

**NATIONAL ASSEMBLY  
QUESTION FOR WRITTEN REPLY  
QUESTION NUMBER: 3320 [NW3857E]  
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**3320. Mr N F Shivambu (EFF) to ask the Minister of Finance:**

(a) How many transactions under all categories applicable to BOPCUS non-resident and outward payments were recorded from all authorised foreign currency dealers in (i) 2013 and (ii) 2014 and (b) what are the (i) names of the countries and (ii) relevant amounts in each specified case?

NW3857E

**REPLY:**

The information requested by the Honorable Member is an element that forms part of the more aggregated figure used to prepare the regular reports on the current account and on the financial account, both of which are published in the Reserve Bank Quarterly Bulletin.

The South African Reserve Bank (“SARB”) records all inward and outward transactions for goods and services, for residents and non-residents through, “BOPCUS” - the “Balance of Payments Customer Transaction Reporting Electronic Message System”. Authorised Dealers in foreign exchange report all such transactions to SARB via the BOPCUS system, according to balance of payments categories.

The most recent SARB Quarterly Bulletin published (in September 2015) published the following figures for the first two quarters for 2015 (Table; page 34).

**Balance of payments on current account**

*R billions, seasonally adjusted and annualised*

	2014					2015	
	1st qr	2nd qr	3rd qr	4th qr	Year	1st qr	2nd qr
Merchandise exports.....	966	909	931	959	941	937	1 001
Net gold exports.....	62	64	63	62	63	62	71
Merchandise imports.....	-1 099	-1 064	-1 071	-1 056	-1 072	-1 067	-1 069
Trade balance.....	-72	-90	-77	-35	-69	-68	14
Net service, income and current transfer payments.....	-101	-142	-145	-163	-138	-117	-138
Balance on current account.....	-173	-232	-223	-198	-207	-185	-124
As percentage of gross domestic product	-4,6	-6,2	-5,9	-5,1	-5,4	-4,7	-3,1

*Components may not add up to totals due to rounding*

At the aggregated level, this shows the total outflow on the ‘net service, income and current transfer payments’ account of R138 billion on a seasonally adjusted and annualised basis. These are flows on the current account that are not related to trade flows. Indeed, the trade balance recorded a small (R14 billion) surplus on a seasonally adjusted and annualized basis.

Taken together with the services, income and current transfer payments, the balance on the current account has improved every quarter since 2014Q2; and now stands at 3.1 per cent of GDP.

On the financial account, however, financial inflows reached 2.9 per cent of GDP in the first half of 2015 from 5.9 per cent in 2014, as net outflows in 'foreign direct investment' and 'other investment' rose. Net portfolio inflows far exceeded total 2014 inflows of R49.5 billion, with demand for equities particularly robust.

- a) (i) (ii) According to the information provided to me by the Reserve Bank, outward cross-border payments from non-resident rand accounts totalled 52,000 transactions amounting to R30 billion in 2013 (all figures are rounded off in this response); and 47,000 transactions amounting to R144 billion in 2014. These outflows were transferred to 161 countries in 2013 and to 138 countries in 2014. The average transaction value for 2013 was R586,000 and R3 million in 2014.

The Honourable Member should note that this should be compared to inward cross-border receipts, as they are linked in the sense that no inward flows are possible unless outward flows are allowed. Inward cross-border receipts into non-resident rand accounts totalled 42,000 transactions, amounting to R93 billion in 2013 and 40,000 transactions amounting to R194 billion in 2014; averaging R2 million and R5 million per transaction respectively.

- b) (i) (ii) Table 1 sets out the highlights for the top 7 destination countries for transactions over R1 billion per annum.

In 2013, the top 7 destination countries represented 86% of the total transaction value, R26 billion, through 33 thousand transactions, averaging R778 000 per transaction. In 2014, the top 7 destination countries represented 96% of the total transaction value, R139 billion through 31 000 transactions, averaging R4,5 million per transaction.

**Table 1****Outward Cross-Border transactions over R1 billion from Non-Resident Rand Accounts in top 7 countries**

	2013		2014	
	R billion	No. of transactions	R billion	No. of transactions
United Kingdom	16,3	17,319	102,6 *	16,686
United States	1,3	4,124	27,0	3,643
Germany	4,0	2,266	1,7	1,958
Switzerland	2,0	456	2,0	293
Australia	0,83	8,297	2,7	7,102
Thailand	0,2	82	1,1	84
Ireland	1,1	698	1,7	871
<b>Total</b>	<b>25,7</b>	<b>33,242</b>	<b>138,7</b>	<b>30,637</b>

\* A sharp increase in outflows during 2014 was due to increased transfers to the UK resulting from the “Disinvestment of money market instruments by a non-resident” category.

**Table 2****Outward transactions over R1 billion from Non-Resident Rand Accounts in 25 countries with the most transactions per annum**

Table 2 reflects a further breakdown by the most active continents, i.e. Africa, Asia and Europe. Together with the top seven destination countries listed in table 1, in 2014, the transactions comprise 98% of the total transaction value (2013: 94%).

Africa	2013		2014		2Y average R'000
	Rm	No. of transactions	Rm	No. of transactions	
Malawi	2	73	5.2	94	39
Zimbabwe	85	762	48.8	486	106
Namibia	36	260	109.6	213	327
Swaziland	57	101	11.5	90	346
Botswana	488	782	122.2	229	579
Mauritius	273	225	342.5	193	1495
Mozambique	439	198	513.7	208	2343
<b>Total</b>	<b>1380</b>	<b>2,401</b>	<b>1153.5</b>	<b>1,513</b>	<b>5234</b>

<b>Asia</b>					
India	81	584	82.2	393	174
Taiwan	15	22	17.0	94	433
China	36	278	157.5	148	597
Singapore	53	115	329.0	90	2059
<b>Total</b>	<b>186</b>	<b>999</b>	<b>585.6</b>	<b>725</b>	<b>3263</b>
<b>Europe</b>					
Poland	2	151	2.2	172	14
Portugal	30	2,130	42.4	2,272	16
Czech Republic	1	111	3.5	129	20
New Zealand	160	4,024	209.0	3,693	48
Canada	140	2,561	119.7	2,471	52
Israel	69	738	99.6	657	123
Spain	25	226	38.9	260	129
Italy	86	439	30.1	425	134
Greece	5	132	49.8	163	172
France	58	431	109.1	469	183
Austria	58	161	49.9	144	352
Netherlands	200	922	985.5	907	651
Sweden	133	164	176.9	109	1218
Jersey C.I	320	119	69.8	98	1703
<b>Total</b>	<b>1288</b>	<b>12,309</b>	<b>1986.4</b>	<b>11,969</b>	<b>4815</b>