

# Interest-rate hike plunges workers deeper into affordability crisis

By [Abigail Moyo](#)

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The UASA Trade Union is deeply concerned about the hefty affordability crisis that is about to hit its members and other South Africans as the interest rate spirals out of control.



Source: Freepik

Just yesterday, Stats SA announced that the Consumer Price Index hit the highest mark in 13 years, and yesterday the Reserve Bank's monetary policy committee (MPC) announced the biggest repo-rate hike of 75 basis points in 20 years.

This rate hike brings the repo rate to 5.5% and the prime rate to 9%. The repo rate is now 200 basis points higher than in November last year.

The Russian invasion of Ukraine impacted heavily on inflation since early this year. Hence, the decision to increase the repo rate by 75 basis points seems excessive, especially at a time when most South Africans are still reeling from the aftermath of the ongoing Covid-19 pandemic, high unemployment, and low economic growth.

As South Africans face fuel-, food-, basic services and goods price- increases every month, UASA encourages its members and fellow South Africans with home and other loans to keep their heads up and their pockets tight.

With the constantly growing living cost, disposable income is shrinking.

Keeping a tight budget and living within our means is essential.

## ABOUT THE AUTHOR

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