



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

GOVERNMENT OF SOUTH AFRICA SECURES US\$150 MILLION DEVELOPMENT POLICY LOAN FROM THE OPEC FUND

The Government of South Africa and the OPEC Fund for International Development (OPEC Fund) have signed a US\$150 million development policy loan agreement aimed at supporting critical structural reforms to improve the efficiency, resilience, and sustainability of the country's infrastructure services.

This marks the first loan agreement between the Government of South Africa and the OPEC Fund and represents an important partnership in addressing South Africa's pressing economic challenges of low growth and high unemployment.

The loan will support Government's ongoing reform programme aimed at unlocking infrastructure bottlenecks, particularly in the energy and freight transport sectors, which are critical for enabling inclusive economic growth, improving service delivery and fostering job creation.

The financing terms of the loan are aligned with the National Treasury's financing strategy, which seeks to diversify funding sources, secure cost effective financing and minimise increases in debt service costs. The loan provides favourable pricing and flexible repayment terms compared to conventional market funding.

The financing terms of the OPEC Fund loan are as follows:

Nominal amount: US\$150 million

Maturity: 6 years with a 2-year-grace period

Interest rate: 6-month SOFR plus 1.25%



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The National Treasury welcomes this partnership and expresses its appreciation for the institution's support towards South Africa's development objectives and infrastructure reform agenda.

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