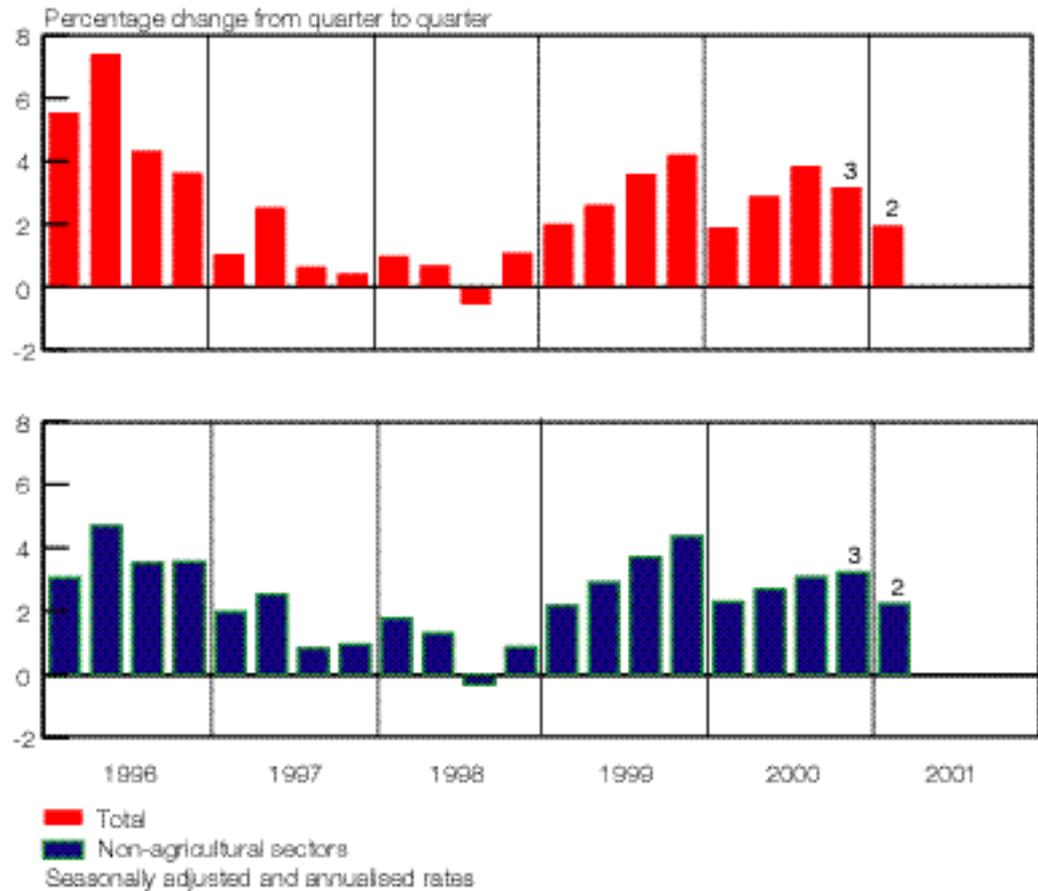
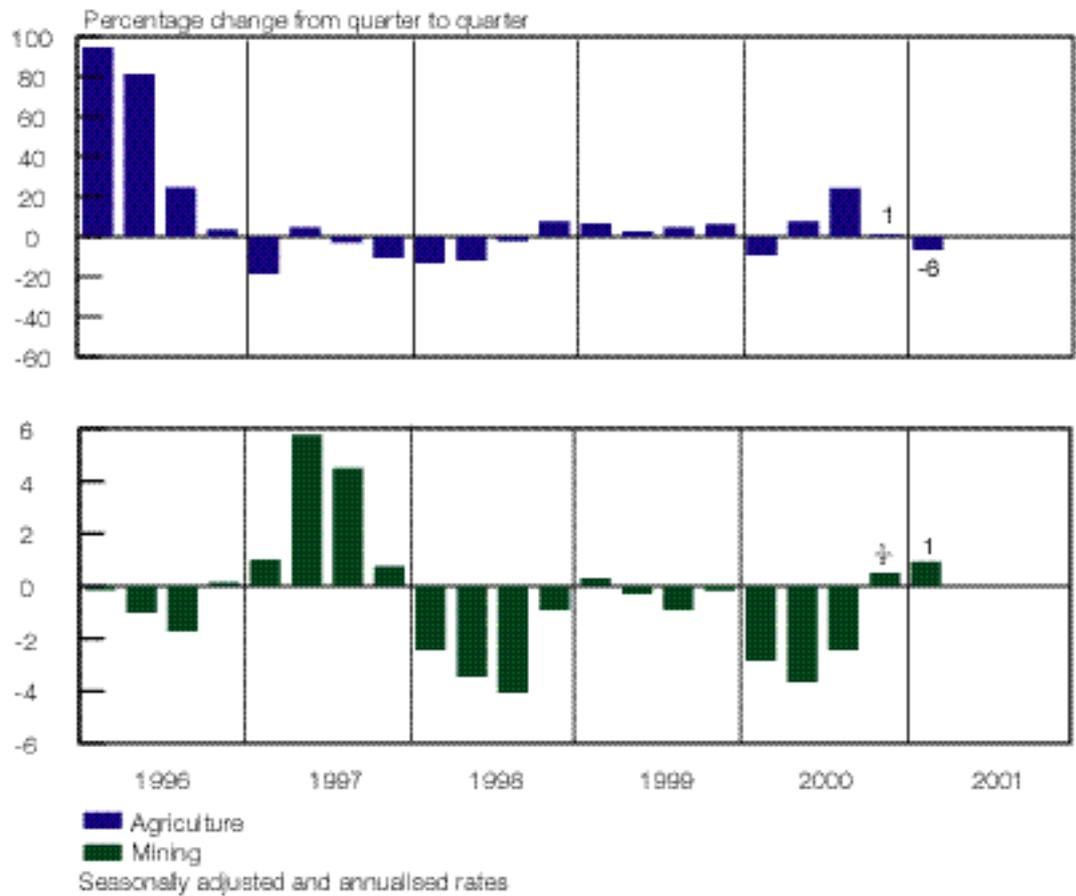


## 1. Real gross domestic product



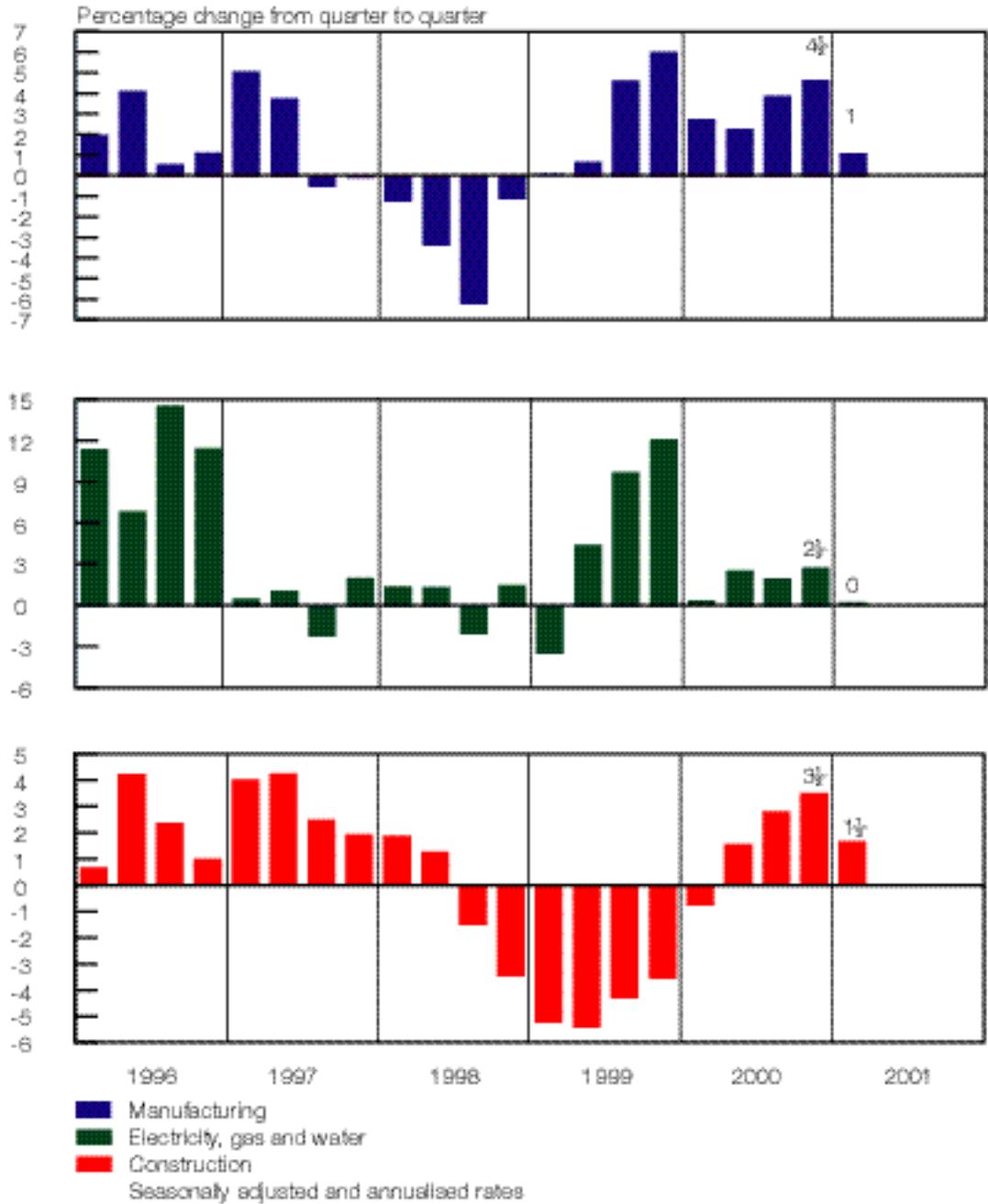
After recording quarter-to-quarter seasonally adjusted and annualised growth rates of about 4 per cent in the third quarter of 2000 and 3 per cent in the fourth quarter, growth in real gross domestic product slowed down to 2 per cent in the first quarter of 2001. The real value added by the non-agricultural sectors increased at a quarter-to-quarter and annualised rate of about 2 per cent in the first quarter of 2001, following increases of about 3 percent in the third and fourth quarters of 2000.

## 2. Real gross domestic product by the primary sectors



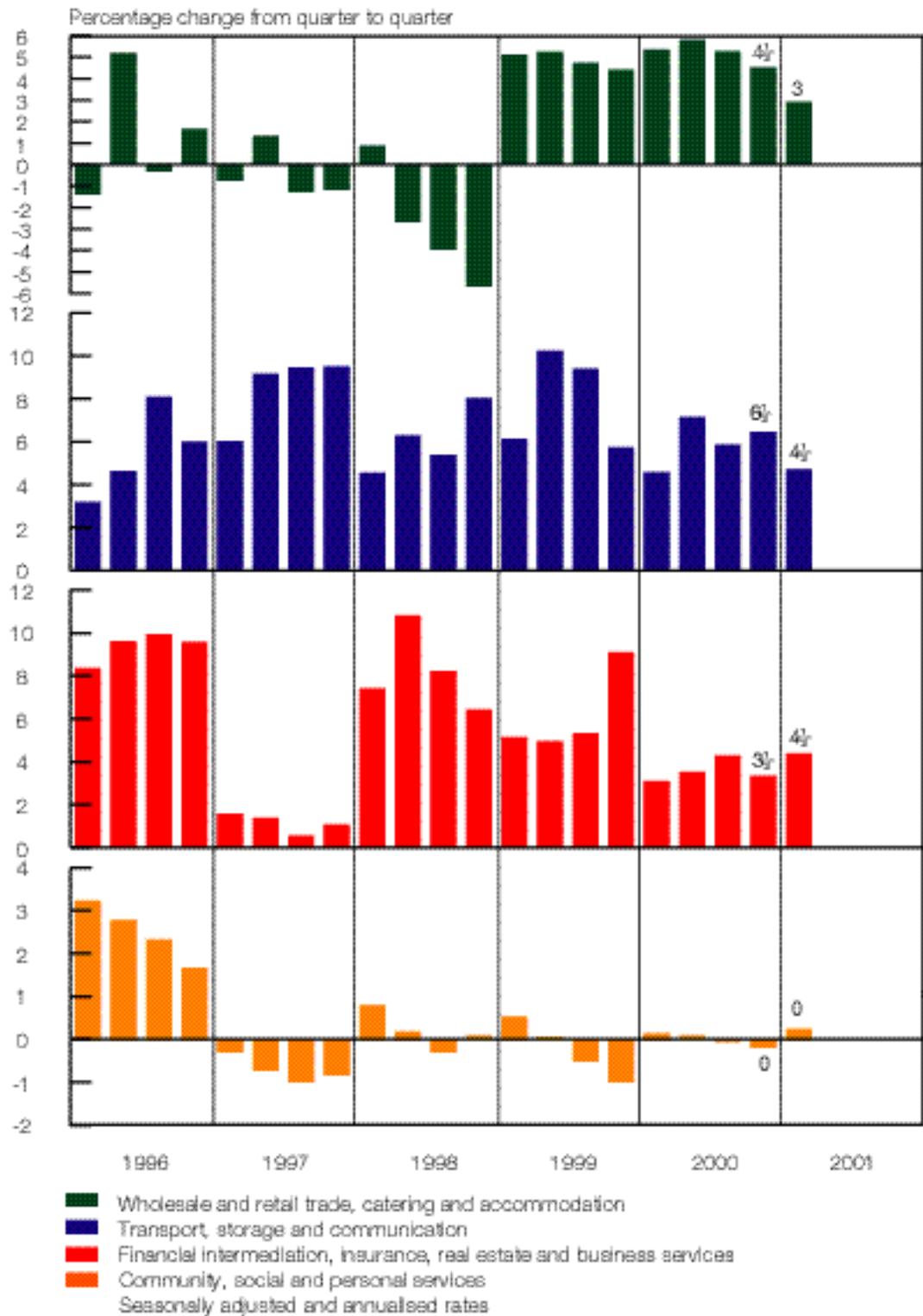
The real value added of the agricultural sector declined at a quarter-to-quarter and annualised rate of 6 per cent in the first quarter of 2001. The growth in real value added in the mining sector accelerated slightly in the first quarter of 2001.

### 3. Real gross domestic product by the secondary sectors



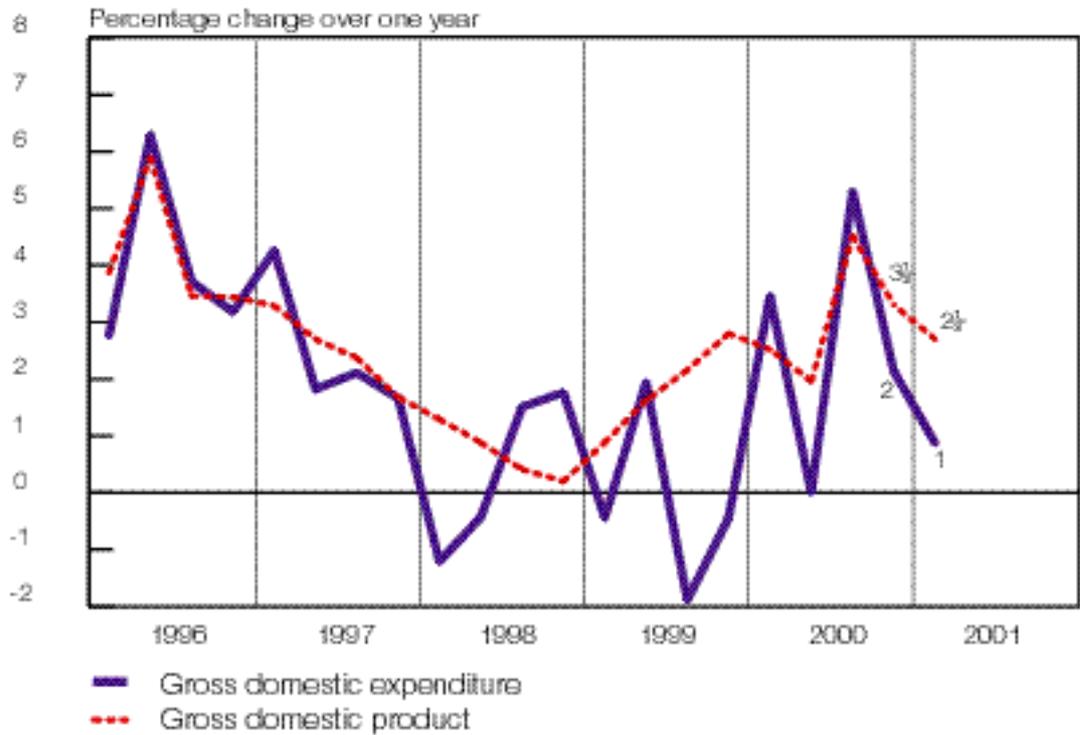
The growth in the real value added of the manufacturing sector slowed down substantially to only 1 per cent in the first quarter of 2001. The slowdown in overall economic activity led to weak growth in electricity output. Construction activity experienced lower quarter-to-quarter growth in the first quarter of 2001.

