* wat by die omvattende produksieprysindeks ingesluit is, van kwartaal tot kwartaal teen 'n seisoensaangepaste jaarkoers van 10,7 persent in die tweede kwartaal van 1997 *gedaal* het, nadat dit nog in die vierde kwartaal van 1996 teen 'n jaarkoers van 18,1 persent toegeneem het. Die daling in die pryse van ingevoerde goedere in die tweede kwartaal van 1997 was veral opmerklik in die pryse van ru-olie wat vanaf die eerste kwartaal met 13,7 persent gedaal het en in die pryse van papier en papierprodukte wat vanaf die eerste kwartaal met 8,2 persent gedaal het. Die pryse van ingevoerde goedere het in die derde kwartaal van 1997 verder teen 'n seisoensaangepaste jaarkoers van 2,2 persent afgeneem. Gemeet oor tydperke van twaalf maande, het die pryse van ingevoerde goedere in September 1997 met slegs 3,8 persent toegeneem.

## Buitelandse handel en betalings

### Lopende rekening van die betalingsbalans

Ondanks die betreklik matige uitbreiding in ekonomiese bedrywigheid, het die *lopende rekening van die betalingsbalans* in die derde kwartaal van 1997 verswak. Die *tekort op die lopende rekening* (seisoensaangepas en teen 'n jaarkoers), wat van R10,4 miljard in die eerste helfte van 1996 tot R6,7 miljard in die tweede helfte en R5,7 miljard in die eerste helfte van 1997 vernou het, het in die derde kwartaal toegeneem. Gereken teen 'n

### Lopende rekening





**Tabel 7. Lopende rekening van die betalingsbalans**

Seisoensaangepaste jaarkoerse

R miljarde

	1996				1997		
	1e kw	2e kw	3e kw	4e kw	1e kw	2e kw	3e kw
Goedere-uitvoer .....	88,5	93,1	102,6	111,0	105,6	116,9	113,0
Netto gouduitvoer .....	24,9	25,3	28,7	26,2	26,8	24,5	26,0
Goedere-invoer .....	-104,1	-114,1	-122,2	-124,8	-122,9	-127,2	-128,7
Netto dienste- en oordragbetalings .....	-17,1	-17,2	-17,7	-17,1	-17,4	-17,6	-17,3
<b>Saldo op lopende rekening .....</b>	<b>-7,8</b>	<b>-12,9</b>	<b>-8,6</b>	<b>-4,7</b>	<b>-7,9</b>	<b>-3,4</b>	<b>-7,0</b>

seisoensaangepaste jaarkoerse, het die tekort van R3,4 miljard in die tweede kwartaal meer as verdubbel tot R7,0 miljard in die derde kwartaal. As persentasie van die bruto binnelandse produk het die tekort op die lopende rekening van die betalingsbalans nietemin betreklik gering gebly, naamlik slegs 1,2 persent in die derde kwartaal van 1997.

Die groter tekort op die lopende rekening in die derde kwartaal van 1997 is hoofsaaklik meegebring deur 'n daling in die waarde van die goedere-uitvoer en 'n verdere, hoewel geringe toename in die waarde van die goedere-invoer. Dit is nie ten volle deur 'n toename in die waarde van die netto gouduitvoer en 'n afname in netto dienste- en oordragbetalings aan nie-inwoners geneutraliseer nie.

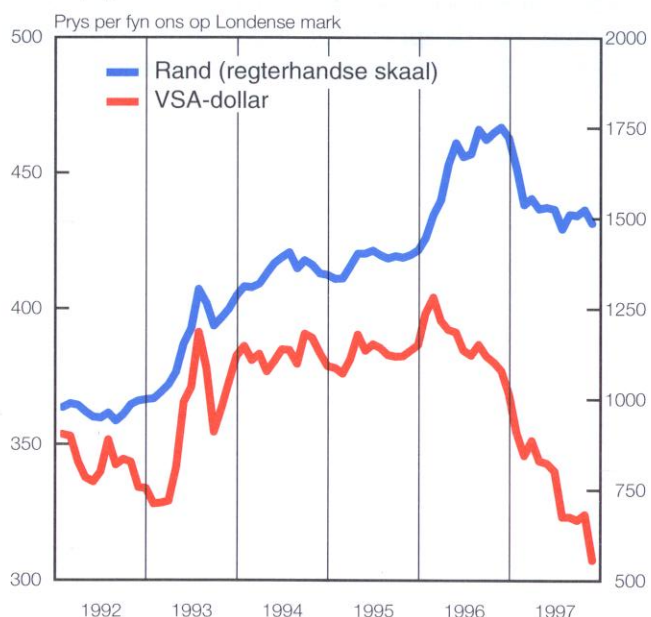
Die waarde van *goedere-uitvoer* (seisoensaangepas en teen 'n jaarkoerse) wat in die tweede kwartaal van 1997 'n algehele hoogtepunt van R116,9 miljard bereik het, het in die derde kwartaal tot R113,0 miljard of met 3,5 persent gekrimp. Hierdie afname was die gesamentlike gevolg van 'n daling van bykans 5 persent in die fisiese omvang van die goedere-uitvoer en 'n geringe styging van 1½ persent in uitvoerpryse. Die effense toename in die pryse in rand van die goedere-uitvoer was 'n weerspieëling van die daling in die gemiddelde geweegde waarde van die wisselkoerse van die rand wat 'n effense daling in die pryse van internasionaal verhandelde goedere in buitelandse geldeenheede teengewerk het. 'n Ontleding van die waarde van goedere-uitvoer volgens produkkategorie het getoon dat die daling in die derde kwartaal hoofsaaklik voortgespruit het uit 'n daling in die waarde van mynbouprodukte, hoofsaaklik edel- en halfedelstene, en landbouprodukte, veral plantaardige produkte. Die uitvoer van vervaardigde goedere wat waarskynlik nog steeds voordeel put uit die verhoogde mededingingskrag vanweë die depresiasie van die rand in 1996, het bly styg, maar teen 'n effens stadiger koers as vantevore.

Ten spyte van die daling in die fisiese hoeveelheid goedere wat in die derde kwartaal van 1997 uitgevoer is, was die waarde van die goedere-uitvoer teen konstante

pryse steeds ongeveer 5½ persent hoër as die kwartaallikse gemiddelde waarde wat in 1996 behaal is. In verhouding tot die reële bruto binnelandse produk het die omvang van die uitvoer van 21,8 persent in die eerste kwartaal van 1997 tot 22,4 persent in die derde kwartaal gestyg.

Nadat die seisoensaangepaste waarde van die *netto gouduitvoer* teen 'n jaarkoerse van R26,8 miljard in die eerste kwartaal van 1997 tot R24,5 miljard in die tweede kwartaal gedaal het, het dit in die derde kwartaal van 1997 met 6 persent tot R26,0 miljard toegeneem. Hierdie verbeterde prestasie kan toegeskryf word aan 'n toename van 8½ persent in die fisiese hoeveelheid goud

### Goudprys





wat uitgevoer is, hoofsaaklik vanweë 'n toename in die produksie van goud en die lewering van goud wat voorheen vooruitverkoop is. Die gemiddelde vasstellingsprys van goud op die Londense mark het van VSA\$343 per fyn ons in die tweede kwartaal van 1997 tot VSA\$324 per fyn ons in die derde kwartaal, of met 5,5 persent geval. Uitgedruk in rand, het die prys van goud per fyn ons met slegs 2 persent gedaal vanweë die stabiliserende uitwerking wat die daling in die eksterne waarde van die rand op die randprys van goud gehad het. Aan die einde van September 1997 het die vasstellingsprys van goud vir 'n wyle tot VSA\$337 per fyn ons gestyg voordat dit tot VSA\$308 per fyn ons op 13 November 1997 gedaal het – die laagste vasstelling op die Londense mark sedert 2 Julie 1985. Hierdie skerp daling in die goudprys het voorgekom kort nadat dit rugbaar geword het dat 'n Switserse groep kundiges voorgestel het dat die Switserse owerhede 'n aansienlike deel van hul goudbesit verkoop.

Tesame met die daling in die reële bruto binnelandse besteding het die *fisiese hoeveelheid van die goedere-invoer* (seisoensaangepas en teen 'n jaarkoers) in die derde kwartaal van 1997 effens afgeneem. Die depresiasie van die rand en geringe prystoenames in handelsvennootlande het meegebring dat die pryse van ingevoerde goedere toegeneem het teen 'n koers wat die absolute omvang van die persentasiedaling in die volume van die goedere-invoer oorskry het. Die seisoensaangepaste waarde van die goedere-invoer het teen 'n jaarkoers gevolglik effens toegeneem van R127,2 miljard in die tweede kwartaal van 1997 tot R128,7 miljard in die derde kwartaal.

'n Deel van die daling in die fisiese hoeveelheid van die goedere-invoer kon verklaar word deur 'n daling in die invoer van landbouprodukte. In teenstelling hiermee is meer mynbouprodukte ingevoer, veral in die kategorieë onedelmetale en edel- en halfedelstene.

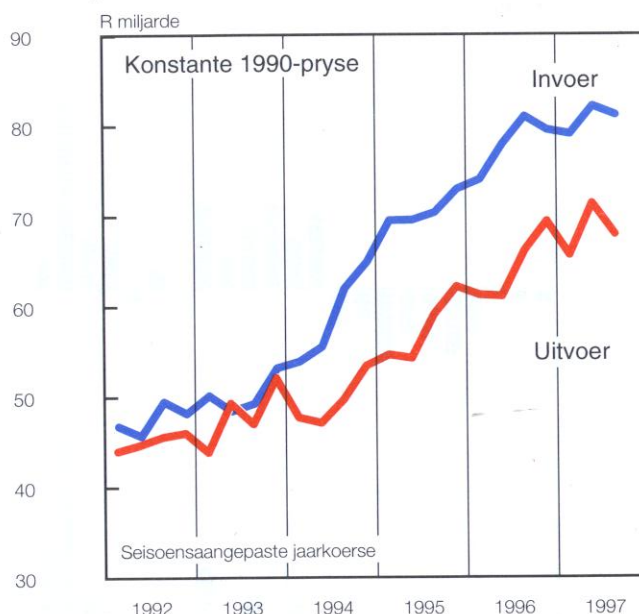
Netto dienste- en oordragbetalings aan nie-inwoners (seisoensaangepas en teen 'n jaarkoers), wat van R17,4 miljard in die eerste kwartaal van 1997 tot R17,6 miljard in die tweede kwartaal toegeneem het, het in die derde kwartaal effens tot R17,3 miljard afgeneem. Hierdie effens laer netto betalings was die gevolg van hoër ontvangstes

**Tabel 8. Goedere-invoer**

Persentasieverandering van kwartaal tot kwartaal van seisoensaangepaste gegewens

	1997		
	1e kw	2e kw	3e kw
Waarde .....	-1½	3½	1
Prys .....	-1	-½	2½
Volume .....	-½	4	-1

## Reële goederehandel



vir dienste, veral weens toerismebesteding deur buitelandse besoekers aan die land en vervoerdienste wat aan nie-inwoners gelewer is. Die waarde van betalings vir dienste het ook toegeneem, maar in 'n mindere mate as die styging in die waarde van ontvangste vir dienste wat aan nie-inwoners gelewer is. 'n Toename in rentebetalings aan nie-inwoners wat gespruit het uit die styging in Suid-Afrika se buitelandse skuldverpligtinge in rand, het die grootste bydrae gelewer tot die toename in dienstebetalings aan die res van die wêreld.

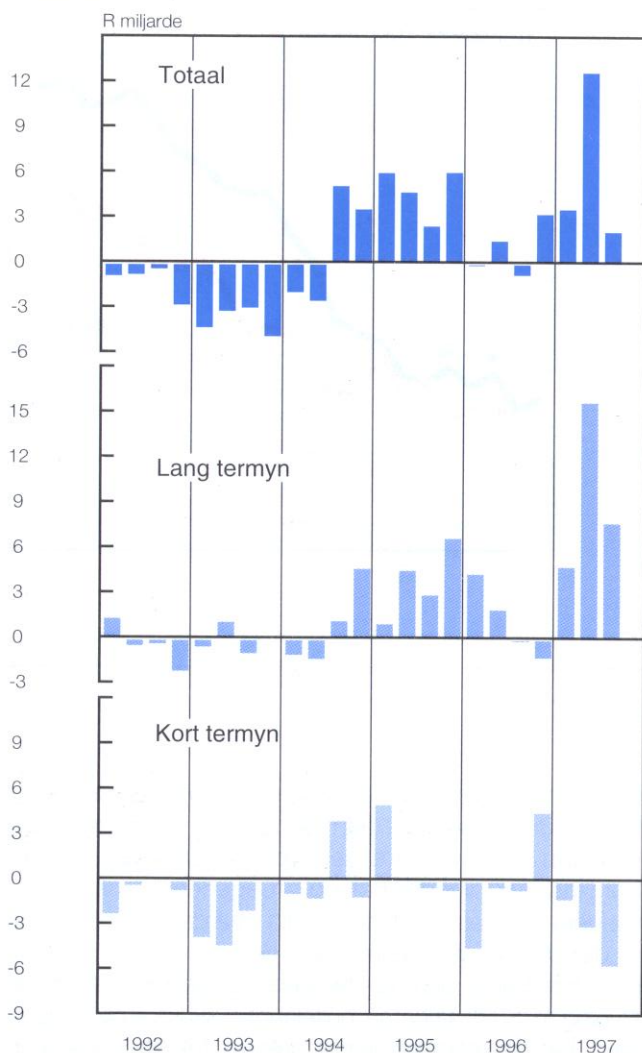
## Kapitaalrekening

Die totale *netto inwaartse beweging van kapitaal nie verwant aan reserwes nie* het van R12,7 miljard in die tweede kwartaal van 1997 tot R2,1 miljard in die derde kwartaal gekrimp. Hierdie aansienlik kleiner netto inwaartse beweging van kapitaal kan toegeskryf word aan 'n skerp daling in die netto invloeiing van langtermynkapitaal en 'n betreklik aansienlike toename in die uitvloeiing van korttermynkapitaal. Die kumulatiewe netto invloeiing van kapitaal het gedurende die eerste nege maande van 1997 nietemin R18,4 miljard beloop, vergeleke met slegs R0,6 miljard in die ooreenstemmende tydperk in 1996. Kapitaalvloeiinge na Suid-Afrika is in 1996 nadelig geraak deur negatiewe beleggerssentiment teens die land en die hoë mate van onbestendigheid in die plaaslike valutamark van Februarie tot Oktober 1996.

Die netto invloeiing van *langtermynkapitaal* het van R15,7 miljard in die tweede kwartaal van 1997 tot R7,7 miljard in die derde kwartaal gedaal. Hierdie daling is



## Netto kapitaalbewegings (nie verwant aan reserwes nie)



hoofsaaklik meegebring deur 'n skerp afname van buitelandse kapitaalbewegings na organisasies in die openbare sektor. Netto bewegings van internasionale langtermynkapitaal na instellings in die private sektor het van 'n *netto uitvloeiing* in die tweede kwartaal van 1997 na 'n aansienlike *netto invloeiing* in die derde kwartaal omgeswaai.

Die netto invloeiing van langtermynkapitaal na die *openbare sektor* is in die tweede kwartaal van 1997 tot 'n ongekende hoë vlak gevoer deur twee toonderuitgiftes van die regering in die internasionale kapitaalmarkte en die opbrengs van die verkoop van 'n strategiese belang in Telkom aan 'n konsortium buitelandse beleggers. Geen sulke groot gebeurtenisse het in die derde kwartaal voorgekom nie, en die netto invloeiing van internasionale kapitaal na die *openbare owerhede* het gevolglik van

R11,2 miljard in die tweede kwartaal van 1997 tot R2,1 miljard in die derde kwartaal afgeneem. In die geval van openbare korporasies, het die netto invloeiing van langtermynkapitaal van R6,1 miljard in die tweede kwartaal tot R0,9 miljard in die derde kwartaal gedaal.

Buitelandse beleggers het in die derde kwartaal van 1997 effekte van die regering en openbare korporasies wat op die Effektemark van Suid-Afrika genoteer is tot 'n netto bedrag van R6,0 miljard bekom. Aan die einde van September was 'n netto bedrag van ongeveer R2,0 miljard egter nog nie vereffen nie. Vaste kapitaalverpligtinge van organisasies in die openbare sektor ten bedrae van R2,5 miljard was boonop aan skuldeisers wat nie inwoners is nie in die derde kwartaal van 1997 betaalbaar.

