

Note on the flow of funds in South Africa's national financial account for the year 2023

by S Madonsela and B Khoza¹

Introduction

The national financial account records transactions that involve financial assets and liabilities which took place among resident institutional units as well as between these institutional units and the rest of the world. By extension, the flow of funds measures financial statistics where both parties to a transaction are shown as well as the nature of the financial instrument being transacted.

Resident institutional units in South Africa's flow-of-funds matrix are allocated to one of the four main institutional sectors, namely: financial intermediaries, general government, non-financial public and private business enterprises, and households.

This note provides insights into factors that influenced the flow of funds in South Africa in 2023. Many of the institutional sectors are still plagued by domestic constraints such as electricity load-shedding, port and rail inefficiencies, deteriorating public finances and weak consumer demand, characterised by elevated inflation and high interest rates. This occurred against a global economic backdrop of tighter monetary policy, rising geopolitical tensions and a prolonged slump in the property market, which weighed on sentiment and dampened aggregate demand. The analysis of financial flows in this note is based on annual 2023 statistics as published on pages S–50 and S–51 in this edition of the *Quarterly Bulletin (QB)*, while the quarterly national financial account statistical tables for 2023 are appended to this note.

Institutional sector financing balances

The gross saving of all the domestic institutional sectors decreased from R993 billion in 2022 to R979 billion in 2023, largely due to increased dissaving by general government from R104 billion in 2022 to R224 billion in 2023 as expenditure increased more than revenue. Gross capital formation increased slightly from R1 026 billion in 2022 to R1 091 billion in 2023, largely as a result of higher capital outlays on machinery and other equipment. South Africa's net financial borrowing position in relation to the rest of the world increased from R62.2 billion in 2022 to R112 billion in 2023.

¹ The views expressed in this note are those of the authors and do not necessarily reflect those of the South African Reserve Bank (SARB). The SARB would like to express its sincere appreciation to all the reporting organisations – government departments as well as financial and other public and private sector institutions – for their cooperation in providing the data used for the compilation of South Africa's financial account statistics.



Table 1 Institutional sector financing balances¹ 2022 and 2023

R millions

	2022				2023			
	Gross saving	Net capital transfers	Gross capital formation ²	Net lending (+)/net borrowing (-) ³	Gross saving	Net capital transfers	Gross capital formation ²	Net lending (+)/net borrowing (-) ³
Foreign sector ⁴	33 295	28 936	-	62 231	112 104	-236	-	111 868
Financial intermediaries.....	177 752	22 032	20 164	179 620	226 278	5 520	25 557	206 241
General government....	-104 339	-69 057	162 195	-335 591	-223 689	-59 345	180 382	-463 416
Non-financial business enterprises	763 568	26 205	677 188	112 585	855 918	43 263	726 209	172 972
Public.....	46 066	36 491	80 192	2 365	68 923	43 193	114 375	-2 259
Private.....	717 502	-10 286	596 996	110 220	786 995	70	611 834	175 231
Households ⁵	155 679	-8 116	166 408	-18 845	120 783	10 798	159 246	-27 665
Total.....	1 025 955		1 025 955		1 091 394		1 091 394	

Surplus units (+)/deficit units (-)

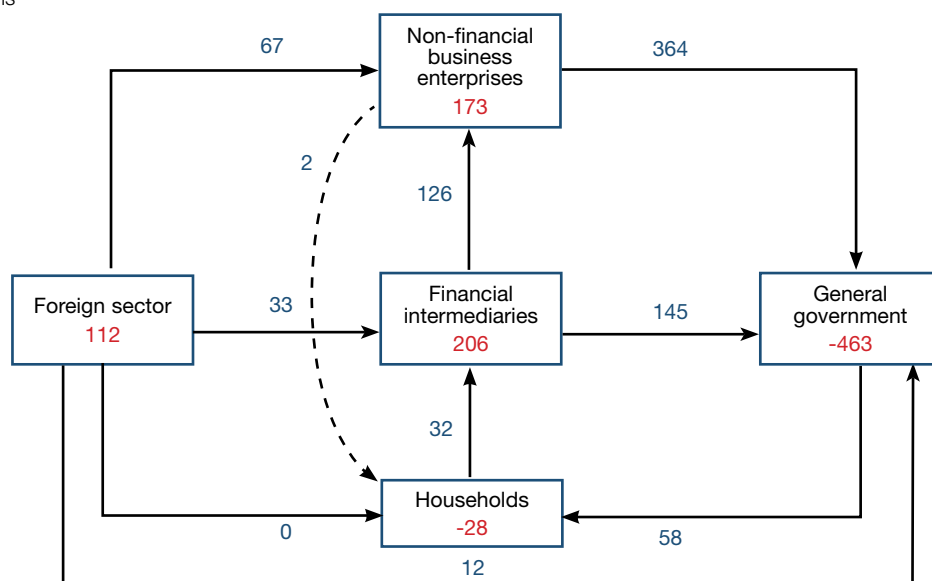
- 1 A positive amount reflects a net lending position and, by implication, the net acquisition of financial assets, whereas a negative amount reflects a net borrowing position and, by implication, the net incurrence of financial liabilities.
- 2 Gross capital formation consists of fixed capital formation and changes in inventories, before providing for consumption (depreciation) of fixed capital.
- 3 Net lending/net borrowing equals gross saving *plus* net capital transfers *less* gross capital formation.
- 4 A positive amount reflects a surplus for the rest of the world and is therefore a deficit on South Africa's current account of the balance of payments. A negative amount reflects a deficit for the rest of the world and a surplus on South Africa's current account of the balance of payments.
- 5 This includes unincorporated business enterprises and non-profit institutions serving households.

Source: SARB

Figure 1 shows the net inter-sectoral flow of funds among the main sectors of the economy in 2023, reflecting their economic interaction through lending and borrowing activities. The foreign sector's net lending nearly doubled to R112 billion in 2023 from R62.2 billion in 2022, mirroring the aggregate domestic net borrowing position. The general government sector

Figure 1 Net inter-sectoral flow of funds, 2023*

R billions



* The numbers may not balance perfectly due to rounding off. The red numbers inside the boxes represent the net lending (+) or borrowing (-) positions of the sectors, and the blue numbers outside the boxes illustrate the inter-sectoral flow of funds and the direction of flows. To calculate the net lending or net borrowing position of each sector, inflows are treated as negatives and outflows as positives.

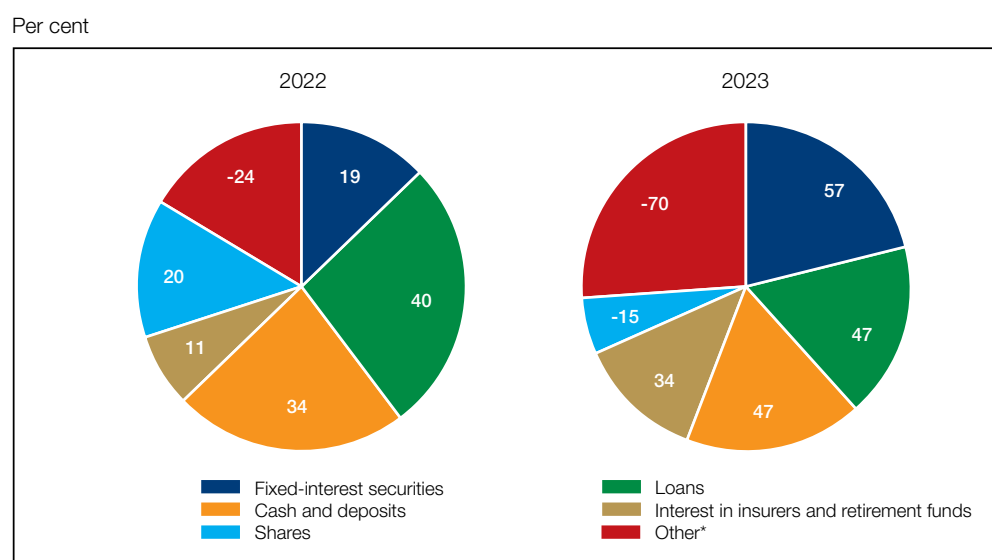
Source: SARB



recorded an all-time high net borrowing position of R463 billion in 2023, which necessitated the increased sourcing of funds, mainly through government bonds and Treasury bills (TBs), from the banking sector as well as insurers and pension funds. The foreign sector channelled R67.2 billion to non-financial business enterprises, mainly through loans. In turn, households sourced R58.4 billion from the general government sector, while financial intermediaries received R32.2 billion from households.

