



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

REPORT BACK ON LAST WEEK'S INTERNATIONAL ROADSHOW

The Minister of Finance Mr Pravin Gordhan undertook a roadshow to London, Boston and New York last week, accompanied by leaders from business, three labour federations and senior officials from the National Treasury and the South African Reserve Bank. The purpose of the roadshow was to engage with international investors after the tabling of 2016 Budget and also provide updates on the latest economic developments in the country and plans for the medium term.

The delegation met with investors who collectively manage several trillions of dollar assets, split between those who are invested in local companies and those who buy the debt issued by government. These are some of the investors we owe in excess of R600 billion (gross debt is currently around R2 trillion).

Meetings were held with over 250 investors, some with significant exposure to South Africa. Among the issues raised by the investors are:

- Risks to the fiscal risks and strain in balance sheets of state-owned companies
- recent developments on sovereign credit ratings
- slow economic growth
- issues relating to business and investment confidence
- regulatory clarity, labour and monetary policy and
- the political environment.

The issues raised by investors on the roadshow underscore the need for South Africa to implement the growth-inducing economic reforms with urgency. The world economic outlook is uncertain and it is crucial that the country be seen to be united and focused on tackling its socio-economic challenges. South Africa is expected to take ownership and speedily deal with domestic constraints to economic performance.

The next few months are critical as South Africa is expected to demonstrate concrete actions to map a path for higher economic growth as it seeks to preserve its investment grade rating and also demonstrate progress to address poverty, unemployment and inequality.





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Our main message to the investors was that as a resilient nation, South Africa has the potential to overcome its immediate challenges. What is required is for government, labour and business to work together on concrete steps and actions that will be taken to lift economic growth.

Issued on behalf of National Treasury

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