



national treasury

Department:
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 the stable outlook.

According to Fitch, South Africa's credit rating is constrained by several factors, including low real GDP growth, high poverty and inequality levels, a high and rising government debt-to-GDP ratio, and a rigid fiscal structure that hampers budget deficit reduction. However, the ratings are supported by a favourable government debt structure with long maturities and mostly local-currency-denominated, strong institutions and a credible monetary policy framework.

According to Fitch, the government of national unity (GNU) continues, under Operation Vulindlela phase 2, to implement a reform agenda. Reforms focused on fixing network infrastructures (electricity, logistics, water, digitalisation) have alleviated load shedding and ended the decline in freight volume transported, contributing to Fitch's forecast of a modest increase in real GDP growth.

Government's economic growth strategy will continue to focus on maintaining macroeconomic stability to reduce living costs and grow investment, executing reforms to promote a more dynamic economy, building state capability in core functions and supporting growth-enhancing public infrastructure investment.

Over the medium term, government will invest over R1 trillion in infrastructure, and reforms will make it easier for the state and the private sector to invest in roads, rail, energy and water. Additionally, major reforms to state spending and the budget process are under way including the implementation of targeted and responsible savings across government. Further details will be provided in the Medium-Term Budget Policy Statement on 12 November 2025.



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