

Note on South Africa's integrated economic accounts¹

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Introduction

Significant progress has been made since 2015 in establishing integrated economic accounts (IEA) statistics for South Africa. The first experimental IEA statistics will most likely be published towards the end of 2021, when macroeconomic statistics in this framework will render insights into the interconnectedness among institutional sectors and assist in identifying possible vulnerabilities. In addition, these statistics will address South Africa's commitment to the implementation of recommendation 8 of the Group of Twenty (G20)³ Data Gaps Initiatives (DGI).

Methodology

The methodology underlying the compilation of the IEA is guided by the *System of National Accounts 2008 (2008 SNA)*⁴ and the statistical framework shown in Figure 1. This framework consists of three unique macroeconomic accounting modules, namely the current and capital account (CURCAP), the non-financial balance sheet and accumulation account (NFBSAA) and the financial balance sheet and accumulation account (FBSAA). The framework furthermore comprises four main domestic institutional sectors as well as the rest of the world (ROW). The domestic institutional sectors comprise non-financial corporations; financial corporations with 11 subsectors (both the non-financial and financial corporations sectors are delineated into private and public corporations); the general government, which includes the central, provincial and local governments; and households, inclusive of non-profit institutions serving households (NPISHs). In this framework, the CURCAP reflects real economic activity, the NFBSAA non-financial assets, and the FBSAA financial intermediation.

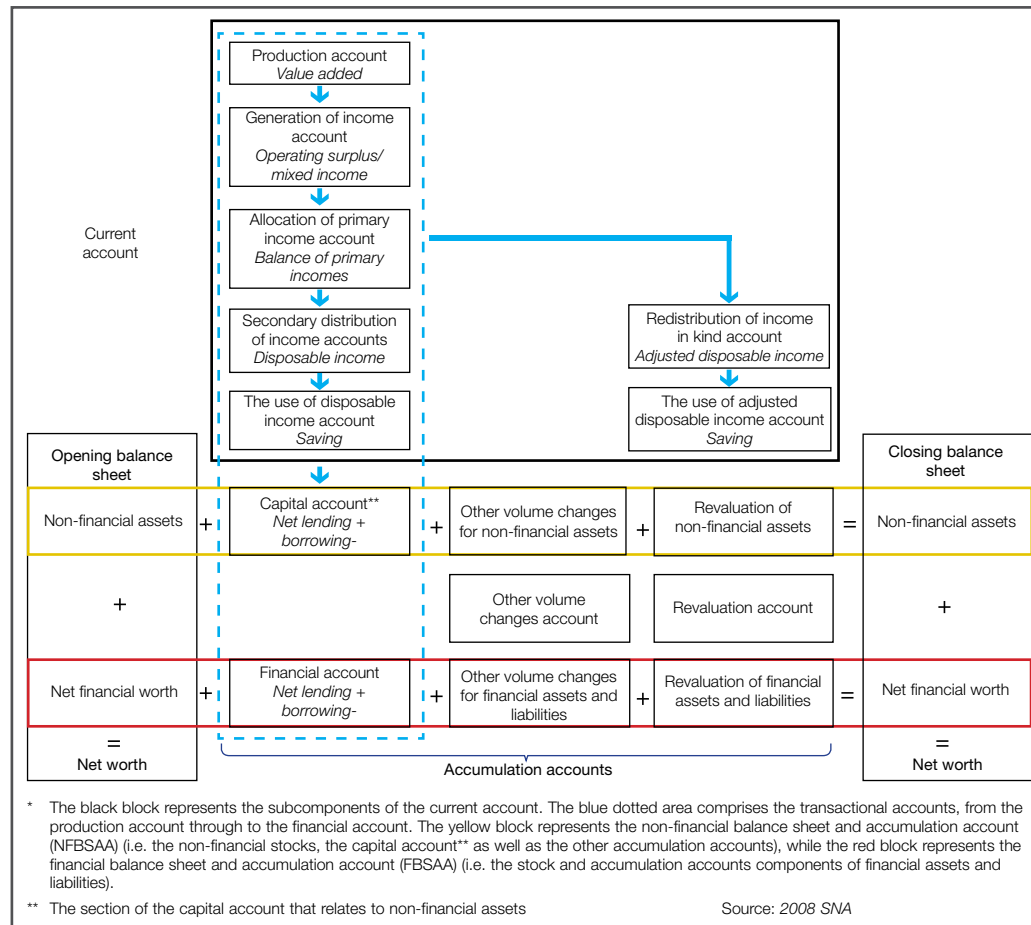
1 This note is the fifth in a series on the development of South Africa's integrated economic accounts (IEA), published annually in the December edition of the *Quarterly Bulletin*. The statistics published and discussed in this note should be treated as experimental and are subject to further adjustment.

2 The views expressed are those of the authors and do not necessarily reflect those of the South African Reserve Bank.

3 The G20 is an international forum for ministers of finance and central bank governors of the 19 largest advanced and emerging economies as well as the European Union.

4 <https://unstats.un.org/unsd/nationalaccount/docs/SNA2008.pdf>

Figure 1 Integrated economic accounts*





Current and capital account

The CURCAP of the four main domestic institutional sectors records transactions related to real economic activity in the sequence of the sub-accounts shown in Table 1, from production through to net lending/borrowing. Aggregate domestic net lending/borrowing balances out with that of the ROW account, which comprises an external goods and services account, a primary and secondary income account as well as a capital account.

Table 1 Sub-accounts of the current and capital account

Main accounts	Sub-accounts	Purpose	Balancing items
Current	Production	Transactions related to economic production activities	Gross value added for institutional sectors Gross domestic product (GDP) for the total economy after adjusting for taxes and subsidies on products
	Generation of income	Distribution of value added/GDP between labour and capital as factors of production	Gross operating surplus for institutional sectors Mixed income for households
	Allocation of primary income	Primary income derived from the production process as well as income from property received for the use of land, financial resources or other assets	Gross balance of primary income for institutional sectors Gross national income for the total economy
	Secondary distribution of income	Redistribution of the primary income through current taxes, social contributions and benefits, and other current transfers	Gross disposable income
	Use of disposable income	Spending of gross disposable income on final consumption expenditure	Net saving
Capital		Spending on non-financial assets	Net lending + borrowing -

Source: 2008 SNA

5 The accumulation account comprises transactions, revaluations and other volume changes.

6 The market value of fixed assets is calculated as the sum of gross fixed capital formation (i.e. expenditure on fixed assets) minus the consumption of fixed capital (i.e. depreciation), revalued to market prices. The market value of total inventory holdings in the domestic economy is derived from inventory holdings at constant prices, adjusted for end-of-period prices.

7 Fixed assets consist of dwellings, buildings other than dwellings, other structures, machinery and equipment, cultivated biological resources and intellectual property. Intellectual property includes, among other things, research and development as well as computer software.

8 Natural resources include land, minerals and energy, non-cultivated biological and other natural resources as well as radio spectra.

9 Leases, licences and permits are created through legal agreements.

10 The FBSAA comprises stocks, transactions, revaluations and other volume changes.

Non-financial balance sheet and accumulation account

Non-financial assets are recorded in the NFBSAA, which is the second macroeconomic accounting module in the IEA. This account records both opening and closing stock balances per asset class as well as the quarterly movements between these positions in the accumulation account.⁵ Non-financial assets consist of both produced and non-produced assets, and are valued at end-of-period market prices⁶ which, in some instances, are calculated as the replacement value minus the consumption of fixed capital.

The produced assets consist of fixed assets⁷ used in production, inventories as well as valuables, with the latter not currently measured due to data constraints. Non-produced assets consist of natural resources⁸ and those created through legal agreement⁹ from which the owners can extract economic benefits. A lack of source data has impeded the comprehensive compilation of non-produced assets.

