

South African Reserve Bank

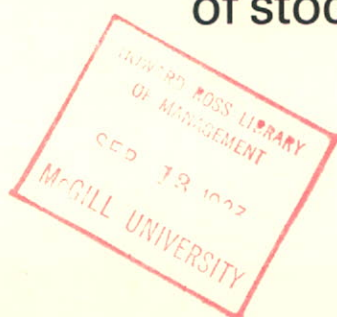
1983

**Report of the sixty-third
ordinary general meeting
of stockholders**

South African Reserve Bank

1983

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of stockholders



Contents

Board of directors	3
Management	4
Minutes of proceedings	5
Report of the directors	15
Balance sheet	18
Income statement	19
Report of the auditors	19

South African Reserve Bank

Head office
Church Square, Pretoria

Board of directors

Gerhardus Petrus Christiaan de Kock
Governor

Christian Lodewyk Stals
Senior Deputy Governor

Albertus Stephanus Jacobs
Deputy Governor

Bramie van Staden
Deputy Governor

Thomas Richard Castle
Pierre Etienne Rousseau
Representing: Government

Gerald William Gaylard Browne
Lawrence Stuart Robinson
Anthony Edward Rupert
Representing: Commerce and finance

Jacobus Adriaan Jooste
Representing: Agriculture

William Francois de la Harpe Beck
Willem Johannes de Villiers
Representing: Industry

Management

Governor	G. P. C. de Kock
Senior Deputy Governor: Foreign functions	C. L. Stals
Deputy Governor: Economic services	B. van Staden
Deputy Governor: Domestic functions and administration	A. S. Jacobs
General Manager and Secretary: Money market, accounts and staff	B. P. Groenewald
General Manager: Administration	G. P. C. de Kock
General Manager: Management services	A. M. de Villiers
General Manager: Exchange control	J. C. Senekal
General Manager: Gold and foreign exchange	H. B. Bester
Deputy General Manager: Administration	M. J. Hansen
Deputy General Manager: Management services	H. H. L. Smuts
Deputy General Manager: Exchange control	J. H. Postmus

Economic department

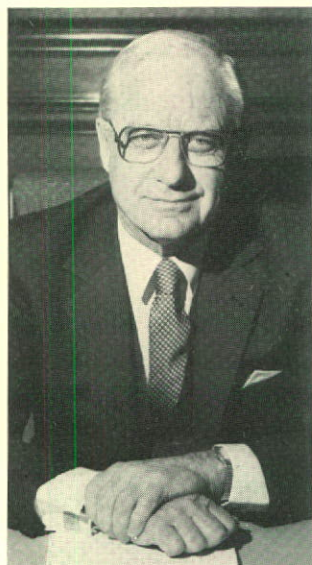
Head	C. J. de Swardt
Deputy Head	J. G. v. G. Meiring

Other

Adviser	D. W. Goedhuys
Assistant to the Governor	J. H. Meijer

Branch managers

Bloemfontein	V. G. Grobbelaar
Cape Town	W. C. de Kock
Durban	D. Naudé
East London	G. T. Byrnes
Johannesburg	G. G. Trotter
Pietermaritzburg	J. A. Snowball
Port Elizabeth	W. B. Fletcher
Pretoria	J. H. Potgieter
Pretoria North Note Depot	W. C. Nieuwoudt
Windhoek	J. D. van der Berg



Dr Gerhard de Kock

South African Reserve Bank

Sixty-third ordinary general meeting of stockholders

Minutes of proceedings

The sixty-third ordinary general meeting of stockholders was held at the head office of the Bank, Pretoria, on Tuesday, 23 August 1983 at 10h30.

The Governor, who presided, declared the meeting duly convened in terms of the regulations framed under the South African Reserve Bank Act.

The minutes of the previous meeting were taken as read and confirmed.

The chairman in addressing the meeting said:

I have pleasure in formally presenting to you the annual accounts of the Bank, and the reports of the directors and the auditors, for the year ended 31 March 1983.

I also submit to you the Bank's *Annual Economic Report*, which should be regarded as furnishing a background to my remarks today.

Main theme of address

Although confronted by serious economic problems caused mainly by the prevailing world economic depression, the relatively low gold price and the drought, the South African economy is performing well and more than holding its own. The underlying state of the economy is sound and the prospects for the period ahead are favourable. These propositions constitute the main theme of this address.

Present economic problems confronting South Africa

Continued economic downswing and negative growth rate

In analysing the present state of the economy, the first point to recognise is that South Africa is experiencing the most severe economic recession since that of the early nineteen-thirties. The cyclical downswing which began from a very high peak in August 1981 has now lasted for two years. Earlier this year a modest reversal of the downward tendency in some economic indicators suggested that the business cycle was approaching its lower turning point. But the subsequent decline in the gold price and the severe effects of the drought now appear to have postponed the start of the new upward cyclical phase until early next year.

Real gross domestic product decreased by 1 per cent in 1982 and present indications are that, partly as a result of the primary and secondary effects of the drought, it will decline by about 3 per cent in 1983. Real gross domestic expenditure declined by 5 per cent in 1982 and at an annual rate of 8 per cent in the first half of 1983. Not surprisingly in these circumstances, there was a

steady rise in unemployment throughout this period, particularly among unskilled workers.

Other indications of the continuing recession were a lower rate of increase in company profits in 1982, followed by an actual decline in the first half of 1983, and a reduction in the rate of increase of nominal salaries and wages from the high rate of 19 per cent in 1982 to a seasonally adjusted annual rate of 10½ per cent in the first half of 1983.

Lower gold price and decline in exports

Apart from the effects of the drought, the main reason for the continuing recession and the present negative real growth rate remains the relatively low gold price. In 1978 the average gold price was \$193 per fine ounce. In 1979 it increased to \$307. From this higher level, it then doubled in 1980 to \$613. Since gold constitutes about 50 per cent of South Africa's total exports, this naturally made a major contribution to the cyclical upswing and high real growth rates of 1979, 1980 and 1981, quite apart from the excessive liquidity it created. By the same token, however, the subsequent decline in the gold price to averages of \$460 in 1981, \$376 in 1982 and \$439 thus far this year, exerted strong negative effects on domestic economic activity. The increase in the gold price to above \$500 per ounce, following the international debt crisis which flared up in September 1982, turned out to be temporary, and since late February 1983 the price has mostly fluctuated between \$400 and \$440 per ounce.

To this must be added the adverse impact of the continuing poor performance of South Africa's other exports, including diamonds, platinum, chrome, manganese, coal, iron ore, maize and sugar – largely owing to the stagnant conditions in the international markets for these commodities caused by the severe world depression of recent years.

Continued inflation

The situation has been exacerbated and made more difficult to deal with by the fact that, despite the slowing down in real economic activity, the rate of inflation has as yet declined only moderately. As measured by the consumer price index over a twelve-month period, the rate declined from a peak of 16,5 per cent in May 1982 to 12,4 per cent in June 1983, which still amounted to about two-and-a-half times that of most of South Africa's main trading partner countries.

Good performance of the economy in adjusting to adverse exogenous developments

As an important trading nation, South Africa has been severely buffeted during the past three years by unfavourable external forces over which it had no control. Moreover, this buffeting has continued during recent months and has been intensified by the worst drought in decades. Virtually all countries in the world have remained in the throes of a general economic depression. In the United States there have in recent months been encouraging indications of a recovery. But in Europe and Japan there is as yet little tangible evidence of the long-awaited upturn. And in most Third World countries the economic situation has now become quite critical.

In retrospect, the magnitude of the adjustment forced upon the South African economy by these calamitous developments has clearly been enormous. It follows that the real question that needs to be asked today is not why the South African economy is experiencing a phase of recession *cum* inflation, but how, indeed, it managed to adjust as well as it has done to the exogenous shocks of recent years.

The balance of payments: from deficit to surplus on current account

The clearest demonstration of the economy's good adjustment performance is to be found in the improvement in the balance of payments on current account during the past year. Taken at seasonally adjusted annual rates, a deficit of R7,1 billion in the first quarter of 1982 was transformed into a surplus of R1,8 billion in the second quarter of 1983. One factor that contributed to this improvement was the somewhat higher average level of the gold price since September 1982. But the most important cause of the turnaround was the decline in imports from an annual rate of R20 billion in the first quarter of 1982 to R14 billion in the second quarter of 1983 – a decrease of 30 per cent. In volume terms the decline amounted to 42 per cent.

This favourable outcome was not brought about artificially by import control. Instead, it largely represented the counterpart of the slowing down of domestic spending caused by a combination of market-oriented financial policies and natural cyclical forces. The process of adjustment was no doubt also assisted by the depreciation of the rand in terms of other currencies during 1981 and the first seven months of 1982.

Capital account

The capital account of the balance of payments also improved during the course of 1982 and the first two months of 1983. This was largely the result of the rise in domestic nominal interest rates to levels higher than those in the United States and the Euro-dollar market, and the expectation which began to grow from about October 1982 that the rand would appreciate in terms of other currencies. In these circumstances, many enterprises in South Africa made increased use of foreign credits and loans without incurring the costs of forward exchange cover – costs which would have neutralised the interest rate advantage.

These developments resulted in both an appreciation of the rand and a substantial increase in the *net* foreign reserves. This enabled the Government to take the major step on 7 February 1983 of abolishing exchange control over non-residents – a move which implied the disappearance of the financial rand and of the dual exchange rate system that had existed in one form or another since exchange control over non-residents was first introduced in South Africa in 1961. This step was favourably received both here and abroad as evidence of South Africa's economic strength and ability to provide an equitable and profitable environment for foreign capital. Share prices remained high, the net reserves initially increased further, the exchange rate held up well and interest rates actually declined further at that stage.

From late February onwards, however, the situation was significantly changed by the sudden decline in the gold price from a peak of \$511.50 per ounce on 15 February to \$408.50 on 28 February and an average of \$425 during the

period March to July 1983. By reversing the expectation that the rand would continue to appreciate, this reduced the uncovered use of overseas credits, adversely affected other payments "leads and lags" and brought about a net outflow of short-term capital as a whole. In the absence of exchange control over non-residents, it also contributed to an outflow of R735 million during the first half of 1983 of long-term capital in the form of net sales of South African securities by non-residents to residents eager and able to buy in a strong market.

Net foreign reserves and exchange rates

After rising by R2,4 billion during the seven months to January 1983, the net gold and other foreign reserves declined by R868 million during the five months up to June. This still left an increase of R1,6 billion over the twelve months to June 1983, compared with a decline of R5,5 billion during the preceding twenty-one months. In addition, the rand appreciated in terms of a "basket" of other currencies by 11 per cent during the twelve months to July 1983, following its depreciation of 22 per cent during the previous 19 months.

Gold and foreign exchange developments

As a result of the improvement in the balance of payments it was not necessary for the Reserve Bank during the past twelve months to enter into any further gold swap agreements. Since virtually the full gold production continued to be sold, the Bank's gold holdings accordingly showed very little change over this period and amounted to 7,8 million ounces at the end of July 1983. The rise in the Bank's net foreign reserves since the middle of 1982 largely reflected a reduction in its short-term foreign liabilities from R2,2 billion at the end of June 1982 to R712 million at the end of July 1983.

