



BUSINESS UNITY SOUTH AFRICA (BUS A)

MEDIA STATEMENT

IMMEDIATE RELEASE

INTEREST RATES

Commenting on the Reserve Bank discussion on interest rates today BUS A says:

Quote:

BUS A welcomes the decision by the Reserve Bank to cut the repo rate aggressively by another 100 basis points today. Given the background of recession in South Africa, business believe that a further fall in interest rates is an essential element in the counter-cyclical approach which needs to be followed to cushion the impact of the global crisis on the domestic economy. BUS A believes that monetary policy needs to be responsive to changing economic and business conditions.

Although the policy options open to SA are limited, the fiscal measures in the Budget, the steps outlined in the Presidency's Framework Response to the global crisis and lower interest rates are necessary to sustain business confidence and minimise job losses. The priority now is to ensure that the SA economy is successfully positioned to take advantage of the business cycle when it turns and to attract the investment it needs for growth and development.

Ends

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