

ANNUAL REPORT

2019



BANK OF BOTSWANA

STRATEGIC INTENT STATEMENTS

VISION

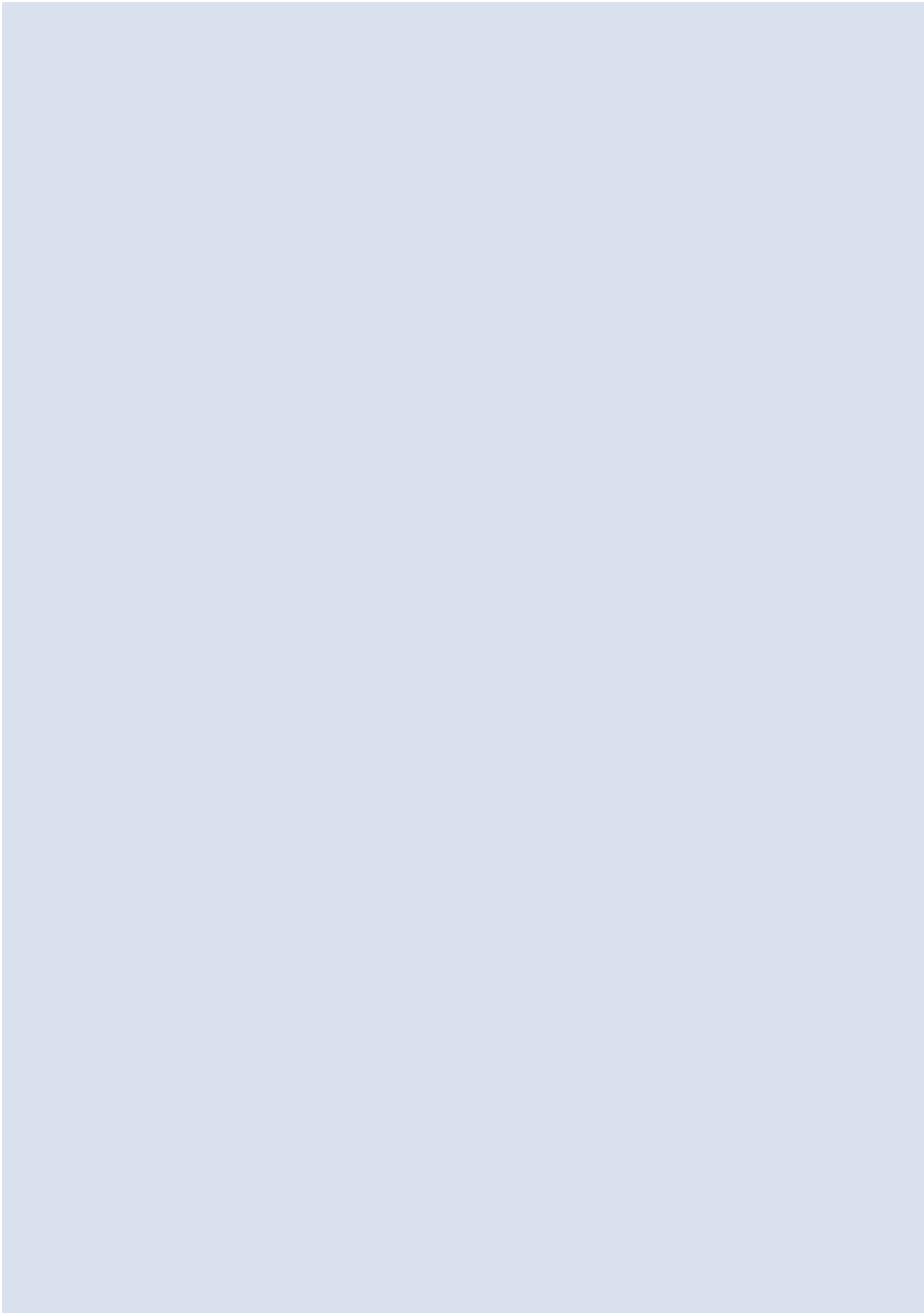
The Bank aspires to be a world-class central bank with the highest standards of corporate governance and professional excellence.

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.

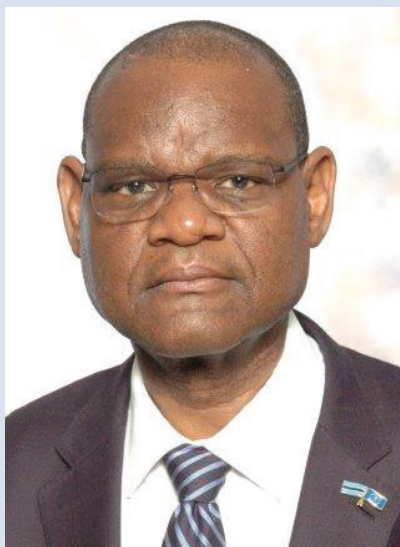
BANK OF BOTSWANA
ANNUAL REPORT
2019





BOARD MEMBERS

(as at year-end 2019)



Moses D Pelaelo
*Governor
(Chairman)*



Dr Wilfred Mandlebe*



Dr Joel Sentsho



Dr Malebogo Bakwena



Daphne K Briscoe



Bernard M Ditlhabi



Victoria T Tebele



Lisenda Lisenda**

** Permanent Secretary, Ministry of Finance and Economic Development from November 29, 2019*

*** Mr Lisenda was appointed Board Member on September 1, 2019*

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Lisenda Lisenda

** Permanent Secretary, Ministry of Finance and Economic Development*

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ABBREVIATIONS USED IN THE REPORT

AACB	-	Association of African Central Banks
AFDB	-	African Development Bank
AML	-	Anti-Money Laundering
ARC	-	Audit and Risk Committee
ATM	-	Automated Teller Machine
BACH	-	Botswana Automated Clearing House
BBS	-	Botswana Building Society
BCC	-	Banco Central de Chile
BCE	-	Central Bank of Ecuador
BCRA	-	Banco Central de la República Argentina
BCU	-	Central Bank of Uruguay
BES	-	Business Expectations Survey
BFS	-	Botswana Financial Statistics
BISS	-	Botswana Interbank Settlement System
BoBCs	-	Bank of Botswana Certificates
BoE	-	Bank of England
BOT	-	Bank of Thailand
BSE	-	Botswana Stock Exchange
CBDCs	-	Central Bank Digital Currencies
CBI	-	Central Bank of Iran
CCBG	-	Committee of Central Bank Governors
CEDA	-	Citizen Entrepreneurial Development Agency
CFT	-	Combating the Financing of Terrorism
CHAPS	-	Clearing House Automated Payment System
CPI	-	Consumer Price Index
CSD	-	Central Securities Depository
DBGSS	-	De Beers Global Sightholder Sales
DCI	-	Domestic Companies Index
DLT	-	Distributed Ledger Technologies
DPF	-	Deposit Protection Fund
ECB	-	European Central Bank
EFT	-	Electronic Funds Transfer
EPS	-	Electronic Payment Services
ESAAMLG	-	East and Southern Africa Anti-money Laundering Group
ESAS	-	Exchange Settlement Account System
FATF	-	Financial Action Task Force
FCA	-	Foreign Currency Account
Fed	-	USA Federal Reserve Board
FIA	-	Financial Intelligence Agency
FSB	-	Financial Stability Board
FSC	-	Financial Stability Council
FSOC	-	Financial Stability Oversight Council
GDP	-	Gross Domestic Product

GEC	-	Governance and Ethics Committee
GFCF	-	Gross Fixed Capital Formation
IFRS	-	International Financial Reporting Standards
IIP	-	International Investment Position
IMF	-	International Monetary Fund
KBAL	-	Kingdom Bank Africa Limited
KYC	-	Know Your Customer
LELIQs	-	Liquidity Bills
MEFMI	-	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
MER	-	Mutual Evaluation Report
MFED	-	Ministry of Finance and Economic Development
MoU	-	Memorandum of Understanding
MPC	-	Monetary Policy Committee
MPR	-	Monetary Policy Report
MPS	-	Monetary Policy Statement
NBFIRA	-	Non-Bank Financial Institutions Regulatory Authority
NDB	-	National Development Bank
NDP	-	National Development Plan
NEER	-	Nominal Effective Exchange Rate
NPLs	-	Non-Performing Loans
NPS	-	National Payments System
ODC	-	Okavango Diamond Company
OMAC	-	Open Market Auction Committee
OMCC	-	Open Market Coordination Committee
OMO	-	Open Market Operations
OPEC	-	Organisation of Petroleum Exporting Countries
P2B	-	Person to Business
P2P	-	Person to Person
PBoC	-	People's Bank of China
PDSF	-	Public Debt Service Fund
PMI	-	Payment Market Infrastructures
PRR	-	Primary Reserve Requirement
PRRA	-	Primary Reserve Requirement Averaging
RBNZ	-	Reserve Bank of New Zealand
REER	-	Real Effective Exchange Rate
RegTech	-	Regulatory Technology
REMCO	-	Remuneration Committee
RMA	-	Rand Monetary Area
RTGS	-	Real Time Gross Settlement
SACU	-	Southern African Customs Union
SADC	-	Southern African Development Community
SARB	-	South African Reserve Bank
SDR	-	Special Drawing Rights
SIPS	-	Systemically Important Payment Systems
SSA	-	Sub-Saharan Africa

SupTech	-	Supervisory Technology
SWIFT	-	Society for Worldwide Interbank Financial Telecommunication
TBT	-	Transaction Balance Tranche
UK	-	United Kingdom
USA	-	United States of America
USD	-	United States Dollar
VAT	-	Value Added Tax

PART A

STATUTORY REPORT ON THE OPERATIONS AND FINANCIAL STATEMENTS OF THE BANK – 2019

BANK OF BOTSWANA

SENIOR MANAGEMENT AS AT DECEMBER 31, 2019

DEPUTY GOVERNORS



Dr Kealeboga S Masalila



Andrew M Motsomi



Ewetse T Rakhudu
GENERAL COUNSEL



Richard H Nlebesi
GENERAL MANAGER*

HEADS OF DEPARTMENT



Ralesedi E Somolekae
Human Resources



Daniel N Loeto
Finance



Julius Ghanie
*Information &
Communications Technology*



Dr Tshokologo A Kganetsano
Research & Financial Stability



Dr Lesedi Senatla
Banking Supervision



Matthew Wright
Financial Markets



Keletso M Mothusi
Internal Audit Services



Marshall Kgokgothwane
Protective Services



Sheila M Sealetsa
Banking & Currency



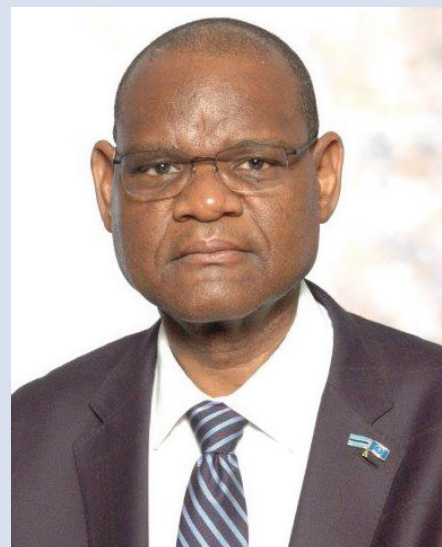
Patricia C Tumedi
Payments & Settlement

** General Manager was re-designated to Chief Operating Officer*

GOVERNOR'S FOREWORD

The 2019 *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, 2019.

The *Report* also covers the Bank's key functions and responsibilities and outlines the accountability framework for its performance. These functions and responsibilities can be grouped into eleven broad categories, namely: conduct of monetary policy; maintenance of financial stability; implementation of the exchange rate policy; the design and issuance of currency; foreign exchange reserves management; regulation and supervision of banks; oversight of the payments systems; 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 balance of payments, financial and monetary statistics.



The *Annual Report* contains a review of recent economic developments in the Botswana economy and a theme chapter titled '*Central Bank Governance and Functions in Pursuit of Price and Financial Stability*'. The theme chapter explains the role of central banks in the economy, with regard to their institutional structure, mandates and objectives. Central banks contribute to the maintenance of macroeconomic stability and attainment of sustainable economic growth, through the price and financial stability role commonly assigned to them. The performance of central banks hinges on good governance and the extent to which their roles are aligned with the nation's long-term economic policy goals. The theme chapter also outlines Bank of Botswana's functions and how they have evolved, as well as its policy performance. The theme chapter concludes with a forward-looking tone by exploring the likely impact of digital transformation, distributed ledger technologies, financial technologies and similar innovations on the future of central banking, including mandate, functions and tools.

The Bank successfully implemented the 2019 work programme and, in general, achieved its policy objectives for the year, notwithstanding challenges in the domestic and external environment, dominated by uncertainty and downside risks to economic growth. Global economic activity was modest in 2019, with growth of 2.9 percent, compared to the 3.6 percent in 2018, mainly reflecting a slower pace of increase in global demand.

Domestic output growth was estimated at 3.7 percent in the 12 months to September 2019, compared to 5 percent in the year to September 2018. The deceleration in output expansion was mainly due to weaker performance of the mining sector. Growth in non-mining gross domestic product also moderated, attributable, in large part, to the subdued performance of the downstream diamond industries. Overall, the Botswana economy continued to operate below potential, notwithstanding expansionary monetary and fiscal policies. Of particular concern is the relatively high levels of unemployment, which, according to the labour force survey results for the third quarter of 2019 was 20.7 percent. At the time of finalising this *Report*, the growth prospects and outlook faced further near-term downside risks emanating from the Covid-19 global pandemic.

Domestic inflation was below the Bank's 3 – 6 percent medium-term objective range for most of 2019. It was lowest in November 2019 at 2.1 percent, reflecting base effects associated with the increase in administered prices, in particular, fuel prices, public transport fares and electricity tariffs in 2018 that was not repeated in 2019. The moderate increase in bank credit, the resultant subdued domestic demand and benign foreign inflation also contributed to the low inflation. Average inflation for the twelve months to December 2019 was 2.8 percent, compared to 3.2 percent in 2018.

Monetary policy was conducted against the background of a below-trend economic activity (a non-inflationary output gap) and a positive medium-term inflation outlook. These developments provided scope

for an accommodative monetary policy stance in support of stronger output growth. Hence, the Bank Rate was reduced from 5 percent to 4.75 percent in 2019. Monetary policy entailed the use of Bank of Botswana Certificates (BoBCs) to mop-up excess liquidity in an effort to maintain short-term interest rates that are consistent with the monetary policy stance.

In 2019, the Bank introduced the 7-day BoBC as the main instrument for conducting monetary operations to replace the 14-day paper together with 'reserve averaging' in the determination of the Primary Reserve Requirement (PRR). As envisaged, this resulted in improved liquidity management by both the Bank and the commercial banks and, potentially, better policy transmission. In the circumstances, outstanding BoBCs amounted to P8.6 billion in December 2019, an increase from P8.2 billion in December 2018, reflecting an increase in liquidity that had to be mopped-up in the same period to anchor the monetary policy stance.

The exchange rate policy continued to focus on maintenance of a stable and competitive real effective exchange rate of the Pula. Consequently, in 2019, a 0.3 percent upward annual rate of crawl was implemented to stabilise the real effective exchange rate (REER). The Pula basket weights were maintained at 45 percent and 55 percent for the South African rand and the Special Drawing Rights (SDR)¹, respectively. The REER depreciated by 0.4 percent year-on-year to December 2019, due to lower inflation in Botswana than in trading partner countries, with the inflation differential being larger than the upward rate of crawl.

With regard to the financial condition and performance, total assets of the Bank declined by P6.2 billion to P66 billion in December 2019 (P72.2 billion in December 2018), of which P65.2 billion was foreign exchange reserves. In foreign currency terms (United States dollars (USD) and SDR), the foreign exchange reserves decreased from USD6.7 billion to USD6.2 billion and from SDR4.8 billion to SDR4.4 billion in the same period. At this level, the foreign exchange reserves were equivalent to 13 months of import cover of goods and services. The decrease in foreign exchange reserves mainly reflected a drawdown from the Transaction Balance Tranche (TBT) owing to domestic foreign exchange demand and the resultant net capital outflows.

The net income of the Bank for 2019 was P7 billion, compared to P2.9 billion in 2018. After transferring non-distributable currency losses of P782 million to the Currency Revaluation Reserve and market valuation gains of P3.6 billion to the Market Revaluation Reserve, the net distributable income to Government was P4.1 billion, lower than the P4.8 billion in 2018.

The banking industry was assessed to be safe and sound during 2019. All licensed banks met the minimum prudential requirements as set out in the Banking Act (CAP 46:04) and Banking Regulations. The overall banking sector's statement of financial position (balance sheet) increased by 8.1 percent from P91.3 billion in 2018 to P98.7 billion in 2019. Total deposits grew by 9.3 percent from P69.3 billion in 2018 to P75.7 billion in 2019; while loans and advances increased by 7.6 percent from P58.3 billion in 2018 to P62.8 billion in 2019. Consequently, the financial intermediation ratio² declined from 84.2 percent in December 2018 to 82.9 percent in December 2019. The pace of resource mobilisation of 9.3 percent exceeded the 7.6 percent increase in bank credit. Overall, annual credit growth decreased slightly from 7.7 percent in December 2018 to 7.6 percent in December 2019. The slight decline was mainly due to a contraction in credit extended to the business sector in the same period. However, growth in lending to households increased during the same period due to higher demand for personal loans influenced by the increase in public service salaries.

During 2019, Bank of India (Botswana) Limited surrendered its banking licence pursuant to Section 11(4) of the Banking Act (CAP 46:04), following acquisition by First Capital Bank Limited. The acquisition followed the bank's decision to voluntarily close operations in Botswana.

National and international payments were carried out efficiently through various platforms, including the

¹ The SDR is the IMF's unit of account, comprising the US dollar, euro, Japanese yen, British pound and the Chinese renminbi (also known as the yuan).

² The financial intermediation ratio is a measure of the degree of financial intermediation by banks in an economy. It is calculated as total loans and advances divided by total deposits.

Botswana Inter-bank Settlement System (BISS) and Botswana Automated Clearing House (BACH). The Bank continued to embrace improvements in the payment and settlement landscape that were driven by developments in information and communications technology, competition and customer requirements. The Bank also implemented related security and risk mitigation measures to avert any possible cyber-attacks, fraud and misuse of the payments system by criminals.

The Electronic Payment Services (EPS) Regulations, Statutory Instrument No. 2, were promulgated on January 4, 2019. The regulations respond to market developments in order to ensure continuing maintenance of a reliable and efficient payment mechanism in Botswana, while fostering an enabling environment for innovation and competition in delivery channels for financial services, as well as orderly business and market conduct.

During 2019, S&P Global affirmed Botswana's sovereign credit rating at 'A-' and 'A-2', for the long and short-term bonds in domestic and foreign currency, respectively, and maintained the stable economic outlook. The ratings are supported by the strong external and fiscal balance sheets, a well-managed economy, low public debt and the country's robust public institutions. However, the ratings could be revised downwards if the fiscal and external positions were to deteriorate considerably.

In fulfilment of its statutory obligations, the Bank's *Annual Report* and *Banking Supervision Annual Report* for 2018 were submitted to the Minister of Finance and Economic Development (MFED) on March 31, 2019 and June 30, 2019, respectively. The Bank also continued to publish the Botswana Financial Statistics (BFS), the *Monetary Policy Statement* (MPS), *Monetary Policy Reports* (MPR) and the *Research Bulletin*. During 2019, the Bank increased the frequency of publication of the *Business Expectations Survey* (BES) from biannual to quarterly. The BES collects information on the domestic business community's perceptions about the prevailing state of the economy, as well as economic prospects. Furthermore, in a continuing effort to enhance communications as a policy tool, the Bank published three MPRs in April, August and October 2019. The Bank's publications serve to meet the public's expectation of a transparent and accountable central bank in fulfilling the monetary policy mandate set out in the Bank of Botswana Act (CAP 55:01).

The Financial Stability Council³ (FSC) of Botswana was established following the signing of the Memorandum of Understanding (MoU) between the four council members in February 2019. The signing of the MoU by the respective institutions represents an undertaking to collectively safeguard the safety, soundness and integrity of the financial system. The FSC oversaw the publication of the maiden Financial Stability Report in September 2019; adopted a macroprudential policy framework for Botswana, which outlines the analytical framework and tools to be deployed to mitigate systemic risk; and initiated consultations on proposals for introduction of a deposit protection fund for Botswana.

The Bank hosted two conferences during 2019, both held in Gaborone: the Bali Fintech Agenda for Sub-Saharan Africa (SSA) conference, which was jointly organised with the IMF; and the Sovereign Wealth Funds in Africa Conference, which was a collaboration between the Bank, Government of Botswana and Brown Capital Management Africa Forum at the Woodrow Wilson Centre, United States of America.

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.

In an endeavour to promote accountability and ethical behaviour, the Bank implemented the Whistleblowing Policy during 2019, as a means by which staff and the public at large may raise concerns about perceived or existing impropriety or malpractices in the Bank, in good faith, without fear, favour and/or prejudice. The Policy is accessible through the Bank's website and an anonymous call made through the mobile short code/Toll free number 16181 or email address at "bankofbotswana@tip-offs.com".

³ The Financial Stability Council comprises the leadership of the Ministry of Finance and Economic Development, the Bank of Botswana, the Non-Bank Financial Institutions Regulatory Authority, and the Financial Intelligence Agency. These institutions are involved in developing legislation and regulations, policymaking and supervision with respect to the whole or facets of the financial sector.

In light of Fintech developments domestically and globally, and their potential to significantly affect the functions and mandates of central banks, the Bank established a Fintech Monitoring and Strategy Group in 2019. The Bank recognises the need to create awareness around Fintech developments and to assess their impact on the operations of the Bank, with a view to inform the response of the Bank in terms of realignment of functions and mandates, resource requirements and relationships within and outside the Bank. Thus, the formation of the Group serves to steer and anchor Fintech discussions within the Bank.

Following many years of strategic evaluation of future work environment and office needs, the Bank decided to implement a programme designed to augment office resources, modernise and create more secure and energy-efficient head offices. In 2017, it was decided to pursue a complete redevelopment of the Bank's existing, albeit ageing, Headquarters Buildings. New facilities to improve the Bank's public interface, both nationally and within the global central banking community, include a 230-seat conference centre, media-briefing, training and meeting facilities, a Museum and Knowledge Centre. To provide more office space, a new 5-storey office building and additional parking spaces will be constructed. A primary focus will be on environmental responsiveness and energy efficiency, closely following "Green Building" guidelines and targeting a 6-Star Green Building rating. It is expected that the first phase of the project, named **Pulathebe** by a staff member in a naming competition, will be completed by March 2021 and the remaining part by end of 2022.

External stakeholder relations were maintained during the year. These include economic briefings following publication of the 2018 *Annual Report*. The Bank also participated in relevant regional and international forums, among others, convened by the Association of African Central Banks, SADC Committee of Central Bank Governors, International Monetary Fund, World Bank, Bank for International Settlements, Financial Stability Board Regional Consultative Group and the Macroeconomic and Financial Management Institute of Eastern and Southern Africa.

In general, 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 2019 work programme. I hope that stakeholders will find the 2019 *Annual Report* informative.



Moses D Pelaelo
GOVERNOR

STATUTORY REPORT ON THE OPERATIONS AND FINANCIAL STATEMENTS OF THE BANK – 2019

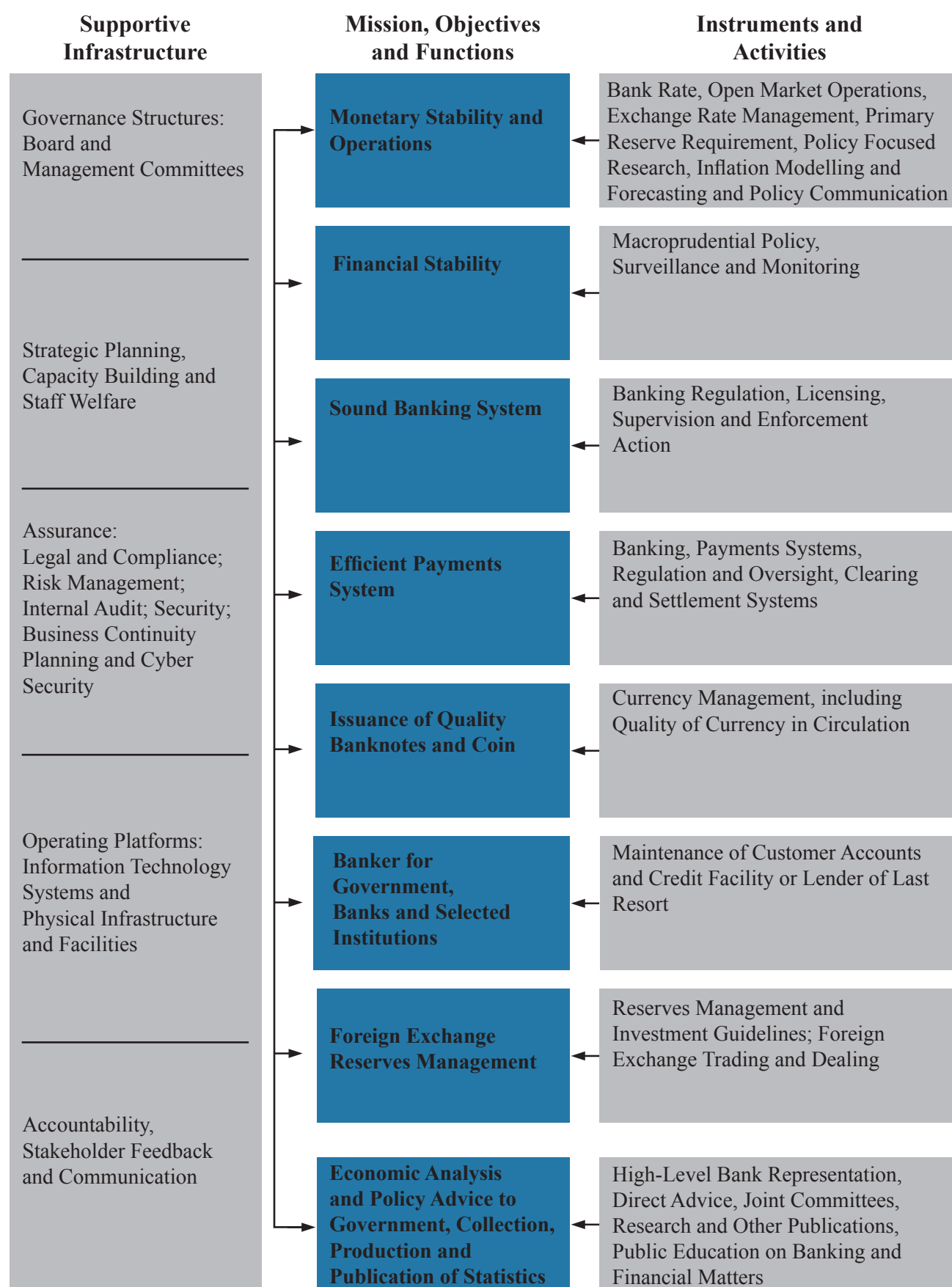
THE BANK'S MISSION AND OBJECTIVES

The primary objective of the Bank, as stipulated in Section 4(1) of the Bank of Botswana Act (CAP 55:01), is to promote and maintain monetary stability, an efficient payments mechanism and the liquidity, solvency and proper functioning of a soundly based monetary, credit and financial system. Consistent with the monetary stability objective, the Bank endeavours to foster monetary, credit and financial conditions conducive to the orderly, balanced and sustainable economic development of the country. 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 (Bank Rate) and conduct of open market operations. The Bank engages in open market operations through weekly auctions of Bank of Botswana Certificates (BoBCs). It also engages in repo and reverse repo transactions and extends overnight credit facility to banks. These operations enable the Bank to influence monetary conditions and ensure that market interest rates are aligned to the policy stance, also serving to foster the orderly and efficient functioning of the financial system.
- (b) 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 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.
- (c) Financial stability - vulnerability assessments and performance monitoring of the financial sector are conducted with the view to help inform policy and adoption of appropriate macroprudential measures to respond to any financial sector imbalances and, therefore, foster financial stability.
- (d) Banking regulation and supervision - the Bank regulates 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.
- (e) Issuance of currency (banknotes and coin) - currency management ensures an adequate supply of high quality banknotes and coin to facilitate transactions and economic activity. This entails adherence to stringent standards in design and production to avert possible counterfeiting and loss of public confidence in the currency.
- (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, 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 smooth flow of payments and efficient settlement of transactions. Moreover, oversight and regulation entrenches confidence in the payments and settlement systems and mitigates systemic risks. In this regard, the Bank ensures adherence to internationally recommended principles for 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. The investment guidelines ensure that the foreign exchange reserves are managed prudently to guarantee safety, liquidity and, also, generate return within acceptable risk parameters. In 2019, the Bank adopted new reserves management policies and investment guidelines with a view 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 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.

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. In this regard, the Bank ensures policy credibility and public trust.

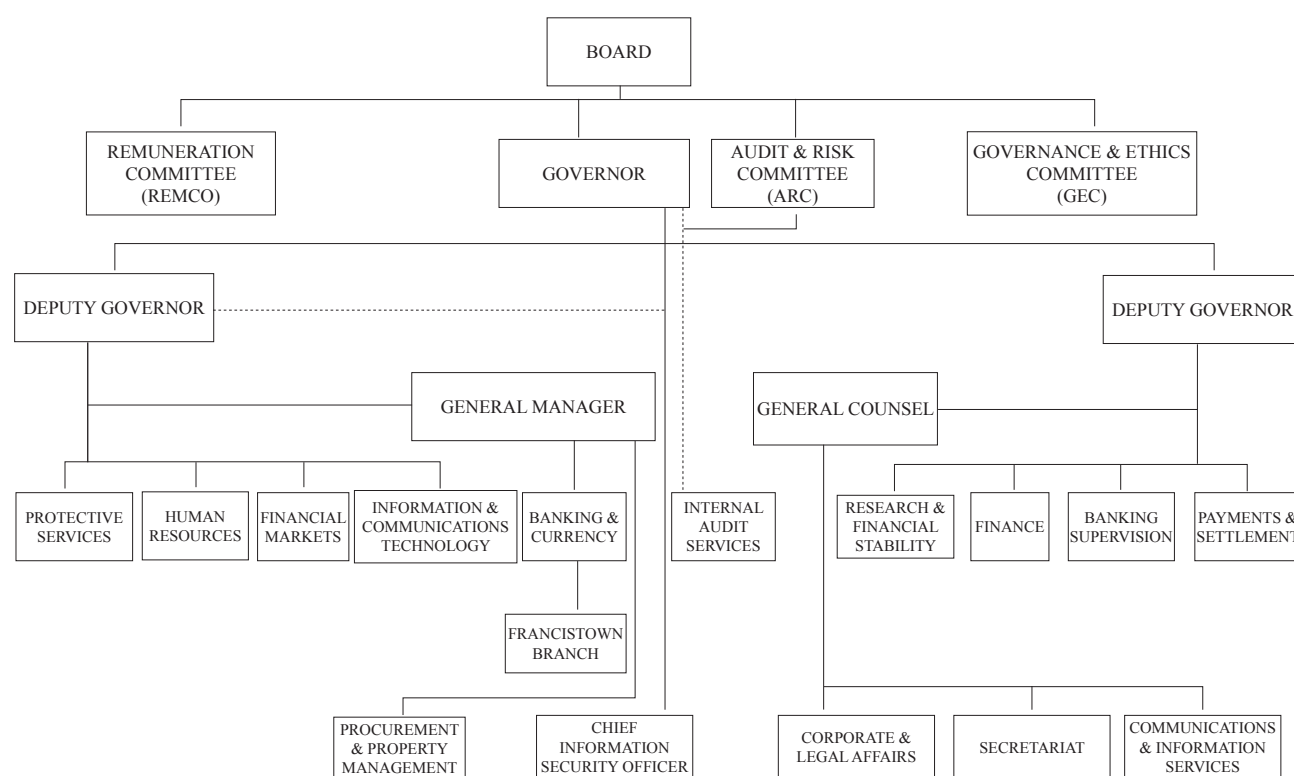
FIGURE 1: MISSION, OBJECTIVES, STRATEGIES AND SUPPORTIVE STRUCTURES


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 it is chaired by the Governor, who is also the Chief Executive Officer of the Bank. The Governor oversees eleven departments and four divisions; supported by two Deputy Governors, General Manager, General Counsel and Heads of Departments and Divisions (Figure 2). The governance structure promotes coordination and synergy between policy-oriented activities and support functions, including strategic planning, human resource management and training, 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 resources policies aimed at providing staff with skills and diversified central banking career experience, in a safe and healthy working environment.

FIGURE 2: ORGANISATION STRUCTURE AS AT DECEMBER 31, 2019



Source: Bank of Botswana

Board Functions, Membership and Appointments

The Board oversees and guides the Bank's general strategic direction, policy formulation and operations in accordance with the Bank of Botswana Act and Bye-Laws. It comprises eight members, two of whom are ex-officio members, being the Governor and Permanent Secretary of the Ministry of Finance and Economic Development (MFED). The other six members are appointed in their individual capacity by the Minister of Finance and Economic Development; 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 to, and do, attend all Board meetings.

The Board had three committees in 2019, namely; the Audit and Risk Committee (ARC); Remuneration Committee (REMCO)⁴ and Governance and Ethics Committee (GEC); which are chaired by non-executive Board members. The Committees deliberate on matters pertaining to their respective mandates and make recommendations to the Board. Members of all three Board committees are exclusively non-executive Board members.

The Audit and Risk Committee is a statutory committee of the Board assigned responsibility to review accounting policies, financial regulations and internal controls. 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, operational and cyber security risks. It also assists in the evaluation of the adequacy and effectiveness of the fraud and other risk assessments, internal control systems, accounting practices, information systems and monitoring processes applied by the Bank in the day-to-day management of its business. The Committee approves a number of key policy matters including the Bank's financial statements for the year ended December 31, 2019, appointment of external auditors for the ensuing audit period and recommends to the Board, approval of the 2020 Budget.

The Remuneration Committee's primary responsibility is to determine appropriate remuneration policy, staff retention strategies, general conditions of employment and approve senior staff appointments (other than Deputy Governors and the Governor). Among key activities, the REMCO catalysed the development of a Human Resources Strategy. The Governance and Ethics Committee 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 has initiated work on the review of the Bank's Bye-Laws to update and align them with the revised Bank of Botswana Act. 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.

The Board is required to meet at least once a quarter, although in practice it typically meets six times in a year. Seven Board meetings were held in 2019 (Table 1). The Board approves Bank policies and oversees their effective implementation. It also approves the annual budget, monitors the financial and operational performance of the Bank, ensuring that it is well run in accordance with the Bank of Botswana Act and the Bye-Laws. Save for the two meetings held in the last quarter (and the special meeting), the Board had a full complement throughout 2019. The tenure of two of the Board members expired at the end of August 2019, creating two vacancies, which were subsequently reduced to one through the appointment of Mr Lisenda Lisenda. Therefore, at the end of December 31, 2019, the Board had one vacancy.

⁴ Renamed Human Resources Committee effective 2020.

TABLE 1: BOARD MEETINGS AND ATTENDANCE IN 2019

Meeting	M D Pelaelo (Board Chairman)	S Sekwakwa (Ex-officio)	G K Cunliffe (ARC Chairman)	R N Matthews (ARC)	J Sentsho (REMCO)	M Bakwena (REMCO Chairman)	D K Briscoe	V T Tebele (ARC)	B M Dithlhabi (GEC Chairman)	W J Mandlebe (Ex-officio)	L Lisenda
BB 1/19 (Feb 15)	✓	✗	✓	✓	✓	✗	✓	✗	✓	NM	NM
BB 2/19 (Mar 28)	✓	✗	✓	✓	✓	✓	✓	✓	✓	NM	NM
BB 3/19 (Jun 21)	✓	✓	✓	✓	✓	✓	✓	✓	✓	NM	NM
BB 4/19 (Aug 23)	✓	✓	✓	✗	✓	✓	✗	✓	✓	NM	NM
BB 5/11 (Oct 26)	✓	✓	NM	NM	✓	✓	✗	✓	✓	NM	NM
Special (Nov 14)	✓	✗	NM	NM	✓	✓	✓	✓	✓	NM	NM
BB 6/19 (Dec 9)	✓	NM	NM	NM	✓	✓	✓	✓	✓	✓	✓

Key: ✓ Attended
 ✗ Did Not attend
 BB Board Meeting
 NM Not a Member

Source: Bank of Botswana

Governor

The Governor implements Board decisions and submits the *Annual Report* on the operations and financial performance, including the audited financial statements of the Bank, to the Minister of Finance and Economic Development within three months (not later than end March) following the end of the financial year, as stipulated in the Bank of Botswana Act. In turn, the Minister presents the *Annual Report* to Parliament within 30 days, following receipt of the Report. Furthermore, the Governor submits the *Banking Supervision Annual Report* to the Minister by the end of June each year. Following the signing of a Memorandum of Understanding (MoU) on the establishment of the Financial Stability Council (FSC), the Governor is the Chairperson of the Council. In addition, the Governor chairs industry-wide consultative fora, as well as the Banking Committee, National Payments Council and bilateral meetings with individual banks.

The Governor represents the Bank at relevant local, regional and international fora, and is Botswana's representative on the non-executive Board of Governors of the International Monetary Fund (IMF). The Governor chairs the Bank's Investment, Budget and Finance, Training, Monetary Policy, Currency Design, Regulatory Policy Committees as well as the Planning Forum.

Executive Committee

The Executive Committee comprises Deputy Governors, General Manager⁵, General Counsel and Heads of Departments 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 day-to-day administration, including policy formulation, risk and financial management, as well as overall governance of the Bank. It meets once a week to monitor, coordinate and review the implementation of the Bank's work programme, as well as other developments in the Bank.

⁵ Redesignated to Chief Operations Officer with effect from March 1, 2020.

Departments and Divisions

The Bank has eleven departments, five of which fulfil the Bank's core mandates, while six departments provide auxiliary support and corporate services (Figure 2). The Research and Financial Stability Department undertakes 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 conducts macroprudential assessments and facilitates coordination with other relevant external entities to ensure financial stability and, in general, macroeconomic stability. In this regard, the Department undertakes data collection, research and macroeconomic analysis, monitors the financial sector and evaluates emerging risks and other developments emanating from the macroeconomic environment. In addition, the Department is responsible for the content of the Bank's publications, namely; the *Annual Report*; monthly *Botswana Financial Statistics* (BFS); *Research Bulletin*; *Monetary Policy Statement* (MPS); *Monetary Policy Reports* (MPR) and the *Business Expectations Survey* (BES).

The Banking Supervision Department licenses, regulates and supervises commercial banks and other financial institutions that fall under the Bank's regulatory and supervisory ambit; it also publishes the *Banking Supervision Annual Report*. The Department is also responsible for prudential supervision, including investigating unauthorised and illegal deposit-taking activities, improper use of banking names, as well as inappropriate market conduct of financial institutions under its purview, with a view to ensuring fair treatment of customers. The Financial Markets Department manages foreign exchange reserves, carries out foreign exchange dealing and implements monetary policy through the conduct of open market operations. The Department also conducts other money and capital market activities, which include issuance of government bonds and treasury bills.

The management of currency (Pula and the banknotes and coin) and provision of banking services to the Government, commercial banks and selected institutions is carried out by the Banking and Currency Department, while oversight and regulation of payments and settlement transactions is carried out by the Payments and Settlement Department. The latter is also responsible for operating the Bank's Real Time Gross Settlement (RTGS) system, known as the Botswana Interbank Settlement System (BISS), and overseeing the BACH system 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 (CAP 55:01) in accordance with International Financial Reporting Standards (IFRS). The Department also coordinates strategic planning, risk management, and the business continuity programme. Related to the management of the pension fund, the Chief Finance Officer is the principal officer of the Bank of Botswana Staff Pension Fund. The Human Resources Department is responsible for staff recruitment, training, remuneration and welfare, while the Information and Communications Technology Department ensures that the Bank's information technology systems and infrastructure are robust and effective in meeting the needs of the Bank. The Chief Information Security Officer, who reports directly to the Governor, is responsible for managing risks arising from cyber and information technology related crimes. The Protective Services Department has responsibility for ensuring the safety and security of Bank staff, information and property, including the safety, health and environmental function.

The Internal Audit Services Department ensures that the Bank's operations are sound and comply 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. Its activities are enshrined in the Internal Audit Charter. The Corporate and Legal Affairs Department has three divisions that provide support and contribute towards the achievement of the Bank's mandates and roles with respect to legal, communication, library, public education and external relations. The Legal Affairs Division is responsible for all matters of a legal nature, including legislation review, interpretation of laws, litigation, contracts and compliance-related matters. The Secretariat Division serves the Board and Executive Committee, and provides mail registry and protocol services. The Communications and Information Services Division coordinates 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 coordinates 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 ensures an overall positive image of the Bank. The Division is, furthermore, responsible for the Library and records management.

Other support services are undertaken through the specialised activities of the Procurement and Property Management Division, which undertakes facilities management, physical developments 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 2019

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

Monetary Policy

The Bank conducts monetary policy primarily through setting of the policy rate (Bank Rate), 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 Bank of Botswana Certificates (BoBCs). In addition to the secured credit facility to commercial banks (for intra-day and overnight liquidity management), the Bank uses repurchase agreements (repos) and reverse purchase agreements (reverse repos) to smoothen the flow of liquidity in the banking system in between weekly BoBCs auctions. These indirect instruments of monetary policy play a major role in monetary stability.

Monetary policy was conducted against the background of below-trend economic activity (a non-inflationary output gap) and a positive medium-term inflation outlook in 2019. These developments provided scope for an accommodative monetary policy stance in support of stronger output growth. Hence, the Bank Rate was reduced by 25 basis points to 4.75 percent in August 2019, the first adjustment since October 2017. Consequently, the prime lending rate of commercial banks declined from 6.5 percent to 6.25 percent. Deposit interest rates generally increased, despite the high levels of market liquidity. This is due to the concentrated structure of funding of Banks and, consequently, market competition for corporate deposits, which form an important component of the deposit base for several of the commercial banks. The nominal 3-month (88-day) deposit interest rate of commercial banks increased from 1.56 percent in December 2018 to 1.64 percent in December 2019. Meanwhile, inflation was mostly below the lower end of the Bank's 3 – 6 percent medium-term objective range in 2019.

The Bank held six Monetary Policy Committee (MPC) meetings in 2019, each followed by media briefings, which allowed dialogue between the Bank and the media, thus enhancing the Bank's transparency, accountability and policy credibility. The Bank published the MPS in February 2019 and three MPRs in April, August and October 2019. 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 mandate set out in the Bank of Botswana Act (CAP 55:01). 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 future policy choices based on the forward-looking framework for monetary policy formulation by the MPC. The Bank increasingly uses the communication tool to clarify its mandate, policy performance and to provide guidance. In this respect, the publications promote an understanding of the conduct of monetary policy and

help to anchor public expectations of a low, predictable and sustainable level of inflation.

Money and Capital Markets

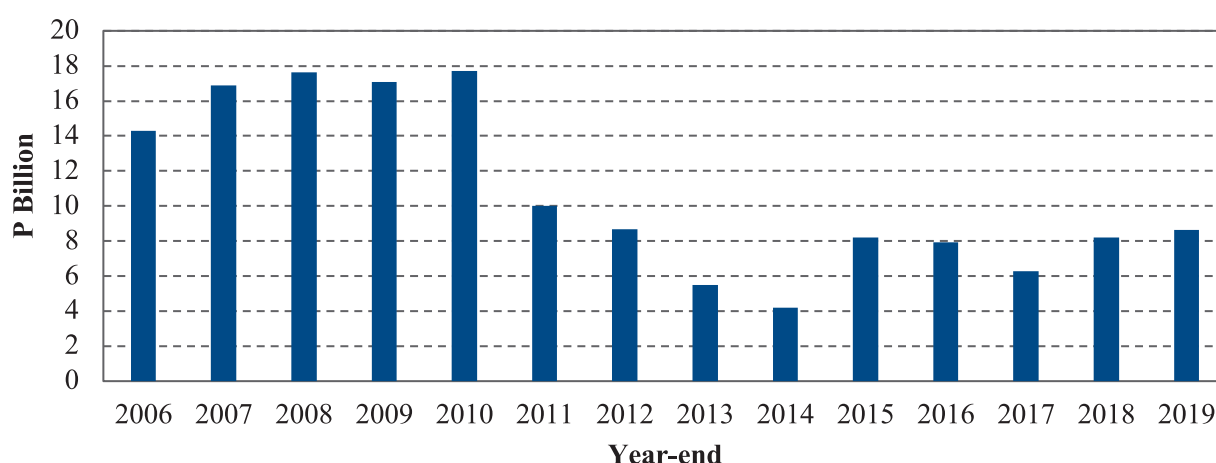
Monetary policy implementation entailed the use of BoBCs to mop-up excess liquidity⁶ in order to maintain interest rates that are consistent with the monetary policy stance. The Bank evaluates the monetary policy implementation framework on a regular basis for effectiveness, and introduces refinements where necessary. In that regard, banks continue to make good use of the additional flexibility for effective liquidity management provided for by the expansion, in 2017, of eligible collateral pool to include government securities of all maturities for access to the Bank's Credit Facility.

In addition, the Bank introduced the 7-day BoBC as the main instrument for conducting monetary operations to replace the 14-day paper together with 'reserve averaging' in the determination of the Primary Reserve Requirement (PRR). Both measures were welcomed by the market as expected, providing the basis for improved liquidity management by both the Bank and the commercial banks. In particular, commercial banks actively use the Primary Reserve account as a tool for effective management of liquidity (only two of the smaller banks currently do not use it on a regular basis) and 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.

Outstanding BoBCs amounted to P8.6 billion in December 2019, an increase from P8.2 billion in December 2018, reflecting an increase in liquidity in the banking system that had to be mopped-up in the same period to anchor the monetary policy stance (Chart 1). Repurchase Agreements (repos) and reverse repos were used during the year to manage liquidity between auctions, with the result that P1.8 billion worth of reverse repos were outstanding at the end of 2019, compared to P1.1 billion in December 2018. There were no outstanding repos as at end of 2019 (Table 2).

With a view to further strengthening policy transmission, the Bank undertook extensive consultation with local commercial banks and research, including review of practice in other jurisdictions to help guide possible reforms relating to further strengthening of the monetary policy transmission. These include alternatives to the Bank Rate as the "anchor policy rate" and establishing a more effective interest rate corridor around this rate to support development of the interbank market.

CHART 1: BANK OF BOTSWANA CERTIFICATES 2006 - 2019



Source: Bank of Botswana

⁶ Excess liquidity is the sum of commercial banks' overnight deposits with the Bank (current account), money absorbed through BoBCs and outstanding reverse repos, less both repos and borrowing from the Bank's 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), over and above the structural liquidity that is held by the banks in the Primary Reserve Requirement accounts.

TABLE 2: MONEY MARKET 2018 - 2019

	End - 2018			End - 2019		
	Outstanding balances ² (P billion)	Interest rate (Percent) ¹		Outstanding balances ² (P billion)	Interest rate (Percent) ¹	
		Nominal	Real		Nominal	Real
6-month Treasury Bills ^{1,3}	0.67	1.55	-1.88	1.00	2.02	-0.18
7-day (Replaced 14-day BoBCs) ¹	5.53	1.53	-1.90	3.83	1.41	-0.77
91-day BoBCs ¹	2.67	1.53	-1.90	4.24	1.49	-0.69
Reverse Repos	1.10	1.00	-2.42	2.47	0.75	-1.42
Repos	0	4.50	0.97	0	4.25	2.01
88-day Deposits	3.49	1.56	-1.87	1.37	1.64	-0.55
Prime Rate		6.50	2.90		6.25	3.96

1. Stop-out yield is used for Treasury Bills, while weighted average yield is used for both the 7-day (which replaced the 14-day on April 30, 2019) and 91-day BoBC yields.

2. Book value

3. Original date to maturity

Source: Bank of Botswana

The 7-day BoBC weighted average yield decreased from 1.59 percent, when it was first introduced, to 1.41 percent in December 2019 and the weighted average yield on the 91-day BoBC fell from 1.53 percent in December 2018 to 1.49 percent in December 2019, due to the 25 basis points reduction in the Bank Rate in August 2019. There were no BoBCs traded in the secondary market during 2018 and 2019.

The P15 billion Government Bond Programme remains in place with a focus on the development of the capital market, while also providing an alternative source of government funding. Outstanding bonds of various maturities and Treasury Bills increased from P10.3 billion at the end of 2018 to P12.9 billion in December 2019 (Table 3). Primary Dealers and their customers held P4.4 billion (34.2 percent) and P8.5 billion (65.8 percent), respectively, of the government securities at the end of 2019. Liquidity in the Government bonds market remains at generally low levels. Secondary market activity continued to be subdued.

TABLE 3: GOVERNMENT BONDS AND TREASURY BILLS 2018 – 2019

Bond Code ⁴	End 2018			End 2019		
	Outstanding (P million) ^{1,2}	Market Yields (Percent)		Outstanding (P million) ^{1,2}	Market Yields ³ (Percent)	
		Yield	Real		Yield	Real
6-month Treasury Bills	670	1.55	-1.88	1 000	2.02	-0.18
BW008 (08/09/2020)	2 147	3.61	0.11	2 147	2.98	0.76
BW013 (07/06/2023)	939	3.83	0.32	1 276	3.49	1.26
BW007 (10/03/2025)	1 974	4.35	0.82	2 324	3.58	1.35
BW014 (05/09/2029)	596	4.88	1.33	1 740	5.19	2.93
BW011 (10/09/2031)	2 103	4.94	1.39	2 103	5.03	2.77
BW012 (13/06/2040)	1 528	5.15	1.59	1 618	5.23	2.96
BW015 (02/09/2043)	301	5.21	1.65	651	5.41	3.14
	10 258			12 859		

1. Where outstanding values differ for the same bond code between the two years, it means the bond was reopened for issuing an additional amount.

2. Book value.

3. Indicative yields.

4. Maturity dates are in parentheses.

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 and Economic Development, after consultation with the Bank. The Pula basket weights were maintained at 45 percent and 55 percent for the South African rand and the IMF's Special Drawing Rights (SDR), respectively, reflecting Botswana's trade pattern and financial relationships with the external world. The Bank implemented a 0.3 percent upward rate of crawl of the nominal effective exchange rate (NEER) during 2019, as domestic inflation was forecast to be close to the lower end of the medium-term inflation objective range and lower than the expected average inflation for trading partner countries.

In the twelve months to December 2019, the trade-weighted NEER of the Pula appreciated by 0.3 percent, consistent with the rate of crawl of the Pula exchange rate. Meanwhile, the REER depreciated by 0.4 percent in the twelve months to December 2019, due to lower inflation in Botswana than in trading partner countries, with the inflation differential being larger than the upward rate of crawl. A stable REER implies maintenance of competitiveness (by this measure) of domestic producers of tradable goods and services. Beyond the exchange rate, durable competitiveness of domestic producers is also achieved through a sustained improvement in productivity, which also contributes to lower inflation. Even then, the enhanced transparency engendered by the disclosure of Pula exchange rate parameters helps to reduce uncertainty surrounding the exchange rate policy and enriches information used in making financial and investment decisions by economic agents.

Financial Stability

The Financial Stability Council (FSC) was launched in February 2019 to strengthen regulatory collaboration, coordination and communication in monitoring of financial sector vulnerabilities, sector-wide and macroprudential analysis, mitigation of systemic risks, as well as ensure coordinated response to threats to stability and integrity of the financial sector. In this regard, a Memorandum of Understanding was signed to formalise the regulatory cooperation, the framework for coordination and delineate the respective roles of members. The FSC comprises of senior officials from the Ministry of Finance and Economic Development, the Bank, Non-Bank Financial Institutions Regulatory Authority and Financial Intelligence Agency, with the primary mandate of tackling financial stability matters, making policy pronouncements and responding to emerging issues and risks to Botswana's financial system.

The FSC oversaw the publication of the maiden *Financial Stability Report* in September 2019. The Botswana financial sector was assessed to be sound, stable and resilient. In addition, the Council adopted a macroprudential policy framework for Botswana, which outlines the analytical framework and the "tool-kit" to be deployed, as appropriate, to mitigate systemic risk. Furthermore, consultations were initiated on prospects for establishing a deposit protection fund that would pay out a predetermined amount of customer deposits in the event of a bank failure. The Bank also continued to use this and other fora to advocate for a more accessible and inclusive financial system.

Supervision and Regulation of Banks and Bureaux de Change

During 2019, the Bank continued to monitor the performance of banks through statutory monthly and quarterly returns, risk-based supervision, on-site examination, bilateral consultative meetings with banks and trilateral meetings with banks and their external auditors. The Bank also convened the biannual meetings of the Banking Committee, which comprises the Bank and chief executive officers of banks to facilitate discussion of developments affecting the banking industry. In addition to the prudential supervisory role, the Bank continued to monitor business conduct to ensure fairness, professionalism and transparency in the banking system. In this context, the Bank mandates each supervised entity to have a clear customer complaints handling and management policy. The Bank also takes a lead in investigating violation of the Banking Act (Cap 46:04) especially activities such as unauthorised deposit-taking, pyramid schemes and improper use of "bank" name in any business activity.

Profitability of the banking industry improved in 2019 as aggregate after-tax profit increased by 5.1 percent from P1.7 billion in 2018 to P1.8 billion in 2019. All banks made profit during the year. Furthermore, the asset quality of the banking sector improved as reflected in the decline in the ratio of non-performing loans to gross loans and advances from 5.4 percent in 2018 to 4.8 percent in 2019. The improvement in asset quality was attributable to intensified loan collections as well as the writing-off of some non-performing loans.

The overall banking sector financial position increased by 8.1 percent from P91.3 billion in 2018 to P98.7 billion in 2019. Total deposits grew by 9.3 percent from P69.3 billion in 2018 to P75.7 billion in 2019, while loans and advances increased by 7.6 percent from P58.3 billion in 2018 to P62.8 billion in 2019. Consequently, the financial intermediation ratio⁷ decreased from 84.2 percent in December 2018 to 82.9 percent in December 2019. This suggests that banks in Botswana continue to be “under-trading” as shown by a muted deposit multiplier and, also, the rate of deposit mobilisation exceeding the growth in bank lending. Banks were adequately capitalised, liquid, profitable and complied with prudential minimum and statutory capital and liquidity requirements as at December 31, 2019 (Table 4).

TABLE 4: FINANCIAL SOUNDNESS INDICATORS AND RANGE OF STATUTORY AND PRUDENTIAL REQUIREMENTS FOR LICENSED BANKS (2016 - 2019)

Financial Soundness Indicators	Statutory Requirement (Percent)	Prudential Benchmark (Percent)	Range of Indicators for Local Banks (Percent)			
			2016	2017	2018	2019
Capital Adequacy Ratio	≥15		16.3 – 35.9	15.2 – 36.6	14.4 – 42.6	15.7 – 45.7
Liquid Asset Ratio	≥10		13.5 – 46.3	12.2 – 35.1	12.3 – 41.0	16.2 – 24.8
Profitability (Return on Assets)		Positive	(1.9) – 2.5	(3.6) – 2.9	(1.2) – 3.1	0.3 – 3
Profitability (Return on Equity)		Positive	(10.5) – 20.4	(29.1) – 22.1	(5.3) – 23.1	3.1 – 22.2
Asset Quality (Non-Performing Loans/Total Loans)		≤2.5	0.8 – 8.5	1.3 – 10.0	1.3 – 10.4	0.5 – 6.3
Intermediation (Advances/Deposits)		50 – 80	58.3 – 91.3	65.3 – 137.9	62.8 – 166.8	62.7 – 96.6

Note: Numbers in parentheses are negative.

Source: Bank of Botswana

Abandoned funds continued to be administered in accordance with the provision of Section 39 of the Banking Act (CAP 46:04). Abandoned funds amounted to P16.9 million as at December 31, 2019. During the year, P201 122 was claimed, while P924 425 was transferred to the Guardian’s Fund⁸.

Six bureaux de change were licensed during 2019, while licences for three bureaux de change were revoked, resulting in an increase in the total number of licensed bureaux de change from 57 in 2018 to 60 in 2019.

In accordance with the Financial Intelligence and Banking Acts, the Bank has been designated specific responsibilities for the prevention of money laundering, financing of terrorism and the proliferation of weapons of mass destruction by the banking system. Accordingly, the Bank carried out full-scope on-site prudential, consumer compliance and anti-money laundering and combating of the financing of terrorism (AML/CFT) examinations at selected banks in 2019. In this regard, where necessary, specific banks were directed to implement remedial and corrective supervisory actions.

⁷ The financial intermediation ratio is calculated as total loans and advances divided by total deposits. It is a measure of the degree of financial intermediation by banks in an economy.

⁸ The Guardian’s Fund is administered under the Administration of Estate Act (CAP 31:01). It is under the custody of the Master of the High Court and was created to keep and administer funds whose rightful owners could not be located immediately.

At the beginning of the year, the Bank established a Unit within the Banking Supervision Department that is dedicated to AML/CFT issues in the banking sector. This signals the Bank's commitment to build capacity for effective monitoring of compliance with the FATF requirements on AML/CFT matters.

To address the technical compliance deficiencies identified in the 2017 mutual evaluation conducted by the East and Southern Africa Anti-money Laundering Group (ESAAMLG), the country amended various pieces of legislation in 2018 and requested for a re-rating from the ESAAMLG in April 2019. Table 5 compares the 2017 mutual evaluation report (MER) ratings to the re-rating outcome.

TABLE 5: MUTUAL EVALUATION RATINGS FOR BOTSWANA (2017 AND 2019)

	2017 MER	2019 MER Re-rating
Compliant	0	6
Largely Compliant	2	13
Partially Compliant	14	16
Non-Compliant	23	4
Non-Applicable	1	1

Source: Bank of Botswana

Subsequently, the fourth face-to-face meeting of the FATF International Co-operation Review Group Africa/Middle East Joint Group (JG) with the Botswana delegation was held in January 2020 in Rabat, Morocco. The purpose of the meeting was to discuss Botswana's progress following the October 2018 FATF meeting in France where the country was given up to January 2020 to have implemented all the items in the action plan. The JG decided to extend the monitoring programme to December 2020, the period within which all action items should be fully addressed. The JG, however, acknowledged Botswana's progress towards fulfilling certain action items, including adoption of the national AML/CFT strategy, implementation of risk-based supervision for banks and non-bank financial institutions and increasing the number of entities reporting suspicious transactions through the go-AML online reporting platform.

The Bank continues to work alongside other national authorities to respond adequately to the adverse evaluation relating to effectiveness of the national AML/CFT arrangements, and significant progress is being made towards entrenching lasting effectiveness of processes and exiting from the grey listing by the FATF.

During 2019, Bank of India (Botswana) Limited surrendered its banking licence, pursuant to Section 11(4) of the Banking Act (CAP 46:04), following acquisition by First Capital Bank Limited. The acquisition followed the bank's decision to voluntarily close operations in Botswana.

The winding-up of the operations of Kingdom Bank Africa Limited (KBAL) is in progress, with the liquidator continuing efforts to collect funds from debtors. The liquidator indicated that an interim dividend of approximately P500 000 had been paid, pro rata, to the creditors. Furthermore, upon conclusion of EBC Guernsey/KPMG litigation case, the liquidator was expected to finalise the liquidation of KBAL.

Foreign Exchange Reserves Management

The Bank manages the official foreign exchange reserves in accordance with Board approved investment policies and guidelines underpinned by the key objectives of safety, liquidity and return within well-defined risk parameters. The foreign exchange reserves, tranching 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. In addition to internal fund management, the Bank uses selected international fund managers to manage 50 percent of the foreign exchange reserves, and also employs the services of a reputable global custodian to safeguard the reserve assets. The Bank appointed Lane Clarke and Peacock LLP (LCP) as the new portfolio consultant, replacing Russell Investments. Russell Investments has been growing its asset management business and had expressed interest in competing for some portfolio mandates from the Bank. This had the potential to create conflict of interest hence the termination of the relationship.

Implementation of the new investment guidelines was completed during the year, where all the investment managers were fully funded and in line with the Strategic Asset Allocation of 45:50:5 for equities, bonds and

high yield asset classes. The target for internally managed versus externally managed funds of 50 percent each was also achieved. Overall, 2019 was a very strong year for equities and bonds, with respective returns of 20 percent and 6 percent.

With regard to investment decisions, when the investment guidelines were first adopted, the Investment Committee made a deliberate decision to remain disinvested in some of the new and smaller markets, rather opting for an incremental approach. Of the 21 eligible markets, the Bank made investments in 14 markets during the year. Overall, all assets remain well within the investment grade category, while any additional risks that may be associated with specific assets and markets is substantially offset at the portfolio level through more effective diversification and monitoring of relevant risk parameters (Table 6).

TABLE 6: INVESTED AND NON-INVESTED MARKETS

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

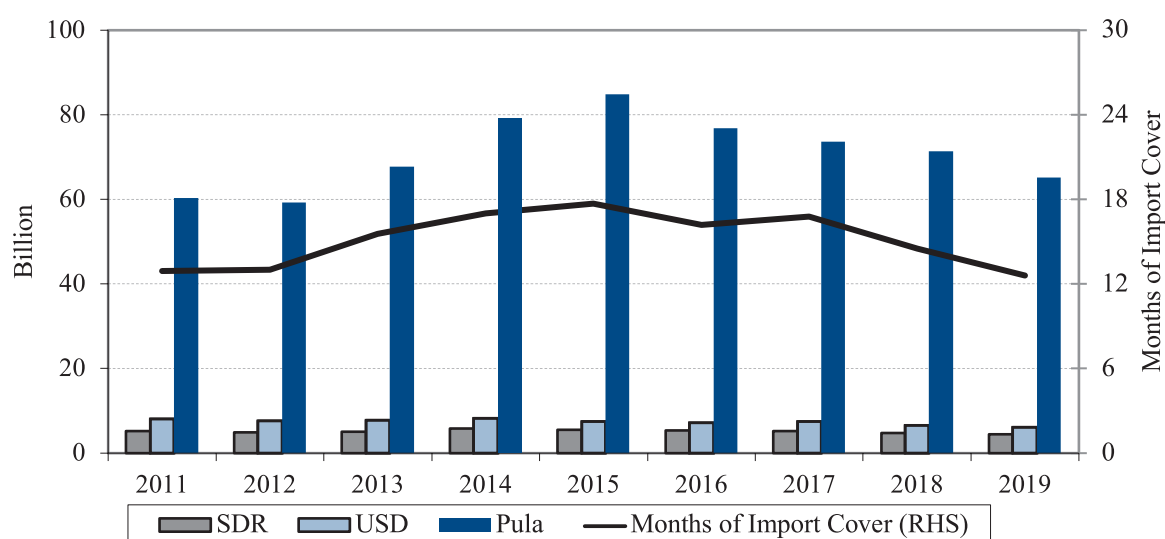
Source: Bank of Botswana

At the end of December 2019, foreign exchange reserves amounted to P65.2 billion, a decrease of 8.7 percent from P71.4 billion in December 2018 (Chart 2). This was equivalent to 13 months of import cover of goods and services. In US dollar terms, the level of reserves fell by 7.3 percent from USD6.7 billion to USD6.2 billion, while the SDR amount also fell, from SDR4.8 billion to SDR4.4 billion. The decrease in foreign exchange reserves mainly reflects a drawdown from the Transaction Balance Tranche (TBT) owing to domestic foreign exchange demand and net capital outflows.

Currency Operations

The Bank continued to manage the supply of banknotes and coin to ensure availability of high-quality currency in circulation. In this regard, soiled and damaged currency was withdrawn from circulation, retired and replaced, in line with the Bank's Clean Banknote Policy. The Bank adheres to stringent standards in the design and production of banknotes and coin to ensure their public acceptance as a medium of exchange and deter counterfeiting. Alongside the Botswana Police Service and other law enforcement agencies, the Bank was also involved in developing strategies for sensitising the public on proper ways for handling currency, identifying genuine currency features and to deter counterfeiting.

The annual rate of growth of banknotes in circulation increased from 3.7 percent in 2018 to 18 percent in 2019. There were significant increases in the net issuance of the P200, P100, P50, P20 and P10 banknote denominations from 6 percent, 2.8 percent, 5.8 percent, -5.5 percent and 14.6 percent, respectively, in 2018 to

CHART 2: LEVEL OF FOREIGN EXCHANGE RESERVES


Source: Bank of Botswana

21.1 percent, 4 percent, 15.7 percent, 10.7 percent and 41.3 percent, respectively, in 2019. However, the P200 denomination continued to have the highest share of net total issuance (quantity) of banknotes, at 31 percent in 2019.

The net issuance (quantity) of all coin denominations decreased from 5.5 percent in 2018 to a contraction of 47.6 percent in 2019. The decrease is wholly attributable to the fact that old demonetised coin in circulation was withdrawn and written off as at December 31, 2019.

Banking Operations, Payments and Settlement

In fulfilment of its mandate of providing a safe, secure, efficient and reliable National Payments System (NPS), the Bank maintained an oversight function that ensured continued stability and soundness of key financial market infrastructures, namely; BISS, BACH and the Central Securities Depository (CSD). This was done through strategy and policy reviews that fostered enhanced oversight of these infrastructures and mitigation of inherent risks such as cybercrime, fraud, money laundering and financing of terrorism, as well as ensure continued development of initiatives that support and promote financial technology-driven payments operations in the NPS. Furthermore, the Bank continued to monitor developments relating to distributed ledger technologies (blockchain) and other digital platforms to enhance efficiency, reliability and safety of the payment systems.

The Bank continued to participate in the regional payments modernisation and reform programme intended to upgrade the regional payment system (Southern African Development Community (SADC) RTGS) and integrate cross-border payments in line with the SADC framework and plans.

The Bank also closely monitored the operations of the BACH, one of the key Financial Market Infrastructures and Systemically Important Payment Systems (SIPS) in the NPS, to ensure that all retail payments effected through cheques, electronic funds transfers and card payments continued to clear and settle under a well-managed environment. The Society for Worldwide Interbank Financial Telecommunication (SWIFT) system remained highly secure, reliable and resilient; enabling efficient messaging of transactions among domestic and international financial institutions. The system is consistently upgraded in line with evolving market and financial infrastructure developments to improve security, efficiency and connectivity with correspondent banks and other counterparties.

The Electronic Payment Services (EPS) Regulations, Statutory Instrument No. 2, were promulgated on January 4, 2019. The EPS Regulations establish a legal framework for licensing and oversight of Electronic Payments Services Providers including Money and Value Transfer Services operations. This is consistent with the

Bank's mandate of ensuring an efficient payment mechanism in Botswana and represent a response to market developments. Thus, the EPS Regulations facilitates and promote an enabling environment for innovation in financial services delivery channels, as well as orderly business conduct. The Regulations, in the main, provide for the types of entities permitted to offer electronic payment services in Botswana, entry requirements and market conduct issues.

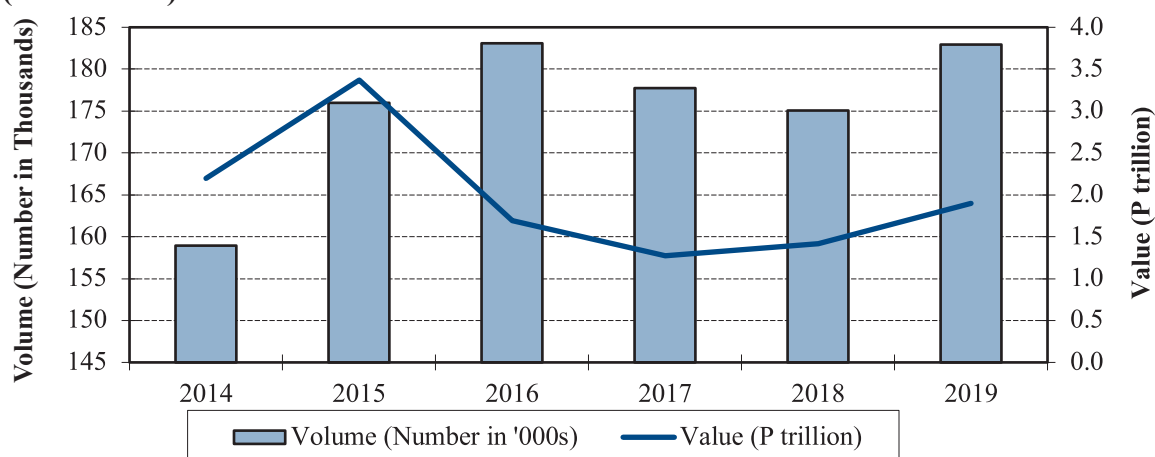
The Regulations place mobile money operations under the jurisdiction of the Bank; compel telecommunication firms to create companies dedicated to mobile money services; require a mobile money subsidiary to have a minimum capital of P2 million (two million Pula); and enforce compliance with the country's anti-money laundering legislation, among others.

In executing its role as a final settlement provider, the Bank provided settlement services to the banking industry in a secure, robust and efficient manner in real time through the BISS. The Bank also has a mandate to support initiatives that promote electronic payments and improve efficiency.

The volume of transactions settled in the BISS increased by 4.5 percent, from 175 088 in 2018 to 182 961 in 2019, while there was a significant increase in value of 35.7 percent, from P1.4 trillion to P1.9 trillion (Chart 3)⁹, signalling that the BISS serves as a high value wholesale settlement system for interbank transactions, open market operations, tax receipts and domestic payments and receipts. Consistent with past trends, cheque transactions continued to decline in both volume and value.

Cheques processed through the BACH system decreased by 12.9 percent from 0.93 million in 2018 to 0.81 million in 2019; the value of cheque transactions decreased by 8.3 percent from P20.4 billion in 2018 to P18.7 billion in 2019 (Chart 4). This is due to the increased use of alternative electronic payments channels, most of which are processed through the BACH system. Electronic Funds Transfer (EFT) transactions processed through the BACH system increased by 8.2 percent in volume, from 8.5 million in 2018 to 9.2 million in 2019 and by 16.2 percent in value, from P178 billion in 2018 to P209 billion in 2019 (Chart 5).

CHART 3: BOTSWANA INTERBANK SETTLEMENT SYSTEM TRANSACTIONS (2014 - 2019)



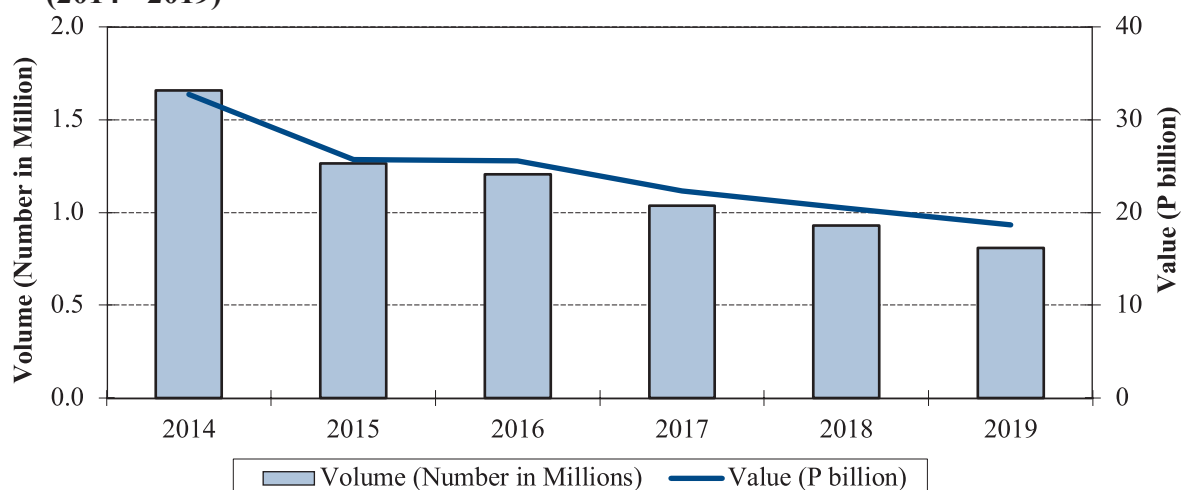
Source: Bank of Botswana

Information Technology

The Bank's computing and information systems continue to be upgraded in line with innovation and technological advancements and in order to meet evolving functional, operations and strategy requirements, while also allowing for effective connectivity. Cybercrime and international regulatory compliance pose major challenges for the global financial industry. Therefore, the Bank allocates the requisite resources towards upgrading information technology systems to safeguard and retain the integrity and functionality of mission-critical systems, achieve operational efficiency, as well as to guard against cybercrime.

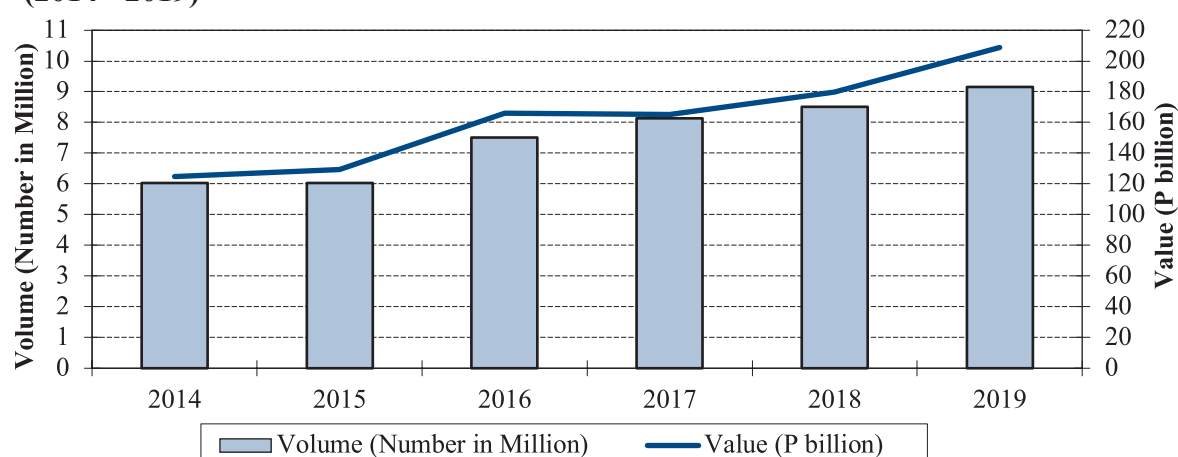
⁹ Effective June 2016, the BISS values are adjusted to exclude BACH net settlement instructions and cancelled payments.

CHART 4: BOTSWANA AUTOMATED CLEARING HOUSE – CHEQUE PROCESSING (2014 - 2019)



Source: Bank of Botswana

CHART 5: BOTSWANA AUTOMATED CLEARING HOUSE – ELECTRONIC FUNDS TRANSFERS (2014 - 2019)



Source: Bank of Botswana

Human Resources, Staff Welfare and Staff Pension Fund

Human Resources and Staff Welfare

As at December 31, 2019, the Bank's Staff Establishment was 594, slightly lower than the 596 as at December 31, 2018. The vacancy rate stood at a historical low of 1.5 percent, down from 3.7 percent in 2018. Twenty-three (23) staff joined the Bank, while thirteen (13) terminated their employment. The Bank continued to place emphasis on staff development and, in this regard, a number of staff members benefited from both short- and long-term training. As at the end of 2019, fifteen (15) staff members were on long-term post-graduate training (Masters and Doctorate) in various disciplines relevant for the Bank's operations. Several staff committees and clubs coordinate staff welfare activities, including health and wellness and sports.

Staff Pension Fund

The Bank of Botswana Defined Contribution Staff Pension Fund declared an investment return of 2.5 percent and 1.9 percent for active and deferred members, respectively, for the year ended September 30, 2019. This marks a decline from the 2018 declared return of 7.58 percent and 7.02 percent for active and deferred members, respectively. These rates of return were lower than the average inflation of 2.8 percent in Botswana in 2019.

Legislation, Governance and Accountability

Legislation

The Bank of Botswana Act has been reviewed in line with international best practice. The draft Act has been submitted to the Ministry of Finance and Economic Development and, subsequently, to the office of the Attorney General to be drafted into law. Meanwhile, review of the Banking Act is ongoing. It is expected that a final draft of the Banking Act will be submitted to the Attorney General's Chambers before the end of 2020.

The Declaration of Assets and Liabilities Act came into effect in 2019, and the Legal Affairs Division has conducted consultations within the Bank for effective implementation of the law. The process for compliance with the Act by relevant officers within the Bank is ongoing.

Under the guidance of the Board Governance and Ethics Committee, the Bank continued to monitor activity of the whistleblowing hotline. Implemented in 2019, the Bank's Whistleblowing Policy is a means by which staff and the public at large may raise concerns about perceived or existing impropriety or malpractices in the Bank, in good faith, without fear/favour and/or prejudice. The Bank has engaged Deloitte to administer an anonymous 24 - hour Whistleblowing/Ethics Hotline. As at December 31, 2019, a total of sixty-six (66) calls were made through the Ethics Hotline since inception of the service. The calls were classified as "other calls" which constitute "dropped calls", "enquiry", "wrong numbers", "prank calls", "test calls", "abusive calls", and "children playing". Although there are various means of reporting incidents which includes telephone, email, letter, website, fax, SMS, all the sixty - six (66) calls received were through telephone. There were no reports received that required follow-up or further investigations. The Policy is accessible through the Bank's website and an anonymous call made through the mobile short code/Toll free number 16181 or email address at "bankofbotswana@tip-offs.com".

Governance and Accountability

Through the public outreach programme, the Bank conducted economic briefings on the backdrop of the publication of the 2018 Annual Report. Among key stakeholders briefed were His Excellency the President and Cabinet, Heads and representatives of diplomatic missions, Heads of public and private sector institutions, senior Government officials and the media. The Bank also held media briefings and released Press Statements announcing the decision of the Monetary Policy Committee following each meeting.

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 2019.

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 Southern African Customs Union (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).

Furthermore, the Bank hosted the annual IMF Article IV Consultation Mission in 2019, which met with various stakeholders in the country to assess economic and policy developments and prospects for Botswana going forward, including discussion of initiatives to support economic diversification, higher growth rates and enhanced domestic resource mobilisation.

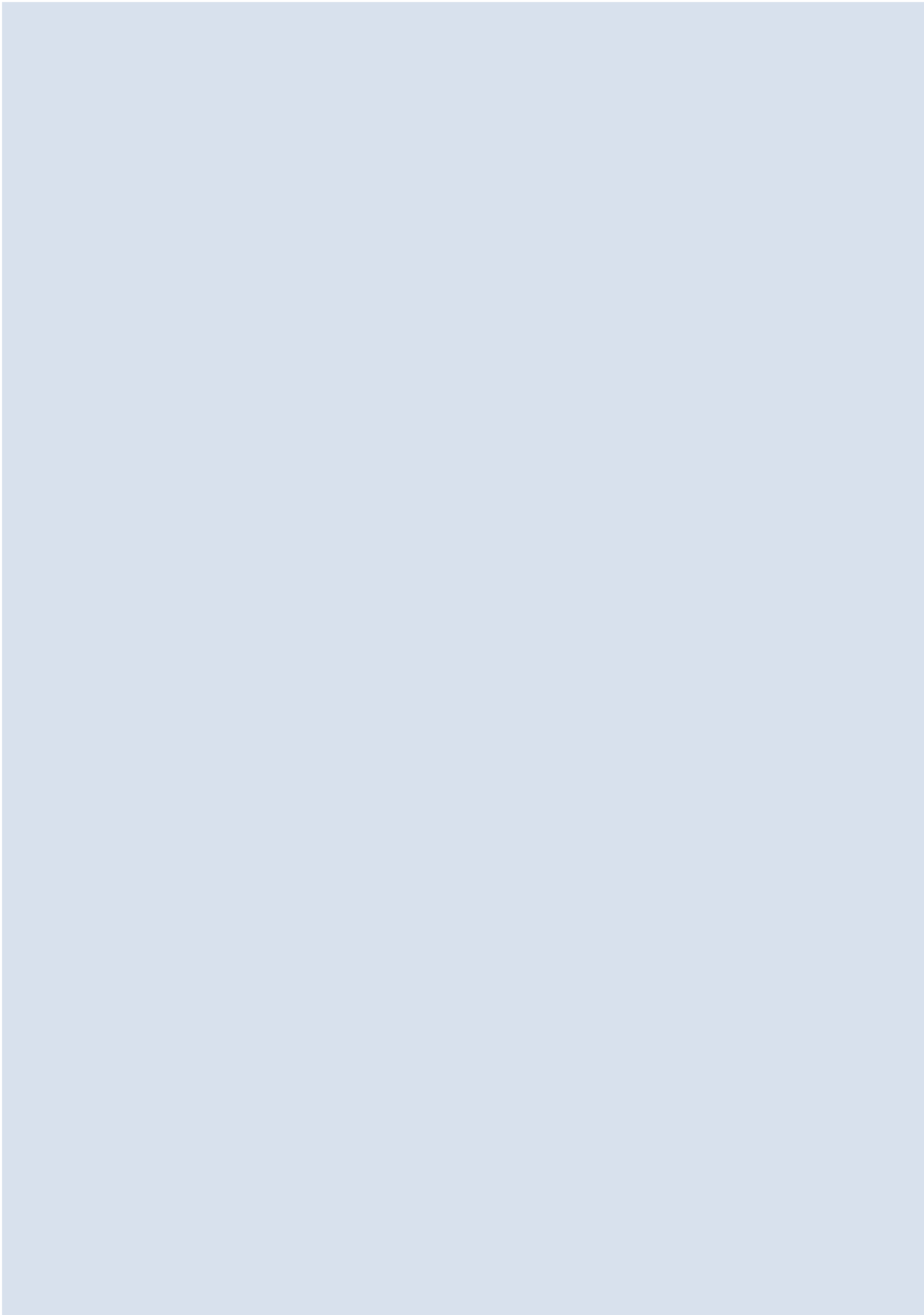
In June 2019, the Bank hosted a Bali Fintech Agenda for Sub-Saharan Africa (SSA) conference in Gaborone, jointly organised with the IMF to deliberate on the potential to harness Fintech developments for wider

financial inclusion and a greater role for the financial sector in supporting economic development and welfare enhancement. In addition, the Bank, in collaboration with the Government of Botswana and Brown Capital Management Africa Forum, Woodrow Wilson Centre, Washington DC, hosted the Sovereign Wealth Funds in Africa Conference under the theme “Policies and Best Practices for Securing the Future” in Gaborone in May 2019.

During 2019, S&P Global affirmed Botswana’s sovereign credit rating at ‘A-’ and ‘A-2’, for the short- and long-term bonds in domestic and foreign currency, respectively, and maintained the stable economic outlook. The ratings are supported by the strong external and fiscal balance sheets, a well-managed economy and low public debt, as well as the country’s robust public institutions. However, the ratings could be revised downwards if the fiscal and external positions were to deteriorate considerably, due to underperformance in the diamond sector. In general, the ratings are constrained by the country’s narrow economic base, which continues to rely heavily on the diamond sector, despite efforts to enhance private sector participation and diversify the economy.

Publications, Communications and Public Education

The Bank submitted the 2018 *Annual Report* on the Bank’s operations and financial statements and the 2018 *Banking Supervision Annual Report*, in accordance with statutory requirements, to the Minister of Finance and Economic Development on March 31, 2019 and June 30, 2019, respectively. The 2019 *Monetary Policy Statement*, *Monetary Policy Reports*, monthly *Botswana Financial Statistics*, the quarterly *Business Expectations Survey* and the *Research Bulletin* were also published, while the Bank’s website, revamped towards the end of 2019, provided timely access to data, publications, press releases and policies of the Bank.





ANNUAL FINANCIAL STATEMENTS

2019

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, 2019, 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, and the notes to the financial statements, including significant accounting policies.

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.

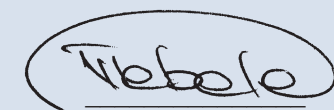
The Board members have made an assessment of the ability of the Bank to continue as a going concern and have no reason to believe that the Bank will not be a going concern in the year ahead. An impact assessment of the Coronavirus COVID-19 pandemic is provided in Note 36 of these financial statements.

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 27, 2020 and signed on behalf of the Board by:


Moses D Pelaelo
 Governor


Victoria T Tebele
 Board Member and Chairman
 (Audit and Risk Committee)



KPMG, Chartered Accountants
Plot 67977, Off Tlokweng Road,
Fairgrounds Office Park
PO Box 1519, Gaborone, Botswana
Telephone +267 391 2400
Fax +267 397 5281
Web <http://www.kpmg.com/>

Independent Auditors Report

To the Shareholder of the Bank of Botswana

Opinion

We have audited the financial statements of the Bank of Botswana (“the Bank”), which comprise the statement of financial position as at December 31, 2019, the statements 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, significant accounting policies and notes to the financial statements, as set out on pages 46 to 86.

In our opinion, the financial statements give a true and fair view of the financial position of Bank of Botswana as at December 31, 2019 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Bank of Botswana Act (CAP 55:01).

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 Ethics Standards Board for Accountant’s Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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.



Valuation of financial assets

The disclosures associated with the valuation of financial assets are set out in the following notes to the financial statements:

Financial instruments - page 51 to 57

Categories of financial instruments- Note 12

Risk management in respect of financial instruments- Note 31

Fair value of financial instruments- Note 32

The key audit matter

Financial assets represent 99% of the Bank's assets and include short term investments (Liquidity Portfolio) and long term investments (Pula Fund) in debt securities, equities, bonds and derivatives. The majority of financial assets are classified as level 1 and 2 financial instruments under IFRS 13 -Fair value measurement ("IFRS 13").

Level 1 financial assets represent 79% of the Bank's assets. As level 1 financial instruments are valued using quoted market prices, they are not subject to a significant level of judgement. However, due to their significance in the context of the financial statements as a whole, they are considered to be one of the areas which required the greatest level of work effort.

Level 2 financial assets represent 20% of the Bank's assets. The valuation of level 2 financial instruments are based on complex models, with certain inputs not fully observable resulting in higher degrees of management judgement required.

Due to the significance of level 1 financial assets and the work effort required and the judgement and complex models involved in determining the fair value of financial assets classified as level 2 financial - instruments, the valuation of financial assets was considered to be a key audit matter.

How the matter was addressed in our audit

Our procedures included, amongst others:

- We obtained and reviewed the type 2 Service Organisation Controls Reports from the Bank's fund managers and investments custodian on which we placed reliance.
- We inspected the year end investment and open position reconciliations for investments held by the Bank between the investments custodian, fund managers and the Bank's general ledger.
- We obtained independent confirmations directly from the fund managers and investments custodian for securities and investments held by the Bank at the reporting date.
- For financial instruments qualifying as Level 1, we compared pricing inputs to external data sources and assessed whether they were correctly input into the pricing models.
- For level 2 financial instruments, with the assistance of our valuation experts, we assessed the appropriateness of models used and the reasonableness of related key inputs and assumptions by revaluing the instruments using independent inputs and compared the recalculated amounts to the fair values as per the general ledger.
- We evaluated whether the associated disclosures in the financial statements are compliant with IFRS 9, Financial instruments and IFRS 13.

Other Information

The Board members are responsible for the other information. The other information comprises the Statement of Responsibility of the Board and Approval of the Financial Statements, 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 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 on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of Board members for the Financial Statements

The Board members are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and in the manner required by 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.

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.



Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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 members.
- Conclude on the appropriateness of the Board members' 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 auditors' 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.

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.

Certified Auditors
Practicing member: G. Motsamai (20030026)
Certified Auditor of Public Interest Entity
BAOA Certificate Number CAP 0035 2019

Gaborone
March 30, 2020

STATEMENT OF FINANCIAL POSITION

As at December 31, 2019

	Notes	2019 P'000	2018 P'000
ASSETS			
Foreign Assets			
Liquidity Portfolio	1.1	17 729 993	22 537 039
Pula Fund	1.2	46 025 329	47 469 559
International Monetary Fund (IMF)			
Reserve Tranche	2.1	582 959	518 695
Holdings of Special Drawing Rights (SDR)	2.2	868 698	878 644
General Subsidy Account	2.3	22 299	22 694
Total Foreign Assets		65 229 278	71 426 631
Domestic Assets			
Property and Equipment	3	520 910	449 544
Receivables and Other Assets	4	239 387	273 861
Total Domestic Assets		760 297	723 405
TOTAL ASSETS		65 989 575	72 150 036
LIABILITIES AND SHAREHOLDER'S FUNDS			
Foreign Liabilities			
Allocation of IMF Special Drawing Rights	5	841 951	856 878
Liabilities to Government (IMF Reserve Tranche)	6	83 911	19 647
Total Foreign Liabilities		925 862	876 525
Domestic Liabilities			
Notes and Coin in Circulation	7	3 782 031	3 286 916
Bank of Botswana Certificates	8	8 609 568	8 192 670
Reverse Repurchase Agreements	8.1	1 831 202	1 054 903
Deposits	9	5 875 695	5 744 995
Dividend to Government	10	3 406 425	4 285 902
Payables and Other Liabilities	11	123 522	226 961
Total Domestic Liabilities		23 628 443	22 792 347
Total Liabilities		24 554 305	23 668 872
Shareholder's Funds			
Paid-up Capital	13	25 000	25 000
Government Investment Account			
Pula Fund and Liquidity Portfolio		18 309 519	24 292 639
Currency Revaluation Reserve		20 014 278	22 375 834
Fair Value Revaluation Reserve		1 486 473	187 691
General Reserve	14	1 600 000	1 600 000
Total Shareholder's Funds		41 435 270	48 481 164
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS		65 989 575	72 150 036
FOREIGN ASSETS IN US DOLLARS (000)¹			
		6 170 690	6 656 962
FOREIGN ASSETS IN SDR (000)²			
		4 448 637	4 785 584

¹ United States dollar/Pula – 0.0946 (2018: 0.0932)

² SDR/Pula – 0.0682 (2018: 0.0670)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2019

	Notes	2019 P'000	2018 P'000
INCOME			
Interest – Foreign exchange reserves	15	1 304 495	1 116 588
Dividends – Foreign exchange reserves	16	471 284	541 557
Interest – Government of Botswana bond		-	1 387
Net realised fair value gains on disposal of securities	17	2 897 309	3 628 354
Net realised currency gains	18	1 337 784	2 653 543
Net unrealised currency gains	19	-	1 393 188
Net unrealised fair value gains	20	3 716 748	-
Profit on foreign exchange deals		36 832	17 179
Other income		74 542	12 278
		<u>9 838 994</u>	<u>9 364 074</u>
EXPENSES			
Interest expense	21	161 805	113 108
Interest (Lease liability)		672	-
Administration costs		601 973	542 645
Depreciation expense	3	30 069	27 694
Net unrealised currency losses	19	2 089 749	-
Net unrealised fair value losses	20	-	5 815 828
Impairment loss on financial assets		13 526	266
		<u>2 897 794</u>	<u>6 499 541</u>
NET INCOME		6 941 200	2 864 533
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		<u>6 941 200</u>	<u>2 864 533</u>

STATEMENT OF DISTRIBUTION

For the year ended December 31, 2019

	Note	2019 P'000	2018 P'000
TOTAL COMPREHENSIVE INCOME		<u>6 941 200</u>	<u>2 864 533</u>
Transfer of net currency losses/(gains) to currency revaluation reserve	22	781 751	(3 973 704)
Transfer of unrealised fair value (gains)/losses to fair value revaluation reserve	23	(3 605 526)	5 919 758
NET INCOME TO GOVERNMENT		4 117 425	4 810 587
Transfer from Government Investment Account		-	30 315
Dividend		(948 000)	(740 000)
Residual Net Income	10	(3 169 425)	(4 100 902)

STATEMENT OF CASH FLOWS
For the year ended December 31, 2019

	Notes	2019 P'000	2018 P'000
OPERATING ACTIVITIES			
Cash generated from operations	26	3 792 802	6 187 132
Interest: Foreign Exchange Reserves		1 304 495	1 116 588
Dividends Foreign Exchange Reserves		471 284	541 557
Interest Expense		(161 805)	(113 108)
Cash generated from operating activities		5 406 776	7 732 169
INVESTING ACTIVITIES			
Net withdrawals from foreign exchange reserves		9 056 939	392 020
Proceeds on redemption of Government bond (at cost)		-	20 194
Interest received from Government of Botswana bond		-	2 000
Proceeds from disposal of property and equipment		618	474
Purchase of property and equipment	3	(87 805)	(69 996)
NET CASH GENERATED FROM INVESTING ACTIVITIES		8 969 752	344 692
FINANCING ACTIVITIES			
Dividend to Government	10	(4 996 902)	(1 597 198)
Government withdrawals		(9 869 669)	(6 630 034)
Capital repayment on lease liability		(5 072)	-
NET CASH USED IN FINANCING ACTIVITIES		(14 871 643)	(8 227 232)
NET INCREASE IN CURRENCY IN CIRCULATION		(495 115)	(150 371)
CURRENCY IN CIRCULATION AT BEGINNING OF THE YEAR		(3 286 916)	(3 136 545)
		(3 782 031)	(3 286 916)

STATEMENTS OF CHANGES IN SHAREHOLDER'S FUNDS

For the year ended December 31, 2019

	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 P'000	Total P'000
BALANCE AT JANUARY 1, 2018	25 000	19 170 357	5 514 271	1 600 000	30 778 873	-	57 088 501
Transfer to statement of profit or loss on realisation of Government Bond (BW005)	-	-	(934)	-	-	-	(934)
Total profit	-	-	-	-	-	2 864 533	2 864 533
Transfers (to)/from Government Investment Account:	-	(768 227)	594 112	-	(6 486 234)	30 315	(6 630 034)
Net unrealised fair value losses	-	-	594 112	-	(594 112)	-	-
Net unrealised currency gains	-	(768 227)	-	-	768 227	-	-
Deficit of Government share of net income from Pula Fund over dividend	-	-	-	-	(30 315)	30 315	-
Government withdrawals	-	-	-	-	(6 630 034)	-	(6 630 034)
Transfer of gains to Currency Revaluation Reserve	-	3 973 704	-	-	(3 973 704)	-	-
Transfer of losses to Fair Value Revaluation Reserve	-	-	(5 919 758)	-	-	5 919 758	-
Dividend to Government	-	-	-	-	-	(740 000)	(740 000)
Residual net income	-	-	-	-	-	(4 100 902)	(4 100 902)
BALANCE AT DECEMBER 31, 2018	25 000	22 375 834	187 691	1 600 000	24 292 639	-	48 481 164
Total profit	-	-	-	-	-	6 941 200	6 941 200
Transfers (to)/from Government Investment Account:	-	(1 579 805)	(2 306 744)	-	(5 983 120)	-	(9 869 669)
Net unrealised fair value losses	-	-	(2 306 744)	-	2 306 744	-	-
Net unrealised currency gains	-	(1 579 805)	-	-	1 579 805	-	-
Government withdrawals	-	-	-	-	(9 869 669)	-	(9 869 669)
Transfer of losses to Currency Revaluation Reserve	-	(781 751)	-	-	-	(781 751)	-
Transfer of gains to Fair Value Revaluation Reserve	-	-	3 605 526	-	-	(3 605 526)	-
Dividend to Government	-	-	-	-	-	(948 000)	(948 000)
Residual net income	-	-	-	-	-	(3 169 425)	(3 169 425)
BALANCE AT DECEMBER 31, 2019	25 000	20 014 278	1 486 473	1 600 000	18 309 519	-	41 435 270

SIGNIFICANT ACCOUNTING POLICIES

For the year ended December 31, 2019

REPORTING ENTITY

The 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 address of the Bank’s registered office is 17938 Khama Crescent, Gaborone. These financial statements apply to the financial year ended December 31, 2019 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 27, 2020.

