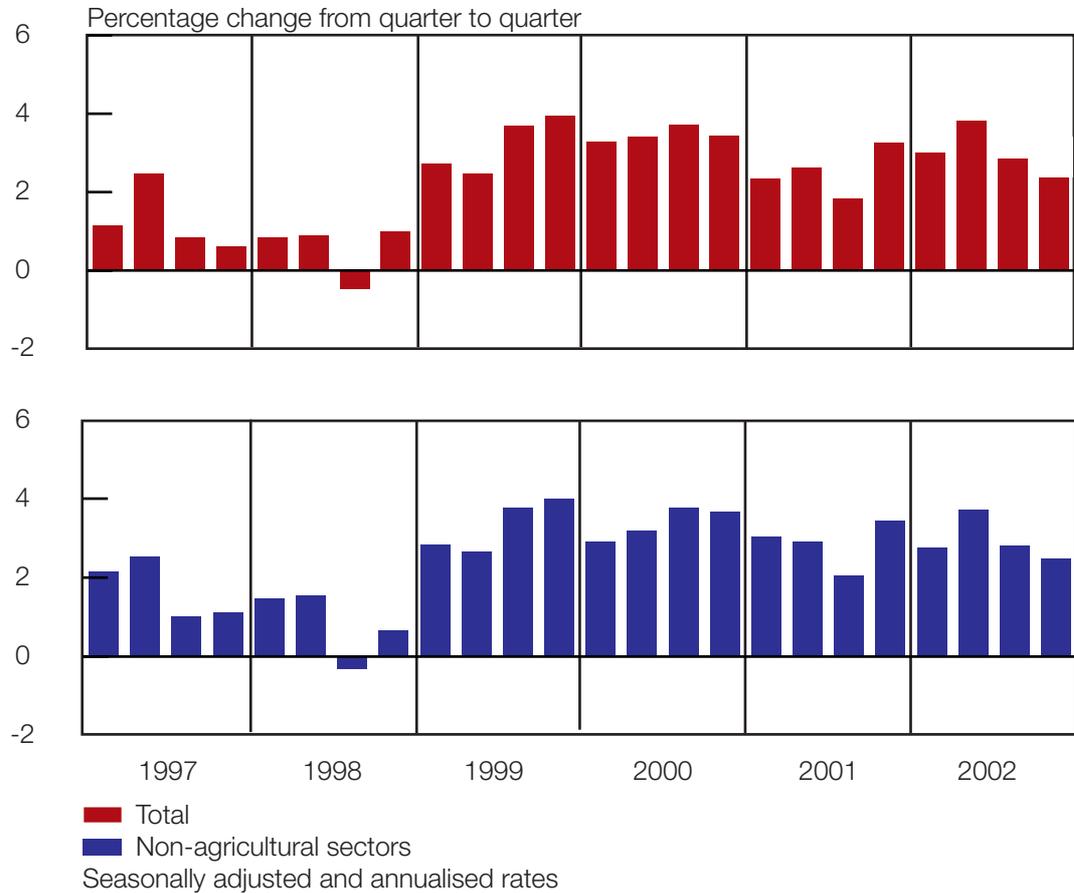
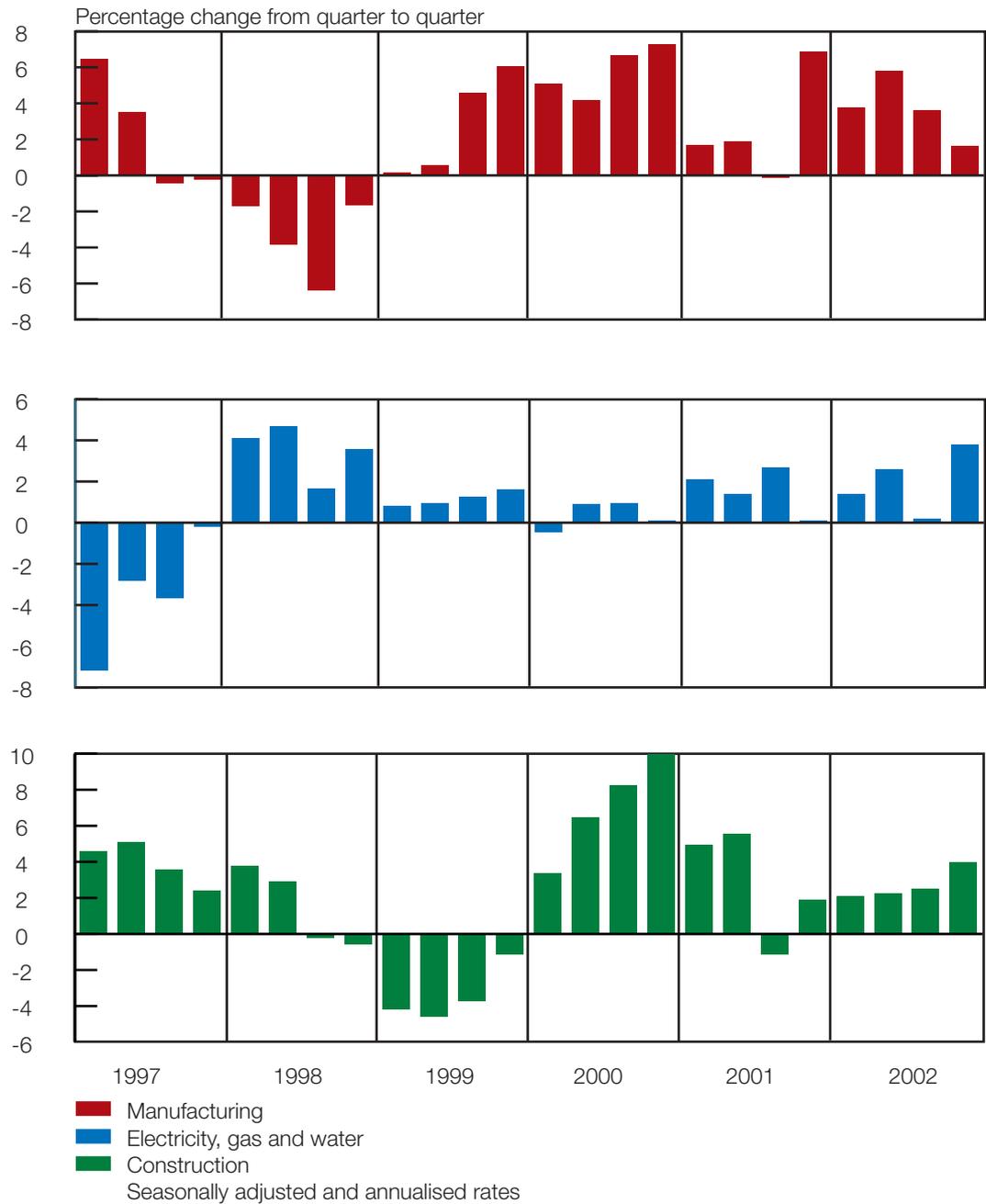


18. Real gross domestic product



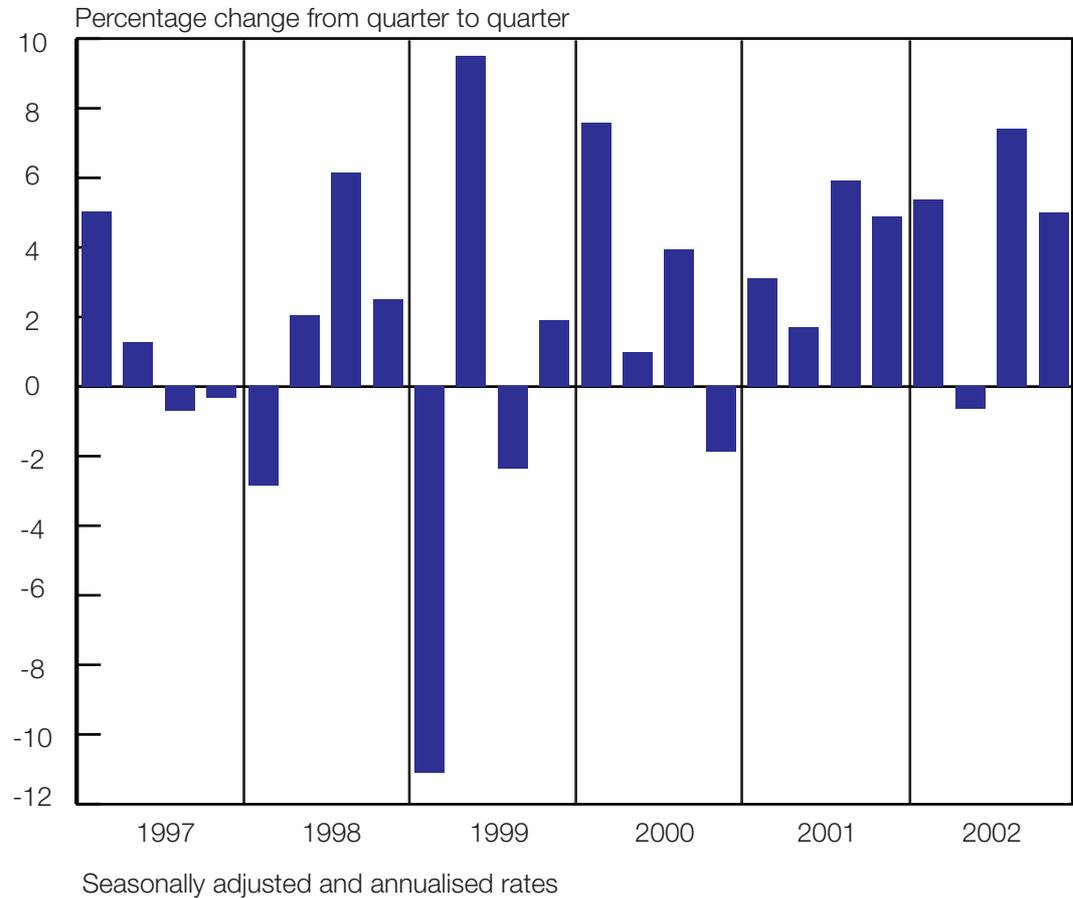
South Africa's real gross domestic product increased further in the fourth quarter of 2002 albeit at a slower pace than in the third quarter. After accelerating at a quarter-to-quarter seasonally adjusted and annualised growth rate of 4 per cent in the second quarter of 2002 and 3 per cent in the third quarter, real economic growth slowed down to 2½ per cent in the fourth quarter. This was mainly due to slower growth in the real value added by the secondary sectors of the economy. Activity in the tertiary sectors remained lively, while virtually no growth was registered in the primary sectors.

19. Real gross domestic product of the secondary sectors



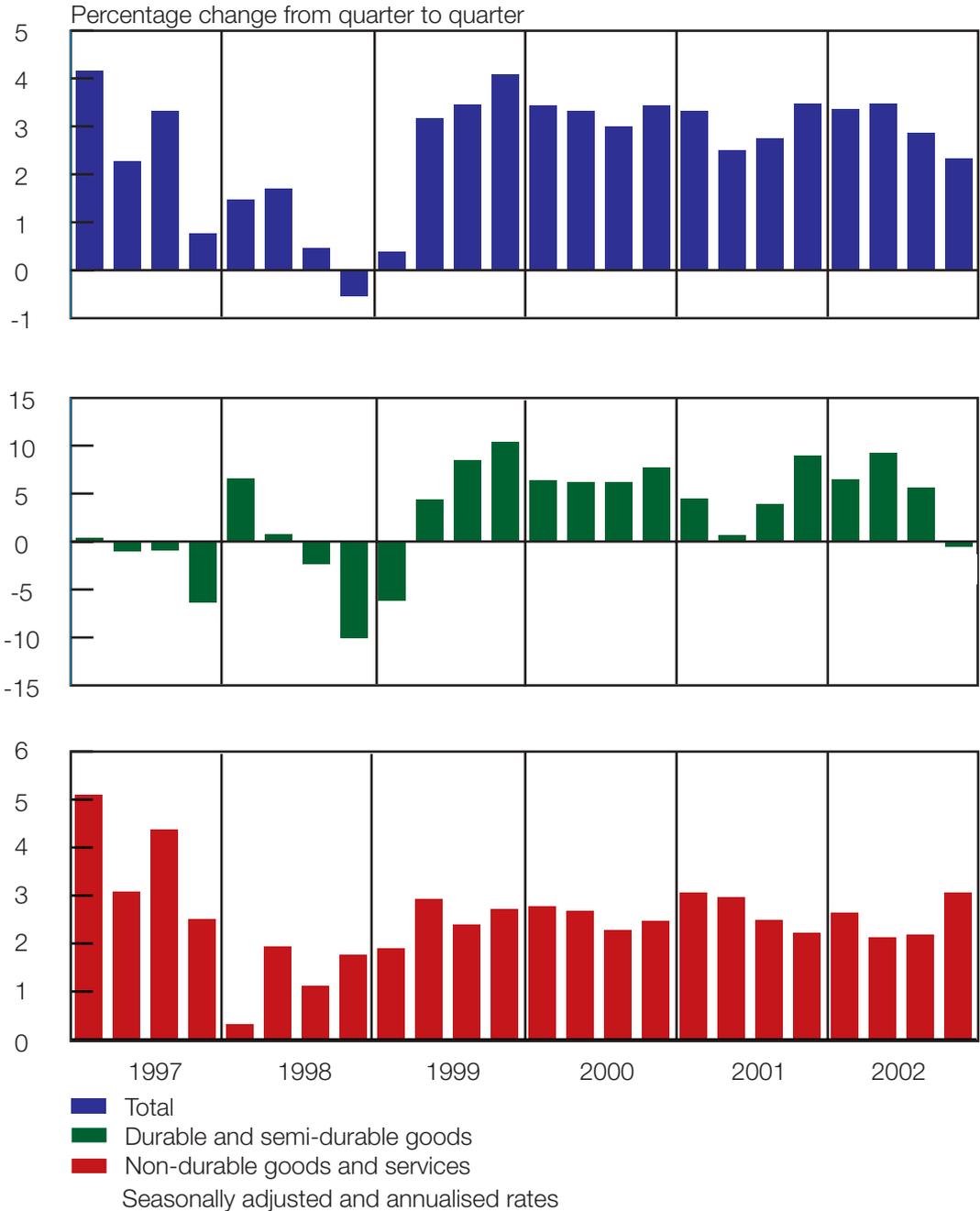
Growth in the real value added by the secondary sectors slowed down from a seasonally adjusted and annualised rate of 3 per cent in the third quarter of 2002 to 2 per cent in the fourth quarter. This was mainly due to a sharp slowdown in the growth of manufacturing output. Although robust growth was recorded in both the sector supplying electricity, gas and water and by the construction sector, this pick-up was not sufficiently strong to offset the slowdown in manufacturing production. The year-on-year growth in the real value added by the secondary sectors maintained a growth rate of 3½ per cent in both 2001 and 2002.

20. Real gross domestic expenditure



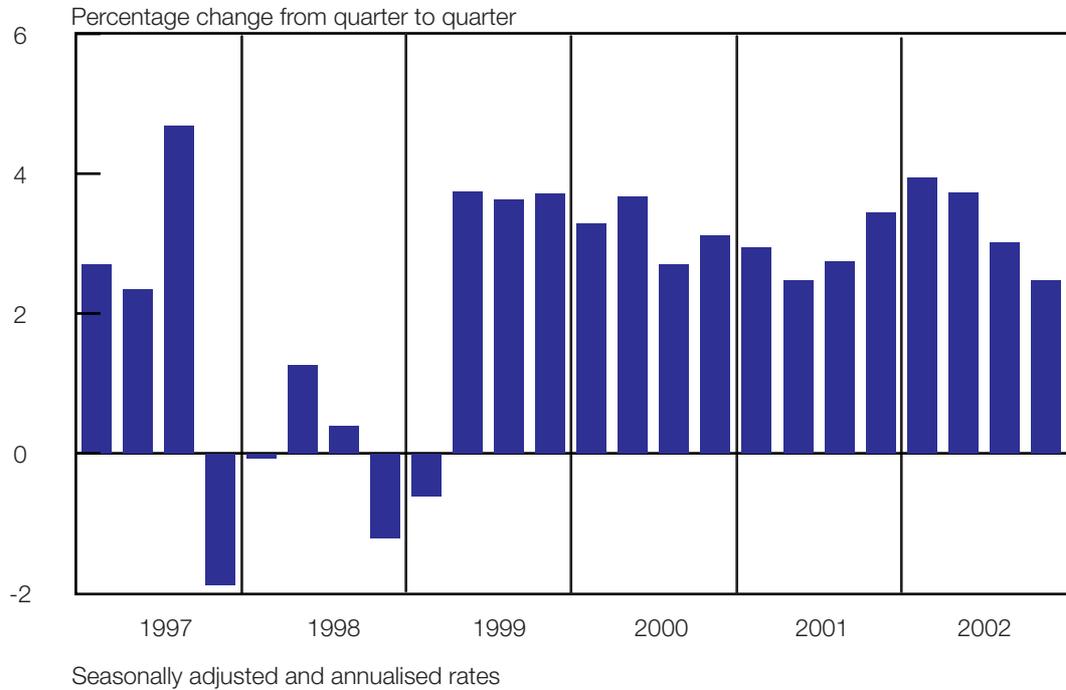
Aggregate real gross domestic expenditure slowed down considerably in the fourth quarter of 2002. Following an increase of 7½ per cent in the third quarter of 2002, domestic expenditure slowed down to a seasonally adjusted and annualised rate of 5 per cent in the fourth quarter. This can be attributed to a slowdown in net inventory accumulation as well as somewhat lower growth in real final consumption expenditure by households. Notwithstanding these developments, growth in real gross domestic expenditure for 2002 as a whole amounted to 4 per cent, compared with growth of 2½ per cent in 2001. Heightened investment activity contributed substantially to the acceleration of expenditure growth in 2002.

