



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

Government's response to the rating action of S&P Global Ratings (S&P)

Government notes S&P's decision to affirm South Africa's long term foreign and local currency debt ratings at 'BB-' and 'BB', respectively. The agency maintains the positive outlook.

According to S&P, government's economic and fiscal reforms could improve the country's medium-term growth and debt trajectory. The agency also sees the low external debt position, flexible currency, and deep domestic capital markets as fundamental credit strengths that should cushion against external rising financing risks.

S&P also notes that higher-than-expected tax revenue, relative to the agency's expectations six months ago, will help to reduce the fiscal deficit as a proportion of GDP.

Government's medium-term fiscal strategy prioritises achieving fiscal sustainability by narrowing the budget deficit and stabilising debt; increasing spending on policy priorities such as security and infrastructure, thereby promoting economic growth; and reducing fiscal and economic risks, including through targeted support to key public entities and building fiscal buffers for future shocks.

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