



**national treasury**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



South African Reserve Bank

**04 July 2019**

**Joint statement by the Minister of Finance Tito Mboweni and the Governor of the South African Reserve Bank Lesetja Kganyago**

The Minister of Finance and the Governor of the South African Reserve Bank (SARB) met this afternoon as they routinely do, in line with section 224 (2) of the Constitution. The effective co-ordination of fiscal and monetary policy is a central pillar of good macroeconomic management and policy certainty. The roles and responsibilities of both the National Treasury and the SARB in both the execution and communication of its functions and policies are well defined. Such co-ordination reduces any potential or unnecessary uncertainty around the formulation, decision making and implementation of the macroeconomic policy framework.

The National Treasury has always respected the independence of the SARB, and communicates when necessary on fiscal and economic policy. The Ministry of Finance would under certain circumstances not comment on the monetary policy stance or interfere in monetary policy decision making or decisions of the SARB. That is the role of the SARB. The SARB does not comment on fiscal policy and tax matters. The SARB, as an independent central bank of the Republic of South Africa, ensures that it takes full responsibility for assessing the impact that its policies have on inflation and the economic prospects of the country. This is a standard practice globally which ensures that there is no confusion and any misleading signals about both our assessment of economic developments and the role our specific institutions play in macroeconomic co-ordination, which includes the exchange rate policy. Our exchange rate policy is that we want to have a stable and competitive exchange rate. This practice does not mean that the two institutions act in isolation but in coordination.

It is well-known that there are regular consultations between the Minister responsible for national financial matters and the Governor of SARB in accordance with the constitution.

*Jointly issued by the Minister of Finance and the Governor of the South African Reserve Bank (SARB)*

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