21. Real final consumption expenditure by households



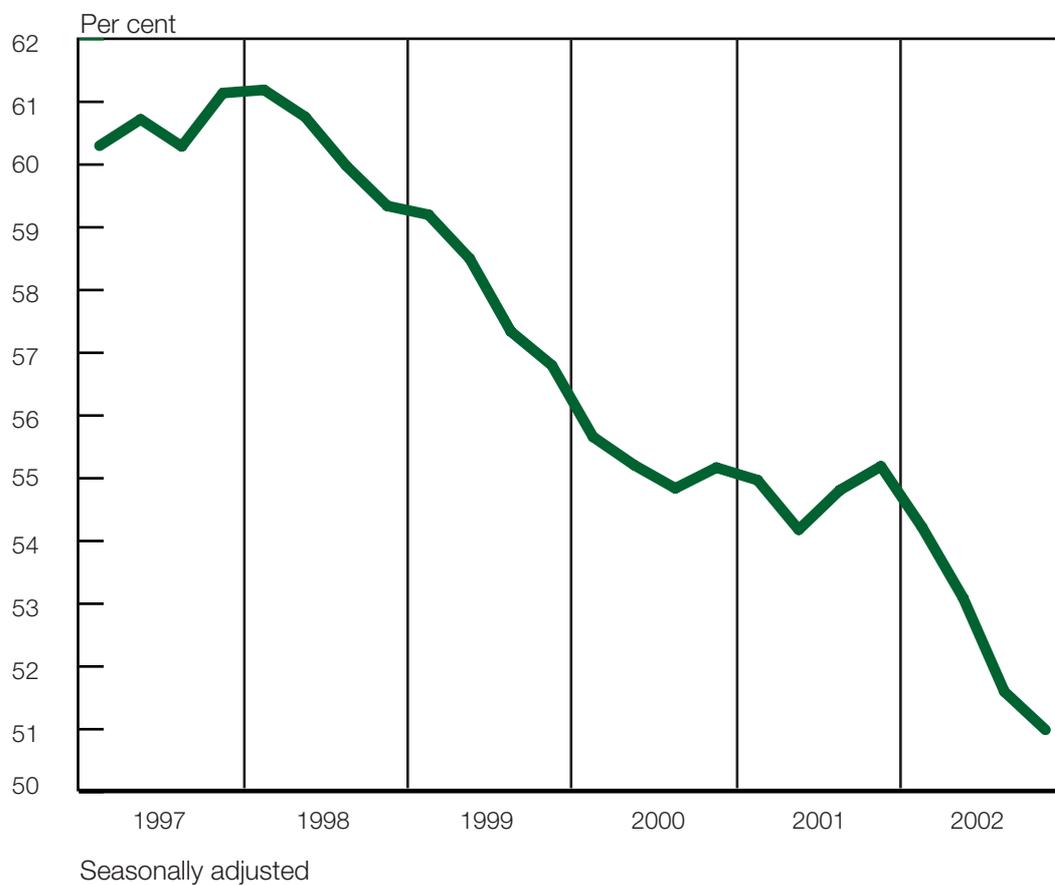
Real final consumption expenditure by households slowed down from a seasonally adjusted and annualised rate of 3 per cent in the third quarter of 2002 to 2½ per cent in the fourth quarter. This was mainly due to a decline in real outlays on durable goods. In addition, slower growth was recorded in real expenditure on semi-durable as well as non-durable goods.

22. Real household disposable income



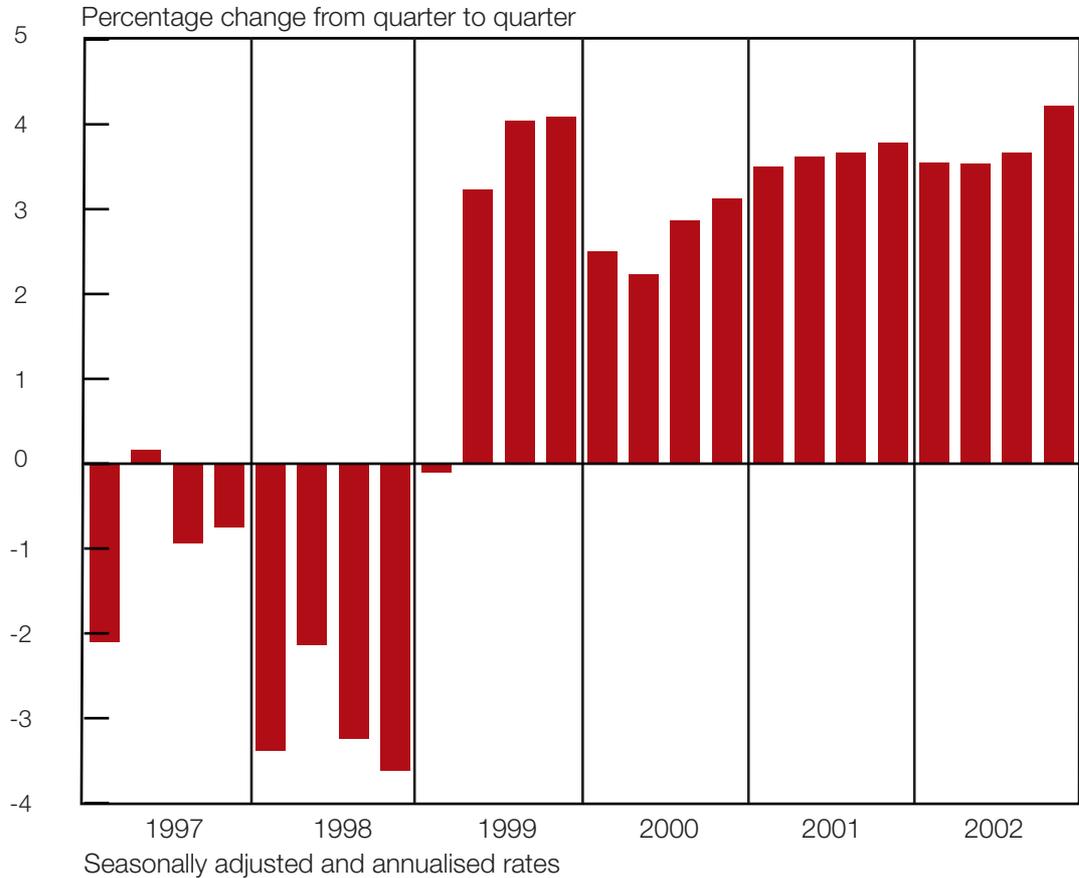
Growth in real household disposable income slowed down from 3 per cent in the third quarter of 2002 to 2½ per cent in the fourth quarter as inflation eroded the increase in nominal household income.

23. Household debt as percentage of household disposable income



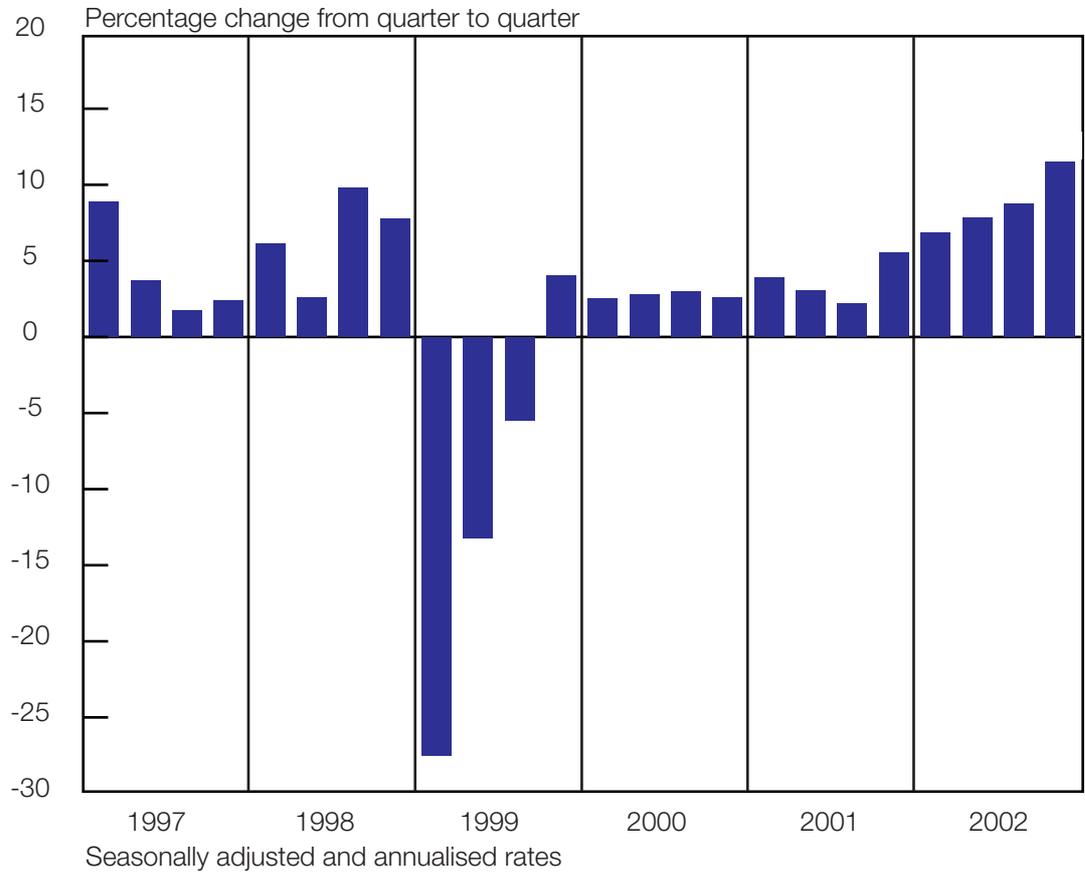
Households exercised restraint in their borrowing behaviour throughout all four quarters of 2002. Consequently, household debt as percentage of disposable income declined from 54½ per cent in the first quarter of 2002 to 51 per cent in the fourth quarter.

24. Real final consumption expenditure by general government



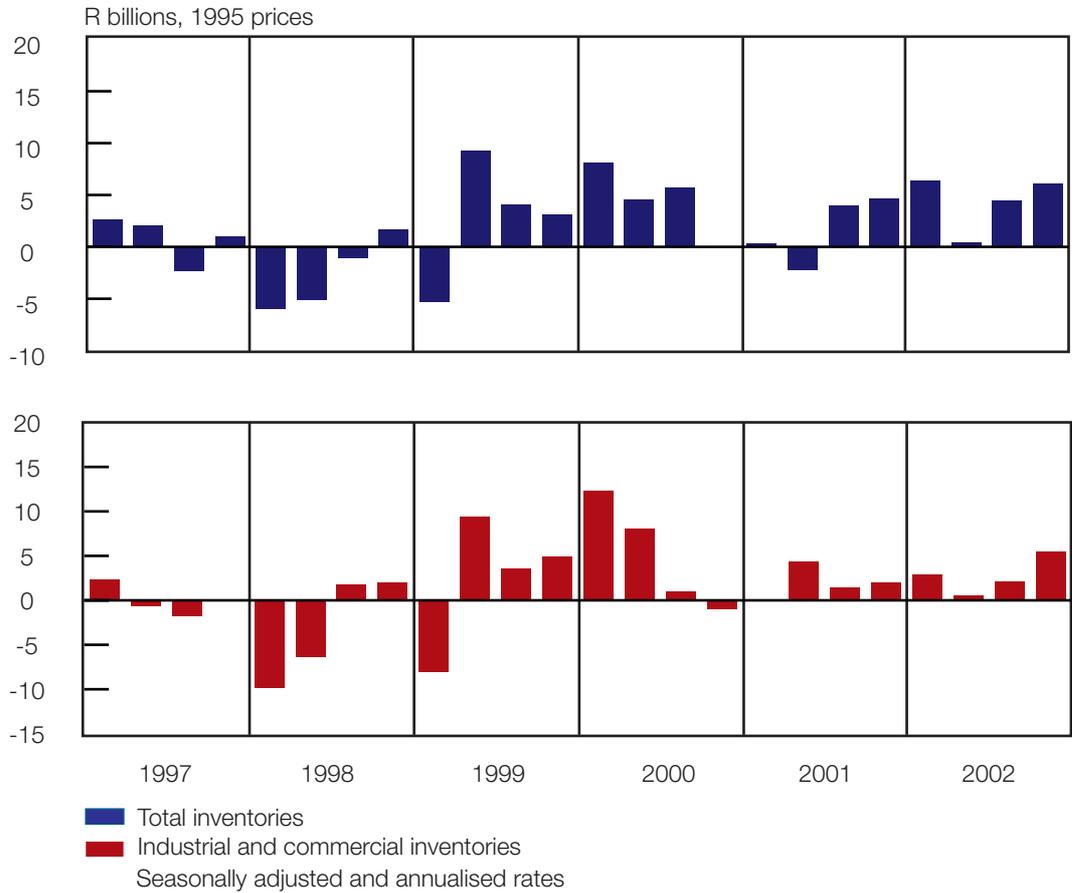
Real final consumption expenditure by general government accelerated from a seasonally adjusted and annualised growth rate of 3½ per cent in the third quarter of 2002 to 4 per cent in the fourth quarter. This was the net result of a marked increase in expenditure on goods and services, other than labour services. Compensation of employees increased only moderately and in line with the government's intention to contain the growth in its wage bill. For 2002 as a whole, final consumption expenditure by general government increased by 3½ per cent, maintaining the growth rate of 2001.

25. Real gross fixed capital formation



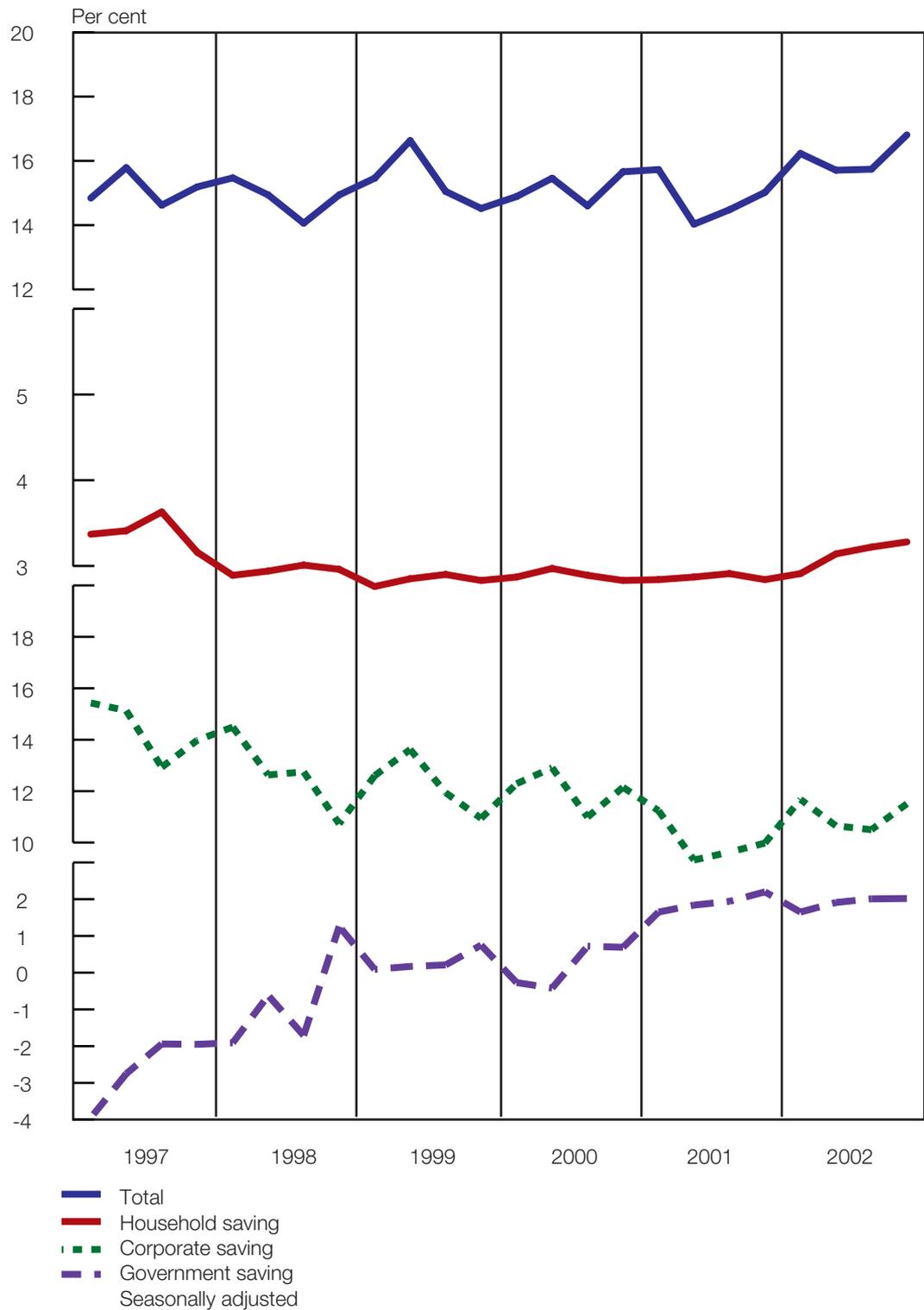
Real gross fixed capital formation accelerated in the fourth quarter of 2002. Following a quarter-to-quarter seasonally adjusted and annualised growth rate of 8½ per cent in the third quarter of 2002, growth picked up further to 11½ per cent in the fourth quarter - the strongest growth rate recorded since the second quarter of 1996 - largely due to a substantial increase in real capital expenditure by public corporations.

