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## **BUSA SUPPORTS MPC DECISION**

**JOHANNESBURG:** Business Unity South Africa (BUSA) shares the overall economic assessment offered by the Reserve Bank today and on a balance of risks BUSA supports the decision to leave interest rates unchanged as being an acceptable one in the circumstances. BUSA concurs that the current economic recovery is still a modest and vulnerable one and that a growth rate of only about 3.4% is probably likely this year.

There is general agreement that South Africa needs to aim at a much stronger growth rate in the years ahead. However, getting growth and employment to higher levels will require a broad approach to South Africa's economic performance which goes beyond interest rate policy alone. Hence the importance of the right decisions being taken and implemented arising out of the New Growth Path debate.

For as long as the rand remains in overvalued territory, BUSA supports the steps taken by the Reserve Bank so far to attempt to stabilise the currency, although there are clearly distinct limits to what Reserve Bank intervention can successfully do for currency management. What remains important is that monetary policy will continue to be responsive to changing economic and business conditions.

Ends.

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