

Banking Association to meet Reserve Bank Governor

By [Neo Semono](#)

20 May 2009

The Banking Association of South Africa has confirmed a meeting would take place on Thursday, 21 May 2009, between itself and South African Reserve Bank Governor Tito Mboweni.

“The Banking Association confirms that the meeting will take place tomorrow,” said the Banking Council's Managing Director, Cas Coovadia.

Mboweni who addressed a Road Freight Association conference in Vanderbijlpark on Tuesday said the meeting between himself and the banks would be held on Wednesday.

Both the Reserve Bank and the association would not disclose the location of where the meeting would be held.

The meeting will discuss the difference between the central bank's repo rate and the commercial bank's prime lending rate.

The central bank's repo rate currently stands at 8.5% while the commercial banks' prime lending rate stands at 12%.

At the conference, the governor expressed concern over job losses that were now being experienced in the private sector.

He further added that negative trends, experienced in last year's final quarter seemed to have continued in the first quarter of 2009, adding that the manufacturing sector remained under pressure.

On the issue of power utility Eskom's request for a nominal 34% tariff increase, the governor suggested a once off tax to finance the utility's expansion.

In response to a question at the conference, the Governor said a change in government did not influence the running of the Reserve Bank as it was an independent utility except when dealing with inflation targeting.

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