

# Statement on Bank rate and monetary policy

Issued by the Governor of the South African Reserve Bank, Dr. Gerhard de Kock

5 May 1981

After the usual consultation with the Treasury, the Reserve Bank has decided to increase its Bank Rate from 8 to 9½ per cent with effect from 6 May 1981.

This increase partly signifies official recognition of the recent further upward pressure exerted by market forces on short-term interest rates, including the rates on call money, Treasury bills, bankers' acceptances and trade bills. At the same time it represents an essential part of the present anti-inflationary monetary policy, which is aimed at slowing down the present excessive rate of expansion of the money supply and reducing the pressure of excess demand.