The composition of the use of the different asset classes by all the institutional sectors to the total net acquisition of financial assets² in the economy in 2023 is shown in Figure 2. The contribution of fixed-interest securities increased significantly from 18.8% in 2022 to 57.2% in 2023. Likewise, the contribution of loans increased to 46.9% in 2023 compared with 39.8% in 2022, where loans were mainly taken up by private non-financial corporate businesses enterprises. Furthermore, the contribution of cash and deposits increased notably from 34.3% in 2022 to 47.4% in 2023. Similarly, the contribution of interest in insurers and retirement funds increased from 11.0% in 2022 to 34.3% in 2023, reflecting the recovery in employment after the coronavirus disease 2019 (COVID-19). By contrast, the contribution of shares was negative at 15.3% in 2023 due to, among other factors, the net sales of domestic shares by non-residents.

Figure 2 Contribution of the financial asset classes to the total net acquisition of financial assets in the economy



* Other consists of reserves, financial derivatives, and other financial instruments

Source: SARB

Institutional sectoral analysis

The flow-of-funds framework represents a sectoral approach where funds are channelled from surplus to deficit units in the economy, primarily reflecting a network of real and financial assets as well as corresponding liabilities. Therefore, institutional sectors will allocate their accumulated savings across different types of asset classes as influenced by differences in return, risk and liquidity.

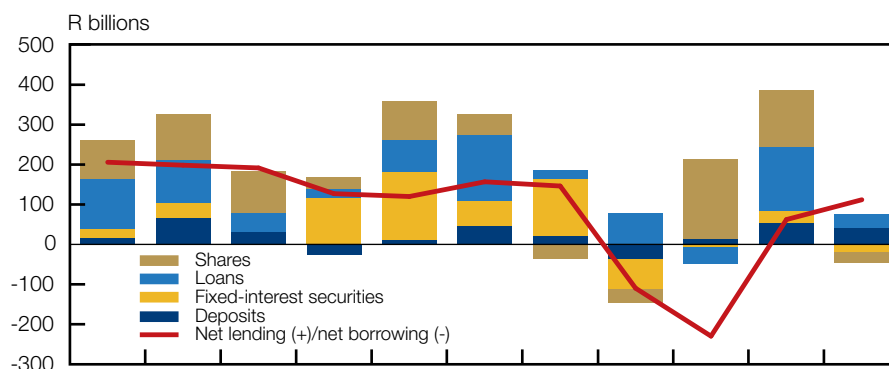
² The total net acquisition of financial assets is the sum of line items 9 to 33 in the 'Uses' column of the flow-of-funds matrix for the domestic institutional sectors and the foreign sector on pages S-50 and S-51 in this edition of the *QB*.

Foreign sector

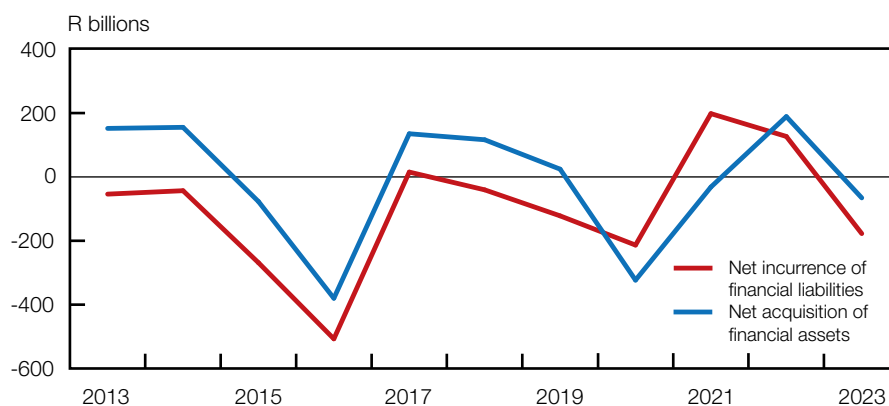
The net capital inflow from the rest of the world to South Africa increased to R112 billion, or 1.6% of gross domestic product (GDP), in 2023 from R62.2 billion, or 0.9% of GDP, in 2022. Although it had a limited impact on net flows, the conclusion of the share exchange transaction between Prosus N.V. (Prosus) and Naspers Limited (Naspers) that had been implemented in 2021 resulted in a significant decrease in both foreign assets and liabilities. Non-residents reduced their exposure to domestic financial assets by R65.7 billion in 2023 as they switched to net sales of domestic fixed-interest securities of R18.3 billion in 2023 compared with net purchases of R29.6 billion in 2022. Furthermore, their net sales of R26.9 billion in domestic shares and reduced exposure to domestic financial derivatives in 2023 reflected increased risk aversion. Non-residents' net deposit flows to domestic banks decreased from R51.7 billion in 2022 to R39.1 billion in 2023. Similarly, their net extension of loans was lower at R35.8 billion in 2023, mainly to national government and private non-financial corporate business enterprises.

The net incurrence of financial liabilities by the foreign sector declined in 2023 as South African residents disposed of R178 billion in foreign financial assets. Residents disposed of foreign shares and reduced their exposure to foreign financial derivatives to the amount of R26.0 billion and R311 billion respectively in 2023. In addition, South Africa's international position in gold and foreign reserves decreased by R13.3 billion in the same period. However, residents' holdings of foreign unit trusts increased from R61.1 billion in 2022 to R169 billion in 2023. The main contribution came from other financial institutions in the second quarter of 2023, encouraged by higher global share prices.

Figure 3 Non-resident net transactions in selected domestic financial assets



Non-resident net acquisition and incurrence of domestic financial assets and liabilities



