

7

2026 BUDGET REVIEW

GOVERNMENT DEBT AND CONTINGENT LIABILITIES



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

In brief

- Developments in government’s debt portfolio reflect rising investor confidence and lower borrowing costs in response to fiscal consolidation and lower inflation.
- The gross borrowing requirement for 2026/27 has declined markedly, from R434.3 billion at the time of the 2025 Budget to R380 billion.
- Gross government debt stabilises at 78.9 per cent of GDP in 2025/26 and is expected to decline to 76.5 per cent of GDP over the medium term.
- South Africa received its first sovereign credit rating upgrade in 16 years.
- Yields on government bonds of all maturities fell below 9 per cent by the end of January 2026 for the first time since March 2018.

OVERVIEW

Over the past year the funding environment benefited from improved investor confidence, reduced perceptions of risk and declining interest rates. The sovereign risk premium – the extra yield investors demand to hold government debt over “risk-free” alternatives – has narrowed from 2.93 percentage points a year ago to 2.26 percentage points. This improvement was underpinned by fiscal consolidation and a more stable macroeconomic outlook. In addition, the Reserve Bank reduced the policy rate to 6.75 per cent by the end of 2025, lowering short-term borrowing costs and supporting market liquidity.



Several other developments also signal rising investor confidence:

- In January, for the first time since March 2018, yields on the 10-year government bond fell below 9 per cent, following a recent peak of 11.4 per cent in April 2025.
- S&P Global Ratings upgraded South Africa’s sovereign credit rating from BB- to BB in November 2025, citing increased stability and a more favourable outlook. The last such upgrade was 16 years ago. Moody’s and Fitch maintained their ratings.
- Global investor participation in the domestic bond market ticked up from 24.6 per cent in 2024 to 25 per cent in 2025, supported by lower risk aversion and improved perceptions of South Africa’s credit outlook.

As outlined in Chapter 3, the 2025/26 budget deficit will be R12.4 billion lower than projected in last year’s Budget. In addition, debt redemptions were R12.2 billion lower over the same period as government used its bond-switch programme – exchanging shorter-dated for longer-dated bonds – to alleviate near-term refinancing pressures.

As a result, the 2025/26 gross borrowing requirement, comprising the budget deficit, maturing government debt and the Eskom debt-relief arrangement, is revised down to R563.4 billion from the 2025 Budget projection of R588.2 billion. In line with the fiscal strategy, gross loan debt stabilises as a share of GDP in 2025/26, at 78.9 per cent, and will decline to 76.5 per cent by 2028/29. The stock of gross debt is expected to increase from R6.12 trillion in 2025/26 to R6.94 trillion in 2028/29, while net loan debt – gross debt less



cash balances – will increase from R5.91 trillion to R6.84 trillion, and decline from 76.3 per cent of GDP to 75.3 per cent over the period.

By 2028/29, the increase in the stock of debt will be R277.4 billion lower than projected in the 2025 Budget, a clear demonstration of the positive impact of improved fiscal management on government’s fiscal accounts. This results from a better budget balance and lower discounts on new fixed-rate bonds issued at lower interest rates. It also reflects reduced inflation adjustments on inflation-linked bonds, lower foreign debt due to a stronger exchange rate, and the use of cash balances and transfers from the Gold and Foreign Exchange Contingency Reserve Account.

FINANCING STRATEGY



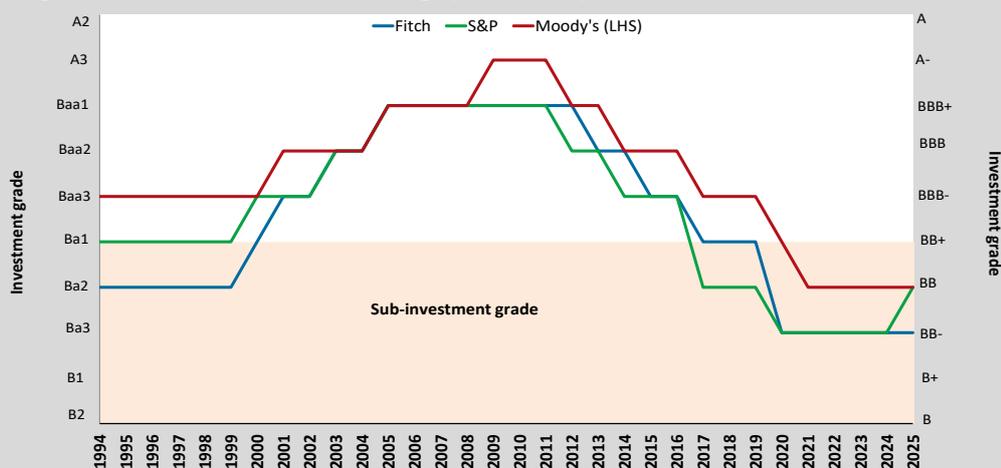
The borrowing strategy aims to ensure long-term debt sustainability and affordability by raising funding at the lowest cost, while managing liquidity and refinancing risks within defined benchmarks. In recent years, the strategy has been adjusted to lower borrowing costs, reduce debt-service pressures and strengthen fiscal sustainability. As fiscal conditions have improved, the average term to maturity of the debt portfolio has reduced.

