



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

R&I Affirms South Africa's rating at A- with stable outlook

Japan-based rating agency, Rating and Investment Information, Inc (R&I) today announced that it has affirmed South Africa's foreign currency issuer rating of A-, and domestic currency issuer rating of A. The outlook remains stable.

The outlook on South Africa's rating has been stable since April 2010. R&I indicated that they have affirmed the stable outlook because they believe South Africa has achieved solid growth based largely on domestic demand. The rating agency has also indicated that government is unlikely to face major challenges in achieving fiscal deficit reduction, and capital inflows remain solid even as the global financial environment undergoes major adjustments. R&I have also welcomed the introduction of government fiscal guidelines to maintain fiscal discipline.

On structural issues, the rating agency noted that government would need to show strong commitment in implementing consistent policies to address persistent social challenges, such as unemployment.

The National Treasury welcomes the rating outcome; the affirmation of South Africa's rating is seen as a sign of confidence in South Africa's credit story.

**Issued by: National Treasury
8 July 2011**