

ANNUAL REPORT

2022



BANK OF BOTSWANA

STRATEGIC INTENT STATEMENTS

VISION

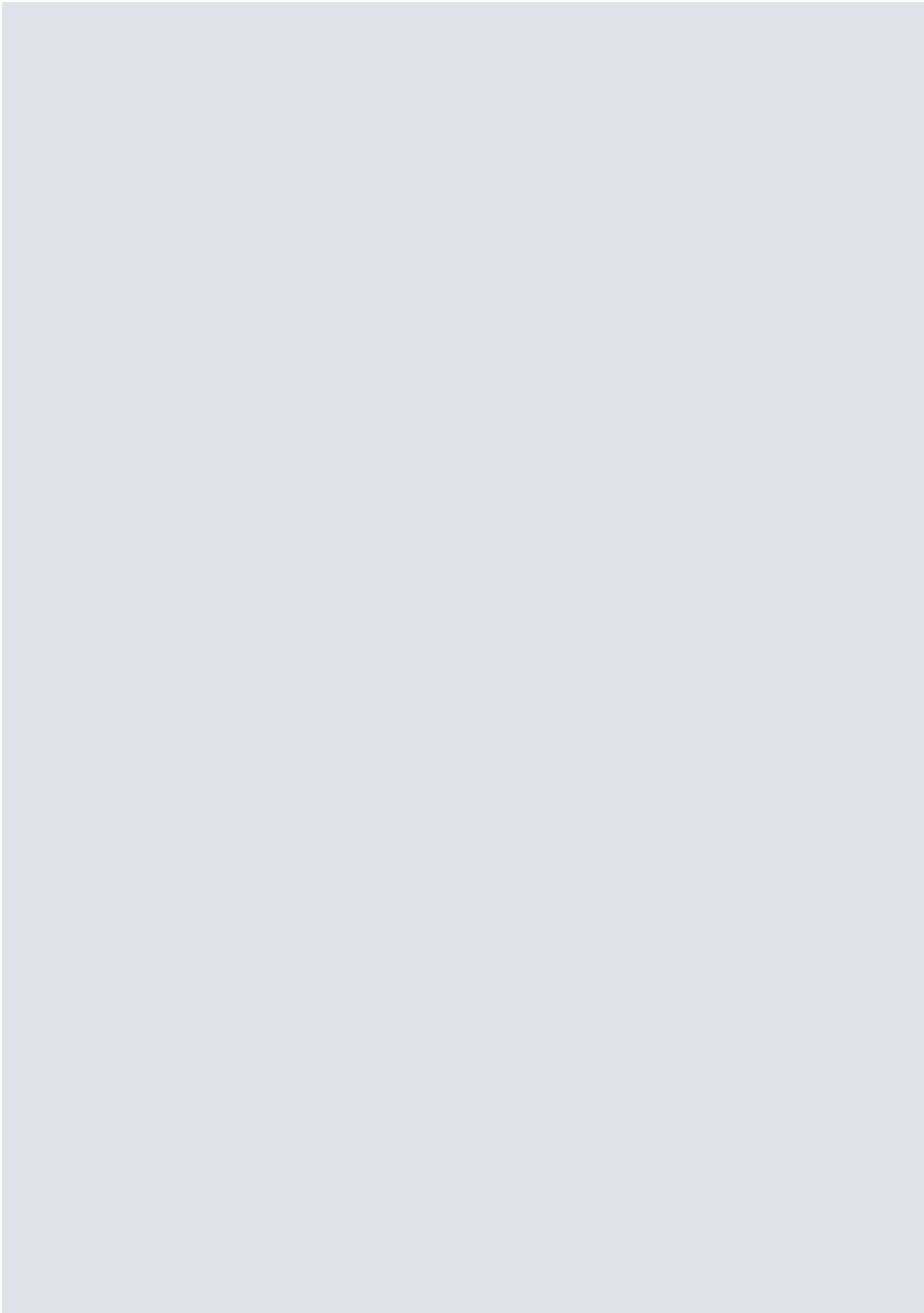
The Bank aspires to be a world-class central bank with the highest standards of corporate governance and professional excellence.

MISSION

The mission of the Bank is to contribute to the sound economic and financial well-being of the country. The Bank seeks to promote and maintain:

- monetary stability;
 - safe, sound and stable financial system;
 - efficient payments mechanism;
 - public confidence in the national currency;
 - sound international financial relations;
- and to provide:
- efficient banking services to its various clients; and
 - sound economic and financial advice to Government.

BANK OF BOTSWANA
ANNUAL REPORT
2022





BOARD MEMBERS (as at year-end 2022)



Moses D Pelaelo
Governor
(Chairman)



Dr Wilfred Mandlebe*



Olesitse H Masimega**



Bernard M Ditlhabi



Lipalesa G Makepe



Daphne K Briscoe



Lisenda Lisenda



Kenneth Molosi



Dr Malebogo Bakwena#

*Permanent Secretary, Ministry of Finance (Tenure ended November 30, 2022)

** Permanent Secretary, Ministry of Finance (Appointed December 1, 2022)

#Tenure ended November 30, 2022

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ABBREVIATIONS USED IN THE REPORT

AACB	-	Association of African Central Banks
ABCH	-	African Banking Corporation Holdings Limited
AfCFTA	-	African Continental Free Trade Area
AML	-	Anti-Money Laundering
ARC	-	Audit and Risk Committee
BACH	-	Botswana Automated Clearing House
BoBCs	-	Bank of Botswana Certificates
BDC	-	Botswana Development Corporation
BES	-	Business Expectations Survey
BFS	-	Botswana Financial Statistics
BIDPA	-	Botswana Institute of Development and Policy Analysis
BIS	-	Bank for International Settlements
BISS	-	Botswana Interbank Settlement System
BIUST	-	Botswana International University of Science and Technology
BSE	-	Botswana Stock Exchange
CAB	-	Current Account Balance
CAR	-	Capital Adequacy Ratio
CCBG	-	Committee of Central Bank Governors
CEDA	-	Citizen Entrepreneurial Development Agency
CSD	-	Central Securities Depository
CPI	-	Consumer Price Index
DBGSS	-	De Beers Global Sightholder Sales
DCI	-	Domestic Companies Index
EFT	-	Electronic Funds Transfer
EPS	-	Electronic Payment Services
ERTP	-	Economic Recovery and Transformation Plan
ESAAMLG	-	East and Southern Africa Anti-Money Laundering Group
ESG	-	Environmental, Social and Governance
FATF	-	Financial Action Task Force
FIA	-	Financial Intelligence Agency
FSB	-	Financial Stability Board
FSC	-	Financial Stability Council
GCF	-	Green Climate Fund
GDP	-	Gross Domestic Product
GEC	-	Governance and Ethics Committee
GFC	-	Global Financial Crisis
GFCF	-	Gross Fixed Capital Formation
GHG	-	Greenhouse Gases
GVC	-	Global Value Chains
HRC	-	Human Resources Committee
ICT	-	Information and Communications Technology
IFRS	-	International Financial Reporting Standards
IIP	-	International Investment Position

IMF	-	International Monetary Fund
LAR	-	Liquid Asset Ratio
MEC	-	Macroeconomic Convergence Criteria
MPC	-	Monetary Policy Committee
MPR	-	Monetary Policy Report
MPS	-	Monetary Policy Statement
MoF	-	Ministry of Finance
MoU	-	Memorandum of Understanding
NBFIRA	-	Non-Bank Financial Institutions Regulatory Authority
NDC	-	National Determined Contributions
NAP	-	National Adaptation Plan
NPCC	-	National Policy on Climate Change
NDB	-	National Development Bank
NDP	-	National Development Plan
NEER	-	Nominal Effective Exchange Rate
NFA	-	Net Foreign Assets
NGO	-	Non-Governmental Organisations
NPLs	-	Non-Performing Loans
NPS	-	National Payments System
ODC	-	Okavango Diamond Company
OMO	-	Open Market Operations
OPEC	-	Organisation of Petroleum Exporting Countries
PFM	-	Public Finance Management
PPP	-	Public Private Partnerships
PRRA	-	Primary Reserve Requirement Averaging
PSFP	-	Primary School Feeding Programme
PRB	-	Principles for Responsible Banking
REER	-	Real Effective Exchange Rate
REMCO	-	Remuneration Committee
RTGS	-	Real Time Gross Settlement
SACU	-	Southern African Customs Union
SADC	-	Southern African Development Community
SBI	-	Sustainable Budget Index
SDGs	-	Sustainable Development Goals
SDR	-	Special Drawing Rights
SEZs	-	Special Economic Zones
SIPS	-	Systemically Important Payment Systems
SOEs	-	State Owned Enterprises
SSA	-	Sub-Saharan Africa
SSNs	-	Social Safety Nets
SWIFT	-	Society for Worldwide Interbank Financial Telecommunication
TBT	-	Transaction Balance Tranche
TFP	-	Total Factor Productivity
TNDP	-	Transitional National Development Plan
ToT	-	Terms of Trade
UK	-	United Kingdom

UNDP	-	United Nations Development Programme
USA	-	United States of America
USD	-	United States Dollar
VAT	-	Value Added Tax
WHO	-	World Health Organisation

PART A

STATUTORY REPORT ON THE OPERATIONS AND FINANCIAL STATEMENTS OF THE BANK - 2022

BANK OF BOTSWANA

SENIOR MANAGEMENT AS AT DECEMBER 31, 2022

DEPUTY GOVERNORS



Dr Kealeboga S Masalila



Dr Tshokologo A Kganetsano



Ewetse T Rakhudu
GENERAL COUNSEL



Richard H Nlebesi
CHIEF OPERATING OFFICER

HEADS OF DEPARTMENT



Ralesedi E Somolekae
Human Resources



Julius Ghanie
*Information & Communications
Technology*



Daniel N Loeto
Finance



Dr Lesedi S Senatla
Research & Financial Stability



Godfrey Ngidi
Banking Supervision



Marshal Kgogothwane
Protective Services



Patricia C Tumedi
Payments & Settlement



Sheila M Sealetsa
Banking & Currency



Keletso M Mothusi
Internal Audit Services



Caster Moseki
Financial Markets

GOVERNOR'S FOREWORD

The 2022 *Annual Report* is published in accordance with Section 68(1) of the Bank of Botswana Act CAP (55:01). The *Report* provides a summary of the operations and audited financial statements of the Bank for the year ended December 31, 2022.

The *Report* also covers the Bank's key functions and responsibilities including the governance and accountability framework for its performance. These functions and responsibilities can be grouped into eleven broad categories, namely: conduct of monetary policy; implementation of the exchange rate policy; maintenance of financial stability; currency design and management; regulation and supervision of banks and other financial services entities under the purview of the Bank's supervisory mandate; oversight of the payments systems and market infrastructures; foreign exchange reserves management; provision of banking and settlement services to Government, commercial banks and selected public institutions; economic research; policy advice to Government; and production and publication of macroeconomic statistics including balance of payments, financial and monetary statistics.



The 2022 *Annual Report* contains a theme chapter titled '*Building Economic Resilience: Fiscal, External Sector Sustainability and Climate Change Resilience*'. While recognising that the subject of economic resilience and sustainability is multi-dimensional in nature, covering a broad range of socioeconomic and environmental issues, the theme chapter is specifically focussed on three key aspects, namely fiscal sustainability, external sector sustainability and climate change. In context of the current challenges and stage of development, these are considered to be some of the key aspects in fostering overall economic resilience for Botswana as well as transition to high-income status by 2036 and realisation of the Vision 2036 aspirations. The analysis highlights the country's enduring challenges that, if not addressed, could detract from this transition. In turn, the analysis proffers specific initiatives, policy frameworks and posture to anchor inclusive economic growth, sustainability and resilience. It is recognised that a resilient economy, that is, an economy capable of withstanding both endogenous and exogenous shocks while continuing to deliver steady and durable growth, generate employment and adaptation in addressing any emerging vulnerabilities requires, among others, maintenance of robust and credible institutions, prudent and inclusive policy frameworks; broad-based tax coverage; efficient public investment in growth-generating infrastructure and programmes, promotion and implementation of export-led growth strategy; as well as digital and climate change adaptation. These issues are covered in detail in this year's theme chapter.

For 2022, the Botswana economy (GDP) grew by 6.4 percent in the year ending September 2022, buoyed by a 9.2 percent recovery of the mining sector, while there was broad-based positive growth across the non-mining sectors. As a result of recovery of diamond trade, the balance of payments recorded a surplus of P8.5 billion in 2022; thus, with a positive influence on the foreign exchange reserves. In particular, foreign exchange inflows exceeded outflows, resulting in a net inflow of P3.3 billion.

The Bank recorded a comprehensive loss of P5.8 billion in 2022. This outcome is in stark contrast to the pre-COVID financial performance, reflecting the extraordinary challenges in the global markets in 2022. The comprehensive loss recorded mainly resulted from unrealised fair-value, market revaluation losses, amounting to P8 billion. These results are associated with poor performance of the global financial markets in which the country's foreign exchange reserves are invested and, therefore, lower market valuations for assets held by the Bank. The decline in bond and equity prices in 2022 was due to continuing uncertainty, negative sentiment and weak economic prospects engendered by the prolonged Russia-Ukraine war, as well as policy tightening to combat high inflation and related expectations, globally. The lower valuations also impacted the foreign exchange reserves, which fell by 2.7 percent from P56 billion in December 2021 to P54.5 billion in December 2022. In foreign currency terms, the foreign exchange reserves decreased from USD4.8 billion in December

2021 to USD4.3 billion in December 2022, while decreasing by 5.9 percent from SDR3.4 billion to SDR3.2 billion over the same period. At this level, the foreign exchange reserves were equivalent to 8.8 months of import cover of goods and services. In the circumstances, total assets of the Bank decreased by 2 percent from P57.2 billion in December 2021 to P56.3 billion in December 2022.

Monetary policy in Botswana was conducted in the context of projected elevated inflation associated with upward adjustment of administered prices, a modest recovery in domestic demand resulting from the easing of containment measures due to deployment of effective COVID-19 vaccines and projected relatively high foreign prices in the short term. These conditions provided scope for a contractionary monetary policy stance in support of the attainment of the Bank's price stability objective of 3 – 6 percent.

In the assessment of monetary policy action, it was judged that the elevated inflation outlook partly emanated from second-round effects of increases in administered prices and the entrenched expectations for higher levels of inflation arising from these increments, as well as prolonged supply chain disruptions emanating from the COVID-19 pandemic and the Russia-Ukraine war. Hence, in the interest of price stability in the medium term, the Monetary Policy Rate (MoPR) was increased by a cumulative 1.51 percentage points to 2.65 percent in 2022.

The MoPR also guided the determination of the level and direction of market interest rates that are consistent with the monetary policy stance. Consequently, the prime lending rate of commercial banks increased from 5.25 percent to 6.76 percent in the same period, while deposit interest rates generally increased, mainly because of competition for high-value corporate deposits that tend to be mobile and form an important component of the deposit base for many of the commercial banks. For effective policy transmission, the Bank will continue to guide the determination of the level and direction of market interest rates. In relation to this, the Bank also undertook monetary operations reforms including the transition from the Bank Rate to MoPR as the anchor policy rate, and introduction of the interest rate corridor around the MoPR in order to improve policy transmission and market efficiency in implementation of monetary policy.

During 2022, the exchange rate policy continued to focus on the maintenance of a stable and competitive real effective exchange rate (REER) of the Pula to support international competitiveness of the domestic industry. The Pula basket weights were maintained at 45 percent for the South African rand and 55 percent for the SDR and the downward rate of crawl at 2.87 percent. However, the downward rate of crawl turned out to be lower than the inflation differential between Botswana and the trading partner countries, resulting in a small 2.1 percent appreciation of the REER in 2022, suggesting a minimal loss of competitiveness of domestic firms in international markets by this measure. Overall, real monetary conditions, deriving from the combination of the real interest rate and REER gaps were deemed conducive and supportive of economic growth objectives, as contained in the Economic Recovery and Transformation Plan (ERTP).

The Financial Stability Council (FSC) met twice in 2022 to deliberate on developments and vulnerabilities in the financial sector, as well as address regulatory and public interest issues relating to the stability, performance and prospects for the domestic financial sector. Notwithstanding the challenges resulting from subdued and fragile global growth; high inflation and resultant tighter global financial conditions, persistent geopolitical risks as well as the scarring and/or lingering effects of the COVID-19 pandemic, the FSC assessed the domestic financial system to be resilient and robust, safe and sound, characterised by strong capital and liquidity buffers, as well as continued profitability. The enduring stability of the financial system is supported by a conducive macroeconomic environment, characterised by the prevailing accommodative monetary conditions and positive economic growth prospects, despite sovereign vulnerabilities (that is, reduced fiscal and external buffers) due to the current depressed global economic environment combined with long-term structural trends. An assessment of the stability of the domestic financial system is comprehensively covered in the published May and October 2022 Financial Stability Reports.

The Bank embraced improvements in the payment and settlement landscape driven by developments in competition and customer requirements, while maintaining the requisite oversight to safeguard system integrity.

The Bank also implemented related security and risk mitigation measures to avert any possible cyber-attacks, fraud and misuse of the payments system. In recognition of the widening use of more efficient and inclusive payments platforms, relative to waning use and risks associated with cheques, the country will discontinue the use of cheques as a payment instrument effective January 1, 2024; a decision that is aligned to the National Payment System Vision and Strategy and conforms to the National Digitalisation Strategy encapsulated within the E RTP.

The Bank continued to execute its mandate of providing efficient banking services for domestic payments to Government, Botswana Unified Revenue Service, commercial banks and other selected local and foreign financial institutions. The Single Central Securities Depository infrastructure that facilitates settlement of securities in central bank money partially went live in September 2022, with some custodial arrangements still to be achieved in the second phase in 2023.

In 2022, the rating agency, S&P Global Ratings (S&P), affirmed Botswana's sovereign credit rating for long-term foreign and domestic currency bonds at "BBB+", and "A-2" for short-term foreign and domestic currency bonds. The affirmation of the ratings was underpinned by the country's robust institutional frameworks (compared with that of regional peers), which has supported the prudent management of the country's natural wealth; strong monetary policy framework; proactive and independent central bank; and strong mineral revenues that will support broadly balanced fiscal outcomes, all of which support durable macroeconomic stability. The economic outlook remained stable, reflecting strong demand for Botswana's diamonds against downside risks presented by the weakening global economic activity. Meanwhile, Moody's Investors Service did not update Botswana's sovereign credit rating during 2022.

In fulfilment of its statutory obligations, the Bank's Annual Report and Banking Supervision Annual Report for 2021 were submitted to the Minister of Finance on March 31, 2022, and June 30, 2022, respectively. The Bank also continued to produce a variety of publications which dealt with monetary policy, financial stability, prudential regulation and supervision, economic, financial and other macroeconomic statistics. The key publications, in this regard, included Botswana Financial Statistics, Monetary Policy Statement, Monetary Policy Reports, Financial Stability Reports, the Research Bulletin, the Business Expectations Surveys and Tsa Tuelano – payments newsletter. The Bank's publications serve to meet the public's expectation of a transparent and accountable central bank in fulfilling the monetary and financial stability policy mandate set out in the Bank of Botswana Act.

The focus on skills development, through appropriate short- and long-term training programmes, and staff welfare improvement was maintained, with a view to sustaining the Bank's operational productivity, durable capacity and leadership capability. During 2022, short-term training, including external consultations and technical assistance were conducted both physically and through virtual platforms.

External stakeholder relations were maintained during the year, while the Bank participated in meetings and conferences organised by, among others, the Bank for International Settlements, the International Monetary Fund and the World Bank. At a regional level, the Bank participated in meetings organised by the Southern Africa Customs Union (SACU), the Southern African Development Community Committee of Central Bank Governors (CCBG), the Association of African Central Banks (AACB), Financial Stability Board Regional Consultative Group for Sub-Saharan Africa and the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI).

The Bank of Botswana (Amendment) Act was passed into law in July 2022 and commenced on February 14, 2023, while the Bank's Bye-Laws and the Bank of Botswana Board Charter were approved by the Board in December 2022. Highlights of changes to the Bank of Botswana (Amendment) Act, 2022 include a clear specification, by the law, of the dual but ranked mandates of achieving domestic price stability and financial stability; the Minister of Finance gives the Bank an explicit designation of the inflation objective, numerical definition of price stability, referred to as monetary policy framework in the Act; establishment of a statutory

Monetary Policy Committee, which shall comprise nine members, four of which shall be non-Bank of Botswana employees, appointed by the Minister of Finance; establishment of a statutory FSC and a Deposit Insurance Scheme. Meanwhile the review of the Banking Act is expected to be presented to the National Assembly in the first half of 2023. These legislative reforms are consistent with maintenance of conducive macroeconomic policy and regulatory frameworks, as well as institutional arrangements that support Botswana's transition to high-income status by 2036.

Overall, the Bank was successful in discharging its mandate. In that regard, the management and staff of the Bank owe a debt of gratitude to the Board for the guidance and support in implementing the 2022 work programme. I hope that stakeholders will find the 2022 *Annual Report* informative.



Moses D Pelaelo

GOVERNOR

STATUTORY REPORT ON THE OPERATIONS AND FINANCIAL STATEMENTS OF THE BANK – 2022

THE BANK'S MISSION AND OBJECTIVES

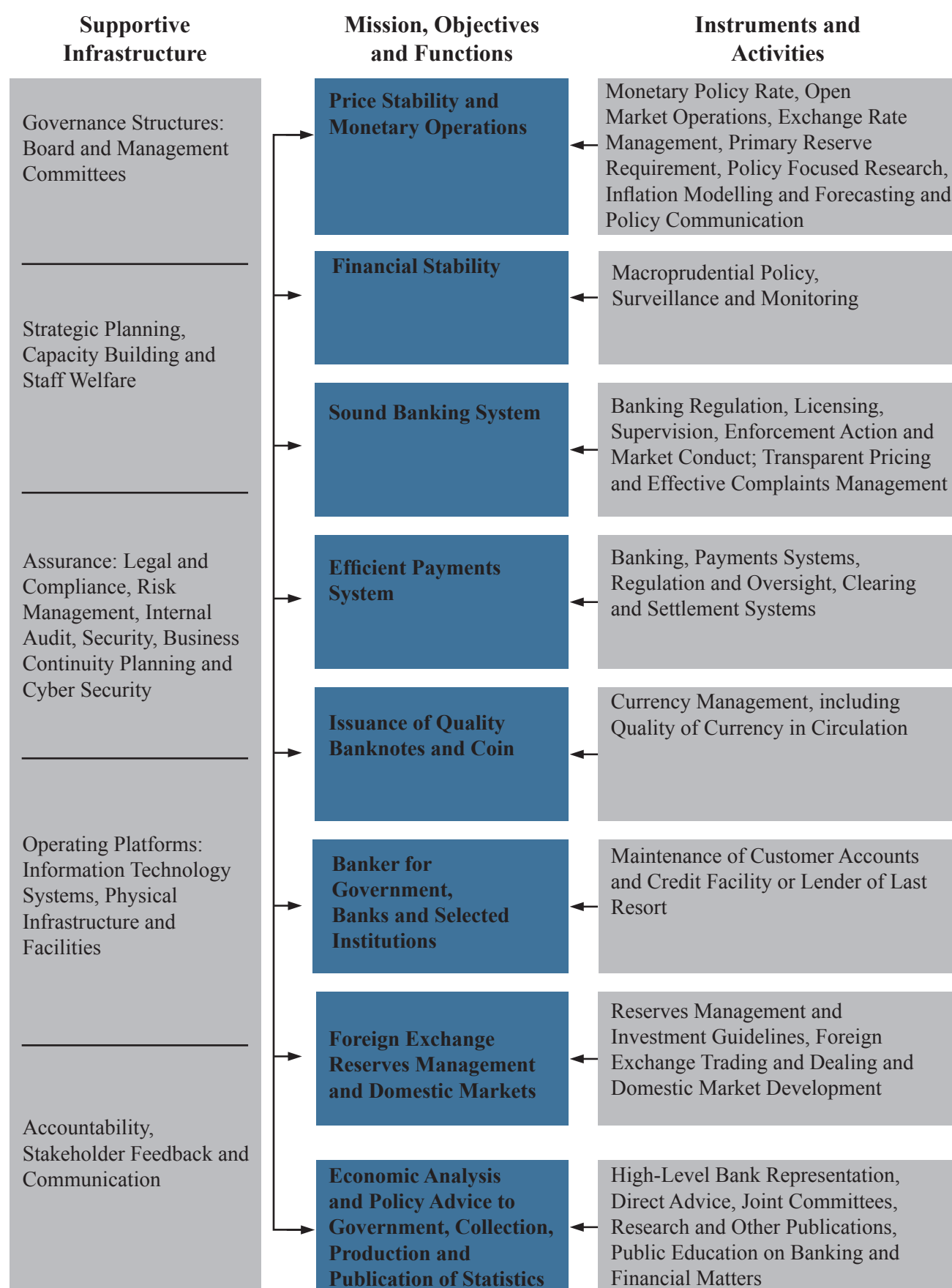
The primary objective of the Bank, as stipulated in Section 4(1) of the Bank of Botswana (Amendment) Act, 2022, is to achieve and maintain domestic price stability. Subject to attaining its primary mandate, the Bank shall contribute to the stability of the financial system and foster and maintain a stable, sound and competitive market-based financial system. Based on this primary statutory mandate, the Bank's functions and responsibilities can be grouped under the following categories.

- (a) **Monetary Stability** – the principal objective of the Bank is to preserve the purchasing power of the Pula currency by keeping the rate of inflation low, stable and predictable. Monetary stability contributes to a sound and stable macroeconomic environment, which is conducive for sustainable economic development, employment creation and rising standards of living. Price stability is achieved through monetary policy formulation and implementation, which involves the setting of the policy rate (Monetary Policy Rate) and conduct of open market operations. The Bank conducts open market operations through weekly and monthly auctions of Bank of Botswana Certificates (BoBCs). It also conducts repo and reverse repo transactions and extends overnight credit facility to banks. These operations enable the Bank to influence real monetary conditions and ensure that short-term market interest rates are aligned to the policy stance, also serving to foster the orderly and efficient functioning of the financial system.
- (b) **Financial Stability** – the Bank's policymaking considers the impact of global, regional and domestic economic and policy developments, shocks and other events on financial stability, including recognising the crucial interrelationships between macroeconomic policy, real sector and financial sector developments. Accordingly, vulnerability assessments and performance monitoring of the financial sector are conducted with a view to informing policy and adoption of appropriate macroprudential measures to respond to any financial sector imbalances and, therefore, foster financial stability.
- (c) **Exchange Rate Policy Implementation** – the Bank implements the country's exchange rate policy, the objective of which is to promote and maintain the international competitiveness of domestic firms and exports as well as contribute to overall macroeconomic stability. The Bank buys and sells foreign exchange at rates determined in accordance with the exchange rate policy, including ensuring adequacy of foreign exchange to achieve the Bank's objectives and for making international payments of Botswana.
- (d) **Banking Regulation, Licensing and Supervision** – the Bank regulates, licenses and supervises commercial banks to ensure operational safety, soundness, and prudent management of individual banks. Furthermore, the Bank encourages competition, fair business practices and adherence to the bankers' code of conduct, as well as improved services and accessibility for the benefit of the public. Moreover, the Bank is responsible for licensing, regulation and supervision of credit bureaus, foreign exchange dealers (FX Bureaus) and Electronic Payment Services or money-value transfers. In addition to the general powers granted by the Bank of Botswana, regulatory functions and responsibilities are carried out pursuant to legal powers granted by the Banking Act (Cap 46:04), Credit Information Act, 2021 and National Clearance and Settlement Systems Act.
- (e) **Design and Issuance of Currency (banknotes and coin)** – currency management ensures an adequate supply of high-quality banknotes and coin to facilitate transactions, convenient payment methods and economic activity. This entails adherence to stringent standards in design and production to avert counterfeiting and loss of confidence in the national currency, Pula and thebe. In this regard, the Bank

withdraws from circulation and destroys soiled and damaged money, and replacing it with banknotes and coin of acceptable, high standard.

- (f) Central Banking Services – the Bank provides banking services to the Government, commercial banks, selected public institutions and international organisations. This includes membership of Botswana Automated Clearing House (BACH) operated by the Bankers Association of Botswana. In this regard, the Bank serves as the banker, economic and financial advisor, and fiscal agent of the Government.
- (g) Payment Infrastructure and Settlement – facilitation and maintenance of the integrity and reliability of payments systems enables the flow of payments and efficient payment settlement. Moreover, oversight and regulation entrench confidence in the payments and settlement systems and mitigates systemic risks. In this regard, the Bank ensures adherence to internationally recommended principles for systemically important market infrastructures.
- (h) Management of Official Foreign Exchange Reserves and Making Foreign Payments on Behalf of Government – the Bank manages the country’s foreign exchange reserves on behalf of Government. The management of foreign exchange reserves enables the country to meet international financial obligations and payments in foreign currency. The Reserves Management Policies and Investment Guidelines ensure that the foreign exchange reserves are managed prudently to guarantee safety, liquidity and, also generate return within acceptable risk parameters. These are implemented judiciously to benefit from greater diversification of global markets, while strengthening institutional governance, including risk management and compliance requirements.
- (i) Economic Analysis and Policy Advice – the Bank provides advice to Government on macroeconomic and financial policy matters. Furthermore, the Bank collects and disseminates macroeconomic statistics, especially those relating to monetary, financial and international transactions. The research and economic analysis are directed at the production of research and statistical reports that form the basis for policy review and, where appropriate, decisions.
- (j) Statistical Services – the Bank compiles monetary, financial and external sectors’ statistics. This is important as this function creates a dedicated information, data management and analytics service. The statistics services extend to the production of internal corporate metrics and analysis for monitoring purposes. Furthermore, there are prospects for Big Data analysis and integration of such information into the Bank’s information management and analysis frameworks.

In order to achieve its mission and objectives, the Bank utilises various strategies, activities and supportive infrastructure as indicated in Figure 1. In addition to functionality, the construct and design of these institutional arrangements are purposefully meant to reflect the Bank’s value system of a transparent, accountable and responsive institution. The Bank manages its affairs in an efficient and cost-effective manner, ensuring that its internal administrative policies, systems and controls protect national interests at all times. Furthermore, the Bank continues to improve capacity and resilience to maintain the status of a well-functioning central bank with the highest standards of governance and professional excellence. In this regard, the Bank ensures policy credibility and public trust.

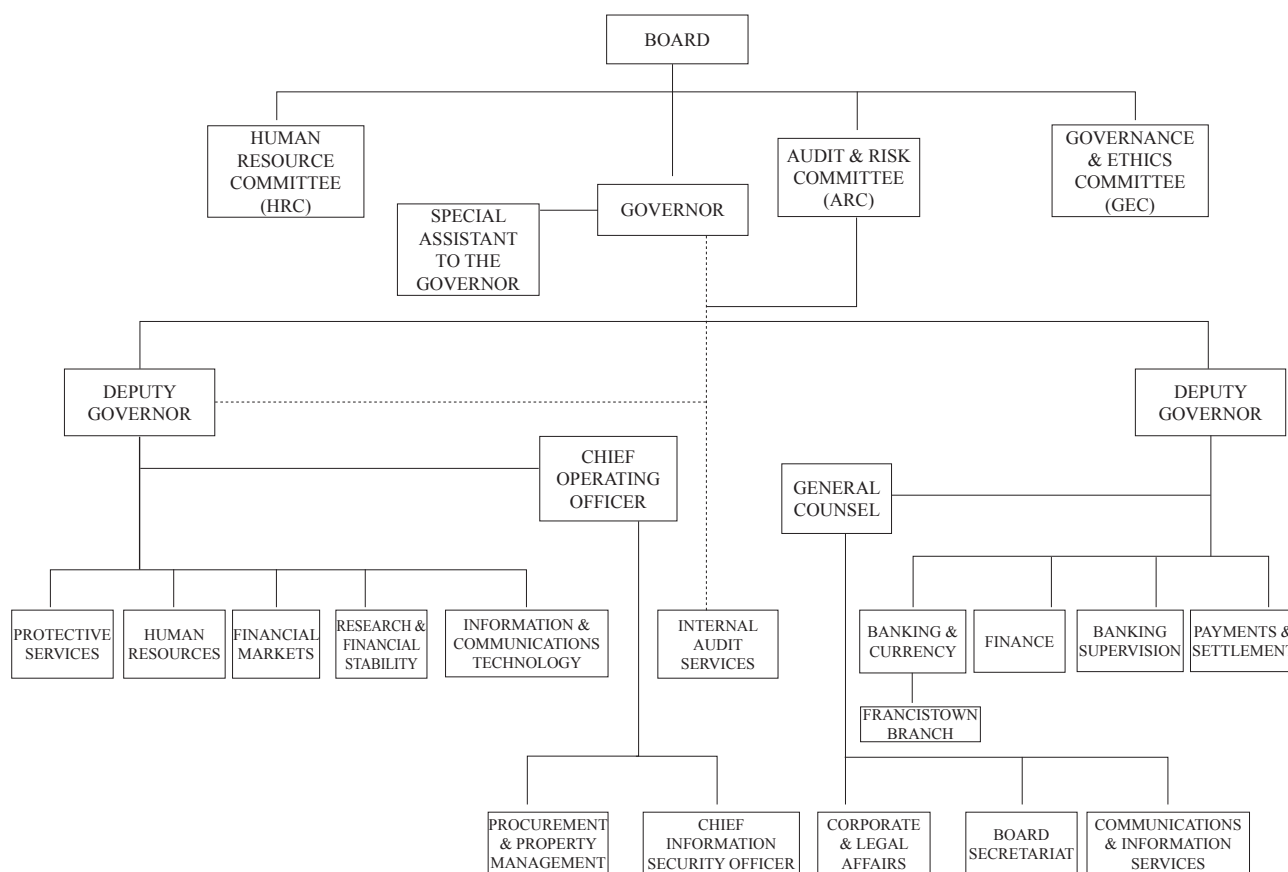
FIGURE 1: MISSION, OBJECTIVES, STRATEGIES AND SUPPORTIVE STRUCTURES


GOVERNANCE, MANAGEMENT AND ORGANISATIONAL STRUCTURE OF THE BANK

The Bank's functions and key responsibilities, its organisation and how it is held accountable for its performance are as described below.

The Board is at the apex of the governance structure of the Bank and, in 2022, was chaired by the Governor, who is also the Chief Executive Officer (CEO) of the Bank. As at December 31, 2022, the Governor oversaw eleven Departments and one Division; supported by two Deputy Governors, Chief Operating Officer (COO), General Counsel and Heads of Departments and Divisions (Figure 2). The governance structure fosters coordination and synergy between policy-oriented activities and support functions, including strategic planning, human resource management and staff development, adoption of efficiency-enhancing technology, risk governance, safety and security management, while maintaining a culture of professionalism, good conduct, staff discipline and adherence to institutional values across all functions of the Bank. The Bank has a staff development programme, as well as other human resource policies aimed at providing staff with skills and diversified central banking career experience, in a safe, secure healthy working environment.

FIGURE 2: ORGANISATION STRUCTURE AS AT DECEMBER 31, 2022



Source: Bank of Botswana

Board Functions, Membership and Appointments

The principal role of the Board is to ensure that the Bank is professionally managed and governed. Thus, the Board oversees and guides the Bank's general strategic direction, policy formulation and general administration in accordance with the Bank of Botswana Act and Bye-Laws. It comprises nine members, two of whom are ex-officio members, being the Governor and Permanent Secretary of the Ministry of Finance (MoF). The other seven members are appointed in their individual capacity by the Minister of Finance; two of whom may be public officers. The Governor and the two Deputy Governors are appointed by His Excellency, The President. The two Deputy Governors are not Board members, but are required, and do attend all Board meetings. During 2022, the term of one Board Member, Dr Malebogo Bakwena, expired at the end of November 2022, increasing the number of vacancies in the Board to two. Further, Dr Wilfred Mandlebe, an ex-officio member, retired from the public service on November 30, 2022. Dr Mandlebe was replaced by the new Permanent Secretary in the Ministry of Finance, Mr Olesitse Masimega, as an ex-officio member.

The powers of the Bank are vested in the Board, which has the overall statutory responsibility for the policymaking, oversight, efficient and effective general administration of the Bank. Accordingly, the Board is responsible for ensuring that the policies, management capabilities, administrative systems, security and financial controls necessary to achieve the Bank's statutory mandate and objectives are effective and implemented in an efficient manner. To this end, the Board establishes a broad framework of monetary, financial, banking, human resources, information technology and security, administrative and other policies to enable the Bank to achieve its objectives. This includes approval of the Bank's Staff Establishment, annual budget, and monitors the financial and operational performance of the Bank, ensuring that the Bank is run in accordance with the Bank of Botswana Act and the Bye-Laws.

The Board is required to meet at least once a quarter, although in practice it typically meets six times in a year. In 2022, six Board meetings were held as shown in Table 1.

The Board has three committees namely: the Audit and Risk Committee (ARC), Human Resources Committee (HRC) and Governance and Ethics Committee (GEC), which are chaired by, and exclusively comprises non-executive Board members. The Committees deliberate on matters pertaining to their respective mandates, as set out in their respective Terms of Reference or Charter and make recommendations to the Board.

The ARC is a statutory committee of the Board assigned responsibility to review accounting policies, financial regulations and internal controls, as well as appointment of independent, statutory external auditors. In this regard, it plays a key role in assisting the Board in the oversight of the Bank's management of strategic, market, credit, liquidity, and other financial, operational, information and cyber security risks. It also assists the Board in the evaluation of the adequacy and effectiveness of the Bank's risk management systems, fraud and other risk assessments, internal control systems, accounting practices, information systems and monitoring processes applied by the Management in the day-to-day management and operations of the Bank. During the period under review, the Committee approved several key policy matters including the Bank's audited financial statements for the year ended December 31, 2022, appointment of external auditors for the ensuing financial year and recommended to the Board, approval of the 2023 Operating Expenditure Budget. In general, the ARC has overall oversight for financial reporting and integrity of financial statements of the Bank.

The HRC's primary responsibility is to determine appropriate remuneration policy, staff retention strategies, general conditions of employment, staff welfare and approve senior staff appointments (other than Deputy Governors and the Governor). Among key activities, the HRC catalysed the development and ongoing implementation of a Human Resources Strategy.

The GEC is responsible for overseeing Management's efforts to foster a culture of high ethical standards and good governance within the Bank and advise the Board accordingly. The Committee initiated work on the review of the Bank's Bye-Laws to update and align them with the Bank of Botswana (Amendment) Act, which was passed into law in July 2022 and became effective on February 14, 2023. Together with the ARC, the GEC provides overall oversight of the Bank's Whistleblowing Policy, including investigating any whistleblowing reports involving Senior Management of the Bank.

TABLE 1: BOARD MEETINGS AND ATTENDANCE IN 2022

MEETINGS	BB 1/22 (Feb 10)	BB 2/22 (Mar 25)	BB 3/22 (June 17)	BB 4/22 (Aug 30)	BB 5/22 (Oct 21)	BB 6/22 (Dec 9)
M D Pelaelo Chairperson	✓	✓	✓	✓	✓	✓
W J Mandlebe (Ex-officio)	✓	✓	✓	✓	✓	NM
M Bakwena	✓	x	✓	✓	✓	NM
D K Briscoe	✓	✓	✓	✓	✓	✓
B M Ditlhabi (Chairperson HRC)	x	x	✓	✓	✓	✓
L Lisenda (Chairman GEC)	✓	✓	✓	✓	✓	✓
L G Makepe (Chairman ARC)	✓	✓	✓	✓	✓	✓
K Molosi	✓	✓	✓	✓	✓	✓

Key: ✓ Attended
 x Did not attend
 BB Regular Board Meeting
 NM No longer member

Source: Bank of Botswana

Governor

The Governor serves as the CEO of the Bank responsible to the Board for the prompt execution of Board decisions and Bank policies, as well as general direction and control of the operations of the Bank. On accountability to the key stakeholders, the Governor submits the *Annual Report* on the operations and financial performance, including the audited financial statements of the Bank, to the Minister of Finance within three months (not later than end March) following the end of the financial year, as stipulated in the Bank of Botswana Act CAP (55:01). In turn, the Minister presents the *Annual Report* to Parliament within 30 days, following receipt of the Report. Furthermore, as mandated by the Banking Act CAP (46:04), the Governor submits the *Banking Supervision Report* to the Minister by the end of June each year. The Governor also causes to be published in the Government Gazette the monthly statement of financial position of the Bank and submits a copy of same to the Minister of Finance.

The Governor chairs the Monetary Policy Committee (MPC) and the Financial Stability Council (FSC). The MPC is the highest decision-making body for monetary policy, responsible for fostering high-level and comprehensive policy analysis, accountability and transparency in formulating, guiding and implementing monetary policy within the framework and objectives of the Bank. The FSC comprises the leadership of MoF, the Bank, Non-Bank Financial Institutions Regulatory Authority (NBFIRA) and the Financial Intelligence Agency (FIA), as well as the Botswana Stock Exchange Limited (BSEL) as an observer member. In effect, these are institutions that are involved in developing legislation and regulations, policymaking and supervision with respect to the whole or facets of the financial sector. The Governor also chairs several management committees including the Executive, Planning Forum, Training, Investment, Regulatory Policy Committee and Board of Trustees of the Bank of Botswana Defined Contribution Staff Pension Fund.

The Governor represents the Bank at relevant local, regional and international fora, and is the Governor for Botswana in the Non-Executive Board of Governors of the International Monetary Fund (IMF). In addition, the Governor chairs industry-wide consultative fora, namely, the Banking Committee, National Payments Council and bilateral meetings with individual banks.

Executive Committee

The Executive Committee comprises Deputy Governors, Chief Operating Officer, General Counsel and Heads of Department and is chaired by the Governor. Senior advisors may be co-opted as members. The Committee has the collective responsibility for advising the Governor on the day-to-day administration, including policy formulation, risk and financial management, as well as overall governance of the Bank. It meets regularly to monitor, coordinate and review the implementation of the Bank's work programme, as well as other developments in the Bank.

Departments and Divisions

As at December 31, 2022, the Bank had eleven departments, five of which fulfilled the Bank's core mandates, while six departments and one division provided auxiliary support and corporate services (Figure 2). The Research and Financial Stability Department undertook macroeconomic forecasting and policy review in support of the Bank's conduct of monetary policy and implementation of the exchange rate policy. The Department also conducted macroprudential assessments and facilitated coordination with other relevant external entities to ensure macroeconomic and financial stability. Furthermore, the Department undertook data collection, research and macroeconomic analysis, monitored the financial sector and evaluated emerging risks and other developments emanating from the macroeconomic environment. In addition, the Department was responsible for the content of the Bank's publications, namely, the *Statutory Annual Report*; *Financial Stability Report (FSR)*; monthly *Botswana Financial Statistics (BFS)*; *Research Bulletin*; *Monetary Policy Statement (MPS)*; *Monetary Policy Report (MPR)*; *Business Expectations Survey (BES)* and the *Household Indebtedness Survey*.

The Banking Supervision Department licensed, regulated and supervised commercial banks and other financial institutions that fall under the Bank's regulatory and supervisory purview; it also published the *Banking Supervision Annual Report*. The Department also investigated unauthorised and illegal deposit-taking activities, monitored and addressed inappropriate market conduct of financial institutions under its purview, with a view to ensuring fair treatment of customers. Furthermore, the Department coordinated, and provided advice on the development of regulatory policies and guidelines by the Regulatory Policy Committee (chaired by the Governor). The Financial Markets Department managed foreign exchange reserves and implemented decisions of the Investment Committee, carried out foreign exchange dealing and implemented monetary policy through the conduct of open market operations. The Department also conducted other money and capital market activities, which include issuance of government bonds and treasury bills, as well as foreign exchange trading with banks. Policy development and market improvements were undertaken under the auspices of the Bond Auction Committee, involving the Bank and the Ministry of Finance, while liaison and consultations with the market was undertaken through the Botswana Financial Markets Committee (comprising the Bank and commercial banks officials).

The management of currency (Pula banknotes and thebe coins) and provision of banking services to the Government, commercial banks and selected institutions was carried out by the Banking and Currency Department, while oversight and regulation of payments systems and settlement transactions was undertaken by the Payments and Settlement Department. The latter was also responsible for operating the Real Time Gross Settlement (RTGS) system, known as the Botswana Interbank Settlement System (BISS), and overseeing the Botswana Automated Clearing House (BACH), owned and operated by commercial banks.

The Finance Department is responsible for accounting and reporting on the Bank's financial activities, including production of monthly and annual financial statements of the Bank, as stipulated in the Bank of Botswana Act, in accordance with International Financial Reporting Standards (IFRS). The Department also coordinated strategic planning, risk management, and the business continuity management programme. Related to the management of the pension fund, the Chief Financial Officer is the principal officer of the Bank of Botswana Defined Contribution Staff Pension Fund. The Human Resources Department was responsible for human resources planning, staff recruitment, staff development and training, performance management, remuneration and general staff welfare, such as administering health and wellness programmes, disciplinary code and staff loans schemes and supported the work of the Board Human Resources Committee. The Information and Communications Technology Department ensured that the Bank's information technology systems and infrastructure were robust and effective in meeting the needs of the Bank. The Chief Information Security Officer is responsible for managing risks arising from cyber and information technology related crimes. The Protective Services Department has the responsibility for ensuring the safety and security of Bank staff, information and property, including the safety, health and environmental function. The Department liaises with the national law enforcement agencies to ensure that Bank facilities, designated as national key points

under the Protected Places and Areas Act, meet the requisite security standards and practices and, also, in investigations involving currency counterfeits and other financial crimes.

The Internal Audit Services Department ensured that the Bank's operations were sound and complied with established financial and operational controls as well as governance structures in line with the Bank of Botswana Act, Audit Committee Charter and international best practice, and supported the Board Audit and Risk Committee. Its activities were enshrined in the Internal Audit Charter. The Corporate and Legal Affairs Department, through three divisions, provided support and contributed towards the achievement of the Bank's mandates and roles with respect to legal, communication, library (information services), printing of publications, as well as public education and external relations. The Legal Affairs Division managed the Bank's legal, compliance and reputational risk and was, therefore, responsible for all matters of a legal nature, including legislation review, interpretation of laws, litigation, management of contracts and compliance-related matters. The Secretariat Division served the Board (including support for the Governance and Ethics Committee) and Executive Committee and provided mail registry and protocol services. The Communications and Information Services Division coordinated communications activities in relation to media and effective transmission of information relating to the Bank's mandate, policies and practices to stakeholders. The Division also coordinated the Bank's Public Education Programme and related policies to promote financial and economic literacy and improve the public's understanding of the Bank's role in the economic development of the country. This ensured an overall positive image of the Bank. Furthermore, the Division was responsible for the Library, website and records management, and coordinated the printing and dissemination of Bank publications.

Other support services were undertaken through the specialised activities of the Procurement and Property Management Division, which undertook facilities management, initiated and managed physical developments (projects) and procurement (including coordination of the tendering process), custody and maintenance of immovable and movable assets of the Bank, including related equipment.

REVIEW OF THE BANK'S MAIN ACTIVITIES IN 2022

Monetary Policy, Money and Capital Market Activities and Exchange Rate Policy

Monetary Policy

The Bank conducts monetary policy primarily through the setting of the Monetary Policy Rate (MoPR), open market operations, and primary reserve requirements. While the Bank may use prudential regulations, macroprudential tools and moral suasion to achieve monetary policy objectives, the primary instruments used to manage liquidity and influence short-term deposit and lending interest rates in the economy are the BoBCs. In addition to the secured credit facility to commercial banks (for intra-day and overnight liquidity management), the Bank introduced an interest rate corridor with a 200-basis points width, comprising the Standing Deposit Facility (SDF) at 100 basis points below the MoPR and Standing Credit facility (SCF) at 100 basis points above the MoPR, available to commercial banks for their daily liquidity management. The interest rate corridor is intended to help ensure that short-term, money market interest rates move within a reasonably close range around the MoPR and the close relationship between the policy rate and market interest rate provides the fundamental basis for monetary policy transmission. The SDF and SCF serve as the floor and ceiling of the interest rate corridor, respectively. In addition, the Bank conducts, albeit infrequently, fine-tuning operations (repos and reverse repos) to smoothen the flow of liquidity in the banking system. These are issued at the discretion of the Bank and are offered at the MoPR.

Monetary policy was conducted in the context of projected elevated inflation in the near term, associated with upward adjustment of administered prices, a modest recovery in domestic demand resulting from the easing of the pandemic containment measures (as the disease abated and following an effective national COVID 19 vaccination programme), and relatively high foreign inflation. Overall, the economy was characterised by high inflation, thus elevated short term inflation outlook that partly emanated from the second-round effects and entrenched expectations for higher inflation. Consequently, the MoPR was increased by a cumulative 151 basis points to 2.65 percent in 2022 to anchor expectations for the desired low levels of inflation. As a result, the Prime Lending Rate of commercial banks increased from 5.25 percent to 6.76 percent in the same period, while deposit interest rates generally increased, mainly because of competition for wholesale corporate deposits that are volatile and form an important component of the deposit base for many of the commercial banks. The nominal 3-month (88 day) deposit interest rate of commercial banks increased from 1.48 percent in December 2021 to 1.53 percent in December 2022. Meanwhile, inflation, as measured by the consumer price

index, was above the Bank's medium-term objective range of 3 – 6 percent in 2022, averaging 12.2 percent for the 12-months period ended December 31, 2022.

The Bank held six MPC meetings in 2022, followed by media briefings to facilitate dialogue between the Bank and the media, thus enhancing the Bank's transparency, accountability, policy credibility and prospects for influencing inflation expectations. The Bank published the MPS in February 2022 and three Monetary Policy Reports (MPR) in April, August and December 2022. These publications are the main media through which the Bank informs the public about the formulation and implementation of monetary policy and, therefore, serve to meet the public's expectation of a transparent and accountable central bank in pursuit of the monetary policy objective. The MPS and MPR provide a comprehensive assessment of economic and financial developments that are likely to influence the inflation path in the medium term and, in turn, the Bank's policy choices predicated on a forward-looking monetary policy framework. The Bank increasingly uses the communication tool to enhance awareness and clarify its mandate, policy performance and guidance. In this respect, the publications promote an understanding of the conduct of monetary policy and help anchor public expectations of a low, predictable and sustainable level of inflation.

Money and Capital Markets

Open market operations were the main liquidity management tool in the domestic market, as well as instrument for implementing decisions of the MPC of the Bank. This entailed the use of BoBCs to mop-up excess liquidity¹ in order to maintain interest rates that are consistent with the monetary policy stance. The Bank continually evaluates its monetary policy implementation framework with the aim of strengthening the monetary policy transmission mechanism. In this respect, the Bank introduced reforms to monetary policy operations in April 2022, with three main objectives. First, to enhance policy transmission and to achieve the desired market response to monetary policy changes. Second, to designate an anchor policy rate that provides a direct link to policy changes. Third, to achieve an interest rate structure that influences commercial bank decisions and market responses, fostering an active interbank market that reflects the policy stance and desired impact of monetary operations. Thus,

- (a) the yield on the main monetary operations instrument (7-day BoBCs) was adopted and designated as the anchor policy interest rate (in place of the Bank Rate) and named the MoPR;
- (b) the auction format for the main monetary operations instrument (the 7-day BoBCs) was changed from the multiple price system to a fixed rate full allotment system. Under this framework, the Bank of Botswana absorbs all the liquidity availed by commercial banks at each auction, at the MoPR;
- (c) established an interest rate corridor, with a 200-basis points margin (width), comprising the Standing Deposit Facility (SDF) at 100 basis points below the MoPR and the Standing Credit Facility (SCF) at 100 basis points above MoPR. The SDF and SCF serve as the floor and ceiling of the interest rate corridor, respectively, and commercial banks use both facilities at their own discretion for their daily liquidity management. The interest rate corridor is intended to help ensure that money market interest rates move within a reasonably close range around the MoPR and the close relationship between the policy rate and market interest rate provides the fundamental basis for effective monetary policy transmission;
- (d) The Credit Facility was retained, at a Credit Facility Rate (CFR) anchored on the policy rate plus a margin determined by the Bank given prevailing circumstances. The Credit Facility facilitates involuntary end of day clearing in the event of settlement shortage for any clearing bank; and, in 2022, it was set and offered at a penal rate of 8 percentage points above the MoPR;
- (e) liquidity absorption and injection (fine tuning operations) are undertaken on a less frequent basis (two to three times within the Primary Reserves Averaging maintenance period), conducted at the policy rate (MoPR) at the discretion of the Bank of Botswana;
- (f) introduced a 1-month BoBC in June 2022, auctioned once a month, to help address any structural excess liquidity and support the construction of the short-end of the yield curve. The 1-month BoBC is

¹ Excess liquidity in the banking sector is defined here as the sum of commercial banks' overnight deposits at the central bank (current account), commercial banks' deposits in the SDF, money absorbed through BoBCs, outstanding reverse repos less repos, SCF and the credit facility. This is 'excess' in the sense that it is the net liquidity that the central bank has to absorb (take out of the system), in addition to the structural liquidity that is held by the banks in the Primary Reserve Requirement accounts.

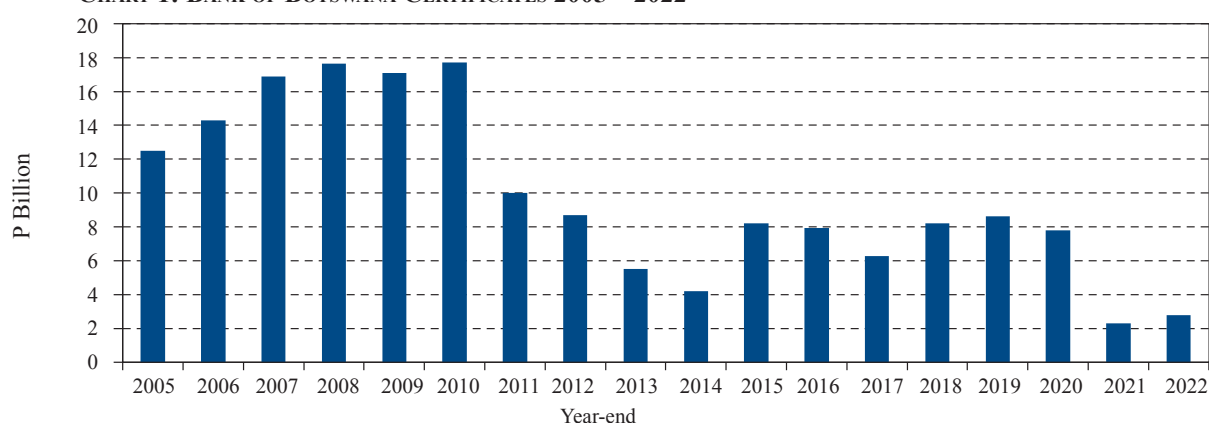
issued at fixed amount flexible-price auctions to allow for price discovery. The fixed amount is much lower than the main 7-day operation to ensure that the 7-day BoBC rate remains the main market rate (anchor for policy rate); and

- (g) Commercial banks, with effect from April 2023, will be permitted to independently determine their own Prime Lending Rates (PLR). The one-year preannouncement was to allow commercial banks a smooth and orderly transition and treatment of pricing of existing products/financial contracts. During the transition period, the PLR will only adjust in the event of a change in the MoPR by an amount not more than the policy adjustment.

In 2022, monetary operations were conducted in an environment of modest recovery in market liquidity, supported mainly by increased Government spending. The relief measures introduced by the Bank in April 2020 to help alleviate any adverse impact of the COVID-19 pandemic on the economy and financial markets remained in place throughout 2022.

Meanwhile, some commercial banks continue to actively use the Primary Reserve Requirement Averaging (PRRA) as a tool to enhance and optimise liquidity management. As a result, the introduction of PRRA has contributed to reduced demand for excess reserves held by commercial banks for precautionary purposes, thus, helping free up additional resources for productive lending and the interbank market. In the circumstances, outstanding 7-day BoBCs amounted to P3.3 billion in December 2022, an increase from P2.3 billion in December 2021 (Chart 1), reflecting growth in market liquidity resulting mainly from government spending. As at the end of 2022, funds held in the SDF were P341 million while, P249 million was in the SCF. There were no outstanding reverse repos and repos as at the end of 2022 (Table 2).

CHART 1: BANK OF BOTSWANA CERTIFICATES 2005 – 2022



Source: Bank of Botswana

TABLE 2: MONEY MARKET 2021 – 2022

	End-2021			End-2022		
	Outstanding balances ² (P billion)	Interest rate (Percent) ¹		Outstanding balances ² (P billion)	Interest rate (Percent) ¹	
		Nominal	Real		Nominal	Real
3-month Treasury Bills ^{1,3}	2.679	1.39	-6.64	2.505	4.32	-7.93
6-month Treasury Bills	1.419	1.49	-6.55	2.091	5.10	-7.10
12-month Treasury Bills	0.655	3.05	-5.34	0.445	5.47	-6.90
7-day ¹	2.3	1.10	-6.91	2.775	2.65	-9.55
1-month	-	-	-	0.500	3.18	-9.02
Standing Deposit Facility	-	-	-	0.341	1.65	-10.55
Standing Credit Facility	-	-	-	0.249	3.65	-8.55
Reverse repos	1.48	0.25	-7.69	-	2.65	-9.55
Repos	0	3.75	-4.47	-	2.65	-9.55
88-day deposits	1.29	1.36	-0.82	1.29	1.26	-10.94
Prime rate		5.25	2.98		6.76	-5.44
MoPR					2.65	

1. Stop-out yield is used for Treasury Bills, while weighted average yield is used for BoBC yields.

2. Book value

3. Original date to maturity

Source: Bank of Botswana

The 7-day BoBC weighted average yield increased significantly from 1.10 percent in December 2021 to 2.65 percent in December 2022, in line with the upward adjustment in the MoPR in 2022. There were no trades of BoBCs in the secondary market during 2022.

Outstanding Government Bonds of various maturities and Treasury Bills (T-Bills) increased from P22.4 billion at the end of 2021 to P25.8 billion in December 2022 as Government made additional issuances on the existing securities (Table 3). Primary Dealers and their customers held P11.4 billion (44.3 percent) and P14.4 billion (55.7 percent), respectively, of the government securities at the end of 2022. Liquidity in the Government Bonds market remains at generally low levels and, therefore, secondary market activity continued to be somewhat muted.

TABLE 3: GOVERNMENT BONDS AND TREASURY BILLS 2021 – 2022

Bond Code	Outstanding (P million) ^{1,2}	End 2021		Outstanding (P million) ^{1,2}	End 2022	
		Market Yields ³ (Percent)			Market Yields ³ (Percent)	
		Yield	Real		Yield	Real
3-month Treasury Bills	2 679	1.39	-6.64	2 505	4.26	-7.94
6-month Treasury Bills	1 419	1.49	-6.55	2 091	5.40	-6.80
12-month Treasury Bills	655	3.05	-5.34	445	5.50	-6.67
BOTSGB0623	3 006	4.15	-4.10	3 006	5.36	-6.84
BOTSGB0325	3 394	5.79	-2.59	3 417	6.43	-5.77
BOTSGB0527	582	6.64	-1.80	1 312	8.13	-4.07
BOTSGB0929	3 716	7.52	-0.99	3 716	8.38	-3.82
BOTSGB0931	3 524	8.33	-0.49	4 742	8.56	-3.64
BOTSGB0640	2 229	8.36	-0.22	2 907	8.70	-3.50
BOTSGB0943	1 234	8.43	-0.16	1 648	8.86	-3.34
	22 438			25 789		

- Where outstanding values differ for the same bond code between the two years, it means the bond was reopened for issuing an additional amount.
 - Book value.
 - Indicative yields.
- Source: Bank of Botswana

Exchange Rate Policy

The Bank is responsible for implementing the exchange rate policy. In accordance with the Bank of Botswana Act CAP (55:01), the framework for the determination of the external value of the Pula is set by His Excellency, The President, on recommendation by the Minister of Finance after consultation with the Bank. In 2022, the Pula basket weights were maintained at 45 percent and 55 percent for the South African rand (ZAR) and the IMF's Special Drawing Rights (SDR), respectively, reflecting Botswana's trade pattern and financial relationships with the external world. The Bank implemented an annual downward rate of crawl of 2.87 percent with a view to enhancing domestic industry competitiveness.

In 2022, the trade-weighted nominal effective exchange rate (NEER) of the Pula depreciated in line with the rate of crawl of the Pula exchange rate. Meanwhile, the real effective exchange rate (REER) appreciated by 2.1 percent in the same period because of a higher positive inflation differential between Botswana and the trading partner countries than the 2.87 percent downward rate of crawl, and this suggested loss in international competitiveness of domestic firms. Beyond the exchange rate, durable competitiveness of domestic producers is also achieved through a sustained improvement in productivity, which contributes to lower inflation.

Financial Stability

In 2022, the FSC continued to foster and promote financial stability in the domestic financial system by implementing appropriate monitoring, surveillance and risk mitigation frameworks; encouraging collaboration and information sharing; and promoting coordinated policy development, responses and implementation. In this context, the FSC met twice in 2022 to deliberate on domestic financial stability developments including sectoral performance and regulatory issues, as well as evaluation of the impact of current and prospective regional and global financial developments. It was observed that the domestic financial system was resilient

and robust; safe and sound; and was unconstrained in providing and growing the range of financial services to support the economy. However, the FSC noted potential risks to the stability of the domestic financial system emanating from the negative effects of the Russia-Ukraine war and other geopolitical tensions; continued exposure to cyber threats due to increasing usage of technology, as well as exposure to climate-related financial risks. An assessment of the stability and resilience of the domestic financial system is comprehensively covered in the bi-annual Financial Stability Report published in May and October 2022.

On regulatory developments, new legislation and regulations designed to, among others, enhance the robustness of the domestic financial system and contribution to economic development, as well as crisis management and resolution frameworks (orderly management and/or exit of failing institutions, while protecting savers/depositors, in particular) were put in motion. Thus, the Bank of Botswana (Amendment) Act, 2022 introduced new provisions to enhance the Bank's governance architecture, including statutory delineation of the powers of both the Board and the Governor, clarity of the dual but ranked mandate to achieve the price and financial stability, introduction of non-executive Chairman of the Board and a statutory Monetary Policy Committee. The Act also provides for the establishment of a Deposit Insurance Scheme, as well as establishment of a statutory FSC. In this regard, background work on legal and institutional arrangements, including regulations, to establish the Deposit Insurance Scheme in 2023 is ongoing.

The Retirement Funds Act, 2022 has been aligned to modern international standards in terms of supervision and management of pension funds by strengthening and widening the oversight authority of the Non-Bank Financial Institutions Regulatory Authority (NBFIRA). Notably, the bill decreases the limit of funds which can be invested offshore by pension funds from the current maximum of 70 percent to 50 percent. That is, at least 50 percent of the pension portfolio should comprise assets in domestic economy. This will potentially contribute towards widening the range and structure of funding needed for various areas of the domestic economic activity; all of which augurs well for generating economic resilience and, in turn, safeguarding financial stability. Meanwhile, the Credit Information Act, 2021, which came into effect on August 1, 2022, aims to facilitate the regulation of the credit reporting system and the licensing and supervision of credit bureaux by the Bank of Botswana to promote productivity and sustainability of credit, as well as related fair business conduct.

The Virtual Assets Act, 2022 and the Virtual Assets Regulations, 2022 were introduced and implemented effective February 2022, and NBFIRA was designated the regulatory authority for Virtual Assets Services Providers. The Act seeks to regulate the sale and trade of virtual assets, licensing of virtual asset service providers and issuers of initial token offerings, and to provide for matters connected, incidental and related thereto. Promulgation of this law is expected to contribute to the orderly and disciplined conduct of financial market participants, which augurs well for financial stability. Moreover, the law provides the necessary redress and sanctions framework for crypto assets related crimes, thus contribute to the preservation of the integrity of the financial system.

The Banking Bill was published in the Government Gazette of January 13, 2023. The objective of the review of the Banking Act is to align it with best international regulatory and supervisory standards. The Bill includes strengthening the legal framework to, among others, establish a more robust legal foundation for financial safety nets, ensure compliance with the Basel Core Principles for Effective Banking Supervision, enhance the Bank's sole mandate of licensing deposit taking institutions, as well as designating the Bank as a resolution agency.

The Securities (Amendment) Bill was published on December 16, 2022, with a view to aligning the definitions with those in the NBFIRA Act. Additionally, a draft bill seeking to re-enact, with amendments, the NBFIRA Act 2016, was published in the Government Gazette of January 16, 2022. The Bill aims to enhance and align the regulatory standards and practices of NBFIRA with best international practices.

During the year, the Bank published the annual Household Indebtedness Survey report. The survey aims to assess trends in household indebtedness in the domestic economy using primary data from commercial banks, micro-lenders and hire purchase stores; as well as data on arrears on rent and water bills from the Botswana Housing Corporation (BHC) and Water Utilities Corporation (WUC). The 2021/22 Household Indebtedness Survey results indicated that household debt posed minimal risks to financial stability primarily because of the low default rates. The survey further pointed out that most borrowers are employed, with a large percentage employed in the public sector, thus underpinning income stability. In addition, the largest credit providers (banks) deduct monthly loan repayments at source, that is from the payroll, hence reducing the probability of

default by borrowers. The age profiling of borrowers indicated consistency with the life cycle hypothesis of borrowing for welfare enhancement on expectation of future income growth and less borrowing by the older generation. In this regard, credit extension remains positive for economic activity and welfare enhancement.

Supervision and Regulation of Banks and Bureaux de Change

During 2022, the Bank of Botswana continued to monitor the performance of banks through established processes, such as off-site and on-site examinations for adherence to prudential, business conduct and anti-money laundering and combatting the financing of terrorism (AML/CFT) requirements, as mandated by the Banking Act. Pursuant thereto, the Bank held separate bilateral meetings with both external auditors and respective supervised banks and arranged trilateral meetings with each financial institution and its external auditor in 2022. In addition to the prudential supervisory role, the Bank monitored business conduct to promote fairness, professionalism, and transparency in the banking system. In this context, the Bank requires each supervised entity to have a clear customer-complaint handling and management procedure. The Bank also investigated activities, such as unauthorised deposit-taking, pyramid schemes and use of restricted words in any business activity. A comprehensive coverage and full details of the structure, performance and state of the banking industry as well as the Bank's regulatory and supervisory activities are covered in the statutory Annual Banking Supervision Report, to be submitted to the Minister of Finance by June 30, 2023.

The Bank of Botswana was given the statutory mandate to regulate credit bureaus, following enactment of the Credit and Information Act (CI Act) in 2021. The CI Act provides a legal framework within which both positive and negative financial information of borrowers can be shared to improve access to credit by borrowers. The CI Act ensures protection of consumer information from loss, misuse and unauthorised access. For smooth supervision of credit bureaus, the CI Act empowers the Bank to ensure compliance with the laws and regulations governing credit bureaus, take supervisory actions against violations by the credit bureaus, including revocation of a license. Furthermore, CI Act empowers the Bank to investigate a complaint on its own initiative or on receipt of a complaint. Accessibility to finance by firms and entrepreneurs is often constrained by unavailability of information on their creditworthiness. Credit bureaus, both public and private, exist to improve availability of information to lending firms (and individuals) to use in assessing applications for financing. Information provided by credit bureaus about borrowers' state of financial affairs can allow lenders to supply credit at suitable interest rates.

As at the end of December 2022, there were three operating credit bureaus in Botswana, namely, Credit Reference Bureau Africa Proprietary Limited, TransUnion Proprietary Limited and Micro-Finance Credit Bureau Proprietary Limited. Credit Reference Bureau Africa Proprietary Limited's target market is restricted to the banking industry, whereas TransUnion Proprietary Limited targets all industries, and it also obtains information from published court judgements. Micro-Finance Credit Bureau Proprietary Limited's scope has been small and medium-sized enterprises and micro-lenders.

The banking industry comprised eight commercial banks and two statutory banks. The industry was profitable, with net after-tax profit increasing by 49.5 percent to P2.7 billion in the 12 months to December 2022 from P1.8 billion in the corresponding period in 2021. The growth in the net after-tax profit was mostly driven by an increase in net interest income from loans and advances. The asset quality for banks improved as non-performing loans (NPLs) decreased by 6 percent from P2.9 billion to P2.7 billion in the same period. The ratio of NPLs to gross loans and advances declined from 4.2 percent in December 2021 to 3.8 percent in December 2022. The average capital adequacy ratio (CAR) for the banking industry was 20 percent in December 2022, while the liquid asset ratio (LAR) was 17 percent in the same period. CAR and LAR were both higher than the prudential and statutory thresholds of 12.5 percent and 10 percent, indicating that the banking industry was adequately capitalised and liquid. Table 4 shows the banking industry financial soundness indicators.

Overall, the statement of financial position for the banking sector grew, with total assets increasing by 7.7 percent from P108.6 billion in December 2021 to P117 billion in December 2022. Loans and advances, which constituted 62.6 percent of banking industry assets, rose by 6.2 percent to P73.2 billion in December 2022 from P68.9 billion in December 2021. Meanwhile, on the liabilities side, customer deposits increased by 7.8 percent from P84.4 billion to P90.9 billion in the same period.

TABLE 4: FINANCIAL SOUNDNESS INDICATORS AND RANGE OF STATUTORY AND PRUDENTIAL REQUIREMENTS FOR LICENSED BANKS (2019 – 2022)

Financial Soundness Indicators	Statutory Requirement (Percent)	Prudential Benchmark (Percent)	Range of Indicators for Local Banks (Percent)			
			2019	2020	2021	2022
Capital adequacy ratio	≥12.5		15.7 – 45.6	16.6 – 69.9	15.2 – 26.9	15.1 – 22.0
Liquid asset ratio	≥10		16.2 – 37.8	13.8 – 51.7	14.0 – 20.9	14.9 – 25.6
Profitability (return on assets)		Positive	0.7 – 4.1	(0.1) – 2.2	0.4 – 3.0	0.6 – 3.8
Profitability (return on equity)		Positive	3.2 – 29.2	(1.8) – 23.2	3.3 – 36.7	5.1 – 33.4
Asset quality (non-performing loans/total loans)		≤2.5	0.2 – 8.8	1.1 – 6.4	0.7 – 6.2	0.6 – 5.9
Intermediation ratio (advances/deposits)		50 – 80	62.7 – 96.6	70.2 – 110.6	62.9 – 106.6	61.4 – 100.3

Notes:

1. Numbers in parentheses are negative.
2. Minimum regulatory capital adequacy ratio was reduced from 15 percent to 12.5 percent on April 1, 2020.

Source: Bank of Botswana.

The overall performance of the banking industry was, therefore, satisfactory in 2022 and banks complied with the legal and prudential requirements and prescribed statutory and prudential minimums for capital and liquidity and were assessed to be safe and sound. The Bank continued to administer abandoned funds in accordance with Section 39 of the Banking Act (Cap. 46:04). As at December 31, 2022, the abandoned-funds balance was P23 217 932; claims amounted to P52 360, while P3 809 757 was transferred to the Guardian's Fund.

BBS Limited (BBSL) was assessed to have satisfied the conditions of approval for its application for a commercial banking licence and issued with a banking licence on October 6, 2022, to trade as BBS Bank Limited (BBS Bank). The application by BBSL to establish and operate a commercial bank had been assessed and conditionally approved in 2021.

In 2022, the Bank received nine applications for a bureaux de change licence, and the Bank was awaiting the security-vetting results of four entities as at December 31, 2022. Five bureaux de change were licensed, nine voluntarily surrendered their licences owing to lack of business, while one had its licence revoked for non-compliance with mandatory requirements, bringing to 10 the number of bureaux de change licences revoked in the year. Thus, the number of operating bureaux de change decreased from 53 in December 31, 2021, to 48 as at December 31, 2022. Furthermore, two bureaux de change have temporarily ceased business operations because of lack of business.

Following removal of Botswana from the Financial Action Task Force (FATF) grey list, the country developed a post-Financial Action Task Force grey-listing National Action Plan for the items to be addressed by all stakeholders, including the Bank, overseen by the National Coordinating Committee on Financial Intelligence (NCCFI). The plan is aimed at helping improve all ratings for FATF recommendations that are rated partially compliant and non-compliant and ensure that AML/CFT matters continue to be given adequate attention. The Bank issued Guidelines on Identification of Beneficial Ownership Information for Legal Entities and Legal Arrangements, the purpose of which is to lay out the procedure for identifying beneficial owners of legal entities and arrangements (such as trusts) in line with the requirement of Section 20 of the Financial Intelligence Act, 2022 (Cap. 08:07). The country began national risk assessment on October 10, 2022, and the project is scheduled for completion by August 2023, spearheaded by the National Coordinating Committee on Financial Intelligence.

Foreign Exchange Reserves Management

The Bank manages the official foreign exchange reserves in accordance with the Board approved Reserves Management Policies and Investment Guidelines. The Investment Committee approved Investment Guidelines underpinned by the key objectives of safety, liquidity and return within well-defined risk parameters. Foreign exchange reserves, tranchised into two portfolios, the Liquidity Portfolio and the long-term investment portfolio (Pula Fund), are managed prudently, using a diversified pool of high-quality financial instruments traded in highly liquid and deep global markets. In addition to internal fund management, the Bank uses selected international fund managers to manage 50 percent of the foreign exchange reserves and employs the service of a reputable global custodian to safeguard the reserve assets. In addition, the Bank benefits from assistance by Lane Clarke and Peacock (LCP), the portfolio consultant who advises the Bank on asset allocation, portfolio distribution and fund manager search and selection.

The Bank maintained the Strategic Asset Allocation (SAA) of 45:50:5 for equities, bonds and high-yield asset classes, respectively, prescribed by the Reserves Management Policies and Investment Guidelines approved by the Board in 2018 (and implemented in 2019). The split between the internally managed and externally managed funds was 40/60 as at the end of November 2022. The allocation significantly deviated from the policy prescribed target of 50/50 mainly due to drawdowns from the Transaction Balances Tranche (TBT) to fund Government obligations and economy-wide foreign currency demand by commercial banks and institutional investors.

The Investment Committee continued to prudently select investments based on careful assessment of prevailing market conditions and outlook. Global financial markets continued to be volatile in 2022 against the backdrop of several factors, namely, geopolitical tensions, Russia/Ukraine war and supply chain disruptions, which led to rising inflation and tightening financial conditions. Bond markets returned negative 16.2 percent according to the Bloomberg Global Aggregate Index, while equities returned negative 19.5 percent according to the Morgan Stanley Composite Index (MSCI world). Of the 22 eligible global markets, investment was made in 12 markets for the internally managed portfolio, a reduction from 13 in the preceding period. The year experienced unfavourable market conditions as investors moved capital away from smaller markets into bigger markets and those deemed as safe haven. This was mainly driven by the unusually large episodes of market volatility and negative asset returns, on account of a drastic shift in monetary policy across the world, coupled with other external shocks. Consequently, contrary to the norm, both equities and bond prices tended to move in the same direction, implying that any diversification efforts were rendered futile during the year. In this case, interest rates rose, leading to large declines in both bonds and equity prices. For central banks, fighting and bringing inflation under control with a view to preserving price stability became priority over economic growth and supporting markets.

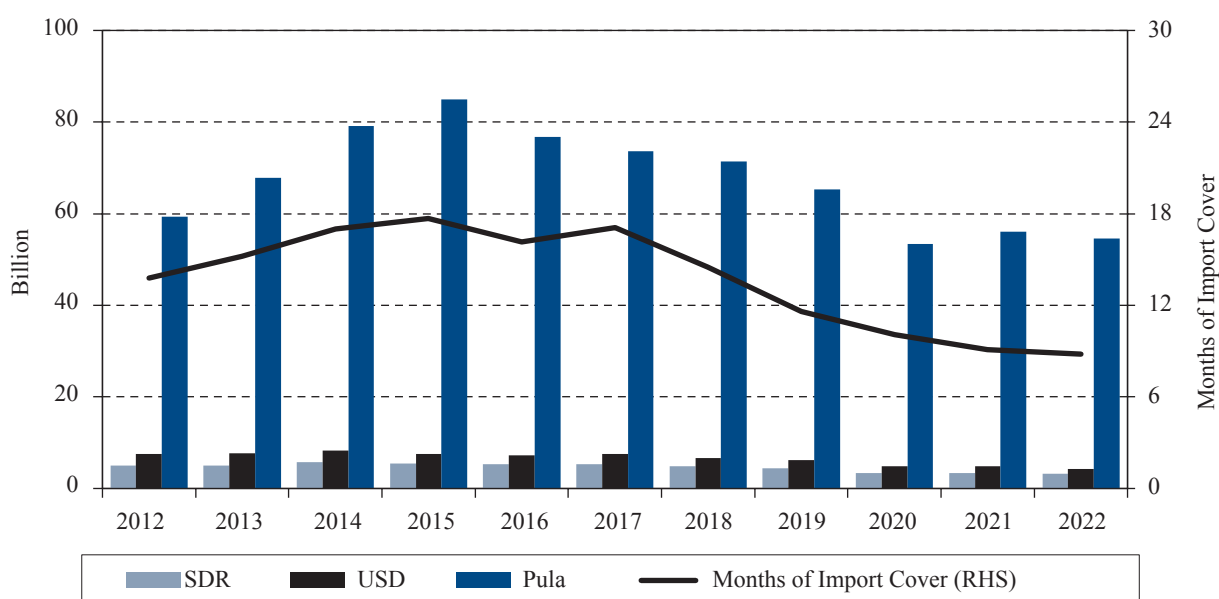
Overall, the portfolio remains well diversified as markets are expected to gradually revert to normalcy, going forward. Most assets remain well within the investment grade category, while any additional risk, which may be associated with the specific assets and markets, is substantially offset by the portfolio level through more effective diversification and monitoring of relevant risk parameters (Table 5).

TABLE 5: INVESTED AND NON-INVESTED MARKETS FOR THE INTERNALLY MANAGED PORTFOLIO

INVESTED	NON-INVESTED
America	
United States of America	Chile
Canada	Peru
Europe	
Euro-zone	Sweden
Norway	Switzerland
United Kingdom	Denmark
	Poland
	Czech Republic
Asia-Pacific	
Australia	Hong Kong
Japan	Thailand
Malaysia	Israel
New Zealand	
Singapore	
Republic of Korea	
China	

Source: Bank of Botswana

At the end of December 2022, foreign exchange reserves amounted to P54.5 billion, a decrease of 2.7 percent from P56 billion in December 2021 (Chart 2). The decrease in foreign exchange reserves mainly reflects unrealised fair value losses as a result of negative asset price movements and negative investment returns due to market volatility against a backdrop of higher inflation, tightening financial conditions and persistent Russia/Ukraine war. Notwithstanding these financial performance challenges in 2022, the portfolio is expected to benefit from portfolio diversification across markets and asset classes over a three-year horizon. The recovery in diamond markets in 2022, also boosted receipts and inflows into the TBT. Nonetheless, spending from the TBT remained elevated, largely offsetting the inflows. In US dollar terms, the level of the foreign exchange reserves fell by 10.4 percent from USD4.8 billion in December 31, 2021 to USD4.3 billion in 2022. In SDR terms, the foreign exchange reserves decreased from SDR3.4 billion to SDR 3.2 billion. At these levels, the foreign exchange reserves were equivalent to 8.8 months of import cover of goods and services as at December 31, 2022.

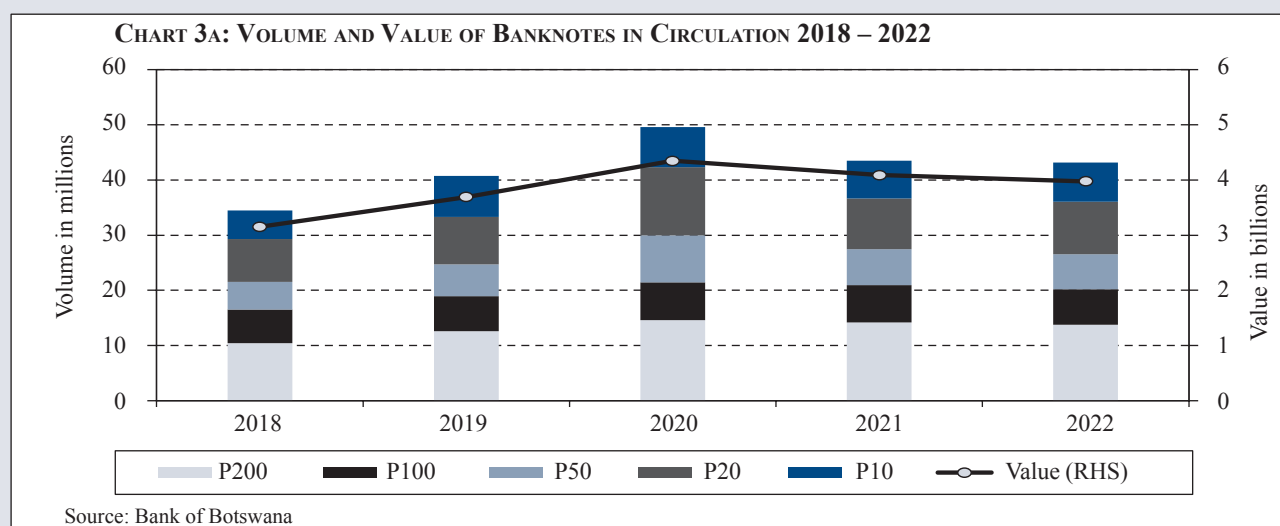
CHART 2: LEVEL OF FOREIGN EXCHANGE RESERVES 2012 – 2022

Source: Bank of Botswana

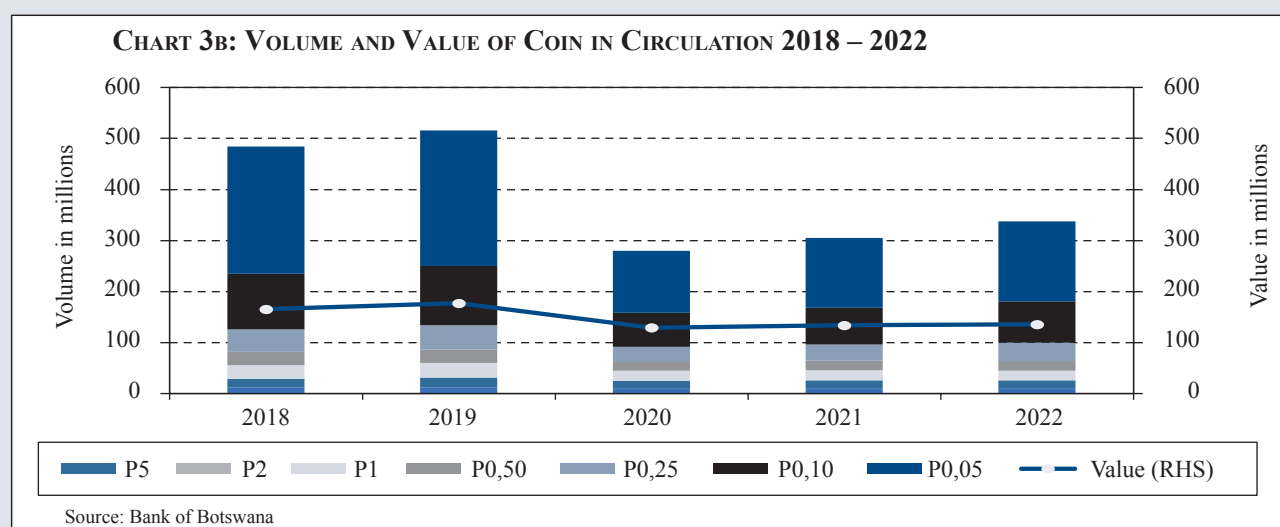
Currency Operations

The Bank continued to manage the supply of banknotes and coins to ensure availability of high-quality currency in circulation. During 2022, the Bank adopted stringent sorting levels (from medium to high) ensuring that only clean, crispy banknotes were in circulation in line with the Clean Banknotes and Coin Policy. Moreover, the Bank withdrew, from circulation, coin amounting to P44.7 million, representing 32.6 percent of the total coin that was in circulation as at November 1, 2021, when the exercise began. The Bank ceased to accept coin deposits from commercial banks in October 2022 and it is anticipated that the sorting process will be completed during the first quarter of the year, after which the destruction and disposal processes will ensue.

The banknotes in circulation continued on a downward trajectory. The number of banknotes decreased by 7.6 percent from 43.5 million in December 2021 to 43.2 million in December 2022 (December 2020 it was 49.6 million). Consequently, total value of banknotes in circulation decreased from P4.2 billion to P4.1 billion during the same period. The net issuance of the P200, P100 and P50 banknote denominations decreased by 2.7 percent, 4.9 percent and 3.5 percent, respectively, in 2022. This signified that the public was increasingly using other means of payment instead of just cash. Net issuance of the P20 and P10 banknotes increased by 3.8 percent, each, implying that the public were increasingly using these denominations for transactional purposes, leading to more issuance. Nonetheless, the P200 denomination continued to have the highest share of total issuance at 32 percent, followed by P20 denomination at 22.1 percent (Chart 3a and Table 3a).



The total net issuance of coin denominations increased by 10.7 percent from 305 million in 2021 to 338 million in 2022. Subsequently, the value of coin in circulation increased marginally by 1.3 percent to P135.3 million in 2022. The 5 thebe and 10 thebe denominations had the highest share of total coin net issuance at 46.5 percent and 24.1 percent, respectively (Chart 3b).

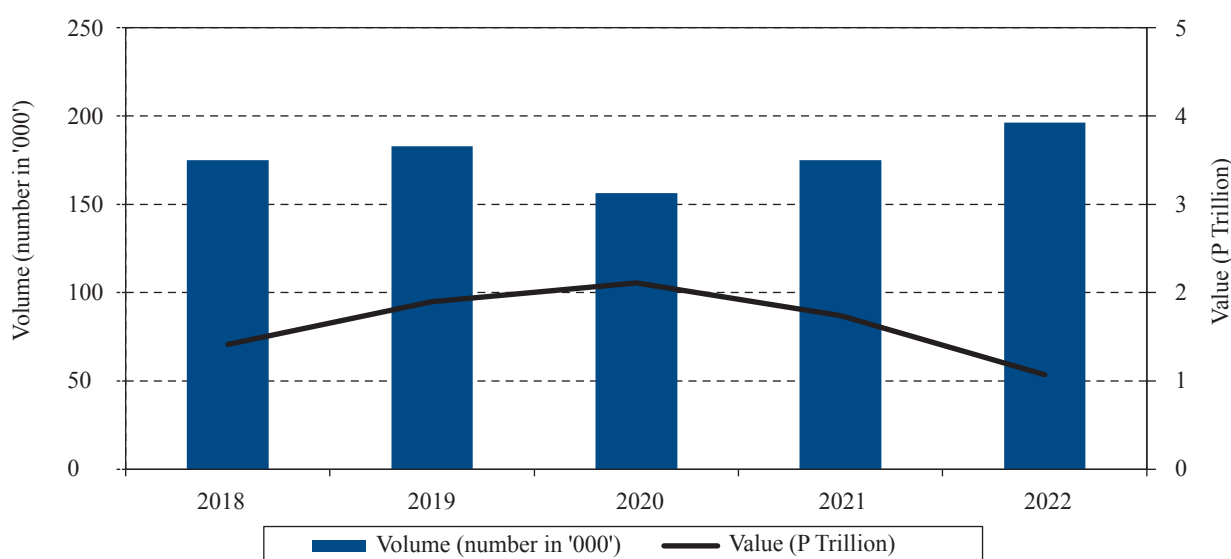


Banking Operations, Payments and Settlement

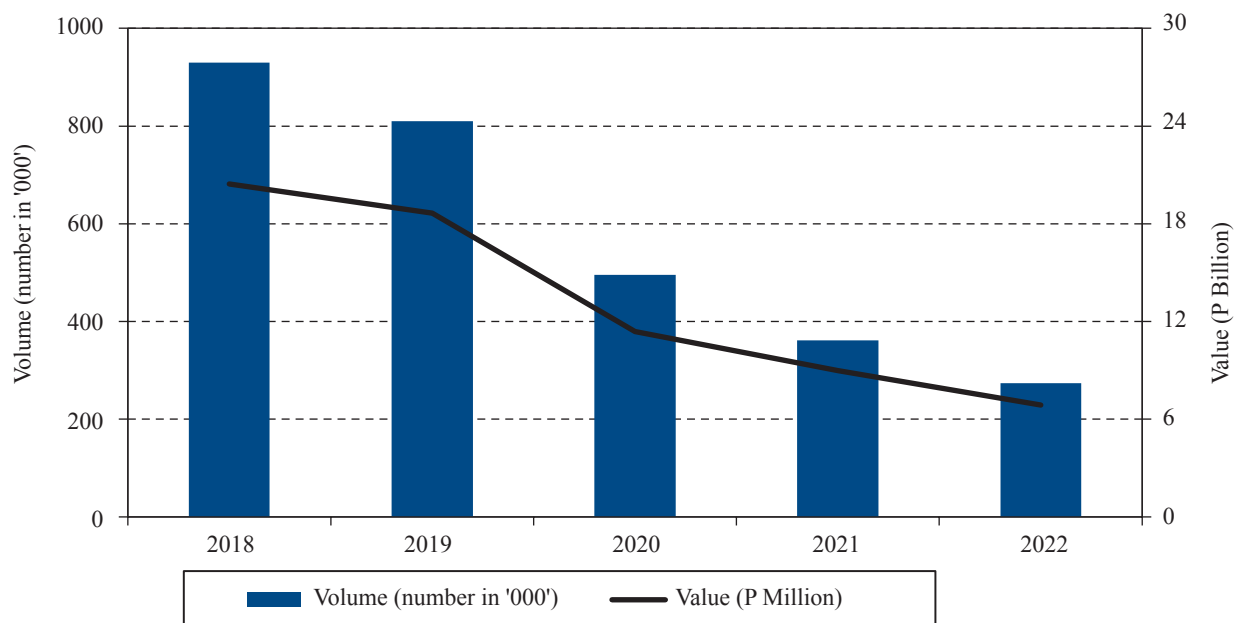
The Bank continued to undertake activities and implement strategies that sustain the safety, integrity and efficiency of the National Payment System (NPS), as well as collaborate with other regional central banks to advance the SADC Finance and Investment Protocol that seeks to promote regional trade and investment under the auspices of the Committee of Central Bank Governors. The various components of the NPS operators, participants and other payment service providers were accordingly monitored to ensure compliance, safety and efficiency of the NPS. Financial market infrastructures operating in Botswana notably the BISS, BACH and Central Securities Depository Company of Botswana (CSDB), including the electronic payment services providers, were assessed as stable during the year; there were no reported system disruptions.

The financial market infrastructures continued to provide a secure and reliable settlement and clearing platforms respectively, for time critical domestic payments. The volume of transactions settled in the BISS increased by 12.1 percent, from 175.1 thousand in 2021 to 196.3 thousand in 2022, while there was a decrease in value by 38.4 percent, from P1.74 trillion to P1.07 trillion (Chart 4). Consistent with past trends, cheque transactions cleared in the BACH system, continued to decline in volumes and values. Cheques processed decreased by 24.1 percent from 361 thousand in 2021 to 274 thousand in 2022; the value of transactions decreased by 23.7 percent from P9 billion in 2021 to P6.9 billion in 2022 (Chart 5). This was due to the increase in the use of alternative electronic payments channels, such as internet banking, mobile banking, mobile money, and electronic funds transfers (EFTs). On the other hand, EFT transactions processed through the BACH system increased by 5.7 percent in volume, from 10.46 million in 2021 to 11.06 million transactions in 2022 and 16 percent in value, from P232 billion in 2021 to P269.1 billion in 2022 (Chart 6).

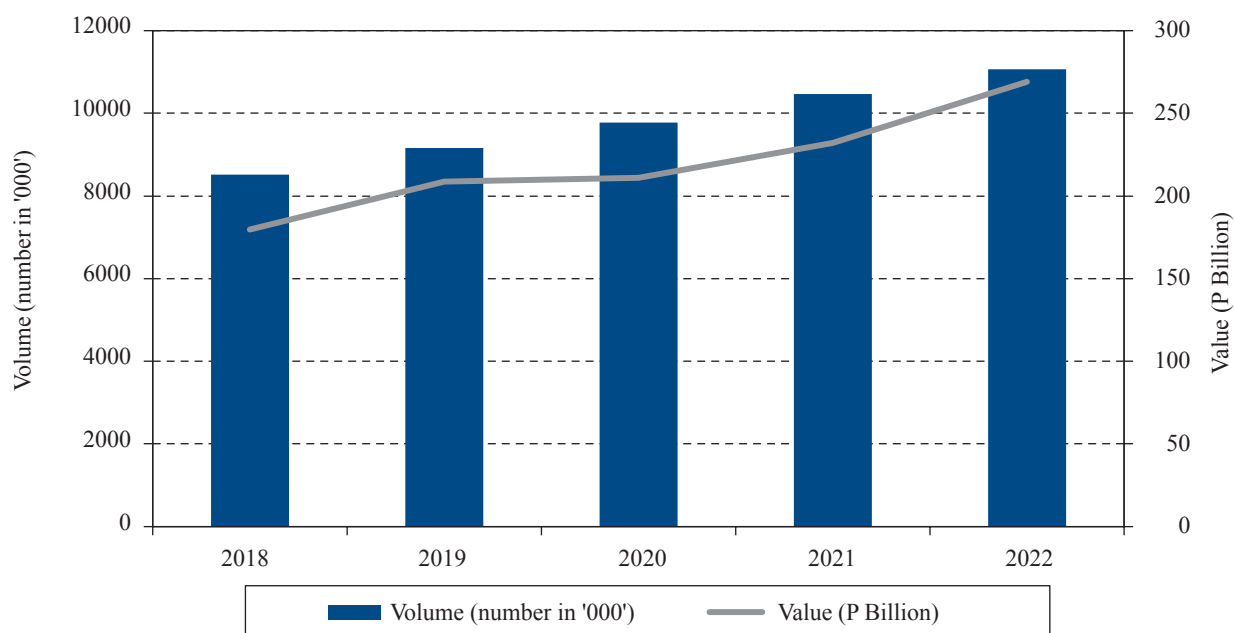
CHART 4: BOTSWANA INTERBANK SETTLEMENT SYSTEM (BISS) TRANSACTIONS 2018 – 2022



Source: Bank of Botswana

CHART 5: BOTSWANA AUTOMATED CLEARING HOUSE: CHEQUE PROCESSING 2018 – 2022


Source: Bank of Botswana

CHART 6: BOTSWANA AUTOMATED CLEARING HOUSE: ELECTRONIC FUNDS TRANSFERS 2018 – 2022


Source: Bank of Botswana

In addition to the Bank's roles of operating the RTGS (called BISS), facilitating modernisation of the NPS through implementation of the NPS Vision and Strategy and oversight, the Bank continues to lead the ongoing adoption of ISO 20022 message standard in the country. The ISO 20022 message standard, with its good capabilities, would allow for new technologies and business innovations to reduce friction and increase the speed with which funds move domestically and across borders. To this end, the migration progressed as expected and is at Phase 3 of 5 stages of project implementation. Even while the ISO 20022 messaging standard is expected to replace legacy SWIFT messaging standard by 2025, the Bank and the local community have agreed on an earlier implementation of the Standard in the BISS by November 2023. The ISO 20022 standard potential benefits include enhanced efficiency in processing of payments transactions, enhanced data-carrying capability, delivery of more innovative, transparent and competitive services to customers, ease of adaptation to new payment technologies as well as enabling payments tracking and verification, to facilitate mitigation of fraud and other financial crimes. All the systems processing payments are required to align to the ISO messaging standard, therefore, the BISS and other internal systems are being readied to cater for the new standard.

As a payment agent for the Government, the Bank diligently executed the role by processing foreign currency payments and delivered within the targeted timelines. The controls were largely observed, and a reasonably high settlement success rate attained for the foreign exchange reserves management transactions in support of the Bank's implementation of the Investment Committee decisions. The Single Central Securities Depository infrastructure that facilitates settlement of securities in central bank money partially went live in September 2022 with some custodial arrangements still to be achieved in the second Phase in 2023. As at December 31, 2022, the Bank had licensed, and oversaw twenty-three (23) Electronic Payment Services Providers with an agency network of more than 1500 countrywide.

The Bank conducted the Fintech Landscape Mapping exercise for the local financial services sector comprising the banking sector, electronic payment services/money or value transfer services (EPS/MVTS), insurance industry, retirement funds industry, capital markets, lending activities sector, and the virtual assets sector. The mapping of the Botswana fintech landscape was based on the Fintech Tree Conceptual Framework designed by the Financial Stability Institute (FSI) through a 2019 survey on Policy Responses to Fintech across thirty-one jurisdictions and provides a guide for the classification of fintechs. The Fintech Tree Conceptual Framework defines fintech based on three key features, namely, fintech activities; enabling technologies; and policy enablers. Fintech activities are classified per the different financial services sectors, being deposit and lending; capital-raising and alternative sources of funding; asset management, trading and related services; payments, clearing and settlement services; insurance sector; and crypto-assets.

The findings of the mapping exercise indicate that fintech activities are present across the three sub-sectors that were surveyed, with the most prevalent fintech activities being payments, clearing and settlement activities represented by digital payments and e-money issuance. Application programming interfaces (APIs) and cloud computing technologies are the dominating technologies enabling the provision of financial services across all sectors. Data protection, digital identity and cyber security are the critical policy enablers for the development, adoption and safe provision of fintech driven services.

Regionally, the Bank collaborated with other regional central banks, through participation in SADC Payment System Oversight Committee (PSOC) to ensure continued resilience of the regional payment systems. The SADC-PSOC was established to provide a cooperative oversight arrangement to manage and possibly eliminate cross-border settlement and systemic risks within the SADC region. The mandate of the SADC-PSOC extends from the SADC-RTGS system to include participation in other regional payment system initiatives and activities. Two additional banks, First Capital Bank Botswana Limited and Access Bank Botswana Limited went live in the SADC-RTGS on November 17, 2022, and thus bringing to four the number of Botswana banks participating in the SADC-RTGS.

Information Technology

Information security and data protection cybersecurity domain continued to be a key priority in 2022. Mission-critical systems upgrades were undertaken and geared towards safeguarding data against unauthorised access, while staff were equally empowered to be vigilant on security through cyber awareness training sessions and vulnerability management tools deployed to secure systems and devices. Security measures aimed at tightening access controls were introduced through second factor authentication integration into virtual private network, for remote connectivity and endpoint detection and response solution, for enhanced visibility into security for protection of computers from advanced forms of malware. The Bank, therefore, allocates requisite resources towards upgrading information and communications technology systems to safeguard and retain the integrity and functionality of mission-critical systems, achieve operational efficiency, as well as to guard against cyber-crime. The most discernible upgrade came through the Headquarters Redevelopment (PulaThebe) Project Phase 1 migration, which saw an overhaul of the Bank's network infrastructure and convergence of data and voice networks through active switching technologies.

In October 2022, the Board approved the mandatory information security management system (ISMS) documentation which includes information security policy, ISMS manual, ISMS roles and responsibilities, and ISMS context, requirement and scope. The Board's approval of the ISMS mandatory documentation demonstrates that the Bank is committed to the highest standards of information security and is taking steps to protect its information assets from any risks. The ISMS is designed to ensure the confidentiality, integrity and availability of the Bank's information assets and includes measures for detection, prevention and response to any information security threats.

Human Resources, Staff Welfare and Staff Pension Fund

Human Resources and Staff Welfare

As at December 31, 2022, the Bank's Staff Establishment was 606, slightly lower than the 613 in December 31, 2021. The vacancy rate was 2.8 percent (representing 17 vacancies) compared to 3.9 percent (representing 24 vacancies) as at December 2021. A total of 18 new staff joined the Bank, while 11 terminated employment during the period under review. Of the 17 vacancies, 88.2 percent were in the professional cadre, while the remaining were at clerical levels and below.

The Bank continued to place emphasis on staff development and, in this regard, several staff members benefited from both short- and long-term training. As at the end of 2022, 15 staff members were on long-term postgraduate training (Masters and Doctorate) in various disciplines relevant for the Bank's operations. Taking advantage of online programmes and workshops, including in-house programmes, the attendance of short courses rose from 386 in 2021 to 500 in 2022.

Several staff committees and clubs coordinate staff welfare activities, including health and wellness and sports. The Wellness Programme, which is instrumental in disseminating information on various health topics and providing screening tests to staff was resuscitated. Staff on antiretroviral (ARV) treatment continued to be fully supported through laboratory monitoring and provision of pharmaceuticals. The compliance rate for 2022 was at 95 percent, an acceptable score by the Ministry of Health standards.

During the year 2022, the prevalence of the COVID-19 pandemic subsided and, as such, the Bank ceased the use of masks and temperature checking on entry into Bank facilities. As at December 31, 2022, 534 staff members were fully vaccinated while six were awaiting their second vaccine, making a cumulative total of 540 vaccinated out of 584. A total of about 44 staff members were unvaccinated for various reasons.

The Bank of Botswana Defined Contribution Staff Pension Fund declared final investment returns for the financial year ended September 30, 2022, as shown in Table 6 in line with its investment Strategy (glide path), which was adopted on October 1, 2020. The strategy has three age-based portfolios. The rates of return were much lower than the average inflation of 12.2 percent in Botswana in 2022, primarily due to volatility and uncertainty in the financial markets, particularly global equities, due to ongoing geopolitical tensions, including the Russia-Ukraine war, which resulted in much lower returns in comparison with previous years.

TABLE 6: DECLARED INTEREST RATES FOR THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2022

Age group	Active Members (Percentage)	Deferred Members (Percentage)
Less than 55 years	0.0	-0.6
55 to 60 years	1.4	0.8
61 to 65 years	2.6	2.1

Source: Bank of Botswana

Legislation, Governance and Accountability

The Bank of Botswana (Amendment) Act was passed into law in July 2022 and commenced on February 14, 2023. Following the passing of the Bank of Botswana (Amendment Act) into law, the Bank's Bye-Laws were reviewed and the Bank of Botswana Board Charter developed, both of which were approved by the Board in December 2022. Highlights of changes to the governance and institutional arrangements in the Bank of Botswana (Amendment) Act, 2022 that are key for effective conduct of monetary policy and entrenchment of credibility of the framework are as follows:

- (i) first, is clear specification, by the law, of the dual and ranked mandates of achieving domestic price stability and financial stability. In the event of multiple challenges facing the economy and/or competing objectives, the Bank shall be 'laser-focused' on the price stability objective as its primary and high priority focus area;
- (ii) second, the Minister will give the Bank an explicit numerical designation of an inflation objective and, likewise, the Bank will be granted de jure operational independence to pursue its primary objectives in the performance of its functions;
- (iii) third, the Amendment Act provides for the establishment of a statutory Monetary Policy Committee. This shall comprise nine members, four of which shall be non-Bank of Botswana employees, appointed by the Honourable Minister, being professional and independent persons, not representing any sector of the economy, with knowledge and experience relevant to the functions of the Monetary Policy Committee. The remaining five internal members are the Governor, who shall be the Chairman, the two Deputy Governors, and the heads of department responsible for economic research and for treasury operations;
- (iv) fourth, is the establishment of a statutory Financial Stability Council, to coordinate the monitoring and assessment of financial sector vulnerabilities and systemic risks and any responses that may be required, including the implementation of the macroprudential policy framework for Botswana. The Council comprises the Governor, who shall be the Chairman, the Permanent Secretary in the Ministry responsible for Finance, Chief Executive Officer of the Non-Bank Financial Institutions Regulatory Authority, Director of the Deposit Insurance Scheme, and the Director General of the Financial Intelligence Agency; and
- (v) finally, the new Bank of Botswana (Amendment) Act provides for the establishment of a Deposit Insurance Scheme. It is envisaged that the Scheme will enable gradual and progressive build-up of funds up to a specified, target threshold that will be available to compensate insured deposits, in the event of failure of a member financial institution; thus, mitigating threats to financial stability.

The Bank continued to progress review of the Banking Act, which has been overhauled and re-enacted into a new Banking Bill. It is expected that the re-enacted Banking Bill will be presented, for consideration by National Assembly, in the first half of 2023. The Bank progressed the review of the National Payments Law and Electronic Payment Services Regulations and other various pieces of legislation which impacted operations of the Bank, such as the Public Procurement Act and Regulations.

Governance and Accountability

A Board and Senior Management Retreat on Strategy Review, Risk Management and Central Banking Issues was undertaken during April 6 – 9, 2022 in Kasane facilitated by Ernst & Young, followed by an evaluation and review session on May 30, 2022, in Gaborone. The Retreat outcomes include several strategic focus areas, work plans and governance changes to be pursued by the Bank. The deliverables emanating from the Retreat also include development of a Leadership Charter, designation and promotion of Digital BoB 2024 Strategy to underpin digital transformation in the Bank, while the deliberations also added impetus to implementation of the Human Resources Strategy. In general, the Board Strategy and Senior Management Retreat sets out the thematic issues to anchor the Bank's Strategic Plan for a period of five years, to be implemented through the three-year rolling Medium Term Plan and annual work programmes approved by the Governor.

Through the public outreach programme, the Bank conducted economic briefings on the backdrop of the publication of the 2021 *Annual Report*. Among key stakeholders briefed were the Cabinet, the media, the private sector and the Judiciary. Following approval of the Social Media Policy and Strategy, the Bank launched social media pages; Facebook and Twitter, on December 20, 2022. The Bank also held media briefings and released Press Statements announcing the decision of the MPC following each of the six meetings held in 2022.

External Relations and Communication

Collaboration with stakeholders on different issues of mutual interest and for purposes of coordination was maintained through membership and participation in inter-institution committees, working groups, task forces and technical fora during 2022. The Bank used various methods of interaction, including media briefings, Press Releases, website and regular Bank publications to provide information to the public and also manage reputational risks. The Bank also handled several media and public enquiries, including providing information for responses to Parliamentary questions on a variety of subjects relevant to the Bank's mandates and operations.

External Relations

The Bank facilitated and/or participated in relevant regional and international meetings, as well as consultation, surveillance and technical assistance missions to Botswana. In this regard, the Bank took part in meetings and conferences, organised by the Bank for International Settlements, the International Monetary Fund and the World Bank. At a regional level, the Bank participated in meetings organised by the SACU, the SADC Committee of Central Bank Governors (CCBG), the Association of African Central Banks (AACB) and the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI).

Botswana continued to maintain favourable sovereign credit rating as underpinned by stable and predictable institutional frameworks, positive impact of the monetary policy framework, adherence to the rule of law and prudent policymaking, all of which contribute to macroeconomic stability. The annual Credit Analysis Update Report, released in September 2022 by S&P Global Ratings (S&P), affirmed Botswana's sovereign credit rating for long-term foreign and domestic currency bonds at "BBB+", and "A-2" for short-term foreign and domestic currency bonds. S&P indicated that the affirmation of the ratings was underpinned by the country's robust institutional frameworks (compared with that of regional peers), which has supported the prudent management of the country's natural wealth; strong monetary policy framework; proactive and independent central bank; and strong mineral revenues that will support broadly balanced fiscal outcomes, all of which support durable macroeconomic stability. Furthermore, the stable outlook reflected S&P's expectation that the demand for Botswana's diamond will remain strong against downside risks presented by the weakening global economic activity.

Overall, observations by the rating agency reinforce the importance of concerted efforts towards transformation of the economy, including enhanced domestic resource mobilisation; traction of structural reforms; effectiveness and long-term benefit of government spending on infrastructure and social services; and rebuilding of fiscal buffers.

Publications, Communications and Public Education

The Bank submitted the 2021 *Annual Report* on the Bank's operations and financial statements and the 2021 *Banking Supervision Annual Report*, in accordance with statutory requirements, to the Minister of Finance on March 31, 2022, and June 30, 2022, respectively. The 2022 *MPS*, *MPRs*, *Financial Stability Reports*, monthly *Botswana Financial Statistics*, the quarterly *Business Expectations Survey*, the *Research Bulletin* were also published, while the Bank's website provided timely access to data, publications, press releases and policies of the Bank, including the *Monthly and Annual Financial Statements*, *Household Indebtedness Survey Report* and *Directory of Financial Institutions Operating in Botswana*.

Economic briefings were also conducted for the media, the Judiciary, business community, chief executive officers of public institutions, the private sector and senior government officials, as part of the launch of the 2021 *Annual Report*. The Bank intensified efforts on the public education campaign, undertaking various initiatives, for example, the "Know Your Currency" commemoration of Pula Day in 2022, as a way of building public confidence in the national currency, which is key to the Bank's reputation.



ANNUAL FINANCIAL STATEMENTS

2022

BANK OF BOTSWANA

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STATEMENT OF RESPONSIBILITY OF THE BOARD AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The members of the Board are responsible for the preparation of the annual financial statements of the Bank of Botswana (“the Bank”) comprising the Statement of Financial Position at December 31, 2022, Statement of Profit or Loss and Other Comprehensive Income, Statement of Distribution, Statement of Cash Flows and Statement of Changes in Shareholder’s Funds for the year then ended.

These financial statements include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, and in the manner required by the Bank of Botswana Act (CAP 55:01).

The Board members are also responsible for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Board members have made an assessment of the ability of the Bank to continue as a going concern and have no reason to believe that the Bank will not be a going concern in the year ahead. An impact assessment of the Coronavirus COVID-19 pandemic is provided in Note 36 of these financial statements.

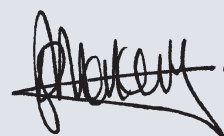
The independent external auditor is responsible for reporting on whether the annual financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Approval of the Annual Financial Statements

The annual financial statements of the Bank, as identified in the first paragraph, were approved by the Board on March 24, 2023 and signed on behalf of the Board by:



Moses D Pelaelo
Governor



Lipalesa Makepe
Board Member and Chairman
(Audit and Risk Committee)

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF BANK OF BOTSWANA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Bank of Botswana ("the Bank") set out on pages 8 to 50, which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in shareholder's funds and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Bank of Botswana as at December 31, 2022, and of its financial performance and of its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with other ethical requirements that are relevant to our audit of the financial statements in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Key Audit Matter	How the matter was addressed in the audit
Valuation of Financial Assets Significant auditor attention was given to the Level 1 and Level 2 classification of the financial assets measured at fair value. <u>Level 1 Financial Assets</u> Level 1 financial assets total P40,6 billion (2021 - P47,6 billion). Significant auditor attention was given to the valuation of Level 1 financial assets due to the large volume of the instruments as well as the sourcing of observable inputs which required the assistance of the EY specialists in the evaluation of market consistent methodologies and assumptions relative to IFRS 13 requirements, and the quantification of deviations between external market prices and the Bank's prices. <u>Level 2 Financial Assets</u> Level 2 financial assets total P15,7 billion (2021 - P8,7 billion). Additional auditor attention was given to the valuation of Level 2 financial assets, with the assistance of the EY specialists, due to the complexity of obtaining the data points used to value the instruments as it is indirectly observable market data. In the current year, the components which make up the financial assets balance required significant auditor attention and effort in order to perform the required procedures. The disclosures associated with the financial assets are set out in the the financial statements: • Significant Accounting Policies - Financial Instruments • Note 1.1 - Liquidity Portfolio • Note 1.2 - Pula Fund • Note 12 - Categories of Financial Instruments • Note 30 - Risk Management in Respect of Financial Instruments • Note 31 - Fair Value of Financial Instruments	Our audit procedures included the following, amongst others: • We obtained an understanding, evaluated the design, implementation and tested the operating effectiveness of the key internal controls over financial assets. • We obtained an understanding of management's processes for assessing the IFRS 9 classification of the financial assets and the valuation techniques and processes for the Level 1 and Level 2 fair value assets in line with IFRS 13 - Fair Value Measurement. • We assessed the competence and objectivity of Management's specialists involved in determining data sources, assumptions and inputs in the valuation of Level 2 financial assets with reference to their professional capabilities. • We assessed the reasonability of the exchange rates used in translating asset values into the Bank's reporting currency and for compliance with the Bank's approved methodology. • We compared the pricing inputs used by management to external data sources and assessed the inputs used in the reported fund and investment custodian positions. This was performed with the assistance of the EY specialists. • We evaluated the appropriateness of the valuation approaches and methodologies used by Management's specialists against IFRS requirements and generally accepted market practice (price quotation convention) to evaluate the appropriateness of the methodologies applied under the varying circumstances. With the assistance of the EY specialists, we also reperformed the fair value calculations using independent pricing sources. • We assessed the appropriateness of the indirectly observable market data input into the valuation models and tested it back to source systems and client data and assessed that the valuations were

	performed at the appropriate date. This was performed with the assistance of the EY specialists. • We assessed the adequacy and completeness of the disclosures regarding the financial assets in the financial statements to determine they were in accordance with IFRS 7 - Financial instruments disclosures and IFRS 9 - Financial instruments and IFRS 13 - Fair value measurement.
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Other Information

Other information comprises the information included in the 50-page document titled "Bank of Botswana Annual Financial Statements for the year ended December 31, 2022" which includes the Statement of Responsibility of the Board and Approval of the Annual Financial Statements and the Statement of Distribution, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The Board members are responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Board members for the Financial Statements

The Board members are responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards and the requirements of the Bank of Botswana Act (CAP 55:01), and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board members are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board members either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting processes.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Boards' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board members with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board members, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Bank of Botswana Act (CAP 55:01) ("the Act"), we confirm:

- We have received all the information and explanations which, to the best of our knowledge and belief were necessary for the performance of our duties as auditors.
- The accounts and related records of the Bank have been kept in a reasonable state; and
- The Bank has complied with all the financial provisions of the Act.



Ernst & Young
Firm of Certified Auditors
Practicing member: Thomas Chitambo (CAP 0011 2023)
Gaborone

March 27, 2023

STATEMENT OF FINANCIAL POSITION

As at December 31, 2022

	Notes	2022 P'000	2021 P'000
ASSETS			
Foreign Assets			
Liquidity Portfolio	1.1	5 960 397	2 396 983
Pula Fund	1.2	43 342 303	48 677 418
International Monetary Fund (IMF)			
Reserve Tranche	2.1	966 136	820 855
Holdings of Special Drawing Rights (SDR)	2.2	4 239 750	4 097 651
General Subsidy Account	2.3	25 888	25 089
Total Foreign Assets		54 534 474	56 017 996
Domestic Assets			
Standing Credit Facility	28	248 965	-
Receivables and Other Assets	3	376 574	237 536
Property, Plant and Equipment	4	1 162 285	931 997
Total Domestic Assets		1 787 824	1 169 533
TOTAL ASSETS		56 322 298	57 187 529
LIABILITIES AND SHAREHOLDER'S FUNDS			
Foreign Liabilities			
Allocation of IMF Special Drawing Rights	5	4 194 350	4 064 893
Liabilities to Government (IMF Reserve Tranche)	6	467 089	321 808
Total Foreign Liabilities		4 661 439	4 386 701
Domestic Liabilities			
Notes and Coin in Circulation	7	4 085 884	4 198 386
Deposits	8	3 782 814	4 324 680
Standing Deposit Facility	29	341 077	-
Bank of Botswana Certificates	9	3 273 810	2 299 844
Reverse Repurchase Agreements	9.1	-	1 478 950
Dividend to Government	10	273 205	3 175 135
Payables and Other Liabilities	11	287 109	161 511
Total Domestic Liabilities		12 043 899	15 638 506
Total Liabilities		16 705 338	20 025 207
Shareholder's Funds			
Paid-up Capital	13	25 000	25 000
Government Investment Account			
Pula Fund and Liquidity Portfolio		14 816 612	6 107 752
Currency Revaluation Reserve		26 759 120	25 032 555
Fair Value Revaluation Reserve		(3 598 772)	4 397 015
General Reserve	14	1 600 000	1 600 000
Unappropriated Net Income	10	15 000	-
Total Shareholder's Funds		39 616 960	37 162 322
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS		56 322 298	57 187 529
FOREIGN ASSETS IN US DOLLARS (000) ¹		4 280 956	4 806 344
FOREIGN ASSETS IN SDR (000) ²		3 206 627	3 445 107

1 United States dollar/Pula – 0.0785 (2021: 0.0858)

2 SDR/Pula – 0.0588 (2021: 0.0615)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2022

	Notes	2022 P'000	2021 P'000
INCOME			
Interest – foreign exchange reserves	15	774 014	578 405
Dividends – foreign exchange reserves	16	375 559	413 780
Net realised fair value (losses)/gains on disposal of securities	17	(36 647)	3 087 780
Net realised currency gains	18	1 543 389	1 075 012
Net unrealised currency gains	19	364 382	1 222 064
Impairment loss/loss reduction on financial assets	30	(6 519)	2 554
Profit on foreign exchange deals		38 337	29 824
Net sundry income		19 886	3 541
		<u>3 072 401</u>	<u>6 412 960</u>
EXPENSES			
Interest expense	21	70 383	63 557
Interest (lease liability)		119	320
Administration costs		786 550	712 187
Depreciation expense	4	48 329	30 597
Net unrealised fair value losses	20	7 995 787	72 211
		<u>8 901 168</u>	<u>878 872</u>
NET (LOSS)/INCOME		<u>(5 828 767)</u>	<u>5 534 088</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME		<u><u>(5 828 767)</u></u>	<u><u>5 534 088</u></u>

STATEMENT OF DISTRIBUTION

For the year ended December 31, 2022

	Note	2022 P'000	2021 P'000
TOTAL COMPREHENSIVE (LOSS)/INCOME		(5 828 767)	5 534 088
Transfer of net currency gains to currency revaluation reserve	22	(1 726 565)	(2 057 320)
Transfer of unrealised fair value losses to fair value revaluation reserve	23	7 995 787	13 367
NET INCOME TO GOVERNMENT		440 455	3 490 135
Dividend		(203 000)	(420 000)
Residual Net Income	10	<u>(222 455)</u>	<u>(3 070 135)</u>
UNAPPROPRIATED NET INCOME FOR THE PERIOD	10	<u><u>15 000</u></u>	<u><u>-</u></u>

STATEMENT OF CASHFLOWS

For the year ended December 31, 2022

	Notes	2022 P'000	2021 P'000
OPERATING ACTIVITIES			
Cash used in operations before movements relating to currency in circulation	26	(1 460 489)	(3 127 851)
Movement in currency in circulation		(112 502)	(259 523)
Cash used in operations		(1 572 991)	(3 387 374)
Interest - foreign exchange reserves		694 223	524 958
Dividends - foreign exchange reserves		367 748	412 059
Interest expense		(70 383)	(63 507)
Cash used in operating activities		(581 403)	(2 513 864)
INVESTING ACTIVITIES			
Net (investments)/withdrawals from foreign exchange reserves	26.1	(4 517 221)	2 636 458
Proceeds from disposal of property and equipment		948	579
Purchase of property and equipment	4	(279 712)	(262 433)
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		(4 795 985)	2 374 604
FINANCING ACTIVITIES			
Dividend to Government	10	(3 327 385)	(2 615 992)
Government investments	10.1	8 708 860	2 760 055
Interest on lease liability		(119)	(320)
Lease Liability: right-of-use	4.2	(3 968)	(4 483)
NET CASH GENERATED FROM FINANCING ACTIVITIES		5 377 388	139 260
CASH AND CASH EQUIVALENTS AT YEAR END		-	-

STATEMENT OF CHANGES IN SHAREHOLDER'S FUNDS

For the year ended December 31, 2022

	Paid-up Capital P'000	Currency Revaluation Reserve P'000	Fair Value Revaluation Reserve P'000	General Reserve P'000	Government Investment Account P'000	Accumulated Profit/(Loss) P'000	Total P'000
BALANCE AT JANUARY 1, 2021	25 000	22 975 235	4 410 382	1 600 000	3 347 697	-	32 358 314
Total Profit	-	-	-	-	-	5 534 088	5 534 088
Government Investments	-	-	-	-	2 760 055	-	2 760 055
Transfer of Gains to Currency Revaluation Reserve	-	2 057 320	-	-	-	(2 057 320)	-
Transfer of Gains to Fair Value Revaluation Reserve	-	-	(13 367)	-	-	13 367	-
Dividend to Government	-	-	-	-	-	(420 000)	(420 000)
Residual Net Income	-	-	-	-	-	(3 070 135)	(3 070 135)
BALANCE AT DECEMBER 31, 2021	25 000	25 032 555	4 397 015	1 600 000	6 107 752	-	37 162 322
Total Loss	-	-	-	-	-	(5 828 767)	(5 828 767)
Government Investments	-	-	-	-	8 708 860	-	8 708 860
Transfer of Gains to Currency Revaluation Reserve	-	1 726 565	-	-	-	(1 726 565)	-
Transfer of Losses to Fair Value Revaluation Reserve	-	-	(7 995 787)	-	-	7 995 787	-
Dividend to Government	-	-	-	-	-	(203 000)	(203 000)
Residual Net Income	-	-	-	-	-	(222 455)	(222 455)
BALANCE AT DECEMBER 31, 2022	25 000	26 759 120	(3 598 772)	1 600 000	14 816 612	15 000	39 616 960

SIGNIFICANT ACCOUNTING POLICIES

For the year ended December 31, 2022

REPORTING ENTITY

Bank of Botswana (“the Bank”) is the Central Bank of the Republic of Botswana established by the Bank of Botswana Act (CAP 55:01). The physical address of the Bank’s registered office is 17938 Khama Crescent, Gaborone. These financial statements apply to the financial year ended December 31, 2022 and represent the Bank’s statutory financial statements. The Government of Republic of Botswana is the Bank’s sole shareholder.

BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Statement of Compliance

The principal accounting policies applied in the preparation of the financial statements are stated below. These policies have been consistently applied to all the years presented and comply with the Bank of Botswana Act (CAP 55:01) and the International Financial Reporting Standards in all material respects unless otherwise stated.

The financial statements were approved by the Board on March 24, 2023.

Basis of Preparation

The financial statements are prepared on a historical cost basis, modified by fair value accounting for financial instruments held at fair value.

Functional and Presentation Currency

The financial statements are presented in Pula, which is the Bank’s functional currency. Except as otherwise indicated, financial information presented in Pula has been rounded to the nearest thousand.

ADOPTION OF REVISED STANDARDS AND INTERPRETATION

As at the date of finalisation of the financial statements, no standards, relevant to the Bank’s operations were available for adoption.

STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET EFFECTIVE

As at the date of finalisation of these financial statements, the following standards relevant to the Bank’s operations, are in issue and not yet effective.

Standard	Effective for annual periods beginning on or after
Insurance Contracts (IFRS 17) IFRS 17, together with IFRS 9, will result in material changes to the accounting in IFRS financial statements for insurance companies. This will have a significant impact on data, systems and processes used to produce information for financial reporting purposes. The new model is likely to have a significant impact on the profit and total equity of some insurance entities, resulting in increased volatility compared to current models. Key performance indicators will also likely be affected. The amendments are not expected to have an impact on the financial statements of the Bank.	January 1, 2023

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2022

STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED (Cont'd)

Standard	Effective for annual periods beginning on or after
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) The amendments improve on the application of materiality to disclosure of accounting policies. Key amendments to IAS 1 include: requiring entities to disclose their material accounting policies rather than their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to an entity's financial statements. The International Accounting Standards Board (IASB) also amended IFRS Practice Statement 2 to include guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments are consistent with the refined definition of material: "accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements". The amendments are not expected to have any material impact on the financial statements of the Bank.	January 1, 2023
Definition of Accounting Estimate (Amendments to IAS 8) The amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of, and clarifications on, accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both: • selecting a measurement technique (estimation or valuation technique) – for example an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 <i>Financial Instruments</i>; and • choosing the inputs to be used when applying the chosen measurement technique – for example the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>. The amendments are not expected to have any material impact on the financial statements of the Bank.	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.	January 1, 2023

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2022

STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED (Cont'd)

Standard	Effective for annual periods beginning on or after
Deferred Tax related to Assets and Liabilities arising- from a single Transaction (Amendments to IAS 12) (Cont'd) Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal. In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss. An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The amendments are not expected to have any impact on the financial statements of the Bank due to the nature of the Bank's assets and liabilities.	
Classification of Liabilities as Current or Non-current - Amendments to IAS 1 In January 2020 and October 2022, the IASB issued amendments to IAS 1 <i>Presentation of Financial Statements</i> to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: • what is meant by a right to defer settlement; • that a right to defer must exist at the end of the reporting period; • that classification is unaffected by the likelihood that an entity will exercise its deferral right; • that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification; and • disclosures. The combined impact of the 2020 amendments and the 2022 amendments will have implications for entities applying them. Entities will, therefore, need to carefully consider the impact of the amendments on existing and planned loan agreements. In this context, it is important to highlight that the amendments must be applied retrospectively. The Bank is assessing the impact on the financial statements resulting from the application of the amendments to IAS 1.	January 1, 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 In September 2022, the IASB issued Lease Liability in a Sale and Leaseback (Amendments IFRS 16). The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16. The amendments are not expected to have any material impact on the financial statements of the Bank.	January 1, 2024

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2022

FINANCIAL INSTRUMENTS

General

Financial instruments carried in the Statement of Financial Position include all assets and liabilities, including derivative instruments and receivables, but exclude property and equipment and other assets (prepayments and other).

Fair Value Measurement

“Fair value” is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

The Bank measures the fair value of a financial instrument using the quoted price in an active market for that particular instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. For financial assets or liabilities with a quoted price, the Bank measures assets at a bid price, and liabilities at an ask price.

When quoted prices in an active market are not available, the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction (see valuation models in Note 31).

The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Financial Assets

Financial assets are initially measured at fair value plus, in the case of financial assets not measured at fair value through profit or loss, incremental direct transaction costs that are directly attributable to the acquisition of the financial asset are subsequently accounted for depending on their classification as either measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification of financial assets is dependent upon the Bank’s business model for managing its financial assets, and the contractual cash flow characteristics of the financial asset.

Business Model Assessment

The Bank’s business model is determined based on how it manages groups of financial assets in order to achieve set objectives. The Bank, therefore, makes an assessment of the objective of its business model in which assets are held at portfolio level, and not on individual instrument basis. The information considered in assessing the business model include:

- the stated policies and objectives of the portfolio and the operation of those policies in practice, including whether management’s strategy focuses on earning contractual revenue, maintaining a particular earnings profile, or realising cash flows through the sale of assets;
- how the portfolio is evaluated and reported to the Board;
- the risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed;
- how managers of the funds are compensated, that is, whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about the future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank’s stated objectives for managing the financial assets is achieved and how cash flows are realised.

Contractual Cash Flow Characteristics Assessment

The Bank considers the contractual cash flow characteristics of the financial assets it holds in terms of whether the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. The assessment includes determining whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial Assets at Amortised Cost

Financial assets are measured at amortised cost if held within a business model whose objective is to hold assets to collect contractual cash flows; and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2022

FINANCIAL INSTRUMENTS (Cont'd)

solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Profit or Loss (FVTPL)

Financial assets are measured at fair value through profit or loss where the business model does not meet the criteria for classification at either amortised cost or fair value through other comprehensive income, that is a residual category. The business model is neither hold-to-collect nor hold-to-collect and sell, and the cash flows are not solely payments of principal and interest on the principal amount outstanding. The Bank's investments in fixed income securities, derivatives and equity instruments are held-for-trading, hence are all classified at fair value through profit or loss.

