



**BANK OF BOTSWANA**

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**PRESS RELEASE**

**MOODY'S AFFIRMS THE "A2" AND THE STABLE OUTLOOK SOVEREIGN CREDIT RATING FOR BOTSWANA**

Moody's Investors Service has released the results of the 2020 sovereign credit rating for Botswana, which affirms the country's sovereign credit rating of 'A2' for long-term bonds denominated in both domestic and foreign currency, as well as a stable outlook.

The ratings are underpinned by the country's strong fiscal position, with low debt burden, a sizeable sovereign wealth fund, strong institutions, robust monetary policy framework delivering price stability, prudent policy making, as well as political stability. The stable outlook is also premised on sufficiency of fiscal buffers for the country to service its outstanding public debt, as well as expected fiscal consolidation in the ensuing fiscal year.

The rating agency, Moody's, indicated that there is potential to upgrade the ratings if progress is made on implementation of structural reforms to enhance the business environment; increase the pace of economic diversification; improve the composition and efficiency of public expenditures; and raise the growth potential. However, the ratings could be lowered on account of limited success of the fiscal consolidation efforts; a significant erosion of fiscal buffers; lack of progress in economic diversification and inability to contain the rate of growth of recurrent expenditure.

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