Proposed changes to the foreign exchange market

After consultation with the Treasury and with the approval of the Minister of Finance, the Reserve Bank has in recent weeks held discussions with representatives of the Chamber of Mines, the mining houses and authorised foreign exchange dealers and brokers about certain proposed changes to the technical operations of the foreign exchange market. In accordance with established Government policy in this field, these changes aim at the development of more efficient markets for spot and forward foreign exchange and the introduction of a proper system of managed floating for the rand, subject, of course, to Reserve Bank supervision and technical "intervention". Following the outcome of these discussions, the Minister of Finance has now approved the introduction of these changes from 5 September 1983. A full statement setting out the details of the new arrangements will be issued shortly. It is not expected that the envisaged technical changes will, in themselves, have any material effect on the level of the rand's exchange rate in terms of other currencies.

Monetary conditions and policy

The good performance of the economy in withstanding the buffeting it has received since 1980 must be attributed in part to the fiscal and monetary policy

"mix" applied during this period, and in particular to three features of this strategy. The first is the success achieved by the Minister of Finance and the Government, under difficult circumstances, in curbing public sector spending and the budgetary "deficit before borrowing" – a feat to which the Reserve Bank wishes to pay particular tribute. The second is the flexibility and realistic levels of interest rates, without which it would not have been possible to finance the deficit before borrowing without undue resort to bank credit or, more generally, to bring the money supply and the rate of inflation under better control. And the third feature is the flexibility of spot and forward exchange rates, which greatly reduced the instability of both the domestic economy and the balance of payments. It only has to be considered what would have happened to South African mining companies, other exporters and domestic manufacturers if the rand-dollar rate had been kept unchanged at the level that had prevailed at the beginning of 1981.

Nevertheless, despite these achievements, the course of monetary and fiscal policy did not always run smoothly. Measured in terms of changes over a twelve-month period, the rate of increase of the broad money supply (M_2) was reduced from a peak of 42 per cent in April 1981 to 15 per cent in July 1982. This welcome decline was accompanied by a substantial rise in interest rates, which resulted *inter alia* in prime overdraft rates rising from 9,5 per cent at the beginning of 1981 to 20 per cent in March 1982. This had the desired effect of curbing the demand for credit and improving the capital account of the balance of payments.

After July 1982, as the net foreign reserves increased substantially, the rate of monetary expansion gradually began to accelerate again. In view of the improved balance of payments situation and the domestic recession, the Reserve Bank at that stage consciously eased its policy stance and acquiesced in a decline in interest rates, including a reduction in prime rate from 20 per cent in October 1982 to 17 per cent in January 1983. However, in order to prevent the rise in reserves from adding unduly to the money supply, the authorities implemented the most comprehensive government borrowing programme ever undertaken in South Africa, which enabled them to put substantial additional amounts into the Treasury's Stabilisation Account. The result was that during the eight months to February 1983 the net claims of the banking sector on the government sector showed a most welcome *decline* of about R2,1 billion. This succeeded in containing the rate of increase of M_2 to 17 per cent over the twelve months to February 1983.

A further result of this strategy was that South Africa had no difficulty in complying fully with the various performance criteria laid down in the loan agreement reached with the International Monetary Fund in November 1982, in terms of which South Africa drew R938 million soon afterwards.

From late February 1983 onwards, however, the situation was again adversely affected by two major developments. The first was the sudden decline in the gold price which occurred at that time and which, as I have indicated, transformed the net inflow of capital into a net outflow and, at least temporarily, terminated the marked upward trend in both the reserves and the exchange value of the rand. And the second was the intensification of the drought, which

not only adversely affected the balance of payments and the domestic economy but also placed a heavy additional burden on government expenditure.

At first, the significance of these setbacks was not fully appreciated by either the private sector or the authorities. Indeed, interest rates declined further during February and into March and only began to move up again later in March. Prime overdraft rates, for example, declined from 17 per cent in January to 14 per cent in March. Towards the end of March, however, the implications of the changed situation became clearer, and in his Budget Speech on 30 March 1983, the Minister of Finance quite rightly rejected any policy of deliberate "reflation" or "stimulation" of the economy. Instead, the 1983/84 Budget provided for continued restraint in government spending and a relatively small deficit before borrowing.

Subsequent events have proved that this was the correct strategy to adopt. However, following an increase of R324 million in March, net bank credit to the government sector increased further during April and May by R997 million. This contributed to an acceleration of the rate of increase of M_2 , as measured over a twelve-month period, from 17 per cent in February to 24 per cent in May and 22 per cent in June – rates which were clearly excessive and not in accordance with the declared official policy.

Fortunately, this departure from the course charted in the Budget proved to be only temporary, and from the middle of June onwards the authorities succeeded by means of proper funding in reversing the upward tendency of the preceding three months in net money creation by the government sector. In this process, net tender and tap issues of government stock amounting to R1 137 million were made between the middle of June and the middle of August.

This return to non-inflationary financing of government spending at a time when the net foreign reserves were not showing an upward trend, naturally placed upward pressure on interest rates and increased the need for Reserve Bank accommodation to the discount houses and the banks. While readily extending this accommodation in order to avoid financial disruption and an explosive rise in interest rates, the Reserve Bank accepted the need for interest rates to increase as an essential part of its anti-inflationary policy. And although it moderated this upward movement and ironed out seasonal interest rate fluctuations by means of its rediscounting operations, repurchase agreements, smaller issues of Treasury bills and a reduction in the liquid asset requirements for banks, it did not use its credit-creating ability to keep interest rates constant. Prime overdraft rates were therefore allowed to move up in four stages from 14 per cent in June to 18 per cent in August, in line with the increases in other money market rates.

Monetary policy – too restrictive or too accommodative?

I sincerely hope that the facts and figures I have presented today will finally dispel the notion, if it still exists, that the monetary authorities have for more than two years now been applying a tight, deflationary, and some would add "unduly restrictive", monetary policy. There certainly have been powerful contractionary forces at work, which have produced an economic recession, a negative real growth rate and a rise in nominal interest rates. But these forces

have emanated from the decline in the gold price, the world depression, the drought and the other exogenous adverse developments to which I referred earlier, and *not* from restrictive Reserve Bank actions. On the contrary, during most of this period the Bank has been extremely active in creating central bank credit in order to moderate and partially neutralise the contractionary effects of these adverse developments and, in particular, the upward pressure on interest rates.

It was, of course, the *extent* to which the Bank moderated these contractionary effects that constituted the heart of monetary policy. It is always the *net result* of the actions taken by the monetary authorities and natural economic forces that counts. In assessing the impact of monetary policy during recent years, the essential question is therefore whether the *degree* of Reserve Bank moderation was appropriate or, if not, whether the Bank was *too accommodative* or *not accommodative enough*. But the facts show clearly that, over the period as a whole, the Bank's net credit creation caused the monetary aggregates to rise *more* and interest rates to rise *less* than they would otherwise have done.

In retrospect, as I have stated before, we in the Reserve Bank believe that we have tended to err on the side of leniency. Given the severity of the problems forced upon the South African economy, our policy stance and actions have tended to be too expansionary and accommodative. We have succeeded well in bringing about the necessary balance of payments adjustment. But in this process we have tended to do too much to protect both real and financial activity in the domestic economy and not enough to restrain monetary expansion and inflation.

The record speaks for itself. When, in 1981 and most of 1982, we had to choose between deflation or depreciation, we opted for a middle course. While allowing financial markets to tighten and interest rates to rise, we did not defend the previously existing rand-dollar exchange rate of R1=\$1.35 by means of old-style deflation. Instead, in order to protect the domestic economy against the world depression, the Reserve Bank provided extensive financial accommodation and permitted the exchange rate to depreciate to a low point of 85 US cents in October 1982, in the full knowledge that this would be inflationary. In other words, a higher priority was given during that period to adjusting the balance of payments and sustaining domestic economic activity than to curbing inflation. In the event, as I mentioned earlier, the rate of increase of M_2 (over a twelve-month period) rose to a peak of 42 per cent in April 1981 and only declined to 15 per cent in July 1982, before accelerating again.

Subsequently, as I have indicated, despite the effective use of government borrowing operations and open-market operations during the second half of 1982, interest rates were allowed to decline considerably and, partly due to the *temporary* use of bank credit by the government sector in the three months after February 1983, the rate of increase of M_2 accelerated to 24 per cent in May 1983, before declining to 22 per cent in June. It was only from the middle of June onwards that the effective implementation of the financial strategy laid down in the Budget resulted in a reduction in the rate of increase of the money supply and a corresponding rise in interest rates to their present more realistic and appropriate levels.

By no definition can any policy that permitted rates of increase of M_2 to remain as high as I have indicated, during a period when the rate of inflation varied between 16,5 and 12,4 per cent, be described as "deflationary" or "too restrictive". On the contrary, from the point of view of curbing inflation, this policy was clearly too accommodative. Moreover, although interest rates have at times during the past two years reached levels which were relatively high in *nominal* terms, they have remained relatively low in *real* terms, i.e. after correcting for the rate of inflation.

Certainly, in any assessment of the meaning of the high rates of increase of the money supply during the past three years, account must be taken of the decline of 27 per cent in the income velocity of circulation (V) of M_2 from its peak value of 4,71 per annum in the first quarter of 1980 to 3,42 per annum in the second quarter of 1983 – a phenomenon which in large part represented the "re-intermediation" of credit, i.e. the return of previously "disintermediated" credit to the balance sheets of banks, following the abolition of bank credit ceilings and deposit rate controls in 1980. But the decline in V of 27 per cent over just more than three years was far outweighed by the increase of 104 per cent in M_2 over this same period. Although the rate of increase of MV was therefore less during these three years than that of M by itself, it still represented undue monetary expansion and therefore contributed to the inflation.

Present monetary policy

I wish to conclude by setting out present monetary policy in South Africa under the headings of ultimate objectives, intermediate objectives and policy instruments.

Ultimate objectives

Among the various accepted ultimate objectives of monetary policy, the adjustment of the balance of payments received the highest priority during 1981 and most of 1982. Now that this objective has been achieved, top priority is at present being given to curbing inflation. The monetary authorities also attach crucial importance to the other ultimate objectives of monetary policy, namely optimal and relatively stable economic growth and a high and stable level of employment. But the curbing of inflation and the maintenance of a strong currency are viewed as *prerequisites* for achieving the optimal average rate of economic growth in the longer term.

Under present conditions, we reject the notion that in the years ahead we have a clear choice between, on the one hand, rapid growth with relatively high inflation and, on the other, low growth with relatively low inflation. We are operating under the constraints of the present world depression, the relatively low gold price, the stagnant markets for our other exports and the drought. In addition, South Africa's rate of inflation is now about two-and-a-half times that of its main trading partners. In these circumstances it is our conviction that to make monetary policy even more expansionary than it already is, in an attempt to expedite the expected increase in the real growth rate, would be extremely inflationary and counter-productive in the medium and long term.

Such an unduly expansionary policy would almost certainly weaken the balance of payments, invite speculation against the rand and produce a vicious circle of currency depreciation and inflation. At the same time it is bound to involve increased foreign borrowing. As the recent experience of Mexico, Brazil, Poland and a host of Third World countries has shown, this could, if carried to excess, result in foreign debt problems and *lower* instead of higher real economic growth.