26. Change in inventories



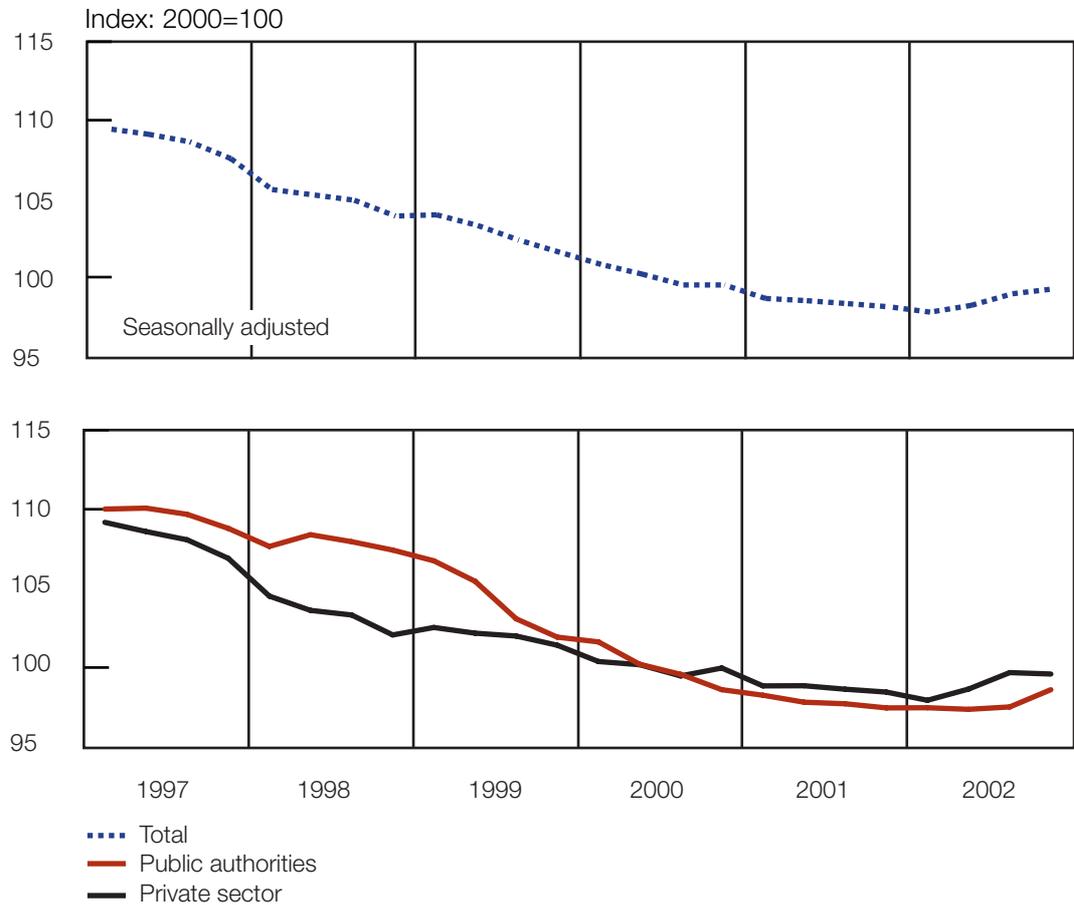
Real inventory levels were increased further in the fourth quarter of 2002. This was spread across most sectors of the economy. Net inventory investment contributed 1 percentage point to growth in real gross domestic product in the fourth quarter of 2002.

27. Gross saving as percentage of gross domestic product



Gross saving as a percentage of gross domestic product improved somewhat from 15½ per cent in the third quarter of 2002 to 16½ per cent in the fourth quarter. This can mainly be attributed to higher saving by corporate businesses, while that of households and general government remained broadly the same.

28. Non-agricultural employment

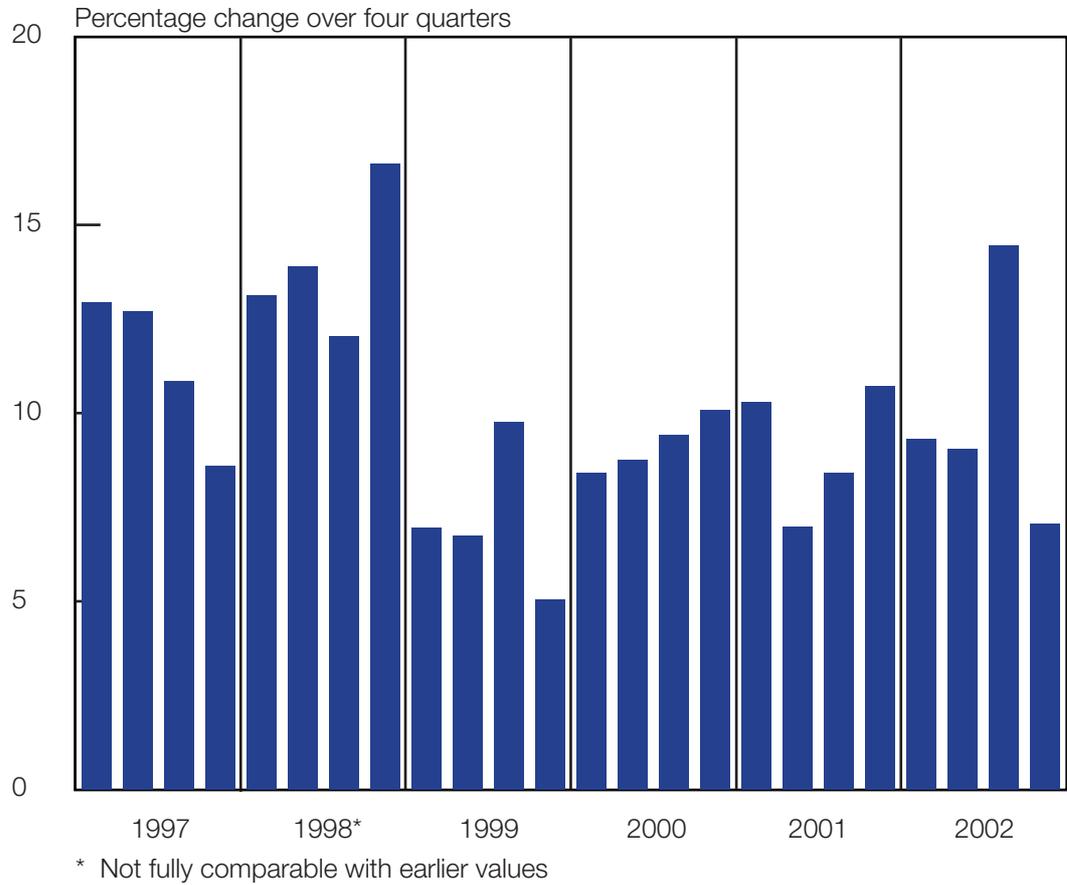


The total number of employees in the regularly surveyed formal non-agricultural sectors of the economy increased at a seasonally adjusted and annualised rate of 2,4 per cent in the third quarter of 2002, signalling a quarterly increase of 25 000 workers. Employment numbers have now increased for two consecutive quarters to the third quarter of 2002, resulting in employment gains of almost 40 000 since March 2002. Employment numbers especially picked up in the private sector while public-sector employment also increased but at a more sedate pace during this period. Calculations for the third quarter of 2002 are however not fully comparable with those in previous quarters as about 11 000 people in the reserve forces were included for the first time during this quarter. When those in the reserve forces are excluded, employment still picked up in the third quarter of 2002.

29. Labour market statistics, based on the labour force survey

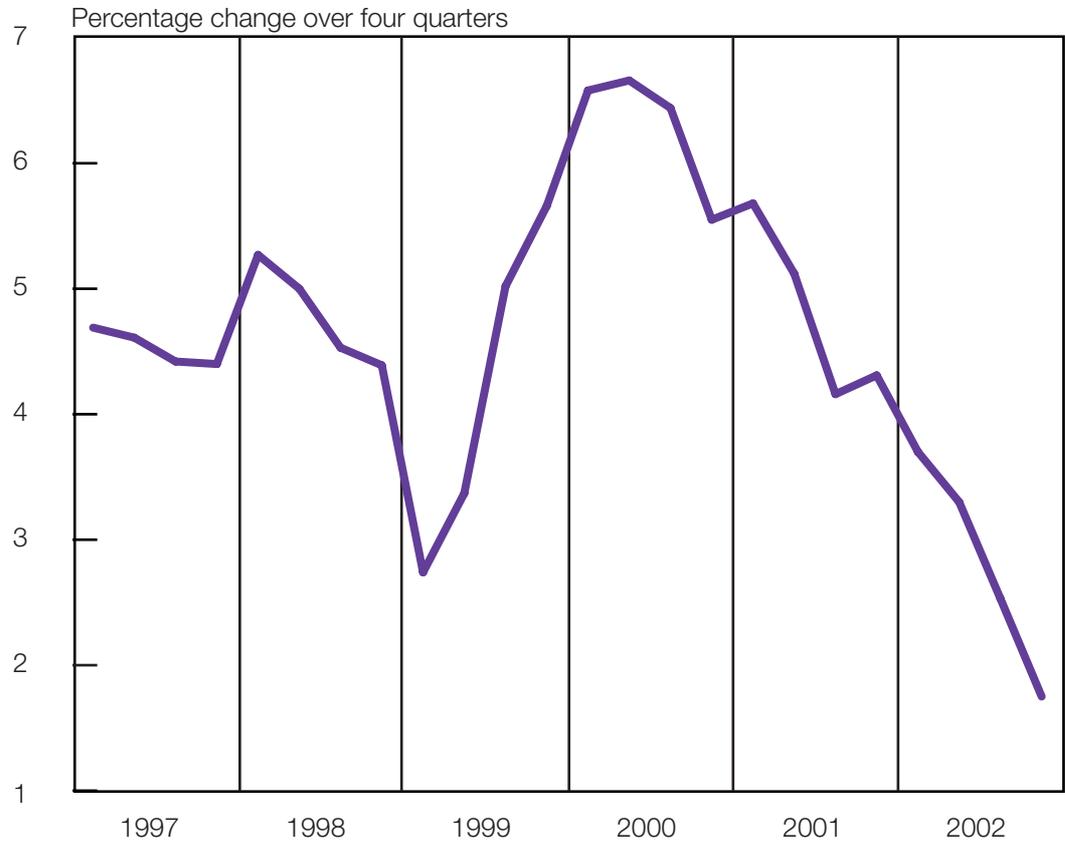
	Sep 2000	Feb 2001	Sep 2001	Feb 2002
	(000's)	(000's)	(000's)	(000's)
a Total employment.....	11 712	11 837	10 833	11 393
Among the employed:				
Employed in the formal sector SEE survey (excluding agriculture and certain activities not covered in SEE).....	4 685	4 676	4 650	4 634
Employed in agriculture	1 632	1 352	1 051	1 538
Employed in the formal sector in activities not covered in STEE.....	2 157	2 002	2 223	2 403
Employed in the formal sector	1 933	2 665	1 873	1 767
Employed in domestic service	999	914	916	972
b Total unemployed (official definition).....	4 082	4 240	4 525	4 738
c Total economically active = a + b	15 794	16 077	15 358	16 130
d total not economically active	11 100	11 044	12 006	11 543
e total aged 15-65 years = c + d	26 894	27 121	27 365	27 673
f Official unemployment rate = b * 100/c	25,8%	26,4%	29,5%	29,4%

30. Non-agricultural nominal remuneration per worker



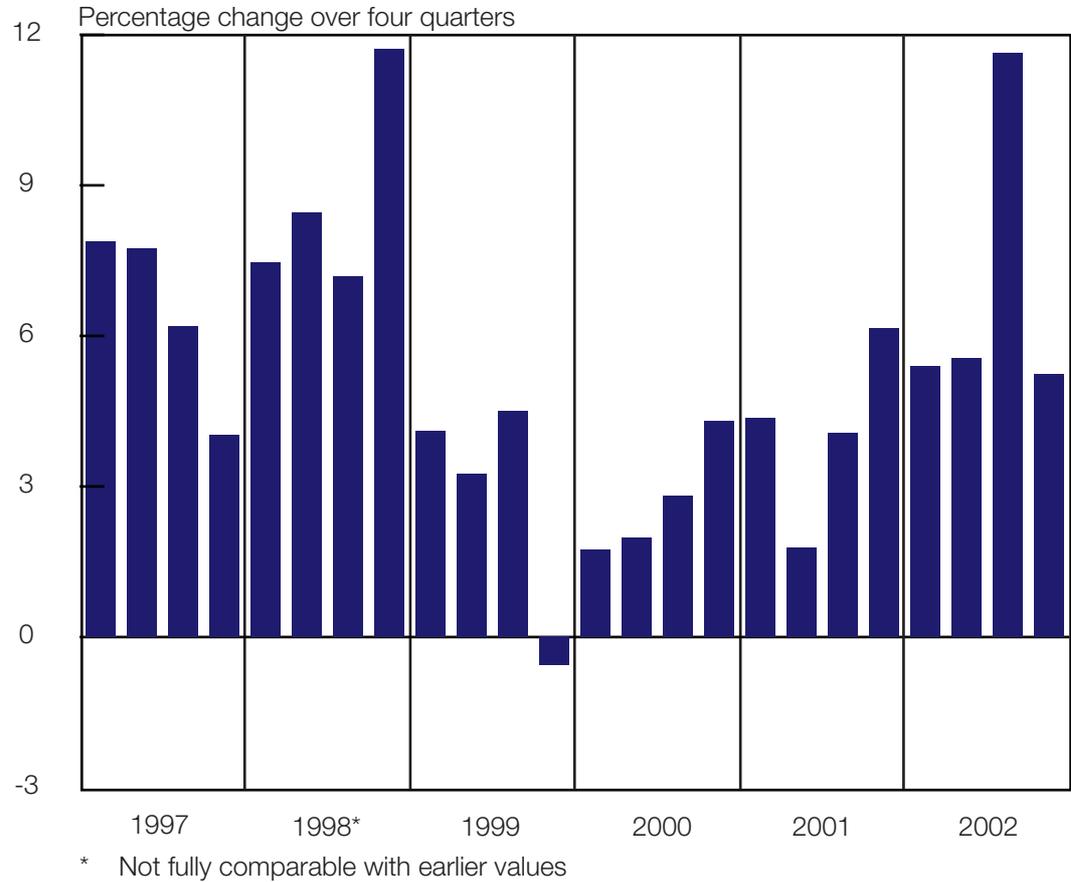
The growth in average nominal remuneration per worker rose sharply from a year-on-year rate of 9,2 cent in the second quarter of 2002 to 14,1 per cent in the third quarter of 2002. The increase in nominal remuneration growth in the third quarter of 2002 resulted from a faster pace of increase in both private sector and public sector wage growth during this period.