Financial balance sheet and accumulation account

Financial assets and liabilities are recorded in the FBSAA,¹⁰ which is the third account in the IEA. This account records both opening and closing stock balances per financial asset and liability instrument as well as the quarterly movements between these positions in the accumulation account. In this account, stock positions are balanced based on a hierarchy-of-sources matrix, which takes into account the quality of source data and compilation methodologies by type of instrument for each institutional sector vis-à-vis each counterparty sector. Each sector-by-sector financial asset and liability position is evaluated at a financial instrument level before



balancing the account. The components of the accumulation account are estimated indirectly by applying a revaluation model which is based on international best practice.

The IEA integrates these three accounting modules into a consistent, coherent and balanced set of macroeconomic statistics.

Analysis of preliminary macroeconomic statistics in the context of the integrated economic accounts¹¹

Current and capital account

The balancing items of the CURCAP as shown in Table 2 reflect the interplay between these aggregates in rendering South Africa's net lending/borrowing position. South Africa's net financial position¹² relative to the ROW reflects an almost persistent need for capital inflows to finance overall domestic shortfalls.

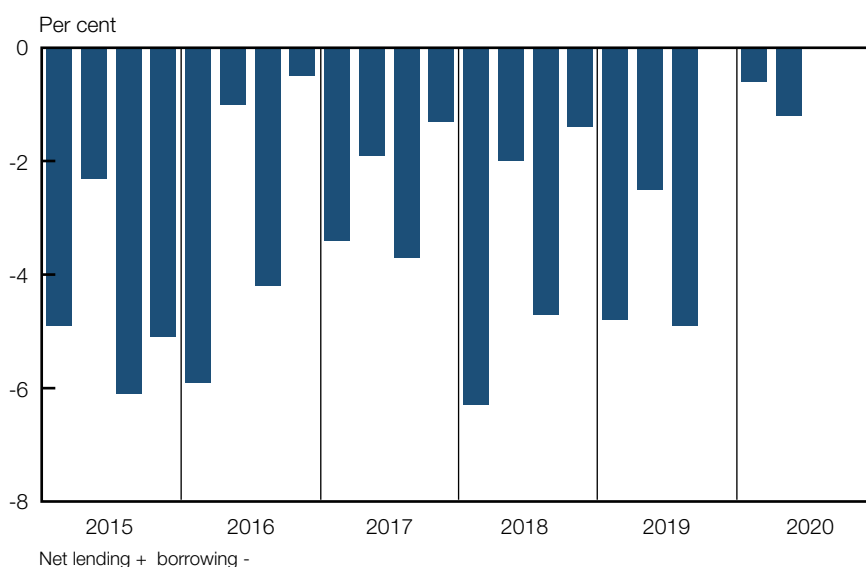
Table 2 Current and capital account balancing items

R millions

	2019				2020		
	Q1	Q2	Q3	Q4	2019	Q1	Q2
Gross domestic product.....	1 206 641	12 63 022	1 294 510	1 313 452	5 077 625	1 277 868	1 075 641
Gross operating surplus	474 668	514 560	518 888	501 657	2 009 773	498 531	409 435
Gross national income.....	1 158 231	1 243 870	1 236 683	1 295 678	1 239 772	1 057 450	1 248 339
Gross disposable income.....	1 149 342	1 235 001	1 227 797	1 286 761	4 898 901	1 231 150	1 048 666
Net saving.....	-29 559	35 414	-974	21 969	26 850	-13 833	-45 927
Net lending + borrowing -	-57 881	-31 849	-63 322	119	-152 933	-8 104	-13 378

Source: SARB

Figure 2 South Africa's net lending/borrowing as a ratio of GDP



Source: SARB

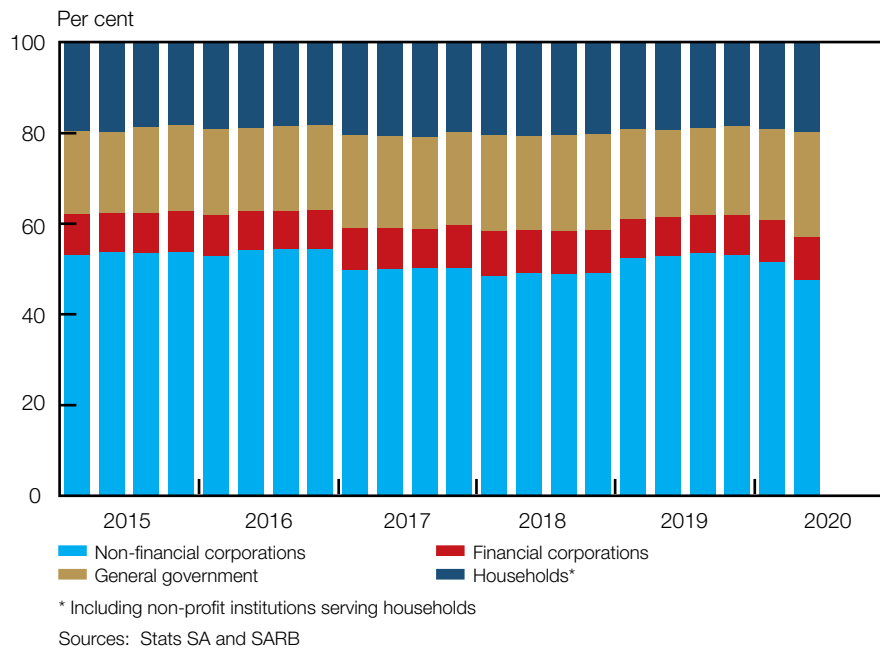
Nominal gross value added as captured in the production account consists of transactions that generate income through the production of goods and services, with non-financial corporations consistently making the largest contribution, averaging 52% from 2015.

11 These are experimental results and are subject to future revisions.

12 The net financial position is the outcome of the capital account and is the net amount available for financing to the rest of the world (if it is positive) or received from the rest of the world for financing domestic activities (if it is negative). Net lending/borrowing is derived from net saving plus net receipts of capital transfers minus net purchases of non-financial assets.

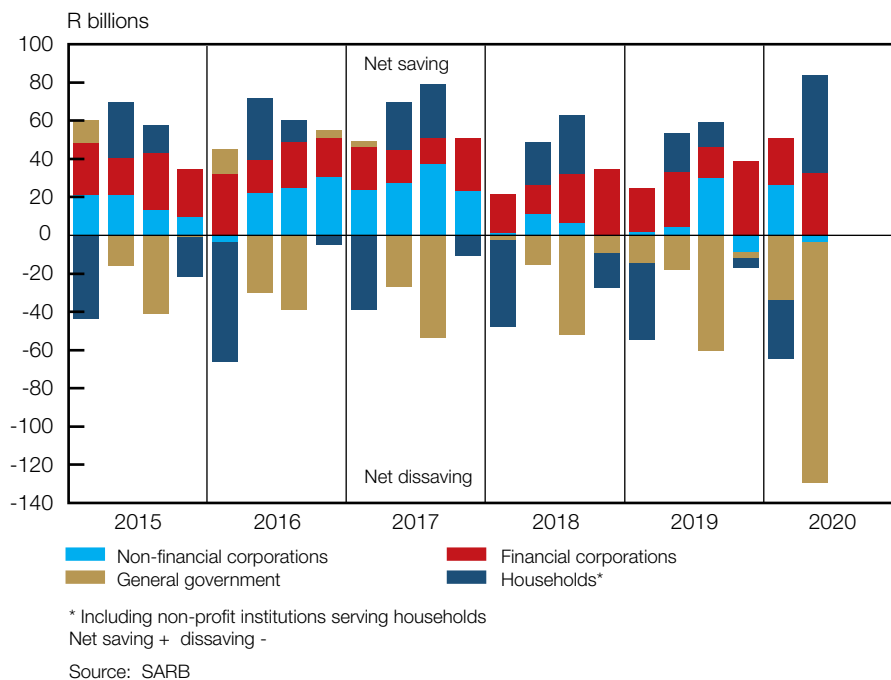


Figure 3 Institutional sector contribution to nominal gross value added



Net saving is gross disposable income after subtracting final consumption expenditure. Over time, financial corporations have made a substantial and persistent contribution to net saving, followed by non-financial corporations, which at times slipped into dissaving. Net saving by general government deteriorated significantly from dissaving of R34 billion in the first quarter of 2020 to R126 billion in the second quarter. Net saving by non-financial corporations was also under pressure, decreasing from R26.5 billion in the first quarter of 2020 to dissaving of R3.5 billion in the second quarter.