Source: SARB

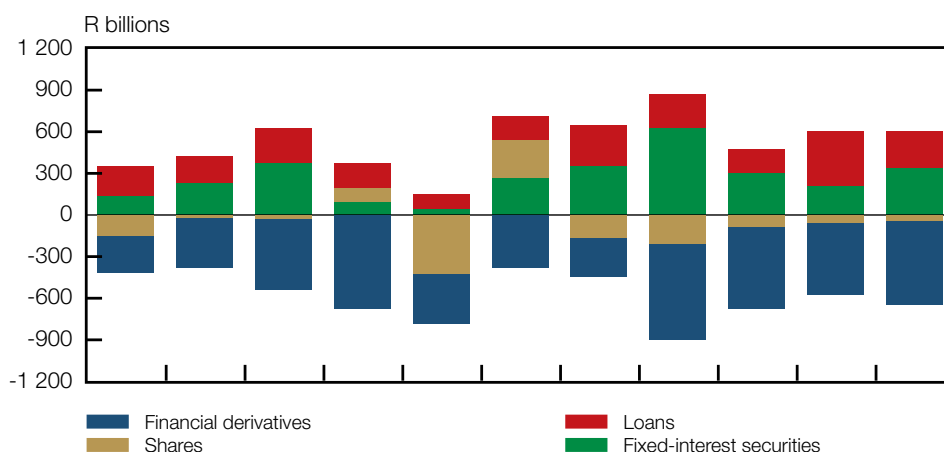


Financial intermediaries³

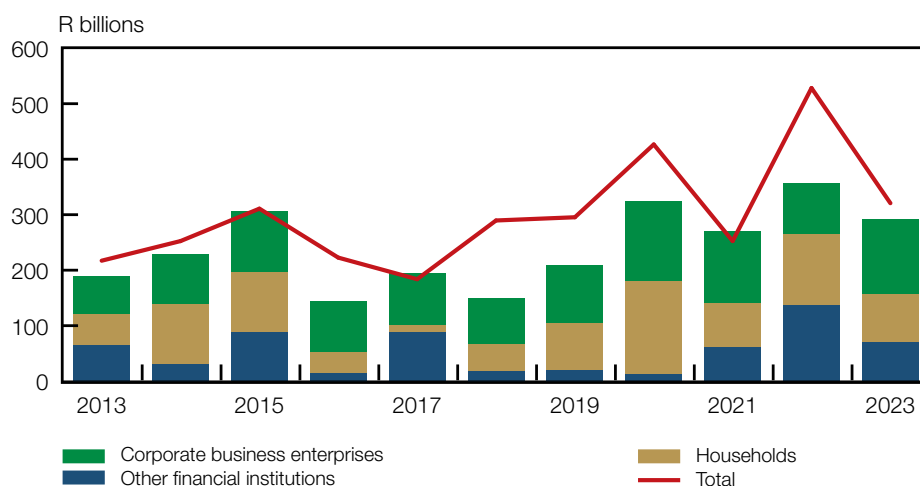
Financial intermediaries' net acquisition of financial assets decreased from R715 billion in 2022 to R466 billion in 2023, in line with the slowdown in economic growth. This included the decrease in credit extension from R398 billion in 2022 to R263 billion in 2023, which was affected by the slower take-up of debt by especially non-financial corporate business enterprises and households due to higher interest rates and subdued economic growth. Financial intermediaries were net sellers of shares to the value of R43.0 billion and reduced their exposure to financial derivatives by R605 billion in 2023. By contrast, their net purchases of fixed-interest securities increased to R338 billion in 2023, which contributed to the funding of central government.

The net incurrence of financial liabilities by financial intermediaries decreased from R535 billion in 2022 to R260 billion in 2023 as cash and deposit holdings increased by R321 billion in 2023 compared with R528 billion in 2022. The deposits received by the monetary authority and other monetary institutions in 2023 largely came from private non-financial corporate business enterprises, at R98.9 billion, and from the household sector, at R136 billion, supported by the higher interest rates. In addition, the net flow to insurers and retirement funds increased to R232 billion in 2023, largely due to the increased premiums for life business.

Figure 4 Financial intermediaries' net acquisition of selected financial assets



Financial intermediation through cash and deposits by selected sectors



Source: SARB

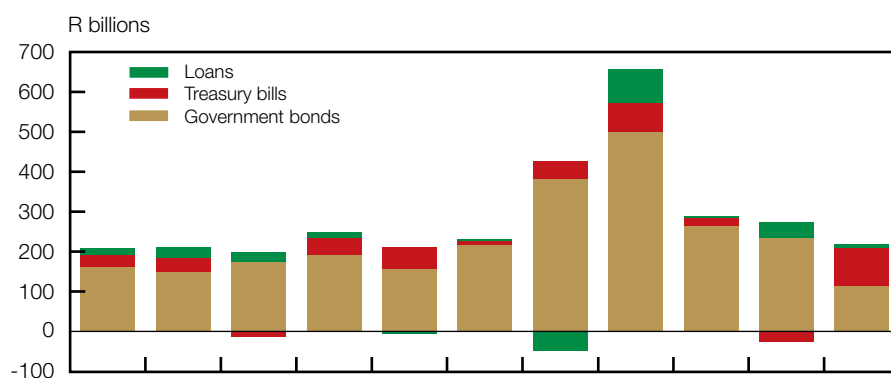
³ Financial intermediaries comprise the monetary authority, banks and non-bank financial institutions (excluding the Public Investment Corporation).



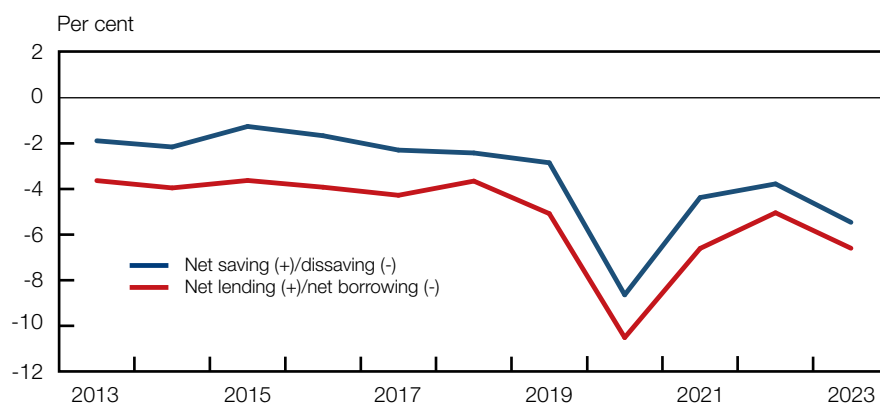
General government

The general government sector's net dissaving increased in 2023, resulting in a higher net-dissaving-to-GDP ratio of 5.5% in 2023 from 3.8% in 2022, and contributed to a larger net borrowing requirement of R463 billion, or 6.6% of GDP. Despite general government's commitment to fiscal consolidation, the *2023 Medium Term Budget Policy Statement (MTBPS)* highlighted an increase in government spending, largely due to the higher-than-expected public sector wage settlement and debt-service costs. In 2023, the general government sector financed the shortfall in the domestic financial markets through the net issuance of government bonds of R113 billion (including the redemption of the R2023 and R197 bonds) – which was much lower than the net issuance of R233 billion in 2022 – and the all-time high net issuance of TBs of R94.9 billion. Banks as well as insurers and retirement funds were net purchasers of government bonds of R50.7 billion and R32.4 billion respectively in 2023. Furthermore, an amount of R11.4 billion was sourced through loans (including loans from international institutions like the African Development Bank and the World Bank), while deposit withdrawals amounted to R83.2 billion in 2023.

Figure 5 General government's funding through selected instruments



General government's saving and net borrowing requirement as a percentage of GDP



Source: SARB

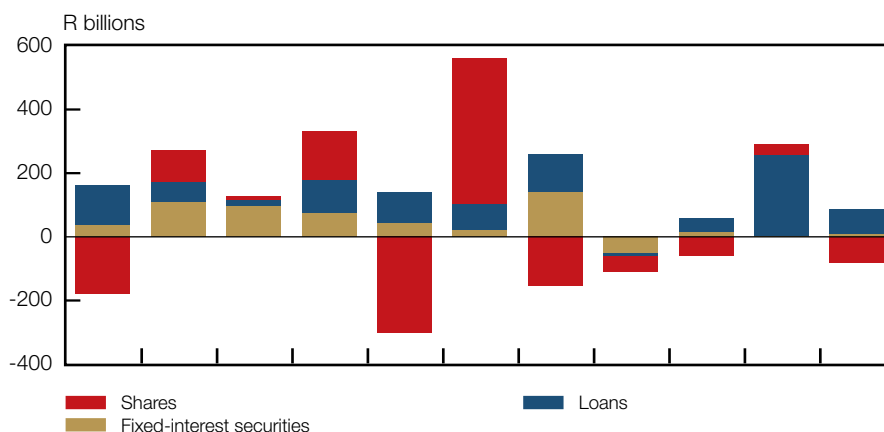
Non-financial public and private corporate business enterprises

Gross capital formation by non-financial public and private corporate business enterprises increased by 7.2% in 2023 following an increase of 38.0% in 2022. The increase in capital investment was largely on machinery and other equipment, linked to the increased investment in alternative energy solutions following frequent electricity load-shedding in 2023. This contributed to a larger net lending position of R173 billion in 2023.