Internasionale kapitaalbewegings na organisasies in die *private sektor* het van netto uitvloeiing in die tweede kwartaal van 1997 in heel aansienlike invloeiing in die derde kwartaal verander. Die netto invloeiing van buitelandse fondse na die *nie-bank private sektor* het R5,0 miljard bedra nadat 'n netto uitvloeiing van R1,5 miljard in die tweede kwartaal aangeteken is. Ingesluit in die netto invloeiing gedurende die derde kwartaal was netto aankope ten bedrae van R7,9 miljard deur nie-inwoners van aandele wat op die Johannesburgse Aandelebeurs genoteer is. Gedurende dieselfde tydperk het Suid-Afrikaanse institusionele beleggers buitelandse bates ter waarde van R4,1 miljard deur middel van die bateruilmeganisme van nie-inwoners bekom. Ander buitelandse bates ten bedrae van R2,7 miljard is deur middel van die buitelandse plasing van aandele deur Suid-Afrikaanse maatskappye bekom, wat 'n neutrale uitwerking op die waarde van die goud- en ander buitelandse reserwes gehad het.

Die netto uitvloeiing van *korttermynkapitaal* nie verwant aan buitelandse reserwes nie maar met inbegrip van foute en onaangetekende transaksies, het van R3,0 miljard in die tweede kwartaal van 1997 tot R5,6 miljard in die derde kwartaal toegeneem. Die vernaamste bydraende faktor tot die groter netto uitwaartse beweging van korttermynkapitaal in die derde kwartaal van 1997 was die skerp afname in die uitstaande buitelandse leningsverpligtinge van private banke. In teenstelling met die tweede kwartaal van 1997 toe die terugbetaling van buitelandse lenings deur die banksektor ten volle geneutraliseer is deur 'n opbouing van buitelandse laste in die vorm van buitelandsevaluta- en rand-betitelde deposito's deur nie-inwoners by plaaslike banke, het sodanige deposito's in die derde kwartaal met 'n aansienlik kleiner bedrag gestyg. Suid-Afrikaanse banke het ook hul eise op nie-inwoners met 'n bedrag van R0,8 miljard gedurende die derde kwartaal verhoog.

Die uitvloeiing van internasionale korttermynkapitaal gedurende die derde kwartaal van 1997 het waarskynlik verband gehou met die geleidelike daling in die eksterne waarde van die rand, die hoë koste van termyndekking vir uitstaande buitelandse finansiële verpligtinge en die betreklik maklike toegang tot binnelandse kredietbronne.



**Tabel 9. Netto kapitaalbewegings nie verwant aan reserwes nie**

R miljarde

	1996				1997		
	1e kw	2e kw	3e kw	4e kw	1e kw	2e kw	3e kw
Langtermynkapitaal							
Openbare owerhede .....	1,3	0,1	-0,2	2,1	1,1	11,2	2,1
Openbare korporasies.....	0,9	1,0	-0,8	2,5	1,4	6,1	0,9
Monetêre sektor .....	-0,2	-0,4	-0,2	-0,4	-0,2	-0,1	-0,3
Private sektor .....	2,3	1,2	1,1	-5,4	2,5	-1,5	5,0
<b>Totale langtermynkapitaal.....</b>	<b>4,3</b>	<b>1,9</b>	<b>-0,1</b>	<b>-1,2</b>	<b>4,8</b>	<b>15,7</b>	<b>7,7</b>
Korttermynkapitaal							
Monetêre sektor .....	-3,7	6,3	-0,4	8,6	2,6	5,3	-4,5
Ander, met inbegrip van onaange- tekende transaksies .....	-0,7	-6,7	-0,3	-4,1	-3,8	-8,3	-1,1
<b>Totale korttermynkapitaal .....</b>	<b>-4,4</b>	<b>-0,4</b>	<b>-0,7</b>	<b>4,5</b>	<b>-1,2</b>	<b>-3,0</b>	<b>-5,6</b>
<b>Totale kapitaalbewegings .....</b>	<b>-0,1</b>	<b>1,5</b>	<b>-0,8</b>	<b>3,3</b>	<b>3,6</b>	<b>12,7</b>	<b>2,1</b>

Suid-Afrikaanse individue het ook gedurende die derde kwartaal van 1997 tot die netto uitvloeiing van korttermynkapitaal bygedra deur R274 miljoen in buitelandse rekeninge te deponeer. Dit is moontlik gemaak deur die gedeeltelike opheffing van deviesebeheermaatreëls op individue wat op 1 Julie 1997 in werking getree het.

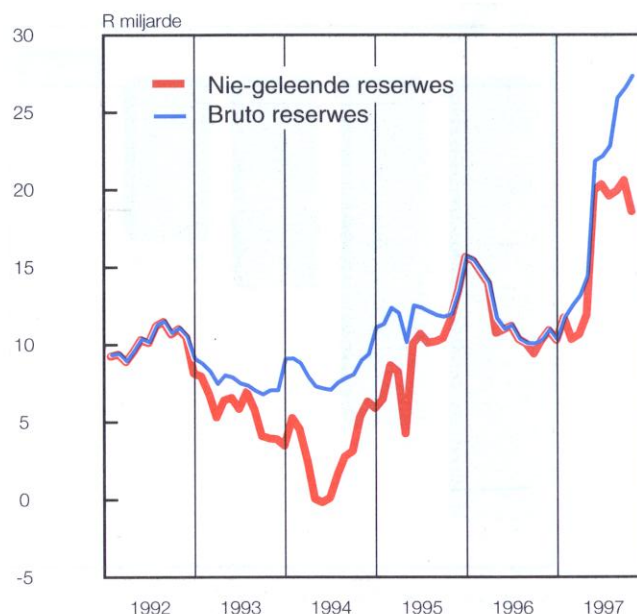
#### Buitelandse skuld

As gevolg van die volgehoue netto terugbetaling van Suid-Afrika se buitelandse skuldverpligtinge, het die land se totale skuld betitel in buitelandse geldeenheide van VSA\$23,6 miljard aan die einde van 1996 tot \$23,4 miljard aan die einde van Junie 1997 gedaal. Buitelandse skuld wat in 1985 bestaan het en wat ingevolge opeenvolgende spesiale ooreenkomste met buitelandse krediteure heronderhandel is, het van \$2,7 miljard aan die einde van 1996 tot \$2,6 miljard aan die einde van Junie 1997 afgeneem, terwyl ander skuld wat in buitelandse geldeenheide betitel is oor dieselfde tydperk van \$20,9 miljard tot \$20,8 miljard gedaal het. Uitgedruk in rand en teen die wisselkoers wat ten tye van die omskakeling gegeld het, het buitelandse skuld betitel in buitelandse geldeenheide in verhouding tot die bruto binnelandse produk van 18,6 persent aan die einde van Desember 1996 tot 18,5 persent aan die einde van Junie 1997 gedaal – baie minder as die verhouding van 43 persent aan die einde van 1985 toe die buitelandse skuldstilstand afgekondig is.

#### Buitelandse reserwes

Die kleiner netto invloeiing van kapitaal en die groter tekort op die lopende rekening van die betalingsbalans het Suid-Afrika se *netto goud- en ander buitelandse reserwes* in die derde kwartaal van 1997 met R1,2 miljard

laat daal. Gedurende die eerste nege maande van 1997 het die totale nuwe verdienstes van buitelandse reserwes egter steeds per saldo met R12,6 miljard toegeneem. In Oktober 1997 het die netto goud- en ander buitelandse reserwes van die Reserwebank met nog R2,5 miljard gedaal. Die waarde van *nie-geldeenende buitelandse reserwes* wat aan die einde van Oktober 1997 deur die

**Buitelandse reserwes van die Reserwebank**



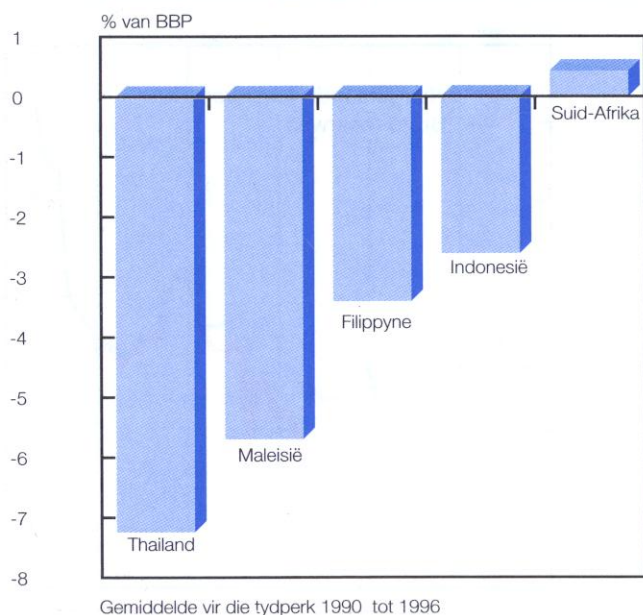
Reserwebank gehou is, het R18,6 miljard beloop, vergeleke met 'n bedrag van R10,3 miljard aan die einde van Desember 1996.

Deels as gevolg van 'n toename in die korttermyn buitelandse lenings van die Reserwebank, het die land se totale bruto goud- en ander buitelandse reserwes van R30,7 miljard aan die einde van Junie 1997 tot R33,6 miljard aan die einde van September toegeneem. In Amerikaanse dollar gemeet, het dit neergekom op 'n styging van \$6,8 miljard aan die einde van Junie 1997 tot \$7,2 miljard aan die einde van September. In verhouding tot die waarde van die invoer van goedere en dienste, het die bruto reserwes van 9½ weke se invoer aan die einde van die tweede kwartaal van 1997 tot 10 weke aan die einde van die derde kwartaal toegeneem – meer as dubbel die “invoerdekking” van 'n jaar tevore. Die goudreserwes van die Reserwebank het van 3,8 miljoen fyn onse aan die einde van Junie 1997 tot 4,0 miljoen fyn onse aan die einde van September toegeneem. Die goudkomponent van die totale bruto goud- en ander buitelandse reserwes het desnieteenstaande van 16,9 persent aan die einde van Junie 1997 tot 16,1 persent aan die einde van September gedaal.

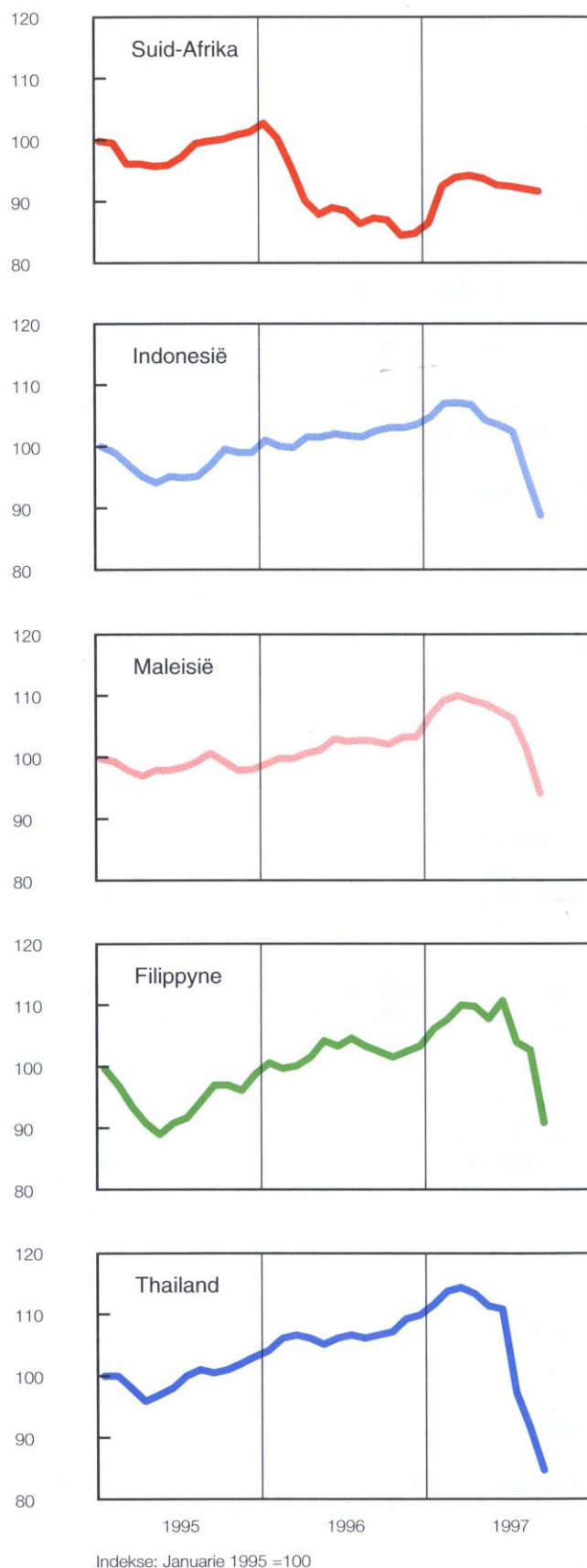
### Wisselkoerse

Ontwikkelings in die internasionale valutamarkte vanaf Junie tot Oktober 1997 is ernstig geraak deur gebeure in 'n aantal Suidoos-Asiatiese lande. Oor 'n tydperk van jare is hierdie ekonomieë gekenmerk deur buitensporige groei in geldvoorraad en kredietverlening, nie-handhaaf-

### Saldo op lopende rekening



### Reële effektiewe wisselkoerse





**Tabel 10. Veranderings in die wisselkoerse van die rand**

Persent

	31 Okt 1996 tot 13 Mrt 1997	13 Mrt 1997 tot 30 Jun 1997	30 Jun 1997 tot 31 Okt 1997	31 Des 1996 tot 25 Nov 1997
Geweegde				
gemiddelde.....	10,9	-3,9	-5,9	-0,9
VSA-dollar .....	7,7	-2,8	-6,0	-3,4
Britse pond .....	9,7	-6,4	-6,6	-3,0
Duitse mark .....	20,6	-0,1	-6,7	8,1
Japanse jen .....	16,2	-9,1	-1,2	6,3
Nederlandse				
gulden .....	20,9	-0,1	-6,6	8,6
Italiaanse lira .....	20,1	-2,3	-6,2	7,9

bare tekorte op die lopende rekening van hul betalings-balanse, aansienlike netto oop termynposisies in buitelandse valuta, nominale wisselkoerse vasgepen teenoor die dollar en gevolglik onvanpaste appresiasies van reële wisselkoerse. Besorgdheid oor die behoud van makro-ekonomiese ewewig in hierdie lande het tot die onttrekking van kapitaal gelei, wat spoedig ontwikkel het in grootskaalse wisselkoerskrisisse en die gevolglike implementering van streng beleidsmaatreëls om die struktureel swak ekonomieë reg te ruk, in sekere gevalle in samewerking met die Internasionale Monetêre Fonds. Van Junie tot September 1997 het die Thailandse baht met 37,2 persent, die Filippynse peso met 24,4 persent en die Indonesiese roepia met 22,6 persent teenoor die VSA-dollar gedeprimeer.

Die depresiasie van die rand teenoor die VSA-dollar was van Junie tot Oktober matig in vergelyking met die sukkelende Asiatiese geldeenheide, hoofsaaklik vanweë die regstelling van die rand gedurende 1996 en die onderliggende gesonde stand van makro-ekonomiese bestuur in Suid-Afrika. Van die einde van Junie tot 31 Oktober 1997 het die rand met slegs 6 persent teenoor die dollar en met 5,9 persent teenoor 'n mandjie van geldeenheide gedeprimeer. Met die daling in internasionale finansiële markte op sy hewigste, het die rand betreklik bestendig gebly en op 'n nominale effektiewe grondslag met 2,4 persent van 27 Oktober tot 31 Oktober 1997 gedaal.

Die daling in die nominale effektiewe wisselkoers van die rand gedurende die derde kwartaal van 1997 was effens groter as die inflasieverskil tussen Suid-Afrika en sy belangrikste handelsvennootlande. Die *reële effektiewe wisselkoers* van die rand het gevolglik vanaf Junie tot Augustus 1997 met 1,9 persent gedaal. Die vlak van die reële effektiewe wisselkoers in die eerste agt maande van 1997 was gemiddeld ½ persent laer as die gemiddelde vir die ooreenstemmende tydperk in 1996.