Credit ratings reflect improving growth and fiscal trajectory

In November 2025, S&P Global Ratings (S&P) upgraded South Africa’s foreign-currency long-term sovereign credit rating from “BB-” (weak credit quality) to “BB” (improving credit quality). The local-currency long-term sovereign credit rating was also upgraded from “BB” to “BB+”, placing it one notch below investment grade. This marked South Africa’s first sovereign credit rating upgrade by any of the major rating agencies in 16 years.

S&P said the upgrade reflected an improving growth and fiscal trajectory. It noted that government was on track to record its third consecutive primary surplus in 2025/26, while contingent liabilities are easing as state-owned companies require less financial support.

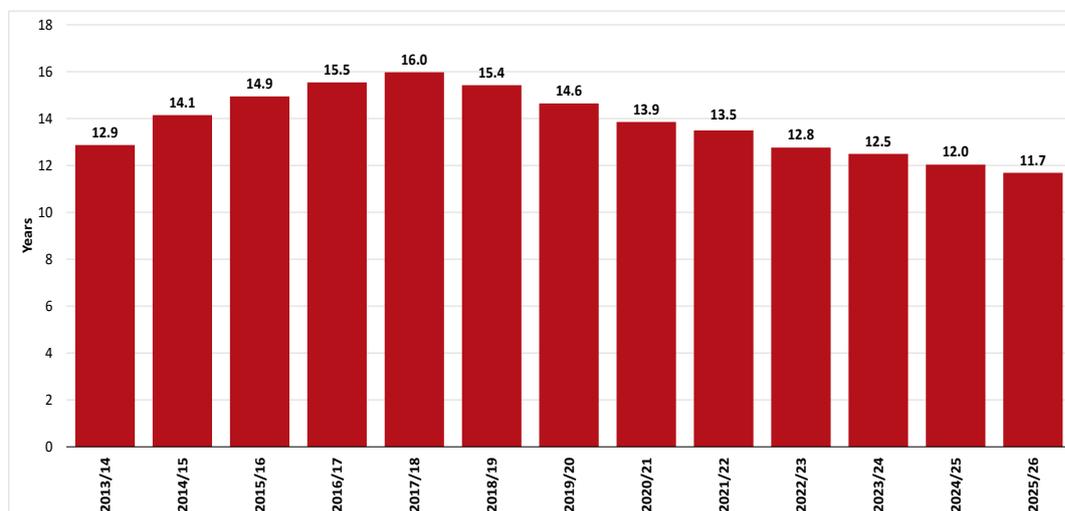
Figure 7.1 South Africa’s credit ratings (1994–2025)



Source: Moody’s, Fitch and S&P

The weighted average term to maturity of fixed-rate debt has declined from 16 years in 2017/18 to 11.7 years in 2025/26, helping to lower borrowing costs while keeping refinancing risk low.

Figure 7.2 Weighted average term to maturity of fixed-rate bonds



Source: National Treasury

Since 2020, government has expanded the use of concessional foreign funding with favourable terms from multilateral and development finance institutions (Table 7.5) complemented by Eurobond issuance. In December 2025, government successfully raised US\$3.5 billion in global markets through an oversubscribed transaction. Government has also introduced a formal process to attract new foreign-currency funding structures from financial institutions, as a result of which several transactions were approved.

Risks to the financing strategy

The main risks to the financing strategy are as follows:

- Heightened geopolitical risk and divergent monetary policy across G7 economies could affect capital flows and valuations in South African fixed-income markets.
- Benign inflation could moderate investor demand for inflation-linked bonds.
- Declining interest rates could dampen investor demand for floating-rate instruments.
- Lower-than-expected GDP growth and the materialisation of contingent liabilities at state-owned companies could increase funding costs.



