BANK OF BOTSWANA

11 September 2026

PRESS RELEASE

S&P GLOBAL RATINGS MAINTAINS BOTSWANA'S LONG-TERM AND SHORT-TERM SOVEREIGN CREDIT RATINGS AT 'BBB-/A-3': OUTLOOK REMAINS NEGATIVE

On 11 September 2026, S&P Global Ratings (S&P) released an update on Botswana's sovereign credit rating, affirming the Government of Botswana's long-term local and foreign currency issuer ratings at 'BBB-' and its short-term foreign and local currency sovereign credit ratings at 'A-3'. While the outlook remains negative, Botswana's sovereign ratings continue to be maintained within the investment-grade category, reflecting confidence in the country's underlying credit strengths.

According to S&P Global Ratings, the affirmed ratings reflect both the challenges facing the economy (weak diamond market and modest economic diversification), and the impact of policy responses and recalibrations, which have contributed to continued macroeconomic stability and improvements in fiscal and external positions. However, S&P noted that as a result of these policy responses, a smaller fiscal deficit was recorded in 2025 and the foreign exchange reserve position improved.

Overall, Botswana continues to benefit from strong institutional and macroeconomic policy frameworks and the prudent management of natural resource wealth, as reflected in its relatively strong net external position and comparatively low government debt burden. These factors demonstrate the positive impact of recent policy efforts.

The negative outlook underscores the importance of sustaining efforts to address the effects of weaker global diamond demand. In this regard, S&P recognised the Government’s accelerated efforts to diversify the economy and promote inclusive development through the Botswana Economic Transformation Programme (BETP). The programme’s focus on growth-enhancing projects is expected to support economic diversification by facilitating the transition from a resource-dependent economy. S&P also highlighted the proactive measures being undertaken by Debswana and De Beers to respond to changing market conditions through improved mining efficiency, cost optimisation, and a stronger focus on higher-value diamond production.

Given the need to safeguard and improve Botswana’s investment-grade rating, it is important to continue strengthening institutional capacity and maintaining sound policy frameworks that support macroeconomic stability and sustainable economic growth. In addition, there is a need to accelerate the implementation of the BETP and strengthen fiscal consolidation, economic diversification, industrialisation, and domestic resource mobilisation. Continued progress in these areas would help rebuild fiscal buffers, enhance long-term fiscal sustainability, and strengthen Botswana’s economic resilience.