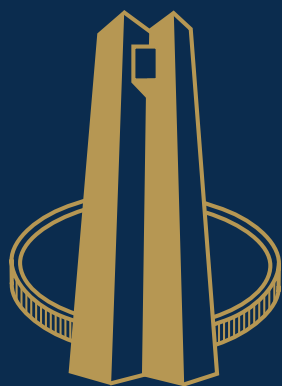


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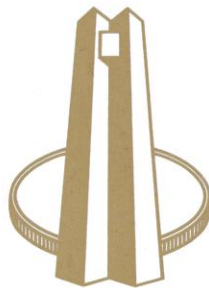


South African Reserve Bank
Suid-Afrikaanse Reserwebank

Quarterly Bulletin Kwartaalblad

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

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Quarterly economic review

Introduction

Weaker growth in aggregate production in the non-agricultural sectors of the economy in 1996 was largely concealed by a simultaneous strong expansion of agricultural output volumes. The weakening in non-agricultural growth continued into 1997 and total real gross domestic product declined in the first quarter when real income in the agricultural sector also fell back from the high levels of the previous year. Non-agricultural economic activity then increased at a somewhat unexpectedly robust rate in the second quarter of 1997. Notwithstanding this increase, growth in the aggregate gross domestic product has evidently slowed down from the levels attained in 1995. Although the gross domestic product was still expanding in the first half of 1997, the average growth rate over the past six quarters appears to have been lower than the long-term growth potential of the economy.

The renewed expansion of economic activity in the second quarter of 1997 originated in the secondary and tertiary sectors. Manufacturing output rose strongly in response to the increased demand for exports of manufactured goods from South Africa. This had multiplier effects on other sectors of economic activity – especially the transportation and communication sectors benefited from the high activity level of the manufacturing sector. The growth in the combined secondary and tertiary sectors consequently accelerated from an annualised rate of 2 per cent in the first quarter of 1997 to 3½ per cent in the second quarter, thereby raising the level of overall gross domestic product to about 2 per cent higher in the first half of 1997 than in the first half of 1996.

Whereas the growth rate in real gross domestic product decelerated, but still remained firmly positive, the rate of change in real gross domestic expenditure already turned negative from the third quarter of 1996. Even though total real gross domestic expenditure increased again slightly in the second quarter of 1997, it was still lower than in the second quarter of 1996. The rates of expansion in real private consumption expenditure and in real gross domestic fixed investment have generally slowed down since the first half of 1996, whereas inventory levels were reduced by businesses in an attempt to improve the return on total assets. In contrast, real consumption expenditure by general government increased at rates well in excess of those of the other components of real gross domestic expenditure.

The disparate movements in the growth in gross domestic product and in gross domestic expenditure over the past year established a healthier balance between aggregate supply and demand in the domestic

economy. In fact, real gross domestic expenditure fell below real gross domestic product in the fourth quarter of 1996 and remained so in the ensuing two quarters. This had the beneficial effects of reducing inflationary pressures in the economy and creating a smaller deficit on the current account of the balance of payments. Inflation, as reflected in changes in production and consumer prices, declined again in the second quarter of 1997. Nominal remuneration per worker in the non-agricultural sectors of the economy, especially in the private sector, has generally tended to increase at diminishing rates since the beginning of 1996. The tightening of monetary policy in 1996 when the rand was weakening, apparently averted a potentially harmful spiral of wage and price increases and repetitive depreciations of the rand.

The better balance established between aggregate supply and demand also resulted in slower growth in the domestic demand for imported goods, and provided a strong thrust in the supply of goods available for export. The relative slack domestic demand created capacity to meet the increased international demand for South African manufactured goods. This adjustment was assisted by the decline in the exchange rate of the rand during 1996, which increased the price competitiveness of exporters and domestic import-competing industries. The growth in the value of merchandise exports accordingly made a notable contribution to the contraction of the deficit on the current account of the balance of payments to just 0,6 per cent of the gross domestic product in the second quarter of 1997.

The better macroeconomic balance in South Africa also encouraged a strong inward movement of capital into the economy. Long-term international capital inflows in the form of portfolio investments in securities issued by public-sector bodies, bolstered by non-resident participation in the partial privatisation of Telkom, were predominantly responsible for the unprecedentedly high surplus on the capital account of the balance of payments in the second quarter of 1997. The monetary sector experienced an increase in non-resident foreign currency and rand-denominated deposits as non-residents became increasingly active in the domestic foreign-currency and other financial markets and also sought resources to serve as collateral for securities-lending operations between non-residents and local institutional investors.

The surplus on the overall balance of payments in the second quarter of 1997 had as a further consequence a sizeable improvement in the gold and foreign reserves of the country for the third quarter in succession. The outcome of this was that the country's gross international reserves at the end of the second quarter of 1997 were

the equivalent of 9½ weeks' worth of imports of goods and services. Despite the more positive sentiment created in the foreign currency markets by the higher level of international reserves, the strength of the United States dollar and the downgrading of emerging-market investments caused the rand to lose value against the dollar during the second quarter of 1997. This depreciation notwithstanding, the rand has still increased in value on a trade-weighted basis against the major currencies from the beginning of 1997.

The growth in the broadly defined money supply slowed down slightly in the second quarter of 1997, but remained well above the upper limit of the money growth guideline range. Despite this slowdown, the ratio of broad money supply to gross domestic product in the second quarter of 1997 was at its highest level since 1980. This high ratio partly reflected the strong liquidity preference of the general public and the high activity levels in the South African securities markets. It simultaneously held the potential threat of an undue expansion in domestic demand, with accompanying inflationary consequences, if these money balances were deployed in the goods markets.

Although net credit supplied by the monetary sector to the government sector declined in the second quarter of 1997, the claims of the banks on the private sector increased at an accelerated pace. The rise in overall domestic credit extension was also the main statistical counterpart of the continued expansion of the money supply. A number of reasons may be put forward to explain the strong expansion of bank credit to the non-bank private sector. These included increased borrowing from banks by local authorities and rapidly expanding turnovers in the domestic securities markets. Irrespective of the causes behind this expansion, the continued extension of bank credit at a rate grossly unrelated to economic growth potential will eventually raise inflationary pressures in any economy.

Bond yields generally declined in the first eight months of 1997 as expectations of improved overall financial stability, lower inflation and imminent reductions in Bank rate abounded. The relative strength of the rand and the attractive yields available on South African bonds elicited interest from non-resident investors, which reinforced the downward tendency of bond yields. Positive investors' sentiment also prevailed in the share market where prices rose over the first eight months of 1997 after a rather extended period of consolidation had been experienced in 1996. The prices of gold-mining shares, however, declined fairly substantially in the second half of 1996 and the first half of 1997.

Money market conditions eased considerably in the second quarter of 1997 as the amount of borrowing at the accommodation window of the Reserve Bank declined against the backdrop of a large increase in the Bank's net foreign assets. The Reserve Bank allowed the market to unfold in this manner and money market interest rates declined throughout the second quarter

and the first two months of the third quarter. The yield curve accordingly drifted lower, becoming extremely flat in the area beyond three years. The steep inversion of the curve inside the three-year maturity area could indicate expectations of imminent declines in official money-market lending rates, whereas the flatness of the curve in the area beyond three years might indicate some scepticism about a sustained move towards lower inflation in the longer run.

The primary bond market was still dominated by public-sector organisations. Virtually all capital raised in the first half of 1997 through issues of fixed-interest securities was intended for the financing of public-sector bodies. The amount of funding acquired through these means was also substantially more than during the corresponding period of 1996. When private-sector companies ventured into the primary capital market, their activities were exclusively confined to the share market. As was the case in the primary bond market, new issues in the primary share market in the first half of 1997 were substantially more than in the first half of 1996.

The high levels of activity in the securities markets redounded to the formal derivatives markets and the turnover of options and futures contracts increased strongly. The demise of centralised marketing arrangements for agricultural products brought with them sizeable increases in the trade of maize commodity futures. Activity in the real-estate market recovered somewhat from the low levels of the second half of 1996, but was still rather subdued compared with trading conditions in 1994.

The public-sector borrowing requirement, i.e. the deficit before borrowing of general government and all non-financial enterprises in the public sector, increased in rand value and as a percentage of gross domestic product from the first quarter of fiscal 1996/97 to the first quarter of fiscal 1997/98. Of concern was the fact that this deterioration in the public finances occurred essentially at the level of the national government and that the Exchequer deficit in the first four months of fiscal 1997/98 amounted to almost 45 per cent of the deficit envisaged for the fiscal year as a whole. Government dissaving persisted in the second quarter of 1997, thereby aggravating the dearth of domestic saving. A substantial portion of domestic investment requirements had to be financed by means of a net inflow of capital from abroad in the second quarter of 1997.

The aggregate level of employment in the formal sectors of the economy declined again in the first quarter of 1997. According to current estimates regarding the size of the economically active population, less than half of the workforce was gainfully employed in the modern sectors of the economy. The urgency of this problem was reaffirmed by the announcement of a Presidential Jobs Summit to be held soon. At this summit the causes of high unemployment as well as other issues that may lead to the resolution of this seemingly intractable problem will be discussed.

Domestic economic developments

Domestic output

The *aggregate real gross domestic product* rose at a seasonally adjusted and annualised rate of 2½ per cent in the second quarter of 1997, after it had fallen by 1 per cent in the first quarter. Despite this turn-about in quarter-to-quarter growth, the year-on-year growth in the first half of 1997 was still below that of 1996. When the first half of 1997 is compared with the first half of 1996, year-on-year growth is estimated at 2 per cent; in calendar 1996 the real gross domestic product expanded by 3 per cent.

The recovery in the growth of total real output in the second quarter of 1997 was brought about by increases in real value added by the secondary and tertiary sectors of the economy, which more than outweighed a decline in the primary sectors. In the *non-agricultural sectors* growth in real value added accelerated from 1½ per cent in the first quarter of 1997 to 3 per cent in the second quarter. This increase in real output growth was evident in all the major sectors of the economy – primarily in the manufacturing sector and the sectors supplying electricity, gas and water, and transport and communication services.

A sectoral analysis shows that real output by the *agricultural sector* declined at a seasonally adjusted and annualised rate of 5½ per cent in the second quarter of 1997 after it had declined at an annualised rate of about 39½ per cent in the first quarter. These declines could be attributed to the lower production volumes of most summer crops and delays in the harvesting of the bulk of

the maize crop until the third quarter of 1997 owing to uncommonly high rainfall in the second quarter.

The growth in the real value added by the *mining sector* increased slightly at an annualised rate of 1½ per cent in the second quarter of 1997, after a decline of ½ per cent had been recorded in the first quarter. Despite a decline in the volume of gold-mining production, relatively strong increases in real value added by the non-gold-mining sector succeeded in raising the output level of the mining sector as a whole. While real value added by the non-gold-mining sector generally benefited from an increase in export demand, coal production, in particular, was boosted by higher export volumes to existing markets and the development of new markets in some East Asian countries. Crude oil extraction also commenced off the South Cape coast during the second quarter.

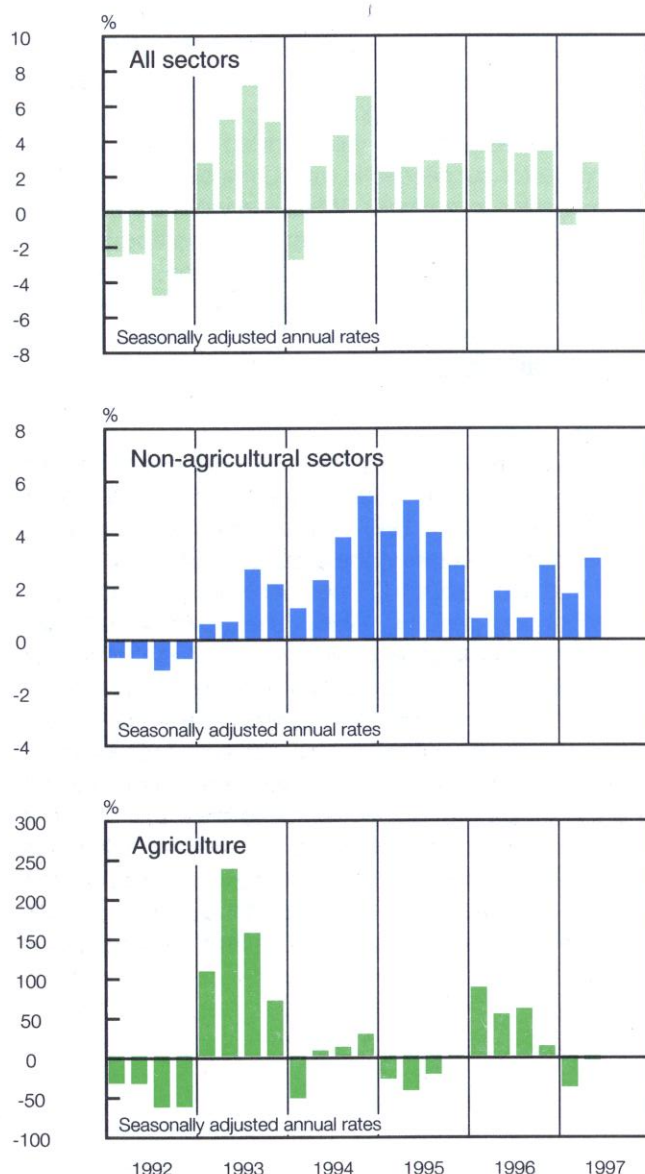
Real value added by the *secondary sectors* rose strongly at annualised rates of 5 and 6½ per cent in the first two quarters of 1997. This brought real output by the secondary sectors in the second quarter of 1997 to a level that was about 3½ per cent higher than in the corresponding period in 1996. The growth in real value added by the secondary sectors stemmed mainly from firm increases in real output by the *manufacturing sector*, which accelerated from an annualised rate of 5½ per cent in the first quarter of 1997 to 7 per cent in the second quarter. Although output increases were noticeable over a broad range of manufacturing activities, the growth in real value added in the second quarter of 1997 was particularly strong in the subsectors producing base metals and machinery and transport equipment. Firm international demand for South African manufactured

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
Primary sectors	23	13	15	5½	8	-18½	-1
Agriculture	86½	53	60	12½	26	-39½	-5½
Non-agricultural sectors.....	1	2	1	3	2	1½	3
Mining.....	-½	-5	-7½	1	-1½	-½	1½
Non-primary sectors.....	½	3	1½	2½	2	2	3½
Secondary sectors	½	3	½	2½	1	5	6½
Manufacturing.....	-1	3	-1	2	½	5½	7
Tertiary sectors.....	1	3	2	3	3	0	1½
Commerce.....	-2½	5½	0	3	3½	-2	1½
Transport, storage and communication	1	2	3	2½	3	½	4½
Financial and other services	3½	3	4	4	3½	2	2
Total	3½	3½	3	3½	3	-1	2½

Growth in real gross domestic product



goods, reinforced by the improved price competitiveness of domestic manufacturers and the continued expansion of domestic fixed investment, provided the thrust for the rise in manufacturing output. In addition, manufacturing output benefited from a decline in the number of man-days lost owing to labour disruptions during the first half of 1997.

The growth in the real value added by the sector supplying electricity, gas and water accelerated from an annualised rate of increase of 4½ per cent in the first quarter of 1997 to 6 per cent in the second quarter. As a result, year-on-year growth in real output in this sector came to 5½ per cent in the first half of 1997, which is

slightly higher than the average growth rate of 5 per cent registered in 1996 as a whole. The proximate causes of the growth in electricity supply were the sustained increases in real domestic final demand, growing demand for electricity from neighbouring countries and the ongoing expansion of the electricity and water networks to the less-developed regions of the country.

Real value added by the *tertiary sectors* showed virtually no growth in the first quarter of 1997, but increased at an annualised rate of 1½ per cent in the second quarter. Strong growth in real value added by the transport, storage and communication sector and a recovery from negative growth in the first quarter to positive growth in the second quarter by the wholesale and retail trade sectors were mainly responsible for the improvement in real value added by the tertiary sectors.

Real value added by the *wholesale, retail and motor trade sectors* increased at a seasonally adjusted and annualised rate of 1½ per cent in the second quarter of 1997 after it had declined by almost 2 per cent in the first quarter. Retail trade registered relatively strong growth, that was broadly in keeping with the continued expansion of private consumption expenditure, in the second quarter of 1997. The level of real value added by the *motor trade* remained almost unchanged from the first to the second quarter of 1997, partly reflecting the adverse effect that the introduction of more stringent fringe-benefit taxes had on sales of new motor cars.

The growth in real value added by the *transport, storage and communication sector* accelerated strongly from an annualised rate of ½ per cent in the first quarter of 1997 to 4½ per cent in the second quarter. The transportation sector has benefited from the high volume of foreign trade and tourism since the beginning of 1997. In the case of communication services, real value added increased due to the expansion of the national telephone network and the highly buoyant cellular telephone market.

In the *finance, real estate and business services sector* real value added increased at a steady seasonally adjusted and annualised rate of approximately 2 per cent in both the first and second quarters of 1997. In 1996 the average growth in real value added by this sector was 3½ per cent. The slower growth in real value added by the financial services sector was the net result of continuing high activity levels in the financial markets, which were partly offset, however, by the relative slackness in the real-estate market.

Domestic expenditure

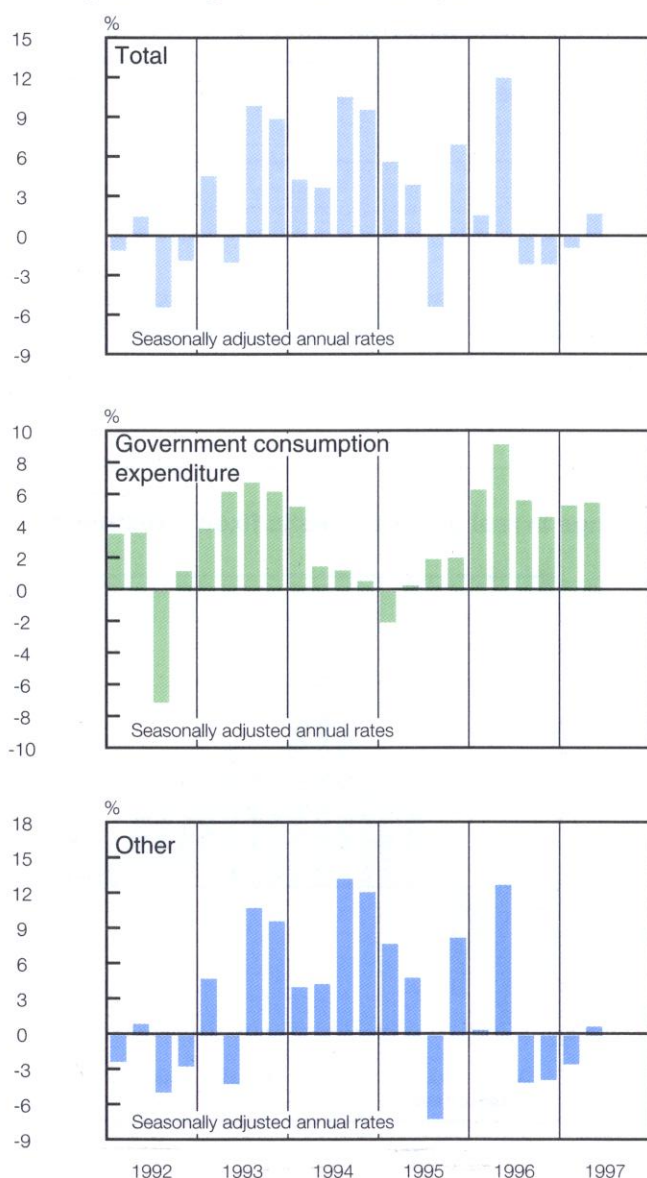
Quarter-to-quarter declines in *real gross domestic expenditure*, varying between annualised rates of 1 per cent and 2 per cent since the third quarter of 1996, were followed by a modest recovery at an annualised rate of 2 per cent in the second quarter of 1997. The increase in the second quarter of 1997 was brought about by a slight acceleration in the growth of real gross domestic final demand, which more than offset a further decline in

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
Private consumption expenditure	3½	4	3	2½	4	1	1
Government consumption expenditure.....	6½	9	5½	4½	5	5½	5½
Gross domestic fixed investment.....	8	6	4½	2½	7	2	3
Change in inventories (R billions)*	1,4	6,7	3,0	0,2	2,8	-1,8	-2,2
Gross domestic expenditure	1½	12	-2	-2	3	-1	2

* Constant 1990 prices

Change in real gross domestic expenditure

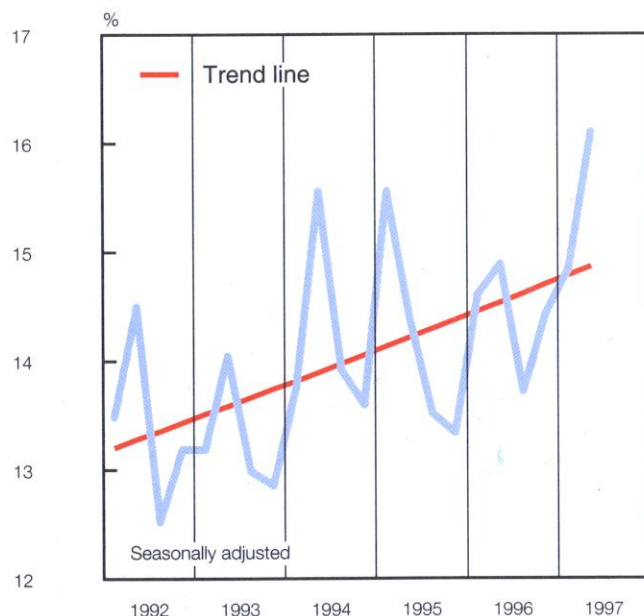
real inventory investment. Notwithstanding these developments, the level of total real gross domestic expenditure in the second quarter of 1997 was still about 1 per cent lower than in the second quarter of 1996.

Growth in *real private consumption expenditure* slowed down from quarter-to-quarter annualised rates that varied from 2½ and 4 per cent in 1996 to 1 per cent in each of the first two quarters of 1997. Real expenditure by households on semi-durable goods and services still increased modestly in the second quarter of 1997, but real spending on durable and non-durable goods remained at about the same level as in the first quarter of 1997. The pause in the growth of real outlays on durable goods was the result of a decline in real expenditure on personal transport equipment, which neutralised an increase in real expenditure by households on furniture and household appliances in the second quarter of 1997. The relatively strong demand for furniture and household appliances probably benefited from the progress made with the national housing and electrification programmes.

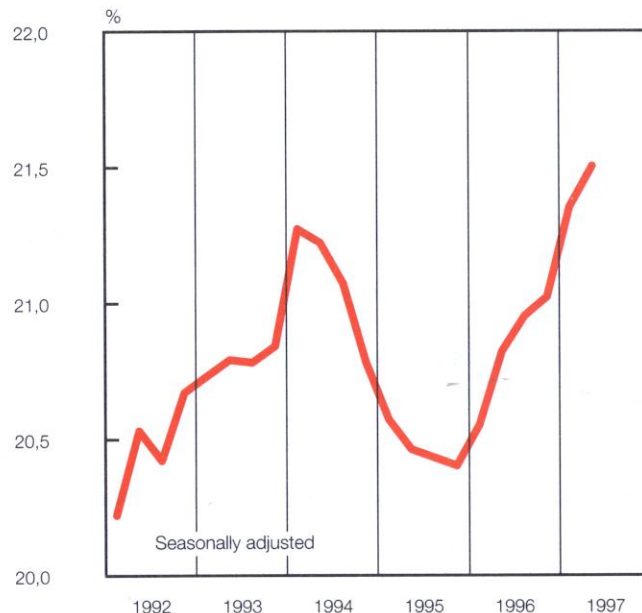
Real outlays on semi-durable goods slowed down from an annualised growth rate of 2½ per cent in the first quarter of 1997 to 1½ per cent in the second quarter. In general, the slowdown in the growth of private consumption expenditure since the fourth quarter of 1996 could mainly be attributed to the sustained high debt-to-income ratio of households, the rising cost of servicing debt as well as the burden imposed on households by rising taxes. The ratio of direct taxes paid by households as a percentage of current income increased from an average of 14½ per cent in 1996 to about 15½ per cent in the first six months of 1997. This is well above the long-term average.

Real *consumption expenditure by general government* continued to increase in the second quarter of 1997. Real outlays on goods and services rose at an average rate of 5 per cent during 1996, and at an even higher seasonally adjusted and annualised rate of 5½ per cent in both the first and second quarters of 1997. These strong increases occurred at all levels of general

Direct taxes of households as percentage of current income



Real government consumption expenditure as percentage of real gross domestic product



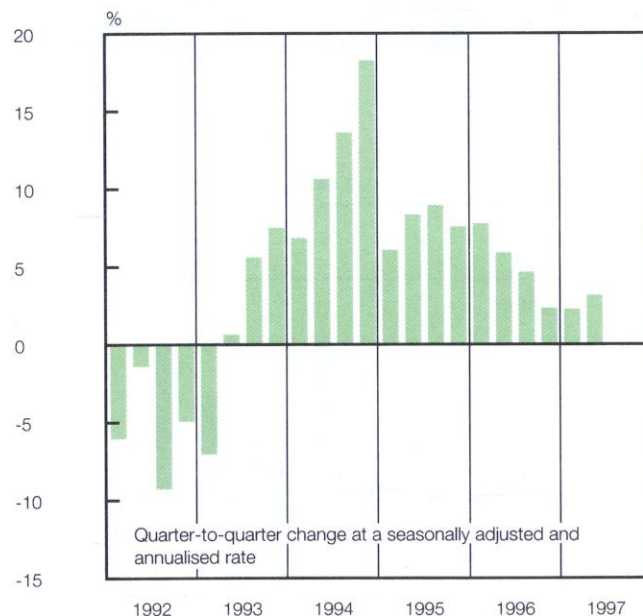
government, especially in real expenditure on intermediate goods and services. The average level of real outlays by general government on goods and services of a non-capital nature was about 13½ per cent higher in the first half of 1997 than in the corresponding period in 1996. The level of total consumption expenditure by general government as a percentage of gross domestic product accordingly increased from 20½ per cent in the first half of 1996 to 21½ per cent in the first half of 1997.

The growth in *aggregate real gross domestic fixed investment*, which slowed down from 8 per cent in the first quarter of 1996 to 2 per cent in the first quarter of 1997, accelerated somewhat in the second quarter of 1997 to a seasonally adjusted and annualised rate of 3 per cent. The increase in real capital formation in the second quarter of 1997 was brought about by accelerated investment expenditure by private business enterprises and public authorities, while the increase in outlays on capital goods by public corporations slowed down. As a result, the level of real gross domestic fixed investment in the second quarter of 1997 was about 3 per cent higher than in the second quarter of 1996.

Growth in total real gross domestic fixed investment in the *private sector* accelerated from 2 per cent in the first quarter of 1997 to 3 per cent in the second quarter. With the exception of the agricultural sector, all the major sectors contributed to the growth in real fixed investment in the second quarter of 1997. A significant portion of investment expenditures consisted of new

developments and improvements of existing infrastructure in order to keep abreast of more advanced production technology.

Change in real gross domestic fixed investment



In the case of the *public sector*, the growth in real fixed investment improved slightly from an annualised rate of about 3 per cent in the first quarter of 1997 to 3½ percent in the second quarter. Increased real fixed investment by public authorities was evident at all three tiers of general government. Likewise, capital formation by public corporations increased in the second quarter, albeit at a slower pace than in the previous quarter, as increases in capital expenditure by the transport, storage and communication sector outweighed a decline in investment expenditure by Eskom during this quarter.

Investment in *inventories* at constant 1990 prices was negative at an annualised value of about R2,2 billion in the second quarter of 1997. This was slightly more than the decline of R1,8 billion registered in the first quarter. The decline in the second quarter of 1997 was mainly evident in the manufacturing, wholesale trade and retail trade sectors. Contrary to developments in the other sectors of the economy, the level of agricultural stocks-in-trade increased on account of the harvesting of summer crops and the pre-emptive importation of wheat supplies. The decline in inventory investment caused the ratio of industrial and commercial inventories to the non-agricultural gross domestic product to decline to a level fractionally below 18 per cent in the second quarter of 1997 compared with a ratio marginally higher than 18 per cent in the first quarter.

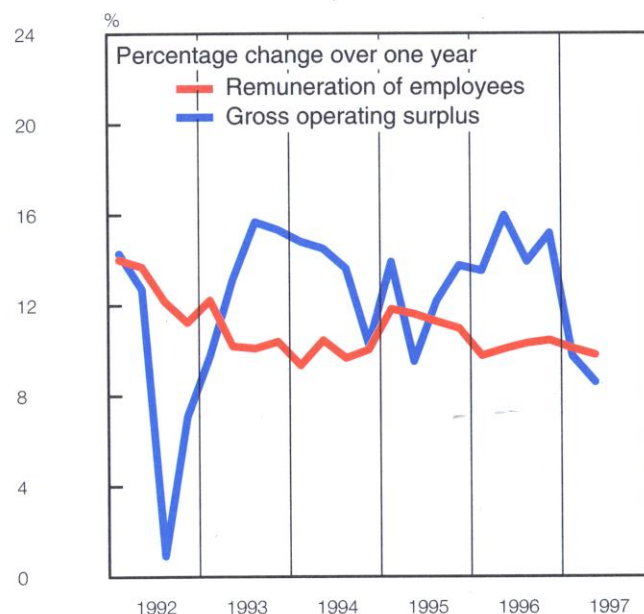
Factor income

The year-on-year growth in aggregate *nominal factor income* at market prices amounted to 12 per cent in 1996, but then declined to 10½ per cent in the first quarter of 1997 and 9½ per cent in the second quarter. This slowdown was the outcome of a slackening in the year-on-year increase of the operating surpluses of business enterprises and almost constant growth in total labour remuneration.

The year-on-year growth in the *gross operating surpluses* of business enterprises declined from 10 per cent in the first quarter of 1997 to 8½ per cent in the second quarter. This can mainly be attributed to an almost stable year-on-year rate of increase in the gross operating surpluses of the secondary and tertiary sectors, and a decline in the gross operating surplus of the primary sector. The gross income of farmers declined on account of a reduction in the production volumes of summer crops in the first half of 1997, whereas the profitability of the mining sector was negatively influenced by increases in production costs and declining output prices.

In contrast, the year-on-year growth in the *remuneration of employees* amounted to 10 per cent in both the first and second quarters of 1997. This unchanged growth of total salaries and wages was evident in almost all the sectors of the economy and was the net result of declines in non-agricultural employment and salary and wage increases in excess of the corresponding consumer-price inflation rate.

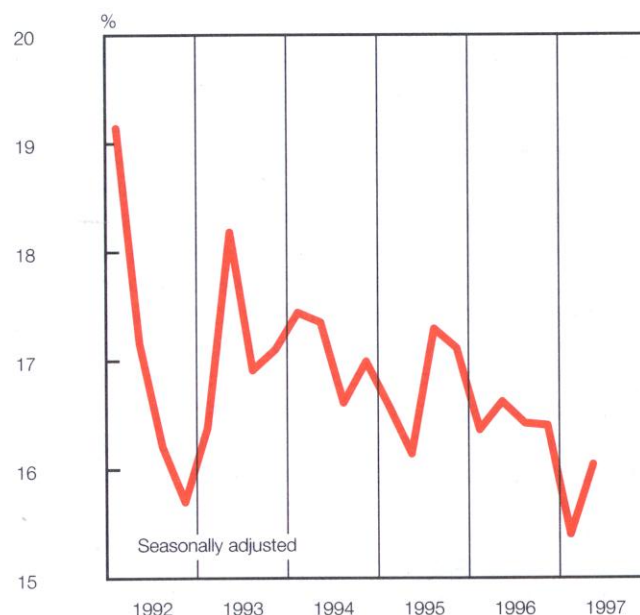
Remuneration of employees and gross operating surplus



Domestic saving

The domestic savings ratio (i.e. gross domestic saving as a percentage of gross domestic product) improved marginally from about 15½ per cent in the first quarter of 1997 to about 16 per cent in the second quarter.

Gross domestic saving as percentage of gross domestic product



However, gross domestic saving was still inadequate to meet the domestic investment needs and about 3½ per cent of gross domestic investment had to be financed by importing foreign saving into the economy.

While net *dissaving by general government* declined somewhat from R22,9 billion (seasonally adjusted and annualised) in the first quarter of 1997 to R20,6 billion in the second quarter, saving by the private sector remained weak. Household saving was constrained by rising debt and high debt servicing costs. As a consequence, household saving as a percentage of personal disposable income stayed at 1½ per cent in the second quarter of 1997. Corporate saving increased only slightly in the second quarter of 1997 as operating surpluses – especially in the primary sectors of the economy – came under pressure.

Employment

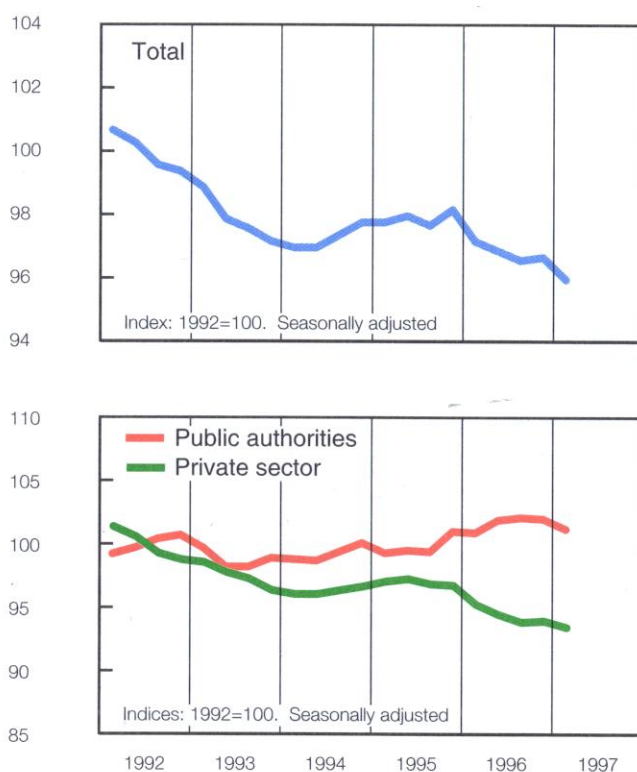
Total employment in the formal non-agricultural sectors of the economy increased at a seasonally adjusted and annualised quarter-to-quarter rate of 0,3 per cent in the fourth quarter of 1996 – the only quarter-to-quarter increase in calendar 1996 – but then declined by 2,5 per cent in the first quarter of 1997. When the first quarter of 1997 is compared with the first quarter of 1996, the year-on-year decline in total employment came to 62 000 employment opportunities or 1,2 per cent, as against a year-to-year decline of 1,1 per cent in the average level of employment in 1996. The causes of high unemployment and all issues relating to the lack of an employment-creating capacity in the South African economy will be discussed comprehensively at a Presidential Jobs Summit scheduled for later in 1997.

Employment in the *private non-agricultural sectors* of the economy, which constituted 65 per cent of total employment in the formal non-agricultural sectors in 1996, declined at a seasonally adjusted and annualised rate of 2,3 per cent in the first quarter of 1997, compared with a modest increase of about 0,7 per cent in the fourth quarter of 1996. More than 70 per cent of the 20 000 net number of lost job opportunities in the first quarter of 1997 occurred in the wholesale, retail and motor trade sectors. Relatively small employment gains were nevertheless made in the electricity generation sector and services industries such as hotels, washing and dry-cleaning services and private road transportation.

Employment in the *public sector*, which had increased at an average annualised rate of 0,9 per cent from 1989 to 1995, declined by 0,5 per cent (at a seasonally adjusted annualised rate) in the fourth quarter of 1996 and 3,0 per cent in the first quarter of 1997. This decline is consistent with the objective of a smaller, but more efficient public service as outlined in the government's strategy for *Growth, Employment and Redistribution* (GEAR).

According to the October Household Survey for 1995, 29,3 per cent of the economically active population was found to be unemployed when the expanded

Non-agricultural employment



definition of unemployment was applied. In terms of this definition an unemployed person only has to express the desire to work, irrespective of whether active steps have been taken to find employment, in order to be classified

Table 3. Employment in the non-agricultural sectors of the economy

Percentage change over one quarter at seasonally adjusted annualised rates

	Private sector	Public sector	Total
1995: 1st qr.....	1,8	-2,9	0,2
2nd qr	0,9	0,7	0,8
3rd qr	-1,6	-0,5	-1,3
4th qr	-0,6	6,6	1,7
1996: 1st qr.....	-5,8	-0,2	-3,9
2nd qr	-3,4	3,9	-1,0
3rd qr	-2,7	0,9	-1,5
4th qr	0,7	-0,5	0,3
1997: 1st qr.....	-2,3	-3,0	-2,5

as unemployed. The expanded definition of unemployment may currently be more appropriate in South Africa where employment opportunities are extremely limited and many unemployed people have ceased to search for jobs because of high transportation costs. The unemployment rate was much lower among those who had successfully completed at least twelve years of schooling than among those with less formal schooling, which suggests that at least part of the longer-term solution for the phenomenon of unemployment is to be found in education and training which are currently being emphasised.

Labour costs and productivity

The year-on-year rate of increase in *nominal remuneration per worker* in the non-agricultural sectors of the economy slowed down from 11,1 per cent in the first quarter of 1996 to 8,9 per cent in the fourth quarter, but then accelerated to 9,8 per cent in the first quarter of 1997. This acceleration was essentially caused by a quickening in the year-on-year rate of increase in the remuneration of workers in the public sector from 8,4 per cent in the third quarter of 1996 to 9,0 per cent in the fourth quarter and 11,8 per cent in the first quarter of 1997. In contrast, the increase in the nominal remuneration per worker in the *private non-agricultural sectors* declined from a year-on-year rate of 12,5 per cent in the first quarter of 1996 to 8,5 per cent in the fourth quarter of 1996 and then maintained this lower growth rate in the first quarter of 1997. Because of the acceleration in nominal remuneration per worker, the

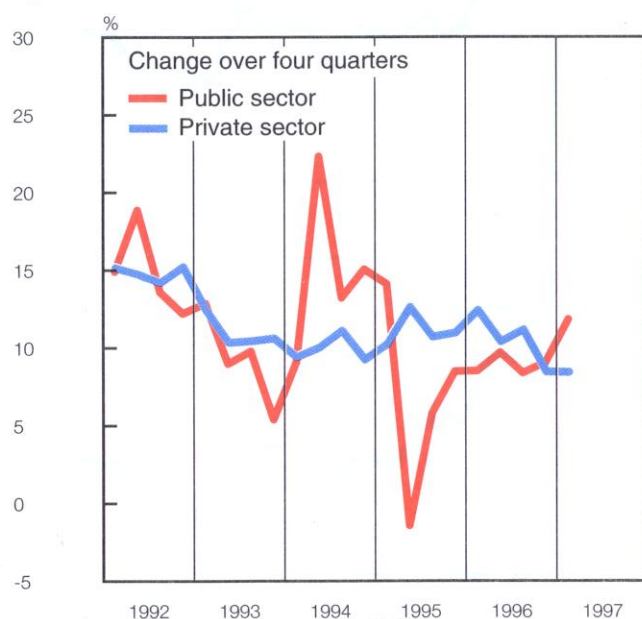
growth in the *real remuneration per worker* in the non-agricultural sectors of the economy (as deflated by the price deflator for the non-agricultural gross domestic product) accelerated from a decline over one year of 1,3 per cent in the fourth quarter of 1996 to an increase over one year of 1,4 per cent in the first quarter of 1997 – the latter being the second highest rate of increase during the last nine quarters for which observations were available.

The year-to-year rate of increase in *labour productivity* in the non-agricultural sectors amounted to 3 per cent in 1996. This rate of increase was maintained in the first quarter of 1997. The combination of firm productivity growth and a general slowdown in the growth of nominal remuneration in the non-agricultural sectors resulted in the growth of the *nominal cost of labour per unit of production* slowing down from 13,8 per cent in 1992 to 6,9 per cent in 1996 and then to a year-on-year rate of 6,6 per cent in the first quarter of 1997. These slowdowns, of course, contributed meaningfully to the containment of production and consumer price inflation in the first half of 1997.

