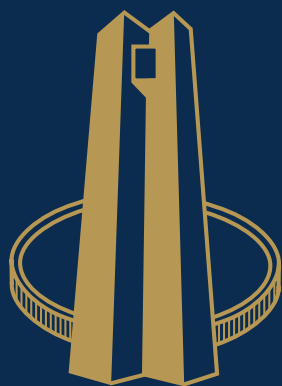


Quarterly Bulletin Kwartaalblad



South African Reserve Bank
Suid-Afrikaanse Reserwebank

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

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Quarterly economic review

Introduction

Economic events in South Africa during 1996 were dominated by the abrupt decline in the external value of the rand in February, which then developed into an almost continuous process of depreciation lasting until October. The effect of the weakening rand had its ramifications throughout the economy. While the depreciation continued, it created uncertainty, increased the risk premium associated with investment in South Africa, deterred potential foreign investment, raised the user cost of capital in the domestic economy and fuelled expectations of rising inflation.

When the rand's stability was ultimately restored in the foreign exchange market towards the end of the year, some of the more positive results of the process of currency depreciation became clearer. Especially the robust growth in merchandise export volumes, which is a prominent element of the government's growth and development strategy, raised prospects for growth and job creation in the domestic economy. Of course, the competitive gains made during 1996 still need to be consolidated by preventing secondary rounds of wage and price increases. If not, the benefits of the depreciation will be short-lived and the economy will be left in its structurally weak state, but with a considerably higher overall level of prices.

Aggregate output seemingly responded positively to the weakening of the rand and growth accelerated in the fourth quarter of 1996. Real value added in the non-agricultural sectors regained some of the momentum it had lost in the first three quarters of 1996. Of particular significance was the turn-around of production in the manufacturing sector; whereas manufacturing production shrank in the third quarter of 1996, it recovered quite strongly in the fourth quarter. The recovery in output levels in some of the non-agricultural sectors of the economy in the final quarter of 1996, together with a large increase in agricultural production, especially of field crops, resulted in an economic growth rate of 3 per cent in 1996 – moderately lower than the growth rate experienced in 1995.

Owing to the relatively strong growth in real domestic production and despite a sharp rise in the real value of net factor payments to the rest of the world, the real gross national product of South Africa increased by 3½ per cent in 1996. When population growth is taken into consideration, the real gross national product *per capita* rose by 1½ per cent in 1996. This was the third year in succession in which real national income *per capita* increased and the result is that the "average South African" was 4½ per cent better off in 1996 than in 1993.

Although part of the rise in real domestic production was related to a high level of domestic final demand, the major force behind non-agricultural output growth in 1996 came from the strong increase in the volume of exports. This was especially the case in the second half of the year. The strong build-up in fixed investment spending appeared to have lost momentum in the second half of last year. Similarly, the growth in private consumption expenditure also tended to decelerate in the last three quarters of 1996. Consumers have ostensibly become aware of the risks involved in their high debt-to-income ratios and began to hold back on spending growth. Government consumption expenditure, however, accelerated, thereby preventing a faster reversal in the high levels of dissaving by the general government. The country's overall saving ratio in 1996 was consequently still too low to adequately finance domestic investment demands.

The high level of economic activity was accompanied by an absolute decline in aggregate employment since the third quarter of 1995, largely because of determined efforts among private-sector producers to reduce costs and raise efficiency. The rate of increase in nominal wages and salaries per worker nevertheless remained downwardly inflexible. In fact, nominal and real wage growth began to accelerate in the second half of 1995 and rose at relatively high rates in the first three quarters of 1996. Although the inflationary impact of the rise in labour costs was partially countered by the strength of labour productivity, the increase in real remuneration per worker in an environment of rising unemployment was not in keeping with what could reasonably be expected under such circumstances.

The quickening of the growth in unit labour costs, along with the weaker rand and rising food prices, made themselves felt in an accelerating rate of production and consumer price inflation during the course of 1996. These price increases were accommodated by a strong expansion of the monetary aggregates. Steps taken during the year to curb the excessive monetary growth had the predictable but ironic short-term effect of increasing the measured rate of consumer-price inflation through their impact on home owners' cost. However, even when the temporary perverse effects of higher mortgage interest rates, and the effects of some other special factors are excluded from the consumer price index, it remains true that the underlying inflation rate accelerated in the second half of 1996. Domestic inflation, as measured by the increase in the production price index, was also higher than imported inflation, as measured by the rise in the prices of imported goods, despite the steep decline in the value of the rand. The build-up in real wage growth, the apparent long

response lag in the prices of imported goods to the weakening in the value of the rand and the rise in underlying inflation, seem to indicate that latent inflationary forces are still present in the economy.

As could be expected with a decline in the overall level of aggregate domestic expenditure, the growth in the volume and value of imports showed signs of abating in the second half of 1996. Coupled with strong rises in the value of net gold exports and merchandise exports and a slowdown in net service payments to the rest of the world, the deficit on the current account of the balance of payments began to shrink in the second half of the year. At the same time, the net outflow of capital in the third quarter of the year changed in the fourth quarter to a net inflow of capital, although essentially in the form of financing facilities with a short maturity.

The inflow of capital in the fourth quarter of 1996 was larger than the deficit on the current account of the balance of payments and as a consequence the total gold and other foreign reserves of the country rose quite sharply. This contributed to a more positive sentiment in the financial markets and greater stability in the market for foreign exchange. The nominal exchange rate of the rand became more stable and strengthened moderately in the last two months of 1996, but then rose strongly in January 1997. At the end of 1996 the real effective exchange rate of the rand was about 16 per cent lower than at the end of 1995.

The continuation of relatively strong real income growth during 1996 and the accompanying high level of aggregate domestic demand for goods and services gave rise to rapid growth in the transactions need for money. The transactions demand for money was strengthened by a rise in the public's demand for more liquid monetary assets. This rise in the public's liquidity preference was probably motivated by the relatively attractive yields on deposit-type investments and by the many speculative opportunities presented by movements of financial asset prices during 1996. Firm growth in the broadly defined money supply and even stronger increases in the narrower monetary aggregates during 1996 were coincident with these portfolio preferences of the public.

During the second half of 1996 the growth rate in the broadly defined money supply slowed down, at first somewhat modestly in the third quarter, but then more evidently in the fourth quarter. Although this was a welcome development and a signal of a positive response to earlier policy steps which had been taken to curb excessive monetary expansion, the level of the M3 money supply in the fourth quarter of 1996 was still higher than the upper limit of acceptable money supply which had been indicated by the 1996 money growth guideline range. This indicates that the threat of inflation and expectations of rising inflation were still prevalent and that continuation with a conservative monetary policy posture is justified.

Credit extension advanced rapidly during 1996, albeit at a decelerating rate in the second half of the year. Moreover, the composition of the assets of the monetary institutions indicates that credit was a prominent source of funding for the growth in private consumption expenditure. This, of course, had serious implications for the already uncertain financial situation of the private household sector. High levels of household debt and the future servicing of such debt do not augur well for the national savings ratio, and thus for the output and employment-generating capacity of the economy in the long run. The rise in overall domestic credit extension was also the principal statistical counterpart of the rapid expansion of the monetary aggregates; the impact of credit growth was only partially undone by a decline in the net foreign assets of monetary institutions during 1996.

In the financial markets, the public sector's mobilisation of funds in the primary capital markets fell back from levels that prevailed in the previous fiscal year. This development was the result of substantial government stock redemptions, the run down of cash balances by the national government and extraordinary receipts in the current fiscal year. This may point to some alleviation of the crowding out of private-sector investment activity by the borrowing activities of public-sector organisations. Private-sector companies accordingly raised considerably more capital through rights issues of fixed-interest securities and equity issues in 1996 than in 1995.

The government raised more funds in the international primary bond market in 1996 than in 1995. Apart from the positive impact these borrowings had on pressures in the domestic capital market and on the country's level of gold and foreign reserves, it also established a benchmark for the pricing of future offshore borrowing by private-sector and parastatal entities.

Activity in the secondary bond and equity market was lively and turnovers in both markets increased substantially in 1996 compared with 1995. Non-resident participation in the domestic market was also boosted by the introduction of an electronic screen-trading system in the equities market and by the admission to membership of the Johannesburg Stock Exchange of foreign-owned banking institutions and broking firms. Nevertheless, price movements in both the secondary bond and equity markets were without clear upward or downward direction as from May 1996 until the year-end. Prices in both these markets rallied in the first six weeks of 1997.

Money market conditions remained relatively tight for the major part of 1996. The Reserve Bank occasionally injected liquidity into the market to relieve extremely tight conditions, but generally allowed the money market shortage to reflect the unbalanced position created by the excessive expansion of credit by monetary institutions against the background of a large

decline in their net foreign assets. Since May 1996 the yields on short-term and long-term securities have moved broadly in tandem, leaving the general shape of the yield curve intact. In January 1997, the yield curve declined over the entire maturity spectrum and became somewhat more inverted in the less-than-three-year maturity spectrum, whilst maintaining its flat shape in the area beyond three years. This could be interpreted as an indication of expectations of imminent declines in short-term money market rates, whilst reflecting continued scepticism about the longer-term prospects for durably lower inflation.

The public-sector borrowing requirement, i.e. the deficit before borrowing and debt repayment of the national government and all other tiers of the public sector, declined as a percentage of gross domestic product in the first nine months of 1996/97 compared with the corresponding period in the previous fiscal year. This improvement in public finances occurred primarily at the level of the Central Government. The information for the first ten months of fiscal 1996/97 indicates that the government is likely to achieve success in its stated objective of reducing the Exchequer deficit relative to gross domestic product. Of some concern is that Exchequer issues were increasing well above the rate which had been foreseen in the Budget for 1996/97. Fortunately, the growth in Exchequer revenue exceeded the growth projected in the Budget by an almost similar margin. The stock redemptions during the fourth quarter of 1996 contributed to a small decline in the ratio of total government debt to gross domestic product from March to December 1996.

Domestic economic developments

Domestic output

The seasonally adjusted and annualised rate of change in *real gross domestic product* accelerated from 3 per cent in the third quarter of 1996 to 3½ per cent in the fourth quarter. The fourth-quarter growth was broadly on par with the growth rates recorded in the first two quarters of 1996 and took the year-to-year growth in real gross domestic product to about 3 per cent in calendar 1996, compared with 3½ per cent in 1995. Although the year-to-year growth rate declined somewhat in 1996, it was still significantly higher than the average growth of 1 per cent per year measured over the period since 1985.

Aggregate output growth in 1996 was boosted by a reversal in the fortunes of the agricultural sector. Total farm income was seriously hampered in 1995 by poor climatic conditions and the real value added by the agricultural sector declined by 15 per cent. In contrast, 1996 turned out to be an exceptionally good agricultural year with output levels of maize and wheat well above what could have been expected in an "average" year. The real value added by the agricultural sector accordingly increased by 26 per cent in 1996. Outside the agricultural

Real gross domestic product

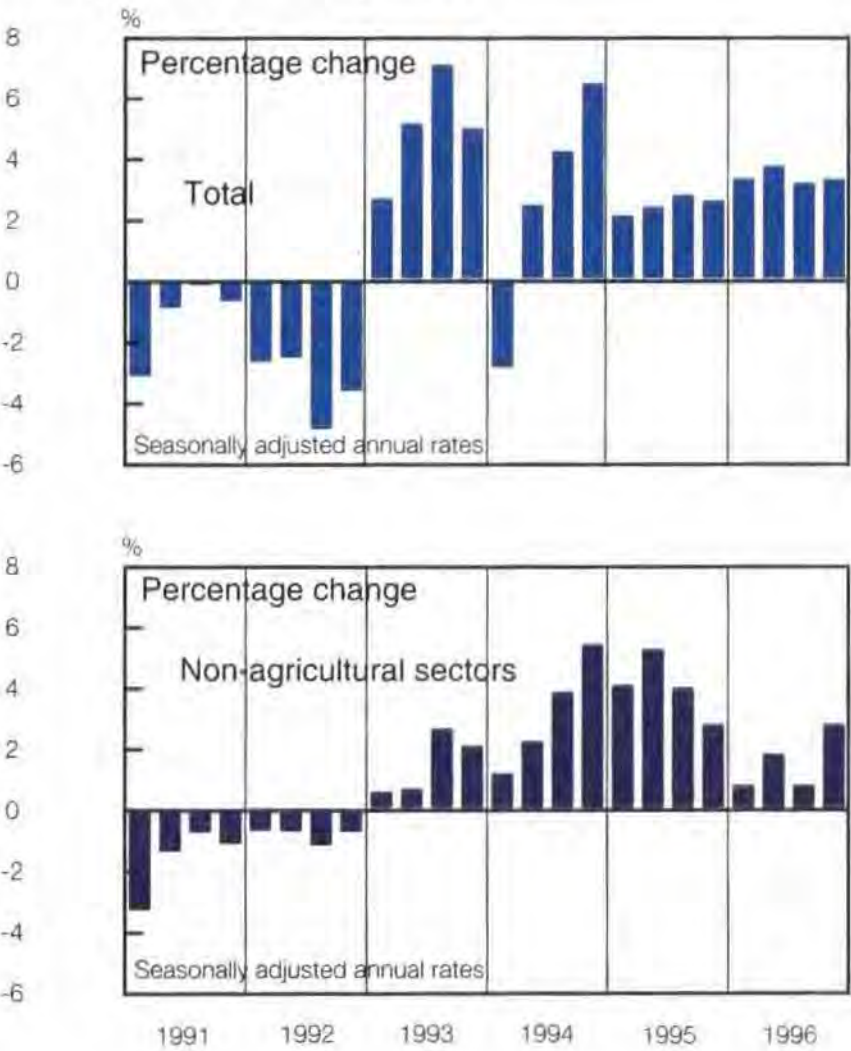


Table 1. Real gross domestic output
 Percentage change at seasonally adjusted and annualised rates

Sectors	1995	1996				
	Year	1st qr	2nd qr	3rd qr	4th qr	Year
Primary sectors.....	-7½	23	13	15	5½	8
Agriculture.....	-15	86½	53	60	12½	26
Mining.....	-3	-½	-5	-7½	1	-1½
Secondary sectors.....	6½	½	3	½	2½	1
Manufacturing.....	7½	-1	3	-1	2	½
Tertiary sectors.....	3½	1	3	2	3	3
Commerce.....	6½	-2½	5½	0	3	3½
Transport, storage and communication.....	5	1	2	3	2½	3
Financial services.....	3½	3½	3	4	4	3½
Total	3½	3½	3½	3	3½	3
Non-agricultural sectors	4½	1	2	1	3	2

sector, the rate of growth in total real production fell back from 4½ per cent in 1995 to 2 per cent in 1996. Towards the end of 1996 the growth rate of non-agricultural output, however, accelerated noticeably from 1 per cent in the third quarter to 3 per cent in the fourth quarter.

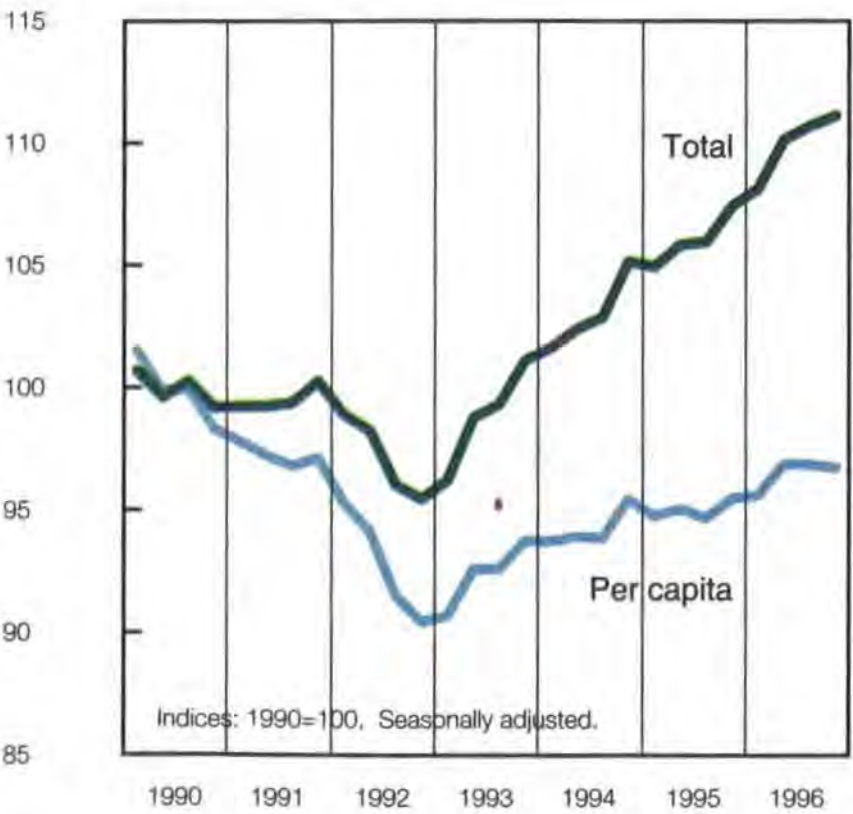
The rate of decline in the real value added by the *mining industry* declined from 3 per cent in 1995 to 1½ per cent in 1996. In fact, the annualised change in mining production turned round from a decline of 7½ per cent in the third quarter of 1996 to an increase of 1 per cent in the fourth quarter. Gold-mining output, which had declined in 1996 to its lowest level in 40 years, recovered somewhat in the fourth quarter of last year. In contrast to the rise in gold-mining output in the fourth quarter of 1996, the real value added by the non-gold-mining sectors in that quarter showed a small decline.

The real value added by the *manufacturing sector* increased at an annualised rate of 2 per cent in the fourth quarter of 1996, after it had declined by 1 per cent in the third quarter. The output increase in the fourth quarter of 1996 was dispersed over all the main subsectors of industry and was, *inter alia*, a response to firm export demand for manufactured goods, most likely as a result of the improved price competitiveness of South African manufacturers in export markets. In 1996 as a whole the manufacturing sector succeeded in increasing its output level by ½ per cent, compared with growth of 7½ per cent in 1995.

The growth in real value added by the sector supplying *electricity, gas and water* slowed down from an average annualised rate of 6 per cent in the first three quarters of 1996 to an annualised rate of 5 per cent in the fourth quarter. For 1996 as a whole the real value added by this sector rose by 5 per cent, compared with

3½ per cent in 1995. The supply of electricity responded to the strong demand coming from energy-intensive minerals beneficiation plants, increased exports of electricity to neighbouring countries, a harsh winter and growing numbers of consumers being connected to the country-wide electricity network.

Real gross national product



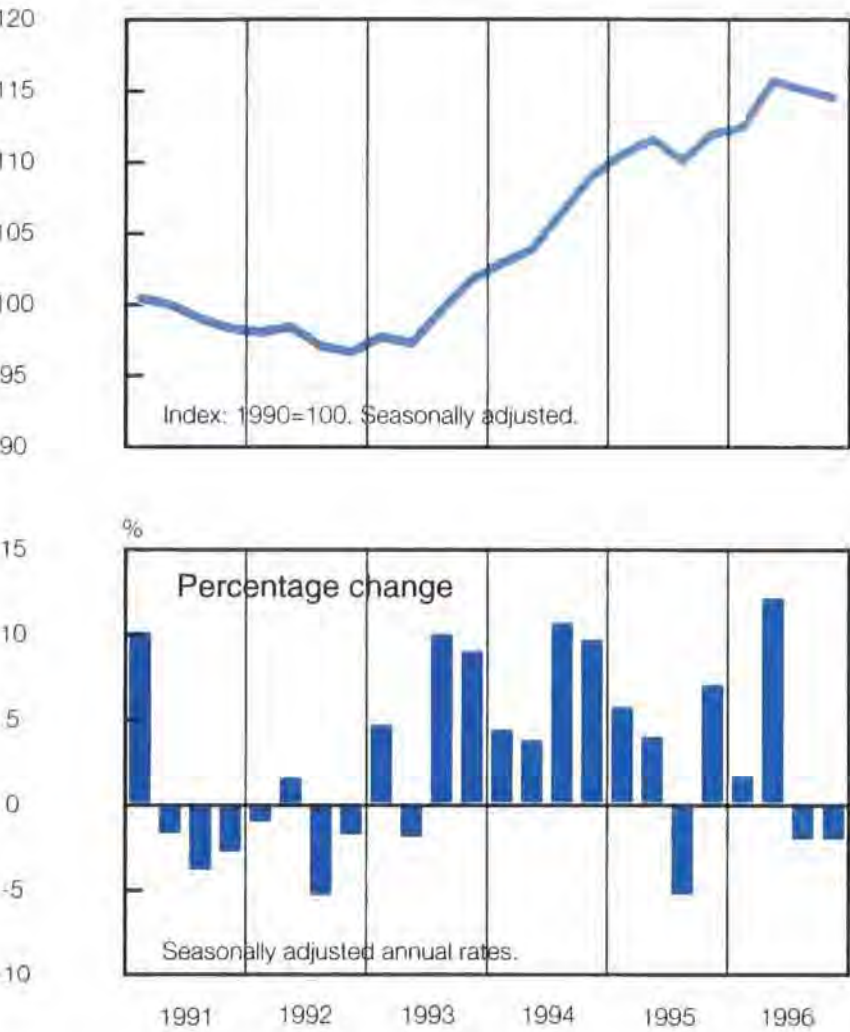
All the major subsectors contributed to the relatively strong growth in the real value added by the *tertiary sectors* in 1996. Activity in the retail, wholesale and motor trade was helped by the positive sentiment among consumers, the overall high level of final demand, the rise in agricultural incomes and the large number of foreign tourists visiting the country. The positive impact of these forces was counteracted by the high and rising cost of credit, with the result that the growth in the real value added by the commercial sector slowed down from 6½ per cent in 1995 to 3½ per cent in 1996. Output growth in the *transport and communication sector* was buoyed by the high levels of final demand and the exceptionally large volumes of agricultural commodities which had to be transported. Nevertheless, output growth in the transportation and communication sector slowed down from 5 per cent in 1995 to 3 per cent in 1996. The strong increase in activity on the major financial markets brought about an increase in the real value of output of the financial services sector of 3½ per cent in 1996 – the same rate of growth as registered in 1995.

The growth in *real gross national product* was held back by a relatively sharp increase in the real value of net factor payments to non-residents, but still accelerated from 3 per cent in 1995 to 3½ per cent in 1996. When the growth in the total population is allowed for, the real gross national income *per capita* increased by 1½ per cent in 1996. This was the third consecutive rise in the real gross national income *per capita*, which means that real income *per capita* in 1996 was roughly 4½ per cent higher than in 1993. By contrast, real income *per capita* fell by about 12 per cent between 1988 and 1993.

Domestic expenditure

Real gross domestic expenditure (seasonally adjusted and annualised) increased at a very high rate of 12 per cent in the second quarter of 1996, but thereafter declined by 2 per cent in both of the last two quarters of that year. For the full calendar year 1996 the growth in real gross domestic expenditure is estimated at 3 per cent; growth

Real gross domestic expenditure



of 5 per cent was recorded in 1995. Domestic fixed investment and government consumption outlays were the main contributors to the growth in domestic demand in 1996. Private consumption also increased firmly, although at a lower rate than in 1995. A substantially smaller accumulation of inventories was by and large responsible for the lower growth in real gross domestic expenditure in 1996, especially in the second half of that year.

Table 2. Real gross domestic expenditure
Percentage change at seasonally adjusted and annualised rates

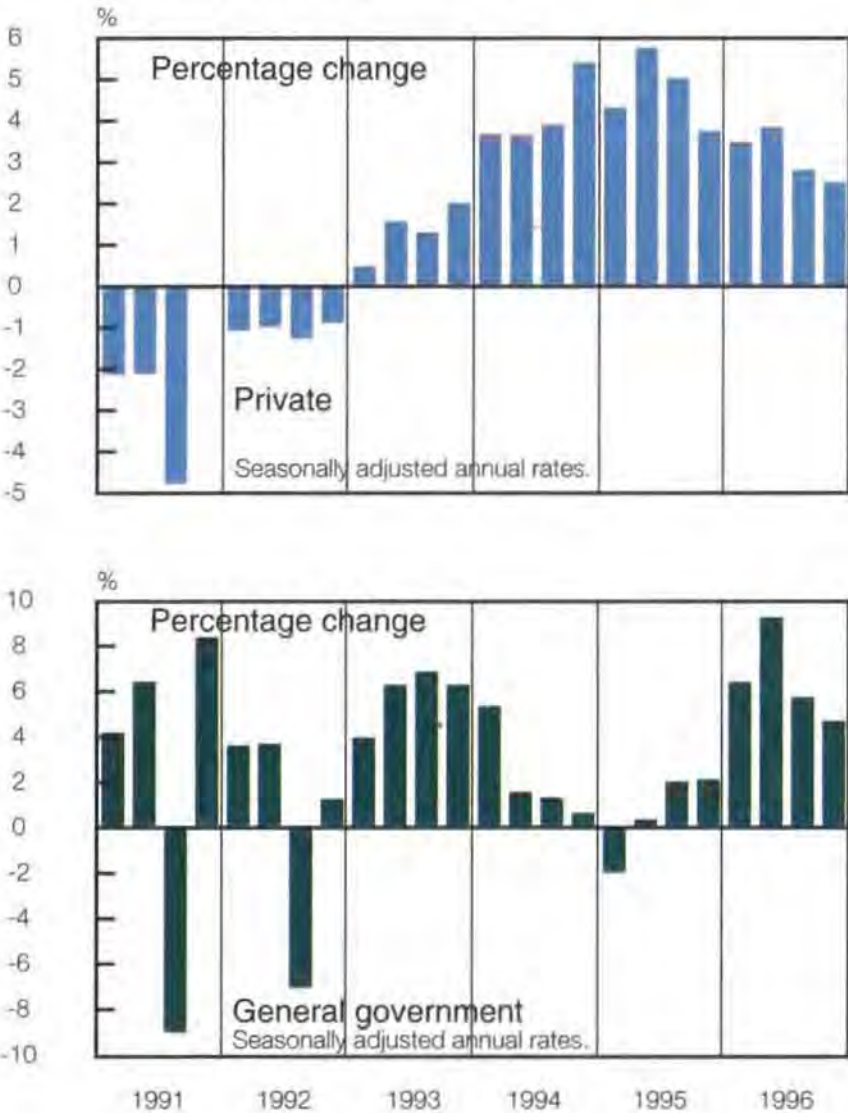
Components	1995	1996				
	Year	1st qr	2nd qr	3rd qr	4th qr	Year
Private consumption expenditure.....	4½	3½	4	3	2½	4
Government consumption expenditure	½	6½	9	5½	4½	5
Gross domestic fixed investment.....	10½	8	6	4½	2½	7
Change in inventories (R billions).....	6,3	1,4	6,7	3,0	0,2	2,8
Gross domestic expenditure	5	1½	12	-2	-2	3

Real *private consumption expenditure* increased at seasonally adjusted and annualised rates of between 3 and 4 per cent during the first three quarters of 1996. The growth in real private consumption expenditure then slowed down to 2½ per cent in the fourth quarter. This slackening of the growth in real household outlays on consumption expenditure, which had generally been brisk in 1995 and in the first three quarters of 1996, was accounted for by slowdowns in consumer spending on semi-durable goods, non-durable goods and services. In contrast, a sharp rise in expenditure on motor cars caused total household spending on durable consumer goods to increase at a very high rate in the fourth quarter of 1996 (see Table 3).

The growth in real private consumption expenditure for the full calendar year 1996 is estimated at 4 per cent compared, with 4½ per cent in 1995. An increased awareness among private households of the rise in their debt-to-income ratios, the high cost of debt servicing and a rise in the portion of household incomes paid out as direct taxes were, among others, determinants of the slightly more cautious attitude of consumers in 1996. Direct taxes as a percentage of current household income rose from 14 per cent in 1995 to 14½ per cent in 1996.

The growth in *real consumption expenditure by general government* accelerated sharply in the first half of 1996, but then slowed down in the second half, albeit to a level that was still high in relation to the growth in real gross domestic product (see Table 2). For the calendar year 1996 as a whole, the growth in real consumption expenditure by the general government was estimated at 5 per cent, compared with an increase of ½ per cent in 1995. The strong growth in consumption expenditure by general government was at variance with one of the aims of government's macroeconomic strategy for growth and development, which called for a reduction in the ratio of government consumption expenditure to gross domestic product to 20 per cent in 1996 and 18 per cent in the year 2000. The ratio of government consumption expenditure to gross domestic product actually increased from 20½ per cent in 1995 to 21 per cent in 1996.

Real consumption expenditure



Estimates of *aggregate real gross domestic fixed investment* (seasonally adjusted and annualised) show progressively declining growth rates in the four quarters of 1996; growth in the fourth quarter of 1996 was down to 2½ per cent, compared with 8 per cent in the first quarter. For the full calendar year 1996 real gross fixed investment rose by 7 per cent. Although still high compared with the average annual growth in real fixed investment in the

Table 3. Real private consumption expenditure
Percentage change at seasonally adjusted and annualised rates

Components	1995	1996				
	Year	1st qr	2nd qr	3rd qr	4th qr	Year
Durable goods.....	7½	1½	11½	-1½	11½	6
Semi-durable goods.....	6	3	3	4	3½	3½
Non-durable goods.....	4	4½	3½	4	1	4
Services.....	4½	3	2	1	1	3
Total.....	4½	3½	4	3	2½	4

1990s, the 1996 growth rate was significantly lower than the growth of 10½ per cent estimated for 1995.

The growth in real gross fixed capital formation by the *private sector* rose firmly throughout 1996, but at a somewhat lower rate than during 1995. The year-to-year rate of growth in private-sector real fixed capital formation accordingly declined from 13 per cent in 1995 to 6½ per cent in 1996. All the major sectors of economic activity participated in the expansion of private-sector fixed investment. Firm growth rates were particularly evident in agriculture, manufacturing, commerce and the construction of private residential buildings.

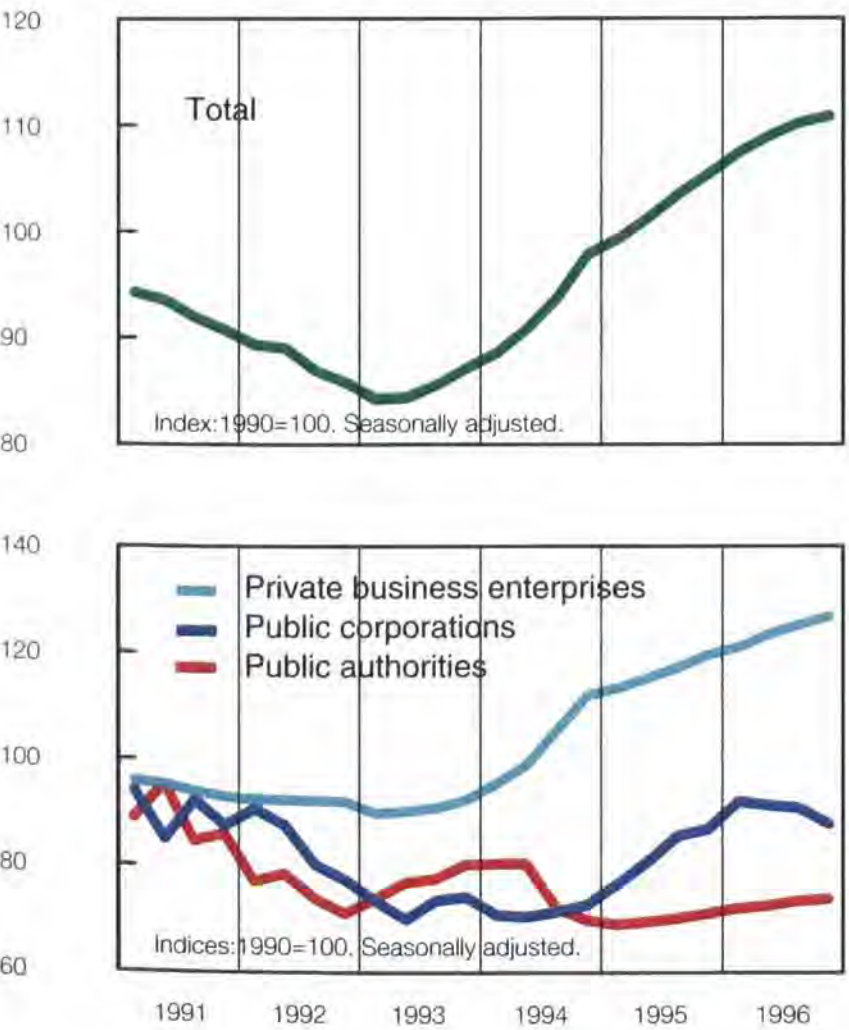
Fixed investment in private manufacturing is expected to benefit from the government's Manufacturing Development Programme, which forms part of the government's package of supply-side measures in the macroeconomic strategy for growth and development. Among the more prominent elements of the programme are:

- an accelerated depreciation allowance for income tax purposes on plant and equipment and on buildings intended for manufacturing activities as from 1 July 1996, and
- a tax holiday of up to 6 years for new projects with assets in excess of R3 million.

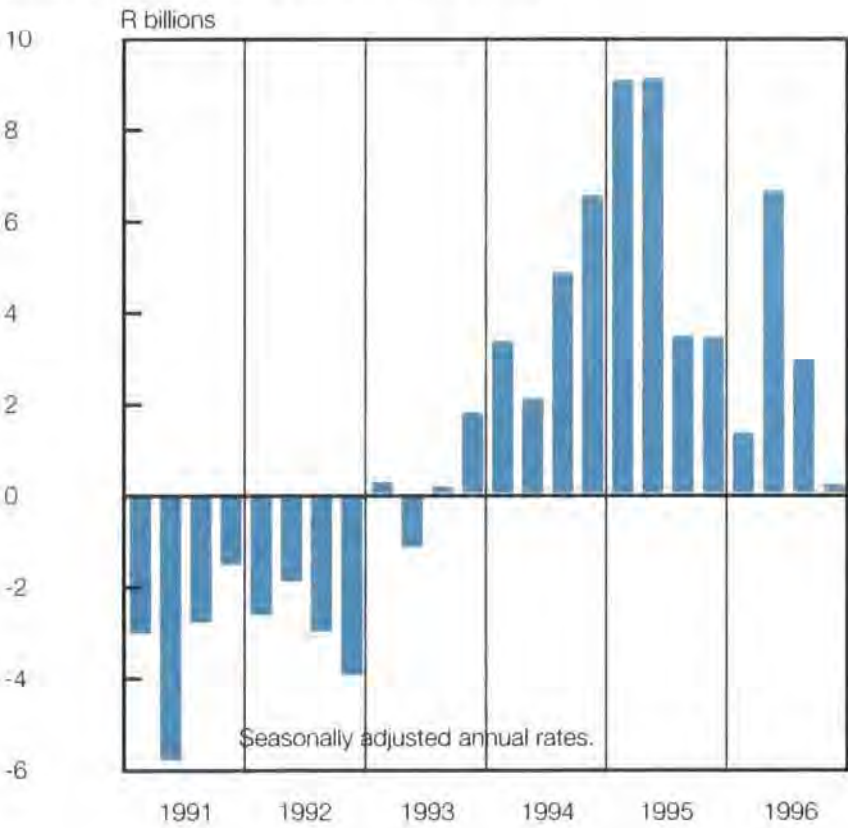
Although the real fixed capital expenditure by *public corporations* declined in the last three quarters of 1996, the year-on-year growth rate in calendar 1996 still amounted to 10 per cent, compared with 15½ per cent in 1995. The public corporations involved in manufacturing, electricity generation, water supply and transportation slowed down their expansion programmes during 1996. Telkom persisted with a strong expansion of investment activities, but this could not fully offset the slower growth in investment activity by other public corporations. The real fixed capital outlays by *public authorities* turned around from a year-to-year decline of 7½ per cent in 1995 to an increase of 4½ per cent in 1996 on account of increased public service delivery by general government departments.

The build-up of *inventories*, that had commenced in the second half of 1993, continued into 1996, but the rate of inventory accumulation subsided noticeably in the second half of the year. The slowdown in inventory accumulation in the second half of 1996 was evident in all the major subsectors of economic activity, with the exception of agricultural marketing organisations where inventories accumulated simply because of the size of the maize and wheat crops and physical constraints on the ability to move large volumes. The slower build-up of inventories in the second half of 1996 was primarily caused by the slowdown in aggregate domestic final demand and expectations of further slowdowns. These were reinforced by the increase in the prices of imported goods and the high cost of carrying inventories during a

Real gross domestic fixed investment



Change in total real inventories



period of high real interest rates. The level of industrial and commercial inventories relative to the non-agricultural gross domestic product came to 18½ per cent in the fourth quarter of 1996.

Factor income

The year-on-year growth in *aggregate nominal factor income* at market prices rose from 11 per cent in the first quarter of 1996 to 12 per cent in the third and fourth quarter. For 1996 as a whole the year-to-year rate of increase in factor income amounted to 12 per cent as against 12½ per cent in 1995. This slowdown was the outcome of slightly lower year-to-year growth in total labour remuneration, whereas the growth in aggregate gross operating surpluses accelerated somewhat.

The year-to-year rate of increase in the nominal *gross operating surplus* rose from 12½ per cent in 1995 to 15 per cent in 1996. Sharp increases in the operating surpluses of agriculture and mining, especially gold-mining, were essentially responsible for this faster growth. If the agricultural sector were to be excluded, the year-to-year growth in the gross operating surpluses of the non-agricultural sectors would have contracted from 15 per cent in 1995 to 14 per cent in 1996.

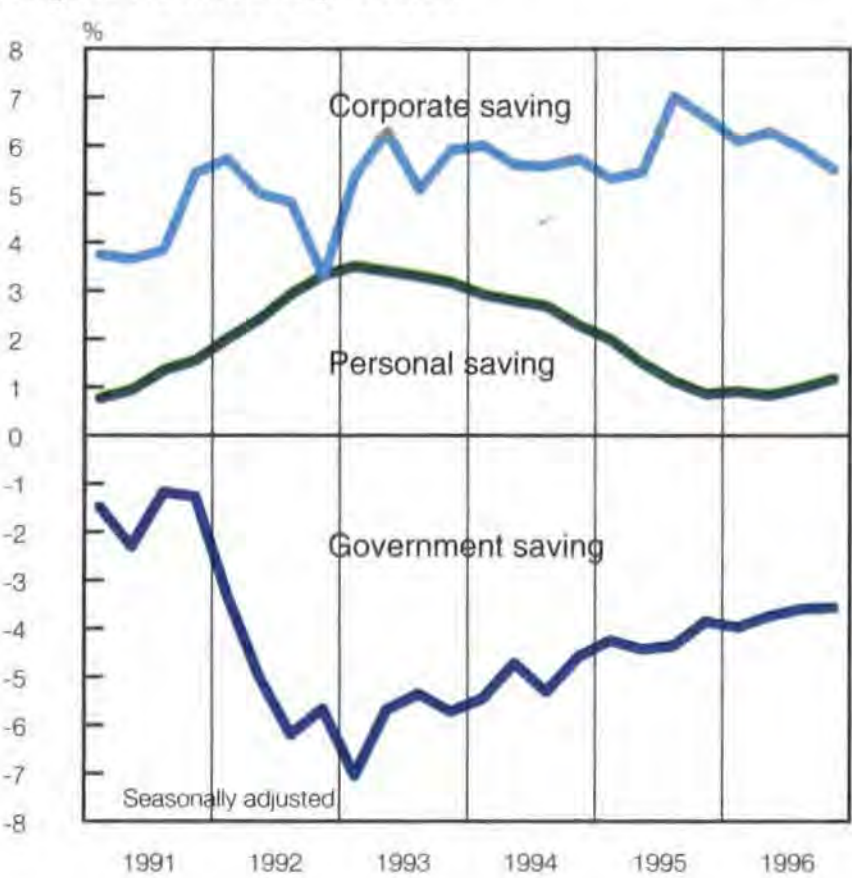
The rate of increase over four quarters in the aggregate *remuneration of employees* accelerated from 10 per cent in the first two quarters of 1996 to 10½ per cent in the two final quarters of the year. For calendar 1996, the year-to-year growth in total salaries and wages came to 10½ per cent, which was slightly lower than the 11½ per cent in 1995. The increase in 1996 was still higher than the then prevailing inflation rate, with the result that the real wage bill of the country still rose, despite a substantial increase in unemployment. As a percentage of gross domestic product, total remuneration of employees declined from 60 per cent in 1995 to 59 per cent in 1996. During the 1970s and 1980s the average of this ratio was 57½ per cent.

Domestic saving

The ratio of *gross domestic saving* to gross domestic product declined from 17 per cent in 1995 to 16½ per cent in 1996. The deterioration in the domestic savings ratio and the further rise in domestic investment meant that some 8½ per cent of total gross domestic investment had to be financed either through the running down of the gold and other foreign reserves of the country, or through a net inward movement of capital into the economy.

The net *dissaving by general government* relative to gross domestic product contracted from 4 per cent in 1995 to 3½ per cent in 1996. This reduction in government dissaving was mainly due to sharp increases in tax receipts which rose proportionately more than the current expenditure of general government in 1996. As a consequence of the rise in tax receipts, the ratio of total tax income of general government to gross domestic product rose to 27½ per cent in 1996 from an average ratio of 26 per cent in the first half of the 1990s and 22½ per cent in the 1980s.

Components of domestic saving as percentage of gross domestic product



The rise in direct taxes paid by individuals, together with the rapid rise in credit-financed private consumption expenditure, precluded the possibility of any meaningful rise in *private household saving* in 1996. The net saving by households as a ratio of gross domestic product accordingly receded from 1½ per cent in 1995 to 1 per cent in 1996. The very low savings ratio of the household sector is not only inadequate relative to the economy's investment and growth requirements, but also reveals the short time horizon over which consumers make their spending and saving decisions. It also implies a lack of concern among individuals for the need to provide for their old age. This may in years to come have serious implications for public-sector spending. The bulk of private-sector saving flows is currently still concentrated in the corporate sector.

Employment

Total employment in the formal non-agricultural sectors of the economy, which had increased only once during any calendar year since 1989 when it rose by 0.7 per cent in 1995, declined at a quarter-to-quarter seasonally adjusted and annualised rate of 3.9 per cent in the first quarter of 1996, 1.1 per cent in the second quarter and 1.4 per cent in the third quarter. This turn of events was mainly caused by a decline in the number of people employed by private-sector organisations. The workforce of the public sector increased in the second and third quarters of 1996, albeit at a more subdued rate than during the final quarter of 1995.

The total number of people employed in the *non-agricultural private sector* started to decline in the third quarter of 1995, after a short interlude of rising employment from the third quarter of 1994 to the second quarter of 1995. Consecutive declines in private-sector employment, at quarter-to-quarter seasonally adjusted and annualised rates of 5,8 per cent, 3,6 per cent and 2,8 per cent, were recorded in the first three quarters of 1996. The most prominent declines occurred in the mining, manufacturing and construction sectors. In the third quarter of 1996, reductions in workforce totals took place in mining, manufacturing, construction, electricity generation, banks and private transportation. The accumulated loss of measured private-sector employment opportunities since the second quarter of 1995 stood at 128 000 in the third quarter of 1996.

Total employment by *public authorities* increased by 0,5 per cent in 1995. A decrease at a seasonally adjusted and annualised rate of 0,2 per cent was recorded in the first quarter of 1996, followed by increases at rates of 4,0 per cent in the second quarter and 1,1 per cent in the third quarter. This growth in employment occurred mainly in public administration at the central and local government level and is at variance with government's recently adopted growth and development strategy "Growth, Employment and Redistribution" which targeted a reduction of 100 000

Non-agricultural employment

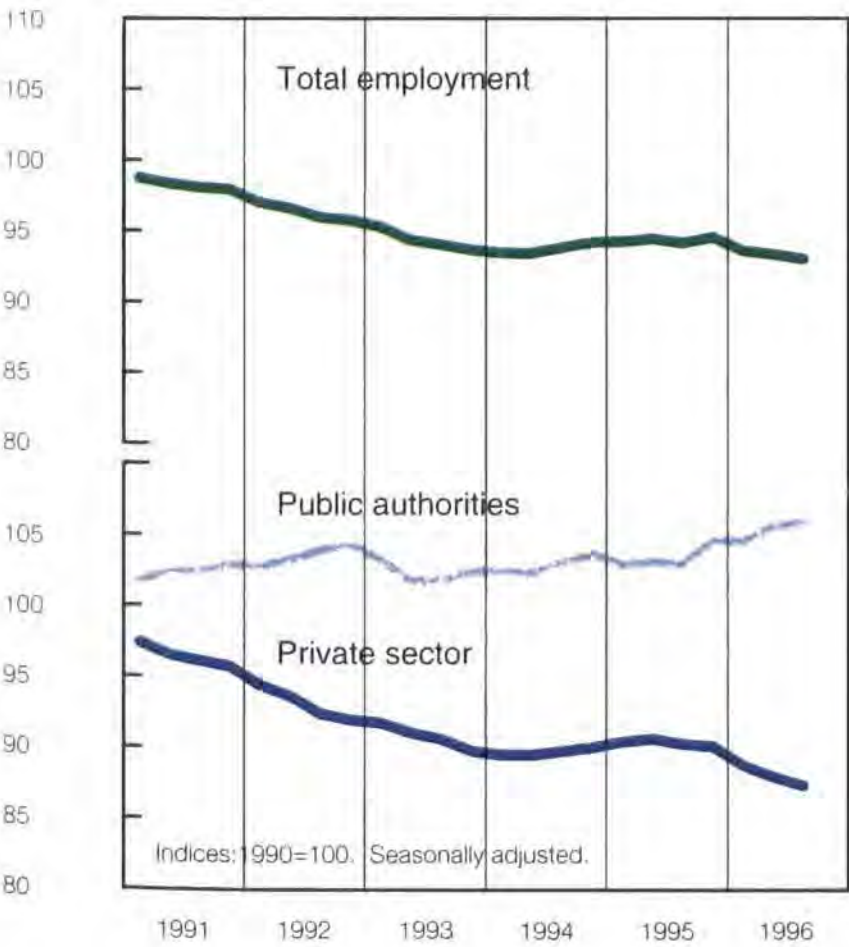


Table 4. Changes in employment in the non-agricultural sectors of the economy.

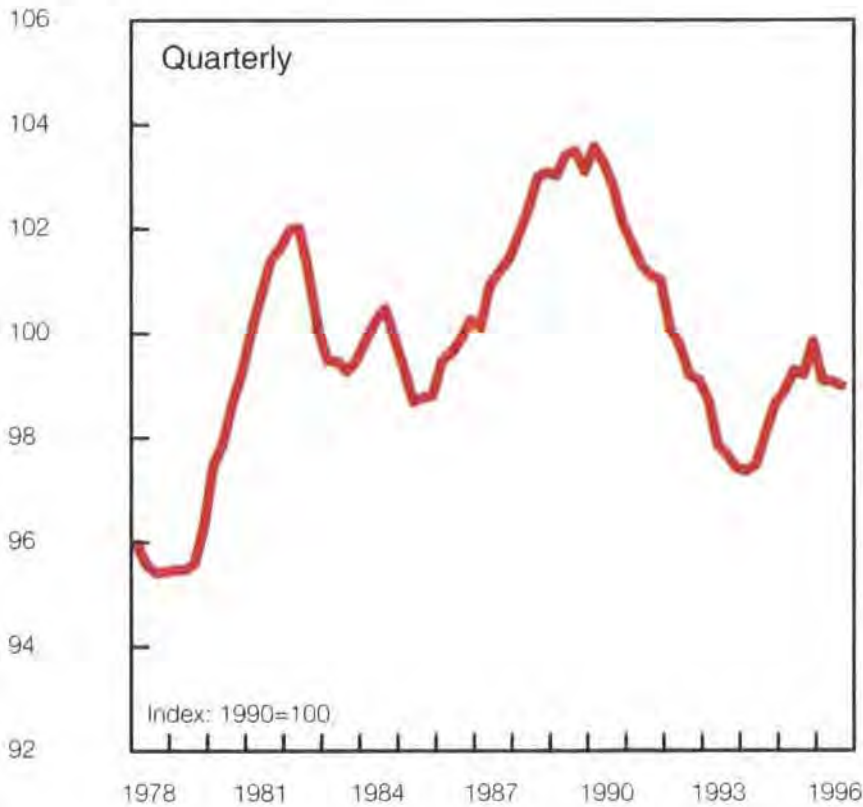
Quarter-to-quarter change at seasonally adjusted annual rates

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

public-sector employment opportunities by June 1997. As a percentage of total formal-sector non-agricultural employment, the workforce of public authorities has increased from 30,3 per cent in the first quarter of 1990 to 34,8 per cent in the third quarter of 1996.

A somewhat disquieting aspect of longer-term employment trends in the South African economy is that the number of employment opportunities created during an economic recovery is getting smaller with each successive recovery (see the accompanying graph). In view of the rapid growth of the country's economically active population, this evidence emphasises the need for the speedy implementation of the government's macro-

Cyclical movement of non-agricultural employment



economic strategy for growth and employment creation.

The decline in total employment in the formal non-agricultural sectors of the economy further manifested in an increase of 7,3 per cent in the total number of registered unemployed workers, comparing the first nine months of 1996 with that of 1995. In September 1996 the total number of registered unemployed workers stood at 276 000, compared with 256 000 a year earlier.

According to the October Household Survey of the Central Statistical Service for 1995 some 29,3 per cent of South Africa's economically active population was unemployed. This estimate provides a dismal picture and places South Africa broadly on par with world unemployment rates: according to the International Labour Organisation (ILO) some 30 per cent of the world's workforce is either unemployed or underemployed when both the industrial and the developing countries are taken into consideration.

A major development during 1996 was the implementation of the new Labour Relations Act. The new Act is meant to facilitate greater employment creation in the South African economy, reinforce domestic companies' competitiveness in international markets and, more generally, contribute to the implementation of government's macroeconomic strategy. The Act provided for the establishment of the Commission for Conciliation, Mediation and Arbitration (CCMA), which aims to bring about the speedier resolution of disputes. In the first few weeks after its establishment, the CCMA was successful in settling all of the 355 disputes referred to it. The new institutional framework created by the Act aims to develop and nurture a more co-operative form of labour relations as opposed to the adversarialism that prevailed in the past.

Labour costs and productivity

The rate of increase in the *average nominal remuneration per worker* in the formal sectors of the economy outside the agricultural sector slowed down from a year-to-year rate of 11,9 per cent in 1994 to 9,4 per cent in 1995. The downward movement in the growth of nominal salaries and wages came to an end in the second quarter of 1995 and since the third quarter of that year the percentage change over four quarters in the average nominal remuneration per worker has increased generally. As shown in Table 5, the higher rate of remuneration increase was caused by rises in the average salaries and wages of workers in both the private sector and public authorities.

