Research Update:

Botswana Ratings Affirmed At 'BBB+/A-2'; Outlook Stable

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Overview

- We forecast a rebound in Botswana's GDP growth in 2024, following weakness late last year driven by India's temporary pause on diamond imports.
- Ahead of the October 2024 elections, the government has announced an expansionary budget for the fiscal year ending March 31, 2025, and although we expect this to increase the fiscal deficit in that year, we anticipate that the government will aim to reduce the deficit in its budgets for the following years.
- We project that Botswana will maintain a strong net external asset position and report further current account surpluses over 2023-2027.
- We are affirming our 'BBB+/A-2' ratings on Botswana and the Bank of Botswana. The outlooks are stable.

Rating Action

On March 15, 2024, S&P Global Ratings affirmed its 'BBB+' long-term and 'A-2' short-term foreign and local currency sovereign credit ratings on Botswana. The outlook is stable.

We equalize our ratings on the Bank of Botswana with our ratings on the sovereign, so we also affirmed our 'BBB+' long-term and 'A-2' short-term issuer credit ratings on the Bank of Botswana. The outlook is stable.

Outlook

The stable outlook indicates that we anticipate that Botswana's GDP growth will remain relatively resilient and that this will, in turn, support export receipts and fiscal revenue.

Downside scenario

We could lower our ratings if Botswana's external or fiscal performance were materially weaker than our current forecasts. Such a scenario could result from the diamond sector's underperformance, caused in turn by the external demand or terms of trade shock, for example.

Upside scenario

We could raise the ratings if economic growth or wealth levels in Botswana were to significantly increase beyond our expectations, supported by the diversification of Botswana's export base leading to greater economic resilience.

Rationale

Our ratings on Botswana are supported by the country's comparatively strong institutional framework, which has underpinned the prudent management of the country's natural resource wealth; its strong external balance sheet; and low government debt burden. The ratings are constrained by the country's narrow economic base--it still relies heavily on the diamond sector and is therefore vulnerable to external shocks.

We equalize our ratings on the Bank of Botswana (BoB) with our ratings on the sovereign because we consider monetary authorities to be analytically inseparable from the sovereign.

Institutional and economic profile: The diamond sector remains very important to Botswana's growth prospects

- We assume that global demand for diamonds will remain reasonably resilient and that G7 sanctions on Russia's diamond exports will not have a significant downside effect on Botswana's diamond exports.
- Pre-election expansionary fiscal policies will also support growth in nonmining sectors, but will affect fiscal metrics.
- Botswana's institutional and monetary policy frameworks remain relatively strong and supportive of the ratings.

Botswana is one of the world's largest producers of rough diamonds, and the diamond mining industry remains the key driver of its economy. The diamond sector represents just under one-third of Botswana's GDP, about one-third of its fiscal receipts, and more than two-thirds of exports.

We estimate that real GDP growth dropped to 3.5% of GDP in 2023, down from 5.5% in 2022, in part because India's Gem and Jewellery Export Promotion Council banned the importing of rough diamonds to tackle an oversupply in India's midstream sector. India cuts and polishes around 90% of the world's diamonds—its two-month import ban, which was lifted in late December 2023, weakened Botswana's diamond sector in the fourth quarter of the year. Sales at rough diamond sightholder (buyers who physically inspect diamonds) auctions in Botswana fell sharply in the fourth quarter of 2023 when compared with the third quarter. In addition, the global price of rough diamonds decreased by 25% over 2023 to $147 per carat from $175 per carat in 2022.

Now that the Indian ban has been lifted, we expect the diamond sector, and thus Botswana's GDP growth, to perform better in 2024-2027. We also forecast that global inflation will ease further in the coming years and the resultant increase in household discretionary spending in the U.S., Europe, and other markets should support growth in the diamond sector. In 2024, we predict that the combination of stronger demand for diamonds and fiscal stimulus will support real GDP growth of 4.2% in Botswana; then growth will average 4.7% in 2025-2027.