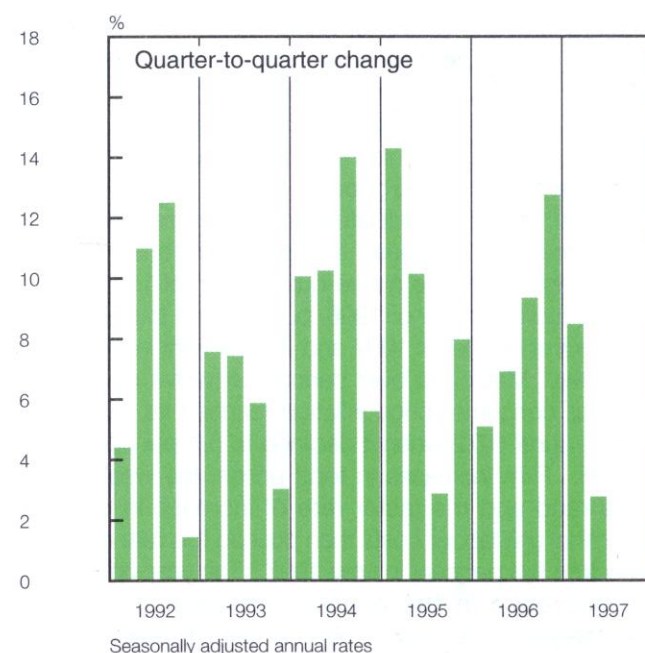
Inflation

The seasonally adjusted annualised quarter-to-quarter rate of increase in the *all-goods production price index* slowed down from a most recent high of 14,3 per cent in the first quarter of 1995 to 5,1 per cent in the first quarter of 1996. When the impact of the depreciation of the rand during 1996 began to take effect, the annualised quarterly rate of increase in the all-goods production price index accelerated to 12,7 per cent in the fourth

Nominal remuneration per worker in non-agricultural sectors



Production prices



quarter of 1996, but then subsided to 8,4 per cent in the first quarter of 1997 and to a level as low as 2,7 per cent in the second quarter. Measured over periods of twelve months, the all-goods production-price inflation rose from 5,3 per cent in April 1996 to 9,6 per cent in March 1997, but then declined consistently to 7,5 per cent in June.

The rate of increase in the *prices of domestically produced goods*, which has a weight of about 81 per cent in the all-goods production price index, declined from a seasonally adjusted and annualised rate of 13,6 per cent in the first quarter of 1995 to 4,8 per cent in the first quarter of 1996. From the second quarter of 1996 the prices of domestically produced goods accelerated to 11,4 per cent in the third and fourth quarters, but decelerated again to 7,2 per cent in the first quarter of 1997 and 6,3 per cent in the second quarter. Measured over periods of twelve months, the increase in the prices of domestically produced goods accelerated at first from 5,9 per cent in April 1996 to 9,7 per cent in April 1997 and then subsided to 8,5 per cent in June. These movements in the prices of domestically produced goods were broadly consistent with the changes in the growth of nominal unit labour costs during the period which began in 1995.

The seasonally adjusted and annualised quarter-to-quarter rate of increase in the *prices of imported goods*, which constitutes about 19 per cent of the all-goods production price index, accelerated from 2,8 per cent in the fourth quarter of 1995 to 18,1 per cent in the fourth quarter of 1996 in reaction to the weakening of the rand against other currencies. With the rand gaining strength from November 1996, the quarter-to-quarter change in the prices of imported goods decelerated to 12,4 per cent in the first quarter of 1997 and then turned negative at a rate of 10,7 per cent in the second quarter. Measured over a period of twelve months, the rate of increase in the prices of imported goods accelerated from 3,2 per cent in April 1996 to 10,3 per cent in February 1997, but then subsided to 4,1 per cent in June as the strengthening rand joined forces with declining crude oil prices to suppress the increase in the overall price level of imported goods.

The seasonally adjusted and annualised quarter-to-quarter rate of increase in the *overall consumer price index* accelerated to a nine-quarter high of 11,6 per cent in the fourth quarter of 1996, but declined to 9,5 per cent in the first quarter of 1997 and 7,1 per cent in the second quarter. Measured over periods of twelve months, the overall consumer price inflation reached its lowest level since June 1972 when it declined to 5,5 per cent in April 1996. Firm increases in food prices, the weakening of the rand and the faster rate of increase in domestic nominal unit labour costs then pushed this rate of inflation back to 9,5 per cent in May 1997. The year-on-year rate of increase in the overall consumer price index subsequently fell back to 8,8 per cent in June 1997. In July 1997 the year-on-year rate of increase in consumer prices accelerated again to 9,1 per cent, mainly on

Table 4. Percentage change in consumer prices over periods of twelve months

	Goods	Services	Total
1995: Mar.....	10,4	10,8	10,2
Jun.....	9,3	11,6	10,0
Sep.....	3,6	10,7	6,4
Dec.....	5,3	9,5	6,9
1996: Mar.....	4,5	9,3	6,3
Jun.....	5,0	9,7	6,9
Sep.....	8,0	9,2	8,4
Dec.....	8,6	10,9	9,4
1997: 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

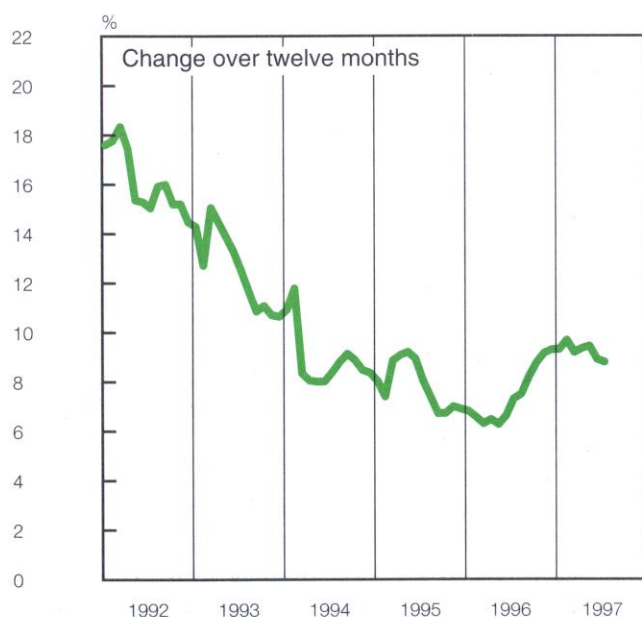
account of sharp increases in municipal tariffs including property taxes and water and electricity tariffs.

The prices of *consumer goods*, which are more amenable to changes in productivity and in nominal unit labour costs than the prices of consumer services, rose at rates well below the rate of increase in the prices of

Consumer prices



Underlying inflation



consumer services from the beginning of 1995. Recently, however, the increase over twelve months in the prices of consumer services declined from 10,9 per cent in April 1997 to 9,0 per cent in June, thereby making a noteworthy contribution to the deceleration of domestic inflation. In July 1997 the year-on-year rate of increase in the prices of consumer services accelerated to 9,6 per cent largely as a result of the steep rise in municipal tariffs.

Underlying inflation (i.e. the change in the overall consumer price index excluding the prices of food and non-alcoholic beverages, the costs of home ownership and value-added tax), which is more sensitive to changes in general monetary conditions and changing imbalances between aggregate demand and supply than "headline" inflation (i.e. the change in the overall consumer price index) accelerated at first from 4,1 per cent (at an annualised rate) in the third quarter of 1995 to 12,6 per cent in the fourth quarter of 1996, but then decelerated rapidly to 7,4 per cent in the first quarter of 1997 and 8,1 per cent in the second quarter. Underlying inflation as measured by percentage changes over twelve months rose from a most recent low of 6,3 per cent in May 1996 to a three-year high of 9,7 per cent in February 1997, but then abated gradually to 8,9 per cent in June and 8,8 per cent in July.

Foreign trade and payments

Current account

The *deficit on the current account* of the balance of payments (not adjusted for seasonal factors) shrank from R1,8 billion in the first quarter of 1997 to R0,6 billion in the second quarter; cumulatively, the deficit on the current account came to R2,4 billion in the first half of 1997 compared with the shortfall of R8,5 billion in 1996 as a whole. When adjusted for seasonal influences, the current account deficit contracted from an annualised R7,9 billion in the first quarter to R3,4 billion in the second quarter. As a ratio of gross domestic product the seasonally adjusted deficit on the current account equalled 0,6 per cent in the second quarter of 1997 compared with an average ratio of 1,6 per cent in 1996.

The reduction in the current account deficit from the first to the second quarter of 1997 was a consequence of the sharp increase in the value of *merchandise exports* which more than offset the rise in the value of goods imported, a decline in net gold export earnings and a further small increase in net service and transfer payments to the rest of the world. The trade account of the balance of payments probably still benefited from the realignment

Current account

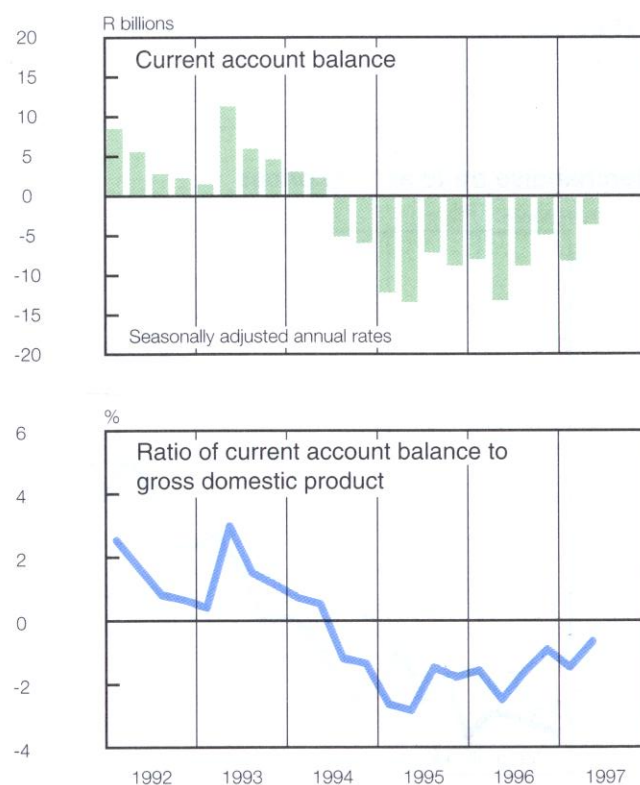


Table 5. Balance of payments on current account

Seasonally adjusted and annualised rates

R billions

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

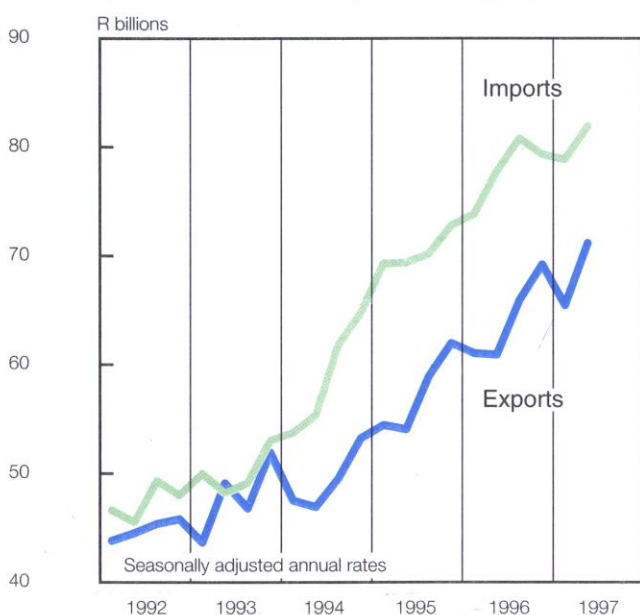
of relative prices following the depreciation of the rand in 1996, which made South African producers more price competitive in export markets and domestic import-competing industries more competitive in the domestic market.

Owing mainly to an increase in the physical quantity of goods exported, the value of South Africa's *merchandise exports* (seasonally adjusted and annualised) regained its upward trend and advanced from R105,6 billion in the first quarter of 1997 to R116,9 billion in the second quarter. The volume of exports rose by 8½ per cent from the first to the second quarter of 1997 and by 12 per cent in the first half of the year when compared with the corresponding period in 1996. This improved performance could be ascribed to the larger output of a

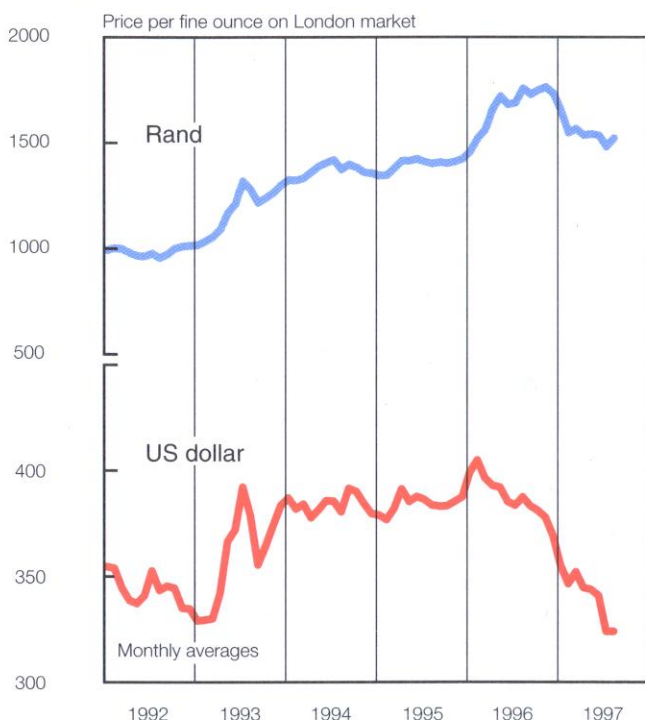
number of recently completed export-oriented mega projects, access to an increasing number of export markets and the price competitiveness gained over the past year owing to the lower external value of the rand. Although increases were fairly widespread in all the main export categories, sharp increases were recorded in manufactured goods, especially chemical products, machinery and electrical equipment, vehicle and transport equipment and paper and paper related products. As a percentage of real gross domestic product, merchandise exports at constant prices rose from 20,6 per cent in the second quarter of 1996 to 23,6 per cent in the second quarter of 1997. The average price level of merchandise exports increased by a moderate 1,8 per cent in the second quarter of 1997.

After having increased from R26,2 billion in the fourth quarter of 1996 to R26,8 billion in the first quarter of 1997, the seasonally adjusted and annualised value of *net gold exports* receded to R24,5 billion in the second quarter. This decrease could be attributed to a decline in the physical quantity of gold exported as well as to a sharp decline in the dollar price of gold. The physical quantity of gold exported declined by 7 per cent in the second quarter of 1997 following increased sales from inventories in the first quarter. The announcement that the central bank of Australia had sold a significant portion of its gold holdings during the latter part of 1996, forward sale transactions and short selling of gold caused the dollar price of gold to decrease from US\$351 per fine ounce in the first quarter of 1997 to US\$343 per fine ounce in the second quarter; in August, the price of gold retreated even further to a monthly average of \$324 per fine ounce. In rand terms, the price of gold declined from R1 585 to R1 533 per fine ounce from the first to the second quarter of 1997.

Although domestic demand increased only slightly, the volume of imports increased by 4 per cent in the second quarter of 1997. However, in the first half of 1997 the average level of imported goods at constant prices exceeded the average level in the second half of 1996 by only ½ per cent. The value of *merchandise imports* (seasonally adjusted and annualised) advanced by

Merchandise trade at 1990 prices

Gold price



3½ per cent from R122,9 billion in the first quarter of 1997 to R127,2 billion in the second quarter. Higher imports of manufactured goods, especially machinery and electrical equipment and vehicle and transport equipment, were partly offset by lower imports of mining products.

The general price level of imported goods declined by ½ per cent from the first quarter to the second quarter of 1997; relatively low inflation in South Africa's major trading-partner countries and declining international oil prices outweighing the impact on prices of the slightly weaker rand in the second quarter of 1997.

Net service and transfer payments to non-residents rose slightly from R17,4 billion in the first quarter of 1997 to R17,6 billion in the second quarter, primarily on account of higher payments for freight and merchandise insurance, which arose from the higher level of imports, and interest payments on the higher level of foreign debt. These payments were partially offset by higher interest and dividend receipts from investments outside the country and by increased expenditure by foreign tourists to South Africa.

Capital account

The sizeable net inflows of capital not related to reserves which had been evident on the capital account of South Africa's balance of payments since the fourth quarter of 1996 continued in the second quarter of 1997, but at a much higher level than before. The total inward movement

of capital increased from R3,3 billion in the fourth quarter of 1996 to R3,6 billion in the first quarter of 1997 and then to R12,7 billion in the second quarter – the largest inflow of foreign funds ever to be recorded in a single quarter. However, tentative indications are that the recent turbulence in the market for foreign exchange is likely to lead to reduced inflows of capital in the third quarter of 1997.

The improvement in the capital account was related to long-term capital movements. After having recorded a net long-term capital inflow of R4,8 billion in the first quarter of 1997, the net inward movement of long-term

Net long-term capital movements

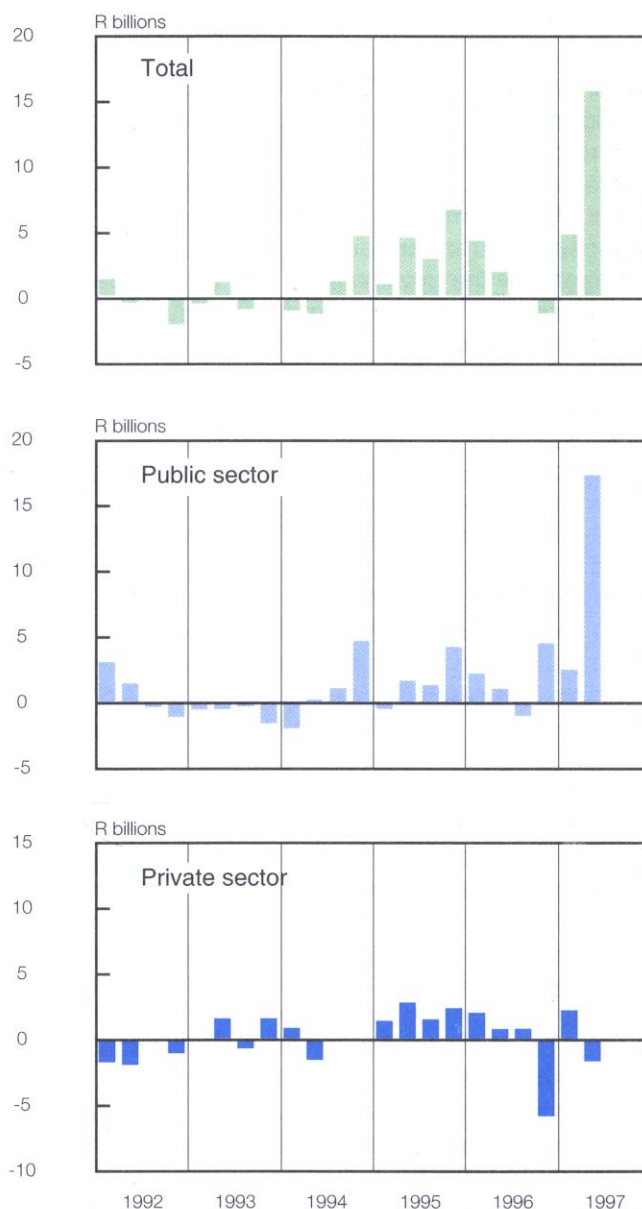


Table 6. Net capital movements not related to reserves

R billions

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

capital increased to R15,7 billion in the second quarter. As shown in the accompanying table, long-term inflows were recorded mostly by the public sector, whereas the private sector experienced a net outflow of long-term capital. Apart from the successful completion of the first privatisation transaction involving major foreign participation – the government's sale of a 30 per cent equity interest in the telecommunications company, Telkom, to a consortium of non-resident companies for an amount of R5,6 billion – the government successfully issued bonds with a 7-year maturity to the amount of ¥40 billion (R1,6 billion) in the Japanese market on 17 June 1997 and bonds with a 20-year maturity in the United States market to the amount of US\$500 million (R2,3 billion) on 24 June 1997. The proceeds of the bonds issued in the United States markets were transferred to South Africa on 4 August 1997.

As in the first quarter of 1997, non-residents continued to be net purchasers of South African securities; net purchases to the value of R9,6 billion in the first quarter of 1997 were followed by a further amount of R15,6 billion in the second quarter. Transactions to the value of R2,2 billion, which had been left unsettled during the first quarter of 1997, were fully settled in the second quarter. During the second quarter this securities-related inward movement of longer-term funds to the non-bank private sector was partly neutralised by the redemption of fixed capital obligations amounting to R3,7 billion that fell due for payment and by the acquisition of foreign assets to the value of R9,7 billion by South African institutional investors through the mechanism of asset swaps. Government-guaranteed loans to the value of R1,1 billion matured, while affected debt, previously converted into long-term loans, amounting to R1,0 billion fell due for payment in the second quarter of 1997. Bearer bonds to the value of R1,6 billion matured in April and June 1997.

Net short-term capital movements not related to

reserves (including unrecorded transactions), which had turned around from a net inflow of R4,5 billion in the fourth quarter of 1996 to a net outflow of R1,2 billion in the first quarter of 1997, registered a further net outflow of R3,0 billion in the second quarter. This outflow of capital consisted mainly of a decline in offshore trade finance due to the high cost of forward cover and uncertainty about future exchange rate movements in the period prior to the relaxation of exchange controls on 1 July 1997. At the same time, a reduction in the private banking sector's outstanding loan commitments was more than neutralised by an increase in non-resident foreign currency deposits and rand-denominated deposits with South African banking institutions. This deposit build-up most probably emanated from an increased demand for money balances by non-residents participating in South Africa's securities markets and from the need to provide cash cover for securities borrowing by non-resident investors with domestic investors as counterparties.

Foreign debt

As a result of the increase in South Africa's net foreign borrowings in 1996, the country's foreign-currency-denominated debt rose from US\$22,3 billion at the end of 1995 to US\$23,6 billion at the end of 1996. Over the same period, however, South Africa's rand-denominated debt declined from US\$10,7 billion to US\$9,3 billion, mainly as a result of the relatively sharp depreciation of the rand during 1996. Total outstanding foreign debt of the country accordingly declined marginally from US\$33,0 billion at the end of 1995 to US\$32,9 billion at the end of 1996.

Measured in rand terms, the country's total outstanding foreign debt rose from R120,5 billion at the end of 1995 to R154,2 billion at the end of 1996. Foreign debt as a ratio of gross domestic product amounted to 26,1 per cent at the end of 1996 compared with 24,7 per cent at the end of 1995.

Foreign reserves

As a result of the significant net inflow of capital, which substantially outweighed the absolute size of the shortfall on the current account, South Africa's *net gold and other foreign reserves* rose by R12,1 billion in the second quarter of 1997. Since the fourth quarter of 1996, the country's overall balance of payments has therefore improved by no less than R17,1 billion. In July 1997 the net gold and other foreign reserves increased further by R0,6 billion. The net gold and other foreign reserves of the Reserve Bank increased by R0,1 billion in August 1997.

The country's *gross gold and other foreign reserves* increased by R11,2 billion in the second quarter of 1997, bringing the overall level of foreign reserves to R30,7 billion (US\$6,8 billion) by the end of June. Included in this amount were short-term borrowings by the Reserve Bank to the value of R1,8 billion. An amount of R0,5 billion was repayed as a second instalment on the Compensatory and Contingency Financing Facility of the International Monetary Fund. The country's gross reserves at the end of June were equivalent to 9½ weeks' worth of imports of goods and services. The Reserve

Table 7. Gold and other foreign reserves

R billions

Period	Changes in		Level of gross holdings*	
	Net reserves	Gross reserves	Reserve Bank	Total
1996: 1st qr.....	-2,0	-0,7	14,0	17,4
2nd qr....	-2,1	-1,0	11,3	16,4
3rd qr.....	-3,7	-2,6	10,0	13,9
4th qr.....	3,2	2,9	10,3	16,8
1997: 1st qr.....	1,7	2,7	13,1	19,5
2nd qr....	12,1	11,2	22,1	30,7

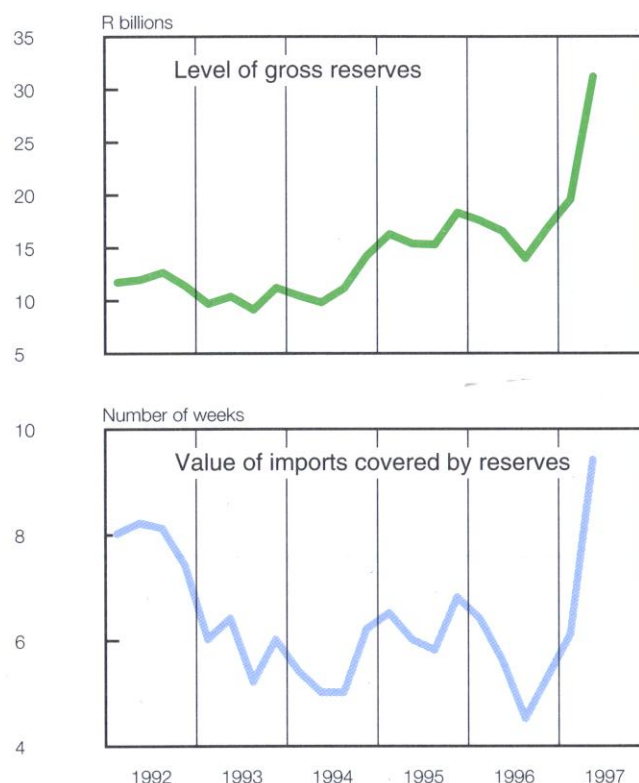
* End of period

Table 8. Changes in exchange rates of the rand

Per cent

	31 Oct 1996 to 13 Mar 1997	13 Mar 1997 to 25 Jul 1997	25 Jul 1997 to 31 Aug 1997	31 Dec 1996 to 31 Aug 1997
Weighted average	10,9	-3,3	-2,6	3,3
US dollar	7,7	-3,2	-3,0	0,0
British pound.....	9,7	-7,1	-0,4	4,4
German mark	20,6	5,0	-5,2	15,4
Japanese yen	16,2	-7,9	-0,4	2,8
Netherlands guilder	20,9	5,1	-5,3	15,7
Italian lira	20,1	2,5	-4,7	14,8

Total gross gold and other foreign exchange reserves

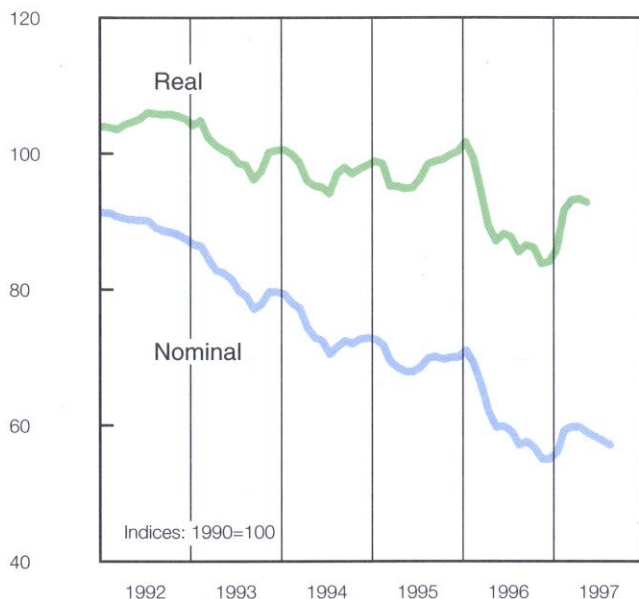


Bank's gross foreign reserves improved by a further R3,8 billion in July and August 1997.

Exchange rates of the rand

The *nominal effective exchange rate of the rand*, which had increased by 10,9 per cent from 31 October 1996 to 13 March 1997, gradually declined over the ensuing period. On balance, the average weighted exchange rate of the rand declined by 3,3 per cent from 13 March 1997

Effective exchange rates of the rand



to 25 July 1997. The general downward revision of the credit risk associated with emerging economies by some international portfolio investors, accompanied by the strong performance of the US dollar on the international foreign exchange markets, then brought renewed downward pressure to bear on the external value of the rand. This caused the external value of the rand to decline further by 2,6 per cent between 25 July 1997 and 31 August. The net increase in the nominal effective exchange rate of the rand thus came to 3,3 per cent in the first 8 months of 1997, compared with a decline of 21,9 per cent during calendar year 1996 as a whole. The increase in the average weighted value of the rand since the end of 1996 has been the result of an appreciation of the rand against all the main currencies, especially against the German mark, the Netherlands guilder and the Italian lira.

The real effective exchange rate of the rand increased by some 9,3 per cent from December 1996 to June 1997. On average, however, the level of the real effective exchange rate of the rand in the first half of 1997 was still approximately 2,1 per cent below the average rate for the corresponding period in the preceding year.

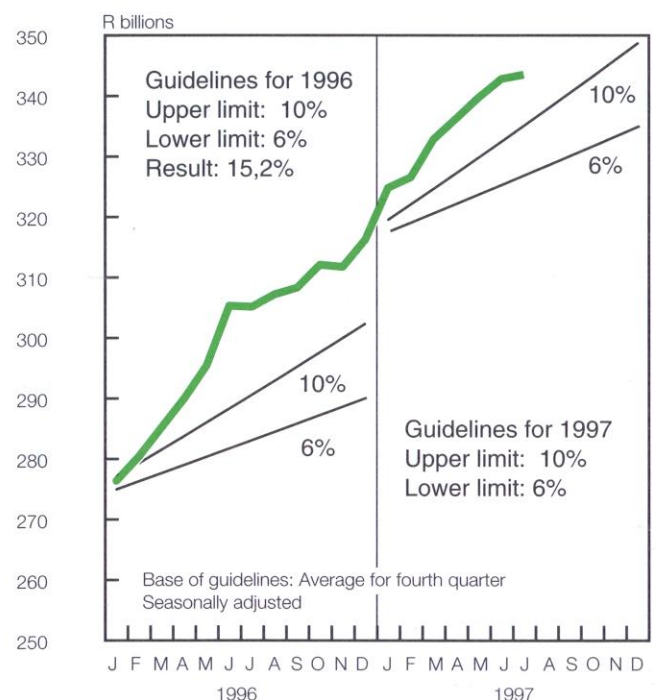
Monetary developments, interest rates and financial markets

Money supply

The growth in money supply, which had shown signs of slowing down in the last quarter of 1996, accelerated again in the early months of 1997. Measured over twelve months, the growth in the *broadly defined money supply* (M3), which had declined to a relatively low rate of 13,6 per cent in December 1996, increased to 16,8 per cent in January 1997. In the ensuing months, the year-on-year growth in M3 maintained a level higher than 15 per cent before declining to 12,7 per cent in June 1997, but then increased again to 13,4 per cent in July 1997. The annualised quarter-to-quarter growth in M3, which had declined to 7,6 per cent in the fourth quarter of 1996, rose to 18,1 per cent in the first quarter of 1997 before slowing down slightly to 16,4 per cent in the second quarter.

Calculated from the base of the current guideline year, the annualised growth in M3 also showed only limited downward flexibility. This growth rate, seasonally adjusted and annualised, remained above 16 per cent during the first six months of 1997 before declining to 14,5 per cent in July. At the end of July 1997, the seasonally adjusted value of M3 still exceeded the upper limit of the cone-shaped guideline range by R9,7 billion, or 2,9 per cent.

Guidelines for growth in M3



The rapid growth in money supply during the first half of 1997 accommodated the continued strong demand for money for transactions purposes as is evident from the fairly close relationship between changes in M3 and changes in nominal private consumption expenditure and fixed investment expenditure. Another factor which probably added to the overall demand for money was the speculative demand for funds, especially among institutional investors such as insurance companies and pension funds in order to capitalise from the many opportunities presented by buoyant bond and share markets. These factors contributed to a steady rise in the ratio of M3 to nominal gross domestic product (i.e. the inverse of the income velocity of money) from 52,7 per cent in the fourth quarter of 1994 to 57,7 per cent in the second quarter of 1997. A decline in this ratio, as would occur if money balances were activated and used in the stream of spending on goods and services, would threaten overall financial stability and declining inflation, even when the growth in the money supply was slowing down.

The growth rates over twelve months in the narrower monetary aggregates exceeded the growth in M3, thereby corroborating the presumption of a general rise in liquidity preference among the general public. In fact, the difference between the twelve-month growth rates of M1A and M3 widened from 8,4 percentage points in January 1997 to 9,2 percentage points in March and 11,9 percentage points in July. The share of M1A in total M3 deposits accordingly increased from

Table 9. Twelve-month growth rates in monetary aggregates

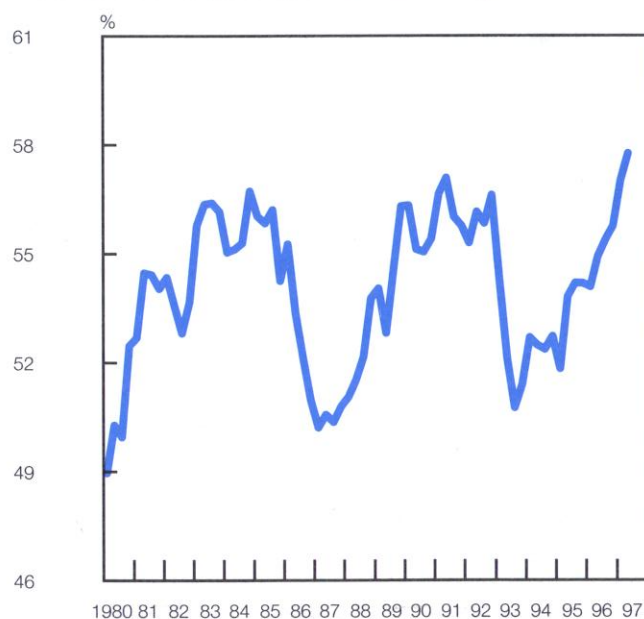
Per cent

Period	M1A	M1	M2	M3
1996: Jun.....	14,7	28,7	17,9	15,7
Jul.....	13,6	28,7	18,1	14,7
Aug.....	20,1	31,6	19,6	15,4
Sep.....	18,7	30,7	18,4	14,5
Oct.....	21,6	37,2	19,5	16,0
Nov.....	22,4	34,0	18,2	15,2
Dec.....	21,9	30,9	15,8	13,6
1997: Jan.....	25,1	32,2	19,1	16,8
Feb.....	24,1	29,2	17,5	15,9
Mar.....	25,7	30,1	17,8	16,5
Apr.....	24,6	22,6	16,3	15,9
May.....	17,4	20,7	16,1	15,3
Jun.....	24,5	19,1	13,0	12,7
Jul.....	25,3	19,1	13,1	13,4

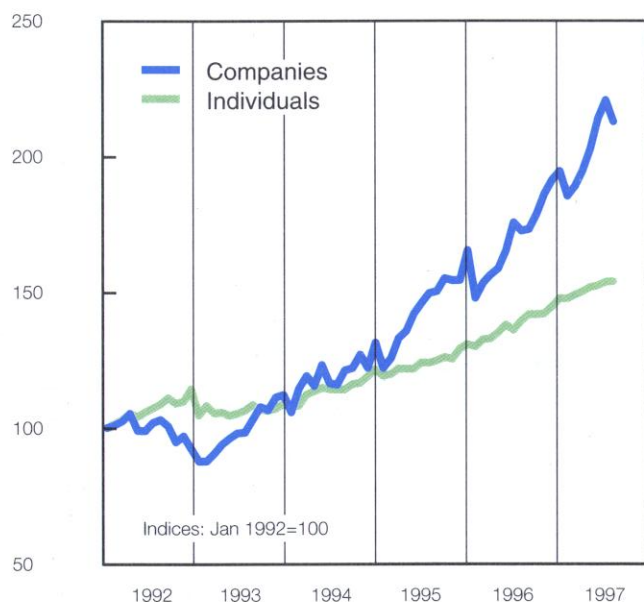
24,1 per cent in January 1997 to 24,9 per cent in July. During the same period the growth over twelve months in "other demand deposits" slowed down from 41,8 per cent in January 1997 to 11,3 per cent in July, thus falling below the growth over twelve months in M3. This steep decline in the growth over twelve months was essentially occasioned by an absolute decline in "other demand deposits" from R72 billion in March 1997 to R60,9 billion in July. Part of this decline can be attributed to the introduction of money market unit trusts which act as a substitute for deposits with monetary institutions. Because of this, the growth over twelve months in M1 declined from 32,2 per cent in January 1997 to 30,1 per cent in March and 19,1 per cent in July, which still exceeded the growth over twelve months in M3.

An analysis of banks' liabilities according to type of depositor shows that the increase in the first half of 1997 was heavily concentrated in deposits held by the corporate sector. Bank deposits held by companies increased by R13,8 billion during the first six months of 1997 of which R13,6 billion related to the second quarter alone, compared with an increase of R5,1 billion in the deposits held by private households, divided more equally between the first quarter (R2,1 billion) and the second quarter (R3,0 billion). Insurance companies and pension funds increased their holdings of bank deposits by R2,3 billion between December 1996 and June 1997. This amount could be subdivided between an increase of R5,2 billion in the first quarter of 1997 and a decline of R3,0 billion in the second quarter. Institutional investors obviously availed themselves of the opportunity to increase their exposure to the bond and share markets during the second quarter when bullish sentiment prevailed in both these markets.

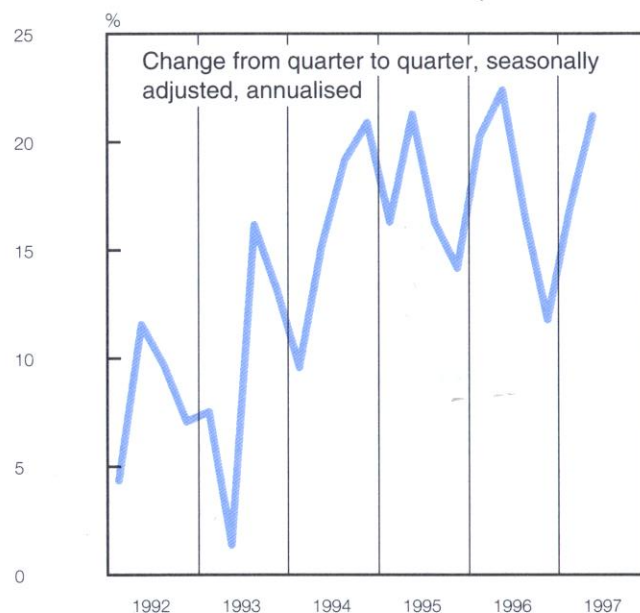
M3 as percentage of gross domestic product



M3 deposits: Individuals and companies



Credit extension to the private sector



Among the *statistical counterparts* of the increase of R6,2 billion in the M3 money supply in the second quarter of 1997, were the changes in the monetary sector's claims on the private sector and net foreign assets. These increases were partly offset by declines in the monetary sector's net claims on the government sector and "net other assets" – the latter arising, among others, from surpluses generated by the Reserve Bank through the provision of forward foreign exchange cover. The complete set of accounting counterparts of the increase in M3 in the second quarter was as follows:

	R billions
Net foreign assets	6,5
Net gold and foreign exchange reserves.....	12,1
Net other foreign assets	-5,6
Net claims on the government sector	-3,2
Gross claims	-1,7
Increase in government deposits	-1,5
Claims on the private sector	14,2
Net other assets.....	-11,3
Total change in M3	6,2

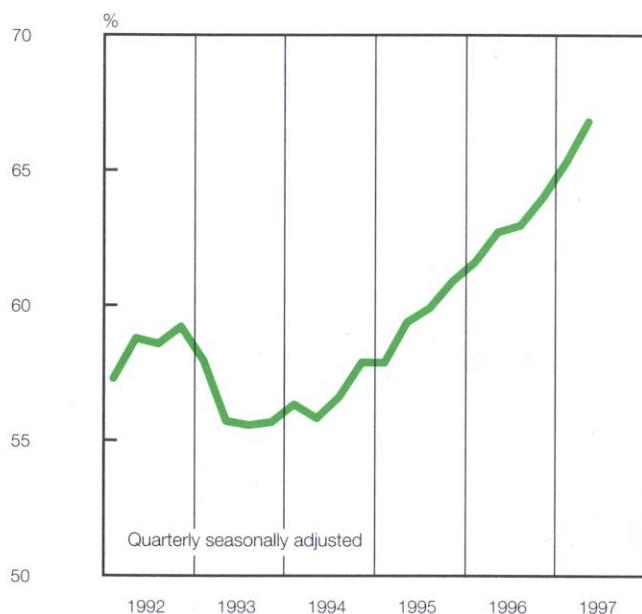
Credit extension

The growth over twelve months in *total domestic credit extended* by the monetary sector, which had accelerated from 17,1 per cent in December 1996 to

19,3 per cent in March 1997, declined to 14,6 per cent in July. This slowdown in the growth of total credit extended came primarily from an absolute decline of R3,2 billion in *net credit extended by banks to the government sector*. In contrast, *credit extended by the monetary sector to the non-bank private sector*, accelerated from a seasonally adjusted quarter-to-quarter growth rate of 17,0 per cent in the first quarter of 1997 to 21,2 per cent in the second quarter. Measured over twelve months, the growth in credit extended by the monetary sector to the private sector slowed down from 17,4 per cent in April 1997 to 14,8 per cent in July when the sharp rise in June 1996 dropped out of the twelve-month rate.