The year-to-year rate of increase in the *real remuneration per worker* in the non-agricultural sectors of the economy (defined as the nominal remuneration per worker divided by the price deflator for the non-agricultural gross domestic product) decelerated from 3,2 per cent in 1994 to 0,8 per cent in 1995. The year-on-year rate of increase in real remuneration nevertheless began to accelerate in the third quarter of 1995. A year-on-year rate of increase of 0,6 per cent in the third quarter of 1995 was followed by a rate of 0,8 per cent in the fourth

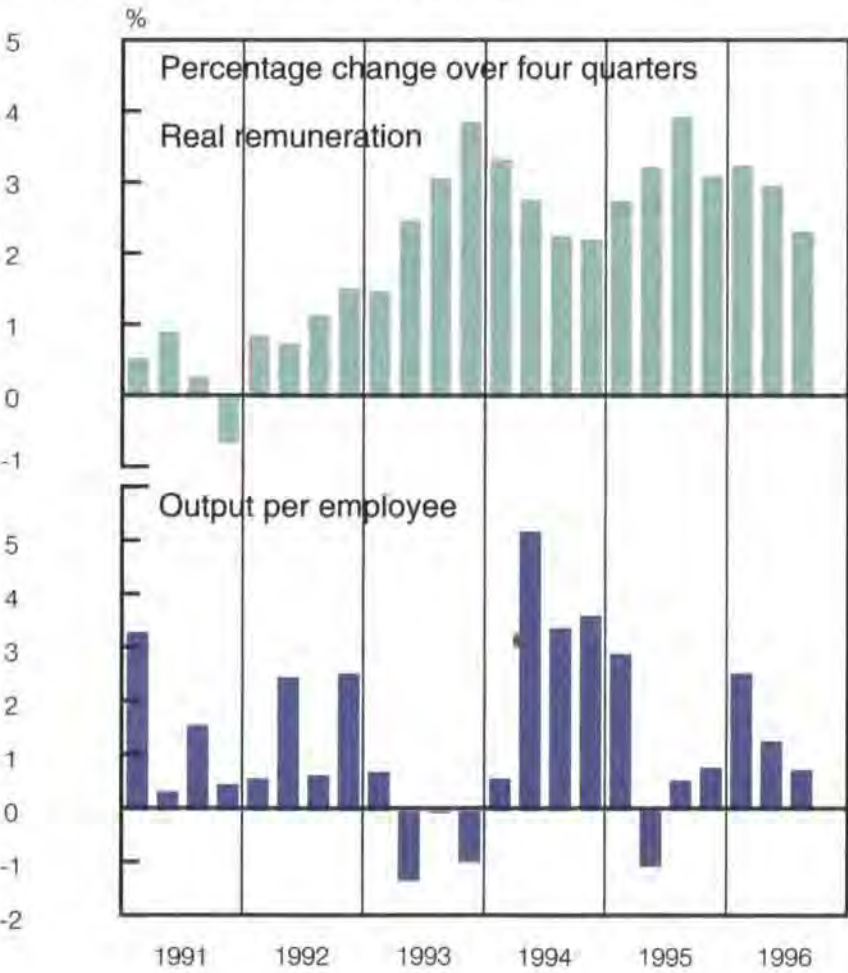
Table 5. The year-on-year rate of increase in nominal remuneration per worker

Per cent	Public authorities	Private sector	Total
1995: 1st qr.....	14,1	10,3	11,7
2nd qr	-1,4	12,7	7,1
3rd qr	5,8	10,8	8,9
4th qr	8,5	11,0	10,1
1996: 1st qr.....	10,1	12,5	11,8
2nd qr	11,1	10,5	10,9
3rd qr	8,9	11,0	10,5

quarter, 2,6 per cent in the first quarter of 1996, 1,3 per cent in the second quarter and 0,8 per cent in the third quarter. The realised growth in real wages is considerably higher than the 0,5 per cent *decline* in real wages envisaged for 1996 by the government's macroeconomic growth and development strategy.

The impact of the high rates of increase in real remuneration per worker on product prices was partially counteracted by relatively strong productivity growth. *Real output per worker* increased by 2,7 per cent in both

Real remuneration and labour productivity in the non-agricultural sectors



1993 and 1994 and then further by 3,3 per cent in 1995 – the strongest productivity growth experienced in a calendar year since 1970. Productivity growth remained firm in 1996 and growth over four quarters of 3,3 per cent, 3,0 per cent and 2,3 per cent consecutively was recorded in the first three quarters of the year.

The rate of increase in nominal unit labour costs (i.e. the change in the ratio between nominal remuneration per employee and real output per employee) fell from 17,2 per cent in 1990 to 9,0 per cent in 1994 and 5,9 per cent in 1995. This slowdown contributed substantially to the waning of price inflation in the first half of the 1990s. Unfortunately, the downward trend in the year-on-year growth of nominal unit labour costs appeared to have come to an end in the second quarter of 1995 when a lower turning point of 3,7 per cent was registered. Since then the year-on-year increase in nominal unit labour costs has accelerated to 8,2 per cent in the first quarter of 1996, 7,7 per cent in the second quarter and 7,9 per cent in the third quarter. This acceleration is perhaps the single most important production cost determinant and is partly responsible for the acceleration in production and consumer prices in the second half of 1996.

Prices

The slower growth in nominal labour cost per unit of production made an important contribution to the decline in consumer-price inflation from 9,0 per cent in 1994 to 8,7 per cent in 1995 and 7,4 per cent in 1996. Consumer-price inflation in 1996 was at its lowest level since 1972. The decline in overall price inflation was, of course, not caused solely by slower rates of increase in nominal unit labour cost. Other factors that exerted downward pressure on price increases were the consistent application of a counter-inflationary monetary policy, reductions in tariffs on imported goods, month-to-month declines in food prices during the second half of 1995 and a relatively stable exchange value of the rand until the middle of February 1996.

Since March 1996 many of the counter-inflationary tendencies have been reversed – the rise in unit labour cost remained high, monetary aggregates and credit extension expanded rapidly, import tariffs remained more or less unchanged, food prices have resumed an upward tendency and, most significantly, the rand depreciated sharply. Furthermore, the tightening of monetary policy through increases in Bank rate had the temporary perverse effect of raising the measured level of consumer-price inflation. The return of an upward bias in measured inflation since the second quarter of 1996 poses a challenge for policy-makers to prevent second-round effects in wages and prices from occurring.

The prices of *imported goods* rose by 7,6 per cent in 1995 and 5,3 per cent in 1996. In the first quarter of 1996 the increase in the prices of imported goods, at a seasonally adjusted and annualised rate, amounted to 6,0 per cent. The depreciation of the rand which began in February 1996 then contributed to an increase in the

quarter-to-quarter change in the prices of imported goods to 7,3 per cent in the second quarter. In the third quarter of 1996 the quarter-to-quarter rise in the prices of imported goods was held back by declines in the prices of imported mining and quarrying products, notably crude oil, and an annualised increase of only 2,9 per cent was recorded. The quarter-to-quarter increase in the prices of imported goods subsequently rebounded to 18,1 per cent in the final quarter of 1996. Measured over periods of twelve months, the rate of increase in the prices of imported goods accelerated from 3,2 per cent in April 1996 to 9,3 per cent in December when the depreciation of the rand began to make itself felt. In December 1996 the twelve-month rate of increase in the prices of imported goods exceeded the corresponding increase in the prices of domestically produced goods.

The increase in the prices of *domestically produced goods* declined from 9,9 per cent in 1995 to 7,5 per cent in 1996. As mentioned earlier, the lower rate of increase in unit labour costs in 1995 contributed materially to this deceleration in the rate of price inflation. The return of renewed inflationary momentum in 1996, particularly the acceleration in the rate at which unit labour costs had been rising, led to an increase in the quarter-to-quarter annualised rate of inflation in the prices of domestically produced goods from 4,8 per cent in the first quarter of 1996 to 6,8 per cent in the second quarter and 11,4 per

Production price index

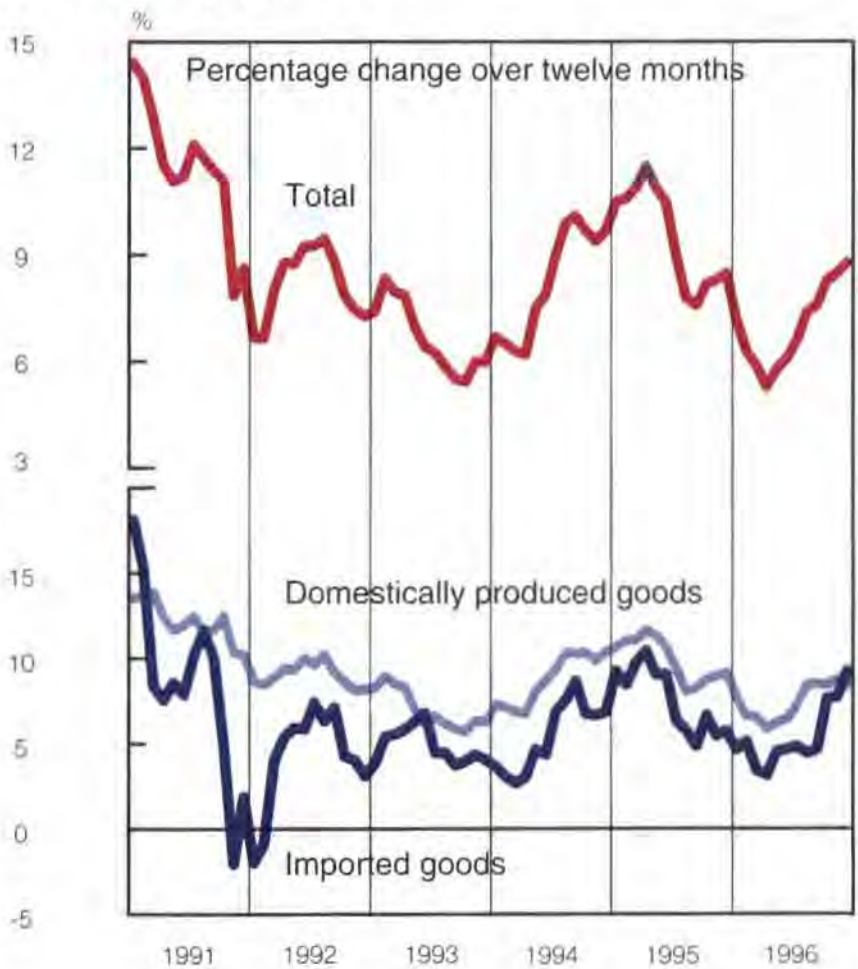


Table 6. Price increases over twelve months
Per cent

Period	Production prices		Consumer prices	
	Domestically produced goods	Imported goods	Overall	Underlying inflation*
1996: Apr.....	5,9	3,2	5,5	6,5
May.....	6,3	4,6	5,9	6,3
Jun.....	6,5	4,7	6,9	6,7
Jul.....	7,3	4,9	7,1	7,3
Aug.....	8,5	4,5	7,5	7,5
Sep.....	8,6	4,7	8,4	8,2
Oct.....	8,5	7,7	9,1	8,8
Nov.....	8,8	7,8	9,2	9,2
Dec.....	8,5	9,3	9,4	9,2

* Change over twelve months in the overall consumer price index, excluding the prices of food and non-alcoholic beverages, the cost of home ownership and value-added tax.

cent in the third and fourth quarters. Measured over a period of twelve months, the prices of domestically produced goods increased by 5,9 per cent in the year to April 1996. This rate of increase then accelerated to 8,5 per cent in the year to December 1996. Prices of domestically produced goods were therefore rising faster over periods of twelve months than the prices of imported goods until November 1996.

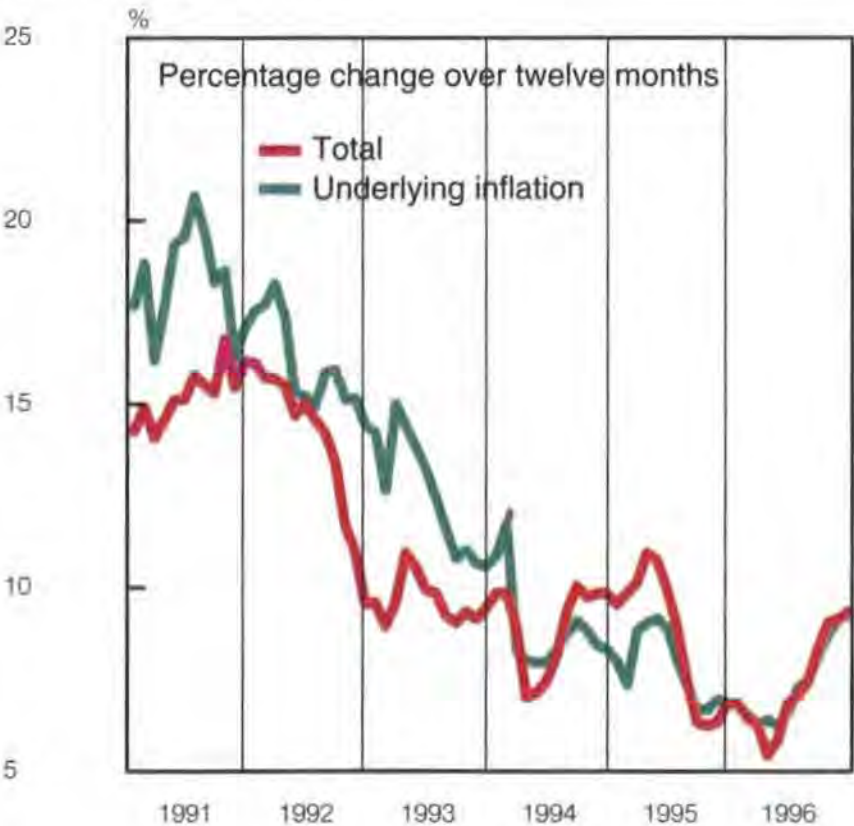
Inflation, as measured by changes in the *all-goods production price index*, declined from 9,6 per cent in 1995 to 6,9 per cent in 1996. On a seasonally adjusted and annualised quarter-to-quarter basis the increase in the all-goods production price index accelerated progressively from 5,1 per cent in the first quarter of 1996 to 6,9 per cent in the second quarter, 9,3 per cent in the third quarter and 12,7 per cent in the fourth quarter. Measured over periods of twelve months, the rise in the all-goods production price index fell to a low point of 5,3 per cent in April 1996, but thereafter increased at an accelerating rate to reach 8,8 per cent in December.

The rise in the *overall consumer price index* was somewhat subdued in the second half of 1995 owing to declines in the prices of food and a slowdown in the price increase of new motor vehicles. During 1996 the downward trend in consumer price inflation was reversed and the quarter-to-quarter rate of price growth (at seasonally adjusted and annualised rates) accelerated to 7,8 per cent in the second quarter, 8,8 per cent in the third quarter and 11,6 per cent in the fourth quarter. Measured over periods of twelve months, the overall consumer-price inflation declined to only 5,5 per cent in April 1996, its lowest level since June 1972. This rate of increase in consumer prices subsequently accelerated to 9,2 per cent in November 1996 and 9,4 per cent in December.

The rate of increase in the overall consumer price index accelerated following more rapid increases in the prices of *consumer goods* as well as in the prices of *consumer services*. In the year to December 1996 the prices of consumer services rose by 10,9 per cent, which was significantly more than the rise of 8,6 per cent in the prices of consumer goods. However, during 1996 the acceleration in the prices of consumer goods was appreciably faster than the acceleration in the prices of consumer services: the rate of increase over twelve months in the prices of consumer goods accelerated by 4,8 percentage points from April 1996 to December, whereas the rate of increase in the prices of consumer services accelerated by 2,7 percentage points over the same period.

Underlying inflation (i.e. the change in the overall consumer price index, excluding the prices of food and non-alcoholic beverages, the cost of home ownership and value-added tax), which is more susceptible to change in aggregate monetary conditions in the economy, averaged 7,9 per cent in 1995 and 7,5 per cent in 1996. The quarter-to-quarter seasonally adjusted and annualised underlying inflation rate rose from 6,4 per cent in the first quarter of 1996 to 8,5 per cent in the second quarter, 9,0 per cent in the third quarter and 12,4 per cent in the fourth quarter. Measured over periods of twelve months, underlying inflation rose from a relatively low rate of 6,3 per cent in May 1996 to 9,2 per cent in November and in December. These tendencies seem to warrant continued vigilance in the campaign to contain inflation.

Consumer price index



Foreign trade and payments

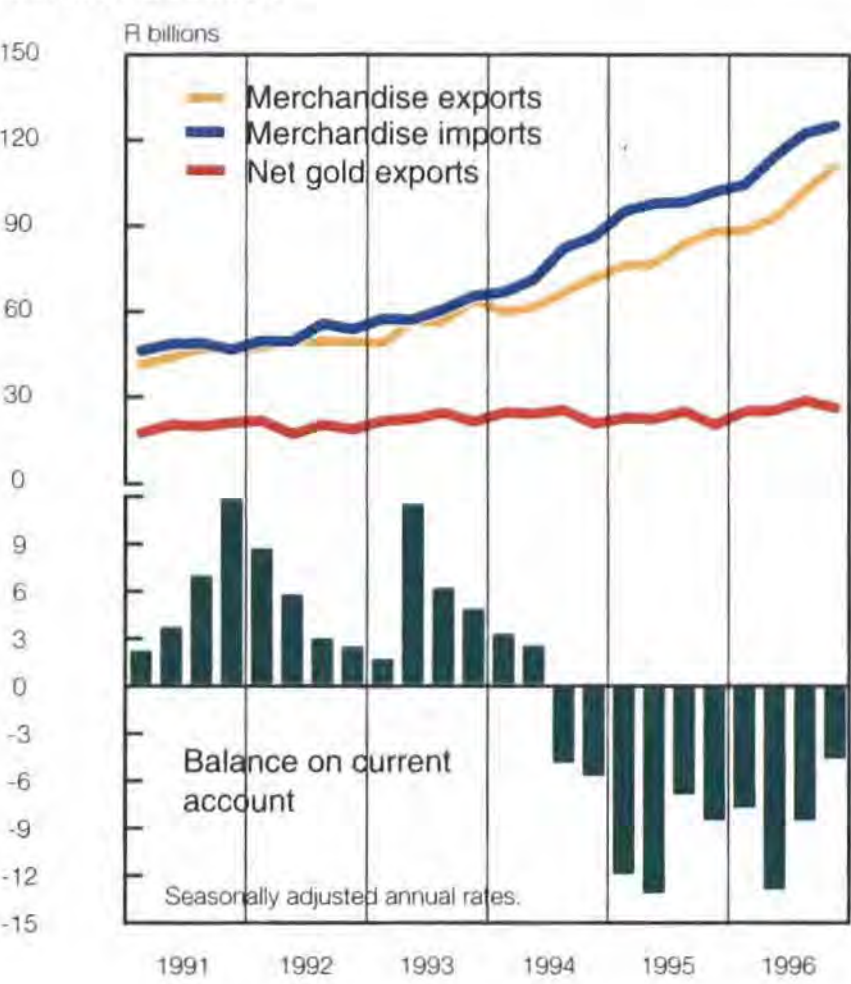
Balance of payments on current account

As is usually the case with a slackening in the domestic expenditure, the *balance on the current account* of the balance of payments improved, in this instance from an annualised deficit of R12,9 billion in the second quarter of 1996 to R8,6 billion in the third quarter and R4,7 billion in the fourth quarter. In 1996 as a whole, the current account deficit came to R8,5 billion, compared with a deficit of R10,2 billion in 1995. As a ratio of gross domestic product, the deficit declined from 2,1 per cent in 1995 to 1,6 per cent in 1996.

The marked improvement in the current account deficit in the second half of 1996 was mainly brought about by a substantial increase in the physical quantity of exported goods and in the value of South Africa's net exports of gold. The rise in the quantity and prices of goods exported and the rise in the value of net gold exports were, of course, strongly influenced by the depreciation of the rand which began in the middle of the first quarter of 1996. The growth in the volume and value of merchandise imports also slowed down considerably in the fourth quarter of 1996, partly in reaction to declines in real gross domestic expenditure in the second half of the year and partly as a delayed response to the price-raising effects of the weakening rand. The time delay of the anticipated J-curve response, which presupposes that the current account balance deteriorates at first in response to a currency depreciation before it improves, was therefore relatively short: a healthy improvement in the current account balance was in progress within approximately six months after the start of the rand depreciation. In the fourth quarter of 1996, the improvement in the current account balance was assisted further by a decline in the net service and transfer payments to the rest of the world.

The total *value of merchandise exports* rose by 21½ per cent in calendar 1996. The weakness of international commodity prices and relatively modest domestic price

Current account



risers restricted the increase in the average rand price of goods exported to only 8½ per cent in 1996, notwithstanding the fairly substantial fall in the exchange value of the rand. The volume of exports rose by a sound 12 per cent in 1996, greatly assisted by the increased competitiveness of South African manufacturers in export markets owing to the weaker rand. Some of the recently completed "mega investment projects" with a strong export-orientation reached the production stage during 1996 and began to contribute

Table 7. Balance of payments on current account
Seasonally adjusted and annualised rates
R billions

	1995	1996				Year
	Year	1st qr	2nd qr	3rd qr	4rd qr	
Merchandise exports	81,3	88,5	93,1	102,6	111,0	98,8
Net gold exports	22,5	24,9	25,3	28,7	26,2	26,3
Merchandise imports	-98,0	-104,1	-114,1	-122,2	-124,8	-116,3
Net service and transfer payments	-16,0	-17,1	-17,2	-17,7	-17,1	-17,3
Balance on current account	-10,2	-7,8	-12,9	-8,6	-4,7	-8,5

meaningfully to the growth in export volumes. The exports of manufactured goods accordingly performed better than the other export categories over the past two years; the value of exports of manufactured goods as a percentage of the total value of merchandise exports rose to 29½ per cent in 1996, compared with a ratio of 26 per cent in 1994. All the other main export categories increased during 1996, being led by exports of mining and agricultural products. The improvement in export volumes of mining products could also have been influenced by the increasing price competitiveness of South African producers, albeit to a much lesser extent than in the case of the manufacturing sector.

The shrinking deficit on the current account was also affected significantly by an increase of 16,7 per cent in the value of net gold exports in 1996, which arose essentially from the decline in the value of the rand against the United States dollar. The average dollar price of gold per fine ounce increased marginally by 1 per cent from US\$384 in 1995 to US\$388 in 1996. In contrast, the average rand price of gold per fine ounce moved from R1 393 in 1995 to R1 664 in 1996, i.e. an increase of 19½ per cent. The value of net gold exports in 1996 was, however, held back by a decline in the physical production of the gold-mining industry. According to industry sources, the physical quantity of gold produced by South African mines declined by 5,3 per cent in 1996.

The average *fixing price of gold* on the London market weakened from US\$385 per fine ounce in the third quarter of 1996 to US\$376 per fine ounce in the fourth quarter. In January 1997 the dollar price of gold retreated even further to an average of US\$355 per fine ounce on account of expectations of lower world-wide inflation and growing concern about future gold sales by European central banks. The gold price was also subject to increasing pressure by highly attractive yields in the United States bond market. On 12 February 1997, the London fixing price was set at US\$366,90 – the lowest fixing since April 1993.

The *value of merchandise imports* (seasonally adjusted and annualised) rose at a higher rate in the second quarter of 1996 than in the first quarter, owing mainly to a spurt in aggregate domestic expenditure and some pre-emptive importation of goods motivated by expectations of higher prices later in the year. Thereafter, the growth in the nominal value of merchandise imports slowed down from the 9½ per cent recorded in the second quarter of 1996 to 7 per cent in the third quarter and 2 per cent in the fourth quarter. For 1996 as a whole, the value of merchandise imports increased by 18½ per cent, compared with 28½ per cent in 1995. The rise in import volumes steadily lost momentum in the course of 1996 and by the fourth quarter the physical quantity of merchandise imports had declined by almost 2 per cent. The prices of imported goods rose by 7 per cent in 1996, but by the fourth quarter of that year the rate of increase in import prices at a seasonally adjusted and annualised rate had risen to 17½ per cent in a somewhat delayed response to the weakening of the rand. In tandem with the slowdown in aggregate real gross domestic expenditure in 1996, the growth in the physical quantity of merchandise imports declined from 19½ per cent in 1995 to 10½ per cent in 1996.

Net *service and transfer payments to non-residents*, which had increased gradually from R17,1 billion in the first quarter of 1996 to R17,7 billion in the third quarter, declined to R17,1 billion in the fourth quarter. The smaller deficit on the services account in the fourth quarter of 1996 was due to an increase in the value of services rendered to non-residents, which was only partially countered by an increase in service payments to them. Higher foreign tourist expenditure in South Africa and an increase in dividend receipts were largely responsible for the increase in service receipts, whereas higher interest and freight and insurance payments added to the level of payments for services rendered. For 1996 as a whole, net service and transfer payments to non-residents amounted to R17,3 billion, i.e. 8 per cent more than the R16 billion recorded in 1995.

Capital account

The surplus on the capital account of the balance of payments contracted drastically from 1995 to 1996. With the increased uncertainty concerning the value of the rand, the *net inflow of capital* (not related to reserves)

Gold price

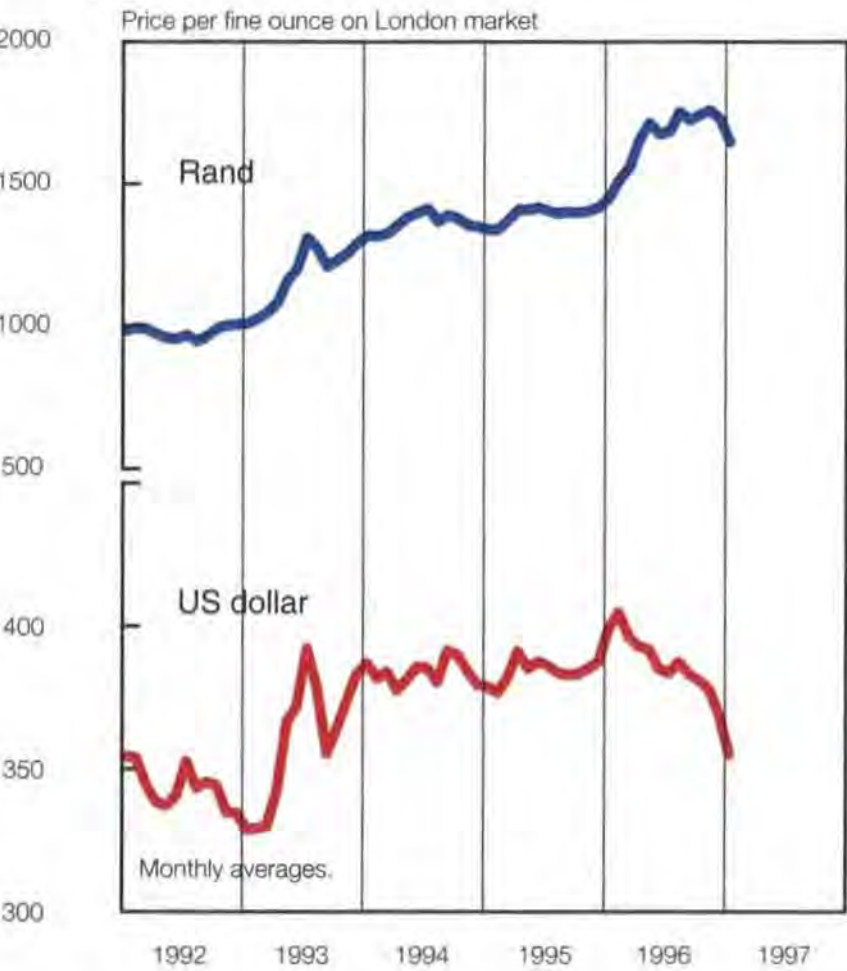


Table 8. Net capital movements not related to reserves

R billions

	1995	1996				
	Year	1st qr	2nd qr	3rd qr	4th qr	Year
Long-term capital						
Public authorities	4,6	1,3	0,1	-0,2	2,1	3,3
Public corporations	2,3	0,9	1,0	-0,8	2,5	3,6
Banking sector	1,8	-0,2	-0,4	-0,2	-0,4	-1,2
Private sector	6,4	2,3	1,2	1,1	-5,4	-0,8
Total	15,1	4,3	1,9	-0,1	-1,2	4,9
Short-term capital	4,1	-4,4	-0,4	-0,7	4,5	-1,0
Total capital	19,2	-0,1	1,5	-0,8	3,3	3,9

shrank from R19,2 billion in 1995 to only R3,9 billion in 1996. The fact that a net inflow of capital occurred is quite remarkable in view of the frequent speculative attacks on the rand during 1996. These attacks were largely responsible for total net capital movements oscillating between net outflows of R0,1 billion in the first quarter and R0,8 billion in the third quarter and net inflows of R1,5 billion in the second quarter and R3,3 billion in the fourth quarter.

The net inflow of *long-term capital* declined from R15,1 billion in 1995 to R4,9 billion in 1996. The inflow of long-term capital in 1996 occurred in the first half of the year: a total inflow of capital of R6,2 billion in the first half of the year was followed by outflows of R0,1 billion in the third quarter and R1,2 billion in the fourth quarter. The net outflow of long-term capital in the fourth quarter occurred notwithstanding two bond issues that were successfully launched on behalf of the South African government in the international bond markets. One new issue was placed in the Eurobond market for an amount of DM500 million (R1,5 billion) in order to redeem a bearer bond issue of DM400 million maturing in October. The other issue was made in the United States market for an amount of US\$300 million (R1,4 billion) and the proceeds were repatriated to South Africa.

Public corporations were also net borrowers of foreign funds in the fourth quarter of 1996, either in the form of new loans raised in offshore markets or in the form of net purchases of loan stock in the domestic securities markets by non-residents. The net inflow of capital to public corporations amounted to R2,5 billion in the fourth quarter, in contrast to a net outward movement of R0,8 billion in the third quarter.

The movement of international long-term capital to the domestic private sector turned around from a net inflow of R1,1 billion in the third quarter of 1996 to a net outflow of R5,4 billion in the fourth quarter. Three factors contributed to the relatively strong outflow of long-term

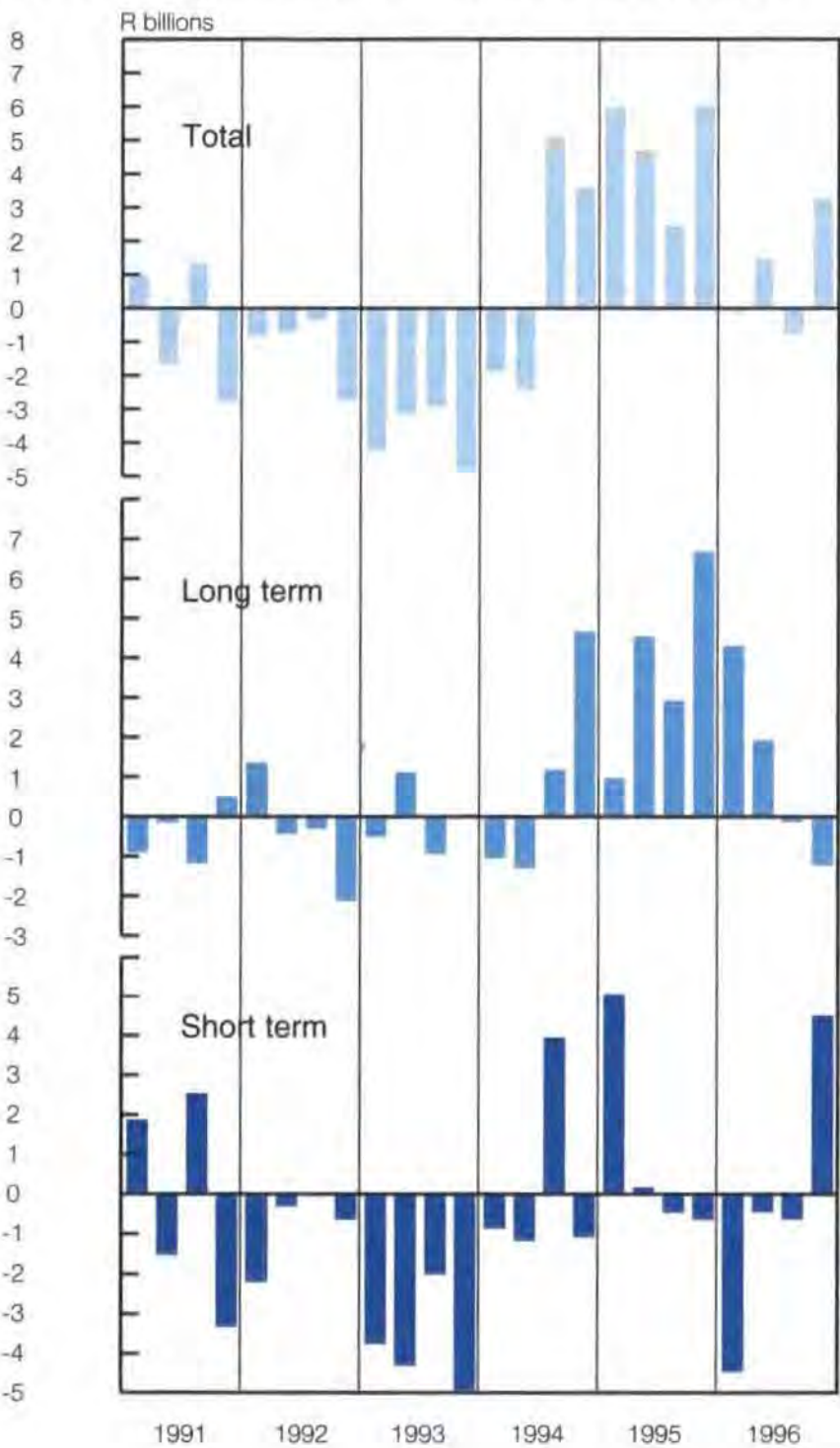
capital from the private sector in the fourth quarter of 1996, namely:

- foreign debt obligations, amounting to R3,2 billion, which fell due for repayment in the fourth quarter of 1996 and were apparently not rolled over or reinvested in the South African economy;
- net sales of more than R0,5 billion by non-residents of equity on the Johannesburg Stock Exchange; and
- a substantial increase in the acquisition of foreign assets by South African companies and non-bank financial institutions.

For the calendar year 1996 as a whole the total net outflow of long-term capital to the rest of the world from the domestic private sector came to R0,8 billion, in contrast with an inflow of R6,4 billion which had been registered in 1995.

Short-term capital movements (not related to reserves but including unrecorded transactions) to and from South Africa changed from a net inflow of R4,1 billion in 1995 to a net outflow of R1,0 billion in 1996. More recently, however, quarterly outflows of short-term capital which had prevailed since the second half of 1995 were transformed into an inflow in the fourth quarter of 1996; the inflow of short-term capital in the fourth quarter came to R4,5 billion compared with accumulated outflows amounting to R5,5 billion in the preceding three quarters. The principal contributing factor to the abrupt reversal of short-term capital flows in the fourth quarter was the offshore borrowing activity of private banking institutions. In the third quarter of 1996 the banks reduced their net short-term foreign liabilities by R0,4 billion, but then increased such liabilities by R8,6 billion in the fourth quarter, being motivated in their decision-making by the shortage of liquidity in the domestic money market and the perceived favourable cost of such foreign short-term credit facilities to South African banks. At the same time, the slowdown in the nominal value of merchandise imports in the fourth quarter of 1996 and

Net capital movements (not related to reserves)

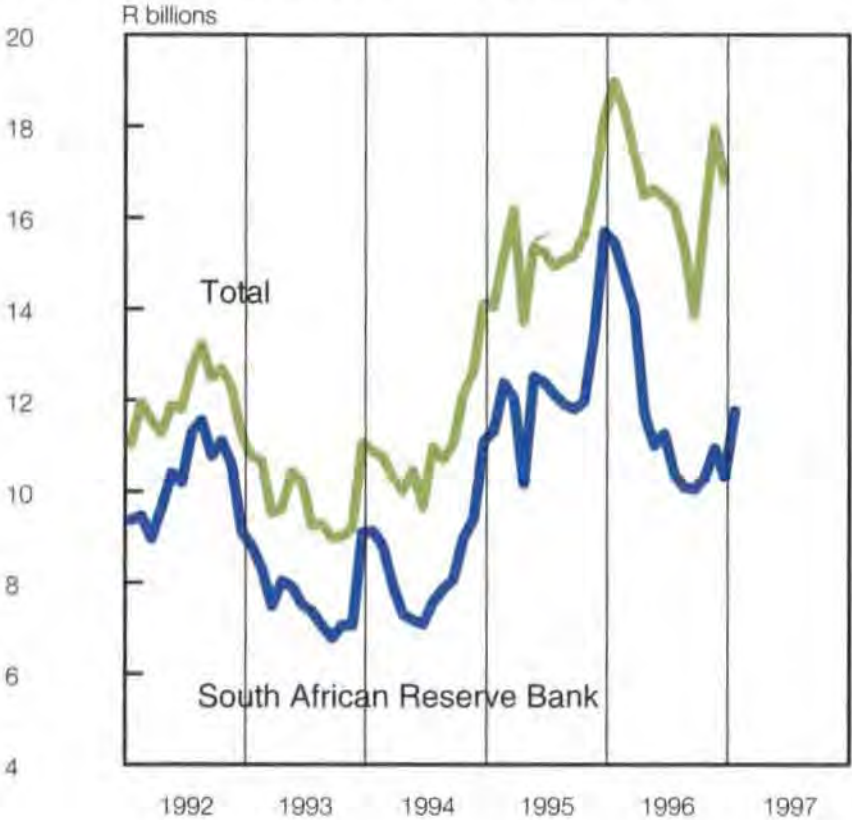


the advancement of payment for imports gave rise to the reduced utilisation of foreign trade-financing facilities by the private non-bank sector.

Foreign reserves

The net inflow of capital in 1996 was not sufficient to finance the deficit on the current account of the balance of payments, with the result that the *net gold and other foreign reserves* of the country declined by R4,6 billion over the year. The shrinking of the deficit on the current account and the reversal of the net outflow of capital into a net inflow in the fourth quarter of 1996, however, caused the net gold and other foreign reserves to rise by R3,2 billion between the end of September and December 1996.

Gross gold and other foreign reserves



South Africa's *gross gold and other foreign reserves*, which had declined by R4,3 billion in the first three quarters of 1996, rose by R2,9 billion in the fourth quarter of 1996 to R16,8 billion at the end of the year; at the end of 1995 the gross gold and other reserves amounted to R18,2 billion. Some R2,6 billion of the overall increase in gross reserve holdings of R2,9 billion in the fourth quarter of 1996 was accumulated by the private banking sector. Without taking into consideration the availability of foreign credit facilities to the Reserve Bank, the total foreign reserves of the country were then equivalent to about 5½ weeks' worth of imports of goods and services. In January 1997 the gross gold and foreign reserves of the Reserve Bank rose by R1,5 billion to a level of R11,8 billion.

Exchange rates of the rand

The steadier performance of the rand in the market for foreign exchange in August and September 1996 was interrupted in the second half of October when the rand came under speculative attack again. The *nominal effective exchange rate of the rand* consequently declined by 5,5 per cent between the end of September and the end of October 1996. Some stability was restored in the foreign exchange market in November and December 1996 and in these more orderly trading conditions the nominal effective exchange value increased somewhat, thereby reducing the decline over the fourth quarter to 4,5 per cent. The overall decline in the nominal exchange value of the rand between the end of 1995 and the end

Table 9. Changes in the exchange rates of the rand
Per cent

	31 Dec 1995 to 31 Mar 1996	31 Mar 1996 to 30 Jun 1996	30 Jun 1996 to 30 Sep 1996	30 Sep 1996 to 31 Dec 1996	31 Dec 1995 to 31 Dec 1996	31 Dec 1996 to 11 Feb 1997
Weighted average	-8,0	-7,2	-4,3	-4,5	-21,9	9,5
US dollar	-8,9	-7,6	-4,1	-3,5	-22,1	6,8
British pound	-7,5	-8,9	-5,0	-11,1	-28,9	10,7
German mark	-6,4	-4,6	-3,8	-1,8	-15,7	14,2
Japanese yen	-5,8	-4,5	-2,8	-0,6	-12,1	13,2
Netherlands guilder	-6,5	-4,4	-3,8	-1,7	-15,4	14,3
Italian lira	-9,9	-9,6	-4,6	-3,4	-24,9	14,2

of 1996 was thus 21,9 per cent. In January 1997 the nominal effective exchange value of the rand strengthened by 5,3 per cent as sentiment in the market was positively influenced by the release of economic statistics indicating an improvement in the foreign trade balance and a slowdown in money and credit growth in the fourth quarter of 1996.

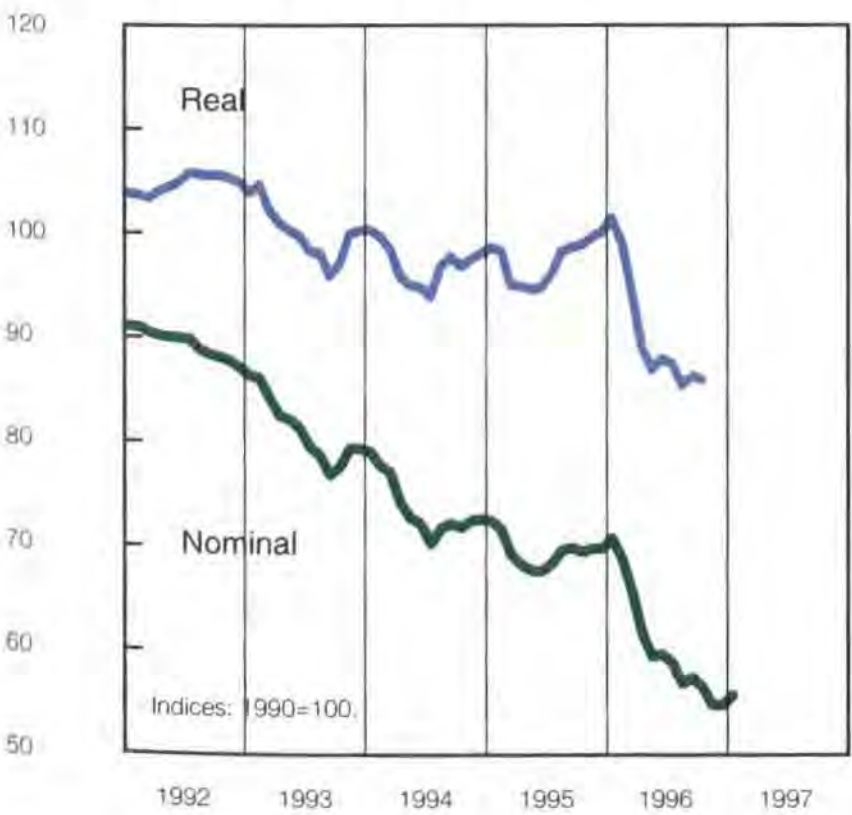
As indicated in the accompanying table, the rand weakened against all the *major currencies* in 1996. The combination of the rand's weakness and the strength of the British pound and US dollar resulted in a particularly steep decline of 28,9 and 22,1 per cent in the exchange value of the rand against these currencies, respectively. In January 1997 and in the first week of February the

rand regained most of its losses against the main currencies, with the exception of these two strong currencies.

The *real effective exchange rate of the rand* declined by 14,1 per cent in the first ten months of 1996 and by a provisionally estimated 16 per cent between December 1995 and December 1996. This, of course, strengthened the ability of South African producers to be competitive in export markets. The sustainability of these gains in competitiveness will ultimately be determined by the extent to which domestic cost pressures will be contained.

The slightly steadier behaviour of the rand in the foreign exchange market during the second half of 1996 coincided with a decline in the turnover in the market. The average daily net turnover, i.e. overall turnover values excluding local interbank transactions in order to avoid possible double counting, declined from US\$6,6 billion in the first half of 1996 to US\$5,5 billion in the second half. Preliminary estimates indicated that the average net daily turnover in January 1997 rose to US\$6,5 billion. The increased involvement of non-resident banks in the South African currency market was primarily responsible for the higher turnover values in January 1997. It is conceivable that the higher activity levels of non-residents were linked to a spurt of activity in the Eurorand market in January 1997. Large-scale Eurorand issues to a value of R1,8 billion were made in January 1997. In the preceding nine months the total value of Eurorand issues amounted to R1,6 billion.

Effective exchange rates of the rand



Monetary developments, interest rates and financial markets

Money supply

Growth in the monetary aggregates was very buoyant during the greater part of 1996. It was only in the final two months of the year that signs of a slowdown of the rapid monetary expansion began to emerge. The twelve-month growth rate in the *broadly defined money supply* (M3) reached 16,0 per cent in October, its second highest monthly level for 1996, but then decreased to 15,2 per cent in November and more meaningfully to 13,6 per cent in December. The quarter-to-quarter annualised growth in M3 slowed down even more noticeably from a peak of 21,2 per cent in the second quarter of 1996 to 18,6 per cent in the third quarter and then to 7,6 per cent in the fourth quarter.

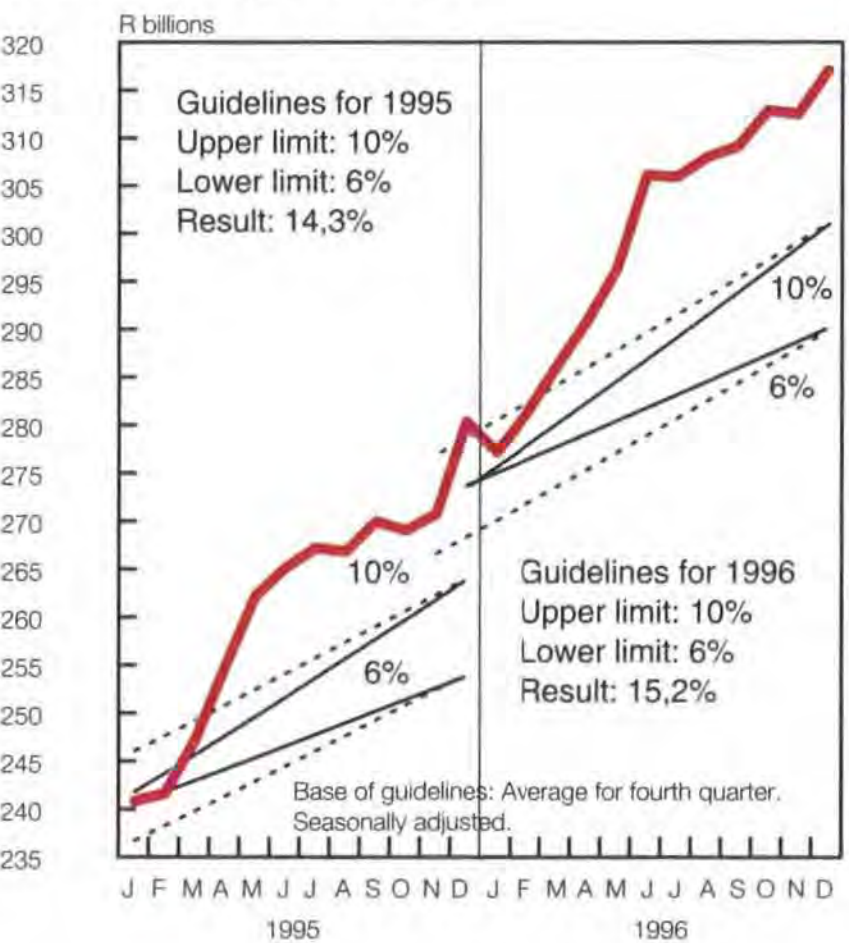
Despite the slowdown in monetary growth in the second half of 1996, the quarterly average value of the M3 money supply in the fourth quarter still exceeded the upper limit of the *money supply guideline range* which was set at between 6 and 10 per cent at the beginning of the year. In fact, as in 1995, the upper limit of the guideline cone was exceeded throughout 1996. The quarterly average value of M3 in the fourth quarter of 1996 was 15,2 per cent higher than in the fourth quarter of 1995. Stated in absolute terms, this represented an

actual increase of R41,2 billion over the year, compared with the guideline which provided for a maximum acceptable increase of R27,2 billion.

The rapid growth in the money supply during 1996 was primarily the result of an increase in the demand for money to finance high levels of domestic expenditure on household consumption, fixed capital formation and inventory accumulation. Another factor that contributed to the strong demand for money was a rise in the liquidity preference of individuals and private-sector organisations who positioned themselves in anticipation of major adjustments in the share and bond markets. Relatively attractive real yields on deposit-type investments reinforced the desire of private-sector participants in the economic process to increase their holdings of more liquid monetary assets. The slowdown in the growth of M3 in the second half of 1996 may be an indication that the monetary expansion has passed its peak and that it may stabilise at more acceptable rates of increase during 1997. The narrowing of the margin between the banks' deposit and lending rates in the second half of 1996, however, could have encouraged some re-intermediation of lending and borrowing activities and thus concealed an even more noticeable deceleration in monetary growth towards the end of that year.

The growth rates over twelve months of the *narrower monetary aggregates* fluctuated considerably, but

Guidelines for growth in M3



Monetary aggregates

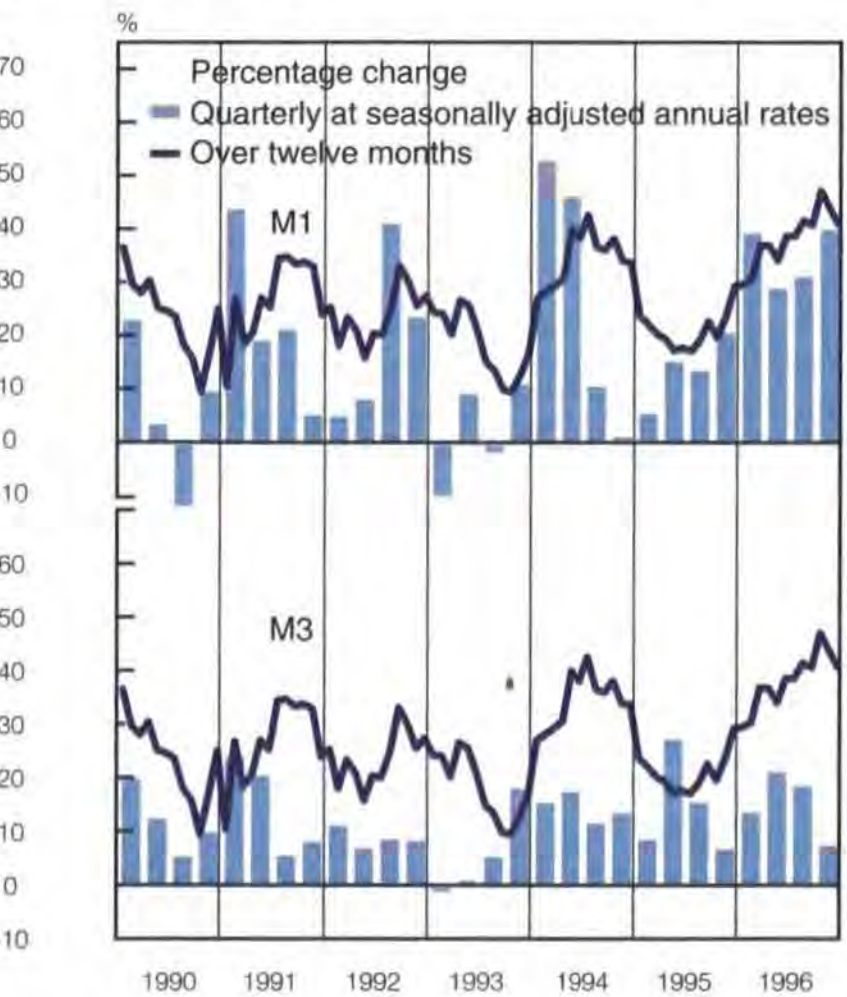


Table 10. Percentage change in monetary aggregates over twelve months

Period	M1A	M1	M2	M3
1995: Dec	16,8	19,3	13,9	15,2
1996: Mar	16,2	27,0	17,8	15,3
Jun	14,7	28,5	17,9	15,7
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

generally tended to increase during 1996 as the public's liquidity preference strengthened. The twelve-month growth rate of M1A accelerated from 16,8 per cent in December 1995 to 22,4 per cent in November 1996 and 21,9 per cent in December. The acceleration in the growth of M1 was even more pronounced: from 19,3 per cent in December 1995 to 34,0 per cent in November 1996 and 30,9 per cent in December. The "other demand deposits" component of the M1 monetary aggregate increased by R20,1 billion from the end of December 1995 to the end of December 1996; this represented more than 50 per cent of the overall increase in the month-end values of M3 over the same period and increased the portion of M3 consisting of "other demand deposits" from 16 per cent in December 1995 to about 20 per cent in December 1996.