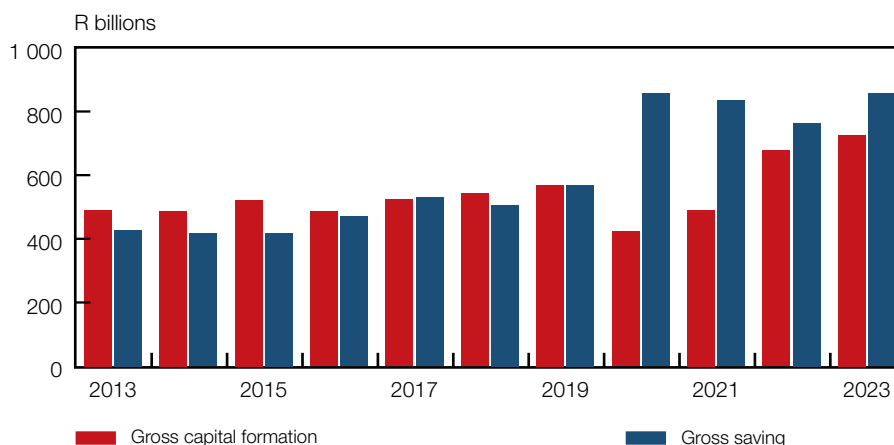


The sector's surplus funds were channelled to cash and deposits of R86.0 billion and loans of R9.5 billion in 2023. The net issuance of fixed-interest securities by non-financial corporate business enterprises increased from R3.0 billion in 2022 to R6.8 billion in 2023, while loans received decreased from R253 billion to R79.9 billion over the same period, reflecting weak business confidence. The non-financial corporate business enterprises recorded net redemptions of shares to the value of R81.2 billion in 2023.

Figure 6 Non-financial corporate business enterprises' net incurrence of selected financial liabilities



Gross capital formation and saving by non-financial corporate business enterprises



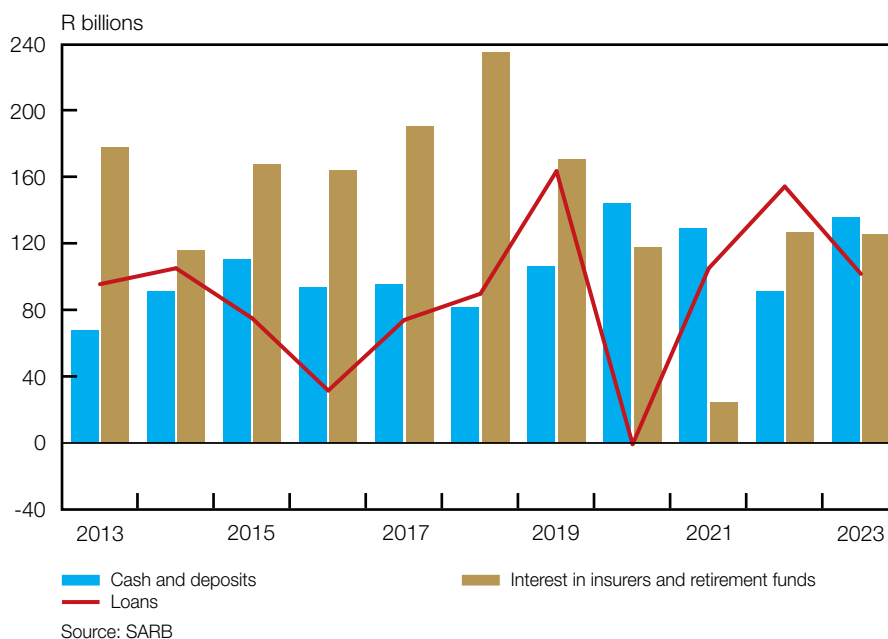
Source: SARB

Households

Households' net borrowing requirement increased from R18.8 billion in 2022 to R27.7 billion in 2023. The larger shortfall necessitated the further incurrence of loans to the amount of R102 billion in 2023 compared with R154 billion in 2022. As households' finances remained constrained amid high interest rates and elevated inflation, their net acquisition of financial assets decreased by 24.6% in 2023, mainly as a result of a decline in accounts receivable and other assets. This was partly offset by cash and deposits increasing by R136 billion in 2023 compared with R90.9 billion in 2022. The net flow of funds from households to insurers and retirement funds remained broadly unchanged at R125 billion in 2023, mainly through life policies with insurers. The funds placed by households with other financial institutions to purchase units in collective investment schemes amounted to R75.8 billion in 2023, up from the R66.0 billion recorded in 2022.



Figure 7 Households' net incurrence and acquisition of selected financial liabilities and assets



Summary

Domestic economic growth was subdued in 2023 amid intensified electricity-supply shortages, logistical challenges related to port congestion and rail freight inefficiencies as well as higher interest rates, which contributed to subdued consumer demand and business confidence. As such, the flow of funds in the economy reflected a decline in total flows. The main highlights during 2023 were:

- The removal of the cross-holding structure between Prosus and Naspers as well as the increased global risk aversion resulted in significant declines in foreign assets and liabilities.
- Financial intermediaries recorded high net purchases of fixed-interest securities.
- The general government sector recorded an all-time high net issuance of TBs as its net borrowing requirement increased notably.
- Non-financial corporate business enterprises' demand for credit decreased.
- Households' holding of cash and deposits increased noticeably.

References

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S Madonsela, 'Note on the flow of funds in South Africa's national financial account for the year 2022', *Quarterly Bulletin* No. 308, Pretoria: South African Reserve Bank, June 2023, pp 111–118.

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South African Reserve Bank, *Quarterly Bulletin*, various issues, Pretoria: South African Reserve Bank.