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 INTERPRETATIONS

As at the date of finalisation of the financial statements, the following standards were relevant to the Bank’s operations and available for adoption.

Standard	Effective for annual periods beginning on or after
IFRS 16 - Leases (Replacement of IAS 17) IFRS 16 supersedes IAS 17 Leases, and it sets out principles for recognition, measurement, presentation and disclosure of leases. It provides a single lessee accounting model requiring lessees to recognise assets and liabilities for all leases unless the lease term is twelve months or less; or the underlying asset has a low value. IFRS 16 removes the distinction between finance and operating leases for lessees while lessors continue to classify leases as operating or finance leases. Transition The adoption of IFRS 16 has resulted in the Bank recognising right-of-use assets and related lease liabilities for all lease contracts in existence. The lease liabilities were measured at the present value of the remaining lease payments, discounted at the Bank rate of 5 percent, which is the interest rate the Bank is willing to lend as a lender of last resort. The initial right-of-use asset comprises the initial measurement of the corresponding lease liability adjusted for any prepaid or accrued lease payments at the date of recognition.	January 1, 2019

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2019

The Sports and Recreation Facility land lease agreement commenced in September 2001, and it runs for a period of 25 years. The office space lease agreement commenced in October 2018 and runs for a period of 4 years while the warehouse lease commenced in February 2019 and runs for a period of 2 years. All these leases were previously classified as operating leases under IAS 17. The Bank has a contract with a cellular phone company where handsets are provided. The handsets have been deemed as low value. This lease agreement is not expected to be subleased. The lease in respect to the cellphone contract has been excluded from the calculation of the accounting entries that the Bank has made as part of the initial application of IFRS 16. The lease payments associated with the lease are recognised as expenses on a straight line basis. All lease contracts have been re-assessed based on the new lease definition in accordance with IFRS 16. The Standard has been applied using the modified retrospective approach, with the cumulative effect recognised in equity as an adjustment in the current period. Prior periods have not been restated. The adoption of the standard does not have a significant impact on the Financial Statements.	January 1, 2019
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STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED

As at the date of finalisation of the financial statements, no standards, relevant to the Bank's operations, are in issue and have not yet been adopted in the financial statements.

FINANCIAL INSTRUMENTS

General

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

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.

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 of the factors that market participants would take into account in pricing a transaction.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2019

FINANCIAL INSTRUMENTS (Cont'd)

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

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

Financial assets are classified at fair value through other comprehensive income if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the solely payments of principal and interest on the principal amount outstanding criterion.

Fair value gains and losses are recognised in other comprehensive income and reclassified to profit or loss on derecognition of the financial asset; while interest income, impairment losses and foreign exchange gains/losses are recognised in profit or loss.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2019

FINANCIAL INSTRUMENTS (Cont'd)

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.

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 transactions 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 reserves. It is invested in foreign financial instruments. 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, exchange rates, etc. Investments in debt securities, equity and derivatives are classified at fair value through profit or loss. These securities are initially recognised at fair value (which includes transaction costs) 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 Market Value Revaluation Reserve. However, when the investment securities are disposed off, 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, 2019

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 from re-measurement of fair value or 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 31.

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 (including transaction costs) 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.

Impairment of Financial Assets

The Bank applies the IFRS 9 expected credit loss model for recognition and measurement of impairment losses on financial assets measured at amortised cost. The new impairment model is forward looking and recognises expected credit losses (ECL) from the point at which financial assets are originated or purchased. 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. The Bank, therefore, measures impairment on financial assets using the 12-month expected credit loss. The Bank determines at each reporting date whether financial assets have low credit risks.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2019

FINANCIAL INSTRUMENTS (Cont'd)

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. 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 the risk of default is none.

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

Financial Liabilities

All the Bank's financial liabilities are classified as other financial liabilities at amortised cost. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

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.

Other Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on the effective yield basis. 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.

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, Bank of Botswana Certificates (BoBCs), to absorb excess liquidity in the market and thereby influence short term interest rates. BoBCs are issued at a discount to counterparties. They are classified as "other financial liabilities".

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.

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, Bank of Botswana Certificates (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/hairst cut 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".

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2019

FINANCIAL INSTRUMENTS (Cont'd)

SECURITIES LENDING PROGRAMME

The Bank takes part in a Securities Lending Programme. 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; they are appropriated to the Currency Revaluation Reserve.

RECOGNITION OF PROVISIONS

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2019

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.

INCOME AND EXPENSE RECOGNITION

Interest income on all assets 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.

Interest income and expense presented in the statement of profit or loss and other comprehensive income include:

- (a) interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis; and
- (b) interest on fair value through profit or loss investment securities calculated on an effective interest rate basis.
- (c) 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.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2019

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 AND EQUIPMENT

At each Statement of Financial Position date, items of property, plant and equipment are stated at cost less accumulated depreciation and impairment in value. Cost includes expenditure that is directly attributable to the acquisition of an asset. Costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use, are capitalised up to the date the asset is substantially complete. Capitalisation is suspended during extended periods in which active development is interrupted.

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

The residual values of property, plant and equipment are reassessed annually. The useful lives and depreciation methods of these items are reassessed annually. In this financial year, no change was made to the useful lives, hence the depreciation rates provided are similar with the prior year.

A gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Repairs and maintenance costs are recognised in 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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2019

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.

Depreciation is recognised in the profit or loss 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

Impairment

The carrying values of the Bank's property, plant 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 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.

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 (CAP 27:03). 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 pensionable employee. Other than the contributions made, the Bank has no commitments or obligations to this 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2019

LEASES

The Bank is a lessee.

The Bank assesses whether a contract is, or contains a lease, at the time of inception. The Bank 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 entered into after the transition date, 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. The annual depreciation rates used ranges from 4-50 percent. 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 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 Bank rate, which is the interest rate the Bank is willing to lend in its role as a lender of last resort.

The lease liability is subsequently measured at amortised cost by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) 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 Bank has three leased properties which include an office space, a warehouse and land upon which a 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.

Reported below were the right-of-use assets and corresponding lease liability recognised by the Bank as at January 1, 2019 on initial application of IFRS 16.

	Leasehold Land	Buildings	Total
	P'000	P'000	P'000
Recognition of right-of-use assets on application of IFRS 16	606	14 698	15 304
Depreciation	412	919	1 331
Recognition of Lease Liability on application of IFRS 16			(17 173)
Unwinding of interest			672
Lease repayments			5 744

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2019

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 ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments 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 and 3

The fair values of quoted investments in active markets are based on current bid prices (level 1). If the market for a financial asset is not active, the Bank establishes fair value by using valuation techniques (level 2 and 3). 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 32).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended December 31, 2019

	2019 P'000	2018 P'000
1. FOREIGN EXCHANGE RESERVES		
1.1 Liquidity Portfolio		
Bonds: FVTPL	6 871 141	7 033 866
Amounts due from Pula Fund: amortised cost	1 073 480	842 373
Short-term deposits: amortised cost	9 797 078	14 660 962
Less: impairment loss (Note 31)	(11 706)	(162)
	<u>17 729 993</u>	<u>22 537 039</u>
1.2 Pula Fund		
Equities: FVTPL	21 491 146	18 598 255
Bonds: FVTPL	23 662 607	20 986 293
Derivative instruments: assets (Note 12.3)	(54 331)	(31 033)
Amounts due to Liquidity Portfolio: amortised cost	(1 073 480)	(842 373)
Derivative instruments: liabilities (Note 12.3)	43 662	15 206
Short-term deposits: amortised cost	1 957 771	8 743 274
Less: impairment loss (Note 31)	(2 046)	(63)
	<u>46 025 329</u>	<u>47 469 559</u>
(a) Statement of Financial Position		
<i>Capital Employed</i>		
Government	17 809 519	23 990 632
Bank of Botswana	28 215 810	23 478 927
	<u>46 025 329</u>	<u>47 469 559</u>
<i>Employment of Capital</i>		
Investments	46 025 329	47 469 559
Investments expressed in US dollars ('000)	4 353 996	4 424 163
Investments expressed in SDR ('000)	3 138 927	3 180 460
(b) Statement of Profit or Loss and other comprehensive income		
<i>Income</i>		
Interest and dividends	1 196 597	1 248 393
Realised currency revaluation gains	1 121 131	2 274 871
Unrealised currency revaluation (losses)/gains	(1 761 527)	874 059
Realised fair value gains	2 943 477	3 817 102
Unrealised fair value gains/(losses)	3 605 526	(5 919 758)
Impairment loss reduction/(loss) on financial assets	(1 982)	(63)
	<u>7 103 222</u>	<u>2 294 604</u>
<i>Expenses</i>		
Administration charges	(183 682)	(174 570)
	<u>(183 682)</u>	<u>(174 570)</u>
Net income	<u>6 919 540</u>	<u>2 120 034</u>
<i>Other comprehensive income</i>	-	-
Total comprehensive income	<u>6 919 540</u>	<u>2 120 034</u>

³ United States dollar/Pula – 0.0946 (2018: 0.0932)

⁴ SDR/Pula – 0.0682 (2018: 0.0670)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended December 31, 2019

	2019 P'000	2018 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.		
Quota SDR 197 200 000; (2018: SDR 197 200 000)	2 890 941	2 942 195
Less: IMF Holdings of Pula	(2 307 982)	(2 423 500)
Reserve Position in IMF	<u>582 959</u>	<u>518 695</u>
The IMF Holdings of Pula are represented by the Non-Interest Bearing Note of P1 477 900 684 (2018: 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 9).		
2.2 Holdings of Special Drawing Rights		
The balance on the account represents the value of Special Drawing Rights (SDR) allocated and purchased less utilisation to date.		
	<u>868 698</u>	<u>878 644</u>
2.3 General Subsidy Account		
Face value (SDR 1 520 000)	22 283	22 678
Interest	16	16
	<u>22 299</u>	<u>22 694</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, 2017 has been extended to August 30, 2022.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2019

3. PROPERTY AND EQUIPMENT	Freehold Land P'000	Leasehold Land P'000	Buildings P'000	Capital Works in Progress P'000	Other Assets P'000	Total P'000
Cost - December 31, 2019						
Balance at the beginning of the year	2 065	4 932	411 032	76 022	220 588	714 639
Recognition of right-of-use assets on initial application of IFRS 16	-	606	14 698	-	-	15 304
Adjusted balance at January 1, 2019	2 065	5 538	425 730	76 022	220 588	729 943
Additions	-	-	-	71 703	16 102	87 805
Additions (right-of-use assets)	-	-	526	-	-	526
Disposals	-	-	-	-	(11 278)	(11 278)
Balance at year-end	2 065	5 538	426 256	147 725	225 412	806 996
Accumulated Depreciation						
Balance at the beginning of the year	-	-	118 205	-	146 890	265 095
Depreciation on right-of-use assets on initial application of IFRS 16	-	412	919	-	-	1 331
Adjusted balance at January 1, 2019	-	412	119 124	-	146 890	266 426
Charge for the year	-	-	11 094	-	15 057	26 151
Charge for the year - right-of-use assets	-	24	3 894	-	-	3 918
Disposals	-	-	-	-	(10 409)	(10 409)
Balance at year-end	-	436	134 112	-	151 538	286 086
Net book value at December 31, 2019	2 065	5 102	292 144	147 725	73 874	520 910
Cost - December 31, 2018						
Balance at the beginning of the year	2 065	4 932	404 154	23 401	216 067	650 619
Additions	-	-	-	60 570	9 426	69 996
Disposals	-	-	-	-	(5 976)	(5 976)
Transfers from work in progress	-	-	6 878	(7 949)	1 071	-
Balance at year-end	2 065	4 932	411 032	76 022	220 588	714 639
Accumulated Depreciation						
Balance at the beginning of the year	-	-	107 279	-	135 520	242 799
Charge for the year	-	-	10 926	-	16 768	27 694
Disposals	-	-	-	-	(5 398)	(5 398)
Balance at year-end	-	-	118 205	-	146 890	265 095
Net book value at December 31, 2018	2 065	4 932	292 827	76 022	73 698	449 544

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2019

3. PROPERTY AND EQUIPMENT

Valuation of Properties

Freehold and leasehold land and buildings were valued by an independent professional property valuer in December 2016 at an open market value of P852 005 000 (2014: P770 940 000). In terms of the Bank's internal policy, the valuation by an independent valuer is conducted every three years and at the time of reporting, the new market values for 2019 were not yet finalised. A register of the assets is kept at the Bank and is available for inspection.

Open Market Valuation for Property

An opinion of the best price at which the sale of an interest in the property would have been completed unconditionally for cash consideration on the date of valuation, assuming:

- (a) a willing seller;
- (b) that prior to the date of valuation there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms, and for the completion of the sale;
- (c) that the state of the market, level of values, and other circumstances were on any earlier assumed date of exchange of contracts the same as on the date of valuation;
- (d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- (e) that both parties to the transaction had acted knowledgeably, prudently, and without compulsion.

	2019 P'000	2018 P'000
4. RECEIVABLES AND OTHER ASSETS		
Staff loans and advances	139 689	107 382
Prepayments	4 391	5 154
Donor funds – Government projects	28 322	156 886
Advance payment – main contractor for PulaThebe project	63 309	-
Other	3 676	4 439
	239 387	273 861
5. ALLOCATION OF IMF SPECIAL DRAWING RIGHTS		
Balance at the beginning of the year	856 878	804 336
Revaluation currency (losses)/gains	(14 927)	52 452
Balance at the end of the year	841 951	856 878
This is the liability of the Bank to the IMF in respect of the allocation of SDRs to Botswana.		
6. LIABILITIES TO GOVERNMENT (IMF RESERVE TRANCHE)		
Balance at the beginning of the year	19 647	-
Purchase of SDR	72 992	103 975
Revaluation currency losses	(8 728)	(84 328)
Balance at the end of the year	83 911	19 647

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2019

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	3 665 794	3 121 783
Coin	116 237	165 133
	3 782 031	3 286 916

Notes and coin in circulation held by the Bank as cash in hand of P28 163 288 (2018: P30 551 551) 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.

8. BANK OF BOTSWANA CERTIFICATES

Face value	8 615 000	8 196 000
Unmatured discount	(5 432)	(3 330)
Carrying amount	8 609 568	8 192 670

Bank of Botswana Certificates are issued at various short-term maturity dates (Note 31) and discount rates.

8.1 REVERSE REPURCHASE AGREEMENTS

Amortised cost	1 831 202	1 054 903
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The reverse repurchase agreements matured on January 3, 2020 (2018: January 3, 2019).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2019

	2019	2018
	P'000	P'000
9. DEPOSITS		
Government	1 315 456	1 124 315
Bankers - current accounts	82 280	156 692
- statutory reserve accounts	2 931 281	2 904 996
IMF No 1 & 2 accounts	864 424	800 041
Other	682 254	758 952
	<u>5 875 695</u>	<u>5 744 995</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.		
10. DIVIDEND TO GOVERNMENT		
Balance due at the beginning of the year	4 285 902	1 042 198
Dividend to Government from Pula Fund	948 000	740 000
Paid during the year	(4 996 902)	(1 597 198)
Residual net income	3 169 425	4 100 902
Balance due at the end of the year	<u>3 406 425</u>	<u>4 285 902</u>
The final instalment of the pre-set dividend of P237 000 000 and the residual net income of P3 420 039 000 unpaid as at December 31, 2019 has been provided for in accordance with Section 6 of the Bank of Botswana Act (CAP 55:01); which requires that all profits of the Bank be distributed to the shareholder, the Government.		
11. PAYABLES AND OTHER LIABILITIES		
Accounts payable	10 287	6 217
Donor funds – Government projects	28 322	156 886
Lease Liability	11 429	-
Other payables and accruals	73 484	63 858
	<u>123 522</u>	<u>226 961</u>
12. CATEGORIES OF FINANCIAL INSTRUMENTS		
12.1 Financial Assets		
Measured at FVTPL		
Equities	21 491 146	18 598 255
Bonds	30 533 748	28 020 159
Derivatives	(54 331)	(31 033)
	<u>51 970 563</u>	<u>46 587 381</u>
Measured at amortised cost		
IMF Reserves	1 473 956	1 420 033
Staff loans and advances	139 689	107 423
Short-term deposits	11 754 849	23 404 236
Less: impairment loss	(13 752)	(266)
	<u>13 354 742</u>	<u>24 931 426</u>
Total Financial Assets	<u>65 325 305</u>	<u>71 518 807</u>
The above is disclosed in the Statement of Financial Position as follows:		
Total Foreign Assets	65 229 278	71 426 631
Add: Derivative instruments (liabilities) (Note 1.2)	(43 662)	(15 206)
Receivable and Other Assets - staff loans and advances (Note 4)	139 689	107 382
	<u>65 325 305</u>	<u>71 518 807</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2019

	2019 P'000	2018 P'000
12. CATEGORIES OF FINANCIAL INSTRUMENTS (Cont'd)		
12.2 Financial Liabilities		
Measured at FVTPL		
Derivative instruments (Note 1.2)	(43 662)	(15 206)
Other Financial Liabilities - at amortised cost		
Bank of Botswana Certificates	8 609 568	8 192 670
Reverse Repurchase Agreements	1 831 202	1 054 903
Allocation of SDR (IMF)	841 951	856 878
Liabilities to Government (IMF)	83 911	19 547
Deposits	5 875 695	5 744 995
Dividend to Government	3 406 425	4 285 902
Payables and Other liabilities	123 522	226 961
	20 728 612	20 366 750

12.3 Derivative Instruments

The Bank's 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.

		Assets 2019 (P'000)	Liabilities 2019 (P'000)	Notional Amount 2019 (P'000)	Assets 2018 (P'000)	Liabilities 2018 (P'000)	Notional Amount 2018 (P'000)
Futures	-Buy	(80 531)	-	3 027 247	(36 556)	-	1 559 947
	-Sell	-	74 378	(2 896 336)	-	22 734	(2 956 621)
Swaps	-Buy	26 200	-	7 909	5 523	-	3 705
	-Sell	-	(30 716)	(5 260)	-	(7 528)	(4 507)
		(54 331)	43 662	133 560	(31 033)	15 206	(1 397 476)

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.

Options

An option is an exclusive right, usually obtained for a fee, but not the obligation to buy or sell a specific financial instrument within a specified time. A fixed income option is the exclusive right to either buy or sell specified units of a fixed income security by a specific date. A currency option is an option to either buy or sell a specified currency by a specific date.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2019

	2019	2018
	P'000	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	1 600 000	1 600 000
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	172 716	113 331
Short-term deposits: amortised cost	401 071	292 619
IMF Reserves: amortised cost	5 395	3 802
Pula Fund		
Short-term deposits: amortised cost	51 188	75 106
Bonds: FVTPL	674 125	631 730
	1 304 495	1 116 588
The interest on foreign exchange reserves relates to interest income.		
16. DIVIDENDS – FOREIGN EXCHANGE RESERVES		
Pula Fund		
Equities: FVTPL	471 284	541 557
17. NET REALISED FAIR VALUE GAINS ON DISPOSAL OF SECURITIES		
Liquidity Portfolio		
Bonds: FVTPL	(46 168)	(188 748)
Pula Fund		
Bonds: FVTPL	926 313	(162 283)
Derivative instrument: FVTPL	(42 098)	52 730
Equities: FVTPL	2 059 262	3 926 655
	2 897 309	3 628 354

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2019

	2019 P'000	2018 P'000
18. NET REALISED CURRENCY GAINS/(LOSSES)		
Liquidity Portfolio		
Short-term deposits: amortised cost	142 725	348 966
Bonds: FVTPL	73 928	29 706
Pula Fund		
Derivative instruments: FVTPL	418	(52 730)
Short-term deposits: amortised cost	132 067	186 061
Bonds: FVTPL	451 753	957 086
Equities: FVTPL	536 893	1 184 454
	<u>1 337 784</u>	<u>2 653 543</u>
19. NET UNREALISED CURRENCY GAINS/(LOSSES)		
Liquidity Portfolio		
Short-term deposits: amortised cost	(168 647)	106 673
Bonds: FVTPL	(158 766)	409 874
IMF reserves: amortised cost	(809)	2 582
Pula Fund		
Short-term deposits: amortised cost bonds: FVTPL	(190 928)	229 724
Bonds: FVTPL	(822 706)	729 109
Equities: FVTPL	(748 191)	(86 926)
Derivative instruments: FVTPL	298	2 152
	<u>(2 089 749)</u>	<u>1 393 188</u>
20. NET UNREALISED FAIR VALUE GAINS/(LOSSES)		
Liquidity Portfolio		
Bonds: FVTPL	111 222	103 930
Pula Fund		
Derivative instruments: FVTPL	(10 365)	(17 979)
Bonds: FVTPL	588 724	(311 339)
Equities: FVTPL	3 027 167	(5 590 440)
	<u>3 716 748</u>	<u>(5 815 828)</u>
21. INTEREST EXPENSE		
Bank of Botswana Certificates (BoBCs)	141 340	97 720
Reverse Repurchase Agreements	20 465	15 388
	<u>161 805</u>	<u>113 108</u>
22. NET CURRENCY REVALUATION GAINS/(LOSSES) RETAINED IN PROFIT OR LOSS		
Total net realised (Note 18)	1 337 784	2 653 543
Total net unrealised (losses)/gains (Note 19)	(2 089 749)	1 393 188
Total net currency revaluation (losses)/gains	<u>(751 965)</u>	<u>4 046 731</u>
Appropriated to Currency Revaluation Reserve:		
Net realised currency (gains)/losses reinvested in foreign assets	(1 307 998)	5 366 892
Net unrealised currency losses/(gains) (Note 19)	2 089 749	(1 393 188)
Transfer of net currency losses to Currency Revaluation Reserve	(781 751)	(3 973 704)
Net currency revaluation gains retained in profit or loss	<u>29 786</u>	<u>73 027</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2019

	2019	2018
	P'000	P'000
23. NET FAIR VALUE GAINS/(LOSSES) APPROPRIATED TO FAIR VALUE REVALUATION RESERVE		
Total net realised gains (Note 17)	2 897 309	3 628 354
Total net unrealised losses (Note 20)	3 716 748	(5 815 828)
Total net fair value losses	<u>6 614 057</u>	<u>(2 187 474)</u>
Appropriated to Fair Value Revaluation Reserve:		
Transfer of unrealised fair value (gains) losses to fair value revaluation reserve	(3 605 526)	5 919 758
Net fair value gains retained in profit or loss	<u>3 008 531</u>	<u>3 732 284</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, 2019 is P38 609 708 (2018: P34 408 671).		
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.		
	2019	2018
	P'000	P'000
26. CASH GENERATED FROM OPERATIONS		
Net income for the year adjusted for:	6 941 200	2 864 533
Net realised and unrealised exchange losses/(gains)	781 751	(3 973 704)
Unrealised fair value (gains)/losses	(3 605 526)	5 919 758
Depreciation expense	30 069	27 694
IFRS 16 transition adjustment	1 331	-
Interest on lease payment	672	-
Impairment loss on financial assets	13 526	225
Loss on disposal of Property and Equipment	250	104
Interest: Government of Botswana bond	-	(1 387)
Interest: Foreign Exchange Reserves	(1 304 495)	(1 116 588)
Dividends: Foreign Exchange Reserves	(471 284)	(541 557)
Interest Expense	161 805	113 108
	<u>2 549 299</u>	<u>3 292 186</u>
Adjustments for movements in:		
Deposits: banks and other	(60 441)	(24 377)
Deposits: Government	191 141	39 372
Bank of Botswana Certificates	416 898	1 914 762
Reverse Repurchase Agreements	776 299	1 000 902
Receivables and Other assets	34 474	(65 483)
Payables and Other liabilities	(114 868)	29 770
Cash generated from operations	<u>3 792 802</u>	<u>6 187 132</u>
27. CAPITAL COMMITMENTS		
Approved and contracted for	248 271	83 453
Approved, but not contracted for	118 827	122 598
	<u>367 098</u>	<u>206 051</u>
These capital commitments will be funded from internal resources.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2019

28. COLLATERAL

(a) Credit Facility

There were no open positions as at December 31, 2019 (2018: 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 P7.5 billion (2018: P6.1 billion). The Bank has accepted securities with a fair value of P7.9 billion (2018: P6.3 billion) as collateral for the securities lent under this programme.

30. GOVERNMENT OF BOTSWANA BONDS AND TREASURY BILLS

In accordance with Sections 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 during the financial year ended December 31, 2019 is provided below:

Government of Botswana Bonds and Treasury Bills issued during the year 2019

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)
BW007	June 5, Dec 4, 2019	Mar 10, 2025	8	350 000	80 100	430 100	6 000	8 692
BW012	Dec 4, 2019	June 13, 2040	6	90 000	6 519	96 519	-	280
BW013	March 6, Sept 4, 2019	June 7, 2023	4.5	337 000	15 649	352 649	10 665	1 036
BW014	March 6, June 5, Sept 4, Dec 4, 2019	Sept 5, 2029	4.8	1 144 000	(44 074)	1 099 926	13 488	17 801
BW015	June 5, Sept 4, 2019	Sept 2, 2043	5.3	350 000	2 786	352 786	2 650	6 166
BW040919	March 6, 2019	Sept 4, 2019	-	350 000	(2 947)	347 053	2 947	-
BW041219	June 5, 2019	Dec 4, 2019	-	300 000	(2 955)	297 045	2 955	-
BW040320	Sept 4, 2019	Mar 4, 2020	-	500 000	(4 765)	495 235	-	3 115
BW030620	Dec 4, 2019	June 3, 2020	-	500 000	(4 950)	495 050	-	761
TOTAL				3 921 000	45 363	3 966 363	38 705	37 851

- (a) Net proceeds realised from the issue of the bonds of P3 966 363 000 (2018: P3 741 533 000) were invested in the Government Investment Account. The nominal value of holdings of total outstanding Government bonds and treasury bills as at December 31, 2019, was P12 859 000 000 (2018: P10 258 000 000). The nominal value of redemptions during the year to December 31, 2019 was P1 320 000 000 (2018: P3 548 000 000).
- (b) Interest is payable on all interest earning bonds on a semi-annual basis in arrears. During the year to December 31, 2019, total interest payments of P709 945 700 were made (2018: P787 977 900) and were funded from the Government’s current 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2019

31. 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 reserve management policies and the strategic asset allocation.

(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 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 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.

(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 34 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 liquid 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2019

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

Liquidity Portfolio

In terms of the investment guidelines, the Liquidity Portfolio gives priority to liquidity over return, 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. There is a sub-portfolio, the Transaction Balances Tranche (TBT), comprising highly-liquid investments in the Bank's international transaction currencies.

There are no equities in the Liquidity Portfolio. Investment instruments include government bonds, government guaranteed bonds, supranational bonds of eligible investment grade currencies and eligible money market instruments.

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 2019, the Bank's total exposure to investment currencies was P63.0 billion (2018: P66.4 billion). The Bank is also exposed to SDR currency risk on net IMF balances amounting to P715 916 000 (2018: P582 802 000).

(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 risk is 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 2019, the average modified duration of the fixed income portion of the Pula Fund was 6.6 years (2018: 6.5 years). The Liquidity Portfolio gives priority to liquidity over return and given the constant need to provide foreign exchange to finance international transaction payments (from the Bank's perspective, the portfolio is exposed to minimum interest rate risk). At the end of 2019, the Liquidity Portfolio's average modified duration was 4 years (2018: 2.20 years).

(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 2019, the equity portion of the Pula Fund was P21.5 billion (2018: P18.6 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2019

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

December 31, 2019

Risk Variable	Adverse market change			Beneficial market change	
		Scenario	Effect on Statement of Profit or Loss and Other Comprehensive Income ⁵ (P'000)	Scenario	Effect on Statement of Profit or Loss and Other Comprehensive Income (P '000)
Interest Rate Risk		Increase in yields by 50 basis points	(950 011)	Decrease in yields by 50 basis points	950 011
Currency Risk	Investment currencies	Strengthening of the Pula by 1 percent	(644 327)	Weakening of the Pula by 1 percent	644 327
	South African rand	Strengthening of the Pula by 1 percent	(7 966)	Weakening of the Pula by 1 Percent	7 966
Equity Risk	Global Equities	Decline in global equity prices by 5 percent	(1 074 557)	Increase in global equity prices by 5 percent	1 074 557

December 31, 2018

Risk Variable	Adverse market change			Beneficial market change	
		Scenario	Effect on Statement of Profit or Loss and Other Comprehensive Income ⁶ (P'000)	Scenario	Effect on Statement of Profit or Loss and Other Comprehensive Income (P '000)
Interest Rate Risk		Increase in yields by 50 basis points	(824 674)	Decrease in yields by 50 basis points	824 674
Currency Risk	Investment currencies	Strengthening of the Pula by 1 percent	(677 931)	Weakening of the Pula by 1 percent	677 931
	South African rand	Strengthening of the Pula by 1 percent	(36 335)	Weakening of the Pula by 1 Percent	36 335
Equity Risk	Global Equities	Decline in global equity prices by 5 percent	(929 913)	Increase in global equity prices by 5 percent	929 913

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.

(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.

Consistent with the investment policies and 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.

⁵ The effects are expected to have the same impact on shareholder's funds.

⁶ 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, 2019

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

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	2019 P'000	2018 P'000
Financial Assets			
Liquidity Portfolio			
Bonds: FVTPL	1.1	6 871 141	7 033 866
Short-term deposits: amortised cost		10 870 558	15 503 335
Pula Fund			
Bonds: FVTPL	1.2	23 662 607	20 986 293
Derivative instruments: FVTPL		(54 331)	(31 033)
Short-term deposits: amortised cost		884 291	7 900 901
International Monetary Fund- amortised cost			
Reserve Tranche	2.1	582 959	518 695
Holdings of Special Drawing Rights	2.2	868 698	878 644
General Subsidy Account	2.3	22 299	22 694
Receivables and Other Assets- staff loans and advances: amortised cost	4	139 689	107 382
Total		43 847 911	52 920 777
Analysis of Credit Exposure by class:			
Measured at fair value			
Bonds		30 533 748	28 020 159
Derivatives		(54 331)	(31 033)
Measured at amortised cost			
IMF Reserves		1 473 956	1 420 033
Staff advances		139 689	107 382
Short-term deposits		11 754 849	23 404 236
Total		43 847 911	52 920 777

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 P90 882 159 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 P145 360 000.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2019

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

The Tables below reflect the credit exposure based on the fair value of the assets with counterparties as at December 31, 2019.

Credit Exposure on Bonds

Moody's/S&P Rating	Government (P'000)	Corporate (P'000)	2019 Total (P'000)	2018 Total (P'000)
AAA	13 183 504	482 722	13 666 226	15 845 911
AA+	854 928	94 726	949 654	1 227 685
AA	3 020 409	272 975	3 293 384	3 148 485
AA-	192 787	314 350	507 137	340 190
A+	2 156 533	475 078	2 631 611	2 683 475
A	2 122 348	771 665	2 894 013	718 402
Other ⁷	1 787 417	4 804 306	6 591 723	4 040 185
	23 317 926	7 215 822	30 533 748	28 004 332

Credit Exposure to Banks (Short-term deposits)

Fitch Rating	2019 (P'000)	2018 (P'000)
AAA ⁸	7 452 913	3 665 325
AA+	353 376	723 643
AA	48 483	41 329
AA-	1 639 748	-
A	925 843	310 726
A+	114 805	-
A-	423 121	-
a+5	-	432 165
a1	-	1 127 589
a5	-	1 974 408
aa2	-	644 471
aa-1	-	751 767
aa-2	-	2 362 599
aa-5	-	5 695 699
a-5	-	966 764
a-1	-	644 839
BB+	796 560	3 631 856
Bbb5/bbb+5	-	429 377
bb+3	-	1 679
	11 754 849	23 404 236

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.

(e) Instrument Risk

Sovereign Bonds

In accordance with the investment policies and 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 rating agencies credit rating agencies. If an issuer is rated by one rating agency its exposure limit will be downgraded by one notch.

⁷ Other includes investments rated below A-, but still remain within the acceptable investment grade as per the investment guidelines

⁸ 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, 2019

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

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.

The Bank uses international rating agencies namely, Moody's, Standard and Poor's and Fitch Rating for its credit risk assessment. For deposit taking institutions, and commercial banks 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	Standard and Poor's
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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2019

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

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.

	2019			2018
	12-Month ECL Staging			
Credit Grade	Staff Loans P'000	Short-term Deposits P'000	Total P'000	Total P'000
Normal – investment grade	140	10 958 289	10 958 429	23 080 562
Concerned – standard monitoring	-	796 560	796 560	429 377
Default ⁹	-	-	-	1 720
Gross carrying amount	140	11 754 849	11 754 989	23 511 659
Loss allowance	-	(13 752)	(13 752)	(266)
Carrying amount	140	11 741 097	11 741 237	23 511 393

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.

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

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.

⁹ Default includes deposits held with Banks in South Africa for transactional purposes despite the ratings because of important economic and business relationship that exist between Botswana and South Africa.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2019

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

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
- (ix) Political risk score

Loss allowance

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

	2019 12-month ECL P'000	2018 P'000
Short-term Deposits at Amortised Cost		
Balance at January 1, 2019	266	397
Transfer to 12-month ECL	-	-
Net remeasurement of loss allowance	13 486	266
Financial assets that have been derecognised	-	(397)
Balance at December 31, 2019	13 752	266

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2019

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

Financial Liabilities at Undiscounted Cash Flows

The table below summarises the maturity profile of the Bank's financial liabilities as at December 31, 2019, based on contractual undiscounted repayment obligations.

December 31, 2019	Less than 3 months (P'000)	3-12 months (P'000)	1-5 years (P'000)	Over 5 years (P'000)	Total (P'000)
Bank of Botswana Certificates	8 615 000	-	-	-	8 615 000
Reverse Repurchase Agreements	1 831 202	-	-	-	1 831 202
Deposits	5 875 695	-	-	-	5 875 695
Allocation of SDR - IMF	-	-	-	841 951	841 951
Liabilities to Government - IMF	-	-	83 911	-	83 911
Dividend to Government	3 420 039	-	-	-	3 420 039
Lease Liability	860	2 833	7 656	80	11 429
Payables and Other Liabilities	112 093	-	-	-	112 093
	19 865 458	-	95 260	842 031	20 791 320

December 31, 2018	Less than 3 months (P'000)	3-12 months (P'000)	1-5 years (P'000)	Over 5 years (P'000)	Total (P'000)
Bank of Botswana Certificates	8 196 000	-	-	-	8 196 000
Reverse Repurchase Agreements	1 054 903	-	-	-	1 054 903
Deposits	5 744 995	-	-	-	5 744 995
Allocation of SDR - IMF	-	-	-	856 878	856 878
Liabilities to Government - IMF	-	-	19 647	-	19 647
Dividend to Government	4 285 902	-	-	-	4 285 902
Payables and Other Liabilities	226 961	-	-	-	226 961
	19 508 761	-	19 647	856 878	20 385 286

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments carried at amortised cost

The Board considers that the carrying amounts of financial assets and liabilities recognised in the financial statements at amortised cost approximate their fair values, due to their short-term duration.

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.

Valuation models and techniques

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).

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 value, discounted cash flow models and comparison with prices from observable current market transactions and dealer quotes for similar instruments.

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 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.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2019

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

Valuation models and techniques (cont'd)

The Bank uses discounted cash flow analysis to value Bank of Botswana Certificates (BoBCs). The valuation is based on observable market prices, 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 values are categorised into different levels in a fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

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).

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2019

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

Fair Value Measurements recognised in the Statement of Financial Position

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

December 31, 2019	Level 1 P'000	Level 2 P'000	Total P'000
Financial Assets			
Investments measured at FVTPL			
Bonds	30 533 748	-	30 533 748
Derivative Instruments	-	(54 331)	(54 331)
Equities	21 491 146	-	21 491 146
Investments Measured at Amortised Cost	-	13 354 742	13 354 742
	52 024 894	13 300 411	65 325 305
Financial Liabilities			
Derivative Instruments	-	(43 662)	(43 662)
Other Financial Liabilities			
Bank of Botswana Certificates	-	8 609 568	8 609 568
Other liabilities			
Foreign Liabilities	-	925 862	925 862
Reserve Repurchase Agreements	-	1 831 202	1 831 202
Deposits	-	5 875 695	5 875 695
Dividend to Government	-	3 406 425	3 406 425
Payables and Other Liabilities	-	123 522	123 522
	-	20 728 612	20 728 612
December 31, 2018	Level 1 P'000	Level 2 P'000	Total P'000
Financial Assets			
Investments measured at FVTPL			
Bonds	28 020 159	-	28 020 159
Derivative Instruments	-	(31 033)	(31 033)
Equities	18 598 255	-	18 598 255
Investments Measured at Amortised Cost	-	24 931 426	24 931 426
	46 618 414	24 900 393	71 518 807
Financial Liabilities			
Derivative Instruments	-	(15 206)	(15 206)
Other Financial Liabilities			
Bank of Botswana Certificates	-	8 192 670	8 192 670
Other Liabilities			
Foreign Liabilities	-	876 525	876 525
Reserve Repurchase Certificates	-	1 054 903	1 054 903
Deposits	-	5 744 995	5 744 995
Dividend to Government	-	4 285 902	4 285 902
Payables and Other Liabilities	-	226 961	226 961
	-	20 366 750	20 366 750

There were no transfers between levels during the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2019

33. CLASSIFICATION OF ASSETS AND LIABILITIES

	Current P'000	Non-Current	Total P'000
As at December 31, 2019			
ASSETS			
Liquidity Portfolio	9 785 372	7 944 621	17 729 993
Pula Fund	1 955 725	44 069 604	46 025 329
International Monetary Fund (IMF)			
Reserve Tranche	-	582 959	582 959
Holdings of Special Drawing Rights (SDR)	-	868 698	868 698
General Subsidy Account	-	22 299	22 299
Property and Equipment	-	520 910	520 910
Receivables and Other Assets	239 387	-	239 387
TOTAL ASSETS	11 980 484	54 009 091	65 989 575
LIABILITIES			
Allocation of IMF Special Drawing Rights	-	841 951	841 951
Liabilities to Government (IMF Reserve Tranche)	-	83 911	83 911
Notes and Coin in Circulation	3 782 031	-	3 782 031
Bank of Botswana Certificates	8 609 568	-	8 609 568
Reverse Repurchase Agreements	1 831 202	-	1 831 202
Deposits	5 875 695	-	5 875 695
Dividend to Government	3 406 425	-	3 406 425
Payables and Other Liabilities	123 522	-	123 522
Total Liabilities	23 628 443	925 862	24 554 305

As at December 31, 2018

	Current P'000	Non-Current P'000	Total P'000
ASSETS			
Liquidity Portfolio	14 660 800	7 876 236	22 537 039
Pula Fund	8 743 211	38 726 348	47 469 559
International Monetary Fund (IMF)			
Reserve Tranche	-	518 695	518 695
Holdings of Special Drawing Rights (SDR)	-	878 644	878 644
General Subsidy Account	-	22 694	22 694
Property and Equipment	-	449 544	449 544
Receivables and Other Assets	273 861	-	273 861
TOTAL ASSETS	23 677 872	48 472 164	72 150 036
LIABILITIES			
Allocation of IMF Special Drawing Rights	-	856 878	856 878
Liabilities to Government (IMF Reserve Tranche)	-	19 647	19 647
Notes and Coin in Circulation	3 286 916	-	3 286 916
Bank of Botswana Certificates	8 192 670	-	8 192 670
Reverse Repurchase Agreements	1 054 903	-	1 054 903
Deposits	5 744 995	-	5 744 995
Dividend to Government	4 285 902	-	4 285 902
Payables and Other Liabilities	226 961	-	226 961
Total Liabilities	22 792 347	876 525	23 668 872

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2019

34. 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, 2019 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 9.

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 9 are the following balances with Government-owned institutions.

	2019 P'000	2018 P'000
Botswana Savings Bank	10 288	5 668
Botswana Unified Revenue Service	73 764	157 666
Total	84 052	163 334

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, General Manager, General Counsel and Heads of Department.

Gross emoluments of the key management personnel are:

	2019 P'000	2018 P'000
Non-Executive Board members	188	202
Executive Management		
Salaries, allowances and other short term benefits	23 741	22 894
Post-employment benefits	6 243	5 120
	30 172	28 216

Of the Staff Loans and Advances per Note 4, P600 817 (2018: P985 108) are attributable to Executive Management.

35. CONTINGENCIES

The Bank is defending an action instituted by one of the creditors of Kingdom Bank Africa Limited in liquidation. Although liability is not admitted, if the defence against the action is unsuccessful, the claim against the Bank and legal costs could amount to approximately P34 million.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2019

36. EVENTS AFTER THE REPORTING DATE

At the date of finalisation of the annual financial statements, there were no material events that occurred subsequent to the statement of financial position date that require adjustment to in the financial statements. However the Coronavirus COVID-19 outbreak is a material subsequent event that requires disclosure in the financial statements.

On March 11, 2020, the World Health Organisation declared the Coronavirus COVID-19 outbreak to be a pandemic. Many governments are taking increasingly stringent steps to help contain the spread of the virus, including: requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and “locking-down” cities/regions or even entire countries. The pandemic is an unprecedented challenge for humanity and for the economy globally, and at the date of finalisation of the financial statements its effects are subject to significant levels of uncertainty. There is potentially adverse effect on the foreign exchange reserves as the global equity markets experience negative shocks and volatility. The Bank continues to monitor the markets to be proactive in maintaining as far as possible the safety of the foreign exchange reserves portfolio. There is, however, a high chance that this continued pressure on global markets, as a result of the COVID-19 pandemic, would lead to significant unrealised market losses and/or withdrawals by Government to fund emergency operations. On the other hand, there could be delays to execution of Government and associated spending due to supply disruptions in the short-term and measures to contain the disease, thus off-setting the impact of any withdrawals.

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. Based on the assessment performed, management is of the view that the significant doubt associated with the current uncertainties related to the COVID-19 virus currently does not result in a material uncertainty related to such events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. The Board concurs with this assessment. The Bank is a central bank of the Republic of Botswana with powers generally conferred upon a central bank/monetary authority of any jurisdiction.

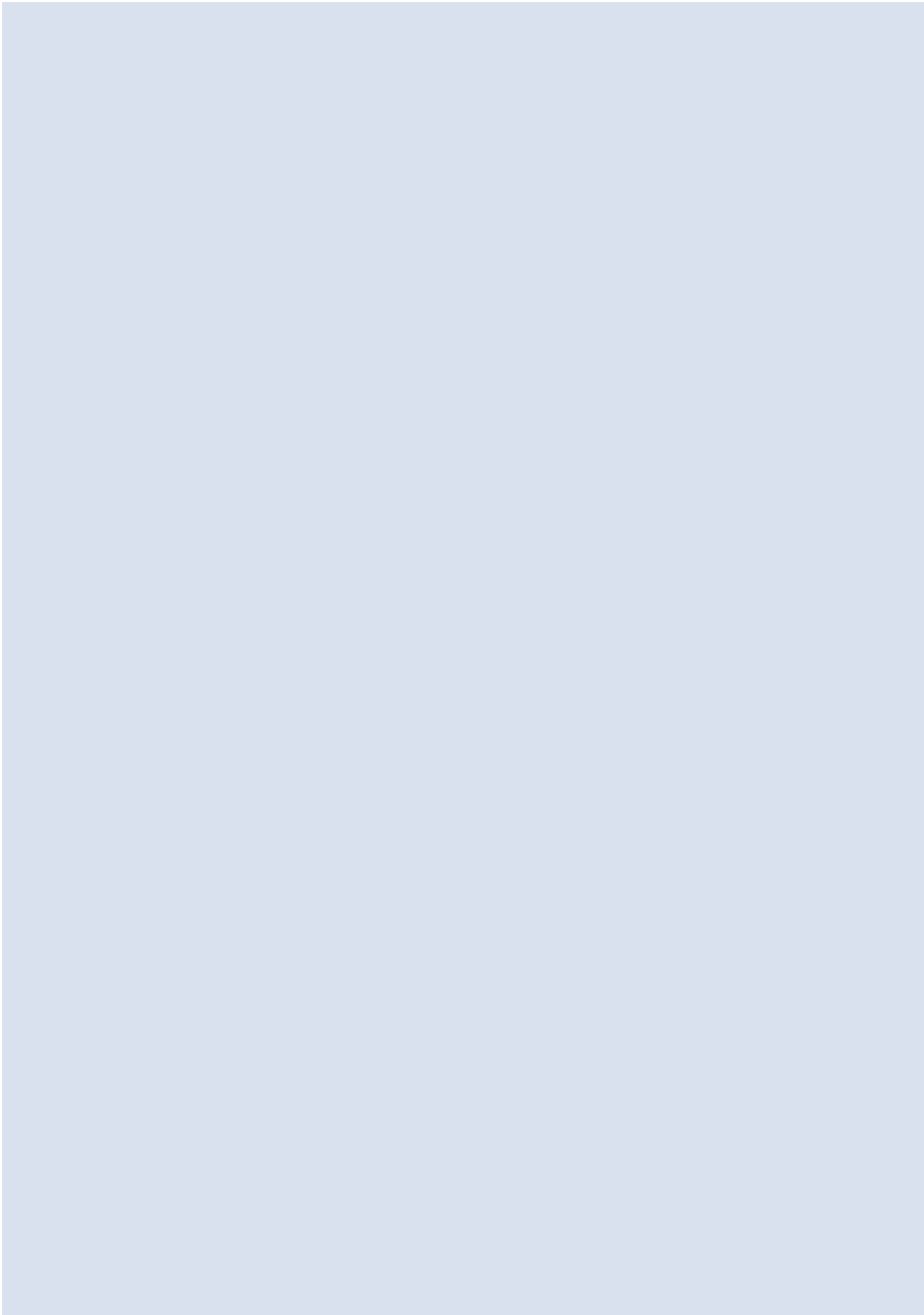
PART B

THE BOTSWANA ECONOMY IN 2019

THEME CHAPTER:

CENTRAL BANK GOVERNANCE AND FUNCTIONS IN PURSUIT OF PRICE AND FINANCIAL STABILITY

BANK OF BOTSWANA



CHAPTER 1

THE BOTSWANA ECONOMY IN 2019

1. OUTPUT, EMPLOYMENT AND PRICES

(a) National Income Accounts

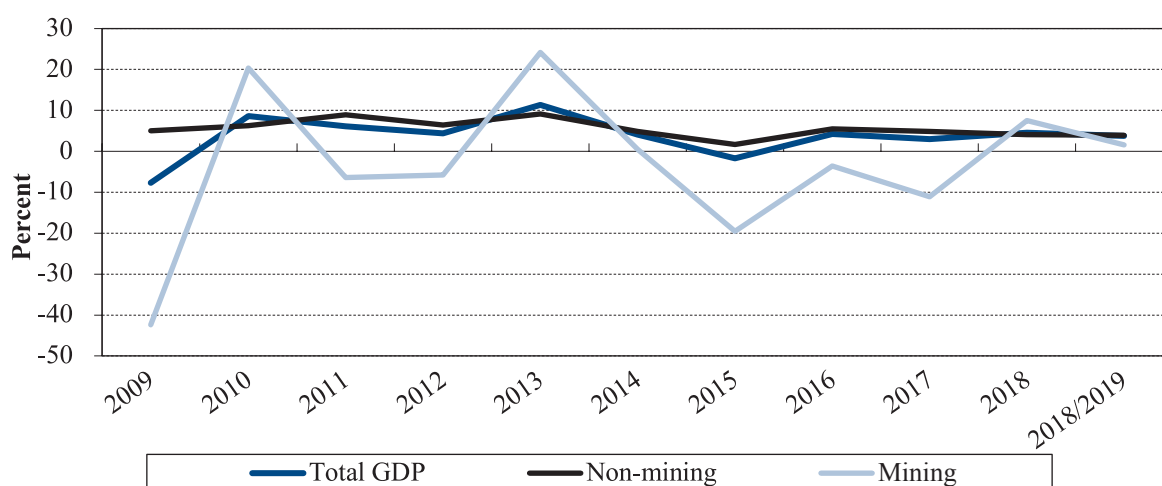
Overview

- 1.1 Real GDP grew by 3.7 percent in the 12 - months to September 2019, compared to a faster growth of 5 percent in the year to September 2018. The lower increase in output is attributable to a deceleration in output growth for both the *mining and non-mining* sectors. *Mining* output grew by 1.6 percent in the year to September 2019, compared to a faster growth of 4.1 percent recorded in the corresponding period ending September 2018, mainly due to weaker performance of the sub-sectors including diamond, copper and coal production.

slower output growth of the *trade, hotels and restaurants*¹⁰, *agriculture and construction*, as well as a decrease in production of *water and electricity*. However, the faster growth of the *transport and communications* (5.9 percent) and *finance and business services* (5.6 percent) sectors, boosted overall performance of the *non-mining* sectors.

- 1.3 The 3.7 percent real GDP growth is similar to the average of 3.7 percent expansion experienced in the ten years to 2018 (Chart 1.1). Chart 1.1 also shows that economic growth has been declining gradually over the ten-year period. This is reflected in both the mining (highly volatile) and *non-mining* GDP.
- 1.4 Consistent with the decline in GDP growth,

CHART 1.1: REAL GDP GROWTH 2010 - 2018/19 (PERCENT)



Note: Data for 2018/19 are for the 12-month period to September 2019.

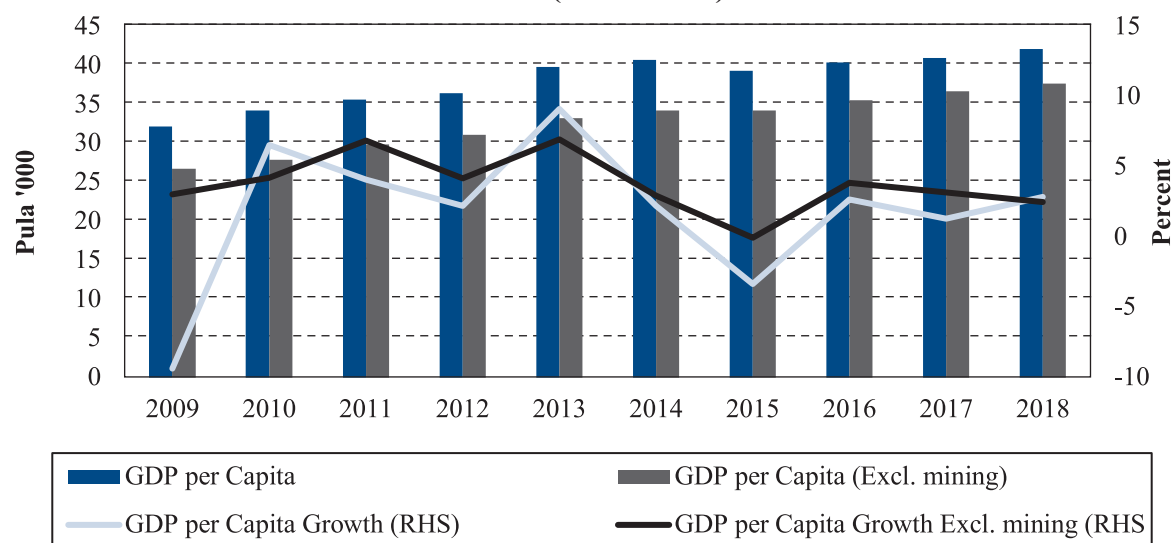
Source: Statistics Botswana

- 1.2 *Non-mining* GDP grew by 4 percent in the 12-month period to September 2019, compared to 5.1 percent in the corresponding period ending September 2018. The weaker *non-mining* GDP performance was due to a

the rate of growth in per capita income has also decelerated over the years from a pick of 9.1 percent in 2013. There is, however, a noticeable improvement from 2015 (Chart 1.2).

¹⁰ This sector also includes *tourism*.

CHART 1.2: REAL GDP PER CAPITA TRENDS (2009 - 2018)



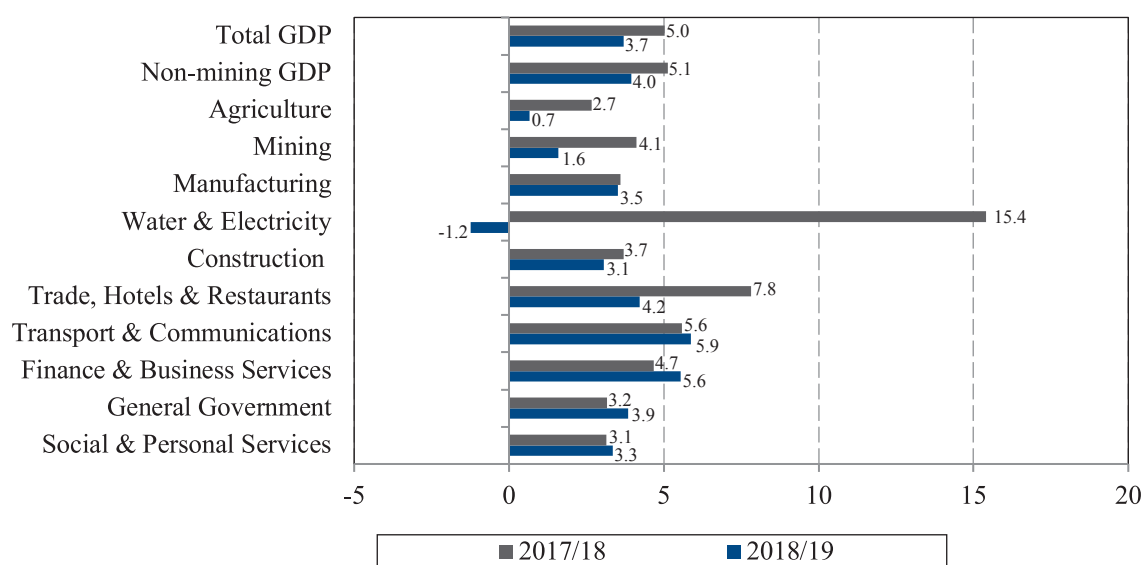
Source: Statistics Botswana

Sectoral Performance

- 1.5 Output for all economic sectors, except *water and electricity*, increased in the twelve months to September 2019 (Chart 1.3), hence contributing positively to real GDP growth (Chart 1.4).

the *diamond* industry in the year to September 2019 was largely attributable to the decline in production at Orapa Mine, following a planned plant shutdown in April 2019, as well as a decrease in production at Jwaneng Mine in the third quarter of 2019. Similarly, diamond production from Karowe Mine

CHART 1.3: REAL GDP GROWTH BY SECTOR (PERCENT)

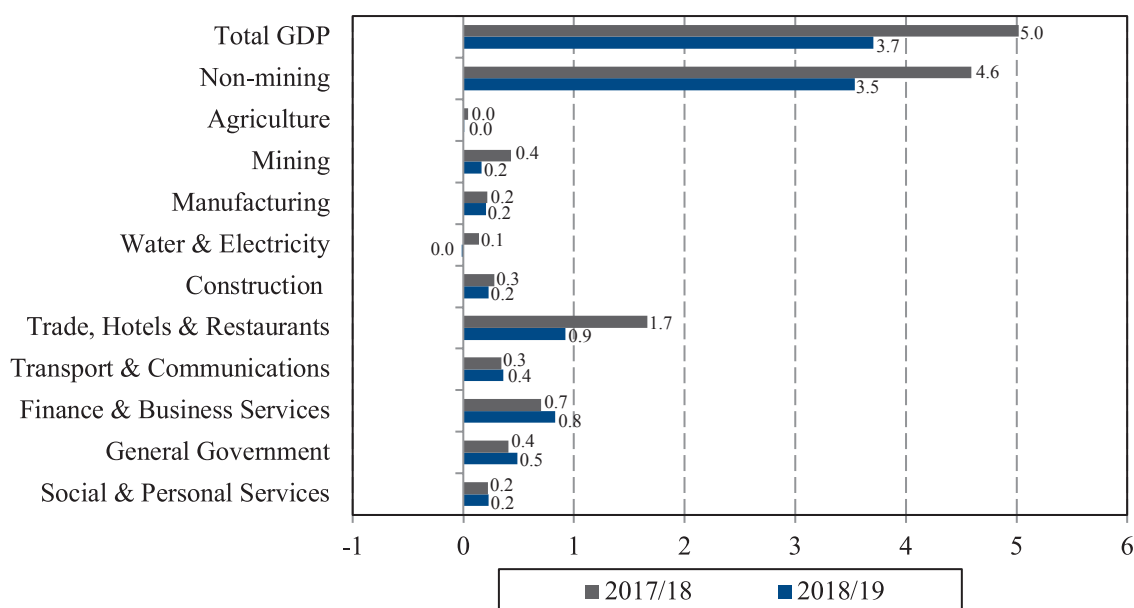


Note: Data are for the 12-month period ending September 2018 and September 2019.

Source: Statistics Botswana

- 1.6 Growth in *mining* output decelerated mainly due to slow expansion of the diamond industry, from 3.2 percent to 2.1 percent in the review period. The weak performance of

grew by 22.9 percent in the twelve months to September 2019, compared to a faster growth of 30.3 percent in the corresponding period ending in September 2018¹¹. Furthermore,

CHART 1.4: CONTRIBUTION TO REAL GDP GROWTH BY SECTOR (PERCENT)¹

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 12-month period ending September 2018 and 2019.
- Source: Statistics Botswana

overall global demand for rough diamonds was adversely affected by the trade tension between the US and China, as well as social unrest in Hong Kong in 2019. Growth in soda ash output also decelerated, from 19.9 percent to 6.6 percent, while copper and coal production was lower in 2019 compared to 2018. Copper output fell by 90.5 percent following cessation of production at the Mowana Mine in November 2018. Coal output decreased due to lower demand at Morupule B power station, which continued to operate below capacity, with one of the units placed under care and maintenance for part of 2019. Regarding the other *mining* sub-sectors, growth in production fell with respect to other mining¹² (from 7.3 percent to 1.6 percent) and *prospecting* (2.3 percent to 2 percent).

1.7 *Water and electricity* output contracted by 1.2 percent in the year to September 2019, down from an expansion of 15.4 percent for the year ending in September 2018. The decrease was largely attributable to output of the *electricity* sub-sector, which contracted by 17.6 percent. This was due to a decline in local electricity production, subsequent to the placement of one unit of Morupule B under care and maintenance in July 2019. The *water* sub-sector contracted by 0.1 percent from a growth of 3.7 percent on account of reticulation challenges experienced since the last half of 2018.

1.8 The *transport and communications* sector output expanded by 5.9 percent in the year to September 2019, slightly higher than 5.6 percent growth in 2018, driven by positive growth in most sub-sectors.

1.9 The *trade, hotels and restaurants* sector grew by 4.2 percent in the year to September 2019, down from the 7.8 percent expansion in the prior year. The lower growth was mainly due to a contraction of 9.2 percent in the *wholesale* sub-sector, mainly reflecting weak performance in the diamond trading activities by De Beers Global Sightholders Sales and Okavango Diamond Company, which were adversely affected by the generally subdued

¹¹ The lower performance is attributable to the lower number of special stones recovered in the period under review. Production for 2019 includes the largest diamond ever recovered at Karowe Mine in April 2019 (Sewelô), weighing 1 758 carats. Despite the reduction in production, Karowe's sales increased by 2.5 percent to USD177.1 million in the twelve months to September 2019, from USD172.7 million in the corresponding period in 2018, reflecting the higher number and quality of exceptional diamonds sold in the year to September 2019 compared to the corresponding period in 2018.

¹² Other mining in Botswana includes mining of gold and quarrying.

performance of the diamond cutting and polishing industries, globally. Nonetheless, stronger performance of the *retail* (7.1 percent)¹³, *hotels and restaurants* (6.5 percent) and *vehicle dealers* (4.5 percent) sub-sectors contributed positively to overall sectoral output.

1.10 The *finance and business services* sector expanded by 5.6 percent in the review period, compared to 4.7 percent in the year ending September 2018 and involved notable growth rates for some of the sub-sectors, namely, *real estate* (6.5 percent), *business services* (6.5 percent), *banks* (6.2 percent); there were modest growth rates for *business prospecting* (2.3 percent), *insurance* (2.2 percent) and *owner-occupied dwellings* (2 percent).

1.11 *Construction* grew by 3.1 percent in the twelve-month period to September 2019, down from 3.7 percent in the corresponding period in 2018. The lower growth was partly due to the completion of some construction projects¹⁴ such as shopping centres across the country, including in Palapye.

1.12 *Agriculture* output increased by 0.7 percent in the twelve-month period to September 2019, compared to an increase of 2.7 percent in the corresponding period ending in September 2018. The decline in the rate of growth of the *agriculture* output was mainly due to reduced harvest and livestock production than in the previous period. The country experienced severe drought characterised by low and sporadic rains in the last quarter of 2018 and first quarter of 2019.

1.13 For the *manufacturing* sector, output expanded by 3.5 percent in the year ending September 2019, compared to 3.6 percent in 2018. The slightly lower increase resulted from contractions in *tanning and leather products* (3.8 percent), *textiles* (2.3 percent) and *meat and meat products* (1.5 percent). In addition, growth in *other manufacturing* output decelerated from 3.8 percent to 3.5 percent during the same period. Meanwhile, *beverages* output increased by 1.4 percent, reflecting the extension of liquor trading hours effected in August 2018.

¹³ The significant increase in the retail trade value added is attributable to opening of new shopping centres around the country.

¹⁴ Once the building reaches completion stage, it no longer adds to output of the construction sector.

GDP by Type of Expenditure

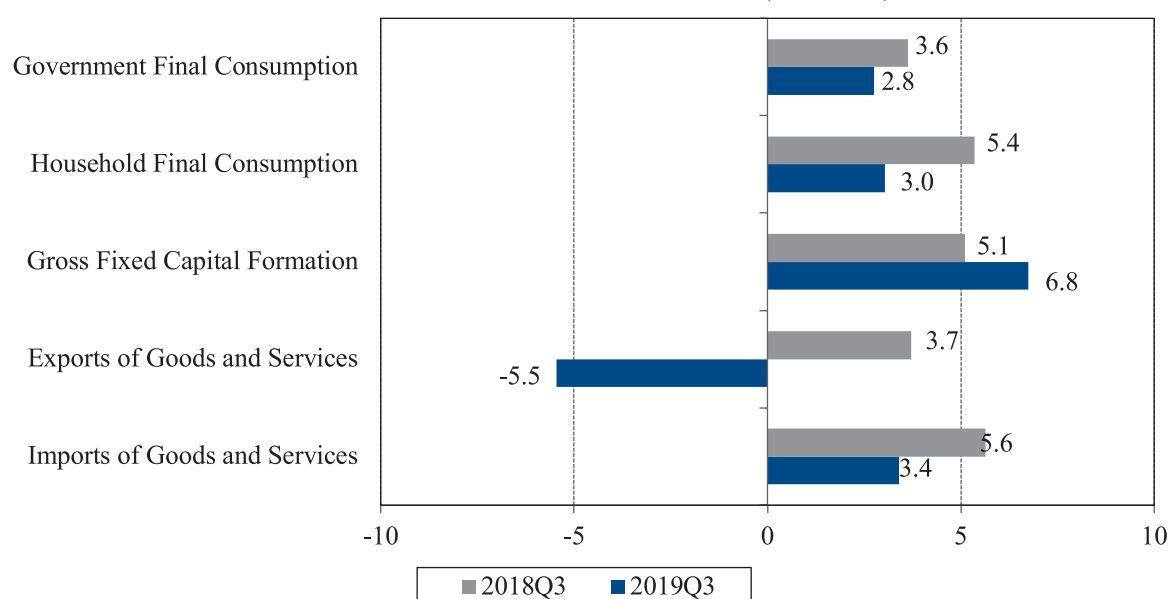
1.14 *Government Final Consumption* grew by 2.8 percent in the year to September 2019, compared to 3.6 percent in the corresponding period ending September 2018. This was attributable to a deceleration in growth in *central government* consumption from 3.9 percent to 2.8 percent. *Household Final Consumption* expanded by 3 percent in the 12-month period ending September 2019 compared to 5.4 percent recorded in the corresponding period ending September 2018. The reduced growth was mainly due to lower expansion in *marketed household final consumption*¹⁵ (3.3 percent from 5.6 percent), reflecting lower growth in the importation of goods and services in the review period.

1.15 *Gross Fixed Capital Formation* (GFCF) grew by 6.8 percent in the year ending September 2019, compared to 5.1 percent in the corresponding period ending September 2018 (Chart 1.5). The increase in GFCF was due to the notable expansion of 13.3 percent in investment in *transport and equipment*, as well as an expansion of 11.2 percent in investment in *machinery and equipment*, which is in line with the increase in imports of transport and machinery equipment. Investment in *construction* and *mineral prospecting* expanded by 3.9 percent and 2 percent, respectively, in the period under review.

(b) Economic Growth Prospects

1.16 Global economic growth is projected at 3.3 percent in 2020, higher than the expansion of 2.9 percent in 2019 (Table 1.1) mainly driven by recovery in the emerging markets and developing economies. Meanwhile, growth in advanced economies is projected to ease to 1.6 percent in 2020, from an estimate of 1.7 percent for 2019. For emerging markets and developing economies, output expansion is forecast at 4.4 percent for 2020, higher than 3.7 percent in 2019. Overall, risks to global output expansion remain skewed to the downside. These include geopolitical tensions, social unrest in some countries and potential for further worsening of trade

¹⁵ Marketed household consumption refers to goods and services purchased in the markets and consumed by households.

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

Source: Statistics Botswana

relations. Moreover, there are mounting concerns of a global growth slowdown due to the rapid spread of COVID-19¹⁶. In South Africa, prospects for the economy remain modest, with growth projected to rise to 0.8 percent in 2020 from 0.4 percent in 2019. However, economic recovery in South Africa hinges on the pace of implementation of structural reforms, as well as gradual but meaningful and growth-friendly fiscal consolidation.

- 1.17 Domestically, real GDP is projected to expand by 4.4 percent in 2020, driven mainly by the expected recovery of mining activity and anticipated improvement in global output. It is also anticipated that performance of the non-mining sectors will improve, underpinned by, among others, the accommodative monetary conditions in the domestic economy, improvements in electricity and water supply, as well as the reforms to further improve the business environment. However, given the downside risks to global economic activity, global demand and commodity prices (including for rough diamonds) could fall, thereby dampening future economic performance. Nonetheless, the Bank's December 2019

Business Expectations Survey indicates an improvement in the level of confidence among businesses in 2020. These growth forecasts do not take into account the likely adverse impact of COVID-19. For Botswana, this pandemic poses added uncertainty and challenges given Botswana's high vulnerability to external shocks, notably, diamond production and demand, tourism and possible disruption of imported supplies either from South Africa or through South African ports of entry.

TABLE 1.1: GLOBAL GROWTH ESTIMATES AND FORECASTS 2018 - 2020 (PERCENT)

	2018	2019	2020 (Projections)
Global	3.6	2.9	3.3
Advanced economies, of which,	2.2	1.7	1.6
USA	2.9	2.3	2.0
Euro area	1.9	1.2	1.3
Japan	0.3	1.0	0.7
Emerging markets, of which,	4.5	3.7	4.4
Sub-Saharan Africa	3.2	3.3	3.5
China	6.6	6.1	6.0
India	6.8	4.8	5.8
South Africa	0.8	0.4	0.8
Botswana	4.5	3.6	4.4

Source: International Monetary Fund, *World Economic Outlook*, January 2020 update and Ministry of Finance and Economic Development

¹⁶ On December 31, 2019, a new type of coronavirus was reported in Wuhan City, Hubei Province of China. The virus has since spread to other countries, with the World Health Organisation declaring it a public health emergency of international concern.

(c) Employment

1.18 Formal sector employment¹⁷ as at the third quarter of 2019 was estimated at 452 382 persons, while the estimate from the Formal Sector Employment Survey of December 2018, for the fourth quarter of 2018 was 348 749¹⁸. Government continues to be the single largest employer, with employment in public administration constituting 19.2 percent of the total (Table 1.2). In this regard, personal emoluments constitute the largest share in the government recurrent budget, consistently averaging more than 40 percent and about 10 percent relative to GDP. The quarterly survey also indicates an unemployment rate of 20.7 percent for the third quarter of 2019 (youth unemployment,

at 26.7 percent). Meanwhile, formal sector average earnings per month were estimated at P5 117 for citizens, P12 794 for non-citizens and P5 404 for all employees¹⁹.

(d) Inflation

1.19 In 2019, global inflation decreased, partly due to subdued demand and declining international oil prices. Global inflation is estimated to have decreased from 3.6 percent in 2018 to 3.4 percent in 2019. The price of the OPEC reference crude decreased by 7.9 percent to an average of USD64.04 per barrel in 2019, from an average of USD69.52 per barrel in 2018. The decline in oil prices was also influenced by prospects of excess supply arising from the increase in shale

TABLE 1.2: EMPLOYMENT BY INDUSTRY

Industry/ Economic Activity	Male	Female	Total	Share of Employment (Percent)
Agriculture, Forestry & Fishing	41 089	13 956	55 046	7.4
Mining & Quarrying	8 057	1 787	9 844	1.3
Manufacturing	31 238	24 096	55 334	7.4
Electricity, Gas, & Air Conditioning Supply	1 981	456	2 437	0.3
Water Supply, Sewage, Waste Management & Remediation Activities	4 792	1 970	6 762	0.9
Construction	57 436	3 457	60 893	8.2
Wholesale Trade, except Motor Vehicles & Motor Cycles	52 371	83 284	135 655	18.2
Transport & Storage	20 361	3 476	23 837	3.2
Accommodation & Food Service Activities	7 323	18 055	25 378	3.4
Information & Communication	4 554	2 784	7 338	1.0
Finance & Insurance Activities	5 414	9 754	15 168	2.0
Real Estate Activities	1 349	2 317	3 666	0.5
Professional, Scientific & Technical Activities	8 593	6 205	14 798	2.0
Administrative & Support Service Activities	29 589	17 847	47 436	6.4
Public Administration	56 717	86 614	143 331	19.2
Education	20 341	40 202	60 543	8.1
Human Health & Social Work Activities	12 798	20 864	33 663	4.5
Arts, Entertainment & Recreation	3 278	2 691	5 970	0.8
Other Service Activities	4 970	7 026	11 996	1.6
Households as Employers	4 022	21 986	26 008	3.5
Activities of Extraterritorial Organisations	40	162	202	0.0
Not Stated	251	-	251	0.0
Total	376 563	368 993	745 556	100.0

Source: Statistics Botswana

¹⁷ These figures exclude workers engaged in the labour intensive public works programme (Ipelegeng, which is part of the poverty reduction strategy) because employment through the Programme is on temporary basis.

¹⁸ Please note that the employment estimates are not directly comparable since the Formal Sector Employment Survey for December 2018 was conducted on business entities where gross earnings were reported, while the recent quarterly survey was conducted on households.

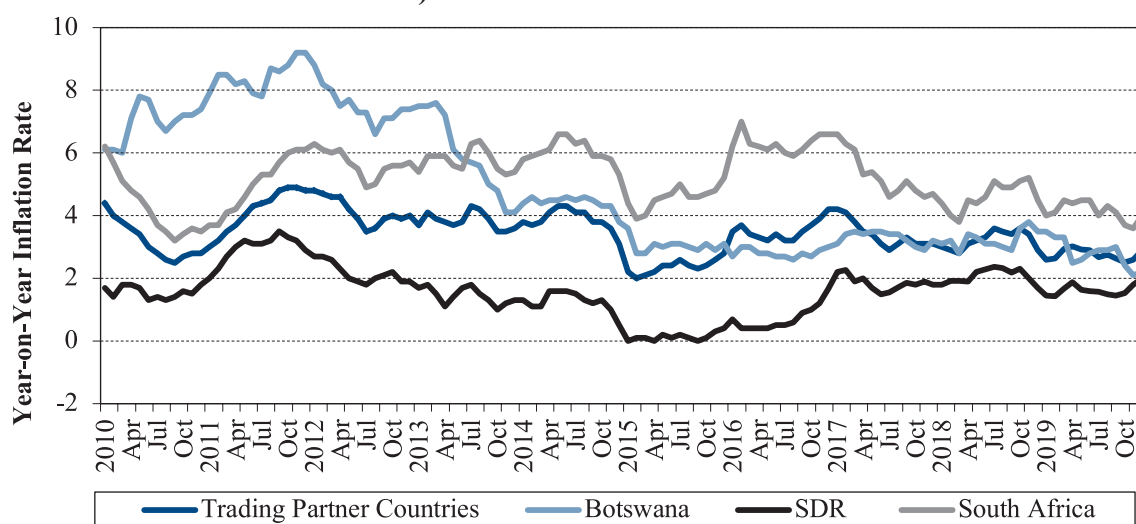
¹⁹ The Formal Sector Employment Survey for December 2018 estimated average earnings for all employees at P7 765. The Survey was conducted on business entities where gross earnings were reported, while the recent quarterly survey was conducted on households, which partly explains the variation in average earnings reported.

oil inventories in the US. The extended agreement among oil producers to cut production by 1.2 million barrels per day (from July 2019 to March 2020) moderated the decrease in international oil prices. International food prices increased by 1.8 percent in 2019, from a decline of 3.5 percent in 2018, mainly influenced by the significant rise in meat prices in 2019²⁰, amid strong import demand from East Asia, where the African Swine Fever had dampened meat production. Generally, international food prices exerted modest upward pressure on domestic inflation in 2019.

1.20 Trade-weighted average inflation²¹ for Botswana's trading partner countries, was unchanged at 2.9 percent in December 2018 and December 2019. However, for the Special Drawing Rights (SDR) countries (USA, UK, Japan, Eurozone and China), inflation increased slightly from 1.7 percent in December 2018 to 2 percent in December 2019. Meanwhile, headline inflation in South Africa decreased from 4.5 percent in December 2018 to 4 percent in December 2019, and was within the country's target range of 3 - 6 percent (Chart 1.6).

1.21 Domestic inflation decreased from an average of 3.2 percent in 2018 to an average of 2.8 percent in 2019. The 2019 average inflation compares to the 10-year (2010-2019) average of 4.8 percent. Inflation breached the lower bound of the Bank's 3 - 6 percent objective range for most of 2019 (Chart 1.7). The decrease in inflation was due to base effects associated with the increase in administered prices, in particular, fuel prices²², public transport fares and electricity tariffs in 2018, which was not repeated in 2019. Inflation fell from 3.5 percent in December 2018 to 2.2 percent in December 2019. Meanwhile, food price inflation increased, from -0.4 percent in December 2018 to 3 percent in December 2019, in the context of significant price increases for meat, fish and cereals. Regarding core inflation measures, the 16 percent trimmed mean inflation fell from 3.6 percent in December 2018 to 3 percent in December 2019, while inflation excluding administered prices increased from 1.8 percent to 2.5 percent in the same period.

CHART 1.6: BOTSWANA AND TRADING PARTNER COUNTRIES' INFLATION (JANUARY 2010 - DECEMBER 2019)



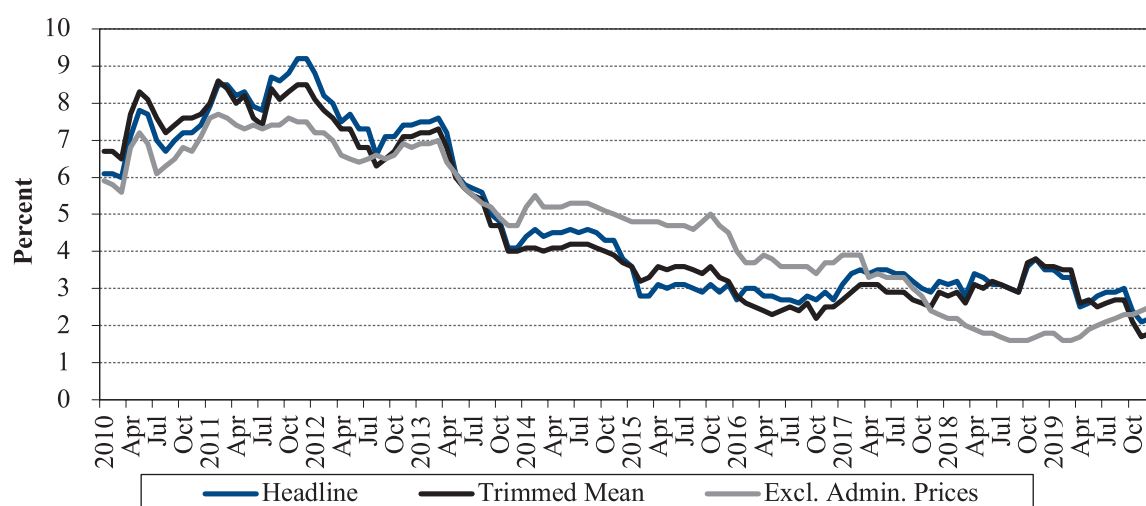
Source: Statistics Botswana, Bank of Botswana and Bloomberg

²⁰ Meat prices increased by 5.7 percent in 2019 compared to a contraction of 2.3 percent in 2018.

²¹ Being the weighted average of the South African inflation and that of the countries whose currencies comprise the IMF's unit of account, the SDR.

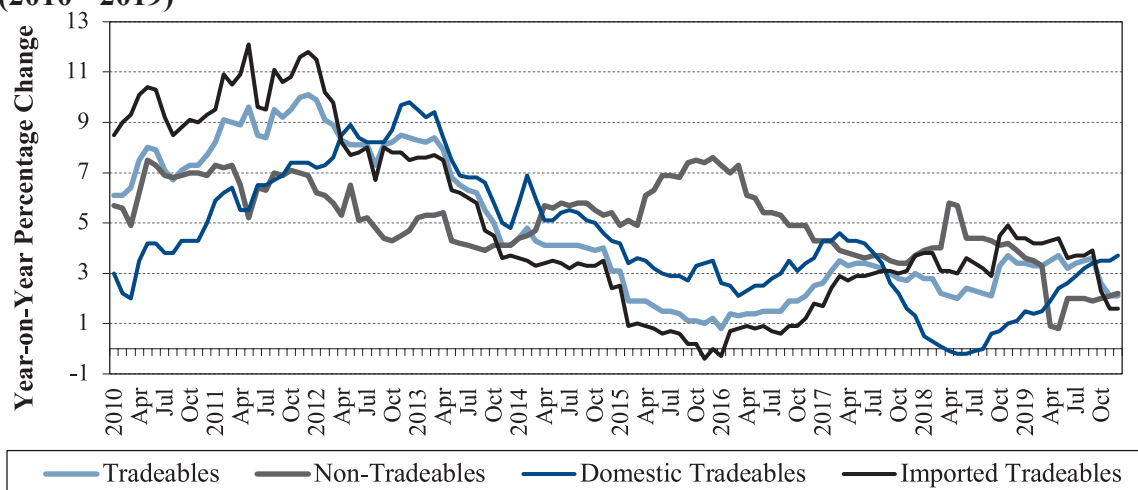
²² Fuel prices were increased in May, October and November 2018, adding 1.19 percentage points to inflation in 2018. The increase in fuel prices was not repeated in 2019.

CHART 1.7: BOTSWANA HEADLINE AND CORE INFLATION (2010 - 2019)



Source: Statistics Botswana

CHART 1.8: INFLATION FOR TRADEABLES AND NON-TRADEABLES (2010 - 2019)



Source: Statistics Botswana

1.22 Inflation for domestic tradeables increased from 1.1 percent in December 2018 to 3.7 percent in December 2019, reflecting in part, the rise in food prices, particularly meat. Conversely, imported tradeables inflation fell from 4.4 percent to 1.6 percent in the same period, reflecting the base effects associated with the increase in fuel prices in 2018. As a result, all tradeables inflation decreased from 3.9 percent in December 2018 to 2.1 percent in December 2019. Meanwhile, non-tradeables inflation eased from 3.9 percent to 2.2 percent in the same period (Chart 1.8).

(e) Inflation Outlook

1.23 Global inflationary pressures are forecast to be modest in the short to medium term, reflecting below - potential output. There is also downward pressure on inflation emanating from the anticipated decrease in commodity prices, particularly oil. In 2020, global inflation is forecast at 1.9 percent in advanced economies and 4 percent in emerging market economies. Overall, global inflation is forecast at 3.1 percent in 2020, lower than the 3.4 percent in 2019. In this environment, it is anticipated that monetary policy will continue to be accommodative in

most economies, complemented by measures aimed at facilitating financial intermediation and fostering the resilience of the financial sector to support economic activity.

- 1.24 In Botswana, headline inflation is forecast to revert to within the Bank's 3 - 6 percent medium-term objective range from the second quarter of 2020. The projection takes into account the possibility of an increase in electricity and water tariffs in the second quarter of 2020, as well as the impact of graduated increases of 10 percent, 6 percent and 4 percent in public service salaries in the 2020/21 financial year. The projection also incorporates the effect of the 1.51 percent downward rate of crawl that is being implemented for the year 2020. Meanwhile, the expected increase in government spending (10.1 percent) for 2019/20 financial year and the 13.8 percent increase in credit to household in 2019 are not expected to have any significant influence on domestic demand pressures, hence inflation. This is because of the current below-potential economic activity and significant externalisation of spending. Upside risks to the inflation outlook relate to any unanticipated substantial upward adjustment in administered prices and government levies and/or taxes, as well as the potential increase in international commodity prices beyond current forecasts. These risks are moderated by continuing subdued global economic activity, the tendency of technological progress to lower costs and prices (or dampen the rate of increase) and the potential fall in international commodity prices. Domestically, the continuance of modest economic growth contributes to moderate domestic inflation.

2. PUBLIC FINANCE AND THE 2020/21 BUDGET

- 2.1 The 2020/21 Budget Speech presented to Parliament on February 3, 2020, by the Minister of Finance and Economic Development, Dr Thapelo Matsheka, marks the fourth year of implementation of National Development Plan (NDP) 11, and was largely informed by the emerging strategic issues from the Mid-Term Review of NDP 11. The budget proposals contained programmes and allocation of spending to fulfil the NDP 11 goals and objectives and, in turn, the building blocks towards the achievement of vision 2036. In seeking to optimise the allocation of resources in line with national priorities,

the 2020/21 Budget Speech focused on four national policy priorities; viz., promotion of export-led growth, ensuring more efficient government spending and financing, building human capital and provision of appropriate infrastructure. The priorities are consistent and aligned to NDP 11, the Sustainable Development Goals and objectives of the nation's Vision 2036.

- 2.2 The budget was presented against the backdrop of subdued global economic recovery due to uncertain policy and trade tensions in the larger economies. Accordingly, the public revenue prospects for the domestic economy are uncertain due to the vulnerability of the mineral and customs and excise revenues to global economic and trade conditions. In this context, a slower growth in revenue and, consequently, a budget deficit, are projected for the 2020/21 fiscal year. However, given the national priorities towards improving productive capacity and the need to support higher rates of economic growth budgeted expenditure remains around the same level as in the previous year (1.5 percent reduction); resulting in a projected budget deficit of 2.4 percent of GDP.

(a) Budget Performance: 2018/19 and 2019/20²³

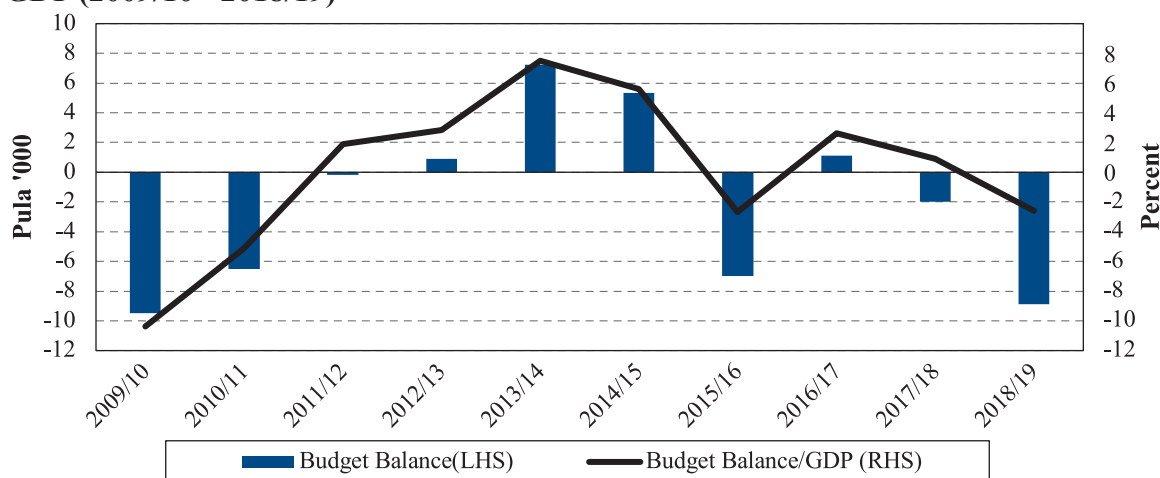
2018/19 Budget Outturn

- 2.3 The budget outturn for the 2018/19 financial year was a deficit of P8.9 billion (4.6 percent of GDP), which was higher than the deficits of P7 billion and P3.6 billion envisaged in the revised budget and the original budgets, respectively (Table 1.3). The overall fiscal deficit was due to slower growth in revenue (than projected in the original and revised budgets), on account of underperformance of the mineral²⁴ and non-mineral income tax revenues. Overall, expected revenues decreased by P2.9 billion (5.2 percent) to P53.5 billion in 2018/19. The 8.9 billion deficit is the second highest since 2009/10 financial year (Chart 1.9). However, there has been a noticeable downward trend in the ratio of budget balance as a percentage of GDP since fiscal year 2013/14.

²³ 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.

²⁴ The underperformance of the mineral revenue was due to the implementation of the Cut 9 and Cut 3 projects in Jwaneng and Orapa, respectively, during the 2018/19 financial year, financed through dividends forfeiture.

CHART 1.9: BUDGET BALANCE AT LEVELS AND AS A PERCENTAGE OF GDP (2009/10 - 2018/19)



Source: Ministry of Finance and Economic Development

2.4 Total expenditure and net lending increased from P58.4 billion in 2017/18 to P62.4 billion in 2018/19, but was below the revised budget estimate of P65.2 billion, due to underspending of the development budget. Of the total spending, recurrent expenditure amounted to P47.3 billion compared to P48.6 billion in the revised budget estimates, representing a decrease of 2.8 percent, largely due to lower grants and subventions. In contrast, personal emoluments (the bulk of recurrent expenditure) surpassed the revised budget estimates by 4.3 percent²⁵. Development spending was P15.5 billion, representing a 7.1 percent underperformance compared to the revised budget estimate of P16.6 billion. The underspending of the development budget was due to project implementation challenges, such as late commencement of projects²⁶, procurement inefficiencies and delays in processing payments.

²⁵ According to MFED, the discrepancy in personal wages and emoluments is within their estimated margin of error on things such as additional hiring and promotions, hence, should not be considered alarming.

²⁶ At times due to disputed tender awards, which prohibit project commencement whilst cases are still with the courts.

2019/20 Revised Budget Estimates

2.5 The revised budget estimates for 2019/20 show a deficit of P7.9 billion (3.9 percent of GDP), compared to the original budget deficit of P7.3 billion (Table 1.3). The revised deficit resulted from a combination of a supplementary recurrent budget and slower growth in revenue (than projected in the original budget), due to underperformance of the mineral revenue. The slower growth in mineral revenue was a result of the decline in sales of rough diamonds associated with the trade tension between China and the US and the mass protests in Hong Kong. Overall, the revenue estimates were revised slightly upwards by 0.9 percent from P60.2 billion in the original budget to P60.7 billion.

2.6 The projection for expenditure and net lending was also revised slightly upward, from P67.5 billion to P68.6 billion or 33.5 percent of GDP (almost four percentage points above the fiscal rule limiting total expenditure to 30 percent of GDP). The P1.1 billion upward revision in the estimate for expenditure was mainly due to the supplementary recurrent expenditure, approved by Parliament in December 2019 to finance the shortfall

on salaries and allowances as a result of the salary increase that was awarded to all public servants in April after the budget was concluded. However, the development budget was unchanged, taking into account implementation capacity challenges faced by both the public and private sectors in executing projects.

projected 8.6 percent²⁸ increase in mineral revenue from P18.4 billion in 2019/20 to P20 billion in 2020/21. Mineral exports and royalties remain the largest source of revenue, representing 32.1 percent of the total followed by SACU at 24.6 percent, non-mineral income tax at 22.8 percent and value added tax (VAT) at 13.7 percent. Meanwhile,

TABLE 1.3: GOVERNMENT BUDGET 2018/19 – 2020/21 (P MILLION)

	2018/19			2019/20		2020/21
	Budget	Revised	Final	Budget	Revised	Budget
Revenue	64 277	58 229	53 470	60 199	60 713	62 394
Mineral Revenue	24 592	20 287	18 468	21 092	18 432	20 025
Non-Mineral Revenue	39 685	37 942	35 038	39 107	42 281	42 369
Expenditure	67 867	65 308	62 351	67 540	68 639	67 615
Recurrent Expenditure	48 637	48 757	47 279	50 580	51 681	55 664
Personal Emoluments	21 168	21 183	22 085	22 439	23 524	26 669
Grants & Subventions	14 864	14 891	13 302	16 110	13 904	16 425
Public Debt Interest	969	969	1 091	1 007	1 007	1 427
Other Charges	11 634	11 714	10 801	7 433	13 246	11 142
Development Expenditure	19 306	16 627	15 454	17 034	17 034	12 028
Net Lending	-122	-122	-382	-76	-76	-76
Balance	-3 589	-7 079	-8 881	-3 589	-6 959	-7 339

Source: Ministry of Finance and Economic Development

(b) The 2020/21 Budget Proposals²⁷

- 2.7 The proposed budget allocation for 2020/21 is in the main, informed by the need to consolidate the country's development gains achieved over the years, in order to support transformation of the economy to a high-income status in line with the Transformation Agenda of the Government. This is supported by significant proposed budget allocations to programmes and initiatives that are aimed at growing the economy in terms of infrastructure and human capital development, social inclusion and provision of security.

Revenue

- 2.8 Revenue for 2020/21, including grants, is projected at P62.4 billion, which is 2.8 percent higher than the revised budget for 2019/20 (Table 1.4). This largely reflects a

SACU receipts are forecast to increase by 11.4 percent from P13.8 billion in 2019/20 to P15.4 billion in 2020/21 resulting from revision of the tax base in 2019/20 which created surpluses to be paid in the 2020/21 financial year. Both non-mineral income tax and VAT revenue are projected to increase by 8 percent. However, there are downside risks associated with these revenue estimates, emanating largely from the continuing vulnerability of the mineral and SACU revenue to exogenous factors such as the outbreak of COVID-19 virus, the impact of which is yet to be quantified.

Expenditure

- 2.9 Total expenditure and net lending for 2020/21 is budgeted at P67.6 billion (30.5 percent of forecast GDP), a slight decrease of 1.5 percent from the P68.6 billion in the revised estimates for 2019/20 (Table 1.4). Recurrent expenditure is projected to increase by 7.7 percent, from the revised budget projection of P51.7 billion in 2019/20 to P55.7 billion

²⁷ Some of the Budget estimates and allocations are subject to review and delayed implementation in the light of the immediate need to address the fallout and impact of the COVID-19 pandemic.

²⁸ These projections were made before the outbreak of COVID-19.

in 2020/21, accounting for 82.3 percent of total spending and breaching the expenditure allocation rule of 70 percent to recurrent expenditure and 30 percent to development spending²⁹. The development spending budget (17.8 percent of total spending) is projected to decline by 29.4 percent from the revised P17 billion in 2019/20 to P12 billion in 2020/21.

