

## **BANK OF BOTSWANA**

### **PRESS RELEASE**

#### **STANDARD & POOR'S CONFIRM BOTSWANA'S SOVEREIGN CREDIT RATING BUT REVISES THE OUTLOOK FROM "STABLE" TO "NEGATIVE"**

On February 19, 2009 Standard & Poor's (S & P) reaffirmed Botswana's investment grade sovereign credit rating of 'A/A-1' for foreign currency and 'A+/A-1' for local currency, but revised the outlook from "stable" to "negative". This follows a ratings review that took into account the 2009/10 government budget deficit, which was arrived at against the background of the ongoing deterioration of the global economic climate and the resultant negative impact on diamond production and prices.

The re-affirmation of the sovereign credit rating reflects the confidence that S & P have on policy credibility of the Botswana authorities that the necessary action will be taken to contain the budget deficit. Indeed S & P have stated that if the budget is managed so that medium term fiscal balance is broadly achieved by 2011, the "negative" outlook could revert to "stable".

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