



national treasury

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MEDIA STATEMENT

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

Government welcomes Moody's decision to revise South Africa's sovereign credit rating outlook to positive from stable and affirm the domestic and foreign-currency long-term ratings at 'Ba2'.

This makes South Africa the only G20 nation currently on a positive outlook from Moody's. It comes at a time of negative ratings momentum globally, with over 23 sovereigns' credit ratings negatively impacted since the start of the current Middle East conflict.

Moody's said its decision reflected South Africa's gradually strengthening fiscal performance and sustained commitment to structural reforms, with prospects of increasingly tangible results. The agency expects a rising primary surplus and gradually improving debt-service costs to stabilise the government debt burden in the near term. It said while the Middle East conflict posed a risk to South Africa's near-term growth outlook, it anticipates the policy response will remain measured and macroeconomic stability preserved.

The agency expects stronger investment, supported by ongoing reforms, to raise real GDP growth gradually to around 2 percent by 2028 and underpin fiscal improvements. It expects the primary fiscal surplus to rise to around 2% in 2028, supporting a gradual decline in the debt to GDP ratio.

The upgrade to a positive outlook is the first by Moody's since 2007 (which was followed by an upgrade of the rating itself in 2009). It comes after S&P Global Ratings upgraded South Africa's rating by one notch in November 2025 and retained its positive outlook.

Government remains firmly committed to reducing the public debt while maintaining social spending and accelerating structural reforms to support inclusive growth and job creation.



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The Director General of the National Treasury Duncan Pieterse said: “The latest decision by Moody’s is further confirmation of South Africa’s improving fiscal credibility due to a turnaround in the sustainability of public finances.”

“We continue to focus on our two fiscal objectives of ensuring that revenue continues to be ever higher than non-interest spending and maintaining a debt to GDP ratio that comes down from the current year onwards. We plan to embed the fiscal turnaround with the introduction of a fiscal anchor for South Africa.”

For enquiries email media@treasury.gov.za

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