

Sarb announces its repo rate hike

The Monetary Policy Committee (MPC) has increased its repo rate by 75 basis points with effect from 23 September 2022. The 75bp hike brings the repo rate to 6.25%.

 By Katja Hamilton ^{22 Sep 2022}



Source: centralbanking.com

This was the message of the South African Reserve Bank (Sarb) governor Lesetja Kganyago at today's official public repo-rate announcement just less than two months since the MPC's last higher-than-expected repo-rate hike.

The news comes on the back of South Africa's rising inflationary pressure from food and transport costs, global interest rate movements on the up, and the no ending in the Russia/Ukraine situation any time soon.

Three members of the MPC committee preferred the announced increase, two members preferred a 100 basis points' increase.

The level of the repo rates is now closer to the level before the start of the pandemic.

"The revised repo rate path remains supportive of credit demand in the near term, while raising rate levels consistent with the current view of inflation risks," Kganyago said.

"Achieving a prudent public debt level, increasing the supply of energy, moderating administered price inflation and keeping wage growth in line with productivity gain will enhance the effect of monetary policy at ease transmission to the broader economy.

"Economic and financial conditions are expected to remain more volatile for the foreseeable future."

Read the full MPC statement [here](#).

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