



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## **MEDIA STATEMENT**

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### **S&P Global Ratings (S&P) affirms South Africa's long term foreign and local currency debt ratings, negative outlook is unchanged**

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Government welcomes S&P's decision of maintaining South Africa's long term local currency debt ratings of 'BBB-'; an investment grade rating. The affirmation of the long-term foreign currency rating of 'BB+' and the negative outlook on the ratings are also noted.

While government agrees with S&P that the pace of economic growth is slow and as such poses risks to fiscal consolidation and rising contingent liabilities, the fiscal policy stance continues to be guided by chapter 13 of the Constitution. It states that while there is promotion of efforts aimed at economic development, good governance, social progress and rising standard of living for all South Africans, there must also be transparency, accountability and sound financial controls in the management of public finances.

Key focus is to safeguard confidence and reclaim the investment grade ratings. Intensive engagements with broader stakeholders will continue. Sustainable fiscal policy and efforts to tackle sources of low growth are critical. Improvement in policy design, finalisation of key policies and coordination remain critical for boosting confidence and economic growth. Government is currently re-engaging with the private sector to make sure that the joint work of government, business, labour and the civil society continues and that the pledges made thus far are fulfilled.

The work to improve governance and financial challenges in the state owned companies (SOCs) is also on track. In November 2016, Cabinet:

- Endorsed a private-sector participation framework to guide collaboration between SOCs and the private sector on infrastructure projects;
- Adopted a guideline for the remuneration and incentive standards for directors of SOCs;
- Approved the broad thrust of a guide for the appointment of boards and executive officers;

- Recommended further consultation on the first draft of a new government shareholder policy, which will culminate in overarching legislation for SOCs; and
- Noted the proposal to determine and cost the developmental mandates of SOCs.

Government is committed to work with its social partners in improving business and consumer confidence. The National Development Plan continues to be the anchor policy of government providing greater policy certainty. The Constitution remains explicit in realising the fundamental rights of all who live in South Africa and that the public funds are spent for a common good.

**Issued on behalf of National Treasury**

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