



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

---

## **MEDIA STATEMENT**

### **Fitch affirms South Africa's long-term foreign and local currency ratings, revises outlook to negative from stable**

---

The National Treasury notes Fitch Ratings decision to affirm the country's long-term foreign and local currency Issuer Default Ratings (IDRs) at 'BBB' and 'BBB+' respectively.

However, Fitch has revised South Africa's outlook to negative from stable, saying the country's growth outlook has deteriorated and this will make it challenging to reduce the budget deficit.

Fitch's concerns about growth arise partly from the strike that has affected part of the mining sector. Efforts to bring an end to the strike continue and government has called on all parties to seek an end to the deadlock.

Government is alive to the growth challenges South Africa faces. It has therefore, prioritised the accelerated implementation of the National Development Plan, with reforms that are aimed at unlocking South Africa's growth potential. Government will redouble its efforts to improve the regulatory environment, reduce the skills shortage and accelerate its infrastructure investment programme so as to reduce the bottlenecks constraining growth.

Regarding fiscal consolidation, government is resolute in its commitment to maintain fiscal sustainability and keep its debt within manageable levels. Indeed, fiscal stability has been the hallmark of South Africa and will remain so. We are committed to the fiscal path and expenditure ceiling. While short term cyclical factors might cause marginal deviations from targets, we will not deviate from the long term trajectory. All necessary adjustments will be made to achieve the fiscal path.

**Issued by: National Treasury**

**Date: 13 June 2014**