- 2.10 A budget deficit of P5.2 billion or 2.4 percent of GDP is forecast for 2020/21. To restore fiscal sustainability in the medium to long term, Government will consider a number of measures to increase revenue and contain expenditure in order to build budget surpluses. Government announced measures to be taken to increase domestic revenue sources, including by strengthening tax collections as well as through an upward-adjustment of some user fees, effective April 1, 2020. Furthermore, the Government will

implement the cost recovery policy, including expediting the recovery of loans extended to tertiary students. In addition, a committee of cabinet has been tasked with rationalising state-owned entities, with a view to improving their governance and performance.

- 2.11 A significant proportion of the 2020/21 recurrent spending, P26.7 billion (47.9 percent), is on personal emoluments, which includes wages and salaries, pensions and gratuities. The balance (52.1 percent) is allocated to grants and subventions to parastatals and local authorities (P16.4 billion or 29.5 percent), "other charges" (P11.1 billion or 20 percent), and interest on public debt (P1.4 billion or 2.6 percent). Recurrent spending on Basic Education leads the ministerial allocations with a share of 17.5 percent (Chart 1.10).

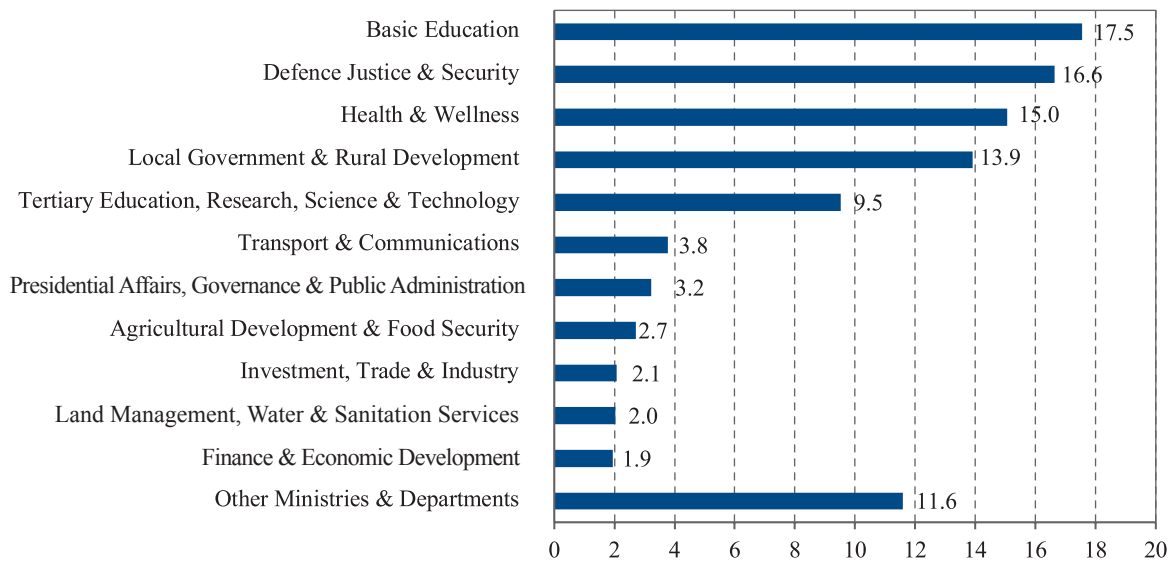
TABLE 1.4: GOVERNMENT BUDGET 2015/16 – 2020/21

Fiscal Year (FY)	2015/16	2016/17	2017/18	2018/19	2019/20*	2020/21*
GDP, current prices (P million)	149 111	174 836	182 408	192 586	205 131	221 736
Growth rate (percent)	0.8	17.3	4.3	5.6	6.5	8.1
Budget (P million)					Revised Budget	Budget
Revenue & Grants	47 420	57 398	56 411	53 470	60 713	62 394
Recurrent Expenditure	40 413	41 166	43 562	47 279	51 681	55 664
Development Expenditure	12 773	15 161	14 746	15 454	17 034	12 028
Net Lending	1 225	-52	85	-382	-76	-76
Expenditure & Net Lending	54 411	56 275	58 393	62 351	68 639	67 616
Balance	-6 991	1 124	-1 982	-8 881	-7 926	-5 222
Share of GDP (percent):						
Revenues & Grants	32.0	32.8	30.9	27.8	29.6	28.1
Recurrent Expenditure	27.2	23.5	23.9	24.5	25.2	25.1
Development Expenditure	8.6	8.7	8.1	8.0	8.3	5.4
Expenditure & Net Lending	38.0	32.2	32.0	32.4	33.5	30.5
Balance	-4.7	0.6	-1.1	-4.6	-3.9	-2.4

* Projections

Source: Ministry of Finance and Economic Development

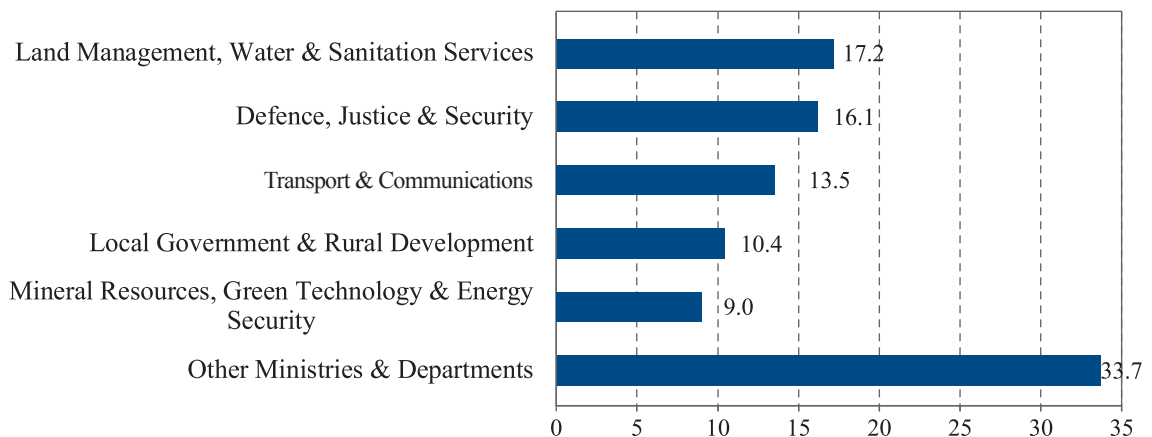
²⁹ The bulk of the recurrent budget will cater for budgetary provisions for the 2020/21 public service salary increment of 10 percent for A and B band, 6 percent for C and D and 4 percent for E and F band.

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

Source: Ministry of Finance and Economic Development

2.12 More than half of the development budget was allocated to water, security, electricity and construction-related projects (Chart 1.11). The largest share of P2.1 billion or 17.2 percent was allocated to the Ministry of Land Management, Water and Sanitation Services, mainly to improve water reticulation and management across the country. The Ministry of Defence, Justice and Security received the second largest proportion (16.1 percent), mostly for defence and security equipment. The Ministry of Transport and Communications was allocated 13.5 percent of the development

budget, followed by the Ministry of Mineral Resources, Green Technology and Energy Security with 9 percent, to support infrastructure development and enhanced provision of utilities (for example, electricity and information and communications technology connectivity). Meanwhile, the Ministry of Local Government and Rural Development was allocated 10.4 percent of the development budget in order to continue implementation of social protection programmes and village infrastructure projects.

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

Source: Ministry of Finance and Economic Development.

- 2.13 Government and government-guaranteed debt as at the end of March 2020 is projected at P36.2 billion³⁰, of which P27.8 billion is Government's own debt; while the balance is government-guaranteed debt (Table 1.5). Total external debt amounts to P20.6 billion or 10 percent of GDP, while domestic debt (P15.6 billion), accounts for 7.6 percent of GDP. Overall, total projected debt as at March 31, 2020, is equivalent to 17.6 percent of forecast GDP 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 category³¹.

rate (REER)³² of the Pula against a basket of currencies of major trading partner countries. In 2019, 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, an upward rate of crawl of 0.3 percent for the nominal effective exchange rate (NEER) was implemented in 2019, as the projected domestic inflation was lower than the forecast average inflation for trading partner countries. Consequently, the NEER of the Pula appreciated by 0.3 percent in the

TABLE 1.5: GOVERNMENT DEBT AND GUARANTEES 2016/17 – 2020/21 (P MILLION)

Financial Year	Actual			Projection	
	2016/17	2017/18	2018/19	2019/20	2020/21
External					
External Debt	16 162	14 148	15 152	13 681	12 121
External Guarantees	8 960	6 731	6 902	6 902	6 902
Total External Debt	25 122	20 879	22 054	20 583	19 023
Internal					
Internal Debt	8 701	10 324	10 873	14 121	14 398
Internal Guarantees	1 004	1 790	1 484	1 484	1 484
Total Internal Debt	9 704	12 114	12 357	15 605	15 882
Grand Total	34 827	32 993	34 411	36 189	34 906
GDP for FY	174 836	182 408	192 586	205 131	221 736
Percent of GDP					
External Debt & Guarantees	14.4	11.4	11.5	10.0	8.6
Internal Debt & Guarantees	5.6	6.6	6.4	7.6	7.2
Total Debt & Guarantees	19.9	18.1	17.9	17.6	15.7

Source: Ministry of Finance and Economic Development.

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 the international and domestic markets, by maintaining a stable real effective exchange

twelve months to December 2019 (Table 1.6). Against the Pula basket currencies, the nominal Pula exchange rate depreciated by 1.1 percent against the South African rand and appreciated by 1.4 percent against the SDR in 2019. The Pula appreciated by 3.1 percent against the euro, 2.4 percent against the Chinese renminbi and 1.1 percent against the US dollar, while it depreciated by 2.3 percent against the British pound and 0.5 percent against the Japanese yen.

³⁰ An increase of 5 percent compared to the balance outstanding at the end of 2018/19 fiscal year.

³¹ Figures were sourced from the 2020/21 Budget in Brief.

³² 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.

The movement of the Pula against the SDR constituent currencies largely reflects the performance of the South African rand against the SDR constituent currencies. Thus, the South African rand ended the year stronger on the back of improved investor sentiment on emerging market currencies. This was against the background of renewed optimism following the endorsement of an interim trade agreement between the USA and China (Phase 1) in December 2019, which could signal reduced trade tensions between the two major economies.

- 3.3 In real terms, the Pula exchange rate (using headline inflation) depreciated by 2.8 percent against the South African rand and appreciated by 1.6 percent against the SDR, in the twelve months to December 2019. The REER depreciated by 0.4 percent in the review period, due to lower inflation in Botswana (2.2 percent) than in trading partner countries (2.9 percent); thus the differential was larger than the upward rate of crawl implemented

during 2019. The slight depreciation of the REER suggested gains in international competitiveness of domestic firms. 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 of 2019 indicate an overall deficit of P12 billion, compared to P4.2 billion in 2018 (Chart 1.12 and Table 1.7). The deficit was attributable to, among others, government financial obligations, including loan repayments, increased payments for imports and dividends.

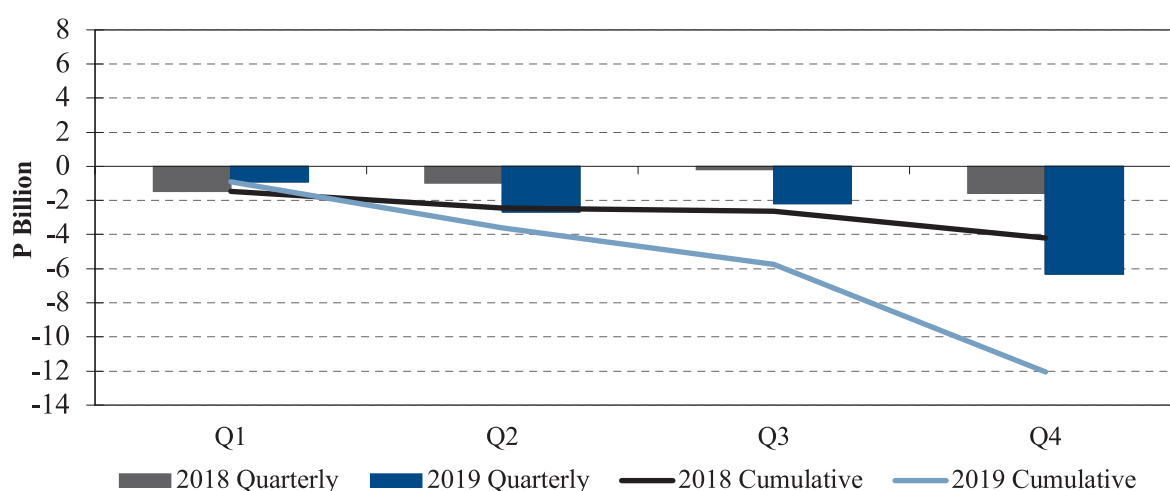
TABLE 1.6: PULA EXCHANGE RATES AGAINST SELECTED CURRENCIES

Nominal Exchange Rates (Foreign Currency per Pula)			
Currency	December 2018	December 2019	Change (Percent)
SA rand	1.3441	1.3295	-1.1
SDR	0.0671	0.0680	1.4
US dollar	0.0932	0.0941	1.1
British pound	0.0734	0.0718	-2.3
Japanese yen	10.28	10.23	-0.5
Euro	0.0815	0.0840	3.1
Chinese yuan	0.6411	0.6567	2.4
NEER (Dec. 2018 = 100)	100.0	100.3	0.3
Real Pula Exchange Rate Indices ¹ (Dec. 2018 = 100)			
Currency	December 2018	December 2019	Change (Percent)
SA rand	100	97.2	-2.8
SDR	100	101.6	1.6
US dollar	100	100.9	0.9
British pound	100	98.6	-1.4
Japanese yen	100	100.8	0.8
Euro	100	103.9	3.9
Chinese yuan	100	100.1	0.1
REER	100	99.6	-0.4

1. All real indices calculated using headline inflation.

Source: Bank of Botswana.

CHART 1.12: QUARTERLY BALANCE OF PAYMENTS 2018 - 2019



Source: Bank of Botswana

TABLE 1.7: BALANCE OF PAYMENTS 2015 - 2019 (P MILLION)

	2015*	2016*	2017*	2018*	2019#
Current Account	3 051	13 109	9 593	1 191	-14 989
<i>Of which:</i>					
Merchandise Trade	-7 115	16 088	8 411	4 961	-11 652
Services	-2 093	-1 829	-1 679	-2 739	-2 030
Income	-4 598	-14 068	-14 141	-16 138	-14 988
Current Transfers	16 856	12 918	17 001	15 107	13 681
Capital Account	2	-	23	23	53
Financial Account	-12 723	-10 541	-12 940	3 098	-4 481
Net Errors and Omissions ³³	5 522	-5 848	-954	-8 517	7 394
Overall Balance	-4 148	-3 280	-4 278	-4 204	-12 022

* Revised

Provisional

Source: Bank of Botswana.

Current Account³⁴

- 3.5 The current account deficit is estimated at P15 billion in 2019, compared to a revised surplus of P1.2 billion in the previous year. The 2019 deficit primarily resulted from a significant negative balance in both the merchandise trade account and the income account.

The merchandise trade account balance is estimated at a deficit of P11.7 billion, mainly accounted for by a decline of 16.2 percent in exports compared to a 9.2 percent increase in imports during 2019. In the income account, dividends paid to foreign direct investors and reinvested earnings, mainly by the mining sector, are estimated at P11.8 billion. The P14.1 billion SACU payments, recorded as credits in the current transfers account, contributed positively to the current account balance, helping to reduce the otherwise larger deficit.

³³ The net errors and omissions suggest either an overestimation/underestimation of the current account or an underestimation/overestimation of capital outflows from the financial account. Efforts are continuing to improve on data coverage to have these net errors and omissions within more acceptable levels.

³⁴ The current account comprises trade in goods and services, the income account and current transfers.

Merchandise Trade

- 3.6 The merchandise trade account balance moved from a revised surplus of P5 billion in 2018 to a deficit of P11.7 billion in 2019, given a 9.2 percent increase in imports compared to a 16.2 percent decline in exports. Merchandise trade continues to be driven by the diamond transactions, mainly undertaken by De Beers Global Sightholder Sales (DBGSS), which include a substantial import and re-export trade of rough diamonds³⁵ (Table 1.8). The De Beers' aggregation process involves a larger share of rough diamonds from Botswana, approximately 64.1 percent in 2019, as compared to rough diamonds from other countries in which De Beers mines

diamond (namely, Canada, Namibia and South Africa). Diamonds constitute about 90.6 percent of exports and 29.5 percent of imports. Therefore, a decrease in diamond exports resulted in a negative merchandise trade balance. The relocation of aggregation and sales functions from the UK to Botswana in 2012 and 2013, respectively, shifted the direction of diamond trade significantly, with the major export destination switching from the UK to Belgium, followed by India, United Arab Emirates, South Africa and Namibia³⁶. These five countries, collectively, account for an annual average of 67 percent of Botswana's total diamond exports for the period 2014 - 2019 (Table 1.9).

TABLE 1.8: DIAMOND TRADE 2017 - 2019 (P MILLION)

TABLE NO. DIAMOND TRADE 2017-2019 (₹ MILLION)						
Period	Exports				Imports (5)	Re-Exports (6)=(2)-(1)
	Rough		Polished Exports (3)	Total (Rough and Polished) (4)=(2)+(3)		
	Domestic Sales (1)	Exports (2)				
2017	36 036	50 315	5 589	55 904	14 419	14 279
2018	37 049	51 721	8 691	60 411	18 348	14 671
2019						
Q1	9 755	11 324	2 196	13 519	5 356	1 568
Q2	8 608	13 410	2 678	16 088	5 461	4 803
Q3	9 298	6 857	2 556	9 413	3 947	-2 441
Q4	5 048	10 438	1 552	11 990	5 270	5 390
Total	32 709	42 028	8 981	51 010	20 034	9 319

1. **Domestic Sales** refers to the value of rough diamonds sold by Debswana to DBGSS and Okavango Diamond Company (ODC).
2. **Exports** represent the value of exported rough diamonds mined in Botswana, including re-exports, implying that the subtraction of Botswana diamonds from this total approximates the gross value of re-exports, which accrues to De Beers. However, due to time lags in data availability, the value of re-exports computed in this manner and the value of re-exports accruing to De Beers is not fully comparable, especially over short periods.

Source: Bank of Botswana.

³⁵ 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.

³⁶ This is based on the average of exports by destination from 2015 to 2019.

TABLE 1.9: TOTAL EXPORTS BY DESTINATION, 2014 - 2019 (PERCENT)

Country	2014	2015	2016	2017	2018	2019
United Kingdom	0.9	0.8	1.3	0.7	0.8	0.5
Belgium	23.6	19.8	18.9	22.5	23.6	18.8
India	13.7	12.4	15.1	18.5	16.9	19.6
United Arab Emirates	4.3	5.4	9.7	16.2	12.0	17.6
South Africa	13.4	15.6	13.5	9.7	8.9	10.5
Israel	7.7	6.0	6.1	7.4	6.7	7.3
Hong Kong	2.7	1.9	2.5	4.3	5.1	6.1
Namibia	9.8	11.8	11.6	3.4	2.9	3.1
United States of America	2.7	2.5	2.3	2.1	2.0	1.3
Canada	6.5	6.3	5.0	0.8	0.6	0.3
Others	14.8	17.4	14.1	14.4	20.5	15.0
Totals	100.0	100.0	100.0	100.0	100.0	100.0

Source: Bank of Botswana.

3.7 The decrease in exports in 2019 was mostly due to a 15.6 percent reduction in diamond sales abroad from P60.4 billion in 2018 to P51 billion. The decline in diamond exports is due to the imposition of higher tariffs for trade between the USA and China, oversupply of polished diamonds, which have depressed the demand for rough diamonds and the tight bank financing and currency fluctuations in India, where most of the polishing and trading industry is based. In addition, the diamond market is also adversely affected

by changing consumer preferences and the advent of lab-grown diamonds. Exports of other commodities also decreased, including copper and nickel (96.2 percent); salt and soda ash (36.7 percent); vehicles and transport equipment (37.9 percent); textiles (32.5 percent) and meat and meat products (32.3 percent). The reduction in copper and nickel exports was due to cessation of production by the Mowana Mine in November 2018 on account of working capital constraints.

TABLE 1.10: EXPORTS, 2018 – 2019 (P MILLION)

	2018	2019	Percent Share		Percentage Change
			2018	2019	
Total Exports	67 223	56 318			-16.2
<i>of which:</i>					
Diamonds	60 411	51 010	89.9	90.6	-15.6
Copper and Nickel	71	3	0.1	0.0	-96.2
Meat & Meat Products	970	657	1.4	1.2	-32.3
Salt and Soda Ash	885	560	1.3	1.0	-36.7
Gold	451	436	0.7	0.8	-3.3
Textile	234	158	0.3	0.3	-32.5
Vehicles & Transport Equipment	613	381	0.9	0.7	-37.9
Other Goods	3 587	3 113	5.3	5.5	-13.2

Source: Bank of Botswana.

3.8 Diamond imports increased from P18.3 billion in 2018 to P20 billion in 2019, accounting for 29.5 percent of total imports. The increase in diamond imports is associated with diamonds aggregation activities, which include the importation and re-exportation of diamonds. Imports also increased with respect to: vehicles and transport equipment (28.4 percent); metal and metal products (21.9 percent); food, beverages and tobacco (13.7 percent), chemicals and rubber products

(10.7 percent) and machinery and electrical equipment (3.8 percent). The importation of machinery and equipment is associated with the ongoing implementation of the Cut 9 project in Jwaneng and the construction of Mohembo and Kazungula bridges. In addition, growth in consumer demand, mainly for imports of cars and electrical/electronic devices contributed to the increase in imports

TABLE 1.11: IMPORTS, 2018 – 2019 (P MILLION)

	2018	2019	Percent Share		Percentage Change
			2018	2019	
Total Imports	62 262	67 969			9.2
<i>of which:</i>					
Diamonds	18 348	20 034	29.5	29.5	9.2
Fuel	8 515	8 836	13.7	13.0	3.8
Food, Beverages & Tobacco	7 915	9 000	12.7	13.2	13.7
Machinery & Electrical Equipment	8 431	8 754	13.5	12.9	3.8
Chemicals & Rubber Products	5 727	6 341	9.2	9.3	10.7
Metals & Metal Products	2 911	3 548	4.7	5.2	21.9
Textile & Footwear	1 789	1 626	2.9	2.4	-9.1
Vehicles & Transport Equipment	5 309	6 817	8.5	10.0	28.4
Other Goods	3 317	3 013	5.3	4.4	-9.2

Source: Bank of Botswana.

Services

3.9 The services account registered a deficit of P2 billion in 2019 compared to a revised deficit of P2.7 billion in the previous year (Chart 1.13). Exports of transportation services³⁷ decreased by 6.7 percent, from P612 million in 2018 to P571 million in 2019, mainly driven by air transport and landing fees, which declined by 17.6 percent from P119 million to P98 million during the same period. The decrease in air related services is a result of lower landing fees receipts, mainly from the South African Airways, which experienced operational challenges leading to lesser flight traffic during the year. In addition, Air Botswana cancellations and delays led to the reduction in receipts from

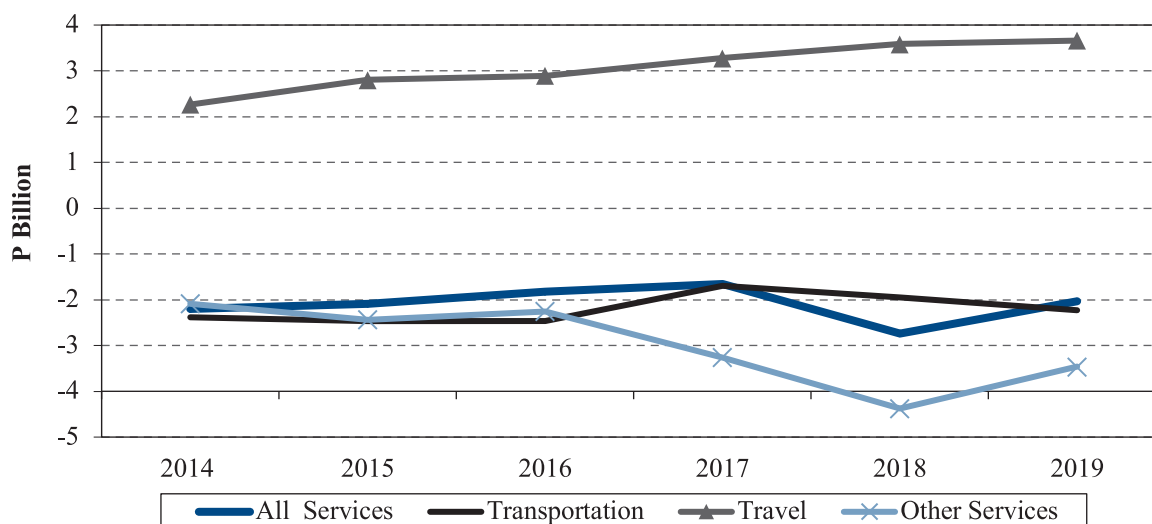
air fares paid by international passengers. Imports of transportation services increased by 7.7 percent, from P2.6 billion to P2.8 billion during the same period, almost driven entirely by freight for imported goods. The increase in imports of transportation services resulted in an overall deficit of P2.2 billion in the transportation account. Exports of travel services increased by 3.4 percent, from P5.9 billion to P6.1 billion, primarily because of the increase in personal travel, dominated by tourism expenditure, which increased by 3.4 percent from P5.8 billion to P6 billion. Imports of travel services increased by 8.7 percent from P2.3 billion to P2.5 billion, also attributable to personal travel expenditure to other countries, predominantly South Africa. Consequently, the travel account recorded a surplus of P3.7 billion in 2019. Exports of 'other' services increased by 6.7 percent from P3 billion in 2018 to P3.2 billion in 2019, compared to a decline in imports of

³⁷ Transportation services include: passenger fares; freight (road, sea, air, rail and clearing charges) and 'other' services (landing fee, aircraft hire and air charter).

‘other’ services of 9.5 percent, from P7.4 billion to P6.7 billion during the same period. The ‘other’ services category, which is dominated by government and mining related fees³⁸ resulted in a deficit of P3.5 billion in 2019 from a higher deficit of P4.4 billion in 2018.

these are estimated to have decreased by 9.9 percent, from P13.1 billion in 2018 to P11.8 billion in 2019. A larger proportion of this component in 2019 was dividends paid by Debswana to De Beers.

CHART 1.13: BALANCE OF TRADE IN SERVICES (2014-2019)



Source: Bank of Botswana

Income Account

3.10 The income account registered an estimated deficit of P15 billion in 2019, from the previous year's revised deficit of P16.1 billion. The deficit was primarily a result of dividends and reinvested earnings paid to foreign investors. The credit side of the income account comprises salaries received from abroad and income earned from foreign investments, dominated by foreign exchange reserves earnings. For 2019, income on official foreign exchange reserves was P1.8 billion, which is a slight increase from P1.7 billion in the previous year. The debit component of the income account comprises salaries paid abroad and investment income paid to foreign investors by direct investment enterprises operating domestically. Dividends and retained earnings³⁹ are the major drivers of the income outflows from Botswana and

Current Transfers

3.11 Current transfers consist of government and private transfers, with the former constituting the largest share. In 2019, net current transfers are estimated to have decreased by 9.3 percent from P15.1 billion in 2018 to P13.7 billion, because of lower SACU receipts. The decline in SACU receipts was mainly a result of the sluggish economic performance in South Africa, the largest member. The decline resulted in a 10.8 percent contraction in SACU revenue accruing to Botswana, from P15.8 billion in 2018 to P14.1 billion in 2019. Thus, government transfers decreased from a surplus of P15 billion to P13.2 billion, while private transfers increased from a surplus of P98 million to P484 million, mainly due to donations by Non-Governmental Organisations.

Capital and Financial Accounts

3.12 The capital account records capital transfers by migrants to or from Botswana and, as in previous years, these transfers were low in 2019. The financial account, comprising

³⁸ These include; license, royalties, advertising, marketing and legal fees.

³⁹ Retained earnings by foreign-owned businesses are an imputed outflow in the income account, matched by an offsetting inflow of foreign direct investment.

‘direct,’ ‘portfolio’ and ‘other’ investment⁴⁰, is estimated to have registered a net outflow of P4.5 billion in 2019⁴¹ compared to a revised inflow of P3.1 billion in 2018. The net outflow was due to the increase in offshore investments by the pension funds. With respect to direct investment, foreign equity holding is estimated to have increased by P467 million in 2019 compared to a revised increase of P837 million in 2018. On the other hand, it is estimated that investments by non-residents in Botswana increased by P2.8 billion in 2019, compared to P2.9 in 2018. The increase was largely a result of reinvestment of earnings in the mining sector.

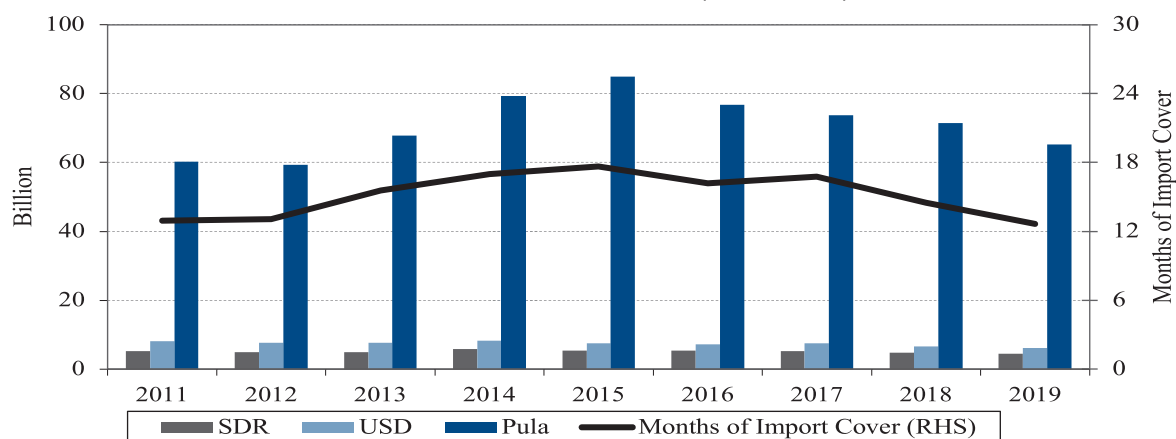
- 3.13 The portfolio assets are estimated to have increased by P10.8 billion in 2019, compared to a decrease of P6.4 billion in 2018, on account of an increase in offshore investments in equity and debt instruments by pension funds. The portfolio liabilities decreased by P570 million and P577 million in 2018 and 2019, respectively. ‘Other’ investments are estimated to have recorded a net inflow of P4 billion in 2019 compared to an outflow of P5.4 billion in the previous period, reflecting a decrease in foreign financial assets (deposits

abroad and foreign banknotes held locally) held by Botswana residents. In terms of gross movements, foreign financial assets fell by P5 billion in 2019 following an increase of P6.2 billion in 2018. Foreign financial liabilities declined by a further P985 million in 2019 after a P780.3 billion increase in 2018. This was due to repayments of long-term loans by Government and private entities.

Foreign Exchange Reserves

- 3.14 The reduction in the balance of payments as well as the drawdown to fund the Government budget deficit resulted in a decrease in the official foreign exchange reserves. At the end of December 2019, foreign exchange reserves amounted to P65.2 billion, a decrease of 8.7 percent from P71.4 billion in December 2018 (Chart 1.14). In US dollar terms, the level of reserves fell by 7.3 percent from USD6.7 billion to USD6.2 billion, while the SDR amount also fell, from SDR4.8 billion to SDR4.5 billion. The level of foreign exchange reserves at the end of December 2019 was equivalent to 13 months of import cover⁴² of goods and services.

CHART 1.14: LEVEL OF FOREIGN EXCHANGE RESERVES (2011-2019)



Source: Bank of Botswana

⁴⁰ ‘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, that is, investments or shareholding in limited liability enterprises.

⁴¹ The 2019 balances are based on preliminary estimates.

⁴² The calculation of import cover excludes imports of rough diamonds, as these are almost entirely for re-export.

(c) Balance of Payments Outlook

- 3.15 It is anticipated that the balance of payments will improve in 2020 underpinned by the positive outlook for global demand and the projected increase in commodity prices. The existing spare capacity and Government interventions, policies and strategies aimed at diversifying the economy should allow for a faster increase in both mining and non-mining activity to accommodate enhanced demand. However, there are significant downside risks associated with uncertain trade relations and, most recently, the outbreak of Covid-19, which has resulted in the imposition of travel restrictions around the globe. In addition, given the narrow export base, the economy remains vulnerable to external shocks, especially in the diamond markets, which could undermine the current account balance in 2020.

(d) International Investment Position (IIP) and Foreign Investment

(i) International Investment Position

- 3.16 Preliminary estimates for 2019 indicate that Botswana's net international investment increased by 9.1 percent from P57.8 billion in 2018 to P62.6 billion in 2019, with total foreign assets increasing by 2.4 percent from P144.1 billion to P147.6 billion, and total foreign liabilities decreasing by 1.5 percent from P86.3 billion to P85 billion during the same period. On the asset side, 'the stock of direct investments' and 'portfolio investments' increased by 9.3 percent and 20.7 percent, respectively; 'foreign exchange reserves' and 'other investments' decreased by 8.7 percent and 4.5 percent, respectively, during the same period. Reinvested earnings, mostly from the mining sector, contributed to the increase in 'direct investment'. 'Portfolio investment' assets increased mainly due to the rise in 'equity securities' and 'debt securities' invested abroad, which together rose from P45.8 billion to P55.4 billion. The drop in 'other investments' was a result of a decrease in 'loans' with parent companies abroad. On the liabilities side, the stock of 'direct investment' is estimated to have decreased by 3.4 percent from P55.5 billion to P53.6 billion between 2018 and 2019. 'Portfolio

investment' was unchanged at P1.7 billion and 'other investment', increased by 2.8 percent from P28.3 billion to P29.1 billion during the same period. The decrease in direct investment liabilities was mainly a result of loan repayments by companies operating in Botswana to their parent companies abroad, especially in the mining and retail sectors.

(ii) Investment in Botswana by Industry and Country Classification in 2018

- 3.17 Tables 1.12 and 1.13 show the stock of Botswana's foreign liabilities at the end of 2018, classified by industry and country. Investments in the mining, retail and wholesale, and finance sectors constituted the largest shares of foreign direct investment at 38.6 percent, 25.9 percent and 17.5 percent, respectively. The mining activities capture significant inflows, mainly from the UK, with DBGSS dominating the retail sector through its global diamond sales operations. Europe is the major source of direct investment in mining, accounting for 54.3 percent, of which 49.4 percent is from the UK. Africa is also a major source of foreign direct investment at 35.9 percent, of which South Africa accounts for 19.7 percent, mostly directed to the domestic financial sector.
- 3.18 Other investment is mainly driven by government loans. In 2018, government external debt, classified under 'public administration', amounted to 46 percent of 'other investment'. This is followed by the electricity, gas and water category at 22 percent, dominated by a loan sourced from China for the Morupule B power project. The finance sector accounted for 15.7 percent of 'other investment'. By region, the largest share of 'other investment' is from Africa, constituting 52.3 percent of the total, with government borrowing from the African Development Bank (AfDB) accounting for 37 percent. Other regions and Asia Pacific constituted 24.2 percent and 18.2 percent of other investment receipts, respectively. The former includes government loans from multilateral development banks, such as the World Bank.

TABLE 1.12: LEVEL OF FOREIGN INVESTMENT IN BOTSWANA BY INDUSTRY IN 2018 (P MILLION)

Industry	Foreign Direct Investment	Other Investment	Total
Mining	21 450	517.6	21 967
Manufacturing	6 644	122	6 765
Finance	9 735	4 815	14 551
Wholesale & Retail	14 388	352	14 741
Electricity, Gas & Water	0	6 781	6 781
Real Estate & Business Services	473	30	503
Transport, Storage & Communication	1 722	109	1 832
Construction	398	0	398
Hospitality	325	30	355
Public Administration	0	14 148	14 148
Other	385	3 857	4 242
Total	55 521	30 762	86 283

Source: Bank of Botswana.

TABLE 1.13: LEVEL OF FOREIGN INVESTMENT IN BOTSWANA BY REGION AND SELECTED COUNTRIES IN 2018 (P MILLION)

Country	Foreign Direct Investment	Other Investment	Total
North and Central America	1 929	588	2 518
<i>Of which</i>			
United States	48	588	636
Europe	30 150	978	31 128
<i>Of which</i>			
United Kingdom	27 424	440	27 863
France	459	15	474
Netherlands	540	0	540
Luxembourg	0	106	106
Other Europe	1 727	417	2 144
Asia Pacific	1 140	5 601	6 741
<i>Of which</i>			
China	554	5 596	6 150
Other Asia	586	5	591
Africa	19 939	16 090	36 028
<i>Of which</i>			
South Africa	10 911	3 221	14 132
Mauritius	7 265	161	7 425
Ivory Coast	0	11 369	11 369
Middle East	364	69	433
Other	1 999	7 436	9 435
Total	55 521	30 762	86 283

Source: Bank of Botswana.

4. MONEY AND CAPITAL MARKETS

(a) Monetary Policy and Liquidity Management

- 4.1 The primary objective of the Bank's monetary policy is to achieve price stability, which is defined as a sustainable level of inflation that is within the medium-term objective range of 3 – 6 percent. The policy is also formulated with a view to safeguarding the stability of the financial system. A low and predictable level of inflation and conducive monetary and financial conditions foster savings mobilisation, productive investment and international competitiveness of domestic producers which, in turn, contribute towards the broader national objectives of sustainable economic development and employment creation.
- 4.2 The monetary policy framework is forecast-based, with a medium-term outlook that primarily guides the Bank's response to projected movements in inflation, while taking into account prospects for economic growth and developments relating to stability of the financial system. To this end, in formulating an appropriate policy stance, the Bank takes into account projections of real monetary conditions in the context of other relevant domestic and international economic and financial developments, and their impact on the output gap⁴³ and, ultimately, inflation. The policy framework recognises the importance of communication in an effort to maintain transparency, predictability and accountability with respect to the policy framework and actions; thus, fostering market participation, influencing expectations and policy credibility. In this regard, in addition to the MPS, the Bank publishes the Monetary Policy Report following the April, August and December Monetary Policy Committee (MPC) meetings. Furthermore, the Bank publishes the MPC dates for the year ahead and the Governor delivers a statement at a press briefing subsequent to each meeting of

⁴³ The output gap refers to the difference between actual output and long-term trend output (as an indicator of the productive capacity of the economy). A negative output gap means the actual level of output for a given period is below the trend level for that period, thus indicating that the economy is operating below its estimated potential.

the MPC to allow for engagement with the media and dissemination of the Bank's policy stance.

(b) Interest Rates and Bank of Botswana Certificates

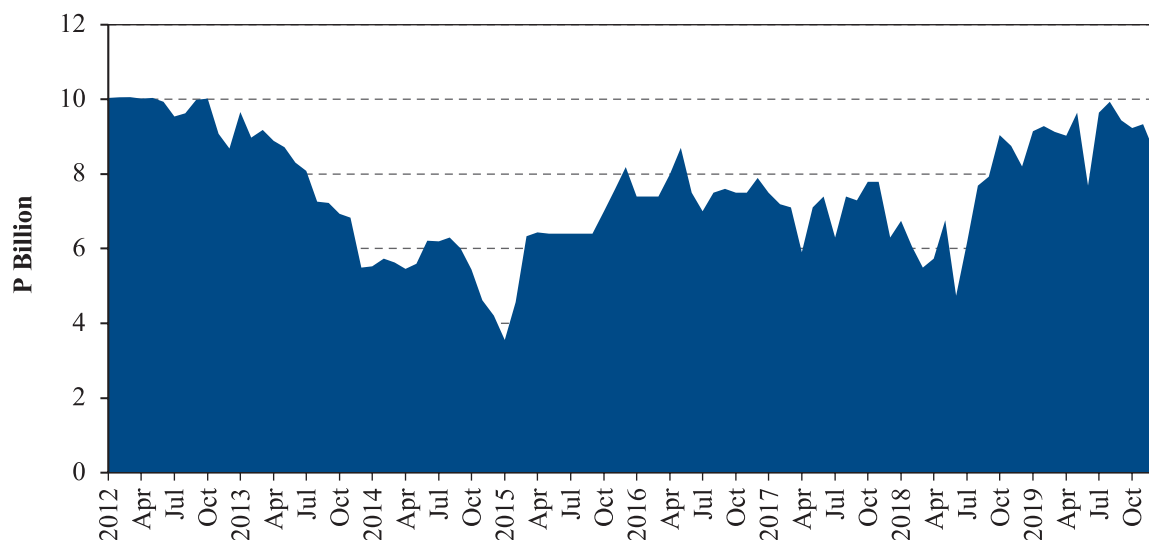
- 4.3 Monetary policy implementation entailed the use of Bank of Botswana Certificates (BoBCs) to mop-up excess liquidity⁴⁴ in order to maintain short-term interest rates that are consistent with the monetary policy stance. Repurchase Agreements (repos) and reverse repos were used during the year to manage liquidity between auctions. The Bank evaluates the monetary policy implementation framework on a regular basis for effectiveness and introduces refinements where necessary. In that regard, banks continue to make good use of the additional flexibility for effective liquidity management by the extension in 2017 of eligible collateral to include government securities of all maturities for access to the Bank's Credit Facility. In addition, and as announced in the 2019 Monetary Policy Statement, during the course of 2019, the Bank introduced the 7 day BoBC as the main instrument for conducting monetary operations to replace the 14-day paper together with 'reserve averaging' in the determination of the Primary Reserve Requirement (PRR). Both measures, which were introduced on April 30 and October 9, 2019, respectively, were welcomed enthusiastically by the market as expected, providing the basis for improved liquidity management by both the Bank and the commercial banks. In particular, commercial banks were actively using the Primary Reserve account as a tool for effective management of liquidity (only two of the smaller banks currently do not use it on a regular basis) and 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

⁴⁴ Excess liquidity is the sum of commercial banks' overnight deposits with the Bank (current account), money absorbed through BoBCs and outstanding reverse repos, less both repos and borrowing from the Bank's 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), over and above the structural liquidity that is held by the banks in the Primary Reserve Requirement accounts.

amounted to P8.6 billion in December 2019, an increase from P8.2 billion in December 2018 (Chart 1.15), reflecting an increase in liquidity that had to be mopped-up in the same period to anchor the monetary policy stance. Furthermore, P1.8 billion worth of reverse repos were outstanding at the end of 2019, compared to P1.1 billion December 2018. This compares with an average of P1.1 billion of reverse repos in the last ten years. There were no outstanding repos as at end of 2019.

reduction in the Bank Rate. Thus, the 91-day BoBC stop-out yield eased from 1.59 percent in December 2018 to 1.49 percent in December 2019. However, due to the larger fall in inflation compared to nominal interest rates between December 2018 and December 2019, the 91-day BoBC real interest rate increased from 1.85 percent to 0.69 percent in the same period. Meanwhile, in December 2019, the stop-out yield for the 7-day BoBC was 1.43 percent, lower than the 1.62 percent in May 2019 when it was

CHART 1.15: OUTSTANDING BANK OF BOTSWANA CERTIFICATES



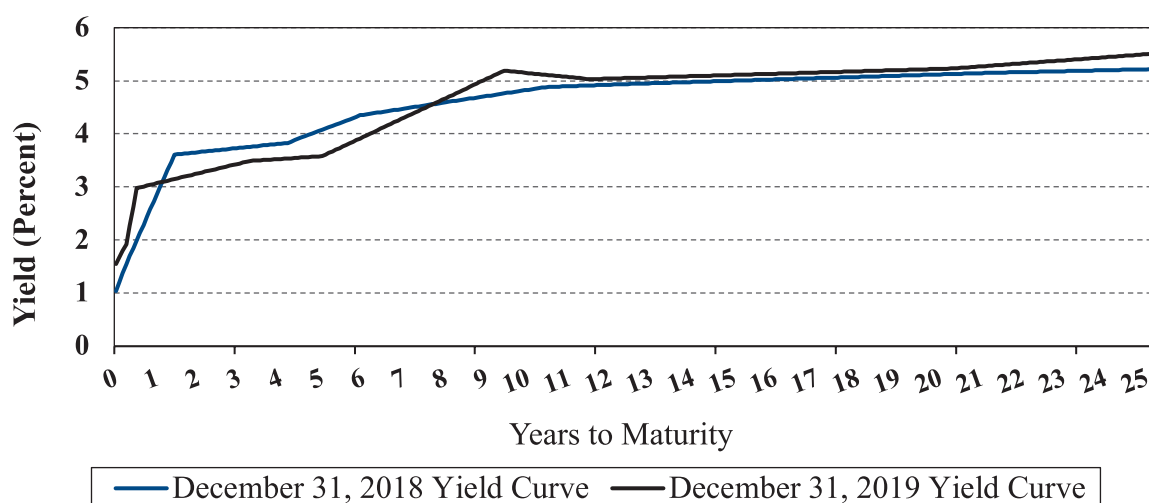
Source: Bank of Botswana

4.4 Monetary policy was conducted against the background of below-trend economic activity (a non-inflationary output gap) and a positive medium-term inflation outlook. These conditions provided scope for an accommodative monetary policy stance in support of stronger output growth. Hence, the Bank Rate was reduced by 25 basis points from 5 percent to 4.75 percent at the August 2019 MPC meeting, the first policy change since October 2017, when the Bank Rate was reduced by 50 basis points to 5 percent. Consequently, the prime lending rate of commercial banks declined from 6.5 percent to 6.25 percent, while deposit interest rates generally increased, despite the high levels of market liquidity, mainly reflecting competition for corporate deposits that form an important component of the deposit base for several of the commercial banks. BoBC yields decreased in 2019, following the

introduced. However, the real rate of interest for the 7-day BoBC increased from -0.96 percent to -0.75 percent in the same period.

4.5 Chart 1.16 shows Government bonds and BoBC yields as at the end of December 2019 compared to December 2018. Over the review period, yields were generally lower at the shorter-end and virtually unchanged in the mid-section of the yield curve, but increased slightly on the longer-end of the curve. The increase in yields for longer dated bonds was due to subdued demand as reflected by high yields sought by primary dealers.

CHART 1.16: YIELD CURVES FOR DECEMBER 2018 AND DECEMBER 2019



Source: Bank of Botswana

(c) Banking System

Domestic Credit

4.6 Annual growth in commercial bank credit decelerated from 7.7 percent in 2018 to 7.6 percent in 2019 (Chart 1.17). The slight decrease in the rate of credit growth was mostly associated with sluggish lending to businesses, which decreased from 10 percent in 2018 to -1.7 percent in 2019. This was mostly due to loan repayments by some companies in manufacturing (some in the diamond cutting and polishing sector). For households, annual credit growth increased from 6.2 percent in 2018 to 13.8 percent in 2019. The higher rate of increase in lending to households was mostly due to the higher uptake of personal loans through scheme loan arrangements, from growth of 7 percent in 2018 to 18.7 percent in 2019. The faster increase in personal loans is consistent with increased supply of loanable funds at banks and the demand for credit following the public service salaries hike during the year. The rate of increase in the unsecured component accelerated from 6.8 percent to 18.3 percent in the same period. The share of mortgages in total bank credit to households decreased from 27.4 percent in December 2018 to 24.8 percent in December 2019. Household credit accounted for a larger proportion of credit, at

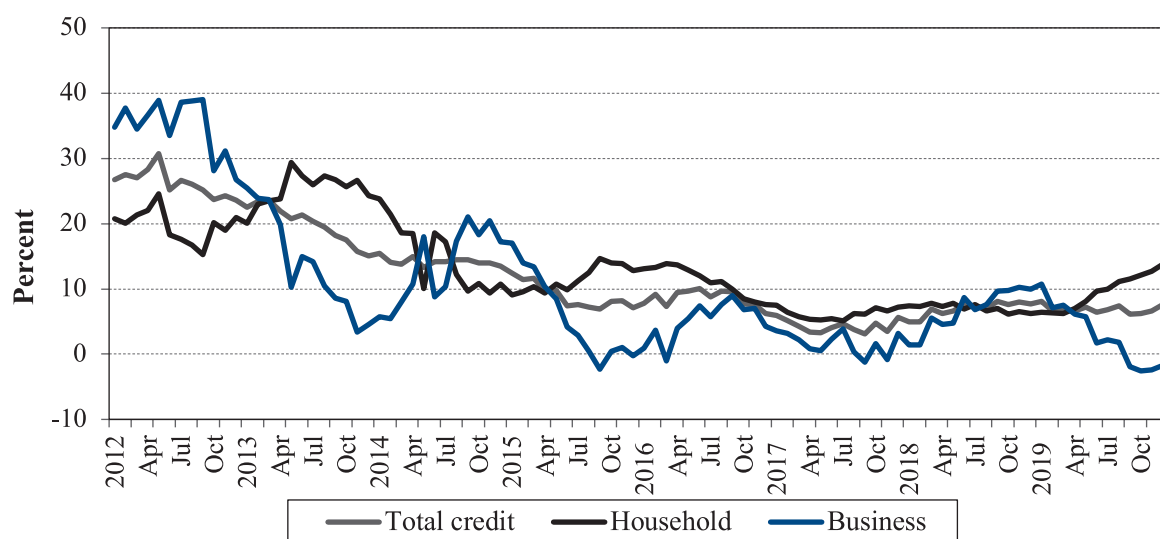
63.7 percent of total bank credit in December 2019. Mortgage loans as a proportion of GDP was only 5 percent as at September 2019 compared to 5.1 percent in the corresponding period ending September 2018.

4.7 Banks maintained good quality assets in 2019, with a decline in credit default rates. The ratio of non-performing loans (NPLs) to total credit was 4.8 percent in December 2019, compared to 5.4 percent in December 2018; the NPL ratio for individual banks ranged from zero to 6.3 percent in December 2019. By sector, the ratio of NPLs to total loans for households decreased from 4.2 percent in December 2018 to 3.2 percent in December 2019, while for businesses, it increased from 7.3 percent to 7.5 percent in the same period. In addition, household debt as a proportion of household formal employment income ranged between 46 percent and 50 percent in the period 2016 - 2019. These levels of household indebtedness are considered low by international standards. However, it is observed that household credit is concentrated in unsecured lending (70.1 percent in December 2019). The significant share of unsecured loans and advances has the potential to cause financial distress in households, given the inherently expensive nature of such credit. Nevertheless, concern would arise in the event of high levels of

borrowing that are out of line with trends in economic and personal income growth, which would amplify the risk or exposure of households and businesses to economic shocks and could adversely affect their ability to repay debt. Overall, current levels of credit continued to be supportive of economic activity, while risks are sufficiently mitigated by income, collateral, insurance, diversification, as well as prudential supervision by the Bank.

in 2018 to 5.8 percent in 2019. Meanwhile, currency outside depository corporations increased by 3.5 percent in 2019, from a contraction of 3.8 percent in 2018. Deposits in foreign currency accounts (FCAs) in Pula terms contracted by 4.2 percent in 2019 compared to an increase of 14.4 percent in 2018, and accounted for 14.7 percent of total deposits at commercial banks in December 2019.

CHART 1.17: YEAR-ON-YEAR COMMERCIAL BANK CREDIT GROWTH



Source: Bank of Botswana

Monetary Aggregates

- 4.8 The broad money supply (M2) increased by 8 percent in 2019, compared to 8.3 percent in 2018, mainly reflecting the expansionary effect of the 7.6 percent increase in credit⁴⁵ to the private and parastatal sectors and the 22.2 percent decline in government deposits at Bank of Botswana as well as the 8.2 percent contraction in net foreign assets. The ratio of M2 to GDP increased from 41.3 percent as at September 2018 to 43.6 percent as at September 2019, indicating the increase in liquidity which could provide opportunities for economic growth. By component, the annual increase in transferable deposits (current accounts) accelerated from 0.3 percent in 2018 to an increase of 17.2 percent in 2019. On the other hand, annual growth of other deposits decelerated from 11 percent

Bank of Botswana

- 4.9 Total assets and liabilities of the Bank of Botswana contracted by 8.5 percent from P72.2 billion in 2018 to P66 billion in 2019. The decrease in the Bank's balance sheet in 2019 was mainly due to the 8.7 percent decline in foreign exchange reserves (which includes the 30.6 percent contraction in the Liquidity Investment Tranche). However, fixed assets increased by 15.9 percent. The shareholder's total funds, which largely comprise the Currency Revaluation Reserve, decreased by 14.5 percent, from P48.5 billion in 2018 to P41.4 billion in 2019. Commercial bank deposits at the Bank of Botswana (including primary reserve requirement (PRR) balances) decreased from P3.1 billion in 2018 to P3 billion in 2019, on account of accessibility of primary reserves by banks following the implementation of PRR averaging during the year.

⁴⁵ Includes credit by commercial banks, BBS Limited and Botswana Savings Bank.

Other Depository Corporations

4.10 The balance sheet of commercial banks grew by 8.1 percent from P91.3 billion in December 2018 to P98.7 billion in December 2019. On the assets side, loans and advances increased by 7.6 percent from P58.3 billion in December 2018 to P62.8 billion in December 2019, while the value of debt securities held by banks increased by 42 percent. Holdings of Bank of Botswana certificates increased by 8 percent in 2019, while “other assets” increased by 21.1 percent. With respect to liabilities, deposits at commercial banks, capital and reserves and other liabilities rose by 9.3 percent, 6.6 percent and 6.1 percent, respectively, in 2019. Wholesale business deposits continue to be the main source of funding for commercial banks (76.4 percent of total deposits in December 2019). The banks’ Credit to GDP ratio was 31.1 percent in September 2019, a slight increase from 30.6 percent reported in September 2018.

4.11 Total assets and liabilities of the BBS Limited increased by 15.5 percent from P4.0 billion in December 2018 to P4.6 billion in December 2019. Mortgages, which take-up the bulk of BBS’s loan book (89.3 percent in 2019) increased by 6.7 percent from 3.6 percent in 2018. On the liabilities side, the level of capital and reserves decreased by 11.1 percent from P595 million in December 2018 to P529 million in December 2019, while public deposits grew by 36.3 percent, reflecting the increase in deposits from corporate customers during the year which, led to the 81.6 percent rise in cash and deposits with the domestic banks.

4.12 For Botswana Savings Bank, total assets and liabilities increased by 24 percent in December 2019. Savings deposits increased by 21.1 percent in December 2019, from P2.1 billion to P2.6 billion, compared to a contraction of 0.7 percent in December 2018. However, loans and advances decreased by 3.3 percent.

(d) Other Financial Corporations

4.13 The statement of financial position of the National Development Bank (NDB) increased by 12 percent, from P939 million in

December 2018 to P1.1 billion in December 2019, compared to a decline of 18 percent in 2018. The growth of the statement of financial position of NDB was attributable to capital injection by the Government, resulting in a 132.8 percent total liquid assets, while asset building was constrained. Thus, loans and advances and fixed assets decreased by 5.9 percent and 1.6 percent, respectively, in 2019. On the liability side, capital and reserves increased by 68.2 percent while borrowing, to fund its operations, contracted by 18.9 percent in the same period.

4.14 The statement of financial position of Citizen Entrepreneurial Development Agency (CEDA) increased by 8.9 percent, from P2.1 billion in 2018 to P2.3 billion in 2019, compared to an increase of 4.6 percent in 2018. The growth of the statement of financial position was due to an increase in short term investments, leading to a 46.3 percent increase in cash balances. However, loans and advances decreased by 8.3 percent in 2019. On the liability side, capital and reserves decreased by 1.3 percent in the same period.

4.15 Total assets of Botswana Development Corporation grew by 28.1 percent from P2.8 billion in December 2018 to P3.6 billion in December 2019. This performance was largely attributable to an increase of 53.4 percent in loans, advances and leasing, as well as 31.6 percent increase in investments in related companies. Fixed assets decreased from P181.1 million in 2018 to P163 million in 2019.

4.16 The Domestic Companies Index (DCI) of the Botswana Stock Exchange (BSE) decreased by 4.6 percent to 7 494.6 in December 2019, following a decline of 11.4 percent in 2018. The decline was due to the relatively weak performance, in terms of price per share, of several companies, namely: Stanchart (-56.1 percent), Letshego (-50.6 percent), Tlou (-48.7 percent), Seedco (-45.5 percent) and Lucara (-16.9 percent). The suspension of Choppies could be an additional factor to the decline in the DCI given its liquidity in the market, as it was the fourth most traded

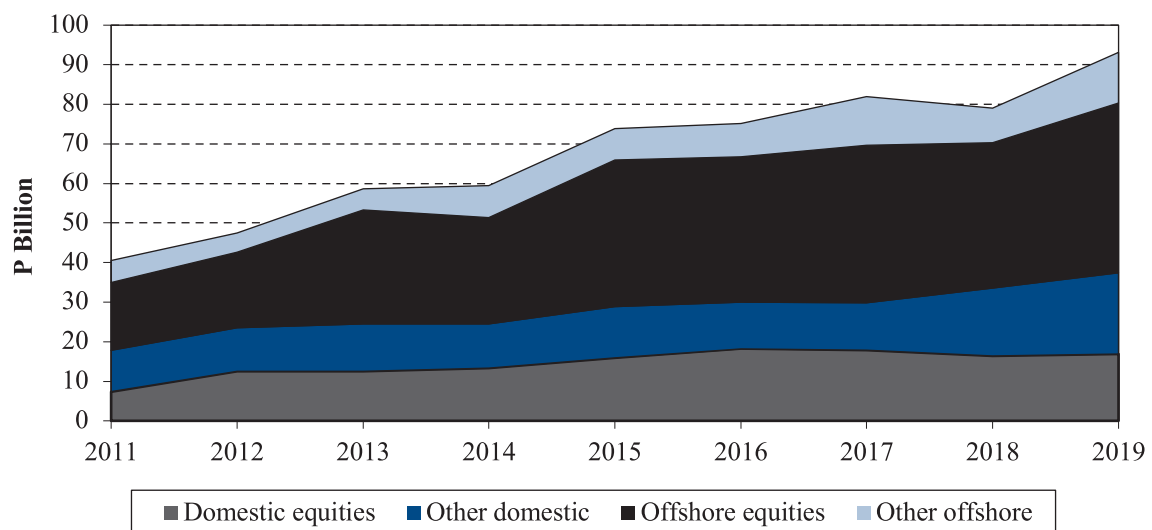
company in the BSE prior to its suspension⁴⁶. There were 628 million shares worth P1.8 billion traded in 2019 compared to 583 million shares valued at P1.9 billion traded in 2018. The market capitalisation of domestic companies fell by 8.7 percent, from P42.4 billion in 2018 to P38.7 billion in 2019, due to the decrease in share prices of most listed companies. The number of listed domestic companies decreased from 26 in 2018 to 24 in 2019, following the delisting of Furnmart in February 2019 and Wilderness Safaris in July 2019. The Foreign Companies Index decreased by 0.5 percent to 1 562.4 in 2019, following a decrease of 0.3 percent in 2018.

- 4.17 Assets of pension funds increased by 17.9 percent from P79.0 billion in December 2018 to P93.1 billion in December 2019 (Chart 1.18), reflecting the increase in member

by pension funds increased by 6.6 percent to P9 billion, while offshore bonds increased by 4.1 percent to P6.1 billion in December 2019. The proportion of assets invested offshore by pension funds increased from 57.4 percent in December 2018 to 59.8 percent in December 2019. The ratio of assets of pension funds to nominal GDP was 45.6 percent in the third quarter of 2019 compared to 44.3 percent in the corresponding period in 2018.

- 4.18 The P15 billion Government Bond Programme remains in place, with the focus on the development of the capital market, although also providing an alternative source of government funding. Outstanding bonds of various maturities and Treasury Bills increased from P10.3 billion in 2018 to P12.9 billion in 2019. Primary dealers and their

CHART 1.18: BOTSWANA PENSION FUND ASSETS (2011 - 2019)

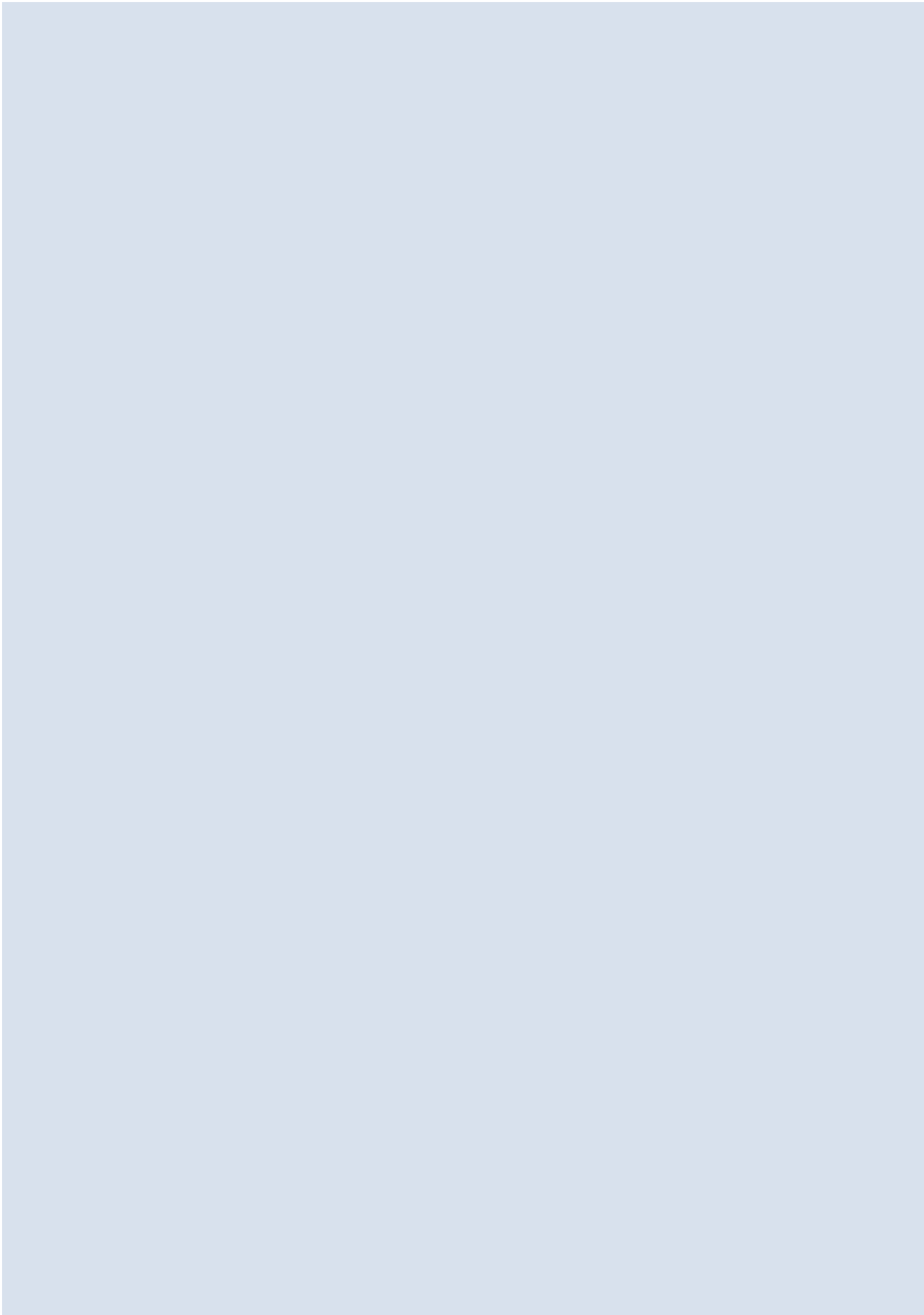


Source: NBFIRA.

contributions and fair value gains. By asset class, investment in domestic equities increased by 2.5 percent to P16.9 billion in the twelve months ending in December 2019, while holdings of offshore equities increased by 17.3 percent to P42.9 billion due to the rise in prices and favourable exchange rates. Meanwhile, the value of domestic bonds held

customers held P4.4 billion (34.2 percent) and P8.5 billion (65.9 percent), respectively, of the government securities at the end of 2019.

⁴⁶ In November 2018, the BSE suspended trading on Choppies securities following failure to publish their audited annual financial statement for the year ended June 30, 2018.



CHAPTER 2

CENTRAL BANK GOVERNANCE AND FUNCTIONS IN PURSUIT OF PRICE AND FINANCIAL STABILITY

1. INTRODUCTION

1.1 Traditionally, the primary objective of a central bank is to protect and preserve the value and integrity of the national currency in the interest of a balanced and sustainable economic growth of the country. This is achieved primarily through the conduct of monetary policy where the objective is to ensure that inflation is low, stable and predictable. Related thereto is currency management to ensure uninterrupted availability of good quality banknotes and coin and anchoring the external value of the currency through contributions towards exchange rate management, policy formulation and implementation. Central banks also contribute towards ensuring the stability and soundness of the financial system through monetary policy formulation and implementation. In essence, to ensure sustenance of the means of payment and store of value (as well as unit of account and standard of deferred payment) functions of the national currency. In this regard, the Bank of Botswana (the Bank) has governance, functional and accountability structures and frameworks that are aligned to the preservation of integrity and value of the national currency. Thus, monetary policy formulation and implementation of the exchange rate policy, management of foreign exchange reserves, macroprudential surveillance, supervision of banks and oversight of the payments system, currency management, as well as related inter-agency collaboration and coordination. It is considered that these remain relevant and appropriately aligned to the existence of the central bank and, in general, macroeconomic stability.

1.2 Notwithstanding the presumably solid intellectual foundations of the role of central banks in an economy, the mandates (translated into goals), operational space and institutional structure and related functions continue to

evolve and are subject to varied interpretation. Primarily, this is with a focus on retaining effectiveness and credibility in a changing environment, but also to evaluate the public good role and impact on the society. Thus, the continuing scrutiny of the scope of mandates of the central bank and the relationship with government. For example, choices, including a narrower focus on preservation of the value of the currency through attainment of price stability; an extended mandate to incorporate financial stability; and alternatively, to incorporate an economic growth, hence employment creation, mandate. Operationally, the challenges of multiple goals relate to difficulties with the choice of instruments and possibility of trade-offs (non-complementarity) that might generate perverse or adverse outcomes for one or some of the mandates⁴⁷. On the other hand, a singular mandate could be easier to handle with respect to control over instruments and delineation of accountability. Notwithstanding, as it evolves, the central bank has to, at the same time, realign its functions and operational scope alongside changes in mandates, governance and accountability frameworks, as well as process and technological developments, among others.

1.3 In the recent past, major changes have been observed in the areas of governance and mandates. There are broadly three aspects of governance that have become common in central banking; thus *autonomy* that also envisages *transparency* and *accountability*. Autonomy relates to operational independence, in the context (mostly) of an agreed societal goal and definition of a public good. For example, in many jurisdictions this involves definition of price stability, involving targets for inflation (sometimes

⁴⁷ The highlights for mandate conflict and challenges include recent pronouncements by the political leadership in South Africa, Turkey and the United States of America (USA).

set by Government) and articulating the desirability and features of financial stability. The requirement for transparency is mostly with respect to governance structures, policy frameworks, institutional arrangements and operational remits. At the same time, there is an imperative for accountability in terms of performance and attainment of key objectives. The combination of accountability and transparency, as summarised in the communication strategies, also help to guide expectations on mandate outcomes, policy credibility and to achieve effectiveness of policy as well as to instil trust and public confidence.

- 1.4 A corollary to the above discussion on central bank mandate appears to be (as reflected in the mandates of a majority of central banks) that central banks should primarily focus on price stability and financial stability; it is considered that this creates a conducive, stable and predictable environment for durable economic development and innovation to take place and, therefore, generate the desired inclusive growth. Essentially, an environment of price stability, alongside a stable financial system, fosters savings mobilisation, productive investment and international competitiveness of domestic producers; thus contributing towards sustainable economic growth and inclusive development (broad-based income earning and employment opportunities, as well as rising standards of living). However, this is premised on there being stable and predictable channels for policy transmission, as well as appropriate design and choice of proximate instruments that affect economic decisions by economic agents (businesses and households, in relation to saving, investing, borrowing, conduct of transactions and transfer of funds, as well as risk mitigation).
- 1.5 In light of the foregoing, it is appropriate to evaluate the state of affairs of key contributors to delivery of mandates, in terms of price and financial stability and the transmission to inclusive growth. The evaluation would, therefore, entail mapping the evolution of governance and policy frameworks, as well as assessment of prospective environmental changes and, in turn, responses needed to sustain policy effectiveness and

macroeconomic stability. In this respect, it is indisputable that the role and mandates of the Bank are well established and represent a necessary and desirable public good. However, there continues to be a need to entrench acceptability of autonomy of the Bank and, in turn, sustain and, where required, enhance the governance and accountability frameworks; as well as transparency of the policy frameworks and related operations. Moreover, there is need to ensure that policy instruments, tools and actions retain their effectiveness and have the desired effects (on price and financial stability and, ultimately, the desired broad-based economic growth).

- 1.6 Key aspects in this regard are prospects for financial inclusion; resilience and efficiency of financial institutions and markets; informed and careful adoption of digitisation and Fintech elements to retain transmission features and integrity of fiat money, central bank monetary operations and credit markets; as well as continuing with the refinement of policy instruments, including infusion of macroprudential policies to address both financial stability and, in some respects, strengthen monetary policy effectiveness. Ultimately, to the extent that the Bank is adaptive in terms of the governance, accountability and safeguarding of the transmission facets of central banking, there is greater scope for preserving the indisputable public good, going forward; thus the currency (Pula) as an immutable store of value and means of payment.
- 1.7 The remainder of the Theme Chapter is organised in six sections. Section 2 covers central bank roles and mandates in general. Section 3 discusses the key features and principles in central banking. Section 4 reviews policy performance and transmission attributes, relative to price and financial stability. Section 5 offers an overview of price and financial stability policy evolution and performance in Botswana. Section 6 considers emerging issues and responses, and Section 7 concludes the Theme Chapter.

2. CENTRAL BANK ROLE AND MANDATES

(a) Evolution of Central Bank Roles

- 2.1 The role of central banks has evolved considerably over the years in response to the changing environment within which they operate, including financial crises, economic and business cycles as well as approaches to economic management and policy frameworks. Central banks date as far back as 1668 with the establishment of the Swedish Riksbank, which was the first recognised central bank, followed by the Bank of England (BoE) in 1694. Both the Riksbank and BoE were established as joint stock banks mandated to lend funds to government and to purchase government debt, respectively. The Riksbank also acted as a clearing house for commerce. Central banks that were established later in Europe also had similar mandates, with the exception of a few that were established to deal with some form of economic crises. For instance, the Banque de France was set up in 1800 to bring stability to the currency following a period of hyperinflation. One of the main distinguishing features of these central banks was that, even though they, among others, funded government debt, they were privately owned deposit-taking institutions. In the late 1800s and early 1900s, central banking functions became linked more to public policy objectives. In addition to restoring monetary stability following a crisis, central banks were mandated to promote financial sector development, facilitated and improved trade financing, and there was increased emphasis on promoting national welfare.
- 2.2 Central banks that emerged at the turn of the twentieth century primarily focussed on consolidating the various instruments (unit of account, store of value, medium of exchange and a standard of deferred payment) that people were using as currency, as well as to foster financial stability. Many of the central banks also managed the gold standard, to which most countries adhered. In the gold standard, the amount of money that central banks could supply was determined by the value of gold reserves which, in relation

to demand, influenced the price level. In essence, central banks were committed to price stability, with less attention to stability of the real economy, due to their obligation to adhere to the gold standard⁴⁸. They were also lenders of last resort where necessary, especially during times of financial stress.

- 2.3 The economic crises that followed World War I, together with the breakdown of the gold standard⁴⁹, led to central banks becoming public policy agencies; that is, central banks were nationalised across many countries, and became an integral part of a country's macroeconomic management and stabilisation toolkit. The central banks of New Zealand and Denmark were among the first to be nationalised in 1935 and 1936, respectively, and nationalisation continued after World War II, in the wake of state ownership of key industries in numerous countries⁵⁰. As public entities, the goals of central banks began to shift to incorporate employment, real economic activity, as well as price stability. This was consistent with the change in the political economy of many countries. The focus of governments moved towards regulation in order to guide economic activity, hence the oversight and regulation function was formalised. Many central banks adopted an economic development function and, thus, provided finance to targeted economic sectors with the aim of achieving rapid industrialisation⁵¹.
- 2.4 Aspects of the financial stability mandate or specific institutional and regulatory responsibilities have always been part of the mandate of central banks, especially in advanced economies. For example, central banks had the "lender of last resort" function with some degree of success, with a notable

⁴⁸ Bordo, Michael D. (2007). "A Brief History of Central Banks," Federal Reserve Bank of Cleveland.

⁴⁹ The gold standard failed because the rules of the gold standard were not observed, as governments of gold standard countries did not want to experience the inflationary and deflationary tendencies associated with the gold standard.

⁵⁰ South African Reserve Bank, (2011). 90th Anniversary Commemorative Publication.

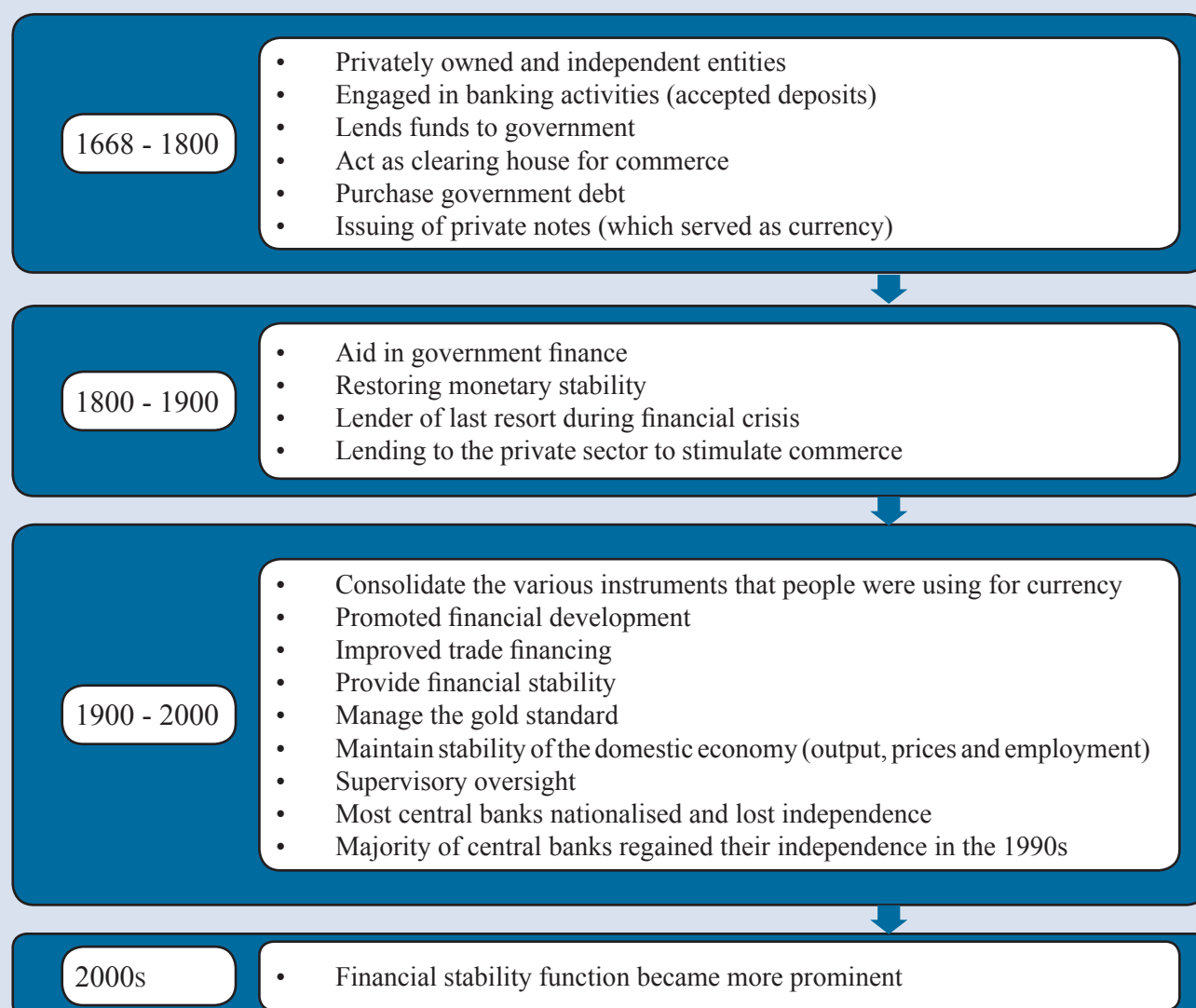
⁵¹ Bank for International Settlements, (2009). "Issues in the Governance of Central Banks," a report from the Central Bank Governance Group.

exception of the period spanning World Wars I and II characterised by instability of financial markets and widespread banking crises. However, a more comprehensive and direct mandate for financial stability for central banks became more prominent in the aftermath of the global financial crisis of 2007/08. Across the globe, including in emerging markets and developing economies, mandates of central banks were expanded to specifically include the financial stability objective. In essence, the crisis triggered a change in the broader environment in which central banks operate and thereby necessitated a further evolution of the role, governance and mandate of these institutions⁵².

2.5

Equally relevant to the evolving mandates of central banks is central bank independence. For example, the original and earlier central banks were privately owned and independent entities (Figure 1). However, many of them completely lost their independence in the twentieth century when they were nationalised, with the majority only regaining their independence in the 1990s to promote effectiveness and proper assignment of accountability in discharging their mandates, which were now clearly stated.

FIGURE 1: EVOLUTION OF CENTRAL BANK ROLES



Source: Bank for International Settlements, International Monetary Fund and websites of various central banks.

⁵² Bank for International Settlements, (2009). "Issues in the Governance of Central Banks," a report from the Central Bank Governance Group.

(b) Country Experiences: Survey of Mandates and Rationale

- 2.6 The functions of central banks vary across countries mainly because of differences with respect to goal and instrument independence (for monetary policy in particular). In addition, responsibilities vary for financial stability, oversight and participation in payments and settlement infrastructure, as well as assignment of other public functions. Table 1 highlights the roles and mandates

of selected central banks, namely, Banco Central de la República Argentina (BCRA), Banco Central de Chile (BCC), South African Reserve Bank (SARB), USA Federal Reserve Board (Fed), Bank of England (BoE) and Reserve Bank of New Zealand (RBNZ), with a focus on the five mandates of monetary stability, financial stability, policy operation, financial infrastructure provision and other public good functions.

TABLE 1: MANDATES OF SELECTED CENTRAL BANKS

	Central Bank	Mandate	Rationale
Price Stability Function	Bank of Botswana	Yes Inflation objective range of 3 – 6 percent (Crawling peg)	To foster savings mobilisation, productive investment and international competitiveness of domestic producers for sustainable economic development and employment creation
	BCRA	Yes Targets zero growth in the monetary base (Floating exchange rate)	To achieve an anti-inflationary policy
	BCC	Yes Inflation target of 3 percent, ± 1 percent (Floating exchange rate)	To achieve broader national objective of sustained growth and full employment
	SARB	Yes Inflation target range of 3 – 6 percent (Floating exchange rate)	For sustainable and balanced economic growth
	Fed	Dual mandate of price stability and full employment: Inflation target of 2 percent (Floating exchange rate)	To promote maximum employment, stable prices and moderate long-term interest rates
	BoE	Yes Inflation target of 2 percent (Floating exchange rate)	To support the government's economic aims for growth and employment
	RBNZ	Yes Dual mandate of price stability and maximum sustainable employment. Inflation target range of 1 – 3 percent, with a focus on the 2 percent target midpoint (Floating exchange rate)	To promote the prosperity and well-being of the New Zealanders, and to contribute to a sustainable and productive economy

		Central Bank	Mandate	Rationale
Financial Stability Function		Bank of Botswana	Yes Financial Stability Council (FSC)	To respond to any financial sector imbalances and, therefore, maintaining financial stability
		BCRA	Yes	To promote financial stability
		BCC	Yes FSC	To promote the stability and efficacy of the financial system
		SARB	Yes Financial Stability Oversight Council (FSOC) and Financial Stability Committee	To protect and enhance financial stability to achieve safer financial system
		Fed	Yes FSOC	To promote financial stability
		BoE	Yes Financial Policy Committee – official committee of the central bank	To protect and enhance the stability of the financial system
		RBNZ	Yes	For a dynamic and efficient financial system that contributes to a sustainable and productive economy
Policy Operation Function		Bank of Botswana	Open market operations (OMO) through weekly auctions of Bank of Botswana Certificates, repos, reverse repos, credit facility and reserve requirements	To influence monetary conditions and ensure that market interest rates are aligned to the policy stance
		BCRA	Conduct daily auctions of Liquidity Bills. Repurchase agreements and reverse repos on government bonds; overdraft liquidity discount facility	To achieve the monetary target
	Liquidity Management	BCC	OMO through buying and selling of short-term promissory notes	To ensure funding availability at any time and any circumstances, as well as to comply with regulatory requirements
		SARB	OMO, reserve purchase transactions, SARB debentures, foreign-exchange swaps, averaging of cash reserves, committed liquidity facility	To give effect to the policy rate (repo rate) to maintain headline inflation within the target range
		Fed	OMO, discount rate, reserve requirements, overnight reserve purchase agreement facility, term deposit facility	To meet funds obligations to ensure availability of cash or collateral at any point in time
		BoE	OMO, standing facilities, required reserves, voluntary or contractual reserves	To prevent short term uncertainty and price volatility which day to day swings in market liquidity would otherwise cause

		Central Bank	Mandate	Rationale
Policy Operation Function		RBNZ	OMO, foreign-exchange swaps, repurchase agreements, seasonal treasury bills, bond repurchases	To ensure the banking system has sufficient liquidity to enable the payment system to function effectively and to avoid large swings in the volume of available cash that would undermine the implementation of monetary policy
	Management of Foreign Exchange Reserves	Bank of Botswana	Yes	To meet the demand for foreign currency and international financial obligations
		BCRA	Yes	To ensure predictability and transparency of market interventions
		BCC	Yes	To guarantee efficient access to international liquidity and safeguard the financial equity of the bank
		SARB	Yes	To meet South Africa's known and likely trade and debt obligations
		Fed	Yes	To ensure that adequate liquidity is maintained to meet potential needs as well as to maintain a high degree of safety
		BoE	Yes	Reserves act as a tool of monetary and exchange rate policy
		RBNZ	Yes	To enable the reserve bank to intervene in the currency market if serious liquidity problems were to develop
Financial Infrastructure Provision	Payments and Settlement System	Bank of Botswana	Botswana Interbank Settlement System (BISS), Botswana Automated Clearing House (BACH), Society for Worldwide Interbank Financial Telecommunication (SWIFT) System	To enable the flow of payments and efficient payments settlement in a manner that promotes liquidity management and mitigation of risks
		BCRA	Real Time Gross Settlement System (RTGS)	To enable a more efficient management of financial risks involved in payment systems, with a consequent reduction in systemic risk
		BCC	RTGS	Mitigates credit or liquidity risk, thereby contributing to stability of the financial system
		SARB	South African Multiple Option Settlement, RTGS, Settlement risk reduction measures	To maintain financial stability by preventing or containing financial crises, and help to reduce the cost and uncertainty of settlement, which could otherwise act as an impediment to economic activity
		Fed	National Settlement Service	For an efficient, effective and safe USA payment and settlement system
		BoE	RTGS and the Clearing House Automated Payment System (CHAPS)	For safe functioning of UK's financial system and in fulfilling monetary and financial stability

		Central Bank	Mandate	Rationale
		RBNZ	RTGS, Exchange Settlement Account System (ESAS), NZClear Securities Settlement System, SWIFT System	For a safe and efficient payment system that supports day-to-day financial transactions in the economy

Source: Surveyed central banks' websites.

2.7 The mandates of all the surveyed central banks focus on price and financial stability. In pursuit of price stability, New Zealand⁵³, UK, South Africa, Chile, Argentina⁵⁴ and US have adopted an inflation targeting monetary policy framework, while Botswana has adopted some elements of inflation targeting, without defining its monetary policy framework as inflation targeting. That is, although Botswana's monetary policy framework involves the determination of an inflation objective and is forecast-based, it does not equate to an inflation targeting policy regime. This is because there has not been any formal announcement of an inflation-targeting regime and there is also no numerical definition of price stability that has been legally mandated or communicated by Government (specific assignment of a numerically defined public policy objective to the Bank). In addition, the framework lacks some of the attributes that characterise an inflation-targeting regime such as a flexible exchange rate system. The 3 – 6 percent inflation objective is an operational definition and represents the Bank's interpretation of the price stability objective implied in the Bank of Botswana Act (Section 4). In addition, all the surveyed central banks have complete autonomy in decision-making and implementation of monetary policy.

2.8 Financial stability is part of the mandate of all the surveyed central banks, and

⁵³ RBNZ is a pioneer in clarifying the central bank mandate (inflation targeting). Since being introduced in the late 1980s, New Zealand's inflation targeting framework has evolved significantly, alongside global policy and market developments.

⁵⁴ Since October 1, 2018, Argentina has been implementing a new monetary policy framework (eclectic monetary policy framework). Under this new framework, the central bank of Argentina targets the monetary base. The target is achieved by conducting daily transactions of Liquidity Bills (LELIQs) with banks. As the amount of money is exogenously determined, the interest rate on LELIQs is set by the supply and demand of liquidity.

macroprudential policy seems to be an overarching public policy in achieving financial stability. In the UK, the Financial Policy Committee (official committee of BoE), chaired by the Governor, has statutory responsibility for financial stability and delivers financial stability through macroprudential regulation. In the case of the US, the FSOC has a statutory mandate to identify risks and respond to emerging threats to financial stability⁵⁵. The Council is chaired by the Treasury and the Federal Reserve Board is part of the Council alongside other main federal regulatory agencies. In South Africa, the SARB has a statutory mandate for financial stability. The Financial Stability Committee, chaired by the Governor, holds executive power to implement macroprudential policy and to coordinate financial stability objectives with other regulatory bodies.

2.9 In the case of Chile, although the central bank is constitutionally mandated to safeguard the stability of domestic and external payments and, by extension, the stability of the financial system, the FSC, which is chaired by the Ministry of Finance, is the macroprudential authority. The central bank is an observer in the Chile FSC. The central bank of Argentina has an explicit financial stability mandate and a macroprudential department was established in 2016. However, other institutional set-up for financial stability within the central bank are yet to be strengthened.

2.10 In Botswana, the Bank's financial stability function started in 2010, followed by the establishment of a dedicated Financial Stability Division in 2012 and the FSC, chaired by the Governor, in 2019. The

⁵⁵ The analytical function on financial stability is not housed in the US Federal Reserve; it is housed in the Office of Financial Research in the Treasury.

FSC seeks to promote collaboration and coordination with regard to policy formulation; systemic risk identification and mitigation; exchange of information relating to financial stability and market regulation; and coordinates management and response in the event of a financial crisis.

2.11 All the surveyed central banks conduct OMOs for liquidity management and manage foreign exchange reserves for their respective countries. In pursuit of developing an effective, efficient, reliable and secure payment system, central banks make a provision for adequate legal infrastructure to regulate the payments and settlement environment. The most commonly used inter-bank payment system (payments infrastructure) in the surveyed central banks is the RTGS, referred to as the BISS in Botswana. The RTGS is an electronic interbank high-value payment system that allows funds to be transferred between participating institutions on an irrevocable and real time basis. The BACH is a clearing system for cheques and Electronic Funds Transfers (EFTs), and it is interfaced with the BISS for settlement of cleared transactions. In New Zealand, the Exchange Settlement Account System (ESAS) is also used by banks and other approved financial institutions to settle their obligations on RTGS basis. The UK also uses a sterling same-day system that settles high-value wholesale payments as well as time-critical, lower-value payments, including buying or paying a deposit on a property, known as CHAPS. These payment systems are highly secure, thereby safeguarding the stability of the financial system in the respective economies.

2.12 As a banker to government, a modern central bank, by virtue of its interaction with financial markets, often acts as the government's fiscal and debt management agent, the function that sometimes includes the provision of registry services. Central banks of Botswana, Argentina, Chile, South Africa and US act as agents of their governments in the issuance of government bonds and Treasury Bills on auction through a system of primary dealers on behalf of the government.

3. KEY FEATURES AND PRINCIPLES IN CENTRAL BANKING

3.1 Central banking is a distinct function with common elements across countries in terms of legal authority, mandate and governance, notwithstanding idiosyncratic functional and operational differences in some instances.

(a) Legal Authority

3.2 A central bank usually draws its authority from a specific legislation. Central bank legislation and legal corporate law traditions have a bearing on the governance structure of a central bank. In Anglo Saxon countries, for instance, the legal tradition is for corporations to have only one board, while in some continental European countries it is a common practice to have two boards: a governing board and a supervisory board. Central bank legislation spells out the mandate and functions of a central bank, including (in modern times) restrictions such as no provision of credit to the government. In addition, procedures for governance are generally specified in legislation, while also providing a guide to formulation of the relevant policy frameworks. Furthermore, legislation determines ownership of central banks. In this regard, the majority of central banks are corporate bodies, fully owned by the state and governed by a specific central bank law. However, there are a few central banks jointly owned by the government and private shareholders.

3.3 Countries often legislate differently on important central bank business such as the definition of financial stability, the treatment of independence and autonomy principles, the specification of price stability as an objective, and the institutional modalities of monetary policy formulation and implementation. Moreover, central bank legislation guides the ever-changing role of central banks such as the adoption of unconventional monetary policies in many advanced economies post the 2007/08 global financial crisis. This resulted in significant expansion and diversification of central banks' balance sheets, including significant market and credit risk exposures. Other

aspects of central banking, which motivated legislation in some countries, include the advent of macroprudential policies, banking crisis resolution arrangements as well as anti-money laundering and combating the financing of terrorism (AML/CFT) issues.

- 3.4 While constitutions of some countries are often silent on central banking, in a few countries like South Africa, the objective of a central bank is entrenched in the constitution. There have also been constitutional amendments in response to country-specific developments. For instance, after the Latin American debt crisis of the 1980s, a period often referred to as the “lost decade”, many Latin American countries amended their constitutions to include detailed central bank provisions such as prohibition of direct central bank lending to the government. Furthermore, constitutions of the so-called transition countries⁵⁶, often have provisions regarding the authority and the process for nominating and appointing the governor and other board members. The other recent example is Kenya.

(b) Mandate

- 3.5 The mandate of a central bank (Section 2) usually revolves around provision of “public goods” such as monetary and financial stability, currency management and reliable (safe and secure) payment systems. The effective performance of these functions is critical for anchoring macroeconomic stability and, in the long-term, sustainable economic development. For example, as articulated for Botswana, the rationale for price stability is to foster savings mobilisation, productive investment and international competitiveness of domestic producers for sustainable economic development and employment creation. In addition, the financial stability function is aimed at fostering the resilience of the financial sector to withstand systemic shocks and support economic activity on an ongoing basis, as well as preserve the value of financial assets and, generally public welfare. Related to this,

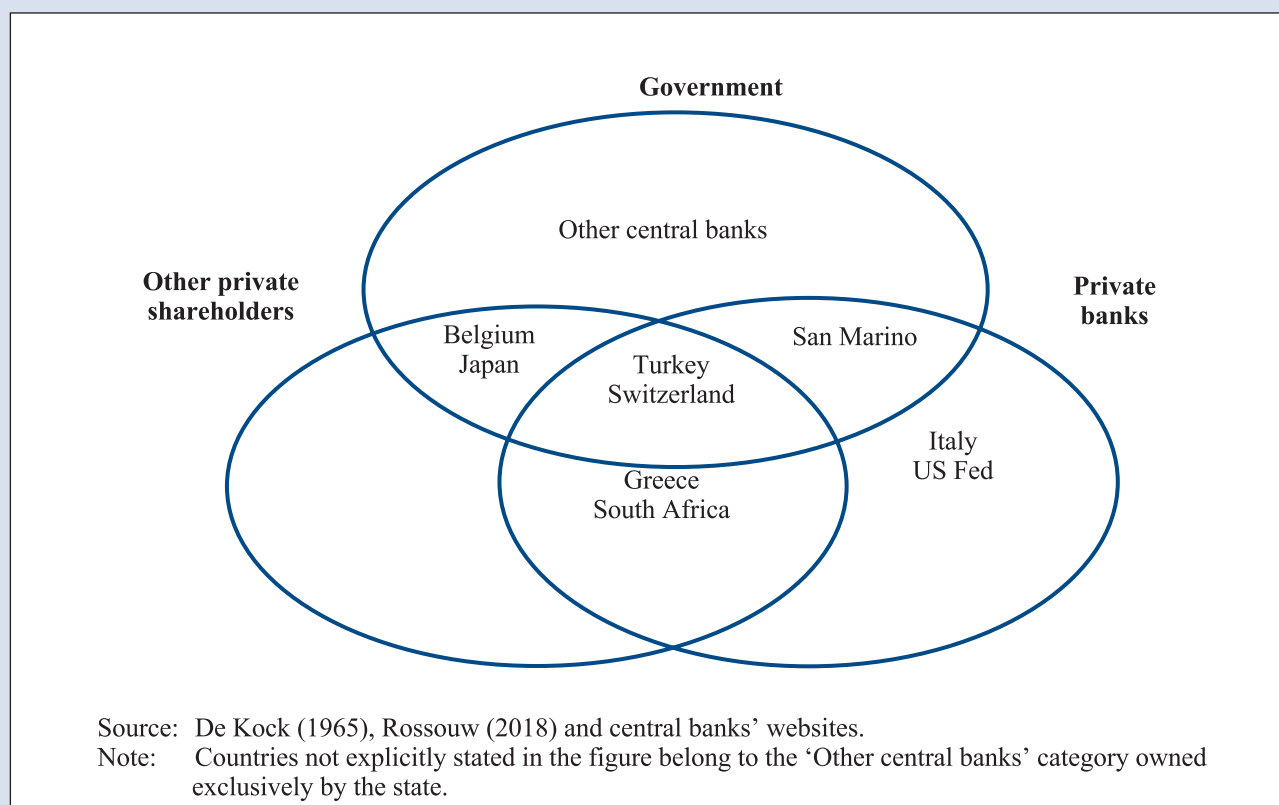
an efficient payment system that enables smooth, reliable and uninterrupted conduct of transactions, fosters liquidity management and finality of settlement is crucial to market confidence and economic activity. Critically, central banks are also responsible for issuing national currencies. According to Frankenfield (2019)⁵⁷, “Currency is a generally accepted form of payment, usually issued by a government and circulated within its jurisdiction”. It is an important medium of exchange which facilitates trading of goods and services in an economy, serving also as store of value and unit of account, therefore, a critical component for the functioning of the economy and society. Currency has helped to overcome the inconvenience and constraints of the predecessor barter system, such as lack of double coincidence of wants, absence of common measure of value and indivisibility of goods. Therefore, preservation of the value of the domestic currency is essential for smooth functioning of the economy and, ultimately, public trust and confidence.

