

# **BANK OF BOTSWANA**

## **PRESS RELEASE**

### **STANDARD & POOR'S AFFIRMS BOTSWANA'S SOVEREIGN CREDIT RATING**

Standard & Poor's (S & P) have released Botswana's 2013 sovereign credit rating and retained the "A-" and "A-2" for the long-term and short-term ratings, respectively. The ratings apply to both local and foreign currency borrowings, reflecting the unrestricted convertibility of the Pula into foreign currency. The "stable" economic outlook has also been affirmed.

In making the assessment, S&P noted that the results are supported by the strong government balance sheet, and robust institutions underpinning a well-managed economy and long record of political stability. However, the country's narrow economic base makes it vulnerable to shocks, despite continuing efforts to diversify the economy; developmental needs which include tackling high unemployment present additional challenges. In the current circumstances of continuing uncertainty on the strength of recovery of the global economy, retaining both the ratings and outlook is an indication of continued confidence in the country's authorities to respond to the challenges.

The long-term rating could come under pressure if the country's fiscal or external position were to deteriorate or if there were to be any threat to institutional or political stability. Conversely, the effective implementation of measures necessary for inclusive growth and economic diversification could lead to a possible ratings upgrade.