Fair value gains and losses of financial assets measured at fair value through profit or loss are recognised in profit or loss.

The classification and measurement of the Bank's financial assets is detailed as below.

The Bank's investments in fixed income securities, derivatives and equity instruments are held for trading, and hence are all measured at fair value through profit or loss. Short-term deposits (mainly balances with banks) for both the Liquidity Portfolio and Pula Fund and asset held with IMF are measured at amortised cost. Receivables and Other Assets includes staff advances which are also measured at amortised cost.

Short-term Investments (Liquidity Portfolio)

The Bank has designated the Liquidity Portfolio as a fund in which money market instruments and bonds are invested to facilitate payments for regular international transactions of Botswana as provided by law. It is the primary international reserve as provided for at Section 31 of the Bank of Botswana Act (CAP 55:01).

Securities invested in this portfolio are held for trading in support of the normal business of the Bank and measured at fair value through profit or loss. The primary objective of the Liquidity Portfolio of managing liquidity is achieved by realising cash flows through frequent selling, therefore, collecting contractual cash flows is incidental. The business model is neither "hold-to-collect" nor "hold-to-collect and sell".

Short-term investments are initially recognised at fair value and are subsequently remeasured at fair value based on bid prices. All related realised and unrealised gains and losses are recognised in profit or loss. In line with the Bank's policy, realised currency gains/losses are not distributable as income, on money market instrument and bonds whose proceeds are reinvested but, are transferred to the Currency Revaluation Reserve. However, those realised on domestic foreign exchange transactions are retained in profit or loss.

The realised and unrealised fair value and currency gains and losses recognised in the profit or loss exclude interest and dividend income.

All purchases and sales of investment securities in the portfolio are recognised at trade date, which is the date the Bank commits to purchase or sell the investments.

Long-term Investments (Pula Fund)

This is a long-term fund intended to generate returns and maintain the purchasing power of the foreign exchange reserves. It is invested in foreign global financial markets. It is the long-term fund as provided for under Section 35 of the Bank of Botswana Act (CAP 55:01). The Fund invests in bonds, equities and derivatives. These investments may be sold in response to needs for liquidity, changes in interest rates, market prices and exchange rates. Investments in debt securities, equity and derivatives are classified at fair value through profit or loss. These securities are initially recognised at fair value and are subsequently remeasured at fair value, based on bid prices.

All realised and unrealised currency gains/losses are recognised in profit or loss. However, in line with the Bank policy, all currency gains/losses for this Fund are not distributable and are, therefore, transferred to the Currency Revaluation Reserve.

All realised and unrealised fair value changes in investment securities are recognised in profit or loss. Unrealised gains and losses arising from fair value changes of the instruments in this Fund are non-distributable as per the Bank's policy and are transferred to the Fair value Revaluation Reserve. However, when the investment securities are disposed of, the related accumulated fair value gains/losses are distributable.

All purchases and sales of investment securities in the portfolio are recognised at trade date, which is the date the Bank commits to purchase or sell the investments.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2022

FINANCIAL INSTRUMENTS (Cont'd)

Short-term Deposits

Short-term deposits are placed with different deposit taking institutions in the international markets. The duration of the fixed deposits are typically one week to three months. Most are in the Liquidity Portfolio specifically to meet international payments and other transactional needs. The deposits are held with central banks and other high investment graded institutions, with the exception of South Africa where deposits are always held despite the rating because of the important economic and business relationship that exists between Botswana and South Africa. South Africa is Botswana's largest trading partner.

The deposits are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. The resulting gain or loss on disposal of the deposits is recognised in the profit or loss. The expected credit loss model is applied to the deposits under this category. Risk assessment of default to calculate expected credit loss is detailed per Note 30.

Receivables Other Assets

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the Bank provides a service directly to a counterparty. Receivables and other assets include prepayments, advances to banks and staff advances initially measured at fair value plus incremental direct transaction costs, and subsequently measured at amortised cost using the effective interest method less any identified loss allowance at the end of each reporting period.

Derivative Instruments

The Bank uses a variety of derivative instruments to manage its exposure to interest rate and foreign exchange risks. These include interest rate futures, foreign exchange forward contracts, cross-currency swaps and options.

Derivative instruments are initially recognised at fair value and are subsequently remeasured at fair value, based on bid prices for assets held or liabilities to be issued, and ask/offer prices for assets to be acquired or liabilities held. The resulting gain or loss is recognised in the profit or loss.

Standing Credit Facility (SCF)

In April 2022 the Bank undertook monetary policy operations reforms to enhance the efficacy and potency of monetary policy transmission. The reforms included introduction of the Monetary Policy Rate (MoPR) anchored on 7-day BoBCs as the policy rate and collateralised standing lending facility linked to the new monetary policy rate. SCF interest rate is set at 100 basis points above the MoPR and allows commercial banks to borrow from the Bank provided they have the eligible collateral. Instruments eligible for collateral include Bank of Botswana Certificates (BoBCs), Botswana Government bonds and treasury bills. Financial assets arising from the SCF are classified and measured at amortised cost.

Credit Facility

Under the Credit Facility, the Bank provides emergency and intermittent funding to solvent banks, intended to bridge intra-day and overnight liquidity shortages. The advances are secured by any Government of Botswana bond of any maturity, International Finance Corporation Pula denominated note listed on the Botswana Stock Exchange, BoBCs and any other eligible Government guaranteed securities, valued at fair value prices on the date of the transaction. Only high quality, marketable and freely transferable paper with a minimum amount of risk is acceptable as collateral at the discretion of the Bank. A margin/ haircut is applied to mitigate risk. The Bank has the right to call for additional collateral, should the value of the security decline during the tenure of the facility. Interest earned on the advances is credited to profit or loss, while advances outstanding as at the Statement of Financial Position date are recorded under "receivables and other assets".

Impairment of Financial Assets

The Bank applies the IFRS 9 expected credit loss model under the general approach for recognition and measurement of impairment losses on financial assets measured at amortised cost. The impairment model is forward looking and recognises expected credit losses (ECL) on financial assets at the end of each reporting date. The standard states that if there has been significant increase in the credit risk of the financial asset after initial recognition, a lifetime expected credit loss should be recognised. However, the Bank only invests in high quality investment grade financial instruments which are considered to have close to zero risk of default, except South Africa deposits held for transactional purposes despite the rating being lower than investment grade.

The Bank also has other domestic financial instruments resulting from its monetary policy, considered low credit risk due to the general assumption that sovereign debt denominated in local currency is extremely low risk of default (usually referred to as "risk-free" from market participant perspective).

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2022

FINANCIAL INSTRUMENTS (Cont'd)

In the foregoing the Bank, therefore, measures impairment on financial assets using the 12-month expected credit loss. The Bank at each reporting date determines if financial assets measured at amortised cost are of low credit risk.

Financial assets are credit impaired when there is objective evidence that as a result of one or more events that have occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been adversely impacted. Evidence that a financial asset is credit-impaired include the following observable data:

- significant financial difficulty of the deposit taker;
- a breach of contract such as a default or past due event;
- it is becoming probable that the deposit taker will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a money market instrument because of financial difficulties.

Staff advances are categorised as low risk assets, with controls on issue of loans and their recovery in place. An annual assessment of materiality of any ECL is undertaken. The Bank recognises impairment loss amounting to 12 months ECL for all staff loans. Staff loans are considered low risk as repayments are deducted at source and probability of default is less likely. In the case of ex-staff debts, where there are no terminal benefits to recover the outstanding debt, the remaining debt is wholly impaired. However, determined effort is undertaken to recover the debt. Advances to Bank's are collateralised against Bank of Botswana Certificates, therefore there is no risk of default.

The Bank applied the simplified approach ECL model to trade receivables using a provision matrix.

For financial assets carried at amortised cost, the amount of the expected credit loss allowance is the difference between the asset's gross carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Financial Liabilities

The Bank's financial liabilities comprise the following:

(a) Foreign liabilities

Allocation of SDR (IMF Reserve Tranche), Liabilities to Government (IMF Reserve Tranche).

(b) Domestic liabilities

Bank of Botswana Certificates, reverse repurchase agreements, deposits, dividend to Government, payables and other liabilities. Financial liabilities are initially recognised at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

(c) Bank of Botswana Certificates

As one of the primary tools for maintaining monetary stability in the economy, the Bank of Botswana issues its own paper, BoBCs to absorb excess liquidity in the market and thereby influence short-term interest rates. BoBCs are issued at a discount to counterparties. These are measured at amortised cost using the effective interest method, with interest expense recognised on the effective yield basis.

The Bank's liability in respect of BoBCs is stated at offer prices on auction date, adjusted for movements in matured and unmatured discount recognised in profit or loss.

(d) Standing Deposit Facility (SDF)

SDF was introduced as part of monetary policy reforms in April 2022. It is an interest-bearing deposit placement with the Bank by the commercial banks. The SDF interest rate is set at 100 basis points below the MoPR.

Derecognition

The Bank derecognises a financial asset when it loses control over the contractual rights that comprise the asset and transfers substantially all the risks and benefits associated with the asset. This arises when the rights are realised, expire or are surrendered. A financial liability is derecognised when its contractual obligations are discharged, cancelled or expire.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2022

SECURITIES LENDING PROGRAMME

The Bank takes part in a Securities Lending Programme administered by its global custodian, The Northern Trust Company on its behalf. Where securities are lent, the Bank holds collateral in the form of cash or other securities. The securities lent continue to be recorded in the Bank's Statement of Financial Position.

The Bank's global custodian administers the Securities Lending Programme and monitors the securities lent and related collateral against requirements agreed by the Bank.

The Bank records income from lending securities as it accrues.

REPURCHASE AND REVERSE REPURCHASE AGREEMENTS

This facility is one of the mechanisms designed to deal with short-term liquidity fluctuations in the domestic money market. It is available to primary counterparties which are solvent institutions licensed and supervised by the Bank.

The term of a repurchase agreement and reverse repurchase agreement can vary from overnight to 91 days, depending on the liquidity conditions in the domestic market.

Interest earned by the Bank on repurchase agreements and interest paid by the Bank on reverse repurchase agreements is recognised in profit or loss.

OFFSETTING FINANCIAL INSTRUMENTS

The Bank offsets financial assets and liabilities and reports the net balance in the Statement of Financial Position where:

- (a) there is a legally enforceable right to set off; and
- (b) there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

FOREIGN CURRENCIES

All transactions denominated in foreign currencies are translated to Pula at the mid exchange rate at the transaction date. All assets and liabilities denominated in foreign currencies are translated to Pula using mid rates of exchange at the close of the financial year. Foreign currency differences arising on translation are recognised in profit or loss. However, all gains and losses relating to disposals whose proceeds are reinvested in foreign assets, and all the unrealised gains/losses arising on financial instruments are not considered distributable in terms of Bank policy; these items are appropriated to the Currency Revaluation Reserve.

RECOGNITION OF PROVISIONS AND CONTINGENT LIABILITIES

Contingent Liabilities

The Bank discloses a contingent liability where there is a possible obligation depending on whether some uncertain future event occurs or a present obligation but payment is not probable or the amount cannot be measured reliably.

Provisions

The Bank recognises provisions when:

- (a) it has a present legal obligation resulting from past events;
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation; and
- (c) a reliable estimate of the amount of the obligation can be made.

Measurement of Provisions

The Bank measures the provision at the amount which is the best estimate of the expenditure required to be settled. Risks and uncertainties are taken into account in measuring the provision. Provisions are re-measured at each reporting date. If an outflow is no longer probable, provisions are reversed.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2022

INCOME AND EXPENSE RECOGNITION

Financial Assets Measured at Amortised Cost

Interest income from financial assets measured at amortised cost is calculated using the effective interest method and is recognised in profit or loss. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. The calculation of the effective interest rate includes transaction costs that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability. For financial assets measured at amortised cost, future cash flow estimates are based on the carrying amounts of financial assets adjusted for loss allowances. Changes in carrying amounts are recognised in profit or loss (refer to Note 15).

Financial Assets Measured at FVTPL

For financial assets measured at FVTPL the measure of revenue is the net interest income received from investment securities. Dividends on fair value through profit or loss equity instruments are recognised in profit or loss when the right to receive payment is established. Usually, this is the ex-dividend date for quoted equities (refer to Note 15).

GENERAL RESERVE

Under Section 7(1) of the Bank of Botswana Act (CAP 55:01), the Bank is required to establish and maintain a General Reserve sufficient to ensure the sustainability of future operations. The Bank may transfer to the General Reserve funds from other reserves, which it maintains, for the purposes of maintaining the required level of the General Reserve.

CURRENCY REVALUATION RESERVE

Any changes in the valuation, in terms of Pula, of the Bank's assets and liabilities in holdings of Special Drawing Rights and foreign currencies as a result of any change in the values of exchange rates of Special Drawing Rights or foreign currencies and in realised currency gains reinvested in foreign assets are transferred to the Currency Revaluation Reserve.

The proportion directly attributable to the Government Investment Account is transferred to such investment account.

FAIR VALUE REVALUATION RESERVE

Any changes in the value of the Bank's long-term investments as a result of any change in the fair values of such investments are transferred to the Fair Value Revaluation Reserve.

The proportion directly attributable to the Government Investment Account is transferred to such investment account.

GOVERNMENT INVESTMENT ACCOUNT

The Government Investment Account, which was established on January 1, 1997, represents the Government's share of foreign exchange reserves in the Pula Fund and Liquidity Portfolio including its share of unrealised fair value and currency gains and losses.

PROPERTY, PLANT AND EQUIPMENT

At each Statement of Financial Position date, items of Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. This includes the cost of improving or replacing part of the Property, Plant and Equipment provided the recognition criteria are satisfied. Cost includes expenditure that is directly attributable to the acquisition and construction of an asset.

Intangible assets acquired or internally developed/modified are measured on initial recognition at cost. Costs directly associated with development or obtaining the software are capitalised while indirect costs related to the software development are expensed as incurred. The intangible assets are operating system software and are capitalised as part of Property, Plant and Equipment because they are an integral part of that item. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as indefinite unless useful life can be reliably estimated.

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2022

PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The estimated residual values of Property, Plant and Equipment are reviewed at least annually. The useful lives and depreciation methods of these items are reassessed at each financial year-end and adjusted prospectively. In this financial year, no change was made to the useful lives.

The Bank considers the pattern of use, technological and commercial obsolescence and regulatory requirements in its assessment of expected useful lives and estimated residual values.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use.

Any gain or loss arising on disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Repairs and maintenance costs are recognised in the statement of profit or loss during the financial year in which these costs are incurred. The cost of major renovations is included in the carrying amount of the related asset when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing asset will flow to the entity and the renovation replaces an identifiable part of the asset. Major renovations are depreciated over the remaining useful life of the related asset or over the period until the next planned renovation, whichever period is shorter.

Improvements that can function independently of the underlying asset are capitalised separately based on their specific useful lives. Replacements to Property, Plant and Equipment are accounted for based on the substitution approach. The cost and the accumulated depreciation of the existing assets are removed from the asset register and the new or replacement asset independently recorded over its own useful life.

Depreciation is recognised on a straight-line basis over the estimated useful lives of each part of Property, Plant and Equipment. The depreciation rates are as follows:

	Percent
Buildings	2.5 – 6
Other Assets	
Furniture, fixtures and equipment	5 – 25
Computer hardware	25
Computer software	20
Motor vehicles	5 – 25
Right-of-use: Land	4
Right-of-use: Building	25 - 50

Intangible Assets

The Bank's intangible assets are subjected to amortisation and are depreciated using the straight-line method over their estimated useful lives. The Bank's intangible assets are computer software and are held as part of Property, Plant and Equipment. In determining the useful life of computer software, the Bank considers the shelf life of the operating system, alternative technologies and obsolescence.

Impairment

The carrying values of the Bank's property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated to determine the extent of the loss. However, the valuation of land and buildings takes place every three years. These are valued on a fair value basis and the recoverable (revalued) amounts disclosed by way of a note to the financial statements.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss. The recoverable amount of an asset is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value that reflects current market assessments of the time value of money and the risk specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that these losses have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2022

PROPERTY, PLANT AND EQUIPMENT (Cont'd)

the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment was recognised.

EMPLOYEE BENEFITS

Retirement benefits

Pension benefits are provided for employees through the Bank of Botswana Defined Contribution Staff Pension Fund, in accordance with the Retirement Funds Act, 2022. The contribution per pensionable employee is at the rate of 21.5 percent of pensionable salary, which comprises 16 percent and 1.5 percent payable by the Bank as its contribution to the Fund and for administration costs of the Fund, respectively, and a 4 percent contribution by each active pensionable employee. Other than the contributions made, the Bank has no commitments or obligations to the Fund. Obligations for contributions to the pension fund are recognised in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Other benefits

Employee benefit expense consists of staff subsidy on staff loans charged as a period cost based on the differential between the market interest rate and staff rate over the period of the loan.

LEASES

The Bank assesses whether a contract is, or contains a lease, at the time of inception, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Bank applies a single recognition and measurement approach for all leases and recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets.

For new leases the asset is calculated as the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct costs incurred, minus any lease incentives received. The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses. The Bank depreciates the right-of-use assets on a straight line basis over the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain pre-measurements of the lease liability.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease and by reducing the carrying amount to reflect the lease payments. It is re-measured when there is a change in future lease payments arising from a change in the rate, or in cases of extension or termination option or if there is a revised in-substance fixed lease payment. The office space lease agreement was extended for an additional 12 months beginning October 1, 2022.

The Bank has three leased properties which include an office space, a warehouse and land upon which the Bank's Sports and Recreation facility was built. These lease agreements were negotiated on an individual and separate basis. Therefore, these leases contain different terms and conditions and should be considered as separate lease agreements. These leases have options for renewal upon expiry of the original agreement. The renewal option included in the lease agreements are reasonably certain to be exercised.

All leases are recognised in the Bank's statement of financial position.

RELATED PARTY TRANSACTIONS

The Bank enters into various transactions with other wholly owned or partly owned Government institutions and its key management personnel (related parties). All related party transactions are entered into at mutually agreed terms and conditions in the ordinary course of business. The transactions with key management personnel are staff benefits provided under the General Conditions of Service of the Bank.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2022

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Determination of fair values of financial instruments with unobservable inputs (or market data) - level 2

If the market for a financial asset is not active, the Bank establishes fair value by using valuation techniques (level 2). These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants (refer to Note 31).

Determination of expected credit losses

The Bank has adopted the Probability of Default and Loss Given Default models in the determination of ECL. In applying these models, the Bank considers factors such as current economic circumstances of the markets in which it holds investments, forward looking economic and financial indicators to consider the likelihood of a default occurring within the next 12 months (refer to Note 30 on the measurement of ECL).

Right-of-use rate for IFRS 16 lease

The lease liability is initially measured at the present value of the lease payments not paid at the commencement date discounted using the rate implicit in the lease or, if that rate cannot be readily determined, at the applicable Monetary Policy Rate plus a margin as determined by the Bank, which is the interest rate the Bank is willing to lend in its role as a lender of last resort.

Useful life and residual value of assets

The Bank estimates useful life of each part of Property, Plant and Equipment (refer to significant accounting policies – Property, Plant and Equipment). The useful lives and depreciation methods of these items are reassessed annually. The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended December 31, 2022

	2022	2021
	P'000	P'000
1. FOREIGN EXCHANGE RESERVES		
1.1 Liquidity Portfolio		
Amounts due from Pula Fund: amortised cost	363 589	571 568
Short-term deposits: amortised cost	5 605 230	1 828 627
Less: impairment loss (Note 30)	(8 422)	(3 212)
	<u>5 960 397</u>	<u>2 396 983</u>
1.2 Pula Fund		
Equities: FVTPL	21 696 865	25 284 820
Bonds: FVTPL	18 934 626	22 271 493
Derivative instruments: assets (Note 12.3)	1 588 289	48 334
Amounts due to Liquidity Portfolio: amortised cost	(363 589)	(571 568)
Derivative instruments: liabilities (Note 12.3)	(1 598 984)	(23 425)
Short-term deposits: amortised cost	3 087 565	1 669 185
Less: impairment loss (Note 30)	(2 469)	(1 421)
	<u>43 342 303</u>	<u>48 677 418</u>
(a) Statement of Financial Position		
<i>Capital Employed</i>		
Government	14 316 612	5 607 752
Bank of Botswana	29 025 691	43 069 666
	<u>43 342 303</u>	<u>48 677 418</u>
<i>Employment of Capital</i>		
Investments	<u>43 342 303</u>	<u>48 677 418</u>
Investments expressed in US dollars ('000) ³	<u>3 402 371</u>	<u>4 176 552</u>
Investments expressed in SDR ('000) ⁴	<u>2 548 527</u>	<u>2 993 661</u>
(b) Statement of Profit or Loss and Other Comprehensive Income		
<i>Income</i>		
Interest and dividends	877 596	904 144
Realised currency revaluation gains	1 216 018	760 660
Unrealised currency revaluation gains	462 334	1 299 318
Realised fair value gains	(36 647)	3 071 216
Unrealised fair value losses	(7 995 787)	(13 367)
Impairment loss on financial assets	(1 048)	(414)
	<u>(5 477 534)</u>	<u>6 021 557</u>
<i>Expenses</i>		
Administration costs	(222 736)	(216 543)
	<u>(222 736)</u>	<u>(216 543)</u>
Net (loss)/income	(5 700 270)	5 805 014
<i>Other comprehensive income</i>	-	-
Total comprehensive (loss)/income	<u>(5 700 270)</u>	<u>5 805 014</u>

3 United States dollar/Pula – 0.0785 (2021: 0.0858)

4 SDR/Pula – 0.0588 (2021: 0.0615)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2022

	2022	2021
	P'000	P'000
2. INTERNATIONAL MONETARY FUND (IMF)		
2.1 Reserve Tranche		
This asset represents the difference between Botswana's Quota in the IMF and IMF Holdings of Pula. Botswana's Quota is the membership subscription, of which at least 25 percent was paid for in foreign currencies and the balance in Pula. The holding of Pula by the IMF, which initially was equal to 75 percent of the quota, has changed from time to time as a result of the use of the Pula by the IMF in lending to member countries. The IMF has created an international reserve asset called the Special Drawing Right (SDR). All rights in, and commitments to the IMF are denominated in SDR. The value of the SDR is calculated on the basis of a currency basket comprising the US dollar, euro, Chinese renminbi, Japanese yen, and Pound sterling.		
Quota SDR 197 200 000 (2021: SDR 197 200 000)	3 356 304	3 252 713
Less: IMF Holdings of Pula	(2 390 168)	(2 431 858)
Reserve Position in IMF	<u>966 136</u>	<u>820 855</u>
The IMF Holdings of Pula are represented by the Non-Interest-Bearing Note of P1 477 900 684 (2021: P1 477 900 684) issued by the Government of Botswana in favour of the IMF, maintenance of value currency adjustments and the amount in the current account held at the Bank (included in other deposits in Note 8).		
2.2 Holdings of Special Drawing Rights		
Balance at the beginning of the year	4 097 651	926 805
Allocation of SDR	-	3 033 826
Net interest & remuneration	10 808	441
Currency revaluation	131 291	136 579
	<u>4 239 750</u>	<u>4 097 651</u>
The balance on the account represents the value of Special Drawing Rights (SDR) allocated and purchased less utilisation to date.		
2.3 General Subsidy Account		
Face value (SDR 1 520 000)	25 870	25 072
Interest	18	17
	<u>25 888</u>	<u>25 089</u>
This is an investment with the IMF, the purpose of which is to augment the resources of the Poverty Reduction and Growth Trust Fund. The term of investment agreement of August 22, 2022 was extended to August 30, 2027.		
3. RECEIVABLES AND OTHER ASSETS		
Staff loans and advances (Note 30)	193 995	177 046
Prepayments	7 772	4 125
Donor funds – Government projects	150 050	33 108
Advance payment – furniture for PulaThebe project	19 835	19 061
Trade Receivables (Note 30)	694	351
Other	4 228	3 845
	<u>376 574</u>	<u>237 536</u>
Trade receivables have been presented separately to enhance presentation with no impact on the numbers presented. The comparative information for the 2021 financial year has been revised to align to the improved presentation.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Leasehold Land	Buildings	Capital Works in Progress (Redevelopment Project)	Capital Works in Progress (Other Assets) ⁵	Rights of Use Assets	Other ⁶ Assets	Total
	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000
Cost - December 31, 2022								
Balance at the beginning of the year	2 065	4 932	694 785	185 859	19 849	16 399	316 681	1 240 570
Additions	-	-	-	191 412	8 811	1 586	77 903	279 712
Disposals	-	-	-	-	-	-	(6 425)	(6 425)
Transfers from WIP	-	-	-	(5 326)	(17 662)	-	22 988	-
Balance at year-end	2 065	4 932	694 785	371 945	10 998	17 985	411 147	1 513 857
Accumulated Depreciation								
Balance at the beginning of the year	-	-	126 761	-	-	13 190	168 622	308 573
Charge for the year	-	-	18 192	-	-	3 469	26 668	48 329
Disposals	-	-	-	-	-	-	(5 330)	(5 330)
Balance at year-end	-	-	144 953	-	-	16 659	189 960	351 572
Net book value at December 31, 2022	2 065	4 932	549 832	371 945	10 998	1 326	221 187	1 162 285
Cost - December 31, 2021								
Balance at the beginning of the year	2 065	4 932	411 862	344 522	3 312	15 830	236 344	1 018 867
Additions	-	-	-	227 723	17 662	569	16 479	262 433
Disposals	-	-	(37 720)	-	-	-	(3 010)	(40 730)
Transfers from WIP	-	-	320 643	(386 386)	(1 125)	-	66 868	-
Balance at year-end	2 065	4 932	694 785	185 859	19 849	16 399	316 681	1 240 570
Accumulated Depreciation								
Balance at the beginning of the year	-	-	140 505	-	-	9 211	156 158	305 874
Charge for the year	-	-	11 797	-	-	3 979	14 821	30 597
Disposals	-	-	(25 541)	-	-	-	(2 357)	(27 898)
Balance at year-end	-	-	126 761	-	-	13 190	168 622	308 573
Net book value at December 31, 2021	2 065	4 932	568 024	185 859	19 849	3 209	148 059	931 997

⁵ Capital works (other assets) comprises work in progress relating to computer hardware and software projects.

⁶ Other assets comprise of furniture, fixtures and fittings, computer hardware, computer software and motor vehicles (Note 4.3).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

PROPERTY, PLANT AND EQUIPMENT (Cont'd)

4.1 Breakdown of the right-of-use assets	Land P'000	Buildings P'000	Total P'000
Balance at January 1, 2022	606	15 793	16 399
Additions	-	1 586	1 586
	606	17 379	17 985
Accumulated depreciation	(509)	(16 150)	(16 659)
Net book value at December 31, 2022	97	1 229	1 326
Balance at January 1, 2021	606	15 224	15 830
Additions	-	569	569
	606	15 793	16 399
Accumulated depreciation	(485)	(12 705)	(13 190)
Net book value at December 31, 2021	121	3 088	3 209

4.2 Lease liability: right-of-use

	2022 P'000	2021 P'000
Balance at the beginning of the year	3 791	7 705
Lease liability: right-of-use	(3 968)	(4 483)
Additions	1 573	569
Balance at the end of the year	1 396	3 791

4.3 Other Assets

	Motor Vehicles P'000	Furniture, Fixtures & Equipment P'000	Computer Hardware P'000	Computer Software P'000	Total P'000
Cost – December 31, 2022					
Balance at the beginning of the year	17 371	221 459	37 633	40 218	316 681
Additions	9 874	4 994	61 843	1 192	77 903
Disposals	(2 849)	(3 004)	(572)	-	(6 425)
Transfers from WIP	-	626	21 269	1 093	22 988
Balance at year-end	24 396	224 075	120 173	42 503	411 147
Accumulated depreciation					
Balance at the beginning of the year	9 146	98 372	27 923	33 181	168 622
Charge for the year	1 786	13 745	8 758	2 379	26 668
Disposals	(1 994)	(2 795)	(541)	-	(5 330)
Balance at year-end	8 938	109 322	36 140	35 560	189 960
Net book value at December 31, 2022	15 458	114 753	84 033	6 943	221 187

As per IAS 16.73 disclosure of classes of assets have been presented separately to enhance presentation with no impact on the numbers presented.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued) For the year ended December 31, 2022

	2022 P'000	2021 P'000
5. ALLOCATION OF IMF SPECIAL DRAWING RIGHTS (SDR)		
Balance at the beginning of the year	4 064 893	896 203
Allocation of SDR	-	3 033 826
Currency revaluation gains	129 457	134 864
Balance at the end of the year	<u>4 194 350</u>	<u>4 064 893</u>
This is the liability of the Bank to the IMF in respect of the allocation of SDR to Botswana.		
6. LIABILITIES TO GOVERNMENT (IMF RESERVE TRANCHE)		
Balance at the beginning of the year	321 808	246 311
Purchase of SDR	112 269	30 730
Revaluation currency gains	33 012	44 767
Balance at the end of the year	<u>467 089</u>	<u>321 808</u>
This balance represents the Bank's liability to the Government in respect of the Reserve Tranche position in the IMF (Note 2.1).		
7. NOTES AND COIN IN CIRCULATION		
Notes	3 950 535	4 064 836
Coin	135 349	133 550
	<u>4 085 884</u>	<u>4 198 386</u>
Notes and coin in circulation held by the Bank at the end of the financial year have been netted off against the liability for notes and coin in circulation to reflect the net liability to the public. Notes and coin are a cost to the Bank which becomes a liability on distribution to the public. Notes and coin in circulation are payable on demand.		
8. DEPOSITS		
Government	1 177 679	1 167 845
Bankers -current accounts	37 327	197 602
-statutory reserve accounts	1 214 459	1 619 555
-IMF No 1 & 2 accounts	809 855	813 840
-Other	543 494	525 838
	<u>3 782 814</u>	<u>4 324 680</u>
These deposits are various current accounts of Government, commercial banks, parastatal bodies and others, which are repayable on demand and are interest free, except for the statutory reserve requirement, which is also interest free, but not repayable on demand.		
9. BANK OF BOTSWANA CERTIFICATES		
Face value	3 275 000	2 300 000
Unmatured discount	(1 190)	(156)
Carrying amount	<u>3 273 810</u>	<u>2 299 844</u>
Bank of Botswana Certificates are issued at various short-term maturity dates (Note 30) and discount rates.		
9.1 REVERSE REPURCHASE AGREEMENTS		
Amortised cost	<u>-</u>	<u>1 478 950</u>
The 2021 reverse Repurchase Agreements matured on January 4, 2022.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2022

	2022	2021
	P'000	P'000
10. DIVIDEND TO GOVERNMENT		
Balance due at the beginning of the year	3 175 135	2 300 992
Dividend to Government from Pula Fund	203 000	420 000
Paid during the year	(3 327 385)	(2 615 992)
Residual net income	222 455	3 070 135
Balance due at the end of the year	273 205	3 175 135
The final instalment of the pre-set dividend of P50 750 000 and the residual net income of P222 455 488 unpaid as at December 31, 2022 has been provided for in accordance with Section 6 of the Bank of Botswana Act (CAP 55:01); which requires that net profits of the Bank be distributed to the shareholder, the Government. However, an amount of P15 000 000 was unappropriated to provide seed capital on behalf of Government to the Deposit Insurance Scheme set out in Section 43A of the Bank of Botswana (Amendment) Act 2022 promulgated on February 14, 2023.		
10.1 GOVERNMENT INVESTMENTS/ (WITHDRAWALS) – PULA FUND		
Balance at the beginning of the year	5 607 752	2 847 697
Investments	16 062 720	12 312 425
Withdrawals	(7 353 860)	(9 552 370)
Balance at the end of the year	14 316 612	5 607 752
11. PAYABLES AND OTHER LIABILITIES		
Accounts payable	17 195	24 792
Donor funds – Government projects	150 050	33 108
Lease liability	1 396	3 792
Provisions (refer to Note 11.1)	113 848	93 003
Accruals and Other Payables	4 620	6 816
	287 109	161 511

Provisions have been presented separately from accruals and payables to enhance presentation with no impact on the numbers presented. The comparative information for the 2021 financial year has been revised to align to the improved presentation.

11.1 PROVISIONS

	Provision for Audit fees P'000	Provision for Fund Manager's fees P'000	Provision for leave P'000	Provision for Gratuity P'000	Total P'000
Balance at January 1, 2022	-	45 705	31 834	15 464	93 003
Provision paid	-	(33 122)	(18 701)	-	(51 823)
Cost paid during the year	-	(58 572)	-	-	(58 572)
Provision arising during the year	1 434	104 430	17 466	7 910	131 240
Balance at December 31, 2022	1 434	58 441	30 599	23 374	113 848

Details for each class of provision for the period have been provided as per IAS 37.84 disclosure requirements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2022

	2022 P'000	2021 P'000
12. CATEGORIES OF FINANCIAL INSTRUMENTS		
12.1 Financial Assets		
Measured at FVTPL		
Equities	21 696 865	25 284 820
Bonds	18 934 626	22 271 493
Derivative assets	1 588 289	48 334
	<u>42 219 780</u>	<u>47 604 647</u>
Measured at Amortised Cost		
IMF Reserves	5 231 774	4 943 595
Staff loans and advances	193 995	177 046
Short-term deposits	8 681 904	3 497 812
Trade Receivables	694	351
Standing Credit Facility	248 965	-
	<u>14 357 332</u>	<u>8 614 171</u>
Total Financial Assets	<u>56 577 112</u>	<u>56 218 818</u>
The above is disclosed in the Statement of Financial Position as follows:		
Total Foreign Assets	54 534 474	56 017 996
Add: Derivative instruments (liabilities) (Note 1.2)	1 598 984	23 425
Standing Credit Facility	248 965	-
Receivables and Other Assets - staff loans and advances (Note 3)	194 689	177 397
	<u>56 577 112</u>	<u>56 218 818</u>
The carrying value of trade receivables net impairment loss on receivables had been included under financial assets measured at amortised cost to enhance presentation, the comparative amount for 2021 has been revised to align to the improved presentation.		
12.2 Financial Liabilities		
Measured at FVTPL		
Derivative instruments (Note 1.2)	1 598 984	23 425
Measured at amortised cost		
Bank of Botswana Certificates	3 273 810	2 299 844
Reverse Repurchase Agreements	-	1 478 950
Allocation of SDR (IMF)	4 194 350	4 064 893
Liabilities to Government (IMF)	467 089	321 808
Deposits	3 782 814	4 324 680
Standing Deposit Facility	341 077	-
Dividend to Government	273 205	3 175 135
Payables and Other Liabilities	137 059	128 403
	<u>14 068 388</u>	<u>15 817 138</u>

The payables and other liabilities figure excludes Donor funds - Government projects, which do not meet the definition of a financial liability. The comparative amount for 2021 has been revised to align to the improved presentation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

CATEGORIES OF FINANCIAL INSTRUMENTS (Cont'd)

12.3 Derivative Instruments

The Bank's Reserve Management Policies and Investment Guidelines authorise the use of derivative instruments. The derivatives are held for managing risk.

The table below shows the market values and the total notional exposures of derivative instruments as at year end.

		Asset	Liabilities	Notional Amount	Assets	Liabilities	Notional Amount
		2022 (P'000)	2022 (P'000)	2022 (P'000)	2021 (P'000)	2021 (P'000)	2021 (P'000)
Futures	-Buy	1 562 945	-	1 613 452	14 517	-	2 426 199
	-Sell	-	(1 496 780)	(1 544 820)	-	(12 086)	(1 953 885)
Swaps	-Buy	25 344	-	27 474	33 817	-	49 960
	-Sell	-	(102 204)	(9 391)	-	(11 339)	(2 993)
		<u>1 588 289</u>	<u>(1 598 984)</u>	<u>86 715</u>	<u>48 334</u>	<u>(23 425)</u>	<u>519 281</u>

The above derivatives are classified by type of asset and instrument. The assets and liabilities reflect the net position between the market values and the notional amounts.

Futures

A futures contract is an agreement executed on the floor of an exchange to buy or sell a specific amount of a security or cash at a specified price and time. A futures contract would be an agreement to either buy or sell a specified amount of a security at a specified price and date, while a currency futures contract will be an agreement to either buy or sell a specified amount of currency at a specified exchange rate and date. Futures contracts are collateralised by cash or marketable securities and changes in the futures contract values are settled daily.

Swaps

A swap is an agreement between two or more parties to exchange sets of cash flows over a period in the future, typically either in the form of interest rate swaps or currency swaps. The cash flows that the counterparties make are linked to the value of the underlying debt financial instrument or the foreign currency, as the case may be.

	2022 P'000	2021 P'000
13. PAID-UP CAPITAL		
Authorised and Paid-up Capital	25 000	25 000
The capital is the amount subscribed by the Government in accordance with Section 5 of the Bank of Botswana Act (CAP 55:01). The Bank is not subject to any externally imposed capital requirements. Therefore, capital is not actively managed. Management considers the Paid-up Capital and the General Reserve to be capital.		
14. GENERAL RESERVE	<u>1 600 000</u>	<u>1 600 000</u>
In the opinion of the Board, the General Reserve, taken together with other reserves which the Bank maintains, is sufficient to ensure the sustainability of future operations of the Bank.		
15. INTEREST – FOREIGN EXCHANGE RESERVES		
Liquidity Portfolio		
Bonds: FVTPL	-	26 448
Short-term deposits: amortised cost	260 379	61 153
IMF Reserves: amortised cost	11 597	440
Pula Fund		
Short-term deposits: amortised cost	39 886	11 941
Bonds: FVTPL	462 152	478 423
	<u>774 014</u>	<u>578 405</u>

The interest on foreign exchange reserves relates to interest income.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued) For the year ended December 31, 2022

CATEGORIES OF FINANCIAL INSTRUMENTS (Cont'd)

	2022 P'000	2021 P'000
16. DIVIDENDS – FOREIGN EXCHANGE RESERVES		
Pula Fund		
Equities: FVTPL	375 559	413 780
17. NET REALISED FAIR VALUE GAINS/(LOSSES) ON DISPOSAL OF SECURITIES		
Liquidity Portfolio		
Bonds FVTPL	-	16 564
Pula Fund		
Bonds: FVTPL	(719 930)	332 537
Derivative instrument: FVTPL	(93 856)	(24 466)
Equities: FVTPL	777 139	2 763 145
	<u>(36 647)</u>	<u>3 087 780</u>
18. NET REALISED CURRENCY GAINS/(LOSSES)		
Liquidity Portfolio		
Short-term deposits: amortised cost	327 294	249 247
Bonds: FVTPL	77	65 105
Pula Fund		
Derivative instruments: FVTPL	(63 045)	29 348
Short-term deposits: amortised cost	69 283	(591 617)
Bonds: FVTPL	705 887	951 191
Equities: FVTPL	503 893	371 738
	<u>1 543 389</u>	<u>1 075 012</u>
Included above are net currency gains of P69 283 000 (2021: P591 617 000) on disposal of short-term deposits measured at amortised cost.		
19. NET UNREALISED CURRENCY GAINS/(LOSSES)		
Liquidity Portfolio		
Short-term deposits: amortised cost	(99 796)	(9 002)
Bonds: FVTPL	-	(71 322)
IMF reserves: amortised cost	1 844	3 069
Pula Fund		
Short-term deposits: amortised cost bonds: FVTPL	(30 729)	17 717
Bonds: FVTPL	231 055	805 959
Equities: FVTPL	255 133	474 050
Derivative instruments: FVTPL	6 875	1 593
	<u>364 382</u>	<u>1 222 064</u>
20. NET UNREALISED FAIR VALUE (LOSSES)/GAINS		
Liquidity Portfolio		
Bonds: FVTPL	-	(58 844)
Pula Fund		
Derivative instruments: FVTPL	(104 285)	20 885
Bonds: FVTPL	(2 348 313)	(1 409 483)
Equities: FVTPL	(5 543 189)	1 375 231
	<u>(7 995 787)</u>	<u>(72 211)</u>
21. INTEREST EXPENSE		
Bank of Botswana Certificates (BoBCs)	55 272	60 530
Reverse Repurchase Agreements	808	3 027
Standing Deposit Facility	14 303	-
	<u>70 383</u>	<u>63 557</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2022

CATEGORIES OF FINANCIAL INSTRUMENTS (Cont'd)

	2022 P'000	2021 P'000
22. NET CURRENCY REVALUATION GAINS/(LOSSES) RETAINED IN PROFIT OR LOSS		
Total net realised (Note 18)	1 543 389	1 075 012
Total net unrealised gains (Note 19)	364 382	1 222 064
Total net currency revaluation gains	<u>1 907 771</u>	<u>2 297 076</u>
Appropriated to Currency Revaluation Reserve:		
Net realised currency gains reinvested in foreign assets	(1 362 183)	(835 256)
Net unrealised currency gains (Note 19)	(364 382)	(1 222 064)
Transfer of net currency gains to Currency Revaluation Reserve	<u>(1 726 565)</u>	<u>(2 057 320)</u>
Net currency revaluation gains retained in profit or loss	<u>181 206</u>	<u>239 756</u>
23. NET FAIR VALUE GAINS/(LOSSES) APPROPRIATED TO FAIR VALUE REVALUATION RESERVE		
Total net realised (losses)/gains (Note 17)	(36 647)	3 087 780
Total net unrealised losses (Note 20)	(7 995 787)	(72 211)
Total net fair value (losses)/gains	<u>(8 032 434)</u>	<u>3 015 569</u>
Appropriated to Fair Value Revaluation Reserve:		
Transfer of unrealised fair value losses to fair value revaluation reserve	7 995 787	13 367
Net fair value (losses)/gains retained in profit or loss	<u>(36 647)</u>	<u>3 028 936</u>
24. CONTRIBUTION TO THE BANK OF BOTSWANA DEFINED CONTRIBUTION STAFF PENSION FUND		
The Bank's contribution to the Bank of Botswana Defined Contribution Staff Pension Fund for the year ended December 31, 2022 was P51 372 600 (2021: P45 048 584).		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

25. STATEMENT OF CASH FLOWS

The definition of cash in IAS 7 is not wholly appropriate to the Bank. Due to its role in the creation and withdrawal of currency in circulation, the Bank has no cash balances on its Statement of Financial Position (see Note 7). However, the Bank has the ability to create cash when needed.

	2022	2021
	P'000	P'000
26. CASH GENERATED FROM OPERATIONS		
Net (loss)/income for the year adjusted for:	(5 828 767)	5 534 088
Net realised and unrealised exchange gains	(1 726 565)	(2 057 320)
Unrealised fair value losses	7 995 787	13 367
Depreciation expense	48 329	30 597
Other impairments	3 849	16 793
Provisions	113 848	93 003
Other liabilities - accruals	3 309	5 078
Accrued interest income: foreign exchange reserves	87 602	55 168
Interest on lease liability	119	320
Impairment loss reduction on financial assets	6 519	(2 554)
Loss on disposal of property and equipment	147	12 254
Interest - foreign exchange reserves	(774 014)	(578 405)
Dividends - foreign exchange reserves	(375 559)	(413 780)
Interest expense	70 383	63 507
	<u>(375 013)</u>	<u>2 772 116</u>
Adjustments for movements in:		
Deposits - banks and other	(551 699)	(487 822)
Deposits - Government	9 834	83 571
Bank of Botswana Certificates	973 966	(5 479 604)
Reverse Repurchase Agreements	(1 478 950)	61 012
Standing Deposit Facility	341 077	-
Standing Credit Facility	(249 164)	-
Receivables and Other Assets	(142 949)	170 079
Payables and Other Liabilities	12 409	(247 203)
Cash used in operations before movements relating to currency in circulation	<u>(1 460 489)</u>	<u>(3 127 851)</u>
26.1 INVESTMENTS/(WITHDRAWALS) FROM FOREIGN EXCHANGE RESERVES		
Net Income from foreign exchange reserves	1 149 573	992 186
Realised currency gains (retained in income statement)	181 206	239 754
Realised fair value (losses)/gains	(36 647)	3 087 780
Forex exchange inflows/(outflows)	3 285 631	(6 831 991)
Expenses	(62 542)	(65 342)
Unrealised fair value losses – liquidity	-	(58 844)
Total investments/(withdrawals)	<u>4 517 221</u>	<u>(2 636 457)</u>
27. CAPITAL COMMITMENTS		
Approved and contracted for	287 137	359 690
Approved, but not contracted for	236 346	149 433
	<u>523 483</u>	<u>509 123</u>

These capital commitments will be funded from internal resources.

(a) Credit Facility

There were no open positions as at December 31, 2022 (2021: Nil) under the Credit Facility accounted for as “Advances to banks”.

(b) Securities Lending Programme

Under the Bank’s Securities Lending Programme, the Bank has lent securities with a fair value of P7.0 billion (2021: P8.3 billion). The Bank has accepted collateral with fair value of P7.3 billion (2021: P8.7 billion) consisting of government bonds (P3.5 billion), cash (P3.1 billion) and equities (P0.7 billion).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

	2022 P'000	2021 P'000
28. STANDING CREDIT FACILITY		
Amortised cost	249 164	-
Less: impairment loss (Note 30)	(199)	-
	248 965	-

The Standing Credit Facility (SCF) acts as the ceiling of the interest rate corridor and it is 100 basis points above the anchor rate (MoPR). Individual banks borrow from the Bank at the SCF rate.

29. STANDING DEPOSIT FACILITY

Amortised cost	341 077	-
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The Standing Deposit Facility (SDF) acts as the floor of the interest rate corridor and is 100 basis points below the anchor rate (MoPR). The SDF is used as an overnight deposit facility at the SDF rate.

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS

Risk is inherent in the Bank's management of financial instruments comprising primarily foreign currency denominated assets, which are held in various financial instruments and currencies. This risk is managed through a process of ongoing identification, measurement and monitoring that is subject to an extensive framework of risk limits and other controls. The process of risk management is critical to the Bank's ongoing operations, with the day-to-day management of the financial instruments being conducted by the Financial Markets Department. A key element in the risk management of the foreign exchange reserves is safety, defined as the preservation of purchasing power of the foreign exchange reserves. To this end, the Bank has continued to pursue a prudent and diversified investment strategy. The Bank's objectives, policies and procedures for managing the risk exposures and the method used to measure the risks have remained consistent with the prior year. The risk management framework remains sound and effective.

Risk Management Governance Structure

The Bank's risk management governance structure is broadly as follows:

(a) Board

The Board is responsible for the Bank's overall risk management and for approving Reserves Management Policies and the strategic asset allocation. The Board receives quarterly reports on the performance of the portfolio.

(b) Investment Committee

The Investment Committee, which is chaired by the Governor and comprises representatives from relevant areas of the Bank, reviews and approves the Investment Guidelines for the foreign exchange reserves. It meets regularly to review developments in the international financial and capital markets. Where necessary, the Investment Committee makes strategic and tactical decisions on Bank-managed portfolios. The Investment Committee also monitors the performance of the external fund managers and reports on same to the Board.

(c) Financial Markets Department

The Financial Markets Department is responsible for the management of the foreign exchange reserves and has a specialised Risk Management Unit focusing on the risks associated with all the investment portfolios and ensures compliance with the Bank's Reserves Management Policies and Investment Guidelines.

(d) External Fund Managers and Custody

External fund managers are engaged to complement the Bank's reserve management activity. The Bank uses the services of a custodian which provides custodial services and performance measurement for the Bank's portfolios. The custodian is also responsible for the securities lending programme and ensures that sufficient collateral is provided to mitigate associated risks.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Cont'd)

(e) Segregation of Duties

At an operational level, the main feature of risk control is the segregation of duties relating to dealing, settlement, risk monitoring and recording. These responsibilities are split among three Departments: Financial Markets, Payments and Settlement and Finance.

Tranching of Foreign Exchange Reserves – Liquidity Portfolio and Pula Fund

The Bank of Botswana Act (CAP 55:01) requires the Bank to maintain a primary international reserve, that is, the Liquidity Portfolio, while Section 35 provides for the establishment and maintenance of a long-term investment fund, the Pula Fund. In compliance with the statutory requirements, a major feature of the foreign exchange reserves management strategy is, therefore, to allocate a certain level of reserves to the Liquidity Portfolio, with the remaining amount invested in the Pula Fund.

Pula Fund

Investments of the Pula Fund comprise long-term assets, such as long-dated bonds and equities actively traded in highly liquid global markets, with the expectation of earning a higher return than the risk-free rate. The asset allocation between bonds and equities is determined using a combination of historical data and assumptions. Exercises are also conducted in respect of the Pula Fund risk/return sensitivity analysis, using different portfolio options, where risk is measured by a standard deviation on the rate of return. A small allocation (5 percent) is made to a high yield portfolio with the aim of enhancing the return potential of the reserves. To mitigate currency risk in the high yield portfolio hedging is used to limit non-US dollar currency exposure to no more than 25 percent.

Liquidity Portfolio

In terms of the investment guidelines, liquidity takes precedence over return in the Liquidity Portfolio, given the recurring need to provide foreign exchange to finance international transaction payments. While the eligible investment currencies are similar to those of the Pula Fund, the Liquidity Portfolio is largely invested in shorter-dated assets. The Liquidity Portfolio is sub-divided into the Liquidity Investment Tranche (LIT) and the Transaction Balances Tranche (TBT), comprising highly-liquid investments in the Bank's international transaction currencies.

The LIT is invested in government bonds, government guaranteed bonds, supranational bonds of eligible investment grade currencies and eligible money market instruments. During the financial year 2022, LIT was liquidated to fund the TBT as a result of drawdowns from the TBT to provide foreign currency to the economy and government for payments of goods and services.

Types of Risk Exposure

The Bank's investment guidelines cover basic types of risk exposures, namely, market risk (currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. These types of risk apply to the foreign assets and liabilities.

(a) Currency Risk

Currency risk or exchange rate risk arises when exchange rates move against the reporting currency. The reserves are invested in diverse currencies to mitigate the impact of exchange rate movements. The Bank's policy is to invest only in currencies with investment grade ratings assigned by Moody's Investors Services, Standard and Poor's and Fitch Ratings. Through a diversified currency allocation, the Bank ensures that the purchasing power of the foreign exchange reserves is preserved. In terms of the investment guidelines, a maximum deviation from the neutral level is 10 percent for currencies rated AAA to AA-, 6 percent for currencies rated between A+ and A-, 5 percent for BBB+. At the end of 2022, the Bank's total exposure to major investment currencies was P47.3 billion (2021: P50.3 billion). The Bank is also exposed to SDR currency risk on net IMF balances amounting to P0.57 billion (2021: P0.56 billion). The Bank's risk management strategy with regard to currency risk has not changed due to the COVID-19 pandemic.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Cont'd)

Exposure to Currency Risk

The Table below shows the investment currencies to which the Bank had exposure as at December 31, 2022.

	2022	2021
Major Investment Currencies	(P'000)	(P'000)
AUD	1 087 703	803 051
CAD	1 196 586	1 282 474
EURO	5 504 322	6 892 980
GBP	1 884 473	2 225 657
JPY	3 995 810	4 473 234
USD	25 375 167	26 789 860
Other ⁷	8 220 647	7 867 726
Impairment loss on financial assets	(10 891)	(4 633)
	47 253 817	50 330 349

(b) Interest Rate Risk

Interest rate risk is the possible loss in the value of a fixed income asset resulting from an adverse movement in interest rates and a consequent change in price. Interest rate risk is measured by modified duration, which measures the sensitivity of the price of a bond to changes in interest rates expressed in years. The Bank benchmarks the interest rate risk for the Pula Fund (fixed income assets) to reflect the long-term nature of the portfolio, with emphasis on higher return. The higher interest rate risks generally compensated by higher returns expected from longer maturity bonds. The modified duration benchmark will vary over time, as changing market conditions and index weights impact the global modified duration of the index. At the end of 2022, the average modified duration of the fixed income portion of the Pula Fund was 6 years (2021: 7.2 years). The Pula Fund's total exposure to interest rate risk was P18.9 billion (2021: P22.3 billion). The Liquidity Portfolio gives priority to liquidity over return and given the constant need to provide foreign exchange to finance international transaction payments, the portfolio is exposed to minimum interest rate risk. At the end of 2022, the Liquidity Portfolio value of P5.6 billion (2021: P1.8 billion) comprised of cash and cash equivalents, therefore, total exposure to interest rate risk was nil (2021: Nil).

(c) Equity Price Risk

Equity price risk is the risk that the value of equities decrease as a result of changes in the level of equity indices and diminution of value of individual stocks. The geographic allocation of equity exposure follows generally the market capitalisation among the equity markets. The investment guidelines stipulate the holding levels of equities. Holdings of more than 10 percent of the voting rights of any one company are not permitted and the portfolio must hold a reasonable number of stocks. A reasonable spread among the industry sectors is maintained in the portfolio. There are no investments in private placements or unquoted stocks. At the end of 2022, the equity portion of the Pula Fund was P21.7 billion (2021: P25.3 billion).

Market Risk Sensitivity Analysis

The set of assumptions used for each of the risk factors hereunder are not forecasts, but merely "what if" scenarios and the likely impact on the current portfolio, based on selected changes in risk variables over a one-year horizon.

The Table below gives an indication of the risk sensitivities of the portfolio to various risk parameters. Assuming that the probability of the beneficial change in the risk variables are as likely to happen as an adverse change, both potential increase and decrease are shown for the indicated scenarios.

⁷ Includes emerging markets currencies.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Cont'd)

December 31, 2022

Risk Variable	Adverse market change			Beneficial market change	
		Scenario	Effect on Statement of Profit or Loss and Other Comprehensive Income ⁸ (P'000)	Scenario	Effect on Statement of Profit or Loss and Other Comprehensive Income (P '000)
Interest Rate Risk		Increase in yields by 400 basis points	4 534 066	Decrease in yields by 400 basis points	(4 534 066)
Currency Risk	Investment currencies	Strengthening of the Pula by 1 percent	524 856	Weakening of the Pula by 1 percent	(524 856)
	South African rand	Strengthening of the Pula by 1 percent	20 489	Weakening of the Pula by 1 percent	(20 489)
Equity Risk	Global Equities	Decline in global equity prices by 10 percent	2 169 687	Increase in global equity prices by 10 percent	(2 169 687)

December 31, 2021

		Scenario	Effect on Statement of Profit or Loss and Other Comprehensive Income ⁹ (P'000)		Effect on Statement of Profit or Loss and Other Comprehensive Income (P '000)
Interest Rate Risk		Increase in yields by 200 basis points	(3 195 232)	Decrease in yields by 200 basis points	3 195 232
Currency Risk	Investment currencies	Strengthening of the Pula by 1 percent	(552 739)	Weakening of the Pula by 1 percent	552 739
	South African rand	Strengthening of the Pula by 1 percent	(7 441)	Weakening of the Pula by 1 percent	7 441
Equity Risk	Global Equities	Decline in global equity prices by 14 percent	(3 539 875)	Increase in global equity prices by 14 percent	3 539 875

The market risk estimates as presented in the Tables above are based on sensitivities to the individual risk factors. The correlation between the risk variables is not reflected in the effect on the Statement of Profit or Loss and Other Comprehensive Income. In view of prevailing market conditions, the Bank revised the market risk estimates on interest rate risk from 200 basis points to 400 basis points and equity risk variables from 14 percent to 10 percent, respectively to reflect the 2 year average bond yield movements and the average movement of the MSCI World Index in global equity prices.

(d) Credit risk

This is the risk that would arise if an entity that the Bank conducts business with is unable to meet its financial obligations or in the event of an adverse credit event or default. This may be a commercial bank accepting a deposit, a sovereign, supranational or corporate entity issuing a bond or a counterparty with whom the portfolio manager has contracted to buy or sell foreign exchange or money or capital market instruments. In the Bank's endeavour to control credit risk, it deals with only high quality investment grade institutions or counterparties, as determined by international rating agencies.

⁸ The effects are expected to have the same impact on shareholder's funds.

⁹ The effects are expected to have the same impact on shareholder's funds.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Cont'd)

Consistent with the Reserves Management Policies and Investment Guidelines, the Bank disinvests whenever the rating of an instrument falls below investment grade. This is with the exception of the “Strategic Yield” portfolio, where a minimum rating of B- is applied. The Strategic Yield portfolio comprises not more than 5 percent of the Pula Fund. In cases where the new lower rating necessitates a lower exposure, holdings are reduced to ensure that the new limit is not exceeded.

The Bank mitigates credit risk by addressing the following underlying issues:

- defining eligible investment instruments;
- pre-qualifying counterparties (financial institutions, brokers/dealers, and intermediaries) doing business with the Bank; and
- diversifying investment portfolios so as to minimise potential losses from securities or individual issuers.

Exposure to Credit Risk

The Table below shows the maximum exposure to credit risk for the components of the Statement of Financial Position, including derivatives. The maximum exposure is shown gross, before the effect of the above mitigation factors.

	Notes	2022 P'000	2021 P'000
Financial Assets			
Liquidity Portfolio			
Short-term deposits: amortised cost	1.1	5 960 397	2 396 983
Pula Fund			
Bonds: FVTPL	1.2	18 934 626	22 271 493
Derivative instruments: FVTPL		1 588 289	48 334
Short-term deposits: amortised cost		2 721 507	1 096 196
International Monetary Fund - amortised cost			
Reserve Tranche	2.1	966 136	820 855
Holdings of Special Drawing Rights	2.2	4 239 750	4 097 651
General Subsidy Account	2.3	25 888	25 089
Standing Credit Facility	28	248 965	-
Receivables and Other Assets - staff loans and advances: amortised cost	3	194 686	177 046
Total		34 880 244	30 933 647
Analysis of Credit Exposure by class:			
Measured at fair value			
Bonds		18 934 626	22 271 493
Derivatives		1 588 289	48 334
Measured at amortised cost			
IMF Reserves		5 231 774	4 943 595
Receivables and Other Assets - staff loans and advances		194 686	177 046
Short-term deposits		8 681 904	3 493 179
Standing Credit Facility		248 965	-
Total		34 880 244	30 933 647

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Cont'd)

The carrying value of short-term deposits figure is revised to include net impairment loss amount to enhance presentation. The comparative amount for 2021 has been revised to align to the improved presentation.

While some financial instruments are recorded at fair value, the amounts shown above represent the current credit risk exposure, but not the maximum risk exposure that could arise in future as a result of changes in values. Under staff advances, the amount of P138 521 301 (2021: P122 122 231) was for owner-occupied residential mortgage loans. The Bank is the first holder of the mortgage loan bonds. As at year-end, the total value of this collateral was a fair value of P195 280 499 (2021: P195 280 499), based on the property valuation report as at November 2020 (refer to page 20 valuation of properties).

The Tables below reflect the credit exposure based on the fair value of the assets with counterparties as at December 31, 2022.

Credit Exposure on Bonds

Moody's/S&P Rating	Government (P'000)	Corporate (P'000)	2022 Total (P'000)	2021 Total (P'000)
AAA	7 544 643	384 048	7 928 691	8 795 957
AA+	696 557	59 024	755 581	912 523
AA	1 506 153	138 504	1 644 657	2 224 957
AA-	429 949	162 093	592 042	966 654
A+	2 074 508	636 999	2 711 507	2 397 119
A	244 378	542 735	787 113	1 448 215
Other ¹⁰	1 198 803	3 316 232	4 515 035	5 526 068
	13 694 991	5 239 635	18 934 626	22 271 493

Credit Exposure to Banks (Short-term deposits)

Fitch Rating	2022 (P'000)	2021 (P'000)
AAA ¹¹	3 000 835	1 197 370
AA+	74 625	50 212
AA	359 926	127 482
AA-	1 386 206	1 095 523
A	363 254	45 542
A+	258 934	2 335
A-	901 867	235 295
BBB	298 265	-
BB+	2 048 883	744 053
	8 692 795	3 497 812

Credit Exposure on Securities Lending Programme

The Bank's global custodian manages a Securities Lending Programme as agent of the Bank. Due to the short-term nature of the securities lending transactions, the collateral received under this programme changes on a short-term basis. The securities lending is regulated by a securities lending agreement with the global custodian and follows the general criteria for the Bank's credit exposure. The global custodian monitors the market value of the collateral and, where necessary, obtains additional collateral in line with the underlying agreement.

10. Other includes investments rated below A-, but still remain within the acceptable investment grade (BBB-) as per the investment guidelines

11. Included in AAA, AA+, AA, A and BB+ are deposits held with central banks.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Cont'd)

(e) Instrument Risk

(i) Sovereign Bonds

In accordance with the Reserves Management Policies and Investment Guidelines, the Bank invests in eligible investment grade instruments that are direct obligations or obligations explicitly guaranteed by governments or local governments. Exposure limits are assigned to the specific sovereign countries in accordance with the ratings assigned by at least two credit rating agencies. If an issuer is rated by one rating agency its exposure limit will be downgraded by one notch.

(ii) Corporate Bonds

The Bank invests in investment grade corporate bonds rated BBB- or higher, with the issuer being incorporated and tax resident in a country whose sovereign debt is eligible for investment by the Bank. A reasonable geographical spread of issuers is maintained. This is with the exception of the Strategic Yield Portfolio, which can invest in issuers rated below investment grade with a credit limit of B-.

(f) Liquidity risk

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations when they fall due, hence liquidity is an integral part of the Bank's foreign exchange reserves policies. To limit this risk, the Management manages the assets with liquidity in mind and monitors future cash flows and liquidity on a daily basis. The Bank is exposed to daily Pula liquidity requirements on the deposits it holds on behalf of the shareholder, Government of Botswana, the banking system and other clients holding deposits with the Bank (mainly parastatals). For the purpose of managing foreign exchange reserves, the Bank keeps some of its assets in short-term deposits and other liquid money market instruments to enable the availability of liquidity to meet outflows without incurring undue capital loss and to provide flexibility to respond effectively to changing market requirements.

Credit Quality Analysis

The Bank uses the following criteria to assess issuer risk

Normal – an issuer or bank will be considered as normal if its credit rating is maintained within investment grade. For staff loans, the Bank mitigates the credit exposure by considering the staff overall indebtedness and all loans are deducted at source.

Concerned – the Bank will be concerned if the credit rating falls to the lowest scale within the investment grade category. Such an issuer will be placed under watch for regular review. The Bank may decide to disinvest if such an issuer is under negative watch for an extended period. For ex-staff debts carrying amounts are recovered from terminal benefits.

Sub-investment grade – an issuer is considered to be in sub-investment grade if the credit ratings fall below investment grade rating.

Default – an issuer is considered to be in default if it is rated below investment grade by two rating agencies. If the rating falls below investment grade, all investments on the issuer will be terminated immediately. In case of deposits, such deposits are expected to be repaid on their due date. For ex-staff debts, where there are no terminal benefits to recover from, the whole outstanding debt is impaired.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Cont'd)

Credit Quality Analysis (Cont'd)

The Bank uses international rating agencies namely, Moody's, S&P Global (S&P) and Fitch Group for its credit risk assessment. For commercial banks and other deposit taking institutions investments are allowed only in investment grade rated issuers with a minimum rating of BBB- or equivalent (investment grade). Central banks assume the credit rating of their sovereign.

The Table below shows the Bank's risk criteria mapped to external ratings for short-term deposits.

Risk Criteria	Fitch	Moody's	S&P
Normal	AAA AA+ AA AA- A+ A A- BBB+ BBB	Aaa Aa1 Aa2 Aa3 A1 A2 A3 Baa1 Baa2	AAA AA+ AA AA- A+ A A- BBB+ BBB
Concerned	BBB-	Baa3	BBB-
Default		Bbb	BB

The Table below sets out credit quality analysis for financial assets measured at amortised cost. The gross carrying amount of financial assets represent the Bank's exposure to credit risk on these assets. The Bank continued to monitor the economic environment in response to the COVID-19 pandemic. Following the successful vaccination roll out in many economies, the impact of the COVID-19 pandemic has subsided. However, given abating risks, the Bank decided not to adjust the loss rates applied in the calculation of expected credit loss. The loss rates would be determined as per the applicable Probabilities of Default from the Fitch data.

	2022				2021	
	Financial Assets Measured at Amortised Cost					
Credit Grade	Staff Loans	Receivables	Standing Credit Facility	Short-term Deposits	Total	Total
	P'000	P'000		P'000	P'000	P'000
Normal - investment grade	194 059	697	249 164	6 345 647	6 789 567	2 753 936
Concerned - standard monitoring	-	-	-	2 347 148	2 347 148	744 053
Gross carrying amount	194 059	697	249 164	8 692 795	9 136 715	3 497 989
Loss allowance	(64)	(3)	(199)	(10 891)	(11 157)	(4 638)
Carrying amount	193 995	694	248 965	8 681 904	9 125 558	3 493 351

The Bank's risk management strategy with regard to credit risk has not changed due to the COVID-19 pandemic.

Inputs, Assumptions and Techniques used for Estimating Impairment

The key judgements and assumptions adopted by the Bank in addressing the requirements of IFRS 9 for calculation of expected credit losses are discussed below.

Amounts arising from ECL

ECL is measured on a 12-month basis on initial recognition, subsequent measurement where there are no significant increase in credit risk and for low risk financial assets. A 12-month ECL represent financial assets' lifetime ECL that are expected to arise from default events that are possible within 12 month period following origination of an asset or from each reporting date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Cont'd)

Significant increase in credit risk

The Bank carries high quality financial instruments whose risk is low. Subsequently, no tracking of deterioration is required. An annual assessment of the risk of default at the reporting date is done.

Measurement of ECL

For financial assets relating to foreign assets, the Bank has adopted the Probability of Default and Loss Given Default models in the determination of ECL. In applying these models, the Bank considers factors such as current economic circumstances of the markets in which it holds investments, forward looking economic and financial indicators to consider the likelihood of a default occurring within the next 12 months.

The key inputs into the measurement of ECL are the following:

- Probability of Default (PD) – is the likelihood of default over a given time horizon of one year. The PD is based on the issuer's credit rating such that the probability of default increases as the credit quality deteriorates;
- Loss Given Default (LGD) – is the magnitude of the likely loss, if there is a default by the issuer. It is a percentage of the exposure at default or the share of the exposure to a financial asset that the Bank could lose in the event of default;
- Exposure at Default (EAD) – represents the expected exposure in the event of a default. This is the total value holding of a financial instrument at the time of default.

In determining LGD, the following formula is used:

$LGD = 1 - \text{Recovery Rate (RR)}$; where

$RR = \text{Value of Collateral} / \text{Value of the fair value of investment}$.

The Bank places time deposits with approved correspondent banks, central banks and other reputable international deposit taking institutions. These depositories are considered to have minimum risk of default in line with international ratings. As such, the Bank's short-term deposits are not collateralised, consequently the RR is zero; thus, the LGD remains constant at one. This results in the loss rates being equal to the PDs.

Financial instruments are grouped on the basis of shared risk characteristics that include instrument types, credit risk gradings, collateral type, date of initial recognition, remaining term to maturity, industry and geographical location of the borrower.

The Bank recognises impairment loss amounting to 12 months ECL for all staff loans, which is based on the outstanding ex-staff loans over the total of the same category. In determining the LGD, the LGD is 1 (The percentage of the amount lost in case of default), while the EAD is the total value of each class of loans outstanding at the reporting date.

For trade receivables, the Bank applies the simplified ECL approach model using a provision matrix.

Model Inputs: 1-Year Default Risk

In determining the Probability of Default for the various sovereigns, PD sourced from Bloomberg are used. These probabilities are derived from models based on economic and financial data that the Bank considers sufficiently comprehensive to provide credible estimates of default risk. The variables listed below are the main inputs in the calculation of the PD for each country the Bank holds investments in cash and cash equivalents:

- (i) expenditure (as a percentage of GDP);
- (ii) revenues (as a percentage of GDP);
- (iii) debt due in twelve months (as a percentage of GDP);
- (iv) long-term debt (as a percentage of GDP);
- (v) refinancing ability;
- (vi) budget surplus/deficit (as a percentage of GDP);
- (vii) non-performing loans (as a percentage of total loans);
- (viii) GDP growth; and
- (ix) political risk score.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Cont'd)

Loss allowance

The following Table shows reconciliation from the opening to the closing balance of the loss allowance by class of financial instrument.

	2022 12-month ECL P'000	2021 12-month ECL P'000
Short-term Deposits at Amortised Cost		
Opening balance	4 638	7 192
Net remeasurement of loss allowance	6 519	(2 554)
	11 157	4 638

Financial and Lease Liabilities at Undiscounted Cash Flows

The table below summarises the maturity profile of the Bank's financial and lease liabilities as at December 31, 2022, based on contractual undiscounted repayment obligations.

December 31, 2022	Less than 3 months (P'000)	3-12 months (P'000)	1-5 years (P'000)	Over 5 years (P'000)	Total (P'000)
Financial Liabilities					
Derivatives	1 496 781	1 313	16 922	83 968	1 598 984
Bank of Botswana Certificates	3 273 810	-	-	-	3 273 810
Reverse Repurchase Agreements	-	-	-	-	-
Deposits	3 782 814	-	-	-	3 782 814
Standing Deposit Facility	341 077	-	-	-	341 077
Allocation of SDR - IMF	-	-	-	4 194 350	4 194 350
Liabilities to Government - IMF	-	-	-	467 089	467 089
Dividend to Government	273 205	-	-	-	273 205
Payables and Other Liabilities	137 059	-	-	-	137 059
	9 304 746	1 313	16 922	4 745 407	14 068 388

December 31, 2022	Less than 3 months (P'000)	3-12 months (P'000)	1-5 years (P'000)	Over 5 years (P'000)	Total (P'000)
Lease Liability	53	1 191	152	-	1 396

December 31, 2021	Less than 3 months (P'000)	3-12 months (P'000)	1-5 years (P'000)	Over 5 years (P'000)	Total (P'000)
Derivatives	12 086	396	3 347	7 596	23 425
Bank of Botswana Certificates	2 300 000	-	-	-	2 300 000
Reverse Repurchase Agreements	1 478 950	-	-	-	1 478 950
Deposits	4 324 680	-	-	-	4 324 680
Allocation of SDR - IMF	-	-	-	4 064 893	4 064 893
Liabilities to Government - IMF	-	-	-	321 808	321 808
Dividend to Government	3 175 135	-	-	-	3 175 135
Payables and Other Liabilities	161 511	-	-	-	161 511
	11 452 362	396	3 347	4 394 297	15 850 402

December 31, 2021	Less than 3 months (P'000)	3-12 months (P'000)	1-5 years (P'000)	Over 5 years (P'000)	Total (P'000)
Lease Liability	1 147	2 443	202	-	3 792

As per IFRS 16.58 – Maturity analysis for current year lease liability has been presented separately from financial liabilities with no impact on the numbers presented.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Cont'd)

Interest Rate Benchmark Reform

A fundamental reform of major interest rate benchmark is being undertaken globally, replacing interbank offered rates (IBORs) with alternative Risk-Free-Rates (RFR). Interbank Offered Rates benchmark rates have been used for decades to set interest rates on financial products, including derivatives, loans, bonds and structured products. The Bank had IBOR exposures in respect of externally managed portfolio and as of December 31, 2022 and most of the financial instruments indexed to IBORs were amended to incorporate new benchmark rates. The Bank's remaining IBOR exposure is indexed to US dollar LIBOR with overnight, three months and six months settings. The US dollar LIBOR will cease to be in operation after June 30, 2023 as announced by the Financial Conduct Authority (FCA) and the alternative reference rate for US dollar LIBOR is the Secured Overnight Financing Rate (SOFR).

For conversions made during the year, there were no significant changes in contractual cashflows due to the transition mechanisms used to close out positions. Furthermore, no additional risk management policies were introduced.

The Table below sets out the IBORs rates that the Bank had exposure to, the new benchmark which these exposures have or are being transitioned to and the status of the transition.

IBOR Transition Status as at December 31, 2022

Currency	Market Value (P'000)	Benchmark before reform	Benchmark after reform	2022
AUD	4 556	BBSW	FIXED	Completed
EUR	206 044	EURIBOR	EURIBOR	Reform compliant
EUR	1 878	ESTR	EURIBOR	Reform compliant
GBP	36 461	SONIA	SONIA	Completed
GBP	45 829	UK Govt Bonds 5 Year Note Gene	FIXED	Completed
JPY	5 638	MUTKCALM-JPAA	FIXED	Completed
MYR	53	KLIBPR	FIXED	Completed
USD	215 817	SOFR	SOFR	Completed
USD	278 876	LIBOR	SOFR	In progress
USD	18 885	US Treasury Yield Curve	FIXED	Completed
Total	814 037			

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

Valuation models and techniques

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes). Multiple price types of bid/offer are sourced from pricing providers including last traded price, settlement, evaluated and primary exchange close time pricing.

The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models and valuation techniques. The fair values are based on net present

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

31. FAIR VALUE OF FINANCIAL INSTRUMENTS (Cont'd)

value, discounted cash flow models and comparison with prices from observable current market transactions and dealer quotes for similar instruments. The Bank uses widely recognised valuation models for determining the fair value of financial instruments, such as interest rates yields, that use only observable market data and require little management judgement and estimation.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risk affecting the specific instrument.

The fair values of Government bonds are derived from market quotations. These are prices dealers will be willing to pay for similar instruments.

The Bank uses discounted cash flow analysis to value Bank of Botswana Certificates (BoBCs), with the yield curve providing the discount factors needed.

The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Fair value of financial instruments measured at fair value- fair value hierarchy

Fair values are categorised into different levels in a fair value hierarchy, which reflects the significance of the inputs used in making the measurements. If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

31. FAIR VALUE OF FINANCIAL INSTRUMENTS (Cont'd)

Fair Value of financial instruments recognised in the Statement of Financial Position

The following Table provides an analysis of the fair value of financial instruments, including their levels in the fair value hierarchy.

December 31, 2022	Level 1 P'000	Level 2 P'000	Total P'000
Financial Assets			
Investments Measured at FVTPL			
Bonds	18 934 626	-	18 934 626
Derivative Instruments	-	1 588 289	1 588 289
Equities	21 696 865	-	21 696 865
	<u>40 631 491</u>	<u>1 588 289</u>	<u>42 219 780</u>
Financial Liabilities			
Derivative Instruments	-	1 598 984	1 598 984
Bank of Botswana Certificates	-	3 273 810	3 273 810
Foreign Liabilities	-	4 661 439	4 661 439
Deposits	-	3 782 814	3 782 814
Standing Deposit Facility	-	341 077	341 077
Dividend to Government	-	273 205	273 205
Payables and Other Liabilities	-	137 059	137 059
	<u>-</u>	<u>14 068 388</u>	<u>14 068 388</u>
December 31, 2021	Level 1 P'000	Level 2 P'000	Total P'000
Financial Assets			
Investments Measured at FVTPL			
Bonds	22 271 493	-	22 271 493
Derivative Instruments	-	48 334	48 334
Equities	25 284 820	-	25 284 820
	<u>47 556 313</u>	<u>48 334</u>	<u>47 604 647</u>
Financial Liabilities			
Derivative Instruments	-	23 425	23 425
Bank of Botswana Certificates	-	2 299 844	2 299 844
Foreign Liabilities	-	4 386 701	4 386 701
Reserve Repurchase Agreements	-	1 478 950	1 478 950
Deposits	-	4 324 680	4 324 680
Dividend to Government	-	3 175 135	3 175 135
Payables and Other Liabilities	-	161 511	161 511
	<u>-</u>	<u>15 850 246</u>	<u>15 850 246</u>

There were no transfers between levels during the year. Financial instruments measured at amortised cost are excluded from the above table. The comparative amount for 2021 has been revised to align to the improved presentation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued) For the year ended December 31, 2022

32. CLASSIFICATION OF ASSETS AND LIABILITIES

	Current P'000	Non-Current P'000	Total P'000
As at December 31, 2022			
ASSETS			
Liquidity Portfolio	5 960 397	-	5 960 397
Pula Fund	2 710 811	40 631 492	43 342 303
International Monetary Fund (IMF)			
Reserve Tranche	-	966 136	966 136
Holdings of Special Drawing Rights (SDR)	-	4 239 750	4 239 750
General Subsidy Account	-	25 888	25 888
Receivables and Other Assets	182 859	193 715	376 574
Standing Credit Facility	248 965	-	248 965
Property and Equipment	-	1 162 285	1 162 285
TOTAL ASSETS	9 103 032	47 219 266	56 322 298
LIABILITIES			
Allocation of IMF Special Drawing Rights	-	4 194 350	4 194 350
Liabilities to Government (IMF Reserve Tranche)	-	467 089	467 089
Notes and Coin in Circulation	4 085 884	-	4 085 884
Bank of Botswana Certificates	3 273 810	-	3 273 810
Standing Deposit Facility	341 077	-	341 077
Deposits	3 782 814	-	3 782 814
Dividend to Government	273 205	-	273 205
Payables and Other Liabilities	287 109	-	287 109
Total Liabilities	12 043 899	4 661 439	16 705 338
As at December 31, 2021			
ASSETS			
Liquidity Portfolio	2 396 983	-	2 396 983
Pula Fund	1 121 105	47 556 313	48 677 418
International Monetary Fund (IMF)			
Reserve Tranche	-	820 855	820 855
Holdings of Special Drawing Rights (SDR)	-	4 097 651	4 097 651
General Subsidy Account	-	25 089	25 089
Receivables and Other Assets	42 488	195 048	237 536
Property, Plant and Equipment	-	931 997	931 997
TOTAL ASSETS	3 560 576	53 626 953	57 187 529
LIABILITIES			
Allocation of IMF Special Drawing Rights	-	4 064 893	4 064 893
Liabilities to Government (IMF Reserve Tranche)	-	321 808	321 808
Notes and Coin in Circulation	4 198 386	-	4 198 386
Bank of Botswana Certificates	2 299 844	-	2 299 844
Reverse Repurchase Agreements	1 478 950	-	1 478 950
Deposits	4 324 680	-	4 324 680
Dividend to Government	3 175 135	-	3 175 135
Payables and Other Liabilities	161 511	-	161 511
Total Liabilities	15 638 506	4 386 701	20 025 207

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

33. RELATED PARTY BALANCES AND TRANSACTIONS

Balances and Transactions with the Government

The Bank provides several services to its shareholder, the Government. The main services during the year to December 31, 2022 were:

- (a) provision of banking services, including holding of the principal accounts of the Government and
- (b) being agent for government bonds and treasury bills.

The aggregate balances in Government accounts are disclosed in Note 8.

No charge is made to the Government for provision of these services.

Other Related Party Balances and Transactions

- (a) Amounts due to related parties.

Included in the balance of outstanding “Deposits – Other” in Note 8 are the following balances with Government-owned institutions.

	2022 P'000	2021 P'000
Botswana Savings Bank	1 921	8 342
Botswana Unified Revenue Service	23 198	10 228
Total	25 119	18 570

The amounts outstanding are unsecured and have no fixed repayment terms.

- (b) Remuneration of Key Management Personnel

Key management personnel comprise the Governor, Board Members, Deputy Governors, Chief Operating Officer, General Counsel and Heads of Department.

Gross emoluments of the key management personnel are:

	2022 P'000	2021 P'000
Non-Executive Board members	225	182
Executive Management		
Salaries, allowances and other short-term benefits	32 152	25 634
Post-employment benefits	7 390	6 799
	39 767	32 615

Of the Staff Loans and Advances per Note 3, P2 979 786 (2021: P4 279 620) are attributable to Executive Management.

34. GOVERNMENT OF BOTSWANA BONDS AND TREASURY BILLS

In accordance with Section 56 and 57 of the Bank of Botswana Act (CAP 55:01), the Bank acts as agent of the Government for the issuance and management of the Government Bonds and Treasury Bills. An analysis of the Bonds and Treasury Bills issued is provided below:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

34. GOVERNMENT OF BOTSWANA BONDS AND TREASURY BILLS (Cont'd)

34. GOVERNMENT OF BOTSWANA BONDS AND TREASURY BILLS

In accordance with Section 56 and 57 of the Bank of Botswana Act (CAP 55:01), the Bank acts as agent of the Government for the issuance and management of the Government Bonds and Treasury Bills. An analysis of the Bonds and Treasury Bills issued is provided below:

Government of Botswana Bonds and Treasury Bills issued during the Year 2022

Bond/ Treasury Bill	Date of Issue	Date of Maturity	Interest Rate Percent (per annum)	Nominal Value (P' 000)	Discount /Premium (P' 000)	Net Proceeds (P' 000)	Interest Paid (P' 000)	Interest Accrued (P' 000)
BOTSGB0325/876	May 4, 2022 Mar 3, 2021	Mar 10, 2025	8	23 000	1 677	24 677	920	574
BOTSGB0931/1213	Feb 2, Mar 2, Mar 30, May 4, June 1, July 6, Aug 31, Oct 5, Nov 2, Nov 30, 2022	Sept 10, 2031	7.75	1 218 000	(37 980)	1 180 020	30 186	29 466
BOTSGB0640/1437	Feb 2, Mar 30, June 1, Aug 31, 2022	June 13, 2040	6	678 000	(139 600)	538 399	38 220	2 123
BOTSGB0943/1999	Mar 2, May 4, Jul 6, Oct 5, 2022	Sept 2, 2043	5.3	414 000	(127 222)	286 778	7 844	7 334
BOTSGB0527/2740	Feb 2, Jun 1, Jul 6, Aug 31, Oct 5, Nov 2, Nov 30, 2022	May 5, 2027	5.5	730 000	(38 514)	691 486	19 250	6 322
BOTSTB0422/3003	Jan 5, 2022	Apr 6, 2022	-	300 000	(1 080)	298 920	1 080	-
BOTSTB0522/3029	Feb 2, 2022	May 4, 2022	-	250 000	(887)	249 112	887	-
BOTSTB0622/3177	Mar 2, 2022	Jun 1, 2022	-	500 000	(1 770)	498 230	1 770	-
BOTSTB0722/3011	Jan 5, 2022	Jul 6, 2022	-	280 000	(2 147)	277 852	2 147	-
BOTSTB0722/3193	Apr 6, 2022	Jul 6, 2022	-	300 000	(1 065)	298 935	1 065	-
BOTSTB0822/3037	Feb 2, 2022	Aug 3, 2022	-	100 000	(757)	99 243	757	-
BOTSTB0822/3227	May 4, 2022	Aug 3 2022	-	350 000	(1 778)	348 222	1 778	-
BOTSTB0822/3185	Mar 2, 2022	Aug 31, 2022	-	315 000	(3 109)	311 891	3 109	-
BOTSTB0822/3243	Jun 1, 2022	Aug 31, 2022	-	100 000	(504)	99 496	504	-
BOTSTB1022/3201	Apr 6, 2022	Oct 5, 2022	-	780 000	(7 698)	772 301	7 698	-
BOTSTB1022/3276	Jul 6, 2022	Oct 5, 2022	-	300 000	(2 265)	297 735	2 265	-
BOTSTB1122/3235	May 4, 2022	Nov 2, 2022	-	200 000	(2 462)	197 538	2 462	-
BOTSTB1122/3334	Aug 3, 2022	Nov 2, 2022	-	650 000	(5 167)	644 832	5 167	-
BOTSTB1122/3250	June 1, 2022	Nov 30, 2022	-	550 000	(6 770)	543 229	6 770	-
BOTSTB1122/3474	Aug 31, 2022	Nov 30, 2022	-	265 000	(2 292)	262 707	2 292	-
BOTSTB0123/3284	Jul 6, 2022	Jan 4, 2023	-	75 000	(1 382)	73 617	-	1 359
BOTSTB0123/3490	Oct 5, 2022	Jan 4, 2023	-	300 000	(2 961)	297 039	-	2 863
BOTSTB0223/3045	Feb 2, 2022	Feb 1, 2023	-	1 150 000	(34 155)	1 115 845	-	31 246
BOTSTB0223/3342	Aug 2, 2022	Feb 1, 2023	-	150 000	(2 826)	147 174	-	2 344
BOTSTB0223/3516	Nov 2, 2022	Feb 1, 2023	-	300 000	(3 108)	296 892	-	2 049
BOTSTB0323/3482	Aug 31, 2022	Mar 1, 2023	-	300 000	(6 585)	293 415	-	4 450
BOTSTB0323/3540	Nov 30, 2022	Mar 1, 2023	-	230 000	(2 410)	227 589	-	847
BOTSTB0423/3219	Apr 6, 2022	Apr 5, 2023	-	401 000	(12 403)	388 597	-	9 200
BOTSTB0423/3508	Oct 5, 2022	Apr 5, 2023	-	300 000	(7 299)	292 701	-	3 529
BOTSTB0523/3524	Nov 2, 2022	May 3, 2023	-	775 000	(18 987)	756 012	-	6 259
BOTSTB0523/3557	Nov 30, 2022	May 31, 2023	-	615 000	(16 113)	598 887	-	2 833
BOTSTB0823/3359	Aug 3, 2022	Aug 2, 2023	-	195 000	(7 928)	187 071	-	3 289
BOTSTB1123/3532	Nov 2, 2022	Nov 1, 2023	-	250 000	(12 550)	237 450	-	2 068
TOTAL				13 344 000	(510 097)	12 833 892	136 171	118 155

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

34. GOVERNMENT OF BOTSWANA BONDS AND TREASURY BILLS (Cont'd)

Government of Botswana Bonds and Treasury Bills issued during the Year 2021

Bond/ Treasury Bill	Date of Issue	Date of Maturity	Interest Rate Percent (per annum)	Nominal Value (P' 000)	Discount /Premium (P' 000)	Net Proceeds (P' 000)	Interest Paid (P' 000)	Interest Accrued (P' 000)
BOTSGB0325/876 (BW007)	Feb 3, 2021 Mar 3, 2021	Mar 10, 2025	8	81 000	8 391	89 391	3 680	2 022
BOTSGB0931/1213 (BW011)	Feb 3, Mar 31, May 5, Jul 7, Sep 1, Oct 6, Nov 3, Dec 1, 2021	Sept 10, 2031	7.75	921 000	26 369	947 369	22 862	22 281
BOTSGB0640/1437 (BW012)	May 5, Oct 6, 2021	June 13, 2040	6	75 000	(12 270)	62 730	2 820	235
BOTSGB0623/1908 (BW013)	Feb 3, Mar 3, Mar 31, Dec 1, 2021	June 7, 2023	4.5	664 000	7 197	671 197	26 955	2 052
BOTSGB0943/1999 (BW015)	Feb 3, Mar 31, Jul 7, Sep 1, Nov 3, Dec 1, 2021	Sept 2, 2043	5.3	405 000	(73 876)	331 124	10 229	7 175
BOTSGB0527/2740	May 5, Jun 2, Jul 7, Sep 1, Oct 6, Nov 3, Dec 1, 2021	May 5, 2027	5.5	582 000	(17 850)	564 150	10 533	5 040
BOTSTB0421/2567	Jan 6, 2021	Apr 7, 2021	-	245 000	(701)	244 299	701	-
BOTSTB0721/2575	Jan 6, 2021	Jul 7, 2021	-	235 000	(1 513)	233 487	1 513	-
BOTSTB0521/2583	Feb 3, 2021	May 5, 2021	-	630 000	(1 884)	628 116	1 884	-
BOTSTB0821/2591	Feb 3, 2021	Aug 4, 2021	-	370 000	(2 431)	367 569	2 431	-
BOTSTB0222/2609	Feb 3, 2021	Feb 2, 2022	-	650 000	(18 882)	631 118	-	17 227
BOTSTB0621/2625	Mar 3, 2021	Jun 2, 2021	-	870 000	(2 741)	867 260	2 741	-
BOTSTB0921/2633	Mar 3, 2021	Sep 1, 2021	-	326 000	(2 419)	323 581	2 419	-
BOTSTB0721/2641	Apr 7, 2021	Jul 7, 2021	-	150 000	(465)	149 535	465	-
BOTSTB1021/2658	Apr 7, 2021	Oct 6, 2021	-	100 000	(693)	99 307	693	-
BOTSTB0422/2666	Apr 7, 2021	Apr 6, 2022	-	789 000	(22 920)	766 080	-	16 938
BOTSTB0821/2724	May 5, 2021	Aug 4, 2021	-	530 000	(1 776)	528 224	1 776	-
BOTSTB1121/2732	May 5, 2021	Nov 3, 2021	-	600 000	(4 500)	595 500	4 500	-
BOTSTB0921/2757	June 2, 2021	Sep 1, 2021	-	720 000	(2 419)	717 581	2 419	-
BOTSTB1221/2765	June 2, 2021	Dec 1, 2021	-	280 000	(2 086)	277 914	2 086	-
BOTSTB1021/2799	Jul 7, 2021	Oct 6, 2021	-	350 000	(1 218)	348 782	1 218	-
BOTSTB0122/2807	Jul 7, 2021	Jan 5, 2022	-	280 000	(2 083)	277 917	-	2 037
BOTSTB1121/2823	Aug 4, 2021	Nov 3, 2021	-	300 000	(1 035)	298 965	1 035	-
BOTSTB0222/2831	Aug 4, 2021	Feb 2, 2022	-	300 000	(2 226)	297 774	-	1 834
BOTSTB0822/2849	Aug 4, 2021	Aug 3, 2022	-	305 000	(8 753)	296 247	-	3 607
BOTSTB1221/2864	Sep 1, 2021	Dec 1, 2021	-	672 000	(2 305)	669 695	2 305	-
BOTSTB0322/2872	Sep 1, 2021	Mar 2, 2022	-	374 000	(2 775)	371 225	-	1 860
BOTSTB0122/2898	Oct 6, 2021	Jan 5, 2022	-	250 000	(850)	249 150	-	813
BOTSTB0422/2906	Oct 6, 2021	Apr 6, 2022	-	100 000	(737)	99 263	-	352
BOTSTB0222/2914	Nov 3, 2021	Feb 2, 2022	-	200 000	(696)	199 304	-	451
BOTSTB0522/2922	Nov 3, 2021	May 4, 2022	-	200 000	(1 484)	198 516	-	481
BOTSTB1122/2930	Nov 3, 2021	Nov 2, 2022	-	350 000	(10 496)	339 504	-	1 701
BOTSTB0322/2955	Dec 1, 2021	Mar 2, 2022	-	625 000	(2 175)	622 825	-	741
BOTSTB0622/2963	Dec 1, 2021	Jun 1, 2022	-	330 000	(2 448)	327 551	-	417
Total				13 859 000	(166 750)	13 692 250	105 265	87 264

The comparative table for 2021 shown above has been added to enhance presentation.

- (a) Net proceeds realised from the issue of the bonds of P12 833 892 000 (2021: P13 692 250 000) were invested in the Government Investment Account. The nominal value of holdings of total outstanding Government Bonds and Treasury Bills as at December 31, 2022, was P25 789 000 000 (2021: P22 438 000 000).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2022

34. GOVERNMENT OF BOTSWANA BONDS AND TREASURY BILLS (Cont'd)

The nominal value of redemptions during the year to December 31, 2022, was P9 993 000 000 (2021: P8 628 000 000).

- (b) Interest is payable on all interest earning bonds on a semi-annual basis in arrears. During the year to December 31, 2022, total interest payments of P1 302 122 080 were made (2021: P1 040 163 480) and were funded from the Government's current (remittances) account maintained with the Bank.
- (c) Government Bonds and Treasury Bills are liabilities of Government; and are, therefore, not accounted for in the Statement of Financial Position of the Bank.

35. EVENTS AFTER THE REPORTING DATE

The Board of the Bank, in line with Section 7(1) of the Bank of Botswana Act, (CAP 55:01), resolved to increase the current General Reserve Account of P1.6 billion to P15 billion. This was achieved by transferring P13.4 billion from the Currency Revaluation Reserve which had a balance of P26.8 billion as at December 31, 2022, provided for under Section 7 (2) of the Act. Furthermore, as mandated by the Bank of Botswana (Amendment) Act, 2022, which commenced on February 14, 2023, the authorised, fully subscribed, and paid-up capital of the Bank shall be P150 million from the current P25 million, also funded from the Currency Revaluation Reserve. The Bank is confident that the Currency Revaluation Reserve is unlikely to decline by any significant amount given the current crawling band exchange rate regime. The increase of the General Reserve is to ensure that it remains adequate for its intended purpose. This Reserve has remained the same since January 1, 1997 and therefore, the balance has been eroded by inflation over time. The extraordinary events of September 11, 2001, the global financial crisis of 2008 – 2009 and the outbreak of the COVID-19 pandemic have shown that, at these times of extreme volatility, the General Reserve would not have adequate resources necessary for the Bank to cover the unrealised fair value losses.

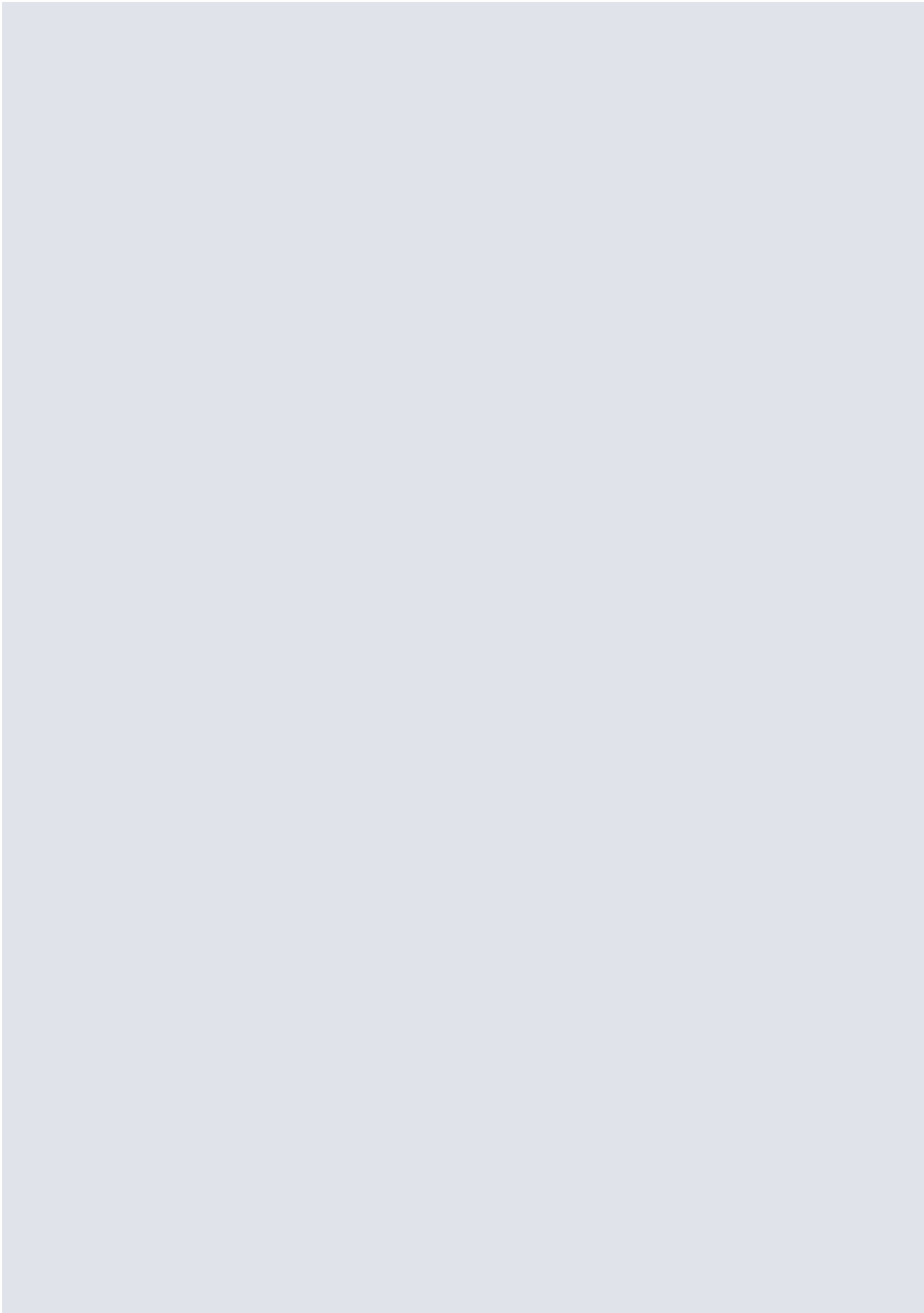
The Bank's portfolio has been affected by the collapse of banks in the United States of America and Europe, namely Silicon Valley Bank and Credit Suisse. The Bank had exposure to equities and corporate bonds amounting to P36.7 million as at March 16, 2023. The assets have been suspended from trading.

36. GOING CONCERN

The annual financial statements have been prepared based on accounting policies applicable to a going concern. The basis presumes that funds will be available to finance operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business and the Bank will be able to continue for the foreseeable future.

The global markets have been highly volatile, and the performance of the financial markets encountered extreme volatility emanating from various shocks to the global economy such as the COVID-19 pandemic, supply chain disruptions and the Russia/Ukraine conflict, with adverse impact on the foreign exchange reserves in terms of inflows and returns. The Investment Committee, in line with the approved Reserves Management Policies and Investment Guidelines continued to maintain its primary focus of managing the foreign exchange reserves with the key objectives of preservation of capital (safety), liquidity and returns as well as employment of appropriate diversification strategies to optimise the value and return on the foreign exchange reserves.

In light of the above, Management has re-assessed the appropriateness of the use of the going concern assumption in the preparation of these financial statements. Therefore, based on the assessment performed, Management is of the view that the lingering effects of the COVID-19 pandemic, supply chain disruptions, the prolonged Russia-Ukraine conflict does not result in material uncertainty related to such events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. Underpinned by the implementation of the planned medium-term fiscal condition, the General Reserve funding and recapitalisation of the Bank, the Board concurs with this assessment. The Bank is established by statute as the central bank of the Republic of Botswana with powers generally conferred upon a central bank/monetary authority of any jurisdiction.



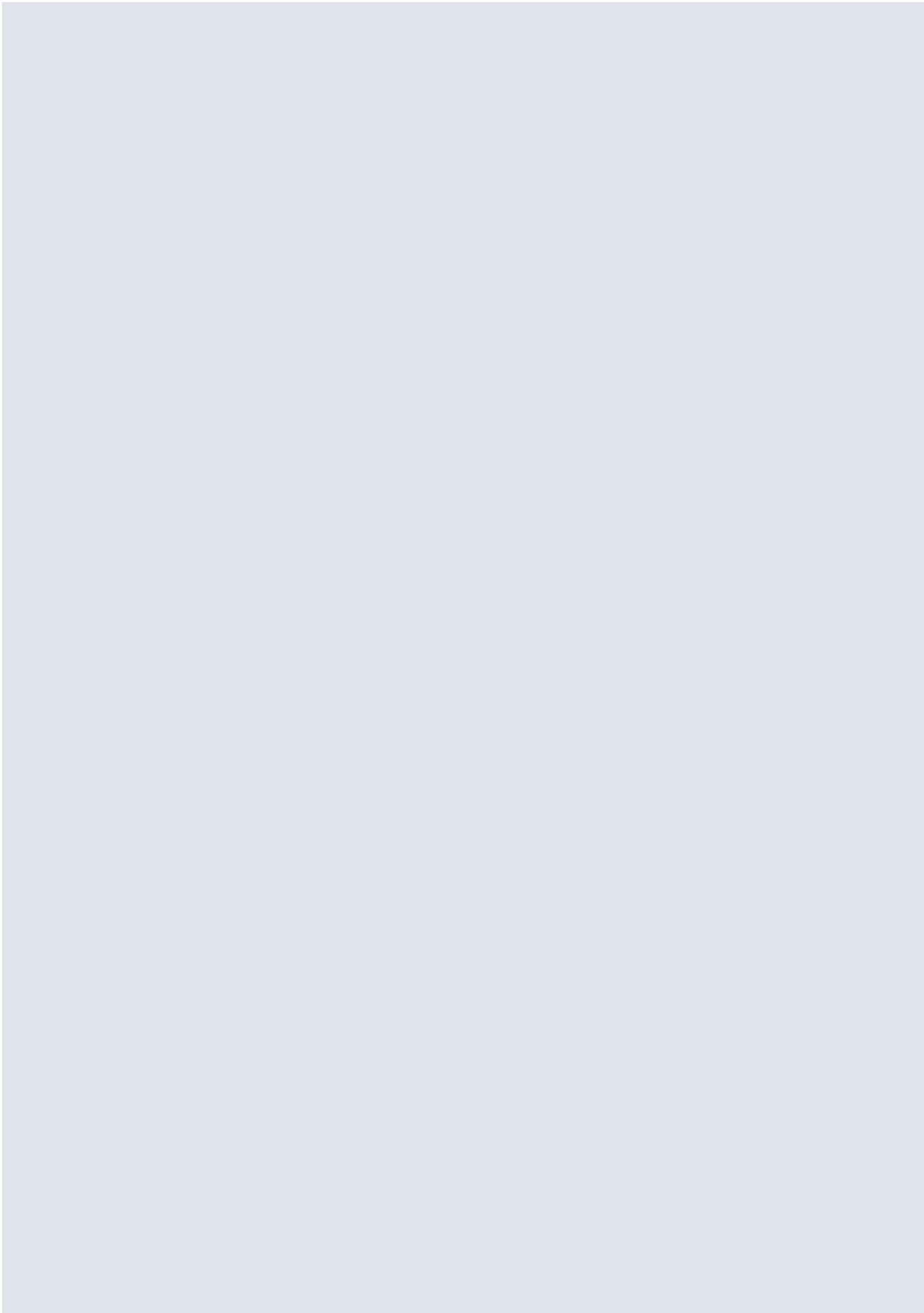
PART B

THE BOTSWANA ECONOMY IN 2022

THEME CHAPTER:

BUILDING ECONOMIC RESILIENCE: FISCAL, EXTERNAL SECTOR SUSTAINABILITY AND CLIMATE CHANGE RESILIENCE

BANK OF BOTSWANA



CHAPTER 1

THE BOTSWANA ECONOMY IN 2022

1. OUTPUT, EMPLOYMENT AND PRICES

(a) National Income Accounts

Overview

1.1 Real GDP grew by 6.4 percent in the twelve months to September 2022, compared to a growth of 8.9 percent in the year to September 2021. The slowdown in growth is attributable to the deceleration in production of both the *mining* (mostly diamond mining) and the *non-mining* sectors. Notably, the high growth rate in the year ending in September 2021, was mainly due to economic recovery from the low base associated with the negative impact of the COVID-19 pandemic containment measures which were more stringent in 2020. *Mining* output grew by 9.2 percent in the year ending September 2022, compared to 15.8 percent in the corresponding period in 2021.

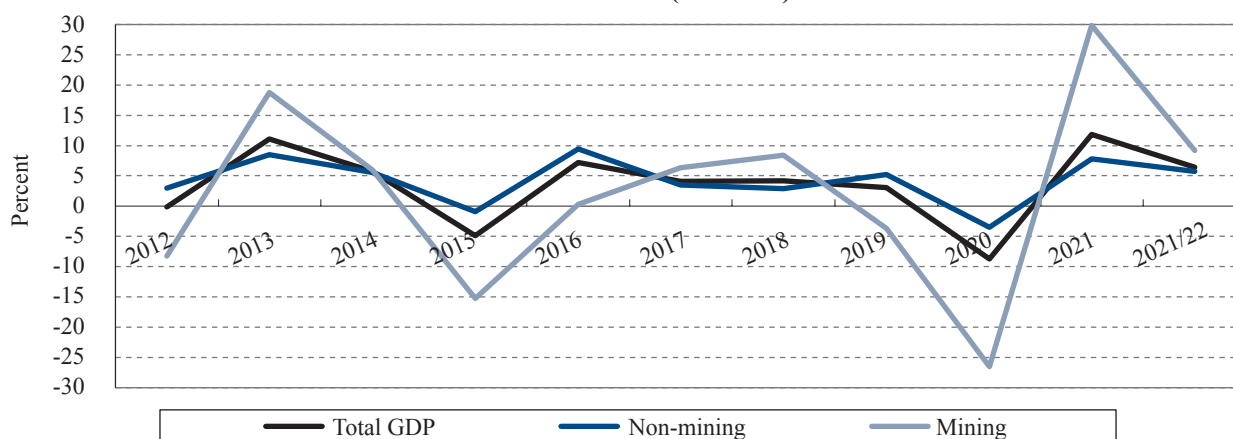
1.2 Non-Mining GDP grew by 5.7 percent in the twelve-month period to September 2022, compared to a higher growth rate of 7.2 percent in the corresponding period in 2021 due to the deceleration of output growth for most sectors, namely, *Construction; Wholesale and Retail; Diamond Traders; Transport and Storage; Information and Communication Technology; Real Estate Activities; Professional, Scientific and Technical Activities; Administrative and Support Activities; Human Health and Social Work; and Other Services*.

1.3 As shown in Chart 1.1, over the last ten years to 2021, annual rates of economic growth have been generally low, with sharp contractions in 2015 and 2020 due to the adverse impact of a drastic fall in commodity prices in 2015 and the impact of COVID-19 pandemic, respectively. While the ten-year growth profile was similar for both the mining and non-mining components of GDP, the former exhibited higher volatility. Related thereto, the profile was also similar for the per capita income growth rates (Chart 1.2). Overall, per capita income increased from P65 000 in 2010 to P79 000 in 2021, a 21.5 percent increase over eleven years, albeit with a big drop to P71 000 in 2020 in the advent of COVID-19 pandemic. Average annual growth for GDP and per capita income over the same ten-year period was 3.3 percent and 1.7 percent, respectively.

Sectoral Performance

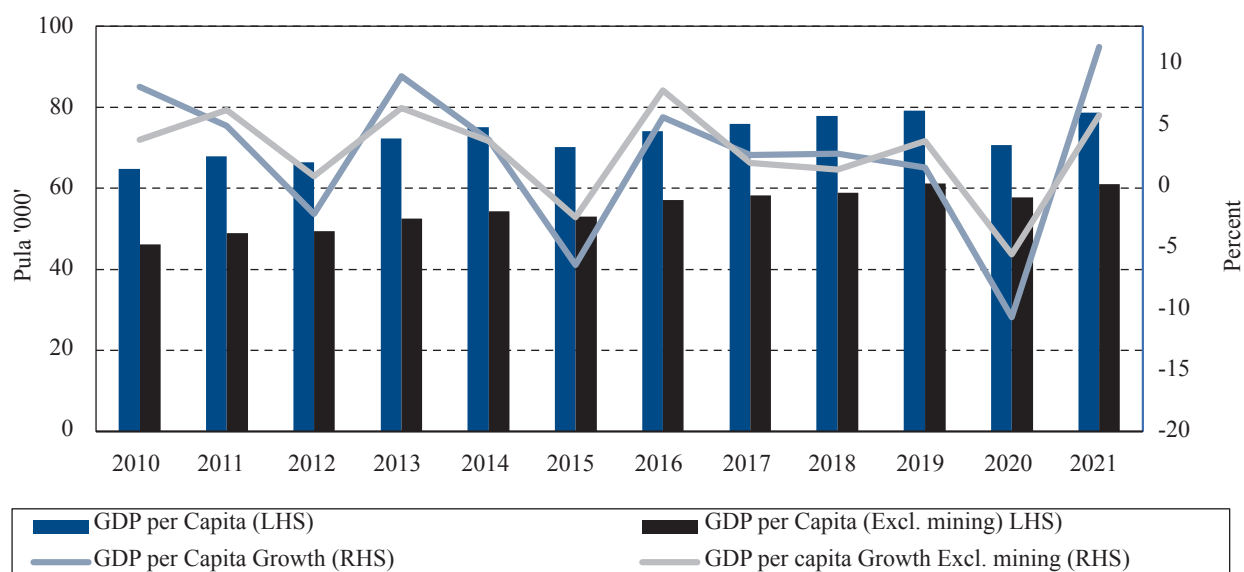
1.4 Chart 1.3 compares sectoral output growth rates for the year to September 2022 with those for the twelve months to September 2021. This shows that output growth for most economic sectors decelerated in 2022, compared to the previous year, thus the overall slower rate of increase in real GDP

CHART 1.1: REAL GDP GROWTH 2012 - 2021/2022 (PERCENT)



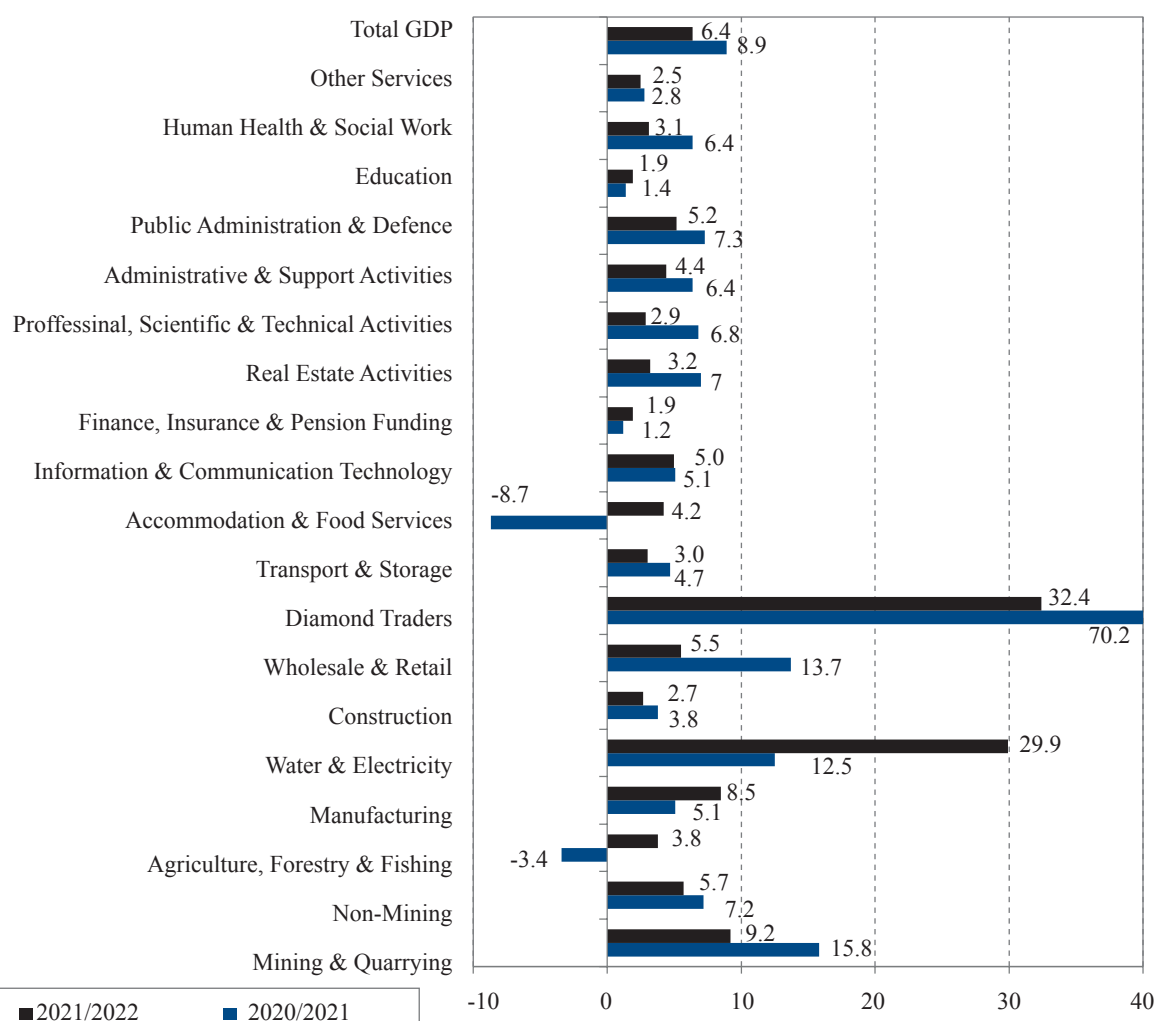
1. Data for 2021/22 are for the twelve-month period to September 2022.
Source: Statistics Botswana

CHART 1.2: REAL GDP PER CAPITA TRENDS (2010 - 2021)



Source: Statistics Botswana

CHART 1.3: REAL GDP GROWTH BY SECTOR (PERCENT)



1. Data are for the 12-month period ending September 2021 and September 2022.
Source: Statistics Botswana

growth². However, *Agriculture, Forestry and Fishing; Manufacturing; Water and Electricity; Accommodation and Food Services; Finance, Insurance and Pension Funding; and Education* sectors' growth accelerated in 2022 compared to 2021. As shown in Chart 1.4, the *Mining and Quarrying; Diamond Traders; Public Administration and Defence; Wholesale and Retail; and Manufacturing* contributed the most to overall GDP expansion in the year to September 2022, with shares of 1.9; 0.9; 0.9; 0.6; and 0.4 percentage points, respectively.

- 1.5 Growth in *mining* output decelerated reflecting weaker performance of most of the sub-sectors, led by the *mining of diamonds*, which grew by a slower rate of 9 percent in the year to September 2022, compared to a 16.3 percent increase in the year to September 2021. The slower growth in the *mining* sector reflects normalisation following much higher growth rate in 2021 from a reduced production base due to the impact of COVID-19. The subsequent relaxation of COVID-19 travel restrictions in 2021, which had impeded the normal conduct of sight holder sales by the De Beers Global Sightholder Sales (DBGSS) mainly in 2020, resulted in normalisation of production. *Soda ash and salt* output also grew at a lower rate of 8 percent in the year ending September 2022, compared to 14.8 percent in the corresponding period in 2021. Meanwhile, the output of *mining support services activities*, and *mining of gold and other metal ores* sub-sectors decreased in the year to September 2022. The decrease in output of *mining of gold and other metal ores* is mainly because of resource depletion as the lifespan of the Mupane Mine approaches the end.
- 1.6 Meanwhile, there are prospects of recovery in the copper and coal mining activities. Copper output increased by 298.6 percent in the year to September 2022, following resumption of production in the third quarter of 2021, hence the significant acceleration in production reflects the lower base in 2021. The resumption of copper production in 2021 since 2019, could have been motivated by increasing demand for copper, on the back of global drive for electric cars. Further, coal output increased by 15 percent in the year to September 2022 from 1.5 percent in the corresponding period in 2021, possibly due to resurgence of coal demand, resulting from the energy crises in Europe, especially in the advent of Russia–Ukraine war and related sanctions on Russian gas and other energy sources.
- 1.7 *Water and Electricity* output increased on a net basis by 29.9 percent in the year to September 2022, compared to 12.5 percent in the year to September 2021. The faster growth was driven by increased local electricity supply from Morupule B Power Station, which accelerated from 12 percent in 2021 to 56 percent in 2022 as all units became operational in August 2022.
- 1.8 *Diamond Traders* sector output increased by 32.4 percent in the year to September 2022, compared to higher growth of 70.2 percent in the corresponding period in September 2021.
- 1.9 Output of the *Transport and Storage* sector increased by 3 percent in the twelve months period to September 2022, compared to a relatively faster growth of 4.7 percent in the corresponding period in September 2021, led by growth in *air transport* (136.2 percent), because of increased international and domestic passenger movements.
- 1.10 *Information and Communication Technology* output increased by 5 percent in the year to September 2022, compared to a growth of 5.1 percent in the corresponding period in 2021.
- 1.11 For the *Accommodation and Food Services* sector output grew by 4.2 percent in the year to September 2022, following a contraction of 8.7 percent in the corresponding period in September 2021. The expansion was mainly driven by the recovery in the *accommodation* sub-sector output (3.9 percent growth) mainly due to the high hotel occupancy rates arising from the less stringent COVID-19 movement restrictions, since the fourth quarter of 2021 and increased demand for leisure and conference post the pandemic. *Food Services* sub-sector recorded an increase of 4.7 percent, compared to a growth of 5 percent in the twelve-month period ending September 2021.
- 1.12 Growth in *Wholesale and Retail* output decelerated to 5.5 percent in the year ending September 2022, and much lower than the 13.7 percent in the corresponding twelve months ending in September 2021. This could be attributable to demand reducing surge in food prices that resulted from supply disruptions following the Russian-Ukraine war.
- 1.13 *Finance, Insurance and Pension Funding* output grew by 1.9 percent in the year to

2 The high growth rate in the year ending in September 2021, was mainly due to economic recovery from the low base associated with the negative impact of the COVID-19 pandemic containment measures which were more stringent in 2020.

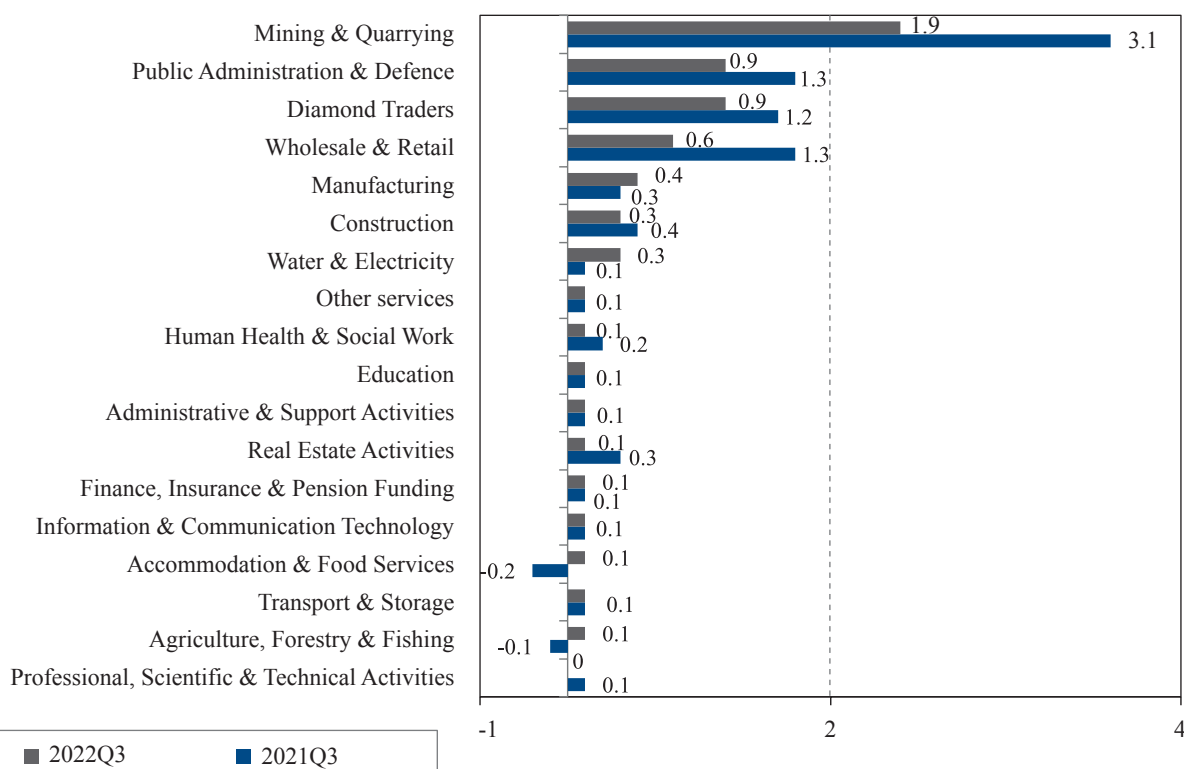
September 2022, compared to 1.2 percent in the year ending in September 2021. Growth in this sector was led by *Central Banking* (8.5 percent), *Monetary Intermediation and Financial Services*³ (1.7 percent), *Financial and Insurance and Auxiliary Services* (1.7 percent), and *Insurance and Pension Funding* (1.3 percent).

1.14 Output of *Construction* expanded by 2.7 percent in the twelve-month period to September 2022, compared to a higher growth of 3.8 percent in the corresponding period ending in September 2021. The lower growth in the sector was partly due to completion of some major construction projects, such as the Fields Mall, in the Gaborone Central Business District in August 2022.

period in 2021. The growth in *Agriculture* production resulted from the increase in output of all sub-sectors, due to higher production of fresh vegetables and fruits since the inception of the vegetable import ban in January 2022 and more cattle marketed during the period under review.

1.16 *Manufacturing* output increased by 8.5 percent in the year ending September 2022, following a lower growth of 5.1 percent in the corresponding period in September 2021, buoyed by improved performance by all the sub-sectors. The major contributors were the *diamond sorting, cutting, and polishing* sub industries (45.1 percent) due to favourable demand for diamonds from global

CHART 1.4: CONTRIBUTION TO REAL GDP GROWTH BY SECTOR (PERCENT)



1. Percentage contribution to growth is measured by multiplying the current sector growth by the sector's share of GDP in the previous year.
 2. Data for the two periods are for the twelve-month period ending September 2022 and 2021.
- Source: Statistics Botswana

1.15 *Agriculture* output increased by 3.8 percent in the year to September 2022, compared to a contraction of 3.4 percent in the corresponding

markets, and *manufacturing of beverages and tobacco* (19.4 percent) because of increased demand for leisure, compared to growth rates of (14.2 percent) and (-30.8 percent) in the corresponding period in 2021, respectively. However, *manufacturing of dairy products* contracted by 2.1 percent while *printing and reproduction of recorded media* slightly contracted by 0.7 percent.

3 Financial services refer to economic services provided by the finance industry, which encompasses a broad range of businesses that manage money, such as credit unions; banks; insurance companies; accountancy companies; stock brokerage; and investment funds.

1.17 *Public Administration and Defence* output increased by 5.2 percent in the year ending in September 2022, compared to the faster expansion of 7.3 percent in the corresponding period in 2021.

1.18 Growth of *Real Estate Activities* slowed to 3.2 percent in the twelve-month period ending in September 2022, compared to a faster growth of 7 percent in the corresponding period ending in September 2021. Deceleration in this sector was due to the slowdown of the *real estate* sub-sector as demand in the residential rental market and the market for office space weakened in 2022.

1.19 *Professional, Scientific and Technical Activities* grew by 2.9 percent in the year to September 2022, compared to a faster growth of 6.8 percent in the corresponding period in September 2021.

1.20 Growth of *Administrative and Support Activities* decelerated to 4.4 percent in the twelve months ending in September 2022, from a relatively faster growth of 6.4 percent in the corresponding period in September 2021. The deceleration was attributable to a slower growth in *travel agencies and tour operators* and *other administrative* sub-sectors.

1.21 *Education* output grew by 1.9 percent in the twelve-month period ending in September 2022, compared to a relatively slower growth of 1.4 percent in the corresponding period in September 2021.

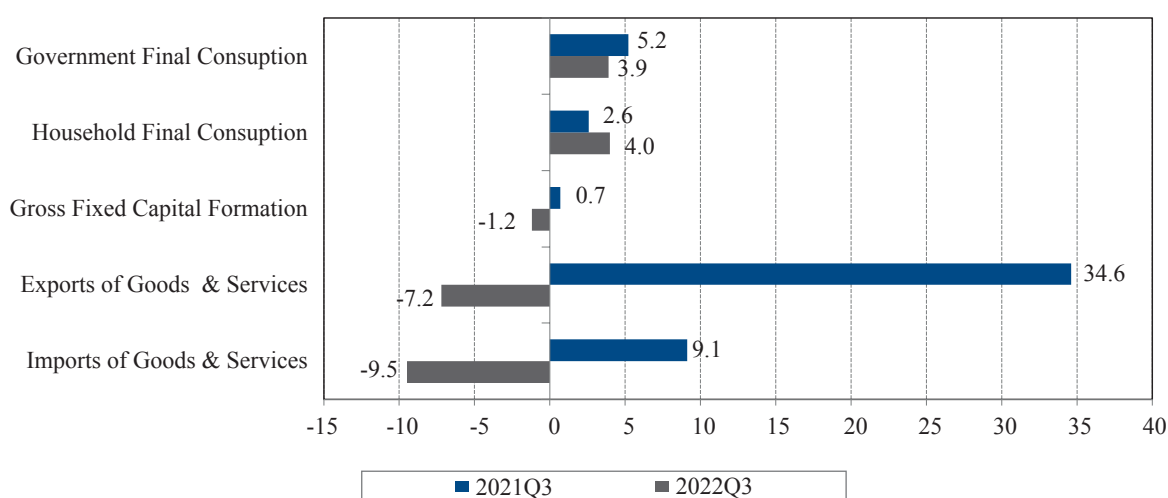
1.22 *Other Services* output increased by 2.5 percent in the year to September 2022, compared to a slightly higher growth of 2.8 percent in 2021. The deceleration was attributable to the slower growth in activities of membership organisations and other services sub-sectors such as dry cleaners, hairdressing and other beauty treatment, funeral and related activities and households in their capacity as employers.

GDP by Type of Expenditure

1.23 Growth in *Government Final Consumption* increased by 3.9 percent in the twelve months period to September 2022, compared to a relatively higher growth of 5.2 percent in the corresponding period in 2021 (Chart 1.5). This was largely due to deceleration in growth of *collective consumption*⁴ which fell from 6.6 percent to 4.3 percent. Meanwhile, *individual consumption* increased by 2.2 percent from 0.6 percent in the previous period. On the other hand, *Household Final Consumption* grew by 4 percent in the twelve months ending September 2022, compared to a slower growth of 2.6 percent in the corresponding period ending in September 2021.

1.24 *Gross Fixed Capital Formation (GFCF)* contracted by 1.2 percent in the year to September 2022, compared to a marginal growth of 0.7 percent in the corresponding period in the previous year. The decline in *GFCF* was due to the 12.6 percent and 12.7 percent contraction

CHART 1.5: REAL GDP GROWTH BY TYPE OF EXPENDITURE (PERCENT)



Source: Statistics Botswana

⁴ Collective consumption expenditure comprises the expenditures made by general government on services that benefit households, collectively.

in investment in transport equipment and plant, machinery and other equipment sub-sectors, respectively. Meanwhile, other sub-sectors recorded positive growth rates.

- 1.25 Output of *Exports of Goods and Services* contracted by 7.2 percent in the year to September 2022, compared to a significant growth of 34.6 percent in the corresponding period in the previous year. The decline in *Exports of Goods and Services* was reflective of the 8.4 percent contraction in *Exports of Goods*, while *Exports of Services* recorded a growth of 15.2 percent due to the recovery in tourism. Likewise, *Imports of Goods and Services* contracted by 9.5 percent in the year to September 2022, compared to a growth of 9.1 percent in the corresponding period in 2021.

(b) Economic Growth Prospects

- 1.26 Global output expansion is forecast to decelerate to 2.9 percent in 2023, from an estimated expansion of 3.4 percent in 2022 (Table 1.1), against the backdrop of the ongoing Russia-Ukraine war and tightening financial conditions, as policy interest rates are raised in most regions to contain elevated inflationary pressures. The slowdown in output growth is also consistent with challenging prospects for advanced economies, in part, due to lower consumer demand associated with higher inflation and borrowing costs which have eroded purchasing power of currencies. Therefore, growth in advanced economies is projected to decline from 2.7 percent in 2022 to 1.2 percent in 2023, mostly reflecting these macroeconomic effects.