(c) Governance Arrangements

- 3.6 Generally, the governance structure of a central bank is defined in its founding legislation, which defines its core mandates such as price and financial stability. The governance structure supports sound, effective and accountable central banking. Figure 2 shows the common ownership arrangements for central banks.

⁵⁶ These are countries that emerged following the dissolution of the Union of Soviet Socialist Republics and fall of the Berlin Wall in 1989/90.

⁵⁷ <https://www.investopedia.com/terms/c/currency.asp>.

FIGURE 2: CLASSIFICATION OF CENTRAL BANKS BY OWNERSHIP

Appointments and Roles of Central Bank Governors and Boards

- 3.7 An important distinguishing feature of central bank governance relates to chairmanship of the board. Experience, as indicated in surveyed literature, shows that the governor is the board chairman in most central banks. According to Lybek and Morris (2004), the governor is always the chairman of a management board, usually the chairman of an implementation board and, in most cases, the chairman of a policy board. This is intended to ensure consistency in the functions of the governor as the chief executive officer who also oversees policy

formulation and implementation. Other jurisdictions have a two-tier system involving a supervisory board and a policy board. In the case of a pure supervisory board, the governor should not be chairman as it may blur the distinction between management and the oversight function of the oversight structure. However, if the supervisory board also has other functions, as it is usually the case in several countries, such as Tanzania, South Africa, Sweden and Canada, the governor will usually be chairman. Lybek and Morris (2004), surveyed central bank laws of 113 countries (Table 2) and concluded that in 74 percent of the countries, the governor is the chairman of the supervisory board.

TABLE 2: TYPES OF BOARDS AND THEIR ROLES

Type of Board	Country	Role
Policy Boards	Pakistan, Japan	A policy board determines the monetary and exchange rate policies a central bank should implement. In the case of goal autonomy, it determines which objective to prioritise. In the case of target autonomy, it specifies the target within a defined primary objective. More than half of the 101 surveyed ⁵⁸ central bank laws have a policy board, although some of these policy boards also have other functions. To ensure a balanced and informed view, appropriately qualified external members should be considered for membership. Historically, when central banks have limited autonomy, the policy determination function in some countries is assigned to a monetary policy committee with a strong representation of government officials. The committee can be part of the central bank, as in Brazil and Pakistan, or a body outside the central bank.
Implementation Boards	New Zealand and Papua New Guinea	This board makes decisions on the level of interest rates in order to achieve the set targets. In the case of goal and target autonomy, the implementation board is often the same as the policy board. It might also be the management board. A majority, or even the entire board, could comprise management representatives, since these decisions are more of a technical nature, and the pool of qualified external members may be limited. The governor chairs the implementation board.
Advisory Boards	Portugal, Cape Verde, Central African Monetary Union	Advisory boards advise the policy boards, implementation boards, or even management. They may also be used in regional groupings (among others, the Central African Monetary Union), involve representatives from different economic sectors (such as in Portugal), or include former governors (e.g., Cape Verde). Only 10 of the surveyed laws have mandated advisory boards. Another way to ensure relevant expertise is being brought to bear during deliberations is to invite experts to participate in board meetings without the right to vote. A common, alternative approach, is to allow the establishment of committees, or subgroups of the board, which can deal with specific issues in detail based on inputs from experts.
Supervisory Boards	Cambodia, Nepal, Bosnia and Herzegovina	Supervisory Boards oversee and address issues regarding: achievement of objectives, tasks, and functions; financial condition of the central bank; effective internal controls, and, in some cases, efficient use of a bank's resources. Such boards are also responsible for approving the annual report, budget, and financial statements before publication and have oversight for governance and ethical conduct of the board members and the executive. Audit committees assist in performing the supervisory function and are mainly an Anglo-Saxon tradition for corporations having only one board. Usually these boards are large and need special expertise to address issues of internal control and financial disclosure. Only a few of the surveyed central bank laws such as those of Cambodia and Nepal formally require the establishment of an audit committee, while some central banks, such as the Central Bank of Bosnia and Herzegovina, have adopted the practice, although it is not stipulated in the law.

⁵⁸ The member countries of the Central African Monetary Union and West African Monetary Union do not have their own central bank law, thus only the law of the union is included. Therefore, the number of countries in this survey (113) is higher than the number of central bank laws (101).

Type of Board	Country	Role
Management Boards	78 percent of the surveyed countries	Management has the primary responsibility for the daily operations of the central bank. In 78 percent of the surveyed laws, this responsibility is delegated to the governor or equivalent. Where a management board is established in the law, it usually comprises the governor, deputy governor(s), and in some cases directors of the most important departments of the bank.
Boards Performing Several Functions	Brazil	In some countries, there is only one board performing more than one of the above discussed functions. This is the case in several countries (63 percent of the surveyed central bank laws). Only a few central banks, such as the National Bank of Hungary, have clearly specified different functions to different bodies. In the case of a country with goal or target autonomy, the single board performs the policy, implementation and supervisory functions while in the case of instrument autonomy, the single board performs both the implementation and supervisory functions. Where a management board exists, it may, in addition to its management function, also play a specified role in determining policies and how to implement them. This is useful for coordination and ensures that realistic targets are set. Multiple functions in one board, however, raise some interesting questions. For example, if a supervisory board also functions as a policy board or an implementation board, it might be tempting for the policy board to determine a less ambitious target, making it easier to over-perform, as it basically oversees itself. Furthermore, in some countries such as Australia, there exists a board with special functions; a Payment System Board. The Reserve Bank Act clearly defines how to resolve conflicts between the Reserve Bank Board and the Payment System Board. Several boards responsible for different functions, can easily create problems. It is crucial that the tasks and authority of the various specialised boards should be clearly and consistently defined and that the law describes how conflicts shall be resolved in case of overlapping responsibilities.

Source: Lybek, T., and Morris, J. (2004). "Central Bank Governance: A Survey of Boards and Management" IMF Working Paper Number WP/04/226.

3.8 There is minimal consensus regarding the structure, size and composition of central bank governing bodies. The governance structures are often classified according to the degree of autonomy, functions performed, size, composition, appointment procedures and terms of the members. The guiding principle in designing a governance structure is to find an appropriate balance between the functions of the governing entities, simplicity and country specific factors.

3.9 In terms of size, a board should have enough members to be effective and to ensure an informed, balanced and professional view, without diluting individual responsibilities. Most policy boards have seven to nine members. Supervisory boards and advisory boards, on the other hand, often have a broader representation. A supervisory board, often called board of directors, is a group of

individuals chosen to manage an institution, which includes making decisions relating to the day-to-day running of the company. It is also responsible for hiring and supervision of the executive directors and chief executive officer. An advisory board provides advice to the institution, rather than decision making. Its key function is to act as a sounding board for the institution and to provide non-binding strategic advice on how to manage, grow or transition the institution. Where a management board exists, it tends to be smaller, thus allowing for quick decisions, avoidance of the dilution of responsibilities and 'split' accountability.

3.10 Board composition should ensure an informed and balanced view without conflict of interest. In addition, the convention is to avoid appointment of government representatives into policy and implementation boards.

To eliminate the need for government representatives in such boards, there should be clearly defined provisions with regard to central bank objectives, authority and conflict resolution with the government. However, several central bank laws allow representatives from the government and in some cases the legislature to become board members. In most cases, however, only the minister of finance or a representative can participate in board meetings, and in some cases, such member does not have the right to vote. Increasingly, central bank laws clearly stipulate that government officials cannot be board members with the right to vote, but that a representative of the minister responsible for finance may participate in the meetings to ensure coordination of economic policies. This is particularly important for boards making decisions on how to pursue central bank targets. Government representatives are rare on management boards (usually a full-time position) unless the central bank has limited or diminished autonomy. Government representation is usually more prevalent in supervisory boards than in policy and implementation boards.

- 3.11 A few central bank laws explicitly stipulate that different sectors of the economy or regions should be represented in boards⁵⁹. In federal systems such as Switzerland, Tanzania and the USA, the law requires that different regions should be represented. The same situation applies in the case of language differences, as in Belgium. This practice is also used in the case of advisory boards such as in Pakistan. It is important that board members representing different constituencies are professional and fully aware of their fiduciary responsibilities. A few boards allow representatives of the bank's employees to participate in board meetings. For example: in Austria (two staff representatives participate in negotiations on personnel, social and welfare matters); France (one staff member participates); and Norway (two participate when matters of an administrative nature are discussed).

(i) *Highlights of Features in Some Early Central Banks*

- 3.12 The highlights include issues relating to key mandates, governance structures (e.g. board composition and size, appointment procedures), independence/autonomy, accountability and transparency.
- 3.13 *Swedish Riksbank of 1668* – According to the bank's Charter of 1668, the bank was governed through two sets of rules; the rules designating parliament as the principal of the bank and the rules defining the commitment of the bank to the convertibility of notes and deposits. The first set of rules was meant to protect deposits from abuse by both the private sector and the government. This was a remarkable early insight into the importance of making a central bank independent of the executive arm of government. The governing structure of the bank remained largely unchanged until 1999. Before then, the bank was led by a non-professional board, appointed by parliament from its own members. The parliament supervised the bank through a banking committee, which delegated the running of the bank to the board appointed by parliament. It gave the board written instructions, which were, until the 20th century, quite detailed, containing intermediary goals and instructions on how to achieve such goals (Fregert, 2012). The law was amended in 1999 to give the bank independence from the executive arm of government regarding monetary policy. Since 1999, the Riksbank has been governed by a six-member board, chaired by the Governor, with a mandate to preserve the value of money and ensure a safe and secure payment system.
- 3.14 *Bank of England of 1694* – It was incorporated by an Act of Parliament in 1694 to raise funds for the country's war against France. The bank was allowed to operate as a joint-stock bank with limited liability. During the 19th century, the bank gradually assumed the responsibilities of a central bank. In 1833, it began to print legal tender, and it undertook the roles of lender of last resort as well as guardian of the nation's gold reserves. The BoE was made de jure independent in 1998 in a move initially designed to pave way for

⁵⁹ Lybek, T., and Morris, J. (2004). "Central Bank Governance: A Survey of Boards and Management" IMF Working Paper Number WP/04/226.

UK's entry into the Eurozone (Dalzel, 2017). Relating to the appointment of the Governor, the Crown (Monarch) makes a formal appointment based on recommendations from BoE's board of directors (the Court) to the Prime Minister. Furthermore, UK has a Chief Financial Minister referred to as the 'Chancellor of the Exchequer', who, in addition to raising revenue for the government, through taxation or borrowing and for controlling public spending, also has a role to play in the country's monetary policy formulation and implementation by setting the inflation targets.

3.15 Bank of Spain of 1782 – Formerly Banco de San Carlos, the bank was founded as a private joint-stock company, with responsibility of issuing banknotes (Martín-Aceña, 2017). In 1921, the bank transformed into a fully-fledged central bank, with new responsibilities for monetary policy and lender of last resort. In 1946, the bank was de facto nationalised and its banknotes became legal tender. It was later de jure-nationalised in 1962. In 1994, under the terms of the Maastricht Treaty of 1992, the Law of Autonomy of the Banco de España established its independence from government and conferred full responsibility for monetary policy on the institution. It joined the European System of Central Banks in 1994.

3.16 Bank of France of 1800 – also known as Banque de France⁶⁰, is a member of the European system of central banks. It came into existence in the year 1800 with the initial mandate of growing and restoring the French economy following the recession that occurred in the revolution of 1789. The bank's mandate was later extended to formulation of credit and monetary policies, as well as financial stability⁶¹. Banque De France was partially founded with state funds, with majority of its funding being private capital and it was nationalised in 1946. Thus, the bank has always been linked to the state from the very beginning of its existence and the

French Government has been responsible for appointing the governor and two deputy governors to manage the bank, alongside fifteen representatives of the shareholders.

(ii) *The Case of Botswana*

3.17 The Bank was established through the Bank of Botswana Act of 1975 as a central bank, wholly owned by the state and mandated to promote and maintain monetary stability, an efficient payments mechanism and the liquidity, solvency and proper functioning of a soundly based monetary, credit and financial system. The Board is at the apex of the governance structure of the Bank and it is chaired by the Governor, who is also the Chief Executive Officer. Two Deputy Governors, General Manager⁶² and General Counsel support the Governor in the administration of the Bank, but they are not board members. The President appoints the Governor and the Deputy Governors. The Board oversees and guides the Bank's general strategic direction, policy formulation and operations in accordance with the Bank of Botswana Act and Bye-Laws. It comprises nine members, two of whom are ex-officio members, the Governor and Permanent Secretary in the Ministry of Finance and Economic Development. The other seven members are appointed by the Minister of Finance and Economic Development in their individual capacity, two of whom may be public officers. The two Deputy Governors are not Board members but they attend all meetings of the Board with no capacity to vote except when acting as Governor. Other than the Governor and Deputy Governors, board members are appointed for terms not exceeding four years and are eligible for re-appointment. De jure the Board, with the approval of the Minister of Finance and Economic Development, should determine the fees and allowances payable to Board Members. However, consistent with government practice and framework, the non-ex officio members of the Board receive token sitting allowance at the rate prescribed by cabinet, currently P1 800 per sitting.

⁶⁰ The Banque de France is an independent institution governed by French and European law, and a member of the Eurosystem, which is the federal system comprising the European Central Bank and the national central banks of the euro area.

⁶¹ www.centralbanksguide.com

⁶² Designated Chief Operating Officer effective March 1, 2020.

4. POLICY PERFORMANCE AND TRANSMISSION ATTRIBUTES: PRICE AND FINANCIAL STABILITY

(a) Monetary Policy

- 4.1 There is a general consensus that the right institutional framework is necessary to ensure that the objective of price stability, which is the main focus of monetary policy, is achieved. However, for central banks to achieve this objective, three key elements are essential; (i) central bank mandates have to be clearly defined; (ii) central bank independence should be guaranteed; and (iii) there ought to be a strong accountability framework that requires a central bank to explain how its decisions contributed to its goal. The accountability framework is meant to guard against the possible arbitrary exercise of power by an independent central bank, thereby confining monetary policy formulation to the achievement of the defined public good. Each of the key elements essential for achievement of the price stability objective and inclusive growth are considered below.

(i) Central Bank Independence

- 4.2 Central bank independence, sometimes referred to as operational autonomy, means that a central bank has the freedom to conduct monetary policy without political or government interference. Mario Draghi (2018)⁶³ attributed the success of central banks in maintaining price stability and fulfilling their mandate to central bank independence “despite facing the largest shock in the post-war period in the aftermath of the great financial crisis.” He further noted that, “in spite of its benefits (central bank independence), its desirability and relevance are nowadays being increasingly challenged.”
- 4.3 There are two dimensions to central bank independence: first, the discretion to define its policy objectives to the extent consistent with the assigned responsibility to deliver a

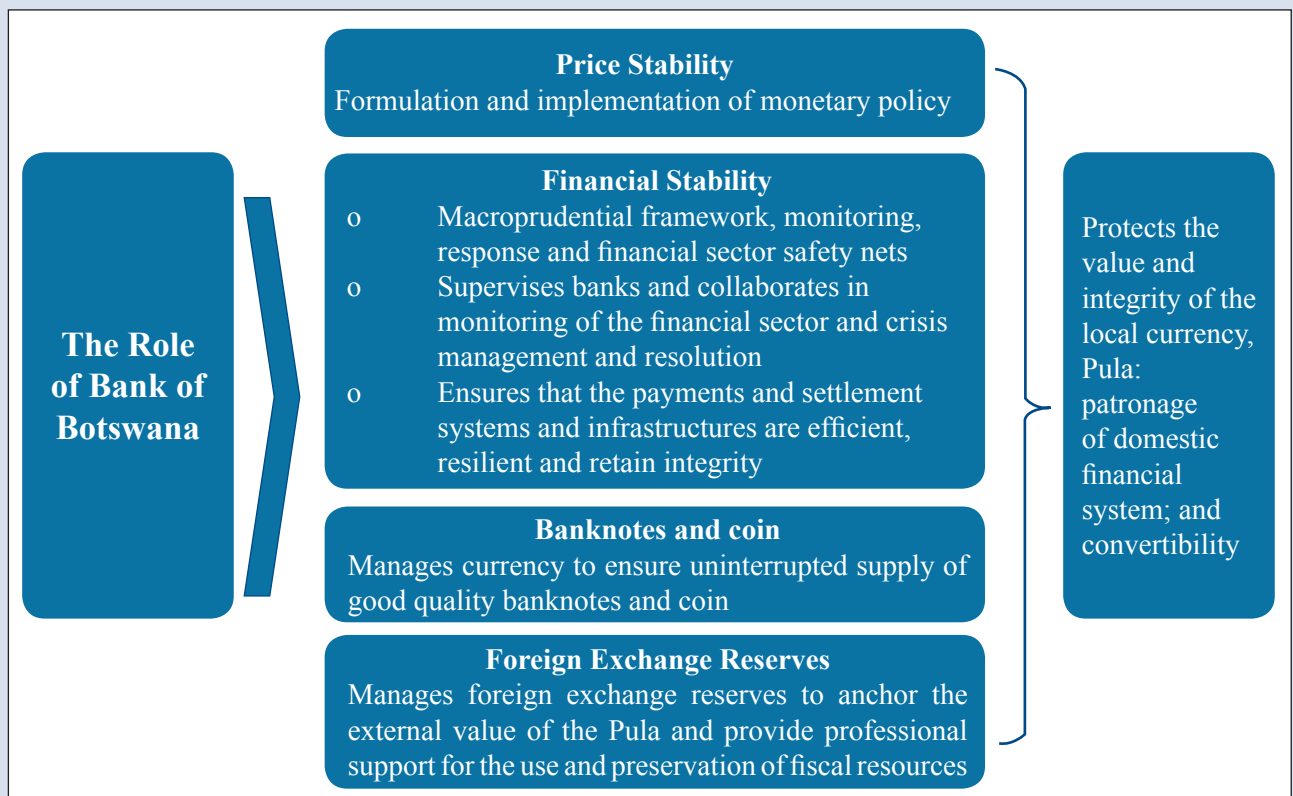
public good (Figure 3 illustrates the public good aspects for the Bank of Botswana); and, second, the freedom to execute its functions and implement policy in pursuit of the public good. These are often referred to as “political independence” and “economic independence”⁶⁴ or alternatively and most commonly known as “goal independence” and “instrument independence”,⁶⁵ respectively. Debelle and Fischer (1994) define goal independence as “the central bank’s ability to determine the goals of policy without the direct influence of the fiscal authority,” while instrument independence refers to “the central bank’s ability to freely adjust its policy tools in pursuit of the goals of monetary policy.” In other instances, such as in the UK, the government sets the inflation target, but the BoE is able to determine the instruments for monetary policy implementation without influence from government; it therefore has instrument independence but lacks goal independence; that is definition of public good is the responsibility of government.

⁶³ Mario Draghi, (2018). First Lamfalussy lecture by the President of the European Central Bank (ECB) at the Banque Nationale de Belgique, Brussels.

⁶⁴ Vittorio Grilli, Donato Masciandaro, Guido Tabellini (1991). “Political and monetary institutions and public financial policies in the industrial countries,” *Economic Policy*, Volume 6, Issue 13, 1 October 1991, Pages 341–392.

⁶⁵ Debelle and Fischer (1994). “How Independent Should a Central Bank be?” Conference on Goals, Guidelines, and Constraints Facing Monetary Policymakers, Federal Reserve Bank of Boston.

FIGURE 3: PUBLIC GOOD ASPECTS FOR BANK OF BOTSWANA



Source: Bank of Botswana

4.4 There are several arguments in support of central bank independence. First, it is argued that an independent central bank has credibility, which helps to reduce inflationary expectations making it easier to keep inflation low and predictable. Indeed, countries with independent central banks have lower levels of inflation than those that do not⁶⁶. Posen (1993)⁶⁷ has argued strongly that both low inflation and central bank independence reflect the presence of a strong inclination for low inflation. He argued that average inflation and the degree of central bank independence are jointly determined by the strength of the institutions that are opposed to inflation; in the absence of these institutions, simply increasing a central bank's independence will not cause average inflation to fall. Debelle and Fischer (1994) report evidence that it is goal dependence and instrument independence that produces low average inflation.

⁶⁶ Alesina, A. and L. Summers (1993). "Central Bank Independence and Macroeconomic Performance," *Journal of Money, Credit and Banking*.

⁶⁷ Posen, Adam (1993). "Why Central Bank Independence Does Not Cause Low Inflation: There is no Institutional Fix for Politics," in Richard O'Brien, ed., *Finance and the International Economy*: 7, Oxford University Press, pp. 40-65.

4.5 Second, an independent central bank is able to avoid the time inconsistency problem, that is, a situation where a central bank succumbs to the temptation to stimulate the economy today at the expense of higher inflation in the future. It is argued that appropriate rules could be imposed on the central bank to guard against such behaviour. The rules would ensure a credible commitment to price stability, thereby anchoring the public's expectations and removing the inflationary bias that otherwise might result. Such rules would include the appointment of conservative central bankers with a greater commitment to price stability than the public and, thereby, offset the inflationary bias that would otherwise arise; and ensuring that central bankers operate under performance or incentive contracts, which penalise failure to maintain price stability. The Governor of the Reserve Bank of New Zealand operates under such a performance contract and can be removed from office for failure to achieve the inflation target.

4.6 Third, central bank independence is also likely to reinforce the credibility of a central bank's commitment to price stability, which

may then yield additional benefits. First, it could allow the central bank to reduce the cost of lowering inflation. It is generally agreed that to lower inflation, monetary policy must reduce output for a while, relative to potential, by reducing aggregate demand. The resultant loss of output during the transition to lower inflation is a measure of the cost of reducing inflation. The more quickly inflation expectations fall, the more rapidly will inflation itself decline, and the lower will be the cost of reducing inflation.

(ii) Financial Development

4.7 Some level of financial development, depth (extent of monetisation), stability, efficiency and inclusion are necessary for policy transmission and effectiveness. Monetary policy is effectively transmitted in countries that are more financially developed⁶⁸. In this regard, the transmission of monetary policy is strengthened due to deeper and more efficient financial intermediaries and financial markets, as well as the availability of more financial instruments to direct money and credit. However, the effectiveness of monetary policy can also decline as the financial system becomes more developed. Financial development, which is characterised by a developed banking sector and capital market, can increase the level of financial intermediation in terms of size and liquidity of financial institutions, resulting in larger bank loans and more opportunities for banks to find external funding sources and weaken the effect of domestic monetary policy⁶⁹. In addition, financial innovation leading to the creation of new instruments, such as derivatives, which provide an insurance mechanism against unexpected changes in monetary policy, can also weaken the effectiveness of monetary policy in economies with developed financial systems.

4.8

Meanwhile, monetary policy is less effective in less developed countries, perhaps owing to low levels of financial inclusion and access, as well as a lower number of financial intermediaries available to aid in the transmission of monetary policy. The paucity of financial instruments and low levels of financial inclusion and access in undeveloped financial markets means that changes in monetary policy could take much longer to affect the economy. However, monetary policy may be effective in economies that have weak financial systems, but nonetheless, have a high dependence on bank credit.

4.9

A weak banking system and generalised financial instability can also impair the transmission of monetary policy. This occurs when banks in distress do not respond accordingly to the easing of financial conditions. Such high-risk banks might have an incentive to increase the spread between deposit and loan rates in response to an expansionary monetary policy. This is because they need to pay substantially higher deposit spreads to compensate depositors and attract funds. Effectively, this suggests that banks' capital constraints at the time of easing of monetary policy pose a challenge to the effectiveness of the bank lending channel and the potency of monetary policy.⁷⁰ Hence, a sound and stable financial system is considered important for effectiveness of monetary policy.

(iii) Communication and Transparency

4.10

Blinder (2008),⁷¹ an early advocate of openness and communication, postulated that greater openness improves the efficiency of monetary policy. He argued that a more open central bank influences expectations by providing the markets with information about its own view of the fundamental factors guiding monetary policy. In this way,

⁶⁸ Seth, R. and Kalyanaraman, V., (2017). Effect of Financial Development on the Transmission of Monetary Policy. Theoretical Economics Letters and Olumuyiwa, T. A and Tolulope, T. O (2019). Financial Development and the Effectiveness of Monetary Policy Channels in Nigeria: A DSGE Approach, Journal of African Business.

⁶⁹ Gertler, M. and Rose, A., (1996). "Financial reform theory and experience", Cambridge University Press, Cambridge.

⁷⁰ Viral V. A., Bjorn I., Sascha S. and Daniel T. (2017). "Does the Lack of Financial Stability Impair the Transmission of Monetary Policy?" The Centre for Financial Studies Working Paper Series.

⁷¹ Alan S. Blinder, (2008). "Talking about Monetary Policy: The Virtues (and Vices?) of Central Bank Communication." Prepared for the seventh BIS Annual Conference, "Whither Monetary Policy?" in Lucerne, Switzerland.

where the central bank is consistent and to the extent that markets can correctly analyse and interpret economic developments, they are able to anticipate the central bank response; hence communication enhances policy predictability. This would strengthen credibility of the central bank and, in turn, policy effectiveness.

- 4.11 Since the early 1990s, there has been a surge in central bank transparency, reflective of the growing independence of monetary authorities and associated accountability requirements that necessitates more transparency. In order to maintain credibility, appropriate and enhanced communication is required. The consensus is that transparency helps monetary policy to be more effective to the extent that it promotes credibility and expectations that are positively correlated with the policy posture and outlook. The 2007/08 global financial crisis brought the importance of communication to the fore, as there was now a need to rebuild trust in the institutions, and the public sought explanations and demanded accountability. After the financial crisis, central banks found themselves struggling to guide the economy and manage monetary policy through traditional monetary policy tools. Therefore, in addition to using non-traditional monetary policy tools to stimulate economic activity, communication policies and tools gained recognition as important interventions. Some commentators on post-global crisis communication at central banks, such as Naghadiyev (2011)⁷², opined that one of the factors that deepened the global financial crisis was the fact that central bank communication was not as effective as desired and many central banks failed to appreciate that communication was just as important as policy content. Thus, communication ought to be institutionalised as a policy instrument instead of just being treated as a means to transparency or accountability.

- 4.12 With the adoption of unconventional policies, it became harder for the public to anticipate the likely path of monetary policy. To resolve this, central banks resorted to what is known as forward guidance. Forward guidance

is a communication instrument by which central banks convey their monetary policy orientation going forward, conditional on their assessment of the economic outlook.

- 4.13 However, important as it is, there can be drawbacks to transparency; notably, poorly executed communication can do more harm than good⁷³. For example, the intended main message can easily be diluted by ‘noise,’ especially when transmitted through the media⁷⁴. This can be the case where the media and public has limited capability to process information supplied by central banks. Thus, central banks need to be clear, timely and use targeted fora for communicating specific messages or policy pronouncements. Clear communication requires that the various communication tools are coordinated and send consistent messages and signals. Open communication requires providing the public with adequate information to understand economic developments and the future direction of monetary policy, while timely communication helps the public to understand the monetary stance in a policy relevant time horizon. Targeted fora for information dissemination minimise the contamination of key messages with extraneous information and developments.
- 4.14 There are various channels for effective monetary policy communication. These include press release/statement; press conference/media briefing; social media; monetary policy/inflation report; publication of minutes and stakeholders meetings. Despite the diversity of the channels, communicating effectively with a broader audience is key for all countries. To achieve this, central banks are continuously upgrading their communications capacity

⁷² Naghdaliyev, N. S. (2011). “Central Banks’ Communication in the Post-Crisis Period.” The Harriman Institute, Columbia University.

⁷³ Blinder, A., Ehrmann, M., Fratzscher, M., De Haan, J., Jansen, D. J., (2008). “Central Bank Communication and Monetary Policy: A Survey of Theory and Evidence”, European Central Bank Working Paper 0898.

⁷⁴ For example, in October 2000 when then-ECB President Duisenberg hinted to an interviewer that there would be no further central bank intervention to support the euro, there was an immediate depreciation of the euro. In addition, when an off-the-record remark made by Fed Chairman Bernanke in April 2006, stating that his recent Congressional testimony had been misinterpreted, was reported, markets reacted strongly, as investors concluded that Bernanke was going back on his word and, instead, saying that interest rates could easily go up.

and harnessing new technologies. Hence, over the years, social media (for example, Twitter, Facebook, Instagram and LinkedIn) has become important platforms for communication by central banks globally given the potential to reach a wider audience in a timely manner. However, central banks need to commit more resources to monitor social media in order to respond, in a timely and effective manner, to public comments especially negative ones that could tarnish the credibility and reputation of a central bank. Furthermore, central banks need to mitigate risks by developing a social media policy to control the nature of information, formats and modalities for the central bank shares with the public.

(b) Financial Stability

4.15 Historically, financial stability has been an implied part of a central bank's mandate as it anchors effective price stability. Post the 2007/08 global financial crisis, it became a more prominent and explicit mandate of central banks, driven by the need to respond to systemic imbalances and threats generated by the crisis. Financial stability refers to a well-functioning, liquid, solvent and sound financial system that efficiently facilitates payments, pools funds and allocates resources to the most productive sectors of the economy and for their most valuable uses. It is resilient to systemic shocks, thus preventing disruption to the real sector and the financial system as a whole. Such resilience facilitates the continued and consistent intermediation of funds and arrangement of payments by financial institutions, thereby promoting durable economic growth. Therefore, it is imperative to have a stable financial system that is characterised by predictability, integrity and has robust mechanisms to prevent the build-up of vulnerabilities in the financial system.

4.16 There are several potential sources of vulnerabilities that could increase risks to financial stability. At a macro level, the stability of the financial system can be undermined by: low levels of economic growth; monetary and fiscal policy imbalances; sudden deterioration of terms of trade (as was seen during the 2007/08 global

financial crises, when Botswana diamond trade and tourism were severely impacted); high and volatile inflation, which could lead to erroneous forecasts of real returns to investment projects and, hence, unprofitable borrowing and lending decisions. Other macroeconomic sources of financial instability include uncertainty on exchange rate policy and overvaluation of the domestic currency, which could result in capital flight, balance of payments crisis and misallocation of real resources; external imbalances; and poor sequencing of economic reforms. Exogenous shocks such as diseases⁷⁵ and extreme weather events can also affect macroeconomic performance with adverse consequences for financial stability.

4.17 Financial instability can also result from bank failures and general poor financial conditions of banks, which could emanate from shocks to bank asset quality, such as recession (which can cause insolvency among borrowers, thereby adversely affecting their ability to repay); adverse terms of trade, which will similarly undermine creditor solvency; systemic liquidity and profitability challenges; governance and integrity concerns (for example, in the form of poor judgement and unethical conduct by business leaders, as well as deficient AML/CFT and operational risk measures).

4.18 Other potential sources of financial instability include climate related risks, financial innovation and weak public financial infrastructure. The impact of climate related financial risk, on financial stability is mainly through credit impairments, reduced collateral values and underwriting losses. Financial innovation, on the other hand, could result in greater mobility of funds, which could reduce the stability of bank funding. In addition, financial innovators may lack experience and expertise in operating within the financial systems, and they may seek partnerships with incumbent financial institutions; these partnerships could lead to less transparent ownership and governance structures and, consequently increased risks to financial stability. Regarding weak public

⁷⁵ COVID-19 provides a good example - with the health sector causing disruption to global economic activity and gridlock.

financial infrastructure, these could be manifested in the form of poor accounting, asset valuation, bankruptcy and insolvency regimes and lack of financial sector safety nets such as, lender of last resort, deposit insurance scheme and bank resolution laws. Given the myriad of potential sources of financial instability, oversight for financial stability involves regulation of sectors and activities by multiple regulators which, in turn, requires coordination in terms of monitoring processes, consultative fora, analytical approaches and the tool kit to respond to vulnerabilities and crisis (Section 5).

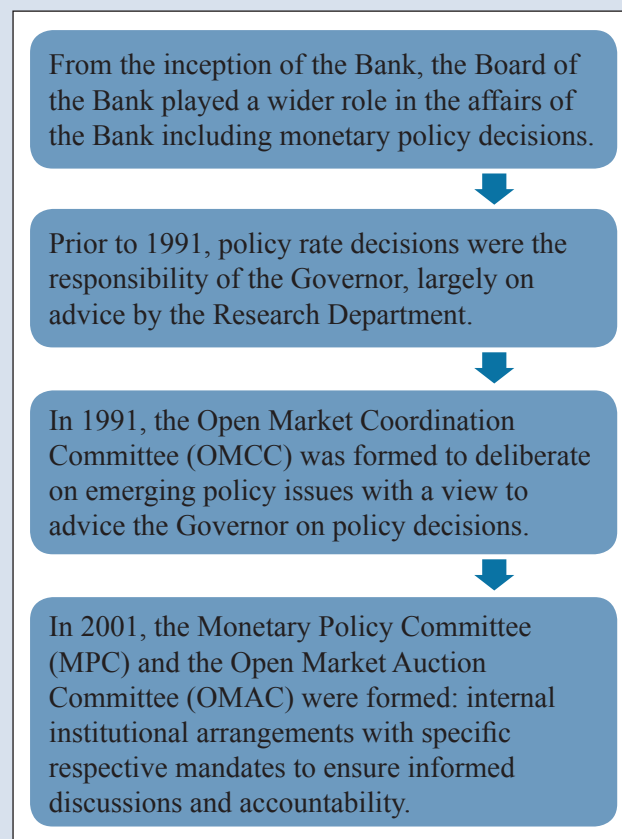
5. BANK OF BOTSWANA: POLICY EVOLUTION AND PERFORMANCE

(a) Legal Authority, Mandate and Governance

- 5.1 The Bank's core mandates are derived from Section 4 of the Bank of Botswana Act as follows: first and foremost to promote and maintain monetary stability, an efficient payments mechanism and the liquidity, solvency and proper functioning of a soundly based monetary, credit and financial system in Botswana; secondly, to foster monetary, credit and financial conditions conducive to the orderly, balanced and sustained economic development of Botswana; and thirdly, to assist in the attainment of national economic development goals.
- 5.2 It is important to highlight three aspects of the mandates. First, they are consistent in terms of preserving the value of the currency and integrity of the financial and payments system to support sustainable economic growth and development aspirations. Second, there is a (implied) ranking of objectives, thus price, monetary and financial stability are essential conditions to be met that, in turn, support broader economic activity and development. Therefore, while the primary objective is price stability, the Bank formulates and implements monetary policy with a view to safeguarding the stability of the financial system. It is understood that a low and predictable level of inflation and conducive monetary and financial conditions foster savings mobilisation, productive investment

and international competitiveness of domestic producers which, in turn, contribute towards the broader national objectives of sustainable economic development and employment creation. Third, even as conditions have changed over time since enactment of the Bank of Botswana Act in 1996, the basic law continues to facilitate development of policy frameworks and operational processes that promote the core mandates in a dynamic and evolving environment. Nevertheless, as discussed in Sections 3 and 4, clearer definition of mandates, as well as changes to governance, institutional and accountability frameworks and arrangements are necessary to maintain effective execution of mandates.

FIGURE 4: EVOLUTION OF THE GOVERNANCE ARRANGEMENT



- 5.3 From 1976 to the late 1980s, the Board of the Bank played a wider role in the affairs of the Bank including, among others, policies on interest rates, primary reserve and liquid asset requirements and the determination of the external value of the Pula. At the time, the Board comprised the Governor, Permanent Secretary of the Ministry of Finance, two

public officers, and one non-public officer. While the strong representation of public officers on the Board did not result in any direct political pressure on the Bank, the protracted period of negative real interest rates policy during 1978 – 1988 was due to the sensitivity of the Board to political concerns⁷⁶.

5.4 Following the introduction of the Bank of Botswana Certificates (BoBCs) in 1991 for liquidity management, the governance structure of the Bank was further enhanced through the establishment of the OMCC. The OMCC membership was drawn from the Research, Financial Markets, and Banking Supervision departments, as well as representation from then Ministry of Finance and Development Planning.

5.5 Further enhancements followed in 2001 and in line with international best practice, involving the establishment of the MPC and the OMAC to replace the OMCC. The two Committees are internal institutional arrangements, independent of the Board, and with specific respective mandates to ensure informed discussions and accountability. The MPC, chaired by the Governor, is responsible for formulating, guiding and implementing monetary policy within the framework and objectives of the Bank. The Committee plays an important role in fostering high-level and comprehensive policy analysis, accountability and transparency in the formulation and implementation of monetary policy in Botswana. The other members of the MPC are the two Deputy Governors; the General Manager⁷⁷; the Director of Research and Financial Stability Department and two Deputy Directors responsible for Monetary Policy and Financial Stability, respectively; the Director and Deputy Director (responsible for Domestic Market) of the Financial Markets Department; and the Director of the Banking Supervision Department.

5.6 The OMAC is responsible for the implementation of monetary policy decisions through open market operations which entail

weekly BoBC auctions and daily repurchase agreements to smooth out daily liquidity fluctuations. The policy decisions of the MPC guide the OMAC on the pricing of BoBCs, while the amount to be auctioned is guided by the amount of excess liquidity to be mopped up. The OMAC is chaired by the Deputy Governor responsible for financial markets. The other members are the Director, Deputy Director (responsible for Domestic Market) and Manager (Open Market Operations) from the Financial Markets Department; and Deputy Director responsible for Monetary Policy and Principal Economist from the Research and Financial Stability Department.

(b) Price Stability: Monetary Policy Evolution, Performance and Preservation of Value of the Currency

5.7 Price stability relates to fulfilling expectations of predictable low inflation that inform economic decisions and promote the conduct of economic activity with some level of certainty as regards the evolution of prices. The central bank achieves this through monetary policy and operations, which involves several facets, that evolve over time as the economy develops, and market conditions and policy perspectives change. Similarly, for the Bank of Botswana, the mandate has largely remained unchanged since the establishment of the Bank in 1975, but the monetary policy framework has evolved over time. In the earlier years, monetary policy approach reflected national policy priorities and development challenges and, as such, was biased towards maintaining low levels of interest rates to promote economic growth. For instance, during National Development Plan (NDP) 5 (1979/80 – 84/85), monetary policy was implemented with a view to support fiscal policies in pursuit of macroeconomic stabilisation⁷⁸. Subsequently NDP 6 (1985/86 – 90/91), specifically, outlined the broad objectives of monetary policy as supporting the balance of payments, maintaining a liberal foreign exchange regime, and avoiding sharp shifts in aggregate demand.

⁷⁶ Bank of Botswana Research Bulletin, September 1996.

⁷⁷ Designated Chief Operating Officer effective March 1, 2020.

⁷⁸ Macroeconomic stabilisation referred to the achievement of both external and internal balance, as well as an efficient allocation of resources.

- 5.8 The specific instruments of policy implementation between 1979 and 1990 included direct controls on commercial banks' deposit and lending rates, exchange controls⁷⁹, as well as the Bank Rate and Primary Reserve Requirements. In addition, the exchange rate was occasionally adjusted to mitigate imported inflation or to restore eroded domestic industry competitiveness⁸⁰.
- 5.9 The regulation of interest rates was balanced to, on the one hand, avoid excessive credit creation and guarding against demand-pull inflation, and on the other, kept modest to encourage the flow of financial resources to the productive sectors of the economy. Meanwhile, exchange controls were meant to prevent the outflow of domestic savings to markets offering higher returns, as well as, more trusted currencies, thus the Bank imposed ceilings on the lending rates and floors on deposit rates. Any changes on commercial bank interest rates, bank charges and other fees had to be approved by the Bank⁸¹. The interest rate policy aimed to keep interest rates low to encourage borrowing and investment, while the rising excess liquidity was absorbed through a call account deposit mechanism at the Bank which was open to banks and other large depositors. In addition, the licensing of new banks was restrictive, as market capacity issues were taken into account and the existing banks could object to the licensing of new banks.
- 5.10 The low interest rate policy was abandoned in late 1980s when it became apparent that it was not effective in influencing investment and aggregate demand. Instead, it was the buoyant mineral export revenues, through government budget, that was instrumental in driving economic activity. The low interest rate policy had a number of unintended negative outcomes. For instance, it led to

disintermediation as banks were turning away large deposits despite the good profit margins. The loose monetary policy encouraged borrowing for unproductive projects, while the negative real interest rates rendered control of inflation difficult given the rapid fiscal expansion. The low interest rate policy also undermined savings. Moreover, the restrictions on the licensing of new banks supported the duopoly of the Barclays and Standard Chartered banks, thus inhibited competition and efficiency in the banking system.

- 5.11 There was, therefore, a need to improve the contribution of monetary policy and, consequently, the financial sector performance. Through the financial sector development strategy articulated in NDP 7 (1991/92 – 96/97) (page 146-150), the authorities embarked on financial sector liberalisation which entailed increasing competition in the financial system, deregulation of interest rates in favour of market-determined prices, reduction and ultimately removal of exchange controls and the use of indirect instruments of monetary policy to sterilise excess liquidity. The interest rate policy objective was revised to achieve positive real interest rates comparable with those in the international financial markets. Accordingly, the call account facility was also discontinued. There was also a reduction in the role of government as a direct lender to parastatals, through the Public Debt Service Fund (PDSF), alignment of PDSF interest rates with market rates, and commercialisation of government-owned development financial institutions.

- 5.12 As indicated in paragraph 5.4, the Bank introduced short-term certificates (BoBCs) at market-determined prices to commercial banks and other institutions in 1991. BoBC auctions became the main instrument through which the Bank sought to influence short-term market interest rates to be in line with the monetary policy stance as indicated by the Bank Rate. To further complement its open market operations, the Bank introduced Repurchase Agreements and the Secured Lending Facility in 1998 to manage short-term and overnight liquidity fluctuations in the banking system.

⁷⁹ Initially, exchange controls on the capital account prevented the outflow of domestic savings to money and capital markets offering higher returns. However, in 1986, the Bank started relaxation of controls on domestic borrowing by non-resident firms. In 1988, pension and provident funds were allowed to invest up to 50 percent in non-resident securities.

⁸⁰ Bank of Botswana (1994). Annual Report, page 35 – 46.

⁸¹ Bank of Botswana (2007). Annual Report, page 104 – 108.

5.13 In 1998, the Bank also introduced annual Monetary Policy Statement (MPS), as an improvement on the transmission mechanism of the policy; the annual statement ultimately became an important pillar of the policy. The MPS is the main medium through which the Bank informs stakeholders about the framework for the formulation and implementation of monetary policy in order to anchor inflation expectations. It also explicitly placed the objective of controlling inflation as central to the policy regime. However, for the first few years, the MPS did not specify price stability in terms of a numerical objective. An objective range for inflation for the year ahead, was first published in the 2002 MPS. The Bank also explicitly defined and specified the desired range for credit growth to the private sector as the principal intermediate target. The rate of credit growth was considered an important contributor to the growth of private consumption and investment and, most importantly, directly influenced by monetary policy through interest rates.

5.14 The gradual evolution of the monetary policy framework from the early 1990s reflected a change in interpretation and understanding of the Bank's mandate of the policy objective and implementation process. The 1999 MPS stated that the Bank pursued its monetary policy objective in support of the broader national objectives of economic diversification and export competitiveness. Thus, monetary policy progressively became more focused on supporting competitiveness by containing inflation and maintaining it at levels comparable to trading partners.

5.15 In 2008, the Bank departed from the approaches adopted in the previous years as a result of the progress that had been made in understanding the transmission mechanism of monetary policy. It was specifically realised, through research and data analysis (estimation of the transmission mechanism) that the relationships between the policy rate and the intermediate target, on the one hand, and that between the intermediate target and the final objective (inflation), on the other, had weakened considerably, thereby rendering the transmission mechanism dysfunctional. Moreover, there was also a realisation that

there was a considerable time lag (of up to two years) between the policy change and the resultant impact on economic activity and inflation. Consequently, the annual inflation objective was discontinued (Table 3), while the growth of commercial bank credit as an intermediate target was dropped in favour of the medium-term inflation forecast as a guide to monetary policy decisions. The inflation forecast takes into account a broad range of inflation determinants, both the demand and supply side factors, including the rate of commercial bank credit growth to the private sector. The medium term is generally considered a more reasonable horizon over which policy can influence price developments without affecting output growth, and price stability can only realistically be achieved in the medium term. The Bank specified a medium-term inflation objective range (3 – 6 percent) that represented the Bank's view of price stability and monetary policy would then respond to deviations from this objective as informed by the medium-term inflation forecasts. However, the Bank continues to take account of the rate of growth of credit, given that it is one of the contributory factors to demand.

TABLE 3: THE ANNUAL INFLATION OBJECTIVE

Period	Annual inflation objective
2002 – 2003	4 – 6 percent
2004	4 – 7 percent
2005 (first-half)	3 – 6 percent
2005 (second-half) – 2007	4 – 7 percent
2008	Discontinued

Source: Bank of Botswana

5.16 The monetary policy framework was enhanced further from 2009 through the improvements in the Bank's forecasting framework. The improvements include: continuous updating of the model's equations and parameters to reflect the prevailing structure of the economy; infusion of enhanced technical expertise and experience in the forecasting process; greater use of expert judgement in the predictions; the active participation and input in the forecasting process of the MPC members and sector specialists; as well as the impact of policy credibility on expectations and price formation.

- 5.17 Meanwhile, although the introduction of BoBCs was successful in managing excess liquidity thereby helping to anchor the policy rate to monetary operations, monetary policy conduct became very costly to the Bank. For example, in the early 2000s, the demand for the BoBCs increased substantially as investors considered the BoBCs an attractive short-term investment instrument. This was reflected in non-bank participation in the BoBCs market, which had increased substantially, where approximately 70 percent of the total outstanding amount of BoBCs of P13 billion in 2005 were held by non-bank institutions and retail investors.
- 5.18 In reaction, several measures were taken to save costs to the Bank as well as to encourage commercial banks to actively seek and fund bankable projects that would contribute towards economic diversification. Towards the end of 2005, the Bank decided to reduce the number of primary participants to allow only commercial banks to participate in the BoBCs auctions. Furthermore, reserve requirements were increased by 1.5 and 3.5 percentage points in 2010 and 2011, respectively, to absorb excess liquidity in the system. Moreover, absorption of excess liquidity, through issuance of BoBCs, was constrained to P10 billion in 2011. The restriction was further tightened to P5 billion in 2015 and absorption of residual liquidity through reverse repos was also restricted to 40 percent of market demand. However, the move to cap BoBCs and rationing of reverse repos effectively represented an easing of monetary policy through an increase in the amount of loanable funds together with a downward bias of interest rates as a result of the restricted supply of liquid assets. With no constraint on the downward momentum of BoBC yields (given unabsorbed excess liquidity), decisions on the policy signalling rate (Bank Rate) were not anchored to monetary operations, which is essential for transmission of policy to market interest rates. As a result of these market distortions, the cap on BoBCs and rationing of reverse repos were lifted in 2016; subsequently, interest rates normalised.
- 5.19 The monetary policy framework also recognises the importance of effective monetary policy communication in maintaining transparency, predictability and accountability with respect to the policy framework and actions; thus foster market involvement and influence expectations. It is against this background that the Bank established the communication division in 2010. Since 2017, the Bank publishes the MPC dates for the year ahead and the Governor delivers a statement at a press briefing subsequent to each meeting of the MPC to allow for engagement with the media and dissemination of the Bank's policy stance. Furthermore, in addition to the February MPS, the Bank publishes three Monetary Policy Reports (MPRs) to further improve on communication of economic and policy developments. The MPRs provide frequent explanations of current inflation developments and the medium-term forecast to the public; and this helps to communicate the monetary policy stance, anchor inflation expectations and improve the Bank's transparency and accountability.
- 5.20 The Bank also publishes inflation forecasts four times in a year in order to help guide public expectations about the level of inflation. Public expectations of the level of inflation influence price changes by firms and wage adjustments. In addition, the Bank carries out the Business Expectations Survey (BES) in order to collect information on the local business community's perceptions about the outlook for inflation, among others. Given the notable share of administered price items in the consumer price index (CPI) basket (32.3 percent), changes with respect to prices of these items have a significant influence on inflation and inflation expectations. For this reason, the Bank monitors and consults with relevant stakeholders regarding any impeding adjustments in administered prices.
- 5.21 While the Bank continued refining its monetary policy framework, likewise, the exchange rate policy framework also evolved. At independence in 1966, Botswana maintained its membership of the Rand Monetary Area (RMA), a monetary union with South Africa, Lesotho, Swaziland (now Eswatini) and South West Africa (now Namibia), with the South African rand

pegged to the US dollar⁸². This arrangement was, at the time, appropriate for Botswana, given the limited resources in terms of foreign exchange earnings, as well as institutional and administrative capacity. However, Botswana's financial position improved considerably in the early 1970s following the commencement of diamond mining in Orapa and build up and management of foreign exchange reserves. These developments enabled the country to pursue independent economic strategies⁸³. In the circumstances, remaining in the union was not beneficial to Botswana as it limited the country to use its resources to pursue independent monetary and exchange rate policies in line with the desired development path. Botswana, therefore, withdrew from the RMA in August 1976 and introduced its own currency, Pula, a crucial step which required formulation of an appropriate exchange rate regime and policy. On its introduction, the Pula was pegged to the US dollar at $P1 = US\$1.15$, in order to achieve, as desired, parity with the South African rand.

5.22 The Pula remained pegged to the US dollar until June 1980. However, the South African rand appreciated against the US dollar significantly due to the increase in gold prices in June 1980. This resulted in the depreciation of the Pula against the South African rand and caused inflation in Botswana to accelerate, which necessitated a change in strategy. To moderate the influence of developments in South Africa and achieve a more stable relationship of the Pula vis-à-vis the rand, the Pula was, therefore, pegged to a basket of currencies comprising the rand and the SDR. This exchange rate regime enabled occasional adjustments to the value of the Pula to alternatively support the competitiveness of tradeable goods or the objective of price stability or change the currency composition of the basket in line with evolving conditions relating to the direction of trade. Therefore, the Pula was devalued in 1984, 1985, 1990 and 1991, while in 1989 it was revalued. The revaluation was

intended to mitigate inflationary pressures as the sharp depreciation against the major currencies threatened high inflation in South Africa, and in turn, imported inflation into Botswana. In addition to adjusting the value of the Pula, the relative weights were also changed several times to reflect the relevant trade patterns.

5.23 While bilateral movements are important, the policy focus was on the composite trade - weighted effective exchange rate, with a desire to attain a stable real effective exchange rate (REER). However, between 1998 and 2005, there was a significant appreciation of the REER, primarily due to higher inflation in Botswana than in trading partner countries on the back of an expansionary fiscal policy, increases in administered prices and the introduction of Value Added Tax in 2002. To reverse the appreciation of the REER, two consecutive devaluations, of 7.5 percent and 12 percent were implemented in February 2004 and May 2005, respectively.

5.24 A crawling band exchange rate arrangement was also introduced in 2005, replacing the fixed peg, to ensure continual stability of the REER without the need for periodic large discrete adjustments of the exchange rate. The annual rate of crawl is determined as the differential between the Bank's inflation objective and the average forecast inflation for trading partner countries and is implemented through daily small adjustments of the nominal effective exchange rate (NEER). The focus on the inflation objective ensures that monetary policy has a role in combating inflationary pressures. In turn, the exchange rate arrangement supports the price stability objective by facilitating a continuous, orderly and less inflationary response to changes in economic fundamentals. In contrast, unpredictable large adjustments are less transparent and can result in sharp price increases. There is also the risk of introducing imbalances in the economy and undermining prospects for policy coordination and credibility.

5.25 In a move to promote transparency of Botswana's exchange rate mechanism to enhance credibility of the exchange rate

⁸² South West Africa was a member by virtue of being an administrative region controlled by South Africa.

⁸³ Hermans, H.C.L. (1997) "Bank of Botswana: The First 21 Years." Aspects of the Botswana Economy: Selected Papers, Lentswe la Lesedi, Gaborone, Botswana.

policy and help market participants to make informed decisions, the Government decided to disclose the exchange rate parameters (the rate of crawl and Pula basket weights) in 2013. Therefore, effective 2013, the Ministry of Finance and Economic Development publishes the exchange rate parameters.

- 5.26 Following implementation of the crawling band exchange rate mechanism in 2005, the adoption of a forward-looking monetary policy framework in 2008, improvements to the forecasting framework and the monetary policy communication, and enhanced governance structures over the years, price stability has been generally achieved. Inflation declined from a peak of 15.1 percent in August 2008 to around the lower bound of the objective range of 3 – 6 percent since 2015. Inflation averaged 2.8 percent in 2019 (Chart 1).

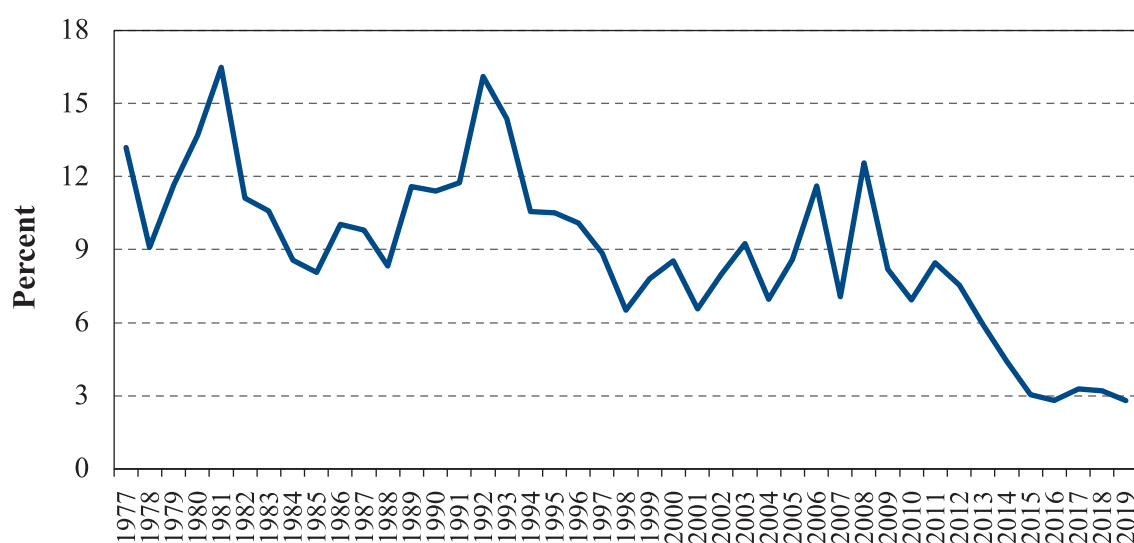
(PRRA) in October 2019. With the PRRA, banks are no longer required to meet their primary reserve requirement on a daily basis but rather as an average level over the one-month maintenance period.

- 5.28 Moreover, the Bank is consulting with the market on further possible changes to monetary operations and the “anchor policy rate.” This will be with the objective of strengthening transmission of monetary policy in terms of the signal provided by the announcement of the policy rate and influence on subsequent market reaction and posture.

(c) Financial Stability Mandate for the Bank of Botswana

- 5.29 As indicated in section 4, and for the reasons alluded to thereof, the Bank incorporated

CHART 1: BOTSWANA HEADLINE INFLATION (1977 - 2019)



Source: Bank of Botswana

- 5.27 The Bank evaluates the monetary policy implementation framework on a regular basis for effectiveness, and introduces refinements where necessary. In this spirit, the Bank introduced measures intended to improve liquidity management, interbank market efficiency and monetary policy transmission. These include introduction of a 7-day BoBC as the main instrument for conducting monetary operations, replacing the 14-day BoBC in April 2019 and the Primary Reserve Requirement Averaging

a formal financial stability function into its operations in 2010, followed by the establishment of a Financial Stability Division in 2012. For purposes of effective coordination and execution with regard to financial stability matters among key stakeholders, the FSC was officially launched in 2019. The FSC is an inter-agency body that comprises senior officials of the Ministry of Finance and Economic Development (MFED), Bank of Botswana, Non-Bank Financial Institutions Regulatory Authority

(NBFIRA), and Financial Intelligence Agency (FIA), and is chaired by the Governor. The Bank acts as the Secretariat. The work of the FSC is guided by the Memorandum of Understanding (MoU), which sets out the terms of collaboration between stakeholders (whose institutional oversight responsibilities are as indicated in Figure 5) with a view to jointly promote a safe, sound and stable financial system. The Council oversees the execution of a macroprudential policy framework for Botswana. The policy serves as a primary tool for dealing with systemic risks from within the financial system and

those amplified by the financial system itself as a result of, for example, the build-up of excessive leverage and unmitigated rapid credit growth as well as asset price bubbles. As such, the macroprudential policy encompasses systemic risk identification and assessment; selection and calibration of policy instruments; policy implementation (using any of the macroprudential policy instruments shown in Table 4) and evaluation; and identification of policy leakages and arbitration, with a view of restoring the resilience and stability of the financial system.

FIGURE 5: SCHEMATIC REPRESENTATION OF FSC STAKEHOLDER OVERSIGHT RESPONSIBILITIES

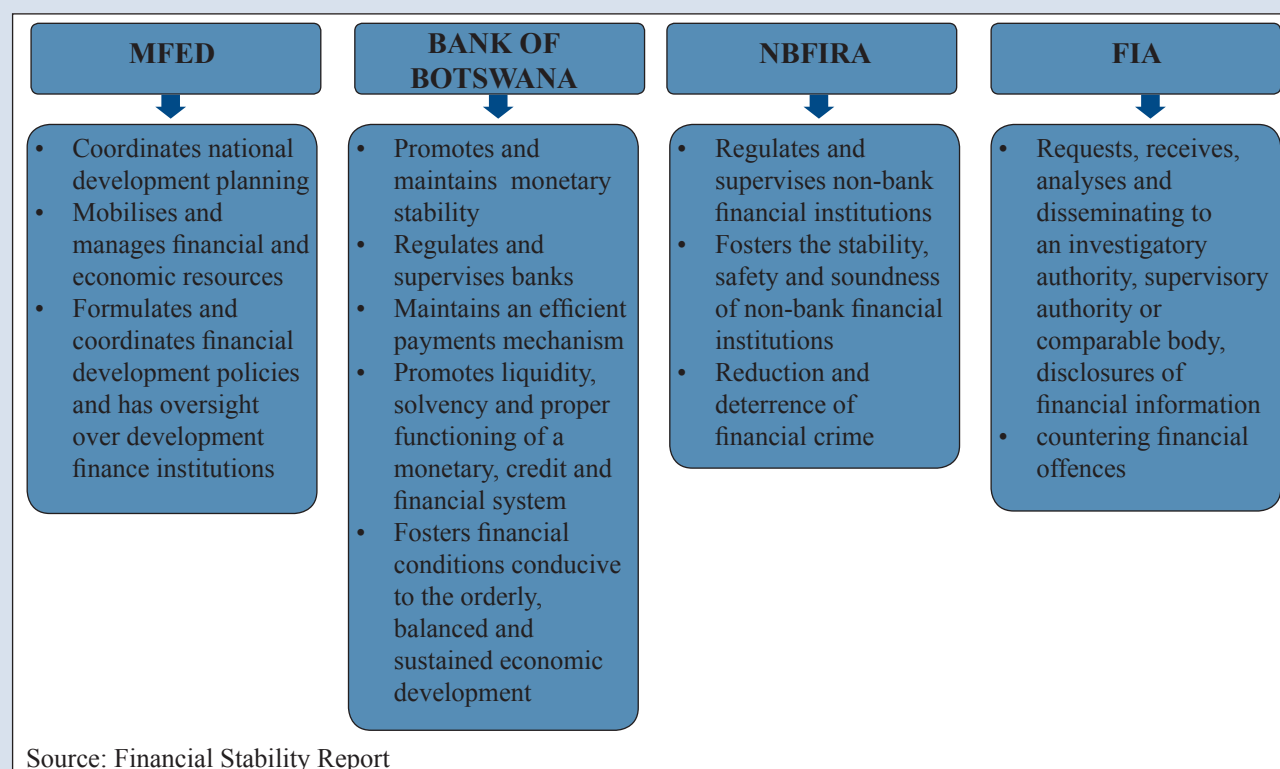


TABLE 4: EXAMPLES OF MACROPRUDENTIAL POLICY INSTRUMENTS THAT COULD BE USED TO ADDRESS IDENTIFIED VULNERABILITIES

Vulnerability	Macroprudential Policy Instruments
Excessive Credit Growth	Leverage Ratio Loan to Value Ratio Debt Service to Income
Funding Mismatches/Illiquidity	Intermediation ratio Loan/Stable Funding Ratio Reserve requirement ratio Maturity gap
Contagion Risk Limitations on cross-sectoral investments (Banking Act Section 17(10))	Large exposures ratio Foreign currency lending limits
Growth in Shadow Banking Activities	Apply any of the above macroprudential policy instruments to the non-bank financial sector to address policy leakages

5.30 The macroprudential policy identifies the external sector as inherently presenting the greatest potential for financial stability risks in the domestic economy in the form of trade shocks, capital outflows and adverse exchange rate movements. Specifically, the narrow export base continues to expose the domestic economy to external shocks, especially in the diamond market, which could undermine trade balance in the near to medium term horizon. Other potential sources of vulnerabilities emanate from excessive and rapid credit growth, liquidity and funding risk, corporate leverage, inflated asset valuations and contagion risk between banks and non-bank financial institutions. In addition, governance and accountability concerns within the financial system and the grey listing of Botswana by the Financial Action Task Force (FATF) may enlarge the scope of inherent risks to financial stability in future. Nevertheless, an ongoing assessment of these risks would continue to inform appropriate macroprudential responses and actions to restore the stability of the domestic financial system.

5.31 Additional policy developments on financial stability include the revision of the Bank of Botswana Act, which aims to, among others, explicitly provide the legal authority for the Bank's financial stability mandate. The amended Bank of Botswana Act would empower the Bank to foster and maintain a stable competitive market-based financial system as well as formulate and implement policies to achieve financial stability. Effectively, the Bank would take a lead in ensuring that there is coherent collaboration between financial regulators and key stakeholders in pursuit of the achievement of financial stability objectives.

5.32 Furthermore, the Bank through the FSC is in the process of establishing a Deposit Protection Fund (DPF) as part of the financial sector safety nets that include lender of last resort, crisis preparation and management, as well as orderly resolution frameworks. A DPF is expected to protect depositors against the loss of insured deposits in the event that a bank is unable to meet deposit obligations. The existence of a DPF would also mitigate risks of disruption to national

payment system through the avoidance of deposit runs and providing mechanisms for weak banks to be dealt with in an orderly fashion, thus contributing to financial stability. Consultations with relevant parties are ongoing on the establishment of a DPF for Botswana and at the same time, the Bank of Botswana Act is being reviewed to make provisions for the envisaged DPF.

6. EMERGING ISSUES AND RESPONSES

6.1 This section gives an overview of major developments in financial technology (Fintech) with primary focus on the implications for the delivery of financial services and products; regulatory and supervisory practices; as well as how these developments relate to the key mandates of central banks, namely, price and financial stability, supply and management of currency, as well as facilitation and integrity of the payments system. According to the Financial Stability Board (FSB), Fintech refers to “technologically enabled financial innovation that could result in new business models, applications, processes, or products with an associated material effect on financial markets and institutions and the provision of financial services”⁸⁴. In this regard, specific attributes of Fintech include:

- (a) enhanced provision of financial services that might also involve upgrading of service by the traditional providers of financial services, collaboration of financial services providers with non-financial entities, or stand-alone service disruptors (that is, hitherto non-financial service providers);
- (b) opportunities for financial inclusion through digital and remote accessing of financial services for various needs;
- (c) wider range of financial products, payment platforms and service providers;
- (d) enhanced access to micro level granular

⁸⁴ The FSB is an international body that monitors and makes recommendations about the global financial system. (<https://www.fsb.org/about/>).

data, hence compilation, aggregation and analytical capabilities for individuals, businesses, regulators, policy makers and national statistics compilers;

- (e) potential for ease of regulatory compliance and supervision, support for the administration of public services, and measurement of economic performance (including significant degrees of data scalability);
- (f) elevated risks, including fraud, cyber security, unregulated activities, misuse and business misconduct, consumer awareness limitations and data handling.

6.2 There are, therefore, developmental, policy and regulatory considerations that require ongoing evaluation in order to harness the beneficial aspects of Fintech to economic and social activity, while ensuring potency of central bank policies, adequate coverage and effectiveness of supervision and regulatory frameworks, integrity of payment systems and endurance of fiat or central bank issued currency. Moreover, there is ongoing need to develop approaches to mitigating the risks highlighted above as well as to maintain compliance with respect to AML/CFT protocols. However, the starting point is an understanding of the range and impact of products and services deriving from Fintech. These are in several categories as indicated below (also Table 6.2).

Enhanced Services, Payments Applications and Platforms

6.3 Innovation and greater capacity of information and communications technology, including collaboration of mobile network operators, has enabled a widening of the range of financial services, growth in accessibility, as well as improved efficiency and customer convenience. These include mobile phone and internet banking, with improvements in the management of bank accounts, money transfer and payments, involving speed, convenience and certainty of payments. For developing countries, it is apparent that the important benefits include greater financial inclusion associated with transcending the traditional barriers to access to financial

services, such as lack of infrastructure, utilities, low levels of incomes and literacy. A celebrated example, in this regard is Kenya's mobile money system, M-PESA, which has, through financial inclusion, enhanced economic empowerment for hitherto excluded cohorts of society. In Botswana, mobile phone connectivity has also improved the conduct of payments, including instant payment in relation to person to person (P2P) and person to business (P2B), such as value added services for utility bills and service subscriptions.

Disintermediation

6.4 A notable feature of Fintech is the ability to provide solutions and avail platforms for peer to peer financial flows without the involvement of intermediaries (Figure 6). For example, the advent of crowd funding, which provides an alternative form of funding for businesses, especially start-ups. More generally, retail payments are also significantly liberated, with greater use of direct payments and remittances, in which case, intermediaries and payments infrastructures are only involved in implementing instructions and clearing (most of the time instantly). This has implications for policy development generally; transmission of monetary policy which conventionally relies on financial sector intermediaries; the arrangement of payments market infrastructures; as well as design and coverage of regulatory framework. Broadly, since the development and facilitation of Fintech in the payments system is imperative, a critical factor is the ability to adapt to innovation and market development in order to maintain potency of policy, effectiveness of supervision and regulation and integrity of payments system.

Digital Currencies and Crypto Assets

6.5 Related to the above is the emergence of privately issued currencies and the response by central banks in considering the issuance of central bank digital currencies (CBDCs) (Box 1) to ensure that central bank money affords users the same convenience provided by private virtual currencies. There are two categories of privately issued currencies, namely crypto assets and stable coins. To

FIGURE 6: TRADITIONAL BANKING SERVICES VERSUS FINTECH SOLUTIONS

USER NEEDS	TRADITIONAL MODEL	FINTECH SOLUTION
PAY	Cash/automated teller machine (ATM) check, debit and credit cards	Virtual currencies, remittances, mobile payments, mobile point of sale (POS), P2P payments
SAVE	Bank deposits, mutual funds, bonds, equities	Virtual currencies, mobile money market funds, block chain bonds
BORROW	Bank loans, bonds, mortgages, trade credit	Credit modelling, platform lending, crowd funding, block chain bonds, P2P lending
MANAGE RISK	Brokerage underwriting structured products, compliance know your customer (KYC)	RegTech, smart contracts, SupTech, crypto-asset exchanges, eKYC, digital identification
GET ADVICE	Financial planner, Investment advisor	Robo-advising, automated wealth management

Source: International Monetary Fund (2019)

assess the relevance of these, as well as appreciate the resultant policy and regulatory response, it is appropriate to outline the features of (fiat) currency alongside attributes of various forms of digital currencies (Table 5); principally, the functions of money as a unit of account, store of value, medium of exchange and standard of deferred payment. In general, crypto assets are not considered an alternative to money or currency since they lack the key attributes; rather they are viewed as speculative assets. The policy and regulatory concern relates more to valuation

aspects, misrepresentation, potential for abuse, mis-selling and cover for illicit activities. Stable coins, on the other hand, are a form of a synthetic currency, for which the value is backed by fiat currencies or other assets, such as securities of the major economies. The regulatory response has been to stipulate strict requirements for issuance, which the sponsors are finding difficult to overcome, highlighting the challenge of them becoming a viable replacement or substitute for central bank issued fiat currency.

BOX 1: CURRENCY AND FINTECH INNOVATION

Introduction

Central bank issued fiat money has been, and continues to be, the main medium for payments and representation of value for some time now (even when represented by a variety of instruments such as bank deposits). With the advent of Fintech, there has been an emergence of privately issued digital currencies (or assets) purportedly designed to enhance the conduct of economic activity (ease of doing business), which is also progressively becoming digitalised, customer convenience and financial inclusion. Such innovation includes crypto assets and stable coins. Central banks are also adapting to new developments and trends in the conduct of economic activity by evaluating the potential for central bank issued digital currencies.

Central Bank Issued Banknotes and Coin (Cash)

Central bank issued currency (Banknotes and coin or cash) has the distinguishing feature of being legal tender (holder's claim against the central bank) and its value, as well as uninterrupted availability (to those that have earned the value) being backed by a publicly trusted entity (central bank). Thus, the inherent and accepted functions of store

of value, unit of account, medium of exchange and standard of deferred payment. As a commodity, it also has the characteristics of being durable, portable, divisible, uniform, acceptable and recognisable. Furthermore, it is used, recognised and accepted for its functions globally by all sections of society, in all jurisdictions in which it is legal tender.

Central Bank Digital Currencies (CBDC)

A CBDC is digital legal tender issued by the central bank. It, therefore, retains all other functions of fiat currency, such as a holder's claim against the central bank, a feature that guarantees safety, hence acceptability. CBDCs potentially enable the issuance and management of currency to adapt and align to the evolution in the manner of conducting economic activity and transactions. They are potentially universally distributable within jurisdictions, but there can be segmentation. CBDCs are secured by cryptography, based on blockchain and distributed ledger technologies (DLT) that makes it difficult to counterfeit and also controls the creation of additional units. CBDCs promise to offer wide accessibility, faster settlement, cheaper and lower transaction fees, and anonymity of transactions and secure data storage in DLT. CBDCs are a nascent innovation; therefore, most central banks are still investigating them, hence, the low adoption rate (Appendix I). The motivation for issuance of CBDCs vary across jurisdictions, but include, economic challenges affecting the use of cash; cost of producing and managing cash (especially for small jurisdictions); significant decline in cash usage; and ultimately, asserting the monopolistic currency issuance power of the central bank.

Stable coins

Stable coins are privately issued crypto /virtual currencies that are pegged to a stable asset like commodity (gold) or fiat currencies, while in some instances they are backed by other crypto assets. The emergence of stable coins aims to overcome a problem of high volatility experienced with standard crypto assets. By virtue of being pegged to stable currencies or commodity, stable coins have the potential to attract wider acceptance and adoption and could challenge currencies (legal tender) backed by economical weak jurisdictions and central banks with low trust and integrity. However, stable coins, are yet to overcome strict legal, regulatory, oversight and risk management requirements. Examples of stable coins include Tether and Libra. The Libra is expected to be launched during 2020, if all the regulatory concerns would have been addressed and it will be backed by a basket of currencies.

Crypto Assets

Crypto assets are designed to work as a medium of exchange and are created through a decentralised cryptography process, which is also used to secure transactions and verify transfer of assets, using distributed ledger technology. While initially purported to have potential to compete with legal tender, they lack the necessary key attributes, in particular they are volatile (therefore, not a good store of value and unit of account), while there can be lack of transparency in their production and use. Crypto assets are, therefore, generally considered unregulated speculative assets. Examples of crypto currencies include Bitcoin, Ethereum, Stellar and Litecoin.

Summary

It would appear that so far, central banks would, even in the transition from cash, retain control of issuance of universally accepted and used digital currencies, subject to operational adjustments. Therefore, the privately issued and decentralised instruments are likely to be localised for segments of the markets, particular activities and users.

Sources: Barontini, C., and Holden, H. (2019). Proceeding with Caution - A Survey on Central Bank Digital Currency. BIS Paper (101); and Committee on Payments and Market Infrastructures and Markets Committee (2018). "Central bank digital currencies," BIS.

TABLE 5: FORMS OF CURRENCY MEASURED AGAINST FUNCTIONS OF MONEY

Features and Attributes	Central Bank Issued Banknotes and Coin	Central Bank Digital Currency	Stable Coins	Crypto Assets
Legal tender	✓	✓	x	x
Guaranteed by the central bank/ government	✓	✓	x • Decentralised – No need for an intermediary • Global	
Backed by other means	x • May be commodity (for example gold) or another fiat currency backed.		• May be commodity backed, fiat currency backed or another crypto asset backed.	x

Features and Attributes	Central Bank Issued Banknotes and Coin	Central Bank Digital Currency	Stable Coins	Crypto Assets
Unit of account	✓	✓	✓ • Due to uncertainty, fear can result in large and rapid sales, that could drive value to zero in extreme cases.	
Store of value	✓	✓	✓ • Due to uncertainty, fear can result in large and rapid sales, that could drive value to zero in extreme cases.	
Medium of exchange	✓	✓	✓ • low uptake due to uncertainty and fear, result in weak acceptance as store of value and unit of account hence weak medium of exchange.	
Standard of deferred payment	✓	✓	✓ • High volatility in price, but less so for stable coins, weakens acceptability as a standard of deferred payments.	
Growth potential	✓ • As societies become increasingly cashless, the demand for conventional fiat currencies will dissipate.	✓ • The wide spread use of electronic money and digital platforms suggest that CBDCs are potentially a viable substitute for fiat currencies. • A number of central banks are making considerations for adopting a digital currency ⁸⁵ .	✓ • Gaining momentum as the world's progress towards a cashless society • Pace of adoption is, however, slowed by limited understanding and uncertainty by both trust users and the opposition by some of the regulators.	
Policy and regulatory response	• Currently sufficiently regulated by central banks using international guidelines, standards and codes.	• Should be well covered by existing regulation on fiat currencies.	• There are no internationally recognised guidelines, codes and standards of regulation. • Generally subjected to minimal regulation from a number of authorities in a country or inter-agency regulatory frameworks. • Regulatory Sandboxes have been adopted by some countries to provide start-ups an operating environment in which they can innovate, conduct trial runs, and raise the level of completion in the financial sector without being subjected the regular domestic and/or international regulations. • Fintech bridges have been introduced to provide countries platform for bilateral agreements for facilitation of Fintech regulation and promotion of development and growth in the industry.	

Note: Bold ticks and crosses (x) indicate the high potency of the attribute, while weaker ones signify low potency.

⁸⁵ Additionally, in a survey conducted by the Bank for International Settlement of central banks in both advanced and developing economies, 70 percent responded that they are “currently (or soon will be) engaged” in researching a CBDC.

6.6 Various payment instruments, channels and platforms constitute a payments system, while the processing of payments is organised as payments market infrastructures (PMIs). Figure 7 shows the payments system architecture in Botswana. In the light of Fintech developments, there is a need to respond in terms of accommodating new instruments and processes and adapting operational and governance frameworks. As in other jurisdictions, the Bank has three roles in this respect:

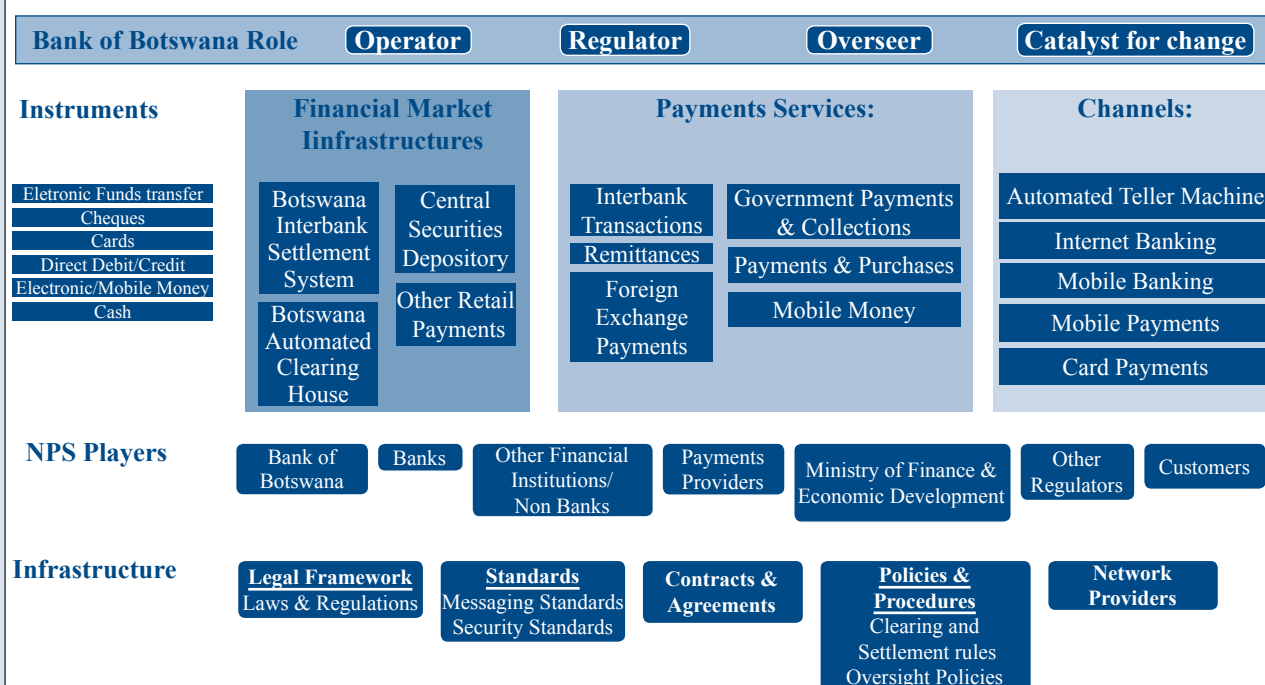
- (a) catalyst: to foster the beneficial harnessing of new technology to improve payments and settlement process within a secure and orderly environment;
- (b) operator (and participant): to facilitate coordinated, seamless and efficient conduct of payments and settlement of transactions. Thus, the Bank operates and participate in payments infrastructures as shown in Figure 7;

(c) oversight: to ensure legality, compliance, prudent, effective and efficient operations and where necessary induce change⁸⁶.

6.7 Generally, the overriding focus is to maintain resilience of infrastructures, ensure broader access and wider interoperability, improved user functionality and strengthened end-to-end risk management of both high and low value payment systems. In particular, it is increasingly important to accept payment messages from multiple sources and accommodate both banking and non-bank financial institutions. This promotes broader membership and has the advantage of reducing the financial stability and operational risks arising from the highly tiered payment system membership, while at the same time promoting innovation and competition in the payment market. Such changes undoubtedly call for re-arrangement of governance and risk management processes of existing clearing and settlement infrastructures.

Processing Capabilities and Big Data

FIGURE 7: PAYMENT SYSTEMS ARCHITECTURE



Source: Bank of Botswana

⁸⁶ According to the European Central Bank, "Oversight of payment and settlement systems is a central bank function whereby safety and efficiency are promoted by monitoring existing and planned systems, assessing them against these objectives and, where necessary, inducing change".

6.8 Key developments regarding processing include the use of block chain and DLT, which have the potential to significantly impact the financial market infrastructures. Specific innovation and unique attributes relate to speed of processing, shared record of transactions or account balances and autonomous input and modification, with verification capabilities. Therefore, these are subject to serious consideration by central banks, especially in processing of payments. Some of the high profile experiments conducted so far include projects Khokha and Jasper by SARB and Bank of Canada, respectively, while the European Central Bank collaborated with the Bank of Japan to work on deepening understanding of DLT. Overall, the processing capability and the benefit in terms of speed and authoritative end to transactions is largely proven. However, there continue to be reservations about safety and resilience of the new processing technologies (DLT), which are high requirements for payments

infrastructures; hence, the exploration and testing of the new technologies, including innovation, continues.

6.9 Another attribute of Fintech (this is more significant for “Big Data” entities such as Amazon, Facebook, PayPal etc.) is the ability to generate, record and avail readily useable data from social and economic activity derived from the conduct of transactions, habits, location and movement, demographic profile (essentially the combination of data, artificial intelligence and machine learning). In the circumstances, the data supports existing business operations as well and new business ideas, improves measurement of economic activity and trends, as well as facilitates regulation, compliance and informs policy development. Overall, there are opportunities to support strategy for businesses; public policy and regulatory institutions; business promotion and support agencies; statistical agencies; and Governments.

TABLE 6: A SUMMARY OF SELECT KEY FINTECH PRODUCTS

Product	Description	Advantages	Disadvantages
Peer to peer payments	Electronic funds transfer between payer and payee accessible through a payment application on mobile devices	- Fast transactions - Low cost of transactions - Secure (encrypted) - Widely accepted - Convenient - Ease of use	- Fraud - Money sent to wrong payee
Crowd funding	Raising capital by sourcing small amounts of money from various people via internet platform	- Fast transactions - Low cost or no cost funding - Secure (encrypted) - Easier terms than bank funding	- Success rate of sourcing funding is generally low - Risk of stolen ideas as the company seeking funds reveals its plans on social media - Moral hard problem likely in case of free funding
Mobile banking	Users conduct financial transactions and monitor their accounts remotely on a mobile platform, through devices such as a smartphone or tablet	- Fast transactions - Low cost of transactions - Secure (encrypted) - Widely accepted - convenient	- Security in terms of fake messages from system hackers - Restricted services
E-wallet	Type of electronic card used for transactions made online through a computer or a smartphone. An e-wallet is linked with the user's bank account to make payments.	- Fast transactions - Low cost of transactions - Secure (encrypted) - Widely accepted - Convenient - Automated completion of forms	- Some retailers only accept certain types - Requires charged mobile device - Data costs for using mobile banking might be too high

Product	Description	Advantages	Disadvantages
Crypto currency	• Type of digital currency designed as a medium of exchange. • Secured by cryptography that makes it almost impossible to counterfeit or double-spend and also controls the creation of additional units.	• Instant; cheaper, easier unlimited transactions; • Accessibility; • Decentralised control; • Anonymity of transactions • Secure data storage in distributed ledger technology, typically a block chain.	• Highly volatility • Irreversible transactions; • Limited acceptability; • Not guaranteed: represent no financial claim on, or a liability on an identifiable entity hence risky; • Illicit financing likely; • Risk of loss if mobile device is lost.
Digital ledger technology	• Database of currency transactions simultaneously maintained at multiple points throughout a network. • It is consensually shared and is visible to all participants at each node of the network.	• Full record of transaction • Transparency • Cyberattack difficult • lower transaction costs • Faster settlements • Decentralised • Data privacy • User-controlled	• Wrong transactions will pass as long as they are approved by majority.
Block chain	• Type of DLT, distributed across and managed by peer-to-peer networks used for recording crypto currency transactions.	• Similar to those of DLT.	• Similar to DLT.

Specific Central Bank Issues: Performance of Mandates and Responses

6.10 Evidently, the above highlighted technological development and related issues impinge on the operations, functions and legislated mandates of central banks; therefore, prompting a response, mostly in terms of adaptation and regulation as warranted. Public demand and excitement is also a driving force. Indeed the global networks of regulators and standard setters are continuously assessing and responding to technology and market developments in order to promote and facilitate beneficial innovation. At the same time, there is continuing focus on safeguarding the integrity and stability of policy transmission channels, the conduct of payments, the financial system and associated enduring support for economic activity, broadly. Below is an outline of the pertinent issues that impact on central bank mandates and functions and the related policy, regulatory and operational responses.

(a) Central Bank Digital Currencies

6.11 CBDCs appear to be feasible and already several countries are at various stages of exploring, experimenting and adopting

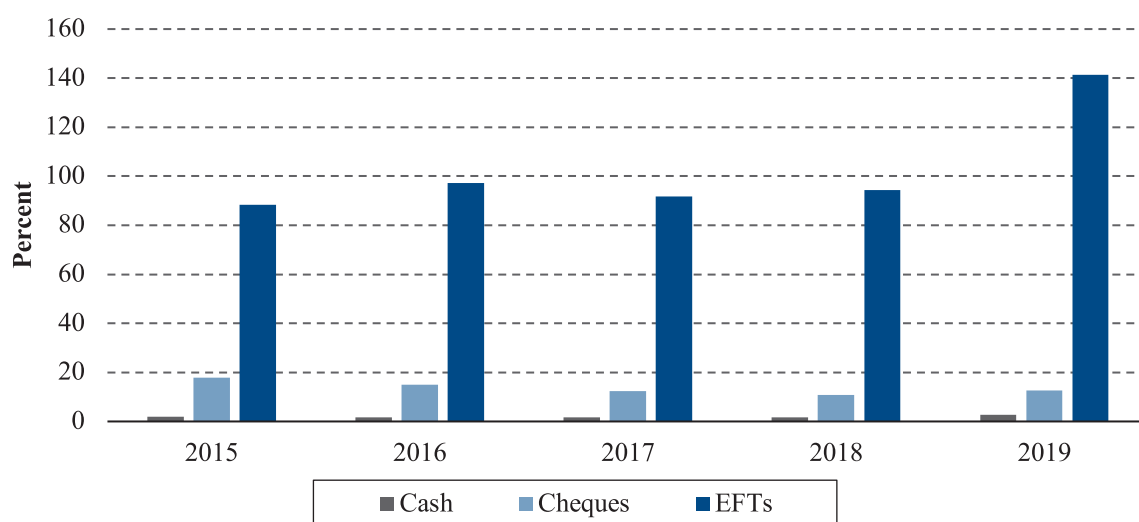
CBDCs (Appendix). It is, therefore, reasonable to explore and appreciate the probability and imperative to introduce CBDCs and understand the implications for the central bank. In terms of viability, already the wide spread use of electronic money and digital platforms suggest that CBDCs are possible at a technical level of evaluation, even for Botswana. However, as a practical proposition for Botswana, there would be a need to assess the benefits of adopting CBDCs against maintaining the status quo, especially in the short term; although there is scope for co-existence. Specific issues relate to:

- (i) currency management, i.e., the future need for banknotes and coin;
- (ii) acceptability, including determination of prospects for wider usage;
- (iii) manner of distribution;
- (iv) implications for the special relationship between the central bank and commercial banks and, therefore, assessment of impact on channels for policy transmission.

6.12 Arguably, unlike in a few exceptional countries (such as Sweden), cash continues to be widely used, with growing usage, but declining as a share of payments instruments and relative to income (GDP). Charts 2 and 3 show the trends for Botswana. Nevertheless, the speed of adoption and spread of e-commerce will be a major determinant of the pace of transition from cash to digital currency for central banks, as this can

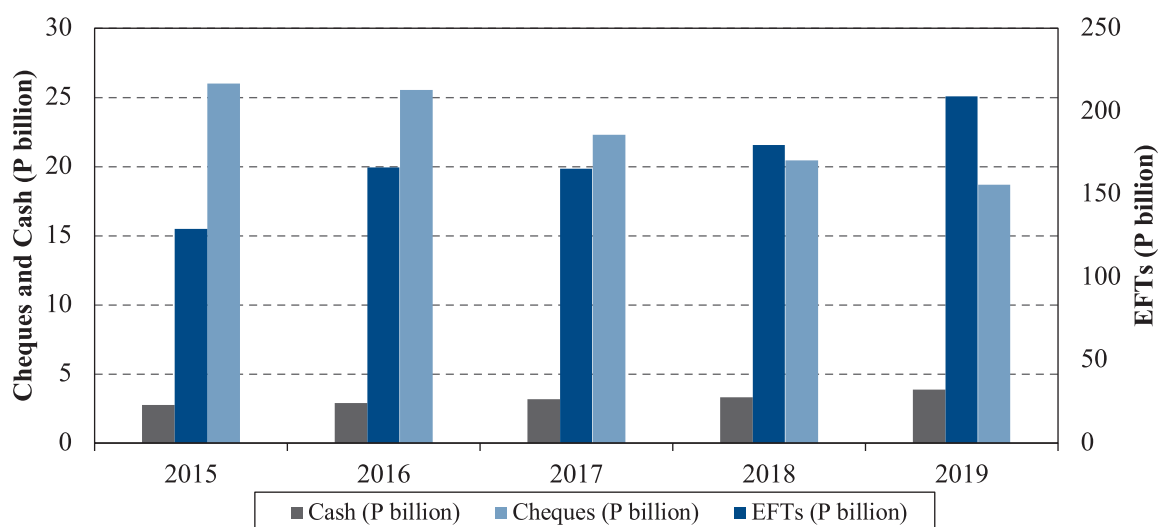
involve progressive non-use of cash, which could weaken the economics of banknotes and coin production and issues. Given the dynamic, non-linear path of innovation and product development and adaptation, central banks need to prepare in terms of knowledge, requirements for the transition, implications and operational/processing capabilities.

CHART 2: EFTs, CHEQUES AND CASH AS A PROPORTION OF GDP



Source: Bank of Botswana

CHART 3: EFTs, CHEQUES AND CASH IN CIRCULATION (2015 - 2019)



Source: Bank of Botswana

(b) Financial Sector Policies, Financial Inclusion and Oversight

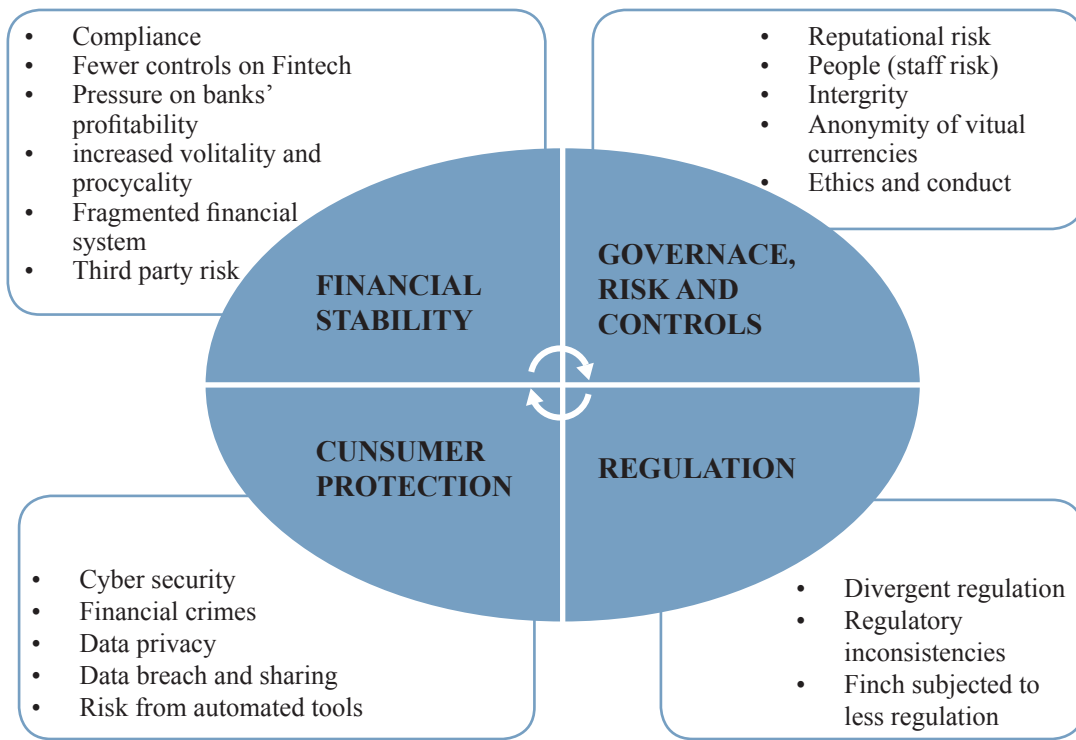
6.13 The key elements for financial sector policies are, first, institutional and market development to enable intermediation, maturity transformation and matching, allocative efficiency for finance, the efficient and orderly conduct of payments, risk mitigation and provision of financial services, generally. Second, the focus on financial inclusion to promote widespread access to financial services; and the effort (especially for Botswana) should extend beyond low income cohorts and rural area dwellers to cover other deficient areas such as small and medium scale finance and long-term finance. Third, is the supervisory framework that entails comprehensive coverage of institutions and activities, facilitates innovation and beneficial market development and enforces compliance and operational prudence. All these elements, involving deeper markets and wider financial inclusion, allow for better transmission of policy and enhanced support for economic activity, improved prospects for economic diversification, welfare enhancements and inclusive growth.

