



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**

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## **MEDIA STATEMENT**

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

Government notes Moody's decision to affirm the sovereign's long-term foreign and local currency debt ratings at 'Ba2' and maintain the stable outlook.

According to Moody's, the ratings affirmation reflects South Africa's credit strengths from effective, core institutions such as the judiciary and the central bank, a robust, deep financial sector and a solid external position. However, the ratings affirmation also acknowledges chronic challenges posed by the country's inequalities which hamper reform progress and fuel social risk, as well as persistent structural constraints on economic growth, and a relatively high and costly debt.

Government welcomes Moody's acknowledgment that the Government of National Unity (GNU) will pursue structural reforms and ease growth bottlenecks. Government is pursuing policies to achieve rapid, inclusive and sustainable economic growth. Economic reforms are beginning to bear fruit; electricity availability has improved; the logistics system is stabilising and the cost of doing business is declining in some areas of the economy. Government is also transforming the way it prepares and delivers infrastructure projects. It is mobilising private sector resources that will augment public-sector capability and provide new channels for financing.

As stated in the 2024 Medium Term Budget Policy Statement (MTBPS), government's growth strategy over the medium term will be anchored by the following pillars: (i) Maintaining macroeconomic stability; (ii) Implementing structural reforms; (iii) Building state capability; and (iv) Supporting growth-enhancing public infrastructure investment.

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