



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Rating agencies: S&P and R&I affirm South Africa's rating

Standard & Poor's (S&P), a leading rating agency, today announced that it affirmed South Africa's long term rating at BBB+ and foreign currency issuer rating of A+ with a negative outlook.

S&P last upgraded South Africa in August 2005 and changed the outlook on South Africa's credit to negative in November 2008 as a result of the global financial crisis. S&P indicated that the affirmation reflects the country's sovereign prudent macroeconomic policies, moderate debt burden and stable political institutions.

This follows last week's affirmation by Japan-based rating agency Ratings and Investment Information, Inc (R&I), of the country's foreign currency issuer rating of A-, negative outlook and South Africa's domestic currency issuer rating at A, negative outlook.

The National Treasury welcomes the rating, particularly in the current economic climate where global ratings are dominated by rating downgrades.

The affirmation of South Africa's rating reflects confidence in our credit position and future policy direction, thanks in large part to a record of prudent execution of macroeconomic policies. The convergence of monetary and fiscal policy, as reflected in the recent interest rate cuts and fiscal expansion, are expected to soften the impact of the global economic crisis, while the massive infrastructure investment programme will ensure that South Africa's economy grows even faster when the global economic cycle turns.

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