Improving public sector debt statistics in South Africa

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Abstract

This paper proposes a number of systematic actions which can be taken to reduce the pitfalls and blind spots in the analysis and understanding of government debt, and describes a number of advances made in the compilation and analysis of public sector debt statistics in South Africa. Particular areas of focus include the broadening of such statistics to include all levels of government and public enterprises; the addition of data on loan guarantees extended by government; the addition of index-linked debt securities; and the compilation of statistics on public sector debt instruments by holder in an environment complicated by indirect holdings through structures such as nominee companies. Further improvements that are currently being worked on are also discussed.

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1. Introduction

Measurement and context matter a great deal when considering developments in government debt. The South African Reserve Bank (the Bank) naturally takes a keen interest in the finances of the public sector, not least since a sound grasp of fiscal policy is necessary to inform monetary policy and since the health of the public finances also has such a strong bearing on financial stability – both elements of the central bank's mandate. Sound statistics on and analysis of the public finances are therefore crucial to the execution of the central bank's task.

In South Africa public debt management resides with the Assets and Liabilities Unit at National Treasury, while the national statistics office, the National Treasury and the central bank join forces in the compilation, dissemination and analysis of official data on the finances of the public sector. The ongoing exchange of information between these institutions is an integral part of this process. The Bank is in particular responsible for the compilation of the public-sector borrowing requirement in South Africa, and for the government sector aggregates in the national accounts.

This paper starts by considering a toolkit or route map for those interested in detective work in the area of government debt statistics. It then outlines the scope of the public sector in South Africa and the relationship between the institutions involved in compilation and dissemination of public finance and debt statistics. This is followed by a description of key additions and enhancements made in the area of South African public sector debt statistics over the past two decades. Attention then turns to illustrating some of the types of data which are currently available, as well as showing a few examples of the provision of additional data and analysis to enrich and contextualise government debt data. The paper also highlights a number of thorny issues and challenges which remain, before concluding.

2. A toolkit for government debt detective work

The discussion in this section is not peculiar to South Africa, but applies to the analysis of government debt statistics in general. It proposes a number of systematic actions which can be taken to reduce the pitfalls and blind spots in the analysis and understanding of government debt. Fortunately many of these are already fairly standard across the world. However, it sometimes takes exceptional strain to the financial system to focus the full attention of government debt "detectives" on some of the dimensions of the toolkit.

In analysing and understanding the government debt, ***accuracy and sound measurement*** are essential points of departure, reinforced by appropriate and independent verification and auditing processes and reporting. These cornerstones must be in place – which may of course be easier said than done. If they are not, getting them in place must be a primary thrust of activity related to government debt.

The ***institutional coverage*** of the government debt is an important dimension. Exclusive or predominant focus on the central government finances and debt could lead to undue complacency in situations where the deficits and debt accumulation are shifted to lower levels of the general government, whether by design or by default. Sound practice is to build up a comprehensive picture of indebtedness at every level of government and analyse it critically on an ongoing basis. Furthermore, this should be extended to the public sector beyond general government by also including public corporations and enterprises. While the assumption is often made that the public corporations and enterprises are self-financing, charging prices for their products and services adequate to cover their costs, there is good reason to focus considerable attention on this institutional grouping too. Otherwise an unscrupulous general government institution, lacking adequate tax revenue and fearing steep escalation of its indebtedness, could hive off some of its activities to a parastatal institution and (for a while at least) let the financial deficits and indebtedness accumulate in the latter entity.

Close scrutiny of indebtedness should not only be reserved for the non-financial public sector, but should also be extended to the financial institutions in the public sector. And within the latter group of institutions, the central bank deserves special mention. Episodes of undue expansion or contraction in its unique debt instrument – the banknotes and coin officially sanctioned as legal tender in the economy – are particularly potent in triggering or accommodating macroeconomic instability. Control over the central bank's printing press is often the last resort when all the other avenues for financing public sector expenditures have been exhausted, and may easily culminate in hyperinflation. On the asset side of the central bank's balance sheet, key variables to scrutinise are the central bank's claims on the government sector, the domestic banking sector and the domestic non-bank private sector. A further checkpoint is the subsidiaries of the central bank, if any; a consolidated analysis of the central bank group accounts is helpful.

Related to the various levels of government, the measurement of debt may be usefully expanded by catering for both ***the aggregate and the consolidated levels of debt***. Monitoring the gross indebtedness positions between various institutions and institutional groupings within the public sector can be useful, given the vast differences in sources of revenue and other circumstances affecting each of these. Drilling down into these gross indebtedness positions to establish the maturity profile (current, or in arrears for various periods) of each of these can be particularly revealing. Consolidation, in which claims between public-sector institutions are netted out, can similarly be helpful in underlining the extent to which the public sector is indebted to other institutional groupings.