6.14 Therefore, the combination of the objective to promote development and Fintech benefits necessitate the adoption of relevant strategies, as well as policy and supervisory adaptability. Already the Financial Inclusion Roadmap (Making Access Possible) provides a guide in this regard. However, there will be a need to refresh the Financial Sector Development Strategy to accommodate new developments, as well as the transformation agenda. In this context, the future of banking lies in technology and could prove transformative with respect to risk trading, democratisation of payment services and enhancing resilience of financial intermediation.

6.15 Overall, the speed of development and expansion of financial activity that also involves non-financial institutions requires adaptability in order to sustain the public policy objective of the central bank. Key considerations continue to be facilitation, sound operations, good business and market conduct and risk mitigation. However, this

will be in the context of wider coverage of institutions and sectors, possible greater range of regulators and need for collaboration, dynamic operations that move ahead of changes and adaptation of supervisory frameworks. Increasingly, in this regard, there is a focus on regulation of activity, balanced against the focus on regulated institutions; which reinforces the necessity of collaboration among regulators assigned to defined institutions and designated activities.

6.16 At the same time, there are opportunities for enhanced availability and access to regulatory information and data. Thus, the regulatory and compliance infrastructure need to adapt to Regulatory Technology (RegTech) and Supervisory Technology (SupTech) (Paragraph 6.19). There are also regulatory concerns arising from Fintech as indicated in Figure 8 below (also covered in other subsections).

FIGURE 8: SOME OF THE REGULATORY CONCERNS ARISING FROM FINTECH

Source: Various Sources

(c) Information Processing and Data Management

6.17 The first consideration here is transition to national digital and biometric identification in order to align with the modern attributes of service provision and evolution of economic activity; and to improve efficiency, ease of doing business, access to services and compliance. Several country experiences, for example, Estonia, India and Rwanda, demonstrate the significant welfare and economic benefits deriving from digitalisation of identity information for businesses and individuals. This will become increasingly essential in the conduct of cross-border transactions as the business processes and compliance requirements adapt to new technologies, alongside the spread of e-commerce and in the event of issuance of CBDCs.

6.18 As indicated above, while not yet mature, there is continuing need for the Bank to monitor the progress of block chain and DLT and prepare accordingly, given the payments linkages internationally and with innovating local businesses. Accordingly, the Bank continues to make the relevant assessments,

focusing on potential areas where the technology could have beneficial impact on the Bank's payment operations.

6.19 Another emerging development relates to the harnessing of data and information flow and channels enabled by Fintech to improve the cost-effectiveness of supervisory and compliance elements. Thus, the move towards RegTech and SupTech. The former affords the use of technology to enhance effectiveness and efficiency of meeting the regulatory and compliance requirements. Regulated institutions achieve standardised and consistent reporting, including common interpretation of regulations, as well as lowering of associated costs. The benefits to the regulators relate to better quality of information and monitoring and associated timely response. In turn, SupTech enables reduced periodicity of reporting, collection of much more granular financial and transactional data and expanding data utilised beyond institution-reported data, without facing undue costs.

6.20 In addition, there is a requirement for guidelines on data sharing and use (especially

with the advent of open banking⁸⁷). There is need for balance in two respects. On the one hand, the potential for data as a resource and input for business development and innovation; contributing to enhancement of service delivery (range of products, efficiency and convenience); and enabling regulation and compliance (including with respect to taxes). On the other hand, safeguard against unauthorised sharing, mishandling and potentially abetting the commitment of crimes and fraud. Moreover, there is need to have in place resources and mitigants to ensure resilience of computer systems and networks that are now integral to economic activity (including provision of services), institutional operations and regulatory frameworks. This relates to both continuity of service and safeguards against criminal intrusion, data corruption, unauthorised use, as well as misuse of information.

(d) Assessment of the Impact of Emerging Issues on Central Bank Mandates

- 6.21 At least six issues emerge from the foregoing in relation to central bank mandates. First, the public policy responsibility to protect the value and integrity of the (fiat) currency continues to be critical and need to be safeguarded in the context of emergence of privately issued means of payment that do not as yet satisfy all the functions of money, albeit purporting to. There is a general convergence of responses by authorities globally around this issue. Second, there is continuing evolution of other forms of currency, where the transition is dynamic and an artefact of developments in e-commerce; hence the need for preparedness. Third, the price stability mandate can be affected by evolution in transmission channels, as a result of expansion and diffusion of institutions, users and products. Again, in the instance, central banks apply resources to recognising and responding to the prospective effects of innovation and market developments

to ensure continuing efficacy of monetary policy and transmission channels.

- 6.22 Fourth, the diffusion of financial services across institutions reinforces the need to centralise and entrench the financial stability mandate (in central banks); at the same time improve on effective regulation of financial activity, and related dependencies, by designated regulators and maintain formal collaboration mechanisms to ensure adequate supervisory coverage and response as necessary. Fifth, the speed and spreads of change in payments channels and platforms necessitates continuous adaptation and improvements in the payments market infrastructures. Notably this includes expansion of participants and accommodating new instruments and processes, in order for the economy and society to benefit from innovation, while retaining the integrity of the payments system and, as necessary, settlement in central bank money⁸⁸. Last and broadly, given the range and speed of innovation, careful assessments are necessary to determine the critical and impactful aspects of innovation, alongside judicious evaluation and classification of systemically important activities, institutions, infrastructures and systems. Thus, to guide strategy, risk-based and proportionate approaches to regulation and compliance requirements are necessary.

7. Conclusion

- 7.1 Central banks have a long standing and trusted role in society and policy making premised on delivery of desirable public goods: specifically, through their price stability objective, preservation of the value of domestic currency, safety of deposits (financial savings) and smooth functioning of the payments and financial systems. However, as this review demonstrates, the ownership and governance structures of central banks, as well as the ambit of their operations have evolved over time, while continuing to vary across jurisdictions. In general, contemporary perspectives on the role and mandate of central banks underscore the need

⁸⁷ 'Open banking' also known as 'open bank data' is a banking practice of sharing financial information electronically and securely with third-party financial service providers a secure open access to consumer banking, transaction, and other financial data from banks and non-bank financial institutions through the use of application programming interfaces.

⁸⁸ This refers to settlement using accounts at the central bank, which guarantees finality of payments and settlement.

for operational autonomy in their pursuit of low and stable inflation, moderation of fluctuation in the path of domestic output as well as stable financial systems and resilient payments infrastructure. Nevertheless, there are contributions by some academics and policy commentators that question the narrowness of focus by central banks, with respect to both the mandates as translated into objectives/targets (price stability) and policy instruments (change in interest rates). Others also have alternative views on autonomy and governance structures, preferring greater government influence. Notwithstanding, there is sufficient evidence that central banks with clearly defined mandates, specified instruments, and have operational autonomy, with transparent accountability frameworks, are more successful in executing policy and achieving policy objectives (delivering the public good).

- 7.2 A corollary to central bank independence is the notion of transparency and accountability framework encompassing communication approaches that guide expectations on price developments and policy response. It is, therefore, recognised, across many jurisdictions that independence, transparency and accountability are critical tenets for policy effectiveness. In addition, particularly, following the 2007/08 global financial crisis, central banks have gravitated more towards entrenching the financial stability mandate in their operations, supported by (and collaborating with) other financial sector regulators and standard setters. There are also jurisdictions that add variations of economic growth measures to central mandates. Notwithstanding, it is reasonably argued that attainment of price and financial stability provides a conducive environment for economic activity to thrive. In the circumstances, expectations about future developments and likely policy responses are well anchored; and aid decisions on long-term investments and consumption. Therefore, where policy objectives are met, the transparency and consistency attributes are positive for economic growth. This approach has guided policy evolution in Botswana, resulting in attainment of the policy objectives, notable success in influencing expectations and durable contribution to

macroeconomic stability. Going forward, there is need for a legal anchor to ensure *de jure* central bank independence as the country's economic landscape and structure evolve from a mineral-based to a knowledge economy, as espoused in Vision 2036.

- 7.3 This review has also alluded to the significance of sources of central bank power and assignment of mandates and governance frameworks. The variations include constitutional provisions and strong central bank legislation where the elements include clear definition of objectives and assignment of responsibility; accountability mechanisms; institutional relationships; and governance arrangements, principally spelling out operational autonomy and limiting the role government. Regarding the latter, the limits to the role of Government relates to exclusion with respect to governance and operational matters as well as restrictions on access to central bank funding. Nevertheless, it is incontrovertible that Governments (given the accountability to the public) are responsible for defining the public good on behalf of society and, in turn, give unrestricted authority to the central bank to execute the related mandates and, therefore, to be singularly accountable. In this regard, a distinction is sometimes made between goal and instrument independence (autonomy). In several jurisdictions, the Government set the target(s), definition of public good, and the central bank is afforded operational autonomy to deliver and account for the mandate. In others, central banks have the leeway to define their targets to which they are accountable, premised on clear understanding of their role.
- 7.4 Overall, it is considered that clarity of mandates and autonomy as well as accountability and transparency engender integrity and trust, which are essential for policy transmission and effectiveness. In addition, consistent response to similar developments reinforces transparency and is key to credibility of the central bank and, in turn, the anchoring of expectations, which contribute to sustained achievement of policy objectives.

7.5 Another important aspect highlighted in this review is the recognition of permutations of governance structures and stewardship, where two key elements can be distilled, namely respective responsibilities for policy formulation and institutional management and governance. In this regard, there are several central banks where the apex structure is constituted by a policy board and a supervisory board (dual structure); while in others there is only the supervisory board that oversees management and performance of the institution and operations, while the expert executive (represented by the Governor) is assigned responsibility for policy formulation and execution. It is notable, in this respect, that policy boards are invariably constituted by experts in central bank policy and regulation (financial sector supervision) functions and sometimes work full time for the central bank. This policy expertise and responsibility for execution informs the role, among the majority central banks, of the Governor as Chairman of the board, where there is no dual structure; a situation which pertains in Botswana.

7.6 The Bank of Botswana is governed by the Bank of Botswana Act CAP 55:01 which, at Section 4, outlines the principal objectives which are clearly aligned to the conventional definition of public good responsibility assigned to a central bank; thus responsibility for monetary stability, sound banking system, resilient and efficient payments, banker and policy advisor to government and conditional upon attainment of the foregoing role in contributing to economic development. A review of performance by the Bank of Botswana demonstrates paced policy evolution alongside markets developments. Notable in this regard is the ultimate design and transparency of the policy framework involving: definition of price stability; clarity of policy instruments and alignment of interest rate structure; institutional structure and arrangements for policy formulation and conduct of monetary operations (MPC, scheduled meeting dates, and OMAC); specification of the transmission mechanism/channels for price developments and monetary policy; and communication tools (MPS and MPRs, announcement of MPC meeting dates and Press Releases). This

approach has been pivotal in the transition from high volatile inflation to low inflation, which has mostly been within the objective range of 3 – 6 percent since mid-2013.

7.7 The key attributes of the success for the Bank, therefore, include alignment of policy responses with the transmission channels; transparency and effective deployment of communication to influence and anchor expectations; autonomy in policy formulation and execution; and demonstration of accountability, which reinforces consistency and integrity. Therefore, similar to the experience of other successful central banks, there is a virtuous cycle and relationship involving transparency, consistency, inflation performance, accountability and credibility. For the Bank, it is also significant that the execution of monetary policy is undertaken alongside an exchange rate policy framework that has also evolved to complement execution of the price stability mandate, as well as consideration of financial stability in policy formulation.

7.8 Regarding the exchange rate framework, the key attributes are the focus on stability of the real effective exchange rate and anchoring the determination of the rate of crawl on attainment of the inflation objective. In this respect, attaining low inflation comparable to that prevailing in the trading partner countries, and related contribution to macroeconomic stability, provides more durable support to competitiveness of the domestic industry and, in general, the country's exports. This contrasts with unanchored devaluation of the domestic currency, which is inflationary and, therefore, diminishes welfare and increases the cost of inputs to production. The attention to financial stability relates to sustaining effectiveness of the intermediation role of the financial sector and, therefore, policy transmission channels; thus, potency and durability of policy impact on economic activity. It is, therefore, significant that the policy objectives with respect to exchange rate and financial stability are also largely achieved. In turn, the combination of banking soundness, monetary stability and, in general, macroeconomic stability, mitigated long-term risks to the economy.

- 7.9 Going forward, there will be need to entrench aspects of practice by the Bank of Botswana and institutional relationships into legislation in order to clarify the ranking of objectives; enhance autonomy of the Bank and associated accountability requirements; improve the institutional arrangements relating to the conduct of policy; policy dispute resolution process; and, generally, to update the law to align with modern practice and conventions (including the tenets of the SADC Central Bank Model Law). In view of this, a draft amended Bank of Botswana Act incorporates anchors for central bank autonomy, clarity of mandate, and institutional arrangements for greater transparency and accountability, that is; the revised legislation will formalise the additive improvements to policy framework, institutional and governance arrangements that has been infused into policy formulation and operations of the Bank over time. The legislative and policy improvements are integral to structural reforms envisaged in the transformation agenda intended to support transition of Botswana from middle to high income status.
- 7.10 This review has also outlined the emerging challenges and opportunities for central banks. In particular, these relate to aspects of Fintech that impinge on central bank functions and operations. Overall, there is a recognition of benefits and efficiencies that potentially derive from Fintech. Notable in this regard, is enhanced coverage and accessibility of financial services, including the variety of payments platforms and channels that are also scalable to specific business relationships and transactions. This fosters financial inclusion and business growth. The other aspect relates to enhancement of processing operations and flow of information and data. In addition to business opportunities, these innovations can improve payments processes and regulatory functions for the central bank.
- 7.11 There are also prospects for transition to central bank digital currencies, the benefits of which include alignment of central bank operations with growing digitisation of the economy and, in some respect, improvement in policy transmission. At the same time, the emergence of privately issued digital variations challenges the monopoly of the central bank in this regard. For this reason, several of the opportunities and possibilities presented by new technology are the subject of ongoing research and experimentation by several central banks. Even, then, this is in the context of a recognition of risks that will need to be mitigated and managed, among others, relating to disruption to policy transmission, integrity of the payments system and misuse of data and information, as well as system intrusions.
- 7.12 The central message deriving from emergence of new technology is adaptability of central banks with respect to four broad areas. First, is adoption of facilitative posture and policies, as well as aligning operational processes with market and technology developments to achieve congruence and connectivity with business partners. This includes adoption of digital identification formats to facilitate access and due diligence customer assessments. Moreover, it involves transition to modern media platforms and dissemination channels as part of communication strategy for central banks to retain policy potency and credibility. Second, is to recognise and accommodate the financial inclusion and deepening benefits of Fintech. Third, is managing the operational risk and regulatory expectation gap as services expand and diversify. The fourth element is harnessing these technologies to retain and reinforce the primary central bank role of protecting the value and integrity of the national currency. This entails preparedness to transit to digital currencies, embracing of technology and Fintech-enabled payments channels and regulatory processes (RegTech and SupTech), as well as ability to participate in, and effectively oversee, the evolving payments markets infrastructures.

APPENDIX

TABLE A1: UPTAKE IN CBDCs - ADOPTERS

CBDC	Comments
eCFA, 2016 Named after CFA franc, the Senegalese currency <i>Senegal</i>	The eCFA, was created by local bank outlet, Banque Régionale de Marchés (BRM) and eCurrency Mint Limited, which is an Ireland-based startup that assists central banks in creating their own digital fiat currencies.
eDinar/Digicash/BitDinar, 2015 <i>Tunisia</i>	Official state-backed digital currency.
Petro, or Petromoneda, 2018 <i>Venezuela</i>	The currency was designed to circumvent sanctions by the USA, which negatively affected the local economy. It is backed by the country's oil, gold and mineral reserves.
Sovereign or SOV, 2018 <i>The Marshall Islands</i>	The SOV is a decentralised currency based on the blockchain technology.

Source: <https://cointelegraph.com/news/state-issued-digital-currencies-the-countries-which-adopted-rejected-or-researched-the-concept>.

Table A2: Uptake in CBDCs - Experimenters

CBDC	Stage	Status
e-Krona (to be issued by Riksbank, Sweden)	- The e-Krona project has three defined phases of development: Phase 1 started in 2017 with the discussion of the theoretical proposal; - Phase 2 assessed the regulatory and operational issues during 2018; and - Phase 3 is related to the possible development and implementation of e-Krona	Work in progress
Dinero electrónico, or DE (to be issued by Central Bank of Ecuador (BCE))	- The Central Bank of Ecuador had two (2) stages of implementation of the DE. - Stage 1 begun in 2014 with the issuance of digital money as a means of payment, while Stage 2 started in 2017, when the central bank allowed private financial institutions to take the lead in reorienting the scope and nature of the project into a fast payments scheme.	Decommissioned
e-Peso (to be issued by Central Bank of Uruguay (BCU))	- The evaluation of e-Peso project between 2014 and 2017 considered the analysis of legal, technological and safety issues. Starting from November 2017 a 6 month pilot was conducted with 3 stages: - BCU issued e-Pesos and transferred a proportion of e-Pesos to a third party for dispersal and transactional purposes; - The wallet application, cash-in facilities and the transactionality available for users with the support of additional third parties, including a telecommunications company and a specialised payment service provider; and - The pilot finalised with cash-out for all the existing CBDC accounts through the specialised provider. The BCU is currently assessing the next steps to be taken.	Work in progress

CBDC	Stage	Status
Chinese CBDC (to be issued by People's Bank of China (PBoC))	In August 2019, the PBoC announced that it will issue its own CBDC in the near term, unveiling technical details such as the overall design structure of this digital currency. The CBDC will be backed one-to-one by fiat reserves. This proposed digital legal tender aims to replace cash and it is primarily motivated by a desire to protect its foreign exchange sovereignty. The Chinese CBDC would be issued through two different layers: On the first layer, the PBoC would issue and redeem China's CBDC via commercial banks; and on the second layer, the commercial banks would be responsible to re-distribute China's CBDC to retail market participants. The first layer is to operate on a permissioned blockchain system.	Work in progress
Project Ubin (to be issued by the MAS)	In 2017, project Ubin, a digital version of the Singapore Dollar was announced. The central bank issued digital currency, would be running on the Ethereum blockchain. Project Ubin is a collaboration between the central bank of Singapore and R3, a blockchain for business organisation.	Work in progress
Iran CBDC (to be issued by Central Bank of Iran (CBI))	Following the US trade restrictions, Iran announced it would issue its own cryptocurrency, which would be pegged to the official national fiat currency, the Rial. The CBI recently drafted new rules regarding cryptocurrencies, reversing a previous ban. There are however still trading restrictions on the use of digital currencies in the country.	Work in progress
Project Inthanon (to be issued by Bank of Thailand (BOT))	- Project Inthanon is a joint project of the BOT and financial institutions. It aims to use blockchain technology to improve the country's financial infrastructure and create an ecosystem supportive of technological learning and advancement. It is based on three phases. - Phase 1 – Building the Fundamental This Phase started in August 2018. A Proof-of-Concept (POC) for a DLT-based RTGS using wholesale CBDC for interbank settlement was built. A key highlight was the development of an innovative Gridlock resolution architecture with integrated Automated Liquidity Provision (ALP) functionality that achieved privacy and atomicity properties. - Phase 2 – Enhancing Functionalities Commencing in February 2019, the objective was to build on the Phase 1 POC and augment it with additional functions to handle delivery versus payment (DvP) settlement for interbank bond repo and trading, data reconciliation and handling of non-resident regulatory requirements. Outcomes from Phase 2 demonstrate the practicality of DLT at enabling transformative process improvement and technical feasibility of achieving DvP in real-time through an experimental multi-asset liquidity saving mechanism. - Phase 3 – Exploring Cross-Border Funds Transfer Models The DLT-based RTGS prototype will be expanded to connect with the other systems to support cross-border funds transfer transactions. The scope will also cover the regulatory and compliance issues from both the domestic currency and foreign currencies.	Work in progress

CBDC	Stage	Status
CBDC (to be issued by SARB)	• In April 2019, the SARB issued a tender notice on the ‘CBDC (e-Rand) feasibility project’. The primary aim of the project is to investigate the feasibility and desirability of CBDC to be used as electronic legal tender, complimentary to cash. SARB intends to execute this project, in the innovation lab (sandpit)⁸⁹ environment, in two stages. • Stage 1 will be internal to the SARB environment with restricted use cases to test principles, validate feasibility of proposed technical solutions, and enhance the body of knowledge in anticipation of the second stage. • Stage 2 will extend participation to selected banks and mobile network operators, and potentially to payment service providers and niche technology providers. The set of use cases will be expanded to include the full value chain in order to determine the feasibility of the solution to satisfy the objectives of the SARB.	Work in progress

Source: Barontini and Holden (2019), <https://cointelegraph.com/news/state-issued-digital-currencies-the-countries-which-adopted-rejected-or-researched-the-concept>, Bank of Thailand (2019) and <https://www.resbank.co.za/AboutUs/Departments/FinancialServices/ProcNew/Lists/News%20and%20Publications/Attachments/40/EOI%20MR01-2019-0.pdf>.

⁸⁹ This is an environment that consists of infrastructure, software, technical skills and business skills provided by both the SARB and the participating solution provider(s).

PART C

STATISTICS 2019

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 2000*, the *5th Edition Balance of Payments Manual 2003* and the *Government Finance Statistics Manual 1986*.
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. Tables 6.1, 6.2 and 6.4 were revised subsequent to the International Monetary Fund Technical Assistance follow up Mission that the Bank hosted in July 2019. The Mission’s objective was to assist the Bank in continuing to improve the quality and coverage of balance of payments (BoP) statistics. A number of recommendations have been and continue to be implemented bringing changes to some of the BoP accounts. On the ‘*Current Account*’, changes include, amongst others: revisions on exports following the adoption of Statistics Botswana data i.e., Salt and Soda Ash; Meat and Meat Products; and Gold. In the ‘*Financial Account*’, ‘other’ investment recorded major changes as a result of adjustments made on currency and deposits held abroad by non-bank institutions.

TABLE 1.1: GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE (CURRENT PRICES)^{1,2}
(P Million)

Period	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Type of Expenditure										
Government final consumption	17 162	19 407	21 196	23 215	29 078	30 057	31 033	33 190	34 653	36 354
(a) Central	14 364	16 593	18 343	20 005	25 344	26 034	27 313	29 328	30 424	31 830
(b) Local	2 798	2 814	2 853	3 209	3 734	4 023	3 720	3 862	4 230	4 524
Household final consumption	42 692	48 629	57 100	65 110	68 475	75 985	80 723	88 759	94 102	101 096
(a) Non-profit services	1 335	1 465	1 995	2 155	2 308	2 460	2 663	2 865	3 037	3 207
(b) Household, marketed	37 195	42 756	50 790	57 512	60 279	67 187	71 124	78 816	83 697	90 288
(c) Household, non-marketed	4 162	4 409	4 316	5 442	5 887	6 337	6 937	7 078	7 369	7 601
Changes in inventories	3 854	3 578	2 038	-5 117	-3 299	-2 021	-6 879	-2 667	-1 520	3 184
(a) Livestock	254	1	188	- 262	165	1 486	69	1 313	-1 279	-2 085
(b) Minerals	1 491	1 576	- 610	-4 752	- 417	2 826	-2 037	- 117	468	916
(c) Other	2 109	2 001	2 461	- 103	-3 047	-6 333	-4 911	-3 862	- 709	4 353
Gross fixed capital formation	29 202	33 641	39 804	41 925	44 433	49 643	52 986	52 433	57 550	62 216
(a) Construction	16 853	19 364	23 309	26 630	28 776	31 330	34 784	37 777	41 366	44 219
(b) Machinery and equipment	9 485	10 908	12 602	12 316	12 346	15 133	15 116	11 945	13 022	14 423
(c) Transport and equipment	2 511	2 963	3 437	2 408	2 697	2 533	2 397	1 988	2 400	2 788
(d) Mineral prospecting	353	406	455	571	613	648	688	722	762	786
Gross Domestic Expenditure	92 910	105 255	120 138	125 132	138 686	153 663	157 863	171 716	184 785	202 850
Exports of goods	31 237	44 043	45 886	66 564	76 448	63 525	80 371	61 708	67 223	56 318
Exports of services	6 668	8 395	8 226	10 437	8 837	9 239	9 280	9 739	9 566	9 940
Total exports	37 905	52 438	54 112	77 001	85 285	72 764	89 650	71 447	76 789	66 258
Imports of goods	-38 035	-48 821	-61 074	-68 902	-69 795	-70 640	-64 282	-53 296	-62 262	-67 969
Imports of services	-6 497	-7 443	-6 391	-7 483	-11 043	-11 332	-11 109	-11 418	-12 304	-11 970
Total imports	-44 532	-56 264	-67 465	-76 385	-80 837	-81 971	-75 391	-64 715	-74 566	-79 939
Net errors and omissions	585	3 550	3 086	- 589	2 735	1 610	-1 558	1 654	3 357	9 196
GDP at Current Prices	86 867	104 980	109 870	125 158	145 869	146 066	170 564	180 103	190 365	197 269
Percentage of Total										
Government final consumption	19.8	18.5	19.3	18.5	19.9	20.6	18.2	18.4	18.2	18.4
(a) Central	16.5	15.8	16.7	16.0	17.4	17.8	16.0	16.3	16.0	16.1
(b) Local	3.2	2.7	2.6	2.6	2.6	2.8	2.2	2.1	2.2	2.3
Household final consumption	49.1	46.3	52.0	52.0	46.9	52.0	47.3	49.3	49.4	51.2
(a) Non-profit services	1.5	1.4	1.8	1.7	1.6	1.7	1.6	1.6	1.6	1.6
(b) Household, marketed	42.8	40.7	46.2	46.0	41.3	46.0	41.7	43.8	44.0	45.8
(c) Household, non-marketed	4.8	4.2	3.9	4.3	4.0	4.3	4.1	3.9	3.9	3.9
Changes in inventories	4.4	3.4	1.9	- 4.1	-2.3	-1.4	-4.0	-1.5	-0.8	1.6
(a) Livestock	0.3	0.0	0.2	- 0.2	0.1	1.0	0.0	0.7	-0.7	-1.1
(b) Minerals	1.7	1.5	- 0.6	- 3.8	-0.3	1.9	-1.2	-0.1	0.2	0.5
(c) Other	2.4	1.9	2.2	- 0.1	-2.1	-4.3	-2.9	-2.1	-0.4	2.2
Gross fixed capital formation	33.6	32.0	36.2	33.5	30.5	34.0	31.1	29.1	30.2	31.5
(a) Construction	19.4	18.4	21.2	21.3	19.7	21.4	20.4	21.0	21.7	22.4
(b) Machinery and equipment	10.9	10.4	11.5	9.8	8.5	10.4	8.9	6.6	6.8	7.3
(c) Transport and equipment	2.9	2.8	3.1	1.9	1.8	1.7	1.4	1.1	1.3	1.4
(d) Mineral prospecting	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Gross Domestic Expenditure	107.0	100.3	109.3	100.0	95.1	105.2	92.6	95.3	97.1	102.8
Exports of goods	36.0	42.0	41.8	53.2	52.4	43.5	47.1	34.3	35.3	28.5
Exports of services	7.7	8.0	7.5	8.3	6.1	6.3	5.4	5.4	5.0	5.0
Total exports	43.6	50.0	49.3	61.5	58.5	49.8	52.6	39.7	40.3	33.6
Imports of goods	- 43.8	- 46.5	- 55.6	- 55.1	-47.8	-48.4	-37.7	-29.6	-32.7	-34.5
Imports of services	- 7.5	- 7.1	- 5.8	- 6.0	-7.6	-7.8	-6.5	-6.3	-6.5	-6.1
Total imports	- 51.3	- 53.6	- 61.4	- 61.0	-55.4	-56.1	-44.2	-35.9	-39.2	-40.5
Net errors and omissions	0.7	3.4	2.8	- 0.5	1.9	1.1	-0.9	0.9	1.8	4.7

1. The figures for 2016-2019 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.

Source: Statistics Botswana

TABLE 1.2: GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE (CONSTANT 2006 PRICES)^{1,2}
(P Million)

Period	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Type of Expenditure										
Government final consumption	11 690	12 273	14 142	16 177	17 923	18 370	18 792	19 082	19 784	20 425
(a) Central	9 946	10 442	12 230	14 059	15 751	16 095	16 363	16 572	17 211	17 815
(b) Local	1 744	1 831	1 913	2 118	2 171	2 275	2 429	2 510	2 573	2 610
Household final consumption	35 384	38 171	37 654	41 455	41 808	43 484	44 458	47 370	49 301	51 013
(a) Non-profit services	1 110	1 167	1 128	990	1 029	1 062	1 095	1 129	1 171	1 207
(b) Household, marketed	30 813	33 492	33 673	37 036	37 261	38 840	39 687	42 636	44 462	46 106
(c) Household, non-marketed	3 461	3 513	2 853	3 430	3 518	3 582	3 677	3 605	3 667	3 699
Changes in inventories	1 690	1 300	2 844	-1 494	-2 401	989	-1 816	-2 776	-2 966	2 054
(a) Livestock	163	236	218	- 107	- 78	485	- 10	493	- 505	- 817
(b) Minerals	- 227	- 530	1 011	-2 743	- 570	2 621	-2 461	71	212	398
(c) Other	1 754	1 594	1 616	1 356	-1 754	-2 117	656	-3 340	-2 672	2 473
Gross fixed capital formation	21 300	23 889	27 141	27 689	28 096	30 556	31 670	28 874	31 220	33 231
(a) Construction	11 712	13 136	14 141	15 747	16 364	16 921	17 626	18 332	18 980	19 727
(b) Machinery and equipment	7 090	7 932	9 782	9 491	9 145	11 178	11 662	8 609	10 008	10 987
(c) Transport and equipment	2 205	2 497	2 908	2 064	2 194	2 060	1 972	1 516	1 803	2 082
(d) Mineral prospecting	294	324	310	387	394	398	410	417	429	435
Gross Domestic Expenditure	70 065	75 633	81 782	83 828	85 426	93 400	93 105	92 550	97 338	106 724
Exports of goods	22 265	28 696	30 069	42 371	45 491	36 270	42 011	34 350	37 379	30 299
Exports of services	1 365	1 442	5 446	6 570	5 280	5 216	4 901	4 958	4 761	4 838
Total exports	23 629	30 138	35 515	48 941	50 770	41 485	46 912	39 308	42 140	35 137
Imports of goods	-23 305	-27 883	-40 012	-43 736	-42 724	-43 627	-40 393	-30 277	-34 127	-36 935
Imports of services	-4 770	-5 590	-4 197	-4 901	-7 617	-8 135	-8 589	-8 380	-9 107	-9 178
Total imports	-28 075	-33 472	-44 210	-48 637	-50 341	-51 762	-48 981	-38 657	-43 234	-46 114
Net errors and omissions	2 551	- 6	2 428	- 51	1 714	2 959	-1 248	- 807	288	3 650
GDP at Constant Prices	68 170	72 293	75 515	84 081	87 569	86 083	89 787	92 395	96 533	99 396
Percentage of Total										
Government final consumption	17.1	17.0	18.7	19.2	20.5	21.3	20.9	20.7	20.5	20.5
(a) Central	14.6	14.4	16.2	16.7	18.0	18.7	18.2	17.9	17.8	17.9
(b) Local	2.6	2.5	2.5	2.5	2.5	2.6	2.7	2.7	2.7	2.6
Household final consumption	51.9	52.8	49.9	49.3	47.7	50.5	49.5	51.3	51.1	51.3
(a) Non-profit services	1.6	1.6	1.5	1.2	1.2	1.2	1.2	1.2	1.2	1.2
(b) Household, marketed	45.2	46.3	44.6	44.0	42.5	45.1	44.2	46.1	46.1	46.4
(c) Household, non-marketed	5.1	4.9	3.8	4.1	4.0	4.2	4.1	3.9	3.8	3.7
Changes in inventories	2.5	1.8	3.8	-1.8	-2.7	1.1	-2.0	-3.0	-3.1	2.1
(a) Livestock	0.2	0.3	0.3	-0.1	-0.1	0.6	-	0.5	-0.5	-0.8
(b) Minerals	-0.3	-0.7	1.3	-3.3	-0.7	3.0	-2.7	0.1	0.2	0.4
(c) Other	2.6	2.2	2.1	1.6	-2.0	-2.5	0.7	-3.6	-2.8	2.5
Gross fixed capital formation	31.2	33.0	35.9	32.9	32.1	35.5	35.3	31.3	32.3	33.4
(a) Construction	17.2	18.2	18.7	18.7	18.7	19.7	19.6	19.8	19.7	19.8
(b) Machinery and equipment	10.4	11.0	13.0	11.3	10.4	13.0	13.0	9.3	10.4	11.1
(c) Transport and equipment	3.2	3.5	3.9	2.5	2.5	2.4	2.2	1.6	1.9	2.1
(d) Mineral prospecting	0.4	0.4	0.4	0.5	0.4	0.5	0.5	0.5	0.4	0.4
Gross Domestic Expenditure	102.8	104.6	108.3	99.7	97.6	108.5	103.7	100.2	100.8	107.4
Exports of goods	32.7	39.7	39.8	50.4	51.9	42.1	46.8	37.2	38.7	30.5
Exports of services	2.0	2.0	7.2	7.8	6.0	6.1	5.5	5.4	4.9	4.9
Total exports	34.7	41.7	47.0	58.2	58.0	48.2	52.2	42.5	43.7	35.4
Imports of goods	-34.2	-38.6	-53.0	-52.0	-48.8	-50.7	-45.0	-32.8	-35.4	-37.2
Imports of services	-7.0	-7.7	-5.6	-5.8	-8.7	-9.5	-9.6	-9.1	-9.4	-9.2
Total imports	-41.2	-46.3	-58.5	-57.8	-57.5	-60.1	-54.6	-41.8	-44.8	-46.4
Net errors and omissions	3.7	-	3.2	-0.1	2.0	3.4	-1.4	-0.9	0.3	3.7

1. The figures for 2016-2019 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.

Source: Statistics Botswana

TABLE 1.3: GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CURRENT PRICES)^{1,2}
(P Million)

Period	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Economic Activity³										
Agriculture	2 161	2 636	2 961	2 877	3 045	3 215	3 496	3 584	3 794	3 845
Mining	16 661	24 529	19 286	24 243	32 403	25 962	34 913	31 262	31 415	30 080
Manufacturing	5 548	6 074	6 523	7 285	7 740	8 442	8 859	9 214	9 795	10 353
Water and electricity	412	- 59	- 621	- 123	- 582	- 219	395	1 770	2 301	1 977
Water	576	585	644	660	611	742	845	1 062	1 265	1 279
Electricity	- 107	- 501	-1 195	- 724	-1 175	- 947	- 429	719	1 048	713
Construction	5 056	6 247	7 465	7 998	8 690	9 607	10 575	11 488	12 575	13 423
Trade, hotels and restaurants	13 084	15 595	16 897	21 211	26 182	23 711	30 997	35 059	36 653	38 766
Trade	8 031	9 485	10 340	14 071	18 225	14 855	21 027	24 142	24 687	25 879
Hotels and restaurants	5 053	6 111	6 557	7 140	7 957	8 857	9 970	10 917	11 966	12 886
Transport and communications, of which:	4 471	5 114	6 325	6 906	7 788	8 559	9 643	10 623	11 509	12 130
Road transport	840	1 028	1 356	1 494	1 665	1 775	1 996	2 144	2 331	2 543
Air transport	1 103	1 239	1 681	1 849	2 016	2 155	2 452	2 763	2 947	2 867
Communications	1 931	2 174	2 393	2 644	3 058	3 465	3 957	4 388	4 802	5 263
Finance and business services, of which:	11 610	13 979	16 468	17 717	19 284	21 517	23 349	25 050	26 889	28 613
Banks and insurance	4 521	4 892	5 478	6 109	6 388	7 015	7 552	7 842	8 263	8 877
Real estate and business services	5 048	6 241	7 311	8 295	9 355	10 363	11 511	12 656	13 840	14 993
General government	13 377	14 778	16 924	17 731	19 946	22 491	23 927	25 840	27 538	29 020
Central	11 635	12 859	14 649	15 367	17 150	19 601	21 262	23 128	24 610	26 059
Local	1 855	2 019	2 226	2 447	2 885	3 028	2 788	2 844	3 048	3 095
Social and personal services, of which:	5 243	5 881	6 750	7 344	8 138	8 653	9 259	9 899	10 502	11 046
NPISHs ⁴	3 537	3 961	4 429	4 875	5 401	5 721	6 145	6 601	6 997	7 391
Total Value Added	77 623	94 774	98 978	113 190	132 636	131 939	155 413	163 788	172 970	179 253
Adjustment items	9 244	10 205	10 892	11 969	13 232	14 128	15 151	16 314	17 395	18 016
Taxes on imports	4 425	5 055	5 560	6 403	7 107	7 542	8 054	8 656	9 113	9 324
Taxes on products/production	5 252	5 598	5 805	6 083	6 692	7 205	7 782	8 379	9 067	9 567
Subsidies on products/production	- 433	- 448	- 473	- 518	- 567	- 619	- 685	- 720	- 785	- 875
GDP at Current Prices	86 867	104 980	109 870	125 158	145 869	146 066	170 564	180 103	190 365	197 269
GDP excluding mining	70 207	80 451	90 584	100 915	113 465	120 104	135 652	148 841	158 951	167 188
GDP per Capita (Pula)	43 706	51 844	53 116	59 314	67 868	66 822	76 841	79 904	83 176	84 902
Excluding mining	35 323	39 731	43 792	47 825	52 792	54 945	61 112	66 034	69 450	71 955
Percentage of Total										
Agriculture	2.5	2.5	2.7	2.3	2.1	2.2	2.0	2.0	2.0	1.9
Mining	19.2	23.4	17.6	19.4	22.2	17.8	20.5	17.4	16.5	15.2
Manufacturing	6.4	5.8	5.9	5.8	5.3	5.8	5.2	5.1	5.1	5.2
Water and electricity	0.5	-0.1	-0.6	-0.1	-0.4	-0.2	0.2	1.0	1.2	1.0
Water	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.5	0.6	0.6
Electricity	-0.2	-0.1	-0.5	-1.0	-0.5	-0.8	-0.6	-0.2	0.4	0.4
Construction	5.8	6.0	6.8	6.4	6.0	6.6	6.2	6.4	6.6	6.8
Trade, hotels and restaurants	15.1	14.9	15.4	16.9	17.9	16.2	18.2	19.5	19.3	19.7
Trade	8.2	7.7	8.6	8.3	9.6	12.5	8.7	11.7	12.7	13.1
Hotels and restaurants	4.7	4.8	5.6	5.2	4.9	5.4	5.2	5.5	5.7	6.5
Transport and communications, of which:	5.1	4.9	5.8	5.5	5.3	5.9	5.7	5.9	6.0	6.1
Road transport	1.1	0.8	0.9	1.1	1.0	1.1	1.0	1.1	1.1	1.3
Air transport	1.1	1.1	1.1	1.3	1.3	1.4	1.3	1.4	1.5	1.5
Communications	1.8	1.8	2.0	1.9	1.8	2.1	2.0	2.2	2.3	2.7
Finance and business services, of which:	13.4	13.3	15.0	14.2	13.2	14.7	13.7	13.9	14.1	14.5
Banks and insurance	5.2	4.7	5.0	4.9	4.4	4.8	4.4	4.4	4.3	4.5
Real estate and business services	5.8	5.9	6.7	6.6	6.4	7.1	6.7	7.0	7.3	7.6
General government	15.4	14.1	15.4	14.2	13.7	15.4	14.0	14.3	14.5	14.7
Central	13.4	12.2	13.3	12.3	11.8	13.4	12.5	12.8	12.9	13.2
Local	2.1	1.9	2.0	2.0	2.0	2.1	1.6	1.6	1.6	1.6
Social and personal services, of which:	6.0	5.6	6.1	5.9	5.6	5.9	5.4	5.5	5.5	5.6
NPISHs ⁴	4.1	3.8	4.0	3.9	3.7	3.9	3.6	3.7	3.7	3.7
Total Value Added	89.4	90.3	90.1	90.4	90.9	90.3	91.1	90.9	90.9	90.9
Adjustment items	10.6	9.7	9.9	9.6	9.1	9.7	8.9	9.1	9.1	9.1
Taxes on imports	5.1	4.8	5.1	5.1	4.9	5.2	4.7	4.8	4.8	4.7
Taxes on products/production	6.0	5.3	5.3	4.9	4.6	4.9	4.6	4.7	4.8	4.8
Subsidies on products/production	-0.5	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
GDP excluding mining	80.8	76.6	82.4	80.6	77.8	82.2	79.5	82.6	83.5	84.8

TABLE 1.3: (Continued) GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CURRENT PRICES)^{1,2}

(P Million)

Period	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Economic Activity³										
Annual Percentage Change										
Agriculture	4.4	22.0	12.3	- 2.9	5.9	5.6	8.7	2.5	5.9	1.3
Mining	48.6	47.2	- 21.4	25.7	33.7	- 19.9	34.5	- 10.5	0.5	- 4.2
Manufacturing	19.0	9.5	7.4	11.7	6.2	9.1	4.9	4.0	6.3	5.7
Water and electricity	29.9	- 114.3	- 956.4	80.2	- 371.9	62.3	280.2	348.1	30.0	- 14.1
Water	3.6	1.5	10.1	2.4	- 7.3	21.3	13.9	25.7	19.1	1.1
Electricity	28.7	- 369.3	- 138.3	39.4	- 62.4	19.4	54.7	267.6	45.7	- 31.9
Construction	12.5	23.6	19.5	7.1	8.7	10.6	10.1	8.6	9.5	6.7
Trade, hotels and restaurants	17.2	19.2	8.3	25.5	23.4	- 9.4	30.7	13.1	4.5	5.8
Trade	13.1	18.1	9.0	36.1	29.5	- 18.5	41.6	14.8	2.3	4.8
Hotels and restaurants	24.4	20.9	7.3	8.9	11.4	11.3	12.6	9.5	9.6	7.7
Transport and communications, of which:	12.0	14.4	23.7	9.2	12.8	9.9	12.7	10.2	8.3	5.4
Road transport	- 8.5	22.4	31.8	10.2	11.4	6.6	12.4	7.4	8.7	9.1
Air transport	16.2	12.3	35.7	10.0	9.0	6.9	13.8	12.7	6.7	- 2.7
Communications	20.3	12.6	10.1	10.5	15.7	13.3	14.2	10.9	9.4	9.6
Financial and business services, of which:	19.8	20.4	17.8	7.6	8.8	11.6	8.5	7.3	7.3	6.4
Banks and insurance	10.7	8.2	12.0	11.5	4.6	9.8	7.7	3.8	5.4	7.4
Real estate and business services	24.8	23.6	17.1	13.5	12.8	10.8	11.1	9.9	9.4	8.3
General government	8.6	10.5	14.5	4.8	12.5	12.8	6.4	8.0	6.6	5.4
Central	9.9	10.5	13.9	4.9	11.6	14.3	8.5	8.8	6.4	5.9
Local	2.1	8.8	10.2	10.0	17.9	5.0	- 7.9	2.0	7.2	1.5
Social and personal services, of which:	14.1	12.2	14.8	8.8	10.8	6.3	7.0	6.9	6.1	5.2
NPISHs ⁴	17.6	12.0	11.8	10.1	10.8	5.9	7.4	7.4	6.0	5.6
Total Value Added	20.3	22.1	4.4	14.4	17.2	- 0.5	17.8	5.4	5.6	3.6
Adjustment items	3.3	10.4	6.7	9.9	10.6	6.8	7.2	7.7	6.6	3.6
Taxes on imports	- 2.4	14.2	10.0	15.2	11.0	6.1	6.8	7.5	5.3	2.3
Taxes on products/production	8.6	6.6	3.7	4.8	10.0	7.7	8.0	7.7	8.2	5.5
Subsidies on products/production	- 1.8	- 3.6	- 5.5	- 9.5	- 9.5	- 9.2	- 10.7	- 5.1	- 9.0	- 11.4
GDP at Current Prices	18.2	20.9	4.7	13.9	16.5	0.1	16.8	5.6	5.7	3.6
GDP excluding mining	12.8	14.6	12.6	11.4	12.4	5.9	12.9	9.7	6.8	5.2
GDP per Capita (Pula)	16.1	18.6	2.5	11.7	14.4	- 1.5	15.0	4.0	4.1	2.1
Excluding Mining	10.7	12.5	10.2	9.2	10.4	4.1	11.2	8.1	5.2	3.6

1. The figures for 2016-2019 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.

3. Financial Intermediation Services Indirectly Measured (previously shown as a separate adjustment item) and estimates for the informal sector are included at the sectoral level, but not divided between sub-sectors. The sum of sub-sector outputs, therefore, does not match the sectoral totals.

4. Non-profit institutions serving households.

Source: Statistics Botswana

TABLE 1.4: GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CONSTANT 2006 PRICES)^{1,2}

(P Million)										
Period	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Economic Activity³										
Agriculture	1 560	1 562	1 429	1 448	1 443	1 448	1 456	1 484	1 523	1 521
Mining	12 596	11 782	11 101	13 784	13 851	11 132	10 738	9 545	10 267	9 871
Manufacturing	4 174	4 647	4 819	5 134	5 160	5 327	5 410	5 528	5 716	5 878
Water and electricity	844	555	403	675	299	319	624	872	970	1 032
Water	593	618	635	620	548	524	825	917	921	928
Electricity	297	42	- 224	68	- 237	- 195	- 183	- 38	57	112
Construction	4 101	5 047	5 775	6 011	6 235	6 482	6 755	6 993	7 251	7 470
Trade, hotels and restaurants	10 852	12 348	13 188	15 298	16 933	16 268	18 453	20 106	20 823	21 683
Trade	6 650	7 479	8 081	9 849	11 172	10 166	12 036	13 332	13 564	14 092
Hotels and restaurants	4 202	4 869	5 107	5 449	5 761	6 102	6 417	6 774	7 260	7 591
Transport and communications, of which:	3 497	3 709	4 112	4 423	4 855	5 075	5 408	5 661	6 024	6 344
Road transport	660	589	702	774	802	812	902	970	1 023	1 075
Air transport	527	537	566	580	559	534	565	596	636	674
Communications	1 605	1 732	1 864	2 018	2 214	2 372	2 530	2 706	2 897	3 097
Finance and business services, of which:	9 379	10 098	11 018	11 974	12 291	12 844	13 269	13 806	14 491	15 344
Banks and insurance	3 628	3 602	3 808	4 186	4 189	4 293	4 482	4 601	4 793	5 052
Real estate and business services	4 051	4 595	5 083	5 624	6 006	6 364	6 858	7 305	7 783	8 303
General government	9 151	9 723	9 993	10 592	11 079	11 442	11 714	11 895	12 303	12 755
Central	7 943	8 453	8 625	9 070	9 518	9 779	9 951	10 120	10 472	10 857
Local	1 255	1 318	1 412	1 559	1 604	1 706	1 823	1 839	1 893	1 958
Social and personal services, of which:	4 330	4 690	5 192	5 608	5 843	6 055	6 267	6 441	6 671	6 868
NPISHs ⁴	2 941	3 156	3 605	3 856	4 025	4 170	4 303	4 428	4 595	4 740
Total Value Added	60 483	64 162	67 031	74 947	77 989	76 393	80 094	82 332	86 040	88 767
Adjustment items	7 687	8 131	8 484	9 134	9 580	9 690	9 694	10 062	10 493	10 630
Taxes on imports	3 679	4 028	4 331	4 887	5 146	5 174	5 154	5 340	5 497	5 493
Taxes on products/production	4 367	4 461	4 521	4 643	4 845	4 940	4 979	5 167	5 467	5 635
Subsidies on products/production	- 360	- 357	- 368	- 395	- 410	- 425	- 438	- 444	- 471	- 499
GDP at Constant Prices	68 170	72 293	75 515	84 081	87 569	86 083	89 787	92 395	96 533	99 396
GDP excluding mining	55 574	60 511	64 414	70 296	73 718	74 950	79 050	82 850	86 266	89 525
GDP per Capita (Pula)	34 299	35 702	36 507	39 847	40 743	39 381	40 450	40 993	42 178	42 779
Excluding mining	27 961	29 883	31 140	33 314	34 299	34 288	35 613	36 758	37 692	38 530
Percentage of Total										
Agriculture	2.3	2.2	1.9	1.7	1.6	1.7	1.6	1.6	1.6	1.5
Mining	18.5	16.3	14.7	16.4	15.8	12.9	12.0	10.3	10.6	9.9
Manufacturing	6.1	6.4	6.4	6.1	5.9	6.2	6.0	6.0	5.9	5.9
Water and electricity	1.2	0.8	0.5	0.8	0.3	0.4	0.7	0.9	1.0	1.0
Water	0.9	0.9	0.8	0.7	0.6	0.6	0.9	1.0	1.0	0.9
Electricity	0.4	0.1	-0.3	0.1	-0.3	-0.2	-0.2	0.0	0.1	0.1
Construction	6.0	7.0	7.6	7.1	7.1	7.5	7.5	7.6	7.5	7.5
Trade, hotels and restaurants	15.9	17.1	17.5	18.2	19.3	18.9	20.6	21.8	21.6	21.8
Trade	9.8	10.3	10.7	11.7	12.8	11.8	13.4	14.4	14.1	14.2
Hotels and restaurants	6.2	6.7	6.8	6.5	6.6	7.1	7.1	7.3	7.5	7.6
Transport and communications, of which:	5.1	5.1	5.4	5.3	5.5	5.9	6.0	6.1	6.2	6.4
Road transport	1.0	0.8	0.9	0.9	0.9	0.9	1.0	1.0	1.1	1.1
Air transport	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.7	0.7
Communications	2.4	2.4	2.5	2.4	2.5	2.8	2.8	2.9	3.0	3.1
Finance and business services, of which:	13.8	14.0	14.6	14.2	14.0	14.9	14.8	14.9	15.0	15.4
Banks and insurance	5.3	5.0	5.0	5.0	4.8	5.0	5.0	5.0	5.0	5.1
Real estate and business services	5.9	6.4	6.7	6.7	6.9	7.4	7.6	7.9	8.1	8.4
General government	13.4	13.4	13.2	12.6	12.7	13.3	13.0	12.9	12.7	12.8
Central	11.7	11.7	11.4	10.8	10.9	11.4	11.1	11.0	10.8	10.9
Local	1.8	1.8	1.9	1.9	1.8	2.0	2.0	2.0	2.0	2.0
Social and personal services, of which:	6.4	6.5	6.9	6.7	6.7	7.0	7.0	7.0	6.9	6.9
NPISHs ⁴	4.3	4.4	4.8	4.6	4.6	4.8	4.8	4.8	4.8	4.8
Total Value Added	88.7	88.8	88.8	89.1	89.1	88.7	89.2	89.1	89.1	89.3
Adjustment items	11.3	11.2	11.2	10.9	10.9	11.3	10.8	10.9	10.9	10.7
Taxes on imports	5.4	5.6	5.7	5.8	5.9	6.0	5.7	5.8	5.7	5.5
Taxes on products/production	6.4	6.2	6.0	5.5	5.5	5.7	5.5	5.6	5.7	5.7
Subsidies on products/production	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5
GDP excluding mining	81.5	83.7	85.3	83.6	84.2	87.1	88.0	89.7	89.4	90.1

TALE 1.4: (Continued) GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CONSTANT 2006 PRICES)^{1,2}
(P Million)

Period	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Economic Activity³										
Annual Percentage Change										
Agriculture	5.8	0.2	- 8.5	1.3	- 0.4	0.3	0.6	1.9	2.6	- 0.1
Mining	20.4	- 6.5	- 5.8	24.2	0.5	- 19.6	- 3.5	- 11.1	7.6	- 3.9
Manufacturing	3.9	11.4	3.7	6.5	0.5	3.2	1.6	2.2	3.4	2.8
Water and electricity	12.0	- 34.2	- 27.5	67.5	- 55.8	7.0	95.2	39.9	11.3	6.3
Water	11.4	4.3	2.9	- 2.4	- 11.6	- 4.4	57.4	11.2	0.4	0.8
Electricity	2.1	- 85.7	- 628.4	130.2	- 450.0	17.5	6.3	79.3	251.3	94.9
Construction	3.6	23.1	14.4	4.1	3.7	4.0	4.2	3.5	3.7	3.0
Trade, hotels and restaurants	9.3	13.8	6.8	16.0	10.7	- 3.9	13.4	9.0	3.6	4.1
Trade	4.9	12.5	8.0	21.9	13.4	- 9.0	18.4	10.8	1.7	3.9
Hotels and restaurants	16.9	15.9	4.9	6.7	5.7	5.9	5.2	5.6	7.2	4.6
Transport and communications, of which:	6.4	6.1	10.9	7.6	9.8	4.5	6.6	4.7	6.4	5.3
Road transport	- 18.4	- 10.7	19.1	10.3	3.7	1.2	11.1	7.5	5.5	5.1
Air transport	9.7	1.8	5.5	2.4	- 3.6	- 4.4	5.8	5.4	6.8	6.0
Communications	13.0	7.9	7.6	8.3	9.7	7.1	6.7	7.0	7.1	6.9
Finance and business services, of which:	11.5	7.7	9.1	8.7	2.7	4.5	3.3	4.1	5.0	5.9
Banks and insurance	3.5	- 0.7	5.7	9.9	0.1	2.5	4.4	2.7	4.2	5.4
Real estate and business services	16.6	13.4	10.6	10.7	6.8	6.0	7.8	6.5	6.5	6.7
General government	7.5	6.3	2.8	6.0	4.6	3.3	2.4	1.5	3.4	3.7
Central	8.7	6.4	2.0	5.2	4.9	2.7	1.8	1.7	3.5	3.7
Local	- 0.4	5.0	7.1	10.4	2.8	6.4	6.9	0.9	2.9	3.5
Social and personal services, of which:	6.2	8.3	10.7	8.0	4.2	3.6	3.5	2.8	3.6	3.0
NPISHs ⁴	10.6	7.3	14.2	7.0	4.4	3.6	3.2	2.9	3.8	3.2
Total Value Added	10.2	6.1	4.5	11.8	4.1	- 2.0	4.8	2.8	4.5	3.2
Adjustment items	- 2.8	5.8	4.3	7.7	4.9	1.1	0.0	3.8	4.3	1.3
Taxes on imports	- 8.1	9.5	7.5	12.8	5.3	0.6	- 0.4	3.6	2.9	- 0.1
Taxes on products/production	2.1	2.1	1.4	2.7	4.4	2.0	0.8	3.8	5.8	3.1
Subsidies on products/production	4.2	0.7	- 3.1	- 7.3	- 3.8	- 3.5	- 3.2	- 1.4	- 6.1	- 5.9
GDP at Constant Prices	8.6	6.0	4.5	11.3	4.1	- 1.7	4.3	2.9	4.5	3.0
GDP excluding mining	6.2	8.9	6.4	9.1	4.9	1.7	5.5	4.8	4.1	3.8
GDP per Capita	6.6	4.1	2.3	9.1	2.2	- 3.3	2.7	1.3	2.9	1.4
Excluding Mining	4.2	6.9	4.2	7.0	3.0	0.0	3.9	3.2	2.5	2.2

1. The figures for 2016-2019 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.

3. Financial Intermediation Services Indirectly Measured (previously shown as a separate adjustment item) and estimates for the informal sector are included at the sectoral level, but not divided between sub-sectors. The sum of sub-sector outputs, therefore, does not match the sectoral totals.

4. Non-profit institutions serving households.

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				
		Central govt.	Local govt.	Total	Non-profit services	Household		Total	Construc- tion	Mach. & equip.	Transp. equip.	Mineral prosp.	Total
Period						marketed	non-marketed						
2010	Q1	3 449	672	4 120	319	7 830	1 044	9 193	3 719	2 281	677	70	6 747
	Q2	3 603	699	4 302	335	9 298	1 049	10 682	4 118	2 251	609	89	7 067
	Q3	3 665	712	4 377	349	10 652	1 030	12 032	4 303	2 634	635	102	7 674
	Q4	3 647	716	4 363	331	9 415	1 039	10 785	4 713	2 319	590	92	7 714
2011	Q1	4 064	711	4 775	344	9 413	1 004	10 761	4 361	2 240	764	105	7 470
	Q2	4 281	712	4 993	348	10 466	1 045	11 860	4 824	2 918	707	94	8 544
	Q3	4 200	682	4 883	367	11 253	1 164	12 784	4 929	3 019	744	107	8 798
	Q4	4 047	709	4 757	406	11 624	1 195	13 224	5 250	2 731	748	100	8 829
2012	Q1	4 371	707	5 079	480	9 326	1 116	10 922	5 712	3 053	836	119	9 721
	Q2	4 931	711	5 642	489	13 149	1 048	14 686	5 372	3 251	961	94	9 679
	Q3	4 470	711	5 181	520	13 590	1 003	15 112	5 907	3 147	833	120	10 006
	Q4	4 570	724	5 294	506	14 726	1 148	16 380	6 318	3 150	807	123	10 398
2013	Q1	4 838	751	5 589	518	13 875	1 219	15 612	6 497	2 509	586	140	9 733
	Q2	4 955	775	5 730	536	13 617	1 541	15 694	6 637	3 294	717	142	10 790
	Q3	5 071	807	5 878	545	14 504	1 331	16 380	6 650	3 177	480	143	10 450
	Q4	5 141	876	6 017	555	15 516	1 352	17 424	6 846	3 336	625	145	10 952
2014	Q1	6 001	891	6 892	565	14 172	1 364	16 101	6 995	3 190	627	149	10 960
	Q2	6 406	930	7 336	573	14 365	1 488	16 426	7 221	2 978	720	152	11 071
	Q3	6 496	957	7 453	581	15 515	1 525	17 621	7 251	2 393	687	154	10 484
	Q4	6 441	956	7 397	589	16 227	1 511	18 327	7 310	3 786	664	159	11 918
2015	Q1	6 336	982	7 318	597	15 729	1 541	17 867	7 547	3 268	578	164	11 557
	Q2	6 528	1 023	7 551	607	16 651	1 581	18 839	7 847	3 885	638	155	12 525
	Q3	6 499	1 021	7 520	621	16 910	1 586	19 117	7 889	4 155	638	161	12 843
	Q4	6 671	997	7 668	636	17 897	1 629	20 162	8 045	3 825	679	168	12 718
2016	Q1	6 790	977	7 767	646	16 819	1 723	19 188	8 316	3 202	504	173	12 194
	Q2	7 006	932	7 938	658	17 057	1 760	19 475	8 598	3 885	598	166	13 247
	Q3	6 697	909	7 606	672	18 313	1 782	20 767	8 899	3 850	726	171	13 646
	Q4	6 821	901	7 721	687	18 934	1 672	21 294	8 971	4 180	569	178	13 898
2017	Q1	6 992	925	7 917	695	19 901	1 689	22 285	8 980	2 968	432	182	12 561
	Q2	7 453	976	8 429	711	19 424	1 759	21 894	9 249	2 442	421	175	12 286
	Q3	7 323	974	8 297	726	19 662	1 817	22 205	9 711	3 072	549	180	13 512
	Q4	7 560	987	8 547	733	19 830	1 812	22 375	9 838	3 463	587	186	14 074
2018	Q1	7 502	991	8 493	741	20 312	1 814	22 866	9 877	3 306	583	191	13 957
	Q2	7 628	1 014	8 642	750	20 243	1 857	22 851	10 223	3 087	576	186	14 072
	Q3	7 741	1 097	8 838	767	21 014	1 885	23 666	10 580	3 182	596	188	14 546
	Q4	7 553	1 128	8 680	779	22 127	1 813	24 719	10 686	3 448	644	196	14 974
2019	Q1	7 576	1 090	8 666	787	22 194	1 848	24 829	10 729	3 254	732	201	14 916
	Q2	8 010	1 107	9 117	796	22 272	1 906	24 974	10 944	3 599	730	192	15 464
	Q3	8 116	1 162	9 278	807	22 624	1 956	25 387	11 217	3 851	546	193	15 807
	Q4	8 128	1 165	9 293	817	23 197	1 891	25 905	11 329	3 720	780	200	16 029

1. The figures for 2016-2019 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.

Source: Statistics Botswana

Changes in inventories				Gross domestic expend.	Export			Imports			Errors & omissions	Total GDP	Period
Live-stock	Minerals	Others	Total		Goods	Services	Total	Goods	Services	Total			
58	- 647	472	- 117	19 943	7 167	1 528	8 695	-9 199	-1 426	-10 625	1 605	19 618	Q1 2010
51	- 82	524	493	22 544	7 103	1 683	8 786	-8 771	-1 772	-10 543	128	20 915	Q2
62	1 485	547	2 093	26 176	8 000	1 764	9 764	-9 402	-1 265	-10 667	-2 166	23 107	Q3
83	736	567	1 385	24 247	8 967	1 693	10 660	-10 663	-2 034	-12 697	1 018	23 228	Q4
-	323	497	820	23 826	10 018	2 032	12 050	-11 976	-2 243	-14 219	2 206	23 863	Q1 2011
-	-1 640	485	-1 155	24 241	12 800	1 918	14 718	-11 511	-1 846	-13 357	322	25 924	Q2
-	583	509	1 092	27 556	12 418	1 961	14 379	-12 716	-1 801	-14 517	- 461	26 957	Q3
-	2 310	511	2 822	29 632	8 807	2 484	11 291	-12 618	-1 553	-14 171	1 483	28 235	Q4
45	- 557	638	126	25 848	9 783	1 975	11 758	-12 823	-1 521	-14 344	2 782	26 044	Q1 2012
50	- 31	578	598	30 605	10 414	2 014	12 428	-12 903	-1 648	-14 551	- 756	27 726	Q2
61	160	641	863	31 161	13 556	1 961	15 517	-19 499	-1 925	-21 424	2 288	27 542	Q3
31	- 183	603	452	32 524	12 133	2 276	14 409	-15 849	-1 297	-17 146	-1 228	28 558	Q4
- 139	-4 501	718	-3 922	27 012	16 868	2 151	19 019	-15 728	-1 834	-17 562	- 44	28 425	Q1 2013
- 69	- 305	1 375	1 001	33 215	14 739	2 675	17 414	-17 067	-2 010	-19 077	909	32 461	Q2
- 30	- 197	-2 421	-2 648	30 060	19 550	2 792	22 342	-17 131	-1 996	-19 127	-1 610	31 665	Q3
- 23	251	225	452	34 845	15 406	2 819	18 225	-18 976	-1 643	-20 619	156	32 607	Q4
- 47	- 121	70	- 98	33 856	17 274	2 122	19 396	-17 513	-2 763	-20 276	1 540	34 514	Q1 2014
- 21	- 295	- 498	- 815	34 018	21 037	2 086	23 123	-17 907	-2 651	-20 558	1 143	37 726	Q2
54	189	-1 609	-1 366	34 191	19 808	2 274	22 082	-17 245	-2 654	-19 899	- 218	36 156	Q3
179	- 190	-1 009	-1 020	36 622	18 328	2 356	20 684	-17 129	-2 975	-20 104	271	37 473	Q4
353	89	-1 393	- 950	35 792	19 497	1 931	21 427	-17 667	-2 860	-20 527	- 129	36 563	Q1 2015
430	208	-2 400	-1 762	37 153	19 808	2 396	22 204	-19 117	-2 824	-21 942	- 72	37 343	Q2
410	782	460	1 652	41 133	11 843	2 512	14 355	-17 453	-2 572	-20 025	1 833	37 296	Q3
292	1 746	-3 000	-962	39 586	12 378	2 399	14 777	-16 403	-3 075	-19 478	- 21	34 864	Q4
76	- 716	-1 600	-2 239	36 910	19 895	2 521	22 415	-15 793	-2 217	-18 010	-1 673	39 643	Q1 2016
- 33	- 178	-2 100	-2 312	38 348	25 397	2 203	27 600	-16 529	-4 765	-21 294	-1 973	42 681	Q2
- 38	-1 189	-1 114	-2 341	39 678	18 919	1 830	20 748	-15 374	-1 907	-17 281	1 251	44 397	Q3
64	46	- 97	13	42 926	16 160	2 727	18 887	-16 586	-2 220	-18 806	837	43 844	Q4
274	- 158	-2 800	-2 684	40 079	17 992	2 170	20 162	-12 350	-2 192	-14 542	-2 040	43 658	Q1 2017
407	328	- 512	223	42 832	14 941	2 452	17 393	-12 110	-3 024	-15 134	- 765	44 327	Q2
393	- 364	- 100	- 71	43 943	13 219	2 700	15 919	-13 065	-3 406	-16 472	2 486	45 876	Q3
239	77	- 450	- 134	44 862	15 556	2 417	17 973	-15 771	-2 796	-18 567	1 973	46 241	Q4
- 55	28	550	523	45 839	13 808	1 965	15 773	-14 251	-2 656	-16 907	1 195	45 901	Q1 2018
- 280	855	-3 517	-2 942	42 623	18 883	2 421	21 304	-14 650	-3 296	-17 946	1 026	47 007	Q2
- 434	- 633	1 539	472	47 523	14 850	2 919	17 769	-14 377	-3 547	-17 924	1 467	48 835	Q3
- 510	217	719	426	48 800	19 682	2 261	21 943	-18 984	-2 806	-21 790	- 330	48 623	Q4
- 515	- 64	- 156	- 735	47 676	14 685	2 673	17 358	-16 143	-2 518	-18 661	2 642	49 014	Q1 2019
- 519	22	- 480	- 977	48 579	17 511	3 073	20 584	-17 052	-3 362	-20 414	428	49 177	Q2
- 523	- 238	3 500	2 738	53 211	10 837	2 047	12 884	-16 302	-2 940	-19 242	3 474	49 589	Q3
- 528	1 196	1 489	2 157	53 385	13 285	2 147	15 432	-18 472	-3 151	-21 623	2 652	49 489	Q4

TABLE 1.6: GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE - QUARTERLY ESTIMATES (CONSTANT 2006 PRICES)^{1,2}
(P Million)

Government final consumption					Household final consumption				Gross fixed capital formation				
		Central	Local	Total	Non-profit services	Household		Total	Construc- tion	Mach. & equip.	Transp. equip.	Mineral prosp.	Total
Period		govt.	govt.			marketed	non-marketed						
2010	Q1	2 558	430	2 988	265	6 797	826	7 887	2 722	1 718	657	59	5 157
	Q2	2 577	431	3 008	265	7 479	802	8 545	2 965	1 678	475	75	5 193
	Q3	2 458	427	2 885	293	8 154	806	9 254	2 951	1 618	517	85	5 170
	Q4	2 353	456	2 809	288	8 383	1 027	9 698	3 073	2 075	556	75	5 780
2011	Q1	2 822	473	3 295	289	8 476	832	9 597	3 130	2 210	668	72	6 079
	Q2	2 451	445	2 897	271	8 565	878	9 714	3 346	2 104	583	78	6 110
	Q3	2 692	468	3 160	300	8 163	912	9 375	3 324	1 983	618	90	6 015
	Q4	2 477	444	2 921	306	8 288	891	9 485	3 337	1 635	629	84	5 684
2012	Q1	2 905	443	3 348	303	6 880	753	7 936	3 598	2 188	719	81	6 585
	Q2	2 312	465	2 777	325	8 662	711	9 697	3 311	2 438	752	64	6 565
	Q3	3 072	494	3 565	260	8 851	653	9 764	3 590	2 591	730	90	7 001
	Q4	3 942	511	4 452	240	9 282	736	10 257	3 642	2 565	707	75	6 990
2013	Q1	3 687	524	4 212	244	9 699	780	10 723	3 876	1 987	508	96	6 467
	Q2	3 314	526	3 840	245	9 057	980	10 283	3 919	2 565	616	97	7 196
	Q3	3 220	530	3 750	249	8 870	841	9 960	3 961	2 436	411	97	6 905
	Q4	3 839	537	4 376	252	9 410	828	10 490	3 991	2 503	529	98	7 121
2014	Q1	3 896	555	4 451	254	9 764	829	10 847	4 036	2 406	529	98	7 070
	Q2	3 988	530	4 518	255	8 944	893	10 092	4 100	2 168	578	98	6 944
	Q3	3 872	536	4 408	258	8 970	907	10 136	4 093	1 769	552	98	6 512
	Q4	3 995	550	4 545	261	9 582	889	10 732	4 136	2 801	535	99	7 571
2015	Q1	3 981	570	4 551	263	9 915	893	11 070	4 140	2 404	462	102	7 108
	Q2	4 045	559	4 604	264	9 368	901	10 534	4 232	2 823	513	95	7 663
	Q3	3 954	570	4 523	266	9 748	890	10 904	4 273	3 077	523	98	7 971
	Q4	4 116	576	4 692	269	9 810	898	10 976	4 276	2 875	562	102	7 814
2016	Q1	4 062	600	4 662	269	10 171	927	11 367	4 321	2 520	413	105	7 358
	Q2	4 115	598	4 713	272	9 330	934	10 536	4 436	3 132	502	99	8 168
	Q3	4 042	611	4 653	276	9 966	939	11 181	4 433	2 929	595	102	8 058
	Q4	4 144	620	4 764	278	10 220	876	11 374	4 437	3 081	463	105	8 085
2017	Q1	4 033	624	4 657	277	10 539	868	11 684	4 483	2 141	338	106	7 068
	Q2	4 197	627	4 824	281	10 220	899	11 400	4 600	1 746	324	101	6 772
	Q3	4 109	628	4 737	284	10 905	922	12 111	4 604	2 233	423	103	7 364
	Q4	4 234	631	4 865	286	10 972	916	12 174	4 645	2 489	430	106	7 670
2018	Q1	4 177	634	4 811	287	11 229	909	12 425	4 658	2 371	443	108	7 580
	Q2	4 315	639	4 954	290	10 925	925	12 140	4 745	2 413	433	105	7 696
	Q3	4 393	647	5 040	295	11 094	936	12 326	4 768	2 521	445	106	7 840
	Q4	4 326	652	4 978	298	11 214	896	12 409	4 809	2 703	481	109	8 103
2019	Q1	4 192	652	4 844	299	11 445	908	12 653	4 829	2 513	550	112	8 003
	Q2	4 512	652	5 164	301	11 466	931	12 698	4 954	2 733	542	106	8 335
	Q3	4 572	654	5 226	302	11 555	948	12 806	4 961	2 943	412	107	8 423
	Q4	4 538	653	5 191	305	11 640	911	12 857	4 982	2 799	578	110	8 469

1. The figures for 2016-2019 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.

Source: Statistics Botswana

Changes in inventories				Gross Domestic expend.	Exports			Imports			Errors & omissions	Total GDP	Period	
Live-stock	Minerals	Others	Total		Goods	Services	Total	Goods	Services	Total				
23	- 658	407	- 228	15 805	5 308	397	5 705	-5 570	-1 060	-6 629	1 624	16 504	Q1	2010
37	- 333	436	141	16 887	5 079	316	5 395	-5 437	-1 292	-6 730	1 091	16 642	Q2	
58	311	451	820	18 129	5 658	336	5 994	-5 798	- 936	-6 734	209	17 598	Q3	
45	452	460	958	19 244	6 220	317	6 536	-6 501	-1 481	-7 982	- 373	17 425	Q4	
93	- 508	412	- 3	18 969	5 339	371	5 710	-7 111	-1 340	-8 452	1 263	17 490	Q1	2011
59	- 809	389	- 362	18 359	7 800	360	8 160	-6 686	-1 451	-8 137	- 395	17 987	Q2	
39	268	400	708	19 257	7 843	358	8 200	-7 094	-1 418	-8 512	-1 027	17 918	Q3	
45	518	394	958	19 049	7 714	354	8 068	-6 991	-1 381	-8 371	154	18 899	Q4	
60	377	430	867	18 736	6 601	1 333	7 934	-8 652	-1 026	-9 679	1 694	18 686	Q1	2012
64	- 407	381	39	19 078	6 865	1 328	8 192	-8 506	-1 086	-9 592	904	18 582	Q2	
60	136	418	614	20 943	8 826	1 327	10 152	-12 695	-1 253	-13 948	1 293	18 440	Q3	
33	904	387	1 325	23 024	7 778	1 459	9 237	-10 160	- 831	-10 991	-1 463	19 807	Q4	
- 48	-2 461	364	-2 145	19 256	11 238	1 376	12 615	-9 986	-1 164	-11 150	- 213	20 508	Q1	2013
- 23	- 799	925	103	21 423	9 410	1 701	11 112	-10 874	-1 304	-12 178	576	20 932	Q2	
- 14	23	- 505	- 496	20 119	11 960	1 765	13 725	-10 927	-1 326	-12 253	- 674	20 917	Q3	
- 22	494	571	1 044	23 030	9 762	1 727	11 489	-11 949	-1 106	-13 055	260	21 724	Q4	
- 45	- 329	- 137	- 511	21 857	10 281	1 289	11 570	-11 029	-1 922	-12 951	714	21 190	Q1	2014
- 44	- 182	- 716	- 943	20 612	12 500	1 252	13 752	-10 862	-1 819	-12 681	205	21 887	Q2	
- 19	426	- 574	- 166	20 890	11 940	1 353	13 293	-10 445	-1 826	-12 270	266	22 179	Q3	
31	- 485	- 327	- 781	22 067	10 770	1 386	12 156	-10 388	-2 051	-12 438	530	22 314	Q4	
106	54	-1 100	- 940	21 789	11 494	1 119	12 613	-10 772	-1 975	-12 746	120	21 776	Q1	2015
142	102	- 907	- 663	22 138	11 465	1 366	12 831	-11 540	-1 973	-13 513	367	21 822	Q2	
139	101	753	994	24 393	6 468	1 410	7 878	-10 858	-1 866	-12 724	1 424	20 971	Q3	
97	2 364	- 863	1 598	25 080	6 842	1 321	8 163	-10 458	-2 321	-12 778	1 049	21 514	Q4	
17	-1 832	2 000	185	23 572	10 058	1 356	11 414	-10 390	-1 770	-12 160	- 569	22 258	Q1	2016
- 23	- 373	700	304	23 721	13 303	1 169	14 471	-10 592	-3 734	-14 325	-1 198	22 669	Q2	
- 23	- 461	-1 655	-2 138	21 754	10 052	963	11 015	-9 496	-1 440	-10 936	585	22 417	Q3	
18	205	- 389	- 166	24 057	8 598	1 413	10 012	-9 915	-1 645	-11 560	- 66	22 443	Q4	
101	4	-2 200	-2 096	21 314	9 791	1 115	10 906	-7 101	-1 587	-8 688	-1 061	22 471	Q1	2017
153	176	- 590	- 260	22 736	8 339	1 253	9 592	-6 776	-2 199	-8 975	- 488	22 865	Q2	
149	- 245	- 100	- 196	24 016	7 456	1 370	8 826	-7 520	-2 513	-10 033	372	23 182	Q3	
90	136	- 450	- 224	24 485	8 764	1 221	9 985	-8 880	-2 081	-10 961	369	23 878	Q4	
- 24	22	-1 200	-1 202	23 615	8 224	985	9 209	-7 684	-1 883	-9 567	180	23 437	Q1	2018
- 111	358	-2 500	-2 253	22 538	10 704	1 209	11 914	-8 001	-2 402	-10 404	32	24 080	Q2	
- 171	- 413	468	- 116	25 090	7 962	1 450	9 412	-8 016	-2 688	-10 704	335	24 133	Q3	
- 200	245	560	605	26 096	10 488	1 118	11 605	-10 426	-2 133	-12 559	- 259	24 883	Q4	
- 202	- 115	- 141	- 458	25 042	7 935	1 313	9 248	-8 845	-1 901	-10 746	888	24 432	Q1	2019
- 203	41	- 386	- 548	25 649	9 375	1 497	10 872	-9 234	-2 573	-11 807	92	24 806	Q2	
- 205	- 171	1 700	1 324	27 778	5 751	992	6 743	-8 879	-2 275	-11 154	1 502	24 870	Q3	
- 207	643	1 300	1 737	28 254	7 238	1 036	8 274	-9 977	-2 429	-12 406	1 166	25 288	Q4	

TABLE 1.7: GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY - QUARTERLY ESTIMATES (CURRENT PRICES)^{1,2}
(P Million)

Period		Agriculture	Mining	Manu- facturing	Water & electricity	Con- struction	Trade, hotels & restaurants	Transport & comm.	Finance & business services
2010	Q1	491	3 242	1 277	128	1 153	2 943	1 041	2 703
	Q2	595	3 759	1 357	101	1 151	3 267	1 080	2 882
	Q3	580	5 086	1 412	86	1 351	3 497	1 165	2 912
	Q4	495	4 574	1 502	97	1 401	3 378	1 184	3 113
2011	Q1	500	5 825	1 363	-	1 425	3 821	1 201	3 163
	Q2	668	6 114	1 427	- 11	1 473	3 717	1 235	3 353
	Q3	716	6 599	1 585	- 40	1 638	3 839	1 325	3 625
	Q4	752	5 992	1 700	- 8	1 712	4 218	1 353	3 839
2012	Q1	728	4 617	1 601	- 23	1 831	4 211	1 509	3 790
	Q2	796	5 524	1 628	- 266	1 859	4 174	1 565	4 073
	Q3	809	4 443	1 668	- 167	1 879	4 259	1 617	4 235
	Q4	628	4 702	1 626	- 165	1 895	4 253	1 634	4 370
2013	Q1	649	4 671	1 726	- 5	1 954	4 822	1 662	4 297
	Q2	781	7 934	1 784	- 126	1 989	5 007	1 677	4 377
	Q3	704	6 124	1 865	63	2 000	5 452	1 750	4 424
	Q4	743	5 515	1 910	- 56	2 055	5 931	1 817	4 619
2014	Q1	721	7 270	1 785	- 295	2 140	6 378	1 924	4 637
	Q2	774	9 402	1 898	111	2 205	6 554	1 922	4 735
	Q3	762	7 289	1 986	- 25	2 161	6 675	1 954	4 905
	Q4	788	8 442	2 071	- 372	2 184	6 575	1 987	5 007
2015	Q1	772	7 620	2 045	- 297	2 331	6 133	2 022	5 064
	Q2	813	7 646	2 103	- 4	2 421	5 748	2 089	5 324
	Q3	799	6 937	2 131	- 18	2 403	5 778	2 199	5 476
	Q4	831	3 759	2 163	100	2 452	6 054	2 248	5 653
2016	Q1	850	7 567	2 129	- 91	2 526	6 948	2 253	5 592
	Q2	888	8 764	2 171	95	2 613	8 008	2 370	5 741
	Q3	901	9 785	2 268	- 6	2 708	8 059	2 483	5 941
	Q4	858	8 796	2 291	397	2 729	7 982	2 536	6 075
2017	Q1	861	7 768	2 156	162	2 732	8 934	2 575	6 121
	Q2	886	7 774	2 267	455	2 816	8 389	2 611	6 172
	Q3	912	8 607	2 384	531	2 950	8 180	2 695	6 288
	Q4	925	7 113	2 408	622	2 990	9 556	2 741	6 468
2018	Q1	932	7 336	2 309	615	3 005	8 704	2 815	6 611
	Q2	957	7 418	2 404	621	3 110	9 386	2 833	6 659
	Q3	964	8 913	2 515	569	3 215	8 952	2 915	6 734
	Q4	941	7 747	2 566	497	3 244	9 610	2 945	6 884
2019	Q1	950	8 203	2 427	582	3 255	9 299	2 966	6 969
	Q2	962	7 347	2 565	514	3 320	9 978	2 980	7 107
	Q3	976	7 649	2 661	480	3 404	9 569	3 072	7 199
	Q4	957	6 882	2 699	401	3 443	9 920	3 112	7 338

1. The figures for 2016-2019 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.

Source: Statistics Botswana

General government	Social & personal services	Total Value Added	Adjustments				Total GDP	Period	
			Taxes on imports	Other taxes on products	Subsidies	Net taxes			
3 137	1 261	17 377	1 082	1 258	- 99	2 241	19 618	Q1	2010
3 179	1 303	18 674	1 050	1 302	- 111	2 241	20 915	Q2	
3 338	1 356	20 782	1 102	1 328	- 105	2 325	23 107	Q3	
3 723	1 323	20 790	1 191	1 365	- 118	2 438	23 228	Q4	
3 021	1 328	21 647	897	1 433	- 114	2 216	23 863	Q1	2011
3 725	1 442	23 141	1 412	1 473	- 102	2 783	25 924	Q2	
3 678	1 493	24 458	1 412	1 202	- 114	2 500	26 957	Q3	
4 354	1 618	25 529	1 334	1 490	- 118	2 706	28 235	Q4	
3 681	1 610	23 556	1 235	1 369	- 116	2 488	26 044	Q1	2012
4 145	1 688	25 185	1 267	1 390	- 117	2 541	27 726	Q2	
4 268	1 710	24 721	1 431	1 509	- 119	2 821	27 542	Q3	
4 829	1 743	25 516	1 627	1 536	- 121	3 042	28 558	Q4	
3 982	1 743	25 500	1 580	1 468	- 124	2 924	28 425	Q1	2013
4 347	1 834	29 603	1 511	1 473	- 126	2 858	32 461	Q2	
4 422	1 864	28 669	1 572	1 557	- 132	2 997	31 665	Q3	
4 980	1 904	29 418	1 740	1 585	- 135	3 190	32 607	Q4	
4 717	1 983	31 260	1 759	1 637	- 141	3 254	34 514	Q1	2014
4 875	2 021	34 497	1 714	1 654	- 140	3 229	37 726	Q2	
5 056	2 053	32 817	1 788	1 694	- 143	3 339	36 156	Q3	
5 298	2 082	34 062	1 845	1 707	- 142	3 410	37 473	Q4	
5 376	2 119	33 185	1 836	1 691	- 149	3 378	36 563	Q1	2015
5 562	2 139	33 842	1 887	1 768	- 153	3 502	37 343	Q2	
5 783	2 175	33 664	1 933	1 857	- 158	3 632	37 296	Q3	
5 769	2 219	31 248	1 885	1 889	- 159	3 616	34 864	Q4	
5 902	2 254	35 929	2 015	1 862	- 164	3 713	39 643	Q1	2016
5 970	2 289	38 909	1 988	1 953	- 169	3 772	42 681	Q2	
6 086	2 334	40 558	2 009	2 005	- 175	3 839	44 397	Q3	
5 970	2 382	40 016	2 042	1 962	- 177	3 827	43 844	Q4	
6 093	2 413	39 815	2 099	1 922	- 178	3 843	43 658	Q1	2017
6 492	2 456	40 318	2 157	2 031	- 179	4 009	44 327	Q2	
6 584	2 499	41 630	2 197	2 229	- 181	4 246	45 876	Q3	
6 671	2 531	42 025	2 203	2 196	- 182	4 217	46 241	Q4	
6 715	2 566	41 609	2 306	2 173	- 188	4 292	45 901	Q1	2018
6 842	2 601	42 832	2 258	2 111	- 193	4 175	47 007	Q2	
6 945	2 649	44 371	2 267	2 396	- 199	4 464	48 835	Q3	
7 037	2 687	44 159	2 282	2 386	- 205	4 464	48 623	Q4	
7 122	2 715	44 488	2 391	2 346	- 211	4 526	49 014	Q1	2019
7 230	2 745	44 748	2 364	2 282	- 218	4 429	49 177	Q2	
7 279	2 778	45 067	2 273	2 471	- 222	4 522	49 589	Q3	
7 388	2 809	44 950	2 295	2 467	- 224	4 539	49 489	Q4	

TABLE 1.8: GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY - QUARTERLY ESTIMATES (CONSTANT 2006 PRICES)^{1,2}
(P Million)

Period	Agriculture	Mining	Manu- facturing	Water & electricity	Con- struction	Trade, hotels & restaurants	Transport & comm.	Finance & business services
2010								
Q1	355	3 149	995	235	963	2 537	831	2 252
Q2	433	2 906	1 025	202	940	2 720	848	2 368
Q3	414	3 474	1 049	208	1 078	2 809	907	2 303
Q4	358	3 068	1 104	199	1 120	2 787	911	2 455
2011								
Q1	351	3 022	1 123	149	1 184	3 145	913	2 479
Q2	388	3 097	1 099	142	1 184	2 949	905	2 465
Q3	397	2 914	1 166	120	1 320	3 011	944	2 479
Q4	426	2 749	1 259	145	1 359	3 243	947	2 675
2012								
Q1	366	2 935	1 235	168	1 422	3 196	1 014	2 647
Q2	358	2 917	1 174	83	1 439	3 242	1 025	2 689
Q3	359	2 224	1 208	93	1 452	3 370	1 039	2 811
Q4	345	3 025	1 202	59	1 462	3 380	1 034	2 871
2013								
Q1	348	3 081	1 226	206	1 485	3 612	1 067	3 041
Q2	370	3 817	1 293	190	1 504	3 632	1 084	2 947
Q3	372	3 259	1 320	232	1 506	3 973	1 131	2 953
Q4	358	3 628	1 295	48	1 517	4 080	1 140	3 033
2014								
Q1	349	3 227	1 206	79	1 522	4 140	1 167	3 012
Q2	371	3 562	1 271	106	1 558	4 154	1 207	3 021
Q3	360	3 443	1 322	60	1 574	4 329	1 246	3 119
Q4	363	3 620	1 361	53	1 581	4 310	1 235	3 139
2015								
Q1	354	3 290	1 286	94	1 596	4 077	1 215	3 110
Q2	375	3 273	1 346	48	1 620	3 966	1 250	3 152
Q3	358	2 048	1 350	74	1 628	4 066	1 308	3 253
Q4	361	2 521	1 345	103	1 638	4 159	1 302	3 329
2016								
Q1	347	3 110	1 281	128	1 651	4 300	1 301	3 268
Q2	370	2 828	1 361	161	1 694	4 769	1 319	3 250
Q3	373	2 429	1 385	88	1 695	4 730	1 389	3 337
Q4	367	2 371	1 383	246	1 716	4 654	1 398	3 414
2017								
Q1	357	2 211	1 287	138	1 717	5 078	1 359	3 412
Q2	373	2 449	1 365	264	1 750	4 821	1 398	3 395
Q3	379	2 508	1 434	200	1 754	4 755	1 453	3 461
Q4	375	2 377	1 442	270	1 773	5 451	1 451	3 539
2018								
Q1	367	2 480	1 343	202	1 776	4 990	1 448	3 576
Q2	383	2 632	1 413	260	1 821	5 278	1 483	3 570
Q3	390	2 444	1 468	247	1 823	5 102	1 539	3 636
Q4	384	2 711	1 491	261	1 831	5 454	1 555	3 709
2019								
Q1	376	2 563	1 386	208	1 825	5 269	1 531	3 765
Q2	381	2 425	1 462	257	1 876	5 548	1 563	3 783
Q3	384	2 391	1 511	247	1 882	5 353	1 621	3 867
Q4	380	2 492	1 518	320	1 887	5 513	1 630	3 929

1. The figures for 2016-2019 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.

Source: Statistics Botswana

General govt.	Social & personal services	Adjustments					Total GDP	Period	
		Total Value Added	Taxes on imports	Other taxes on products	Subsidies	Net taxes			
2 219	1 084	14 620	910	1 057	- 83	1 884	16 504	Q1	2010
2 253	1 081	14 776	874	1 084	- 92	1 866	16 642	Q2	
2 328	1 100	15 670	914	1 101	- 87	1 928	17 598	Q3	
2 351	1 065	15 417	981	1 124	- 97	2 008	17 425	Q4	
2 211	1 131	15 706	713	1 163	- 93	1 784	17 490	Q1	2011
2 400	1 120	15 748	1 142	1 179	- 82	2 238	17 987	Q2	
2 378	1 198	15 929	1 127	952	- 90	1 989	17 918	Q3	
2 734	1 240	16 778	1 046	1 167	- 92	2 121	18 899	Q4	
2 515	1 243	16 741	965	1 070	- 90	1 944	18 686	Q1	2012
2 392	1 282	16 601	988	1 084	- 91	1 981	18 582	Q2	
2 364	1 323	16 245	1 114	1 175	- 93	2 196	18 440	Q3	
2 723	1 344	17 444	1 264	1 193	- 94	2 363	19 807	Q4	
2 743	1 379	18 189	1 253	1 165	- 99	2 319	20 508	Q1	2013
2 557	1 386	18 780	1 137	1 109	- 95	2 152	20 932	Q2	
2 518	1 404	18 666	1 180	1 170	- 99	2 251	20 917	Q3	
2 774	1 439	19 311	1 316	1 199	- 102	2 413	21 724	Q4	
2 669	1 435	18 804	1 287	1 203	- 104	2 386	21 190	Q1	2014
2 853	1 447	19 550	1 238	1 201	- 102	2 338	21 887	Q2	
2 843	1 473	19 770	1 287	1 225	- 104	2 409	22 179	Q3	
2 715	1 489	19 866	1 334	1 215	- 101	2 448	22 314	Q4	
2 863	1 500	19 385	1 299	1 196	- 105	2 390	21 776	Q1	2015
2 867	1 507	19 404	1 303	1 221	- 106	2 418	21 822	Q2	
2 902	1 516	18 502	1 314	1 262	- 107	2 469	20 971	Q3	
2 811	1 533	19 102	1 258	1 260	- 106	2 412	21 514	Q4	
2 908	1 543	19 838	1 314	1 214	- 107	2 421	22 258	Q1	2016
2 938	1 555	20 245	1 278	1 255	- 109	2 424	22 669	Q2	
2 967	1 578	19 970	1 280	1 278	- 111	2 447	22 417	Q3	
2 901	1 591	20 040	1 282	1 232	- 111	2 402	22 443	Q4	
2 930	1 592	20 079	1 306	1 196	- 111	2 391	22 471	Q1	2017
2 964	1 604	20 384	1 335	1 257	- 111	2 481	22 865	Q2	
3 009	1 617	20 572	1 351	1 370	- 111	2 610	23 182	Q3	
2 992	1 628	21 297	1 348	1 344	- 112	2 581	23 878	Q4	
3 009	1 640	20 831	1 400	1 320	- 114	2 606	23 437	Q1	2018
3 058	1 656	21 554	1 366	1 277	- 117	2 526	24 080	Q2	
3 119	1 681	21 447	1 364	1 442	- 120	2 686	24 133	Q3	
3 118	1 693	22 208	1 367	1 429	- 121	2 675	24 883	Q4	
3 111	1 703	21 737	1 422	1 396	- 124	2 695	24 432	Q1	2019
3 185	1 708	22 188	1 396	1 347	- 124	2 619	24 806	Q2	
3 232	1 722	22 210	1 335	1 451	- 125	2 660	24 870	Q3	
3 227	1 736	22 632	1 341	1 441	- 126	2 656	25 288	Q4	

TABLE 1.9: MINERAL PRODUCTION

TABLE 17: MINERAL PRODUCTION						
Copper-Nickel Matte ¹						
Period		Matte (tonnes)	Copper (tonnes)	Nickel (tonnes)	Cobalt (tonnes)	Copper in concentrate ² (tonnes)
2009		54 340	24 382	29 616	342	...
2010		44 138	20 833	23 053	252	...
2011		28 202	14 231	13 842	129	28 246
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
2009	Q1	10 853	4 896	5 876	81	...
	Q2	14 537	6 456	7 989	92	...
	Q3	15 196	6 740	8 361	95	...
	Q4	13 754	6 290	7 390	74	...
2010	Q1	14 142	6 524	7 531	87	...
	Q2	7 945	3 727	4 172	46	...
	Q3	14 881	6 936	7 862	83	...
	Q4	7 170	3 646	3 488	36	...
2011	Q1	10 569	5 318	5 207	44	5 034
	Q2	9 535	4 806	4 681	48	8 075
	Q3	800	445	353	2	7 638
	Q4	11 025	5 536	5 434	55	7 499
2012	Q1	12 216	6 183	5 970	63	7 817
	Q2	11 054	5 462	5 532	60	6 888
	Q3	2 842	1 424	1 404	14	13 440
	Q4	9 645	4 551	5 036	58	11 829
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	...	...	...	...	...

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 and Boseto 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.