The M3 money supply increased by R38,3 billion from the end of 1995 to the end of 1996. In a statistical or accounting sense the change in M3 in 1996 was more than fully explained by an increase of R50,9 billion in the monetary institutions' claims on the domestic private sector. The monetary sector's net claims on the government sector contributed a further R4,3 billion to the increase in the money supply. Contrary to these changes, monetary institutions' net foreign assets (including changes in the official holdings of gold and other foreign reserves) declined by R15,7 billion, mainly on account of increases in the foreign borrowing of monetary institutions. The full set of *accounting counterparts* of the growth in M3 during 1996 was as follows:

	R billions
Net foreign assets	-15,7
Net claims on government sector	4,3
Gross claims	7,8
Less: increase in government deposits	3,5
Claims on private sector	50,9
Net other assets and liabilities	-1,2
Increase in M3 (December 1995 to December 1996)	38,3

Credit extension

As already indicated, *credit extension to the domestic non-bank private sector* was the dominant statistical counterpart to growth in the money supply. The twelve-month rate of increase in credit extension by monetary institutions to the private sector advanced from an already high level of 17,6 per cent in December 1995 to 18,7 per cent in June 1996; it then, however, fell back to 17,1 per cent in November and 16,1 per cent in December. The quarter-to-quarter growth in credit extension to the private sector (at seasonally adjusted and annualised rates) decelerated even more substantially from 22,4 per cent in the second quarter of 1996 to 16,6 per cent in the third quarter and to 11,8 per cent in the fourth quarter.

An analysis of monetary institutions' claims on the private sector by *type of credit* shows that *mortgage advances* continued to grow persistently at a twelve-month rate of increase of more or less 17 per cent throughout 1996. Considering the slowing of activity in the real estate market since April 1996, it is likely that a sizable portion of mortgage advances to the private sector was used for purposes other than the acquisition of real estate or the construction or improvement of residential buildings. *Instalment sale credit* was strengthened by the high activity levels in the market for new motor vehicles, but also showed signs of tapering off in the second half of the year. The growth over twelve months in instalment sale credit reached 26,8 per cent in June 1996, before subsiding to 24,1 per cent in

Credit extended by monetary institutions

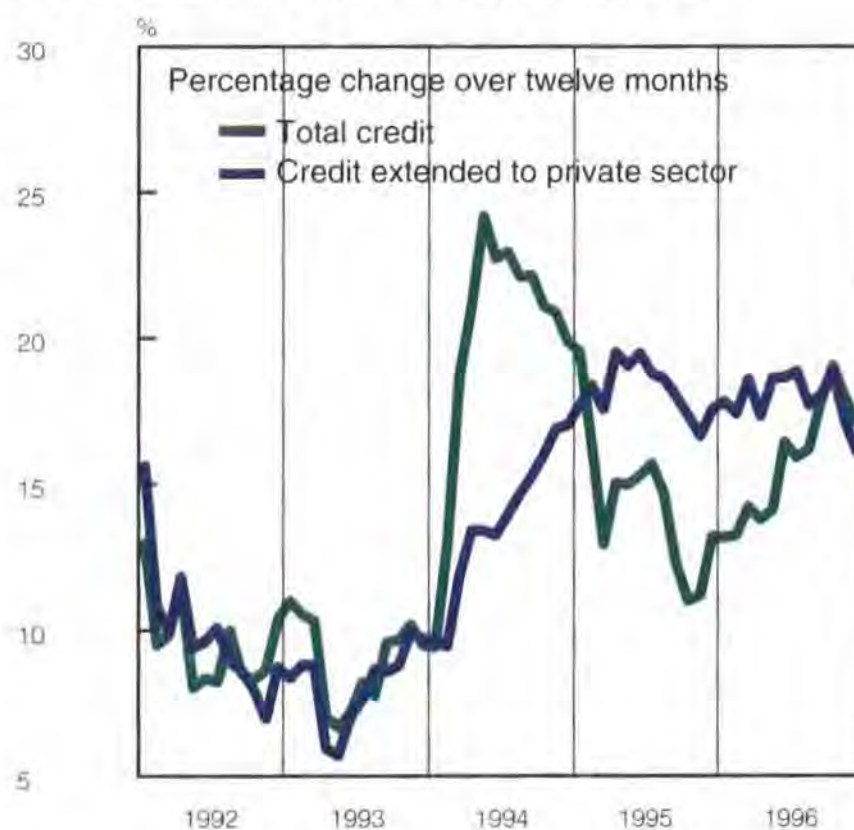


Table 11. Change in credit extended to households and companies during 1996

Type of credit	Households		Companies	
	R billions	Per cent	R billions	Per cent
Mortgage advances ..	14,8	13,6	3,9	34,6
Overdrafts	1,6	12,1	4,4	18,4
Other loans and advances	1,3	11,6	2,5	7,7
Credit cards	1,8	26,9	0,0	0,0
Instalment sale credit	3,1	17,6	4,6	23,9
Leasing finance	0,3	4,2	2,9	24,9
Total	22,9	13,9	18,3	18,6

September and 21,2 per cent in December. The growth over twelve months in *leasing finance* exhibited a pattern broadly similar to that of instalment sale credit: it accelerated rapidly to 19,8 per cent in September 1996, but then showed some signs of slackening when it receded to 16,8 per cent in December. The persistence of strong domestic demand in most categories of goods and services also lifted the twelve-month growth in "other loans and advances" (including overdrafts on current accounts) from 15,8 per cent in December 1995 to 23,8 per cent in October 1996. Subsequently, the growth over twelve months in "other loans and advances" decelerated to 18,3 per cent in December.

Overall credit extension by monetary institutions to the private sector was dominated during 1996 by the absolute size of the increase in "other loans and advances" and mortgage advances. Together, these two credit categories increased by R41,2 billion, which represents 81 per cent of the overall increase of R50,9 billion in credit extension to the private sector.

Credit extension to *private households* by monetary institutions increased by R4,4 billion in the fourth quarter of 1996 and by R22,9 billion for the year as a whole (see Table 11). The rate of increase over four quarters in credit extension to private households decelerated gradually from 18,7 per cent in the fourth quarter of 1995 to 16,0 per cent in the third quarter of 1996 and then more substantially to 13,9 per cent in the fourth quarter. Mortgage advances are still the largest component of credit used by households. At the end of 1996 outstanding mortgage advances constituted almost two thirds of total credit extended to households by monetary institutions.

The increment in credit extended to the *private corporate sector* amounted to R2,4 billion in the fourth quarter of 1996 and R18,3 billion in the calendar year as a

whole. Unlike the growth over four quarters in credit extended to private households, which decelerated steadily over the year, the four-quarter growth in credit to the corporate sector rose at first from 17,3 per cent in the fourth quarter of 1995 to 21,9 per cent in the second quarter of 1996, but then receded to 19,4 per cent in the third quarter and to 18,6 per cent in the fourth quarter. Overdrafts on current accounts remained the most popular source of credit utilised by the corporate sector in 1996.

Interest rates and yields

The trend and volatility of *bond yields* since the beginning of 1996 were influenced strongly by changes in the exchange rate of the rand, anticipated upward adjustments in Bank rate, expectations of rising inflation and the continuously tight liquidity situation in the money market. The *monthly average yield on long-term government stock* accordingly increased from 13,77 per cent in January 1996 to 16,53 per cent in May and then fell back to 15,78 per cent in June. It oscillated somewhat in subsequent months within a narrow range, reaching extremes of 15,39 per cent in July and 15,82 per cent in August. The trading range of long-term government stock then shifted to a higher level in November 1996 and monthly average yields were recorded at 16,18 per cent in November and 16,19 per cent in December.

Bond prices increased in January 1997 and the yield on long-term government stock fell from 16,40 per cent at the beginning of the month to 15,42 per cent at the

Bond yield and the exchange rate



end of the month; the average yield for the month is calculated at 15,82 per cent. The market reacted positively to news of a healthy improvement in the country's trade balance in December, the announcement that inflation figures were lower than those which had been anticipated, the release of monetary statistics which indicated a welcome slowdown in monetary expansion and consequently a more sanguine outlook for inflation, and renewed expectations of an easing in the monetary policy stance. The monthly average *real* yield on long-term government stock declined steadily from 10,1 per cent in May 1996 to 6,2 per cent in December, but this was more the result of a rise in the actually observed inflation than a consequence of any risk reassessment or adjustment in required rates of return.

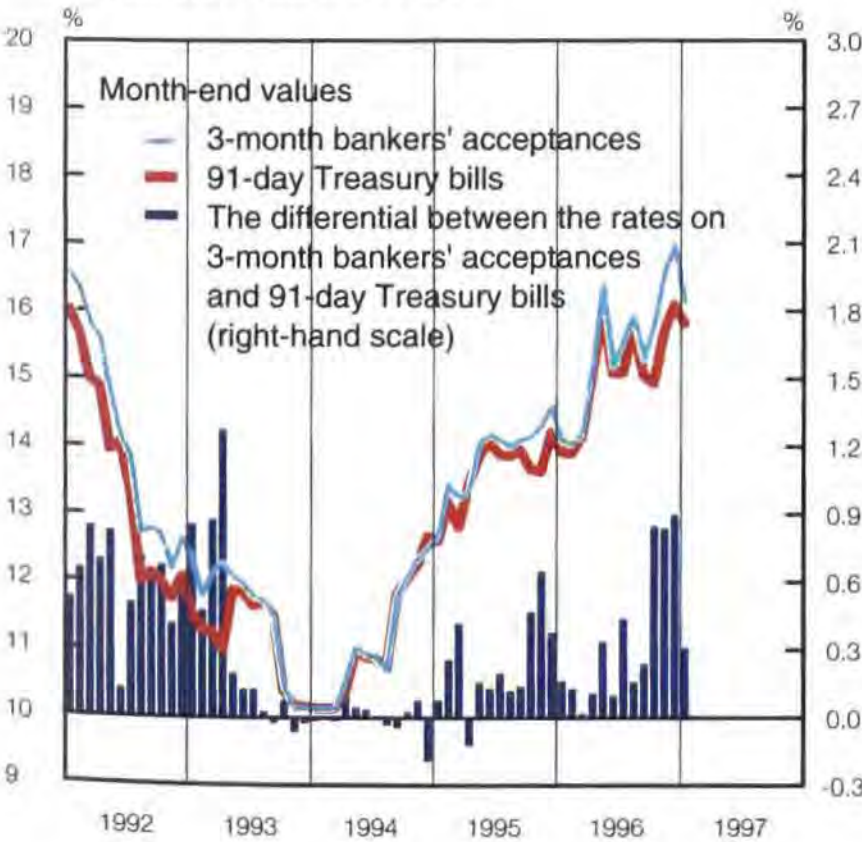
Money market interest rates rose throughout the first five months of 1996, declined sharply in June, moved along a relatively horizontal time path from July to September and then increased again in the fourth quarter of last year. The rate on *bankers' acceptances* with a maturity of three months, which usually is representative of the general movement of money market rates, increased from 14,10 per cent at the end of January 1996 to 16,40 per cent at the end of May, before it declined to 15,20 per cent at the end of June. During the third quarter of 1996 the rate on bankers' acceptances fluctuated around a level that was slightly higher than in June.

By the beginning of the fourth quarter of 1996 rumours about an imminent rise in Bank rate were rife, money market conditions tightened even further and

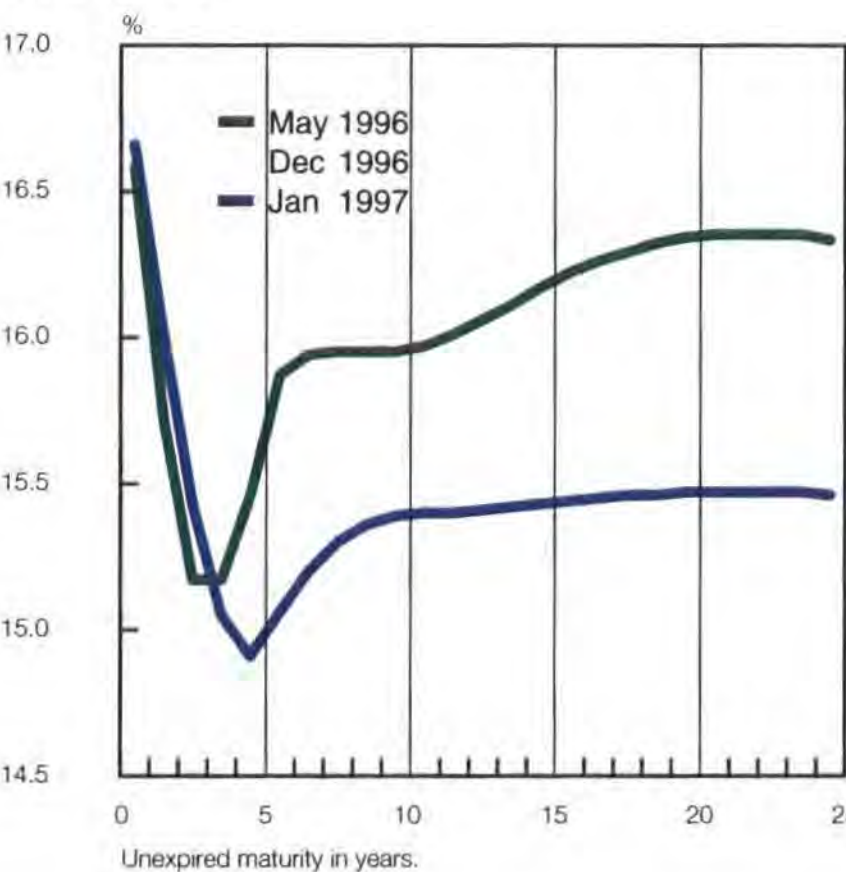
inflation expectations were generally higher. The rate on bankers' acceptances reflected this change in market sentiment and moved higher to 16,55 per cent at the end of November 1996 and 17,00 per cent at the end of December. Part of this rise was reversed in January 1997 when the rate on bankers' acceptances fell back to 16,15 per cent at the end of the month.

The *tender rate on Treasury bills of three months* at times moved in an opposite direction to the general movement of money market rates. The Treasury-bill rate started out from a level of 13,93 per cent at the end of January 1996 and rose to 16,06 per cent at the end of May. It then declined to 15,10 per cent at the end of June 1996 and moved around this level during the third quarter. Contrary to the general upward movement in money market interest rates, the rate on Treasury bills of three months then drifted lower to 14,95 per cent at the end of October 1996. The limited availability of assets qualifying as first-tier collateral at the discount window at that time created a strong demand for Treasury bills among banks. This explained, on the one hand, the softening in the tender rate on Treasury bills which occurred in October and the first half of November 1996, and on the other hand, the increase in the volume of borrowing at the discount window against collateral of second-tier assets, at penal rates, at the end of November. From the middle of November 1996 tight conditions in the money market, expectations of an imminent rise in Bank rate, and later an actual increase in Bank rate pushed the tender rate of Treasury bills of three

Money market interest rates



Yield curves



months higher to 15,71 per cent at the end of November and 16,10 per cent at the end of December 1996; it then receded to 15,84 per cent at the end of January 1997.

The level and shape of the *yield curve* changed considerably during the first five months of 1996 in reaction to the unsettled conditions in the foreign exchange market. The yield curve shifted higher from January 1996 to May, becoming more inverted at the short end and steeper at the long end. From May 1996 to January 1997 the volatility in shorter-term rates led to frequent changes in the degree of invertedness in the shorter-than-three-year maturity range. Over this same period, the shape of the relatively flat, though marginally upward-sloping, yield curve for maturities in excess of three years remained essentially intact, but the level of the curve declined slightly.

Amidst turbulent conditions in the foreign exchange market as from the middle of February 1996, Bank rate was raised from 15 per cent to 16 per cent on 29 April with the overriding aim of restoring orderly trading conditions in that market. Despite further weakness of the rand and increasingly tight conditions in the money market, Bank rate remained unchanged until the third week of November 1996. Against the backdrop of very tight money market conditions, the rapid expansion of the money and credit aggregates, expectations of rising inflation and the further depreciation of the rand, Bank rate was increased for the second time in 1996 on 21 November. This increase of one percentage point in Bank rate from 16 per cent to 17 per cent was meant to dampen the inflation pressures arising from the depreciation of the rand and formed part of the Reserve Bank's overall counter-inflation strategy.

The *prime overdraft rate of banks* increased from 18,50 to 19,50 per cent on 29 April 1996 in response to

the first Bank rate increase of 1996. To alleviate pressure on the margin between their lending and deposit rates, the banks increased their prime overdraft rate even further to 20,50 per cent in May, even though Bank rate was left unchanged in that instance. Only after the Reserve Bank had announced a reduction in the cost of discount-window accommodation against collateral of second-tier assets and conditions in the money market had become somewhat easier, did the banks lower their prime overdraft rates by one percentage point to 19,50 per cent in July 1996. When the financial services levy was abolished in October 1996, the banks announced another cut in their prime overdraft rates to 19,25 per cent. On 21 November, when Bank rate was increased for the second time in 1996, the prime overdraft rates of the banks increased once again by one percentage point to 20,25 per cent.

The *predominant rate on mortgage loans of banks* followed the changes in the prime overdraft rate of banks closely. The mortgage rate was lowered twice, first to 19,25 per cent in July and then to 19 per cent in October. The rise in the prime overdraft rate in November 1996 was followed by an increase in the mortgage rate to 20 per cent in December 1996.

The *predominant retail rate on twelve-month fixed deposits* with banks was increased from 13,50 per cent to 14,50 per cent in May 1996 and even further to 15,00 per cent in June. This rate was subsequently lowered to 14,25 per cent in July 1996 and increased to 15,00 per cent in September, only to be lowered again to 14,50 per cent in November.

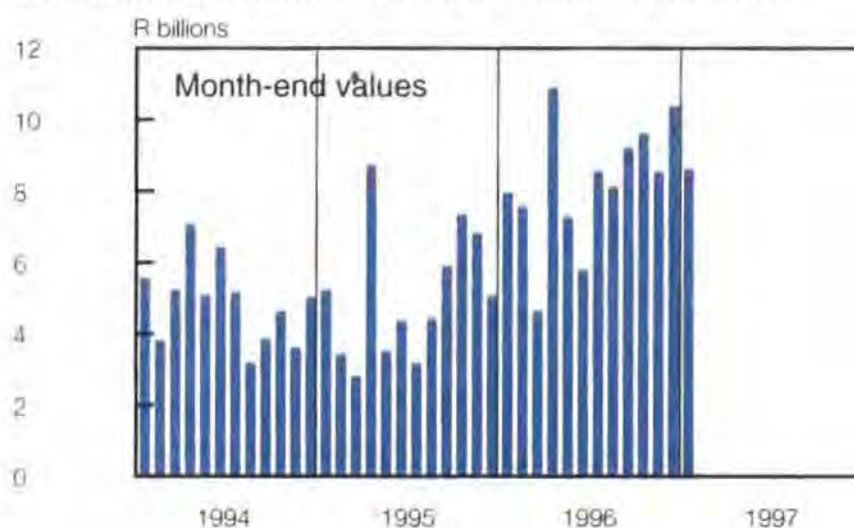
Money market conditions

Money market conditions were relatively tight throughout the first three quarters of 1996, but tightened even further

Table 12. Interest rates and yields
Per cent at month-end, unless otherwise indicated

Period	Monthly average yield on long-term government stock		3-month bankers' acceptances	Prime overdraft rate	Predominant rate on mortgage loans	Predominant rate on 12-month fixed deposits
	Nominal	Real				
1996: Jan	13,77	6,43	14,10	18,50	18,25	14,00
Apr	15,78	9,72	15,20	19,50	18,25	13,50
May	16,53	10,08	16,40	20,50	19,25	14,50
Jun	15,78	8,35	15,20	20,50	20,25	15,00
Jul	15,39	7,73	15,55	19,50	19,25	14,25
Aug.....	15,82	7,74	15,95	19,50	19,25	14,25
Sep.....	15,42	6,45	15,30	19,50	19,25	15,00
Oct	15,80	6,15	15,80	19,25	19,00	15,00
Nov.....	16,18	6,41	16,55	20,25	19,00	14,50
Dec.....	16,19	6,21	17,00	20,25	20,00	14,50
1997: Jan	15,82	5,90	16,15	20,25	20,00	14,50

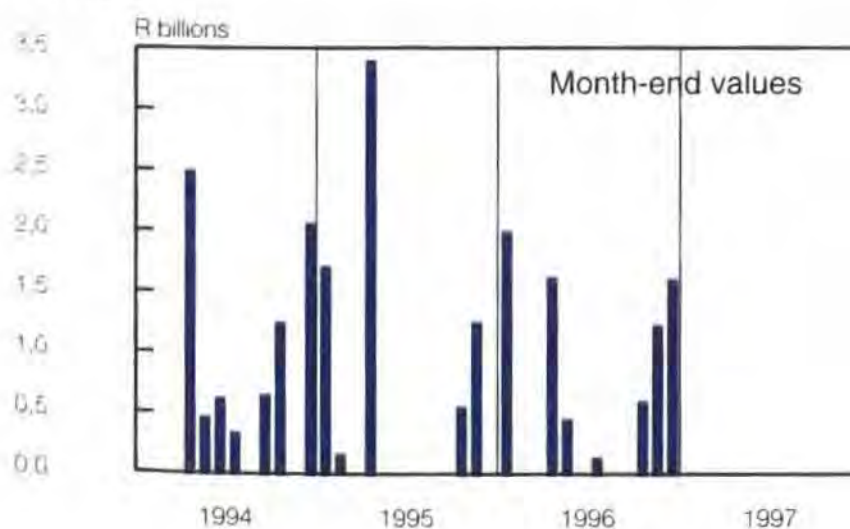
Total accommodation at the discount window



in the fourth quarter. The amount of accommodation which the Reserve Bank extended to banks rose sharply from R5,8 billion at the end of June 1996 to R9,3 billion at the end of September and then to R10,4 billion at the end of December. In January 1997 money market conditions eased substantially on account of a strong rise in the net foreign assets of the Reserve Bank and a steep decline in the amount of notes and coin in circulation outside the Reserve Bank; at the end of that month the money market shortage stood at R8,7 billion.

The tight conditions in the money market during the fourth quarter of 1996 were to a large extent a consequence of the decline of R4,4 billion in the net foreign assets of the Reserve Bank and a mainly seasonal increase of R2,8 billion in the notes and coin in circulation outside the Reserve Bank. This fully negated the minor easing effect on money market conditions

Second-tier accommodation at the discount window



that came from a decrease of R0,5 billion in government deposits with the Reserve Bank.

The prime objective of the *Reserve Bank's operations* in the money market during the fourth quarter of 1996 was to permit the money market shortage to signal clearly the underlying excess demand for funds in the market. Nevertheless, when the market appeared to become exceedingly tight, the Bank was occasionally prepared to inject liquidity. To this end the Bank entered into a number of foreign currency swap arrangements with the banks and also made liquidity available by adjusting the asset portfolio of the Corporation for Public Deposits.

Bond market

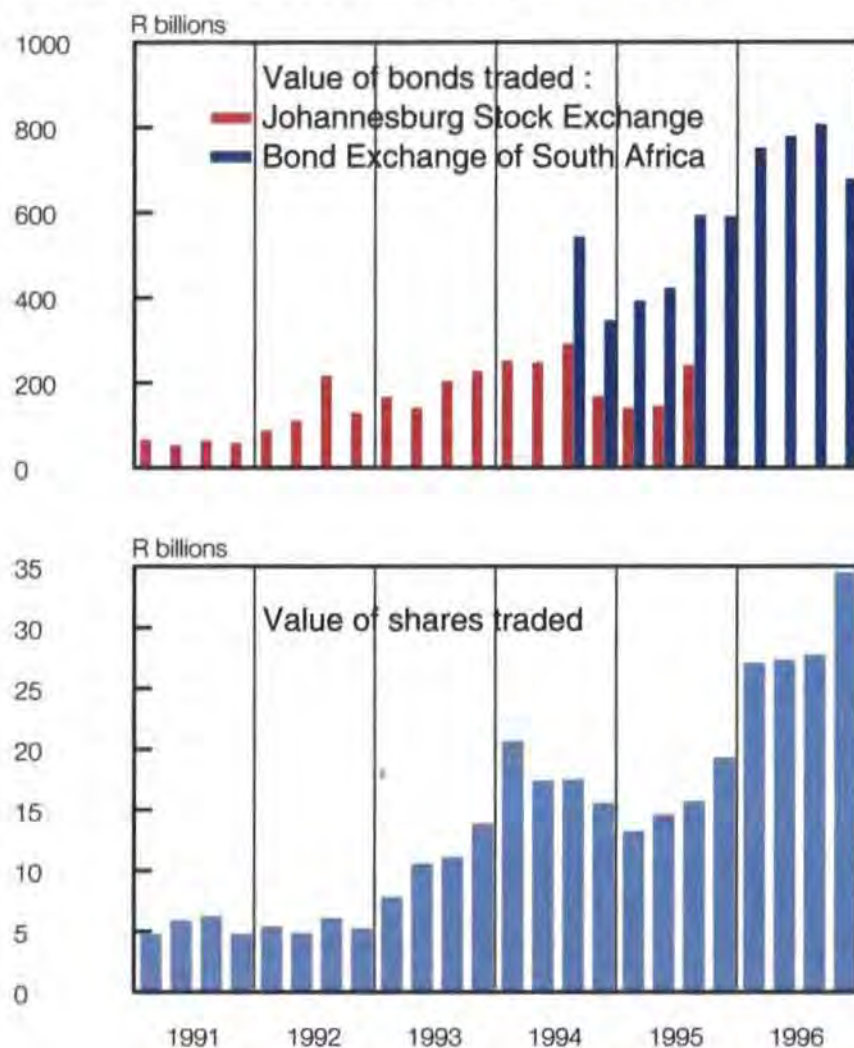
Net issues of fixed-interest securities by the *public sector* in the domestic primary bond market increased from R1,9 billion in the second quarter of 1996 to R9,8 billion in the third quarter. Redemptions, especially by the Central Government, then caused the net bond issues by public-sector entities to decline to R0,6 billion in the fourth quarter. The net amount raised by the public sector through issues of fixed-interest securities during the first nine months of fiscal 1996/97 (i.e. from April to December 1996) accordingly came to R12,3 billion, compared with an amount of R21,1 billion in the corresponding period of the previous year.

Listed private-sector companies acquired funds through rights issues of fixed-interest securities (including convertible preference shares and debentures) to an amount of R2,2 billion in 1996, compared with R0,9 billion in 1995. The opportunity offered to obtain funds at below prevailing lending rates of the banks by this means of finance was perhaps the single most important reason for the increased popularity of fixed-interest securities among private-sector companies in 1996.

The government raised R3,4 billion in the *international primary bond market* during 1996, compared with R1,3 billion in 1995. The amount raised in offshore markets by non-financial public-sector enterprises, however, fell from R1,4 billion in 1995 to R0,6 billion in 1996, most likely because of the downward trend in the exchange value of the rand. Private-sector companies raised no new funds in the international primary bond market in 1996, compared with R1,9 billion which had been raised in these markets in 1995.

The value of transactions in the *secondary bond market* increased by 51 per cent in 1996. The value of bonds traded on the Bond Exchange of South Africa increased from R753 billion in the first quarter of 1996 to R781 billion in the second quarter and R809 billion in the third quarter. The turnover then declined to R680 billion in the fourth quarter of 1996 as a result of a sharp decline in trading activity on the securities markets during the December festive season. As bond yields started to soften in January 1997, the value of bonds

Turnover in the secondary capital market



traded increased to R284 billion compared with a monthly average trade value of R227 billion in the fourth quarter of 1996.

Non-residents were actively involved in the secondary bond market in 1996 and although they were occasionally net sellers, their net purchases on the Bond Exchange amounted to R3,4 billion for the year as a whole. The non-resident demand for rand-denominated assets increased towards the end of 1996 and in January 1997 due to expectations of greater stability in the value of the rand and attractive domestic yields relative to softening international interest rates. This not only contributed to net purchases of bonds of R3,8 billion up to mid-February 1997, but also led to a marked revival in rand-denominated Eurobond issues, which had abated in 1996 because of the depreciation of the rand.

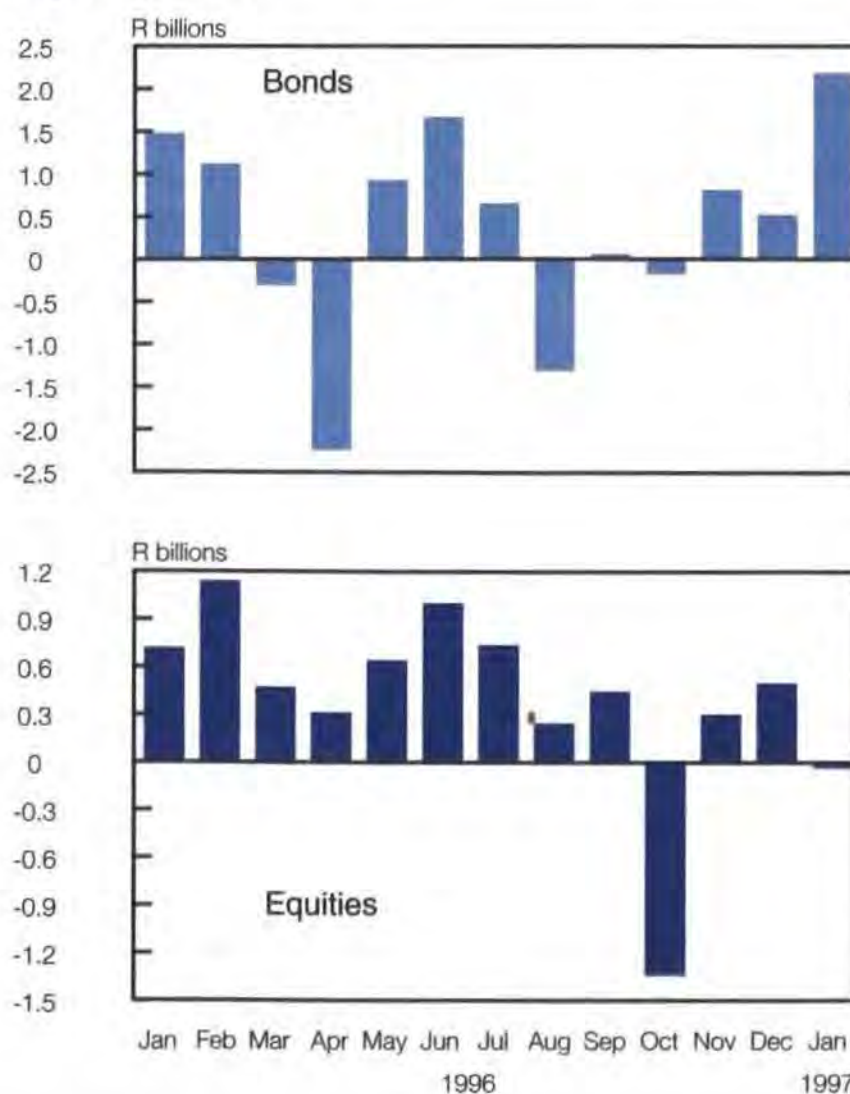
Equity market

Total capital raised in the *primary equity market* by companies listed on the Johannesburg Stock Exchange increased by 39,9 per cent from R18,9 billion in 1995 to R26,4 billion in 1996, as the relatively high cost of borrowing favoured finance through equity rather than debt. Funds raised through *rights issues of ordinary shares* increased from an average of R1,5 billion during the first three quarters of 1996 to R3,0 billion in the fourth quarter. In the full calendar year 1996 the value of these

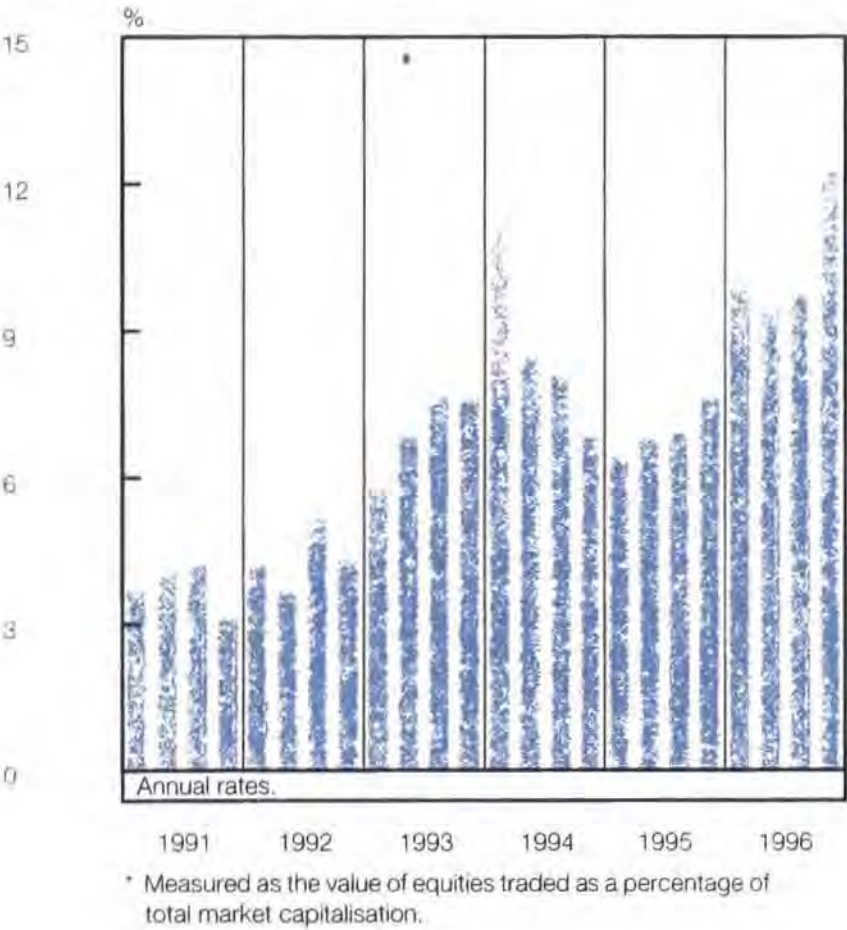
issues amounted to R7,6 billion, compared with R5,9 billion in 1995. Apart from capital raised through rights issues, substantial amounts were raised by means of scrip dividends and the acquisition of assets, i.e. shares issued for the acquisition of assets not already listed. Together, these two means of financing accounted for about 50 per cent of total capital raised in the primary equity market in 1996 by companies listed on the Johannesburg Stock Exchange.

Turnover in the *secondary equity market* was extremely buoyant in 1996 at R117 billion or 85 per cent more than in 1995. Volatility in the securities and derivatives markets and mutual interaction among these markets as well as the operational and regulatory changes introduced in the equity market from the latter part of 1995 and in 1996, especially the introduction of the Johannesburg Equities Trading System and dual capacity trading, contributed to the huge increase in turnover and liquidity. The quarterly value of shares traded on the Johannesburg Stock Exchange increased consistently from a lower turning-point of R13,3 billion in the first quarter of 1995 to a new record level of R34,6 billion in the fourth quarter of 1996. Liquidity (measured as the value of equities traded as a percentage of total market capitalisation) increased from 6,9 per cent in December 1995 to 10,2 per cent in December 1996.

Non-residents' net transactions in the secondary capital market



Stock exchange liquidity *



However, as market capitalisation only increased from R1 023 billion to R1 130 billion over the same period and taking into consideration the relatively flat time path of share prices in 1996, the improvement in liquidity may be attributed primarily to sharp increases in the number of shares traded and in the number of transactions in shares. The value of shares traded increased further from a monthly average of R11,5 billion in the fourth quarter of 1996 to R11,8 billion in January 1997.

Non-residents traded actively in the secondary equity market during 1996. The admission to the Johannesburg Stock Exchange of subsidiaries of foreign banks and securities firms probably contributed to non-residents doing more business locally. Non-resident net purchases of shares on the Johannesburg Stock Exchange amounted to R5,3 billion for the full year, 10 per cent more than the net amount purchased in 1995. The quarterly value of net purchases, however, declined from R2,4 billion in the first quarter of 1996 to R2,0 billion in the second quarter and R1,5 billion in the third quarter, followed by net sales of R0,5 billion in the fourth quarter. The net sales in the fourth quarter of 1996 were the first since the fourth quarter of 1994. In the first seven weeks of 1997, non-residents were net purchasers of shares to the amount of R1,0 billion.

Share price movements in 1996 were rather lustreless compared with 1995, despite the continued strength of international bourses. In the year to February 1996, the monthly average price level of all classes of shares increased by 30,3 per cent from a low in February 1995.

The average level of share prices fluctuated thereafter within a relatively narrow range and increased, on balance, by only 1,2 per cent from February to a new all-time high in October 1996. Share prices then fell in November and December 1996 to a level that was 6,4 per cent below the level of October. However, there was a marked disparity in performance between different sectors; the decline in the overall index was mainly attributable to commercial and gold-mining shares. The monthly average price level of gold-mining shares declined by 25,4 per cent between May 1996 and January 1997 to a level that was only 13,7 per cent above its previous low in November 1995. Similarly, the monthly average price of commercial shares fell by 22,8 per cent from February 1996 to January 1997. The equity market steadied again in January 1997 as share prices increased slightly by 2,4 per cent as from December 1996 in reaction to renewed gains on international bourses.

The monthly average dividend yield on all classes of shares increased steadily from 2,08 per cent in January 1996 to 2,46 per cent in January 1997. The monthly average earnings yield of all classes of shares (excluding gold-mining shares) increased similarly from 5,50 per cent in January 1996 to 6,89 per cent in January 1997,

All classes of shares

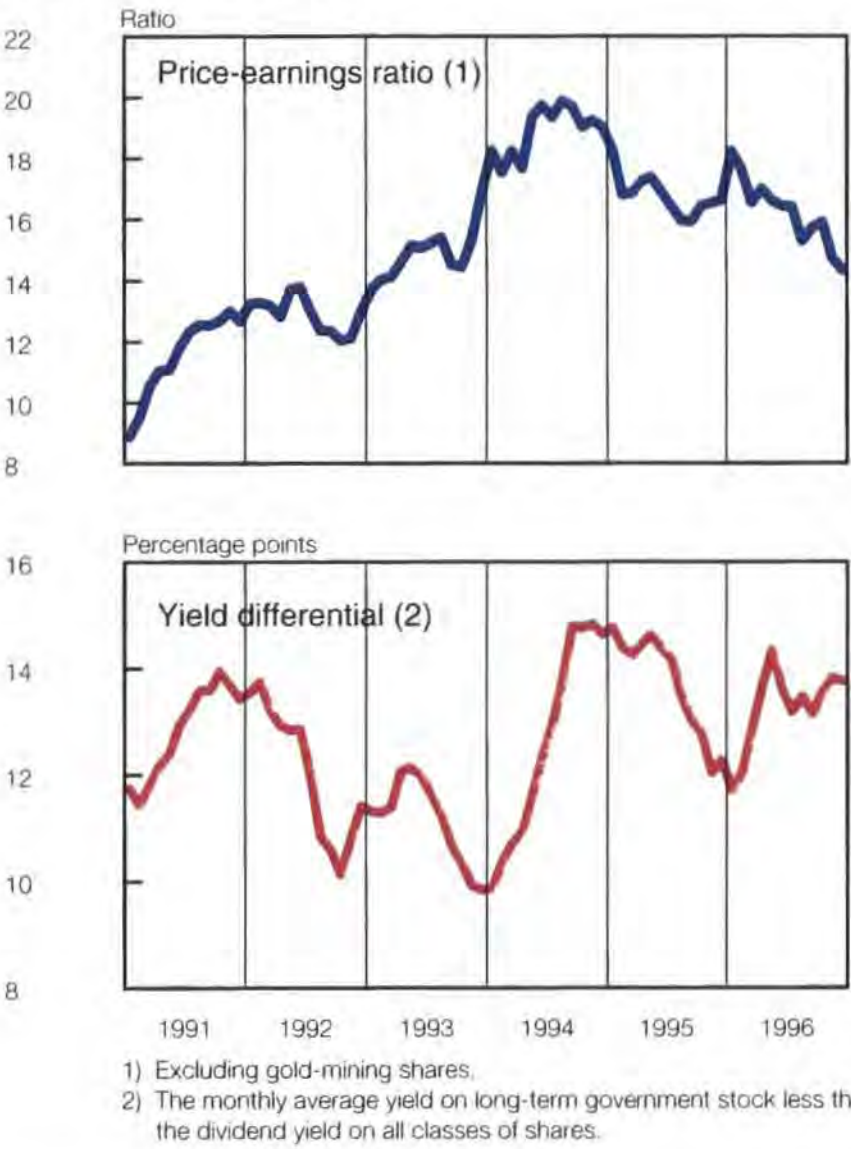


Table 13. Dividend yield, earnings yield, price-earnings ratio and yield differential on all classes of shares

Period	Dividend yield Per cent	Earnings yield* Per cent	Price earnings ratio*	Yield differential Percentage points
1996: Jan	2,08	5,50	18,17	11,69
May	2,21	6,05	16,54	14,32
Dec.....	2,46	7,01	14,27	13,73
1997 Jan	2,46	6,89	14,51	13,36

* Excluding gold-mining shares

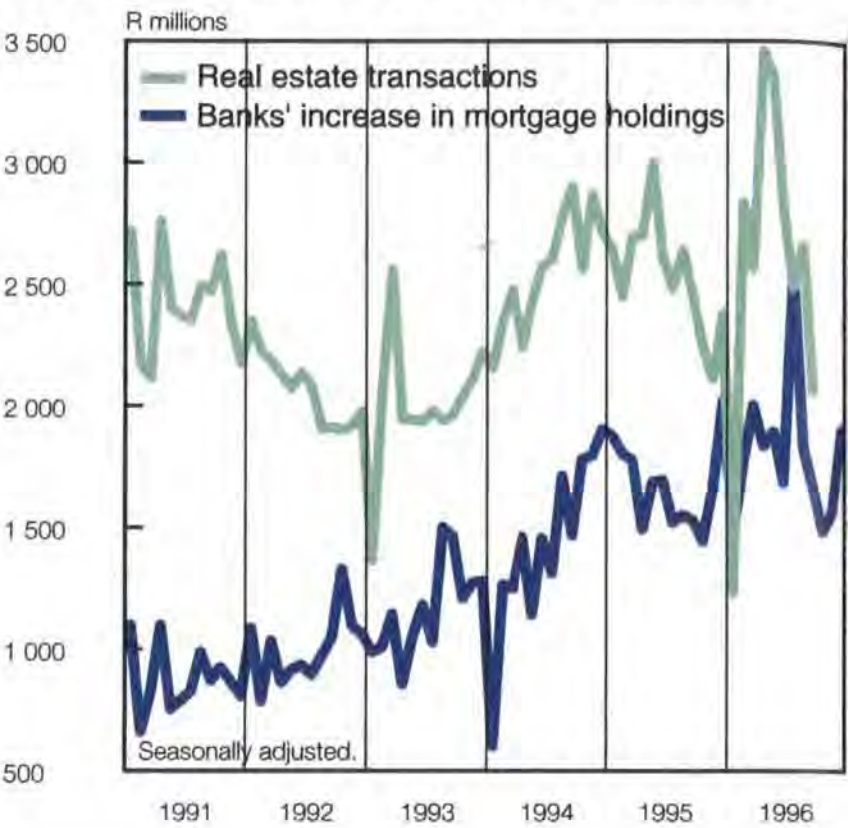
as share prices increased only slightly. The *yield differential* (the monthly average yield on long-term government stock less the dividend yield on all classes of shares), which closely followed the movements of long-term bond yields, narrowed from 14,3 percentage points in May 1996 to 13,4 percentage points in January 1997 as dividend yields increased and long-term bond yields declined. The *price-earnings ratio* (excluding that of gold-mining shares) fell from 18,2 in January 1996 to 14,5 in January 1997 as earnings increased and share prices lacked strong upward direction.

Other financial markets

During 1996 uncertainties in the foreign exchange market, the high level of activity in the securities markets and the implementation of the Automated Trading System by the South African Futures Exchange impacted positively on the *formal derivatives market*. The number of *options* on futures contracts traded was 43,2 per cent higher in 1996 than in 1995, although this fell back by 26,8 per cent from the third to the fourth quarter of 1996. In contrast, the number of *futures* contracts traded increased by only 15,3 per cent in 1996 relative to trades concluded in 1995. The number of futures contracts traded per quarter, however, increased by 15,4 per cent from the third to the fourth quarter of 1996. The combined turnover in options and futures contracts then increased from a monthly average of 0,7 million contracts in the fourth quarter of 1996 to 1,3 million contracts in January 1997. Non-resident participation in the formal derivatives market also increased from an average of 7,4 per cent of open interest in the first three quarters of 1996 to 12,9 per cent in the fourth quarter.

The high level of interest rates, especially the home mortgage rate, impacted negatively on the demand for housing and had a dampening effect on growth in the home loan market and thus on real estate transactions. Financing in the *mortgage market*, although levelling off in the course of the year, remained buoyant in 1996. Total capital repayments in 1996 increased by 22,7 per cent

Mortgage lending and real estate transactions



relative to the levels recorded in 1995. However, over the same period mortgage loans paid out increased by only 17,6 per cent. The total amount of mortgage loans outstanding to banks, nevertheless, increased from R130,3 billion at the end of December 1995 to R152 billion in December 1996. In the *real estate market*, the monthly value as well as the number of transactions declined from April 1996 onwards. The value of real estate transactions in the first three quarters of 1996 amounted to R23,5 billion – about 0,8 per cent lower than in the corresponding period of the previous year. The number of real estate transactions decreased by 2,6 per cent over this 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 the non-financial public enterprises and public corporations) amounted to R21,5 billion in the first nine months of fiscal 1996/97, or to R1,0 billion more than the borrowing requirement in the corresponding period of the preceding year. As a ratio of gross domestic product, the public-sector borrowing requirement came to 5,2 per cent in the first nine months of fiscal 1996/97, which was fractionally lower than the 5,5 per cent in the first nine months of fiscal 1995/96. In the December 1996 quarter, the public-sector borrowing requirement (not adjusted for seasonal variation) amounted to R3,2 billion, which was well down from R10,7 billion in the June 1996 quarter and R7,6 billion in the September 1996 quarter.

The absolute year-on-year increase of R1,0 billion in the public-sector borrowing requirement in the first nine months of fiscal 1996/97 is more than fully accounted for by a year-on-year increase of R2,3 billion in the *borrowing requirement of general government*. In contrast, the borrowing requirement of *non-financial public corporations and central-government business enterprises* was reversed from a deficit of R0,8 billion in the first nine months of fiscal 1995/96 to a surplus of R0,5 billion in the first nine months of fiscal 1996/97.

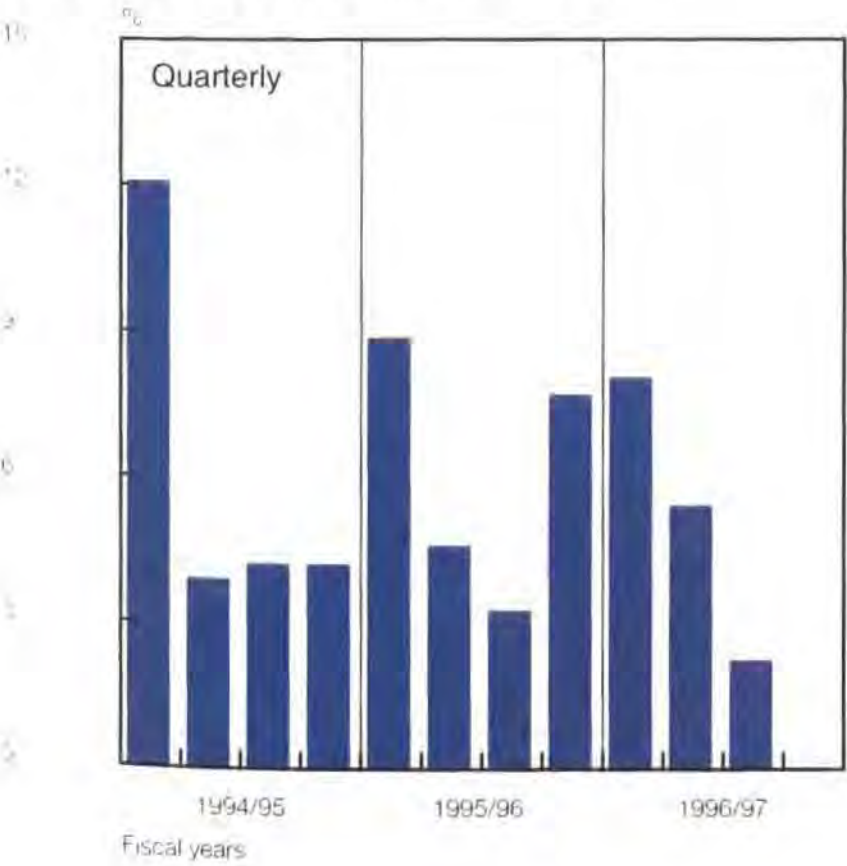
An analysis of the general-government borrowing requirement according to the various *tiers of government*, indicates that the Central Government was responsible for approximately 94 per cent of the overall borrowing required by general government. The borrowing requirement of the Central Government increased by R1,1 billion from R19,5 billion in the first nine months of fiscal 1995/96 to R20,6 billion in the first nine months of fiscal 1996/97. The deficit of *local authorities* rose from R0,3 billion to R0,4 billion over the same period, whereas a financial surplus of *provincial governments* of R0,2 billion in the first nine months of fiscal 1995/96 was turned into a deficit of R0,9 billion in the first nine months of fiscal 1996/97. The reversal in the financial balance of provincial governments from a surplus to a deficit partly reflects the increased social service delivery at the level of provincial governments.