The measurement of public-sector debt is also enriched by allowing for both the ***nominal and market value*** of the debt. Memorandum items, notes or special tables may be utilised to state the results of the different valuation methodologies. While the nominal value of the debt is often taken as a starting point, market value is of crucial interest in assessing government's indebtedness. Marking to market is for instance important in the case of "original sin" borrowing, where government has borrowed in a "hard" foreign currency and revaluation of the debt is necessary to present the current extent of government's commitments expressed in national currency.

Detective work around public sector debt should also be prepared to focus on ***other financial instruments*** beyond loans and debt securities. For instance, borrowing that cannot be serviced may be converted into equity instruments such as shares or preference shares. Positions in derivatives can similarly be utilised to reduce or replace certain types of borrowing.

A final point on the roadmap is the need to evaluate developments in the public-sector debt in as ***broad a context as possible***. This has a time dimension: checking the history of the debt variable concerned is helpful. If it seems to be headed for an extreme value it is an additional reason for vigilance and further analysis of debt sustainability. But it also extends to evaluating the debt and debt service cost incurred in the context of all other economic variables – for instance the assets that were acquired against the debt that was incurred; the size and composition of the balance sheets of the indebted sector and its counterpart sectors in the economy; and the strength of the tax base or revenue stream that must service the debt. Of special importance for analysis of debt sustainability at the macroeconomic level are the medium to longer-term real growth rate of the economy; the rate of inflation; and the level of interest rates. Stronger growth, higher inflation, or lower interest rates contribute to greater sustainability of a given level of debt. This is of course in an "all other things equal" sense only – one should for instance be mindful of the fact that while higher inflation raises nominal gross domestic product and the nominal tax base and thereby (in the first round) debt sustainability, the higher inflation will in time also raise interest rates, thereby reducing debt sustainability.

3. Scope of the South African public sector and relationship between agencies involved in public finance statistics compilation and reporting

General government in South Africa essentially functions on three levels: National, provincial and local, with significant fiscal transfers flowing from the higher to the lower levels. The number of institutions in the South African public sector is currently fairly stable, and is summarised in the accompanying table.

Number of institutions in the South African public sector, June 2014

Institutional grouping		Number
1. National government		1
2. Provincial governments		9
3. Extra-budgetary institutions		244
4. Social security funds		4
5. Local governments		278
Metropolitan	*8*	
District	*44*	
Local	*226*	
6. Financial public corporations		7
7. Non-financial public corporations		32
8. Water boards		12
Total		**587**

National government includes 38 national votes.

Provincial governments together have 123 departments.

As far as reporting on fiscal activities including public-sector debt is concerned, there exists a long-standing relationship between the South African Reserve Bank (the Bank), National Treasury and Statistics South Africa (Stats SA) reinforced through various memoranda of understanding for sharing financial and non-financial economic data in various formats.

A Public Sector Classification Committee (PSCC), established in 2010, serves to coordinate the classification of the institutional units and subsectors in the public sector for purposes of reporting to national and international stakeholders. The classification list is available to the public. Representatives of the Bank, National Treasury, South African Revenue Service and Stats SA serve on the PSCC.

National Treasury supplies the Bank with national government debt data on a monthly basis. The Bank compiles the debt statistics for national government on a monthly basis and releases the data via the Bank's internet site. The information is also sent to the International Monetary Fund (IMF) and Bank for International Settlements (BIS). The Bank also receives information from other institutions such as the Public Investment Corporation. Information from all these sources are used to compile the debt of national government as published in the Bank's *Quarterly Bulletin*. Annually, National Treasury publishes debt statistics in its *Budget Review*. There is also a chapter in the *Budget Review* on asset and liability management where the national government debt is described in detail. More generally, the National Treasury prides itself in providing comprehensive fiscal information to the public. South Africa for instance ranks second out of 100 countries for the transparency and accountability of its budget processes, according to the *Open Budget Index 2012* report prepared by the Washington-based International Budget Partnership.

As far as local government is concerned, the Bank on a quarterly basis receives balance sheet data from Stats SA via the latter institution's *Quarterly Financial Statistics* (QFS) survey. This is used to prepare a summary balance sheet which is published in the *Quarterly Bulletin*; the outstanding debt is extracted from the balance sheet. Data may be revised later on when Stats SA publishes its *Financial Census of Municipalities*, which covers the financial year of municipalities.

The Bank receives information from the financial and non-financial public corporations via a survey which it conducts itself, and uses it to compile a balance sheet for these institutions inter alia including the value of outstanding debt. As they become available, annual reports of these institutions are later used to validate or revise the balance sheet data.

