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REPUBLIC OF  
BOTSWANA

MINISTRY OF FINANCE AND  
ECONOMIC DEVELOPMENT

PRIVATE BAG 008

GABORONE

Website: [www.finance.gov.bw](http://www.finance.gov.bw)

## PRESS RELEASE

29<sup>th</sup> December, 2017

### PULA EXCHANGE RATE

1. The Ministry of Finance and Economic Development, in conjunction with Bank of Botswana, regularly reviews the Pula basket with a view to maintaining a stable and competitive real effective exchange rate of the Pula. The Pula basket comprises of the South African rand and the IMF's Special Drawing Rights (SDR) – consisting of the US Dollar, Japanese Yen, Chinese Renminbi, Euro, and the British Pound. During 2017, the weights of the basket were maintained at 45 percent South African rand and 55 percent SDR, reflecting trading patterns of Botswana with its major trading partner countries. An upward rate of crawl of 0.26 percent per annum, was also implemented during 2017, based on the differential between Botswana's inflation rate and that of its trading partner countries.
2. Following the latest review of the Pula basket undertaken in November, 2017, and in accordance with Section 21 of the Bank of Botswana Act, 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 for 2018, and adopt a downward rate of crawl of 0.30 percent per annum**, taking into account the expected inflation differentials between Botswana and its trading partner countries. These changes are effective 1<sup>st</sup> January, 2018.

A handwritten signature in purple ink, appearing to read 'C. Dekop', is written over a horizontal line.

Cornelius K. Dekop

**ACTING PERMANENT SECRETARY**