Table 7.1 Performance against strategic portfolio risk benchmarks

Description	Benchmark range or limit	2025/26	2026/27
		Estimates	
Benchmarks¹			
Treasury bills as % of domestic debt ¹	15	10.08	10.76
Long-term debt maturing in 5 years as % of bonds	25	18.97	18.69
Inflation-linked bonds as % of domestic debt	20-25	21.46	21.33
Foreign debt as % of total debt	15	9.28	9.19
Weighted term-to-maturity of fixed-rate bonds and Treasury bills (years)	10-14	9.93	9.98
Weighted term-to-maturity of inflation-linked bonds (years)	14-17	13.50	13.69
Weighted term-to-refixing of floating-rate notes (months)	0.5-3	2.24	2.51
Other indicators (weighted average)			
Term-to-maturity of total debt (years)		10.83	10.93
Term-to-maturity of foreign debt (years)		14.49	14.59

1. Excludes borrowing from the Corporation for Public Deposits and retail savings bonds

Source: National Treasury

BORROWING PERFORMANCE AND PROJECTIONS

The gross borrowing requirement totals R563.4 billion for 2025/26, including R80 billion for debt relief to Eskom. The requirement is reduced by transfers to government of R25 billion in 2025/26 from the GFECRA.

Table 7.2 Financing of national government gross borrowing requirement¹

R million	2024/25	2025/26		2026/27	2027/28	2028/29
	Outcome	Budget	Revised	Medium-term estimates		
Main budget balance	-334 856	-361 321	-348 910	-301 250	-284 529	-260 469
Redemptions	-98 620	-171 705	-159 520	-134 753	-284 151	-194 575
Domestic long-term loans	-61 001	-111 357	-102 905	-98 590	-260 250	-147 724
Foreign loans	-37 619	-60 349	-56 616	-36 163	-23 901	-46 850
Eskom debt-relief arrangement	-64 000	-80 223	-80 000	-	-	-10 000
GFECRA settlement (net)⁵	100 000	25 000	25 000	56 000	-	-
Total	-397 475	-588 249	-563 430	-380 003	-568 680	-465 043
Financing						
Domestic short-term loans	39 508	37 162	39 583	26 900	45 200	35 900
Treasury bills (net) ⁴	38 932	38 400	40 663	26 900	45 200	35 900
Corporation for Public Deposits	577	-1 238	-1 080	-	-	-
Domestic long-term loans	347 744	345 300	387 900	242 500	406 800	323 200
Market loans	346 361	345 300	388 713	242 500	406 800	323 200
Loans issued for switches	1 131	-	-726	-	-	-
Loans issued for repos (net)	252	-	-87	-	-	-
Foreign loans	67 357	98 874	110 572	53 735	85 768	87 409
Market loans	67 357	98 874	110 572	53 735	85 768	87 409
Change in cash and other balances²	-57 134	106 913	25 375	56 868	30 912	18 534
Cash balances	-33 803	92 795	16 017	53 700	27 442	15 400
Other balances ³	-23 331	14 118	9 358	3 168	3 470	3 134
Total	397 475	588 249	563 430	380 003	568 680	465 043
<i>Percentage of GDP</i>	<i>5.4</i>	<i>7.5</i>	<i>7.3</i>	<i>4.6</i>	<i>6.6</i>	<i>5.1</i>

1. A longer time series is presented in Table 1 of the statistical annexure at the back of the Budget Review

2. A positive value indicates that cash is used to finance part of the borrowing requirement

3. Differences between funds requested and actual cash flows of national departments

4. Represents a net between gross issuances and gross redemptions

5. In 2024/25, the Reserve Bank paid R200 billion to government in partial settlement of the GFECRA balances.

Of this amount government paid the Reserve Bank R100 billion towards the contingency reserve

Source: National Treasury

In 2026/27, the borrowing requirement is expected to decline to R380 billion, including the net effect of R56 billion from GFECRA, before increasing to R568.7 billion in 2027/28. Domestic and foreign redemptions are projected to increase from R134.8 billion in 2026/27 to R284.2 billion in 2027/28. As a share of GDP, the borrowing requirement will decline from 7.3 per cent in 2025/26 to average 5.5 per cent over the medium term. Active liability management, including the bond-switch programme, will smooth redemptions over time.

Domestic short-term borrowing

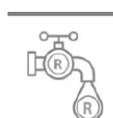
Government's short-term borrowing comprises Treasury bills and borrowing from the Corporation for Public Deposits.