National financial account

Flow of funds for the first quarter 2023¹

R millions

Transaction items	Foreign sector		Financial intermediaries									
			Monetary authority		Other monetary institutions ²		Public Investment Corporation ³		Insurers and retirement funds		Other financial institutions	
	S	U	S	U	S	U	S	U	S	U	S	U
1. Net saving ⁴	49 563		-4 075		15 025		-38		35 528		-2 560	
2. Consumption of fixed capital ⁴			233		4 297		7		410		519	
3. Capital transfers	18	76			5 018							
4. Gross capital formation ⁴				510		4 889		4		206		415
5. Net lending (+)/net borrowing (-) (S)	49 505		-4 352		19 451		-35		35 732		-2 456	
6. Net financial investment (+) or (-) (U)		49 505		-4 352		19 451		-35		35 732		-2 456
7. Net incurrence of financial liabilities (Total S 9 – 33)	-83 573		23 739		-44 131		27 075		10 195		82 521	
8. Net acquisition of financial assets (Total U 9 – 33)		-34 068		19 387		-24 680		27 040		45 927		80 065
9. Gold and other foreign reserves	-1 581			-1 581								
10. Cash and demand monetary deposits ⁵	764	-7 462	-39 302	8 528	14 320	33 847		9 969		6 891		13 545
11. Short-/medium-term monetary deposits ⁵	1 721	2 297		-30 287	43 292			-10 088		5 325		40 525
12. Long-term monetary deposits ⁵		4 323		-14 025	54 426			7 164		-5 240		33 596
13. Funds placed with other financial institutions	34 105	3 574				-262		2 631		-23 020	23 429	56 420
14. Funds placed with other institutions	-36 397					-35 431	27 075			22 329		59
15. Treasury bills	-7 645			-765		-4 721		-681		1 371		-2 237
16. Other debt securities ⁶	44 037			34 844	61 120	1 139		854	1 675	37 343	2 756	39 125
17. Bank loans and advances	15 461		-80	-10 149	-9 892	80 170					42 345	
18. Trade credit and short-term loans	20 672	5 252	784	-2 004	-23 565	2 677			1 015	1 801	-1 115	5 399
19. Short-term government bonds ⁹	480			-4 441		58 741		3 855		-21 036		893
20. Long-term government bonds ⁹	3 592	-35 123				-60 711		14 757		33 226		2 930
21. Non-marketable debt of central government ⁷						836				-154		116
22. Securities of local governments												
23. Securities of public enterprises	-6 352	17 492	-1		2	-7 539		-4 839		-506	-8 194	3 636
24. Other loan stock and preference shares	-14 726	2 438			6 842	-13 228		3 340	-64	2 457	3 912	126
25. Ordinary shares	-48 632	-13 331			-31 390	-13 778		11 289	-1 472	-67 363		-25 225
26. Foreign branch/head office balances												
27. Long-term loans	15 263	12 991		4	-3 867			-12 679	576	-1 923	-517	7 184
28. Mortgage loans	-523					18 600					392	106
29. Interest in insurers and retirement funds ⁸		14 630				246			48 227			
30. Financial derivatives	-70 783	-66 969			-120 986	-121 539			4 672	-1 827	-32 634	-36 824
31. Amounts receivable/payable	-9 500	8 896	2 133	1 559	-8 475	10 957		1 468	-28 432	27 379	26 139	-28 869
32. Other liabilities/assets	-23 529	16 924	60 205	37 704	-25 718	25 237			-15 751	28 655	25 756	-30 330
33. Balancing item					-240	79			-251	219	252	-110

S = Sources, i.e. net increase in liabilities at transaction value.

U = Uses, i.e. net increase in assets at transaction value.

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1 A negative amount reflects a decrease in that item. In the case of liabilities (sources) it denotes a reduction in the available sources of funds and in the case of assets (uses) it indicates an additional source of funds.

2 Including mutual banks and the Postbank.

3 Before April 2005, the Public Investment Commissioners.

4 As taken from the national income (and production) accounts.

5 Namely deposits with the South African Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.

6 Including bonds and money market instruments, such as bills, debentures and commercial paper, not specified in other line items in the table.

7 Non-marketable bonds and other Treasury bills.

8 Net income of insurers and retirement funds.

9 The classification of short-term and long-term government bonds is based on remaining maturity.



National financial account (continued)

Flow of funds for the first quarter 2023¹

R millions

General government				Corporate business enterprises				Households, etc.		Total		Sectors
Central and provincial governments		Local governments		Public sector		Private sector						
S	U	S	U	S	U	S	U	S	U	S	U	Transaction items
-78 591		-20 437		-5 916		58 120		-25 045		21 574		1. Net saving ⁴
25 324		13 006		21 715		126 080		38 540		230 131		2. Consumption of fixed capital ⁴
1 164	67 090	20 740		36 615		19	6	4 774	1 176	68 348	68 348	3. Capital transfers
	31 269		15 380		26 012		132 392		40 628		251 705	4. Gross capital formation ⁴
-150 462		-2 071		26 402		51 821		-23 535				5. Net lending (+)/net borrowing (-) (S)
	-150 462		-2 071		26 402		51 821		-23 535			6. Net financial investment (+) or (-) (U)
24 922		14 418		-3 741		-103 939		51 176		-1 338		7. Net incurrence of financial liabilities (Total S 9 – 33)
	-125 540		12 347		22 661		-52 118		27 641		-1 338	8. Net acquisition of financial assets (Total U 9 – 33)
	-143 772		8 491		4 483		29 076		12 186	-1 581	-1 581	9. Gold and other foreign reserves
	66 875		19 653		676		-50 739		776	-24 218	-24 218	10. Cash and demand monetary deposits ⁵
	16 274		-61		383		167		11 845	45 013	45 013	11. Short-/medium-term monetary deposits ⁵
	4 687		620		702		-1 205		18 074	54 426	54 426	12. Long-term monetary deposits ⁵
					-739		-227			57 534	57 534	13. Funds placed with other financial institutions
192							-420			-9 322	-9 322	14. Funds placed with other institutions
	426			-919	-1	4 603	-458			-7 453	-7 453	15. Treasury bills
-1 085		-1 568		-12 655		10 685		26 810		113 272	113 272	16. Other debt securities ⁶
-1 611	5 301	13 649		5 300	968	30 445	21 041	-6 444	-1 305	70 021	70 021	17. Bank loans and advances
37 532										39 130	39 130	18. Trade credit and short-term loans
-48 513										38 012	38 012	19. Short-term government bonds ⁹
1 015			-23						1 038	-44 921	-44 921	20. Long-term government bonds ⁹
		-159					-957			1 015	1 015	21. Non-marketable debt of central government ⁷
	1			22 789					-1	-159	-159	22. Securities of local governments
	7 632			395		9 782	3 376			8 244	8 244	23. Securities of public enterprises
				2 747	159	-103 304	-73 802			6 141	6 141	24. Other loan stock and preference shares
5 720	14	1 616		9 500	-1 722	-10 892	14 037	513	6	-182 051	-182 051	25. Ordinary shares
				-200		5 592		13 445				26. Foreign branch/head office balances
					188		10 633		22 530	17 912	17 912	27. Long-term loans
				-2 077	8 370	-5 903	-8 922			18 706	18 706	28. Mortgage loans
				-13 391	5 244	-28 822	2 672	-7 216	-20 160	48 227	48 227	29. Interest in insurers and retirement funds ⁸
31 672	-37 573	-2	-7 467	-14 922	3 713	-16 334	3 936	24 068	-17 348	-227 711	-227 711	30. Financial derivatives
	-45 405	661	-8 650	-308	237	209	-326			-35 894	-35 894	31. Amounts receivable/payable
		221	-216							14 436	14 436	32. Other liabilities/assets
										-117	-117	33. Balancing item

S = Sources, i.e. net increase in liabilities at transaction value.

U = Uses, i.e. net increase in assets at transaction value.

KB231

1 A negative amount reflects a decrease in that item. In the case of liabilities (sources) it denotes a reduction in the available sources of funds and in the case of assets (uses) it indicates an additional source of funds.

2 Including mutual banks and the Postbank.

3 Before April 2005, the Public Investment Commissioners.

4 As taken from the national income (and production) accounts.

5 Namely deposits with the South African Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.

6 Including bonds and money market instruments, such as bills, debentures and commercial paper, not specified in other line items in the table.