Figure 4 Institutional sector saving



Net lending/borrowing as a percentage of gross domestic product (GDP) for the total economy as well as for the four domestic institutional sectors is shown in Table 3. Financial corporations were consistently the predominant net lenders in the economy – an outcome that is related to this sector’s persistent net saving position. By contrast, general government was consistently a net borrower.

Table 3 Net lending/borrowing per institutional sector

Percentage of GDP

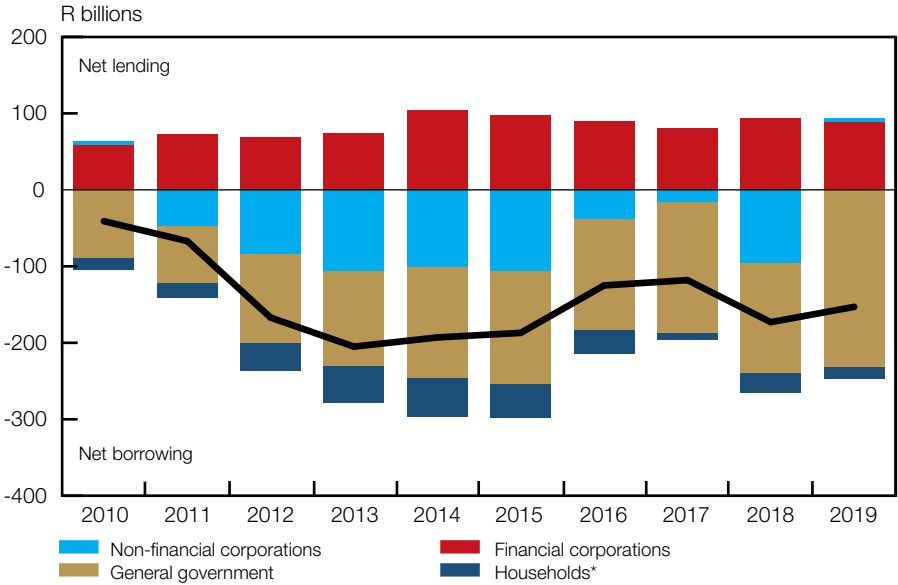
	2019				2019	2020	
	Q1	Q2	Q3	Q4		Q1	Q2
Non-financial corporations.....	0.7	-1.6	-1.2	2.5	0.1	7.1	3.5
Financial corporations.....	1.1	1.7	1.2	2.8	1.7	2.0	3.3
General government.....	-4.3	-4.0	-6.7	-3.1	-4.5	-6.0	-13.2
Households*.....	-2.4	1.9	1.0	-1.8	-0.3	-2.4	5.2
Total economy.....	-4.8	-2.5	-4.9	0.0	-3.0	-0.6	-1.2

Net lending + borrowing -

* Including non-profit institutions serving households

The non-financial corporations sector became a marginal net lender in 2019 for the first time since 2010, as shown in Figure 5. The general government sector’s net borrowing position deteriorated markedly over the past 10 years, while the size of the household sector’s net borrowing position fluctuated throughout.

Figure 5 Net lending/borrowing



* Including non-profit institutions serving households

Source: SARB



Sectoral balance sheet and accumulation account

An overview of South Africa's macroeconomic balance sheet by main domestic institutional sector as well as the ROW, broken down into non-financial assets as well as financial assets and liabilities as at 30 June 2020, is provided in Table 4.

Table 4 Summary balance sheet at market value as at 30 June 2020*

R trillions

	Non-financial corporations ¹		Financial corporations		General government		Households ²		Total domestic economy		Rest of the world ³	
	A	L	A	L	A	L	A	L	A	L	A	L
Non-financial assets ⁴	8.5		0.3		3.8		5.1		17.7			
Financial assets and liabilities	5.9	10.5	21.9	22.0	2.8	3.5	10.0	2.3	40.5	38.4	6.3	8.3
Net worth ⁵		3.9		0.2		0.3		12.8		19.8		-2.0
Total assets and liabilities	14.4	10.5	22.2	22.0	6.6	3.5	15.1	2.3	58.2	38.4	6.3	8.3
Memo item:												
Net financial worth ⁶		-4.6		0.1		-0.7		7.7		2.1		

A = assets

L = liabilities

* The balance sheet shows the market value of non-financial assets as well as financial assets and liabilities as at a specific point in time.

1 Private non-financial corporations' financial assets and liabilities are not directly sourced, but these should therefore be treated as preliminary and will be revised when administrative data sources are incorporated.

2 Including non-profit institutions serving households

3 In the IEA, the ROW is shown as a separate sector.

4 Total produced assets, including underlying land

5 Total assets minus total liabilities

6 Financial assets minus liabilities

Components may not add up to the totals due to rounding off.

Source: SARB

At the end of June 2020, the total assets of the domestic economy of R58.2 trillion comprised financial assets of R40.5 trillion and non-financial assets of R17.7 trillion, resulting in a total net worth of R19.8 trillion and a total net financial worth of R2.1 trillion.

Non-financial corporations held just less than half of all non-financial assets at 48%, and financial corporations held just more than half of all financial assets at 55%. The household and financial corporations sectors were the only sectors with positive net financial worth positions, while non-financial corporations had the largest negative net financial worth position.

Non-financial assets

South Africa's non-financial asset balance sheet shows institutional sector holdings by type of asset. The market value of total non-financial assets amounted to R17.7 trillion at the end of the second quarter of 2020.¹³ Non-financial corporations (private and public) accounted for 48.2% of total non-financial assets, while households accounted for 28.8%, mainly in the form of dwellings.

