



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

Rating announcement by S&P following recent political developments

Government notes the sovereign rating announcement by S&P. While S&P has lowered its rating of foreign currency-denominated debt to a sub-investment grade, rand-denominated debt – which constitutes 90 per cent of the debt portfolio – retains its investment-grade rating.

While the leadership of the finance portfolio has changed, government's overall policy orientation remains the same. As indicated by Minister Gigaba on 1 April 2017, *"government has been, and will remain, committed to a measured fiscal consolidation that stabilises the rise in public debt"*.

South Africa is committed to a predictable and consistent policy framework, which responds to changing circumstances in a measured and transparent fashion. Open debate in a democratic society should not be a cause for concern, but reflects an important means to accommodate differing views. South Africa's constitutional arrangements remain robust. These key institutional strengths are acknowledged by rating agencies.

This rating announcement calls for South Africans to reflect on the need to sustain and act with urgency to accelerate inclusive growth and development so that we can reverse the triple challenge of poverty, unemployment and inequality. Reducing reliance on foreign savings to fund investment and relying less on debt to finance public expenditure will secure South Africa's fiscal sovereignty and economic independence.

Government remains committed to making sure that its work with business, labour and the civil society continues in order to improve the business confidence and implement structural reforms to accelerate inclusive economic growth.

The Minister of Finance will engage further with the media tomorrow to discuss this outcome.

Issued on behalf of National Treasury

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