#### 4. Real gross domestic product by the tertiary sectors



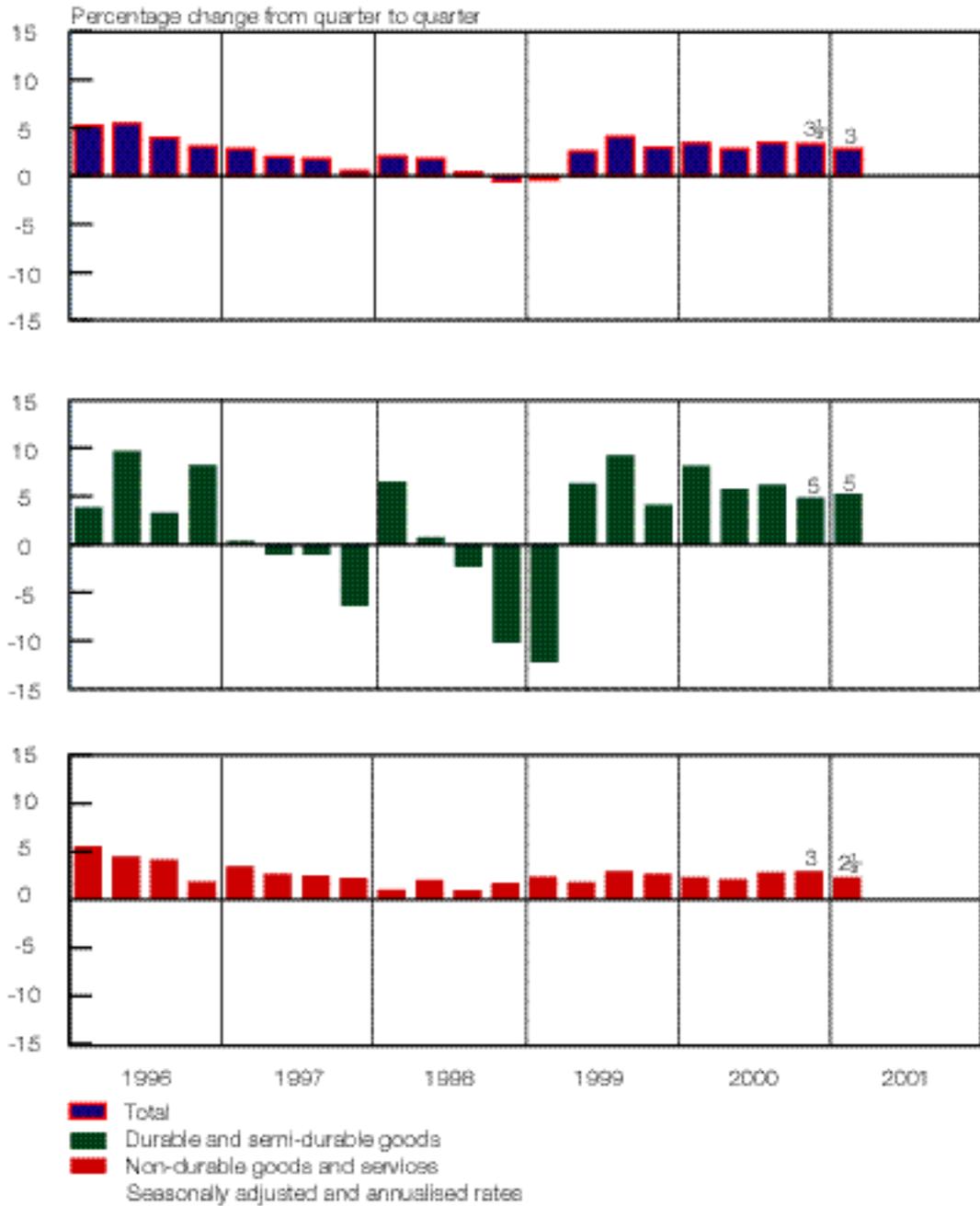
The real value added by the commerce sector slowed down to a seasonally adjusted and annualised rate of 3 per cent in the first quarter of 2001. The growth in the real value added by the transport, storage and communication sector also slowed down somewhat in the first quarter of 2001. The real value added by the sector financial intermediation, insurance, real estate and business services rose at a seasonally adjusted and annualised rate of 4½ per cent in the first quarter of 2001.

## 5. Real gross domestic product and gross domestic expenditure



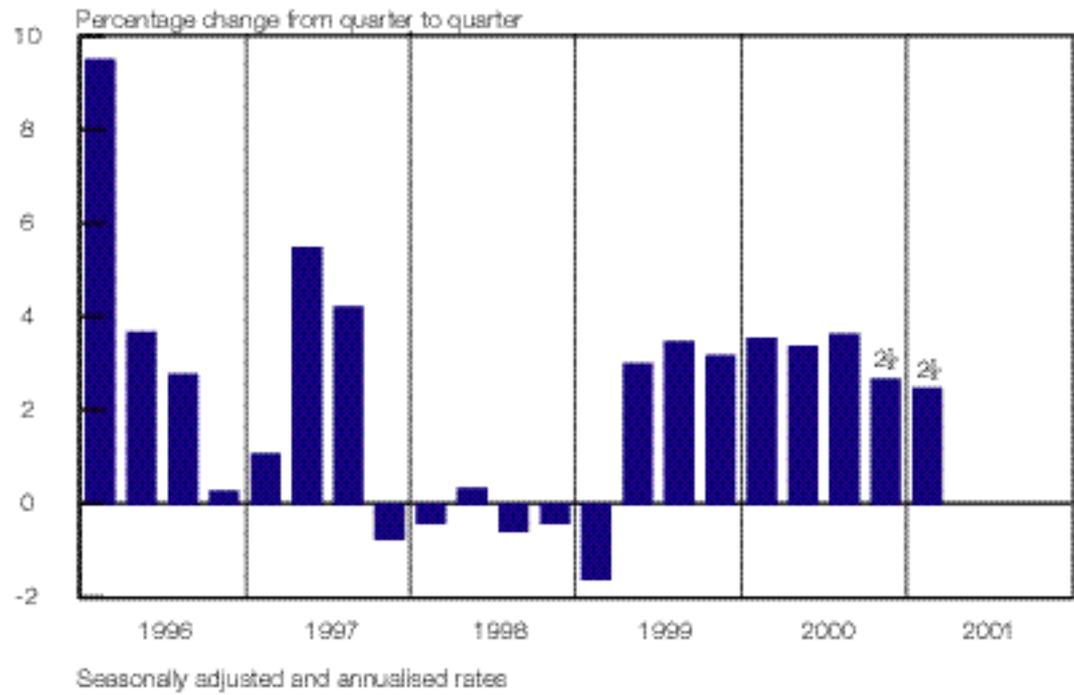
Measured over four quarters, aggregate real gross domestic expenditure increased by 1 per cent in the first quarter of 2001, compared with an increase of 2½ per cent in real gross domestic product over the same period. This suggests that, there is little reason to expect additional upward pressure from domestic demand on the overall level of prices.

## 6. Real final consumption expenditure by households



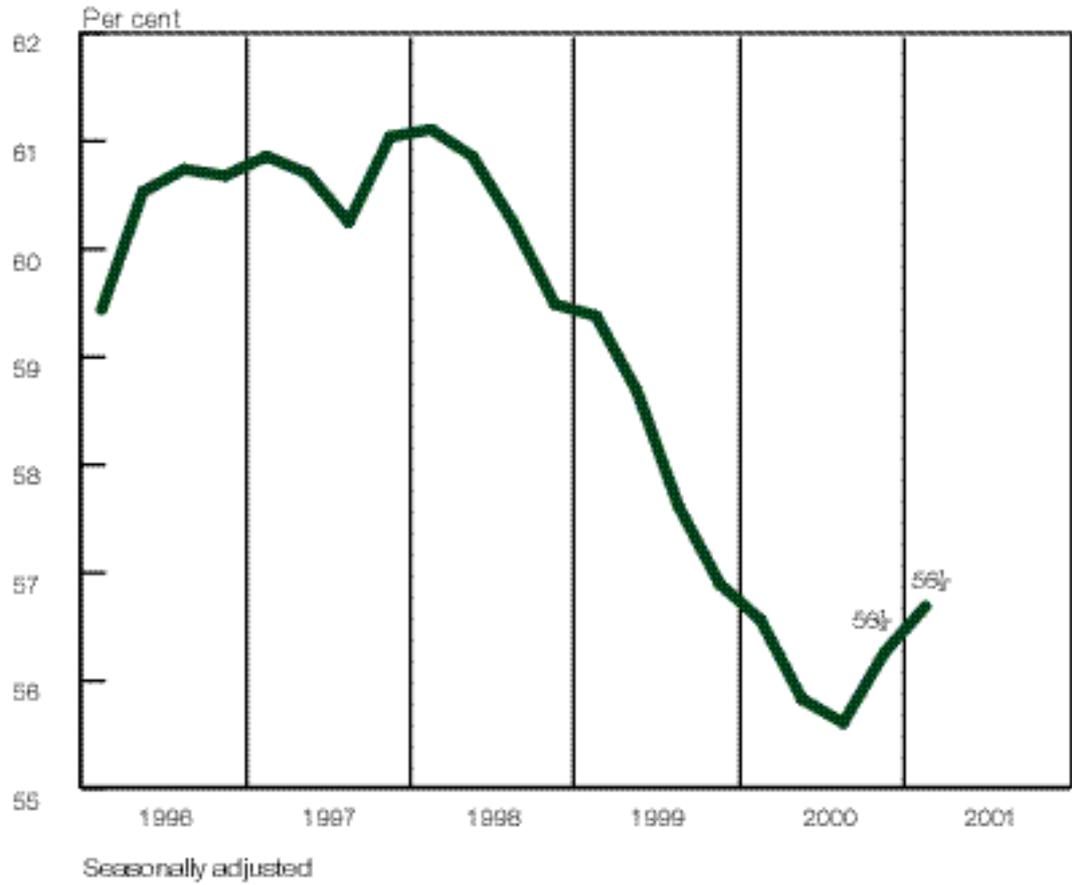
Real final consumption expenditure by households increased at a seasonally adjusted and annualised rate of about 3 per cent in the first quarter of 2001, slightly down from the rate of 3½ per cent recorded in the fourth quarter of 2000.

## 7. Real household disposable income



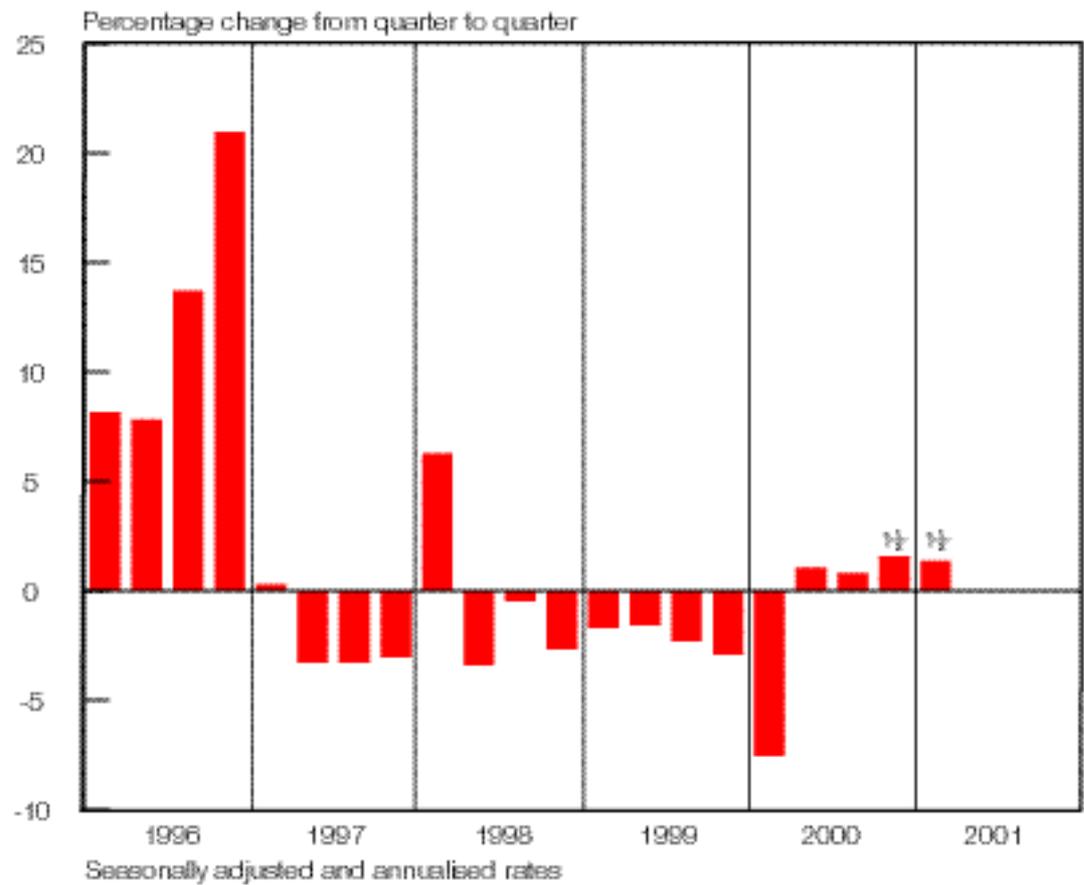
During the first quarter of 2001 the growth in the real disposable income of households slowed down slightly from more than 2½ per cent in the fourth quarter of 2000 to 2½ per cent in the first quarter of 2001.

8. Household debt as percentage of household disposable income



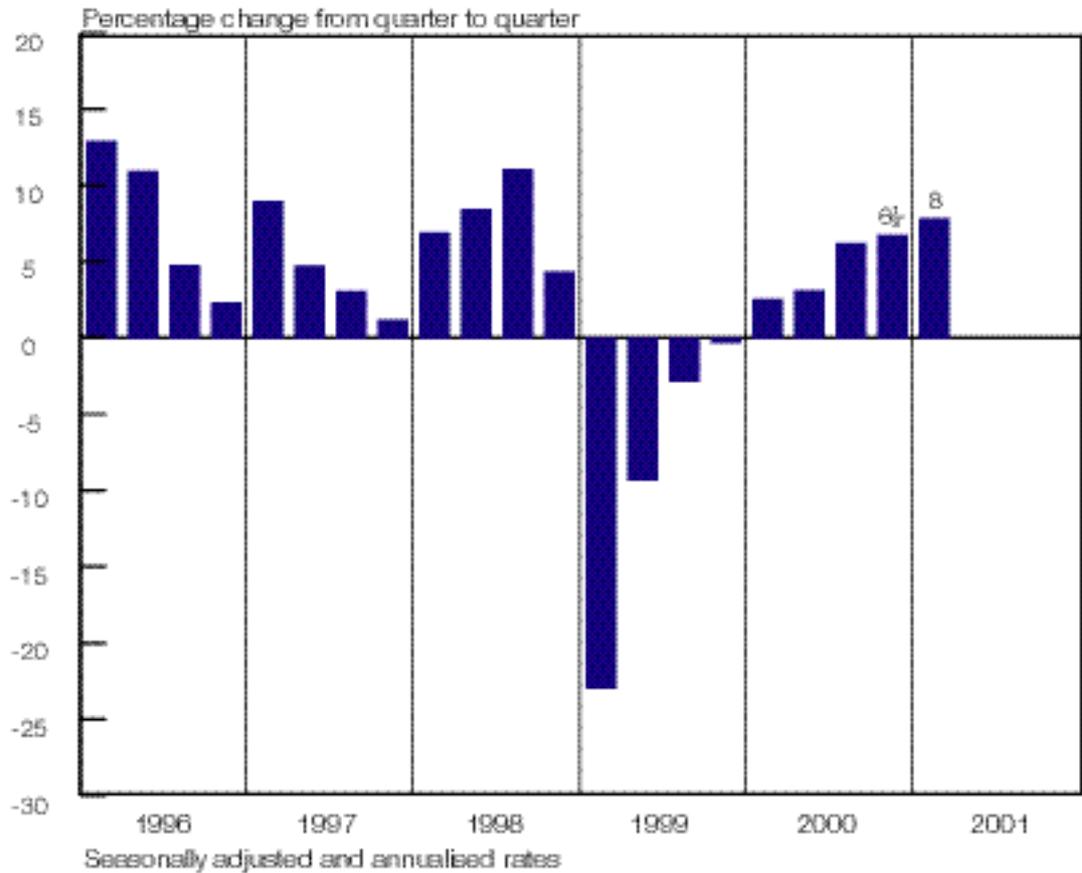
Household debt as a percentage of disposable household income increased from 55½ per cent at the end of the third quarter of 2000 to slightly more than 56½ per cent in the first quarter of 2001.