The increased use of credit by private-sector organisations is also reflected in the *ratio of credit extended to the private sector relative to gross domestic product*, which reached an all-time high of 66,8 per cent in the second quarter of 1997. Less than four years ago, in the third quarter of 1993, this ratio was still as low as 55,6 per cent. The growth in credit extension to the private sector also exceeded the observed inflation rate by a wide margin in the first half of 1997. The differential between growth rates in credit extended to the private sector and consumer price inflation (i.e. the growth in the so-called *real credit extension*) nevertheless narrowed from 12,0 per cent in May 1996 to 5,2 per cent in July 1997 – this was the result more of an acceleration in inflation over twelve months than of an abatement in the growth of credit extension.

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



A number of factors can be identified as possible causes for the robust growth in credit extension to the private sector during the second quarter of 1997. Among these are:

- the persistently strong demand for credit for working-capital purposes;
- the demand for credit to finance current expenditure by households;
- the strong demand for credit by new entrants to the modern sector of the economy who had previously encountered difficulties in accessing bank credit;
- the switching of foreign trade financing from foreign to domestic sources of credit;
- some borrowing by businesses in financial distress to tide them over a period of relative slack demand which they may perceive to be temporary;
- the late harvesting of the current maize crop which generally raised the demand for credit in the farming community in the second quarter of 1997;
- the demand for working capital coming from the spate of new companies registered over the past three and a half years;
- an increase in the domestic borrowing capacity of foreign-controlled companies;
- capitalisation of interest arrears;
- the strong growth in financial asset prices and the consequential opportunities for speculative transactions in these markets; and
- a sharp increase in credit extended by banks to local authorities during June 1997.

An analysis of the *monetary sector's claims on the private sector by type of credit* shows that more than 90 per cent of the increase of R14,2 billion in credit extended to the private sector in the second quarter of 1997 was in the form of "other loans and advances" (including current account overdrafts) and *mortgage advances* - these two categories increased by R8,6 billion and R4,4 billion respectively. The rate of increase over twelve months in "other loans and advances" during 1997 accelerated from 20,4 per cent in January to 23,3 per cent in June, but then decreased to 20,5 per cent in July. The rate of change over twelve months in mortgage advances by monetary institutions moved in an opposite direction to that of "other loans and advances" and subsided from 16,4 per cent in January 1997 to 13,4 per cent in July.

The slowdown in sales of new and used motor vehicles and the general deceleration in household expenditure on durable goods and equipment became visible in slower growth in the banks' extension of *instalment sale credit* and *leasing finance*. The growth over twelve months in instalment sale credit declined from 21,1 per cent in January 1997 to 12,2 per cent in July and that of leasing finance from 16,6 per cent to 6,6 per cent over the same period.

The emphasis of credit extension by monetary institutions to the private sector in the second quarter of 1997 shifted from the household to the corporate sector. Credit extended to households increased by R11,8 billion in the first quarter of 1997 and R4,6 billion in the second quarter, whereas credit extended to the corporate sector rose by R4,3 billion in the first quarter and R9,5 billion in the second quarter. In terms of percentage change, the growth over twelve months in credit extension to households receded from 16,0 per cent in March 1997 to 14,6 per cent in June, while that of the corporate sector accelerated from 16,0 per cent in March to 18,9 per cent in June.

Table 10. Increase in credit extension to the private sector by main type of credit

Type of credit	1997	
	1st qr	2nd qr
Bills discounted	-0,2	0,2
Investments	0,9	-0,1
Instalment sales	0,8	1,1
Leasing finance.....	0,3	-0,1
Mortgages	5,2	4,4
Other loans and advances	9,2	8,6
Total *	16,1	14,2

* May not add up due to rounding of actual figures

Interest rates and yields

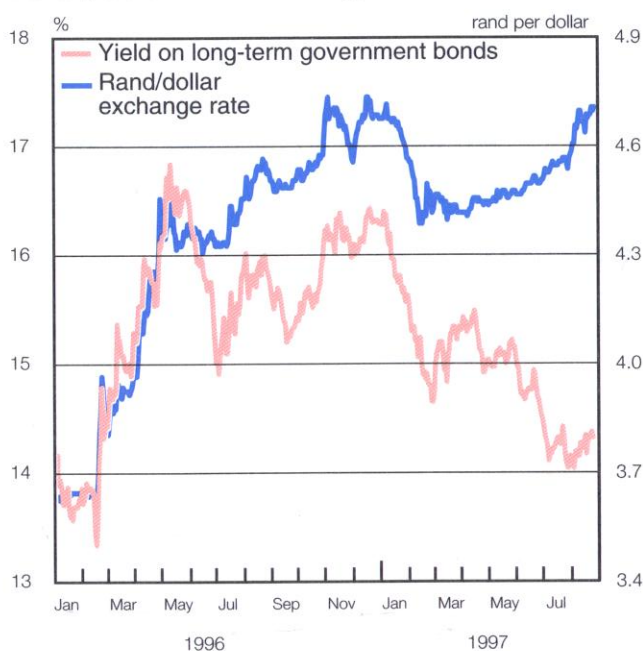
The general downward tendency of *bond yields* in the first eight months of 1997 was largely determined by greater overall financial stability, which gave rise to expectations that inflation would soon subside and that a reduction in Bank rate was imminent. These expectations were reinforced by a strong increase in non-resident participation in the bond market which was essentially motivated by the comparatively high domestic bond yields, the relative strength of the rand and the desire to use South African bonds as a hedge for issues of rand-denominated securities in the Eurobond market.

The *monthly average yield on long-term government bonds* accordingly declined from 16,2 per cent in December 1996 to 15,0 per cent in February 1997. Some uncertainty returned to the bond market prior to the announcement of the Budget proposals of the national government on 12 March 1997 and bond yields generally firmed from the end of February. Further uncertainty was created by the announcement of the partial relaxation of exchange controls on residents, causing the average monthly yield on long-term government bonds to rise to 15,2 per cent in April 1997. Investor sentiment turned strongly positive again as market participants became convinced that the partial relaxation of exchange control measures would not add to exchange rate volatility and that fiscal policy would continue to adhere to the principles outlined in the GEAR strategy.

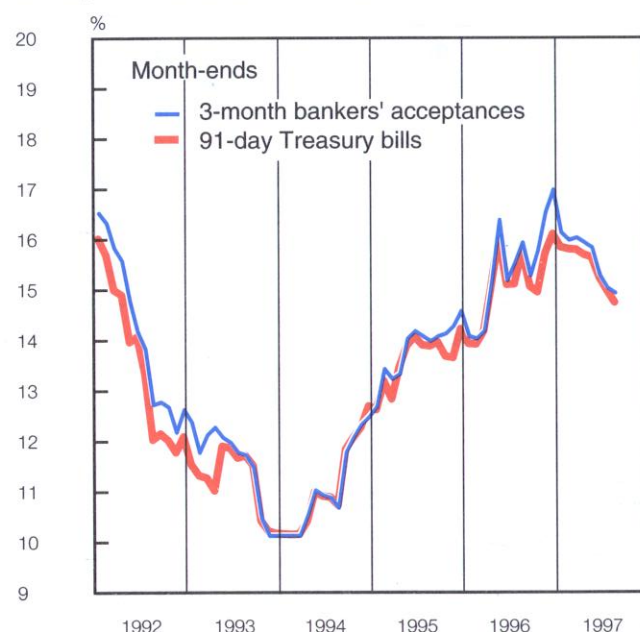
The improved investors' sentiment, together with the general conviction that consumer price inflation was slowing down, caused the average yield on long-term government bonds to decline more decisively to 14,2 per cent in July and August 1997 – the latter being the lowest average rate in eighteen months. The fairly close correspondence between movements in the rand-dollar exchange rate and movements in bond yields, which have existed since the beginning of 1996, came to an end in April 1997 when the bullish sentiment in the bond market began to mirror a general weakening of the rand vis-à-vis the dollar.

In a movement broadly akin to that of the yield on long-term government bonds, the *interest rate on bankers' acceptances with a maturity of three months* declined steadily from 17,0 per cent at the end of December 1996 to 14,9 per cent at the end of August 1997. This movement was mainly determined by the improvement in money market liquidity in the first half of 1997 and the widespread expectation that Bank rate would be reduced in the near future. Over the same period the *tender rate on Treasury bills of three months* declined from 16,1 per cent at the end of December 1996 to 14,7 per cent at the end of August 1997. The average month-end differential between the rate on bankers' acceptances and the tender rate on Treasury bills accordingly narrowed from 0,26 percentage points in the first quarter of 1997 to 0,18 percentage points in the second quarter and 0,21 percentage points at the end of August, essentially because the money market

Bond yield and the exchange rate



Money market interest rates

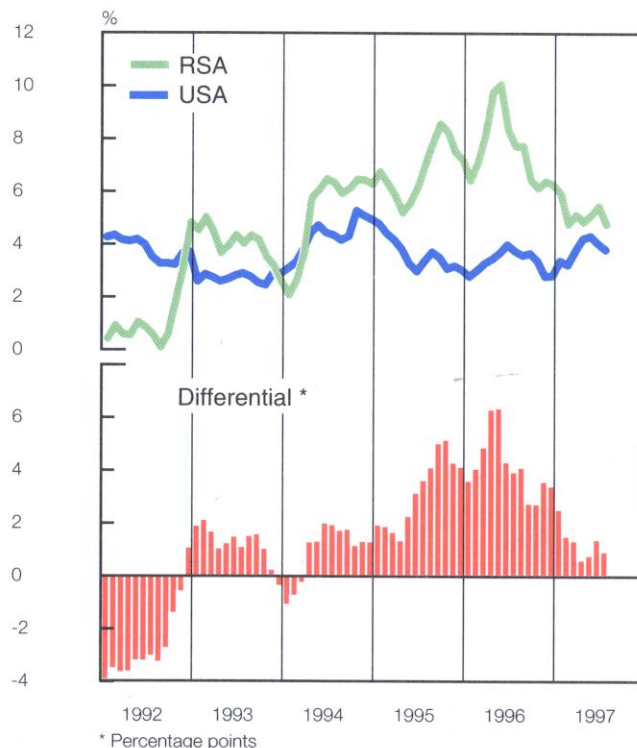


shortage remained relatively high and the demand for assets qualifying as first-tier collateral at the discount window therefore remained strong.

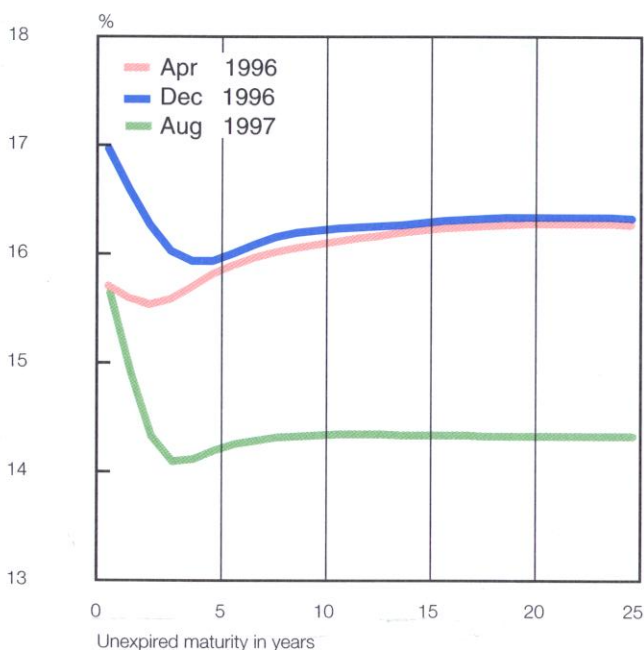
The *monthly average inflation-adjusted yield on long-term government bonds* declined, on balance, from 6,3 per cent in December 1996 to 4,8 per cent in July 1997 on account of declining nominal bond yields and rising consumer price inflation. The inflation-adjusted yield on bonds of the United States Federal Government was calculated at 3,9 per cent in July. The narrow margin between inflation-adjusted yields in the USA and in South Africa might have indicated that expectations of future inflation in South Africa were lower than indicated by the measured rate of inflation over the past year and that long-term interest rates adjusted for expected inflation were therefore higher than real rates calculated by using observed inflation.

The *yield curve* shifted downwards from December 1996 and became more inverted owing to short-term yields showing considerably less downward flexibility than long-term yields. At the short end of the maturity spectrum interest rates are strongly influenced by the level of Bank rate. The steep negative inclination of the yield curve over the segment up to three years signalled expectations of a downward adjustment in Bank rate. Beyond the three-year area, the yield curve was extremely flat during the first eight months of 1997, probably indicating generally neutral market expectations about medium- to long-term declines in inflation.

Inflation-adjusted yields on long-term government bonds



Yield curves



Differential between yields on 20 and 3 year bonds

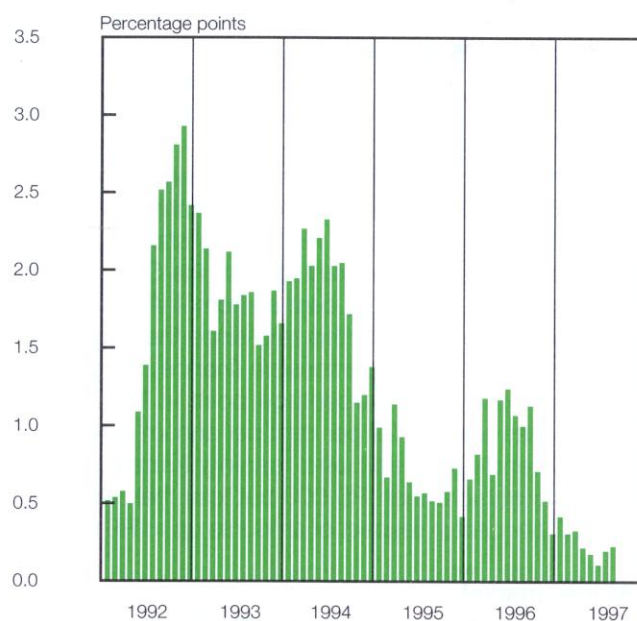


Table 11. Interest rates and yields

Per cent

Period	Monthly average yield on domestic long-term government bonds		Predominant rate on	
	Nominal	Real	Mortgage loans	12-month fixed deposits
1996: Dec	16,2	6,3	20,0	14,5
1997: Jan.....	15,8	5,9	20,0	14,5
Feb	15,0	4,8	20,0	14,5
Mar	15,2	5,1	20,0	14,5
Apr.....	15,2	4,9	20,0	14,5
May....	15,1	5,1	20,0	14,5
Jun.....	14,7	5,5	20,0	14,5
Jul.....	14,2	4,8	20,0	14,5
Aug	14,2	...	20,0	14,5

The *prime overdraft rate of banks* rose from 19,25 per cent to 20,25 per cent following the increase in Bank rate on 21 November 1996 and has remained at this level since then. The *inflation-adjusted prime overdraft rate* declined from 9,9 per cent at the end of December 1996 to 9,4 per cent at the end of April 1997, but then increased again to 10,5 per cent at the end of June as the year-on-year increase in consumer price inflation slowed down.

The *predominant rate on mortgage loans by banks* was increased by one percentage point to 20 per cent in December 1996 following the increase in the prime overdraft rate of the banks in November. This mortgage loan rate has remained unchanged since December 1996. The rates applicable to fixed rate home loans were lowered by up to 1,5 percentage points from July 1997 as competition among the suppliers of mortgage facilities intensified.

The *predominant retail rate on twelve-month fixed deposits* with banks has remained unchanged at 14,5 per cent since November 1996. The *standard interest rate* applicable to loans granted from the State Revenue Fund was set at 14,5 per cent as from 1 August 1997 – the eighth adjustment to this rate since the beginning of 1997. The *maximum permissible finance charges rates* were raised by one percentage point in March 1997. These rates are now 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.

Money market

Money market conditions, which had been relatively tight throughout 1996, became even tighter in the course of the first quarter of 1997 before easing

considerably in the second quarter. The amount of accommodation which the Reserve Bank extended to banks rose from a daily average value of R9,9 billion in December 1996 to R10,6 billion in March 1997, but then declined gradually to R7,3 billion in July before increasing to R8,2 billion in August. The availability of assets qualifying as first-tier collateral for borrowing at the discount window relative to the declining overall money market shortage improved to such an extent that second-tier assets were not used significantly as from the end of January 1997.

The relatively tighter conditions in the money market during the first quarter of 1997 were predominantly a consequence of the draining of liquidity from the market through surpluses recorded on account of the involvement of the Reserve Bank in forward foreign exchange transactions. These surpluses largely counteracted the injection of liquidity stemming from an increase in the Bank's net foreign assets and a net decline in the value of notes and coin in circulation outside the Reserve Bank. The easier money market conditions that prevailed in the second quarter of 1997 were mainly due to a further strengthening of the net foreign assets of the Reserve Bank by R5,9 billion, which was only partially neutralised by surpluses originating from the Bank's transactions in the forward foreign-exchange market and an increase of R1,8 billion in government deposits with the Reserve Bank.

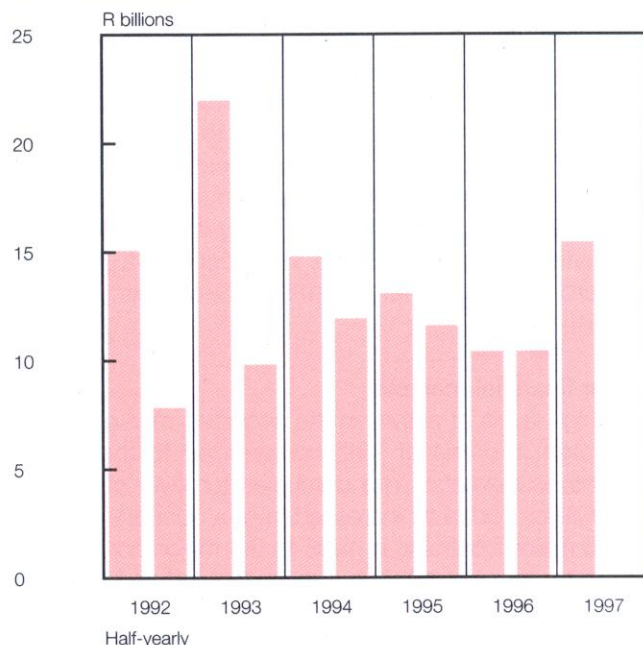
The *Reserve Bank's operations* in the money market during the first eight months of 1997 were aimed at avoiding wide fluctuations in the amount of accommodation to be provided at the discount window. When the market was regarded as being inordinately tight, the Bank acted to relieve pressure by entering into foreign currency swap arrangements with private banks and by buying assets for the portfolio of the Corporation for Public Deposits. During May to July 1997 the Reserve Bank also converted R1,5 billion of zero-coupon bonds in its possession into interest-bearing government bonds, which were then sold from the Bank's monetary policy portfolio to drain a sizeable injection of liquidity during July and August 1997.

Bond market

Activity in the *domestic primary bond market* in the first seven months of 1997 was completely dominated by *public-sector borrowers*. Private-sector companies showed a clear preference for raising capital in the primary share market and no *new issues of fixed-interest securities* (including convertible preference shares and debentures) were made by listed private-sector companies. Public-sector organisations, in contrast, increased their issuance of fixed-interest securities from R10,4 billion in the first half of 1996 to R15,4 billion in the first half of 1997.

Apart from an amount of R3,8 billion which was raised by the government in the *international primary bond markets*, other public-sector organisations

Capital raised by public-sector borrowers in the domestic primary bond market



abstained from issuing foreign-currency denominated bonds in these markets during the first seven months of 1997. Eskom, Transnet and the Development Bank of Southern Africa, however, raised a total amount of R813 million in the *Eurobond* market through the issuance of *rand-denominated bonds* in the period from April to August 1997.

Turnover in the *secondary bond market* was particularly brisk during the first eight months of 1997 as

Table 12. Bond market activity

R billions

Period	Primary market		Secondary market	
	Public-sector stock	Private-sector stock	Bonds traded on the Bond Exchange	Net purchases by non-residents on the Bond Exchange
1996: 1st qr....	8,5	—	753,2	2,4
2nd qr....	1,9	—	780,7	0,4
3rd qr....	9,8	2,1	808,5	-0,6
4th qr....	0,6	0,1	680,0	1,2
1997: 1st qr....	8,2	—	883,0	6,1
2nd qr....	7,2	—	834,0	7,4

a general tendency for bond yields to decline unfolded. The value of bonds traded on the Bond Exchange of South Africa increased to an all-time quarterly high of R883 billion in the first quarter, but then declined to a still comparatively high level of R834 billion in the second quarter. In July and August 1997 lively trading was inspired by a decline in bond yields and turnover reached an all-time monthly high of R417 billion in August. The average monthly turnover statistic in July and August 1997 was thereby increased by 49 per cent over the comparable statistic for the second quarter of 1997.

The *value of transactions involving non-residents* in the *secondary bond market* increased from R347 billion in calendar 1996 as a whole to R586 billion in the first eight months of 1997. The value of *net purchases* of bonds by non-residents also increased impressively from R3,4 billion for the entire calendar year 1996 to R16,7 billion in the first eight months of 1997. The monthly value of *net purchases* of bonds by non-residents nevertheless subsided from R4,7 billion in April 1997 to R1,0 billion in August because of some concern about the value of the rand and the perception that bond yields had declined too rapidly and were set for an upward correction in the near future.

Share market

Capital raised in the *primary share market* by companies listed on the Johannesburg Stock Exchange amounted to R12,2 billion in the second quarter of 1997 compared with R7,8 billion in the first quarter; a further amount of R9,4 billion was raised in July. Funds

Capital raised in the primary share market

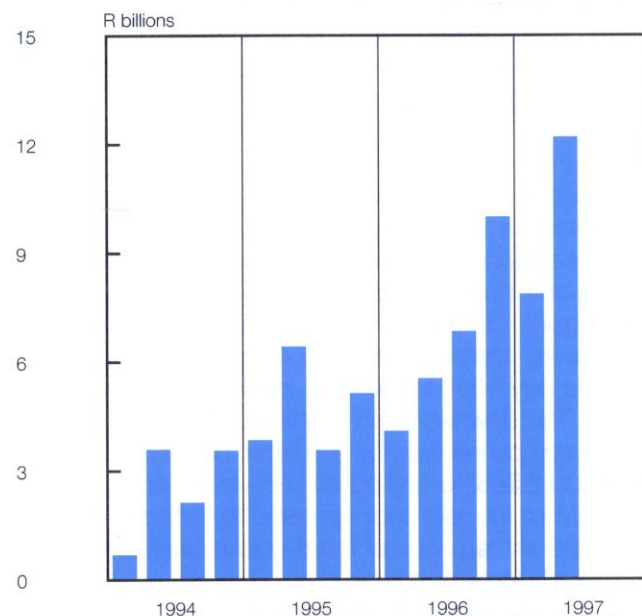


Table 13. Share market transactions

Period	Number of shares traded	Value of shares traded	Net purchases by non- residents
	billions	R billions	R billions
1996: 1st qr.....	1,9	27,2	2,3
2nd qr.....	1,9	27,4	1,9
3rd qr.....	2,4	27,8	1,4
4th qr.....	2,7	34,6	-0,5
1997: 1st qr.....	3,9	41,2	3,5
2nd qr.....	4,5	51,0	8,2

obtained through *rights issues of ordinary shares* increased from R1,6 billion in the first quarter of 1997 to R3,2 billion in the second quarter and amounted to only R16 million in July.

Trading activity in the *secondary share market* increased from an average monthly value of R13,7 billion in the first quarter of 1997 to R17 billion in the second quarter and R20 billion in the first two months of the third quarter. These advances in turnover were caused by increases in the number of shares traded and the generally upward tendency of share prices.

Non-residents were active participants in the *secondary share market* during the first eight months of 1997 with their net purchases of listed shares on the Johannesburg Stock Exchange amounting to R17,3 billion compared with R5,3 billion during the first eight months of the previous year. The monthly value of net purchases of listed shares declined sharply in July 1997, but the *average monthly* value of net purchases by non-residents in July and August remained at about the same level as in the second quarter of 1997.

The *monthly average price level of all classes of shares* declined, on balance, by 5,1 per cent from February 1996 to December, but then recovered strongly by 7,3 per cent from December 1996 to February 1997 and by a further 6,8 per cent from February to August 1997. Share prices in the categories finance, banking, insurance, non-gold mining and industrial shares contributed meaningfully to these gains. In contrast, the monthly average price of *gold-mining shares* declined by 44,5 per cent from May 1996 to July 1997 to reach its lowest level since March 1993. This downward rating of the share prices of gold-mining companies was, by and large, based on a decline of about US\$68 per fine ounce in the international price of gold. When the gold price appeared to stabilise in August 1997 the share prices of listed gold-mining companies recovered slightly by 4,5 per cent.

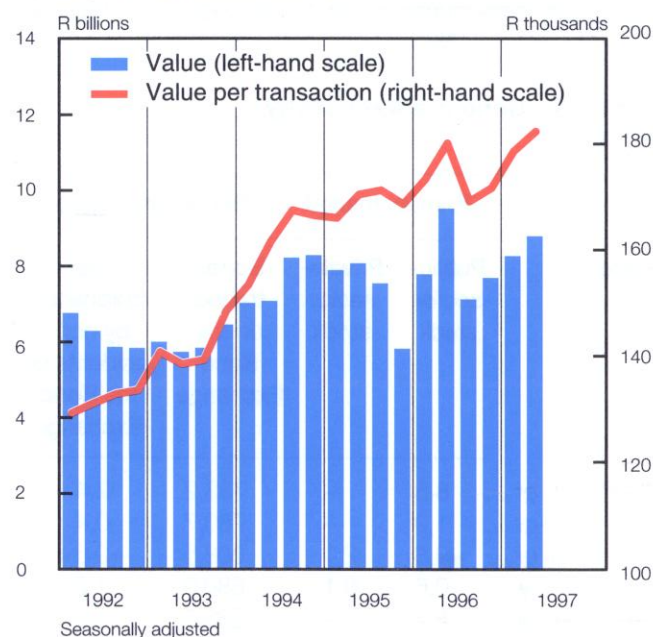
As share prices had generally risen more than dividend pay-outs, the monthly average *dividend yield* on all classes of shares declined from 2,46 per cent in

December 1996 to 2,33 per cent in August 1997. The monthly average *earnings yield* (gold-mining shares excluded) also declined from 7,0 per cent in December 1996 to 6,6 per cent in August 1997. The *yield differential* (the difference between the monthly average yield on long-term government bonds and the dividend yield on all classes of shares) narrowed from 13,7 percentage points in December 1996 to 11,9 percentage points in August 1997 as the yield on long-term government bonds declined more than the dividend yield. The *price-earnings ratio* (gold-mining shares excluded) fluctuated between 14,3 and 15,2, but had a generally upward tendency over the period December 1996 to August 1997.

Other financial markets

The high levels of activity in the securities markets in the first eight months of 1997 redounded to the formal *derivatives markets*. The combined turnover of *options and futures contracts* increased from a quarterly average of 2,3 million contracts in 1996 to 3,4 million contracts in the first quarter of 1997, but then declined to 2,5 million contracts in the second quarter and a quarterly rate of 1,9 million contracts in July and August. Since the launch of foreign-exchange futures contracts by Safex in May 1997, the number of rand-dollar futures contracts traded came to only 315 contracts by the end of August. Trade in *maize commodity futures* increased manifoldly from a quarterly average of 746 contracts in 1996 to 2076 contracts in the first quarter of 1997, 2911 contracts in the second quarter and to 4383 contracts at

Real-estate transactions



a quarterly rate in July and August. These strong increases were essentially caused by the abolition of the centralised or single-channel arrangements for maize marketing, but some speculative activity became discernible too.

Activity in the *real-estate market*, which suffered a setback in 1995 when the number and the value of real-estate transactions declined below the levels recorded in 1994, recovered somewhat as the quarterly value of real-estate transactions increased from R7,2 billion in the third quarter of 1996 to R7,7 billion in the fourth quarter and R8,3 billion in the first quarter of 1997 and R8,8 billion in the second quarter. The value of such transactions in the first half of 1997 was nevertheless still 1,4 per cent lower than in the corresponding period of 1996, whereas the number of transactions was down by 3,3 per cent over the same period.

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 enterprises and corporations) amounted to R12,5 billion in the first quarter of fiscal 1997/98 compared with R10,7 billion in the first quarter of fiscal 1996/97. As a ratio of gross domestic product, the public-sector borrowing requirement increased from 8,1 per cent in the first quarter of fiscal 1996/97 to 8,6 per cent in the first quarter of fiscal 1997/98, but was still lower than the average ratio of 9,3 per cent in the corresponding quarter of the preceding five fiscal years.

The deterioration in the public-sector borrowing requirement was mainly the result of the widening of the borrowing requirement of the *national government* as reflected in a substantial increase in the financial shortfall on the *Main Budget* from R8,8 billion in the first quarter of 1996/97 to R11,7 billion in the first quarter of 1997/98. In contrast, the financial shortfall of the provincial governments shrank from R1,5 billion in the first quarter of fiscal 1996/97 to R0,8 billion in the first quarter of fiscal 1997/98, whereas the extra-budgetary institutions recorded a surplus of R0,1 billion compared with a small deficit a year earlier.

Public-sector borrowing requirement

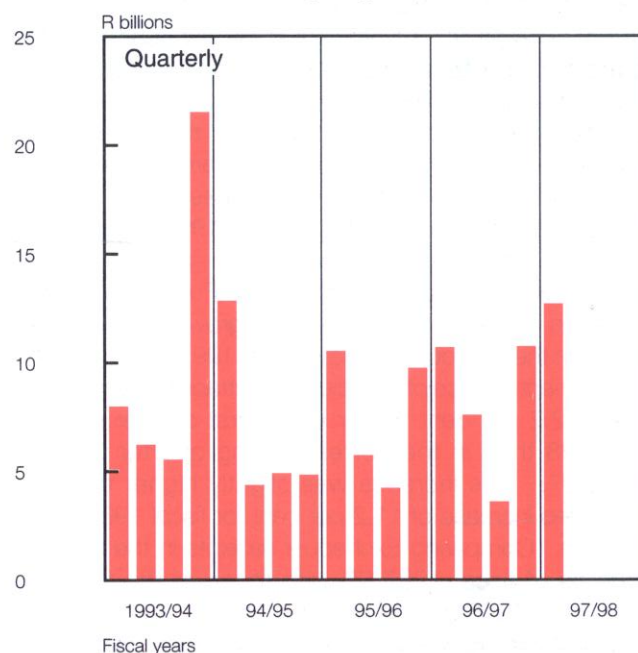


Table 14. Public-sector borrowing requirement

R billions

Quarter	Main Budget	Provincial governments	Local authorities	Other	Total
1996/97: Apr-Jun	8,8	1,5	0,3	0,1	10,7
Jul-Sep	8,2	-0,9	-0,1	0,4	7,6
Oct-Dec	2,5	0,4	0,2	0,5	3,6
Jan-Mar	10,1	0,4	0,3	-0,2	10,7
1997/98: Apr-Jun	11,7	0,8	0,3	-0,3	12,5

The increase in the borrowing requirement on the Main Budget in the first quarter of fiscal 1997/98 can be attributed to a year-on-year rate of increase of 17,4 per cent in total expenditure and net lending and a much smaller year-on-year increase of 13,0 per cent in total revenue and grants. Especially, non-interest recurrent expenditure increased by 22,0 per cent from the first quarter of fiscal 1996/97 to the first quarter of fiscal 1997/98. The increase in total expenditure exceeded the growth in nominal gross domestic product by a substantial margin, with the result that total expenditure and net lending through the accounting mechanisms of the Main Budget rose from 29,2 per cent of gross domestic product in the first quarter of fiscal 1996/97 to 31,3 per cent in the first quarter of fiscal 1997/98.

Exchequer account

Exchequer issues to national government departments (adjusted to reflect cash flows) were 15,4 per cent higher in the first quarter of fiscal 1997/98 than in the first quarter of fiscal 1996/97. This increase was some 2,3 percentage points higher than the average year-on-year rate of increase of 13,1 per cent in the first quarters of the preceding five fiscal years and 9,3 percentage points higher than the increase of 6,1 per cent envisaged in the Budget of the national government for the current fiscal year. If Exchequer issues in July 1997 are also taken into consideration, the year-on-year increase in Exchequer issues in the first four months of fiscal 1997/98 comes to 7,7 per cent. High expenditure growth by the departments of Defence, Housing and Public Works gave occasion to the comparatively rapid growth in Exchequer issues in the first four months of fiscal 1997/98.

Exchequer receipts (excluding extraordinary revenue) were 12,2 per cent higher in the first quarter of fiscal 1997/98 than in the corresponding quarter of fiscal 1996/97. This increase was slightly higher than the budgeted increase of 11,2 per cent for fiscal 1997/98 as a whole. Comparing Exchequer receipts in the first four months of fiscal 1997/98 with those of the first four months of 1996/97, the growth over one year fell to 7,4 per cent, which is well below the budgetary projections for the full fiscal year 1997/98. The relatively weak increase in revenue in the first four months of fiscal

1997/98 over the first four months of 1996/97 was mainly the result of a decline in the receipts of Inland Revenue in July 1997, which brought the year-on-year rate of increase from this source of tax revenue to 9,5 per cent in the first four months of fiscal 1997/98. This lower-than-expected level of receipts was also influenced by a decline in the amounts of unspent funds surrendered to the Exchequer by government departments which was, to a large extent, the outcome of better cash-flow management by the Finance Ministry.

The revenue from customs and excise duties increased at a year-on-year rate of 13,1 per cent in the first four months of 1997/98, which is well above the budgeted rate of increase of 8,0 per cent for the full fiscal year 1997/98. The revenue to be collected from this source is expected to contribute only 13,3 per cent of total Exchequer receipts for the year as a whole.

Exchequer receipts and issues

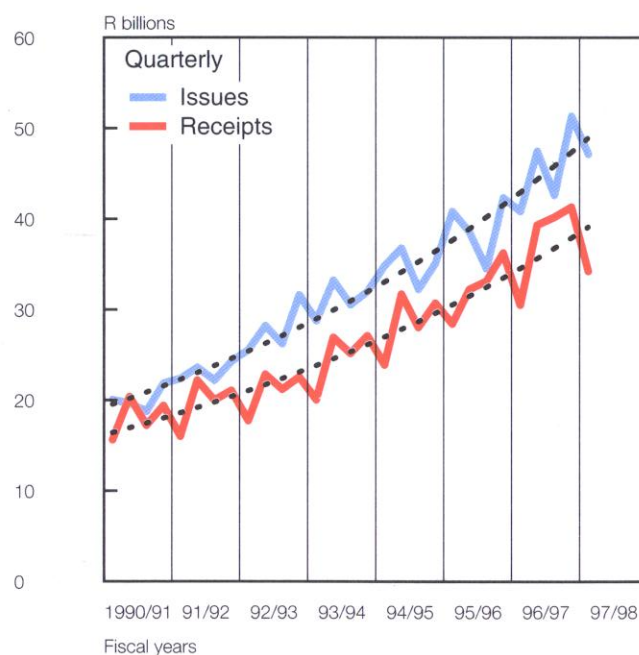


Table 15. Percentage increase in Exchequer receipts

Revenue source	Budgeted increase: fiscal year 1997/98	Realised increase: first four months of fiscal year
Customs and excise duties	8,0	13,1
Inland revenue	11,7	9,5
Total Exchequer receipts	11,2	7,4

Mainly because Exchequer receipts fell short of the growth objective indicated in the Budget, but also because Exchequer issues exceeded the budgetary projection of national government spending for the fiscal year as a whole, the *Exchequer deficit before borrowing and debt repayment* came to R11,1 billion for the first four months of fiscal 1997/98, which was equivalent to 44,7 per cent of the budgeted deficit of R24,8 billion for the full fiscal year. This deficit was higher than the deficit of R10,4 billion in the corresponding period of the previous fiscal year. As a percentage of the gross domestic product the deficit came to 8,9 per cent in the first quarter of fiscal 1997/98; for the full fiscal year a ratio

of 4,0 per cent was projected and a ratio of 7,8 per cent was realised in the first quarter of the previous fiscal year.

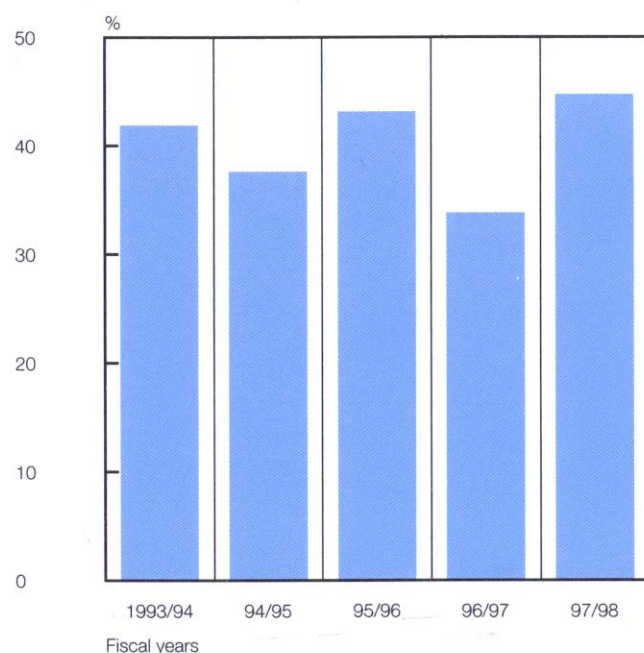
The deficit of R11,1 billion in the first four months of fiscal 1997/98 was financed as follows:

	R billions
Government stock (including discount)	16,4
Treasury bills	2,1
Extraordinary receipts	2,9
Foreign loans	3,4
Redemption of Namibian debt	-0,2
Redemption of TBVC* debt	-3,3
Transfer from IMF accounts	0,3
Changes in available cash balances	
Cash balances at the Reserve Bank	-0,8
Cash balances at domestic banks	-5,6
Cash balances at foreign banks	-2,2
Total financing	13,0
Less: Discount on new government stock	1,9
Total net financing	11,1

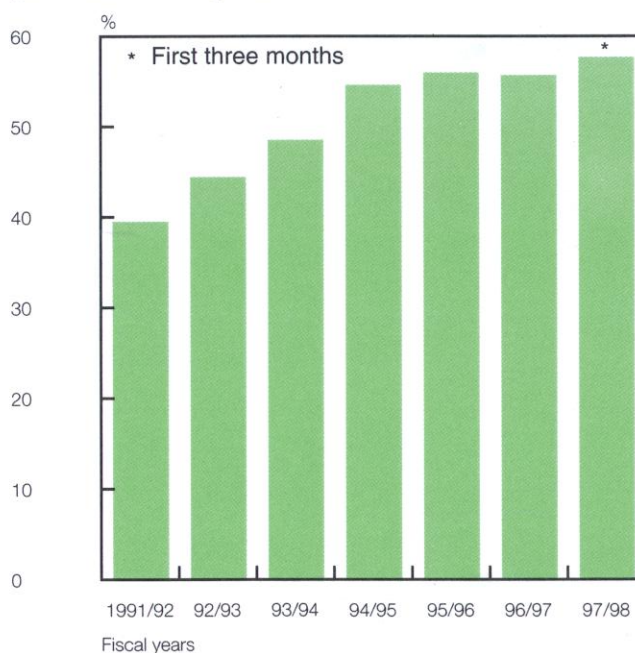
* The former independent republics of Transkei, Bophuthatswana, Venda and Ciskei

Long-term government bonds remained the principal debt-financing instrument, showing issues of new debt amounting to R16,4 billion in the first four months of fiscal 1997/98. The government was also successful in launching two bond issues in the international bond

Exchequer deficit in first four months as percentage of budgeted deficit for the full fiscal year



Total government debt as percentage of gross domestic product



markets yielding R3,8 billion in the first four months of the fiscal year. The sale of state assets contributed an amount of R2,9 billion to the financing of the deficit before borrowing and debt redemption, but a further R4,4 billion from this source was deployed for the recapitalisation of Telkom.