- 1.27 For emerging market and developing economies, growth is expected to rise slightly from 3.9 percent in 2022 to 4 percent in 2023. The higher growth projection for 2023 for these economies is mainly due to upward revisions of output expansion in the large emerging market economies, particularly Russia and China. Output growth in China is projected to increase in 2023, largely due to the re-opening of the economy. Overall, risks to the global economic outlook are assessed to be on the downside. These risks include the possibility of China's economy stalling and likely escalation of, or prolonged Russia-Ukraine war, as well as stagflation. The resurgence of COVID-19 and possible debt distress (amid rising interest rates and fiscal deficits) could also slow down global economic activity. Overall, it is not expected that the global economy will fall into recession in 2023, although there is probability of recession in some of the major advanced economies.

- 1.28 Domestically, real GDP is estimated to have expanded by 6.7 percent in 2022 and is forecast to moderate to 4 percent in 2023. It is anticipated that the performance of the non-mining sectors will improve, underpinned by, among others, improvements in electricity and water supply, as well as finance, insurance and pension funds sectors. Furthermore, it is anticipated that government interventions to mitigate the impact of COVID-19, as well as implementation of the Economic Recovery Transformation Plan (ERTP) and the two-year Transitional National Development Plan (TNDP), would support

TABLE 1.1: GLOBAL GROWTH ESTIMATES AND FORECASTS 2021 - 2023 (PERCENT)

	2021	2022	2023 (Projection)
Global	6.2	3.4	2.9
Advanced economies, of which,	5.4	2.7	1.2
USA	5.9	2.0	1.4
Euro area	5.3	3.5	0.7
Japan	2.1	1.4	1.8
Emerging markets, of which,	6.7	3.9	4.0
Sub-Saharan Africa	4.7	3.8	3.8
China	8.4	3.0	5.2
India	8.7	6.8	6.1
Russia	4.7	-2.2	0.3
South Africa	4.9	2.6	1.2
Botswana	11.8	4.1 (6.7)	4.0 (4.0)

Source: IMF World Economic Outlook (WEO) Update January 2023 and Ministry of Finance (MoF) for Botswana

Note: Figures in parentheses are forecasts by the MoF.

economic activity and contribute to improvement in incomes; facilitate expansion of productive capacity; accelerate economic transformation; and build economic resilience. However, given the downside risks to global economic activity, including the possible resurgence of COVID-19, weaker global demand and adverse impact of the Russia-Ukraine war, the growth trajectory remains uncertain. Nonetheless, the Bank of Botswana's December 2022 Business Expectations Survey indicates an improvement in the level of confidence among businesses in 2023.

(c) Employment

- 1.29 According to Statistics Botswana's Quarterly Multi-Topic Survey for the fourth quarter of 2022, total employment (formal and informal sector), as at the fourth quarter of 2022 was estimated at 717 725 persons, compared to 717 418 in the same quarter in 2021. Government continues to be the single largest employer,

with employment in public administration constituting 18.3 percent of the total in the fourth quarter of 2022 (Table 1.2a). In this regard, personal emoluments constitute the largest share (above 40 percent) of the government recurrent budget, and about 10 percent of GDP, a trend maintained over the past 10 years. The quarterly survey also indicates an unemployment rate of 25.4 percent for the fourth quarter of 2022 (youth unemployment at 33.5 percent). With respect to formal sector employment, 486 432 persons were hired in 2022, compared to 494 457 in the same quarter in 2021 (Table 1.2b). Meanwhile, formal sector average earnings per month in the fourth quarter of 2022 were estimated at P5 700 for citizens, P5 713 for non-citizens and P5 701 for all employees.

TABLE 1.2A: TOTAL EMPLOYMENT BY INDUSTRY AND GENDER AS AT FOURTH QUARTER 2022

Industry/ Economic Activity	Male	Female	Total 2022	Share of Employment (Percent) 2022	Total 2021	Share of Employment (Percent) 2021
Agriculture, Forestry & Fishing	55 826	12 012	67 839	9.5	53 830	7.5
Mining & Quarrying	9 772	2 951	12 723	1.8	12 037	1.7
Manufacturing	31 792	19 061	50 853	7.1	56 802	7.9
Electricity, Gas, & Air Conditioning Supply	2 398	1 165	3 563	0.5	2 427	0.3
Water Supply, Sewage, Waste Management & Remediation Activities	4 122	1 043	5 166	0.7	7 736	1.1
Construction	47 845	2 196	50 041	7	49 449	6.9
Wholesale Trade, except Motor Vehicles & Motorcycles	48 306	77 200	125 506	17.5	134 436	18.7
Transport & Storage	16 274	3 749	20 023	2.8	28 325	3.9
Accommodation & Food Service Activities	9 863	21 092	30 955	4.3	26 086	3.6
Information & Communication	4 960	2 548	7 508	1	5 506	0.8
Finance & Insurance Activities	3 889	6 489	10 378	1.4	11 392	1.6
Real Estate Activities	1 293	1 828	3 121	0.4	4 993	0.7
Professional, Scientific & Technical Activities	9 205	7 475	16 679	2.3	10 850	1.5
Administrative & Support Service Activities	28 652	15 559	44 212	6.2	51 003	7.1
Public Administration	48 903	82 747	131 650	18.3	113 518	15.8
Education	16 872	41 030	57 902	8.1	76 125	10.6
Human Health & Social Work Activities	11 671	19 032	30 703	4.3	31 139	4.3
Arts, Entertainment & Recreation	2 652	1 902	4 555	0.6	3 599	0.5
Other Service Activities	6 518	7 539	11 823	1.6	10 465	1.5
Households as Employers	6 518	24 639	31 156	4.3	26 753	3.7
Activities of Extraterritorial organisations	403	968	1 371	0.2	946	0.1
Total	365 500	352 225	717 725	100.0	717 418	100.0

Source: Statistics Botswana

TABLE 1.2B: FORMAL SECTOR EMPLOYMENT BY INDUSTRY AND GENDER AS AT FOURTH QUARTER 2022

Industry/ Economic Activity	Male	Female	Total 2022	Share of Employment (Percent) 2022	Total 2021	Share of Employment (Percent) 2021
Agriculture, Forestry & Fishing	8 489	5 626	14 114	2.9	13 412	2.7
Mining & Quarrying	8 656	2 951	11 607	2.4	11 558	2.3
Manufacturing	20 808	11 785	32 593	6.7	39 144	7.9
Electricity, Gas, & Air Conditioning Supply	2 363	1 165	3 563	0.7	2 427	0.5
Water Supply, Sewage, Waste Management & Remediation Activities	3 832	570	4 403	0.9	6 143	1.2
Construction	18 099	1 980	20 080	4.1	20 648	4.2
Wholesale Trade, except Motor Vehicles & Motorcycles	35 045	33 942	68 987	14.2	68 386	13.8
Transport & Storage	7 220	2 666	9 885	2.0	13 685	2.8
Accommodation & Food Service Activities	8 933	14 229	23 162	4.8	19 039	3.9
Information & Communication	4 409	2 548	6 956	1.4	5 197	1.1
Finance & Insurance Activities	3 335	6 058	9 392	1.9	11 165	2.3
Real Estate Activities	1 063	474	1 537	0.3	3 205	0.6
Professional, Scientific & Technical Activities	7 936	7 248	15 184	3.1	9 419	1.9
Administrative & Support Service Activities	25 977	14 900	40 877	8.4	46 061	9.3
Public Administration	48 903	82 022	130 924	26.9	113 196	22.9
Education	16 085	40 266	56 351	11.6	74 663	15.1
Human Health & Social Work Activities	10 499	18 440	28 939	5.9	28 831	5.8
Arts, Entertainment & Recreation	1 499	1 357	2 856	0.6	3 135	0.6
Other Service Activities	1 065	2 585	3 650	0.8	4197	0.8
Activities of Extraterritorial organisations	403	968	1 371	0.3	945	0.2
Total	234 653	251 778	486 432	100.0	494 457	100.0

Source: Statistics Botswana

(d) Inflation

1.30 In 2022, global inflation increased, partly due to the rise in commodity prices, particularly food and oil, improved global economic demand as most economies continued to administer effective COVID-19 vaccines and eased movement restrictions, while global supply constraints persisted. Global inflation is estimated to have increased from 4.7 percent in 2021 to 8.8 percent in 2022. The price of the Organisation of the Petroleum Exporting Countries (OPEC) reference crude oil basket, Brent crude and West Texas Intermediate (WTI) increased by 6.5 percent, 8.2 percent, and 6.6 percent to an average of USD79.18 per barrel, USD80.38 per barrel and USD76.22 per barrel in 2022, respectively. The increase in oil prices was mainly a result of the Russia-Ukraine war and the consequent sanctions imposed on Russia by major European countries and the US. Moreover, higher oil prices resulted from political unrest in some producer countries, for example Libya; failure by some members

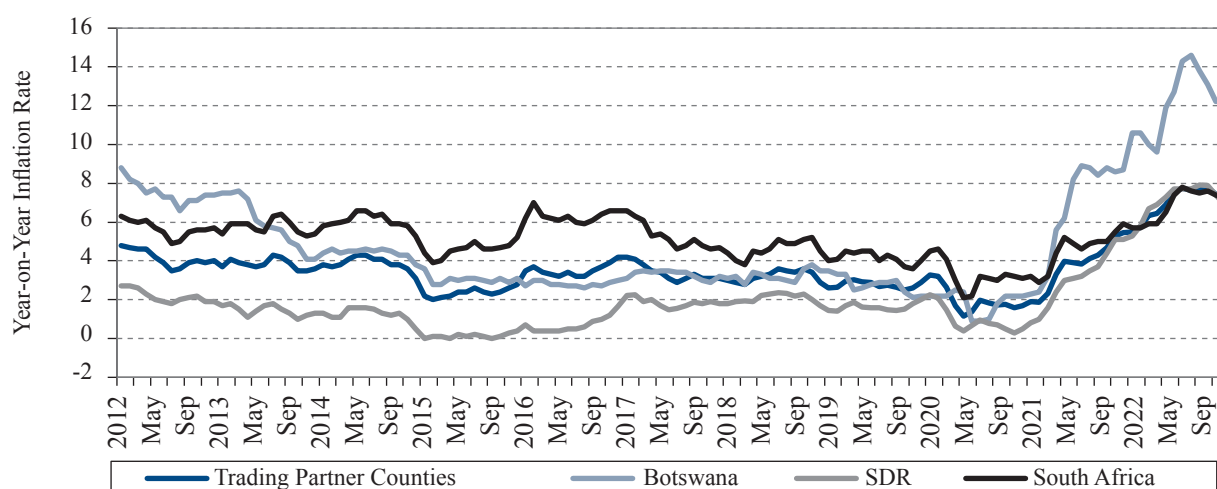
of OPEC to increase output or meet their daily production quota; continued drawdown of oil inventories; as well as global shortages of natural gas and coal that increased the demand for oil as a substitute. Similarly, the Russia-Ukraine war and resultant production and supply constraints resulted in an increase in international food prices, by 16 percent in 2022 compared to an increase of 28.1 percent in 2021, driven by the rise in prices of dairy, cereals and vegetable oils.⁵

⁵ The increase in the price of vegetable oils and cereals was due to the negative supply shocks associated with the Russia-Ukraine war, given that the two economies are the world's largest exporters of grains (wheat and maize) and sunflower oil, respectively, as well as bad weather conditions in Argentina, which significantly lowered yields. Prices of dairy also rose mainly driven by high input costs resulting from supply chain disruptions; labour shortages; the rise in the cost of cow feed, including grain, corn silage and soybeans; as well as elevated oil prices.

1.31 Inflation for the Special Drawing Rights (SDR) countries (USA, Eurozone, China, Japan and United Kingdom) increased significantly from an average of 3.1 percent in 2021 to an average of 7.1 percent in 2022. Similarly, headline inflation in South Africa increased from an average of 4.6 percent in 2021 to an average of 6.9 percent in 2022 and was above the country's target range of 3 – 6 percent. Consequently, the trade-weighted average inflation for Botswana's trading partner countries increased from an average of 3.7 percent in 2021 to 7 percent in the 2022 (Chart 1.6).

average of 4.6 percent, and above the upper bound of the Bank's 3 – 6 percent objective range (Chart 1.7). The high inflation in 2022 (from 8.7 percent in December 2021 to 12.4 percent in December 2022) was mainly due to significant upward adjustment of administered prices and associated second-round effects. Food price inflation increased from 7.2 percent in December 2021 to 16.9 percent in December 2022, in the context of significant price increases for bread and cereals, oils and vegetables. Regarding core inflation measures, the 16 percent trimmed mean inflation rose from

CHART 1.6: BOTSWANA AND TRADING PARTNER COUNTRIES' INFLATION (2012 - 2022)

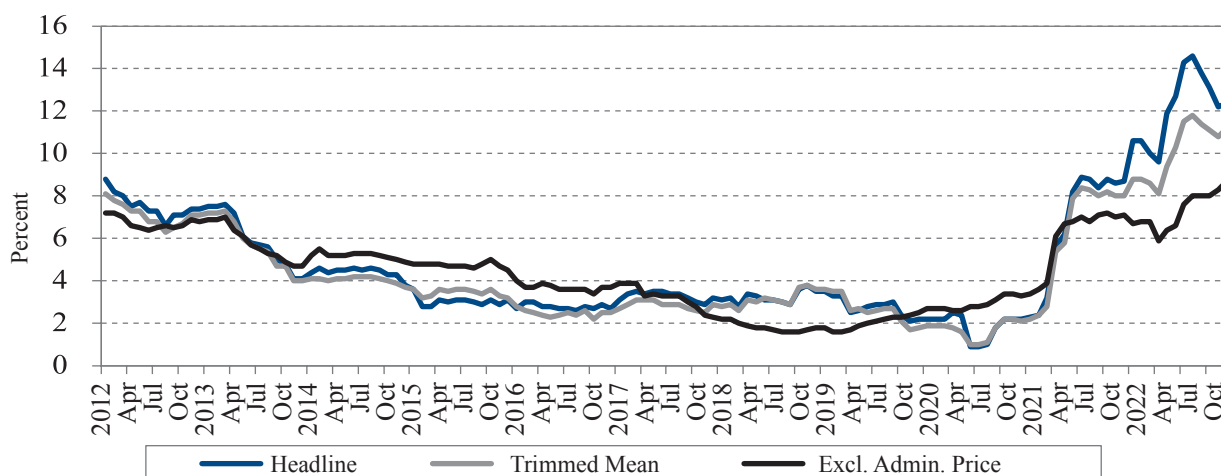


Source: Statistics Botswana, Bank of Botswana and Bloomberg

1.32 Domestic inflation increased significantly from an average of 6.7 percent in 2021 to an average of 12.2 percent in 2022. The 2022 average inflation is much higher than the 10-year (2013-2022)

8 percent in December 2021 to 11.2 percent in December 2022, while inflation excluding administered prices increased from 7.1 percent to 8.7 percent in the same period.

CHART 1.7: BOTSWANA HEADLINE AND CORE INFLATION (2012- 2022)

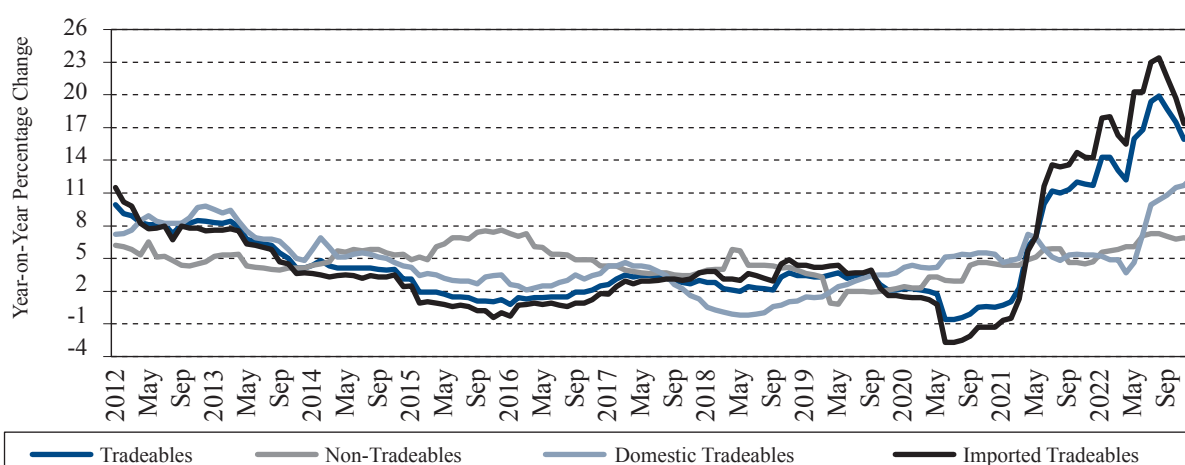


Source: Statistics Botswana

1.33 Inflation for domestic tradeables was 12.4 percent in December 2022, compared to 5.3 percent in December 2021, largely due to broad-based price increase of food items. Similarly, imported tradeables inflation rose from 14.2 percent to 18 percent in the same period, reflecting higher prices of vehicles. As a result, all tradeables inflation increased from 11.7 percent in December 2021 to 16.5 percent in December 2022. Meanwhile, non-tradeables inflation also increased from 4.7 percent to 6.7 percent in the same period (Chart 1.8).

continue trending downwards and to revert to within the Bank's 3 – 6 percent medium-term objective range in the second quarter of 2024. This outlook is subject to significant upside risks, including the continuing adverse impact of the Russia-Ukraine war, COVID-19 pandemic, constrained supply relative to demand and, domestically, regular annual price adjustments, notably administered prices. These risks are, however, moderated by the possibility of weak domestic and global economic activity

CHART 1.8: INFLATION FOR TRADEABLES AND NON-TRADEABLES (2012 - 2022)



Source: Statistics Botswana

(e) Inflation Outlook

1.34 It is projected that the current high global inflation, while moderating, is likely to persist in 2023 and above target for most economies. Nevertheless, a moderation in global inflationary pressures is projected for 2023 due to aggressive monetary policy tightening and squeezing of household budgets and waning COVID-19 pandemic related fiscal support. Moreover, the projected disinflation emanates from expected lower commodity prices. Thus, inflation for advanced economies is forecast to decrease from 7.3 percent in 2022 to 4.6 percent in 2023, while for emerging market economies, it is forecast to decrease from 9.9 percent to 8.1 percent. Consequently, global inflation is expected to ease from 8.8 percent to 6.6 percent in the same period. However, prolonged supply chain disruptions due to both the pandemic and the Russia-Ukraine war may persist for a while, keeping general prices and, consequently, interest rates higher than expected.

1.35 In Botswana, headline inflation is forecast to

and restrained commodity prices. The 2023 Monetary Policy Statement provides a detailed analysis of the medium-term outlook for inflation and guidance on the policy posture.

2. PUBLIC FINANCE AND THE 2023/24 BUDGET

2.1 The 2023/24 Budget Speech presented to Parliament on February 6, 2023, marked the first year of the two-year TNDP. The TNDP aligns the national development planning process to the electoral cycle, to help a newly elected administration establish its own development programmes and priorities, through a National Development Plan aligned to the electoral promises. The budget proposals contained programmes and allocations, which are building blocks towards the achievement of Vision 2036, while dealing with the aftermath of COVID-19. These have been complemented by the Reset Agenda Priorities that consider new and unexpected challenges. Some of the actions that will be undertaken to expedite key national strategic priorities

as envisaged in the TNDP, include Digital Transformation, Business Environment Reform, Infrastructure Development, Value Chain Development, Sustaining Livelihoods and Climate Change.

- 2.2 The Budget was presented against the backdrop of extraordinary circumstances, and in the context of a challenging environment brought about by the COVID-19 pandemic and the continued uncertainty about the recovery of the global and domestic economies due to the Russia-Ukraine war. Accordingly, the public revenue prospects for the domestic economy are uncertain due to the vulnerability of the mineral and trade taxes to adverse global events affecting global economic activity, demand, and commodity prices (including for rough diamonds).

(a) Budget Performance: 2021/22 and 2022/23⁶

2021/22 Budget Outturn

- 2.3 The final budget outturn for 2021/22 was a deficit of P127.9 million (0.1 percent of GDP), compared to an earlier estimated budget deficit of P10.2 billion (5.1 percent of GDP), reflecting, to a large extent, higher-than-expected revenue and grants, mainly from minerals and the Bank of Botswana (Table 1.3). Overall, revenue increased by 38.9 percent to P68.6 billion in 2021/22. Chart 1.9 shows the movements in the budget balance to GDP ratio.

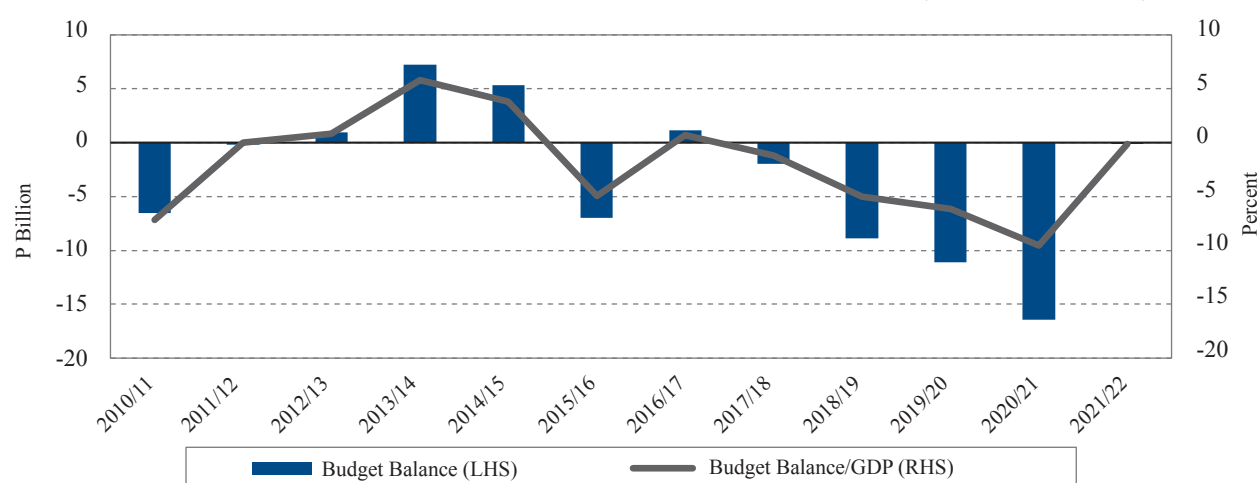
- 2.4 Total expenditure and net lending increased

from P65.8 billion in 2020/21 to P68.7 billion in 2021/22 but was below the revised budget estimate of P73.6 billion, due to underspending of the development budget. Of the total spending, recurrent expenditure amounted to P56.9 billion, compared to P57.2 billion in the revised budget estimates, representing a decrease of 2.8 percent, thus indicating the effectiveness of the cash saving and cost containment measures put in place by Government towards the end of 2020. Development spending was P11.8 billion, representing a 19.7 percent underperformance compared to the revised budget estimate of P14.7 billion. The underspending of the development budget was due to project implementation challenges, such as late commencement of projects, public sector capacity constraints, procurement inefficiencies, ineffective monitoring, and delays in processing payments.

2022/23 Revised Budget Estimates

- 2.5 The revised budget estimates for 2022/23 show a deficit of P4.9 billion (2 percent of GDP), compared to the original budget deficit of P7 billion (Table 1.3). The revised deficit results from the good performance of revenue. The good revenue performance was because of higher-than-expected mineral receipts compared to the original budget estimates, reflecting the increase in diamond sales, underpinned by the gradual easing of COVID-19 restrictions on movement of goods and people during the financial year.

CHART 1.9: BUDGET BALANCE AT LEVELS AND AS A PERCENTAGE OF GDP (2010/11 - 2021/22)



Source: Ministry of Finance

6 Calculation of percentages are based on figures from tables in this section and may differ from those calculated from rounded off figures in the text.

2.6 The projection for expenditure and net lending has been revised upwards, from P74.8 billion to P76.4 billion, which is equivalent to 30.9 percent of GDP (thus slightly above the fiscal rule limiting total expenditure to 30 percent of GDP). The P1.6 billion upward revision in the estimate for expenditure mainly reflects the increase in salaries of public officers, as well as the measures aimed at cushioning households from the full impact of rising global fuel prices. The estimated increase in expenditure also reflects the need to use part of the revenue from the fuel levy to replenish the National Petroleum Fund (NPF), which got depleted as fuel prices were held below cost-recovery levels for some time.

by improving efficiency of tax collection, as well as adopting measures designed to manage fiscal expenditure by reducing and effectively controlling the Government wage bill; reduction of subventions to commercial state owned enterprises; reduction of revenue support grants to Local Authorities; as well as improvement in preparation and prioritisation of development projects.

Revenue

2.8 Revenue, including grants, for 2023/24 is projected at P79.8 billion, which is 11.5 percent higher than the revised budget for 2022/23 (Table 1.4). This largely reflects a projected

TABLE 1.3: GOVERNMENT BUDGET 2021/22 – 2023/24 (P MILLION)

	2021/22			2022/23		2023/24
	Budget	Revised	Final	Budget	Revised	Budget
Revenue	64 578	63 402	68 570	67 867	71 535	79 788
Mineral Revenue	23 199	20 260	23 244	24 081	30 183	23 339
Non-Mineral Revenue	41 379	43 142	45 326	43 786	41 605	56 449
Expenditure	70 610	73 566	68 698	74 844	76 413	87 378
Recurrent Expenditure	56 046	58 995	56 920	58 510	60 122	66 511
Personal Emoluments	28 768	28 768	29 560	28 304	29 638	34 438
Grants & Subventions	14 959	17 814	15 746	17 174	17 344	16 600
Public Debt Interest	1 579	1 579	1 164	1 856	1 856	2 369
Other Charges	10 740	10 833	10 451	11 175	11 284	13 104
Development Expenditure	14 753	14 667	11 864	16 430	16 430	21 008
Net Lending	-189	-95	-85	-189	-139	-141
Balance	-6 032	-10 164	-128	-6 977	-4 878	-7 590

Source: Ministry of Finance

(b) The 2023/24 Budget Proposals

2.7 The proposed budget allocation for 2023/24, in the main, outlined the imperatives of economic recovery and transformation, while at the same time seeking to support and sustain livelihoods. It focuses spending on national priorities and needs, as outlined in the TNDP. A significant amount of the budget is proposed for initiatives, programmes and projects related to human capital development, a critical enabler for effective implementation of the Plan, capacity building and, in general, sustainable economic development. The 2023/24 budget has significantly increased the development budget to fill infrastructure gaps and implement projects that are necessary to unlock constraints to economic growth. Additionally, the Government committed to restore budget sustainability by putting in place additional measures to rebuild fiscal buffers; including mobilisation of domestic revenue sources

73.6 percent increase in Southern African Customs Union (SACU) receipts, from P14.4 billion in 2022/23 to P24.9 billion in 2023/24 mainly due to higher-than-expected collections in customs, as well as specific excise and ad-valorem duties. SACU receipts are the largest source of revenue for the 2023/24 financial year, representing 31.3 percent of the total, followed by mineral revenue at 29.3 percent. Non-mineral income tax is the third largest contributor at 18.5 percent, and value added tax (VAT) at 16.7 percent. The balance is accounted for by other sundry revenue items, such as Bank of Botswana revenue and other miscellaneous sources. Most revenue sources are projected to generate higher revenues in 2023/24 than in the 2022/2023 fiscal year.

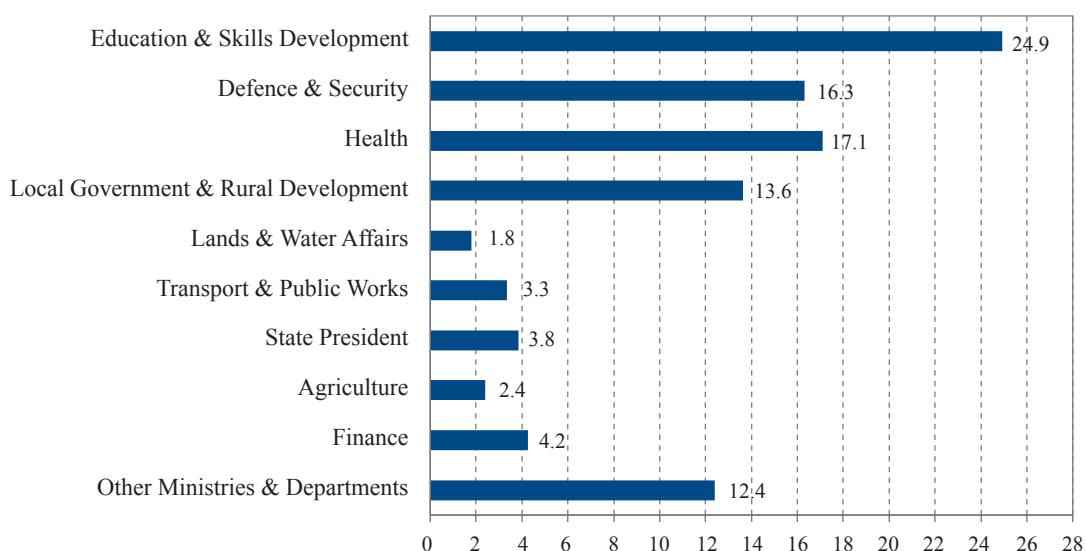
Expenditure

2.9 Total expenditure and net lending for 2023/24 is budgeted at P87.7 billion (32.6 percent of

forecast GDP), an increase of 14.8 percent from the P76.4 billion in the revised estimates for 2022/23. Recurrent expenditure is projected to increase by 10.6 percent, from the revised budget projection of P60.1 billion in 2022/23 to P66.5 billion in 2023/24, accounting for 76.1 percent of total spending and breaching the expenditure allocation rule of 70 percent to recurrent expenditure and 30 percent to development spending. The development spending budget (24 percent of total spending) is projected to increase by 27.9 percent from the revised P16.4 billion in 2022/23 to P21 billion in 2023/24. As a result, a budget deficit of P7.6 billion or 2.8 percent of GDP is forecast for 2023/24 fiscal year.

2.10 Personal emoluments, which include public sector wages and salaries, pensions and gratuities, constitute 51.8 percent (P34.4 billion) of recurrent spending in the 2023/24 fiscal year. The balance (48.2 percent) is allocated to grants and subventions to parastatals and local authorities (P16.6 billion or 25 percent), "other charges" (P13.1 billion or 19.7 percent), and interest on public debt (P2.4 billion or 3.6 percent). Recurrent spending on Education and Skills Development leads the ministerial allocations with a share of 24.9 percent (Chart 1.10).

CHART 1.10: MINISTERIAL ALLOCATION OF THE RECURRENT BUDGET (PERCENT)



Source: Ministry of Finance

TABLE 1.4: GOVERNMENT BUDGET 2018/19 – 2023/24

Fiscal Year (FY)	2018/19	2019/20	2020/21	2021/22	2022/23*	2023/24*
GDP, current prices (P Million)	176 530	180 941	171 905	216 754	247 535	268 197
Growth rate GDP, current prices (percent)	5.1	2.5	-5.0	26.1	14.2	8.3
Budget (P Million)					Revised Budget	Budget
Revenue & Grants	53 470	54 300	49 375	68 698	71 535	79 788
Recurrent Expenditure	47 278	51 813	55 627	56 920	60 122	66 511
Development Expenditure	15 454	13 644	10 228	11 864	16 430	21 008
Net Lending	-382	-57	-66	-85	-139	-141
Expenditure & Net Lending	62 351	65 400	65 789	68 675	76 413	87 378
Balance	-8 881	-11 144	-16 415	-128	-4 878	-7 590
Share of GDP (percent):						
Revenues & Grants	30.3	30	28.7	31.6	28.9	29.7
Recurrent Expenditure	26.8	28.6	32.4	26.3	24.3	24.8
Development Expenditure	8.8	7.5	5.9	5.5	6.6	7.8
Expenditure & Net Lending	35.3	36.1	38.3	31.7	30.9	32.6
Balance	-5.0	-6.2	-9.5	-0.1	-2.0	-2.8

Note: * shows projections

Source: Ministry of Finance

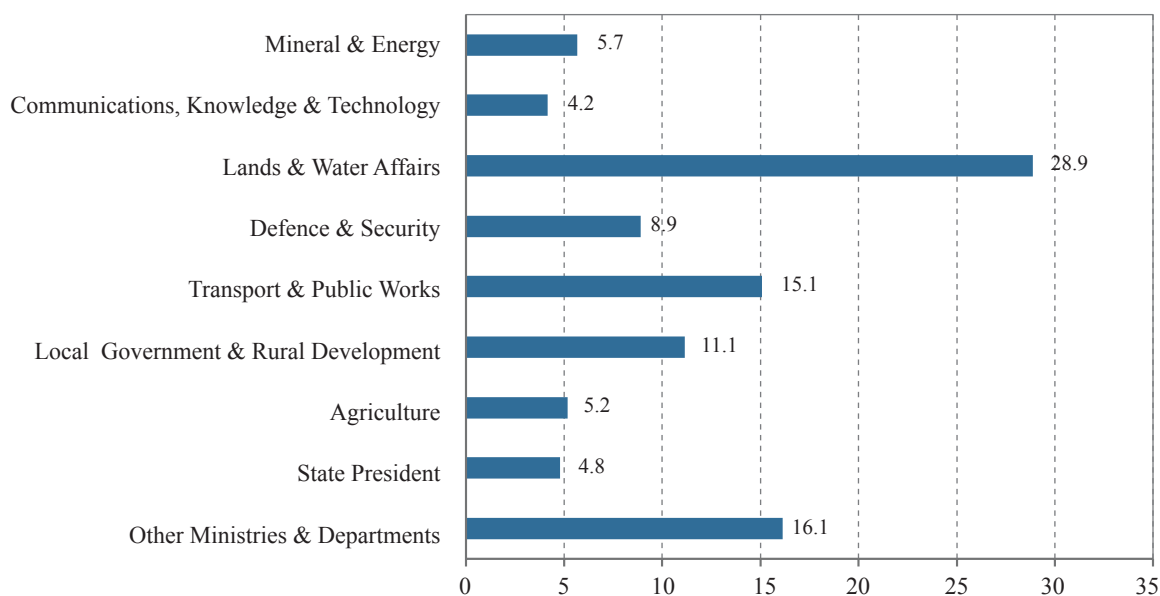
2.11 Regarding the development spending, the largest share of P6 billion or 28.9 percent (Chart 1.11) was allocated to the Ministry of Land and Water Affairs, mainly to improve water reticulation and management across the country. The Ministry of Transport and Public works received the second largest proportion (P3.2 billion or 15.1 percent) of the development budget to cater for the on-going major roads projects, such as Mmankgodi-Jwaneng and Rakhuna-Mabule; Mulambakwena-Tshesebe; completion of upgrades to three intersections of the KT Motsete Drive at Botswana Television, Rainbow and Game-City circles in Gaborone; as well as final payments for Gaborone-Boatle dual road. The Ministry of Local Government and Rural Development was allocated the third largest proportion (P2.3 billion or 11.1 percent), mostly for continued implementation of social protection programmes including the revamped Ipelegeng and Remote Area Development. The Ministry of Defence, Justice and Security was allocated P1.9 billion (8.9 percent), mainly for provision of infrastructure, vehicles and equipment for Botswana Defence Force, Botswana Police Service and the Department of Prisons and Rehabilitation Services. Furthermore, the Ministry of Mineral and Energy was allocated P1.2 billion (5.7 percent) of the development budget to help cushion the losses emanating from the lack of cost-reflective electricity tariffs and carry out other

Integrated Support Programme for Arable Agriculture Development (ISPAAD) as well as the preparatory activities for the successor programme, Temo-Letlotlo, while the Ministry of State President was allocated P1 billion (4.8 percent) of the development expenditure for provision of infrastructure required for, among others, the development of television and radio broadcasting and refurbishment of Orapa House Technology Park. The Ministry of Communication, Knowledge and Technology was given P876.2 million (4.2 percent) of the development budget to cover the on-going ICT infrastructure projects.

Debt Management

2.12 Government and government-guaranteed debt as at the end of March 2023 is projected at P51.3 billion,⁷ of which P44 billion is Government's own debt, while the balance is government-guaranteed debt (Table 1.5). Total external debt amounts to P22.9 billion or 9.2 percent of GDP, while domestic debt (P28.4 billion), accounts for 11.5 percent of GDP. Overall, total projected Government debt as of March 31, 2023, is equivalent to 20.7 percent of forecast GDP for the 2023/24 financial year and below the statutory ceiling of 40 percent of GDP, with both domestic and external debt being lower than the 20 percent of GDP limit for each category⁸.

CHART 1.11: MINISTERIAL ALLOCATION OF THE DEVELOPMENT BUDGET (PERCENT)



Source: Ministry of Finance

projects, such as Rural Village Electrification and construction of fuel depots around the country. The Ministry of Agriculture received P1.1 billion (5.2 percent) of the development budget to cater for the final phase of the

⁷ This is an increase of 6.3 percent compared to the balance outstanding at the end of 2021/22 fiscal year.

⁸ Figures were sourced from the 2023/24 Budget in Brief.

TABLE 1.5: GOVERNMENT DEBT AND GUARANTEES 2019/20 – 2023/24 (P MILLION)

	Actual			Projection	
Financial Year	2019/20	2020/21	2021/22	2022/23	2023/24
External					
External Debt	15 479	13 282	17 367	17 467	20 133
External Guarantees	6 935	6 903	5 635	5 414	5 154
Total External Debt	22 414	20 185	23 002	22 881	25 288
Internal					
Internal Debt	13 754	20 424	23 523	26 506	29 504
Internal Guarantees	2 006	1 765	1 735	1 895	1 853
Total Internal Debt	15 760	22 189	25 258	28 401	31 358
Grand Total	38 175	42 374	48 260	51 282	56 645
GDP for FY	180 941	171 905	216 755	247 536	268 198
Percent of GDP					
External Debt & Guarantees	12.4	11.7	10.6	9.2	9.4
Internal Debt & Guarantees	8.7	12.9	11.7	11.5	11.7
Total Debt & Guarantees	21.1	24.6	22.3	20.7	21.1

Source: Ministry of Finance

3 EXCHANGE RATES, BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION

(a) Exchange Rates

- 3.1 The exchange rate policy supports competitiveness of domestic industries in international and domestic markets, by maintaining a stable real effective exchange rate (REER)⁹ of the Pula against a basket of currencies of major trading partner countries. In 2022, the weights of the Pula basket currencies were maintained at 45 percent and 55 percent for the South African rand and the SDR, respectively.
- 3.2 Consistent with the policy objective of maintaining a stable REER of the Pula, a downward rate of crawl of 2.87 percent for the nominal effective exchange rate (NEER) was implemented in 2022. Consequently, the NEER of the Pula depreciated accordingly (Table 1.6). The nominal Pula depreciated against both components of the basket currencies in 2022; 3.5 percent against the SDR and 2 percent against the South African rand. The Pula depreciated by 8.1 percent against the US dollar and 2.3

percent against the euro, while it appreciated by 5.8 percent against the Japanese yen, 3 percent against the British pound and 0.5 percent against the Chinese renminbi. The movement of the Pula against the SDR constituent currencies largely reflects the performance of the South African rand against the SDR constituent currencies. The South African rand ended the year weaker due to deteriorating risk sentiment on the back of the waning global outlook, as well as the strength of the US dollar amid faster monetary policy tightening by the Federal Reserve, thus reducing the interest rate differential between the US and emerging market economies. Persistent electricity shortage in South Africa and resultant prolonged load shedding weakened the country's economic output in 2022 and, therefore, undermined the performance of the South African rand.

- 3.3 In real terms, the Pula exchange rate (using headline inflation) appreciated by 2.8 percent against the South African rand and 1.4 percent against the SDR in 2022 (Chart 1.12). The REER appreciated by 2.1 percent in the review period, due to higher inflation in Botswana (12.4 percent) than in trading partner countries (7.1 percent); thus, the differential was larger than the 2.87 percent downward rate of crawl implemented during 2022. The slight appreciation of the REER suggests a loss of competitiveness of domestic firms in international markets.

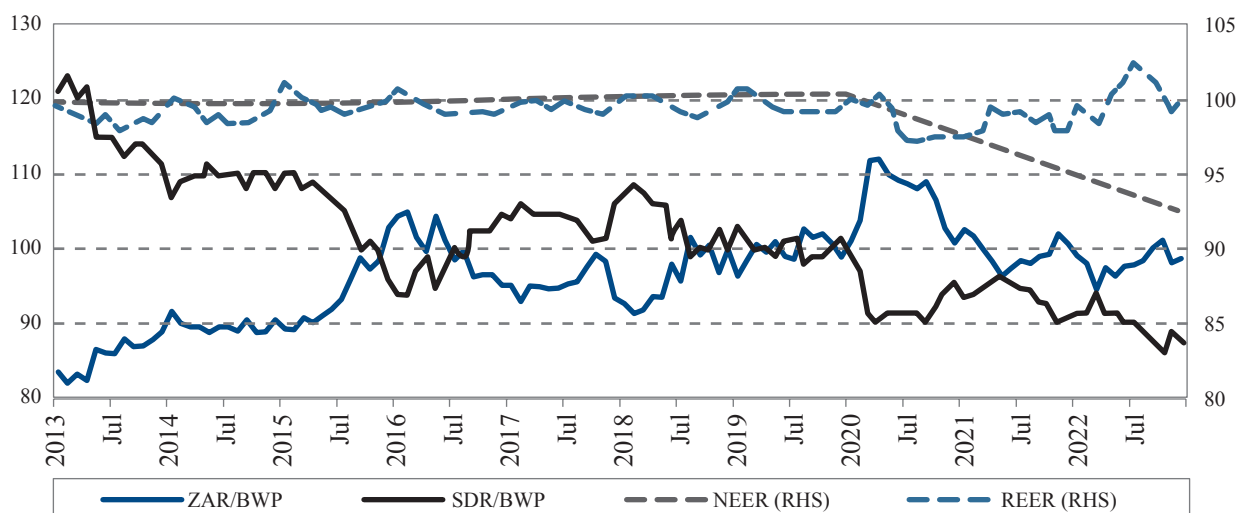
⁹ The REER is a trade-weighted exchange rate of the Pula (against a fixed basket of currencies, after allowing for relative inflation). It is used as an indicator of changes in the relative competitiveness of the country's tradeable goods and services.

However, it should be noted that the exchange rate alone is not sufficient to ensure sustainable competitiveness of local producers. Durable competitiveness of domestic producers is mainly achieved through a sustained improvement in productivity, which also contributes to lower inflation.

(b) Balance of Payments

3.4 Provisional balance of payments figures for 2022 indicate an overall surplus of P4.5 billion, compared to a deficit of P2.9 billion in 2021 (Chart 1.13). The surplus was attributable to, among others, a substantial increase in export earnings during the year, compared to a smaller increase in imports.

CHART 1.12: PULA EXCHANGE RATES (INDICES, DECEMBER 2018 = 100)



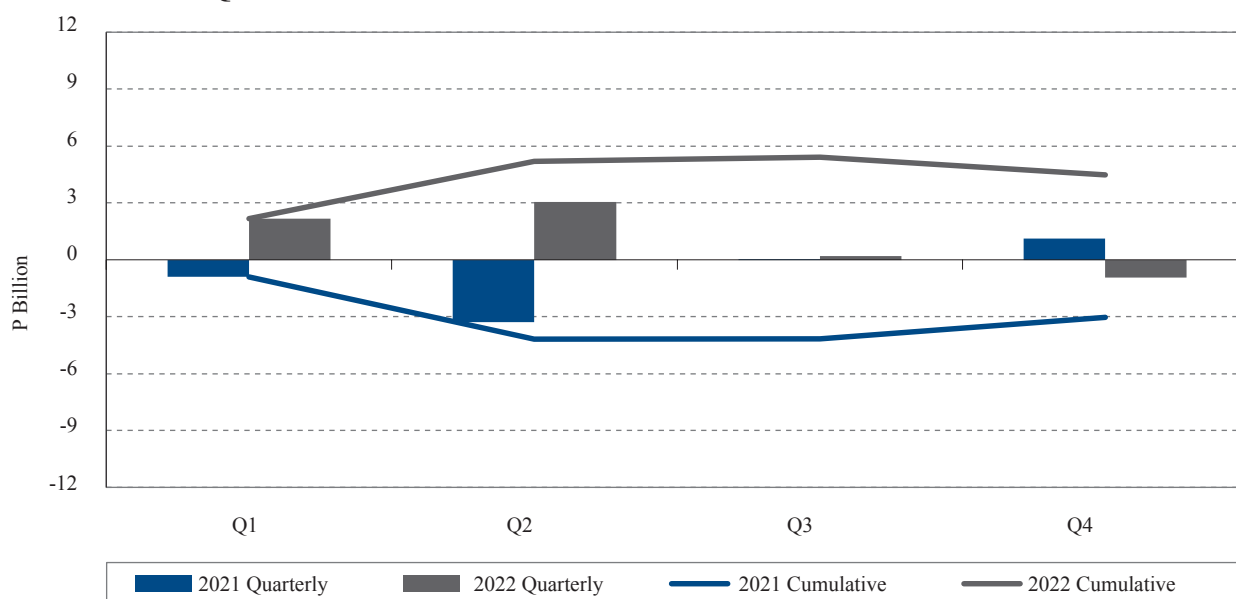
Source: Bank of Botswana

TABLE 1.6: PULA EXCHANGE RATES AGAINST SELECTED CURRENCIES

Nominal Exchange Rates (Foreign Currency per Pula)			
Currency	December 2021	December 2022	Change (Percent)
SA rand	1.3548	1.3281	-2.0
SDR	0.0609	0.0587	-3.5
US dollar	0.0852	0.0783	-8.1
British pound	0.0631	0.0650	3.0
Japanese yen	9.80	10.37	5.8
Euro	0.0753	0.0735	-2.3
Chinese yuan	0.5427	0.5454	0.5
NEER (Dec. 2018 = 100)	95.2	92.5	-2.83
Real Pula Exchange Rate Indices ¹ (Dec. 2018 = 100)			
SA rand	100.7	103.6	2.8
SDR	95.6	96.9	1.4
US dollar	93.4	90.7	-3.0
British pound	90.8	95.1	4.8
Japanese yen	107.7	123.3	14.4
Euro	98.8	99.4	0.6
Chinese yuan	90.4	100.3	11.0
REER	97.9	99.9	2.1

1. All real indices calculated using headline inflation.

Source: Bank of Botswana

CHART 1.13: QUARTERLY BALANCE OF PAYMENTS 2021 AND 2022

Source: Bank of Botswana

TABLE 1.7: BALANCE OF PAYMENTS 2018 - 2022 (P MILLION)

	2018	2019	2020*	2021*	2022#
Current Account	683	-12 422	-17 738	-2 921	7 391
<i>of which:</i>					
Goods	4 959	-11 464	-22 540	-7 231	6 773
Services	-3 225	-4 316	-10 304	-7 582	-4 383
Primary Income	-16 158	-9 423	160	-2 005	-7 219
Secondary Income	15 107	12 780	14 946	13 897	12 220
Financial Account	-3 098	4 690	7 362	4 905	-1 440
Net Errors and Omissions ¹⁰	-7 985	5 090	5 041	4 955	-4 346
Overall Balance	- 4 204	-12 022	-20 059	-2 871	4 485

* Revised

Provisional

Source: Bank of Botswana

Current Account¹¹

- 3.5 The current account is estimated to have recorded a surplus of P7.4 billion in 2022, compared to a revised deficit of P2.9 billion in the previous year (Table 1.7). The account was boosted by the merchandise trade account which recorded a surplus of P6.8 billion in 2022 compared to a deficit of P7.2 billion in 2021. The services account deficit narrowed

from P7.6 billion in 2021 to an estimate of P4.4 billion in 2022. The primary income account deficit on the other hand worsened from the revised P2 billion to an estimated P7.2 billion during the same period as dividends to foreign investors increased from P2.2 billion to an estimate of P7.7 billion following improved performance, particularly in the mining sector. The secondary income account which is estimated to have recorded a surplus of P12.2 billion in 2022 also contributed to the current account surplus.

Goods

- 3.6 The goods account registered a balance of P6.8 billion as exports increased by 24.4 percent from P82.3 billion in 2021 to P102.4 billion while imports increased by 6.7 percent

10 The net errors and omissions (NEO) occur due to overestimation/underestimation of credits (capital inflows, exports of goods and services and other current account receivables) or debits (capital outflows, imports of goods and services and other current account payables). Positive NEO suggest underestimation of credits or overestimation of debits while Negative NEO suggest underestimation of debits or overestimation of credits.

11 The current account comprises trade in goods and services, primary and secondary income accounts.

from P89.6 billion to P95.6 billion. Trade in goods continues to be driven by diamond transactions, predominantly undertaken by De Beers Global Sightholder Sales (DBGSS), which include a substantial import and re-export trade of rough diamonds¹² (Table 1.8). The De Beers' aggregation process constitutes a larger share of rough diamonds from Botswana, approximately 79.4 percent in 2022, compared to rough diamonds from other countries (namely, Canada, Namibia and South Africa). Diamonds constituted about 87.1 percent of exports and 28.5 percent of imports in 2022 in Botswana's total international trade. The major export destinations are Belgium, followed by United Arab Emirates, India, South Africa and Israel. These five countries collectively accounted for an annual average of 77.2 percent of Botswana's total diamond exports during 2017-2022 (Table 1.9).¹³

3.7 Diamond exports increased by 20.4 percent, from P74.1 billion in 2021 to P89.2 billion in 2022 (Table 1.10) in response to higher demand by major rough diamond markets, such as the US and China following the easing of both global travel restrictions and movement of goods across borders, which had been implemented in 2020 to contain the spread of the COVID-19 pandemic. Other commodities that registered increase in sales abroad include copper and nickel (222.1 percent), textiles (45.1 percent), vehicles and transport equipment (39.6 percent), live cattle (35 percent), and Soda Ash (22.8 percent). Exports of live cattle continued to rise following the Government's upliftment of the exports ban of live cattle in 2020. In October 2021 Statistics Botswana added live cattle category to the country's principal exports. Copper and nickel

TABLE 1.8: DIAMOND TRADE 2020 - 2022 (P MILLION)

Period	Domestic Sales (1)	Rough Exports (2)	Polished Exports (3)	Total Exports 4 = (2)+(3)	Imports (5)	Re-Exports (6) = (2)-(1)
2020	23 735	36 931	6 374	43 305	23 071	13 195
2021	38 135	64 741	9 389	74 129	32 661	26 606
2022						
Q1	12 723	19 466	3 823	23 289	9 233	6 742
Q2	18 301	18 014	4 716	22 730	5 546	- 287
Q3	12 213	20 927	5 290	26 217	8 202	8 713
Q4	13 308	12 798	4 195	16 992	4 286	- 510
Total	56 545	71 204	18 024	89 228	27 267	14 659

1 Domestic Sales refer to the value of rough diamonds sold by Debswana to DBGSS and Okavango Diamond Company (ODC). These are local sales.

Source: Bank of Botswana

TABLE 1.9: TOTAL EXPORTS BY DESTINATION 2017 - 2022 (PERCENT)

Country	2017	2018	2019	2020	2021	2022	Average
Belgium	22.5	23.6	19.9	22.8	23.4	18.7	21.8
United Arab Emirates	16.2	12.0	18.5	21.3	25.4	27.5	20.1
India	18.5	16.9	21.7	22.4	17.2	15.4	18.7
South Africa	9.7	8.9	9.2	14.3	9.0	10.0	10.2
Israel	7.4	6.7	7.1	5.2	5.8	6.0	6.4
Hong Kong	4.3	5.1	5.7	3.7	4.7	6.2	4.9
Namibia	3.4	2.9	3.1	1.8	1.0	2.2	2.4
United States of America	2.1	2.0	1.4	1.4	1.4	2.1	1.7
Canada	0.8	0.6	0.3	0.1	0.1	-	0.3
United Kingdom	0.7	0.8	0.4	-	-	-	0.3
Others	14.4	20.5	12.7	7.2	12.0	11.8	13.1
Totals	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Bank of Botswana

12 In addition to Botswana mined diamonds, DBGSS aggregates rough diamonds from De Beers' mining operations in Canada, Namibia and South Africa. The value-addition on imported rough diamonds through the aggregation and sales processes is reflected in the trade balance. Some aspects of the statistical treatment of diamond trade flows continue to be reviewed and, as such, published data may be subject to further revision.

13 This is based on the average of exports by destination from 2017 to 2022.

also continued to register significant increases as a result of the good performance of the US private equity company Cupric Canyon, which started production at Khoemacau copper mine in 2021. Conversely, gold, and meat and meat products exports declined by 20.5 percent and 15.1 percent, respectively.

3.8 Imports of goods increased by 6.8 percent to P95.6 billion in 2022 (Table 1.11). Diamond imports, which accounted for 28.5 percent of total imports, decreased from P32.7 billion in 2021 to P27.3 billion in 2022. Vehicles and Transport Equipment imports also decreased by 12.2 percent. Categories of imports that registered growth were fuel (64.7 percent),

food (23.9 percent), textile and footwear (17.1 percent), machinery and electrical equipment (16.9 percent), chemicals and rubber products (9.9 percent) and metals and metal products (1.8 percent). The growth in fuel imports was mainly a result of the increase in prices of crude oil in the global economy.

TABLE 1.10: EXPORTS 2021 – 2022 (P MILLION)

	2021	2022	Percent Share		Percentage Change
			2021	2022	
Total Exports	82 325	102 391			24.4
<i>of which:</i>					
Diamonds	74 129	89 228	90.0	87.1	20.4
Copper-Nickel	1 223	3 940	1.5	3.8	222.1
Meat and Meat products	161	137	0.2	0.1	-15.1
Live Cattle	876	1 183	1.1	1.2	35.0
Salt and Soda Ash	808	993	1.0	1.0	22.8
Gold	388	308	0.5	0.3	-20.5
Textile	217	314	0.3	0.3	45.1
Vehicles and Transport Equipment	460	642	0.6	0.6	39.6
Other Goods ¹⁴	4 063	5 646	4.9	5.5	39.0

Source: Bank of Botswana

TABLE 1.11: IMPORTS 2021 – 2022 (P MILLION)

	2021	2022	Percent Share		Percentage Change
			2021	2022	
Total Imports	89 557	95 618			6.8
<i>of which:</i>					
Diamonds	32 661	27 267	36.5	28.5	-16.5
Fuel	11 122	18 323	12.4	19.2	64.7
Food	10 726	13 286	12.0	13.9	23.9
Machinery & Electrical Equipment	10 230	11 954	11.4	12.5	16.9
Chemicals & Rubber Products	8 784	9 656	9.8	10.1	9.9
Metals & Metal Products	4 364	4 442	4.9	4.6	1.8
Textile & Footwear	1 977	2 315	2.2	2.4	17.1
Vehicles & Transport Equipment	6 771	5 944	7.6	6.2	-12.2
Other	2 923	2 430	3.3	2.5	-16.8

Source: Bank of Botswana

¹⁴ These include hides and skin, iron and steel products, live cattle, machinery and electrical equipment, plastic and plastic products.

Services

- 3.9 The services account registered a deficit of P4.4 billion in 2022, smaller deficit compared to P7.6 billion in the previous year (Chart 1.14). The deficit was largely driven by imports of transportation and 'other' services. Exports of transportation services¹⁵ increased from P336 million in 2021 to P932 million in 2022, mainly influenced by freight, which increased from P263.3 million to P804.5 million in the same period. Imports of transportation services, which is almost entirely accounted for by freight of imported goods, also increased from P4 billion to P4.5 billion in the same period leading to an overall deficit of P3.6 billion in the transportation account. Exports of travel services increased from P3 billion to P4.5 billion, primarily due to the increase in personal travel, dominated by tourism expenditure. The Botswana tourism industry continue to show signs of recovery from the negative effects of the pandemic in 2020. Imports of travel services also increased from P853 million to P1.2 billion, consequently, the travel account recorded a surplus of P3.4 billion in 2022 in comparison to P12.2 billion in the previous period. Exports of all 'other' services decreased from P2.1 billion to P1.8 billion, while imports of the same decreased from P8.3 billion to P5.9 billion over the same review period. The 'other' services account, which is dominated by telecommunications, computer and information services; government and

other business services¹⁶, registered a smaller deficit of P4.2 billion in 2022 compared to a deficit of P6.1 billion in 2021.

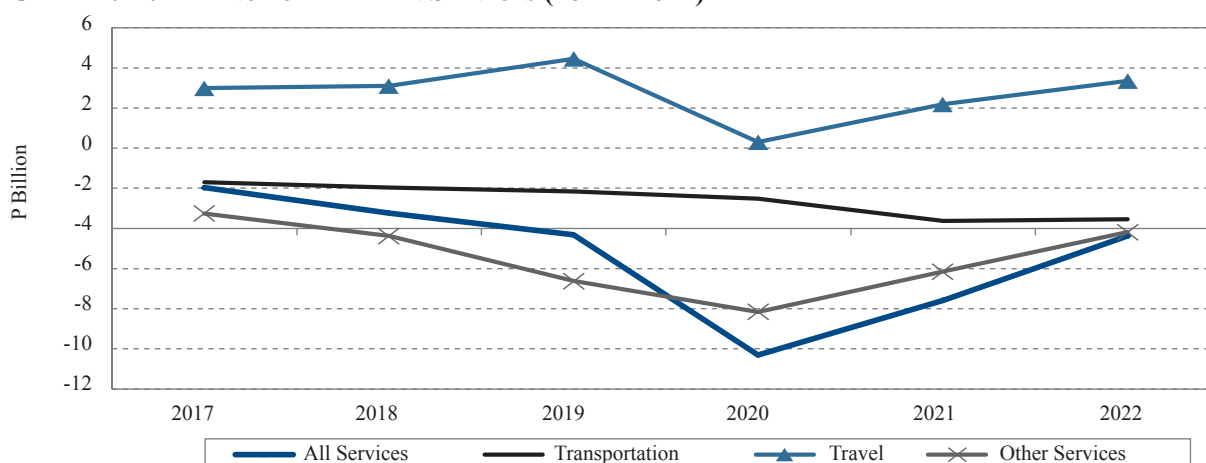
Primary Income Account

- 3.10 The primary income account, which records wages, salaries and investment income payments between residents and non-residents registered an estimated deficit of P7.2 billion in 2022, compared to the previous year's revised deficit of P2 billion. The deficit in this account was primarily a result of increased investment income payments to non-residents. Dividends and retained earnings¹⁷ are the major drivers of investment income outflows from Botswana and these are estimated to have increased from P2.2 billion in 2021 to P7.7 billion in 2022, owing to the continued recovery of economic activity and therefore, earning, particularly in mining. A larger proportion of this component in 2022 was dividends paid by Debswana to De Beers. The credit side of the primary income account is dominated by the country's foreign exchange reserves earnings and in 2022, income earned from the reserves was P1.2 billion, compared to P992 million in 2021.

Secondary Income Account

- 3.11 Secondary income consists of government and private transfers, with the former constituting the largest share. In 2022, net transfers are estimated to have decreased from P13.9 billion in 2021 to P12.2 billion, mainly because of lower SACU receipts which drives the account. SACU receipts fell from P15 billion in 2021 to

CHART 1.14: BALANCE OF TRADE IN SERVICES (2017 - 2022)



Source: Bank of Botswana

15 Transportation services include passenger fares; freight (road, sea, air, rail and clearing charges) and 'other' services (landing fee, aircraft hire and air charter).

16 These include mining, architectural and engineering, advertising, marketing and legal fees.

17 Retained earnings by foreign-owned businesses are an imputed outflow in the income account, matched by an offsetting inflow of foreign direct investment.

P14 billion in 2022 due to recovery of previous overpayments thus, net government transfers decreased from a surplus of P14.4 billion to P13.2 billion. Net private transfers, dominated by Non-Governmental Organisations, registered deficits of P477 million and P964 million in 2021 and 2022, respectively.

Financial Account

- 3.12 The financial account, comprising direct, portfolio, financial derivatives and other¹⁸ investments, is estimated to have registered a negative net balance of P1.4 billion in 2022¹⁹ compared to a revised positive net balance of P4.9 billion in 2021. The negative net balance was mainly attributable to a substantial fall in offshore investments, particularly in equity and debt instruments, by the local pension fund managers.
- 3.13 With respect to direct investment, net acquisition of financial assets abroad is estimated to have decreased by P522 million in 2022, compared to a revised decrease of P365 million in 2021. On the other hand, it is estimated that net incurrence of liabilities (investments by non-residents in Botswana) increased by P2.7 billion in 2022, compared to a decrease of P3.6 billion in 2021. The increase in liabilities was mainly inter-company loans extended to locally based subsidiaries to finance daily operations.
- 3.14 The portfolio assets, mainly comprising offshore investments in equity and debt instruments by local pension funds are

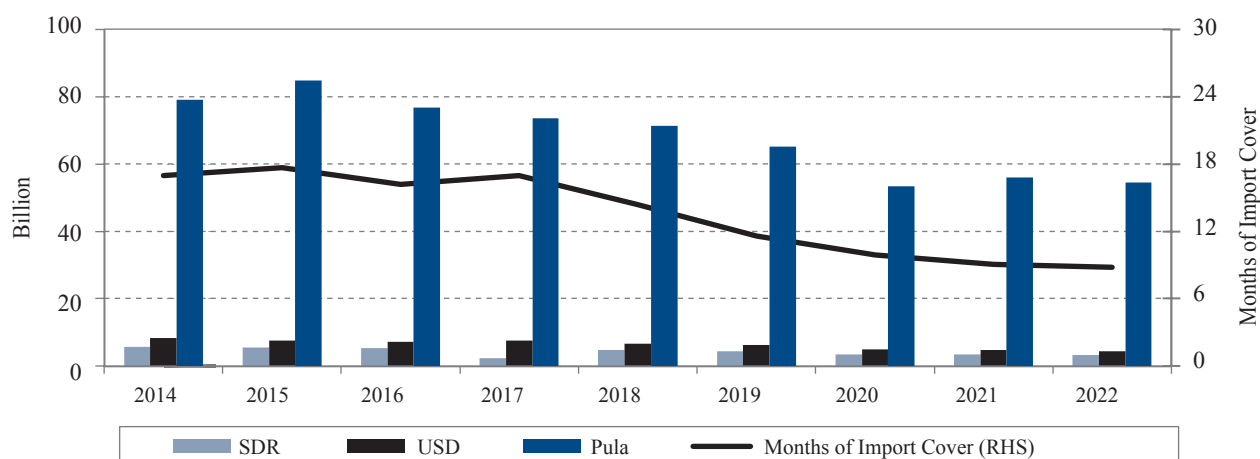
estimated to have decreased by P7.4 billion in 2022, compared to a growth of P11.6 billion in 2021. The large decline was in part due to the poor performance of the international equity markets in 2022. Portfolio liabilities, which are largely investments in local equity and debts instruments by non-residents, are estimated to have increased by P340 million in 2022 compared to an increase of P115 million in 2021. These movements resulted in a net reduction of portfolio assets amounting to P7 billion, which in turn influenced the negative balance in the financial account.

- 3.15 The financial derivatives transactions remained insignificant, with assets recording a decline of P1 million in both 2021 and 2022, while liabilities increased by P408 million and P425 million, respectively during the two years. 'Other' investments are estimated to have recorded a positive net balance of P9.5 billion in 2022, compared to a revised negative net balance of P9.4 billion in the previous period. The positive balance mainly reflected an increase in investments in offshore liquid assets (bank deposits and foreign currency) by residents.

Foreign Exchange Reserves

- 3.16 The level of foreign exchange reserves amounted to P54.5 billion in December 2022, a decrease of 2.7 percent from P56 billion in December 2021 (Chart 1.15). In foreign currency terms, the level of foreign exchange reserves decreased by 10.4 percent from USD4.8 billion in December 2021 to USD4.3

CHART 1.15: LEVEL OF FOREIGN EXCHANGE RESERVES



Source: Bank of Botswana

18 'Other' investment comprises borrowing from/lending to foreign entities not classified as direct investment and portfolio investment. These include government and non-government loans, currency and deposits, trade credits and 'other' equity. Other equity is an investment that is below 10 percent and not tradable i.e., investments or shareholding in limited liability enterprises.s.

19 The 2022 balances are based on preliminary estimates.

billion in December 2022 while declining by 5.9 percent from SDR3.4 billion to SDR3.2 billion over the same period. The level of foreign exchange reserves in December 2022 was approximately 8.8 months of import cover of goods and services.

(c) Balance of Payments Outlook

- 3.17 The balance of payments is expected to remain in surplus in 2023, underpinned by the expected continued recovery in the mining sector, resulting from the projected steady growth in global diamond markets, as well as recovery of the tourism sector and trade generally as reflected in higher SACU receipts.
- 3.18 The anticipated revision and subsequent implementation of the Botswana pension funds foreign assets/domestic assets limit from 70/30 to 50/50 is expected to affect the portfolio investment and ultimately the financial account. The financial account, which is dominated by portfolio investment, is projected to register net capital inflows in the short to medium term as pension funds repatriate assets held abroad, in line with the new pension law requirements. Total external debt (public and private sector) is expected to remain stable in the medium as both sectors continue to make repayments of existing loans. Overall, the narrow export base, continues to make the domestic economy susceptible to external shocks, especially in the diamond markets, which could undermine the outcome in the external sector in 2023.

International Investment Position (IIP) and Foreign Investment

(i) International Investment Position

- 3.19 Preliminary estimates for 2022 indicate that Botswana's net international investment position decreased by 19.5 percent to P67.5 billion from the revised amount of P83.8 billion in 2021. The foreign assets decreased by 4.7 percent from a revised amount of P174.8 billion in 2021 to P166.5 billion, against an increase of 8.7 percent in foreign liabilities, which grew from a revised position of P91 billion to P98.9 billion during the same period.
- 3.20 Foreign exchange reserves continue to contribute positively to the foreign assets, despite the decrease of 2.7 percent between 2021 and 2022. The country's stock of 'direct investment' abroad is estimated to have declined by 5.8 percent from P13.7 billion in 2021 to P12.9 billion in 2022. The decline was due to loan repayments by foreign based companies to entities owned by Botswana residents. 'Portfolio investment stock' decreased by 9.1 percent from P78.4 billion to P71.3 billion mainly reflecting a decrease in foreign holdings of both equity and debt securities by residents, predominantly Pension Funds. 'Other investment' position improved by 3.7 percent from P26.7 billion to P27.7 billion due to the increase in currency and deposits held with deposit taking corporations abroad, while the stock of financial derivatives declined from P8 million to P7 million during

the same period. On the liabilities side, the stock of 'direct investment' is estimated to have increased by 13.3 percent from the revised amount of P58.8 billion in 2021 to P66.6 billion in 2022. The increase was due to loans extended to local companies by related enterprises abroad. The 'Portfolio Investment' position slightly increased from a revised amount of P1.5 billion to P1.6 billion. 'Other Investment' stock of liabilities increased from a revised position of P30.2 billion to P30.3 billion in 2022, reflecting an increase in currency and deposits of non-residents in local commercial banks.

(ii) Investment in Botswana by Industry and Country Classification in 2021

- 3.21 Tables 1.12 and 1.13 show the stock of Botswana's foreign liabilities as at the end of 2021, classified by industry and country. The stock of foreign direct investment amounted to P58.8 billion, 5 percent less than the P61.9 billion recorded in the previous year, due to the aftermath of the global economic challenges presented by the COVID-19 pandemic during the year. Investments in the mining, wholesale and retail, and finance sectors continued to constitute the largest shares of foreign direct investment at 40 percent, 29.7 percent and 17.8 percent, respectively. Europe remained the major source of foreign direct investment in mining, accounting for 57.1 percent, of which 52.1 percent was from the UK. Africa was also a major source of foreign direct investment at 30 percent, with South Africa accounting for 21.3 percent, mostly concentrated in the finance and retail sectors.
- 3.22 Other investment, which constitute portfolio investment, financial derivatives and other investment categories, amounted to P32.2 billion in 2021, representing an increase of 25.1 percent from the 2020 revised position of P25.7 billion. This was mainly a result of the SDR allocation by the IMF and an increase in government external debt. Public administration sector accounted for 48.1 percent of the stock of other investment and was dominated by government external debt sourced from various countries and international financiers, including the African Development Bank. "Other" sectors accounted for 26.6 percent of the stock of other investment. The sector is constituted by among others, SDR allocations by the IMF, as well as loans and deposits by non-residents.
- 3.23 The Finance Sector, which is dominated by commercial banks, followed at 21.2 percent of 'other investment' stock. Electricity, gas and water accounted for 1.4 percent of the stock, being mainly government guaranteed loans sourced from China for the financing of Botswana Power Corporation projects.

TABLE 1.12: LEVEL OF FOREIGN INVESTMENT IN BOTSWANA BY INDUSTRY 2021 (P MILLION)

Sector	Foreign Direct Investment	Other Investment	Total
Mining	23 556	194	23 750
Manufacturing	3 634	21	3 655
<i>of which</i>			
Mining Related	1 290	5	
Finance	10 445	6 835	17 280
<i>of which</i>			
Commercial Banks	7 576	6 396	
Wholesale and Retail	17 492	417	17 909
<i>of which</i>			
Wholesale	15 363	29	
Electricity, gas and Water	0	445	445
Real estate and business services	419	26	444
Transport, storage and communication	1 351	147	1 497
Construction	562	0	562
Hospitality	1 178	58	1 237
Public administration		15 467	15 467
Other	205	8 559	8 764
Total	58 842	32 169	91 011

Source: Bank of Botswana

TABLE 1.13: LEVEL OF INVESTMENT IN BOTSWANA BY REGION AND SELECTED COUNTRIES 2021 (P MILLION)

Country	Foreign Direct Investment	Other Investment	Total
America	4 823	417	5 240
<i>of which</i>			
Cayman Islands	3 173	5	3 178
United States	188	408	597
Canada	912	2	914
Europe	33 609	2 109	35 718
<i>of which</i>			
United Kingdom	30 682	1 253	31 935
France	459	132	591
Netherlands	650	0.01	650
Luxembourg	6	0.60	6.5
Other Europe	1 812	723	2 535
Asia	1 374	32	1 406
<i>of which</i>			
India	574	10	584
China, Hong Kong	487	22	509
China, Mainland	67	-	67
Africa	17 659	4 911	22 571
<i>of which</i>			
South Africa	12 526	2 364	14 890
Mauritius	4 109	369	4 477
Middle East	550	14	564
Other	827	24 685	25 512
Total	58 842	32 169	91 011

Source: Bank of Botswana

4. MONEY AND CAPITAL MARKETS

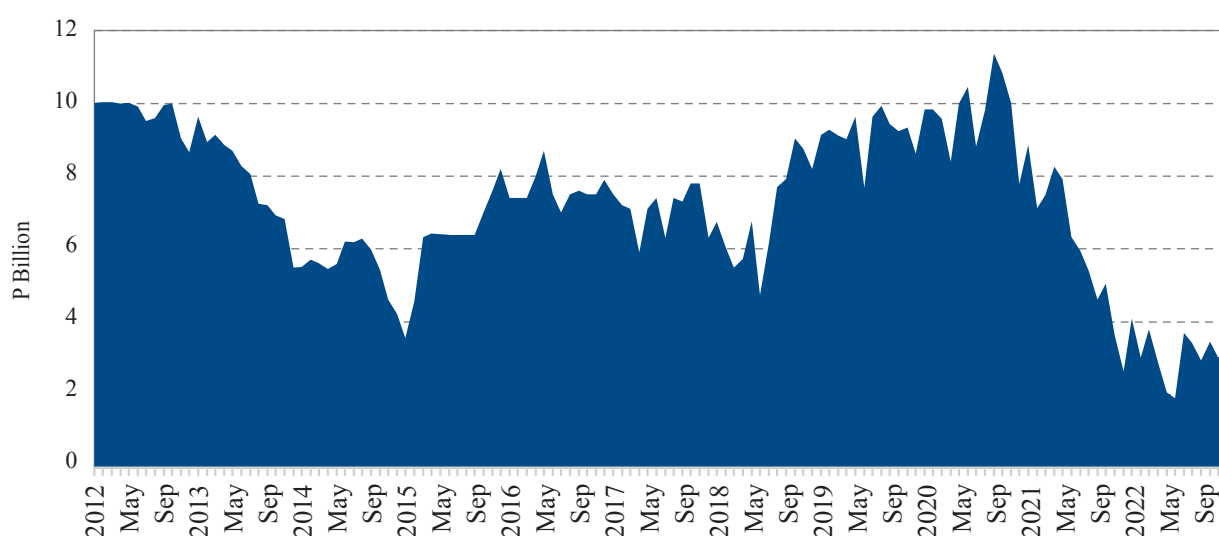
(a) Monetary Policy and Liquidity Management

4.1 Monetary policy in Botswana in 2022 was conducted in the context of projected elevated inflation associated with upward adjustment of administered prices, a modest recovery in domestic demand resulting from the easing of containment measures due to deployment of effective COVID-19 vaccines and projected relatively high foreign prices in the short term. These conditions provided scope for a contractionary monetary policy stance in support of the attainment of the Bank's price stability objective of 3 – 6 percent in the medium term. In the assessment of policy action, it was judged that the elevated inflation outlook partly emanated from second-round effects of increases in administered prices and the entrenched expectations for higher levels of inflation arising from these increments, as well as prolonged supply chain disruptions emanating from the COVID-19 pandemic and the Russia-Ukraine war. Hence, in order to tame inflation, to be consistent with the price stability objective in the medium term, the MoPR was increased by a cumulative 1.51 percentage points to 2.65 percent in 2022. Consequently, the prime lending rate of commercial banks increased from 5.25 percent to 6.76 percent in the same period, while deposit interest rates generally increased, mainly because of competition for corporate deposits that are volatile and form an important

component of the deposit base for many of the commercial banks.

4.2 Monetary policy implementation entailed the use of BoBCs to mop-up excess liquidity in order to maintain interest rates that are consistent with the monetary policy stance. Standing Deposit Facility (SDF) and Standing Credit Facility (SCF) were used by commercial banks during the year to manage their liquidity between auctions. Open Market Operations in 2022 were conducted in an environment of modest recovery in liquidity supported mainly by government spending and the implementation of the monetary policy and regulatory response measures, implemented to curb the effects of COVID-19 on the economy. Moreover, since the introduction of the Primary Reserve Requirement Averaging (PRRA) in 2019, most commercial banks continue to actively use it as a tool for effective management of liquidity. The Bank envisages that this will, over time, lead to reduced demand for excess reserves held by commercial banks for precautionary purposes, thus freeing up additional resources for productive lending. In the circumstances, outstanding BoBCs amounted to P3.275 billion in December 2022, an increase from P2.3 billion in December 2021 (Chart 1.16), reflecting a slight improvement in liquidity resulting mainly from government spending. Furthermore, P341 million worth of SDF was outstanding at the end of December 2022, while P249 million was outstanding on the SCF. However, there were no outstanding reverse repos and repos as at the end of 2022.

CHART 1.16: OUTSTANDING BANK OF BOTSWANA CERTIFICATES



Source: Bank of Botswana

- 4.3 The relief measures introduced by the Bank in April 2020 to help alleviate any adverse impact of the COVID-19 pandemic on the economy and financial markets remained in place throughout 2022. Given that these measures were temporary and aimed at addressing any negative impact on the economy of an unfolding pandemic, and that the COVID-19 profile has generally improved, the measures were reviewed with effect from January 1, 2023, as follows:

(i) *Overnight Borrowing through the Credit Facility*

The punitive interest rate for involuntary access to the Credit Facility (CF) by commercial banks to meet overnight settlement obligations, is set at 8 percentage points above the prevailing MoPR. This facility is different from the other overnight facilities offered by the Bank, such as the Standing Credit Facility (SCF), accessed at the discretion of an individual bank, and the repurchase agreements (repos), offered at the discretion of the Bank of Botswana. The CF is automatically availed to a bank that is overdrawn at the close of each business day, hence the punitive interest rate since banks are not, by law, permitted to overdraw the settlement accounts held at the Bank of Botswana. The facility is also used for intraday temporary funding without attracting any charges, except that, at the close of any trading day, the settlement accounts with the Bank of Botswana must have positive balances.

(ii) *Repurchase Agreement Maturity*

The maturity of repos and reverse repos facility has been reduced from 92 days to overnight and, consistent with the announced monetary

operations reforms, the Bank's participation in the repo market will be minimal for fine-tuning purposes.

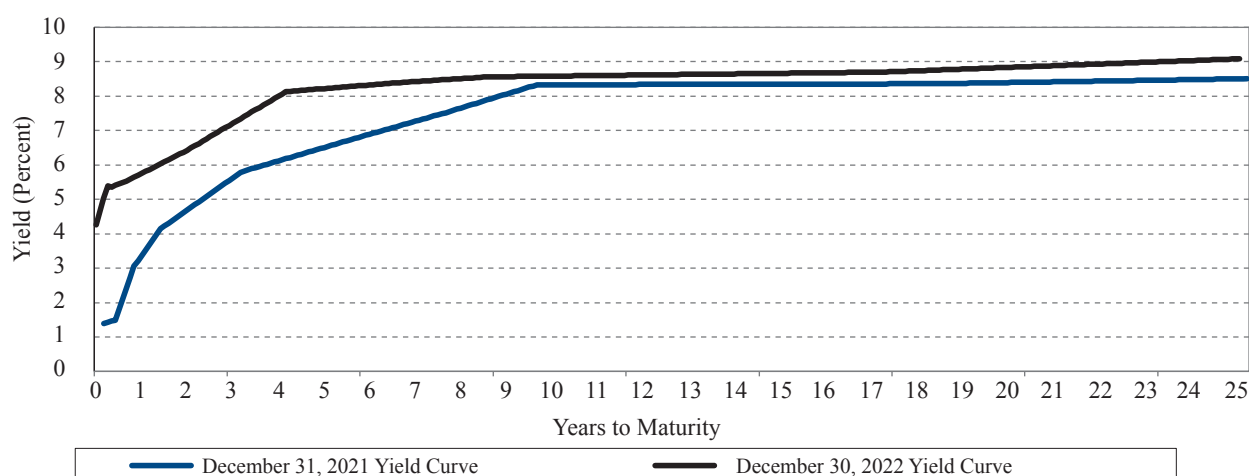
(iii) *Collateral Pool*

The dispensation to include all securities listed on the Botswana Stock Exchange Limited (BSEL) in the pool of eligible collateral for credit facilities provided to banks by the Bank is maintained, first and primarily, for liquidity management purposes and, second, to further deepen the domestic financial markets. This is subject to acceptable collateral margin and/or haircuts, as may be announced from time to time by the Bank of Botswana.

- 4.4 Other measures, as set out in the Media Release on Response to the Impact of COVID-19 Pandemic on April 1, 2020, on the Amendment of the Revised Directive on International Convergence of Capital Measurement and Capital Standards for Botswana, Liquidity Support and Limits for Mobile Money transactions, remain unchanged and may be reviewed as necessary, from time to time.

- 4.5 Chart 1.17 shows Government bonds and BoBC yields as at the end of December 2022 compared to December 2021. Over the review period, yields generally increased across the maturity spectrum. Yields increased more in the shorter-end of the curve, mainly reflecting the increase in the MoPR in 2022 amidst elevated inflation level. They increased marginally at the longer-end of the curve, a reflection of relatively slower response to policy changes by longer-dated instruments or expectations that inflation will be contained in the long term.

CHART 1.17: YIELD CURVES (DECEMBER 2021 AND DECEMBER 2022)



Source: Bank of Botswana

(b) Financial Stability Developments

- 4.6 The domestic financial system was assessed to be generally resilient and robust, thus continued to support the economy unconstrained in 2022. Strong capital position, liquidity buffers, profitability and an enabling as well as effective regulatory and supervisory regime anchored financial stability during the year. The stress tests for banks validate this strong solvency and resilience. In addition, there was some notable recovery in the domestic capital market as reflected in the appreciation of key market indices and improved turnover, while financial market infrastructures remain stable and robust, thus promoting domestic financial stability. In the circumstances, macroprudential policy actions or responses were not warranted in 2022.

(c) Banking System

Domestic Credit

- 4.7 Annual growth in commercial bank credit accelerated to 6 percent in 2022 from 5.1 percent in 2021 (Chart 1.18). The faster growth in commercial bank credit was, in part, indicative of the increase in loan uptake by businesses in the period under review, as the economy opened, following the end of the State of Public Emergency in September 2021. The increase in the utilisation of credit facilities by businesses was associated with the recovery phase of the economy and demand following relaxation of the COVID-19 restrictive measures. Business sector credit grew annually by 8.7 percent in 2022, from 2.7 percent increase in 2021. Meanwhile, credit to businesses excluding parastatals increased by 9 percent during 2022, compared to an expansion of 4.1 percent in 2021. The improvement in allocation of credit to businesses was in the form of utilisation

of overdraft facilities and loans extended to some companies in the electricity and water, mining, agriculture, trade as well as transport and communications industries. Furthermore, there was increased use of credit facilities by parastatals.

- 4.8 For households, annual credit growth decelerated from 6.4 percent in 2021 to 4.6 percent in 2022. The lower credit growth was mainly attributable to the slower rate of increase in personal unsecured lending and property loans during the period under review, a possible reflection of the effects of the policy tightening in the second and third quarters of 2022 by the Bank of Botswana, which had a dampening effect on demand. Banks also likely restricted credit supply in an attempt to guard against increase in default rates as the cost of credit becomes expensive. The rate of increase in the unsecured²⁰ component of household credit was 6.1 percent from 7.9 percent in the same period. The share of mortgages in total bank credit to households decreased slightly from 23.1 percent in 2021 to 22.3 percent in 2022. Household credit accounted for a larger proportion of credit, at 65.3 percent of total bank credit in December 2022. Mortgage loans as a proportion of GDP were only 4.4 percent as at September 2022 compared to 5.2 percent in the corresponding period in September 2021.
- 4.9 The ratio of private sector credit to GDP remains relatively low at 30.3 percent in 2022, falling from 33.6 percent in 2018, while sectoral credit growth averaged 6.3 percent over the same period (Table 1.14). This suggests scope for further relative expansion of the sector to widen its support for economic activity, while retaining appropriate risk management frameworks, soundness and stability.

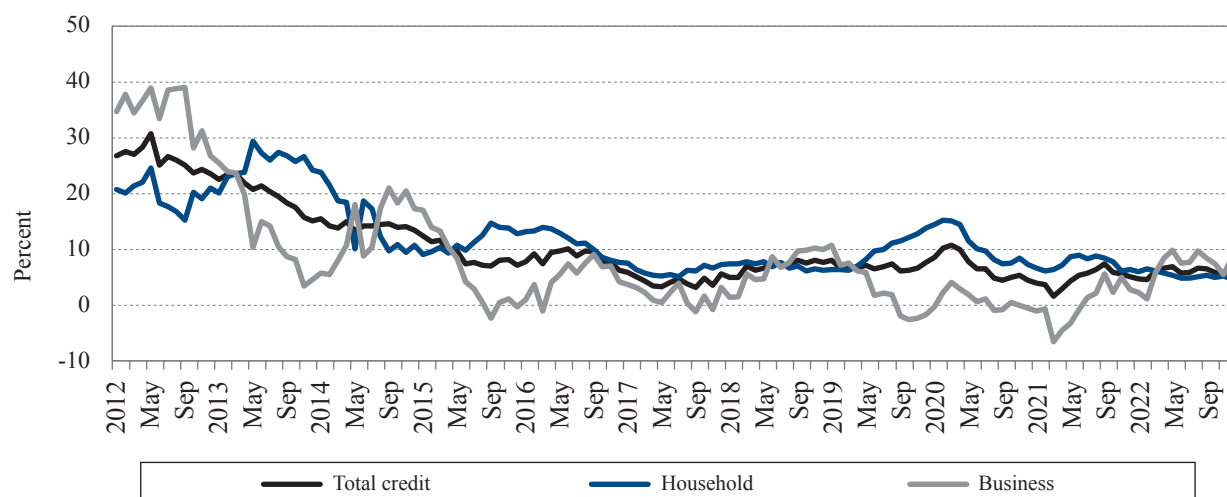
TABLE 1.14: PRIVATE SECTOR CREDIT TO GDP 2018 - 2022 (P BILLION)

	2018	2019	2020	2021	2022 (Sept)
GDP (current)	173.7	179.9	171.7	208.1	241.1
Private Credit*	58.3	62.8	65.6	68.9	72.9
Ratio (percent)	33.6	34.9	38.2	33.1	30.3
Private Business	23.2	22.8	22.7	23.3	25.7
Ratio (percent)	13.4	12.7	13.2	11.2	10.6

* Private credit refers to total bank credit excluding central and local government.

20 The unsecured component includes personal and credit card loans.

CHART 1.18: COMMERCIAL BANK CREDIT ANNUAL GROWTH (2012 - 2022)



Source: Bank of Botswana

- 4.10 Banks maintained good quality assets in 2022. The ratio of non-performing loans (NPLs) to total bank credit was 3.8 percent in December 2022 and was lower than the 4.2 percent in December 2021; the NPLs ratio for individual banks ranged from 0.6 percent to 5.9 percent in December 2022. By sector, the ratio of NPLs to total loans for households decreased from 2.1 percent in December 2021 to 2 percent in December 2022, while for businesses, it declined from 2.1 percent to 1.6 percent in the same period, reflecting improvement in business performance.
- 4.11 Household debt as a proportion of income is estimated at 39.7 percent in the fourth quarter of 2022, a decrease from the 45 percent in the same period in 2021. The level of household indebtedness is low relative to what pertains internationally. However, it is observed that household credit is highly concentrated in unsecured lending (65.3 percent in December 2022), hence could potentially cause financial distress in the sector, given the inherently expensive nature of such credit, especially in the event of monetary policy tightening. Nevertheless, the levels of household borrowing that are in line with trends in economic and personal income growth and, therefore, low risk of debt repayment challenges. Overall, current levels of credit continued to be supportive of economic activity, while risks are sufficiently mitigated by incomes; collateral; default insurance cover; as well as strong supervisory oversight by the Bank.

Monetary Aggregates

- 4.12 Growth in broad money supply (M2) was 6.8 percent in the year to December 2022, compared to 5 percent in the corresponding period in 2021 (Table 1.15). The accelerated growth of money supply resulted from an increase in credit to the private and parastatals sectors to fund growth enhancing opportunities. Meanwhile, there was, in part, an offsetting effect from the increase in government deposits at the Bank of Botswana and net foreign assets. By component, current account (transferable) deposits increased by 3 percent (compared to 4.1 percent in 2021), while interest-bearing deposits increased by 8.4 percent in the year to 2022, from 5.5 percent in 2021. Deposits in foreign currency accounts increased by 24.9 percent in the same period and accounted for 21.4 percent of total deposits at commercial banks in 2022. The ratio of money supply to GDP²¹ (a measure of financial deepening) decreased to 42.4 percent in the year to September 2022, compared to 46.8 percent in 2021, signalling shortage of liquidity in the economy (in the prevalence of COVID-19 base effects).

21 Because of the revision in GDP figures, the ratio differs with the one reported in the MPS of 2023.

TABLE 1.15: AGGREGATE INDICATORS OF DEPOSITORY CORPORATIONS

	Levels (P Billion)				
	Annual percentage change in parenthesis				
	2022	2021	2020	2019	2018
M2/GDP (Financial Deepening)*	42.4	45.3	52.3	47.1	45.2
Net foreign assets	65.0 (0.9)	64.4 (3.8)	62.0 (-14.9)	72.9 (-8.2)	79.4 (-1.0)
Net credit to government	-4.9 (4 404)	-0.1 (-84.1)	-0.7 (96.3)	-18.7 (-29.4)	-26.5 (-8.3)
Credit to private and parastatal sectors	80.9 (5.7)	76.6 (5.0)	72.9 (5.8)	68.9 (7.6)	64.1 (1.0)
Other items net	-7.2 (16.4)	-6.1 (-52.4)	-12.9 (-6.4)	-13.8 (8.3)	-12.8 (19.2)
M1	24.9 (2.0)	24.4 (3.8)	23.5 (17.4)	20.0 (15.7)	17.3 (-0.1)
M2	100.7 (6.8)	94.3 (5.0)	89.8 (5.9)	84.8 (8.0)	78.5 (8.3)
Government deposits	16 940 (54.7)	10 954 (53.8)	7 122 (-69.4)	23 289 (-22.2)	29 9528 (-9.8)
of which at BoB	16 735 (55.1)	10 789 (54.6)	6 979 (-69.8)	23 115 (-22.2)	29 723 (-9.7)

*As at September 2022

Source: Bank of Botswana and other depository corporations.

Bank of Botswana

- 4.13 Total assets and liabilities of the Bank of Botswana decreased by 1.5 percent from P57.2 billion in December 2021 to P56.3 billion in December 2022. The decline in the statement of financial position of the Bank was mainly due to the 2.6 percent decrease in foreign exchange reserves which includes the 10.2 percent contraction in the Pula Fund and 99.1 percent in Liquidity Investment Tranche. However, the decrease was partly offset by the 207.1 percent increase in the Transactions Balance Tranche as well as 5.8 percent in assets at the IMF. Fixed assets increased by 24.7 percent in the year to December 2022 compared to 30.7 percent in the corresponding period in 2021. On the liability side, the total shareholder's funds, which largely comprise the Currency Revaluation Reserve, increased by 6.6 percent from P37.2 billion in December 2021 to P39.6 billion in December 2022. Commercial bank deposits at the Bank of Botswana (including primary reserve requirement (PRR) balances) contracted by 31.1 percent from P1.8 billion in December 2021 to P1.3 billion in December 2022.

Other Depository Corporations

- 4.14 The statement of financial position of commercial banks grew by 7.7 percent from P108.6 billion in December 2021 to P117 billion in December 2022. On the assets side, gross loans and advances (largest component of assets at 62.4 percent) increased by 6

percent from P68.9 billion in December 2021 to P73.1 billion in December 2022, while the balances due from foreign banks increased by 20.3 percent. Holdings of Bank of Botswana certificates increased by 42.7 percent in 2022, while holding of Government T-bills increased by 11.2 percent over the same period, indicating some appetite for the two assets. With respect to liabilities, deposits at commercial banks and balances due to other banks rose by 7.8 percent and 26 percent, respectively, while capital and reserves increased by 14.8 percent, in 2022. Wholesale business deposits continue to be the main source of funding for commercial banks (78.5 percent of total deposits in December 2022). The ratio of commercial bank credit to GDP was 30.3 percent in September 2022, a decrease from 34.4 percent in September 2021.

- 4.15 Total assets and liabilities of the BBS Limited increased by 2.5 percent from P3.8 billion in December 2021 to P3.9 billion in December 2022. Mortgages, which take-up the bulk of BBS's loan book (90.1 percent in 2022) increased by 2.2 percent from a contraction of 8.7 percent in 2021. On the liabilities side, the level of capital and reserves decreased by 7.3 percent from P506 million in December 2021 to P487 million in December 2022, while public deposits increased by 10.2 percent accounted for by growth in time and term deposits of corporate customers during the year.

4.16 For Botswana Savings Bank, total assets and liabilities increased by 1.2 percent, from P3.3 billion in 2021 to P3.4 billion in December 2022. Gross loans and advances decreased by 12.8 percent from P2.8 billion in 2021 to P2.4 billion in December 2022; while cash and deposits at banks increased by 95.2 percent. On the liabilities side, savings deposits decreased by 0.7 percent in December 2022, from P2.6 billion to P2.5 billion, compared to an increase of 11.4 percent in December 2021. Capital and reserves increased by 9.5 percent compared with a growth of 29.1 percent in 2021.

(d) Other Financial Corporations

4.17 The statement of financial position of the National Development Bank (NDB) increased by 0.6 percent, from P1.22 billion in December 2021 to P1.23 billion in December 2022, compared to a decrease of 0.9 percent in 2021. The increase of the statement of financial position of NDB was attributable to increased other liabilities while loan liabilities (borrowings to fund own operations) and capital and reserves declined by 2.2 percent and 10.1 percent, respectively in the same period. On the assets side, there was an improvement in intermediation (utilisation of resources) with substitution between cash and deposits at banks (liquid assets) which fell by 45.5 percent and loans and advances, which increased by 11.8 percent.

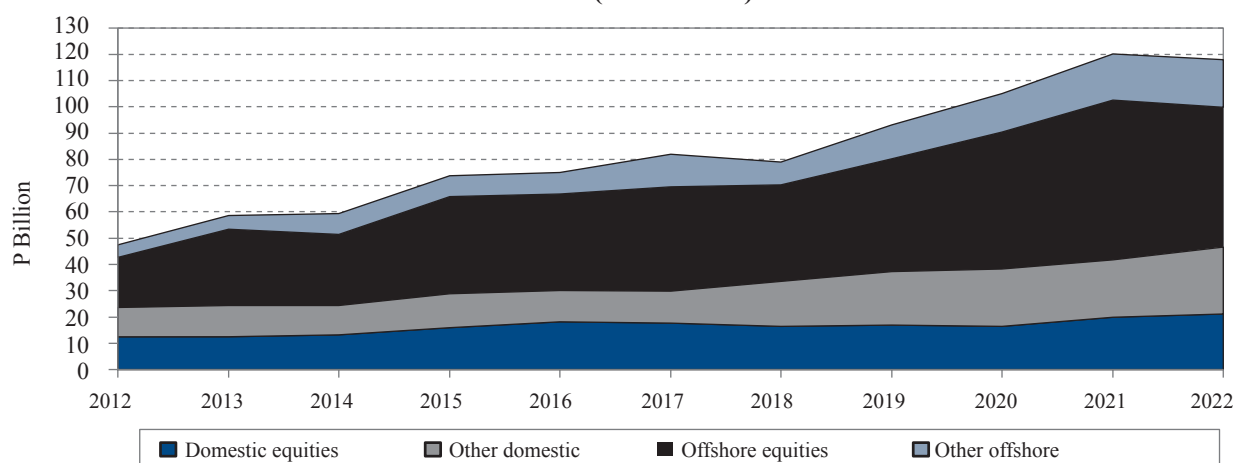
4.18 The statement of financial position of Citizen Entrepreneurial Development Agency (CEDA) decreased by 10.8 percent to P1.4 billion in December 2022, from P1.6 billion in December 2021. The decline of the statement of financial position was due to a decrease in loans and advances, cash balances and investments in related companies by 12.2 percent, 21.2 percent and 8.4 percent, respectively, during the period under review. On the liability side, capital and reserves decreased by 6.4 percent in the same period.

4.19 Total assets and liabilities of Botswana Development Corporation (BDC) declined by 0.4 percent from P5.04 billion in 2021 to P5.02 billion in 2022. This performance was largely attributable to a decrease of 5.1 percent and 0.8 percent in borrowings and reserves, which translated into decreased deposit holdings at commercial banks by 50.2 percent. Meanwhile, there was an increase in loans, advances and leasing by 12.3 percent and investments in related companies by 5.2 percent. Fixed assets decreased from P114.6 million to P100.7 million in the same period.

4.20 The Domestic Companies Index (DCI) of the Botswana Stock Exchange (BSE) increased by 10.2 percent to 7 726.4 in December 2022, compared to 1.9 percent in 2021. This improvement in performance reflects the continued recovery of the local equity market following the economic decline brought about by the COVID-19 pandemic. The market capitalisation of domestic companies rose by 10.4 percent, from P337.2 billion in 2021 to P41.1 billion in 2022, due to the increase in share prices of most listed companies. In terms of price per share movements, several companies recorded increases, namely: Stanchart (46.4 percent), FNB (40 percent) and Letlole (36.5 percent). The Foreign Companies Index increased by 0.8 percent to 1 562.7 in 2022, compared to 0.2 percent in 2021, with share price changes of BOD recording an increase of 16.7 percent. There were 514 million shares worth P1.2 billion traded in 2022 compared to 997 million shares valued at P1.8 billion traded in 2021. The number of listed domestic companies remained at 31 between 2021 and 2022.

4.21 Assets of pension funds decreased by 1.8 percent from P120.1 billion in December 2021 to P118 billion in December 2022 (Chart 1.19), reflecting the decline in fair value gains or fair value losses. By asset class, investment in primary listed domestic equities declined by 0.5 percent to P15.8 billion in the twelve months ending December 2022, while holdings of offshore equities decreased by 12.5 percent to P53.2 billion due to the decline in prices (valuations). Meanwhile, the value of domestic bonds held by pension funds rose by 7.3 percent to P11 billion, while offshore bonds increased by 14.6 percent to P7.2 billion in December 2022. Investment in local property decreased from P4.2 billion to P3.6 billion in the same period. The proportion of assets invested offshore by pension funds decreased from 65.3 percent in December 2021 to 60.5 percent in December 2022. The ratio of assets of pension funds to nominal GDP was 47.1 percent in the third quarter of 2022 compared to 57.3 percent in the corresponding period in 2021.

CHART 1.19: BOTSWANA PENSION FUND ASSETS (2012 - 2022)



Source: NBFIRA

4.22 The P30 billion Government Bond Programme remains in place, which is increasingly playing an important role as an alternative source of government funding, although overall effectiveness (in mobilising sufficient cost-effective funding) is constrained by the modest state of market development and maturity. Outstanding bonds of various maturities and Treasury Bills increased from P17.7 billion in December 2021 to P20.7 billion in December 2022. The number of Government bonds was unchanged at 7 in 2022, with BOTSGB0920 maturing in September 2020 and a new 5-year benchmark bond (BOTSGB0527) issued in April 2021. Primary Dealers and their customers held P10.4 billion (46.5 percent) and P12 billion (53.5 percent), respectively, of the government securities at the end of 2021.

(e) Sovereign Credit Rating

4.23 The annual Credit Analysis Update Report, released in September 2022 by S&P Global Ratings (S&P), maintained Botswana's sovereign credit rating for long and short-term foreign and domestic currency bonds at "BBB+", and "A-2". S&P indicated that the affirmation of the ratings was underpinned by the country's robust institutional frameworks (compared with that of regional peers), which have supported the prudent management of the country's natural wealth; strong monetary policy framework; proactive and independent central bank; and strong mineral revenues that will support broadly balanced fiscal outcomes; all of which support durable macroeconomic stability. However, the economic outlook was maintained, on account of S&P's expectation

that the demand for Botswana's diamonds will remain robust against downside risks presented by the weakening global economic activity.

4.24 Moody's Investors Service did not update Botswana's sovereign credit rating and economic outlook in 2022.

CHAPTER 2

BUILDING ECONOMIC RESILIENCE: FISCAL, EXTERNAL SECTOR SUSTAINABILITY AND CLIMATE CHANGE RESILIENCE

1. INTRODUCTION

- 1.1 Botswana has, since independence in 1966, graduated from being a poor country to an upper middle-income status. Among others, this transformation was an outcome of three key factors. First, the quality and effectiveness of governance and institutions. Second, pursuit of sound development plans and programmes, as well as implementation of prudent macroeconomic policies and related stability. Third, the availability and prudent use of domestically and externally generated financial resources, project aid and technical support. These factors underpinned sustainability of economic growth, rising living standards and steady welfare improvements over time, as well as resilience to respond to events and shocks; thus generally, uninterrupted pursuit of development programmes, capacity to undertake stabilisation measures, and maintenance of policy discretion. Against this background, Botswana has, to-date, survived the negative effects of events, such as trade or export market shocks; animal diseases; drastic weather and periodic prolonged droughts; exchange rate pressures and inflation episodes; the 2008/09 global financial crisis; and, more recently, the COVID-19²² pandemic and the fallout from the ongoing Russia-Ukraine war.
- 1.2 It is, nevertheless, evident that there are deep-rooted structural and other emerging challenges to economic resilience for Botswana that need to be recognised and addressed meaningfully and timely. These include the apparent ‘middle-income trap’; narrow economic base; persistent high unemployment rates, income inequality, modest poverty reduction; and, lately, emergence of structural twin deficits, namely, fiscal and balance of payments. Among the reasons for these are two key factors. First, resource mobilisation needs improvement and matching to spending needs. Added to this, is the need to broaden the tax base as well as make progress towards rationalisation of

expenditure, budgetary support and welfare programmes. In this regard, and in order to anchor fiscal resilience, effective public investment and a robust public sector as well as a public debt management strategy and well-developed financial markets are essential for durable and inclusive economic growth.

- 1.3 Second, the modest gains in enhancing total factor productivity (TFP), which, among others, has through the years, constrained the country’s ability to achieve its potential growth and/or productive capacity, and achievement of the level of economic and export diversification required to reduce over-reliance on diamond mining. In turn, this suggests weak traction of the export-led growth strategy, thus development of sustainable export markets and competitiveness against imports, necessary to unleash opportunity to generate economic growth that is sufficient to positively impact the persistent and emerging challenges highlighted above. The key to achieving external resilience, therefore, is to maintain a long-term mindset and perspective of an open economy, redesigning the country’s industrial and trade policies to promote exports, anchored on outward-looking policies and better integration into regional and global value chains, while upscaling domestic production to support a growing, diversified and globally-competitive export sector.
- 1.4 Total factor productivity, a function of factors, such as technological advancement and innovation; adequate, land use, functional and reliable infrastructure, utilities and support institutions; research and development; work ethic, skills base and social/cultural/heritage attributes; dynamics of the economy, goods and services markets; and leadership, economic governance and management, is fundamental to gains in economic growth and competitiveness, including the ability of a country to improve the general living standards and welfare over time. Botswana’s Economic Recovery and Transformation Plan (ERTP), formulated in the advent of the COVID-19 pandemic, to restore economic activity, household and business incomes; foster durable economic growth; and fast-track economic transformation and transition to high-

22 The coronavirus disease of 2019 (COVID-19) is a highly transmittable and pathogenic viral infection caused by the severe acute respiratory syndrome coronavirus (SARS-CoV-2), which emerged in China and spread across the world. World Health Organisation declared the novel coronavirus (COVID-19) outbreak a global pandemic on March 11, 2020.

income status, acknowledges the importance of productivity improvements in achieving these lofty objectives. Therefore, traction in attaining economic resilience through fiscal and external sector stability, rests on commitment by government and other economic players to ensure prevalence of requisite environment for productivity improvement, including through implementation of supportive policy frameworks and maintenance of strong institutional governance and collaborative arrangements.

- 1.5 It is also becoming increasingly necessary to recognise and respond to development challenges associated with climate change. In terms of the global agenda, adherence to climate change is a compliance matter and affects access to resources and developmental needs of the local economy. Related thereto, it is also a factor in business production/product development decisions and consumption choices. Therefore, climate change has an impact on resource mobilisation and the Government development programmes, as well as exploitation and manifestation of local production potential and market access for local businesses, in the context of climate change mitigation and transition business models. In this context, the country needs to accelerate technological innovations and adaption including forging public-private partnerships (PPPs) in climate-related investment or infrastructure, close skills gaps through partnerships with tertiary educational institutions and explore new financing channels, such as green bonds and global climate funds, with a clear programme of action and policy focus on areas, such as enhancing solar power capacity.
- 1.6 This Annual Report theme topic, therefore, discusses selected areas of focus and challenges to overcome in enhancing Botswana's economic resilience as she endeavours to achieve a high-income status by 2036 and realise the related Vision 2036 aspirations. Therefore, following an explanation of the concept of economic resilience in Section 2, Sections 3 – 5 discuss, in turn, fiscal, external and climate sustainability issues towards enhancing overall economic resilience for Botswana, while Section 6 concludes the theme chapter, with highlights of key take aways.

2. ECONOMIC RESILIENCE – IDENTIFICATION OF KEY ATTRIBUTES

- 2.1 The concept of economic resilience is multidimensional, and can be defined, at a macro level, as the capacity of an economy to:
- (a) prevent and reduce chronic vulnerabilities;
 - (b) mitigate risks to the economy and the impact of both endogenous and exogenous shocks;
 - (c) in a dynamic way, withstand, adapt, reconstruct and recover from such debilitating/disruptive economic shocks and downturns;
 - (d) retain policy discretion, economic dynamics and social harmony/cohesion; and
 - (e) overall, sustain a steady economic developmental and growth path, as well as seamlessly return to the pre-or above crisis levels of economic production and consumption, and growth rates upon experiencing a negative economic shock.
- 2.2 Thus, in general, a resilient economy is characterised by the capacity and ability to absorb, deal with adversity and recover rapidly from an adverse economic shock in a sustainable manner and, thus, contain and mitigate the deleterious impact on aggregate output and employment.
- 2.3 Individual countries and regions have different levels of economic resilience, determined by a combination of several economic²³, social²⁴ and institutional factors²⁵. First, sound macroeconomic policies and frameworks (exchange rate, fiscal and monetary) are key in building enduring macroeconomic resilience by providing credible and predictable platforms, tools and resources/instruments for responding to economic cycles, shocks and other impactful events, leading to an orderly path to restoration of stability in the event of fragilities or disturbances, while minimising economic and social losses. Second, strong

23 For example, country, households and firms' income status; technology and digitalisation uptake; human capital development; productivity and productive capacity levels; labour force composition; fiscal and external sector positions; and exchange rate and price stability.

24 Such as age distribution of the population; income inequality, poverty rates; health condition; corruption and crime levels.

25 Including governance; rule of law; property rights; and political stability as well as microeconomic policies and laws (industrialisation; competition; economic recovery and diversification; land; property; labour and financial sector and immigration).

institutions and governance arrangements involving a clear and legally backed allocation of mandates and roles; transparency and accountability frameworks; functional and effective justice systems; as well as capacity and empowerment to perform, enable impartiality, consistency and effectiveness of policies and frameworks. This, in a nutshell, speaks to the need for public trust in governance structures, effective state capacity and strong institutions.

- 2.4 Third, is the economic structure and dynamics. In this regard, a diversified economy that entails asymmetric or uncorrelated vulnerabilities (therefore, cushion against shocks) and provides opportunities for employment, broad-based taxable base, beneficial external relationships, generally, dynamic economic activity, is fundamental to the achievement of economic resilience. Fourth is infrastructure, utilities and social services that offer adequate and scalable coverage, accessibility, and sustained functionality, as well as facilitative and value adding services to support economic activity on a continuous basis. Fifth are the resource endowments, as well as innovation capability in relation to marketable products and services, and resource inputs, such as skills and finance (intermediation and risk management/mitigation). Sixth is demography, which is beneficial when there is a generational balance and sufficient cohort of middle-income class, offering a viable market for the local industry, taxation income for government and providing support to the younger and older generations.

- 2.5 While recognising the myriad of factors that contribute to enduring economic resilience, the theme chapter distils and focuses on selected aspects that contribute to economic resilience and are critical for Botswana at this stage of her growth and development. These are fiscal and external sector sustainability as well as adaptation to climate change and related mitigation and transition aspects.

3. FISCAL POLICY AND SUSTAINABILITY

- 3.1 Fiscal policy is formulated and implemented to ensure optimal resource mobilisation and effective deployment to provide socio-economic infrastructure and public goods. Primarily, this is with the aim to, first, facilitate the conduct of economic activity by businesses and households. Essentially, this relates to enabling private-sector development (including innovation, economic diversification and creation of employment opportunities). Second, is to sustain and improve welfare and equity, through the provision of social services

and support programmes. The conduct of fiscal policy, therefore, encompasses three decision elements, being resource mobilisation (taxation and borrowing), public expenditure (recurrent and capital) and saving (accumulation of buffers). In turn, each of the three elements requires design of robust frameworks and institutional arrangements to support effective and transparent implementation, as well as sustainability: thus, contributing to overall economic resilience and, at the same time, engendering private sector confidence in the implementation and beneficial impact of the government's policies. Generally, and in the context of Botswana, the imperative is to promote and foster inclusive and sustainable economic growth, and progressively higher standards of living, with a view to transitioning the economy to a high-income status. For example, the proclamation of Sustainable Development Goals (SDGs) by the United Nations, which Botswana has domesticated and mapped to Vision 2036, give guidance and traction to the role of fiscal policy in national economic development (Box 1). In essence, fiscal policy contribution to these goals helps engender economic resilience.

BOX 1: RELATIONSHIP BETWEEN THE DOMESTICATED SDGs AND GLOBAL AGENDA 2036 AND VISION 2036

The domestication of SDGs followed extensive consultation by, Statistics Botswana, the agency responsible for coordinating the Country's SDG Indicator Framework, with relevant stakeholders. The Framework covers all the 17 SDGs and a subset of 209 indicators, assessed to be applicable to Botswana, of the 232 indicators in the Global SDGs Framework. Therefore, the domesticated SDGs are aligned to the United Nations Agenda 2030 for Sustainable Development, which offers a unique opportunity for all countries to achieve inclusive, transformative, and sustainable development, and they are also mapped to the relevant National Vision 2036 Pillars

GOALS	GLOBAL SDGs	DESCRIPTION	DOMESTICATED SDGs
1	No Poverty	By 2030, eradicate extreme poverty for all people everywhere.	End poverty in all its forms everywhere (<i>Vision 2036 Pillar 2: Human and Social Development</i>)*
2	Zero Hunger	End hunger, achieve food security and improved nutrition by 2030.	End hunger, achieve food security and improved nutrition and promote sustainable agriculture (<i>Vision 2036 Pillar 2: Human and Social Development</i>)
3	Good Health and Well-being	Ensure healthy lives and promote well-being for all ages by 2030.	Ensure healthy lives and promote well-being for all at all ages (<i>Vision 2036 Pillar 2: Human and social Development</i>)
4	Quality Education	Ensure that all girls and boys complete free, equitable and quality primary and secondary education by 2030.	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (<i>Vision 2036 Pillar 2: Human and Social Development</i>)
5	Gender Equality	To achieve gender equality and empower all women and girls.	Achieve gender equality and empower all women and girls (<i>Vision 2036 Pillar 2: Human and Social Development</i>)
6	Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all by 2030.	Ensure availability and sustainable management of water and sanitation for all (<i>Vision 2036 Pillar 3: Sustainable Environment</i>)
7	Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all by 2030.	Ensure access to affordable, reliable, sustainable and modern energy for all (<i>Vision 2036 Pillar 1: Sustainable Economic Development</i>)
8	Decent Work and Economic Growth	Promote sustained, inclusive and sustainable economic growth.	Promote inclusive and sustainable economic growth, full and productive employment and decent work for all (<i>Vision 2036 Pillar 1: Sustainable Economic Development</i>)
9	Industry, Innovation and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation by 2030.	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation (<i>Vision 2036 Pillar 1: Sustainable Economic Development</i>)
10	Reduced Inequality	Reduce inequality within and among countries by 2030.	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation (<i>Vision 2036 Pillar 1: Sustainable Economic Development</i>)
11	Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient and sustainable.	Make cities and human settlements inclusive, safe, resilient and sustainable (<i>Vision 2036 Pillar 1: Sustainable Economic Development</i>)
12	Responsible Consumption and Production	Ensure sustainable consumption and production patterns.	Ensure sustainable consumption and production patterns (<i>Vision 2036 Pillar 3: Sustainable Environment</i>)
13	Climate Action	Take urgent action to combat climate change and its impact.	Take urgent action to combat climate change and its impact (<i>Vision 2036 Pillar 3: Sustainable Environment</i>)
14	Life Below Water	Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	Conserve and sustainably use the oceans, seas and marine resources for sustainable development (<i>Vision 2036 Pillar 3: Sustainable Environment</i>)
15	Life on Land	Protect, restore and promote sustainable use of terrestrial ecosystems, combat desertification and halt biodiversity loss.	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss (<i>Vision 2036 Pillar 3: Sustainable Environment</i>)
16	Peace, Justice and Strong Institutions	Promote peaceful and inclusive societies for sustainable development; provide access to justice for all.	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels (<i>Vision 2036 Pillar 4: Governance, Peace, and Security</i>)
17	Partnerships to achieve the Goal	Strengthen the means of implementation and revitalise the global partnership for sustainable development.	Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development (<i>Vision 2036 Pillar 4: Governance, Peace, and Security</i>)

Source: Sustainable Development Goals: Botswana Domesticated SG indicators

Notes * Domesticated SDG, 'End Poverty in all its Forms Everywhere' is mapped to Vision 2036 Pillar 2

I. Definition and Determinants of Fiscal Sustainability

- 3.2 Fiscal sustainability can be defined as the ability of a government to continue its current spending patterns, tax collection and other policies in the long run, and, in the process, avoiding solvency or default risks problems²⁶. The latter relates to the ability to service debt from future revenue, without sacrificing the development and facilitative spending needs. Put differently, fiscal sustainability prevails if the present value of future primary surpluses equals the current level of sovereign debt. Indicators used, in this chapter, to assess and monitor fiscal sustainability include debt to GDP ratio, deficit/surplus to GDP ratio, composition of government expenditure, tax effort relative to GDP, composition or relativities of government revenue and saving relative to GDP (and possibility aligned to frequency and magnitude of shocks). Derivation of a meaningful economic picture from the indicators requires analysis of their direction and trend over time.
- 3.3 In essence, fiscal sustainability relates to:
- (a) the growth in government spending being matched by the rate of increase in revenue, and sustainable reliance of public consumption on non-renewable sources of revenue (minerals);
 - (b) any non-structural financing gap being addressed through sustainable debt and/or use of accumulated saving;
 - (c) maintenance of buffers/saving to enable response to shocks or for stabilisation purposes;
 - (d) fiscal policy discretion/space to pursue national development objectives; and
 - (e) sustained congruence and alignment with other macroeconomic policies.
- 3.4 In terms of specific targets and thresholds for fiscal sustainability, a debt to GDP ratio of more than 77 percent over an extended period has been determined to be detrimental to long-term economic growth, with every percentage point beyond this threshold leading to a 0.017 percentage points reduction in economic growth²⁷. In consideration of this, regionally, the Southern African Development Community Macroeconomic Convergence Criteria (SADC MEC) has designated 60 percent as the desirable threshold for debt to

GDP ratio, while the budget deficit to GDP ratio limit is set at 3 percent.

- 3.5 With regard to tax effort, the World Bank posits that, "tax revenues above 15 percent of a country's GDP are a key ingredient for economic growth and, ultimately, poverty reduction"; and, broadly, attainment of SDGs and economic resilience. From this perspective, empirical data shows relative tax effort by country income group, thus 15 percent for high-income countries; 10.6 percent for upper-middle income countries; 10.7 percent for middle income countries; 12.1 percent for lower-middle income countries; and 10.7 percent for a combination of low and middle-income countries. Moreover, even including other sources, such as taxes on natural endowments/resources (relevant for African countries), advanced countries, on average, generate more revenue relative to GDP than less developed countries. World Bank Data for 2020 indicates that the share of total government revenue in high-income countries averaged 26 percent, followed by upper-middle income countries at 18.6 percent; middle income at 18.2 percent; and lower-middle income at 14.7 percent (2018 data).

II. Fiscal Performance and Policy Issues for Botswana

- 3.6 Charts 3.1 and 3.2 show the long-term trend of fiscal performance in Botswana as indicated by fiscal deficit/GDP and debt/GDP ratios, respectively, while foreign exchange reserves indicators and tax effort are shown in Charts 3.3 and 3.4, respectively. From this perspective, while remaining relatively strong, the fiscal sustainability metrics have evidently transitioned into a deterioration path since the 2008/09 Global Financial Crisis. Therefore, any failure to recover poses concerns about maintenance of economic resilience in the long term, hence the imperative to recognise and acknowledge a different era in the fiscal landscape and, the need for reinvention in fiscal management and approaches to addressing fiscal sustainability. Indeed, the Botswana Budget Speech of 2021, highlighted concerns about the significant budget deficits, which were becoming structural as government expenditure had exceeded public sector revenues over successive periods, which in the absence of a sustainable deficit financing potential/programme and/or a matching tax effort transition, would set the economy on an unsustainable fiscal trajectory. Therefore, the need to accelerate fiscal consolidation (see Box 2) to attain and restore fiscal sustainability in the short-to-medium term.

26 Krejdl A. (2006), Fiscal Sustainability - Definition, Indicators and Assessment of Czech Public Finance Sustainability.

27 Grennes T., Caner M., Koehler-Geib F. (2013) "Finding the Tipping Point - When Sovereign Debt Turns Bad" World Bank, Policy Research Working Papers.

CHART 3.1: BUDGET BALANCE 1979/80 TO 2021/22

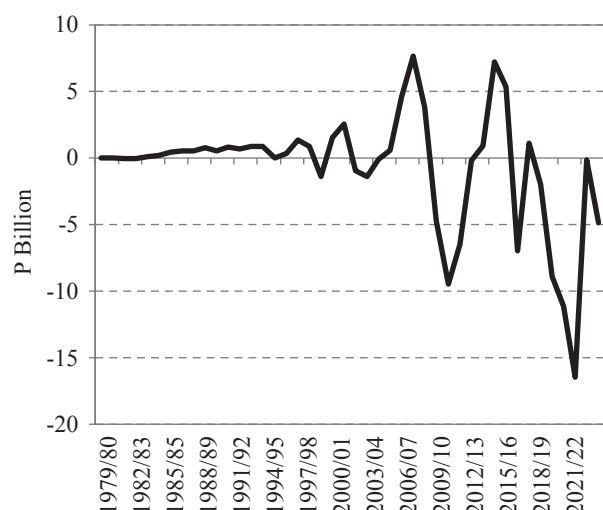


CHART 3.2: GOVERNMENT DEBT LEVELS AND AS A PERCENTAGE OF GDP

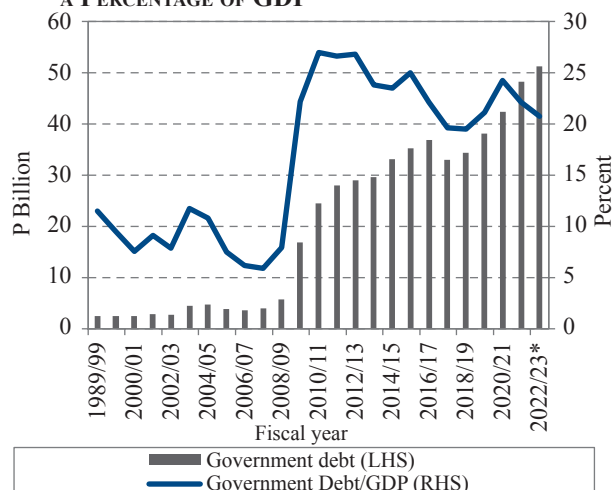


CHART 3.3: LEVEL OF FOREIGN EXCHANGE RESERVES

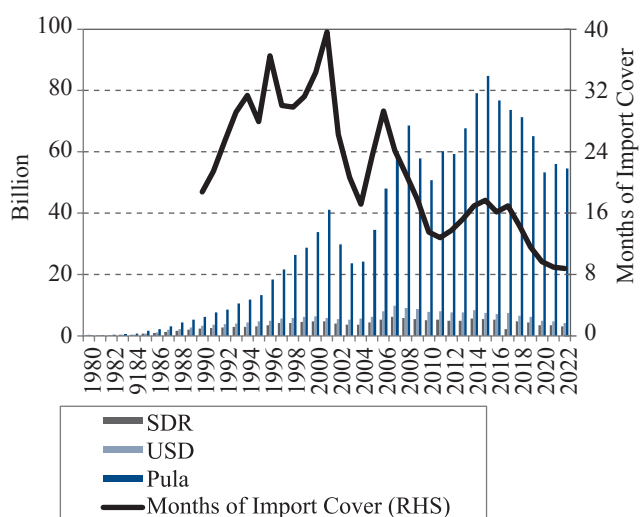
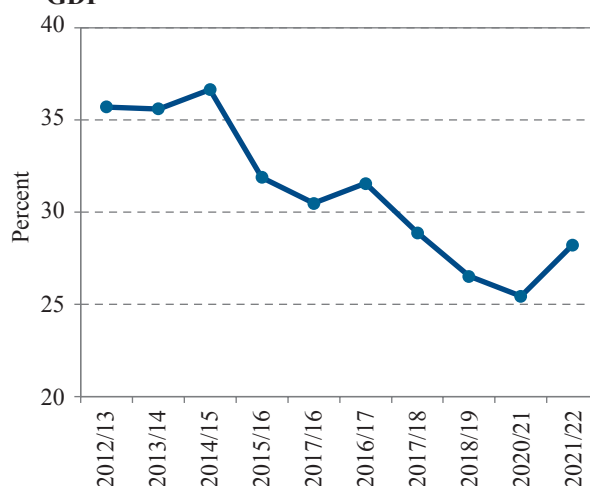


CHART 3.4: TAX REVENUE AS A PERCENTAGE OF GDP



Source: Ministry of Finance, Statistics Botswana, and Bank of Botswana
Notes: * Based on estimated GDP

Box 2: Botswana Fiscal Consolidation Measures

Fiscal consolidation can be defined as the pursuit of concrete policies aimed at reducing government deficits and debt accumulation, and it involves measures geared towards, among others, efficient allocation of resources, enhancing expenditure quality, reducing, and ultimately eliminating wastage and entrenching cost containment. Some of the fiscal consolidation measures relate to the:

- **reduction and effective management of the Government wage bill.** This will be implemented through the Workforce Planning System which is being developed by the Directorate of Public Service Management (DPSM), through the Botswana Public Service Workforce Strategy and Workforce Plans Project that started in July 2021.
- **decrease of subventions to commercial State-Owned Enterprises (SOEs).** In addition to the ongoing process of rationalisation and restructuring of SOEs, the size of subventions to commercial SOEs is expected to be reduced.
- **lessening of Revenue Support Grants to Local Authorities.** Government aims to gradually reduce the revenue support grant, particularly to urban councils, to incentivise them to generate their own revenues to fund their programmes.
- **cost containment.** whereby Government has identified various initiatives targeting expenditure that can be reduced without compromising on service delivery and requiring the beneficiaries of some public services to share in the costs of provision where they can afford to do so.

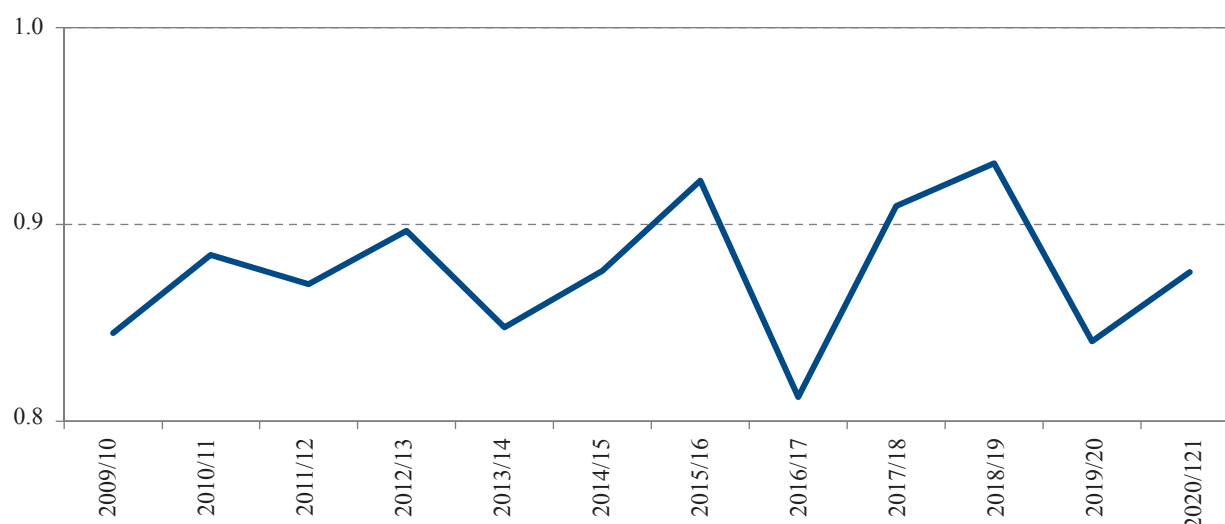
Source: Ministry of Finance 2021 Budget Speech

(a) Budget Balance

- 3.7 As discussed above, the government budget balance, being the difference between public revenues and grants, and expenditure and net lending, and expressed as a ratio of GDP, serves as a primary indicator of the fiscal health of an economy; and it is in surplus (positive) if revenues exceed expenditure or deficit (negative) if the converse holds. In general, sustained/structural budget surpluses are favourable and do not present any visible and immediate fiscal sustainability challenges, although they can be considered to reflect suboptimal utilisation of resources/potential and/or implementation deficiencies with respect to policies, programmes and projects. However, deliberate and discretionary saving can also be an optimal option given absorption capacity constraints and the need for safeguards against future shocks, while sustained high fiscal deficit ratio, on the other hand, can portend fiscal unsustainability and imperil other components of macroeconomic management. Notwithstanding, fiscal deficits can be sustainable and beneficial if modest (for example, meeting the SADC MEC criteria), appropriately funded by credible (debt and revenue) frameworks and enhance prospects for economic growth and welfare improvements.
- 3.8 Reference is also made to the Sustainable Budget Index (SBI), which Botswana adopted in 1994. It is defined as the ratio of total recurrent expenditure (non-investment spending), less spending on health and education to

non-mineral revenue. In the context of this definition, the budget is considered sustainable when the index is consistently below one (1). This suggests that public consumption is not financed through non-renewable sources of revenue (mineral revenue), but from sustainable resource mobilisation. Conversely, the budget would be unsustainable if the index persisted above one (1). As evident from Chart 3.5, the index has been below the threshold of one (1) for the past 12 years, suggesting that the Botswana Government Budget has been sustainable.

CHART 3.5: BOTSWANA SUSTAINABLE BUDGET INDEX



Source: Ministry of Finance

3.9 In general, Botswana has a good track record of fiscal responsibility and sustainable budget balances. Nevertheless, a review of recent developments shows that, in the past five fiscal years, the country's annual expenditure (recurrent and development) plus net lending has exceeded annual revenues, thus resulting in budget deficits (Chart 3.1 and Table 3.1). Often this is, perhaps rightly, attributed to shocks affecting global growth and financial markets, and more recently the COVID-19 pandemic, as well as localised weather events and animal diseases. Fundamentally, however, this reflects changes in the relativities of growth in diamond revenue and government expenditure. That is, while there has been some moderation in the growth rate of diamond revenue, the increase in government spending has not moderated. This is in the context of increasing need for social services and infrastructure, maintenance of subsidies and social support programmes. Therefore, the difference with the past is that similar shocks in the past did not have a lasting adverse impact on the budget balance (as the expenditure path would be modest relative to sharp recovery of revenue).

3.10 Against this background, the policy posture of medium-term budget balance was appropriate and validated, as shocks and subsequent amelioration and recovery converged to generate medium-term budget balance. However, the advent of structural budget deficits requires a shift towards recognising the structural role of debt in funding the deficits (albeit within the SADC MEC convergence criteria and, most importantly, the domestic fiscal rule of limiting public debt to no more than 40 percent of GDP). Second,

careful management of growth in government expenditure and related components to ensure sustainability and long-term positive impact on economic activity. The mooted fiscal/expenditure rule would be a positive contribution in this regard. Third, is addressing prospects for enhanced resource mobilisation, including coverage of taxes (tax effort). Fourth, is the rebuilding of buffers sufficient to afford/cover any future need for stabilisation and to accommodate sustained policy discretion (relating to maintenance of macroeconomic stability and pursuit of national development goals). These issues are discussed in turn below.

