



national treasury

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National Treasury
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

GOVERNMENT'S RESPONSE TO THE RATING ACTION OF FITCH RATINGS (FITCH)

Government notes Fitch's decision to affirm South Africa's long term foreign and local currency debt ratings at 'BB-' and maintain a stable outlook.

According to Fitch, South Africa's credit rating is constrained by low real GDP growth hampered by power shortages, high level of inequality, a high government debt-to-GDP ratio, and a modest path of fiscal consolidation. The ratings are supported by a favourable debt structure with long maturities and denominated mostly in local currency as well a credible monetary policy framework.

Government is implementing urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Over the medium-term, the fiscal strategy aims to achieve fiscal sustainability by reducing the budget deficit and stabilising the debt-to-GDP ratio. On-budget allocations for infrastructure and other policy priorities and maintaining a sustainable fiscal stance will support economic growth.

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