## 9. Real final consumption expenditure by general government



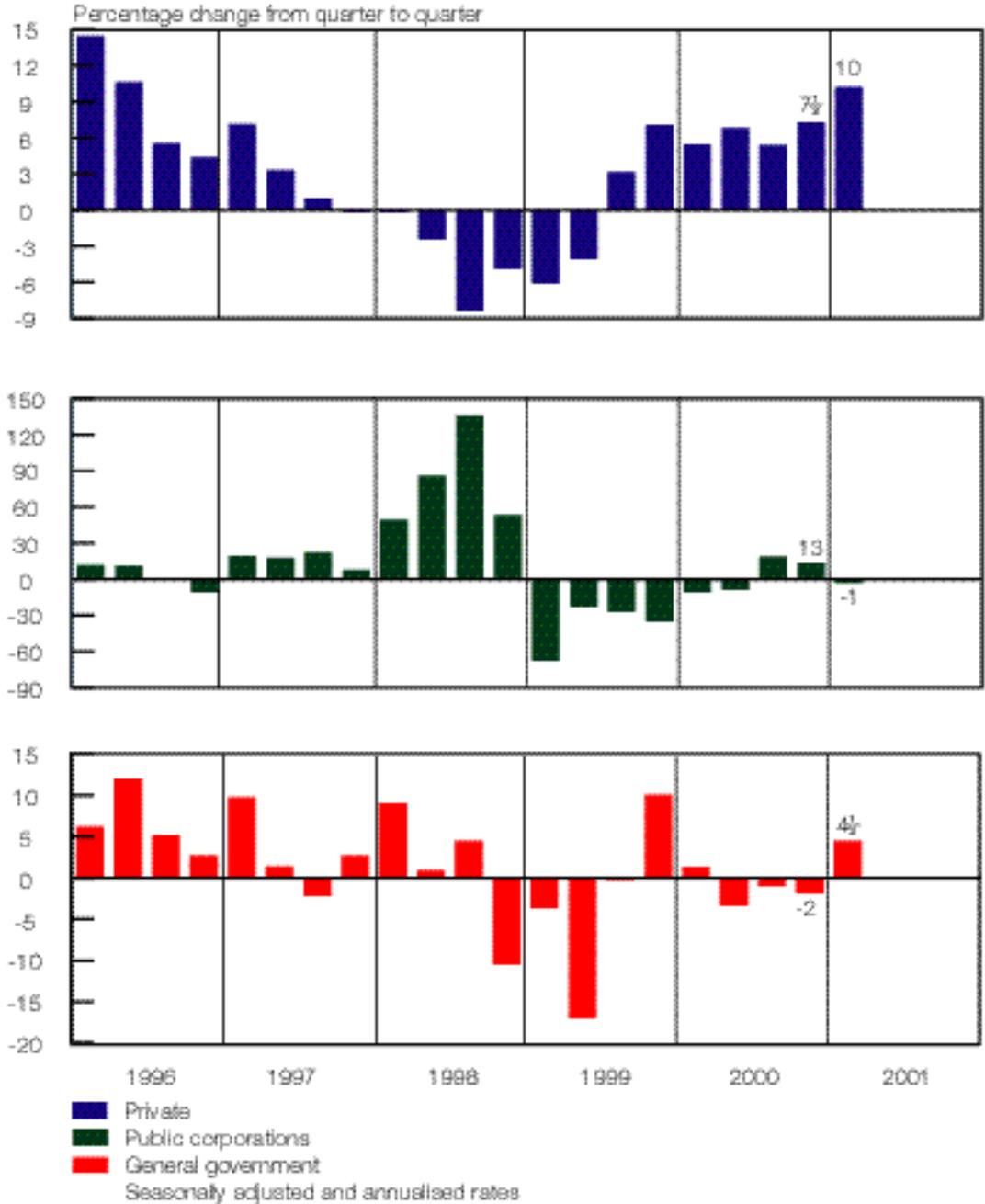
Real final consumption expenditure by general government increased at a seasonally adjusted and annualised rate of 1½ per cent in the fourth quarter of 2000 and in the first quarter of 2001.

## 10. Real gross fixed capital formation



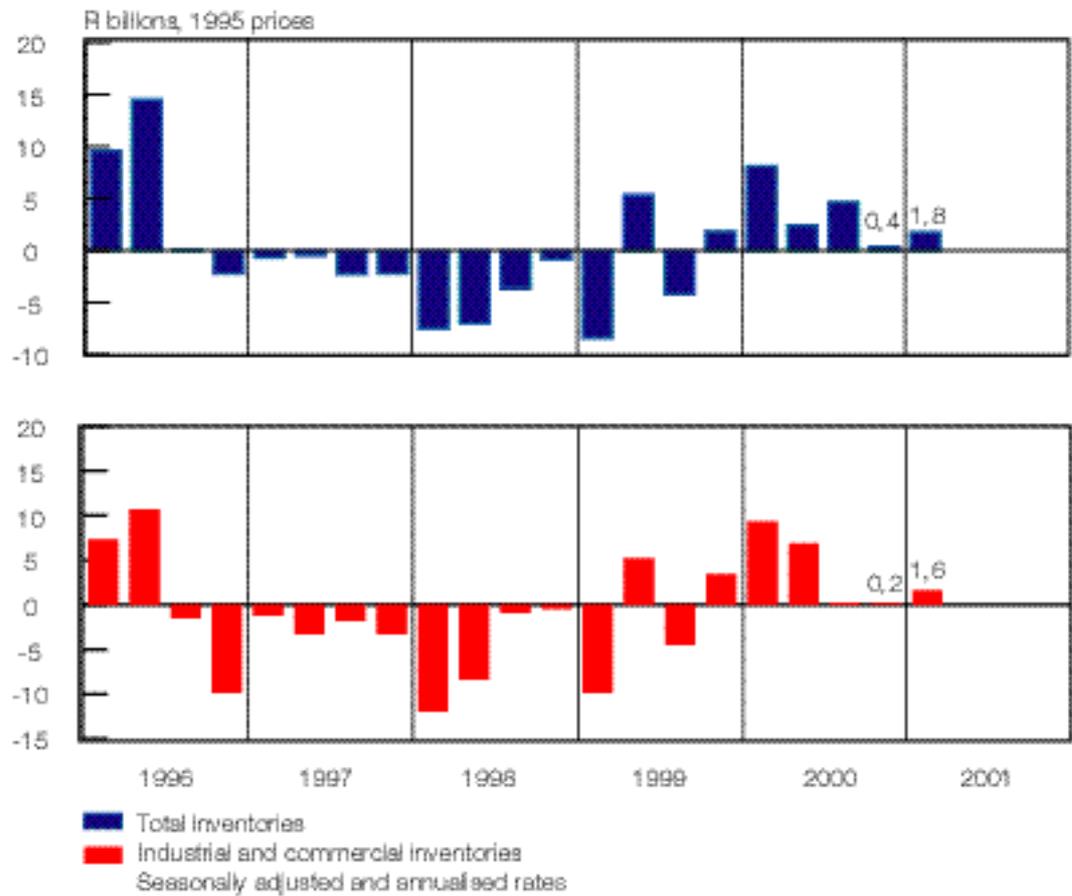
Real gross fixed capital formation accelerated further in the first quarter of 2001. The growth in real capital outlays accelerated from a seasonally adjusted and annualised rate of 2½ per cent in the first quarter of 2000 to about 8 per cent in the first quarter of 2001.

## 11. Components of real gross fixed capital formation



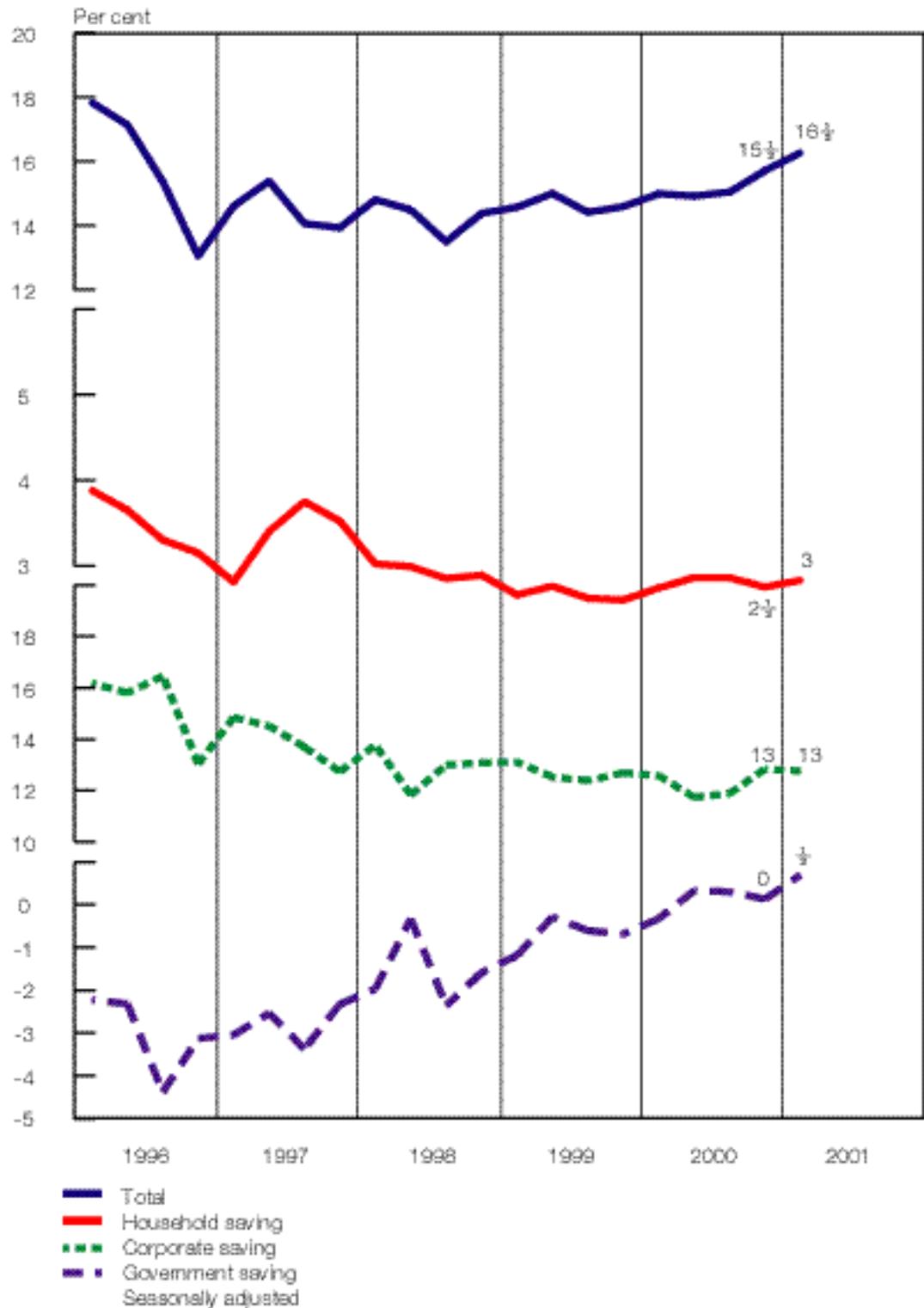
Real gross fixed capital formation in the private sector increased at a seasonally adjusted and annualised rate of 10 per cent in the first quarter of 2001 following an increase of 7½ per cent in the fourth quarter of 2000. Real gross fixed capital formation by the public sector, increased in the first quarter of 2001. This was the net result of a reduction in real capital spending by public corporations and an increase in capital expenditure by general government.

## 12. Change in inventories



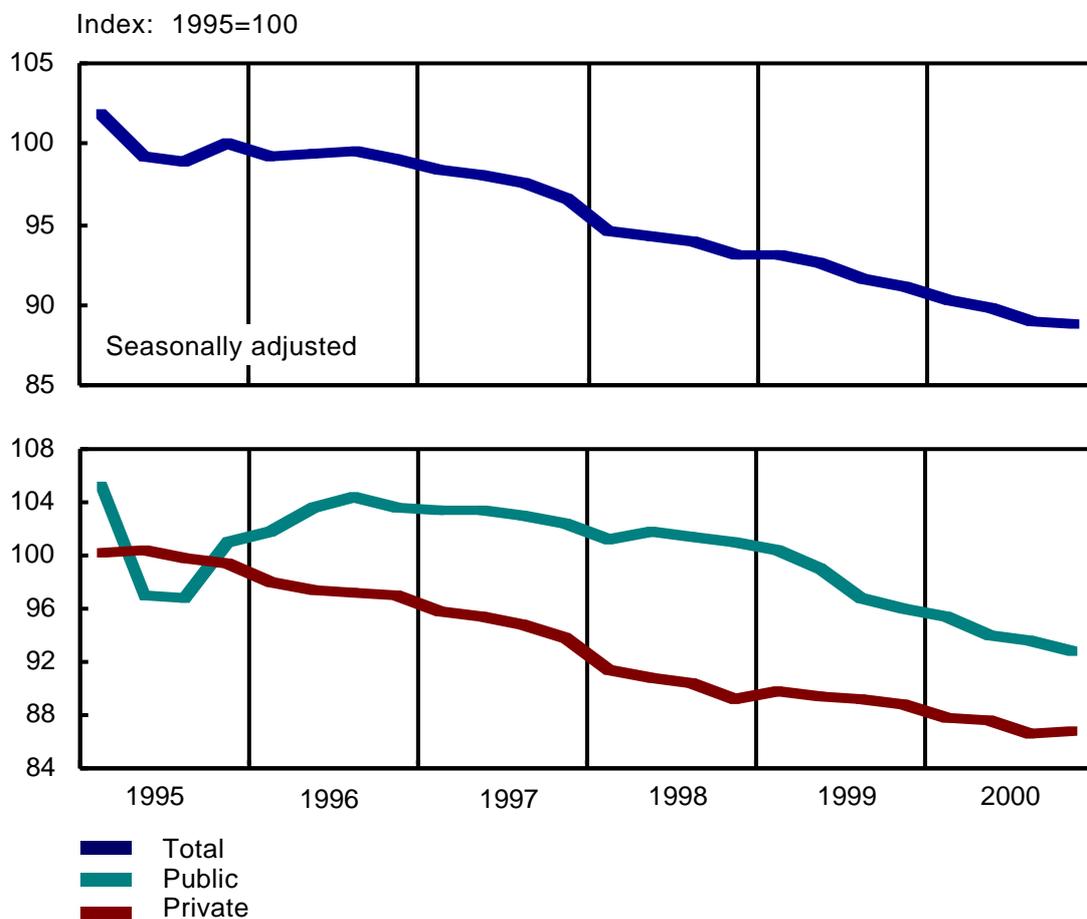
The inventory build-up in the economy, which had slowed down sharply in the fourth quarter of 2000 accelerated in the first quarter of 2001. Following the steep decline in net inventory investment from the third to the fourth quarter of 2000, the increase in inventory levels in the first quarter of 2001 implied a substantial boost to the growth in real aggregate demand.

### 13. Gross saving as percentage of gross domestic product



The ratio of gross saving to gross domestic product increased from 15½ per cent in the fourth quarter of 2000 to 16½ per cent in the first quarter of 2001. The level of gross saving in the economy was underpinned in the first quarter of 2001 by an increase in gross saving by general government. Gross saving of the private sector remained weak in the first quarter of 2001.

#### 14. Non-agricultural employment (total, public authorities and private sector)



The decline in the total number of employees in the regularly surveyed, formal non-agricultural sectors of the economy moderated from a seasonally adjusted and annualised quarter-to-quarter rate of 3,7 per cent in the third quarter of 2000, to 0,4 per cent in the fourth quarter.

