



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## **MEDIA STATEMENT**

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### **Fitch Ratings aligns South Africa's Long-term Local Currency rating to the Long-term Foreign Currency rating**

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Fitch Ratings (Fitch) recently updated its Sovereign Rating Criteria, which is the methodology it uses to rate all sovereigns. Following the publication of the updated methodology, the agency then held a Sovereign Portfolio Review Committee of all its existing sovereign ratings on Tuesday 19 July 2016.

The review was aimed at, amongst other things, assessing the relationship between existing rating of long-term local and foreign currency debt in line with the guidelines in the updated criteria. The revised guidelines by the agency reflect their assessment that the credit risk profile of sovereign local and foreign currency debt should be closely aligned.

As a result of the above change in approach, the agency has aligned South Africa's long-term local currency rating to the long-term foreign currency rating at 'BBB-' with a stable outlook.

Although the action represents an alignment, it also serves as a timely reminder of the risks of a downgrade that lie ahead and the urgency of actions required to reinvigorate the economy.

We must persist with, and redouble our efforts to work together – government, business and labour – to improve our growth prospects and to create more business and work opportunities.

The National Development Plan and the 9-point plan already identified some of the reform measures that, if we continue to implement diligently, will alter our fortunes in the period ahead.

**Issued on behalf of National Treasury**

**Date: 26 July 2016**