Exchequer account

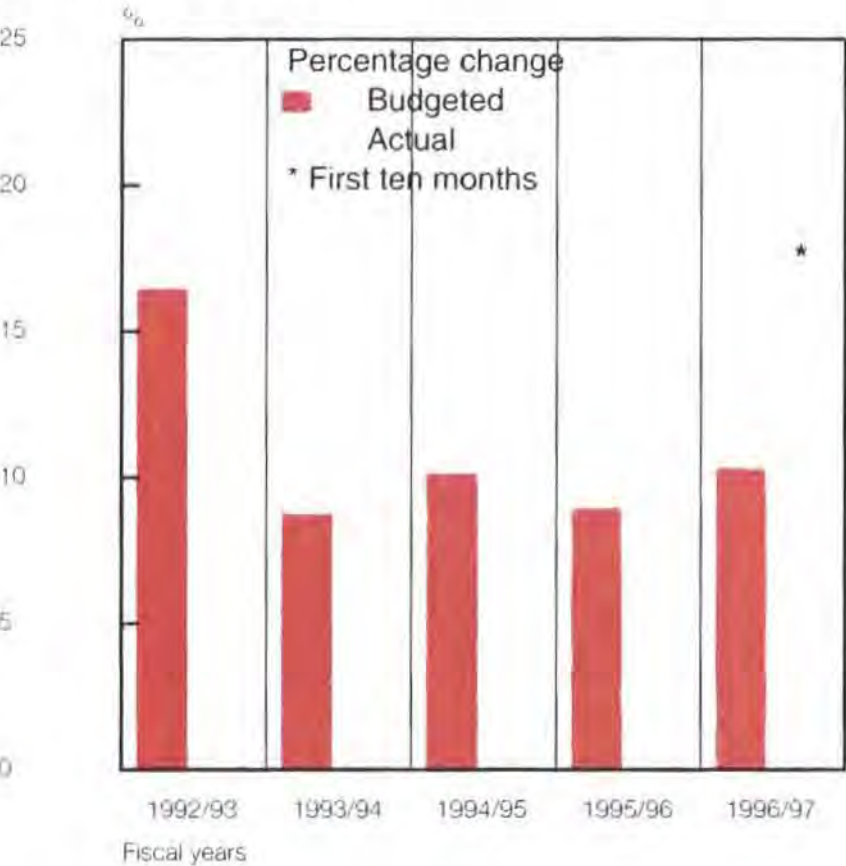
The deficit before borrowing and debt repayment on the Exchequer account in the first ten months of fiscal 1996/97 conformed more or less to the budgetary projections for the full fiscal year. The year-on-year rates of increase in both Exchequer issues and receipts over this period exceeded the increases which had been projected in the Budget for the full fiscal year.

Exchequer issues to government departments (adjusted to reflect cash flows) amounted to R145,5 billion in the first ten months of fiscal 1996/97. This brought the year-on-year rate of increase in adjusted

Public-sector borrowing requirement as percentage of gross domestic product



Budgeted and actual Exchequer issues to government departments



Exchequer issues to 16,9 per cent in the first ten months of fiscal 1996/97, which was substantially higher than the budgetary provision of 10,4 per cent for the year as a whole. The rate of increase in Exchequer issues in the first ten months of the current fiscal year was higher than the average year-on-year rate of increase of 14,2 per cent in the first ten months of the preceding five fiscal years. As a ratio of gross domestic product, Exchequer issues amounted to 31,4 per cent in the first *nine* months of fiscal 1996/97, compared with 30,6 per cent recorded in the corresponding period of the preceding fiscal year.

Exchequer receipts (with the exclusion of extraordinary revenue) in the first ten months of 1996/97 amounted to R124,6 billion, or 15,4 per cent above the level in the first ten months of the preceding year; the growth in government revenue had been budgeted at 13,6 per cent for the year as a whole. As a ratio of gross domestic product, Exchequer receipts amounted to 26,3 per cent in the first nine months of fiscal 1996/97 compared with 25,2 per cent in the first nine months of the previous fiscal year.

The higher-than-budgeted receipts were largely brought about by strong growth in inland revenue receipts which outperformed the budgetary projections. As shown in Table 14, the good performance of Exchequer receipts could mainly be attributed to strong growth in revenue from income tax and customs and excise duties. Value-added tax collections fell disappointingly below the budgetary projections owing to relatively high growth in the exempted categories of exports and fixed capital

Table 14. Percentage increase in Exchequer receipts

Type of revenue	Budgeted increase for fiscal 1996/7	Actual increase in the first nine months of fiscal 1996/7
Customs and excise duties	9,7	16,2
Inland revenue.....	14,2	16,3
Income tax	17,5	22,8
Value-added tax.....	13,3	7,8
Total receipts	13,6	17,1

outlays. Inland revenue benefited from stronger than expected growth in corporate profits, the general overhaul of tax administration and the consequent improvement in tax efficiency. Customs and excise receipts turned out stronger than anticipated in the Budget on account of the sharp rise in the value of merchandise imports, partly related to the weakening of the rand. Customs controls have also been tightened at many points of entry into the country.

The net result of the higher-than-budgeted revenue and expenditure was a *deficit before borrowing and debt repayment* of R20,9 billion in the first ten months of fiscal 1996/97, which represents 68,2 per cent of the deficit budgeted for the year as a whole. This percentage is higher than the 54,7 per cent of the full-year deficit that was realised in the first ten months of the previous year, and also higher than the average of 65,3 per cent recorded in the first ten months of the preceding five fiscal years.

As a ratio of gross domestic product, the deficit before borrowing and debt repayment and excluding extraordinary receipts, amounted to 5,1 per cent in the first

Budgeted and actual Exchequer receipts

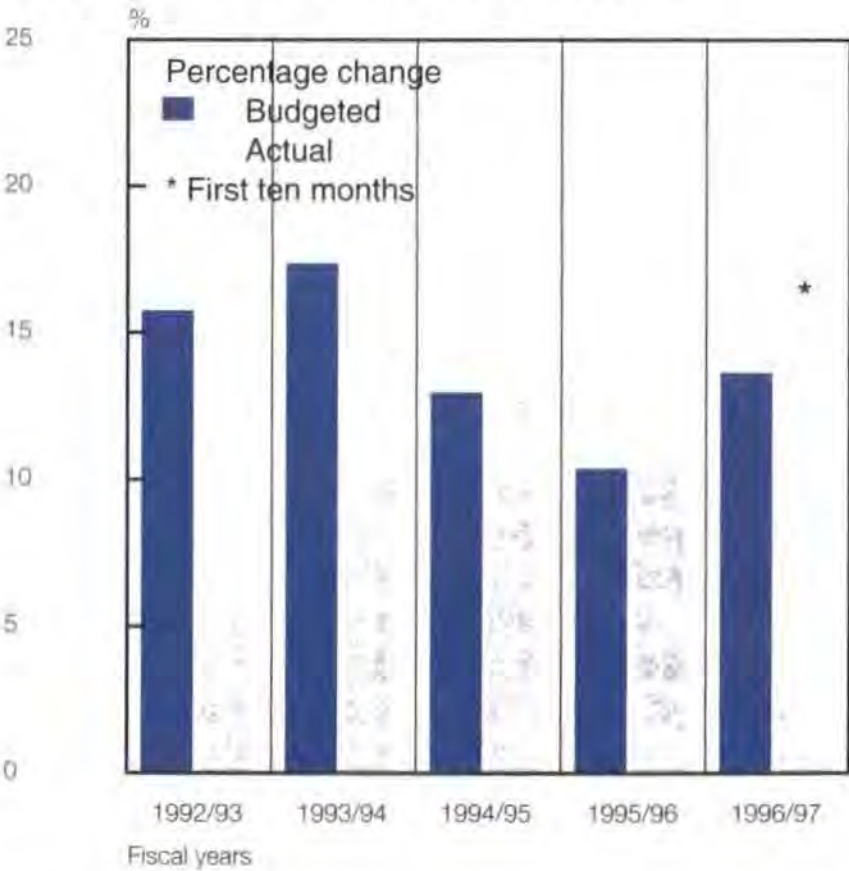
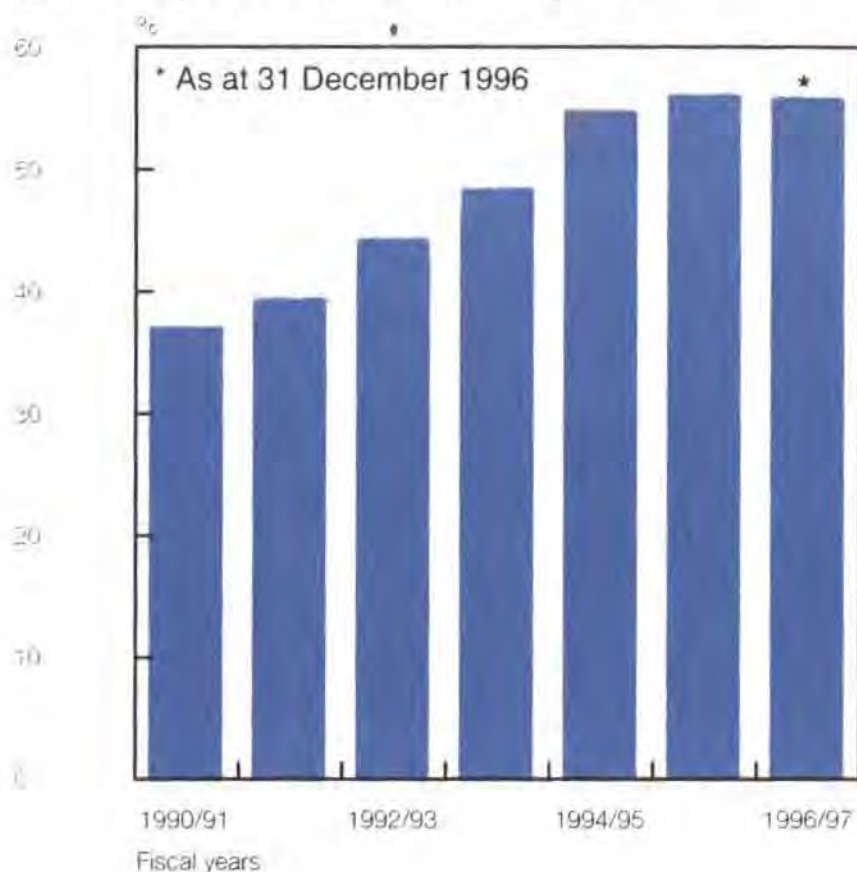


Table 15. Financing of Exchequer deficit in the first ten months of fiscal 1996/97

	R millions
Government stock (nominal value).....	23 424
Less: Discount on government stock	5 652
Net receipts from government stock.....	17 772
Treasury bills.....	4 795
Extraordinary receipts	1 878
Foreign loans	2 081
Non-marketable securities.....	-178
Money market instruments	-3 827
Increase in available cash balances	-1 604
Total net financing.....	20 917

Total government debt as percentage of gross domestic product (end of fiscal year)



nine months of fiscal 1996/97 compared with 5,4 per cent in the corresponding period in the previous fiscal year, and the 5,5 per cent projected for the current fiscal year as a whole.

As shown in Table 15, the greater part of the deficit in the first ten months of fiscal 1996/97 was financed by means of new issues of government stock. The funding of the deficit by means of debt instruments caused total government debt to rise from R280,0 billion at the end of March 1996 to R304,1 billion at the end of December. As a percentage of gross domestic product, government debt declined fractionally from 56,2 per cent at the end of March 1996 to 56,0 per cent at the end of December.

Adjustments Budget for fiscal 1996/97

In the Adjustments Budget tabled in Parliament on 13 February 1997 additional expenditure of R13,1 billion was approved for fiscal 1996/97. However, if consideration is given to declared savings, the shifting of funds and functions between tiers of government and budgetary votes, amounts recovered from pension funds, unspent funds and the double counting in respect of the national government's contributions to the Reconstruction and Development Programme Fund, the Supplementary Budget estimates of expenditure for fiscal 1996/97 are lowered by R1 billion from R177,1 billion to R176,1 billion. As a ratio of gross domestic product, the revised government expenditure is expected to be 31,4 per cent in fiscal 1996/97 – similar to the ratio of the preceding fiscal year.

Table 16. Revised Budget estimates for fiscal 1996/97

	R millions
Printed estimate of expenditure	177 100
Plus: Adjustments estimate	13 105
Plus: Standing appropriations.....	295
Subtotal	190 500
Less: Unspent funds	9 000
Recovery from pension funds	300
Expected saving	485
Shifting of funds and functions.....	536
Double counting in respect of the RDP Fund	4 110
Estimated expenditure for 1996/97	176 069
Estimated revenue and grants (including extraordinary revenue).....	147 411
Estimated deficit.....	28 658
Estimated deficit as percentage of gross domestic product.....	5,1

In the Adjustments Budget provision was also made for an upward revision of the initial estimate of revenue from R144,9 billion to R147,4 billion. The estimates include R1,9 billion as extraordinary revenue, being the proceeds from the sale of strategic oil reserves. Government revenue as a percentage of gross domestic product is expected to be 26,3 per cent, which exceeds by one percentage point the ratio of the preceding fiscal year.

In view of the adjustments to the expenditure and revenue estimates, the deficit before borrowing and debt repayment on the budget of the national government is expected to be R28,7 billion in fiscal 1996/97. This deficit is equivalent to 5,1 per cent of gross domestic product and corresponds with the ratio envisaged by the Minister of Finance when he submitted his initial budget proposals to Parliament in March 1996.

The allocation of functions to the three Deputy Governors of the Bank

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

27 January 1997

With the appointment of Mr James H. Cross as a Deputy Governor of the Reserve Bank from the beginning of January 1997, all the vacancies that existed for some time for Government's executive representatives on the Board of the Bank have now been filled. The following functions for the implementation and administration of monetary policy have been allocated to the three Deputy Governors:

Dr Chris J. de Swardt will remain responsible mainly for the domestic financial operations and for the internal administration of the Bank. The following departments of the Bank will report directly to him:

- Administration
- Bank Supervision (including the Registrar of Banks)
- Information Technology (including the National Payments System)
- Internal Audit, and
- Management Services.

As Chairman of the Policy Board for Financial Services and Regulation, Dr de Swardt will also continue to be involved in domestic financial market developments, and in the co-ordination of financial regulation and supervision of domestic financial institutions and markets.

Mr Timothy T. Thahane, who joined the Bank on 1 April 1996, will be responsible for economic services and for relationships with other countries on the African continent and the multinational financial institutions such as The World Bank and the International Monetary Fund. He will also oversee the process of organisational development and activities related to the transformation process now taking place in the Bank. The following departments of the Bank will report directly to Mr Thahane:

- Economics
- Organisational Development and Transformation (a new department that will take over the important functions of human resource development and co-ordination of strategic development), and
- Training Institute.

Mr James H. Cross is an experienced international banking and financial market operator and will be responsible for the Bank's domestic money and capital market and foreign exchange market operations. The following departments will function under him:

- Exchange Control
- International Banking, and
- Money and Capital Market.

arrangement of Committee meetings chaired by the Governor, will join the Office of the Governor.

The three Deputy Governors will now proceed, together with the Heads of their departments, to investigate possible further rationalisation of the activities of the Bank to adapt to the needs of the changing South African environment, and the increasing demands that are being made on the Bank and its staff. In particular, attention will be given to the role of the Bank in the Government bond market, the development of the National Payments System, the gradual phasing-out of Exchange Control, and the expanding relationships of South Africa with other African countries.

The Secretary of the Bank, **Mr Jannie J. Rossouw**, responsible mainly for Board matters and for the

Monetary Policy: Options and Strategies

Address by Dr C.L. Stals, Governor of the South African Reserve Bank, at the Twentieth Annual Investment Conference of Societe Generale Frankel Pollak (Pty) Ltd Johannesburg,

18 February 1997

1. A sharp decline in the net capital inflow from abroad set the financial scene for 1996

The most important change in the financial situation in South Africa last year was the sudden decline in the net inflow of capital from abroad that occurred in the first quarter. A number of adverse developments at the time combined to trigger an outflow of short-term capital. Coming after three years of rather strong rises in total domestic expenditure and a growing deficit in the current account of the balance of payments, the deterioration in the capital account led to an overall balance of payments deficit that created immediate shortages in the market for foreign exchange.

After a record net capital inflow of more than R6 billion occurred in the fourth quarter of 1995, to bring the total net inflow for the year close to R20 billion, there was a small net outflow in the first quarter of 1996. The current account deficit was no longer covered by a net capital inflow and the exchange rate of the rand came under immediate pressure. With a low level of official foreign reserves, a growing deficit in the current account of the balance of payments and deteriorating prospects for a renewed inflow of capital into the country, participants in the market for foreign exchange became very nervous and reacted wildly to rumours, adverse political developments and negative news about the balance of payments, the foreign reserves, and domestic economic developments.

The initial depreciation of the rand created negative expectations which became self-fulfilling, particularly as leads and lags in short-term trade financing also moved strongly against South Africa, and South Africans became more reluctant to enter into new foreign currency denominated commitments.

The exchange rate of the rand, which in nominal terms showed an effective appreciation of 4,4 per cent from May 1995 up to the end of December 1995, then depreciated by 8 per cent in the first quarter of 1996, by 7,2 per cent in the second quarter, and by a further 9,5 per cent in the four months up to the end of October 1996. Over the first ten months of 1996, the effective depreciation of the rand in nominal terms exceeded 22 per cent. In real terms, this represented a depreciation of about 15 per cent.

An *ex post* analysis of the composition of the capital in- and outflows of last year provides interesting information for a better understanding of the changes that took place. Initially, it was mainly a sudden reversal in the inflow of short-term capital in the form of inter-bank and trade related financing arrangements that triggered

the shortages in the market for foreign exchange. As the exchange rate depreciated and South African residents became more concerned about possible losses on foreign currency exposures, long-term foreign loans were repaid without replacement or extensions. South Africans with existing short- and long-term foreign currency commitments, covered their positions forward, and the Reserve Bank's forward exchange book showed a sharp increase of the net oversold position. In the fourth quarter of last year, when short-term capital began to flow back again, there was a net outflow from the private sector of R6 billion in the form of longer-term capital, mostly for the repayment of maturing loans.

Another interesting feature of the international capital flows last year was that foreigners remained important net portfolio investors in South African securities. Non-residents increased their holdings of South African equities listed on the Johannesburg Stock Exchange by R5,3 billion, and added a net amount of R3,4 billion to their holdings of South African bonds acquired through the South African bond market. This ostensibly "volatile" element of the capital flows was therefore not responsible for the problems that developed in the South African balance of payments last year.

2. Monetary policy faced with new challenges in a situation of a deteriorating balance of payments

The abrupt decline in the capital inflows from abroad in the first quarter of 1996 confronted the monetary policy authorities with an unexpected new challenge. Since 1994, the Reserve Bank's policy on international financial relations was to rebuild the country's depleted official foreign reserves gradually, to relax the exchange controls on a step-by-step basis, and to restructure the market in foreign exchange gradually with the objective of enabling a more efficient market to determine not only the spot foreign exchange rate of the rand, but also the forward rate.

Good progress was made on this road during 1994 and 1995, but the country was surely not yet in a position to withstand the adverse developments of early 1996, or to protect the exchange rate of the rand against a series of determined attacks in a rather vulnerable situation. The Reserve Bank realised that it was not in a position to defend the exchange rate of the rand by providing large amounts of foreign exchange from the official foreign reserves. At the time of the dramatic decline in the net capital inflow in February 1996, the Reserve Bank held about R15 billion in official foreign reserves, while the private banking sector held an additional amount of

about R4 billion in liquid foreign assets. The total of R19 billion was the equivalent of about 8 weeks' imports. Taking account of the growing deficit in the current account of the balance of payments, the Bank could only make limited amounts of foreign exchange available to ensure that no serious shortage of liquidity would develop that could create a panic on its own.

The longer-term objectives of building up the foreign reserves to a more comfortable level, of reducing the role of the Reserve Bank in the forward foreign exchange market, and of phasing out the remaining foreign exchange controls were temporarily forced on the backburner, whilst monetary policy had to be directed more decisively towards an adjustment programme that would gradually restore stability in the market for foreign exchange.

3. The monetary policy adjustment programme

Three basic deficiencies in the underlying economic fundamentals were identified at the time that contributed to the lack of confidence in the South African economy, and in the ability of the South African authorities to restore stability in the market for foreign exchange.

Firstly, the growing deficit in the current account of the balance of payments had to be reversed, particularly after it became evident that the country could not rely on a permanent and sustainable large capital inflow from the rest of the world to cover an ever-increasing current deficit.

Secondly, the imminent danger of escalating inflation, particularly after some depreciation in the exchange rate of the rand, had to be avoided. There was a real and perceived danger that South Africa was destined for a new vicious circle of depreciation-inflation-depreciation that would unavoidably lead to a further erosion of the country's competitive position in the world markets.

Thirdly, the escalating growth rates in the domestic monetary aggregates, such as the money supply and bank credit extension, had to be reversed. By accommodating the new inflationary pressures emanating from the depreciation of the rand on a continuous basis, monetary policy would obviously aggravate the situation.

With only limited means at its disposal to finance the external deficit, South Africa had no alternative but to adjust the disequilibrium, mainly by reducing or eliminating the current account deficit. To achieve this objective, the following monetary policy strategy was followed:

- Not being in a position to fix the exchange rate at any predetermined level, a depreciation of the rand was unavoidable and had to be accepted as part of the solution to the problem. The Bank sold some foreign exchange from its official reserves, not with the intention

to fix the exchange rate, but rather to provide liquidity to the market and to smooth the adjustment process.

- As the Reserve Bank sold foreign exchange to the market to partly finance the overall balance of payments deficit, domestic rand liquidity was drained from the banking system. It was imperative for the effective working of the adjustment process that the Reserve Bank would not replace the lost liquidity through, for example, purchases of financial assets from the banks through more active open-market operations.

- The decline in the domestic liquidity had to be reflected in the level of interest rates. Higher interest rates would not only serve to discourage the outflow of capital, but would also reduce the domestic demand for bank credit. The market trend for interest rates to rise could not be resisted.

Monetary policy was therefore directed towards a reinforcement of and active support for a market adjustment process that would eventually restore equilibrium to the balance of payments. It was well understood that this process would not be painless, that the depreciation of the currency, the drainage of liquidity and the rising interest rates would all demand costs and sacrifices that would not be popular, and that the monetary authorities would be blamed by some ill-disposed observers for the dilemma. Any country that had established a good economic performance in one year on the basis of net capital inflow of R20 billion, and is then in the next year forced to perform on a net inflow of only R4 billion, is bound to go through some painful adjustment. South Africa was no exception.

4. The success of the monetary adjustment programme

Important changes took place towards the end of last year, and particularly after October, in the underlying economic conditions that contributed to the financial disturbances of the preceding nine months.

- There was a marked slow-down in the rate of increase in real gross domestic expenditure. Official national accounts statistics for the fourth quarter are not yet available, but preliminary indications are that all the major components of gross domestic expenditure increased at lower rates in the second half than in the first half of last year. Total real gross domestic expenditure indeed declined somewhat from the first half to bring the rate of increase for the year more or less in line with the established growth rate of about 3 per cent in gross domestic product.

- The deficit in the current account of the balance of payments progressively declined from a seasonally adjusted annualised peak of R13 billion in the second quarter to about R9 billion in the third, and R5 billion in the fourth quarter of the year.

- The rates of increase in both bank credit extension to the private sector and in the money supply peaked in October 1996, before declining marginally in both November and December. The quarter-to-quarter growth in credit extension to the private sector (at seasonally adjusted and annualised rates), decelerated from 22,4 per cent in the second quarter of 1996 to 16,6 per cent in the third quarter, and 11,8 per cent in the fourth quarter. In the case of the M3 money supply, the deceleration was from 21,2 per cent in the second, to 18,6 per cent in the third, and a mere 7,6 per cent in the fourth quarter.

- Not only the current account of the balance of payments improved, but also the capital account. In the first nine months of the year, capital inflows and outflows almost cancelled out, to leave a small net inflow of less than R1 billion for the nine months' period. In the fourth quarter, however, the net capital inflow increased again to an estimated R3½ billion. This capital inflow once again exceeded the unadjusted current account deficit with the result that the country's net foreign reserves recovered some of the losses of the first nine months of the year.

- The pressure in the foreign exchange market receded slightly and the rand started appreciating in November last year. Over the two months November and December 1996, the effective nominal exchange rate of the rand appreciated by 1 per cent, and during the first six weeks of 1997 by a further 9,2 per cent. This appreciation therefore partly neutralised the adverse effects of the sharp depreciation of last year.

It will, of course, not only be premature but also preposterous to claim the successes achieved in this process so far for monetary policy alone. Many other changes also took place in South Africa over the past year. There is now more political stability than a year ago; much progress has been made with the framing and implementation of the Government's *Macroeconomic Strategy for Growth, Employment and Redistribution* (GEAR); the Minister of Finance has confirmed and showed his determination to continue with the required policy of financial discipline that will gradually reduce the deficit in the Budget as a percentage of gross domestic product.

There is, however, still the danger of escalating inflation that cannot be swept under the carpet at this juncture. After reaching an acceptable low level of only 5,5 per cent over the twelve months up to April 1996, the rate of increase in the consumer price index escalated to 9,4 per cent in December 1996. Inflation, however, lags behind changes in the monetary aggregates and is, at this stage, still stimulated by the depreciation of the rand last year, and the relatively large increases in the money supply during the 1995/96 period. It is of the utmost importance, however, that a restrictive monetary policy shall now be retained to make sure that the rate of inflation will also gradually be tamed again.

5. Monetary policy options for 1997

It remains the main task and priority of monetary policy in South Africa to fight against inflation. During 1996, the disturbances in the foreign exchange market temporarily diverted the attention from this prime objective of monetary policy. Indeed, in the longer term, greater stability in the foreign exchange market will only become sustainable once the rate of inflation has been brought more or less in line with the average rate of inflation in the economies of our major trading partners and international competitors.

Despite the periodic efforts of media reporters to extort a commitment from the authorities to a certain pre-defined exchange rate for the rand, it remains our view that in the contemporary complex market for foreign exchange, it is not possible to define an equilibrium exchange rate *a priori*, or, in the case of the South African Reserve Bank, with the limited amount of foreign exchange at its disposal, to manipulate the exchange rate of the rand permanently in any direction against market forces.

As far as the Bank's policy on foreign exchange is concerned, it is hoped that the more favourable conditions now experienced in the market will continue throughout 1997, and will enable us to pursue the longer-term objectives of:

- building up the total foreign reserves to a more comfortable level;
- reducing the Reserve Bank's role in the forward foreign exchange market; and
- gradually phasing out the remaining exchange controls.

To the extent that these three objectives provide conflicts within themselves, important policy decisions will have to be taken between the Bank and the Minister of Finance on the relative importance that should be attached to each one of the objectives in an appropriate policy matrix.

With the attention now being refocused on domestic policy objectives, the rising rate of inflation has become a matter of major concern. In this situation, the Reserve Bank regards it as a minimum precondition for arresting this imminent threat to financial stability that the rates of increase in bank credit extension and in the money supply will be reduced soon to more acceptable levels.

With the prospects for real growth in the economy at a rate of between 2 and 3 per cent, and the desire to keep inflation to below 10 per cent, the money supply should obviously not increase by more than about 10 per cent during the current calendar year. This will require the Reserve Bank to persist with a relatively restrictive monetary policy for the time being.

Notes on an integrated analysis of instalment credit flows and balances

by J.P. van den Heever and M.A. van Deventer

When analysing credit extended by monetary institutions, attention is usually focused on the changes in items on the consolidated balance sheet of these institutions. Special attention is given to changes in the domestic private sector's indebtedness to the monetary sector and to the rate of growth over twelve-month periods in this balance-sheet total. Further analyses may relate to this credit aggregate's seasonally adjusted growth rates over periods of less than twelve months, as well as the separate movements displayed by each of the main types of credit, namely mortgage advances, bills discounted, investments, instalment sale credit, leasing finance, and other loans and advances.

Valuable information can also be obtained by studying the various *flows* underlying the credit balances, provided of course that the data are available. Such an integrated analysis of flows and balances is in conformity with the broad thrust of the 1993 *System of National Accounts* and the IMF's draft *Manual on Monetary and Financial Statistics*.

When applied to instalment credit, here defined as the sum of instalment sale credit and leasing finance, the following identity may be used in this analysis:

Beginning balance (B)
+ amount paid out in respect of new business during period (N)
+ finance charges accrued during period (F)
– instalments received during period (I)
– amounts written off and net other credits during period (W)
= end balance (E)

or algebraically:

$$B + N + F - I - W = E, \quad (1)$$

which can be rewritten to statistically explain the change in the balance outstanding:

$$E - B = N + F - I - W. \quad (2)$$

In analysing these magnitudes, special attention should be given to the amount paid out in respect of new business, N. It is this amount which is directly reflected in the national-accounts estimate of gross domestic expenditure – the cars, trucks and other durable consumer and capital goods financed by means of instalment credit. If the intention of monetary policy is to curtail the stimulatory effect of credit extension on expenditure, a deceleration or reduction in N would indicate policy success.

Finance charges accrued, F, can rise either because of an increased amount of credit extended, or because of a rise in the average interest rate. If F increases, instalments received, I, should increase correspondingly. Time lags due to administrative reasons, inability or unwillingness to pay higher instalments and consequent rescheduling or lengthening of the repayment period can, however, delay or dampen this increase somewhat. In effect, interest accrued can therefore be capitalised for a short while.

Amounts written off and net other credits, W, can originate from various kinds of developments. The write off of advances that cannot be collected represents the largest component within this category. The write off of indebtedness reduces the amount of advances outstanding which the banks recognise in their accounting systems. Apart from this, other credits and debits, such as the corrections made for previous errors in accounting for instalment credit, are also taken into consideration as part of "net other credits".

Banks started in 1994 to submit to the Reserve Bank the full set of information needed to conduct this kind of analysis. Although the information is subdivided into separate categories for instalment sale credit and leasing finance, banks and their clients can easily substitute the one type of finance for the other because of tax and other considerations. It is, therefore, more meaningful to concentrate on total instalment credit. Figure 1 shows the various flows in respect of the total of instalment sale credit and leasing finance, using identity (2).

Figure 1 indicates that after the total *amount paid out in respect of new business* had increased consistently from the middle of 1994, it receded somewhat in the third quarter of 1996. In spite of a modest further increase in the fourth quarter of 1996, new business payouts have evidently levelled off during 1996.

The graph shows that *finance charges* increased relatively smoothly over the period under review. Similarly, *instalments received* rose relatively smoothly, and had doubled by the final quarter of 1996 in comparison with its starting value in the first quarter of 1994. *Amounts written off and net other credits* fluctuated more than any of the other identified flows, as may have been expected of what is in effect a residual item.

Not surprisingly, the analysis clearly shows that the absolute magnitudes of the amounts paid out in respect of new business, and instalments received,

Figure 1: Instalment credit: Underlying flows

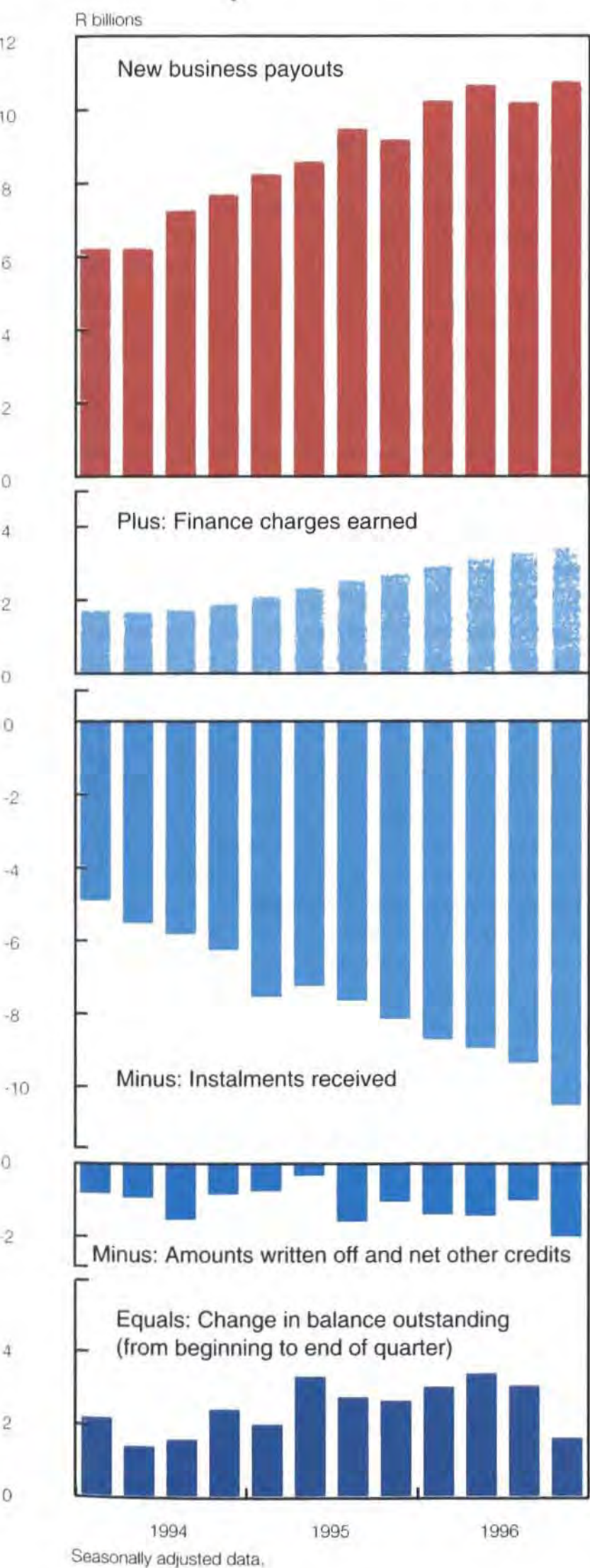
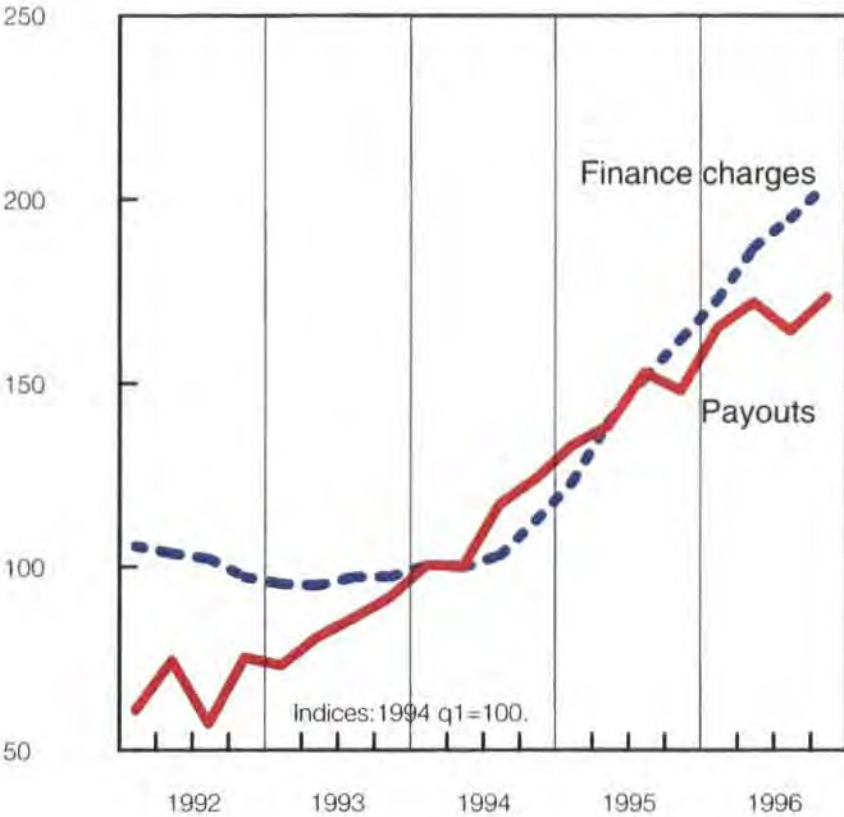


Figure 2: Indices of new business payouts and finance charges

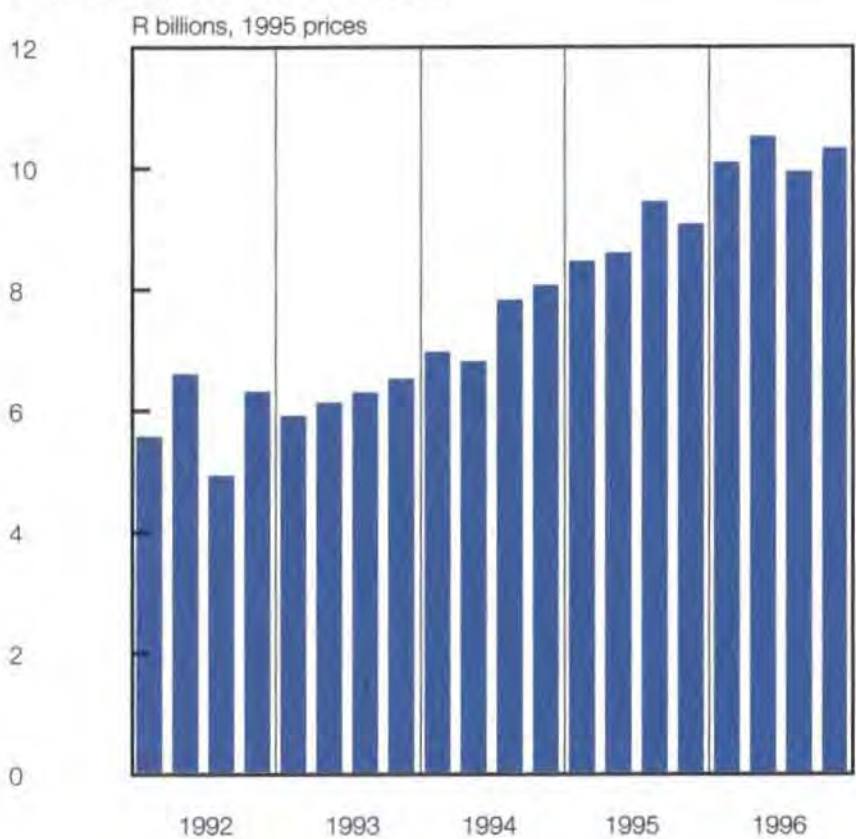


dominate the changes in the outstanding balance of instalment credit.

Figure 2 indicates indices of amounts paid out in respect of new business and finance charges. Reductions in interest rates and a relatively small amount of credit extension explain the downward and then very gradual upward movement in finance charges from 1992 to the third quarter of 1994. Owing to a growing amount of credit outstanding on which interest accrued and higher average interest rates, interest accruals have risen consistently since the fourth quarter of 1994. New business payouts have decelerated relative to finance charges since the fourth quarter of 1995.

Data on amounts paid out in respect of new business have been collected since 1992 and are currently released in the table on page S-11 of the *Quarterly Bulletin*. Figure 3 depicts these payouts in real terms, i.e. nominal values adjusted for inflation by using the consumer price index of motor vehicles. The recessionary conditions of 1992, the subsequent economic recovery and the levelling off since the middle of 1996 are reflected in the movements of the real value of new business payouts.

Figure 3: Real amounts paid out in respect of new instalment credit business



Instalment credit is usually a reliable and cyclically sensitive economic indicator. This study provides some additional insights which may be gained by analysing credit flows and outstanding balances within an integrated framework. It illustrates the magnitudes of the various flows underlying instalment credit, shows that in recent quarters finance charges have risen more rapidly than new business payouts, and generally emphasises the importance of new business payouts in the analysis of credit developments.

Kwartaallikse ekonomiese oorsig

Inleiding

Gedurende 1996 is ekonomiese gebeure in Suid-Afrika oorheers deur die skielike skerp afname in die eksterne waarde van die rand in Februarie, wat daarna ontwikkel het in 'n feitlik deurlopende proses van depresiasie wat tot Oktober geduur het. Die verswakking van die rand het sy invloed op alle vertakkings van die ekonomie laat geld. Terwyl die depresiasie voortgeduur het, het dit onsekerheid veroorsaak, die risiko-premie verbonde aan belegging in Suid-Afrika verhoog, potensiële buitelandse belegging afgeskrik, die gebruikerskoste van kapitaal in die binnelandse ekonomie verhoog en verwagtinge van stygende inflasie aangewakker.

Toe die rand se bestendigheid in die mark vir buitelandse valuta uiteindelik teen die einde van die jaar herstel is, het van die positiewer gevolge van 'n gedepresieerde geldeenheid duideliker na vore begin kom. Veral die sterk groei in die goedere-uitvoerhoeveelhede, wat 'n belangrike deel van die regering se groei- en ontwikkelingsstrategie uitmaak, het die vooruitsigte vir groei en werkskepping in die binnelandse ekonomie verbeter. Die groter mededingingskrag wat gedurende 1996 behaal is moet natuurlik nog gekonsolideer word deur sekondêre rondtes loon- en prysstygings te voorkom. Andersins sal die voordele van die depresiasie van korte duur wees en sal die ekonomie vasgevang bly in die swak strukturele toestand, maar met 'n aansienlik hoër algemene prysvlak.

Die totale produksie het oënskynlik positief op die verswakking van die rand gereageer en groei het in die vierde kwartaal van 1996 versnel. Die reële toegevoegde waarde in die nie-landbousektore het die momentum wat dit gedurende die eerste drie kwartale van 1996 verloor het, deels herwin. Die ommekeer van produksie in die fabriekswesesektor was van besondere betekenis; waar fabrieksproduksie gedurende die derde kwartaal van 1996 'n afname getoon het, het dit in die vierde kwartaal redelik sterk herstel. Die herstel in produksievlakke in sekere van die nie-landbousektore van die ekonomie in die laaste kwartaal van 1996, saam met 'n aansienlike toename in landbouproduksie, veral van akkerbougewasse, het 'n ekonomiese groeiakoers van 3% in 1996 tot gevolg gehad – effens laer as die groeiakoers wat in 1995 behaal is.

As gevolg van die redelike sterk groei in reële binnelandse produksie en ondanks 'n skerp toename in die reële waarde van die netto faktorbetalings aan die buiteland, het die reële bruto nasionale produk van Suid-Afrika in 1996 met 3% persent toegeneem. Indien die bevolkingsgroei in aanmerking geneem word, het die reële bruto nasionale produk per hoof van die bevolking in 1996 met 1% persent toegeneem. Die jaar 1996 was

die derde agtereenvolgende jaar waarin die reële nasionale inkome per hoof van die bevolking toegeneem het, met die gevolg dat die "gemiddelde Suid-Afrikaner" in dié jaar 4% persent beter daaraan toe was as in 1993.

Hoewel 'n deel van die toename in reële binnelandse produksie met die hoë vlak van binnelandse finale vraag verband gehou het, was die sterk toename in uitvoerhoeveelhede die vernaamste krag agter die groei in produksie buite die landbou in 1996. Dit was veral gedurende die tweede helfte van die jaar die geval. Dit wou voorkom asof die skerp toename in besteding aan vaste investering in die tweede helfte van die jaar stukrag verloor het. Op soortgelyke wyse het die groei in private verbruiksbesteding ook in die laaste drie kwartale van 1996 stukrag verloor. Verbruikers het oënskynlik bewus geword van die risiko's wat hul hoë skuld-tot-inkome-verhoudings inhou en bestedingsgroei aan bande begin lê. Owerheidsverbruiksbesteding het egter versnel en sodoende 'n vinniger ommekeer in die hoë vlakke van ontsparing deur die algemene owerheid verhinder. Die land se algehele spaarverhouding in 1996 was gevolglik steeds te laag om die binnelandse investeringsvraag genoegsaam te finansier.

Die hoë vlak van ekonomiese bedrywigheid het gepaard gegaan met 'n algehele afname in totale werkverskaffing sedert die derde kwartaal van 1995, hoofsaaklik as gevolg van doelgerigte pogings van produsente in die private sektor om koste te besnoei en doeltreffendheid te verbeter. Die koers van toename in die nominale salarisse en lone per werker het nietemin afwaarts stram gebly. Nominale en reële lone het trouens gedurende die tweede helfte van 1995 vinniger begin groei en in die eerste drie kwartale van 1996 teen betreklike hoë koerse toegeneem. Hoewel die inflasionistiese gevolge van die toename in arbeidskoste deels teengewerk is deur die sterk groei van arbeidsproduktiwiteit, was die toename in reële vergoeding per werker in 'n omgewing van stygende werkloosheid nie in voeling met wat redelikerwys onder sulke omstandighede verwag sou kon word nie.

Die versnelling van die groei in arbeidseenheidskoste, tesame met die swakker rand en stygende voedselprijs, het neerslag gevind in 'n versnellende koers in produksie- en verbruikersprysinflasie gedurende die loop van 1996. Hierdie prysstygings is geakkommodeer deur 'n skerp uitbreiding van die monetêre groothede. Stappe wat gedurende die jaar gedoen is om die oormatige monetêre groei aan bande te lê, het voorspelbaar, maar nietemin ironies die uitwerking gehad om die waargenome koers van verbruikersprysinflasie te verhoog deur hul impak op huiseienaarskoste. Selfs wanneer die tydelike nadelige uitwerking van hoër verbandrentekoerse en die gevolge van sommige ander spesiale faktore van

die verbruikersprysindeks buite rekening gelaat word, het die onderliggende inflasiekoers egter steeds in die tweede helfte van 1996 versnel. Binnelandse inflasie, soos gemeet aan die toename in die produksieprysindeks, was ook hoër as ingevoerde inflasie, soos gemeet aan die styging in die pryse van ingevoerde goedere, ongeag die skerp daling in die waarde van die rand. Die opbouing in reële loongroei, die oënskynlike lang sloering van die pryse van ingevoerde goedere in reaksie op die verswakking in die waarde van die rand en die styging in onderliggende inflasie dui oënskynlik daarop dat sluimerende inflasiekragte steeds in die ekonomie teenwoordig is.

Soos verwag kan word wanneer die algehele vlak van totale binnelandse besteding afneem, het die groei in die hoeveelheid en waarde van invoer gedurende die tweede helfte van 1996 tekens van 'n afplatting getoon. Dit, saam met skerp stygings in die waarde van die netto gouduitvoer en goedere-uitvoer en 'n verlansaming in netto dienstebetalings aan die res van die wêreld, het die tekort op die lopende rekening van die betalingsbalans gedurende die tweede helfte van die jaar laat begin krimp. Terselfdertyd het die netto uitvloeiing van kapitaal in die derde kwartaal van die jaar gedurende die vierde kwartaal in 'n netto invloeiing van kapitaal verander, ofschoon hoofsaaklik in die vorm van finansieringsfasiliteite met 'n kort looptyd.

Die invloei van kapitaal in die vierde kwartaal van 1996 was groter as die tekort op die lopende rekening van die betalingsbalans, sodat die totale goud- en ander buitelandse reserwes van die land taamlik skerp gestyg het. Dit het tot 'n positiewer ingesteldheid in die finansiële markte en groter bestendigheid in die mark vir buitelandse valuta bygedra. Die nominale wisselkoers van die rand het meer stabiel vertoon en in die laaste twee maande van 1996 matig versterk, maar toe in Januarie 1997 sterk gestyg. Teen die einde van 1996 was die reële effektiewe wisselkoers van die rand nagenoeg 16 persent laer as teen die einde van 1995.

Die voortsetting van die betreklike sterk groei in die reële inkome gedurende 1996 en die gepaardgaande hoë vlak van die totale binnelandse vraag na goedere en dienste het tot 'n vinnige groei in die transaksiebehoefte aan geld aanleiding gegee. Die vraag na geld vir transaksiedoeleindes is versterk deur 'n styging in die publiek se vraag na meer likiede monetêre bates. Hierdie groter voorkeur van die publiek vir likiede bates is waarskynlik gemotiveer deur die betreklike aantreklike opbrengskoerse op deposito-tipe beleggings en deur die talle geleenthede vir spekulasie wat bewegings in die pryse van finansiële bates gedurende 1996 gebied het. 'n Stewige groei in die omvattend gedefinieerde geldvoorraad en selfs sterker toenames in die enger monetêre totale het gedurende 1996 met hierdie portefeulje-voorkeure van die publiek saamgeval.

Gedurende die tweede helfte van 1996 het die groeiakoers in die omvattend gedefinieerde geldvoorraad verlangsaam; aanvanklik ietwat beskeie in die derde

kwartaal maar toe duideliker in die vierde kwartaal. Hoewel dit 'n welkome ontwikkeling was en 'n teken van 'n positiewe reaksie op vroeëre beleidstappe wat gedoen is om oormatige monetêre uitbreiding aan bande te lê, was die vlak van die M3-geldvoorraad in die vierde kwartaal van 1996 steeds hoër as die boonste perk van 'n aanvaarbare geldvoorraad wat deur die geldgroei-riglynggebied vir 1996 aangedui is. Dit het daarop gedui dat die gevaar van inflasie en verwaagtings van stygende inflasie steeds bestaan het en dat die voortsetting van 'n beperkende monetêre beleidshouding geregverdig is.

Kredietverlening het gedurende 1996 vinnig toegeneem, hoewel die tempo in die tweede helfte van die jaar verlangsaam het. Boonop dui die samestelling van die bates van die monetêre instellings daarop dat krediet 'n belangrike bron van fondse vir die groei in private verbruiksbesteding was. Dit het natuurlik ernstige implikasies vir die reeds onsekere finansiële toestand van die private huishoudingsektor ingehou. Hoë vlakke van huishoudingskuld en die toekomstige diens van sodanige skuld hou weinig belofte in vir die nasionale besparingsverhouding, en gevolglik vir die langtermyn produksie- en werkskeppingsvermoë van die ekonomie. Die styging in die totale binnelandse kredietverlening was ook die belangrikste statistiese teenhanger van die vinnige uitbreiding van die monetêre totale; die impak van die groei in krediet is slegs deels ongedaan gemaak deur 'n afname in die netto buitelandse bates van monetêre instellings gedurende 1996.

In die finansiële markte het die openbare sektor se mobilisasie van fondse in die primêre kapitaalmarkte teruggeval vergeleke met die vlakke wat in die vorige fiskale jaar gegeld het. Hierdie ontwikkeling was die gevolg van aansienlike aflossings van staatseffekte, die vermindering van kontantsaldo's deur die nasionale regering en buitengewone ontvangste in die lopende fiskale jaar. Dit mag dui op 'n mate van verligting van die verdringing van beleggingsbedrywighede van die private sektor deur leningsbedrywighede van organisasies in die openbare sektor. Gevolglik het maatskappye in die private sektor in 1996 baie meer kapitaal as in 1995 deur regte-uitgiftes van vasterentedraende sekuriteite en aandele-uitgiftes verkry.

Die regering het in 1996 meer fondse as in 1995 in die internasionale primêre effektermark geleen. Afsien van die positiewe uitwerking wat hierdie lenings op druk in die binnelandse kapitaalmark en op die vlak van die land se goud- en buitelandse reserwes gehad het, het dit ook 'n hoogtermerk vir die prysbepaling van toekomstige buitelandse lenings deur die private sektor en semi-staatsinstellings daargestel.

Bedrywigheid in die sekondêre effekte- en aandelemarkte was lewendig en omsette in albei markte het in 1996 betekenisvol toegeneem vergeleke met 1995. Die deelname van nie-inwoners in die binnelandse mark is ook aangehelp deur die inwerkingstelling van 'n elektroniese skermverhandelingsstelsel in die aandelermark en deur die toelating van buitelandse beheerde bank-

instellings en makelaarsondernemings tot lidmaatskap van die Johannesburgse Aandelebeurs. Die pryse in die sekondêre effekte- sowel as aandelemarkte het nietemin vanaf Mei 1996 tot die einde van die jaar nie duidelik op- of afwaarts beweeg nie. Die pryse in albei hierdie markte het in die eerste ses weke van 1997 opwaarts beweeg.

