

**BANK OF BOTSWANA**  
**PRESS RELEASE**

**STANDARD & POOR'S AFFIRMS BOTSWANA'S "A-/A-2" SOVEREIGN CREDIT RATING FOR 2017 AND REVISES THE OUTLOOK FROM NEGATIVE TO STABLE**

Standard and Poor's (S&P) Global Ratings has released an update of Botswana's 2017 sovereign credit rating, which reaffirms the ratings of 'A-' and 'A-2' for long and short-term bonds denominated in domestic and foreign currency. The outlook has been revised from negative to stable.

The ratings are supported by the country's robust public institutions as well as the strong external and fiscal balance sheets, low public debt burden and a well-managed economy. The upward revision of the outlook reflects expectation of sustainable economic growth, underpinned by improved diamond markets and resilience of the services and construction sectors, and surpluses in the fiscal and current accounts in the near term.

However, the ratings could be revised downwards if the fiscal position was to deteriorate markedly either due to underperformance in the diamond sector, hence a weaker economic growth, or a more-than-anticipated increase in fiscal spending. Furthermore, the ratings could be lowered if the external sector performance was to weaken significantly. Notably, the ratings are constrained by the country's narrow base, which relies heavily on the diamond sector, despite efforts to diversify the economy.