13 The NFBSAA data are still experimental and subject to revision.

Table 5 Non-financial asset stock positions as at 30 June 2020

R millions

	Non-financial corporations	Financial corporations	General government	Households*	Total domestic economy
Total produced assets	7 232 671	231 036	2 846 577	3 483 369	13 793 652
Total fixed assets.....	6 163 035	230 855	2 845 878	3 450 386	12 690 154
Dwellings	260 382	22 323	344 752	3 202 493	3 829 949
Buildings other than dwellings.....	1 297 839	123 790	579 877	83 414	2 084 920
Other structures.....	2 387 581	7 613	1 706 539	83 272	4 185 004
Machinery and equipment.....	2 007 904	51 863	163 815	61 941	2 285 524
Transport equipment.....	683 334	12 029	46 862	12 404	754 629
ICT equipment.....	69 664	12 974	10 956	1 381	94 975
Other machinery and equipment...	1 254 907	26 859	105 996	48 157	1 435 919
Cultivated biological resources.....	17 564	–	–	18 883	36 447
Intellectual property.....	191 764	25 267	50 896	383	268 310
Inventories.....	1 069 636	181	698	32 984	1 103 499
Total non-produced assets.....	1 299 893	38 571	957 354	1 606 826	3 902 644
Total land.....	1 299 893	38 571	957 354	1 606 826	3 902 644
Land underlying dwellings.....	155 595	11 666	188 562	1 420 096	1 775 919
Land underlying buildings other than dwellings.....	313 363	23 501	174 814	25 220	536 897
Land underlying other structures ...	740 906	3 404	593 977	–	1 338 288
Farmland	90 029	–	–	161 511	251 540
Total non-financial assets	8 532 564	269 607	3 803 931	5 090 195	17 696 296
<i>Memo items</i>					
Total real estate**.....	5 155 666	192 297	3 588 521	4 814 493	13 750 977
Dwellings	415 977	33 989	533 314	4 622 588	5 605 868
Buildings other than dwellings.....	1 611 202	147 291	754 691	108 633	2 621 817
Other structures.....	3 128 487	11 017	2 300 516	83 272	5 523 292

* Including non-profit institutions serving households

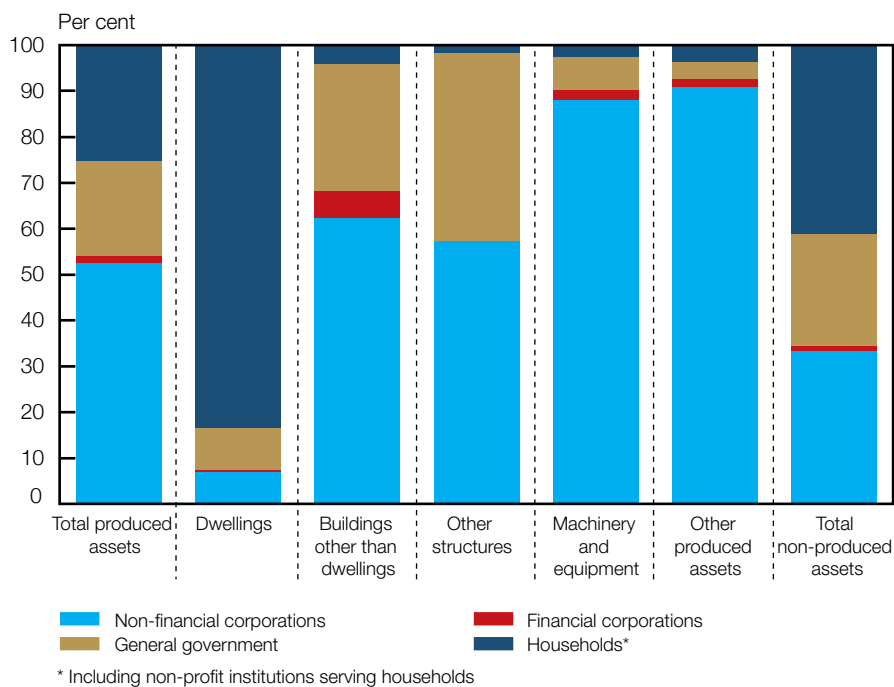
** Real estate is property, consisting of land and the buildings on it.

Source: SARB

The composition of non-financial asset holdings by type of asset differs significantly among institutional sectors, as shown in Figure 6. The bulk of produced non-financial assets owned by non-financial corporations consists of buildings other than dwellings, other structures as well as machinery and equipment. Non-financial corporations held 62.2% of buildings other than dwellings, consisting mostly of office and industrial facilities.



Figure 6 Institutional sector non-financial asset holdings as at 30 June 2020



As at 30 June 2020, the household sector owned 83.6% of all dwellings, with dwellings and the land underlying dwellings constituting 90.8% of the total non-financial asset holdings of households. In turn, non-financial corporations and general government had the largest share of other structures, such as the construction of roads, bridges and harbours. Machinery and equipment as well as other produced assets, such as intellectual property, were largely held by non-financial corporations. Financial corporations account for only 1.5% of all non-financial asset holdings in South Africa, primarily in the form of buildings other than dwellings. Non-produced assets, which currently consist only of land, are fairly evenly distributed among households, non-financial corporations and general government.

14 Consumption of fixed capital is defined as the decrease in the current value of the stock of fixed assets as a result of physical deterioration, normal obsolescence or normal accidental damage.

The value of total produced fixed assets at market prices increased by 0.8% to R12.7 trillion in the second quarter of 2020. Total gross fixed capital formation, constrained by the stringent economic lockdown, amounted to only R173 billion in the second quarter of 2020 compared with the consumption of fixed capital¹⁴ of R186 billion. Revaluation amounted to R108 billion in the second quarter of 2020, mainly due to the higher market prices for machinery and equipment. Although capital formation on machinery and equipment was lower than consumption of fixed capital in the second quarter of 2020, market price increases still resulted in growth in the stock of machinery and equipment over the period.

Table 6 Produced fixed asset accumulation accounts for the second quarter of 2020

R millions

	Opening stock 1 April 2020	Fixed capital formation	Consumption of fixed capital	Revaluation	Closing stock 30 June 2020
Total produced fixed assets.....	12 594 487	173 281	185 485	107 872	12 690 154
Dwellings	3 774 063	13 510	18 880	61 256	3 829 949
Buildings other than dwellings.....	2 096 632	11 786	17 777	-5 721	2 084 920
Other structures.....	4 216 737	46 309	30 023	-48 018	4 185 004
Machinery and equipment.....	2 198 439	82 562	102 950	107 474	2 285 524
Transport equipment.....	756 934	17 299	23 733	4 130	754 629
ICT equipment.....	85 641	10 326	9 470	8 480	94 975
Other machinery and equipment	1 355 864	54 938	69 746	94 864	1 435 919
Cultivated biological resources.....	37 767	788	1 825	-284	36 447
Intellectual property.....	270 850	16 076	14 030	-4 585	268 310

Source: SARB

Taking a longer-term view of developments in South Africa's non-financial asset balance sheet, the capital stock has more than doubled at current prices since 2010. However, the growth in capital stock was not uniform across the institutional sectors. The market value of non-financial corporations' stock of non-financial assets increased by R4.8 trillion (or 129.1%) from the first quarter of 2010 to the second quarter of 2020, and contributed more than half of the total increase in capital stock holdings. In turn, non-financial asset holdings by households and NPISHs only increased by R2.3 trillion (or 80.8%) over the same period. As a result, institutional sector ownership changed somewhat over the period, with the contribution of households decreasing from 32.6% to 28.8% and that of non-financial corporations increasing from 43.1% to 48.2% from the first quarter of 2010 to the second quarter of 2020.