In the view of the monetary authorities, therefore, the best, if not the only, way to achieve the objectives of optimal growth and employment *in the longer term*, is to give priority at this stage to curbing inflation.

Intermediate objectives

Although it is not yet the practice in South Africa to set and announce specific quantitative targets for money supply growth as "intermediate" objectives of monetary policy, the monetary authorities have adopted as their main intermediate objective at this stage a gradual but substantial reduction in the rate of increase of the broad money supply (M_2) to well below the 22 per cent recorded between June 1982 and June 1983.

The adoption of this objective does not mean the application of any *rigid* "money rule". But it clearly has implications for interest rates and exchange rates. As in other countries with reasonably developed financial systems, there exists in South Africa a close interrelationship between the money supply, interest rates and both spot and forward exchange rates, and they certainly cannot be determined independently of one another. That is why the Reserve Bank has in recent months readily permitted interest rates to rise to realistic market-determined levels as an essential and logical counterpart of its policy of reducing the rate of increase of the money supply. That is also why the movements of interest and exchange rates in the months ahead will have to be compatible with the achievement of this money supply objective. It is not difficult, however, to envisage a scenario in 1984 in which, following an economic recovery abroad and a consequent increase in the value of South Africa's gold output and other exports, the achievement of a satisfactory money supply growth rate would be compatible with both an appreciation of the rand and a decline in interest rates, particularly if the rate of inflation has by that time been reduced further.

In the meantime, it is certainly not the policy of the monetary authorities to reduce interest rates by creating new money at an even faster rate. Such a policy would in any event be self-defeating, since the resultant acceleration of the rate of inflation would in due course inevitably produce *higher* nominal interest rates. Where the acceptance of realistic market-determined interest rates entails special hardships for certain groups in the economy, such as drought-stricken farmers or low-income homeowners, it is the Government's policy to provide overt relief through appropriate subsidies, rather than to place the entire interest rate structure in a straitjacket.

Policy instruments

The main instruments of monetary policy in use at present are the market-oriented methods of public debt management, open-market operations,

rediscount and general accommodation policy, and "intervention" by the Reserve Bank in the spot and forward foreign exchange markets. In the manner already indicated, these instruments are being applied in pursuit of the intermediate objective of reducing the rate of increase of the broad money supply and the ultimate objective of minimising the rate of inflation and maintaining a strong currency, as prerequisites for achieving the optimal long-run average rate of economic growth.

Conclusion

I referred earlier to the magnitude of the adjustment forced upon the South African economy in recent years by adverse exogenous developments. From the review I have presented today it is evident that the economy has risen to the challenge and has, in fact, made the necessary adjustments both timeously and impressively. Indeed, the favourable turnaround in the balance of payments and the strengthening of both the foreign reserves and the rand must rank as one of the most outstanding examples ever of the proper working of the "balance of payments adjustment process". This achievement is all the more notable because it occurred at a time of world economic depression and domestic drought conditions, and with relatively little help from a higher gold price. It also contrasted sharply with the payments and foreign debt crises experienced during this period by many other countries in comparable situations. For this reason it has understandably served to enhance South Africa's overseas credit rating.

These achievements have, of course, entailed sacrifices. The effects of the world-wide slump, the decline in the gold price and the drought could neither be wished away nor offset by fancy financial footwork. There was no alternative but to tighten the belt and to work harder. But these efforts and sacrifices have now largely achieved their objectives. And although it will inevitably take some time before the next cyclical upswing gains momentum, the foundations for it have now been well and truly laid.

At the conclusion of his address the chairman moved:

That the accounts and reports be adopted.

Mr J. L. J. van Vuuren seconded the motion which was carried.

On the motion of the chair, seconded by Dr C. J. van Wyk it was resolved:

That Dr A. E. Rupert and Mr J. A. Jooste whose terms of office expired on 30 June, be re-elected as stockholders' representatives on the board of directors.

The chairman, on behalf of the board, then moved:

1. That Messrs Deloitte Haskins & Sells and Messrs Pim Goldby be paid the sum of seventy seven thousand five hundred rand each, in accordance with the recommendation of the board, for auditing the accounts of the Bank for the year ended 31 March 1983.
2. That Messrs Pim Goldby and Messrs Deloitte Haskins & Sells be appointed auditors of the Bank's accounts for the current year.

Both motions were seconded by Dr G. W. G. Browne and were carried.

After Dr C. B. Strauss had proposed a vote of thanks to the chairman for presiding and for his address, the proceedings terminated.

Report of the directors of the South African Reserve Bank for the year ended 31 March 1983, to be presented to stockholders at the sixty-third ordinary general meeting to be held in Pretoria on Tuesday, 23 August 1983

In accordance with the provisions of the South African Reserve Bank Act, 1944, and the regulations framed thereunder, the accompanying statement of the Bank's accounts for the year ended 31 March 1983, certified by the auditors as prescribed, is presented to stockholders.

Capital

The Bank's capital of R2 000 000 was held by 759 stockholders, of whom 47 per cent held less than R1 000 each.

Reserve fund

The balance of the reserve fund remained unchanged at R33 072 000 due to the fact that no allocation of the net profit for the year was made to the fund in terms of section 16(3) of the South African Reserve Bank Act, 1944.

Notes in circulation and notes of other banks

The Bank's note issue amounted to R2 834 065 000 at 31 March 1983, representing an increase of R331 954 000 over the year. Although this increase of 13,3 per cent is lower than the increase of 20,7 per cent recorded during the preceding year, it nevertheless reflects a further rise in the demand for notes as a result of the continued increase in economic activity and the high rate of inflation during the year. The liability of the Bank for notes issued by other banks showed no change during the year and remained at R373 000 as at 31 March 1983.

Deposits

The Bank's total deposit liabilities increased over the year by R895 439 000 from R1 516 963 000 to R2 412 402 000. The balance on the Government's current accounts increased by R168 502 000 and that on other current accounts by R1 060 517 000, whereas the balance on provincial administrations' current accounts declined by R6 568 000. The balance on bankers' current accounts increased by R7 333 000, whereas that on bankers' reserve accounts declined by R334 345 000, mainly as a result of the further reduction on 28 September 1982 in the banks' supplementary minimum cash reserve requirements.

Foreign loans

The Bank's outstanding loan commitments in foreign currencies declined from R1 259 678 000 at 31 March 1982 to R486 673 000 at 31 March 1983. The outstanding balance represents drawings under foreign short-term credit facilities arranged to supplement the Bank's other foreign exchange assets.

Gold swap transactions

Additional gold swap transactions were entered into during the course of the year with various foreign institutions in order to supplement the foreign exchange reserve position. A gold swap transaction which had been entered into during 1981 was repurchased during the year under review.

Gold coin and bullion

The Bank's gold reserve was valued at R305,93 and R407,17 per fine ounce on 31 March 1982 and 31 March 1983, respectively. These prices were determined in terms of section 17(A) of the South African Reserve Bank Act, 1944, and were calculated at 90 per cent of the average of the last ten fixing prices for gold established on the London Gold Market during the months mentioned. At these valuation prices the gold holdings amounted to R2 776 479 000 and R3 132 981 000, respectively, on the dates mentioned. The revaluation transactions were recorded in the accounts of the Bank in accordance with the abovementioned section of the Act.

Balances with overseas banks; money at call in London; foreign bills; special drawing rights

These items, together with an amount of R41 259 000 held in investments domiciled abroad, represented the Bank's foreign reserves, other than gold, and totalled R546 143 000 as at 31 March 1983 compared with R675 822 000 as at 31 March 1982.

The increase of R226 823 000 in the Bank's total gold and other foreign reserves during the year can largely be ascribed to the valuation of the gold holdings at the higher market related price which prevailed at the end of March 1983, compared with the price at the end of March 1982.

Domestic bills

Domestic bills under discount with the Bank increased by R281 890 000 during the financial year to R546 510 000 at 31 March 1983, reflecting increases in Treasury bills and commercial bills of R216 240 000 and R67 650 000, respectively, while bills of the Land and Agricultural Bank of South West Africa declined by R2 000 000.

Loans and advances

This item showed an increase of R116 669 000 to R1 185 078 000 during the year under review. This rise was the net result of increases of R2 698 000 in foreign loans granted, R138 310 000 in outstanding loan facilities extended to local clients and a decrease of R24 338 000 in overdraft facilities granted to various institutions.

Government and other securities

The Bank's normal investments in government and other securities decreased by R274 448 000 to R237 328 000. This decrease is the net result of decreases of R303 538 000 in the Bank's holdings of government securities and an increase of R29 090 000 in its portfolio of other securities. Special and ordinary issues of government stock were continually arranged with the Treasury. These securi-

ties were successfully marketed by the Bank during the course of the year. No government stock domiciled abroad was held at 31 March 1983 and the Bank's portfolio of other foreign investments showed an increase of R8 707 000. The Bank's holdings of securities held under buy-back agreements increased from a nil balance as at 31 March 1982 to R229 000 000 as at 31 March 1983.

Furniture and equipment and fixed property

The balances of both these accounts stood at R1 at the end of the financial year as all the expenditure during the year under these headings, as shown in the income statement, have been written off.

Income statement

After meeting all expenses and making provision for income tax, interest payable, rebate on bills not yet due, other liabilities and contingencies and contributions to the Bank's pension fund, and after providing for the diminution in the value of securities, writing down fixed property and furniture and equipment, and after providing for a transfer to the reserve for future expenditure on fixed property and equipment, a surplus of R200 000 remained. This amount was paid to stockholders as dividends and no allocation to either the reserve fund or the Government could therefore be made.

Dividends

The board declared an interim dividend of 5 per cent for the half-year ended 30 September 1982, and a final dividend of the same amount for the half-year ended 31 March 1983.

Directors

The board appointed Mr J. A. Jooste in the late Mr J. F. van Wyk's stead for his unexpired term of office. Dr A. E. Rupert and Mr J. A. Jooste retire by rotation on 30 June 1983, but being eligible, offer themselves for re-election.

Auditors

Stockholders will be requested to determine, upon recommendation of the board, the remuneration of the auditors for the year's audit and to appoint auditors for the current year.

Messrs Deloitte Haskins & Sells and Messrs Pim Goldby, offer themselves for re-appointment.