## 15. Labour market statistics

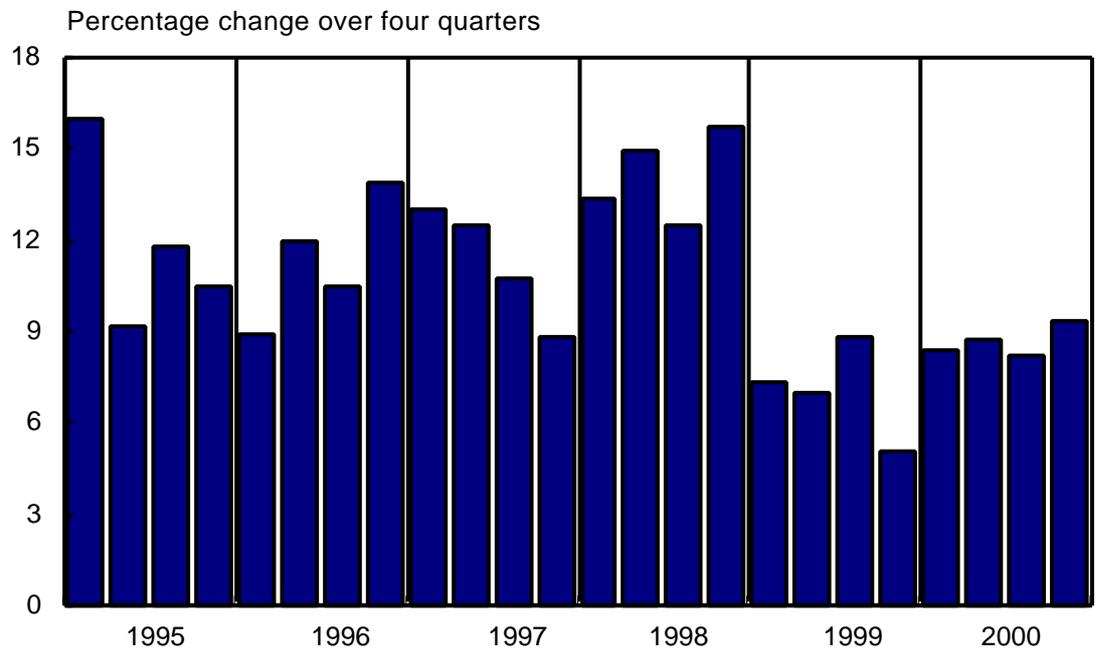
Labour market statistics, including the mining sector, based on the official definition of unemployment, October 1996, 1997, 1998 and 1999

Labour market variables	1996	1997	1998	1999
	(000's)	(000's)	(000's)	(000's)
a Total employed .....	9 287	9 247	9 390	10 369
Among the employed:				
Employed in the formal sector STEE survey (excluding agriculture and certain activities not covered in STEE) ..	5 242	5 139	4 945	4 840
Employed in agriculture* .....	759	717	935	1 099
Employed in the formal sector in activities not covered in STEE .....	1 550	1 587	1 445	1 724
Employed in the informal sector** .....	996	1 136	1 316	1 907
Employed in domestic service .....	740	668	749	799
b Total unemployed (official definition) .....	2 224	2 451	3 163	3 158
c Total economically active = a + b .....	11 511	11 698	12 553	13 527
d Total not economically active .....	13 146	13 414	13 157	12 753
e Total aged 15-65 years = c + d .....	24 657	25 112	25 710	26 280
f Official unemployment rate = b * 100 / c .....	19,3%	21,0%	25,2%	23,3%

\* The sample size was smaller (16 000 households), and more clustered, in 1996 (20 households per combined cluster of two enumerator areas or EAs), than in 1997 (30 000 households and 10 households per EA), 1998 (20 000 households and 10 households per EA) and 1999 (30 000 households and 10 households per EA). Therefore statistics by industry should be treated with caution. The measurement of employment in the agricultural sector may not be stable due to differences in sampling methodology.

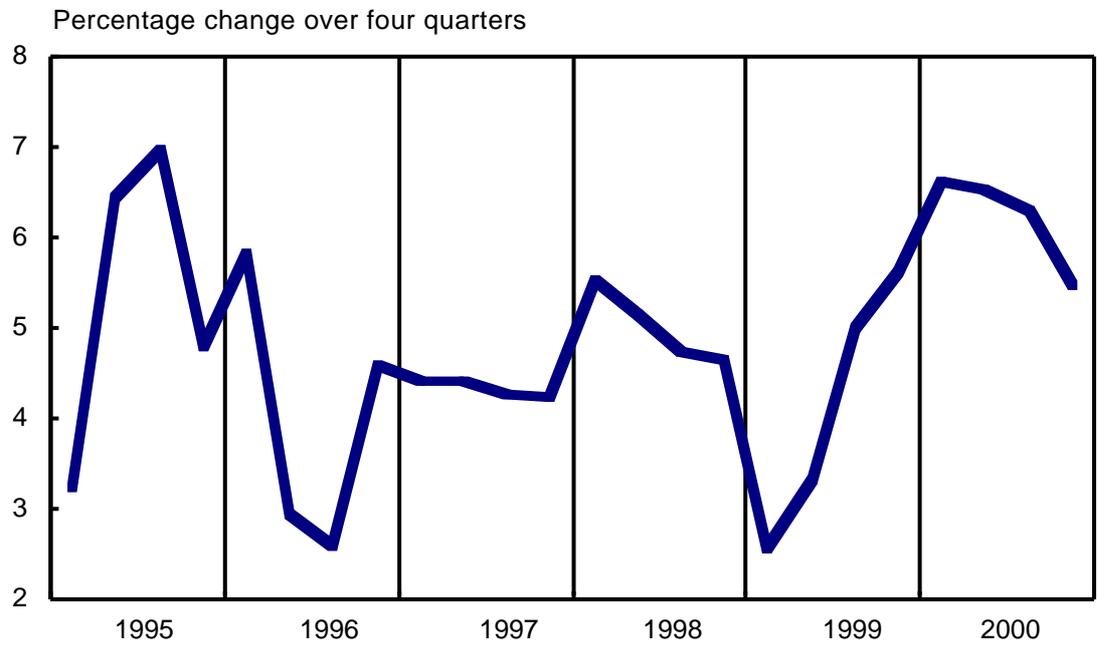
\*\* The questionnaire in 1996, while differentiating between the formal and informal sectors with regard to employers (and the self-employed), did not make this distinction for employees. Subsequent surveys have, however, made this distinction for employees as well, thus giving a more complete picture of the informal sector. The size of the sector in 1996 has therefore been estimated on the basis of the proportions of informal employers and employees in 1997, 1998 and 1999.

**16. Non-agricultural nominal remuneration per worker (percentage change over four quarters)**



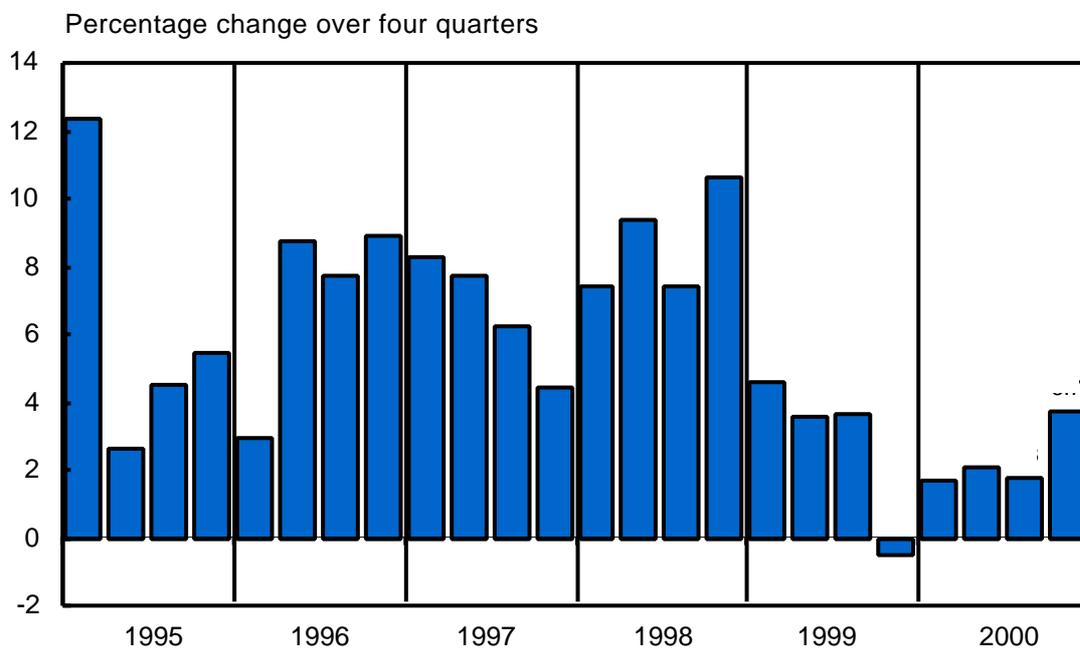
Average nominal remuneration growth rose from a year-on-year rate of 8,2 per cent in the third quarter of 2000 to 9,4 per cent in the fourth quarter of 2000, the highest growth rate since the fourth quarter of 1998.

## 17. Growth in labour productivity



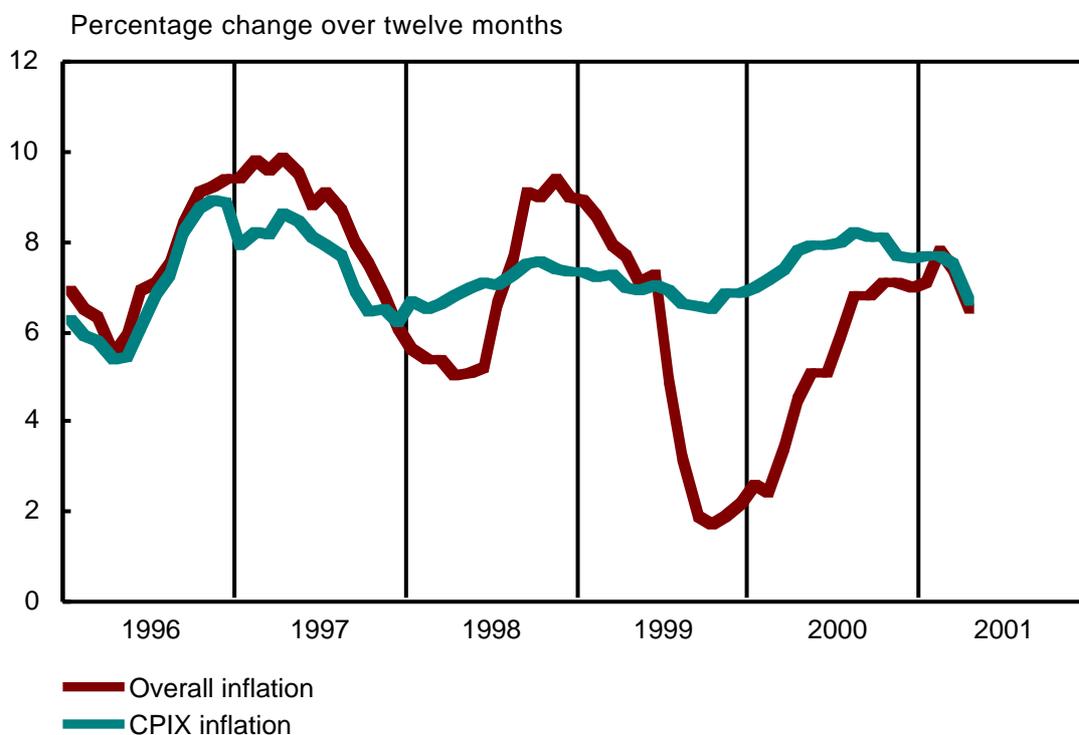
The growth in real output per worker, or labour productivity, decelerated steadily throughout 2000, from a growth rate of 6,6 per cent in the first quarter of 2000 to 5,5 per cent in the fourth quarter.

18. Non-agricultural nominal unit labour costs (percentage change over four quarters)



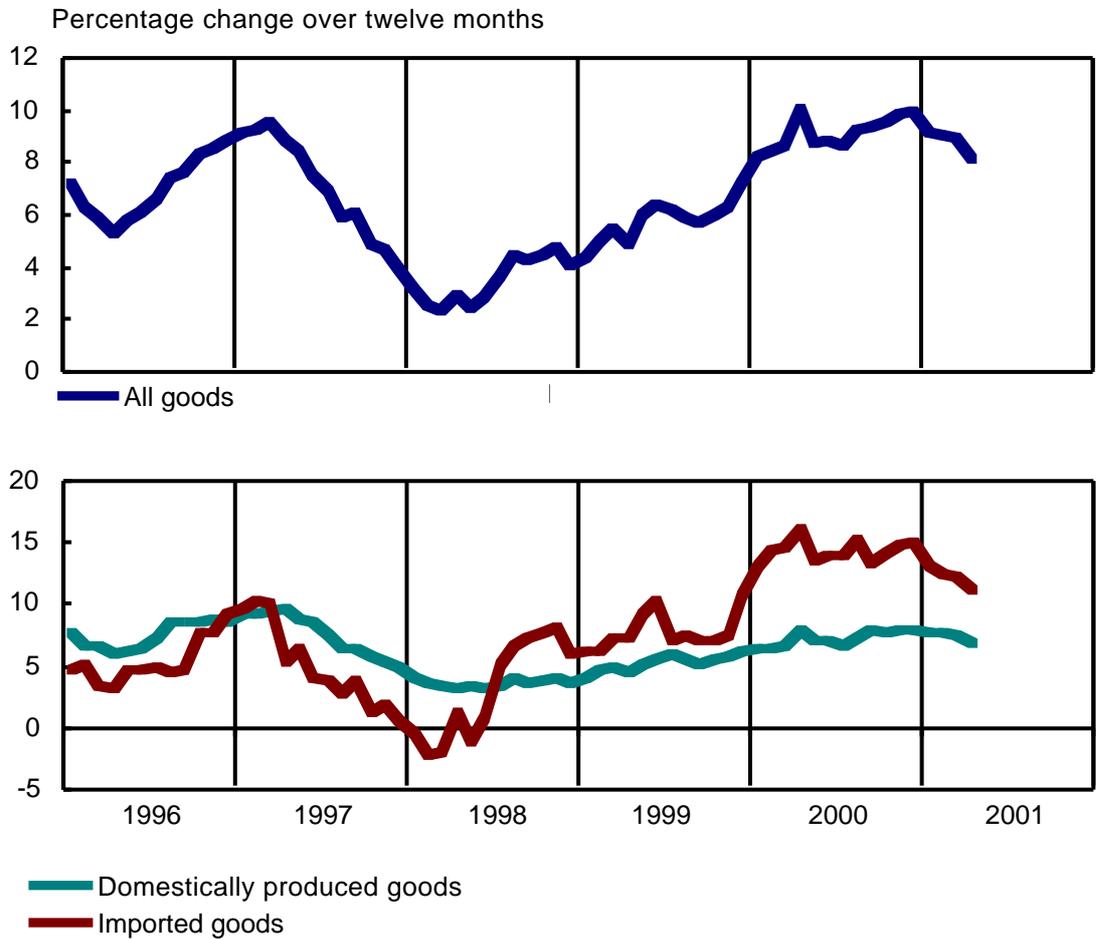
The year-on-year rise in the cost of labour per unit of output increased from -0,5 per cent in the fourth quarter of 1999 to 3,7 per cent in the fourth quarter of 2000.

