



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

RESPONSE TO MOODY'S DECISION TO REVIEW SOUTH AFRICA'S RATING

Moody's Investors Service (Moody's) has placed South Africa's long and short term ratings of "Baa2" and "P-2" respectively, on review for possible downgrade.

Moody's will be visiting South Africa for its annual review during the period of 16 to 18 March 2016. This review visit will primarily serve to either affirm the current ratings or downgrade them. Moody's currently rates South Africa two notches above sub-investment grade for foreign currency debt.

During the visit, the agency will assess the views of various stakeholders in government, civil society, labour and in the private sector on a number of areas, including, amongst others whether:

- a) The decline in South Africa's economic strength will be reversed in the medium term
- b) Sufficient progress can be made to stabilize and restore fiscal strength
- c) Policy is likely to lead to a reversal in the continuing erosion of the government's balance sheet

In our meetings with the agency we will highlight:

- (i) Our collaborative actions aimed at accelerating inclusive growth
- (ii) Measures adopted in the 2016 Budget to accelerate fiscal consolidation and to give effect to the National Development Plan
- (iii) The steps taken to reinforce stable industrial relations
- (iv) The accelerated implementation of our R870 billion infrastructure investment programme
- (v) The progress made in resolving the energy constraint including through renewables IPPs and the extension of the same approach to coal and gas
- (vi) The initiatives we are taking to implement the recommendations of the Presidential Review Commission on SOCs aimed at strengthening their governance, financial oversight and enhancing their contribution towards the attainment of our developmental goals





national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

As a resilient nation we are working together: civil society, labour, business and government to demonstrate our commitment to translate our plans into concrete actions.

Issued on behalf of National Treasury

Date: 9 March 2016