B. P. Groenewald
Secretary
Pretoria
27 June 1983

G. P. C. de Kock
Governor

C. L. Stals
P. E. Rousseau
T. R. Castle
Directors

Balance sheet
31 March 1983

1982 R	1983 R	1982 R	1983 R
2 000 000	Capital	2 776 478 947	Gold coin and bullion
33 071 946	Reserve fund	2 712 425	Other coin
2 502 110 732	Notes in circulation	400 453 708	Balances with overseas banks
373 427	Notes in circulation – other banks	8 861 875	Money at call in London
	Deposits	98 653 517	Foreign bills
1 151 939 757	Banks' reserve accounts	135 300 426	Special drawing rights
68 948	Banks' current accounts	264 620 000	Domestic bills
	Government current accounts	1 068 408 684	Loans and advances
145 604 809	Provincial administrations' current accounts	487 165 664	Government securities
173 570 098	Other accounts	57 162 200	Other securities
45 779 615		1	Furniture and equipment
1 516 963 227	Foreign loans	1	Fixed property
1 259 677 503	Other liabilities	540 229 344	Other assets
505 319 585	Stockholders – final dividend		
100 000	Government – surplus		
20 430 372			
5 840 046 792		5 840 046 792	7 164 323 628

There is a commitment to repurchase gold in terms of gold swap agreements – Refer directors' report

Income statement
for the year ended 31 March 1983

1982 R	1983 R	1982 R	1983 R
General expenditure		Revenue	
Including cost of new bank notes, salaries, pension fund contributions, directors' fees and other charges		After making provision for taxation, interest payable, rebate on bills not yet due, other liabilities and contingencies and after providing for diminution in value of securities	
37 865 658	52 085 770	85 207 336	69 640 174
Written off			
10 943 003 1 498 262 12 441 265	Fixed property		
	Furniture and equipment		
	1 423 083 5 965 356		
Reserve for future expenditure on fixed property and equipment			
12 000 000	9 965 965		
Allocation of surplus			
200 000 2 270 041 20 430 372	Stockholders		
	Reserve fund		
	Government		
22 900 413	200 000		
85 207 336	69 640 174	85 207 336	69 640 174
B. P. Groenewald <i>Secretary</i> Pretoria 27 June 1983		C. L. Stals P. E. Rousseau T. R. Castle <i>Directors</i>	

Report of the auditors

To the stockholders of the South African Reserve Bank

We have examined the above balance sheet and report that, in our opinion, it is a full and fair balance sheet and is properly drawn up so as to exhibit a true and correct view of the whole of the Bank's affairs, according to the best of our knowledge and the explanations given to us and as shown by the books of the Bank as at 31 March 1983.

We also report that, in our opinion, the affairs of the Bank have been conducted in accordance with the provisions of the South African Reserve Bank Act, 1944, as amended, and the regulations thereunder, so far as they affect the balance sheet and accounts.

Deloitte Haskins & Sells

Pim Goldby

Auditors

Pretoria

27 June 1983

Suid-Afrikaanse Reserwebank

1983

**Verslag van die drie-en-sestigste
gewone algemene vergadering
van aandeelhouders**

Suid-Afrikaanse Reserwebank

1983

Drie-en-sestigste gewone algemene
vergadering van aandeelhouders

Inhoud

Raad van direkteure	3
Bestuur	4
Notule van die verrigtinge	5
Verslag van die direkteure	15
Balansstaat	18
Inkomstestaat	19
Ouditeursverslag	19

Suid-Afrikaanse Reserwebank

Hoofkantoor
Kerkplein, Pretoria

Raad van direkteure

Gerhardus Petrus Christiaan de Kock
President

Christian Lodewyk Stals
Senior Vise-president

Albertus Stephanus Jacobs
Vise-president

Bramie van Staden
Vise-president

Thomas Richard Castle
Pierre Etienne Rousseau
Verteenwoordig: Regering

Gerald William Gaylard Browne
Lawrence Stuart Robinson
Anthony Edward Rupert
Verteenwoordig: Handel en finansiewese

Jacobus Adriaan Jooste
Verteenwoordig: Landbou

William Francois de la Harpe Beck
Willem Johannes de Villiers
Verteenwoordig: Nywerheid

Bestuur

President	G. P. C. de Kock
Senior Vise-president: Buitelandse funksies	C. L. Stals
Vise-president: Ekonomiese dienste	B. van Staden
Vise-president: Binnelandse funksies en administrasie	A. S. Jacobs
Hoofbestuurder en Sekretaris: Geldmark, rekeninge en personeel	B. P. Groenewald
Hoofbestuurder: Administrasie	G. P. C. de Kock
Hoofbestuurder: Bestuursdienste	A. M. de Villiers
Hoofbestuurder: Deviesebeheer	J. C. Senekal
Hoofbestuurder: Goud en buitelandse valuta	H. B. Bester
Adjunk-hoofbestuurder: Administrasie	M. J. Hansen
Adjunk-hoofbestuurder: Bestuursdienste	H. H. L. Smuts
Adjunk-hoofbestuurder: Deviesebeheer	J. H. Postmus

Ekonomiese departement

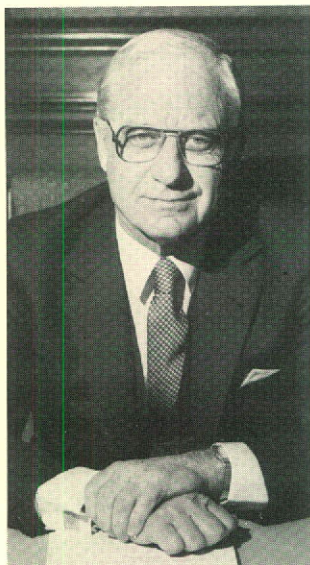
Hoof	C. J. de Swardt
Adjunk-hcof	J. G. v. G. Meiring

Ander

Adviseur	D. W. Goedhuys
Assistent van die President	J. H. Meijer

Takkantoorbestuurders

Bloemfontein	V. G. Grobbelaar
Kaapstad	W. C. de Kock
Durban	D. Naudé
Oos-Londen	G. T. Byrnes
Johannesburg	G. G. Trotter
Pietermaritzburg	J. A. Snowball
Port Elizabeth	W. B. Fletcher
Pretoria	J. H. Potgieter
Pretoria-Noord Note Depot	W. C. Nieuwoudt
Windhoek	J. D. van der Berg



Dr Gerhard de Kock

Suid-Afrikaanse Reserwebank

Drie-en-sestigste gewone algemene vergadering van aandeelhouders

Notule van die verrigtinge

Die drie-en-sestigste gewone algemene vergadering van aandeelhouders is op Dinsdag, 23 Augustus 1983 om 10h30 in die hoofkantoor van die Bank te Pretoria gehou.

Die President tree as voorsitter op en verklaar die vergadering behoorlik byeen-geroep ooreenkomstig die regulasies ingevolge die Wet op die Suid-Afrikaanse Reserwebank.

Die notule van die vorige vergadering word as gelese beskou en is goedgekeur.

Die voorsitter spreek daarop die vergadering as volg toe:

Dit is vir my 'n genoeë om die finale rekeninge van die Bank, sowel as die verslae van die direksie en die ouditeure, vir die jaar geëindig 31 Maart 1983, formeel aan u voor te lê.

Ek lê ook aan u voor die Bank se *Jaarlikse Ekonomiese Verslag*, wat as agtergrond vir die opmerkings wat ek vandag gaan maak, beskou moet word.

Hooftema van die rede

Alhoewel die Suid-Afrikaanse ekonomie met ernstige ekonomiese probleme te kampe het wat hoofsaaklik deur die heersende ekonomiese wêrelddepressie, die betreklik lae goudprys en die droogte meegebring is, presteer dit goed en handhaaf dit 'n stewige posisie. Die onderliggende toestand van die ekonomie is gesond en die vooruitsigte vir die tydperk wat voorlê gunstig. Hierdie stellings vorm die hooftema van hierdie rede.

Ekonomiese probleme waarmee Suid-Afrika tans te kampe het

Voortgesette ekonomiese afswaai en negatiewe groeikoers

By die ontleding van die huidige stand van die ekonomie is die eerste punt waaraan erkenning gegee behoort te word dat Suid-Afrika die ernstigste ekonomiese resessie ondervind sedert dié van die vroeë dertigerjare. Die sikliese afwaartse beweging wat vanaf 'n baie hoë draaipunt in Augustus 1981 begin het, is nou reeds twee jaar lank aan die gang. Vroeër vanjaar het 'n matige ommekeer van die afwaartse neiging in sekere ekonomiese aanwysers daarop gedui dat die konjunkturgolf besig was om sy onderste draaipunt te nader. Dit wil nou egter voorkom asof die daling in die goudprys wat sedertdien ingetree het en die ernstige uitwerking van die droogte, die begin van die nuwe opwaartse fase van die konjunkturgolf tot vroeg volgende jaar uitgestel het.

Die reële bruto binnelandse produk het in 1982 met 1 persent afgeneem en die huidige aanduidings is dat dit, gedeeltelik as gevolg van die primêre en sekondêre uitwerking van die droogte, in 1983 met ongeveer 3 persent sal daal. Die reële bruto binnelandse besteding het in 1982 met 5 persent en in die eerste helfte van 1983 teen 'n jaarkoers van 8 persent afgeneem. Onder hierdie

omstandighede is dit dan ook nie verbasend nie dat daar regdeur hierdie periode 'n bestendige styging in die werkloosheid, veral onder ongeskoolde werkers, was.

Verdere aanduidings van die voortgesette resessie was 'n laer koers van toename in die winste van maatskappye in 1982, wat deur 'n werklike daling in die eerste helfte van 1983 gevolg is, en 'n verlaging van die koers van toename in nominale salarisse en lone vanaf die hoë koers van 19 persent in 1982 tot 'n seisoensaangesuiwerde jaarkoers van 10½ persent in die eerste helfte van 1983.

Laer goudprys en daling in die uitvoer

Bo en behalwe die uitwerking van die droogte, bly die belangrikste oorsaak van die voortgesette resessie en die huidige negatiewe reële groeikoers nog die betreklik lae goudprys. In 1978 was die gemiddelde goudprys \$193 per fyn ons. In 1979 het dit tot \$307 gestyg. Vanaf hierdie hoër vlak het dit in 1980 verdubbel tot \$613. Aangesien goud ongeveer 50 persent van Suid-Afrika se totale uitvoere uitmaak, het dit vanselfsprekend 'n belangrike bydrae gelewer tot die sikliese oplewing en die hoë reële groeikoerse van 1979, 1980 en 1981, heeltemal afgesien van die oormatige likwiditeit wat dit teweeggebring het. Om dieselfde rede het die daaropvolgende daling in die goudprys na gemiddeldes van \$460 in 1981, \$376 in 1982 en \$439 tot dusver vanjaar, egter 'n sterk negatiewe invloed op die binnelandse ekonomiese bedrywigheid uitgeoefen. Die styging in die goudprys tot meer as \$500 per ons, wat gevolg het op die internasionale skuld krisis wat in September 1982 opgevlam het, het geblyk tydelik te wees, en sedert laat in Februarie 1983 het die prys meestal tussen \$400 en \$440 per ons geskommel.

Hieraan moet nog die ongunstige uitwerking van die voortgesette swak prestasie van Suid-Afrika se ander uitvoere, waaronder dié van diamante, platina, chroom, mangaan, steenkool, ystererts, mielies en suiker, toegevoeg word – hoofsaaklik vanweë die stagnante toestand in die internasionale markte vir hierdie goedere, wat deur die ernstige wêrelddepressie van die afgelope jare meegebring is.