## 19. Headline and CPIX inflation (percentage change over twelve months)



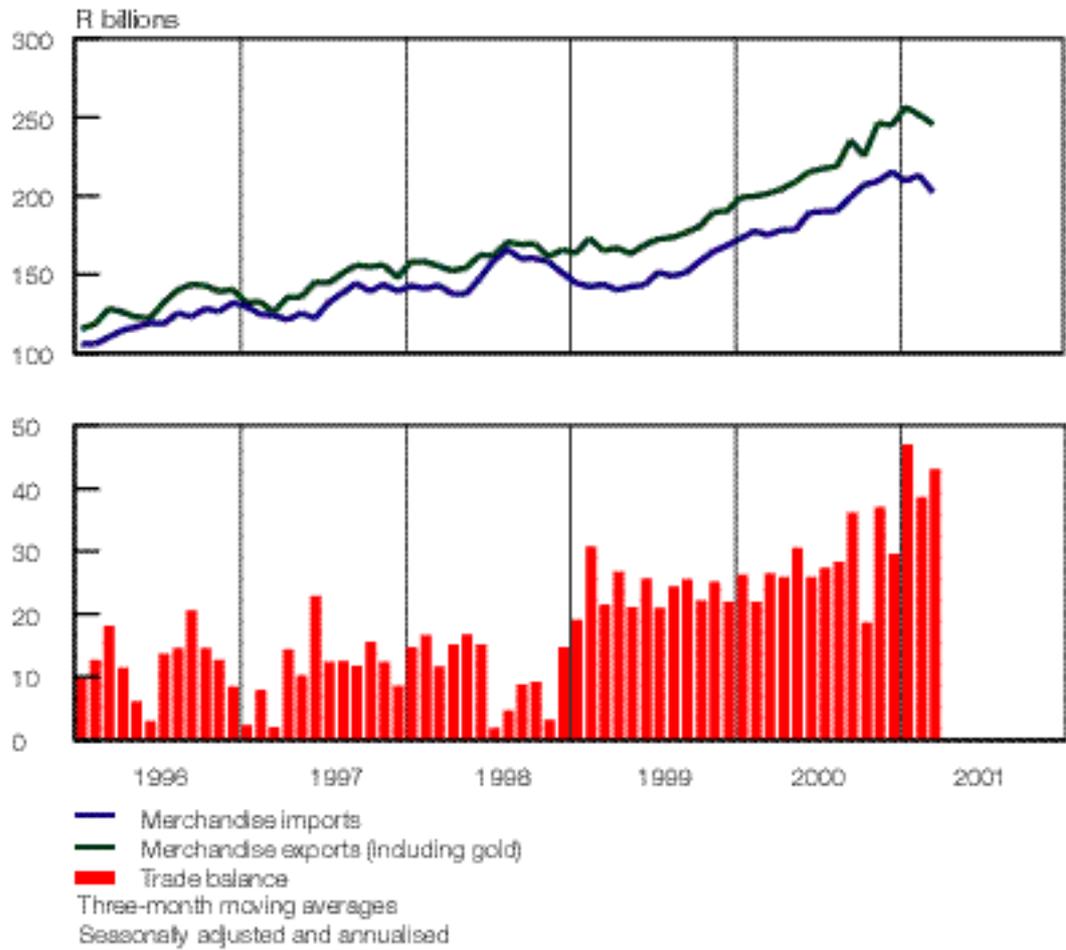
The gap between headline and CPIX inflation narrowed in 2000 and the early months of 2001, essentially because the previous declines in mortgage rates dropped out of the annual comparison for headline inflation. Year-on-year CPIX inflation (i.e. overall consumer price inflation for metropolitan and other urban areas, excluding interest rates on mortgage bonds) declined from 8,2 per cent in August 2000 to 6,7 per cent in April 2001. Lower inflation in the prices of food products contributed greatly to this slowdown.

## 20. Production prices (all goods, domestically produced goods)



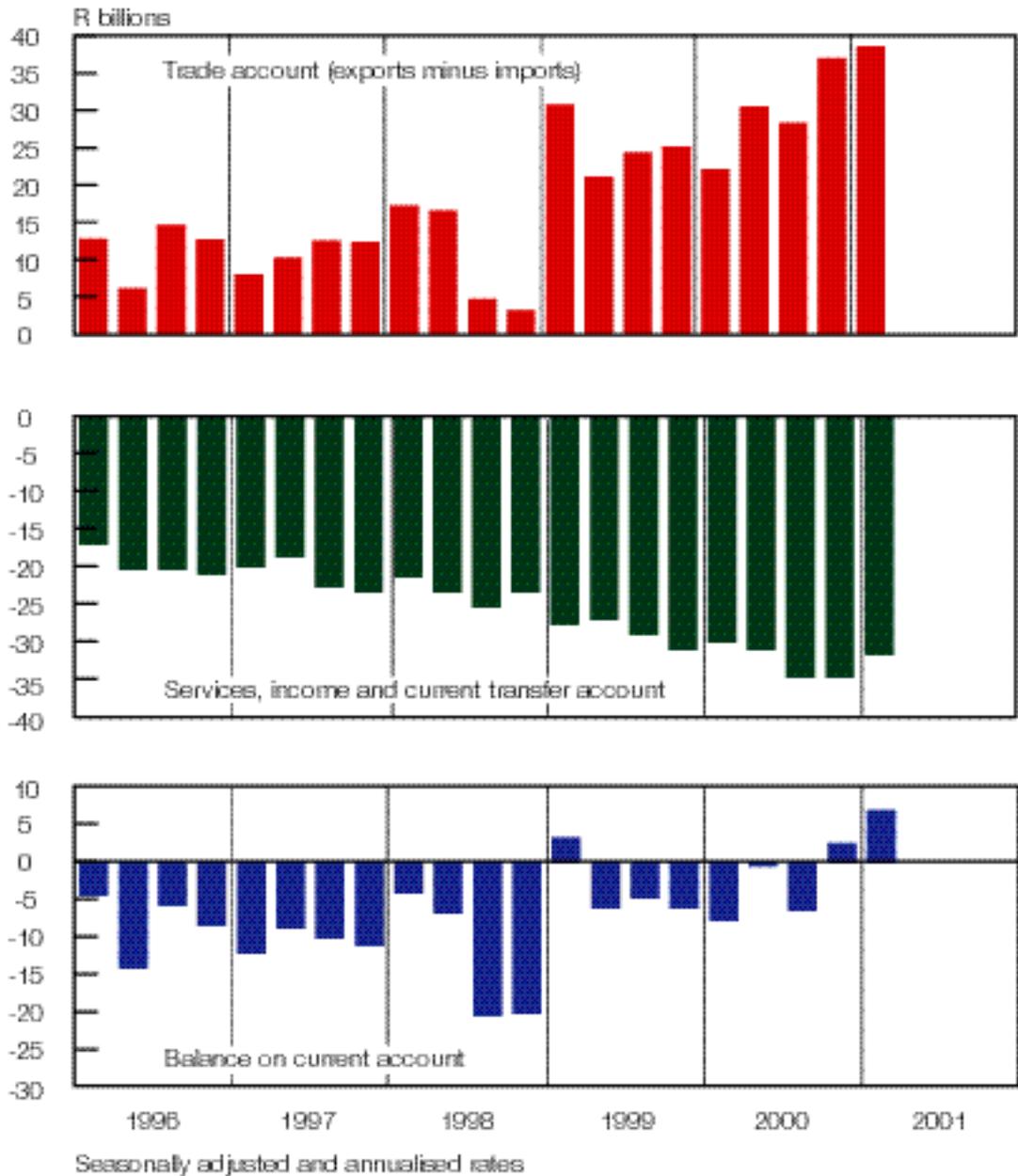
Measured over periods of twelve months, the rate of increase in the all-goods production price index declined to 8,1 per cent in April 2001. Slower rates of increase in the prices of both domestically produced goods and imported goods contributed to this deceleration in production-price inflation. The year-on-year rate of increase in the prices of domestically produced goods declined to 6,9 per cent in April 2001. The year-on-year rate of increase in the prices of imported goods declined to 11,2 per cent in April 2001.

## 21. Trade Account: Three-month moving averages



The surplus on the trade account (measured as a 3-month moving average of seasonally adjusted and annualised data) increased in the period to April 2001. The improvement in the trade surplus could be attributed to a sharp decline in the value of merchandise imports which more than outweighed a decline in the value of merchandise exports.

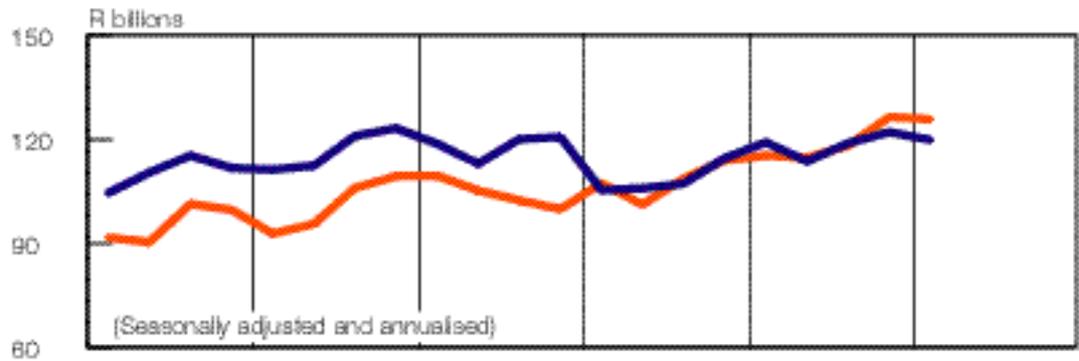
## 22. Balance of payments: Current account



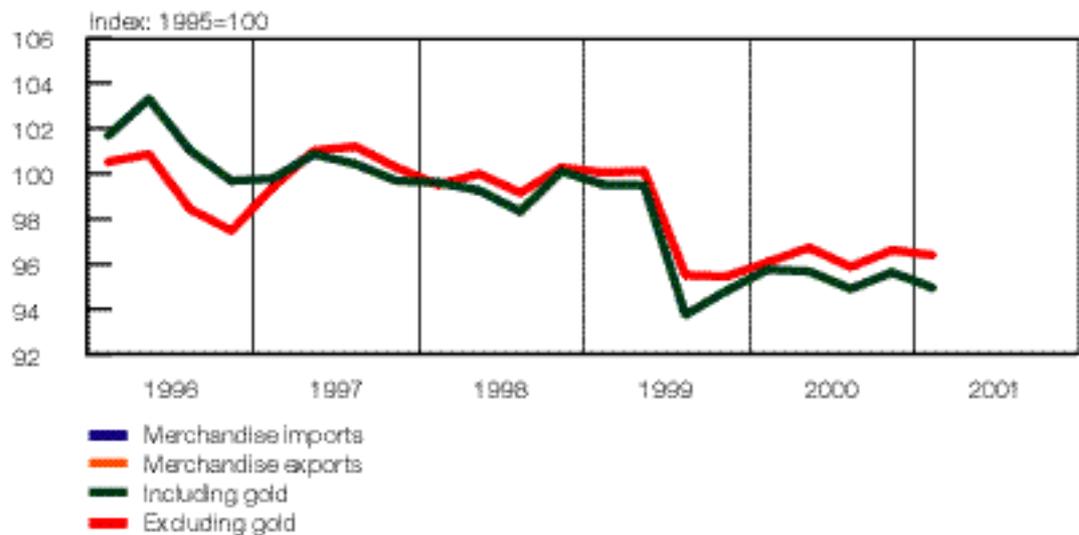
An increase in the trade surplus, together with a contraction in the deficit on the services account, raised the seasonally adjusted and annualised surplus on the current account of the balance of payments from R2,5 billion in the fourth quarter of 2000 to R6,9 billion in the first quarter of 2001. As a ratio of gross domestic product, the surplus on the current account improved from 0,3 per cent in the fourth quarter of 2000 to 0,7 per cent in the first quarter of 2001. A sharp fall in net investment income payments was the main reason for the improvement in the services account.

### 23. Components of the current account

Merchandise exports and imports at constant 1985 prices



Terms of trade



Reflecting the weakening of global economic conditions, the physical quantity of exported goods declined by 0,5 per cent in the first quarter of 2001, following an increase of 7 per cent in the fourth quarter of 2000. The volume of merchandise imports which had increased by about 3 per cent in the fourth quarter of 2000 declined by almost 2 per cent in the first quarter of 2001. Import price inflation exceeded the growth in export prices, by a slight margin in the first quarter of 2001. South Africa's terms of trade (i.e. the ratio of export prices to import prices) deteriorated slightly from the fourth quarter of 2000 to the first quarter of 2001.

## 24. Financial account

Financial transactions not related to reserves

R billions

	1999				2000				2001	
	2nd	3rd	4th	Year	1st	2nd	3rd	4th	Year	1st
<b>Liabilities</b>										
Direct investment.....	2,0	2,0	2,6	9,1	4,9	0,7	1,6	-1,1	6,1	1,7
Portfolio investment....	26,2	29,9	18,7	83,9	6,8	-1,3	8,1	-1,8	11,8	3,5
Other investment. ....	-3,2	-9,0	-4,8	-16,9	1,8	7,1	5,7	-4,6	10,0	0,3
Total liabilities.....	25,0	22,9	16,5	76,1	13,5	6,5	15,4	-7,5	27,9	5,5
<b>Assets</b>										
Direct investment. ....	-3,0	-3,1	0,1	-11,8	-1,0	-5,7	4,1	-1,3	-3,9	-8,1
Portfolio investment. ....	-11,0	-6,1	-7,6	-31,5	-11,2	-4,3	-7,0	-3,1	-25,6	-0,2
Other investment. ....	-1,3	-3,9	-2,5	-10,3	-2,7	0,9	-2,7	-3,4	-7,9	-6,0
Total assets.....	-15,3	-13,1	-10,0	-53,6	-14,9	-9,1	-5,6	-7,8	-37,4	-14,3
Total financial transactions*.....	5,1	6,0	15,0	29,5	4,2	-5,6	10,9	-1,0	8,5	-3,8

\* Including unrecorded transactions

Net financial transactions not related to reserves

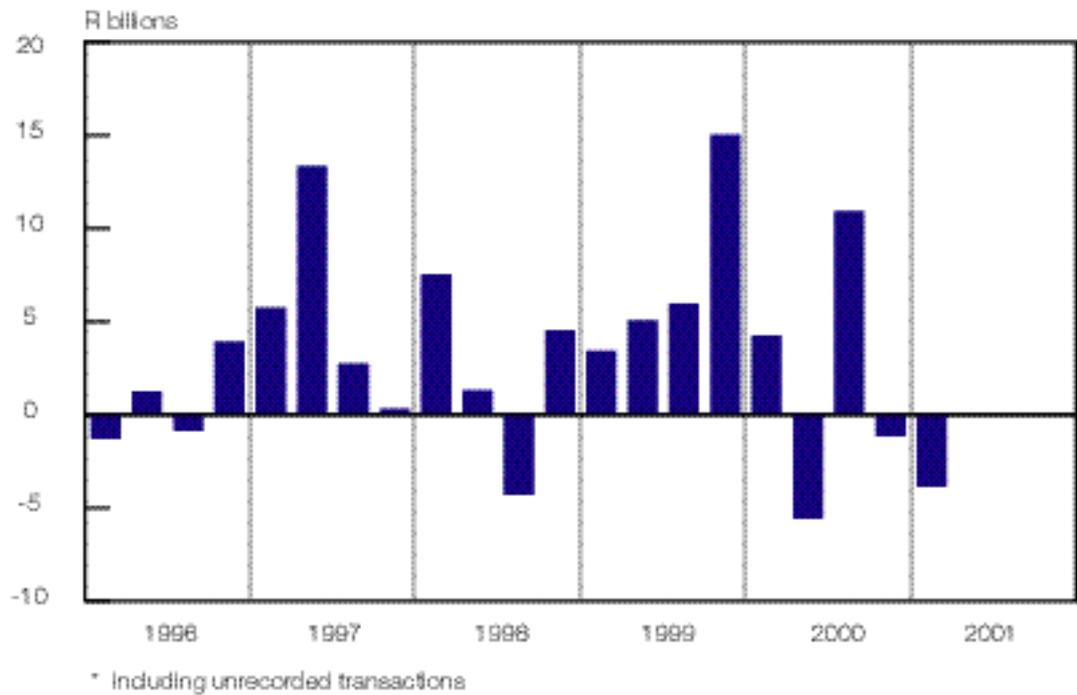
R billions

	1999				2000				2001	
	2nd	3rd	4th	Year	1st	2nd	3rd	4th	Year	1st
Direct investment. ....	-1,0	-1,1	2,7	-2,7	3,9	-5,0	5,7	-2,4	2,2	-6,4
Portfolio investment. ....	15,2	23,8	11,1	52,4	-4,4	-5,6	1,1	-4,9	-13,8	3,3
Other investment. ....	-4,5	-12,9	-7,3	-27,2	-0,9	8,0	3,0	-8,0	2,1	-5,7
Total financial transactions*.....	5,1	6,0	15,0	29,5	4,2	-5,6	10,9	-1,0	8,5	-3,8