Geldmarktoestande het vir die grootste deel van 1996 betreklik stram gebly. Die Reserwebank het by geleentheid likiditeit aan die mark voorsien om besondere stram toestande te verlig, maar het oor die algemeen toegelaat dat die geldmarktekort die ongebalanseerde posisie weerspieël wat deur die buitensporige uitbreiding van krediet deur die monetêre instellings geskep is teen die agtergrond van 'n groot afname in hul netto buitelandse bates. Sedert Mei 1996 het die opbrengskoerse op korttermyn- en langtermynsekuriteite oor die algemeen eweredig met mekaar beweeg, wat die algemene vorm van die opbrengskoerskromme onveranderd gelaat het. In Januarie 1997 het die opbrengskoerskromme oor die hele spektrum van die aflossingstruktuur gedaal en ietwat meer omgekeerd geraak in die korter-as-drie-jaar-spektrum, terwyl dit in die gebied bokant drie jaar 'n plat vorm behou het. Dit kan vertolk word as 'n aanduiding van verwagtings van naderende afnames in die korttermynveldmarkkoerse, gepaardgaande met voortgesette skeptisisme oor die langertermynvooruitsigte vir standhoudende laer inflasie.

Die leningsbehoefte van die openbare sektor, dit wil sê die tekort voor lenings en skuldaflissing van die nasionale regering en alle ander vlakke van die openbare sektor, het in verhouding tot die bruto binnelandse produk in die eerste nege maande van 1996/97 afgeneem vergeleke met die ooreenstemmende tydperk in die vorige fiskale jaar. Hierdie verbetering in die staatsfinansies het hoofsaaklik op die vlak van die Sentrale Regering voorgekom. Die inligting vir die eerste tien maande van die fiskale jaar 1996/97 toon dat die regering moontlik suksesvol sal wees in sy verklaarde doelwit van die vermindering van die skatkistekort in verhouding tot die bruto binnelandse produk. Dit is ietwat kommerwekkend dat die skatkisuitreikings gestyg het teen 'n koers wat baie hoër is as wat in die Begroting vir 1996/97 voorsien is. Die groei in die skatkisontvangste het gelukkig die beplande groei in die Begroting in bykans dieselfde mate oorskry. Die aflossing van effekte gedurende die vierde kwartaal van 1996 het bygedra tot 'n klein afname in die verhouding van die totale staatskuld tot die bruto binnelandse produk van Maart tot Desember 1996.

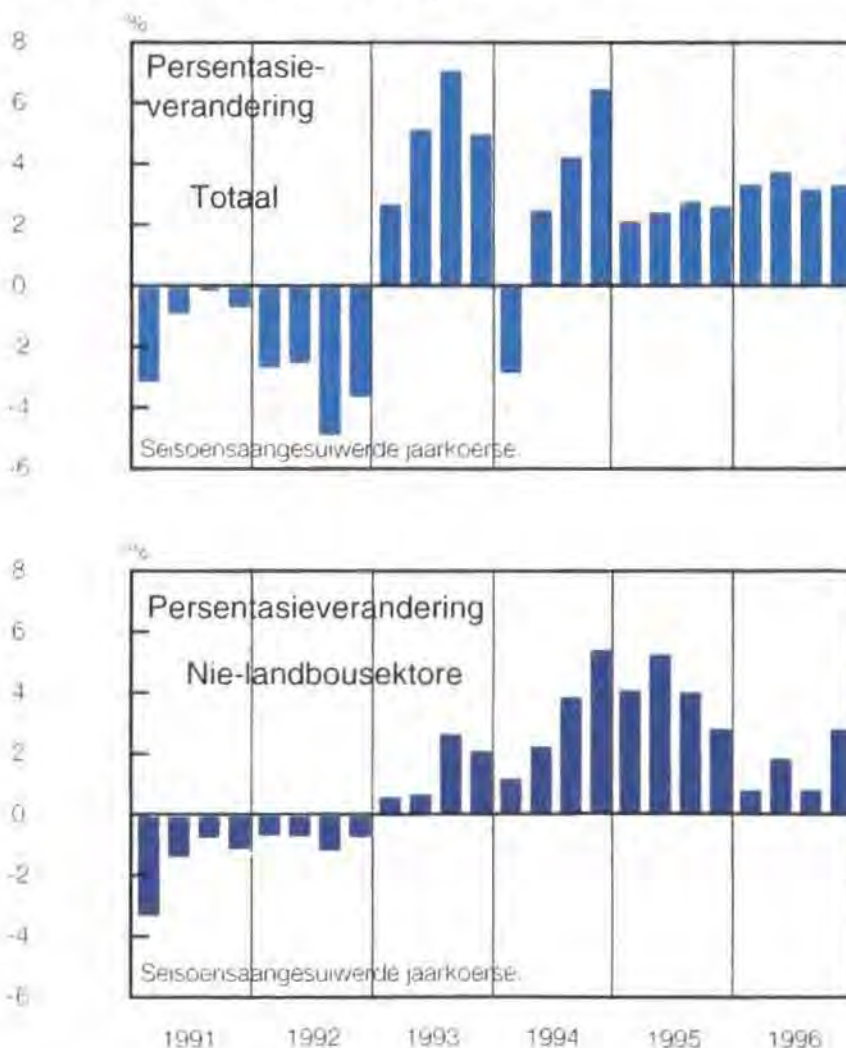
Binnelandse ekonomiese ontwikkelings

Binnelandse produksie

Die verandering in die reële bruto binnelandse produk teen 'n seisoensaangesuiwerde jaarkoers het van 3 persent in die derde kwartaal van 1996 tot 3½ persent in die vierde kwartaal versnel. Die groei in die vierde kwartaal was min of meer in ooreenstemming met die groeikoerse wat in die eerste twee kwartale van 1996 aangeteken is en het daartoe bygedra dat die groei van jaar tot jaar in die reële bruto binnelandse produk in die kalenderjaar 1996 ongeveer 3 persent bedra het, vergeleke met 3½ persent in 1995. Hoewel die groei van jaar tot jaar in 1996 effens gedaal het, was dit steeds betekenisvol hoër as die gemiddelde groeikoers van 1 persent per jaar wat oor die tydperk sedert 1985 aangeteken is.

Die totale groei in produksie gedurende 1996 is deur 'n ommekeer in die wel en wee van die landbousektor aangehelp. Totale boerderyinkomste is in 1995 ernstig deur die swak klimaatstoestande aan bande gelê en die reële toegevoegde waarde van die landbousektor het met 15 persent gedaal. In teenstelling hiermee was 1996 'n buitengewoon goeie landboujaar met 'n heelwat hoër mielie- en koringproduksie as wat in 'n "gemiddelde" jaar verwag sou kon word. Die reële toegevoegde waarde

Reële bruto binnelandse produk



Tabel 1. Reële bruto binnelandse produk
 Persentasieverandering teen seisoensaangesuiwerde jaarkoerse

Sektore	1995	1996				Jaar
	Jaar	1e kw	2e kw	3e kw	4e kw	
Primêre sektore	-7½	23	13	15	5½	8
Landbou	-15	86½	53	60	12½	26
Mynbou	-3	-½	-5	-7½	1	-1½
Sekondêre sektore.....	6½	½	3	½	2½	1
Fabriekswese.....	7½	-1	3	-1	2	½
Tersiêre sektore	3½	1	3	2	3	3
Handel	6½	-2½	5½	0	3	3½
Vervoer, opberging en kommunikasie.....	5	1	2	3	2½	3
Finansiële dienste.....	3½	3½	3	4	4	3½
Totaal	3½	3½	3½	3	3½	3
Nie-landbousektore.....¹	4½	1	2	1	3	2

van die landbousektor het gevolglik in 1996 met 26 persent toegeneem. Die groeikoers in die totale reële produksie buite die landbousektor het van 4½ persent in 1995 tot 2 persent in 1996 teruggesak. Die groeikoers van die nie-landbouproduksie het egter teen die einde van 1996 merkbaar van 1 persent in die derde kwartaal tot 3 persent in die vierde kwartaal versnel.

Die koers van afname in die reële toegevoegde waarde van die *mynboubedryf* het van 3 persent in 1995 tot 1½ persent in 1996 gedaal. Die verandering in die mynbouproduksie het trouens van 'n daling van 7½ persent teen 'n jaarkoers in die derde kwartaal van 1996 na 'n toename van 1 persent in die vierde kwartaal omgeswaai. Goudmynbouproduksie, wat in 1996 tot die laagste vlak in 40 jaar gedaal het, het in die vierde kwartaal van verlede jaar effens herstel. In teenstelling met die styging in goudmynbouproduksie in die vierde kwartaal van 1996, het die reële toegevoegde waarde van die res van die mynbou in dié kwartaal 'n klein daling getoon.

Die reële toegevoegde waarde van die *fabriekswesesektor* het in die vierde kwartaal van 1996 teen 'n jaarkoers van 2 persent toegeneem, nadat dit in die derde kwartaal met 1 persent gedaal het. Die toename in produksie in die vierde kwartaal van 1996 is oor al die belangrike subsektore van fabriekswese versprei en was onder andere 'n reaksie op die stewige uitvoervraag na vervaardigde goedere, heel waarskynlik as gevolg van die verbeterde prysmededingendheid van Suid-Afrikaanse vervaardigers in die uitvoermarkte. In 1996 in die geheel het die fabriekswesesektor daarin geslaag om sy produksievlak met ½ persent te laat toeneem, vergeleke met 7½ persent in 1995.

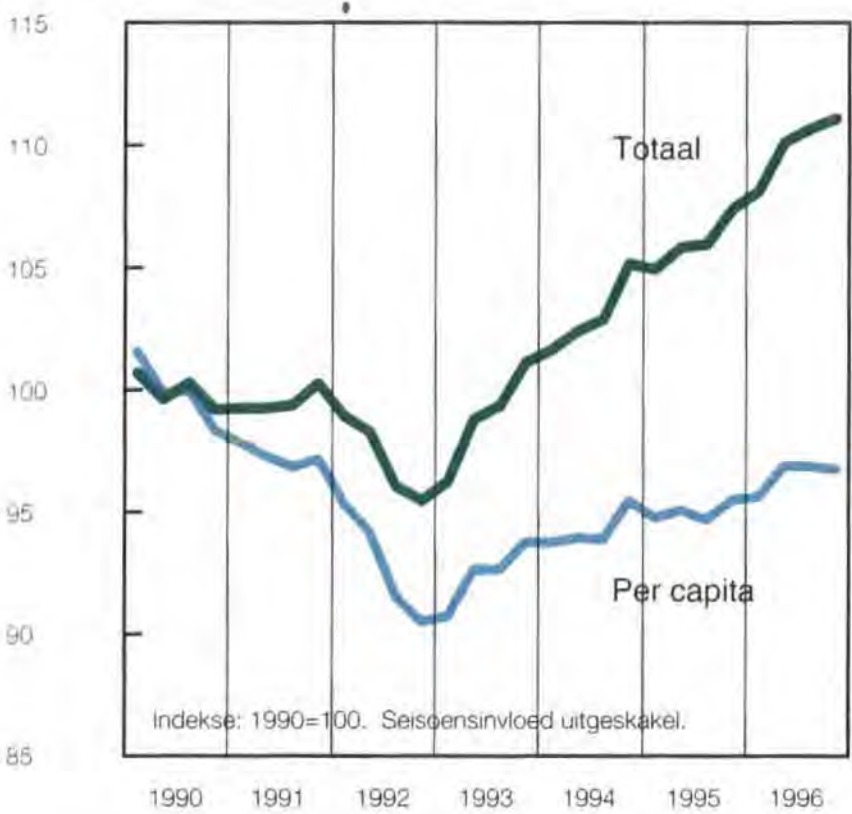
Die groei in die reële toegevoegde waarde van die sektor wat *elektrisiteit, gas en water* voorsien, het van 'n gemiddelde jaarkoers van 6 persent in die eerste drie

kwartale van 1996 tot 'n jaarkoers van 5 persent in die vierde kwartaal verlangsaam. Vir 1996 in die geheel het die reële toegevoegde waarde van hierdie sektor met 5 persent gestyg, vergeleke met 3½ persent in 1995. Elektrisiteitsopwekking het gereageer op die sterk vraag afkomstig van die mineraalveredelingsaanlegte wat baie krag verbruik, verhoogde uitvoer van elektrisiteit na buurlande, 'n strawwe winter en die groeiende aantal verbruikers wat aan die landswye elektrisiteitsnetwerk gekoppel word.

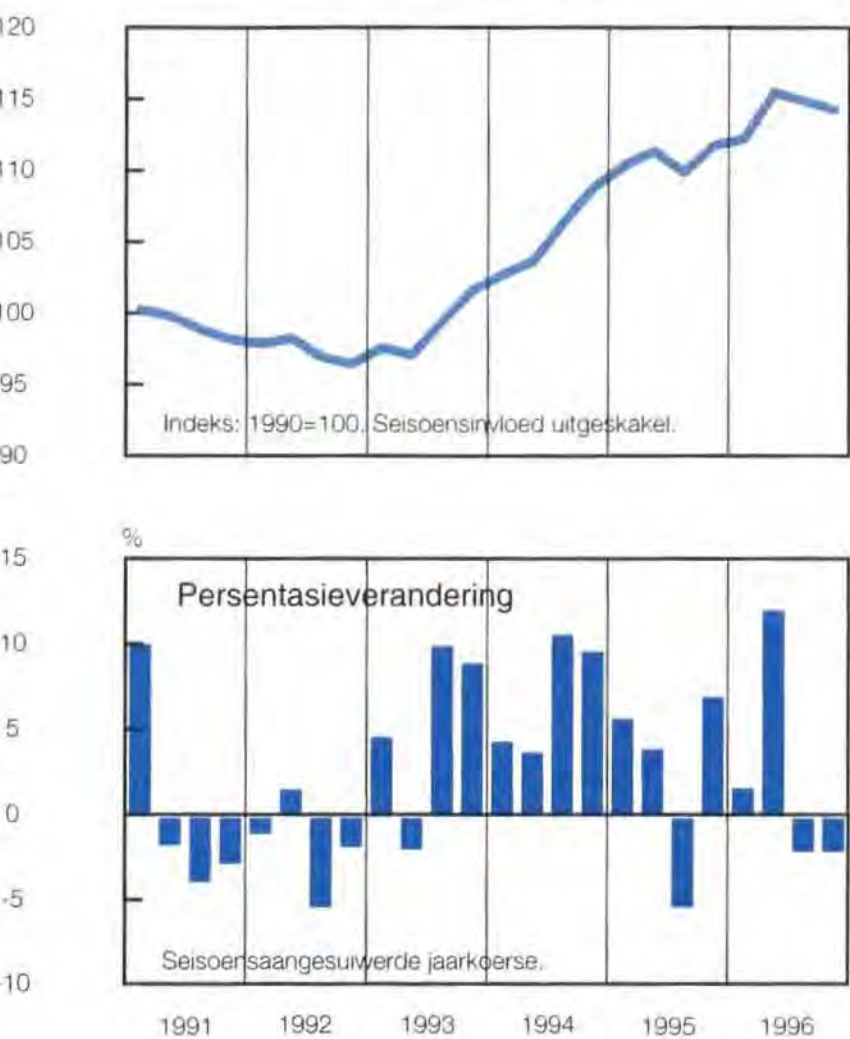
Al die belangrike subsektore het tot die betreklik stewige groei in die reële toegevoegde waarde van die *tersiêre sektore* in 1996 bygedra. Bedrywigheid in die klein-, groot- en motorhandel is aangehelp deur die positiewe ingesteldheid van verbruikers, die algemeen hoë vlak van finale vraag, die styging in landbou-inkomste en die groot aantal buitelandse toeriste wat die land besoek het. Die positiewe invloed van hierdie kragte is deur die hoë en stygende koste van krediet teengewerk, sodat die groei in die reële toegevoegde waarde van die handelsektor van 6½ persent in 1995 tot 3½ persent in 1996 verlangsaam het. Die groei in die produksie van die sektor *vervoer en kommunikasie* is aangehelp deur die hoë vlakke van finale vraag en die buitengewoon groot hoeveelhede landbouprodukte wat vervoer moes word. Die groei in die produksie van die sektor vervoer en kommunikasie het nietemin van 5 persent in 1995 tot 3 persent in 1996 verlangsaam. Die sterk toename in die bedrywigheid in die belangrikste finansiële markte het in 1996 'n toename van 3½ persent in die reële produksie van die *finansiële dienstesektor* teweeggebring – dieselfde groeikoers as wat in 1995 aangeteken is.

Die groei in die *reële bruto nasionale produk* is deur 'n betreklike skerp toename in die reële waarde van die netto faktorbetalings aan nie-inwoners teruggehou,

Reële bruto nasionale produk



Reële bruto binnelandse besteding



maar het nogtans van 3 persent in 1995 tot 3½ persent in 1996 versnel. Indien die groei van die totale bevolking in aanmerking geneem word, het die reële bruto nasionale inkome per hoof van die bevolking in 1996 met 1½ persent toegeneem. Dit was die derde agtereenvolgende styging in die reële bruto nasionale inkome per hoof van die bevolking, wat beteken dat die reële inkome per hoof van die bevolking in 1996 na raming sowat 4½ persent hoër as in 1993 was. Hierteenoor het die reële inkome per hoof van die bevolking tussen 1988 en 1993 met sowat 12 persent afgeneem.

Binnelandse besteding
Die reële bruto binnelandse besteding (seisoensaangesuiwerd en teen 'n jaarkoerse) het in die tweede kwartaal van 1996 teen 'n baie hoë koers van 12 persent toegeneem, maar daarna met 2 persent in elk van die laaste twee kwartale van dié jaar gedaal. Die groei in die reële bruto binnelandse besteding vir die

Tabel 2. Reële bruto binnelandse besteding
Persentasieverandering teen seisoensaangesuiwerde jaarkoerse

Komponente	1995	1996				Jaar
	Jaar	1e kw	2e kw	3e kw	4e kw	
Private verbruiksbesteding.....	4½	3½	4	3	2½	4
Verbruiksbesteding deur die algemene owerheid.....	½	6½	9	5½	4½	5
Bruto binnelandse vaste investering.....	10½	8	6	4½	2½	7
Verandering in voorrade (R miljarde).....	6,3	1,4	6,7	3,0	0,2	2,8
Bruto binnelandse besteding	5	1½	12	-2	-2	3

Tabel 3. Reële private verbruiksbesteding
 Persentasieverandering teen seisoensaangesuiwerde jaarkoerse

Komponente	1995	1996				Jaar
	Jaar	1e kw	2e kw	3e kw	4e kw	
Duursame goedere.....	7½	1½	11½	-1½	11½	6
Semi-duursame goedere.....	6	3	3	4	3½	3½
Nie-duursame goedere.....	4	4½	3½	4	1	4
Dienste	4½	3	2	1	1	3
Totaal.....	4½	3½	4	3	2½	4

volle kalenderjaar 1996 word op 3 persent geraam; in 1995 is groei van 5 persent aangeteken. Binnelandse vaste investering en verbruiksbesteding deur die algemene owerheid was in 1996 die belangrikste bydraers tot groei in die binnelandse vraag. Private verbruiksbesteding het ook sterk toegeneem, hoewel teen 'n laer koers as in 1995. 'n Aansienlik kleiner opbouing van voorrade was hoofsaaklik vir die laer groei in die reële bruto binnelandse besteding in 1996 verantwoordelik, veral in die tweede helfte van dié jaar.

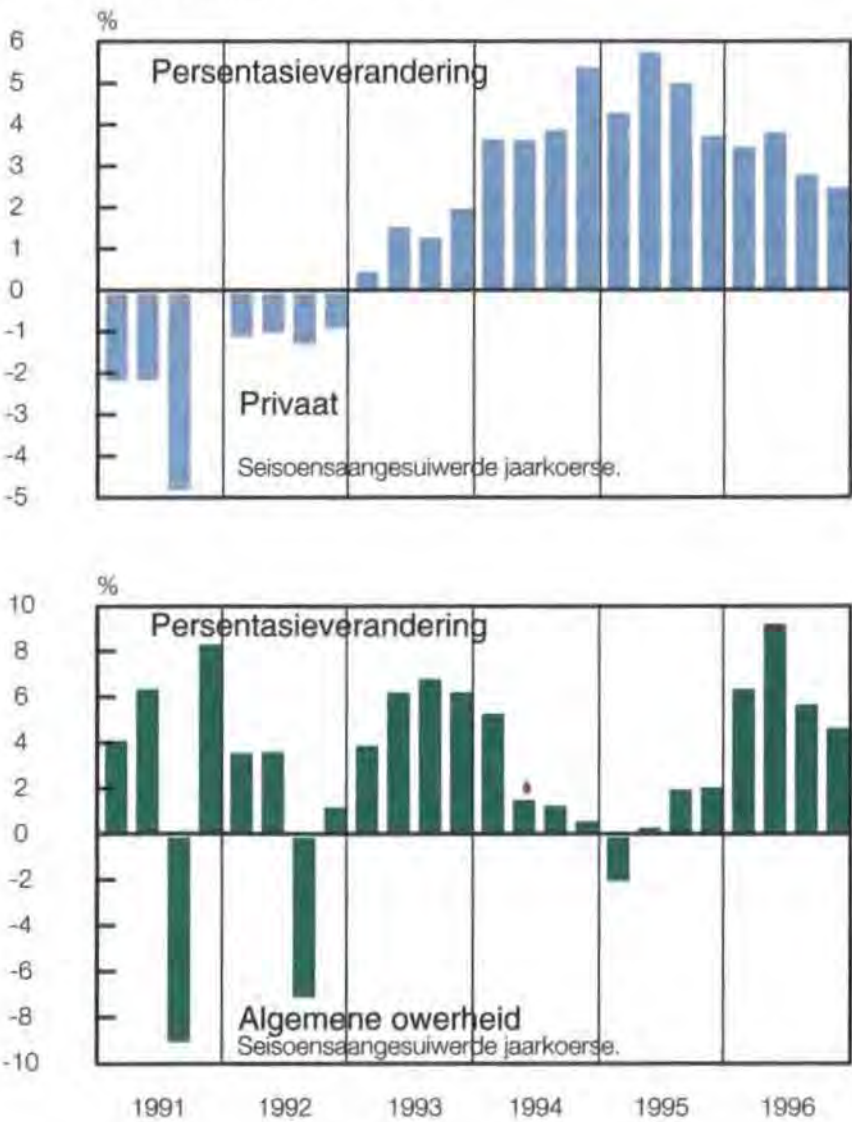
Die reële *private verbruiksbesteding* het gedurende die eerste drie kwartale van 1996 teen seisoens-aangesuiwerde jaarkoerse van tussen 3 en 4 persent toegeneem. Die groei in die reële private verbruiksbesteding het in die vierde kwartaal tot 2½ persent verlangsaam. Hierdie verlangsaaming in die groei van die reële besteding van huishoudings aan verbruik, wat in 1995 en in die eerste drie kwartale van 1996 oor die algemeen lewendig was, is deur afnames in die verbruiksbesteding aan semi-duursame goedere, nie-duursame goedere en dienste veroorsaak. In teenstelling hiermee, het 'n skerp styging in die besteding aan motorvoertuie veroorsaak dat die totale besteding van huishoudings aan duursame verbruiksgoedere in die vierde kwartaal van 1996 teen 'n baie hoë koers toegeneem het (sien tabel 3).

Die groei in die reële private verbruiksbesteding vir die volle kalenderjaar 1996 word op 4 persent gereken, vergeleke met 4½ persent in 1995. 'n Toenemende bewuswording onder huishoudings van die styging van hul skuld in verhouding tot hul inkome, die hoë koste verbonde aan die finansiering van skuld en 'n styging in die deel van die inkome van huishoudings wat as direkte belasting oorbetaal word, was onder andere vir die effens versigtiger houding van verbruikers in 1996 verantwoordelik. Direkte belasting as 'n persentasie van die lopende inkome van huishoudings het van 14 persent in 1995 tot 14½ persent in 1996 gestyg.

Die groei in die *reële verbruiksbesteding deur die algemene owerheid* het in die eerste helfte van 1996 skerp versnel, maar toe in die tweede helfte verlangsaam, hoewel tot 'n vlak wat nog steeds hoog was vergeleke

met die groei in die reële bruto binnelandse produk (sien tabel 2). Vir die kalenderjaar 1996 in die geheel is die groei in die reële verbruiksbesteding deur die algemene owerheid op 5 persent geraam, vergeleke met 'n toename van ½ persent in 1995. Die sterk groei in die verbruiksbesteding deur die algemene owerheid was strydig met een van die doelwitte van die owerheid se makro-ekonomiese strategie vir groei en ontwikkeling,

Reële verbruiksbesteding



wat 'n afname in die verhouding van owerheidsverbruiksbesteding tot die bruto binnelandse produk tot 20 persent in 1996 en 18 persent in die jaar 2000 in die vooruitsig gestel het. Die verhouding van owerheidsverbruiksbesteding tot die bruto binnelandse produk het inderwaarheid van 20½ persent in 1995 tot 21 persent in 1996 toegeneem.

Ramings van die *totale reële bruto binnelandse vaste investering* (seisoensaangesuiwerd en teen 'n jaarkoers) toon dat die groei in die vier kwartale van 1996 bly daal het; die groei in die vierde kwartaal van 1996 het tot 2½ persent afgeneem, vergeleke met 8 persent in die eerste kwartaal. Vir die volle kalenderjaar 1996 het die reële bruto vaste investering met 7 persent gestyg. Hoewel dit steeds hoog was vergeleke met die gemiddelde jaarlikse groei in reële bruto vaste investering in die negentigerjare, was die koers van toename in 1996 aansienlik laer as die groei van 10½ persent wat vir 1995 geraam is.

Die groei in die reële bruto vaste kapitaalvorming van die *private sektor* het in 1996 deurentyd sterk gestyg, maar teen 'n effens laer koers as gedurende 1995. Die koers van toename van jaar tot jaar in die reële vaste kapitaalvorming van die private sektor het gevolglik van 13 persent in 1995 tot 6½ persent in 1996 gedaal. Al die belangrikste sektore van die ekonomie het in die

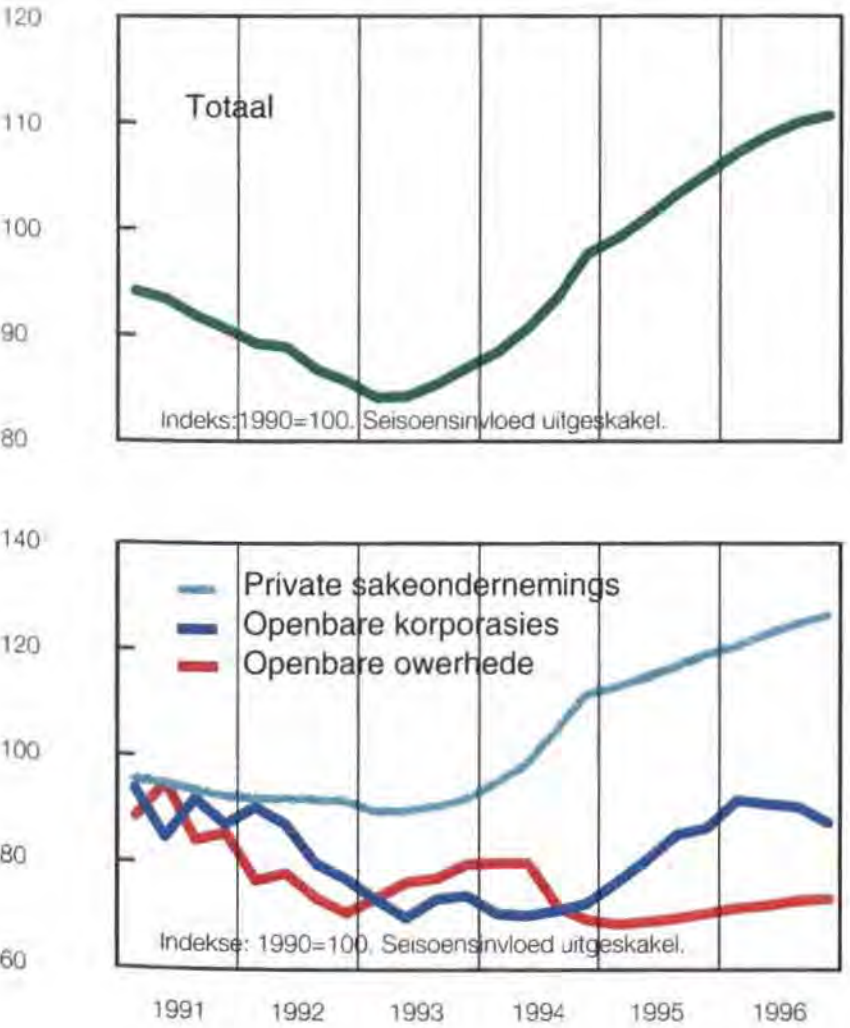
uitbreiding van die vaste investering van die private sektor deel gehad. Stewige groei koerse kon veral in die landbou, fabriekswese, handel en die konstruksie van private woongeboue waargeneem word.

Daar word verwag dat die vaste investering in die private fabriekswese voordeel sal put uit die owerheid se Ontwikkelingsprogram vir die Fabriekswese, wat deel uitmaak van die owerheid se pakket van aanbodkantmaatreëls in die makro-ekonomiese strategie vir groei en ontwikkeling. Van die belangrikste elemente van die program is:

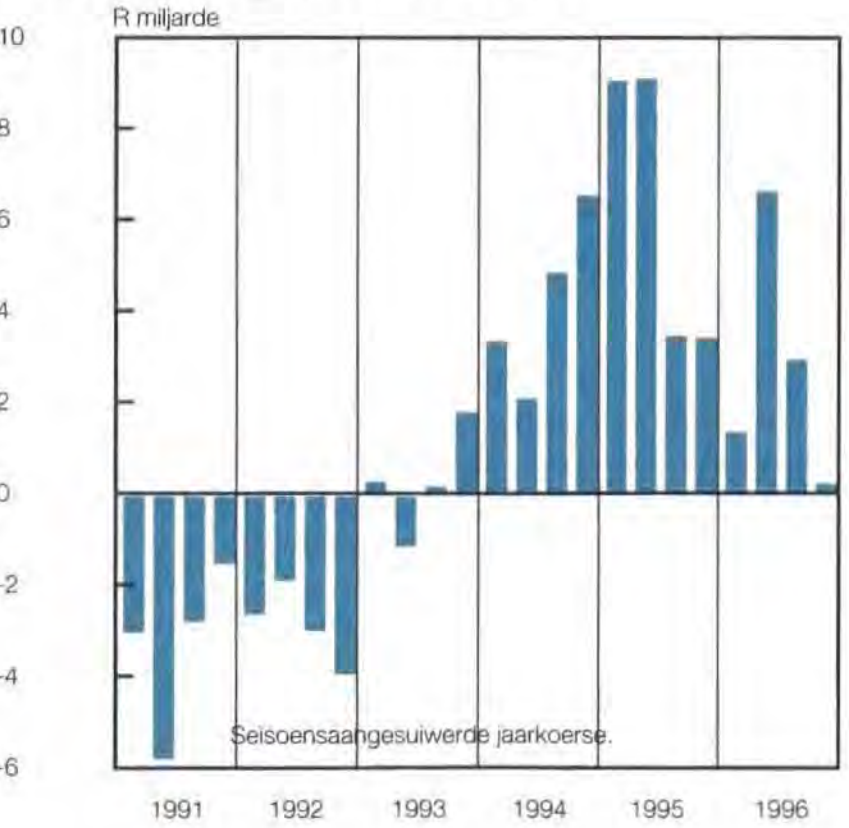
- 'n versnelde waardeverminderingstoelaag met ingang van 1 Julie 1996 vir inkomstebelastingdoeleindes op masjinerie en toerusting en op geboue wat vir vervaardigingsbedrywighede bestem is; en
- 'n belastingvakansie van tot 6 jaar op nuwe projekte met bates van meer as R3 miljoen.

Hoewel die reële vaste kapitaalbesteding deur die *openbare korporasies* in die laaste drie kwartale van 1996 afgeneem het, het die groei koerse van jaar tot jaar in die kalenderjaar 1996 steeds 10 persent bedra, vergeleke met 15½ persent in 1995. Die openbare korporasies wat in die fabriekswese, elektrisiteitsopwekking, watervoorsiening en vervoer betrokke is, het hul uitbreidingsprogramme gedurende 1996 ingekort. Telkom het volgehou met 'n sterk uitbreiding van sy investeringsbedrywighede, maar dit kon nie die stadiger groei in investeringsbedrywigheid van die ander openbare korporasies teenwerk nie. Die reële vaste kapitaal-

Reële bruto binnelandse vaste investering



Verandering in totale reële voorrade



besteding deur die *openbare owerhede* het van 'n jaar-tot-jaar daling van 7½ persent in 1995 tot 'n toename van 4½ persent in 1996 omgeswaai as gevolg van 'n toename in die verskaffing van openbare dienste deur departemente van die algemene owerheid.

Die opbouing van *voorrade* wat in die tweede helfte van 1993 begin het, het in 1996 voortgeduur, maar die koers van voorraadopbouing het in die tweede helfte van 1996 merkbaar afgeneem. Die verlangsamings in voorraadopbouing in die tweede helfte van 1996 was in al die belangrikste subsektore van die ekonomie merkbaar, met die uitsondering van landbou-bemarkingsinstellings waar voorrade opgehoop het bloot as gevolg van die grootte van die mielie- en koringoeste asook fisiese beperkings op die vermoë om groot hoeveelhede te vervoer. Die stadiger opbouing van voorrade in die tweede helfte van 1996 is hoofsaaklik deur die swakker totale binnelandse finale vraag en verwagtings van verdere verlangsamings veroorsaak. Dit is versterk deur die toename in die pryse van ingevoerde goedere en die hoë koste om voorrade te hou terwyl reële rentekoerse hoog is. In die vierde kwartaal van 1996 het die vlak van nywerheids- en handelsvoorrade in verhouding tot die bruto binnelandse produk, met uitsluiting van die landbou, 18½ persent bedra.

Faktorinkome

Die groei van jaar tot jaar in die *totale nominale faktorinkome* teen markpryse het van 11 persent in die eerste kwartaal van 1996 tot 12 persent in die derde en vierde kwartaal gestyg. Vir 1996 in die geheel het die koers van toename van jaar tot jaar in die faktorinkome 12 persent beloop, teenoor 12½ persent in 1995. Hierdie verlangsamings was die gevolg van effens laer toenames in die groei van jaar tot jaar in die totale vergoeding van werknemers, terwyl die groei in die totale bruto bedryfsurplusse effens versnel het.

Die koers van toename van jaar tot jaar in die nominale *bruto bedryfsurplus* het van 12½ persent in 1995 tot 15 persent in 1996 gestyg. Skerp toenames in die bedryfsurplusse van landbou en mynbou, veral die goudmynbou, was hoofsaaklik vir hierdie vinniger groei verantwoordelik. Indien die landbousektor buite rekening gelaat sou word, het die groei van jaar tot jaar in die bruto bedryfsurplus van die sektore buite die landbou van 15 persent in 1995 tot 14 persent in 1996 afgeneem.

Die koers van toename oor vier kwartale in die totale *vergoeding van werknemers* het van 10 persent in die eerste twee kwartale van 1996 tot 10½ persent in die laaste twee kwartale van die jaar versnel. Vir die kalenderjaar 1996 het die groei van jaar tot jaar in die totale salarisse en lone 10½ persent beloop, wat effens minder as die 11½ persent van 1995 is. Die toenames in 1996 was steeds hoër as die inflasiekoers wat toe geheers het, sodat die reële loonrekening van die land bly styg het, ondanks 'n aansienlike toename in werkloosheid. As persentasie van die bruto binnelandse produk, het die totale vergoeding van werknemers van

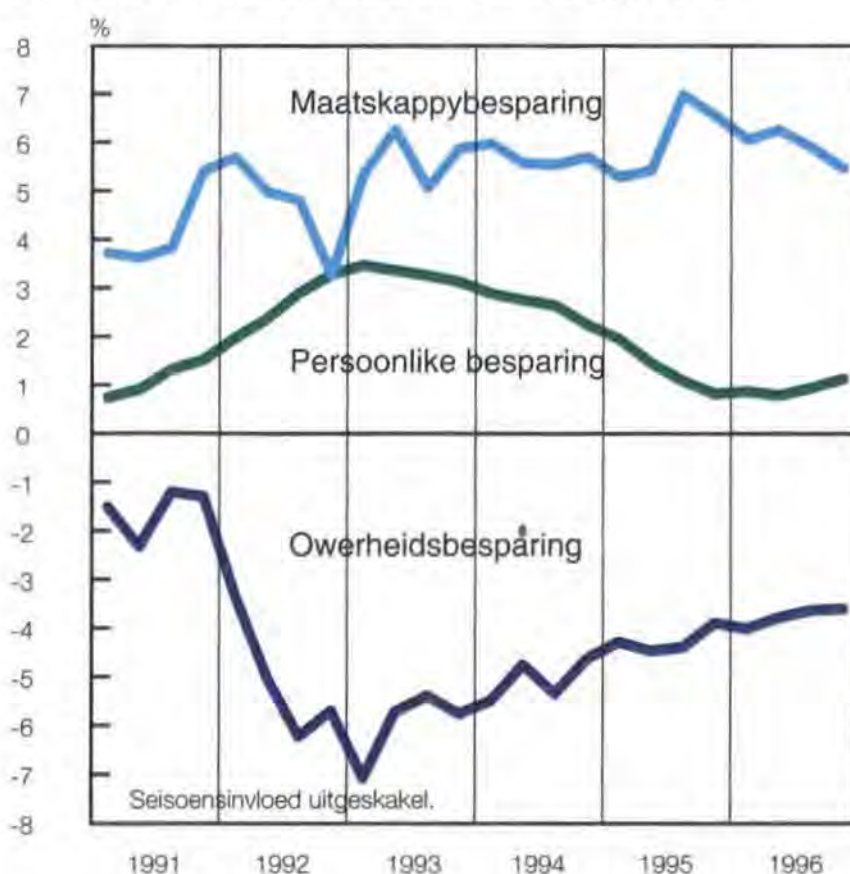
60 persent in 1995 tot 59 persent in 1996 gedaal. Gedurende die sewentiger- en tagtigerjare het hierdie verhouding gemiddeld 57½ persent beloop.

Binnelandse besparing

Die verhouding van *bruto binnelandse besparing* tot die bruto binnelandse produk het van 17 persent in 1995 tot 16½ persent in 1996 gedaal. Die verswakking in die binnelandse besparingsverhouding en die verdere styging in die binnelandse investering het beteken dat ongeveer 8½ persent van die totale bruto binnelandse investering óf deur die vermindering van die goud- en ander buitelandse reserwes van die land óf deur 'n netto inwaartse beweging van kapitaal in die ekonomie gefinansier moes word.

Die netto *ontsparring deur die algemene owerheid* in verhouding tot die bruto binnelandse produk het van 4 persent in 1995 tot 3½ persent in 1996 gekrimp. Hierdie vermindering in die ontsparing deur die owerheid was hoofsaaklik die gevolg van skerp toenames in belastingontvangste wat in 1996 in verhouding meer as die lopende besteding van die algemene owerheid gestyg het. As gevolg van die styging in belastingontvangste het die verhouding tussen totale inkomme uit belasting van die algemene owerheid en die bruto binnelandse produk in 1996 tot 27½ persent gestyg, vergeleke met 'n gemiddelde verhouding van 26 persent in die eerste helfte van die negentigerjare en 22½ persent in die tagtigerjare.

Komponente van binnelandse besparing as persentasie van bruto binnelandse produk



Die styging in die direkte belasting wat deur individue betaal is, saam met die vinnige styging in kredietgedrewe private verbruiksbesteding, het die moontlikheid dat die *besparing van huishoudings* in 1996 enigsins betekenisvol kon toeneem, in die wiewe gery. Die netto besparing van huishoudings in verhouding tot die totale bruto binnelandse produk het gevolglik van 1½ persent in 1995 tot 1 persent in 1996 teruggesak. Die baie lae besparingsverhouding van die huishoudingsektor is nie net ontoereikend met betrekking tot die investerings- en groeiverreistes van die ekonomie nie, maar weerspieël ook die kort tydgrens waarin verbruikers hul bestedings- en besparingsbesluite neem. Dit dui ook op 'n gebrek aan besorgdheid by individue om vir hul oudag voorsiening te maak. Dit kan in die komende jare ernstige gevolge vir openbaresektorbesteding inhou. Die grootste deel van die besparingsvloeiinge van die private sektor is tans steeds in die maatskappysektor gesetel.

Werkverskaffing

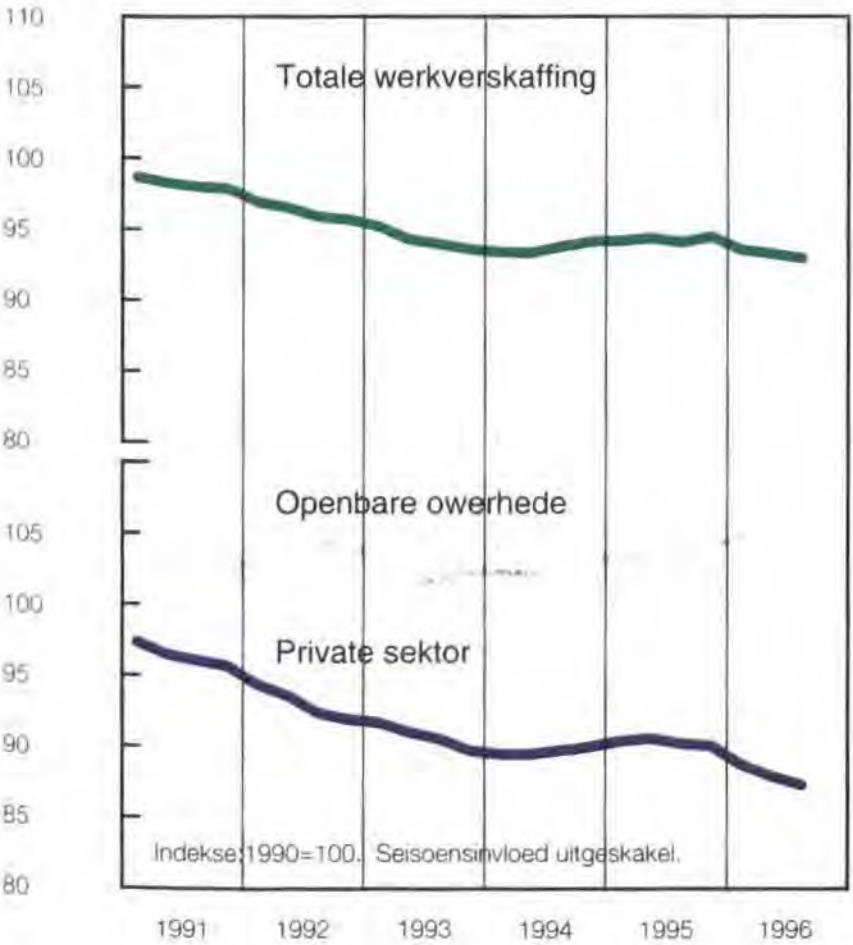
Totale werkverskaffing in die formele sektore van die ekonomie buite die landbou, wat slegs een keer gedurende enige kalenderjaar sedert 1989 toegeneem het, toe dit in 1995 met 0,7 persent gestyg het, het van kwartaal tot kwartaal in die eerste kwartaal van 1996 teen 'n seisoensaangesuiwerde

jaarkoers van 3,9 persent, in die tweede kwartaal teen 1,1 persent en in die derde kwartaal teen 1,4 persent afgeneem. Hierdie verandering in omstandighede is grootliks veroorsaak deur 'n afname in die aantal persone wat deur ondernemings in die private sektor in diens geneem is. Die werkertal van die openbare sektor het in die tweede en derde kwartale van 1996 toegeneem, hoewel teen 'n laer koers as in die laaste kwartaal van 1995.

Na 'n kort tydperk van stygende werkverskaffing vanaf die derde kwartaal van 1994 tot die tweede kwartaal van 1995 het die totale aantal persone in diens van die *private sektor van die ekonomie buite die landbou* in die derde kwartaal van 1995 begin afneem. Opeenvolgende afnames in werkverskaffing in die private sektor van 5,8 persent, 3,6 persent en 2,8 persent van kwartaal tot kwartaal teen seisoensaangesuiwerde jaarkoerse is in die eerste drie kwartale van 1996 aangeteken. Die opvallendste afnames het in die mynwese, fabriekswese en konstruksiesektore voorgekom. In die derde kwartaal van 1996 het vermindering in werkverskaffingstotale in die mynwese, fabriekswese, konstruksie, elektrisiteitsverskaffing, banke en private vervoer plaasgevind. Die opgelope verlies aan waargenome werkgeleenthede in die private sektor sedert die tweede kwartaal van 1995, het in die derde kwartaal van 1996 op 128 000 te staan gekom.

Totale werkverskaffing deur *openbare owerhede* het in 1995 met 0,5 persent toegeneem. 'n Afname teen 'n seisoensaangesuiwerde jaarkoers van 0,2 persent is in die eerste kwartaal van 1996 aangeteken, gevolg deur toenames teen koerse van 4,0 persent in die tweede kwartaal en 1,1 persent in die derde kwartaal. Hierdie groei in werkverskaffingstotale het hoofsaaklik in die openbare administrasie op die sentrale en plaaslike owerheidsvlak voorgekom, en is geheel en al teenstrydig met die groei- en ontwikkelingstrategie, naamlik "Groei, Werkverskaf-

Werkverskaffing buite die landbou



Tabel 4. Veranderings in werkverskaffing in die sektore van die ekonomie buite die landbou
Veranderings van kwartaal tot kwartaal teen seisoensaangesuiwerde jaarkoerse

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

fining en Herverdeling" wat onlangs deur die regering aanvaar is. Ingevolge die strategie word 'n vermindering van 100 000 werkgeleenthede in die openbare sektor teen Junie 1997 in die vooruitsig gestel. Die werkertal van die openbare owerhede as 'n persentasie van totale formele werkverskaffing buite die landbou, het van 30,3 persent in die eerste kwartaal van 1990 tot 34,8 persent in die derde kwartaal van 1996 toegeneem.

'n Ietwat verontrustende aspek van langertermynneigings in werkverskaffing in die Suid-Afrikaanse ekonomie is dat die aantal werkgeleenthede wat gedurende 'n ekonomiese herstelfase geskep word, met elke opeenvolgende herstelfase kleiner word (sien bygaande grafiek). In die lig van die vinnige groei in die land se ekonomies bedrywige bevolking, benadruk hierdie bevinding die noodsaaklikheid van 'n spoedige inwerkingstelling van die regering se makro-ekonomiese strategie vir groei en werkskepping.

Indien die eerste nege maande van 1996 met dié van 1995 vergelyk word, het die afname in totale werkverskaffing in die formele sektore van die ekonomie buite die landbou, verder neerslag gevind in 'n verhoging van 7,3 persent in die totale aantal geregistreerde werkloos. Die totale aantal geregistreerde werkloos het in September 1996 276 000 beloop, in vergelyking met 256 000 'n jaar tevore.

Volgens die Oktober-huishoudingsopname van die Sentrale Statistiekdiens vir 1995 was sowat 29,3 persent van Suid-Afrika se ekonomies bedrywige

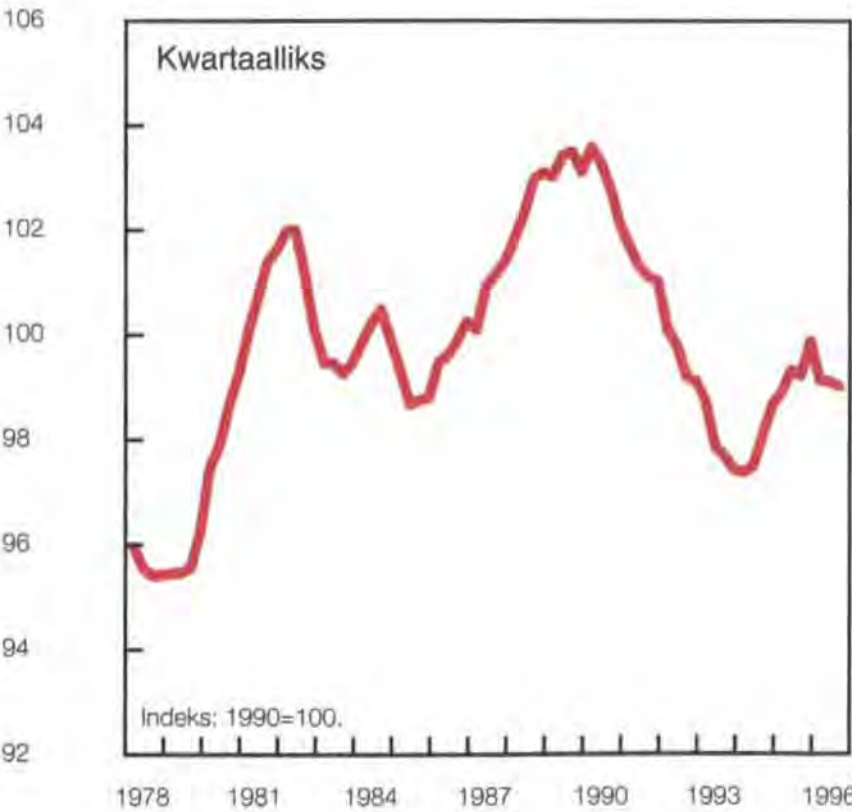
bevolking werkloos. Hierdie beraming bied 'n somber beeld en plaas Suid-Afrika naastenby in ooreenstemming met werkloosheidskoerse elders in die wêreld: volgens die Internasionale Arbeidsorganisasie (IAO) ervaar sowat 30 persent van die wêreld se werkersmag werkloosheid of onderindiensname, indien die industriële sowel as ontwikkelende lande in aanmerking geneem word.

'n Belangrike ontwikkeling gedurende 1996 was die inwerkingstelling van die nuwe Wêreld op Arbeidsverhoudinge. Die nuwe Wet het ten doel om werkverskaffing in die Suid-Afrikaanse ekonomie aan te help, binnelandse maatskappye se mededingendheid op internasionale markte te verstewig en, oor die algemeen, tot die inwerkingstelling van die regering se makro-ekonomiese strategie by te dra. Die Wet het voorsiening gemaak vir die totstandkoming van die Kommissie vir Versoening, Bemiddeling en Arbitrasie (CCMA), wat beoog om die vinniger oplossing van geskille te bewerkstellig. Die CCMA het in die eerste paar weke na sy totstandkoming al 355 geskille wat na hom verwys is, suksesvol besleg. Die nuwe institusionele raamwerk wat deur die Wet daargestel is beoog om 'n meer samewerkende vorm van arbeidsverhoudinge te ontwikkel en uit te bou, in teenstelling met die strydlike ingesteldheid wat in die verlede gegeld het.