4. South Africa's experience: Additions and enhancements in the public-sector debt and finance statistics since 1990

In South Africa measures of government debt and fiscal activity have been refined and broadened over the years, keeping pace with developments in the capital market and in the political sphere.

In the early 1990s negotiations were in progress to establish a fully democratic constitution and government in South Africa. At that time the government setup was complicated. The territory known today as "South Africa" consisted of four "independent" countries – Bophuthatswana, Ciskei, Transkei and Venda – and South Africa. The four "independent" countries were not recognised by the international community, being homelands created by the pre-1994 government of South Africa, and remained largely dependent on fiscal transfers from the central government of South Africa to finance their government expenditure. Nevertheless they had their own governments, budgets and administrations. In the part of South Africa excluding these four "independent" states there were also four provinces and six non-independent homelands, again all largely dependent on fiscal transfers from the central government of South Africa, and also with own budgets and administrations. Furthermore, South Africa was also in control of Namibia – another entity with its own budget and administration.

Namibia gained independence on 21 March 1990, resulting in its extraction from the South African fiscal and other macroeconomic accounts. Furthermore, on 27 April 1994 South Africa achieved full democracy within a government framework that no longer provided for "independent" and "non-independent" homelands, but only for a national government as first level of government, nine provinces as second level of government, and local authorities as third tier of government. The homeland functions and administrations were migrated, mainly to the relevant provincial governments.

While the above description sounds relatively straightforward, fiscal administration and compilation of public finance statistics during the period of transition was complicated, as government services had to continue to be provided as restructuring took place. In many instances government revenue and expenditure flows were diverted from one entity to another, with the switching not coinciding with the start of the new fiscal year. Revenue and expenditure at each level of government as well as intergovernmental financial flows and positions therefore were jumpy in the first years of democracy. For a while at least it was probably more useful to concentrate fiscal analysis on the consolidated general government rather than its separate constituents. The challenging environment normalised as the new structures stabilised in the second half of the 1990s.

During the political transition and beyond, difficulties were also encountered in the area of local government statistics. With hundreds of municipalities spread across the country – and in part overseen by provincial governments and in part by homeland governments – local government reporting was not uniform, with consequences for the quality of statistics. The interim Constitution of 1993 and the final Constitution of 1996 laid the foundation for integrated local governments covering the entire area of the Republic of South Africa. This sphere of government now essentially consists of metropolitan, district and local municipalities. Financial management remains a concern in many of these municipalities, with a significant number of them receiving qualified audit reports to this day. However, statistical reporting has improved, not least because certain transfers of funds from higher levels of government to municipalities are conditional upon the reporting of the necessary information by the municipality concerned. This has resulted in improved building block statistics on the finances of local government.

Apart from the traditional emphasis on the national government finances and debt, a non-financial public-sector borrowing requirement for South Africa has been regularly compiled and disseminated since 1991, worked back to 1973. This exercise has continued despite the challenges related to the structural shifts in government referred to above. Furthermore, as the structures under the new Constitution have stabilised, statistical quality has improved with comprehensive coverage of government institutions. As mentioned above, in order to ensure that all public sector institutions are identified and correctly classified, a classification committee which includes staff of the Bank, Statistics South Africa, the National Treasury and the South African Revenue Services was formed in 2010 and meets regularly to perform its functions.

The team compiling public finance statistics have undertaken roadshows to respondents in the public sector, to explain the importance of the information submitted and clarify the interpretation of the key concepts used and statistics required. This outreach action has been quite successful. At the level of day-to-day operations, electronic (rather than paper) submission of information has also resulted in improved timeliness and accuracy.

The range of debt instruments issued by the South African government has broadened over the years. Conventional nominal-value bonds with six-monthly coupon payments, denominated in domestic currency, nevertheless continue to constitute the bulk of the government debt. Treasury bills also contribute significant amounts. Inflation-linked bonds were introduced for the first time in 2000, and have grown considerably in popularity over time. In May 2004 the South African government also launched RSA Retail Savings Bonds, as an alternative avenue for saving for the public and at the same time, a form of funding for government. These instruments, geared towards retail investors, have been successful and are currently available in both conventional and inflation-linked variants. From February 2009, National Treasury introduced Treasury bills with a maturity of 364 days. This added an additional maturity reference point on the yield curve, and further diversified the range of Treasury bills, being issued in 91-day, 182-day, 273-day and 364-day maturities.

From 1998/99 the South African government introduced a three-year rolling budget system, replacing the one-year budget system that had previously been used. This brought additional discipline, consistency and transparency to the fiscal processes, including the estimates and projections of government debt.

