

Repo rate will weigh heavily on workers with home loans

By [Abigail Moyo](#)

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The widely expected repo-rate increase of 25 basis points to 4.25% announced by the Monetary Policy Committee (MPC) of the South African Reserve Bank (SARB) will weigh heavily on workers who are paying off home loans and other debts.



Source: [Flxabay](#)

South Africans already struggling to keep up with massively high fuel prices and an increasing Consumer Price Index (CPI), will have to drain their pockets to manage their expenses. For many, the vision to build up a nest egg has become a vague dream. For the jobless, life is a continued and never-ending nightmare.

This is the third consecutive increase of 25 basis points, with at least two more predicted for this year. The conflict in Ukraine, if not solved soon, may result in even more repo-rate hikes and will force food-, fuel- and a wide range of product prices up beyond the inflation target point of 4.5%, due to the disruption of supply chains and the resulting shortages.

UASA encourages its members and all workers to keep a tight budget, keeping in mind the effect of inflation and increased interest rates on their disposable income. Keeping a tight budget is essential for all workers.

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