Arbeidskoste en produktiwiteit

Die koers van toename in die gemiddelde nominale vergoeding per werker in die formele sektore van die ekonomie buite die landbou het van 'n koers van 11,9 persent van jaar tot jaar in 1994 tot 9,4 persent in 1995 verlangsaam. Die afwaartse beweging in die groei van nominale salarisse en lone het in die tweede kwartaal van 1995 tot 'n einde gekom, en sedert die derde kwartaal van daardie jaar het die persentasieverandering oor vier kwartale in die gemiddelde nominale vergoeding per werker oor die algemeen toegeneem. Soos in Tabel 5 aangetoon word, is die hoër koers van toename in vergoeding deur verhogings

Konjunktuele beweging van werkverskaffing buite die landbou



Tabel 5. Die koers van toename oor vier kwartale in nominale vergoeding per werker

Persent	Openbare owerheid	Private sektor	Totaal
1995: 1e kw	14,1	10,3	11,7
2e kw	-1,4	12,7	7,1
3e kw	5,8	10,8	8,9
4e kw	8,5	11,0	10,1
1996: 1e kw	10,1	12,5	11,8
2e kw	11,1	10,5	10,9
3e kw	8,9	11,0	10,5

in gemiddelde salarisse en lone van werkers in sowel die private sektor as openbare owerhede veroorsaak.

Die koers van toename van jaar tot jaar in die *reële vergoeding per werker* in die sektore van die ekonomie buite die landbou (gedefinieer as die nominale vergoeding per werker gedeel deur die prysdeflator vir die nie-landbou bruto binnelandse produk) het van 3,2 persent in 1994 tot 0,8 persent in 1995 verlangsaam. Die koers van toename oor vier kwartale in reële vergoeding het nietemin in die derde kwartaal van 1995 begin versnel. 'n Koers van toename oor vier kwartale van 0,6 persent in die derde kwartaal van 1995 is deur 'n koers van 0,8 persent in die vierde kwartaal, 2,6 persent in die eerste kwartaal van 1996, 1,3 persent in die tweede kwartaal en 0,8 persent in die derde kwartaal gevolg. Die werklike groei in reële lone is aansienlik hoër as die 0,5 persent *afname* in reële lone in 1996, wat in die regering se makro-ekonomiese groei- en ontwikkelingsstrategie in die vooruitsig gestel word.

Die uitwerking van die hoë koerse van toename in reële vergoeding per werker op produkpryse is deels deur betreklike sterk groei in produktiwiteit teengewerk. *Reële produksie per werker* het in 1993 sowel as 1994 met 2,7 persent en toe verder met 3,3 persent in 1995 toegeneem – die sterkste produktiwiteitsgroei wat in 'n kalenderjaar sedert 1970 ondervind is. Produktiwiteitsgroei het in 1996 stewig gebly, en groei oor vier

kwartale van 3,3 persent, 3,0 persent en 2,3 persent is agtereenvolgens in die eerste drie kwartale van die jaar aangeteken.

Die koers van toename in nominale arbeidseenheidskoste (dit wil sê die verandering in die verhouding tussen die nominale vergoeding per werker en die reële uitset per werker) het van 17,2 persent in 1990 tot 9,0 persent in 1994 en 5,9 persent in 1995 geval. Hierdie verlangsaaming het aansienlik daartoe bygedra dat prysinflasie in die eerste helfte van die negentigerjare afgeneem het. Ongelukkig blyk dit dat die afwaartse neiging in die groei van nominale arbeidseenheidskoste in die tweede kwartaal van 1995 beëindig is toe 'n toename van 3,7 persent oor vier kwartale aangeteken is. Sedertdien het die toename oor vier kwartale in nominale arbeidseenheidskoste tot 8,2 persent in die eerste kwartaal van 1996, 7,7 persent in die tweede kwartaal en 7,9 persent in die derde kwartaal versnel. Hierdie versnelling is moontlik die grootste enkele bepaler van produksiekoste, en is deels vir die versnelling in produksie- en verbruikerspryse in die tweede helfte van 1996 verantwoordelik.

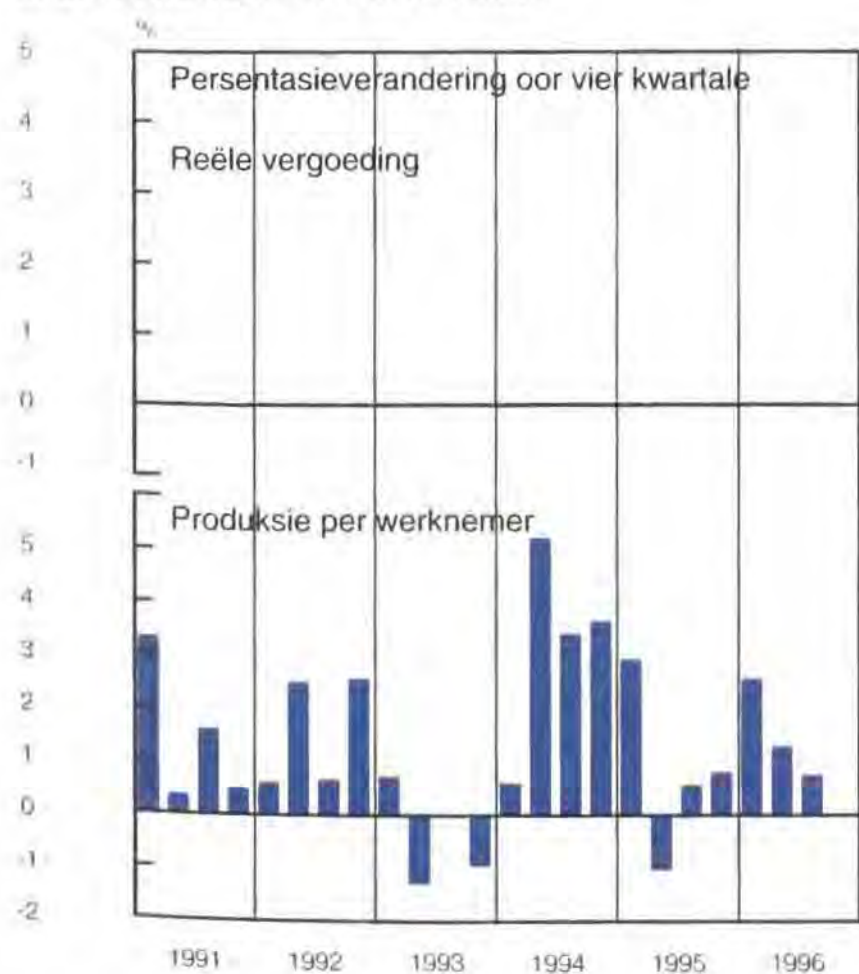
Pryse

Die stadiger groei in die nominale arbeidskoste per eenheid van produksie het 'n belangrike bydrae tot die daling in verbruikersprysinflasie van 9,0 persent in 1994 tot 8,7 persent in 1995 en 7,4 persent in 1996 gelewer. Verbruikersprysinflasie was in 1996 op sy laagste vlak sedert 1972. Die daling in omvattende prysinflasie is vanselfsprekend nie uitsluitlik deur stadiger koerse van toename in nominale arbeidseenheidskoste veroorsaak nie. Ander faktore wat afwaartse druk op prystoenames uitgeoefen het, was die deurlopende toepassing van 'n teen-inflasie monetêre beleid, verminderings in tariewe op ingevoerde goedere, dalings van maand tot maand in voedselpryse gedurende die tweede helfte van 1995 en 'n betreklik bestendige wisselwaarde van die rand tot die middel van Februarie 1996.

Sedert Maart 1996 is verskeie van die teen-inflasie neigings omgekeer – die toename in arbeidseenheidskoste het hoog gebly, die monetêre groothede en kredietverlening het teen buitengewoon hoë koerse uitgebrei, invoertariewe het min of meer onveranderd gebly, voedselpryse het 'n opwaartse neiging hervat en om die kroon te span, het die rand skerp gedepresieer. Boonop het die verskerping van monetêre beleid deur toenames in Bankkoers die nadelige uitwerking gehad om die waargenome vlak van verbruikersprysinflasie te verhoog. Die terugkeer van 'n opwaartse sydigheid in waargenome inflasie sedert die tweede kwartaal van 1996, stel beleidmakers voor die uitdaging om te verhoed dat 'n tweederonde-uitklingeffek op lone en pryse voorkom.

Die pryse van *ingevoerde goedere* het in 1995 met 7,6 persent en in 1996 met 5,3 persent gestyg. Die pryse van ingevoerde goedere het in die eerste kwartaal

Reële vergoeding en arbeidsproduktiwiteit in die sektore buite die landbou



van 1996 teen 'n seisoensaangesuiwerde jaarkoers van 6,0 persent toegeneem. Die depresiasie van die rand wat in Februarie 1996 'n aanvang geneem het, het daarna tot 'n toename in die verandering van kwartaal tot kwartaal in die pryse van ingevoerde goedere tot 7,3 persent in die tweede kwartaal bygedra. Die toename van kwartaal tot kwartaal in die pryse van ingevoerde goedere is in die derde kwartaal van 1996 teruggehou deur dalings in die pryse van ingevoerde mynbou- en steengroefprodukte, veral dié van ru-olie, en 'n jaarlikse toename van slegs 2,9 persent is aangeteken. Die toename van kwartaal tot kwartaal in die pryse van ingevoerde goedere het daarna tot 18,1 persent in die laaste kwartaal van 1996 gestyg. Die koers van toename in die pryse van ingevoerde goedere soos gemeet oor tydperke van twaalf maande het van 3,2 persent in April 1996 tot 9,3 persent in Desember versnel namate die depresiasie van die rand begin neerslag vind het.

Die toename in die pryse van *binnelands geproduseerde goedere* het van 9,9 persent in 1995 tot 7,5 persent in 1996 gedaal. Soos vroeër gemeld is, het die laer koers van toename in die arbeidseenheidskoste in 1995 wesenlik tot hierdie verlangsamings in die koers van prysinflasie bygedra. Die terugkeer van hernude stukrag in inflasie gedurende 1996, in besonder die versnelling in die koers waarteen arbeidseenheidskoste toegeneem het, het tot 'n toename in die inflasiekoers van binnelands ge-

produseerde goedere van 4,8 persent van kwartaal tot kwartaal teen 'n jaarkoers in die eerste kwartaal van 1996 tot 6,8 persent in die tweede kwartaal en 11,4 persent in die derde sowel as die vierde kwartaal gelei. Die pryse van binnelands geproduseerde goedere, gemeet oor 'n tydperk van twaalf maande, het in die jaar tot April 1996 met 5,9 persent toegeneem. Hierdie koers van toename het daarna tot 8,5 persent in die jaar tot Desember 1996 versnel. Die pryse van binnelands geproduseerde goedere het oor tydperke van twaalf maande tot en met November 1996 steeds vinniger as die pryse van ingevoerde goedere toegeneem.

Inflasie, soos gemeet aan veranderinge in die *omvattende produksieprysindeks*, het van 9,6 persent in 1995 tot 6,9 persent in 1996 afgeneem. Die toename in die omvattende produksieprysindeks op die grondslag van veranderinge van kwartaal tot kwartaal teen 'n seisoensaangesuiwerde jaarkoers het toenemend van 5,1 persent in die eerste kwartaal van 1996 tot 6,9 persent in die tweede kwartaal, 9,3 persent in die derde kwartaal en 12,7 persent in die vierde kwartaal versnel. Die toename in die omvattende produksieprysindeks, gemeet oor tydperke van twaalf maande, het tot 'n laagtepunt van 5,3 persent in April 1996 geval, maar het daarna teen 'n versnellende koers tot 8,8 persent in Desember toegeneem.

Die styging in die *omvattende verbruikersprysindeks* was in die tweede helfte van 1995 ietwat getemper weens die dalings in die pryse van voedsel en 'n verlangsamings in die prystoenames van nuwe motorvoertuie. Die afwaartse neiging in inflasie in verbruikerspryse is

Produksieprysindeks



Tabel 6. Prystoenames oor twaalf maande
Persent

Tydperk	Produksiepryse		Verbruikerspryse	
	Binnelands geproduseerde goedere	Ingevoerde goedere	Omvattend	Onderliggende inflasie*
1996: Apr	5,9	3,2	5,5	6,5
Mei	6,3	4,6	5,9	6,3
Jun	6,5	4,7	6,9	6,7
Jul	7,3	4,9	7,1	7,3
Aug	8,5	4,5	7,5	7,5
Sep	8,6	4,7	8,4	8,2
Okt	8,5	7,7	9,1	8,8
Nov	8,8	7,8	9,2	9,2
Des	8,5	9,3	9,4	9,2

* Verandering oor twaalf maande in die omvattende verbruikersprysindeks, uitgesluit die pryse van voedsel en nie-alkoholiese drank, huiseienaarskoste en belasting op toegevoegde waarde.

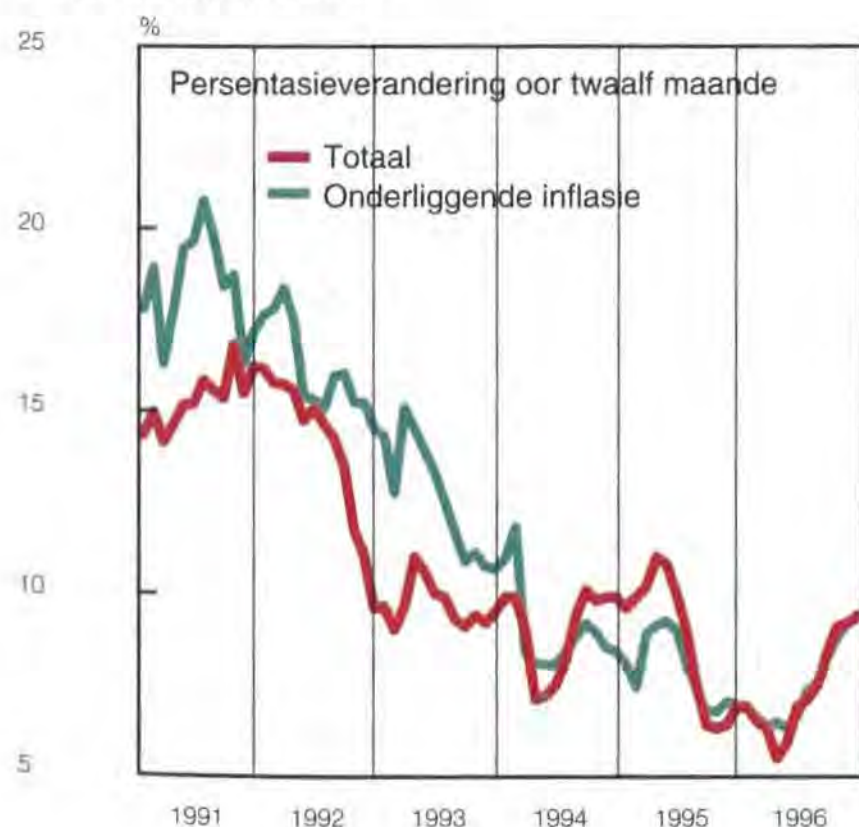
gedurende 1996 omgekeer en die kwartaal-tot-kwartaal-groei in pryse (teen seisoensaangesuiwerde jaarkoerse) het tot 7,8 persent in die tweede kwartaal, 8,8 persent in die derde kwartaal en 11,6 persent in die vierde kwartaal versnel. Die omvattende verbruikersprysinflasie, gemeet oor tydperke van twaalf maande, het in April 1996 tot slegs 5,5 persent gedaal, wat die laagste vlak sedert Junie 1972 was. Hierdie koers van toename in verbruikerspryse het vervolgens tot 9,2 persent in November 1996 en 9,4 persent in Desember versnel.

Die koers van toename in die omvattende verbruikersprysindeks het versnel in navolging van vinniger toenames in die pryse van *verbruikersgoedere* sowel as *verbruikersdienste*. Die pryse van verbruikersdienste het in die jaar tot Desember 1996 met 10,9 persent toegeneem, wat betekenisvol meer was as die styging van 8,6 persent in die pryse van verbruikersgoedere. Die versnelling in die pryse van verbruikersgoedere gedurende 1996 was egter merkbaar vinniger as die versnelling in die pryse van verbruikersdienste: die koers van toename oor twaalf maande in die pryse van verbruikersgoedere het van April tot Desember 1996 met 4,8 persentasiepunte versnel, terwyl die koers van toename in die pryse van verbruikersdienste oor dieselfde tydperk met 2,7 persentasiepunte versnel het.

Onderliggende inflasie (dit wil sê die verandering in die omvattende verbruikersprysindeks, met uitsluiting van die pryse van voedsel en nie-alkoholiese drank,

huiseienaarskoste en die belasting op toegevoegde waarde), wat gevoeliger is vir veranderings in omvattende monetêre toestande in die ekonomie, was gemiddeld 7,9 persent in 1995 en 7,5 persent in 1996. Die koers van toename van kwartaal tot kwartaal in die onderliggende inflasiekoers het van 'n seisoensaangesuiwerde jaarkoers van 6,4 persent in die eerste kwartaal van 1996 tot 8,5 persent in die tweede kwartaal, 9,0 persent in die derde kwartaal en 12,4 persent in die vierde kwartaal toegeneem. Onderliggende inflasie, gemeet oor tydperke van twaalf maande, het van 'n betreklik lae koers van 6,3 persent in Mei 1996 tot 9,2 persent in November en in Desember toegeneem. Hierdie neigings regverdig klaarblyklik die voortgesette waaksaamheid in die veldtog teen inflasie.

Verbruikersprysindeks



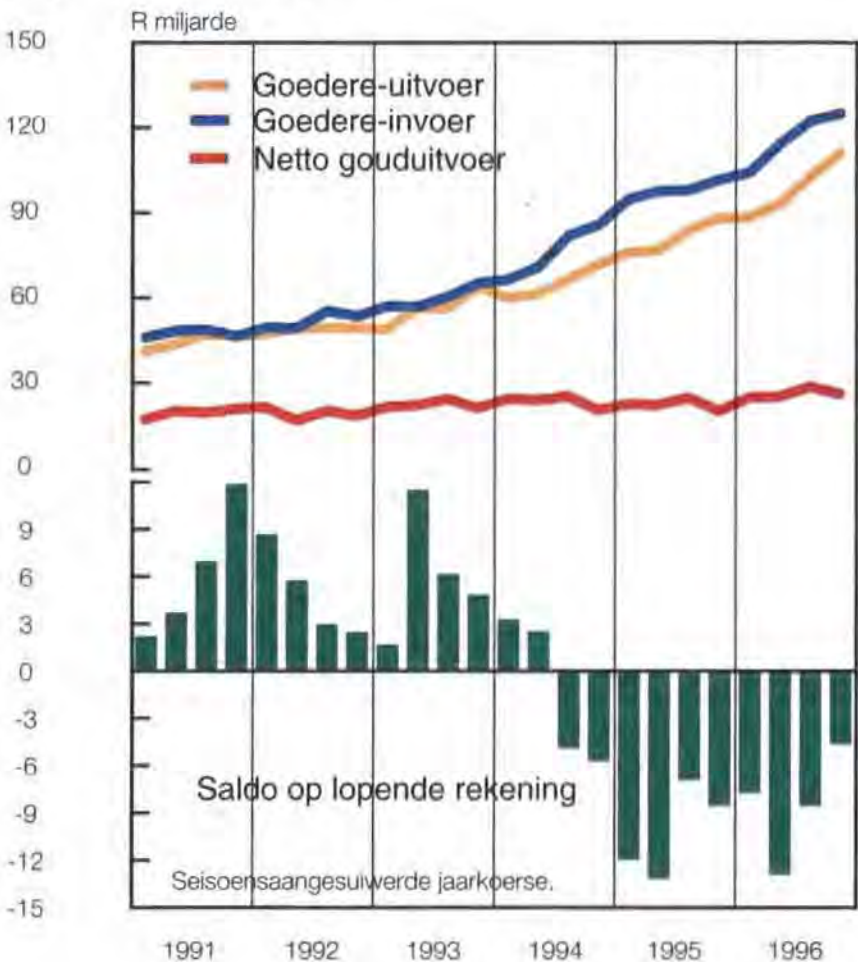
Buitelandse handel en betalings

Lopende rekening van die betalingsbalans

Soos gewoonlik gebeur wanneer die bruto binnelandse besteding verlangsaam, het die *saldo op die lopende rekening* van die betalingsbalans verbeter – in hierdie geval van 'n tekort van R12,9 miljard, teen 'n jaarkoers gereken, in die tweede kwartaal van 1996 tot R8,6 miljard in die derde kwartaal en R4,7 miljard in die vierde kwartaal. Vir 1996 in die geheel het die tekort op die lopende rekening op R8,5 miljard te staan gekom, vergeleke met 'n tekort van R10,2 miljard in 1995. In verhouding tot die bruto binnelandse produk het die tekort van 2,1 persent in 1995 tot 1,6 persent in 1996 afgeneem.

Die merkbare verbetering in die tekort op die lopende rekening in die tweede helfte van 1996 is hoofsaaklik teweeggebring deur 'n aansienlike toename in die fisiese hoeveelheid goedere wat uitgevoer is en in die waarde van Suid Afrika se netto uitvoer van goud. Die styging in die hoeveelheid en pryse van goedere wat uitgevoer is en die toename in die waarde van die netto gouduitvoer is natuurlik sterk deur die depresiasie van die rand sedert die middel van die eerste kwartaal van 1996 beïnvloed. Die groei in die hoeveelheid en waarde van goedere-invoer het ook in die vierde kwartaal van 1996 betekenisvol verlangsaam, deels in reaksie op dalings in die reële bruto binnelandse besteding in die tweede helfte van die jaar en deels in reaksie op die prysverhogende effek van die verswakkende rand. Die tydsloering van die verwagte J-kromme-reaksie, wat veronderstel dat die saldo op die lopende rekening aanvanklik verswak in reaksie op 'n depresiasie van 'n geldeenheid voordat dit verbeter, was gevolglik betreklik kort: 'n gesonde verbetering in die saldo op die lopende rekening was binne ongeveer ses maande na die begin van die depresiasie sigbaar. In die vierde kwartaal van 1996 is die verbetering in die saldo op die lopende rekening verder aangehelp deur 'n daling in die netto dienste- en oordragbetalings aan die res van die wêreld.

Lopende rekening



Die totale waarde van die goedere-uitvoer het in die kalenderjaar 1996 met 21½ persent gestyg. Die swakheid van internasionale grondstofpryse en betreklik matige binnelandse prysstygings het die toename in die gemiddelde randprys van uitgevoerde goedere in 1996 tot net 8½ persent beperk ondanks die taamlik wesentlike val in die wisselwaarde van die rand. Uitvoerhoeveelhede het in 1996 sterk met 12 persent gestyg, grootliks vanweë die verhoogde mededingendheid van Suid-Afrikaanse vervaardigers in uitvoermarkte as gevolg van

Tabel 7. Lopende rekening van die betalingsbalans
Seisoensaangesuiwerde jaarkoerse
R miljarde

	1995	1996				
	Jaar	1e kw	2e kw	3e kw	4e kw	Jaar
Goedere-uitvoer	81,3	88,5	93,1	102,6	111,0	98,8
Netto gouduitvoer	22,5	24,9	25,3	28,7	26,2	26,3
Goedere-invoer	-98,0	-104,1	-114,1	-122,2	-124,8	-116,3
Netto dienste- en oordragbetalings	-16,0	-17,1	-17,2	-17,7	-17,1	-17,3
Saldo op lopende rekening	-10,2	-7,8	-12,9	- 8,6	- 4,7	- 8,5

die swakker rand. Sommige van die onlangs voltooide "mega-beleggingsprojekte" met 'n sterk uitvoergerigtheid het gedurende 1996 die produksiefase bereik en betekenissvol tot die groei in uitvoerhoeveelhede begin bydra. Die uitvoer van vervaardigde goedere het gevolglik oor die afgelope twee jaar beter as die ander uitvoerkategorieë gevaar; die waarde van die uitvoer van vervaardigde goedere as persentasie van die totale waarde van goedere-uitvoer het in 1996 tot 29% persent gestyg vergeleke met 'n verhouding van 26 persent in 1994. Al die ander belangrike uitvoerkategorieë het gedurende 1996 toegeneem, maar die uitvoer van mynbou- en landbouprodukte het sterker as die res gestyg. Die verbetering in die uitvoerhoeveelhede van mynbouprodukte is moontlik deur die verhoogde prysmededingendheid van Suid-Afrikaanse produsente beïnvloed, hoewel in 'n aansienlik mindere mate as in die geval van die vervaardigingsbedryf.

Die krimpende tekort op die lopende rekening is ook beduidend deur 'n toename van 16,7 persent in die waarde van netto gouduitvoer in 1996 beïnvloed, wat hoofsaaklik uit die daling in die waarde van die rand teenoor die Amerikaanse dollar gespruit het. Die gemiddelde dollarprys van goud per fyn ons het effens met 1 persent van VSA\$384 in 1995 tot VSA\$388 in 1996 toegeneem. In teenstelling hiermee het die gemiddelde randprys van goud per fyn ons van R1 393

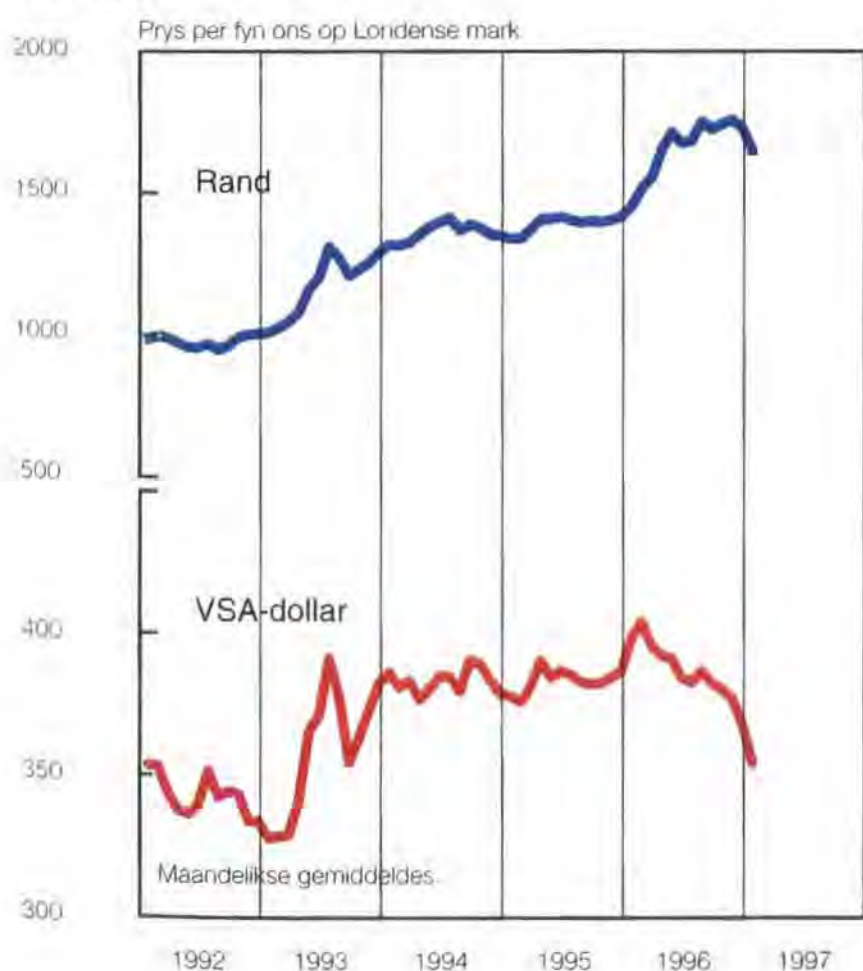
in 1995 tot R1 664 in 1996 beweeg – 'n toename van 19½ persent. Die waarde van die netto gouduitvoer in 1996 is egter teruggehou deur 'n daling in die fisiese produksie van die goudmynboubedryf. Volgens bronne in die bedryf, het die fisiese hoeveelheid goud wat deur Suid-Afrikaanse myne geproduseer is in 1996 met 5,3 persent gedaal.

Die gemiddelde *vasstellingsprys van goud* op die Londense mark het van VSA\$385 per fyn ons in die derde kwartaal van 1996 tot VSA\$376 per fyn ons in die vierde kwartaal verswak. In Januarie 1997 het die dollarprys van goud selfs verder tot 'n gemiddelde van VSA\$355 per fyn ons teruggesak op grond van verwagtings van laer inflasie wêreldwyd en toenemende kommer oor toekomstige goudverkope deur Europese sentrale banke. Die goudprys is ook blootgestel aan toenemende druk weens aanloklike opbrengskoerse in die Amerikaanse effektemark. Op 12 Februarie 1997 was die Londense vasstellingsprys teen VSA\$366,90 die laagste vasstelling sedert April 1993.

Die *waarde van goedere-invoer* (seisoensaangesuiwerd en teen 'n jaar koers gereken) het in die tweede kwartaal van 1996 teen 'n vinniger koers gestyg as in die eerste kwartaal, hoofsaaklik vanweë 'n oplewing in totale binnelandse besteding en die vervroegde invoer van goedere in afwagting van hoër pryse later in die jaar. Die groei in die nominale waarde van goedere-invoer het daarna verlangsaam van die 9½ persent wat in die tweede kwartaal van 1996 aangeteken is tot 7 persent in die derde kwartaal en 2 persent in die vierde kwartaal. Vir 1996 in die geheel het die waarde van die goedere-invoer met 18½ persent toegeneem vergeleke met 28½ persent in 1995. Die styging in invoerhoeveelhede het in die loop van 1996 geleidelik stukrag verloor en teen die vierde kwartaal het die fisiese hoeveelheid van die invoer met bykans 2 persent gedaal. Die pryse van ingevoerde goedere het in 1996 met 7 persent gestyg, maar teen die vierde kwartaal van daardie jaar het die koers van toename in invoerpryse, seisoensaangesuiwerd en teen 'n jaar koers gereken, tot 17½ persent gestyg in 'n effens uitgestelde reaksie op die verswakking van die rand. In ooreenstemming met die verlangsaaming in totale reële bruto binnelandse besteding in 1996, het die groei in die fisiese omvang van die goedere-invoer van 19½ persent in 1995 tot 10½ persent in 1996 afgeneem.

Netto *dienste- en oordragbetalings aan nie-inwoners*, wat geleidelik van R17,1 miljard in die eerste kwartaal van 1996 tot R17,7 miljard in die derde kwartaal toegeneem het, het in die vierde kwartaal tot R17,1 miljard teruggesak. Die kleiner tekort op die diensterekening in die vierde kwartaal van 1996 was die gevolg van 'n toename in die waarde van dienste wat aan nie-inwoners gelewer is, en wat slegs deels deur 'n toename in dienstebetalings aan hulle teengewerk is. Hoër buitelandse toeristebesteding in Suid-Afrika en 'n toename in dividendontvangste was hoofsaaklik vir die toename in dienste-ontvangste verantwoordelik, terwyl hoër rentebetalings en vrag- en versekeringbetalings bygedra

Goudprys



het tot die vlak van betalings vir dienste gelewer. Vir 1996 in die geheel het netto dienste- en oordragbetalings aan nie-inwoners R17,3 miljard bedra, dit wil sê 8 persent meer as die R16 miljard wat in 1995 aangeteken is.

Kapitaalrekening

Die oorskot op die kapitaalrekening van die betalings-balans het van 1995 tot 1996 dramaties ingekrimp. Met die groter onsekerheid oor die waarde die rand, het die *netto invloeiing van kapitaal* (nie verwant aan reserwes nie) van R19,2 miljard in 1995 tot slegs R3,9 miljard in 1996 gekrimp. Die feit dat 'n netto invloeiing van kapitaal aangeteken is, is nogal merkwaardig aangesien gereelde spekulatiewe aanvalle op die rand gedurende 1996 geloods is. Hierdie aanvalle was hoofsaaklik verantwoordelik vir die netto kapitaalbewegings wat tussen netto uitvloeiinge van R0,1 miljard in die eerste kwartaal en R0,8 miljard in die derde kwartaal en netto invloeiinge van R1,5 miljard in die tweede kwartaal en R3,3 miljard in die vierde kwartaal gewissel het. *

Die netto invloeiing van *langtermynkapitaal* het van R15,1 miljard in 1995 tot R4,9 miljard in 1996 gedaal. Die invloeiing van langtermynkapitaal in 1996 het in die eerste helfte van die jaar plaasgevind: 'n totale invloeiing van kapitaal van R6,2 miljard in die eerste helfte van die jaar is gevolg deur uitvloeiinge van R0,1 miljard in die derde kwartaal en R1,2 miljard in die vierde kwartaal. Die netto uitvloeiing van langtermynkapitaal in die vierde kwartaal het plaasgevind ondanks twee effekte-uitgiftes wat suksesvol namens die Suid-Afrikaanse regering in die internasionale effektemarkte geplaas is. Een nuwe uitgifte is in die Euro-effektemark gedoen vir 'n bedrag van DM500 miljoen (R1,5 miljard) met die doel om toonder-effekte van DM400 miljoen wat in Oktober verval het, af te los. Die ander uitgifte is in die Verenigde State geplaas vir 'n bedrag van VSA\$300 miljoen (R1,4 miljard) en die opbrengs is na Suid-Afrika gerefatrieer.

Openbare korporasies was ook in die vierde kwartaal van 1996 netto leners van buitelandse fondse, óf in die vorm van nuwe lenings wat in die buitelandse markte aangegaan is óf in die vorm van netto aankope deur nie-inwoners van leningseffekte in die binnelandse mark vir sekuriteite. Die netto invloeiing van kapitaal na die openbare korporasies het in die vierde kwartaal R2,5 miljard beloop, in teenstelling met 'n netto uitwaartse beweging van R0,8 miljard in die derde kwartaal.

Die beweging van buitelandse langtermynkapitaal na die binnelandse private sektor het van 'n netto invloeiing van R1,1 miljard in die derde kwartaal van 1996 na 'n netto uitvloeiing van R5,4 miljard in die vierde kwartaal omgeswaai. Drie faktore het in die vierde kwartaal van 1996 tot die betreklike sterk uitvloeiing van langtermynkapitaal vanaf die private sektor bygedra, naamlik:

- buitelandse skuldverpligtinge ten bedrae van R3,2 miljard, wat in die vierde kwartaal van 1996 verval het en wat klaarblyklik nie omgerol of in die Suid-Afrikaanse ekonomie herbelê is nie;
- netto verkope van aandele van meer as R0,5 miljard deur nie-inwoners op die Johannesburgse Effektebeurs; en
- 'n aansienlike styging in die aankope van buitelandse bates deur Suid-Afrikaanse maatskappye en nie-bank finansiële instellings.

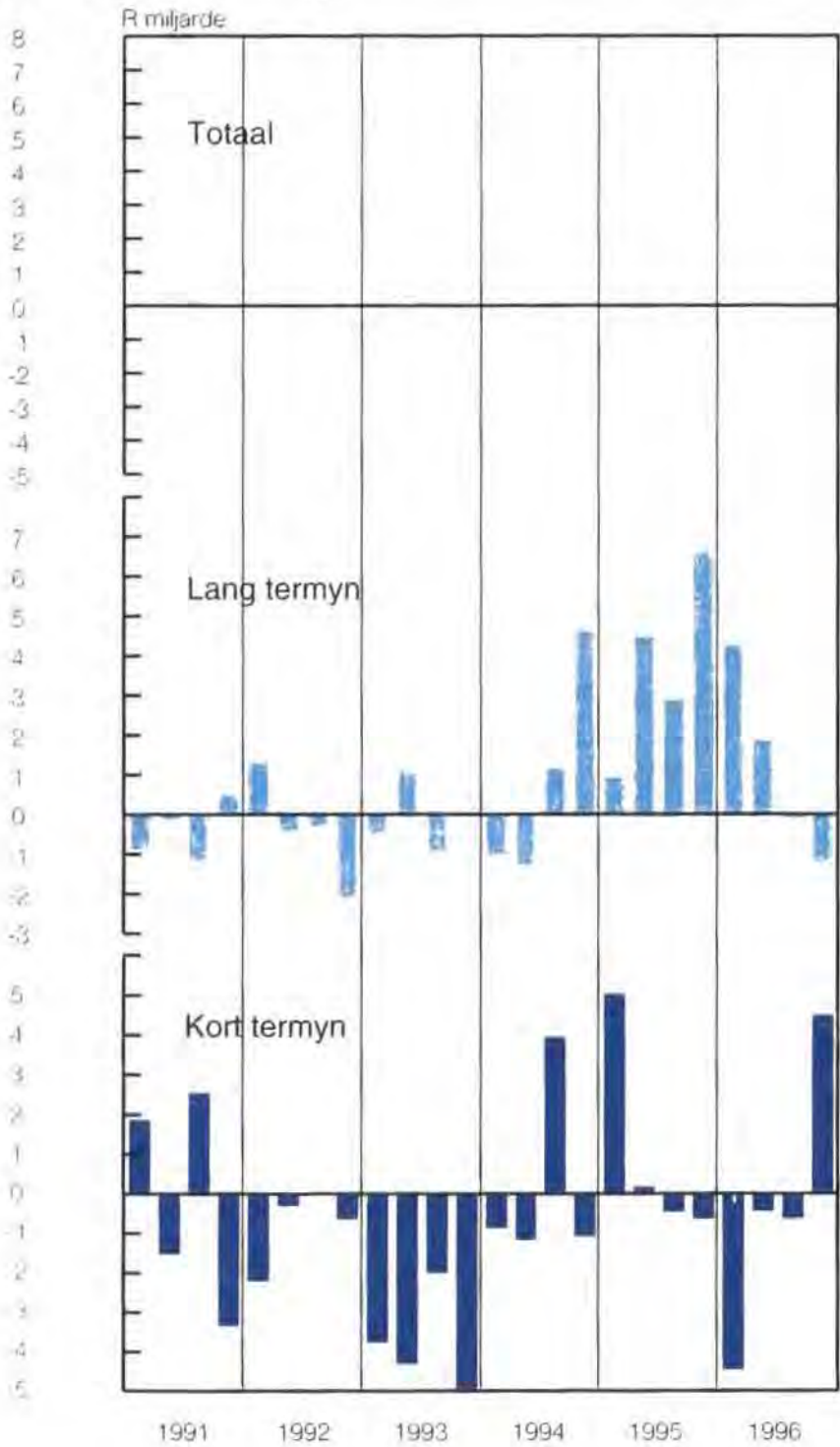
Vir die kalenderjaar 1996 in die geheel het die totale netto uitvloeiing van langtermynkapitaal vanaf die private sektor na die res van die wêreld R0,8 miljard beloop, in teenstelling met 'n invloeiing van R6,4 miljard wat in 1995 aangeteken is.

Korttermynkapitaalbewegings (nie verwant aan reserwes nie, maar met inbegrip van onaangetekende transaksies) na en van Suid-Afrika het van 'n netto invloeiing van R4,1 miljard in 1995 na 'n netto uitvloeiing van R1,0 miljard in 1996 omgeswaai. Meer onlangs egter, is kwartaallikse uitvloeiinge van korttermynkapitaal

Tabel 8. Netto kapitaalbewegings nie verwant aan reserwes nie
R miljarde

	1995	1996				
	Jaar	1e kw	2e kw	3e kw	4e kw	Jaar
Langtermynkapitaal						
Openbare owerhede.....	4,6	1,3	0,1	-0,2	2,1	3,3
Openbare korporasies.....	2,3	0,9	1,0	-0,8	2,5	3,6
Monetêre sektor.....	1,8	-0,2	-0,4	-0,2	-0,4	-1,2
Private sektor.....	6,4	2,3	1,2	1,1	-5,4	-0,8
Totaal	15,1	4,3	1,9	-0,1	-1,2	4,9
Korttermynkapitaal	4,1	-4,4	-0,4	-0,7	4,5	-1,0
Totale kapitaal	19,2	-0,1	1,5	-0,8	3,3	3,9

Netto kapitaalbewegings (nie verwant aan reserwes nie)



wat sedert die tweede helfte van 1995 voorgekom het, omgeskakel in 'n netto invloeiing in die vierde kwartaal van 1996; die invloeiing van korttermynkapitaal in die vierde kwartaal het op R4,5 miljard te staan gekom vergeleke met kumulatiewe uitvloeiinge van R5,5 miljard in die voorafgaande drie kwartale. Die vernaamste bydraende faktor tot die skielike ommeswaai in korttermynkapitaalbewegings in die vierde kwartaal was die buitelandse leningsbedrywighede van private bankinstellings. In die derde kwartaal van 1996 het die banke hul korttermyn buitelandse laste met R0,4 miljard verminder, waarna sodanige laste in die vierde kwartaal met R8,6 miljard verhoog is. Banke is in hul besluitnemingsproses aangemoedig deur die tekort aan likiditeit in die binnelandse geldmark en die klaarblyklik gunstige koste van sodanige buitelandse korttermyn krediet-

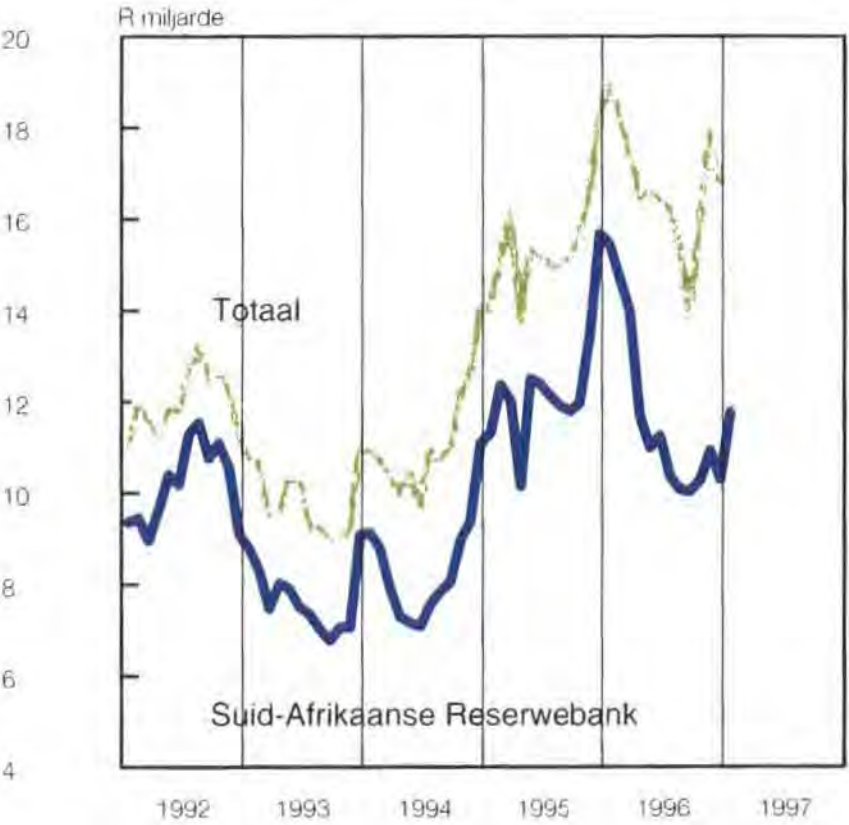
fasiliteite vir Suid-Afrikaanse banke. Terselfdertyd het die verlangsaming in die nominale waarde van goedere-invoer in die vierde kwartaal van 1996 en die vervroegde betaling vir invoer tot die laer gebruik van buitelandse kredietfasiliteite deur die nie-bank private sektor aanleiding gegee.

Buitelandse reserwes

Die netto invloeiing van kapitaal in 1996 was nie genoeg om die tekort op die lopende rekening van die betalingsbalans te finansier nie, met die gevolg dat die *netto goud- en ander buitelandse reserwes* van die land oor die jaar met R4,6 miljard gedaal het. Die inkrimping van die tekort op die lopende rekening en die ommekeer van 'n netto uitvloeiing van kapitaal na 'n netto invloeiing in die vierde kwartaal van 1996 het egter tot gevolg gehad dat die netto goud- en ander buitelandse reserwes van die einde van September tot Desember 1996 met R3,2 miljard gestyg het.

Suid-Afrika se *bruto goud- en ander buitelandse reserwes*, wat in die eerste drie kwartale van 1996 met R4,3 miljard gedaal het, het in die vierde kwartaal van 1996 met R2,9 miljard gestyg tot R16,8 miljard aan die einde van die jaar; aan die einde van 1995 het die bruto goud- en ander buitelandse reserwes R18,2 miljard bedra. Ongeveer R2,6 miljard van die algehele toename van R2,9 miljard in die bruto reserwes in die vierde kwartaal van 1996 is deur die private banke geakumuleer. Sonder inagneming van die beskikbare buitelandse kredietfasiliteite van die Reserwebank, was die totale buitelandse reserwes van die land gelykstaande

Bruto goud- en ander buitelandse reserwes



aan die waarde van ongeveer 5½ weke se invoer van goedere en dienste. In Januarie 1997 het die bruto goud- en ander buitelandse reserwes van die Reserwebank met R1,5 miljard tot 'n vlak van R11,8 miljard gestyg.

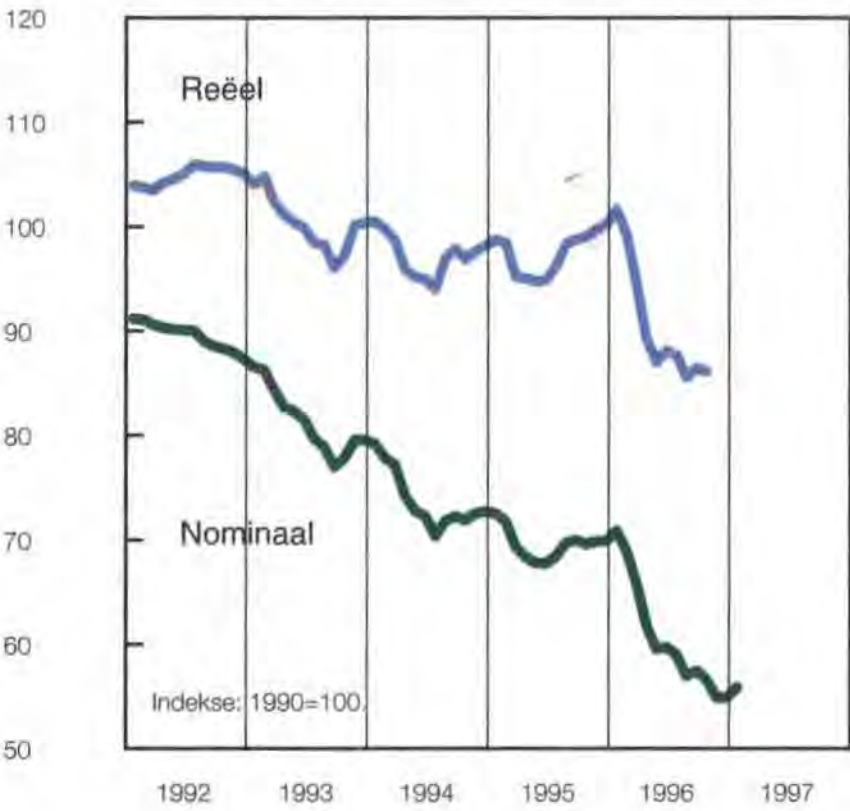
Wisselkoerse van die rand

Die bestendiger vertoning van die rand in die mark vir buitelandse valuta in Augustus en September 1996 is in die tweede helfte van Oktober onderbreek toe die rand weer onder 'n spekulatiewe aanval deurgeloop het. Die *nominale* *effektiewe wisselkoers* van die rand het gevolglik tussen die einde van September en die einde van Oktober 1996 met 5,5 persent gedaal. Die mark vir buitelandse valuta het in November en Desember 1996 weer ietwat bestendiger geword en in hierdie meer ordelike handelstoestande het die nominale effektiewe wisselwaarde effens toegeneem, wat die daling in die vierde kwartaal tot 4,5 persent beperk het. Die algehele daling in die nominale wisselwaarde van die rand tussen die einde van 1995 en die einde van 1996 was derhalwe 21,9 persent. In Januarie 1997 het die nominale effektiewe wisselkoers van die rand met 5,3 persent verstewig namate sentiment in die mark positief beïnvloed is deur die vrystelling van ekonomiese statistieke wat op 'n verbetering in die buitelandse handelsbalans sowel as 'n verlangsaming in die geld- en kredietgroei in die vierde kwartaal van 1996 gedui het.

Soos wat in die bygaande tabel aangetoon word, het die rand in 1996 teenoor al die *vernaamste geldeenhede* verswak. Die kombinasie van die swakheid van die rand en die sterkte van die Britse pond en die VSA-dollar het tot 'n besondere sterk daling van onderskeidelik 28,9 persent en 22,1 persent in die wisselwaarde van die rand teenoor hierdie geldeenhede aanleiding gegee. In Januarie 1997 en die eerste week van Februarie het die rand die meeste van sy verliese teenoor die belangrike geldeenhede herwin, met die uitsondering van hierdie twee sterk geldeenhede.

Die *reële effektiewe wisselkoers van die rand* het in die eerste tien maande van 1996 met 14,1 persent en tussen Desember 1995 en Desember 1996 met 'n

Effektiewe wisselkoerse van die rand



voorlopig geraamde 16 persent gedaal. Hierdie daling het vanselfsprekend die vermoë van Suid-Afrikaanse produsente verbeter om in die uitvoermarkte mee te ding. Die behoud van hierdie groter mededingingskrag sal uiteindelik bepaal word deur die mate waarin binnelandse kostedruk hok geslaan kan word.

Die effens bestendiger gedrag van die rand in die mark vir buitelandse valuta gedurende die tweede helfte van 1996 het met 'n daling in die omset in die mark saamgeval. Die gemiddelde daaglikse netto omset, oftewel die algehele omsetwaarde, met uitsondering van interbanktransaksies om moontlike dubbeltelling te

Tabel 9. Veranderings in die wisselkoerse van die rand
Persentasie

	31 Des 1995 tot 31 Mrt 1996	31 Mrt 1996 tot 30 Jun 1996	30 Jun 1996 tot 30 Sep 1996	30 Sep 1996 tot 31 Des 1996	31 Des 1995 tot 31 Des 1996	31 Des 1996 tot 11 Feb 1997
Geweegde gemiddelde	-8,0	-7,2	-4,3	-4,5	-21,9	9,5
VSA-dollar	-8,9	-7,6	-4,1	-3,5	-22,1	6,8
Britse pond	-7,5	-8,9	-5,0	-11,1	-28,9	10,7
Duitse mark	-6,4	-4,6	-3,8	-1,8	-15,7	14,2
Japanse jen	-5,8	-4,5	-2,8	-0,6	-12,1	13,2
Nederlandse gulden	-6,5	-4,4	-3,8	-1,7	-15,4	14,3
Italiaanse lira	-9,9	-9,6	-4,6	-3,4	-24,9	14,2

voorkom, het van VSA\$6,6 miljard in die eerste helfte van 1996 tot VSA\$5,5 miljard in die tweede helfte gedaal. Voorlopige aanduidings is dat die gemiddelde daaglikse omset in Januarie 1997 tot VSA\$6,5 miljard gestyg het. Die toenemende betrokkenheid van nie-inwonerbanke in die Suid-Afrikaanse valutamark was hoofsaaklik vir die hoër omset in Januarie 1997 verantwoordelik. Dit is moontlik dat die hoër vlakke van bedrywigheid van nie-inwoners met die oplewing van bedrywigheide in die Eurorand-mark in Januarie 1997 verband gehou het. Grootse Eurorand-uitgiftes ten bedrae van R1,8 miljard is in Januarie 1997 gedoen. In die voorafgaande nege maande het die totale waarde van Eurorand-uitgiftes R1,6 miljard beloop.

