



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

Fitch Ratings affirms South Africa's ratings, keeps outlook stable

Fitch Ratings has affirmed South Africa's long-term foreign and local currency debt ratings at 'BB+' and maintained the stable outlook.

Government has noted Fitch's decision not to further downgrade South Africa deeper into 'junk status'. While Fitch's ratings imply that South Africa is still in line with other emerging markets in the same ratings category, the implications are huge for the country.

A 'junk status' ratings has implications for the economy, state debt costs, state owned companies and the ordinary man on the street. Since April 2017, when Fitch downgraded the country to 'junk status', the country has seen a recession, borrowing costs have increased, and revenue has underperformed.

Therefore, government and the country collectively cannot afford to become complacent about these rising risk exposures. Concluding on critical policies remains important for providing certainty in the country. Partnership with business and labour is also crucial for restoring confidence. Tangible progress has been achieved on most of the 14 Confidence Boosting Measures and is expected to translate into improved investor confidence.

By not downgrading the country further, Fitch is providing South Africa with an opportunity to address issues that can lead to an upward revision to the ratings.

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