TABLE 3.1: GOVERNMENT BUDGET 2017/18 – 2022/23

Fiscal Year (FY)	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23*
<i>(Billion Pula)</i>						
GDP, Current Prices	168.0	176.5	181.5	171.9	218.1	247.5
Total Revenue and Grants	56.4	53.4	54.3	49.4	68.6	71.5
Total Expenditure and Net Lending	58.4	62.4	65.4	65.8	68.7	76.4
Budget Balance	-2.0	-8.9	-11.1	-16.4	-0.1	-4.9
Share of GDP (percent):						
Revenues and Grants	33.6	30.3	30	28.4	31.4	28.9
Expenditure and Net Lending	34.8	35.3	36.1	37.8	31.5	30.9
Balance	-1.2	-5.0	-6.2	-9.5	-0.1	-2.0

* Projections

Source: Ministry of Finance

(b) Public Debt, Management Framework and Financing Options

- 3.11 Public debt is the total amount borrowed by the government to augment funding of its development and recurrent budget and is, therefore, integral to fiscal planning and management. Public debt can be generalised as deficit financing, although designated debt can be dedicated/allocated to specific projects, programmes or policy frameworks/implementation. This requires maintenance of deficit financing and/or debt management and governance framework that in part addresses congruence with other policies, optimisation with respect to the expenditure profile and cost, monitoring for sustainability, as well as institutional oversight arrangements; overall, to achieve prudent and accountable execution, productive deployment and sustainability.

(i) Public Debt: Level and Trend

- 3.12 For Botswana, the Stocks, Bonds and Treasury Bill Act provides the legal governance framework for public debt and sets the overall limit at 40 percent of GDP (20 percent each for domestic and external debt). Thus far, the size of Botswana's public debt relative to the economy (Debt to GDP ratio) is consistent with public debt sustainability. From a long period of low and stable debt metrics (mostly concessional and project financing), Botswana's debt has been rising steadily (Chart 3.6) from P26.4 billion in 2018 to P37.2 billion in 2022. It, however, remains below the country's statutory ceiling of at most 40 percent of GDP and the SADC's threshold of 60 percent of GDP, and levels of peer countries (Table 3.2). Much of the debt accumulated over the years was due to the need to finance

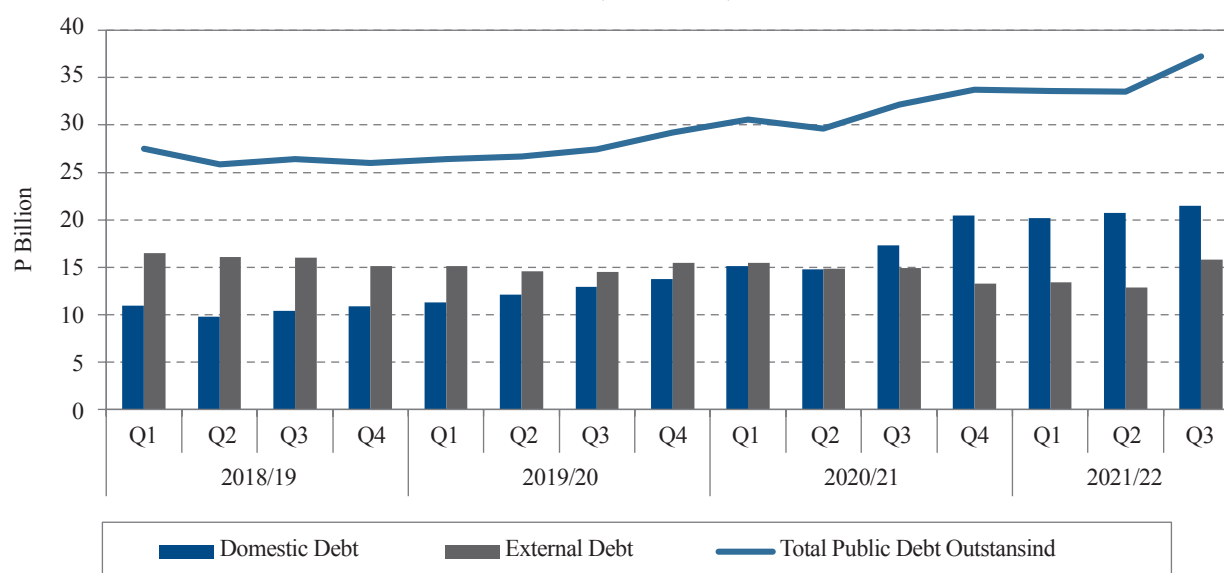
occasional large primary budget deficits. For example, in the advent of the Global Financial Crisis, a loan from the African Development Bank resulted in debt increasing from 7.9 percent to 18.2 percent of GDP between 2008/09 and 2009/10.

- 3.13 More recently, between 2018/19 and 2022/23 (projection), public debt increased by 19 percent to 20.7 percent of GDP. The rise was attributable to increased financing needs given the COVID-19 pandemic stifling effect on revenue and expansionary impact on expenditure. In addition, there was a deliberate decision to restrain savings drawdown in favour of issuance of government securities (exemplified increase of the Government Bond Programme from P15 billion to P30 billion in September 2020). It is also noted that, being an upper-middle income country, Botswana is ineligible to access concessional loans from multilateral financing institutions and development partners; a dispensation reserved for low-income countries. Thus, loans contracted by the country are at market interest rates, which contributes to rising debt burden. Table 3.2 shows comparative debt/GDP ratios for Botswana and selected countries. The indication is that public debt for Botswana is relatively low, thus sustainable, and that there is scope to enhance and optimise this channel of resource mobilisation. However, this would be subject to several important considerations, primarily a sound debt management framework, incorporating choices between domestic and external debt, and in relation to untargeted contribution to deficit financing versus targeted project funding, as well as reasonable revenue raising/growth prospects to cover future debt servicing.

TABLE 3.2: DEBT TO GDP RATIOS FOR SELECTED COUNTRIES (2021-2023)

Country	2021	2022	2023
Angola	86.4	52.2	111
Botswana	24.6	22.3	20.7
Brazil	87.8	88.9	75.8
Greece	212.4	169.8	177
Mauritius	-	90	64
Namibia	72	71.7	53.3
South Africa	69	70.7	62.2
United Kingdom	103	79.9	80
United States of America	115.3	122.9	107
Chile	36.3	36.9	27.9
Zambia	119.2	-	59
Peru	32.4	35.7	27.5
Japan	221.3	261.1	237
Malaysia	63.4	70	52.5
China	-	84.1	50.5
Israel	66.2	57.6	59.9

Source: Ministry of Finance, IMF and World Bank

CHART 3.6: TOTAL OUTSTANDING PUBLIC DEBT (P MILLION)

Source: Ministry of Finance

(ii) Public Sector Arrears

3.14 The definition of public debt can also be expanded to include government expenditure arrears, which are financial obligations incurred by any level of the public sector for which payments have not been made by the due date. This is caused by government delaying executing payments for goods supplied and services rendered²⁸. Recently, the emergence of public sector arrears, indicating delayed government payments to suppliers

and creditors, has become an important fiscal issue in many economies.²⁹ Indeed, prevalence of public sector arrears can result in underestimation of public expenditure, hence distorting the fiscal challenges facing the country.

3.15 Arrears can emerge as an aftermath of large fiscal shocks that may be difficult to absorb and the impact on the accumulation of arrears is larger for countries with weak Public Finance Management (PFM) systems due to poor

28 Regional Economic Outlook (2019). Domestic Arrears in Sub-Saharan Africa: Causes, Symptoms, and Cures. International Monetary Fund, Fiscal Affairs Department.

29 Diamond J (1987) Government Arrears in Fiscal Adjustment Programs – JSTOR <https://www.jstor.org/stable>

monitoring of lagging payments. Botswana does not have any documented public sector arrears. If this is due to not collecting the data, rather than the absence of arrears, there could be a distortion of the true picture of government indebtedness, which could also undermine public debt sustainability analysis.

(iii) Debt Financing Options

3.16 Given the criticality of maintaining sustainable sovereign debt levels in mitigating external vulnerability of individual countries and promoting global financial stability, the IMF and the World Bank have, through the years, been providing comprehensive guidelines on public debt management. Fundamentally, an effective and credible debt management framework should be designed with an overarching goal of ensuring that government's financing needs, and payment obligations are met efficiently, at the lowest possible cost and minimal risk over the medium-to-long term. The framework should encompass the development and maintenance of an efficient market for domestic government securities to minimise costs and exposure to risks. While maintaining separation of objectives and accountability of respective authorities, coordination with macroeconomic policies (fiscal and monetary) and microeconomic policies, such as financial sector policies, should be deliberate, given the inherent and prospective interrelations. Additionally, the debt management strategy must be transparent; credible; and consistent with the country's macroeconomic fundamentals and backed by sound institutional framework and legal parameters to avert debt distress, unsustainable debt, fraud and possible decimation of the economy.

3.17 In line with these broad considerations, Botswana developed a Medium-Term Debt Strategy for the period (2016/17 – 2018/19), which benefited from technical assistance by both the Commonwealth Secretariat and the World Bank, including the 'Guide to Developing a Medium-Term Debt Strategy (2009)', a joint document by the IMF and the World Bank. The Country is currently drafting a new Debt Strategy³⁰. Any strategy will necessarily be designed in conformity to statutory provisions, including:

- (a) the Stocks, Bonds and Treasury Bill Act, which primarily stipulates the amount of debt relative to the size of the economy (a

maximum of 40 percent of GDP) and the composition (20 percent each for external and domestic debt);

- (b) the Public Finance Management Act, which stipulates that macroeconomic and fiscal policy objectives have to be developed to achieve principles of fiscal management such as reduction of total debt to prudent levels so as to provide protection against factors that may impact adversely on the level of total debt in future; and
- (c) the Bank of Botswana Act, which stipulates that the Bank should hold and manage official reserves of Botswana and act as a fiscal agent for government, specifies conditions for advances to government by the Bank and the latter's advisory role for borrowing by the former.

3.18 The debt strategy needs to also consider the specific financing requirements, among others, in terms of relativities of recurrent and development spending, therefore, tenure preference, domestic currency versus foreign currency (especially given import intensity of government spending). It is considered, nevertheless, that for Botswana, there could be greater benefits in exploring the potential for domestic debt and financing options, to develop and deepen the local capital market.

3.19 A robust capital market is essential to widen and promote resource mobilisation and saving options and, in turn, productive deployment and appropriate channelling of resources for productive economic activity. Therefore, from government's perspective, capital market development is key as an alternative channel for borrowing to finance the budget deficit, and particularly the development budget; thus, facilitating the provision of requisite physical infrastructure and human capital development to drive inclusive economic growth and welfare enhancements, thus contributing to economic resilience. For the capital market to facilitate the distribution of funds from savers to borrowers, it has to be appropriately developed in terms of size (number of investors and amount of funds involved), product types (short and long dated; domestic and foreign currency denominated, inflation-linked; infrastructure specific; and retail bonds, including other debt instruments and securities) being liquid; and existence of supportive infrastructure, such as the stock exchange, efficient financial system, and relevant legislation.

30 Development of the (2020/21–2022/23) Strategy was interrupted by the outbreak of the COVID-19 pandemic.

3.20 In recognition of the foregoing, the Government of Botswana initiated a limited series of bond issues in 2003 mainly to support capital market development, especially in the light of the growing pension fund that created demand for longer-dated assets, especially by the Botswana Public Officers' Pension Fund. The bond issuance also helped alleviate the cost of monetary policy by absorbing part of the surplus liquidity in the economy. In addition, the 2008 - 2012 Financial Sector Development Strategy emphasised the importance of a vibrant and effective capital market in supporting economic growth and lowering costs of borrowing for both the private sector and Government. However, the small, shallow, illiquid and fragmented markets, with limited products and scale, continues to constrain domestic resource mobilisation and participation of foreign investors in the country's bond market. Therefore, there is potential for the domestic bond market to be enhanced by widening the menu of options and improving its operations, including through potential domestic investor education and sensitisation so that they could benefit from this alternative investment channel, while affording Government access to cheaper domestic borrowing, that will be backed by the enduring favourable sovereign credit ratings.

(c) Tax Policy and Administration

3.21 Taxation is integral to strengthening the effective functioning of the state and the social contract between governments and the public. It involves enabling businesses and households to contribute to the functioning of the state and the provision of public goods and services, inducing compliance and the government being accountable for the use and deployment of

the taxes. "By encouraging dialogue between states and their citizens, the taxation process is central to more effective and accountable states."³¹ Individual countries, therefore, design taxation systems and frameworks considering the generality of approaches to taxation and individual country circumstances. Broadly considerations include:

- (a) institutional and administrative capacity;
- (b) cost of collection relative to revenue;
- (c) tax sources – for example, income, consumption, and property;
- (d) threshold and exemptions;
- (e) to support other policies and programmes (industrialisation, social safety nets, and consumption/use choices);
- (f) flexibility to be used as a short-term policy instrument and for stabilisation purposes; and,
- (g) entrenchment as being core to fiscal sustainability.

3.22 In general, developed nations have elaborate tax frameworks that have been in existence for a long time and recognised as a social contract between the public and the state inducing compliance and accountability, respectively, and at the same time being amenable to changes to address immediate needs or challenges and for stabilisation purposes. Empirical evidence suggests a mixed performance in terms of tax effort across various country income groups (Table 3.3), and the magnitude depends on, among others, economic structures, tax policy, institutional arrangements, and demographics.

TABLE 3.3: TAX COLLECTIONS AS A RATIO OF GDP FOR SELECTED COUNTRIES (2020)

Country	Tax as a Percent of GDP	
	2010	2020
Botswana	23.5	22.3
Lesotho	30.2	18.5
Denmark	32.7	34.1
Namibia	25.5	31.2
South Africa	22.5	23.3
Sweden	27.4	26.6
United Kingdom	25.2	24.7
United States of America	9.9	8.6
<i>Sub-Saharan Africa:</i>		
Middle-Income Countries	11.9	10.7
Upper-Middle Income	12	16.6
<i>World</i>	13	13.8

Source: World Bank

31 A Report to the G-20 Development Working Group by the IMF, OECD, United Nations (2015), and World Bank, 2011.

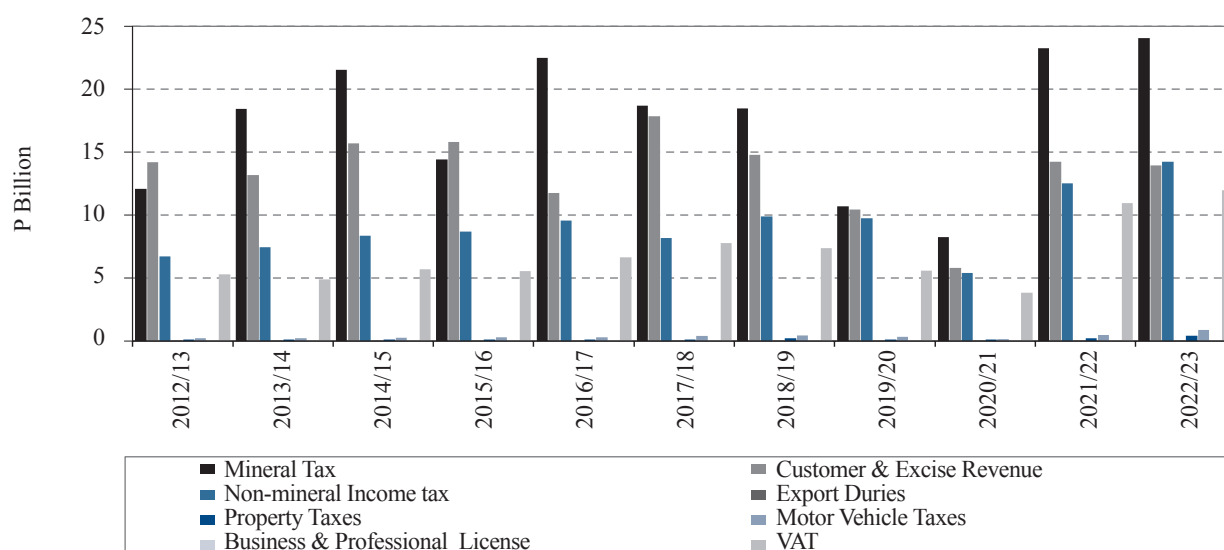
- 3.23 For developing countries, including Botswana, there continues to be a need to make improvements to optimise tax effort, especially given the imminent resource gap relative to the spending needs. Thus, strengthening tax effort, policy and administration is gaining prominence as an important component of medium-term planning and maintenance of fiscal sustainability and resilience. However, in several developing and middle-income countries, tax administration is faced with challenges of resource and capacity constraints, thus high prevalence of tax evasion and avoidance, weak tax collection/resource mobilisation effort, as well as limited use of innovative technology, as approaches to the conduct of economic activity change.
- 3.24 For Botswana, the key considerations are ensuring that over the long-term, the taxation framework as an aspect of resource mobilisation helps entrench fiscal sustainability, and relevant elements of the system can be deployed for ongoing fiscal management and or for stabilisation purposes. Thus, the tax policy is integral to fiscal and economic resilience, as well as the Vision 2036 aspirations of a sufficiently developed and endowed economy that is in a position to transition to high-income status. Key aspects on the ability of the tax policy to fulfil its role in driving Botswana's development agenda are in the realm of coverage and diversification, administration and compliance enforcement, and the relationship with other policy frameworks, notably, industrialisation policies and social support programmes.
- 3.25 Important to tax effort considerations is the tax capacity, that is the maximum capacity of individuals and businesses to bear the tax burden without inducing economic distortions and trade-offs; an adverse effect that could undermine the intended economic benefit of tax collection. Economic development is key in driving tax capacity in that existence of a large and robust private sector increases opportunities for corporate tax collections, while also creating jobs and broadening the income tax base. Other determinants of tax capacity include wealth and income distribution; trade; tax administration; population size; national and per capita income; and quality of government expenditure; and existence of strong relevant institutions.
- 3.26 More recently, there is also a need to consider the impact of the digital economy on public resource mobilisation, which in general is two pronged; while it poses significant challenges for countries attempting to maximise their tax

capacity and effort, it also provides opportunity for growth. The challenge relates to the general lack of physical presence of some businesses operating in virtual platforms, yet their customers are spread across the globe, which inhibits the potential to generate tax revenue from online business. Conversely, the acceleration and proliferation of e-commerce present prospects for countries to harness the broadening tax base, thus an opportunity to further expand tax capacity and effort, thus domestic revenue mobilisation.

Tax Structure and Prospects for Diversification

- 3.27 Chart 3.7 shows the long-term structure of Botswana's tax revenue sources. Broadly, abstracting from fluctuations, this shows a consistent larger contribution of mineral revenue and receipts from the SACU. A general discourse, over time, around these, is that they are unstable and unreliable; a suggestion that they should not necessarily anchor fiscal sustainability and resilience. In addition, they are generally not available as a short-term fiscal policy (stabilisation) instrument. These, however, could be lopsided arguments that can detract from intensive analysis of prospects for continuing and even increasing contribution of these tax sources to resource mobilisation and impact on spending and resilience to anchor inclusive growth prospects. Indeed, the economic history of Botswana indicates generally uninterrupted pervasive and wide-ranging positive impact of these on the nation's development trajectory. Therefore, the important considerations would be the potential for these sources going forward, including objective evaluation of volatility and uncertainty.

CHART 3.7: COMPONENTS OF TAX REVENUE



Source: Ministry of Finance

3.28 Regarding mineral revenue, the key aspects relate to longevity/abundance of the resource, demand and market prospects, extraction and sales arrangements, capability to maintain or alter the revenue streams accruing to the state/public (royalties, taxes and dividends, as well as contributions to mining capital expenditure). From this perspective, it is important that these aspects inform and are integral to ongoing assessments/evaluations of the fiscal policy framework and prospects for sustainability, resilience and harnessing the long-term benefit; essentially as diamonds are an important element in the realisation of Vision 2036 and transition to high-income status, alongside other necessary reforms and transformation aspects.

3.29 For SACU revenue, there is need to recognise and acknowledge this as trade taxes that rightfully accrue to Botswana, albeit within a common trade area arrangement. The unreliability and uncertainty, like any tax revenue, relates to performance of the base factor (in this case trade, while for others it will be income or consumption) rather than it being derived from a common trade arrangement. This is not to deny the possibility of changes in the agreement, tariffs and revenue sharing formula that can affect the income flow to Botswana. However, in this instance, any negotiation stance around these becomes a key aspect in determining considerations for future fiscal sustainability and resilience. Thus, there are two considerations in this regard. One is optimising the SACU revenue within the existing arrangement and, also, the related potential for influencing industrialisation and trade policies. Second, is the potential outside

SACU for independent determination of tariffs and trade taxes and, therefore, revenue raising capability and more independent use of this to anchor industrialisation policies. As with mineral revenue, these perspectives should be integral to fiscal management and sustainability considerations for Botswana.

3.30 Regarding existing income and consumption (VAT) taxes, considerations should be the appropriateness of rates, thresholds and exemptions in relation to resource mobilisation needs, compliance prospects, incentives, impact on, and support for, economic activity, fairness and progressivity. At 25 percent, the top income tax rate for Botswana could be considered modest, but also perhaps commensurate with partial provision of social services, that the top tax earners pay for privately in some instances (health, primary and secondary education, and aspects of security). Similarly, VAT at 14 percent is on the lower side compared with what pertains globally. It is relevant, nevertheless, that these are in the context of high-income inequality, suggesting that there should be consideration that large cohorts of low to middle-income earners continue to spend a substantial proportion of their income on basics. The income tax system is also progressive in that tax rates are progressively higher for successive thresholds of income, while there is a minimum threshold where tax is not payable (Table 3.4).

TABLE 3.4: RESIDENT INDIVIDUAL TAXPAYERS (PULA)

Taxable income		Tax on Column 1	Tax on Excess (Percent)
Over	Not over		
0	48 000	0	0
48 000	84 000	0	5
84 000	120 000	1 800	12.5
120 000	156 000	6 300	18.75
156 000		13 050	25
Non-Resident Taxpayers			
Over	Not over		
0	84 000	-	5
84 000	120 000	4 200	12.5
120 000	156 000	8 700	18.75
156 000		15 450	25

Source: Ministry of Finance

3.31 Notwithstanding, being relatively modest, suggests there is scope for upward tax adjustments, alongside other considerations to enhance resource mobilisation by addressing leakages and harnessing opportunities for wider coverage, including the following:

- (i) rationalising exempted or zero-rated goods and services for VAT purposes, in favour of means-tested or targeted subsidies as social safety nets;
- (ii) adoption of property taxes that are *ad valorem* and not absolute and, therefore, adjust alongside changes in property values and, the cost of providing services;
- (iii) taxing unused land, to discourage speculative hoarding of land, while encouraging productive land use, among others through owner activity or leasing out; and
- (iv) harnessing digitalisation to improve tax coverage for the informal sector.

Tax Administration, Enforcement and Compliance

3.32 Tax policy and optimisation of tax revenue potential need to also incorporate administration, enforcement and compliance aspects as these are integral to a sound fiscal policy and management. Among other are:

- (i) *Transformations in the Operating Environment* – to modernise tax administration (for example through the use of e-filing) and the use of other facilitative technologies for efficient servicing of taxpayers and to enhance

tax compliance. Furthermore, providing flexibility in tax submission dates provides a balance between the rights of taxpayers and the powers of the tax administration, which augurs well for compliance. However, mechanisms should be in place to address non-compliance, tax avoidance and evasion in order to maximise tax collection. Notwithstanding, considerations are that a transparent, fair and equitable tax system that takes into consideration taxpayers rights, is more credible and likely to promote voluntary compliance. Additionally, simple and clear tax procedures, are more user-friendly, and importantly, preferred by taxpayers, hence supportive of tax compliance.

- (ii) *Human Capital and Organisational Performance Management* – to provide for the range of skills and competencies required in the relevant areas of legislation, policies, collection capabilities and compliance management and enforcement.

- (iii) *Tax Revenue Modelling and Policy Analysis Capability* – to generate revenue forecasts and inform policy decisions is also an important input to defining the current and prospective contribution to the government budget and for medium-to long-term planning. Related thereto is transparency of the forecasting process to engender credibility and accountability in revenue collection. Thus, to support, prudent public finance management, revenue forecasts are essential in guiding

budget planning and management processes and estimating the impact of tax expenditures on revenues.

(d) Opportunities for Maintaining Fiscal Sustainability in Botswana

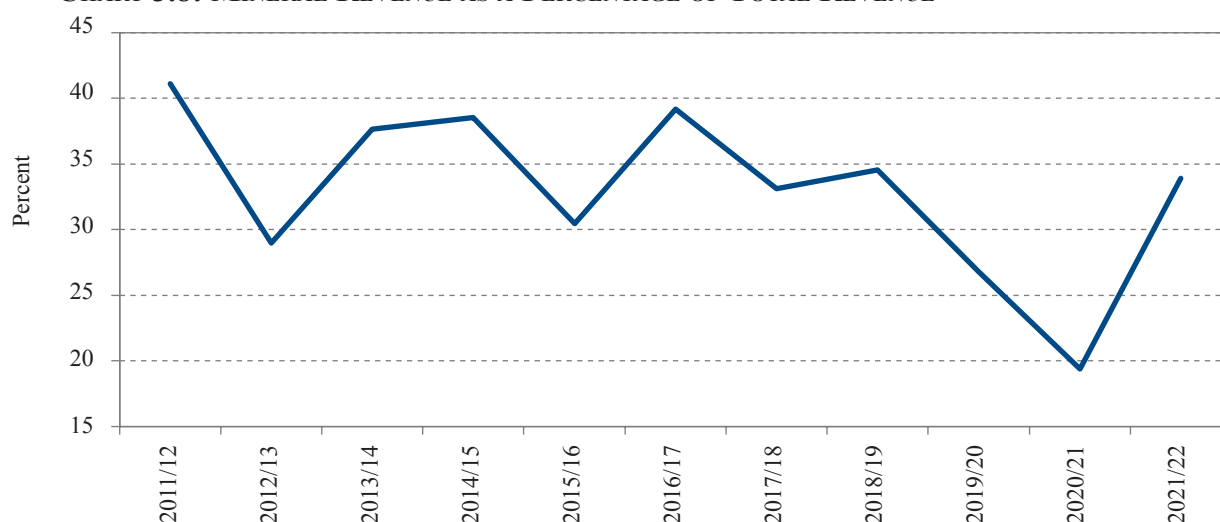
3.33 Botswana prioritises fiscal sustainability, as reflected in the successive National Development Plans (NDP) and the annual national budgets, which invariably focus on sustainable budgeting and the need to achieve fiscal consolidation, where there have been disruptions. This posture is also reflected in policy and legislative reforms that support fiscal sustainability and related public financial management strategies and rules. Notwithstanding this, Botswana's fiscal position has deteriorated in recent years. During 2019/20 and 2020/21, the budget deficits were, in part, due to the impact of the COVID-19 pandemic. However, this was a continuation of a long-term structural trend and weaknesses, mainly with respect to unstable fiscal revenues from the mining sector, in the face of consistently rising public expenditure (Chart 3.8). Left unchecked, and this situation can lead to continuous net withdrawal of savings and rising public debt, and eventual threat to fiscal sustainability.

contribution to promoting maintenance of fiscal sustainability. Below is a further discussion of three aspects that could also contribute in this regard, namely rationalisation of subsidies and SOEs as well as the use of PPPs.

(i) Targeted Rather than Universal Subsidies and Cost Recovery Fees

3.35 In Botswana, public policy is aimed at progressively improving living standards, thus reducing the incidence of poverty and inequality levels and generating income earning opportunities (including employment) through broad-based, inclusive policies and programmes. However, thus far, the sources of economic growth and generation of income earning opportunities remain limited and/or of low productivity. This is because, first the mining sector, while lucrative in terms of export earnings and government revenue, and thus the pillar of the domestic economy, is generally highly capital intensive and with limited employment opportunities. Second, the agricultural sector, while widespread across the rural domestic economy and involving a substantial proportion of the labour force, is mostly low value and practiced at subsistence level, with relatively modest levels of

CHART 3.8: MINERAL REVENUE AS A PERCENTAGE OF TOTAL REVENUE



Source: Ministry of Finance

3.34 There is, therefore, a need for steadfast commitment to enhancing domestic revenue mobilisation, through tax reforms and cost recovery fees/user charges for public sector provided services and strengthening of reforms to public finance management with a view to monitoring and controlling expenditure levels. The discussion above addressed the prospects for enhancing tax coverage and collection as a

productivity, therefore, providing subdued income earning prospects. Hence, there continues to be a need for an extensive social support programme and subsidisation to enable coverage of essential utilities and access to education and health. In the circumstances, the Government sector is (and necessarily, in the context of a sparsely populated country, that is mainly at a developing stage) the single largest

player in the provision of socio-economic services and development infrastructure.

- 3.36 To alleviate the relatively high incidence of poverty (20.1 percent in 2022), the public sector devotes a sizeable portion of its budget towards implementation of an array of social protection programmes to alleviate impact on vulnerable members and groups within the society, using both targeted and universal approaches.
- 3.37 Generally, the use of support programmes may be warranted in promoting inclusive and wide coverage and access of facilities/utilities/infrastructure that are necessary for improvement of welfare and living standards, especially among the poor and vulnerable. In cases where prevailing and / or increases in market prices for some basic and essential commodities can be associated with real income losses which may affect the poor adversely, social challenges and even political instability may arise³². Against this background, the provision of social safety nets (SSNs) is inevitable.
- 3.38 SSNs, may include, but are not limited to: (i) delivery of food packages to the very poor; (ii) supplementary feeding programmes for vulnerable groups and primary school children; (iii) entitlement programmes, such as the old-age pension scheme and World War II veteran grants; (iv) provision of food, clothing, education, and protection to orphans; (v) assisting the terminally ill through home-based care; and (vi) labour-based drought relief programmes.
- 3.39 Most of the SSNs in Botswana are not necessarily targeted at the poor since they are all inclusive; and based on the eligibility criteria which often qualify both the poor and the non-poor to receive the benefits' – Botswana Institute of Development and Policy Analysis (BIDPA) 2007. Thus, most SSNs in Botswana are not means tested. For example, the primary school feeding programme (PSFP) targets all children attending public primary schools and, old-age pension scheme targets all individuals aged 65 years and above, irrespective of whether they are poor or non-poor, or whether they benefit from other pension plans. Thus, in the context of Botswana, the standard methodology which assumes that the programmes are targeted

at the poor, should be interpreted with care. Notwithstanding this observation, it would be difficult to apply the methodology using the eligibility criteria for each SSN, due to the paucity of data³³. Nevertheless, Government needs to develop ways of excluding the non-poor from benefiting in programmes meant for the less privileged.

- 3.40 In this regard, the preference is for targeted subsidies that entail identifying members of society who should receive a particular benefit, to ensure that the resources are directed only at the intended and deserving beneficiaries. Targeting also helps to minimise coverage of unintended beneficiaries (errors of inclusion) and the non-coverage of intended beneficiaries (errors of exclusion)³⁴. However, there are arguments for universal subsidies premised on consideration that poverty is multi-dimensional and extends beyond income and that the cost of means-testing may outweigh the perceived and/or intended savings. Moreover, universal subsidies are seen as social cohesion enhancing as support is not associated with any stereotyping and classifications of people.
- 3.41 Increasingly, Government is recognising that implementation of universal socio-economic programmes is becoming unsustainable. In this regard, consideration is being made to enhance the impact and effectiveness of targeted subsidies through improvements in administration and governance. This would require integrated data management systems and monitoring frameworks across government institutions, in addition to digital identification cards to facilitate separation of those illegible to receive relief measures. Table 3.5 shows some stylised options which may be considered for targeted relief measures based on characteristics of the poor.
- 3.42 With regard to government services and utilities, there is also a need to move towards cost recovery measures, and where necessary, profitable public service fees to promote self-financing of parastatals, thus reduction of subventions from government, with the overarching goal of preserving soundness of the fiscus.

32 Gupta., et al. 2000. Equity and Efficiency in the Reform of Price Subsidies. A Guide for Policymakers. December 15, 2000.

33 Social Safety Nets in Botswana; Administration, Targeting and Sustainability, Botswana Institute for Development Policy Analysis, 2007.

34 Rachel Slater and John Farrington, 2009. Targeting of Social Transfers: A review for DFID. September 2009.

TABLE 3.5: STYLISTED OPTIONS FOR TARGETING³⁵

Socioeconomic and Demographic Characteristics of the Poor	Administrative Capacity	Existing Social Protection Instruments	Available Targeting Options
Rural landless workers and small holders who are net purchasers of food; workers in the urban informal sector.	Information on the poor is lacking; weak governance and administrative capacity.	Non-existent or limited.	Food-for-work and public works programs; commodity targeting; food transfer programmes that build on existing efforts by non-governmental organisations (NGOs); guaranteed minimum amount for all, equivalent to amount consumed by the poor using coupons.
Pensioners living alone; large families headed by single mothers; disabled.	Weak governance and administrative capacity.	Well-functioning social protection programs, including pensions, unemployment insurance, and family allowances.	Means-tested cash compensation; categorically targeted cash compensation and subsidies; public works programmes; guaranteed minimum amounts for all, equivalent to amount consumed by the poor using coupons.
Rural and urban informal sector workers and long-term unemployed.	Information on the poor is lacking; weak governance and administrative capacity.	Pensions with limited coverage of formal sector workers and limited social assistance programmes.	Commodity targeting, as well as guaranteed minimum amount, for all, equivalent to amount consumed by the poor using coupons; public works programmes.
Urban unemployed and low-skill formal sector workers; rural smallholders.	Information on the poor is lacking; governance and administrative capacity is somewhat weak, but there is experience with targeted social protection schemes.	Pensions for public sector workers.	Commodity targeting; limiting subsidies to amount consumed by the poor using coupons; public works programmes.

Source: International Monetary Fund

(ii) Privatisation and Rationalisation of SOEs

3.43 In order to promote development, address market failure and ensure inclusive coverage of infrastructure, utilities and social services, the Government has an extensive network of SOEs. It is, therefore, one of the largest sectors and the largest single employer. As such a substantial amount of the financial resources mobilised go towards funding the public sector activities. Considered on its own a well-resourced sector should infuse dynamism into the broader economy; and indeed, government services and development agenda does support

economic activity. However, it is considered that, in terms of own economic activity and dynamism, Government, unlike the corporate sector, lacks the necessary attributes required to generate extensive value chains and business linkages, that are supportive of exponential job creation, value addition, enhanced productivity and accelerated economic growth necessary to transition to high-income status.

3.44 Against this background, it is considered that the adoption of the Privatisation Policy in 2000 remains relevant in terms of the objectives and selected privatisation models across industries and SOEs and should be vigorously pursued. If implemented the Privatisation Policy would provide an optimal balance between the public and private sectors for symbiotic contribution to sustainable and inclusive economic growth and enhance prospects for transition to high-income status. To be specific, the privatisation policy is aimed at diversifying

³⁵ In all cases, the subsidy to be reformed is assumed to be a generalised subsidy for basic food staples. The targeting options are meant to provide an indication of what may be appropriate under different circumstances. The choice would crucially depend on prevailing conditions, such as the incidence of corruption and available financing.

the economy, creating opportunities for citizen entrepreneurship (thus, enhancing income earning opportunities and inclusivity), as well as improving efficiency in the delivery of public services (for effective support and facilitation of economic activity), while reducing administrative and financial burden from government.

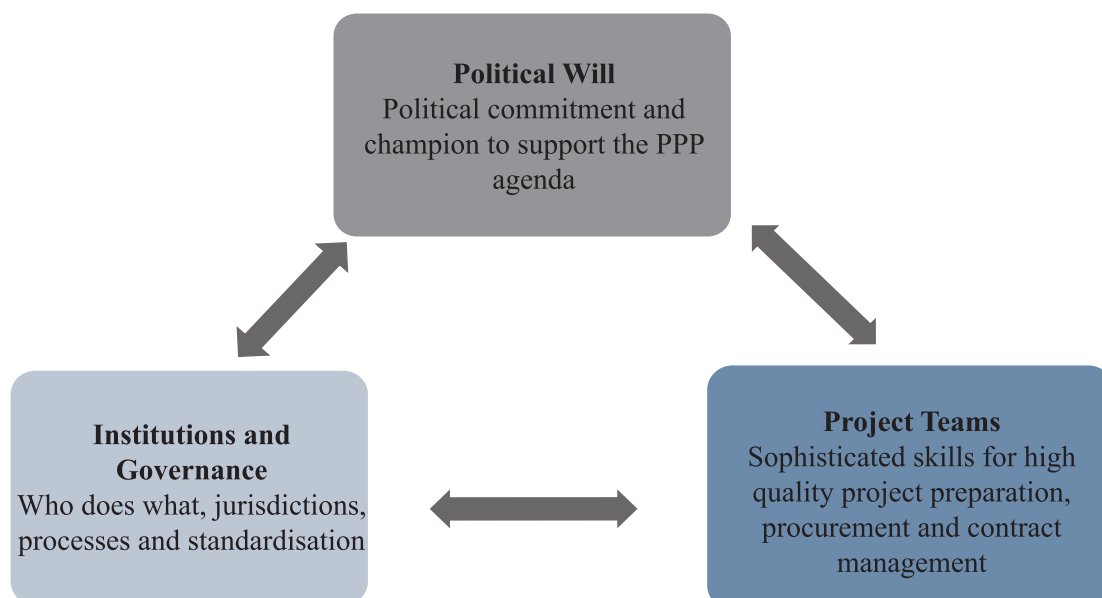
- 3.45 More recently, the announcement of rationalisation and restructuring of SOEs, will reduce the size of subventions to commercial SOEs and should add impetus to the cost containment measures and improve efficiency in the delivery of public services. Furthermore, the SOEs are likely to be more productive and reduce fiscal burden from government. As part of cost containment measures, Government will continue to review subventions and grants to SOEs and Local Authorities with a view to reducing the allocations and increase national productivity to the extent possible. PPPs, which are another variation of privatisation are discussed below.

(iii) Private Sector Participation in Development Projects

- 3.46 Public-private partnerships entails collaboration between government and the private sector in project implementation and delivery of services to citizens. It is based

on the recognition that both the public and private sectors can benefit by pooling together, among others, financial resources, know-how and general expertise to improve the delivery of basic services to all citizens. It is one of the alternative means of financing the much-needed public infrastructure and services. The private sector can play a role in improving inclusivity in many projects, but careful planning is necessary to ensure achievement of intended goals. Figure 3.1 shows three PPP institutional pillars that are needed to increase the probability of PPP success³⁶. At the top is the political will, as indicated by buy-in for PPPs by the political leadership. Second is the institutional governance, which should aim at reducing delays and risks associated with bureaucratic procedures. Third, the skills set of project teams, both from the government and private sector sides should be considered to ensure the smooth running of the projects. At the same time, the determination of the value of the project to the economy; procurement and appropriate procedures for determining private sector partners; and the nature/mode of partnership should also be considered. These measures will help, among others, avoid unnecessary costs/cost-overruns and prolonging of projects beyond the project completion dates.

FIGURE 3.1: PPP INSTITUTIONAL PILLARS



Source: World Bank Blogs: August 16, 2018

36 Flor L. (2018). World Bank Blogs: Three ways governments can create the conditions for successful PPPs, August 16, 2018.

3.47 Private sector participation has been acknowledged as beneficial by many governments, especially the realisation that such participation helps them in achieving economic growth, increased pace of infrastructure development, poverty reduction and reduced burden on public budgets. PPPs are an alternative mode of procuring and financing an infrastructure project, and governments that have fostered PPP programmes are increasingly using them to help fulfil their inclusivity objectives, by putting more focus on people-first, multi-stakeholder PPP models that seek to improve lives. Although PPPs have been typically utilised in the delivery of economic infrastructure (such as roads, airports, rail, or other transport projects), most governments are considering the use of PPPs for social infrastructure facilities, such as schools, healthcare facilities and affordable housing³⁷.

3.48 Botswana's NDP 11 for 2017–2023 recognises the contribution of good infrastructure towards the country's sustainable economic growth. To this end, the NDP underscores the Government's commitment to making more use of PPPs as a means of procuring and financing infrastructure projects³⁸. A workshop conducted jointly by the World Bank and the International Finance Corporation on July 6, 2022, in Gaborone, highlighted that there are opportunities for expanding the private sector's contribution to sustainable economic growth³⁹. Government adopted the Privatisation Policy in 2000 aimed at providing an optimal balance between the public and private sectors to achieve sustainable economic growth. This was followed by adoption of the PPP Policy and Implementation Framework in 2009, to create a conducive environment to encourage and attract private sector investors to play a greater role in procuring and financing of public infrastructure projects. In 2016, the PPP Unit within the Ministry of Finance was established to ensure successful implementation of the PPP Policy. The Unit is responsible for providing guidance in the development and implementation of PPP projects through provision of technical assistance and advice

on PPP related matters to ministries, local authorities and parastatals⁴⁰.

3.49 The biggest advantage of PPPs is that they aid in forming and fostering economic growth by developing new commercial and investment opportunities for citizen investors and foreign direct investors and increasing competition in the provision of public services, which may lead to competitive pricing. Table 3.6 shows several PPPs earmarked in Botswana.

37 Project: Public Private Partnership Capacity Strengthening Project (PPP-CSP) Country: Republic of Botswana, African Development Bank, June 2022.

38 Olotch C., (2021). Public Private Partnerships: How does Botswana fare? 25th August 2021.

39 Creating Markets in Botswana: A Diamond in the Rough: Toward a New Strategy for Diversification and Private Sector Growth, World Bank and International Finance Corporation. July 6, 2022.

40 Developing successful Public-Private Partnerships (PPPs) for increased transport connectivity: Case Studies, Experiences and Learning Materials, UN-OHRLS, October 2021.

TABLE 3.6: LIST OF POTENTIAL PUBLIC PRIVATE PARTNERSHIP (PPP) PROJECTS IN BOTSWANA

Status	Name	Description	Sponsor	Sector
1.	Reclamation and Treatment of Gaborone Wastewater for Potable Use	Upgrade of the wastewater treatment plant and wastewater reclamation for potable use.	Ministry of Lands and Water Affairs	Water
2.	Ikaegeng XTL Project	Converting coal to liquids to guarantee oil products security for Botswana.	Ministry of Minerals and Energy	Energy
3.	Tshele Hills Project	Construction of bulk petroleum products storage tank farm and ancillary installations near the Tshele Hills in Rasesa, Kgatleng District.	Ministry of Minerals and Energy	Energy
4.	Serowe Magistrate Court	Construction and maintenance of Magistrate Court in Serowe.	Administration of Justice	Office Accommodation
5.	Student Residence Facilities-BIUST	Construction and maintenance of student residences at Botswana International University of Science and Technology in Palapye.	Ministry of Education and Skills Development	Office Accommodation
6.	Chobe-Zambezi Water Transfer Scheme	Construction and operation of water supply pipeline from Kazungula to Moralane.	Ministry of Lands and Water Affairs	Water
7.	Prison Headquarters	Construction and maintenance of head office accommodation and staff housing for Botswana Prisons Service in Gaborone.	Ministry of Defence and Security	Office Accommodation
8.	Offender Rehabilitation Centre, Lobatse	Construction and maintenance of a prisoner rehabilitation centre in Lobatse.	Ministry of Defence and Security	Prison facility
9.	Mmamabula-Lephalale Railway Line	Construction of a Railway Line from Mmamabula to Lephalale-SA for transportation of coal.	Ministry of Transport and Public Works	Transport
10.	Mosetse-Kazungula Railway Line	Construction of a Railway Line from Mosetse to Kazungula.	Ministry of Transport and Public Works	Transport
11.	Teachers Housing	Construction of housing units for secondary school teachers across the country.	Ministry of Education and Skills Development	Education
12.	Zambezi Agro-Commercial Development project	Construction and operation of irrigation infrastructure in Pandamatenga.	Ministry of Agriculture	Agriculture
13.	Construction of Security Wing, Farm and Staff Houses at Sepopa	Construction and maintenance of a prison farm and staff houses in Sepopa.	Ministry of Defence and Security	Prison facility
14.	Francistown-Nata Road	Construction and maintenance of the Francistown-Nata Road.	Ministry of Transport and Public Works	Transport
15.	Maun-Mohembo Road	Construction and maintenance of the Maun-Mohembo Road.	Ministry of Transport and Public Works	Transport
16.	State Theatre	Construction of a State Theatre facility for performing arts.	Ministry of Youth, Gender, Sport & Culture	Creative Industry
17.	Police Headquarters Expansion	The project entails construction/expansion of the Botswana Police Headquarters at the Government Enclave in Gaborone.	Ministry of Defence and Security	Office Accommodation
18.	Botswana Medicines Regulatory Authority (BOMRA) Offices and Laboratory	Construction of offices, a laboratory, confiscation warehouse, and a drug incineration facility.	Ministry of Health	Office Accommodation
19.	Electronic National Identification System (e-NIS)	The project entails development of an Electronic National Identification System (e-NIS)	Ministry of Labour and Home Affairs	Information and Communications Technology (ICT)

Procurement of Consultant Stage
 Feasibility Study ongoing
 Procurement of Private Party Stage

Source: Ministry of Finance

3.50 PPPs in Botswana lack sectoral spread, and clearly missing is the ICT sector, which is the most mature sector in terms of attracting private sector investment. However, since the advent of COVID-19, most governments have partnered with the private sector to develop robust systems to ensure business continuity and guard against loss of productivity and exclusion of population in the hard-to-reach remote areas. This derives from the ability of PPPs to device efficient models for extending communication technologies to such areas, due to the technical skills, innovation capacity and operational efficiencies by the private sector. Thus, Botswana can harness the benefits offered by the private sector to among others, broaden access to institutions of learning, health facilities, banking services and, goods and services by virtual means.

3.51 In general, if properly implemented, PPPs can facilitate the delivery of public sector services, while at the same time, alleviating financial pressure on Government and reducing the need for dependency on external debt to finance infrastructure development. Thus, PPPs can help free the much-needed public funds allowing resources to be channelled into other areas where direct public investment and intervention is required. In this manner, PPPs aid fiscal sustainability by providing Government the ability to smoothly finance its budget without excessive accumulation of public debt or the need to raise taxes.

4. EXTERNAL SECTOR SUSTAINABILITY

Definition and Determinants of External Sector Stability

4.1 The external sector refers to a 'portion of a country's economy that interacts with the economies of other countries', that is, all the economic transactions between residents (individuals, businesses and the public sector) and the rest of the world. External sector stability refers to attainment of current account (balance of payments) sustainability, a continued capacity to service foreign liabilities, and stable (transparent and predictable) foreign exchange rate; all of which are necessary to facilitate economic transactions with the rest of the world. As with fiscal sustainability, external stability and sustainability are integral to engendering economic resilience for any nation and below is a discussion of the key determinants of external sector stability.

(a) Current Account Balance

4.2 The current account balance (CAB) is the difference between the total value of exports of goods and services and the total value of imports of goods and services. It is often expressed as a ratio of GDP. A deficit occurs when the country imports more goods and services than it exports. Defined this way, it implies that any current account deficit reflects a lower export production and if the situation was to persist, the external stability will be compromised as the country may not have enough resources to meet its obligations in terms of payment for imports, servicing of external debt and financing of outward investments; and would generally, be constrained in participating in global trade, international transactions and being part of global value chains. For Botswana, the performance of the current account largely reflects the performance of the merchandise trade account which, in turn, is influenced largely by diamond trade. This demonstrates the lack of traction with respect to diversification of exports. SACU receipts have also over the years contributed positively to the current account, cushioning the deficits and boosting the surpluses of the current account. This feature of the Botswana economy compromises external stability as any shocks to the dominant diamond sector causes large swings to the CAB. Also, any shock to SACU receipts should have a bearing on CAB. Thus, the need to promote a diversified export sector to engender external sustainability and build resilience.

4.3 The advent of COVID-19 pandemic in 2020, which resulted in restrictions to both global travel and movement of goods across borders to contain the spread of the COVID-19 virus demonstrated this vulnerability, with the current account deficit at about 9 percent of GDP in 2020 (Chart 4.1). In addition, the long-term trend suggests a generalised transition from sustained current account surpluses to structural deficits and volatility.

(b) Net Foreign Assets

4.4 The net foreign assets (NFA) position of a country refers to the value of its external assets less the value of locally domiciled assets owned by foreigners, adjusted for valuation and exchange rate changes. A sustainable NFA position bodes well for external stability, while any abrupt adverse changes in the NFA position may lead to a deterioration in external

stability.⁴¹ Botswana has recorded a positive NFA position over the years, implying that its obligations to the rest of the world are lower compared to the obligations of the rest of the world to Botswana. The performance of the NFA is largely driven by portfolio investments of pension funds and foreign exchange reserves. However, the declining trend in NFA for Botswana over the years does not augur well for external stability (Chart 4.2). Going forward, the implementation of the new investment guidelines for asset managers to invest 50 percent of pension funds domestically could result in a reduction in the NFA. However, there is need to distinguish the immediate adjustment impact and the long-term prospects. For example, if the domestication of pension funds promotes export-oriented industrialisation, it can portend future growth in NFA and, therefore, contribution to external sector sustainability or stability.

(c) Exchange Rate

- 4.5 The objective of Botswana's exchange rate policy is to maintain a stable real effective exchange rate (REER) to promote competitiveness of local producers of tradeable goods and services in domestic and international markets, a prerequisite to attaining external sector stability and building economic resilience. That is so because the rate of increase in prices and the level of the (nominal) exchange rate determine the extent to which domestic products can be price competitive in external markets and, also, against imports. The REER has been relatively stable over the years (Chart 4.3). Therefore, the crawling band exchange rate mechanism (adopted and implemented in 2005) has played a significant role in the attainment of external sector stability, through avoiding large discrete adjustments which can undermine credibility and transparency in exchange rate management. It has also provided confidence to economic agents who consider exchange rate movements in their operations, thus facilitating planning and investment decisions. While performance of the REER is an important indicator of competitiveness and an anchor for external stability, adjustment of the nominal exchange rate alone is unlikely to have a lasting desired effect on economic activity. In the long-term, competitiveness is about productivity improvement which, in turn, affect pricing and growth in real incomes.

(d) Government External Debt

- 4.6 Government external debt reflects the extent to which a country relies on foreign funding. A high and increasing external debt may signal potential debt unsustainability in the future which could compromise external stability. Thus far, Botswana's external borrowing has mainly been used during periods of distress, designated projects, and/or bilateral, as well as multilateral arrangements and bound by the statutory requirement to maintain external debt that is below 20 percent of GDP. The external debt to GDP ratio has generally been declining which suggests that the level of external funding is within levels that the economy can reasonably afford (Chart 3.4). This augurs well for Botswana's external stability. However, as discussed above, a combination of fiscal and balance of payments deficits may imply increased pace of external debt accumulation that could in time undermine external stability and could be exacerbated by occasional shocks and adverse events. For example, in recent times, debt increased following the global financial crisis and in the advent of the COVID-19 pandemic. Therefore, efforts geared towards fiscal consolidation as discussed under Section 3 (Box 2) are also important towards maintenance of external stability.

(e) Terms of Trade

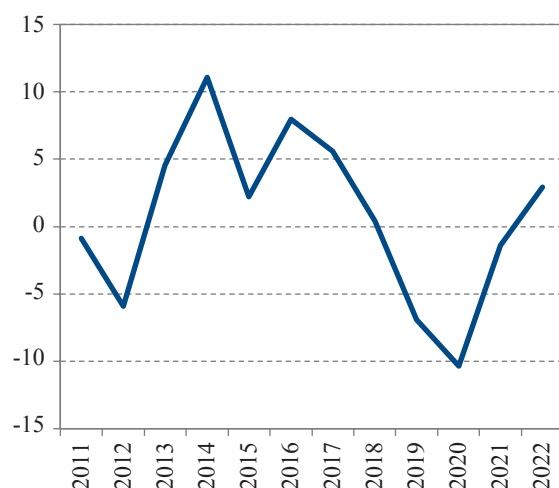
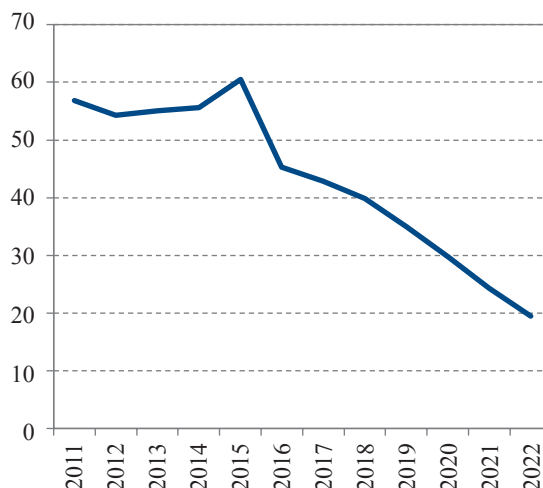
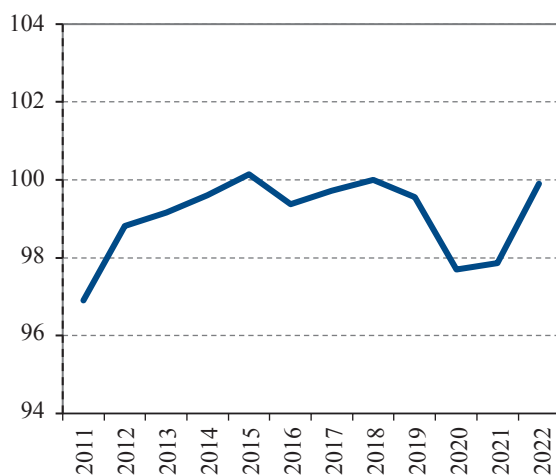
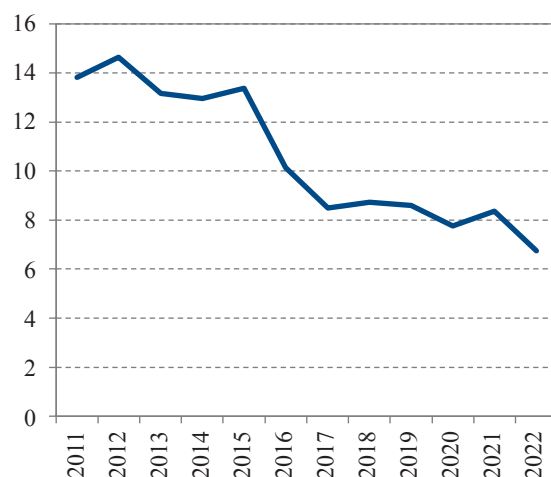
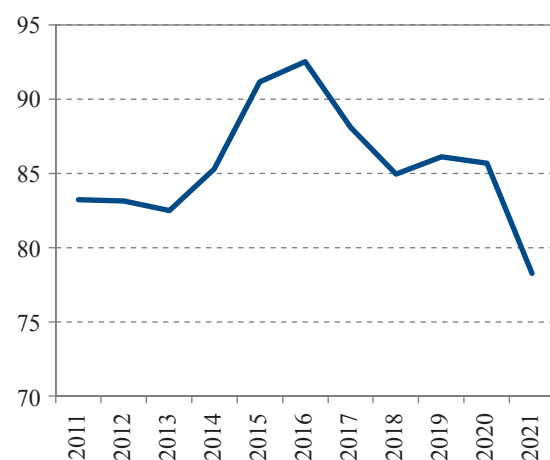
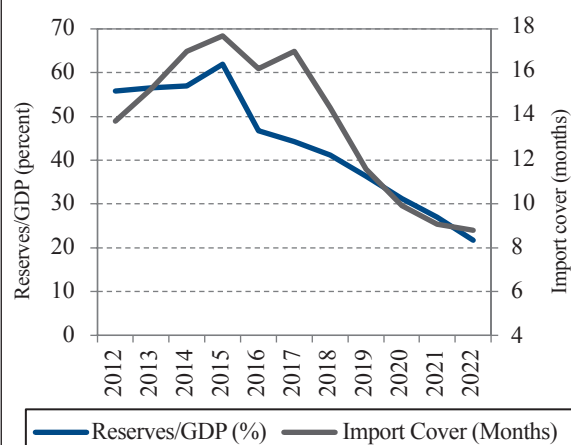
- 4.7 Terms of trade (ToT) represent the ratio between a country's export prices and its import prices. The performance of the ToT reflects the ability of a country to pay for imports given the value of exports. Therefore, an increase in export relative to import prices implies that the country can pay for a larger volume of imports with the same amount of exports than before. Hence, an improvement in ToT leads to improvement in the CAB. Botswana's ToT are volatile, largely reflecting the diamond trade performance (Chart 4.5). Since peaking in 2016, there has been a deterioration in the ToT which further highlights the vulnerability of Botswana's external stability due to a high dependence on the diamond sector. Therefore, improving the competitiveness of domestic firms in the international market would be a sustainable way to boosting the ToT and enhance external stability.

41 NFA returns play an important role as insurance mechanism against domestic and global income shocks.

(f) Foreign Exchange Reserves

- 4.8 Foreign exchange reserves determine the country's ability to make payments for its imports and the capacity to service foreign obligations like external debt. Additionally, Botswana maintains a managed exchange rate regime that requires that the country should have substantial external reserves that can sustain the policy framework. A higher level of foreign reserves represent confidence and increased external stability. In this position, a country has the ability to meet its obligations in foreign exchange and prevent disruptive volatility in the exchange rate⁴². Further, reserves act as a buffer against the negative impact of shocks to the current account as well as currency speculative attacks. Therefore, the recent decline of foreign reserves has the potential to lead to external sector vulnerability, such as failure for the country to defend the exchange rate arrangement or difficulties in servicing its obligations (Chart 4.6). Therefore, efforts geared towards fiscal consolidation and export diversification should help towards maintenance of sufficient foreign exchange reserves to anchor the exchange rate and to facilitate external trade, rebuilding of buffers and, overall external sustainability, while contributing to broader economic resilience.

⁴² Motsumi G., Sefakonyana S., and Phumusa T. (2021), Capital/ Financial Flows, Exchange Rate and Monetary Policy in Botswana, The Special Research Bulletin on External Demand, Bank of Botswana.

**CHART 4.1: CURRENT ACCOUNT BALANCE
AS A PERCENTAGE OF GDP****CHART 4.2: NET FOREIGN ASSETS AS A
PERCENTAGE OF GDP****CHART 4.3: REAL EFFECTIVE EXCHANGE
RATE (INDEX 2018 = 100)****CHART 4.4: GOVERNMENT EXTERNAL DEBT
AS A PERCENTAGE OF GDP****CHART 4.5: TERMS OF TRADE INDEX****CHART 4.6: LEVEL OF FOREIGN EXCHANGE
RESERVES**

Source: Bank of Botswana, International Monetary Fund and United Nations Conference on Trade and Development

Role of Economic Diversification in Attaining External Stability and Avenues for Diversification

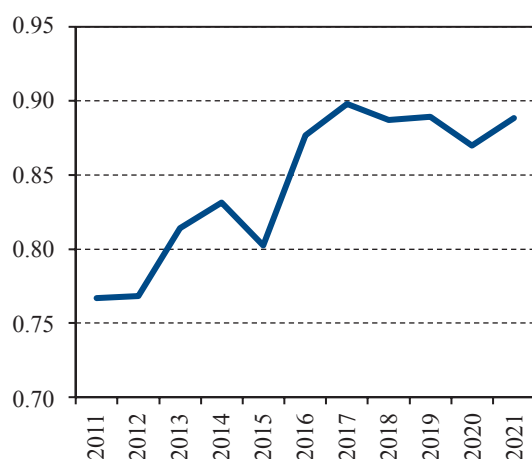
(i) External Stability and Resilience

- 4.9 Economic diversification encompassing a diverse production and trade structure and trade openness is key to economic development and resilience. Economies with diverse products and services that cater for both the domestic and export markets are more likely to have a stable external sector, whereas countries reliant on single export commodity or are inward-looking have a more vulnerable external sector. First, any persistent negative shocks to a dominant sector result in deterioration of the current account balance and eventually undermine external stability. Similarly, an inward-focused economy would limit opportunities to benefit from the external markets and, therefore, prospects for enhancing production scale, employment and other income earning opportunities. Overall, therefore, economic diversification helps to manage external sector volatility and build resilience, while promoting prospects for inclusive growth.
- 4.10 Botswana's economic growth and development path has over time been intricately linked to prolonged and rapid expansion of one predominant sector – the mining sector, particularly diamonds. With the economy less diversified as depicted in (Chart 4.7) and the generally shrinking export base over the years (Chart 4.8), continued reliance on diamonds portends vulnerability and threat to external sector sustainability. Recent developments, suggest prospects for trend structural

deficits. This is due to a larger economy and increased economic activity with higher demand for imports that is not matched by the increase in export revenue (and relatedly the proportionate impact of diamond revenue on the economy moderates – also with increasing volatility). This needs to be addressed through an export-led growth model that entails sufficient demand and production scale. Thus, structural transformation and policy reforms for a resilient economy that can absorb shocks (sustain diversified economic activity and revenue flows).

- 4.11 An export-led growth strategy is fundamental in generating resilience and external stability. First, given the potential for larger, diverse and uncorrelated product and service markets and prospects for integration into the global production and supply value chains, it entails prospects for sustainable long-term growth, aligned to Vision 2036 and transition to high-income status. Second, and relatedly, it inherently involves scope for economic diversification, enhanced income earning and employment opportunities and, therefore, better prospects for inclusive growth. Third, it enables the spread of risk and acts as an insurance or cushion against idiosyncratic and sector-specific exogenous shocks; thus, enhance resilience of the economy.
- 4.12 The export-led growth strategy also involves consideration of industrialisation policies or approaches. In this regard, it is found that successful exporting nations feature large scale export-oriented industries and businesses capable of meeting external market demand that can also fit into the global value chains (GVC). In some instances, there is a deliberate

CHART 4.7: HERFINDAHL - HIRSCHMANN INDEX



Source: Bank of Botswana

CHART 4.8: CONTRIBUTION TO EXPORTS (PERCENT)



promotion of national champions. Benefits deriving from integration in GVC include access to secure and stable markets; support and/or incentives for innovation, product development and maintenance of quality standards; as well as market induced conduct and performance requirements in relation to governance and management of businesses. Some proposals on potential initiatives to facilitate economic and export diversification are discussed in the following part of this section.

(ii) Linkages to Growth Sustainability and Transition to High-Income Status

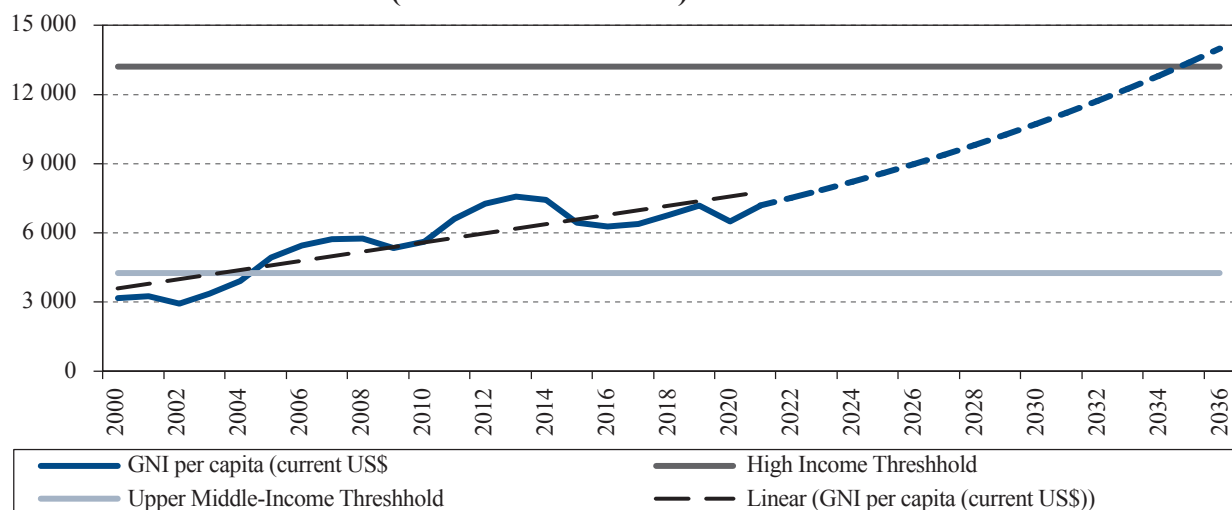
4.13 Botswana's Vision 2036 is a transformational agenda that defines the aspirations and goals for the nation. The Vision entails four Pillars being sustainable economic development, human and social development, sustainable environment governance, and peace and security. The desired transformation also anticipates transition from an upper middle-income country to a high-income country by 2036, with broad-based prosperity and increase in living standards. The attainment of high-income over the next 13 years requires average annual growth of 6 percent (and population growth of 1.4 percent per annum), from the USD7 190 per capita income in 2021 to above USD13 205 (Chart 4.9).

activity, key elements to the envisioned growth model and profile would encompass development and harnessing of knowledge, a broad range of supportive infrastructure and public services, globally-competitive productivity (in production of goods and services, especially in export markets), as well as maintenance of sound and supportive macroeconomic frameworks and institutions. In turn, this requires a commitment and effective implementation of transformative structural policies and strategies.

4.15 Potentially, the export-led growth model and the potential for external sustainability could benefit from harnessing prospects in relation to integrating local endowments and resources into GVC and the global digital economy, infusion of product/service development, business models and industrialisation within the climate agenda, as well as continuing to exploit and optimise value from diamonds and tourism.

4.16 Botswana transitioned to upper-middle income status in 1997⁴³. However, the pace of industrialisation and economic expansion since then has not been enough to raise employment and income generating opportunities to high-income status. Moving to high-income status from the middle-income

CHART 4.9: GNI PER CAPITA (CURRENT US DOLLAR)



Source: Worldbank.org and Bank of Botswana calculations

4.14 As already alluded to, it is considered that an export-led growth model is more likely to generate the desired rate of economic expansion, at the same time being diversified, inclusive and sustainable; ultimately delivering a resilient economy. Considering current trends and transitions in economic

level has proven to be challenging for most countries, with the global median at 23 years to transition, longer than the transition from lower-middle income to upper-middle income

43 The World Bank available at worldbank.org.

of 15 years.⁴⁴ However, Asia has outpaced other regions in making this transition, with an average of just 19 years compared with 30 years for the rest of the countries. Countries in Asia that have moved up include the industrialised economies of Hong Kong, China; the Republic of Korea; Singapore; and Taipei, China.

4.17 The Republic of Korea (South Korea) offers a good case study for countries striving to become more prosperous. South Korea experienced one of the largest economic transformations of the past 60 years. It started as an agriculture-based economy in the 1960s, and it became the twelfth largest economy⁴⁵ in the world in terms of GDP in 2022. It was able to make the shift from middle-income to high-income in 23 years by moving from a focus on heavy industry in the 1970s to high technology industries from the mid 1980s. This shift was accompanied by the government upgrading infrastructure, deregulating the finance sector, introducing education reforms to promote science and technology, building up the country's research and development capacity, and providing tax subsidies and other incentives for the private sector to play a larger role in the knowledge economy.

4.18 Largely similar aspirations and transformation agenda are in place for Botswana but require effective implementation to emulate the performance of South Korea. It is considered that while there is a myriad of action areas, as well as potential industry and sectoral contributors to unleashing Botswana's prospects for successful progression to high-income status and realisation of Vision 2036 aspirations there are a select key elements as discussed below. These are, knowledge-based economy, large scale industries, digitalisation, adequate and reliable infrastructure provision, penetration of export markets and GVC, and sustained adherence to good institutional arrangements and macroeconomic policy frameworks. All these are critical aspects in export-led growth that at the same time entails external sustainability and contributes to long-term economic resilience.

(a) Knowledge Economy

4.19 Knowledge economy is defined as 'production and services based on knowledge-intensive

activities that contribute to an accelerated pace of technical and scientific advance, as well as rapid obsolescence'.⁴⁶ Key component of a knowledge economy is greater reliance on intellectual capabilities that enhance the value and marketing of services, as well as product enhancements/transformation, beneficiation and marketing with respect to physical products. In both respects, the application of knowledge has the potential to elevate the economic value and income earning potential of natural endowments; among others through identification and marketing of unique materials, products and services and features, as well as related integration into global product and service value chains (thus orientated towards integration into the global market). It is considered that the transition and/or realisation of a knowledge-based economic activity and meaningful impact on the development aspirations should necessarily encapsulate the following:

- (i) the relevant, appropriate and deliberate education and skills development strategies and delivery systems;
- (ii) the basics relating to conceptual understanding of the range of subject areas (both science-based and social/cultural);
- (iii) research for product and service development, including focus on harnessing local and natural endowments;
- (iv) innovation for product/service transformation and generation of economic value;
- (v) legal and institutional arrangements for protecting and promoting intellectual property rights, including with respect to indigenous knowledge and cultural heritage; and
- (vi) ultimately marketing as global products and services.

(b) Penetration of Export Markets

4.20 As previously indicated, and highlighted above, the reality is that Botswana is a small economy, in terms of households, businesses, government and other institutions, as well as income levels. The context is also that a large part of the economy is attributable to government, for which the contribution to economic activity involves procurement of finished products and import intensive infrastructure development and provision of social services (notably health and education).

⁴⁴ Gemma Estrada, Xuehui Han, Donghyun Park, and Shu Tian (2017). "Asia's Middle-Income Challenge: An Overview. ADB Economics Working Paper Series."

⁴⁵ IMF's World Economic Outlook, April 2022.

⁴⁶ Walter W. Powell and Kaisa Snellman (2004). "The Knowledge Economy", Annual Review of Sociology Vol. 30.

Given this structural attribute, any inclination towards focus on “targeted production and service provision” for the domestic market (inward-looking strategy) cannot generate the requisite 6 percent and above annual GDP growth necessary to transition to high-income status and realisation of the Vision 2036 goals in the next 13 years. Indeed, experience and evidence clearly show that the main source of high levels of economic growth have largely been the global export of diamonds and tourism, and to a lesser extent beef and copper. Thus, even in the context of economic transformation and policy reforms and the inevitable need for economic diversification, there should, at the minimum, be retention of current trend values of exports, but ideally, and progressively, acceleration.

- 4.21 A knowledge economy, as indicated above, potentially contributes to economic diversification and access to export markets and should be harnessed to achieve that. While in the past, exports were skewed towards raw and/or minimally processed goods, future export-orientation should encompass the value chain from research, product development/innovation, processing and production, domestic and global marketing, as well as associated services. In this regard, in addition to independent and standalone operations by local businesses, an important aspect of accessing global markets is collaboration with large regional and global corporates, throughout these value chains and providing inputs to existing or emerging global products and services (with respect to research and innovation and product development as inputs and additions to the variety and differentiated products that are marketed globally).
- 4.22 In addition, and related to market access, the associated benefits relate to scaling of production and diversification to levels that generate the requisite rates of economic growth towards high-income status, support and incentives for the local industry to maintenance of levels of productivity, quality and standards for the global market, skills transfer and the potential to benefit from appropriately structured finance and capital. In this context, import substitution becomes an investable by-product of scaled-up local and diverse production, but with no short-term sacrifices of welfare and living standards (due to higher prices, product scarcity and limited choice). There is also more likely to be enhanced inclusivity, with the generation of employment and other income earning opportunities. In addition, such export-orientation is aligned to the objectives of free-

trade agreements and arrangements, while inward-looking policies tend to eschew this potential. Relatedly, protectionism, while it could be desirable, in certain circumstances and, indeed exceptionally provided for in free trade agreements is inherently harmful and indicative of competitiveness failure and weaknesses in productivity. Historically, and even currently, the fastest growing and diverse economies are those that have products and services consumed globally.

(c) Digitalisation

- 4.23 Digitalisation is integral to contemporary economic activity, as well as being a growing industry/sector. It is, therefore, central to knowledge-based economic activity and export-oriented growth and diversification model discussed above, as well as being an important driver of productivity, competitiveness and inclusivity in several areas of economic and social activity. As addressed in the 2021 Annual Report theme topic, there are prospects for enhancing productivity and returns in areas, such as agriculture where there is local/cultural affinity and significant interest, but currently with low returns and limited contribution to desirable rates of economic growth. Others include the range of services in the areas of health and education, data management and finance that also entail greater inclusion, while there is a general trend towards the digital economy that provide potential and prospects for local businesses. It is also relevant to continue to highlight the importance of digitalisation of government services including a biometric digital identity document (Omang) in spurring and supporting enhanced economic activity and productivity. The governments Digital Transformation Strategy (SmartBots) provides a framework that if quickly and effectively implemented and adopted would have a positive impact.

(d) Industrialisation

- 4.24 Botswana has experienced difficulties in achieving the required level of economic diversification. However, industrialisation through the successive stages is a key factor in the achievement of economic diversification, sustainable and inclusive growth and employment creation. Several countries have embarked on an industrialisation drive, through the creation of Special Economic Zones (SEZs), industrial clusters and hubs. Hence, in pursuit of the broader industrialisation agenda, and need to attract world-class domestic and foreign investors, the Government adopted the Special Economic Zone Policy in 2010 (SEZs

Policy) to provide a framework that formalises the establishment of SEZs, industrial clusters and hubs. This was followed, in 2015, by Parliament's approval of a Special Economic Zones law. However, the success of SEZs is dependent on, among others, competition policies; proper zone development practices; less cumbersome government procedures and controls; effective coordination and adequate administrative structures and ultimately integration into export markets and global value chains.

(e) Competitiveness

- 4.25 Another important factor in the realm of industrialisation that needs attention to facilitate economic and export diversification is competitiveness. Competitiveness is achieved when the cost of inputs used in production is aligned with their productivity so that the final product can be produced in line with the price and quality prevailing in the markets where it is to be sold. A critical factor that may impact on the competitiveness of domestic businesses vis-à-vis competitors in other countries is the exchange rate as highlighted above. Thus far, this has managed to retain competitiveness through maintenance of a stable REER under the crawling band arrangement. Notwithstanding, a range of other proximate indicators, indicate that Botswana has not been doing well relative to comparator countries (Table 4.1). Therefore, to improve its competitive position to enhance the export-led growth model required for sustainable economic growth and transformation to a high-income status, Botswana needs not only enhance the business environment, but must do so more effectively than its comparator countries, among other through adaptation of developmental models and aspects as highlighted in this chapter.

(f) Enablers – Infrastructure, Policies, Trade Agreements

- 4.26 It is widely acknowledged that an enabling business environment should exist to facilitate traction of structural and policy reforms and effective impact on economic activity. When in place, these factors are conducive for productivity, enhanced competitiveness and efficiency of production, operations and service provision, thus potential for expansion of entrepreneurship, businesses and employment creation. Although Botswana has made significant progress in providing a fairly conducive business environment, there are areas that still need attention for this environment to facilitate economic diversification. The key enablers in this regard are highlighted below.

(i) Infrastructure and Utilities

- 4.27 Fundamental is coverage, access, sustained and uninterrupted functionality/availability, among others, with respect to rail and road networks, telecommunications and connectivity, and reticulation of water and electricity. Going forward, to sustain expansion, maintenance, modernisation capabilities, and adaptation to the climate change considerations, there is going to be a need to review energy sources, the modes of delivery, as well as scope for cost recovery and user charges. Regarding modes of infrastructure provision and delivery, there is need to accelerate consideration and involvement of the private sector, through direct and partial investments in infrastructure projects, contracted operations (for example, rail routes/portions, electricity and water distribution), public private partnerships, and fast-tracking implementation of the 2000 Privatisation Policy. The consideration of

TABLE 4.1: COMPETITIVENESS LANDSCAPE FOR SELECTED COUNTRIES 2021- 2022

Country	2021	2022
Botswana	61	58
Brazil	57	59
Chile	44	45
China	16	17
Greece	46	47
Israel	27	25
Japan	31	34
Malaysia	25	32
South Africa	62	60
UK	18	23
US	10	10

Source: IDM World Competitiveness Yearbook 2022

user charges would incentivise private sector participation and, relatedly, opportunities for access to private funding and associated operational efficiencies. The required transition to climate friendly infrastructure and operations, as well as enhanced integration of technology and digitalisation provides scope, opportunities and incentives for private sector participation and long-term viable and sustainable business models.

(ii) *Regulatory Environment*

- 4.28 To be effective and supportive of development aspirations four facets of regulation are key. First, is being facilitative rather than obstructive and this requires mind set change, a key tenet of the Reset Agenda, and enhancements of customer service skills. This is particularly relevant in a fast-paced technology-based changing environment where innovation outpaces regulatory frameworks and systems. Related, thereto, at consumer service level, a digital identity document (Omang) with appropriately regulated data and information links would be particularly facilitative. The second is to adapt institutions and regulatory frameworks to an environment where the private sector provides and operates key infrastructure and services to ensure coverage and continuity, fair/competitive pricing, retention of the 'stick' of power to award and withdraw licence to operate. Third, is the need and capability to enforce orderly and good business conduct, governance arrangements for sound, effective and compliant operations, as well as maintenance of standards and integrity across sectors and institutions. Fourth is regulatory neutrality, fairness and certainty. Public sector regulation should, of necessity, provide a level playing field and mitigate against abuse of economic or market-dominance power, fostering product competition.

(iii) *Macroeconomic Policy Frameworks and Institutions*

- 4.29 It is important that an economy's key macroeconomic policy frameworks are designed and function in a way that ensures resilience, as discussed above with respect to monetary, exchange rate and fiscal policies. In addition, for Botswana, the monetary policy framework that aims to achieve price stability also considers financial stability considerations. This is because achieving the desired level of inflation alongside conducive financial conditions promotes resource mobilisation, productive investment and international competitiveness of domestic

producers which, in turn contribute to the resilience of the economy. Fundamental to financial stability is also the implementation of macroprudential policies that ensure optimal risk taking to allocate resources efficiently. Such policies promote the resilience of the overall financial system, and in turn help promote the country's economic resilience. These policy outcomes are achieved by acquiring the appropriate diagnostic tools to help identify system-wide vulnerabilities and using relevant policy instruments to manage any imbalances. Meanwhile, the foundation upon which long-term sustainable growth is built also rests on the quality of institutions in place, hence the need for the country to maintain robust and strong institutions.

(iv) *Trade Agreements*

- 4.30 Botswana is a signatory to several bilateral and multilateral trade agreements designed to improve cross-border trade, access to markets and promote economic integration. These were discussed in detail in the Bank of Botswana Annual Report of 2016. More recently, in February 2019, Botswana signed African Continental Free Trade Area (AfCFTA) and in February 2023 ratified the agreement. Overall, the availing of market and ease of trade afforded by such arrangements augurs well for implementation and prospects for export-led growth strategy (as discussed above) needed to build economic resilience⁴⁷. The key is to promote these opportunities for the local industry and to provide the necessary institutional and policy support to match the competition that free cross-border trade inevitably brings; and also to promote cross-border business collaboration and integration of value chains. Fully embraced, cross-border competition and collaboration should help improve the productivity of domestic firms and ensure that the benefits of free trade are shared across nations, with additive benefits for Botswana's economic diversification and inclusive growth aspirations.

5. CLIMATE CHANGE AND SUSTAINABLE ECONOMIC DEVELOPMENT

- 5.1 Climate change issues are cross-cutting and impact a broad range of economic activity, including prospects for harnessing and beneficiation from endowments,

⁴⁷ However, it should be noted that transportation and logistical challenges inherent in the African continent are likely to hinder the success of AfCFTA. Also, many African countries do not have enough laws in place that protect patents, inventions and new processes. Therefore, the agreement could potentially leave African companies more open to intellectual property theft.

undertaking mitigation measures and dealing with transition costs, as well as harnessing enterprise and business opportunities deriving from the climate action agenda. While the fundamental aspect is addressing threats to human existence and livelihoods, the related environmental, social and governance considerations ultimately shape product and service demand, investment choices, trade arrangements and industry relationships. In turn, and fundamentally, these structural shifts entail economic activity, which Botswana can benefit from if strategically prepared.

(a) Climate Trends, Weather Events and Impact

5.2 Climate change denotes a long-term transformation from normal or natural to a worse-off climatic condition that is associated with uncertainty and degradation of livelihoods or costly adjustments as well as disruptive patterns that could derail social, economic and development objectives and priorities. Climate or weather events also entail financial implications for households and organisations, such as direct damage to assets and transmission to the financial sector through insurance payments and loan repayment challenges. In addition, there can be long-term changes to asset valuations and obsolescence as a result transition and migration towards less polluting and greener economy. These could be associated with regulation (for example, carbon emission limits or carbon taxes) and technology adaptation (for example, electrification of the car industry) and changes due to the decarbonisation process, as well as disruptive market elements, particularly pricing, as markets establish a carbon pricing corridor. Consumer behaviour/preferences due to an increased environmental consciousness are also shaping up climate change dynamics. At national level, fiscal response and support for the affected have budgetary implications.

5.3 For Botswana, in addition to uncharacteristic weather events (for example, erratic rains, occasional floods and heatwaves), it is generally a drought-prone country. The persistent droughts have implications for domestic food security and viability of the agriculture sector, contributing to the declining national cereal production and consequent overdependence on cereal imports.⁴⁸ Similarly, erratic weather

patterns have affected livestock production, prompting government interventions such as livestock feed subsidies. Social safety nets have also been widened to support livelihoods in the process increasing the fiscal burden. For a sustained and holistic response to droughts the Government, in 2020, decided to make drought a permanent feature of the national budget and developed a drought management strategy rather than an emergency that was dealt with on an ad hoc basis.

(b) Global Responses to Climate Change

5.4 Global dialogue suggests that the impact of climate change on economies and livelihoods has become more pronounced over the years, and potentially accelerating into the future. This has implications for economic and social progress, which threaten to derail the achievement of SDGs. Under these circumstances, the increased attention to, and awareness of climate risks, has accelerated global efforts towards effecting climate mitigation strategies and policies, leading to a plethora of international agreements and initiatives on climate change. The 1985 Vienna Convention for the Protection of the Ozone Layer laid the foundation for current efforts on climate friendly sustainable development by recognising the possible catastrophic effects of unconstrained human activity on the atmosphere. Global efforts to restrain climate change over time progressed to quantifying targeted actions, with the 2015 Paris Agreement seeking to limit global warming to 1.5 degrees Celsius in the long run and setting the scene for the attainment of net-zero emissions and climate resilience by the year 2050 (Katowice Climate Package or Paris Rule Book). More recently, the global community recognised the importance of providing financial support, especially for developing nations, to cope with the transition towards a zero-carbon economy.⁴⁹

5.5 Taking a cue from global actions, international standard setting bodies developed climate-related regulatory agenda broadly focusing on the establishment of consistent metrics and disclosures of data that can provide a diagnosis of climate-related vulnerabilities and consequent regulatory and supervisory practices or tools to effectively deal with climate-related financial risks. The Financial Stability Board (FSB) and

⁴⁸ According to the Botswana Environment Statistics Natural and Technological Disasters Digest (2019), the significant shortfall in the required cereal production were being supplemented by imports, driving the cereal import bill to P1.18 billion in 2019 from P0.65 billion in 2010 (81 percent growth over the 10-year period).

⁴⁹ The 2021 United Nations Climate Change Conference (COP26) agreed to double the financial support for adaptation to climate change by 2025; enhance collaboration and ensure climate risk disclosure and transparency, while COP27, held in 2022, underscored the need to deliver on commitments to finance climate action in developing economies.

Bank for International Settlements (BIS) are leading efforts in this avenue, with the FSB focusing more on climate risk identification and measurement, while the BIS is providing guidance on effective management and supervision of climate-related financial risks.⁵⁰ Related efforts were made by the United Nations Environment Programme Finance Initiative as it established Principles for Responsible Banking (PRB) in 2019. The principles seek to guide banks on entrenching sustainability in their business models, thereby accelerating mainstreaming of environmental, social and governance (ESG) issues in financial sector services. The principles position banks to leverage new opportunities in the emerging sustainable economy, focusing on alignment; impact and target setting; clients and customers; stakeholders; governance and culture as well as transparency and accountability.

(c) Botswana Responses to Climate Change and Adaptation of Global Agenda

- 5.6 The economic and social impact of climate change (for example, prospects for lower and volatile economic growth), as well as the need to comply with the global agenda on climate change, requires that Botswana adapts to sustainable economic development models that anchor on greening of the economy. It is envisaged that this alignment will complement the export-led growth strategy, by providing business and enterprise opportunities for the domestic industry, and enhanced scope for integration into the GVC in the context of green transition and, overall compliance with ESG frameworks. Thus, enhanced socio-economic and environmental resilience as well as improved general welfare over the long-term. In the context of the foregoing, the following discussion explores climate change adaptation, and desirable mitigation and transition measures to sustain Botswana's economic resilience.
- 5.7 The 2019 IMF assessment of the long-term macroeconomic effects of climate change estimates that Botswana could lose 0.13 - 0.30 percent of per capita income between 2030 and 2050 if the 2015 Paris Agreement is not met. The underlying threats to macroeconomic stability caused Botswana to adopt the 2030 Agenda for SDG to promote better and more sustainable future for all, with a focus on addressing among others, poverty, health and

wellbeing, climate change, and gender and inequality.⁵¹ In addition, climate change is recognised in the Vision 2036 strategy as a developmental challenge that has the potential to reverse economic achievements and, as such, mitigation continues to be entrenched as a national priority.⁵² Botswana is, therefore, committed to developing a long term, low carbon development strategy and supporting the necessary mitigation, transition and adaptation activities to reduce its vulnerability to climate change.

- 5.8 Along these lines, the country has developed a National Determined Contributions (NDCs) and the National Adaptation Plan (NAP) Framework of 2020, as well as National Policy on Climate Change (NPCC), albeit yet to be fully implemented. In turn, a National Climate Change Strategy and Action Plan is being developed with funding from United Nations Development Programme (UNDP), which will facilitate the implementation of the NPCC.
- 5.9 In terms of greenhouse gases (GHG) emissions, on average, Botswana contributes less than 0.1 percent to global emissions, although emissions have increased over time; from 3.48 million tonnes in 1970 to 12.90 million tonnes in 2018.⁵³ The country has committed to a 15 percent GHG emission reduction by 2030. Approximately USD18.4 billion will be needed to finance this target, alongside matching regulatory reforms. Clearly, this huge commitment is unlikely to be realised solely from Government spending/layouts, but climate change and greening adaptation, as well as transition enterprise involving all sectors of the economy. Botswana's effort towards fighting climate change is also demonstrated by participation in the 2021 Green Climate Fund (GCF) programme on clean technology, natural capital. To date, the country has been allocated a total of USD81 million of the GCF but only USD1.4 million has been approved and USD1.3 million disbursed for projects, with three out of four projects under the readiness activities. Additional funding is expected from the European Union, which has pledged about 3 million euros to support Botswana's climate change initiatives. The commitment to addressing climate change is further entrenched in the Transitional National Development Plan which considers climate

50 See FSB, 2021, FSB Roadmap for Addressing Climate-Related Financial Risks and BIS, 2022, Principles for the Effective Management and Supervision of Climate-Related Financial Risks.

51 The Botswana SDG road map (2017 - 2023) provides strategic direction in the implementation of the SDGs in Botswana.

52 2023 Botswana Budget Speech.

53 The United Nations Environment Programme (UNEP), (2021) Emissions Gap Report.

change as a national priority and accordingly, allocated approximately P1.36 billion towards climate change initiatives for the 2023/24 financial year.

(d) Changing Business Models: Products and Opportunities

5.10 Climate change does not only present risks to the business environment, but also creates opportunities for innovative ways of addressing climate-related risks and ensuring sustainability. Notably, climate change adaptation and transition businesses and, broadly, economic and environmental solutions globally could potentially reshape the industrialisation agenda. In the process, the industrialisation and economic diversification opportunities could help accelerate the achievement of the SDGs, as well as country-specific objectives, such as the Vision 2036 and transition of Botswana to a high-income status.

Table 5.1 provides examples of economic, business, product and service opportunities availed by the climate change mitigation and transition agenda and considerations, and some aspects are highlighted below.

Infrastructure and Utilities

5.11 The prospects in infrastructure and utilities include, among others, electricity and water, in terms of increased harnessing of solar power and wind energy, water recycling and preservation systems, as well as eco-friendly mass transit public transport infrastructure and systems. At the same time, this provides funding opportunities by the financial sector, considering climate change risks as discussed above. For example, given the abundant sunlight/solar, estimated at over 3 000 kilowatt hours/square metre per annum, Botswana is constructing a 200-megawatt photovoltaic grid-connected solar plant, which is expected

TABLE 5.1: POTENTIAL CLIMATE CHANGE BUSINESS OPPORTUNITIES FOR BOTSWANA

SECTORS AND ACTIVITIES
Energy
- Energy efficient buildings with a high Energy Performance Certificate - Low-energy lights - Air source heat pumps; ground source heat pumps; micro combined heat and power - Generation of solar power, including solar hot water; solar photovoltaic - Renewable energy power plants - Generation of wind power/wind farms - Biomass or biogas power from waste materials or certified sustainable crops
Transport
- Vehicle and rail transportation replacement with zero emission technologies such as electric or non-polluting hydrogen technologies - Development and operation of sustainable, low-carbon public or mass transportation systems for land - Development of non-motorised transport (bicycles and pedestrian mobility) and supporting infrastructure - Development of electric vehicles and supporting infrastructure such as charging stations - Development or improvement of railway transport to facilitate a modal shift from road to rail - Remote working and virtual meetings
Water
- Improving the quality of water supply and improving the availability and reliability of clean water - Sustainable fisheries - Projects that develop or improve water sanitation, treatment of wastewater at a larger scale - Technologies and products that reduce, reuse, or recycle water as a means of conservation - Rainwater harvesting
Waste Management
- Recycling and sustainable waste management practices - Urban drainage and river training systems for flood mitigation - Promotion of separation of litter/garbage/equipment that enables separation of garbage - Treatment of bio-waste through composting, which could be utilised in farming - Production of climate smart packaging/green packaging using biodegradable materials - Activities that provide access to adequate sanitation facilities
Land Use
- Afforestation/planting plants - Investment in low-carbon agricultural technologies that improve productivity and efficiency while at the same time lowering green impact - Sustainable agriculture practices; sustainable irrigation

to be operational by June 2024. The project will boost power generation with clean and renewable sources of energy. Moreover, the Government of Botswana in collaboration with the United States Agency for International Development runs a rooftop solar programme that allows households to produce domestic solar power for their own consumption and sell any excess to the Botswana Power Corporation, thus empowering households but also contributing to national energy security and resilience. Businesses and other institutions, such as the Bank of Botswana have similar projects for self-supply of solar electricity and the surplus fed into the national grid.

Production Methods, Innovation and Research

- 5.12 Climate change adaptation and transition also resonates with the knowledge-based economy and export-led growth aspects discussed in Section 3. Notably, changing consumer perspectives and preferences, as well as those of producer corporates aligned to the greening agenda provides opportunities for research, innovation and development of conforming products for the new market. For example, products that can substitute for plastic, and can be developed using locally derived materials or produce (wood, leather, plants and reeds, sand, bio-gas – for utensils, packaging, construction, industrial inputs, fuel), while taking care of preservation imperatives and opportunities for recycling. In other areas, there is potential for changes in production methods, for example, with respect to agriculture that can contribute to improvements in productivity, yields and healthier products, including harnessing the comparative advantage in organic production. It is further notable, in this regard, that the growing usage of solar power in place of diesel-powered borehole pumps, helps to expand farming potential (beyond drawing water), reduces costs, improves connectivity, and generally contributes to welfare enhancements. It is important with respect to product development and changes in production methods that there is traction of mind set change in relation to application and actualisation of the knowledge-based economy concept and appreciation of market potential (particularly exports, including inputs to GVC) beyond import substitution.

Digitalisation and Services

- 5.13 As discussed above (Section 4), digitalisation is integral to economic progress and modernisation, but it also has inherent

climate change mitigation attributes that are growth enhancing and should be harnessed by the local industry and institutions. These include enablers for reduced need for physical presence and travel; financial services and transfers involving faster and quick settlement of transactions (positive impact on business cash flow and viability); remote processing and service delivery (for example government, education, health and agricultural services); and data management, among others. The key considerations are that adaptation, in this regard, entails desirable attributes and outcome in relation to inclusivity; business and employment opportunities; economic diversification; connectivity and integration into global value chains; conformity and compliance with respect to the climate change mitigation and action agenda; and overall contributing to both climate and economic resilience.

Financial Sector Issues

- 5.14 As with all economic activity, the financial sector, is an important player in terms of financing, risk mitigation and provision of specialised services. In the advent of the climate change agenda, mitigation and transition economy, there is a need for the financial sector to be appropriately aligned in terms of both facilitation and risk management. At the same time, the policy and regulatory environment need to similarly recognise the changes and transitions as, for example, guided by the FSB and BIS.
- 5.15 Broadly, risks to the financial sector and stability can manifest as follows:

Credit Risk - extreme climatic environments may cause significant asset losses for households and firms, reducing their ability to repay loans and impairing the value of their assets, while increased claims due to physical losses may challenge ongoing viability of the insurance sector.

Market Risk - during a transition to a low-carbon economy, changes in preferences of economic agents and technological progress may lead to substantial and sudden repricing of assets (bonds, shares, etc.).

Operational Risk - severe weather conditions may affect business continuity and resilience, including branch networks, offices, infrastructure, processes, and staff. Prices of inputs such as energy, water and insurance may also increase and thus, increase operating costs.

Reputational Risk - transition risk may also manifest in the form of reputational risk if customers and investors perceive banks and corporations as not being appropriately aligned with the objectives of the transition to a low-carbon economy or not compliant with climate-friendly policies.

- 5.16 So far, some domestic banks have accelerated their attention on climate change by integrating ESG aspects on their business models, through supporting and funding climate friendly investments. Banks are also encouraging customers to use platforms and channels, as well as adoption of business strategies and practices, aligned with climate sustainability. In addition, banks are developing and/or enhancing credit and insurance risk models to assess the impact of climate change risk, as well as frameworks to assess suitability and strategic alignment of products and customer value propositions with changing socio-economic and environmental factors and the impact on the risk profiles. Furthermore, there is focus on financial inclusivity of customers, including ongoing support of small to medium enterprises that would be key to research and innovation for climate adaptation and transition products and services.
- 5.17 Globally, there are ongoing initiatives for green financing, and these involve rapid growth of various financial instruments/products. There are generally three sources of green finance: domestic public finance, international public finance, and private sector finance. Most of the global climate finance is sourced from private sources, which accounted for USD 326 billion during the 2017/2018 period (56 percent). Public finance accounted for an estimated annual average of USD 253 billion (44 percent)⁵⁴. For Botswana, the green market is still at infancy, with most frameworks still under development. The Botswana Stock Exchange, for example, has developed a voluntary ESG Disclosure Guideline to enhance corporate transparency and performance on ESG issues and encourage sustainable investment.

Policy and Regulatory Issues

- 5.18 From the foregoing discussion, it is apparent that climate change, its impact, mitigation and transition elements have considerable implications for government policies, the development agenda, regulation and facilitation aspects with respect to industrialisation. In the first instance, there is some element of

economic sacrifice or trade-offs in terms of limiting or denial of exploitation of some natural endowments, such as the abundant coal reserves. The second is acknowledgement of disruptive weather events requiring adequate preparation with respect to contingency planning (resources and maintenance of buffers), resilience of infrastructure, and robust arrangements for institutional responses (disaster management). Third, is alignment with international protocols to benefit from collaboration and coordinated responses; guidance on policy setting, regulation and standards; support in adherence and validation of compliance; and access to resources.

- 5.19 Fourth, is the realisation that for a small economy like Botswana, the viability of implementation of some climate change mitigation solutions may be hindered by the inadequacy of the necessary infrastructure, slow pace of innovation, and inadequate financing arrangements, while transition aspects may also create vulnerabilities in the financial system and threaten financial stability, in that regard. The fifth factor relates to government and institutional leadership in integrating climate change mitigation and transition into the industrialisation strategies, inclusivity agenda and, overall growth model for the economy; thus, including incentives, regulation, pricing and taxes, disclosure requirements, and awareness programmes, among others. As indicated above, ESG issues are integral to future profitable and sustainable business models, as they reflect safeguarding of the planet for resilience and market preferences (consumer demand for goods and services).

Issues for the Bank of Botswana

- 5.20 For the Bank of Botswana four areas can be identified on consideration of climate change mitigation and transition implications.
- (a) Financial Sector Regulation and Financial Stability – As with any trend and shock possibilities, there is a link between climate risks and financial risks, and ultimately financial stability, resulting from both actual weather events and responsive actions by governments, businesses (models) and consumer preferences. As a financial sector regulator with statutory responsibility for financial stability, the regulatory and supervisory frameworks need to be appropriately designed, calibrated and adaptive to climate change implications, as well as the development of a stress test framework for assessing

⁵⁴ Buchner, et al (2019). Global Landscape of Climate Finance. Climate Policy Initiative.

and managing climate-related risks. Measurement of climate risks on the financial system and establishment of the macro-financial impact of climate change can enhance strategic policy formulation and implementation and support financial stability. Among others, they should reflect the guidance of, the FSB, BIS, regional and local developments and issues and idiosyncrasies of structures of individual banks and the various risks attendant to their funding and assets, as they relate to climate change.

- (b) Promotion of Money and Capital Markets - Stimulation and acceleration of the greening of the financial system may require a push and drive by central banks, particularly to fulfil the objective of developing the domestic capital market, and simultaneously achieving environmental and economic sustainability. In this regard and associated thereto, private finance for climate-related and environmental projects can be scaled-up through the development of (local) green bond markets or ESG-linked investments.
- (c) Monetary Policy - Given the price stability objective, it is recognised that climate change would have implications for trends in general prices, category of goods and services, among others, deriving from industry mitigation and transition developments, specific weather events, as well as policy and regulatory price and tax changes (including movement of subsidies and incentives – in either direction). The consideration to build a climate friendly monetary policy can also imply adjusting operational frameworks to include climate-related risks in credit operations, collateral frameworks, and asset purchases. The pricing of the collateral could be adjusted depending on the carbon profile of the borrower, with a high penalty for carbon-intensive sectors, and in the process incentivising investment in green bonds.
- (d) Foreign Exchange Reserves - These are often intentionally managed sustainably in line with best practices to generate sustainable returns for future generations. Alignment of sovereign reserves with green finance and entrenchment of sustainability aspects could mean avoiding the obvious downside tail risks from investing in carbon-intensive investments. Relatedly, consideration

must be made on the use of the foreign exchange reserves, to support wider government social and economic objectives with climate sustainable benefits, including adaptation and mitigation.

6. CONCLUSION AND RECOMMENDATIONS

- 6.1 The discussions of this theme Chapter buttressed the importance of economic resilience, with a specific focus on selected aspects that include fiscal and external sector sustainability, as well as the ability to withstand climate induced socio-economic shocks and preservation of the environment as key in the achievement of sustainable economic growth. It is considered that economic and policy resilience, broadly, augurs well for broad-based inclusive growth, income earning opportunities, equitable income distribution and overall improvement in standards of living, aligned to the SDGs and, in the case of Botswana, transition to high-income status and realisation of the National Vision 2036 aspirations.
- 6.2 The factors identified for extended discussion in this Chapter alongside others, such as macroeconomic policy frameworks, strong institutions, technology and innovation, as well as financial sector development, equitable distribution (inclusive growth) and associated accelerated poverty reduction and maintenance of social cohesion are key to economic resilience (long term sustained growth and capability to withstand shocks). Abstracting from a myriad of issues, there are specific challenges and trends that if unaddressed will detract Botswana from transitioning to high-income status by 2036 and realising the Vision 2036 aspirations. These are as follows, albeit not necessarily exhaustive:
 - (a) precipitous decline in the share of exports in output as the diamond endowment contribution to the economy declines;
 - (b) slow pace of economic diversification even as there are concerted efforts in terms of policies and programmes to address this challenge;
 - (c) non-inclusive economic growth as reflected in persistence of high unemployment rates and income inequality and the slow pace of poverty reduction;
 - (d) sub-optimal resource mobilisation with respect to government revenue;
 - (e) weak money and capital markets and, therefore, suboptimal resource intermediation towards raising economic

- activity and value addition;
- (f) the continuing need for extensive government involvement and related large sector, with crowding out attributes with respect to the private sector;
- (g) apparent sub-optimal impact of spending on education on skills application to industry, productivity and requisite mindset change;
- (h) climate change, and related global mitigation agenda, threats/risks impacting on production potential (for example, agricultural, extraction and beneficiation of natural endowments, such as coal); and,
- (i) emergence and traction of twin fiscal and balance of payment deficits.

6.3 Following from this diagnosis is identification of initiatives and approaches that can help stem the deterioration of prospects and anchor the desired inclusive and sustainable growth, economic resilience and transition to high-income status. These are highlighted below as key takeaways.

(a) Widening the Tax Base

6.4 Fiscal policy inherently plays a key role in the attainment of macroeconomic stability, and the resultant economic resilience. Therefore, there is need to forge ahead with economic diversification efforts to expand the economic, export and, hence, the tax base. At the same time, a wider tax base, backed by robust tax systems, improved tax capacity and effort, sound public finance management policies and legal instruments (such as tax laws and fiscal rules) enhancements, domestic resource mobilisation, thus, facilitating establishment and maintenance of stable and sustainable fiscal environment to promote efficient provision of public goods, services and infrastructure and accelerating economic growth. Strong mechanisms to combat illicit financial flows, are also essential in optimising domestic resource mobilisation, by providing safeguards against tax evasion and avoidance.

(b) Improving Productivity

6.5 It is also widely acknowledged that an enabling business environment should exist to facilitate traction of structural and policy reforms and effective impact on economic activity. An enabling business environment includes, among others, culture, laws, regulations, robust macroeconomic policies, strong institutions, international trade agreements, public infrastructure and utilities and a competitive landscape that facilitate the movement of goods and services along the respective value chains. When in place, these factors

are conducive for productivity, enhanced competitiveness and efficiency of production, operations and service provision, thus potential for expansion of entrepreneurship, businesses and employment creation, more gains from trade, faster growth, and lower budget deficits.

(c) Export-led growth

6.6 An export-led growth strategy is fundamental in generating external stability, required for building a resilient economy. Given the potential for diverse markets and prospects for integration into the global production and supply chains, there are good prospects for sustainable growth and transition to high-income status. Key to the attainment of an export-led growth is leveraging on knowledge-based economy, which requires, among others, aligning the education system to the needs of the economy. There is also the need to ensure that legal and institutional arrangements for protecting and promoting intellectual property rights are put in place. Furthermore, given the small size of the domestic economy, any inclination towards focus on targeted production and service provision for the domestic economy cannot generate the requisite 6 percent annual GDP growth necessary to transition to high-income status, hence the need to access global markets. Also, digitalisation is central to knowledge-based economic activity and export-oriented growth and diversification. Hence, Government's Digital Transformation Strategy (SmartBots) provides a framework such that, if quickly and effectively implemented and adopted, it could have a positive impact. An export-led model also requires leveraging on SEZs for industrialisation needed to achieve economic diversification. To achieve this, there is need to ensure that competition policies, infrastructure and government procedures are conducive for the success of SEZs.

(d) Maintenance of Fiscal and External Buffers

6.7 The Chapter highlights and infers the need to acknowledge and appropriately address the evolving domestic fiscal landscape, broadly, through enhanced fiscal management. This includes accelerating fiscal consolidation to maintain fiscal sustainability in the short to medium term; giving prominence to the use of debt in deficit financing while the country's sovereign credit ratings are favourable. This will help accumulate and preserve foreign exchange reserves; support development of the domestic capital market so it can be used to mobilise domestic public debt to mitigate against reliance on costly and risky external debt; promote private sector involvement

through, among others, PPP arrangements to reduce pressure on the public budget in financing socio-economic infrastructure and development projects. The role of the fiscus and external buffers in delivering economic resilience is tied to good policy frameworks, capacity, policy discretion, strong institutions, and governance arrangements, with clear transparency and accountability frameworks; as well as capacity and empowerment to perform, enable impartiality, consistency and effectiveness of policies and frameworks.

(e) *Manage Climate Risks and Harness the Economic Value Addition from Decarbonisation to Induce Inclusive Economic Growth*

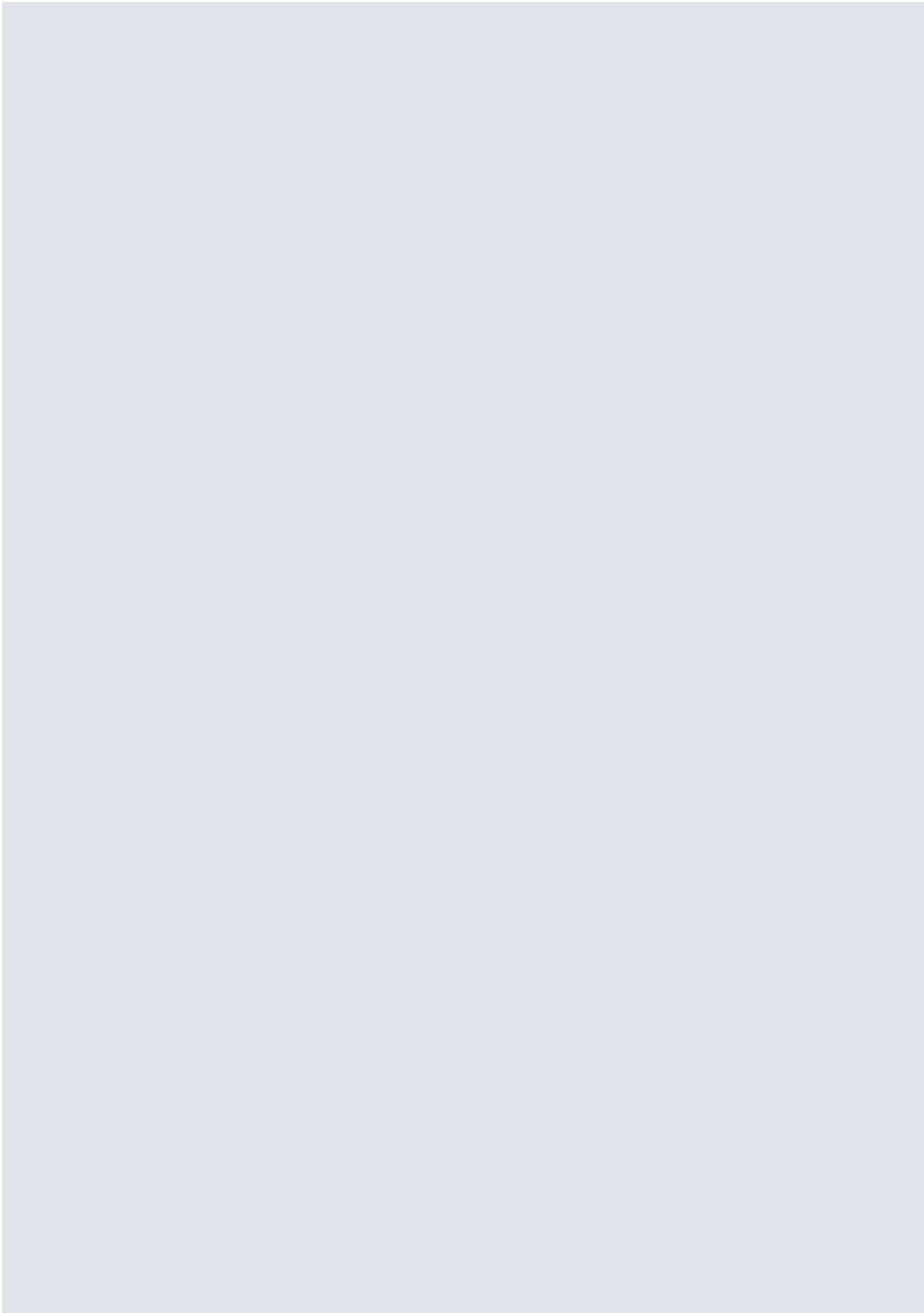
- 6.8 The magnitude of climate-related risks is likely to increase significantly in the future, calling for global action to act and build sustainable and resilient economies. The socio-economic impact of climate change (for example, the possible slower social and economic progress), as well as the need to comply with the global agenda on climate change, requires that Botswana adapts to sustainable economic development models that anchor on a green economy. There is a need therefore for stronger support to the climate change agenda, through the right policy posture, infrastructure, and resources (including mobilisation of targeted climate-related financial resources) for the country to rekindle its support and commitment towards climate resilience, a just energy transition and, consequently, reshaping the industrialisation agenda towards Vision 2036 targets. Whilst the Government plays a key leading role in the climate resilience objective, action by the private sector, institutions and individuals is crucial, particularly through a mindset change and awareness on the economic, social, and environmental facets of economic resilience, wealth and the country's transition to a high-income status. This will enhance the beneficiation by investors and the economy at large, from the decarbonisation of the economy and acclimatisation to a green economy. Moreover, climate change considerations are a new frontier for central banks, with the potential to redefine central bank decision and policy making processes. As such, micro-and macro prudential policy frameworks need to be appropriately designed, calibrated and adapted to climate change factors in order for them to deliver a stable macroeconomic and financial environment that maximises resilience, inclusivity and prosperity for citizens.

(f) *Maintenance of Good Policy Frameworks and Institutions*

- 6.9 Meanwhile, critical to widening the tax base, improving productivity, achieving export-led growth, preserving fiscal and external buffers, as well as adaptation to climate change and related mitigation and transition aspects is the maintenance of good policy frameworks, policy discretion, institutions (governance, accountability, capacity and empowerment). Overall, Botswana's macroeconomic policy frameworks and institutions have been very robust. It is, therefore, important that key macroeconomic policy frameworks continue to be designed and function in a way that ensures resilience. Long-term sustainable growth will also depend on the quality of institutions in place, hence the need for the country to maintain robust and strong institutions going forward. Therefore, a continued focus on rebuilding trust in governance structures, evidence-based policymaking and strong institutions should be sustained.

(g) *Changing the Mindset*

- 6.10 It is considered that economic and policy resilience, broadly, augurs well for broad-based inclusive growth, income earning opportunities, equitable income distribution and overall improvement in standards of living, aligned to the SDGs and, in the case of Botswana, transition to high-income status and realisation of the National Vision 2036 aspirations. For Botswana to escape the middle-income trap there is need for change in mindset and focus on more productive avenues which calls for developing capacity for entrepreneurship, eliminating unproductive avenues and implementing government strategic reforms that put citizen economic inclusion at the centre of economic development initiatives.



PART C

STATISTICS 2022

BANK OF BOTSWANA

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Notes:

1. The following symbols have been used throughout this publication:
 - ... to indicate that data are not available, either because information was not available to the Bank of Botswana at the time of publication, or that a facility/institution/classification, etc., did not exist; and
 - to indicate that the figure is zero or insignificant.
2. Any revised data appear in bold and italics.
3. For some tables, numbers do not add up to stated totals due to rounding.
4. Tables in this publication are prepared according to relevant international standards. In particular, they follow the guidelines set out in the *System of National Accounts (SNA)* and the relevant manuals of the IMF, including the *Monetary and Financial Statistics Manual and Guide 2016, the 6th Edition Balance of Payments Manual 2009* and the *Government Finance Statistics Manual 2014*.
5. In most cases, the tables report data over a ten-year period up to the most recent time for which data are available. This is except for cases where a shorter period is covered due to either data availability or the space needed for reporting.
6. Tables 3.2 and 3.3 (“Other Depository Corporations Survey” and “Depository Corporations Survey”), which previously covered commercial banks and other deposit-taking institutions, have now been revised to include domestic Money Market Unit Trusts (MMUTs). This is because MMUTs are a close substitute for bank deposits and, as such, should be included in the measure of broad money, M2. The revision has been backdated to December 2012.
7. In order to align the long-term bond rate with the longest outstanding maturity among government bonds, the rate reported in Table 4.1 (effective June 2015) is now the yield of the bond with the longest outstanding maturity during the review period. The new methodology partly resolves the problem of shortening maturities arising from the previous practice of tracking a single bond from issue to maturity. However, the relative infrequency of new bond issues in Botswana means that, on occasion, the reported rate may fluctuate due the issuance of a new bond with a significantly longer maturity. The details of the tracked bond will be provided through footnotes in the relevant table.
8. The Balance of Payments (BOP) statistics (Tables 6.1 & 6.2) and the related International Investment Position (IIP) statistics (Table 6.6) provide for the coherent recording of transactions and positions of an economy vis-à-vis the rest of the world. Compilation of BOP and IIP is guided by the International Monetary Fund’s BOP/IIP manuals (BPM) and compilation guides, which change due to amongst others; response to economic and financial developments, changes in analytical interests, advancement in technology and accumulation of experience by compilers. Tables 6.1, 6.2 and 6.6 have been converted from *BPM 5* to *BPM 6* dating back to 2010. Conceptually, *BPM 6* broadly maintains the methodology of *BPM 5*, however it deepens harmonisation with the other macroeconomic datasets such as the monetary and financial statistics and those in the System of National Accounts. *BPM 6* also makes changes in the classification of transactions, terminology, and signs in the financial account. For instance, in *BPM 5*, increases in financial assets were recorded with negative signs and decreases recorded with positive signs. For the financial liabilities, increases were recorded with positive signs and decreases with negative signs. In *BPM 6* increases in both financial assets and financial liabilities are recorded with positive signs, while decreases are recorded with negative signs. For more details on the changes from *BPM 5*, refer to *BPM 6, Appendix 8* which is accessible at <https://www.imf.org/external/pubs/ft/bop/2007/pdf/appx8.pdf>. All data revisions are in relation to the adoption of the new manual as well as the on-going implementation of the International Monetary Fund Technical Assistance Mission recommendations of 2022.

TABLE 1.1: GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE (CURRENT PRICES)^{1,2}

(P Million)

Period	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Type of Expenditure										
Government final consumption	37 235	40 622	43 363	46 819	48 124	50 552	56 924	61 945	65548	69629
(a) Individual Consumption	8 446	9 297	8 715	10 444	11 509	11 944	12 776	14 581	15052	15388
(b) Collective Consumption	28 789	31 326	34 648	36 375	36 616	38 607	44 149	47 364	50497	54241
Household final consumption	55 820	58 752	63 041	66 916	70 062	75 514	79 612	83 198	89850	105549
(a) Household Consumption Expenditure	55 444	58 347	62 603	66 434	69 541	74 962	79 029	82 617	89202	104810
(b) NPISH ³	377	405	438	482	520	552	583	581	649	739
Changes in inventories	-3 249	- 253	1 837	-4 031	1 378	- 852	3 545	8 735	2016	1678
Gross fixed capital formation	33 071	35 320	37 146	40 314	40 294	45 852	51 901	47 356	54870	61142
(a) Building and Structures	22 307	23 982	25 855	28 780	31 545	34 641	37 799	33 391	41402	48248
(c) Transport Equipment	3 069	3 484	3 109	3 216	2 472	3 114	3 960	3 056	3193	3212
(b) Plant, machinery and other equipment	7 608	7 759	8 083	8 212	6 166	7 981	10 022	10 788	10154	9555
(d) Mineral Prospecting	88	94	99	106	111	117	120	121	121	127
Gross Domestic Expenditure	122 877	134 441	145 386	150 018	159 858	171 065	191 983	201 234	212285	237998
Exports of goods	66 404	76 261	63 524	80 511	61 785	67 270	56 302	48 238	81400	102199
Exports of services	7 170	8 837	9 238	9 280	9 739	9 566	10 420	5 390	5731	7248
Total exports	73 574	85 098	72 763	89 791	71 525	76 836	66 722	53 628	87131	109446
Imports of goods	-68 037	-69 795	-70 640	-64 282	-53 296	-62 305	-68 029	-71 794	-89216	-95405
Imports of services	-9 161	-11 043	-11 332	-11 109	-11 702	-12 791	-14 735	-7 684	-8171	-10333
Total imports	-77 198	-80 837	-81 971	-75 391	-64 999	-75 096	-82 764	-79 478	-97388	-105737
Net errors and omissions	614	159	875	-	263	921	3 961	-3 995	5715	10027
GDP at Current Prices	119 867	138 861	137 053	164 418	166 647	173 725	179 902	171 389	207743	251734
Percentage of Total										
Government final consumption	31.1	29.3	31.6	28.5	28.9	29.1	31.6	36.1	31.6	27.7
(a) Individual Consumption	7.0	6.7	6.4	6.4	6.9	6.9	7.1	8.5	7.2	6.1
(b) Collective Consumption	24.0	22.6	25.3	22.1	22.0	22.2	24.5	27.6	24.3	21.5
Household final consumption	46.6	42.3	46.0	40.7	42.0	43.5	44.3	48.5	43.3	41.9
(a) Household Consumption Expenditure	46.3	42.0	45.7	40.4	41.7	43.1	43.9	48.2	42.9	41.6
(b) NPISH ³	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Changes in inventories	- 2.7	-0.2	1.3	-2.5	0.8	-0.5	2.0	5.1	1.0	0.7
Gross fixed capital formation	27.6	25.4	27.1	24.5	24.2	26.4	28.8	27.6	26.4	24.3
(a) Building and Structures	18.6	17.3	18.9	17.5	18.9	19.9	21.0	19.5	19.9	19.2
(c) Transport Equipment	2.6	2.5	2.3	2.0	1.5	1.8	2.2	1.8	1.5	1.3
(b) Plant, machinery and other equipment	6.3	5.6	5.9	5.0	3.7	4.6	5.6	6.3	4.9	3.8
(d) Mineral Prospecting	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Gross Domestic Expenditure	102.5	96.8	106.1	91.2	95.9	98.5	106.7	117.4	102.2	94.5
Exports of goods	55.4	54.9	46.4	49.0	37.1	38.7	31.3	28.1	39.2	40.6
Exports of services	6.0	6.4	6.7	5.6	5.8	5.5	5.8	3.1	2.8	2.9
Total exports	61.4	61.3	53.1	54.6	42.9	44.2	37.1	31.3	41.9	43.5
Imports of goods	- 56.8	-50.3	-51.5	-39.1	-32.0	-35.9	-37.8	-41.9	-42.9	-37.9
Imports of services	- 7.6	-8.0	-8.3	-6.8	-7.0	-7.4	-8.2	-4.5	-3.9	-4.1
Total imports	- 64.4	-58.2	-59.8	-45.9	-39.0	-43.2	-46.0	-46.4	-46.9	-42.0
Net errors and omissions	0.5	0.1	0.6	-	0.2	0.5	2.2	-2.3	2.8	4.0

1. The figures for 2019-2022 are provisional.

2. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and the methodological updates, which resulted in further revision for both current and constant prices.

3. Non-profit institutions serving households

Source: Statistics Botswana

TABLE 1.2: GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE (CONSTANT 2006 PRICES)^{1,2}
(P Million)

Period	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Type of Expenditure											
Government final consumption	41 290	43 787	45 194	44 957	46 819	45 255	46 247	50 999	53 044	55 152	56 824
(a) Individual	9 265	9 962	10 449	9 085	10 444	9 915	10 537	11 346	12 041	12 130	12 375
(b) Collective	32 025	33 825	34 746	35 872	36 375	35 340	35 711	39 654	41 003	43 023	44 449
Household final consumption	57 075	61 714	62 994	65 239	66 916	67 878	71 519	73 767	75 490	77 230	80 895
(a) Household Consumption Expenditure	56 705	61 321	62 585	64 798	66 434	67 374	70 991	73 228	74 959	76 689	80 349
(b) NPISH ³	369	393	409	441	482	504	528	539	531	541	546
Changes in inventories	4 958	-3 492	- 292	2 538	-4 031	2 874	- 721	5 069	13 283	8 973	2 949
Gross fixed capital formation	36 619	35 564	36 345	37 674	40 314	38 458	41 774	46 024	41 784	41 904	41 669
(a) Building and Structures	23 353	24 282	24 771	26 280	28 780	30 171	31 711	33 360	28 981	30 944	31 994
(b) Transport Equipment	3 357	3 146	3 521	3 154	3 216	2 390	2 715	3 467	2 659	2 437	2 285
(c) Plant, machinery and other equipment	9 824	8 033	7 948	8 137	8 212	5 790	7 241	9 089	10 038	8 422	7 284
(d) Mineral Prospecting	86	102	104	104	106	107	107	108	106	102	106
Gross Domestic Expenditure	139 942	137 573	144 241	150 408	150 018	154 464	158 820	175 859	183 601	183 259	182 336
Exports of goods	68 698	96 477	96 255	88 425	80 511	75 461	86 077	77 130	65 754	87 994	81 976
Exports of services	6 172	8 092	9 521	9 567	9 280	9 430	8 901	9 473	4 767	4 872	5 685
Total exports	74 870	104 570	105 777	97 991	89 791	84 891	94 978	86 603	70 522	92 867	87 661
Imports of goods	-71 006	-81 290	-78 232	-83 798	-64 282	-54 125	-63 648	-70 929	-81 837	-83 628	-71 454
Imports of services	-8 853	-9 995	-11 849	-11 539	-11 109	-11 504	-12 426	-13 949	-7 245	-7 542	-8 980
Total imports	-79 859	-91 285	-90 080	-95 337	-75 391	-65 629	-76 075	-84 878	-89 082	-91 170	-80 434
Net errors and omissions	2 311	1 646	1 255	311	-	-2 546	630	6 178	2 680	2 673	8 915
GDP at Constant Prices	137 264	152 504	161 192	153 373	164 418	171 181	178 353	183 762	167 720	187 629	198 479
Percentage of Total											
Government final consumption	30.1	28.7	28.0	29.3	28.5	26.4	25.9	27.8	31.6	29.4	28.6
(a) Individual Consumption	6.8	6.5	6.5	5.9	6.4	5.8	5.9	6.2	7.2	6.5	6.2
(b) Collective Consumption	23.3	22.2	21.6	23.4	22.1	20.6	20.0	21.6	24.4	22.9	22.4
Household final consumption	41.6	40.5	39.1	42.5	40.7	39.7	40.1	40.1	45.0	41.2	40.8
(a) Household Consumption Expenditure	41.3	40.2	38.8	42.2	40.4	39.4	39.8	39.8	44.7	40.9	40.5
(b) NPISH ³	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Changes in inventories	3.6	-2.3	-0.2	1.7	-2.5	1.7	-0.4	2.8	7.9	4.8	1.5
Gross fixed capital formation	26.7	23.3	22.5	24.6	24.5	22.5	23.4	25.0	24.9	22.3	21.0
(a) Building and Structures	17.0	15.9	15.4	17.1	17.5	17.6	17.8	18.2	17.3	16.5	16.1
(b) Transport Equipment	2.4	2.1	2.2	2.1	2.0	1.4	1.5	1.9	1.6	1.3	1.2
(c) Plant, machinery and other equipment	7.2	5.3	4.9	5.3	5.0	3.4	4.1	4.9	6.0	4.5	3.7
(d) Mineral prospecting	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Gross Domestic Expenditure	102.0	90.2	89.5	98.1	91.2	90.2	89.0	95.7	109.5	97.7	91.9
Exports of goods	50.0	63.3	59.7	57.7	49.0	44.1	48.3	42.0	39.2	46.9	41.3
Exports of services	4.5	5.3	5.9	6.2	5.6	5.5	5.0	5.2	2.8	2.6	2.9
Total exports	54.5	68.6	65.6	63.9	54.6	49.6	53.3	47.1	42.0	49.5	44.2
Imports of goods	-51.7	-53.3	-48.5	-54.6	-39.1	-31.6	-35.7	-38.6	-48.8	-44.6	-36.0
Imports of services	-6.4	-6.6	-7.4	-7.5	-6.8	-6.7	-7.0	-7.6	-4.3	-4.0	-4.5
Total imports	-58.2	-59.9	-55.9	-62.2	-45.9	-38.3	-42.7	-46.2	-53.1	-48.6	-40.5
Net errors and omissions	1.7	1.1	0.8	0.2	-	-1.5	0.4	3.4	1.6	1.4	4.5

1. The figures for 2019-2022 are provisional.

2. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and the methodological updates, which resulted in further revision for both current and constant prices.