In 2000 National Treasury started to disclose national government debt not only on a gross, but also on a net basis in its annual *Budget Review*. This approach is also followed by other countries and is consistent with the disclosure recommendations of the International Monetary Fund (IMF) released in its publication *Public Debt Statistics: Guide for Compilers and Users*. This approach highlights the importance of monitoring not only one side of an institutional unit's balance sheet but both sides, in order to gauge true net exposures, net worth, and other indicators where relevant asset and liability items are combined or netted.

Foreign currency denominated debt constitutes a much smaller part of the government debt than debt denominated in domestic currency. South Africa returned to the international capital markets in 1994 after the lifting of financial sanctions with a global issue which was underwritten by a group of the world's leading financial institutions. In subsequent years the South African government continued to access the international bond market, and also made use of loans in a variety of forms, including financing agreements on favourable terms concluded at the beginning of the new millennium for a large defence procurement programme which involved the acquisition of military hardware, mainly from foreign suppliers.

5. Special focus areas

5.1 Institutional coverage of debt

Table 1.1 in the Statistical Appendix shows the level of public-sector debt as incurred by four main institutional subgroupings within the public sector. It should be noted that it is not fully comprehensive; for instance the debt of the social security funds and of the central bank have not been incorporated.

5.2 Debt by instrument

Table 1.2 in the Statistical Appendix shows the same aggregate level of public-sector debt as in Table 1.1, but in this instance disaggregated by type of instrument. Debt securities is the most important instrument, followed by loans and accounts payable.

5.3 Equity interest

Table 1.3 in the Statistical Appendix illustrates that government equity holdings in public corporations and enterprises are relatively limited; an equity interest may in some instances be preferred to debt financing.

5.4 Government-guaranteed debt

In addition to its direct indebtedness, the national government is also a guarantor of the debt of certain general government bodies. The government has issued formal contractual guarantees in respect of certain debt of wholly or partially state-owned entities, within a set of guidelines. Consistent with these guidelines, guarantees are largely restricted to concessionary loans to public enterprises, project finance for infrastructural development and facilities in support of the restructuring of public enterprises. Considerable work has been done to identify and quantify the guarantees extended by government to support the debt instruments issued by other institutions in the public sector. This has culminated in the publication of such information as part of the official dissemination of economic statistics. These guarantees are reported as a memorandum item. It will constitute debt only if the entity in question defaults on its guaranteed obligations. However, it is important to note the potential risk locked up in these contingent liabilities. Table 1.4 in the Statistical Appendix summarises the extent to which government guarantees the debt of other entities.

5.5 Provisions and contingent liabilities

Provisions and contingent liability data and projections are shown in Statistical Appendix Table 1.5. Provisions are liabilities for which the payment date or amount is uncertain. The provisions for the multilateral institutions are the unpaid portion of government's subscription to these institutions, which are payable on request. Included in provisions are the obligations of the Road Accident Fund and the Unemployment Insurance Fund. Contingent liabilities are obligations, such as government guarantees, post-retirement medical assistance and claims against government departments that only result in expenditure when a specific event occurs. The National Treasury publishes detailed information on provisions and contingent liabilities in the Annual Consolidated Financial Statements of national departments.

As at 31 March 2014, net loan debt, provisions and contingent liabilities were expected to amount to 54,8 per cent of gross domestic product, and are projected to reach 57,1 per cent of gross domestic product by 31 March 2016, before falling to 56,7 per cent in 2016/17. This remains below the Southern African Development Community's macroeconomic convergence target of 60 per cent of gross domestic product, and compares favourably with many developed countries. However, if the total public sector debt is calculated, including social security funds and provisions it amounted to 62,3 per cent of gross domestic product in fiscal 2011/12 and increased to 69,9 per cent of gross domestic product as at 31 March 2013. The National Treasury carefully monitors provisions and contingent liabilities and their potential impact on the fiscus.

5.6 The valuation of government debt

Both the nominal and the market value of government's debt are monitored, as illustrated in the accompanying table. It is helpful that the market for South African government securities is quite liquid: monthly turnover in government bonds in the secondary market is usually more than the entire stock outstanding of such debt instruments, avoiding the difficulties of price discovery in thin markets.