Debt of the former independent republics of Transkei, Bophuthatswana, Venda and Ciskei to the amount of R3,3 billion was replaced by the issuance of government bonds during the first four months of fiscal 1997/98. The South African government also took responsibility for the repayment of debt of the Republic of Namibia to the amount of R1 111 million plus interest of R131 million on the debt involved. When these debt obligations are taken into consideration, total government debt increased from R310,6 billion at the end of March 1997 to R333,3 billion at the end of July 1997. At the end of June 1997 government debt equalled 57,8 per cent of gross domestic product, compared with 55,8 per cent at the end of March.

South African Reserve Bank US\$1,750,000,000 Medium Term Revolving Credit Facility

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

22 July 1997

The South African Reserve Bank is pleased to announce the successful conclusion of the syndicated loan facility for a total amount of US\$1,75 billion. The facility documentation was signed in London on 22 July 1997. While the original objective was to arrange a medium term revolving credit facility for a total amount of US\$1,5 billion, the transaction was over-subscribed with the Arrangers, Co-Arrangers and Lead Managers prepared to commit almost US\$2 billion to the facility. The Bank decided to scale down the transaction to a final amount of US\$1,75 billion.

The final allocations for the Lenders are as follows:

Arrangers	-	US\$89 million
Co-Arrangers	-	US\$44 million
Lead Managers	-	US\$22 million

Besides the 12 Arrangers, 9 Co-Arrangers and 13 Lead Managers joined the syndicated facility.

The final list of Lenders is as follows:

Arrangers

The Bank of Tokyo-Mitsubishi, Ltd.
THE CHASE MANHATTAN BANK
COMMERZBANK Aktiengesellschaft
CREDIT SUISSE FIRST BOSTON
Deutsche Morgan Grenfell
Dresdner Bank Luxembourg S.A.
Midland Bank plc
J.P. Morgan Securities Ltd
NatWest Markets
SBC Warburg
A Division of Swiss Bank Corporation
Société Générale
Union Bank of Switzerland

Co-Arrangers

BANQUE PARIBAS
Bayerische Landesbank Girozentrale
BHF-Bank Aktiengesellschaft
The Dai-Ichi Kangyo Bank, Limited
DG Bank Deutsche Genossenschaftsbank
DEUTSCHE GIROZENTRALE -
DEUTSCHE KOMMUNALBANK
Landesbank Rheinland-Pfalz Girozentrale
Rabobank Nederland
The Sakura Bank, Limited

Lead Managers

Baden-Württembergische Bank AG
BANCA DI ROMA
Gruppo Cassa di Risparmio di Roma
Bankers Trust Company
BARCLAYS BANK PLC
Citibank N.A.
The Fuji Bank, Limited
Goldman, Sachs & Co.
Hypobank International S.A.
NATEXIS Banque
Republic National Bank of New York
N M Rothschild & Sons Limited
The Sumitomo Bank, Limited
WestLB

Agent

Dresdner Bank Luxembourg S.A.

The Reserve Bank would like to express its appreciation to its correspondent banks for supporting this important transaction.

For further information, please contact:

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Tel: (27) (12) 313-3796
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Notes on the profitability of non-financial incorporated business enterprises in South Africa

by Z.B. Jansen

Introduction

The South African Reserve Bank currently publishes information on current income and expenditure of *all* incorporated business enterprises in South Africa. In terms of the 1993 System of National Accounts and other macroeconomic statistical frameworks, a distinction should be drawn between *financial* and *non-financial* incorporated businesses on the grounds that the principal functions, objectives and behaviour of these two classes of entities differ materially. Financial business enterprises are principally engaged in financial intermediation or auxiliary financial services, while non-financial business enterprises are principally engaged in the production of goods and non-financial services.

This note briefly describes a number of key developments related to the profitability of non-financial incorporated business enterprises. The first section defines different profitability ratios, as well as the concepts of financial leverage and financial risk. In the next section the changes over time in the profitability of non-financial incorporated business enterprises are examined. This is followed by a brief analysis of the impact of inflation, interest rates and tax rates on the financing decisions of firms and the relationship between profitability and the utilisation of production capacity. Some observations on the linkages between profitability and fixed investment are then made, followed by concluding remarks.

The definition and measurement of profitability

The assets of a business enterprise are financed by a combination of internal finance (undistributed profit), share capital and borrowed funds. The decision to invest in assets is subject to the availability of funds and the cost of such funds relative to projected returns. The profitability of firms ultimately depends on a multitude of factors, including microeconomic operational efficiency, the evolution of output prices and input costs, and financial acumen of management.

Overall profitability is usually expressed as a ratio of the total return on all assets relative to total assets employed valued at market prices. This ratio was calculated, for the purposes of this study, by dividing aggregated profits (before interest and tax paid were taken into account) by the value of the total assets of the enterprise concerned. The return on equity ratio is calculated by dividing profit, after interest costs but

before tax paid, by owners' equity. A high return on equity ratio indicates that borrowed funds have been profitably employed, implying that enterprises can comfortably meet their interest commitments while still retaining ample after-interest profit in order to enhance the owners' return on equity.

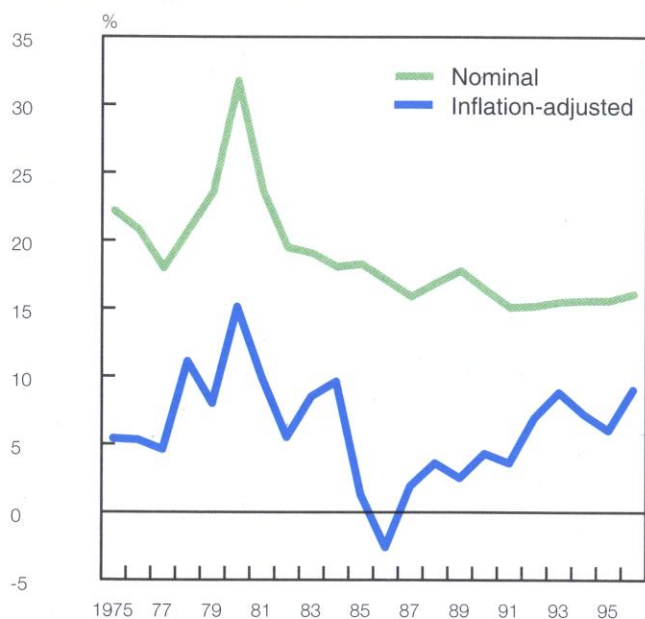
The practice of introducing borrowed funds (interest-bearing debt) into the capital structure of a business enterprise with the objective of increasing the return on equity is conventionally referred to as financial leverage. However, financial leverage introduces an element of financial risk which stems from the obligation to make interest payments, irrespective of the financial performance of the firm. The financial leverage factor is calculated by dividing the return on equity by the return on assets. When this leverage factor declines below the value of one, the use of borrowed funds is not advisable as it reduces the return on equity accruing to owners.

Changes in the profitability of non-financial incorporated business enterprises

The return on assets, as shown in Graph 1, was calculated by using national accounts data on the income and expenditure of non-financial incorporated businesses in the private sector. For the calculation of profit before interest and tax paid of the non-financial corporate sector, net corporate saving was adjusted by adding back taxes paid, dividends paid, inventory valuation adjustment and interest paid. The value of total assets was calculated as the sum of capital stock at replacement value and inventories at book value.

The profitability of the non-financial private sector reached relatively high levels during the late 1970s and early 1980s, mainly as a result of the prosperity generated by a relatively high gold price. From 1981 to the middle of the 1980s the profitability ratio of the non-financial private sector has shown a generally downward tendency. This downward movement came to an end in the late 1980s when the profitability of the manufacturing sector increased strongly. In the 1990s the profitability of the non-financial private sector moved sideways despite many new opportunities presenting themselves as international trade sanctions against the country were repealed and some of the other constraints on growth were removed. However, if the impact of inflation is taken into account, the inflation-adjusted or real return on assets showed a distinct increase from the middle of the 1980s, which gained further momentum from about 1992. The real rate of return was calculated by adjusting the

Graph 1: Return on assets of non-financial private incorporated businesses



profitability ratios with the average rate of increase in production prices.

Inflation and debt financing

When inflation becomes entrenched and is generally expected to persist, resources are usually directed away from productive enterprise and deployed in a way that is likely to protect the value of assets against the erosive effects of inflation. Highly skilled and entrepreneurial people then apply their talents to the realisation of inflation profits, rather than productive investment with the potential of creating new employment opportunities.

Central bankers' aversion to financial instability stems from the potential interaction between the excessive indebtedness of firms and contractions in non-financial economic activity. Failure of a single debtor to meet debt commitments timeously in a heavily indebted society may give rise to a train of events which can ultimately culminate in the failure of many other indebted firms. Borrowers and creditors facing insufficient cash flows will, under such circumstances, be forced to curb their demand in the goods and factor markets, leading to a general contraction in aggregate economic activity.

High inflation undermines saving, especially in an environment of low or negative real interest rates. A high inflation rate and negative inflation-adjusted

interest rates are likely to fuel the propensity to consume rather than to save, because they reduce the real rate of return earned by savers and lower the cost of borrowing for debtors. For the corporate sector in general, inflation not only militates against savings or retained income, but also creates a bias for financing assets by means of debt rather than retained income. This leads to a higher degree of financial leverage in the capital structure of firms, which in turn increases financial risk and has the potential of destabilising the economic system if allowed to increase excessively.

The following example illustrates how the real after-tax cost of debt *decreases* as inflation *increases* when the nominal interest rate and tax rate are kept unchanged, causing a bias towards debt financing. Suppose a company borrows an amount for one year at a nominal interest rate of 19 per cent per annum. The current inflation rate is 9 per cent and the company tax rate is 35 per cent. The real after-tax cost of debt will then be 3,1 per cent, calculated as follows:

$$K_{dr} = \frac{(1 + (K_{dn}(1-T)))}{1+R} - 1$$

$$K_{dr} = \frac{1 + (0,19(1-0,35))}{1+0,09} - 1$$

$$K_{dr} = 3,1 \text{ per cent}$$

Where: K_{dr}	=	real after-tax cost of debt
K_{dn}	=	nominal cost of debt
R	=	rate of inflation
T	=	tax rate

If the inflation rate increases from 9 to 10 per cent, the real after-tax cost of debt declines to 2,1 per cent. An increase of one percentage point in the inflation rate thus lowered the real after-tax cost of debt by one percentage point, thereby demonstrating that the higher the inflation rate, the lower the real after-tax cost of debt. An increase in the tax rate can also lower the real after-tax cost of debt, because the nominal interest cost is deductible from gross income for tax purposes.

Using the prime overdraft rate as an approximation of the nominal cost of debt, the real after-tax cost of debt increased from an average negative rate of 5,3 per cent per annum in the period 1975-83 to a negative 3,9 per cent during 1984-91, before turning positive at a rate of 2,7 per cent during 1992-96. The increase in the real after-tax cost of debt in the period 1984-91 compared with the period 1975-83 was the net result of a higher tax rate – the nominal corporate tax rate increased from 40 per cent in 1975 to 50 per cent in 1990 – and an increase in the inflation-adjusted interest rate from a negative 0,8 per cent to a positive

4,6 per cent. There was little change in the average inflation in prices as measured by the production price index between the two periods. The turnabout in the average real after-tax cost of debt from a negative value in the period 1984-91 to a positive value in the period 1992-96 can be attributed to a decrease in the average inflation rate from 13,8 per cent during 1984-91 to 7,9 per cent during 1992-96, causing the inflation-adjusted interest rate to rise from 4,6 per cent to 9,7 per cent between the two periods. The nominal corporate tax rate also declined from 50 per cent in 1990 to 35 per cent in 1996.

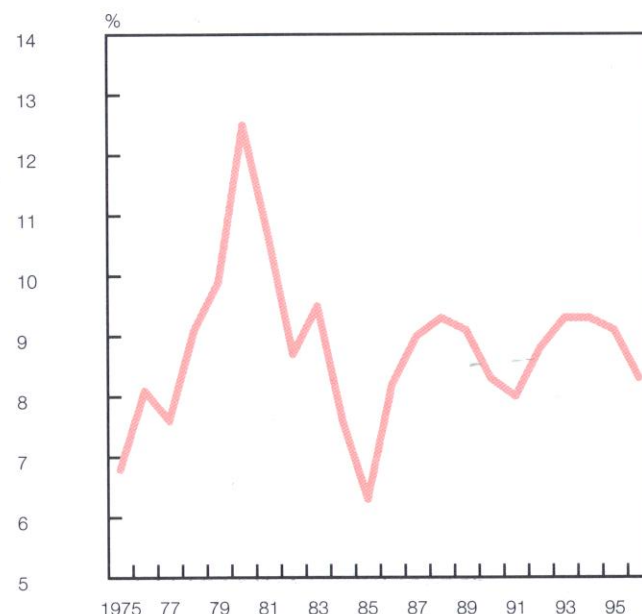
Net corporate saving as a percentage of earnings before interest and taxation for the non-financial private corporate sector, increased from an average of 13,1 per cent in the period 1985-91 to 25,4 per cent in the period 1992-96. This rise indicated that, on average, a

Table 1. The inflation-adjusted after-tax cost of debt

Per cent

	Inflation rate	Tax rate	Inflation-adjusted interest rate	Inflation-adjusted after-tax cost of debt
1975.....	16,7	40	-4,9	-8,2
1976.....	15,4	40	-3,1	-6,9
1977.....	13,3	40	-0,8	-5,1
1978.....	9,6	40	2,5	-2,1
1979.....	15,5	40	-5,5	-8,2
1980.....	16,6	40	-7,1	-9,4
1981.....	13,7	40	0,3	-4,7
1982.....	13,9	42	5,4	-2,4
1983.....	10,5	42	6,2	-0,7
1984.....	8,4	50	13,9	2,5
1985.....	16,9	50	4,6	-5,3
1986.....	19,6	50	-5,3	-10,4
1987.....	13,9	50	-1,4	-6,7
1988.....	13,2	50	2,1	-4,9
1989.....	15,2	50	4,6	-4,6
1990.....	12,0	50	9,0	-1,3
1991.....	11,4	48	8,9	-0,8
1992.....	8,2	48	10,6	1,5
1993.....	6,6	40	9,6	2,9
1994.....	8,3	35	7,3	1,7
1995.....	9,5	35	8,4	2,0
1996.....	7,0	35	12,5	5,3
Average for the period				
1975-83	13,9	40,4	-0,8	-5,3
1984-91	13,8	49,8	4,6	-3,9
1992-96	7,9	38,6	9,7	2,7

Graph 2: Gross corporate savings of non-financial private incorporated businesses as a percentage of gross domestic product

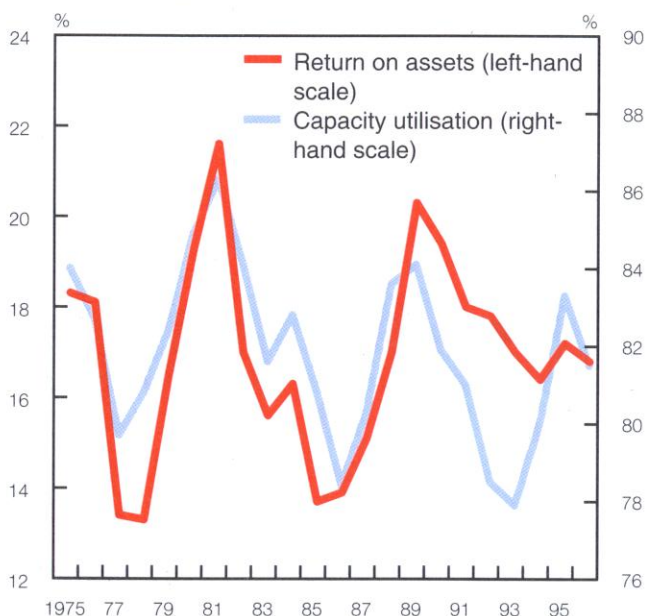


larger portion of corporate profits were retained by firms in 1992-96 than in 1985-91. This stronger showing of corporate saving may be attributed, *inter alia*, to lower inflation, positive inflation-adjusted interest rates, the introduction of the secondary tax on companies in the 1993/94 fiscal year and the increase in the inflation-adjusted after-tax cost of debt. Gross corporate savings of the non-financial private sector as a percentage of gross domestic product also increased from 1985-91 to 1992-96 (see Graph 2).

Profitability and the utilisation of production capacity

Graph 3 shows that the profitability ratio of the private manufacturing sector is relatively well correlated with the utilisation of production capacity in the manufacturing sector. This can be explained by the relationship between fixed and variable costs. Fixed costs (which mainly relate to fixed assets and long-term liabilities) usually remain unchanged during a specific period, unless overall production capacity is changed. Variable costs (which relate to current assets and liabilities) are likely to change broadly in accordance with the level of production. When the utilisation of production capacity increases, it means that more units of output are produced and the fixed costs per unit of output will accordingly be lower. The

Graph 3: Return on assets of private manufacturing incorporated businesses and the utilisation of production capacity



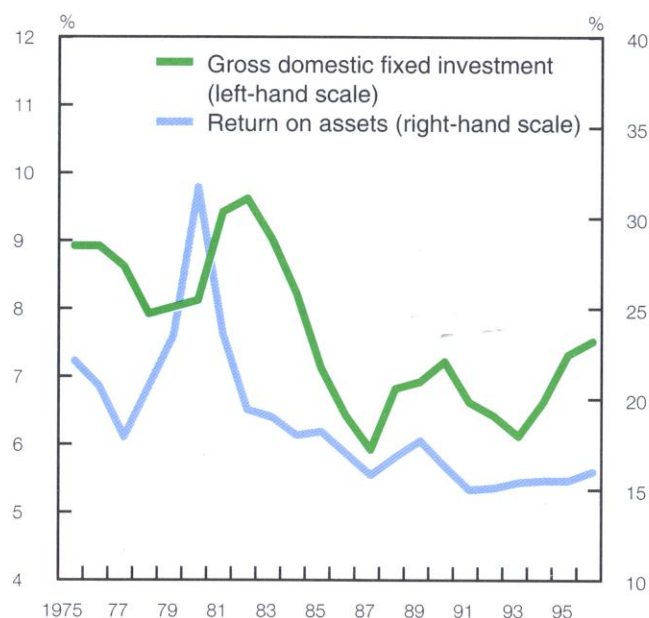
production thus becomes more efficient, thereby strengthening profitability – at least until capacity constraints start having their effect.

Linkages between profitability and fixed investment

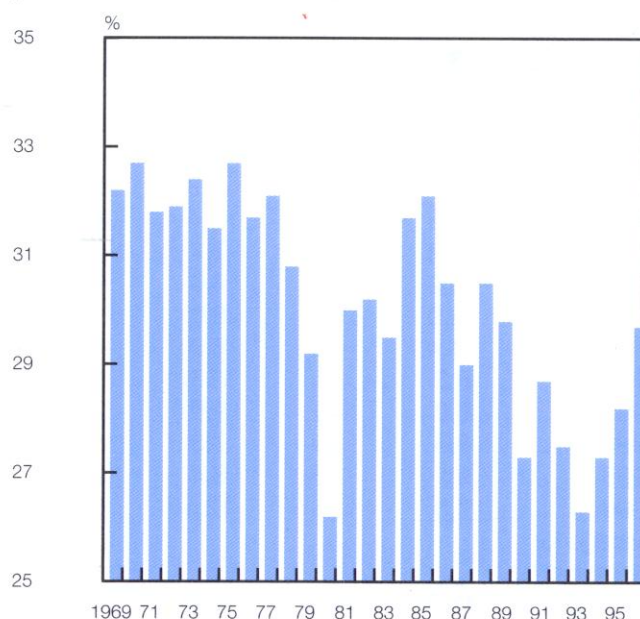
Periods of high capacity utilisation and high profitability are usually followed, with a time delay, by an expansion of production capacity, as is indicated by the positive relationship between corporate profitability and private-sector fixed investment (see Graph 4). The recent increase in fixed investment from 1994 was, however, more of a response to an increase in inflation-adjusted rates of return rather than a change in nominal rates of return, which have demonstrated marginal upward movement since 1994.

Outstanding credit extended by banks to incorporated businesses relative to the gross domestic product declined noticeably from 1985 (see Graph 5). The painful experience of many firms when they had to deal with a combination of high debt ratios and a sudden strong rise in interest rates in the mid-1980s, along with the generally high inflation-adjusted cost of credit from the late 1980s, apparently made companies more circumspect in their use of bank credit to finance expansion.

Graph 4: Gross domestic fixed investment by non-financial private incorporated businesses as a percentage of gross domestic product and the return on assets



Graph 5: Bank credit extension to incorporated businesses as a percentage of gross domestic product



Conclusion

An analysis of aggregated national accounts data indicated that the profitability of the non-financial private corporate sector declined during the 1980s, rising only slightly afterwards. However, the inflation-adjusted rate of return on assets revealed an increase in profitability from the middle of the 1980s.

High inflation and negative real interest rates fuelled the propensity to consume rather than to save. It tended to reduce the inflation-adjusted rate of return received by savers and lowered the opportunity costs of funds for borrowers. Inflation not only undermined saving, but also created a bias towards debt financing rather than own financing. This encouraged a higher degree of financial leverage in the capital structure of companies, which in turn increased financial risk.

The consistent application of counter-inflationary policies had the effect of lowering inflation and increasing the real after-tax cost of borrowing. This encouraged business enterprises to retain income rather than to borrow funds for expanding their businesses, thereby reducing the financial vulnerability of enterprises and contributing to general financial stability. The importance of this is self-evident, especially in a developing country that needs saving to bolster fixed investment.

This note indicated that the more stable and disciplined financial environment in South Africa since the late 1980s contributed to better inflation-adjusted profitability ratios and relatively less use of bank credit by incorporated businesses. It also contributed to sound increases in private-sector fixed investment. The recovery in private-sector fixed investment from 1994 was solidly based in that it was more a response to an improvement in inflation-adjusted rates of return, rather than an artificially reduced nominal interest rate.

Kwartaallikse ekonomiese oorsig

Inleiding

Swakker groei in totale produksie in die nie-landbousektore van die ekonomie in 1996 is in 'n groot mate deur 'n gelyktydige sterk uitbreiding in landbouproduksie verberg. Die swakker groei van die nie-landbousektore het in 1997 voortgeduur en die totale reële bruto binnelandse produk het gedurende die eerste kwartaal afgeneem toe die reële inkome in die landbousektor ook vanaf die hoë vlakke van die vorige jaar teruggesak het. Ekonomiese bedrywigheid in die nie-landbousektore het daarna in die tweede kwartaal van 1997 teen 'n taamlik onverwagse stewige koers toegeneem. Ondanks hierdie toename het die groei in die totale bruto binnelandse produk klaarblyklik verlangsaam van die vlakke wat in 1995 behaal is. Hoewel die bruto binnelandse produk in die eerste helfte van 1997 steeds aan die uitbrei was, wil dit voorkom asof die gemiddelde groeikoers oor die jongste ses kwartale laer was as die langtermyn-groeivermoë van die ekonomie.

Die hernieude uitbreiding van ekonomiese bedrywigheid in die tweede kwartaal van 1997 het sy oorsprong in die sekondêre en tersiêre sektore gehad. Fabrieksproduksie het skerp toegeneem in reaksie op 'n toename in die uitvoervraag na Suid-Afrikaans vervaardigde produkte. Dit het 'n vermenigvuldiger-uitwerking op ander sektore van die ekonomie gehad – die vervoer- en kommunikasiesektore in die besonder het voordeel getrek uit die hoër vlak van bedrywigheid in die fabriekswese. Die groei in die sekondêre en tersiêre sektore gesamentlik het gevolglik versnel van 'n jaarkoers van 2 persent in die eerste kwartaal van 1997 tot 3½ persent in die tweede kwartaal, en sodoende die vlak van die totale bruto binnelandse produk in die eerste helfte van 1997 op ongeveer 2 persent hoër as in die eerste helfte van 1996 te staan laat kom.

In teenstelling met die groeikoers in die reële bruto binnelandse produk wat verlangsaam het, maar steeds sterk positief gebly het, het die koers van verandering in reële bruto binnelandse besteding reeds vanaf die derde kwartaal van 1996 negatief geword. Selfs al het die totale reële binnelandse besteding in die tweede kwartaal van 1997 weer effens toegeneem, was dit steeds laer as in die ooreenstemmende kwartaal van 1996. Die koers van toename in reële private verbruiksbesteding en in reële bruto binnelandse vaste investering het oor die algemeen sedert die eerste helfte van 1996 verlangsaam, terwyl die voorraadvlakke deur die sakesektor verlaag is in 'n poging om die opbrengs op totale bates te verhoog. In teenstelling hiermee het reële verbruiksbesteding deur die algemene owerheid toegeneem teen koerse wat

aansienlik hoër was as dié van die ander komponente van reële bruto binnelandse besteding.

Die uiteenlopende bewegings in die groei van die bruto binnelandse produk en in bruto binnelandse besteding gedurende die afgelope jaar het 'n gesonder balans tussen totale vraag en aanbod in die binnelandse ekonomie bewerkstellig. Reële bruto binnelandse besteding was trouens vanaf die vierde kwartaal van 1996 laer as die bruto binnelandse produk en het vir die volgende twee kwartale so gebly. Dit het die voordelige uitwerking gehad dat dit die inflasionêre druk in die ekonomie verminder het en dat 'n kleiner tekort op die lopende rekening van die betalingsbalans bewerkstellig is. Inflasie, soos dit in veranderinge in produksie- en verbruikerspryse weerspieël word, het in die tweede kwartaal van 1997 weer afgeneem. Nominale vergoeding per werker in die nie-landbousektore van die ekonomie, veral in die private sektor, het oor die algemeen sedert die begin van 1996 teen afnemende koerse begin toeneem. Die verskerping van monetêre beleid in 1996 toe die rand verswak het, het klaarblyklik verhinder dat 'n potensieel nadelige kringloop van loon- en prysverhogings en herhaalde depresiasie van die rand ontstaan.

Die groter ewewig wat tussen totale vraag en aanbod bewerkstellig is, het ook aanleiding gegee tot stadiger groei in die binnelandse vraag na invoergoedere en het 'n sterk oplewing gebring in die aanbod van goedere wat vir uitvoer beskikbaar is. Die betreklik traë binnelandse vraag het ook kapasiteit daargestel om aan die groter internasionale vraag na Suid-Afrikaans vervaardigde goedere te voldoen. Hierdie aanpassing is aangehelp deur die afname in die wisselkoers van die rand gedurende 1996, wat die prysmededingendheid van uitvoerders en binnelandse invoermededingende nywerhede verbeter het. Die groei in die waarde van goederen-uitvoer het gevolglik 'n beduidende bydrae gelewer tot die verkleining van die tekort op die lopende rekening van die betalingsbalans tot slegs 0,6 persent van die bruto binnelandse produk in die tweede kwartaal van 1997.

Die beter makro-ekonomiese ewewig in Suid-Afrika het ook 'n sterk inwaartse beweging van kapitaal na die ekonomie aangemoedig. Langtermyn internasionale kapitaalinvloeiinge in die vorm van portefeuljebeleggings in effekte wat deur instellings in die openbare sektor uitgereik is, aangehelp deur nie-inwoners se deelname in die gedeeltelike privatisering van Telkom, was hoofsaaklik verantwoordelik vir die ongekende groot oorskot op die kapitaalrekening van die betalingsbalans in die tweede kwartaal van 1997. Die monetêre sektor het 'n toename ondervind van nie-inwonerdeposito's wat in buitelandse valuta en in rand betitel is namate nie-inwoners gaandeweg meer bedrywig geraak het in die binnelandse mark

vir buitelandse valuta en om as onderpand te dien vir die leen van effekte deur nie-inwoner by binnelandse instusionele beleggers.

Die oorskot op die algehele betalingsbalans in die tweede kwartaal van 1997 het voorts vir die derde opeenvolgende kwartaal 'n aansienlike verbetering in die goud- en ander buitelandse reserwes van die land tot gevolg gehad. Dit het veroorsaak dat die land se bruto internasionale reserwes teen die einde van die tweede kwartaal van 1997 gelyk was aan die waarde van 9½ weke se invoer van goedere en dienste. Ondanks die meer optimistiese ingesteldheid in die buitelandsevalutamarkte wat deur die hoër vlak van internasionale reserwes geskep is, het die sterkte van die VSA-dollar en die afgradering van opkomende markte as 'n beleggingsgeleentheid veroorsaak dat die rand gedurende die tweede kwartaal van 1997 waarde teenoor die dollar ingeboet het. Nieteenstaande hierdie depresiasie, het die rand op 'n handelsgeweege grondslag vanaf die begin van 1997 nog steeds teenoor die belangrikste geldeen-hede in waarde toegeneem.

Die groei in die omvattend gedefinieerde geldvoor-raad het in die tweede kwartaal van 1997 effens verlangsaam, maar stewig bokant die boonste perk van die riglyngebied vir die toename in die geldvoorraad gebly. Ondanks hierdie verlangsaaming was die omvat-tende geldvoorraad in verhouding tot die bruto binnelandse produk in die tweede kwartaal van 1997 op die hoogste vlak sedert 1980. Hierdie hoë verhouding het deels die sterk likiditeitsvoorkeur van die algemene publiek en die hoë vlakke van bedrywigheid in die Suid-Afrikaanse markte vir sekuriteite weerspieël. Dit het terselfdertyd die maandelike gevaar ingehou van 'n oormatige uitbreiding in die binnelandse vraag met gepaardgaande inflasionistiese gevolge indien hierdie geldbalanse in die goederemark ontplooi sou word.

Hoewel netto krediet wat die monetêre sektor aan die regeringsektor verleen het in die tweede kwartaal van 1997 afgeneem het, het die eise van die banke teen die private sektor teen 'n vinniger koers toegeneem. Die styging in totale binnelandse kredietverlening was ook die belangrikste statistiese teenhanger van die volgehoute uitbreiding in die geldvoorraad. 'n Aantal redes kan aangevoer word vir die sterk uitbreiding in bankkrediet aan die nie-bank private sektor. Daaronder tel die toenemende gebruik van bankkrediet deur plaaslike owerhede en die vinnige uitbreiding in omset op die binnelandse markte vir sekuriteite. Ongeag die redes wat die toename veroorsaak, sal die volgehoute verlening van bankkrediet teen 'n koers wat glad nie met die groeivermoë verband hou nie, uiteindelik tot 'n styging in inflasionêre druk in die ekonomie lei.

Opbrengskoerse op effekte het oor die algemeen in die eerste agt maande van 1997 afgeneem namate verwagtings van 'n verbetering van algehele finansiële bestendigheid, laer inflasie en naderende verlagings in Bankkoers al sterker geword het. Die relatiewe sterkte van die rand en die aantreklike opbrengskoerse op Suid-

Afrikaanse effekte het belangstelling van buitelandse beleggers ontlok wat die afwaartse neiging van die opbrengskoers op effekte versterk het. 'n Positiewe ingesteldheid het ook onder beleggers in die aandele-mark geheers, waar pryse oor die eerste agt maande van 1997 gestyg het nadat 'n taamlik uitgerekte tydperk van konsolidering in 1996 ondervind is. Die pryse van goudmynaandele het egter in die tweede helfte van 1996 en die eerste helfte van 1997 taamlik gedaal.

Geldmarktoestande het in die tweede kwartaal van 1997 aansienlik verruim namate die bedrag aan akkom-modasie wat deur die Reserwebank verleen is, afgeneem het teen die agtergrond van groot toenames in die Bank se netto buitelandse bates. Die Reserwebank het die mark toegelaat om op dié wyse te ontplooi en geldmark-rentekoerse het in die tweede kwartaal en die eerste twee maande van die derde kwartaal deurgaans afgeneem. Die opbrengskoerskromme het dienoreenkomstig laer beweeg en in die deel van die kromme langer as drie jaar bykans horisontaal begin verloop. Die skerp afwaartse helling van die opbrengskoerskromme in die aflossings-gebied tot en met drie jaar dui moontlik op verwagtings van naderende verlagings in amptelike geldmarkuitleen-koerse, terwyl die gelyke verloop van die kromme in die gebied langer as drie jaar moontlik dui op skeptisisme oor 'n volgehoute beweging na laer inflasie op die langer termyn.

Die primêre effektemark is steeds deur instellings in die openbare sektor oorheers. Feitlik alle kapitaal wat in die eerste helfte van 1997 deur die uitgifte van vaste-rentedraende effekte verkry is, was vir die finansiering van instellings in die openbare sektor bestem. Die bedrag aan befondsing wat op dié manier bekom is, was ook aansienlik hoër as in die ooreenstemmende tydperk van 1996. By geleentheid toe maatskappye in die private sektor hulle wel in die primêre kapitaalmarkt begeef het, was hul bedrywighede uitsluitlik tot die aandelemarkt beperk. Soos in die geval van die primêre effektemark was nuwe uitgiftes in die primêre aandelemarkt in die eerste helfte van 1997 aansienlik meer as in die eerste helfte van 1996.

Die hoë vlakke van bedrywigheid in die markte vir sekuriteite het na die formele markte vir afgeleide instru-mente uitgekring en die omset van opsie- en termyn-kontrakte het sterk toegeneem. Die beëindiging van die gesentraliseerde bemaking van landbouprodukte het aansienlike toenames in die verhandeling van mieliekon-trakte in die landboutermynmarkt meegebring. Bedrywig-heid in die vaste-eiendomsmark het effens vanaf die lae vlakke van die tweede helfte van 1996 herstel, maar was nog steeds taamlik stil vergeleke met toestande in 1994.

Die leningsbehoefte van die openbare sektor (dit wil, sê die tekort voor lenings van die algemene owerheid en al die nie-finansiële ondernemings in die openbare sektor) het van die eerste kwartaal van die fiskale jaar 1996/97 tot die eerste kwartaal van die fiskale jaar 1997/98 in randwaarde en as 'n persentasie van bruto binnelandse produk toegeneem. Dit is kommerwekkend dat die

verswakking in die openbare finansies hoofsaaklik op die vlak van die nasionale regering voorgekom het en dat die skatkistekort in die eerste vier maande van die fiskale jaar 1997/98 byna 45 persent beloop het van die tekort wat vir die volle fiskale jaar voorsien is. Ontsparring deur die owerheid het in die tweede kwartaal van 1997 voortgeduur, en daarmee saam die gebrek aan binnelandse besparing. 'n Aansienlike deel van die binnelandse investeringsbehoefte moes in die tweede kwartaal van 1997 deur middel van 'n netto invloeiing van kapitaal uit die buiteland gefinansier word.

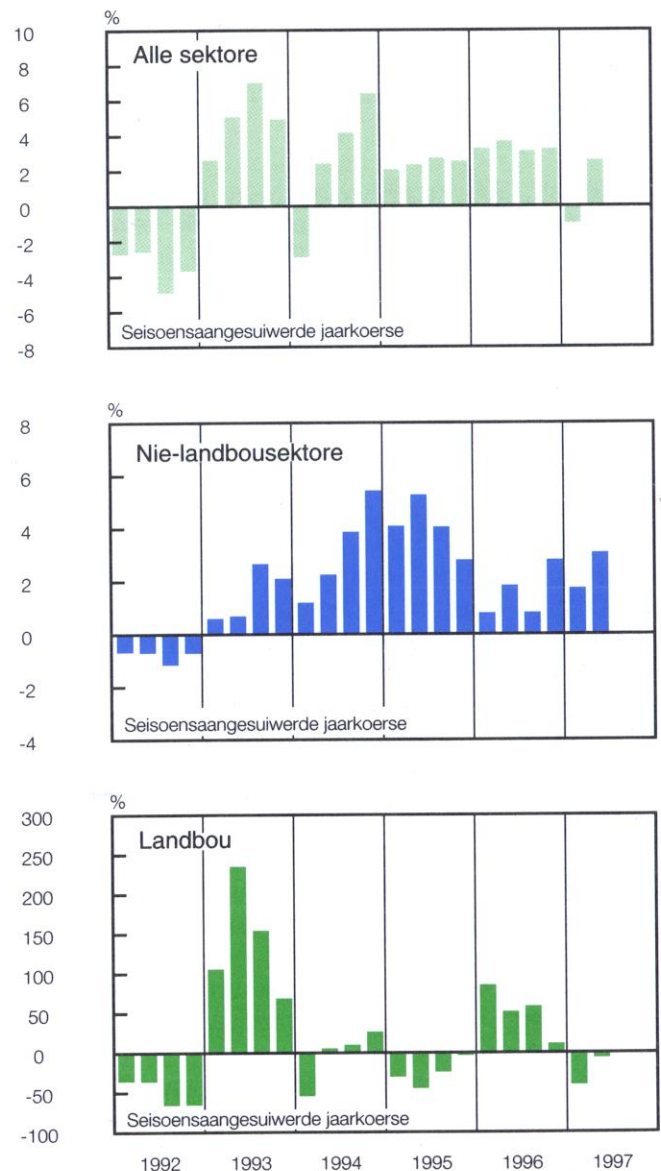
Die totale vlak van werkverskaffing in die formele sektore van die ekonomie het in die eerste kwartaal van 1997 weer afgeneem. Volgens die jongste ramings van die grootte van die ekonomies bedrywige bevolking was minder as die helfte van die arbeidsmag teen besoldiging in die moderne sektore van die ekonomie werksaam. Die dringendheid van hierdie probleem is herbevestig deur die aankondiging dat 'n presidensiële werksberaad binnekort gehou sal word. Op die beraad sal die oorsake van hoë werkloosheid bespreek word, sowel as ander aangeleenthede wat tot die oplossing van hierdie oënskynlik hardnekkige probleem kan lei.

Binnelandse ekonomiese ontwikkelings

Binnelandse produksie

Die totale reële bruto binnelandse produk het in die tweede kwartaal van 1997 teen 'n seisoensaangesuiwerde jaarkoers van 2½ persent gestyg, nadat dit in die eerste kwartaal met 1 persent gedaal het. Ondanks hierdie ommekeer in die groei van kwartaal tot kwartaal, was die groei oor vier kwartale in die eerste helfte van 1997 steeds laer as dié in 1996. Wanneer die eerste helfte van 1997 met die eerste

Groei in reële bruto binnelandse produk



Tabel 1. Reële bruto binnelandse produk

Persentasieverandering teen seisoensaangesuiwerde jaarkoerse

Sektore	1996					1997	
	1e kw	2e kw	3e kw	4e kw	Jaar	1e kw	2e kw
Primêre sektore	23	13	15	5½	8	-18½	-1
Landbou	86½	53	60	12½	26	-39½	-5½
Nie-landbousektore	1	2	1	3	2	1½	3
Mynbou	-½	-5	-7½	1	-1½	-½	1½
Nie-primêre sektore	½	3	1½	2½	2	2	3½
Sekondêre sektore	½	3	½	2½	1	5	6½
Fabriekswese	-1	3	-1	2	½	5½	7
Tersiêre sektore	1	3	2	3	3	0	1½
Handel	-2½	5½	0	3	3½	-2	1½
Vervoer, opberging en kommunikasie	1	2	3	2½	3	½	4½
Finansiële en ander dienste	3½	3	4	4	3½	2	2
Totaal	3½	3½	3	3½	3	-1	2½

helfte van 1996 vergelyk word, word die groei oor vier kwartale op 2 persent geraam; in die kalenderjaar 1996 het die reële bruto binnelandse produk met 3 persent toegeneem.

Die herstel in die groei van die totale reële produksie in die tweede kwartaal van 1997 is deur toenames in die reële toegevoegde waarde van die sekondêre en tersiêre sektore van die ekonomie teweeggebring wat die daling in die primêre sektore oortref het. In die *sektore buite die landbou* het die groei in die reële toegevoegde waarde van 1½ persent in die eerste kwartaal van 1997 tot 3 persent in die tweede kwartaal versnel. Hierdie toename in die groei van reële produksie was in al die belangrike sektore van die ekonomie waarneembaar – veral in die fabriekswese en die sektore wat elektrisiteit, gas en water, en vervoer- en kommunikasiedienste voorsien.

'n Ontleding volgens sektore toon dat die reële produksie van die *landbou* in die tweede kwartaal van 1997 weer eens teen 'n seisoensaangesuiwerde jaarkoers van 5½ persent gedaal het nadat dit in die eerste kwartaal teen 'n jaarkoers van ongeveer 39½ persent gedaal het. Hierdie dalings kan toegeskryf word aan die laer produksiehoeveelhede van die meeste somergewasse en vertragsings tot en met die derde kwartaal van 1997 met die insameling van die grootste deel van die mielie-oes as gevolg van ongekende hoë reënval in die tweede kwartaal.