Table 7 Stock of non-financial assets at market value per institutional sector

R millions

	Non-financial corporations	Financial corporations	General government	Households*	Total domestic economy
Stock: first quarter of 2010.....	3 723 989	121 175	1 981 782	2 815 298	8 642 244
Stock: second quarter of 2020.....	8 532 564	269 607	3 803 931	5 090 195	17 696 296
Change in stock over period.....	4 808 575	148 432	1 822 149	2 274 897	9 054 052
Contribution in per cent to change in holdings over the period.....	55.6	1.7	21.1	26.3	
Institutional sector's holdings as a per cent of total non-financial assets at the end of the second quarter of 2020.....	48.2	1.5	21.5	28.8	

* Including non-profit institutions serving households

Source: SARB

Financial assets and liabilities

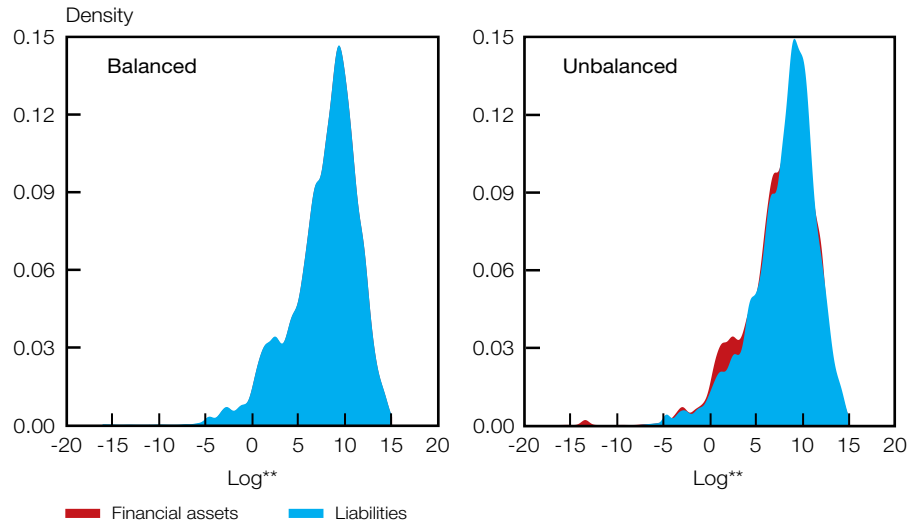
The distributional characteristics of unbalanced and balanced financial assets and liabilities are shown in Figure 7. The logarithmically transformed data cover the period from the first quarter of 2010 to the second quarter of 2020. Despite minor discrepancies, the respective distributional outcomes of the balanced and unbalanced financial assets and liabilities are fairly similar.





The distribution obtained after balancing is skewed to the left. A basic implication of this outcome is that more observations are concentrated on the right-hand side of the distribution, meaning that relatively large values are observed more frequently compared to smaller values. It is also generally the case that the mean of the distribution will then be less than the median.

Figure 7 Distribution of balanced and unbalanced financial assets and liabilities*

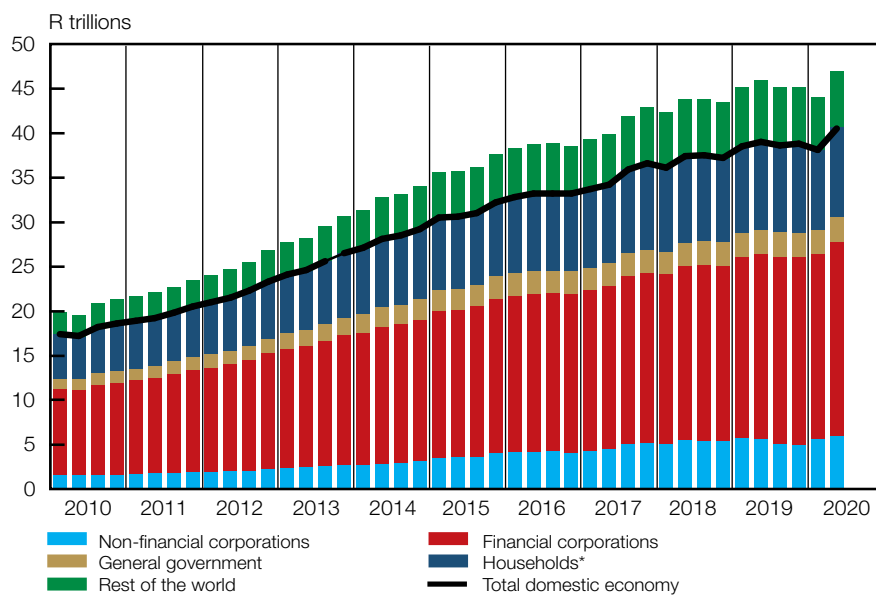


* From the first quarter of 2010 to the second quarter of 2020
 ** Natural logarithm with base e

Source: SARB

The market value of financial assets held by all the domestic institutional sectors increased from R16.7 trillion in the first quarter of 2010 to R40.5 trillion in the second quarter of 2020, as shown in Figure 8. Most of the increase in financial assets emanated from the financial corporations at 55%, followed by households at 27%, and non-financial corporations and general government at 11% and 7% respectively. The share of financial assets held by the ROW vis-à-vis the domestic institutional sectors increased from R2.4 trillion in the first quarter of 2010 to R6.3 trillion in the second quarter of 2020.