Source: Department of Mines

Coal	Diamonds	Soda Ash	Salt	Gold		
(tonnes)	(000 carats)	(tonnes)	(tonnes)	Kg	Period	
737 798	17 733	215 188	241 114	1 626		2009
988 240	22 019	240 898	364 761	1 774		2010
787 729	22 903	257 851	446 525	1 562		2011
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
219 559	-	49 389	56 541	423	Q1	2009
187 672	3 915	38 399	42 507	469	Q2	
170 563	5 856	66 532	56 660	404	Q3	
160 004	7 962	60 868	85 406	330	Q4	
236 959	4 595	59 089	76 231	406	Q1	2010
238 649	5 671	51 982	73 931	407	Q2	
268 811	5 987	62 585	124 811	485	Q3	
243 821	5 766	67 242	89 788	475	Q4	
207 794	5 399	56 264	93 634	335	Q1	2011
270 677	5 927	57 879	90 559	337	Q2	
212 762	6 929	74 560	138 860	405	Q3	
96 496	4 647	69 148	123 472	484	Q4	
234 213	5 352	60 354	85 746	406	Q1	2012
224 757	5 346	56 541	101 983	361	Q2	
444 360	4 384	73 583	75 854	329	Q3	
551 074	5 537	58 151	104 166	281	Q4	
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	
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	

TABLE 2.1: COSUMER PRICE INDICES¹**(December 2018 = 100)**

	2010			2011			2012			2013			2014			2015			2016			2017			2018			2019		
	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	CPI	CPIT	CPIXA
Jan	65.0	62.3	65.8	70.2	67.1	70.8	76.4	75.9	75.9	82.1	80.1	81.2	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
Feb	65.1	62.0	65.9	70.7	68.3	71.0	76.5	75.9	76.1	82.2	80.3	81.4	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
Mar	65.6	62.5	66.5	71.2	68.5	71.6	76.9	76.5	76.6	82.7	80.9	81.9	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
Apr	66.8	64.0	67.7	72.2	68.9	72.7	77.6	76.3	77.5	83.2	82.7	82.4	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
May	67.4	64.0	68.2	73.0	71.5	73.2	78.7	77.2	78.0	83.5	80.2	82.7	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
Jun	68.3	64.9	68.6	73.7	71.5	73.7	79.1	78.8	78.4	83.7	80.9	82.9	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
Jul	68.6	65.6	68.9	73.9	72.2	73.9	79.3	79.0	78.7	83.8	81.1	83.0	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
Aug	68.6	65.1	69.1	74.6	73.9	74.2	79.5	78.8	79.1	84.0	81.3	83.3	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
Sep	69.0	65.7	69.4	74.9	74.4	74.6	80.2	79.6	79.4	84.2	81.5	83.6	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
Oct	69.1	65.9	69.6	75.2	74.8	74.9	80.6	78.7	79.9	84.4	82.4	83.8	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
Nov	69.3	66.3	69.9	75.7	75.1	75.1	81.3	79.3	80.3	84.7	84.6	84.1	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
Dec	69.6	66.1	70.2	76.0	75.4	75.5	81.6	79.6	80.6	84.9	84.0	84.4	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

1. i) The Consumer Price Index (CPI) gives the 'headline' rate of consumer price inflation, based on the full CPI basket of 393 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 36 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)**

	2010			2011			2012			2013			2014			2015			2016			2017			2018			2019		
	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	CPI	CPIT	CPIXA
Jan	6.1	6.7	5.9	7.9	8.0	7.6	8.8	8.1	7.2	7.5	7.2	6.9	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
Feb	6.1	6.7	5.8	8.5	8.6	7.7	8.2	7.8	7.2	7.5	7.2	6.9	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
Mar	6.0	6.5	5.6	8.5	8.4	7.6	8.0	7.6	7.0	7.6	7.3	7.0	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
Apr	7.1	7.7	6.8	8.2	8.0	7.4	7.5	7.3	6.6	7.2	6.8	6.4	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
May	7.8	8.3	7.2	8.3	8.2	7.3	7.7	7.3	6.5	6.1	6.0	6.1	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
Jun	7.7	8.1	6.9	7.9	7.6	7.4	7.3	6.8	6.4	5.8	5.7	5.7	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
Jul	7.0	7.6	6.1	7.8	7.4	7.3	7.3	6.8	6.5	5.7	5.5	5.5	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
Aug	6.7	7.2	6.3	8.7	8.4	7.4	6.6	6.3	6.6	5.6	5.4	5.3	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
Sep	7.0	7.4	6.5	8.6	8.1	7.4	7.1	6.5	6.5	5.0	4.7	5.2	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
Oct	7.2	7.6	6.8	8.8	8.3	7.6	7.1	6.7	6.6	4.8	4.7	4.9	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
Nov	7.2	7.6	6.7	9.2	8.5	7.5	7.4	7.1	6.9	4.1	4.0	4.7	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
Dec	7.4	7.7	7.1	9.2	8.5	7.5	7.4	7.1	6.8	4.1	4.0	4.7	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
Average	6.9	7.4	6.5	8.5	8.2	7.5	7.5	7.1	6.7	5.9	5.7	5.8	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. 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	
2010	Dec	69.6	7.4	67.4	6.9	70.6	5.0	71.2	9.3	70.7	7.7
2011	Dec	76.0	9.2	72.0	6.9	75.9	7.4	79.6	11.8	77.8	10.1
2012	Dec	81.6	7.4	75.4	4.7	83.3	9.8	85.6	7.5	84.4	8.4
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	Mar	88.8	2.8	83.7	4.9	93.4	3.6	90.2	1.0	91.0	1.9
	Jun	90.2	3.1	87.4	6.9	93.7	3.0	90.7	0.6	91.5	1.5
	Sep	90.6	2.9	88.3	7.4	93.4	2.7	91.1	0.2	91.6	1.1
	Dec	90.9	3.1	89.0	7.6	94.2	3.5	90.8	0.0	91.7	1.2
2016	Mar	91.5	3.0	89.8	7.3	95.3	2.1	91.0	0.8	92.2	1.3
	Jun	92.6	2.7	92.1	5.4	96.0	2.5	91.5	0.9	92.8	1.5
	Sep	93.1	2.8	92.7	4.9	96.7	3.5	91.9	0.9	93.3	1.9
	Dec	93.6	3.0	92.8	4.3	97.6	3.6	92.4	1.8	94.0	2.5
2017	Jan	94.0	3.1	93.1	4.3	98.8	4.3	92.6	1.7	94.5	2.6
	Feb	94.2	3.4	93.2	4.3	99.3	4.3	92.9	2.4	94.8	3.1
	Mar	94.7	3.5	93.4	3.9	99.7	4.6	93.6	2.9	95.4	3.5
	Apr	95.4	3.4	94.9	3.8	100.0	4.3	93.8	2.7	95.7	3.3
	May	95.6	3.5	95.0	3.7	100.2	4.3	94.0	2.9	95.9	3.4
	Jun	95.8	3.5	95.4	3.6	100.1	4.2	94.2	2.9	96.0	3.4
	Jul	95.9	3.4	95.6	3.7	99.9	3.8	94.4	3.0	96.1	3.3
	Aug	96.0	3.4	95.6	3.7	99.8	3.4	94.6	3.1	96.2	3.2
	Sep	96.1	3.2	95.9	3.5	99.2	2.6	94.7	3.1	96.1	3.0
	Oct	96.1	3.0	96.0	3.4	99.1	2.2	94.8	3.0	96.1	2.8
	Nov	96.2	2.9	95.9	3.4	98.9	1.6	95.2	3.1	96.4	2.7
	Dec	96.6	3.2	96.3	3.7	98.9	1.3	95.8	3.7	96.8	3.0
2018	Jan	97.0	3.1	96.7	3.9	99.3	0.5	96.1	3.8	97.1	2.8
	Feb	97.2	3.2	96.9	4.0	99.6	0.3	96.4	3.8	97.4	2.8
	Mar	97.4	2.8	97.1	4.0	99.8	0.1	96.5	3.1	97.5	2.2
	Apr	98.7	3.4	100.4	5.8	99.9	-0.1	96.7	3.1	97.7	2.1
	May	98.7	3.3	100.5	5.7	100.0	-0.2	96.8	3.0	97.7	2.0
	Jun	98.8	3.1	99.7	4.4	99.9	-0.2	97.5	3.6	98.2	2.4
	Jul	98.8	3.1	99.8	4.4	99.9	-0.1	97.6	3.4	98.3	2.3
	Aug	98.8	3.0	99.8	4.4	99.8	0.0	97.6	3.2	98.3	2.2
	Sep	98.9	2.9	100.0	4.3	99.8	0.6	97.5	2.9	98.2	2.1
	Oct	99.5	3.6	99.9	4.1	99.7	0.7	99.1	4.5	99.3	3.3
	Nov	99.9	3.8	99.9	4.2	99.9	1.0	99.9	4.9	99.9	3.7
	Dec	100.0	3.5	100.0	3.9	100.0	1.1	100.0	4.4	100.0	3.4
2019	Jan	100.3	3.5	100.2	3.6	100.8	1.5	100.3	4.4	100.4	3.4
	Feb	100.5	3.3	100.2	3.5	100.9	1.4	100.5	4.2	100.6	3.3
	Mar	100.6	3.3	100.3	3.3	101.3	1.5	100.6	4.2	100.7	3.3
	Apr	101.2	2.5	101.3	0.9	101.8	1.9	100.8	4.3	101.1	3.5
	May	101.3	2.6	101.3	0.8	102.3	2.4	101.0	4.4	101.4	3.7
	Jun	101.5	2.8	101.6	2.0	102.5	2.6	101.0	3.6	101.4	3.2
	Jul	101.7	2.9	101.8	2.0	102.7	2.9	101.2	3.7	101.6	3.4
	Aug	101.7	2.9	101.8	2.0	103.0	3.2	101.3	3.7	101.7	3.5
	Sep	101.8	3.0	101.9	1.9	103.2	3.4	101.2	3.9	101.7	3.6
	Oct	101.9	2.4	101.9	2.0	103.3	3.5	101.3	2.3	101.8	2.6
	Nov	102.0	2.1	102.0	2.1	103.4	3.5	101.5	1.6	102.0	2.1
	Dec	102.0	2.2	102.2	2.2	103.7	3.7	101.6	1.6	102.1	2.1

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
2010	Dec	76.0	64.3	65.1	64.3	69.5	70.1	72.0	113.4	72.8	62.3	63.7
2011	Dec	82.8	68.1	71.0	70.8	76.1	74.4	83.1	107.2	78.1	68.9	68.9
2012	Dec	88.8	76.3	75.5	74.2	80.2	78.0	92.1	107.9	82.6	73.3	75.6
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	Mar	94.9	91.6	87.2	81.0	90.6	91.5	89.3	108.3	89.7	87.7	87.8
	Jun	94.8	92.4	88.7	85.3	91.7	93.9	89.5	108.8	94.2	87.7	88.6
	Sep	95.2	92.0	90.3	87.5	92.6	94.3	88.7	108.8	94.5	87.9	89.4
	Dec	95.3	93.2	91.6	88.4	93.1	94.5	87.6	108.8	94.8	87.9	90.6
2016	Mar	96.6	93.4	93.5	89.5	93.5	94.6	86.5	108.8	95.7	91.0	91.4
	Jun	97.2	94.2	94.9	89.4	94.2	96.8	87.0	108.8	95.8	91.0	92.2
	Sep	98.1	94.6	95.4	90.2	94.9	96.8	87.1	108.8	96.2	91.0	92.9
	Dec	99.1	95.8	96.1	91.2	95.7	97.1	87.3	108.8	96.4	91.0	93.5
2017	Jan	100.0	96.8	96.5	91.5	96.1	97.6	86.8	108.9	96.8	94.7	94.2
	Feb	100.4	97.4	96.8	91.6	96.5	97.7	87.0	108.9	97.2	94.7	94.4
	Mar	100.9	97.9	97.0	92.0	96.9	97.8	87.9	108.9	97.4	94.7	94.8
	Apr	101.1	98.5	97.2	95.5	97.0	97.9	88.0	108.9	98.1	94.7	95.0
	May	101.5	99.0	97.4	95.5	97.2	98.0	88.1	109.0	98.1	94.7	95.3
	Jun	101.4	99.0	97.5	95.7	97.4	98.6	88.3	109.2	98.2	94.8	95.5
	Jul	101.6	99.1	97.9	95.8	97.6	98.7	88.3	109.2	98.3	94.8	95.9
	Aug	101.5	99.2	98.1	95.8	97.7	98.8	88.5	109.2	98.4	94.8	96.2
	Sep	100.9	99.3	98.3	96.4	97.9	98.8	88.6	110.3	98.3	94.8	96.4
	Oct	100.8	99.1	98.4	96.3	98.0	98.8	88.6	110.3	98.4	94.9	96.6
	Nov	100.7	99.0	98.4	96.3	98.1	98.9	89.4	110.3	98.3	94.9	96.6
	Dec	100.2	99.1	98.5	96.7	97.9	98.9	90.9	110.1	98.5	94.9	97.1
2018	Jan	100.4	99.1	98.6	96.8	98.1	99.0	91.2	110.2	98.7	99.9	97.4
	Feb	100.8	99.2	98.7	96.9	98.4	99.1	91.5	110.2	99.0	99.9	97.8
	Mar	100.9	99.3	98.9	97.2	99.0	99.2	91.4	110.3	99.4	100.0	97.9
	Apr	101.0	99.2	99.3	98.6	99.1	99.2	93.5	110.3	100.0	100.0	98.4
	May	100.9	99.5	99.5	98.7	99.2	99.4	93.6	110.3	100.1	100.0	98.6
	Jun	100.7	99.7	99.6	99.2	99.5	99.4	95.0	100.2	100.1	100.0	99.0
	Jul	100.5	99.9	99.9	99.2	99.6	99.5	95.1	100.2	100.2	100.0	99.4
	Aug	100.2	100.1	99.8	99.3	99.6	99.5	95.2	100.2	100.2	100.0	99.5
	Sep	99.9	100.1	99.8	99.7	100.0	99.7	95.0	100.2	100.2	100.0	99.7
	Oct	99.8	100.2	99.7	99.7	100.0	99.8	98.4	100.2	99.8	100.0	99.7
	Nov	99.9	100.2	99.8	99.9	100.1	99.9	99.8	100.2	99.9	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	Jan	100.4	99.8	100.2	100.1	100.2	100.1	100.3	100.0	100.1	103.0	100.0
	Feb	100.6	99.6	100.2	100.1	100.4	100.2	100.6	100.0	100.1	103.1	100.1
	Mar	101.0	99.9	100.3	100.3	100.6	100.3	100.5	100.0	100.4	103.1	100.6
	Apr	101.4	101.2	100.4	100.3	100.7	100.3	100.7	100.0	100.2	103.1	100.8
	May	102.0	102.4	100.5	100.4	100.8	100.4	100.8	100.0	100.2	103.1	101.1
	Jun	102.0	103.2	100.7	100.9	101.6	100.5	100.6	100.1	100.2	103.1	101.3
	Jul	102.1	103.5	100.8	101.0	101.8	100.6	100.9	100.1	100.3	103.1	101.6
	Aug	102.1	103.6	101.0	101.1	101.8	100.7	101.0	100.2	100.3	103.1	101.8
	Sep	102.4	103.8	101.0	101.2	102.1	100.6	100.9	100.2	100.3	103.1	102.1
	Oct	102.3	104.1	101.1	101.3	102.2	100.7	101.0	100.3	100.0	103.1	102.3
	Nov	102.5	104.2	101.3	101.3	102.4	100.8	101.2	100.4	100.0	103.1	102.4
	Dec	103.0	104.4	101.3	101.5	102.7	100.8	101.3	100.4	99.8	103.1	102.9

1. From December 2018, the CPI basket comprises 393 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	Rural Index	Annual Inflation			Sub-groups	
							Cities & Towns	Urban Villages	Rural		
9.01	100.00	%	%	0.38	0.41	0.21	%	%	%	Weights ²	As at end of
69.0	69.6	7.4	0.4	69.1	70.1	69.4	8.1	7.2	6.2	Dec	2010
72.2	76.0	9.2	0.4	75.6	76.7	75.1	9.4	9.4	8.3	Dec	2011
73.0	81.6	7.4	0.3	81.3	82.2	81.2	7.5	7.1	8.0	Dec	2012
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
79.2	88.8	2.8	0.4	87.8	89.4	89.7	2.5	2.8	3.6	Mar	2015
84.4	90.2	3.1	0.4	89.5	90.6	90.7	3.1	3.0	3.4	Jun	
84.6	90.6	2.9	0.1	89.8	91.1	91.3	2.9	2.8	3.3	Sep	
84.6	90.9	3.1	0.0	90.2	91.2	91.5	3.2	2.8	3.4	Dec	
84.9	91.5	3.0	0.3	90.5	92.2	92.1	3.1	3.2	2.7	Mar	2016
90.7	92.6	2.7	0.2	91.7	93.2	93.1	2.5	2.8	2.6	Jun	
90.8	93.1	2.8	0.3	92.3	93.5	93.9	2.8	2.7	2.9	Sep	
91.3	93.6	3.0	0.1	92.7	93.9	94.7	2.8	3.0	3.5	Dec	
91.5	94.0	3.1	0.4	93.1	94.3	95.1	3.1	2.8	3.6	Jan	2017
91.7	94.2	3.4	0.2	93.3	94.6	95.5	3.5	2.9	3.8	Feb	
92.0	94.7	3.5	0.5	93.8	95.0	95.9	3.6	3.0	4.2	Mar	
92.2	95.4	3.4	0.7	94.4	95.8	96.5	3.3	3.0	4.2	Apr	
92.3	95.6	3.5	0.2	94.6	96.0	96.8	3.4	3.1	4.1	May	
93.2	95.8	3.5	0.2	94.8	96.2	96.8	3.4	3.3	3.9	Jun	
93.2	95.9	3.4	0.1	95.0	96.3	97.0	3.5	3.2	3.7	Jul	
93.2	96.0	3.4	0.1	95.0	96.4	97.1	3.4	3.2	3.6	Aug	
93.3	96.1	3.2	0.1	95.2	96.3	97.2	3.2	3.0	3.4	Sep	
93.4	96.1	3.0	0.0	95.2	96.2	97.3	3.0	2.7	3.3	Oct	
93.4	96.2	2.9	0.2	95.5	96.4	97.4	3.1	2.6	3.0	Nov	
93.9	96.6	3.2	0.4	96.0	96.6	97.6	3.6	2.9	3.1	Dec	
94.2	97.0	3.1	0.4	96.4	97.0	97.8	3.6	2.9	2.8	Jan	2018
94.7	97.2	3.2	0.3	96.7	97.3	98.1	3.6	2.9	2.7	Feb	
94.9	97.4	2.8	0.1	96.8	97.5	98.1	3.3	2.6	2.3	Mar	
100.0	98.7	3.4	1.3	98.4	98.7	99.1	4.2	3.1	2.7	Apr	
100.1	98.7	3.3	0.1	98.5	98.8	99.1	4.1	3.0	2.5	May	
100.2	98.8	3.1	0.0	98.6	98.8	99.0	4.0	2.7	2.3	Jun	
100.3	98.8	3.1	0.1	98.7	98.9	99.1	3.9	2.7	2.1	Jul	
100.3	98.8	3.0	0.0	98.6	98.9	99.1	3.8	2.6	2.0	Aug	
100.2	98.9	2.9	0.0	98.7	98.9	99.1	3.6	2.7	2.0	Sep	
99.8	99.5	3.6	0.7	99.5	99.5	99.7	4.4	3.4	2.5	Oct	
99.8	99.9	3.8	0.4	99.9	99.8	100.0	4.7	3.6	2.6	Nov	
100.0	100.0	3.5	0.1	100.0	100.0	100.0	4.2	3.5	2.5	Dec	
100.3	100.3	3.5	0.3	100.4	100.3	100.2	4.1	3.4	2.4	Jan	2019
100.6	100.5	3.3	0.1	100.6	100.5	100.3	4.0	3.2	2.3	Feb	
100.4	100.6	3.3	0.1	100.6	100.6	100.3	3.9	3.2	2.2	Mar	
104.9	101.2	2.5	0.6	101.2	101.3	100.8	2.9	2.6	1.7	Apr	
104.9	101.3	2.6	0.2	101.4	101.5	100.9	2.9	2.7	1.8	May	
105.0	101.5	2.8	0.2	101.6	101.6	101.1	3.0	2.9	2.1	Jun	
105.4	101.7	2.9	0.2	101.8	101.8	101.2	3.1	3.0	2.1	Jul	
105.3	101.7	2.9	0.1	101.8	101.9	101.3	3.2	3.1	2.2	Aug	
105.3	101.8	3.0	0.1	101.9	102.0	101.4	3.2	3.1	2.3	Sep	
105.2	101.9	2.4	0.0	102.0	102.0	101.4	2.5	2.5	1.8	Oct	
105.3	102.0	2.1	0.1	102.1	102.1	101.5	2.2	2.3	1.5	Nov	
105.3	102.2	2.2	0.2	102.3	102.3	101.6	2.3	2.3	1.6	Dec	

TABLE 2.5: TOTAL NUMBER OF PAID EMPLOYEES BY SECTOR, ECONOMIC ACTIVITY AND GENDER¹

	2009			2010			2011			2012			2013		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Private and Parastatal	113 228	80 271	193 499	117 809	81 312	199 121	119 462	84 350	203 812	122 440	83 602	206 015	123 432	85 301	208 732
Private	104 310	74 691	179 001	108 335	75 090	183 425	109 211	77 654	186 865	112 075	76 483	188 531	112 352	77 543	189 894
Parastatal	8 917	5 580	14 497	9 474	6 222	15 696	10 251	6 696	16 947	10 365	7 119	17 484	11 080	7 758	18 838
Agriculture	3 528	2 378	5 906	3 199	3 037	6 236	3 427	3 061	6 488	3 664	2 815	6 479	3 666	2 857	6 523
Mining and quarrying	9 555	1 037	10 592	9 975	826	10 801	10 424	1 244	11 668	10 398	1 442	11 840	10 239	1 835	12 074
Manufacturing	18 460	17 244	35 704	18 971	16 961	35 932	21 091	15 458	36 549	20 901	15 929	36 829	22 599	14 468	37 066
Water and electricity	2 278	616	2 894	2 479	768	3 248	2 999	1 001	4 000	3 036	1 107	4 143	3 331	1 305	4 636
Construction	19 399	2 663	22 062	20 047	2 886	22 933	19 849	3 450	23 298	19 922	3 729	23 650	19 193	4 537	23 730
Commerce ²	30 497	31 395	61 892	32 190	31 622	63 813	31 033	33 433	64 465	33 043	31 809	64 852	32 960	33 046	66 005
Transport and communications	8 300	4 173	12 474	8 171	4 497	12 668	7 924	4 963	12 887	8 133	4 990	13 123	7 668	5 659	13 327
Finance and business services	15 092	10 867	25 959	15 883	10 959	26 842	15 967	11 456	27 424	16 681	11 162	27 816	16 803	11 134	27 937
Community and personal services	1 974	4 307	6 281	2 359	4 452	6 811	2 668	4 360	6 978	2 453	4 733	7 187	2 421	4 868	7 288
Education	4 145	5 591	9 736	4 534	5 304	9 838	4 081	5 925	10 006	4 210	5 886	10 096	4 554	5 593	10 147
Central Government³	48 136	48 031	96 167	51 002	49 095	100 097	49 706	53 350	103 056	49 958	54 967	104 925	49 097	55 444	104 541
Local Government	35 748	59 220	94 968	40 580	21 469	62 049	48 112	23 897	72 009	27 387	51 338	78 725	54 696	31 561	86 257
of which: Ipelegeng	21 325	45 481	66 806	25 805	7 152	32 957	33 740	9 911	43 651	14 427	38 190	52 617	42 424	18 199	60 623
TOTAL ALL SECTORS	197 111	187 522	384 633	209 391	151 876	361 267	217 280	161 597	378 877	199 785	189 907	389 665	227 225	172 306	399 530
Excluding Ipelegeng	175 786	142 041	317 827	183 586	144 724	328 310	183 540	151 686	335 226	190 367	146 705	337 048	184 801	154 107	338 907

1. Until 2011, estimates are based on surveys of formal sector employment carried out in March each year. From 2012 to 2017, figures are based on September survey while for 2018 Figures are based on the December survey.

They exclude working proprietors, unpaid family workers and small businesses with less than five employees.

2. Commerce includes employees in the wholesale and retail trade; hotels and restaurants sectors.

3. Central Government figures exclude the Botswana Defence Force (BDF).

Source: Statistics Botswana

2014			2015			2016			2017			2018			
Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	
124 181	86 021	210 189	126 413	84 482	210 895	125 288	90 923	216 211	121 696	91 263	212 949	125 308	90 202	215 511	Private and Parastatal
113 073	78 339	191 399	114 998	76 486	191 484	114 112	82 998	197 107	110 495	82 995	193 480	114 110	81 570	195 681	Private
11 108	7 682	18 790	11 415	7 996	19 411	11 176	7 925	19 101	11 201	8 268	19 469	11 198	8 632	19 830	Parastatal
3 823	2 692	6 514	3 715	2 922	6 637	3 836	2 710	6 545	3 340	3 166	6 506	3 846	2 796	6 643	Agriculture
11 116	1 431	12 547	11 112	1 661	12 773	11 205	1 167	12 372	6 884	1 135	8 019	7 005	1 238	8 243	Mining and quarrying
22 207	14 840	37 047	23 064	14 253	37 316	22 350	15 446	37 797	21 682	16 195	37 877	22 497	15 441	37 939	Manufacturing
3 314	1 378	4 692	3 432	1 320	4 752	3 655	1 416	5 071	3 681	1 435	5 116	3 655	1 551	5 207	Water and electricity
19 625	4 007	23 632	18 888	3 989	22 877	19 751	4 286	24 037	17 331	6 065	23 396	18 766	4 204	22 970	Construction
33 373	33 127	66 501	33 810	32 990	66 800	32 685	36 633	69 315	35 715	34 545	70 251	35 618	35 748	71 365	Commerce ²
8 074	5 282	13 357	7 746	5 709	13 457	8 091	5 781	13 872	8 738	5 349	14 086	8 730	5 554	14 284	Transport and communications
15 643	12 658	28 290	17 558	11 041	28 598	17 194	12 079	29 272	17 176	12 243	29 419	18 265	12 082	30 346	Finance and business services
2 523	4 819	7 339	2 473	5 030	7 504	2 464	5 188	7 653	2 705	5 220	7 926	2 527	5 544	8 071	Community and personal services
4 483	5 787	10 270	4 615	5 567	10 181	4 056	6 218	10 274	4 444	5 910	10 353	4 399	6 044	10 443	Education
48 992	55 325	104 317	49 007	55 342	104 349	48 134	55 562	103 696	47 929	56 133	104 062	48 694	59 414	108 108	Central Government ³
57 522	32 433	89 955	32 012	56 425	88 437	31 030	58 001	89 031	32 540	59 658	92 198	34 695	62 448	97 143	Local Government
44 922	19 432	64 354	19 396	43 170	62 566	19 083	45 365	64 448	20 963	46 347	67 310	23 136	48 877	72 013	of which: Ipelegeng
230 695	173 779	404 461	207 432	196 249	403 681	204 452	204 486	408 938	202 135	207 059	409 184	208 697	212 064	420 762	TOTAL ALL SECTORS
185 773	154 347	340 107	188 036	153 079	341 115	185 369	159 121	344 490	181 172	160 712	341 874	185 561	163 187	348 749	Excluding Ipelegeng

TABLE 2.6: MINIMUM HOURLY WAGE RATES FOR PRIVATE AND PARASTATAL COMPANIES (Thebe)

Effective beginning of	2009 April	2010 April	2011 April	2012 April	2013 June
Building, construction, exploration and quarrying	380	380	380	420	450
Manufacturing, service and repair trades	380	380	380	420	450
Wholesale distributive trades	380	380	380	420	450
Retail distributive trades	330	330	330	370	400
Hotel, catering and entertainment trades	380	380	380	420	450
Garage, motor trades and road transport	380	380	380	420	450
Nightwatchmen in all sectors	320	320	320	350	380
Security guards employed by security companies	380	380	380	420	450
Domestic service workers ¹	210	210	210	230	250
Agriculture sector workers (Pula per month)	408	408	408	445	500

1. In July 2019, wages for domestic service workers are based on Pula per month.

Source: Ministry of Employment, Labour Productivity and Skills Development

TABLE 2.7: EMPLOYEE AVERAGE MONTHLY WAGES EARNINGS BY SECTOR, ECONOMIC ACTIVITY AND CITIZENSHIP¹ (Pula)

	2009	2010	2011	2012	2013
A. Citizens					
Private and parastatal	3 287	3 728	4 392	4 527	4 678
Agriculture	1 062	909	1 002	918	919
Mining and quarrying	6 857	7 242	8 811	8 295	10 022
Manufacturing	1 831	2 029	2 520	3 299	2 871
Water and electricity	9 806	9 972	10 426	11 929	10 880
Construction	2 047	2 178	2 743	2 804	2 529
Commerce ²	2 137	2 246	2 896	2 766	3 062
Transport and communications	5 522	5 532	6 968	6 987	7 300
Finance and business services	5 514	7 183	7 516	7 440	7 669
Community and personal services	4 458	3 952	3 974	4 243	5 068
Education	5 480	8 093	7 636	8 046	7 844
Local government	3 700	4 678	4 478	4 306	4 501
Including Ipelegeng Programme	1 366	2 368	1 970	1 662	1 677
Central government	5 230	5 358	5 992	6 271	7 120
Total citizens	3 939	4 344	4 911	5 071	5 442
Including Ipelegeng Programme	3 293	3 960	4 360	4 408	4 661
B. Non-citizens					
Private and parastatal	9 344	9 754	12 275	14 260	13 760
Local government	14 633	17 596	17 221	19 181	16 029
Central government	10 806	11 092	11 758	12 781	13 226
Total Non-citizens	9 584	10 040	12 315	14 182	13 733
C. ALL SECTORS	3 990	4 288	4 746	4 810	5 009

1. Until 2011, estimates are based on the survey of formal sector employment conducted in March each year. From 2012 to 2017, figures are based on September survey while for 2018 figures are based on the December survey.

2. Commerce includes employees in the wholesale and retail trade; hotels and restaurant sub - sectors.

Source: Statistics Botswana

2014 June	2015 July	2016 June	2017 Nov	2018 Dec	2019 Jul	Effective beginning of
486	515	546	579	579	677	Building, construction, exploration and quarrying
486	515	546	579	579	677	Manufacturing, service and repair trades
486	515	546	579	579	677	Wholesale distributive trades
432	458	485	514	514	601	Retail distributive trades
486	515	546	579	579	677	Hotel, catering and entertainment trades
486	515	546	579	579	677	Garage, motor trades and road transport
410	435	461	489	489	677	Nightwatchmen in all sectors
486	515	546	579	579	677	Security guards employed by security companies
270	286	303	321	321	1000	Domestic service workers ¹
550	583	620	700	700	1000	Agriculture sector workers (Pula per month)

2014	2015	2016	2017	2018	2019	
						A. Citizens
5 071	5 295	5 223	5 707	6 082	...	Private and parastatal
1 016	921	1 010	1 388	1 784	...	Agriculture
10 852	10 273	11 348	14 713	16 705	...	Mining and quarrying
3 323	3 405	3 845	4 799	5 081	...	Manufacturing
10 784	11 638	11 969	11 416	11 709	...	Water and electricity
2 790	2 689	3 001	3 554	5 260	...	Construction
3 383	3 263	3 089	3 295	4 048	...	Commerce ²
7 191	7 547	8 475	8 945	9 725	...	Transport and communications
8 119	8 161	8 721	9 681	9 698	...	Finance and business services
5 278	5 020	4 066	5 416	5 638	...	Community and personal services
8 992	9 068	6 508	7 027	8 612	...	Education
4 290	4 599	4 972	5 345	5 850	...	Local government
1 588	1 722	1 755	1 853	1 932	...	Including Ipelegeng Programme
7 297	7 545	8 660	9 286	9 646	...	Central government
5 716	5 944	6 270	6 798	7 407	...	Total citizens
4 856	5 080	5 333	5 742	6 206	...	Including Ipelegeng Programme
						B. Non-citizens
14 164	16 230	16 068	17 485	20 720	...	Private and parastatal
18 009	14 453	16 723	16 573	17 011	...	Local government
13 401	13 449	15 625	16 325	17 300	...	Central government
14 130	15 869	16 039	17 379	20 374	...	Total Non-citizens
5 213	5 403	5 684	6 088	6 533	...	

TABLE 3.1: CENTRAL BANK SURVEY
(P Million)

End of	2010	2011	2012	2013	2014	2015	2016	2017	2018			
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun	Sep	Dec
Net Foreign Assets	49 348.1	58 694.8	57 652.2	66 003.6	77 255.2	82 900.2	74 492.1	71 342.1	68 249.7	71 961.2	73 441.2	69 184.0
Claims on non-residents	50 847.0	60 270.9	59 316.7	67 771.8	79 111.3	84 881.0	76 804.3	73 692.7	70 582.0	74 296.7	75 780.7	71 426.6
Monetary Gold and SDRs	929.7	998.6	1 023.7	1 157.1	1 178.9	1 334.9	839.8	931.3	928.6	952.6	958.9	878.6
Foreign Exchange Reserves	49 719.7	58 887.9	57 864.7	66 171.9	77 481.4	83 097.9	75 357.0	72 351.3	69 246.5	72 915.3	74 388.2	70 006.6
Deposits	1 515.3	6 372.5	10 156.9	6 452.7	13 103.4	7 885.6	13 052.0	7 647.8	9 191.4	10 138.5	12 642.7	18 287.1
Debt securities	37 826.9	41 266.6	32 972.7	38 129.0	38 508.6	46 800.8	41 573.7	41 988.7	38 072.1	38 339.7	35 719.1	33 021.3
Shares and other Equity	10 377.5	11 248.9	14 735.0	21 590.2	25 869.4	28 411.5	20 731.3	22 714.8	21 983.0	24 437.1	26 026.3	18 698.2
IMF Reserve Tranche	135.4	313.0	335.8	422.3	430.0	424.5	585.7	388.9	385.8	406.5	411.2	518.7
Administered Fund - PRGF	-	-	18.2	20.5	20.9	23.7	21.8	21.3	21.1	22.3	22.5	22.7
Administered Fund - PRGF-HIPC Trust	62.2	71.4	74.4	-	-	-	-	-	-	-	-	-
Other non-residents	-	-	-	-	-	-	-	-	-	-	-	-
Less: Liabilities to non-residents	1 539.2	1 576.2	1 664.5	1 768.3	1 856.1	1 980.8	2 312.1	2 350.7	2 332.3	2 335.5	2 339.6	2 242.6
Deposits	954.7	910.0	962.0	974.7	1 059.2	1 080.5	1 480.4	1 537.5	1 531.1	1 491.0	1 485.5	1 380.1
Loans	-	-	-	-	-	-	-	-	-	-	-	-
Securities other than shares	-	-	-	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Trade creditors	9.4	4.2	13.5	14.8	7.2	6.4	6.6	8.8	3.3	3.8	3.5	5.6
SDR allocations ¹	575.1	662.0	689.0	778.8	789.7	893.9	825.1	804.3	797.9	840.8	850.5	856.9
Domestic Claims	-14 802.8	-23 966.9	-22 215.9	-28 176.4	-38 877.2	-37 077.6	-32 404.2	-32 818.1	-30 860.3	-30 084.4	-27 902.2	-29 615.1
Claims on other depository corporations	-	36.5	-	302.1	-	-	-	-	-	-	-	-
Repurchase agreements	-	-	-	302.1	-	-	-	-	-	-	-	-
Other claims	-	36.5	-	-	-	-	-	-	-	-	-	-
Net claims on central government	-14 882.2	-24 074.9	-22 279.1	-28 531.1	-38 926.9	-37 130.2	-32 463.5	-32 884.3	-30 938.5	-30 175.6	-28 005.5	-29 722.5
Claims on central government	43.8	24.4	24.0	24.9	24.1	23.7	22.9	21.7	20.8	20.9	-	-
Securities other than shares	43.8	24.4	24.0	24.9	24.1	23.7	22.9	21.7	20.8	20.9	-	-
Other claims	-	-	-	-	-	-	-	-	-	-	-	-
Less: Liabilities to central government	14 926.0	24 099.2	22 303.1	28 556.0	38 951.0	37 153.9	32 486.4	32 906.0	30 959.3	30 196.5	28 005.5	29 722.5
Deposits	14 926.0	24 099.2	22 303.1	28 556.0	38 951.0	37 153.9	32 486.4	32 906.0	30 959.3	30 196.5	28 005.5	29 722.5
Claims on other sectors	79.4	71.5	63.2	52.6	49.7	52.6	59.3	66.1	78.3	91.1	103.2	107.4
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
State and local government	-	-	-	-	-	-	-	-	-	-	-	-
Public non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Other non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Other resident sectors	79.4	71.5	63.2	52.6	49.7	52.6	59.3	66.1	78.3	91.1	103.2	107.4
Reserve Money	4 257.3	5 823.9	6 443.5	6 748.8	7 059.5	5 727.4	6 480.5	6 134.7	5 787.6	5 661.7	6 104.8	6 354.3
Currency in circulation	1 915.7	2 089.2	2 274.8	2 381.5	2 598.6	2 707.8	2 858.1	3 136.5	2 951.0	2 875.8	3 144.0	3 286.9
Deposits of other depository corporations	2 341.7	3 734.7	4 168.7	4 367.2	4 460.9	3 019.5	3 622.3	2 998.1	2 836.6	2 785.9	2 960.8	3 067.4
Reserve and free deposits	2 341.7	3 734.7	4 168.7	4 367.2	4 460.9	3 019.5	3 622.3	2 998.1	2 836.6	2 785.9	2 960.8	3 067.4
Transferable deposits included in broad money	1 393.8	209.3	149.6	660.5	540.4	79.1	120.0	112.7	95.0	476.6	431.9	172.8
Other financial corporations	0.3	0.5	0.3	0.3	0.3	0.4	0.5	4.7	1.4	0.9	0.5	0.3
State and local government	-	-	-	-	-	-	-	-	-	-	-	-
Public non-financial corporations	1 383.6	199.0	141.1	652.1	535.1	72.9	112.6	97.8	82.3	460.2	417.2	157.7
Other non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Other resident sectors	9.8	9.8	8.3	8.2	5.1	5.8	6.9	10.2	11.3	15.5	14.3	14.8
Securities excl. from base money, incl. in broad money	-	-	-	-	-	-	-	-	-	-	-	-
Bank of Botswana Certificates held by banks	17 641.6	9 981.8	8 663.5	5 490.7	4 201.4	8 189.9	7 918.4	6 277.9	5 492.4	4 736.2	7 920.4	8 192.7
Repurchase agreements with ODCs	...	1 497.4	999.0	-	304.4	1 672.8	1 302.9	54.0	938.9	2 431.9	1 043.0	1 054.9
Shares and other equity	11 358.2	17 449.7	19 521.2	25 244.0	26 569.3	30 504.1	26 627.1	26 309.6	25 442.6	28 948.1	30 428.6	24 188.5
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	9 733.2	15 824.7	17 896.2	23 619.0	24 944.3	28 879.1	25 002.1	24 684.6	23 712.2	26 883.3	28 108.3	22 563.5
Other items (net)	-145.9	-234.3	-340.6	-316.7	-296.9	-350.7	-360.8	-361.0	-367.0	-377.9	-389.7	-394.3
Other liabilities ²	90.1	67.1	94.7	131.1	207.9	123.1	346.0	189.0	132.3	173.7	221.5	221.8
Less: other assets	236.0	301.4	435.3	447.9	504.8	473.8	706.8	550.1	499.3	551.6	611.2	616.0
Memorandum items:												
Monetary Base	23 292.7	16 015.0	15 256.6	12 900.0	11 801.3	13 996.4	14 518.8	12 525.3	11 375.0	10 874.6	14 457.1	14 719.7
Currency in circulation	1 915.7	2 089.2	2 274.8	2 381.5	2 598.6	2 707.8	2 858.1	3 136.5	2 951.0	2 875.8	3 144.0	3 286.9
Liabilities to other depository corporations	19 983.3	13 716.5	12 832.2	9 858.0	8 662.3	11 209.5	11 540.7	9 276.1	8 329.0	7 522.2	10 881.2	11 260.0
Reserve and free deposits	2 341.7	3 734.7	4 168.7	4 367.2	4 460.9	3 019.5	3 622.3	2 998.1	2 836.6	2 785.9	2 960.8	3 067.4
Other liabilities ³	17 641.6	9 981.8	8 663.5	5 490.7	4 201.4	8 189.9	7 918.4	6 277.9	5 492.4	4 736.2	7 920.4	8 192.7
Transferable deposits included in broad money	1 393.8	209.3	149.6	660.5	540.4	79.1	120.0	112.7	95.0	476.6	431.9	172.8
Other financial corporations	0.3	0.5	0.3	0.3	0.3	0.4	0.5	4.7	1.4	0.9	0.5	0.3
State and local government	-	-	-	-	-	-	-	-	-	-	-	-
Public non-financial corporations	1 383.6	199.0	141.1	652.1	535.1	72.9	112.6	97.8	82.3	460.2	417.2	157.7
Other non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Other resident sectors	9.8	9.8	8.3	8.2	5.1	5.8	6.9	10.2	11.3	15.5	14.3	14.8
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

2019												End of
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
70 790.6	70 841.5	71 264.6	74 318.7	72 919.6	69 443.7	72 292.7	71 097.1	69 696.4	71 327.9	68 342.4	62 932.5	Net Foreign Assets
73 003.4	73 072.0	73 504.6	76 555.5	75 295.3	71 814.1	74 584.5	73 416.2	72 008.3	73 641.8	70 645.6	65 229.3	Claims on non-residents
848.9	869.9	879.7	875.6	879.8	872.3	869.3	894.6	891.5	895.1	882.4	868.7	Monetary Gold and SDRs
71 631.8	71 666.6	72 083.8	75 141.5	73 874.9	70 406.1	73 108.1	71 897.1	70 494.9	72 122.5	69 148.2	63 755.3	Foreign Exchange Reserves
19 050.7	16 380.7	13 828.2	15 335.9	14 421.8	10 350.1	12 536.2	9 081.6	8 020.1	9 321.0	6 594.3	10 960.9	Deposits
30 688.3	30 339.4	32 537.0	33 366.9	33 999.8	33 583.3	33 885.1	35 785.9	35 036.5	34 805.9	34 134.2	28 284.5	Debt securities
21 892.8	24 946.6	25 718.6	26 438.8	25 453.3	26 472.7	26 686.8	27 029.5	27 438.3	27 995.5	28 419.7	24 509.9	Shares and other Equity
500.8	513.0	518.4	515.8	517.9	513.3	584.7	601.5	599.0	601.2	592.4	583.0	IMF Reserve Tranche
21.9	22.4	22.7	22.6	22.6	22.4	22.4	23.0	22.9	23.0	22.7	22.3	Administered Fund - PRGF
-	-	-	-	-	-	-	-	-	-	-	-	Administered Fund - PRGF-HIPC Trust
-	-	-	-	-	-	-	-	-	-	-	-	Other non-residents
2 212.8	2 230.5	2 240.0	2 236.8	2 375.7	2 370.4	2 291.8	2 319.0	2 311.9	2 313.9	2 303.2	2 296.7	Less: Liabilities to non-residents
1 380.1	1 380.1	1 380.5	1 380.5	1 517.5	1 519.8	1 446.8	1 446.5	1 445.9	1 444.7	1 445.0	1 444.8	Deposits
-	-	-	-	-	-	-	-	-	-	-	-	Loans
-	-	-	-	-	-	-	-	-	-	-	-	Securities other than shares
-	-	-	-	-	-	-	-	-	-	-	-	Financial derivatives
5.3	3.0	3.0	4.2	2.6	2.8	0.5	3.9	0.8	0.8	2.6	10.0	Trade creditors
827.4	847.5	856.5	852.1	855.6	847.9	844.5	868.7	865.2	868.3	855.6	842.0	SDR allocations ¹
-29 775.8	-27 418.0	-25 548.9	-28 654.8	-26 535.0	-23 057.6	-23 404.5	-20 273.0	-18 320.0	-20 145.2	-16 968.0	-22 975.6	Domestic Claims
-	-	-	-	-	-	-	49.9	-	-	-	-	Claims on other depository corporations
-	-	-	-	-	-	-	-	-	-	-	-	Repurchase agreements
-	-	-	-	-	-	-	49.9	-	-	-	-	Other claims
-29 884.7	-27 527.3	-25 660.4	-28 769.7	-26 651.7	-23 182.9	-23 531.0	-20 451.5	-18 451.6	-20 278.1	-17 103.5	-23 115.3	Net claims on central government
-	-	-	-	-	-	-	-	-	-	-	-	Claims on central government
-	-	-	-	-	-	-	-	-	-	-	-	Securities other than shares
-	-	-	-	-	-	-	-	-	-	-	-	Other claims
29 884.7	27 527.3	25 660.4	28 769.7	26 651.7	23 182.9	23 531.0	20 451.5	18 451.6	20 278.1	17 103.5	23 115.3	Less: Liabilities to central government
29 884.7	27 527.3	25 660.4	28 769.7	26 651.7	23 182.9	23 531.0	20 451.5	18 451.6	20 278.1	17 103.5	23 115.3	Deposits
108.8	109.2	111.5	114.9	116.7	125.3	126.5	128.6	131.6	132.9	135.5	139.7	Claims on other sectors
-	-	-	-	-	-	-	-	-	-	-	-	Other financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	State and local government
-	-	-	-	-	-	-	-	-	-	-	-	Public non-financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	Other non-financial corporations
108.8	109.2	111.5	114.9	116.7	125.3	126.5	128.6	131.6	132.9	135.5	139.7	Other resident sectors
5 829.1	5 748.0	6 713.8	6 211.4	6 320.9	6 436.6	6 371.5	6 542.3	6 673.5	6 759.3	6 866.5	6 805.9	Reserve Money
2 735.5	2 733.0	2 976.7	3 050.2	3 237.1	3 221.0	3 267.1	3 388.9	3 455.2	3 398.3	3 572.2	3 782.0	Currency in circulation
3 093.6	3 014.9	3 737.1	3 161.3	3 083.9	3 215.6	3 104.5	3 153.4	3 218.3	3 360.9	3 294.3	3 023.8	Deposits of other depository corporations
3 093.6	3 014.9	3 737.1	3 161.3	3 083.9	3 215.6	3 104.5	3 153.4	3 218.3	3 360.9	3 294.3	3 023.8	Reserve and free deposits
402.6	697.6	106.1	228.6	270.3	1 075.9	1 032.2	838.5	917.4	399.3	437.5	95.1	Transferable deposits included in broad money
0.4	0.4	0.2	0.7	0.8	0.8	0.8	0.8	0.5	0.7	2.8	4.7	Other financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	State and local government
387.6	681.5	89.8	212.3	253.9	1 060.4	1 016.6	822.9	901.9	383.8	418.2	73.8	Public non-financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	Other non-financial corporations
14.7	15.7	16.1	15.7	15.6	14.7	14.8	14.8	14.9	14.7	16.5	16.6	Other resident sectors
Securities excl. from base money, incl. in broad money												
9 139.1	9 282.8	9 125.4	9 023.7	9 630.7	7 680.0	9 632.7	9 924.1	9 440.7	9 229.1	9 334.3	8 609.6	Bank of Botswana Certificates held by banks
2 319.6	2 186.2	2 099.5	2 213.0	2 371.5	2 305.9	2 654.6	1 584.2	2 382.1	2 155.0	2 497.3	1 831.2	Repurchase agreements with ODCs
23 712.6	25 931.0	28 064.1	28 369.5	28 181.6	29 345.3	29 651.8	32 401.6	32 432.9	33 109.5	32 722.6	23 125.8	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
132.1	535.3	776.5	880.0	1 148.9	1 445.9	1 649.0	1 926.5	2 305.0	2 653.2	2 878.6	-	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
21 955.5	23 770.7	25 662.6	25 864.5	25 407.6	26 274.4	26 377.7	28 850.1	28 502.8	28 831.3	28 219.0	21 500.8	Valuation adjustment
-388.4	-422.2	-393.2	-382.3	-390.4	-457.5	-454.5	-466.5	-470.1	-469.5	-483.8	-510.5	Other items (net)
214.2	211.5	216.7	222.7	211.4	215.6	222.8	186.2	187.2	177.5	127.5	110.1	Other liabilities ²
602.6	633.7	609.9	605.0	601.8	673.2	677.3	652.8	657.3	647.0	611.4	620.6	Less: other assets
Memorandum items:												
15 370.9	15 728.3	15 945.4	15 463.7	16 221.9	15 192.4	17 036.4	17 304.8	17 031.6	16 387.7	16 638.3	15 510.5	Monetary Base
2 735.5	2 733.0	2 976.7	3 050.2	3 237.1	3 221.0	3 267.1	3 388.9	3 455.2	3 398.3	3 572.2	3 782.0	Currency in circulation
12 232.7	12 297.7	12 862.5	12 184.9	12 714.5	10 895.6	12 737.2	13 077.5	12 659.1	12 590.0	12 628.6	11 633.4	Liabilities to other depository corporations
3 093.6	3 014.9	3 737.1	3 161.3	3 083.9	3 215.6	3 104.5	3 153.4	3 218.3	3 360.9	3 294.3	3 023.8	Reserve and free deposits
9 139.1	9 282.8	9 125.4	9 023.7	9 630.7	7 680.0	9 632.7	9 924.1	9 440.7	9 229.1	9 334.3	8 609.6	Other liabilities ³
402.6	697.6	106.1	228.6	270.3	1 075.9	1 032.2	838.5	917.4	399.3	437.5	95.1	Transferable deposits included in broad money
0.4	0.4	0.2	0.7	0.8	0.8	0.8	0.8	0.5	0.7	2.8	4.7	Other financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	State and local government
387.6	681.5	89.8	212.3	253.9	1 060.4	1 016.6	822.9	901.9	383.8	418.2	73.8	Public non-financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	Other non-financial corporations
14.7	15.7	16.1	15.7	15.6	14.7	14.8	14.8	14.9	14.7	16.5	16.6	Other resident sectors
-	-	-	-	-	-	-	-	-	-	-	-	Securities included in broad money

TABLE 3.2: OTHER DEPOSITORY CORPORATIONS SURVEY
(P Million)

End of	2010	2011	2012 ¹	2013	2014	2015	2016	2017	2018			
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun	Sep	Dec
Net Foreign Assets	2 965.2	4 710.5	5 798.6	5 624.1	5 600.9	7 692.2	6 894.2	8 790.1	7 900.1	7 965.4	9 513.8	10 167.3
Claims on non-residents	5 838.2	5 523.7	7 115.4	6 797.7	7 842.4	9 878.9	9 495.0	11 486.3	10 264.8	11 272.8	12 629.8	13 306.7
Foreign currency	55.8	75.8	86.2	151.5	462.9	531.7	363.0	381.9	558.9	603.2	597.7	605.8
Deposits	5 323.0	5 249.3	6 665.5	6 406.1	7 303.9	9 262.6	9 046.7	11 029.4	9 623.0	10 579.3	11 896.2	12 482.4
Securities other than shares	-	-	-	-	-	-	-	-	-	-	-	-
Loans	459.4	198.6	363.6	240.0	75.6	84.6	85.3	75.1	82.9	90.4	135.8	218.5
Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Less: Liabilities to non-residents	2 873.0	813.2	1 316.8	1 173.5	2 241.5	2 186.7	2 600.8	2 696.2	2 364.7	3 307.4	3 116.0	3 139.3
Deposits	2 873.0	813.2	1 316.8	1 173.5	2 241.5	2 186.7	2 600.8	2 696.2	2 364.7	3 307.4	3 116.0	3 139.3
Securities other than shares	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Claims on central bank	20 253.7	15 256.9	13 503.1	10 873.0	9 737.4	13 955.8	13 908.8	10 578.9	10 195.3	11 072.9	12 768.7	13 749.3
Currency	674.3	658.5	716.6	796.9	916.4	1 020.2	1 090.4	1 244.4	972.2	838.1	858.0	1 467.0
Reserve and free deposits	2 577.8	3 985.4	4 130.0	4 377.5	4 421.4	2 983.0	3 599.0	2 987.0	2 892.1	3 349.2	2 944.8	3 033.0
Other claims (incl. BoBCs)	17 001.7	10 612.9	8 656.4	5 698.6	4 399.6	9 952.5	9 219.3	6 347.6	6 331.0	6 885.7	8 965.8	9 249.3
Net claims on central government	301.9	779.2	1 208.4	1 643.9	1 764.8	1 578.2	3 006.5	3 951.8	3 790.6	4 126.4	3 271.5	3 180.5
Claims on central government	613.8	1 026.1	1 341.9	1 818.7	1 958.7	1 889.3	3 177.9	4 254.3	4 063.2	4 488.7	3 579.1	3 409.8
Securities other than shares	613.8	1 026.1	1 341.9	1 817.3	1 958.7	1 889.0	3 167.6	4 249.4	4 063.1	4 488.7	3 572.7	3 409.8
Other claims	-	-	-	1.4	-	0.4	10.3	5.0	0.2	-	6.5	-
Less: Liabilities to central government	311.9	246.9	133.5	174.8	193.9	311.2	171.4	302.5	272.6	362.2	307.6	229.3
Deposits	311.9	246.9	133.5	174.8	193.9	311.2	171.4	302.5	272.6	362.2	307.6	229.3
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Claims on other sectors	23 940.7	31 036.0	37 495.3	43 026.8	49 213.6	53 632.6	56 792.3	59 578.8	60 602.1	61 784.7	62 890.4	63 955.1
Other financial corporations	11.4	1 305.7	1 338.0	1 726.5	2 273.9	3 090.9	2 293.2	2 365.0	2 349.1	2 568.6	2 574.9	2 972.5
State and local government	8.4	23.6	13.0	9.8	12.1	8.1	-	0.3	8.4	-	-	-
Public non-financial corporations	377.8	997.2	1 236.8	1 553.9	1 731.3	1 254.8	809.0	699.4	702.2	538.3	567.7	738.4
Other non-financial corporations	8 477.1	10 336.1	13 177.4	13 664.8	16 139.3	16 269.3	18 031.3	18 530.0	18 686.2	20 173.3	20 300.2	20 166.5
Other resident sectors	15 065.9	18 373.4	21 730.2	26 071.8	29 057.1	33 009.4	35 658.7	37 984.2	38 856.1	38 504.5	39 447.7	40 077.8
Liabilities to central bank	-	-	19.8	141.9	11.8	2.0	11.5	26.6	-	40.3	48.0	13.7
Deposits included in broad money	40 224.9	43 123.3	47 529.1	51 144.8	53 619.6	65 174.4	68 662.2	70 465.9	67 815.4	70 338.4	74 965.4	76 440.8
Transferable deposits	6 628.7	7 035.1	8 847.2	10 268.3	10 984.2	11 970.0	13 985.9	15 328.4	14 049.6	13 884.9	15 195.0	15 317.4
Other financial corporations	442.8	697.5	853.2	1 080.4	1 075.9	870.7	893.2	1 441.0	919.5	1 074.9	1 349.1	1 170.7
State and local government	35.1	52.1	60.1	49.4	40.6	56.2	61.8	75.5	70.9	110.6	110.3	80.8
Public non-financial corporations	181.0	437.8	503.8	127.9	257.6	335.9	560.6	712.3	546.4	1 033.1	644.4	722.2
Other non-financial corporations	3 984.6	3 384.5	4 789.3	5 686.6	7 030.4	7 425.9	8 811.2	9 215.8	8 527.7	8 029.8	9 017.3	9 678.4
Other resident sectors	1 985.2	2 463.3	2 640.8	3 324.0	2 579.7	3 281.3	3 659.1	3 883.9	3 985.1	3 636.6	4 073.9	3 665.3
Other deposits	33 596.2	36 088.2	38 681.9	40 876.4	42 635.4	53 204.5	54 676.3	55 137.4	53 765.8	56 453.5	59 770.4	61 123.4
Other financial corporations	5 011.1	7 555.1	7 073.7	10 247.1	7 512.3	13 382.3	16 556.2	16 272.0	14 433.6	15 780.3	17 866.2	23 920.3
State and local government	2 067.1	1 534.9	1 867.2	2 304.4	2 169.6	2 477.4	2 483.6	2 509.8	2 170.2	2 623.0	2 252.1	2 075.0
Public non-financial corporations	5 018.1	5 395.7	5 836.1	4 695.7	4 438.6	5 215.1	6 094.5	3 248.6	4 120.9	4 070.8	4 091.3	4 767.4
Other non-financial corporations	14 962.3	14 835.6	15 965.5	14 402.5	17 834.1	19 668.2	17 938.4	22 588.8	21 602.2	22 463.1	23 724.9	14 122.1
Other resident sectors	6 537.6	6 766.9	7 939.4	9 226.8	10 680.7	12 461.4	11 603.6	10 518.3	11 438.8	11 516.3	11 835.9	16 238.6
Loans, of which:	1 483.5	716.2	1 197.8	926.9	1 784.5	1 645.0	1 479.5	2 429.7	2 808.2	2 366.1	2 633.3	2 660.0
State and local government	-	-	-	-	-	-	-	-	-	-	-	-
Other depository corporations	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	1 483.5	716.2	1 197.8	926.9	1 784.5	1 645.0	1 479.5	2 429.7	2 808.2	2 366.1	2 633.3	2 660.0
Securities other than shares excl. from broad money	...	1 603.4	2 000.4	2 190.9	2 488.1	2 935.6	2 994.6	3 133.4	3 176.3	3 234.0	3 319.0	3 781.0
Financial derivatives	...	51.4	45.0	75.3	79.0	235.8	96.9	181.8	109.0	117.7	116.7	101.5
Shares and other equity	5 947.7	6 480.6	7 603.1	8 452.9	9 387.8	9 588.3	10 352.5	10 689.3	10 572.5	10 515.6	10 158.9	11 164.3
Other items (net)	- 194.6	- 191.0	389.9	1 764.8	1 054.1	2 722.4	2 995.4	4 026.9	1 993.3	1 662.6	2 796.9	3 108.9
Other liabilities	1 991.9	2 511.2	3 460.0	3 834.4	5 819.2	6 272.3	6 750.5	7 337.0	8 251.9	8 053.5	6 414.3	7 300.5
Less: Other assets	- 2 186.5	- 2 702.2	3 849.9	5 599.2	6 873.3	8 994.7	9 745.9	11 363.9	10 245.2	9 716.1	9 211.2	10 409.4

1. Effective December 2012, the data includes accounts of domestic Money Market Unit Trusts

Sources: Commercial banks, BSB, BBS Limited and Money Market Unit Trusts

2019												End of
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
9,296.3	10,389.7	10,287.4	9,623.7	10,236.8	9,648.9	9,653.3	10,397.5	10,295.1	10,238.2	9,433.3	9,937.6	Net Foreign Assets
12,001.3	13,169.1	12,976.6	12,566.3	13,120.9	13,077.1	12,876.8	14,245.7	13,581.3	12,743.1	12,220.6	13,091.8	Claims on non-residents
609.5	612.2	624.3	588.0	632.9	584.2	376.8	409.4	275.7	163.3	177.5	172.7	Foreign currency
11,191.9	12,357.9	12,151.6	11,798.3	12,306.5	12,318.9	12,337.2	13,673.3	13,147.9	12,370.6	11,844.4	12,719.8	Deposits
-	-	-	-	-	-	-	-	-	-	-	-	Securities other than shares
199.8	199.0	200.7	180.0	181.5	174.0	162.7	163.1	157.6	209.3	198.7	199.2	Loans
-	-	-	-	-	-	-	-	-	-	-	-	Financial derivatives
-	-	-	-	-	-	-	-	-	-	-	-	Other
2,705.0	2,779.4	2,689.1	2,942.6	2,884.1	3,428.3	3,223.5	3,848.2	3,286.2	2,504.9	2,787.4	3,154.2	Less: Liabilities to non-residents
2,705.0	2,779.4	2,689.1	2,942.6	2,884.1	3,428.3	3,223.5	3,848.2	3,286.2	2,504.9	2,787.4	3,154.2	Deposits
-	-	-	-	-	-	-	-	-	-	-	-	Securities other than shares
-	-	-	-	-	-	-	-	-	-	-	-	Loans
-	-	-	-	-	-	-	-	-	-	-	-	Financial derivatives
-	-	-	-	-	-	-	-	-	-	-	-	Other
15,082.0	15,454.6	16,075.0	15,635.7	16,280.7	14,400.0	16,564.5	16,331.0	16,193.5	16,645.3	16,543.6	15,415.7	Claims on central bank
1,178.8	985.9	1,050.4	1,162.5	1,100.4	1,127.5	1,404.5	1,373.7	1,319.8	1,389.8	1,324.5	1,899.4	Currency
3,073.0	3,004.8	3,772.7	3,208.4	3,183.7	3,290.8	3,182.1	3,218.6	3,304.4	3,351.1	3,309.9	3,172.3	Reserve and free deposits
10,830.2	11,464.0	11,251.9	11,264.9	11,996.5	9,981.8	11,977.9	11,738.6	11,569.4	11,904.4	11,909.3	10,344.0	Other claims (incl. BoBCs)
3,285.5	3,296.8	3,552.2	3,618.9	3,521.5	3,832.6	3,723.4	4,091.2	3,954.0	3,887.2	4,201.2	4,389.8	Net claims on central government
3,394.0	3,429.6	3,777.0	3,810.5	3,678.4	4,092.5	4,075.1	4,246.0	4,194.9	4,002.9	4,368.3	4,563.7	Claims on central government
3,393.9	3,429.5	3,775.3	3,799.5	3,678.3	4,092.4	4,075.0	4,245.9	4,194.8	4,002.7	4,368.2	4,563.6	Securities other than shares
0.1	0.1	1.7	11.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	Other claims
108.5	132.9	224.8	191.6	157.0	259.9	351.7	154.9	240.9	115.6	167.1	173.9	Less: Liabilities to central government
108.5	132.9	224.8	191.6	157.0	259.9	351.7	154.9	240.9	115.6	167.1	173.9	Deposits
-	-	-	-	-	-	-	-	-	-	-	-	Other liabilities
64,205.8	63,572.2	64,061.8	64,197.1	64,728.3	65,874.9	66,088.3	66,551.9	67,114.4	67,554.3	68,241.6	68,804.3	Claims on other sectors
3,058.6	2,989.7	3,140.2	2,820.3	2,716.9	3,120.6	3,113.6	3,078.3	3,247.7	3,364.8	3,242.2	3,368.3	Other financial corporations
-	1.3	0.7	-	0.3	0.6	0.6	-	0.1	-	-	-	State and local government
721.7	597.0	771.3	594.9	891.8	899.1	772.5	762.2	440.4	666.7	528.8	924.1	Public non-financial corporations
20,308.9	19,827.5	19,831.4	20,368.2	20,154.8	20,075.6	19,987.5	19,884.2	19,796.3	19,670.6	19,955.8	19,446.8	Other non-financial corporations
40,116.7	40,156.7	40,318.3	40,413.8	40,964.6	41,779.1	42,214.2	42,827.2	43,630.0	43,852.2	44,514.7	45,065.1	Other resident sectors
92.3	54.4	-	-	-	-	-	214.4	87.4	102.2	95.7	-	Liabilities to central bank
78,378.2	78,534.4	79,137.0	78,533.0	80,255.0	78,421.8	81,787.1	82,152.7	82,600.4	82,784.7	82,919.8	82,795.9	Deposits included in broad money
14,992.8	14,935.6	15,556.3	14,892.0	15,859.4	15,078.6	15,314.6	15,556.4	16,144.3	16,759.8	17,003.6	18,052.6	Transferable deposits
1,526.4	1,249.8	1,457.3	1,444.0	1,529.0	1,297.4	1,421.1	1,686.2	1,643.0	1,946.4	1,897.5	2,776.2	Other financial corporations
92.2	77.3	74.6	64.4	76.0	63.8	63.9	67.5	73.1	127.8	103.9	76.7	State and local government
1,007.3	796.7	460.6	467.5	492.3	354.8	518.8	373.1	411.6	671.7	480.0	464.6	Public non-financial corporations
9,079.1	9,334.3	9,901.5	9,186.1	9,767.9	9,125.6	9,323.2	9,352.9	9,477.4	9,909.9	10,133.2	10,556.5	Other non-financial corporations
3,287.7	3,477.5	3,662.3	3,730.1	3,994.2	4,236.9	3,987.7	4,076.7	4,539.2	4,104.1	4,389.0	4,178.8	Other resident sectors
63,385.4	63,598.8	63,580.7	63,640.9	64,395.6	63,343.2	66,472.4	66,596.3	66,456.2	66,024.9	65,916.2	64,743.3	Other deposits
18,413.5	18,302.5	16,281.0	15,993.3	14,994.5	16,474.8	18,233.9	17,968.2	18,435.3	19,090.4	19,313.9	17,609.2	Other financial corporations
2,615.3	2,441.4	2,399.5	2,584.3	2,228.2	1,854.4	2,692.5	2,213.2	2,827.4	2,380.2	1,888.7	2,331.6	State and local government
4,580.8	3,893.1	5,463.5	5,509.3	6,412.8	6,098.3	5,235.1	6,117.7	5,515.4	5,498.0	5,371.0	6,271.1	Public non-financial corporations
25,416.6	26,388.0	26,475.9	26,594.1	27,605.9	25,791.4	26,798.1	26,640.9	25,755.8	25,256.6	25,675.0	24,944.3	Other non-financial corporations
12,359.2	12,573.8	12,960.7	12,960.0	13,154.2	13,124.4	13,512.8	13,656.2	13,922.3	13,799.7	13,667.6	13,587.1	Other resident sectors
2,825.8	2,723.0	2,841.8	3,027.9	2,918.4	3,086.7	2,986.1	3,012.6	3,237.9	3,068.3	2,930.8	2,977.1	Loans, of which:
-	-	-	-	-	-	-	-	-	-	-	-	State and local government
-	-	-	-	-	-	-	-	-	-	-	-	Other depository corporations
2,825.8	2,723.0	2,841.8	3,027.9	2,918.4	3,086.7	2,986.1	3,012.6	3,237.9	3,068.3	2,930.8	2,977.1	Other financial corporations
3,791.5	3,870.5	3,787.4	3,787.9	3,871.2	3,797.5	3,788.1	3,788.0	3,838.2	3,524.7	3,650.5	3,630.2	Securities other than shares excl. from broad money
129.8	172.3	106.9	100.6	114.7	115.3	121.4	137.8	134.5	153.9	134.2	145.7	Financial derivatives
11,176.7	11,120.0	11,184.0	11,136.5	11,302.8	11,518.9	11,578.3	11,454.3	11,420.8	11,562.1	11,703.8	11,798.2	Shares and other equity
4,524.6	3,761.4	3,080.6	3,510.4	3,694.8	3,183.7	4,231.4	3,388.3	3,762.2	2,871.0	3,015.2	2,799.8	Other items (net)
6,383.8	6,649.3	6,981.0	7,333.1	7,214.3	8,041.4	7,536.6	8,381.7	8,744.7	8,598.8	8,990.7	9,475.6	Other liabilities
10,908.4	10,410.6	10,061.6	10,843.5	10,909.1	11,225.1	11,767.9	11,770.0	12,506.9	11,469.8	12,005.9	12,275.5	Less: Other assets

TABLE 3.3: DEPOSITORY CORPORATIONS SURVEY

(P Million)

End of	2010	2011	2012 ¹	2013	2014	2015	2016	2017	2018			
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun	Sep	Dec
Net Foreign Assets	52 273.0	63 405.2	63 450.8	71 627.7	82 856.2	90 592.4	81 386.4	80 132.2	76 149.8	79 926.6	82 954.9	79 351.3
Claims on non-residents	56 685.2	65 794.6	66 432.1	74 569.5	86 953.7	94 759.9	86 299.3	85 179.1	80 846.8	85 569.5	88 410.5	84 733.3
BoB	50 847.0	60 270.9	59 316.7	67 771.8	79 111.3	84 881.0	76 804.3	73 692.7	70 582.0	74 296.7	75 780.7	71 426.6
ODCs	5 838.2	5 523.7	7 115.4	6 797.7	7 842.4	9 878.9	9 495.0	11 486.3	10 264.8	11 272.8	12 629.8	13 306.7
Less: Liabilities to non-residents	4 412.2	2 389.4	2 981.3	2 941.8	4 097.5	4 167.5	4 912.9	5 046.9	4 697.0	5 642.9	5 455.6	5 382.0
BoB	1 539.2	1 576.2	1 664.5	1 768.3	1 856.1	1 980.8	2 312.1	2 350.7	2 332.3	2 335.5	2 339.6	2 242.6
ODCs	2 873.0	813.2	1 316.8	1 173.5	2 241.5	2 186.7	2 600.8	2 696.2	2 364.7	3 307.4	3 116.0	3 139.3
Domestic claims	9 439.8	7 811.8	16 487.8	16 192.3	12 101.2	18 133.1	27 394.6	30 712.5	33 532.4	35 826.7	38 259.7	37 520.5
Net claims on central government	-14 580.3	-23 295.6	-21 070.7	-26 887.2	-37 162.0	-35 552.0	-29 457.0	-28 932.5	-27 147.9	-26 049.1	-24 734.0	-26 542.0
Claims on central government	657.6	1 050.4	1 365.9	1 843.6	1 982.8	1 913.1	3 200.8	4 276.1	4 084.1	4 509.6	3 579.1	3 409.8
BoB	43.8	24.4	24.0	24.9	24.1	23.7	22.9	21.7	20.8	20.9	-	-
ODCs	613.8	1 026.1	1 341.9	1 818.7	1 958.7	1 889.3	3 177.9	4 254.3	4 063.2	4 488.7	3 579.1	3 409.8
Less: Liabilities to central government	15 237.9	24 346.1	22 436.6	28 730.8	39 144.9	37 465.1	32 657.8	33 208.6	31 231.9	30 558.7	28 313.1	29 951.8
BoB	14 926.0	24 099.2	22 303.1	28 556.0	38 951.0	37 153.9	32 486.4	32 906.0	30 959.3	30 196.5	28 005.5	29 722.5
ODCs	311.9	246.9	133.5	174.8	193.9	311.2	171.4	302.5	272.6	362.2	307.6	229.3
Claims on other sectors	24 020.1	31 107.5	37 558.5	43 079.4	49 263.3	53 685.1	56 851.6	59 645.0	60 680.3	61 875.8	62 993.7	64 062.5
Other financial corporations	11.4	1 305.7	1 338.0	1 726.5	2 273.9	3 090.9	2 293.2	2 365.0	2 349.1	2 568.6	2 574.9	2 972.5
State and local government	8.4	23.6	13.0	9.8	12.1	8.1	-	0.3	8.4	-	-	-
Public non-financial corporations	377.8	997.2	1 236.8	1 553.9	1 731.3	1 254.8	809.0	699.4	702.2	538.3	567.7	738.4
Other non-financial corporations	8 477.1	10 336.1	13 177.4	13 664.8	16 139.3	16 269.3	18 031.3	18 530.0	18 686.2	20 173.3	20 300.2	20 166.5
Other resident sectors	15 145.2	18 444.9	21 793.4	26 124.4	29 106.7	33 062.0	35 718.0	38 050.3	38 934.3	38 595.6	39 550.9	40 185.2
TOTAL ASSETS	61 712.8	71 217.1	79 938.6	87 820.0	94 957.4	108 725.5	108 781.0	110 844.7	109 682.2	115 753.3	121 214.7	116 871.8
Broad money liabilities	42 860.1	44 763.2	49 236.9	53 389.8	55 842.2	66 941.1	70 550.0	72 470.8	69 889.3	72 852.7	77 683.3	78 433.4
Currency outside depository corporations	1 241.4	1 430.6	1 558.2	1 584.6	1 682.2	1 687.6	1 767.7	1 892.2	1 978.8	2 037.7	2 286.0	1 819.9
Transferable deposits	8 022.5	7 244.4	8 996.8	10 928.8	11 524.6	12 049.1	14 105.9	15 441.2	14 144.6	14 361.6	15 626.9	15 490.1
Other financial corporations	443.1	698.0	853.5	1 080.6	1 076.2	871.1	893.7	1 445.7	920.9	1 075.8	1 349.5	1 171.0
State and local government	35.1	52.1	60.1	49.4	40.6	56.2	61.8	75.5	70.9	110.6	110.3	80.8
Public non-financial corporations	1 564.7	636.8	644.8	780.0	792.6	408.8	673.2	810.2	628.7	1 493.3	1 061.6	879.9
Other non-financial corporations	3 984.6	3 384.5	4 789.3	5 686.6	7 030.4	7 425.9	8 811.2	9 215.8	8 527.7	8 029.8	9 017.3	9 678.4
Other resident sectors	1 995.0	2 473.1	2 649.1	3 332.1	2 584.7	3 287.2	3 666.0	3 894.0	3 996.4	3 652.1	4 088.1	3 680.1
Other deposits included in broad money	33 596.2	36 088.2	38 681.9	40 876.4	42 635.4	53 204.5	54 676.3	55 137.4	53 765.8	56 453.5	59 770.4	61 123.4
Other financial corporations	5 011.1	7 555.1	7 073.7	10 247.1	7 512.3	13 382.3	16 556.2	16 272.0	14 433.6	15 780.3	17 866.2	18 065.9
State and local government	2 067.1	1 534.9	1 867.2	2 304.4	2 169.6	2 477.4	2 483.6	2 509.8	2 170.2	2 623.0	2 252.1	2 035.0
Public non-financial corporations	5 018.1	5 395.7	5 836.1	4 695.7	4 438.6	5 215.1	6 094.5	3 248.6	4 120.9	4 070.8	4 091.3	3 822.8
Other non-financial corporations	14 962.3	14 835.6	15 965.5	14 402.5	17 834.1	19 668.2	17 938.4	22 588.8	21 602.2	22 463.1	23 724.9	25 023.3
Other resident sectors	6 537.6	6 766.9	7 939.4	9 226.8	10 680.7	12 461.4	11 603.6	10 518.3	11 438.8	11 516.3	11 835.9	12 176.4
Securities other than shares included in broad money	-	-	-	-	-	-	-	-	-	-	-	-
Bank of Botswana Certificates held by banks	17 641.6	9 981.8	8 663.5	5 490.7	4 201.4	8 189.9	7 918.4	6 277.9	5 492.4	4 736.2	7 920.4	8 192.7
Repurchase Agreements with ODCs	...	1 497.4	999.0	-	304.4	1 672.8	1 302.9	54.0	938.9	2 431.9	1 043.0	1 054.9
Loans	1 483.5	716.2	1 197.8	926.9	1 784.5	1 645.0	1 479.5	2 429.7	2 808.2	2 366.1	2 633.3	2 660.0
BoB	-	-	-	-	-	-	-	-	-	-	-	-
ODCs	1 483.5	716.2	1 197.8	926.9	1 784.5	1 645.0	1 479.5	2 429.7	2 808.2	2 366.1	2 633.3	2 660.0
Securities other than shares excl. from broad money¹	...	1 603.4	2 000.4	2 190.9	2 488.1	2 935.6	2 994.6	3 133.4	3 176.3	3 234.0	3 319.0	3 781.0
Financial derivatives	-	51.4	45.0	75.3	79.0	235.8	96.9	181.8	109.0	117.7	116.7	101.5
Shares and other equity	17 305.9	23 930.4	27 124.3	33 696.9	35 957.1	40 092.3	36 979.5	36 998.9	36 015.1	39 463.7	40 587.5	35 352.9
BoB	11 358.2	17 449.7	19 521.2	25 244.0	26 569.3	30 504.1	26 627.1	26 309.6	25 442.6	28 948.1	30 428.6	24 188.5
ODCs	5 947.7	6 480.6	7 603.1	8 452.9	9 387.8	9 588.3	10 352.5	10 689.3	10 572.5	10 515.6	10 158.9	11 164.3
Other items (net)	-17 578.3	-11 325.3	-9 328.5	-7 950.6	-5 699.3	-12 987.1	-12 540.8	-10 697.8	-8 783.0	-9 487.2	-12 113.5	-12 750.9
Liabilities to other depository corporations	2 341.7	3 734.7	4 168.7	4 367.2	4 460.9	3 019.5	3 622.3	2 998.1	2 836.6	2 785.9	2 960.8	3 067.4
Liabilities to central bank	-	-	19.8	141.9	11.8	2.0	11.5	26.6	-	40.3	48.0	13.7
Other liabilities	2 082.0	2 578.3	3 554.7	3 965.6	6 027.1	6 395.4	7 096.5	7 526.1	8 384.2	8 227.3	6 635.7	7 522.3
Currency	674.3	658.5	716.6	796.9	916.4	1 020.2	1 090.4	1 244.4	972.2	838.1	858.0	1 467.0
Less: Claims on central bank	-20 253.7	-15 256.9	-13 503.1	10 873.0	9 737.4	13 955.8	13 908.8	10 578.9	10 195.3	11 072.9	12 768.7	13 749.3
Less: Claims on other depository corporations	-	-36.5	-	302.1	-	-	-	-	-	-	-	-
Less: Other assets	-2 422.5	-3 003.6	4 285.2	6 047.1	7 378.1	9 468.5	10 452.7	11 914.0	10 780.6	10 305.8	9 847.4	11 071.9
TOTAL LIABILITIES	61 712.8	71 217.1	79 938.6	87 820.0	94 957.4	108 725.5	108 781.0	110 844.7	109 692.3	115 766.3	121 225.1	116 887.2
Memorandum items :												
M1 (currency outside depository corporations plus transferable deposits)	9 263.9	8 675.0	10 555.0	12 513.4	13 206.8	13 736.7	15 873.6	17 333.3	16 123.5	16 399.2	17 912.9	17 310.0
M2 (M1 plus other deposits included in broad money)	42 860.1	44 763.2	49 236.9	53 389.8	55 842.2	66 941.1	70 550.0	72 470.8	69 889.3	72 852.7	77 683.3	78 433.4

1. 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.

2. Effective December 2012, the data include accounts of domestic Money Market Unit Trusts.

Sources: Bank of Botswana, commercial banks, BBS Limited, BSB and Money Market Unit Trusts

2019												End of
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
80 086.8	81 231.1	81 552.1	83 942.4	83 156.4	79 092.5	81 946.0	81 494.6	79 991.5	81 566.1	77 775.7	72 870.2	Net Foreign Assets
85 004.7	86 241.1	86 481.2	89 121.8	88 416.2	84 891.2	87 461.3	87 661.8	85 589.6	86 384.9	82 866.2	78 321.1	Claims on non-residents
73 003.4	73 072.0	73 504.6	76 555.5	75 295.3	71 814.1	74 584.5	73 416.2	72 008.3	73 641.8	70 645.6	65 229.3	BoB
12 001.3	13 169.1	12 976.6	12 566.3	13 120.9	13 077.1	12 876.8	14 245.7	13 581.3	12 743.1	12 220.6	13 091.8	ODCs
4 917.8	5 009.9	4 929.1	5 179.4	5 259.8	5 798.7	5 515.3	6 167.3	5 598.1	4 818.8	5 090.6	5 450.9	Less: Liabilities to non-residents
2 212.8	2 230.5	2 240.0	2 236.8	2 375.7	2 370.4	2 291.8	2 319.0	2 311.9	2 313.9	2 303.2	2 296.7	BoB
2 705.0	2 779.4	2 689.1	2 942.6	2 884.1	3 428.3	3 223.5	3 848.2	3 286.2	2 504.9	2 787.4	3 154.2	ODCs
37 715.5	39 451.0	42 065.2	39 161.2	41 714.8	46 650.0	46 407.2	50 320.2	52 748.5	51 296.3	55 474.8	50 218.4	Domestic claims
-26 599.2	-24 230.5	-22 108.2	-25 150.8	-23 130.2	-19 350.2	-19 807.5	-16 360.3	-14 497.6	-16 390.9	-12 902.3	-18 725.5	Net claims on central government
3 394.0	3 429.6	3 777.0	3 810.5	3 678.4	4 092.5	4 075.1	4 246.0	4 194.9	4 002.9	4 368.3	4 563.7	Claims on central government
-	-	-	-	-	-	-	-	-	-	-	-	BoB
3 394.0	3 429.6	3 777.0	3 810.5	3 678.4	4 092.5	4 075.1	4 246.0	4 194.9	4 002.9	4 368.3	4 563.7	ODCs
29 993.2	27 660.1	25 885.2	28 961.3	26 808.6	23 442.7	23 882.6	20 606.4	18 692.5	20 393.8	17 270.6	23 289.2	Less: Liabilities to central government
29 884.7	27 527.3	25 660.4	28 769.7	26 651.7	23 182.9	23 531.0	20 451.5	18 451.6	20 278.1	17 103.5	23 115.3	BoB
108.5	132.9	224.8	191.6	157.0	259.9	351.7	154.9	240.9	115.6	167.1	173.9	ODCs
64 314.7	63 681.5	64 173.4	64 312.0	64 845.0	66 000.2	66 214.8	66 680.6	67 246.0	67 687.2	68 377.1	68 944.0	Claims on other sectors
3 058.6	2 989.7	3 140.2	2 820.3	2 716.9	3 120.6	3 113.6	3 078.3	3 247.7	3 364.8	3 242.2	3 368.3	Other financial corporations
-	1.3	0.7	-	0.3	0.6	0.6	-	0.1	-	-	-	State and local government
721.7	597.0	771.3	594.9	891.8	899.1	772.5	762.2	440.4	666.7	528.8	924.1	Public non-financial corporations
20 308.9	19 827.5	19 831.4	20 368.2	20 154.8	20 075.6	19 987.5	19 884.2	19 796.3	19 670.6	19 955.8	19 446.8	Other non-financial corporations
40 225.5	40 265.9	40 429.8	40 528.7	41 081.3	41 904.3	42 340.6	42 955.8	43 761.5	43 985.1	44 650.2	45 204.8	Other resident sectors
117 802.3	120 682.1	123 617.2	123 103.6	124 871.2	125 742.5	128 353.2	131 814.8	132 740.0	132 862.3	133 250.5	123 088.6	TOTAL ASSETS
80 337.6	80 979.1	81 169.4	80 649.3	82 661.9	81 591.1	84 681.8	85 006.4	85 653.2	85 192.6	85 605.0	84 773.7	Broad money liabilities
1 556.7	1 747.2	1 926.3	1 887.7	2 136.6	2 093.5	1 862.6	2 015.2	2 135.4	2 008.5	2 247.7	1 882.7	Currency outside depository corporations
15 395.4	15 633.2	15 662.4	15 120.6	16 129.7	16 154.4	16 346.8	16 394.9	17 061.6	17 159.1	17 441.1	18 147.7	Transferable deposits
1 526.8	1 250.2	1 457.5	1 444.7	1 529.8	1 298.3	1 423.9	1 691.0	1 643.6	1 947.2	1 900.3	2 780.9	Other financial corporations
92.2	77.3	74.6	64.4	76.0	63.8	63.9	67.5	73.1	127.8	103.9	76.7	State and local government
1 394.9	1 478.2	550.4	679.8	746.2	1 415.2	1 535.4	1 196.0	1 313.5	1 055.5	898.2	538.4	Public non-financial corporations
9 079.1	9 334.3	9 901.5	9 186.1	9 767.9	9 125.6	9 323.2	9 352.9	9 477.4	9 909.9	10 133.2	10 556.5	Other non-financial corporations
3 302.5	3 493.2	3 678.4	3 745.7	4 009.8	4 251.6	4 002.5	4 091.5	4 554.1	4 118.8	4 405.6	4 195.3	Other resident sectors
63 385.4	63 598.8	63 580.7	63 640.9	64 395.6	63 343.2	66 472.4	66 596.3	66 456.2	66 024.9	65 916.2	64 743.3	Other deposits included in broad money
18 413.5	18 302.5	16 281.0	15 993.3	14 994.5	16 474.8	18 233.9	17 968.2	18 435.3	19 090.4	19 313.9	17 609.2	Other financial corporations
2 615.3	2 441.4	2 399.5	2 584.3	2 228.2	1 854.4	2 692.5	2 213.2	2 827.4	2 380.2	1 888.7	2 331.6	State and local government
4 580.8	3 893.1	5 463.5	5 509.3	6 412.8	6 098.3	5 235.1	6 117.7	5 515.4	5 498.0	5 371.0	6 271.1	Public non-financial corporations
25 416.6	26 388.0	26 475.9	26 594.1	27 605.9	25 791.4	26 798.1	26 640.9	25 755.8	25 256.6	25 675.0	24 944.3	Other non-financial corporations
12 359.2	12 573.8	12 960.7	12 960.0	13 154.2	13 124.4	13 512.8	13 656.2	13 922.3	13 799.7	13 667.6	13 587.1	Other resident sectors
-	-	-	-	-	-	-	-	-	-	-	-	Securities other than shares included in broad money
9 139.1	9 282.8	9 125.4	9 023.7	9 630.7	7 680.0	9 632.7	9 924.1	9 440.7	9 229.1	9 334.3	8 609.6	Bank of Botswana Certificates held by banks
2 319.6	2 186.2	2 099.5	2 213.0	2 371.5	2 305.9	2 654.6	1 584.2	2 382.1	2 155.0	2 497.3	1 831.2	Repurchase Agreements with ODCs
2 825.8	2 723.0	2 841.8	3 027.9	2 918.4	3 086.7	2 986.1	3 012.6	3 237.9	3 068.3	2 930.8	2 977.1	Loans
-	-	-	-	-	-	-	-	-	-	-	-	BoB
2 825.8	2 723.0	2 841.8	3 027.9	2 918.4	3 086.7	2 986.1	3 012.6	3 237.9	3 068.3	2 930.8	2 977.1	ODCs
3 791.5	3 870.5	3 787.4	3 787.9	3 871.2	3 797.5	3 788.1	3 788.0	3 838.2	3 524.7	3 650.5	3 630.2	Securities other than shares excl. from broad money¹
129.8	172.3	106.9	100.6	114.7	115.3	121.4	137.8	134.5	153.9	134.2	145.7	Financial derivatives
34 889.3	37 051.1	39 248.1	39 506.0	39 484.3	40 864.2	41 230.0	43 855.9	43 853.6	44 671.6	44 426.4	34 924.0	Shares and other equity
23 712.6	25 931.0	28 064.1	28 369.5	28 181.6	29 345.3	29 651.8	32 401.6	32 432.9	33 109.5	32 722.6	23 125.8	BoB
11 176.7	11 120.0	11 184.0	11 136.5	11 302.8	11 518.9	11 578.3	11 454.3	11 420.8	11 562.1	11 703.8	11 798.2	ODCs
-15 630.3	-15 582.9	-14 761.3	-15 204.8	-16 181.5	-13 698.2	-16 741.4	-15 494.2	-15 800.3	-15 132.8	-15 328.2	-13 802.9	Other items (net)
3 093.6	3 014.9	3 737.1	3 161.3	3 083.9	3 215.6	3 104.5	3 153.4	3 218.3	3 360.9	3 294.3	3 023.8	Liabilities to other depository corporations
92.3	54.4	-	-	-	-	-	214.4	5.6	102.2	95.7	-	Liabilities to central bank
6 597.9	6 860.8	7 197.6	7 555.8	7 425.7	8 257.1	7 757.4	8 563.9	9 013.7	8 776.3	9 118.2	9 585.7	Other liabilities
1 178.8	985.9	1 050.4	1 162.5	1 100.4	1 127.5	1 404.5	1 373.7	1 319.8	1 389.8	1 324.5	1 899.4	Currency
15 082.0	15 454.6	16 075.0	15 635.7	16 280.7	14 400.0	16 564.5	16 331.0	16 193.5	16 645.3	16 543.6	15 415.7	Less: Claims on central bank
-	-	-	-	-	-	-	49.9	-	-	-	-	Less: Claims on other depository corporations
11 510.9	11 044.3	10 671.4	11 448.5	11 510.9	11 898.3	12 445.3	12 422.7	13 164.2	12 116.7	12 617.2	12 896.1	Less: Other assets
117 802.3	120 682.1	123 617.2	123 103.6	124 871.2	125 742.5	128 353.2	131 814.8	132 740.0	132 862.3	133 250.5	123 088.6	TOTAL LIABILITIES
16 952.2	17 380.3	17 588.7	17 008.4	18 266.3	18 247.9	18 209.4	18 410.1	19 197.0	19 167.6	19 688.9	20 030.4	Memorandum items :
80 337.6	80 979.1	81 169.4	80 649.3	82 661.9	81 591.1	84 681.8	85 006.4	85 653.2	85 192.6	85 605.0	84 773.7	M1 (currency outside depository corporations plus transferable deposits)
												M2 (M1 plus other deposits included in broad money)

TABLE 3.4: BANK OF BOTSWANA - ASSETS
(P Million)

End of		International Reserves			Total
		Pula Fund	Liquidity Portfolio	Assets at the IMF	
2010		44 732.7	5 049.2	1 065.1	50 847.0
2011		51 460.8	7 498.5	1 311.6	60 270.9
2012		39 352.7	18 586.3	1 359.5	59 298.5
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	Mar	56 109.3	27 512.7	1 551.2	85 173.2
	Jun	55 636.8	27 311.0	1 566.7	84 514.4
	Sep	57 543.0	26 954.0	1 670.0	86 167.1
	Dec	61 183.5	21 914.4	1 759.5	84 857.3
2016	Mar	61 596.7	18 544.7	1 726.9	81 868.2
	Jun	57 246.8	21 315.8	1 697.4	80 260.0
	Sep	56 563.3	21 760.9	1 643.9	79 968.1
	Dec	54 145.5	21 211.5	1 425.5	76 782.4
2017	Jan	54 948.3	20 262.8	1 420.4	76 631.5
	Feb	55 007.6	18 733.7	1 322.4	75 063.7
	Mar	55 980.1	16 621.4	1 333.6	73 935.0
	Apr	56 676.2	20 137.9	1 335.8	78 149.9
	May	57 071.6	20 150.6	1 334.9	78 557.1
	Jun	56 818.3	16 559.8	1 334.5	74 712.6
	Jul	57 749.0	20 350.7	1 341.7	79 441.4
	Aug	57 706.0	17 560.0	1 337.1	76 603.2
	Sep	59 057.1	16 331.8	1 351.9	76 740.8
	Oct	60 784.3	19 797.7	1 367.7	81 949.8
	Nov	60 429.7	18 327.6	1 358.0	80 115.3
	Dec	55 998.0	16 353.3	1 320.2	73 671.4
2018	Jan	56 892.1	17 781.9	1 314.9	75 988.9
	Feb	55 553.0	15 331.9	1 309.7	72 194.7
	Mar	55 693.3	13 553.2	1 314.4	70 560.9
	Apr	57 031.5	16 014.4	1 329.9	74 375.8
	May	57 791.7	14 635.2	1 330.2	73 757.1
	Jun	60 069.4	12 845.9	1 359.1	74 274.4
	Jul	59 508.8	14 274.0	1 340.6	75 123.5
	Aug	62 912.5	13 009.8	1 383.4	77 305.8
	Sep	61 863.2	12 525.0	1 370.1	75 758.2
	Oct	60 737.2	16 438.8	1 383.3	78 559.2
	Nov	59 263.7	13 903.0	1 358.4	74 525.1
	Dec	47 469.6	22 537.0	1 397.3	71 403.9
2019	Jan	48 204.7	23 427.0	1 349.7	72 981.5
	Feb	49 999.5	21 667.2	1 383.0	73 049.6
	Mar	51 525.4	20 558.4	1 398.1	73 481.9
	Apr	52 085.6	23 055.9	1 391.4	76 533.0
	May	51 695.0	22 179.9	1 397.7	75 272.7
	Jun	52 860.5	17 545.6	1 385.6	71 791.7
	Jul	53 158.2	19 949.9	1 454.0	74 562.1
	Aug	55 011.6	16 885.5	1 496.1	73 393.2
	Sep	55 127.6	15 367.3	1 490.5	71 985.4
	Oct	55 673.3	16 449.2	1 496.3	73 618.8
	Nov	55 578.5	13 569.7	1 474.8	70 622.9
	Dec	46 025.3	17 730.0	1 451.7	65 207.0

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
-	196.9	162.3	51 206.2		2010
36.5	270.7	126.6	60 704.7		2011
-	392.4	148.3	59 839.2		2012
302.1	412.1	133.9	68 599.3		2013
-	413.6	185.9	79 689.9		2014
23.4	409.2	172.0	85 777.8	Mar	2015
-	407.5	174.1	85 096.0	Jun	
-	402.0	164.4	86 733.5	Sep	
-	403.8	170.0	85 431.1	Dec	
-	405.0	159.6	82 432.8	Mar	2016
9.2	400.9	483.7	81 153.9	Jun	
-	398.0	415.4	80 781.5	Sep	
-	395.8	415.1	77 593.3	Dec	
150.0	395.4	415.0	77 591.9	Jan	2017
-	393.6	415.2	75 872.5	Feb	
-	392.5	417.9	74 745.4	Mar	
-	390.3	415.9	78 956.1	Apr	
11.0	390.5	415.5	79 374.2	May	
-	391.6	351.5	75 455.7	Jun	
-	391.1	350.3	80 182.8	Jul	
-	389.0	348.6	77 340.8	Aug	
-	388.4	306.7	77 435.9	Sep	
15.2	390.2	311.6	82 666.7	Oct	
-	390.5	308.2	80 814.1	Nov	
-	407.8	251.4	74 330.7	Dec	
-	406.8	236.5	76 632.1	Jan	2018
-	406.0	242.3	72 843.0	Feb	
-	416.7	202.8	71 180.4	Mar	
-	414.4	207.3	74 997.5	Apr	
-	423.9	250.7	74 431.8	May	
-	422.8	263.1	74 960.3	Jun	
-	422.5	264.6	75 810.6	Jul	
-	432.3	276.6	78 014.7	Aug	
-	430.8	306.2	76 495.2	Sep	
-	443.2	312.2	79 314.7	Oct	
-	441.8	307.3	75 274.2	Nov	
-	449.5	296.6	72 150.0	Dec	
-	447.4	285.9	73 714.8	Jan	2019
-	453.8	311.6	73 814.9	Feb	
-	456.4	287.7	74 226.0	Mar	
-	455.0	287.4	77 275.4	Apr	
-	453.8	287.4	76 013.8	May	
-	464.0	356.9	72 612.6	Jun	
-	469.2	357.0	75 388.3	Jul	
49.9	474.2	330.2	74 247.5	Aug	
-	479.2	332.6	72 797.2	Sep	
-	486.1	316.7	74 421.6	Oct	
-	495.4	274.1	71 392.5	Nov	
-	520.9	261.7	65 989.6	Dec	

TABLE 3.5: BANK OF BOTSWANA - LIABILITIES

(P Million)