31. Non-agricultural labour productivity



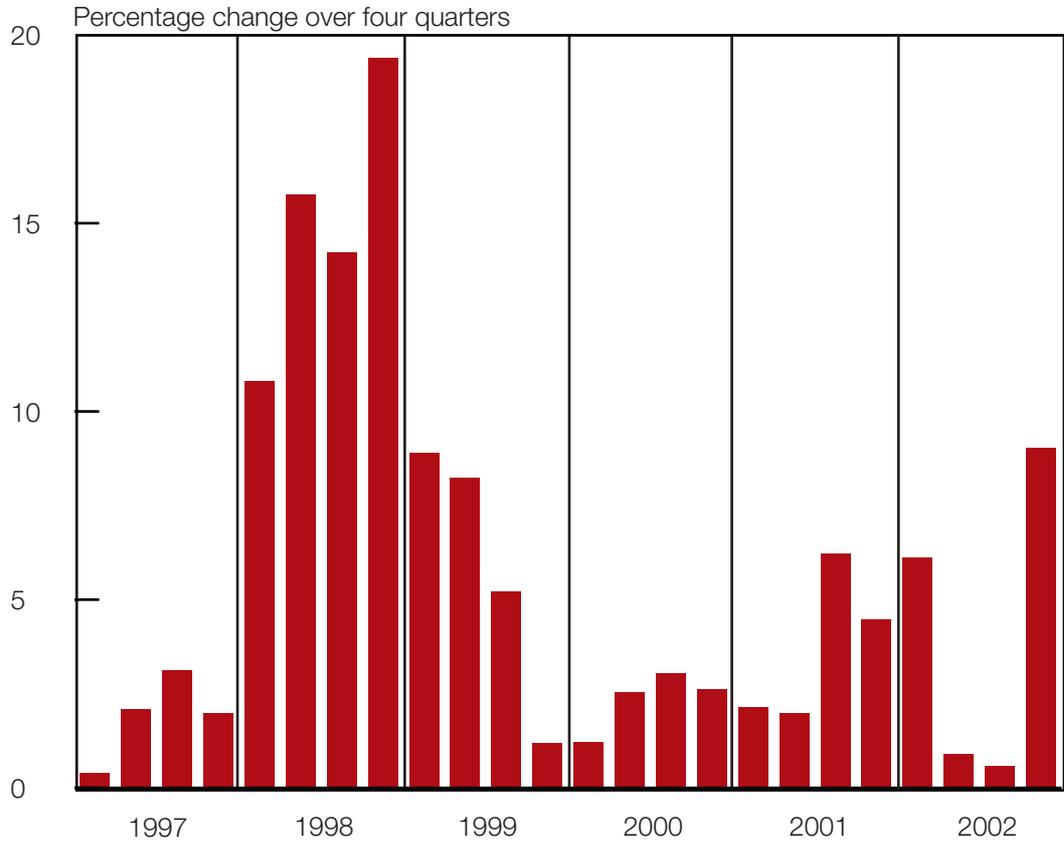
The growth in real output per worker decelerated steadily during the past two years or so, from a year-on-year rate of 6,7 per cent in the second quarter of 2000 to 3,3 per cent in the second quarter of 2002 and to 2,7 per cent in the third quarter - the lowest rate of increase in the past three and a half years.

32. Non-agricultural nominal unit labour cost



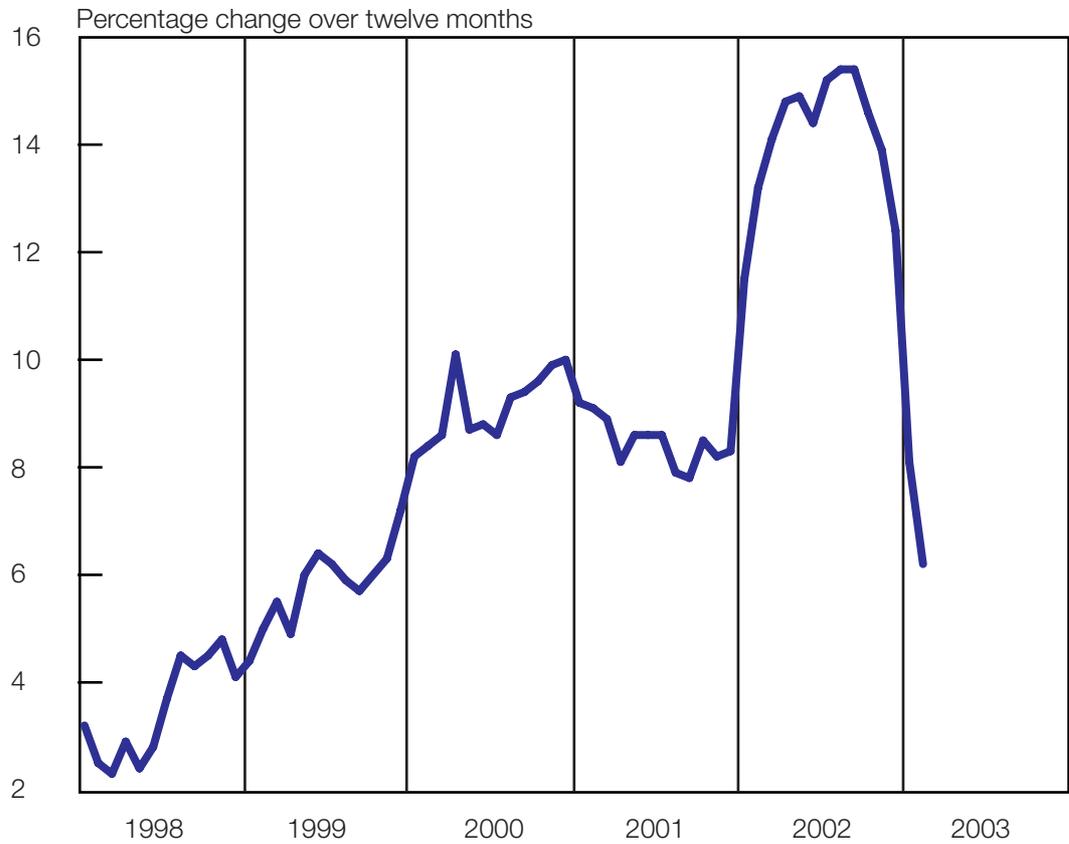
A slowdown in labour productivity growth and rising nominal wage growth resulted in non-agricultural nominal unit labour cost accelerating steeply from a year-on-year rate of 5,7 per cent in the second quarter of 2002 to 11,1 per cent in the third quarter.

33. Nominal unit labour cost in manufacturing



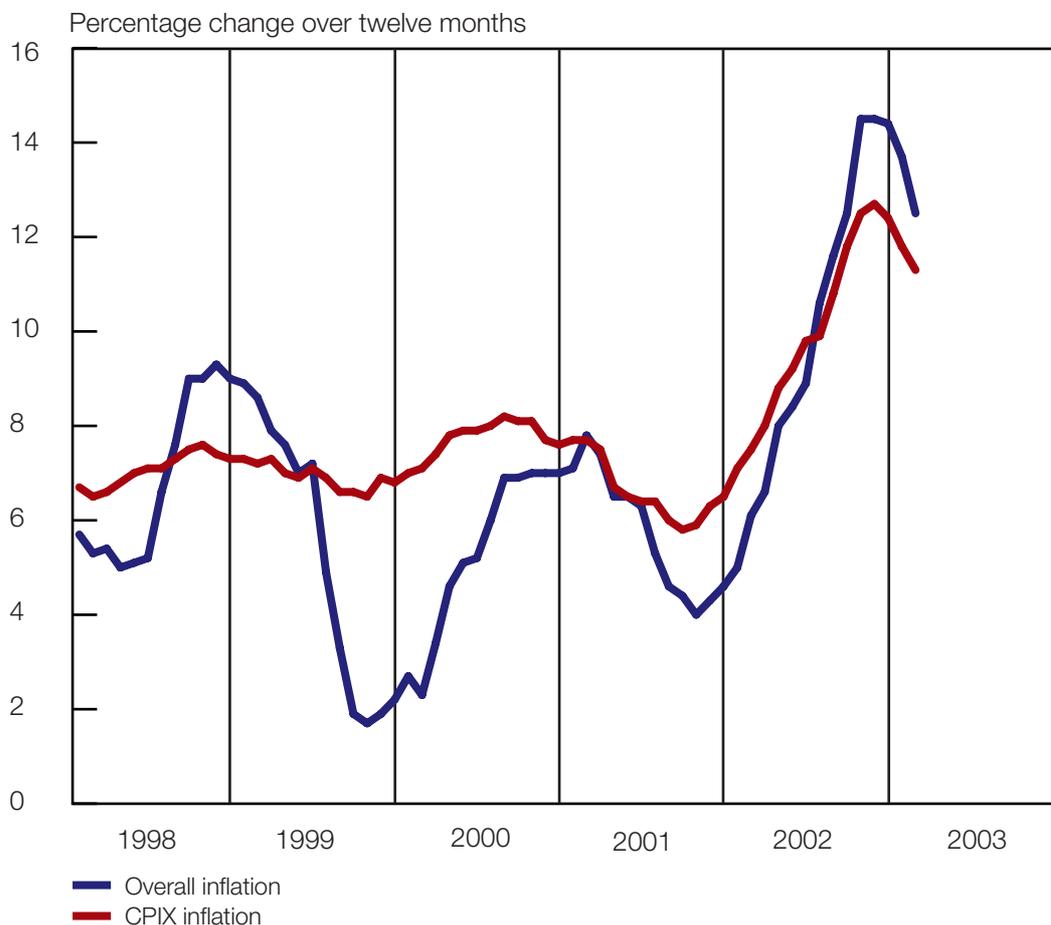
When measured over periods of four quarters, the cost of labour per unit of output in the manufacturing sector increased by 6,0 per cent in the first quarter of 2002 but only by 0,8 per cent in the second quarter and 1,2 per cent in the third quarter. The slowdown in the growth in nominal unit labour cost resulted from both the slowdown in wage growth and increased manufacturing production during this period.

34. All-goods production price



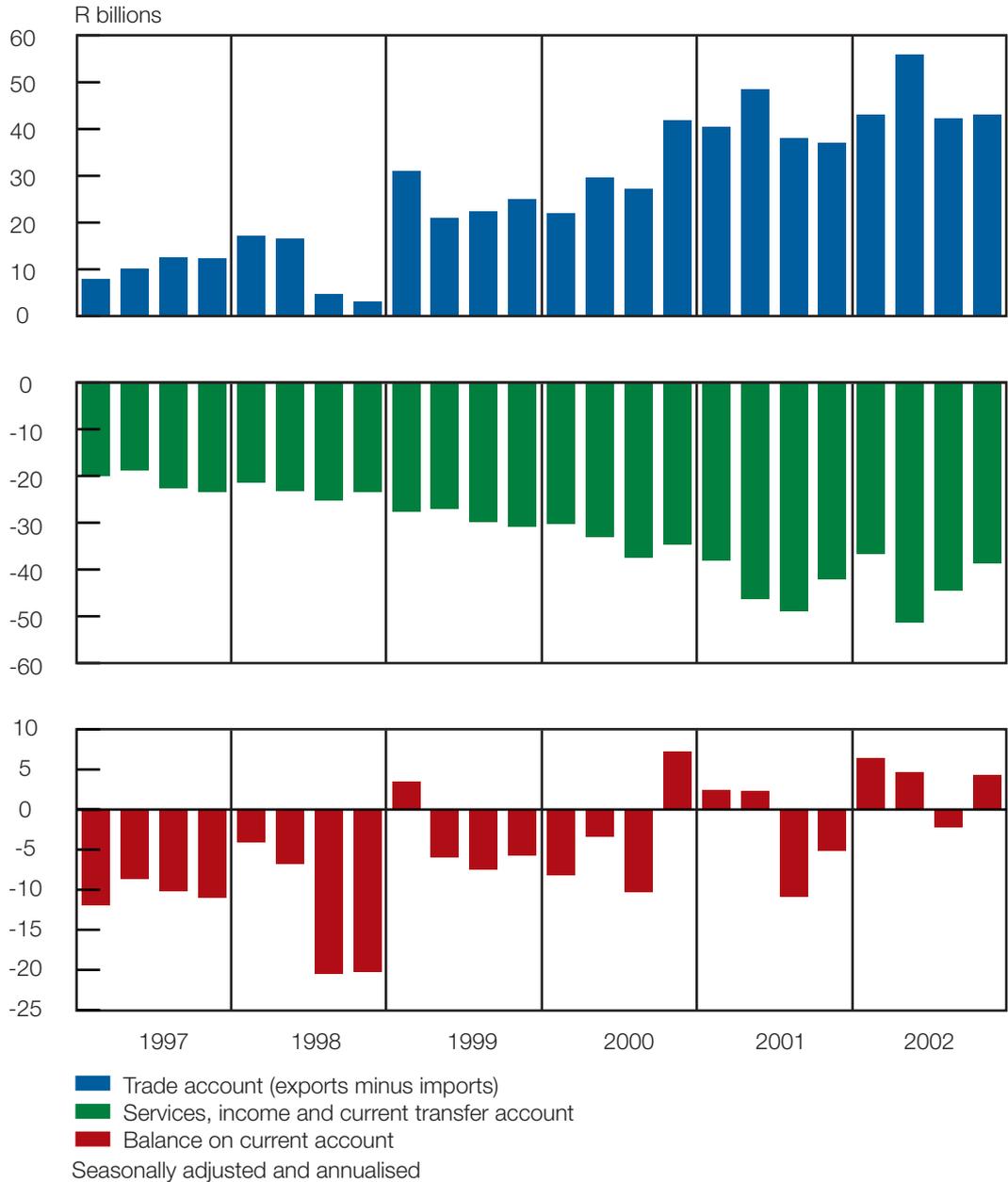
Driven by the slowdown in imported and domestically produced goods inflation, the year-on-year rate of increase in the all-goods production price index slowed down from 15,4 per cent in September 2002 to 8,1 per cent in January 2003 - the first single-digit-growth-rate in twelve months.

35. Overall inflation and CPIX



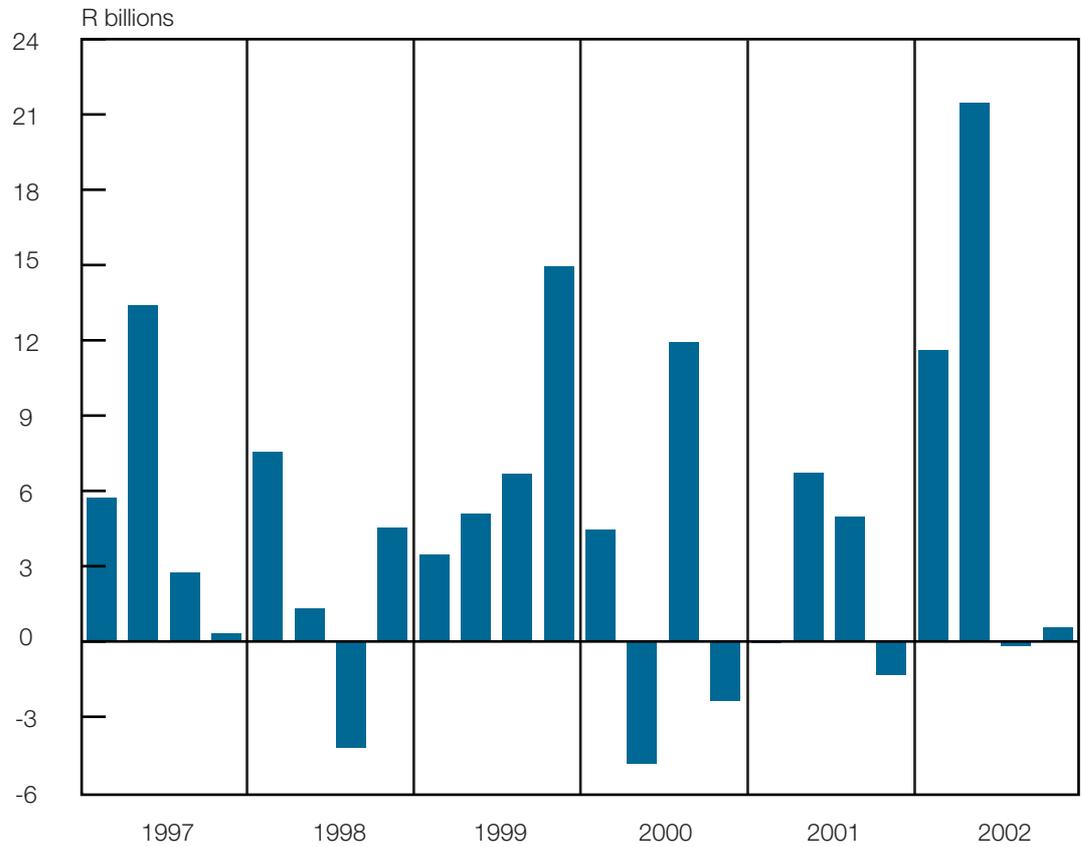
CPIX inflation over twelve months (i.e. year-on-year increases in consumer prices in metropolitan and other urban areas, excluding interest cost of mortgage bonds) initially fell to within the inflation target band of 3 to 6 per cent in the three months to October 2001, but subsequently picked up to 12,7 per cent in the year to November 2002, before declining marginally to 12,4 per cent in December. Overall headline inflation more than tripled from 4,0 per cent in October 2001 to 14,4 per cent over the same period. The acceleration in both these measures of inflation in the last few months was first and foremost a consequence of higher rates of increase in the prices of consumer food products that, in their turn, were associated with the decline in the exchange value of the rand. Following some moderation in food price inflation and lower rates of increase in the consumer prices of housing, non-alcoholic beverages and transport, CPIX inflation slowed down to a year-on-year rate of 11,3 per cent in February 2003, and headline inflation to 12,5 per cent.