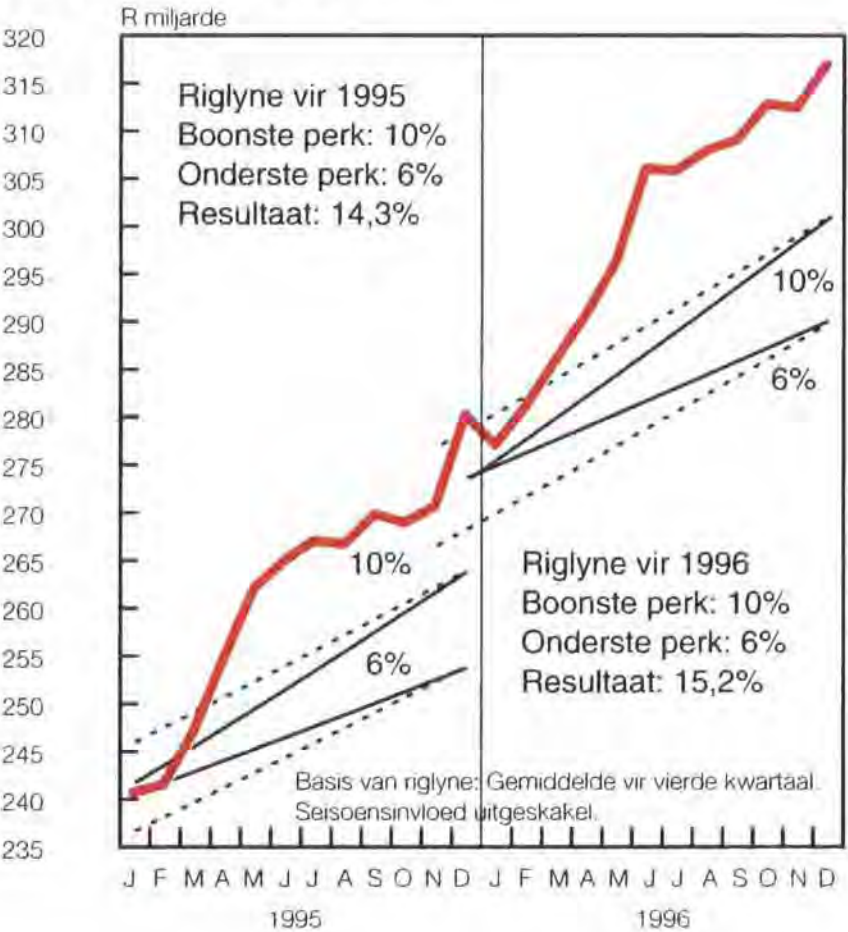
Monetêre ontwikkelings, rentekoerse en finansiële markte

Geldvoorraad

Die groei in die monetêre totale was gedurende die grootste deel van 1996 baie lewendig. Dit was slegs in die laaste twee maande van die jaar dat tekens van 'n verlangsamings in die vinnige monetêre uitbreiding na vore begin kom het. Die groeikoers oor twaalf maande in die *omvattende gedefinieerde geldvoorraad* (M3) het in Oktober 16 persent bereik, die tweede hoogste maandelikse vlak in 1996, maar daarna het dit tot 15,2 persent in November en meer betekenisvol tot 13,6 persent in Desember afgeneem. Die groei in M3 van kwartaal tot kwartaal teen 'n jaarkoers het selfs opmerkliker van 'n hoogtepunt van 21,2 persent in die tweede kwartaal van 1996 tot 18,6 persent in die derde kwartaal en daarna tot 7,6 persent in die vierde kwartaal verlangsaam.

Ondanks die verlangsamings in monetêre groei in die tweede helfte van 1996, het die kwartaallikse gemiddelde waarde van die M3-geldvoorraad in die vierde kwartaal steeds die boonste perk van die *geldvoorraad-riglyng gebied* wat aan die begin van die jaar op tussen 6 en 10 persent gestel is, oorskry. Die boonste perk van die riglyn-"kegel" is trouens in 1996, soos in 1995, deurgaans oorskry. Die kwartaallikse gemiddelde waarde van M3 in die vierde kwartaal van

Riglyne vir groei in M3



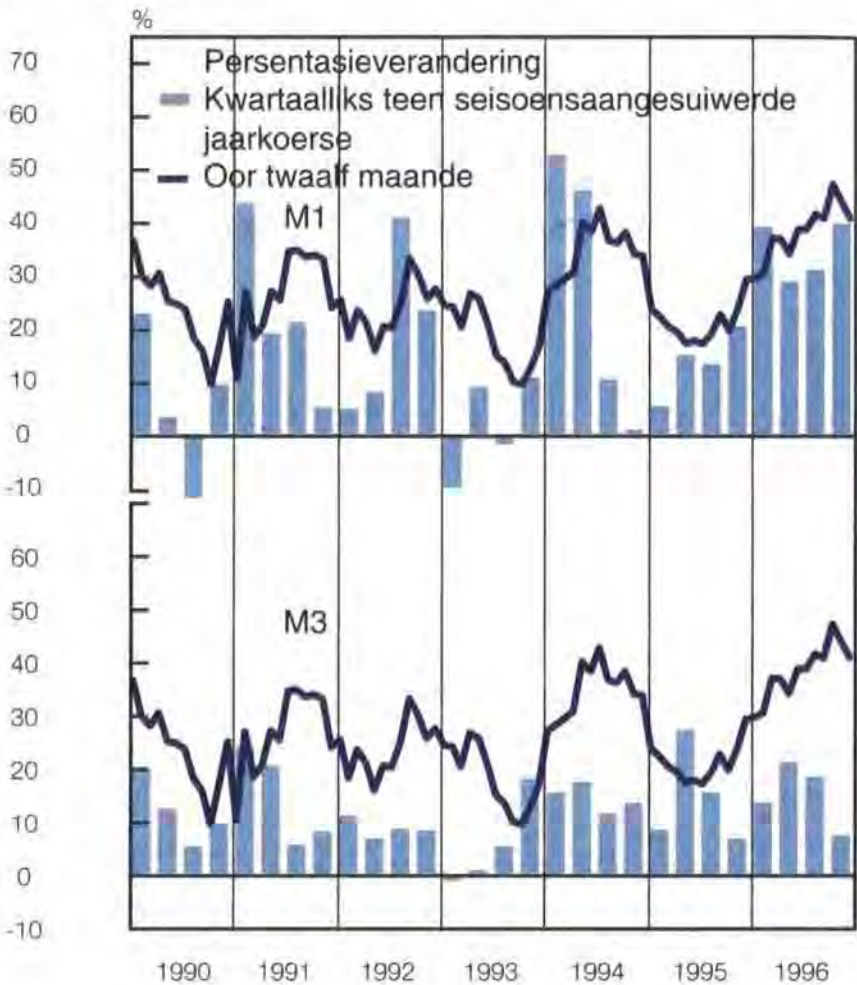
1996 was 15,2 persent hoër as in die vierde kwartaal van 1995. Uitgedruk in absolute terme verteenwoordig dit 'n werklike toename van R41,2 miljard vir die jaar, vergeleke met die riglyn wat voorsiening gemaak het vir 'n maksimum aanvaarbare toename van R27,2 miljard.

Die vinnige groei in die geldvoorraad gedurende 1996 was hoofsaaklik die gevolg van 'n toename in die vraag na geld om hoë vlakke van binnelandse besteding aan huishoudelike verbruik, vaste investering en die opbouing van voorrade te finansier. Nog 'n faktor wat tot die sterk vraag na geld bygedra het was 'n toename in die likiditeitsvoorkeur van individue en organisasies in die private sektor wat posisies ingeneem het in afwagting van grootskaalse aanpassings in die aandele- en effektemarkte. Betreklik aantreklike reële koerse op deposito-tipe beleggings het die begeerte van ekonomiese deelnemers in die private sektor versterk om hul besit aan meer likiede monetêre bates te verhoog. Die verlangsamings in die groei van M3 in die tweede helfte van 1996 kan ook 'n aanduiding wees dat die monetêre uitbreiding verby sy hoogtepunt beweeg het en dat dit gedurende 1997 binne meer aanvaarbare koerse van toename kan bly. Die vernouing van die marge tussen banke se deposito- en uitleenkoerse in die tweede helfte van 1996 kon die mate van herintermediasie van leen- en uitleenbedrywigheid aangemoedig het en sodoende selfs 'n opmerkliker verlangsamings in die monetêre groei teen die einde van daardie jaar verbloem het.

Die groeikoerse oor twaalf maande in die *enger monetêre totale* het aansienlik gewissel, maar oor die algemeen geneig om gedurende 1996 toe te neem namate die publiek se likiditeitsvoorkeur versterk het. Die groeikoerse oor twaalf maande in M1A het van 16,8 persent in Desember 1995 tot 22,4 persent in November 1996 en tot 21,9 persent in Desember versnel. Die versnelling in die groei van M1 was selfs opvallender: van 19,3 persent in Desember 1995 tot 34,0 persent in November 1996 en 30,9 persent in Desember. Die "ander onmiddellik-oepsbare deposito's"-komponent van die M1 monetêre totaal het van die einde van Desember 1995 tot die einde van Desember 1996 met R20,1 miljard toegeneem; dit het meer as 50 persent van die algehele verhoging in die waardes van M3 teen maandeindes oor dieselfde tydperk verteenwoordig en het die deel van M3 wat uit "ander onmiddellik-oepsbare deposito's" bestaan van 16,0 persent in Desember 1995 tot ongeveer 20,0 persent in Desember 1996 verhoog.

Die M3-geldvoorraad het vanaf die einde van 1995 tot die einde van 1996 met R38,3 miljard toegeneem. In 'n statistiese of rekeningkundige sin is die verandering in M3 in 1996 volledig deur die toename van R50,9 miljard in die monetêre instellings se eise teen die binnelandse private sektor verklaar. Die monetêre sektor se netto eise teen die regeringsektor het 'n

Monetêre totale



verdere R4,3 miljard tot die toename in die geldvoorraad bygedra. In teenstelling met hierdie verandering in die monetêre instellings se netto buitelandse bates (met inbegrip van die verandering in die amptelike besit aan goud- en ander buitelandse reserwes) met R15,7 miljard afgeneem, hoofsaaklik vanweë toenames in buitelandse lenings van monetêre instellings. Die volledige uiteensetting van die rekeningkundige teenhangers van die groei in M3 gedurende

Tabel 10. Persentasieverandering in die monetêre totale oor twaalf maande

Tydperk	M1A	M1	M2	M3
1995: Des	16,8	19,3	13,9	15,2
1996: Mrt	16,2	27,0	17,8	15,3
Jun	14,7	28,5	17,9	15,7
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

1996 was soos volg:

	R miljard
Netto buitelandse bates.....	-15,7
Netto eise teen die regeringsektor	4,3
Bruto eise	7,8
Min: Toename in regeringsdeposito's.....	3,5
Eise teen die private sektor	50,9
Netto ander bates en laste	-1,2
Toename in M3 (Desember 1995 tot Desember 1996).....	38,3

Kredietverlening

Soos reeds aangedui is, was kredietverlening aan die binnelandse nie-bank private sektor die oorheersende statistiese teenhanger van groei in die geldvoorraad. Die twaalfmaande-koers van toename in kredietverlening deur die monetêre instellings aan die private sektor het van 'n reeds hoë vlak van 17,6 persent in Desember 1995 tot 18,7 persent in Junie 1996 toegeneem; dit het daarna egter tot 17,1 persent in November en 16,1 persent in Desember teruggesak. Die groei van kwartaal tot kwartaal in kredietverlening aan die private sektor (teen seisoensaangesuiwerde jaarkoerse) het selfs aansienliker van 22,4 persent in die tweede kwartaal van 1996 tot 16,6 persent in die derde kwartaal en 11,8 persent in die vierde kwartaal verlangsaam.

'n Ontleding van monetêre instellings se eise teen die private sektor volgens soort krediet toon dat verbandvoorskotte in die loop van 1996 teen 'n twaalfmaande-

koers van ongeveer 17 persent bly groei het. Indien die verlengsaming van bedrywigheid in die vaste-eiendomsmark sedert April 1996 in aanmerking geneem word, is dit moontlik dat 'n aansienlike deel van verbandvoorskotte aan die private sektor vir ander doeleindes as vir die verkryging van vaste eiendom of die konstruksie of verbetering van woongeboue gebruik is. Afbetalingsverkoopkrediet is deur die hoë bedrywigheidsvlakke in die mark vir nuwe motorvoertuie versterk, maar het in die tweede helfte van die jaar ook tekens van afplatting getoon. In Junie 1996 het die groei oor twaalf maande in afbetalingsverkoopkrediet 26,8 persent bereik, voor dit tot 24,1 persent in September en 21,2 persent in Desember afgeneem het. Die groei oor twaalf maande in bruikhuurfinansiering het naastebly dieselfde as die groei in afbetalingsverkoopkrediet verloop: dit het vinnig tot 19,8 persent in September 1996 versnel, maar daarna tekens van verslapping getoon toe dit tot 16,8 persent in Desember afgeplat het. Die volgehoue sterk binnelandse vraag in die meeste kategorieë goedere en dienste het ook die twaalfmaande-groei in "ander lenings en voorskotte" (met inbegrip van oortrokke lopende rekeninge) van 15,8 persent in Desember 1995 tot 23,8 persent in Oktober 1996 laat toeneem. Daarna het die groei oor twaalf maande in "ander lenings en voorskotte" met ongeveer een persentasiepunt tot 18,3 persent in Desember verlangsaam.

Algehele kredietverlening deur monetêre instellings aan die private sektor gedurende 1996, is in absolute terme deur die toenames in "ander lenings en voorskotte" en verbandvoorskotte oorheers. Saam het hierdie twee kredietkategorieë met R41,2 miljard toegeneem, wat 81 persent van die algehele toename van R50,9 miljard in kredietverlening aan die private sektor verteenwoordig.

Kredietverlening aan private huishoudings deur monetêre instellings het met R4,4 miljard in die vierde kwartaal van 1996 en R22,9 miljard vir die jaar in die

Kredietverlening deur monetêre instellings



Tabel 11. Verandering in kredietverlening aan huishoudings en maatskappye gedurende 1996

Soort krediet	Huishoudings		Maatskappye	
	R miljard	Per-sent	R miljard	Per-sent
Verbandvoorskotte	14,8	13,6	3,9	34,6
Oortrokke rekeninge	1,6	12,1	4,4	18,4
Ander lenings en voorskotte.....	1,3	11,6	2,5	7,7
Kredietkaarte	1,8	26,9	0,0	0,0
Afbetalingsverkoopkrediet.....	3,1	17,6	4,6	23,9
Bruikhuurfinansiering ...	0,3	4,2	2,9	24,9
Totaal.....	22,9	13,9	18,3	18,6

geheel toegeneem (sien tabel 11). Die koers van toename oor vier kwartale in kredietverlening aan private huishoudings het geleidelik van 18,7 persent in die vierde kwartaal van 1995 tot 16,0 persent in die derde kwartaal van 1996 verlangsaam en daarna wesenliker tot 13,9 persent in die vierde kwartaal. Verbandvoorskotte is steeds die grootste komponent van krediet wat deur huishoudings gebruik word. Teen die einde van 1996 het uitstaande verbandvoorskotte bykans twee derdes van die totale kredietverlening aan huishoudings deur monetêre instellings uitgemaak.

Die toename in kredietverlening aan die *private maatskappysektor* het R2,4 miljard in die vierde kwartaal van 1996 en vir die kalenderjaar in die geheel R18,3 miljard beloop. Anders as die groei oor vier kwartale in kredietverlening aan private huishoudings, wat gelykmatig oor die jaar verlangsaam het, het die groei oor vier kwartale in krediet aan die maatskappysektor aanvanklik van 17,3 persent in die vierde kwartaal van 1995 tot 21,9 persent in die tweede kwartaal van 1996 gestyg, maar toe tot 19,4 persent in die derde kwartaal en tot 18,6 persent in die vierde kwartaal afgeplat. Oortrekkings op lopende rekeninge was nog steeds die gewildste bron van krediet vir die maatskappysektor in 1996.

Rente- en opbrengskoerse

Die verloop en onbestendigheid van *opbrengskoerse* op effekte sedert die begin van 1996 is sterk beïnvloed deur veranderings in die wisselkoers van die rand, verwagte opwaartse aanpassings in Bankkoers, verwagtinge van

stygende inflasie en die volgehoue stram likiditeits-toestand in die geldmark. Die *maandelikse gemiddelde opbrengskoers op langtermynstaatseffekte* het gevolglik van 13,77 persent in Januarie 1996 tot 16,53 persent in Mei toegeneem en daarna tot 15,78 persent in Junie teruggeval. In daaropvolgende maande het dit effens geskommel terwyl dit in 'n smal band beweeg en uiterstes van 15,39 persent in Julie en 15,82 persent in Augustus bereik het. Die verhandelingsband van langtermynstaatseffekte het toe in November 1996 na 'n hoër vlak geskuif en maandelikse gemiddelde opbrengskoerse van 16,18 persent is in November en 16,19 persent in Desember aangeteken.

Effektepryse het in Januarie 1997 toegeneem, en die opbrengskoers op langtermynstaatseffekte het van 16,40 persent aan die begin van die maand tot 15,42 persent aan die einde van die maand gedaal; die gemiddelde opbrengskoers vir die maand is op 15,82 persent bereken. Die mark het positief gereageer op die nuus van 'n gesonde verbetering in die land se handelsbalans in Desember, die aankondiging dat inflasie laer was as wat verwag is, die vrystelling van monetêre statistieke wat op 'n welkome verlangsaaming in monetêre uitbreiding gedui het en gevolglik meer optimistiese vooruitsigte vir inflasie en hernude verwagtings van 'n verslapping in die stand van monetêre beleid. Die maandelikse gemiddelde *reële* opbrengskoers op langtermynstaatseffekte het geleidelik van 10,1 persent in Mei 1996 tot 6,2 persent in Desember afgeneem, maar dit was meer die gevolg van 'n toename in die werklike waargenome inflasie as van enige herwaardering van risiko of aanpassing in verlangde opbrengste.

Geldmarkrentekoerse het gedurende die eerste vyf maande van 1996 deurgaans toegeneem, in Junie skerp afgeneem, vanaf Julie tot September betreklik horisontaal beweeg en toe in die vierde kwartaal van verlede jaar weer toegeneem. Die koers op *bankaksepte* met 'n looptyd van drie maande, wat gewoonlik verteenwoordigend van die algemene beweging in geldmarkrentekoerse is, het van 14,10 persent aan die einde van Januarie 1996 tot 16,40 persent aan die einde van Mei 1996 toegeneem, voordat dit aan die einde van Junie tot 15,20 persent afgeneem het. Gedurende die derde kwartaal van 1996 het die koers op bankaksepte rondom 'n ietwat hoër vlak as in Junie gewissel.

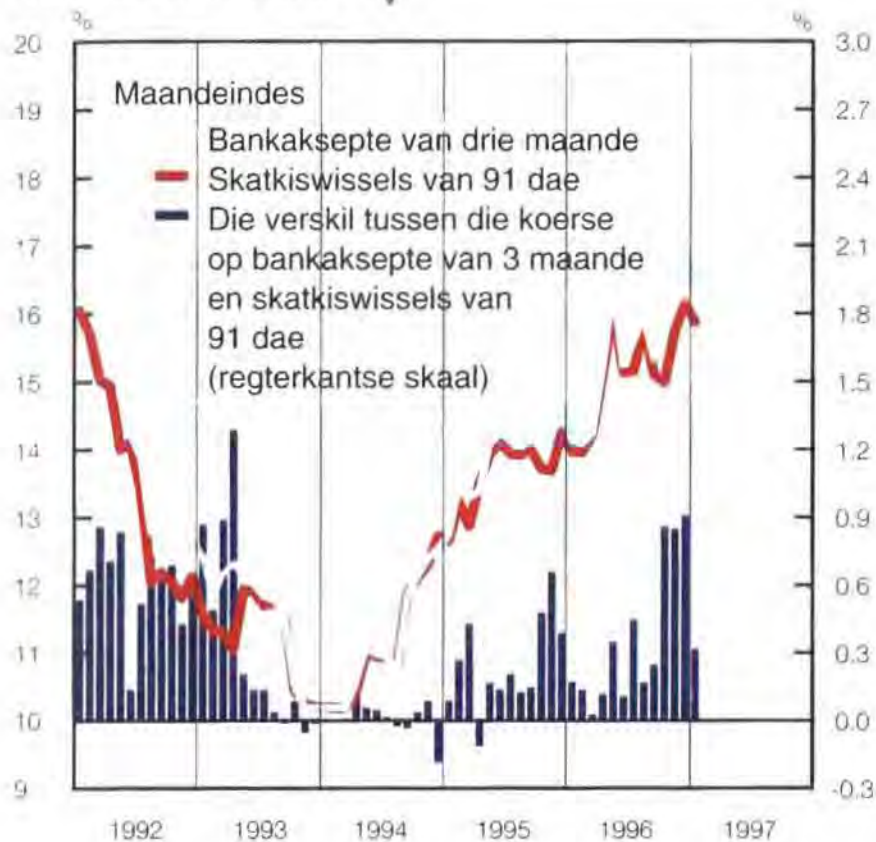
Teen die begin van die vierde kwartaal van 1996 was gerugte oor 'n naderende verhoging in Bankkoers algemeen, geldmarktoestande het selfs verder vernou en inflasieverwagtings was deurgaans hoër. Die koers op bankaksepte het hierdie verandering in die mark-sentiment weerspieël en het hoër beweeg tot 16,55 persent aan die einde van November 1996 en 17,00 persent aan die einde van Desember. 'n Deel van hierdie styging is in Januarie 1997 ongedaan gemaak toe die koers op bankaksepte aan die einde van die maand tot 16,15 persent teruggesak het.

Die *tenderkoers op skatkiswissels van drie maande* het by tye in 'n teenoorgestelde rigting as die algemene

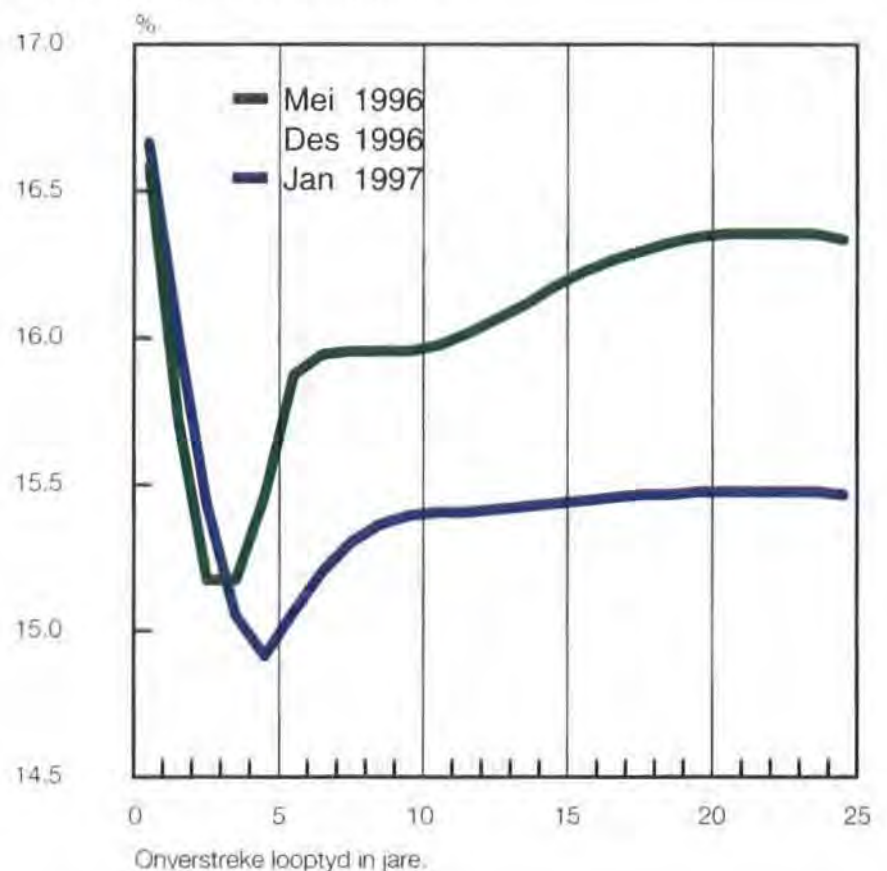
Opbrengskoers op effekte en die wisselkoers



Geldmarkrentekoerse



Opbrengskoerskrommes



beweging in geldmarkrentekoerse beweeg. Die skatkiswisselkoers het begin by 'n vlak van 13,93 persent aan die einde van Januarie 1996 en aan die einde van Mei tot 16,06 persent toegeneem. Dit het daarna aan die einde van Junie 1996 tot 15,10 persent gedaal en gedurende die derde kwartaal van 1996 rondom hierdie vlak beweeg. In teenstelling met die algemeen opwaartse beweging in geldmarkrentekoerse, het die koers op skatkiswissels van drie maande toe laer geneig tot 14,95 persent aan die einde van Oktober 1996. Die beperkte beskikbaarheid van bates wat as eerstevlak-akkommodasie by die diskontovenster kwalifiseer het op daardie tydstip 'n sterk vraag na skatkiswissels by banke geskep. Dit het enersyds gedien as verklaring vir die verlangsaming in die tenderkoers op skatkiswissels wat in Oktober 1996 en in die eerste helfte van November plaasgevind het, en andersyds vir die toename in leenbedrywigheid by die diskontovenster teen 'n onderpand van tweedevlakbates teen strafkoerse. Vanaf die middel van November 1996 het stram toestande in die geldmark, verwagtings van 'n naderende verhoging in Bankkoers, en later 'n werklike verhoging in Bankkoers, die tenderkoers op skatkiswissels van drie maande opgestoot tot 15,71 persent aan die einde van November en 16,10 persent aan die einde van Desember 1996; dit het toe tot 15,84 persent aan die einde van Januarie 1997 teruggesak.

Die vlak en vorm van die *opbrengskoerskromme* het gedurende die eerste vyf maande van 1996 heelwat verander in reaksie op die onbestendige toestande in die mark vir buitelandse valuta. Die opbrengskoerskromme

het van Januarie 1996 tot Mei hoër geskuif, en meer omgekeerd geword aan die kort kant en steiler aan die lang kant. Van Mei 1996 tot Januarie 1997 het die onbestendigheid in kortertermynkoerse gelei tot gereelde veranderinge in die graad van omgekeerdheid in die aflossingspektrum korter as drie jaar. Gedurende dieselfde tydperk het die vorm van die opbrengskoerskromme vir looptye van meer as drie jaar betreklik plat, ofskoon met 'n effense opwaartse helling, wesenlik onveranderd gebly, maar die vlak van die kromme het effens gedaal.

Te midde van onstuimige toestande in die mark vir buitelandse valuta vanaf die middel van Februarie 1996, is Bankkoers op 29 April van 15 persent tot 16 persent verhoog met die oorheersende doel om ordelike handelstoestande in daardie mark te herstel. Ondanks die verdere swakheid van die rand en toenemend stram toestande in die geldmark, het Bankkoers tot die derde week van November 1996 onveranderd gebly. Teen die agtergrond van baie stram geldmarktoestande, die vinnige uitbreiding van die geld- en krediettotale, verwagtings van stygende inflasie en die verdere verswakking van die rand, is Bankkoers op 21 November vir die tweede keer in 1996 verhoog. Hierdie toename van een persentasiepunt in Bankkoers van 16 persent tot 17 persent was daarop gemik om die inflasionêre druk voortspruitend uit die verswakking van die rand te onderdruk en het deel van die Reserwebank se algehele strategie teen inflasie uitgemaak.

Die *prima-oortrekkingskoers van banke* is op 29 April 1996 van 18,50 tot 19,50 persent verhoog in reaksie op

Tabel 12. Rente- en opbrengskoerse
 Persent soos op maandeinde, tensy anders vermeld

Tydperk	Maandelikse gemiddelde opbrengskoers op langtermynstaatseffekte		Bankaksepte van 3 maande	Prima-oortrekkingskoers	Oorheersende koers op verbandlenings	Oorheersende koers op vaste-deposito's van 12 maande
	Nominaal	Reël				
1996: Jan	13,77	6,43	14,10	18,50	18,25	14,00
Apr	15,78	9,72	15,20	19,50	18,25	13,50
Mei	16,53	10,08	16,40	20,50	19,25	14,50
Jun	15,78	8,35	15,20	20,50	20,25	15,00
Jul	15,39	7,73	15,55	19,50	19,25	14,25
Aug.....	15,82	7,74	15,95	19,50	19,25	14,25
Sep.....	15,42	6,45	15,30	19,50	19,25	15,00
Okt	15,80	6,15	15,80	19,25	19,00	15,00
Nov.....	16,18	6,41	16,55	20,25	19,00	14,50
Des.....	16,19	6,21	17,00	20,25	20,00	14,50
1997 Jan	15,82	5,90	16,15	20,25	20,00	14,50

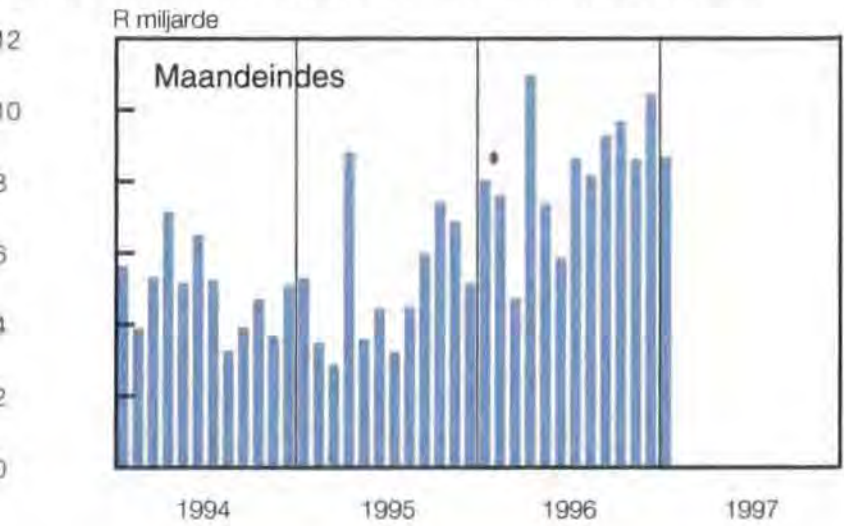
die eerste Bankkoersverhoging van 1996. Om druk op die marges tussen banke se uitleen- en depositokoerse te verlig, het hulle hul prima-oortrekkingskoers in Mei selfs verder tot 20,50 persent verhoog, selfs al is Bankkoers op daardie tydstip onveranderd gelaat. Eers nadat die Reserwebank 'n verlaging in die koste van akkommodasie by die diskontovenster teen onderpand van tweedevlakbates aangekondig het, en toestande in die geldmark ietwat ruimer geword het, het die banke hul prima-oortrekkingskoerse in Julie 1996 met een persentasiepunt tot 19,50 persent verlaag. Toe die heffing op finansiële dienste in Oktober 1996 afgeskaf is, het die banke nog 'n verlaging in hul prima-oortrekkingskoerse tot 19,25 persent aangekondig. Op 21 November, toe Bankkoers vir die tweede keer in 1996 verhoog is, het die prima-oortrekkingskoers van banke weer eens met een persentasiepunt tot 20,25 persent toegeneem.

Die *oorheersende koers op verbandlenings van banke* het die verandering in die prima-oortrekkingskoers van banke streng nagevolg. Die verbandkoers is twee keer verlaag, eers tot 19,25 persent in Julie en daarna tot 19,00 persent in Oktober. Die verhoging in die prima-oortrekkingskoers in November 1996 is gevolg deur 'n toename in die verbandkoers tot 20 persent in Desember 1996.

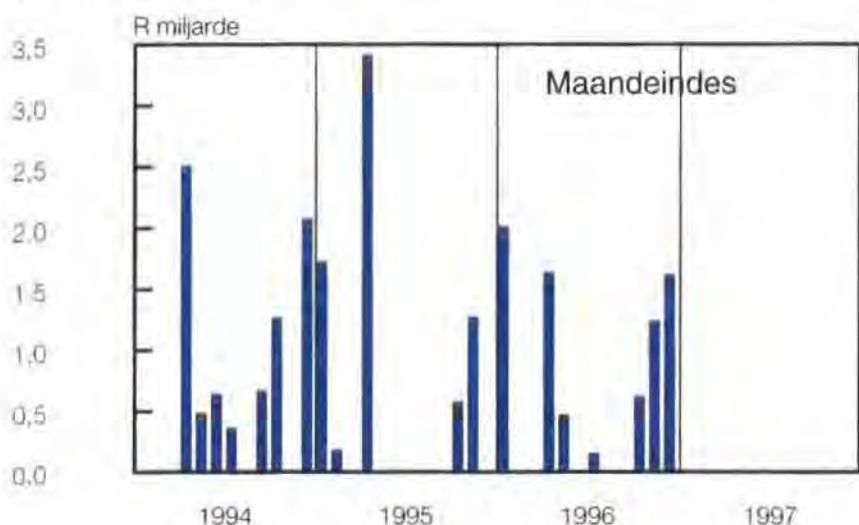
Die *oorheersende kleinhandelskoers op vaste deposito's van twaalf maande* by banke is van 13,50 persent tot 14,50 persent in Mei 1996 en selfs verder tot 15,00 persent in Junie verhoog. Hierdie koers is daarna tot 14,25 persent in Julie 1996 verlaag en tot 15,00 persent in September verhoog, net om weer in November tot 14,50 persent verlaag te word.

Geldmarktoestande
Geldmarktoestande was regdeur die eerste drie kwartale van 1996 betreklik stram, maar het in die vierde kwartaal selfs verder vernou. Die bedrag aan akkommodasie wat die Reserwebank aan banke verleen het, het skerp toegeneem van R5,8 miljard aan die einde van Junie 1996 tot R9,3 miljard aan die einde van September en toe tot R10,4 miljard aan die einde van Desember. In Januarie 1997 het die geldmarktoestande aansienlik verruim vanweë 'n skerp toename in die netto buitelandse bates van die Reserwebank asook 'n skerp afname in die bedrag aan note en munte in omloop buite die Reserwebank; aan die einde van

Totale akkommodasie by die diskontovenster



Twedevlak-akkommodasie by die diskontovenster



daardie maand het die geldmarktekort op R8,7 miljard te staan gekom.

Die stram toestande in die geldmark gedurende die vierde kwartaal van 1996 was grootliks die gevolg van die afname van R4,4 miljard in die netto buitelandse bates van die Reserwebank en 'n oorwegend seisoenstoename van R2,8 miljard in die note en munte in omloop buite die Reserwebank. Dit het die geringe verruimende invloed van die afname van R0,5 miljard in regeringsdeposito's by die Reserwebank op geldmarktoestande ten volle teengewerk.

Die belangrikste doelwit van die *Reserwebank* se optredes in die geldmark gedurende die vierde kwartaal van 1996 was om toe te laat dat die geldmarktekort die onderliggende oormaatvraag na fondse in die mark weerspieël. Die Bank was nietemin by geleentheid bereid om likiditeit in te pomp toe dit wou lyk asof die mark uitermate stram wou word. Met dié doel voor oë het die Bank 'n aantal buitelandsevaluatruilooreenkomste met die banke aangegaan en ook likiditeit beskikbaar gemaak deur aanpassings in die bateportefeulje van die Korporasie vir Openbare Deposito's aan te bring.

Effektemark

Netto uitgiftes van vasterentedraende sekuriteite deur die *openbare sektor* in die binnelandse primêre effektemark het van R1,9 miljard in die tweede kwartaal van 1996 tot R9,8 miljard in die derde kwartaal toegeneem. Aflossings, veral deur die Sentrale Regering, het daarna tot gevolg gehad dat netto effekte-uitgiftes deur instansies in die openbare sektor in die vierde kwartaal tot R0,6 miljard afgeneem het. Die netto bedrag wat die openbare sektor gedurende die eerste nege maande van die fiskale jaar 1996/97 (dit is van April tot Desember 1996) deur middel van uitgiftes van vasterentedraende sekuriteite verkry het, het gevolglik R12,3 miljard bedra, vergeleke met 'n

bedrag van R21,1 miljard in die ooreenstemmende tydperk van die vorige jaar.

Genoteerde maatskappye in die private sektor het fondse deur regte-uitgiftes van vasterentedraende sekuriteite (met inbegrip van omskepbare voorkeuraandeel en skuldbriewe) ten bedrae van R2,2 miljard in 1996 verkry, vergeleke met R0,9 miljard in 1995. Hierdie finansieringsmetode het die geleentheid gebied om fondse teen laer as die heersende uitleenkoerse van die banke te verkry en dit was moontlik die belangrikste enkele rede vir die toenemende gewildheid van vasterentedraende sekuriteite by maatskappye in die private sektor in 1996.

Gedurende 1996 het die regering R3,4 miljard in die *internasionale primêre effektemark* verkry, vergeleke met R1,3 miljard in 1995. Die bedrag wat ondernemings in die nie-finansiële openbare sektor in buitelandse markte verkry het, het egter van R1,4 miljard in 1995 tot R0,6 miljard in 1996 teruggesak, bes moontlik as gevolg van die afwaartse neiging in die waarde van die rand. Maatskappye in die private sektor het in 1996 geen nuwe fondse in die internasionale primêre effektemark verkry nie, vergeleke met R1,9 miljard wat in 1995 in hierdie markte verkry is.

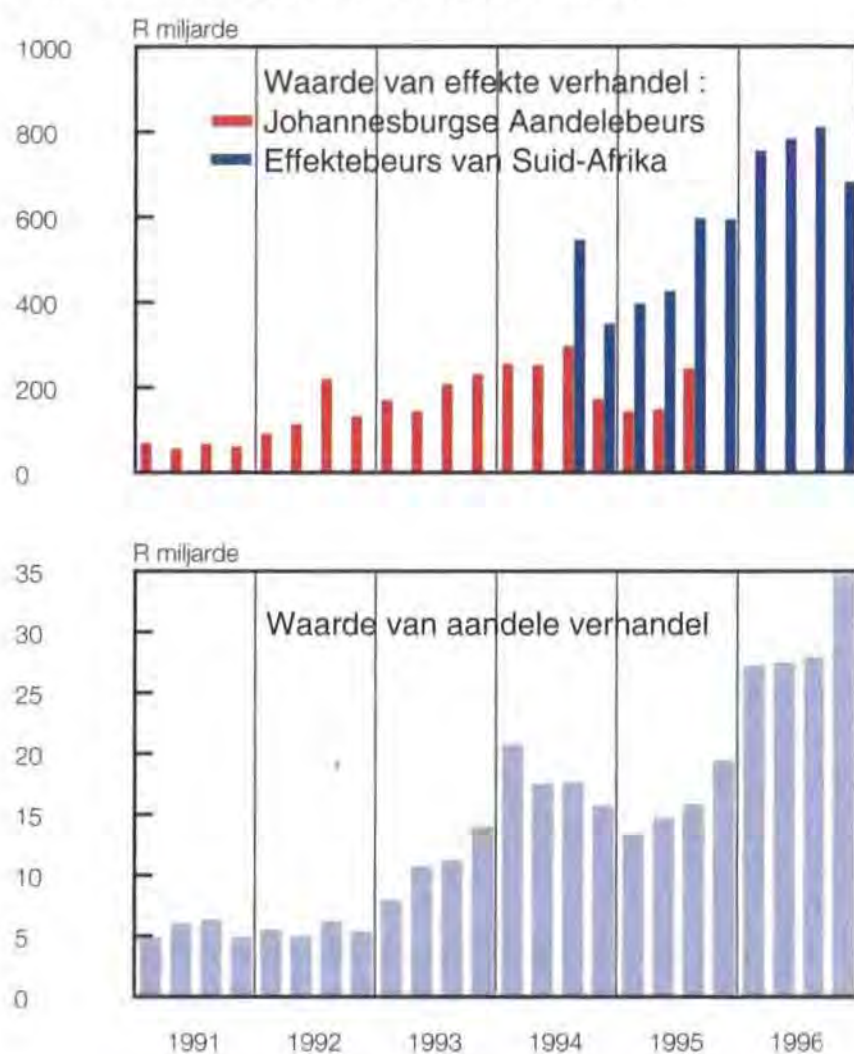
Die waarde van transaksies in die *sekondêre effektemark* het in 1996 met 51 persent toegeneem. Die waarde van effekte wat op die Effektebeurs van Suid-Afrika verhandel is, het van R753 miljard in die eerste kwartaal van 1996 tot R781 miljard in die tweede kwartaal en R809 miljard in die derde kwartaal toegeneem. As gevolg van 'n skerp afname in handelsbedrywigheid in die markte vir sekuriteite gedurende die Desember-feestyd, het die omset daarna tot R680 miljard in die vierde kwartaal van 1996 afgeneem. Namate opbrengskoerse op effekte in Januarie 1997 begin afneem het, het die waarde van effekte wat verhandel is tot R284 miljard toegeneem, vergeleke met 'n maandelikse gemiddelde waarde van R227 miljard in die vierde kwartaal van 1996.

Nie-inwoners was in 1996 aktief in die sekondêre effektemark betrokke en hoewel hulle soms netto verkopers was, het hul netto aankope op die Effektebeurs vir die jaar in die geheel R3,4 miljard bedra. Nie-inwoners se vraag na bates wat in rand betitel is, het teen die einde van 1996 en in Januarie 1997 toegeneem as gevolg van verwagtinge van groter bestendigheid in die waarde van die rand en aantreklike binnelandse opbrengskoerse in verhouding tot 'n verslapping in internasionale rentekoerse. Dit het nie net bygedra tot netto aankope van R3,8 miljard in effekte tot middel Februarie 1997 nie, maar het ook gelei tot 'n merkbare oplewing in die uitgifte van Euro-effekte wat in rand betitel was en wat in 1996 afgeneem het as gevolg van die depresiasie van die rand.

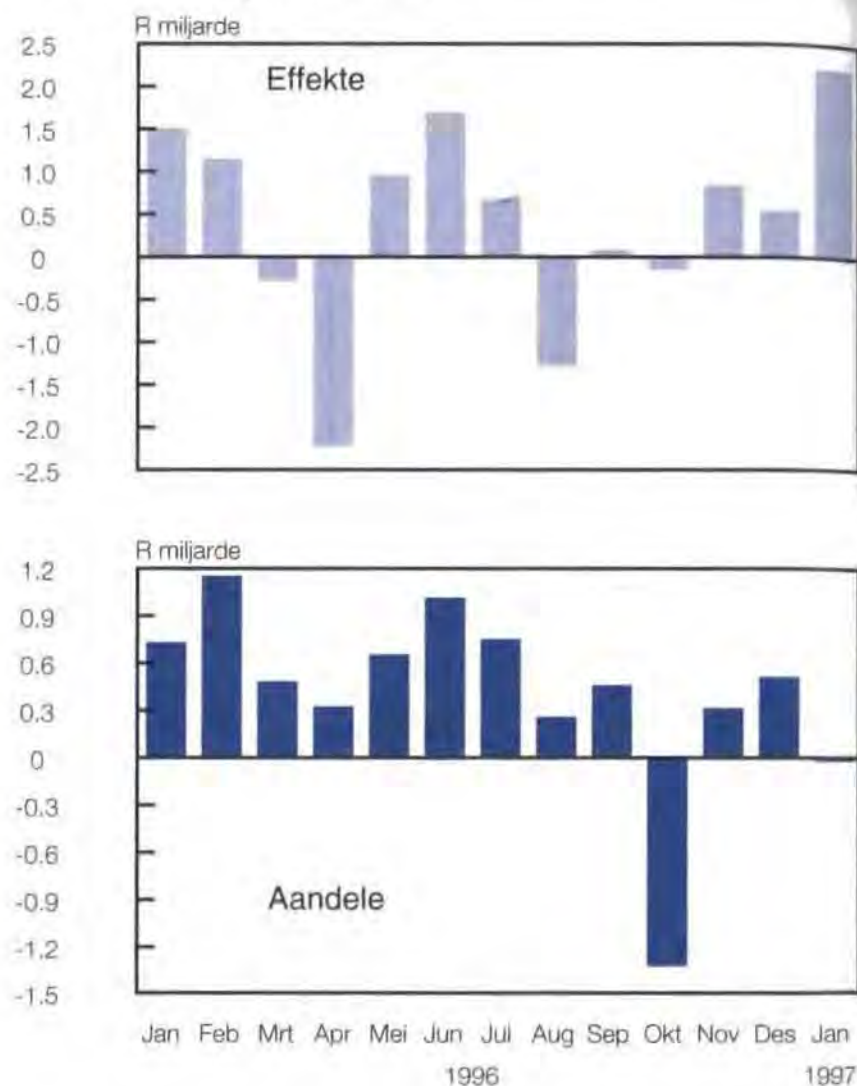
Aandelemark

Die *totale kapitaal* wat genoteerde maatskappye in die *primêre aandelemark* verkry het, het met 39,9 persent,

Omset in die sekondêre kapitaalmark



Nie-inwoners se netto transaksies in die sekondêre kapitaalmark



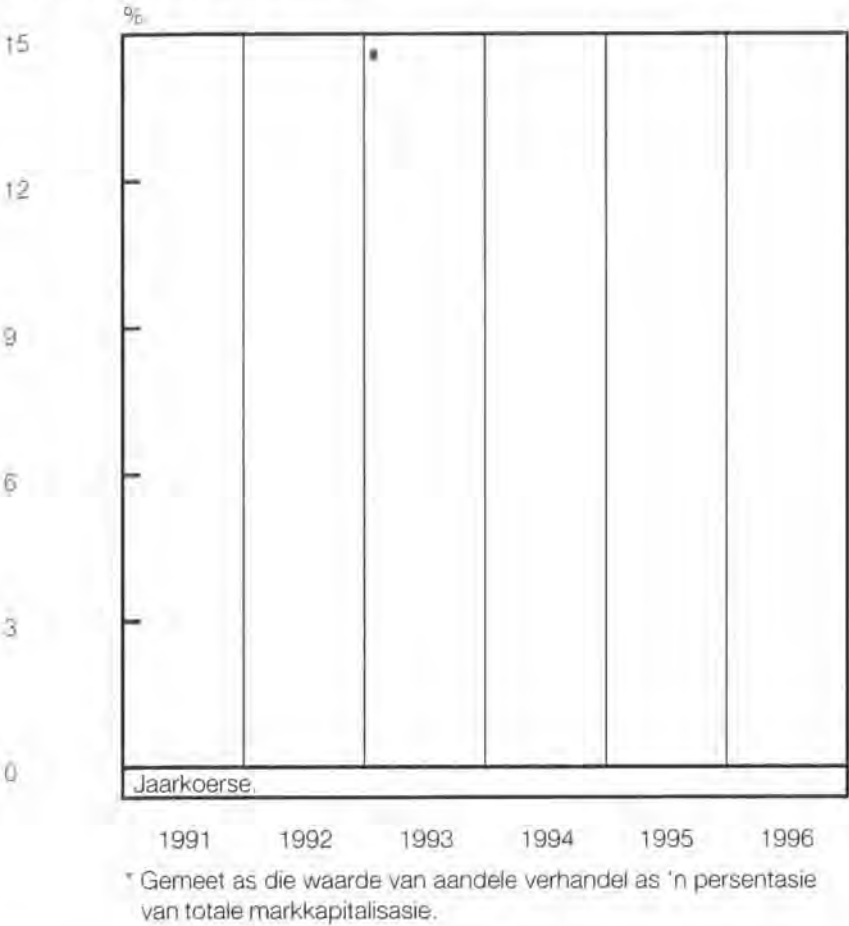
van R18,9 miljard in 1995 tot R26,4 miljard in 1996 toegeneem, omdat dit teen die betreklik hoë koste om te leen voordelig was om finansiering deur middel van aandele pleks van skuld te bekom. Fondse wat deur *regte-uitgiftes van gewone aandele* verkry is, het van 'n gemiddelde van R1,5 miljard gedurende die eerste drie kwartale van 1996 tot R3,0 miljard in die vierde kwartaal toegeneem. In die kalenderjaar 1996 in die geheel, het die waarde van hierdie uitgiftes R7,6 miljard bedra, vergeleke met R5,9 miljard in 1995. Buiten vir kapitaal wat deur regte-uitgiftes bekom is, is aansienlike bedrae verkry deur middel van aandeel-uitgifte in die plek van dividenduitbetalings en die verkryging van bates, dit wil sê aandele wat uitgereik is vir die verkryging van bates wat nog nie genoteer is nie. Saam was hierdie twee vorme van finansiering verantwoordelik vir bykans 50 persent van die totale kapitaal wat genoteerde maatskappye in 1996 in die primêre aandelemark bekom het.

Die omset in die *sekondêre aandelemark* was in 1996 teen R117 miljard uiters lewendig en 85 persent groter as in 1995. Onbestendigheid in die markte vir sekuriteite en afgeleide instrumente en onderlinge wisselwerking tussen hierdie markte sowel as die operasionele en regulatoriese veranderinge wat sedert die laaste deel van 1995 en in 1996 in die aandelemark aangebring is, veral die inwerkingtreëding van die "Johannesburg Equities Trading

System" en tweeledige handelingskapasiteit, het bygedra tot die groot toename in omset en likiditeit. Die kwartaallikse waarde van aandele wat op die Johannesburgse Aandelebeurs verhandel is, het bly toeneem van 'n laagtepunt van R13,3 miljard in die eerste kwartaal van 1995 tot 'n nuwe rekordvlak van R34,6 miljard in die vierde kwartaal van 1996. Likiditeit (gemeet as die waarde van aandele wat verhandel is as 'n persentasie van totale markkapitalisasie) het van 6,9 persent in Desember 1995 tot 10,2 persent in Desember 1996 toegeneem. Aangesien markkapitalisasie oor dieselfde tydperk egter slegs van R1 023 miljard tot R1 130 miljard toegeneem het, en met inagneming van die betreklik gelyke verloop van aandeelpryse in 1996, kan die verbetering in likiditeit hoofsaaklik aan skerp toenames in die aantal aandele wat verhandel is en die aantal aandeeltransaksies toegeskryf word. Die waarde van verhandelde aandele het verder van 'n maandelikse gemiddelde van R11,5 miljard in die vierde kwartaal van 1996 tot R11,8 miljard in Januarie 1997 toegeneem.