7 Non-marketable bonds and other Treasury bills.

8 Net income of insurers and retirement funds.

9 The classification of short-term and long-term government bonds is based on remaining maturity.

National financial account

Flow of funds for the second quarter 2023¹

R millions

Transaction items	Foreign sector		Financial intermediaries									
			Monetary authority		Other monetary institutions ²		Public Investment Corporation ³		Insurers and retirement funds		Other financial institutions	
	S	U	S	U	S	U	S	U	S	U	S	U
1. Net saving ⁴	22 837		-1 438		21 695		-13		34 448		-5 157	
2. Consumption of fixed capital ⁴			247		4 362		7		417		529	
3. Capital transfers	19	78										
4. Gross capital formation ⁴				448	4 608		4		328		242	
5. Net lending (+)/net borrowing (-) (S)	22 778		-1 639		21 449		-10		34 537		-4 870	
6. Net financial investment (+) or (-) (U)		22 778		-1 639	21 449		-10		34 537		-4 870	
7. Net incurrence of financial liabilities (Total S 9 – 33)	58 371		82 715		29 916		33 591		76 882		44 443	
8. Net acquisition of financial assets (Total U 9 – 33)		81 149		81 076	51 365		33 581		111 419		39 573	
9. Gold and other foreign reserves	2 443			2 443								
10. Cash and demand monetary deposits ⁵	2 381	12 024	41 974	1 427	58 062	5 229		2 984		-478		9 269
11. Short-/medium-term monetary deposits ⁵	3 984	-6 435		25 987	16 426			-13 492		3 543		7 671
12. Long-term monetary deposits ⁵		15 404		6 540	90 421			17 924		10 433		27 557
13. Funds placed with other financial institutions	90 356	1 602				-3 781		9 489		15 572	9 795	63 000
14. Funds placed with other institutions	-7 410					-9 766	33 591			27 218		55
15. Treasury bills	31 498			548		60 645		-28		1 286		-2 656
16. Other debt securities ⁶	49 322	-563		35 767	4 404	6 854		-540	5 166	20 960	873	6 379
17. Bank loans and advances	32 146		20	-9 479	-8 857	41 818					-4 428	
18. Trade credit and short-term loans	18 382	-7 124	6 191	483	4 484	35 278			1 080	-1 302	-523	17 575
19. Short-term government bonds ⁹	-567			-1 475		15 765		-6 189		-6 213		80
20. Long-term government bonds ⁹	667	25 807				9 898		20 828		14 814		-5 976
21. Non-marketable debt of central government ⁷						-1 699		-266		-986		-960
22. Securities of local governments						589		-686		-3 654	-1 975	-4 956
23. Securities of public enterprises	-33	265			-39							
24. Other loan stock and preference shares	34 166	-18 149			-8 319	27 800		1 825	-26	653	-2 513	-164
25. Ordinary shares	-14 677	-1 708			13 599	2 883		1 618	684	4		6 322
26. Foreign branch/head office balances												
27. Long-term loans	-12 804	-373		8	-6 462			-1 453	-1 331	-680	3 077	-1 136
28. Mortgage loans	-668					15 650					5 470	620
29. Interest in insurers and retirement funds ⁸		30 497				-350			57 001			
30. Financial derivatives	-82 625	-53 231			-93 860	-141 183			6 079	5 009	-44 520	-22 155
31. Amounts receivable/payable	-44 591	38 913	2 151	1 810	2 747	37		1 567	4 871	13 172	33 851	-31 154
32. Other liabilities/assets	-43 599	44 220	32 379	17 017	-42 517	-13 976			3 269	12 051	45 252	-29 598
33. Balancing item					-173	-326			89	17	84	-200

S = Sources, i.e. net increase in liabilities at transaction value.

U = Uses, i.e. net increase in assets at transaction value.

KB230

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2 Including mutual banks and the Postbank.

3 Before April 2005, the Public Investment Commissioners.

4 As taken from the national income (and production) accounts.

5 Namely deposits with the South African Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.

6 Including bonds and money market instruments, such as bills, debentures and commercial paper, not specified in other line items in the table.

7 Non-marketable bonds and other Treasury bills.

8 Net income of insurers and retirement funds.

9 The classification of short-term and long-term government bonds is based on remaining maturity.



National financial account (continued)

Flow of funds for the second quarter 2023¹

R millions

General government				Corporate business enterprises				Households, etc.		Total		Sectors
Central and provincial governments		Local governments		Public sector		Private sector						
S	U	S	U	S	U	S	U	S	U	S	U	Transaction items
-34 660		-27 596		-4 271		76 035		-15 050		66 830		1. Net saving ⁴
26 038		13 301		22 155		129 898		38 073		235 027		2. Consumption of fixed capital ⁴
1 069	4 150	449		1 625		30	7	2 124	1 081	5 316	5 316	3. Capital transfers
	29 796		15 597		28 186		184 333		38 315		301 857	4. Gross capital formation ⁴
-41 499		-29 443		-8 677		21 623		-14 249		0		5. Net lending (+)/net borrowing (-) (S)
	-41 499		-29 443		-8 677		21 623		-14 249			6. Net financial investment (+) or (-) (U)
109 164		21 302		-12 926		8 492		67 868		519 818		7. Net incurrence of financial liabilities (Total S 9 – 33)
	67 665		-8 141		-21 603		30 115		53 619		519 818	8. Net acquisition of financial assets (Total U 9 – 33)
	77 155		-6 620		-4 003		-2 702		8 132	2 443	2 443	9. Gold and other foreign reserves
	-4 710		-24 385		-16 809		16 294		32 746	102 417	102 417	10. Cash and demand monetary deposits ⁵
	-1 887		1 223		944		7 242		5 041	20 410	20 410	11. Short-/medium-term monetary deposits ⁵
	6 318		-351		-2 222		2 942		13 900	90 421	90 421	12. Long-term monetary deposits ⁵
					383		1 973			100 151	100 151	13. Funds placed with other financial institutions
19 452							-8 845			26 181	26 181	14. Funds placed with other institutions
	-83			-210	-1	7 062	-2 156			50 950	50 950	15. Treasury bills
-538		517		-5 763		19 156		86		66 617	66 617	16. Other debt securities ⁶
-369	6 272	20 862		-5 234	1 312	15 339	16 364	12 027	3 381	32 339	32 339	17. Bank loans and advances
2 535										72 239	72 239	18. Trade credit and short-term loans
76 794							12 090			1 968	1 968	19. Short-term government bonds ⁹
972			579						393	77 461	77 461	20. Long-term government bonds ⁹
		1 070					4 981			972	972	21. Non-marketable debt of central government ⁷
	6			-6 389						1 070	1 070	22. Securities of local governments
	-1 098			-1	14	-7 287	5 139			-8 436	-8 436	23. Securities of public enterprises
				730	-459	-40 853	-49 177			16 020	16 020	24. Other loan stock and preference shares
9 452		-145		848	-1 831	-12 357	-13 407	850		-40 517	-40 517	25. Ordinary shares
				-8		-2 878		14 354				26. Foreign branch/head office balances
					125		4 209		22 520	-18 872	-18 872	27. Long-term loans
				-562	10 888	-6 887	-21 703			16 270	16 270	28. Mortgage loans
794	-12 345		12 574	601	-5 620	6 627	25 938	23 727	-14 114	57 001	57 001	29. Interest in insurers and retirement funds ⁸
54	-1 963	-1 002	8 560	3 047	-4 243	30 881	30 900	16 824	-18 380	-222 375	-222 375	30. Financial derivatives
18			279	15	-81	-311	33			30 778	30 778	31. Amounts receivable/payable
										44 588	44 588	32. Other liabilities/assets
										-278	-278	33. Balancing item

S = Sources, i.e. net increase in liabilities at transaction value.

U = Uses, i.e. net increase in assets at transaction value.

KB231

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2 Including mutual banks and the Postbank.

3 Before April 2005, the Public Investment Commissioners.

4 As taken from the national income (and production) accounts.

5 Namely deposits with the South African Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.

6 Including bonds and money market instruments, such as bills, debentures and commercial paper, not specified in other line items in the table.