36. Balance of payments: Current account



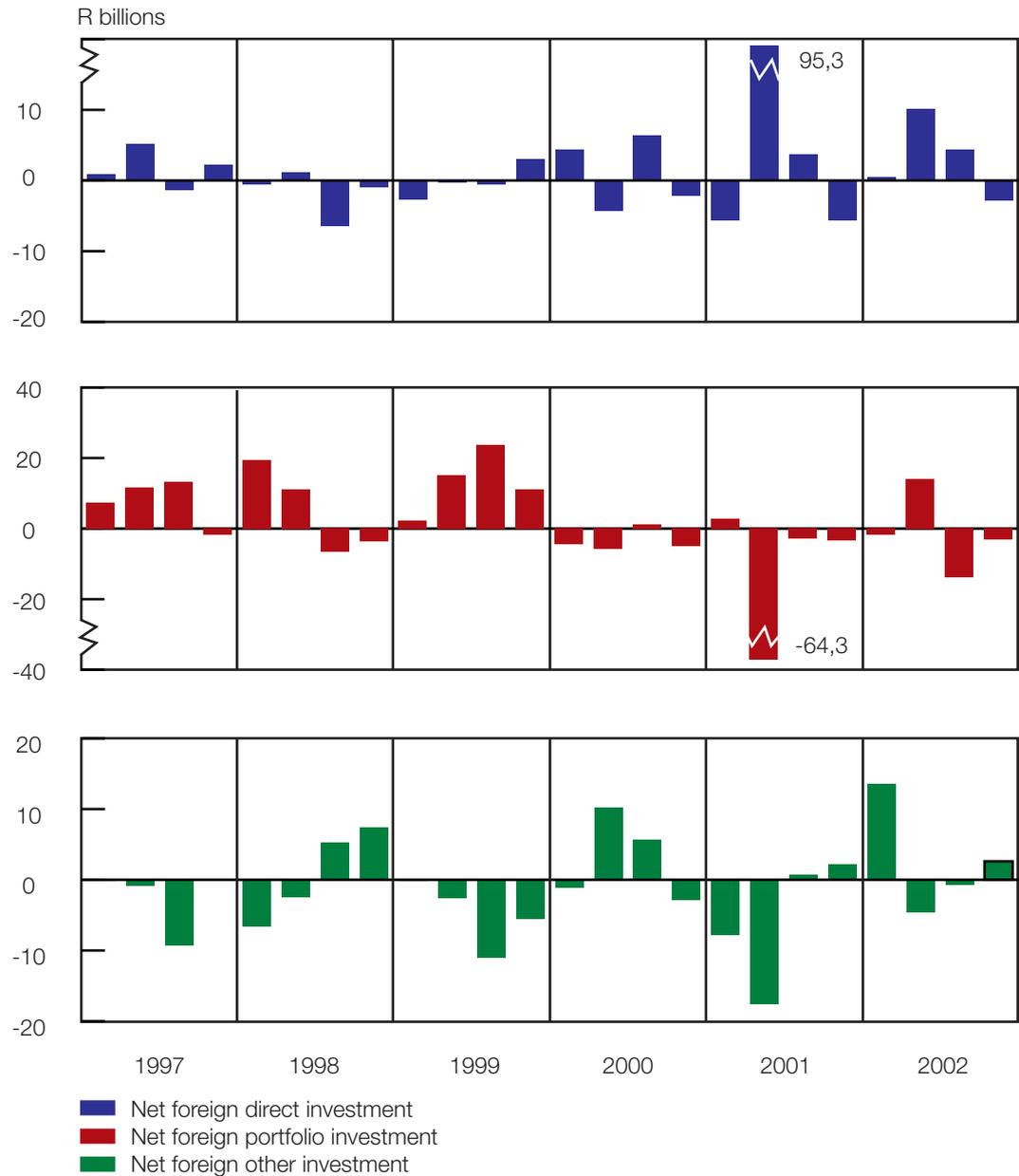
In the fourth quarter of 2002 an increase in the nominal value of merchandise export earnings was almost fully neutralised by a decline in the value of net gold exports and by an increase in the value of merchandise imports. As a consequence, the surplus on the trade account (seasonally adjusted and annualised) remained broadly unchanged from the third quarter of 2002 to the fourth quarter. However, a substantial contraction in the shortfall on the services and income account of the balance of payments caused an improvement in the current-account balance from a deficit of R2,2 billion (seasonally adjusted and annualised) in the third quarter of 2002 to a surplus of R4,3 billion in the fourth quarter.

37. Balance on financial account



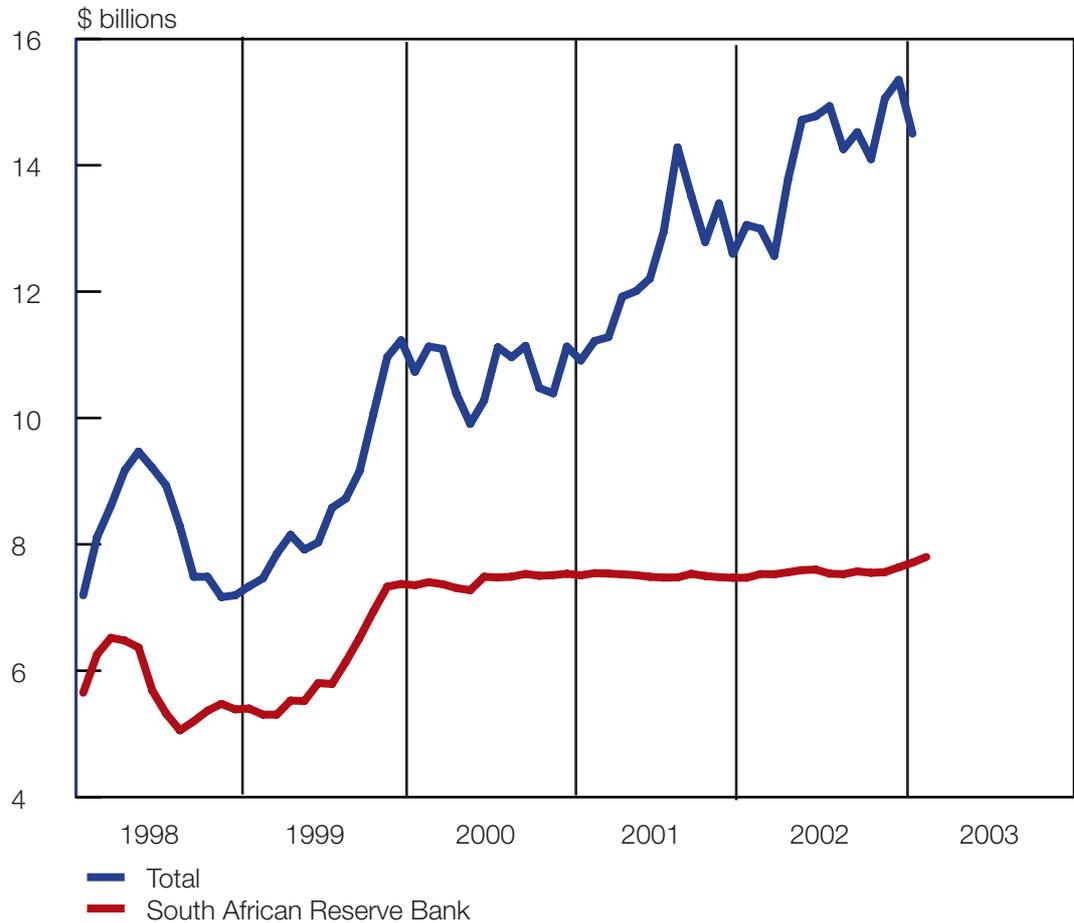
Strong net capital flows into South Africa during the first half of 2002 were whittled away in the second half of the year when international investors' sentiment turned negative. Net financial inflows amounted to R33,1 billion in the first half of 2002 but these fell away almost completely in the second half.

38. Financial account



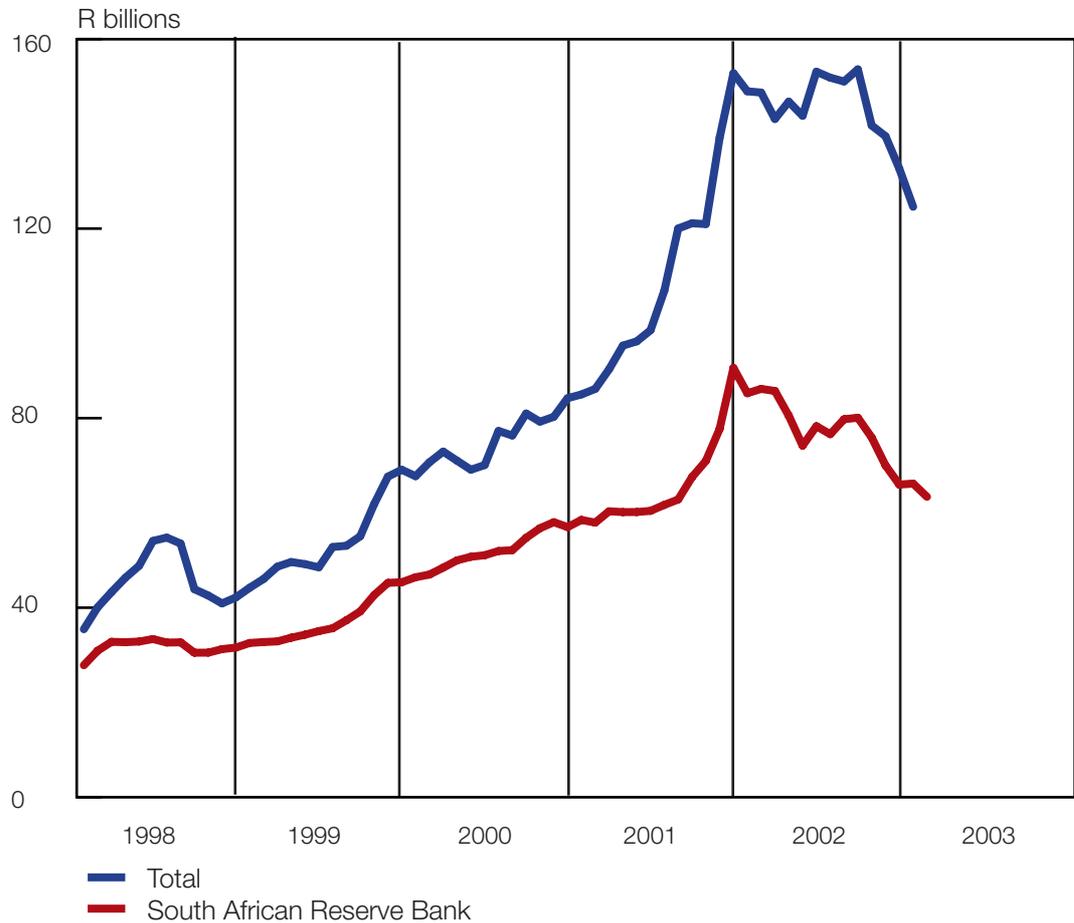
Strong net capital flows into South Africa during the first half of 2002 were whittled away in the second half of the year when international investors' sentiment turned negative. Net financial inflows amounted to R33,1 billion in the first half of 2002 but these fell away almost completely in the second half. Net direct and net "other" investment capital flows into South Africa contracted substantially in the second half of 2002 and net portfolio investment turned around from considerable inflows in the first half of 2002 to strong outflows in the second half.

39. Gross gold and other foreign exchange reserves



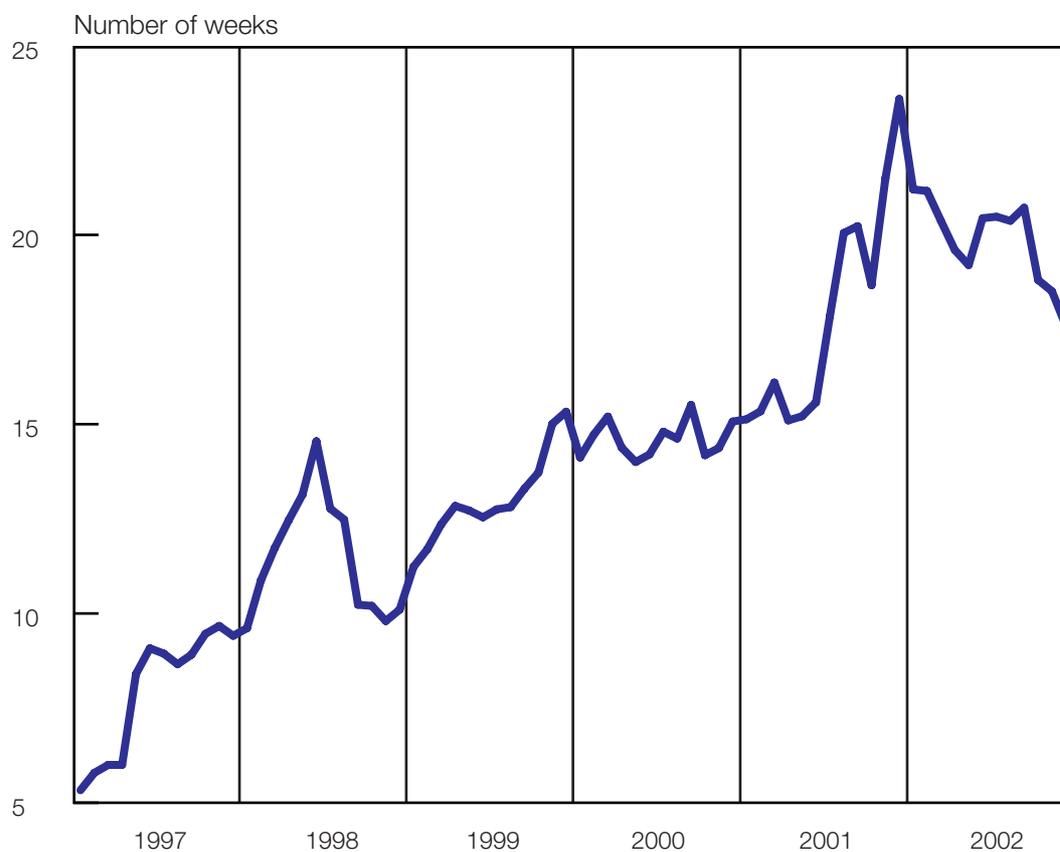
Valued in US dollars, South Africa's gross gold and other foreign exchange reserves increased from US\$14,5 billion at the end of September 2002 to US\$15,4 billion at the end of December. In January 2003, these reserves declined again to US\$14,5 billion. The gross gold and other foreign exchange reserves of the Reserve Bank remained unchanged at US\$7,6 billion from the end of September 2002 to the end of December, but increased somewhat to US\$7,8 billion at the end of February 2003.

40. Gross gold and other foreign exchange reserves



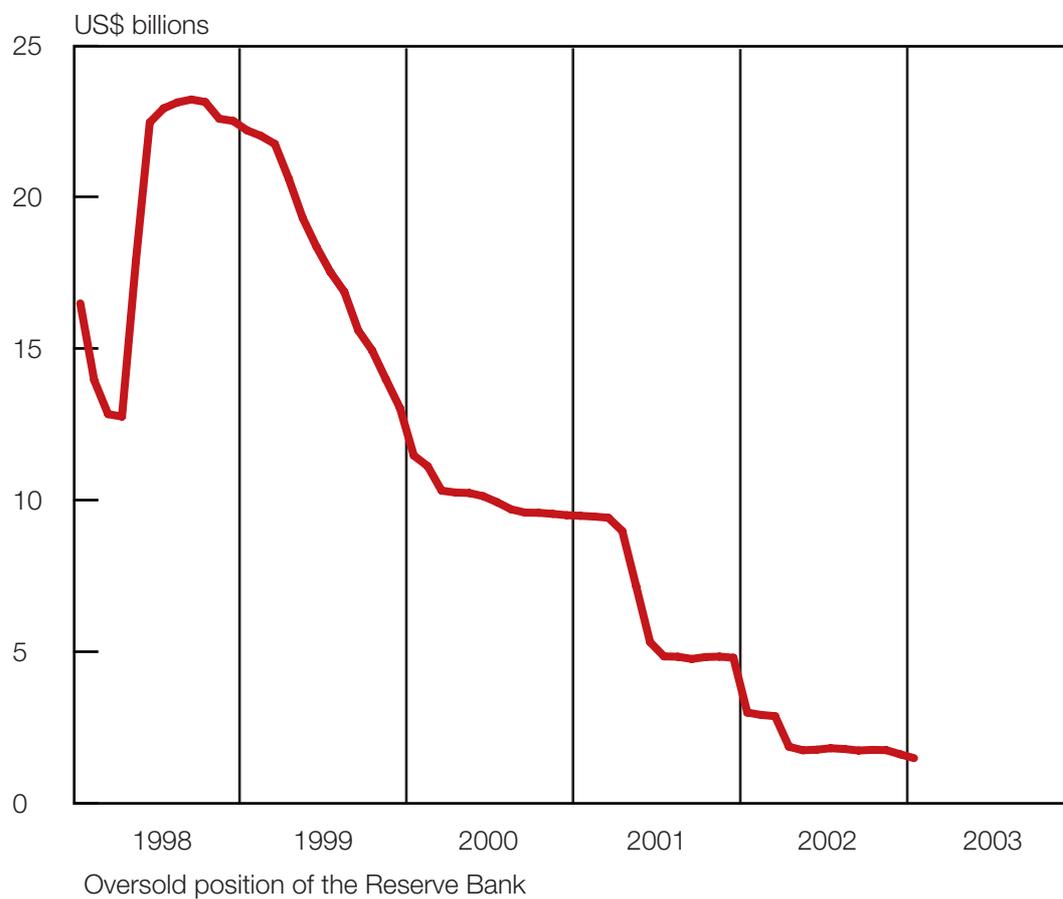
Because of the stronger external value of the rand, total international reserves valued in rands declined from R153,6 billion at the end of September 2002 to R132,6 billion at the end of December. Balance of payments transactions caused a further decline to R124,6 billion in the level of gross gold and other foreign reserves at the end of January 2003. The gross gold and other foreign exchange reserves of the Reserve Bank which had declined from R80,1 billion at the end of September 2002 to R66,0 billion at the end of December, rose marginally to R66,2 billion at the end of January 2003. Owing to the appreciation of the exchange rate of the rand against the US dollar, these reserves declined again to R63,4 billion at the end of February 2003.