3. Non-profit institutions serving households

Source: Statistics Botswana

TABLE 1.3: GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CURRENT PRICES^{1,2})

(P Million)

Period	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Economic Activity											
Agriculture	2 460	2 390	2 527	2 669	3 249	3 070	3 678	3 748	3 784	3 718	4 428
Mining	19 406	24 008	32 303	25 169	37 639	31 368	27 793	24 484	15 592	32 812	51 161
Manufacturing	8 579	9 581	10 899	9 925	10 693	10 288	10 680	10 960	9 699	10 868	13 535
Water and Electricity	489	1 008	1 544	1 916	1 966	2 755	2 912	1 642	2 084	2 280	3 024
Water	...	...	563	673	821	919	1 089	1 006	730	1 055	1 160
Electricity	...	...	981	1 243	1 145	1 836	1 824	636	1 354	1 225	1 865
Construction	11 454	12 278	13 267	14 444	16 037	17 417	19 072	20 387	18 370	22 727	26 430
Wholesale & Retail	8 655	10 411	10 409	10 402	13 204	15 275	16 444	17 900	18 524	22 331	26 343
Diamond Traders	1 131	1 861	4 424	2 704	4 014	3 288	2 983	2 155	1 337	3 352	4 846
Transport & Storage	2 122	2 324	2 518	2 704	2 912	3 090	3 320	3 494	3 411	4 003	5 603
Road transport	...	0	1 734	1 858	2 089	2 245	2 440	2 662	2 678	3 261	4 844
Air Transport	...	0	118	126	144	162	173	168	59	60	48
Accommodation & Food Services	2 844	3 068	3 602	3 889	4 238	4 539	4 869	5 162	3 755	3 573	4 204
Information & Communication Technology	2 623	2 898	3 313	3 595	3 936	4 236	4 524	4 844	5 065	5 499	6 184
Finance, Insurance & Pension Funding	4 378	4 882	5 161	6 201	7 715	7 901	9 180	10 075	10 002	10 860	12 867
Real Estate Activities	4 893	5 387	5 929	6 603	7 172	7 791	8 387	8 970	8 778	9 550	10 220
Professional, Scientific & Technical Activities	1 841	2 040	2 275	2 474	2 672	2 871	3 070	3 268	3 291	3 655	4 094
Administration & Support Activities	1 882	2 085	2 321	2 474	2 656	2 849	3 032	3 205	3 049	3 453	3 890
Public Administration & Defence	17 342	18 767	19 873	23 230	24 625	25 920	27 820	31 923	35 582	37 399	39 864
Public administration, central government	...	...	17 999	21 322	22 615	23 703	25 488	29 141	32 502	33 758	35 809
Local government activities	...	...	1 874	1 908	2 011	2 216	2 332	2 782	3 080	3 640	4 056
Education	5 895	6 413	7 132	6 475	7 762	8 462	8 630	9 211	9 927	10 211	10 483
Human Health & Social Work	2 892	3 147	3 556	3 829	4 473	4 845	5 158	5 624	6 115	6 695	7 002
Other Services	2 564	2 790	3 131	3 370	3 611	3 869	4 102	4 310	4 138	4 526	5 051
Total Value Added	101 448	115 340	134 183	132 075	158 575	159 833	165 654	171 363	162 503	197 511	239 230
Adjustment items	4 812	4 527	4 677	4 978	5 844	6 814	8 071	8 539	8 885	10 232	12 504
Taxes on products	...	...	6 795	7 301	7 674	8 324	9 036	9 189	9 410	10 732	13 020
Subsidies on products	...	...	-2 117	-2 323	-1 831	-1 510	-964	-650	-525	-500	-517
GDP at Current Prices	106 260	119 867	138 861	137 053	164 418	166 647	173 725	179 902	171 389	207 743	251 734
GDP excluding mining	86 855	95 859	106 558	111 884	126 779	135 279	145 932	155 417	155 797	174 931	200 572
GDP per Capita (Pula)	51 371	56 806	64 608	62 699	74 072	73 934	75 906	77 427	72 173	86 190	102 929
Excluding mining	41 989	45 429	49 578	51 184	57 115	60 017	63 762	66 889	65 607	72 576	82 010
Percentage of Total											
Agriculture	2.3	2.0	1.8	1.9	2.0	1.8	2.1	2.1	2.2	1.8	1.8
Mining	18.3	20.0	23.3	18.4	22.9	18.8	16.0	13.6	9.1	15.8	20.3
Manufacturing	8.1	8.0	7.8	7.2	6.5	6.2	6.1	6.1	5.6	5.2	5.4
Water and Electricity	0.5	0.8	1.1	1.4	1.2	1.7	1.7	0.9	1.2	1.1	1.2
Water	...	...	0.4	0.5	0.5	0.6	0.6	0.6	0.4	0.5	0.5
Electricity	...	...	0.7	0.9	0.7	1.1	1.0	0.4	0.8	0.6	0.7
Construction	10.8	10.2	9.6	10.5	9.8	10.5	11.0	11.3	10.7	10.9	10.5
Wholesale & Retail	8.1	8.7	7.5	7.6	8.0	9.2	9.5	9.9	10.8	10.7	10.5
Diamond Traders	1.1	1.6	3.2	2.0	2.4	2.0	1.7	1.2	0.8	1.6	1.9
Transport & Storage	2.0	1.9	1.8	2.0	1.8	1.9	1.9	1.9	2.0	1.9	2.2
Road transport	...	...	1.2	1.4	1.3	1.3	1.4	1.5	1.6	1.6	1.9
Air Transport	...	...	0.1	0.1	0.1	0.1	0.1	0.1	-	-	0.0
Accommodation & Food Services	2.7	2.6	2.6	2.8	2.6	2.7	2.8	2.9	2.2	1.7	1.7
Information & Communication Technology	2.5	2.4	2.4	2.6	2.4	2.5	2.6	2.7	3.0	2.6	2.5
Finance, Insurance & Pension Funding	4.1	4.1	3.7	4.5	4.7	4.7	5.3	5.6	6.0	5.4	5.1
Real Estate Activities	4.6	4.5	4.3	4.8	4.4	4.7	4.8	5.0	5.1	4.6	4.1
Professional, Scientific & Technical Activities	1.7	1.7	1.6	1.8	1.6	1.7	1.8	1.8	1.9	1.8	1.6
Administration & Support Activities	1.8	1.7	1.7	1.8	1.6	1.7	1.7	1.8	1.8	1.7	1.5
Public Administration & Defence	16.3	15.7	14.3	16.9	15.0	15.6	16.0	17.7	20.7	18.0	15.8
Public administration, central government	...	...	13.0	15.6	13.8	14.2	14.7	16.2	18.9	16.2	14.2
Local government activities	...	...	1.3	1.4	1.2	1.3	1.3	1.5	1.8	1.7	1.6
Education	5.5	5.4	5.1	4.7	4.7	5.1	5.0	5.1	5.8	4.9	4.2
Human Health & Social Work	2.7	2.6	2.6	2.8	2.7	2.9	3.0	3.1	3.6	3.2	2.8
Other Services	2.4	2.3	2.3	2.5	2.2	2.3	2.4	2.4	2.4	2.2	2.0
Total Value Added	95.5	96.2	96.6	96.4	96.4	95.9	95.4	95.3	94.8	95.1	95.0
Adjustment items	4.5	3.8	3.4	3.6	3.6	4.1	4.6	4.7	5.2	4.9	5.0
Taxes on products	...	...	4.9	5.3	4.7	5.0	5.2	5.1	5.5	5.2	5.2
Subsidies on products	...	...	-1.5	-1.7	-1.1	-0.9	-0.6	-0.4	-0.3	-0.2	-0.2
GDP excluding mining	81.7	80.0	76.7	81.6	77.1	81.2	84.0	86.4	86.8	84.2	79.7
GDP per Capita	48.3	47.4	46.5	45.7	45.1	44.4	43.7	43.0	42.0	41.7	40.9
Excluding mining	39.5	37.9	35.7	37.3	34.7	36.0	36.7	37.2	38.3	35.1	32.6

TABLE 1.3: (Continued) GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CURRENT PRICES)^{1,2}
(P Million)

Period	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual Percentage Change											
Agriculture	12.3	- 2.9	5.7	5.6	21.7	- 5.5	19.8	1.9	1.0	-1.7	19.1
Mining	- 20.7	23.7	34.5	- 22.1	49.5	- 16.7	- 11.4	- 11.9	-36.3	110.4	55.9
Manufacturing	7.4	11.7	13.8	- 8.9	7.7	- 3.8	3.8	2.6	-11.5	12.1	24.5
Water and Electricity	- 27.1	106.2	53.1	24.1	2.6	40.1	5.7	- 43.6	26.9	9.4	32.7
Water	...	...	...	19.6	22.1	11.9	18.5	- 7.6	-27.4	44.5	9.9
Electricity	...	...	...	26.7	- 7.9	60.4	- 0.7	- 65.1	113.1	-9.6	52.3
Construction	18.4	7.2	8.1	8.9	11.0	8.6	9.5	6.9	-9.9	23.7	16.3
Wholesale & Retail	10.2	20.3	0.0	- 0.1	26.9	15.7	7.7	8.9	3.5	20.3	18.0
Diamond Traders	- 18.7	64.6	137.7	- 38.9	48.4	- 18.1	- 9.3	- 27.8	-37.9	150.7	44.6
Transport & Storage	29.9	9.5	8.3	7.4	7.7	6.1	7.4	5.2	-2.4	17.4	40.0
Road transport	...	...	...	7.2	12.4	7.4	8.7	9.1	0.6	21.7	48.6
Air Transport	...	...	...	6.9	13.8	12.7	6.7	- 2.7	-64.8	1.2	-20.4
Accommodation & Food Services	1.7	7.9	17.4	8.0	9.0	7.1	7.3	6.0	-27.3	-4.8	17.7
Information & Communication Technology	10.1	10.5	14.3	8.5	9.5	7.6	6.8	7.1	4.6	8.6	12.5
Finance, Insurance & Pension Funding	12.0	11.5	5.7	20.1	24.4	2.4	16.2	9.8	2.1	9.4	18.5
Real Estate Activities	14.9	10.1	10.1	11.4	8.6	8.6	7.7	6.9	-2.1	8.8	7.0
Professional, Scientific & Technical Activities	8.7	10.8	11.5	8.7	8.0	7.4	6.9	6.5	0.7	11.0	12.0
Administration & Support Activities	8.7	10.8	11.3	6.6	7.4	7.3	6.4	5.7	-4.9	13.2	12.7
Public Administration & Defence	9.1	8.2	5.9	16.9	6.0	5.3	7.3	14.7	11.5	5.1	6.6
Public administration, central government	...	...	...	18.5	6.1	4.8	7.5	14.3	11.5	3.9	6.1
Local government activities	...	...	...	1.8	5.4	10.2	5.2	19.3	10.7	18.2	11.4
Education	14.8	8.8	11.2	- 9.2	19.9	9.0	2.0	6.7	7.8	2.9	2.7
Human Health & Social Work	14.8	8.8	13.0	7.7	16.8	8.3	6.5	9.0	8.7	9.5	4.6
Other Services	14.8	8.8	12.2	7.6	7.1	7.2	6.0	5.1	-4.0	9.4	11.6
Total Value Added	3.1	13.7	16.3	- 1.6	20.1	0.8	3.6	3.4	-5.0	21.5	21.1
Adjustment items	- 1.8	- 5.9	3.3	6.4	17.4	16.6	18.5	5.8	4.1	15.2	22.2
Taxes on products	...	...	...	7.5	5.1	8.5	8.6	1.7	2.4	14.0	21.3
Subsidies on products	...	...	...	- 9.7	21.2	17.6	36.1	32.6	19.2	4.8	-3.4
GDP at Current Prices	2.8	12.8	15.8	- 1.3	20.0	1.4	4.2	3.6	-4.6	21.2	21.2
GDP excluding mining	10.1	10.4	11.2	5.0	13.3	6.7	7.9	6.5	0.4	12.3	14.7
GDP per Capita	0.1	10.6	13.7	- 3.0	18.1	- 0.2	2.7	1.8	- 6.8	20.5	19.4
Excluding Mining	7.2	8.2	9.1	3.2	11.6	5.1	6.2	4.9	- 1.7	11.3	13.0

1. The figures for 2019-2022 are provisional.

2. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and methodological updates which resulted in further revision for both current and constant prices.

Source: Statistics Botswana

TABLE 1.4: GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CONSTANT 2016 PRICES)^{1,2}**(P Million)**

Period	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Economic Activity										
Agriculture	2 965	2 897	2 815	3 249	2 964	3 203	3 282	3 195	3 161	3 238
Mining	41 790	44 299	37 531	37 639	40 012	43 373	41 766	30 693	39 853	42 841
Manufacturing	11 131	12 059	10 188	10 693	10 461	10 340	10 807	9 196	9 939	10 754
Water and Electricity	1 470	1 698	1 813	1 966	2 431	2 172	1 688	1 581	1 734	2 576
Water	...	587	555	821	797	772	783	797	880	887
Electricity	...	1 111	1 258	1 145	1 634	1 400	905	784	853	1 689
Construction	13 359	13 703	14 682	16 037	16 658	17 458	17 993	15 944	16 986	17 525
Wholesale & Retail	11 512	11 068	10 705	13 204	14 706	15 506	16 553	16 744	19 138	20 243
Diamond Traders	2 342	5 232	2 566	4 014	4 988	4 258	4 427	2 800	5 180	6 092
Transport & Storage	2 682	2 678	2 703	2 912	3 026	3 144	3 235	3 027	3 206	3 334
Road transport	...	1 853	1 887	2 089	2 244	2 369	2 489	2 449	2 616	2 692
Air Transport	...	142	136	144	151	162	171	42	60	119
Accommodation & Food Services	3 716	3 930	4 058	4 238	4 402	4 552	4 688	3 352	3 303	3 444
Information & Communication Technology	3 367	3 667	3 770	3 936	4 100	4 157	4 363	4 448	4 644	4 904
Finance, Insurance & Pension Funding	5 536	5 678	6 699	7 715	7 662	8 393	8 669	8 899	8 951	9 160
Real Estate Activities	6 109	6 391	6 765	7 172	7 530	7 937	8 370	8 111	8 751	9 068
Professional, Scientific & Technical Activities	2 386	2 523	2 597	2 672	2 779	2 819	2 942	2 889	3 086	3 180
Administration & Support Activities	2 439	2 575	2 597	2 656	2 758	2 784	2 885	2 676	2 915	3 022
Public Administration & Defence	22 345	22 244	24 019	24 625	25 002	25 678	28 506	30 513	31 882	33 288
Public administration, central government	...	20 304	22 101	22 615	22 897	23 559	26 043	27 870	28 760	29 878
Local government activities	...	1 940	1 919	2 011	2 105	2 118	2 463	2 643	3 122	3 410
Education	7 288	7 621	6 675	7 762	7 121	7 601	8 275	8 263	8 423	8 583
Human Health & Social Work	3 900	4 079	4 018	4 473	4 572	4 736	5 066	5 207	5 529	5 728
Other Services	3 288	3 453	3 522	3 611	3 745	3 783	3 898	3 660	3 830	3 921
Total Value Added	147 626	155 794	147 721	158 575	164 917	171 893	177 413	161 200	180 511	190 901
Adjustment items	4 878	5 398	5 651	5 844	6 263	6 460	6 349	6 520	7 118	7 578
Taxes on products	...	7 239	7 539	7 674	7 958	8 168	8 097	8 248	8 858	9 417
Subsidies on products	...	-1 841	-1 888	-1 831	-1 695	-1 709	-1 749	-1 729	-1 740	-1 839
GDP at Constant Prices	152 504	161 192	153 373	164 418	171 181	178 353	183 762	167 720	187 629	198 479
GDP excluding mining	110 714	116 893	115 842	126 779	131 169	134 980	141 995	137 027	147 776	155 638
GDP per Capita (Pula)	72 273	74 997	70 165	74 072	75 945	77 928	79 088	70 628	77 845	81 154
Excluding mining	52 469	54 387	52 995	57 115	58 194	58 977	61 113	57 703	61 310	63 637
Percentage of Total										
Agriculture	1.9	1.8	1.8	2.0	1.7	1.8	1.8	1.9	1.7	1.6
Mining	27.4	27.5	24.5	22.9	23.4	24.3	22.7	18.3	21.2	21.6
Manufacturing	7.3	7.5	6.6	6.5	6.1	5.8	5.9	5.5	5.3	5.4
Water and Electricity	1.0	1.1	1.2	1.2	1.4	1.2	0.9	0.9	0.9	1.3
Water	...	0.4	0.4	0.5	0.5	0.4	0.4	0.5	0.5	0.4
Electricity	...	0.7	0.8	0.7	1.0	0.8	0.5	0.5	0.5	0.9
Construction	8.8	8.5	9.6	9.8	9.7	9.8	9.8	9.5	9.1	8.8
Wholesale & Retail	7.5	6.9	7.0	8.0	8.6	8.7	9.0	10.0	10.2	10.2
Diamond Traders	1.5	3.2	1.7	2.4	2.9	2.4	2.4	1.7	2.8	3.1
Transport & Storage	1.8	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.7
Road transport	...	1.1	1.2	1.3	1.3	1.3	1.4	1.5	1.4	1.4
Air Transport	...	0.1	0.1	0.1	0.1	0.1	0.1	-	-	0.1
Accommodation & Food Services	2.4	2.4	2.6	2.6	2.6	2.6	2.6	2.0	1.8	1.7
Information & Communication Technology	2.2	2.3	2.5	2.4	2.4	2.3	2.4	2.7	2.5	2.5
Finance, Insurance & Pension Funding	3.6	3.5	4.4	4.7	4.5	4.7	4.7	5.3	4.8	4.6
Real Estate Activities	4.0	4.0	4.4	4.4	4.4	4.4	4.6	4.8	4.7	4.6
Professional, Scientific & Technical Activities	1.6	1.6	1.7	1.6	1.6	1.6	1.6	1.7	1.6	1.6
Administration & Support Activities	1.6	1.6	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.5
Public Administration & Defence	14.7	13.8	15.7	15.0	14.6	14.4	15.5	18.2	17.0	16.8
Public administration, central government	...	12.6	14.4	13.8	13.4	13.2	14.2	16.6	15.3	15.1
Local government activities	...	1.2	1.3	1.2	1.2	1.2	1.3	1.6	1.7	1.7
Education	4.8	4.7	4.4	4.7	4.2	4.3	4.5	4.9	4.5	4.3
Human Health & Social Work	2.6	2.5	2.6	2.7	2.7	2.7	2.8	3.1	2.9	2.9
Other Services	2.2	2.1	2.3	2.2	2.2	2.1	2.1	2.2	2.0	2.0
Total Value Added	96.8	96.7	96.3	96.4	96.3	96.4	96.5	96.1	96.2	96.2
Adjustment items	3.2	3.3	3.7	3.6	3.7	3.6	3.5	3.9	3.8	3.8
Taxes on products	...	4.5	4.9	4.7	4.6	4.6	4.4	4.9	4.7	4.7
Subsidies on products	...	-1.1	-1.2	-1.1	-1.0	-1.0	-1.0	-1.0	-0.9	-0.9
GDP excluding mining	72.6	72.5	75.5	77.1	76.6	75.7	77.3	81.7	78.8	78.4
GDP per Capita	47.4	46.5	45.7	45.1	44.4	43.7	43.0	42.1	41.5	40.9
Excluding mining	34.4	33.7	34.6	34.7	34.0	33.1	33.3	34.4	32.7	32.1

TALE 1.4: GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CONSTANT 2016 PRICES)^{1,2} (Continued)
(P Million)

Period	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual Percentage Change										
Agriculture	1.3	- 2.3	- 2.8	15.4	- 8.8	8.1	2.4	- 2.7	- 1.0	2.4
Mining	18.8	6.0	- 15.3	0.3	6.3	8.4	- 3.7	- 26.5	29.8	7.5
Manufacturing	6.5	8.3	- 15.5	5.0	- 2.2	- 1.2	4.5	- 14.9	8.1	8.2
Water and Electricity	212.3	15.6	6.7	8.4	23.6	- 10.6	- 22.3	- 6.3	9.6	48.6
Water	...	...	- 5.5	48.1	- 3.0	- 3.1	1.4	1.9	10.4	0.7
Electricity	...	...	13.2	- 9.0	42.7	- 14.3	- 35.3	- 13.4	8.9	97.9
Construction	4.0	2.6	7.1	9.2	3.9	4.8	3.1	- 11.4	6.5	3.2
Wholesale & Retail	13.9	- 3.9	- 3.3	23.4	11.4	5.4	6.8	1.2	14.3	5.8
Diamond Traders	37.7	123.4	- 50.9	56.4	24.2	- 14.6	4.0	- 36.7	85.0	17.6
Transport & Storage	6.2	- 0.2	0.9	7.7	3.9	3.9	2.9	- 6.4	5.9	4.0
Road transport	...	...	1.8	10.7	7.4	5.6	5.1	- 1.6	6.8	2.9
Air Transport	...	...	- 4.2	5.5	5.2	7.0	6.0	- 75.6	42.8	100.2
Accommodation & Food Services	7.5	5.8	3.3	4.5	3.9	3.4	3.0	- 28.5	- 1.5	4.3
Information & Communication Technology	8.3	8.9	2.8	4.4	4.2	1.4	5.0	2.0	4.4	5.6
Finance, Insurance & Pension Funding	9.9	2.6	18.0	15.2	- 0.7	9.5	3.3	2.7	0.6	2.3
Real Estate Activities	6.8	4.6	5.9	6.0	5.0	5.4	5.5	- 3.1	7.9	3.6
Professional, Scientific & Technical Activities	5.6	5.8	2.9	2.9	4.0	1.4	4.4	- 1.8	6.8	3.0
Administration & Support Activities	5.6	5.6	0.9	2.3	3.9	0.9	3.6	- 7.3	8.9	3.7
Public Administration & Defence	5.5	- 0.5	8.0	2.5	1.5	2.7	11.0	7.0	4.5	4.4
Public administration, central government	...	...	8.8	2.3	1.3	2.9	10.5	7.0	3.2	3.9
Local government activities	...	...	- 1.1	4.8	4.7	0.6	16.3	7.3	18.1	9.2
Education	8.0	4.6	- 12.4	16.3	- 8.2	6.7	8.9	- 0.1	1.9	1.9
Human Health & Social Work	8.0	4.6	- 1.5	11.3	2.2	3.6	7.0	2.8	6.2	3.6
Other Services	8.0	5.0	2.0	2.5	3.7	1.0	3.0	- 6.1	4.6	2.4
Total Value Added	11.3	5.5	- 5.2	7.3	4.0	4.2	3.2	- 9.1	12.0	5.8
Adjustment items	6.3	10.7	4.7	3.4	7.2	3.1	- 1.7	2.7	9.2	6.5
Taxes on products	...	...	4.1	1.8	3.7	2.6	- 0.9	1.9	7.4	6.3
Subsidies on products	...	...	- 2.6	3.0	7.4	- 0.8	- 2.3	1.1	- 0.6	- 5.7
GDP at Constant Prices	11.1	5.7	- 4.9	7.2	4.1	4.2	3.0	- 8.7	11.9	5.8
GDP excluding mining	8.5	5.6	- 0.9	9.4	3.5	2.9	5.2	- 3.5	7.8	5.3
GDP per Capita	8.9	3.8	- 6.4	5.6	2.5	2.6	1.5	- 10.7	10.2	4.3
Excluding mining	6.3	3.7	- 2.6	7.8	1.9	1.3	3.6	- 5.6	6.3	3.8

1. The figures for 2019-2022 are provisional.

2. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and methodological updates which resulted in further revision for both current and constant prices.

Source: Statistics Botswana

TABLE 1.5: GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE - QUARTERLY ESTIMATES (CURRENT PRICES)^{1,2}
(P Million)

Government final consumption				Household Final Consumption			Gross fixed capital formation					
Period		Individual	Collective	Total	Household		Build. & Structures	Transport Equipment	Plant. Mach. & Equip	Mineral Prosp.	Total	
					NPISH	Cons. Exp						
2013	Q1	1 925	7 212	9 137	90	13 293	13 383	5 443	675	1 313	20	7 452
	Q2	1 968	7 879	9 847	94	13 350	13 444	5 562	909	1 984	22	8 475
	Q3	2 260	6 317	8 577	96	13 945	14 041	5 571	667	1 829	22	8 090
	Q4	2 292	7 381	9 673	97	14 856	14 953	5 731	817	2 483	23	9 053
2014	Q1	2 224	7 358	9 582	99	13 682	13 781	5 848	840	1 936	23	8 648
	Q2	2 308	7 901	10 209	100	14 352	14 452	6 027	972	1 574	23	8 596
	Q3	2 364	7 627	9 991	102	14 968	15 070	6 038	846	2 067	24	8 975
	Q4	2 401	8 439	10 840	104	15 345	15 449	6 069	826	2 182	24	9 101
2015	Q1	2 145	8 116	10 261	106	15 291	15 396	6 245	650	1 659	24	8 578
	Q2	1 744	9 092	10 836	108	15 347	15 455	6 477	777	1 933	25	9 212
	Q3	2 260	8 138	10 398	111	15 732	15 843	6 503	783	2 206	25	9 518
	Q4	2 566	9 302	11 868	114	16 233	16 347	6 630	899	2 285	25	9 839
2016	Q1	2 617	9 672	12 289	116	15 694	15 810	6 859	664	1 843	26	9 392
	Q2	2 547	9 401	11 948	119	16 701	16 820	7 103	780	2 002	26	9 912
	Q3	2 676	9 301	11 978	122	17 032	17 154	7 368	1 027	2 007	27	10 429
	Q4	2 604	8 000	10 604	125	17 007	17 131	7 449	745	2 360	27	10 581
2017	Q1	2 650	8 895	11 545	126	16 627	16 753	7 484	382	1 449	27	9 341
	Q2	2 773	8 776	11 549	129	16 522	16 651	7 725	524	1 379	27	9 656
	Q3	2 996	9 917	12 913	132	17 835	17 967	8 118	600	1 629	28	10 375
	Q4	3 089	9 028	12 118	133	18 557	18 691	8 218	966	1 709	28	10 921
2018	Q1	3 018	9 501	12 520	135	18 266	18 400	8 233	805	1 711	29	10 778
	Q2	2 767	9 147	11 914	136	18 224	18 360	8 529	702	1 644	29	10 904
	Q3	3 136	10 386	13 523	139	18 589	18 729	8 863	726	1 978	29	11 596
	Q4	3 023	9 572	12 595	142	19 883	20 025	9 016	880	2 648	30	12 573
2019	Q1	3 186	10 892	14 078	143	19 026	19 169	9 146	1 277	2 042	30	12 495
	Q2	3 040	11 140	14 181	145	19 078	19 223	9 378	944	2 656	30	13 008
	Q3	3 170	10 914	14 083	147	20 252	20 398	9 614	897	2 385	30	12 926
	Q4	3 380	11 203	14 583	148	20 673	20 822	9 661	841	2 939	30	13 472
2020	Q1	3 567	12 077	15 644	150	21 663	21 813	9 599	884	2 597	30	13 110
	Q2	3 381	10 725	14 106	129	17 604	17 733	6 130	485	2 602	30	9 248
	Q3	3 964	12 347	16 310	150	21 588	21 738	8 524	838	2 156	30	11 549
	Q4	3 670	12 214	15 885	153	21 761	21 914	9 137	849	3 432	30	13 449
2021	Q1	3 807	12 692	16 498	156	21 933	22 089	9 828	842	1 840	30	12 540
	Q2	3 695	12 594	16 288	159	21 677	21 836	10 227	836	3 105	30	14 198
	Q3	3 808	12 410	16 218	164	21 580	21 744	10 511	819	2 264	30	13 624
	Q4	3 742	12 801	16 543	169	24 013	24 182	10 836	696	2 945	30	14 507
2022	Q1	3 713	13 106	16 819	174	24 332	24 506	11 703	813	2 001	30	14 547
	Q2	3 791	13 409	17 201	180	25 298	25 478	11 878	761	2 491	33	15 163
	Q3	4 057	13 988	18 045	189	27 190	27 379	12 092	881	2 723	30	15 727
	Q4	3 827	13 738	17 564	196	27 990	28 186	12 576	757	2 339	33	15 705

1. The figures for 2019-2022 are provisional

2. During 2012, Statistics Botswana published rebased estimates of GDP using 2006 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and methodological updates, which resulted in further revisions for both GDP in current and constant prices. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and the methodology updates, which resulted in further revisions for both current and constant prices.

Source: Statistics Botswana

Changes in Inventories	Gross Domestic Expend.	Exports			Imports			GDP	Period	
		Goods	Services	Total	Goods	Services	Total			
-3 646	26 326	16 890	1 321	18 210	-15 393	-1 833	-17 226	27 890	Q1	2013
1 909	33 675	14 642	1 706	16 349	-16 962	-2 210	-19 173	31 603	Q2	
-2 572	28 136	19 589	1 937	21 525	-16 914	-2 407	-19 321	29 583	Q3	
1 061	34 741	15 283	2 206	17 490	-18 768	-2 711	-21 479	30 790	Q4	
-211	31 799	17 180	1 921	19 100	-17 523	-2 390	-19 913	32 477	Q1	2014
-332	32 926	21 043	2 068	23 111	-17 854	-2 587	-20 441	36 073	Q2	
3	34 039	19 847	2 368	22 216	-17 238	-2 967	-20 205	34 836	Q3	
286	35 677	18 191	2 480	20 671	-17 180	-3 099	-20 278	35 475	Q4	
-2 901	31 334	19 496	1 977	21 474	-17 626	-2 452	-20 078	34 566	Q1	2015
2 589	38 091	19 808	2 402	22 210	-19 074	-2 958	-22 032	34 995	Q2	
4 099	39 857	11 843	2 488	14 331	-17 472	-3 042	-20 514	35 025	Q3	
-1 950	36 104	12 377	2 371	14 748	-16 467	-2 880	-19 346	32 467	Q4	
-506	36 985	19 893	2 508	22 401	-15 759	-3 029	-18 788	38 222	Q1	2016
-6 061	32 619	25 397	2 202	27 599	-16 522	-2 644	-19 166	41 066	Q2	
1 632	41 192	19 062	1 834	20 896	-15 390	-2 189	-17 580	42 994	Q3	
905	39 222	16 160	2 736	18 895	-16 611	-3 247	-19 858	42 136	Q4	
-4 177	33 463	17 992	2 173	20 164	-12 364	-2 564	-14 928	40 585	Q1	2017
2 695	40 551	14 966	2 453	17 419	-12 067	-2 907	-14 973	41 245	Q2	
3 483	44 738	13 249	2 699	15 948	-13 073	-3 247	-16 320	42 636	Q3	
-624	41 105	15 578	2 415	17 993	-15 793	-2 984	-18 777	42 180	Q4	
196	41 894	13 820	1 964	15 784	-14 263	-2 517	-16 780	41 868	Q1	2018
-2 608	38 571	18 909	2 421	21 330	-14 647	-3 199	-17 847	43 073	Q2	
3 085	46 933	14 848	2 919	17 768	-14 428	-3 955	-18 383	44 644	Q3	
-1 525	43 668	19 692	2 261	21 953	-18 966	-3 120	-22 086	44 141	Q4	
2 158	47 899	14 671	2 673	17 344	-16 143	-3 740	-19 883	44 858	Q1	2019
-2 088	44 323	17 510	3 073	20 583	-17 050	-4 342	-21 393	45 289	Q2	
3 758	51 165	10 837	2 441	13 277	-16 360	-3 470	-19 830	45 890	Q3	
-281	48 595	13 285	2 233	15 517	-18 475	-3 183	-21 659	43 865	Q4	
776	51 344	13 201	1 469	14 670	-17 000	-2 094	-19 094	45 799	Q1	2020
4 323	45 410	4 388	1 240	5 627	-13 215	-1 767	-14 983	36 139	Q2	
2 201	51 798	13 242	1 234	14 476	-19 277	-1 759	-21 036	43 745	Q3	
1 435	52 682	17 407	1 448	18 855	-22 301	-2 064	-24 365	45 706	Q4	
-1 284	49 843	24 090	1 245	25 335	-21 986	-1 775	-23 762	48 602	Q1	2021
3 056	55 379	17 009	1 407	18 417	-21 605	-2 007	-23 611	51 618	Q2	
1 504	53 090	21 412	1 557	22 969	-21 548	-2 220	-23 768	53 029	Q3	
-1 260	53 973	18 889	1 522	20 410	-24 077	-2 169	-26 246	54 494	Q4	
-508	55 363	25 678	1 689	27 367	-23 856	-2 408	-26 264	58 905	Q1	2022
947	58 789	26 018	2 028	28 046	-23 537	-2 891	-26 428	64 771	Q2	
-688	60 463	29 823	1 788	31 611	-26 519	-2 549	-29 069	63 053	Q3	
1 927	63 383	20 680	1 743	22 422	-21 492	-2 484	-23 976	65 005	Q4	

TABLE 1.6: GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE - QUARTERLY ESTIMATES (CONSTANT 2016 PRICES)^{1,2}
(P Million)

T (Million)												
Government final consumption					Household final consumption			Gross fixed capital formation				
					Household			Build. &	Plant. Mach. &	Trans.	Mineral	
Period		Individual	Collective	Total	NPISH	Cons. Exp	Total	Structures	Equip	Equip.	Prosp.	Total
2013	Q1	2 353	9 435	11 788	97	14 935	15 032	5 990	1 385	687	24	8 086
	Q2	2 301	9 114	11 415	98	14 799	14 897	6 085	2 093	932	25	9 137
	Q3	2 644	7 113	9 757	99	15 357	15 456	6 074	1 932	688	26	8 720
	Q4	2 665	8 162	10 827	100	16 229	16 330	6 133	2 623	839	26	9 621
2014	Q1	2 552	8 192	10 745	101	14 930	15 030	6 131	2 039	870	26	9 066
	Q2	2 591	8 944	11 535	101	15 394	15 495	6 253	1 614	986	26	8 879
	Q3	2 638	8 441	11 080	103	15 975	16 078	6 199	2 099	846	26	9 170
	Q4	2 667	9 167	11 834	105	16 286	16 391	6 188	2 196	820	26	9 230
2015	Q1	2 332	8 623	10 955	107	16 129	16 236	6 344	645	1 662	26	8 678
	Q2	1 793	9 398	11 191	108	15 872	15 980	6 562	775	1 910	26	9 273
	Q3	2 323	8 361	10 684	111	16 171	16 282	6 611	795	2 224	26	9 657
	Q4	2 637	9 491	12 127	115	16 626	16 741	6 762	939	2 340	26	10 067
2016	Q1	2 698	9 743	12 441	117	15 963	16 081	6 942	666	1 920	26	9 555
	Q2	2 513	9 383	11 897	119	16 702	16 821	7 129	778	2 034	26	9 967
	Q3	2 650	9 264	11 913	122	16 950	17 072	7 336	1 031	1 978	26	10 371
	Q4	2 584	7 984	10 568	124	16 819	16 943	7 373	740	2 281	27	10 420
2017	Q1	2 635	8 902	11 537	124	16 277	16 401	7 297	372	1 366	27	9 062
	Q2	2 281	8 367	10 649	125	15 999	16 123	7 437	510	1 292	27	9 265
	Q3	2 471	9 468	11 939	127	17 212	17 339	7 712	579	1 533	27	9 851
	Q4	2 528	8 603	11 131	129	17 885	18 014	7 725	929	1 598	27	10 279
2018	Q1	2 482	9 006	11 488	130	17 466	17 596	7 672	699	1 531	27	9 929
	Q2	2 498	8 407	10 905	131	17 182	17 312	7 883	615	1 472	27	9 996
	Q3	2 831	9 536	12 367	134	17 591	17 725	8 067	634	1 814	27	10 541
	Q4	2 725	8 762	11 488	134	18 752	18 886	8 088	767	2 424	27	11 307
2019	Q1	2 871	9 947	12 818	134	17 828	17 961	8 170	1 114	1 850	27	11 161
	Q2	2 718	10 062	12 781	134	17 655	17 789	8 277	829	2 404	27	11 537
	Q3	2 824	9 627	12 451	135	18 696	18 831	8 432	791	2 168	27	11 419
	Q4	2 933	10 017	12 949	137	19 049	19 185	8 481	734	2 666	27	11 908
2020	Q1	3 035	10 436	13 471	138	19 763	19 901	8 434	794	2 429	27	11 684
	Q2	2 914	9 296	12 211	118	15 991	16 109	5 472	441	2 514	27	8 454
	Q3	3 118	10 513	13 631	137	19 595	19 732	7 385	729	2 026	26	10 166
	Q4	2 974	10 758	13 732	138	19 609	19 747	7 690	694	3 069	26	11 479
2021	Q1	3 051	10 956	14 008	137	19 585	19 723	7 971	673	1 585	26	10 255
	Q2	2 982	10 631	13 613	133	18 595	18 729	7 491	635	2 570	26	10 722
	Q3	3 070	10 562	13 632	134	18 361	18 496	7 569	613	1 854	25	10 061
	Q4	3 026	10 873	13 900	136	20 147	20 283	7 913	516	2 412	25	10 866
2022	Q1	3 016	11 064	14 080	137	20 036	20 173	8 129	597	1 565	25	10 316
	Q2	3 049	11 135	14 184	134	19 857	19 990	7 790	548	1 886	28	10 252
	Q3	3 246	11 264	14 511	135	19 509	19 644	7 917	621	2 062	25	10 626
	Q4	3 064	10 986	14 049	140	20 947	21 087	8 158	518	1 771	28	10 475

1. The figures for 2019-2022 are provisional.

2. During 2012, Statistics Botswana published rebased estimates of GDP using 2006 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and methodological updates, which resulted in further revisions for both GDP in current and constant prices. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and the methodology updates, which resulted in further revisions for both current and constant prices.

Source: Statistics Botswana

Changes in Inventories	Gross Domestic Expend.	Exports			Imports			Errors & Omissions	Total GDP	Period	
		Goods	Services	Total	Goods	Services	Total				
-5 296	29 611	25 287	1 504	26 791	-18 607	-2 008	-20 614	1 190	36 978	Q1	2013
2 377	37 825	18 590	1 935	20 525	-18 201	-2 406	-20 607	949	38 691	Q2	
-2 777	31 157	26 750	2 187	28 937	-19 561	-2 621	-22 182	- 806	37 106	Q3	
2 204	38 981	25 850	2 467	28 317	-24 921	-2 960	-27 881	313	39 729	Q4	
- 309	34 532	22 453	2 088	24 541	-20 425	-2 606	-23 031	2 762	38 805	Q1	2014
- 390	35 519	23 650	2 225	25 875	-18 962	-2 808	-21 769	1 073	40 697	Q2	
61	36 388	27 515	2 543	30 059	-20 218	-3 181	-23 400	-1 890	41 157	Q3	
346	37 801	22 637	2 665	25 302	-18 627	-3 253	-21 880	- 691	40 532	Q4	
-2 744	33 124	24 450	2 087	26 537	-19 829	-2 514	-22 343	1 764	39 081	Q1	2015
2 657	39 101	25 703	2 488	28 192	-22 134	-3 014	-25 148	-2 923	39 222	Q2	
4 085	40 709	13 706	2 558	16 264	-18 254	-3 098	-21 353	1 341	36 961	Q3	
-1 460	37 475	24 566	2 433	26 999	-23 581	-2 913	-26 494	129	38 109	Q4	
- 648	37 428	23 508	2 534	26 042	-17 322	-3 049	-20 370	-2 623	40 476	Q1	2016
-6 185	32 500	24 353	2 201	26 555	-16 516	-2 670	-19 186	1 128	40 997	Q2	
1 794	41 151	15 395	1 828	17 222	-14 230	-2 191	-16 421	-1 351	40 600	Q3	
1 009	38 940	17 255	2 717	19 972	-16 214	-3 199	-19 414	2 846	42 345	Q4	
-4 435	32 565	19 773	2 131	21 904	-12 107	-2 502	-14 609	1 897	41 756	Q1	2017
3 478	39 515	18 910	2 387	21 297	-12 499	-2 849	-15 348	-3 002	42 463	Q2	
4 622	43 752	16 427	2 602	19 030	-13 112	-3 208	-16 320	-3 035	43 426	Q3	
- 792	38 632	20 350	2 310	22 661	-16 407	-2 946	-19 352	1 595	43 535	Q4	
276	39 289	17 964	1 844	19 808	-14 765	-2 481	-17 246	1 492	43 344	Q1	2018
-2 762	35 452	25 609	2 245	27 853	-15 384	-3 125	-18 509	65	44 861	Q2	
3 586	44 219	17 177	2 713	19 890	-13 802	-3 833	-17 635	-1 918	44 556	Q3	
-1 821	39 860	25 328	2 098	27 426	-19 697	-2 987	-22 685	991	45 592	Q4	
2 957	44 897	18 525	2 456	20 981	-16 402	-3 568	-19 970	- 586	45 322	Q1	2019
-3 066	39 041	23 089	2 792	25 880	-17 127	-4 114	-21 241	2 434	46 114	Q2	
5 051	47 752	14 012	2 208	16 220	-16 417	-3 265	-19 682	1 904	46 194	Q3	
127	44 169	21 505	2 016	23 522	-20 984	-3 002	-23 986	2 426	46 131	Q4	
1 180	46 237	15 171	1 308	16 480	-16 955	-1 974	-18 929	2 049	45 836	Q1	2020
6 197	42 971	6 014	1 101	7 116	-14 755	-1 658	-16 414	16	33 689	Q2	
3 904	47 433	23 342	1 093	24 435	-25 864	-1 665	-27 529	- 214	44 125	Q3	
2 002	46 960	21 227	1 264	22 492	-24 262	-1 948	-26 210	828	44 070	Q4	
- 727	43 259	28 563	1 082	29 645	-23 042	-1 664	-24 706	-1 759	46 438	Q1	2021
3 955	47 018	17 903	1 195	19 098	-19 755	-1 864	-21 619	1 923	46 419	Q2	
2 877	45 066	23 759	1 316	25 074	-20 166	-2 042	-22 208	128	48 061	Q3	
2 868	47 917	17 771	1 279	19 050	-20 664	-1 972	-22 636	2 381	46 711	Q4	
168	44 738	22 796	1 406	24 202	-19 592	-2 158	-21 750	2 408	49 598	Q1	2022
1 429	45 855	16 278	1 620	17 898	-16 443	-2 527	-18 971	4 025	48 807	Q2	
- 624	44 156	26 966	1 364	28 330	-20 290	-2 178	-22 469	601	50 619	Q3	
1 976	47 588	15 936	1 295	17 231	-15 128	-2 116	-17 245	1 881	49 455	Q4	

TABLE 1.7: GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY - QUARTERLY ESTIMATES (CURRENT PRICES)^{1,2}
(P Million)

Period		Agriculture	Mining	Manu-	Water &	Con-	Wholesale	Diamond	Transport	Accomm.	Info. &	Finance,
				facturing	Electricity	struction	& Retail		& Comm.	Food	Communic.	Insu. &
								Traders		Services	Technology	Pens. Fund
2013	Q1	539	4 585	2 270	79	2 995	2 490	452	560	739	687	1 200
	Q2	648	7 883	2 347	176	3 060	2 584	390	565	759	711	1 208
	Q3	585	5 975	2 453	253	3 066	2 508	579	594	776	729	1 196
	Q4	617	5 565	2 511	500	3 156	2 829	440	605	794	772	1 278
2014	Q1	599	7 277	2 347	- 115	3 225	2 588	1 092	607	873	811	1 225
	Q2	635	9 408	2 833	700	3 329	2 411	1 372	629	886	826	1 254
	Q3	649	7 308	2 956	805	3 343	2 730	1 002	638	910	837	1 325
	Q4	644	8 310	2 762	154	3 370	2 680	957	644	934	838	1 357
2015	Q1	637	7 324	2 454	230	3 480	2 428	1 028	628	948	865	1 579
	Q2	648	7 343	2 529	518	3 618	2 421	782	650	957	888	1 581
	Q3	668	6 759	2 471	457	3 637	2 663	528	698	975	917	1 605
	Q4	716	3 743	2 472	711	3 709	2 891	365	729	1 009	926	1 436
2016	Q1	792	7 795	2 386	336	3 834	3 050	882	695	1 031	933	1 975
	Q2	830	9 516	2 703	396	3 964	3 415	1 066	725	1 046	973	1 820
	Q3	839	10 721	2 856	525	4 103	3 367	1 087	740	1 062	1 009	1 939
	Q4	788	9 607	2 748	709	4 136	3 373	980	752	1 100	1 021	1 982
2017	Q1	748	8 261	2 477	295	4 140	3 690	1 035	755	1 117	1 035	1 915
	Q2	748	7 980	2 562	692	4 264	3 687	733	746	1 126	1 042	2 061
	Q3	770	8 416	2 649	939	4 477	3 590	734	792	1 135	1 072	1 876
	Q4	803	6 712	2 600	828	4 536	4 308	786	797	1 161	1 086	2 049
2018	Q1	865	6 696	2 565	650	4 554	3 922	709	821	1 199	1 106	2 070
	Q2	921	6 599	2 665	959	4 713	4 169	798	817	1 205	1 117	2 372
	Q3	953	7 761	2 663	859	4 878	4 060	738	835	1 217	1 142	2 205
	Q4	939	6 737	2 787	444	4 927	4 293	738	847	1 248	1 159	2 533
2019	Q1	931	7 215	2 718	973	4 947	4 243	595	862	1 278	1 185	2 374
	Q2	939	6 377	2 804	209	5 045	4 369	678	862	1 280	1 195	2 641
	Q3	950	6 341	2 832	292	5 172	4 529	454	875	1 292	1 224	2 572
	Q4	928	4 552	2 606	168	5 223	4 759	428	895	1 313	1 239	2 488
2020	Q1	903	5 602	2 676	314	5 244	4 781	373	902	1 262	1 282	2 523
	Q2	1 013	2 178	1 953	466	3 371	3 931	18	696	609	1 186	2 450
	Q3	1 010	3 199	2 514	679	4 707	4 759	495	874	840	1 255	2 561
	Q4	859	4 613	2 556	625	5 048	5 053	450	938	1 043	1 341	2 467
2021	Q1	903	5 865	2 602	638	5 411	5 437	1 060	939	836	1 367	2 580
	Q2	913	8 372	2 653	431	5 617	5 736	492	963	861	1 360	2 697
	Q3	938	9 136	2 748	665	5 763	5 483	1 014	1 008	869	1 349	2 709
	Q4	965	9 440	2 866	546	5 936	5 675	786	1 093	1 006	1 424	2 874
2022	Q1	1 060	11 314	3 176	578	6 411	6 101	1 175	1 221	999	1 472	3 012
	Q2	1 125	15 581	3 337	864	6 507	6 540	1 229	1 353	1 014	1 526	2 653
	Q3	1 073	11 555	3 465	792	6 624	6 750	1 334	1 481	1 031	1 552	3 609
	Q4	1 169	12 712	3 558	791	6 889	6 952	1 107	1 547	1 160	1 634	3 593

1. The figures for 2019-2022 are provisional.

2. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and the methodology updates, which resulted in further revision for both current and constant prices.

Source: Statistics Botswana

Real Estate	Prof. Sci. & Technic.	Admin. & Support	Public Admin. & Defence	Human Health & Education	Other Soc. Work	Total Value	Adjustments			Total GDP	Period		
	Activities	Activities	Activities	Activities	Activities		Taxes on Products	Subsidies on Products	Net taxes				
1 312	488	499	4 916	1 522	747	662	26 743	...	...	1 148	27 890	Q1	2013
1 331	503	514	4 764	1 601	786	697	30 526	...	...	1 077	31 603	Q2	
1 356	516	527	4 190	1 628	799	708	28 437	...	...	1 146	29 583	Q3	
1 389	533	545	4 897	1 662	816	723	29 635	...	...	1 155	30 790	Q4	
1 421	550	562	4 912	1 731	850	753	31 309	1 577	- 408	1 168	32 477	Q1	2014
1 461	563	576	4 600	1 810	880	775	34 948	1 676	- 551	1 125	36 073	Q2	
1 503	575	587	4 993	1 820	896	795	33 673	1 743	- 579	1 163	34 836	Q3	
1 543	587	595	5 368	1 772	930	807	34 254	1 799	- 578	1 221	35 475	Q4	
1 581	600	603	5 699	1 473	941	823	33 323	1 797	- 554	1 243	34 566	Q1	2015
1 627	612	613	5 893	1 520	784	835	33 819	1 792	- 616	1 176	34 995	Q2	
1 677	625	623	5 981	1 584	1 044	848	33 761	1 837	- 573	1 264	35 025	Q3	
1 717	637	634	5 657	1 898	1 060	864	31 172	1 874	- 579	1 296	32 467	Q4	
1 742	649	645	6 285	1 928	1 087	878	36 923	1 808	- 509	1 300	38 222	Q1	2016
1 773	662	659	6 110	1 936	1 107	892	39 593	1 944	- 470	1 473	41 066	Q2	
1 804	674	671	6 104	1 947	1 134	910	41 491	1 947	- 444	1 503	42 994	Q3	
1 853	687	682	6 126	1 950	1 144	930	40 568	1 976	- 408	1 568	42 136	Q4	
1 889	699	694	6 140	2 022	1 144	948	39 004	1 957	- 376	1 581	40 585	Q1	2017
1 928	712	708	6 484	2 043	1 213	960	39 690	1 963	- 408	1 555	41 245	Q2	
1 962	724	719	6 704	2 127	1 234	974	40 894	2 132	- 389	1 742	42 636	Q3	
2 011	736	728	6 593	2 270	1 254	987	40 245	2 272	- 337	1 935	42 180	Q4	
2 049	749	738	6 852	2 144	1 248	1 005	39 943	2 201	- 277	1 925	41 868	Q1	2018
2 084	761	754	6 762	2 127	1 285	1 017	41 127	2 204	- 258	1 946	43 073	Q2	
2 104	774	764	7 162	2 172	1 313	1 033	42 632	2 239	- 227	2 012	44 644	Q3	
2 149	786	776	7 044	2 187	1 312	1 046	41 952	2 391	- 202	2 189	44 141	Q4	
2 187	798	783	7 072	2 263	1 333	1 058	42 816	2 227	- 185	2 042	44 858	Q1	2019
2 226	811	797	8 210	2 308	1 401	1 071	43 224	2 229	- 163	2 066	45 289	Q2	
2 263	823	808	8 443	2 307	1 428	1 085	43 688	2 358	- 157	2 201	45 890	Q3	
2 293	836	818	8 198	2 332	1 463	1 096	41 634	2 375	- 145	2 230	43 865	Q4	
2 330	823	822	8 611	2 439	1 473	1 107	43 469	2 463	- 133	2 330	45 799	Q1	2020
1 929	739	653	8 370	2 406	1 421	898	34 286	1 978	- 125	1 853	36 139	Q2	
2 215	846	756	9 447	2 582	1 619	1 050	41 408	2 475	- 138	2 336	43 745	Q3	
2 304	883	818	9 155	2 501	1 602	1 083	43 340	2 494	- 128	2 366	45 706	Q4	
2 375	893	849	9 120	2 567	1 611	1 102	46 155	2 566	- 119	2 447	48 602	Q1	2021
2 400	904	861	9 516	2 568	1 686	1 126	49 155	2 586	- 124	2 462	51 618	Q2	
2 366	919	842	9 338	2 526	1 731	1 135	50 538	2 622	- 130	2 492	53 029	Q3	
2 408	939	900	9 425	2 549	1 668	1 163	51 663	2 958	- 127	2 831	54 494	Q4	
2 459	959	920	9 676	2 622	1 690	1 195	56 039	2 992	- 125	2 867	58 905	Q1	2022
2 504	997	942	9 986	2 603	1 751	1 231	61 744	3 156	- 129	3 027	64 771	Q2	
2 576	1 046	980	10 201	2 621	1 787	1 286	59 764	3 421	- 132	3 289	63 053	Q3	
2 681	1 093	1 048	10 001	2 637	1 774	1 339	61 684	3 452	- 131	3 321	65 005	Q4	

TABLE 1.8: GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY - QUARTERLY ESTIMATES (CONSTANT 2016 PRICES)^{1,2}
(P Million)

Period	Agriculture	Mining	Manu- facturing	Water & Electricity	Con- struction	Wholesale & Retail	Diamond Traders	Transport & Comm.	Accomm. Food Services	Info. & Communic. Technology	Finance, Insu. & Pens. Fund
2013 Q1	712	8 752	2 658	183	3 297	2 806	609	621	885	810	1 366
Q2	759	11 402	2 804	314	3 344	2 871	495	638	909	837	1 366
Q3	762	10 109	2 861	454	3 344	2 758	709	703	933	849	1 344
Q4	733	11 527	2 808	520	3 373	3 078	529	720	988	872	1 461
2014 Q1	714	10 598	2 614	188	3 381	2 788	1 348	637	964	908	1 379
Q2	733	11 311	3 165	533	3 454	2 572	1 665	668	968	915	1 405
Q3	745	11 304	3 282	629	3 432	2 891	1 169	690	988	923	1 432
Q4	705	11 085	2 997	349	3 436	2 816	1 050	683	1 010	921	1 462
2015 Q1	697	10 205	2 594	374	3 535	2 531	1 026	666	1 009	930	1 707
Q2	695	10 629	2 606	476	3 666	2 494	733	661	1 006	932	1 706
Q3	699	7 853	2 498	447	3 698	2 732	480	687	1 010	952	1 724
Q4	724	8 843	2 489	516	3 783	2 947	327	689	1 033	955	1 561
2016 Q1	786	9 707	2 391	354	3 880	3 082	782	723	1 044	945	2 021
Q2	831	9 552	2 686	382	3 978	3 421	986	709	1 050	973	1 844
Q3	837	8 444	2 837	603	4 085	3 361	1 104	730	1 058	1 005	1 913
Q4	795	9 936	2 777	628	4 093	3 340	1 143	751	1 087	1 014	1 937
2017 Q1	758	9 238	2 543	439	4 037	3 610	1 437	740	1 095	1 016	1 870
Q2	739	10 310	2 623	626	4 105	3 546	1 119	742	1 095	1 016	2 001
Q3	736	10 649	2 702	713	4 254	3 436	1 178	775	1 095	1 034	1 821
Q4	732	9 815	2 595	652	4 263	4 114	1 254	769	1 116	1 035	1 970
2018 Q1	760	10 365	2 490	545	4 243	3 726	1 029	776	1 144	1 029	1 974
Q2	800	11 179	2 577	666	4 356	3 929	1 082	772	1 129	1 023	2 189
Q3	825	10 614	2 610	600	4 440	3 822	1 015	791	1 127	1 046	2 004
Q4	818	11 216	2 663	362	4 419	4 029	1 132	805	1 152	1 060	2 225
2019 Q1	824	10 877	2 656	716	4 418	3 956	1 095	797	1 175	1 077	2 050
Q2	839	10 287	2 804	139	4 453	4 042	1 398	798	1 166	1 076	2 236
Q3	824	10 233	2 826	431	4 536	4 176	983	811	1 167	1 099	2 222
Q4	794	10 369	2 521	402	4 586	4 378	951	828	1 179	1 111	2 161
2020 Q1	771	10 052	2 589	362	4 608	4 364	844	817	1 123	1 134	2 189
Q2	833	4 038	1 828	301	3 010	3 554	40	628	538	1 046	2 182
Q3	827	8 680	2 370	511	4 078	4 291	1 044	776	747	1 105	2 284
Q4	765	7 923	2 410	407	4 248	4 536	873	806	944	1 163	2 244
2021 Q1	764	8 897	2 405	503	4 388	4 841	1 828	821	767	1 179	2 308
Q2	777	10 207	2 431	389	4 114	4 920	779	775	780	1 146	2 204
Q3	811	11 337	2 532	475	4 150	4 631	1 488	790	784	1 131	2 173
Q4	810.0	9 412	2 571	368	4 334	4 746	1 085	819	971	1 188	2 266
2022 Q1	799.3	10 960	2 657	537	4 453	5 046	1 541	827	812	1 227	2 323
Q2	810.3	9 854	2 658	758	4 267	5 185	1 553	808	815	1 228	2 252
Q3	813.5	11 663	2 724	641	4 337	4 994	1 647	835	814	1 207	2 281
Q4	815.0	10 364	2 715	640	4 469	5 017	1 350	864	1 003	1 242	2 305

1. The figures for 2019-2022 are provisional.

2. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and the methodology updates, which resulted in further revision for both current and constant prices.

Source: Statistics Botswana

Real Estate Activities	Porf. Sci. & Technic. Activities	Admin. & Support Activities	Public Admin. & Defence	Education	Human Health & Soc. Work	Other Services	Total Value Added	Adjustments			Total GDP	Period	
								Taxes on Products	Subsidies on Products	Net taxes			
1 494	577	590	6 787	1 793	959	809	35 708	...	...	1 270	36 978	Q1	2013
1 514	591	604	5 525	1 801	964	813	37 549	...	...	1 142	38 691	Q2	
1 535	602	616	4 681	1 825	976	823	35 884	...	...	1 221	37 106	Q3	
1 565	615	629	5 352	1 870	1 000	844	38 485	...	...	1 245	39 729	Q4	
1 561	617	631	5 484	1 865	998	841	37 515	1 732	- 442	1 290	38 805	Q1	2014
1 579	624	639	5 334	1 923	1 019	854	39 361	1 787	- 451	1 336	40 697	Q2	
1 612	635	649	5 579	1 937	1 020	873	39 791	1 836	- 470	1 366	41 157	Q3	
1 639	647	656	5 847	1 896	1 043	884	39 126	1 883	- 477	1 406	40 532	Q4	
1 620	646	650	6 050	1 555	1 002	885	37 684	1 881	- 485	1 396	39 081	Q1	2015
1 650	644	645	6 067	1 545	823	872	37 850	1 848	- 477	1 371	39 222	Q2	
1 719	649	648	6 140	1 622	1 090	877	35 525	1 888	- 451	1 436	36 961	Q3	
1 776	658	654	5 762	1 953	1 103	888	36 662	1 922	- 475	1 447	38 109	Q4	
1 753	658	653	6 324	1 968	1 135	888	39 093	1 843	- 460	1 384	40 476	Q1	2016
1 765	662	658	6 093	1 923	1 090	892	39 495	1 947	- 445	1 502	40 997	Q2	
1 801	671	668	6 081	1 934	1 118	907	39 157	1 936	- 492	1 443	40 600	Q3	
1 852	682	677	6 128	1 936	1 131	924	40 830	1 949	- 434	1 515	42 345	Q4	
1 852	686	681	6 199	1 980	1 133	932	40 246	1 908	- 397	1 511	41 756	Q1	2017
1 862	693	690	6 145	1 636	1 126	933	41 006	1 886	- 429	1 457	42 463	Q2	
1 888	698	693	6 379	1 698	1 146	938	41 832	2 028	- 433	1 595	43 426	Q3	
1 928	701	693	6 280	1 807	1 167	942	41 834	2 136	- 435	1 701	43 535	Q4	
1 955	696	686	6 517	1 688	1 165	940	41 729	2 026	- 412	1 615	43 344	Q1	2018
1 968	696	689	6 189	1 937	1 172	935	43 287	1 988	- 415	1 574	44 861	Q2	
1 991	708	699	6 545	1 980	1 199	949	42 964	2 019	- 427	1 592	44 556	Q3	
2 022	719	710	6 426	1 996	1 200	959	43 913	2 134	- 455	1 679	45 592	Q4	
2 052	725	711	6 441	2 050	1 218	965	43 804	1 978	- 460	1 518	45 322	Q1	2019
2 074	730	717	7 389	2 083	1 270	968	44 469	1 959	- 314	1 645	46 114	Q2	
2 110	739	725	7 380	2 089	1 281	978	44 611	2 072	- 488	1 583	46 194	Q3	
2 134	749	733	7 296	2 054	1 296	987	44 529	2 088	- 486	1 602	46 131	Q4	
2 160	728	727	7 319	2 061	1 305	986	44 138	2 159	- 461	1 698	45 836	Q1	2020
1 797	652	575	7 195	2 087	1 233	799	32 336	1 736	- 384	1 353	33 689	Q2	
2 040	744	665	7 927	2 053	1 329	930	42 400	2 179	- 454	1 725	44 125	Q3	
2 115	765	709	8 071	2 062	1 341	945	42 326	2 174	- 430	1 744	44 070	Q4	
2 216	770	733	7 837	2 076	1 350	956	44 640	2 212	- 414	1 798	46 438	Q1	2021
2 222	762	725	8 012	2 134	1 384	951	44 711	2 132	- 424	1 708	46 419	Q2	
2 147	770	706	7 978	2 098	1 419	953	46 372	2 138	- 450	1 688	48 061	Q3	
2 166	783	751	8 055	2 115	1 376	971	44 787	2 375	- 451	1 925	46 711	Q4	
2 273	792	760	8 231	2 080	1 391	985	47 695	2 346	- 443	1 903	49 598	Q1	2022
2 288	790	747	8 426	2 156	1 432	972	46 999	2 272	- 464	1 807	48 807	Q2	
2 250	791	742	8 405	2 169	1 459	972	48 745	2 341	- 467	1 874	50 619	Q3	
2 257	806	773	8 226	2 178	1 445	992	47 461	2 458	- 464	1 994	49 455	Q4	

TABLE 1.9: MINERAL PRODUCTION

Period		Copper-Nickel Matte ¹				Copper in concentrate ² (tonnes)
		Matte (tonnes)	Copper (tonnes)	Nickel (tonnes)	Cobalt (tonnes)	
2012		35 757	17 620	17 942	195	39 974
2013		44 396	21 300	22 848	248	62 254
2014		29 782	14 628	14 958	196	32 093
2015		30 992	13 888	16 789	316	8 396
2016		30 279	13 120	16 878	281	...
2017		...	...	...	...	1 239
2018		...	...	...	...	1 462
2019		...	...	...	...	...
2013	Q1	9 766	4 501	5 203	62	15 541
	Q2	12 471	6 047	6 358	66	18 055
	Q3	11 961	5 894	6 000	67	13 902
	Q4	10 198	4 858	5 287	53	14 756
2014	Q1	5 193	2 447	2 715	31	6 819
	Q2	8 148	3 964	4 134	50	8 069
	Q3	5 732	2 880	2 810	42	9 573
	Q4	10 709	5 337	5 299	73	7 632
2015	Q1	9 724	4 423	5 169	132	5 230
	Q2	11 675	5 127	6 439	109	2 135
	Q3	2 203	989	1 194	21	1 031
	Q4	7 390	3 349	3 987	54	-
2016	Q1	13 208	5 777	7 303	128	-
	Q2	10 370	4 464	5 801	105	-
	Q3	6 701	2 879	3 774	48	-
	Q4	...	...	...	...	...
2017	Q1	...	...	...	...	...
	Q2	...	...	...	...	689
	Q3	...	...	...	...	340
	Q4	...	...	...	...	210
2018	Q1	...	...	...	...	135
	Q2	...	...	...	...	547
	Q3	...	...	...	...	625
	Q4	...	...	...	...	155
2019	Q1	...	...	...	...	...
	Q2	...	...	...	...	...
	Q3	...	...	...	...	...
	Q4	...	...	...	...	...
2020	Q1	...	...	...	...	...
	Q2	...	...	...	...	...
	Q3	...	...	...	...	...
	Q4	...	...	...	...	...
2021	Q1	...	...	...	...	...
	Q2	...	...	...	...	...
	Q3	...	...	...	...	7 517
	Q4	...	...	...	...	4 225
2022	Q1	...	...	...	...	5 615
	Q2	...	...	...	...	8 237
	Q3	...	...	...	...	9 438
	Q4	...	...	...	...	10 911

1. This reflects smelting operations at BCL. Figures for Q3 2016 are only up to August following cessation of operations and ultimate liquidation of the mine in October 2016.

2. Figures include production from Mowana, Thakadu, Boseto and Khoemacau mines. Boseto mine was closed in the second quarter of 2015, while Mowana and Thakadu mines were placed under liquidation in 2016. However, Mowana Mine resumed production in April 2017 and suspended operations in November 2018. Khoemacau Mine resumed production in July 2021.

Source: Department of Mines

Coal	Diamonds	Soda Ash	Salt	Gold	Silver		
(tonnes)	(000 carats)	(tonnes)	(tonnes)	Kg	Kg		Period
1 454 404	20 619	248 629	367 749	1 377	...		2012
1 495 653	22 693	227 913	521 306	1 206	...		2013
1 711 555	24 658	268 529	515 311	884	...		2014
2 065 778	20 824	243 369	404 295	754	...		2015
1 870 939	20 891	280 457	399 837	833	...		2016
2 215 782	22 941	226 667	369 613	920	...		2017
2 482 313	24 378	297 237	367 988	1 105	...		2018
2 110 891	23 687	264 119	383 779	863	...		2019
401 939	4 535	70 049	126 420	231	...	Q1	2013
278 947	6 374	50 710	152 223	297	...	Q2	
425 630	5 427	64 311	154 529	309	...	Q3	
389 137	6 357	42 843	88 134	369	...	Q4	
	ww						
355 096	5 870	62 090	89 417	291	...	Q1	2014
463 235	6 364	65 846	131 405	224	...	Q2	
488 335	6 321	66 818	151 481	255	...	Q3	
404 889	6 103	73 775	143 008	114	...	Q4	
474 619	5 734	41 836	80 244	156	...	Q1	2015
505 016	6 022	55 199	79 655	150	...	Q2	
578 979	4 207	71 562	138 924	235	...	Q3	
507 164	4 860	74 772	105 472	212	...	Q4	
427 894	5 429	67 204	87 696	181	...	Q1	2016
350 987	5 305	47 850	73 695	244	...	Q2	
549 352	4 601	79 397	113 305	194	...	Q3	
542 706	5 557	86 006	125 141	213	...	Q4	
490 650	5 280	40 975	59 926	141	...	Q1	2017
575 250	5 976	35 780	52 853	209	...	Q2	
583 719	6 117	71 868	153 283	297	...	Q3	
566 163	5 568	78 044	103 551	274	...	Q4	
597 298	5 885	64 510	85 987	238	...	Q1	2018
664 448	6 360	51 189	58 972	314	...	Q2	
667 782	5 825	96 136	80 251	265	...	Q3	
552 785	6 307	85 402	142 778	288	...	Q4	
554 636	6 081	73 940	111 468	198	...	Q1	2019
622 620	5 828	51 229	86 686	270	...	Q2	
476 494	5 804	76 432	86 539	262	...	Q3	
457 141	5 973	62 518	99 086	132	...	Q4	
581 910	5 737	64 460	114 245	212	...	Q1	2020
368 907	1 925	67 974	100 507	177	...	Q2	
543 792	4 916	35 883	91 261	241	...	Q3	
429 381	4 290	70 159	112 366	150	...	Q4	
628 022	5 040	71 638	69 275	174	...	Q1	2021
651 577	5 827	57 962	101 776	186	...	Q2	
783 766	6 500	65 195	169 826	176	6 757	Q3	
637 012	5 329	67 043	143 751	113	60 806	Q4	
690 880	6 299	75 241	57 974	122	182 659	Q1	2022
763 247	5 576	61 647	54 124	150	266 029	Q2	
869 325	6 726	82 224	135 831	83	300 074	Q3	
874 771	5 878	66 103	73 634	71	350 882	Q4	

TABLE 2.1: CONSUMER PRICE INDICES¹
(December 2018 = 100)

	2014			2015			2016			2017			2018			2019			2020			2021			2022		
	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA
Jan	85.7	83.6	85.3	88.8	85.8	89.4	91.2	90.3	93.0	94.0	93.5	96.6	97.0	96.1	98.7	100.3	100.4	100.4	102.6	102.2	103.2	104.9	105.3	106.7	116.0	116.2	113.8
Feb	86.1	83.3	85.8	88.5	85.8	89.9	91.2	90.5	93.2	94.2	93.7	96.9	97.2	96.4	99.0	100.5	100.5	100.6	102.7	102.4	103.4	105.2	105.6	107.1	116.3	116.6	114.4
Mar	86.3	84.2	86.2	88.8	86.1	90.3	91.5	90.7	93.6	94.7	94.2	97.2	97.4	96.6	99.2	100.6	100.6	100.8	102.8	102.5	103.5	106.0	106.2	107.5	116.6	116.9	114.8
Apr	87.0	84.1	86.7	89.7	88.5	90.8	92.3	91.2	94.4	95.4	94.4	97.5	98.7	97.6	99.4	101.2	101.3	101.0	103.7	102.7	103.8	109.6	109.6	110.1	120.1	119.9	116.5
May	87.2	84.3	87.0	89.9	88.6	91.0	92.4	91.4	94.5	95.6	94.5	97.7	98.7	97.7	99.5	101.3	101.5	101.4	103.7	103.0	104.0	110.1	110.0	110.9	123.2	121.9	118.0
Jun	87.5	85.4	87.3	90.2	89.0	91.4	92.6	91.4	94.7	95.8	94.8	97.9	98.8	98.6	99.6	101.5	101.2	101.6	102.4	102.7	104.4	110.8	111.0	111.6	124.8	123.7	119.0
Jul	87.6	85.5	87.4	90.3	89.0	91.6	92.7	92.1	94.9	95.9	94.9	98.1	98.8	98.7	99.7	101.7	101.5	101.8	102.6	102.9	104.7	111.7	113.0	112.0	127.7	125.8	120.4
Aug	87.8	85.4	87.7	90.5	89.3	91.8	92.9	92.3	95.1	96.0	95.0	98.2	98.8	98.7	99.7	101.7	101.5	101.9	102.8	103.1	104.9	111.8	113.1	112.1	128.1	126.1	121.1
Sep	88.0	85.5	87.9	90.6	89.6	92.1	93.1	92.6	95.4	96.1	95.1	98.2	98.9	98.8	99.8	101.8	101.6	102.1	103.6	104.0	105.3	112.3	113.1	112.7	127.8	126.0	121.7
Oct	88.1	86.0	88.0	90.8	89.9	92.4	93.3	92.8	95.6	96.1	95.2	98.2	99.5	99.5	99.8	101.9	101.6	102.1	104.1	104.4	105.6	113.3	113.7	113.2	128.1	126.3	122.2
Nov	88.3	86.3	88.3	90.9	89.9	92.5	93.5	93.0	95.9	96.2	95.4	98.2	99.9	99.6	99.9	102.0	101.7	102.3	104.3	104.6	105.8	113.3	113.7	113.2	127.1	125.9	122.6
Dec	88.1	84.8	88.6	90.9	89.8	92.6	93.6	93.1	96.0	96.6	95.8	98.2	100.0	100.0	100.0	102.2	101.8	102.5	104.4	104.7	105.9	113.5	113.9	113.4	127.6	126.5	123.3

1. i) The Consumer Price Index (CPI) gives the 'headline' rate of consumer price inflation, based on the full CPI basket of 400 items derived from the 2015/16 Botswana Core Welfare Indicators Survey (BCWIS).
ii) The 16 percent trimmed mean (CPIT) excludes 8 percent (by weight in the CPI basket) from both the top and bottom ends of the ordered series of price changes in order to remove short-term volatilities.
iii) The CPI excluding administered prices (CPIXA) excludes 51 items in the CPI basket which are only adjusted periodically and not necessarily in response to market forces.

Source: Statistics Botswana

TABLE 2.2: ANNUAL INFLATION¹
(Percent)

	2014			2015			2016			2017			2018			2019			2020			2021			2022		
	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA
Jan	4.4	4.1	5.2	3.6	3.6	4.8	2.7	2.8	4.0	3.1	2.7	3.9	3.1	2.8	2.2	3.5	3.6	1.8	2.2	1.9	2.7	2.3	2.2	3.4	10.6	8.8	6.7
Feb	4.6	4.1	5.5	2.8	3.2	4.8	3.0	2.6	3.7	3.4	2.9	3.9	3.2	2.9	2.2	3.3	3.5	1.6	2.2	1.9	2.7	2.4	2.4	3.6	10.6	8.8	6.8
Mar	4.4	4.0	5.2	2.8	3.3	4.8	3.0	2.5	3.7	3.5	3.1	3.9	2.8	2.6	2.0	3.3	3.5	1.6	2.2	1.9	2.7	3.2	2.8	3.9	10.0	8.6	6.8
Apr	4.5	4.1	5.2	3.1	3.6	4.8	2.8	2.4	3.9	3.4	3.1	3.3	3.4	3.1	1.9	2.5	2.6	1.7	2.5	1.8	2.6	5.6	5.4	6.1	9.6	8.1	5.9
May	4.5	4.1	5.2	3.0	3.5	4.7	2.8	2.3	3.8	3.5	3.1	3.4	3.3	3.0	1.8	2.6	2.7	1.9	2.4	1.6	2.6	6.2	5.8	6.7	11.9	9.4	6.4
Jun	4.6	4.2	5.3	3.1	3.6	4.7	2.7	2.4	3.6	3.5	2.9	3.3	3.1	3.2	1.8	2.8	2.5	2.0	0.9	1.0	2.8	8.2	7.9	6.8	12.7	10.3	6.6
Jul	4.5	4.2	5.3	3.1	3.6	4.7	2.7	2.5	3.6	3.4	2.9	3.3	3.1	3.1	1.7	2.9	2.6	2.1	0.9	1.0	2.8	8.9	8.4	7.0	14.3	11.5	7.6
Aug	4.6	4.2	5.3	3.0	3.5	4.6	2.6	2.4	3.6	3.4	2.9	3.3	3.0	3.0	1.6	2.9	2.7	2.2	1.0	1.1	2.9	8.8	8.3	6.8	14.6	11.8	8.0
Sep	4.5	4.1	5.2	2.9	3.4	4.8	2.8	2.6	3.6	3.2	2.7	3.0	2.9	2.9	1.6	3.0	2.7	2.3	1.8	1.8	3.1	8.4	8.0	7.1	13.8	11.4	8.0
Oct	4.3	4.0	5.1	3.1	3.6	5.0	2.7	2.2	3.4	3.0	2.6	2.8	3.6	3.7	1.6	2.4	2.1	2.3	2.2	2.2	3.4	8.8	8.2	7.2	13.1	11.1	8.0
Nov	4.3	3.9	5.0	2.9	3.3	4.7	2.9	2.5	3.7	2.9	2.5	2.4	3.8	3.8	1.7	2.1	1.7	2.4	2.2	2.2	3.4	8.6	8.0	7.0	12.2	10.8	8.3
Dec	3.8	3.7	4.9	3.1	3.2	4.5	3.0	2.5	3.7	3.2	2.9	2.3	3.5	3.6	1.8	2.2	1.8	2.5	2.2	2.1	3.3	8.7	8.0	7.1	12.4	11.2	8.7
Average	4.4	4.1	5.2	3.0	3.5	4.7	2.8	2.5	3.7	3.3	2.9	3.2	3.2	3.1	1.8	2.8	2.7	2.0	1.9	1.7	2.9	6.7	6.3	6.1	12.2	10.2	7.3

1. See notes above

Source: Statistics Botswana

TABLE 2.3: COST-OF-LIVING INDEX: TRADEABILITY ANALYSIS
(December 2018 = 100)

		All Items		Non-Tradeables ¹		Domestic Tradeables ²		Imported Tradeables		All Tradeables	
		Index	Inflation	Index	Inflation	Index	Inflation	Index	Inflation	Index	Inflation
As at end of	Weights ³	100.00		42.29		15.46		42.26		57.71	
2013	Dec	84.9	4.1	78.5	4.1	87.3	4.8	88.7	3.7	87.8	4.1
2014	Dec	88.1	3.8	82.7	5.4	91.0	4.3	90.9	2.4	90.6	3.1
2015	Dec	90.9	3.1	89.0	7.6	94.2	3.5	90.8	0.0	91.7	1.2
2016	Dec	93.6	3.0	92.8	4.3	97.6	3.6	92.4	1.8	94.0	2.5
2017	Dec	96.6	3.2	96.3	3.7	98.9	1.3	95.8	3.7	96.8	3.0
2018	Mar	97.4	2.8	97.1	4.0	99.8	0.1	96.5	3.1	97.5	2.2
	Jun	98.8	3.1	99.7	4.4	99.9	-0.2	97.5	3.6	98.2	2.4
	Sep	98.9	2.9	100.0	4.3	99.8	0.6	97.5	2.9	98.2	2.1
	Dec	100.0	3.5	100.0	3.9	100.0	1.1	100.0	4.4	100.0	3.4
2019	Mar	100.6	3.3	100.3	3.3	101.3	1.5	100.6	4.2	100.7	3.3
	Jun	101.5	2.8	101.6	2.0	102.5	2.6	101.0	3.6	101.4	3.2
	Sep	101.8	3.0	101.9	1.9	103.2	3.4	101.2	3.9	101.7	3.6
	Dec	102.2	2.2	102.2	2.2	103.7	3.7	101.6	1.6	102.1	2.1
2020	Jan	102.6	2.2	102.5	2.4	105.0	4.2	101.8	1.5	102.6	2.2
	Feb	102.7	2.2	102.6	2.3	105.4	4.4	102.0	1.4	102.8	2.2
	Mar	102.8	2.2	102.6	2.3	105.6	4.2	102.0	1.4	102.9	2.1
	Apr	103.7	2.5	104.6	3.3	106.0	4.1	102.1	1.2	103.1	2.0
	May	103.7	2.4	104.7	3.3	106.6	4.2	101.8	0.8	103.1	1.7
	Jun	102.4	0.9	104.7	3.0	107.7	5.1	98.3	-2.7	100.8	-0.6
	Jul	102.6	0.9	104.7	2.9	108.1	5.2	98.5	-2.7	101.0	-0.6
	Aug	102.8	1.0	104.7	2.9	108.5	5.4	98.7	-2.5	101.3	-0.4
	Sep	103.6	1.8	106.4	4.4	108.6	5.3	99.1	-2.1	101.6	-0.1
	Oct	104.1	2.2	106.6	4.6	108.9	5.5	100.0	-1.3	102.3	0.5
	Nov	104.3	2.2	106.7	4.6	109.1	5.5	100.2	-1.3	102.6	0.6
	Dec	104.4	2.2	106.8	4.5	109.2	5.4	100.3	-1.3	102.6	0.5
2021	Jan	104.9	2.3	107.0	4.4	109.8	4.6	101.0	-0.7	103.4	0.7
	Feb	105.2	2.4	107.1	4.4	110.5	4.8	101.5	-0.5	103.8	1.0
	Mar	106.0	3.2	107.1	4.4	110.8	5.0	103.3	1.3	105.3	2.3
	Apr	109.6	5.6	109.8	4.9	113.7	7.2	107.9	5.7	109.4	6.1
	May	110.1	6.2	110.0	5.1	114.0	6.9	108.9	7.0	110.3	7.0
	Jun	110.8	8.2	110.8	5.8	114.0	5.9	109.7	11.6	110.8	10.0
	Jul	111.7	8.9	110.9	5.9	113.6	5.1	111.9	13.6	112.3	11.2
	Aug	111.8	8.8	111.0	5.9	113.8	4.8	112.0	13.4	112.4	11.0
	Sep	112.3	8.4	111.4	4.6	114.4	5.3	112.5	13.6	113.0	11.3
	Oct	113.3	8.8	111.5	4.6	114.7	5.4	114.6	14.7	114.7	12.0
	Nov	113.3	8.6	111.5	4.5	114.8	5.3	114.6	14.3	114.6	11.8
	Dec	113.5	8.7	111.9	4.7	115.1	5.3	114.5	14.2	114.7	11.7
2022	Jan	116.0	10.6	113.1	5.6	115.6	5.2	119.1	17.9	118.2	14.3
	Feb	116.3	10.6	113.2	5.7	115.9	4.9	119.7	18.0	118.7	14.3
	Mar	116.6	10.0	113.3	5.8	116.2	4.9	120.1	16.3	119.1	13.1
	Apr	120.1	9.6	116.5	6.1	117.9	3.7	124.6	15.5	122.8	12.2
	May	123.2	11.9	116.8	6.1	119.2	4.6	131.0	20.3	127.9	16.0
	Jun	124.8	12.7	118.7	7.1	122.4	7.3	131.9	20.3	129.4	16.8
	Jul	127.7	14.3	119.0	7.3	124.8	9.9	137.6	23.0	134.2	19.4
	Aug	128.1	14.6	119.0	7.3	125.6	10.4	138.2	23.4	134.8	19.9
	Sep	127.8	13.8	119.2	7.0	126.8	10.8	136.8	21.6	134.2	18.7
	Oct	128.1	13.1	119.1	6.8	127.9	11.5	137.2	19.7	134.8	17.5
	Nov	127.1	12.2	119.2	6.9	128.3	11.7	134.5	17.4	132.8	15.9
	Dec	127.6	12.4	119.4	6.7	129.4	12.4	135.2	18.0	133.6	16.5

1. Non-tradeables mainly include services.

2. Domestic tradeables are goods produced in Botswana.

3. These are revised weights based on the 2015/16 Botswana Multi-Topic Household Survey results and have been used in the calculation of the CPI from December 2018.

Source: Statistics Botswana

TABLE 2.4: COST-OF-LIVING INDEX BY COMMODITY GROUP AND LOCATION¹
(December 2018 = 100)

Sub-groups		Food	Alcohol & Tobacco	Clothing & Footwear	Housing	Furnishing, Household Equipment & Maintenance	Health	Transport	Communi- cations	Recreation & Culture	Educa- tion	Restaurants & Hotels
As at end of	Weights ²	13.55	4.34	5.95	17.45	4.85	3.38	23.43	6.94	2.82	4.60	3.66
2013	Dec	92.3	81.5	79.8	77.4	84.1	82.2	93.7	108.3	86.3	76.8	81.0
2014	Dec	94.7	87.8	85.0	80.5	88.3	89.1	93.0	108.3	89.3	82.5	85.3
2015	Dec	95.3	93.2	91.6	88.4	93.1	94.5	87.6	108.8	94.8	87.9	90.6
2016	Dec	99.1	95.8	96.1	91.2	95.7	97.1	87.3	108.8	96.4	91.0	93.5
2017	Dec	100.2	99.1	98.5	96.7	97.9	98.9	90.9	110.1	98.5	94.9	97.1
2018	Mar	100.9	99.3	98.9	97.2	99.0	99.2	91.4	110.3	99.4	100.0	97.9
	Jun	100.7	99.7	99.6	99.2	99.5	99.4	95.0	100.2	100.1	100.0	99.0
	Sep	99.9	100.1	99.8	99.7	100.0	99.7	95.0	100.2	100.2	100.0	99.7
	Dec	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2019	Mar	101.0	99.9	100.3	100.3	100.6	100.3	100.5	100.0	100.4	103.1	100.6
	Jun	102.0	103.2	100.7	100.9	101.6	100.5	100.6	100.1	100.2	103.1	101.3
	Sep	102.4	103.8	101.0	101.2	102.1	100.6	100.9	100.2	100.3	103.1	102.1
	Dec	103.0	104.4	101.3	101.5	102.7	100.8	101.3	100.4	99.8	103.1	102.9
2020	Jan	103.7	104.5	101.7	101.6	103.0	101.0	101.3	100.4	99.8	107.9	103.7
	Feb	104.2	104.6	101.8	101.7	103.3	101.0	101.4	100.3	100.0	108.0	103.9
	Mar	104.4	104.7	102.0	101.9	103.5	101.1	101.3	100.3	100.0	108.0	104.2
	Apr	104.6	104.8	102.1	106.5	103.7	101.5	101.3	100.3	99.7	108.0	104.4
	May	105.2	104.8	102.4	106.6	103.7	101.7	100.7	100.4	99.5	108.0	104.7
	Jun	105.7	108.7	102.9	106.7	103.9	102.0	93.9	100.5	99.5	108.0	104.8
	Jul	106.1	110.3	103.2	106.9	103.7	102.0	93.9	100.6	99.6	108.0	104.8
	Aug	106.5	110.4	103.3	107.2	104.0	102.1	94.0	100.8	99.8	108.0	104.8
	Sep	106.7	110.2	103.5	107.7	104.1	102.2	97.0	100.8	100.2	108.0	105.1
	Oct	106.7	111.0	103.9	107.9	104.4	102.2	98.4	101.3	100.2	108.0	105.3
	Nov	106.9	111.0	103.9	108.2	104.5	102.3	98.6	101.3	100.5	108.0	105.5
	Dec	106.7	111.3	104.1	108.5	104.7	102.4	98.7	101.1	100.7	108.0	105.3
2021	Jan	107.2	111.3	104.4	108.7	105.1	103.2	99.6	101.1	101.1	109.9	105.2
	Feb	108.0	111.5	104.6	109.0	105.2	103.2	100.0	101.1	101.6	109.9	105.5
	Mar	108.6	112.0	104.9	109.2	105.6	103.5	102.8	101.1	101.8	109.9	106.0
	Apr	111.7	117.1	105.7	113.3	106.9	104.3	108.8	101.8	103.1	109.9	107.0
	May	112.3	118.4	106.4	113.6	107.2	104.9	109.7	102.1	103.7	109.9	107.9
	Jun	112.9	118.8	106.8	115.8	107.8	104.9	110.2	102.2	104.0	110.0	108.5
	Jul	113.0	119.3	106.9	115.9	108.2	104.8	113.5	102.3	104.0	110.0	108.2
	Aug	113.2	119.5	107.0	116.0	108.4	104.9	113.4	102.3	104.1	110.0	108.7
	Sep	113.5	120.1	107.4	116.6	109.3	105.0	114.0	102.3	104.6	111.1	109.1
	Oct	114.0	120.8	107.8	116.7	109.6	105.2	117.5	102.3	104.6	111.1	109.6
	Nov	114.1	121.3	108.1	116.9	109.5	105.3	117.1	102.3	104.7	111.1	109.9
	Dec	114.4	121.7	108.3	117.5	110.0	105.4	116.8	102.2	104.9	111.1	110.0
2022	Jan	114.8	122.1	108.6	117.5	110.6	105.8	126.2	102.3	105.2	112.3	110.4
	Feb	115.3	122.2	108.7	117.6	110.9	106.0	127.0	102.3	105.4	112.4	110.7
	Mar	116.0	122.5	109.0	118.0	110.8	106.2	127.2	102.5	105.7	112.5	110.8
	Apr	118.6	123.2	109.4	122.3	111.6	106.6	134.5	102.5	107.4	112.6	111.5
	May	121.6	124.0	110.4	122.7	112.7	107.0	144.2	102.6	108.2	112.7	112.9
	Jun	123.8	124.3	111.2	123.1	113.5	107.3	148.7	102.6	108.4	112.8	113.4
	Jul	126.4	124.4	111.6	123.5	114.3	107.7	158.1	102.8	108.9	112.8	114.5
	Aug	128.2	124.4	111.7	123.0	114.6	107.9	158.5	103.9	109.2	112.8	114.9
	Sep	130.3	124.3	112.5	123.1	115.5	108.0	155.3	104.0	109.1	112.8	115.1
	Oct	132.0	124.6	113.1	123.0	115.9	108.4	155.4	104.0	109.3	112.8	115.4
	Nov	132.7	125.0	113.7	122.9	116.3	108.7	150.0	104.8	108.9	112.8	116.3
	Dec	133.8	124.8	114.0	123.0	116.9	109.1	151.0	104.8	108.8	112.8	116.4

1. From December 2018, the CPI basket comprises 400 items classified into 12 commodity groups and 51 sections.

2. These are revised weights based on the 2015/16 Botswana Multi-Topic Household Survey results used in the calculation of the CPI from December 2018.

Source: Statistics Botswana

Misc. Goods & Services	All Items Index	Annual Inflation	Monthly Change	Cities & Towns Index	Urban Villages Index	Annual Inflation				Rural	Sub-groups
						Rural Index	Cities & Towns	Urban Villages			
9.01	100.00	%	%	0.38	0.41	0.21	%	%	%	Weights ²	As at end of
74.4	84.9	4.1	0.3	84.2	85.5	85.4	3.6	4.0	5.3	Dec	2013
78.8	88.1	3.8	-0.3	87.4	88.7	88.5	3.8	3.8	3.6	Dec	2014
84.6	90.9	3.1	0.0	90.2	91.2	91.5	3.2	2.8	3.4	Dec	2015
91.3	93.6	3.0	0.1	92.7	93.9	94.7	2.8	3.0	3.5	Dec	2016
93.9	96.6	3.2	0.4	96.0	96.6	97.6	3.6	2.9	3.1	Dec	2017
94.9	97.4	2.8	0.1	96.8	97.5	98.1	3.3	2.6	2.3	Mar	2018
100.2	98.8	3.1	0.0	98.6	98.8	99.0	4.0	2.7	2.3	Jun	
100.2	98.9	2.9	0.0	98.7	98.9	99.1	3.6	2.7	2.0	Sep	
100.0	100.0	3.5	0.1	100.0	100.0	100.0	4.2	3.5	2.5	Dec	
100.4	100.6	3.3	0.1	100.6	100.6	100.3	3.9	3.2	2.2	Mar	2019
105.0	101.5	2.8	0.2	101.6	101.6	101.1	3.0	2.9	2.1	Jun	
105.3	101.8	3.0	0.1	101.9	102.0	101.4	3.2	3.1	2.3	Sep	
105.3	102.2	2.2	0.2	102.3	102.3	101.6	2.3	2.3	1.6	Dec	
105.5	102.6	2.2	0.4	102.8	102.6	102.0	2.4	2.3	1.8	Jan	2020
105.6	102.7	2.2	0.1	102.9	102.8	102.1	2.3	2.3	1.9	Feb	
105.4	102.8	2.2	0.1	102.9	102.9	102.3	2.3	2.3	2.0	Mar	
106.1	103.7	2.5	0.9	103.9	102.9	103.0	2.7	2.6	2.3	Apr	
106.2	103.7	2.4	0.0	103.9	103.8	103.1	2.5	2.3	2.2	May	
106.2	102.4	0.9	-1.2	102.6	102.7	101.5	1.0	1.1	0.4	Jun	
105.9	102.6	0.9	0.2	102.7	102.9	101.8	0.9	1.1	0.6	Jul	
105.8	102.8	1.0	0.2	102.8	103.1	102.0	1.0	1.1	0.7	Aug	
106.0	103.6	1.8	0.8	103.7	104.0	102.9	1.7	1.9	1.6	Sep	
106.2	104.1	2.2	0.5	104.2	104.4	103.4	2.2	2.4	2.0	Oct	
106.3	104.3	2.2	0.1	104.4	104.6	103.6	2.2	2.4	2.0	Nov	
106.4	104.4	2.2	0.1	104.4	104.7	103.7	2.1	2.4	2.0	Dec	
106.8	104.9	2.3	0.5	104.9	105.3	104.2	2.0	2.6	2.1	Jan	2021
106.9	105.2	2.4	0.3	105.1	105.6	104.5	2.1	2.7	2.3	Feb	
106.9	106.0	3.2	0.8	105.9	106.5	105.4	2.9	3.5	3.1	Mar	
112.2	109.6	5.6	3.3	109.7	110.0	108.4	5.5	5.9	5.2	Apr	
112.5	110.1	6.2	0.5	110.3	110.6	109.0	6.1	6.5	5.7	May	
112.6	110.8	8.2	0.6	111.0	111.3	109.6	8.2	8.3	7.9	Jun	
112.9	111.7	8.9	0.8	111.7	112.1	110.8	8.8	9.0	8.8	Jul	
113.2	111.8	8.8	0.1	111.8	112.3	110.9	8.7	8.9	8.8	Aug	
113.8	112.3	8.4	0.5	112.4	112.9	111.1	8.4	8.6	8.0	Sep	
114.1	113.3	8.8	0.9	113.3	113.8	112.4	8.7	9.0	8.6	Oct	
113.7	113.3	8.6	0.0	113.3	113.8	112.4	8.5	8.8	8.5	Nov	
114.1	113.5	8.7	0.1	113.4	113.9	112.7	8.6	8.8	8.7	Dec	
115.0	116.0	10.6	2.2	116.1	116.2	115.4	10.7	10.4	10.7	Jan	2022
115.4	116.3	10.6	0.3	116.4	116.7	115.6	10.8	10.4	10.6	Feb	
115.6	116.6	10.0	0.3	116.6	117.0	115.9	10.1	9.9	9.9	Mar	
121.2	120.1	9.6	3.0	120.5	120.4	118.8	9.9	9.4	9.6	Apr	
121.7	123.2	11.9	2.6	123.3	123.6	122.2	11.8	11.8	12.1	May	
123.0	124.8	12.7	1.3	125.0	125.1	124.0	12.7	12.4	13.1	Jun	
123.9	127.7	14.3	2.3	127.7	128.0	127.2	14.3	14.2	14.8	Jul	
124.3	128.1	14.6	0.3	128.0	128.5	127.7	14.5	14.5	15.1	Aug	
124.5	127.8	13.8	-0.3	127.6	128.2	127.5	13.6	13.5	14.7	Sep	
124.4	128.1	13.1	0.2	128.0	128.4	127.8	12.9	12.8	13.8	Oct	
124.3	127.1	12.2	-0.8	127.0	127.3	127.0	12.1	11.8	13.0	Nov	
124.8	127.6	12.4	0.4	127.4	127.8	127.6	12.3	12.2	13.3	Dec	

TABLE 2.5: TOTAL NUMBER OF PAID EMPLOYEES BY SECTOR, ECONOMIC ACTIVITY AND GENDER¹

	2013			2014			2015			2016			2017		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Private and Parastatal	123 432	85 301	208 732	124 181	86 021	210 189	126 413	84 482	210 895	125 288	90 923	216 211	121 696	91 263	212 949
Private	112 352	77 543	189 894	113 073	78 339	191 399	114 998	76 486	191 484	114 112	82 998	197 107	110 495	82 995	193 480
Parastatal	11 080	7 758	18 838	11 108	7 682	18 790	11 415	7 996	19 411	11 176	7 925	19 101	11 201	8 268	19 469
Agriculture	3 666	2 857	6 523	3 823	2 692	6 514	3 715	2 922	6 637	3 836	2 710	6 545	3 340	3 166	6 506
Mining and quarrying	10 239	1 835	12 074	11 116	1 431	12 547	11 112	1 661	12 773	11 205	1 167	12 372	6 884	1 135	8 019
Manufacturing	22 599	14 468	37 066	22 207	14 840	37 047	23 064	14 253	37 316	22 350	15 446	37 797	21 682	16 195	37 877
Water and electricity ²	3 331	1 305	4 636	3 314	1 378	4 692	3 432	1 320	4 752	3 655	1 416	5 071	3 681	1 435	5 116
Construction	19 193	4 537	23 730	19 625	4 007	23 632	18 888	3 989	22 877	19 751	4 286	24 037	17 331	6 065	23 396
Commerce ³	32 960	33 046	66 005	33 373	33 127	66 501	33 810	32 990	66 800	32 685	36 633	69 315	35 715	34 545	70 251
Transport and communications ⁴	7 668	5 659	13 327	8 074	5 282	13 357	7 746	5 709	13 457	8 091	5 781	13 872	8 738	5 349	14 086
Finance and business services ⁵	16 803	11 134	27 937	15 643	12 658	28 290	17 558	11 041	28 598	17 194	12 079	29 272	17 176	12 243	29 419
Public Administration ⁶	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Education	4 554	5 593	10 147	4 483	5 787	10 270	4 615	5 567	10 181	4 056	6 218	10 274	4 444	5 910	10 353
Community and personal services ⁷	2 421	4 868	7 288	2 523	4 819	7 339	2 473	5 030	7 504	2 464	5 188	7 653	2 705	5 220	7 926
Central Government⁸	49 097	55 444	104 541	48 992	55 325	104 317	49 007	55 342	104 349	48 134	55 562	103 696	47 929	56 133	104 062
Local Government	54 696	31 561	86 257	57 522	32 433	89 955	32 012	56 425	88 437	31 030	58 001	89 031	32 540	59 658	92 198
of which: Ipelegeng	42 424	18 199	60 623	44 922	19 432	64 354	19 396	43 170	62 566	19 083	45 365	64 448	20 963	46 347	67 310
TOTAL ALL SECTORS	227 225	172 306	399 530	230 695	173 779	404 461	207 432	196 249	403 681	204 452	204 486	408 938	202 135	207 059	409 184
Excluding Ipelegeng	184 801	154 107	338 907	185 773	154 347	340 107	188 036	153 079	341 115	185 369	159 121	344 490	181 172	160 712	341 874

- From 2012 to 2017, figures are based on September survey while for 2018 Figures are based on the December survey. Also note that the employment estimates for 2019 to 2021 are not directly comparable to those of other years since the formal sector employment survey for all other years was conducted on business entities where gross earnings were reported, while that of 2019 to 2021 were conducted on households. They exclude working proprietors, unpaid family workers and small businesses with less than five employees.
- Water and electricity includes employees from electricity, gas, & air supply; water supply and waste management sectors.
- Commerce includes employees in the wholesale, retail & sale of motor vehicles; accommodation and food services.
- Transport and communications includes employees in the transport and storage, information and communication sectors.
- Finance and business services includes employees in the finance and insurance, real estate sectors.
- Public administration also includes administrative and support services activities.
- Community and personal services includes employees in professional, scientific and technical activities; human health and social work activities; arts, entertainment and recreation; other service activities; activities of extraterritorial organisations.
- Central Government figures exclude the Botswana Defence Force (BDF).

Source: Statistics Botswana

2018			2019			2020			2021			2022			
Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	
125 308	90 202	215 511	...	...	...	...	...	...	...	...	...	...	...	...	Private and Parastatal
114 110	81 570	195 681	...	...	...	...	...	...	...	...	...	...	...	...	Private
11 198	8 632	19 830	...	...	...	...	...	...	...	...	...	...	...	...	Parastatal
3 846	2 796	6 643	5 510	4 124	9 634	5 975	5 122	11 097	8 424	4 988	13 412	8 489	5 626	14 114	Agriculture
7 005	1 238	8 243	7 378	763	8 141	6 484	1 348	7 832	9 146	2 411	11 558	8 656	2 951	11 607	Mining and quarrying
22 497	15 441	37 939	15 260	11 645	26 905	17 861	13 328	31 189	23 951	15 192	39 144	20 808	11 785	32 593	Manufacturing
3 655	1 551	5 207	7 047	1 933	8 980	6 008	3 570	9 578	4 856	3 714	8 570	6 230	1 735	7 966	Water and electricity ²
18 766	4 204	22 970	15 307	2 920	18 227	18 029	2 425	20 454	17 423	3 225	20 648	18 099	1 980	20 080	Construction
35 618	35 748	71 365	29 837	37 115	66 952	42 401	44 101	86 502	43 875	43 551	87 425	43 978	48 171	92 149	Commerce ³
8 730	5 554	14 284	11 483	5 701	17 184	13 329	2 766	16 095	13 378	5 505	18 882	11 629	5 214	16 841	Transport and communications ⁴
18 265	12 082	30 346	3 345	7 621	10 966	5 414	4 469	9 883	5 940	8 430	14 370	4 398	6 532	10 929	Finance and business services ⁵
...	...	...	67 774	43 089	110 863	79 153	95 590	174 743	69 607	89 649	159 257	74 880	96 922	171 801	Public Administration ⁶
4 399	6 044	10 443	14 871	37 921	52 792	21 208	50 548	71 756	19 540	55 123	74 663	16 085	40 255	56 351	Education
2 527	5 544	8 071	15 584	27 415	42 999	12 269	26 314	38 583	16 253	30 274	46 527	21 402	30 598	52 000	Community and personal services ⁷
48 694	59 414	108 108	...	...	...	...	...	...	...	...	...	...	...	...	Central Government ⁸
34 695	62 448	97 143	...	...	...	...	...	...	...	...	...	...	...	...	Local Government
23 136	48 877	72 013	...	...	...	...	...	...	...	...	...	...	...	...	of which: Ipelegeng
208 697	212 064	420 762	193 396	180 247	373 643	228 134	249 582	477 716	232 394	262 063	494 457	234 653	251 778	486 432	TOTAL ALL SECTORS
185 561	163 187	348 749	...	...	...	...	...	...	...	...	...	...	...	...	Excluding Ipelegeng

TABLE 2.6: MINIMUM HOURLY WAGE RATES FOR PRIVATE AND PARASTATAL COMPANIES¹
(Thebe)

	2013	2014	2015	2016	2017
Effective beginning of	June	June	July	June	Nov
Building, construction, exploration and quarrying	450	486	515	546	579
Manufacturing, service and repair trades	450	486	515	546	579
Wholesale distributive trades	450	486	515	546	579
Retail distributive trades	400	432	458	485	514
Hotel, catering and entertainment trades	450	486	515	546	579
Garage, motor trades and road transport	450	486	515	546	579
Nightwatchmen in all sectors	380	410	435	461	489
Security guards employed by security companies	450	486	515	546	579
Domestic service workers ¹	250	270	286	303	321
Agriculture sector workers (Pula per month)	500	550	583	620	700

1. From July 2019, wages for domestic service workers and Agriculture sector workers are based on Pula per month.

Source: Ministry of Labour and Home Affairs.

TABLE 2.7: EMPLOYEE AVERAGE MONTHLY WAGES EARNINGS BY SECTOR, ECONOMIC ACTIVITY AND CITIZENSHIP¹
(Pula)

	2013	2014	2015	2016	2017
A. Citizens					
Private and parastatal	4 678	5 071	5 295	5 223	5 707
Agriculture	919	1 016	921	1 010	1 388
Mining and quarrying	10 022	10 852	10 273	11 348	14 713
Manufacturing	2 871	3 323	3 405	3 845	4 799
Water and electricity ²	10 880	10 784	11 638	11 969	11 416
Construction	2 529	2 790	2 689	3 001	3 554
Commerce ³	3 062	3 383	3 263	3 089	3 295
Transport and communications ⁴	7 300	7 191	7 547	8 475	8 945
Finance and business services ⁵	7 669	8 119	8 161	8 721	9 681
Public Administration ⁶	...	...	...	...	...
Education	7 844	8 992	9 068	6 508	7 027
Community and personal services ⁷	5 068	5 278	5 020	4 066	5 416
Local government	4 501	4 290	4 599	4 972	5 345
Including Ipelegeng Programme	1 677	1 588	1 722	1 755	1 853
Central government	7 120	7 297	7 545	8 660	9 286
Total citizens	5 442	5 716	5 944	6 270	6 798
Including Ipelegeng Programme	4 661	4 856	5 080	5 333	5 742
B. Non-citizens					
Private and parastatal	13 760	14 164	16 230	16 068	17 485
Local government	16 029	18 009	14 453	16 723	16 573
Central government	13 226	13 401	13 449	15 625	16 325
Total Non-citizens	13 733	14 130	15 869	16 039	17 379
C. ALL SECTORS	5 009	5 213	5 403	5 684	6 088

1. From 2012 to 2017, figures are based on September survey while for 2018 figures are based on the December survey. Also note that the employment estimates for 2019 to 2021 are not directly comparable to those of other years since the formal sector employment survey for all other years was conducted on business entities where gross earnings were reported, while that of 2019 to 2021 were conducted on households.

2. Water and electricity includes employees from electricity, gas & air supply; water supply and waste management sectors.

3. Commerce includes employees in the wholesale, retail & sale of motor vehicles; accommodation and food services.

4. Transport and communications includes employees in the transport and storage, information and communication sectors.

2018	2019	2020	2021	2022	
Dec	Jul	Dec	Dec	Dec	Effective beginning of
579	677	677	6 606	6 606	Building, construction, exploration and quarrying
579	677	677	6 239	6 239	Manufacturing, service and repair trades
579	677	677	5 872	5 872	Wholesale distributive trades
514	601	601	6 239	6 239	Retail distributive trades
579	677	677	6 606	6 606	Hotel, catering and entertainment trades
579	677	677	5 534	5 534	Garage, motor trades and road transport
489	677	677	7 340	7 340	Nightwatchmen in all sectors
579	677	677	6 606	6 606	Security guards employed by security companies
321	1 000	1 000	1 084	1 084	Domestic service workers ¹
700	1 000	1 000	1 084	1 084	Agriculture sector workers (Pula per month)

2018	2019	2020	2021	2022	
					A. Citizens
6 082	...	...	...	...	Private and parastatal
1 784	1 791	2 590	2 411	2 723	Agriculture
16 705	17 765	14 389	19 188	22 698	Mining and quarrying
5 081	3 210	3 429	3 578	4 454	Manufacturing
11 709	7 028	9 186	10 154	11 494.6	Water and electricity ²
5 260	4 072	3 658	3 995	4 774	Construction
4 048	2 597	2 348	3 145	3 488.02	Commerce ³
9 725	9 976	9 391	7 814	9 409	Transport and communications ⁴
9 698	8 680	12 976	13 707	14 408.8	Finance and business services ⁵
...	3 969	5 171	5 131	4 999	Public Administration ⁶
8 612	8 532	8 910	9 309	10 659	Education
5 638	7 286	7 364	7 326	8 689.98	Community and personal services ⁷
5 850	...	...	...	...	Local government
1 932	...	...	...	...	Including Ipelegeng Programme
9 646	...	...	...	...	Central government
7 407	5 380	5 853	6 219	6 578	Total citizens
6 206	...	...	...	...	Including Ipelegeng Programme
					B. Non-citizens
20 720	...	...	...	...	Private and parastatal
17 011	...	...	...	...	Local government
17 300	...	...	...	...	Central government
20 374	8 673	13 355	9 275	12 111	Total Non-citizens
6 533	5 495	6 014	6 299	6 803	C. ALL SECTORS

5. Finance and business services includes employees in the finance, insurance and real estate activities.

6. Public administration also includes administrative and support services.

7. Community and personal services includes employees in professional, scientific and technical; human health and social work activities; arts, entertainment and recreation; other service activities; activities of extraterritorial organisations.

Source: Statistics Botswana

TABLE 3.1: CENTRAL BANK SURVEY
(P Million)

End of	2013	2014	2015	2016	2017	2018	2019	2020	2021			
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun	Sep	Dec
Net Foreign Assets	66 003.6	77 255.2	82 900.2	74 492.1	71 342.1	69 184.0	62 932.5	50 984.8	50 720.7	48 745.2	46 862.0	50 625.9
Claims on non-residents	67 771.8	79 111.3	84 881.0	76 804.3	73 692.7	71 426.6	65 229.3	53 363.8	53 083.3	50 937.1	52 096.5	56 018.0
Monetary Gold and SDRs	1 157.1	1 178.9	1 334.9	839.8	931.3	878.6	868.7	926.8	928.4	923.9	3 967.2	4 097.7
Foreign Exchange Reserves	66 171.9	77 481.4	83 097.9	75 357.0	72 351.3	70 006.6	63 755.3	51 667.9	51 384.7	49 215.6	47 310.2	51 074.4
Deposits	6 452.7	13 103.4	7 885.6	13 052.0	7 647.8	18 287.1	10 960.9	3 289.0	2 276.5	2 064.1	872.0	2 589.9
Debt securities	38 129.0	38 508.6	46 800.8	41 573.7	41 988.7	33 021.3	28 284.5	26 500.6	25 733.6	24 185.8	22 884.4	22 883.4
Shares and other Equity	21 590.2	25 869.4	28 411.5	20 731.3	22 714.8	18 698.2	24 509.9	21 878.2	23 374.6	22 965.7	23 553.8	25 601.1
IMF Reserve Tranche	422.3	430.0	424.5	585.7	388.9	518.7	583.0	745.4	746.5	774.0	794.7	820.9
Administered Fund - PRGF	20.5	20.9	23.7	21.8	21.3	22.7	22.3	23.7	23.8	23.7	24.3	25.1
Administered Fund - PRGF-HIPC Trust	-	-	-	-	-	-	-	-	-	-	-	-
Other non-residents	-	-	-	-	-	-	-	-	-	-	-	-
Less: Liabilities to non-residents	1 768.3	1 856.1	1 980.8	2 312.1	2 350.7	2 242.6	2 296.7	2 379.0	2 362.7	2 192.0	5 234.4	5 392.1
Deposits	974.7	1 059.2	1 080.5	1 480.4	1 537.5	1 380.1	1 444.8	1 463.9	1 464.1	1 298.6	1 298.8	1 302.7
Loans	-	-	-	-	-	-	-	-	-	-	-	-
Securities other than shares	-	-	-	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Trade creditors	14.8	7.2	6.4	6.6	8.8	5.6	10.0	18.9	1.0	0.2	0.1	24.5
SDR allocations ¹	778.8	789.7	893.9	825.1	804.3	856.9	842.0	896.2	897.6	893.2	3 935.6	4 064.9
Domestic Claims	-28 176.4	-38 877.2	-37 077.6	-32 404.2	-32 818.1	-29 615.1	-22 975.6	-6 817.5	-8 119.8	-5 834.8	-4 742.4	-10 595.4
Claims on other depository corporations	302.1	-	-	-	-	-	-	-	-	-	-	-
Repurchase agreements	302.1	-	-	-	-	-	-	-	-	-	-	-
Other claims	-	-	-	-	-	-	-	-	-	-	-	-
Net claims on central government	-28 531.1	-38 926.9	-37 130.2	-32 463.5	-32 884.3	-29 722.5	-23 115.3	-6 979.3	-8 293.9	-6 019.3	-4 934.1	-10 789.2
Claims on central government	24.9	24.1	23.7	22.9	21.7	-	-	-	-	-	-	-
Securities other than shares	24.9	24.1	23.7	22.9	21.7	-	-	-	-	-	-	-
Other claims	-	-	-	-	-	-	-	-	-	-	-	-
Less: Liabilities to central government	28 556.0	38 951.0	37 153.9	32 486.4	32 906.0	29 722.5	23 115.3	6 979.3	8 293.9	6 019.3	4 934.1	10 789.2
Deposits	28 556.0	38 951.0	37 153.9	32 486.4	32 906.0	29 722.5	23 115.3	6 979.3	8 293.9	6 019.3	4 934.1	10 789.2
Claims on other sectors	52.6	49.7	52.6	59.3	66.1	107.4	139.7	161.8	174.1	184.5	191.7	193.8
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
State and local government	-	-	-	-	-	-	-	-	-	-	-	-
Public non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Other non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Other resident sectors	52.6	49.7	52.6	59.3	66.1	107.4	139.7	161.8	174.1	184.5	191.7	193.8
Reserve Money	6 748.8	7 059.5	5 727.4	6 480.5	6 134.7	6 354.3	6 805.9	6 560.4	6 106.1	5 151.7	5 161.2	6 023.9
Currency in circulation	2 381.5	2 598.6	2 707.8	2 858.1	3 136.5	3 286.9	3 782.0	4 457.9	3 989.1	3 844.0	3 999.0	4 198.4
Deposits of other depository corporations	4 367.2	4 460.9	3 019.5	3 622.3	2 998.1	3 067.4	3 023.8	2 102.5	2 117.0	1 307.7	1 162.3	1 825.5
Reserve and free deposits	4 367.2	4 460.9	3 019.5	3 622.3	2 998.1	3 067.4	3 023.8	2 102.5	2 117.0	1 307.7	1 162.3	1 825.5
Transferable deposits included in broad money	660.5	540.4	79.1	120.0	112.7	172.8	95.1	77.7	29.0	440.8	446.7	27.9
Other financial corporations	0.3	0.3	0.4	0.5	4.7	0.3	4.7	0.9	0.6	0.8	1.0	0.5
State and local government	-	-	-	-	-	-	-	-	-	-	-	-
Public non-financial corporations	652.1	535.1	72.9	112.6	97.8	157.7	73.8	59.2	11.0	422.3	426.3	10.3
Other non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Other resident sectors	8.2	5.1	5.8	6.9	10.2	14.8	16.6	17.6	17.3	17.7	19.4	17.2
Securities excl. from base money, incl. in broad money	-	-	-	-	-	-	-	-	-	-	-	-
Bank of Botswana Certificates held by banks	5 490.7	4 201.4	8 189.9	7 918.4	6 277.9	8 192.7	8 609.6	7 779.4	7 479.4	6 329.4	4 609.6	2 299.8
Repurchase agreements with ODCs	-	304.4	1 672.8	1 302.9	54.0	1 054.9	1 831.2	1 417.9	-	955.9	1 005.9	1 479.0
Shares and other equity	25 244.0	26 569.3	30 504.1	26 627.1	26 309.6	24 188.5	23 125.8	29 010.6	29 690.6	30 782.9	31 690.5	31 054.6
Funds contributed by owners	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Current year results	-	-	-	-	-	-	-	-	-	-	-	-
General reserve	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0
Valuation adjustment	23 619.0	24 944.3	28 879.1	25 002.1	24 684.6	22 563.5	21 500.8	27 385.6	27 135.0	26 901.7	27 481.1	29 429.6
Other items (net)	- 316.7	- 296.9	- 350.7	- 360.8	- 361.0	- 394.3	- 510.5	- 678.9	- 704.3	- 750.5	- 794.2	- 854.7
Other liabilities ²	131.1	207.9	123.1	346.0	189.0	221.8	110.1	296.7	330.2	368.2	195.3	137.8
Less: other assets	447.9	504.8	473.8	706.8	550.1	616.0	620.6	975.6	1 034.5	1 118.7	989.5	992.5
Memorandum items:												
Monetary Base	12 900.0	11 801.3	13 996.4	14 518.8	12 525.3	14 719.7	15 510.5	14 417.6	13 614.5	11 922.0	10 217.5	8 351.7
Currency in circulation	2 381.5	2 598.6	2 707.8	2 858.1	3 136.5	3 286.9	3 782.0	4 457.9	3 989.1	3 844.0	3 999.0	4 198.4
Liabilities to other depository corporations	9 858.0	8 662.3	11 209.5	11 540.7	9 276.1	11 260.0	11 633.4	9 882.0	9 596.4	7 637.2	5 771.8	4 125.3
Reserve and free deposits	4 367.2	4 460.9	3 019.5	3 622.3	2 998.1	3 067.4	3 023.8	2 102.5	2 117.0	1 307.7	1 162.3	1 825.5
Other liabilities ³	5 490.7	4 201.4	8 189.9	7 918.4	6 277.9	8 192.7	8 609.6	7 779.4	7 479.4	6 329.4	4 609.6	2 299.8
Transferable deposits included in broad money	660.5	540.4	79.1	120.0	112.7	172.8	95.1	77.7	29.0	440.8	446.7	27.9
Other financial corporations	0.3	0.3	0.4	0.5	4.7	0.3	4.7	0.9	0.6	0.8	1.0	0.5
State and local government	-	-	-	-	-	-	-	-	-	-	-	-
Public non-financial corporations	652.1	535.1	72.9	112.6	97.8	157.7	73.8	59.2	11.0	422.3	426.3	10.3
Other non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Other resident sectors	8.2	5.1	5.8	6.9	10.2	14.8	16.6	17.6	17.3	17.7	19.4	17.2
Securities included in broad money	-	-	-	-	-	-	-	-	-	-	-	-

1. Following the revised IMF statistical guidelines, the SDR allocations have been reclassified from the shares and other equity category to the liabilities to non-residents.

2. Includes other accounts receivable, other deposit liabilities plus abandoned funds.

3. Includes Bank of Botswana Certificates.

Source: Bank of Botswana

2022												End of
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
53 018.6	48 747.4	47 950.8	51 141.0	50 630.0	48 858.5	55 090.7	53 811.7	49 019.2	55 212.3	54 113.1	49 021.4	Net Foreign Assets
58 328.3	54 070.7	53 066.1	56 352.8	55 952.0	54 237.8	60 499.7	59 260.4	54 547.2	60 778.1	59 585.4	54 534.5	Claims on non-residents
4 039.0	4 046.5	3 939.1	4 036.3	4 029.5	4 100.2	4 130.8	4 164.0	4 242.3	4 285.0	4 192.2	4 239.7	Monetary Gold and SDRs
53 455.5	49 188.8	48 218.7	51 385.9	50 993.5	49 192.5	55 417.0	54 137.0	49 327.9	55 506.6	54 428.5	49 302.7	Foreign Exchange Reserves
7 586.1	4 902.3	4 780.3	8 613.5	8 376.4	7 457.0	11 157.3	10 850.8	8 794.3	13 721.3	11 190.4	7 813.5	Deposits
22 029.3	21 243.6	20 635.9	20 641.7	20 594.3	20 885.9	21 649.3	21 030.5	19 766.1	19 835.0	20 341.9	19 560.9	Debt securities
23 840.1	23 042.9	22 802.4	22 130.6	22 022.8	20 849.5	22 610.3	22 255.8	20 767.5	21 950.4	22 896.3	21 928.4	Shares and other Equity
809.1	810.6	884.2	905.9	904.3	920.0	926.7	933.9	951.1	960.3	939.0	966.1	IMF Reserve Tranche
24.7	24.8	24.1	24.7	24.7	25.1	25.3	25.5	25.9	26.2	25.6	25.9	Administered Fund - PRGF
-	-	-	-	-	-	-	-	-	-	-	-	Administered Fund - PRGF-HIPC Trust
-	-	-	-	-	-	-	-	-	-	-	-	Other non-residents
5 309.7	5 323.4	5 115.3	5 211.8	5 322.0	5 379.3	5 409.0	5 448.7	5 528.0	5 565.8	5 472.3	5 513.1	Less: Liabilities to non-residents
1 302.2	1 302.8	1 206.3	1 206.7	1 314.5	1 313.3	1 312.4	1 320.4	1 321.9	1 322.1	1 321.9	1 303.4	Deposits
-	-	-	-	-	-	-	-	-	-	-	-	Loans
-	-	-	-	-	-	-	-	-	-	-	-	Securities other than shares
-	-	-	-	-	-	-	-	-	-	-	-	Financial derivatives
0.9	6.4	1.6	1.8	11.2	0.2	1.4	1.3	3.0	-	0.7	15.4	Trade creditors
4 006.6	4 014.1	3 907.4	4 003.4	3 996.3	4 065.8	4 095.2	4 127.0	4 203.2	4 243.6	4 149.7	4 194.3	SDR allocations ¹
-14 411.3	-13 025.9	-12 638.8	-17 273.7	-16 604.2	-16 262.1	-17 931.2	-18 189.0	-15 461.5	-19 229.3	-18 467.5	-16 291.6	Domestic Claims
-	-	-	-	-	245.6	28.2	206.3	550.6	199.8	125.9	249.0	Claims on other depository corporations
-	-	-	-	-	-	-	-	-	-	-	-	Repurchase agreements
-	-	-	-	-	245.6	28.2	206.3	550.6	199.8	125.9	249.0	Other claims
-14 589.8	-13 206.6	-12 821.4	-17 455.7	-16 787.6	-16 693.7	-18 145.6	-18 583.7	-16 203.9	-19 619.9	-18 783.5	-16 734.6	Net claims on central government
-	-	-	-	-	-	-	-	-	-	-	-	Claims on central government
-	-	-	-	-	-	-	-	-	-	-	-	Securities other than shares
-	-	-	-	-	-	-	-	-	-	-	-	Other claims
14 589.8	13 206.6	12 821.4	17 455.7	16 787.6	16 693.7	18 145.6	18 583.7	16 203.9	19 619.9	18 783.5	16 734.6	Less: Liabilities to central government
14 589.8	13 206.6	12 821.4	17 455.7	16 787.6	16 693.7	18 145.6	18 583.7	16 203.9	19 619.9	18 783.5	16 734.6	Deposits
178.5	180.7	182.6	182.0	183.4	186.0	186.2	188.4	191.9	190.7	190.2	194.0	Claims on other sectors
-	-	-	-	-	-	-	-	-	-	-	-	Other financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	State and local government
-	-	-	-	-	-	-	-	-	-	-	-	Public non-financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	Other non-financial corporations
178.5	180.7	182.6	182.0	183.4	186.0	186.2	188.4	191.9	190.7	190.2	194.0	Other resident sectors
5 800.7	5 307.8	5 433.3	5 960.9	7 617.2	6 405.0	8 051.9	7 220.6	7 007.2	7 841.6	6 320.5	5 680.7	Reserve Money
3 522.5	3 440.2	3 610.6	3 563.6	3 698.1	3 803.7	3 804.6	3 672.6	3 794.3	3 792.6	3 878.8	4 085.9	Currency in circulation
2 278.2	1 867.6	1 822.7	2 397.3	3 919.1	2 601.3	4 247.3	3 548.0	3 212.9	4 049.0	2 441.7	1 594.8	Deposits of other depository corporations
2 278.2	1 867.6	1 822.7	2 397.3	3 919.1	2 601.3	4 247.3	3 548.0	3 212.9	4 049.0	2 441.7	1 594.8	Reserve and free deposits
180.2	273.4	20.1	261.8	188.0	1 054.0	226.7	256.4	446.8	232.4	474.1	49.8	Transferable deposits included in broad money
0.6	0.7	0.8	0.3	0.7	1.1	1.1	1.0	1.0	1.2	1.4	3.5	Other financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	State and local government
162.3	255.6	2.1	244.3	166.8	1 032.4	205.0	228.8	423.0	208.4	449.9	23.2	Public non-financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	Other non-financial corporations
17.2	17.2	17.2	17.3	20.5	20.5	20.7	26.6	22.8	22.8	22.8	23.1	Other resident sectors
Securities excl. from base money, incl. in broad money												
4 099.9	3 019.9	3 799.7	2 999.8	2 059.9	1 894.0	3 203.8	3 168.4	2 898.6	3 454.1	3 628.3	3 273.8	Bank of Botswana Certificates held by banks
879.0	588.0	809.9	-	-	-	-	-	-	-	-	-	Repurchase agreements with ODCs
28 499.8	27 396.9	26 142.6	25 544.3	25 272.4	24 171.3	26 602.0	25 930.0	24 182.6	25 434.9	26 236.2	24 800.3	Shares and other equity
25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	Funds contributed by owners
-	-	-	-	-	-	-	-	-	-	-	-	Retained earnings
93.1	150.1	176.8	175.5	164.8	309.5	275.0	346.3	425.7	323.6	406.0	15.0	Current year results
1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	General reserve
26 781.7	25 621.8	24 340.8	23 743.7	23 482.6	22 236.9	24 702.0	23 958.7	22 131.9	23 486.3	24 205.1	23 160.3	Valuation adjustment
- 852.2	- 864.6	- 893.6	- 899.4	- 1 111.8	- 928.0	- 924.9	- 952.8	- 977.4	- 980.1	- 1 013.6	- 1 074.9	Other items (net)
213.1	344.8	296.3	311.7	196.7	323.2	310.2	226.1	139.6	118.5	277.6	270.0	Other liabilities ²
1 065.4	1 209.4	1 189.9	1 211.1	1 308.5	1 251.2	1 235.1	1 178.9	1 117.1	1 098.7	1 291.2	1 344.9	Less: other assets
Memorandum items:												
5 980.8	5 581.3	5 453.3	6 222.7	7 805.2	7 459.0	8 278.6	7 477.0	7 454.0	8 074.0	6 794.7	5 730.5	Monetary Base
3 522.5	3 440.2	3 610.6	3 563.6	3 698.1	3 803.7	3 804.6	3 672.6	3 794.3	3 792.6	3 878.8	4 085.9	Currency in circulation
2 278.2	1 867.6	1 822.7	2 397.3	3 919.1	2 601.3	4 247.3	3 548.0	3 212.9	4 049.0	2 441.7	1 594.8	Liabilities to other depository corporations
2 278.2	1 867.6	1 822.7	2 397.3	3 919.1	2 601.3	4 247.3	3 548.0	3 212.9	4 049.0	2 441.7	1 594.8	Reserve and free deposits
-	-	-	-	-	-	-	-	-	-	-	-	Other liabilities ³
180.2	273.4	20.1	261.8	188.0	1 054.0	226.7	256.4	446.8	232.4	474.1	49.8	Transferable deposits included in broad money
0.6	0.7	0.8	0.3	0.7	1.1	1.1	1.0	1.0	1.2	1.4	3.5	Other financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	State and local government
162.3	255.6	2.1	244.3	166.8	1 032.4	205.0	228.8	423.0	208.4	449.9	23.2	Public non-financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	Other non-financial corporations
17.2	17.2	17.2	17.3	20.5	20.5	20.7	26.6	22.8	22.8	22.8	23.1	Other resident sectors
-	-	-	-	-	-	-	-	-	-	-	-	Securities included in broad money

TABLE 3.2: OTHER DEPOSITORY CORPORATIONS SURVEY ¹
(P Million)

End of	2013	2014	2015	2016	2017	2018	2019	2020	2021			
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun	Sep	Dec
Net Foreign Assets	5 624.1	5 600.9	7 692.2	6 894.2	8 790.1	10 167.3	9 933.2	11 015.6	11 197.2	11 252.6	12 182.8	13 757.7
Claims on non-residents	6 797.7	7 842.4	9 878.9	9 495.0	11 486.3	13 306.7	13 057.9	14 296.6	14 273.3	14 467.1	15 838.4	17 622.2
Foreign currency	151.5	462.9	531.7	363.0	381.9	605.8	172.7	173.4	178.5	181.3	125.8	196.9
Deposits	6 406.1	7 303.9	9 262.6	9 046.7	11 029.4	12 482.4	12 686.0	13 764.7	13 745.9	13 883.0	15 260.0	16 812.0
Securities other than shares	-	-	-	-	-	-	-	-	-	-	-	-
Loans	240.0	75.6	84.6	85.3	75.1	218.5	199.2	358.5	348.9	402.8	452.6	613.2
Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Less: Liabilities to non-residents	1 173.5	2 241.5	2 186.7	2 600.8	2 696.2	3 139.3	3 124.7	3 281.0	3 076.1	3 214.4	3 655.7	3 864.5
Deposits	1 173.5	2 241.5	2 186.7	2 600.8	2 696.2	3 139.3	3 124.7	3 038.4	2 825.0	2 984.7	3 367.7	3 440.8
Securities other than shares	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	242.5	251.1	229.8	288.0	423.7
Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Claims on central bank	10 873.0	9 737.4	13 955.8	13 908.8	10 578.9	13 749.3	15 415.7	14 412.6	12 484.6	11 817.5	8 398.7	7 458.7
Currency	796.9	916.4	1 020.2	1 090.4	1 244.4	1 467.0	1 899.4	2 048.5	1 697.3	1 472.7	1 569.8	1 780.0
Reserve and free deposits	4 377.5	4 421.4	2 983.0	3 599.0	2 987.0	3 033.0	3 172.3	2 097.1	2 181.9	1 352.5	1 203.1	1 936.6
Other claims (incl. BoBCs)	5 698.6	4 399.6	9 952.5	9 219.3	6 347.6	9 249.3	10 344.0	10 266.9	8 605.4	8 992.2	5 625.8	3 742.0
Net claims on central government	1 643.9	1 764.8	1 578.2	3 006.5	3 951.8	3 180.5	4 389.8	6 291.5	8 969.8	9 149.5	11 018.8	10 679.7
Claims on central government	1 818.7	1 958.7	1 889.3	3 177.9	4 254.3	3 409.8	4 563.7	6 434.4	9 060.6	9 281.0	11 129.5	10 844.1
Securities other than shares	1 817.3	1 958.7	1 889.0	3 167.6	4 249.4	3 409.8	4 563.6	6 434.3	9 060.5	9 281.0	11 129.5	10 843.2
Other claims	1.4	-	0.4	10.3	5.0	-	0.1	0.2	0.1	-	0.1	0.9
Less: Liabilities to central government	174.8	193.9	311.2	171.4	302.5	229.3	173.9	142.9	90.8	131.6	110.8	164.3
Deposits	174.8	193.9	311.2	171.4	302.5	229.3	173.9	142.9	90.8	131.6	110.8	164.3
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Claims on other sectors	43 026.8	49 213.6	53 632.6	56 792.3	59 578.8	63 955.1	68 789.7	72 786.4	72 926.6	74 515.3	75 697.0	76 373.9
Other financial corporations	1 726.5	2 273.9	3 090.9	2 293.2	2 365.0	2 972.5	3 368.3	3 907.3	3 693.0	4 077.8	4 166.3	4 426.4
State and local government	9.8	12.1	8.1	-	0.3	-	-	1.1	0.3	0.6	0.4	1.3
Public non-financial corporations	1 553.9	1 731.3	1 254.8	809.0	699.4	738.4	924.1	949.8	726.1	1 234.7	1 310.9	354.1
Other non-financial corporations	13 664.8	16 139.3	16 269.3	18 031.3	18 530.0	20 166.5	19 446.8	18 954.0	18 934.3	18 878.0	19 134.0	19 353.8
Other resident sectors	26 071.8	29 057.1	33 009.4	35 658.7	37 984.2	40 077.8	45 050.5	48 974.3	49 572.9	50 324.2	51 085.4	52 238.4
Liabilities to central bank	141.9	11.8	2.0	11.5	26.6	13.7	-	45.0	67.1	274.2	6.0	-
Deposits included in broad money	51 144.8	53 619.6	65 174.4	68 662.2	70 465.9	76 440.8	82 795.9	87 274.9	87 119.6	88 410.0	89 654.9	91 822.1
Transferable deposits	10 268.3	10 984.2	11 970.0	13 985.9	15 328.4	15 317.4	18 052.6	21 028.3	21 814.3	21 784.1	22 520.5	21 953.0
Other financial corporations	1 080.4	1 075.9	870.7	893.2	1 441.0	1 170.7	2 776.2	3 082.8	3 113.0	3 857.9	3 268.4	2 961.2
State and local government	49.4	40.6	56.2	61.8	75.5	80.8	76.7	167.5	130.1	205.0	268.8	242.9
Public non-financial corporations	127.9	257.6	335.9	560.6	712.3	722.2	464.6	541.7	1 202.3	436.9	1 135.6	997.6
Other non-financial corporations	5 686.6	7 030.4	7 425.9	8 811.2	9 215.8	9 678.4	10 556.5	12 326.8	12 155.3	12 124.9	12 235.4	12 716.6
Other resident sectors	3 324.0	2 579.7	3 281.3	3 659.1	3 883.9	3 665.3	4 178.8	4 909.4	5 213.6	5 159.3	5 612.3	5 034.8
Other deposits	40 876.4	42 635.4	53 204.5	54 676.3	55 137.4	61 123.4	64 740.7	66 246.6	65 305.3	66 625.9	67 134.4	69 869.1
Other financial corporations	10 247.1	7 512.3	13 382.3	16 556.2	16 272.0	23 920.3	17 609.2	16 990.9	17 238.6	16 168.8	17 665.0	19 468.7
State and local government	2 304.4	2 169.6	2 477.4	2 483.6	2 509.8	2 075.0	2 331.6	2 333.4	1 670.4	1 349.5	1 645.5	1 693.8
Public non-financial corporations	4 695.7	4 438.6	5 215.1	6 094.5	3 248.6	4 767.4	6 271.1	4 961.5	6 490.6	6 201.9	4 290.1	4 046.4
Other non-financial corporations	14 402.5	17 834.1	19 668.2	17 938.4	22 588.8	14 122.1	24 944.3	27 326.8	25 049.7	26 709.9	27 964.0	27 471.0
Other resident sectors	9 226.8	10 680.7	12 461.4	11 603.6	10 518.3	16 238.6	13 584.5	14 634.0	14 856.1	16 195.8	15 569.8	17 189.2
Loans, of which:	926.9	1 784.5	1 645.0	1 479.5	2 429.7	2 660.0	2 962.9	2 707.1	2 853.4	2 666.6	2 719.7	2 861.0
State and local government	-	-	-	-	-	-	-	-	-	-	-	-
Other depository corporations	-	-	-	-	-	-	-	34.5	55.2	32.5	145.8	263.4
Other financial corporations	926.9	1 784.5	1 645.0	1 479.5	2 429.7	2 660.0	2 962.9	2 672.7	2 798.2	2 634.1	2 573.9	2 597.6
Securities other than shares excl. from broad money	2 190.9	2 488.1	2 935.6	2 994.6	3 133.4	3 781.0	3 630.2	4 362.3	4 435.7	4 703.0	4 696.3	4 646.8
Financial derivatives	75.3	79.0	235.8	96.9	181.8	101.5	145.7	139.3	114.3	103.8	127.8	141.9
Shares and other equity	8 452.9	9 387.8	9 588.3	10 352.5	10 689.3	11 164.3	11 807.5	12 007.7	12 118.8	12 221.2	11 232.6	11 729.7
Other items (net)	1 764.8	1 054.1	2 722.4	2 995.4	4 026.9	3 108.9	2 811.4	2 030.2	1 130.5	1 644.1	1 140.0	2 931.5
Other liabilities	3 834.4	5 819.2	6 272.3	6 750.5	7 337.0	7 300.5	9 469.7	7 284.0	9 421.5	9 226.9	10 344.6	8 538.8
Less: Other assets	5 599.2	6 873.3	8 994.7	9 745.9	11 363.9	10 409.4	12 281.1	9 314.3	10 552.0	10 871.0	11 484.7	11 470.3

1. Effective December 2012, the data includes accounts of domestic Money Market Unit Trusts. For more information refer to "Notes page - note 6".

