

BANK OF BOTSWANA

PRESS RELEASE

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

Standard & Poor's (S & P) has released the results of the first of the two annual reviews of Botswana's sovereign credit rating for 2015. The long-term and short-term ratings of "A-" and "A-2", respectively, have been affirmed. The "stable" economic outlook has also been retained.

The ratings are supported by the country's robust institutions as well as the strong external and fiscal balance sheets, well managed economy and a long record of political stability. The stable outlook reflects expectations of resilient economic growth, fiscal surpluses and continued institutional strength.

However, the ratings are constrained by the country's narrow economic base and its vulnerability to external shocks, despite efforts to diversify the economy away from its heavy reliance on the diamond sector. The ratings could also come under pressure if economic growth was to falter or if the country's fiscal or external positions were to deteriorate. On the other hand, reduced dependence on the mining sector for current account and fiscal receipts through successful broadening of private sector development, which could boost GDP growth relative to other middle-income countries, could lead to a possible ratings upgrade.

May 9, 2015

Mr Andrew Sesinyi
Head of Communications, Bank of Botswana
(267) 3606083