41. Imports covered by reserves



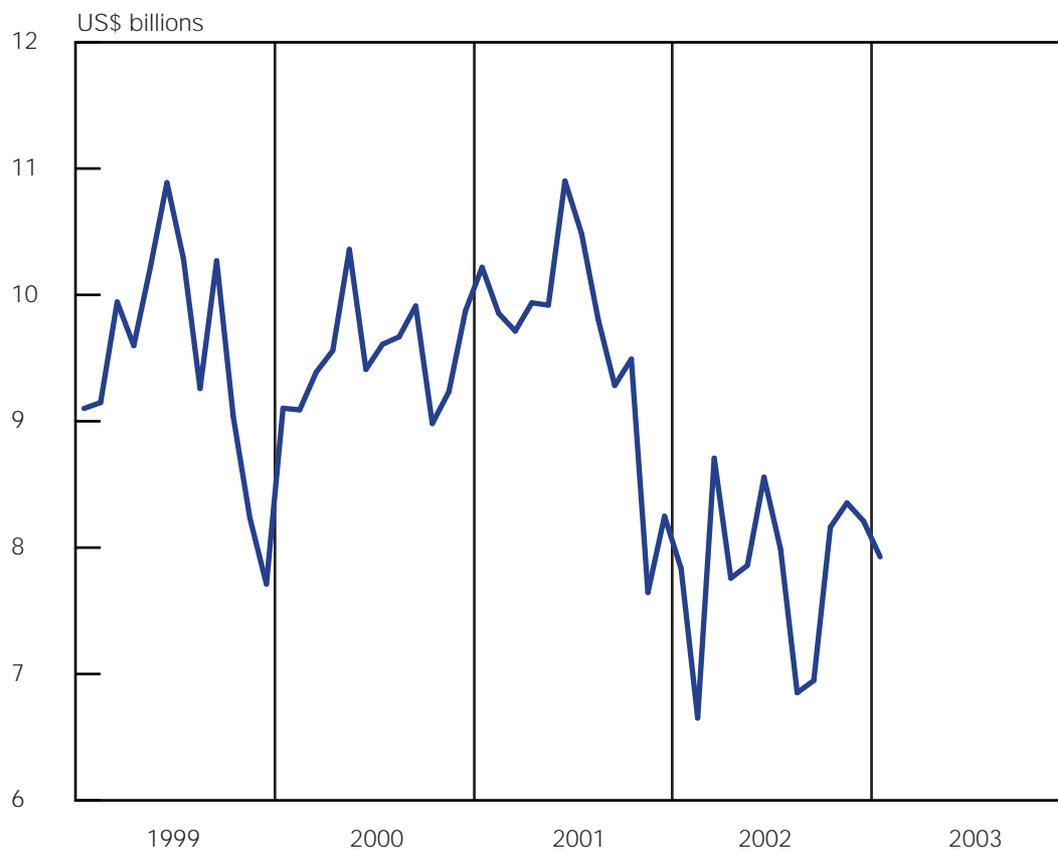
Because of the stronger external value of the rand, total international reserves valued in rands declined from R153,6 billion at the end of September 2002 to R132,6 billion at the end of December. The level of import cover consequently fell from 20½ weeks' worth of imports of goods and services at the end of September 2002 to 18 weeks' worth at the end of December.

42. Net open position in foreign currency



The Reserve Bank's net open position in foreign currency declined from US\$1,6 billion at the end of December 2002 to US\$1,5 billion at the end of January 2003.

43. Average net daily turnover in the South African foreign exchange market



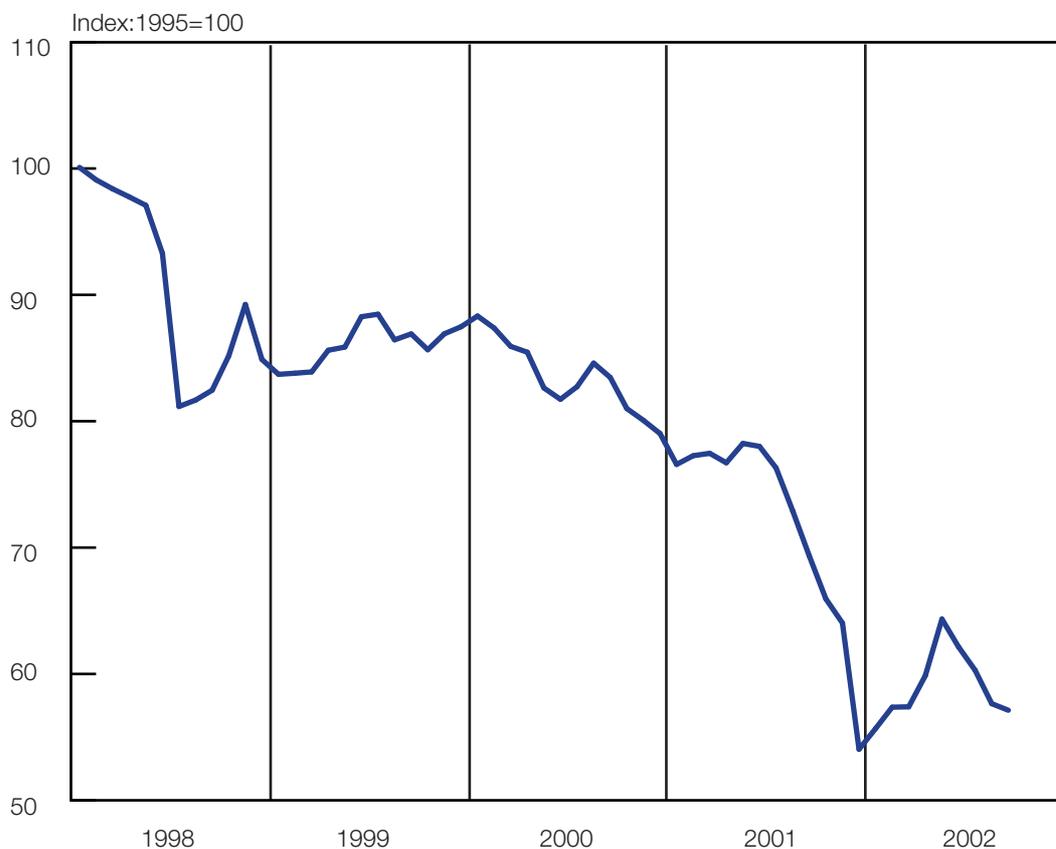
The average daily turnover in the domestic market for foreign exchange which had declined from US\$8,4 billion in November 2002 to US\$8,2 billion in December, declined further to US\$7,9 billion in January 2003.

44. Exchange rates of the rand



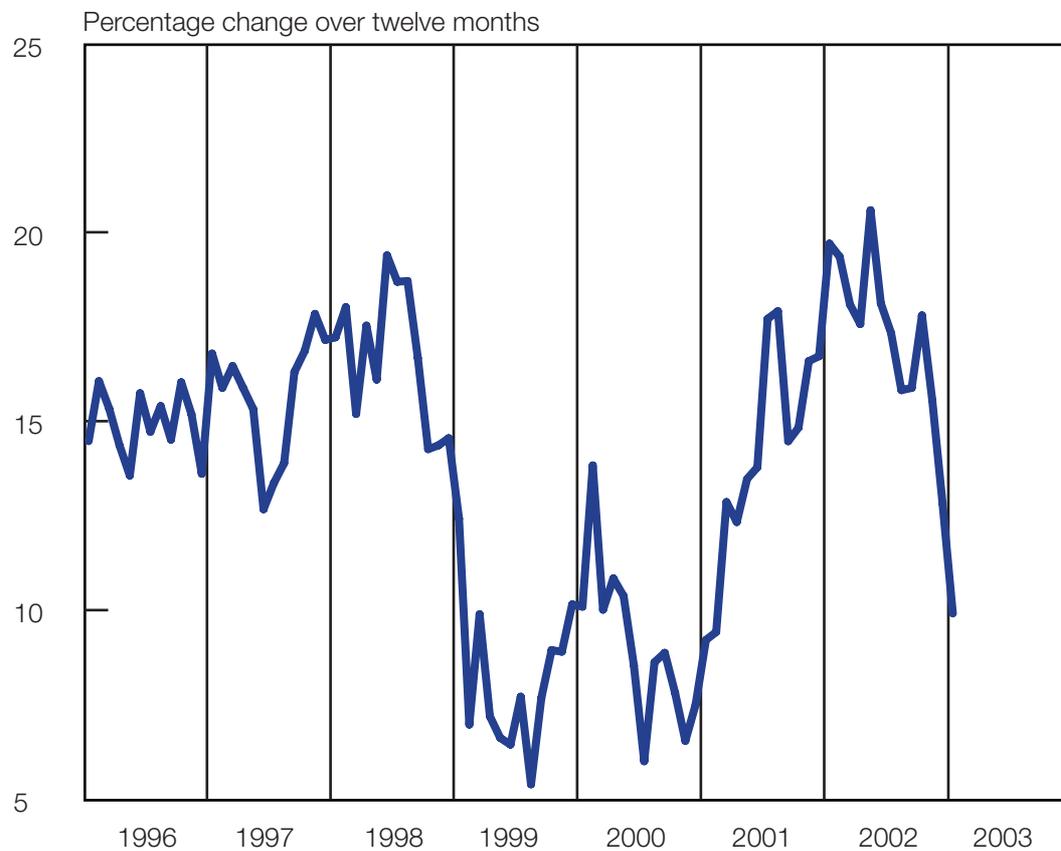
The monthly average weighted exchange rate of the rand increased by 24,9 per cent from December 2001 to February 2003. The monthly average exchange rate of the rand, appreciated by 28,1 per cent against the US dollar over the same period.

45. Real effective exchange rate of the rand



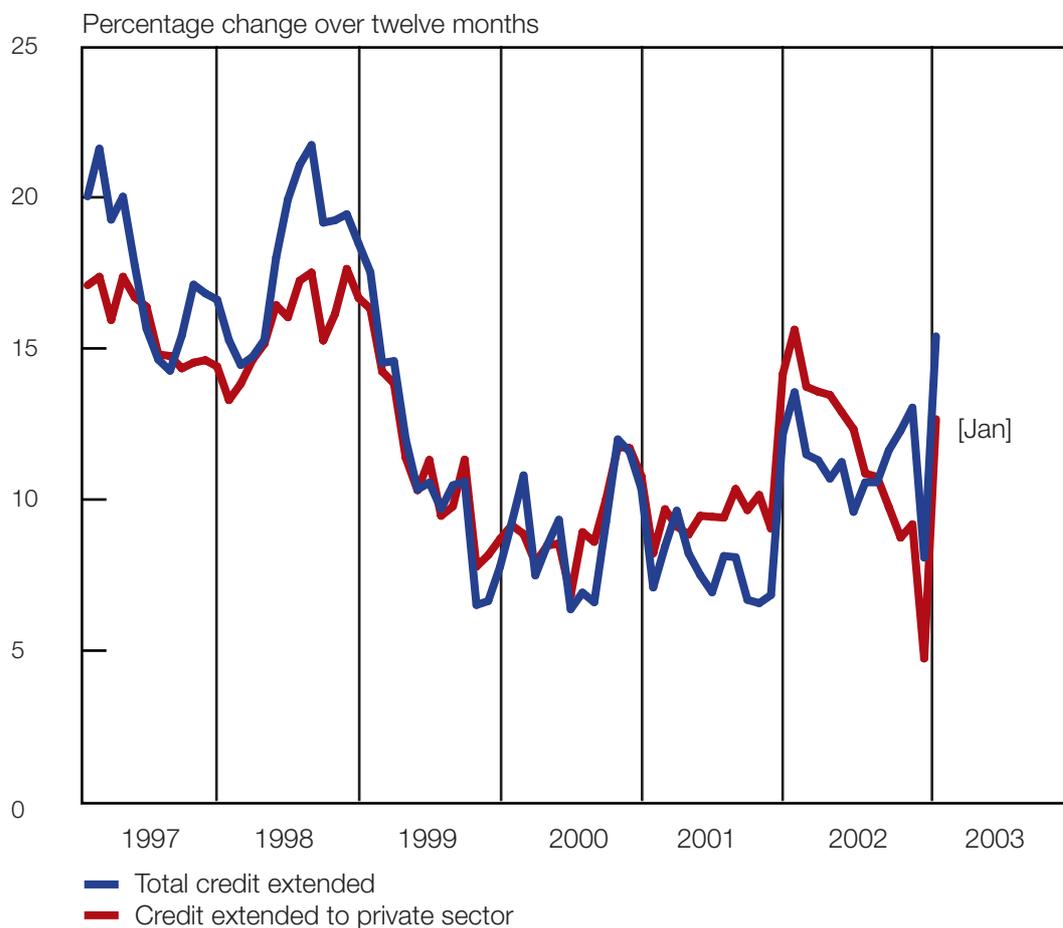
Adjusted for the inflation differential between South Africa and its most important trading partners, the average monthly real effective exchange rate of the rand increased by 5,7 per cent from December 2001 to September 2002. However, the average real effective exchange rate of the rand was still 22,2 per cent lower in the first nine months of 2002 than in the corresponding period in 2001.

46. M3 money supply



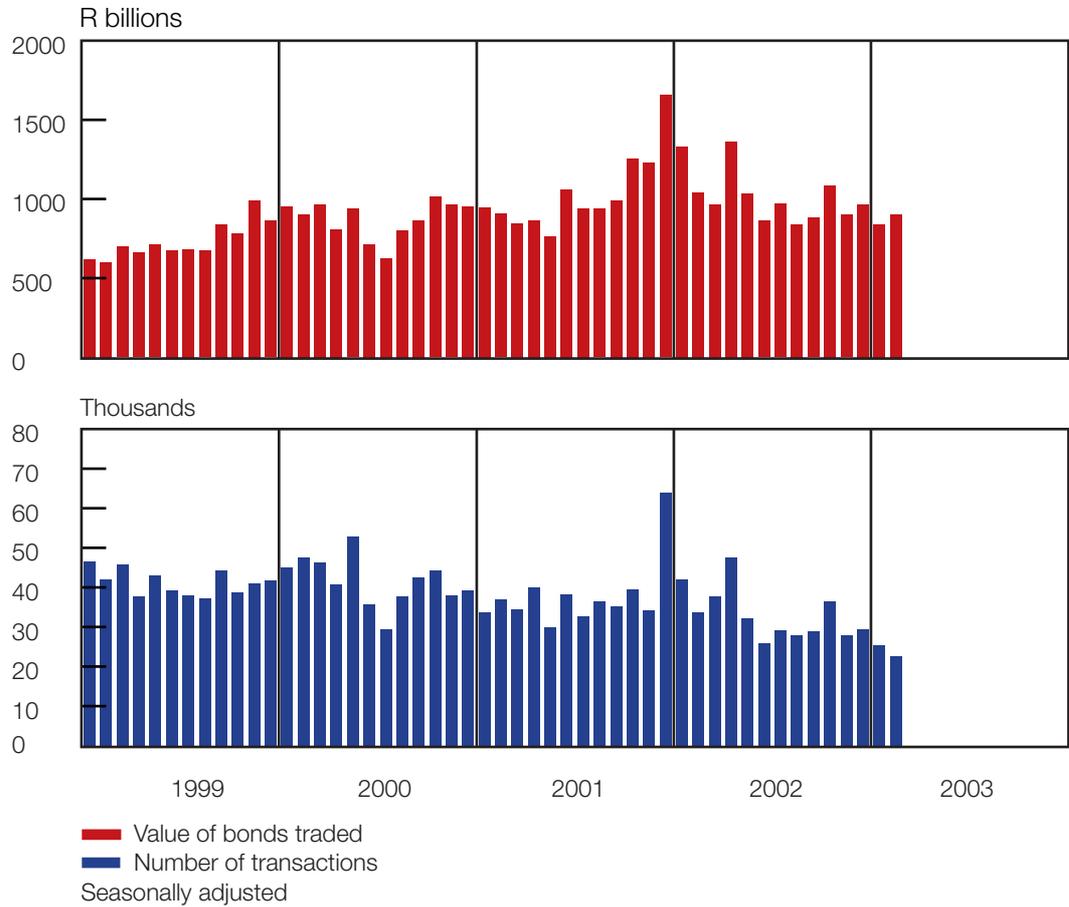
The growth over twelve months in M3 decelerated from 17,8 per cent in October 2002 to 12,8 per cent in December and 9,9 per cent in January 2003. The trend in money growth was influenced by the exchange rate volatility, the tightening of monetary policy and resident investors' net purchases of bonds from non-residents during the second half of 2002.