Die groei in die reële toegevoegde waarde van die *mynbousektor* het in die tweede kwartaal van 1997 effens teen 'n jaarkoers van 1½ persent toegeneem nadat dit in die eerste kwartaal met ½ persent gedaal het. Ondanks 'n afname in die fisiese omvang van die goudproduksie, het betreklike sterk toenames in die reële

toegevoegde waarde van die nie-goudmynbousektor daarin geslaag om die produksievlak van die mynbou-sektor in die geheel te verhoog. Terwyl die reële toegevoegde waarde van die nie-goudmynbousektor oor die algemeen deur die toename in die vraag na uitvoer bevoordeel is, is steenkoolproduksie in die besonder deur groter uitvoerhoeveelhede na bestaande markte en die ontwikkeling van nuwe markte in sommige Oos-Asiatiese lande aangehelp. Gedurende die tweede kwartaal is ook met die ontginning van ru-olie langs die Suid-Kaapse kus begin.

Die reële toegevoegde waarde van die *sekondêre sektore* het in die eerste twee kwartale van 1997 sterk teen jaarkoerse van 5 en 6½ persent gestyg. Dit het die reële produksie van die sekondêre sektore in die tweede kwartaal van 1997 op 'n vlak te staan laat kom wat ongeveer 3½ persent hoër was as in die ooreenstemmende tydperk in 1996. Die groei in die reële toegevoegde waarde van die sekondêre sektore was hoofsaaklik die gevolg van sterk toenames in die reële produksie van die *fabriekswese* wat van 'n jaarkoers van 5½ persent in die eerste kwartaal van 1997 tot 7 persent in die tweede kwartaal versnel het. Hoewel die toename in produksie oor 'n wye reeks van vervaardigings-bedrywighede waargeneem kon word, was die groei in die reële toegevoegde waarde in die tweede kwartaal van 1997 veral sterk in die subsektore wat onedele metale verwerk en masjinerie en vervoertoerusting vervaardig. Die stewige internasionale vraag na goedere wat in Suid-Afrika vervaardig word, aangehelp deur die verbeterde prysmededingendheid van binnelandse vervaardigers en die volgehoue toename in binnelandse vaste investering, het stukrag aan die styging in fabrieksproduksie verleen. Fabrieksproduksie het boonop voordeel geput uit 'n

afname in die aantal werksdae wat gedurende die eerste helfte van 1997 weens arbeidsgeskille verlore gegaan het.

Die groei in die reële toegevoegde waarde van die sektor wat *elektrisiteit, gas en water* voorsien, het van 'n toename teen 'n jaarkoers van 4½ persent in die eerste kwartaal van 1997 tot 6 persent in die tweede kwartaal versnel. Die gevolg was dat die groei oor vier kwartale in die reële produksie van hierdie sektor in die eerste helfte van 1997 5½ persent beloop het, wat effens meer is as die gemiddelde groeikoers van 5 persent wat in 1996 in die geheel aangeteken is. Die onmiddellike oorsake van die groei in die voorsiening van elektrisiteit is die volgehoue toenames in die reële binnelandse finale vraag, die groeiende vraag na elektrisiteit vanaf buurlande en die volgehoue uitbreiding van die elektrisiteits- en water-netwerke na die minder ontwikkelde dele van die land.

Die reële toegevoegde waarde van die *tersiêre sektore* het in die eerste kwartaal van 1997 bykans geen groei getoon nie, maar in die tweede kwartaal teen 'n jaarkoers van 1½ persent toegeneem. Sterk groei in die reële toegevoegde waarde van die sektor vervoer, opberging en kommunikasie en 'n herstel van negatiewe groei in die eerste kwartaal tot positiewe groei in die tweede kwartaal in die groot- en kleinhandelsektore, was hoofsaaklik vir die verbetering in die reële toegevoegde waarde van die tersiêre sektore verantwoordelik.

Die reële toegevoegde waarde van die *groot-, klein- en motorhandel* het in die tweede kwartaal van 1997 teen 'n seisoensaangesuiwerde jaarkoers van 1½ persent toegeneem, nadat dit in die eerste kwartaal met bykans 2 persent gedaal het. Die betreklike sterk groei wat deur die kleinhandel aangeteken is, het oor die algemeen gestrook met die volgehoue toename van private verbruiksbesteding in die tweede kwartaal van 1997. Die vlak van die reële toegevoegde waarde van die *motorhandel* wat van die eerste tot die tweede kwartaal van 1997 bykans onveranderd gebly het, is deels 'n weerspieëling van die nadelige uitwerking op die verkope van nuwe motorvoertuie van die verskerping van die belasting op byvoordele.

Die groei in die reële toegevoegde waarde van die sektor *vervoer, opberging en kommunikasie* het sterk versnel van 'n jaarkoers van ½ persent in die eerste kwartaal van 1997 tot 4½ persent in die tweede kwartaal. Die vervoersektor het uit die groot hoeveelheid buitelandse handel en toerisme sedert die begin van 1997 voordeel getrek. In die geval van kommunikasiedienste, het die reële toegevoegde waarde as gevolg van die uitbreiding van die nasionale telefoonnetwerk en die baie lewendige mark vir sellulêre telefone toegeneem.

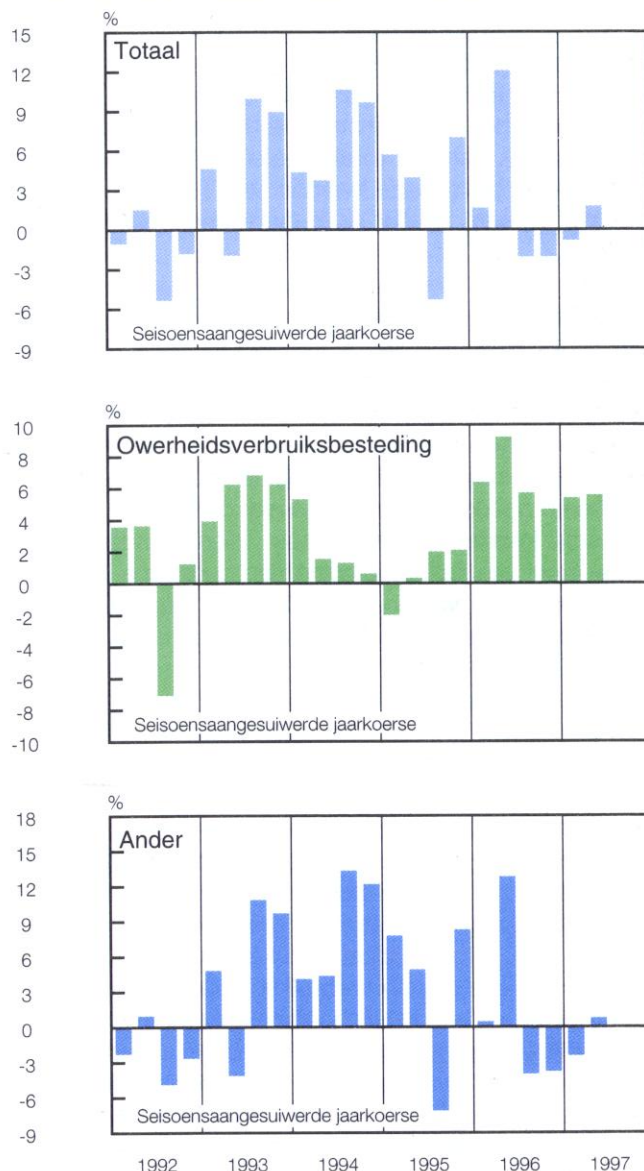
In die *sektor finansies, vaste eiendom en sakedienste* het die reële toegevoegde waarde in sowel die eerste as die tweede kwartaal van 1997 teen 'n bestendige seisoensaangesuiwerde jaarkoers van ongeveer 2 persent toegeneem. In 1996 was die gemiddelde groei in die reële toegevoegde waarde van die sektor 3½ persent. Die stadiger groei in die reële toegevoegde

waarde van die finansiële dienstesektor was die netto gevolg van volgehoue hoë vlakke van bedrywigheid in die finansiële markte, wat egter deels deur die betreklike slapte in die vaste-eiendomsmark teengewerk is.

Binnelandse besteding

Afnames van kwartaal tot kwartaal in *reële bruto binnelandse besteding* wat sedert die derde kwartaal van 1996 teen jaarkoerse van tussen 1 en 2 persent gewissel het, is in die tweede kwartaal van 1997 deur 'n matige herstel teen 'n jaarkoers van 2 persent gevolg. Die toename in die tweede kwartaal van 1997

Verandering in reële bruto binnelandse besteding



Tabel 2. Reële bruto binnelandse besteding

Persentasieverandering teen seisoensaangesuiwerde jaarkoerse

Komponente	1996					1997	
	1e kw	2e kw	3e kw	4e kw	Jaar	1e kw	2e kw
Private verbruiksbesteding	3½	4	3	2½	4	1	1
Verbruiksbesteding deur algemene owerheid	6½	9	5½	4½	5	5½	5½
Bruto binnelandse vaste investering	8	6	4½	2½	7	2	3
Verandering in voorrade (R miljard)*	1,4	6,7	3,0	0,2	2,8	-1,8	-2,2
Bruto binnelandse besteding	1½	12	-2	-2	3	-1	2

* Konstante 1990-pryse

is deur 'n effense versnelling in die groei van die reële bruto binnelandse finale vraag teweeggebring, wat 'n verdere daling in reële voorraadinvestering meer as net teengewerk het. Nieteenstaande hierdie ontwikkelings, was die vlak van die totale reële bruto binnelandse besteding in die tweede kwartaal van 1997 nog steeds sowat 1 persent minder as in die tweede kwartaal van 1996.

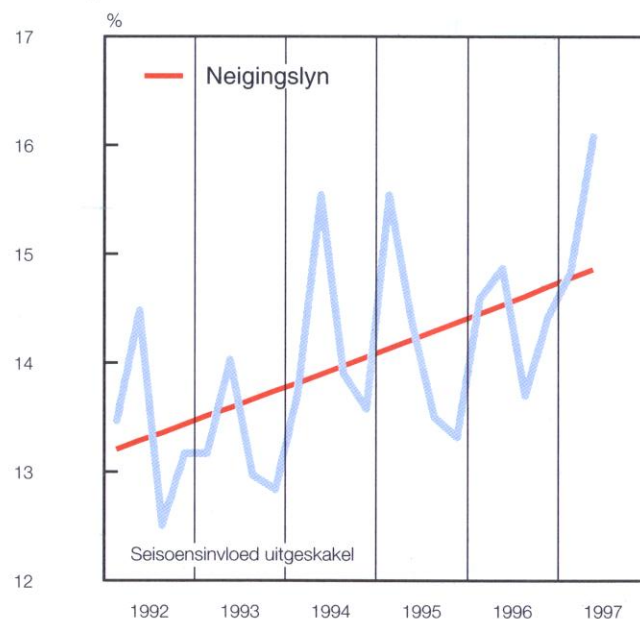
Die groei van kwartaal tot kwartaal in *reële private verbruiksbesteding* het van jaarkoerse van tussen 2½ en 4 persent in 1996 tot 1 persent in elk van die eerste twee kwartale van 1997 verlangsamen. Die reële besteding deur huishoudings aan semi-duursame goedere en dienste het in die tweede kwartaal van 1997 nog steeds matig toegeneem, maar reële besteding aan duursame en nie-duursame goedere het op ongeveer dieselfde vlak as in die eerste kwartaal van 1997 gebly. Hierdie onderbreking in die groei van reële besteding aan duursame goedere was die gevolg van 'n daling in reële besteding aan persoonlike vervoertoerusting wat 'n toename in reële besteding van huishoudings aan meubels en huishoudelike toerusting in die tweede kwartaal van 1997 teengewerk het. Die betreklike sterk vraag na meubels en huishoudelike toerusting is waarskynlik bevoordeel deur die vordering wat met die nasionale behuisings- en elektrifiseringsprogramme gemaak is.

Reële besteding aan semi-duursame goedere het van 'n jaarkoerse van 2½ persent in die eerste kwartaal van 1997 tot 1½ persent in die tweede kwartaal verlangsamen. Oor die algemeen kan die verlangsaming in die groei van private verbruiksbesteding sedert die vierde kwartaal van 1996 hoofsaaklik toegeskryf word aan huishoudings se volgehoue hoë skuld in verhouding tot hul inkomme, die stygende finansieringskoste van hierdie skuld, asook die las wat stygende belasting op huishoudings plaas. Die verhouding van direkte belasting wat huishoudings betaal as 'n persentasie van lopende inkomme het van 'n gemiddelde van 14½ persent in 1996 tot ongeveer 15½ persent in die eerste ses

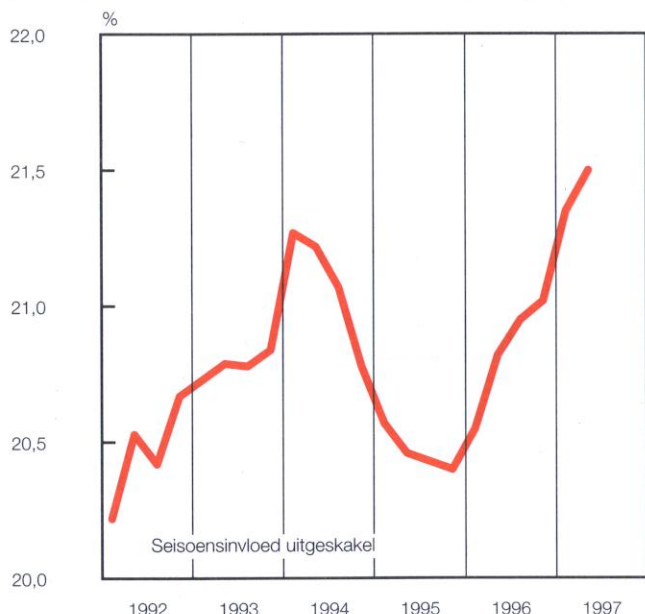
maande van 1997 toegeneem. Dit is aansienlik hoër as die gemiddelde op lang termyn.

Reële *verbruiksbesteding deur die algemene owerheid* het in die tweede kwartaal van 1997 bly toeneem. Reële besteding aan goedere en dienste het in 1996 teen 'n gemiddelde koers van 5 persent gestyg, maar daarna in sowel die eerste as die tweede kwartaal van 1997 teen 'n nog hoër seisoensaangesuiwerde jaarkoerse van 5½ persent toegeneem. Hierdie sterk toenames het op al die vlakke van die algemene owerheid voorgekom, veral in reële beste-

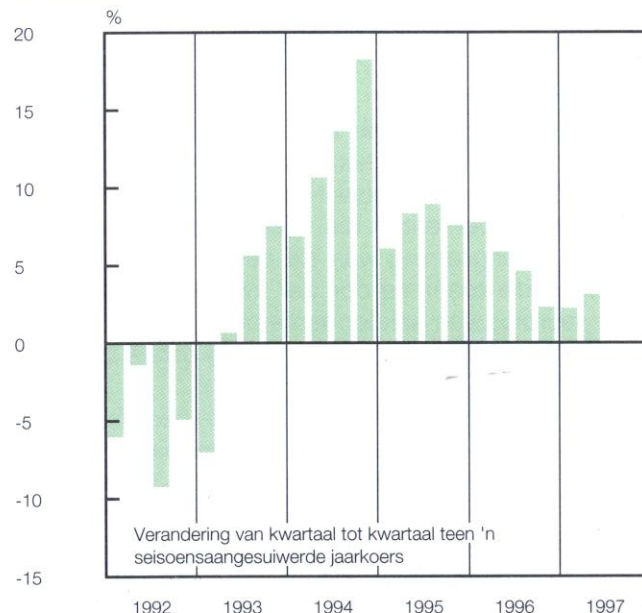
Direkte belasting van huishoudings as persentasie van lopende inkomme



Reële owerheidsverbruiksbesteding as persentasie van reële bruto binnelandse produk



Verandering in reële bruto binnelandse vaste investering



ding aan intermediêre goedere en dienste. Die gemiddelde vlak van reële besteding deur die algemene owerheid aan goedere en dienste van 'n nie-kapitale aard was in die eerste helfte van 1997 ongeveer 13½ persent hoër as in die ooreenstemmende tydperk van 1996. Die vlak van totale verbruiksbesteding deur die algemene owerheid as 'n persentasie van die bruto binnelandse produk het dienooreenkomstig van 20½ persent in die eerste helfte van 1996 tot 21½ persent in die eerste helfte van 1997 toegeneem.

Die groei in die *totale reële bruto binnelandse vaste investering* wat van 8 persent in die eerste kwartaal van 1996 tot 2 persent in die eerste kwartaal van 1997 verlangsaam het, het in die tweede kwartaal van 1997 effens tot 'n seisoensaangesuiwerde jaar-koers van 3 persent versnel. Die toename in reële kapitaalvorming in die tweede kwartaal van 1997 is deur 'n versnelling in kapitaalbesteding deur private sakeondernemings en openbare owerhede teweeggebring, terwyl die toename in besteding aan kapitaalgoedere deur openbare korporasies verlangsaam het. Gevolglik was die vlak van die reële bruto binnelandse vaste investering in die tweede kwartaal van 1997 ongeveer 3 persent hoër as in die tweede kwartaal van 1996.

Groei in totale reële bruto binnelandse vaste investering in die *private sektor* het van 2 persent in die eerste kwartaal van 1997 tot 3 persent in die tweede kwartaal versnel. Met die uitsondering van die landbousektor, het

al die vernaamste sektore in die tweede kwartaal van 1997 tot die groei in reële vaste investering bygedra. 'n Aansienlike deel van kapitaalbesteding het bestaan uit nuwe ontwikkelings en verbeterings aan bestaande infrastruktuur om met meer gevorderde produksietegnologie tred te hou.

Groei in reële vaste investering deur die *openbare sektor* het effens verbeter van 'n jaar-koers van ongeveer 3 persent in die eerste kwartaal van 1997 tot 3½ persent in die tweede kwartaal. 'n Toename in reële vaste investering deur die openbare owerhede was op al drie vlakke van die algemene owerheid waarneembaar. Hoewel teen 'n stadiger pas as in die eerste kwartaal, het kapitaalvorming deur die openbare korporasies ook in die tweede kwartaal toegeneem namate toenames in kapitaalbesteding deur die sektor vervoer, opberging en kommunikasie 'n daling in die kapitaalbesteding deur Eskom gedurende die tweede kwartaal teengewerk het.

Voorraadinvestering teen konstante 1990-pryse was in die tweede kwartaal van 1997 negatief teen 'n jaar-koers ten bedrae van sowat R2,2 miljard. Dit was effens meer as die daling van R1,8 miljard wat in die eerste kwartaal aangeteken is. Die daling in die tweede kwartaal van 1997 kon hoofsaaklik in die fabriekswese en groot- en kleinhandel waargeneem word. In teenstelling met ontwikkelings in die ander sektore van die ekonomie, het die vlak van landbouvoorrade in die handel toegeneem weens die insameling van somergewasse en die vroegtydige invoer van koring. Die daling in voorraadinvestering het veroorsaak dat die verhouding

van nywerheids- en handelsvoorrade tot die bruto binnelandse produk (met uitsluiting van die landbou) in die tweede kwartaal van 1997 tot 'n vlak van effens minder as 18 persent gedaal het, vergeleke met 'n verhouding van net meer as 18 persent in die eerste kwartaal.

Faktorinkome

Die groei oor vier kwartale in die totale *nominale faktor-inkome* teen markpryse het in 1996 12 persent beloop, maar daarna tot 10½ persent in die eerste kwartaal van 1997 en 9½ persent in die tweede kwartaal gedaal. Hierdie verlansaming was die gevolg van 'n vermindering in die toename oor vier kwartale in die bruto bedryfsurplus van sakeondernemings en die bykans konstante groei oor vier kwartale in totale arbeidsvergoeding.

Die groei oor vier kwartale in die *bruto bedryfsurplusse* van sakeondernemings het van 'n toename van 10 persent in die eerste kwartaal van 1997 tot 8½ persent in die tweede kwartaal gedaal. Dit kan hoofsaaklik aan 'n taamlik bestendige koers van toename oor vier kwartale in die bruto bedryfsurplusse van die sekondêre en tersiêre sektore en 'n daling in die bruto bedryfsurplus van die primêre sektor toegeskryf word. Die bruto inkomste van boere het in die eerste helfte van 1997 gedaal weens 'n vermindering in die produksievolumes van somergraangewasse, terwyl die winsgewendheid van die mynbousektor negatief beïnvloed is deur toenames in produksiekoste en dalende eindprodukpryse.

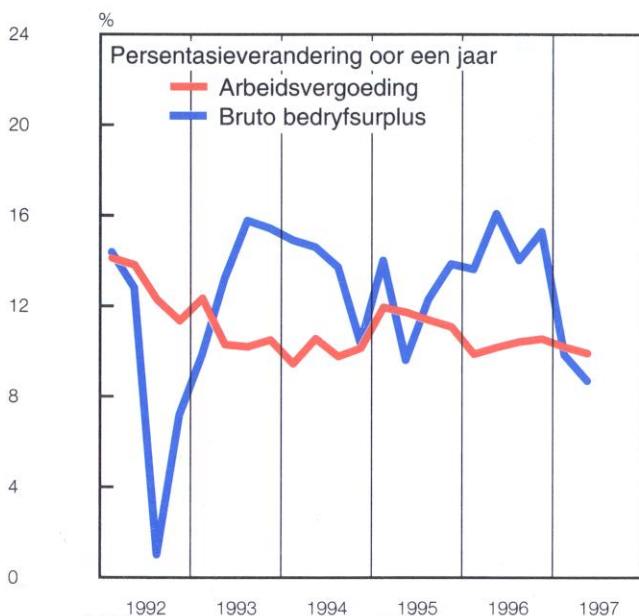
In teenstelling hiermee het die groei oor vier kwartale in die *vergoeding van werknemers* 10 persent in sowel die eerste as die tweede kwartaal van 1997 bedra. Hierdie onveranderde groei in die totale salarisse en lone kon in bykans al die sektore van die ekonomie waargeneem word en was die netto gevolg van dalings in werkverskaffing buite die landbou en salaris- en loonverhogings wat die verbruikersprysinflasiekoers vir dieselfde tydperk oorskry het.

Binnelandse besparing

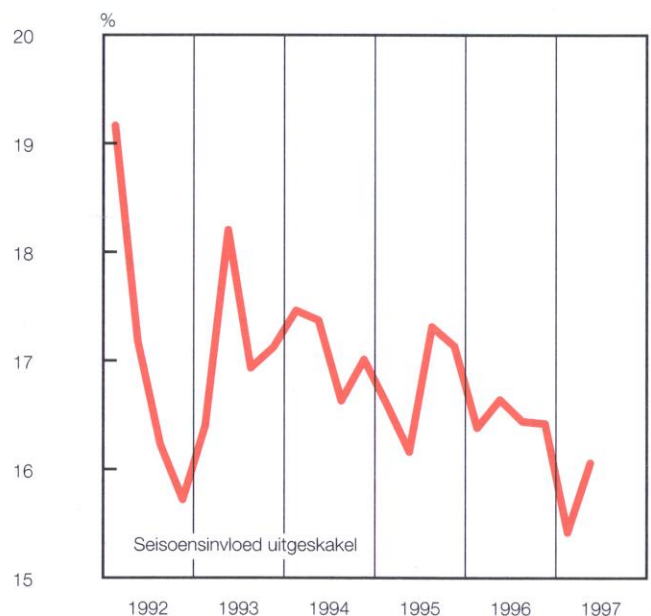
Die binnelandse besparingsverhouding (dit wil sê binnelandse besparing as 'n persentasie van die bruto binnelandse produk) het effens van ongeveer 15½ persent in die eerste kwartaal van 1997 tot ongeveer 16 persent in die tweede kwartaal verbeter. Bruto binnelandse besparing was egter steeds ontoereikend om aan die binnelandse investeringsbehoefte te voldoen en ongeveer 3½ persent van die bruto binnelandse investering moes deur die invoer van buitelandse besparing in die ekonomie gefinansier word.

Terwyl die netto *ontsparring deur die algemene owerheid* effens van R22,9 miljard (seisoensaan-gesuiwerd en teen 'n jaarkoers) in die eerste kwartaal van 1997 tot R20,6 miljard in die tweede kwartaal gedaal het, het die besparing van die private sektor swak gebly. Besparing van huishoudings is aan bande gelê deur stygende skuld en hoë skuldfinansieringskoste. Dit het tot gevolg gehad dat besparing van huishoudings as 'n

Arbeidsvergoeding en bruto bedryfsurplus



Bruto binnelandse besparing as persentasie van bruto binnelandse produk

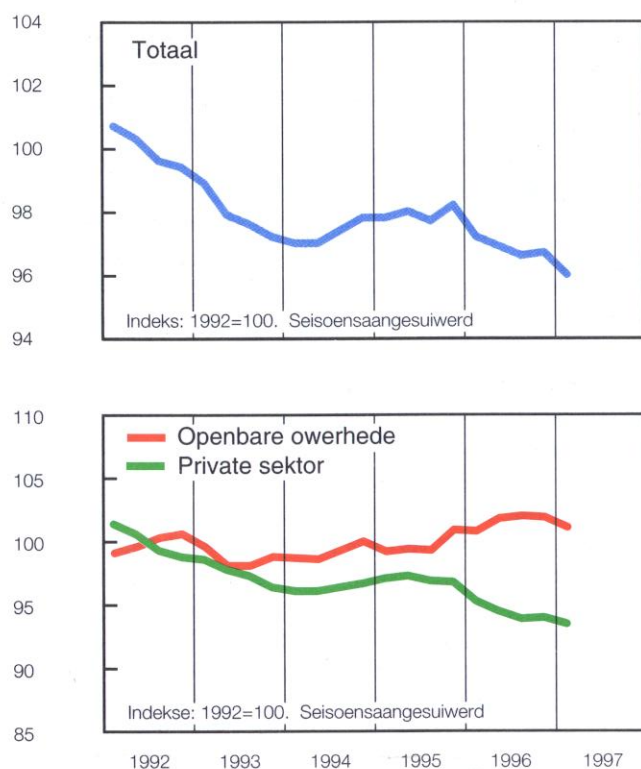


persentasie van persoonlike beskikbare inkome in die tweede kwartaal van 1997 op 1½ persent gebly het. Maatskappybesparing het in die tweede kwartaal van 1997 net effens toegeneem namate bedryfsurplusse – veral in die primêre sektore van die ekonomie – onder druk geplaas is.

Werkverskaffing

Totale werkverskaffing in die formele sektore van die ekonomie buite die landbou het in die vierde kwartaal van 1996 teen 'n seisoensaangesuiwerde jaarkoers van 0,3 persent van kwartaal tot kwartaal toegeneem – die enigste toename van kwartaal tot kwartaal in die kalenderjaar 1996 – maar het daarna in die eerste kwartaal van 1997 met 2,5 persent afgeneem. Wanneer die eerste kwartaal van 1997 met die eerste kwartaal van 1996 vergelyk word, het die afname in totale werkverskaffing oor vier kwartale op 62 000 werkgeleenthede of 1,2 persent te staan gekom, vergeleke met 'n afname van jaar tot jaar van 1,1 persent in die gemiddelde vlak van werkverskaffing in 1996. Die oorsake van hoë werkloosheid en alle aspekte wat met die gebrek aan werkskeppingsvermoë in die Suid-Afrikaanse ekonomie gepaard gaan, sal breedvoerig tydens 'n presidensiële werksberaad later in 1997 bespreek word.

Werkverskaffing buite die landbou



Werkverskaffing in die *private sektore* van die ekonomie *buite die landbou*, wat 65 persent van totale werkverskaffing in die formele sektore buite die landbou in 1996 uitgemaak het, het in die eerste kwartaal van 1997 teen 'n seisoensaangesuiwerde jaarkoers van 2,3 persent afgeneem vergeleke met 'n matige toename van sowat 0,7 persent in die vierde kwartaal van 1996. Meer as 70 persent van die 20 000 netto aantal werkgeleenthede wat in die eerste kwartaal van 1997 verlore gegaan het, het in die groot-, klein- en motorhandel voorgekom. Betrekklike klein toenames in werkverskaffing het nietemin in die elektrisiteitopwekkingsektor en die dienstebedrywe soos hotelle, wasserye en droogskoonmaakdienste, en private padvervoer voorgekom.

Werkverskaffing in die openbare sektor wat van 1989 tot 1995 teen 'n gemiddelde jaarkoers van 0,9 persent toegeneem het, het in die vierde kwartaal van 1996 met 0,5 persent (teen 'n seisoensaangesuiwerde jaarkoers) en in die eerste kwartaal van 1997 met 3,0 persent afgeneem. Hierdie afname strook met die doelwit van 'n kleiner, maar doeltreffender staatsdiens soos uiteengesit in die regering se strategie vir groei, werkverskaffing en hervreiding (GEAR).

Volgens die Huishoudingsopname van Oktober 1995 was 29,3 persent van die ekonomies bedrywige bevolking werkloos indien die uitgebreide definisie van werkloosheid toegepas word. Ingevolge hierdie definisie word 'n werklose persoon as werkloos ingedeel as slegs die begeerte uitgespreek word om te werk, ongeag of doelgerigte stappe gedoen is om werk te soek. Die uitgebreide definisie van werkloosheid is tans waarskynlik eerder in Suid Afrika van toepassing, waar werkgeleenthede uiters beperk is en baie mense as gevolg van hoë reiskoste opgehou het om werk te soek. Die werkloosheidskoers was heelwat laer onder diene wat ten minste twaalf jaar se skoolopleiding suksesvol voltooi het, as onder diene met minder formele skoolopleiding.

Tabel 3. Werkverskaffing in die sektore van die ekonomie buite die landbou

Persentasieverandering oor een kwartaal teen seisoensaangesuiwerde jaarkoerse

	Private sektor	Openbare sektor	Totaal
1995: 1e kw	1,8	-2,9	0,2
2e kw	0,9	0,7	0,8
3e kw	-1,6	-0,5	-1,3
4e kw	-0,6	6,6	1,7
1996: 1e kw	-5,8	-0,2	-3,9
2e kw	-3,4	3,9	-1,0
3e kw	-2,7	0,9	-1,5
4e kw	0,7	-0,5	0,3
1997: 1e kw	-2,3	-3,0	-2,5

Dit impliseer dat ten minste 'n deel van die oplossing vir die werkloosheidsprobleem op lang termyn te vinde is in die nadruk wat tans op onderwys en opleiding geplaas word.

Arbeidskoste en produktiwiteit

Die koers van toename oor vier kwartale in die *nominale vergoeding per werker* in die sektore van die ekonomie buite die landbou het van 11,1 persent in die eerste kwartaal van 1996 tot 8,9 persent in die vierde kwartaal verlangsaam, maar daarna tot 9,8 persent in die eerste kwartaal van 1997 versnel. Hierdie versnelling is hoofsaaklik veroorsaak deur 'n verstewiging in die toename oor vier kwartale in die vergoeding van werknemers in die openbare sektor van 8,4 persent in die derde kwartaal van 1996 tot 9,0 persent in die vierde kwartaal en 11,8 persent in die eerste kwartaal van 1997. In teenstelling hiermee het die koers van toename oor vier kwartale in die nominale vergoeding per werker in die *private sektore buite die landbou* van 12,5 persent in die eerste kwartaal van 1996 tot 8,5 persent in die vierde kwartaal van 1996 afgeneem en daarna hierdie laer groeikoers in die eerste kwartaal van 1997 bly handhaaf. As gevolg van die versnelling in die nominale vergoeding per werker, het die groei in die *reële vergoeding per werker* in die sektore van die ekonomie buite die landbou (soos deur die prysdeflator vir die nie-landbou bruto binnelandse produk gedelee) van 'n afname oor een jaar van 1,3 persent in die vierde kwartaal van 1996 tot 'n toename oor een jaar van 1,4

persent in die eerste kwartaal van 1997 versnel – laasgenoemde is die tweede hoogste koers van toename gedurende die laaste nege kwartale waarvoor waarnemings beskikbaar is.

Die koers van toename van jaar tot jaar in *arbeidsproduktiwiteit* in die nie-landbousektore het in 1996 op 3 persent te staan gekom. Hierdie koers van toename is in die eerste kwartaal van 1997 gehandhaaf. Die kombinasie van stewige produktiwiteitsgroei en 'n algemene verlangsaaming in die groei van nominale vergoeding in die sektore buite die landbou het gelei tot 'n verlangsaaming in die groei van die *nominale koste van arbeid per eenheid geproduseer* van 13,8 persent in 1992 tot 6,9 persent in 1996 en daarna tot 'n groeikoers van 6,6 persent oor vier kwartale in die eerste kwartaal van 1997. Hierdie afnames het uiteraard betekenisvol tot die inperking van produksie- en verbruikersprysinflasie in die eerste helfte van 1997 bygedra.

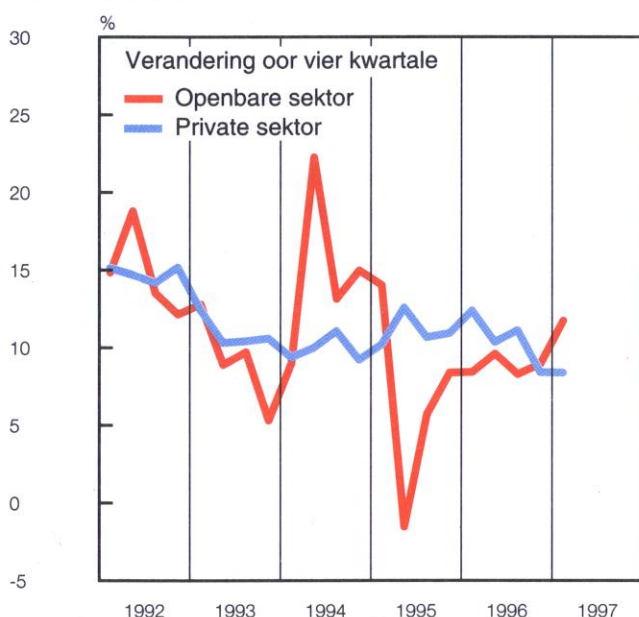
Inflasie

Die toename van kwartaal tot kwartaal teen 'n seisoens-aangesuiwerde jaarkoers in die *omvattende produksieprysindeks* het van 'n jongste hoogtepunt van 14,3 persent in die eerste kwartaal van 1995 tot 5,1 persent in die eerste kwartaal van 1996 afgeplat. Toe die trekkrag van die depresiasie van die rand gedurende 1996 begin deurwerk het, het die koers van toename van kwartaal tot kwartaal in die omvattende produksieprysindeks tot 12,7 persent teen 'n jaarkoers in die vierde kwartaal van 1996 versnel, maar daarna tot 8,4 persent in die eerste kwartaal van 1997 en tot 'n vlak so laag as 2,7 persent in die tweede kwartaal teruggesak. Gemeet oor tydperke van 12 maande, het die omvattende produksieprysinflasie van 5,3 persent in April 1996 tot 9,6 persent in Maart 1997 gestyg, maar daarna deurlopend tot 7,5 persent in Junie afgeneem.

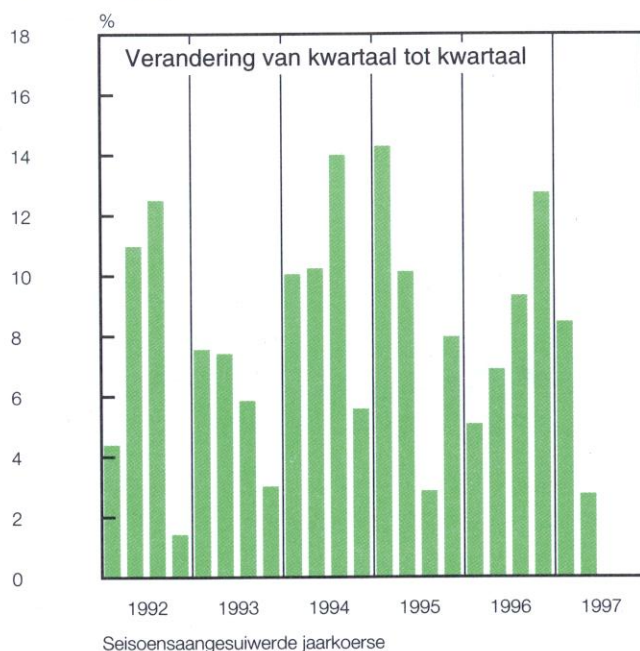
Die koers van toename in die *pryse van binnelands geproduseerde goedere*, wat 'n gewig van ongeveer 81 persent in die omvattende produksieprysindeks uitmaak, het van 'n seisoensaangesuiwerde jaarkoers van 13,6 persent in die eerste kwartaal van 1995 tot 4,8 persent in die eerste kwartaal van 1996 afgeneem. Vanaf die tweede kwartaal van 1996 het die pryse van binnelands geproduseerde goedere tot 11,4 persent in die derde en vierde kwartale versnel maar weer tot 7,2 persent in die eerste kwartaal van 1997 en 6,3 persent in die tweede kwartaal verlangsaam. Gemeet oor tydperke van twaalf maande, het die pryse van binnelands geproduseerde goedere aanvanklik van 5,9 persent in April 1996 tot 9,7 persent in April 1997 toegeneem en toe teruggesak tot 8,5 persent in Junie. Hierdie prysbewegings van binnelands geproduseerde goedere het min of meer ooreengestem met die veranderinge in die groei van nominale arbeidseenheidskoste gedurende die tydperk wat in 1995 'n aanvang geneem het.

Die toename van kwartaal tot kwartaal teen 'n seisoensaangesuiwerde jaarkoers in die *pryse van ingevoerde goedere*, wat ongeveer 19 persent van die omvat-

Nominale vergoeding per werker in sektore buite die landbou



Produksiepryse



tende produksieprysindeks verteenwoordig, het van 2,8 persent in die vierde kwartaal van 1995 tot 18,1 persent in die vierde kwartaal van 1996 versnel in reaksie op die verswakking van die rand teenoor ander geldeenheide. Met die verstewiging van die rand vanaf November 1996, het die verandering van kwartaal tot kwartaal in die pryse van ingevoerde goedere tot 12,4 persent in die eerste kwartaal van 1997 verlangsaam en toe negatief geword teen 'n koers van 10,7 persent in die tweede kwartaal. Gemeet oor 'n tydperk van twaalf maande, het die koers van toename in die pryse van ingevoerde goedere van 3,2 persent in April 1996 tot 10,3 persent in Februarie 1997 versnel, maar daarna tot 4,1 persent in Junie teruggesak namate die sterker rand kragte met dalende ru-oliepryse gesnoer het om die omvattende prysvlak van ingevoerde goedere in bedwang te hou.

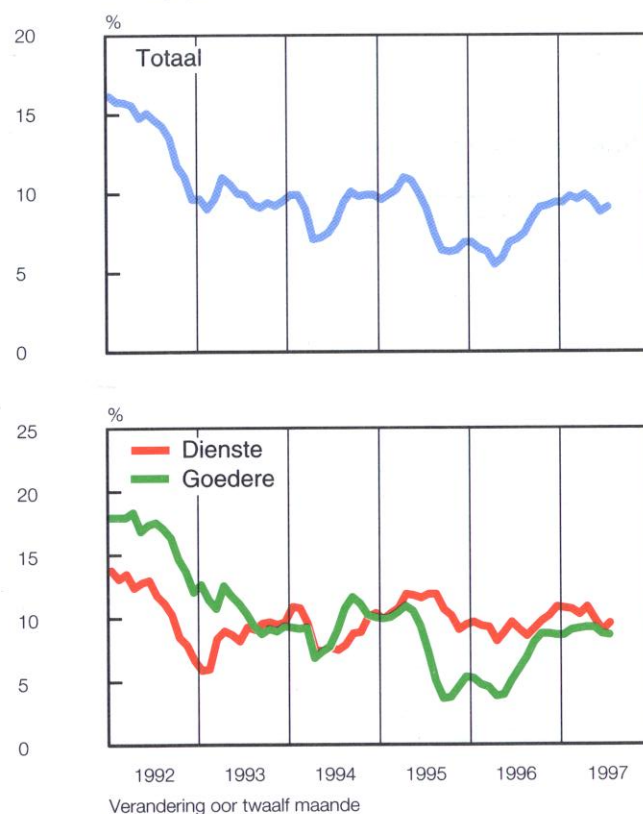
Die seisoensaangesuiwerde jaarkoers van toename van kwartaal tot kwartaal in die *omvattende verbruikersprysindeks* het in die vierde kwartaal van 1996 tot 'n hoogtepunt van 11,6 persent in nege kwartale versnel, maar daarna tot 9,5 persent in die eerste kwartaal van 1997 en 7,1 persent in die tweede kwartaal afgeneem. Gemeet oor tydperke van twaalf maande, het die omvattende verbruikersprysinflasie die laagste vlak sedert Junie 1972 bereik toe dit in April 1996 tot 5,5 persent afgeneem het. Stewige toenames in voedselpyryse, die verswakking van die rand en die vinniger koers van toename in binnelandse nominale arbeidseenheidskoste het die inflasiekoers toe tot 9,5 persent in Mei 1997 laat toeneem. Die koers van toename oor twaalf maande in

Tabel 4. Persentasieverandering oor tydperke van twaalf maande in verbruikerspryse

	Goedere	Dienste	Totaal
1995: Mrt	10,4	10,8	10,2
Jun	9,3	11,6	10,0
Sep	3,6	10,7	6,4
Des	5,3	9,5	6,9
1996: Mrt	4,5	9,3	6,3
Jun	5,0	9,7	6,9
Sep	8,0	9,2	8,4
Des	8,6	10,9	9,4
1997: 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

die omvattende verbruikersprysindeks het daarna tot 8,8 persent in Junie 1997 teruggeval. In Julie 1997 het die koers van toename oor twaalf maande in verbruikerspryse weer tot 9,1 persent versnel, hoofsaaklik as gevolg van skerp toenames in munisipale tariewe wat eiendomsbelasting en water- en elektrisiteitstariewe insluit.