Outstanding balances of national government bonds listed on the JSE

End of June 2014

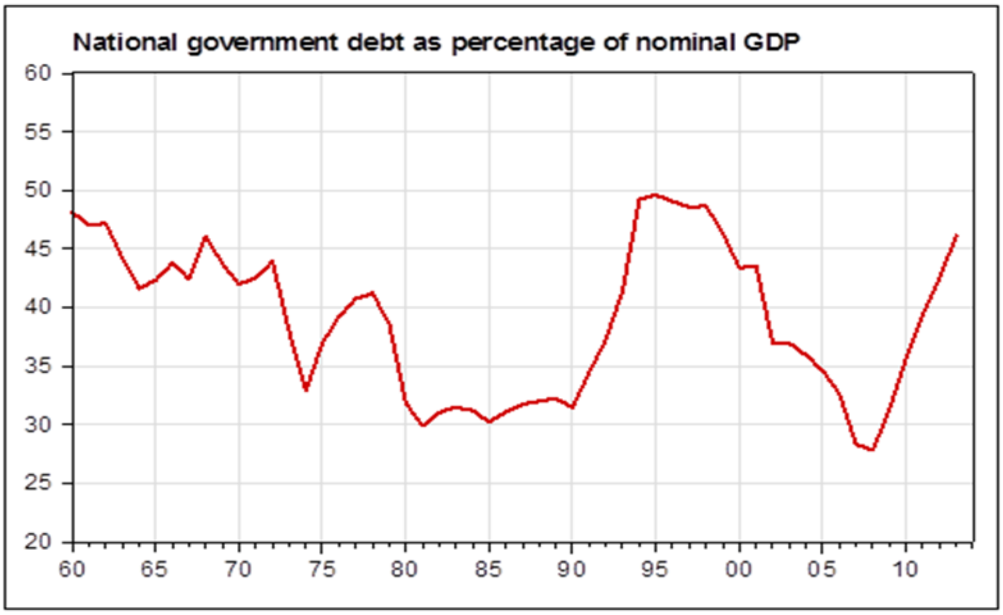
R billions

Type	Nominal value	Market value
Conventional bonds	957	944
Inflation-linked bonds	319	605
Zero-coupon bonds	1	1
Total	1 277	1 550

6. Providing additional data and analysis to enrich and contextualise government debt data

This section is merely illustrative. The appropriate context to be provided will depend on the issue being investigated. Nevertheless, it is helpful that for South Africa fairly long time series are available for most components of the government debt, so that the time dimension and identification of outliers in a historical context can be reasonably addressed. The graph below for instance spans five decades of data on the national government debt ratio.

National government debt as percentage of nominal GDP

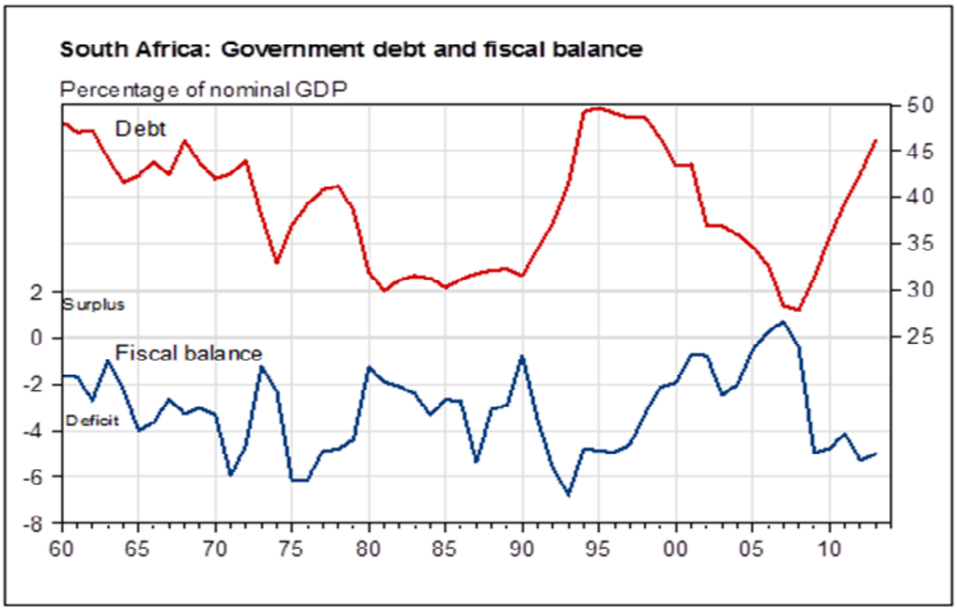


The usefulness of government debt data may be further increased by presenting it in combination with appropriate additional data. As already indicated, it is important to keep track of not only the central government debt but also that of other levels of government and public corporations, and be mindful of public corporations attracting funding by issuing shares rather than debt securities to provide a more holistic funding picture.

In terms of the analysis of debt sustainability, it is instructive to trace trends in the debt, fiscal and primary fiscal balance ratios (as percentages of gross domestic product) alongside trends in economic growth, inflation and interest rates. The graph below for instance illustrates the impact of the generally subdued economic conditions after the financial crisis of 2008 on the fiscal balance and debt ratios.