7 Non-marketable bonds and other Treasury bills.

8 Net income of insurers and retirement funds.

9 The classification of short-term and long-term government bonds is based on remaining maturity.

National financial account

Flow of funds for the third quarter 2023¹

R millions

Transaction items	Foreign sector		Financial intermediaries									
			Monetary authority		Other monetary institutions ²		Public Investment Corporation ³		Insurers and retirement funds		Other financial institutions	
	S	U	S	U	S	U	S	U	S	U	S	U
1. Net saving ⁴	29 202		-2 029		23 329		4		34 996		-560	
2. Consumption of fixed capital ⁴			247		4 431		7		423		533	
3. Capital transfers	20	81			502							
4. Gross capital formation ⁴				401	5 178			3		262		331
5. Net lending (+)/net borrowing (-) (S)	29 141		-2 183		23 084		8		35 157		-358	
6. Net financial investment (+) or (-) (U)		29 141		-2 183	23 084			8		35 157		-358
7. Net incurrence of financial liabilities (Total S 9 – 33)	-87 100		-18 996		-41 075		39 986		103 291		6 864	
8. Net acquisition of financial assets (Total U 9 – 33)		-57 959		-21 179	-17 991			39 994		138 448		6 506
9. Gold and other foreign reserves	-6 308			-6 308								
10. Cash and demand monetary deposits ⁵	234	-3 146	-20 359	-7 939	-57 476	-4 468		-3 300		840		-9 667
11. Short-/medium-term monetary deposits ⁵	-2 448	21 767		-6 932	96 143			13 290		-102		-679
12. Long-term monetary deposits ⁵		-1 759		-5 040	-14 450			-10 353		-3 228		-5 521
13. Funds placed with other financial institutions	3 431	5 407				-396		3 435		34 276	33 720	-34 138
14. Funds placed with other institutions	26 543					27 199	39 986			26 142		57
15. Treasury bills	-22 580			-543		-17 522		200		2 437		19 968
16. Other debt securities ⁶	-19 161	634		-8 434	19 439	-1 511		-76	3 946	2 864	133	17 974
17. Bank loans and advances	2 042		292	16 087	16 872	48 161					18 102	
18. Trade credit and short-term loans	11 381	44 711	-1 569	-500	73 420	19 309			3 881	-1 592	-11 411	-856
19. Short-term government bonds ⁹	-31			-1 033		6 202		122		-3 477		-1 217
20. Long-term government bonds ⁹	-2 935	-3 651				12 371		18 097		32 920		3 804
21. Non-marketable debt of central government ⁷						14				246		-47
22. Securities of local governments												
23. Securities of public enterprises	-2 919	-18 411			1	-7 342		2		-233	-1 537	-2 191
24. Other loan stock and preference shares	-33 366	-1 355			3 109	-38 191		2 956		2 908	-3 661	21
25. Ordinary shares	4 875	-11 380			17 643	-349		11 539	1 100	29 965		41 959
26. Foreign branch/head office balances												
27. Long-term loans	9 437	4 192		-18	4 784			1 770	286	4 443	4 847	-433
28. Mortgage loans	73					12 012					-3	389
29. Interest in insurers and retirement funds ⁸		-692				204			75 063			
30. Financial derivatives	-99 662	-90 439			-128 309	-142 989			4 390	600	-28 746	-23 931
31. Amounts receivable/payable	21 145	-13	1 948	2 092	-37 119	35 003		2 312	5 827	7 057	3 596	-710
32. Other liabilities/assets	23 149	-3 824	692	-2 611	-34 849	34 226			8 599	2 286	-7 882	1 543
33. Balancing item					-283	76			199	96	-294	181

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KB230

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3 Before April 2005, the Public Investment Commissioners.

4 As taken from the national income (and production) accounts.

5 Namely deposits with the South African Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.

6 Including bonds and money market instruments, such as bills, debentures and commercial paper, not specified in other line items in the table.

7 Non-marketable bonds and other Treasury bills.

8 Net income of insurers and retirement funds.

9 The classification of short-term and long-term government bonds is based on remaining maturity.



National financial account (continued)

Flow of funds for the third quarter 2023¹

R millions

General government				Corporate business enterprises				Households, etc.		Total		Sectors
Central and provincial governments		Local governments		Public sector		Private sector						
S	U	S	U	S	U	S	U	S	U	S	U	Transaction items
-163 232		-13 507		-4 284		76 718		57 154		37 791		1. Net saving ⁴
27 141		13 691		22 848		134 509		38 269		242 099		2. Consumption of fixed capital ⁴
1 068	23 100	15 527		2 882		33	7	4 237	1 081	24 269	24 269	3. Capital transfers
	27 552		15 828		26 749		163 959		39 627		279 890	4. Gross capital formation ⁴
-185 675		-117		-5 303		47 294		58 952				5. Net lending (+)/net borrowing (-) (S)
	-185 675		-117		-5 303		47 294		58 952			6. Net financial investment (+) or (-) (U)
109 531		-10 669		4 963		60 871		36 451		204 117		7. Net incurrence of financial liabilities (Total S 9 – 33)
	-76 144		-10 786		-340		108 165		95 403		204 117	8. Net acquisition of financial assets (Total U 9 – 33)
	-114 312		-1 577		2 440		59 797		3 731	-6 308	-6 308	9. Gold and other foreign reserves
	40 899		7 801		3 039		-19 846		34 458	-77 601	-77 601	10. Cash and demand monetary deposits ⁵
	4 112		857		2 056		520		3 906	93 695	93 695	11. Short-/medium-term monetary deposits ⁵
			705		982		1 785		25 095	-14 450	-14 450	12. Long-term monetary deposits ⁵
	13 787				882		-1 538			37 151	37 151	13. Funds placed with other financial institutions
32 894					882		-1 538			66 529	66 529	14. Funds placed with other institutions
	-83			136	-3	7 143	271			10 314	10 314	15. Treasury bills
559		1 052		1 796		13 926		9 607		11 636	11 636	16. Other debt securities ⁶
-371	-1 624	-18 175		25 349	720	-2 327	2 223	-2 677	15 110	64 248	64 248	17. Bank loans and advances
628										77 501	77 501	18. Trade credit and short-term loans
69 073							2 597			597	597	19. Short-term government bonds ⁹
490			-796						1 286	66 138	66 138	20. Long-term government bonds ⁹
		-373								490	490	21. Non-marketable debt of central government ⁷
	12			-23 711					-3	-373	-373	22. Securities of local governments
	-1 098					-657	184			-28 166	-28 166	23. Securities of public enterprises
				-1 161	256	68 797	19 264			-34 575	-34 575	24. Other loan stock and preference shares
										91 254	91 254	25. Ordinary shares
												26. Foreign branch/head office balances
		-1 997		-4 703	-2 122	11 570	15 143	-1 211		22 975	22 975	27. Long-term loans
				-4		1 739		10 596		12 401	12 401	28. Mortgage loans
					-60		23 067		52 544	75 063	75 063	29. Interest in insurers and retirement funds ⁸
				437	-9 019	-34 590	-20 702			-286 480	-286 480	30. Financial derivatives
6 296	-7 610		-8 756	3 550	951	6 775	2 046	2 185	-18 169	14 203	14 203	31. Amounts receivable/payable
	-10 227	8 797	-8 765	2 955	-281	-11 422	18 198	17 951	-22 555	7 990	7 990	32. Other liabilities/assets
		27	-255	319	-181	-83	-32			-115	-115	33. Balancing item

S = Sources, i.e. net increase in liabilities at transaction value.

U = Uses, i.e. net increase in assets at transaction value.

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5 Namely deposits with the South African Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.

6 Including bonds and money market instruments, such as bills, debentures and commercial paper, not specified in other line items in the table.