Volgehoue inflasie

Die toestand is vererger en ook moeiliker hanteerbaar gemaak deur die feit dat die inflasiekoers, ondanks die verlangsamings van die reële ekonomiese bedrywigheid, tot dusver nog slegs matig afgeneem het. Gemeet volgens die verbruikersprysindeks oor 'n tydperk van twaalf maande, het die koers vanaf 'n hoogtepunt van 16,5 persent in Mei 1982 tot 12,4 persent in Junie 1983 gedaal, wat nog steeds ongeveer twee-en-'n-half maal so hoog was as die koers in die meeste van Suid-Afrika se handelsvennootlande.

Goeie prestasie van die ekonomie in die aanpassing by ongunstige eksogene verwickelinge

As belangrike handelsland is Suid-Afrika gedurende die afgelope drie jaar ernstig benadeel deur ongunstige eksterne kragte waarvoor hy geen beheer gehad het nie. Slae van hierdie aard het boonop gedurende die afgelope aantal maande voortgeduur en is deur die strafste droogte in tientalle jare vererger. Nagenoeg alle lande in die wêreld het nog in die greep van 'n algemene ekonomiese depressie vasgevang gebly. In die Verenigde State was daar in die afgelope aantal maande bemoedigende tekens van herstel. In Europa en Japan

is daar tot dusver egter weinig tasbare getuienis van die langverwagte oplewing. En in die meeste lande van die Derde Wêreld het die ekonomiese toestand nou bepaald kritiek geword.

Agterná beskou, was die omvang van die aanpassing wat deur hierdie rampspoedige verwickelinge op die Suid-Afrikaanse ekonomie afgedwing is, klaarblyklik ontsaglik groot. Dit volg hieruit dat die eintlike vraag wat vandag gestel behoort te word, nie is waarom die Suid-Afrikaanse ekonomie 'n fase van resessie met inflasie ondervind nie, maar hoe hy in werklikheid daarin geslaag het om hom so goed by die eksogene skokke van die afgelope jare aan te pas as wat hy wel gedoen het.

Die betalingsbalans: van tekort na oorskot op die lopende rekening

Die duidelikste bewys van die land se goeie aanpassingsprestasie kan gevind word in die verbetering van die betalingsbalans in lopende rekening gedurende die afgelope jaar. Teen seisoensaangesuiwerde jaarkoerse bereken, is 'n tekort van R7,1 miljard in die eerste kwartaal van 1982 in 'n oorskot van R1,8 miljard in die tweede kwartaal van 1983 omgesit. Een faktor wat tot hierdie verbetering bygedra het, was die ietwat hoër gemiddelde vlak van die goudprys sedert September 1982. Die belangrikste oorsaak van die ommeswaai was egter die daling in die invoer vanaf 'n jaarkoers van R20 miljard in die eerste kwartaal van 1982 tot R14 miljard in die tweede kwartaal van 1983 – 'n afname van 30 persent. In terme van die invoervolume het die daling 42 persent beloop.

Hierdie gunstige uitslag is nie kunsmatig deur invoerbeheer bewerkstellig nie. Dit was intendeel grootliks die teenhanger van die verlangsamings van die binnelandse besteding wat deur 'n kombinasie van markgerigte finansiële beleid en natuurlike sikliese kragte veroorsaak is. Die aanpassingsproses is ongetwyfeld ook deur die depresiasie van die rand in terme van ander geldeenhede gedurende 1981 en die eerste sewe maande van 1982 aangehelp.

Kapitaalrekening

Die kapitaalrekening van die betalingsbalans het ook in die loop van 1982 en die eerste twee maande van 1983 verbeter. Dit was grotendeels die gevolg van die styging in die binnelandse nominale rentekoerse tot vlakke wat hoër was as dié in die Verenigde State en in die Eurodollarmark, en van die verwagting wat vanaf omstreeks Oktober 1982 begin posvat het dat die rand in terme van ander geldeenhede sou appresieer. Onder hierdie omstandighede het baie sakeondernemings in Suid-Afrika meer van buitelandse krediete en lenings gebruik gemaak sonder om die koste van termynvalutadekking aan te gaan – koste wat die rentekoersvoordeel sou geneutraliseer het.

Hierdie ontwikkelings het tot sowel 'n appresiasie van die rand as 'n aansienlike styging van die *netto* buitelandse reserwes gelei. Hierdeur is die Regering in staat gestel tot die belangrike stap om op 7 Februarie 1983 valutabeheer oor nie-inwoners af te skaf – 'n maatreël wat die verdwyning beteken het van die finansiële rand en van die dubbele wisselkoersstelsel wat in een of ander vorm bestaan het sedert valutabeheer oor nie-inwoners in 1961 vir die eerste maal in Suid-Afrika ingestel is. Hierdie stap is sowel hier as in die buiteland gunstig ontvang as getuienis van Suid-Afrika se ekonomiese krag en van sy vermoë om 'n billike en winsgewende klimaat vir buitelandse kapitaal te voorsien. Die aandelepryse het hoog gebly, die netto reserwes het aanvanklik verder gestyg, die wisselkoers is goed gehandhaaf en die rentekoerse het in werklikheid in daardie stadium verder gedaal.

Vanaf laat in Februarie is die toestand egter betekenisvol verander deur die skielike daling in die goudprys vanaf 'n hoogtepunt van \$511-50 per ons op 15 Februarie tot \$408-50 op 28 Februarie en 'n gemiddelde van \$425 gedurende die tydperk van Maart tot Julie 1983. Deur 'n ommekeer teweeg te bring van die verwagting dat die rand sou voortgaan om te appresieer, het dit die ongedekte gebruik van oorsese krediete verminder, ander „vervroegings en vertragings” van betalings nadelig beïnvloed, en 'n netto uitvloeiing laat ontstaan van korttermynkapitaal in sy geheel. By die afwesigheid van valuta-beheer oor nie-inwoners, het dit gedurende die eerste helfte van 1983 ook bygedra tot 'n uitvloeiing van R735 miljoen aan langtermynkapitaal in die vorm van netto verkope van Suid-Afrikaanse effekte deur nie-inwoners aan inwoners wat gretig en in staat was om in 'n sterk mark te koop.

Netto buitelandse reserwes en wisselkoerse

Nadat dit gedurende die sewe maande tot Januarie 1983 met R2,4 miljard gestyg het, het die netto goud- en ander buitelandse reserwes gedurende die vyf maande tot en met Junie met R868 miljoen gedaal. Hierdeur het daar oor die twaalf maande tot Junie 1983 nog 'n styging van R1,6 miljard oorgebly, vergeleke met 'n daling van R5,5 miljard gedurende die voorafgaande een-en-twintig maande. Hierbenewens het die rand gedurende die twaalf maande tot Julie 1983 in terme van 'n „mandjie” ander geldeenhede met 11 persent geappresieer, nadat dit met 22 persent gedurende die vorige 19 maande gedeapresieer het.

Goud- en buitelandsevaluta-ontwikkelings

As gevolg van die verbetering van die betalingsbalans was dit gedurende die afgelope twaalf maande nie vir die Reserwebank nodig om enige verdere goud-ruiloorreënkomste aan te gaan nie. Aangesien feitlik die hele goudproduksie nog steeds verkoop is, het die Bank se goudbesit oor hierdie tydperk gevolglik baie min verandering ondergaan en aan die einde van Julie 1983 7,8 miljoen onse beloop. Die styging in die Bank se netto buitelandse reserwes vanaf die middel van 1982 was grotendeels 'n weerspieëling van 'n vermindering van sy korttermyn- buitelandse laste vanaf R2,2 miljard aan die einde van Junie 1982 tot R712 miljoen aan die einde van Julie 1983.

Voorgestelde veranderings aan die buitelandsevalutamark

Ná oorleg met die Tesourie en met die goedkeuring van die Minister van Finansies, het die Reserwebank in die afgelope aantal weke samesprekings gevoer met verteenwoordigers van die Kamer van Mynwese, die mynhuise en gemagtigde buitelandsevalutahandelaars en -makelaars, oor sekere voorgestelde veranderings aan die tegniese werking van die buitelandsevalutamark. Ooreenkomstig die gevestigde beleid van die Regering op hierdie gebied, is hierdie veranderings gemik op die ontwikkeling van meer doeltreffende markte in kontant- en termynvaluta en op die instelling van 'n stelsel van beheerde swewing van die rand in die ware sin van die woord, wat natuurlik aan toesig en tegniese „intervensie” deur die Reserwebank onderhewig sal wees. Ter opvolging van die resultate van hierdie besprekings, het die Minister nou sy goedkeuring verleen aan die instelling van hierdie veranderings met ingang van 5 September 1983. 'n Volledige verklaring waarin die besonderhede van die nuwe reëlins uiteengesit word, sal binnekort uitgereik word. Daar word nie verwag dat die beoogde tegniese veranderings op hulself enige wesenlike uitwerking op die vlak van die rand se wisselkoers teenoor ander geldeenhede sal hê nie.

Monetêre toestand en beleid

Die uitmuntende wyse waarop die ekonomie die stampe en stote wat dit sedert 1980 ontvang het, weerstaan het, moet gedeeltelik toegeskryf word aan die „mengsel” van fiskale en monetêre beleid wat gedurende hierdie tydperk toegepas is, en in die besonder aan drie kenmerke van hierdie strategie. Die eerste is die welslae wat, onder moeilike omstandighede, deur die Minister van Finansies en die Regering behaal is met die beteueling van die besteding van die openbare sektor en van die „tekort voor lenings” in die Begroting – ’n prestasie waaraan die Reserwebank besondere hulde wil bring. Die tweede is die buigsaamheid en die realistiese vlakke van rentekoerse, waarsonder dit nie moontlik sou gewees het om die tekort voor lenings sonder oormatige toevlug tot bankkrediet te finansier, of meer in die algemeen, om die geldvoorraad en die inflasiekoers beter onder beheer te bring nie. En die derde is die buigsaamheid van die kontant- en termynwisselkoerse, wat die onstabiliteit van sowel die binnelandse ekonomie as die betalingsbalans aansienlik verminder het. Daar hoef maar net aan gedink te word wat met Suid-Afrikaanse mynmaatskappye, ander uitvoerders en plaaslike vervaardigers sou gebeur het indien die rand-dollar-wisselkoers onveranderd gehou sou gewees het op die vlak wat aan die begin van 1981 bestaan het.

Nietemin het die pad van monetêre en fiskale beleid, ten spyte van hierdie prestasies, nie altyd glad verloop nie. Gemeet aan die hand van veranderings oor ’n periode van twaalf maande, is die koers van toename in die breë geldvoorraad (M_2) vanaf ’n hoogtepunt van 42 persent in April 1981 tot 15 persent in Julie 1982 verminder. Hierdie welkome daling het met ’n aansienlike styging in rentekoerse gepaard gegaan, wat onder andere daartoe gelei het dat die prima-oortrekkingskoerse vanaf 9,5 persent aan die begin van 1981 tot 20 persent in Maart 1982 gestyg het. Dit het die gewenste uitwerking gehad om die vraag na krediet aan bande te lê en die kapitaalrekening van die betalingsbalans te verbeter.