Sources: Commercial banks, BSB, BBS Limited and Money Market Unit Trusts.

2022												End of
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
13 613.7	14 956.2	13 377.8	12 876.5	12 695.3	14 688.1	13 666.0	15 174.8	15 769.3	16 238.9	15 193.8	15 958.8	Net Foreign Assets
16 970.7	17 808.4	16 841.2	16 367.4	16 337.8	19 108.1	19 202.1	20 649.9	21 398.5	20 987.4	20 100.1	20 549.0	Claims on non-residents
180.7	163.4	247.4	170.3	188.2	173.3	200.6	189.4	198.9	213.7	232.4	187.5	Foreign currency
16 291.8	17 299.5	16 172.6	15 901.2	15 839.4	18 505.6	18 567.1	20 045.4	20 788.7	20 570.7	19 727.8	20 228.9	Deposits
-	-	-	-	-	-	-	-	-	-	-	-	Securities other than shares
498.3	345.5	421.2	295.9	310.2	429.2	434.3	415.1	410.9	203.0	140.0	132.7	Loans
-	-	-	-	-	-	-	-	-	-	-	-	Financial derivatives
-	-	-	-	-	-	-	-	-	-	-	-	Other
3 357.1	2 852.2	3 463.4	3 490.9	3 642.5	4 420.0	5 536.0	5 475.1	5 629.1	4 748.6	4 906.4	4 590.3	Less: Liabilities to non-residents
3 050.2	2 673.4	3 200.8	3 343.2	3 507.8	4 168.0	5 278.5	5 237.7	5 427.9	4 706.0	4 906.4	4 590.3	Deposits
-	-	-	-	-	-	-	-	-	-	-	-	Securities other than shares
306.9	178.8	262.6	147.7	134.7	252.0	257.6	237.4	201.2	42.6	-	-	Loans
-	-	-	-	-	-	-	-	-	-	-	-	Financial derivatives
-	-	-	-	-	-	-	-	-	-	-	-	Other
8 648.4	6 737.2	8 009.0	6 871.8	7 326.3	6 109.6	8 427.0	7 684.1	7 590.1	8 919.4	7 375.6	6 704.5	Claims on central bank
1 327.4	1 255.9	1 333.1	1 243.1	1 405.6	1 500.5	1 466.2	1 389.4	1 345.7	1 446.1	1 539.5	1 837.6	Currency
2 306.9	1 909.7	2 088.6	2 525.8	3 855.6	2 721.4	4 348.3	3 531.3	3 633.9	4 219.5	2 503.8	1 636.4	Reserve and free deposits
5 014.1	3 571.6	4 587.2	3 102.9	2 065.1	1 887.6	2 612.5	2 763.3	2 610.4	3 253.8	3 332.2	3 230.5	Other claims (incl. BoBCs)
10 893.7	11 278.2	10 700.1	11 296.0	11 318.1	11 105.1	12 258.8	12 046.2	12 625.9	12 111.4	12 825.5	11 803.9	Net claims on central government
11 073.7	11 466.6	10 904.6	11 455.1	11 544.5	11 311.7	12 453.0	12 274.3	12 759.1	12 223.3	12 972.0	12 009.6	Claims on central government
11 073.4	11 466.3	10 904.6	11 455.0	11 544.4	11 311.6	12 452.9	12 274.2	12 756.5	12 223.2	12 971.9	12 009.5	Securities other than shares
0.3	0.3	0.1	0.1	0.1	0.1	0.1	0.1	2.7	0.1	0.1	0.1	Other claims
180.0	188.3	204.5	159.1	226.4	206.6	194.2	228.0	133.3	111.9	146.5	205.7	Less: Liabilities to central government
180.0	188.3	204.5	159.1	226.4	206.6	194.2	228.0	133.3	111.9	146.5	205.7	Deposits
-	-	-	-	-	-	-	-	-	-	-	-	Other liabilities
76 396.0	76 454.0	76 768.6	77 773.5	78 405.5	78 828.2	79 368.3	79 805.3	80 712.4	80 194.4	81 026.5	80 726.8	Claims on other sectors
4 330.4	4 382.6	4 624.9	5 044.4	4 923.7	5 026.5	5 219.5	5 096.2	5 198.0	5 201.1	5 206.7	5 136.5	Other financial corporations
2.9	-	0.2	-	-	-	-	-	-	-	-	-	State and local government
402.9	358.7	392.0	475.0	469.7	480.6	475.6	612.0	594.0	596.4	634.0	532.3	Public non-financial corporations
19 570.1	19 305.5	19 516.2	19 981.3	20 360.7	20 438.9	20 991.7	21 021.2	21 245.1	20 776.0	20 792.1	21 045.7	Other non-financial corporations
52 089.7	52 407.2	52 235.4	52 272.7	52 651.4	52 882.3	52 681.5	53 075.9	53 675.2	53 621.0	54 393.7	54 012.3	Other resident sectors
-	28.2	-	-	201.1	245.5	28.0	206.3	250.5	404.6	284.4	249.1	Liabilities to central bank
93 151.8	92 919.5	92 604.1	92 768.8	94 296.0	94 475.6	97 556.8	99 171.6	99 305.6	99 156.0	98 368.9	98 365.7	Deposits included in broad money
20 984.4	21 070.5	21 054.7	21 449.8	21 067.1	22 033.5	21 662.8	22 083.9	22 676.0	23 672.6	23 254.5	22 593.4	Transferable deposits
2 806.8	2 528.5	2 434.0	2 528.0	2 722.1	2 649.9	2 495.6	2 455.3	2 541.4	3 717.0	3 415.9	2 418.2	Other financial corporations
275.7	279.0	156.6	130.5	145.9	183.3	230.9	179.7	354.9	218.3	321.3	128.8	State and local government
1 061.6	618.2	672.0	674.3	557.9	626.2	615.8	617.4	594.5	992.2	600.8	525.8	Public non-financial corporations
11 991.3	12 691.3	12 742.4	12 068.6	12 492.7	12 691.8	13 551.0	14 083.0	13 961.2	13 601.4	13 860.1	14 256.8	Other non-financial corporations
4 848.9	4 953.6	5 049.7	6 048.4	5 148.4	5 882.3	4 769.5	4 748.4	5 224.1	5 143.7	5 056.4	5 263.7	Other resident sectors
72 167.4	71 848.9	71 549.3	71 319.0	73 228.9	72 442.0	75 894.0	77 087.8	76 629.6	75 483.4	75 114.4	75 772.4	Other deposits
18 778.4	20 592.9	19 578.2	19 230.6	21 448.4	20 709.8	23 885.5	24 547.5	27 672.4	23 347.8	21 376.6	31 063.1	Other financial corporations
1 947.6	1 801.8	1 309.2	1 474.5	1 687.7	2 706.9	2 375.6	2 030.9	1 487.0	2 342.5	1 966.6	1 349.9	State and local government
4 419.4	4 256.9	3 914.6	4 029.9	4 209.7	3 986.0	7 219.8	4 509.3	5 892.9	7 321.1	7 681.5	4 989.4	Public non-financial corporations
30 140.3	30 097.8	31 208.9	30 065.4	30 048.6	29 079.6	26 593.4	30 799.1	25 791.6	25 417.7	27 002.6	23 058.5	Other non-financial corporations
16 881.7	15 099.6	15 538.4	16 518.5	15 834.6	15 959.8	15 819.5	15 201.0	15 785.7	17 054.3	17 087.1	15 311.4	Other resident sectors
2 614.5	2 454.1	2 468.8	2 639.9	2 314.4	2 698.2	2 270.6	1 809.7	2 199.8	1 838.9	1 979.0	1 968.1	Loans, of which:
-	-	-	-	-	-	-	-	-	-	-	-	State and local government
134.6	86.7	68.1	105.2	20.1	-	168.8	49.9	200.4	-	32.1	113.0	Other depository corporations
2 479.9	2 367.4	2 400.7	2 534.6	2 294.4	2 698.2	2 101.8	1 759.7	1 999.4	1 838.9	1 946.9	1 855.0	Other financial corporations
4 619.3	4 621.3	4 604.4	4 696.7	4 690.7	4 487.2	4 746.0	4 751.6	4 870.5	5 082.0	4 995.6	4 892.5	Securities other than shares excl. from broad money
122.8	118.2	135.0	141.7	130.1	187.8	150.6	186.9	236.8	273.1	197.6	183.8	Financial derivatives
11 882.9	11 807.1	11 967.8	12 021.4	12 001.6	12 171.4	12 420.2	12 412.1	12 562.7	12 792.6	13 002.3	13 372.3	Shares and other equity
2 839.5	2 522.7	2 924.6	3 450.7	3 888.8	3 534.7	3 452.0	3 827.8	3 028.3	2 083.1	2 406.5	3 837.4	Other items (net)
8 574.2	9 688.6	8 529.9	8 186.6	8 471.4	8 222.8	9 169.3	9 206.8	9 359.4	9 731.9	10 287.7	8 462.6	Other liabilities
11 413.7	12 211.4	11 454.5	11 637.4	12 360.2	11 757.5	12 621.2	13 034.5	12 387.7	11 814.9	12 694.2	12 300.0	Less: Other assets

TABLE 3.3: DEPOSITORY CORPORATIONS SURVEY ¹
(P Million)

End of	2013	2014	2015	2016	2017	2018	2019	2020	2021			
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun	Sep	Dec
Net Foreign Assets	71 627.7	82 856.2	90 592.4	81 386.4	80 132.2	79 351.3	72 865.7	62 000.4	61 917.9	59 997.8	59 044.8	64 383.6
Claims on non-residents	74 569.5	86 953.7	94 759.9	86 299.3	85 179.1	84 733.3	78 287.2	67 660.3	67 356.6	65 404.2	67 934.9	73 640.2
BoB	67 771.8	79 111.3	84 881.0	76 804.3	73 692.7	71 426.6	65 229.3	53 363.8	53 083.3	50 937.1	52 096.5	56 018.0
ODCs	6 797.7	7 842.4	9 878.9	9 495.0	11 486.3	13 306.7	13 057.9	14 296.6	14 273.3	14 467.1	15 838.4	17 622.2
Less: Liabilities to non-residents	2 941.8	4 097.5	4 167.5	4 912.9	5 046.9	5 382.0	5 421.5	5 660.0	5 438.8	5 406.4	8 890.1	9 256.6
BoB	1 768.3	1 856.1	1 980.8	2 312.1	2 350.7	2 242.6	2 296.7	2 379.0	2 362.7	2 192.0	5 234.4	5 392.1
ODCs	1 173.5	2 241.5	2 186.7	2 600.8	2 696.2	3 139.3	3 124.7	3 281.0	3 076.1	3 214.4	3 655.7	3 864.5
Domestic claims	16 192.3	12 101.2	18 133.1	27 394.6	30 712.5	37 520.5	50 203.8	72 260.5	73 776.7	77 830.0	81 973.4	76 460.3
Net claims on central government	-26 887.2	-37 162.0	-35 552.0	-29 457.0	-28 932.5	-26 542.0	-18 725.5	- 687.7	675.9	3 130.2	6 084.7	- 109.5
Claims on central government	1 843.6	1 982.8	1 913.1	3 200.8	4 276.1	3 409.8	4 563.7	6 434.4	9 060.6	9 281.0	11 129.5	10 844.1
BoB	24.9	24.1	23.7	22.9	21.7	-	-	-	-	-	-	-
ODCs	1 818.7	1 958.7	1 889.3	3 177.9	4 254.3	3 409.8	4 563.7	6 434.4	9 060.6	9 281.0	11 129.5	10 844.1
Less: Liabilities to central government	28 730.8	39 144.9	37 465.1	32 657.8	33 208.6	29 951.8	23 289.2	7 122.2	8 384.6	6 150.8	5 044.8	10 953.6
BoB	28 556.0	38 951.0	37 153.9	32 486.4	32 906.0	29 722.5	23 115.3	6 979.3	8 293.9	6 019.3	4 934.1	10 789.2
ODCs	174.8	193.9	311.2	171.4	302.5	229.3	173.9	142.9	90.8	131.6	110.8	164.3
Claims on other sectors	43 079.4	49 263.3	53 685.1	56 851.6	59 645.0	64 062.5	68 929.4	72 948.2	73 100.7	74 699.8	75 888.7	76 569.8
Other financial corporations	1 726.5	2 273.9	3 090.9	2 293.2	2 365.0	2 972.5	3 368.3	3 907.3	3 693.0	4 077.8	4 166.3	4 426.4
State and local government	9.8	12.1	8.1	-	0.3	-	-	1.1	0.3	0.6	0.4	1.3
Public non-financial corporations	1 553.9	1 731.3	1 254.8	809.0	699.4	738.4	924.1	949.8	726.1	1 234.7	1 310.9	354.1
Other non-financial corporations	13 664.8	16 139.3	16 269.3	18 031.3	18 530.0	20 166.5	19 446.8	18 954.0	18 934.3	18 878.0	19 134.0	19 353.8
Other resident sectors	26 124.4	29 106.7	33 062.0	35 718.0	38 050.3	40 185.2	45 190.2	49 136.0	49 747.0	50 508.6	51 277.1	52 434.2
TOTAL ASSETS	87 820.0	94 957.4	108 725.5	108 781.0	110 844.7	116 871.8	123 069.6	134 260.8	135 694.5	137 827.7	141 018.2	140 843.9
Broad money liabilities	53 389.8	55 842.2	66 941.1	70 550.0	72 470.8	78 433.4	84 767.1	89 761.9	89 440.4	91 222.1	92 530.7	94 268.3
Currency outside depository corporations	1 584.6	1 682.2	1 687.6	1 767.7	1 892.2	1 819.9	1 882.7	2 409.4	2 291.8	2 371.3	2 429.2	2 418.3
Transferable deposits	10 928.8	11 524.6	12 049.1	14 105.9	15 441.2	15 490.1	18 143.7	21 106.0	21 843.2	22 224.9	22 967.1	21 980.9
Other financial corporations	1 080.6	1 076.2	871.1	893.7	1 445.7	1 171.0	2 776.9	3 083.7	3 113.6	3 858.7	3 269.4	2 961.6
State and local government	49.4	40.6	56.2	61.8	75.5	80.8	76.7	167.5	130.1	205.0	268.8	242.9
Public non-financial corporations	780.0	792.6	408.8	673.2	810.2	879.9	538.4	600.9	1 213.3	859.2	1 561.9	1 007.9
Other non-financial corporations	5 686.6	7 030.4	7 425.9	8 811.2	9 215.8	9 678.4	10 556.5	12 326.8	12 155.3	12 124.9	12 235.4	12 716.6
Other resident sectors	3 332.1	2 584.7	3 287.2	3 666.0	3 894.0	3 680.1	4 195.3	4 927.0	5 231.0	5 177.0	5 631.7	5 052.0
Other deposits included in broad money	40 876.4	42 635.4	53 204.5	54 676.3	55 137.4	61 123.4	64 740.7	66 246.6	65 305.3	66 625.9	67 134.4	69 869.1
Other financial corporations	10 247.1	7 512.3	13 382.3	16 556.2	16 272.0	18 065.9	17 609.2	16 990.9	17 238.6	16 168.8	17 665.0	19 468.7
State and local government	2 304.4	2 169.6	2 477.4	2 483.6	2 509.8	2 035.0	2 331.6	2 333.4	1 670.4	1 349.5	1 645.5	1 693.8
Public non-financial corporations	4 695.7	4 438.6	5 215.1	6 094.5	3 248.6	3 822.8	6 271.1	4 961.5	6 490.6	6 201.9	4 290.1	4 046.4
Other non-financial corporations	14 402.5	17 834.1	19 668.2	17 938.4	22 588.8	25 023.3	24 944.3	27 326.8	25 049.7	26 709.9	27 964.0	27 471.0
Other resident sectors	9 226.8	10 680.7	12 461.4	11 603.6	10 518.3	12 176.4	13 584.5	14 634.0	14 856.1	16 195.8	15 569.8	17 189.2
Bank of Botswana Certificates held by banks	5 490.7	4 201.4	8 189.9	7 918.4	6 277.9	8 192.7	8 609.6	7 779.4	7 479.4	6 329.4	4 609.6	2 299.8
Repurchase Agreements with ODCs	-	304.4	1 672.8	1 302.9	54.0	1 054.9	1 831.2	1 417.9	-	955.9	1 005.9	1 479.0
Loans	926.9	1 784.5	1 645.0	1 479.5	2 429.7	2 660.0	2 962.9	2 707.1	2 853.4	2 666.6	2 719.7	2 829.3
BoB	-	-	-	-	-	-	-	-	-	-	-	-
ODCs	926.9	1 784.5	1 645.0	1 479.5	2 429.7	2 660.0	2 962.9	2 707.1	2 853.4	2 666.6	2 719.7	2 829.3
Securities other than shares excl. from broad money²	2 190.9	2 488.1	2 935.6	2 994.6	3 133.4	3 781.0	3 630.2	4 362.3	4 435.7	4 703.0	4 696.3	4 646.8
Financial derivatives	75.3	79.0	235.8	96.9	181.8	101.5	145.7	139.3	114.3	103.8	127.8	141.9
Shares and other equity	33 696.9	35 957.1	40 092.3	36 979.5	36 998.9	35 352.9	34 933.2	41 018.4	41 809.4	43 004.2	42 923.0	42 530.5
BoB	25 244.0	26 569.3	30 504.1	26 627.1	26 309.6	24 188.5	23 125.8	29 010.6	29 690.6	30 782.9	31 690.5	31 054.6
ODCs	8 452.9	9 387.8	9 588.3	10 352.5	10 689.3	11 164.3	11 807.5	12 007.7	12 118.8	12 221.2	11 232.6	11 476.0
Other items (net)	-7 950.6	-5 699.3	-12 987.1	-12 540.8	-10 697.8	-12 750.9	-13 810.4	-12 925.6	-10 437.9	-11 157.3	-7 594.9	-7 351.8
Liabilities to other depository corporations	4 367.2	4 460.9	3 019.5	3 622.3	2 998.1	3 067.4	3 023.8	2 102.5	2 117.0	1 307.7	1 162.3	1 825.5
Liabilities to central bank	141.9	11.8	2.0	11.5	26.6	13.7	-	45.0	67.1	274.2	6.0	-
Other liabilities	3 965.6	6 027.1	6 395.4	7 096.5	7 522.1	7 522.3	9 583.7	7 580.8	9 751.7	9 595.1	10 539.9	8 928.4
Currency	796.9	916.4	1 020.2	1 090.4	1 244.4	1 467.0	1 899.4	2 048.5	1 697.3	1 472.7	1 569.8	1 780.0
Less: Claims on central bank	10 873.0	9 737.4	13 955.8	13 908.8	10 578.9	13 749.3	15 415.7	14 412.6	12 484.6	11 817.5	8 398.7	7 458.7
Less: Claims on other depository corporations	302.1	-	-	-	-	-	-	-	-	-	-	-
Less: Other assets	6 047.1	7 378.1	9 468.5	10 452.7	11 914.0	11 071.9	12 901.7	10 289.9	11 586.5	11 989.7	12 474.2	12 427.1
TOTAL LIABILITIES	87 820.0	94 957.4	108 725.5	108 781.0	110 844.7	116 887.2	123 069.6	134 260.8	135 694.5	137 827.7	141 018.2	140 843.9
Memorandum items :												
M1 (currency outside depository corporations plus transferable deposits)	12 513.4	13 206.8	13 736.7	15 873.6	17 333.3	17 310.0	20 026.4	23 515.3	24 135.0	24 596.2	25 396.3	24 399.2
M2 (M1 plus other deposits included in broad money)	53 389.8	55 842.2	66 941.1	70 550.0	72 470.8	78 433.4	84 767.1	89 761.9	89 440.4	91 222.1	92 530.7	94 268.3

1. Effective December 2012, the data include accounts of domestic Money Market Unit Trusts. For more information refer to "Notes page - note 6".

2. This includes bonds and certificates of deposits. Effective July 2011, other depository corporations report data on the basis of the revised report format, which now has additional data and further breakdowns by financial instruments.

Sources: Bank of Botswana, commercial banks, BBS Limited, BSB and Money Market Unit Trusts.

2022												End of
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
66 632.2	63 703.6	61 328.5	64 017.5	63 325.2	63 546.6	68 756.8	68 986.5	64 788.5	71 451.2	69 306.9	64 980.1	Net Foreign Assets
75 299.0	71 879.1	69 907.3	72 720.2	72 289.8	73 345.9	79 701.8	79 910.3	75 945.7	81 765.5	79 685.5	75 083.5	Claims on non-residents
58 328.3	54 070.7	53 066.1	56 352.8	55 952.0	54 237.8	60 499.7	59 260.4	54 547.2	60 778.1	59 585.4	54 534.5	BoB
16 970.7	17 808.4	16 841.2	16 367.4	16 337.8	19 108.1	19 202.1	20 649.9	21 398.5	20 987.4	20 100.1	20 549.0	ODCs
8 666.8	8 175.6	8 578.8	8 702.7	8 964.6	9 799.3	10 945.0	10 923.7	11 157.2	10 314.4	10 378.6	10 103.4	Less: Liabilities to non-residents
5 309.7	5 323.4	5 115.3	5 211.8	5 322.0	5 379.3	5 409.0	5 448.7	5 528.0	5 565.8	5 472.3	5 513.1	BoB
3 357.1	2 852.2	3 463.4	3 490.9	3 642.5	4 420.0	5 536.0	5 475.1	5 629.1	4 748.6	4 906.4	4 590.3	ODCs
72 878.4	74 706.3	74 829.9	71 795.8	73 119.4	73 425.6	73 667.7	73 456.2	77 326.2	72 876.6	75 258.6	75 992.2	Domestic claims
-3 696.1	-1 928.4	-2 121.3	-6 159.7	-5 469.5	-5 588.7	-5 886.8	-6 537.5	-3 578.0	-7 508.5	-5 958.1	-4 930.7	Net claims on central government
11 073.7	11 466.6	10 904.6	11 455.1	11 544.5	11 311.7	12 453.0	12 274.3	12 759.1	12 223.3	12 972.0	12 009.6	Claims on central government
-	-	-	-	-	-	-	-	-	-	-	-	BoB
11 073.7	11 466.6	10 904.6	11 455.1	11 544.5	11 311.7	12 453.0	12 274.3	12 759.1	12 223.3	12 972.0	12 009.6	ODCs
14 769.8	13 394.9	13 025.9	17 614.9	17 014.0	16 900.3	18 339.8	18 811.8	16 337.2	19 731.9	18 930.0	16 940.2	Less: Liabilities to central government
14 589.8	13 206.6	12 821.4	17 455.7	16 787.6	16 693.7	18 145.6	18 583.7	16 203.9	19 619.9	18 783.5	16 734.6	BoB
180.0	188.3	204.5	159.1	226.4	206.6	194.2	228.0	133.3	111.9	146.5	205.7	ODCs
76 574.5	76 634.7	76 951.2	77 955.5	78 589.0	79 014.2	79 554.5	79 993.7	80 904.2	80 385.2	81 216.6	80 922.9	Claims on other sectors
4 330.4	4 382.6	4 624.9	5 044.4	4 923.7	5 026.5	5 219.5	5 096.2	5 198.0	5 201.1	5 206.7	5 271.2	Other financial corporations
2.9	-	0.2	-	-	-	-	-	-	-	-	-	State and local government
402.9	358.7	392.0	475.0	469.7	480.6	475.6	612.0	594.0	596.4	634.0	532.3	Public non-financial corporations
19 570.1	19 305.5	19 516.2	19 981.3	20 360.7	20 438.9	20 991.7	21 021.2	21 245.1	20 776.0	20 792.1	20 999.9	Other non-financial corporations
52 268.2	52 587.9	52 418.0	52 454.7	52 834.8	53 068.3	52 867.7	53 264.3	53 867.1	53 811.7	54 583.8	54 119.5	Other resident sectors
139 510.6	138 409.9	136 158.5	135 813.3	136 444.6	136 972.2	142 424.5	142 442.7	142 114.7	144 327.8	144 565.4	140 972.3	TOTAL ASSETS
95 527.0	95 377.3	94 901.6	95 351.1	96 776.6	97 832.8	100 122.0	101 711.2	102 201.0	101 734.9	101 182.3	100 667.2	Broad money liabilities
2 195.1	2 184.4	2 277.5	2 320.4	2 292.5	2 303.2	2 338.5	2 283.2	2 448.6	2 346.5	2 339.3	2 249.0	Currency outside depository corporations
21 164.5	21 344.0	21 074.8	21 711.6	21 255.1	23 087.6	21 889.6	22 340.3	23 122.8	23 905.0	23 728.6	22 645.9	Transferable deposits
2 807.4	2 529.1	2 434.8	2 528.3	2 722.9	2 650.9	2 496.7	2 456.3	2 542.4	3 718.2	3 417.3	2 421.7	Other financial corporations
275.7	279.0	156.6	130.5	145.9	183.3	230.9	179.7	354.9	218.3	321.3	128.8	State and local government
1 223.9	873.8	674.0	918.6	724.7	1 658.7	820.8	846.2	1 017.5	1 200.6	1 050.7	549.1	Public non-financial corporations
11 991.3	12 691.3	12 742.4	12 068.6	12 492.7	12 691.8	13 551.0	14 083.0	13 961.2	13 601.4	13 860.1	14 259.5	Other non-financial corporations
4 866.2	4 970.8	5 067.0	6 065.6	5 169.0	5 902.9	4 790.2	4 775.0	5 246.8	5 166.5	5 079.2	5 286.9	Other resident sectors
72 167.4	71 848.9	71 549.3	71 319.0	73 228.9	72 442.0	75 894.0	77 087.8	76 629.6	75 483.4	75 114.4	75 772.4	Other deposits included in broad money
18 778.4	20 592.9	19 578.2	19 230.6	21 448.4	20 709.8	23 885.5	24 547.5	27 672.4	23 347.8	21 376.6	31 063.1	Other financial corporations
1 947.6	1 801.8	1 309.2	1 474.5	1 687.7	2 706.9	2 375.6	2 030.9	1 487.0	2 342.5	1 966.6	1 349.9	State and local government
4 419.4	4 256.9	3 914.6	4 029.9	4 209.7	3 986.0	7 219.8	4 509.3	5 892.9	7 321.1	7 681.5	4 989.4	Public non-financial corporations
30 140.3	30 097.8	31 208.9	30 065.4	30 048.6	29 079.6	26 593.4	30 799.1	25 791.6	25 417.7	27 002.6	23 058.5	Other non-financial corporations
16 881.7	15 099.6	15 538.4	16 518.5	15 834.6	15 959.8	15 819.5	15 201.0	15 785.7	17 054.3	17 087.1	15 311.4	Other resident sectors
4 099.9	3 019.9	3 799.7	2 999.8	2 059.9	1 894.0	3 203.8	3 168.4	2 898.6	3 454.1	3 628.3	3 273.8	Bank of Botswana Certificates held by banks
879.0	588.0	809.9	-	-	-	-	-	-	-	-	-	Repurchase Agreements with ODCs
2 614.5	2 454.1	2 468.8	2 639.9	2 314.4	2 698.2	2 270.6	1 809.7	2 199.8	1 838.9	1 979.0	1 256.5	Loans
												BoB
2 614.5	2 454.1	2 468.8	2 639.9	2 314.4	2 698.2	2 270.6	1 809.7	2 199.8	1 838.9	1 979.0	1 256.5	ODCs
4 619.3	4 621.3	4 604.4	4 696.7	4 690.7	4 487.2	4 746.0	4 751.6	4 870.5	5 082.0	4 995.6	4 892.5	Securities other than shares excl. from broad money²
122.8	118.2	135.0	141.7	130.1	187.8	150.6	186.9	236.8	273.1	197.6	183.8	Financial derivatives
40 382.7	39 204.0	38 110.5	37 565.7	37 274.0	36 342.8	39 022.2	38 342.1	36 745.4	38 227.5	39 238.5	37 853.8	Shares and other equity
28 499.8	27 396.9	26 142.6	25 544.3	25 272.4	24 171.3	26 602.0	25 930.0	24 182.6	25 434.9	26 236.2	24 800.3	BoB
11 882.9	11 807.1	11 967.8	12 021.4	12 001.6	12 171.4	12 420.2	12 412.1	12 562.7	12 792.6	13 002.3	13 053.5	ODCs
-8 734.5	-6 972.9	-8 671.4	-7 581.5	-6 801.1	-6 470.6	-7 090.7	-7 527.2	-7 037.3	-6 282.7	-6 655.9	-7 155.3	Other items (net)
2 278.2	1 867.6	1 822.7	2 397.3	3 919.1	2 601.3	4 247.3	3 548.0	3 212.9	4 049.0	2 441.7	1 594.8	Liabilities to other depository corporations
-	28.2	-	-	201.1	245.5	28.0	206.3	550.5	404.6	284.4	249.1	Liabilities to central bank
8 787.3	10 033.4	8 826.2	8 498.3	8 668.1	8 546.0	9 479.5	9 432.8	9 499.1	9 850.4	10 565.3	9 763.2	Other liabilities
1 327.4	1 255.9	1 333.1	1 243.1	1 405.6	1 500.5	1 466.2	1 389.4	1 345.7	1 446.1	1 539.5	1 836.9	Currency
8 648.4	6 737.2	8 009.0	6 871.8	7 326.3	6 109.6	8 427.0	7 684.1	7 590.1	8 919.4	7 375.6	6 703.8	Less: Claims on central bank
-	-	-	-	-	245.6	28.2	206.3	550.6	199.8	125.9	249.0	Less: Claims on other depository corporations
12 479.1	13 420.7	12 644.4	12 848.5	13 668.6	13 008.7	13 856.3	14 213.4	13 504.8	12 913.6	13 985.4	13 646.5	Less: Other assets
139 510.6	138 409.9	136 158.5	135 813.3	136 444.6	136 972.2	142 424.5	142 442.7	142 114.7	144 327.8	144 565.4	140 972.3	TOTAL LIABILITIES
												Memorandum items :
23 359.6	23 528.3	23 352.3	24 032.1	23 547.6	25 390.8	24 228.0	24 623.5	25 571.4	26 251.5	26 067.9	24 894.9	M1 (currency outside depository corporations plus transferable deposits)
95 527.0	95 377.3	94 901.6	95 351.1	96 776.6	97 832.8	100 122.0	101 711.2	102 201.0	101 734.9	101 182.3	100 667.2	M2 (M1 plus other deposits included in broad money)

TABLE 3.4: BANK OF BOTSWANA - ASSETS
(P Million)

		International Reserves			
		Pula	Liquidity	Assets	Total
End of		Fund	Portfolio	IMF	Reserves
2013		49 326.9	16 845.0	1 579.4	67 751.3
2014		54 757.5	22 723.9	1 609.0	79 090.4
2015		61 183.5	21 914.4	1 759.5	84 857.3
2016		54 145.5	21 211.5	1 425.5	76 782.4
2017		55 998.0	16 353.3	1 320.2	73 671.4
2018	Mar	55 693.3	13 553.2	1 314.4	70 560.9
	Jun	60 069.4	12 845.9	1 359.1	74 274.4
	Sep	61 863.2	12 525.0	1 370.1	75 758.2
	Dec	47 469.6	22 537.0	1 397.3	71 403.9
2019	Mar	51 525.4	20 558.4	1 398.1	73 481.9
	Jun	52 860.5	17 545.6	1 385.6	71 791.7
	Sep	55 127.6	15 367.3	1 490.5	71 985.4
	Dec	46 025.3	17 730.0	1 451.7	65 207.0
2020	Jan	48 768.6	18 598.9	1 495.6	68 863.2
	Feb	48 366.5	16 189.1	1 526.5	66 082.1
	Mar	47 756.5	12 609.1	1 616.2	61 981.8
	Apr	51 232.4	15 978.0	1 641.1	68 851.5
	May	51 842.1	12 499.8	1 745.0	66 086.8
	Jun	52 650.7	9 231.4	1 742.1	63 624.3
	Jul	54 116.0	7 775.3	1 749.6	63 640.9
	Aug	55 435.9	5 227.6	1 754.7	62 418.2
	Sep	52 554.9	4 511.8	1 754.3	58 821.1
	Oct	48 061.7	7 688.3	1 724.6	57 474.6
	Nov	45 919.5	11 057.6	1 700.7	58 677.8
	Dec	46 018.8	5 649.1	1 672.2	53 340.0
2021	Jan	46 555.1	10 363.5	1 695.2	58 613.9
	Feb	46 547.7	7 503.1	1 695.8	55 746.6
	Mar	46 812.6	4 572.0	1 674.9	53 059.6
	Apr	47 578.0	6 997.1	1 674.0	56 249.2
	May	45 706.9	3 637.4	1 644.3	50 988.6
	Jun	45 414.7	3 800.9	1 697.9	50 913.5
	Jul	46 358.9	3 907.0	1 721.7	51 987.6
	Aug	46 835.1	2 408.4	4 684.7	53 928.1
	Sep	46 524.3	785.9	4 762.0	52 072.2
	Oct	47 771.8	7 432.5	4 795.2	59 999.6
	Nov	48 141.0	4 576.5	4 871.1	57 588.5
	Dec	49 249.0	1 825.4	4 918.5	55 992.9
2022	Jan	46 748.7	6 706.8	4 848.0	58 303.5
	Feb	45 701.0	3 487.8	4 857.1	54 045.9
	Mar	44 496.2	3 722.5	4 823.3	53 042.0
	Apr	43 873.0	7 512.9	4 942.2	56 328.1
	May	43 652.3	7 341.2	4 933.8	55 927.4
	Jun	42 524.1	6 668.4	5 020.3	54 212.7
	Jul	45 027.5	10 389.5	5 057.5	60 474.5
	Aug	44 296.3	9 840.7	5 097.9	59 234.9
	Sep	42 479.9	6 848.0	5 193.4	54 521.3
	Oct	43 803.7	11 702.9	5 245.3	60 751.9
	Nov	44 735.1	9 693.5	5 131.2	59 559.8
	Dec	43 705.9	5 596.8	5 205.9	54 508.6

1. Includes repurchase agreements.

2. Other assets include government bonds and other accounts receivable.

Source: Bank of Botswana

Loans and advances to Financial ¹ Institutions	Fixed Assets	Other ² Assets	Total Assets		End of
302.1	412.1	133.9	68 599.3		2013
-	413.6	185.9	79 689.9		2014
-	403.8	170.0	85 431.1		2015
-	395.8	415.1	77 593.3		2016
-	407.8	251.4	74 330.7		2017
-	416.7	202.8	71 180.4	Mar	2018
-	422.8	263.1	74 960.3	Jun	
-	430.8	306.2	76 495.2	Sep	
-	449.5	296.6	72 150.0	Dec	
-	456.4	287.7	74 226.0	Mar	2019
-	464.0	356.9	72 612.6	Jun	
-	479.2	332.6	72 797.2	Sep	
-	520.9	261.7	65 989.6	Dec	
-	517.8	384.1	69 765.1	Jan	2020
-	515.8	373.0	66 971.0	Feb	
-	549.5	378.9	62 910.2	Mar	
-	561.3	339.4	69 752.3	Apr	
-	559.7	393.9	67 040.4	May	
-	562.6	391.2	64 578.1	Jun	
35.4	562.3	387.3	64 625.9	Jul	
-	592.1	362.2	63 372.5	Aug	
-	602.3	351.1	59 774.5	Sep	
-	616.6	338.1	58 429.4	Oct	
2.9	644.6	325.5	59 650.8	Nov	
-	713.0	448.1	54 501.2	Dec	
12.4	710.9	392.8	59 729.9	Jan	2021
-	719.8	367.8	56 834.2	Feb	
-	746.7	485.6	54 291.9	Mar	
-	763.7	425.9	57 438.7	Apr	
-	784.6	674.9	52 448.1	May	
-	805.1	521.7	52 240.3	Jun	
-	832.5	427.5	53 247.6	Jul	
-	848.3	429.5	55 205.9	Aug	
-	873.3	332.2	53 277.7	Sep	
-	876.2	313.8	61 189.6	Oct	
-	918.0	309.6	58 816.2	Nov	
-	932.0	279.4	57 204.3	Dec	
-	928.8	339.8	59 572.1	Jan	2022
-	937.3	477.6	55 460.8	Feb	
-	969.1	427.6	54 438.7	Mar	
-	989.1	428.8	57 745.9	Apr	
195.0	1 003.9	317.6	57 443.9	May	
245.6	1 016.5	445.8	55 920.6	Jun	
28.2	1 023.5	423.1	61 949.3	Jul	
206.3	1 044.7	348.0	60 834.0	Aug	
550.6	1 077.6	257.3	56 406.7	Sep	
199.8	1 075.3	240.3	62 267.3	Oct	
125.9	1 106.1	400.9	61 192.6	Nov	
249.0	1 162.3	402.5	56 322.3	Dec	

TABLE 3.5: BANK OF BOTSWANA - LIABILITIES

(P Million)

End of		Deposits by			Total Deposits	BoBCs ¹ held by Banks	Reverse Repurchase Agreements
		Banks	Government	Others			
2013		4 364.3	27 775.4	1 638.2	33 777.8	5490.7	...
2014		4 459.1	38 406.3	1 601.4	44 466.9	4 201.4	304.4
2015		3 018.4	36 752.1	1 160.8	40 931.2	8 189.9	1 672.8
2016		3 620.8	30 280.5	1 602.2	35 503.4	7 918.4	1302.9
2017		2 946.5	31 863.8	1 698.6	36 508.9	6 277.9	54.0
2018	Mar	2 833.4	30 094.1	1 630.4	34 558.0	5 492.4	938.9
	Jun	2 785.0	30 196.5	1 969.7	34 951.1	4 736.2	2 431.9
	Sep	2 959.3	28 005.5	1 920.0	32 884.8	7 920.4	1 043.0
	Dec	3 061.7	25 436.6	1 559.0	30 057.3	8 192.7	1 054.9
2019	Mar	3 733.0	21 559.5	1 491.1	26 783.6	9 125.4	2 099.5
	Jun	3 207.3	23 182.9	2 604.4	28 994.5	7 680.0	2 305.9
	Sep	3 104.3	23 531.0	2 479.7	29 115.0	9 632.7	2 654.6
	Dec	3 013.6	19 708.9	1 546.7	24 269.1	8 609.6	1 831.2
2020	Jan	3 307.5	21 444.2	1 843.8	26 595.5	9 837.5	795.4
	Feb	2 912.3	18 273.1	1 732.5	22 917.9	9 835.5	1 776.7
	Mar	2 598.5	19 861.4	1 433.8	23 893.6	9 574.7	-
	Apr	2 586.5	20 458.4	2 172.3	25 217.2	8 403.3	3 458.4
	May	1 536.7	16 512.6	2 216.8	20 266.1	9 997.8	3 295.8
	Jun	1 054.0	15 169.6	2 195.0	18 418.6	10 444.4	1 320.1
	Jul	1 441.2	15 154.7	1 894.7	18 490.5	8 827.4	1 725.0
	Aug	1 284.2	12 305.8	2 049.9	15 639.9	9 818.4	1 009.0
	Sep	1 344.4	6 432.3	2 120.8	9 897.5	11 368.2	1 872.0
	Oct	1 430.7	7 802.4	1 918.9	11 152.0	10 859.1	1 428.3
	Nov	1 642.4	7 015.7	2 034.7	10 692.8	10 010.7	2 498.8
	Dec	2 098.8	4 678.3	1 545.8	8 322.9	7 779.4	1 417.9
2021	Jan	1 527.3	9 012.7	1 970.5	12 510.5	8 849.5	1 755.9
	Feb	1 678.3	7 765.0	2 015.0	11 458.2	7 129.6	1 860.9
	Mar	2 112.0	6 202.9	1 498.6	9 813.5	7 479.4	-
	Apr	2 296.9	7 753.6	2 386.6	12 437.2	8 269.5	1 406.9
	May	1 316.1	6 007.8	1 513.8	8 837.6	7 919.8	1 029.0
	Jun	1 306.3	6 019.3	1 741.5	9 067.1	6 329.4	955.9
	Jul	1 405.1	5 877.9	1 760.7	9 043.7	5 949.6	1 607.9
	Aug	1 346.4	5 552.9	1 532.6	8 431.8	5 409.9	1 249.0
	Sep	1 160.4	4 934.1	1 748.0	7 842.5	4 609.6	1 005.9
	Oct	1 181.3	11 443.7	1 525.5	14 150.5	5 049.7	1 345.9
	Nov	1 227.7	10 105.0	1 497.4	12 830.1	3 999.9	760.0
	Dec	1 817.2	7 597.4	1 339.7	10 754.2	2 299.8	1 479.0
2022	Jan	2 269.2	11 519.6	1 492.1	15 280.9	4 099.9	879.0
	Feb	1 864.6	10 136.5	1 579.9	13 581.0	3 019.9	588.0
	Mar	1 813.3	12 821.4	1 236.5	15 871.2	3 799.7	809.9
	Apr	2 392.2	17 455.7	1 474.3	21 322.2	2 999.8	-
	May	3 914.0	16 787.6	1 507.8	22 209.4	2 059.9	-
	Jun	2 599.1	16 693.7	2 369.7	21 662.6	1 894.0	-
	Jul	4 244.5	18 145.6	1 542.1	23 932.3	3 203.8	-
	Aug	3 547.5	18 583.7	1 577.6	23 708.9	3 168.4	-
	Sep	3 203.5	16 203.9	1 778.3	21 185.7	2 898.6	-
	Oct	4 041.5	19 619.9	1 562.3	25 223.7	3 454.1	-
	Nov	2 439.8	18 783.5	1 798.3	23 021.6	3 628.3	-
	Dec	1 592.9	16 461.4	1 353.3	19 407.6	3 273.8	-

1. Bank of Botswana own securities issued under Section 38(2)(c) of the Bank of Botswana Act [CAP 55:01] .

Source: Bank of Botswana

Currency in Circulation			Capital and Reserves			Other Liabilities	TOTAL LIABILITIES		End of
Notes	Coin	Total Currency	Paid-up Capital	General Reserve	Revaluation Reserve				
2 265.6	115.9	2 381.5	25.0	1 600.0	23 619.0	1 705.3	68 599.3		2013
2 466.3	132.3	2 598.6	25.0	1 600.0	24 944.3	1 549.4	79 689.9		2014
2 564.7	143.2	2 707.8	25.0	1 600.0	28 879.1	1 425.2	85 431.1		2015
2 709.5	148.7	2 858.1	25.0	1 600.0	25 002.1	3 383.5	77 593.3		2016
2 980.7	155.8	3 136.5	25.0	1 600.0	24 684.6	2 043.7	74 330.7		2017
2 793.4	157.6	2 951.0	25.0	1 600.0	23 712.2	1 903.0	71 180.4	Mar	2018
2 717.5	158.3	2 875.8	25.0	1 600.0	26 883.3	1 457.0	74 960.3	Jun	
2 984.5	159.5	3 144.0	25.0	1 600.0	28 108.3	1 769.8	76 495.2	Sep	
3 121.5	165.4	3 286.9	25.0	1 600.0	22 563.5	5 369.7	72 150.0	Dec	
2 811.1	165.6	2 976.7	25.0	1 600.0	25 662.6	5 953.1	74 226.0	Mar	2019
3 053.1	167.9	3 221.0	25.0	1 600.0	26 274.4	2 511.8	72 612.6	Jun	
3 098.1	168.9	3 267.1	25.0	1 600.0	26 377.7	2 716.3	75 388.3	Sep	
3 665.8	116.2	3 782.0	25.0	1 600.0	21 500.8	4 371.9	65 989.6	Dec	
2 958.2	116.6	3 074.8	25.0	1 600.0	23 312.3	4 524.7	69 765.1	Jan	2020
3 080.1	117.1	3 197.3	25.0	1 600.0	22 846.1	4 772.6	66 971.0	Feb	
3 359.8	118.4	3 478.2	25.0	1 600.0	22 644.0	1 694.7	62 910.2	Mar	
3 261.1	119.0	3 380.0	25.0	1 600.0	26 149.8	1 518.4	69 752.3	Apr	
3 531.5	119.7	3 651.2	25.0	1 600.0	26 636.0	1 568.5	67 040.4	May	
3 691.7	120.0	3 811.8	25.0	1 600.0	27 307.2	1 651.0	64 578.1	Jun	
3 682.9	121.2	3 804.1	25.0	1 600.0	28 586.2	1 567.6	64 625.9	Jul	
3 712.0	121.2	3 833.2	25.0	1 600.0	29 770.1	1 676.8	63 372.5	Aug	
3 918.1	122.2	4 040.3	25.0	1 600.0	28 166.3	2 805.1	59 774.5	Sep	
3 902.2	123.4	4 025.6	25.0	1 600.0	26 392.7	2 946.6	58 429.4	Oct	
3 920.4	126.1	4 046.4	25.0	1 600.0	27 705.8	3 071.3	59 650.8	Nov	
4 328.9	129.0	4 457.9	25.0	1 600.0	27 385.6	3 512.3	54 501.2	Dec	
3 702.0	129.1	3 831.1	25.0	1 600.0	27 601.2	3 556.8	59 729.9	Jan	2021
3 560.8	130.0	3 690.8	25.0	1 600.0	27 243.2	3 826.6	56 834.2	Feb	
3 858.2	130.9	3 989.1	25.0	1 600.0	27 135.0	4 249.9	54 291.9	Mar	
3 708.8	132.8	3 841.6	25.0	1 600.0	27 705.2	2 153.3	57 438.7	Apr	
3 691.7	133.0	3 824.7	25.0	1 600.0	25 817.7	3 394.2	52 448.1	May	
3 710.0	134.0	3 844.0	25.0	1 600.0	26 901.7	3 517.2	52 240.3	Jun	
3 708.9	134.3	3 843.3	25.0	1 600.0	27 703.4	3 474.6	53 247.6	Jul	
3 776.5	135.5	3 912.0	25.0	1 600.0	27 996.7	6 581.5	55 205.9	Aug	
3 862.6	136.4	3 999.0	25.0	1 600.0	27 481.1	6 714.6	53 277.7	Sep	
3 579.8	137.1	3 716.9	25.0	1 600.0	28 562.9	6 738.7	61 189.6	Oct	
3 710.1	135.2	3 845.3	25.0	1 600.0	28 508.4	7 247.4	58 816.2	Nov	
4 064.8	133.6	4 198.4	25.0	1 600.0	29 429.6	7 418.3	57 204.3	Dec	
3 395.8	126.7	3 522.5	25.0	1 600.0	26 781.7	7 383.1	59 572.1	Jan	2022
3 317.2	123.0	3 440.2	25.0	1 600.0	25 621.8	7 584.9	55 460.8	Feb	
3 485.7	124.9	3 610.6	25.0	1 600.0	24 340.8	4 381.4	54 438.7	Mar	
3 436.6	127.0	3 563.6	25.0	1 600.0	23 743.7	4 491.7	57 745.9	Apr	
3 570.8	127.3	3 698.1	25.0	1 600.0	23 482.6	4 368.8	57 443.9	May	
3 674.8	128.9	3 803.7	25.0	1 600.0	22 236.9	4 698.5	55 920.6	Jun	
3 676.0	128.6	3 804.6	25.0	1 600.0	24 702.0	4 681.5	61 949.3	Jul	
3 543.9	128.7	3 672.6	25.0	1 600.0	23 958.7	4 700.4	60 834.0	Aug	
3 663.6	130.7	3 794.3	25.0	1 600.0	22 131.9	4 771.3	56 406.7	Sep	
3 659.9	132.7	3 792.6	25.0	1 600.0	23 486.3	4 685.6	62 267.3	Oct	
3 744.4	134.5	3 878.8	25.0	1 600.0	24 205.1	4 833.7	61 192.6	Nov	
3 950.5	135.3	4 085.9	25.0	1 600.0	23 160.3	4 769.7	56 322.3	Dec	

TABLE 3.6: NOTES IN CIRCULATION
(P Million)

End of		P1 ¹	P2 ¹	P5 ¹	P10	P20	P50	P100	P200	Total
2013		0.8	0.9	2.4	35.5	100.8	162.4	549.1	1 387.1	2 239.1
2014		...	...	...	35.5	112.0	178.7	547.6	1 622.7	2 496.5
2015		...	...	...	42.4	131.9	190.8	539.1	1 689.7	2 593.9
2016		...	...	...	45.2	138.5	215.9	557.1	1 785.5	2 742.2
2017		...	...	...	45.8	164.4	235.5	593.0	1 968.3	3 006.9
2018	Q1	...	...	...	45.8	153.1	232.7	552.8	1 843.9	2 828.3
	Q2	...	...	...	49.3	149.7	219.8	498.8	1 831.9	2 749.5
	Q3	...	...	...	47.6	145.7	234.5	559.9	2 026.5	3 014.2
	Q4	...	...	...	52.4	155.2	249.1	609.4	2 085.9	3 152.1
2019	Q1	...	...	...	55.9	146.7	229.9	511.9	1 900.1	2 844.5
	Q2	...	...	...	65.0	161.5	244.8	521.1	2 090.7	3 083.2
	Q3	...	...	...	72.0	137.6	256.1	562.6	2 285.1	3 313.5
	Q4	...	...	...	74.1	171.9	288.1	633.8	2 526.1	3 694.0
2020	Jan	...	...	...	68.2	146.9	239.5	494.9	2 027.1	2 976.5
	Feb	...	...	...	68.5	150.6	240.5	511.7	2 132.9	3 104.1
	Mar	...	...	...	63.7	142.5	251.3	559.6	2 364.1	3 381.2
	Apr	...	...	...	63.1	150.3	268.5	572.9	2 229.1	3 283.8
	May	...	...	...	62.5	159.4	287.7	603.5	2 441.7	3 554.8
	Jun	...	...	...	61.3	163.2	312.2	630.8	2 546.1	3 713.5
	Jul	...	...	...	63.9	170.5	316.4	608.2	2 553.5	3 712.5
	Aug	...	...	...	66.7	184.0	344.2	606.3	2 530.1	3 731.3
	Sep	...	...	...	67.4	202.6	376.3	625.2	2 670.7	3 942.2
	Oct	...	...	...	68.5	213.0	392.4	614.8	2 633.3	3 921.9
	Nov	...	...	...	69.9	220.4	382.5	603.0	2 670.1	3 945.8
	Dec	...	...	...	76.3	246.9	424.5	687.6	2 916.7	4 352.0
2021	Jan	...	...	...	73.1	223.9	345.3	587.2	2 497.1	3 726.5
	Feb	...	...	...	77.4	214.3	352.5	542.4	2 396.1	3 582.6
	Mar	...	...	...	79.6	227.2	351.0	603.0	2 619.9	3 880.6
	Apr	...	...	...	81.7	223.7	345.1	580.1	2 505.9	3 736.4
	May	...	...	...	79.3	207.3	305.1	581.3	2 533.1	3 706.1
	Jun	...	...	...	76.1	189.1	311.2	579.8	2 575.3	3 731.5
	Jul	...	...	...	75.5	198.4	309.7	586.5	2 552.1	3 722.1
	Aug	...	...	...	71.9	181.4	307.6	594.7	2 640.1	3 795.8
	Sep	...	...	...	68.6	172.8	295.5	597.5	2 741.5	3 875.9
	Oct	...	...	...	63.9	163.3	272.4	550.2	2 550.1	3 599.9
	Nov	...	...	...	63.7	165.0	283.6	578.7	2 647.1	3 738.1
	Dec	...	...	...	68.4	184.0	326.6	674.7	2 835.1	4 088.8
2022	Jan	...	...	...	62.1	161.8	273.6	545.7	2 385.1	3 428.2
	Feb	...	...	...	61.3	155.0	267.6	533.7	2 323.1	3 340.7
	Mar	...	...	...	60.8	154.6	275.6	554.7	2 461.1	3 506.7
	Apr	...	...	...	60.6	157.2	271.1	560.7	2 403.1	3 452.6
	May	...	...	...	61.2	160.2	280.6	579.7	2 507.1	3 588.7
	Jun	...	...	...	61.3	163.2	289.6	576.7	2 603.1	3 693.8
	Jul	...	...	...	64.7	170.8	291.1	571.7	2 601.1	3 699.3
	Aug	...	...	...	62.5	160.6	280.6	566.7	2 497.1	3 567.4
	Sep	...	...	...	64.3	168.8	289.6	571.7	2 587.1	3 681.4
	Oct	...	...	...	67.1	170.8	292.1	571.7	2 581.1	3 682.8
	Nov	...	...	...	68.5	184.4	295.6	601.7	2 619.1	3 769.3
	Dec	...	...	...	71.0	191.0	315.1	641.7	2 759.1	3 977.9

1. The P1, P2, and P5 notes ceased to be legal tender effective July 1, 2006 and were ultimately written-off the accounts of the Bank in May 2014 .
Source: Bank of Botswana

TABLE 3.7: COIN IN CIRCULATION
(P Million)

As at end of		5t	10t	25t	50t	P1	P2	P5	Commemorative coins	Total
2013		7.3	5.6	6.8	8.4	18.9	23.1	39.5	0.2	109.6
2014		9.5	8.0	8.6	10.8	22.2	28.5	44.6	0.2	132.2
2015		10.5	9.0	9.5	11.7	24.3	31.2	46.8	0.2	143.0
2016		11.2	9.7	10.1	12.2	25.0	31.9	48.9	0.2	148.9
2017		11.8	10.3	10.4	12.4	26.1	33.6	51.1	0.2	155.6
2018	Mar	12.0	10.4	10.6	12.6	26.3	33.8	51.8	0.2	157.5
	Jun	12.1	10.5	10.6	12.6	26.4	33.9	52.0	0.2	158.1
	Sep	12.2	10.6	10.7	12.7	26.6	34.1	52.5	0.2	159.3
	Dec	12.5	10.9	11.1	12.9	27.3	35.0	55.6	0.2	165.2
2019	Mar	12.5	10.9	11.1	12.9	27.4	35.1	55.7	0.2	165.6
	Jun	12.7	11.1	11.3	12.9	27.6	35.5	56.6	0.2	167.8
	Sep	13.0	11.3	11.3	13.0	28.0	36.5	57.9	0.2	170.9
	Dec	13.3	11.6	11.8	13.4	28.7	37.8	60.5	0.2	177.1
2020	Jan	5.4	6.1	7.0	8.1	18.4	26.2	45.6	0.2	116.6
	Feb	5.5	6.1	7.0	8.1	18.4	26.7	45.6	0.2	117.1
	Mar	5.6	6.2	7.1	8.1	18.5	26.9	46.1	0.2	118.4
	Apr	5.6	6.2	7.1	8.2	18.5	26.9	46.6	0.2	119.0
	May	5.7	6.3	7.2	8.2	18.7	27.0	46.9	0.2	119.7
	Jun	5.7	6.3	7.2	8.4	18.7	27.0	46.9	0.2	120.0
	Jul	5.8	6.4	7.2	8.4	18.7	27.3	47.5	0.2	121.2
	Aug	5.8	6.4	7.2	8.4	18.7	27.3	47.5	0.2	121.2
	Sep	5.9	6.4	7.2	8.5	18.7	28.1	47.5	0.2	122.2
	Oct	5.9	6.5	7.3	8.6	18.8	28.2	48.1	0.2	123.4
	Nov	5.9	6.6	7.4	8.8	19.1	28.9	49.4	0.2	126.1
	Dec	6.1	6.7	7.5	8.8	19.3	29.8	50.9	0.2	129.0
2021	Jan	6.1	6.7	7.5	8.8	19.3	29.8	50.9	0.2	129.0
	Feb	6.1	6.7	7.5	8.8	19.4	30.0	51.4	0.2	129.9
	Mar	6.3	6.8	7.6	8.9	19.4	30.3	51.7	0.2	130.9
	Apr	6.3	6.9	7.7	9.0	19.7	30.6	52.6	0.2	132.8
	May	6.3	6.9	7.7	9.0	19.7	30.8	52.6	0.2	133.0
	Jun	6.5	6.9	7.7	9.1	19.8	31.1	53.0	0.2	134.0
	Jul	6.5	7.0	7.7	9.1	19.9	31.2	53.0	0.2	134.3
	Aug	6.5	7.0	7.8	9.2	20.2	31.4	53.5	0.2	135.6
	Sep	6.7	7.1	7.9	9.2	20.5	31.6	53.5	0.2	136.4
	Oct	6.7	7.1	7.9	9.3	20.5	31.6	54.1	0.2	137.1
	Nov	6.8	7.2	7.9	9.2	20.1	31.7	52.3	0.2	135.2
	Dec	6.8	7.2	7.9	9.3	19.7	31.9	50.7	0.2	133.6
2022	Jan	6.9	7.3	7.9	9.3	18.7	29.6	47.0	0.2	126.7
	Feb	7.0	7.3	8.0	8.4	18.7	28.7	44.9	0.2	123.0
	Mar	7.0	7.4	7.8	8.6	19.2	28.5	46.4	0.2	124.9
	Apr	7.1	7.5	8.1	8.4	19.5	29.1	47.2	0.2	126.9
	May	7.2	7.6	8.1	8.6	19.4	29.2	47.2	0.2	127.3
	Jun	7.3	7.7	8.3	8.9	19.4	29.9	47.5	0.2	128.9
	Jul	7.4	7.8	8.3	8.6	19.4	29.7	47.5	0.2	128.6
	Aug	7.5	7.8	8.0	8.7	19.3	30.1	47.3	0.2	128.7
	Sep	7.7	7.9	8.3	9.0	19.2	29.9	48.6	0.2	130.7
	Oct	7.8	8.1	8.6	9.2	19.2	30.4	49.5	0.2	132.7
	Nov	7.8	8.1	8.7	9.4	19.6	30.7	50.1	0.2	134.5
	Dec	7.8	8.2	8.8	9.5	19.5	30.8	50.7	0.2	135.3

Source: Bank of Botswana

TABLE 3.8: COMMERCIAL BANKS - ASSETS
(P Million)

End of		Balances at Bank of Botswana			Standing Deposit Facility	Balances due from Domestic Banks	Bank of Botswana Certificates ²	Treasury Bills ³
		Cash	Operating Account	Reserve Requirements ¹	Reverse Repos			
2013		933.0	190.7	4 183.7	...	481.4	5 521.6	632.0
2014		1 373.5	- 1.8	4 420.8	...	2 329.6	4 267.2	366.6
2015		1 544.4	384.6	2 597.0	...	1 272.2	8 188.9	816.2
2016		1 432.9	1 040.7	2 556.7	...	1 882.1	7 916.8	982.8
2017		1 608.0	242.2	2 693.2	...	2 548.6	6 293.6	828.5
2018	Mar	1 521.2	229.8	2 659.1	...	1 961.8	5 492.2	567.0
	Jun	1 433.6	710.6	2 637.6	...	1 930.7	4 734.1	665.0
	Sep	1 442.6	138.4	2 804.6	...	1 562.3	7 923.3	767.1
	Dec	1 901.5	141.1	2 886.3	...	2 249.6	8 194.5	663.7
2019	Mar	1 564.5	815.5	2 953.0	...	740.1	9 153.0	666.4
	Jun	1 549.7	263.3	3 018.7	...	1 469.7	7 676.4	647.0
	Sep	1 360.5	158.2	3 139.8	...	1 854.1	9 634.4	598.6
	Dec	1 849.8	256.0	2 904.6	...	2 129.0	8 853.1	697.5
2020	Jan	1 245.8	240.1	3 224.5	...	2 168.6	10 130.0	698.4
	Feb	1 194.0	318.4	2 751.4	...	1 525.9	10 177.7	748.9
	Mar	1 476.8	324.9	2 648.3	...	1 931.1	9 719.4	845.8
	Apr	1 421.7	105.9	2 494.1	...	1 458.6	8 746.3	647.9
	May	1 422.3	174.2	1 368.1	...	1 708.9	10 181.6	848.5
	Jun	1 646.2	118.0	936.3	...	2 530.1	10 639.5	797.8
	Jul	1 593.5	316.5	1 310.6	...	2 006.6	9 022.7	798.5
	Aug	1 537.4	168.3	1 320.2	...	1 732.9	9 371.3	1 499.5
	Sep	1 689.3	344.5	1 156.3	...	1 302.9	11 557.6	738.2
	Oct	1 626.6	161.5	1 351.1	...	541.1	11 698.0	738.6
	Nov	1 602.4	110.3	1 537.7	...	1 284.6	11 199.4	1 089.1
	Dec	2 192.9	256.1	1 832.3	...	1 649.3	8 849.1	1 022.1
2021	Jan	1 683.5	643.6	1 589.4	...	789.8	9 931.9	2 215.5
	Feb	1 443.8	313.1	1 605.0	...	1 737.9	8 680.4	2 691.9
	Mar	1 856.4	589.6	1 580.6	...	2 096.4	8 605.4	3 248.6
	Apr	1 637.5	644.0	1 725.6	...	1 522.7	10 122.8	3 963.9
	May	1 556.9	279.8	1 214.9	...	1 320.8	10 020.7	3 535.7
	Jun	1 619.4	365.9	977.9	...	2 658.6	8 036.4	3 334.1
	Jul	1 462.7	132.5	1 265.3	...	2 245.9	8 096.3	3 492.7
	Aug	1 573.4	125.0	1 190.0	...	2 943.1	8 630.5	3 447.2
	Sep	1 652.5	109.4	1 085.4	...	2 468.3	4 620.0	5 350.9
	Oct	1 359.6	74.4	1 066.2	...	1 868.0	4 916.4	5 696.6
	Nov	1 557.7	218.1	1 080.3	...	2 065.0	4 009.8	5 659.4
	Dec	1 932.3	634.1	1 290.8	...	2 506.4	2 263.3	4 964.1
2022	Jan	1 489.5	825.2	1 472.2	...	1 475.7	4 212.1	5 163.1
	Feb	1 381.5	573.1	1 331.7	...	2 393.2	2 983.7	5 463.4
	Mar	1 569.6	865.1	1 212.7	...	2 065.2	3 764.9	4 962.4
	Apr	1 399.2	1 045.1	1 474.6	...	1 704.9	3 102.9	5 499.4
	May	1 551.3	743.5	1 455.2	...	1 649.8	2 065.1	5 503.8
	Jun	1 608.9	437.0	1 273.2	...	1 006.8	3 021.8	5 213.7
	Jul	1 591.7	696.0	2 119.0	...	1 526.4	2 083.7	6 262.2
	Aug	1 566.5	913.2	1 469.7	...	1 146.6	2 628.9	5 840.9
	Sep	1 531.1	1 184.9	1 630.4	...	809.5	2 561.8	6 369.9
	Oct	1 644.6	895.4	1 601.8	...	1 712.2	1 670.9	3 253.8
	Nov	1 753.7	794.5	1 463.3	...	240.0	2 307.8	3 332.2
	Dec	2 006.7	280.2	1 248.1	...	98.0	2 615.2	5 532.8

1. Following the introduction of reserve requirement averaging, effective October 9, 2019, the reserve requirements in this table may differ with those in Table 3.11. The balances in this table are as at end of reporting period while those in Table 3.11 (memorandum items) are for the maintenance period given.

2. The data reported in this Table are from the commercial banks' records. They differ from those reported in Table 4.3, which are from Bank of Botswana records, due to the commercial banks' allocation of part of their holdings as pledged securities which form part of other assets.

3. These are Botswana Government treasury bills of six months duration which began to be issued on March 7, 2008.

4. They include overdrafts, hire purchase and leasing. These are net of provisions and thus different from those in Table 3.18.

5. Debt securities include bonds.

6. Other assets comprise intra-bank balances, accounts receivables, cash in process of collection and other domestic investments.

Source: Commercial banks

Balances due from Foreign Banks	Loans & Advances ⁴	Debt Securities ⁵	Fixed Assets	Other Assets ⁶	TOTAL ASSETS		End of
6 406.1	38 842.0	1 175.0	871.5	1 180.9	60 418.0		2013
7 303.9	44 116.6	1 575.0	909.8	1 223.8	68 017.5		2014
9 262.6	46 997.2	1 530.0	967.5	1 487.7	76 721.1		2015
9 046.7	49 668.2	2 440.1	899.2	1 525.1	80 694.0		2016
11 029.4	52 147.0	3 421.0	926.2	1 676.7	83 468.2		2017
9 623.0	52 656.3	3 538.2	921.5	2 132.8	82 141.7	Mar	2018
10 579.3	54 475.1	3 866.3	946.7	1 601.3	85 731.9	Jun	
11 896.2	55 248.2	2 948.1	924.3	1 615.6	88 313.2	Sep	
12 482.4	56 185.4	3 123.7	956.2	1 491.8	91 331.0	Dec	
12 151.6	56 075.9	3 586.8	1 056.8	1 612.0	92 474.4	Mar	2019
12 318.9	57 906.3	3 915.8	1 133.8	1 547.8	93 752.9	Jun	
13 147.9	58 600.0	4 166.7	1 249.0	1 887.4	97 731.5	Sep	
12 680.0	60 199.5	4 436.4	1 347.4	1 812.3	98 656.4	Dec	
12 413.6	60 902.4	4 341.8	1 350.9	1 599.5	99 110.4	Jan	2020
13 092.1	61 071.2	4 411.2	1 350.3	1 688.4	100 105.3	Feb	
15 349.0	61 905.8	4 997.0	1 355.1	1 612.6	102 165.8	Mar	
14 877.6	61 630.9	5 011.5	1 338.9	1 930.5	103 120.4	Apr	
14 037.5	61 235.4	5 151.9	1 321.8	2 078.7	102 822.0	May	
14 195.6	61 408.2	6 463.3	1 409.0	2 450.9	103 913.7	Jun	
14 482.4	61 592.4	5 634.9	1 444.3	2 685.1	102 451.1	Jul	
14 947.4	61 042.8	5 778.9	1 442.3	2 891.6	102 739.2	Aug	
14 085.4	61 052.5	5 470.5	1 440.9	2 819.6	103 302.3	Sep	
13 759.0	61 942.9	5 631.5	1 452.9	3 205.6	103 536.0	Oct	
13 602.0	62 862.4	5 911.9	1 429.6	3 426.6	105 994.9	Nov	
13 764.7	62 784.6	5 770.6	1 448.6	2 270.6	103 258.6	Dec	
13 305.6	63 125.9	5 789.7	1 416.0	2 617.0	104 533.8	Jan	2021
13 261.8	63 178.0	6 515.7	1 405.6	2 684.3	104 918.4	Feb	
13 745.9	62 612.5	6 158.9	1 413.2	2 458.3	104 365.6	Mar	
13 545.1	63 216.6	6 185.0	1 414.9	2 652.7	107 882.6	Apr	
13 379.9	63 700.1	6 372.0	1 401.2	2 627.9	106 030.8	May	
13 883.0	64 738.9	6 282.3	1 389.8	2 108.0	106 350.1	Jun	
14 841.1	65 188.4	6 205.9	1 371.1	2 964.2	108 683.9	Jul	
15 413.1	65 016.0	6 038.4	1 371.5	2 912.2	109 909.4	Aug	
15 260.0	65 660.0	6 102.5	1 361.3	2 775.6	107 451.7	Sep	
14 065.1	65 657.6	6 136.4	1 355.7	2 896.6	106 438.4	Oct	
16 064.5	66 478.8	6 265.4	1 338.9	2 865.7	108 363.4	Nov	
16 812.0	66 107.4	6 279.7	1 323.1	2 998.6	108 590.5	Dec	
16 291.8	66 209.6	6 309.1	1 304.6	3 399.3	108 954.0	Jan	2022
17 299.5	66 214.9	6 399.5	1 303.3	3 163.0	109 094.8	Feb	
16 172.6	66 816.8	6 374.7	1 305.0	2 639.9	108 571.2	Mar	
15 901.2	67 943.9	6 387.5	1 314.6	3 135.5	108 908.7	Apr	
15 839.4	68 404.3	6 439.1	1 290.9	3 014.7	110 104.3	May	
18 505.6	68 802.3	6 505.4	1 300.3	2 770.3	112 333.0	Jun	
18 567.1	69 345.3	6 598.5	1 247.7	3 589.5	116 239.6	Jul	
20 045.4	69 785.4	6 837.3	1 255.1	3 265.9	117 518.2	Aug	
20 788.7	70 411.6	6 791.1	1 259.7	3 697.4	119 646.6	Sep	
20 570.7	70 026.8	6 804.1	1 254.8	3 541.9	118 780.8	Oct	
19 727.8	70 492.4	6 879.8	1 258.3	3 954.0	118 676.7	Nov	
20 228.9	70 608.7	6 983.4	1 275.0	2 887.6	116 995.0	Dec	

TABLE 3.9: COMMERCIAL BANKS - LIABILITIES
(P Million)

		Balances due to		Government	Deposits from the public	
		Other	Bank of		Current	Savings
As at end of		Banks	Botswana	Deposits	& Call	
2013		1 592.8	8.9	174.8	26 942.4	3 616.7
2014		3 562.6	11.8	193.9	27 196.0	3 794.6
2015		3 249.3	2.0	311.2	32 403.7	4 027.4
2016		3 834.8	11.5	171.4	34 622.4	4 416.8
2017		4 241.9	26.6	302.5	35 244.4	4 728.9
2018	Mar	3 617.3	-	272.6	34 115.0	4 633.0
	Jun	4 376.7	40.3	362.2	34 826.3	4 719.4
	Sep	3 634.8	48.0	307.6	36 925.3	4 795.3
	Dec	4 709.9	13.7	229.3	37 395.4	4 808.6
2019	Mar	2 979.9	-	224.8	39,676.6	4 853.7
	Jun	3 724.3	-	259.9	39,466.4	5 094.9
	Sep	3 447.8	5.6	235.1	41,671.4	5 277.8
	Dec	4 491.9	-	167.6	42 774.3	5 281.5
2020	Jan	4 761.1	-	235.7	43 342.1	5 082.4
	Feb	4 496.1	5.9	90.9	43 572.1	5 353.9
	Mar	5 526.1	47.4	425.7	43 701.4	5 599.1
	Apr	4 077.5	1.9	405.7	45 596.6	5 989.5
	May	3 838.5	4.3	417.5	46 289.0	6 096.6
	Jun	4 527.8	-	375.0	46 278.7	5 993.8
	Jul	4 115.8	0.2	280.7	45 048.6	6 113.8
	Aug	4 148.7	105.4	297.3	43 643.0	6 106.3
	Sep	2 932.3	-	158.3	45 630.9	6 191.5
	Oct	2 280.9	-	101.4	44 954.6	6 219.1
	Nov	2 507.3	39.8	117.0	47 428.3	6 224.8
	Dec	3 019.6	45.0	138.5	46 322.2	6 253.8
2021	Jan	2 740.1	12.4	95.4	45 836.3	6 111.3
	Feb	3 126.1	44.1	97.1	45 468.3	6 149.1
	Mar	3 805.8	67.1	88.0	46 078.7	6 283.8
	Apr	2 918.2	126.6	160.2	48 324.7	6 248.5
	May	2 698.5	16.5	146.2	45 353.9	6 275.1
	Jun	4 295.4	274.2	95.6	44 281.5	6 371.0
	Jul	3 490.7	2.9	110.6	46 188.4	6 449.1
	Aug	4 293.8	0.5	126.3	44 861.2	6 522.5
	Sep	3 987.6	6.0	110.6	44 598.4	6 490.3
	Oct	3 769.1	75.7	115.6	44 604.0	6 497.4
	Nov	3 842.6	84.7	178.2	45 079.3	6 459.4
	Dec	3 948.0	-	157.4	47 243.0	6 445.2
2022	Jan	3 021.3	-	173.1	46 827.5	6 163.3
	Feb	4 224.5	28.2	184.3	47 364.3	6 176.4
	Mar	3 798.9	-	202.0	46 797.4	6 454.6
	Apr	3 732.1	-	158.0	45 435.2	7 142.2
	May	3 735.6	201.1	224.1	45 378.6	6 526.7
	Jun	5 040.9	245.5	204.3	46 387.5	6 672.5
	Jul	5 340.4	28.0	192.5	47 885.0	6 637.4
	Aug	5 780.4	206.3	226.0	48 991.1	6 681.4
	Sep	5 762.5	550.5	131.7	48 898.4	9 043.6
	Oct	4 548.5	404.6	108.4	51 204.2	6 623.5
	Nov	5 452.5	284.4	145.0	48 603.8	6 550.2
	Dec	4 973.6	249.1	203.7	49 608.7	6 454.8

Source: Commercial banks

Notice		Capital	Other	Total	As at end of
& Time	Total	& Reserves	Liabilities	Liabilities	
17 778.3	48 337.4	6 888.6	3 415.6	60 418.0	2013
20 307.4	51 298.0	7 723.7	5 227.5	68 017.5	2014
23 218.9	59 650.0	8 325.2	5 183.4	76 721.1	2015
23 227.3	62 266.5	9 049.6	5 360.3	80 694.0	2016
23 305.4	63 278.7	9 383.0	6 235.4	83 468.2	2017
23 474.0	62 221.9	9 246.4	6 783.5	82 141.7	Mar 2018
24 930.6	64 476.3	9 635.0	6 841.4	85 731.9	Jun
26 488.8	68 209.4	9 264.9	6 848.6	88 313.2	Sep
26 837.5	69 041.5	10 389.7	6 946.9	91 331.0	Dec
26 885.0	71 415.3	10 438.7	7 415.6	92 474.4	Mar 2019
26 662.7	71 224.0	10 741.9	7 802.8	93 752.9	Jun
28 172.9	75 122.1	10 666.1	8 254.8	97 731.5	Sep
27 483.3	75 539.0	11 089.6	7 368.3	98 656.4	Dec
27 354.3	75 778.7	10 609.3	7 725.7	99 110.4	Jan 2020
27 090.6	76 016.7	10 780.9	8 714.8	100 105.3	Feb
27 530.8	76 831.3	10 980.7	8 354.6	102 165.8	Mar
27 639.9	79 226.0	11 088.1	8 321.2	103 120.4	Apr
26 318.2	78 703.8	10 923.8	8 934.0	102 822.0	May
25 718.6	77 991.2	10 965.3	10 054.3	103 913.7	Jun
26 794.9	77 957.4	11 095.5	9 001.3	102 451.1	Jul
28 130.2	77 879.4	10 958.7	9 349.6	102 739.2	Aug
27 768.7	79 591.1	10 968.5	9 652.0	103 302.3	Sep
28 302.5	79 476.2	11 058.4	10 619.2	103 536.0	Oct
28 278.0	81 931.1	11 212.3	10 187.5	105 994.9	Nov
27 825.8	80 401.7	11 298.7	8 355.0	103 258.6	Dec
28 682.4	80 630.1	11 315.9	9 740.0	104 533.8	Jan 2021
28 658.8	80 276.3	11 441.2	9 933.6	104 918.4	Feb
27 425.1	79 787.6	11 394.8	9 222.2	104 365.6	Mar
29 219.0	83 792.2	11 399.4	9 486.0	107 882.6	Apr
30 910.6	82 539.7	11 532.0	9 097.8	106 030.8	May
30 717.1	81 369.6	11 486.3	8 829.0	106 350.1	Jun
31 218.7	83 856.2	11 599.4	9 624.1	108 683.9	Jul
31 865.6	83 249.3	10 468.3	11 771.1	109 909.4	Aug
31 000.5	82 089.2	10 495.7	10 762.6	107 451.7	Sep
31 473.9	82 575.2	10 793.2	9 109.6	106 438.4	Oct
32 042.6	83 581.3	10 854.5	9 822.2	108 363.4	Nov
30 518.2	84 206.4	10 755.9	9 522.8	108 590.5	Dec
32 109.7	85 100.4	11 171.3	9 487.9	108 954.0	Jan 2022
30 795.3	84 336.0	11 095.5	9 226.4	109 094.8	Feb
31 098.9	84 351.0	11 273.6	8 945.6	108 571.2	Mar
32 052.6	84 630.1	11 316.1	9 072.5	108 908.7	Apr
33 885.7	85 791.0	11 296.9	8 855.5	110 104.3	May
33 344.4	86 404.4	11 468.5	8 969.5	112 333.0	Jun
35 028.3	89 550.7	11 708.5	9 419.6	116 239.6	Jul
35 165.2	90 837.6	11 695.6	8 772.1	117 518.2	Aug
33 367.0	91 309.1	11 864.9	10 028.0	119 646.6	Sep
33 656.5	91 484.2	12 081.4	10 153.6	118 780.8	Oct
35 500.7	90 654.7	12 294.7	9 845.3	118 676.7	Nov
34 660.4	90 723.9	12 349.8	8 494.9	116 995.0	Dec

TABLE 3.10: COMMERCIAL BANKS - LIQUID ASSETS
(P Million)

		ACTUAL LIQUID ASSETS							
		Required Liquid Assets ¹	Cash and Balances ²	Balances held Abroad	Treasury Bills ³	Government Bonds	Other Liquid Assets	Bank of Botswana Certificates ⁴	Excess Liquidity (8-1)
As at end of		1	2	3	4	5	6	7	8 (2+3+4+5+6+7)
2013		5 130.1	1 443.6	151.5	632.0	...	1 393.7	3 885.4	7 506.3
2014		5 679.8	3 237.5	462.9	366.6	27.0	97.6	3 213.2	7 404.8
2015		6 436.3	2 668.4	531.7	498.5	...	2 052.5	6 086.4	11 837.5
2016		6 715.7	3 991.6	363.0	465.4	72.0	1 536.6	7 053.6	13 482.2
2017		6 861.1	3 941.3	381.9	409.4	865.1	394.5	5 325.4	11 317.5
2018	Q1	6 740.6	3 067.9	558.9	347.9	626.1	1 040.0	4 794.0	10 434.9
	Q2	7 018.8	3 470.6	603.2	445.9	1 120.1	2 284.8	4 020.9	11 945.4
	Q3	7 318.6	2 544.4	597.7	548.0	...	1 143.7	7 339.1	12 173.0
	Q4	7 474.3	3 685.3	605.8	444.6	...	1 197.1	7 250.4	13 183.3
2019	Q1	7 575.3	2 494.8	624.3	511.4	...	2 264.7	8 338.6	14 233.7
	Q2	7 675.2	2 698.6	584.2	462.0	...	2 411.9	7 097.5	13 254.2
	Q3	8 040.8	3 053.0	275.7	248.9	72.0	2 240.8	8 979.2	14 869.6
	Q4	8 145.6	4 061.1	172.7	216.0	120.0	1 750.9	8 330.4	14 651.1
2020	Jan	8 223.6	3 447.1	207.5	315.4	122.3	945.5	9 630.8	14 668.5
	Feb	8 248.5	2 849.4	187.7	366.5	124.5	1 857.7	10 071.0	15 456.8
	Mar	8 385.5	3 523.4	208.1	462.8	102.1	62.9	9 196.7	13 556.1
	Apr	8 488.3	2 779.4	205.6	464.9	704.1	3 780.2	8 223.6	16 157.7
	May	8 419.8	3 112.5	191.8	465.5	1 178.2	3 617.6	9 658.9	18 224.5
	Jun	8 441.1	4 090.3	202.8	597.8	1 180.4	1 384.6	10 116.8	17 572.7
	Jul	8 375.2	3 724.0	192.6	598.5	1 186.9	1 890.5	8 458.8	16 051.4
	Aug	8 420.7	3 244.2	194.4	1 299.5	1 165.3	1 334.4	8 862.5	16 100.4
	Sep	8 448.0	3 127.8	209.0	631.2	...	1 886.3	11 368.9	17 223.2
	Oct	8 442.7	2 145.9	182.1	631.6	...	1 914.3	11 532.8	16 406.7
	Nov	8 670.9	2 820.6	175.6	982.1	...	2 427.5	11 171.2	17 577.1
	Dec	8 507.3	3 923.8	173.4	915.1	...	1 576.6	8 820.9	15 409.9
2021	Jan	8 537.8	2 892.1	223.7	2 108.5	...	1 911.5	9 903.7	17 039.5
	Feb	8 505.6	3 310.2	183.5	2 682.8	195.0	1 888.0	8 359.2	16 618.7
	Mar	8 589.2	4 362.7	178.5	2 945.5	196.1	332.4	8 577.2	16 592.4
	Apr	8 892.7	3 622.2	180.9	3 468.5	388.4	1 778.6	10 094.6	19 533.1
	May	8 711.4	2 987.3	169.1	3 142.3	393.4	1 147.7	9 992.5	17 832.3
	Jun	8 738.0	4 461.5	181.3	2 940.8	393.4	990.8	8 036.4	17 004.0
	Jul	8 938.1	3 673.3	167.8	3 099.4	393.4	1 956.5	8 096.3	17 386.6
	Aug	8 927.2	4 450.6	190.9	3 054.0	393.2	1 789.6	7 373.0	17 251.4
	Sep	8 777.6	4 104.4	125.8	3 205.5	393.2	1 292.1	4 620.0	13 741.0
	Oct	8 846.6	3 142.0	160.0	4 957.6	393.2	1 852.0	4 906.4	15 411.2
	Nov	8 934.8	3 634.3	206.5	4 607.3	102.5	1 294.9	3 999.8	13 845.4
	Dec	9 008.6	4 875.9	196.9	4 861.0	103.1	1 755.8	2 218.3	14 010.9
2022	Jan	9 046.2	3 609.7	180.7	4 664.1	103.4	1 423.1	4 202.1	14 183.1
	Feb	9 070.0	4 184.4	163.4	4 481.4	586.5	1 211.6	2 978.7	13 606.0
	Mar	9 041.2	4 252.5	247.4	3 980.0	586.8	1 098.8	3 759.9	13 925.3
	Apr	9 025.4	3 978.8	170.3	4 320.9	782.9	578.8	3 097.9	12 929.7
	May	9 179.4	4 253.7	188.2	4 621.2	731.1	624.7	2 211.7	12 630.5
	Jun	9 403.1	4 894.5	173.3	4 530.7	2 595.8	7.4	1 877.6	14 079.2
	Jul	9 734.4	4 170.8	200.6	5 520.8	2 584.5	756.4	2 607.5	15 840.7
	Aug	9 868.5	4 919.2	189.4	5 415.3	2 144.5	760.4	2 758.3	16 187.1
	Sep	9 965.2	5 078.9	198.9	5 587.2	2 095.3	364.2	2 605.4	15 929.9
	Oct	9 897.4	3 997.3	213.7	5 227.3	1 906.6	730.3	3 248.8	15 323.9
	Nov	9 872.2	4 623.6	232.4	5 644.7	1 843.4	779.4	3 327.2	16 450.7
	Dec	9 793.0	4 714.6	187.5	4 820.4	2 073.8	333.6	3 225.5	15 355.5

- The required liquid assets are calculated on the basis of total deposits levels, which include customer deposits and balances due from banks and other liabilities due in one year or less.
- Cash and balances encompasses cash and (Pula) balances held with Bank of Botswana and domestic banks (balances withdrawable on demand only).
- These are Botswana Government treasury bills of six months duration which began to be issued on March 7, 2008.
- The data reported in Column 8 of this table are from the commercial banks' records and differ from those reported in Tables 3.1 and 4.4, which are from Bank of Botswana records of holdings of BoBC's.

Source: Commercial banks

TABLE 3.11: COMMERCIAL BANKS - RESERVES
(P Million)

		Required Reserves ¹	Current account Balances/Excess Reserves	Total Reserves (1+2)	Average Deposits ²	% of Total Reserves to Average Deposits (3/4)	Memorandum Items ³ Required Reserves Maintenance Period	Average Required ¹ Reserves
As at end of		1	2	3	4	5		
2013		4 186.7	190.7	4 377.4	42 445.8	10.3	...	...
2014		4 420.8	- 1.8	4 419.0	44 757.3	9.9	...	...
2015		2 588.7	384.6	2 973.3	51 090.2	5.8	...	...
2016		2 556.7	1 040.7	3 597.4	52 676.5	6.8	...	...
2017		2 693.2	242.2	2 935.3	54 417.0	5.4	...	...
2018	Q1	2 659.0	229.8	2 888.8	53 045.0	5.4	...	...
	Q2	2 637.6	710.6	3 348.2	55 248.8	6.1	...	...
	Q3	2 804.6	138.4	2 942.9	57 892.7	5.1	...	...
	Q4	2 905.0	141.1	3 046.1	58 208.2	5.2	...	...
2019	Q1	2 953.0	815.5	3 768.5	60 105.4	6.3	...	...
	Q2	3 018.7	263.3	3 282.0	60 801.9	5.4	...	...
	Q3	3 131.2	158.2	3 289.4	64 400.1	5.1	...	...
	Q4	3 218.6	256.0	3 474.7	64 813.0	5.4	Dec 11 - Jan 7	3 252.3
2020	Jan	3 228.7	240.1	3 468.7	65 146.1	5.3	Jan 8 - Feb 11	3 242.3
	Feb	3 240.6	318.4	3 559.0	64 857.7	5.5	Feb 12 - Mar 10	3 232.4
	Mar	3 257.3	324.9	3 582.2	64 469.1	5.6	Mar 11 - Apr 07	3 322.7
	Apr	3 242.9	105.9	3 348.8	65 863.4	5.1	Apr 08 - May 12	3 481.3
	May	1 611.7	174.2	1 786.0	66 526.0	2.7	May 13 - Jun 09	1 668.3
	Jun	1 646.6	118.0	1 764.6	65 308.6	2.7	Jun 10 - Jul 07	1 752.9
	Jul	1 663.2	316.5	1 979.6	65 380.0	3.0	Jul 08 - Aug 11	1 695.6
	Aug	1 632.7	168.3	1 801.0	65 223.1	2.8	Aug 12 - Sep 08	1 638.3
	Sep	1 634.5	344.5	1 979.0	66 317.8	3.0	Sep 09 - Oct 12	1 652.2
	Oct	1 630.6	161.5	1 792.1	68 502.6	2.6	Oct 13 - Nov 10	1 683.7
	Nov	1 657.9	110.3	1 768.2	67 590.6	2.6	Nov 11 - Dec 08	1 743.1
	Dec	1 712.6	256.1	1 968.7	67 418.6	2.9	Dec 09 - Jan 12	1 738.0
2021	Jan	1 689.8	643.6	2 333.4	67 906.6	3.4	Jan 13 - Feb 09	1 731.7
	Feb	1 685.5	313.1	1 998.6	67 026.6	3.0	Feb 10 - Mar 09	1 759.1
	Mar	1 697.7	589.6	2 287.2	66 778.7	3.4	Mar 10 - Apr 13	1 776.3
	Apr	1 675.7	644.0	2 319.6	67 541.4	3.4	Apr 14 - May 11	1 853.2
	May	1 669.5	279.8	1 949.2	69 687.7	2.8	May 12 - Jun 08	1 714.4
	Jun	1 688.5	365.9	2 054.4	68 978.7	3.0	Jun 09 - Jul 13	1 739.6
	Jul	1 742.2	132.5	1 874.7	68 691.9	2.7	Jul 14 - Aug 10	1 867.8
	Aug	1 724.5	125.0	1 849.5	69 987.2	2.6	Aug 11 - Sep 07	1 820.4
	Sep	1 717.3	109.4	1 826.7	68 565.7	2.7	Sep 08 - Oct 12	1 740.0
	Oct	1 749.7	74.4	1 824.0	68 578.6	2.7	Oct 13 - Nov 09	1 806.7
	Nov	1 714.1	218.1	1 932.2	67 837.0	2.8	Nov 10 - Dec 07	1 800.6
	Dec	1 714.5	634.1	2 348.3	69 204.4	3.4	Dec 08 - Jan 11	1 869.1
2022	Jan	1 695.9	825.2	2 521.1	70 999.6	3.6	Jan 12 - Feb 08	1 822.9
	Feb	1 730.1	573.1	2 303.2	68 941.5	3.3	Feb 09 - Mar 08	1 809.0
	Mar	1 775.0	865.1	2 640.0	69 128.6	3.8	Mar 09 - Apr 12	1 944.0
	Apr	1 723.5	1 045.1	2 768.6	70 287.7	3.9	Apr 13 - May 10	1 868.6
	May	1 728.2	743.5	2 471.7	70 977.8	3.5	May 11 - Jun 14	1 817.3
	Jun	1 757.2	437.0	2 194.2	69 496.6	3.2	Jun 15 - Jul 12	1 744.6
	Jul	1 774.4	696.0	2 470.5	71 492.9	3.5	Jul 13 - Aug 9	1 998.3
	Aug	1 737.4	913.2	2 650.7	72 259.4	3.7	Aug 10 - Sep 13	1 868.1
	Sep	1 787.3	1 184.9	2 922.3	73 013.3	4.0	Sep 14 - Oct 11	2 001.0
	Oct	1 806.5	895.4	2 701.8	73 482.1	3.7	Oct 12 - Nov 08	2 055.4
	Nov	1 825.3	794.5	2 619.8	73 107.4	3.6	Nov 09 - Dec 13	1 955.1
	Dec	1 837.1	280.2	2 117.3	72 007.3	2.9	Dec 14 - Jan 10	1 962.7

- Required reserves at the Bank of Botswana are for a period of one month and are calculated on the basis of deposits two months earlier. Foreign Currency Accounts (FCAs) in Pula terms have been netted out from the average total deposits to calculate primary reserve requirements.
- The average of commercial banks' deposits for the period. FCAs in Pula terms have been netted out from the average total deposits, so that the figure for average deposits in this table conforms with that used to calculate the primary reserve requirements.
- Effective October 9, 2019 the Bank introduced primary reserve requirement averaging and the balances are for the maintenance period given.

Source: Commercial banks and Bank of Botswana

TABLE 3.12: COMMERCIAL BANKS - DEPOSITS BY HOLDER
(P Million)

		Government		Resident Business		Non-resident		
As at end of		Central	Local	Parastatals	Private	Business	Households	Total
2013		174.8	2 230.7	5 254.7	29 078.1	457.1	11 316.8	48 512.2
2014		193.9	2 129.1	4 443.0	32 078.9	289.0	12 358.0	51 491.8
2015		311.2	2 436.0	5 238.7	37 372.5	164.1	14 438.7	59 961.2
2016		171.4	2 504.1	6 133.6	39 411.1	302.5	13 915.2	62 437.8
2017		302.5	2 351.6	3 219.7	44 512.7	448.5	12 746.2	63 581.2
2018	Q1	272.6	2 185.6	4 205.3	41 652.0	366.0	13 813.1	62 494.5
	Q2	362.2	2 662.1	4 642.3	43 355.5	707.7	13 108.8	64 838.5
	Q3	307.6	2 302.3	4 600.4	46 539.1	844.1	13 923.6	68 517.0
	Q4	229.3	2 044.6	4 262.6	48 462.2	428.3	13 843.9	69 270.9
2019	Q1	224.8	2 433.5	4 506.2	49 789.0	342.5	14 344.1	71 640.2
	Q2	259.9	1 832.2	4 960.6	48 450.0	951.9	15 029.2	71 483.9
	Q3	235.1	2 807.6	4 722.5	50 255.8	1 282.1	16 054.0	75 357.2
	Q4	167.6	2 333.9	5 482.9	51 833.5	507.0	15 384.2	75 709.2
2020	Jan	235.7	2 759.7	4 516.5	51 684.2	816.5	16 001.8	76 014.4
	Feb	90.9	1 956.0	4 323.9	53 090.6	470.7	16 175.5	76 107.6
	Mar	425.7	1 685.6	4 487.0	54 767.6	632.6	15 258.5	77 257.0
	Apr	405.7	2 351.0	5 423.4	54 411.7	744.8	16 295.1	79 631.6
	May	417.5	2 003.0	4 595.4	55 031.1	703.2	16 371.2	79 121.3
	Jun	375.0	1 430.0	3 997.0	55 044.7	850.1	16 669.5	78 366.2
	Jul	280.7	2 376.0	4 176.4	53 684.5	883.4	16 837.2	78 238.2
	Aug	297.3	1 779.3	4 271.4	53 855.5	1 090.2	16 883.0	78 176.8
	Sep	158.3	2 486.5	4 540.0	54 179.7	1 232.9	17 152.0	79 749.5
	Oct	101.4	2 063.1	5 081.7	54 684.5	1 203.6	16 443.3	79 577.6
	Nov	117.0	2 860.8	4 612.9	55 621.4	1 198.2	17 637.9	82 048.1
	Dec	138.5	2 414.0	4 955.7	54 823.1	1 212.9	16 996.0	80 540.2
2021	Jan	95.4	2 402.2	5 048.2	54 736.3	1 059.3	17 384.1	80 725.4
	Feb	97.1	2 024.3	7 222.7	52 456.4	1 023.3	17 549.5	80 373.4
	Mar	88.0	1 784.7	6 698.8	52 544.0	1 189.4	17 570.7	79 875.6
	Apr	160.2	2 419.1	6 295.4	54 114.4	1 195.1	19 768.3	83 952.4
	May	146.2	2 113.7	5 957.5	55 958.1	1 336.3	17 174.1	82 685.9
	Jun	95.6	1 539.7	5 416.0	54 220.7	1 302.0	18 891.1	81 465.2
	Jul	110.6	2 299.6	5 470.4	55 300.4	658.0	20 127.9	83 966.8
	Aug	126.3	2 053.3	5 051.3	55 023.4	1 501.8	19 619.5	83 375.6
	Sep	110.6	1 876.0	3 814.2	56 396.1	1 345.7	18 657.2	82 199.8
	Oct	115.6	2 187.0	3 694.4	56 338.6	1 384.2	18 971.0	82 690.8
	Nov	178.2	1 776.0	5 105.0	56 260.3	1 391.5	19 048.5	83 759.4
	Dec	157.4	1 894.9	4 897.9	56 355.2	1 379.3	19 679.0	84 363.8
2022	Jan	173.1	2 157.5	4 907.7	57 463.7	1 262.1	19 309.4	85 273.5
	Feb	184.3	2 018.1	5 227.1	58 823.3	676.6	17 591.0	84 520.3
	Mar	202.0	1 431.1	5 065.6	58 655.3	1 173.6	18 025.3	84 553.0
	Apr	158.0	1 567.4	4 186.0	57 586.7	1 184.3	20 105.7	84 788.0
	May	224.1	1 789.8	4 256.0	60 007.7	1 230.9	18 506.5	86 015.1
	Jun	204.3	2 844.5	5 042.1	57 580.3	1 546.5	19 390.9	86 608.7
	Jul	192.5	2 548.8	8 947.2	57 970.9	1 960.7	18 123.1	89 743.2
	Aug	226.0	2 165.9	6 347.5	63 167.4	1 688.9	17 467.9	91 063.7
	Sep	131.7	1 767.4	8 071.5	61 346.3	1 633.1	18 490.8	91 440.7
	Oct	108.4	2 367.8	8 241.4	59 664.7	1 617.0	19 593.4	91 592.6
	Nov	145.0	2 071.4	8 550.2	58 790.0	1 677.5	19 565.6	90 799.7
	Dec	203.7	1 341.8	7 182.9	62 675.5	1 495.7	18 028.0	90 927.6

Source: Commercial banks

TABLE 3.13: COMMERCIAL BANKS - DEPOSITS BY TYPE
(P Million)

As at end of		Current	Call	Savings	1 month	3 months	Fixed up to 6 months	Fixed up to 12 months	Fixed over 12 months	Total
2013		10 412.5	16 684.7	3 616.7	1 482.2	4 909.2	8 782.7	1 725.2	899.0	48 512.2
2014		11 095.0	16 262.0	3 794.6	3 752.4	4 401.6	8 291.0	3 089.7	805.7	51 491.8
2015		12 138.8	20 519.9	4 027.4	865.4	9 453.0	7 271.7	4 210.0	1 475.1	59 961.2
2016		14 096.0	20 635.1	4 416.8	1 735.2	2 057.1	12 190.5	5 411.9	1 895.3	62 437.8
2017		15 582.6	19 912.2	4 729.2	993.0	2 954.6	13 236.8	4 554.3	1 618.5	63 581.2
2018	Q1	14 157.8	20 203.9	4 633.2	1 161.8	1 749.9	13 713.3	4 876.7	1 997.9	62 494.5
	Q2	14 286.8	20 898.5	4 719.7	1 093.6	2 023.4	14 527.8	5 461.0	1 827.6	64 838.5
	Q3	15 592.9	21 613.2	4 795.6	2 201.2	3 389.4	14 500.3	4 423.2	2 001.3	68 517.0
	Q4	15 542.1	22 066.7	4 809.1	2 113.0	3 488.4	15 025.1	4 213.5	2 012.9	69 270.9
2019	Q1	15 626.3	24 274.5	4 854.0	309.6	1 351.0	17 693.8	5 729.3	1 801.7	71 640.2
	Q2	15 802.7	23 898.1	5 095.1	310.2	1 472.8	15 843.8	6 218.6	2 842.7	71 483.9
	Q3	16 969.0	24 929.8	5 278.0	1 876.4	1 314.0	15 634.5	7 258.0	2 097.5	75 357.2
	Q4	18 304.6	24 636.4	5 284.5	1 285.0	1 365.2	15 368.8	7 377.1	2 087.7	75 709.2
2020	Jan	20 173.0	23 329.1	5 157.6	69.5	3 287.2	15 249.0	6 528.7	2 220.3	76 014.4
	Feb	19 342.2	24 320.1	5 354.2	2 444.8	1 093.2	15 009.9	6 697.0	1 846.3	76 107.6
	Mar	19 325.8	24 633.4	5 599.2	1 862.0	1 081.5	16 934.9	6 090.9	1 729.3	77 257.0
	Apr	19 836.8	25 996.9	5 989.5	26.0	3 342.1	15 235.3	7 227.1	1 978.0	79 631.6
	May	20 773.0	25 757.3	6 096.6	292.1	1 222.3	15 808.9	7 201.0	1 970.2	79 121.3
	Jun	22 339.5	24 137.2	5 993.8	125.5	2 278.7	14 174.1	7 460.2	1 857.3	78 366.2
	Jul	21 184.6	23 967.0	6 113.8	704.6	1 240.9	14 619.6	8 322.5	2 085.2	78 238.2
	Aug	19 617.3	24 144.5	6 106.3	16.9	3 232.0	14 382.3	8 625.6	2 051.9	78 176.8
	Sep	21 163.5	24 618.5	6 191.5	1 796.6	1 243.3	14 302.3	8 277.4	2 156.4	79 749.5
	Oct	20 608.3	24 440.5	6 219.1	1 110.4	1 286.6	15 122.6	8 286.7	2 503.4	79 577.6
	Nov	21 465.4	26 069.1	6 224.8	50.9	2 268.0	15 015.9	8 576.7	2 377.3	82 048.1
	Dec	21 491.7	24 958.0	6 253.9	1 599.8	1 294.0	14 944.1	7 587.4	2 411.3	80 540.2
2021	Jan	20 276.0	25 651.4	6 111.3	1 110.7	1 313.3	16 174.7	6 974.0	3 114.0	80 725.4
	Feb	21 149.3	24 415.2	6 149.1	15.4	2 351.4	16 879.3	6 908.1	2 505.5	80 373.4
	Mar	22 257.0	23 908.7	6 283.8	1 476.5	1 318.1	15 607.6	7 314.0	1 709.9	79 875.6
	Apr	22 530.9	25 948.9	6 248.8	16.3	3 147.7	18 219.2	5 868.6	1 972.0	83 952.4
	May	21 685.7	23 813.2	6 275.4	14.0	3 089.2	18 475.1	7 143.7	2 189.6	82 685.9
	Jun	22 207.4	22 168.4	6 371.4	13.7	2 926.2	18 167.5	7 356.4	2 254.2	81 465.2
	Jul	22 797.3	23 500.6	6 449.3	1 016.9	1 229.2	18 838.0	7 858.1	2 277.4	83 966.8
	Aug	22 415.8	22 570.5	6 522.7	14.0	2 602.0	18 456.4	8 415.9	2 378.3	83 375.6
	Sep	22 669.1	22 038.9	6 490.3	130.7	1 267.0	19 388.5	7 681.7	2 533.7	82 199.8
	Oct	21 752.7	22 965.9	6 497.4	14.5	1 239.1	19 230.3	8 216.4	2 774.6	82 690.8
	Nov	22 040.2	23 216.3	6 459.4	39.9	1 222.7	19 368.2	8 783.2	2 629.5	83 759.4
	Dec	23 093.1	24 306.2	6 445.2	13.9	1 240.1	18 187.5	8 488.0	2 589.7	84 363.8
2022	Jan	22 091.4	24 908.2	6 163.3	16.7	1 212.7	19 594.7	8 870.1	2 416.5	85 273.5
	Feb	21 678.2	25 869.4	6 176.4	16.2	1 225.1	18 605.9	8 552.1	2 397.1	84 520.3
	Mar	21 710.8	25 287.6	6 454.6	24.6	1 228.7	18 864.8	8 610.4	2 371.4	84 553.0
	Apr	22 068.7	23 523.5	7 142.3	26.9	1 239.5	19 788.9	8 484.9	2 513.3	84 788.0
	May	21 419.3	24 182.4	6 526.8	27.8	1 275.1	21 649.2	8 534.7	2 399.8	86 015.1
	Jun	22 671.6	23 820.2	6 672.6	143.2	1 289.4	21 484.7	8 349.2	2 177.8	86 608.7
	Jul	22 750.0	25 237.5	6 637.4	22.0	1 310.4	22 719.3	9 168.8	1 897.6	89 743.2
	Aug	23 256.3	25 860.9	6 681.4	148.6	1 313.5	20 513.6	11 274.6	2 014.8	91 063.7
	Sep	23 723.4	25 283.1	9 044.3	91.1	1 302.2	18 405.2	11 369.5	2 221.8	91 440.7
	Oct	24 667.7	26 622.0	6 623.6	111.7	1 314.8	19 943.2	10 132.5	2 177.1	91 592.6
	Nov	24 247.7	24 478.0	6 550.2	132.8	1 318.2	20 564.7	9 225.9	4 282.2	90 799.7
	Dec	23 798.5	25 890.8	6 454.9	16.5	1 266.3	21 025.2	10 255.5	2 220.0	90 927.6

Source: Commercial banks

TABLE 3.14: COMMERCIAL BANKS - DEPOSITS BY HOLDER
(Percentage Distribution)

End of		Government		Resident Business		Non-resident	
		Central	Local	Parastatals	Private	Business	Households
2013		0.4	4.6	10.8	59.9	0.9	23.3
2014		0.4	4.1	8.6	62.3	0.6	24.0
2015		0.5	4.1	8.7	62.3	0.3	24.1
2016		0.3	4.0	9.8	63.1	0.5	22.3
2017		0.5	3.7	5.1	70.0	0.7	20.0
2018	Q1	0.4	3.5	6.7	66.6	0.6	22.1
	Q2	0.6	4.1	7.2	66.9	1.1	20.2
	Q3	0.4	3.4	6.7	67.9	1.2	20.3
	Q4	0.3	3.0	6.2	70.0	0.6	20.0
2019	Q1	0.3	3.4	6.3	69.5	0.5	20.0
	Q2	0.4	2.6	6.9	67.8	1.3	21.0
	Q3	0.3	3.7	6.3	66.7	1.7	21.3
	Q4	0.2	3.1	7.2	68.5	0.7	20.3
2020	Jan	0.3	3.6	5.9	68.0	1.1	21.1
	Feb	0.1	2.6	5.7	69.8	0.6	21.3
	Mar	0.6	2.2	5.8	70.9	0.8	19.8
	Apr	0.5	3.0	6.8	68.3	0.9	20.5
	May	0.5	2.5	5.8	69.6	0.9	20.7
	Jun	0.5	1.8	5.1	70.2	1.1	21.3
	Jul	0.4	3.0	5.3	68.6	1.1	21.5
	Aug	0.4	2.3	5.5	68.9	1.4	21.6
	Sep	0.2	3.1	5.7	67.9	1.5	21.5
	Oct	0.1	2.6	6.4	68.7	1.5	20.7
	Nov	0.1	3.5	5.6	67.8	1.5	21.5
	Dec	0.2	3.0	6.2	68.1	1.5	21.1
2021	Jan	0.1	3.0	6.3	67.8	1.3	21.5
	Feb	0.1	2.5	9.0	65.3	1.3	21.8
	Mar	0.1	2.2	8.4	65.8	1.5	22.0
	Apr	0.2	2.9	7.5	64.5	1.4	23.5
	May	0.2	2.6	7.2	67.7	1.6	20.8
	Jun	0.1	1.9	6.6	66.6	1.6	23.2
	Jul	0.1	2.7	6.5	65.9	0.8	24.0
	Aug	0.2	2.5	6.1	66.0	1.8	23.5
	Sep	0.1	2.3	4.6	68.6	1.6	22.7
	Oct	0.1	2.6	4.5	68.1	1.7	22.9
	Nov	0.2	2.1	6.1	67.2	1.7	22.7
	Dec	0.2	2.2	5.8	66.8	1.6	23.3
2022	Jan	0.2	2.5	5.8	67.4	1.5	22.6
	Feb	0.2	2.4	6.2	69.6	0.8	20.8
	Mar	0.2	1.7	6.0	69.4	1.4	21.3
	Apr	0.2	1.8	4.9	67.9	1.4	23.7
	May	0.3	2.1	4.9	69.8	1.4	21.5
	Jun	0.2	3.3	5.8	66.5	1.8	22.4
	Jul	0.2	2.8	10.0	64.6	2.2	20.2
	Aug	0.2	2.4	7.0	69.4	1.9	19.2
	Sep	0.1	1.9	8.8	67.1	1.8	20.2
	Oct	0.1	2.6	9.0	65.1	1.8	21.4
	Nov	0.2	2.3	9.4	64.7	1.8	21.5
	Dec	0.2	1.5	7.9	68.9	1.6	19.8

Source: Commercial banks

TABLE 3.15: COMMERCIAL BANKS - DEPOSITS BY TYPE
(Percentage Distribution)

End of		Current	Call	Savings	1 month	3 months	Fixed up to 6 months	Fixed up to 12 months	Fixed over 12 months
2013		21.5	34.4	7.5	3.1	10.1	18.1	3.6	1.9
2014		21.5	31.6	7.4	7.3	8.5	16.1	6.0	1.6
2015		20.2	34.2	6.7	1.4	15.8	12.1	7.0	2.5
2016		22.6	33.0	7.1	2.8	3.3	19.5	8.7	3.0
2017		24.5	31.3	7.4	1.6	4.6	20.8	7.2	2.5
2018	Q1	22.7	32.3	7.4	1.9	2.8	21.9	7.8	3.2
	Q2	22.0	32.2	7.3	1.7	3.1	22.4	8.4	2.8
	Q3	22.8	31.5	7.0	3.2	4.9	21.2	6.5	2.9
	Q4	22.4	31.9	6.9	3.1	5.0	21.7	6.1	2.9
2019	Q1	21.8	33.9	6.8	0.4	1.9	24.7	8.0	2.5
	Q2	22.1	33.4	7.1	0.4	2.1	22.2	8.7	4.0
	Q3	22.5	33.1	7.0	2.5	1.7	20.7	9.6	2.8
	Q4	24.2	32.5	7.0	1.7	1.8	20.3	9.7	2.8
2020	Jan	26.5	30.7	6.8	0.1	4.3	20.1	8.6	2.9
	Feb	25.4	32.0	7.0	3.2	1.4	19.7	8.8	2.4
	Mar	25.0	31.9	7.2	2.4	1.4	21.9	7.9	2.2
	Apr	24.9	32.6	7.5	-	4.2	19.1	9.1	2.5
	May	26.3	32.6	7.7	0.4	1.5	20.0	9.1	2.5
	Jun	28.5	30.8	7.6	0.2	2.9	18.1	9.5	2.4
	Jul	27.1	30.6	7.8	0.9	1.6	18.7	10.6	2.7
	Aug	25.1	30.9	7.8	-	4.1	18.4	11.0	2.6
	Sep	26.5	30.9	7.8	2.3	1.6	17.9	10.4	2.7
	Oct	25.9	30.7	7.8	1.4	1.6	19.0	10.4	3.1
	Nov	26.2	31.8	7.6	0.1	2.8	18.3	10.5	2.9
	Dec	26.7	31.0	7.8	2.0	1.6	18.6	9.4	3.0
2021	Jan	25.1	31.8	7.6	1.4	1.6	20.0	8.6	3.9
	Feb	26.3	30.4	7.7	-	2.9	21.0	8.6	3.1
	Mar	27.9	29.9	7.9	1.8	1.7	19.5	9.2	2.1
	Apr	26.8	30.9	7.4	-	3.7	21.7	7.0	2.3
	May	26.2	28.8	7.6	-	3.7	22.3	8.6	2.6
	Jun	27.3	27.2	7.8	-	3.6	22.3	9.0	2.8
	Jul	27.2	28.0	7.7	1.2	1.5	22.4	9.4	2.7
	Aug	26.9	27.1	7.8	-	3.1	22.1	10.1	2.9
	Sep	27.6	26.8	7.9	0.2	1.5	23.6	9.3	3.1
	Oct	26.3	27.8	7.9	-	1.5	23.3	9.9	3.4
	Nov	26.3	27.7	7.7	-	1.5	23.1	10.5	3.1
	Dec	27.4	28.8	7.6	-	1.5	21.6	10.1	3.1
2022	Jan	25.9	29.2	7.2	-	1.4	23.0	10.4	2.8
	Feb	25.6	30.6	7.3	-	1.4	22.0	10.1	2.8
	Mar	25.7	29.9	7.6	-	1.5	22.3	10.2	2.8
	Apr	26.0	27.7	8.4	-	1.5	23.3	10.0	3.0
	May	24.9	28.1	7.6	-	1.5	25.2	9.9	2.8
	Jun	26.2	27.5	7.7	0.2	1.5	24.8	9.6	2.5
	Jul	25.4	28.1	7.4	-	1.5	25.3	10.2	2.1
	Aug	25.5	28.4	7.3	0.2	1.4	22.5	12.4	2.2
	Sep	25.9	27.6	9.9	0.1	1.4	20.1	12.4	2.4
	Oct	26.9	29.1	7.2	0.1	1.4	21.8	11.1	2.4
	Nov	26.7	27.0	7.2	0.1	1.5	22.6	10.2	4.7
	Dec	26.2	28.5	7.1	-	1.4	23.1	11.3	2.4

Source: Commercial banks

TABLE 3.16: COMMERCIAL BANKS - FOREIGN CURRENCY ACCOUNTS (FCAs) AND TOTAL DEPOSITS¹

(Million)

		US dollar		British pound		SA rand	
End of		Foreign Currency	Pula Equivalent	Foreign Currency	Pula Equivalent	Foreign Currency	Pula Equivalent
2013		521.0	4 542.1	40.6	583.2	947.1	791.7
2014		661.5	6 294.0	23.9	353.2	1 045.1	858.8
2015		653.3	7 340.6	25.0	416.4	1 172.1	847.5
2016		817.8	8 709.8	34.3	448.0	1 037.9	811.4
2017		842.1	8 312.5	41.8	555.9	827.0	658.3
2018	Q1	797.9	7 606.3	43.4	582.0	981.4	794.8
	Q2	725.0	7 536.0	43.5	592.5	1 135.4	862.0
	Q3	801.9	8 495.2	43.0	595.2	1 407.4	1 055.1
	Q4	849.6	9 115.6	46.4	631.8	1 734.7	1 290.6
2019	Q1	806.7	8 702.7	45.6	643.3	2 376.9	1 756.9
	Q2	858.3	9 111.1	42.1	565.8	1 740.5	1 307.7
	Q3	836.1	9 228.6	43.0	585.4	1 873.2	1 371.3
	Q4	849.5	9 027.5	38.3	533.2	1 471.9	1 107.1
2020	Jan	852.1	9 282.4	37.6	537.2	1 750.7	1 288.3
	Feb	843.2	9 442.2	38.4	554.4	1 858.6	1 331.2
	Mar	894.1	10 694.6	38.8	573.5	2 203.5	1 465.9
	Apr	881.7	10 609.9	39.3	588.8	2 400.9	1 594.0
	May	864.5	10 243.0	40.2	588.3	2 317.8	1 691.0
	Jun	879.6	10 372.8	36.3	526.1	2 338.5	1 592.6
	Jul	999.7	11 478.1	47.3	712.8	2 261.6	1 546.9
	Aug	956.6	10 944.9	47.5	723.7	2 174.1	1 496.9
	Sep	919.1	10 724.2	42.0	631.0	2 039.8	1 392.0
	Oct	946.2	10 851.2	42.7	631.9	1 749.3	1 221.4
	Nov	985.1	10 872.9	42.1	620.5	2 010.3	1 454.7
	Dec	1 030.5	11 116.7	42.2	620.9	1 650.5	1 217.1
2021	Jan	1 004.4	11 098.1	41.9	634.7	1 888.1	1 368.5
	Feb	1 056.1	11 605.1	42.3	648.5	1 655.2	1 210.2
	Mar	1 051.5	11 644.7	148.3	2 257.4	1 575.2	1 169.9
	Apr	1 000.0	10 823.0	53.6	809.0	1 725.2	1 303.9
	May	1 039.7	11 060.5	47.6	717.7	1 686.4	1 301.5
	Jun	1 002.7	10 946.6	47.6	719.4	1 791.6	1 367.6
	Jul	1 088.6	12 015.4	47.4	730.6	1 682.7	1 271.5
	Aug	1 060.4	11 755.6	47.7	729.3	1 890.9	1 434.1
	Sep	1 087.3	12 286.0	69.8	1 068.2	1 700.8	1 277.3
	Oct	1 001.1	11 362.8	42.2	661.2	1 635.0	1 224.8
	Nov	1 109.2	13 095.7	36.3	570.9	1 895.9	1 382.2
	Dec	1 089.2	12 784.6	35.1	556.9	1 911.7	1 411.1
2022	Jan	1 061.8	12 404.3	31.1	488.4	1 812.8	1 360.3
	Feb	1 191.5	13 854.5	30.6	475.5	1 550.6	1 175.5
	Mar	1 191.7	13 603.3	31.2	467.6	1 526.6	1 200.4
	Apr	1 067.5	12 939.4	30.7	465.6	1 349.2	1 029.0
	May	1 067.5	12 769.1	33.9	511.0	1 635.2	1 262.3
	Jun	1 131.1	13 981.5	33.9	508.5	1 792.4	1 363.8
	Jul	1 213.5	15 149.6	37.1	565.5	1 889.6	1 435.8
	Aug	1 224.8	16 374.5	37.1	533.7	1 618.6	1 201.9
	Sep	1 255.5	16 784.3	38.8	559.1	1 959.0	1 454.7
	Oct	1 224.6	16 393.1	40.3	625.6	2 002.1	1 471.7
	Nov	1 165.0	14 974.3	39.7	610.1	2 190.1	1 659.0
	Dec	1 267.4	16 186.2	37.7	579.9	2 200.4	1 656.8

1. Pula equivalent is obtained by using the middle exchange rate as at the end of the respective month.

2. This Table has been modified to include any other Pula equivalent for currencies other than those specified above.

Source: Commercial banks

Euro		Other Pula Equivalent ²	Total Pula Equivalent	Total Deposits	Proportion of FCAs in Total Deposits		End of
Foreign Currency	Pula Equivalent						
34.9	418.9	41.1	6 377.0	48 512.2	13.1		2013
40.3	465.5	26.9	7 998.3	51 491.8	15.5		2014
54.5	669.7	35.5	9 309.8	59 961.2	15.5		2015
49.1	550.8	26.4	10 546.3	62 437.8	16.9		2016
53.3	629.1	8.2	10 164.0	63 581.2	16.0		2017
36.7	430.8	9.9	9 423.8	62 494.5	15.1	Q1	2018
50.9	616.1	13.5	9 620.3	64 838.5	14.8	Q2	
45.7	563.3	17.9	10 726.8	68 517.0	15.7	Q3	
46.9	576.0	12.6	11 626.7	69 270.9	16.8	Q4	
38.5	466.6	6.2	11 575.7	71 640.2	16.2	Q1	2019
40.3	485.6	17.7	11 487.9	71 483.9	16.1	Q2	
38.3	460.9	18.1	11 664.4	75 357.2	15.5	Q3	
38.6	459.6	8.6	11 135.8	75 709.2	14.7	Q4	
41.3	496.4	6.0	11 610.4	76 014.4	15.3	Jan	2020
39.0	479.7	65.8	11 873.3	76 107.6	15.6	Feb	
37.5	494.0	10.2	13 238.1	77 257.0	17.1	Mar	
39.2	512.8	12.2	13 317.7	79 631.6	16.7	Apr	
37.2	488.5	12.8	13 023.6	79 121.3	16.5	May	
73.0	965.9	28.6	13 486.1	78 366.2	17.2	Jun	
40.9	558.2	11.3	14 307.3	78 238.2	18.3	Jul	
43.2	588.2	18.4	13 772.2	78 176.8	17.6	Aug	
54.6	743.7	20.6	13 511.5	79 749.5	16.9	Sep	
52.6	704.1	74.9	13 483.6	79 577.6	16.9	Oct	
50.1	663.0	10.8	13 621.9	82 048.1	16.6	Nov	
52.2	691.9	11.5	13 658.0	80 540.2	17.0	Dec	
53.6	716.8	10.3	13 828.4	80 725.4	17.1	Jan	2021
50.7	677.8	20.8	14 162.3	80 373.4	17.6	Feb	
50.1	650.7	25.0	15 747.8	79 875.6	19.7	Mar	
52.5	688.7	34.5	13 659.1	83 952.4	16.3	Apr	
51.9	673.0	15.5	13 768.2	82 685.9	16.7	May	
54.5	708.4	20.5	13 762.5	81 465.2	16.9	Jun	
60.5	793.4	12.4	14 823.3	83 966.8	17.7	Jul	
59.4	778.9	3.6	14 701.6	83 375.6	17.6	Aug	
102.0	1 345.4	24.4	16 001.2	82 199.8	19.5	Sep	
53.5	708.7	26.4	13 983.8	82 690.8	16.9	Oct	
58.7	783.2	19.3	15 851.4	83 759.4	18.9	Nov	
56.5	749.8	24.3	15 526.7	84 363.8	18.4	Dec	
56.3	734.8	53.1	15 040.9	85 273.5	17.6	Jan	2022
54.7	710.4	47.0	16 263.0	84 520.3	19.2	Feb	
58.7	747.3	36.3	16 055.0	84 553.0	19.0	Mar	
59.9	765.0	38.8	15 237.7	84 788.0	18.0	Apr	
54.7	702.5	347.9	15 592.7	86 015.1	19.3	May	
59.2	764.2	75.6	16 693.5	86 608.7	19.3	Jun	
57.9	740.0	108.3	17 999.1	89 743.2	20.1	Jul	
56.5	729.4	162.5	19 002.0	91 063.7	20.9	Aug	
55.9	721.2	96.2	19 615.5	91 440.7	21.5	Sep	
54.4	724.8	116.1	19 331.2	91 592.6	21.1	Oct	
51.9	690.7	254.1	18 188.2	90 799.7	20.0	Nov	
52.1	709.5	363.9	19 496.3	90 924.9	21.4	Dec	

TABLE 3.17: COMMERCIAL BANKS - FOREIGN CURRENCY ACCOUNTS BY TYPE

(P Million)

End of		Current	Call	Savings	Up to	
					31-day Notice	88-day Notice
2013		1 551.6	3 747.5	0.3	-	88.3
2014		2 348.6	4 042.6	5.2	68.9	139.6
2015		2 994.9	5 152.3	6.5	1.5	-
2016		3 360.4	5 521.7	32.9	54.9	15.5
2017		3 922.8	5 366.1	27.2	43.6	20.5
2018	Q1	3 334.0	5 036.9	24.0	143.4	23.6
	Q2	3 881.1	4 593.7	22.4	89.7	26.6
	Q3	3 560.2	4 917.7	21.4	9.7	574.8
	Q4	3 142.1	6 078.9	8.9	29.6	83.8
2019	Q1	3 682.5	5 680.1	8.1	5.2	153.7
	Q2	3 085.6	5 873.4	18.8	4.5	29.9
	Q3	3 325.5	5 710.3	18.6	73.2	174.2
	Q4	3 307.0	5 312.2	20.8	11.5	170.8
2020	Jan	3 572.3	5 127.9	20.1	61.9	399.4
	Feb	3 691.4	5 576.9	13.6	11.9	390.8
	Mar	4 421.4	7 255.2	13.4	0.6	113.1
	Apr	3 955.8	7 264.3	13.8	16.3	109.7
	May	3 868.3	6 720.1	11.7	67.4	62.3
	Jun	4 203.3	6 277.9	10.4	108.4	15.6
	Jul	4 545.7	6 650.8	11.1	100.4	51.0
	Aug	4 022.2	6 956.7	12.3	2.7	148.9
	Sep	4 326.2	6 847.2	11.5	6.1	27.9
	Oct	4 358.9	6 673.6	10.2	50.6	82.7
	Nov	4 871.0	6 447.4	9.6	6.5	46.7
	Dec	4 527.9	6 919.3	8.8	6.6	25.2
2021	Jan	4 525.8	7 135.4	6.6	40.2	31.8
	Feb	4 864.4	7 197.6	4.9	4.7	64.8
	Mar	5 409.3	8 873.8	3.0	-	4.2
	Apr	5 520.5	6 834.4	7.7	2.1	35.3
	May	4 618.0	6 553.3	1.9	-	27.6
	Jun	4 797.9	6 565.7	1.4	-	36.7
	Jul	5 051.3	7 364.4	2.0	3.8	13.8
	Aug	5 612.9	6 922.7	2.0	-	84.2
	Sep	5 943.2	7 547.7	2.0	116.2	37.1
	Oct	4 793.7	6 992.8	1.8	-	-
	Nov	5 318.2	8 633.8	3.0	25.2	3.6
	Dec	6 045.4	8 433.8	2.9	-	3.8
2022	Jan	6 039.1	7 955.9	4.7	-	0.1
	Feb	5 557.7	9 213.7	4.7	-	0.1
	Mar	5 536.2	9 192.1	4.0	7.9	0.1
	Apr	5 710.3	8 122.7	9.5	10.3	0.1
	May	5 457.6	8 236.3	51.8	10.2	7.8
	Jun	5 796.5	8 946.8	56.7	124.9	7.7
	Jul	6 013.3	9 609.4	49.2	3.9	15.3
	Aug	6 425.5	10 147.8	48.5	129.5	15.2
	Sep	6 676.7	11 360.7	52.9	73.0	0.1
	Oct	7 401.6	9 604.5	47.8	93.7	11.5
	Nov	7 007.0	9 228.6	42.9	115.7	22.8
	Dec	7 113.0	10 864.2	29.8	-	0.1

Source: Commercial banks

Fixed up to			Fixed over 18 months	Total		End of
6 months	12 months	18 months				
981.9	3.8	3.6	-	6 377.0		2013
1 252.9	57.7	1.8	81.0	7 998.3		2014
843.0	203.4	27.3	81.0	9 309.8		2015
1 200.2	257.9	11.3	91.5	10 546.3		2016
475.7	202.9	17.5	87.6	10 164.0		2017
571.6	212.7	3.3	74.4	9 423.8	Q1	2018
618.0	301.9	5.1	81.9	9 620.3	Q2	
1 168.4	364.0	25.9	84.8	10 726.8	Q3	
1 768.4	306.6	15.0	193.5	11 626.7	Q4	
1 559.5	340.3	18.7	127.7	11 575.7	Q1	2019
1 238.2	445.8	629.3	162.5	11 487.9	Q2	
1 198.7	1 001.4	43.1	119.3	11 664.4	Q3	
1 185.8	968.7	23.0	135.9	11 135.8	Q4	
1 327.4	956.0	19.6	125.9	11 610.4	Jan	2020
1 029.6	998.9	18.5	141.6	11 873.3	Feb	
834.5	522.7	51.3	26.0	13 238.1	Mar	
709.0	1 075.6	20.8	152.3	13 317.7	Apr	
1 007.0	1 094.7	42.8	149.5	13 023.6	May	
1 662.9	1 053.6	23.2	130.1	13 485.4	Jun	
1 719.9	1 076.4	22.6	129.4	14 307.3	Jul	
1 309.0	1 068.0	43.3	209.0	13 772.2	Aug	
1 022.7	1 069.5	70.1	130.2	13 511.5	Sep	
1 096.1	501.7	581.7	128.0	13 483.6	Oct	
1 065.1	502.9	548.2	124.4	13 621.9	Nov	
1 056.1	450.3	538.0	125.7	13 658.0	Dec	
907.1	505.3	540.3	135.9	13 828.4	Jan	2021
834.4	518.2	548.1	125.2	14 162.3	Feb	
800.8	522.4	12.4	122.1	15 747.8	Mar	
681.2	449.4	12.2	116.4	13 659.1	Apr	
1 391.5	1 032.3	19.1	124.4	13 768.2	May	
1 259.6	932.6	34.4	134.3	13 762.6	Jun	
1 292.7	1 010.8	19.9	64.6	14 823.3	Jul	
1 010.7	993.8	11.4	63.8	14 701.6	Aug	
1 544.2	663.8	11.8	135.2	16 001.2	Sep	
1 602.7	435.9	17.0	139.9	13 983.8	Oct	
1 224.1	479.8	121.8	41.9	15 851.4	Nov	
593.5	486.0	1.8	44.7	15 611.9	Dec	
521.1	423.1	52.4	44.5	15 040.9	Jan	2022
613.0	499.8	7.6	366.5	16 263.0	Feb	
808.5	406.7	50.2	49.4	16 055.0	Mar	
893.5	392.5	50.3	48.4	15 237.7	Apr	
1 287.3	365.1	65.2	39.7	15 521.1	May	
1 431.4	257.7	32.6	39.4	16 693.5	Jun	
1 899.9	359.3	11.8	36.9	17 999.1	Jul	
1 128.9	357.5	24.7	37.0	18 314.6	Aug	
959.0	427.4	28.9	36.7	19 615.5	Sep	
1 613.1	471.1	28.6	59.2	19 331.2	Oct	
1 220.8	506.6	3.6	40.2	18 188.2	Nov	
1 036.9	410.7	1.8	39.8	19 496.3	Dec	

TABLE 3.18: COMMERCIAL BANKS - LOANS AND ADVANCES OUTSTANDING BY SECTOR
(P Million)

		Government		Para-	House-	Agri-		Manu-	Electri-	Con-	Trade,
End of		Central	Local	stats	holds	cul-	Mining	factur-	city &	struc-	Restaurant
						ture		ing	Water	tion	& Bars ¹
2013 ³		1.4	9.8	2 069.2	22 960.9	724.6	517.7	2 467.1	118.4	915.8	4 108.7
2014		-	12.1	2 431.5	25 426.3	801.0	385.6	2 908.2	124.0	815.0	5 982.6
2015		0.4	8.1	1 824.8	28 671.3	1 044.0	765.8	2 434.4	100.0	806.4	6 084.9
2016		10.3	-	1 339.8	30 849.0	1 142.0	306.2	3 288.6	72.1	891.3	4 345.3
2017		5.0	0.3	985.2	33 072.5	1 227.2	376.8	3 430.0	80.5	1 067.5	4 225.5
2018	Q1	0.2	-	967.5	33 326.7	1 031.8	268.1	3 283.6	85.1	1 122.6	4 617.5
	Q2	-	-	790.7	33 604.9	1 105.1	209.8	3 683.8	87.3	1 207.4	5 399.1
	Q3	6.5	-	983.5	34 508.7	1 198.8	243.7	3 638.5	82.4	1 241.9	5 239.7
	Q4	-	-	1 159.2	35 125.6	1 209.9	316.2	3 563.3	76.6	1 240.2	5 126.2
2019	Q1	1.7	0.7	1 221.5	35 399.5	1 108.3	264.3	3 399.1	91.9	1 210.4	4 887.4
	Q2	0.1	0.6	1 800.2	36 860.6	1 406.3	501.3	3 020.9	91.6	1 297.8	4 493.8
	Q3	0.1	0.1	1 405.0	38 485.2	1 528.6	551.0	2 532.7	94.8	1 190.6	4 556.4
	Q4	0.1	-	1 850.7	39 963.9	1 497.6	618.3	1 963.4	89.7	1 087.4	4 541.7
2020	Jan	0.1	-	1 819.1	40 311.0	1 456.9	549.6	2 475.2	95.4	1 084.3	4 596.0
	Feb	0.4	-	1 763.1	40 591.3	1 485.5	579.7	2 428.0	91.5	1 086.5	4 462.2
	Mar	0.3	-	2 220.7	40 745.0	1 474.4	643.3	2 495.9	91.2	987.5	4 837.9
	Apr	-	-	2 210.5	40 662.6	1 424.8	653.7	2 206.6	78.4	1 010.7	4 787.1
	May	-	-	2 286.3	40 356.1	1 429.5	649.1	1 931.2	82.9	1 063.9	4 749.6
	Jun	0.2	-	2 285.2	40 584.8	1 352.3	641.1	1 424.1	86.5	1 063.9	5 060.5
	Jul	-	-	2 202.9	40 934.5	1 360.0	611.0	1 476.2	80.5	1 085.0	5 039.8
	Aug	0.8	0.3	1 966.8	41 045.6	1 245.8	624.2	1 490.5	83.3	1 053.7	4 852.3
	Sep	-	-	1 534.6	41 340.1	1 390.5	637.4	1 669.9	97.5	1 029.2	4 626.3
	Oct	-	0.3	1 832.2	41 802.9	1 326.4	553.0	1 667.9	84.3	1 008.5	4 561.5
	Nov	-	0.5	1 975.6	42 721.6	1 290.1	535.3	1 693.6	81.6	947.3	4 489.4
	Dec	0.2	1.1	1 654.3	42 865.5	1 325.0	508.7	1 580.6	80.4	935.6	4 862.6
2021	Jan	0.1	0.6	2 018.2	42 997.0	1 337.3	538.4	1 606.8	80.2	913.1	4 794.5
	Feb	0.1	0.6	2 081.4	43 069.2	1 341.0	431.7	1 487.1	69.1	990.4	4 949.7
	Mar	0.1	0.3	1 362.4	43 330.2	1 323.8	375.0	1 527.3	73.8	897.5	4 984.5
	Apr	-	0.2	1 405.6	43 558.4	1 360.2	407.4	1 508.6	77.6	949.3	4 642.4
	May	-	0.2	1 503.9	43 835.2	1 276.2	377.7	1 516.9	71.2	900.7	4 465.3
	Jun	-	0.6	1 869.2	44 186.7	1 272.4	521.0	1 505.4	74.0	926.3	4 552.5
	Jul	-	0.5	1 910.3	44 299.3	1 210.8	526.5	1 665.8	73.5	914.7	4 741.3
	Aug	0.2	0.3	1 956.5	44 637.1	1 231.8	522.7	1 707.8	73.4	905.0	4 395.9
	Sep	0.1	0.4	1 931.7	44 834.6	1 262.8	503.8	1 666.6	68.3	908.6	4 741.3
	Oct	0.3	0.2	1 739.6	45 065.2	1 286.5	493.1	1 794.1	65.1	967.6	4 598.6
	Nov	0.2	0.3	2 405.3	45 302.5	1 294.0	404.7	1 751.9	68.0	856.4	4 601.7
	Dec	0.9	1.3	1 395.6	45 616.4	1 300.1	297.3	1 554.2	57.3	902.3	4 803.8
2022	Jan	0.3	2.9	1 448.2	45 566.0	1 325.6	315.7	1 716.2	53.2	890.3	4 595.5
	Feb	0.3	-	1 406.7	45 854.7	1 382.6	304.9	1 613.4	56.1	898.2	4 834.8
	Mar	0.1	0.2	1 390.1	45 981.7	1 337.0	522.3	1 428.0	67.1	881.2	5 076.7
	Apr	0.1	-	1 546.5	46 033.5	1 401.0	325.9	1 795.2	61.0	958.6	5 073.1
	May	0.1	-	1 530.8	46 172.8	1 375.8	372.1	1 982.5	80.9	975.9	5 156.7
	Jun	0.1	-	1 516.0	46 297.9	1 474.9	357.4	1 996.0	79.9	908.1	5 322.8
	Jul	0.1	-	1 460.2	46 439.7	1 517.1	375.5	2 059.4	93.0	908.0	5 316.8
	Aug	0.1	-	1 550.0	46 903.9	1 518.3	351.7	2 119.4	97.9	902.4	5 393.5
	Sep	2.7	-	1 535.4	47 252.5	1 585.4	346.4	2 157.1	99.4	912.0	5 014.8
	Oct	0.1	-	1 542.2	47 314.1	1 622.6	369.6	1 784.7	83.4	920.1	5 024.0
	Nov	0.1	-	1 579.7	47 662.4	1 590.9	400.7	1 661.0	101.7	995.9	5 153.5
	Dec	0.1	-	1 450.0	47 724.2	1 557.8	387.5	1 649.6	94.6	1 032.5	5 585.4

1. 'Trade, restaurants and bars' include other community, social and personal services.