In October 2023, the Government of Botswana and global diamond mining firm DeBeers finalized an agreement to extend their 50-50 mining joint venture (Debswana). The agreement also confirmed that value-added services such as diamond aggregation and sales to sightholders would continue to take place in Botswana. This will help bolster the Botswanan economy. Production at Debswana, the country's largest diamond producer, is forecast to remain around 24 million carats per year over 2024-2027. DeBeers and the government have a long-standing relationship, which we now expect will continue. The Okavango Diamond Co., a state-owned entity, will also market a portion of the diamonds produced by Debswana--DeBeers will market the rest, but the portion marketed by Okavango will increase over time.

Debswana is also investing in the expansion of operations at two mines: 1) the "Cut 9" project, which will extend the lifespan of the large Jwaneng Mine to 2033 by transitioning operations to underground mining; and 2) the "Cut 3" project, which will extend the lifespan of the Orapa Mine for 10 years (to 2038) by mining a more-productive type of kimberlite rock. We expect both projects to help Botswana maintain its position as one of the leading global diamond producers for much of the next 10 years.

Botswana's nondiamond mining sectors have also benefited from significant private investment in recent years, and we expect these investments to support further growth in the mining sector over the next few years. MMG, a state-run Chinese miner, acquired the Khoemacau copper and silver mine for $1.9 billion in November 2023. MMG is making additional investments in the mine, with the aim of more than doubling its annual capacity to 135,000 tonnes–155,000 tonnes of copper and about 2 million ounces of silver. Meanwhile, Sandfire, an Australian mining company, has invested $259 million in the Motheo copper project, which aims to produce 3.2 million tonnes of copper and 1.2 million ounces of silver per year by the third quarter of 2024.

Beyond the mining sector, growth will be supported by improved access to water and electricity, after years of public investments in the country's infrastructure. We forecast that key sectors, including construction, trade, transport, and tourism, will support Botswana's output growth. As a result, we project real GDP growth will average 4.7% in 2025-2027.

Nevertheless, the country is exposed to risks that could dampen its growth prospects. These include a possible global economic downturn or the G7's proposal to send all rough diamonds to Antwerp. The G7 group of countries has imposed new sanctions on Russian producers, including Alrosa, a Russian diamond producer that is one of the world's largest diamond mining companies. Although these sanctions (aimed at curtailing the sale of Russian diamonds within the G7) should in theory support demand for non-Russian diamonds, they imply a requirement to track the origin of all diamonds, including those from Botswana. This could present significant logistical challenges that might affect the export of Botswanan diamonds.

One proposal from the G7 suggests that all diamonds larger than one carat should be physically certified as non-Russian in Antwerp, Belgium, before they can be sold in Europe and other G7 countries. If sightholder auctions are to remain in Botswana, this would require producers to transport diamonds over a carat in size to Antwerp from Botswana, and then back to Botswana for auction. Several non-G7 countries, including Botswana and India, are attempting to challenge the Belgian proposal. Botswana has argued that it already has a well-established diamond tracking system, which tracks diamonds from mine to customer. Its system is part of the long-standing Kimberly mining tracking agreement, which aims to ensure that diamonds from conflict zones are not sold into the international market.

The threat from lab-grown diamonds appears to be receding; in recent years the retail market has begun to significantly differentiate between lab-grown and natural stones on price and quality. Lab-grown diamonds can now be produced relatively cheaply using renewable electricity, which has sharply depressed prices for polished lab-grown diamonds. These are now priced up to ten times less than their natural counterparts.

Botswana is facing parliamentary elections in October 2024. The ruling Botswana Democratic Party (BDP) has held a majority in parliament since the country's independence in 1966. It aims to retain this majority after the 2024 election. The opposition Umbrella for Democratic Change (UDC) is likely to fall short of making significant inroads. It currently holds only 12 of the 57 elective parliamentary seats, compared with the BDP's 38 seats. We expect youth unemployment, infrastructure expenditure, and rising elephant encroachment on farming areas will be key pre-election policy topics.