End of	Deposits by				BoBCs ¹ held by			Reverse	
	Banks	Government	Others	Total Deposits	Banks	Others	Total BoBCs	Repurchase Agreements	
2010	2 338.9	14 615.6	2 351.4	19 305.9	17 641.6	...	17 641.6	...	
2011	3 730.9	23 629.2	1 123.2	28 483.3	9 981.8	...	9 981.8	1 497.4	
2012	4 168.0	19 998.3	1 112.3	25 278.7	8 663.5	...	8 663.5	999.0	
2013	4 364.3	27 775.4	1 638.2	33 777.8	5 490.7	...	5 490.7	...	
2014	Dec	4 459.1	38 406.3	1 601.4	44 466.9	4 201.4	...	4 201.4	304.4
2015	Mar	4 496.3	41 680.4	1 187.3	47 364.0	6 331.0	...	6 331.0	1 983.2
	Jun	2 974.9	42 401.1	1 360.5	46 736.5	6 395.3	...	6 395.3	2 827.4
	Sep	2 565.9	37 871.2	1 836.2	42 273.2	6 397.3	...	6 397.3	6 265.9
	Dec	3 018.4	36 752.1	1 160.8	40 931.2	8 189.9	...	8 189.9	1 672.8
2016	Mar	4 756.2	33 915.8	1 187.7	39 859.7	7 418.0	...	7 418.0	1 899.9
	Jun	3 752.5	32 234.0	2 588.2	38 574.6	7 498.1	...	7 498.1	929.9
	Sep	3 377.0	33 388.3	2 365.0	39 130.4	7 573.3	...	7 573.3	700.0
	Dec	3 620.8	30 280.5	1 602.2	35 503.4	7 918.4	...	7 918.4	1302.9
2017	Jan	2 703.2	33 178.9	2 205.9	38 088.0	7 473.0	...	7 473.0	-
	Feb	2 853.0	30 929.3	2 063.2	35 845.5	7 174.7	...	7 174.7	1 017.0
	Mar	2 682.8	29 818.7	1 670.6	34 172.0	7 112.8	...	7 112.8	812.0
	Apr	2 814.2	35 278.6	2 292.7	40 385.5	5 945.3	...	5 945.3	1 694.0
	May	2 702.3	35 254.3	1 723.2	39 679.8	7 063.1	...	7 063.1	1 518.7
	Jun	2 711.9	31 846.5	1 972.5	36 530.9	7 395.2	...	7 395.2	521.0
	Jul	3 204.3	36 175.2	1 763.0	41 142.5	6 325.1	...	6 325.1	1 299.9
	Aug	2 751.0	32 870.1	1 827.6	37 448.7	7 415.4	...	7 415.4	1 195.5
	Sep	2 686.4	32 497.1	1 949.1	37 132.5	7 273.1	...	7 273.1	592.0
	Oct	2 884.7	34 838.3	1 785.4	39 508.4	7 820.8	...	7 820.8	1 852.9
	Nov	2 698.2	33 803.3	1 940.4	38 441.9	7 756.1	...	7 756.1	1 535.3
	Dec	2 946.5	31 863.8	1 698.6	36 508.9	6 277.9	...	6 277.9	54.0
2018	Jan	3 029.7	33 355.1	2 206.7	38 591.4	6 744.9	...	6 744.9	677.0
	Feb	2 791.3	32 109.3	1 795.7	36 696.3	6 046.5	...	6 046.5	441.6
	Mar	2 833.4	30 094.1	1 630.4	34 558.0	5 492.4	...	5 492.4	938.9
	Apr	2 793.3	32 520.9	1 821.5	37 135.7	5 728.4	...	5 728.4	2 049.8
	May	2 819.1	31 015.4	2 430.4	36 264.9	6 764.1	...	6 764.1	772.9
	Jun	2 785.0	30 196.5	1 969.7	34 951.1	4 736.2	...	4 736.2	2 431.9
	Jul	2 823.0	29 882.8	1 887.8	34 593.6	6 157.0	...	6 157.0	2 864.7
	Aug	2 814.2	29 410.5	1 729.1	33 953.9	7 688.9	...	7 688.9	874.6
	Sep	2 959.3	28 005.5	1 920.0	32 884.8	7 920.4	...	7 920.4	1 043.0
	Oct	2 934.0	29 642.6	1 911.2	34 487.8	9 033.9	...	9 033.9	1 920.2
	Nov	3 001.7	27 585.0	2 012.2	32 598.9	8 750.0	...	8 750.0	1 433.8
	Dec	3 061.7	25 436.6	1 559.0	30 057.3	8 192.7	...	8 192.7	1 054.9
2019	Jan	3 092.0	25 783.8	1 784.8	30 660.6	9 139.1	...	9 139.1	2 319.6
	Feb	3 011.6	23 426.4	2 081.4	28 519.3	9 282.8	...	9 282.8	2 186.2
	Mar	3 733.0	21 559.5	1 491.1	26 783.6	9 125.4	...	9 125.4	2 099.5
	Apr	3 158.4	28 769.7	1 612.5	33 540.5	9 023.7	...	9 023.7	2 213.0
	May	3 077.7	26 651.7	1 794.4	31 523.8	9 630.7	...	9 630.7	2 371.5
	Jun	3 207.3	23 182.9	2 604.4	28 994.5	7 680.0	...	7 680.0	2 305.9
	Jul	3 104.3	23 531.0	2 479.7	29 115.0	9 632.7	...	9 632.7	2 654.6
	Aug	3 147.7	20 451.5	2 291.2	25 890.4	9 924.1	...	9 924.1	1 584.2
	Sep	3 104.3	23 531.0	2 479.7	29 115.0	9 632.7	...	9 632.7	2 654.6
	Oct	3 352.7	20 278.1	1 852.8	25 483.6	9 229.1	...	9 229.1	2 155.0
	Nov	3 289.8	17 103.5	1 885.6	22 278.8	9 334.3	...	9 334.3	2 497.3
	Dec	3 013.6	19 708.9	1 546.7	24 269.1	8 609.6	...	8 609.6	1 831.2

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					End of	
Notes	Coin	Total currency	Paid-up	General	Revaluation	Other	TOTAL		
			Capital	Reserve	Reserve	Liabilities	LIABILITIES		
1 819.6	96.1	1 915.7	25.0	1 600.0	9 733.2	984.9	51 206.2	Dec	2010
1 987.4	101.7	2 089.2	25.0	1 600.0	15 824.7	1 203.3	60 704.7		2011
2 166.1	108.7	2 274.8	25.0	1 600.0	17 896.2	3 101.9	59 839.2		2012
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
2 300.0	133.2	2 433.3	25.0	1 600.0	25 041.6	999.7	85 777.8	Mar	2015
2 343.1	135.2	2 478.3	25.0	1 600.0	24 041.7	991.7	85 096.0	Jun	
2 578.0	139.9	2 717.9	25.0	1 600.0	26 426.9	1 027.3	86 733.5	Sep	
2 564.7	143.2	2 707.8	25.0	1 600.0	28 879.1	1 425.2	85 431.1	Dec	
2 380.6	144.2	2 524.9	25.0	1 600.0	27 761.7	1 343.6	82 432.8	Mar	2016
2 428.8	144.6	2 573.3	25.0	1 600.0	26 899.2	3 053.7	81 153.9	Jun	
2 680.4	146.4	2 826.8	25.0	1 600.0	25 757.5	3 168.5	80 781.5	Sep	
2 709.5	148.7	2 858.1	25.0	1 600.0	25002.1	3 383.5	77 593.3	Dec	
2 290.0	150.3	2 440.2	25.0	1 600.0	24 800.2	3 165.5	77 591.9	Jan	2017
2 279.4	150.3	2 429.8	25.0	1 600.0	24 574.8	3 205.6	75 872.5	Feb	
2 360.4	150.3	2 510.8	25.0	1 600.0	25 259.4	3 253.5	74 745.4	Mar	
2 317.8	151.6	2 469.4	25.0	1 600.0	25 490.0	1 346.9	78 956.1	Apr	
2 394.4	151.6	2 546.0	25.0	1 600.0	25 522.7	1 418.8	79 374.2	May	
2 553.3	151.8	2 705.1	25.0	1 600.0	25 253.9	1 424.7	75 455.7	Jun	
2 572.7	152.5	2 725.2	25.0	1 600.0	25 605.9	1 459.3	80 182.8	Jul	
2 565.3	153.2	2 718.6	25.0	1 600.0	25 414.3	1 523.3	77 340.8	Aug	
2 754.8	153.5	2 908.4	25.0	1 600.0	26 345.0	1 559.9	77 435.9	Sep	
2 722.8	155.0	2 877.9	25.0	1 600.0	27 337.5	1 644.2	82 666.7	Oct	
2 710.4	155.2	2 865.6	25.0	1 600.0	26 632.1	1 958.2	80 814.1	Nov	
2 980.7	155.8	3 136.5	25.0	1 600.0	24 684.6	2 043.7	74 330.7	Dec	
2 405.3	156.3	2 561.6	25.0	1 600.0	24 578.9	1 853.4	76 632.1	Jan	
2 388.4	156.5	2 544.9	25.0	1 600.0	23 659.6	1 829.1	72 843.0	Feb	
2 793.4	157.6	2 951.0	25.0	1 600.0	23 712.2	1 903.0	71 180.4	Mar	
2 607.5	157.6	2 765.1	25.0	1 600.0	24 596.9	1 096.6	74 997.5	Apr	
2 587.6	157.9	2 745.4	25.0	1 600.0	24 987.9	1 271.7	74 431.8	May	
2 717.5	158.3	2 875.8	25.0	1 600.0	26 883.3	1 457.0	74 960.3	Jun	
2 673.7	158.4	2 832.1	25.0	1 600.0	26 225.5	1 512.6	75 810.6	Jul	
2 755.3	158.7	2 914.1	25.0	1 600.0	29 310.2	1 648.1	78 014.7	Aug	
2 984.5	159.5	3 144.0	25.0	1 600.0	28 108.3	1 769.8	76 495.2	Sep	
2 876.4	161.3	3 037.6	25.0	1 600.0	27 387.0	1 823.1	79 314.7	Oct	
2 997.7	162.6	3 160.3	25.0	1 600.0	23 591.1	4 115.0	75 274.2	Nov	
3 121.5	165.4	3 286.9	25.0	1 600.0	22 563.5	5 369.7	72 150.0	Dec	
2 570.1	165.4	2 735.5	25.0	1 600.0	21 955.5	5 279.4	73 714.8	Jan	2019
2 567.7	165.4	2 733.0	25.0	1 600.0	23 770.7	5 697.8	73 814.9	Feb	
2 811.1	165.6	2 976.7	25.0	1 600.0	25 662.6	5 953.1	74 226.0	Mar	
2 883.4	166.8	3 050.2	25.0	1 600.0	25 864.5	1 958.5	77 275.4	Apr	
3 069.9	167.2	3 237.1	25.0	1 600.0	25 407.6	2 218.1	76 013.8	May	
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	Jul	
3 218.9	170.0	3 388.9	25.0	1 600.0	28 850.1	2 984.7	74 247.5	Aug	
3 098.1	168.9	3 267.1	25.0	1 600.0	26 377.7	2 716.3	75 388.3	Sep	
3 224.2	174.1	3 398.3	25.0	1 600.0	28 831.3	3 699.3	74 421.6	Oct	
3 396.8	175.4	3 572.2	25.0	1 600.0	28 219.0	3 865.8	71 392.5	Nov	
3 665.8	116.2	3 782.0	25.0	1 600.0	21 500.8	4 371.9	65 989.6	Dec	

TABLE 3.6: NOTES IN CIRCULATION

(P Million)

End of		P1 ¹	P2 ¹	P5 ¹	P10	P20	P50	P100	P200	Total
2010		0.8	0.9	2.4	39.8	92.5	147.3	597.9	946.5	1 828.3
2011		0.8	0.9	2.4	42.2	90.9	141.8	587.2	1 124.8	1 991.1
2012		0.8	0.9	2.4	43.1	106.5	172.6	579.5	1 288.7	2 194.6
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	Q1	...	...	...	34.6	109.7	169.0	511.2	1 512.5	2 337.1
	Q2	...	...	...	35.8	111.6	172.2	514.4	1 549.1	2 383.2
	Q3	...	...	...	39.3	123.3	187.1	564.2	1 688.9	2 602.9
	Q4	...	...	...	42.4	131.9	190.8	539.1	1 689.7	2 593.9
2016	Q1	...	...	...	36.9	121.2	180.5	500.2	1 579.7	2 418.4
	Q2	...	...	...	40.3	127.9	179.3	492.8	1 616.3	2 456.6
	Q3	...	...	...	41.9	135.5	204.8	547.0	1 784.7	2 713.9
	Q4	...	...	...	45.2	138.5	215.9	557.1	1 785.5	2 742.2
2017	Jan	...	...	...	43.1	124.4	185.3	451.8	1 519.9	2 324.5
	Feb	...	...	...	40.1	119.8	187.4	446.3	1 515.5	2 309.1
	Mar	...	...	...	41.0	129.8	194.6	455.2	1 570.3	2 391.0
	Apr	...	...	...	39.2	127.2	190.9	453.0	1 534.9	2 345.2
	May	...	...	...	39.4	130.8	205.6	464.5	1 590.5	2 430.8
	Jun	...	...	...	40.2	136.5	205.0	495.4	1 699.9	2 577.1
	Jul	...	...	...	40.6	140.6	204.5	487.2	1 729.1	2 602.0
	Aug	...	...	...	40.2	139.9	202.3	494.7	1 728.5	2 605.6
	Sep	...	...	...	41.6	151.0	216.6	522.7	1 852.9	2 784.8
	Oct	...	...	...	40.9	152.9	207.9	512.3	1 847.3	2 761.4
	Nov	...	...	...	42.2	147.8	204.3	504.2	1 843.9	2 742.3
	Dec	...	...	...	45.8	164.4	235.5	593.0	1 968.3	3 006.9
2018	Jan	...	...	...	47.2	142.0	191.5	460.9	1 599.5	2 441.2
	Feb	...	...	...	47.6	135.1	200.1	458.9	1 582.3	2 423.9
	Mar	...	...	...	45.8	153.1	232.7	552.8	1 843.9	2 828.3
	Apr	...	...	...	47.3	143.7	217.5	498.7	1 737.1	2 644.3
	May	...	...	...	48.3	145.4	221.0	495.6	1 713.9	2 624.2
	Jun	...	...	...	49.3	149.7	219.8	498.8	1 831.9	2 749.5
	Jul	...	...	...	47.6	142.4	206.8	505.7	1 800.5	2 703.0
	Aug	...	...	...	48.8	142.1	221.7	514.3	1 866.5	2 793.4
	Sep	...	...	...	47.6	145.7	234.5	559.9	2 026.5	3 014.2
	Oct	...	...	...	46.4	143.7	226.5	523.5	1 965.7	2 905.8
	Nov	...	...	...	49.6	146.9	239.1	556.3	2 032.9	3 024.8
	Dec	...	...	...	52.4	155.2	249.1	609.4	2 085.9	3 152.1
2019	Jan	...	...	...	49.9	135.6	205.2	469.3	1,735.7	2,595.7
	Feb	...	...	...	49.9	139.4	212.6	464.4	1,729.3	2,595.6
	Mar	...	...	...	55.9	146.7	229.9	511.9	1,900.1	2,844.5
	Apr	...	...	...	61.6	157.8	235.0	534.4	1,920.7	2,909.5
	May	...	...	...	66.8	163.7	251.7	564.8	2,058.5	3,105.5
	Jun	...	...	...	65.0	161.5	244.8	521.1	2,090.7	3,083.2
	Jul	...	...	...	68.1	167.3	250.7	535.5	2,111.5	3,133.1
	Aug	...	...	...	73.3	155.1	237.9	547.4	2,238.5	3,252.2
	Sep	...	...	...	72.0	137.6	256.1	562.6	2,285.1	3,313.5
	Oct	...	...	...	71.1	146.5	261.5	548.5	2,226.9	3,254.4
	Nov	...	...	...	72.3	152.1	248.3	564.9	2,392.9	3,430.5
	Dec	...	...	...	74.1	171.9	288.1	633.8	2,526.1	3,694.0

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
2010		7.0	6.2	6.8	8.2	17.4	21.0	29.5	0.2	96.0
2011		7.4	6.6	7.2	8.6	18.1	22.3	33.6	0.2	103.8
2012		8.2	7.1	7.8	9.4	18.9	22.3	35.0	0.2	108.7
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	Mar	9.6	8.1	8.8	11.0	22.2	28.9	44.5	0.2	133.1
	June	9.9	8.4	9.1	11.2	22.6	29.4	44.5	0.2	135.0
	Sep	10.2	8.8	9.4	11.5	23.6	30.6	45.6	0.2	139.7
	Dec	10.5	9.0	9.5	11.7	24.3	31.2	46.8	0.2	143.0
2016	Mar	10.5	9.1	9.6	11.8	24.4	31.3	47.2	0.2	144.0
	Jun	10.8	9.3	9.7	11.8	24.2	31.3	47.2	0.2	144.2
	Sep	10.9	9.4	9.8	12.0	24.7	31.6	47.9	0.2	146.2
	Dec	11.2	9.7	10.1	12.2	25.0	31.9	48.9	0.2	148.9
2017	Jan	11.2	9.7	10.2	12.3	25.2	32.3	49.3	0.2	150.1
	Feb	11.2	9.7	10.2	12.3	25.2	32.3	49.3	0.2	150.2
	Mar	11.2	9.7	10.2	12.3	25.2	32.3	49.3	0.2	150.1
	Apr	11.3	9.8	10.2	12.3	25.4	32.7	49.9	0.2	151.4
	May	11.3	9.8	10.2	12.3	25.4	32.7	49.9	0.2	151.5
	Jun	11.4	9.9	10.2	12.2	25.4	32.7	49.8	0.2	151.7
	Jul	11.4	10.0	10.2	12.3	25.5	32.7	50.2	0.2	152.3
	Aug	11.5	10.0	10.2	12.3	25.5	33.1	50.4	0.2	153.1
	Sep	11.6	10.1	10.3	12.3	25.5	33.1	50.4	0.2	153.4
	Oct	11.7	10.2	10.3	12.4	25.8	33.6	50.8	0.2	154.8
	Nov	11.8	10.3	10.3	12.4	25.8	33.6	50.8	0.2	155.0
	Dec	11.8	10.3	10.4	12.4	26.1	33.6	51.1	0.2	155.6
2018	Jan	11.8	10.3	10.4	12.4	26.2	33.6	51.4	0.2	156.2
	Feb	11.9	10.3	10.4	12.5	26.2	33.6	51.4	0.2	156.3
	Mar	12.0	10.4	10.6	12.6	26.3	33.8	51.8	0.2	157.5
	Apr	12.0	10.4	10.6	12.6	26.3	33.8	51.8	0.2	157.5
	May	12.0	10.5	10.6	12.6	26.4	33.8	51.8	0.2	157.7
	Jun	12.1	10.5	10.6	12.6	26.4	33.9	52.0	0.2	158.1
	Jul	12.1	10.5	10.7	12.7	26.4	33.9	37.3	0.2	143.6
	Aug	12.1	10.6	10.7	12.7	26.5	33.9	52.1	0.2	158.6
	Sep	12.2	10.6	10.7	12.7	26.6	34.1	52.5	0.2	159.3
	Oct	12.3	10.7	10.8	12.8	26.9	34.2	53.4	0.2	161.1
	Nov	12.4	10.8	11.0	13.0	26.9	34.5	54.0	0.2	162.5
	Dec	12.5	10.9	11.1	12.9	27.3	35.0	55.6	0.2	165.2
2019	Jan	12.5	10.9	11.1	12.9	27.3	35.0	55.6	0.2	165.3
	Feb	12.5	10.9	11.1	12.9	27.3	35.0	55.6	0.2	165.2
	Mar	12.5	10.9	11.1	12.9	27.4	35.1	55.7	0.2	165.6
	Apr	12.6	11.0	11.2	12.9	27.6	35.5	56.0	0.2	166.8
	May	12.7	11.1	11.2	12.9	27.6	35.2	56.3	0.2	167.0
	Jun	12.7	11.1	11.3	12.9	27.6	35.5	56.6	0.2	167.8
	Jul	12.8	11.2	11.3	13.0	27.6	35.7	57.2	0.2	168.7
	Aug	13.0	11.3	11.3	13.0	28.0	36.0	57.4	0.2	169.8
	Sep	13.0	11.3	11.3	13.0	28.0	36.5	57.9	0.2	170.9
	Oct	13.1	11.5	11.6	13.3	28.6	36.7	59.1	0.2	174.0
	Nov	13.2	11.6	11.7	13.3	28.7	37.3	59.5	0.2	175.2
	Dec	13.3	11.6	11.8	13.4	28.7	37.8	60.5	0.2	177.1

Source: Bank of Botswana

TABLE 3.8: COMMERCIAL BANKS - ASSETS
(P Million)

End of		Balances at Bank of Botswana				Balances due from Domestic Banks	Bank of Botswana Certificates ¹	Treasury Bills ²
		Cash	Operating Account	Reserve Requirements ⁶	Reverse Repos			
2010		723.1	986.9	1 588.1	...	344.6	14 942.4	59.7
2011		714.0	420.5	3 571.5	569.6	998.1	8 722.6	198.4
2012		824.1	39.8	4 089.0	-	943.9	8 168.5	113.8
2013		933.0	190.7	4 183.7	-	481.4	5 521.6	632.0
2014		1 373.5	- 1.8	4 420.8	132.4	2 329.6	4 267.2	366.6
2015	Mar	1 229.6	134.3	4 410.7	1 168.6	2 955.9	6 976.6	366.3
	Jun	1 206.9	195.0	2 908.0	2 329.3	2 130.4	6 564.6	1 015.8
	Sep	1 309.5	108.7	2 448.8	6 068.2	1 465.4	6 395.7	1 367.9
	Dec	1 544.4	384.6	2 597.0	1 672.6	1 272.2	8 188.9	816.2
2016	Mar	1 331.8	2 158.8	2 543.6	1 214.8	1 922.6	7 570.1	716.9
	Jun	1 243.2	1 052.6	2 584.2	929.8	1 697.5	7 661.9	821.1
	Sep	1 196.1	950.7	2 476.0	699.9	1 191.5	7 638.5	915.8
	Dec	1 432.9	1 040.7	2 556.7	1 302.5	1 882.1	7 916.8	982.8
2017	Jan	1 155.2	207.1	2 291.8	-	2 084.1	7 471.9	983.6
	Feb	1 087.8	183.0	2 417.0	1 016.3	1 703.8	7 173.4	984.4
	Mar	1 135.9	105.9	2 565.9	861.9	1 935.1	7 310.3	1 051.6
	Apr	1 065.2	304.8	2 544.4	1 693.8	2 048.0	6 144.2	1 052.6
	May	1 170.4	113.2	2 462.5	1 518.4	1 575.0	7 261.4	1 054.1
	Jun	1 197.4	50.4	2 492.1	520.9	2 598.0	7 593.8	1 052.0
	Jul	1 166.2	583.5	2 614.0	1 299.5	1 907.6	6 523.6	1 053.3
	Aug	1 170.9	141.1	2 589.8	1 195.3	1 662.2	7 613.4	1 054.7
	Sep	1 193.8	20.6	2 624.7	592.1	1 356.7	7 271.4	979.2
	Oct	1 242.5	202.7	2 695.6	1 336.1	1 665.2	7 819.1	980.3
	Nov	1 143.6	171.2	2 644.6	791.1	2 184.2	7 771.6	981.2
	Dec	1 608.0	242.2	2 693.2	54.0	2 548.6	6 293.6	828.5
2018	Jan	1 414.8	298.6	2 757.4	302.5	1 947.6	6 760.4	829.6
	Feb	1 408.2	111.2	2 720.8	381.6	2 540.3	6 062.3	830.3
	Mar	1 521.2	229.8	2 659.1	838.8	1 961.8	5 492.2	567.0
	Apr	1 439.0	176.6	2 661.6	1 996.0	1 412.4	5 627.3	667.7
	May	1 441.4	110.7	2 659.1	772.8	1 512.8	6 761.0	568.4
	Jun	1 433.6	710.6	2 637.6	2 151.6	1 930.7	4 734.1	665.0
	Jul	1 446.9	119.1	2 711.9	2 864.1	1 475.5	6 156.2	668.0
	Aug	1 435.8	54.6	2 763.0	874.4	1 391.2	7 686.9	668.5
	Sep	1 442.6	138.4	2 804.6	1 042.5	1 562.3	7 923.3	767.1
	Oct	1 551.2	54.7	2 873.1	1 284.0	1 759.7	9 030.0	768.1
	Nov	1 524.8	93.8	2 898.2	1 043.0	1 566.4	8 746.2	765.4
	Dec	1 901.5	141.1	2 886.3	1 054.7	2 249.6	8 194.5	663.7
2019	Jan	1 521.8	106.5	2 964.9	1 695.1	1 667.5	9 135.0	669.0
	Feb	1 437.3	90.9	2 910.4	2 184.9	1 093.8	9 279.1	669.7
	Mar	1 564.5	815.5	2 953.0	2 098.9	740.1	9 153.0	666.4
	Apr	1 639.7	212.1	2 994.7	2 212.8	991.8	9 052.1	697.3
	May	1 687.5	183.9	2 993.5	2 370.7	1 172.8	9 625.8	503.1
	Jun	1 549.7	263.3	3 018.7	2 305.4	1 469.7	7 676.4	647.0
	Jul	1 618.9	143.3	3 038.6	2 351.1	1 625.3	9 626.8	649.0
	Aug	1 549.7	175.2	3 037.7	1 595.8	1 896.1	10 142.8	617.8
	Sep	1 360.5	158.2	3 139.8	1 935.0	1 854.1	9 634.4	598.6
	Oct	1 315.6	190.7	3 149.6	2 331.6	1 022.5	9 572.9	448.0
	Nov	1 265.2	184.9	3 117.9	2 330.9	1 931.4	9 578.4	599.2
	Dec	1 849.8	256.0	2 904.6	1 490.9	2 129.0	8 853.1	697.5

1. 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.

2. These are Botswana Government treasury bills of six months duration which began to be issued on March 7, 2008.

3. They include overdrafts, hire purchase and leasing. These are net of provisions and thus different from those in Table 3.18.

4. Debt securities include bonds.

5. Other assets comprise intra-bank balances, accounts receivables, cash in process of collection and other domestic investments.

6. 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.

Source: Commercial banks

Bills purchased and discounted	Balances due from Foreign Banks	Loans & Advances³	Debt Securities⁴	Fixed Assets	Other Assets⁵	Total Assets	End of
195.5	5 323.0	21 434.6	2 417.8	528.1	832.0	49 375.7	2010
...	5 249.3	27 265.3	2 028.4	500.7	1 545.5	51 783.8	2011
...	6 665.5	33 768.0	1 688.2	665.1	1 301.9	58 267.7	2012
...	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
...	11 976.6	44 619.1	1 515.5	909.8	2 176.1	78 438.9	Mar 2015
...	8 648.1	44 758.6	1 584.2	933.3	1 359.5	73 633.7	Jun
...	8 865.0	46 041.7	1 785.4	952.2	1 841.7	78 650.1	Sep
...	9 262.6	46 997.2	1 530.0	967.5	1 487.7	76 721.1	Dec
...	8 675.3	47 696.6	1 194.9	954.7	1 855.3	77 835.4	Mar 2016
...	10 036.5	49 137.5	1 468.6	902.1	1 848.9	79 383.9	Jun
...	8 961.7	50 270.6	1 883.6	882.4	1 659.8	78 726.6	Sep
...	9 046.7	49 668.2	2 440.1	899.2	1 525.1	80 694.0	Dec
...	9 077.2	49 857.5	2 439.5	897.1	1 645.4	78 110.2	Jan 2017
...	10 109.6	49 896.9	2 691.9	884.5	1 802.3	79 950.9	Feb
...	9 692.9	49 362.7	2 223.4	882.5	1 559.4	78 687.5	Mar
...	10 402.4	49 940.0	2 292.9	895.3	1 681.3	80 064.8	Apr
...	10 311.7	50 056.1	2 291.7	893.7	1 623.6	80 331.9	May
...	10 919.5	50 702.1	2 569.3	899.4	1 461.3	82 056.3	Jun
...	11 634.0	50 834.7	2 580.2	900.0	1 747.5	82 844.2	Jul
...	11 676.3	50 954.3	2 655.5	897.9	1 624.2	83 235.8	Aug
...	11 341.7	51 274.7	2 883.1	904.6	1 675.2	82 117.9	Sep
...	11 859.4	51 963.5	2 890.8	911.3	1 545.2	85 111.6	Oct
...	12 273.0	52 029.2	3 036.4	930.8	1 614.0	85 570.9	Nov
...	11 029.4	52 147.0	3 421.0	926.2	1 676.7	83 468.2	Dec
...	10 305.9	52 161.9	3 421.0	943.0	2 044.8	83 187.4	Jan 2018
...	10 838.7	52 234.7	3 486.1	919.4	1 631.4	83 165.0	Feb
...	9 623.0	52 656.3	3 538.2	921.5	2 132.8	82 141.7	Mar
...	10 222.2	52 881.5	3 674.0	909.4	1 720.1	83 387.9	Apr
...	11 169.4	53 247.6	3 675.3	971.4	1 466.2	84 356.2	May
...	10 579.3	54 475.1	3 866.3	946.7	1 601.3	85 731.9	Jun
...	10 863.7	54 185.1	3 878.5	925.3	1 496.0	86 790.3	Jul
...	11 571.5	54 367.9	3 987.7	909.6	1 539.6	87 250.8	Aug
...	11 896.2	55 248.2	2 948.1	924.3	1 615.6	88 313.2	Sep
...	12 843.9	55 770.0	2 958.2	949.5	1 606.3	91 448.7	Oct
...	12 570.6	56 174.8	2 907.5	966.5	1 589.2	90 846.4	Nov
...	12 482.4	56 185.4	3 123.7	956.2	1 491.8	91 331.0	Dec
...	11 231.6	56 166.4	3 202.9	992.5	1 978.7	91 332.1	Jan 2019
...	12 357.9	55 501.9	3 238.3	1 065.0	1 723.8	91 553.1	Feb
...	12 151.6	56 075.9	3 586.8	1 056.8	1 612.0	92 474.4	Mar
...	11 798.3	56 282.7	3 580.2	1 133.0	2 032.7	92 627.3	Apr
...	12 306.5	56 976.6	3 649.9	1 130.9	1 632.9	94 234.1	May
...	12 318.9	57 906.3	3 915.8	1 133.8	1 547.8	93 752.9	Jun
...	12 337.2	58 087.7	3 896.7	1 204.3	1 731.9	96 310.9	Jul
...	13 673.3	58 544.1	4 099.3	1 250.7	1 568.1	98 150.7	Aug
...	13 147.9	58 600.0	4 166.7	1 249.0	1 887.4	97 731.5	Sep
...	12 370.6	59 143.7	4 125.9	1 241.5	1 898.3	96 810.9	Oct
...	11 844.4	59 658.1	4 340.9	1 330.6	1 878.5	98 060.5	Nov
...	12 713.9	60 199.9	4 436.4	1 348.0	1 806.1	98 685.4	Dec

TABLE 3.9: COMMERCIAL BANKS - LIABILITIES

(P Million)

As at end of		Balances due to		Government Deposits	Deposits from the public	
		Other Banks	Bank of Botswana		Current & Call	Savings
2010		2 393.7	-	311.9	20 568.1	2 838.7
2011		679.6	-	246.9	21 830.8	3 105.3
2012		1 586.2	19.8	133.5	23 824.4	3 303.0
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	Mar	4 051.3	30.3	294.5	34 712.4	3 778.2
	Jun	2 959.0	83.7	271.1	30 872.5	3 814.1
	Sep	2 919.9	49.7	294.8	32 835.3	3 911.4
	Dec	3 249.3	2.0	311.2	32 403.7	4 027.4
2016	Mar	2 583.8	-	270.5	34 212.3	3 961.3
	Jun	3 270.8	-	188.0	35 293.9	4 198.3
	Sep	2 582.2	-	215.0	35 060.3	4 204.8
	Dec	3 834.8	11.5	171.4	34 622.4	4 416.8
2017	Jan	3 011.4	158.5	206.3	32 892.1	4 309.0
	Feb	3 104.1	67.0	258.9	34 178.1	4 420.6
	Mar	3 115.7	12.7	291.7	33 259.3	4 504.9
	Apr	3 240.0	26.3	179.8	34 126.0	4 524.6
	May	2 796.2	4.7	186.5	34 591.8	4 510.8
	Jun	3 967.2	25.4	265.1	34 469.8	4 623.8
	Jul	3 282.4	16.8	361.9	36 547.8	4 639.1
	Aug	3 102.4	12.8	276.9	36 907.8	4 687.4
	Sep	2 968.6	9.3	218.7	35 688.6	4 734.8
	Oct	3 192.8	2.2	295.8	37 666.6	4 799.8
	Nov	3 506.6	15.5	272.2	37 334.9	4 815.1
	Dec	4 241.9	26.6	302.5	35 244.4	4 728.9
2018	Jan	4 118.6	21.6	350.5	34 106.4	4 513.4
	Feb	4 467.0	7.4	327.9	34 129.8	4 524.3
	Mar	3 617.3	-	272.6	34 115.0	4 633.0
	Apr	3 517.4	2.3	432.6	35 092.6	4 577.7
	May	3 846.6	9.6	428.1	34 863.4	4 591.1
	Jun	4 376.7	40.3	362.2	34 826.3	4 719.4
	Jul	3 570.4	10.1	485.5	36 985.4	4 721.4
	Aug	3 097.5	37.2	408.7	37 249.2	4 782.1
	Sep	3 634.8	48.0	307.6	36 925.3	4 795.3
	Oct	3 133.1	19.6	417.3	38 794.2	4 912.7
	Nov	3 178.4	18.5	266.3	38 079.2	4 872.9
	Dec	4 709.9	13.7	229.3	37 395.4	4 808.6
2019	Jan	3 012.1	92.3	108.5	37 566.7	4 696.2
	Feb	3 195.9	54.4	132.9	37 390.9	4 642.6
	Mar	2 979.9	-	224.8	39 676.6	4 853.7
	Apr	3 611.5	-	191.6	39 287.6	4 885.0
	May	3 527.3	-	157.0	40 528.3	4 978.0
	Jun	3 724.3	-	259.9	39 466.4	5 094.9
	Jul	3 404.6	-	345.5	40 995.3	5 110.2
	Aug	3 909.4	214.4	154.9	41 553.8	5 215.8
	Sep	3 447.8	5.6	235.1	41 671.4	5 277.8
	Oct	2 765.1	102.2	107.8	42 513.8	5 344.3
	Nov	3 980.3	95.7	159.8	42 662.0	5 371.3
	Dec	4 522.6	-	167.6	42 774.3	5 284.0

Source: Commercial banks

Notice & Time	Total	Capital & Reserves	Other Liabilities	Total Liabilities	As at end of
16 704.1	40 110.9	4 647.7	1 911.6	49 375.7	2010
18 322.0	43 258.2	5 134.0	2 465.1	51 783.8	2011
19 954.8	47 082.2	6 177.2	3 268.8	58 267.7	2012
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	Dec 2014
22 851.7	61 342.2	8 108.3	4 612.2	78 438.9	Mar 2015
22 670.7	57 357.3	8 120.1	4 842.6	73 633.7	Jun
24 738.1	61 484.8	8 538.9	5 362.0	78 650.1	Sep
23 218.9	59 650.0	8 325.2	5 183.4	76 721.1	Dec
22 634.5	60 808.0	8 305.1	5 868.1	77 835.4	Mar 2016
22 020.0	61 512.3	8 643.1	5 769.6	79 383.9	Jun
21 717.6	60 982.7	8 847.8	6 099.0	78 726.6	Sep
23 227.3	62 266.5	9 049.6	5 360.3	80 694.0	Dec
22 736.3	59 937.4	9 146.4	5 650.2	78 110.2	Jan 2017
22 890.8	61 489.6	9 197.6	5 833.8	79 950.9	Feb
22 064.5	59 828.8	8 792.6	6 645.9	78 687.5	Mar
22 533.0	61 183.6	8 927.4	6 507.7	80 064.8	Apr
22 936.0	62 038.7	9 645.7	5 660.0	80 331.9	May
23 020.9	62 114.6	9 920.5	5 763.5	82 056.3	Jun
22 020.8	63 207.7	8 982.4	6 993.0	82 844.2	Jul
23 024.8	64 619.9	8 914.7	6 309.2	83 235.8	Aug
23 199.9	63 623.4	8 985.6	6 312.4	82 117.9	Sep
23 917.8	66 384.1	9 144.7	6 092.1	85 111.6	Oct
24 148.3	66 298.3	9 217.8	6 260.5	85 570.9	Nov
23 305.4	63 278.7	9 383.0	6 235.4	83 468.2	Dec
24 354.3	62 974.0	9 303.6	6 419.0	83 187.4	Jan 2018
23 721.9	62 375.9	9 405.9	6 580.8	83 165.0	Feb
23 474.0	62 221.9	9 246.4	6 783.5	82 141.7	Mar
24 000.0	63 670.4	9 338.2	6 427.1	83 387.9	Apr
24 871.4	64 325.9	9 490.8	6 255.1	84 356.2	May
24 930.6	64 476.3	9 635.0	6 841.4	85 731.9	Jun
25 064.7	66 771.6	9 264.8	6 688.0	86 790.3	Jul
25 487.8	67 519.1	9 247.5	6 940.8	87 250.8	Aug
26 488.8	68 209.4	9 264.9	6 848.6	88 313.2	Sep
27 294.1	71 001.0	9 892.3	6 985.3	91 448.7	Oct
26 945.9	69 898.0	10 032.5	7 452.7	90 846.4	Nov
26 837.5	69 041.5	10 389.7	6 946.9	91 331.0	Dec
27 957.4	70 220.3	10 399.7	7 499.1	91 332.1	Jan 2019
28 465.1	70 498.5	10 366.4	7 305.0	91 553.1	Feb
26 885.0	71 415.3	10 438.7	7 415.6	92 474.4	Mar
26 717.2	70 889.8	10 384.7	7 549.7	92 627.3	Apr
27 033.0	72 539.4	10 540.4	7 470.2	94 234.1	May
26 662.7	71 224.0	10 741.9	7 802.8	93 752.9	Jun
27 906.0	74 011.6	10 814.2	7 735.0	96 310.9	Jul
27 930.4	74 700.0	10 700.9	8 471.1	98 150.7	Aug
28 172.9	75 122.1	10 666.1	8 254.8	97 731.5	Sep
27 466.6	75 324.6	10 838.8	7 672.2	96 810.9	Oct
27 255.3	75 288.6	10 912.3	7 623.8	98 060.5	Nov
27 483.3	75 541.5	11 080.3	7 373.2	98 685.4	Dec

TABLE 3.10: COMMERCIAL BANKS - LIQUID ASSETS
(P Million)

		ACTUAL LIQUID ASSETS									Excess Liquidity (9-1)
		Required Liquid Assets ¹	Cash and Balances ²	Balances held abroad ³	Treasury Bills ³	Government Bonds	Bills Purchased & Discounted	Other Liquid Assets	Bank of Botswana Certificates ⁴	Total (2+3+4+5+6+7+8)	
As at end of		1	2	3	4	5	6	7	8	9	10
2010		4 281.6	1 998.7	55.8	59.7	...	195.5	...	14 942.4	17 252.2	12 970.5
2011		4 564.4	1 970.7	75.8	198.4	75.8	...	-	7 561.2	9 881.9	5 317.5
2012		5 085.0	1 604.4	86.2	88.8	182.7	...	921.2	6 814.8	9 698.2	4 613.1
2013		5 130.1	1 443.6	151.5	632.0	...	...	1 393.7	3 885.4	7 506.3	2 376.2
2014		5 679.8	3 237.5	462.9	366.6	27.0	...	97.6	3 213.2	7 404.8	1 725.0
2015	Q1	6 687.6	3 842.4	476.3	366.3	434.4	...	1 836.7	5 586.1	12 542.2	5 854.6
	Q2	6 198.0	3 048.8	477.5	514.0	120.6	...	2 328.6	5 706.9	12 196.5	5 998.5
	Q3	6 614.6	2 380.7	496.8	566.7	506.5	...	6 174.2	5 332.8	15 457.7	8 843.1
	Q4	6 436.3	2 668.4	531.7	498.5	...	...	2 052.5	6 086.4	11 837.5	5 401.2
2016	Q1	6 507.9	4 899.1	513.0	454.0	...	...	1 487.3	5 536.0	12 889.3	6 381.5
	Q2	6 609.8	3 460.5	531.7	603.7	109.3	...	964.9	5 587.7	11 257.9	4 648.0
	Q3	6 487.2	2 955.7	381.6	165.4	578.7	...	911.7	6 159.2	11 152.2	4 665.0
	Q4	6 715.7	3 991.6	363.0	465.4	72.0	...	1 536.6	7 053.6	13 482.2	6 766.5
2017	Jan	6 435.6	3 075.9	369.4	466.2	72.1	...	234.2	6 238.6	10 456.6	4 020.9
	Feb	6 600.6	2 613.6	359.9	467.0	72.3	...	1 251.1	5 940.2	10 704.1	4 103.5
	Mar	6 448.8	2 765.4	410.5	534.2	17.5	...	1 097.4	5 964.1	10 789.0	4 340.2
	Apr	6 575.4	3 010.0	408.0	535.2	...	...	1 930.0	4 493.0	10 376.3	3 800.9
	May	6 609.5	2 440.0	417.5	635.0	...	...	1 755.5	5 510.2	10 758.2	4 148.7
	Jun	6 751.6	3 448.7	396.1	632.9	...	...	568.4	5 842.6	10 888.8	4 137.2
	Jul	6 789.3	3 274.7	381.6	434.2	...	...	1 537.2	4 972.4	10 600.0	3 810.7
	Aug	6 905.8	2 599.5	373.7	435.6	...	...	1 455.2	6 052.2	10 916.2	4 010.5
	Sep	6 782.8	2 189.2	380.8	560.1	810.1	...	851.4	5 510.2	10 301.9	3 519.1
	Oct	7 071.4	2 709.8	399.5	561.2	811.8	...	1 589.5	6 042.9	12 114.7	5 043.4
	Nov	7 101.6	3 103.3	394.7	562.1	859.7	...	1 143.6	5 997.4	12 060.8	4 959.2
	Dec	6 861.1	3 941.3	381.9	409.4	865.1	...	394.5	5 325.4	11 317.5	4 456.4
2018	Jan	6 845.1	3 061.3	547.0	610.5	647.4	...	719.6	6 062.2	11 647.9	4 802.8
	Feb	6 809.0	3 478.0	555.7	611.2	648.9	...	569.6	5 364.1	11 227.6	4 418.6
	Mar	6 740.6	3 067.9	558.9	347.9	626.1	...	1 040.0	4 794.0	10 434.9	3 694.3
	Apr	6 855.9	2 460.4	567.6	448.6	629.0	...	2 179.8	4 929.1	11 214.6	4 358.7
	May	6 947.7	2 456.9	590.4	349.3	630.4	...	980.4	6 047.8	11 055.3	4 107.7
	Jun	7 018.8	3 470.6	603.2	445.9	1 120.1	...	2 284.8	4 020.9	11 945.4	4 926.6
	Jul	7 183.2	2 450.0	590.4	448.9	1 136.2	...	2 996.9	5 587.0	13 209.4	6 026.2
	Aug	7 216.5	2 253.3	627.3	449.4	1 132.0	...	899.6	7 102.6	12 464.2	5 247.8
	Sep	7 318.6	2 544.4	597.7	548.0	...	...	1 143.7	7 339.1	12 173.0	4 854.4
	Oct	7 537.9	2 752.1	612.4	549.0	...	...	1 564.1	8 445.8	13 923.3	6 385.5
	Nov	7 414.7	2 572.9	611.0	546.3	...	...	1 346.6	7 812.7	12 889.5	5 474.8
	Dec	7 474.3	3 685.3	605.8	444.6	...	...	1 197.1	7 250.4	13 183.3	5 708.9
2019	Jan	7 444.0	2 685.3	609.5	449.9	...	...	2 059.3	8 176.6	13 980.7	6 536.7
	Feb	7 493.0	2 008.7	612.2	446.4	...	...	2 549.8	8 420.1	14 037.4	6 544.4
	Mar	7 575.3	2 494.8	624.3	511.4	...	...	2 264.7	8 338.6	14 233.7	6 658.3
	Apr	7 570.7	2 254.5	588.0	512.3	...	...	2 581.8	8 391.6	14 328.2	6 757.5
	May	7 738.7	2 411.3	632.9	318.1	...	...	2 590.4	9 145.9	15 098.6	7 359.9
	Jun	7 675.2	2 698.6	584.2	462.0	...	...	2 411.9	7 097.5	13 254.2	5 579.0
	Jul	7 944.7	3 010.7	376.8	334.0	...	...	2 488.5	8 708.6	14 918.6	6 973.9
	Aug	8 038.5	3 167.3	409.4	332.8	...	...	1 702.4	9 224.6	14 836.5	6 798.0
	Sep	8 040.8	3 053.0	275.7	248.9	72.0	...	2 240.8	8 979.2	14 869.6	6 828.8
	Oct	7 960.8	2 364.4	163.3	249.3	74.3	...	2 663.7	8 663.7	14 178.6	6 217.8
	Nov	8 103.6	3 204.1	177.5	399.7	116.5	...	2 539.2	8 702.7	15 139.7	7 036.1
	Dec	8 145.6	4 061.1	172.7	216.0	120.0	...	1 750.9	8 330.4	14 651.1	6 505.6

- 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		
2010		2 301.9	986.9	3 288.8	35 065.3	9.4		
2011		3 574.3	420.5	3 994.8	35 674.2	11.2		
2012		4 116.1	39.8	4 156.0	39 630.9	10.5		
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	Q1	4 410.7	134.3	4 545.0	47 319.6	9.6		
	Q2	2 427.9	195.0	2 622.9	46 845.8	5.6		
	Q3	2 448.8	108.7	2 557.5	51 912.8	4.9		
	Q4	2 588.7	384.6	2 973.3	51 090.2	5.8		
2016	Q1	2 537.0	2 158.8	4 695.8	50 829.3	9.2		
	Q2	2 608.7	1 052.6	3 661.3	51 967.9	7.0		
	Q3	2 598.5	950.7	3 549.2	50 895.0	7.0		
	Q4	2 556.7	1 040.7	3 597.4	52 676.5	6.8		
2017	Jan	2 587.0	207.1	2 794.1	51 527.8	5.4		
	Feb	2 633.8	183.0	2 816.8	51 507.1	5.5		
	Mar	2 576.4	105.9	2 682.3	51 316.9	5.2		
	Apr	2 575.4	304.8	2 880.2	52 989.4	5.4		
	May	2 565.8	113.2	2 679.0	52 203.5	5.1		
	Jun	2 649.5	50.4	2 699.9	51 798.5	5.2		
	Jul	2 610.2	583.5	3 193.7	52 493.1	6.1		
	Aug	2 589.9	141.1	2 731.0	53 909.8	5.1		
	Sep	2 624.7	20.6	2 645.2	52 892.5	5.0		
	Oct	2 695.5	202.7	2 898.1	53 863.6	5.4		
	Nov	2 644.6	171.2	2 815.8	55 147.6	5.1		
	Dec	2 693.2	242.2	2 935.3	54 417.0	5.4		
2018	Jan	2 757.4	298.6	3 055.9	53 180.5	5.7		
	Feb	2 720.8	111.2	2 832.0	53 231.8	5.3		
	Mar	2 659.0	229.8	2 888.8	53 045.0	5.4		
	Apr	2 661.6	176.6	2 838.2	52 752.0	5.4		
	May	2 652.3	110.7	2 763.0	54 457.4	5.1		
	Jun	2 637.6	710.6	3 348.2	55 248.8	6.1		
	Jul	2 722.9	119.1	2 841.9	56 091.5	5.1		
	Aug	2 762.4	54.6	2 817.1	57 462.9	4.9		
	Sep	2 804.6	138.4	2 942.9	57 892.7	5.1		
	Oct	2 873.1	54.7	2 927.9	58 099.9	5.0		
	Nov	2 894.6	93.8	2 988.5	59 297.3	5.0		
	Dec	2 905.0	141.1	3 046.1	58 208.2	5.2		
2019	Jan	2 964.9	106.5	3 071.4	59 060.5	5.2		
	Feb	2 910.4	90.9	3 001.3	59 894.0	5.0		
	Mar	2 953.0	815.5	3 768.5	60 105.4	6.3		
	Apr	2 994.7	212.1	3 206.8	60 373.9	5.3		
	May	3 005.3	183.9	3 189.2	60 771.8	5.2		
	Jun	3 018.7	263.3	3 282.0	60 801.9	5.4		
	Jul	3 038.6	143.3	3 181.9	62 623.3	5.1		
	Aug	3 040.1	175.2	3 215.3	63 108.6	5.1		
	Sep	3 131.2	158.2	3 289.4	64 400.1	5.1		
	Oct	3 155.4	190.7	3 346.1	64 372.1	5.2	Oct 9 - Nov 12	3 184.6
	Nov	3 220.0	184.9	3 404.9	64 573.3	5.3	Nov 13 - Dec 10	3 276.0
	Dec	3 218.6	256.0	3 474.7	64 813.0	5.4	Dec 11 - Jan 7	3 252.3

- 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)

As at end of		Government		Resident Business		Non-resident		Total
		Central	Local	Parastatals	Private	Business	Households	
2010		311.9	2 102.3	4 972.4	24 627.5	641.8	7 767.0	40 422.8
2011		246.9	1 549.9	6 099.2	26 711.0	315.7	8 582.3	43 505.0
2012		133.5	1 898.4	6 125.8	29 159.1	203.5	9 695.4	47 215.7
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	Q1	294.5	2 205.7	5 802.2	39 204.9	663.6	13 465.7	61 636.7
	Q2	271.1	2 281.1	5 165.1	37 240.9	427.1	12 243.3	57 628.4
	Q3	294.8	2 643.7	7 571.8	38 099.1	1 134.4	12 035.8	61 779.6
	Q4	311.2	2 436.0	5 238.7	37 372.5	164.1	14 438.7	59 961.2
2016	Q1	270.5	1 870.3	5 524.3	40 025.3	461.5	12 926.7	61 078.5
	Q2	188.0	2 496.9	4 914.1	40 623.6	349.1	13 128.6	61 700.3
	Q3	215.0	2 498.5	5 747.4	37 464.3	201.9	15 070.5	61 197.7
	Q4	171.4	2 504.1	6 133.6	39 411.1	302.5	13 915.2	62 437.8
2017	Jan	206.3	2 076.4	5 943.5	37 259.9	495.2	14 162.4	60 143.7
	Feb	258.9	1 719.8	5 627.2	40 209.9	582.8	13 349.9	61 748.5
	Mar	291.7	1 551.9	4 909.1	39 338.2	547.4	13 482.3	60 120.5
	Apr	179.8	2 290.0	5 161.6	39 250.7	611.0	13 870.3	61 363.5
	May	186.5	2 205.3	5 258.3	41 002.6	558.6	13 013.9	62 225.2
	Jun	265.1	3 306.6	5 076.2	40 732.3	467.0	12 532.4	62 379.6
	Jul	361.9	2 153.0	4 046.8	44 145.3	650.6	12 212.0	63 569.6
	Aug	276.9	2 150.6	4 112.2	45 259.1	788.5	12 309.5	64 896.8
	Sep	218.7	1 859.3	4 673.8	43 542.6	601.3	12 946.5	63 842.1
	Oct	295.8	2 901.9	4 825.9	44 900.2	742.3	13 013.8	66 679.9
	Nov	272.2	2 870.3	4 413.3	45 005.7	757.6	13 251.5	66 570.5
	Dec	302.5	2 351.6	3 219.7	44 512.7	448.5	12 746.2	63 581.2
2018	Jan	350.5	3 171.2	4 130.1	42 558.9	423.3	12 690.6	63 324.5
	Feb	327.9	2 555.8	4 045.1	42 342.5	380.8	13 051.7	62 703.9
	Mar	272.6	2 185.6	4 205.3	41 652.0	366.0	13 813.1	62 494.5
	Apr	432.6	2 933.9	5 103.0	42 161.2	538.0	12 934.2	64 103.0
	May	428.1	2 609.9	4 627.7	42 986.1	725.9	13 376.3	64 754.0
	Jun	362.2	2 662.1	4 642.3	43 355.5	707.7	13 108.8	64 838.5
	Jul	485.5	3 143.2	4 639.0	44 681.5	870.7	13 437.0	67 257.0
	Aug	408.7	2 507.9	4 913.6	45 568.6	914.8	13 614.1	67 927.8
	Sep	307.6	2 302.3	4 600.4	46 539.1	844.1	13 923.6	68 517.0
	Oct	417.3	2 738.9	5 864.3	47 802.8	525.9	14 069.1	71 418.4
	Nov	266.3	2 587.6	3 796.7	48 792.5	477.6	14 243.6	70 164.3
	Dec	229.3	2 044.6	4 262.6	48 462.2	428.3	13 843.9	69 270.9
2019	Jan	108.5	2 632.4	5 142.4	48 352.4	385.7	13 707.4	70 328.8
	Feb	132.9	2 455.9	4 266.9	49 290.1	376.7	14 108.8	70 631.4
	Mar	224.8	2 433.5	4 506.2	49 789.0	342.5	14 344.1	71 640.2
	Apr	191.6	2 572.2	4 717.5	48 884.1	308.6	14 407.4	71 081.5
	May	157.0	2 251.3	5 374.1	49 821.2	295.8	14 797.0	72 696.3
	Jun	259.9	1 832.2	4 960.6	48 450.0	951.9	15 029.2	71 483.9
	Jul	345.5	2 673.1	4 576.1	50 387.2	1 176.0	15 199.2	74 357.1
	Aug	154.9	2 181.9	4 999.9	50 907.4	1 321.9	15 288.8	74 854.8
	Sep	235.1	2 807.6	4 722.5	50 255.8	1 282.1	16 054.0	75 357.2
	Oct	107.8	2 366.3	4 922.1	51 906.8	595.6	15 533.8	75 432.4
	Nov	159.8	1 870.6	4 650.5	52 489.6	585.7	15 692.1	75 448.3
	Dec	167.6	2 333.9	5 482.9	51 833.5	507.0	15 384.2	75 709.2

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
2010		6 776.9	14 052.6	2 840.2	2 579.2	1 620.5	11 503.8	642.3	407.3	40 422.8
2011		7 122.9	14 882.4	3 107.3	2 923.5	4 652.3	9 272.2	916.4	628.1	43 505.0
2012		8 983.0	14 937.8	3 303.0	2 210.2	4 831.9	10 018.5	2 333.0	598.3	47 215.7
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	Q1	15 522.4	19 344.5	3 778.4	3 890.0	7 475.8	7 444.0	3 392.5	789.1	61 636.7
	Q2	12 108.4	18 965.0	3 814.1	1 728.8	9 735.8	6 303.4	3 891.2	1 081.8	57 628.4
	Q3	11 766.9	21 221.8	3 911.4	1 952.9	9 702.1	7 998.4	4 176.8	1 049.3	61 779.6
	Q4	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	Q1	13 121.0	21 299.2	3 961.3	1 718.5	2 863.5	11 750.1	4 400.0	1 964.8	61 078.5
	Q2	13 467.9	21 930.9	4 198.4	1 729.0	3 143.9	10 308.0	4 888.1	2 034.2	61 700.3
	Q3	14 250.7	20 962.3	4 204.8	945.1	2 880.5	10 944.0	5 194.3	1 816.0	61 197.7
	Q4	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	Jan	13 098.4	19 967.4	4 309.2	1 074.3	2 433.5	11 799.6	5 451.3	2 010.2	60 143.7
	Feb	13 590.7	20 783.1	4 420.8	1 895.4	3 158.5	10 414.0	5 451.8	2 034.3	61 748.5
	Mar	13 315.9	20 160.6	4 506.2	1 675.7	2 999.6	10 102.9	5 556.9	1 802.6	60 120.5
	Apr	13 337.5	20 931.0	4 529.4	979.9	3 341.1	10 569.6	5 711.1	1 963.9	61 363.5
	May	13 183.7	21 561.0	4 510.9	1 080.8	2 990.6	10 522.4	6 231.9	2 144.0	62 225.2
	Jun	13 983.1	20 570.6	4 623.9	1 525.0	2 973.6	11 357.2	5 495.1	1 851.1	62 379.6
	Jul	14 843.8	21 878.5	4 639.4	1 281.8	3 522.6	10 370.6	5 259.2	1 773.8	63 569.6
	Aug	15 458.6	21 683.7	4 687.7	1 842.3	3 146.3	12 597.5	3 741.5	1 739.2	64 896.8
	Sep	15 052.3	20 802.4	4 735.1	1 359.1	3 271.1	12 536.9	4 148.7	1 936.4	63 842.1
	Oct	15 199.3	22 727.2	4 800.1	1 391.5	2 983.9	13 450.8	4 266.3	1 860.7	66 679.9
	Nov	15 296.0	22 259.2	4 815.4	1 169.1	3 210.0	13 914.9	4 098.4	1 807.5	66 570.5
	Dec	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	Jan	14 259.9	20 170.9	4 513.7	494.5	1 990.7	14 768.8	4 909.5	2 216.4	63 324.5
	Feb	13 960.0	20 471.6	4 524.6	757.5	1 749.8	14 650.7	4 718.6	1 871.0	62 703.9
	Mar	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
	Apr	13 895.6	21 619.0	4 578.0	1 436.8	2 334.8	12 980.6	5 256.0	2 002.2	64 103.0
	May	13 183.3	22 105.5	4 591.4	1 612.1	2 207.5	13 527.6	5 643.4	1 883.2	64 754.0
	Jun	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
	Jul	14 427.9	22 940.5	4 721.7	2 444.0	3 894.0	11 948.6	4 404.6	2 475.7	67 257.0
	Aug	15 409.8	22 236.4	4 782.3	1 881.0	3 338.6	14 454.2	3 954.8	1 870.7	67 927.8
	Sep	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
	Oct	16 135.2	23 060.6	4 913.0	2 409.1	2 763.4	15 771.8	4 347.0	2 018.3	71 418.4
	Nov	15 189.1	23 145.4	4 873.3	2 178.8	2 671.9	15 602.7	4 456.2	2 046.8	70 164.3
	Dec	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	Jan	15 118.2	22 556.3	4 696.4	2 287.6	3 197.3	15 131.9	4 376.7	2 964.5	70 328.8
	Feb	15 044.6	22 468.1	4 642.8	1 667.0	1 272.4	17 999.6	5 120.1	2 416.8	70 631.4
	Mar	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
	Apr	14 904.6	24 573.9	4 885.3	233.6	1 245.4	17 035.5	6 361.2	1 841.9	71 081.5
	May	15 914.2	24 770.4	4 978.2	529.7	1 451.2	17 031.7	5 370.3	2 650.6	72 696.3
	Jun	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
	Jul	16 326.2	25 013.6	5 110.7	395.1	1 453.3	18 358.8	5 274.6	2 424.7	74 357.1
	Aug	16 675.1	25 025.6	5 216.3	285.8	1 447.6	17 814.9	6 123.4	2 266.1	74 854.8
	Sep	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
	Oct	17 216.3	25 404.4	5 344.7	1 843.4	1 322.7	13 743.2	8 497.3	2 060.4	75 432.4
	Nov	17 284.4	25 526.5	5 371.6	1 093.2	1 350.5	13 747.6	8 870.0	2 204.4	75 448.3
	Dec	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

Source: Commercial banks

TABLE 3.14: COMMERCIAL BANKS - DEPOSITS BY HOLDER

(Percentage Distribution)

Percentage Distribution							
		Government		Resident Business		Non-resident	
		Central	Local	Parastatals	Private	Business	Households
2010		0.8	5.2	12.3	60.9	1.6	19.2
2011		0.6	3.6	14.0	61.4	0.7	19.7
2012		0.3	4.0	13.0	61.8	0.4	20.5
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	Q1	0.5	3.6	9.4	63.6	1.1	21.8
	Q2	0.5	4.0	9.0	64.6	0.7	21.2
	Q3	0.5	4.3	12.3	61.7	1.8	19.5
	Q4	0.5	4.1	8.7	62.3	0.3	24.1
2016	Q1	0.4	3.1	9.0	65.5	0.8	21.2
	Q2	0.3	4.0	8.0	65.8	0.6	21.3
	Q3	0.4	4.1	9.4	61.2	0.3	24.6
	Q4	0.3	4.0	9.8	63.1	0.5	22.3
2017	Jan	0.3	3.5	9.9	62.0	0.8	23.5
	Feb	0.4	2.8	9.1	65.1	0.9	21.6
	Mar	0.5	2.6	8.2	65.4	0.9	22.4
	Apr	0.3	3.7	8.4	64.0	1.0	22.6
	May	0.3	3.5	8.5	65.9	0.9	20.9
	Jun	0.4	5.3	8.1	65.3	0.7	20.1
	Jul	0.6	3.4	6.4	69.4	1.0	19.2
	Aug	0.4	3.3	6.3	69.7	1.2	19.0
	Sep	0.3	2.9	7.3	68.2	0.9	20.3
	Oct	0.4	4.4	7.2	67.3	1.1	19.5
	Nov	0.4	4.3	6.6	67.6	1.1	19.9
	Dec	0.5	3.7	5.1	70.0	0.7	20.0
2018	Jan	0.6	5.0	6.5	67.2	0.7	20.0
	Feb	0.5	4.1	6.5	67.5	0.6	20.8
	Mar	0.4	3.5	6.7	66.6	0.6	22.1
	Apr	0.7	4.6	8.0	65.8	0.8	20.2
	May	0.7	4.0	7.1	66.4	1.1	20.7
	Jun	0.6	4.1	7.2	66.9	1.1	20.2
	Jul	0.7	4.7	6.9	66.4	1.3	20.0
	Aug	0.6	3.7	7.2	67.1	1.3	20.0
	Sep	0.4	3.4	6.7	67.9	1.2	20.3
	Oct	0.6	3.8	8.2	66.9	0.7	19.7
	Nov	0.4	3.7	5.4	69.5	0.7	20.3
	Dec	0.3	3.0	6.2	70.0	0.6	20.0
2019	Jan	0.2	3.7	7.3	68.8	0.5	19.5
	Feb	0.2	3.5	6.0	69.8	0.5	20.0
	Mar	0.3	3.4	6.3	69.5	0.5	20.0
	Apr	0.3	3.6	6.6	68.8	0.4	20.3
	May	0.2	3.1	7.4	68.5	0.4	20.4
	Jun	0.4	2.6	6.9	67.8	1.3	21.0
	Jul	0.5	3.6	6.2	67.8	1.6	20.4
	Aug	0.2	2.9	6.7	68.0	1.8	20.4
	Sep	0.3	3.7	6.3	66.7	1.7	21.3
	Oct	0.1	3.1	6.5	68.8	0.8	20.6
	Nov	0.2	2.5	6.2	69.6	0.8	20.8
	Dec	0.2	3.1	7.2	68.5	0.7	20.3

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
2010		16.8	34.8	7.0	6.4	4.0	28.5	1.6	1.0
2011		16.4	34.2	7.1	6.7	10.7	21.3	2.1	1.4
2012		19.0	31.6	7.0	4.7	10.2	21.2	4.9	1.3
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	Q1	25.2	31.4	6.1	6.3	12.1	12.1	5.5	1.3
	Q2	21.0	32.9	6.6	3.0	16.9	10.9	6.8	1.9
	Q3	19.0	34.4	6.3	3.2	15.7	12.9	6.8	1.7
	Q4	20.2	34.2	6.7	1.4	15.8	12.1	7.0	2.5
2016	Q1	21.5	34.9	6.5	2.8	4.7	19.2	7.2	3.2
	Q2	21.8	35.5	6.8	2.8	5.1	16.7	7.9	3.3
	Q3	23.3	34.3	6.9	1.5	4.7	17.9	8.5	3.0
	Q4	22.6	33.0	7.1	2.8	3.3	19.5	8.7	3.0
2017	Jan	21.8	33.2	7.2	1.8	4.0	19.6	9.1	3.3
	Feb	22.0	33.7	7.2	3.1	5.1	16.9	8.8	3.3
	Mar	22.1	33.5	7.5	2.8	5.0	16.8	9.2	3.0
	Apr	21.7	34.1	7.4	1.6	5.4	17.2	9.3	3.2
	May	21.2	34.6	7.2	1.7	4.8	16.9	10.0	3.4
	Jun	22.4	33.0	7.4	2.4	4.8	18.2	8.8	3.0
	Jul	23.4	34.4	7.3	2.0	5.5	16.3	8.3	2.8
	Aug	23.8	33.4	7.2	2.8	4.8	19.4	5.8	2.7
	Sep	23.6	32.6	7.4	2.1	5.1	19.6	6.5	3.0
	Oct	22.8	34.1	7.2	2.1	4.5	20.2	6.4	2.8
	Nov	23.0	33.4	7.2	1.8	4.8	20.9	6.2	2.7
	Dec	24.5	31.3	7.4	1.6	4.6	20.8	7.2	2.5
2018	Jan	22.5	31.9	7.1	0.8	3.1	23.3	7.8	3.5
	Feb	22.3	32.6	7.2	1.2	2.8	23.4	7.5	3.0
	Mar	22.7	32.3	7.4	1.9	2.8	21.9	7.8	3.2
	Apr	21.7	33.7	7.1	2.2	3.6	20.2	8.2	3.1
	May	20.4	34.1	7.1	2.5	3.4	20.9	8.7	2.9
	Jun	22.0	32.2	7.3	1.7	3.1	22.4	8.4	2.8
	Jul	21.5	34.1	7.0	3.6	5.8	17.8	6.5	3.7
	Aug	22.7	32.7	7.0	2.8	4.9	21.3	5.8	2.8
	Sep	22.8	31.5	7.0	3.2	4.9	21.2	6.5	2.9
	Oct	22.6	32.3	6.9	3.4	3.9	22.1	6.1	2.8
	Nov	21.6	33.0	6.9	3.1	3.8	22.2	6.4	2.9
	Dec	22.4	31.9	6.9	3.1	5.0	21.7	6.1	2.9
2019	Jan	21.5	32.1	6.7	3.3	4.5	21.5	6.2	4.2
	Feb	21.3	31.8	6.6	2.4	1.8	25.5	7.2	3.4
	Mar	21.8	33.9	6.8	0.4	1.9	24.7	8.0	2.5
	Apr	21.0	34.6	6.9	0.3	1.8	24.0	8.9	2.6
	May	21.9	34.1	6.8	0.7	2.0	23.4	7.4	3.6
	Jun	22.1	33.4	7.1	0.4	2.1	22.2	8.7	4.0
	Jul	22.0	33.6	6.9	0.5	2.0	24.7	7.1	3.3
	Aug	22.3	33.4	7.0	0.4	1.9	23.8	8.2	3.0
	Sep	22.5	33.1	7.0	2.5	1.7	20.7	9.6	2.8
	Oct	22.8	33.7	7.1	2.4	1.8	18.2	11.3	2.7
	Nov	22.9	33.8	7.1	1.4	1.8	18.2	11.8	2.9
	Dec	24.2	32.5	7.0	1.7	1.8	20.3	9.7	2.8

Source: Commercial banks

TABLE 3.16: COMMERCIAL BANKS - FOREIGN CURRENCY ACCOUNTS (FCAs) AND TOTAL DEPOSITS¹

(P Million)

End of		US dollar		British pound		SA rand	
		Foreign currency	Pula equivalent	Foreign currency	Pula equivalent	Foreign currency	Pula equivalent
2010		645.4	4 156.1	85.7	853.7	589.6	574.4
2011		574.5	4 322.8	89.4	1 037.1	1 008.6	928.8
2012		543.7	4 227.6	54.5	684.5	1 669.2	1 531.2
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	Mar	1 235.9	12 309.4	20.3	299.6	973.4	797.3
	Jun	789.5	7 824.8	24.7	384.9	1 356.7	1 097.2
	Sep	739.0	7 861.4	24.5	396.6	1 063.3	800.3
	Dec	653.3	7 340.6	25.0	416.4	1 172.1	847.5
2016	Mar	749.4	8 189.6	26.4	413.7	1 032.7	756.0
	Jun	816.1	8 928.5	29.9	439.1	1 200.1	882.0
	Sep	785.9	8 246.1	37.3	505.9	1 049.2	801.3
	Dec	817.8	8 709.8	34.3	448.0	1 037.9	811.4
2017	Jan	784.1	8 271.0	35.8	471.8	1 183.2	924.3
	Feb	850.9	8 817.4	36.4	469.2	1 105.8	884.4
	Mar	789.6	8 311.7	35.9	471.4	1 037.2	811.5
	Apr	785.7	8 192.6	36.2	487.5	1 165.2	912.0
	May	843.7	8 688.9	37.3	491.2	1 220.1	958.3
	Jun	847.4	8 655.3	38.0	504.6	1 193.8	937.0
	Jul	910.9	9 248.1	37.3	496.8	1 229.5	959.3
	Aug	882.9	8 945.6	36.5	477.2	1 199.7	932.7
	Sep	843.1	8 691.6	35.9	497.2	1 257.0	958.3
	Oct	872.6	9 166.3	34.7	481.8	1 042.8	780.7
	Nov	911.9	9 420.8	33.9	472.0	1 358.3	1 027.2
	Dec	842.1	8 312.5	41.8	555.9	827.0	658.3
2018	Jan	848.5	8 127.3	46.2	627.9	1 084.2	870.0
	Feb	886.7	8 460.5	40.4	536.0	996.8	810.9
	Mar	797.9	7 606.3	43.4	582.0	981.4	794.8
	Apr	814.1	7 957.9	43.9	591.4	993.2	789.0
	May	818.9	8 131.6	44.8	593.1	1 005.6	799.4
	Jun	725.0	7 536.0	43.5	592.5	1 135.4	862.0
	Jul	813.5	8 318.0	43.7	587.2	1 096.9	852.0
	Aug	816.7	8 781.2	41.4	579.7	1 618.3	1 184.9
	Sep	801.9	8 495.2	43.0	595.2	1 407.4	1 055.1
	Oct	895.5	9 701.9	43.6	600.2	1 656.4	1 225.7
	Nov	887.8	9 316.3	43.7	585.7	1 853.6	1 423.2
	Dec	849.6	9 115.6	46.4	631.8	1 734.7	1 290.6
2019	Jan	826.0	8 533.2	46.0	623.3	1 580.9	1 219.7
	Feb	851.1	8 968.3	47.7	668.6	1 630.3	1 231.0
	Mar	806.7	8 702.7	45.6	643.3	2 376.9	1 756.9
	Apr	802.9	8 614.5	45.8	635.2	1 520.4	1 135.4
	May	845.9	9 214.5	42.0	576.9	1 916.3	1 411.3
	Jun	858.3	9 111.1	42.1	565.8	1 740.5	1 307.7
	Jul	864.9	9 240.1	43.5	565.5	1 784.2	1 345.6
	Aug	886.5	9 839.4	43.3	585.3	2 015.3	1 459.3
	Sep	836.1	9 228.6	43.0	585.4	1 873.2	1 371.3
	Oct	866.1	9 486.6	43.1	609.5	1 513.3	1 102.6
	Nov	842.3	9 165.4	34.9	490.5	1 647.6	1 216.4
	Dec	849.5	9 027.5	38.3	533.2	1 471.9	1 107.1

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						
38.3	329.5	50.8	5 964.5	40 422.8	14.8		2010
37.1	360.9	103.7	6 753.4	43 505.0	15.5		2011
30.6	314.1	41.3	6 798.8	47 215.7	14.4		2012
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
42.9	461.1	16.5	13 883.8	61 636.7	22.5	Mar	2015
28.8	318.6	48.5	9 674.0	57 628.4	16.8	Jun	
33.0	396.0	19.8	9 474.1	61 779.6	15.3	Sep	
54.5	669.7	35.5	9 309.8	59 961.2	15.5	Dec	
56.7	701.2	18.7	10 079.2	61 078.5	16.5	Mar	2016
53.8	652.3	32.7	10 934.7	61 700.3	17.7	Jun	
53.3	628.0	19.2	10 200.5	61 197.7	16.7	Sep	
49.1	550.8	26.4	10 546.3	62 437.8	16.9	Dec	
45.2	509.9	12.5	10 189.6	60 143.7	16.9	Jan	2017
44.4	487.7	7.3	10 666.0	61 748.5	17.3	Feb	
43.2	486.4	6.7	10 087.7	60 120.5	16.8	Mar	
42.1	477.0	6.3	10 075.5	61 363.5	16.4	Apr	
39.8	458.0	5.1	10 601.5	62 225.3	17.0	May	
43.7	510.3	5.5	10 612.7	62 379.6	17.0	Jun	
46.4	552.7	54.7	11 311.5	63 569.6	17.8	Jul	
59.8	719.7	6.0	11 081.3	64 896.8	17.1	Aug	
56.0	680.5	7.0	10 834.6	63 842.1	17.0	Sep	
56.2	687.3	16.6	11 132.8	66 679.9	16.7	Oct	
52.7	646.3	8.1	11 574.4	66 570.5	17.4	Nov	
53.3	629.1	8.2	10 164.0	63 581.2	16.0	Dec	
45.1	538.1	5.7	10 168.9	63 324.5	16.1	Jan	2018
43.3	505.0	7.7	10 320.1	62 703.9	16.5	Feb	
36.7	430.8	9.9	9 423.8	62 494.5	15.1	Mar	
38.3	454.6	6.2	9 799.2	64 103.0	15.3	Apr	
40.0	463.9	11.3	9 999.2	64 754.0	15.4	May	
50.9	616.1	13.5	9 620.3	64 838.5	14.8	Jun	
49.1	588.0	10.4	10 355.6	67 257.0	15.4	Jul	
46.2	580.6	10.7	11 137.1	67 927.8	16.4	Aug	
45.7	563.3	17.9	10 726.8	68 517.0	15.7	Sep	
41.2	506.7	10.0	12 044.5	71 418.4	16.9	Oct	
45.1	539.2	9.7	11 874.1	70 164.3	16.9	Nov	
46.9	576.0	12.6	11 626.7	69 270.9	16.8	Dec	
39.8	472.6	11.6	10 860.4	70 328.8	15.4	Jan	2019
40.6	487.0	12.7	11 367.6	70 631.4	16.1	Feb	
38.5	466.6	6.2	11 575.7	71 640.2	16.2	Mar	
39.2	469.8	10.9	10 865.9	71 081.5	15.3	Apr	
38.7	469.6	17.4	11 689.8	72 696.3	16.1	May	
40.3	485.6	17.7	11 487.9	71 483.9	16.1	Jun	
39.0	465.0	18.2	11 634.4	74 357.1	15.6	Jul	
39.3	482.2	17.5	12 383.7	74 854.8	16.5	Aug	
38.3	460.9	18.1	11 664.4	75 357.2	15.5	Sep	
37.3	455.9	13.5	11 668.2	75 432.4	15.5	Oct	
41.7	499.9	10.8	11 382.9	75 448.3	15.1	Nov	
38.6	459.6	8.6	11 135.8	75 709.2	14.7	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
2010		530.9	2 667.6	...	34.7	116.9
2011		486.3	3 875.8	12.4	132.2	47.8
2012		601.6	3 927.7	...	23.6	-
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	Mar	8 925.3	4 123.3	2.6	70.9	-
	Jun	3 901.4	5 029.0	2.9	70.3	-
	Sep	3 033.9	5 210.9	5.8	76.2	-
	Dec	2 994.9	5 152.3	6.5	1.5	-
2016	Mar	3 198.1	5 504.6	8.5	75.8	2.5
	Jun	3 208.5	5 937.4	11.6	37.7	32.9
	Sep	3 402.1	5 213.7	13.9	158.6	34.7
	Dec	3 360.4	5 521.7	32.9	54.9	15.5
2017	Jan	3 195.5	5 287.2	33.2	14.6	94.0
	Feb	3 284.6	5 977.3	39.9	44.6	53.7
	Mar	3 334.9	5 029.9	38.1	63.9	60.7
	Apr	3 349.1	4 935.4	36.8	79.5	22.2
	May	3 350.2	5 933.4	36.2	20.5	19.5
	Jun	3 532.1	5 118.1	59.3	43.0	246.2
	Jul	4 173.3	5 831.1	50.8	208.7	214.5
	Aug	4 089.6	5 583.5	31.5	145.8	20.9
	Sep	4 081.4	5 496.3	27.4	35.8	29.9
	Oct	3 814.2	6 120.9	35.6	38.7	52.2
	Nov	3 668.4	6 649.5	28.1	47.2	39.2
	Dec	3 922.8	5 366.1	27.2	43.6	20.5
2018	Jan	3 638.4	5 548.5	27.3	65.9	29.9
	Feb	3 593.0	5 558.3	27.5	65.1	140.6
	Mar	3 334.0	5 036.9	24.0	143.4	23.6
	Apr	3 444.3	5 116.2	21.8	177.2	42.9
	May	3 379.4	5 174.5	21.0	221.0	246.7
	Jun	3 881.1	4 593.7	22.4	89.7	26.6
	Jul	3 508.0	5 386.5	30.1	29.7	573.4
	Aug	4 237.3	5 403.2	74.6	5.1	31.6
	Sep	3 560.2	4 917.7	21.4	9.7	574.8
	Oct	4 213.0	5 623.6	43.1	6.8	79.5
	Nov	3 442.1	6 001.2	31.3	5.4	28.0
	Dec	3 142.1	6 078.9	8.9	29.6	83.8
2019	Jan	3 335.1	5 652.6	14.1	0.0	167.8
	Feb	3 430.9	5 693.8	8.3	0.0	492.0
	Mar	3 682.5	5 680.1	8.1	5.2	153.7
	Apr	3 321.9	5 677.5	24.2	6.2	37.0
	May	3 372.2	5 998.6	20.2	39.8	55.4
	Jun	3 085.6	5 873.4	18.8	4.5	29.9
	Jul	3 576.2	5 425.3	14.3	69.2	42.8
	Aug	3 917.3	6 069.5	16.6	42.0	39.4
	Sep	3 325.5	5 710.3	18.6	73.2	174.2
	Oct	3 626.6	5 994.4	18.1	28.5	92.4
	Nov	3 639.3	5 652.5	16.3	8.4	107.6
	Dec	3 307.0	5 312.2	20.8	11.5	170.8

Source: Commercial banks

Fixed up to			Fixed over				
6 months	12 months	18 months	18 months	Total		End of	
2 444.1	163.0	7.3	-	5 964.5		2010	
2 195.5	2.3	0.7	0.4	6 753.4		2011	
2 126.8	119.0	-	-	6 798.8		2012	
981.9	3.8	3.6	-	6 377.0		2013	
1 252.9	57.7	1.8	81.0	7 998.3		2014	
620.8	56.7	13.1	71.3	13 883.8	Mar	2015	
355.5	221.9	10.8	82.2	9 674.0	Jun		
1 016.5	35.8	7.9	87.2	9 474.1	Sep		
843.0	203.4	27.3	81.0	9 309.8	Dec		
869.6	311.3	19.4	89.5	10 079.2	Mar	2016	
1 056.8	472.1	86.8	90.9	10 934.7	Jun		
892.2	386.4	8.9	90.1	10 200.5	Sep		
1 200.2	257.9	11.3	91.5	10 546.3	Dec		
1 203.3	260.5	9.1	92.1	10 189.6	Jan	2017	
900.4	264.1	11.6	90.0	10 666.0	Feb		
1 149.9	298.5	14.7	97.0	10 087.7	Mar		
1 215.1	325.6	10.6	101.3	10 075.5	Apr		
978.4	146.2	5.9	111.1	10 601.5	May		
1 330.0	191.2	1.7	91.1	10 612.7	Jun		
578.7	161.0	1.7	91.7	11 311.5	Jul		
925.2	136.7	4.8	143.1	11 081.3	Aug		
880.7	183.6	11.0	88.6	10 834.6	Sep		
780.8	191.6	10.7	88.0	11 132.8	Oct		
818.0	221.9	15.0	87.1	11 574.4	Nov		
475.7	202.9	17.5	87.6	10 164.0	Dec		
565.2	194.9	13.4	85.5	10 168.9	Jan	2018	
638.3	196.9	15.9	84.4	10 320.1	Feb		
571.6	212.7	3.3	74.4	9 423.8	Mar		
684.3	221.2	4.9	86.2	9 799.2	Apr		
621.2	238.6	3.6	93.1	9 999.2	May		
618.0	301.9	5.1	81.9	9 620.3	Jun		
411.7	308.3	12.0	95.8	10 355.6	Jul		
961.0	329.8	10.5	83.9	11 137.1	Aug		
1 168.4	364.0	25.9	84.8	10 726.8	Sep		
1 473.0	372.5	19.9	213.0	12 044.5	Oct		
1 817.0	344.1	15.0	190.0	11 874.1	Nov		
1 768.4	306.6	15.0	193.5	11 626.7	Dec		
1 504.5	346.0	82.7	129.4	11 232.3	Jan	2019	
1 219.2	304.9	80.3	138.1	11 367.6	Feb		
1 559.5	340.3	18.7	127.7	11 575.7	Mar		
683.6	960.3	20.6	134.5	10 865.9	Apr		
1 152.3	350.7	579.4	121.4	11 689.8	May		
1 238.2	445.8	629.3	162.5	11 487.9	Jun		
1 300.7	1 036.6	53.2	116.2	11 634.4	Jul		
1 038.7	1 092.3	43.1	124.8	12 383.7	Aug		
1 198.7	1 001.4	43.1	119.3	11 664.4	Sep		
681.3	1 069.0	34.7	123.2	11 668.2	Oct		
797.2	1 009.5	18.5	133.7	11 382.9	Nov		
1 185.8	968.7	23.0	135.9	11 135.8	Dec		

TABLE 3.18: COMMERCIAL BANKS - LOANS AND ADVANCES OUTSTANDING BY SECTOR

(P Million)

End of		Government		Parastatals	Households	Agriculture	Mining	Manufacturing	Electricity & Water	Construction	Trade, Restaurant & Bars ¹
		Central	Local								
2010		-	8.4	386.0	12 859.1	153.0	447.5	727.9	56.7	931.9	1 834.2
2011 ³		-	23.6	1 043.4	15 276.3	202.5	1 024.9	1 152.3	92.6	986.9	3 392.5
2012		-	13.0	1 696.3	18 482.9	451.6	603.1	1 435.9	100.9	957.3	4 791.1
2013		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	Dec	-	12.1	2 431.5	25 426.3	801.0	385.6	2 908.2	124.0	815.0	5 982.6
2015	Mar	-	11.0	2 295.3	25 662.7	836.6	394.4	2 981.1	102.6	811.6	6 199.0
	Jun	-	10.0	2 042.3	26 639.5	845.7	406.2	2 395.8	104.8	947.8	6 674.6
	Sep	-	9.4	2 036.1	27 664.4	856.2	625.6	2 437.8	104.0	808.0	6 150.7
	Dec	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	Mar	0.0	1.5	1 658.7	29 232.4	1 002.2	498.0	2 725.0	175.2	894.8	4 378.9
	Jun	0.0	0.8	2 176.9	29 842.9	945.5	376.1	3 040.5	143.9	942.1	4 781.3
	Sep	1.4	-	2 074.0	30 408.6	1 179.3	373.8	3 160.1	141.3	950.1	4 905.1
	Dec	10.3	-	1 339.8	30 849.0	1 142.0	306.2	3 288.6	72.1	891.3	4 345.3
2017	Jan	22.0	-	1 309.9	30 829.7	1 151.9	315.4	3 319.2	72.7	912.3	4 493.8
	Feb	4.7	-	1 268.1	30 879.7	1 111.1	306.5	3 433.7	72.6	862.4	4 514.1
	Mar	0.3	-	776.2	30 908.0	1 166.8	194.2	3 528.2	68.9	911.3	4 527.9
	Apr	1.0	3.0	827.8	30 928.1	1 196.7	191.8	3 311.2	66.4	972.8	4 757.2
	May	1.2	-	920.1	31 057.3	1 225.6	187.9	3 144.3	82.8	987.5	4 751.3
	Jun	8.5	-	999.1	31 441.7	1 117.0	297.0	3 281.6	84.0	930.2	4 847.1
	Jul	6.5	-	1 100.5	31 537.3	1 193.8	321.8	3 281.3	65.6	946.0	4 708.7
	Aug	0.2	1.5	1 109.9	32 049.2	1 164.3	316.1	3 420.2	62.3	1 096.9	4 283.4
	Sep	1.3	-	1 024.0	32 257.7	1 185.3	303.7	3 296.6	59.1	1 072.3	4 311.0
	Oct	1.7	-	1 227.1	32 674.9	1 149.1	302.2	3 563.1	73.5	1 061.5	4 311.9
	Nov	0.4	-	1 267.0	32 821.2	1 200.4	369.9	3 419.0	81.2	1 059.2	4 295.6
	Dec	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	Jan	0.1	-	1 038.0	33 119.8	1 211.0	366.0	3 370.4	61.5	1 035.4	4 151.9
	Feb	0.2	-	1 021.0	33 143.4	1 200.5	367.9	3 137.3	88.4	1 113.0	4 376.9
	Mar	0.2	-	967.5	33 326.7	1 031.8	268.1	3 283.6	85.1	1 122.6	4 617.5
	Apr	-	-	1 039.7	33 195.2	1 044.9	129.0	3 625.8	87.0	1 158.5	4 889.7
	May	5.5	-	910.0	33 481.7	994.6	125.6	3 558.5	88.1	1 185.4	4 814.8
	Jun	-	-	790.7	33 604.9	1 105.1	209.8	3 683.8	87.3	1 207.4	5 399.1
	Jul	5.0	-	859.3	33 930.2	1 132.7	217.0	3 717.1	85.1	1 235.2	5 149.0
	Aug	2.8	-	930.0	34 200.8	1 123.0	234.1	3 266.8	87.8	1 216.2	5 237.0
	Sep	6.5	-	983.5	34 508.7	1 198.8	243.7	3 638.5	82.4	1 241.9	5 239.7
	Oct	-	-	1 123.9	34 677.3	1 248.1	262.4	3 591.3	87.6	1 290.5	5 282.7
	Nov	1.8	-	1 226.4	34 962.9	1 202.8	271.6	3 552.9	84.1	1 281.3	5 424.7
	Dec	-	-	1 159.2	35 125.6	1 209.9	316.2	3 563.3	76.6	1 240.2	5 126.2
2019	Jan	0.1	-	1 135.7	35 234.8	1 123.6	350.6	3 484.7	79.5	1 253.5	5 303.3
	Feb	0.1	1.3	988.4	35 233.2	1 305.2	241.9	3 245.4	82.5	1 243.1	4 912.6
	Mar	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
	Apr	11.1	-	1 135.2	35 517.9	1 356.1	437.0	3 398.7	93.3	1 250.3	4 864.2
	May	0.1	0.3	1 442.9	36 194.5	1 363.9	463.6	3 313.9	84.3	1 270.6	4 636.5
	Jun	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
	Jul	0.1	0.6	1 674.3	37 296.6	1 461.4	559.4	2 874.3	92.1	1 194.9	4 517.0
	Aug	0.1	-	1 665.5	37 946.0	1 463.0	552.2	2 900.6	95.9	1 180.9	4 394.9
	Sep	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
	Oct	0.1	-	1 723.1	38 870.9	1 518.7	569.9	2 427.9	90.6	1 170.1	4 357.8
	Nov	0.1	-	1 436.7	39 420.3	1 539.9	596.0	2 382.6	86.5	1 125.4	4 550.9
	Dec	0.1	-	1 850.7	39 963.9	1 497.6	618.3	1 963.4	89.7	1 087.4	4 541.7

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 2011 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 ^P	Non-Resident Business	Total	End of	
495.2	61.2	1 707.8	604.3	1 389.5	8 795.3	459.4	22 122.2		2010
596.4	1 240.2	...	2 139.4	597.9	12 469.0	198.6	27 967.6		2011 ³
794.8	1 115.2	...	2 938.6	810.6	15 695.4	363.6	34 554.8		2012
823.1	1 194.1	...	2 976.3	635.8	16 550.7	240.0	39 762.8		2013
812.4	1 357.7	...	3 493.8	490.6	19 602.5	75.6	45 116.5	Dec	2014
804.2	1 447.9	...	3 546.9	483.6	19 903.2	116.7	45 693.6	Mar	2015
679.1	1 257.4	...	3 313.6	485.5	19 152.8	63.4	45 865.8	Jun	
711.3	1 613.5	...	3 483.8	581.2	19 408.1	127.1	47 208.9	Sep	
693.6	1 806.0	...	3 551.8	431.0	19 542.7	84.6	48 307.1	Dec	
703.1	849.0	3 853.6	2 776.0	257.8	19 772.3	33.3	49 039.5	Mar	2016
654.6	916.7	2 831.8	3 442.7	377.7	20 629.7	2.3	50 475.7	Jun	
636.0	1 151.3	2 504.9	3 660.4	468.0	21 204.3	88.8	51 703.1	Sep	
646.0	1 321.0	2 617.4	3 831.1	570.5	20 371.2	85.3	51 315.8	Dec	
658.7	1 260.0	2 655.0	3 879.4	598.0	20 626.3	97.4	51 575.5	Jan	2017
651.7	1 267.2	2 801.4	3 848.6	589.1	20 726.4	71.2	51 682.0	Feb	
615.6	1 417.3	2 500.0	3 786.4	659.3	20 152.1	80.7	51 141.1	Mar	
656.0	1 740.7	2 514.2	3 803.6	664.4	20 702.8	64.6	51 699.5	Apr	
617.8	1 711.4	2 510.1	3 802.5	765.5	20 706.8	61.7	51 827.0	May	
581.8	1 830.7	2 463.2	3 785.9	829.7	21 047.4	57.3	52 554.9	Jun	
567.7	1 761.4	2 366.5	3 946.4	827.1	21 086.8	64.1	52 694.7	Jul	
642.8	1 682.4	2 323.4	3 722.0	1 010.1	20 833.6	70.7	52 955.2	Aug	
583.1	1 888.3	2 452.7	3 773.3	1 011.3	20 960.7	70.4	53 290.0	Sep	
625.8	1 693.2	2 488.7	3 852.7	914.5	21 263.3	76.9	54 016.9	Oct	
609.5	1 751.8	2 585.3	3 699.6	861.2	21 199.7	75.9	54 097.2	Nov	
692.9	1 782.1	2 622.4	3 686.8	851.3	21 028.2	75.1	54 181.1	Dec	
655.8	1 779.4	2 898.7	3 518.4	842.3	20 928.8	78.3	54 127.1	Jan	2018
663.9	1 875.5	2 629.2	3 696.3	838.8	21 008.6	86.5	54 238.6	Feb	
655.6	1 901.6	2 679.2	3 792.6	871.6	21 277.0	82.9	54 695.2	Mar	
676.5	1 843.6	2 589.0	3 666.7	888.4	21 638.8	81.0	54 915.0	Apr	
660.1	1 834.4	2 782.6	3 859.4	851.4	21 664.8	90.4	55 242.4	May	
670.7	2 139.9	2 829.5	3 867.4	845.1	22 835.7	90.4	56 531.0	Jun	
670.4	1 968.8	2 836.8	3 760.7	862.8	22 495.0	89.7	56 519.8	Jul	
690.3	1 979.3	2 821.7	3 906.5	869.9	22 362.7	89.5	56 655.8	Aug	
669.6	1 925.2	2 886.7	3 963.6	857.6	22 931.1	135.8	57 582.1	Sep	
616.3	1 929.7	2 942.2	3 948.5	845.0	23 168.3	260.0	58 105.6	Oct	
628.3	1 884.7	2 996.6	3 825.8	825.8	23 204.7	245.1	58 414.6	Nov	
628.4	1 961.1	2 957.0	3 880.7	869.2	22 988.0	218.5	58 332.0	Dec	
589.3	1 958.4	3 019.6	3 915.4	839.9	23 053.6	199.8	58 488.3	Jan	2019
597.0	1 884.0	2 908.6	4 236.8	758.8	22 404.3	199.0	57 837.9	Feb	
571.9	2 001.9	2 728.6	4 455.1	819.4	22 759.9	200.7	58 362.5	Mar	
601.0	1 661.8	2 724.8	4 499.7	839.4	22 861.4	180.0	58 570.4	Apr	
629.2	1 537.5	2 739.3	4 495.9	853.6	22 831.2	181.5	59 207.6	May	
628.9	1 569.0	2 753.3	4 476.1	1 103.0	23 142.2	174.0	60 177.4	Jun	
609.9	1 564.0	2 839.1	4 435.7	1 092.7	22 914.8	162.7	60 374.7	Jul	
611.6	1 516.6	2 805.1	4 428.1	1 135.3	22 749.7	163.1	60 859.0	Aug	
615.7	1 574.9	2 848.9	4 412.9	1 147.0	22 458.4	157.6	61 101.5	Sep	
674.2	1 540.9	2 858.7	4 448.9	1 236.5	22 617.1	209.3	61 697.4	Oct	
635.2	1 611.8	2 988.0	4 522.1	1 210.5	22 685.6	198.7	62 304.8	Nov	
653.9	1 627.7	2 977.0	4 494.6	1 204.5	22 606.5	199.2	62 769.7	Dec	

TABLE 3.19: COMMERCIAL BANKS - OUTSTANDING LOANS AND ADVANCES TO HOUSEHOLDS

(P Million)

As at end of		Property	Motor vehicle	Credit cards ¹	Other ²	Total
2010		3 223.0	837.4	...	8 798.7	12 859.1
2011		3 466.1	1 047.1	589.4	10 173.8	15 276.3
2012		4 635.3	1 162.1	571.4	12 114.2	18 482.9
2013		6 493.3	1 294.1	596.9	14 576.6	22 960.9
2014		7 686.8	1 440.9	658.6	15 640.1	25 426.3
2015	Mar	7 859.0	1 447.3	669.0	15 687.4	25 662.7
	Jun	7 982.3	1 510.1	696.2	16 450.9	26 639.5
	Sep	8 072.1	1 560.3	725.7	17 306.2	27 664.4
	Dec	8 243.9	1 610.1	723.9	18 093.3	28 671.3
2016	Mar	8 447.0	1 630.2	723.2	18 432.1	29 232.4
	Jun	8 564.5	1 664.1	717.5	18 896.8	29 842.9
	Sep	8 677.7	1 660.6	744.5	19 325.8	30 408.6
	Dec	8 765.3	1 697.7	716.5	19 669.5	30 849.0
2017	Jan	8 724.6	1 693.2	724.2	19 687.8	30 829.7
	Feb	8 759.7	1 704.8	725.5	19 689.7	30 879.7
	Mar	8 794.5	1 683.8	713.7	19 716.0	30 908.0
	Apr	8 861.0	1 684.3	719.5	19 663.4	30 928.1
	May	8 880.2	1 681.8	716.0	19 779.3	31 057.3
	Jun	8 999.2	1 678.4	719.0	20 045.2	31 441.7
	Jul	8 923.8	1 684.8	719.4	20 209.2	31 537.3
	Aug	8 972.9	1 690.4	710.4	20 675.5	32 049.2
	Sep	9 033.5	1 676.2	708.3	20 839.6	32 257.7
	Oct	9 051.9	1 671.2	708.5	21 243.2	32 674.9
	Nov	9 116.8	1 682.3	708.6	21 313.5	32 821.2
	Dec	9 189.6	1 703.6	709.1	21 470.2	33 072.5
2018	Jan	9 237.8	1 711.7	726.0	21 444.4	33 119.8
	Feb	9 293.5	1 706.3	715.6	21 428.1	33 143.4
	Mar	9 325.3	1 707.4	709.4	21 584.6	33 326.7
	Apr	9 337.2	1 698.7	713.5	21 445.8	33 195.2
	May	9 380.9	1 709.6	720.5	21 670.7	33 481.7
	Jun	9 393.0	1 701.2	718.8	21 791.9	33 604.9
	Jul	9 442.0	1 709.7	698.3	22 080.1	33 930.2
	Aug	9 507.5	1 729.2	703.5	22 260.6	34 200.8
	Sep	9 564.1	1 751.4	711.6	22 481.6	34 508.7
	Oct	9 360.7	1 772.8	713.0	22 830.9	34 677.3
	Nov	9 621.3	1 800.3	715.2	22 826.0	34 962.9
	Dec	9 639.9	1 799.7	709.4	22 976.6	35 125.6
2019	Jan	9 698.8	1 805.3	745.1	22 985.6	35 234.8
	Feb	9 667.4	1 808.3	744.9	23 012.6	35 233.2
	Mar	9 835.6	1 793.8	732.3	23 037.7	35 399.5
	Apr	9 816.2	1 832.8	715.5	23 153.4	35 517.9
	May	9 761.1	1 842.8	735.7	23 854.9	36 194.5
	Jun	9 828.1	1 862.2	736.1	24 434.2	36 860.6
	Jul	9 806.4	1 879.5	736.9	24 873.9	37 296.6
	Aug	9 829.4	1 888.4	715.5	25 512.8	37 946.0
	Sep	9 835.7	1 912.3	724.5	26 012.7	38 485.2
	Oct	9 858.6	1 937.6	731.6	26 343.1	38 870.9
	Nov	9 867.0	1 975.2	729.3	26 848.7	39 420.3
	Dec	9 929.5	2 017.5	740.6	27 276.3	39 963.9

1. Before September 2011, data on credit cards were not requested for separately and if available at banks, were included in 'Other'.