Ná Julie 1982 het die koers van monetêre uitbreiding, namate die netto buitelandse reserves aansienlik gestyg het, weer geleidelik begin versnel. In die lig van die verbeterde betalingsbalanstoestand en die binnelandse resessie, het die Reserwebank in daardie stadium sy beleidshouding doelbewus aangepas en ’n daling in rentekoerse laat plaasvind, met insluiting van ’n verlaging van die prima-koers vanaf 20 persent in Oktober 1982 tot 17 persent in Januarie 1983. Om te voorkom dat die styging in die reserves die geldvoorraad oormatig sou laat toeneem, het die owerhede egter uitvoering gegee aan die mees omvattende regeringsleningsprogram wat nog ooit in Suid-Afrika onderneem is, waardeur hulle in staat gestel is om aansienlike bykomende bedrae in die Tesourie se Stabilisasierekening te stort. Die resultaat hiervan was dat die netto eise van die banksektor teen die regeringsektor gedurende die agt maande tot Februarie 1983 ’n baie welkome *daling* van ongeveer R2,1 miljard getoon het. Dit het daarin geslaag om die koers van toename in M_2 oor die twaalf maande tot Februarie 1983 tot 17 persent te beperk.

’n Verdere gevolg van hierdie strategie was dat Suid-Afrika geen probleme ondervind het nie om **ten volle te voldoen** aan die verskillende **prestasiëriteria** wat vasgestel is in die leningsooreenkoms wat in November 1982 met die Internasionale Monetêre Fonds bereik is, ingevolge waarvan Suid-Afrika kort daarna R938 miljoen getrek het.

Vanaf laat in Februarie 1983 is die toestand egter weer eens deur twee belangrike ontwikkelings ongunstig beïnvloed. Die eerste was die skielike daling in die

goudprys wat toe plaasgevind het en wat, soos ek aangedui het, die netto invloeiing van kapitaal in 'n netto uitvloeiing omskep het en, minstens tydelik, die sterk opwaartse neiging in sowel die reserwes as die wisselkoers van die rand tot 'n einde gebring het. En die tweede was die verergering van die droogte, wat nie net die betalingsbalans en die binnelandse ekonomie nadelig beïnvloed het nie, maar ook 'n swaar bykomende las op die staatsbesteding geplaas het.

Aanvanklik is die betekenis van hierdie terugslae nie deur òf die private sektor òf die owerhede ten volle na waarde geskat nie. Die rentekoerse het in werklikheid gedurende Februarie en tot in Maart verder gedaal en eers later in Maart weer opwaarts begin beweeg. Die prima-oortrekkingskoerse het byvoorbeeld vanaf 17 persent in Januarie tot 14 persent in Maart gedaal. Teen die einde van Maart het die implikasies van die veranderde toestand egter duideliker geword, en in sy Begrotingsrede op 30 Maart 1983 het die Minister van Finansies heeltemal tereg enige beleid van doelbewuste „reflasie” of „stimulering” van die ekonomie verwerp. In plaas daarvan het die Begroting vir 1983/84 voorsiening gemaak vir volgehoue beperking van die owerheidsbesteding en 'n betreklik klein tekort voor lenings.

Die daaropvolgende gebeure het bewys dat dit die regte strategie was om te aanvaar. Ná 'n toename van R324 miljoen in Maart het die netto bankkrediet aan die regeringsektor gedurende April en Mei egter met 'n verdere R997 miljoen gestyg. Dit het bygedra tot 'n versnelling van die koers van toename in M_2 , oor 'n tydperk van twaalf maande gemeet, vanaf 17 persent in Februarie tot 24 persent in Mei en 22 persent in Junie – koerse wat duidelik buitensporig was en nie met die verklaarde amptelike beleid ooreengestem het nie.

Gelukkig het hierdie afwyking van die koers wat in die Begroting aangedui is, slegs tydelik geblyk te wees, en vanaf die middel van Junie het die owerhede deur middel van behoorlike fundering daarin geslaag om die opwaartse neiging van die voorafgaande drie maande in die netto geldskepping deur die regeringsektor om te keer. In hierdie proses is daar tussen die middel van Junie en die middel van Augustus netto tenderuitgiftes en uitgiftes-op-aanvraag van staats-effekte ten bedrae van R1 137 miljoen gemaak.

Hierdie terugkeer na nie-inflasionistiese finansiering van die owerheidsbesteding in 'n stadium toe die netto buitelandse reserwes geen opwaartse neiging getoon het nie, het natuurlik opwaartse druk op rentekoerse geplaas en die behoefte aan akkommodasie van die Reserwebank aan die diskontohuise en die banke vergroot. Terwyl die Reserwebank hierdie akkommodasie geredelik toegestaan het om finansiële ontwrigting en 'n uitermatige styging van rentekoerse te vermy, het hy ook die noodsaak daarvan aanvaar dat die rentekoerse as 'n onontbeerlike deel van sy anti-inflasionistiese beleid sou moes styg. En hoewel hy deur middel van herdiskontering, terugkoop-ooreenkomste, kleiner uitgiftes van skatkisbewyse en 'n verlaging van die likwiedebatevereistes vir banke hierdie opwaartse beweging gematig en seisoenskommelings in die rentekoerse uitgestryk het, het hy nie sy kredietskeppingsvermoë gebruik om die rentekoerse konstant te hou nie. Die prima-oortrekkingskoerse is derhalwe toegelaat om, ooreenkomstig die stygings in ander geldmarkkoerse, in vier stappe vanaf 14 persent in Junie tot 18 persent in Augustus opwaarts te beweeg.

Monetêre beleid – te beperkend of te akkommoderend?

Ek hoop werklik dat die feite en syfers wat ek vandag voorgelê het, finaal die gedagte sal verdryf, as dit nog steeds bestaan, dat die monetêre owerhede nou

reeds meer as twee jaar lank 'n stram, deflasionistiese en, soos party daaraan sou toevoeg, „oormatig beperkende” monetêre beleid toegepas het. Daar was bepaald sterk inkrimpende kragte aan die werk, wat 'n ekonomiese resessie, 'n negatiewe reële groeikoers en 'n styging in nominale rentekoerse voortgebring het. Maar hierdie kragte het hul oorsprong gehad in die daling van die goudprys, die wêrelddepressie, die droogte en die ander eksogene ongunstige ontwikkelings waarna ek voorheen reeds verwys het, en *nie* in beperkende optrede van die Reserwebank nie. Inteendeel, gedurende die grootste deel van hierdie tydperk was die Reserwebank buitengewoon aktief besig om sentralebankkrediet te skep ten einde die inkrimpende uitwerking van hierdie ongunstige ontwikkelings, en in die besonder die opwaartse druk op rentekoerse, te matig en gedeeltelik te neutraliseer.

Dit was natuurlik die *mate* waarin die Bank hierdie inkrimpingsinvloede gematig het wat die kern van die monetêre beleid gevorm het. Dit is altyd die *netto resultaat* van die optrede van die monetêre owerhede en natuurlike ekonomiese kragte wat tel. By 'n waardebeoordeling van die uitwerking van die monetêre beleid van die afgelope jare is die wesenlike vraag derhalwe of die *graad* van matiging deur die Reserwebank gepas was, of, indien nie, of die Bank dan *te akkommoderend* of *nie akkommoderend genoeg* was nie. Die feite toon egter duidelik dat, oor hierdie tydperk in sy geheel, die Bank se netto krediet-skepping meegebring het dat die geldvoorraad *meer* en die rentekoerse *minder* gestyg het as wat andersins die geval sou gewees het.

Agterná beskou, glo ons in die Reserwebank, soos ek vroeër reeds gestel het, dat ons geneig was om té toegeeflik te wees. Gegewe die erns van die probleme wat op die Suid-Afrikaanse ekonomie afgedwing is, het ons beleidsbenadering en -optrede geneig om té ekspansionisties en akkommoderend te wees. Ons het goed daarin geslaag om die noodsaaklike aanpassing van die betalingsbalans teweeg te bring. Maar in hierdie proses het ons geneig om te veel te doen om sowel die reële as die finansiële bedrywigheid in die binnelandse ekonomie te beskut en nie genoeg om die monetêre uitbreiding en inflasie aan bande te lê nie.

Die feite spreek vanself. Toe ons in 1981 en die grootste deel van 1982 moes kies tussen deflasie of depresiasie, het ons 'n middeweg ingeslaan. Terwyl ons toegelaat het dat die finansiële markte vernou en rentekoerse styg, het ons nie die voorheen bestaande rand-dollar-wisselkoers van $R1 = \$1.35$ deur middel van die ou soort deflasie verdedig nie. In plaas daarvan het die Reserwebank, ten einde die binnelandse ekonomie teen die wêrelddepressie te beskut, uitgebreide finansiële akkommodasie toegestaan en die wisselkoers toegelaat om tot 'n laagtepunt van 85 VSA-sent in Oktober 1982 te depresieer, in die volle wete dat dit inflasionisties sou wees. Daar is, met ander woorde, gedurende daardie tydperk hoër voorrang verleen aan die aanpassing van die betalingsbalans en aan die handhawing van die binnelandse ekonomiese bedrywigheid as aan die beteueling van inflasie. Soos sake verloop het, en soos ek vroeër genoem het, het die koers van toename in M_2 (oor 'n tydperk van twaalf maande) tot 'n hoogtepunt van 42 persent in April 1981 gestyg en slegs tot 15 persent in Julie 1982 gedaal voordat dit weer begin versnel het.

Hierná is rentekoerse, soos ek aangedui het, ondanks die effektiewe aanwending van staatsleenbedrywigheide en opemarktransaksies gedurende die tweede helfte van 1982, toegelaat om aansienlik te daal en het die koers van toename in M_2 , gedeeltelik as gevolg van die tydelike gebruik van bankkrediet deur die regeringsektor in die drie maande ná Februarie 1983, tot 24 persent in Mei 1983 versnel voordat dit tot 22 persent in Junie afgeneem het. Dit was eers

vanaf die middel van Junie dat die effektiewe uitvoering van die finansiële strategie wat in die Begroting neergelê is, gelei het tot 'n verlaging van die koers van toename in die geldvoorraad en 'n dienoooreenkomstige styging in die rentekoerse tot hul huidige meer realistiese en gepaste vlakke.

Volgens geen omskrywing kan enige beleid wat toegelaat het dat die koerse van toename in M_2 so hoog bly as wat ek aangedui het, gedurende 'n tydperk waarin die inflasiekoerse tussen 16,5 en 12,4 persent gewissel het, as „deflasionisties” of „te beperkend” gekenskets word nie. Inteendeel, vanuit die oogpunt van die beteueling van inflasie was die beleid klaarblyklik te akkommoderend. Hierbenewens het die rentekoerse, alhoewel hulle gedurende die afgelope twee jaar by tye vlakke bereik het wat in *nominale* terme betreklik hoog was, in *reële* terme betreklik laag gebly, dit wil sê nadat 'n aansuiwering vir die inflasiekoerse aangebring is.