Verbruikerspryse

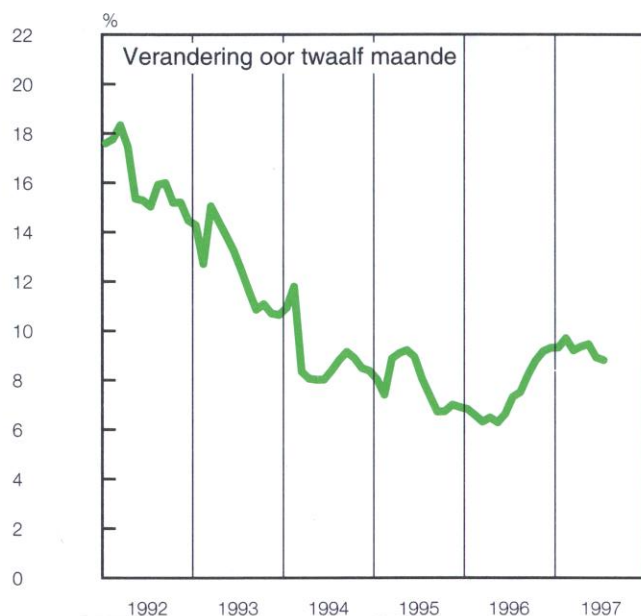


Die pryse van *verbruikersgoedere*, wat meer vatbaar is vir veranderings in produktiwiteit en nominale arbeidseenheidskoste as die pryse van verbruikersdienste, het vanaf die begin van 1995 gestyg teen koerse wat heelwat laer was as die koers van toename in die pryse van verbruikersdienste. Die toename oor twaalf maande in die pryse van verbruikersdienste het egter onlangs van 10,9 persent in April 1997 tot 9,0 persent in Junie gedaal en sodoende noemenswaardig tot die verlangsaaming van binnelandse inflasie bygedra. In Julie 1997 het die koers van toename oor twaalf maande in die pryse van verbruikersdienste tot 9,6 persent versnel, hoofsaaklik as gevolg van die skerp verhoging in munisipale tariewe.

Onderliggende inflasie (dit wil sê die verandering in die omvattende verbruikersprysindeks, met die uitsondering van die pryse van voedsel en nie-alkoholiese drank, huiseienaarskoste en die belasting op toegevoegde waarde) wat gevoeliger is vir veranderings in die algemene monetêre toestande en die balans tussen totale vraag en aanbod as omvattende inflasie (dit wil sê die verandering in die omvattende verbruikersprysindeks) het aanvanklik van 4,1 persent (teen 'n jaarkoers) in die derde kwartaal van 1995 tot 12,6 persent in die vierde kwartaal van 1996 versnel, maar daarna vinnig tot 7,4 persent in die eerste kwartaal van 1997 en 8,1 persent in die tweede kwartaal verlangsaam. Onderliggende inflasie, soos gemeet deur persentasieveranderings oor twaalf maande, het van 'n jongste laagtepunt van 6,3

persent in Mei 1996 tot 'n driejaar-hoogtepunt van 9,7 persent in Februarie 1997 gestyg, maar daarna geleidelik afgeneem tot 8,9 persent in Junie en 8,8 persent in Julie.

Onderliggende inflasie



Buitelandse handel en betalings

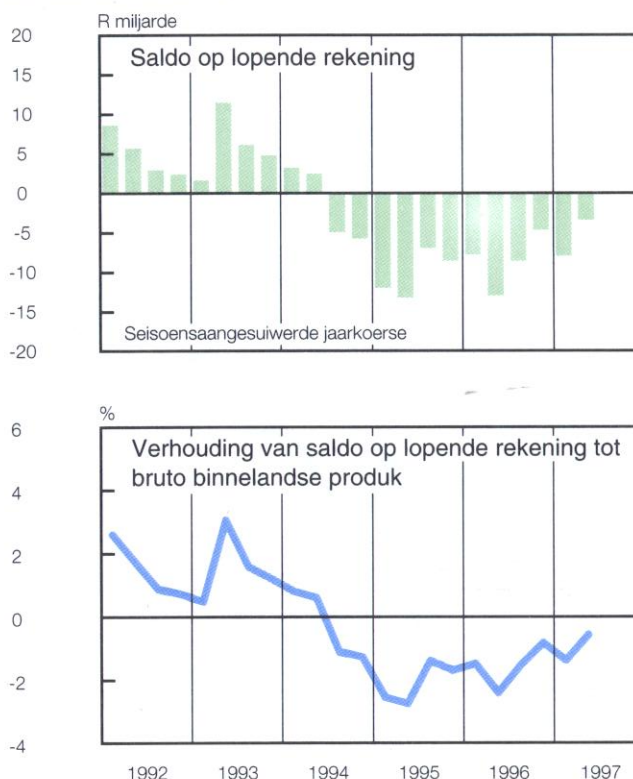
Lopende rekening

Die *tekort op die lopende rekening* van die betalingsbalans (onaangesuiwer vir seisoenale faktore) het van R1,8 miljard in die eerste kwartaal van 1997 tot R0,6 miljard in die tweede kwartaal gekrimp; kumulatief het die tekort op die lopende rekening in die eerste helfte van 1997 op R2,4 miljard te staan gekom vergeleke met die tekort van R8,5 miljard in 1996 in die geheel. Gereken teen 'n seisoensaangesuiwerde jaarkoers, het die tekort op die lopende rekening van 'n jaarkoerswaarde van R7,9 miljard in die eerste kwartaal tot R3,4 miljard in die tweede kwartaal verklein. In verhouding tot die bruto binnelandse produk was die seisoensaangesuiwerde tekort op die lopende rekening in die tweede kwartaal van 1997 gelyk aan 0,6 persent teenoor 'n gemiddelde verhouding van 1,6 persent in 1996.

Die vermindering in die tekort op die lopende rekening van die eerste tot die tweede kwartaal van 1997 was die gevolg van 'n skerp toename in die waarde van die *goedere-uitvoer* wat die styging in die waarde van ingevoerde goedere, 'n daling in netto gouduitvoer-verdienste en 'n verdere geringe toename in netto dienste- en oordragbetalings aan die res van die wêreld behoorlik geneutraliseer het. Die handelsrekening van die betalingsbalans het waarskynlik steeds gebaat by die herskikking van relatiewe pryse ná die depresiasie van die rand in 1996 wat Suid-Afrikaanse produsente meer prysmededingend in uitvoermarkte en invoermededingende nywerhede meer mededingend in die binnelandse mark gemaak het.

Die waarde van Suid-Afrika se *goedere-uitvoer* (seisoensaangesuiwerd en teen 'n jaarkoers gereken) het hoofsaaklik vanweë 'n toename in die fisiese hoeveelheid goedere wat uitvoer is sy opwaartse neiging hervat en van R105,6 miljard in die eerste kwartaal van 1997 tot R116,9 miljard in die tweede kwartaal toegeneem. Die hoeveelheid wat uitvoer is, het van die eerste tot die

Lopende rekening



tweede kwartaal van 1997 met 8½ persent toegeneem en in die eerste helfte van die jaar met 12 persent vergeleke met die ooreenstemmende tydperk in 1996. Hierdie beter prestasie kan toegeskryf word aan die verhoogde produksie van 'n aantal pas voltooide groot uitvoergerigte investeringsprojekte, toegang tot 'n toenemende getal uitvoermarkte en die groter prysmededingendheid in die

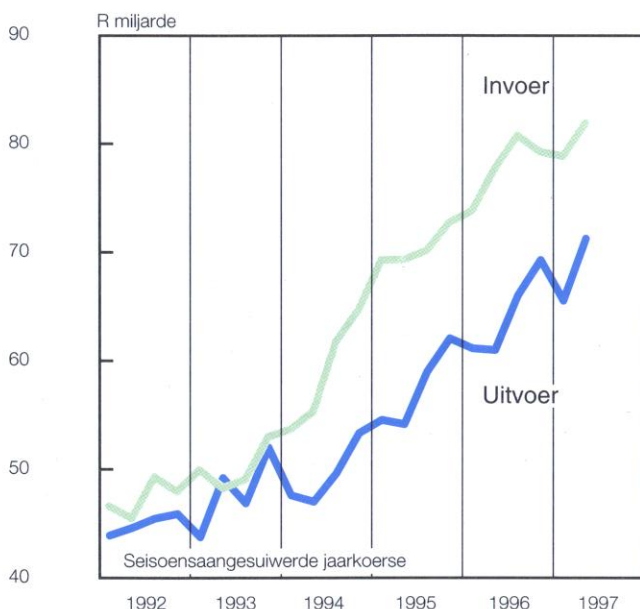
Tabel 5. Lopende rekening van die betalingsbalans

Seisoensaangesuiwerde jaarkoerse

R miljard

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

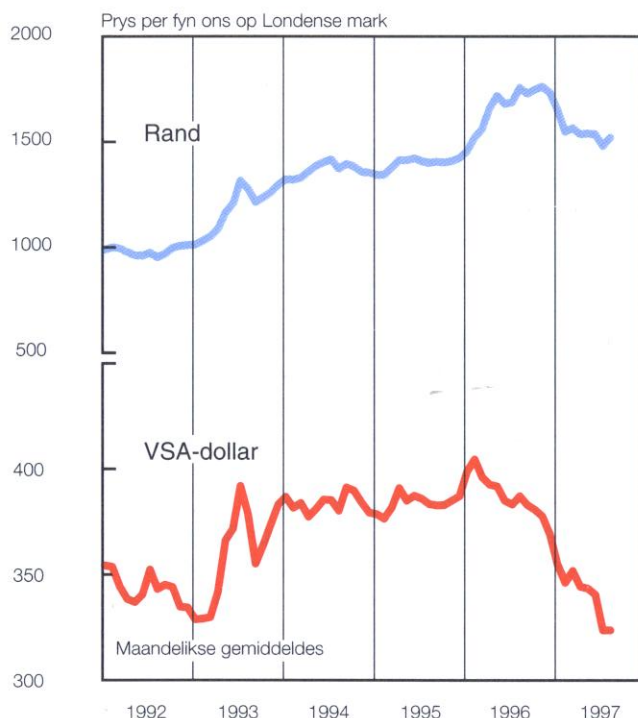
Goedere-handel teen 1990-pryse



afgelope jaar as gevolg van die laer eksterne waarde van die rand. Hoewel toenames redelik wydverspreid in al die hoofuitvoerkategorieë voorgekom het, is skerp toenames in vervaardigde goedere aangeteken, veral chemiese produkte, masjinerie en elektriese toerusting, voertuie en vervoertoerusting en papier en papierverwante produkte. As 'n persentasie van die reële bruto binnelandse produk, het die goedere-uitvoer teen konstante pryse van 20,6 persent in die tweede kwartaal van 1996 tot 23,6 persent in die tweede kwartaal van 1997 gestyg. Die gemiddelde prysvlak van die goedere-uitvoer het in die tweede kwartaal van 1997 met 'n matige 1,8 persent toegeneem.

Nadat die seisoensaangesuiwerde jaarkoerswaarde van die *netto gouduitvoer* van R26,2 miljard in die vierde kwartaal van 1996 tot R26,8 miljard in die eerste kwartaal van 1997 toegeneem het, het dit in die tweede kwartaal van 1997 tot R24,5 miljard gedaal. Hierdie afname kan toegeskryf word aan 'n afname in die fisiese hoeveelheid goud wat uitgevoer is asook die skerp daling in die dollarprys van goud. Die fisiese hoeveelheid goud wat uitgevoer is, het in die tweede kwartaal van 1997 met 7 persent gedaal nadat grootskeepse verkope uit voorrade in die eerste kwartaal gedoen is. Die aankondiging dat die sentrale bank van Australië gedurende die tweede helfte van 1996 'n aansienlike deel van sy goudbesit verkoop het, asook vooruitverkooptransaksies en kortverkope van goud het meegebring dat die dollarprys van goud van VSA\$351 per fyn ons in die eerste kwartaal van 1997 tot VSA\$343 per fyn ons in die tweede kwartaal afgeneem het; in Augustus het die prys van goud nog verder tot 'n

Goudprys



maandelikse gemiddelde van \$324 per fyn ons teruggesak. In rand het die prys van goud van R1 585 per fyn ons in die eerste kwartaal van 1997 tot R1 533 per fyn ons in die tweede kwartaal gedaal.

Hoewel die totale reële binnelandse vraag baie min toegeneem het, het die invoerhoeveelhede in die tweede kwartaal van 1997 met 4 persent toegeneem. In die eerste helfte van 1997 was die gemiddelde vlak van die goedere-invoer teen konstante pryse egter slegs ½ persent hoër as die gemiddelde vlak in die tweede helfte van 1996. Die waarde van die *goedere-invoer* (seisoensaangesuiwerd en teen 'n jaarkoers gereken) het met 3½ persent van R122,9 miljard in die eerste kwartaal van 1997 tot R127,2 miljard in die tweede kwartaal toegeneem. Groter invoer van vervaardigde goedere, veral masjinerie en elektriese toerusting en voertuie en vervoertoerusting, is deels deur die kleiner invoer van mynbouprodukte geneutraliseer.

Die algemene prysvlak van *ingevoerde goedere* het van die eerste tot die tweede kwartaal van 1997 met ½ persent gedaal; betreklik lae inflasie in Suid-Afrika se vernaamste handelsvennootlande en dalende internasionale oliepryse het in die tweede kwartaal van 1997 die uitwerking van die effens swakker rand op pryse geneutraliseer.

Netto dienste- en oordragbetalings aan nie-inwoners het effens van R17,4 miljard in die eerste kwartaal van

1997 tot R17,6 miljard in die tweede kwartaal gestyg, hoofsaaklik as gevolg van hoër vraggeld en versekering vanweë die hoër vlak van invoer, en groter rentebetelings as gevolg van die hoër vlak van buitelandse skuld. Hierdie betalings is deels geneutraliseer deur groter rente- en dividendontvangste op beleggings buite die land en groter besteding deur buitelandse toeriste in Suid-Afrika.

Kapitaalrekening

Die aansienlike netto invloeiing van kapitaal (nie verwant aan reserwes nie) wat die kapitaalrekening van Suid-Afrika se betalingsbalans sedert die vierde kwartaal van 1996 gekenmerk het, het in die tweede kwartaal van 1997 voortgeduur, hoewel op 'n baie hoër vlak as voorheen. Die totale netto invloeiing van kapitaal het van R3,3 miljard in die vierde kwartaal van 1996 tot R3,6 miljard in die eerste kwartaal van 1997 en daarna tot R12,7 miljard in die tweede kwartaal toegeneem – die grootste invloeiing van buitelandse fondse wat nog in 'n enkele kwartaal aangeteken is. Voorlopige ramings dui egter daarop dat die onlangse onbestendigheid in die mark vir buitelandse valuta moontlik tot 'n kleiner invloeiing van kapitaal in die derde kwartaal van 1997 kan lei.

Die verbetering in die kapitaalrekening kan aan *langtermynkapitaalbewegings* toegeskryf word. Nadat 'n netto langtermynkapitaalinvloeiing van R4,8 miljard in die eerste kwartaal van 1997 aangeteken is, het die netto inwaartse beweging van langtermynkapitaal tot R15,7 miljard in die tweede kwartaal toegeneem. Soos in die bygaande tabel getoon word, is langtermyninvloeiinge hoofsaaklik deur die openbare sektor aangeteken, terwyl die private sektor 'n netto uitvloeiing van langtermynkapitaal ondervind het. Afgesien van die eerste privatiseringstransaksie met belangrike buitelandse deelname wat

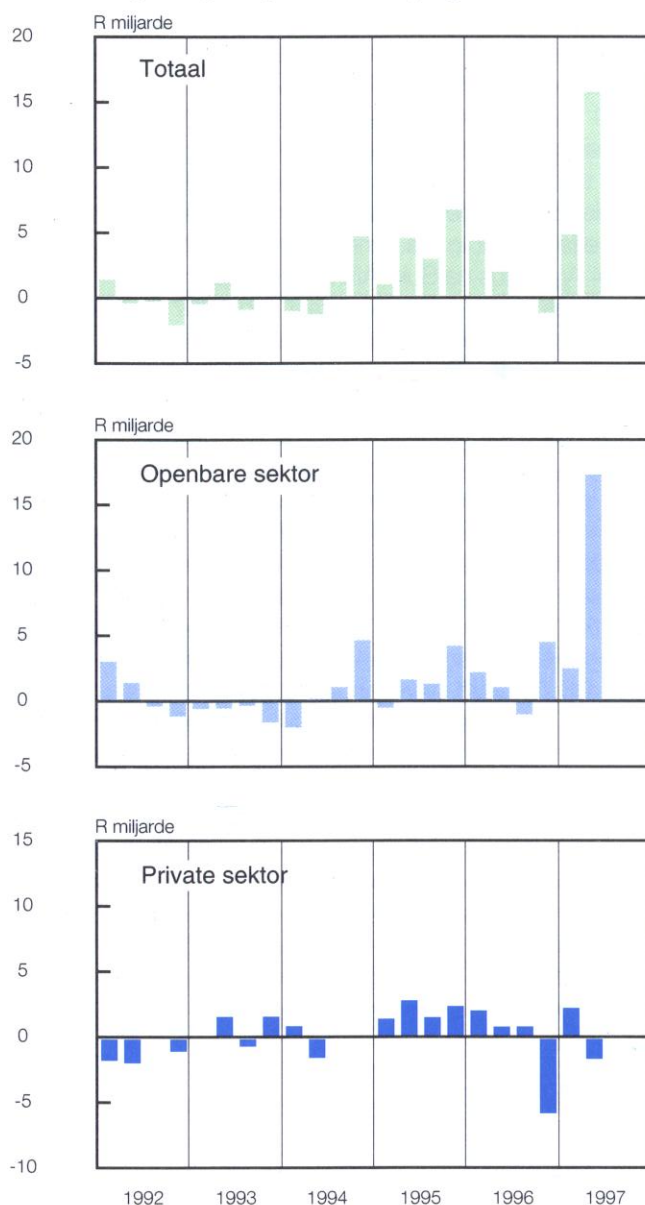
sukcesvol beklank is – die verkoop van 'n aandeelbelang van 30 persent in die telekommunikasiemaatskappy, Telkom, deur die regering aan 'n konsortium van nie-inwonermaatskappye vir 'n bedrag van R5,6 miljard – was die regering ook suksesvol met die uitreiking van effekte met 'n aflossingstermyn van 7 jaar ten bedrae van ¥40 miljard (R1,6 miljard) op 17 Junie 1997 in die Japanse mark en effekte met 'n aflossingstermyn van 20 jaar ten bedrae van VSA\$500 miljoen (R2,3 miljard) op 24 Junie 1997 in die Amerikaanse mark. Die opbrengs van die effekte wat in die Amerikaanse markte uitgereik is, is op 4 Augustus na Suid-Afrika oorgeplaas.

Soos in die eerste kwartaal van 1997, het nie-inwoners nog steeds netto aankopers van Suid-Afrikaanse sekuriteite gebly; netto aankope ter waarde van R9,6 miljard in die eerste kwartaal van 1997 is in die tweede kwartaal deur verdere aankope ten bedrae van R15,6 miljard gevolg. Transaksies ter waarde van R2,2 miljard wat nie gedurende die eerste kwartaal van 1997 vereffen is nie, is in die tweede kwartaal ten volle vereffen. Gedurende die tweede kwartaal is hierdie effekteverwante inwaartse beweging van langertermynfondse na die nie-bank private sektor deels teengewerk deur die terugbetaling van vaste kapitaalverpligtinge ten bedrae van R3,7 miljard waarvan die aflossingstydperk verstryk het en deur die verkryging van buitelandse bates ter waarde van R9,7 miljard deur Suid-Afrikaanse institusionele beleggers deur middel van die bateruilmeganisme. Regeringsgewaarborgde lenings ter waarde van R1,1 miljard het verval, terwyl geaffekteerde skuld ten bedrae van R1,0 miljard wat voorheen in langtermynlenings omgeskakel is in die tweede kwartaal van 1997 terugbetaalbaar geword het. Toondereffekte ter waarde van R1,6 miljard het in April en Junie 1997 verval.

Tabel 6. Netto kapitaalbewegings nie verwant aan reserwes nie
R miljarde

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

Netto langtermynkapitaalbewegings



Netto korttermynkapitaalbewegings nie verwant aan reserwes nie, (insluitend onaangetekende transaksies), wat van 'n netto invloeiing van R4,5 miljard in die vierde kwartaal van 1996 tot 'n netto uitvloeiing van R1,2 miljard in die eerste kwartaal van 1997 omgeswaai het, het in die tweede kwartaal 'n verdere netto uitvloeiing van R3,0 miljard getoon. Hierdie uitvloeiing van kapitaal het hoofsaaklik bestaan uit 'n daling in buitelandse handelsfinansiering vanweë die hoë koste van termyndekking en onsekerheid oor toekomstige wisselkoersveranderinge in die tydperk wat die verslapping van deviesebeheermaat-

reëls op 1 Julie 1997 voorafgegaan het. Terselfdertyd is 'n afname in die uitstaande leningsverplichtinge van die private banksektor meer as geneutraliseer deur 'n toename in nie-inwoners se deposito's by Suid-Afrikaanse bankinstellings wat in buitelandse valuta en in rand betitel is. Hierdie opbouing van deposito's is waarskynlik teweeggebring deur 'n verhoogde vraag na kontant-saldo's deur nie-inwoners wat in die Suid-Afrikaanse effektemarkte handel dryf en deur die behoefte om kontantdekking te voorsien vir die leen van effekte deur nie-inwonerbeleggers by binnelandse beleggers.

Buitelandse skuld

As gevolg van die toename in Suid-Afrika se netto buitelandse lenings in 1996, het die land se skuld wat in buitelandse geldeenheide betitel is van VSA\$22,3 miljard aan die einde van 1995 tot VSA\$23,6 miljard aan die einde van 1996 toegeneem. Oor dieselfde tydperk het Suid-Afrika se skuld wat in rand betitel is egter van VSA\$10,7 miljard tot VSA\$9,3 miljard gedaal, hoofsaaklik vanweë die betreklike skerp depresiasie van die rand gedurende 1996. Die totale uitstaande buitelandse skuld van die land het gevolglik effens van VSA\$33,0 miljard aan die einde van 1995 tot VSA\$32,9 miljard aan die einde van 1996 gedaal.

In rand gemeet, het die land se totale uitstaande skuld van R120,5 miljard aan die einde van 1995 tot R154,2 miljard aan die einde van 1996 gestyg. Buitelandse skuld in verhouding tot die bruto binnelandse produk het 26,1 persent aan die einde van 1996 bedra vergeleke met 24,7 persent aan die einde van 1995.

Buitelandse reserwes

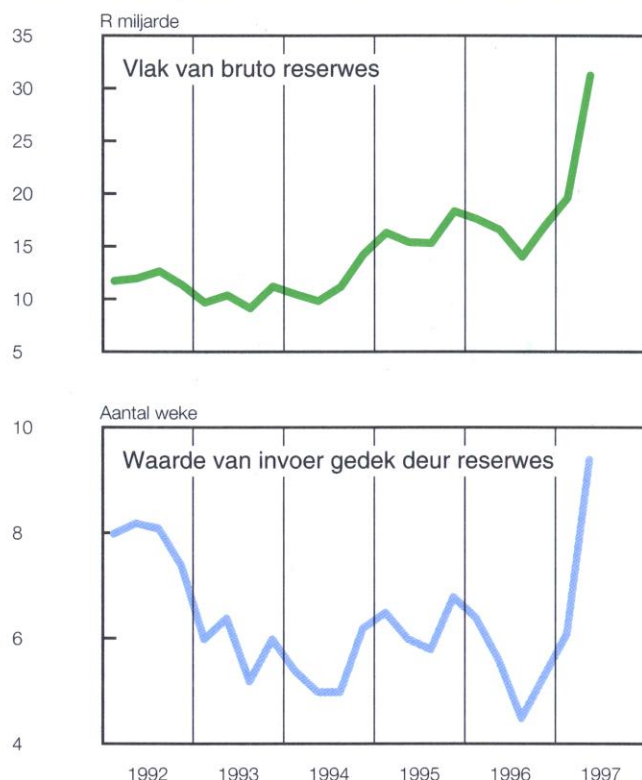
As gevolg van die aansienlike netto invloeiing van kapitaal wat die absolute grootte van die tekort op die lopende rekening beduidend oorskry het, het Suid-Afrika se netto goud- en ander buitelandse reserwes in die tweede kwartaal van 1997 met R12,1 miljard toegeneem. Die

Tabel 7. Goud- en ander buitelandse reserwes
R miljarde

Tydperk	Veranderings in		Vlak van bruto besit*	
	Netto reserwes	Bruto reserwes	Reserwe-bank	Totaal
1996: 1e kw	-2,0	-0,7	14,0	17,4
2e kw	-2,1	-1,0	11,3	16,4
3e kw	-3,7	-2,6	10,0	13,9
4e kw	3,2	2,9	10,3	16,8
1997: 1e kw	1,7	2,7	13,1	19,5
2e kw	12,1	11,2	22,1	30,7

* Einde van tydperk

Totale bruto goud- en ander buitelandse reserwes



land se algehele betalingsbalansposisie het gevolglik sedert die vierde kwartaal van 1996 met nie minder nie as R17,1 miljard verbeter. In Julie 1997 het die netto goud- en ander buitelandse reserwes egter met R0,6 miljard toegeneem. Die netto goud- en ander buitelandse reserwes van die Reserwebank het in Augustus 1997 met R0,1 miljard toegeneem.

Die land se *bruto goud- en ander buitelandse reserwes* het in die tweede kwartaal van 1997 met R11,2 miljard toegeneem wat die algehele vlak van buitelandse reserwes aan die einde van Junie op R30,7 miljard (VSA\$6,8 miljard) te staan gebring het. Ingesluit by hierdie bedrag was korttermynlenings van die Reserwebank ter waarde van R1,8 miljard. 'n Bedrag van R0,5 miljard is as 'n tweede paalement op die Vergoedende en Gebeurlikheidsfinansieringsfasiliteit van die Internasionale Monetêre Fonds terugbetaal. Die land se bruto reserwes was aan die einde van Junie gelykstaande aan die waarde van 9½ weke se invoer van goedere en dienste. Die Reserwebank se bruto buitelandse reserwes het in Julie en Augustus 1997 met 'n verdere R3,8 miljard verstewig.

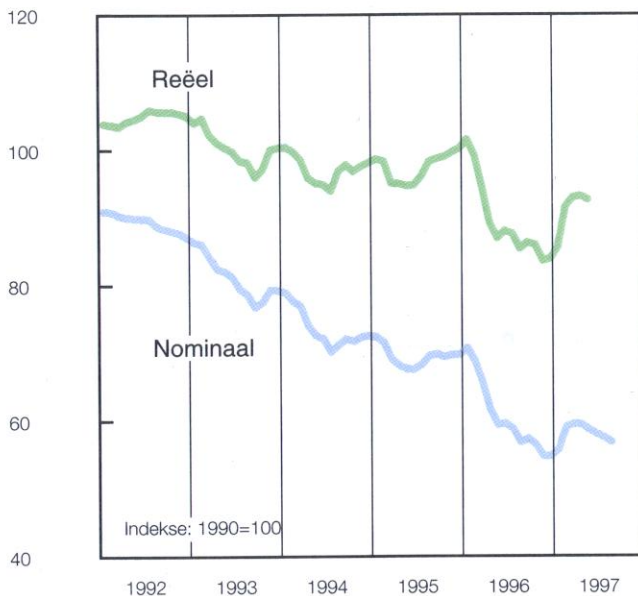
Wisselkoerse van die rand

Die *nominale effektiewe wisselkoers van die rand* wat van 31 Oktober 1996 tot 13 Maart 1997 met 10,9 persent toegeneem het, het in die daaropvolgende tydperk geleidelik gedaal. Die geweege gemiddelde wisselkoers van die rand het van 13 Maart 1997 tot 25 Julie 1997 per saldo met 3,3 persent afgeneem. Sommige internasionale portefeuljebeleggers se algemeen afwaartse hersiening van die kredietrisiko's verbonde aan opkomende ekonomieë, tesame met die sterk vertoning van die VSA-dollar in die internasionale markte vir buitelandse valuta, het daarna tot hernieuwe afwaartse druk op die eksterne waarde van die rand gelei. Dit het veroorsaak dat die eksterne waarde van die rand tussen 25 Julie en 31 Augustus 1997 verder met 2,6 persent gedaal het. Die netto toename in die nominale effektiewe wisselkoers van die rand het derhalwe in die eerste 8 maande van 1997 op 3,3 persent te staan gekom, vergeleke met 'n daling van 21,9 persent gedurende die kalenderjaar 1996 in die geheel. Die toename in die geweege gemiddelde waarde van die rand sedert die einde van 1996 was die gevolg van 'n appresiasie van die rand teenoor al die vernaamste geldeenheide, in die besonder teenoor die Duitse mark, Nederlandse gulden en die Italiaanse lira.

Tabel 8. Veranderings in die wisselkoerse van die rand
Persent

	31 Okt 1996 tot 13 Mrt 1997	13 Mrt 1997 tot 25 Jul 1997	25 Jul 1997 tot 31 Aug 1997	31 Des 1996 tot 31 Aug 1997
Geweege gemiddelde	10,9	-3,3	-2,6	3,3
VSA-dollar	7,7	-3,2	-3,0	0,0
Britse pond	9,7	-7,1	-0,4	4,4
Duitse mark	20,6	5,0	-5,2	15,4
Japanse jen	16,2	-7,9	-0,4	2,8
Nederlandse gulden	20,9	5,1	-5,3	15,7
Italiaanse lira	20,1	2,5	-4,7	14,8

Effektiewe wisselkoerse van die rand



Die reële effektiewe wisselkoers van die rand het van Desember 1996 tot Junie 1997 met ongeveer 9,3 persent toegeneem. Die vlak van die reële effektiewe wisselkoers van die rand was in die eerste helfte van 1997 gemiddeld nog steeds ongeveer 2,1 persent laer as die gemiddelde koers in die ooreenstemmende tydperk van die voorafgaande jaar.

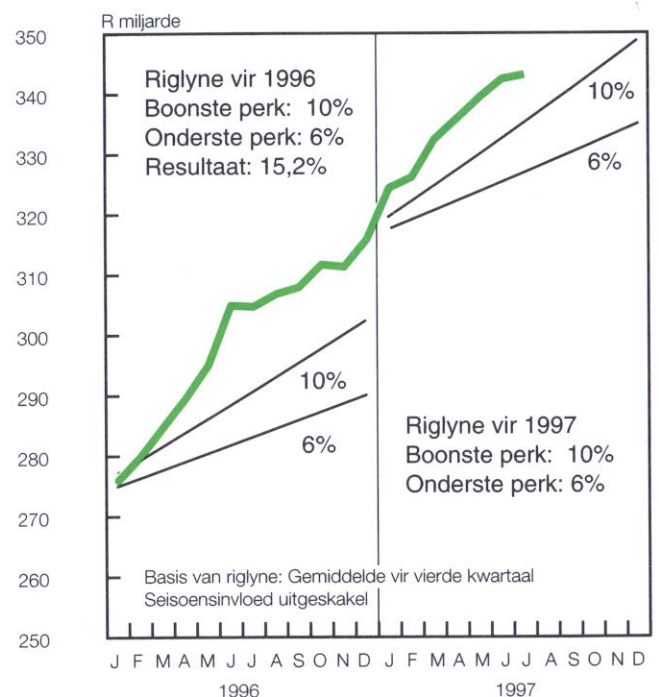
Monetêre ontwikkelings, rentekoerse en finansiële markte

Geldvoorraad

Die groei in die geldvoorraad wat in die laaste kwartaal van 1996 tekens van verlangsamings getoon het, het in die eerste maande van 1997 weer versnel. Gemeet oor twaalf maande, het die groei in die *omvattende gedefinieerde geldvoorraad (M3)*, wat tot 'n betreklike lae koers van 13,6 persent in Desember 1996 afgeneem het, tot 16,8 persent in Januarie 1997 toegeneem. In die daaropvolgende maande het die groei van jaar tot jaar in M3 op 'n vlak hoër as 15 persent gebly voordat dit in Junie tot 12,7 persent afgeneem en in Julie 1997 weer tot 13,4 persent toegeneem het. Die groei in M3 van kwartaal tot kwartaal teen 'n jaarkoers wat in die vierde kwartaal van 1996 tot 7,6 persent afgeneem het, het in die eerste kwartaal van 1997 tot 18,1 persent toegeneem voordat dit in die tweede kwartaal effens tot 16,4 persent verlangsaam het.

Bereken vanaf die basis van die huidige riglynyaar, het die groei teen 'n jaarkoers in M3 beperkte afwaartse buigsaamheid getoon. Hierdie groeikoers, seisoens-aangesuiwerd en teen 'n jaarkoers gereken, het gedurende die eerste ses maande van 1997 bo die vlak van 16 persent gebly voordat dit in Julie tot 14,5

Riglyne vir groei in M3

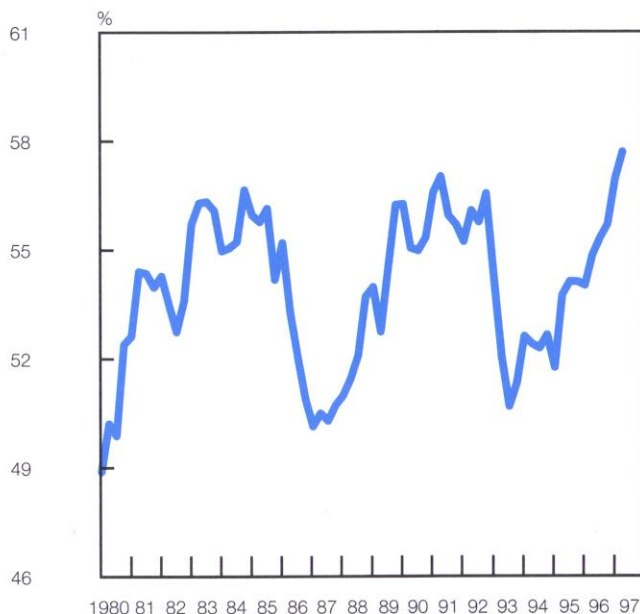


persent afgeneem het. Aan die einde van Julie 1997 het die seisoensaangesuiwerde waarde van M3 steeds die boonste perk van die kegelvormige riglyng gebied met R9,7 miljard of 2,9 persent oorskry.

Die vinnige groei in die geldvoorraad gedurende die eerste helfte van 1997 het die volgehoue sterk vraag na geld vir transaksiedoeleindes geakkommodeer, soos blyk uit die betreklike sterk verwantskap tussen veranderinge in M3 en veranderinge in nominale private verbruiksbesteding en besteding aan vaste investering. Nog 'n faktor wat waarskynlik tot die totale vraag na geld bygedra het, was die spekulatiewe vraag na fondse, veral onder institusionele beleggers soos versekeringsmaatskappye en pensioenfondse wat wou munt slaan uit die talle geleenthede in die lewendige effekte- en aandelemarkte. Hierdie faktore het bygedra tot die stelselmatige toename in die verhouding van M3 tot die nominale bruto binnelandse produk (dit wil sê die omgekeerde van die inkome-omloopsnelheid van geld) van 52,7 persent in die vierde kwartaal van 1994 tot 57,7 persent in die tweede kwartaal van 1997. 'n Afname in hierdie verhouding wat sal plaasvind as hierdie geldsaldo's geaktiveer en vir die besteding aan goedere en dienste aangewend word, sal 'n bedreiging vir algehele prysbestendigheid en dalende inflasie inhou, selfs al sou die groei in die geldvoorraad afneem.

Die groeikoerse oor twaalf maande in die *enger monetêre totale* het die groei in M3 oorskry en sodoende die vermoede bevestig dat die likiditeitsvoorkeur onder die breë publiek oor die algemeen aan die toeneem was.

M3 as persentasie van bruto binnelandse produk



Tabel 9. Groeikoerse oor twaalf maande in monetêre totale

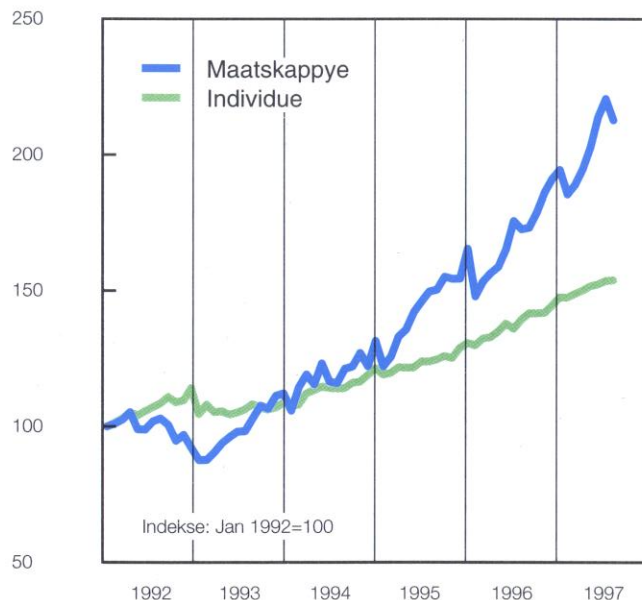
Persent

Tydperk	M1A	M1	M2	M3
1996: Jun.....	14,7	28,7	17,9	15,7
Jul.....	13,6	28,7	18,1	14,7
Aug.....	20,1	31,6	19,6	15,4
Sep.....	18,7	30,7	18,4	14,5
Okt.....	21,6	37,2	19,5	16,0
Nov.....	22,4	34,0	18,2	15,2
Des.....	21,9	30,9	15,8	13,6
1997: Jan.....	25,1	32,2	19,1	16,8
Feb.....	24,1	29,2	17,5	15,9
Mrt.....	25,7	30,1	17,8	16,5
Apr.....	24,6	22,6	16,3	15,9
Mei.....	17,4	20,7	16,1	15,3
Jun.....	24,5	19,1	13,0	12,7
Jul.....	25,3	19,1	13,1	13,4

Die verskil tussen die groeikoerse oor twaalf maande in M1A en M3 het trouens van 8,4 persentasiepunte in Januarie 1997 tot 9,2 persentasiepunte in Maart en 11,9 persentasiepunte in Julie verruim. Die aandeel van M1A in totale M3-deposito's het dienoooreenkomstig van 24,1 persent in Januarie 1997 tot 24,9 persent in Julie toegeneem. Gedurende dieselfde tydperk het die groei oor twaalf maande in "ander onmiddellik opeisbare deposito's" van 41,8 persent in Januarie 1997 tot 11,3 persent in Julie verlangsaam, dus laer as die groei oor twaalf maande in M3. Hierdie skerp afname in die groei oor twaalf maande is hoofsaaklik deur 'n absolute afname in "ander onmiddellik opeisbare deposito's" van R72 miljard in Maart 1997 tot R60,9 miljard in Julie veroorsaak. 'n Deel van hierdie afname kan toegeskryf word aan die bekendstelling van geldmark-effektetrusts as plaasvervanger vir deposito's by monetêre instellings. Groei oor twaalf maande in M1 het gevolglik van 32,2 persent in Januarie 1997 tot 30,1 persent in Maart en 19,1 persent in Julie afgeneem, wat nog steeds die groei oor twaalf maande in M3 oorskry het.

