

SPECIAL NEDLAC EXECUTIVE MET TO DISCUSSION RESPONSE TO RATING AGENCIES DOWNGRADE

Johannesburg- Nedlac convened a Special Executive Council meeting today Tuesday 11 April 2017 to assess and respond to the current challenges facing the country following the recent downgrade of the country's investment status. The Deputy President, Cyril Ramaphosa, chaired the meeting at the invitation of the social partners.

The meeting was attended by Nedlac social partners comprising senior leadership of Labour, Business, Community and Government, including Ministers Malusi Gigaba and Mildred Oliphant and Deputy Minister Sifiso Buthelezi including senior government officials.

The social partners welcomed the Minister and the Deputy Minister of Finance who were attending the NEDLAC Special Executive Council in their new capacities. The social partners also took the opportunity to acknowledge the sterling contribution of the outgoing Director-General Fuzile Lungisa.

The meeting expressed the hope that the transition to the appointment of the new Director General will further contribute to the stability of the Treasury.

The meeting received a briefing from the Minister of Finance on government's assessment of the context in which the two recent sovereign downgrades by Standard & Poor's and Fitch Ratings occurred including steps that should be undertaken to avoid a further downgrade and a return to investment grade.

The meeting expressed concern about the impact the downgrades would have on the economy in general and the quality of life especially for the poor and working class, on job creation, sustainability of business, including small businesses and the ability of big companies to grow and create jobs, infrastructure projects and social reforms.

Informed by our past experience in dealing with the 2008 challenges of the global economic crisis, the meeting expressed confidence in the ability of Nedlac social partners to act together and constructively assist the country to mitigate the impact of the downgrade

The Nedlac social partners have agreed to establish a high level task team to be briefed by National Treasury, on an ongoing basis, to co-ordinate our all-round efforts to respond to the current challenges.

The meeting agreed on the need for a consistent and confidence-building message that demonstrates South Africa's commitment to accelerated inclusive growth

Issued by Ronnie Mamoepa at 082-990-4353

ISSUED BY THE PRESIDENCY

Pretoria

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11 April 2017