Government's debt service cost can also help inform the analysis of government debt. The line on the graph below shows how fiscal discipline and containment of government debt together with lower nominal interest rates in the wake of lower inflation reduced the debt service cost of national government relative to gross domestic product from the late 1990s; the downward trend was maintained up to the onset of the global financial crisis. In the six years subsequent to the crisis, however, countercyclical fiscal policies with an accompanying increase in government debt have resulted in a renewed increase in the debt service ratio.

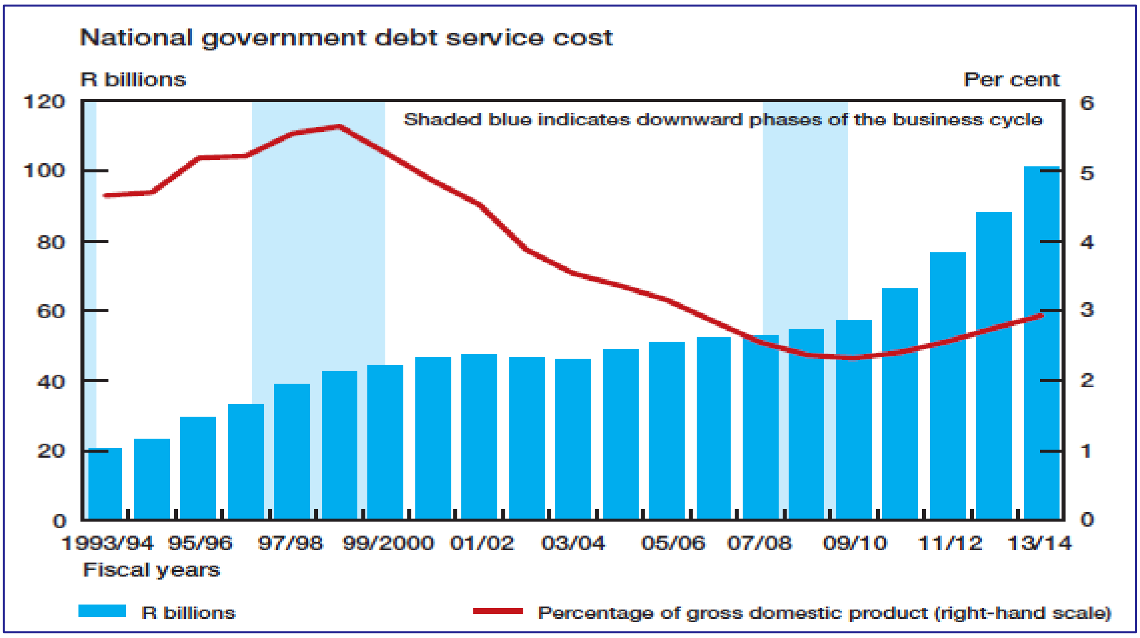
South Africa: Government debt and fiscal balance



South Africa currently disseminates the following information on interest payments in the *Quarterly Bulletin* of the Bank:

- Redemption schedule of domestic marketable bonds of national government (bond, coupon rate, redemption date and holder);
- interest payment schedule of domestic marketable bonds of national government for one year hence;

National government debt service cost



- redemption schedule of foreign debt of national government (description, coupon rate, redemption date and capital repayment); and
- interest payments schedule of foreign debt of national government for one year hence.

There are numerous further dimensions to the broader context that should be kept in mind when analysing government debt and fiscal outcomes. These are as wide-ranging as the country's stage of economic development, its level of external debt and current-account balance, the level of and trend in private-sector borrowing, and the level and productivity of the capital stock of the government sector.

7. Further improvements planned

It is planned to officially start publishing a balance sheet for social security funds in the Bank's *Quarterly Bulletin* from December 2014. There are four social security funds that autonomously manage and operate social security schemes, namely:

– the Compensation Commissioner for Occupational Diseases;

– the Compensation Commissioner for Occupational Diseases in Mines and Works;

– the Road Accident Fund (RAF); and

– the Unemployment Insurance Fund (UIF).

Publishing the debt (and other balance sheet items) of the social security funds is a step towards publishing an even more comprehensive measure of public-sector debt. An important longer-term objective is to publish the consolidated public-sector debt. This implies that intra-debt positions between the various levels of government will be eliminated.

8. Challenges and thorny issues which remain

A number of challenges and thorny issues related to the public-sector debt deserve mention.

Firstly, ***the statistical treatment of the liability of the country authorities arising from the allocation of Special Drawing Rights (SDRs)***. When the International Monetary Fund (IMF) makes an allocation of SDRs to a country, the SDRs thereby brought in possession of the country authorities are added to the stock of official foreign currency reserves, thereby boosting the country's international liquidity. The country authorities simultaneously incur a liability to the IMF.

