



## SA ECONOMY

The Monetary Policy Committee (MPC) remains concerned about the weak economic growth and is concerned about the overall inflation rates and has therefore provided some room to delay further tightening of the monetary policy stance for now and accordingly, the MPC has unanimously decided to keep the repurchase rate unchanged at 7.0 percent per annum. This move has assisted in the rand exchange rate recovering somewhat from the lows experienced. Nevertheless the rand remains highly volatile and vulnerable to domestic and external developments. Since the previous meeting of the MPC, the rand traded in a range of between R16,40 and R15,07 against the US dollar, and has appreciated by 4,5 percent against the US dollar, by 0,9 per cent against the Euro.

The recent budget tabled in February at Parliament provides for a fiscal consolidation path which sees the consolidated government budget deficit declining from an estimated 3,2 per cent of GDP in 2016/17 to

2,4 per cent in 2018/19. This is expected to be achieved through a combination of a lower expenditure ceiling and increased tax revenues. This path, if realised, can be expected to moderate inflation somewhat while improving South Africa's credit metrics and confidence in general.

Source: SARB

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## CONNECTING TO THE CREDIT UNION WORLD THROUGH A APP

The World Council of Credit Unions (WOCCU) is the global trade association and development agency for credit unions. The World Council promotes the sustainable development of credit unions and other financial co-operatives around the world to empower people through access to high quality and affordable financial services. Credit union professionals around the world will be able to connect with each other for free via their mobile devices. The WOCCU app will enable people to engage with thousands of their peers in different countries to share information, resources, best practices and news. The app, and the content within it, is driven by the people who use it. The topics section features discussions regarding big questions facing the credit union movement such as payment technology and it is also meant to attract the youth. “That is why we created the WOCCU app to bring credit union professionals to a space where they can network and drive the conversations that need to happen to advance the movement” WOCCU CEO.

Source: <http://www.woccu.org>

## DID YOU KNOW?

THE CBDA HAS A NUMBER OF GUIDANCE NOTES ON ITS WEBSITE WHICH CAN ASSIST WITH DEVELOPING A BUSINESS PLAN, SAVINGS AND LOAN POLICY AND CONSTITUTION.



# SOUTH AFRICAN CO-OPERATIVES MOVING TOWARDS A DIGITAL ECONOMY

The world is moving towards a digital economy, this is not the Internet's fault neither is technology breaking the economy we are trying to run a 21st century digital economy. The Banking Platform was conceptualised through the great vision of the Co-operative Banks Development Agency (CBDA). A need was identified that the sector requires a cost effective integrated banking system that will enable the Co-operative financial Institutions (CFIs) and Co-operative Banks (CB) to participate in the National Payments System and be more professional in the way they used to provide the Co-operative Sector with banking services and give the CFIs the ability to perform inter CFI transactions at minimal costs. Latest trends and innovative technologies that lie in Africa's growing payments and retail banking sectors motivated the shift to developing a CFI sector that is technologically advanced.

The CBDA's introduction of the Banking Platform for the CFI sector will enable CFIs to comply with regulatory reporting, provide a wide range of first-order financial products and services, e.g. access to the National Payment System, thus the ability to use ATMs, transact at Points of Sale and be part of a Co-operative Banking Network in the country. This initiative for radical economic transformation will see positioning CFIs and/or co-operative banking at the centre of financial intermediation in townships and rural communities, with the aim of inclusive growth. This platform will afford the CFIs an opportunity to be competitive and have similar products and services that are offered by the banks thereby making them attractive and alternative and in some cases complementary to banks. The project has had to overcome various obstacles to be where it is today, 7 CFI have been on-boarded on the platform with positive outcomes. (Source: CBDA)

Internationally most credit union leaders recognize the need for and value of banking information technology (IT) and, but few can articulate their credit union's comprehensive strategy around IT. The use of technology in expanding the banking outreach. Technological innovation has not only enabled a broader reach for consumer banking and financial services, but has enhanced its capacity for continued and inclusive growth. Few credit union executives dispute that IT is an important component of their firm's strategy, while most argue that technology enables credit unions to operate more efficiently, better serve members, and improve the effectiveness and efficiency of marketing efforts. For smaller institutions, technology can help level the playing field, enabling them to better compete with commercial banks, internationally credit unions are now adding new opportunities that incorporate developments such as social media and website integration.

Source: [searchfinancialsecurity.techtarget.com](#)

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## CFI FINANCIAL INDICATORS

YEAR	REPORTING CFIS	CHANGE	
May-14	25	67%	▲
May-15	20	-20%	▼
May-16	12	-40%	▼

YEAR	MEMBERSHIP	CHANGE	
May-14	23,019	19%	▲
May-15	24,135	5%	▲
May-16	26,414	5%	▲

YEAR	TOTAL ASSETS (RANDS)	CHANGE	
May-14	152,510,462	53%	▲
May-15	239,701,520	57%	▲
May-16	274,292,278	14%	▲

YEAR	LOANS (RANDS)	CHANGE	
May-14	81,703,316	5%	▲
May-15	149,724,538	43%	▲
May-16	88,966,780	83%	▼

YEAR	TOTAL SAVINGS (RANDS)	CHANGE	
May-14	124,811,300	61%	▲
May-15	202,527,503	62%	▲
May-16	69,957,830	-65%	▼

YEAR	CAPITAL (RANDS)	CHANGE	
May-14	22,757,755	31%	▲
May-15	34,435,211	51%	▲
May-16	21,617,908	-37%	▼

## UNDERSTANDING THE DATA IN THIS TABLE

A green arrow signifies a **large positive change** in the value of the financial indicator while a red arrow indicates a **large decrease**.

**NB:** Please note that only 12 CFIs responded to the survey this period.