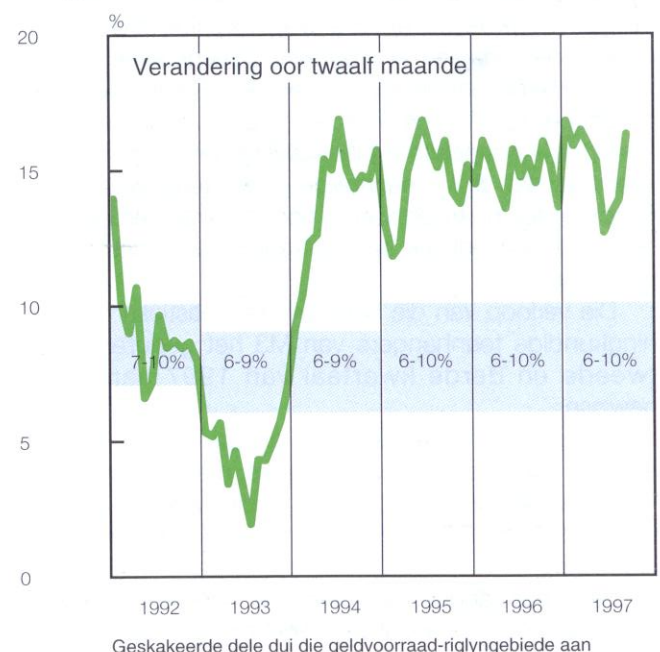
## Monetêre ontwikkelings, rentekoerse en finansiële markte

### Geldvoorraad

Die groei van kwartaal tot kwartaal in die gemiddelde vlak van die *omvattend gedefinieerde geldvoorraad* (M3) het teen 'n jaarkoers van 18,1 persent in die eerste kwartaal van 1997 tot 16,4 persent in die tweede kwartaal en 12,1 persent in die derde kwartaal afgeneem. Dit het die groei teen 'n jaarkoers in M3 nader gebring aan die riglyngebied vir aanvaarbare monetêre uitbreiding wat vir 1997 tussen 6 en 10 persent vasgestel is. Daarenteen het die groei oor twaalf maande in M3 gedurende die derde kwartaal van 1997 van 12,7 persent in Junie tot 16,3 persent in September versnel. Hierdie versnelling in die groeikoers oor twaalf maande in M3 vanaf Junie 1997 tot September was nie net die gevolg van groot toenames van maand tot maand nie, maar ook van 'n daling in die vlak van M3 in Julie 1996, wat die basis van die berekening oor twaalf maande verlaag het. In September 1997 het die seisoensaangepaste waarde van M3 die boonste perk van die riglyn-"tonnel" met R18,9 miljard of 5,5 persent oorskry. Bereken vanaf die basis van die riglynjaar in die vierde kwartaal van 1996, het M3 tot en met September 1997 teen 'n jaarkoers van 17,3 persent gegroei.

Die volgehoue vinnige groei in die geldvoorraad het deels verband gehou met die groei in die nominale binnelandse produksie en besteding aan verbruik en vaste investering in die eerste nege maande van 1997.

### M3-geldvoorraad





Ontwikkelings in die finansiële markte het ook klaarblyklik 'n invloed op die toename in geldbesit van die publiek gehad. 'n Ontleding van *banke se verpligtinge volgens soort deposant* toon dat die toename in bankdeposito's hoofsaaklik in deposito's in die besit van *maatskappye en beslote korporasies* gekonsentreer was. Hierdie deposito's het in die eerste drie kwartale van 1997 met R24,5 miljard toegeneem, wat aansienlik meer was as die toename van R7,1 miljard oor dieselfde tydperk in 1996. Deposito's van *private huishoudings* het ook gedurende die eerste drie kwartale van 1997 met 'n verdere R6,3 miljard toegeneem, na 'n toename van R8,9 miljard in die ooreenstemmende tydperk in 1996. *Institusionele beleggers* het klaarblyklik verkies om hul blootstelling in die effektemarkte te verhoog eerder as om deposito's te hou, soos weerspieël word in die depositobesit van versekeraars en pensioenfondse wat met R2,5 miljard in die eerste drie kwartale van 1997 toegeneem het, vergeleke met R8,0 miljard in die eerste drie kwartale van 1996.

Hoewel die groeikoerse oor twaalf maande in die *enger monetêre totale* dié van M3 gedurende die eerste nege maande van 1997 oor die algemeen oorskry het, het die groei in die enger monetêre totale oor korter tydperke tussen die vierde kwartaal van 1996 en die tweede kwartaal van 1997 laer geneig, maar in die derde kwartaal weer versnel. Die groei van kwartaal tot kwartaal teen 'n jaarkoers in die gemiddelde kwartaallikse waarde van M1 het byvoorbeeld van 39,9 persent in die vierde kwartaal van 1996 tot 'n negatiewe koers van 1,3 persent in die tweede kwartaal afgeneem, maar weer tot 21,4 persent in die derde kwartaal versnel. Van die vierde kwartaal van 1996 tot en met Augustus 1997 was daar 'n verskuiwing in die publiek se likiditeitsvoorkeur van kortertermyndeposito's na langertermyndeposito's by banke. Dit is grootliks deur verwagtings van dalings in langtermynkoerse en die waarskynlikheid van 'n naderende verlaging in amptelike uitleenkoerse aangespoor. Hierdie ontwikkelings is skielik in September 1997 omgekeer toe 'n grootskaalse verskuiwing terug na kortertermyndeposito's plaasgevind het. Dit kan dalk later blyk dat dit 'n eenmalige gebeurtenis was en nie noodwendig 'n teken van 'n permanente verhoging in die algemene publiek se voorkeur vir kortertermyndeposito's nie.

Die verloop van die belangrikste statistiese of rekeningkundige teenhangers van M3 het gedurende die tweede en derde kwartaal van 1997 aansienlik gewissel:

- toenames in eise teen die private sektor het die algehele verandering in M3 oorheers, maar nietemin van 'n toename van R14,2 miljard in die tweede kwartaal van 1997 tot R9,1 miljard in die derde kwartaal afgeneem;
- netto buitelandse bates van die monetêre instellings het in die derde kwartaal van 1997 matig toegeneem ná 'n aansienlik skerper styging in die tweede kwartaal;
- die bydrae van netto eise van die banke teen die

**Tabel 11. Rekeningkundige teenhangers van die verandering in M3**

R miljarde

	1997	
	2e kw	3e kw
Netto buitelandse bates .....	6,5	1,9
Netto eise teen die regering-		
sektor .....	-3,2	4,0
Eise teen die private sektor....	14,2	9,1
Netto ander bates.....	-11,3	0,9
<b>Totale verandering in M3 ...</b>	<b>6,2</b>	<b>15,8</b>

regeringsektor het verander van 'n afname van R3,2 miljard in die tweede kwartaal van 1997 in 'n toename van R4,0 miljard in die derde kwartaal; en

- "netto ander bates" het in die derde kwartaal effens met R0,9 miljard toegeneem nadat dit in die tweede kwartaal met R11,3 miljard afgeneem het toe surplusse weens die Reserwebank se betrokkenheid in die termynvalutamark en 'n daling in lenings ingevolge terugkoop-ooreenkomste 'n vernouende uitwerking op die monetêre sektor se netto ander bates gehad het.

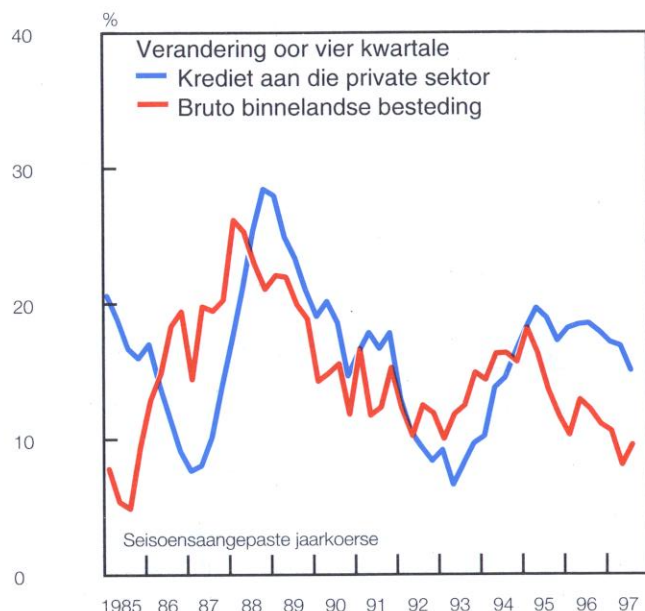
#### Kredietverlening

Die koers van toename oor twaalf maande in *totale binnelandse kredietverlening* (dit wil sê kredietverlening van die monetêre sektor aan die private sektor en netto eise teen die regeringsektor) het van 17,1 persent in Desember 1996 tot 15,3 persent in September 1997 afgeneem. Die groeikoers van kwartaal tot kwartaal teen 'n jaarkoers in die gemiddelde vlak van totale kredietverlening het selfs meer beduidend van 23,6 persent in die eerste kwartaal van 1997 tot 6,1 persent in die derde kwartaal verlangsaam.

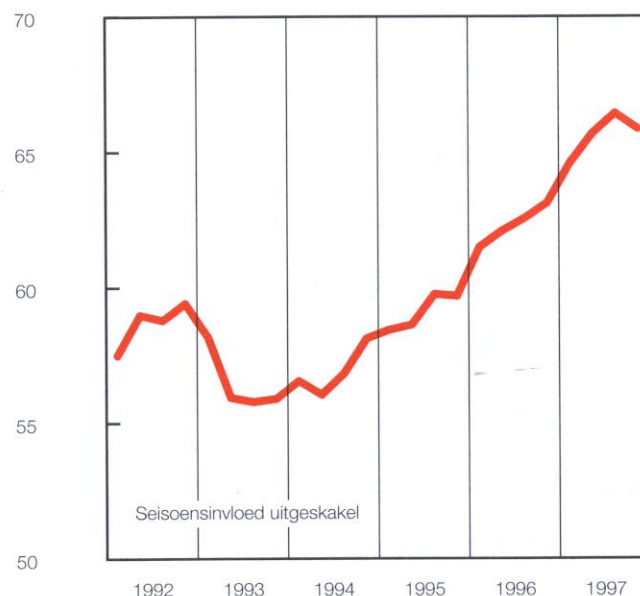
Die stadiger koers van toename in totale binnelandse kredietverlening in die derde kwartaal van 1997 was grootliks die gevolg van 'n afname in die groei in kredietverlening aan die *private sektor*. Die groeikoers oor twaalf maande in kredietverlening aan die private sektor het van 17,4 persent in April 1997 tot 14,3 persent in September teruggesak namate instansies in die *private sektor* op die gebruik van bankkrediet besnoei het. Hierdie maandelikse groeikoerse het nietemin steeds die inflasiekoerse soos gemeet deur veranderinge oor twaalf maande in die verbruikersprysindeks oorskry. Ten spyte van die verlangsaaming in kredietverlening aan die nie-bank private sektor, het kredietverlening deurgaans die groei in nominale bruto binnelandse besteding sedert die begin van 1995 met 'n aansienlike marge oortref. Die vinnige uitbreiding van kredietverlening deur die monetêre sektor aan die private sektor blyk ook duidelik uit die hoë vlak van die verhouding van kredietverlening aan die private



### Kredietverlening aan die private sektor en nominale bruto binnelandse besteding



### Kredietverlening aan die private sektor as persentasie van bruto binnelandse produk



sektor tot die bruto binnelandse produk wat 65,6 persent in die derde kwartaal bedra het – die tweede hoogste verhouding wat nog ooit aangeteken is.

'n Ontleding van die monetêre instellings se eise teen die private sektor volgens *soort krediet* toon dat die groei in kredietverlening aan die private sektor in die derde kwartaal van 1997 grootliks uit *oortrokke rekeninge en ander lenings en voorskotte* bestaan het. Die koers van toename oor twaalf maande in hierdie soort krediet het sedert April 1997 nog elke maand 20 persent oorskry. Die sterk vraag deur die maatskappysektor na bedryfs-

kapitaal, lenings aan sukkelende besighede wat probeer oorleef in 'n tydperk van swak vraag en die omskakeling van buitelandse handelsfinansiering van buitelandse na binnelandse bronne van krediet, was onder die vernaamste redes wat aanleiding gegee het tot die toename in die korporatiewe vraag na bankkrediet.

Die groei oor twaalf maande in *verbandvoorskotte* het merkbaar van 14,7 persent in Junie 1997 tot 12,5 persent in September verlangsaam. Die groei oor twaalf maande in *afbetalingsverkoopkrediet* het ook van koerse hoër as 20 persent aan die begin van 1997 tot 14,3

**Tabel 12. Groeikoerse oor twaalf maande in vernaamste soort kredietverlening aan die private sektor**  
Persent

Tydperk	Beleggings	Wissels verdiskonteer	Afbetalings- verkope	Bruikhuur- finansiering	Verband- voorskotte	Ander lenings en voorskotte	Totaal
1997: Jan .....	2,6	-13,2	21,1	16,6	16,4	20,4	17,1
Feb .....	1,4	-2,2	20,2	15,1	16,3	21,2	17,3
Mrt .....	-1,5	-16,0	18,1	14,3	15,8	19,9	16,0
Apr .....	4,7	-6,2	19,5	12,9	15,5	22,7	17,4
Mei .....	10,2	-10,9	15,8	11,9	15,1	22,4	16,7
Jun .....	9,9	-15,8	14,3	8,9	14,7	23,3	16,4
Jul .....	15,8	-14,9	12,2	6,6	13,4	20,5	14,7
Aug .....	5,6	-0,7	11,6	5,6	12,8	21,5	14,6
Sep .....	-1,0	13,0	10,8	0,2	12,5	22,2	14,3



persent in Junie en 10,8 persent in September terug-sak. Net so het die groei oor twaalf maande in *bruik-huurfinsiering* van koerse hoër as 15 persent aan die begin van 1997 tot slegs 0,2 persent in September afgeneem.

Die verskuiwing in die relatiewe belangrikheid van kredietverlening deur die monetêre sektor van *huishoudings* na die *maatskappysektor* het in die derde kwartaal van 1997 voortgeduur. Kredietverlening aan huishoudings het met R4,6 miljard in die tweede kwartaal van 1997 en met R3,7 miljard in die derde kwartaal toegeneem, terwyl kredietverlening aan die maatskappysektor met R9,5 in die tweede kwartaal en R5,4 in die derde kwartaal toegeneem het. Uitgedruk as persentasieveranderings het die groei oor twaalf maande in kredietverlening aan huishoudings in September 1997 12,4 persent beloop - heelwat laer as die groei oor twaalf maande van 16,9 persent in kredietverlening aan die maatskappysektor gedurende dieselfde tydperk.

