
JOINT STATEMENT BETWEEN THE MINISTER OF FINANCE AND THE GOVERNOR OF THE SOUTH AFRICAN RESERVE BANK (SARB)

The Minister of Finance Mr Pravin Gordhan, the Governor of the South African Reserve Bank Ms Gill Marcus and members of the Financial Stability Oversight Committee today had discussions about the possible impact of the US downgrade and the on-going sovereign debt concerns in Europe on South Africa's financial stability.

South Africa has deep and liquid financial markets which continue to function even during this difficult time of global financial turmoil. All rating agencies rate South Africa at an investment grade. Standard and Poor's in particular, affirmed South Africa's sovereign rating and even revised the rating outlook from negative to stable. These ratings are a testimony to our sound management of the economy, and public finances and demonstrate confidence in our fiscal consolidation measures. Our financial system remains strong, with adequately capitalised financial institutions, supported by a robust regulatory framework.

The National Treasury and the Reserve Bank will continue to actively monitor the situation to mitigate any financial stability risks and any adverse short term and long term effects on the broader economy.

In addition, South Africa will, as a member of G-20 remain in close contact with other member countries ready to take action to ensure stability and liquidity in financial markets. In the long term, South Africa notes the need for bold global economic leadership especially in dealing with global financial imbalances.

We remain confident in the growth forecast and fiscal projections outlined at the time of the Budget. These will be updated in October at the time of the Medium Term Budget Policy Statement. Government will continue to implement measures to accelerate economic growth and stimulate faster job creation.

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Issued by: Finance Minister and the SARB Governor
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