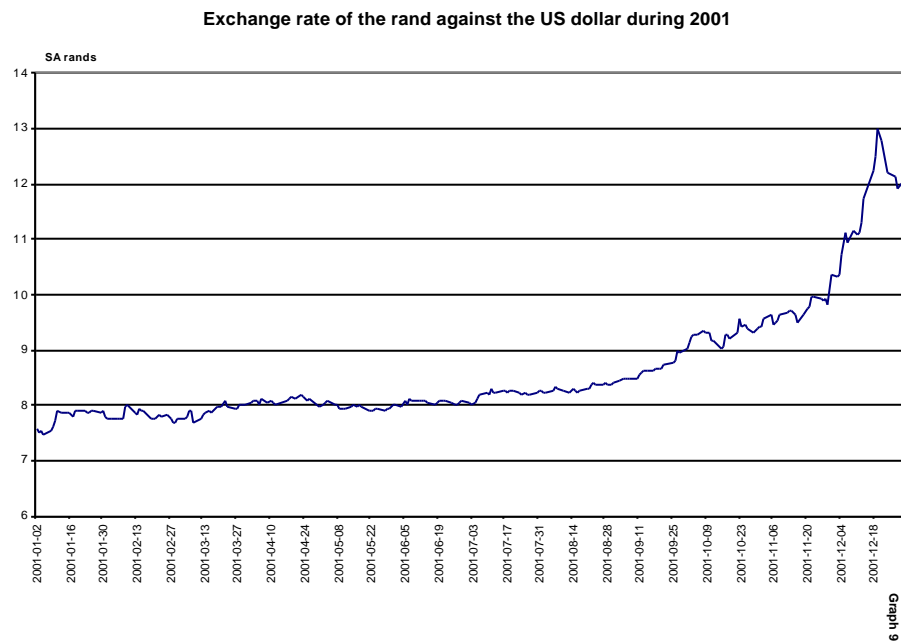


## The rand in 2001

3

3.1 The decline of the rand is illustrated in the graph below, which shows the exchange rate of the rand against the US dollar during the year 2001:

Graph 9 Bundle SARB (07) 65



The extent of the pace of depreciation of the rand during the period July 2001 to December 2001 is illustrated in the graph below. The term “big figure” is used to refer to the figure before the decimal, i.e. from R 8.00

to R 9.00. These “big figure” movements represent declines of approximately 12.5%, 11% and 40% respectively.<sup>4</sup>

Diagram 15 Expert bundle 125(a)



3.2 During the year 2001, the rand recorded the following exchange rates against the US dollar at during the year:

- moving from around R 7.60<sup>5</sup> to the US dollar at the beginning of the year, the rand depreciated to over R 8.00 for the first time ever during the second quarter;<sup>6</sup>

<sup>4</sup> Gouws Record 129, 130

<sup>5</sup> Mboweni Bundle SARB (07) 283

<sup>6</sup> Jamine Expert bundle 317

- the pace of depreciation increased with the rand R 8.52 to the US dollar on 11 September, R 9.03 at the end of September and R 9.44 at the end of October;
- by the end of November 2001 the rand had fallen to R 10.27 to the US dollar;<sup>7</sup>
- the rapid depreciation reached its crescendo with the rand hitting a new all-time low of R 13.84 to the US dollar on 21 December 2001.<sup>8</sup> The markets appeared to have settled down from about 16 January 2002, with the rand appreciating slightly and settling down at a level of between R 11.00 and R 11.50 to the US dollar.<sup>9</sup>

### The rand against the dollar compared to other currencies

4

- 4.1 The weakness of the rand against the US dollar during 2001 compared to other comparable countries is illustrated in the diagram below, indicating that South Africa had become, towards the end of 2001, somewhat of a special case<sup>10</sup>:

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<sup>7</sup> Jamine [Expert bundle 336](#)

<sup>8</sup> Mboweni [Bundle SARB \(07\) 30](#)

<sup>9</sup> Stals [Expert bundle 175](#)

<sup>10</sup> Gouws [Expert Bundle 114](#)