Figure 8 Market value of total financial assets by institutional sector

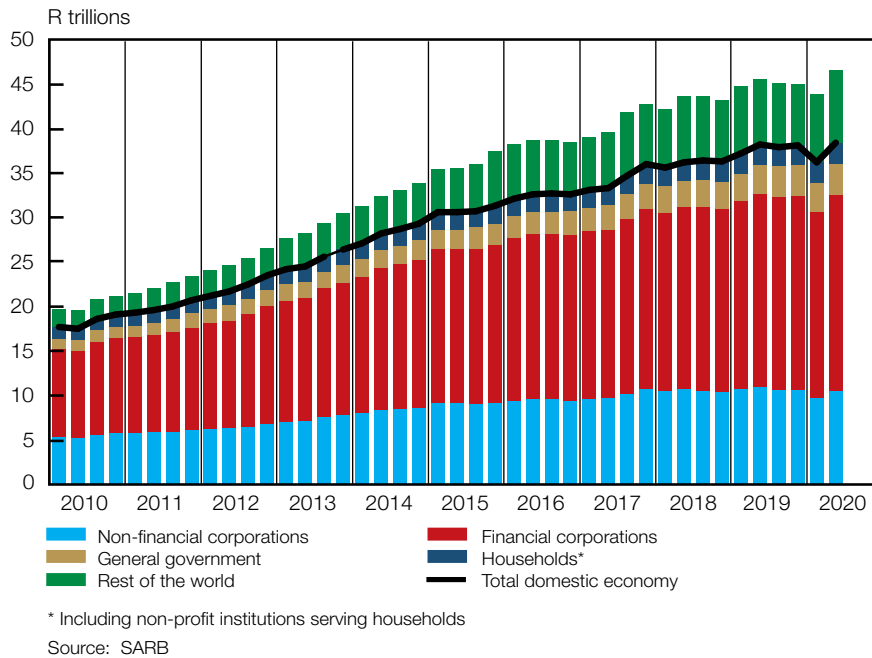


* Including non-profit institutions serving households

Source: SARB

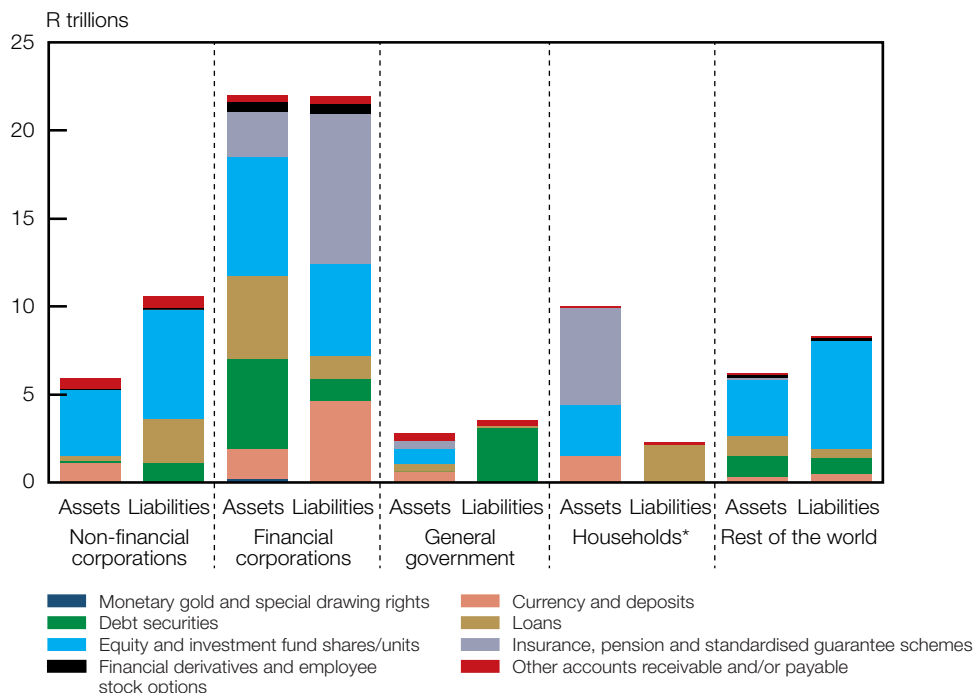
In the harmonised FBSAA, financial assets equal liabilities in aggregate, but the institutional sector counterpart holdings differ significantly, as shown in Figure 9. Similar to financial assets, the substantial increase in liabilities from the first quarter of 2010 to the second quarter of 2020 emanated largely from the financial corporations at 56%, while the liabilities of non-financial corporations constituted 29%, with the balance distributed fairly evenly between households and general government.

Figure 9 Market value of total liabilities by institutional sector



The liabilities of the ROW vis-à-vis the domestic institutional sectors increased from R2.0 trillion in the first quarter of 2010 to R8.3 trillion in the second quarter of 2020, in line with the improvement in South Africa's net international investment position over this period.

Figure 10 Market value of total financial assets and liabilities by institutional sector and financial instrument as at 30 June 2020

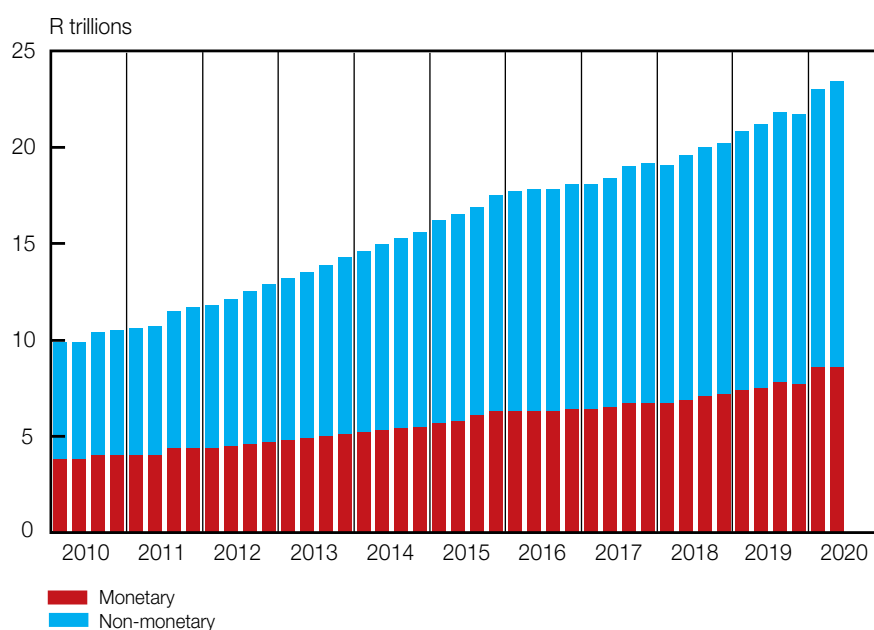




The composition of financial assets and liabilities by institutional sector and by type of financial instrument as at the end of June 2020 is shown in Figure 10. Equity and investment fund shares/units had a larger share in the financial asset and liability portfolios of the financial corporations and non-financial corporations. Households' financial asset holdings mainly took the form of insurance, pension and standardised guarantee schemes, and with loans dominating liabilities. General government's financial assets comprised a fairly balanced mix of financial instruments and included equity and investment fund shares/units as well as currency and deposits. General government funding was mainly sourced through the issuance of debt securities. The ROW predominantly had asset and liability exposure to equity and investment fund shares/units, followed by debt securities.

The financial corporations play an important role in channelling funds from savers to borrowers in the various institutional sectors of the economy. The financial corporations sector comprises two main subsectors, namely monetary financial institutions (MFIs) and non-monetary financial institutions (non-MFIs), with the latter consisting of financial corporations other than MFIs, insurance companies and pension funds.

Figure 11 Market value of total financial assets of financial corporations

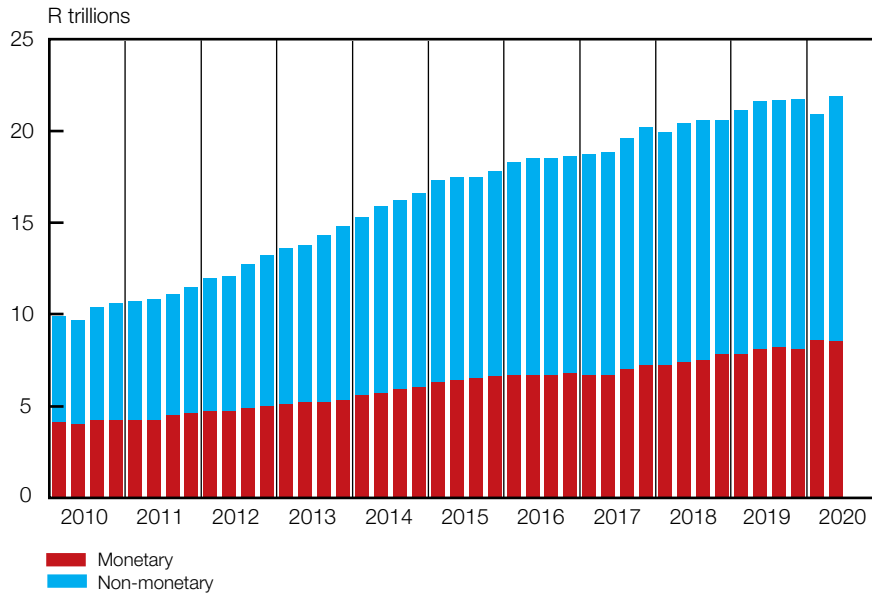


Source: SARB

Between the first quarter of 2010 and the second quarter of 2017, the average share of financial assets and liabilities of non-MFIs increased steadily from 60% to 65%, before moderating to 62% in the second quarter of 2020, as shown in figures 11 and 12 respectively.

By contrast, the average share of both financial assets and liabilities of MFIs declined gradually from 40% to 35%, before increasing to 38% over this period. The primary financial asset instrument used by MFIs and non-MFIs was loans for the former and equity and investment fund shares/units for the latter, both with a similar share of slightly above 50%. More than half of the liabilities of MFIs were concentrated in currency and deposits, while those of non-MFIs were split mainly between equity and investment fund shares/units as well as insurance, pension and standardised guarantee schemes.

