national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

South Africa issues new US$1.25 billion 10-year bond

The Republic of South Africa has successfully priced and concluded a US$1.25 billion 10-year bond issuance in the international capital market.

The US dollar bond was priced at a coupon (interest rate) of 4.875 per cent, which represents a spread of 335 basis points above the 10-year US Treasury's benchmark bond. The global investor base was primarily located in Europe and the United States.

The transaction was more than two times oversubscribed. The South African government sees the success of the transaction as an expression of investor confidence in the country's sound macro-economic policy framework and prudent fiscal management.

This issuance forms part of South Africa's 2016/17 financing programme. Government's borrowing requirement over the medium-term amounts to US$5.5 billion equivalent, which includes US$1 billion carried over from 2015/16. The proceeds of the bond will partially finance the government's foreign currency commitments of US$6.4 billion over the medium-term.

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