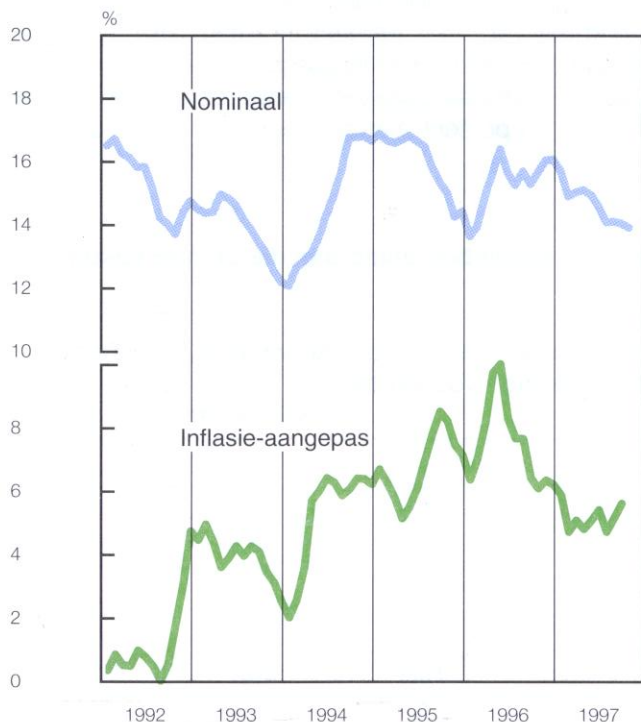
#### Rente- en opbrengskoerse

Vir die grootste deel van die eerste nege maande van 1997 was die oorheersende vooruitsig in die Suid-Afrikaanse effektemark dat effektepryse sou styg namate markdeelnemers handel gedryf het in die verwagting dat inflasie waarskynlik sou afneem, die wisselkoerse waarskynlik bestendig sou bly en dat amptelike uitleen-

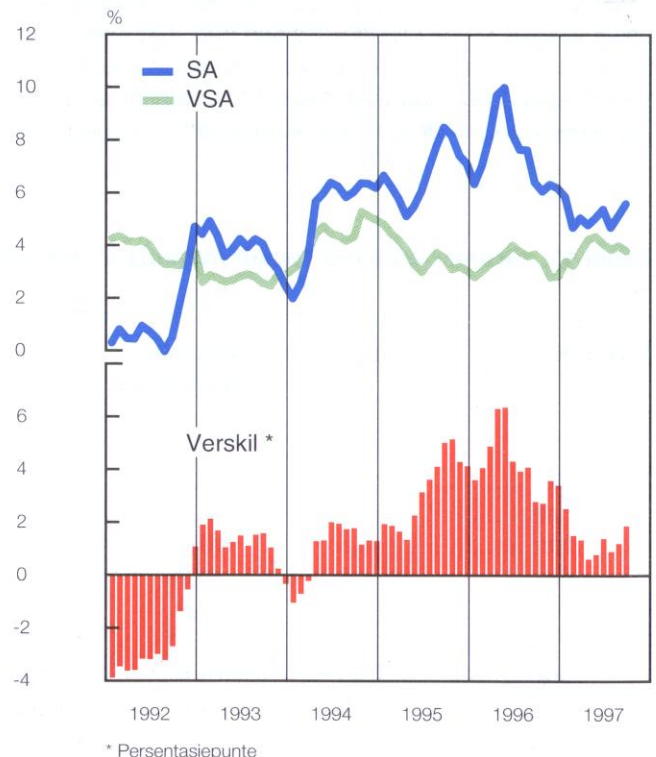
koerse waarskynlik binnekort verlaag sou word. Buiten vir 'n betreklike kort tussenpose van Maart tot April 1997 toe onsekerhede oor die regering se fiskale beleidsoogmerke en later ook oor die moontlike uitwerking van die gedeeltelike verslapping van valutabeheer op inwoners veroorsaak het dat opbrengskoerse op effekte vir 'n wyle gestyg het, was die algehele stemming in die effektemark oorwegend optimisties. Hierdie positiewe sentiment het teen die einde van Oktober 1997 tot 'n einde gekom toe die onstuimigheid in Suidoos-Asiatiese finansiële markte dwarsdeur die wêreldwye finansiële netwerk, met inbegrip van die Suid-Afrikaanse finansiële markte, weerklink gevind het.

Die *maandelikse gemiddelde opbrengskoerse op langtermynstaatseffekte* het van 15,2 persent in April 1997 tot 14,2 persent in Julie afgeneem, 'n vlak wat in Augustus en September volgehou is. Die *daaglikse gemiddelde opbrengskoerse op langtermynstaatseffekte* het daarna vir die eerste keer sedert Februarie 1996 tot onder 14 persent gedaal en 'n laagtepunt van 13,8 persent op 22 Oktober 1997 bereik. Die skerp daling in effektepryse in die Suidoos-Asiatiese markte het toe gevolg en die daaglikse gemiddelde opbrengskoerse op langtermynstaatseffekte het tot 15,1 persent op 28 Oktober 1997 gestyg namate nie-inwonerbeleggers grootskaalse netto verkopers van effekte geword het. Ondanks die skerp toename in opbrengskoerse op

#### Opbrengskoerse op langtermynstaatseffekte



#### Inflasie-aangepaste opbrengskoerse op langtermynstaatseffekte





**Tabel 13. Rente- en opbrengskoerse**  
Persent

Tydperk	Bank- aksepte van 3 maande*	Maandelikse gemiddelde opbrengskoers op langtermynstaatseffekte				Oorheersende koers op	
		Suid-Afrika		Verenigde State van Amerika		Verband- lenings	Vaste deposito's van 12 maande
		Nominaal	Reëel	Nominaal	Reëel		
1996: Nov.....	16,55	16,2	6,4	6,2	2,8	19,00	14,50
Des.....	17,00	16,2	6,3	6,4	2,9	20,00	14,50
1997: Jan.....	16,15	15,8	5,9	6,5	3,4	20,00	14,50
Feb.....	16,00	15,0	4,8	6,5	3,3	20,00	14,50
Mrt.....	16,05	15,2	5,1	6,7	3,8	20,00	14,50
Apr.....	15,95	15,2	4,9	6,8	4,3	20,00	14,50
Mei.....	15,85	15,1	5,1	6,7	4,4	20,00	14,50
Jun.....	15,30	14,7	5,5	6,4	4,1	20,00	14,50
Jul.....	15,05	14,2	4,8	6,2	3,9	20,00	14,50
Aug.....	14,95	14,2	5,2	6,3	4,0	20,00	14,50
Sep.....	14,85	14,2	5,7	6,1	3,8	20,00	14,50
Okt.....	14,90	14,0	6,2	6,0	3,8	20,00	14,50
Nov.....	...	...	...	...	...	19,00	13,50

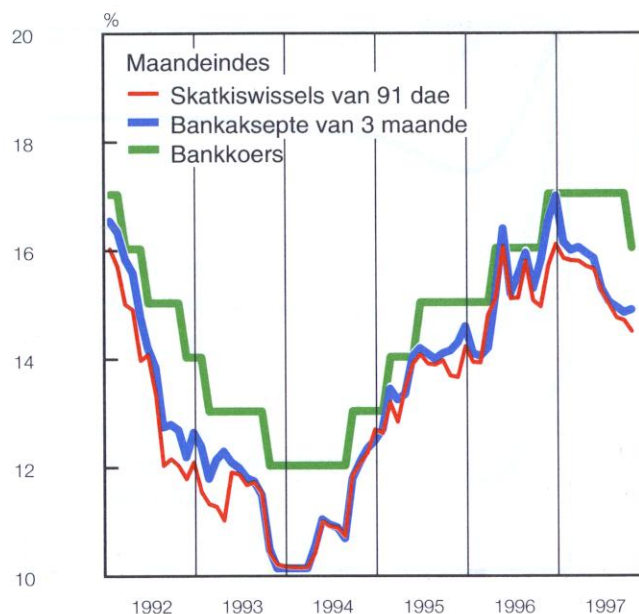
\* Soos op maandeinde

effekte in die laaste week van Oktober, het die gemiddelde opbrengskoers in Oktober 1997 nogtans van 14,2 persent in die voorafgaande maand tot 14,0 persent afgeneem.

Die *maandelikse gemiddelde inflasie-aangepaste opbrengskoers op langtermynstaatseffekte*, wat oor die tydperk van Februarie 1997 tot Julie op ongeveer 5,0 persent afgeplat het, het tot 6,2 persent in Oktober toegeneem namate die maandelikse gemiddelde van nominale opbrengskoerse op effekte min of meer onveranderd gebly het en verbruikersprysinflasie oor een jaar taamlik sterk gedaal het. Hierdie beweging het die verskil tussen inflasie-aangepaste opbrengskoerse op staatseffekte in Suid-Afrika en die Verenigde State van Amerika vergroot tot vlakke wat moontlik 'n akkurater weerspieëling was van die verskille in die land- en geldeenheidsrisiko's van hierdie twee ekonomieë.

*Geldmarkrentekoerse* het vanaf April 1997 tot en met September 1997 oor die algemeen afwaarts beweeg. Die *koers op bankaksepte met 'n looptyd van drie maande*, wat redelik verteenwoordigend van die algemene beweging in geldmarkrentekoerse is, het van 16,05 persent aan die einde van Maart 1997 tot 14,85 persent aan die einde van September afgeneem. Hierdie afwaartse beweging was hoofsaaklik die gevolg van die ruimer geldmarktoestande in die tweede en derde

#### Bankkoers en geldmarkrentekoerse





kwartaal van 1997 asook die algemene verwagting van 'n verlaging in Bankkoers. Toe Bankkoers op 20 Oktober verlaag is, het die koers op bankaksepte van drie maande verder tot 14,20 persent op 23 Oktober gedaal, maar weer tot 15,20 persent op 28 Oktober gestyg toe geldmarktoestande na die onstuimigheid in die finansiële markte aansienlik strammer geword het. Teen die einde van Oktober het die koers op bankaksepte tot 14,90 persent teruggesak en gedurende die eerste drie weke van November min of meer op hierdie vlak gebly.

Die *tenderkoers op skatkiswissels van drie maande* het sedert die eerste kwartaal van 1997 in pas met ander geldmarkrentekoerse beweeg. Hierdie koers het van 15,79 persent aan die einde van Maart 1997 tot 14,69 persent aan die einde van September 1997 afgeneem. Dit het daarna tot 14,10 persent op 24 Oktober afgeneem voordat dit in die laaste dae van Oktober deur die gebeure in wêreldmarkte oorval is en weer tot 14,49 persent gestyg het. 'n Sterk vraag deur banke na bates wat as onderpand vir eerstevlak-akkommodasie kwalifiseer het die toename in die tenderkoers op skatkiswissels in die laaste dae van Oktober en in November in bedwang gehou.

'n Merkbare afwaartse beweging in opbrengskoerse op effekte oor die volle aflossingstruktuur het die *opbrengskoerskromme* van April 1997 tot 22 Oktober laer verskuif tot min of meer dieselfde vlak wat geheers het kort voordat die rand in Februarie 1996 begin depresseer het. Die daaropvolgende onstuimigheid in finansiële markte het korttermynopbrengskoerse tot en

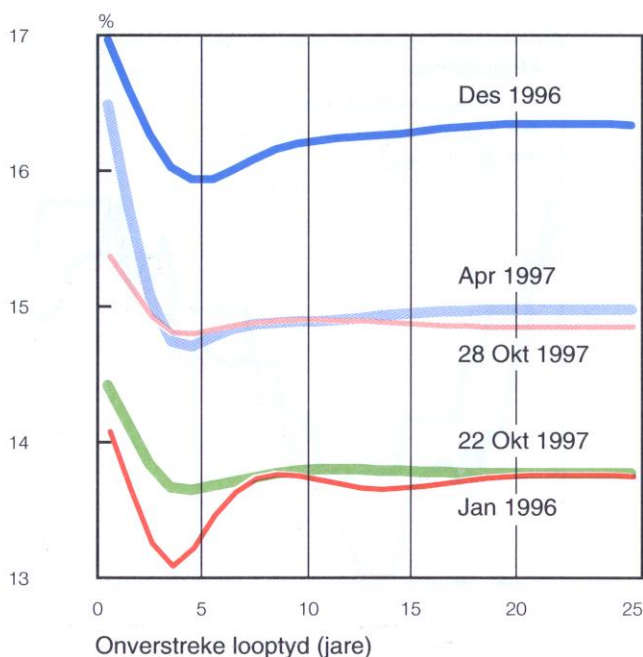
met 28 Oktober met 96 basispunte verhoog, terwyl langtermynopbrengskoerse met 108 basispunte toegeneem het. Die opbrengskoerskromme is dus tot die vlak van April 1997 herstel, maar het steeds 'n negatiewe helling bly handhaaf terwyl dit selfs platter as vantevore geword het. Die opbrengskoerskromme het teen die einde van Oktober oor die volle aflossingstruktuur afwaarts beweeg. Te oordeel aan die algemene vlak en vorm van die opbrengskoerskromme is die uittog van kapitaal uit die opkomende markte duidelik in die hergradering van effektepryse in Suid-Afrika weerspieël.

Die uitleenkoerse van banke het sedert November 1996 betreklik bestendig gebly. Die *prima-oortrekkingskoers van banke* is op 21 November 1996 tot 20,25 persent verhoog en het op hierdie vlak gebly tot en met 20 Oktober 1997. Die verlengsaming in die groeikoerse van kwartaal tot kwartaal in die geldvoorraad en kredietverlening aan die private sektor gedurende die derde kwartaal en die hervatting van die afwaartse neiging in verbruikers- en produksieprysinflasie het die Reserwebank in staat gestel om 'n verlaging in Bankkoers van 17 persent tot 16 persent met ingang van 20 Oktober aan te kondig. Die banke het hierdie rigtingwyser gevolg deur hul *prima-oortrekkingskoerse* van 20,25 persent tot 19,25 persent in 'n reeks aanpassings vanaf 20 Oktober tot 1 November 1997 te verlaag. Die *inflasie-aangepaste prima-oortrekkingskoers* (dit wil sê die nominale *prima-oortrekkingskoers* aangepas met die toename in die verbruikersprysindeks oor twaalf maande) het egter van 11,3 persent aan die einde van September 1997 tot 10,9 persent aan die einde van Oktober 1997 afgeneem as gevolg van die skerp daling van 0,5 persentasiepunte in Oktober in die verbruikersprysinflasiekoers oor twaalf maande.

Die *oorheersende koers op nuwe verbandlenings by banke* is met een persentasiepunt tot 19 persent van 1 November 1997 verlaag in die nadraai van die verlaging van Bankkoers op 20 Oktober. *Vaste en maksimumkoerse vir huislenings* is egter met tot 1,5 persentasiepunte tussen Julie en September 1997 verlaag namate mededinging in die verbandmark verskerp het teen die agtergrond van trae handelstoestande en groeiende verwagtings van 'n verlaging in die verbanduitleenkoers.

Die *oorheersende kleinhandelskoers op vaste deposito's van twaalf maande* is met een persentasiepunt tot 13,5 persent in November 1997 verlaag. Die *standaardrentekoers* van toepassing op lenings wat uit die Staatsinkomstefonds toegestaan word, is op 14,0 persent vanaf 1 November 1997 vasgestel - 'n netto verlaging van 2,5 persentasiepunte sedert Desember 1996. Die *maksimum toelaatbare finansieringskoste-koerse* vir die meeste soorte lenings is met een persentasiepunt in Maart 1997 verhoog. Hierdie koerse kom nou te staan op 29 persent per jaar ten opsigte van geldlenings, krediet- en bruikhuurtransaksies vir bedrae van meer as R6 000 maar minder as R500 000, en 32 persent vir bedrae tot en met R6 000.

## Opbrengskoerskrommes





## Geldmark

Die uiters stram geldmarktoestande in die eerste kwartaal van 1997 het in die tweede en derde kwartaal van 1997 aansienlik verruim. Die bedrag aan akkommodasie wat die Reserwebank aan banke verleen het, het van 'n gemiddelde daaglikse waarde van R10,6 miljard in Maart 1997 tot R6,3 miljard in Junie en tot R6,9 miljard in September afgeneem. Die daaglikse gemiddelde bedrag aan akkommodasie het daarna tot R5,3 miljard in Oktober afgeneem. Groot wisselings het egter in die loop van daardie maand voorgekom. Voor die verlaging in Bankkoers op 20 Oktober 1997 en in die dae net daarna het die daaglikse bedrag aan akkommodasie wat deur die Reserwebank verleen is tot onder R4 miljard gedaal. Te midde van die onvoorsiene en ontwrigtende ontwikkelings in die wêreld se finansiële markte het die bedrag aan akkommodasie wat deur die Reserwebank verleen is tot R10 miljard op 29 Oktober gestyg voordat dit effens tot R8,5 miljard op die laaste dag van die maand teruggesak het.

Die ruimer geldmarktoestande wat in die tweede kwartaal van 1997 geheers het was grootliks die gevolg van 'n verstewiging in die netto buitelandse bates van die Reserwebank wat slegs deels teengewerk is deur surplusse weens die Bank se termyntransaksies in die mark vir buitelandse valuta asook 'n toename in regeringsdeposito's by die Reserwebank. Die ietwat strammer toestande in die derde kwartaal van 1997 was grootliks die gevolg van 'n afname van R1,7 miljard in die netto buitelandse bates van die Reserwebank. Hierdie afname in netto buitelandse bates het die afname van R0,5 miljard in regeringsdeposito's by die Bank teengewerk. Indien alle ander faktore onveranderd sou bly, sou die afname in regeringsdepositos by die Bank geldmarktoestande laat verruim het.

'n Afname in die netto buitelandse bates van die Reserwebank was hoofsaaklik verantwoordelik vir die

vernouing in geldmarktoestande teen die einde van Oktober 1997. Die moontlikheid van wanordelike handelstoestande as gevolg van wêreldwye finansiële probleme het die Reserwebank gedwing om likiditeit op 'n beperkte skaal aan die mark vir buitelandse valuta te voorsien. Dit het die gewenste stabiliserende uitwerking op die valutamark gehad, maar terselfdertyd het geldmarktoestande strammer geword. Die toename in die geldmarktekort het sommige banke genoodsaak om in die laaste dae van Oktober 1997 en in November oornaglenings teen onderpand van tweedevlakkbates by die Reserwebank aan te gaan.

