

MEDIA RELEASE	PSA welcomes interest rate cut: Calls for further economic relief
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The Public Servants Association (PSA) welcomes the decision by the South African Reserve Bank (SARB) to lower the repo rate by 25 basis points to 7.50% per annum.

This decision offers much-needed relief to workers and businesses struggling under the burden of high living costs, persistent fuel price increases, and rising electricity tariffs. Just recently, the National Energy Regulator approved a 12.7% increase for Eskom electricity tariffs, which will come into effect on 1 April 2025.

The PSA acknowledges that lower interest rates can stimulate economic growth by making credit more affordable. It is crucial that this opportunity is used effectively to support businesses, create employment, and drive infrastructure investment. Access to cheaper capital must translate into tangible economic benefits, including job creation and increased industrial productivity, boosting South Africa's export potential.

The PSA noted the impact of the Government of National Unity on economic stability, particularly on the exchange rate, which influences inflation, fuel costs, and overall economic confidence. A stable political environment remains key to ensuring economic certainty and further monetary policy adjustments that benefit workers and consumers. However, despite lower inflation, many essential goods and services remain unaffordable for public servants and the working class. The cost of transport, food, and electricity continues to rise, outpacing salary increases. The PSA echoes the sentiment that there is still room for additional interest rate cuts in coming months to further alleviate financial pressures on households.

The PSA urges the SARB to consider further reductions in the repo rate to stimulate demand and economic activity. The PSA also calls on government to implement policies that directly address the cost-of-living crisis faced by workers. Structural reforms in key sectors such as energy, transport, and manufacturing are necessary to complement monetary policy interventions and ensure sustainable economic recovery. The PSA remains committed to advocating for the financial well-being of public servants and the broader working class and will continue engaging relevant stakeholders in pursuit of further economic relief measures.

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