Table 7.3 Domestic short-term borrowing

R million	2025/26			2026/27		2025/26	2026/27
	Opening balance	Net change	Closing balance	Net change	Closing balance	Weekly auction estimates	
Corporation for Public Deposits	1 080	-1 080	–	–	–	–	–
Treasury bills	549 486	40 663	590 149	26 900	617 049	15 600	16 100
91-days	16 043	4 757	20 800	2 900	23 700	1 600	1 700
182-days	94 158	2 042	96 200	2 600	98 800	3 700	3 800
273-days	179 063	16 319	195 382	10 618	206 000	5 000	5 150
364-days	260 223	17 545	277 768	10 782	288 549	5 300	5 450
Total	550 566	39 583	590 149	26 900	617 049		

Source: National Treasury

Treasury bills serve as a funding instrument and as a bridging finance tool. Net Treasury bill issuance of R40.7 billion is estimated for 2025/26, R2.3 billion higher than the 2025 Budget estimate. Borrowing from the Corporation for Public Deposits also helped manage liquidity needs. Previously, government allocated 10 per cent of domestic issuance to Treasury bills and set weekly auction levels accordingly. Improving macroeconomic conditions allow for more active Treasury bill issuance. Treasury bill auctions will now be flexible to respond to funding conditions and smooth cash-flow pressures. Over the next three years, net Treasury bill issuance will average R36 billion.



Domestic long-term borrowing

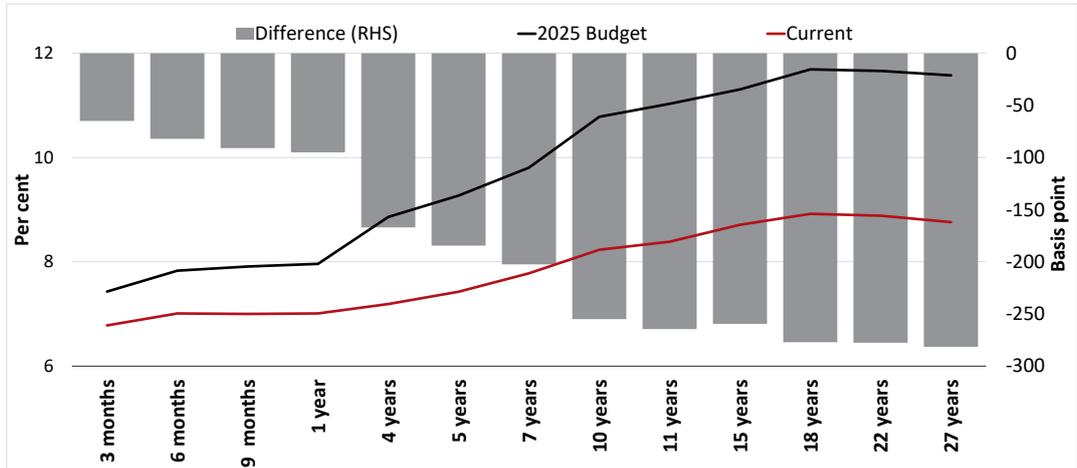
Domestic long-term borrowing, mainly government bonds, is estimated at R387.9 billion in 2025/26 and will average R324.2 billion over the next three years.

Between April 2025 and January 2026 government raised R347.1 billion, representing 89.5 per cent of the 2025/26 issuance. Of this, R11.8 billion was raised through an inaugural sovereign infrastructure and development finance bond linked to projects approved by the Budget Facility for Infrastructure. Fixed-rate bonds accounted for 60.2 per cent of issuance, floating-rate notes 25.6 per cent and inflation-linked bonds 12.6 per cent, with the rest in retail savings bonds.



The yield curve – the relationship between bonds of different maturities – has strengthened by an average of 2.4 percentage points since the 2025 Budget, reflecting an improvement in investor confidence.