Die Reserwebank se optrede in die geldmark gedurende die eerste tien maande van 1997 was oor die algemeen neutraal en daarop gemik om toe te laat dat die geldmarktekort die onderliggende kragte in die mark weerspieël en om groot wisselings in die bedrag aan akkommodasie wat aan banke verleen word, te voorkom. Gedurende Julie het die Reserwebank staats-effekte uit sy portefeulje van nulkoepon-effekte verkoop om likiditeit te dreineer wat voortgespruit het uit die repatriasie van die opbrengs van die verkoop van 'n minderheidsaandeel in Telkom aan 'n konsortium van buitelandse maatskappye.

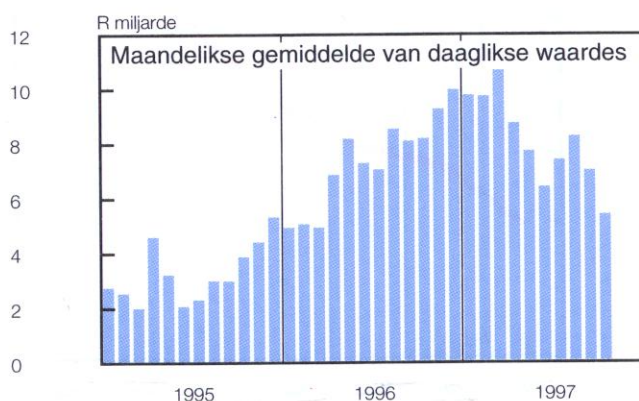
## Effektemark

Die stappe wat maatskappye in die private sektor gedoen het om kapitaal te bekom was uitsluitlik op die primêre aandelemark in die eerste nege maande van 1997 gerig en maatskappye wat op die Johannesburgse Aandelebeurs genoteer is, het gedurende hierdie tydperk *geen regte-uitgiftes van vasterentedraende sekuriteite* gemaak nie. 'n Bedrag van R2,2 miljard is gedurende 1996 in die geheel deur middel van hierdie instrumente bekom. Die enigste kapitaal wat in die *binnelandse primêre effektemark* deur maatskappye in die private sektor gedurende 1997 verkry is, het in Februarie plaasgevind met drie uitgiftes van effekte wat op die Effektebeurs van Suid-Afrika genoteer is tot 'n totale bedrag van R1,2 miljard. Hierdie was die eerste genoteerde effekte-uitgiftes van hierdie soort sedert Desember 1992.

Aangesien maatskappye in die private sektor hul van die binnelandse primêre effektemark weerhou het, is hierdie mark deurgaans deur die bedrywighede van *leners in die openbare sektor* oorheers. In die eerste helfte van die fiskale jaar 1997/98 het netto-uitgiftes van vasterentedraende sekuriteite deur organisasies in die openbare sektor R9,3 miljard bedra, vergeleke met R11,7 miljard in die ooreenstemmende tydperk van die vorige fiskale jaar. Hierdie netto-uitgiftes het taamlik onbestendige bewegings van maand tot maand vertoon. Netto effekte-aflossings ten bedrae van R6,9 miljard is byvoorbeeld in Augustus 1997 gemaak.

Die Nasionale Regering het uitgiftes van effekte wat in vreemde geld betitel was tot 'n bedrag van R3,8 miljard in die *internasionale primêre effektemarkte* gedurende die eerste sewe maande van die fiskale jaar 1997/98 gedoen. Eskom, Transnet en die Ontwikkelingsbank van

## Lenings by die akkommodasievenster





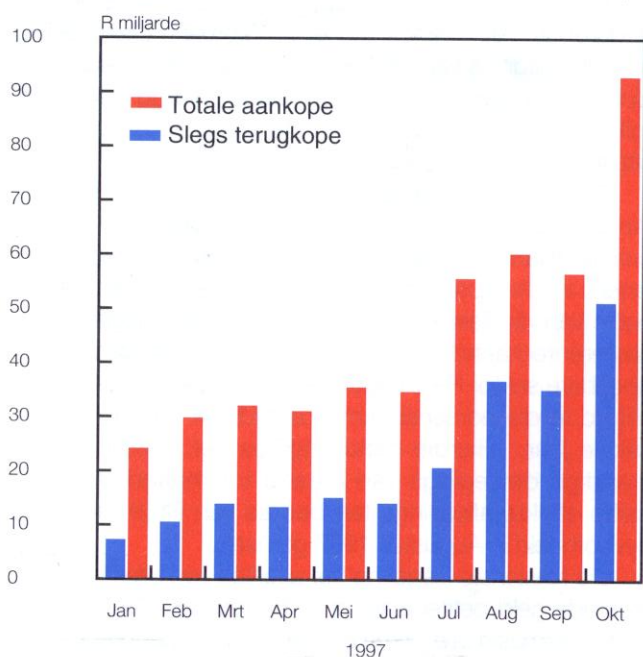
Suider-Afrika het ook 'n bedrag van R813 miljoen in die Euro-effektemark in die tydperk van April tot Oktober 1997 verkry deur die uitgifte van effekte wat in rand betitel is.

Die handelsbedrywigheid in die *sekondêre effektemark* het in die derde kwartaal van 1997 uiters lewendig geword namate die algemene afwaartse beweging in opbrengskoerse oënskynlik goed gevestig geraak het. Die kwartaallikse gemiddelde waarde van effekte wat op die Effektebeurs van Suid-Afrika verhandel is, het van R858 miljard in die eerste helfte van 1997 tot 'n rekordhoogtepunt van R1 182 miljard in die derde kwartaal toegeneem. 'n Skerp toename in *totale terugkooptransaksies* het wesenlik tot verhoogde omsette in die sekondêre effektemark bygedra; terugkooptransaksies as 'n persentasie van totale omset het van 49 persent in die eerste helfte van 1997 tot 56 persent in die derde kwartaal toegeneem. Totale omset het verder tot 'n maandelikse rekordhoogtepunt van R555 miljard in Oktober 1997 toegeneem vergeleke met 'n maandelikse gemiddeld van R394 miljard in die derde kwartaal van 1997. 'n Verdere stap is gedoen in die proses om die doeltreffendheid van verhandeling van effekte in Suid-Afrika te verbeter toe 'n nuwe vereffeningstelsel in die effektemark in November 1997 in gebruik geneem is. Die ou stelsel van vereffening op die tweede Donderdag nadat 'n transaksie aangegaan is, is vervang deur 'n stelsel van vereffening op die derde dag nadat 'n transaksie aangegaan is.

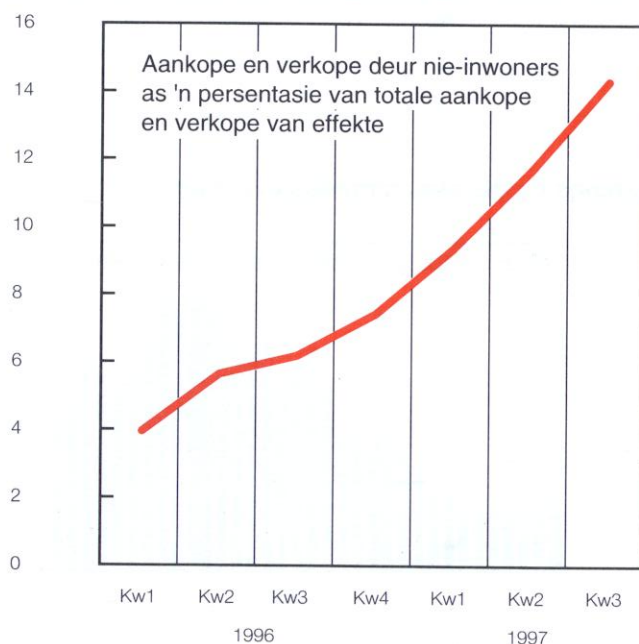
Die waarde van transaksies in die sekondêre effektemark waarby *nie-inwonerbeleggers* betrokke was, het van R347 miljard in 1996 tot R887 miljard in die eerste tien maande van 1997 toegeneem. As 'n persentasie van die totale aankope en verkope van effekte, het aankope en verkope deur nie-inwoners van 5,7 persent in 1996 tot 17,2 persent in Oktober 1997 toegeneem. *Terugkooptransaksies* het ook onder nie-inwonerbeleggers in gewildheid toegeneem; hierdie soort transaksies as 'n persentasie van aankope van effekte deur nie-inwoners het van 41 persent in die eerste helfte van 1997 tot 54 persent in die derde kwartaal toegeneem.

Aangesien opbrengskoerse in die binnelandse effektemark betreklik gunstig was en die vooruitsigte vir volgehoue bestendigheid van die rand goed was, het *nie-inwoners* hoofsaaklik *netto aankopers* van effekte in die eerste nege maande van 1997 gebly. Die maandelikse waarde van hierdie netto aankope het egter van 'n rekordhoogtepunt van R4,7 miljard in April 1997 tot 'n maandelikse gemiddelde van R1,7 miljard vanaf Mei tot September afgeneem. In Oktober 1997 het nie-inwoners netto verkopers van effekte ten bedrae van R5,2 miljard geword. Hierdie verandering in optrede is aangespoor deur 'n begeerte om winste te realiseer toe opbrengskoerse op effekte in die eerste drie weke van Oktober skerp gedaal het, onsekerheid oor die volgehoue bestendigheid van die wisselkoers van die rand en kommer dat die onstuimigheid in wêreldmarkte na die binnelandse finansiële markte kan versprei.

#### Deelname van nie-inwoners op die Effektebeurs\*



#### Deelname van nie-inwoners in die sekondêre effektemark





**Tabel 14. Nie-inwoners se transaksies in die effekte- en aandelemarkte**  
R miljarde

Tydperk	Effekte			Aandele		
	Aankope	Verkope	Netto aankope	Aankope	Verkope	Netto aankope
1996: 1e kw .....	30,7	28,3	2,4	10,7	8,4	2,3
2e kw .....	44,0	43,6	0,4	11,0	9,0	2,0
3e kw .....	49,5	50,1	-0,6	9,1	7,6	1,5
4e kw .....	50,9	49,7	1,2	10,7	11,2	-0,5
1997: 1e kw .....	85,4	79,3	6,1	14,3	10,8	3,5
2e kw .....	100,7	93,3	7,4	19,4	11,2	8,2
3e kw .....	171,9	165,9	6,0	23,6	15,7	7,9

#### Aandelemark

Die vraag na kapitaal in die *primêre aandelemark* het 'n duidelik opwaartse neiging in die eerste nege maande van 1997 getoon. Die waarde van *kapitaal wat verkry is* het van R7,9 miljard in die eerste kwartaal van 1997 tot R12,2 miljard in die tweede kwartaal en R19,2 miljard in die derde kwartaal toegeneem. Van die totale bedrag van R39,3 miljard wat in die primêre aandelemark gedurende die eerste drie kwartale van 1997 verkry is, was R17,2 miljard of bykans 44 persent in die vorm van aandele wat uitgereik is vir die verkryging van bates wat nog nie op die Johannesburgse Aandelebeurs genoteer was nie.

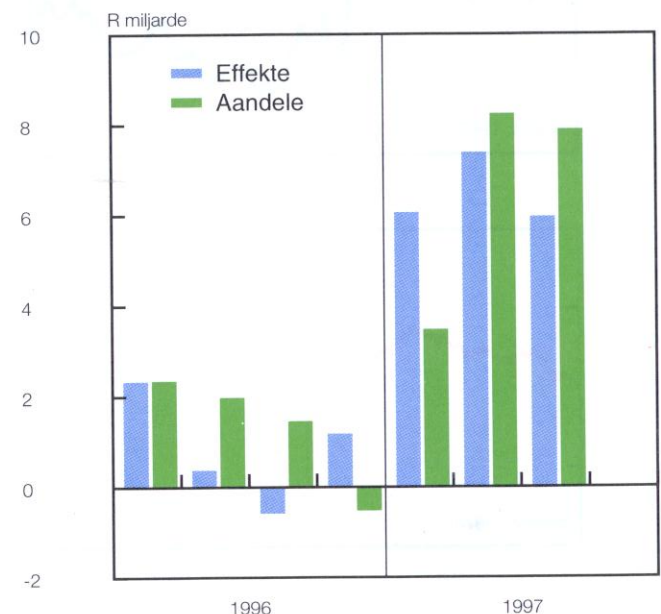
In die *sekondêre aandelemark* het die waarde van aandele wat op die Johannesburgse Aandelebeurs verhandel is, van R41,2 miljard in die eerste kwartaal van 1997 tot R51,0 miljard in die tweede kwartaal en R58,7 miljard in die derde kwartaal toegeneem. Die skielike en skerp daling in aandelepryse op 23 Oktober 1997 het 'n vlag van handelsbedrywigheid veroorsaak, wat die waarde van aandeleverhandeling tot R21,8 miljard in Oktober laat styg het vergeleke met 'n gemiddelde maandelikse omset van R19,6 miljard in die voorafgaande drie kalendermaande.

*Nie-inwoners* was baie bedrywig in die verhandeling op die Johannesburgse Aandelebeurs en hul aankope en verkope van aandele het 31,7 persent van die totale aankope en verkope van aandele in die eerste tien maande van 1997 uitgemaak. Netto aankope van aandele deur nie-inwoners het hul netto aankope van effekte trouens met 'n bedrag van R2,7 miljard in die tweede en derde kwartaal van 1997 oortref. Dit was 'n taamlik merkbare verandering vanaf die vierde kwartaal van 1996 en die eerste kwartaal van 1997 toe netto *aankope* van effekte deur nie-inwoners R4,3 miljard meer was as hul netto aankope van aandele. Met die wêreldwye ineenstorting van die aandelemarkte in Oktober 1997, het die netto aankope van aandele deur nie-inwoners tot R3,8 miljard in daardie maand

toegeneem, vergeleke met 'n bedrag van R2,3 miljard in September en netto *verkope* van effekte ten bedrae van R5,2 miljard in Oktober.

Na 'n tydperk van konsolidasie wat bykans 'n jaar geduur het, het die *maandelikse gemiddelde prysvlak van alle klasse aandele* op die Johannesburgse Aandelebeurs per saldo met 14,6 persent van Desember 1996 tot Augustus 1997 toegeneem. 'n Mate van onsekerheid het toe posgevat, wat veroorsaak het dat die maandelikse gemiddelde vlak van die indeks van alle aandelepryse met 2,8 persent in September 1997 afgeneem het,

#### Nie-inwoners se kwartaallikse netto transaksies in die sekondêre kapitaalmark





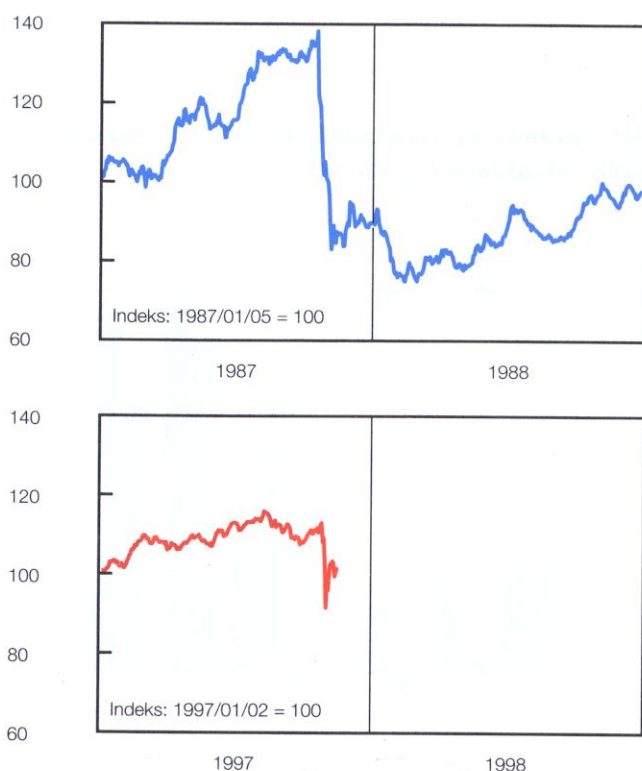
**Tabel 15. Opbrengskoerse en prysverhoudings**

Tydperk	Dividend- opbrengskoers Persent	Verdienste- opbrengskoers* Persent	Prysverdiens- te-verhouding* verhouding*	Rendementsgaping Persentasiepunte
1996: Des .....	2,46	7,01	14,27	13,73
1997: Jan .....	2,46	6,89	14,51	13,36
Feb .....	2,37	6,68	14,96	12,66
Mrt .....	2,40	6,62	15,11	12,76
Apr .....	2,41	6,66	15,01	12,83
Mei .....	2,40	6,70	14,93	12,68
Jun .....	2,37	6,87	14,55	12,35
Jul .....	2,31	6,56	15,23	11,90
Aug .....	2,33	6,59	15,17	11,91
Sep .....	2,44	6,77	14,76	11,74
Okt .....	2,53	7,13	14,03	11,52

\* Uitgesonderd goudmynaande

voordat die skerp daling van aandelepryse in die laaste week van Oktober die maandelikse gemiddelde indeks waarde met 3,4 persent in daardie maand laat

#### Aandeleprysindekse van alle klasse aande



daal het. Vergeleke met die "ineenstorting" van 1987 was die insinking in aandelepryse in Oktober 1997 nog steeds betreklik matig - die indeks van alle klasse aandelepryse het met soveel soos 45 persent van 19 Oktober 1987 tot 12 Februarie 1988 afgeneem, terwyl die afname van die jongste daaglikse hoogtepunt op 7 Augustus 1997 tot 28 Oktober 21 persent was. Die maandelikse gemiddelde pryse van goudmynaande, wat erg beïnvloed is deur 'n daling van ongeveer VSA\$68 in die prys van goud per fyn ons, het met 44 persent van Mei 1996 tot Oktober 1997 afgeneem.

