



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Enquiries: Communications Unit • Email: media@treasury.gov.za • Tel: (012) 315 5046 • 40 Church Square, PRETORIA, 0002 • www.treasury.gov.za

MEDIA STATEMENT

GOVERNMENT'S RESPONSE TO THE RATING ACTION OF S&P GLOBAL RATINGS (S&P)

Government welcomes S&P's decision to upgrade South Africa's foreign currency long-term sovereign credit rating to 'BB' from 'BB-' and local currency long-term sovereign credit rating to 'BB+' from 'BB'. The outlook remains positive.

According to S&P, the rating upgrade reflects South Africa's improving growth and fiscal trajectory, alongside a reduction in contingent liabilities tied to performance improvements at the state-owned electricity utility, Eskom. The government is on track to post its third annual primary surplus (revenue minus expenditure, excluding interest payments on debt) in 2025/26, while contingent liabilities are likely to ease as Eskom is being reformed.

Further, general government revenues are forecast to outperform budgeted numbers for 2025/26, despite the government having revised down its GDP growth forecasts. This is due to strong value-added tax (VAT) and corporate income tax receipts, which have exceeded estimates, alongside higher-than-expected tax buoyancy rates.

The sovereign credit rating upgrade marks the first upgrade for South Africa by any of the major credit rating agencies in over 16 years. South Africa is one of just three countries globally to secure an S&P upgrade in 2025, while continuing to maintain a positive outlook after the rating revision.

Government is improving the health of the public finances and accelerating infrastructure investments. Over the medium term this will strengthen growth prospects, reduce borrowing costs, improve confidence and foster faster job creation. The 2025 Medium Term Budget Policy Statement (MTBPS) underscores government's commitment to fiscal sustainability, even in a low-growth environment. Fiscal policy continues to support macroeconomic stability by stabilising debt in the current year, growing the primary balance over the next several years and narrowing the budget deficit over the Medium-Term Expenditure Framework (MTEF) period. Raising South Africa's growth



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

2 of 2

MEDIA STATEMENT

trajectory depends on continuing to strengthen macroeconomic stability, accelerating structural reforms, building a capable state and improving public-sector infrastructure investment.

For enquiries email media@treasury.gov.za

Issued by National Treasury

Date: 14 November 2025