\* Including unrecorded transactions

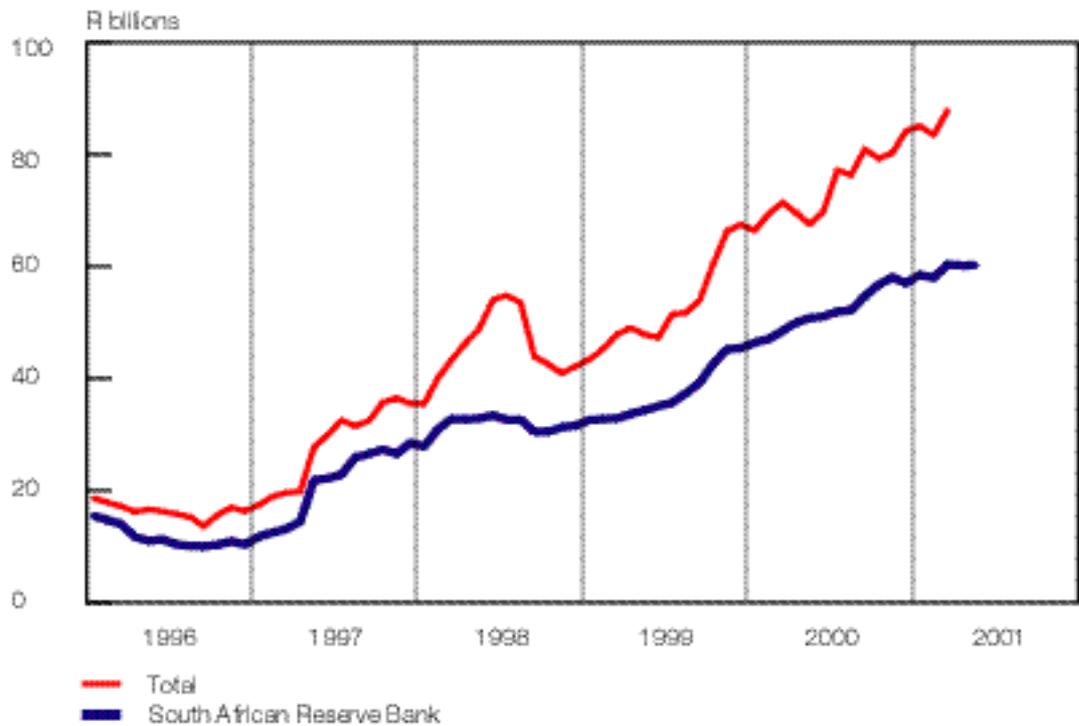
*Foreign direct investment* into South Africa changed from an outflow of R1,1 billion in the fourth quarter of 2000 to an inflow of R1,7 billion in the first quarter of 2001. At the same time, South African companies increased their directly-controlled foreign assets by R8,1 billion in the first quarter of 2001. A significant contribution to these outward investments was made through the acquisition of a foreign chemicals group by a South African petro-chemical company. *Portfolio investment into South Africa* changed from an outflow of R1,8 billion in the fourth quarter of 2000 to an inflow of R3,5 billion in the first quarter of 2001. The accumulation of foreign portfolio assets by resident South African organisations shrank from R3,1 billion in the fourth quarter of 2000 to R0,2 billion in the first quarter of 2001. On a net basis, other foreign investment contracted from an outflow of R8,0 billion in the fourth quarter of 2000 to an outflow of R5,7 billion in the first quarter of 2001.

## 25. Balance on the financial account



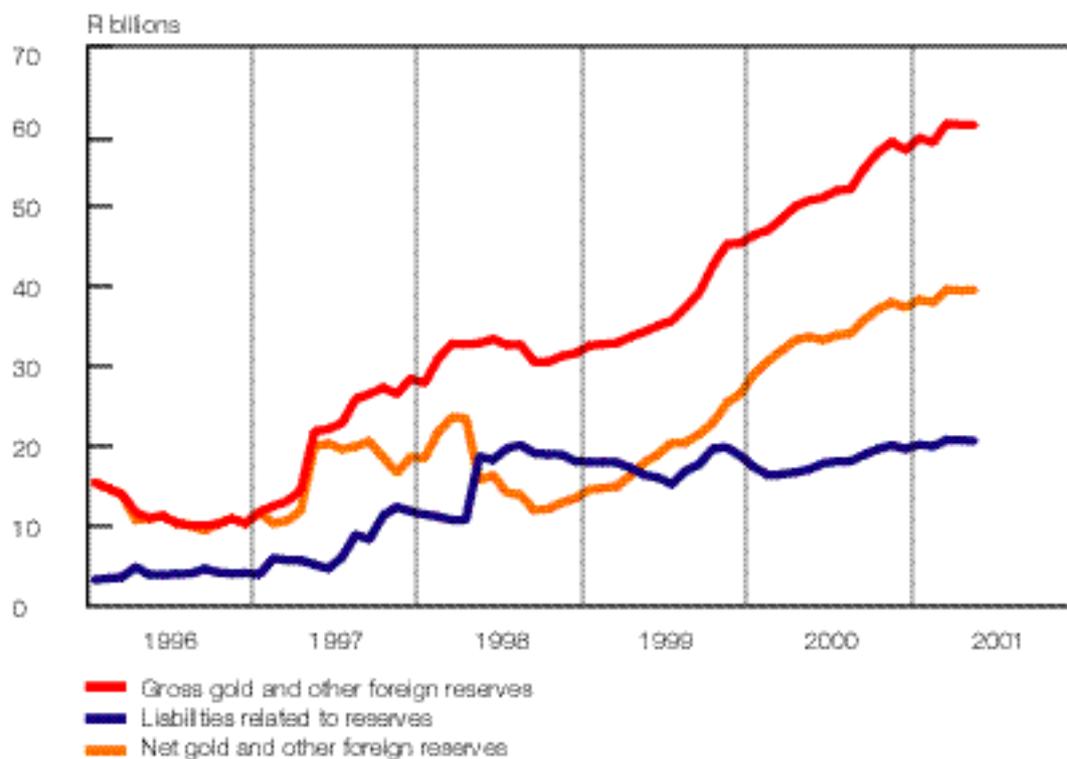
The balance on the financial account widened from a deficit of R1,0 billion in the fourth quarter of 2000 to R3,8 billion in the first quarter of 2001. The larger financial-account deficit occurred despite a sizeable turnaround in portfolio investment; net portfolio investment flows were reversed from an outflow of R4,9 billion in the fourth quarter of 2000 to an inflow of R3,3 billion in the first quarter of 2001. On a net basis, foreign direct investment as well as other investment registered outflows in the first quarter of 2001.

## 26. Gross gold and other foreign reserves



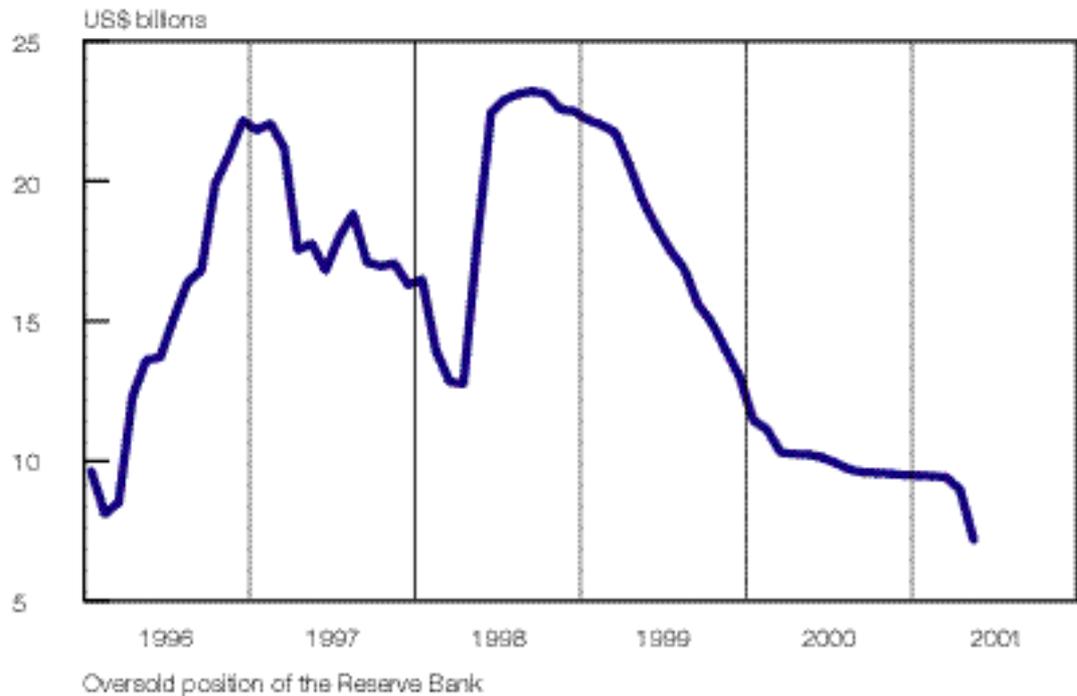
The value of South Africa's gross gold and foreign-exchange reserves increased by R3,6 billion from the end of December 2000 to an overall level of R87,8 billion at the end of March 2001. This increase was essentially caused by the depreciation of the rand against the US dollar during the first three months of 2001. The international reserve holdings of the Reserve Bank rose by R3,2 billion during the first five months of 2001.

## 27. International reserves of the Reserve Bank



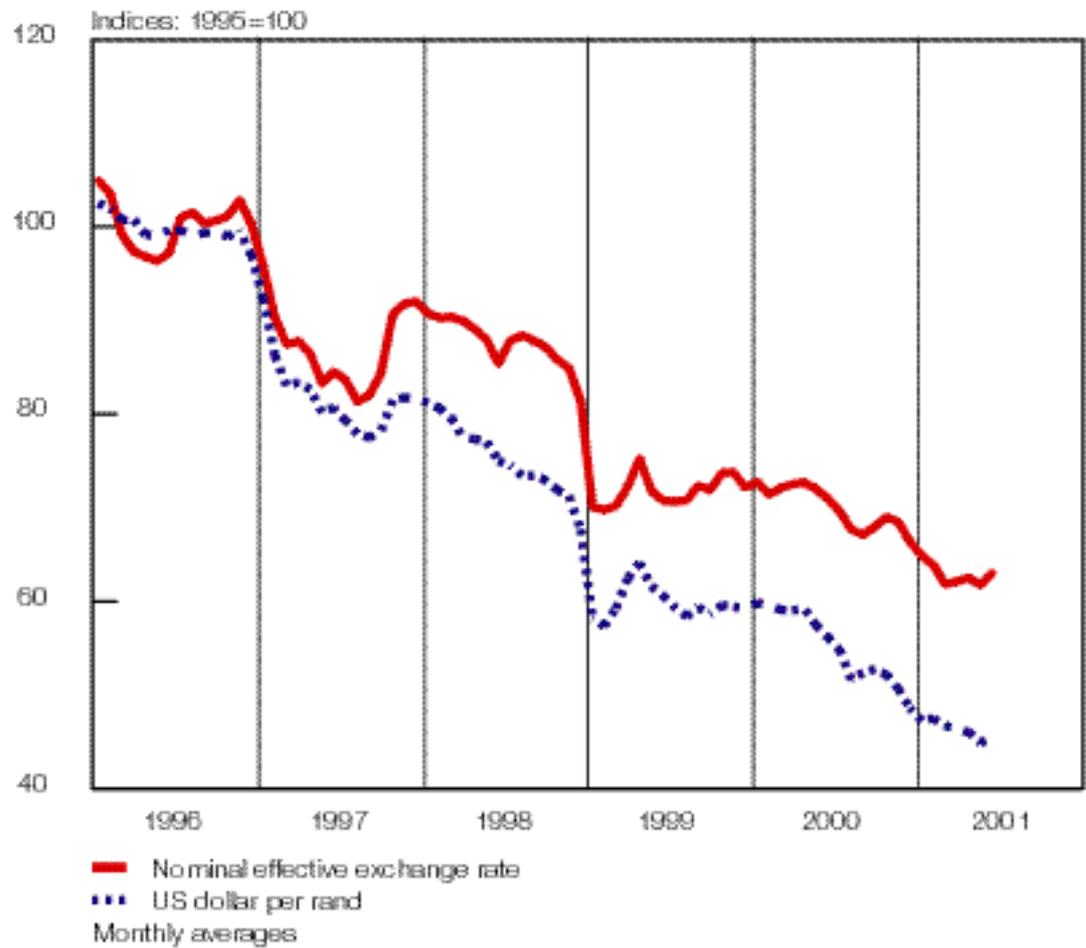
The international reserve holdings of the Reserve Bank increased from R57,0 billion at the end of December 2000 to R60,3 billion at the end of March 2001. This was followed by a slight decline of R0,1 billion rand in April and May 2001 when the available foreign currency was employed for reducing the Reserve Bank's oversold forward position in foreign currency. Short-term credit facilities utilised by the Reserve Bank rose from R19,7 billion at the end of December 2000 to R20,8 billion at the end of March 2001; at the end of May 2001 these facilities amounted to R20,7 billion. The Bank's non-borrowed reserves (i.e. total international reserves reduced by the amount of utilised foreign credit facilities) consequently rose from R37,3 billion at the end of December 2000 to R39,5 billion at the end of May 2001.

## 28. Net open position in foreign currency



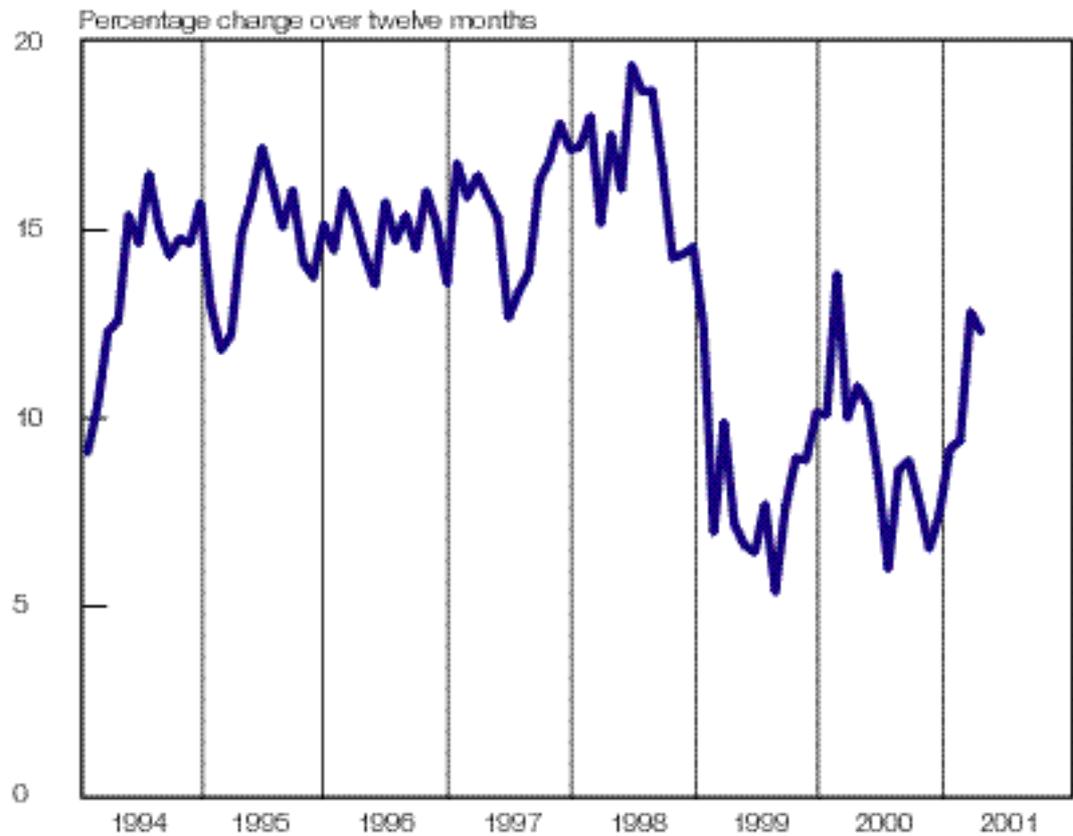
The Bank's net oversold position in foreign currency (i.e. the Bank's oversold forward position in foreign currency reduced by its net holdings of spot international reserves) declined from US\$9,5 billion at the end of December 2000 to US\$9,4 billion at the end of March 2001. During April and May the NOFP was reduced by a further US\$2,2 billion to US\$7,2 billion. Major contributions to this reduction were made by the national government's eurobond loan issue and part of the proceeds from the buy-out of minority shareholders in the De Beers diamond corporation.