7 Non-marketable bonds and other Treasury bills.

8 Net income of insurers and retirement funds.

9 The classification of short-term and long-term government bonds is based on remaining maturity.

National financial account

Flow of funds for the fourth quarter 2023¹

R millions

Transaction items	Foreign sector		Financial intermediaries									
			Monetary authority		Other monetary institutions ²		Public Investment Corporation ³		Insurers and retirement funds		Other financial institutions	
	S	U	S	U	S	U	S	U	S	U	S	U
1. Net saving ⁴	10 502		-4 317		28 184		40		29 752		1 066	
2. Consumption of fixed capital ⁴			247		4 528		7		423		524	
3. Capital transfers	19	77										
4. Gross capital formation ⁴				637	6 196		2		628		265	
5. Net lending (+)/net borrowing (-) (S)	10 444		-4 707		26 516		45		29 547		1 325	
6. Net financial investment (+) or (-) (U)		10 444	-4 707		26 516		45		29 547		1 325	
7. Net incurrence of financial liabilities (Total S 9 – 33)	-65 225		-5 211		-100 709		35 689		5 587		3 506	
8. Net acquisition of financial assets (Total U 9 – 33)		-54 781	-9 918		-74 193		35 734		35 134		4 831	
9. Gold and other foreign reserves	-7 830			-7 830								
10. Cash and demand monetary deposits ⁵	-2 820	1 889	-10 758	12 678	54 842	-763	26 096		-2 217		-1 039	
11. Short-/medium-term monetary deposits ⁵	-3 927	-1 374		-9 068	48 949		21 016		4 966		-9 500	
12. Long-term monetary deposits ⁵		1 594		-6 498	-55 786		-15 194		-3 173		-35 506	
13. Funds placed with other financial institutions	41 209	-5 356				-357	11 534		-26 342	17 987	64 680	
14. Funds placed with other institutions	-17 532					-23 710	35 689		29 192		53	
15. Treasury bills	12 658			619		26 181	983		5 870		17 608	
16. Other debt securities ⁶	3 390	-274		-6 503	-27 040	14 658	-414	6 928	18 262	5 435	-30 160	
17. Bank loans and advances	-31 554		-313	2 668	3 223	-11 630					-3 986	
18. Trade credit and short-term loans	-56 712	-21 447	319	-3 632	-55 247	-54 179		14 667	748	14 226	10 552	
19. Short-term government bonds ⁹	34			1 820		30 769		-4 583	-20 695		-15 361	
20. Long-term government bonds ⁹	-1 513	13 988				-22 345		-13 411	2 908		437	
21. Non-marketable debt of central government ⁷						7			148		22	
22. Securities of local governments												
23. Securities of public enterprises	-418	563	1		-1	-1 618	-10 125		-5 519	226	4 158	
24. Other loan stock and preference shares	18 964	-1 943			1 063	20 389	4 607	723	1 739	7 511	-600	
25. Ordinary shares	32 463	-485			3 987	-734	5 136	-500	-21 485		4 794	
26. Foreign branch/head office balances												
27. Long-term loans	13 345	-2 354			-1 231		918	-342	-1 838	-1 546	6 673	
28. Mortgage loans	421					14 790				3 817	819	
29. Interest in insurers and retirement funds ⁸		10 231				72		51 619				
30. Financial derivatives	-57 595	-56 425			-96 871	-86 239		-14 526	-4 962	-21 429	-29 257	
31. Amounts receivable/payable	-1 827	1 656	12 816	7 671	-2 543	8 802	9 171	-26 716	32 386	-12 141	14 238	
32. Other liabilities/assets	-5 981	4 956	-7 276	-1 843	25 710	11 536		-25 949	24 859	-6 446	2 165	
33. Balancing item					236	178		-317	287	-148	55	

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6 Including bonds and money market instruments, such as bills, debentures and commercial paper, not specified in other line items in the table.

7 Non-marketable bonds and other Treasury bills.

8 Net income of insurers and retirement funds.

9 The classification of short-term and long-term government bonds is based on remaining maturity.



National financial account (continued)

Flow of funds for the fourth quarter 2023¹

R millions

General government				Corporate business enterprises				Households, etc.		Total		Sectors
Central and provincial governments		Local governments		Public sector		Private sector						
S	U	S	U	S	U	S	U	S	U	S	U	Transaction items
-23 553		-21 997		-6 492		49 163		-49 597		12 751		1. Net saving ⁴
27 514		13 869		23 168		136 472		38 439		245 191		2. Consumption of fixed capital ⁴
1 095	20 338	14 221		2 071		15	7	4 108	1 107	21 529	21 529	3. Capital transfers
	28 941		16 019		33 428		131 150		40 676		257 942	4. Gross capital formation ⁴
-44 223		-9 926		-14 681		54 493		-48 833				5. Net lending (+)/net borrowing (-) (S)
	-44 223		-9 926		-14 681		54 493		-48 833			6. Net financial investment (+) or (-) (U)
24 678		-9 087		-40 265		43 048		61 968		-46 021		7. Net incurrence of financial liabilities (Total S 9 – 33)
	-19 545		-19 013		-54 946		97 541		13 135		-46 021	8. Net acquisition of financial assets (Total U 9 – 33)
	5 083		-2 798		-3 970		-277		6 582	-7 830	-7 830	9. Gold and other foreign reserves
	-40 578		6 754		-2 090		63 704		11 192	41 264	41 264	10. Cash and demand monetary deposits ⁵
	5 172		-2 875		-92		-4 321		5 107	-55 786	-55 786	11. Short-/medium-term monetary deposits ⁵
	6 444		-225		-3 267		-220		18 749	59 196	59 196	12. Long-term monetary deposits ⁵
					3 089		3 089			18 157	18 157	13. Funds placed with other financial institutions
42 367							3 764			55 025	55 025	14. Funds placed with other institutions
	-83			-217		6 879	-111			-4 625	-4 625	15. Treasury bills
654		-1 476		-5 188		21 243		8 435		-8 962	-8 962	16. Other debt securities ⁶
-3 321	245	-10 633		-47 846	-519	8 911	-56 902	3 731	-6 771	-131 905	-131 905	17. Bank loans and advances
-8 084										-8 050	-8 050	18. Trade credit and short-term loans
-16 910										-18 423	-18 423	19. Short-term government bonds ⁹
845			14						831	845	845	20. Long-term government bonds ⁹
		-247					-424			-247	-247	21. Non-marketable debt of central government ⁷
	21			-12 328						-12 520	-12 520	22. Securities of local governments
	-1 098					-260	4 907			28 001	28 001	23. Securities of public enterprises
				376	34	-8 552	40 514			27 774	27 774	24. Other loan stock and preference shares
												25. Ordinary shares
												26. Foreign branch/head office balances
-4 019		2 675		3 660	1 013	-264	13 176	5 310		17 588	17 588	27. Long-term loans
				-2		5 200		6 173		15 609	15 609	28. Mortgage loans
					15		13 804		27 497	51 619	51 619	29. Interest in insurers and retirement funds ⁸
				4 184	-2 505	1 832	-5 017			-184 405	-184 405	30. Financial derivatives
13 146	2 690		-8 413	9 490	-24 620	-7 442	-5 260	24 804	-28 734	9 587	9 587	31. Amounts receivable/payable
	2 559	446	-11 353	7 455	-21 776	15 356	27 045	13 515	-21 318	16 830	16 830	32. Other liabilities/assets
		148	-117	151	-258	145	70			215	215	33. Balancing item

S = Sources, i.e. net increase in liabilities at transaction value.

U = Uses, i.e. net increase in assets at transaction value.

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1 A negative amount reflects a decrease in that item. In the case of liabilities (sources) it denotes a reduction in the available sources of funds and in the case of assets (uses) it indicates an additional source of funds.

2 Including mutual banks and the Postbank.

3 Before April 2005, the Public Investment Commissioners.

4 As taken from the national income (and production) accounts.

5 Namely deposits with the South African Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.

6 Including bonds and money market instruments, such as bills, debentures and commercial paper, not specified in other line items in the table.

7 Non-marketable bonds and other Treasury bills.

8 Net income of insurers and retirement funds.

9 The classification of short-term and long-term government bonds is based on remaining maturity.