'n Ontleding van *banke se verpligtinge volgens soort deposant* toon dat die toename in die eerste helfte van 1997 veral uit deposito's van die maatskappysektor bestaan het. Maatskappye se besit aan bankdeposito's het in die eerste ses maande van 1997 met R13,8 miljard toegeneem, waarvan R13,6 miljard net op die tweede kwartaal betrekking gehad het, vergeleke met 'n toename van R5,1 miljard in deposito's van private huishoudings, wat meer eweredig tussen die eerste kwartaal (R2,1 miljard) en die tweede kwartaal (R3,0 miljard) verdeel was. Versekeringsmaatskappye en pensioenfondse het hul besit aan bankdeposito's tussen Desember 1996 en Junie 1997 met R2,3 miljard verhoog. Hierdie bedrag kan tussen 'n toename van R5,2 miljard in die eerste

M3 deposito's: Individue en maatskappye



kwartaal van 1997 en 'n afname van R3,0 miljard in die tweede kwartaal verdeel word. Institusionele beleggers het klaarblyklik van die geleentheid gebruik gemaak om hul blootstelling in die effekte- en aandelemarkte gedurende die tweede kwartaal te verhoog toe verwagtings van 'n styging in pryse in albei hierdie markte hoogty gevier het.

Onder die *statistiese teenhangers* van die toename van R6,2 miljard in die M3-geldvoorraad gedurende die tweede kwartaal van 1997 was die veranderinge in die monetêre sektor se eise teen die private sektor en die netto buitelandse bates. Hierdie toenames is deels deur afnames in die monetêre sektor se netto eise teen die regeringsektor en in "netto ander bates" teengewerk. Laasgenoemde het onder andere gespruit uit oorskotte wat ontstaan het uit die Reserwebank se voorsiening van termyndekking op transaksies in buitelandse valuta. Die volledige stel rekeningkundige teenhangers van die toename in M3 in die tweede kwartaal sien soos volg daar uit:

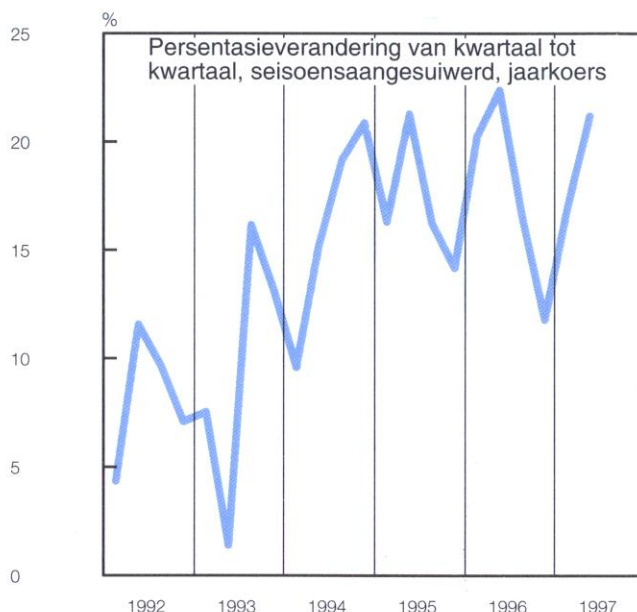
	R miljarde
Netto buitelandse bates	6,5
Netto goud- en buitelandse reserves	12,1
Netto ander buitelandse bates	-5,6
Netto eise teen die regeringsektor.....	-3,2
Bruto eise.....	-1,7
Toename in regeringsdeposito's	-1,5
Eise teen die private sektor	14,2
Netto ander bates	-11,3
Totale verandering in M3.....	6,2

Kredietverlening

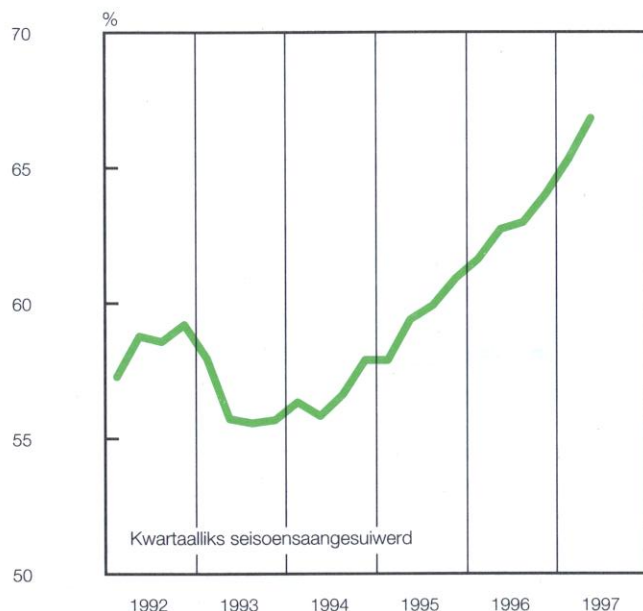
Die groei oor twaalf maande in *totale binnelandse kredietverlening* deur die monetêre sektor, wat van 17,1 persent in Desember 1996 tot 19,3 persent in Maart 1997 versnel het, het tot 14,6 persent in Julie afgeneem. Hierdie verlansaming in die groei in totale kredietverlening in die tweede kwartaal van 1997 was hoofsaaklik die gevolg van 'n absolute afname van R3,2 miljard in *netto kredietverlening aan die regeringsektor*. In teenstelling hiermee het *kredietverlening deur die monetêre sektor aan die nie-bank private sektor* van 'n seisoensaangesuiwerde groeikoers van 17,0 persent in die eerste kwartaal van 1997 tot 21,2 persent in die tweede kwartaal versnel. Gemeet oor twaalf maande, het die groei in kredietverlening deur die monetêre sektor aan die private sektor van 17,4 persent in Maart 1997 tot 14,8 persent in Julie afgeneem toe die skerp toename in Junie 1996 uit die twaalfmaandekoers beweeg het.

Die verhoogde gebruik van krediet deur instansies in die private sektor word ook in die *verhouding van kredietverlening aan die private sektor tot die bruto binnelandse produk* weerspieël. Hierdie verhouding het in die tweede kwartaal van 1997 'n rekordvlak van 66,8 persent bereik. Minder as vier jaar gelede, in die derde kwartaal van 1993, was hierdie verhouding nog so laag as 55,6 persent. Die groei in kredietverlening aan die private sektor het in die eerste helfte van 1997 ook die waargenome inflasiekoers aansienlik oorskry. Die verskil tussen die groeikoerse in kredietverlening aan die private sektor en verbruikersprysinflasie (dit wil sê die groei in die sogenaamde *inflasie-aangesuiwerde kredietverlening*) het

Kredietverlening aan die private sektor



Kredietverlening aan die private sektor as persentasie van bruto binnelandse produk



nietemin van 12,0 persent in Mei 1996 tot 5,2 persent in Julie 1997 verklein – dit was eerder die gevolg van 'n versnelling in inflasie oor twaalf maande as 'n afname in die groei van kredietverlening.

'n Aantal faktore kan as moontlike oorsake vir die vinnige groei in kredietverlening aan die private sektor in die tweede kwartaal van 1997 geïdentifiseer word, waaronder:

- die volgehoue sterk vraag na krediet vir doeleindes van bedryfskapitaal;
- huishoudings se vraag na krediet om lopende uitgawes te finansier;
- die sterk vraag na krediet deur nuwe toetreders tot die moderne sektor van die ekonomie wat voorheen probleme ondervind het om toegang tot bankkrediet te verkry;
- die omskakeling van buitelandse handelsfinansiering van buitelandse na binnelandse bronne van krediet;
- sommige sakelui in finansiële verknorsing het van bankkrediet gebruik gemaak vir die oorbrugging van die tydperk van swak vraag wat hulle as tydelik beskou het;
- die laat insameling van die huidige mielie-oes wat die vraag na krediet onder die boeregemeenskap in die tweede kwartaal van 1997 oor die algemeen verhoog het;
- die vraag na bedryfskapitaal as gevolg van die groot aantal nuwe maatskappyregistrasies oor die afgelope drie en 'n half jaar;
- 'n toename in die binnelandse leenvermoë van buitelandse beheerde maatskappye;

- kapitalisering van agterstallige rente;
- die sterk groei in die pryse van finansiële bates en die geleenthede vir spekulatiewe transaksies in hierdie markte; en
- 'n skerp toename in kredietverlening deur banke aan plaaslike owerhede in Junie 1997.

'n Ontleding van die monetêre sektor se eise teen die private sektor volgens vernaamste soort krediet toon dat meer as 90 persent van die toename van R14,2 miljard in kredietverlening aan die private sektor in die tweede kwartaal van 1997 in die vorm van "ander lenings en voorskotte" (wat oortrokke lopende rekeninge insluit) en verbandlenings was – hierdie twee kategorieë het onderskeidelik met R8,6 miljard en R4,4 miljard toegeneem. Die koers van toename oor twaalf maande in "ander lenings en voorskotte" het in 1997 van 20,4 persent in Januarie tot 23,3 persent in Junie toegeneem, maar in Julie tot 20,5 persent afgeneem. Die koers van toename oor twaalf maande in verbandvoorskotte deur monetêre instellings het in 'n teenoorgestelde rigting beweeg as dié van "ander lenings en voorskotte" en van 16,4 persent in Januarie 1997 tot 13,4 persent in Julie afgeplat.

Die verlansaming in die verkope van nuwe en gebruikte motorvoertuie en die algemene afplatting in huishoudings se besteding aan duursame goedere en toerusting het ook uit die stadiger groei in banke se kredietverlening in die vorm van *afbetalingsverkoopkrediet* en *bruikhuurfinansiering* geblyk. Die groei oor twaalf maande in die banke se afbetalingsverkoopkrediet het van 21,1 persent in Januarie 1997 tot 12,2 persent in Julie afgeneem en dié van bruikhuurfinansiering van 16,6 persent tot 6,6 persent oor dieselfde tydperk.

Tabel 10. Toename in kredietverlening aan die private sektor volgens vernaamste soort krediet

R miljarde

Soort krediet	1997	
	1 e kw	2e kw
Wissels verdiskonteer	-0,2	0,3
Beleggings	0,9	-0,1
Afbetalingsverkope	0,8	1,1
Bruikhuurfinansiering	0,3	-0,1
Verbande	5,2	4,4
Ander lenings en voorskotte..	9,2	8,6
Totaal*	16,1	14,2

* Sal moontlik nie balanseer nie as gevolg van die gebruik van benaderde gegewens

Die klem op kredietverlening deur monetêre instellings aan die private sektor het in die tweede kwartaal van 1997 vanaf huishoudings na die maatskappysektor verskuif. Kredietverlening aan huishoudings het in die eerste kwartaal met R11,8 miljard en in die tweede kwartaal met R4,6 miljard toegeneem, terwyl kredietverlening aan die maatskappysektor in die eerste kwartaal met R4,3 miljard en in die tweede kwartaal met R9,5 miljard toegeneem het. Uitgedruk as persentasieverandering, het die groei in kredietverlening aan huishoudings oor twaalf maande van 16,0 persent in Maart 1997 tot 14,6 persent in Junie 1997 afgeneem, terwyl dié van die maatskappysektor van 16,0 persent in Maart tot 18,9 persent in Junie versnel het.

Rente- en opbrengskoerse

Die algemeen afwaartse verloop van *opbrengskoerse op effekte* in die eerste agt maande van 1997 is grotendeels veroorsaak deur groter algehele finansiële bestendigheid wat verwagtinge laat posvat het dat inflasie binnekort sou afneem en dat 'n afname in Bankkoers op hande was. Hierdie verwagtinge is deur 'n sterk toename in nie-inwonerdeelname in die effektemark versterk en is hoofsaaklik aangemoedig deur die betreklik hoë binnelandse opbrengskoerse op effekte, die relatiewe sterkte van die rand en die behoefte om Suid-Afrikaanse effekte as 'n verskansing te gebruik vir uitgiftes in die Euro-effektemark van sekuriteite wat in rand betitel is.

Die *maandelikse gemiddelde opbrengskoers op langtermynstaatseffekte* het gevolglik van 16,2 persent in

Desember 1996 tot 15,0 persent in Februarie 1997 afgeneem. 'n Mate van onsekerheid het tot die effektemark teruggekeer voordat die Begrotingsvoorstelle van die nasionale regering op 12 Maart 1997 aangekondig is en opbrengskoerse op effekte het oor die algemeen vanaf die einde van Februarie verstewig. Die aankondiging van die gedeeltelike verslapping van deviesebeheer op inwoners het verdere onsekerheid meegebring wat veroorsaak het dat die maandelikse gemiddelde opbrengskoers op langtermynstaatseffekte tot 15,2 persent in April 1997 gestyg het. Beleggersvertroue het weer opgevlam toe markdeelnemers oortuig is dat die gedeeltelike verslapping van deviesebeheermaatreëls nie tot onbestendigheid in die wisselkoers sou bydra nie en dat fiskale beleid sou voortgaan om die beginsels van die GEAR-strategie te handhaaf.

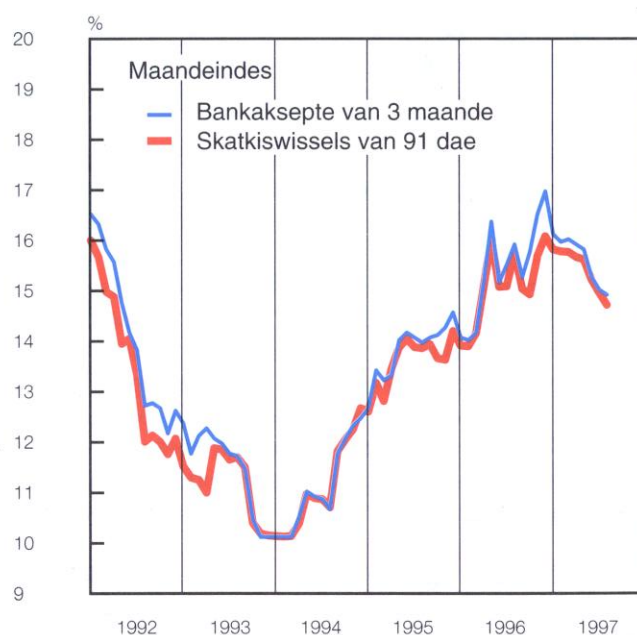
Die groter beleggersvertroue, tesame met die algemene oortuiging dat verbruikersprysinflasie besig was om af te neem, het veroorsaak dat die gemiddelde opbrengskoers op langtermynstaatseffekte skerp tot 14,2 persent in Julie en Augustus 1997 afgeneem het – laasgenoemde is die laagste gemiddelde koers in agtien maande. Die redelike sterk verwantskap tussen skommelings in die rand-dollar-wisselkoers en skommelings in opbrengskoerse op effekte sedert die begin van 1996, het in April 1997 tot 'n einde gekom toe die optimisme in die effektemark 'n algemene verswakking van die rand teenoor die dollar begin weerspieël het.

Die *rentekoers op bankaksepte met 'n aflossingstermyn van drie maande* wat naastenby verwant is aan

Opbrengskoers op effekte en die wisselkoers



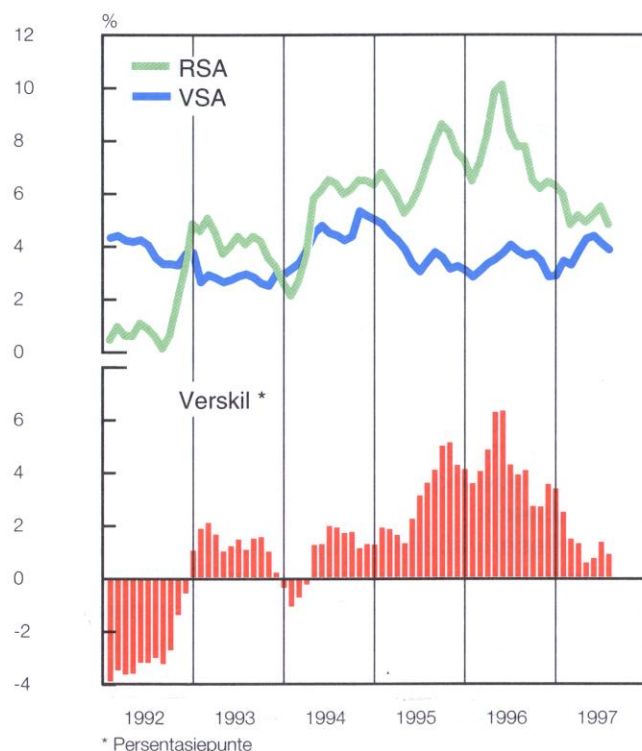
Geldmarkrentekoerse



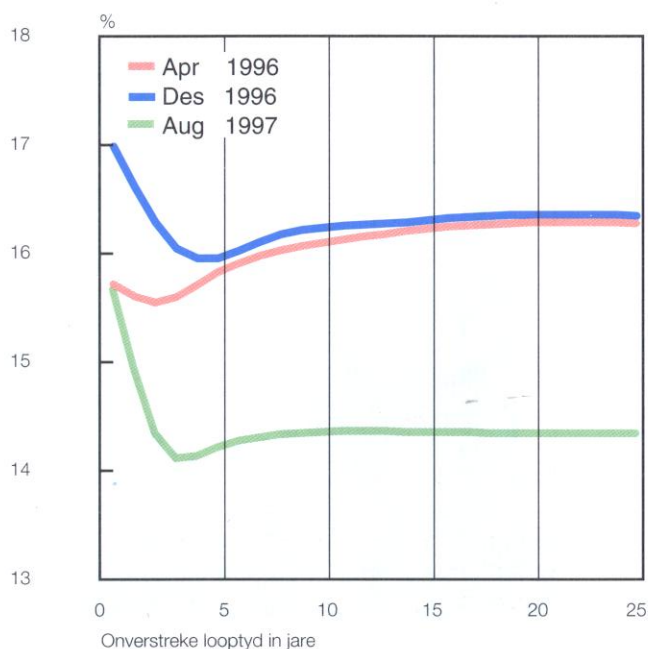
die beweging van die opbrengskoerse op langtermynstaatsseffekte, het bestendig van 17,0 persent aan die einde van Desember 1996 tot 14,9 persent aan die einde van Augustus 1997 afgeneem. Hierdie beweging is hoofsaaklik veroorsaak deur 'n verbetering in geldmarklikiditeit in die eerste helfte van 1997 en die algemene verwagting dat Bankkoers in die nabye toekoms verlaag sou word. Oor dieselfde tydperk het die *tenderkoers op skatkiswissels van drie maande* van 16,1 persent aan die einde van Desember 1996 tot 14,7 persent aan die einde van Julie 1997 afgeneem. Die gemiddelde verskil teen maandeindes tussen die koers op bankaksepte en die tenderkoers op skatkiswissels het van 0,26 persentasiepunte in die eerste kwartaal van 1997 tot 0,18 persentasiepunte in die tweede kwartaal en tot 0,21 persentasiepunte aan die einde van Augustus vernou, hoofsaaklik omdat die geldmarktekort betreklik hoog gebly het en so ook die vraag na bates wat kwalifiseer om as eerstevlak-onderpand by die akkommodasievenster te dien.

Die *maandelikse gemiddelde inflasie-aangesuiwerde opbrengskoers op langtermynstaatsseffekte* het per saldo van 6,3 persent in Desember 1996 tot 4,8 persent in Julie 1997 afgeneem vanweë dalende nominale opbrengskoerse op effekte en stygende verbruikersprysinflasie. Die inflasie-aangesuiwerde opbrengskoers op effekte van die Federale Regering van die Verenigde State is in Julie op

Inflasie-aangepaste opbrengskoerse op langtermynstaatsseffekte



Opbrengskoerskrommes

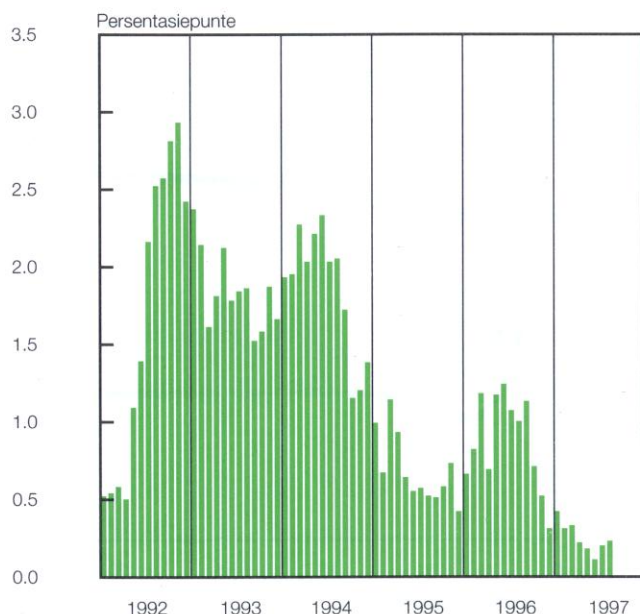


3,9 persent bereken. Die klein verskil tussen inflasie-aangesuiwerde opbrengskoerse in die VSA en dié in Suid-Afrika kon daarop gedui het dat verwagtinge van toekomstige inflasie in Suid-Afrika laer was as wat deur die gemete inflasiekoers oor die afgelope jaar aangedui word en dat langtermynrentekoerse wat vir verwagte inflasie aangesuiwer is daarom hoër was as die reële koerse wat op grond van waargenome inflasie bereken is.

Die *opbrengskoerskromme* het sedert Desember 1996 afwaarts beweeg en meer omgekeerd geword vanweë korttermynopbrengskoerse wat aansienlik minder afwaartse soepelheid as langtermynopbrengskoerse getoon het. Aan die kort kant van die aflossingstruktuur word rentekoerse sterk deur die vlak van Bankkoers beïnvloed. Die steil negatiewe helling van die opbrengskoerskromme oor die gedeelte tot en met drie jaar was 'n aanduiding dat 'n afwaartse aanpassing in Bankkoers verwag is. Vir termyne van langer as drie jaar was die opbrengskoerskromme gedurende die eerste agt maande van 1997 besonder plat wat moontlik op algemeen neutrale markverwagtinge van medium- tot langtermynafnames in inflasie dui.

Die *prima-oortrekkingskoers van banke* het ná die verhoging in Bankkoers op 21 November 1996 van 19,25 persent tot 20,25 persent gestyg en het sedertdien op hierdie vlak gebly. Die *inflasie-aangesuiwerde prima-oortrekkingskoers* het van 9,9 persent aan die einde van Desember 1996 tot 9,4 persent aan die einde van April 1997 gedaal, maar daarna aan die einde van Junie 1997 weer tot 10,5 persent gestyg namate die toename van jaar tot jaar in verbruikersprysinflasie afgeplat het.

Verskil tussen opbrengskoerse op effekte van 20 en 3 jaar



Die oorheersende koers op verbandlenings by banke is in Desember 1996 met een persentasiepunt tot 20 persent verhoog, as gevolg van die toename in die prima-oortrekkingskoers van banke in November. Die verbandleningskoers het sedert Desember 1996 onveranderd gebly. Die koerse wat van toepassing is op

Tabel 11. Rente- en opbrengskoerse
Persent

Tydperk	Maandelikse gemiddelde opbrengskoers op binnelandse langtermynstaatsseffekte		Oorheersende koers op	
	Nominaal	Reël	Verbandlenings	Vaste deposito's van 12 maande
1996: Des....	16,2	6,3	20,0	14,5
1997: Jan.....	15,8	5,9	20,0	14,5
Feb....	15,0	4,8	20,0	14,5
Mrt.....	15,2	5,1	20,0	14,5
Apr.....	15,2	4,9	20,0	14,5
Mei.....	15,1	5,1	20,0	14,5
Jun....	14,7	5,5	20,0	14,5
Jul.....	14,2	4,8	20,0	14,5
Aug....	14,2	...	20,0	14,5

huislenings teen 'n vaste koers is vanaf Julie 1997 met tot 1,5 persentasiepunte verlaag namate mededinging tussen die verskaffers van verbandlenings verskerp het.

Die oorheersende kleinhandelskoers op vaste deposito's van twaalf maande by banke het sedert November 1996 onveranderd op 14,5 persent gebly. Die standaardrentekoers van toepassing op lenings wat uit die Staatsinkomstefonds toegestaan word, is met ingang van 1 Augustus 1997 op 14,5 persent vasgestel – die agtste aanpassing in hierdie koers sedert die begin van 1997. Die maksimum toelaatbare finansieringskostekoerse is in Maart 1997 met een persentasiepunt verhoog. Hierdie koerse is nou 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.

Geldmark

Geldmarktoestande wat in 1996 deurentyd betreklik stram gebly het, het in die eerste kwartaal van 1997 nog strammer geword voordat dit in die tweede kwartaal aansienlik veruim het. Die bedrag aan akkommodasie wat die Reserwebank aan banke verleen het, het van 'n daaglikse gemiddelde waarde van R9,9 miljard in Desember 1996 tot R10,6 miljard in Maart toegeneem, maar toe geleidelik tot R7,3 miljard in Julie afgeneem voordat dit tot R8,2 miljard in Augustus toegeneem het. Die beskikbaarheid van bates wat as eerstevlak-onderpand vir finansiering by die Reserwebank kwalifiseer in verhouding tot die algehele geldmarktekort het sodanig verbeter dat daar vanaf die einde van Januarie 1997 nie noemenswaardig van tweedevlaktbates gebruik gemaak is nie.

Die betreklik strammer toestande in die geldmark gedurende die eerste kwartaal van 1997 was hoofsaaklik die gevolg van 'n dreining van likiditeit uit die mark deur oorskotte weens die Reserwebank se betrokkenheid by termyntransaksies in buitelandse valuta. Hierdie oorskotte het die toename in likiditeit wat gespruit het uit 'n toename in die Bank se netto buitelandse bates en 'n netto afname in die waarde van note en munte in omloop buite die Reserwebank, grootliks teengewerk. Die ruimer geldmarktoestande wat in die tweede kwartaal van 1997 geheers het, was grotendeels die gevolg van 'n verdere verstewiging van R5,9 miljard in die netto buitelandse bates van die Reserwebank wat slegs deels deur oorskotte as gevolg van die Reserwebank se termyntransaksies in buitelandse valuta en 'n toename van R1,8 miljard in regeringsdeposito's by die Reserwebank geneutraliseer is.

Die Reserwebank se optrede in die geldmark gedurende die eerste agt maande van 1997 was gemik op die voorkoming van groot skommelings in die bedrag aan akkommodasie wat voorsien moes word. Wanneer die mark as buitensporig stram ervaar is, het die Bank opgetree om die druk te verlig deur ruilooreenkomste in buitelandse valuta met private banke aan te gaan en bates vir die portefeulje van die Korporasie vir Openbare

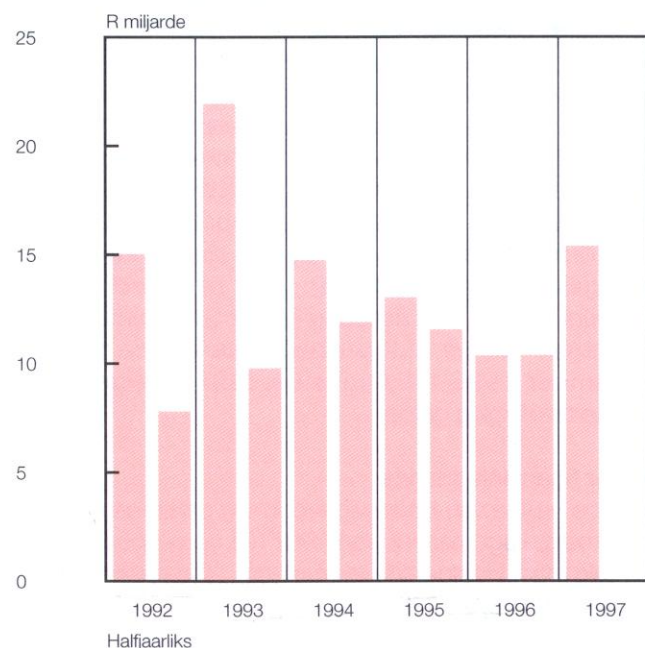
Deposito's aan te koop. Van Mei tot Julie 1997 het die Reserwebank ook R1,5 miljard se nulkoepoon-effekte in sy besit in rentedraende regeringseffekte omgeskakel wat daarna uit die Bank se monetêrebeleidsporsefeulje verkoop is om sodoende 'n groot instroming van likiditeit gedurende Julie en Augustus te absorbeer.

Effektemark

Die bedrywigheid in die *binnelandse primêre effektemark* is in die eerste sewe maande van 1997 geheel en al deur leners in die openbare sektor oorheers. Maatskappye in die private sektor het duidelik hul voorkeur getoon om kapitaal in die primêre aandeleemark te verkry en geen nuwe uitgifte van vasterentedraende sekuriteite (met inbegrip van omskepbare voorkeuraandele en skuldbriewe) is deur genoteerde maatskappye in die private sektor gemaak nie. In teenstelling hiermee het organisasies in die openbare sektor hul uitgifte van vasterentedraende sekuriteite van R10,4 miljard in die eerste helfte van 1996 tot R15,4 miljard in die eerste helfte van 1997 verhoog.

Afgesien van 'n bedrag van R3,8 miljard wat die regering in die *internasionale primêre effektemark* bekom het, het ander organisasies in die openbare sektor hulself gedurende die eerste sewe maande van 1997 daarvan weerhou om effekte wat in vreemde geldeenheede betitel is in hierdie markte uit te gee. Eskom, Transnet en die Ontwikkelingsbank van Suider-Afrika het egter in die tydperk van April tot Augustus 1997 'n totale bedrag van R813 miljoen in die *Euro-effektemark* verkry deur middel van die uitgifte van effekte wat in rand betitel is.

Kapitaal verkry deur leners in die openbare sektor in die binnelandse primêre effektemark



Tabel 12. Effektemarkbedrywigheid

R miljard

Tydperk	Primêre mark		Sekondêre mark	
	Effekte van die openbare sektor	Effekte van die private sektor	Effekte op die Effektebeurs verhandel	Netto aankope deur nie-inwoners op die Effektebeurs
1996: 1e kw	8,5	—	753,2	2,4
2e kw	1,9	—	780,7	0,4
3e kw	9,8	2,1	808,5	-0,6
4e kw	0,6	0,1	680,0	1,2
1997: 1e kw	8,2	—	883,0	6,1
2e kw	7,2	—	834,0	7,4

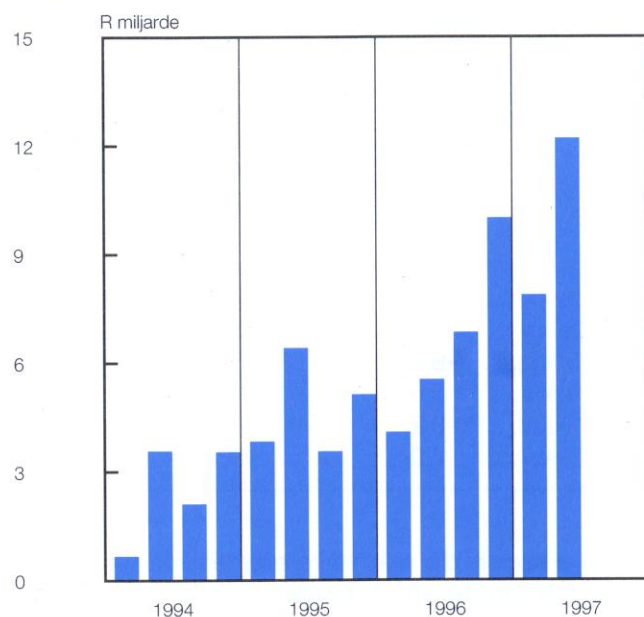
Die omset in die *sekondêre effektemark* was gedurende die eerste agt maande van 1997 besonder lewendig namate opbrengskoerse op effekte oor die algemeen geneig het om te daal. Die waarde van effekte wat op die Effektebeurs van Suid-Afrika verhandel is, het in die eerste kwartaal tot 'n kwartaallike rekordhoogtepunt van R883 miljard toegeneem, maar toe in die tweede kwartaal tot 'n steeds betreklik hoë vlak van R834 miljard afgeneem. In Julie en Augustus 1997 is lewendige verhandelinge deur 'n daling in opbrengskoerse op effekte aangemoedig en het die omset 'n maandelikse rekordhoogtepunt van R417 miljard in Augustus bereik. Die gemiddelde maandelikse omsetsyfer in Julie en Augustus 1997 is sodoende met 49 persent verhoog teenoor die vergelykbare syfer vir die tweede kwartaal van 1997.

Die waarde van transaksies in die *sekondêre effektemark* waarby nie-inwoners betrokke was, het van R347 miljard in die kalenderjaar 1996 in die geheel tot R586 miljard in die eerste agt maande van 1997 toegeneem. Die waarde van netto aankope van effekte deur nie-inwoners het ook heel indrukwekkend van R3,4 miljard in die volle kalenderjaar 1996 tot R16,7 miljard in die eerste agt maande van 1997 toegeneem. Die maandelikse waarde van *netto* aankope van effekte deur nie-inwoners het nietemin van R4,7 miljard in April 1997 tot R1,0 miljard in Augustus afgeneem as gevolg van 'n mate van besorgdheid oor die waarde van die rand en die waarneming dat opbrengskoerse op effekte te vinnig gedaal het en op die punt staan van 'n opwaartse regstelling in die nabye toekoms.

Aandeleemark

Maatskappye wat op die Johannesburgse Aandelebeurs genoteer is, het in die tweede kwartaal van 1997 kapitaal ten bedrae van R12,2 miljard in die *primêre aandeleemark* verkry, vergeleke met R7,8 miljard in die eerste kwartaal; 'n verdere bedrag van R9,4 miljard is in Julie verkry.

Kapitaal verkry in die primêre aandelemark



Fondse wat deur *regte-uitgiftes van gewone aandele* bekom is, het van R1,6 miljard in die eerste kwartaal van 1997 tot R3,2 miljard in die tweede kwartaal toegeneem en in Julie slegs R16 miljoen bedra.

Handelsbedrywigheid in die *sekondêre aandelemark* het van 'n maandelikse gemiddelde waarde van R13,7 miljard in die eerste kwartaal van 1997 tot R17 miljard in die tweede kwartaal en R20 miljard in die eerste twee maande van die derde kwartaal toegeneem. Hierdie groeiende omset is veroorsaak deur toenames in die aantal aandele wat verhandel is en die algemeen opwaartse neiging van aandelepryse.

Nie-inwoners was gedurende die eerste agt maande van 1997 aktiewe deelnemers in die *sekondêre aandelemark* met netto aankope van genoteerde aandele ten bedrae van R17,3 miljard op die Johannesburgse Aandelebeurs, vergeleke met R5,3 miljard gedurende die eerste agt maande van die voorafgaande jaar. Die maandelikse waarde van netto aankope van genoteerde aandele het in Julie 1997 skerp afgeneem, maar die *maandelikse gemiddelde* waarde van netto aankope deur nie-inwoners in Julie en Augustus het op ongeveer dieselfde vlak as in die tweede kwartaal van 1997 gebly.

Die *maandelikse gemiddelde prysvlak van alle klasse aandele* het van Februarie tot Desember 1996 per saldo met 5,1 persent gedaal, maar toe goed herstel deur van Desember 1996 tot Februarie 1997 met 7,3 persent en van Februarie tot Augustus 1997 met 'n verdere 6,8 persent te styg. Aandelepryse in die finansiële, bankwese-, versekerings-, nie-goudmynbou- en nywer-

Tabel 13. Aandelemarktransaksies

Tydperk	Aantal aandele verhandel	Waarde van aandele verhandel	Netto aankope deur nie- inwoners
	miljarde	R miljard	R miljard
1996: 1e kw	1,9	27,2	2,3
2e kw	1,9	27,4	1,9
3e kw	2,4	27,8	1,4
4e kw	2,7	34,6	-0,5
1997: 1e kw	3,9	41,2	3,5
2e kw	4,5	51,0	8,2

heidsafdelings het betekenisvol tot hierdie stygings bygedra. In teenstelling hiermee het die maandelikse gemiddelde prys van *goudmynaandele* van Mei 1996 tot Julie 1997 met 44,5 persent afgeneem om die laagste vlak sedert Maart 1993 te bereik. Hierdie afwaartse gradering van die aandelepryse van goudmynmaatskappye is grotendeels deur 'n afname van omtrent VSA\$68 per fyn ons in die internasionale goudprys veroorsaak. Toe dit geblyk het dat die goudprys in Augustus 1997 gestabiliseer het, het die aandelepryse van genoteerde goudmynmaatskappye effens met 4,5 persent herstel.

Aangesien aandelepryse oor die algemeen meer as dividenduitbetalings gestyg het, het die maandelikse gemiddelde *dividendopbrengskoers* op alle klasse aandele van 2,46 persent in Desember 1996 tot 2,33 persent in Augustus 1997 afgeneem. Die maandelikse gemiddelde *verdiens-te-opbrengskoers* (met die uitsondering van goudmynaandele) het ook van 7,0 persent in Desember 1996 tot 6,6 persent in Augustus 1997 afgeneem. Die *rendementsgap* (die verskil tussen die maandelikse gemiddelde opbrengskoers op langtermynstaatseffekte en die dividendopbrengskoers op alle klasse aandele) het van 13,7 persentasiepunte in Desember 1996 tot 11,9 persentasiepunte in Augustus 1997 vernou, aangesien die opbrengskoers op langtermynstaatseffekte meer as die dividendopbrengskoers afgeneem het. Die *prysverdiens-te-verhouding* (met die uitsondering van goudmynaandele) het tussen 14,3 en 15,2 gewissel, maar oor die tydperk Desember 1996 tot Augustus 1997 'n algemeen opwaartse neiging getoon.

Ander finansiële markte

Die hoë vlakke van bedrywigheid in die sekuriteitemarkte in die eerste agt maande van 1997 het oorgespoel na die formele *mark vir afgeleide instrumente*. Die gesamentlike omset van *opsie- en termynkontrakte* het van 'n kwartaallikse gemiddelde van 2,3 miljoen kontrakte in 1996 tot 3,4 miljoen kontrakte in die eerste kwartaal van

1997 toegeneem, maar toe tot 2,5 miljoen kontrakte in die tweede kwartaal en teen 'n kwartaallikse koers van 1,9 miljoen kontrakte in Julie en Augustus afgeneem. Sedert die bekendstelling van termynkontrakte in buitelandse valuta deur die Suid-Afrikaanse Termynbeurs in Mei 1997, is slegs 315 rand-dollar-termynkontrakte teen die einde van Augustus verhandel. Verhandeling van *mieliekontrakte in die landboutermynmark* het van 'n kwartaallikse gemiddelde van 746 kontrakte in 1996 tot 2 076 kontrakte in die eerste kwartaal van 1997, 2 911 kontrakte in die tweede kwartaal en 4 383 kontrakte teen 'n kwartaallikse koers in Julie en Augustus toegeneem. Hierdie sterk toenames is hoofsaaklik deur die beëindiging van die gesentraliseerde of enkel kanaalreëlins vir mieliebemarking veroorsaak, maar 'n mate van spekulatiewe bedrywigheid kon ook waar-geneem word.

Bedrywigheid in die *vaste-eiendomsmark* wat in 1995 'n terugslag beleef het toe die aantal en waarde van vaste-eiendomstransaksies afgeneem het tot onder die vlakke wat in 1994 aangeteken is, het ietwat herstel toe die kwartaallikse waarde van vaste-eiendomstransaksies van R7,2 miljard in die derde kwartaal van 1996 tot R7,7 miljard in die vierde kwartaal, R8,3 miljard in die eerste kwartaal van 1997 en R8,8 miljard in die tweede kwartaal toegeneem het. Die waarde van hierdie transaksies was in die eerste helfte van 1997 nietemin 1,4 persent laer as in die ooreenstemmende tydperk van 1996, terwyl die aantal transaksies oor dieselfde tydperk 3,3 persent laer was.