Flexibility and performance profile: After an expansionary year in fiscal 2025, fiscal consolidation will begin from fiscal 2026 onward

- After the expansionary pre-election budget for fiscal 2025, fiscal prudence will support fiscal consolidation over the next few years.
- Gradually widening current account surpluses will strengthen foreign-exchange reserves and further support the country's strong net external asset position.
- Inflation will remain under control over the four-year forecast period.

A fiscal deficit of Botswana pula (BWP) 7.1 billion (2.6% of GDP) was recorded in 2023. While this was below the budgeted BWP7.6 billion, it was significantly higher than the near-balanced budget in 2022. We expect Botswana to post a general government deficit of 2.9% of GDP in fiscal 2024, based on pre-election fiscal measures. The government is likely to then turn its efforts to narrowing the deficit, which will stand at 0.5% of GDP by the end of fiscal 2027. We forecast that Southern African Customs Union's (SACU's) revenue will decrease slightly between 2024 and 2027. SACU's revenue comprises customs duties levied on imports from the rest of the world to SACU member states (South Africa, Namibia, Lesotho, Eswatini, and Botswana). The customs revenue is then redistributed to member states, based on a set formula.

Mineral revenue currently represents just under one-third of total government revenue and is predicted to remain at about that level. VAT revenue is expected to increase gradually, at a rate similar to real GDP growth. Income revenue, earned on government assets held by BoB on behalf of the government, will likely remain relatively stable over the forecast period, at about BWP700 million–BWP850 million. Every year, the BoB transfers a predetermined amount to the national treasury, as part of the dividend stemming from the government's financial assets abroad.

We expect expenditure to increase by over 20% in fiscal 2024, compared with fiscal 2023, because the government has made pre-election pledges to increase developmental spending. That said, historically, actual expenditure often falls short of planned expenditure due to delays in project implementation.

Botswana's gross general government debt stock (including public guarantees) is low, and represented about 21% of GDP in 2024. We expect Botswana's debt levels to remain stable over the coming years. Foreign currency-denominated debt accounts for 50% of total government debt. Over 90% of external debt is held by multilateral lenders; the rest is held by bilateral lenders. On a net basis, the government's balance sheet has been eroding over the past decade, and we now expect the government to move into a small net debtor position in 2025.

The government has maintained its domestic issuance program and will increase it going forward to help finance projected deficits. The gradual phase-in of the Retirement Funds Act, which requires Botswanan pension funds to limit their offshore investments to 50% of total stock, should provide a ready source of demand for the government's domestic issuance. In time, we anticipate that this should help deepen Botswana's domestic capital markets. Pension funds' offshore exposure was 59.4%, as of December 2023.

Debt service costs increased slightly in 2023, to 3.2% of government revenue. We anticipate that these costs will slowly decrease, averaging 2.6% over 2024-2027, as global interest rates decrease. We expect Botswana's interest costs to remain manageable, even though it borrowed 86% of its external debt at variable rates, because most of the debt is concessional, from multilateral and bilateral donors.

The recovery in diamond exports over 2024 is predicted to support the merchandise trade balance, so that this continues to post surpluses over the next four years. We expect the current account surplus for 2024 to increase to 1.9% of GDP, based on an increase in diamond exports and reasonably resilient SACU transfers to Botswana. Current account surpluses are forecast to widen further, to 3.7% of GDP by 2027, bolstered by sustained diamond exports and a ramp-up of copper, nickel, and silver exports.

External surpluses will support Botswana's relatively strong net external asset position over 2024-2027. The country established the Pula Fund (a type of sovereign wealth fund) in 1994, with the aim of preserving part of the income from diamond exports for future generations. The Pula Fund was valued at US$4.9 billion in 2023 and represented 23% of GDP.

We forecast that stronger export receipts will boost foreign exchange reserves to over eight months of current account payments. In turn, this will provide support to the pula's crawling peg, which BoB implemented in 2005 to bolster the country's economic stability. In January 2023, BoB revised the downward rate of crawl to 1.51% from 2.87%. The pula depreciated by 1.5% in the year to January 2024--consistent with the rate of crawl. We anticipate that the pula will remain in the crawling peg exchange rate arrangement, against the basket of 45% of South African rand and 55% IMF's special drawing rights.

