



# **BANK OF BOTSWANA**



## **PRESS RELEASE**

### **MOODY'S INVESTORS SERVICE REAFFIRMS BOTSWANA'S "A2" SOVEREIGN CREDIT RATING FOR 2015**

The international Sovereign Credit Rating Agency, Moody's Investors Service (Moody's), has just released Botswana's 2015 sovereign credit rating. The A2 rating for both foreign and domestic bonds and the stable outlook are reaffirmed for the year.

The rating is based on the assessment that weighs the Government's relatively strong balance sheet, net external creditor position and low public debt against potential challenges associated with the middle income status and a small economy. In making the assessment, Moody's emphasised the country's sound policy framework, with effective fiscal consolidation in the aftermath of the global financial crisis, resulting in government debt remaining at a low levels. Due to this strong institutional framework, the rating agency expects the authorities to implement fiscal and monetary policies that allow the economy to adjust to lower diamond prices and other external shocks. The economy's heavy reliance on the dominant diamond industry and the relatively slow pace of economic diversification remain key weaknesses for the rating over the long term.

As in previous years, Moody's noted that, given the healthy financial position and the stable political and financial environment, the risks that could put renewed pressure on the ratings are judged to be low.

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