In South Africa this liability is viewed as a unique type of financial instrument, separately identified as the SDR liability to the IMF of the South African government. This treatment stands in contrast to the IMF's guideline which proposes that the SDR liability should be included as part of the government's long-term foreign debt. This proposed treatment seems to underplay the uniqueness of SDR allocations and the corresponding liabilities. The country may decide not to make international payments with the SDRs received, but to simply keep them in stock for a rainy day; this has been the case in South Africa. Accordingly no net interest has to be paid to the IMF on the SDR liability. Furthermore, the SDR liability if utilised would ordinarily only have to be repaid to the IMF when the country withdraws from the IMF or when the IMF is dissolved. This indefinite nature of the liability and absence of net interest having to be paid while the SDRs are simply held as part of reserves underline its uniqueness, and have prompted the South African authorities to identify it separately rather than to merge it with the government's long-term foreign debt.

Secondly, the measurement of government debt by holder poses a challenge. The true beneficial holders of debt securities sometimes operate through nominee companies or other legal entities. Drilling down through these entities to identify the beneficial holders is no easy task. The reconciliation of data on transactions and outstanding balances in such a setting is equally complicated, not least because of the high volume of repurchase transactions and securities lending in the financial markets, where legal ownership and economic ownership do not necessarily coincide. Refinement of this measurement dimension continues, in collaboration with the Capital Market and Flow of Funds Division and the Balance of Payments Division of the Bank's Research Department.

Thirdly, placing the level of government debt in perspective by viewing it along with all the other items on the government's balance sheet. Construction of a comprehensive balance sheet for general government is currently work in progress in South Africa. For the public enterprises and corporations such balance sheets already exists, but the quantification of government assets in particular require much further work.

Fourthly, developing full accrual accounting for government. This is the broad strategy that is being pursued, but again much further work is required before implementation. The current system can best be described as one of modified cash accounting.

9. Conclusion

Considerable progress has been made in the measurement of government debt and fiscal activity in South Africa, with the Constitution and current institutional framework providing greater coherence than before. At the same time challenges remain, including the movement to full accrual accounting and the estimation of comprehensive balance sheets for the government sector.

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Statistical appendix

Debt by institutional grouping and level of government[1]

Table 1.1

End of fiscal year	National government	Local government	Non-financial public corporations	Financial public corporations	Total	Total as percentage of nominal GDP
	R billions					
2000/01	399,3	39,9	143,3	22,9	605,4	63.6
2001/02	432,2	39,7	161,5	25,4	658,8	62.8
2002/03	426,1	35,3	153,5	27,2	641,6	53.3
2003/04	455,1	39,7	174,9	23,7	693,4	53,2
2004/05	501,7	111,7	192,4	24,2	830,0	57,3
2005/06	528,6	61,3	197,3	31,3	818,5	50,7
2006/07	552,1	71,4	220,8	34,2	878,5	47,9
2007/08	571,9	71,7	277,3	42,9	963,8	46,4
2008/09	627,0	94,4	343,5	44,7	1 109,6	48,3
2009/10	805,1	117,4	423,2	41,6	1 387,3	56,5
2010/11	996,2	162,8	506,1	48,4	1 713,5	62,3
2011/12	1 187,8	127,9	541,1	61,3	1 918,1	64,3
2012/13	1 365,7	150,3	651,2	70,1	2 237,3	69,9
2013/14	1 584,7	156,0	....	....	....	....

[1] National government, extra-budgetary institutions, provincial and local governments, and the non-financial and financial public enterprises and corporations. The South African Reserve Bank and social security funds are excluded.

Sources: SARB and *Budget Reviews* of the National Treasury.

Government debt by type of instrument

Table 1.2

End of fiscal year	Debt securities	Loans	Other[1]	Total
	R billions			
2000/01	438,9	85,9	55,00	605,4
2001/02	464,2	111,1	65,60	658,8
2002/03	457,5	91,8	70,20	641,6
2003/04	512,2	86,5	94,70	693,4
2004/05	566,7	81,9	181,40	830,0
2005/06	600,0	94,7	123,80	818,5
2006/07	622,1	118,8	137,60	878,5
2007/08	657,2	117,5	189,10	963,8
2008/09	744,0	150,3	215,30	1 109,6
2009/10	951,4	185,7	250,30	1 387,3
2010/11	1,190,0	206,5	317,00	1 713,5
2011/12	1,374,9	245,9	297,30	1 918,1
2012/13	1,567,0	342,0	328,30	2 237,3
2013/14	….	….		….

[1] Includes other accounts payable.

Sources: SARB and *Budget Reviews* of the National Treasury.

