



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## **MEDIA STATEMENT**

### **INCREASE IN WEEKLY BOND AUCTION LEVELS**

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In line with the announcement made by the Minister of Finance in the special appropriation bill speech on 23 July 2019, additional financial support to Eskom and the preliminary indication of tax revenue shortfall relative to 2019 Budget has resulted in a revised funding strategy and an increase in government borrowing requirement for 2019/20. The National Treasury announced an increase in the fixed-rate and inflation-linked bonds weekly auction levels as follows;

- The fixed-rate bond auction amount will increase by R1.2 billion, from R3.3 billion to R4.5 billion.
- The inflation-linked bond auction amount will increase by R280 million, from R760 million to R1.04 billion. There shall be no further switch auctions for the rest of the 2019/20, as the National Treasury is currently reviewing its bond switch auction programme.

In line with recent issuance patterns, the National Treasury remains committed to shortening the average maturity per auction for fixed-rate bonds.

The increase will be effective for the fixed-rate and inflation-linked bond auctions as of 06 August and 16 August 2019 respectively.

The increase assessed multiple factors from the Eskom support, possible revenue shortfall and prefunding to meet commitments that might be mismatched to revenue flows.

The frontloading of the financial support given to Eskom is in line with the President's announcement in the June State of the Nation Address. It is a partial early disbursement of the R230 billion commitment announced in the Budget 2019, not additional support.

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