Figure 7.3 Interest rates on domestic government bonds

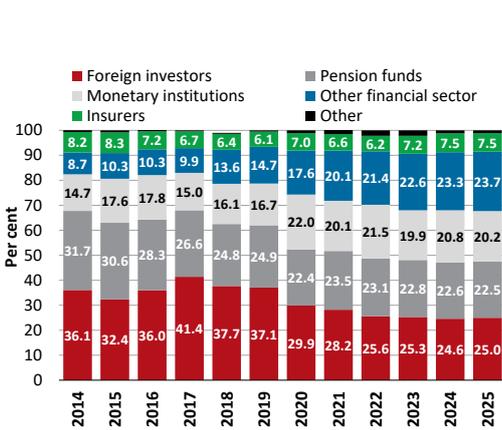


Source: National Treasury

Investor trends in the domestic bond portfolio

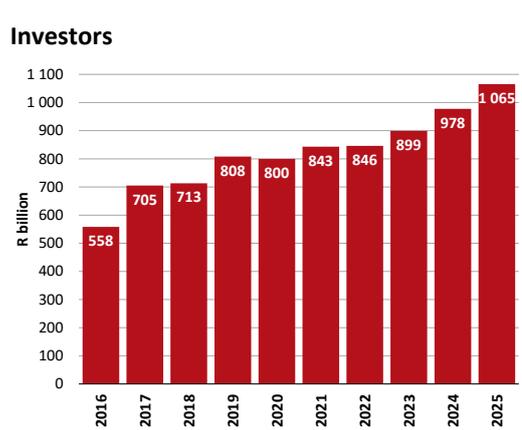
Maintaining a broad and diverse investor base strengthens government’s ability to meet financing needs. Approximately 89.7 per cent of government debt is issued in the domestic market, reducing exposure to global market volatility. Figure 7.4 shows the holders of domestic bonds by category. Foreign investors continue to increase their holdings of government’s domestic bonds (Figure 7.5).

Figure 7.4 Ownership of domestic bonds



Source: National Treasury

Figure 7.5 Domestic bonds held by foreign



Foreign-currency borrowing

Government borrows in foreign currency to meet its external commitments. In 2025/26, this accounted for 20.6 per cent of total borrowing, and is projected to average 17.4 per cent over the medium term. During the year, government issued a US\$3.5 billion dual-tranche bond, comprising 12-year and 30-year maturities that prefunded US\$1.1 billion of the 2026/27 foreign-currency funding requirement of US\$4.3 billion outlined in the 2025 Budget. In addition, US\$2.6 billion was raised from multilateral development banks, providing stable, longer-tenor financing on favourable terms.



Table 7.4 Foreign-currency commitments and financing

US\$ million	2024/25	2025/26	2026/27	2027/28	2028/29
	Outcome	Revised	Medium-term estimates		
Opening balance	5 393	4 843	5 481	3 620	4 157
Commitments	-4 415	-5 765	-5 069	-4 468	-5 952
Redemptions	-2 039	-3 212	-2 156	-1 393	-2 680
Interest	-1 743	-1 867	-2 240	-2 390	-2 617
Departments	-633	-686	-674	-684	-655
Financing	3 866	6 402	3 208	5 005	5 004
Loans	3 716	6 397	3 204	5 000	5 000
Purchases	–	–	–	–	–
Interest	150	5	5	5	4
Closing balance	4 843	5 481	3 620	4 157	3 209

Source: National Treasury

Over the medium term, government will raise about US\$13.2 billion from multilateral development banks, international financial institutions and international capital markets to meet its foreign-exchange commitments.

Table 7.5 Borrowing from international finance institutions

Institutions	Disbursement date	Interest rate	Terms (years)	Grace period ¹ (years)	Amount (billion)
New Development Bank*	20 July 2020	6-month SOFR ² plus 1.64%	30	5	US\$1.0
International Monetary Fund	29 July 2020	1.0660%	5	3.25	US\$4.3
African Development Bank	15 October 2020	3-month JIBAR ³ plus 0.8%	20	5	R5.00
New Development Bank*	17 June 2021	6-month SOFR ² plus 1.64%	30	5	US\$1.0
New Development Bank*	15 November 2021	6-month SOFR ² plus 1.44%	25	4.5	US\$1.0
World Bank	22 March 2022	6-month SOFR ² plus 0.75%	13	3	US\$0.75
World Bank	22 September 2022	6-month EURIBOR ⁴ plus 0.67%	13	3	EUR0.45
French Development Bank	22 December 2022	6-month EURIBOR ⁴ plus 1.29%	20	5	EUR0.3
KfW Development Bank	20 January 2023	6-month EURIBOR ⁴ plus 0.69%	20	5	EUR0.3
African Development Bank	22 December 2023	Daily SOFR ² plus 1.22%	12	2	US\$0.3
World Bank	26 January 2024	Fixed at 4.74%	15	5	US\$1.0
KfW Development Bank	09 February 2024	Fixed at 4.4%	15	3	EUR0.5
Government of Canada	22 March 2024	Fixed at 3.5344%	10	–	CAD0.120
French Development Bank ⁵	27 March 2025	6-month EURIBOR ⁴ plus 1.66%	15	2	EUR0.4
World Bank	30 July 2025	6-month SOFR ² plus 1.49%	16	3	US\$1.5
KfW Development Bank	28 August 2025	Fixed at 4.31%	13	3	EUR0.5
African Development Bank	15 September 2025	Daily SOFR ² plus 1.22%	16	3	US\$0.475

1. A period after the disbursement where no capital repayments are required

2. SOFR (Secured Overnight Financing Rate)

3. JIBAR (Johannesburg Interbank Average Rate)

4. EURIBOR (Euro Interbank Offered Rate)

5. EUR 200 million disbursed already and the remainder to be disbursed on achievement of linked indicators

*SOFR replaced the LIBOR (London Interbank Offered Rate) for all the NDB loans

Source: National Treasury

Cash balances

Government's cash holdings consist of deposits held at commercial banks and the Reserve Bank, which holds accumulated deposits from foreign-loan proceeds.