Die maandelikse gemiddelde *dividendopbrengskoers* op alle klasse aande het van 2,46 persent in Desember 1996 tot 2,31 persent in Julie 1997 afgeneem, maar daarna weer tot 2,53 persent in Oktober toegeneem. Die maandelikse *gemiddelde verdienste-opbrengskoers* (goudmynaande uitgesonder) het dienoreenkomstig van 7,01 persent in Desember 1996 tot 6,56 persent in Julie afgeneem, voordat dit tot 7,13 persent in Oktober toegeneem het. Die *rendementsgaping* tussen langtermynstaatseffekte en alle klasse aande het van 13,7 persentasiepunte in Desember 1996 tot 11,5 persentasiepunte in Oktober 1997 verklein namate die opbrengskoers op staatseffekte oor die algemeen afgeneem het terwyl die dividendopbrengskoers op aande min of meer onveranderd gebly het. Die *prysverdiens-te-verhouding* van alle klasse aande, met die uitsluiting van goudmynaande, was gemiddeld sowat 14,9 oor die tydperk van Januarie tot September 1997, maar het daarna tot 14,0 in Oktober afgeneem.

#### Ander finansiële markte

Die bedrywigheid in die *formele mark vir afgeleide instrumente* vir aande- en rentekoerstermyn- en -opsiekontrakte het van 'n rekordhoogtepunt van 3,4 miljoen kontrakte in die eerste kwartaal van 1997 tot 2,5



miljoen in die tweede kwartaal en 2,2 miljoen in die derde kwartaal afgeneem. Die omvang van verhandeling in die eerste tien maande was nietemin steeds 21 persent groter as in die eerste tien maande van 1996. Nie-inwonerdeelname in die mark vir afgeleide instrumente het egter van 15,8 persent van die oop posisie in Januarie 1997 tot 26,9 persent in Oktober toegeneem.

In teenstelling met die voortgesette toenames in die waarde van die omset in die aandelemark, het die kwartaallike totaal van *aandeletermyn- en -opsiekontrakte* in die eerste drie kwartale van 1997 deurgaans afgeneem, maar in Oktober 1997 skerp toegeneem as gevolg van verhoogde onbestendigheid in die aandelemark. Die hoë vlak van bedrywigheid in die effektemark het egter bygedra tot sowel *rentekoerstermyn- as -opsiekontrakte* wat van 'n kwartaallike totaal van 6 500 kontrakte in die eerste kwartaal van 1997 tot 9 200 kontrakte in die tweede kwartaal en 12 200 kontrakte in die derde kwartaal toegeneem het.

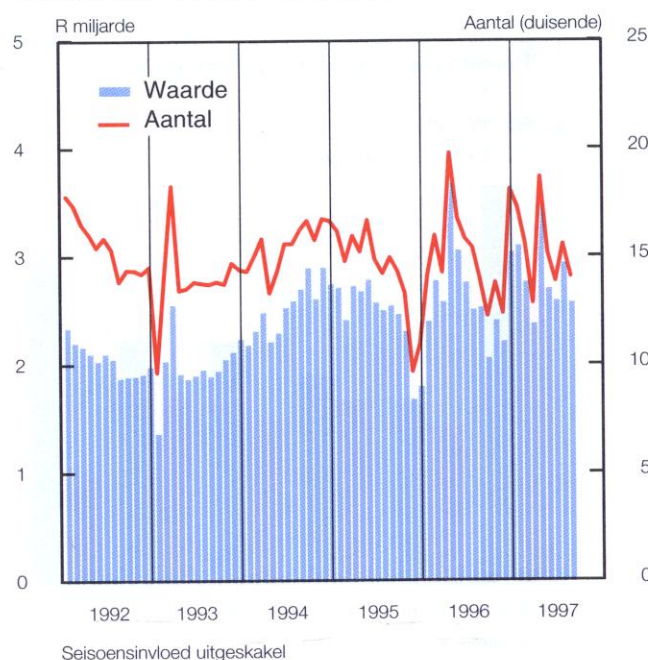
Sedert hul bekendstelling in Mei 1997 is altesaam 365 *rand-dollar-termynkontrakte* tot aan die einde van Oktober 1997 verhandel. Die gebrek aan belangstelling in hierdie kontrakte kan waarskynlik aan die hoë vlak van likiditeit in die onderliggende kontantmark en oor-die-toonbank-termynmark in buitelandse valuta toegeskryf word.

Verhandeling in die *landboutermynmark vir mielies* het aansienlik van 2 700 kontrakte in 1996 tot 11 900 kontrakte in die eerste tien maande van 1997 toegeneem. Verhandelings in die termynmark vir *koring* het in

November 1997 begin. In September 1997 is *aandele-opsiekontrakte* bekend gestel wat nuwe verskansingsgeleenthede op ses individuele aandele bied. Tot aan die einde van Oktober is 70 750 kontrakte verhandel. Die Johannesburgse Aandelebeurs het boonop in Oktober 1997 'n *formele sekuriteitsregtemark* bekend gestel. Hierdie sekuriteitsregte is oordraagbare sekuriteite wat op bepaalde individuele aandele van toepassing is en word deur 'n sekuriteite-onderneming uitgereik. Dit gee aan die houer die reg, maar nie die verpligting nie, om 'n vasgestelde aantal sekuriteite in 'n genoteerde maatskappy teen 'n vasgestelde prys op of voor 'n bepaalde datum te koop of te verkoop.

Handelstoestande in die *vaste-eiendomsmark* het taamlik traag gebly namate die waarde van transaksies in die eerste agt maande van 1997 met-slegs 1 persent toegeneem het teenoor die ooreenstemmende tydperk van die vorige jaar, terwyl die aantal transaksies met omtrent 2 persent oor dieselfde tydperk afgeneem het. Dit word verwag dat die bedrywigheid in die vaste-eiendomsmark moontlik sal baat by die onlangse verlaging in verbandkoerse.

## 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 nie-finansiële openbare sakeondernemings en openbare korporasies) het op 'n tipiese seisoenale wyse van R12,5 miljard in die tydperk April tot Junie 1997 tot R9,7 miljard in die tydperk Julie tot September afgeneem. Die opgehoopde tekort van R22,2 miljard in die eerste helfte van die fiskale jaar 1997/98 was nietemin R3,9 miljard groter as wat dit in die eerste helfte van die fiskale jaar 1996/97 was. Hierdie toename het die leningsbehoefte van die openbare sektor in verhouding tot die bruto binnelandse produk in die eerste helfte van die fiskale jaar 1997/98 op 7,4 persent te staan gebring, vergeleke met 6,7 persent in die eerste helfte van die fiskale jaar 1996/97.

Die toename in die leningsbehoefte van die openbare sektor vanaf die fiskale jaar 1996/97 tot die fiskale jaar 1997/98 kan hoofsaaklik aan die verswakking in die finansies van die provinsiale regerings toegeskryf word: die finansiële tekort van die provinsiale regerings het van R0,5 miljard in die eerste helfte van die fiskale jaar 1996/97 tot R4,3 miljard in die eerste helfte van 1997/98 verswak. Hierdie toename in die tekort van die provinsiale regerings kan toegeskryf word aan die volgehoue hoë vlakke van besteding aan onderwys, gesondheids-

en welsynsdienste, sowel as salaris- en loonverhogings wat op 1 Julie 1997 in werking getree het, sonder 'n bykomende oordrag van fondse deur die Nasionale Regering.

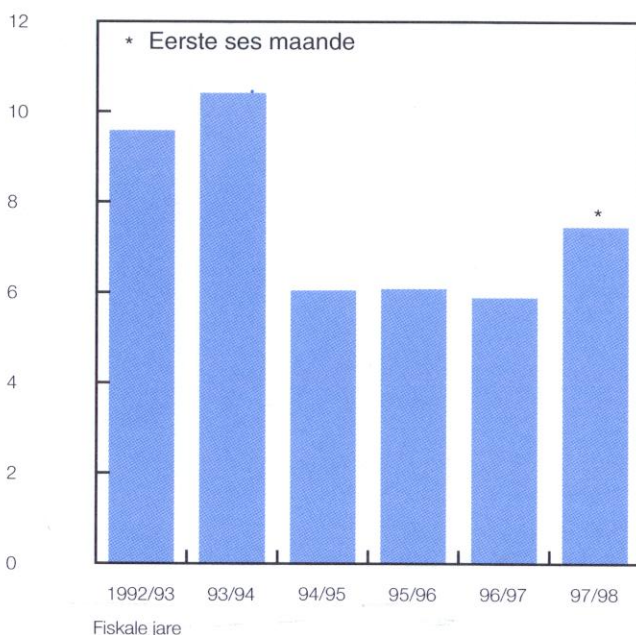
Veranderings in die algemene owerheid se besteding en ontvangste het opsigtelik uiteengeloop in die eerste helfte van die fiskale jaar 1997/98. Hoewel die groeikoers van jaar tot jaar in totale besteding in die eerste helfte van die fiskale jaar 1996/97 van 14,6 persent tot 11,4 persent in die eerste helfte van die fiskale jaar 1997/98 afgeneem het, het die groei oor een jaar in die algemene owerheid se ontvangste nog meer afgeneem van 14,2 persent in die eerste helfte van die fiskale jaar 1996/97 tot 8,9 persent in die eerste helfte van die fiskale jaar 1997/98. Die onmiddellike oorsaak van die ongelyke groei in ontvangste en besteding is die afname in die groeikoers van jaar tot jaar in belastingontvangste van 14,1 persent in die eerste helfte van 1996/97 tot 10,1 persent in die eerste helfte van 1997/98.

### Skatkisrekening

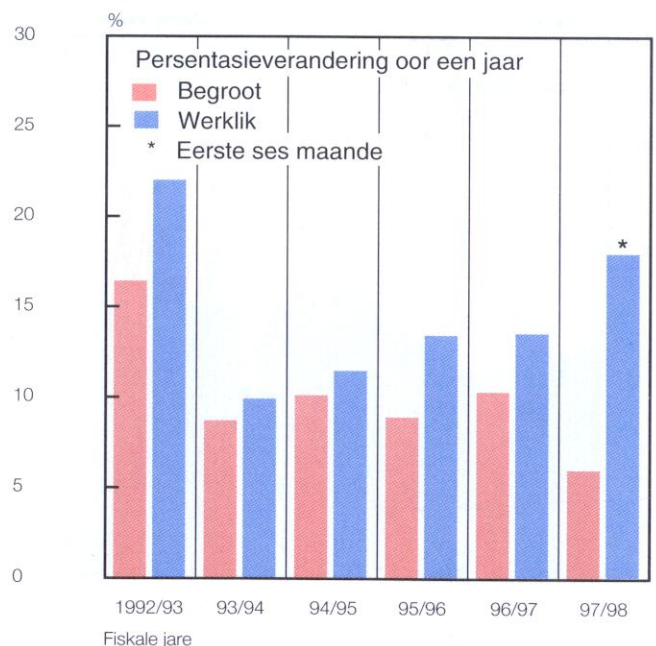
Die tekort op die Skatkisrekening as persentasie van die bruto binnelandse produk was in die eerste helfte van die fiskale jaar 1997/98 aansienlik hoër as die mikpunt wat in die Begroting vir die volle fiskale jaar gestel is. Die betreklike groot tekort in die eerste helfte van die jaar weerspieël 'n groter bestedingsgroei as die normale seisoenspatroon en 'n laer groei in ontvangste as wat in die begroting voorsien was.

In die eerste helfte van 1997/98 het die koers van

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



### Begrote en werklike skatkisuitreikings aan staatsdepartemente





toename oor een jaar in *skatkisuitreikings* aan staatsdepartemente (aangepas om kontantvloeiinge te weerspieël) 7,9 persent bedra, wat merkbaar hoër was as die begrote raming van 6,1 persent vir die jaar in die geheel. Wanneer begrote uitgawes vir die fiskale jaar 1997/98 vergelyk word met werklike skatkisuitreikings in 1996/97, behoort owerheidsbesteding in die fiskale jaar 1997/98 met slegs 5,4 persent te groei. Die koers van toename van jaar tot jaar in skatkisuitreikings was gedurende die eerste helfte van die fiskale jaar 1997/98 egter heelwat laer as die gemiddelde koers van toename van jaar tot jaar van 14,0 persent wat in die eerste helfte van die voorafgaande vyf fiskale jare aangeteken is. Gevolglik het skatkisuitreikings aan staatsdepartemente in verhouding tot die bruto binnelandse produk van 'n koers van 32,4 persent in die eerste helfte van fiskale jaar 1996/97 tot 31,9 persent in die eerste helfte van die fiskale jaar 1997/98 gedaal.

In Oktober 1997 het skatkisuitreikings met 1,7 persent teenoor Oktober 1996 gedaal, wat die koers van toename van jaar tot jaar in hierdie uitreikings in die eerste sewe maande van die fiskale jaar 1997/98 op 6,5 persent te staan gebring het. Skatkisuitreikings was gedurende hierdie tydperk gelyk aan 58,9 persent van die totale besteding van R186,7 miljard wat vir die jaar in die geheel begroot is.

Van die eerste helfte van die fiskale jaar 1996/97 tot die eerste helfte van die fiskale jaar 1997/98 het die koers van toename in *skatkisontvangste* (opbrengste uit privatisering en die verkoop van strategiese oliereserwes

**Tabel 16. Persentasietoename in staatsinkomste**

	Begrote toename: fiskale jaar 1997/98	Werklike toename: eerste helfte 1997/98
Skatkisontvangste .....	11,2	9,4
Doeane- en aksynsregte .....	8,0	-0,4
Binnelandse inkomste .....	11,7	11,6
Inkomstebelasting .....	13,5	12,4
Belasting op toegevoegde waarde .....	11,4	9,8

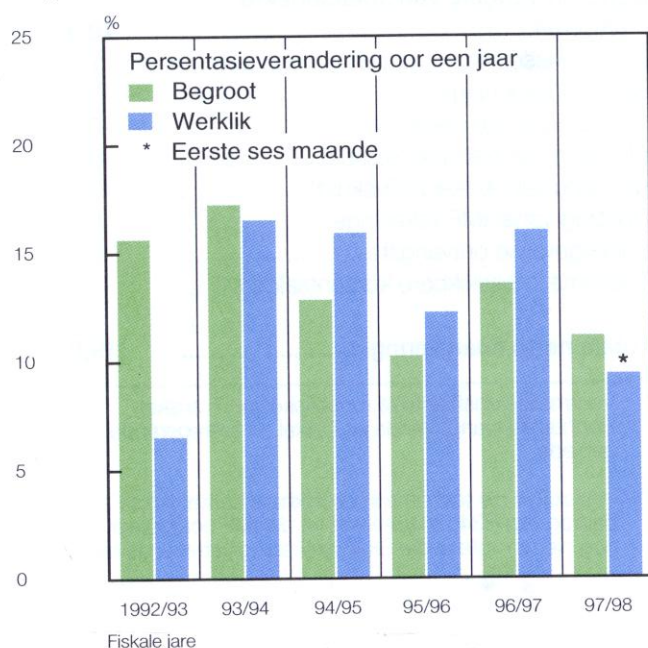
uitgesluit) 9,4 persent bedra, teenoor 'n begrote toename van 11,2 persent vir die fiskale jaar 1997/98 in die geheel en 'n gemiddelde koers van toename van 13,0 persent vir die ooreenstemmende tydperk in die voorafgaande vyf fiskale jare.