47. Domestic credit extension



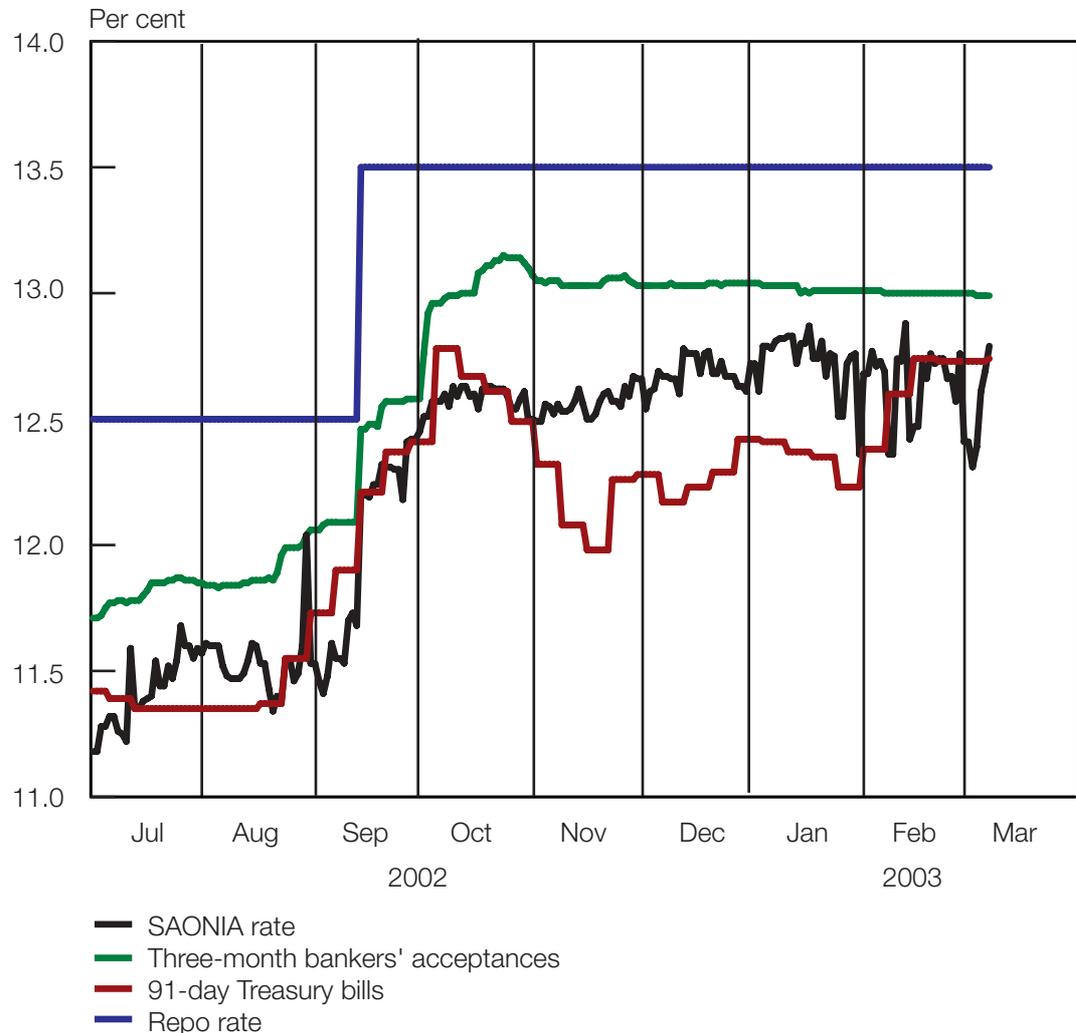
The year-on-year growth in total domestic credit extension accelerated from 9,6 per cent in June 2002 to 13,0 per cent in November 2002, but later fell back to 8,1 per cent in December when the high value of December 2001 entered the base for year-on-year growth calculations. Growth in total credit extension accelerated further to 15,4 per cent in January 2003. The twelve months growth rate in bank credit extension to the domestic private sector decelerated from 12,3 per cent in June 2002 to 9,2 per cent in November and even more rapidly to 4,7 per cent in December. A reversal in leads and lags in foreign payments and receipts and rising cost of credit were probably the more important factors responsible for the holding back growth in the overall credit demand. In January 2003 private sector credit bounced back to double-digit figure of 12,7 per cent. This can be ascribed to technical factors - notably the reporting of derivatives from off -to on-balance sheet.

48. Turnover in the secondary bond market



The value of turnover on the Bond Exchange of South Africa of R12,2 trillion in 2002 was 1,4 per cent less than in 2001. The seasonally adjusted monthly value of turnover in the *secondary bond market* then increased by 7,7 per cent from January 2003 to February.

49. Money-market interest rates



The repurchase rate of the Reserve Bank was increased on four occasions during the first nine months of 2002, each time by 100 basis points. The latest adjustment occurred on 13 September 2002 when the repurchase rate was raised to 13,50 per cent. The South African Overnight Interbank Average (SAONIA) rate moved within a narrow range of between 12,48 per cent and 12,78 per cent in the fourth quarter of 2002, emulating the steady behaviour of the repurchase rate. In early 2003 this rate moved slightly lower to reach 12,67 per cent on 12 March 2003.

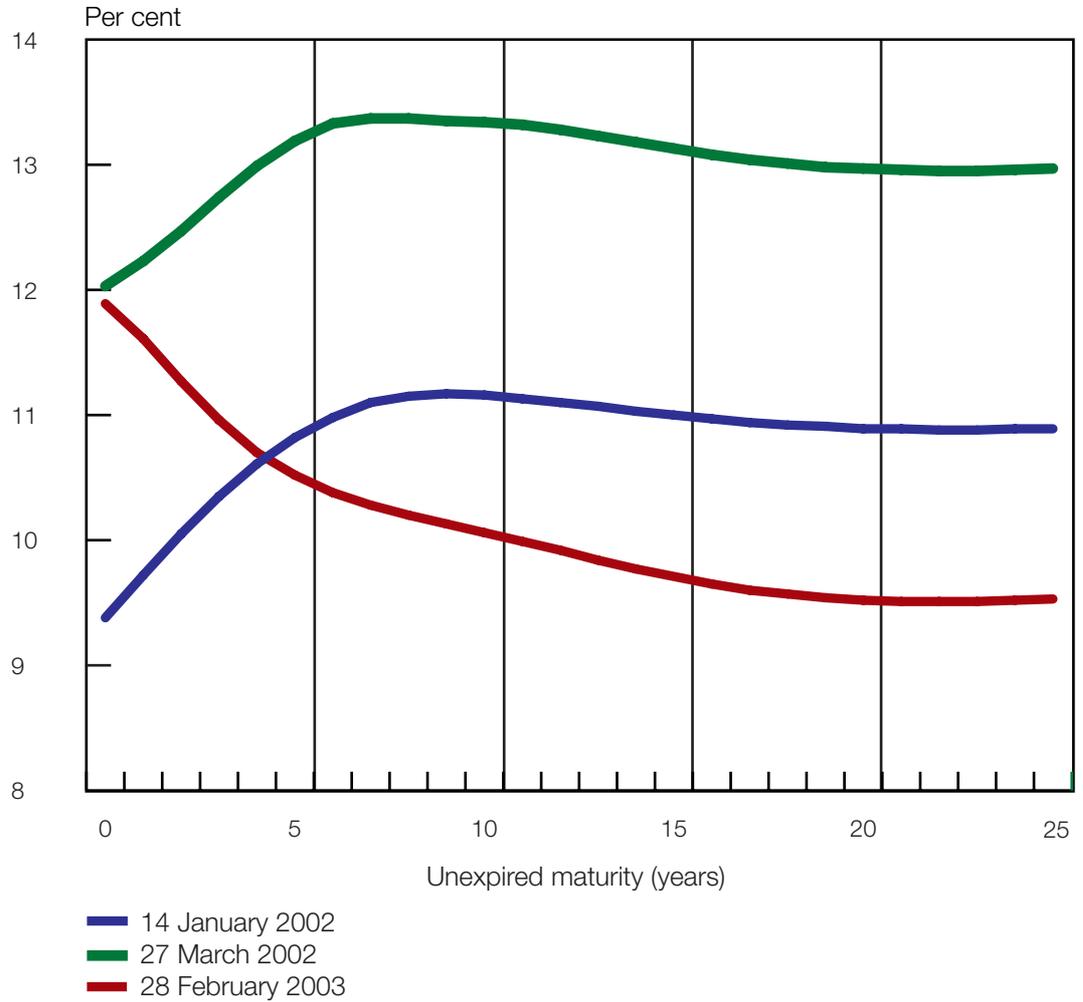
Other money market interest remained fairly stable during the fourth quarter of 2002. The rate on three-month bankers declined from 13,15 per cent on 23 October 2002 to 13,03 per cent on 8 November and remained around this level in the ensuing period to 12 March 2003. The tender rate on 91-day Treasury bills briefly fell below the 12 per cent mark in mid-November but resumed its upward trend movement, rising to 12,74 per cent on 12 March 2003.

50. Yield on long-term government bonds



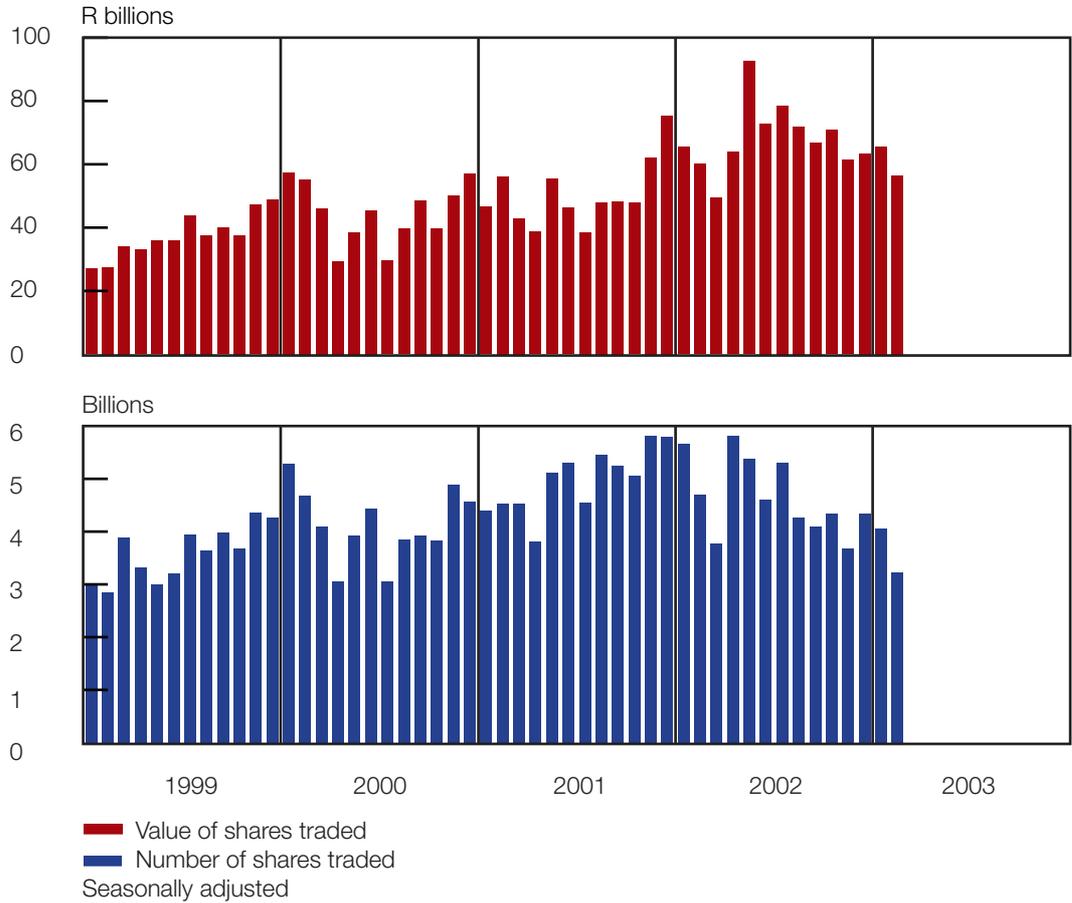
Bond yields decreased from 13,28 per cent on 28 March 2002 to 10,22 per cent on 28 February 2003, inter alia reflecting improved sentiment and inflation expectations in the wake of the fair performance of the exchange rate of the rand. Subsequently, bond yields increased somewhat to 10,41 per cent on 14 March 2003.

51. Yield curve



During 2002, the shape of the *yield curve* changed from upward sloping to downward sloping. Following the increases in the Reserve Bank's repurchase rate on 16 January 2002 and 15 March the upward-sloping yield curve moved sharply higher to 27 March 2002. Since then and after the further increases in the repurchase rate on 14 June and 13 September 2002, the yield curve moved lower at the long end and has become inverted.

52. Turnover in the secondary share market



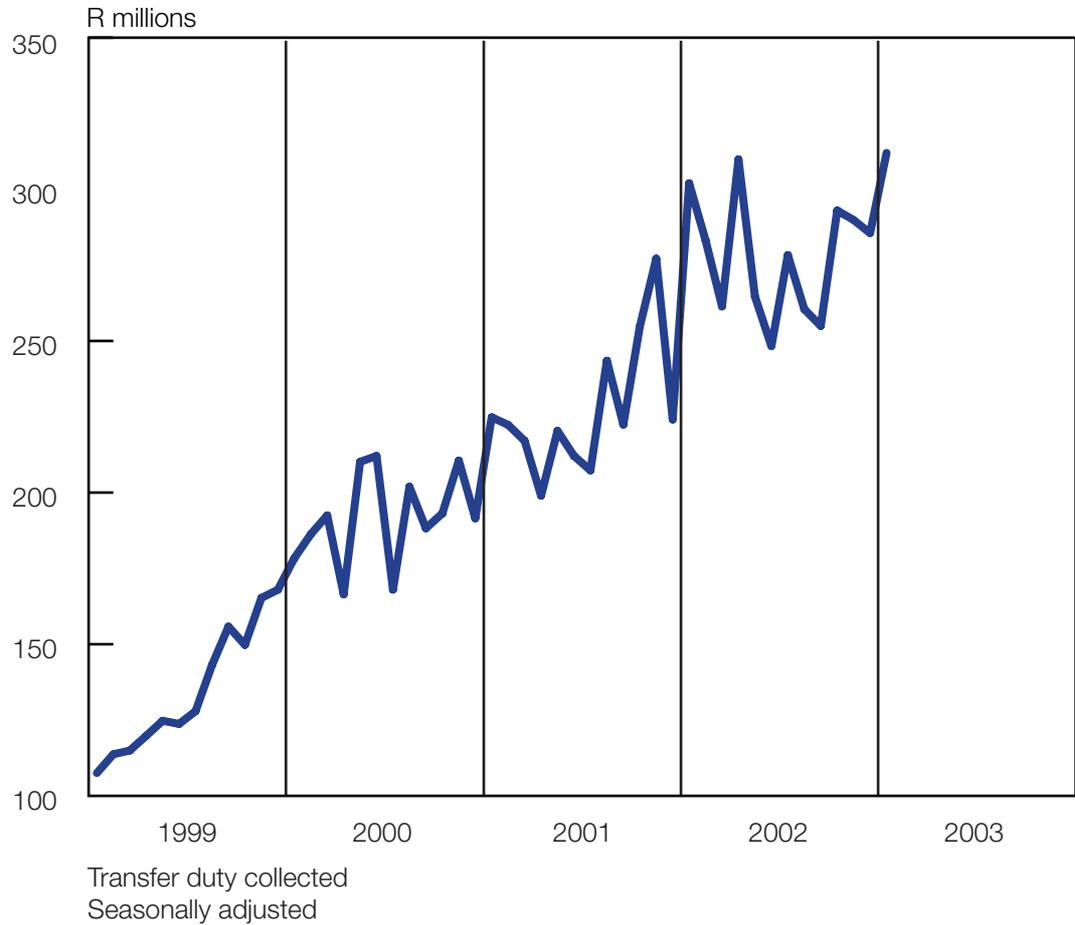
The value of shares traded on the JSE Securities Exchange SA of R809 billion in 2002 was 33 per cent more than in 2001. The seasonally adjusted monthly value of turnover in the *secondary share market* declined by 14 per cent from January 2003 to February.

