

# **BANK OF BOTSWANA**

## **PRESS RELEASE**

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

Standard & Poor's (S & P) have released Botswana's 2012 sovereign credit rating, retaining the "A-" and "A-2" for the long-term and short-term ratings, respectively. The ratings apply to both local and foreign currency borrowing. The stable outlook has also been affirmed.

S & P have noted that the 2012 ratings are supported by the strong government balance sheet, well managed economy and long record of political stability. However, despite efforts to diversify the country's economy, it continues to be vulnerable to shocks. In the current circumstances of heightened uncertainty surrounding the course of the global economy, the retention of both the ratings and their outlook is an indication of continued confidence in the Botswana authorities to respond to these challenges.

The long-term rating could come under pressure again if further fiscal or external weakening diminishes asset buffers. Conversely, the accelerated implementation of structural reforms necessary for broadening private sector development could improve the country's credit worthiness and a possible ratings upgrade.

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