Die koers van toename van jaar tot jaar in ontvangste van binnelandse inkomste was in die eerste helfte van die fiskale jaar 1997/98 min of meer in lyn met die begrotingsvooruitskattings. In teenstelling hiermee was die invorderings van doeane- en aksynsregte ver onder die begrotingsoogmerke. Die afwyking tussen die werklike en geprojekteerde inkomste uit doeane- en aksynsregte was die gevolg van die versnelde implementering van die tariefverlagings waarop ooreengekom is in die Finale Akte van die Uruguay Rondte van handelsonderhandelings en in die Marrakesh-ooreenkoms, ingevolge waarvan die Wêreld Handelsorganisasie gestig is. Die invorderings van belasting op toegevoegde waarde was ook laer as die begrote groeikoers aangesien private verbruiksbesteding in gebreke gebly het om aan die verwagtings ten tye van die Begroting te voldoen.

In verhouding tot die bruto binnelandse produk het skatkisontvangste in die eerste helfte van die fiskale jaar 1997/98 25,5 persent bedra – 'n rapsie minder as die verhouding van 25,6 persent in die eerste helfte van die fiskale jaar 1996/97. Vergeleke met Oktober 1996 het skatkisontvangste in Oktober 1997 met 5,4 persent gedaal. Dit het die koers van toename in skatkisontvangste in die eerste sewe maande van die fiskale jaar 1997/98 op 6,6 persent te staan gebring, wat 56,7 persent verteenwoordig van die totale inkomste van R162 miljard wat vir die jaar in die geheel begroot is.

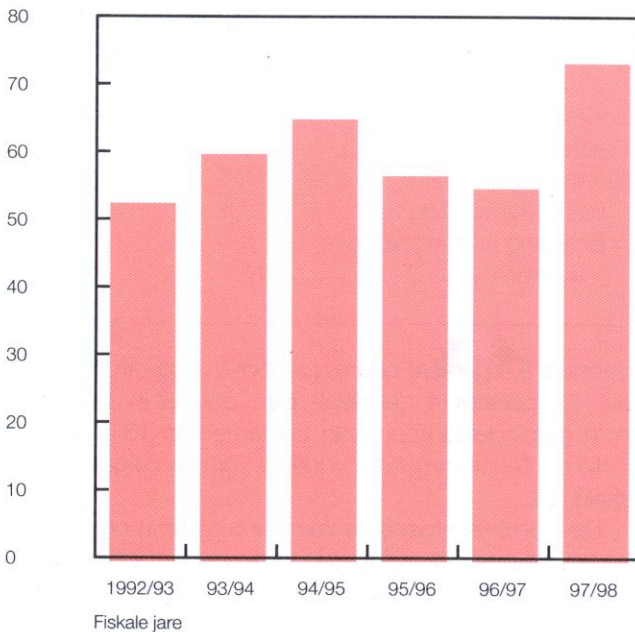
Die netto gevolg van die laer-as-begrote inkomste en die hoër-as-begrote uitgawes was 'n tekort voor lenings en skuldaflissing van R19 miljard in die eerste helfte van die fiskale jaar 1997/98. In verhouding tot die bruto binnelandse produk het hierdie tekort 6,4 persent bedra. Hierdie verhouding vergelyk met 'n verhouding van 6,8 persent in die ooreenstemmende tydperk van die fiskale jaar 1996/97 en 'n begrote tekort van 4,0 persent van die bruto binnelandse produk vir die fiskale jaar 1997/98 in die geheel. In die eerste sewe maande van die fiskale jaar 1997/98 het die tekort voor lenings en skuldaflissing

#### Begrote en werklike skatkisontvangste

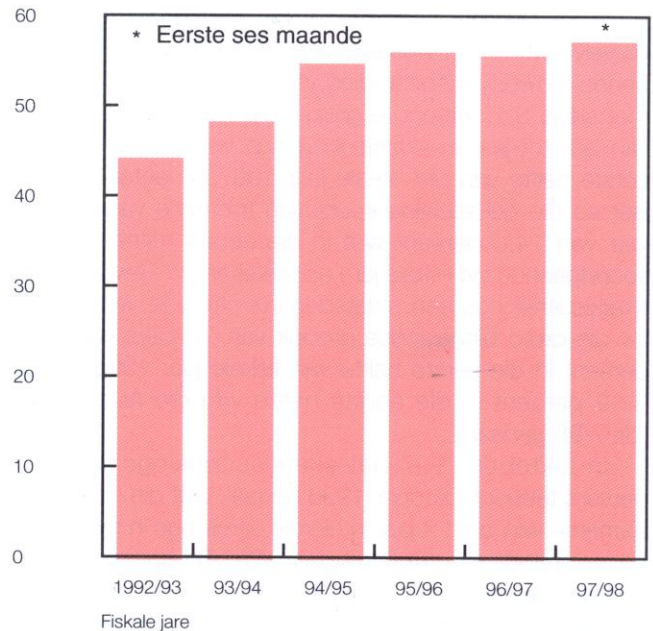




### Skatkistekort in eerste sewe maande as persentasie van begrote tekort



### Totale staatskuld as persentasie van bruto binnelandse produk



R18,2 miljard of 73,5 persent van die begrote tekort vir die fiskale jaar in die geheel bedra.

Die wyse waarop die tekort van R19,0 miljard in die eerste helfte van die fiskale jaar 1997/98 gefinansier is, word in Tabel 17 getoon. Langtermynstaatsseffekte was steeds die belangrikste skuldinstrument waarmee finansiering gedoen is. Skatkiswissels het R7,4 miljard tot die totale finansiering bygedra, waarvan R3,6 miljard deur die Korporasie vir Openbare Deposito's en R2,9 miljard deur private banke opgeneem is. Spesiale skatkiswissels met 'n looptyd van drie dae is gedurende die derde kwartaal uitgereik by geleenthede toe die kontantbalanse van die regering byna uitgeput was. 'n Bedrag van R0,5 miljard is op 1 September 1997 op hierdie wyse bekom en 'n verdere bedrag van R1,0 miljard op 22 September. Die netto resultaat van die regering se lenings-bedrywighede was 'n toename in die staatskuld van R310,6 miljard of 55,9 persent van die bruto binnelandse produk aan die einde van Maart 1997 tot R334,7 miljard of 57,4 persent van die bruto binnelandse produk aan die einde van September.

**Tabel 17. Finansiering van die tekort – April tot September 1997**

Bron van finansiering	R miljarde
Staatseffekte (diskonto ingesluit).....	12,6
Min: Diskonto op nuwe staatseffekte .....	2,3
<b>Netto ontvangste van staatseffekte uitgereik .....</b>	<b>10,3</b>
Skatkiswissels .....	7,4
Buitelandse lenings.....	3,4
Nie-bemerkbare sekuriteite .....	-0,1
Aflossing van Namibiese skuld.....	-0,2
Aflossing van Artikel 239-skuld* .....	-3,5
Oordrag vanaf IMF-rekeninge .....	0,3
Buitengewone ontvangste .....	2,9
Toename in beskikbare kontantsaldo's** ....	-1,5
<b>Totale netto finansiering .....</b>	<b>19,0</b>

\* Voormalige onafhanklike republieke van Transkei, Bophuthatswana, Venda en Ciskei en selfregerende gebiede.

\*\* Ingesluit in die toename in beskikbare kontantsaldo's is 'n bedrag van R345 miljoen wat na die IMF oorgeplaas is, maar nog nie ten volle in die Skatkisrekening verreken is nie.



# Verklaring oor die Bankkoers

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

17 Oktober 1997

Die meeste van die finansiële groothede waarop die Reserwebank sy besluite oor monetêre beleid grond, het onlangs in die regte rigting beweeg, en regverdig nou 'n verlaging in die Bankkoers. In sekere gevalle, soos byvoorbeeld in die geval van die geldvoorraad, oorskry die huidige vlak van die groeikoers steeds dít wat as gewens vir standhoudende finansiële stabiliteit beskou word, maar onlangse dalings in hierdie vlak is nietemin bemoedigend.

Die M3 geldvoorraad het oor die twaalf maande tot Augustus 1997 met 13,9 persent gestyg, wat laer is as die 15,9 persent wat in April vanjaar aangeteken is, maar wat nogtans ver buite die Reserwebank se riglyn van 'n styging van 10 persent in die huidige kalenderjaar val. In die onlangse verlede, en meer spesifiek van Junie tot Augustus 1997, was die styging in M3, teen 'n seisoensaangesuiwerde jaarcoers, egter slegs 11,4 persent gewees.

Die coers van toename in die hoeveelheid krediet wat aan die private sektor verleen is, gemeet oor 'n tydperk van twaalf maande, het insgelyks gedaal van 17,4 persent in April 1997 tot 14,6 persent in Augustus 1997. Oor die driemaande-tydperk van Junie tot Augustus 1997 het die totale bedrag van bankkredietverlening aan die private sektor, teen 'n seisoensaangesuiwerde jaarcoers, inderdaad tot die lae vlak van 5,9 persent gedaal.

Die Reserwebank is ook deur die ommekeer sedert vroeër vanjaar in die stygende neiging in sowel die verbruikersprys- as produksieprysindekse bemoedig. In die geval van verbruikerspryse het die styging in die algehele indeks 'n hoogtepunt van 9,9 persent in April behaal, voordat dit tot 8,7 persent in Augustus 1997 gedaal het. Die coers van verandering in die produksieprysindeks het van 9,6 persent in Maart 1997 tot 5,9 persent in Augustus gedaal.

Ná die depresiasie van 21,9 persent verlede jaar, het die wisselcoers van die rand weer gestabiliseer. Op 16 Oktober 1997 was die nominale effektiewe wisselcoers van die rand ongeveer 2½ persent bokant die vlak van 31 Desember 1996. Die totale bruto goud- en buitelandse valutareserwes van die Reserwebank het ook van R10,3 miljard aan die einde van die vorige jaar tot R26,5 miljard aan die einde van verlede maand gestyg.

Suid-Afrika het nou met sukses die ontstuiwigheid in die buitelandse valutamark van verlede jaar deurstaan, en het in 'n belangrike mate daarin geslaag om 'n eskalasie van die nadelige gevolge van die depresiasie op die binnelandse finansiële toestande te voorkom. Daar is nogtans goeie gronde vir 'n versigtige benadering tot die verslapping van monetêre beleid, veral as die voortdurende senuagtigheid in die buitelandse valutamarkte van verskeie Oos-Asiatiese lande in ag geneem word. In baie van hierdie lande is probleme deur 'n lang tydperk

van uitermatige geld- en kredietgroei en onvolhoubare vlakke van rente- en wisselcoerse veroorsaak.

Met inagneming van al hierdie finansiële ontwikkelings is die Reserwebank tevrede dat 'n verlaging van 1 persentasiepunt in die Bank se uitleenkoerse aan bankinstellings nou geregverdig kan word. Derhalwe sal die Bankkoers vanaf Maandag 20 Oktober 1997 van 17 tot 16 persent per jaar verlaag word. Al die verwante rentekoerse van die Reserwebank sal insgelyks met 1 persentasiepunt verlaag word.

Die meeste van die meer sensitiewe markrentekoerse, soos die Skatkiswisseltendercoers, coerse op bankaksepte en verhandelbare depositosertifikate, en die opbrengs op langtermynstaatsseffekte, het reeds 'n daling van ten minste 1 persentasiepunt in die Bankkoers verdiskonteer. Dit kan verwag word dat die uitleenkoerse van bankinstellings nou die daling in die Bankkoers sal volg. Bankinstellings word egter versoek om nog steeds versigtig te bly met die verlening van bykomende krediet, en om voort te gaan om die monetêre owerhede in hul strewe na uiteindelijke finansiële stabiliteit te ondersteun.

Die vordering wat tot dusver gemaak is in die totstandbrenging van beter finansiële stabiliteit behoort by te dra tot die algehele oogmerk van Suid-Afrika om ekonomiese ontwikkeling te stimuleer en om meer werkgeleenthede tot voordeel van alle Suid-Afrikaners te skep. Die handhawing van 'n stabiele algehele finansiële omgewing moet aanvaar word as 'n belangrike voorvereiste vir ekonomiese groei op 'n hoër vlak, soos beoog deur die Regering se *Makro-ekonomiese Strategie vir Groei, Werkverskaffing en Herverdeling*.



# Notas oor 'n saamgestelde leidende aanwyser van inflasie

deur W.S. Pretorius

## Inleiding

In baie lande word leidende aanwysers gebruik om die draaipunte in die konjunktorele beweging van die *ekonomiese bedrywigheid* te voorspel. Hoewel leidende aanwysers vir die toekomstige ontplooiing van *prys-inflasie* ewe verdienstelik is, het dit nie in dieselfde mate aandag geniet nie.

Die hoofdoel van monetêre beleid<sup>1</sup> is om die waarde van die geldeenheid te beskerm. Hierdie taak word bemoeilik deur die lang en wisselende sloerings tussen veranderinge in die stand van monetêre beleid en die uiteindelijke uitwerking daarvan op inflasie. Die sloering tussen veranderinge in monetêre beleid en die volle uitwerking daarvan op inflasie kan tot twee en 'n half jaar duur. Dit beteken dat besluite oor monetêre beleid toekomstgerig moet wees en dat beleidmakers inligting behoort te gebruik wat toekomstige inflasie kan aandui. Betroubare voorspellings van inflasie is derhalwe belangrik.

Die doel met hierdie nota is om 'n saamgestelde aanwyser aan die hand te doen wat in staat behoort te wees om die bewegings in inflasie vooraf te gaan. Die oogmerk is nie soseer om die omvang van inflasie te voorspel nie, maar bloot om moontlik belangrike veranderinge in die rigting van inflasie aan te dui.

## Verwysingsdatareeks

Die algemeen aanvaarde maatstaf van inflasie is die persentasieverandering oor tydperke van twaalf maande in die omvattende verbruikersprysindeks. Hierdie statistiese tydreeks het egter sekere tekortkominge wanneer dit as verwysingsreeks vir 'n leidende aanwyser van inflasie gebruik moet word.

'n Styging in rentekoerse sal waargenome inflasie byvoorbeeld regstreeks verhoog aangesien die Suid-Afrikaanse verbruikersprysindeks die verbandkoers as 'n komponent van huiseienaarskoste insluit. Toenames in rentekoerse het egter ten doel om inflasie op 'n onregstreekse wyse te verminder deur middel van hul medium- tot langtermyn uitwerking op besparing en verbruik. Om hierdie oënskynlike teenstrydigheid te vermy behoort huiseienaarskoste dus vir die doel van hierdie

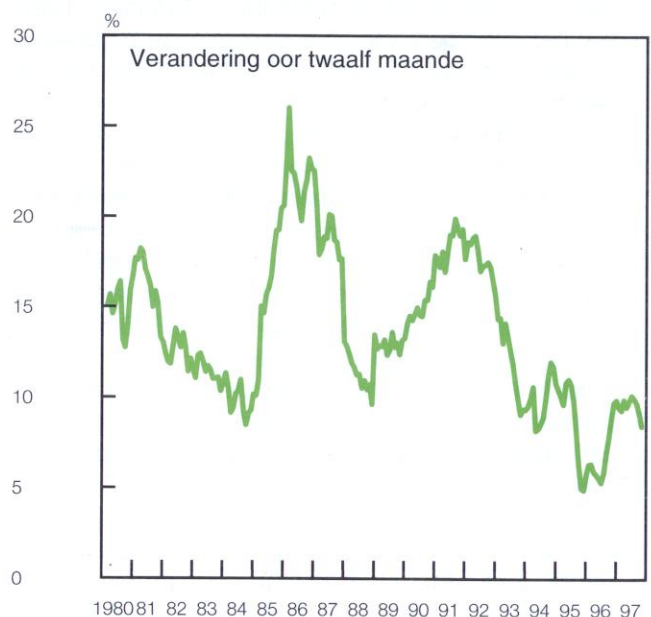
oefening van die omvattende verbruikersprysindeks uitgesluit te word.

Benewens monetêre beleidstappe word sekere fiskale beleidsmaatreëls dikwels toegepas ter wille van breër makro-ekonomiese oogmerke, ondanks die potensiële prysverhogende uitwerking wat dit op die kort termyn op die algemene vlak van pryse kan hê. In die besonder behoort die prysverhogende uitwerking van belasting op toegevoegde waarde (BTW) byvoorbeeld verkieslik van die verbruikersprysindeks uitgesluit te word om 'n meer betroubare verwysingsreeks van inflasie te bekom.