## 29. Exchange rates of the rand



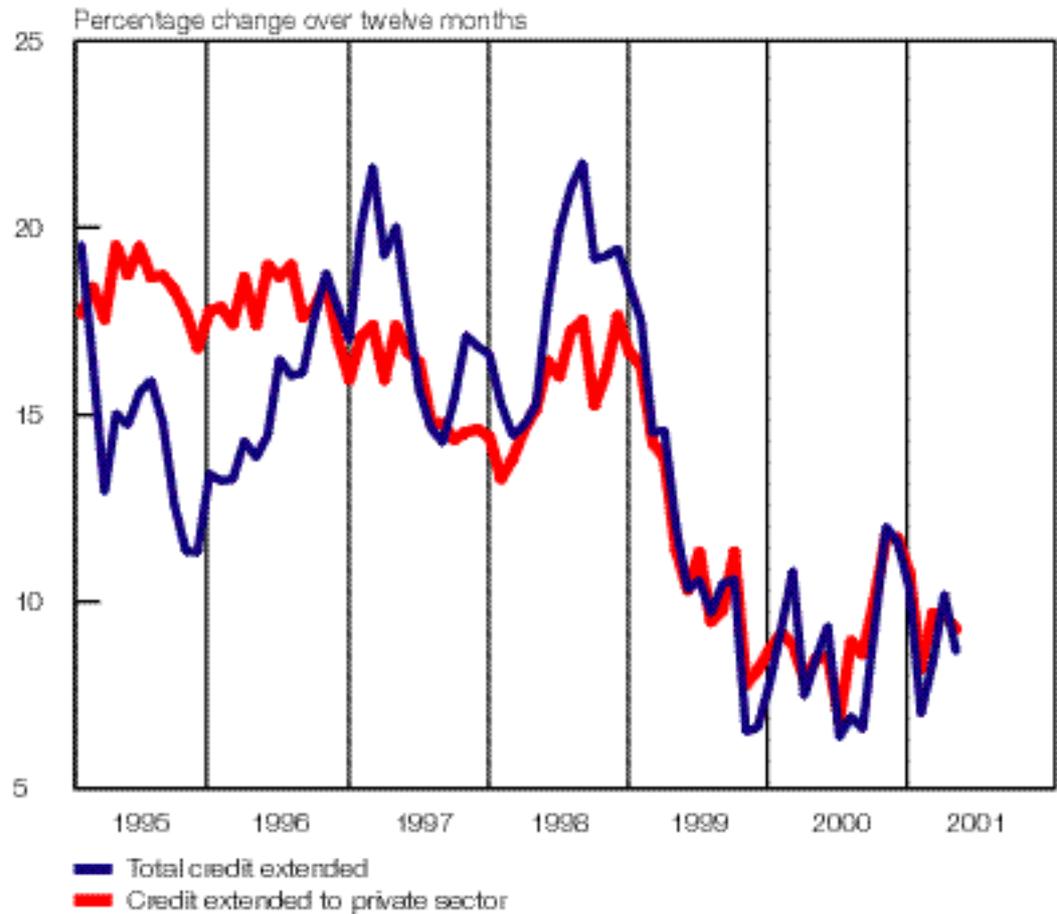
The nominal effective exchange rate of the rand depreciated on balance by 1,3 per cent in the first quarter of 2001. During the first 11 days of January, the weighted exchange rate of the rand weakened by some 4,6 per cent as the US dollar strengthened and most international fund managers failed to differentiate between different emerging markets. Only some time after it became known that the restructuring of the De Beers diamond corporation could lead to a substantial inflow of foreign capital into South Africa did the rand rally. In February 2001 the rand received a further boost when the international ratings agency Standard and Poors' reaffirmed the country's foreign-currency rating as investment grade. All this contributed to an increase of 4,8 per cent in the nominal effective exchange rate of the rand from 11 January 2001 to 31 May 2001.

### 30. M3 money supply



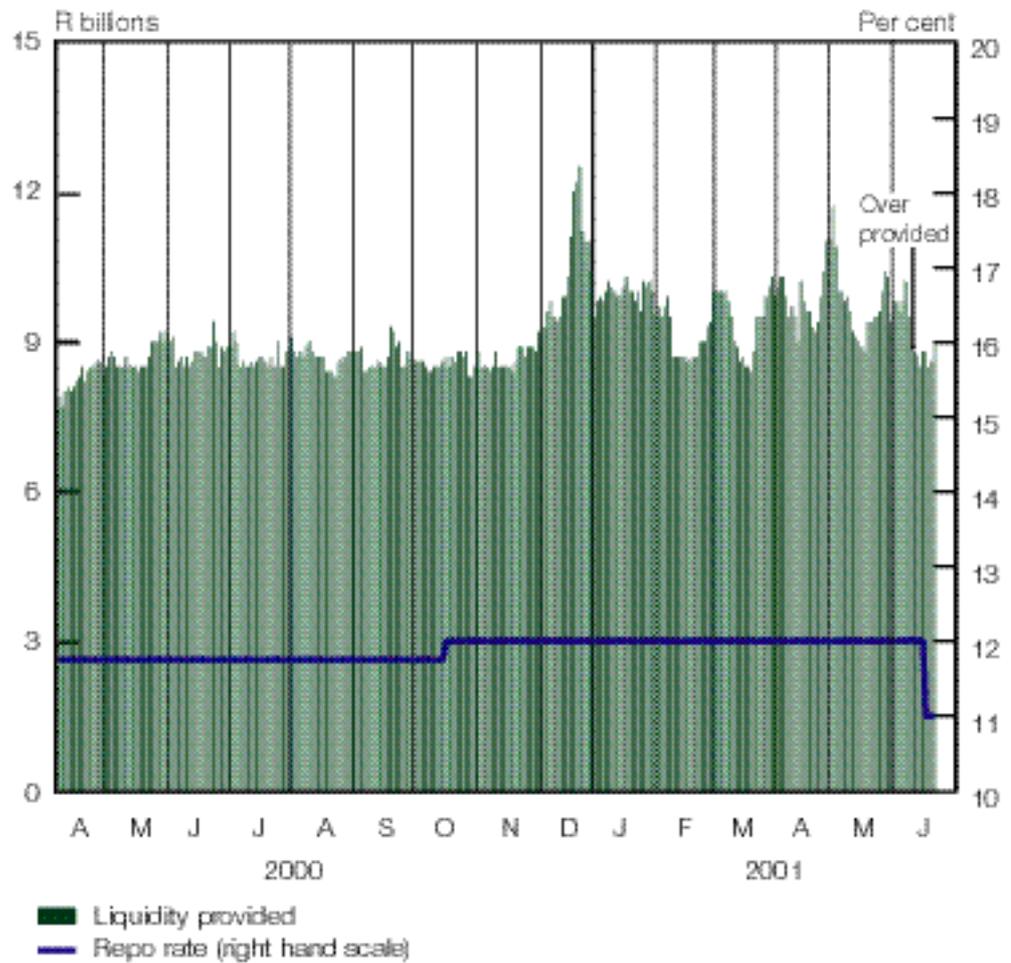
Twelve-month growth in M3 picked up from 6,0 per cent in July 2000 to 12,8 per cent in March 2001. It receded slightly to 12,3 per cent in April. Stronger domestic expenditure and income levels probably underpinned the brisk growth in M3 in early 2001.

### 31. Domestic credit extended



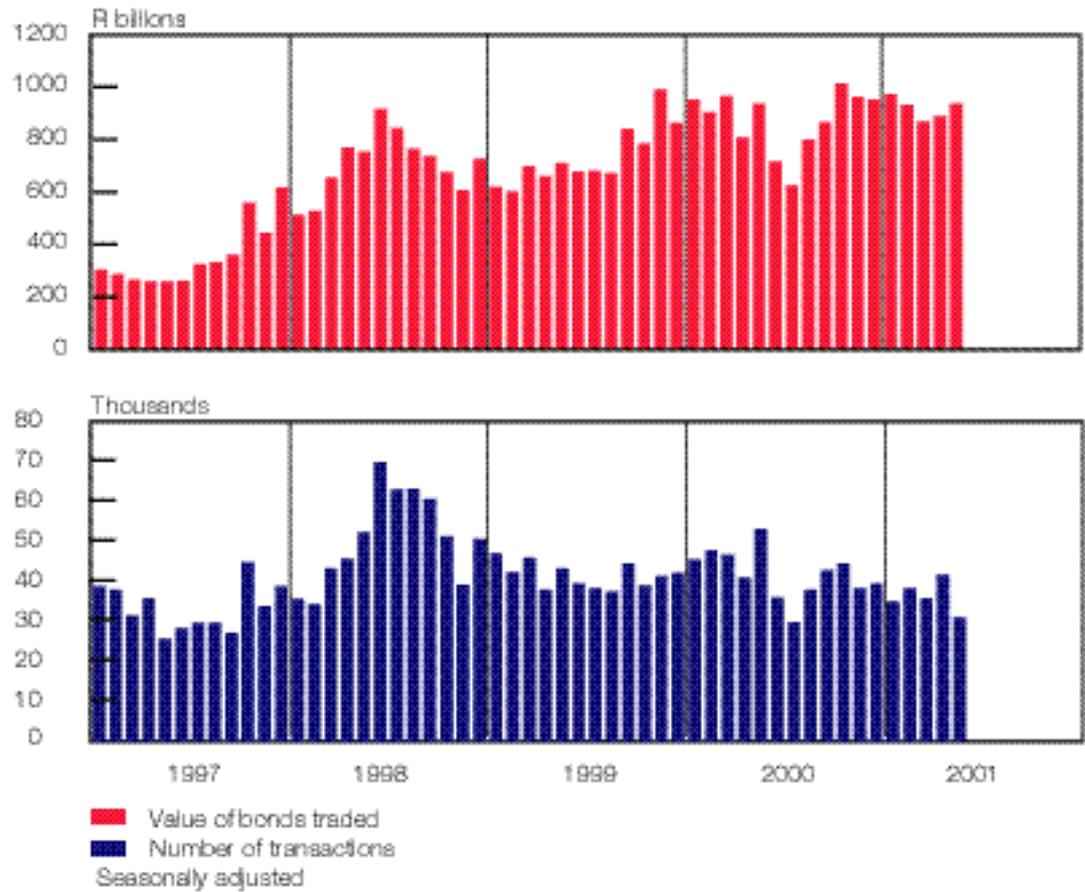
Twelve-month growth in credit extension to the private sector decelerated from levels higher than 10 per cent throughout the last four months of 2000 to 8,2 per cent in January 2001, mainly due to technical factors. Stronger demand for bank credit pushed this growth rate back to levels just below 10 per cent in the three months to April 2001. Growth over twelve months in total credit extension receded from 10,4 per cent in December 2000 to 8,7 per cent in April 2001.

### 32. Liquidity provided by SARB



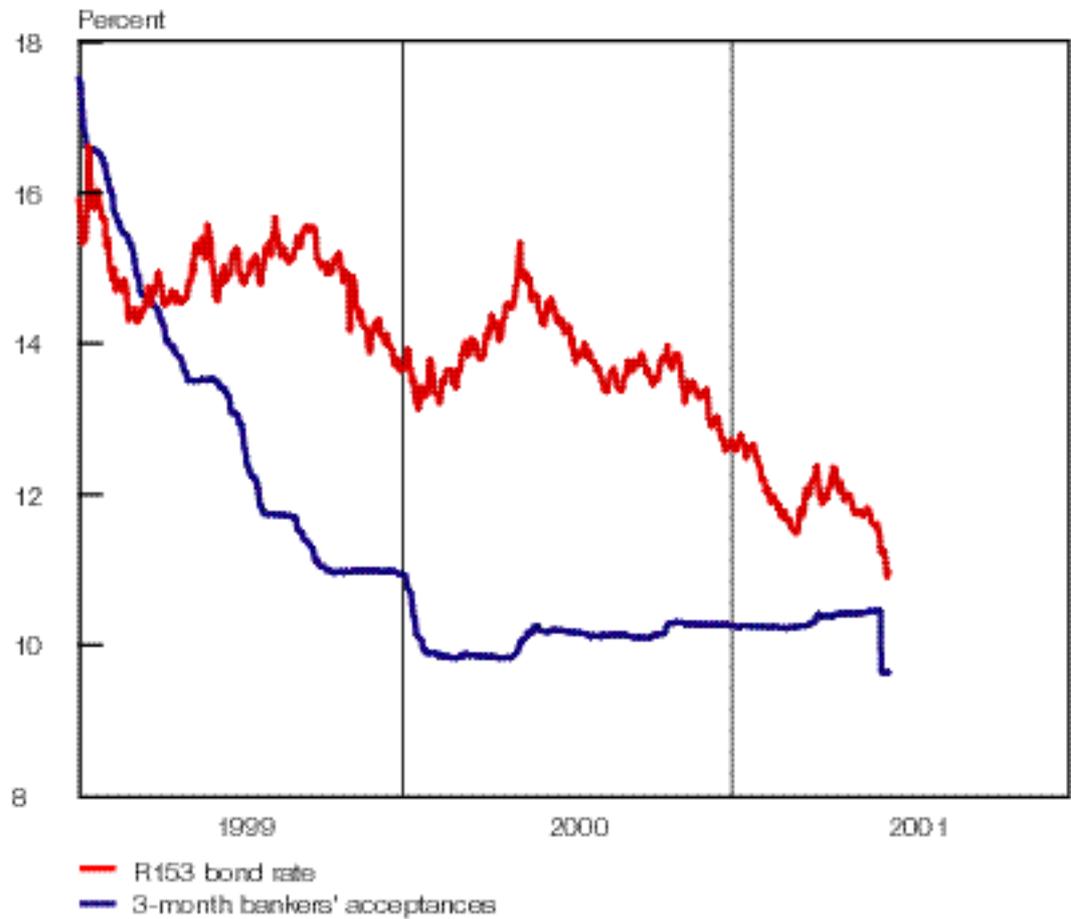
The Reserve Bank has since mid-October 2000 continuously accommodated in full the liquidity needs of private banks, sending a signal that it considered the prevailing interest rate on repurchase transactions of 12 per cent as appropriate. From 8 to 11 June 2001 some banks bid slightly higher rates at the repo tender, driving the average repo rate to a highest value of 12,03 per cent. The Reserve Bank responded by overproviding in the daily liquidity requirement to the amount of R20 million on 11 June and R100 million on 12 June, driving the repo rate back to 12 per cent from 12 June. The average daily liquidity requirement of the private banks decreased from R10,2 billion in December 2000 to R9,2 billion in February 2001, but then on balance increased to R10,7 billion in May. These relatively high levels of liquidity required by private banks were achieved through various Reserve Bank interventions in the money market.

### 33. Turnover in the secondary bond market



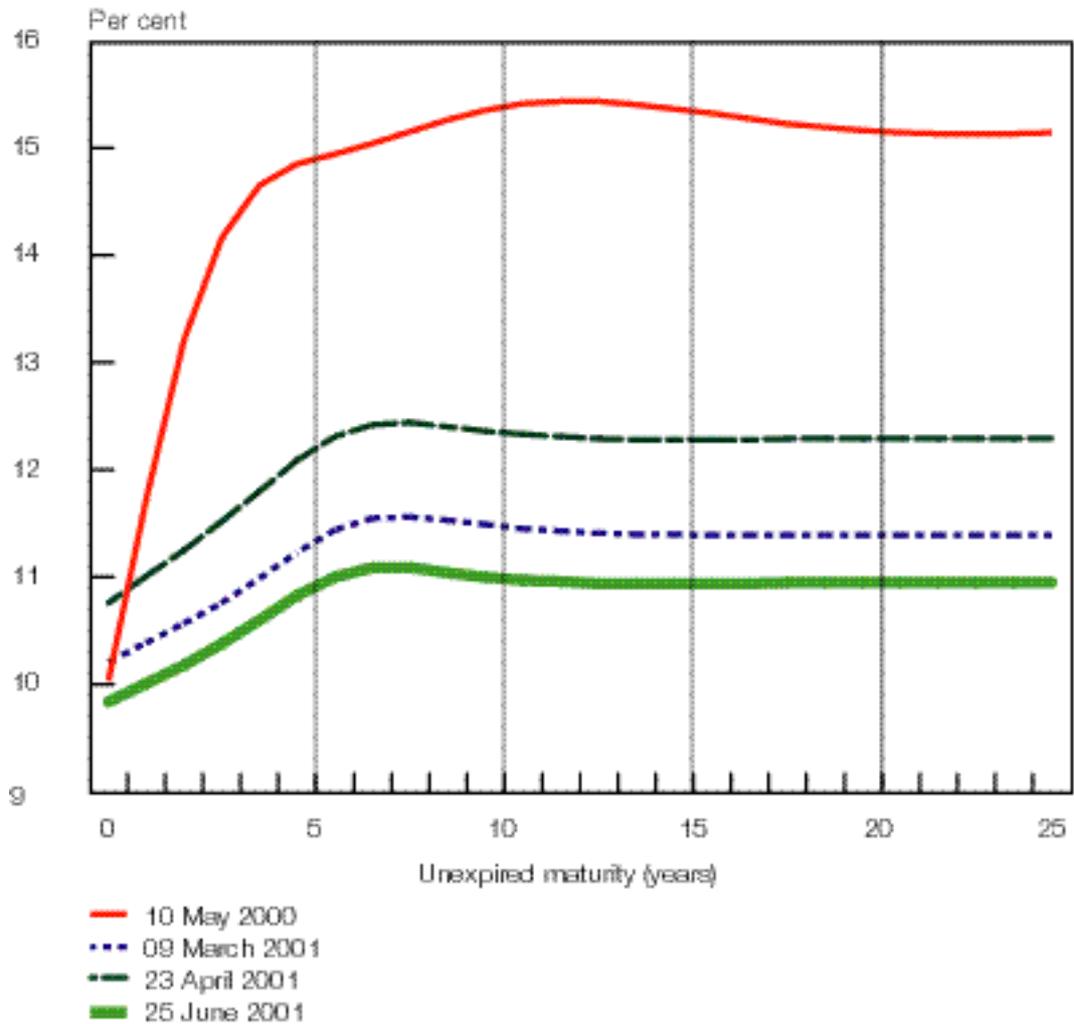
Short-term interest rates have been stable during 2000 and the first five months of 2001. As far as long-term rates are concerned, the R153 long-term government bond rate decreased sharply by a total of 91 basis points from the end of 2000 to the end of May 2001. This was mainly due to falling inflation domestically and the much improved sentiment in the world securities markets, encouraging some buying interest to return to the South African market.

