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'MOODY'S AND FITCH'S UNCHANGED SA INVESTMENT RATING IS GOOD NEWS, BUT SA ECONOMY NOT YET OUT OF THE WOODS', SAYS NWU SCHOOL OF BUSINESS AND GOVERNANCE ECONOMIST PROF RAYMOND PARSONS

'The decision by both credit rating agencies Moody's and Fitch to leave SA's investment rating unchanged for now, but combined with a negative outlook, is generally positive news. While Standard & Poor's decision is still awaited next week, SA seems to have avoided junk status for the present, but the country has again been put on notice to get its house in order. SA has been given more time. It is not just a question of taking the right economic and political decisions but of ensuring that they are effectively implemented. The SA economy is not yet out the woods, and intensive work will continue to be needed to remove SA from the brink of 'junk status'.

The Fitch and Moody's decisions nonetheless underscore the importance of maintaining the collaborative efforts of government, business and labour to implement policy and structural reforms aimed at improving growth prospects and boosting investor confidence. Political and policy uncertainty need to be reduced. We must also not only make our economic reforms more visible and irreversible, but also do so in ways which steadily eliminate the uncertainty which the inevitable six-monthly credit rating agency reviews themselves now keep creating. SA needs a bigger, stronger and better economy which will welcome, rather than fear, credit rating agency economic reassessments.'