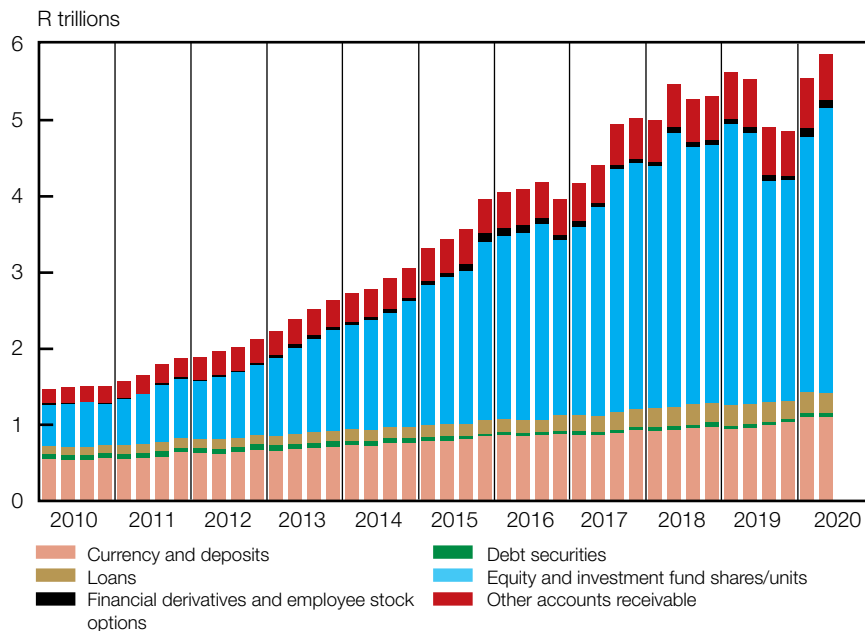
Figure 12 Market value of total liabilities of financial corporations



Source: SARB

Non-financial corporations facilitate capital spending in the economy to meet the demand for goods and services, and consist of both public and private corporations. The evolution of the total financial assets as well as the liabilities of non-financial corporations by type of financial instrument is shown in figures 13 and 14 respectively.

Figure 13 Market value of total financial assets of non-financial corporations by financial instrument

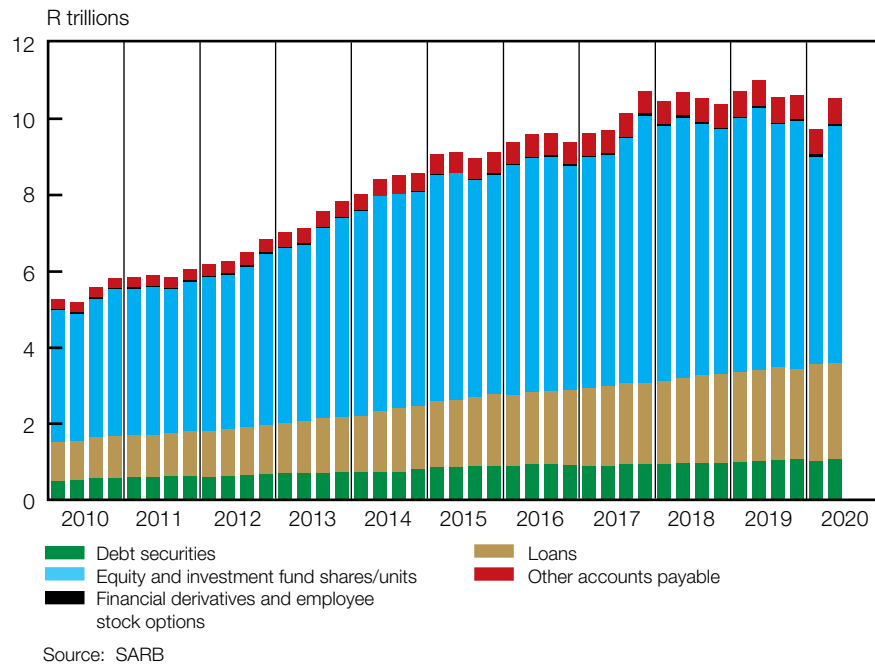


Source: SARB



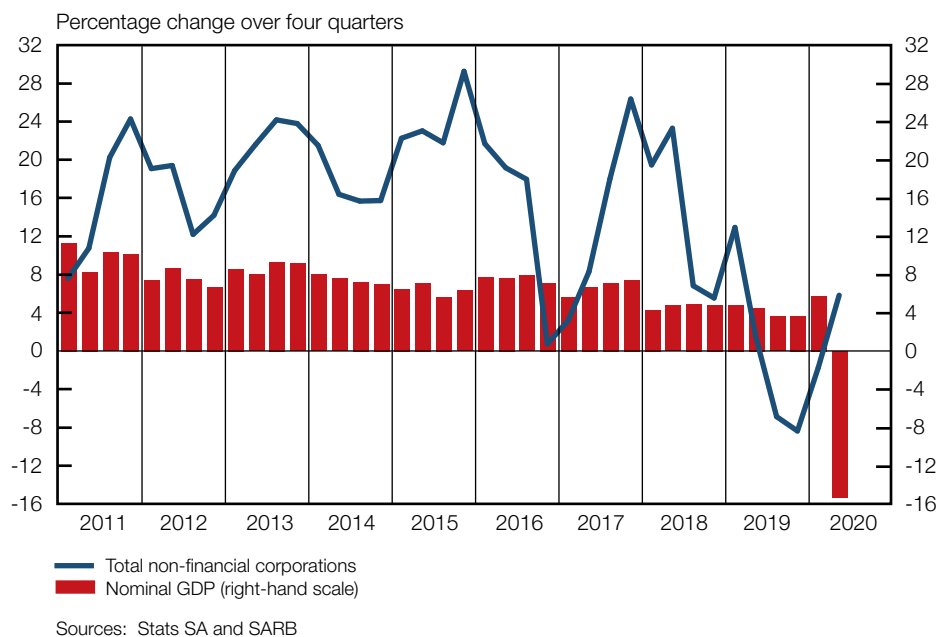
The share of the non-financial corporations' financial assets to total financial assets in the economy almost doubled from 7.5% in the first quarter of 2010 to 12.6% in the second quarter of 2020, mainly through investments in equity and investment fund shares/units as well as the accumulation of deposits. By contrast, its share of total liabilities declined from 26.7% to 22.6% over the same period.

Figure 14 Market value of total liabilities of non-financial corporations by financial instrument



Despite the increase in the financial assets of non-financial corporations, the annual growth rate fluctuated in a broad range between -8% and 29% from the first quarter of 2010 to the second quarter of 2020. The slowdown in annual growth since 2017 was in line with the lacklustre growth in the nominal GDP, as shown in Figure 15.

Figure 15 Total financial assets of non-financial corporations and GDP

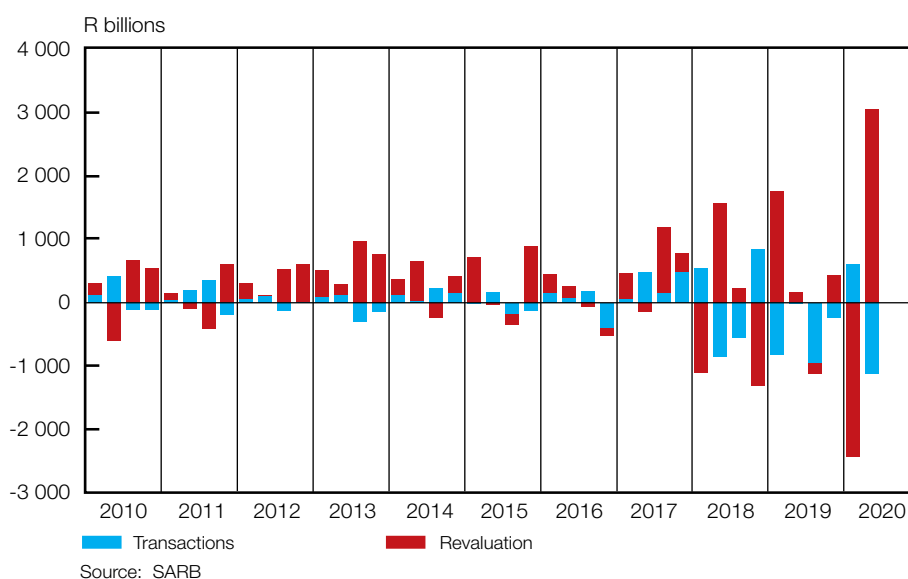


Financial asset and liability transactions and revaluations

The change in the market value of financial assets and liabilities between opening and closing balances is explained by transactions, revaluations (changes in the market value) and other volume changes (mostly write-offs and/or reclassifications) during any given period.

