



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

GOVERNMENT'S RESPONSE TO THE RATING ACTION OF RATING AND INVESTMENT INFORMATION, INC. (R&I)

Government notes and welcomes R&I's decision to affirm South Africa's long term foreign currency debt rating at 'BBB' and local currency debt rating at 'BBB+' and to also revise the outlook to stable from negative.

The action notably confirms the sovereign as an investment grade credit.

According to R&I, the ratings affirmation reflects the following drivers:

- The improved growth performance and prospects;
- The announced fiscal adjustment plans in the 2018 Budget that would stabilise the debt burden; and
- Changes in the administration that are expected to help eradicate policy uncertainty.

According to R&I, in order to keep unifying the ANC, it would be essential for the new President to restore party strength and meet reform expectations in a well-balanced manner towards the general elections in 2019. They further note that the political situation in South Africa continues to entail some policy risks that warrant attention.

GOVERNMENT RESPONSE

The government fully recognizes R&I's assessment of the challenges and opportunities the country faces in the immediate to long-term.

To improve South Africa's investment and economic prospects, the government continues to work diligently on practical steps to provide the necessary policy certainty such as the finalization of mining legislation.

Through the State of the Nation Address, the President expressed strong commitment and will to fast-track the implementation and finalization of key sectoral structural reforms as well as reforms to State-Owned Companies.

Collaboration between government, business, labour and civil society is also yielding necessary interventions to positioning South Africa as an attractive investment destination while also creating an enabling policy environment for inclusive economic growth.





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The rating action by R&I demonstrates that South Africans working together can achieve remarkable outcomes.

Government would like to thank all stakeholders whose efforts ensured such a positive rating outcome.

Issued by National Treasury

Date: 16 April 2018