Nie-inwoners het gedurende 1996 aktief in die sekondêre aandelemark handel gedryf. Die toelating van filiale van buitelandse banke en sekuriteitefirmas tot die Johannesburgse Aandelebeurs het waarskynlik daartoe bygedra dat nie-inwoners meer besigheid in die plaaslike

Aandelebeurslikiditeit *



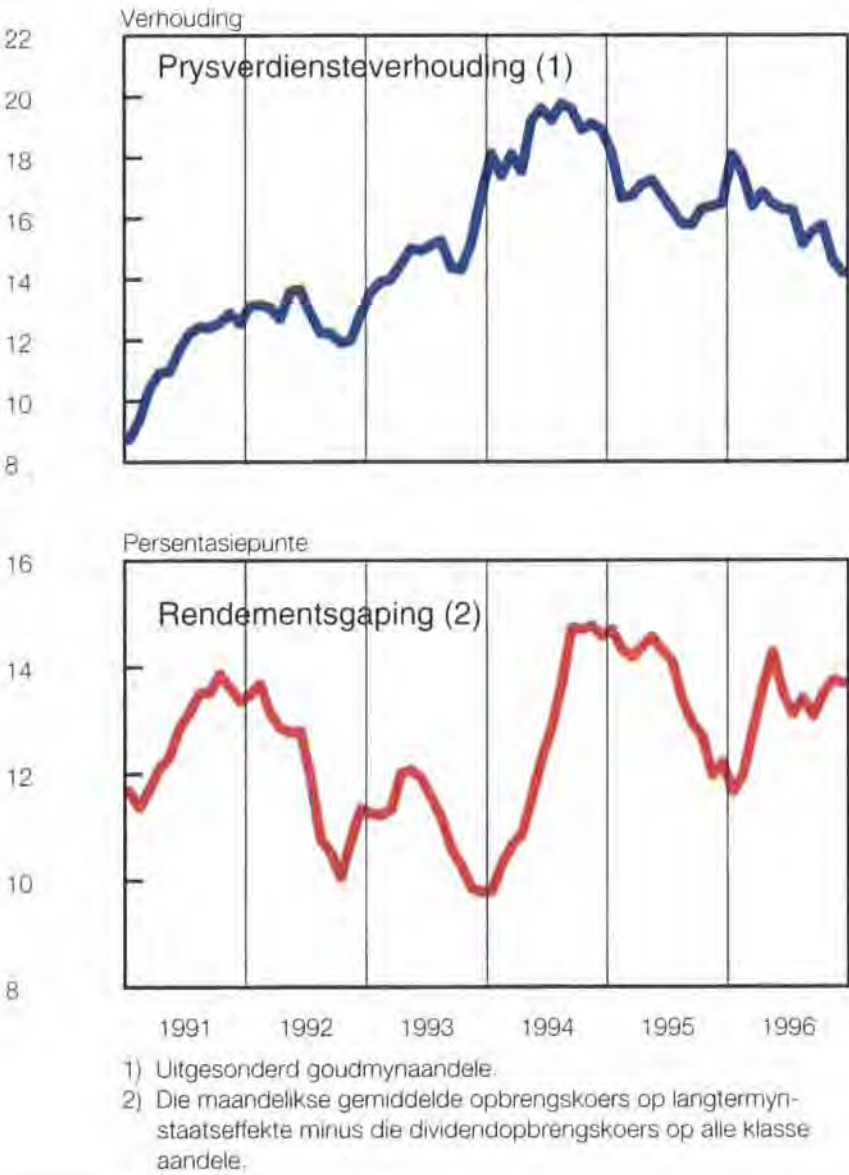
mark gedoen het. Nie-inwoners se netto aankope van aandele op die Johannesburgse Aandelebeurs het vir die hele jaar R5,3 miljard bedra, wat 10 persent meer is as die netto bedrag wat in 1995 aangekoop is. Die kwartaallikse waarde van netto aankope het egter van R2,4 miljard in die eerste kwartaal van 1996 tot R2,0 miljard in die tweede kwartaal en R1,5 miljard in die derde kwartaal afgeneem, gevolg deur netto verkope van R0,5 miljard in die vierde kwartaal. Die netto verkope in die vierde kwartaal van 1996 was die eerste sedert die vierde kwartaal van 1994. In die eerste sewe weke van 1997 was nie-inwoners netto aankopers van aandele ten bedrae van R1,0 miljard.

Aandeleprysbewegings in 1996 was ietwat saai vergeleke met 1995, ten spyte van die volgehoue sterkte van internasionale beurse. In die jaar tot en met Februarie 1996, het die maandelikse *gemiddelde prysvlak van alle klasse aandele* met 30,3 persent toegeneem van 'n laagtepunt in Februarie 1995. Die gemiddelde vlak van aandelepryse het daarna binne 'n betreklike smal band gewissel en per saldo van Februarie met slegs 1,2 persent tot 'n nuwe rekordhoogtepunt in Oktober 1996 toegeneem. Aandelepryse het in November en Desember 1996 gedaal tot 'n vlak wat 6,4 persent laer was as die vlak in Oktober. Daar was egter 'n opmerklike uiteenlopendheid in die vertoning van die verskillende sektore; die afname in die algehele indeks kon hoofsaaklik aan handels- en goudmynaandele toegeskryf word. Die maandelikse gemiddelde prysvlak van *goudmynaandele* het tussen Mei 1996 en Januarie 1997 met

25,4 persent afgeneem tot 'n vlak wat slegs 13,7 persent hoër as die vorige laagtepunt in November 1995 was. Net so het die maandelikse gemiddelde prys van handelsaandele van Februarie 1996 tot Januarie 1997 met 22,8 persent gedaal. Die aandelemark het weer in Januarie 1997 bestendiger geword toe aandelepryse in reaksie op hernude stygings op internasionale beurse effens met 2,4 persent van Desember 1996 toegeneem het.

Die maandelikse gemiddelde *dividendopbrengskoers* op alle klasse aandele het gelykmatig van 2,08 persent in Januarie 1996 tot 2,46 persent in Januarie 1997 toegeneem. Die maandelikse gemiddelde *verdiensle-opbrengskoers* op alle klasse aandele (met uitsluiting van goudmynaandele) het insgelyks van 5,50 persent in Januarie 1996 tot 6,89 persent in Januarie 1997 toegeneem, terwyl aandelepryse slegs effens toegeneem het. Die *rendementsgap* (die maandelikse gemiddelde opbrengskoers op langtermynstaatseffekte minus die dividendopbrengskoers op alle klasse aandele) wat die bewegings van opbrengskoerse op langtermynseffekte streng gevolg het, het van 14,3 persentasiepunte in Mei 1996 tot 13,4 persentasiepunte in Januarie 1997 vernou namate dividendopbrengskoerse toegeneem en opbrengskoerse op langtermynseffekte gedaal het. Die *prysverdiensle-verhouding* (dié van goudmynaandele uitgesluit) het van 18,2 in Januarie 1996 tot 14,5 in

Alle klasse aandele



Tabel 13. Dividendoprengskoers, verdienste-opbrengskoers, prysverdiensverhouding en rendementsgaping op alle klasse aandele

Tydperk	Dividend-opbrengskoers Persent	Verdiens-opbrengskoers* Persent	Prys-verdiensverhouding* Punte	Rendementsgaping Persent
1996: Jan.....	2,08	5,50	18,17	11,69
Mei.....	2,21	6,05	16,54	14,32
Des	2,46	7,01	14,27	13,73
1997 Jan.....	2,46	6,89	14,51	13,36

* Uitgesonderd goudmynaandele

Januarie 1997 teruggesak namate verdienstes toeneem en aandelepryse in gebreke gebly het om sterk opwaarts te beweeg.

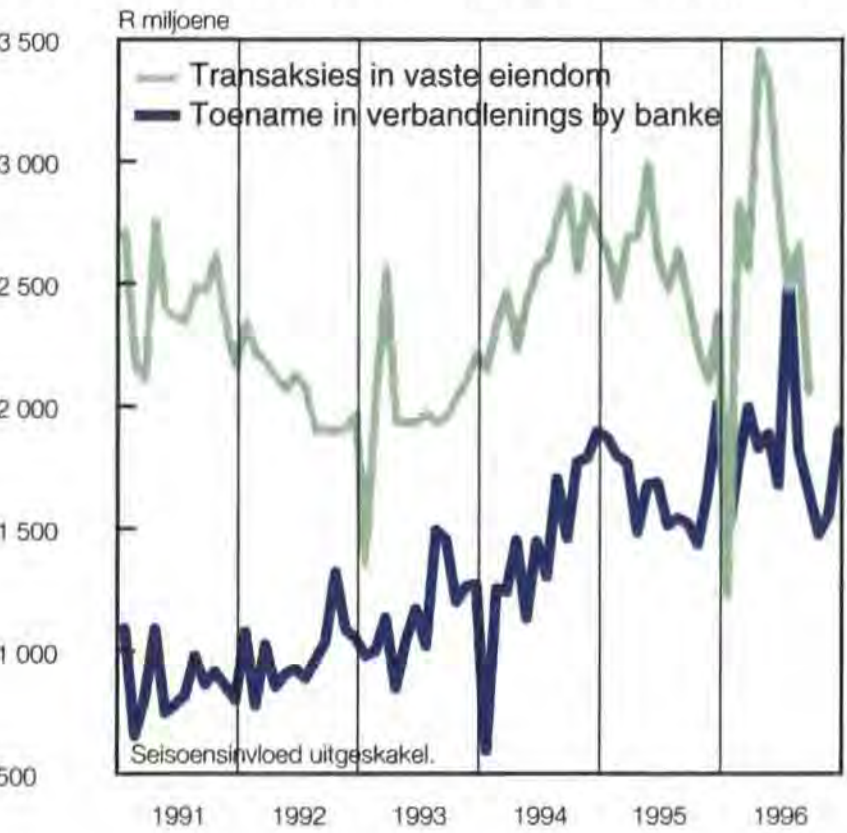
Ander finansiële markte

Onsekerheid in die mark vir buitelandse valuta, die hoë vlak van bedrywigheid in die mark vir sekuriteite en die implementering van die Geoutomatiseerde Verhandelingsstelsel deur die Suid Afrikaanse Termynbeurs het gedurende 1996 'n positiewe uitwerking op die *formele mark vir afgeleide instrumente* gehad. Die aantal transaksies in *opsies* op termynkontrakte was 43,2 persent meer in 1996 as in 1995, hoewel dit van die derde tot die vierde kwartaal van 1996 met 26,8 persent

teruggesak het. In teenstelling hiermee het die aantal *termynkontrakte* wat in 1996 verhandel is met net 15,3 persent toeneem, vergeleke met die transaksies wat in 1995 aangegaan is. Die aantal termynkontrakte wat per kwartaal verhandel is, het egter van die derde tot die vierde kwartaal van 1996 met 15,4 persent toeneem. Die gesamentlike omset in opsie- en termynkontrakte het van 'n maandelikse gemiddelde van 0,7 miljoen kontrakte in die vierde kwartaal van 1996 tot 1,3 miljoen kontrakte in Januarie 1997 toeneem. Die deelname van nie-inwoners in die formele afgeleide mark het ook van 'n gemiddelde van 7,4 persent van die ope belang in die eerste drie kwartale van 1996 tot 12,9 persent in die vierde kwartaal toeneem.

Die hoë vlak van rentekoerse, veral die huisverbandkoers, het die vraag na behuising negatief beïnvloed en 'n dempende uitwerking op groei in die mark vir huislenings en dus op vaste-eiendomstransaksies gehad. Finansiering in die *verbandmark* het in 1996 lewendig gebly hoewel dit in die loop van die jaar afgeplat het. Totale kapitaaldelgings het in 1996 met 22,7 persent toeneem, vergeleke met die vlakke wat in 1995 behaal is. Verbandlenings wat gedurende dieselfde tydperk uitbetaal is, het egter met net 17,6 persent toeneem. Die totale uitstaande verbandvoorskotte aan banke het nietemin van R130,3 miljard aan die einde van Desember 1995 tot R152 miljard in Desember 1996 toeneem. In die *mark vir vaste eiendom* het die maandelikse waarde sowel as die aantal transaksies vanaf April 1996 afgeneem. In die eerste drie kwartale van 1996 het die waarde van vaste-eiendomstransaksies R23,5 miljard bedra – sowat 0,8 persent minder as in die ooreenstemmende tydperk van die vorige jaar. Die aantal vaste-eiendomstransaksies het oor hierdie tydperk met 2,6 persent afgeneem.

Verbandlenings en transaksies in vaste eiendom



Openbare finansies

Leningsbehoefte van die openbare sektor

Die *leningsbehoefte van die openbare sektor* (dit wil sê die tekort voor lenings en skuldaflissing van die gekonsolideerde sentrale regering, provinsiale regerings, plaaslike owerhede, die nie-finansiële openbare sake-ondernemings en openbare korporasies) het in die fiskale jaar 1996/97 se eerste nege maande R21,5 miljard bedra, of R1,0 miljard meer as die leningsbehoefte in die ooreenstemmende tydperk van die vorige jaar. In verhouding tot die bruto binnelandse produk het die leningsbehoefte van die openbare sektor in die eerste nege maande van dié fiskale jaar 5,2 persent beloop, wat effens laer is as die 5,5 persent in die eerste nege maande van die fiskale jaar 1995/96. In die Desember-kwartaal van 1996 het die leningsbehoefte van die openbare sektor (nie vir seisoenskommelings aangepas nie) R3,2 miljard bedra wat aansienlik laer was as die R10,7 miljard in die Junie-kwartaal van 1996 en R7,6 miljard in die September-kwartaal.

Die *totale* toename van jaar tot jaar van R1,0 miljard in die leningsbehoefte van die openbare sektor in die eerste nege maande van die fiskale jaar 1996/97 word meer as ten volle deur die toename van jaar tot jaar van R2,3 miljard in die *leningsbehoefte van die algemene owerheid* verantwoord. In teenstelling hiermee het die leningsbehoefte van die *nie-finansiële openbare korporasies en die sake-ondernemings van die sentrale regering* van 'n tekort van R0,8 miljard in

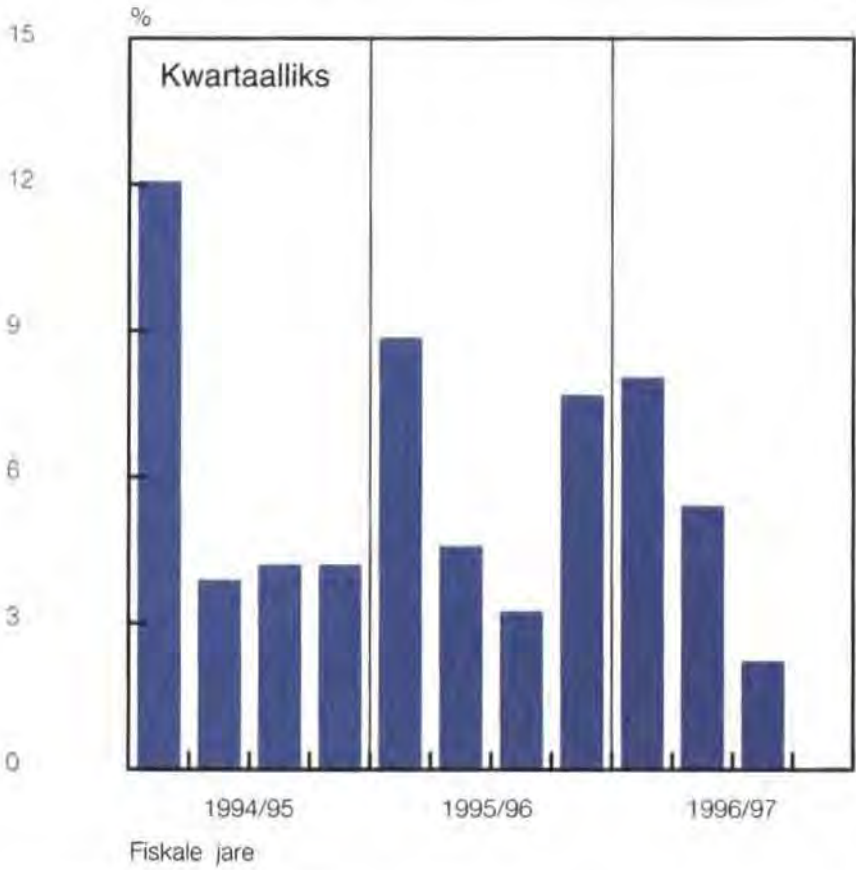
die eerste nege maande van die fiskale jaar 1995/96 tot 'n surplus van R0,5 miljard in die eerste nege maande van die fiskale jaar 1996/97 omgeswaai.

'n Ontleding van die algemene owerheid volgens die verskillende *vlakke van owerheid* toon dat die Sentrale Regering vir ongeveer 94 persent van die algehele leningsbehoefte van die algemene owerheid verantwoordelik was. Die leningsbehoefte van die Sentrale Regering het met R1,1 miljard, van R19,5 miljard in die eerste nege maande van die fiskale jaar 1995/96 tot R20,6 miljard in die eerste nege maande van die fiskale jaar 1996/97, toegeneem. Die tekort van die *plaaslike owerhede* het oor dieselfde tydperk van R0,3 miljard tot R0,4 miljard toegeneem, terwyl die finansiële surplus van die *provinsiale regerings* van R0,2 miljard in die eerste nege maande van die fiskale jaar 1995/96 in 'n tekort van R0,9 miljard in die eerste nege maande van die fiskale jaar 1996/97 verander het. Die ommeswaai in die finansiële saldo van die provinsiale regerings van 'n surplus na 'n tekort was deels 'n weer-spieëling van die toename in die lewering van maatskaplike dienste op provinsiale regeringsvlak.

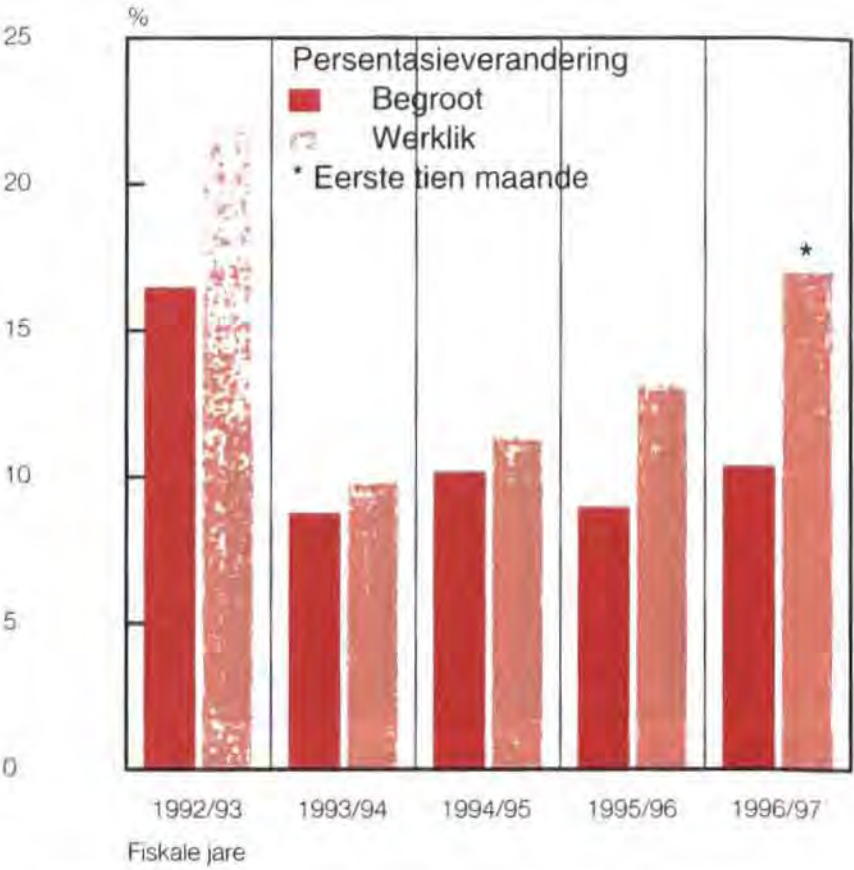
Skatkisrekening

Die tekort voor lenings en skuldaflissing op die Skatkisrekening in die eerste tien maande van die fiskale jaar 1996/97 het min of meer met die begrotingsvooruitskattings vir die volle fiskale jaar ooreengestem. Die koerse van toename van jaar tot jaar in skatkisuitreikings sowel as -ontvangste het oor hierdie tydperk die toenames wat in die Begroting vir die volle fiskale jaar in die vooruitsig gestel is, oorskry.

Leningsbehoefte van die openbare sektor as persentasie van bruto binnelandse produk



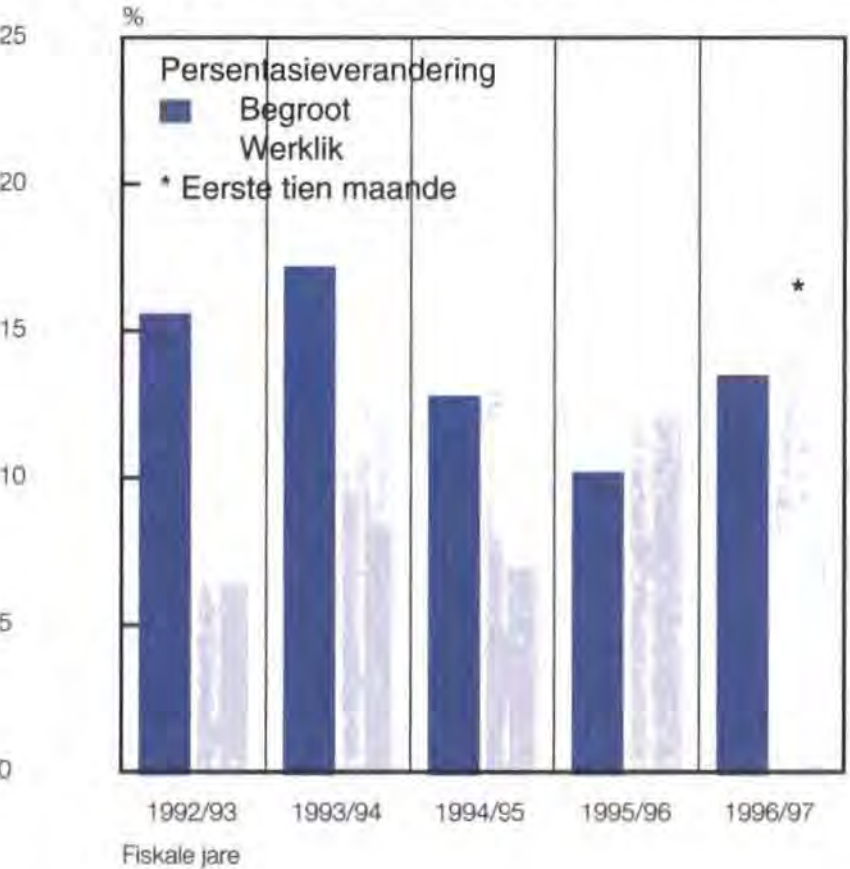
Begrote en werklike skatkisuitreikings aan staatsdepartemente



In die eerste tien maande van die fiskale jaar 1996/97 het *skatkisuitreikings* aan staatsdepartemente (aangepas om kontantvloeiinge te weerspieël) R145,5 miljard bedra. Dit het die koers van toename van jaar tot jaar in aangepaste skatkisuitreikings in die eerste tien maande van die fiskale jaar 1996/97 op 16,9 persent te staan gebring wat aansienlik hoër was as die begrotingsvoorsiening van 10,4 persent vir die fiskale jaar in die geheel. Die koers van toename in skatkisuitreikings in die eerste tien maande van die huidige fiskale jaar was hoër as die gemiddelde koers van toename van jaar tot jaar van 14,2 persent in die eerste tien maande van die voorafgaande vyf fiskale jare. In die eerste *nege* maande van die fiskale jaar 1996/97 het skatkisuitreikings in verhouding tot die bruto binnelandse produk 31,4 persent bedra in vergelyking met 30,6 persent wat in die ooreenstemmende tydperk van die vorige fiskale jaar aangeteken is.

In die eerste tien maande van die fiskale jaar 1996/97 het *skatkisontvangste* (met die uitsluiting van buitengewone ontvangste) R124,6 miljard bedra, of 15,4 persent meer as die vlak in die eerste tien maande van die voorafgaande jaar; vir die jaar in die geheel is vir 'n toename van 13,6 persent in staatsinkomste begroot. Skatkisontvangste het in die eerste nege maande van die fiskale jaar 1996/97 in verhouding tot die bruto binnelandse produk 26,3 persent bedra teenoor 25,2 persent in die eerste nege maande van die voorafgaande fiskale jaar.

Begrote en werklike skatkisontvangste



Tabel 14. Persentasietoename in skatkisontvangste

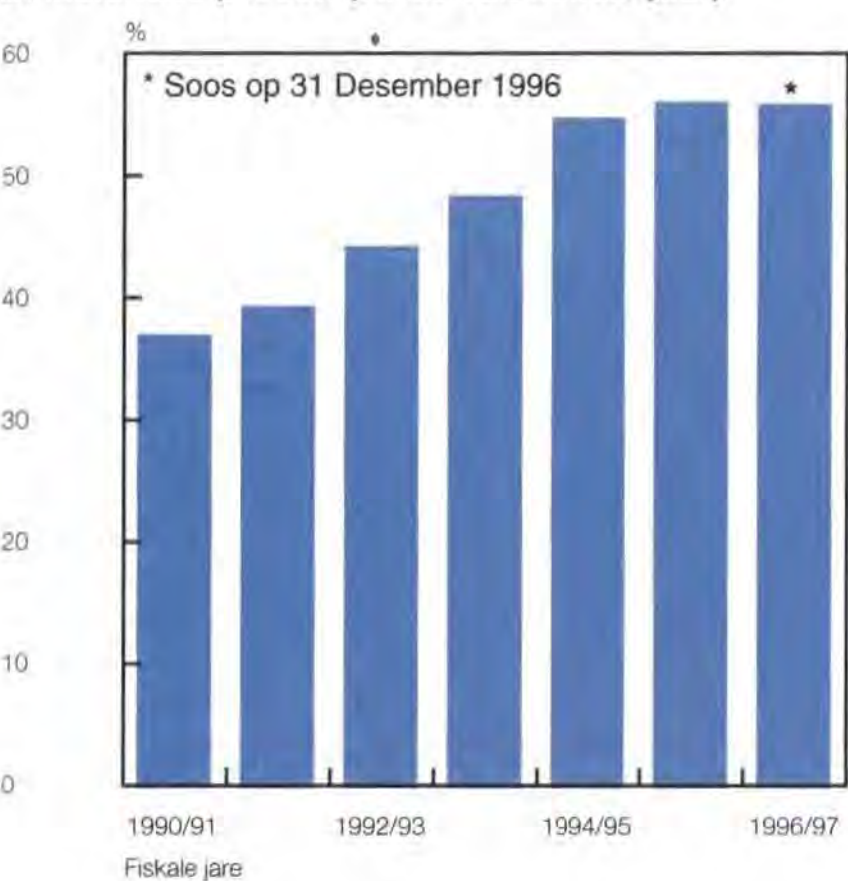
Soort inkomste	Begrote toename vir die fiskale jaar 1996/97	Werklike toename in die eerste nege maande van die fiskale jaar 1996/97
Doeane- en aksyns-regte	9,7	16,2
Binnelandse inkomste	14,2	16,3
Inkomstebelasting	17,5	22,8
Belasting op toegevoegde waarde	13,3	7,8
Totale skatkis-ontvangste.....	13,6	17,1

Die hoër-as-begrote ontvangste is hoofsaaklik teweeggebring deur 'n sterk groei in ontvangste van binnelandse inkomste, wat beter as die begrotingsramings gevaar het. Soos in Tabel 14 aangetoon word, kan die goeie vertoning van skatkisontvangste hoofsaaklik aan 'n sterk groei in ontvangste uit inkomstebelasting en doeane- en aksynsregte toegeskryf word. As gevolg van die betreklike sterk toename in die vrygestelde kategorieë van uitvoer en vaste kapitaalbesteding was die opbrengs uit belasting op toegevoegde waarde teleurstellend laer as die begrotingsramings. Binnelandse inkomste het by die sterker-as-verwagte groei in maatskappywinste, die algehele opknapping van belastingadministrasie en die gevolglike verbetering van belastingdoeltreffendheid gebaat. Ontvangste uit doeane- en aksynsregte het sterker vertoon as wat in die Begroting voorsien was danksy die skerp toename in die waarde van goedere-invoer wat deels met die verswakking van die rand verband gehou het. Doeanebeheer is ook by verskeie toegangspunte tot die land verskerp.

Die netto gevolg van die hoër-as-begrote inkomste en uitgawes was 'n *tekort voor lenings en skuldaflossing* van R20,9 miljard in die eerste tien maande van die fiskale jaar 1996/97, wat 68,2 persent van die begrote tekort vir die jaar in die geheel beloop. Hierdie persentasie is hoër as die 54,7 persent van die tekort vir die volle fiskale jaar wat in die eerste tien maande van die voorafgaande fiskale jaar gerealiseer is, en ook hoër as die gemiddelde van 65,3 persent wat in die eerste tien maande van die voorafgaande vyf fiskale jare aangeteken is.

In die eerste nege maande van die fiskale jaar 1996/97 het die tekort voor lenings en skuldaflossing met die uitsluiting van buitengewone ontvangste in verhouding tot die bruto binnelandse produk 5,1 persent bedra teenoor 5,4 persent in die ooreenstemmende tydperk van die voorafgaande fiskale jaar en 5,5 persent wat vir die huidige fiskale jaar in die geheel begroot is.

Totale staatskuld as persentasie van bruto binnelandse produk (einde van fiskale jaar)



Soos in Tabel 15 getoon word, is die grootste deel van die tekort in die eerste tien maande van die fiskale jaar 1996/97 deur middel van die uitreiking van nuwe staatseffekte gefinansier. Die finansiering van die tekort deur middel van skuldinstrumente het veroorsaak dat die totale staatskuld van R280,0 miljard aan die einde van Maart 1996 tot R304,1 miljard aan die einde van Desember gestyg het. In verhouding tot die bruto binnelandse produk het die

Tabel 15: Finansiering van die skatkistekort in die eerste tien maande van die fiskale jaar 1996/97

	R miljoene
Staatseffekte (nominale waarde).....	23 424
Min: Diskonto op staatseffekte.....	.5652
Netto ontvangste uit staatseffekte	17 772
Skatkiswissels	4 795
Buitengewone ontvangste.....	1 878
Buitelandse lenings.....	2 081
Nie-bemerkbare sekuriteite	-178
Geldmarkinstrumente.....	-3 827
Toename in beskikbare kontantsaldo's.....	-1 604
Totale netto finansiering	20 917

staatskuld effens van 56,2 persent aan die einde van Maart 1996 tot 56,0 aan die einde van Desember afgeneem.

Aansuiweringsbegroting vir die fiskale jaar 1996/97

In die Aansuiweringsbegroting wat op 13 Februarie 1997 in die Parlement ter tafel gelê is, is addisionele besteding van R13,1 miljard vir die fiskale jaar 1996/97 goedgekeur. Indien verklaarde besparings, die verskuiwing van fondse en funksies tussen vlakke van owerheid en begrotingsposte, verhalings vanaf pensioenfondse, fondse wat nie gespandeer is nie en die dubbeltelling ten opsigte van die nasionale regering se bydrae tot die Heropbou- en Ontwikkelingsprogramfonds egter in aanmerking geneem word, word die Addisionele begrotingsramings van besteding vir die fiskale jaar 1996/97 met R1 miljard van R177,1 miljard tot R176,1 miljard verminder. Daar word verwag dat die hersiene staatsbesteding in die fiskale jaar 1996/97 in verhouding tot die bruto binnelandse produk 31,4 persent sal wees – dieselfde as die verhouding in die voorafgaande fiskale jaar.

In die Aansuiweringsbegroting is ook voorsiening gemaak vir 'n opwaartse aanpassing van die oorspronklike inkomsteraming van R144,9 miljard tot R147,4 miljard. Die raming sluit R1,9 miljard se buitengewone ontvangste in, synde die opbrengs uit die verkoop van strategiese oliereserwes. Daar word verwag dat staatsinkomste in verhouding tot die bruto binnelandse produk 26,3 persent sal bedra, wat die verhouding in die vorige fiskale jaar met een persentasiepunt oorskry.

Tabel 16: Hersiene Begrotingsraming vir die fiskale jaar 1996/97

	R miljoene
Gedrukte raming van uitgawes	177 100
Plus: Aansuiweringsraming	13 105
Plus: Staande toewysings	295
Subtotaal	190 500
Min: Onbestede fondse.....	9 000
Verhaling van pensioenfondse.....	300
Verwagte besparing.....	485
Verskuiwing van fondse en funksies	536
Dubbeltelling ten opsigte van die HOP-fonds	4 110
Verwagte besteding vir 1996/97	176 069
Verwagte inkomste en oordragte (insluitend buitengewone ontvangste)	147 411
Verwagte tekort.....	28 658
Verwagte tekort in verhouding tot die bruto binnelandse produk	5,1

In die lig van die aanpassings aan die bestedings- en inkomsteramings, word die tekort voor lenings en skuldaflissing in die begroting van die nasionale regering vir die fiskale jaar 1996/97 op R28,7 miljard geraam. Hierdie tekort is gelyk aan 5,1 persent van die bruto binnelandse produk en stem ooreen met die verhouding wat deur die Minister van Finansies in die vooruitsig gestel is toe hy sy oorspronklike begrotingsvoorstelle in Maart 1996 aan die Parlement voorgelê het.

Die toedeling van funksies aan die drie Vise-presidente van die Bank

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

27 Januarie 1997

Met die aanstelling van mnr James H. Cross as 'n Vise-president van die Reserwebank aan die begin van Januarie 1997, is al die vakatures wat vir 'n ruk lank ten opsigte van die Regering se uitvoerende verteenwoordigers op die Raad van die Bank bestaan het, nou gevul. Die volgende funksies vir die inwerkingstelling en administrasie van monetêre beleid is aan die drie Vise-presidente toegedeel:

Dr Chris J. de Swardt sal hoofsaaklik vir die binnelandse finansiële bedrywighede en vir die interne administrasie van die Bank verantwoordelik bly. Die volgende departemente van die Bank sal regstreeks aan hom verslag doen:

- Administrasie
- Banktoesighouding (insluitende die Registrateur van Banke)
- Bestuursdienste
- Inligtingstegnologie (insluitende die Nasionale Betalingstelsel), en
- Interne Oudit.

As Voorsitter van die Beleidsraad vir Finansiële Dienste en Regulering sal dr De Swardt by ontwikkelings in die binnelandse finansiële markte betrokke bly, asook by die koördinerende van finansiële regulering en toesighouding van binnelandse finansiële instellings en markte.

Mnr Timothy T. Thahane, wat op 1 April 1996 by die Bank aangesluit het, sal vir ekonomiese dienste en vir betrekkinge met ander lande op die vasteland van Afrika en die multinasionale finansiële instellings soos die Wêreldbank en die Internasionale Monetêre Fonds, verantwoordelik wees. Hy sal ook oor die verloop van organisatoriese ontwikkeling en die bedrywighede wat verband hou met die transformasieproses wat nou in die Bank plaasvind, toesig hou. Die volgende departemente van die Bank sal regstreeks aan mnr Thahane verslag doen:

- Ekonomie
- Opleidingsinstituut, en
- Organisatoriese Ontwikkeling en Transformasie ('n nuwe departement wat die belangrike funksies van menslike hulpbronontwikkeling en koördinerende van strategiese ontwikkeling sal oorneem).

Mnr James H. Cross is 'n ervare handelaar in die internasionale bankwese en finansiële markte en sal vir die Bank se optredes in die binnelandse geld- en kapitaalmark en in die mark vir buitelandse valuta verantwoordelik wees. Die volgende departemente sal onder hom funksioneer:

- Geld- en Kapitaalmark, en
- Internasionale Bankwese.

Die Sekretaris van die Bank, **mnr Jannie J. Rossouw**, wat hoofsaaklik verantwoordelik is vir sake aangaande die Raad en vir die reëling van Komitee-vergaderings waarvan die President die Voorsitter is, sal by die Kantoor van die President ingeskakel word.

Die drie Vise-presidente sal nou voortgaan om saam met die Hoofde van hul departemente die moontlike verdere rasionalisering van die bedrywighede van die Bank te ondersoek om by die behoeftes van die veranderende Suid-Afrikaanse omgewing, en die toenemende eise wat aan die Bank en sy personeel gestel word, aan te pas. Daar sal veral aan die rol van die Bank in die mark vir Staatseffekte, die ontwikkeling van die Nasionale Betalingstelsel, die geleidelike uitfasering van Deviesebeheer, en die groeiende bande tussen Suid-Afrika en ander Afrikalande, aandag gegee word.

Notas oor 'n geïntegreerde ontleding van paaientkredietvloei en -saldo's

deur J.P. van den Heever en M.A. van Deventer

In die ontleding van kredietverlening deur monetêre instellings word normaalweg op die veranderinge in poste op die gekonsolideerde balansstaat van hierdie instellings gekonsentreer. Die bedrag wat deur die binnelandse private sektor aan die monetêre sektor verskuldig is, en die groeikoers oor twaalf maande in hierdie bedrag, geniet veral baie aandag. In verdere ontledings word ook op die seisoensaangesuiwerde groeikoerse oor tydperke van minder as twaalf maande gelet, asook op die afsonderlike verloop van elk van die hoofsoorte krediet, naamlik verbandvoorskotte, wissels verdiskonteer, beleggings, afbetalingsverkoopkrediet, bruikhuurfinansiering en ander lenings en voorskotte.

Waardevolle inligting kan ook bekom word deur die verskillende vloei onderliggend aan die saldo's te bestudeer, mits die nodige gegewens natuurlik beskikbaar is. Só 'n geïntegreerde ontleding van vloei en saldo's is trouens in ooreenstemming met die algemene rigting wat deur die *System of National Accounts* van 1993 en die IMF se konsep *Manual on Monetary and Financial Statistics* ingeslaan word.

Toegepas op paaientkrediet, hier gedefinieer as die som van afbetalingsverkoopkrediet en bruikhuurfinansiering, kan hierdie soort ontleding aan die hand van die volgende identiteit geïllustreer word:

Beginsaldo (B)

- + bedrag uitbetaal ten opsigte van nuwe besigheid gedurende tydperk (U)
- + finansieringskoste opgeloopt gedurende die tydperk (F)
- paaient ontvang gedurende die tydperk (P)
- bedrae afgeskryf en netto ander krediete gedurende die tydperk (A)
- = eindsaldo (E)

of algebraïes:

$$B + U + F - P - A = E, \quad (1)$$

wat herskryf kan word om die verandering in die uitstaande saldo statisties te verklaar:

$$E - B = U + F - P - A. \quad (2)$$

In die ontleding van hierdie groothede verdien uitbetalings ten opsigte van nuwe besigheid, U, spesiale aandag. Dit is hierdie uitbetalings wat regstreeks in die nasionalerekeninge-ramings van die bruto binnelandse besteding weerspieël word - die motors, vragmotors en ander duursame verbruikers- en kapitaalgoedere wat by wyse van paaientkrediet gefinansier word. Indien die monetêre

beleid ten doel het om die stimulerende uitwerking van kredietverlening op besteding te temper, sal 'n verlangsamings of vermindering in U op 'n geslaagde beleid dui.

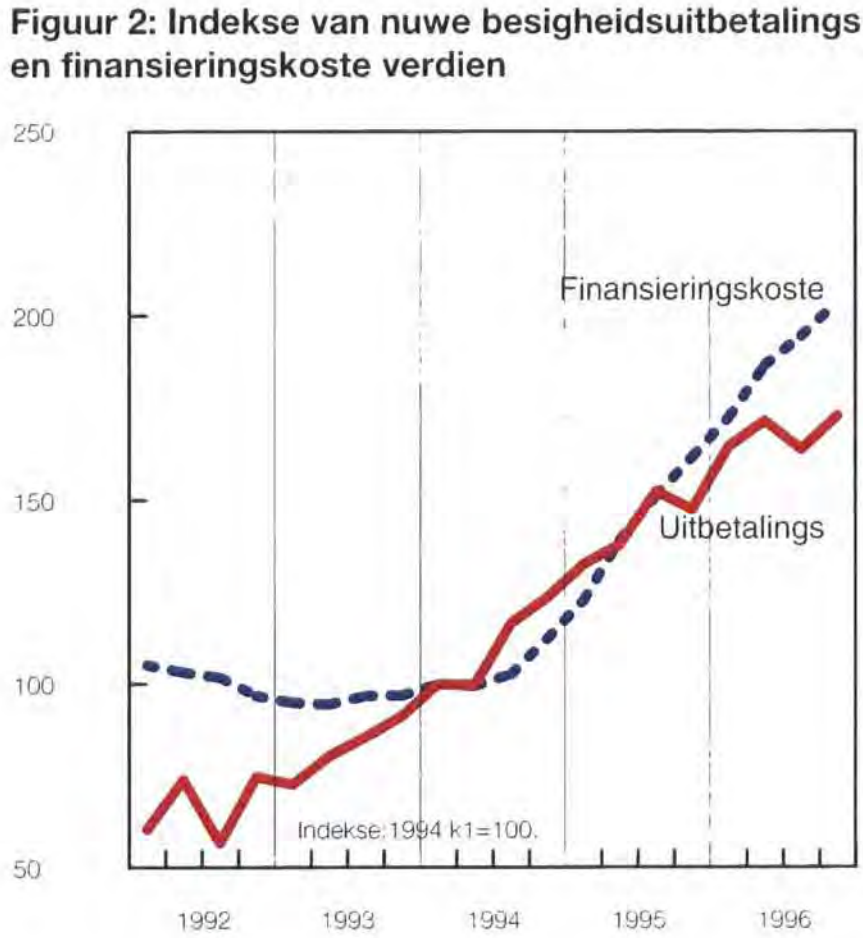
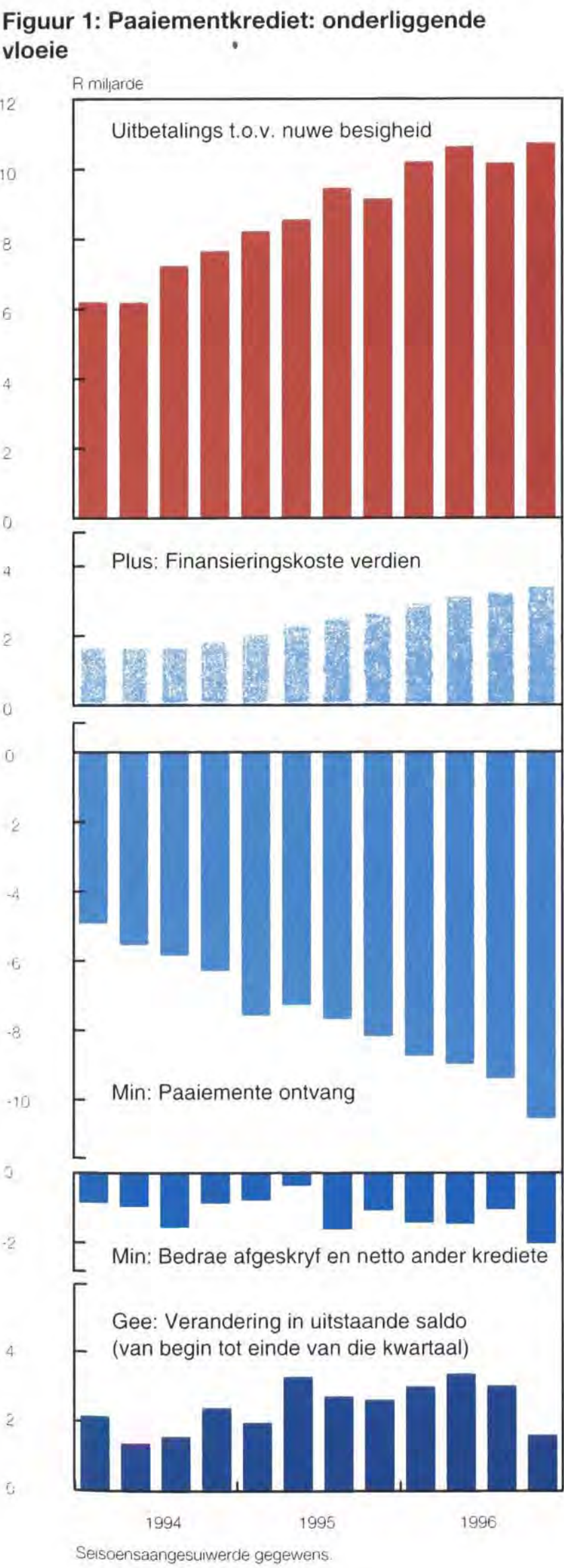
Opgeloopte finansieringskoste, F, kan toeneem omdat daar óf meer krediet uitstaande is, óf 'n hoër gemiddelde rentekoers van krag is. Wanneer F toeneem, behoort paaient ontvang, P, dienoreenkomstig te styg. Sloerings weens administratiewe redes, onvermoë of onwilligheid om hoër paaient te betaal en gevolglike herskedulering of verlenging van die terugbetalingstydperk kan hierdie styging egter effens uitstel of demp. Rente kan dus vir 'n kort tydperk gekapitaliseer word.

Bedrae afgeskryf en netto ander krediete, A, kan uit verskillende soorte transaksies ontstaan. Die afskrywing van voorskotte wat nie ingevorder kan word nie, verteenwoordig die grootste komponent binne hierdie kategorie. Afskrywing verminder die bedrag aan uitstaande skuld wat die banke in hul rekeningkundige stelsels erken. Daarbenewens is daar ook nog verdere krediete en debiete, soos die regstelling van foute op vroeëre paaientkredietrekening, wat by "netto ander krediete" in berekening gebring word.

Die volledige stel inligting wat nodig is om hierdie soort ontleding te doen, word sedert 1994 deur banke aan die Reserwebank verskaf. Hoewel die gegewens in afbetalingsverkoopkrediet en bruikhuurfinansiering onderverdeel is, kan banke en hul kliënte vir belasting- en ander doeleindes met groot gemak van die een soort finansiering na die ander oorskakel. Gevolglik is dit meer sinvol om op totale paaientkrediet te konsentreer. Figuur 1 toon die verskillende vloei ten opsigte van die totaal van afbetalingsverkoopkrediet en bruikhuurfinansiering, deur identiteit (2) te gebruik.

Figuur 1 toon dat *totale uitbetalings ten opsigte van nuwe besigheid* voortdurend vanaf die middel van 1994 toegeneem het, waarna dit in die derde kwartaal van 1996 effens afgeneem het. Ten spyte van 'n geringe verdere toename in die vierde kwartaal van 1996, het uitbetalings ten opsigte van nuwe besigheid gedurende 1996 klaarblyklik afgeplat.

Die grafiek toon dat *finansieringskoste* oor die tydperk onder beskouing betreklik gelykmatig gestyg het. Eweneens het *paaient ontvang* ook betreklik bestendig toegeneem, en teen die laaste kwartaal van 1996 verdubbel teenoor die aanvanklike waarde in die eerste kwartaal van 1994. *Bedrae afgeskryf en netto ander krediete* het meer as die ander geïdentifiseerde vloei gewissel, wat te



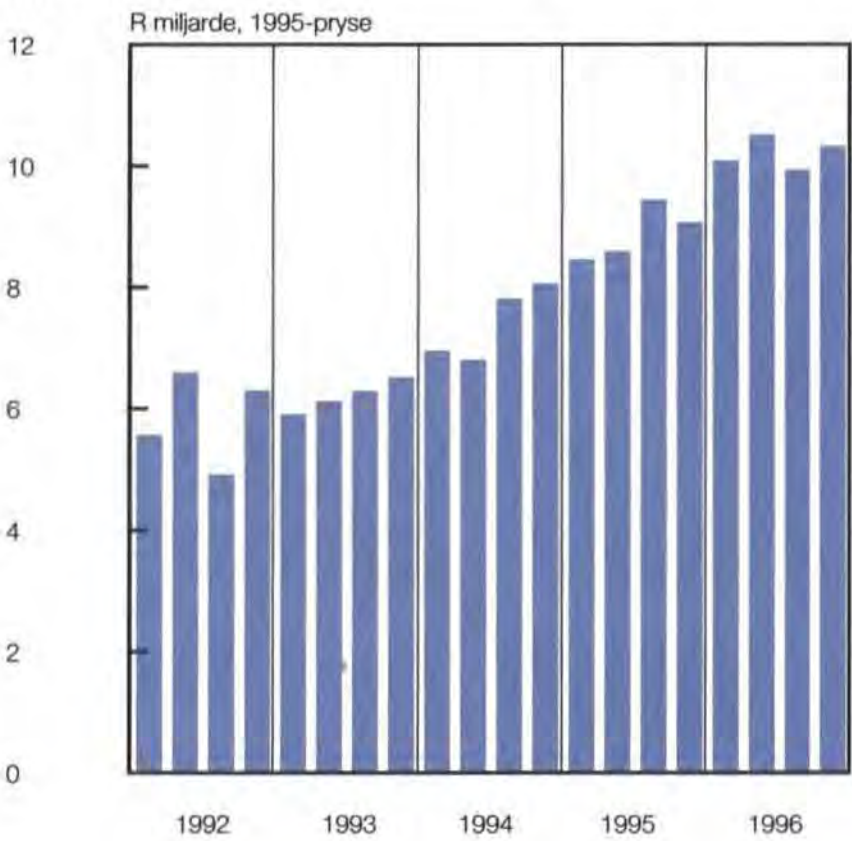
verwagte is vir 'n item wat in werklikheid 'n respos is.

Soos verwag kon word, toon die ontleding duidelik dat die absolute groottes van die bedrae uitbetaal ten opsigte van nuwe besigheid, en paaiente ontvang, die veranderinge in die uitstaande saldo van paaientkrediet oorheers.

Figuur 2 toon die verloop van uitbetalings ten opsigte van nuwe besigheid en finansieringskoste verdien op 'n indeksgrondslag. Verlagings in rentekoerse en 'n betreklike klein bedrag aan kredietverlening verklaar die afwaartse en daarna baie langsame opwaartse beweging in finansieringskoste vanaf 1992 tot die derde kwartaal van 1994. Weens 'n stygende bedrag aan uitstaande krediet waarop rente verdien word en 'n hoër gemiddelde rentekoerspeil, het finansieringskoste verdien vanaf die vierde kwartaal van 1994 deurlopend sterk gestyg. Nuwe besigheidsuitbetalings het daarenteen vanaf die vierde kwartaal van 1995 verlangsamer vergelyk met finansieringskoste verdien.

Gegewens oor bedrae uitbetaal ten opsigte van nuwe besigheid word sedert 1992 ingesamel en word tans in die tabel op bladsy S-11 van die *Kwartaalblad* vrygestel. Figuur 3 toon die reële waarde van hierdie uitbetalings; die nominale waardes word met behulp van die verbruikersprysindeks vir motorvoertuie vir inflasie aangesuiwer.

Figuur 3: Reële nuwe paaientkrediet-uitbetalings



Die resessietoestande in 1992, die ekonomiese herstel daarná en die afplatting sedert die middel van 1996 word in die verloop van die reële waarde van nuwe besigheidsuitbetalings weerspieël.

Paaientkrediet is gewoonlik 'n betroubare en konjunkturgevoelige ekonomiese aanwyser. Hierdie studie werp 'n nuwe lig op sake deur kredietvloei en uitstaande saldo's binne 'n geïntegreerde raamwerk te ontleed. Dit beeld die grootte van die verskillende vloei onderliggend aan paaientkrediet uit, toon dat finansieringskoste in onlangse kwartale vinniger as nuwe besigheidsuitbetalings gestyg het, en benadruk oor die algemeen die belangrikheid van nuwe besigheidsuitbetalings by die ontleding van kredietaanleenthede.