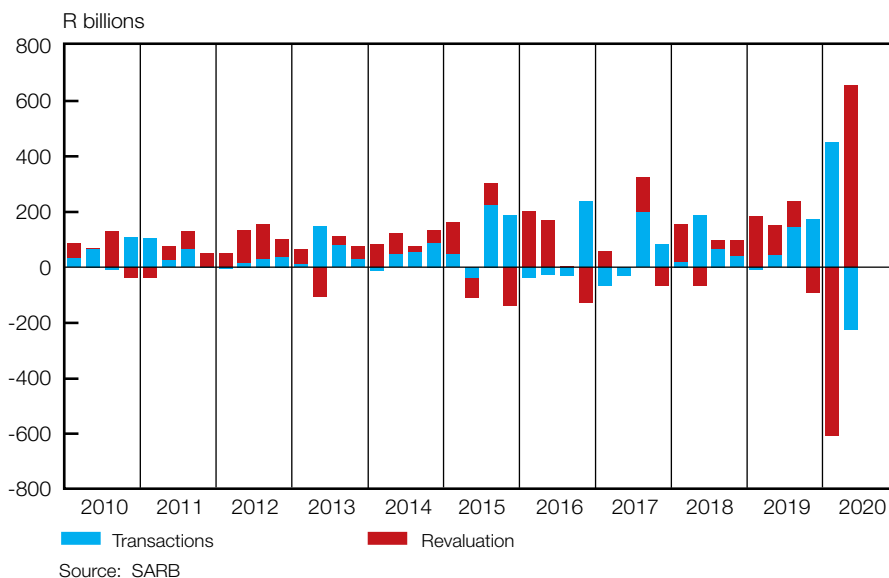
The attribution of the change between the opening and closing balances of equity and investment fund shares/units as well as debt securities is shown in figures 16 and 17 respectively. From the first quarter of 2010 to the fourth quarter of 2018, the changes in the market value of the stock of equity and investment fund shares/units mainly originated from revaluations. However, from the first quarter of 2019 to the second quarter of 2020, transactions featured more prominently in equity and investment fund shares/units.

Figure 16 Attribution of change in equity and investment fund shares/units' balances



The changes in the market value of the stock of debt securities from 2010 to 2019 reflected a more balanced mix of both transactions and revaluations. However, due to a marked overall price decline in sovereign-issued bonds during the first quarter of 2020 (and corresponding increase in yields), a significant negative revaluation was recorded. Local and international bond prices recovered during the second quarter, which contributed to the overall positive revaluation outcome.

Figure 17 Attribution of change in debt securities' balances



From-whom-to-whom positions

An institutional sector's financial assets and liabilities vis-à-vis a counterparty institutional sector reveal financial linkages within the economy as well as vis-à-vis the ROW. The from-whom-to-whom balanced financial asset and liability stock positions of the four main domestic institutional sectors and the ROW, as at 30 June 2020, are shown in Table 8. The horizontal view (rows) shows financial asset positions in the respective instrument and the vertical view (columns) the liability positions. For example, of the R21.8 trillion worth of financial assets held by the financial corporations, the largest claim of R9.1 trillion was against itself, followed by claims on the ROW and on non-financial corporations of R4.2 and R4.1 trillion respectively.

Table 8 From-whom-to-whom market value positions of financial assets and liabilities between resident institutional sectors as well as the rest of the world as at 30 June 2020

R millions

Institutional sectors		Liabilities by institutional sector (vertical)					Total assets	
		Non-financial corporations	Financial corporations	General government	Households*	Rest of the world		
Financial assets by institutional sector (horizontal)	Non-financial corporations...	239 644	1 572 321	94 316	64 683	3 936 852	5 907 817	
	Financial corporations...	4 128 426	9 072 981	2 215 815	2 104 114	4 228 513	21 873 322	
	General government ...	907 430	1 642 076	92 448	149 004	12	2 790 970	46 823 084
	Households* ..	1 929 192	7 778 915	94 327	1 772	172 915	9 977 121	
	Rest of the world	3 336 038	1 902 927	1 034 889	0	0	6 273 854	
	Total liabilities	10 540 731	21 969 220	3 531 795	2 319 573	8 338 293	2 021 659**	
							46 699 611	123 473***

* Including non-profit institutions serving households

** This value is equal to the net international investment position, excluding monetary gold, which has no counterparty classification in the financial balance sheets.

*** This is the value of the monetary gold held by the SARB as at 30 June 2020. It equates to the difference between the balanced assets and liabilities, because monetary gold has no counterparty classification in the financial balance sheets.

Source: SARB

The net financial asset and liability stock positions between domestic institutional sectors as well as the ROW, derived from an analysis of the from-whom-to-whom market value positions depicted in Table 8, are shown in Table 9 and Figure 18.

Table 9 From-whom-to-whom net stock positions between resident institutional sectors as well as the rest of the world as at 30 June 2020

R millions

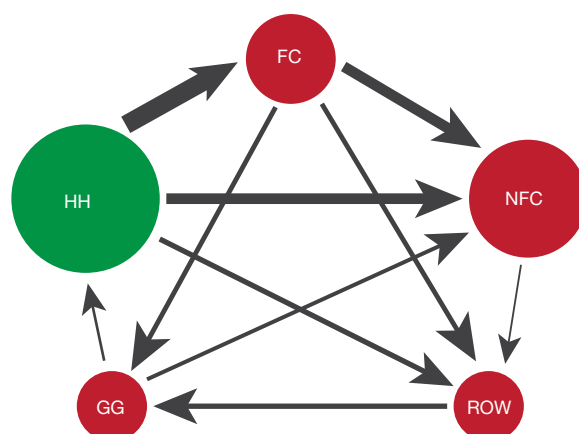
Institutional sectors		Debtor sectors					Total
		Non-financial corporations	Financial corporations	General government	Households*	Rest of the world	
Creditor sectors	Non-financial corporations	0	-2 556 105	-813 114	-1 864 509	600 815	-4 632 914
	Financial corporations.....	2 556 105	0	573 739	-5 674 801	2 325 586	-219 371
	General government	813 114	-573 739	0	54 677	-1 034 877	-740 824
	Households*	1 864 509	5 674 801	-54 677	0	172 915	7 657 548
	Rest of the world	-600 815	-2 325 586	1 034 877	-172 915	0	-2 064 439

* Including non-profit institutions serving households

Source: SARB

The areas of the circles in Figure 18 are proportional to the net financial asset and liability positions (i.e. net financial worth) of each institutional sector, with green indicating a positive position and red a negative position. The arrows show inter-sectoral positions, with the width of the arrow proportional to the magnitude of the respective flows.

Figure 18 Network analysis of net stock positions between resident institutional sectors as well as the rest of the world as at 30 June 2020



NFC = Non-financial corporations

FC = Financial corporations

GG = General government

HH = Households*

ROW = Rest of the world

* Including non-profit institutions serving households

Source: SARB

Conclusion

The analysis in this note is based on experimental statistics developed in the IEA framework. Future work will focus on improving source data and methodological refinement, where necessary, to generate a more detailed breakdown of institutional sectors as well as the vertical harmonisation of net lending/borrowing between the current and capital account vis-à-vis the financial account.