

Statement regarding monetary policy

Issued by the Governor of the South African Reserve Bank, Dr. T. W. de Jongh

17 May 1978

After the usual consultation with the Treasury the Reserve Bank has decided to increase, with effect from tomorrow, 18 May 1978, the credit ceilings of banking institutions by an additional 4 per cent of their base figures as at 31 December 1975. This increase is in respect of the ceiling figures applicable to banking institutions' discounts, loans and advances to the private sector and their investments in securities of the private sector. The existing arrangement in terms of which the ceiling figures of banking institutions are increased each month by one half per cent of their base figures continues to apply.

It has also been decided to increase, at the same time, the total amount of credit extension to the private sector, as defined for purposes of the credit ceilings, which a bank may not exceed before it becomes subject to the ceiling requirements, from R10 million to R15 million. After the total credit extended to the private sector by such a banking institution has reached the new limit of R15 million, its respective ceilings will be increased monthly by one half per cent of its relative base figures as at 31 December 1975.

The required notice to give effect to these changes in the credit control measures will be published in the Government Gazette shortly.