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'Moody's surprise decision not to update SA's sovereign credit rating is welcome - but SA economy not yet out of the woods', says NWU Business School economist Prof Raymond Parsons.

'The surprise decision by Moody's not to update SA's sovereign credit rating at this stage is welcome, as it gives the country further breathing space to get its economic and fiscal house in order. While Moody's offered no explanation for the delay in issuing its latest report on the SA economy, it is possible that the credit rating agency took into account the important coming election in SA in May and the uncertainties still surrounding it.

After the May election Moody's and other credit rating agencies will presumably want more clarity and certainty on key issues such as likely policy changes, a new Cabinet, and SA's future economic direction. The Moody's update remains pending the latest economic and political developments. The economy is not yet out of the woods and Moody's decision should be seen as a stay of execution, rather than as a reprieve.'

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