Government equity holdings in public corporations/ public enterprises

Table 1.3

End of fiscal year	Non-financial public corporations	Financial public corporations	Total
	R billions		
2000/01	27,8	3,3	31,1
2001/02	26,9	2,5	29,4
2002/03	25,3	2,5	27,8
2003/04	25,3	2,5	27,8
2004/05	24,2	1,4	25,6
2005/06	21,7	1,4	23,1
2006/07	24,2	2,4	26,5
2007/08	35,5	2,4	37,9
2008/09	35,9	2,4	38,3
2009/10	35,9	2,4	38,3
2010/11	38,7	2,8	41,5
2011/12	37,1	2,8	39,9
2012/13	36,9	2,8	39,7
2013/14	….	….	….

Sources: SARB and *Budget Reviews* of the National Treasury.

Government financial guarantees

Table 1.4

End of fiscal year	Authorised	Drawn down			Balance available
	R billions				
		Domestic	Foreign	Total	
2003/04	105,8	59,6	20,0	79,6	26,2
2004/05	99,7	55,4	18,6	74,0	25,7
2005/06	91,1	49,8	18,1	67,9	23,2
2006/07	90,9	49,1	18,7	67,8	23,1
2007/08	89,5	45,7	18,8	64,5	25,0
2008/09	84,4	43,7	19,3	63,0	21,4
2009/10	292,4	111,9	17,2	129,1	163,3
2010/11	476,2	127,7	21,9	149,6	326,6
2011/12	464,4	126,9	27,1	154,0	310,4
2012/13	470,7	141,0	39,3	180,3	290,4
2013/14	469,5	160,3	48,8	209,1	260,4

Sources: SARB and *Budget Reviews* of the National Treasury.

Net debt, provisions and contingent liabilities of national government

Table 1.5

Years R million	2005/06 (actual)	2007/7 (actual)	2007/8 (actual)	2008/9 (actual)	2009/10 (actual)	2010/11 (actual)	2011/12 (actual)	2012/13 (actual)	2013/14 (projection)
Net loan debt	470,138	478,368	483,230	525,626	673,040	820,409	989,731	1,164,220	1,357,323
Provisions	46,303	49,071	55,263	61,869	81,051	73,693	98,593	115,936	117,077
Development Bank of Southern Africa	*4,800*	*4,800*	*4,800*	*4,800*	*4,800*	*4,800*	*4,800*	*4,800*	*4,800*
Special Drawing Rights	*796*	*796*	*795*	*795*	*794*	*794*	–	–	–
International Monetary Fund-Securities Account	*17,222*	*16,742*	*20,052*	*22,965*	*23,672*	*20,105*	*22,189*	*25,720*	*34,872*
International Monetary Fund – SDR Allocations					*22,638*	*19,228*	*21,223*	*24,601*	*22,653*
Leave credits	*7,480*	*7,861*	*8,503*	*8,503*	*9,762*	*10,815*	*11,266*	*12,021*	*12,646*
International Bank for Reconstruction and Development	*9,464*	*11,096*	*12,354*	*14,482*	*11,187*	*10,360*	*11,703*	*15,935*	*12,598*
Multilateral Investment Guarantee Agency	–	*106*	*118*	*138*	*107*	*99*	*112*	*134*	*120*
African Development Bank	6,541	7,670	8,641	10,186	8,091	7,492	27,300	32,725	29,388
Contingent liabilities	160,017	185,510	177,175	195,427	268,841	294,661	335,451	369,764	370,730
Guarantees	67,900	67,800	64,500	63,079	129,099	149,600	153,924	179,367	179,367
Road Accident Fund*	21,351	23,935	30,339	42,500	45,366	33,547	53,919	56,722	56,748
Claims against government departments	9,148	11,807	10,933	17,737	24,064	31,310	42,969	42,969	42,969
Post-retirement medical assistance	37,000	56,000	56,000	56,000	56,000	65,348	65,348	65,348	65,348
Export Credit Insurance Corp. S.A. Ltd	7,243	10,858	12,662	13,351	9,191	9,614	10,025	15,732	16,121
Government pension funds	12,775	12,775	–	–	–	–	–	–	–
Unemployment Insurance Fund	2,300	2,035	2,341	2,401	3,728	3,315	3,381	3,741	4,292
Other	1,300	300	400	359	1,393	1,927	5,885	5,885	5,885
SASRIA reinsurance cover	1,000	–	–	–	–	–	–	–	–
Total	676,458	712,949	715,668	782,922	1,022,932	1,188,763	1,423,775	1,649,920	1,845,130
GDP	1,613,812	1,832,763	2,075,414	2,296,571	2,452,538	2,735,274	2,973,286	3,209,142	3,520,268
% of GDP	41,92%	38,90%	34,48%	34,09%	41,71%	43,46%	47,89%	51,41%	52,41%

Source: National Treasury.

* National Treasury includes the provisions of the Social Security Funds under contingent liabilities. However, in the accounts of the Social Security Funds it is included under liabilities.