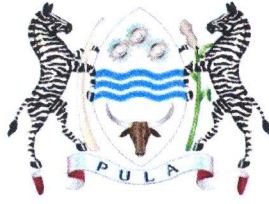


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REPUBLIC OF
BOTSWANA

MINISTRY OF FINANCE AND
ECONOMIC DEVELOPMENT

PRIVATE BAG 008

GABORONE

Website: www.finance.gov.bw

PRESS RELEASE

31st December, 2018

PULA EXCHANGE RATE

1. The Ministry of Finance and Economic Development, in conjunction with Bank of Botswana, regularly reviews the Pula Exchange Rate Policy Framework, with a view to maintain a stable and competitive real effective exchange rate of the Pula. The country's current exchange rate arrangement is that the Pula is pegged to a currency basket comprising the South African rand and the IMF's Special Drawing Rights (SDR), in a forward-looking crawling band mechanism.
2. In accordance with Section 21 of the Bank of Botswana Act, the framework for determining the external value of the Pula shall be determined by His Excellency the President on the recommendation of the Minister of Finance and Economic Development, after consultation with Bank of Botswana.
3. Following the latest review of the exchange rate mechanism carried out in November, 2018, His Excellency the President approved the recommendation by the Honourable Minister of Finance and Economic Development to **maintain the Pula basket weights at 45 percent South African rand and 55 percent SDR and implement an upward rate of crawl of 0.3 percent per annum as of 1st January, 2019.** The basket weights are in line with the country's estimated trade pattern,

while the adopted rate of crawl reflects the inflation differential between Botswana and its trading partners. The overall objective of the country's exchange rate policy is to achieve and maintain the competitiveness of domestic products and services in the international and domestic markets.



Grace Muzila

ACTING PERMANENT SECRETARY