Table 7.6 Change in cash balances

R million	2024/25	2025/26		2026/27	2027/28	2028/29
	Outcome	Budget	Revised	Medium-term estimates		
Rand currency						
Opening balance	92 320	130 671	130 671	108 800	87 800	50 000
Closing balance	130 671	50 000	108 800	87 800	50 000	50 000
of which:						
Tax and loan accounts	130 671	50 000	108 800	87 800	50 000	50 000
Change in rand cash balance ¹ (opening less closing balance)	-38 351	80 671	21 871	21 000	37 800	–
Foreign currency²						
Opening balance	98 900	94 352	94 352	100 206	67 506	77 864
Closing balance	94 352	82 228	100 206	67 506	77 864	62 464
US\$ equivalent	4 843	4 085	5 481	3 620	4 157	3 209
Change in foreign currency cash balance ¹ (opening less closing balance)	4 548	12 124	-5 854	32 700	-10 358	15 400
Total change in cash balances¹	-33 803	92 795	16 017	53 700	27 442	15 400
Total closing cash balance	225 023	132 228	209 006	155 306	127 864	112 464

1. A positive value indicates that cash is used to finance part of the borrowing requirement

2. Rand values at which foreign currency was purchased or borrowed

Source: National Treasury

Closing cash balances for 2025/26 are projected at R209 billion – R76.8 billion higher than the R132.2 billion estimated in the 2025 Budget. The higher cash balances will help to manage cash-flow pressures during the first three months of the next fiscal year and also be used to finance part of the gross borrowing requirement in 2026/27 and 2027/28. Over the medium term, foreign-currency balances are expected to average US\$3.7 billion.

GOVERNMENT DEBT AND DEBT-SERVICE COSTS

National government debt is expected to stabilise at 78.9 per cent of GDP in 2025/26 – slightly higher than the 77.4 per cent projected in the 2025 Budget – before declining to 76.5 per cent over the medium term.



Table 7.7 Total national government debt¹

End of period R billion	2024/25 Outcome	2025/26 Revised	2026/27	2027/28	2028/29
	Medium-term estimates				
Domestic loans²	5 091.8	5 490.3	5 701.2	5 934.5	6 187.7
Short-term	550.6	590.1	617.0	662.2	698.1
Long-term	4 541.2	4 900.2	5 084.2	5 272.3	5 489.6
<i>Fixed-rate</i>	3 279.8	3 438.8	3 486.6	3 647.0	3 854.6
<i>Inflation-linked</i>	1 078.0	1 180.0	1 280.6	1 334.1	1 320.0
<i>Floating-rate notes</i>	183.5	281.3	317.0	291.2	315.0
Foreign loans²	601.9	628.4	625.2	701.9	756.3
Gross loan debt	5 693.7	6 118.7	6 326.4	6 636.4	6 944.1
Less: National Revenue Fund bank balances ²	-225.0	-204.0	-148.5	-121.3	-106.1
Net loan debt	5 468.7	5 914.6	6 177.9	6 515.1	6 838.0
<i>As percentage of GDP:</i>					
<i>Gross loan debt</i>	77.0	78.9	77.3	77.0	76.5
<i>Net loan debt</i>	73.9	76.3	75.4	75.6	75.3

1. A longer time series is given in Table 10 of the statistical annexure at the back of the Budget Review

2. Estimates include revaluation based on National Treasury's projections of inflation and exchange rates

Source: National Treasury

The higher debt peak reflects weaker nominal GDP growth and a decision to take advantage of strong investor demand in domestic and global markets by increasing issuance in 2025/26. This approach allows government to manage cash-flow pressures in the first three months of 2026/27 and finance a portion of the gross borrowing requirement in 2026/27 and 2027/28.

