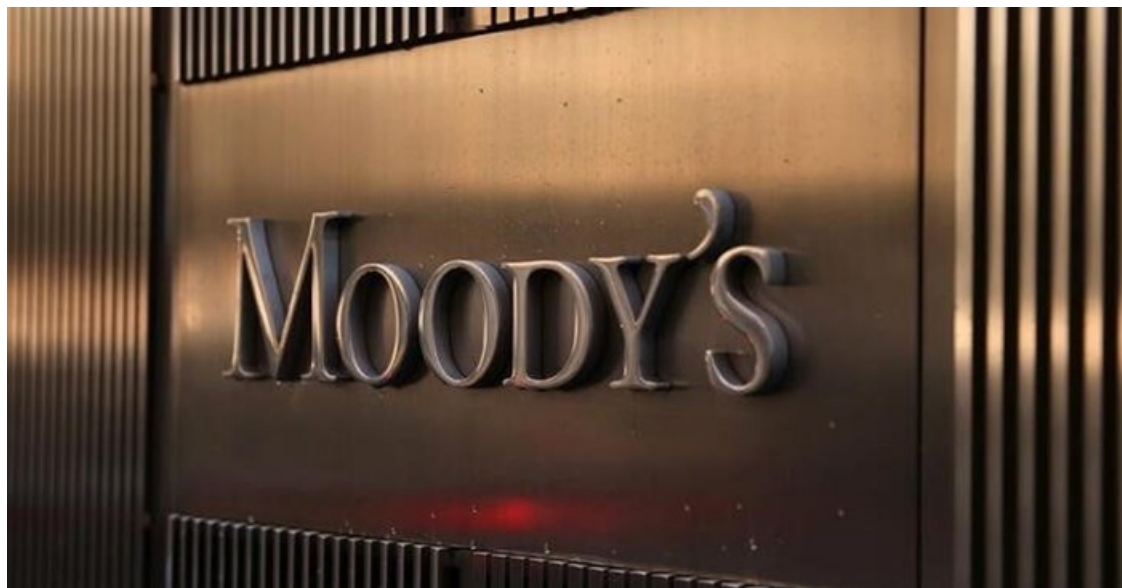


Moody's upgrades South Africa outlook to 'stable' on better fiscal health view

Ratings agency, Moody's on Friday revised South Africa's outlook to "stable" from "negative", saying the country's improved fiscal outlook would help the government stabilise its debt burden over the medium term.



Source: REUTERS

South Africa's public finances were in bad shape even before the Covid-19 pandemic and took a further dive in 2020, when an economic contraction hurt government revenues.

The fiscal picture has improved since then, thanks to bumper prices for South Africa's commodity exports.

"South Africa's fiscal position has markedly recovered from the pandemic thanks to government's fiscal-consolidation measures and positive external developments," the ratings agency said in a statement.

"As a result, it now looks likely that the government's debt-to-GDP ratio will stabilise around 80% over the medium term."

The agency said it is maintaining South Africa's rating at 'Ba2', citing the country's sound financial sector, which would pose limited risk and provide a deep pool of domestic investors for borrowing to the government.

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