

MEDIA RELEASE PSA welcomes Reserve Bank's decision to keep interest rates unchanged

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The Public Servants Association (PSA) welcomes the decision by the South African Reserve Bank's Monetary Policy Committee to keep the repo rate unchanged.

This decision provides much-needed relief to thousands of public servants who continue to face severe financial pressure amid the rising cost of living. Whilst the decision does not erase the financial hardships experienced by public servants, it does provide welcome breathing space for households that are battling to make ends meet. Public servants continue to absorb the impact of escalating fuel prices, increasing electricity tariffs, higher transport costs, food inflation, and the ever-rising cost of basic household necessities.

Many public servants are heavily indebted, not because of irresponsible spending, but because their salaries have consistently failed to keep pace with inflation and the relentless increase in the cost of living. Any further increase in interest rates would have placed additional pressure on mortgage repayments, vehicle finance, personal loans, and other credit obligations, pushing many families into financial distress.

The PSA believes that the Reserve Bank has taken a balanced and responsible decision by considering both inflationary pressures and the difficult economic realities faced by South Africans. Maintaining the current interest rate will help protect vulnerable consumers whilst allowing the economy time to recover.

The PSA reiterates that sustainable relief for public servants cannot rely solely on monetary policy. Government must ensure that public servants receive fair and meaningful salary increases that adequately reflect inflation and the increasing cost of living. Public servants remain at the core service delivery and deserve remuneration that enables them to live with dignity.

The PSA will continue to advocate for policies that protect the financial wellbeing of public servants and calls on government to implement measures that stimulate economic growth, reduce the cost of living, and improve the quality of life for all South Africans.

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