2. 'Resident Business Total' includes all sectors, except Central and Local Government and Households.

3. From 2012 to 2015, the new reporting forms which were used by commercial banks inadvertently omitted business services, hence, effective January 2016, with the implementation of Basel II/III returns, business services is reported separately. Comparisons for January 2016 onwards with earlier periods must therefore be interpreted with caution, as the amounts now included under business services were previously allocated to other sectors (including, in particular "trade" and "Other").

Source: Commercial banks

Transport & Communi - cation	Finance	Business Services	Real Estate	Other	Resident Business Total ²	Non-Resident Business	Total	End of	
823.1	1 194.1	...	2 976.3	635.8	16 550.7	240.0	39 762.8	2013 ³	
812.4	1 357.7	...	3 493.8	490.6	19 602.5	75.6	45 116.5	2014	
693.6	1 806.0	...	3 551.8	431.0	19 542.7	84.6	48 307.1	2015	
646.0	1 321.0	2 617.4	3 831.1	570.5	20 371.2	85.3	51 315.8	2016	
692.9	1 782.1	2 622.4	3 686.8	851.3	21 028.2	75.1	54 181.1	2017	
655.6	1 901.6	2 679.2	3 792.6	871.6	21 277.0	82.9	54 695.2	Q1	2018
670.7	2 139.9	2 829.5	3 867.4	845.1	22 835.7	90.4	56 531.0	Q2	
669.6	1 925.2	2 886.7	3 963.6	857.6	22 931.1	135.8	57 582.1	Q3	
628.4	1 961.1	2 957.0	3 880.7	869.2	22 988.0	218.5	58 332.0	Q4	
571.9	2 001.9	2 728.6	4 455.1	819.4	22 759.9	200.7	58 362.5	Q1	2019
628.9	1 569.0	2 753.3	4 476.1	1 103.0	23 142.2	174.0	60 177.4	Q2	
615.7	1 574.9	2 848.9	4 412.9	1 147.0	22 458.4	157.6	61 101.5	Q3	
653.9	1 627.7	2 977.0	4 494.6	1 204.5	22 606.5	199.2	62 769.7	Q4	
620.5	1 569.4	3 017.9	4 485.8	1 239.6	23 009.9	177.6	63 498.6	Jan	2020
612.9	1 535.5	3 216.2	4 427.5	1 225.2	22 913.8	209.4	63 714.9	Feb	
593.8	1 433.9	3 269.1	4 418.9	1 196.9	23 663.6	220.2	64 629.1	Mar	
590.7	1 783.1	2 965.2	4 588.6	1 194.6	23 493.8	221.2	64 377.6	Apr	
574.9	1 839.3	2 945.3	4 485.6	1 211.4	23 249.0	200.5	63 805.6	May	
586.5	1 916.3	3 147.1	4 479.1	1 221.6	23 264.2	197.4	64 046.5	Jun	
579.8	1 935.9	3 030.3	4 551.2	1 209.6	23 162.2	167.0	64 263.7	Jul	
575.0	1 843.8	3 036.1	4 561.4	1 201.7	22 534.6	170.5	63 751.9	Aug	
580.3	1 863.3	2 973.8	4 648.9	1 218.7	22 270.6	162.9	63 773.6	Sep	
576.0	2 305.4	3 053.0	4 574.8	1 210.6	22 753.5	168.2	64 724.9	Oct	
570.2	2 450.4	3 011.7	4 496.1	1 197.7	22 739.0	131.1	65 592.2	Nov	
577.2	2 374.3	3 013.5	4 483.5	1 182.3	22 577.8	109.9	65 554.5	Dec	
594.2	2 241.5	3 058.7	4 469.9	1 196.9	22 849.8	98.9	65 946.3	Jan	2021
534.3	2 144.2	3 190.9	4 437.4	1 200.4	22 857.6	99.6	66 027.1	Feb	
538.3	2 306.0	3 246.8	4 369.5	1 205.7	22 210.6	100.6	65 641.7	Mar	
512.2	2 642.2	3 488.3	4 349.7	1 205.7	22 549.2	97.9	66 205.8	Apr	
489.6	2 816.0	3 622.4	4 326.0	1 200.2	22 566.2	114.2	66 515.8	May	
474.4	2 747.9	3 560.3	4 394.2	1 205.3	23 103.0	157.4	67 447.7	Jun	
472.0	2 654.8	3 698.0	4 391.1	1 225.0	23 483.8	153.9	67 937.5	Jul	
477.2	2 426.7	3 722.7	4 386.2	1 221.4	23 027.3	152.1	67 816.9	Aug	
505.3	2 830.6	3 465.9	4 400.5	1 233.7	23 519.1	154.9	68 508.9	Sep	
497.1	2 738.8	3 499.7	4 389.7	1 224.3	23 294.2	150.2	68 510.1	Oct	
483.1	2 645.2	3 545.3	4 542.8	1 238.1	23 836.5	151.5	69 290.9	Nov	
448.9	2 666.5	3 605.4	4 846.9	1 234.7	23 113.0	188.9	68 920.4	Dec	
436.5	2 571.9	3 789.6	4 898.8	1 241.6	23 283.1	192.9	69 045.2	Jan	2022
422.2	2 616.5	3 741.8	4 898.1	870.2	23 045.4	168.5	69 068.9	Feb	
509.4	2 841.6	3 660.3	4 901.3	850.5	23 465.7	159.1	69 606.7	Mar	
497.3	3 208.7	3 645.3	5 010.7	894.1	24 417.4	148.3	70 599.4	Apr	
499.6	3 147.0	3 631.1	5 103.6	908.7	24 764.8	151.3	71 088.9	May	
565.8	3 181.6	3 566.1	5 003.9	893.9	24 866.5	151.5	71 316.0	Jun	
671.7	3 152.6	3 800.8	5 082.9	851.8	25 289.6	150.6	71 880.0	Jul	
639.8	2 967.8	3 764.7	5 107.9	851.4	25 264.7	151.0	72 319.7	Aug	
668.6	3 010.0	3 786.4	5 147.3	1 254.5	25 517.4	152.8	72 925.4	Sep	
650.7	2 979.8	3 749.2	5 110.0	1 189.0	25 025.2	149.2	72 488.6	Oct	
591.7	3 062.1	3 691.3	5 161.5	1 172.2	25 162.1	140.0	72 964.5	Nov	
612.0	3 038.8	3 759.7	5 268.4	761.5	25 197.8	132.7	73 054.7	Dec	

TABLE 3.19: COMMERCIAL BANKS - OUTSTANDING LOANS AND ADVANCES TO HOUSEHOLDS
(P Million)

As at end of		Property	Credit Cards	Other ¹	Total
2013		6 493.3	596.9	14 576.6	22 960.9
2014		7 686.8	658.6	15 640.1	25 426.3
2015		8 243.9	723.9	18 093.3	28 671.3
2016		8 765.3	716.5	19 669.5	30 849.0
2017		9 189.6	709.1	21 470.2	33 072.5
2018	Q1	9 325.3	709.4	21 584.6	33 326.7
	Q2	9 393.0	718.8	21 791.9	33 604.9
	Q3	9 564.1	711.6	22 481.6	34 508.7
	Q4	9 639.9	709.4	22 976.6	35 125.6
2019	Q1	9 835.6	732.3	23 037.7	35 399.5
	Q2	9 828.1	736.1	24 434.2	36 860.6
	Q3	9 835.7	724.5	26 012.7	38 485.2
	Q4	9 929.5	735.1	27 267.2	39 949.3
2020	Jan	9 953.6	758.7	27 563.7	40 311.0
	Feb	9 977.7	755.4	27 806.0	40 591.3
	Mar	9 984.5	746.2	27 956.8	40 745.0
	Apr	9 985.7	713.7	27 934.2	40 662.6
	May	9 959.2	705.9	27 692.1	40 356.1
	Jun	9 941.8	747.4	27 892.1	40 584.8
	Jul	9 992.3	711.1	28 212.6	40 934.5
	Aug	9 708.7	702.7	28 519.2	41 045.6
	Sep	10 030.9	701.0	28 583.9	41 340.1
	Oct	10 021.5	703.9	29 035.0	41 802.9
	Nov	10 052.2	709.0	29 905.4	42 721.6
	Dec	10 134.6	708.5	29 937.8	42 865.5
2021	Jan	10 100.5	710.8	30 104.5	42 997.0
	Feb	10 095.6	709.2	30 183.9	43 069.2
	Mar	10 117.4	705.2	30 420.0	43 330.2
	Apr	10 130.5	704.9	30 648.3	43 558.4
	May	10 162.2	713.1	30 919.8	43 835.2
	Jun	10 170.6	710.8	31 282.1	44 186.7
	Jul	10 209.2	707.5	31 370.2	44 299.3
	Aug	10 257.8	707.0	31 496.2	44 637.1
	Sep	10 282.4	714.7	31 803.5	44 834.6
	Oct	10 378.7	715.9	31 940.1	45 065.2
	Nov	10 602.6	726.7	32 070.2	45 302.5
	Dec	10 520.8	726.7	32 346.4	45 616.4
2022	Jan	10 447.4	733.9	32 394.7	45 566.0
	Feb	10 566.8	732.3	32 554.2	45 854.7
	Mar	10 633.9	718.6	32 613.6	45 981.7
	Apr	10 527.3	721.7	32 772.6	46 033.5
	May	10 521.6	731.8	32 898.9	46 172.8
	Jun	10 542.5	726.2	33 027.3	46 297.9
	Jul	10 556.4	728.4	33 157.9	46 439.7
	Aug	10 583.1	753.3	33 567.9	46 903.9
	Sep	10 598.8	763.9	33 903.6	47 252.5
	Oct	10 604.2	768.3	33 972.4	47 314.1
	Nov	10 612.1	775.0	34 291.4	47 662.4
	Dec	10 661.9	781.6	34 356.1	47 813.1

1. 'Other' includes all personal advances, except for motor vehicle, property purposes and credit cards.

Source: Commercial banks

TABLE 3.20: COMMERCIAL BANKS - ADVANCES AND LIQUID ASSET RATIOS
(P Million)

		Total Deposits	Total Advances	Percent (2/1)	Liquid Assets	Percent (4/1)
As at end of		1	2	3	4	5
2013		48 512.2	39 762.8	82.0	7 506.3	15.5
2014		51 491.8	45 116.5	87.6	7 404.8	14.4
2015		59 961.2	48 307.1	80.6	11 837.5	19.7
2016		62 437.8	51 315.8	82.2	13 482.2	21.6
2017		63 581.2	54 181.1	85.2	11 317.5	17.8
2018	Q1	62 494.5	54 695.2	87.5	10 434.9	16.7
	Q2	64 838.5	56 531.0	87.2	11 945.4	18.4
	Q3	68 517.0	57 582.1	84.0	12 173.0	17.8
	Q4	69 270.9	58 332.0	84.1	13 183.3	19.0
2019	Q1	71 640.2	58 362.5	81.5	14 233.7	19.9
	Q2	71 483.9	60 177.4	84.2	13 254.2	18.5
	Q3	75 357.2	61 101.5	81.1	14 869.6	19.7
	Q4	75 706.6	62 755.1	82.9	14 651.1	19.4
2020	Jan	76 014.4	63 498.6	83.5	14 668.5	19.3
	Feb	76 107.6	63 714.9	83.7	15 456.8	20.3
	Mar	77 257.0	64 629.1	83.7	13 556.1	17.5
	Apr	79 631.6	64 377.6	80.8	16 157.7	20.3
	May	79 121.3	63 805.6	80.6	18 224.5	23.0
	Jun	78 366.2	64 046.5	81.7	17 572.7	22.4
	Jul	78 238.2	64 263.7	82.1	16 051.4	20.5
	Aug	78 176.8	63 751.9	81.5	16 100.4	20.6
	Sep	79 749.5	63 773.6	80.0	17 223.2	21.6
	Oct	79 577.6	64 724.9	81.3	16 406.7	20.6
	Nov	82 048.1	65 592.2	79.9	17 577.1	21.4
	Dec	80 540.2	65 554.5	81.4	15 409.9	19.1
2021	Jan	80 725.4	65 946.3	81.7	17 039.5	21.1
	Feb	80 373.4	66 027.1	82.2	16 618.7	20.7
	Mar	79 875.6	65 641.7	82.2	16 592.4	20.8
	Apr	83 952.4	66 205.8	78.9	19 533.1	23.3
	May	82 685.9	66 515.8	80.4	17 832.3	21.6
	Jun	81 465.2	67 447.7	82.8	17 004.0	20.9
	Jul	83 966.8	67 937.5	80.9	17 386.6	20.7
	Aug	83 375.6	67 816.9	81.3	17 251.4	20.7
	Sep	82 199.8	68 508.9	83.3	13 741.0	16.7
	Oct	82 690.8	68 510.1	82.9	15 411.2	18.6
	Nov	83 759.4	69 290.9	82.7	13 845.4	16.5
	Dec	84 363.8	68 920.4	81.7	14 010.9	16.6
2022	Jan	85 273.5	69 045.2	81.0	14 183.1	16.6
	Feb	84 520.3	69 068.9	81.7	13 606.0	16.1
	Mar	84 553.0	69 606.7	82.3	13 925.3	16.5
	Apr	84 788.0	70 599.4	83.3	12 929.7	15.2
	May	86 015.1	71 088.9	82.6	14 280.3	16.6
	Jun	86 608.7	71 316.0	82.3	15 086.0	17.4
	Jul	89 743.2	71 880.0	80.1	17 367.1	19.4
	Aug	91 063.7	72 319.7	79.4	17 333.6	19.0
	Sep	91 440.7	72 925.4	79.8	16 739.4	18.3
	Oct	91 592.6	72 488.6	79.1	17 036.1	18.6
	Nov	90 799.7	72 964.5	80.4	16 690.7	18.4
	Dec	90 927.6	73 054.7	80.3	15 453.5	17.0

Source: Commercial banks

**TABLE 3.21: COMMERCIAL BANKS - LOANS AND ADVANCES BY MATURITY
BY VALUE (P Million)**

Maturity/End of	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Credit cards	616.6	678.4	743.2	736.8	729.0	729.0	761.6	727.1	746.2	803.9
Overdrafts	4 056.6	4 693.0	2 863.3	4 037.4	4 225.6	5 036.3	3 461.7	4 141.2	5 360.1	5 822.1
1 to 6 months	1 774.7	2 458.8	3 550.1	2 618.9	3 815.4	3 444.1	4 676.5	3 736.7	2 859.2	3 954.2
Over 6 to 12 months	1 245.9	739.1	1 550.5	1 646.4	1 478.3	1 112.2	1 181.8	1 080.9	985.5	1 470.5
Over 1 to 2 years	1 166.4	1 230.1	1 687.5	2 259.3	3 101.2	2 244.0	2 807.3	2 897.4	2 688.3	3 308.3
Over 2 to 3 years	2 789.7	1 871.3	3 415.9	4 689.7	3 536.2	3 829.6	3 625.0	5 120.8	5 221.8	4 905.6
Over 3 to 5 years	9 501.4	9 524.6	12 147.3	12 408.9	10 667.4	12 780.4	13 760.5	14 758.2	13 043.9	13 399.0
Over 5 to 7 years	7 649.7	10 723.3	9 290.4	9 611.5	12 657.7	12 869.3	16 214.8	16 880.6	18 750.2	22 693.3
Over 7 to 10 years	3 079.5	3 506.4	3 802.5	3 456.1	2 960.0	3 157.2	4 422.7	4 147.3	6 613.9	5 605.9
Over 10 years	7 883.0	9 691.4	9 256.4	9 850.8	11 010.3	13 130.0	11 857.8	12 064.1	12 651.3	11 091.9
TOTAL	39 763.4	45 116.5	48 307.1	51 315.8	54 181.1	58 332.0	62 769.7	65 554.5	68 920.4	73 054.7

PERCENTAGE DISTRIBUTION

Maturity/End of	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Credit cards	1.6	1.5	1.5	1.4	1.3	1.2	1.2	1.1	1.1	1.1
Overdrafts	10.2	10.4	5.9	7.9	7.8	8.6	5.5	6.3	7.8	8.0
1 to 6 months	4.5	5.4	7.3	5.1	7.0	5.9	7.5	5.7	4.1	5.4
Over 6 to 12 months	3.1	1.6	3.2	3.2	2.7	1.9	1.9	1.6	1.4	2.0
Over 1 to 2 years	2.9	2.7	3.5	4.4	5.7	3.8	4.5	4.4	3.9	4.5
Over 2 to 3 years	7.0	4.1	7.1	9.1	6.5	6.6	5.8	7.8	7.6	6.7
Over 3 to 5 years	23.9	21.1	25.1	24.2	19.7	21.9	21.9	22.5	18.9	18.3
Over 5 to 7 years	19.2	23.8	19.2	18.7	23.4	22.1	25.8	25.8	27.2	31.1
Over 7 to 10 years	7.7	7.8	7.9	6.7	5.5	5.4	7.0	6.3	9.6	7.7
Over 10 years	19.8	21.5	19.2	19.2	20.3	22.5	18.9	18.4	18.4	15.2
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Commercial banks

**TABLE 3.22: COMMERCIAL BANKS - LOANS AND ADVANCES BY INTEREST RATE (PERCENTAGE DISTRIBUTION)
BY NUMBER**

End of	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Prime - (minus)	11.8	5.1	5.7	9.3	12.5	16.1	29.7	14.9	15.5	12.8
Prime Rate	3.4	6.7	5.9	2.4	5.6	4.0	2.4	2.2	2.0	1.2
Prime + (<2)	5.8	6.6	8.5	7.9	10.4	7.2	6.3	4.7	3.4	6.7
Prime + (2 < 4)	8.1	9.8	3.6	4.6	8.5	11.2	16.5	11.8	14.8	11.0
Prime + (4 < 10)	41.5	41.2	50.0	55.4	31.1	26.9	20.0	28.0	18.5	14.2
Prime + (≥10)	29.3	30.7	26.3	20.5	32.0	34.6	25.2	38.4	45.8	54.0
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

BY VALUE

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Prime - (minus)	34.8	28.8	24.3	33.7	29.5	26.1	24.8	21.3	24.1	17.2
Prime Rate	16.9	20.0	18.8	8.4	10.1	9.2	5.2	4.8	4.8	3.8
Prime + (<2)	17.4	20.7	20.5	19.5	19.0	19.7	21.5	17.0	20.5	26.4
Prime + (2 < 4)	8.2	12.6	7.7	11.3	13.7	19.0	23.3	15.4	23.0	23.3
Prime + (4 < 10)	8.1	4.6	18.9	16.3	16.7	14.4	14.6	30.2	18.7	20.4
Prime + (≥10)	14.5	13.3	9.9	10.8	11.1	11.5	10.6	11.3	8.9	8.9
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Commercial banks

TABLE 3.23: COMMERCIAL BANKS - INCOME AND EXPENSES
(P Million)

Period		Interest Income	Interest Expenses	Net Interest Income	Provision for Bad and Doubtful Debts	Non-Interest		Taxation	Net Income
						Income	Expenses		
2013	Mar	1 311.2	410.1	901.1	125.6	438.4	595.7	132.5	485.8
	Jun	1 302.4	416.9	885.5	86.8	464.2	682.9	124.3	455.6
	Sep	1 251.1	380.0	871.1	146.9	488.3	657.7	127.1	427.7
	Dec	1 251.0	398.8	852.2	149.0	534.9	717.7	121.8	398.6
2014	Mar	1 208.2	363.3	844.9	166.7	464.7	717.2	96.4	329.2
	Jun	1 227.7	400.4	827.3	114.3	591.5	749.0	111.8	443.6
	Sep	1 327.7	458.1	869.6	117.5	558.7	823.4	104.0	383.4
	Dec	1 322.2	490.8	831.4	221.2	638.0	882.1	94.9	271.3
2015	Mar	1 312.9	577.9	735.0	165.9	523.6	802.7	70.9	219.1
	Jun	1 287.6	584.0	703.5	148.8	524.6	807.1	67.0	206.2
	Sep	1 317.6	590.9	726.8	167.1	534.9	841.6	62.2	364.4
	Dec	1 297.9	549.9	748.0	174.6	532.3	833.1	66.5	259.2
2016	Mar	1 307.5	399.3	908.2	143.2	570.2	872.5	106.3	356.3
	Jun	1 330.7	365.8	965.0	183.2	620.3	936.8	126.1	339.2
	Sep	1 314.1	337.8	976.3	156.9	608.5	900.0	110.9	417.0
	Dec	1 347.8	339.5	1 008.3	367.2	650.6	918.9	101.6	271.3
2017	Mar	1 308.2	331.4	976.7	278.4	599.0	917.8	79.1	300.4
	Jun	1 354.3	350.1	1 004.2	294.5	589.1	972.6	101.9	224.3
	Sep	1 385.6	380.4	1 005.2	270.5	639.3	974.9	85.9	313.3
	Dec	1 409.8	405.1	1 004.6	159.5	696.3	1 012.7	116.2	412.5
2018	Mar	1 355.9	389.3	966.6	155.0	633.7	926.0	122.3	397.0
	Jun	1 397.5	444.1	953.4	124.6	685.7	950.3	100.8	463.4
	Sep	1 449.6	486.2	963.4	124.8	729.6	988.3	108.9	471.1
	Dec	1 522.8	488.4	1 034.4	84.1	823.0	947.5	133.8	692.1
2019	Mar	1 505.4	496.6	1 008.8	104.7	637.0	1 015.9	137.6	387.7
	Jun	1 564.9	472.6	1 092.3	155.0	668.3	990.7	124.5	490.5
	Sep	1 597.5	482.3	1 115.2	302.5	734.8	1 058.9	90.7	398.0
	Dec	1 600.9	452.6	1 148.3	212.5	804.0	1 124.3	110.0	505.5
2020	Jan	545.1	151.0	394.1	29.3	234.4	358.6	49.3	191.2
	Feb	516.0	140.4	375.6	59.7	230.3	371.0	42.5	132.7
	Mar	550.8	163.0	387.8	40.1	264.6	363.7	55.1	193.6
	Apr	535.5	150.4	385.1	107.3	195.5	364.8	28.1	80.3
	May	512.8	149.8	363.0	80.7	163.5	356.9	25.6	63.4
	Jun	526.9	142.8	384.1	167.6	227.8	368.4	38.8	37.2
	Jul	503.3	139.5	363.8	35.3	232.0	348.1	44.4	168.0
	Aug	510.9	147.8	363.1	95.0	212.9	343.6	25.8	111.6
	Sep	488.6	149.9	338.6	23.4	242.4	341.6	-1.0	217.0
	Oct	485.9	147.9	338.0	93.8	255.7	356.1	39.4	104.4
	Nov	474.0	143.5	330.4	23.8	245.3	358.9	35.3	157.8
	Dec	504.6	146.3	358.3	79.7	278.2	421.0	23.6	112.1
2021	Jan	501.5	148.3	353.1	70.6	228.0	341.3	34.4	134.7
	Feb	458.9	129.4	329.5	19.2	225.6	347.6	40.1	148.1
	Mar	505.1	152.3	352.7	29.6	263.6	354.2	63.0	169.6
	Apr	510.7	146.0	364.8	-14.8	237.8	368.6	35.8	213.0
	May	530.9	153.3	377.6	38.9	250.1	376.7	48.3	163.7
	Jun	515.1	153.5	361.6	27.9	189.2	344.8	62.6	115.4
	Jul	521.2	161.8	359.5	55.8	238.3	358.1	53.2	130.8
	Aug	541.2	164.1	377.0	52.0	241.3	382.2	34.3	149.8
	Sep	513.0	162.8	350.3	80.5	261.5	396.6	49.3	85.3
	Oct	549.3	172.4	376.8	-100.2	267.9	455.7	68.7	220.5
	Nov	524.6	161.7	362.8	175.3	257.5	261.8	36.9	146.3
	Dec	616.8	205.5	411.3	34.9	315.8	419.4	67.8	205.0
2022	Jan	547.6	183.2	364.4	20.0	229.6	360.2	46.2	167.7
	Feb	572.9	193.8	379.1	47.5	269.5	418.5	32.4	150.1
	Mar	555.7	189.3	366.4	-16.0	289.8	379.7	80.7	211.8
	Apr	553.6	189.0	364.6	-85.1	281.5	386.9	78.4	265.8
	May	609.2	212.9	396.3	16.5	265.7	394.8	60.2	190.5
	Jun	630.8	220.0	410.7	60.2	312.7	437.8	62.1	163.4
	Jul	654.7	229.6	425.1	38.0	290.6	370.0	62.9	244.9
	Aug	695.0	256.7	438.4	6.0	299.0	389.9	64.1	277.4
	Sep	689.8	241.6	448.2	-10.0	286.0	387.7	93.7	262.7
	Oct	730.8	251.1	479.7	36.3	295.1	416.7	60.2	261.6
	Nov	730.8	249.2	481.5	50.8	289.3	432.4	84.6	203.1
	Dec	759.4	273.2	486.1	-75.7	315.9	444.0	115.1	318.7

Source: Commercial banks

TABLE 3.24: COMMERCIAL BANKS - OFF- BALANCE SHEET ITEMS
(P Million)

End of Period		Commitments ¹	Letters of Credit ²	Performance Bonds
2013	Mar	3 534.3	1 002.8	2 799.5
	Jun	4 601.3	1 037.1	2 632.2
	Sep	2 942.1	1 429.3	2 047.5
	Dec	3 674.8	1 489.6	2 163.5
2014	Mar	3 770.0	626.2	1 929.4
	Jun	3 662.7	580.2	1 792.2
	Sep	3 810.8	553.7	1 825.4
	Dec	3 199.2	841.6	1 837.7
2015	Mar	3 615.7	724.0	2 603.3
	Jun	4 663.1	633.3	1 900.7
	Sep	3 704.5	629.4	2 134.1
	Dec	4 190.0	823.9	1 919.0
		Commitments	Letters of Credit	Guarantees and Bonds
2016	Mar	3 912.5	1 166.8	2 050.9
	Jun	4 003.5	1 366.8	2 100.9
	Sep	3 768.5	1 437.3	2 126.1
	Dec	3 291.2	1 565.3	2 259.2
2017	Mar	4 209.3	1 113.9	2 107.9
	Jun	4 317.3	1 057.9	2 368.4
	Sep	4 490.0	1 051.1	2 306.9
	Dec	6 278.6	828.8	2 961.2
2018	Mar	4 437.7	554.2	3 273.8
	Jun	5 882.7	578.2	3 136.6
	Sep	5 396.7	623.7	3 597.2
	Dec	5 372.9	566.2	3 858.7
2019	Mar	5 497.7	734.3	4 613.5
	Jun	5 988.4	711.4	4 422.1
	Sep	5 290.9	721.5	4 327.8
	Dec	5 903.8	339.7	4 310.7
2020	Jan	5 497.9	281.6	4 261.2
	Feb	5 407.6	257.2	4 227.0
	Mar	6 118.8	295.7	3 213.6
	Apr	5 336.1	270.0	3 027.5
	May	5 137.2	280.0	2 887.5
	Jun	5 969.9	354.6	2 771.7
	Jul	5 391.2	275.7	2 775.7
	Aug	5 501.9	296.5	2 767.9
	Sep	6 013.7	274.2	2 749.1
	Oct	5 812.8	276.9	2 803.8
	Nov	4 991.3	270.4	2 923.4
	Dec	5 123.3	239.7	3 012.9
2021	Jan	4 798.6	234.0	2 980.0
	Feb	5 093.6	245.9	3 038.1
	Mar	6 609.8	250.6	3 168.3
	Apr	4 682.2	282.6	3 111.2
	May	4 633.3	278.9	3 204.8
	Jun	6 548.6	349.2	3 259.1
	Jul	5 405.5	388.5	3 327.5
	Aug	6 180.4	444.2	3 365.4
	Sep	5 857.5	399.7	3 320.6
	Oct	5 667.2	415.1	3 393.3
	Nov	6 144.4	447.4	3 221.4
	Dec	6 625.0	433.1	3 189.8
2022	Jan	6 570.5	405.6	3 084.2
	Feb	6 724.6	394.8	3 037.2
	Mar	6 767.3	400.9	3 068.6
	Apr	6 113.7	410.0	3 056.4
	May	6 343.5	417.8	2 998.8
	Jun	5 696.9	430.7	2 897.7
	Jul	5 742.1	369.5	2 923.1
	Aug	5 703.6	314.2	2 899.7
	Sep	5 710.7	340.2	3 335.6
	Oct	6 229.0	423.3	2 849.6
	Nov	6 431.2	430.0	2 683.9
	Dec	6 871.5	629.7	3 022.8

1. Includes commitments of under 1 year and over that can be cancelled, as well as formal commitments (which entail credit lines, bills endorsed and promisory notes of original maturity of over 1 year).

2. Includes standby and commercial letters of credit.

3. Foreign exchange contracts are now given by maturity as opposed to purchases and sales.

Source: Commercial banks

Foreign exchange contracts ³ Over 7 days and under 1 year	Other Off- Balance Sheet Exposures	Total	End of Period	
257.1	14.7	7 608.2	Mar	2013
185.2	22.8	8 478.6	Jun	
358.1	172.1	6 949.1	Sep	
518.0	127.1	7 973.0	Dec	
673.8	127.7	7 127.1	Mar	2014
360.7	63.9	6 459.6	Jun	
579.1	88.2	6 857.2	Sep	
384.8	160.4	6 423.7	Dec	
1 317.7	128.7	8 389.5	Mar	2015
19.9	100.5	7 317.4	Jun	
382.7	177.7	7 028.5	Sep	
343.1	114.8	7 390.8	Dec	
Forward Contracts	Other Derivatives	Total		
322.4	-	7 452.5	Mar	2016
490.6	-	7 961.8	Jun	
893.5	-	8 225.4	Sep	
392.9	-	7 508.6	Dec	
410.6	-	7 841.6	Mar	2017
434.8	-	8 178.3	Jun	
352.6	-	8 200.6	Sep	
78.2	-	10 146.9	Dec	
337.0	-	8 602.7	Mar	2018
363.0	420.0	10 380.4	Jun	
314.5	20.0	9 952.1	Sep	
348.2	20.5	10 166.5	Dec	
400.5	52.7	11 298.7	Mar	2019
276.0	713.2	12 111.1	Jun	
345.2	56.0	10 741.4	Sep	
920.5	-	11 474.8	Dec	
676.9	-	10 717.6	Jan	2020
922.0	-	10 813.8	Feb	
751.4	-	10 379.5	Mar	
625.7	-	9 259.3	Apr	
734.1	-	9 038.9	May	
2 717.6	-	11 814.0	Jun	
843.0	-	9 285.7	Jul	
829.2	-	9 395.5	Aug	
855.3	-	9 892.2	Sep	
385.5	-	9 278.9	Oct	
352.3	-	8 537.4	Nov	
380.3	-	8 756.2	Dec	
528.6	-	8 541.2	Jan	2021
432.9	-	8 810.5	Feb	
593.2	-	10 621.8	Mar	
559.9	-	8 636.0	Apr	
628.0	-	8 744.9	May	
648.0	-	10 804.8	Jun	
933.8	-	10 055.2	Jul	
807.4	-	10 797.4	Aug	
696.8	-	10 274.6	Sep	
477.8	-	9 953.4	Oct	
486.1	-	10 299.2	Nov	
539.8	-	10 787.8	Dec	
622.4	-	10 682.7	Jan	2022
577.4	-	10 733.9	Feb	
457.5	-	10 694.3	Mar	
799.9	-	10 380.0	Apr	
513.2	-	10 273.3	May	
518.5	-	9 543.9	Jun	
790.0	-	9 824.7	Jul	
671.0	-	9 588.4	Aug	
1 453.3	-	10 839.8	Sep	
1 417.4	-	10 919.2	Oct	
1 451.1	-	10 996.2	Nov	
689.4	-	11 213.5	Dec	

TABLE 3.25 : COMMERCIAL BANKS - ARREARS ON LOANS AND ADVANCES
(P Million)

End of		Govt. & Parastatals			Business & Non-Bank Financial institutions		
		>30-90	>90-180	Over 180	>30-90	>90-180	Over 180
		days	days	days	days	days	days
2013	Mar	-	-	-	193.5	98.5	94.2
	Jun	-	-	-	206.6	76.9	77.3
	Sep	-	-	-	188.0	119.8	110.5
	Dec	2.3	-	0.6	286.1	157.1	120.9
2014	Mar	-	-	0.6	547.8	133.2	280.0
	Jun	1.7	-	0.6	385.5	179.1	379.4
	Sep	-	-	0.6	491.3	243.2	287.1
	Dec	-	-	0.6	589.0	162.6	345.8
2015	Mar	-	-	-	501.6	103.4	441.3
	Jun	99.0	-	-	413.9	122.4	369.7
	Sep	-	-	-	391.3	117.7	466.1
	Dec	-	-	-	310.1	185.7	483.9
		Govt. & Parastatals			Business & Non-Bank Financial Institutions		
		>30-90	>90-180	Over 180	>30-90	>90-180	Over 180
		days	days	days	days	days	days
				Specific Provisions			Specific Provisions
2016	Mar ¹	-	-	-	481.8	202.7	556.1
	Jun	0.5	-	1.4	472.9	219.4	587.7
	Sep	-	-	1.4	497.6	280.5	651.2
	Dec	0.3	-	33.7	501.5	163.2	760.4
2017	Mar	-	35.8	33.0	743.2	189.2	856.2
	Jun	-	-	32.3	619.1	256.4	848.2
	Sep	124.8	-	32.4	739.5	286.2	862.8
	Dec	82.7	21.7	30.9	525.3	405.5	899.1
2018	Mar	3.3	3.6	52.2	391.1	311.1	977.3
	Jun	50.9	-	0.1	610.8	248.2	1 093.1
	Sep	0.2	-	90.8	495.4	215.2	1 225.4
	Dec	-	-	63.9	386.3	275.4	1 342.3
2019	Mar	-	-	103.7	462.5	186.5	1 283.6
	Jun	-	-	27.7	357.6	121.0	1 120.9
	Sep	-	-	2.1	500.2	448.2	1 297.6
	Dec	-	-	2.1	535.0	413.3	1 174.7
2020	Mar	-	-	2.1	445.1	400.6	1 026.2
	Jun	-	-	27.7	399.9	171.1	1 105.0
	Sep	-	-	-	396.8	211.6	1 076.4
	Dec	-	-	-	488.5	195.7	1 071.3
2021	Jan	-	-	-	449.4	176.7	1 104.1
	Feb	-	-	-	454.0	219.0	1 096.8
	Mar	-	-	-	554.0	180.7	1 064.5
	Apr	-	-	-	496.1	177.3	1 099.8
	May	-	-	-	419.4	219.2	985.4
	Jun	-	-	-	386.3	544.4	652.8
	Jul	-	-	-	524.7	269.8	976.6
	Aug	-	-	-	634.9	244.6	1 008.6
	Sep	-	-	-	491.3	317.1	1 053.7
	Oct	-	-	-	481.7	350.5	1 051.2
	Nov	-	-	-	314.5	322.3	947.5
	Dec	-	-	-	391.8	318.4	1 029.1
2022	Jan	-	-	1.0	591.5	256.4	1 003.2
	Feb	-	-	1.0	436.1	313.4	1 087.1
	Mar	-	-	1.0	441.0	309.7	1 067.8
	Apr	-	-	1.0	408.5	229.0	1 092.5
	May	-	-	1.0	417.0	233.6	1 077.1
	Jun	-	-	-	390.1	231.9	1 047.0
	Jul	-	-	-	421.1	131.6	916.9
	Aug	-	-	-	403.6	115.7	924.5
	Sep	-	-	1.0	538.2	129.1	901.2
	Oct	55.2	-	-	489.4	169.2	873.4
	Nov	-	5.0	-	319.9	224.3	852.6
	Dec	50.2	-	-	409.3	228.5	852.7

1. Effective March 2016, data for commercial bank loans arrears include "specific provisions".

Source: Commercial banks

Households				Total				End of	
>30-90 days	>90-180 days	Over 180 days		>30-90 days	>90-180 days	Over 180 days			
294.8	530.8	104.7		488.3	629.2	198.9		Mar	2013
244.1	723.3	88.7		450.7	800.2	166.0		Jun	
304.9	587.3	239.0		492.9	707.1	349.5		Sep	
299.7	660.5	266.9		588.1	817.6	388.4		Dec	
581.9	465.7	123.5		1 129.7	598.9	404.1		Mar	2014
345.7	525.5	233.4		732.8	704.6	613.3		Jun	
242.7	544.4	236.6		734.0	787.6	524.3		Sep	
1 405.8	513.1	282.9		1 994.8	675.7	629.3		Dec	
435.4	452.0	362.9		937.0	555.3	804.2		Mar	2015
441.3	511.0	334.5		954.3	633.4	704.2		Jun	
405.5	505.5	379.6		796.8	623.2	845.8		Sep	
460.7	511.5	408.0		770.8	697.1	891.9		Dec	
Households				Total				End of	
>30-90 days	>90-180 days	Over 180 days	Specific Provisions	>30-90 days	>90-180 days	Over 180 days	Specific Provisions		
675.0	683.1	519.1	646.2	1 156.8	885.8	1 075.2	749.2	Mar ¹	2016
664.3	693.6	521.7	674.2	1 137.8	913.0	1 110.7	914.1	Jun	
553.0	730.4	615.6	791.7	1 050.6	1 010.9	1 268.1	1 107.3	Sep	
695.9	662.7	548.9	811.2	1 197.7	825.8	1 343.0	1 150.4	Dec	
906.6	740.6	730.5	920.3	1 649.9	965.6	1 619.7	1 330.5	Mar	2017
728.6	785.0	636.7	874.9	1 347.8	1 041.4	1 517.1	1 325.9	Jun	
641.0	836.7	624.9	806.3	1 505.2	1 122.9	1 520.0	1 560.2	Sep	
520.7	1 005.4	483.9	806.0	1 128.7	1 432.6	1 413.9	1 548.9	Dec	
548.6	858.1	679.7	780.6	943.1	1 172.8	1 709.2	1 310.3	Mar	2018
519.1	731.9	643.9	726.0	1 180.9	980.1	1 737.1	1 281.9	Jun	
398.3	725.5	762.0	804.0	894.0	940.7	2 078.2	1 431.5	Sep	
485.4	694.0	768.2	745.2	871.7	969.4	2 174.4	1 405.0	Dec	
510.9	580.5	650.7	843.3	973.4	767.0	2 037.9	1 444.6	Mar	2019
514.9	583.4	582.2	836.8	872.6	704.4	1 730.7	1 460.9	Jun	
512.0	533.8	633.1	862.7	1 012.2	982.0	1 932.8	1 646.8	Sep	
546.7	556.7	637.6	890.1	1 081.7	969.9	1 814.4	1 748.9	Dec	
571.4	533.0	850.8	944.1	1 016.6	933.7	1 879.1	1 805.0	Mar	2020
685.7	569.9	784.0	1 002.1	1 085.6	741.0	1 916.7	1 685.6	Jun	
643.9	533.5	694.7	901.1	1 040.7	745.1	1 771.1	1 618.5	Sep	
771.3	597.3	764.4	998.4	1 259.9	792.9	1 835.7	1 657.9	Dec	
679.2	585.1	770.3	1 010.3	1 128.6	761.8	1 874.4	1 675.0	Jan	2021
679.8	582.7	772.6	1 059.5	1 133.9	801.7	1 869.5	1 737.8	Feb	
638.9	624.0	766.7	1 027.7	1 192.9	804.8	1 831.2	1 732.3	Mar	
548.8	610.8	761.6	1 001.0	1 044.9	788.1	1 861.5	1 676.2	Apr	
553.5	619.9	742.2	1 001.8	972.9	839.1	1 727.6	1 573.5	May	
542.3	623.0	715.0	970.1	928.6	1 167.4	1 367.8	1 559.6	Jun	
578.7	644.5	718.3	958.9	1 103.4	914.2	1 694.9	1 559.3	Jul	
570.4	665.6	729.2	985.8	1 205.3	910.1	1 737.8	1 635.9	Aug	
582.6	651.5	666.4	998.0	1 073.9	968.7	1 720.0	1 685.4	Sep	
577.1	632.9	674.3	1 022.8	1 058.8	983.4	1 725.5	1 718.8	Oct	
501.9	650.8	698.6	1 060.5	816.5	973.1	1 646.2	1 695.4	Nov	
532.7	652.4	660.6	1 055.8	924.5	970.9	1 689.7	1 644.5	Dec	
568.4	667.6	686.5	1 093.7	1 160.0	924.0	1 689.7	1 696.6	Jan	2022
595.0	662.4	709.7	1 106.3	1 031.1	975.8	1 796.8	1 670.1	Feb	
631.6	659.2	670.2	1 048.0	1 072.7	969.0	1 738.1	1 643.3	Mar	
673.1	648.4	701.4	1 020.0	1 081.5	877.4	1 793.9	1 578.0	Apr	
780.1	652.0	719.0	1 033.9	1 197.1	885.5	1 796.1	1 594.0	May	
820.0	654.0	690.8	1 012.3	1 210.1	885.9	1 737.8	1 573.0	Jun	
781.1	652.4	728.3	1 021.3	1 202.2	784.0	1 645.1	1 486.4	Jul	
821.4	640.2	766.7	1 045.0	1 224.9	756.0	1 691.2	1 495.0	Aug	
759.7	652.3	751.9	1 047.3	1 297.9	781.4	1 654.1	1 503.2	Sep	
800.1	677.3	734.5	1 022.1	1 344.6	846.5	1 607.9	1 469.7	Oct	
800.3	676.3	678.6	935.4	1 120.2	905.6	1 531.2	1 390.0	Nov	
761.2	677.1	655.4	958.9	1 220.7	905.6	1 508.1	1 408.8	Dec	

TABLE 3.26: COMMERCIAL BANKS - ARREARS BY SECTOR
(P Million)

		Agriculture				Manufacturing				Construction			
		>30-90 days	>90-180 days	Over 180 days		>30-90 days	>90-180 days	Over 180 days		>30-90 days	>90-180 days	Over 180 days	
End of													
2013	Mar	5.1	0.9	1.0		9.3	10.4	5.2		3.5	24.8	11.8	
	Jun	8.8	0.4	1.2		5.4	2.7	5.7		20.8	7.8	4.5	
	Sep	5.4	0.5	2.0		7.2	1.5	6.9		9.2	17.3	10.3	
	Dec	13.2	5.6	1.2		10.3	69.6	6.9		6.4	3.3	11.4	
2014	Mar	34.5	6.5	9.8		85.3	6.0	38.9		9.2	6.2	80.6	
	Jun	21.8	11.4	35.0		25.6	12.2	25.2		11.3	14.9	24.3	
	Sep	22.4	13.4	3.6		27.9	2.4	24.2		31.7	15.5	30.9	
	Dec	19.1	5.9	12.5		80.3	14.2	35.2		52.6	11.9	40.4	
2015	Mar	13.7	9.9	32.1		39.4	5.6	32.6		19.2	6.8	32.3	
	Jun	21.5	11.4	23.6		17.1	4.3	33.7		19.7	12.8	30.7	
	Sep	32.0	11.3	73.9		28.3	5.2	35.1		21.3	10.7	36.5	
	Dec	7.2	14.9	72.9		22.4	20.2	35.8		14.2	24.6	38.9	
		Agriculture				Manufacturing				Construction			
		>30-90 days	>90-180 days	Over 180 days	Specific Provisions	>30-90 days	>90-180 days	Over 180 days	Specific Provisions	>30-90 days	>90-180 days	Over 180 days	Specific Provisions
2016	Mar ¹	21.1	24.1	93.5	8.2	12.9	1.8	33.2	6.9	18.6	10.6	48.0	10.4
	Jun	28.2	22.8	95.7	44.8	9.8	24.2	38.0	11.2	26.6	12.0	29.3	9.1
	Sep	25.2	27.2	92.8	44.6	19.2	23.6	53.7	30.7	32.0	5.5	36.8	17.7
	Dec	26.9	14.9	83.4	52.5	30.6	11.9	79.5	34.9	37.5	11.9	38.4	19.1
2017	Mar	91.8	25.2	81.8	55.2	32.1	2.7	117.7	61.0	79.3	14.0	33.0	20.5
	Jun	95.2	6.3	88.3	49.7	28.2	63.6	129.1	117.1	34.7	17.9	45.5	18.0
	Sep	11.4	4.8	104.5	51.9	284.3	65.7	147.0	381.5	56.6	6.9	61.3	24.4
	Dec	31.5	52.6	51.1	46.5	33.5	61.2	341.7	412.0	29.9	31.4	59.2	22.2
2018	Mar	13.1	13.3	101.7	45.0	82.2	19.6	149.8	130.3	23.5	37.8	84.2	30.2
	Jun	18.6	21.1	111.7	44.2	255.4	21.2	157.4	141.8	54.7	23.5	112.7	55.4
	Sep	19.5	19.8	121.1	53.9	70.7	30.3	386.1	191.2	26.8	30.1	121.2	99.8
	Dec	38.9	15.1	131.6	62.3	58.6	38.7	441.4	194.3	33.1	36.3	121.3	107.0
2019	Mar	21.1	26.6	135.2	69.6	53.0	40.8	397.6	176.3	36.0	21.8	136.0	71.2
	Jun	9.8	10.2	144.9	55.6	22.7	10.3	252.2	201.4	28.1	16.9	141.5	85.5
	Sep	10.0	8.8	135.1	56.1	139.9	294.0	275.6	348.0	41.8	10.3	147.1	87.8
	Dec	70.4	15.4	107.3	53.5	3.1	262.3	199.6	415.5	30.9	19.4	146.2	96.4
2020	Mar	36.9	13.9	94.7	50.3	22.8	269.3	187.3	393.0	17.3	7.1	146.3	98.4
	Jun	20.0	7.9	74.2	44.7	14.2	6.1	226.5	189.4	32.1	12.1	159.9	86.7
	Sep	18.5	11.5	79.7	47.9	10.4	5.8	214.9	168.4	30.4	16.3	157.1	113.2
	Dec	16.0	17.0	78.1	52.3	7.4	12.3	179.4	101.2	29.8	23.7	150.2	96.6
2021	Jan	34.1	17.7	78.4	53.0	8.9	14.0	180.0	101.4	14.9	15.0	157.2	95.2
	Feb	14.0	8.2	88.9	53.0	3.8	13.2	182.7	105.2	22.3	11.4	150.4	94.1
	Mar	93.8	8.4	87.5	55.4	5.4	8.9	185.0	106.2	20.6	9.0	158.5	117.5
	Apr	42.9	15.7	106.3	71.4	5.8	4.5	154.8	91.6	11.6	17.4	163.4	97.7
	May	24.2	34.0	87.3	56.8	3.7	13.6	148.5	84.6	13.8	17.0	141.2	80.5
	Jun	14.0	89.0	32.2	45.6	2.9	82.5	72.5	84.5	14.8	22.1	119.5	70.1
	Jul	10.8	32.1	71.2	45.2	1.3	8.8	145.8	85.3	24.0	19.4	126.2	70.6
	Aug	16.8	23.4	83.0	44.8	5.4	9.5	143.8	122.5	35.4	9.2	130.3	92.5
	Sep	87.2	19.2	89.8	43.5	3.9	12.8	143.3	119.0	27.1	17.1	133.8	73.1
	Oct	109.7	23.9	98.7	43.2	5.3	9.7	143.3	119.3	14.7	20.1	128.1	74.8
	Nov	76.8	23.8	78.8	42.3	2.3	11.2	129.3	109.0	8.5	18.4	96.1	51.4
	Dec	86.0	23.2	78.6	41.1	9.0	12.6	125.8	48.3	29.5	17.7	94.3	44.0
2022	Jan	100.6	15.7	76.7	35.5	34.8	12.8	66.5	45.8	27.0	10.4	107.8	67.7
	Feb	67.6	40.0	80.9	39.2	31.4	10.4	76.0	45.1	16.8	20.2	113.7	43.8
	Mar	47.8	63.8	79.3	38.2	34.6	16.2	66.5	46.6	6.5	30.4	105.4	68.3
	Apr	36.2	59.5	77.1	39.9	37.1	5.6	103.3	47.3	11.8	31.0	75.4	41.2
	May	36.8	62.6	75.4	43.8	34.5	6.9	100.8	49.0	5.3	24.5	69.2	40.6
	Jun	34.4	25.6	44.0	27.9	34.4	4.7	97.8	59.6	12.2	12.3	79.3	44.0
	Jul	45.8	19.1	50.2	30.4	38.8	4.9	97.6	61.1	10.7	17.7	64.1	30.0
	Aug	26.7	15.1	56.1	25.1	42.2	4.5	97.4	60.3	24.1	6.0	60.5	29.2
	Sep	103.8	4.1	60.5	25.3	8.6	11.9	97.2	64.2	24.0	4.4	54.1	27.4
	Oct	116.1	10.0	60.9	24.8	3.6	12.4	97.5	64.6	8.8	23.3	49.9	29.8
	Nov	28.8	10.2	50.7	25.8	8.5	27.0	98.0	61.8	10.4	22.5	43.1	28.8
	Dec	40.1	10.7	50.8	27.1	7.8	7.7	100.5	60.2	9.4	21.5	41.3	27.3

¹ Effective March 2016, data for commercial bank loans arrears include 'Specific provisions'.

Source: Commercial banks

Trade				Real Estate				End of	
>30-90 days	>90-180 days	Over 180 days		>30-90 days	>90-180 days	Over 180 days			
104.8	20.4	36.9		20.7	20.2	12.1		Mar	2013
109.7	42.4	53.0		38.7	0.3	1.8		Jun	
128.2	41.4	60.6		28.7	5.7	5.7		Sep	
208.7	42.7	79.4		35.7	3.0	5.7		Dec	
296.5	65.3	88.7		46.7	31.9	20.5		Mar	2014
191.2	56.4	167.8		103.5	20.0	31.4		Jun	
259.6	110.9	158.9		62.7	63.6	7.4		Sep	
260.0	57.5	152.2		74.7	34.2	44.5		Dec	
206.9	23.8	161.4		176.6	28.1	55.2		Mar	2015
208.8	15.7	176.8		102.9	34.4	54.5		Jun	
172.3	40.1	166.0		42.7	11.3	73.1		Sep	
99.8	46.5	191.8		56.8	3.4	81.0		Dec	
Trade				Real Estate				End of	
>30-90 days	>90-180 days	Over 180 days	Specific Provisions	>30-90 days	>90-180 days	Over 180 days	Specific Provisions		
69.5	19.5	88.3	29.2	42.7	6.2	2.9	1.3	Mar ¹	2016
127.9	19.5	151.6	41.0	81.2	48.0	5.1	21.8	Jun	
142.2	47.4	173.4	50.6	70.1	55.9	35.3	32.7	Sep	
142.4	56.0	213.3	80.3	58.9	22.0	83.7	30.5	Dec	
139.7	48.1	235.4	84.0	58.4	16.0	112.8	33.5	Mar	2017
120.0	60.7	150.7	81.7	90.7	39.2	101.5	49.7	Jun	
99.0	68.8	141.6	102.3	72.1	76.5	100.7	33.4	Sep	
105.3	101.6	121.4	95.4	98.3	83.9	100.1	59.6	Dec	
129.1	47.5	169.4	84.3	65.1	95.0	116.5	76.9	Mar	2018
99.7	50.6	319.3	90.4	72.5	77.5	110.5	82.9	Jun	
219.9	45.7	185.6	88.3	68.3	33.0	97.6	60.4	Sep	
119.9	76.5	203.7	96.9	66.7	30.6	108.6	57.7	Dec	
134.3	24.6	230.7	92.3	110.4	20.6	97.2	52.9	Mar	2019
109.8	36.7	213.0	97.7	93.9	14.1	70.3	43.5	Jun	
87.8	60.6	317.7	90.8	86.6	18.5	87.6	46.3	Sep	
120.2	28.1	352.7	106.7	105.4	19.1	80.9	47.4	Dec	
57.2	27.7	194.3	98.3	119.9	28.9	95.9	74.3	Mar	2020
99.4	29.0	231.7	122.4	105.9	27.2	101.8	80.4	Jun	
69.0	43.7	224.7	123.7	120.6	35.0	81.3	78.4	Sep	
56.2	34.7	198.1	128.6	148.2	8.5	103.6	91.8	Dec	
93.7	27.8	226.2	129.9	113.5	42.7	105.1	92.9	Jan	2021
66.5	24.6	196.2	129.1	132.1	55.6	94.1	91.5	Feb	
101.7	39.4	233.8	147.9	176.7	25.9	48.8	62.6	Mar	
77.6	20.4	222.0	133.9	137.4	12.4	49.5	63.3	Apr	
63.3	29.0	207.6	122.3	92.8	24.8	39.9	42.0	May	
44.1	79.5	152.1	119.6	88.2	51.0	31.7	54.7	Jun	
63.0	32.1	192.7	116.1	83.5	61.3	32.7	57.1	Jul	
78.0	34.9	183.2	115.1	157.2	57.8	48.8	56.8	Aug	
48.6	45.4	184.7	125.2	128.7	63.0	57.3	49.5	Sep	
50.3	39.6	181.2	114.1	63.9	79.2	60.6	49.9	Oct	
38.6	28.5	169.5	103.4	47.6	68.6	62.6	49.5	Nov	
43.3	19.4	179.0	99.5	69.5	74.4	68.1	57.3	Dec	
63.1	35.8	179.8	95.2	189.9	39.9	55.5	52.4	Jan	2022
51.8	17.7	130.1	77.8	154.1	65.3	103.4	46.2	Feb	
63.2	28.5	140.2	79.6	105.7	67.3	103.8	51.0	Mar	
57.3	15.4	111.5	67.1	120.1	27.0	117.2	51.7	Apr	
65.6	16.3	107.7	65.2	105.5	49.9	115.1	51.7	May	
63.9	114.1	94.4	64.1	99.8	27.8	98.5	59.5	Jun	
67.5	15.8	95.5	65.5	103.9	33.4	98.5	59.7	Jul	
58.6	17.2	94.6	64.9	79.5	27.6	99.6	56.4	Aug	
106.7	23.4	92.7	69.1	71.7	32.2	100.9	57.6	Sep	
126.2	17.9	88.3	65.7	78.1	35.7	101.9	58.2	Oct	
40.6	21.9	84.8	63.3	68.3	69.4	107.8	57.3	Nov	
138.6	24.2	87.2	63.5	42.2	77.3	107.5	60.3	Dec	

TABLE 3.27: ELECTRONIC CLEARING HOUSE (ECH)¹ - CHEQUE CLEARANCE, ELECTRONIC FUNDS TRANSFERS (EFTs)¹ AND BOTSWANA INTER-BANK SETTLEMENT SYSTEM (BISS) TRANSACTIONS

		Cheques			EFTs			BISS	
		Volume (‘000 Units) (1)	Value (P Million) (2)	Average (P Thousands) (3)=(2/1)	Volume (‘000 Units) (4)	Value (P Million) (5)	Average (P Thousands) (6)=(5/4)	Volume (Absolute) (7)	Value (P Billion) (8)
Period ²									
2013		1 886.5	35 523.2	18.8	5 332.2	101 751.1	19.1	148 598	2 322
2014		1 657.2	32 723.5	19.7	6 040.4	124 783.1	20.6	158 911	2 198
2015		1 382.3	28 329.8	20.5	6 659.7	142 914.1	21.5	194 554	3 675
2016		1 204.2	25 546.5	15.9	7,507.2	166 006.4	16.6	183 055	1 690
2017		1 038.1	22 303.9	16.1	8,134.8	165 387.8	15.2	177 725	1 273
2018	Mar	228.9	5 007.2	21.9	2 036.7	42 136.2	20.6	41 875	296
	Jun	231.7	5 013.7	21.6	1 997.2	43 067.6	21.6	42 412	310
	Sep	230.8	5 092.1	22.1	2 225.3	46 251.7	20.8	44 764	396
	Dec	237.9	5 324.8	22.4	2 253.7	48 440.8	21.5	46 029	412
2019	Mar	204.3	4 715.0	23.1	2 163.9	48 019.4	22.2	40 362	443
	Jun	210.9	4 783.0	22.7	2 221.0	49 246.2	22.2	45 830	478
	Sep	201.4	4 561.2	22.6	2 318.0	56 067.3	24.2	47 743	488
	Dec	193.5	4 603.0	23.8	2 458.2	55 485.0	22.6	49 019	490
2020	Jan	48.6	1 132.1	23.3	740.5	15 003.3	20.3	13 544	169
	Feb	52.8	1 165.5	22.1	746.2	16 066.7	21.5	13 390	134
	Mar	61.2	1 353.4	22.1	916.9	21 253.6	23.2	14 316	135
	Apr	21.8	492.7	22.6	689.8	15 062.6	21.8	9 767	180
	May	23.6	548.2	23.2	680.6	12 305.7	18.1	9 402	208
	Jun	45.0	959.5	21.3	871.9	16 494.3	18.9	13 452	171
	Jul	44.0	1 034.3	23.5	851.5	18 199.3	21.4	13 911	176
	Aug	35.4	818.2	23.1	801.0	15 865.5	19.8	12 595	158
	Sep	40.5	917.0	22.6	822.2	20 959.6	25.5	13 740	225
	Oct	41.4	946.4	22.8	872.0	17 954.9	20.6	13 524	184
	Nov	40.6	983.6	24.2	845.2	19 193.0	22.7	13 510	174
	Dec	40.6	1 027.6	25.3	932.3	22 701.3	24.3	15 203	196
2021	Jan	29.5	699.9	23.7	737.9	15 018.5	20.4	11 510	163
	Feb	30.1	729.3	24.3	797.8	15 837.4	19.9	12 775	140
	Mar	36.2	898.0	24.8	1 002.2	20 301.7	20.3	15 750	169
	Apr	30.7	751.6	24.5	807.1	21 640.1	26.8	13 294	149
	May	30.5	771.6	25.3	845.7	18 302.7	21.6	13 684	157
	Jun	32.3	767.4	23.8	879.9	18 985.9	21.6	15 084	166
	Jul	27.5	648.4	23.6	858.8	18 847.5	21.9	15 084	130
	Aug	29.3	713.0	24.4	912.3	19 616.7	21.5	14 498	142
	Sep	28.5	670.5	23.5	873.4	19 420.7	22.2	15 993	157
	Oct	27.6	639.3	23.2	858.6	20 303.4	23.6	14 590	123
	Nov	29.7	695.7	23.5	942.9	20 015.4	21.2	15 831	126
	Dec	29.1	709.6	24.4	947.4	23 277.8	24.6	17 000	116
2022	Jan	21.9	529.8	24.2	804.6	18 562.3	23.1	12 691	127
	Feb	25.4	566.3	22.3	867.2	19 058.4	22.0	14 504	97
	Mar	28.0	660.8	23.6	1 031.0	24 240.9	23.5	17 388	137
	Apr	22.5	539.6	24.0	825.4	20 659.6	25.0	14 984	96
	May	23.9	600.8	25.2	959.3	22 476.4	23.4	21 670	67
	Jun	24.2	604.5	24.9	952.7	22 956.1	24.1	18 481	75
	Jul	21.0	517.7	24.7	867.8	23 656.8	27.3	16 034	60
	Aug	23.5	645.0	27.4	1 016.6	23 560.6	23.2	16 435	90
	Sep	20.8	541.0	26.0	914.1	22 301.0	24.4	16 701	79
	Oct	21.0	496.3	23.7	948.2	22 759.0	24.0	16 459	77
	Nov	21.6	640.5	29.7	916.4	23 183.0	25.3	15 542	85
	Dec	20.1	526.1	26.2	956.8	25 650.7	26.8	15 372	81

1. The ECH comprises the commercial banks and the Bank of Botswana. The transactions shown in this table do not include intra-bank (internal) payments or those that involve non-ECH members.

2. Annual and quarterly data are cumulated for the period, while the rest are as at end of period.

Source: Electronic Clearing House reports

TABLE 3.28: PAYMENTS SYSTEM: ATMs AND ELECTRONIC FUNDS TRANSFER AT POINT OF SALE (EFTPOS)¹

Period		EFTPOS			ATMs		
		Number of Outlets ²	Transactions ('000 Units)	Value (P Million)	Number of Outlets ²	Transactions ('000 Units)	Value (P Million)
2013	Mar	3 793	4 132	918	306	5 948	3 996
	Jun	3 805	4 413	994	306	5 898	3 894
	Sep	3 832	4 421	998	312	5 919	3 945
	Dec	3 914	5 248	1 125	313	6 058	4 217
2014	Mar	3 934	5 325	1 098	315	5 945	3 987
	Jun	3 938	5 385	1 124	315	6 127	4 116
	Sep	3 957	5 596	1 321	314	6 354	4 357
	Dec	3 976	5 687	1 344	316	6 455	4 419
2015	Mar	3 985	6 122	1 454	316	6 878	4 778
	Jun	4 015	6 357	1 558	318	7 452	4 998
	Sep	4 029	6 898	1 622	318	7 725	5 255
	Dec	4 103	7 212	1 825	332	8 945	6 215
2016	Mar	4 129	7 344	1 996	365	9 224	6 458
	Jun	4 212	8 432	2 118	427	9 885	6 759
	Sep	4 265	8 473	2 178	427	9 794	6 779
	Dec	4 271	9 117	2 412	427	9 852	6 814
2017	Mar	4 285	9 554	2 489	429	9 945	6 795
	Jun	4 297	9 784	2 546	429	9 973	6 887
	Sep	4 299	9 832	2 598	429	9 987	9 938
	Dec	4 301	9 945	2 685	429	9 851	9 651
2018	Mar	4 315	9 986	2 584	431	9 979	9 763
	Jun	4 322	9 899	2 619	431	10 142	9 945
	Sep	4 335	9 795	2 745	473	10 286	9 989
	Dec	4 412	10 162	2 985	482	11 264	10 854
2019	Mar	4 813	11 584	3 485	482	12 423	12 156
	Jun	4 838	11 985	3 668	482	12 578	13 346
	Sep	4 846	12 254	3 985	482	13 215	14 258
	Dec	4 877	14 125	4 251	482	14 562	16 254
2020	Mar	4 995	15 423	5 124	482	15 241	17 125
	Jun	5 002	12 281	4 872	482	14 723	16 423
	Sep	5 008	10 119	3 175	482	15 544	14 232
	Dec	5 016	13 425	4 752	482	16 785	17 352
2021	Mar	5 017	14 232	5 326	484	17 124	18 754
	Jun	5 033	16 354	6 143	484	18 326	20 137
	Sep	5 042	18 241	6 632	484	20 247	21 754
	Dec	5 845	19 744	7 215	484	20 657	22 775
2022	Mar	5 852	21 222	8 125	540	22 415	24 417
	Jun	5 921	23 152	8 214	540	24 530	27 584
	Sep	6 042	25 412	8 527	540	25 487	29 457
	Dec	6 454	27 356	9 126	540	26 414	30 589

1. The data for EFTPOS include both the domestic and international transactions.

2. Refers to number of machines in Botswana.

Source: Commercial banks

TABLE 3.29: BOTSWANA BUILDING SOCIETY - ASSETS AND LIABILITIES
(P Million)

ASSETS							
		Liquid Assets					
		Cash &	Total	Loans &	Fixed	Other	
		Deposits	Liquid	Advances	Assets	Assets	
As at end of			Assets			Total	
						Assets	
2013		355.0	355.0	2 558.0	106.4	25.6	3 045.2
2014		371.0	371.0	2 921.3	95.8	34.0	3 422.1
2015		981.6	981.6	3 132.4	98.7	51.0	4 263.7
2016		405.9	405.9	3 203.2	114.9	41.0	3 765.0
2017		888.3	888.3	3 198.3	121.2	53.7	4 261.4
2018		544.3	544.3	3 295.4	116.9	60.2	4 016.8
2019		988.3	988.3	3 464.5	107.3	80.8	4 641.0
2020		431.6	431.6	3 481.3	105.8	89.9	4 108.7
2021	Mar	341.7	341.7	3 379.3	100.3	95.5	3 916.8
	Jun	337.5	337.5	3 324.0	102.6	87.9	3 852.0
	Sep	414.6	414.6	3 236.1	106.9	93.5	3 851.1
	Dec	444.9	444.9	3 189.5	130.3	74.5	3 839.2
2022	Jan	382.3	382.3	3 168.5	121.7	77.8	3 750.3
	Feb	351.3	351.3	3 158.9	121.3	76.1	3 707.6
	Mar	343.4	343.4	3 138.6	120.5	73.3	3 675.7
	Apr	365.5	365.5	3 144.5	122.3	75.3	3 707.5
	May	366.7	366.7	3 143.1	124.2	75.6	3 709.7
	Jun	476.3	476.3	3 162.2	123.6	79.0	3 841.1
	Jul	520.5	520.5	3 173.3	123.2	80.4	3 897.4
	Aug	417.3	417.3	3 190.1	122.9	76.5	3 806.8
	Sep	520.3	520.3	3 194.6	121.5	87.9	3 924.3
	Oct	584.7	584.7	3 208.3	120.8	85.8	3 999.6
	Nov	578.7	578.7	3 216.1	124.8	83.9	4 003.5
	Dec	491.6	491.6	3 251.0	123.5	70.8	3 936.9
LIABILITIES							
		Deposits from the Public		Total	Capital		
			Notice &	Deposits	&	Other	
As at end of		Savings	Time	from Public	Reserves	Liabilities	
						Total	
						Liabilities	
2013		515.7	150.2	665.8	1 409.8	969.5	3 045.2
2014		580.2	409.0	989.2	1 506.6	926.4	3 422.1
2015		1 067.0	907.2	1 974.2	1 091.5	1 198.0	4 263.7
2016		896.8	775.4	1 672.2	1 123.9	968.9	3 765.0
2017		903.8	997.8	1 901.6	1 137.6	1 222.2	4 261.4
2018		1 283.5	834.5	2 117.9	594.7	1 304.2	4 016.8
2019		1 340.1	1 546.5	2 886.6	529.0	1 225.4	4 641.0
2020		1 384.3	1 047.9	2 432.2	543.4	1 133.1	4 108.7
2021	Mar	1 356.8	964.5	2 321.3	518.5	1 077.0	3 916.8
	Jun	1 345.7	983.1	2 328.8	532.1	991.1	3 852.0
	Sep	1 398.9	1 070.6	2 469.5	522.7	858.9	3 851.1
	Dec	1 373.6	1 094.4	2 468.0	506.2	864.9	3 839.2
2022	Jan	1 266.6	1 117.0	2 383.6	496.2	870.5	3 750.3
	Feb	1 264.9	1 079.0	2 343.9	494.6	869.1	3 707.6
	Mar	1 267.1	1 092.3	2 359.4	482.3	834.0	3 675.7
	Apr	1 250.2	1 132.5	2 382.7	484.5	840.3	3 707.5
	May	1 248.5	1 136.6	2 385.1	479.9	844.6	3 709.7
	Jun	1 251.9	1 264.8	2 516.8	474.4	849.9	3 841.1
	Jul	1 252.8	1 317.4	2 570.2	476.3	850.9	3 897.4
	Aug	1 264.4	1 270.3	2 534.7	475.5	796.5	3 806.8
	Sep	1 268.7	1 393.8	2 662.5	462.8	799.0	3 924.3
	Oct	1 264.0	1 518.4	2 782.4	469.4	747.8	3 999.6
	Nov	1 261.5	1 517.3	2 778.8	470.0	754.6	4 003.5
	Dec	1 232.5	1 486.1	2 718.6	469.5	748.9	3 936.9

Source: Botswana Building Society Limited

TABLE 3.30: BOTSWANA SAVINGS BANK - ASSETS AND LIABILITIES
(P Million)

		ASSETS				
		Liquid Assets				
		Cash & Deposits	Total Liquid Assets	Loans & Advances	Fixed Assets	Other Assets
As at end of						Total Assets
2013		519.4	519.4	714.5	22.8	31.2
2014		491.5	491.5	859.5	25.5	35.8
2015		587.1	587.1	1 108.0	31.3	40.4
2016		629.5	629.5	1 519.2	35.9	32.6
2017		936.9	936.9	1 500.3	30.8	47.2
2018		989.3	989.3	1 452.5	28.7	56.2
2019		1 603.8	1 603.8	1 404.9	33.2	91.4
2020		470.4	470.4	2 169.1	90.4	116.4
2021	Mar	2 403.2	80.5	129.6	3 110.2	129.6
	Jun	2 404.8	106.7	94.6	3 201.9	94.6
	Sep	2 546.8	118.5	106.3	3 314.5	106.3
	Dec	2 761.4	125.6	91.8	3 313.7	91.8
2022	Jan	2 708.8	104.4	137.9	3 266.1	137.9
	Feb	2 728.4	103.8	134.8	3 409.8	134.8
	Mar	2 681.4	107.7	122.7	3 319.9	122.7
	Apr	2 660.7	107.6	125.7	3 201.7	125.7
	May	2 623.1	110.4	129.8	3 395.4	129.8
	Jun	2 602.8	106.6	147.8	3 187.1	147.8
	Jul	2 568.8	108.5	152.7	3 362.2	152.7
	Aug	2 542.1	108.0	194.1	3 404.2	194.1
	Sep	2 500.6	107.6	169.7	3 265.8	169.7
	Oct	2 468.4	111.3	176.6	3 326.6	176.6
	Nov	2 434.9	109.7	180.1	3 325.5	180.1
	Dec	2 406.9	94.6	197.3	3 352.6	197.3
		LIABILITIES				
		Savings Deposits ¹	Capital & Reserves	Other Liabilities	Total Liabilities	
2013		1 074.1	154.6	59.3	1 287.9	
2014		1 190.4	157.6	64.3	1 412.3	
2015		1 366.1	171.6	229.2	1 766.9	
2016		1 820.6	178.9	217.7	2 217.2	
2017		2 140.5	168.7	206.0	2 515.2	
2018		2 126.0	180.0	220.8	2 526.8	
2019		2 575.2	188.9	369.3	3 133.3	
2020		2 329.6	165.6	351.0	2 846.3	
2021	Mar	2 569.9	205.5	334.8	3 110.2	
	Jun	2 537.8	202.9	461.3	3 201.9	
	Sep	2 615.7	214.1	484.8	3 314.5	
	Dec	2 594.3	213.8	505.6	3 313.7	
2022	Jan	2 527.6	215.4	523.0	3 266.1	
	Feb	2 661.2	217.0	531.6	3 409.8	
	Mar	2 637.5	211.9	470.5	3 319.9	
	Apr	2 521.5	220.8	459.5	3 201.7	
	May	2 710.5	224.8	460.1	3 395.4	
	Jun	2 423.2	228.4	535.4	3 187.1	
	Jul	2 631.4	235.4	495.4	3 362.2	
	Aug	2 723.0	240.9	440.2	3 404.2	
	Sep	2 599.6	235.1	431.1	3 265.8	
	Oct	2 705.7	241.8	379.2	3 326.6	
	Nov	2 659.7	237.7	428.1	3 325.5	
	Dec	2 577.3	234.2	541.1	3 352.6	

1. Includes National Savings Certificates.

Source: Botswana Savings Bank

TABLE 4.1: INTEREST RATES¹
(Percent Per Annum)

Percent Per Annum)								2020			
End of	2013	2014	2015	2016	2017	2018	2019	Q1	Q2	Q3	Q4
LENDING RATES											
Bank of Botswana											
Bank Rate	7.50	7.50	6.00	5.50	5.00	5.00	4.75	4.75	4.25	4.25	3.75
Repo Rate	7.00	7.00	5.50	5.00	4.50	4.50	4.25	4.25	4.25	3.75	3.75
Reverse Repo Rate	3.00	3.00	1.50	1.00	1.00	1.00	0.75	0.75	0.25	0.25	0.25
Commercial and Merchant Banks											
Monthly Average Overnight Rate	3.18	3.46	1.60	1.06	1.14	1.41	1.20	1.26	1.15	1.03	1.03
Prime Lending Rate	9.33	9.00	7.50	7.00	6.50	6.50	6.25	6.25	5.75	5.75	5.25
Average Return on Advances	11.39	10.93	10.34	10.88	10.76	11.19	10.85	10.68	10.30	9.60	9.64
Mortgage Rate	9.56	9.01	8.15	8.81	8.65	8.30	8.11	8.11	7.90	7.87	7.05
Non-Bank Financial Corporations ²											
Short-term Loans	14.50	14.00	12.50	13.25	12.75	12.75	12.50	12.50	12.13	12.13	11.88
Mortgage Rate ³	8.84	8.96	8.13	7.88	7.38	6.13	6.13	6.13	5.63	5.63	5.13
Other Financial Corporations ⁴											
All Round Lending ⁵	15.97	15.97	14.50	14.00	13.50	13.50	13.25	13.25	12.75	12.75	12.25
DEPOSIT RATES											
Commercial and Merchant Banks											
Pula Denominated Deposits											
Savings Account	2.36	2.73	2.29	1.90	1.88	2.01	1.97	1.97	1.85	1.77	1.50
Overnight Call	1.35	1.62	1.10	0.88	1.02	0.94	0.99	0.99	0.99	0.96	0.85
Notice	2.84	2.47	2.09	1.53	0.84	1.09	3.10	3.16	0.85	0.85	0.97
Fixed up to 12 months	4.33	5.02	3.50	2.56	2.16	2.20	2.09	2.06	1.76	1.68	1.54
Fixed over 12 months	5.24	5.48	4.26	3.55	3.07	3.02	3.05	2.91	2.76	2.75	2.60
Foreign Currency Denominated Deposits ⁶											
US dollar	1.13	1.13	1.13	0.27	0.37	1.70	0.70	0.70	1.49	1.49	1.49
Euro	1.46	1.46	1.46	0.28	0.28	0.15	0.13	0.35	0.52	0.19	0.19
Pound sterling	1.43	1.82	1.42	0.43	0.35	0.35	0.38	0.38	0.33	0.33	0.33
South African rand	2.38	2.78	2.83	2.10	2.09	2.41	3.08	3.09	3.09	3.09	2.38
Non-Bank Depository Corporations											
Ordinary Savings Account	1.13	1.13	1.13	1.13	1.13	0.25	0.25	0.25	0.20	0.20	0.15
Special Savings Account	2.94	2.56	2.19	1.88	1.71	0.68	0.55	0.55	0.48	0.48	0.33
DEBT INSTRUMENTS											
Bank of Botswana Certificates (BoBCs) ⁷	3.58	3.19	1.17	1.01	1.41	1.54	1.49	1.49	1.00	1.04	1.13
Long-term Government bond ⁸	4.31	4.07	5.96	5.54	5.30	5.25	5.33	5.20	5.13	5.08	5.926

1. Unless indicated otherwise, rates are simple averages of reporting institutions within each class.

2. Non-Bank Financial Corporations refer to deposit taking institutions other than commercial and merchant banks.

3. The rate is a simple average of the mortgage rate of BBS Limited and Botswana Savings Bank.

4. Other Financial Corporations refer to non-deposit taking non-bank financial institutions.

5. The 'all round lending' rate is a weighted average rate provided by the National Development Bank.

6. The reported rate is for call accounts.

2021				2022				End of
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
LENDING RATES								
Bank of Botswana								
3.75	3.75	3.75	3.75	3.75	2.15	2.65	2.65	Bank Rate
3.75	3.75	3.75	3.75	3.75	2.15	2.65	2.65	Repo Rate
0.25	0.25	0.25	0.25	0.25	2.15	2.65	2.65	Reverse Repo Rate
Commercial and Merchant Banks								
1.19	1.06	1.13	1.24	1.19	1.91	2.39	2.37	Monthly Average Overnight Rate
5.25	5.25	5.25	5.25	5.25	6.26	6.76	6.76	Prime Lending Rate
9.68	9.55	9.38	11.20	9.98	11.00	11.76	12.88	Average Return on Advances
7.03	7.08	7.12	7.09	7.21	7.92	8.59	9.09	Mortgage Rate
Non-Bank Financial Corporations ²								
11.88	11.88	11.88	11.88	11.88	12.38	12.88	12.88	Short-term Loans
5.13	5.13	5.13	5.13	5.13	7.26	7.76	7.76	Mortgage Rate ³
Other Financial Corporations ⁴								
12.25	12.25	12.25	12.25	12.25	14.26	14.76	14.76	All Round Lending ⁵
DEPOSIT RATES								
Commercial and Merchant Banks								
Pula Denominated Deposits								
1.50	1.63	1.63	1.72	1.65	1.78	1.90	2.00	Savings Account
0.85	0.83	0.83	0.83	0.83	1.11	1.21	1.22	Overnight Call
0.97	1.07	1.07	1.07	1.13	1.09	1.17	1.24	Notice
1.54	1.56	1.56	1.51	1.14	1.18	1.27	1.35	Fixed up to 12 months
2.55	2.67	2.67	2.73	2.77	2.96	3.16	3.27	Fixed over 12 months
Foreign Currency Denominated Deposits ⁶								
1.49	1.49	1.49	1.49	1.49	1.18	1.43	1.49	US dollar
0.19	0.19	0.52	0.52	0.52	0.52	0.28	0.28	Euro
0.40	0.40	0.40	1.45	0.40	0.40	0.40	0.00	Pound sterling
2.38	2.38	2.38	2.84	2.84	3.09	3.09	3.42	South African rand
Non-Bank Depository Corporations								
0.15	0.15	0.15	0.15	0.15	0.66	1.66	1.66	Ordinary Savings Account
0.33	0.33	0.33	0.33	0.33	0.84	1.84	1.84	Special Savings Account
DEBT INSTRUMENTS								
1.32	1.35	1.44	1.49	1.50	2.33	3.60	4.364	Bank of Botswana Certificates (BoBCs) ⁷
6.43	6.84	8.44	8.45	8.49	8.50	8.726	8.80	Long-term Government bond ⁸

7. Refers to the 3-month BoBC rate. This is a weighted average yield, with the weights derived from the relative volumes of bids at yields accepted at the relevant auction. Effective October 2020, the 3-month BOBC was discontinued and was replaced with the re-introduction of the Government 3 months T-Bill in November 2020.

8. This refers to bond BW003, initially issued in April 2003 and maturing in October 2015. Following the maturity of bond BW003, the rate refers to a 25 year Government bond BW012, initially issued in June 2015 and maturing in June 2040.

Sources: Bank of Botswana, other depository corporations and other financial corporations

TABLE 4.2: INTEREST RATES - NOMINAL AND REAL¹
(PERCENT PER ANNUM)

End of		Nominal Interest Rates			Rate Of Inflation ⁴	3-months Annualised Inflation ⁵
		Prime ²	32-88 Day Deposit ²	3-Month BoBc Rate ³		
2013	Dec	9.33	2.58	3.58	4.1	3.4
2014	Dec	9.00	2.67	3.19	3.8	0.6
2015	Dec	7.50	2.50	1.17	3.1	1.2
2016	Dec	7.00	2.03	1.01	3.0	2.1
2017	Mar	7.00	1.68	1.18	3.5	4.8
	Jun	7.00	1.36	1.31	3.5	4.7
	Sep	7.00	1.69	1.40	3.2	1.2
	Dec	6.50	1.10	1.41	3.2	2.2
2018	Mar	6.50	1.60	1.42	2.8	3.2
	Jun	6.50	1.56	1.48	3.1	5.9
	Sep	6.50	1.56	1.52	2.9	0.4
	Dec	6.50	1.56	1.54	3.5	4.7
2019	Jan	6.50	1.56	1.57	3.5	3.2
	Feb	6.50	1.58	1.60	3.3	2.4
	Mar ⁶	6.50	1.58	1.60	3.3	2.4
	Apr	6.50	1.58	1.64	2.5	3.6
	May	6.50	1.58	1.67	2.6	3.2
	Jun ⁶	6.50	1.58	1.67	2.8	3.6
	Jul	6.50	1.59	1.69	2.9	2.0
	Aug	6.25	1.52	1.70	2.9	1.6
	Sep ⁶	6.25	1.64	1.70	3.0	1.2
	Oct	6.25	1.64	1.48	2.4	0.8
	Nov	6.25	1.64	1.49	2.1	1.2
	Dec	6.25	1.64	1.49	2.2	1.6
2020	Jan	6.25	1.64	1.50	2.2	2.8
	Feb	6.25	1.64	1.49	2.2	2.8
	Mar	6.25	1.77	1.49	2.2	2.4
	Apr	5.75	1.79	1.50	2.5	4.4
	May	5.75	1.55	1.00	2.4	4.0
	Jun	5.75	1.55	1.00	0.9	-1.5
	Jul	5.75	1.55	1.02	0.9	-4.2
	Aug	5.75	1.55	1.02	1.0	-3.4
	Sep	5.75	1.55	1.04	1.8	4.8
	Oct	5.25	1.36	...	2.2	6.0
	Nov	5.25	1.36	...	2.2	6.0
	Dec	5.25	1.36	...	2.2	3.1
2021	Jan	5.25	1.36	...	2.3	3.1
	Feb	5.25	1.36	...	2.4	3.5
	Mar	5.25	1.36	...	3.2	6.3
	Apr	5.25	1.36	...	5.6	19.2
	May	5.25	1.36	...	6.2	20.0
	Jun	5.25	1.48	...	8.2	19.4
	Jul	5.25	1.48	...	8.9	7.9
	Aug	5.25	1.48	...	8.8	6.3
	Sep	5.25	1.48	...	8.4	5.5
	Oct	5.25	1.48	...	8.8	5.9
	Nov	5.25	1.48	...	8.6	5.5
	Dec	5.25	1.48	...	8.7	4.3
2022	Jan	5.25	1.48	...	10.6	9.9
	Feb	5.25	1.44	...	10.6	11.0
	Mar	5.25	1.48	...	10.0	11.4
	Apr	5.76	1.65	...	9.6	14.9
	May	5.76	1.39	...	11.9	25.9
	Jun	6.26	1.39	...	12.7	31.2
	Jul	6.26	1.52	...	14.3	27.8
	Aug	6.76	1.52	...	14.6	16.9
	Sep	6.76	1.52	...	13.8	10.0
	Oct	6.76	1.26	...	13.1	1.30
	Nov	6.76	1.53	...	12.2	-3.10
	Dec	6.76	1.53	...	12.4	-0.60

1. Real rates were calculated from the nominal rates according to the following formula: $i = \{[(1+r)/(1+p)] - 1\} \times 100$, where i = real interest rate, r = nominal interest rate and p = annual inflation.

2. These are monthly averages from commercial banks.

3. The 3-month BoBC rate is a weighted average yield, with the weights derived from the relative volumes of bids at yields accepted at the relevant auction. The issuance of the 3-month BoBC was discontinued in October 2020.

Real Interest Rates				
Prime	32-88 Day Deposit	3-Month BoBc		End of
5.02	-1.46	-0.50	Dec	2013
5.01	-1.09	-0.59	Dec	2014
4.27	-0.58	-1.87	Dec	2015
3.88	-0.94	-1.93	Dec	2016
3.38	-1.76	-2.24	Mar	2017
3.38	-2.07	-2.12	Jun	
3.68	-1.46	-1.74	Sep	
3.20	-2.03	-1.73	Dec	
3.60	-1.17	-1.34	Mar	2018
3.30	-1.49	-1.57	Jun	
3.50	-1.30	-1.34	Sep	
2.90	-1.87	-1.89	Dec	
2.90	-1.87	-1.90	Jan	2019
3.10	-1.67	-1.67	Feb	
3.10	-1.67	-1.65	Mar ⁶	
3.90	-0.90	-0.84	Apr	
3.80	-0.99	-0.91	May	
3.60	-1.19	-1.10	Jun ⁶	
3.50	-1.27	-1.18	Jul	
3.26	-1.34	-1.17	Aug	
3.16	-1.32	-1.26	Sep ⁶	
3.76	-0.74	-0.90	Oct	
4.06	-0.45	-0.60	Nov	
3.96	-0.55	-0.69	Dec	
3.96	-0.55	-0.68	Jan	2020
3.96	-0.55	-0.69	Feb	
3.96	-0.42	-0.69	Mar	
3.17	-0.69	-0.98	Apr	
3.27	-0.83	-1.37	May	
4.81	0.64	0.10	Jun	
4.81	0.64	0.12	Jul	
4.70	0.54	0.02	Aug	
3.88	-0.25	-0.75	Sep	
2.98	-0.82	...	Oct	
2.98	-0.82	...	Nov	
2.98	-0.82	...	Dec	
2.88	-0.92	...	Jan	2021
2.78	-1.02	...	Feb	
1.99	-1.78	...	Mar	
-0.33	-4.02	...	Apr	
-0.89	-4.56	...	May	
-2.73	-6.21	...	Jun	
-3.35	-6.81	...	Jul	
-3.26	-6.73	...	Aug	
-2.91	-6.38	...	Sep	
-3.26	-6.73	...	Oct	
-3.08	-6.56	...	Nov	
-3.17	-6.64	...	Dec	
-4.84	-8.25	...	Jan	2022
-4.84	-8.28	...	Feb	
-4.32	-7.75	...	Mar	
-3.50	-7.25	...	Apr	
-5.49	-9.39	...	May	
-5.71	-10.04	...	Jun	
-7.03	-11.18	...	Jul	
-6.84	-11.41	...	Aug	
-6.19	-10.79	...	Sep	
-5.61	-10.47	...	Oct	
-4.85	-9.51	...	Nov	
-5.02	-9.67	...	Dec	

4. Percentage change, year-on-year, in cost of living index.

5. The 3-months annualised inflation rate; $i = \{[(CPI_t / CPI_{t-3})^4 - 1]\} * 100$, where CPI_t = current CPI, CPI_{t-3} = CPI 3 months ago.

6. For the months when the 3-month BoBc is not issued, the interest rate is carried over from the previous month.

Sources: Bank of Botswana and commercial banks

TABLE 4.3: BANK OF BOTSWANA CERTIFICATES: AUCTIONS SUMMARY

	Auction Month	Maturity Range (Days) ¹	Interest Rate (% Effective Yield) ²			Stop-Out Price (Pula) ¹		
			14-Day ⁴	1-Month ⁵	91-Day ⁶	14-Day ⁴	1-Month ⁵	91-Day ⁶
2016	Jan	14 - 91	1.05	...	1.56	99.957 - 99.960	...	99.62
	Feb	14 - 91	1.15	...	1.51	99.953 - 99.956	...	99.63
	Mar	14 - 91	1.02	...	1.41	99.956 - 99.961	...	99.65
	Apr	14 - 91	0.92	...	1.29	99.961 - 99.965	...	99.68
	May	14 - 91	0.86	...	1.20	99.955 - 99.967	...	99.70
	Jun	14 - 91	1.02	...	1.13	99.721 - 99.961	...	99.72
	Jul	14 - 91	0.84	...	1.10	99.954 - 99.968	...	99.73
	Aug	14 - 91	0.81	...	1.09	99.956 - 99.969	...	99.73
	Sep	14 - 91	0.81	...	1.07	99.957 - 99.969	...	99.73
	Oct	14 - 91	0.81	...	1.07	99.961 - 99.969	...	99.74
	Nov	14 - 91	1.00	...	1.04	99.961 - 99.969	...	99.74
	Dec	14 - 91	0.97	...	1.02	99.961 - 99.963	...	99.75
2017	Jan	14 - 91	1.21	...	1.03	99.954 - 99.958	...	99.75
	Feb	14 - 91	1.18	...	1.31	99.954 - 99.975	...	99.68
	Mar	14 - 91	1.31	...	1.31	99.950 - 99.955	...	99.68
	Apr	14 - 91	1.31	...	1.46	99.950	...	99.64
	May	14 - 91	1.34	...	1.41	99.949 - 99.950	...	99.65
	Jun	14 - 91	1.42	...	1.41	99.946 - 99.949	...	99.65
	Jul	14 - 91	1.45	...	1.47	99.945 - 99.946	...	99.64
	Aug	14 - 91	1.45	...	1.48	99.945	...	99.64
	Sep	14 - 91	1.47	...	1.46	99.944 - 99.945	...	99.64
	Oct	14 - 91	1.47	...	1.45	99.944	...	99.64
	Nov	14 - 91	1.47	...	1.48	99.944	...	99.64
	Dec	14 - 91	1.47	...	1.48	99.944	...	99.64
2018	Jan	14 - 91	1.47	...	1.48	99.944	...	99.64
	Feb	14 - 91	1.47	...	1.46	99.944	...	99.64
	Mar	14 - 91	1.50	...	1.52	99.943 - 99.944	...	99.63
	Apr	14 - 91	1.50	...	1.54	99.943	...	99.62
	May	14 - 91	1.50	...	1.54	99.943	...	99.62
	Jun	14 - 91	1.50	...	1.54	99.943	...	99.62
	Jul	14 - 91	1.52	...	1.55	99.942	...	99.62
	Aug	14 - 91	1.52	...	1.55	99.942	...	99.62
	Sep	14 - 91	1.55	...	1.55	99.941 - 99.942	...	99.62
	Oct	14 - 92	1.55	...	1.57	99.941	...	99.61
	Nov	14 - 91	1.55	...	1.59	99.941	...	99.61
	Dec	13 - 91	1.59	...	1.59	99.937 - 99.944	...	99.61
2019	Jan	13 - 90	1.60	...	1.66	99.939 - 99.944	...	99.585 - 99.612
	Feb	14 - 92	1.60	...	1.68	99.939	...	99.585
	Mar	14 - 91	1.63	...	1.68	99.938 - 99.939	...	99.585
	Apr	14 - 91	1.63	...	1.72	99.933 - 99.938	...	99.575
	May ⁴	6 - 91	1.62	...	1.72	99.969 - 99.974	...	99.5767
	Jun	7 - 91	1.62	...	1.72	99.9691	...	99.5767
	Jul	7 - 91	1.63	...	1.73	99.9690 - 99.9691	...	99.5742
	Aug	7 - 91	1.63	...	1.73	99.9690	...	99.5742
	Sep	7 - 91	1.41	...	1.73	99.9731	...	99.5742
	Oct	6 - 91	1.42	...	1.50	99.9730 - 99.9768	...	99.6283 - 99.6340
	Nov	7 - 91	1.43	...	1.50	99.9727	...	99.6283
	Dec	6 - 91	1.43	...	1.49	99.9688 - 99.9768	...	99.6271

Amount (P Million) ³							Auction Month	
Allotted			Retained At BoB					
14-Day ⁴	1-Month ⁵	91-Day ⁶	14-Day ⁴	1-Month ⁵	91-Day ⁶			
6 400.01	...	1 220.50	2 299.99	...	1 179.50	Jan	2016	
6 395.51	...	2 000.00	2 804.49	...	600.00	Feb		
7 400.01	...	1 000.00	2 899.99	...	100.00	Mar		
7 000.01	...	1 000.00	1 599.99	...	1 000.00	Apr		
8 666.00	...	1 499.99	1 904.00	...	500.01	May		
9 320.00	...	999.99	2 280.00	...	200.01	Jun		
6 450.00	...	1 000.00	2 350.00	...	300.00	Jul		
7 600.00	...	1 500.01	1 000.00	...	499.99	Aug		
10 587.60	...	1 000.00	1 812.40	...	300.00	Sep		
6 969.15	...	1 500.00	1 630.85	...	1 000.00	Oct		
6 959.97	...	1 500.00	2 040.03	...	300.00	Nov		
8 673.99	...	1 000.00	2 126.01	...	300.00	Dec		
7 120.00	...	1 500.00	4 280.00	...	500.00	Jan	2017	
7 200.00	...	937.00	2 700.00	...	863.00	Feb		
9 316.00	...	1 122.50	3 684.00	...	377.50	Mar		
5 816.60	...	948.60	3 183.40	...	551.40	Apr		
7 188.53	...	1 300.00	2 811.47	...	200.00	May		
8 440.00	...	1 200.00	4 060.00	...	300.00	Jun		
5 415.00	...	1 128.00	2 885.00	...	372.00	Jul		
6 624.00	...	1 524.00	3 376.00	...	476.00	Aug		
8 792.00	...	1 300.00	3 108.00	...	300.00	Sep		
6 975.00	...	1 200.00	3 925.00	...	400.00	Oct		
8 330.00	...	1 223.00	2 670.00	...	777.00	Nov		
8 513.00	...	1 014.00	2 887.00	...	686.00	Dec		
7 115.00	...	828.00	2 085.00	...	1 172.00	Jan	2018	
6 942.00	...	1 083.00	2 958.00	...	517.00	Feb		
7 525.00	...	514.00	3 075.00	...	486.00	Mar		
7 370.00	...	378.00	2 530.00	...	722.00	Apr		
8 440.00	...	1 103.00	2 860.00	...	397.00	May		
7 375.00	...	798.00	4 325.00	...	402.00	Jun		
6 970.00	...	488.00	4 630.00	...	712.00	Jul		
9 680.00	...	1 100.00	2 020.00	...	400.00	Aug		
12 660.00	...	836.00	3 940.00	...	364.00	Sep		
10 100.00	...	403.00	5 000.00	...	597.00	Oct		
12 540.00	...	1 301.00	2 360.00	...	1 199.00	Nov		
12 970.00	...	962.00	3 030.00	...	962.00	Dec		
15 635.00	...	1 854.00	4 165.00	...	1 946.00	Jan	2019	
13 410.00	...	9 501.00	2 890.00	...	749.00	Feb		
11 490.00	...	...	4 710.00	...	...	Mar		
12 832.00	...	281.00	6 068.00	...	619.00	Apr		
20 535.00	...	4 275.00	9 265.00	...	1 225.00	May ⁴		
14 685.00	...	...	7 015.00	...	...	Jun		
20 645.00	...	3 161.50	8 555.00	...	2 038.50	Jul		
16 992.00	...	2 255.00	5 818.00	...	745.00	Aug		
14 500.00	...	...	7 000.00	...	...	Sep		
17 400.00	...	2 752.00	11 400.00	...	3 248.00	Oct		
16 350.00	...	1 485.00	7 150.00	...	1 515.00	Nov		
19 710.00	...	430.00	5 790.00	...	1 070.00	Dec		

TABLE 4.3: BANK OF BOTSWANA CERTIFICATES: AUCTIONS SUMMARY (Continues)

	Auction Month	Maturity Range (Days) ¹	Interest Rate (% Effective Yield) ²			Stop-Out Price (Pula) ¹		
			14-Day ⁴	1-Month ⁵	91-Day ⁶	14-Day ⁴	1-Month ⁵	91-Day ⁶
2020	Jan	7 - 91	1.44	...	1.51	99.9725 - 99.9729	...	99.6274
	Feb	7 - 91	1.45	...	1.52	99.9724 - 99.9725	...	99.6255
	Mar	7	1.46	...	...	99.9722 - 99.9724	...	...
	Apr	7 - 92	1.46	...	1.51	99.9722	...	99.6246 - 99.6270
	May	7 - 91	1.01	...	1.06	99.9808	...	99.7379
	Jun	7	1.01	...	...	99.9780 - 99.9808	...	...
	Jul	6 - 91	1.02	...	1.04	99.9806 - 99.9835	...	99.7425 - 99.7458
	Aug	7 - 91	1.02	...	1.04	99.9804 - 99.9806	...	99.7425
	Sep	6 - 92	1.03	...	1.04	99.9776 - 99.9832	...	99.7397
	Oct	7	1.03	...	...	99.9803	...	...
	Nov	7	1.03	...	...	99.9804 - 99.9805	...	...
	Dec	7	1.03	...	...	99.9800 - 99.9803	...	...
2021	Jan	7	1.04	...	...	99.9802	...	...
	Feb	7	1.04	...	...	99.9802	...	...
	Mar	7	1.04	...	...	99.9802	...	...
	Apr	7	1.06	...	...	99.9795 - 99.9799	...	...
	May	7	1.06	...	...	99.9797	...	...
	Jun	7	1.06	...	...	99.9797	...	...
	Jul	7	1.06	...	...	99.9797	...	...
	Aug	7	1.09	...	...	99.9793 - 99.9797	...	...
	Sep	7	1.10	...	...	99.9791 - 99.9793	...	...
	Oct	7	1.10	...	...	99.9791	...	...
	Nov	7	1.10	...	...	99.9790 - 99.9791	...	...
	Dec	7	1.10	...	...	99.9790	...	...
2022	Jan	7	1.11	...	...	99.9789 - 99.9790	...	...
	Feb	7	1.11	...	...	99.9789	...	...
	Mar	7	1.13	...	...	99.9785 - 99.9789	...	...
	Apr	7	1.14	...	...	99.9785	...	...
	May	7	1.65	...	...	99.9684	...	...
	Jun	7 - 28	2.15	2.34	...	99.9684	99.8225	...
	Jul	7 - 28	2.15	2.44	...	99.9588	99.8150	...
	Aug	7 - 28	2.65	2.43	...	99.9588	99.8158	...
	Sep	7 - 28	2.65	2.97	...	99.9492	99.7760	...
	Oct	7 - 28	2.65	3.04	...	99.9492	99.7704	...
	Nov	7 - 28	2.65	2.94	...	99.9492	99.7780	...
	Dec	7 - 28	2.65	3.18	...	99.9492	99.7600	...

1. Price and maturity ranges indicate the results from a single auction and/or from multiple auctions within a month.

2. The interest rate is as at the end of the month. For the months when the 91-day BoBC is not issued, the interest rate and stop-out price are carried over from the previous month.

3. Amounts are totals from all auctions during the month.

4. Effective May 2019, the 14-day BoBC rate series reflects the 7-day BoBC rate, which was introduced on April 30, 2019.

5. On June 28, 2022, the Bank introduced the one month BoBC.

6. The issuance of the 91-day BoBC was discontinued in October 2020.

Source: Bank of Botswana

Amount (P Million) ³							Auction Month	
Allotted			Retained At BoB					
14-Day ⁴	1-Month ⁵	91-Day ⁶	14-Day ⁴	1-Month ⁵	91-Day ⁶			
21 115.00	...	2 400.00	2 385.00	...	600.00	Jan	2020	
19 235.00	...	1 799.00	2 765.00	...	701.000	Feb		
16 550.00	...	...	4 450.00	...	...	Mar		
15 450.00	...	2 261.00	9 050.00	...	1 739.00	Apr		
19 345.00	...	1 135.00	9 655.00	...	1 865.00	May		
25 460.00	...	...	5 540.00	...	...	Jun		
25 160.00	...	1 985.00	8 640.00	...	1 415.00	Jul		
23 700.00	...	235.00	5 800.00	...	1 165.00	Aug		
39 300.00	...	250.00	8 000.00	...	750.00	Sep		
35 125.00	...	...	4 075.00	...	...	Oct		
33 991.00	...	...	4 209.00	...	...	Nov		
44 280.00	...	...	11 720.00	...	...	Dec		
34 220.00	...	...	12 480.00	...	...	Jan	2021	
28 840.00	...	...	13 360.00	...	...	Feb		
35 120.00	...	...	15 680.00	...	...	Mar		
26 265.00	...	...	13 235.00	...	...	Apr		
31 005.00	...	...	13 395.00	...	...	May		
33 950.00	...	...	16 050.00	...	...	Jun		
21 970.00	...	...	12 630.00	...	...	Jul		
22 100.00	...	...	11 000.00	...	...	Aug		
24 100.00	...	...	15 400.00	...	...	Sep		
16 955.00	...	...	10 345.00	...	...	Oct		
15 170.00	...	...	11 630.00	...	...	Nov		
13 775.00	...	...	13 825.00	...	...	Dec		
13 650.00	...	...	8 650.00	...	...	Jan	2022	
12 475.00	...	...	9 925.00	...	...	Feb		
17 050.00	...	...	11 550.00	...	...	Mar		
11 570.00	...	...	9 130.00	...	...	Apr		
6 230.00	...	...	5 470.00	...	...	May		
10 025.00	500.00	...	8 575.00	...	...	Jun		
7 345.00	470.00	...	10 755.00	30.00	...	Jul		
14 815.00	500.00	...	12 185.00	...	...	Aug		
10 185.00	500.00	...	7 915.00	...	...	Sep		
9 480.00	500.00	...	10 020.00	...	...	Oct		
13 610.00	500.00	...	12 790.00	...	...	Nov		
10 565.00	500.00	...	7 235.00	...	...	Dec		

TABLE 4.4: BANK OF BOTSWANA CERTIFICATES AND REVERSE REPOS -TOTAL OUTSTANDING
(P Million)

		BANK OF BOTSWANA CERTIFICATES			REVERSE REPOS ²		
		Market Value ¹	Interest	Total	Market Value	Interest	Total
As at end of							
2013		5 490.7	8.0	5 498.8	- 302.1	- 0.1	- 302.2
2014		4 201.4	6.6	4 208.0	304.4	0.1	304.5
2015		8 189.9	2.7	8 192.6	1 672.8	0.1	1 673.0
2016		7 918.4	1.5	7 919.9	1 302.8	0.2	1 303.0
2017		6 277.9	3.1	6 281.0	54.0	-	54.0
2018	Mar	5 492.4	2.6	5 495.0	938.9	- 0.3	938.6
	Jun	4 736.2	2.7	4 739.0	2 431.9	- 0.4	2 431.6
	Sep	7 920.4	3.6	7 924.0	1 043.0	- 0.2	1 042.8
	Dec	8 192.7	3.3	8 196.0	1 054.9	- 0.2	1 054.7
2019	Jan	9 139.1	6.9	9 146.0	2 319.6	3.4	2 323.0
	Feb	9 282.8	7.2	9 290.0	2 186.2	2.8	2 189.0
	Mar	9 125.4	4.6	9 130.0	2 099.5	1.0	2 100.5
	Apr	9 023.7	2.3	9 026.0	2 213.0	-	2 213.0
	May	9 630.7	10.3	9 641.0	2 371.5	1.0	2 372.5
	Jun	7 680.0	6.0	7 686.0	2 305.9	0.6	2 306.5
	Jul	9 632.7	10.8	9 643.5	2 654.6	1.4	2 656.0
	Aug	9 924.1	9.4	9 933.5	1 584.2	0.3	1 584.5
	Sep	9 440.7	5.8	9 446.5	2 382.1	1.4	2 383.5
	Oct	9 229.1	7.9	9 237.0	2 155.0	2.5	2 157.5
	Nov	9 334.3	7.7	9 342.0	2 497.3	2.2	2 499.5
	Dec	8 609.6	5.4	8 615.0	1 831.2	2.8	1 834.0
2020	Jan	9 837.5	7.5	9 845.0	795.4	0.4	795.8
	Feb	9 835.5	8.5	9 844.0	1 776.7	0.8	1 777.5
	Mar	9 574.7	4.3	9 579.0	-	-	-
	Apr	8 403.3	6.7	8 410.0	3 458.4	2.7	3 461.1
	May	9 997.8	3.2	10 001.0	3 295.8	2.2	3 298.0
	Jun	10 444.4	1.6	10 446.0	1 320.1	0.9	1 321.0
	Jul	8 827.4	2.6	8 830.0	1 725.0	1.0	1 726.0
	Aug	9 818.4	1.6	9 820.0	1 009.0	1.0	1 010.0
	Sep	11 368.2	1.8	11 370.0	1 872.0	1.0	1 873.0
	Oct	10 859.1	0.9	10 860.0	1 428.3	0.6	1 428.9
	Nov	10 010.7	0.3	10 011.0	2 498.8	0.2	2 499.0
	Dec	7 779.4	0.6	7 780.0	1 417.9	0.1	1 418.0
2021	Jan	8 849.5	0.5	8 850.0	1 755.9	0.1	1 756.0
	Feb	7 129.6	0.4	7 130.0	1 860.9	0.1	1 861.0
	Mar	7 479.4	0.6	7 480.0	-	-	-
	Apr	8 269.5	0.5	8 270.0	1 406.9	0.1	1 407.0
	May	7 919.8	0.2	7 920.0	1 029.0	-	1 029.0
	Jun	6 329.4	0.6	6 330.0	955.9	0.1	956.0
	Jul	5 949.6	0.4	5 950.0	1 607.9	0.1	1 608.0
	Aug	5 409.9	0.1	5 410.0	1 249.0	-	1 249.0
	Sep	4 609.6	0.4	4 610.0	1 005.9	0.1	1 006.0
	Oct	5 049.7	0.3	5 050.0	1 345.9	0.1	1 346.0
	Nov	3 999.9	0.1	4 000.0	760.0	-	760.0
	Dec	2 299.8	0.2	2 300.0	1 479.0	-	1 479.0
2022	Jan	4 099.9	0.1	4 100.0	879.0	-	879.0
	Feb	3 019.9	0.1	3 020.0	588.0	-	588.0
	Mar	3 799.7	0.3	3 800.0	809.9	0.1	810.0
	Apr	2 999.8	0.2	3 000.0	-	-	-
	May	2 059.9	0.1	2 060.0	-	-	-
	Jun	1 894.0	1.0	1 895.0	-	-	-
	Jul	3 203.8	1.2	3 205.0	-	-	-
	Aug	3 168.4	1.6	3 170.0	-	-	-
	Sep	2 898.6	1.4	2 900.0	-	-	-
	Oct	3 454.1	0.9	3 455.0	-	-	-
	Nov	3 628.3	1.7	3 630.0	-	-	-
	Dec	3 273.8	1.2	3 275.0	-	-	-

- The data reported in this column are from the Bank of Botswana records of holdings of BoBCs by commercial Banks, whereas those in Table 3.9 are from commercial banks' records. Differences may arise due to secondary market transactions between the banks which are not reported to Bank of Botswana. These discrepancies also result from the commercial banks' allocation of part of their holdings as pledged securities which form part of other assets.
- Reverse Repos are a means to absorb additional liquidity over and above sales of BoBCs. A negative figure indicates a net injection of liquidity through Repurchase Agreement (Repos).

Source: Bank of Botswana

TABLE 4.5: BOTSWANA STOCK EXCHANGE

End of Period	Shares Traded ¹			Market Capitalisation (P Million)	Dividend Yield ²	Domestic Companies Index (June 1989 = 100)	Foreign Companies Index	Bonds ³		
	Number Of Transactions	Volume (Million)	Value (P Million)					Botswana Bond Index	Government Index	Corporate Index
2013	12 029	709.8	2314.8	43 254	3.6	9 024.1	1 582.5	142.7	141.3	144.0
2014	11 598	602.0	2 179.5	46 223	4.1	9 509.4	1 578.2	149.1	147.5	150.7
2015	12 705	834.1	3 034.1	49 993	3.9	10 602.3	1 572.4	160.9	159.8	162.0
2016	13 574	783.7	2 573.4	46 304	4.6	9 400.7	1 585.8	170.1	169.6	170.6
2017	14 988	775.0	2476.7	44 408	4.8	8 860.1	1 574.9	179.4	178.1	180.7
2018	Mar	2 324	100.7	236.2	43 058	5.5	8 589.6	1 574.2	180.0	180.0
	Jun	2 777	310.9	848.5	42 096	5.5	8 402.7	1 571.1	181.8	182.5
	Sep	2 168	59.1	671.9	39 266	5.8	7 837.3	1 572.0	183.1	183.7
	Dec	1 919	111.8	631.0	42 406	5.4	7 853.5	1 570.3	185.1	186.7
2019	Mar	2 111	156.1	320.0	42 212	5.0	7 885.6	1 566.3	187.0	185.9
	Jun	2 163	101.2	547.0	40 804	5.3	7 622.5	1 564.6	188.7	187.0
	Sep	1 827	129.9	338.5	38 485	5.5	7 461.0	1 564.5	190.4	188.4
	Dec	1 705	240.3	604.0	38 709	5.4	7 494.6	1 562.4	193.5	191.1
2020	Jan	576	17.1	37.2	38 972	5.4	7 545.5	1 551.4	194.2	191.7
	Feb	587	13.7	30.2	39 290	5.4	7 598.7	1 551.4	195.0	192.4
	Mar	600	50.9	117.7	38 716	5.7	7 487.6	1 551.4	196.7	194.3
	Apr	248	17.6	54.1	38 402	5.8	7 425.8	1 551.4	197.9	195.4
	May	269	20.1	34.5	37 874	5.6	7 323.8	1 551.2	198.9	196.8
	Jun	458	33.9	89.9	37 113	5.9	7 176.6	1 551.2	199.7	197.4
	Jul	327	21.4	41.5	36 698	5.7	7 096.3	1 550.1	200.6	198.2
	Aug	402	99.4	77.9	36 479	5.7	7 054.0	1 550.1	201.1	198.7
	Sep	445	15.4	53.7	36 224	5.2	7 004.8	1 547.3	201.6	199.2
	Oct	485	61.6	65.9	35 634	5.3	6 890.4	1 547.3	203.5	201.1
	Nov	526	22.2	53.2	35 573	5.4	6 864.9	1 547.3	201.7	199.2
	Dec	357	56.8	42.6	35 648	5.3	6 879.4	1 547.3	195.9	192.9
2021	Jan	364	27.4	32.6	35 539	5.1	6 861.7	1 548.2	196.8	193.9
	Feb	407	28.1	35.5	34 554	5.5	6 670.1	1 550.9	197.1	193.6
	Mar	449	32.0	45.7	33 803	5.4	6 525.1	1 550.9	193.8	189.9
	Apr	494	113.7	64.2	33 988	5.5	6 567.4	1 550.9	192.5	188.4
	May	401	15.3	31.6	34 092	5.5	6 585.0	1 550.9	193.7	188.9
	Jun	482	24.2	83.1	34 281	5.5	6 624.4	1 551.3	192.4	187.4
	Jul	299	26.3	78.1	34 695	5.7	6 703.9	1 551.2	183.8	177.3
	Aug	457	13.5	34.4	34 859	5.7	6 735.6	1 548.8	184.1	177.5
	Sep	611	20.0	58.7	35 938	8.4	6 900.7	1 548.8	184.1	177.3
	Oct	597	599.4	1,155.4	36 144	8.0	6 940.2	1 548.8	185.3	178.4
	Nov	688	66.1	144.3	36 447	8.0	6 992.5	1 549.7	186.8	179.8
	Dec	339	31.3	54.0	37 209	8.0	7 009.6	1 549.7	188.0	180.9
2022	Jan	573	23.8	113.7	37 480	7.9	7 059.8	1 549.7	188.8	181.6
	Feb	514	20.4	43.1	38 165	7.8	7 184.1	1 549.7	189.8	182.5
	Mar	575	133.4	250.8	38 356	8.0	7 224.9	1 548.9	191.0	183.6
	Apr	412	13.2	36.8	38 463	8.3	7 245.1	1 548.1	191.9	184.4
	May	449	9.0	31.0	38 408	11.9	7 232.6	1 548.2	193.1	185.2
	Jun	527	128.0	234.4	38 272	8.4	7 207.1	1 548.2	193.8	185.9
	Jul	416	25.3	67.3	38 524	8.3	7 254.4	1 560.3	194.2	186.3
	Aug	518	19.9	41.3	39 115	8.2	7 364.8	1 560.3	194.9	186.9
	Sep	551	33.1	63.7	39 312	6.5	7 401.8	1 561.4	194.6	186.5
	Oct	438	27.2	72.3	40 074	6.7	7 545.4	1 561.4	193.9	185.8
	Nov	609	31.7	52.6	40 447	6.6	7 609.3	1 561.4	194.7	186.5
	Dec	436	49.1	170.4	41 069	6.5	7 726.4	1 562.7	194.5	186.1

1. During period.

2. Net dividend divided by the stock price multiplied by 100.

3. Individual bonds are equally weighted in each of the component bond indices (Government Index and Corporate Index), while the two component indices have equal weights in the composite index (Botswana Bond Index). This is irrespective of issue size and value traded. The weights are rebalanced on a quarterly basis to allow for bond issuance and redemption, and to take into account the impact of relative price movements on effective weights. For more information on the compilation of indices, please visit www.bse.co.bw

Source: Botswana Stock Exchange

TABLE 5.1: DISTRIBUTION OF PENSION FUND ASSETS
(P Million)

		EQUITIES				CASH/NEAR CASH										Total		Percentage ³	
		Botswana			Government	Other Locally ¹ Listed			Offshore ²										
		Primary	Dual	Offshore					Botswana	Alternative	Offshore								
End of		Listed	Listed	Unlisted	Equities	Bonds	Offshore	Pula	Offshore	Securities	Property	Investment	Investment	Investment	TOTAL				
2013		10 892.3	170.1	1 427.2	28 852.4	8 340.3	4 263.6	3 188.2	1 088.3	114.0	314.8	...	34 204.3	58.3	58 651.2				
2014		11 403.1	434.7	1 430.0	26 887.0	7 847.3	6 015.0	2 639.2	2 012.1	402.7	321.6	...	34 914.1	58.8	59 392.6				
2015		13 216.4	1 347.3	1 429.4	36 937.6	8 946.5	7 852.6	3 296.5	118.4	363.3	337.0	...	44 908.6	60.8	73 845.0				
2016		13 898.3	2 281.0	2 082.1	36 795.2	8 168.9	8 175.9	2 760.3	186.5	409.6	371.1	...	45 157.6	60.1	75 129.0				
2017		14 189.2	1 526.9	2 070.2	39 834.9	8 021.1	9 933.4	3 595.7	1 874.1	410.7	-	547.7	52 190.1	63.6	82 003.9				
2018	Mar	13 668.9	1 761.5	2 097.3	36 949.6	8 273.0	5 880.9	5 089.6	1 813.2	442.2	1 679.6	1 646.5	46 290.1	58.4	79 302.2				
	Jun	13 373.5	1 760.0	2 097.3	40 069.2	8 012.2	5 670.6	5 728.0	658.1	600.3	1 662.7	1 847.5	48 245.5	59.2	81 479.5				
	Sep	12 880.5	1 462.8	2 097.3	41 797.9	7 863.9	5 827.6	6 781.6	748.6	613.9	1 420.8	1 822.8	50 197.0	60.2	83 318.0				
	Dec	13 033.7	1 333.0	2 113.8	36 610.0	8 431.9	5 845.8	6 619.1	1 137.2	580.1	1 493.9	1 773.4	45 366.3	57.4	78 971.9				
2019	Mar	13 143.2	1 409.4	2 139.8	41 448.5	8 595.9	5 799.5	7 088.7	1 103.1	581.5	1 775.8	3 620.4	51 971.4	59.9	86 705.9				
	Jun	12 950.1	1 542.5	2 275.4	41 311.7	8 842.4	6 109.0	6 961.9	1 017.7	620.1	1 784.7	4 917.3	53 355.8	60.4	88 332.8				
	Sep	12 549.8	1 263.7	2 341.9	41 560.8	9 488.4	6 222.8	7 369.8	1 083.9	739.3	1 740.4	5 164.0	54 031.5	60.4	89 524.7				
	Dec	13 155.1	1 381.9	2 348.2	42 938.8	8 987.1	6 086.7	8 988.1	1 083.0	736.6	1 802.1	5 625.5	55 734.1	59.8	93 133.2				
2020	Jan	13 256.1	1 301.2	2 344.1	43 859.3	9 064.3	6 158.0	8 859.8	1 073.0	761.6	1 857.8	5 775.2	56 865.6	60.3	94 310.5				
	Feb	13 277.0	1 243.2	2 345.4	41 305.5	9 078.7	6 303.2	8 309.1	1 120.5	836.1	1 915.6	5 938.2	54 667.4	59.6	91 672.4				
	Mar	13 245.6	814.7	2 293.9	37 813.8	9 084.0	6 005.7	8 412.6	1 496.5	905.0	1 933.8	5 900.7	51 216.6	58.3	87 906.2				
	Apr	10 772.8	899.2	2 299.9	38 849.3	11 520.9	6 083.6	8 493.3	1 454.7	890.8	1 930.3	5 928.7	52 316.2	58.7	89 123.5				
	May	13 064.9	696.0	2 304.3	43 823.2	7 647.3	6 460.3	8 069.2	1 349.6	955.8	1 976.7	5 579.0	57 212.1	62.2	91 926.4				
	Jun	12 915.2	773.6	2 304.4	44 905.7	7 639.6	6 462.5	8 043.2	1 223.9	954.9	2 009.2	5 666.1	58 258.2	62.7	92 898.2				
	Jul	12 991.0	753.9	2 156.4	47 438.6	7 718.3	6 216.3	7 427.1	2 038.0	1 012.2	2 018.8	5 640.9	61 333.7	64.3	95 411.3				
	Aug	12 820.1	918.6	2 159.5	49 018.8	7 588.2	6 196.3	7 316.7	1 900.3	1 008.1	2 015.8	6 674.0	63 789.4	65.3	97 616.4				
	Sep	12 867.5	1 038.5	2 194.9	48 489.7	9 499.0	6 289.4	7 572.6	1 254.7	1 001.9	2 028.3	7 340.0	63 373.8	63.6	99 576.5				
	Oct	12 744.5	1 044.6	2 252.2	46 707.2	9 824.0	6 242.5	7 608.1	1 231.6	1 035.1	2 032.9	7 284.0	61 465.3	62.7	98 006.8				
	Nov	12 795.3	1 319.8	2 347.1	49 894.7	10 103.0	6 165.5	7 724.5	1 081.9	1 032.0	2 758.5	7 256.9	64 398.9	62.8	102 479.2				
	Dec	12 813.8	1 360.8	2 349.2	52 041.0	9 673.5	6 398.5	7 992.6	1 058.6	1 001.5	3 160.3	7 324.9	66 823.0	63.5	105 174.6				
2021	Jan	12 676.9	1 390.7	2 352.5	52 752.3	9 853.4	6 283.9	7 805.0	1 055.2	1 127.0	3 155.7	7 510.4	67 601.7	63.8	105 962.9				
	Feb	11 944.1	1 560.3	2 351.7	53 645.9	9 778.2	6 350.4	7 955.5	868.6	1 095.4	3 094.1	7 468.8	68 333.8	64.4	106 113.2				
	Mar	12 170.1	1 436.0	2 318.8	55 468.5	9 739.3	6 621.6	8 258.5	828.0	1 042.0	3 091.7	7 520.6	70 438.7	64.9	108 495.3				
	Apr	12 004.7	1 558.1	2 371.4	56 514.0	10 297.9	6 504.2	7 896.1	848.7	1 028.6	3 159.2	7 690.8	71 557.7	65.1	109 873.7				
	May	12 023.7	1 575.2	2 404.6	56 206.7	10 339.0	6 551.7	8 514.8	729.3	1 066.6	3 139.8	7 781.0	71 268.7	64.6	110 332.3				
	Jun	11 962.9	1 467.1	2 475.4	58 410.6	10 628.1	6 462.3	9 233.0	676.8	954.2	3 326.8	8 121.4	73 671.2	64.8	113 718.6				
	Jul	11 653.0	1 555.5	2 389.6	57 330.6	9 839.5	6 285.1	8 870.9	599.6	1 053.2	2 736.1	9 237.8	73 453.1	65.8	111 550.9				
	Aug	12 267.1	1 595.2	2 476.1	60 420.9	10 320.7	6 517.5	8 380.8	871.7	904.9	3 371.9	8 131.4	75 941.5	65.9	115 258.1				
	Sep	12 813.2	1 143.6	2 472.6	58 958.4	10 567.3	6 642.2	8 785.2	623.3	742.4	3 386.3	8 135.1	74 359.1	65.1	114 269.7				
	Oct	12 791.3	1 223.7	2 476.8	61 759.8	10 886.4	6 610.7	8 675.5	655.1	752.7	3 388.8	8 328.3	77 353.9	65.8	117 549.0				
	Nov	13 030.5	1 326.0	2 486.0	61 630.4	10 999.3	6 754.0	8 612.3	1 238.4	785.1	3 407.2	8 608.2	78 231.0	65.8	118 877.3				
	Dec	15 894.3	1 454.0	2 534.6	60 871.9	10 221.4	6 293.5	6 579.3	1 018.9	811.2	4 223.5	10 239.5	78 423.8	65.3	120 142.2				
2022	Jan	13 872.9	1 485.7	2 534.9	58 644.8	10 690.4	7 882.6	9 279.1	1 160.1	805.2	3 470.5	9 004.9	76 692.4	64.5	118 831.1				
	Feb	14 125.7	1 563.9	2 575.5	56 749.3	9 926.6	6 556.1	10 138.0	995.5	928.1	3 476.6	9 210.2	73 511.2	63.2	116 245.7				
	Mar	14 474.8	1 754.2	2 643.9	56 329.0	10 073.3	6 562.3	9 885.0	902.8	928.3	3 467.8	9 292.4	73 086.5	62.8	116 313.8				
	Apr	14 765.7	1 649.2	2 634.7	54 383.0	10 248.8	6 712.0	10 013.1	864.0	962.6	3 472.6	9 743.4	71 702.4	62.1	115 449.1				
	May	14 729.3	1 706.7	2 685.0	53 577.1	10 366.9	6 650.1	10 440.8	1 003.2	938.9	3 475.1	9 505.5	70 736.0	61.5	115 078.8				
	Jun	14 641.2	1 459.2	3 530.8	51 158.8	10 222.4	6 569.5	10 465.5	931.6	856.9	3 495.3	9 658.8	68 318.8	60.5	112 990.2				
	Jul	14 772.3	1 483.8	3 533.8	54 333.8	10 433.0	6 744.3	10 660.9	986.0	823.6	3 490.4	9 825.2	71 889.3	61.4	117 087.2				
	Aug	14 913.6	1 348.7	3 533.8	53 655.0	10 505.3	6 747.9	10 629.6	1 050.1	829.4	3 499.0	9 842.4	71 295.4	61.2	116 554.7				
	Sep	14 977.3	1 234.0	3 533.8	50 643.1	10 412.3	6 650.1	10 658.0	1 147.4	829.4	3 536.1	9 852.4	68 293.1	60.2	113 474.0				
	Oct	15 259.8	1 466.4	3 535.9	52 133.6	10 742.4	6 630.0	10 327.5	1 092.7	832.6	3 560.4	9 738.3	69 594.6	60.3	115 319.7				
	Nov	15 394.1	1 804.6	3 537.5	55 109.9	10 952.1	7 079.6	9 950.1	1 028.3	832.6	3 576.3	9 855.7	73 073.6	61.3	119 120.8				
	Dec	15 821.4	1 815.8	3 537.5	53 243.9	10 964.4	7 210.0	10 019.5	985.6	845.5	3 614.9	9 896.3	71 335.7	60.5	117 954.7				

1. Exchange Traded Funds listed on the Botswana Stock Exchange.

2. These include financial and non-financial assets such as real estate, commodities, private equities, hedge funds, venture capital and financial derivatives.