Inflation declined to an average of 5.2% in 2023, from 12.1% in 2022. A rapid decrease in the rate of inflation prompted BoB to cut its policy rate by 25 basis points to 2.4% from 2.65% in December 2023. Inflation has been easing globally; therefore, we expect inflation to drop to 3.9% in 2024 and average 3.6% over 2025-2027. This is closer to the lower bound of the central bank's 3%-6% target.

Botswana's banking sector is well-capitalized, profitable, and liquid. Because the sector is dominated by subsidiaries of South African banks, it does not represent a fiscal contingent liability for the government.

Key Statistics

Table 1

Botswana--Selected Indicators

(Mil. BWP)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Economic indicators (%)										
Nominal GDP (bil. BWP)	174	180	171	208	251	273	296	319	344	371
Nominal GDP (bil. $)	17	17	15	19	19	20	21	23	24	24
GDP per capita (000s $)	7.6	7.3	6.4	7.8	8.0	8.1	8.4	8.8	8.9	9.1

Table 1

Botswana--Selected Indicators (cont.)

(Mil. BWP)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Real GDP growth	4.2	3.0	(8.7)	11.9	5.5	3.5	4.2	4.5	4.8	4.8
Real GDP per capita growth	1.9	0.8	(10.6)	9.7	3.4	1.5	2.2	2.5	2.7	2.7
Real investment growth	8.6	10.2	(9.2)	0.3	(0.2)	2.3	2.9	3.7	3.6	3.7
Investment/GDP	26.4	33.0	30.4	30.1	30.1	31.7	31.9	32.3	32.9	33.6
Savings/GDP	27.1	26.1	20.0	28.7	33.0	32.8	33.8	35.1	36.4	37.3
Exports/GDP	44.2	37.1	31.3	41.9	43.5	40.9	39.2	37.9	36.9	35.6
Real exports growth	11.9	(8.8)	(18.6)	31.7	(5.3)	1.0	3.0	3.0	3.0	3.0
Unemployment rate	21.0	22.2	24.5	26.0	25.4	25.0	24.8	24.5	24.0	24.0
External indicators (%)										
Current account balance/GDP	0.7	(6.9)	(10.4)	(1.4)	2.9	1.2	1.9	2.8	3.5	3.7
Current account balance/CARs	1.2	(14.4)	(24.4)	(2.7)	5.7	2.4	4.1	6.2	7.9	8.7
CARs/GDP	55.6	47.7	42.5	51.5	50.8	48.6	46.8	45.3	44.1	42.5
Trade balance/GDP	2.9	(6.4)	(13.2)	(3.5)	2.7	1.1	1.6	2.0	2.7	3.0
Net FDI/GDP	1.2	0.7	0.3	(1.9)	0.9	0.8	0.7	0.7	0.6	0.6
Net portfolio equity inflow/GDP	1.7	(3.3)	5.4	4.3	(2.9)	(2.0)	(1.5)	(1.0)	(0.8)	(0.8)
Gross external financing needs/CARs plus usable reserves	59.6	68.0	71.3	71.9	68.2	72.9	69.5	65.0	60.6	57.3
Narrow net external debt/CARs	(54.6)	(51.5)	(66.1)	(39.3)	(34.9)	(38.3)	(45.9)	(54.4)	(64.1)	(73.1)
Narrow net external debt/CAPs	(55.3)	(45.0)	(53.1)	(38.3)	(37.1)	(39.2)	(47.9)	(58.0)	(69.6)	(80.1)
Net external liabilities/CARs	(56.7)	(65.1)	(97.4)	(75.9)	(53.7)	(56.2)	(64.6)	(72.1)	(80.9)	(89.4)
Net external liabilities/CAPs	(57.4)	(56.9)	(78.3)	(73.9)	(57.0)	(57.6)	(67.4)	(76.8)	(87.8)	(98.0)
Short-term external debt by remaining maturity/CARs	7.8	10.2	15.8	6.0	6.8	7.2	7.5	6.5	6.2	6.1
Usable reserves/CAPs (months)	9.6	8.7	9.3	6.0	6.1	5.4	6.1	7.0	8.1	9.2
Usable reserves (mil. $)	6,655	6,141	4,946	4,770	4,268	4,897	5,606	6,436	7,260	7,994
Fiscal indicators (general government; %)										
Balance/GDP	(5.1)	(6.2)	(9.6)	(0.1)	0.0	(2.6)	(2.9)	(1.5)	(0.7)	(0.5)
Change in net debt/GDP	4.1	9.0	19.4	1.9	0.4	3.0	3.3	1.6	1.0	0.8
Primary balance/GDP	(4.5)	(5.5)	(8.9)	0.5	0.7	(1.6)	(1.9)	(0.6)	(0.0)	0.2
Revenue/GDP	30.8	30.2	28.8	33.0	30.0	29.9	31.6	29.9	30.0	30.0
Expenditures/GDP	35.9	36.4	38.4	33.0	30.0	32.5	34.6	31.4	30.7	30.5
Interest/revenues	2.0	2.2	2.4	1.7	2.2	3.2	3.1	2.9	2.3	2.2
Debt/GDP	15.0	16.2	19.7	19.7	18.3	19.8	21.0	20.9	20.2	19.4

