



national treasury

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REPUBLIC OF SOUTH AFRICA

PRESS RELEASE

R&I affirms South Africa's rating and changes outlook from negative to stable

Japan-based rating agency Ratings and Investment Information, Inc (R&I) yesterday affirmed South Africa's foreign currency issuer rating of A- and domestic currency issuer rating at A, and has changed the outlook on both ratings to stable from negative.

National Treasury welcomes the rating outcome especially in the context of the recent global financial crisis. The outcome is a further sign of confidence in South Africa's credit story and stable macro-economic environment. After briefly slipping into recession last year, South Africa's economy is now set to grow at 2.3 per cent this year rising to 3.2 per cent in 2011.

R&I's outlook on South Africa's rating has been negative since October 2008. In reviewing its position R&I noted the steady capital inflows to the country even as the global financial environment undergoes significant adjustments, the maintenance and continuity of macroeconomic management through changes of political leadership, and believe that South Africa can sufficiently achieve its projected fiscal deficit reduction plan.

The South African government welcomes the outcome and is aware of the concerns raised by the rating agency.

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