53. Share prices - all classes



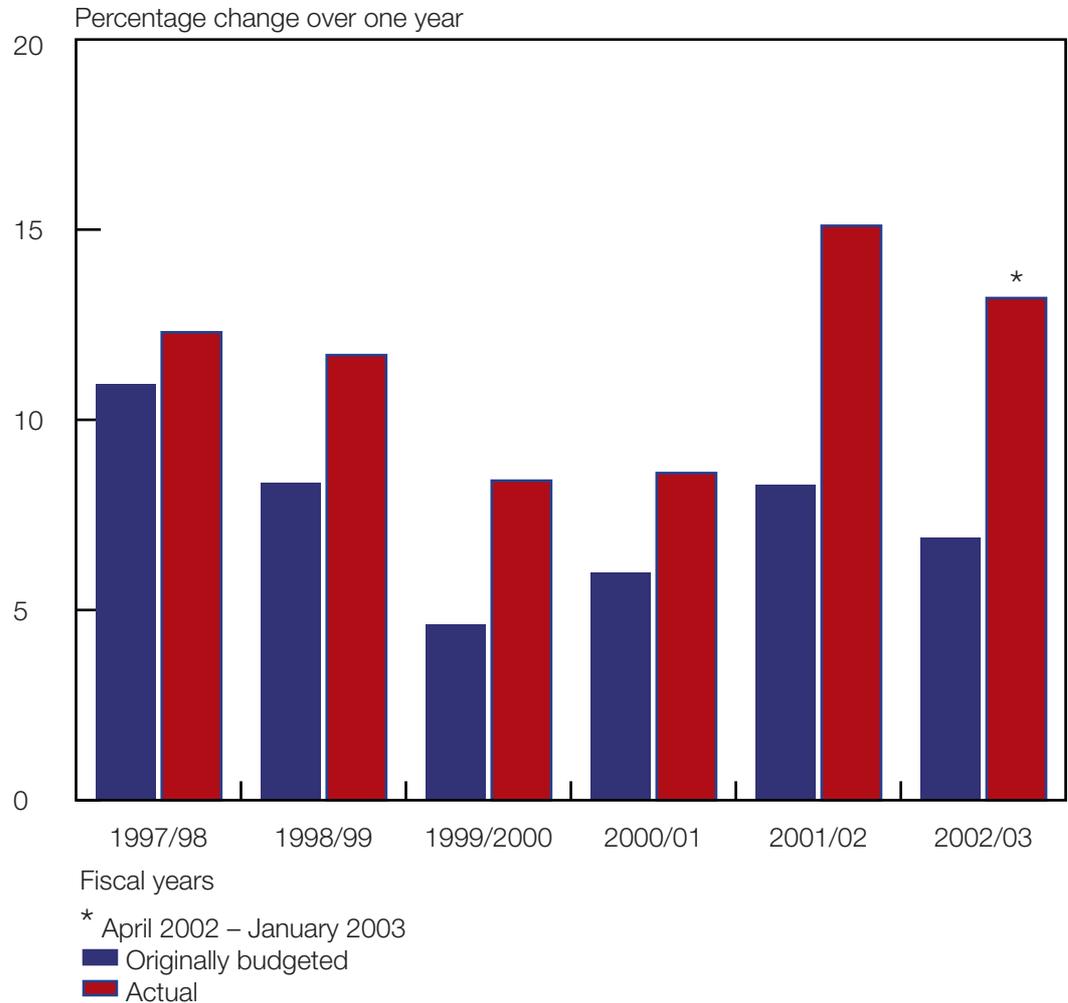
The daily closing level of the *all-share price index* fell by 33 per cent from a record high on 22 May 2002 to its lowest level in seventeen months on 11 March 2003, before increasing by 4 per cent to 14 March.

54. Real-estate market



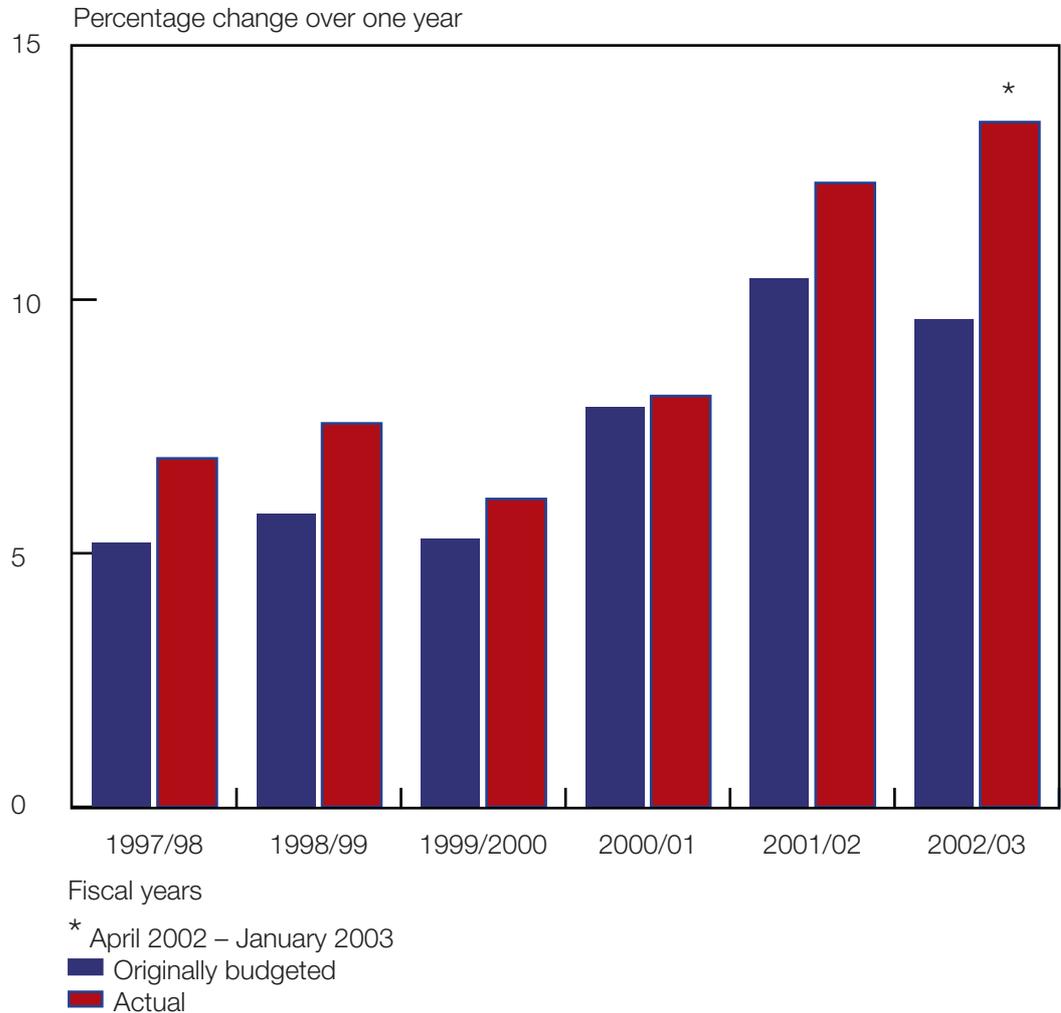
Following strong growth in the first four months of 2002, trading activity in the real-estate market slowed somewhat before increasing strongly in October. Overall, the seasonally adjusted *value of turnover in the real-estate market*, measured by *transfer duty paid*, rose by 21 per cent in 2002, compared to an increase of 19 per cent in 2001. In January 2003 turnover increased by 9 per cent from December 2002.

55. Revenue of national government



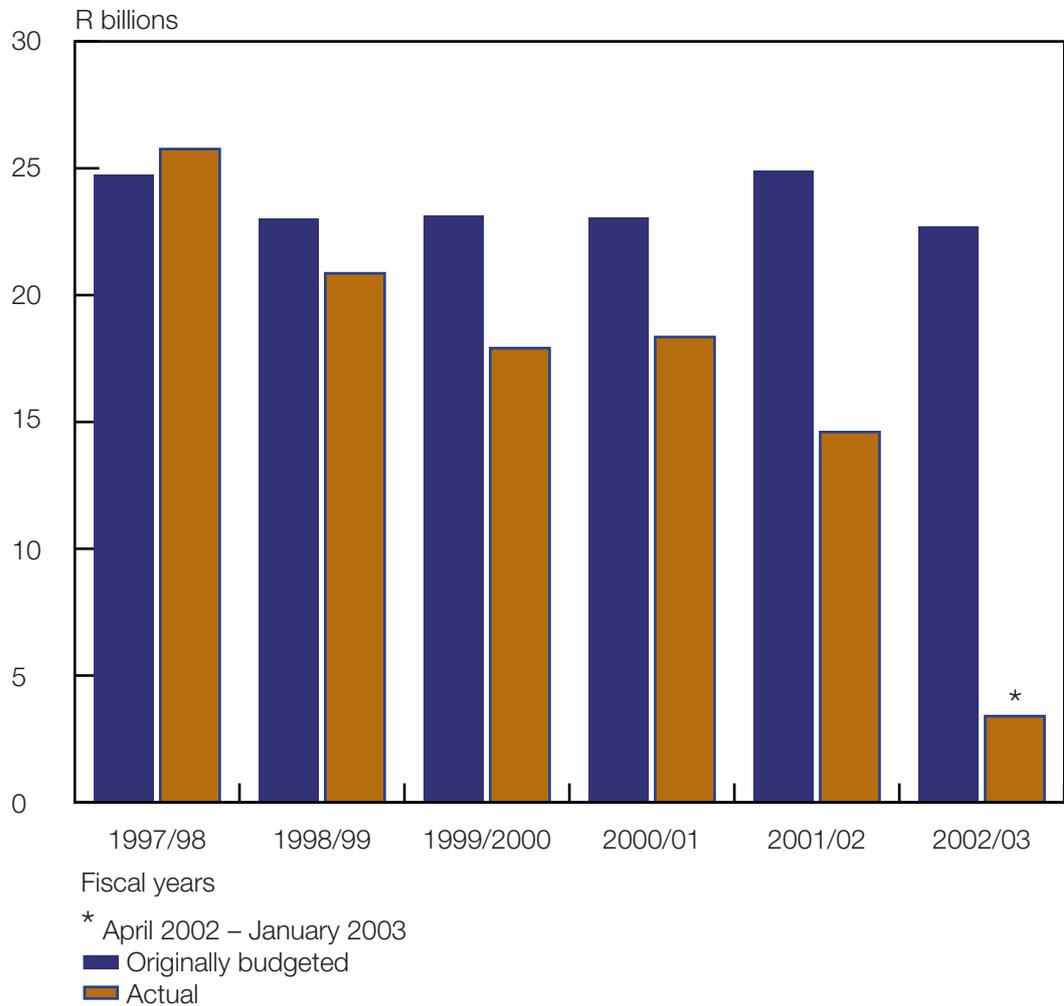
National government revenue in the first ten months of fiscal 2002/03 amounted to R228 billion, equalling 85,8 per cent of the originally budgeted revenue of R265 billion for the fiscal year as a whole. Revenue increased at a year-on-year rate of 13,2 per cent in the first ten months of fiscal 2002/03, which was considerably higher than the originally budgeted rate of increase of 6,9 per cent for the fiscal year as a whole. All major tax categories, except taxes on international trade and transactions, outperformed budget expectations. An amount of R8,2 billion (approximately 4 per cent of total revenue) was not allocated to a specific revenue source.

56. Expenditure by national government



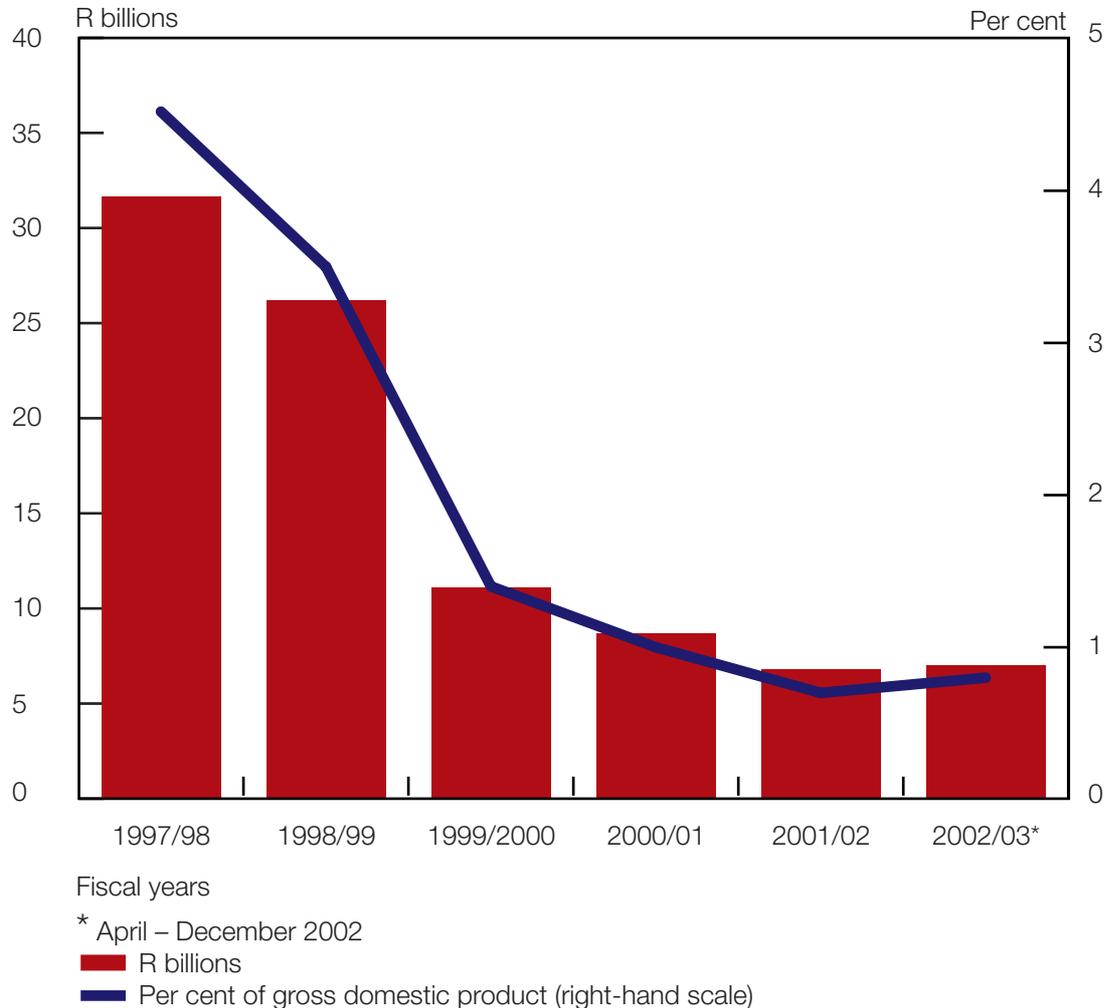
National government expenditure in the first ten months of fiscal 2002/03 amounted to R231 billion, or 13,5 per cent more than in the same period of fiscal 2001/02. National government expenditure was originally budgeted to increase at a rate of 9,6 per cent to amount to R288 billion in fiscal 2002/03. The high rate of increase in expenditure can mainly be ascribed to a year-on-year rate of increase of 15,3 per cent in transfers to provincial governments and a year-on-year rate of increase of 45,5 per cent in capital expenditure of national government departments. The interest bill of national government was well contained and decreased by 4,9 per cent in the first ten months of fiscal 2002/03 compared with the same period of the previous fiscal year.

57. Deficit of national government



National government recorded a deficit for the first ten months of fiscal 2002/03 amounting to R3,4 billion compared with a deficit of R2,6 billion recorded in the same period of the previous fiscal year. National government's deficit was originally budgeted to amount to R22,7 billion in fiscal 2002/03, but was subsequently revised to R16,1 billion in the *Budget Review 2003*. A sizeable deficit is usually recorded in the final two-month period of each fiscal year.

58. Non-financial public-sector borrowing requirement



The financial activities of the non-financial public sector in the first nine months of fiscal 2002/03 resulted in a deficit of R7,0 billion, compared with a surplus of R4,3 billion recorded in the same period of the previous fiscal year. As a ratio of gross domestic product the non-financial public-sector borrowing requirement recorded a turnaround from a surplus of 0,6 per cent in the first nine months of fiscal 2001/02 to a deficit of 0,8 per cent in the same period of fiscal 2002/03. The increase in the public-sector borrowing requirement is mainly the result of the inclusion of the capital transfer to the Reserve Bank in part payment of the balance on the Gold and Foreign Exchange Contingency Reserve Account, and a turnaround in the finances of provincial governments.