Table 1

Botswana--Selected Indicators (cont.)

(Mil. BWP)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Debt/revenues	48.7	53.8	68.3	59.6	61.1	66.3	66.5	69.7	67.3	64.7
Net debt/GDP	(42.9)	(32.5)	(14.6)	(10.2)	(8.0)	(4.4)	(0.8)	0.9	1.8	2.5
Liquid assets/GDP	57.9	48.7	34.3	29.8	26.4	24.3	21.8	20.0	18.3	16.9
Monetary indicators (%)										
CPI growth	3.2	2.8	1.9	6.7	12.2	5.2	3.9	3.7	3.5	3.5
GDP deflator growth	0.1	0.5	4.4	8.4	14.6	5.0	4.0	3.0	3.0	3.0
Exchange rate, year-end (BWP/$)	10.73	10.62	10.79	11.74	12.78	13.42	14.10	14.40	14.90	15.50
Banks' claims on resident non-gov't sector growth	7.7	7.6	4.5	5.1	6.0	5.0	5.5	6.0	7.0	7.0
Banks' claims on resident non-gov't sector/GDP	33.6	34.9	38.2	33.2	29.1	28.1	27.3	26.9	26.7	26.5
Foreign currency share of claims by banks on residents	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Foreign currency share of residents' bank deposits	16.8	14.7	17.0	18.5	21.4	21.0	20.0	20.0	20.0	20.0
Real effective exchange rate growth	(0.4)	1.3	1.2	(2.4)	3.6	N/A	N/A	N/A	N/A	N/A

Sources: Bank of Botswana, IMF (Economic Indicators), Bank of Botswana (External Indicators), Bank of Botswana, Ministry of Finance and Economic Development (Fiscal Indicators), and Bank of Botswana, IMF, Bruegel (Monetary Indicators).
Adjustments: None
Definitions: Savings is defined as investment plus the current account surplus (deficit). Investment is defined as expenditure on capital goods, including plant, equipment, and housing, plus the change in inventories. Banks are other depository corporations other than the central bank, whose liabilities are included in the national definition of broad money. Gross external financing needs are defined as current account payments plus short-term external debt at the end of the prior year plus nonresident deposits at the end of the prior year plus long-term external debt maturing within the year. Narrow net external debt is defined as the stock of foreign and local currency public- and private- sector borrowings from nonresidents minus official reserves minus public-sector liquid claims on nonresidents minus financial-sector loans to, deposits with, or investments in nonresident entities. A negative number indicates net external lending. N/A--Not applicable. BWP--Botswana pula.
CARs--Current account receipts. FDI--Foreign direct investment. CAPs--Current account payments. The data and ratios above result from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information.