Table 7.8 Analysis of annual increase in gross loan debt

R million	2024/25 Outcome	2025/26 Revised	2026/27	2027/28	2028/29
	Medium-term estimates				
Budget deficit	334 856	348 910	301 250	284 529	260 469
Eskom debt-relief arrangement	64 000	80 000	–	–	10 000
GFECRA settlement	-100 000	-25 000	-56 000	–	–
Discount on loan transactions	67 407	38 476	128	0	–
Revaluation of inflation-linked bonds ¹	27 420	35 446	39 992	41 518	41 858
Revaluation of foreign-currency debt ¹	-16 503	-27 498	-20 771	14 882	13 869
Change in cash and other balances ²	57 134	-25 375	-56 868	-30 912	-18 534
Total	434 313	424 959	207 731	310 017	307 662

1. Revaluation based on National Treasury projections of inflation and exchange rates

2. A negative value indicates that cash is used to finance part of the borrowing requirement

Source: National Treasury

Foreign-currency debt will average R694.5 billion or 10.5 per cent of gross debt over the medium term, well within the 15 per cent risk benchmark. This exposure is partly offset by foreign-currency deposits of US\$5.5 billion in 2025/26.

In 2025/26, the value of the debt stock increased by R425 billion. The main budget deficit accounts for 82.1 per cent of this increase. Debt-service costs are determined by the debt stock and new borrowing as well as interest, inflation and exchange rates. In 2025/26, debt-service costs are revised downwards by R5.7 billion compared with the 2025 Budget estimate, mainly due to the lower budget deficit and improved macroeconomic variables.

Table 7.9 National government debt-service costs

R million	2024/25	2025/26		2026/27	2027/28	2028/29
	Outcome	Budget	Revised	Medium-term estimates		
Domestic loans	354 019	386 425	387 951	394 723	410 284	423 411
Short-term	43 886	45 708	42 043	37 949	38 822	40 010
Long-term	310 133	340 716	345 908	356 775	371 462	383 401
Foreign loans	31 825	39 921	32 659	37 725	41 165	45 910
Total	385 844	426 346	420 610	432 449	451 450	469 321
<i>As percentage of:</i>						
GDP	5.2	5.4	5.4	5.3	5.2	5.2
Expenditure	18.0	18.5	18.1	18.1	18.2	18.2
Revenue	21.3	21.9	21.3	20.8	20.6	20.2

Source: National Treasury

Over the medium term, debt-service costs are projected to average 5.2 per cent of GDP. As a share of revenue, they will peak in 2025/26. Growth in debt-service costs is projected at 3.7 per cent annually over the medium term, down from an average of 7.4 per cent in the 2025 Budget, reflecting lower borrowing costs, improved market confidence and a diversified financing strategy. In addition, the effective interest rate on the debt portfolio – total debt-service costs divided by the gross debt outstanding – is estimated to be 7.1 per cent over the medium term, 30 basis points lower than in the 2025 Budget.

CONTINGENT LIABILITIES

Contingent liabilities include guarantees to state-owned companies, independent power producers and public-private partnerships, along with provisions for multilateral institutions and other fiscal obligations. The guarantee *amount* reflects only the capital value of the loan. *Exposure* consists of the sum of the outstanding value of a loan, accrued interest and adjustments to inflation-linked bonds. As a result, exposure may exceed the approved guarantee amount.

The total government guarantee amount is expected to increase from R513.1 billion as at 31 March 2025 to R661 billion as at 31 March 2026, while the exposure amount is projected to rise by R10.3 billion to R453.6 billion over the same period. The increase in the total guarantee amount is mainly due to additional guarantees of R145.8 billion issued to Transnet during the financial year. Of this amount, R94.8 billion was earmarked to cover debt redemptions and mitigate credit-rating downgrade risks; the remaining R51 billion was allocated for funding and liquidity management for 2025/26 and 2026/27.

The increase in exposure reflects a net drawdown of R34.2 billion on the Transnet guarantee. This was partially offset by net repayments by Eskom and the South African National Roads Agency Limited (SANRAL) of R18.8 billion and R4.6 billion, respectively, as well as repayments of R4.7 billion under the South African Reserve Bank Loan Guarantee Scheme. The Development Bank of Southern Africa and the Trans-Caledon Tunnel Authority also made additional drawdowns, increasing their respective exposure amounts.

Eskom constitutes 73.6 per cent of total guarantee exposure, and Transnet 17.3 per cent. The volume of exposure to Eskom has declined as government's debt-relief arrangement has been implemented. However, given the weight of Eskom and Transnet in the guarantee portfolio, their guarantees remain a significant fiscal risk.

As has been the case for several years, Cabinet members who request guarantees for state-owned companies are required to report those requests to Parliament on a quarterly basis once they have been considered by the Minister of Finance.