3. Pension funds are limited by law to investing not more than 70 percent of their total assets offshore.

Source: Non-Bank Financial Institutions Regulatory Authority

TABLE 5.2: MOTOR VEHICLE ACCIDENT FUND¹ - ASSETS AND LIABILITIES
(P Million)

ASSETS					
	Cash & Deposits	Levy Due ²	Investments ³	Fixed Assets ⁴	Total Assets
As at end of					
2008	78.6	29.0	1 740.0	14.3	1 862.0
2009	54.0	33.0	2 020.9	7.8	2 115.7
2010	12.6	31.4	2 092.1	9.1	2 145.2
2011	15.8	33.1	2 323.7	8.7	2 381.3
2012	14.0	36.1	2 618.4	9.2	2 677.7
2013	11.4	38.7	3 105.0	7.5	3 162.7
2014	6.0	34.1	3 403.5	10.4	3 454.1
2015	32.4	33.8	3 779.5	18.4	3 864.1
2016	5.9	34.1	3 755.1	22.3	3 817.4
2017	3.2	37.5	3 770.4	19.2	3 830.4
2018	10.5	36.0	3 712.3	5.3	3 764.1
2019	17.6	36.4	4 024.8	6.7	4 085.6
2020	11.2	33.7	4 257.9	15.2	4 318.0

LIABILITIES					
	Operating Surplus/Deficit	Reserves	Provision For Outstanding Claims	Other Liabilities	Total Liabilities
As at end of					
2008	483.4	1 096.7	81.6	200.3	1 862.0
2009	517.8	1 284.0	74.3	239.6	2 115.7
2010	475.5	1 235.8	127.3	306.6	2 145.2
2011	562.8	1 286.0	127.0	405.5	2 381.3
2012	639.2	1 468.0	105.6	465.0	2 677.7
2013	686.9	1 843.4	112.2	520.2	3 162.7
2014	763.4	1 931.8	117.1	641.8	3 454.1
2015	846.8	2 123.9	122.6	770.8	3 864.1
2016	589.4	2 120.4	170.5	937.1	3 817.4
2017	352.7	2 230.6	146.7	1 100.4	3 830.4
2018	384.4	1 956.1	145.2	1 278.5	3 764.1
2019	215.3	2 230.8	140.5	1 499.0	4 085.6
2020	74.5	2 420.5	133.3	1 689.7	4 318.0

1. The Motor Vehicle Accident Fund (formally Motor Vehicle Insurance Fund) is a statutory body formed in 1987 and is governed by the MVA Fund Act No. 15 of 2007.

2. 'Levy Due' includes debtors and prepayments on fuel levy.

3. Investment is the sum of investment in marketable securities, properties and other assets.

4. The value of the MVA Fund building was reclassified from fixed assets to investment in accordance with the prescribed accounting standards.

Source: Motor Vehicle Accident Fund

TABLE 5.3: NATIONAL DEVELOPMENT BANK - ASSETS AND LIABILITIES
(P Million)

		ASSETS				
As at end of		Cash & Deposits ¹	Loans & Advances	Fixed Assets	Other Assets	Total Assets
2013		92.1	1 358.6	87.3	66.8	1 604.8
2014		22.4	1 577.8	124.3	129.8	1 854.3
2015		29.5	1 274.2	130.5	27.7	1 461.9
2016		397.6	1 109.9	122.6	24.0	1 654.1
2017		126.0	879.0	116.9	22.9	1 144.9
2018		118.1	693.8	110.9	15.9	938.7
2019		275.0	653.1	109.1	13.8	1 051.0
2020		508.1	581.7	114.5	27.9	1 232.2
2021	Mar	438.1	627.4	114.3	26.4	1 206.3
	Jun	378.7	762.1	113.5	31.1	1 285.4
	Sep	355.2	753.8	112.6	40.0	1 261.6
	Dec	221.0	838.8	112.9	48.1	1 220.8
2022	Jan	214.2	881.7	112.8	52.4	1 261.1
	Feb	199.3	923.8	112.7	49.6	1 285.6
	Mar	58.0	969.1	121.1	47.7	1 195.9
	Apr	34.1	930.1	120.4	51.6	1 136.3
	May	44.0	941.5	115.5	34.3	1 135.2
	Jun	33.1	932.5	145.3	37.1	1 148.0
	Jul	35.6	940.0	132.9	25.5	1 134.0
	Aug	55.8	925.6	137.0	17.8	1 136.2
	Sep	97.3	837.9	137.5	18.5	1 091.2
	Oct	76.5	880.8	136.9	22.7	1 116.8
	Nov	52.8	937.2	136.6	25.6	1 152.2
	Dec	120.4	937.4	137.8	32.0	1 227.6
		LIABILITIES				
As at end of		Loans	Capital & Reserves	Other Liabilities	Total Liabilities	
2013		753.0	785.2	66.6	1 604.8	
2014		1 021.9	799.9	32.5	1 854.3	
2015		801.7	625.4	34.8	1 461.9	
2016		959.7	661.0	33.4	1 654.1	
2017		585.1	533.8	26.0	1 144.9	
2018		552.0	320.9	65.8	938.7	
2019		447.8	539.7	63.5	1 051.0	
2020		619.8	575.5	36.9	1 232.2	
2021	Mar	613.9	547.2	45.2	1 206.3	
	Jun	616.8	620.4	48.3	1 285.4	
	Sep	575.5	635.0	51.2	1 261.6	
	Dec	564.9	594.4	61.5	1 220.8	
2022	Jan	574.5	621.0	65.5	1 261.1	
	Feb	596.3	620.2	69.0	1 285.6	
	Mar	529.9	606.3	59.7	1 195.9	
	Apr	434.7	631.2	70.3	1 136.3	
	May	418.7	650.0	66.5	1 135.2	
	Jun	441.2	639.8	66.9	1 148.0	
	Jul	530.6	543.0	60.4	1 134.0	
	Aug	529.5	544.1	62.6	1 136.2	
	Sep	547.2	494.1	49.9	1 091.2	
	Oct	521.6	547.4	47.9	1 116.8	
	Nov	546.6	551.0	54.6	1 152.2	
	Dec	552.5	534.2	140.8	1 227.6	

1. Cash in hand plus current deposits at commercial banks.

Source: National Development Bank

TABLE 5.4: BOTSWANA DEVELOPMENT CORPORATION - ASSETS AND LIABILITIES
(P Million)

		ASSETS				
		Deposits ¹	Loans, Advances & Leasing	Investments In Related Companies	Fixed Assets	Other Assets
As at end of						Total Assets
2013		4.1	227.3	1 715.0	1.4	32.4
2014		- 29.9	211.7	1 838.0	3.8	36.7
2015		-	195.0	2 042.0	4.6	39.8
2016		282.8	282.4	1 962.2	7.9	15.1
2017		405.3	285.5	1 549.1	6.5	95.3
2018		237.6	759.4	1 543.3	181.1	90.7
2019	Mar	213.2	774.6	1 604.7	176.5	119.2
	Jun	155.1	1 024.9	1 946.3	172.4	114.7
	Sep	214.0	1 078.1	1 943.5	167.6	87.1
	Dec	153.2	1 165.2	2 030.8	163.0	90.5
2020	Mar	138.5	1 287.3	2 252.5	130.5	142.0
	Jun	556.9	1 223.7	2 266.6	126.1	124.9
	Sep	363.6	1 323.6	2 249.2	124.9	114.5
	Dec	390.1	1 361.4	2 230.6	122.1	120.4
2021	Mar	379.8	1 436.0	2 142.7	119.6	152.4
	Jun	186.8	1 694.6	2 176.7	121.9	108.1
	Sep	492.7	1 741.5	2 174.7	118.2	102.2
	Dec	693.6	1 871.2	2 261.1	114.6	96.4
2022	Mar	695.7	1 910.8	2 419.1	110.9	99.2
	Jun	639.3	1 951.9	2 485.4	106.7	79.4
	Sep	578.0	1 926.5	2 479.2	103.1	48.6
	Dec	345.4	2 101.6	2 379.3	100.7	90.1

		LIABILITIES				Total
		Borrowing	Share Capital	Reserves	Other Liabilities	Liabilities
As at end of						
2013		535.5	864.2	389.2	191.4	1 980.3
2014		489.8	864.2	525.1	181.3	2 060.3
2015		314.1	864.2	979.7	123.4	2 281.3
2016		360.6	888.3	1 105.4	196.2	2 550.4
2017		533.5	888.3	900.0	19.9	2 341.7
2018		702.5	888.3	995.9	225.4	2 812.1
2019	Mar	703.1	888.3	1 072.1	224.6	2 888.1
	Jun	903.9	888.3	1 241.4	379.8	3 413.4
	Sep	1 006.6	888.3	1 244.9	350.5	3 490.3
	Dec	1 039.7	888.3	1 391.4	283.4	3 602.7
2020	Mar	1 277.4	888.3	1 413.9	371.2	3 950.8
	Jun	1 755.0	888.3	1 347.5	307.5	4 298.2
	Sep	1 580.6	888.3	1 334.8	372.1	4 175.8
	Dec	1 656.1	888.3	1 295.2	385.0	4 224.5
2021	Mar	1 781.3	888.3	1 206.7	354.2	4 230.5
	Jun	1 848.8	888.3	1 252.5	298.4	4 288.0
	Sep	2 222.4	888.3	1 241.7	277.0	4 629.3
	Dec	2 601.6	888.3	1 266.0	281.0	5 036.9
2022	Mar	2 771.3	888.3	1 284.8	291.3	5 235.6
	Jun	2 468.2	888.3	1 297.4	608.7	5 262.6
	Sep	2 540.5	888.3	1 232.6	474.0	5 135.4
	Dec	2 468.0	888.3	1 255.8	405.1	5 017.2

1. Deposits at commercial banks.

Source: Botswana Development Corporation

TABLE 5.5: CITIZEN ENTREPRENEURIAL DEVELOPMENT AGENCY - ASSETS AND LIABILITIES
(P Million)

		ASSETS			
		Cash And	Loans &	Investments	Financial
End of		Cash Equivalent	Advances	in Related Companies	Assets
2013		26.6	808.5	118.4	-
2014		182.1	797.7	115.7	-
2015		300.1	979.7	100.6	-
2016		319.3	1 188.1	98.4	27.2
2017		332.4	1 352.2	111.8	26.0
2018		227.4	1 524.0	108.5	16.0
2019		332.7	1 398.0	114.4	-
2020	Mar	367.3	1 209.5	113.2	-
	Jun	356.0	1 473.8	91.9	-
	Sep	290.6	1 427.8	126.7	-
	Dec	368.1	1 054.5	123.7	-
2021	Mar	321.1	1 049.3	123.7	-
	Jun	227.4	1 105.2	117.8	-
	Sep	207.5	1 044.0	122.0	-
	Dec	149.0	968.1	117.2	-
2022	Mar	133.1	942.0	117.2	-
	Jun	118.9	918.9	106.2	-
	Sep	115.0	878.0	106.6	-
	Dec	117.5	849.6	107.3	-
		LIABILITIES			
End of		Borrowing	Capital & Reserves	Other Liabilities	
2013		1.5	942.7	126.9	
2014		2.2	1 059.4	136.4	
2015		1.8	1 400.2	108.5	
2016		5.3	1 674.9	118.4	
2017		5.0	1 892.4	116.7	
2018		3.0	1 985.0	118.4	
2019		-	1 959.4	335.3	
2020	Mar	-	1 807.1	536.5	
	Jun	-	2 081.9	517.9	
	Sep	-	2 021.5	67.4	
	Dec	-	1 622.9	185.2	
2021	Mar	-	1 569.6	237.7	
	Jun	-	1 564.5	230.7	
	Sep	-	1 512.0	226.5	
	Dec	-	1 366.2	220.5	
2022	Mar	-	1 325.7	212.6	
	Jun	-	1 280.8	207.6	
	Sep	-	1 241.9	205.3	
	Dec	-	1 279.0	135.6	

Source: Citizen Entrepreneurial Development Agency

Other Assets	Fixed Assets	Total Assets		End of
101.2	16.4	1 071.1		2013
89.4	13.1	1 198.0		2014
113.4	16.7	1 510.5		2015
147.8	17.8	1 798.6		2016
163.7	28.1	2 014.1		2017
187.5	43.0	2 106.4		2018
406.6	43.1	2 294.7		2019
610.0	43.6	2 343.6	Mar	2020
631.4	46.7	2 599.8	Jun	
197.5	46.3	2 088.9	Sep	
217.3	44.5	1 808.1	Dec	
215.4	97.9	1 807.3	Mar	2021
248.2	96.6	1 795.2	Jun	
269.0	96.1	1 738.5	Sep	
257.2	95.2	1 586.7	Dec	
252.9	93.2	1 538.3	Mar	2022
248.1	96.3	1 488.4	Jun	
251.1	96.5	1 447.2	Sep	
246.7	93.5	1 414.6	Dec	

Total Liabilities		End of
1 071.1		2013
1 198.0		2014
1 510.5		2015
1 798.5		2016
2 014.1		2017
2 106.4		2018
2 294.7		2019
2 343.6	Mar	2020
2 599.8	Jun	
2 088.9	Sep	
1 808.1	Dec	
1 807.3	Mar	2021
1 795.2	Jun	
1 738.5	Sep	
1 586.7	Dec	
1 538.3	Mar	2022
1 488.4	Jun	
1 447.2	Sep	
1 414.6	Dec	

TABLE 6.1: BALANCE OF PAYMENTS: DETAILED ACCOUNTS
(P Million)

	2013	2014	2015	2016	2017
A. Current account	5 431	15 379	3 051	13 109	9 309
Credit	91 283	103 811	93 190	105 882	92 113
Debit	85 852	88 432	90 139	92 773	82 805
Balance on Good and Services	-3 624	4 261	-9 208	14 259	6 448
Credit	73 574	85 098	72 764	89 650	71 447
Debit	77 198	80 837	81 971	75 391	64 999
Balance on Goods	-1 633	6 467	-7 115	16 088	8 411
Goods exports (fob)	66 404	76 261	63 525	80 371	61 708
<i>of which diamonds</i>	55 367	65 328	52 730	70 781	55 904
Goods imports (fob)	68 037	69 795	70 640	64 282	53 296
<i>of which diamonds</i>	24 507	25 980	25 232	18 905	14 419
Balance on Services	-1 992	-2 206	-2 093	-1 829	-1 963
Credit	7 170	8 837	9 238	9 280	9 739
Debit	9 161	11 043	11 332	11 109	11 702
Transportation	-2 317	-2 380	-2 461	-2 465	-1 696
Credit	677	425	458	361	530
Debit	2 995	2 805	2 919	2 827	2 227
Travel	1 844	2 263	2 804	2 891	2 992
Credit	4 044	4 737	5 398	5 480	5 608
Debit	2 200	2 474	2 594	2 588	2 617
Business	-20	-21	211	-18	-18
Credit	9	13	284	58	20
Debit	29	34	73	76	38
Personal	1 864	2 284	2 593	2 910	3 010
Credit	4 035	4 724	5 114	5 422	5 588
Debit	2 170	2 440	2 521	2 512	2 578
Health-related	-27	-27	-20	-17	-24
Credit	10	4	7	2	7
Debit	37	31	27	19	31
Education-related	-118	-182	-223	-131	-86
Credit	36	30	29	24	56
Debit	154	212	253	155	142
Other	2 009	2 493	2 837	3 058	3 120
Credit	3 988	4 690	5 078	5 396	5 525
<i>of which tourism</i>	3 988	4 690	5 078	5 396	5 525
Debit	1 979	2 197	2 241	2 338	2 405
Other Services ²	-1 518	-2 089	-2 436	-2 255	-3 258
Credit	2 449	3 674	3 383	3 439	3 601
Debit	3 967	5 763	5 819	5 694	6 859
<i>of which Telecommunications, computer, and information services</i>	-235	-215	-407	-231	-701
Credit	153	237	116	129	195
Debit	387	452	523	361	895
<i>of which other business services</i>	-590	-706	-1 169	-672	-1 418
Credit	1 523	2 162	1 853	1 979	2 007
Debit	2 113	2 868	3 022	2 651	3 425
<i>of which Government goods and services n.i.e.</i>	-304	212	-15	-161	175
Credit	639	958	745	587	757
Debit	943	747	760	749	582
Balance Primary income	-5 464	-4 234	-4 598	-14 068	-14 141
Credit	2 094	2 246	2 504	2 426	2 728
Debit	7 558	6 479	7 101	16 494	16 869
Compensation of employees	-77	-193	-361	-317	-122
Credit	261	377	274	222	344
Debit	339	571	635	539	466
Investment income	-5 387	-4 040	-4 237	-13 751	-14 019
Credit	1 833	1 868	2 230	2 204	2 385
<i>of which foreign reserves</i>	1 468	1 620	1 834	1 711	1 618
Debit	7 220	5 909	6 467	15 955	16 403
Other Primary income	-	-	-	-	-
Credit	-	-	-	-	-
Debit	-	-	-	-	-
Balance Secondary income	14 519	15 351	16 856	12 918	17 001
Credit	15 614	16 467	17 923	13 806	17 938
Debit	1 095	1 115	1 067	888	937
Government Income	13 314	15 064	15 633	12 072	16 131
Credit	13 677	15 464	16 153	12 536	16 613
Debit	364	400	520	464	482
Other Sectors Income	2 850	913	2 741	1 984	2 055
Credit	3 833	1 969	3 510	2 493	2 590
Debit	983	1 056	769	509	535

2018	2019	2020 ¹	2021 ¹	2022 ²	
683	-12 422	-17 738	-2 921	7 391	A. Current account
95 912	85 094	72 869	107 012	127 559	Credit
95 230	97 516	90 607	109 933	120 168	Debit
1 733	-15 780	-32 844	-14 813	2 390	Balance on Good and Services
76 830	66 995	53 307	87 843	109 639	Credit
75 096	82 775	86 151	102 656	107 249	Debit
4 959	-11 464	-22 540	-7 231	6 773	Balance on Goods
67 264	56 575	49 177	82 325	102 391	Goods exports (fob)
60 411	51 091	43 304	74 129	89 228	<i>of which diamonds</i>
62 305	68 039	71 717	89 557	95 618	Goods imports (fob)
18 348	20 050	23 071	32 661	27 267	<i>of which diamonds</i>
-3 225	-4 316	-10 304	-7 582	-4 383	Balance on Services
9 566	10 420	4 130	5 518	7 248	Credit
12 791	14 736	14 434	13 099	11 631	Debit
-1 951	-2 151	-2 450	-3 624	-3 551	Transportation
612	689	649	336	932	Credit
2 563	2 840	3 099	3 960	4 483	Debit
3 101	4 451	305	2 189	3 351	Travel
5 938	7 582	1 310	3 042	4 563	Credit
2 836	3 130	1 005	853	1 212	Debit
2	- 31	- 69	- 53	- 44	Business
53	104	28	32	87	Credit
51	135	97	84	131	Debit
3 099	4 482	375	2 241	3 396	Personal
5 884	7 478	1 283	3 010	4 476	Credit
2 785	2 995	908	769	1 081	Debit
- 11	- 35	- 127	- 87	- 80	<i>Health-related</i>
17	8	14	27	8	Credit
28	42	141	115	87	Debit
- 150	- 275	- 354	- 239	- 446	<i>Education-related</i>
93	89	137	179	55	Credit
243	364	491	417	501	Debit
3 261	4 792	855	2 567	3 921	Other
5 774	7 381	1 132	2 804	4 414	Credit
5 774	7 381	1 132	2 804	4 414	<i>of which tourism</i>
2 514	2 589	277	237	492	Debit
-4 376	-6 616	-8 159	-6 146	-4 183	Other Services ²
3 016	2 150	2 171	2 139	1 753	Credit
7 392	8 765	10 330	8 286	5 936	Debit
- 527	-1 286	-2 508	-1 820	- 544	<i>of which Telecommunications, computer, and information services</i>
250	191	256	159	294	Credit
776	1 477	2 764	1 979	838	Debit
-1 649	-2 636	-3 213	-2 432	-1 073	<i>of which other business services</i>
1 445	978	1 618	1 849	1 250	Credit
3 094	3 614	4 832	4 282	2 323	Debit
- 825	- 579	- 41	- 1	- 25	<i>of which Government goods and services n.i.e.</i>
142	57	9	-	-	Credit
967	636	50	1	25	Debit
-16 158	-9 423	160	-2 005	-7 219	Balance Primary income
2 469	3 151	1 467	1 852	1 732	Credit
18 627	12 574	1 307	3 857	8 951	Debit
196	266	- 558	- 516	- 365	Compensation of employees
387	545	252	406	556	Credit
191	279	810	923	921	Debit
-16 354	-9 689	693	-1 495	-6 879	Investment income
2 082	2 606	1 168	1 425	1 131	Credit
1 658	1 776	1 276	992	1 150	<i>of which foreign reserves</i>
18 436	12 295	476	2 920	8 010	Debit
-	-	25	6	25	Other Primary income
-	-	46	21	45	Credit
-	-	21	15	20	Debit
15 107	12 780	14 946	13 897	12 220	Balance Secondary income
16 613	14 948	18 095	17 316	16 187	Credit
1 506	2 168	3 149	3 420	3 968	Debit
15 009	13 453	15 090	14 373	13 184	Government Income
15 839	14 088	15 669	15 051	13 919	Credit
830	635	579	678	735	Debit
587	- 650	- 144	- 477	- 964	Other Sectors Income
1 483	1 625	2 426	2 265	2 268	Credit
896	2 275	2 570	2 742	3 233	Debit

TABLE 6.1 BALANCE OF PAYMENTS: DETAILED ACCOUNTS (Continued)
(P Million)

	2013	2014	2015	2016	2017
B. Financial account	12 938	10 108	12 723	10 541	12 940
Direct investment	147	-3 625	-1 978	296	-2 705
Net acquisition of financial assets	711	1 000	1 856	1 850	- 9
Equity and investment fund shares	679	277	516	275	- 33
<i>of which Reinvestment of earnings</i>	20	57	14	- 56	- 43
Debt instruments	32	722	1 340	1 575	24
Net incurrence of liabilities	564	4 624	3 834	1 554	2 696
Equity and investment fund shares	2 590	3 732	3 147	740	2 516
<i>of which Reinvestment of earnings</i>	1 863	1 531	1 675	707	2 264
Debt instruments	-2 026	893	687	814	180
Portfolio investment	10 983	5 375	11 070	1 810	7 666
Net acquisition of financial assets	10 458	4 778	10 020	471	7 081
Equity and investment fund shares	9 871	2 103	10 076	80	3 089
Debt securities	587	2 675	- 56	391	3 993
Net incurrence of liabilities	- 526	- 597	-1 050	-1 339	- 585
Equity and investment fund shares	- 527	- 596	-1 050	-1 338	- 482
Debt securities	1	- 1	-	- 1	- 103
Financial derivatives (other than reserves) and employee stock options	-	-	-	89	5
Net acquisition of financial assets	-	-	-	89	6
Net incurrence of liabilities	-	-	-	-	1
Other Investment	1 808	8 358	3 632	8 345	7 974
Currency and deposits	1 358	8 154	3 261	5 688	5 835
Net acquisition of financial assets	1 601	10 196	3 915	6 742	6 626
Deposit-taking corporations, except the central bank	- 194	1 209	2 027	- 385	2 002
Other sectors	1 796	8 987	1 887	7 126	4 625
Net incurrence of liabilities	243	2 042	654	1 054	791
Deposit-taking corporations, except the central bank	- 39	1 156	70	745	134
Other sectors	283	886	584	308	657
Loans	339	208	550	2 577	1 912
Net acquisition of financial assets	- 124	- 164	9	- 43	- 28
Deposit-taking corporations, except the central bank	- 124	- 164	9	1	- 10
General government	-	-	-	-	-
Other sectors	-	-	-	- 44	- 18
Net incurrence of liabilities	- 463	- 373	- 541	-2 620	-1 940
Deposit-taking corporations, except the central bank	-	-	-	-	-
General government	- 282	- 294	- 665	-1 380	-1 160
Other sectors	- 181	- 78	124	-1 240	- 780
Trade credit and advances	53	23	- 174	57	78
Net acquisition of financial assets	-	-	- 111	16	48
Other sectors	-	-	- 111	16	48
Net incurrence of liabilities	- 53	- 23	64	- 41	- 30
Other sectors	- 53	- 23	64	- 41	- 30
Other accounts receivable/payable	58	- 27	- 4	23	149
Net acquisition of financial assets	58	- 27	- 4	44	151
Other sectors	58	- 27	- 4	44	151
Net incurrence of liabilities	-	-	-	21	2
Other sectors	-	-	-	21	2
Total Group A-B	-7 508	5 271	-9 672	2 568	-3 632
C. Net Errors and Omissions	5 430	975	5 524	-5 849	- 646
Overall Balance (total Group A through C)	-2 078	6 246	-4 148	-3 280	-4 278
D. Change in the level of reserves	-2 078	6 246	-4 148	-3 280	-4 278
Special drawing rights	-	-	-	-	-
Reserve position in the IMF	41	-	-	- 204	- 75
Other reserve assets	-2 119	6 246	-4 148	-3 077	-4 203
Currency and deposits	-3 440	4 901	-5 817	-4 497	-5 643
Securities	1 321	1 345	1 669	1 420	1 440
Debt securities	808	778	972	736	858
Equity and investment fund shares	514	567	697	684	582

1. The figures were revised to incorporate new information, including the 2021 Balance of Payments Survey.

2. Provisional figures.

Source: Bank of Botswana

2018	2019	2020 ¹	2021 ¹	2022 ²	
-3 098	4 690	7 362	4 905	-1 440	B. Financial account
-2 080	-1 220	-1 146	3 171	-3 194	Direct investment
837	- 213	- 782	- 365	- 522	Net acquisition of financial assets
- 95	201	- 314	68	- 71	Equity and investment fund shares
- 427	- 10	- 281	35	- 37	of which Reinvestment of earnings
932	- 414	- 468	- 433	- 451	Debt instruments
2 917	1 007	364	-3 535	2 672	Net incurrence of liabilities
1 669	-1 851	-2 044	4 289	287	Equity and investment fund shares
1 662	-1 918	-2 187	139	144	of which Reinvestment of earnings
1 247	2 857	2 408	-7 824	2 385	Debt instruments
-6 405	9 971	10 982	11 558	-7 354	Portfolio investment
-6 983	10 351	11 086	11 673	-7 013	Net acquisition of financial assets
-3 384	6 312	9 099	8 903	-7 553	Equity and investment fund shares
-3 599	4 039	1 987	2 770	540	Debt securities
- 577	380	104	115	340	Net incurrence of liabilities
- 480	379	104	115	340	Equity and investment fund shares
- 97	1	-	-	-	Debt securities
- 354	- 30	- 15	- 409	- 426	Financial derivatives (other than reserves) and employee stock options
- 37	149	- 8	- 1	- 1	Net acquisition of financial assets
316	179	7	408	425	Net incurrence of liabilities
5 740	-4 032	-2 458	-9 414	9 534	Other Investment
5 635	-5 475	-3 647	-4 558	8 195	Currency and deposits
6 422	-4 881	-3 223	-3 758	9 553	Net acquisition of financial assets
1 677	- 196	1 045	3 071	3 407	Deposit-taking corporations, except the central bank
4 746	-4 685	-4 268	-6 829	6 146	Other sectors
787	594	425	800	1 358	Net incurrence of liabilities
335	39	106	563	735	Deposit-taking corporations, except the central bank
452	554	319	237	624	Other sectors
184	1 140	1 135	-1 616	1 802	Loans
- 93	- 245	168	614	- 114	Net acquisition of financial assets
143	- 19	159	255	- 481	Deposit-taking corporations, except the central bank
-	-	-	-	-	General government
- 237	- 226	9	359	367	Other sectors
- 277	-1 386	- 968	2 230	-1 916	Net incurrence of liabilities
-	-	-	-	-	Deposit-taking corporations, except the central bank
-1 155	-1 366	-1 397	1 645	-2 525	General government
878	- 20	430	585	609	Other sectors
53	32	48	131	136	Trade credit and advances
22	- 65	8	18	18	Net acquisition of financial assets
22	- 65	8	18	18	Other sectors
- 32	- 97	- 40	- 113	- 117	Net incurrence of liabilities
- 32	- 97	- 40	- 113	- 117	Other sectors
- 132	271	6	-3 371	- 600	Other accounts receivable/payable
- 147	267	12	- 2	- 4	Net acquisition of financial assets
- 147	267	12	- 2	- 4	Other sectors
- 14	- 3	6	3 368	596	Net incurrence of liabilities
- 14	- 3	6	3 368	596	Other sectors
3 781	-17 112	-25 100	-7 827	8 831	Total Group A-B
-7 985	5 090	5 041	4 955	-4 346	C. Net Errors and Omissions
-4 204	-12 022	-20 059	-2 871	4 485	Overall Balance (total Group A through C)
-4 204	-12 022	-20 059	-2 871	4 485	D. Change in the level of reserves
-	-	-	3 034	-	Special drawing rights
- 6	73	132	-	112	Reserve position in the IMF
-4 198	-12 095	-20 192	-5 905	4 373	Other reserve assets
-5 673	-2 056	-1 288	- 300	694	Currency and deposits
1 476	-10 039	-18 904	-5 605	3 679	Securities
929	-6 773	-12 913	-4 176	2 800	Debt securities
547	-3 266	-5 991	-1 430	879	Equity and investment fund shares

TABLE 6.2: QUARTERLY BALANCE OF PAYMENTS
(P Million)

	2018				2019				2020 ¹			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A. Current Account	-1 007	2 958	- 669	- 599	- 433	1 098	-6 783	-6 304	-2 580	-7 243	-4 527	-3 388
Balance on Goods	- 471	4 235	483	712	-1 428	501	-5 414	-5 122	-3 219	-8 732	-5 781	-4 808
Exports	13 808	18 888	14 867	19 700	14 722	17 558	10 889	13 407	13 717	4 458	13 484	17 518
Imports	14 279	14 653	14 384	18 989	16 150	17 057	16 303	18 528	16 936	13 190	19 265	22 327
Balance on Services	- 812	- 996	- 749	- 668	- 20	- 464	-1 639	-2 193	-2 781	-2 353	-2 481	-2 688
Exports of services	1 965	2 421	2 919	2 261	2 673	3 073	2 441	2 233	1 122	897	924	1 187
Imports of services	2 778	3 417	3 668	2 929	2 693	3 537	4 080	4 426	3 903	3 250	3 406	3 875
Balance Primary Income	-4 217	-4 000	-3 957	-3 985	-2 342	-2 194	-2 818	-2 070	106	178	- 128	4
Compensation of Employees	11	20	123	42	247	24	3	- 8	- 107	- 93	- 210	- 148
Income earned by Botswana residents abroad	59	66	194	68	274	69	104	97	62	57	50	82
Income earned by non-residents in Botswana	48	46	71	26	28	45	101	105	169	151	260	231
Investment Income	-4 228	-4 020	-4 080	-4 027	-2 589	-2 217	-2 821	-2 062	212	271	82	152
Botswana investment abroad	411	577	577	518	537	624	679	766	408	351	242	213
Foreign investment in Botswana	4 638	4 597	4 656	4 544	3 126	2 842	3 500	2 828	196	80	160	61
Balance Secondary Income	4 493	3 718	3 554	3 342	3 357	3 256	3 088	3 079	3 315	3 662	3 864	4 105
Credit	4 820	4 116	3 877	3 800	3 771	3 682	3 764	3 731	4 226	4 339	4 633	4 897
Debit	327	398	323	458	414	427	675	652	911	677	769	792
B. Financial Account	-7 014	3 446	2 348	-1 879	5 787	-1 151	259	- 205	-3 350	4 732	4 587	1 394
Direct investment abroad	165	247	159	266	- 42	- 63	- 40	- 68	- 154	- 231	- 148	- 249
Direct investment in Botswana	568	871	545	933	199	297	191	320	72	108	69	116
Portfolio investment abroad	-5 941	2 022	1 911	-4 975	6 594	1 378	685	1 695	-4 518	7 041	5 115	3 448
Portfolio investment in Botswana	65	- 182	- 38	- 422	- 94	196	194	84	16	81	1	7
Financial derivatives and employee stock options abroad	- 7	- 11	- 7	- 12	29	44	28	47	- 2	- 2	- 2	- 3
Financial derivatives and employee stock options in Botswana	63	94	60	100	35	53	34	57	1	2	1	2
Other investment abroad	-1 013	3 129	443	3 645	-1 507	-1 077	- 673	-1 667	1 850	-2 434	- 941	-1 510
Other investment in Botswana	- 477	1 158	- 409	192	- 853	887	- 678	- 248	437	- 549	- 634	169
A+(-B)	6 007	- 489	-3 016	1 279	-6 220	2 250	-7 042	-6 100	770	-11 976	-9 113	-4 781
C. Net Errors and Omissions	-7 477	- 483	2 834	-2 859	5 313	-4 933	4 876	- 167	-5 620	8 952	2 164	- 455
Overall Balance (A-B-C)	-1 470	- 972	- 182	-1 579	- 907	-2 684	-2 165	-6 267	-4 850	-3 023	-6 949	-5 237
Reconciliation/Financing	-1 470	- 972	- 182	-1 579	- 907	-2 684	-2 165	-6 267	-4 850	-3 023	-6 949	-5 237
Change in the level of reserves	-1 470	- 972	- 182	-1 579	- 907	-2 684	-2 165	-6 267	-4 850	-3 023	-6 949	-5 237
Valuation Adjustments	-1 640	4 686	1 666	-2 775	2 985	993	2 359	- 512	1 627	4 666	2 146	- 245

1. The figures were revised to incorporate new information, including the 2021 Balance of Payments Survey.

2. Provisional figures.

Source: Bank of Botswana

2021 ¹				2022 ²				
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
4 001	-3 211	1 698	-5 410	1 483	2 957	3 532	- 581	A. Current Account
1 820	-4 264	385	-5 173	1 296	2 765	3 350	- 637	Balance on Goods
24 187	17 313	21 869	18 957	25 852	26 059	29 849	20 631	Exports
22 367	21 576	21 484	24 130	24 557	23 294	26 499	21 269	Imports
-1 503	-1 603	-1 724	-2 752	-1 015	-1 191	-1 070	-1 108	Balance on Services
1 199	1 395	1 555	1 368	1 689	2 028	1 788	1 743	Exports of services
2 702	2 998	3 279	4 120	2 704	3 219	2 858	2 850	Imports of services
- 577	- 433	- 306	- 689	-1 852	-1 767	-1 774	-1 825	Balance Primary Income
- 110	- 59	- 56	- 291	- 80	- 100	- 90	- 95	Compensation of Employees
67	81	116	142	128	147	138	143	Income earned by Botswana residents abroad
178	140	171	433	208	248	228	238	Income earned by non-residents in Botswana
- 467	- 374	- 250	- 398	-1 773	-1 667	-1 684	-1 730	Investment Income
300	337	493	316	226	322	347	282	Botswana investment abroad
767	710	743	714	1 999	1 988	2 031	2 012	Foreign investment in Botswana
4 261	3 089	3 343	3 203	3 055	3 150	3 026	2 989	Balance Secondary Income
4 904	3 991	4 229	4 193	4 026	4 158	4 034	3 969	Credit
642	902	886	990	971	1 009	1 008	980	Debit
3 511	2 189	-1 667	872	-4 874	-3 079	1 504	5 009	B. Financial Account
- 91	- 91	- 91	- 91	- 131	- 131	- 131	- 131	Direct investment abroad
- 884	- 884	- 884	- 884	665	655	683	669	Direct investment in Botswana
3 634	3 250	706	4 083	-5 319	-4 749	- 7	3 061	Portfolio investment abroad
14	21	16	63	5	147	76	112	Portfolio investment in Botswana
-	-	-	-	-	-	-	-	Financial derivatives and employee stock options abroad
102	102	102	102	106	106	106	106	Financial derivatives and employee stock options in Botswana
-1 350	-1 646	109	- 242	555	4 155	3 554	1 190	Other investment abroad
- 551	85	3 156	3 596	- 797	1 446	1 046	-1 775	Other investment in Botswana
490	-5 399	3 365	-6 283	6 357	6 036	2 028	-5 590	A+(-B)
-1 394	2 120	-3 190	7 420	-4 187	-3 000	-1 823	4 664	C. Net Errors and Omissions
- 904	-3 280	176	1 137	2 170	3 035	205	- 925	Overall Balance (A-B-C)
- 904	-3 280	176	1 137	2 170	3 035	205	- 925	Reconciliation/Financing
- 904	-3 280	176	1 137	2 170	3 035	205	- 925	Change in the level of reserves
624	1 133	984	2 785	-5 122	-1 864	105	912	Valuation Adjustments

TABLE 6.3 DIAMOND TRADE
(P Million)

		Exports							
		Rough ¹				Polished		Grand Total ²	
		Botswana Sales		Exports					
		US\$	Pula	US\$	Pula	US\$	Pula	US\$	Pula
2013		3 393.5	28 469.1	5 809.5	48 693.4	788.6	6 673.6	6 598.1	55 367.1
2014		3 967.7	35 511.7	6 478.3	57 952.9	821.3	7 375.2	7 299.6	65 328.1
2015		2 605.5	25 809.3	4 811.3	48 286.0	441.4	4 444.3	5 252.7	52 730.3
2016		4 023.1	43 646.5	6 081.5	66 385.8	406.9	4 394.9	6 488.4	70 780.7
2017		3 479.1	36 035.9	4 856.3	50 315.2	541.4	5 588.8	5 397.7	55 904.0
2018	Q1	915.5	8 835.3	1 137.9	10 962.9	144.2	1 381.9	1 282.1	12 344.8
	Q2	758.1	7 462.0	1 511.3	15 037.9	222.1	2 215.4	1 733.4	17 253.3
	Q3	1 122.3	11 916.3	1 007.0	10 647.7	222.3	2 343.6	1 229.3	12 991.3
	Q4	828.6	8 835.8	1 410.2	15 072.1	257.4	2 749.7	1 667.6	17 821.8
2019	Q1	918.0	9 755.3	1 068.9	11 323.6	207.4	2 195.7	1 276.3	13 519.3
	Q2	806.5	8 607.5	1 250.1	13 410.2	249.4	2 677.7	1 499.6	16 087.9
	Q3	863.4	9 298.1	629.0	6 856.8	235.4	2 555.9	864.4	9 412.7
	Q4	461.3	5 047.9	964.5	10 453.9	148.7	1 614.5	1 113.2	12 068.4
2020	Jan	408.1	4 309.5	443.9	4 768.8	43.8	470.9	487.7	5 239.7
	Feb	149.4	1 636.6	192.0	2 112.4	72.9	802.3	264.9	2 914.7
	Mar	359.3	4 033.6	269.0	3 097.0	59.2	681.3	328.1	3 778.3
	Apr	273.1	3 262.5	-	-	-	-	-	-
	May	-	-	203.4	2 454.6	39.5	477.0	242.9	2 931.6
	Jun	20.7	244.4	22.7	265.6	32.3	377.7	55.0	643.3
	Jul	15.3	179.0	115.9	1 339.6	56.1	648.8	172.0	1 988.4
	Aug	133.7	1 540.8	185.7	2 162.4	38.0	442.1	223.6	2 604.5
	Sep	138.7	1 588.0	557.6	6 422.7	76.0	874.9	633.6	7 297.6
	Oct	51.0	585.4	432.6	4 953.7	40.5	463.6	473.0	5 417.3
	Nov	527.4	5 874.4	388.3	4 334.8	59.8	667.5	448.1	5 002.3
	Dec	43.9	481.0	460.1	5 018.9	42.9	468.0	503.0	5 486.9
2021	Jan	452.9	4 893.8	725.5	7 965.2	21.9	240.3	747.3	8 205.5
	Feb	111.7	1 226.0	487.4	5 311.3	62.5	680.6	549.9	5 991.9
	Mar	190.5	2 097.2	716.2	7 917.3	48.7	538.3	764.9	8 455.6
	Apr	409.8	4 452.5	334.0	3 632.8	77.1	838.6	411.2	4 471.4
	May	54.5	587.0	329.6	3 537.0	69.2	743.0	398.8	4 280.0
	Jun	483.5	5 169.0	556.0	5 963.4	69.6	746.6	625.6	6 710.0
	Jul	98.7	1 090.6	583.9	6 435.9	70.2	774.1	654.2	7 210.0
	Aug	389.8	4 317.8	455.5	5 074.1	112.4	1 252.0	567.8	6 326.1
	Sep	411.4	4 519.6	431.3	4 778.9	89.5	992.2	520.8	5 771.1
	Oct	535.0	5 999.2	320.1	3 602.4	65.9	741.2	385.9	4 343.6
	Nov	271.5	3 113.3	432.7	4 996.7	69.5	802.4	502.2	5 799.1
	Dec	57.1	668.5	471.1	5 525.6	88.6	1 039.5	559.7	6 565.1
2022	Jan	673.1	7 840.8	580.3	6 735.1	83.4	967.7	663.7	7 702.8
	Feb	82.4	957.0	587.5	6 783.1	110.6	1 276.9	698.1	8 060.0
	Mar	336.8	3 925.3	513.7	5 947.3	136.3	1 578.5	650.1	7 525.8
	Apr	511.4	5 890.5	371.1	4 340.9	106.5	1 245.5	477.6	5 586.4
	May	406.0	4 945.3	498.6	6 055.0	150.5	1 827.7	649.1	7 882.7
	Jun	612.7	7 465.0	627.1	7 618.3	135.2	1 642.7	762.3	9 261.0
	Jul	380.1	4 834.4	587.8	7 426.6	110.2	1 392.8	698.0	8 819.4
	Aug	437.5	5 564.2	604.0	7 634.8	159.1	2 010.9	763.1	9 645.7
	Sep	138.1	1 814.7	448.1	5 865.2	144.2	1 886.7	592.3	7 751.9
	Oct	592.5	7 840.9	123.1	1 644.0	101.3	1 353.5	224.4	2 997.5
	Nov	367.1	4 826.6	436.2	5 706.1	123.8	1 619.1	559.9	7 325.2
	Dec	49.8	640.1	422.6	5 447.6	94.8	1 221.9	517.4	6 669.5

1. Botswana sales refers to the value of rough diamonds mined by Debswana and sold to DBGSS and the Okavango Diamond Company (ODC).
The rough exports represent the total value exported as reported by Statistics Botswana.
2. This is the total value of Botswana exports, rough and polished, including re-exports.

Sources: Bank of Botswana and Statistics Botswana

		Imports					
Rough		Polished					
				Total			
US\$	Pula	US\$	Pula	US\$	Pula		
2 837.5	23 828.7	80.6	677.8	2 918.1	24 506.5	2013	
2 787.2	24 888.1	121.6	1 091.4	2 908.8	25 979.5	2014	
2 414.5	24 363.0	86.7	868.6	2 501.2	25 231.6	2015	
1 692.4	18 439.5	42.4	465.5	1 734.8	18 905.0	2016	
1 249.8	12 928.0	144.3	1 490.7	1 394.2	14 418.7	2017	
407.7	3 908.6	38.7	372.2	446.4	4 280.8	Q1	2018
370.3	3 706.9	86.7	870.0	457.0	4 576.9	Q2	
271.3	2 868.6	47.7	507.0	319.0	3 375.6	Q3	
472.5	5 053.2	99.2	1 061.2	571.7	6 114.4	Q4	
395.8	4 186.3	110.5	1 169.4	506.3	5 355.7	Q1	2019
315.8	3 384.2	194.0	2 076.6	509.8	5 460.8	Q2	
311.8	3 373.5	52.9	573.5	364.7	3 947.0	Q3	
400.4	4 349.8	86.1	937.0	486.5	5 286.8	Q4	
35.1	376.7	34.9	374.7	69.9	751.4	Jan	2020
64.5	709.8	39.5	435.0	104.0	1 144.8	Feb	
122.4	1 409.7	22.8	262.7	145.2	1 672.4	Mar	
-	-	-	-	-	-	Apr	
74.6	900.2	6.1	73.9	80.7	974.1	May	
256.3	3 000.1	36.4	426.6	292.7	3 426.7	Jun	
54.0	624.1	27.5	318.3	81.5	942.4	Jul	
138.7	1 615.5	10.2	118.9	148.9	1 734.4	Aug	
318.4	3 667.1	15.7	181.4	334.1	3 848.5	Sep	
295.2	3 381.1	14.3	164.0	309.6	3 545.1	Oct	
174.5	1 948.3	27.5	306.7	202.0	2 255.0	Nov	
246.3	2 687.0	8.1	88.8	254.5	2 775.8	Dec	
276.0	3 029.9	29.0	318.1	304.9	3 348.0	Jan	2021
155.6	1 695.9	35.8	390.5	191.5	2 086.4	Feb	
272.5	3 012.1	61.5	679.5	334.0	3 691.6	Mar	
133.3	1 449.4	43.8	476.1	177.1	1 925.5	Apr	
228.2	2 448.8	40.5	434.9	268.7	2 883.7	May	
203.1	2 178.5	62.3	667.8	265.4	2 846.3	Jun	
165.0	1 818.4	32.9	362.8	197.9	2 181.2	Jul	
298.3	3 323.0	21.5	240.0	319.8	3 563.0	Aug	
124.0	1 373.8	21.9	242.4	145.9	1 616.2	Sep	
278.3	3 132.8	24.9	280.8	303.3	3 413.6	Oct	
244.3	2 820.6	16.8	193.6	261.0	3 014.2	Nov	
128.0	1 501.2	50.3	589.6	178.3	2 090.8	Dec	
166.6	1 933.8	25.1	291.4	191.7	2 225.2	Jan	2022
240.3	2 774.6	45.1	521.1	285.4	3 295.7	Feb	
263.8	3 053.6	56.9	658.7	320.7	3 712.3	Mar	
72.8	852.0	70.3	822.8	143.2	1 674.8	Apr	
157.7	1 914.7	68.2	828.0	225.9	2 742.7	May	
46.0	559.3	46.8	568.9	92.9	1 128.2	Jun	
48.4	611.3	74.2	936.9	122.5	1 548.2	Jul	
37.9	478.7	32.6	411.8	70.5	890.5	Aug	
420.6	5 504.8	19.8	258.6	440.4	5 763.4	Sep	
70.4	940.7	27.6	368.4	98.0	1 309.1	Oct	
26.7	349.9	22.3	291.6	49.0	641.5	Nov	
126.5	1 631.3	54.6	704.5	181.2	2 335.8	Dec	

TABLE 6.4 EXPORTS: OTHER PRINCIPAL EXPORTS
(P Million)

		Copper-Nickel		Meat & Meat Products		Salt & Soda Ash		Textiles		Vehicles & Transport Equipment		Gold	
		US\$	Pula	US\$	Pula	US\$	Pula	US\$	Pula	US\$	Pula	US\$	Pula
2013		565.8	4 746.9	123.4	1 040.8	59.4	499.2	43.5	366.5	79.1	660.9	55.9	471.1
2014		488.0	4 391.8	116.8	1 049.4	66.3	595.3	41.9	376.0	67.1	600.1	44.1	393.8
2015		378.5	3 789.9	115.9	1 173.0	58.6	593.7	36.7	371.9	69.8	700.7	28.6	288.8
2016		238.0	2 631.1	105.7	1 147.8	68.7	719.0	25.8	280.3	48.5	529.6	38.8	424.4
2017		4.0	41.0	86.0	887.5	62.1	642.1	17.6	182.2	55.4	577.7	36.0	372.2
2018	Q1	0.6	6.1	21.2	203.7	19.8	190.1	5.7	54.4	12.6	121.0	8.8	84.8
	Q2	1.9	19.4	27.7	277.4	15.4	152.7	6.2	61.9	12.9	128.5	13.5	133.5
	Q3	3.3	35.6	26.0	274.7	34.4	367.4	4.8	50.9	8.3	90.2	10.9	114.4
	Q4	1.0	10.6	20.2	215.4	16.3	174.8	6.3	68.4	25.9	279.4	11.1	118.6
2019	Q1	-	0.6	8.8	93.1	14.5	153.1	3.9	41.7	11.6	122.4	8.8	93.3
	Q2	-	0.3	20.6	221.5	12.1	129.4	3.6	38.9	9.7	104.2	11.7	125.7
	Q3	0.1	1.3	19.7	213.7	15.1	163.7	3.4	37.0	9.0	98.2	11.0	119.6
	Q4	-	0.5	12.4	135.1	10.6	115.0	4.1	44.0	11.1	120.7	9.0	97.7
2020	Jan	-	0.2	1.2	12.5	6.0	64.1	1.5	15.6	2.6	28.1	1.9	20.5
	Feb	0.2	1.7	1.3	14.8	6.0	65.8	1.4	14.9	2.8	30.9	4.2	46.7
	Mar	24.3	280.3	0.7	8.3	4.7	53.9	1.1	12.9	2.9	33.9	2.0	22.6
	Apr	0.3	3.7	1.1	12.9	3.4	41.4	-	-	-	-	6.3	76.7
	May	0.3	3.5	1.5	18.3	3.9	46.5	0.6	7.2	0.3	3.6	3.9	46.5
	Jun	0.2	2.1	1.6	19.1	6.7	77.9	0.9	11.1	2.3	27.0	2.0	23.9
	Jul	0.2	2.2	2.8	32.9	4.5	52.5	1.1	12.7	2.9	33.0	6.1	70.2
	Aug	0.3	3.3	3.0	34.7	4.9	56.5	1.1	12.8	3.1	36.5	4.1	48.1
	Sep	0.1	0.7	1.9	22.1	4.9	56.5	1.4	15.7	2.4	28.1	4.9	56.5
	Oct	0.1	0.8	3.0	34.2	6.3	72.4	1.7	19.4	2.2	25.0	2.9	33.6
	Nov	-	0.2	0.6	7.1	7.2	80.6	2.4	26.9	1.5	16.2	4.6	51.6
	Dec	-	-	0.5	5.8	5.6	61.1	1.2	13.1	2.9	32.1	6.9	75.4
2021	Jan	-	0.2	0.1	0.6	6.0	65.6	1.4	14.9	2.0	22.1	4.0	44.0
	Feb	-	-	0.2	2.1	4.7	51.6	1.1	12.1	1.9	20.8	1.5	16.8
	Mar	0.1	0.9	0.8	9.2	5.0	54.8	1.6	18.0	4.4	48.5	4.7	51.5
	Apr	0.0	0.1	0.8	9.0	5.0	54.8	1.4	15.5	2.8	30.8	0.0	0.0
	May	0.0	0.3	1.7	18.2	5.1	54.9	1.4	15.3	1.7	18.0	5.8	62.1
	Jun	0.0	0.3	3.2	34.8	6.9	73.9	1.4	15.2	1.9	20.4	3.3	35.8
	Jul	7.9	86.8	1.2	12.7	9.5	104.5	1.3	14.6	2.5	27.2	0.0	0.0
	Aug	35.6	396.7	1.6	17.8	4.6	51.3	1.7	18.5	3.2	35.7	6.4	71.7
	Sep	22.3	247.2	1.2	13.3	5.7	62.7	1.7	18.4	2.3	26.0	2.3	25.3
	Oct	14.2	159.4	0.9	9.8	6.2	69.4	2.4	26.5	1.6	18.5	2.8	31.3
	Nov	14.7	170.0	1.6	18.5	7.9	91.6	2.2	25.5	14.9	171.9	2.6	30.4
	Dec	13.8	161.3	1.3	15.0	6.3	73.4	1.9	22.2	1.7	20.0	1.6	18.8
2022	Jan	17.3	200.7	0.3	3.8	5.9	68.5	1.4	16.1	1.9	22.3	3.1	35.8
	Feb	18.1	208.7	0.7	8.4	5.2	59.8	1.5	17.5	3.4	39.4	1.7	19.2
	Mar	21.1	244.0	1.4	15.8	6.6	76.9	1.8	20.8	3.0	34.7	4.1	47.2
	Apr	31.4	367.3	1.1	12.3	3.6	42.1	2.0	23.1	5.9	69.0	2.7	31.0
	May	25.9	314.1	1.6	19.4	6.2	75.2	2.7	33.3	2.8	34.1	0.0	0.0
	Jun	21.2	257.9	1.8	22.2	7.7	93.2	2.1	25.5	4.8	57.9	3.6	43.8
	Jul	28.8	363.8	1.1	14.2	5.7	72.6	1.9	23.9	2.7	33.9	2.8	35.5
	Aug	35.6	449.9	0.7	8.8	9.9	125.4	2.6	33.1	4.4	55.9	2.4	30.1
	Sep	23.2	303.6	0.3	3.5	8.2	106.9	1.9	24.9	8.8	115.4	1.1	14.1
	Oct	35.0	467.1	0.3	4.4	6.6	87.8	2.1	28.7	2.2	29.9	1.3	16.8
	Nov	24.3	317.9	1.2	16.2	6.8	89.3	2.6	34.4	3.2	41.5	1.2	16.3
	Dec	34.5	445.1	0.6	7.7	7.4	94.9	2.6	33.0	8.4	107.8	1.4	18.3

Source: Statistics Botswana

TABLE 6.5: FOREIGN EXCHANGE RESERVES: SELECTED CURRENCIES
(P Million)

End of		Pula	US dollar	SDR
2013		67 772	7 726	5 008
2014		79 111	8 323	5 751
2015		84 881	7 546	5 449
2016		76 804	7 189	5 346
2017		73 693	7 502	5 262
2018	Mar	70 582	7 383	5 082
	Jun	74 297	7 147	5 074
	Sep	75 781	7 146	5 115
	Dec	71 427	6 657	4 786
2019	Mar	73 505	6 843	4 932
	Jun	71 814	6 765	4 862
	Sep	72 008	6 517	4 781
	Dec	65 229	6 171	4 449
2020	Jan	68 886	6 296	4 560
	Feb	66 106	5 897	4 290
	Mar	62 007	5 202	3 801
	Apr	68 877	5 703	4 160
	May	66 112	5 567	4 059
	Jun	63 649	5 391	3 914
	Jul	63 666	5 501	3 896
	Aug	62 443	5 420	3 815
	Sep	58 846	5 067	3 595
	Oct	57 499	5 037	3 571
	Nov	58 702	5 283	3 698
	Dec	53 364	4 941	3 421
2021	Jan	58 638	5 348	3 706
	Feb	55 771	5 081	3 525
	Mar	53 083	4 820	3 397
	Apr	56 273	5 166	3 601
	May	51 012	4 810	3 326
	June	50 937	4 666	3 275
	July	52 012	4 707	3 298
	Aug	53 952	4 888	3 437
	Sep	52 096	4 605	3 261
	Oct	60 024	5 270	3 733
	Nov	57 613	4 926	3 526
	Dec	56 018	4 806	3 445
2022	Jan	58 328	5 005	3 587
	Feb	54 071	4 639	3 320
	Mar	53 066	4 633	3 348
	Apr	56 353	4 660	3 471
	May	55 952	4 661	3 452
	Jun	54 238	4 377	3 287
	Jul	60 500	4 810	3 642
	Aug	59 260	4 616	3 538
	Sep	54 547	4 102	3 196
	Oct	60 778	4 522	3 530
	Nov	59 585	4 642	3 539
	Dec	54 534	4 281	3 207

Source: Bank of Botswana

TABLE 6.6: INTERNATIONAL INVESTMENT POSITION
(P Million)

As at end of	2013	2014	2015	2016	2017	2018	2019	2020 ¹	2021 ¹	2022 ²
NET INTERNATIONAL INVESTMENT	58 635	70 897	84 432	57 809	71 428	55 931	55 370	64 266	83 824	67 526
ASSETS	117 615	135 713	155 545	143 853	153 389	144 094	149 571	151 799	174 835	166 461
Direct investment	7 169	8 131	10 031	10 106	11 721	9 828	10 753	12 026	13 673	12 850
Equity and investment fund shares	6 837	7 078	7 636	2 642	2 696	2 845	4 489	2 973	4 457	3 715
Direct investor in direct investment enterprises	6 837	7 078	7 636	2 642	2 696	2 845	4 489	2 973	4 457	3 715
Debt instruments	332	1 054	2 394	7 464	9 025	6 983	6 264	9 053	9 216	9 134
Direct investor in direct investment enterprises	332	1 054	2 394	7 464	9 025	6 983	6 264	9 053	9 216	9 134
Portfolio investment	33 316	38 094	48 114	45 158	53 860	45 847	55 763	66 823	78 424	71 336
Equity and investment fund shares	27 964	30 067	40 143	36 795	41 460	37 050	42 968	52 041	60 872	53 244
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	27 964	30 067	40 143	36 795	41 460	37 050	42 968	52 041	60 872	53 244
Debt instruments	5 352	8 027	7 971	8 362	12 400	8 797	12 795	14 782	17 552	18 092
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	5 352	8 027	7 971	8 362	12 400	8 797	12 795	14 782	17 552	18 092
Financial derivatives (other than reserves) and employee stock options	-	-	-	89	70	14	162	9	8	7
Deposit-taking corporations, except central bank	-	-	-	89	70	14	162	9	8	7
Other sectors	-	-	-	-	-	-	-	-	-	-
Other investment	9 359	10 377	12 520	11 696	14 045	16 979	17 664	19 577	26 713	27 735
Other Equity	-	-	-	-	-	-	-	-	-	-
Currency and deposits	6 558	7 767	9 794	9 410	11 663	13 298	14 126	15 159	18 236	21 641
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	6 558	7 767	9 794	9 410	11 411	13 088	12 893	13 938	17 009	20 416
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	-	-	-	-	252	210	1 234	1 221	1 227	1 224
Loans	810	646	655	934	738	2 206	1 831	4 233	8 241	5 884
Deposit-taking corporations, except central bank	240	76	85	85	75	219	199	359	613	133
Short-term	180	57	63	64	56	164	149	269	460	99
Long-term	60	19	21	21	19	55	50	90	153	33
General government	570	570	570	570	570	570	570	-	-	-
Short-term	570	570	570	570	570	570	570	-	-	-
Long-term	-	-	-	-	-	-	-	-	-	-
Other sectors	-	-	-	279	93	1 417	1 062	3 874	7 628	5 751
Short-term	-	-	-	178	-	-	-	640	641	641
Long-term	-	-	-	101	93	1 417	1 062	3 235	6 986	5 110
Trade credit and advances	-	-	111	110	135	233	168	141	161	151
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	-	-	111	110	135	233	168	141	161	151
Other accounts receivable	1 992	1 964	1 960	1 243	1 509	1 242	1 538	45	74	59
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	1 992	1 964	1 960	1 243	1 509	1 242	1 538	45	74	59
Short-term	1 494	1 473	1 469	2	120	-	33	45	74	59
Long-term	498	491	491	1 241	1 389	1 242	1 505	-	-	-
Reserve assets	67 772	79 111	84 881	76 804	73 693	71 427	65 229	53 364	56 018	54 534
Monetary gold	-	-	-	-	-	-	-	-	-	-
Special drawing rights	1 178	1 200	1 359	862	953	901	891	951	4 123	4 266
Reserve position in the IMF	422	430	425	586	389	519	583	745	821	966
Other reserve assets	66 172	77 481	83 098	75 357	72 351	70 007	63 755	51 668	51 074	49 303
Currency and deposits	6 453	13 103	7 886	13 052	7 648	18 287	10 975	3 296	2 595	7 824
Claims on monetary authorities	-	-	-	-	-	-	-	-	-	-
Claims on other entities	6 453	13 103	7 886	13 052	7 648	18 287	10 975	3 296	2 595	7 824
Securities	59 719	64 378	75 212	62 305	64 704	51 719	52 781	48 372	48 480	41 478
Debt securities	36 519	37 487	43 792	32 199	38 646	35 733	35 456	33 040	36 113	31 564
Short-term	-	-	-	-	-	-	-14	-7	-5	-11
Long-term	36 519	37 487	43 792	32 199	38 646	35 733	35 470	33 047	36 118	31 574
Equity and investment fund shares	23 201	26 891	31 420	30 106	26 058	15 987	17 325	15 332	12 367	9 915
Financial derivatives	-	-	-	-	-	-	-	-	-	-
Other claims	-	-	-	-	-	-	-	-	-	-

TABLE 6.6: INTERNATIONAL INVESTMENT POSITION (Continued)
(P Million)

As at end of	2013	2014	2015	2016	2017	2018	2019	2020 ¹	2021 ¹	2022 ²
LIABILITIES	58 981	64 816	71 114	86 044	81 961	88 163	94 201	87 534	91 011	98 935
Direct investment	32 125	36 749	40 584	53 688	51 594	55 521	57 928	61 860	58 842	66 592
Equity and investment fund shares	28 412	32 144	35 291	32 246	38 017	40 558	38 476	38 107	44 611	47 600
Direct investor in direct investment enterprises	28 412	32 144	35 291	32 246	38 017	40 558	38 476	38 107	44 611	47 600
Debt instruments	3 713	4 605	5 293	21 442	13 577	14 963	19 453	23 753	14 231	18 992
Direct investor in direct investment enterprises	3 713	4 605	5 293	21 442	13 577	14 963	19 453	23 753	14 231	18 992
Portfolio investment	2 792	2 793	2 794	962	1 716	1 694	1 592	1 386	1 489	1 551
Equity and investment fund shares	577	579	580	939	1 057	1 133	1 030	824	927	989
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	577	579	580	939	1 057	1 133	1 030	824	927	989
Debt securities	2 215	2 214	2 214	23	658	561	562	562	562	562
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	2 215	2 214	2 214	23	22	-	-	-	-	-
Other sectors	-	-	-	-	637	561	562	562	562	562
Financial derivatives (other than reserves) and employee stock options	-	-	-	-	443	760	939	29	437	466
Other Investment	24 063	25 274	27 736	31 395	28 207	30 189	33 742	24 259	30 243	30 326
Currency and deposits	2 213	3 301	3 267	4 081	4 239	4 525	5 663	5 137	5 593	6 636
Central Bank	975	1 059	1 080	1 480	1 538	1 380	1 445	1 464	1 303	1 303
Deposit-taking corporations, except central bank	1 238	2 241	2 187	2 601	2 696	3 139	3 154	3 038	3 441	4 590
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	-	-	-	-	6	6	1 064	635	849	742
Loans	19 739	19 873	22 202	25 723	22 530	23 691	26 228	17 285	18 517	17 895
Central Bank	15	7	6	7	9	6	10	19	24	15
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	15 556	15 776	17 981	18 345	16 659	16 028	14 488	14 892	15 467	15 179
Other sectors	4 168	4 090	4 214	7 372	5 862	7 657	11 730	2 374	3 025	2 700
Short-term	1 537	1 484	1 484	31	-	-	-	562	709	636
Long-term	2 631	2 606	2 730	7 341	5 862	7 657	11 730	1 812	2 316	2 064
Trade credit and advances	1 333	1 310	1 373	564	520	1 017	846	832	904	964
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	1 333	1 310	1 373	564	520	1 017	846	832	904	964
Short-term	1 333	1 310	1 373	564	520	1 017	846	832	904	964
Long-term	-	-	-	-	-	-	-	-	-	-
Other accounts payable	-	-	-	201	113	99	162	109	1 165	637
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	-	-	-	201	113	99	162	109	1 165	637
Allocation of SDRs (Net incurrence of liabilities)	779	790	894	825	804	857	842	896	4 065	4 194

1. The figures were revised to incorporate new information, including the 2021 Balance of Payments Survey.

2. Preliminary estimates.

Source: Bank of Botswana

TABLE 6.7: IMPORTS - MAJOR COMMODITY GROUP (c.i.f.)¹
(P million)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Chemical and rubber products	5 823	5 871	6 386	6 562	5 681	5 728	6 344	6 999	8 784	9 656
Diamonds	24 507	25 980	25 232	18 905	14 419	18 348	20 050	23 071	32 661	27 267
Food, beverages and tobacco	6 393	6 287	7 023	7 480	6 958	7 919	9 003	9 521	10 726	13 286
Fuel	10 866	10 895	9 117	8 652	8 101	8 515	8 864	9 669	11 122	18 323
Furniture	613	661	692	716	652	769	769	739	780	666
Machinery and electric equipment	7 573	8 256	9 205	9 190	7 252	8 434	8 775	8 307	10 230	11 954
Metal and metal products	3 025	2 801	2 907	3 046	2 479	2 912	3 550	3 003	4 364	4 442
Salt, ores and related products	632	728	1 797	1 510	502	590	690	681	856	766
Textiles and footwear	1 901	2 047	2 031	1 936	1 651	1 789	1 629	1 495	1 977	2 315
Vehicles and transport equipment	5 134	5 638	5 321	5 035	4 165	5 309	6 820	6 456	6 771	5 944
Wood and paper products	1 435	1 499	1 476	1 591	1 412	1 579	1 615	1 506	1 918	1 931
Other goods	2 317	1 764	1 997	2 261	1 946	2 677	2 504	3 125	2 977	3 158
TOTAL	70 218	72 425	73 182	66 882	55 217	64 570	70 612	74 573	93 165	99 709

1. The breakdown of merchandise imports by commodity does not match the total shown in the Balance of Payments Table 6.1, which reports import data adjusted for freight and insurance.

Source: Statistics Botswana

TABLE 6.8: EXCHANGE RATES - FOREIGN CURRENCY PER PULA

End of Period		US dollar	Pound sterling	Japanese yen	Euro	Chinese yuan ¹	SA rand	SDR
2013		0.1147	0.0696	12.04	0.0832	...	1.1963	0.0744
2014		0.1051	0.0675	12.58	0.0865	...	1.2169	0.0726
2015		0.0890	0.0600	10.72	0.0814	...	1.3830	0.0642
2016		0.0939	0.0765	10.95	0.0891	0.6544	1.2792	0.0699
2017		0.1013	0.0753	11.42	0.0848	0.6605	1.2563	0.0713
2018	Q1	0.1049	0.0745	11.18	0.0851	0.6590	1.2348	0.0722
	Q2	0.0962	0.0734	10.64	0.0826	0.6367	1.3171	0.0684
	Q3	0.0944	0.0722	10.72	0.0812	0.6500	1.3339	0.0676
	Q4	0.0932	0.0734	10.28	0.0815	0.6411	1.3441	0.0671
2019	Q1	0.0927	0.0709	10.26	0.0825	0.6241	1.3529	0.0668
	Q2	0.0942	0.0743	10.15	0.0829	0.6466	1.3310	0.0678
	Q3	0.0906	0.0735	9.76	0.0830	0.6462	1.3660	0.0665
	Q4	0.0941	0.0718	10.23	0.0840	0.6567	1.3295	0.0680
2020	Jan	0.0918	0.0701	10.00	0.0832	0.6408	1.3589	0.0667
	Feb	0.0893	0.0693	9.73	0.0812	0.6265	1.3962	0.0651
	Mar	0.0836	0.0677	9.05	0.0759	0.5937	1.5032	0.0611
	Apr	0.0831	0.0667	8.85	0.0765	0.5866	1.5062	0.0609
	May	0.0844	0.0684	9.05	0.0761	0.6050	1.4778	0.0616
	Jun	0.0848	0.0691	9.14	0.0756	0.5996	1.4683	0.0616
	Jul	0.0871	0.0663	9.09	0.0733	0.6092	1.4620	0.0616
	Aug	0.0874	0.0656	9.24	0.0735	0.5995	1.4524	0.0616
	Sep	0.0857	0.0666	9.05	0.0734	0.5848	1.4654	0.0609
	Oct	0.0872	0.0676	9.10	0.0747	0.5841	1.4322	0.0618
	Nov	0.0906	0.0679	9.41	0.0756	0.5959	1.3819	0.0634
	Dec	0.0927	0.0680	9.56	0.0754	0.6039	1.3561	0.0641
2021	Jan	0.0905	0.0661	9.46	0.0748	0.5863	1.3797	0.0629
	Feb	0.0910	0.0652	9.66	0.0748	0.5893	1.3677	0.0631
	Mar	0.0902	0.0656	9.98	0.0770	0.5924	1.3447	0.0637
	Apr	0.0924	0.0663	10.05	0.0762	0.5975	1.3231	0.0643
	May	0.0940	0.0663	10.32	0.0771	0.5986	1.2958	0.0651
	Jun	0.0916	0.0662	10.13	0.0770	0.5921	1.3100	0.0642
	Jul	0.0906	0.0649	9.93	0.0762	0.5858	1.3234	0.0634
	Aug	0.0902	0.0654	9.91	0.0763	0.5827	1.3185	0.0633
	Sep	0.0885	0.0653	9.86	0.0758	0.5725	1.3316	0.0626
	Oct	0.0881	0.0639	10.00	0.0755	0.5624	1.3350	0.0622
	Nov	0.0847	0.0636	9.58	0.0749	0.5399	1.3717	0.0605
	Dec	0.0852	0.0631	9.80	0.0753	0.5427	1.3548	0.0609
2022	Jan	0.0856	0.0637	9.88	0.0766	0.5455	1.3326	0.0615
	Feb	0.0860	0.0643	9.93	0.0770	0.5426	1.3191	0.0617
	Mar	0.0876	0.0667	10.67	0.0785	0.5570	1.2717	0.0633
	Apr	0.0825	0.0659	10.75	0.0783	0.5467	1.3112	0.0615
	May	0.0836	0.0663	10.69	0.0778	0.5569	1.2954	0.0618
	Jun	0.0809	0.0666	11.03	0.0774	0.5422	1.3142	0.0608
	Jul	0.0801	0.0656	10.63	0.0782	0.5407	1.3161	0.0605
	Aug	0.0782	0.0669	10.82	0.0779	0.5395	1.3234	0.0599
	Sep	0.0748	0.0694	10.83	0.0775	0.5390	1.3467	0.0588
	Oct	0.0747	0.0644	11.03	0.0751	0.5448	1.3604	0.0581
	Nov	0.0778	0.0650	10.77	0.0752	0.5562	1.3201	0.0593
	Dec	0.0783	0.0650	10.37	0.0735	0.5454	1.3281	0.0587

1. The Chinese yuan (CNH) was introduced in October 2016.

Source: Bank of Botswana

TABLE 6.9: EXCHANGE RATES - FOREIGN CURRENCY PER PULA - AVERAGES¹

Period		US dollar	Pound sterling	Japanese yen	Euro	Chinese yuan ²	SA rand	SDR
2013		0.1192	0.0763	11.62	0.0898	...	1.1482	0.0784
2014		0.1115	0.0676	11.78	0.0839	...	1.2086	0.0733
2015		0.0989	0.0647	11.96	0.0891	...	1.2570	0.0707
2016		0.0918	0.0681	9.97	0.0830	0.6406	1.3495	0.0661
2017		0.0967	0.0751	10.84	0.0857	0.6526	1.2873	0.0697
2018	Q1	0.1040	0.0747	11.26	0.0846	0.6607	1.2433	0.0718
	Q2	0.1007	0.0740	10.99	0.0844	0.6418	1.2715	0.0704
	Q3	0.0948	0.0727	10.56	0.0815	0.6458	1.3336	0.0677
	Q4	0.0936	0.0727	10.56	0.0820	0.6472	1.3357	0.0675
2019	Q1	0.0946	0.0726	10.42	0.0833	0.6388	1.3244	0.0679
	Q2	0.0932	0.0725	10.24	0.0829	0.6371	1.3417	0.0673
	Q3	0.0921	0.0748	9.88	0.0828	0.6470	1.3509	0.0670
	Q4	0.0920	0.0715	10.00	0.0831	0.6482	1.3556	0.0669
2020	Jan	0.0931	0.0712	10.18	0.0839	0.6450	1.3412	0.0675
	Feb	0.0909	0.0701	10.00	0.0833	0.6365	1.3644	0.0664
	Mar	0.0868	0.0701	9.32	0.0784	0.6100	1.4443	0.0632
	Apr	0.0821	0.0662	8.85	0.0756	0.5820	1.5275	0.0602
	May	0.0829	0.0674	8.88	0.0761	0.5906	1.5051	0.0608
	Jun	0.0854	0.0682	9.19	0.0759	0.6052	1.4639	0.0619
	Jul	0.0865	0.0682	9.23	0.0754	0.6064	1.4491	0.0622
	Aug	0.0859	0.0654	9.10	0.0726	0.5948	1.4805	0.0608
	Sep	0.0868	0.0669	9.17	0.0736	0.5916	1.4532	0.0615
	Oct	0.0873	0.0673	9.19	0.0742	0.5857	1.4377	0.0617
	Nov	0.0896	0.0679	9.35	0.0757	0.5912	1.3950	0.0630
	Dec	0.0917	0.0683	9.52	0.0754	0.5985	1.3689	0.0637
2021	Jan	0.0911	0.0668	9.45	0.0748	0.5890	1.3772	0.0631
	Feb	0.0918	0.0662	9.66	0.0758	0.5918	1.3548	0.0637
	Mar	0.0905	0.0653	9.83	0.0760	0.5891	1.3568	0.0634
	Apr	0.0920	0.0664	10.02	0.0768	0.5994	1.3248	0.0643
	May	0.0932	0.0661	10.17	0.0767	0.5989	1.3092	0.0647
	Jun	0.0932	0.0664	10.26	0.0773	0.5990	1.2961	0.0649
	Jul	0.0907	0.0657	10.01	0.0767	0.5876	1.3190	0.0637
	Aug	0.0898	0.0650	9.86	0.0763	0.5815	1.3274	0.0631
	Sep	0.0903	0.0656	9.94	0.0766	0.5827	1.3118	0.0635
	Oct	0.0888	0.0649	10.06	0.0766	0.5704	1.3192	0.0629
	Nov	0.0866	0.0643	9.88	0.0759	0.5533	1.3432	0.0617
	Dec	0.0853	0.0641	9.71	0.0754	0.5431	1.3553	0.0610
2022	Jan	0.0862	0.0635	9.89	0.0761	0.5479	1.3342	0.0615
	Feb	0.0866	0.0640	9.98	0.0764	0.5497	1.3192	0.0618
	Mar	0.0864	0.0655	10.24	0.0784	0.5488	1.2954	0.0625
	Apr	0.0855	0.0660	10.79	0.0790	0.5511	1.2841	0.0627
	May	0.0823	0.0662	10.61	0.0779	0.5537	1.3100	0.0614
	Jun	0.0823	0.0668	11.02	0.0778	0.5512	1.2997	0.0615
	Jul	0.0791	0.0660	10.81	0.0777	0.5332	1.3312	0.0601
	Aug	0.0791	0.0660	10.69	0.0781	0.5388	1.3208	0.0602
	Sep	0.0764	0.0674	10.93	0.0771	0.5365	1.3404	0.0592
	Oct	0.0749	0.0663	11.01	0.0761	0.5385	1.3546	0.0584
	Nov	0.0764	0.0652	10.89	0.0750	0.5490	1.3386	0.0587
	Dec	0.0776	0.0637	10.48	0.0733	0.5416	1.3415	0.0584

1. The monthly averages are calculated from the daily exchange rates. The quarterly and annual averages are calculated from the relevant monthly averages.

2. The Chinese yuan (CNH) was introduced in October 2016.

Source: Bank of Botswana

TABLE 6.10: EXCHANGE RATES - SELECTED FOREIGN CURRENCIES PER US DOLLAR

End of Period		Euro	Pound sterling	Japanese yen	Chinese yuan ¹	SA rand	SDR
2013		0.7252	0.6069	105.00	...	10.4330	0.6488
2014		0.8229	0.6427	119.71	...	11.5785	0.6907
2015		0.9149	0.6746	120.42	...	15.5378	0.7208
2016		0.9487	0.8145	116.62	6.9687	13.6213	0.7442
2017		0.8368	0.7427	112.70	6.5183	12.3975	0.7032
2018	Q1	0.8114	0.7103	106.57	6.2804	11.7688	0.6879
	Q2	0.8593	0.7630	110.67	6.6217	13.6975	0.7111
	Q3	0.8597	0.7648	113.48	6.8835	14.1263	0.7156
	Q4	0.8749	0.7883	110.39	6.8809	14.4263	0.7198
2019	Q1	0.8903	0.7650	110.69	6.7320	14.5938	0.7205
	Q2	0.8795	0.7892	107.72	6.8637	14.1288	0.7195
	Q3	0.9163	0.8111	107.76	7.1309	15.0750	0.7334
	Q4	0.8924	0.7625	108.67	6.9747	14.1215	0.7226
2020	Jan	0.9072	0.7635	109.04	6.9838	14.8105	0.7267
	Feb	0.9088	0.7762	108.86	7.0118	15.6275	0.7282
	Mar	0.9083	0.8103	108.32	7.1059	17.9910	0.7313
	Apr	0.9206	0.8021	106.49	7.0571	18.1190	0.7322
	May	0.9011	0.8102	107.22	7.1675	17.5070	0.7296
	Jun	0.8916	0.8144	107.74	7.0706	17.3150	0.7267
	Jul	0.8413	0.7617	104.38	6.9942	16.7850	0.7070
	Aug	0.8405	0.7505	105.68	6.8580	16.6150	0.7052
	Sep	0.8568	0.7775	105.64	6.8266	17.1050	0.7112
	Oct	0.8559	0.7748	104.27	6.6960	16.4188	0.7086
	Nov	0.8350	0.7493	103.90	6.5781	15.2563	0.6995
	Dec	0.8136	0.7334	103.13	6.5162	14.6313	0.6913
2021	Jan	0.8263	0.7295	104.50	6.4747	15.2375	0.6948
	Feb	0.8226	0.7169	106.17	6.4783	15.0367	0.6936
	Mar	0.8536	0.7277	110.74	6.5706	14.9153	0.7062
	Apr	0.8255	0.7176	108.81	6.4692	14.3257	0.6957
	May	0.8201	0.7049	109.74	6.3668	13.7830	0.6924
	Jun	0.8404	0.7221	110.50	6.4607	14.2949	0.7008
	Jul	0.8419	0.7171	109.61	6.4680	14.6131	0.7005
	Aug	0.8454	0.7247	109.83	6.4587	14.6139	0.7020
	Sep	0.8559	0.7378	111.40	6.4673	15.0433	0.7067
	Oct	0.8570	0.7253	113.54	6.3873	15.1613	0.7060
	Nov	0.8840	0.7508	113.18	6.3754	16.1980	0.7147
	Dec	0.8841	0.7410	115.12	6.3728	15.9090	0.7148
2022	Jan	0.8958	0.7450	115.49	6.3752	15.5745	0.7183
	Feb	0.8957	0.7482	115.52	6.3109	15.3408	0.7177
	Mar	0.8957	0.7616	121.79	6.3555	14.5115	0.7221
	Apr	0.9483	0.7985	130.26	6.6230	15.8839	0.7446
	May	0.9308	0.7932	127.84	6.6621	15.4972	0.7396
	Jun	0.9558	0.8226	136.24	6.6999	16.2377	0.7514
	Jul	0.9757	0.8182	132.58	6.7470	16.4209	0.7550
	Aug	0.9971	0.8563	138.46	6.9027	16.9325	0.7670
	Sep	1.0352	0.9280	144.65	7.2015	17.9946	0.7862
	Oct	1.0057	0.8626	147.78	7.2970	18.2199	0.7781
	Nov	0.9665	0.8361	138.44	7.1508	16.9705	0.7619
	Dec	0.9396	0.8305	132.56	6.9687	16.9706	0.7504

¹ The Chinese yuan (CNH) was introduced in October 2016.

Source: Bank of Botswana

TABLE 6.11: EXCHANGE RATES - SELECTED FOREIGN CURRENCIES PER US DOLLAR - AVERAGES¹

Period		Euro	Pound sterling	Japanese yen	Chinese yuan ²	SA rand	SDR
2013		0.7531	0.6398	97.60	...	9.6508	0.6581
2014		0.7534	0.6072	105.81	...	10.8497	0.6582
2015		0.9014	0.6542	121.01	...	12.7531	0.7147
2016		0.9038	0.7403	108.76	6.8412	14.7244	0.7195
2017		0.8871	0.7768	112.15	6.7514	13.3214	0.7213
2018	Q1	0.8132	0.7183	108.29	6.3538	11.9582	0.6907
	Q2	0.8391	0.7350	109.17	6.3757	12.6413	0.6997
	Q3	0.8598	0.7675	111.46	6.8158	14.0899	0.7141
	Q4	0.8764	0.7775	112.84	6.9177	14.2794	0.7211
2019	Q1	0.8803	0.7677	110.11	6.7527	14.0038	0.7181
	Q2	0.8898	0.7779	109.87	6.8358	14.3969	0.7221
	Q3	0.8995	0.8119	107.30	7.0257	14.6754	0.7278
	Q4	0.9033	0.7776	108.69	7.0441	14.7350	0.7272
2020	Jan	0.9010	0.7653	109.33	6.9290	14.4095	0.7248
	Feb	0.9168	0.7710	110.04	7.0029	15.0131	0.7303
	Mar	0.9028	0.8083	107.39	7.0263	16.6560	0.7283
	Apr	0.9205	0.8060	107.72	7.0858	18.6012	0.7335
	May	0.9182	0.8131	107.16	7.1269	18.1687	0.7336
	Jun	0.8883	0.7981	107.60	7.0845	17.1374	0.7248
	Jul	0.8722	0.7890	106.69	7.0108	16.7548	0.7186
	Aug	0.8453	0.7614	106.01	6.9271	17.2438	0.7082
	Sep	0.8478	0.7709	105.59	6.8147	16.7400	0.7081
	Oct	0.8495	0.7704	105.19	6.7073	16.4650	0.7071
	Nov	0.8455	0.7578	104.38	6.6001	15.5754	0.7035
	Dec	0.8219	0.7445	103.82	6.5280	14.9336	0.6950
2021	Jan	0.8213	0.7332	103.71	6.4666	15.1223	0.6932
	Feb	0.8265	0.7215	105.31	6.4488	14.7651	0.6943
	Mar	0.8398	0.7216	108.67	6.5124	14.9985	0.7003
	Apr	0.8353	0.7225	108.95	6.5194	14.4088	0.6994
	May	0.8231	0.7098	109.13	6.4277	14.0512	0.6941
	Jun	0.8297	0.7127	110.09	6.4248	13.9055	0.6965
	Jul	0.8457	0.7237	110.28	6.4769	14.5397	0.7025
	Aug	0.8496	0.7246	109.84	6.4779	14.7910	0.7034
	Sep	0.8488	0.7271	110.09	6.4566	14.5374	0.7032
	Oct	0.8619	0.7303	113.18	6.4200	14.8493	0.7079
	Nov	0.8762	0.7426	114.05	6.3892	15.5154	0.7126
	Dec	0.8848	0.7521	113.86	6.3704	15.8975	0.7153
2022	Jan	0.8831	0.7371	114.82	6.3590	15.4859	0.7139
	Feb	0.8821	0.7388	115.22	6.3470	15.2325	0.7139
	Mar	0.9074	0.7589	118.54	6.3535	14.9994	0.7233
	Apr	0.9240	0.7728	126.29	6.4472	15.0292	0.7329
	May	0.9466	0.8042	128.91	6.7244	15.9106	0.7454
	Jun	0.9456	0.8113	133.89	6.6967	15.7930	0.7472
	Jul	0.9814	0.8336	136.64	6.7365	16.8218	0.7588
	Aug	0.9877	0.8343	135.19	6.8102	16.6961	0.7608
	Sep	1.0094	0.8828	143.01	7.0235	17.5468	0.7747
	Oct	1.0163	0.8857	147.03	7.1920	18.0933	0.7803
	Nov	0.9816	0.8528	142.46	7.1833	17.5181	0.7684
	Dec	0.9453	0.8210	135.13	6.9820	17.2943	0.7524

1. The monthly averages are calculated from the daily exchange rates. The quarterly and annual averages are calculated from the relevant monthly averages.

2. The Chinese yuan (CNH) was introduced in October 2016.

Source: Bank of Botswana

TABLE 6.12: REAL EXCHANGE RATES INDICES - FOREIGN CURRENCY PER PULA¹
(December 2018 = 100)²

End of		US dollar	Euro	Pound sterling	Japanese yen	Chinese yuan ³	SA rand	SDR	REER ⁴
2013		112.7	90.2	86.6	103.6	...	97.8	100.1	99.2
2014		106.3	97.5	86.8	109.7	...	98.1	100.8	99.6
2015		92.2	94.4	79.4	96.2	...	109.2	91.5	100.1
2016		98.1	105.3	102.5	101.0	99.1	97.5	101.0	99.4
2017		107.1	102.0	101.1	107.6	101.4	94.3	104.3	99.7
2018	Q1	110.5	102.5	100.8	108.4	102.2	93.2	106.0	100.0
	Q2	101.6	99.7	100.1	104.0	100.2	97.9	100.9	99.6
	Q3	99.7	98.2	97.6	103.5	101.6	97.7	99.5	98.7
	Q4	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2019	Q1	99.0	101.3	97.2	102.2	97.7	100.9	99.7	100.2
	Q2	100.7	101.4	102.2	101.2	101.8	97.3	101.2	99.4
	Q3	96.9	102.6	100.6	96.9	101.0	99.0	99.4	99.2
	Q4	100.9	103.9	98.6	100.8	100.1	97.2	101.6	99.6
2020	Jan	98.4	103.6	96.8	101.0	97.2	99.9	99.9	99.9
	Feb	96.4	101.5	95.7	98.5	95.3	102.2	98.0	99.9
	Mar	89.8	94.5	93.5	91.8	91.1	110.1	91.8	99.7
	Apr	90.8	96.0	93.0	90.5	91.5	110.5	92.6	100.3
	May	91.6	95.5	95.4	92.1	95.0	108.2	93.5	99.8
	Jun	90.9	93.1	95.2	91.9	92.9	106.0	92.2	98.2
	Jul	93.2	91.3	91.0	91.4	94.3	103.6	92.4	97.2
	Aug	93.4	92.1	90.6	92.7	93.1	102.9	92.6	97.1
	Sep	92.0	92.6	92.3	91.4	91.5	104.9	92.1	97.7
	Oct	94.3	94.3	94.1	92.1	90.6	103.2	93.7	97.8
	Nov	98.0	95.4	94.7	95.8	93.0	99.2	96.2	97.5
	Dec	100.1	95.6	94.8	97.4	93.9	98.2	97.3	97.7
2021	Jan	97.9	94.4	92.7	98.3	91.2	100.5	95.6	97.8
	Feb	98.9	94.9	91.8	100.6	92.0	99.7	96.4	97.8
	Mar	97.5	97.6	92.8	104.8	93.4	98.5	97.2	97.8
	Apr	102.3	99.4	96.2	109.7	97.6	98.2	100.9	99.7
	May	103.1	100.8	96.1	112.4	98.6	95.7	101.9	99.1
	Jun	100.9	100.7	96.3	110.7	98.2	97.5	100.8	99.3
	Jul	100.1	101.2	95.1	109.0	97.7	97.6	100.4	99.1
	Aug	99.6	101.0	95.2	108.7	97.7	96.9	100.1	98.7
	Sep	97.7	100.2	95.1	107.7	96.4	98.4	98.9	98.7
	Oct	97.5	99.6	92.8	110.1	93.5	99.7	98.2	98.9
	Nov	93.2	97.8	91.7	105.4	89.4	101.4	95.0	97.8
	Dec	93.4	98.8	90.8	107.7	90.4	100.7	95.6	97.9
2022	Jan	95.2	101.7	93.8	113.0	93.0	101.6	98.1	99.6
	Feb	95.8	102.1	94.3	113.5	92.9	100.6	98.5	99.4
	Mar	96.1	101.9	97.0	121.8	95.2	96.7	99.6	98.3
	Apr	92.5	104.2	96.3	125.5	95.9	100.8	98.9	99.8
	May	94.5	105.2	98.6	127.0	100.5	100.5	100.9	100.7
	Jun	92.0	104.9	99.8	132.6	98.8	102.6	99.9	101.1
	Jul	93.3	109.0	99.7	130.0	100.4	102.9	101.7	102.3
	Aug	91.3	108.4	101.6	132.0	101.1	103.6	100.8	102.1
	Sep	86.9	106.1	104.6	130.7	100.5	105.4	98.0	101.3
	Oct	86.8	101.3	95.3	132.5	100.3	106.7	96.1	100.8
	Nov	89.6	100.1	95.0	128.0	101.7	101.9	97.1	99.2
	Dec	90.7	99.4	95.1	123.3	100.3	103.6	96.9	99.9

1. Calculated using headline inflation.

2. The indices have been revised due to the rebasing of CPI to December 2018.

3. The Chinese yuan (CNH) was introduced in October 2016.

4. The REER (real effective exchange rate) is the trade-weighted exchange rate of the Pula against a fixed basket of currencies, after allowing for relative inflation.

Source: Bank of Botswana

TABLE 7.1: CENTRAL GOVERNMENT BUDGET SUMMARY
(P Million)

Period ¹	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total Revenue and Grants	38 486.0	41 657.8	48 951.3	55 904.2	47 420.3	57 398.4
Tax revenue ²	35 533.1	38 606.3	44 306.3	51 655.1	44 858.6	50 847.2
Non-tax revenue	2 420.1	2 544.8	4 319.3	3 869.5	2 416.0	6 395.0
Grants	532.8	506.8	325.7	379.7	145.7	156.2
Total Expenditure	38 667.5	40 736.1	41 729.7	50 563.9	54 411.2	56 274.9
Recurrent expenditure	28 836.2	32 106.0	33 219.8	37 582.9	40 413.4	41 166.2
Development expenditure	9 955.7	8 279.6	8 908.7	13 072.0	12 772.9	15 160.8
Net lending	- 124.4	350.5	- 398.8	- 91.0	1 224.9	- 52.1
Overall Surplus(+)/Deficit(-)	- 181.4	921.7	7 221.6	5 340.3	-6 990.8	1 123.6
Financing of Surplus/Deficit	181.4	- 921.7	-7 221.6	-5 340.3	6 990.8	-1 123.6
Foreign (net) ³	87.5	-1 013.6	- 66.4	- 509.0	-1 333.1	-1 150.8
Domestic (net)	93.9	91.9	-7 155.2	-4 831.4	8 324.0	27.2
Bank ⁴	- 84.0	1 983.4	-8 722.8	-4 477.2	8 299.1	3 464.9
Other	178.0	-1 891.5	1 567.6	- 354.2	24.9	-3 437.7

1. Fiscal year runs from April 1 to March 31.

2. Mineral royalties and dividends are included under mineral tax, hence forms part of tax revenue. This differs from Ministry of Finance publications where these are shown separately under non-tax revenue.

3. Includes external loans, external amortisation and IMF transactions. In the case of external loans, development loans and grants are recorded when received, rather than when they are paid into the Development Fund. IMF transactions represent Government's subscriptions to Botswana's reserve tranche position at the IMF.

4. Refers to change in cash balances, which represents the net movement in cash as shown in the Accountant General's books. A minus sign represents an increase in cash balances, while a plus sign represents a decrease.

Source: Ministry of Finance

TABLE 7.2: GOVERNMENT REVENUE
(P Million)

Period ¹	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Tax Revenue²	35 533.1	38 606.3	44 306.3	51 655.1	44 858.6	50 847.2
Customs & excise	8 424.3	14 216.1	13 169.5	15 691.0	15 817.6	11 773.3
Mineral revenue ²	15 823.1	12 076.2	18 443.3	21 532.2	14 437.6	22 495.9
Non-mineral income taxes	6 112.7	6 725.3	7 470.8	8 383.8	8 690.6	9 572.2
Other Taxes	5 173.1	5 588.7	5 222.6	6 048.2	5 912.8	7 005.8
Export duties	1.4	2.3	2.3	1.5	1.7	3.3
Taxes on property	64.8	50.5	54.5	53.6	53.1	54.5
Taxes on motor vehicles	215.2	224.5	244.0	250.5	282.0	297.6
Business & professional licenses	40.8	28.8	36.4	32.8	28.4	7.7
VAT	4 851.0	5 282.6	4 885.4	5 709.9	5 547.6	6 642.7
Airport tax	-	-	-	-	-	-
Non-Tax Revenue	2 420.1	2 544.8	4 319.3	3 869.5	2 416.0	6 395.0
Interest	58.6	38.6	1 266.4	282.0	26.7	536.8
Other property income	122.6	56.2	12.7	47.8	18.3	66.8
Bank of Botswana revenues	863.8	1 489.8	1 900.0	2 448.5	1 133.0	2 842.0
Fees, charges & reimbursements	1 269.0	893.6	1 071.0	1 030.0	1 185.0	2 879.1
Sale of fixed assets and land	106.1	66.6	69.2	61.2	53.0	70.5
Grants	532.8	506.8	325.7	379.7	145.7	156.2
Recurrent	117.8	0.8	125.2	316.4	73.8	1.4
Development	415.0	506.0	200.6	63.2	71.9	154.8
TOTAL REVENUE AND GRANTS	38 486.0	41 657.8	48 951.3	55 904.2	47 420.3	57 398.4

1. Fiscal year runs from April 1 to March 31.

2. Mineral royalties and dividends are included under mineral tax, hence forms part of tax revenue. This differs from Ministry of Finance publications where these are shown separately under non-tax revenue.

Source: Ministry of Finance

					Budget Estimates	
2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Period ¹
56 411.0	53 470.1	54 300.0	49 374.7	68 570.4	...	Total Revenue and Grants
52 992.2	51 057.2	47 967.2	44 434.3	61 590.7	...	Tax revenue ²
3 047.3	2 335.0	6 285.4	4 902.3	6 939.9	...	Non-tax revenue
371.5	77.9	47.3	38.2	39.9	...	Grants
58 392.9	62 350.6	65 444.2	65 840.4	68 674.6	...	Total Expenditure
43 562.1	47 278.5	51 812.6	55 626.8	56 920.5	...	Recurrent expenditure
14 745.8	15 454.3	13 644.3	10 216.2	11 839.5	...	Development expenditure
85.0	- 382.2	- 12.8	- 2.7	- 85.4	...	Net lending
-1 981.9	-8 880.5	-11 144.2	-16 465.7	- 104.1	...	Overall Surplus(+)/Deficit(-)
1 981.9	8 880.5	11 144.2	16 465.7	104.1	...	Financing of Surplus/Deficit
- 675.3	-1 070.2	-1 605.2	-1 610.6	3 656.4	...	Foreign (net) ³
2 657.2	9 950.7	12 749.4	18 076.3	-3 552.3	...	Domestic (net)
875.0	13 420.9	10 389.5	13 875.2	-6 616.6	...	Bank ⁴
1 782.2	-3 470.2	2 360.0	4 201.0	3 064.3	...	Other

					Budget Estimates	
2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Period ¹
52 992.2	51 057.2	47 967.2	44 434.3	61 590.7	...	Tax Revenue²
17 864.4	14 788.5	13 975.7	16 459.0	14 244.1	...	Customs & excise
18 686.3	18 467.7	14 555.0	9 573.2	23 244.3	...	Mineral revenue ²
8 200.3	9 900.1	10 800.2	10 107.9	12 539.0	...	Non-mineral income taxes
8 241.3	7 900.8	8 636.3	8 294.2	11 563.4	...	Other Taxes
2.2	1.6	2.6	1.0	1.4	...	Export duties
56.8	67.8	68.1	57.6	92.2	...	Taxes on property
400.4	452.4	489.1	337.2	488.6	...	Taxes on motor vehicles
5.6	4.9	7.3	94.4	30.8	...	Business & professional licenses
7 776.4	7 374.1	8 069.3	7 804.1	10 950.4	...	VAT
-	-	-	-	-	...	Airport tax
3 047.3	2 335.0	6 285.4	4 902.3	6 939.9	...	Non-Tax Revenue
52.5	122.6	50.9	19.6	66.4	...	Interest
107.3	116.8	10.4	21.0	2.7	...	Other property income
1 573.2	740.0	5 048.9	4 009.4	5 581.1	...	Bank of Botswana revenues
1 236.1	1 310.7	1 125.1	816.8	1 082.7	...	Fees, charges & reimbursements
78.2	44.9	50.1	35.5	206.9	...	Sale of fixed assets and land
371.5	77.9	47.3	38.2	39.9	...	Grants
181.9	1.4	23.7	27.9	25.6	...	Recurrent
189.6	76.5	23.6	10.3	14.3	...	Development
56 411.0	53 470.1	54 300.0	49 374.7	68 570.4	...	TOTAL REVENUE AND GRANTS

TABLE 7.3: FUNCTIONAL CLASSIFICATION OF GOVERNMENT EXPENDITURE AND NET LENDING
(P Million)

Period ¹	2011/12	2012/13	2013/14	2014/15	2015/16
GENERAL PUBLIC SERVICES, INCLUDING DEFENCE	9 826.3	11 623.9	11 244.5	12 911.7	13 469.5
Recurrent expenditure	8 429.7	10 586.1	9 710.7	10 951.3	11 350.9
Development expenditure	1 396.6	1 037.9	1 533.8	1 960.4	2 118.6
SOCIAL SERVICES	17 205.7	17 236.8	18 844.1	22 378.5	24 578.5
Education	8 379.9	8 519.1	9 456.0	11 656.8	11 972.8
Recurrent expenditure	7 921.2	8 072.2	8 763.1	10 378.6	10 706.5
Development expenditure	458.8	446.9	692.9	1 278.1	1 266.3
Net lending	-	-	-	-	-
Health	4 381.1	4 355.1	4 531.1	5 312.4	6 012.6
Recurrent expenditure	3 455.2	4 152.6	4 508.7	5 275.8	5 902.7
Development expenditure	926.0	202.5	22.4	43.9	114.0
Net lending	-	-	-	- 7.3	- 4.1
Food and social welfare programmes	719.1	923.9	1 660.0	1 771.2	1 868.8
Recurrent expenditure	396.3	769.0	906.8	936.2	1 007.0
Development expenditure	322.8	154.9	753.2	835.0	861.8
Housing, urban and regional development	2 861.6	2 483.0	1 989.5	2 030.0	2 868.2
Recurrent expenditure	1 437.8	1 155.5	1 323.2	1 303.4	1 593.0
Development expenditure	1 439.1	1 355.4	692.1	755.8	902.7
Net lending	- 15.2	- 27.9	- 25.8	- 29.2	372.5
Other community and social services	864.0	955.9	1 207.5	1 608.1	1 856.1
Recurrent expenditure	814.2	854.0	1 102.4	1 392.3	1 565.8
Development expenditure	49.7	101.9	105.1	215.8	290.3
Net lending	-	-	-	-	-
ECONOMIC SERVICES	8 498.3	8 212.9	7 954.8	11 141.3	11 958.5
Agriculture, forestry and fishing	1 289.4	1 538.4	1 749.7	2 099.3	2 757.0
Recurrent expenditure	829.5	943.4	1 074.6	1 020.5	1 221.9
Development expenditure	396.8	298.3	675.2	1 078.8	990.2
Net lending	63.1	296.8	-	-	545.0
Mining	729.8	283.8	- 137.1	26.5	324.6
Recurrent expenditure	683.5	176.8	207.5	176.0	250.6
Development expenditure	197.6	2.0	0.1	20.5	74.1
Net lending	- 151.3	105.0	- 344.7	- 170.0	-
Electricity and water supply	2 522.4	3 442.3	3 429.2	5 073.1	4 275.8
Recurrent expenditure	273.1	246.1	130.2	99.5	121.3
Development expenditure	2 269.1	3 219.1	3 322.4	4 988.3	4 193.1
Net lending	- 19.7	- 22.9	- 23.4	- 14.7	- 38.7
Transport	3 074.5	2 270.8	1 800.4	2 687.9	2 795.0
Recurrent expenditure	643.5	849.7	789.6	845.5	1 146.7
Development expenditure	2 431.0	1 421.0	1 010.9	1 702.5	1 648.3
Net lending	-	-	-	139.9	-
Other²	882.1	677.6	1 112.5	1 254.5	1 806.0
Recurrent expenditure	815.0	638.1	1 016.6	1 071.2	1 142.3
Development expenditure	68.4	39.9	100.7	192.9	313.6
Net lending	- 1.2	- 0.4	- 4.8	- 9.7	350.2
TRANSFERS	3 137.2	3 662.5	3 686.4	4 132.4	4 404.7
Deficit grants to local authorities	2 550.6	2 990.5	2 999.0	3 454.7	3 578.0
Recurrent expenditure	2 550.6	2 990.5	2 999.0	3 454.7	3 578.0
Interest on public debt	586.6	672.0	687.5	677.7	826.8
TOTAL EXPENDITURE	38 667.5	40 736.2	41 729.8	50 563.9	54 411.2
Recurrent expenditure	28 836.2	32 106.0	33 219.8	37 582.9	40 413.4
Development expenditure	9 955.7	8 279.6	8 908.7	13 072.0	12 772.9
Net lending	- 124.4	350.5	- 398.8	- 91.0	1 224.9

1. Fiscal year runs from April 1 to March 31.

2. Other refers to General Administration, Regulation and Technical Services and Promotion of Commerce and Industry.

Source: Ministry of Finance

2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	
15 799.8	15 076.6	16 745.2	18 787.6	18 815.8	...	GENERAL PUBLIC SERVICES, INCLUDING DEFENCE
11 596.7	11 533.9	13 032.2	15 069.7	16 014.8	...	Recurrent expenditure
4 203.1	3 542.7	3 713.0	3 717.8	2 801.0	...	Development expenditure
25 343.6	26 683.5	25 343.6	29 607.6	31 671.1	...	SOCIAL SERVICES
12 839.8	13 174.1	13 952.9	14 361.8	15 082.9	...	Education
11 655.2	12 403.7	13 296.6	13 616.0	14 505.2	...	Recurrent expenditure
1 184.6	770.4	656.3	745.8	577.6	...	Development expenditure
-	-	-	-	-	...	Net lending
6 355.1	7 137.5	7 438.5	8 090.8	10 319.4	...	Health
6 096.3	6 774.6	7 052.7	7 803.1	10 011.7	...	Recurrent expenditure
263.3	367.7	391.0	293.3	313.8	...	Development expenditure
- 4.5	- 4.8	- 5.2	- 5.6	- 6.0	...	Net lending
1 859.1	2 551.4	2 449.3	2 804.4	2 392.3	...	Food and social welfare programmes
940.4	1 134.7	1 144.4	1 378.4	1 403.4	...	Recurrent expenditure
918.7	1 416.8	1 304.8	1 425.9	988.9	...	Development expenditure
2 541.8	1 939.3	2 486.4	2 429.7	2 228.6	...	Housing, urban and regional development
1 463.8	1 549.8	1 891.6	1 949.0	2 028.8	...	Recurrent expenditure
1 094.9	433.5	641.2	518.7	232.3	...	Development expenditure
- 16.9	- 44.1	- 46.4	- 38.1	- 32.4	...	Net lending
1 747.8	1 881.3	1 913.0	1 920.9	1 647.9	...	Other community and social services
1 572.7	1 636.3	1 727.7	1 788.7	1 575.8	...	Recurrent expenditure
175.1	245.0	185.3	132.2	72.1	...	Development expenditure
-	-	-	-	-	...	Net lending
10 804.0	11 513.9	11 946.6	11 120.9	9 230.6	...	ECONOMIC SERVICES
1 247.8	2 019.5	3 714.5	2 393.4	2 294.6	...	Agriculture, forestry and fishing
1 031.6	1 061.5	8 562.7	1 380.0	1 342.8	...	Recurrent expenditure
761.2	958.0	230.0	1 013.5	951.8	...	Development expenditure
- 545.0	-	560.6	-	-	...	Net lending
1 132.0	939.9	349.0	694.5	575.2	...	Mining
228.0	270.0	348.7	673.1	563.4	...	Recurrent expenditure
151.7	521.7	0.3	21.4	11.8	...	Development expenditure
752.0	148.3	-	-	-	...	Net lending
5 048.0	4 800.9	4 315.1	3 459.5	3 049.4	...	Electricity and water supply
121.1	142.3	145.1	141.5	137.0	...	Recurrent expenditure
4 931.1	4 660.9	4 172.3	3 320.4	2 915.0	...	Development expenditure
- 4.2	- 2.3	- 2.4	- 2.4	- 2.7	...	Net lending
2 270.0	2 658.5	3 201.3	2 755.5	2 161.8	...	Transport
1 003.9	892.3	926.4	946.1	901.2	...	Recurrent expenditure
1 266.1	1 767.6	2 046.3	1 809.3	1 260.6	...	Development expenditure
-	- 1.4	228.6	-	-	...	Net lending
1 106.3	1 095.1	1 272.9	1 818.1	1 149.6	...	Other²
1 129.0	1 044.2	1 108.6	1 182.9	1 071.0	...	Recurrent expenditure
211.1	61.6	175.0	645.9	103.2	...	Development expenditure
- 233.8	- 10.7	- 10.7	- 10.7	- 24.6	...	Net lending
4 327.4	5 118.9	5 418.8	5 652.6	6 071.7	...	TRANSFERS
3 449.6	4 129.4	4 327.9	4 448.5	4 883.9	...	Deficit grants to local authorities
3 449.6	4 129.4	4 327.9	4 448.5	4 883.9	...	Recurrent expenditure
877.8	989.5	1 090.9	1 204.2	1 187.8	...	Interest on public debt
56 274.8	58 392.9	62 350.6	65 400.1	65 789.2	...	TOTAL EXPENDITURE
41 166.2	43 562.2	47 278.5	51 812.6	55 626.8	...	Recurrent expenditure
15 160.8	14 745.8	15 454.3	13 644.3	10 228.0	...	Development expenditure
- 52.1	85.0	- 382.2	- 56.8	- 65.7	...	Net lending

TABLE 7.4: PUBLIC DEBT OUTSTANDING
(P Million)¹

As at end of March ²	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
A: Medium and Long Term External Government Debt						
Loans from Governments	868.7	1 106.7	936.1	798.4	726.0	562.8
United States	23.5	7.3	3.4	2.0	-	-
China	464.3	645.6	545.7	520.1	449.3	319.3
Kuwait	97.4	121.0	119.7	73.9	76.6	67.8
Belgium	1.7	1.3	2.3	1.4	0.8	-
Japan ³	281.9	331.5	265.0	201.1	199.3	175.8
Loans from Organisations	13 416.0	14 444.5	14 835.7	17 178.9	17 614.9	16 093.6
International Development Association	24.5	26.9	22.2	23.4	21.8	17.4
International Bank for Reconstruction and Development (World Bank)	992.1	822.9	1 011.4	1 337.2	1 443.5	1 680.5
African Development Fund/Bank	11 363.1	12 454.8	12 598.2	14 680.0	15 057.7	13 472.1
OPEC Special Fund	175.3	204.7	252.8	221.4	220.1	187.4
European Investment Bank	97.0	150.3	127.4	83.0	52.9	44.9
Arab Bank for Economic Development in Africa	161.6	172.2	165.1	202.2	208.7	181.2
Nordic Investment Bank	599.2	606.6	652.8	629.8	609.3	503.2
International Fund for Agricultural Development	3.1	6.0	5.9	2.1	1.0	6.9
Suppliers Credits and Other Loans	5.4	5.2	4.3	4.0	3.9	2.9
Total External Debt	14 290.1	15 556.4	15 776.1	17 981.3	18 344.9	16 659.3
B: Domestic Debt						
Treasury Bills	2 000.0	679.0	680.0	538.0	840.0	2 270.0
Bonds	5 329.0	5 529.0	6 194.0	6 791.0	6 843.0	7 932.0
Capital Funding	157.0	150.0	144.3	139.1	128.3	121.2
Total Domestic Debt	7 486.0	6 358.0	7 018.3	7 468.1	7 811.3	10 323.2
TOTAL GOVERNMENT DEBT	21 776.2	21 914.4	22 794.4	25 449.4	26 156.1	26 982.6
C: Government Guaranteed Debt						
Domestic	1 445.1	695.9	430.5	520.5	549.9	2 136.2
External	5 803.8	6 393.1	6 400.6	7 160.1	8 480.6	7 737.9
Total Government Guaranteed Debt	7 248.9	7 089.0	6 831.1	7 680.6	9 030.5	9 874.2
TOTAL GOVERNMENT AND GOVERNMENT GUARANTEED DEBT	29 025.1	29 003.4	29 625.5	33 130.0	35 186.7	36 856.7
D: Government debt as (%) of GDP⁴						
Domestic debt and domestic Guarantees as (%) of GDP	8.3	6.3	5.7	5.4	5.6	7.5
External debt and external Guarantees as (%) of GDP	18.8	19.6	16.9	17.0	18.0	14.6
Total debt as (%) of GDP	27.1	25.8	22.6	22.4	23.6	22.1

1. Pula estimates are derived by converting debt outstanding in foreign exchange terms at the appropriate exchange rate operating as at the end of March each year.
2. Figures on this table are compiled using the Annual Statement of Accounts and documents accompanying budget speeches. Data from these two sources are not necessarily the same.
3. Loans from the Japan International Cooperation Agency, which were previously reported under 'Loans from Organisations', are now included under 'Loans from Governments' (Japan).
4. Outstanding public debt is limited by the Stock, Bonds and Treasury Bills Act, to a maximum of 40 percent of GDP (in fiscal year), allocated equally between external and domestic debt.

Source: Ministry of Finance and Bank of Botswana

				Revised Estimates	Budget Estimates	
2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	As at end of March ²
A: Medium and Long Term External Government Debt						
547.1	607.0	587.1	430.6	...	...	Loans from Governments
-	-	-	...	...	...	United States
269.7	211.6	153.2	69.8	...	...	China
58.9	61.3	57.8	50.9	...	...	Kuwait
-	-	-	...	...	...	Belgium
218.5	334.1	376.1	310.0	...	...	Japan ³
13 598.3	14 543.6	14 890.9	12 851.0	...	...	Loans from Organisations
12.4	10.3	7.6	3.9	...	...	International Development Association
1 456.9	1 930.5	2 203.2	2 303.9	...	...	International Bank for Reconstruction and Development (World Bank)
11 369.5	11 761.0	11 871.0	9 900.6	...	...	African Development Fund/Bank
170.3	230.6	248.3	197.8	...	...	OPEC Special Fund
43.4	41.3	41.0	36.5	...	...	European Investment Bank
153.7	216.3	221.1	187.4	...	...	Arab Bank for Economic Development in Africa
388.1	351.8	297.1	216.8	...	...	Nordic Investment Bank
4.0	1.8	1.6	4.2	...	...	International Fund for Agricultural Development
2.3	1.7	1.1	0.3	...	...	Suppliers Credits and Other Loans
14 147.7	15 152.3	15 479.1	13 281.9	...	...	Total External Debt
B: Domestic Debt						
590.0	700.0	1 000.0	4 206.0	...	...	Treasury Bills
9 610.0	10 060.0	12 654.0	16 132.0	...	...	Bonds
124.5	113.0	95.6	86.3	...	...	Capital Funding
10 324.5	10 873.0	13 749.6	20 424.3	...	...	Total Domestic Debt
24 472.1	26 025.2	29 228.7	33 706.3	...	...	TOTAL GOVERNMENT DEBT
C: Government Guaranteed Debt						
1 790.4	1 484.0	2 006.1	1 765.0	...	...	Domestic
6 731.2	6 902.0	6 935.3	6 903.0	...	...	External
8 521.6	8 386.0	8 941.4	8 668.0	...	...	Total Government Guaranteed Debt
32 993.7	34 411.0	38 170.1	42 374.3	...	...	TOTAL GOVERNMENT AND GOVERNMENT GUARANTEED DEBT
D: Government debt as (%) of GDP⁴						
7.2	7.0	8.7		...	...	Domestic debt and domestic Guarantees as (%) of GDP
12.4	12.5	12.4	11.7	...	...	External debt and external Guarantees as (%) of GDP
19.6	19.5	21.1	24.7	...	...	Total debt as (%) of GDP

TABLE 7.5: GOVERNMENT LENDING - OUTSTANDING LOANS (PDSF, RSF and DF)¹
(P Million)

As at end of March	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Borrowers											
Air Botswana	...	...	...	...	...	...	...	230.0	230.0	230.0	...
Bamangwato Concessions Limited (BCL)	...	...	...	...	...	752.3	900.6	900.6	900.6	900.6	...
Botswana Development Corporation	366.1	365.7	360.9	351.3	346.7	62.9	58.0	53.2	48.4	48.4	...
Botswana Federation of Trade Unions	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	...
Botswana Housing Corporation	101.6	82.7	66.5	50.4	436.1	425.5	385.1	344.0	307.7	276.9	...
Botswana Meat Commission	253.6	546.0	546.0	546.0	546.0	546.0	546.0	...	248.0	248.0	...
Botswana Postal Services	0.1	0.1	0.1	140.0	140.0	140.0	138.6	138.6	138.6	138.6	...
Botswana Power Corporation	46.8	46.4	49.0	40.3	41.6	33.9	33.1	31.7	31.8	28.7	...
Botswana Public Officers Medical Aid Scheme	66.0	76.6	76.6	69.3	65.1	60.7	55.8	50.6	45.0	39.0	...
Botswana Savings Bank	...	...	...	...	105.0	105.0	99.2	93.3	87.5	81.7	...
Francistown City Council	15.4	12.9	11.3	8.7	6.5	4.8	3.3	2.4	1.8	1.0	...
Gaborone City Council	8.0	6.2	4.5	3.2	...	...	...	...	...	...	...
Lobatse Town Council	24.2	21.1	16.9	10.1	4.6	2.6	1.7	...	...	...	...
National Development Bank	...	...	...	...	...	300.0	300.0	300.0	300.0	281.2	...
Okavango Diamond Trading Company	...	96.0	170.0	...	...	...	...	...	...	...	...
Public Enterprises Evaluation and Privatisation Agency	...	...	...	...	250.0	...	...	...	...	...	...
Selebi-Phikwe Town Council	14.5	12.4	10.6	8.8	6.9	5.1	4.1	2.2	1.5	1.0	...
Sowa Township Authority	4.9	4.7	4.2	3.7	3.1	2.5	2.0	1.2	0.8	0.5	...
Water Utilities Corporation	84.0	65.4	45.3	34.6	...	...	...	...	...	...	...
De Beers	418.7	418.7	...	...	...	...	...	...	...	...	...
TOTAL	1 406.9	1 758.0	1 364.8	1 269.2	1 954.7	2 444.2	2 530.6	2 150.8	2 344.6	2 278.5	...

1. The PDSF is the Public Debt Service Fund, RSF is the Revenue Stabilisation Fund, and DF is the Development Fund. All these funds are administered by the Government.

Source: Ministry of Finance

TABLE 7.6: GOVERNMENT PARTICIPATION IN PARASTATALS AND COMMERCIAL UNDERTAKINGS
(P Million)

As at end of March	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Equity Participation in:¹										
Air Botswana (AB)	502.5	502.5	545.5	875.5	789.4	995.1	...	1 081.4	1 081.4	1 081.4
Bank of Botswana	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Banyana Farms	...	7.7	9.9	9.9	9.9	9.9	9.9	1.5	2.3	2.3
Botswana Accountancy College (BAC)	...	...	...	...	...	23.4	...	73.9	73.9	...
Botswana Accountancy Oversight Authority (BAOA)	...	...	...	...	...	...	4.6	4.9	5.2	5.7
Bamangwato Concession Limited	81.4	219.7	219.7	2 667.5	2 677.5	...	...	...	...	...
Botswana Agricultural Marketing Board (BAMB)	27.5	28.5	28.5	27.5	27.5	26.5	27.5	27.5	27.5	27.5
Botswana Ash	65.8	65.8	65.8	...	...	65.8	65.7	65.8	65.8	65.8
Botswana Bureau of Standards (BOBS)	...	...	...	...	...	144.4	...	253.8	249.8	288.5
Botswana University of Agriculture and Natural Resources (BUAN)	...	...	...	...	...	- 18.5	...	...	36.9	36.9
Botswana College of Distance and Open Learning (BOCODOL)	...	...	...	...	...	- 22.5	...	- 24.4	- 24.4	- 24.4
Botswana Communications Regulatory Authority (BOCRA)	...	...	...	...	...	304.0	...	539.5	539.5	592.6
Botswana Development Corporation (BDC)	241.0	241.0	864.2	864.2	864.2	888.3	888.3	888.3	888.3	888.3
Botswana Examinations Council (BEC)	...	...	...	...	...	- 37.0	...	- 33.2	- 26.6	- 61.5
Botswana Fibre Networks (BoFiNet)	...	...	...	...	...	747.2	...	747.2	747.2	747.2
Botswana Geoscience Institute (BGI)	...	...	...	...	...	253.8	...	254.7	249.8	197.2
Botswana Housing Corporation (BHC)	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0
Botswana Innovation Hub (BIH)	...	...	...	...	...	1 131.4	...	1 260.7	1 308.8	1 344.4
Botswana Institute for Development Policy Analysis (BIDPA)	...	...	...	...	...	33.7	...	32.1	32.1	32.1
Botswana Institute of Chartered Accountants (BICA)	...	...	...	...	...	...	15.5	18.7	20.5	20.5
Botswana Institute of Technology, Research and Innovation (BITRI)	...	...	...	...	...	3.1	...	6.7	6.3	11.0
Botswana International University of Science and Technology (BIUST)	...	...	...	...	...	1 227.9	...	1 503.4	1 518.7	1 518.7
Botswana Investment and Trade Centre (BITC)	...	...	...	...	...	163.8	...	179.6	206.3	207.1
Botswana Meat Commission (BMC)	0.2	0.2	0.2	0.2	600.2	600.2	0.2	641.2	641.2	707.9
Botswana Motor Vehicle Accident Fund (MVAf)	...	...	...	...	...	2 709.7	...	2 340.5	2 446.1	2 446.1
Botswana National Productivity Centre (BNPC)	...	...	...	...	...	8.9	...	15.0	26.3	25.9
Botswana National Sports Commission (BNSC)	...	...	...	...	...	396.3	...	377.5	251.1	246.4
Botswana Oil Company (NOC)	...	...	...	...	...	- 18.2	...	192.2	113.1	113.1
Botswana Postal Services (BPS)	38.4	38.4	38.4	38.4	85.5	38.4	38.4	38.4	68.6	68.7
Botswana Power Corporation (BPC)	3 200.7	3 706.0	4 061.7	4 124.7	4 708.3	6 368.5	7 853.8	8 621.1	8 621.1	9 423.1
Botswana Privatisation Asset Holdings (BPAH)	...	119.9	165.5	171.6	177.5	118.0	...	599.9	599.9	599.9
Botswana Qualifications Authority (BQA)	...	...	...	...	...	41.8	...	25.9	25.9	8.1
Botswana Railways (BR)	0.9	791.8	1 091.0	1 241.8	1 241.8	1 241.8	791.0	791.8	791.8	791.8
Botswana Savings Bank (BSB)	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7
Botswana Stock Exchange (BSE)	...	...	...	...	...	57.3	...	84.2	35.6	35.6
Botswana Telecommunications Corporation (BTCL)	21.0	21.8	228.9	228.9	800.0	685.4	693.9	...	...	...
Botswana Tourism Organisation (BTO)	...	...	...	...	...	- 43.3	...	- 43.3	34.7	36.1
Botswana Trade Commission (BOTC)	...	...	...	...	...	0.3	...	1.3	2.7	3.7
Botswana Unified Revenue Service (BURS)	...	...	...	...	...	203.6	...	203.6	219.1	1 735.5
Botswana Vaccine Institute (BVI)	8.3	8.3	8.3	33.3	278.3	278.3	278.3	567.4	278.3	278.3
Citizen Entrepreneurial Development Agency (CEDA)	...	...	...	...	...	1 400.2	...	1 987.6	1 984.3	1 604.4
Civil Aviation Authority of Botswana (CAAB)	...	...	...	...	...	31.2	...	74.3	21.0	21.0
Companies and Intellectual Property Authority (CIPA)	...	...	...	...	...	6.0	...	2.5	4.5	7.8
Competition Authority	...	...	...	...	...	2.4	...	1.9	3.2	- 1.5
Construction Industry Trust Fund (CITF)	...	...	...	...	...	15.0	...	15.0	16.2	16.2
Debswana Diamond Company	1 859.8	1 113.9	2 108.9	2 324.7	2 324.7	2 324.7	79.2	2 324.7	2 324.7	6 469.5
Fairground Holdings	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	...	...
Gambling Authority	...	...	...	...	...	0.4	...	4.9	1.3	1.0
Human Resources Development Advisory Council (HRDAC)	...	...	...	...	...	31.8	...	33.9	9.4	9.4
Local Enterprises Authority (LEA)	...	...	...	...	...	1.1	...	2.7	- 77.2	- 77.2
Mineral Development Company Botswana (MDCB)	...	...	...	...	...	6 745.6	6 745.5	6 745.5	6 745.5	6 745.5
National Development Bank (NDB)	77.7	77.7	77.7	77.7	77.7	177.7	177.7	177.7	207.7	407.7
National Food Technology Research Centre (NFTRC)	...	...	...	...	...	- 1.1	...	- 8.8	19.6	19.6
Non-Bank Financial Institutions Regulatory Authority (NBFIRA)	...	...	...	...	...	7.4	...	3.4	9.8	9.8
Okavango Diamond Company (ODC)	...	...	...	...	...	...	85.0	917.0	1 051.7	854.8
Public Enterprises Evaluation and Privatisation Agency (PEEPA)	...	...	...	...	...	2.5	...	2.5	- 3.3	- 2.6
Public Procurement and Asset Disposal Board (PPADB)	...	...	...	...	...	12.8	...	8.5	18.2	27.4
Selebi Phikwe Economic Diversification Unit (SPEDU)	...	...	...	...	...	- 0.3	...	- 3.7	0.2	0.2
Shelter Afrique	...	...	...	...	...	...	8.0	9.1	10.0	...
Statistics Botswana	...	...	...	...	...	- 9.1	...	- 28.3	- 31.5	- 31.9
University of Botswana (UB)	...	...	...	...	...	- 126.5	...	- 126.5	- 141.7	- 173.6
Water Utilities Corporation	752.7	752.7	752.7	752.7	752.7	752.7	752.7	752.7	752.7	752.7
TOTAL	7 181.0	7 999.0	10 570.0	13 741.7	15 718.3	30 304.9	18 818.2	34 538.4	34 370.8	40 456.4
Government's share of profits in:										
Bank of Botswana	863.8	1 489.8	1 900.0	2 078.8	1 133.0	2 842.0	1 573.2	740.0	5 048.9	4 009.4
Botswana Agricultural Marketing Board	2.2	...	...	...	...	0.8	...	...	...	...
Botswana Building Society	6.5	...	...	...	...	...	...	...	...	...
Botswana Development Corporation	28.7	...	...	...	...	25.0	20.0	25.0	...	20.0
Botswana Housing Corporation	...	...	...	4.1	12.6	26.4	9.3	18.7	9.3	...
Botswana Savings Bank	...	5.7	4.8	...	5.8	3.7	...	...	...	...
Botswana Telecommunications Authority	5.9	...	7.9	28.7	...	10.9	...	...	...	...
Botswana Telecommunications Corporation	48.5	50.5	...	2.6	...	...	78.0	69.6	1.1	1.0
Debswana ²	10 687.1	8 814.5	12 253.3	14 033.8	9 981.7	15 283.4	13 107.8	13 288.4	...	...
National Development Bank	...	...	...	12.4	...	...	...	...	...	...
Water Utilities Corporation	30.9	...	...	...	...	...	...	...	...	...
TOTAL	11 673.4	10 360.4	14 166.1	16 160.3	11 133.1	18 192.1	14 788.4	14 141.7	5 059.3	4 030.4

1. The definition of Government equity participation varies widely according to the institution involved. For full details, see 'Annual Statements of Accounts' produced by the Accountant General.

2. Includes all mineral royalties and dividends, the bulk of which is from Debswana.

Source: Ministry of Finance