By enige bepaling van wat die hoë koerse van toename in die geldvoorraad gedurende die afgelope drie jaar beteken het, moet daar weliswaar rekening gehou word met die daling van 27 persent in die inkome-omloopsnelheid (V) van M_2 vanaf 'n hoogtepunt van 4,71 per jaar in die eerste kwartaal van 1980 tot 3,42 per jaar in die tweede kwartaal van 1983 – 'n verskynsel wat in belangrike mate die „her-intermediëring” van krediet weerspieël het, dit wil sê die terugkeer van voorheen „gedisintermedieerde” krediet na die balansstate van banke, wat op die afskaffing van die bankkredietplafonne en depositokoers-beheer in 1980 gevolg het. Die daling in V van 27 persent oor net meer as drie jaar is egter ver oorskry deur die toename van 104 persent in M_2 oor dieselfde periode. Hoewel die koers van toename in MV gedurende hierdie drie jaar dus laer was as dié in M alleen, het dit nog steeds 'n oormatige monetêre uitbreiding beteken en derhalwe tot die inflasie bygedra.

Huidige monetêre beleid

Ek wil afsluit deur die huidige monetêre beleid in Suid-Afrika uiteen te sit onder die hoofde van uiteindelijke doelstellings, intermediaêre doelstellings en beleids-instrumente.

Uiteindelijke doelstellings

Onder die verskillende aanvaarde uiteindelijke doelstellings van monetêre beleid het die aanpassing van die betalingsbalans gedurende 1981 en die grootste deel van 1982 die hoogste voorrang geniet. Noudat hierdie doelstelling verwezenlik is, word die hoogste voorrang tans aan die beteueling van inflasie toegeken. Die monetêre owerhede heg ook deurslaggewende betekenis aan die ander uiteindelijke doelstellings van monetêre beleid, naamlik optimale en betreklik stabiele ekonomiese groei en 'n hoë en stabiele vlak van indiensneming. Maar die beteueling van inflasie en die handhawing van 'n sterk geldeenheid word beskou as *voorvereistes* vir die bereiking van die optimale gemiddelde ekonomiese groeikoerse op langer termyn.

Onder die huidige omstandighede verwerp ons die gedagte dat ons in die jare wat voorlê 'n duidelike keuse het tussen vinnige groei met betreklik hoë inflasie enersyds en stadige groei met betreklik lae inflasie andersyds. Ons werk onder die begrensinge van die huidige wêrelddepressie, die betreklik lae goudprys, die stagnante markte vir ons ander uitvoerprodukte en die droogte. Hierbenewens is Suid-Afrika se inflasiekoerse tans ongeveer twee-en-'n-half maal so hoog as dié van sy belangrikste handelsvennote. Onder hierdie omstandighede is dit ons oortuiging dat om monetêre beleid selfs nog meer ekspansionisties te

maak as wat dit reeds is, in 'n poging om die verwagte styging van die reële groeikoers te bespoedig, uitsers inflasionisties en op die middel- en lang termyn teenproduktief sou wees.

So 'n oormatig ekspansionistiese beleid sou byna sekerlik die betalingsbalans verswak, spekulasie teen die rand uitlok, en 'n bose kringloop van depresiasie van die geldeenheid en inflasie aan die gang sit. Terselfdertyd sou dit waarskynlik die verhoogde gebruik van buitelandse lenings meebring. Soos die onlangse ervaring van Meksiko, Brasilië, Pole en 'n menigte lande van die Derde Wêreld getoon het, sou dit, indien dit te ver gevoer word, tot buitelandse-skuldprobleme en tot *laer* in plaas van hoër reële ekonomiese groei kon lei.

Na die oordeel van die monetêre owerhede is die beste manier, indien nie die enigste manier nie, waarop die doelstellings van optimale groei en werkgeleentheid *op langer termyn* bereik kan word, derhalwe om in hierdie stadium aan die betueling van inflasie voorrang te gee.

Intermediêre doelstellings

Alhoewel dit in Suid-Afrika nog nie gebruiklik is om spesifieke kwantitatiewe mikpunte vir die groei van die geldvoorraad as „intermediêre” doelstellings van monetêre beleid vas te stel en aan te kondig nie, het die monetêre owerhede in hierdie stadium as hulle belangrikste intermediêre doelstelling 'n geleidelike maar aansienlike vermindering van die koers van toename in die breë geldvoorraad (M_2) tot heelwat minder as die koers van 22 persent wat tussen Junie 1982 en Junie 1983 aangeteken is, aanvaar.

Die aanvaarding van hierdie doelstelling beteken *nie* die toepassing van enige *starre* „geldreël” nie. Dit het egter duidelike implikasies vir rentekoerse en wisselkoerse. Soos in ander lande met redelik ontwikkelde finansiële stelsels, bestaan daar in Suid-Afrika 'n noue onderlinge verwantskap tussen die geldvoorraad, rentekoerse en sowel kontant- as termynwisselkoerse, en hulle kan beslis nie onafhanklik van mekaar vasgestel word nie. Dit is waarom die Reserwebank oor die afgelope aantal maande rentekoerse geredelik toegelaat het om, as 'n noodsaaklike en logiese teenhanger van sy beleid om die koers van toename in die geldvoorraad te verminder, tot realistiese en markbepaalde vlakke te styg. Dit is ook waarom die bewegings van rente- en wisselkoerse in die maande wat voorlê met die bereiking van hierdie geldvoorraaddoelstelling verenigbaar sal moet wees. Dit is egter nie moeilik nie om 'n scenario vir 1984 voor te stel waarvolgens die bereiking van 'n bevredigende groeikoers van die geldvoorraad, nadat 'n ekonomiese herlewing in die buiteland en 'n gevolglike styging in die waarde van Suid-Afrika se goudproduksie en ander uitvoere ingetree het, met sowel 'n appresiasie van die rand as met 'n daling van rentekoerse verenigbaar sou wees, veral indien die inflasiekoers teen daardie tyd verder verminder is.

Intussen is dit bepaald nie die beleid van die monetêre owerhede om die rentekoerse te verlaag deur teen 'n nog hoër tempo nuwe geld te skep nie. So 'n beleid sou in elk geval selfverydelend wees, aangesien die gevolglike versnelling van die inflasiekoers mettertyd onvermydelik tot *hoër* nominale rentekoerse sou lei. Waar die aanvaarding van realistiese markbepaalde rentekoerse vir sekere groepe in die ekonomie besondere ontberings meebring, soos in die geval van boere wat deur die droogte getref is of huiseienaars met lae inkomes, is dit die Regering se beleid om deur gepaste subsidies openlike verligting te gee, eerder as om die hele rentekoersstruktuur in 'n dwangbuis te plaas.

Beleidsinstrumente

Die belangrikste instrumente van monetêre beleid wat tans in gebruik is, is die markgerigte metodes van openbareskuldbeheer, opemarktransaksies, herdiskonterings- en algemene akkommodasiebeleid, en „intervensie” deur die Reserwebank in die kontant- en termynvalutamarkte. Op die wyse wat reeds aangedui is, word hierdie instrumente toegepas met die oog op die bereiking van die intermediêre doelstelling om die koers van toename in die breë geldvoorraad te verminder en die uiteindelijke doelstelling om die inflasiekoers so laag as moontlik te maak en ’n sterk geldeenheid te handhaaf, as voorvereistes vir die bereiking van die optimale gemiddelde ekonomiese groeikoers op lang termyn.

Slot

Ek het voorheen verwys na die omvang van die aanpassing wat in die afgelope jare deur ongunstige eksogene verwickelinge op die Suid-Afrikaanse ekonomie afgedwing is. Uit die oorsig wat ek vandag gegee het, is dit duidelik dat die ekonomie die uitdaging aanvaar het en in werklikheid die vereiste aanpassings sowel tydig as op indrukwekkende wyse aangebring het. Die gunstige ommekeer in die betalingsbalans en die verstewiging van sowel die buitelandse reserwes as die rand moet inderdaad beskou word as een van die beste voorbeelde ooit van die behoorlike funksionering van die „betalingsbalans-aanpassingsproses”. Hierdie prestasie is soveel merkwaardiger omdat dit plaasgevind het gedurende ’n tydperk van ekonomiese wêrelddepressie en binnelandse droogtetoestande, en met betreklik min hulp van ’n hoër goudprys. Dit staan ook in skerp teenstelling met die betalings- en buitelandse-skuld-krisisse wat gedurende hierdie tydperk deur baie ander lande in soortgelyke situasies ondervind is. Begrypklikerwys het dit om hierdie rede gedien om Suid-Afrika se oorsese kredietwaardigheid verder te verhoog.

Hierdie prestasies het uit die aard van die saak opofferings vereis. Die uitwerking van die wêreldwye depressie, die daling in die goudprys en die droogte kon nóg weggewens nóg deur spitsvondige finansiële kunsgrepe geneutraliseer word. Daar was geen ander uitweg as om die gordel stywer te trek en harder te werk nie. Maar hierdie inspanning en opofferings het nou grotendeels hulle doelstellings bereik. En hoewel dit onvermydelik nog ’n ruk sal duur voordat die volgende sikliese opswaai stukrag ontwikkel, is die grondslae daarvan nou heg en deeglik gelê.

Na afloop van sy rede stel die voorsitter voor dat die rekeninge en verslae aangeneem word.

Die voorstel word deur mnr J. L. J. van Vuuren gesekondeer en is aangeneem.

Op voorstel van die voorsitter, gesekondeer deur dr C. J. van Wyk word besluit dat dr A. E. Rupert en mnr J. A. Jooste, wie se ampstermyne op 30 Junie 1983 verstryk het, in die direksie as verteenwoordigers van aandeelhouders herbenoem word.

Namens die direksie stel die voorsitter vervolgens voor:

1. Dat in ooreenstemming met die aanbeveling van die direksie, die firma Deloitte Haskins & Sells en die firma Pim Goldby elk die bedrag van sewen-sewentig duisend vyf honderd rand betaal word vir die oudit van die Bank se rekeninge vir die jaar geëindig 31 Maart 1983.
2. Dat die firma Pim Goldby en die firma Deloitte Haskins & Sells as ouditeure van die Bank se rekeninge vir die huidige boekjaar aangestel word.

Albei mosies is deur dr G. W. G. Browne gesekondeer en is aangeneem.

Nadat dr C. B. Strauss ’n mosie van dank aan die voorsitter voorgestel het vir sy voorsitterskap en sy rede, is die verrigtinge afgesluit.

Verslag van die direkteure van die Suid-Afrikaanse Reserwebank vir die jaar geëindig 31 Maart 1983 ter voorlegging aan die aandeelhouders op die drie-en-sestigste gewone algemene vergadering wat op Dinsdag, 23 Augustus 1983 te Pretoria gehou sal word

Ooreenkomstig die bepalings van die Wet op die Suid-Afrikaanse Reserwebank, 1944, en die regulasies wat ingevolge daarvan opgestel is, word die bygaande rekeningstate van die Bank vir die jaar geëindig 31 Maart 1983, op die voorgeskrewe wyse deur die ouditeure gesertifiseer, aan aandeelhouders voorgelê.

Kapitaal

Die Bank se kapitaal van R2 000 000 is gehou deur 759 aandeelhouders, waarvan 47 persent elk minder as R1 000 besit het.

Reserwefonds

Daar was geen toewysing aan die reserwefonds gedurende die jaar ingevolge die bepalings van artikel 16(3) van die Wet op die Suid-Afrikaanse Reserwebank, 1944, nie. Die saldo soos op 31 Maart 1983 het dus onveranderd op R33 072 000 gebly.

