national treasury
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REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

NEW DEVELOPMENT BANK AND SOUTH AFRICA SIGN TWO LOAN AGREEMENTS TO SUPPORT INFRASTRUCTURE PROJECTS

The New Development Bank (NDB) and the Government of South Africa have signed two loan agreements to support the Limpopo Central Hospital Project and Magalies Bulk Water Supply Scheme projects, continuing the existing partnership to advance South Africa's sustainable infrastructure priorities.

The NDB will finance a US$ 200 million loan agreement to finance the Limpopo Central Hospital Project, a new 488-bed tertiary central hospital in Polokwane. This flagship investment is aimed at strengthening tertiary healthcare services, expanding access to quality medical care, and improving health outcomes for the people of Limpopo Province. The province faces significant healthcare challenges, including rising demand for tertiary healthcare services, aging hospital infrastructure, and shortages of specialized medical facilities. The new hospital will address these challenges by providing modern, resilient, and patient-centered healthcare infrastructure equipped with advanced diagnostic, treatment, and information technology systems. Designed to serve as the principal referral hospital for the province, the facility will significantly enhance capacity to deliver specialized and advanced healthcare services, while also supporting medical education, clinical research, and the training of future healthcare professionals.

The NDB will also finance the Magalies Bulk Water Supply Scheme (Magalies) project for an amount of US$205 million, a flagship investment aimed at improving reliable access to drinking water and supporting inclusive growth in the Northwest and Limpopo provinces. The Magalies project responds to severe water shortages in six local municipalities (Bela-Bela, Modimolle-Mookgophong, Mogalekweng, Moretele, Moses Kotane, and Rustenburg) where current water demand exceeds available supply.

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Both financing from the NDB form part of the government's broader efforts to advance public health and water infrastructure and offer favourable concessional financial terms as follows:

1. **Limpopo Central Hospital Project**	2. **Magalies Bulk Water Supply Scheme Project**
- Nominal value: US$ 200 million	Nominal value: US$ 205 million

Both loans offer a maturity of 10 years, inclusive of a 4-year grace period with an interest rate of daily SOFR plus 0.93508%.

The National Treasury wishes to express its appreciation to the NDB for its continued partnership and support, which is critical to staying the course and advancing South Africa's infrastructure development and long-term sustainable development objectives.

The NDB's project loans, together with financing secured from other multilateral development partners, has enabled Government to meet its 2026/27 foreign currency borrowing requirement of US$3.2 billion.

For any media queries, please contact: Media@treasury.gov.za

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