

BANK OF BOTSWANA

PRESS RELEASE

MOODY'S RELEASE BOTSWANA'S 2013 SOVEREIGN CREDIT RATING

Moody's Investors Service (Moody's) has released Botswana's 2013 sovereign credit rating. The A2 rating for both foreign and domestic bonds and the stable outlook have been retained.

The A2 rating is based on the assessment that balances potential challenges associated with a country having a small size economy and middle-income status, against the strength relating to the country's sound policy framework and effectiveness of government. In making the assessment, Moody's emphasised the strong financial position of the government that is underpinned by prudent fiscal policies, which compare favourably with other resource-rich developing economies. Due to this robust policy framework, the authorities' response to the major challenges of recent years (e.g. the global financial crisis) has been consistently effective. The assessment further noted that, in the course of this year (2013), consumer price inflation has declined and is now within the Bank of Botswana's medium-term policy objective of 3 – 6 percent.

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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