



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

GOVERNMENT'S RESPONSE TO THE RATING ACTION OF MOODY'S INVESTORS SERVICE (MOODY'S)

Government notes and welcomes Moody's decision to affirm South Africa's long term foreign and local currency debt ratings at 'Ba2' and revise the outlook to stable from negative.

According to Moody's, the key driver behind the decision to change the outlook to stable is the improved fiscal outlook that raises the likelihood of government's debt burden stabilising over the medium term. In addition, over the last two fiscal years, government has shown it was able to reprioritise its spending while staying committed to fiscal consolidation, which Moody's expects will remain the case going forward.

Government's steadfast commitment to restoring sustainability to public finances is supported by better-than-expected revenue collection. As stated in the 2021 MTBPS and 2022 Budget, government is using a portion of the additional revenue to accelerate debt stabilisation, with the majority targeted to address urgent social needs, promote job creation through the presidential employment initiative, and support the public health sector.

Faster implementation of economic and SOC reforms, accompanied by fiscal consolidation to provide a stable foundation for growth, will ease investor concerns, and support a faster recovery and higher levels of economic growth.

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