Die persentasieverandering oor twaalf maande in die omvattende verbruikersprysindeks waarvan huiseienaarskoste en belasting op toegevoegde waarde uitgesluit is, is daarom die verwysingsdatareeks van inflasie wat in hierdie nota gebruik word (sien Grafiek 1).

Daar kan aangevoer word dat die pryse van voedsel wat meermale beïnvloed word deur ongewone klimaatstoestande ook van die verbruikersprysindeks uitgesluit behoort te word. Dit sal die verwysingsdatareeks reduseer tot wat oor die algemeen as onderliggende inflasie bestempel word. Voedsel beslaan egter 'n aansienlike deel van verbruiksbesteding. (Die

**Grafiek 1: Verwysingsdatareeks van verbruikersprysinflasie**



<sup>1</sup> Om die uiteindelijke doel van prysstabiliteit te bereik bepaal die monetêre owerhede 'n aanvaarbare groeikoers vir die geldvoorraad as 'n intermediaire doelstelling. Die groei in die geldvoorraad word dan deur veranderinge in die beskikbare hoeveelheid likiditeit in die bankstelsel en in die koste van finansiering van die geldmarktekort beïnvloed.

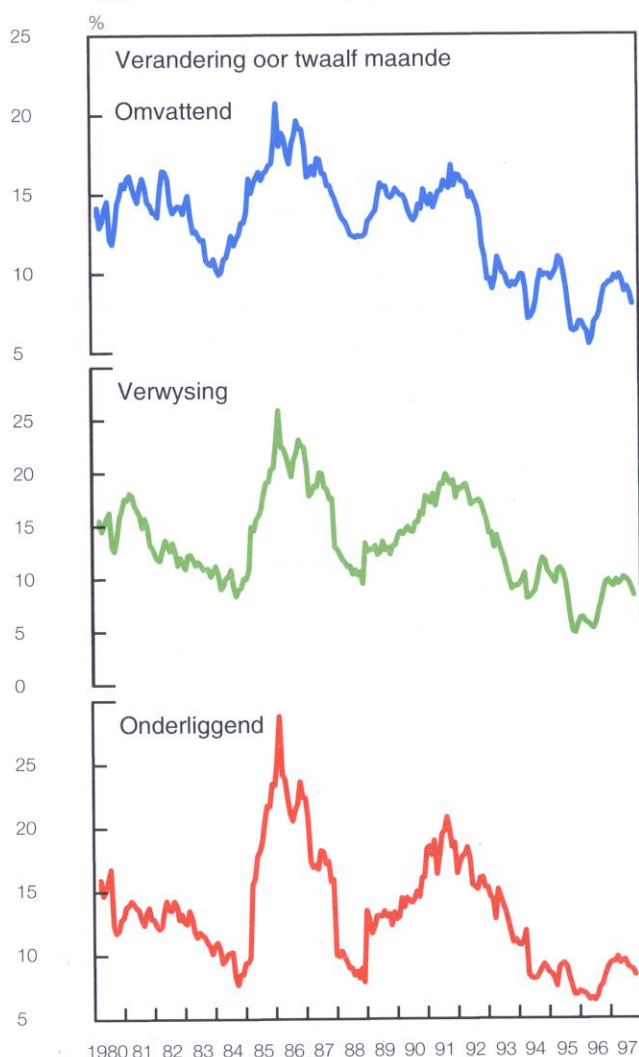


gemiddelde gewig van voedsel in die omvattende verbruikersprysindeks is bykans 20 persent en dit wissel van omtrent 45 persent in die geval van baie lae bestedingskategorieë tot 15 persent in die hoogste bestedingskategorieë). Die invloed van voedselpryse is voorts oor 'n groot verskeidenheid van maandelike leidende aanwysers versprei wat enige poging kortwiek om die uitwerking van voedselpryse op 'n saamgestelde leidende aanwyser uit te skakel. Gevolglik is besluit om voedsel nie van die verwysingsdatareeks uit te sluit nie. Aangesien die pryse van voedsel egter van tyd tot tyd onderhewig is aan onverwagse skommelings, kan dit aanleiding gee tot ooreenstemmende bewegings in die verwysingsdatareeks. Hoewel die verskeie maandelike leidende aanwysers met die verwysingsdatareeks

**Tabel 1. Draaipunte van inflasie**

	Omvattend	Verwysing	Onderliggend
Trog .....	Feb 1984	Aug 1984	Aug 1984
Piek .....	Jan 1986	Jan 1986	Jan 1986
Trog .....	Aug 1988	Okt 1988	Okt 1988
Piek .....	Jun 1989	...	...
Trog .....	Jul 1990	...	...
Piek .....	Okt 1991	Jul 1991	Jul 1991
Trog .....	Apr 1994	...	...
Piek .....	Apr 1995	...	...
Trog .....	Apr 1996	Okt 1995	Mei 1996

**Grafiek 2: Omvattende, verwysings- en onderliggende verbruikersprysinflasie**



vergelyk sal word, kan die verwantskappe tussen hierdie aanwysers en onderliggende en omvattende inflasie steeds waardevol wees om bepaalde bewegings in inflasie te verklaar (sien Grafiek 2).

Volgens Tabel 1 toon die draaipunte van die verwysingsdatareeks slegs 'n paar afwykings van dié van die meer omvattende inflasiekoers. Die enigste betekenisvolle verskil het voorgekom toe die omvattende inflasiegolf van 1989-1990 nie met 'n ooreenstemmende golf in sowel die verwysings- as die onderliggende tydreeks gepaard gegaan het nie. Dit kan hoofsaaklik verklaar word deur die sterk bydrae van 'n styging van 3 persentasiepunte in die huisverbandkoers tussen November 1988 en Oktober 1989. In die tydperk 1994-1995 het die omvattende inflasiereeks weer 'n golfbeweging gemaak wat nie duidelik in die verwysingsdatareeks weerspieël is nie en nog minder in die onderliggende inflasiereeks. Die grootste bydrae tot hierdie verskil was 'n toename in die pryse van voedsel as gevolg van laer as verwagte groei in fisiese omvang van die landbouproduksie weens die terughouding van slagvee vanaf die mark ten einde kuddes op te bou, asook rypskade aan groenteproduksie en droogteverwante skade aan graanoeste.

### Identifisering van aanwysers

Om 'n saamgestelde aanwyser so akkuraat as maandelik op te stel, is 'n groot getal ekonomiese tydreeksse beoordeel. Reekse wat volgehoue betroubare voorspellers van inflasie was, is toe in 'n enkele saamgestelde aanwyser saamgevat. Die metodiek was dieselfde as dié wat gebruik word om die leidende aanwyser van die konjunkturgolf in Suid-Afrika saam te stel (Van der Walt 1983 en Van der Walt & Pretorius 1995).

Om die mate van subjektiewe oordeel in die keuse van individuele aanwysers te verminder is gesteun op 'n objektiewe beoordelingstelsel soortgelyk aan dié



wat in verskeie ander lande gebruik word. Die belangrikste maatstawwe wat in die beoordelingstelsel gebruik is, was die ekonomiese betekenis van die bepaalde bedrywigheid of proses wat deur die aanwyser beskryf word, die statistiese toereikendheid van die data, die historiese ooreenkoms en die tydverband met die verwysingsgolf, die egaligheid van die tydreeks, en die tydige beskikbaarheid van die gegewens. Aan elke maatstaf is 'n punt of telling toegeken. Aangesien die betroubaarheid van ekonomiese tydreekse as aanwysers van die verwysingsgolf van die allergrootste belang is, is die historiese ooreenkoms en die tydverband met die verwysingsgolf as die belangrikste maatstawwe beskou. In ooreenstemming met gebruike van ander studies (sien byvoorbeeld Moore & Shiskin 1967, Beck, Bush & Hayes 1973 en Zarnowitz & Boschan 1975), is die hoogste punte toegeken aan die ekonomiese tydreekse wat die aangewese maatstawwe die strengste nagevolg het.

### Beoordeling van aanwysers

Meer as sestig verskillende tydreekse waaronder kwantitatiewe en kwalitatiewe aanwysers wat moontlik 'n verband met inflasie kan hê, is getoets vir insluiting in die saamgestelde leidende aanwyser van inflasie. Uiteindelik is nege aanwysers gekies om in die saamgestelde indeks opgeneem te word. Die keuringsmaatstawwe het nie net bestaan uit die hoogste puntetelling wat in die beoordelingsproses verkry is nie, maar verskillende bedrywigheide en prosesse in die ekonomie wat moontlik die oorsprong van inflasie kon verklaar is ernstig oorweeg vir insluiting in die aanwyser, ongeag of die hoogste

**Grafiek 3: Saamgestelde leidende aanwyser van inflasie**



puntewaarde daaraan toegeken is. Hieronder tel oormaatvraag, aanbodtekorte, kostestygings en inflasieverwagtings. In baie gevalle is die datareekse omskep tot persentasieveranderings oor 'n tydperk van twaalf maande om met die meting van inflasie ooreen te stem. In die geval van tydreekse met kwartaalike frekwensies is die data herlei tot tydreekse met 'n maandelikse frekwensie.

**Tabel 2. Leidende aanwysers van inflasie**

Aanwyser	Meeteenheid
Waarde van kleinhandelsverkope teen konstante prys	Persentasieverandering oor twaalf maande
Bruto binnelandse besteding as persentasie van bruto binnelandse produk	Persentasie en herlei tot maandelikse frekwensie
Produksiegaping (verskil tussen potensiële en werklike reële bruto binnelandse produk in die private sektore buite die landbou)	Persentasie en herlei tot maandelikse frekwensie
Afleweringstydperk van bestellings geplaas in die fabriekswese (opinie-opname)	Netto persentasie en herlei tot maandelikse frekwensie
Arbeidskoste per eenheid produksie in die sektore buite die landbou	Persentasieverandering oor vier kwartale en herlei tot maandelikse frekwensie
Pryse van ingevoerde goedere en nie-faktordienste	Persentasieverandering oor vier kwartale en herlei tot maandelikse frekwensie
M3-geldvoorraad	Persentasieverandering oor twaalf maande
Opbrengskoers op staatseffekte met 'n looptyd van tien jaar en langer	Persentasie
Verwagte gemiddelde kleinhandelsverkoopprys (opinie-opname)	Netto persentasie en herlei tot maandelikse frekwensie



**Tabel 3. Draaipunte van die saamgestelde leidende aanwyser**

	Leidende aanwyser	Verwysings- datareeks van inflasie	Leityd (maande)
Trog .....	Aug 1983	Aug 1984	12
Piek .....	Okt 1984	Jan 1984	15
Trog .....	Feb 1987	Okt 1988	20
Piek .....	Mei 1989	Jul 1991	26
Trog .....	Nov 1993	Okt 1995	23
Piek .....	Aug 1996*	...	...

\* Hoewel die leidende aanwyser vroeg in 1995 'n "hoogtepunt" getoon het, kon hierdie "hoogtepunt" uitsluitlik toegeskryf word aan twee komponente wat buitengewoon sterk opwaartse bewegings getoon het en toe deur 'n regstelling gevolg is.

Eerstens is die sterk druk op die binnelandse opbrengskoers op langtermynneffekte in 1994 veroorsaak deur faktore soos onsekerhede oor politieke ontwikkelings en besorgdheid oor die regering se groot finansieringsbehoefes.

Tweedens het die getal vervaardigers wat 'n verlenging in die afleweringstyd van bestellings ondervind het, in 1994 skerp toegeneem.

Die nege aanwysers wat gekies is om as leidende aanwysers van inflasie te dien, word in Tabel 2 voorgestel. Hierdie nege individuele komponente is in 'n enkele saamgestelde aanwyser saamgevat deur gebruik te maak van die tegnieke wat deur Van der Walt en Pretorius (1995) beskryf is.

Die samehang tussen die verloop van die saamgestelde leidende aanwyser en inflasie word in Tabel 3 (asook in Grafiek 3) getoon. Die veranderings in die rigting van die saamgestelde aanwyser het vroeë waarskuwings van veranderings in die rigting van inflasie gegee – sowat een tot twee jaar voor die werklike verandering in die verwysingsdatareeks van inflasie plaasgevind het.

### Slotopmerkings

Die saamgestelde leidende aanwyser van inflasie was gedurende die tagtigerjare 'n betroubare voorspeller van die draaipunte van inflasie. Die voorspellingskrag van die aanwyser het in die negentigerjare oor die algemeen ongeskonde gebly. 'n Diep laagtepunt in die leidende aanwyser in 1993 is in 1995 deur 'n laagtepunt in die verwysingsdatareeks gevolg.

Nadat die saamgestelde leidende aanwyser in 1996 'n hoogtepunt bereik het, het dit afwaarts beweeg. Hierdie beweging moet egter nog beslissend in 'n verdere verlangsaming in die koers van toename in verbruikerspryse weerspieël word. Bewegings in inflasie in die komende maande sal waarskynlik bevestig dat die

saamgestelde aanwyser ook onder heersende omstandighede nog steeds 'n betroubare voorspeller van die beweging in verbruikersprysinflasie is.

### Verwysings

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## Note to tables

## Opmerking oor tabelle

### Balance of payments - Table S-86 to S-91

The results of the Census of Foreign Transactions, Liabilities and Assets, which was taken for 1995, allowed for a comprehensive review of the statistical presentation of the international investment position of South Africa. Revised data resulting from the information obtained from the census are presented in this edition of the *Quarterly Bulletin*.

The international investment position of the country was updated to present the results of the census for 1995 and preliminary estimates of foreign liabilities and assets for 1996. The full results of the census are scheduled for release in a special supplement to the March 1998 edition of the *Quarterly Bulletin*. By that time, the country's international investment position for 1996 is expected to be reviewed again. Estimates of international capital flows for 1996 will probably also be affected by the revision envisaged for March 1998. The classification of foreign liabilities in 1996 according to sectors of economic activity will be announced in March 1998.

Certain balance sheet items were reclassified from one category of liabilities or assets to another. Borrowing from non-resident sources by the monetary sector, but then onlent to domestic public- and private-sector institutions, were formerly classified as foreign liabilities of the end-user of the funds, or the ultimate debtor. These items were reclassified for the period from 1989 as short-term foreign liabilities of the monetary sector. Debt owed to non-resident entities, which had been renegotiated and converted into medium- and long-term loans in terms of successive special arrangements with foreign creditors, was similarly reclassified as long-term liabilities of the monetary sector instead of the liabilities of the ultimate debtor.

### Betalingsbalans - Tabel S-86 tot S-91

Die resultate van die Sensus van Buitelandse Transaksies, Laste en Bates wat vir 1995 opgeneem is, het 'n volledige hersiening van die statistiese aanbieding van die internasionale beleggingsposisie van Suid-Afrika moontlik gemaak. Hersiene gegewens voortspruitend uit die inligting wat uit die sensus verkry is, word in hierdie uitgawe van die *Kwartaalblad* beskikbaar gestel.

Die internasionale beleggingsposisie van die land is aangepas om die resultate van die sensus vir 1995 en voorlopige ramings van die buitelandse laste en bates vir 1996 te weerspieël. Die volledige resultate van die sensus is geskeduleer vir vrystelling in 'n spesiale bylaag tot die *Kwartaalblad* van Maart 1998. Die internasionale beleggingsposisie vir 1996 sal dan na verwagting weer hersien word. Ramings van internasionale kapitaalvloeiinge vir 1996 sal waarskynlik ook beïnvloed word deur die hersienings wat vir Maart 1998 in die vooruitsig gestel word. Die klassifikasie van buitelandse laste in 1996 volgens sektore van ekonomiese bedrywigheid sal in Maart 1998 bekend gemaak word.

Sekere balansstaatposte is herklassifiseer van een kategorie van laste of bates na 'n ander. Lenings van buitelandse bronne aan die monetêre sektor, wat daarna aan binnelandse instellings in die openbare en private sektor deurgeleen is, was voorheen as buitelandse laste van die eindgebruiker van die fondse of die uiteindelijke debiteur geklassifiseer. Hierdie items is vir die tydperk vanaf 1989 onder korttermyn buitelandse laste van die monetêre sektor gegroepeer. Op dieselfde manier is skuld wat aan buitelandse entiteite verskuldig is en wat ingevolge opeenvolgende spesiale ooreenkomste met buitelandse krediteure (medium- en langtermynlenings) heronderhandel is, onder langtermynlaste van die monetêre sektor pleks van die laste van die uiteindelijke debiteur gegroepeer.