

MEDIA RELEASE	PSA welcomes 0.25%-rate drop in repo rate
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The Public Servants Association (PSA) welcomes the decision by the South African Reserve Bank (SARB) to decrease the repo rate by 25 basis points to 7.25% per annum.

This reduction comes at a crucial time, providing much-needed relief to consumers and businesses, although 0.50% would have enhanced disposable income. The general increase in medical aid, electricity, rates, and food prices has made life difficult for employees. The recent fuel-levy increase has added salt to the wound as it will result in public transport cost increase, which will also affect the food price as businesses will have increased costs to transport food to the market.

The PSA recognises that lower interest rates will make borrowing more affordable, thereby stimulating economic activity and supporting growth. This decision is expected to ease the financial burden on households, particularly those of public servants who have been facing rising costs of living. Public servants and workers will breathe a sigh of relief when it comes to repayment of bonds and cars, which will result in a few extra rands in their pockets as under current conditions, every cent counts.

The PSA commend the SARB for taking this step towards fostering a more favourable economic environment. The PSA urges government to complement this monetary policy adjustment with structural reforms in key sectors such as energy, transport, and manufacturing to ensure sustainable economic recovery. The PSA is committed to advocating for the financial well-being of public servants and the broader working class. The Union will continue to engage with relevant stakeholders to ensure that the benefits of this interest-rate decrease translate into tangible improvements in the lives of PSA members.

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