Ratings Score Snapshot

Table 2

Ratings Score Snapshot

Key rating factors	Score	Explanation
Institutional assessment	3	Generally effective and prudent policy-making, promoting sustainable public finances and macroeconomic stability. Cohesive civil society, although unemployment is high and this affects women more than men. Youth unemployment is particularly high. Enforcement of contracts is generally unbiased and there is widespread respect for the rule of law. Statistics are published regularly. Based on GDP per capita (US$) and growth trends as per Selected Indicators in Table 1.
Economic assessment	5	Based on GDP per capita (US$) and growth trends as per Selected Indicators in Table 1.

Table 2

Ratings Score Snapshot (cont.)

Key rating factors	Score	Explanation
		Middle-income country, despite the narrow economic base, with significant exposure to the diamond industry, which comprises more than 20% of GDP.
External assessment	2	Based on narrow net external debt and gross external financing needs/(CAP+ usable reserves) as per Selected Indicators in Table 1. The sovereign has a net external asset position.
		However, material levels of errors and omissions in the balance of payments is affecting this assessment.
Fiscal assessment: flexibility and performance	3	Based on the change in net general government debt (% of GDP) as per Selected Indicators in Table 1.
		The sovereign has a volatile revenue base, with mineral revenue accounting for about 30% of revenue.
Fiscal assessment: debt burden	1	Based on net general government debt (% of GDP) and general government interest expenditure (% of general government revenues) as per Selected Indicators in Table 1.
		While general government debt stock is low, 40% of gross government debt is denominated in foreign currency.
Monetary assessment	4	The pula is a crawling peg. The central bank has operational independence to determine the policy rate and uses market-based instruments to transmit monetary policy to the banking sector and the economy. It is constantly reviewing the best way to effectively ensure monetary transmission to banks that rely on wholesale funding.
Indicative rating	bbb+	
Notches of supplemental adjustments and flexibility	0	
Foreign currency	BBB+	
Notches of uplift	0	Default risks apply indifferently to foreign- and local-currency debt, based on a soft peg and absence of developed capital markets.
Local currency	BBB+	

S&P Global Ratings' analysis of sovereign creditworthiness rests on its assessment and scoring of five key rating factors: (i) institutional assessment; (ii) economic assessment; (iii) external assessment; (iv) the average of fiscal flexibility and performance, and debt burden; and (v) monetary assessment. Each of the factors is assessed on a continuum spanning from 1 (strongest) to 6 (weakest). S&P Global Ratings' "Sovereign Rating Methodology," published on Dec. 18, 2017, details how we derive and combine the scores and then derive the sovereign foreign currency rating. In accordance with S&P Global Ratings' sovereign ratings methodology, a change in score does not in all cases lead to a change in the rating, nor is a change in the rating necessarily predicated on changes in one or more of the scores. In determining the final rating the committee can make use of the flexibility afforded by §15 and §§126-128 of the rating methodology.

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Governments | Sovereigns: Sovereign Rating Methodology, Dec. 18, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

- General Criteria: Methodology: Criteria For Determining Transfer And Convertibility Assessments, May 18, 2009

Related Research

- Sovereign Ratings History, March 11, 2024
- Sovereign Ratings List, March 11, 2024
- Sovereign Ratings Score Snapshot, March 4, 2024
- Sovereign Debt 2024: Borrowing Will Hit New Post-Pandemic Highs, Feb. 27, 2024
- 2024 Global Sovereign Rating Trends: Mixed Feelings, Dec. 13, 2023
- Sovereign Risk Indicators, Dec. 11, 2023. An interactive version is also available at www.spratings.com/sri.

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see 'Related Criteria And Research'). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Ratings Score Snapshot above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see 'Related Criteria And Research').

Ratings List

Ratings Affirmed	
Botswana	
Sovereign Credit Rating	BBB+/Stable/A-2
Transfer & Convertibility Assessment	A
Bank of Botswana	
Sovereign Credit Rating	BBB+/Stable/A-2
Short-Term Debt	A-2

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such