### 34. South African interest rates



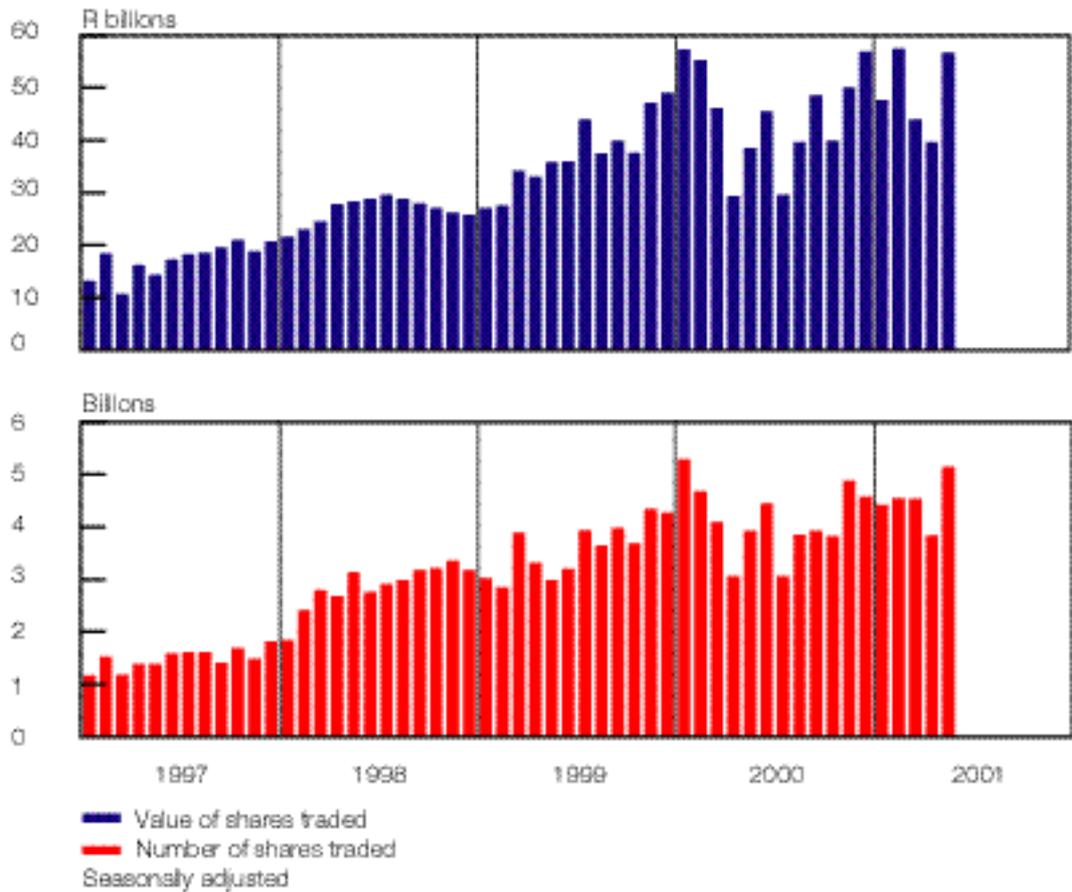
Short-term interest rates have been fairly stable during 2000 and the first 5½ months of 2001. Towards the end of March 2001, money market rates rose slightly, partly in reaction to the volatility in the exchange rate of the rand. As far as long-term rates are concerned, the R153 long-term government bond rate decreased sharply by a total of 91 basis points from the end of 2000 to the end of May 2001. This was mainly due to falling domestic inflation and the improved sentiment in the world securities markets, encouraging some buying interest to return to the South African market.

### 35. Yield curve



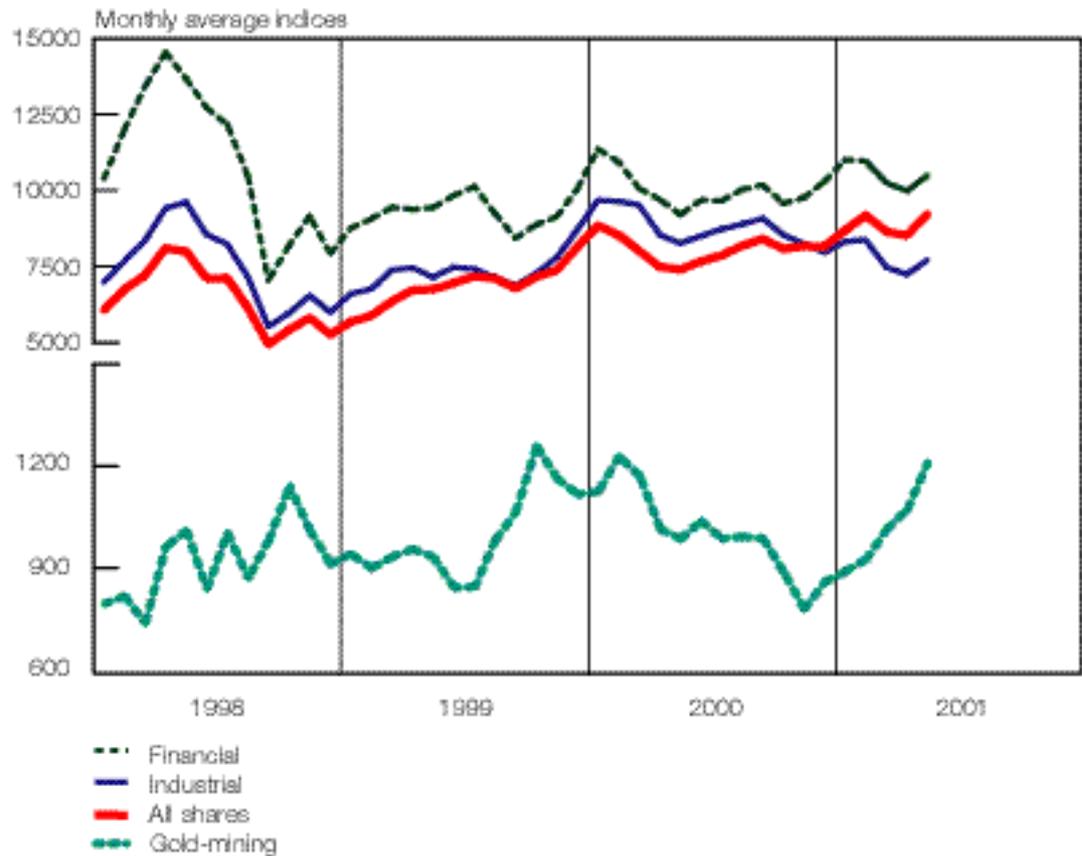
The upward sloping yield curve has become significantly flatter since reaching its peak for 2000 on 10 May as bond yields at the short end of the curve remained range-bound whilst long-term yields descended rapidly in the period up to 9 March 2001. The yield curve then shifted higher over its entire maturity spectrum to 23 April in response to heightened uncertainty in international financial markets and inflationary concerns following the depreciation of the rand against the dollar and the high level of international petroleum prices. After 23 April 2001 long-term yields declined again, but those on short-dated securities remained broadly unchanged. By the end of May 2001 the yield differential between short-and long-dated bonds had narrowed appreciably, but even at that lower level still reflected some concern about domestic inflation.

### 36. Turnover in the secondary share market



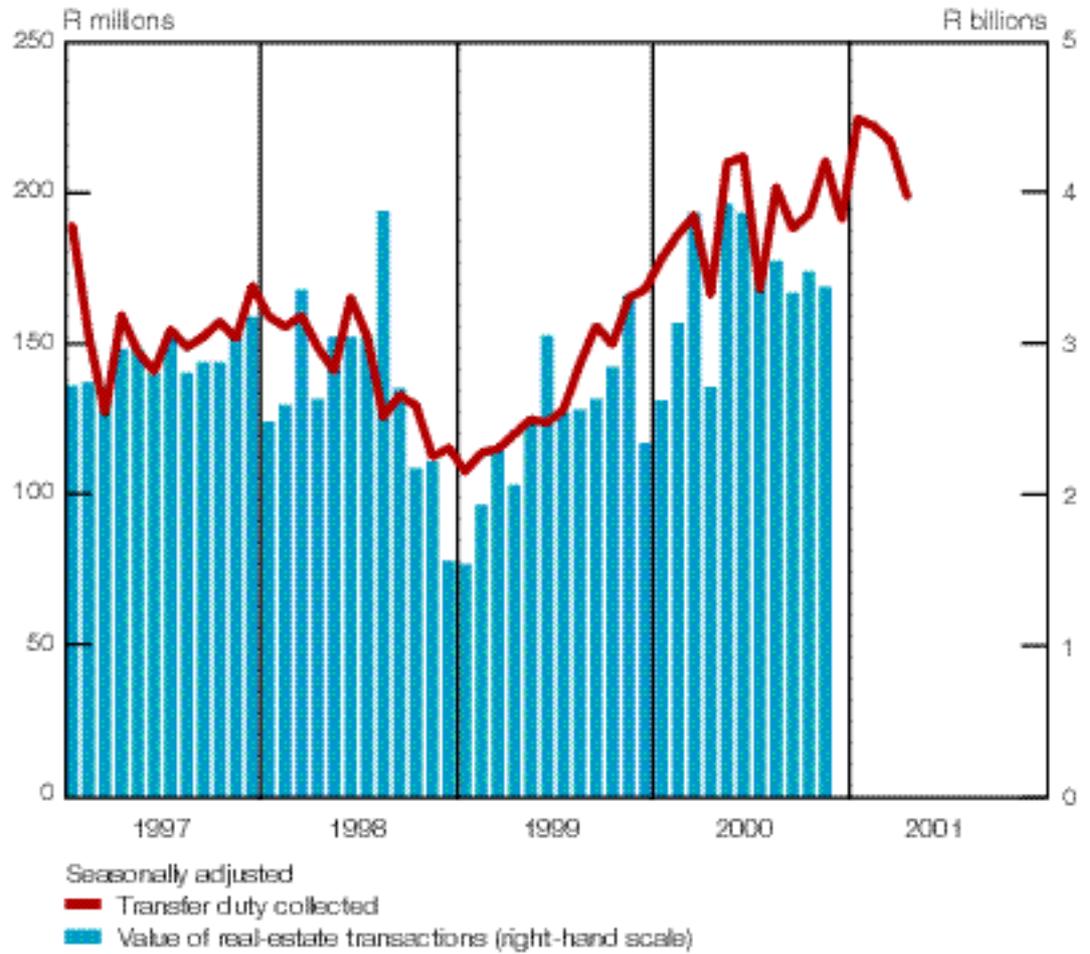
Shares to the value of R537 billion were traded on the JSE Securities Exchange SA in 2000, about 20 per cent more than the previous record set in 1999. The seasonally adjusted quarterly value of turnover declined from an all-time high R158 billion in the first quarter of 2000 to an average of R115 billion in the second and third quarters, before increasing to R147 billion in the fourth quarter and R149 billion in the first quarter of 2001. The seasonally adjusted monthly value of turnover in the secondary share market increased to an all-time high R57 billion in February 2001, but declined by 31 per cent to April, before recovering strongly by 43 per cent in May. In contrast, the seasonally adjusted *number* of shares traded receded by 16 per cent from February 2001 to April, followed by an increase of 34 per cent in May.

### 37. Share prices



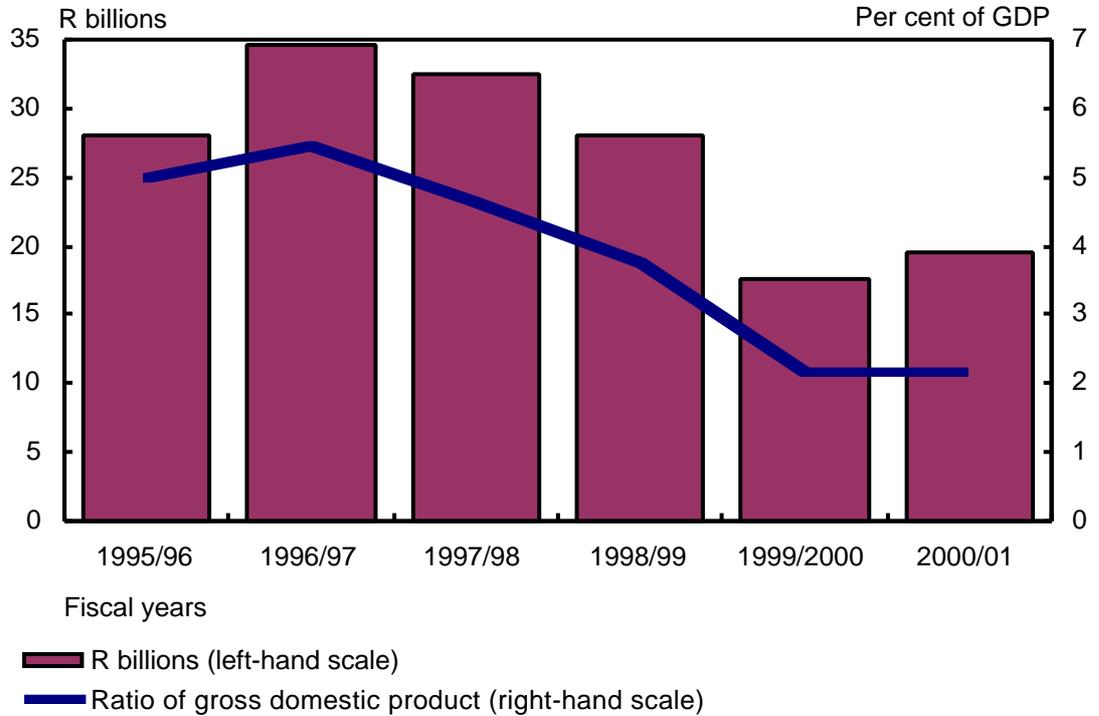
The monthly average price level of all classes of shares increased by 24 per cent from a recent low in May 2000 to February 2001. In the ensuing period from February 2001 to April the monthly average level of share prices declined by 7 per cent. This decline in share prices resulted from adverse market conditions when uncertainty about global economic growth led to large and contagious market corrections all around the world. Share prices subsequently recovered by 8 per cent to an all-time high in May 2001 as sentiment in international share markets improved in response to the series of reductions in the US official interest rate thus far in 2001. Uncertainty in the international financial markets also found a response in the share prices of gold-mining companies. The monthly average price level of gold-mining shares recorded an increase of almost 55 per cent from a most recent low in November 2000 to May 2001 notwithstanding increases of only US\$7 or R129 per fine ounce in the monthly average price of gold over this period.

### 38. Real-estate market



Activity in the real-estate market which became increasingly buoyant in 1999, in the wake of the decline in mortgage bond rates, levelled off at a relatively high level in 2000. Real-estate business remained brisk in the early months of 2001 as indicated by the increase of 19 per cent in the seasonally adjusted value of revenue accrued from transfer duties in the first four months of 2001 compared to the corresponding period of 2000.

### 39. Non-financial public-sector borrowing requirement as a ratio of gross domestic product



The non-financial public-sector borrowing requirement has been substantially reduced to 1,7 per cent of gross domestic product in the first nine months of fiscal 2000/01. This was primarily brought about by an improvement in the financial results of provincial governments and the non-financial public-sector business enterprises.