Table 7.10 Government guarantee exposure¹

R billion	2023/24		2024/25		2025/26	
	Guarantee	Exposure ²	Guarantee	Exposure ²	Guarantee	Exposure ²
Public institutions	499.5	433.6	513.1	443.3	661.0	453.6
<i>of which:</i>						
<i>Eskom</i>	326.6	356.9	326.6	352.6	328.0	333.8
<i>SANRAL</i>	37.9	28.9	37.9	23.4	37.9	18.8
<i>Trans-Caledon Tunnel Authority</i>	35.5	7.9	60.9	10.4	60.9	14.6
<i>South African Airways</i>	4.7	0.1	4.7	0.3	4.7	–
<i>Land and Agricultural Development Bank of South Africa</i>	8.0	–	–	–	–	–
<i>Development Bank of Southern Africa</i>	10.2	6.1	10.1	6.6	10.2	7.0
<i>Transnet</i>	50.5	25.2	50.5	44.4	196.3	78.6
<i>Denel</i>	3.4	–	–	–	–	–
<i>Industrial Development Corporation</i>	0.6	0.2	0.6	0.1	0.6	0.1
<i>South African Reserve Bank³</i>	21.1	7.8	21.1	4.9	21.1	0.2
Independent power producers	277.9	207.1	277.9	229.5	303.1	244.3
Public-private partnerships⁴	6.8	6.8	4.9	4.9	3.3	3.3

1. A full list of guarantees appears in Table 11 of the statistical annexure in the Budget Review

2. Total amount of borrowing, adjustments to inflation-linked bonds as a result of inflation rate changes and accrued interest

3. In April 2022, the Minister approved the reduction of the loan guarantee scheme to R20 billion

4. These amounts only include national and provincial PPP agreements

Source: National Treasury

Other guarantees and contingent liabilities

As of 31 March 2026, government's commitment to the Renewable Energy Independent Power Producer Procurement Programme is expected to be R303.1 billion. The value of signed projects, which represents government's exposure, is expected to be R244.3 billion by 31 March 2026, declining to R189.7 billion by 2028/29. Public-private partnership exposure arises mainly from early termination of contracts and is expected to decline to R3.3 billion in 2025/26, narrowing to R1.2 billion in 2028/29.

Table 7.11 shows government's exposure to multilateral institutions and other implicit contingent liabilities. South Africa subscribes to shares in several multilaterals but does not pay the full amount. Its exposure represents the portion that may have to be paid in the unlikely event these institutions run into financial difficulty.

Table 7.11 Provision for multilateral institutions and other contingent liabilities

R billion	2023/24	2024/25	2025/26
Multilateral institutions	593.9	536.3	487.0
<i>of which:</i>			
<i>New Development Bank</i>	152.3	147.0	139.0
<i>African Development Bank</i>	160.3	154.7	146.2
<i>International Monetary Fund</i>	236.7	191.7	161.1
<i>World Bank Group</i>	44.6	43.0	40.7
Other contingent liabilities	423.9	454.3	443.3
<i>of which:</i>			
<i>Export Credit Insurance Corporation of South Africa</i>	1.3	–	–
<i>Post-retirement medical assistance</i>	69.9	85.5	85.5
<i>Road Accident Fund</i>	352.7	368.9	357.8

Source: National Treasury

Net valuation profits and losses



The GFECRA reflects profits and losses on the gold and foreign exchange reserves held by the Reserve Bank. In the 2025 *Medium Term Budget Policy Statement*, government announced that the GFECRA buffer for 2025 has been set at R260 billion, up from R250 billion in 2024. As of 31 March 2025, the GFECRA balance amounted to R364 billion. After subtracting the R50 billion earmarked in last year's agreement for distribution over 2025/26 and 2026/27 (R25 billion in each year), a balance of R54 billion remains. Of this, R31 billion will be transferred to the National Treasury, which will apply the funds to lower the gross borrowing requirement in 2026/27. The other R23 billion will be transferred to the Reserve Bank, which will allocate this to its contingency reserve to cover the liquidity management costs of the distribution. The GFECRA balance is estimated to reach approximately R326.8 billion by 31 March 2026 after deducting the R25 billion disbursed to government in 2025/26.

CONCLUSION



The funding environment strengthened in 2025/26 as easing monetary conditions, improved investor confidence and a stronger sovereign risk profile lowered borrowing costs. Improved revenue outcomes and reduced redemptions narrowed the budget deficit and gross borrowing requirement, easing financing pressures. As a result, government debt is expected to stabilise at 78.9 per cent of GDP, and to decline over the medium term.