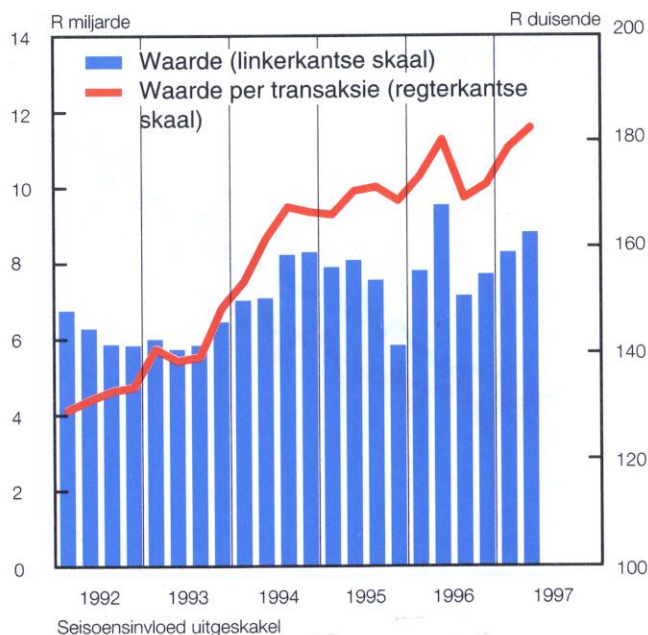
Openbare finansies

Leningsbehoefte van die openbare sektor

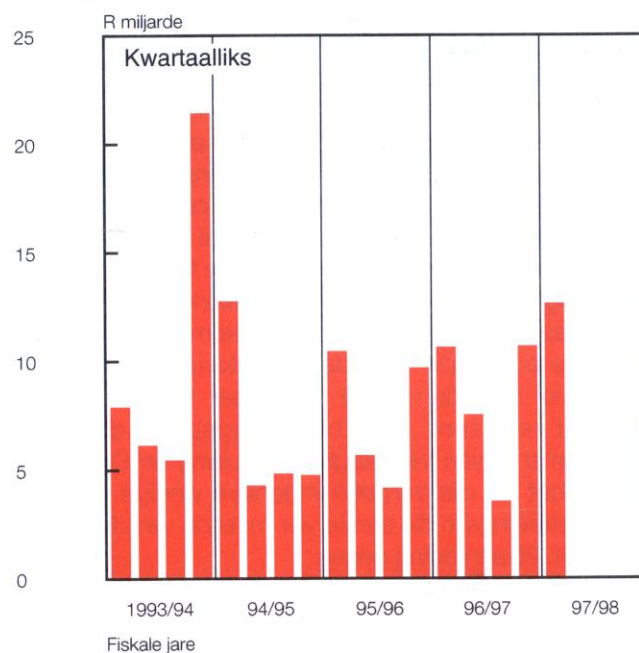
Die *leningsbehoefte van die openbare sektor* (dit wil sê die tekort voor lenings en skuldaflissing van die gekonsolideerde sentrale regering, provinsiale regerings, plaaslike owerhede, die nie-finansiële openbare ondernemings en korporasies) het in die eerste kwartaal van die fiskale jaar 1997/98 op R12,5 miljard te staan gekom, vergeleke met R10,7 miljard in die eerste kwartaal van die fiskale jaar 1996/97. In verhouding tot die bruto binnelandse produk het die leningsbehoefte van die openbare sektor van 8,1 persent in die eerste kwartaal van die fiskale jaar 1996/97 tot 8,6 persent in die eerste kwartaal van die fiskale-jaar 1997/98 toegeneem, maar was dit steeds laer as die gemiddelde koers van 9,3 persent in die ooreenstemmende kwartaal van die voorafgaande vyf fiskale jare.

Die verswakking in die leningsbehoefte van die openbare sektor was hoofsaaklik die gevolg van die vergroting van die leningsbehoefte van die *nasionale regering* soos weerspieël word in 'n aansienlike toename in die finansiële tekort op die *Hoofbegroting* van R8,8 miljard in die eerste kwartaal van 1996/97 tot R11,7 miljard in die eerste kwartaal van 1997/98. In teenstelling hiermee het die finansiële tekort van die provinsiale regerings van R1,5 miljard in die eerste kwartaal van die fiskale jaar 1996/97 tot R0,8 miljard in die eerste kwartaal van die fiskale jaar 1997/98 gekrimp, terwyl die buitebe-

Transaksies in vaste eiendom



Leningsbehoefte van die openbare sektor



Tabel 14. Leningsbehoefte van die openbare sektor

R miljard

Kwartaal	Hoof- begroting	Provinsiale regerings	Plaaslike owerhede	Ander	Totaal
1996/97: Apr-Jun	8,8	1,5	0,3	0,1	10,7
Jul-Sep	8,2	-0,9	-0,1	0,4	7,6
Okt-Des	2,5	0,4	0,2	0,5	3,6
Jan-Mrt	10,1	0,4	0,3	-0,2	10,7
1997/98: Apr-Jun	11,7	0,8	0,3	-0,3	12,5

grotingsinstellings 'n oorskot van R0,1 miljard vergeleke met 'n klein tekort 'n jaar vroeër aangeteken het.

Die toename in die leningsbehoefte op die Hoof-begroting in die eerste kwartaal van die fiskale jaar 1997/98 kan aan 'n koers van toename oor vier kwartale van 17,4 persent in totale besteding en netto lenings en ook aan 'n baie kleiner toename oor vier kwartale van 13,0 persent in totale inkomste en oordragte toegeskryf word. Veral herhalende besteding (rente uitgesluit) het van die eerste kwartaal van die fiskale jaar 1996/97 tot die eerste kwartaal van die fiskale jaar 1997/98 met 22,0 persent toegeneem. Die toename in totale besteding het die groei in die nominale bruto binnelandse produk aansienlik oorskry, met die gevolg dat totale besteding en netto lenings deur die rekeningkundige meganismes van die Hoofbegroting van 29,2 persent van die bruto binnelandse produk in die eerste kwartaal van die fiskale jaar 1996/97 tot 31,3 persent in die eerste kwartaal van die fiskale jaar 1997/98 toegeneem het.

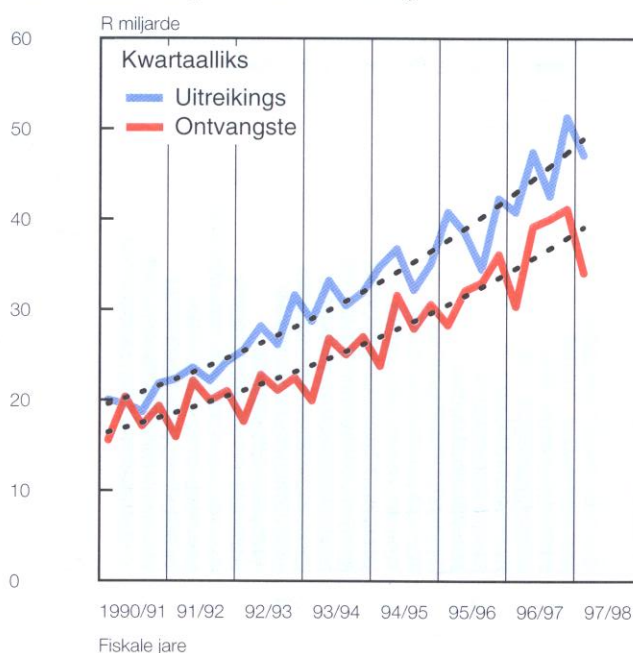
Skatkisrekening

Skatkisuitreikings aan nasionale staatsdepartemente (aangepas om kontantvloeiinge te weerspieël) was in die eerste kwartaal van die 1997/98-fiskale jaar 15,4 persent hoër as in die eerste kwartaal van die 1996/97-fiskale jaar. Hierdie toename was ongeveer 2,3 persentasiepunte hoër as die gemiddelde koers van toename oor vier kwartale van 13,1 persent in die eerste kwartaal van die voorafgaande vyf fiskale jare en 9,3 persentasiepunte hoër as die toename van 6,1 persent wat in die Begroting van die nasionale regering vir die huidige fiskale jaar in die vooruitsig gestel is. Indien skatkisuitreikings in Julie 1997 ook in aanmerking geneem word, kom die koers van toename oor twaalf maande in skatkisuitreikings in die eerste vier maande van die fiskale jaar 1997/98 op 7,7 persent te staan. Hoë bestedingsgroei deur die Departemente van Verdediging, Behuising en Openbare Werke het tot die vergelykenderwys vinnige groei in skatkisuitreikings in die eerste vier maande van die fiskale jaar 1997/98 aanleiding gegee.

Skatkisontvangste (met die uitsluiting van buitengewone ontvangste) was 12,2 persent hoër in die eerste kwartaal van die fiskale jaar 1997/98 as wat dit in die ooreenstemmende kwartaal van die fiskale jaar 1996/97

was. Hierdie toename was effens groter as die begrote toename van 11,2 persent vir die fiskale jaar 1997/98 in die geheel. Indien skatkisontvangste in die eerste vier maande van die fiskale jaar 1997/98 met dié in die eerste vier maande van die fiskale jaar 1996/97 vergelyk word, het die groei oor een jaar tot 7,4 persent afgeneem, wat aansienlik laer is as die begrotingsvooruitskattings vir die volle fiskale jaar 1997/98. Die betreklike swak groei in inkomste in die eerste vier maande van die fiskale jaar 1997/98 vergeleke met die eerste vier maande van die fiskale jaar 1996/97 was hoofsaaklik die gevolg van 'n afname in die ontvangste van Binnelandse Inkomste in Julie 1997 wat die koers van toename oor twaalf maande uit hierdie bron van belastinginkomste in die eerste vier maande van die fiskale jaar 1997/98 op 9,5 persent te staan gebring het. Hierdie laer-as-verwagte-vlak van

Skatkisontvangste en -uitreikings



Tabel 15. Persentasietoename in skatkisontvangste

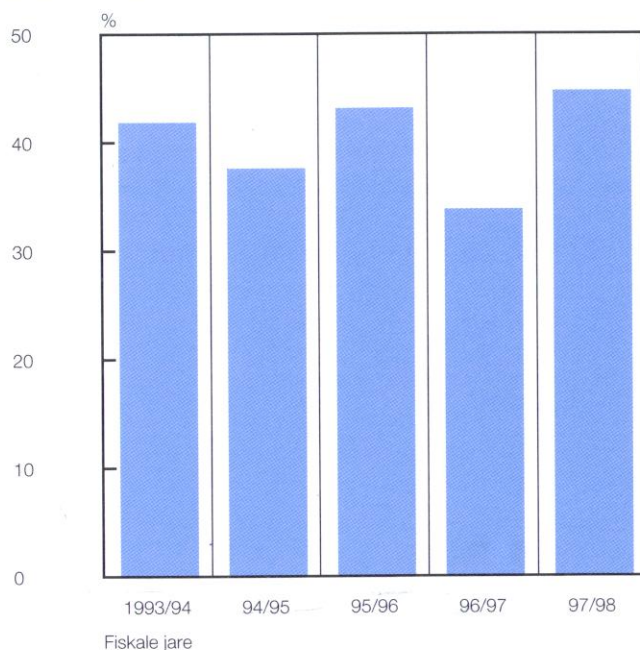
Bron van inkomste	Begrote toename: fiskale jaar 1997/98	Gerealiseerde toename: eerste vier maande van fiskale jaar
Doeane- en aksynsregte	8,0	13,1
Binnelandse inkomste.....	11,7	9,5
Totale skatkisontvangste	11,2	7,4

ontvangste is ook beïnvloed deur 'n afname in die bedrae aan onbestede fondse wat deur die staatsdepartemente in die Skatkis teruggestort is, wat in 'n groot mate die gevolg van beter kontantvloeiëbestuur deur die Ministerie van Finansies was.

Die inkomste uit doeane- en aksynsregte het in die eerste vier maande van 1997/98 teen 'n koers van 13,1 persent oor twaalf maande toegeneem wat ver bo die begrote koers van toename van 8,0 persent vir die volle fiskale jaar 1997/98 was. Daar word verwag dat die inkomste-invorderings uit hierdie bron slegs 13,3 persent tot die totale skatkisontvangste vir die jaar in die geheel sal bydra.

Die skatkistekort voor lenings en skuldaflossing het vir die eerste vier maande van die fiskale jaar 1997/98 op

Skatkistekort in eerste vier maande as persentasie van begrote tekort vir die volle fiskale jaar



R11,1 miljard te staan gekom, wat gelyk is aan 44,7 persent van die begrote tekort van R24,8 miljard vir die volle fiskale jaar. Dit was hoofsaaklik omdat skatkisontvangste nie die groeimikpunt wat in die Begroting aangedui is bereik het nie en omdat skatkisuitreikings die begrotingsvooruitskatting van besteding deur die nasionale regering vir die fiskale jaar in die geheel oorskry het. Hierdie tekort was hoër as die tekort van R10,4 miljard in die ooreenstemmende tydperk van die vorige fiskale jaar. As 'n persentasie van die bruto binnelandse produk het die tekort in die eerste kwartaal van die fiskale jaar 1997/98 op 8,9 persent te staan gekom; vir die volle fiskale jaar is 'n verhouding van 4,0 persent geraam en 'n verhouding van 7,8 persent is in die eerste kwartaal van die vorige fiskale jaar gerealiseer.

Die tekort van R11,1 miljard in die eerste vier maande van die fiskale jaar 1997/98 is soos volg gefinansier:

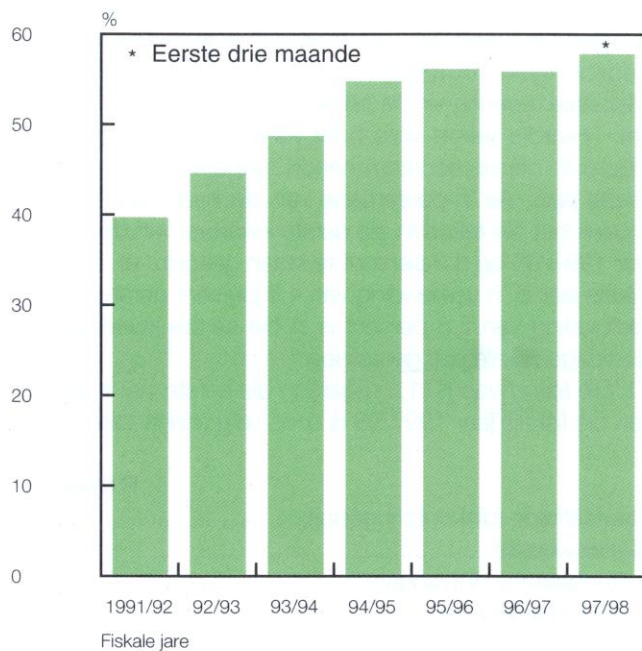
	R miljarde
Staatseffekte (diskonto ingesluit)	16,4
Skatkiswissels	2,1
Buitengewone ontvangste	2,9
Buitelandse lenings	3,4
Aflossing van Namibiese skuld	-0,2
Aflossing van TBVC-skuld*	-3,3
Oordrag vanaf IMF-rekeninge	0,3
Veranderings in beskikbare kontantsaldo's	
Kontantsaldo's by die Reserwebank	-0,8
Kontantsaldo's by binnelandse banke	-5,6
Kontantsaldo's by buitelandse banke	-2,2
Totale finansiering	13,0
Min: Diskonto op nuwe staatseffekte	1,9
Totale netto finansiering	11,1

*Die voormalige onafhanklike republieke van Transkei, Bophuthatswana, Venda en Ciskei

Langtermynstaatseffekte het die vernaamste skuld-finansieringsinstrument gebly en in die eerste vier maande van die fiskale jaar 1997/98 uitgifte van nuwe skuld ten bedrae van R16,4 miljard getoon. Die regering was ook suksesvol met die bekendstelling van twee effekte-uitgiftes in die internasionale effektemarkte met 'n opbrengs van R3,8 miljard in die eerste vier maande van die fiskale jaar. Die verkoop van staatsbates het 'n bedrag van R2,9 miljard tot die finansiering van die tekort voor lenings en skuldaflossing bygedra, maar 'n verdere R4,4 miljard uit hierdie bron is vir die herkapitalisering van Telkom aangewend.

Skuld van die voormalige onafhanklike republieke van Transkei, Bophuthatswana, Venda en Ciskei ten bedrae van R3,3 miljard is gedurende die eerste vier maande van die fiskale jaar 1997/98 deur die uitreiking van staatseffekte vervang. Die Suid-Afrikaanse regering het ook aanspreeklikheid aanvaar vir die terugbetaling van skuld ten bedrae van R1 111 miljoen van die Republiek van Namibië, tesame met rente ten bedrae van R131 miljoen op die betrokke skuld. Indien hierdie skuldverplichtinge in aanmerking geneem word, het die totale

Totale staatskuld as persentasie van bruto binnelandse produk



staatskuld van R310,6 miljard aan die einde van Maart 1997 tot R333,3 miljard aan die einde van Julie 1997 toegeneem. Aan die einde van Junie 1997 was staatskuld in verhouding tot die bruto binnelandse produk gelyk aan 57,8 persent, vergeleke met 55,8 persent aan die einde van Maart.

Notas oor die winsgewendheid van nie-finansiële geïnkorporeerde sakeondernemings in Suid-Afrika

deur Z.B. Jansen

Inleiding

Inligting ten opsigte van die lopende inkomme en uitgawe van alle geïnkorporeerde sakeondernemings in Suid-Afrika word tans deur die Suid-Afrikaanse Reserwebank vrygestel. Volgens die Stelsel van Nasionale Rekeninge van 1993 en ander makro-ekonomiese statistiese raamwerke, behoort 'n onderskeid tussen *finansiële* en *nie-finansiële* geïnkorporeerde ondernemings getref te word op grond van wesenlike verskille tussen die vernaamste funksies, doelwitte en gedrag van hierdie twee groepe ondernemings. Finansiële sakeondernemings is hoofsaaklik met finansiële intermediasie of finansiëlehulpdienste gemoeid, terwyl nie-finansiële sakeondernemings hoofsaaklik met die produksie van goedere en nie-finansiële dienste gemoeid is.

Hierdie nota beskryf kortliks 'n aantal belangrike ontwikkelings met betrekking tot die winsgewendheid van nie-finansiële geïnkorporeerde sakeondernemings. Die eerste afdeling definieer verskillende winsgewendheidsverhoudings en die begrippe hefboomfinansiering en finansiële risiko. In die volgende afdeling word die veranderinge oor 'n tydperk in die winsgewendheid van nie-finansiële geïnkorporeerde sakeondernemings ondersoek. Dit word gevolg deur 'n kort ontleding van die uitwerking wat inflasie, rente- en belastingkoerse op die finansieringsbesluite van ondernemings kan hê en die verband tussen winsgewendheid en die benutting van produksievermoë. Enkele opmerkings oor die skakeling tussen winsgewendheid en vaste investering word dan gemaak wat deur 'n paar slotopmerkings gevolg word.

Die definisie en meting van winsgewendheid

Die bates van 'n sakeonderneming word deur 'n kombinasie van interne finansiering (teruggehoue inkomste), aandeelkapitaal en geleende fondse gefinansier. Die besluit om in bates te belê is onderhewig aan die beskikbaarheid van fondse en die koste van sodanige fondse in verhouding tot die verwagte opbrengs. Die winsgewendheid van ondernemings is uiteindelik afhanklik van 'n verskeidenheid faktore, insluitende mikro-ekonomiese bedryfsdoeltreffendheid, die verandering van produksiepryse en insetkoste en finansiële bestuursvernuf.

Totale winsgewendheid word gewoonlik uitgedruk as 'n verhouding van die totale opbrengs op alle bates tot die totale aanwending van bates teen markpryse

gewaardeer. Vir die doel van hierdie studie is die verhouding bereken deur totale winste (voor inagneming van rente- en belastingbetalings) deur die waarde van die totale bates van die betrokke onderneming te deel. Die opbrengs op eienaarsbelang word bereken deur winste na inagneming van rentebetalings, maar voor inagneming van belastingbetalings, deur die eienaarsbelang te deel. 'n Hoë opbrengs op eienaarsbelang toon dat geleende fondse winsgewend aangewend is. Dit beteken dat ondernemings hul renteverplichtinge gemaklik kan nakom, terwyl 'n genoegsame deel van die wins na rentebetalings teruggehou word om die eienaars se opbrengs op belegging te verbeter.

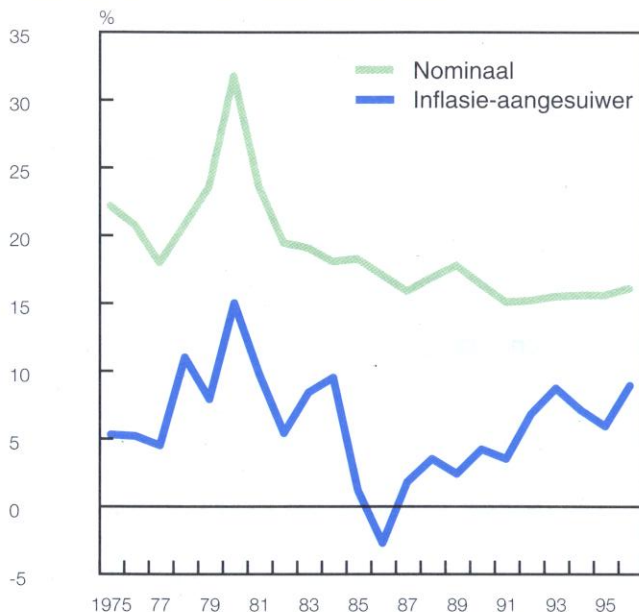
Die gebruik om geleende fondse (rentedraende skuld) by die kapitaalstruktuur van 'n sakeonderneming te voeg om die opbrengs op eienaarsbelang te verbeter, word gewoonlik as hefboomfinansiering bestempel. Hefboomfinansiering veroorsaak egter 'n element van finansiële risiko vanweë die verpligting om rentebetalings te maak, ongeag die finansiële prestasie van die onderneming. Die finansiële hefboomfaktor word bereken deur die opbrengs op eienaarsbelang deur die opbrengs op bates te deel. Wanneer hierdie hefboomfaktor tot minder as een daal, word die aanwending van geleende fondse nie aanbeveel nie omdat dit die opbrengs op eienaarsbelang verminder.

Veranderinge in die winsgewendheid van nie-finansiële geïnkorporeerde sakeondernemings

Die opbrengs op bates, soos in Grafiek 1 getoon word, is bereken deur van nasionalerekeninge-gegewens ten opsigte van die inkomme en uitgawe van nie-finansiële geïnkorporeerde ondernemings in die private sektor gebruik te maak. Vir die berekening van wins voor rente- en belastingbetalings van die nie-finansiële maatskappysektor, is die netto maatskappybesparing aangesuiwer deur belasting- en dividendbetalings, die aansuiwering vir voorraadwaardering en rentebetalings terug te tel. Die waarde van totale bates is bereken as die som van die kapitaalvoorraad teen vervangingswaarde en voorrade teen boekwaarde.

Die winsgewendheid van die nie-finansiële private sektor het gedurende die laat sewentigerjare en vroeë tagtigerjare betreklik hoë vlakke bereik, hoofsaaklik as gevolg van die voorspoed wat deur 'n betreklik hoë goudprys teweeggebring is. Van 1981 tot die middel-tagtigerjare het die winsgewendheidsverhouding van die nie-finansiële private sektor oor die algemeen 'n

Grafiek 1: Opbrengs op bates van nie-finansiële private geïnkorporeerde ondernemings



afwaartse neiging getoon. Hierdie afwaartse beweging het in die laat tagtigerjare tot 'n einde gekom toe die winsgewendheid van die fabriekswese sterk toeneem het. Gedurende die negentigerjare het die winsgewendheid van die nie-finansiële private sektor, ondanks baie nuwe geleenthede wat hulself voorgedoen het, weinig verandering getoon namate internasionale handelsanksies teen die land opgehef en sekere ander beperkings op groei verwyder is. Wanneer die invloed van inflasie egter in berekening gebring word, toon die inflasie-aangepaste of reële opbrengs op bates 'n duidelike toename sedert die middel-tagtigerjare wat vanaf ongeveer 1992 verdere stukrag gekry het. Die reële opbrengskoers is bereken deur die winsgewendheidsverhoudings met die gemiddelde toename in produksiepryse aan te pas.

Inflasie en skuldfinansiering

Wanneer inflasie posvat en die algemene verwagting is dat dit sal voortduur, word hulpbronne gewoonlik weg van hul mees produktiewe aanwendingsmoontlikhede ontplooi en aangewend op 'n wyse wat die waarde van bates waarskynlik teen die verwerende uitwerking van inflasie beskerm. Hoogs bekwame en ondernemende mense wend hul talente dan aan om inflasiewinste te realiseer, in plaas daarvan om te investeer in bates wat die potensiaal het om nuwe werkgeleenthede te skep.

Sentrale bankiers se afkeer van finansiële onbestendigheid spruit uit die potensiele wisselwerking tussen oormatige skuldverpligtinge van ondernemings en afnames in nie-finansiële ekonomiese bedrywigheid. Die versuim van 'n enkele lener om sy skuldverpligtinge ten tye van algemene swaar skuldbelading betyds na te kom, kan tot 'n reeks gebeure aanleiding gee wat uiteindelik tot die ineenstorting van baie ander skuldbelaste ondernemings kan lei. Leners en uitleners wat onvoldoende kontantvloei in die gesig staar, sal onder sulke omstandighede genoodsaak wees om hul vraag in die mark vir goedere en produksiefaktore in te kort, wat tot 'n algemene vermindering in totale ekonomiese bedrywigheid sal lei.

Hoë inflasie ondermyn besparing, veral in 'n omgewing van lae of negatiewe reële rentekoerse. 'n Hoë inflasiekoers en negatiewe inflasie-aangesuiwerde rentekoerse sal die geneigdheid om te verbruik eerder as om te spaar aanmoedig, omdat dit die reële opbrengs wat spaarders verdien verminder en die leenkoste van leners verlaag. Vir die maatskappysektor in die breë ondermyn inflasie nie net besparing of die terughou van inkomste nie, maar veroorsaak dit ook 'n sydigheid om bates met skuld in plaas van teruggehoue inkomste te finansier. Dit lei tot groter hefboomfinansiering in die kapitaalstruktuur van ondernemings wat die finansiële risiko weer laat toeneem en moontlik die ekonomiese stelsel kan ontwrig indien toegelaat word dat dit oormatig styg.

Die volgende voorbeeld toon hoe die reële koste van skuld na belasting *afneem* wanneer inflasie *toeneem* en die nominale rentekoers en belastingkoers onveranderd gelaat word. Dit sal 'n sydigheid vir skuldfinansiering veroorsaak. Veronderstel 'n maatskappy leen 'n bedrag vir een jaar teen 'n nominale rentekoers van 19 persent per jaar. Die heersende inflasiekoers is 9 persent en die maatskappybelastingkoers is 35 persent. Die reële koste van skuld na belasting sal 3,1 persent wees en soos volg bereken word:

$$K_{dr} = \frac{(1 + (K_{dn}(1-T)))}{1+R} - 1$$

$$K_{dr} = \frac{1 + (0,19(1-0,35))}{1+0,09} - 1$$

$$K_{dr} = 3,1 \text{ persent}$$

Waar:	K_{dr}	=	reële koste van skuld na belasting
	K_{dn}	=	nominale koste van skuld
	R	=	inflasiekoers
	T	=	belastingkoers

Indien die inflasiekoers van 9 tot 10 persent toeneem, sal die reële koste van skuld na belasting tot 2,1 persent daal. 'n Toename van een persentasiepunt in die inflasiekoers het die reële koste van skuld na belasting gevolglik met 1 persentasiepunt verlaag, wat toon dat hoe hoër die inflasiekoers, hoe laer die reële koste van skuld na belasting. 'n Toename in die belastingkoers kan ook die reële koste van skuld na belasting verlaag, omdat die nominale rentekoste vir belastingdoeleindes van bruto inkomste aftrekbaar is.

Indien die prima-oortrekkingskoers gebruik word om die nominale koste van skuld voor te stel, het die reële koste van skuld na belasting van 'n gemiddelde negatiewe koers van 5,3 persent per jaar gedurende die tydperk 1975-83 tot 'n negatiewe koers van 3,9 persent gedurende 1984-91 toegeneem, voordat dit

gedurende 1992-96 positief geword het teen 'n koers van 2,7 persent. Die toename in die reële koste van skuld na belasting gedurende die tydperk 1984-91 vergeleke met die tydperk 1975-83, was die netto gevolg van 'n hoër belastingkoers – die nominale belastingkoers het van 40 persent in 1975 tot 50 persent in 1990 toegeneem – en 'n toename in die rentekoers na aansuiwering vir inflasie van 'n negatiewe 0,8 persent tot 'n positiewe 4,6 persent. Tussen hierdie twee tydperke was daar min verandering in die gemiddelde styging in pryse soos deur die produksieprysindeks gemeet. Die ommekeer in die gemiddelde reële koste van skuld na belasting van 'n negatiewe waarde gedurende die tydperk 1984-91 tot 'n positiewe waarde in die tydperk 1992-96, kan aan 'n afname in die gemiddelde inflasiekoers van 13,8 persent in 1984-91 tot 7,9 persent in 1992-96 toegeskryf word. Dit het veroorsaak dat die inflasie-aangesuiwerde rentekoers tussen die twee tydperke van 4,6 persent tot 9,7 persent toegeneem het. Die nominale maatskappybelastingkoers het ook van 50 persent in 1990 tot 35 persent in 1996 gedaal.

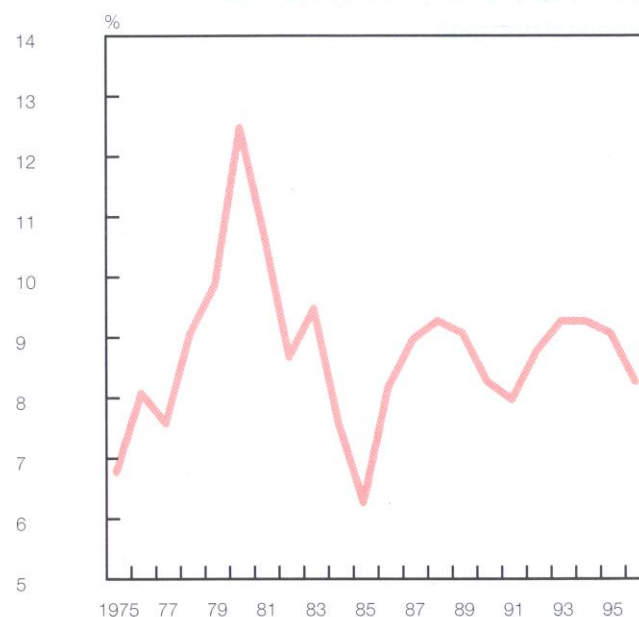
Netto maatskappybesparing as 'n persentasie van verdienste voor betalings van rente en belasting van die nie-finansiële private maatskappysektor het van 'n gemiddelde van 13,1 persent in die tydperk 1985-91 tot 25,4 persent in die tydperk 1992-96 toegeneem.

Tabel 1. Die koste van skuld ná belasting en aansuiwering vir inflasie

Persent

Tydperk	Inflasie-koers	Belasting-koers	Inflasie-aangesuiwerde rente-koers	Koste van skuld ná belasting en aansuiwering vir inflasie
1975	16,7	40	-4,9	-8,2
1976	15,4	40	-3,1	-6,9
1977	13,3	40	-0,8	-5,1
1978	9,6	40	2,5	-2,1
1979	15,5	40	-5,5	-8,2
1980	16,6	40	-7,1	-9,4
1981	13,7	40	0,3	-4,7
1982	13,9	42	5,4	-2,4
1983	10,5	42	6,2	-0,7
1984	8,4	50	13,9	2,5
1985	16,9	50	4,6	-5,3
1986	19,6	50	-5,3	-10,4
1987	13,9	50	-1,4	-6,7
1988	13,2	50	2,1	-4,9
1989	15,2	50	4,6	-4,6
1990	12,0	50	9,0	-1,3
1991	11,4	48	8,9	-0,8
1992	8,2	48	10,6	1,5
1993	6,6	40	9,6	2,9
1994	8,3	35	7,3	1,7
1995	9,5	35	8,4	2,0
1996	7,0	35	12,5	5,3
Gemiddelde vir die tydperk				
1975-83	13,9	40,4	-0,8	-5,3
1984-91	13,8	49,8	4,6	-3,9
1992-96	7,9	38,6	9,7	2,7

Grafiek 2: Bruto maatskappybesparing van nie-finansiële private geïnkorporeerde ondernemings as persentasie van bruto binnelandse produk



Hierdie styging dui daarop dat daar gedurende 1992-96 gemiddeld 'n groter deel van maatskappywinste deur ondernemings teruggehou is as gedurende 1985-91. Hierdie sterker vertoning in maatskappybesparing kan onder andere aan laer inflasie, positiewe inflasie-aangesuiwerde rentekoerse, die instelling van sekondêre belasting op maatskappye in die fiskale jaar 1993/94 en die toename in die koste van skuld na belasting en na aansuiwering vir inflasie, toegeskryf word. Bruto maatskappybesparing van die nie-finansiële private sektor as persentasie van die bruto binnelandse produk het ook van die tydperk 1985-91 tot die tydperk 1992-96 toegeneem (kyk Grafiek 2).

Winsgewendheid en die benutting van produksievermoë

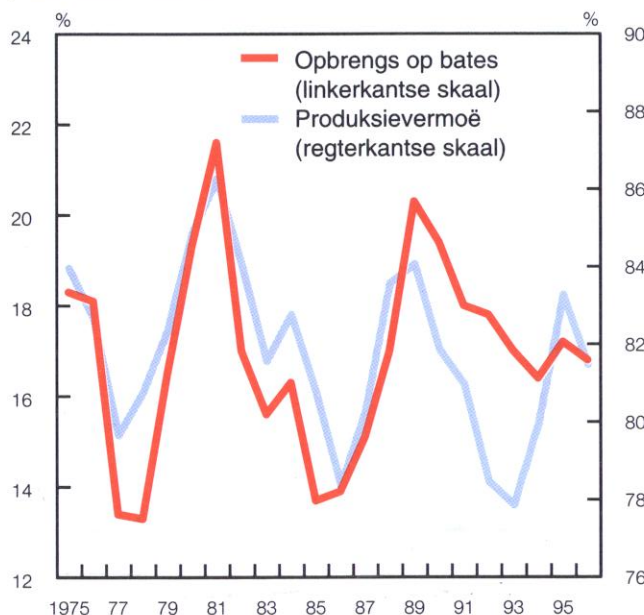
Grafiek 3 toon 'n betreklike sterk verwantskap tussen die winsgewendheidsverhouding van die private fabriekswese en die benutting van produksievermoë in die fabriekswese. Dit kan verklaar word deur die verband wat tussen vaste en veranderlike koste bestaan. Vaste koste (wat hoofsaaklik op vaste bates en langtermynlaste betrekking het) bly gewoonlik gedurende 'n bepaalde tydperk onveranderd tensy die

totale produksievermoë verander. Veranderlike koste (wat op bedryfsbates en -laste betrekking het) is geneig om min of meer in ooreenstemming met die vlak van produksie te verander. Wanneer die benutting van produksievermoë toeneem, beteken dit meer eenhede word geproduseer en die vaste koste per eenheid sal dienoooreenkomstig laer wees. Produksie word dus doeltreffer en ondersteun sodoende winsgewendheid – minstens totdat beperkings op produksievermoë 'n invloed begin uitoefen.

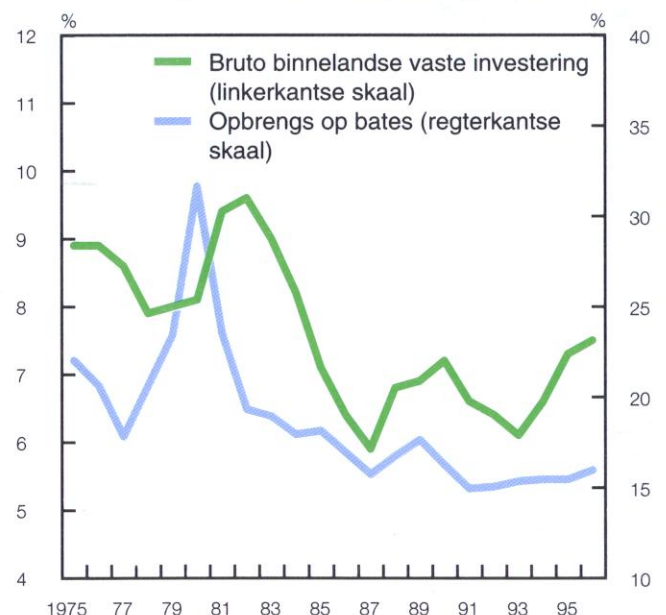
Skakeling tussen winsgewendheid en vaste investering

Tydperke van hoë benutting van produksievermoë en hoë winsgewendheid word gewoonlik met 'n tydsloering deur 'n uitbreiding van produksievermoë gevolg. Dit word gestaaf deur die positiewe verwantskap wat tussen maatskappywinsgewendheid en vaste investering van die private sektor bestaan (kyk Grafiek 4). Die onlangse toename in vaste investering sedert 1994 was egter meer van 'n reaksie op 'n toename in die opbrengskoeers na aansuiwering vir inflasie, as van 'n verandering in die nominale opbrengskoeerse wat sedert 1994 'n effens opwaartse beweging getoon het.

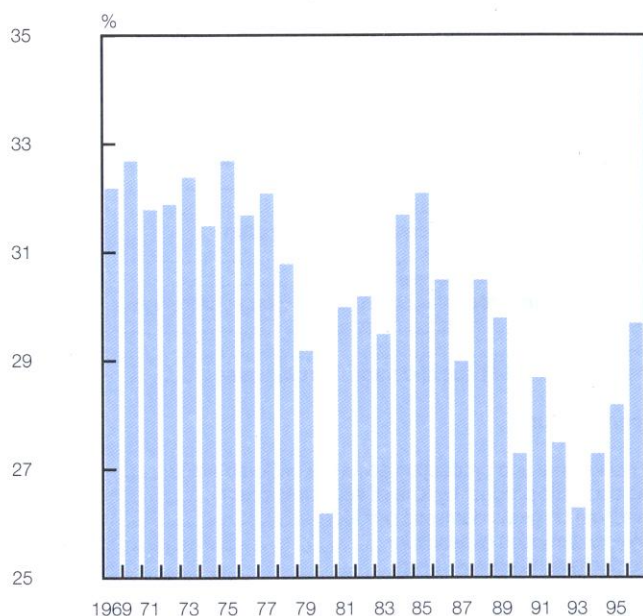
Grafiek 3: Opbrengs op bates van private geïnkorporeerde ondernemings in die fabriekswese en die benutting van produksievermoë



Grafiek 4: Bruto binnelandse vaste investering van nie-finansiële private geïnkorporeerde ondernemings as persentasie van bruto binnelandse produk en die opbrengs op bates



Grafiek 5: Krediet deur banke verleen aan geïnkorporeerde ondernemings as persentasie van bruto binnelandse produk



Uitstaande krediet van geïnkorporeerde ondernemings deur banke toegestaan in verhouding tot die bruto binnelandse produk het sedert 1985 merkbaar afgeneem (kyk Grafiek 5). Die pynlike ondervinding van baie ondernemings toe hulle in die middel-tagtigerjare deur 'n kombinasie van hoë skuldverhoudings en 'n skielike sterk styging in rentekoerse getref is, en die algemeen hoë koste van krediet na aansuiwering vir inflasie sedert die laat tagtigerjare, het maatskappye waarskynlik meer bedag gemaak in hul gebruik van bankkrediet om uitbreiding te finansier.

Gevolgtrekking

'n Ontleding van totale nasionalerekeninge-gegewens dui daarop dat die winsgewendheid van die nie-finansiële private maatskappysektor gedurende die tagtigerjare gedaal het en daarna net effens gestyg het. Die opbrengs op bates na aansuiwering vir inflasie dui egter op 'n toename in winsgewendheid sedert die middel-tagtigerjare.

Hoë inflasie en negatiewe reële rentekoerse het verbruik eerder as besparing aangemoedig. Dit het geneig om die opbrengs na aansuiwering vir inflasie wat deur spaarders ontvang word te verminder en die geleentheidskoste van fondse vir leners te verlaag. Inflasie het nie net besparing ondermyn nie, maar ook

'n sydigheid vir skuldfinansiering pleks van interne finansiering veroorsaak. Dit het 'n hoër graad van hefboomfinansiering in die kapitaalstruktuur van maatskappye aangemoedig wat op sy beurt weer die finansiële risiko verhoog het.

Die deurlopende toepassing van teen-inflasioneëre beleidsmaatreëls het die uitwerking dat inflasie verlaag en dat die reële koste van skuld na belasting toeneem. Sakeondernemings is dus aangemoedig om inkomste terug te hou pleks van om skuldfinansiering te gebruik om hul ondernemings uit te brei; dit het die finansiële kwesbaarheid van ondernemings verminder en tot finansiële bestendigheid bygedra. Die belangrikheid hiervan is voor die hand liggend, veral in 'n ontwikkelende land wat besparing nodig het om stukrag aan investering te verleen.

Hierdie nota toon dat die bestendiger en meer gedissiplineerde finansiële omgewing in Suid-Afrika sedert die laat tagtigerjare tot beter winsgewendheidsverhoudings na aansuiwering vir inflasie en tot die gebruik van betreklik minder bankkrediet deur geïnkorporeerde ondernemings bygedra het. Dit het ook 'n bydrae gelewer tot die sterk toename in vaste investering in die private sektor. Die oplewing in vaste investering in die private sektor sedert 1994 was stewig gegrondves omdat dit meer 'n reaksie op 'n verbetering in opbrengste na aansuiwering vir inflasie was, as 'n kunsmatige verlaging in nominale rentekoerse.