Banknote en note van ander banke in omloop

Die Bank se nootuitgifte het op 31 Maart 1983 R2 834 065 000 beloop, wat 'n toename van R331 954 000 gedurende die jaar verteenwoordig. Alhoewel dié styging van 13,3 persent kleiner is as die toename van 20,7 persent wat in die voorafgaande jaar aangeteken is, weerspieël dit nietemin 'n verdere toename in die vraag na banknote weens die voortgesette uitbreiding van ekonomiese aktiwiteite en die hoë inflasiekoers gedurende die jaar. Die Bank se verpligting ten opsigte van nootuitgiftes van ander banke het geen verandering gedurende die jaar getoon nie en het op 31 Maart 1983 op R373 000 gestaan.

Deposito's

Die totale depositoverpligtinge van die Bank het gedurende die jaar van R1 516 963 000 na R2 412 402 000, dit wil sê met R895 439 000, gestyg. Die saldo op die Regering se lopende rekeninge het met R168 502 000 en dié op ander lopende rekeninge met R1 060 517 000 gestyg, terwyl die saldo op die provinsiale administrasies se lopende rekeninge met R6 568 000 gedaal het. Die saldo op die banke se lopende rekeninge het met R7 333 000 gestyg, terwyl die saldo op hulle reserwerekeninge met R334 345 000 afgeneem het, hoofsaaklik as gevolg van die verdere verlaging op 28 September 1982 van die banke se aanvullende minimum kontantreserwevereistes.

Buitelandse lenings

Die Bank se uitstaande leningskuld in buitelandse valuta het gedaal vanaf R1 259 678 000 op 31 Maart 1982 tot R486 673 000 op 31 Maart 1983. Die

uitstaande saldo verteenwoordig trekkings op buitelandse korttermynkrediet-fasiliteite wat gereël is om die Bank se besit aan ander buitelandse valuta aan te vul.

Goudruilooreenkomste

Addisionele goudruilooreenkomste is gedurende die afgelope finansiële jaar met verskeie buitelandse instellings aangegaan om die buitelandse valuta-reserwes van die land aan te vul. 'n Goudruilooreenkoms wat in 1981 aangegaan is, is gedurende die afgelope boekjaar teruggekoop.

Goudmunt en staafgoud

Die Bank se goudreserwe is op 31 Maart 1982 en 31 Maart 1983, teen R305,93 en R407,17 per fyn ons, onderskeidelik, gewaardeer. Hierdie pryse is bepaal ingevolge artikel 17(A) van die Wet op die Suid-Afrikaanse Reserwebank, 1944, en is bereken teen 90 persent van die gemiddelde van die laaste tien vasstellingspryse op die Londense Goudmark gedurende die genoemde maande. Teen hierdie waarderingpryse het die goudbesit op die genoemde datums op R2 776 479 000 en R3 132 981 000, onderskeidelik, te staan gekom. Die herwaarderings-transaksies gedurende die jaar is ooreenkomstig die voorgemelde artikel van die Wet in die Bank se rekeninge geboekstaaf.

Saldo's by buitelandse banke; daggeld in Londen; buitelandse wissels; spesiale trekkingsregte

Hierdie poste wat, tesame met 'n bedrag van R41 259 000 aan beleggings wat in die buiteland gedomisileer is, die Bank se buitelandse reserwes, met uitsluiting van die goudreserwes, verteenwoordig, het op 31 Maart 1983 R546 143 000 bedra, vergeleke met R675 822 000 op 31 Maart 1982.

Die toename van R226 823 000 in die Bank se totale goud- en ander buitelandse reserwes gedurende die jaar kan grootliks toegeskryf word aan die waardering van die goudbesit teen die hoër markverwante prys wat aan die einde van Maart 1983, vergeleke met dié aan die einde van Maart 1982, geheers het.

Binnelandse wissels

Binnelandse wissels deur die Bank verdiskonteer het in die boekjaar geëindig 31 Maart 1983 met R281 890 000 tot R546 510 000 toegeneem, wat die netto resultaat is van toenames van R216 240 000 in skatkiswissels en R67 650 000 in handelswissels, terwyl wissels van die Land- en Landboubank van Suidwes-Afrika met R2 000 000 afgeneem het.

Lenings en voorskotte

Hierdie pos het 'n toename van R116 669 000 tot R1 185 078 000 gedurende die afgelope jaar getoon. Dié styging was die netto gevolg van toenames van R2 698 000 in buitelandse lenings toegestaan, R138 310 000 in uitstaande leningsfasiliteite aan plaaslike kliënte verstreken en 'n afname van R24 338 000 op oortrokke-rekeningfasiliteite wat aan verskeie instellings toegestaan is.

Staats- en ander effekte

Die Bank se gewone beleggings in staats- en ander effekte het met R274 448 000 tot R237 328 000 gedaal. Hierdie afname is die netto gevolg van 'n daling van R303 538 000 in die Bank se besit aan staatseffekte en 'n toename van

R29 090 000 in sy portefeulje van ander effekte. Spesiale en gewone opnames van staatseffekte is gereeld by die Tesourie gereël en weer deur middel van opemarktransaksies gedurende die jaar verkoop. Geen staatseffekte wat in die buiteland gedomisileer is, was op 31 Maart 1983 in die Bank se besit nie en die Bank se portefeulje van ander buitelandse beleggings het 'n toename van R8 707 000 getoon. Die Bank se besit aan effekte wat kragtens terugkoop-ooreenkomste gehou is het toegeneem van 'n nul-saldo soos op 31 Maart 1982 tot R229 000 000 soos op 31 Maart 1983.

Meubels en toerusting en vaste eiendom

Die saldo's op beide hierdie rekeninge het aan die einde van die boekjaar R1 bedra aangesien alle uitgawes onder hierdie poste gedurende die jaar, soos in die inkomstestaat aangetoon word, afgeskryf is.

Inkomstestaat

Nadat alle uitgawes bestry is en voorsiening vir inkomstebelasting, rente betaalbaar, rabat op wissels wat nog nie verval het nie, ander verpligtinge en gebeurlikhede en bydraes tot die Bank se pensioenfonds gemaak is en na voorsien is vir die daling in die waarde van sekuriteite en vaste eiendom en meubels en toerusting afgeskryf is en na voorsiening gemaak is vir die oorplasing na die reserve vir toekomstige uitgawes ten opsigte van vaste eiendom en toerusting, het die oorskot R200 000 bedra. Hierdie bedrag is aangewend vir dividende aan aandeelhouders sodat geen toewysing aan die reservefonds of oorbetalings aan die Regering gemaak kon word nie.

Dividende

Die direksie het 'n tussentydse dividend van 5 persent vir die halfjaar geëindig 30 September 1982 en 'n slotdividend van dieselfde bedrag vir die halfjaar geëindig 31 Maart 1983 verklaar.

Direkteure

Die direksie het mnr J. A. Jooste vir die onverstreke termyn van wyle mnr J. F. van Wyk aangestel. Dit is die beurte van dr A. E. Rupert en mnr J. A. Jooste om op 30 Junie 1983 af te tree, maar aangesien hulle herkiesbaar is, stel hulle hulself vir herverkiesing beskikbaar.

Ouditeure

Die aandeelhouders sal versoek word om op aanbeveling van die direksie die vergoeding van die ouditeure vir die afgelope jaar se audit vas te stel en om ouditeure vir die lopende jaar aan te stel.

Die firma Deloitte Haskins & Sells en die firma Pim Goldby stel hulself vir heraanstelling beskikbaar.

B. P. Groenewald
Sekretaris
 Pretoria
 27 Junie 1983

G. P. C. de Kock
President

C. L. Stals
P. E. Rousseau
T. R. Castle
Direkteure

Balansstaat
31 Maart 1983

1982 R	1983 R	1982 R	1983 R
2 000 000	Kapitaal	2 776 478 947	Goudmunt en staafgoud
33 071 946	Reserwefonds	2 712 425	Ander munt
2 502 110 732	Banknote in omloop	400 453 708	Saldo's by buitelandse banke
373 427	Banknote van ander banke in omloop	8 861 875	Daggeld in Londen
	Deposito's	98 653 517	Buitelandse wissels
1 151 939 757	Banke se reserwe-rekeninge	135 300 426	Spesiale trekkingsregte
68 948	Banke se lopende rekeninge	264 620 000	Binnelandse wissels
145 604 809	Regering se lopende rekeninge	1 068 408 684	Lenings en voorskotte
	Provinsiale administrasies se lopende rekeninge	487 165 664	Staatseffekte
173 570 098	Ander rekeninge	57 162 200	Ander effekte
45 779 615		1	Meubels en toerusting
		1	Vaste eiendom
1 516 963 227	Buitelandse lenings	540 229 344	Ander bates
1 259 677 503	Ander laste		
505 319 585	Aandeelhouders – finale dividend		
100 000	Regering – surplus		
20 430 372			
5 840 046 792		5 840 046 792	

Daar bestaan 'n verpligting om goud in terme van goudruiloooreenkomste terug te koop
– Verwys na direkteursverslag

Inkomstestaat
vir die jaar geëindig 31 Maart 1983

1982 R	1983 R	1983 R
Algemene uitgawes		
Insluitende koste van nuwe banknote, salarisse, pensioenfondsbysdraes, direkteursgelede en ander kostes		
37 865 658	52 085 770	
Afgeskryf		
10 943 003 1 498 262 12 441 265	Vaste eiendom	1 423 083
	Meubels en toerusting	5 965 356
		7 388 439
12 000 000	Reserwe vir toekomstige uitgawes ten opsigte van vaste eiendom en toerusting	9 965 965
Toewysing van oorskot		
200 000 2 270 041 20 430 372	Aandeelhouders	200 000
	Reserwefonds	
	Regering	
22 900 413		200 000
85 207 336		69 640 174
B. P. Groenewald <i>Sekretaris</i> Pretoria 27 Junie 1983		
G. P. C. de Kock <i>President</i>		
C. L. Stals P. E. Rousseau T. R. Castle <i>Direkteure</i>		
Inkomste		
Na voorsiening gemaak is vir belasting, rente betaalbaar, rabot op lopende wissels, ander verpligtinge en gebeurlikhede en na voorsien is vir vermindering in waarde van sekuriteite		
	85 207 336	69 640 174
	85 207 336	69 640 174

Ouditeursverslag

Aan die aandeelhouders van die Suid-Afrikaanse Reserwebank

Ons het die bostaande balansstaat nagegaan en verklaar dat, na ons mening, dit 'n volledige en redelike balansstaat is en na behore opgestel is sodat dit, na ons beste wete en volgens die verduidelikings wat aan ons gegee is, 'n getroue en juiste weergawe verstrek van die Bank se sake in geheel soos deur die boeke van die Bank op 31 Maart 1983 aangetoon.

Verder verklaar ons dat, na ons mening, die sake van die Bank ooreenkomstig die bepaling van die Wet op die Suid-Afrikaanse Reserwebank, 1944, soos gewysig, en die regulasies wat daarby behoort, bedryf is in soverre dit die balansstaat en rekeninge betref.

Deloitte Haskins & Sells

Pim Goldby

Ouditeure

Pretoria

27 Junie 1983

