



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

Fitch Affirms South Africa's long-term foreign and local currency ratings, outlook remains stable

Fitch Ratings today announced that it has affirmed the country's long term foreign and local currency Issuer Default Ratings (IDRs) at 'BBB' and 'BBB+' respectively. Fitch has also affirmed South Africa's outlook at stable.

Among positive factors influencing Fitch's ratings affirmation were a strong banking system and deep local capital markets. The ratings agency said that government debt was largely denominated in local currency and has a high average maturity and this limited exchange rate and financing risk.

Fitch also indicated that weak economic growth and a widening current account deficit were downside drivers preventing the economy from achieving a more positive rating.

The National Treasury considers Fitch's decision fair in view of the global economic climate and the South African government's commitment to its counter cyclical fiscal policy stance.

As set out in the 2013 Medium Term Budget Policy Statement, government's fiscal framework is aimed at reprioritizing expenditure and revenue, while providing support to the economy and strengthening infrastructure investment for sustainable long-term growth across all critical sectors of the economy.

The South African government is committed to consistently making efforts to address the concerns identified in Fitch's rating review which is aimed at improving investor confidence.

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