

Moody's confirms Sanral's negative outlook

Credit ratings agency Moody's has confirmed the South African National Roads Agency Limited's (Sanral) issuer ratings of Baa3/P-3 (global scale, local and foreign currency) and of A3.za (South African national scale) as well as the short-term issuer rating of P-2.za was affirmed. At the same time, Moody's assigned a negative outlook.



E-tolls are projected to rise to R4,8bn by 2015.

Image: [First Car Rental](#)

Moody's said that the rating action has been prompted by the implementation of electronic tolling (e-tolling) on Sanral's largest toll road, the Gauteng Freeway Improvement Project.

"The action concludes the review for downgrade initiated on 6 September," it said.

Moody's added that the implementation of e-tolls would enable Sanral to realise the additional toll revenue necessary to absorb cash-flow pressures emanating from its high operating costs (including debt service) and reduce its borrowing needs.

Sanral's estimates its total revenue will rise from R2.1bn last year to R2.8bn for the financial year to March. Sanral expects toll revenue to accelerate to R4.8bn by the end of its 2015 financial year.