2. 'Other' includes all personal advances, except for motor vehicle, property purposes and credit cards before September 2011.

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
2010		40 422.8	22 122.2	54.7	17 252.2	42.7
2011		43 505.0	27 967.6	64.3	9 881.9	22.7
2012		47 215.7	34 554.8	73.2	9 698.2	20.5
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	Mar	61 636.7	45 693.6	74.1	12 542.2	20.3
	Jun	57 628.4	45 865.8	79.6	12 196.5	21.2
	Sep	61 779.6	47 208.9	76.4	15 457.7	25.0
	Dec	59 961.2	48 307.1	80.6	11 837.5	19.7
2016	Mar	61 078.5	49 039.5	80.3	12 889.3	21.1
	Jun	61 700.3	50 475.7	81.8	11 257.9	18.2
	Sep	61 197.7	51 703.1	84.5	11 152.2	18.2
	Dec	62 437.8	51 315.8	82.2	13 482.2	21.6
2017	Jan	60 143.7	51 575.5	85.8	10 456.6	17.4
	Feb	61 748.5	51 682.0	83.7	10 704.1	17.3
	Mar	60 120.5	51 141.1	85.1	10 789.0	17.9
	Apr	61 363.5	51 699.5	84.3	10 376.3	16.9
	May	62 225.2	51 827.0	83.3	10 758.2	17.3
	Jun	62 379.6	52 554.9	84.3	10 888.8	17.5
	Jul	63 569.6	52 694.7	82.9	10 600.0	16.7
	Aug	64 896.8	52 955.2	81.6	10 916.2	16.8
	Sep	63 842.1	53 290.0	83.5	10 301.9	16.1
	Oct	66 679.9	54 016.9	81.0	12 114.7	18.2
	Nov	66 570.5	54 097.2	81.3	12 060.8	18.1
	Dec	63 581.2	54 181.1	85.2	11 317.5	17.8
2018	Jan	63 324.5	54 127.1	85.5	11 647.9	18.4
	Feb	62 703.9	54 238.6	86.5	11 227.6	17.9
	Mar	62 494.5	54 695.2	87.5	10 434.9	16.7
	Apr	64 103.0	54 915.0	85.7	11 214.6	17.5
	May	64 754.0	55 242.4	85.3	11 055.3	17.1
	Jun	64 838.5	56 531.0	87.2	11 945.4	18.4
	Jul	67 257.0	56 519.8	84.0	13 209.4	19.6
	Aug	67 927.8	56 655.8	83.4	12 464.2	18.3
	Sep	68 517.0	57 582.1	84.0	12 173.0	17.8
	Oct	71 418.4	58 105.6	81.4	13 923.3	19.5
	Nov	70 164.3	58 414.6	83.3	12 889.5	18.4
	Dec	69 270.9	58 332.0	84.1	13 183.3	19.0
2019	Jan	70 328.8	58 488.3	83.2	13 980.7	19.9
	Feb	70 631.4	57 837.9	81.9	14 037.4	19.9
	Mar	71 640.2	58 362.5	81.5	14 233.7	19.9
	Apr	71 081.5	58 570.4	82.4	14 328.2	20.2
	May	72 696.3	59 207.6	81.4	15 098.6	20.8
	Jun	71 483.9	60 177.4	84.2	13 254.2	18.5
	Jul	74 357.1	60 374.7	81.2	14 918.6	20.1
	Aug	74 854.8	60 859.0	81.3	14 836.5	19.8
	Sep	75 357.2	61 101.5	81.1	14 869.6	19.7
	Oct	75 432.4	61 697.4	81.8	14 178.6	18.8
	Nov	75 448.3	62 304.8	82.6	15 139.7	20.1
	Dec	75 709.2	62 769.7	82.9	14 651.1	19.4

Source: Commercial banks

TABLE 3.21: COMMERCIAL BANKS - LOANS AND ADVANCES BY MATURITY
By Value (P Million)

Maturity/End of	2009 ^{1,2}	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Credit cards ³	...	...	607.2	596.7	616.6	678.4	743.2	736.8	729.0	729.0	761.6
Overdrafts	3 129.6	3 223.4	2 319.6	4 019.0	4 056.6	4 693.0	2 863.3	4 037.4	4 225.6	5 036.3	3 461.7
1 to 6 months	1 223.4	1 489.7	1 179.6	1 512.3	1 774.7	2 458.8	3 550.1	2 618.9	3 815.4	3 444.1	4 676.5
Over 6 to 12 months	496.8	1 181.3	1 818.3	594.8	1 245.9	739.1	1 550.5	1 646.4	1 478.3	1 112.2	1 181.8
Over 1 to 2 years	759.4	2 309.2	838.5	1 308.7	1 166.4	1 230.1	1 687.5	2 259.3	3 101.2	2 244.0	2 807.3
Over 2 to 3 years	2 163.1	3 932.5	2 036.6	1 869.8	2 789.7	1 871.3	3 415.9	4 689.7	3 536.2	3 829.6	3 625.0
Over 3 to 5 years	5 818.0	3 626.0	6 531.9	8 436.0	9 501.4	9 524.6	12 147.3	12 408.9	10 667.4	12 780.4	13 760.5
Over 5 to 7 years	1 019.1	599.8	3 673.1	7 491.2	7 649.7	10 723.3	9 290.4	9 611.5	12 657.7	12 869.3	16 214.8
Over 7 to 10 years	1 502.9	1 401.8	4 054.3	2 569.8	3 079.5	3 506.4	3 802.5	3 456.1	2 960.0	3 157.2	4 422.7
Over 10 years	3 652.1	4 358.5	4 908.4	6 156.6	7 883.0	9 691.4	9 256.4	9 850.8	11 010.3	13 130.0	11 857.8
TOTAL	19 764.4	22 122.2	27 967.6	34 554.8	39 763.4	45 116.5	48 307.1	51 315.8	54 181.1	58 332.0	62 769.7

PERCENTAGE DISTRIBUTION

Maturity/End of	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Credit cards ³	...	...	2.2	1.7	1.6	1.5	1.5	1.4	1.3	1.2	1.2
Overdrafts	15.8	14.6	8.3	11.6	10.2	10.4	5.9	7.9	7.8	8.6	5.5
1 to 6 months	6.2	6.7	4.2	4.4	4.5	5.4	7.3	5.1	7.0	5.9	7.5
Over 6 to 12 months	2.5	5.3	6.5	1.7	3.1	1.6	3.2	3.2	2.7	1.9	1.9
Over 1 to 2 years	3.8	10.4	3.0	3.8	2.9	2.7	3.5	4.4	5.7	3.8	4.5
Over 2 to 3 years	10.9	17.8	7.3	5.4	7.0	4.1	7.1	9.1	6.5	6.6	5.8
Over 3 to 5 years	29.4	16.4	23.4	24.4	23.9	21.1	25.1	24.2	19.7	21.9	21.9
Over 5 to 7 years	5.2	2.7	13.1	21.7	19.2	23.8	19.2	18.7	23.4	22.1	25.8
Over 7 to 10 years	7.6	6.3	14.5	7.4	7.7	7.8	7.9	6.7	5.5	5.4	7.0
Over 10 years	18.5	19.7	17.6	17.8	19.8	21.5	19.2	19.2	20.3	22.5	18.9
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. In January 2009, approximately P600 million previously classified under 'balances due from other banks' was reclassified as 'loans and advances'. The change followed one of the banks assuming ownership of domestic credit card debt, with the result that the growth of commercial banks' credit was significantly inflated especially for households. This distortion should be taken into account when analysing the affected data.
2. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.
3. Before September 2011, data on credit cards were not requested for separately and if available at banks were included in 'Other'.

Source: Commercial banks

TABLE 3.22: COMMERCIAL BANKS - LOANS AND ADVANCES BY INTEREST RATE (PERCENTAGE DISTRIBUTION)
By Number

End of	2009 ¹	2010		2011 ²	2012	2013	2014	2015	2016	2017	2018	2019
Interest Rate Category												
Staff advances	2.5	2.4	Prime - (minus)	8.3	12.0	11.8	5.1	5.7	9.3	12.5	16.1	29.7
Up to 6 percent	7.4	7.1	Prime Rate	3.3	3.6	3.4	6.7	5.9	2.4	5.6	4.0	2.4
Above 6-8 percent	5.5	5.2	Prime + (<2)	3.0	3.5	5.8	6.6	8.5	7.9	10.4	7.2	6.3
Above 8-10 percent	1.3	2.2	Prime + (2 < 4)	4.3	4.3	8.1	9.8	3.6	4.6	8.5	11.2	16.5
Above 10-12 percent	3.5	7.6	Prime + (4 < 10)	25.7	28.3	41.5	41.2	50.0	55.4	31.1	26.9	20.0
Above 12-14 percent	6.9	6.6	Prime + (≥10)	55.4	48.2	29.3	30.7	26.3	20.5	32.0	34.6	25.2
Above 14-16 percent	10.3	4.3										
Above 16-18 percent	2.4	4.9										
Above 18-20 percent	1.7	4.0										
Above 20 percent	58.6	55.7										
TOTAL	100.0	100.0		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

By Value

End of	2009 ¹	2010		2011 ²	2012	2013	2014	2015	2016	2017	2018	2019
Interest Rate Category												
Staff advances	6.6	2.5	Prime - (minus)	28.6	26.6	34.8	28.8	24.3	33.7	29.5	26.1	24.8
Up to 6 percent	7.6	12.5	Prime Rate	17.9	19.8	16.9	20.0	18.8	8.4	10.1	9.2	5.2
Above 6-8 percent	4.8	5.7	Prime + (<2)	11.7	11.7	17.4	20.7	20.5	19.5	19.0	19.7	21.5
Above 8-10 percent	6.7	11.3	Prime + (2 < 4)	9.0	8.9	8.2	12.6	7.7	11.3	13.7	19.0	23.3
Above 10-12 percent	11.3	18.6	Prime + (4 < 10)	20.6	19.7	8.1	4.6	18.9	16.3	16.7	14.4	14.6
Above 12-14 percent	14.0	11.1	Prime + (≥10)	12.2	13.3	14.5	13.3	9.9	10.8	11.1	11.5	10.6
Above 14-16 percent	17.9	6.7										
Above 16-18 percent	2.1	8.9										
Above 18-20 percent	0.8	1.9										
Above 20 percent	28.3	20.8										
TOTAL	100.0	100.0		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.
2. Effective July 2011, the structure for reporting interest rates has changed. This follows the introduction of a new reporting format for the commercial banks' monthly return.

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 ²	expenses		
2010	Mar	1 030.3	436.7	593.7	93.2	308.1	423.4	77.4	307.8
	Jun	1 054.4	438.6	615.8	82.5	314.1	473.6	63.5	310.3
	Sep	1 121.3	465.5	655.9	56.6	294.2	468.6	114.4	316.0
	Dec	1 191.4	496.8	694.7	43.3	440.4	424.0	150.8	516.7
2011	Mar	1 077.9	423.2	654.8	61.5	354.9	483.3	141.5	323.6
	Jun	1 085.4	415.9	669.6	60.7	395.7	507.7	144.1	353.9
	Sep ^{1,3}	1 112.3	425.0	687.3	49.0	415.0	504.0	106.7	442.5
	Dec	1 112.7	394.0	718.8	108.3	468.0	544.5	76.3	457.6
2012	Mar	1 098.9	314.2	784.7	86.2	386.5	517.6	112.6	454.8
	Jun	1 160.6	365.9	794.7	133.0	432.1	567.8	115.9	410.1
	Sep	1 269.0	401.7	867.3	121.4	425.4	604.0	125.5	441.8
	Dec	1 311.7	460.6	851.1	125.2	511.9	679.2	116.9	441.7
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	453.7	139.3	314.4	34.2	194.6	299.6	42.5	132.7
	Jun	450.8	113.6	337.2	58.3	211.4	350.2	49.9	90.1
	Sep	428.3	105.5	322.8	50.6	212.0	300.0	39.2	144.9
	Dec	450.4	107.6	342.9	94.2	234.1	315.9	40.0	126.8
2017	Jan	443.3	111.1	332.2	72.5	182.7	293.5	34.2	114.7
	Feb	417.1	102.5	314.7	86.0	178.7	293.9	24.0	89.5
	Mar	447.7	117.9	329.8	119.9	237.5	330.4	20.9	96.2
	Apr	430.6	116.8	313.8	43.5	176.6	286.9	33.1	126.9
	May	454.6	115.5	339.1	57.4	198.2	320.1	34.8	125.0
	Jun	469.2	117.9	351.3	193.6	214.3	365.6	34.0	-27.6
	Jul	460.9	124.6	336.3	53.1	199.4	322.9	36.1	123.6
	Aug	467.3	132.0	335.3	178.3	217.0	321.7	38.4	13.9
	Sep	457.4	123.8	333.6	39.1	222.9	330.3	11.4	175.7
	Oct	487.1	135.8	351.2	56.8	228.3	314.8	40.8	167.2
	Nov	455.1	130.4	324.7	71.8	217.5	344.1	38.9	87.4
	Dec	467.6	138.9	328.7	30.9	250.4	353.8	36.5	158.0
2018	Jan	456.7	132.8	323.9	46.2	220.2	311.2	43.5	143.1
	Feb	437.1	127.9	309.2	53.9	186.7	307.2	29.1	105.8
	Mar	462.1	128.5	333.6	54.9	226.7	307.6	49.7	148.1
	Apr	456.3	139.1	317.2	35.0	196.6	314.9	39.5	124.4
	May	472.4	155.3	317.2	4.6	222.0	301.0	43.2	190.4
	Jun	468.7	149.7	318.9	85.0	267.1	334.3	18.2	148.6
	Jul	475.2	162.1	313.1	95.3	239.4	311.9	27.8	117.6
	Aug	486.8	163.5	323.3	2.3	251.2	334.4	40.7	197.0
	Sep	487.6	160.6	327.0	27.3	239.1	342.0	40.3	156.4
	Oct	498.9	164.1	334.8	39.5	288.9	295.1	41.8	247.3
	Nov	499.8	159.7	340.1	-27.3	245.2	344.0	55.9	212.7
	Dec	524.1	164.6	359.5	71.8	289.0	308.4	36.2	232.2
2019	Jan	514.5	167.3	347.2	81.2	207.3	341.1	39.0	93.3
	Feb	469.8	155.7	314.1	29.3	209.7	332.6	33.7	128.2
	Mar	521.0	173.5	347.5	-5.8	220.0	342.2	64.9	166.2
	Apr	485.3	159.6	325.7	42.5	233.4	335.4	39.4	141.7
	May	519.1	155.8	363.3	-15.1	201.6	339.3	55.0	185.7
	Jun	560.6	157.3	403.3	127.7	233.4	316.0	30.1	163.0
	Jul	529.8	161.6	368.2	59.9	249.6	370.7	40.1	147.1
	Aug	550.5	166.0	384.5	44.1	246.9	376.1	39.1	172.1
	Sep	517.2	154.7	362.5	198.5	238.3	312.1	11.4	78.9
	Oct	538.8	156.4	382.4	87.3	266.1	358.1	38.2	165.0
	Nov	517.9	144.8	373.2	139.7	263.9	351.4	15.9	130.0
	Dec	544.2	151.5	392.7	-14.5	274.0	414.8	55.9	210.4

1. Effective July 2011, data for this table are reported monthly.

2. Includes net gains from custody and trustee business disposed by one of the banks in 2010.

3. Effective September 2011 to December 2014, the data were corrected to reflect cumulative monthly data to form quarterly totals.

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	Government bonds held on behalf of customers
2010	Mar	3 405.0	2 112.8	2 719.5	1 509.1
	Jun	2 456.6	2 139.7	2 955.3	1 594.2
	Sep	2 515.1	1 889.3	3 882.5	1 918.9
	Dec	2 924.2	1 623.9	3 808.9	-
2011	Mar	2 766.1	1 418.9	3 666.9	-
	Jun	2 816.6	1 181.1	3 324.0	-
	Sep ⁴	3 335.4	1 393.6	3 279.2	-
	Dec	3 005.2	1 468.8	3 171.3	-
2012	Mar	3 236.7	1 519.3	3 036.1	-
	Jun	3 637.9	1 133.9	3 381.3	-
	Sep	3 277.9	2 035.0	3 374.2	-
	Dec	3 109.5	1 249.9	3 201.9	-
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	Jan	4 013.2	1 278.6	2 031.6	
	Feb	3 954.6	1 285.9	1 978.4	
	Mar	4 209.3	1 113.9	2 107.9	
	Apr	3 855.8	1 142.1	2 234.7	
	May	3 302.0	1 077.4	2 354.6	
	Jun	4 317.3	1 057.9	2 368.4	
	Jul	4 512.1	1 030.3	2 237.2	
	Aug	4 435.3	1 033.3	2 237.5	
	Sep	4 490.0	1 051.1	2 306.9	
	Oct	4 629.4	631.7	2 635.2	
	Nov	4 990.4	667.2	2 720.1	
	Dec	6 278.6	828.8	2 961.2	
2018	Jan	5 624.6	824.1	3 217.2	
	Feb	5 290.7	870.3	3 074.0	
	Mar	4 437.7	554.2	3 273.8	
	Apr	5 357.7	440.9	3 197.9	
	May	5 802.4	397.8	2 865.5	
	Jun	5 882.7	578.2	3 136.6	
	Jul	5 100.1	631.4	3 156.0	
	Aug	5 287.8	587.0	3 592.3	
	Sep	5 396.7	623.7	3 597.2	
	Oct	5 252.0	657.4	3 663.0	
	Nov	5 309.4	630.9	3 682.1	
	Dec	5 372.9	566.2	3 858.7	
2019	Jan	5 254.9	787.5	3 373.9	
	Feb	5 091.2	738.7	3 406.9	
	Mar	5 497.7	734.3	4 613.5	
	Apr	6 491.2	728.2	4 687.6	
	May	5 652.1	697.3	5 157.0	
	Jun	5 988.4	711.4	4 422.1	
	Jul	5 397.2	711.6	4 089.6	
	Aug	5 134.3	697.7	4 251.7	
	Sep	5 290.9	721.5	4 327.8	
	Oct	5 847.2	629.1	4 497.5	
	Nov	5 802.1	299.2	4 147.3	
	Dec	5 903.8	339.7	4 310.7	

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.

4. Effective July 2011, data for this table are reported monthly.

Source: Commercial banks

Foreign exchange contracts ³					
Over 7 days and under 1 year	Over 1 year	Other off-balance sheet exposures	Total		End of Period
263.8	-	467.6	10 477.6	Mar	2010
75.9	-	326.9	9 548.6	Jun	
306.9	0.7	202.7	10 716.1	Sep	
398.9	-	276.2	9 032.1	Dec	
835.4	-	215.4	8 902.7	Mar	2011
1 234.1	-	230.4	8 786.3	Jun	
1 229.2	-	197.3	9 434.7	Sep ⁴	
- 11.7	-	203.6	7 837.2	Dec	
407.5	-	201.8	8 401.4	Mar	2012
647.1	-	27.4	8 827.6	Jun	
593.9	-	10.1	9 291.2	Sep	
402.2	-	8.3	7 971.7	Dec	
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	
392.9	-	-	7 716.3	Jan	2017
374.5	-	-	7 593.5	Feb	
410.6	-	-	7 841.6	Mar	
419.6	-	-	7 652.1	Apr	
325.0	-	-	7 058.9	May	
434.8	-	-	8 178.3	Jun	
378.9	-	-	8 158.5	Jul	
344.7	-	-	8 050.9	Aug	
352.6	-	-	8 200.6	Sep	
562.2	-	-	8 458.6	Oct	
970.9	-	-	9 348.7	Nov	
78.2	-	-	10 146.9	Dec	
87.3	-	-	9 753.2	Jan	2018
366.8	-	-	9 601.7	Feb	
337.0	-	-	8 602.7	Mar	
60.7	-	-	9 057.2	Apr	
484.5	432.1	-	9 982.3	May	
363.0	420.0	-	10 380.4	Jun	
394.9	420.0	-	9 702.4	Jul	
276.4	20.0	-	9 763.5	Aug	
314.5	20.0	-	9 952.1	Sep	
216.2	20.0	-	9 808.5	Oct	
284.7	20.0	-	9 927.1	Nov	
348.2	20.5	-	10 166.5	Dec	
186.2	20.5	-	9 622.9	Jan	2019
184.9	52.7	-	9 474.3	Feb	
400.5	52.7	-	11 298.7	Mar	
153.0	20.0	-	12 079.9	Apr	
241.3	20.0	-	11 767.7	May	
276.0	713.2	-	12 111.1	Jun	
325.5	21.0	-	10 544.8	Jul	
371.7	21.0	-	10 476.4	Aug	
345.2	56.0	-	10 741.4	Sep	
465.7	55.0	-	11 494.6	Oct	
605.4	-	-	10 854.0	Nov	
920.5	-	-	11 474.8	Dec	

TABLE 3.25 : COMMERCIAL BANKS - ARREARS ON LOANS AND ADVANCES
(P Million)

End of		Govt. & parastatals			Business & non-bank financial institutions		
		30-89 days	90+ days	Specific provisions	30-89 days	90+ days	Specific provisions
2010	Q1	-	-	-	74.6	70.8	145.6
	Q2	-	-	-	149.2	77.8	156.2
	Q3	-	-	-	106.5	31.2	116.9
	Q4	-	-	-	62.4	42.4	111.1
2011	Q1	-	-	-	45.0	81.1	113.2
	Q2	-	-	-	100.7	70.2	101.7
		Govt. & parastatals			Business & non-bank financial institutions		
		>30-90 days	>90-180 days	Over 180 days	>30-90 days	>90-180 days	Over 180 days
2011	Q3 ¹	-	-	-	118.4	18.1	45.6
	Q4	-	-	-	144.1	37.2	13.3
2012	Q1	-	-	-	131.9	53.9	40.0
	Q2	-	-	-	131.7	44.2	63.2
	Q3	-	-	-	127.8	76.8	68.9
	Q4	-	-	-	147.0	28.4	49.5
2013	Q1	-	-	-	193.5	98.5	94.2
	Q2	-	-	-	206.6	76.9	77.3
	Q3	-	-	-	188.0	119.8	110.5
	Q4	2.3	-	0.6	286.1	157.1	120.9
2014	Q1	-	-	0.6	547.8	133.2	280.0
	Q2	1.7	-	0.6	385.5	179.1	379.4
	Q3	-	-	0.6	491.3	243.2	287.1
	Q4	-	-	0.6	589.0	162.6	345.8
2015	Q1	-	-	-	501.6	103.4	441.3
	Q2	99.0	-	-	413.9	122.4	369.7
	Q3	-	-	-	391.3	117.7	466.1
	Q4	-	-	-	310.1	185.7	483.9
		Govt. & parastatals			Business & non-bank financial institutions		
		>30-90 days	>90-180 days	Over 180 days	>30-90 days	>90-180 days	Over 180 days
2016	Mar ²	-	-	-	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	Jan	95.1	-	30.9	556.2	369.8	762.9
	Feb	21.2	3.6	52.0	358.7	311.1	910.4
	Mar	3.3	3.6	52.2	391.1	311.1	977.3
	Apr	-	-	37.5	438.3	403.6	923.3
	May	3.3	3.6	52.7	647.8	414.3	958.9
	Jun	50.9	-	0.1	610.8	248.2	1 093.1
	Jul	-	-	0.1	428.0	447.6	991.2
	Aug	-	-	-	449.2	223.0	1 222.5
	Sep	0.2	-	90.8	495.4	215.2	1 225.4
	Oct	-	-	93.3	419.4	221.2	1 197.2
	Nov	-	-	61.1	917.4	337.5	1 260.4
	Dec	-	-	63.9	386.3	275.4	1 342.3
2019	Jan	-	-	92.1	262.0	250.9	1 230.0
	Feb	57.9	-	127.7	323.7	257.0	1 334.6
	Mar	-	-	103.7	462.5	186.5	1 283.6
	Apr	-	-	87.0	443.1	114.2	1 322.6
	May	-	-	27.7	445.4	145.7	1 316.0
	Jun	-	-	27.7	357.6	121.0	1 120.9
	Jul	-	-	27.7	512.9	118.0	1 306.8
	Aug	-	-	27.7	649.1	142.7	1 117.0
	Sep	-	-	2.1	500.2	448.2	1 297.6
	Oct	-	-	2.1	445.1	417.2	1 326.9
	Nov	-	-	2.1	492.6	400.7	1 303.0
	Dec	-	-	2.1	535.0	413.3	1 174.7

1. Effective September 2011, the reporting duration for commercial bank loans arrears changed from '30-89 days', '90-180 days' and 'Specific provisions' to '>30-90 days', '>90-180 days' and 'Over 180 days', respectively.

2. Effective March 2016, data for commercial bank loans arrears include "specific provisions".

Source: Commercial banks

Households				Total				End of	
30-89 days	90+ days	Specific provisions		30-89 days	90+ days	Specific provisions			
538.9	159.0	487.0		613.5	229.8	632.6	Q1	2010	
543.9	143.2	493.0		693.2	220.9	649.2	Q2		
550.8	132.2	543.6		657.3	163.5	660.4	Q3		
159.2	552.3	521.1		221.6	594.7	632.2	Q4		
217.7	565.3	517.7		262.7	646.4	630.9	Q1	2011	
237.7	516.6	535.1		338.4	586.7	636.8	Q2		
Households				Total				End of	
>30-90 days	>90-180 days	Over 180 days		>30-90 days	>90-180 days	Over 180 days			
192.1	439.2	73.7		310.5	457.2	119.3	Q3 ¹	2011	
327.7	440.3	77.7		471.8	477.4	91.0	Q4		
211.4	407.3	90.6		343.3	461.2	130.6	Q1	2012	
303.4	398.2	88.6		435.1	442.4	151.8	Q2		
214.1	495.7	157.3		341.9	572.5	226.2	Q3		
198.7	613.3	81.0		345.7	641.7	130.5	Q4		
294.8	530.8	104.7		488.3	629.2	198.9	Q1	2013	
244.1	723.3	88.7		450.7	800.2	166.0	Q2		
304.9	587.3	239.0		492.9	707.1	349.5	Q3		
299.7	660.5	266.9		588.1	817.6	388.4	Q4		
581.9	465.7	123.5		1 129.7	598.9	404.1	Q1	2014	
345.7	525.5	233.4		732.8	704.6	613.3	Q2		
242.7	544.4	236.6		734.0	787.6	524.3	Q3		
1 405.8	513.1	282.9		1 994.8	675.7	629.3	Q4		
435.4	452.0	362.9		937.0	555.3	804.2	Q1	2015	
441.3	511.0	334.5		954.3	633.4	704.2	Q2		
405.5	505.5	379.6		796.8	623.2	845.8	Q3		
460.7	511.5	408.0		770.8	697.1	891.9	Q4		
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		
		519.1	646.2	1 156.8	885.8	1 075.2	749.2	Mar ²	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	
576.6	817.3	590.9	769.1	1 227.9	1 187.1	1 384.8	1 535.4	Jan	2018
543.6	779.2	620.7	782.3	923.5	1 093.8	1 583.1	1 307.9	Feb	
548.6	858.1	679.7	780.6	943.1	1 172.8	1 709.2	1 310.3	Mar	
542.9	837.8	509.4	760.3	981.2	1 241.4	1 470.1	1 303.1	Apr	
570.4	712.3	690.1	735.6	1 221.6	1 130.2	1 701.7	1 287.2	May	
519.1	731.9	643.9	726.0	1 180.9	980.1	1 737.1	1 281.9	Jun	
541.0	737.3	606.0	776.6	969.0	1 184.9	1 597.3	1 397.9	Jul	
508.2	803.7	781.0	820.6	957.5	1 026.6	2 003.4	1 429.4	Aug	
398.3	725.5	762.0	804.0	894.0	940.7	2 078.2	1 431.5	Sep	
492.9	739.0	757.3	812.2	912.2	960.2	2 047.7	1 453.7	Oct	
495.8	715.8	748.7	770.8	1 413.2	1 053.3	2 070.2	1 429.2	Nov	
485.4	694.0	768.2	745.2	871.7	969.4	2 174.4	1 405.0	Dec	
461.1	669.9	728.0	689.1	723.1	920.8	2 050.2	1 442.0	Jan	2019
465.1	696.8	694.8	850.2	846.7	953.8	2 157.1	1 527.4	Feb	
510.9	580.5	650.7	843.3	973.4	767.0	2 037.9	1 444.6	Mar	
518.1	590.6	666.5	821.8	961.2	704.8	2 076.1	1 424.6	Apr	
539.8	590.5	585.7	830.0	985.3	736.2	1 929.4	1 436.0	May	
514.9	583.4	582.2	836.8	872.6	704.4	1 730.7	1 460.9	Jun	
548.3	512.2	562.4	912.9	1 061.2	630.2	1 896.8	1 576.4	Jul	
574.8	522.8	694.4	851.7	1 223.9	665.6	1 839.1	1 496.4	Aug	
512.0	533.8	633.1	862.7	1 012.2	982.0	1 932.8	1 646.8	Sep	
513.9	550.9	624.4	896.3	959.0	968.2	1 953.5	1 661.7	Oct	
537.0	561.9	624.8	887.1	1 029.6	962.6	1 929.9	1 801.6	Nov	
546.7	556.7	637.6	890.1	1 081.7	969.9	1 814.4	1 748.9	Dec	

TABLE 3.26: COMMERCIAL BANKS - ARREARS BY SECTOR
(P Million)

		Agriculture			Manufacturing			Construction					
		30-89 days	90+ days	Specific provisions	30-89 days	90+ days	Specific provisions	30-89 days	90+ days	Specific provisions			
2010	Q1	2.6	0.3	0.9	3.6	9.3	9.7	2.7	7.7	10.5			
	Q2	13.8	0.7	1.3	14.8	0.1	16.6	36.5	3.2	9.2			
	Q3	0.1	0.1	0.7	1.7	4.3	11.3	8.7	0.3	20.4			
	Q4	1.9	0.2	3.6	0.2	-	16.9	14.0	1.0	8.4			
2011	Q1	0.1	-	3.6	0.2	-	15.9	0.3	1.0	17.3			
	Q2	4.4	0.2	6.2	14.5	6.6	10.1	13.2	3.5	21.3			
		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			
2011	Q3 ¹	1.5	2.6	2.4	12.9	0.2	1.0	14.3	0.8	5.4			
	Q4	1.7	3.5	0.2	2.0	0.0	0.2	26.1	19.7	0.2			
2012	Q1	2.9	-	2.3	9.6	0.5	1.1	8.1	16.0	2.5			
	Q2	4.1	0.1	1.4	9.7	0.4	3.6	17.8	5.7	11.8			
	Q3	4.7	0.9	0.4	11.1	0.3	3.8	11.8	15.1	10.5			
	Q4	7.2	3.5	1.3	13.0	0.3	3.8	13.4	1.8	2.1			
2013	Q1	5.1	0.9	1.0	9.3	10.4	5.2	3.5	24.8	11.8			
	Q2	8.8	0.4	1.2	5.4	2.7	5.7	20.8	7.8	4.5			
	Q3	5.4	0.5	2.0	7.2	1.5	6.9	9.2	17.3	10.3			
	Q4	13.2	5.6	1.2	10.3	69.6	6.9	6.4	3.3	11.4			
2014	Q1	34.5	6.5	9.8	85.3	6.0	38.9	9.2	6.2	80.6			
	Q2	21.8	11.4	35.0	25.6	12.2	25.2	11.3	14.9	24.3			
	Q3	22.4	13.4	3.6	27.9	2.4	24.2	31.7	15.5	30.9			
	Q4	19.1	5.9	12.5	80.3	14.2	35.2	52.6	11.9	40.4			
2015	Q1	13.7	9.9	32.1	39.4	5.6	32.6	19.2	6.8	32.3			
	Q2	21.5	11.4	23.6	17.1	4.3	33.7	19.7	12.8	30.7			
	Q3	32.0	11.3	73.9	28.3	5.2	35.1	21.3	10.7	36.5			
	Q4	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 ²	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	Jan	26.2	22.2	88.4	41.2	46.6	57.5	107.5	409.8	34.0	48.4	62.8	24.1
	Feb	25.1	16.6	100.8	48.9	67.0	5.7	149.1	121.2	32.4	36.4	66.9	24.8
	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
	Apr	18.1	41.4	88.2	45.6	45.5	37.4	153.0	134.3	34.5	24.1	103.3	31.5
	May	19.5	20.7	110.6	44.2	271.9	14.6	158.8	135.0	35.1	24.8	120.8	44.0
	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
	Jul	16.7	21.4	106.9	51.5	30.9	251.1	161.9	192.8	30.0	27.8	127.9	67.3
	Aug	15.0	23.0	114.6	52.7	45.5	25.5	395.0	190.6	27.1	28.6	115.4	79.4
	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
	Oct	23.1	10.6	117.1	53.5	71.4	38.5	377.6	191.3	21.5	22.2	131.7	96.6
	Nov	113.6	9.5	132.7	61.4	81.8	18.1	410.2	192.9	28.2	21.8	128.2	99.7
	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	Jan	13.9	14.0	134.0	68.6	66.5	42.2	351.2	257.7	34.3	43.2	148.8	133.4
	Feb	29.5	23.3	137.8	71.4	79.8	39.1	371.9	240.5	40.6	18.5	148.7	69.6
	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
	Apr	20.7	20.8	131.2	69.2	54.4	13.4	419.2	173.6	21.4	18.4	142.7	71.1
	May	15.9	8.8	133.6	45.9	62.2	7.5	434.4	176.5	22.9	31.3	138.7	83.5
	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
	Jul	20.1	6.4	141.1	61.6	57.0	15.5	438.1	205.9	41.0	4.8	150.9	86.0
	Aug	51.2	3.4	123.8	77.7	114.5	7.5	254.9	193.6	53.4	9.2	138.7	72.1
	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
	Oct	12.1	16.9	115.1	51.5	13.6	283.2	274.3	335.4	29.0	13.8	153.2	73.3
	Nov	81.0	15.1	113.9	55.3	6.0	277.4	264.5	479.1	42.0	8.3	149.2	73.6
	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

1. Effective September 2011, the reporting duration for commercial bank loans arrears changed from '30-90 days', '90-180 days' and 'Specific provisions' to '>30-90 days', '>90-180 days' and 'Over 180 days', respectively.

2. Effective March 2016, data for commercial bank loans arrears include 'Specific provisions'.

Source: Commercial banks

Trade				Real Estate					
30-89 days	90+ days	Specific provisions		30-89 days	90+ days	Specific provisions	End of		
14.5	36.3	6.2		4.6	1.2	22.3	Q1	2010	
16.1	6.9	4.6		8.1	2.0	17.5	Q2		
21.3	4.5	12.8		3.1	0.3	1.5	Q3		
24.1	11.3	21.0		3.4	13.0	13.4	Q4		
21.8	5.2	22.2		3.1	13.0	1.1	Q1	2011	
16.3	4.1	18.8		3.8	15.9	2.1	Q2		
Trade			Real Estate						
>30-90 days	>90-180 days	Over 180 days		>30-90 days	>90-180 days	Over 180 days			
48.8	7.5	23.3		15.6	0.7	0.8	Q3 ¹	2011	
65.5	4.7	5.4		21.8	2.5	1.1	Q4		
63.3	18.3	20.4		16.2	4.5	3.9	Q1	2012	
63.8	15.6	20.4		17.9	0.4	4.1	Q2		
56.4	3.8	17.5		18.7	16.6	20.3	Q3		
55.1	6.1	21.1		17.6	0.4	4.3	Q4		
104.8	20.4	36.9		20.7	20.2	12.1	Q1	2013	
109.7	42.4	53.0		38.7	0.3	1.8	Q2		
128.2	41.4	60.6		28.7	5.7	5.7	Q3		
208.7	42.7	79.4		35.7	3.0	5.7	Q4		
296.5	65.3	88.7		46.7	31.9	20.5	Q1	2014	
191.2	56.4	167.8		103.5	20.0	31.4	Q2		
259.6	110.9	158.9		62.7	63.6	7.4	Q3		
260.0	57.5	152.2		74.7	34.2	44.5	Q4		
206.9	23.8	161.4		176.6	28.1	55.2	Q1	2015	
208.8	15.7	176.8		102.9	34.4	54.5	Q2		
172.3	40.1	166.0		42.7	11.3	73.1	Q3		
99.8	46.5	191.8		56.8	3.4	81.0	Q4		
Trade				Real Estate					
>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 ²	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	
108.2	49.0	155.2	87.9	92.0	91.9	113.0	81.0	Jan	2018
80.1	54.3	136.2	81.1	46.3	102.5	122.9	80.0	Feb	
129.1	47.5	169.4	84.3	65.1	95.0	116.5	76.9	Mar	
124.7	79.0	166.1	80.2	86.4	90.8	122.6	85.2	Apr	
96.4	146.5	191.6	81.9	105.2	99.3	112.3	82.6	May	
99.7	50.6	319.3	90.4	72.5	77.5	110.5	82.9	Jun	
140.0	35.1	200.7	90.3	98.2	63.2	104.9	69.8	Jul	
152.3	42.7	203.3	104.5	80.1	45.1	108.3	73.0	Aug	
219.9	45.7	185.6	88.3	68.3	33.0	97.6	60.4	Sep	
149.9	47.9	193.2	90.4	72.9	30.9	98.1	51.1	Oct	
169.3	162.3	186.5	95.2	111.3	38.9	102.8	56.5	Nov	
119.9	76.5	203.7	96.9	66.7	30.6	108.6	57.7	Dec	
77.5	60.2	208.5	99.3	30.4	34.5	83.7	60.5	Jan	2019
48.3	83.0	252.6	92.8	61.3	27.7	109.6	54.9	Feb	
134.3	24.6	230.7	92.3	110.4	20.6	97.2	52.9	Mar	
135.9	22.0	234.0	92.8	116.2	9.2	91.2	53.9	Apr	
124.3	35.1	226.3	98.0	115.2	26.0	80.8	51.1	May	
109.8	36.7	213.0	97.7	93.9	14.1	70.3	43.5	Jun	
157.2	47.3	212.0	104.8	119.2	12.7	69.3	46.9	Jul	
177.9	56.3	201.7	109.6	94.6	21.4	90.8	40.9	Aug	
87.8	60.6	317.7	90.8	86.6	18.5	87.6	46.3	Sep	
119.4	41.6	374.5	115.6	171.0	18.7	86.6	44.6	Oct	
124.5	24.7	364.8	114.2	106.6	16.8	87.6	45.6	Nov	
120.2	28.1	352.7	106.7	105.4	19.1	80.9	47.4	Dec	

TABLE 3.27: BOTSWANA AUTOMATED CLEARING HOUSE – CHEQUE PROCESSING AND ELECTRONIC FUNDS TRANSFERS¹

Period ²		Cheques			EFTs			BISS	
		Volume	Value	Average	Volume	Value	Average	Volume	Value
		('000 units)	(P million)	(P thousands)	('000 units)	(P million)	(P thousands)	(Absolute)	(P billion)
		(1)	(2)	(3)=(2/1)	(4)	(5)	(6)=(5/4)	(7)	(8)
2010		2 727.2	44 598.5	16.4	3 680.8	68 379.8	18.6	90 627	2 331
2011		2 475.1	41 632.3	16.8	3 897.3	78 388.2	20.1	109 271	2 463
2012		2 238.4	39 538.1	17.7	4 571.0	89 735.5	19.6	137 975	3 108
2013		1 886.5	35 523.2	18.8	5 332.2	101 751.1	19.1	148 598	2 322
2014		419.6	8 638.0	20.6	1 630.5	32 002.7	19.5	44 965	541
2015	Mar	335.0	6 770.7	20.2	1 488.3	30 900.3	20.8	41 939	587
	Jun	355.1	7 094.7	20.0	1 715.5	35 755.3	20.8	48 907	858
	Sep	343.5	7 073.6	20.6	1 676.9	39 232.8	23.4	50 862	1 130
	Dec	348.6	7 390.9	21.2	1 779.1	37 025.7	20.8	52 846	1 100
2016	Mar	109.1	2 258.0	20.7	630.4	14 681.8	23.3	16 638	224
	Jun	104.3	2 197.4	21.1	641.2	14 303.9	22.3	15 698	105
	Sep	93.4	1 977.2	21.2	605.5	14 685.5	24.3	15 380	72
	Dec	98.4	2 254.0	22.9	675.2	18 081.2	26.8	16 116	78
2017	Jan	70.9	1 625.6	22.9	587.4	9 989.1	17.0	13 519	78
	Feb	82.5	1 898.8	23.0	638.7	11 137.4	17.4	14 814	93
	Mar	97.0	2 003.0	20.7	714.3	14 796.5	20.7	17 917	118
	Apr	75.8	1 547.4	20.4	554.9	11 428.0	20.6	12 270	82
	May	92.9	1 934.5	20.8	714.4	13 573.3	19.0	13 658	121
	Jun	91.4	1 902.1	20.8	701.9	15 141.5	21.6	14 610	111
	Jul	82.8	1 748.5	21.1	674.1	13 339.0	19.8	13 954	88
	Aug	93.8	2 016.0	21.5	743.7	16 964.6	22.8	16 710	142
	Sep	86.3	1 833.7	21.2	682.7	14 715.5	21.6	15 394	98
	Oct	87.4	1 929.2	22.1	767.6	15 881.7	20.7	14 125	115
	Nov	88.9	1 912.4	21.5	678.8	14 287.3	21.0	16 081	138
	Dec	88.3	1 952.8	22.1	676.4	14 134.0	20.9	14 673	89
2018	Jan	70.9	1 630.7	23.0	649.1	13 660.5	21.0	12 306	108
	Feb	75.3	1 606.8	21.4	669.5	11 646.7	17.4	13 736	86
	Mar	82.7	1 769.7	21.4	718.1	16 829.0	23.4	15 833	102
	Apr	74.9	1 602.7	21.4	653.7	13 953.8	21.3	13 011	95
	May	82.6	1 785.0	21.6	675.5	13 476.0	20.0	14 011	118
	Jun	74.3	1 626.0	21.9	668.0	15 637.8	23.4	15 390	97
	Jul	75.6	1 730.2	22.9	747.8	16 264.2	21.7	13 690	127
	Aug	82.0	1 765.0	21.5	803.6	16 310.0	20.3	16 240	144
	Sep	73.3	1 596.9	21.8	673.9	13 677.5	20.3	14 834	125
	Oct	81.0	1 775.4	21.9	759.1	16 637.3	21.9	15 742	168
	Nov	79.5	1 740.6	21.9	739.6	15 420.9	20.8	15 744	126
	Dec	77.5	1 808.8	23.4	754.9	16 382.6	21.7	14 543	118
2019	Jan	63.9	1 624.6	25.4	673.7	16 470.6	24.4	12 364	150
	Feb	67.1	1 456.0	21.7	703.5	13 455.2	19.1	13 444	132
	Mar	73.3	1 634.5	22.3	786.7	18 093.6	23.0	14 554	161
	Apr	69.8	1 578.3	22.6	715.7	15 587.4	21.8	15 010	142
	May	73.3	1 689.0	23.1	780.5	17 375.9	22.3	16 120	188
	Jun	67.9	1 515.7	22.3	724.8	16 282.9	22.5	14 700	148
	Jul	71.8	1 666.7	23.2	808.7	17 995.5	22.3	15 510	179
	Aug	67.6	1 518.7	22.5	785.9	19 754.1	25.1	16 810	170
	Sep	62.1	1 375.8	22.2	723.4	18 317.7	25.3	15 423	113
	Oct	66.7	1 696.2	25.4	837.7	17 376.1	20.7	15 764	172
	Nov	61.4	1 379.7	22.5	760.7	18 095.9	23.8	16 604	164
	Dec	65.5	1 527.1	23.3	859.8	20 013.0	23.3	16 651	154

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)
2010	Mar	2 832	2 249	792	269	4 266	2 372
	Jun	2 846	2 220	762	280	4 344	2 520
	Sep	2 931	2 039	790	298	4 563	2 724
	Dec	2 984	2 150	802	298	4 684	2 938
2011	Mar	3 680	2 041	587	282	4 456	2 897
	Jun	3 691	2 425	621	288	4 872	2 978
	Sep	3 725	2 798	692	291	4 957	3 172
	Dec	3 718	2 994	717	293	5 156	3 624
2012	Mar	3 718	3 045	608	296	4 626	2 942
	Jun	3 722	3 214	714	302	5 236	3 245
	Sep	3 775	3 697	804	302	5 426	3 455
	Dec	3 772	3 994	912	301	5 729	3 743
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

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 & deposits	Bank of Botswana Certificates	Total liquid assets	Loans & advances	Fixed assets	Other assets	Total Assets	
As at end of									
2010		327.6	-	327.6	1 654.4	74.4	17.1	2 073.4	
2011		358.7	-	358.7	1 910.5	96.9	46.6	2 412.7	
2012		370.9	-	370.9	2 272.8	106.7	20.0	2 770.4	
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	Q1	863.3	-	863.3	3 188.5	121.6	40.8	4 214.2	
	Q2	499.4	-	499.4	3 173.1	93.1	59.6	3 825.2	
	Q3	440.3	-	440.3	3 214.4	97.4	66.4	3 818.5	
	Q4	544.3	-	544.3	3 295.4	116.9	60.2	4 016.8	
2019	Jan	698.7	-	698.7	3 306.6	100.1	57.6	4 163.0	
	Feb	622.1	-	622.1	3 292.5	101.2	55.9	4 071.7	
	Mar	894.3	-	894.3	3 298.8	101.1	55.7	4 349.9	
	Apr	902.9	-	902.9	3 304.0	103.2	60.0	4 370.0	
	May	1 138.1	-	1 138.1	3 328.3	102.8	60.9	4 630.0	
	Jun	1 128.7	-	1 128.7	3 345.3	102.9	59.1	4 636.1	
	Jul	1 158.5	-	1 158.5	3 366.5	105.0	60.0	4 690.0	
	Aug	1 062.0	-	1 062.0	3 407.1	104.8	58.6	4 632.5	
	Sep	1 106.3	-	1 106.3	3 409.7	104.7	57.2	4 677.9	
	Oct	1 104.5	-	1 104.5	3 405.6	104.1	54.3	4 668.4	
	Nov	967.6	-	967.6	3 478.3	104.4	53.3	4 603.8	
	Dec	988.3	-	988.3	3 464.5	107.3	80.8	4 641.0	
LIABILITIES									
		Government deposits	Deposits from the public		Total deposits from public	Capital & reserves	Other liabilities	Total Liabilities	
As at end of			Current & call	Savings	Notice & time				
2010		-	-	286.0	9.2	295.2	1 184.8	593.5	2 073.4
2011		-	-	274.1	55.5	329.6	1 223.1	860.0	2 412.7
2012		-	-	442.6	56.1	498.7	1 274.8	996.9	2 770.4
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	Q1	-	-	903.9	926.6	1 830.5	1 157.6	1 226.2	4 214.2
	Q2	-	-	1 281.5	628.5	1 910.0	706.1	1 209.1	3 825.2
	Q3	-	-	1 300.6	717.1	2 017.7	713.2	1 087.6	3 818.5
	Q4	-	-	1,283.5	834.5	2,117.9	594.7	1,304.2	4,016.8
2019	Jan	-	-	1 279.6	1 000.8	2 280.4	596.2	1 286.5	4 163.0
	Feb	-	-	1 276.2	905.7	2 182.0	576.7	1 313.1	4 071.7
	Mar	-	-	1 297.3	1 175.2	2 472.5	573.7	1 303.7	4 349.9
	Apr	-	-	1 302.9	1 215.0	2 517.9	559.4	1 292.7	4 370.0
	May	-	-	1 308.1	1 454.2	2 762.3	572.5	1 295.2	4 630.0
	Jun	-	-	1 316.2	1 452.7	2 768.9	585.5	1 281.7	4 636.1
	Jul	-	-	1 327.7	1 491.9	2 819.7	575.9	1 294.5	4 690.0
	Aug	-	-	1 335.2	1 440.9	2 776.1	564.9	1 291.4	4 632.5
	Sep	-	-	1 352.6	1 487.0	2 839.7	565.4	1 272.8	4 677.9
	Oct	-	-	1 347.9	1 512.3	2 860.1	533.3	1 275.0	4 668.4
	Nov	-	-	1 345.9	1 480.8	2 826.7	602.8	1 174.3	4 603.8
	Dec	-	-	1 340.1	1 546.5	2 886.6	529.0	1 225.4	4 641.0

Source: BBS Limited

TABLE 3.30: BOTSWANA SAVINGS BANK - ASSETS AND LIABILITIES
(P Million)

ASSETS							
		Liquid Assets					
		Cash &	Bank of	Total			
		deposits	Botswana	liquid	Loans &	Fixed	Other
As at end of			Certificates	assets	advances	assets	assets
							Total
							Assets
2010		187.5	-	187.5	381.5	24.2	13.4
2011		181.2	-	181.2	490.5	20.8	10.1
2012		468.4	-	468.4	613.5	19.0	22.7
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	Mar	992.4	-	992.4	1 477.5	30.0	43.3
	Jun	942.3	-	942.3	1 482.1	28.7	44.7
	Sep	629.2	-	629.2	1 474.0	28.8	46.4
	Dec	989.3	-	989.3	1 452.5	28.7	56.2
2019	Jan	1 127.9	-	1 127.9	1 439.5	28.4	67.6
	Feb	1 053.3	-	1 053.3	1 423.4	28.6	72.9
	Mar	1 052.4	-	1 052.4	1 400.5	29.1	64.1
	Apr	1 180.1	-	1 180.1	1 415.9	31.5	73.0
	May	1 159.5	-	1 159.5	1 406.3	31.1	52.7
	Jun	1 177.2	-	1 177.2	1 403.4	30.7	69.3
	Jul	1 202.2	-	1 202.2	1 394.0	30.5	69.5
	Aug	1 249.2	-	1 249.2	1 379.9	30.4	58.1
	Sep	1 408.1	-	1 408.1	1 393.8	30.4	69.7
	Oct	1 412.0	-	1 412.0	1 387.6	31.8	72.3
	Nov	1 383.3	-	1 383.3	1 393.2	32.9	91.7
	Dec	1 603.8	-	1 603.8	1 404.9	33.2	91.4
LIABILITIES							
		Balances due to		Savings	Capital	Other	Total
As at end of		Bank of Botswana	deposits ¹	reserves	liabilities		Liabilities
2010		-	460.7	115.2	30.7		606.6
2011		-	549.1	122.2	31.3		702.6
2012		-	930.9	151.1	41.7		1 123.7
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	Mar	-	2 150.1	168.6	224.6		2 543.3
	Jun	-	2 103.5	174.5	219.8		2 497.8
	Sep	-	1 792.5	180.9	205.0		2 178.3
	Dec	-	2 126.0	180.0	220.8		2 526.8
2019	Jan	-	2 257.2	180.7	225.3		2 663.3
	Feb	-	2 186.7	176.9	214.6		2 578.1
	Mar	-	2 162.7	171.6	211.7		2 546.0
	Apr	-	2 294.0	192.4	213.9		2 700.4
	May	-	2 243.8	189.9	215.9		2 649.6
	Jun	-	2 260.0	191.5	229.0		2 680.5
	Jul	-	2 307.1	188.2	200.9		2 696.2
	Aug	-	2 334.9	188.4	194.2		2 717.5
	Sep	-	2 519.5	189.4	193.2		2 902.1
	Oct	-	2 513.2	190.0	200.5		2 903.7
	Nov	-	2 494.4	188.7	218.0		2 901.1
	Dec	-	2 575.2	188.9	369.3		3 133.3

1. Includes National Savings Certificates.
Source: Botswana Savings Bank

TABLE 4.1: INTEREST RATES¹
(Percent Per Annum)

Percent Per Annum)									2017			
End of	2009	2010	2011	2012	2013	2014	2015	2016	Q1	Q2	Q3	Q4
LENDING RATES												
Bank of Botswana												
Bank Rate	10.00	9.50	9.50	9.50	7.50	7.50	6.00	5.50	5.50	5.50	5.50	5.00
Repo Rate	9.00	8.50	8.50	8.50	7.00	7.00	5.50	5.00	5.00	5.00	5.00	4.50
Reverse Repo Rate	5.00	4.50	4.50	4.50	3.00	3.00	1.50	1.00	1.00	1.00	1.00	1.00
Commercial and Merchant Banks												
Monthly Average Overnight Rate	6.61	5.52	4.54	4.84	3.18	3.46	1.60	1.06	1.25	1.09	1.31	1.14
Prime Lending Rate	11.50	11.00	11.00	11.00	9.33	9.00	7.50	7.00	7.00	7.00	7.00	6.50
Average Return on Advances ²	15.41	14.39	12.35	15.59	11.39	10.93	10.34	10.88	10.88	11.10	10.71	10.76
Mortgage Rate	11.96	11.33	10.83	10.87	9.56	9.01	8.15	8.81	8.81	8.80	8.83	8.65
Non-Bank Financial Corporations ³												
Short-term Loans	15.50	15.25	15.25	15.25	14.50	14.00	12.50	13.25	13.25	13.25	13.25	12.75
Mortgage Rate ⁴	10.63	10.19	10.29	10.29	8.84	8.96	8.13	7.88	7.88	7.88	7.88	7.38
Other Financial Corporations ⁵												
All Round Lending ⁶	19.58	19.24	18.03	17.64	15.97	15.97	14.50	14.00	14.00	14.00	14.00	13.50
DEPOSIT RATES												
Commercial and Merchant Banks												
Pula Denominated Deposits												
Savings Account	4.10	3.72	3.37	3.14	2.36	2.73	2.29	1.90	1.95	2.03	2.03	1.88
Overnight Call	3.86	3.31	2.53	1.93	1.35	1.62	1.10	0.88	0.94	1.04	1.08	1.02
Notice	5.02	4.69	4.33	4.14	2.84	2.47	2.09	1.53	1.40	3.89	1.23	0.84
Fixed up to 12 months	5.98	5.88	5.99	5.54	4.33	5.02	3.50	2.56	2.55	2.51	2.43	2.16
Fixed over 12 months	6.40	6.12	6.17	6.36	5.24	5.48	4.26	3.55	3.59	3.45	3.35	3.07
Foreign Currency Denominated Deposits ⁷												
US dollar	0.89	0.89	0.47	0.78	1.13	1.13	1.13	0.27	0.72	0.72	0.37	0.37
Euro	1.04	1.04	2.24	3.31	1.46	1.46	1.46	0.28	0.35	0.35	0.28	0.28
Pound sterling	1.63	2.01	1.75	2.38	1.43	1.82	1.42	0.43	0.35	0.35	0.35	0.35
South African rand	3.92	3.83	3.38	3.54	2.38	2.78	2.83	2.10	2.10	2.14	2.09	2.09
Non-Bank Depository Corporations												
Ordinary Savings Account	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13
Special Savings Account	4.34	3.44	3.31	3.31	2.94	2.56	2.19	1.88	1.88	1.88	1.88	1.71
DEBT INSTRUMENTS												
Bank of Botswana Certificates (BoBCs) ⁸												
Bank of Botswana Certificates (BoBCs) ⁸	8.20	7.15	3.45	5.36	3.58	3.19	1.17	1.01	1.18	1.31	1.40	1.41
Long-term Government bond ⁹	7.53	7.69	5.56	5.60	4.31	4.07	5.96	5.54	5.50	5.50	5.49	5.30

1. Unless indicated otherwise, rates are simple averages of reporting institutions within each class.
2. The average return on advances is calculated as interest income for the period as a percentage of the month end net advances annualised. Effective July 2011, the average return on advances is calculated monthly.
3. Non-Bank Financial Corporations refer to deposit taking institutions other than commercial and merchant banks.
4. The rate is a simple average of the mortgage rate of BBS Limited and Botswana Savings Bank.
5. Other Financial Corporations refer to non-deposit taking non-bank financial institutions.
6. The 'all round lending' rate is a weighted average rate provided by the National Development Bank.
7. The reported rate is for call accounts.

2018				2019				End of
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
LENDING RATES								
Bank of Botswana								
5.00	5.00	5.00	5.00	5.00	5.00	4.75	4.75	Bank Rate
4.50	4.50	4.50	4.50	4.50	4.50	4.25	4.25	Repo Rate
1.00	1.00	1.00	1.00	1.00	1.00	0.75	0.75	Reverse Repo Rate
Commercial and Merchant Banks								
1.31	1.28	1.22	1.41	1.10	1.71	1.09	1.20	Monthly Average Overnight Rate
6.50	6.50	6.50	6.50	6.50	6.50	6.25	6.25	Prime Lending Rate
10.53	10.32	10.59	11.19	11.15	11.62	10.59	10.85	Average Return on Advances ²
8.43	8.39	8.39	8.30	8.29	8.31	8.13	8.11	Mortgage Rate
Non-Bank Financial Corporations ³								
12.75	12.75	12.75	12.75	12.75	12.75	12.50	12.50	Short-term Loans
6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	Mortgage Rate ⁴
Other Financial Corporations ⁵								
13.50	13.50	13.50	13.50	13.50	13.50	13.25	13.25	All Round Lending ⁶
DEPOSIT RATES								
Commercial and Merchant Banks								
Pula Denominated Deposits								
1.85	1.85	2.01	2.01	2.09	1.99	1.96	1.97	Savings Account
0.97	0.94	0.94	0.94	0.97	1.05	1.01	0.99	Overnight Call
1.09	1.09	1.09	1.09	1.10	1.10	3.06	3.10	Notice
2.18	2.20	2.21	2.20	2.24	2.19	2.11	2.09	Fixed up to 12 months
3.13	3.03	3.02	3.02	3.03	3.07	3.14	3.05	Fixed over 12 months
Foreign Currency Denominated Deposits ⁷								
0.36	0.25	0.91	1.70	0.29	0.33	0.70	0.70	US dollar
0.16	0.15	0.15	0.15	0.15	0.35	0.35	0.13	Euro
0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.38	Pound sterling
2.09	2.08	2.67	2.41	2.39	2.55	3.06	3.08	South African rand
Non-Bank Depository Corporations								
1.13	1.13	0.25	0.25	0.25	0.25	0.25	0.25	Ordinary Savings Account
1.71	1.71	0.68	0.68	0.68	0.68	0.55	0.55	Special Savings Account
DEBT INSTRUMENTS								
1.42	1.48	1.52	1.54	1.60	1.67	1.70	1.49	Bank of Botswana Certificates (BoBCs) ⁸
5.28	5.28	5.28	5.25	5.25	5.33	5.24	5.33	Long-term Government bond ⁹

8. 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.

9. 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		
2010		11.00	5.49	7.15	7.4	3.5
2011		11.00	4.08	3.45	9.2	5.8
2012		11.00	3.52	5.36	7.4	7.3
2013		9.33	2.58	3.58	4.1	3.4
2014	Mar	9.00	2.87	3.27	4.4	6.8
	Jun	9.00	2.47	3.25	4.6	5.3
	Sep	9.00	2.47	3.22	4.5	2.4
	Dec	9.00	2.67	3.19	3.8	0.6
2015	Mar	8.10	2.62	2.20	2.8	3.0
	Jun	8.00	2.62	2.11	3.1	6.5
	Sep	7.50	2.09	1.53	2.9	1.8
	Dec	7.50	2.50	1.17	3.1	1.2
2016	Jan	7.50	2.34	1.25	2.7	1.5
	Feb	7.50	2.49	1.40	3.0	1.2
	Mar	7.50	2.59	1.36	3.0	2.7
	Apr	7.50	2.44	1.25	2.8	4.8
	May	7.50	2.44	1.14	2.8	5.5
	Jun	7.50	2.16	1.09	2.7	5.0
	Jul	7.50	2.00	1.05	2.7	2.0
	Aug	7.10	1.66	1.04	2.6	2.1
	Sep	7.00	1.77	1.03	2.8	2.3
	Oct	7.00	1.77	1.01	2.7	2.5
	Nov	7.00	1.77	1.01	2.9	2.9
	Dec	7.00	2.03	1.01	3.0	2.1
2017	Jan	7.00	1.68	1.00	3.1	3.1
	Feb	7.00	1.68	1.04	3.4	3.1
	Mar	7.00	1.68	1.18	3.5	4.8
	Apr	7.00	1.58	1.32	3.4	6.1
	May	7.00	1.69	1.31	3.5	5.8
	Jun	7.00	1.36	1.31	3.5	4.7
	Jul	7.00	1.36	1.33	3.4	2.2
	Aug	7.00	1.36	1.37	3.4	1.7
	Sep	7.00	1.69	1.40	3.2	1.2
	Oct	6.50	1.09	1.38	3.0	0.7
	Nov	6.50	1.09	1.38	2.9	1.0
	Dec	6.50	1.10	1.41	3.2	2.2
2018	Jan	6.50	1.10	1.26	3.1	3.8
	Feb	6.50	1.10	1.41	3.2	4.2
	Mar	6.50	1.60	1.42	2.8	3.2
	Apr	6.50	1.60	1.44	3.4	7.3
	May	6.50	1.56	1.46	3.3	6.4
	Jun	6.50	1.56	1.48	3.1	5.9
	Jul	6.50	1.56	1.46	3.1	0.7
	Aug	6.50	1.56	1.47	3.0	0.3
	Sep	6.50	1.56	1.52	2.9	0.4
	Oct	6.50	1.56	1.50	3.6	2.7
	Nov	6.50	1.56	1.53	3.8	4.4
	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

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-months BoBC Rate is a weighted average yield, with the weights derived from the relative volumes of bids at yields accepted at the relevant auction.

Real Interest Rates				End of
Prime	32-88 day deposit	3-month BoBC		
3.35	-1.78	-0.23		2010
1.65	-4.69	-5.27		2011
3.35	-3.61	-1.90		2012
5.02	-1.46	-0.50		2013
4.41	-1.47	-1.08	Mar	2014
4.21	-2.04	-1.29	Jun	
4.31	-1.95	-1.22	Sep	
5.01	-1.09	-0.59	Dec	
5.16	-0.18	-0.58	Mar	2015
4.75	-0.47	-0.96	Jun	
4.47	-0.79	-1.33	Sep	
4.27	-0.58	-1.87	Dec	
4.67	-0.35	-1.41	Jan	2016
4.37	-0.50	-1.55	Feb	
4.37	-0.40	-1.59	Mar	
4.57	-0.35	-1.51	Apr	
4.57	-0.35	-1.61	May	
4.67	-0.53	-1.57	Jun	
4.67	-0.68	-1.61	Jul	
4.39	-0.92	-1.52	Aug	
4.09	-1.00	-1.72	Sep	
4.19	-0.91	-1.65	Oct	
3.98	-1.10	-1.84	Nov	
3.88	-0.94	-1.93	Dec	
3.78	-1.38	-2.04	Jan	2017
3.48	-1.66	-2.28	Feb	
3.38	-1.76	-2.24	Mar	
3.48	-1.76	-2.01	Apr	
3.38	-1.75	-2.12	May	
3.38	-2.07	-2.12	Jun	
3.48	-1.98	-2.00	Jul	
3.48	-1.96	-1.96	Aug	
3.68	-1.46	-1.74	Sep	
3.40	-1.86	-1.57	Oct	
3.50	-1.76	-1.48	Nov	
3.20	-2.03	-1.73	Dec	
3.30	-1.94	-1.78	Jan	2018
3.20	-2.03	-1.73	Feb	
3.60	-1.17	-1.34	Mar	
3.00	-1.74	-1.90	Apr	
3.10	-1.68	-1.78	May	
3.30	-1.49	-1.57	Jun	
3.30	-1.49	-1.59	Jul	
3.40	-1.40	-1.49	Aug	
3.50	-1.30	-1.34	Sep	
2.80	-1.97	-2.03	Oct	
2.60	-2.16	-2.19	Nov	
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		

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. The revision take into account the change in the base period to Dec 2018, as well as the precision (decimal points) of the data used.

6. For the months when the 3-months 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	91-day	14-day	91-day
2013	Jan	13 - 90	4.65	5.39	99.825 - 99.838	98.71
	Feb	14 - 91	4.65	5.39	99.826	98.70
	Mar	14 - 91	4.62	5.39	99.826 - 99.827	98.70
	Apr	13 - 91	4.60	5.37	99.814 - 99.840	98.71
	May	14 - 91	4.07	4.84	99.845 - 99.847	98.83
	Jun	14 - 91	3.56	4.83	99.847 - 99.866	98.83
	Jul	14 - 91	3.56	4.31	99.865 - 99.866	98.95
	Aug	14 - 91	3.21	4.28	99.866 - 99.879	98.96
	Sep	14 - 91	3.18	3.75	99.879 - 99.880	99.09
	Oct	14 - 93	3.18	3.70	99.878 - 99.880	99.08
	Nov	14 - 91	3.15	3.65	99.880 - 99.881	99.11
	Dec	12 - 91	3.18	3.63	99.864 - 99.897	99.12
2014	Jan	12 - 89	3.13	3.55	99.881 - 99.898	99.15
	Feb	14 - 91	3.10	3.41	99.882 - 99.883	99.17
	Mar	14 - 91	3.15	3.31	99.881	99.19
	Apr	14 - 91	3.18	3.32	99.880 - 99.881	99.19
	May	14 - 91	3.13	3.31	99.881 - 99.882	99.19
	Jun	14 - 91	3.10	3.26	99.882 - 99.883	99.20
	Jul	14 - 92	3.10	3.25	99.882 - 99.883	99.20
	Aug	14 - 91	3.07	3.24	99.882 - 99.884	99.21
	Sep	14 - 91	3.07	3.23	99.876 - 99.884	99.21
	Oct	14 - 97	3.10	3.23	99.883 - 99.891	99.16
	Nov	14 - 91	3.10	3.23	99.882 - 99.883	99.21
	Dec	14 - 91	3.10	3.24	99.883	99.21
2015	Jan	14 - 91	3.10	3.25	99.883	99.21
	Feb	14 - 91	2.08	3.25	99.883 - 99.921	99.21
	Mar	14 - 91	2.08	2.26	99.921	99.45
	Apr	14 - 91	1.95	2.20	99.923 - 99.926	99.46
	May	14 - 91	1.90	2.15	99.926 - 99.928	99.47
	Jun	14 - 91	1.87	2.14	99.923 - 99.929	99.47
	Jul	13 - 91	1.84	2.13	99.928 - 99.930	99.48
	Aug	14 - 91	1.26	2.11	99.931 - 99.952	99.48
	Sep	12 - 91	1.19	1.57	99.946 - 99.961	99.61
	Oct	12 - 91	1.15	1.31	99.950 - 99.961	99.68
	Nov	14 - 91	1.21	1.26	99.950 - 99.956	99.69
	Dec	14 - 91	1.15	1.18	99.949 - 99.961	99.71
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

Amount (P million) ³					
Allotted		Retained at BoB		Auction	
14-day	91-day	14-day	91-day	Month	
9 708.36	1 994.13	821.64	865.87	Jan	2013
6 241.19	2 210.98	338.81	289.02	Feb	
5 786.21	1 800.00	1 113.79	-	Mar	
7 696.32	2 000.00	1 603.68	500.00	Apr	
6 000.00	1 840.00	800.00	360.00	May	
6 000.00	1 400.00	1 100.00	98.83	Jun	
7 177.63	1 800.00	2 122.37	300.00	Jul	
5 228.09	1 400.00	1 371.91	200.00	Aug	
5 506.76	1 200.00	893.24	200.00	Sep	
6 877.41	1 400.00	2 422.59	500.00	Oct	
6 109.16	1 000.00	490.84	400.00	Nov	
4 734.38	800.00	1 965.62	200.00	Dec	
6 022.24	1 000.00	1 277.76	-	Jan	2014
5 798.95	1 000.00	1 401.05	200.00	Feb	
5 307.43	600.00	1 592.57	300.00	Mar	
6 270.00	1 092.50	1 430.00	607.50	Apr	
4 900.01	1 400.00	2 199.99	200.00	May	
5 614.50	600.00	1 785.50	200.00	Jun	
5 890.50	1 800.00	1 909.50	200.00	Jul	
4 831.40	1 400.00	968.60	300.00	Aug	
4 300.00	800.00	1 700.00	200.00	Sep	
3 891.10	1 800.00	1 308.90	200.00	Oct	
2 773.00	800.00	1 327.00	200.00	Nov	
1 995.00	763.00	2 205.00	237.00	Dec	
1 861.00	1 089.00	1 839.00	711.00	Jan	2015
2 900.00	825.10	1 400.00	274.90	Feb	
5 145.00	1 007.10	3 855.00	292.90	Mar	
7 199.98	1 000.00	6 800.02	700.00	Apr	
6 800.01	1 000.00	5 099.99	600.00	May	
6 799.99	1 000.00	3 600.01	200.00	Jun	
9 000.00	1 000.00	8 500.00	1 600.00	Jul	
6 800.02	1 000.00	7 999.98	900.00	Aug	
8 199.99	1 000.00	9 600.01	200.00	Sep	
6 340.00	1 000.00	8 560.00	2 000.00	Oct	
6 902.50	2 000.00	4 597.50	1 600.00	Nov	
7 982.66	1 000.00	3 099.99	200.00	Dec	
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	

TABLE 4.3: BANK OF BOTSWANA CERTIFICATES: AUCTIONS SUMMARY (CONTINUOUS)

	Auction Month	Maturity range (Days) ¹	Interest rate (% Effective yield) ²		Stop-out price (Pula) ¹	
			14-day	91-day	14-day	91-day
2017	Jan	14 - 91	1.21	1.03	99.954 - 99.958	99.75
	Feb	14 - 91	1.18	1.31	99.954 - 99.675	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

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.

Source: Bank of Botswana

Amount (P Million) ³					
Allotted		Retained at BoB		Auction	
14-day	91-day	14-day	91-day	Month	
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 4.4: BANK OF BOTSWANA CERTIFICATES AND REVERSE REPOS-TOTAL OUTSTANDING
(P Million)

		BANK OF BOTSWANA CERTIFICATES			REVERSE REPOS ²		
As at end of		Market Value ¹	Interest	Total	Market Value	Interest	Total
2010		17 641.6	58.9	17 700.5	...	...	...
2011		9 981.8	28.7	10 010.5	1 497.4	6.1	1 503.5
2012		8 663.5	21.5	8 685.1	999.0	1.0	1 000.0
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	Mar	6 331.0	5.2	6 336.2	1 983.2	0.8	1 984.0
	Jun	6 395.3	4.7	6 400.0	2 827.4	1.2	2 828.6
	Sep	6 397.3	2.7	6 400.0	6 265.9	1.6	6 267.5
	Dec	8 189.9	2.7	8 192.6	1 672.8	0.1	1 673.0
2016	Jan	7 417.6	2.9	7 420.5	1 999.9	0.1	2 000.0
	Feb	7 416.4	4.1	7 420.5	1 499.3	0.7	1 500.0
	Mar	7 418.0	2.5	7 420.5	1 899.9	0.1	1 900.0
	Apr	7 998.2	1.8	8 000.0	1 598.9	1.1	1 600.0
	May	8 668.1	1.9	8 670.0	899.7	0.3	900.0
	Jun	7 498.1	1.9	7 500.0	929.9	0.1	930.0
	Jul	7 038.7	1.3	7 040.0	1 000.0	-	1 000.0
	Aug	7 541.5	3.5	7 545.0	799.5	0.5	800.0
	Sep	7 573.3	1.3	7 574.6	700.0	-	700.0
	Oct	7 486.9	1.4	7 488.4	697.5	0.5	698.0
	Nov	7 454.9	3.1	7 457.9	899.6	0.4	900.0
	Dec	7 918.4	1.5	7 919.9	1 302.8	0.2	1 303.0
2017	Jan	7 473.0	2.0	7 475.0	- 150.0	-	- 150.0
	Feb	7 174.7	2.3	7 177.0	1 017.0	1.0	1 018.0
	Mar	7 112.8	2.7	7 115.5	812.0	-	812.0
	Apr	5 945.3	2.8	5 948.1	1 694.0	- 0.2	1 693.8
	May	7 063.1	5.5	7 068.6	1 518.7	- 0.4	1 518.3
	Jun	7 395.2	3.4	7 398.6	521.0	- 0.1	520.9
	Jul	6 325.1	2.9	6 328.0	1 299.9	- 0.7	1 299.2
	Aug	7 415.4	6.6	7 422.0	1 195.5	- 0.5	1 195.1
	Sep	7 273.1	3.9	7 277.0	592.0	- 0.1	591.9
	Oct	7 820.8	3.2	7 824.0	1 852.9	-	1 852.9
	Nov	7 756.1	5.9	7 762.0	1 535.3	- 1.5	1 533.8
	Dec	6 277.9	3.1	6 281.0	54.0	-	54.0
2018	Jan	6 744.9	5.1	6 750.0	677.0	- 1.0	676.0
	Feb	6 046.5	4.5	6 051.0	441.6	- 0.4	441.3
	Mar	5 492.4	2.6	5 495.0	938.9	- 0.3	938.6
	Apr	5 728.4	1.6	5 730.0	2 049.8	- 1.3	2 048.4
	May	6 764.1	4.9	6 769.0	772.9	- 0.2	772.7
	Jun	4 736.2	2.7	4 739.0	2 431.9	- 0.4	2 431.6
	Jul	6 157.0	2.0	6 159.0	2 864.7	- 1.3	2 863.4
	Aug	7 688.9	5.1	7 694.0	874.6	- 0.5	874.1
	Sep	7 920.4	3.6	7 924.0	1 043.0	- 0.2	1 042.8
	Oct	9 033.9	6.1	9 040.0	1 920.2	- 2.8	1 917.4
	Nov	8 750.0	6.0	8 756.0	1 433.8	- 1.3	1 432.6
	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	0.0	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

- 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

		Domestic									
		Shares traded ¹			Market Capitalisation	Companies Index	Foreign Companies Index	Bonds ³			
		Number of transactions	Volume (million)	Value (P million)				Dividend Yield ²	(June 1989 = 100)	Botswana Bond Index	Government Index
End of Period											
2010		4 976	310.2	962.8	26 414	4.0	6 412.9	1 673.9	107.9	106.5	109.3
2011		5 022	458.2	1 007	30 659	4.3	6 970.9	1 703.9	121.7	118.6	124.9
2012		7 075	410.1	896.1	35 566	4.8	7 510.2	1 599.6	129.7	127.7	131.7
2013		2 727	246.3	868.3	43 254	3.6	9 024.1	1 582.5	142.7	141.3	144.0
2014		2 791	179.0	605.7	46 223	4.1	9 509.4	1 578.2	149.1	147.5	150.7
2015	Mar	2 352	93.4	557.8	45 290	4.3	9 679.5	1 571.1	151.8	150.3	153.2
	Jun	3 843	242.6	946.7	50 451	3.9	10 610.3	1 571.9	153.2	151.5	154.9
	Sep	3 310	149.5	706.9	49 846	3.9	10 818.0	1 562.9	157.9	157.1	158.7
	Dec	3 200	257.3	822.8	49 993	3.9	10 602.3	1 572.4	160.9	159.8	162.0
2016	Mar	851	70.0	215.6	48 170	4.1	10 184.6	1 578.3	162.5	161.9	163.1
	Jun	1 226	193.5	631.5	49 913	4.1	10 144.3	1 595.6	165.0	164.3	165.8
	Sep	928	84.3	209.1	48 212	4.3	9 796.7	1 601.4	168.1	167.8	168.4
	Dec	1 271	40.5	98.7	46 304	4.6	9 400.7	1 585.8	170.1	169.6	170.6
2017	Jan	1 404	51.6	121.1	45 659	4.6	9 275.5	1 583.6	170.6	169.9	171.4
	Feb	1 408	45.0	204.2	44 365	4.8	9 012.4	1 585.0	171.2	170.3	172.1
	Mar	1 736	77.3	207.5	45 621	4.6	9 225.2	1 583.1	172.3	171.4	173.2
	Apr	1 226	25.5	72.3	46 331	4.5	9 339.0	1 584.1	172.8	171.8	173.9
	May	1 009	31.0	184.3	46 529	4.5	9 348.8	1 583.4	173.4	172.3	174.6
	Jun	1 264	61.0	114.5	46 256	4.6	9 244.5	1 581.9	173.7	172.8	174.6
	Jul	1 273	174.7	574.4	45 424	4.8	9 077.7	1 581.7	174.1	173.3	174.9
	Aug	1 383	95.2	401.6	44 794	4.9	8 951.8	1 581.7	174.7	173.7	175.7
	Sep	1 206	94.3	264.5	44 693	4.7	8 930.4	1 577.6	175.8	174.6	177.1
	Oct	894	48.7	118.8	44 710	4.7	8 920.4	1 575.7	176.8	175.8	177.8
	Nov	1 302	35.5	124.7	44 607	4.8	8 897.9	1 574.3	177.6	176.5	178.8
	Dec	883	35.2	88.8	44 408	4.8	8 860.1	1 574.9	179.4	178.1	180.7
2018	Jan	864	9.3	24.8	43 884	4.9	8 750.3	1 576.6	178.6	179.0	178.2
	Feb	693	37.0	106.2	43 694	4.9	8 692.3	1 573.9	179.2	179.4	179.0
	Mar	767	54.4	105.1	43 058	5.5	8 589.6	1 574.2	180.0	180.0	180.0
	Apr	968	61.8	231.9	42 226	5.6	8 419.9	1 571.1	180.6	180.4	180.9
	May	1 115	196.8	500.8	42 801	5.5	8 534.3	1 571.1	181.2	180.8	181.8
	Jun	694	52.2	115.9	42 096	5.5	8 402.7	1 571.1	181.8	181.4	182.5
	Jul	649	22.4	583.7	41 725	5.6	8 328.5	1 570.0	182.3	181.8	183.3
	Aug	692	9.6	23.7	40 741	5.7	8 131.7	1 570.6	183.0	182.4	184.3
	Sep	827	27.2	64.5	39 266	5.8	7 837.3	1 572.0	183.1	182.7	183.7
	Oct	943	34.9	57.2	41 916	5.5	7 951.3	1 572.0	183.8	183.3	184.8
	Nov	365	34.6	486.3	41 325	5.5	7 923.6	1 570.3	184.3	183.7	185.8
	Dec	611	42.2	87.4	42 406	5.4	7 853.5	1 570.3	185.1	184.4	186.7
2019	Jan	747	118.6	123.3	42 545	5.4	7 874.9	1 570.3	185.7	184.9	187.6
	Feb	674	21.1	88.1	42 158	5.4	7 875.4	1 566.6	186.4	185.5	188.7
	Mar	690	16.5	108.6	42 212	5.0	7 885.6	1 566.3	187.0	185.9	189.6
	Apr	842	23.1	154.3	42 095	5.1	7 863.7	1 565.1	187.5	186.3	190.5
	May	625	17.6	68.7	41 364	5.2	7 727.1	1 564.6	188.2	186.9	191.6
	Jun	696	60.5	324.0	40 804	5.3	7 622.5	1 564.6	188.7	187.0	192.9
	Jul	703	15.2	53.4	39 087	5.3	7 590.8	1 564.6	189.2	187.5	193.8
	Aug	607	105.5	253.5	38 156	5.5	7 397.8	1 564.6	190.0	188.3	194.6
	Sep	517	9.3	31.5	38 485	5.5	7 461.0	1 564.5	190.4	188.4	196.0
	Oct	687	76.6	198.2	38 872	5.5	7 526.9	1 564.5	191.1	189.2	196.4
	Nov	608	118.2	247.2	38 753	5.5	7 503.0	1 562.4	192.1	190.0	198.0
	Dec	410	45.5	158.7	38 709	5.4	7 494.6	1 562.4	193.5	191.1	200.1

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	Total				
		Botswana			Offshore	Govern- ment						Offshore ²		Total				Percentage ³			
		Primary	Dual	Unlisted			Equities	Bonds	Offshore	Pula	Offshore	Other Locally ¹ Listed Securities	Botswana Property						Alternative Investment	Offshore Investment	Offshore Investment
End of		Listed	Listed	Unlisted	Equities	Bonds	Offshore	Pula	Offshore		Property	Investment	Investment	Investment	Investment	Total					
2010		6 098.6	24.8	-	17 905.5	4 587.3	2 627.6	2 358.1	769.9	...	290.3	...	21 303.1	61.5	34 662.2						
2011		7 296.2	0.3	91.6	17 151.4	6 496.4	2 913.1	3 456.5	2 583.4	91.6	367.3	...	22 647.9	56.0	40 447.8						
2012		11 250.9	42.5	1 254.9	19 109.6	6 530.5	3 605.4	4 037.5	1 159.7	96.2	362.1	...	23 874.6	50.3	47 449.2						
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	Jan	14 396.2	1 251.2	2 070.3	40 840.0	8 188.4	9 705.8	2 893.0	2 422.5	410.7	-	516.2	53 484.5	64.7	82 694.4						
	Feb	14 331.4	1 533.6	2 070.3	39 030.5	7 239.1	5 777.8	2 638.0	2 469.3	420.8	-	520.8	47 798.4	62.9	76 031.7						
	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						
	Apr	13 570.4	1 800.1	2 097.3	37 650.8	8 183.4	5 895.2	5 299.2	618.1	461.4	1 684.0	1 725.5	45 889.6	58.1	78 985.3						
	May	13 512.2	1 779.7	2 097.3	38 178.9	8 092.0	5 651.5	5 509.1	649.7	487.1	1 689.5	1 733.9	46 214.1	58.2	79 381.1						
	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						
	Jul	13 114.4	1 758.1	2 097.3	40 319.1	8 072.7	5 693.9	6 009.0	664.8	604.6	1 668.7	1 826.7	48 504.5	59.3	81 829.4						
	Aug	13 017.8	1 579.8	2 097.3	42 085.7	8 042.8	9 536.2	6 147.2	681.9	615.4	1 656.8	1 875.2	54 179.0	62.0	87 336.1						
	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						
	Oct	13 067.2	1 322.9	2 097.3	39 418.4	7 845.8	5 866.8	6 914.9	803.6	572.1	1 419.4	1 845.7	47 934.4	59.1	81 174.3						
	Nov	12 975.6	1 417.2	2 107.8	38 335.7	8 353.2	5 718.4	6 310.1	1 143.0	569.4	1 415.8	1 757.5	46 954.6	58.6	80 103.8						
	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	Jan	13 065.4	1 447.4	2 117.2	39 784.4	8 540.8	5 631.9	6 543.2	1 249.7	554.5	1 741.7	1 720.4	48 386.4	58.7	82 396.5						
	Feb	13 069.3	1 475.1	2 139.8	38 914.7	8 498.7	5 682.3	6 916.3	1 063.0	586.3	1 749.2	3 510.6	49 170.6	58.8	83 605.3						
	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						
	Apr	12 944.4	1 579.0	2 139.8	40 932.0	8 783.3	5 782.9	6 906.2	1 040.5	575.2	1 755.2	5 096.2	52 851.5	60.4	87 534.7						
	May	13 434.8	1 779.7	2 097.3	38 049.3	8 065.3	5 611.6	5 493.5	649.6	487.1	1 689.4	1 733.9	46 044.4	58.2	79 091.6						
	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						
	Jul	12 863.0	1 426.0	2 344.6	39 058.3	8 975.8	5 854.6	7 044.6	1 004.7	620.5	1 763.8	2 897.3	48 815.0	58.2	83 853.1						
	Aug	12 587.7	1 322.8	2 341.1	41,375.1	9,010.1	6 659.2	7 340.8	1 099.1	655.2	1 765.4	5 151.6	54 285.0	60.8	89 308.0						
	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						
	Oct	13 146.5	1 316.0	2 345.4	43 282.8	8 779.3	6 192.6	8 232.4	1 055.8	745.8	1 749.8	5 184.4	55 715.6	60.5	92 030.8						
	Nov	13 124.6	1 368.8	2 348.2	42 629.8	8 934.3	6 152.1	8 369.0	1 015.3	738.0	1 748.2	5 657.3	55 454.4	60.2	92 085.4						
	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						

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: Ministry of Finance and Economic Development and NBFIRA

TABLE 5.2: MOTOR VEHICLE ACCIDENT FUND¹ - ASSETS AND LIABILITIES
(P Million)

As at end of	ASSETS				Total assets
	Cash & deposits	Levy due ²	Investments ³	Fixed assets ⁴	
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

As at end of	LIABILITIES				Total liabilities
	Operating surplus/deficit	Reserves	Provision for outstanding claims	Other liabilities	
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

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
2010		107.7	904.2	58.5	11.9	1 082.3
2011		52.8	1 022.3	57.9	3.5	1 136.4
2012		14.3	1 128.6	58.6	3.4	1 204.9
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	Mar	92.3	849.5	116.7	19.3	1 077.9
	Jun	77.9	806.9	115.3	16.5	1 016.7
	Sep	80.3	720.6	111.8	16.2	928.9
	Dec	118.1	693.8	110.9	15.9	938.7
2019	Jan	102.2	714.9	110.8	15.3	943.1
	Feb	107.1	710.5	110.5	14.8	942.8
	Mar	91.8	805.6	110.1	16.5	1 024.1
	Apr	126.1	681.9	109.8	15.8	933.6
	May	128.3	660.3	109.7	14.3	912.6
	Jun	118.0	679.0	109.5	14.5	921.0
	Jul	330.4	673.9	109.5	11.0	1 124.9
	Aug	335.0	764.1	109.4	15.2	1 223.7
	Sep	403.4	626.5	109.1	15.7	1 154.7
	Oct	389.7	641.6	109.1	14.0	1 154.3
	Nov	295.5	632.2	109.1	13.6	1 050.4
	Dec	275.0	653.1	109.1	13.8	1 051.0
		LIABILITIES				
As at end of		Loans	Capital & reserves	Other liabilities	Total Liabilities	
2010		402.7	656.6	23.0	1 082.3	
2011		425.9	685.5	25.0	1 136.4	
2012		452.4	736.4	16.1	1 204.9	
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	Mar	566.3	483.6	28.0	1 077.9	
	Jun	565.9	416.3	34.4	1 016.7	
	Sep	539.6	355.0	34.3	928.9	
	Dec	552.0	320.9	65.8	938.7	
2019	Jan	539.1	334.8	69.3	943.1	
	Feb	556.8	358.7	27.4	942.8	
	Mar	563.0	433.6	27.4	1 024.1	
	Apr	526.1	378.3	29.2	933.6	
	May	604.2	276.0	32.4	912.6	
	Jun	587.7	296.7	36.7	921.0	
	Jul	550.9	518.7	55.3	1 124.9	
	Aug	549.0	626.4	48.3	1 223.7	
	Sep	555.5	546.2	53.0	1 154.7	
	Oct	547.6	540.7	66.0	1 154.3	
	Nov	461.0	525.9	63.5	1 050.4	
	Dec	447.8	539.7	63.5	1 051.0	

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)

As at end of		ASSETS				
		Deposits ¹	Loans, advances & leasing	Investments in related companies	Fixed assets	Other assets
2010		542.9	178.1	1 251.8	1.4	93.2
2011		177.7	297.3	1 670.3	1.5	108.8
2012		1.5	428.5	1 844.1	2.4	- 22.0
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	Mar	-	192.9	1 992.8	4.3	48.8
	Jun	307.5	205.6	2 027.8	8.7	16.3
	Sep	311.8	206.2	2 050.1	8.1	29.1
	Dec	282.8	282.4	1 962.2	7.9	15.1
2017	Mar	193.8	289.3	1 741.2	7.4	23.3
	Jun	166.0	273.5	1 656.6	7.4	116.0
	Sep	411.8	292.5	1 556.9	6.8	93.8
	Dec	405.3	285.5	1 549.1	6.5	95.3
2018	Mar	381.9	304.6	1 553.8	5.9	113.0
	Jun	287.1	441.6	1 573.8	8.6	115.2
	Sep	278.3	631.3	1 570.4	8.1	90.8
	Dec	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
As at end of		LIABILITIES				
		Borrowing	Share capital	Reserves	Other liabilities	Total Liabilities
2010		281.0	864.2	704.2	218.0	2 067.4
2011		155.0	864.2	791.9	444.5	2 255.6
2012		293.8	864.2	811.5	285.0	2 254.5
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	Mar	285.4	864.2	938.7	150.6	2 238.8
	Jun	358.9	888.3	1080.8	237.9	2 565.9
	Sep	362.1	888.3	1146.8	208.1	2 605.3
	Dec	360.6	888.3	1105.4	196.2	2 550.4
2017	Mar	346.0	888.3	892.4	128.2	2 254.9
	Jun	346.1	888.3	902.8	82.2	2 219.4
	Sep	474.1	888.3	913.4	86.1	2 361.9
	Dec	533.5	888.3	900.0	19.9	2 341.7
2018	Mar	531.9	888.3	921.6	17.4	2 359.1
	Jun	536.8	888.3	985.0	16.3	2 426.4
	Sep	701.4	888.3	975.5	13.7	2 578.9
	Dec	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

1. Deposits at commercial banks.

Source: Botswana Development Corporation

TABLE 5.5: CITIZEN ENTREPRENEURIAL DEVELOPMENT AGENCY (CEDA)
(P Million)

(€ Millions)

		ASSETS			
		Investments			Financial assets
End of		Cash and Cash equivalent	Loans & Advances	in related companies	
2004		306.1	461.2	50.0	...
2005		294.8	392.1	200.0	...
2006		233.0	368.0	200.0	...
2007		142.1	406.7	200.0	...
2008		51.4	461.9	200.0	48.4
2009		86.7	546.4	200.0	-
2010		85.8	625.2	185.6	-
2011		113.6	678.5	140.4	-
2012		57.6	727.1	150.6	-
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	Mar	284.3	1 504.6	146.2	-
	Jun	276.9	1 512.2	146.3	-
	Sep	404.8	1 412.3	124.0	-
	Dec	332.7	1 398.0	114.4	-
		LIABILITIES			
		Borrowing	Capital & Reserves	Other liabilities	
End of					
2004		...	834.6	10.2	
2005		...	908.6	16.2	
2006		...	813.8	22.1	
2007		...	766.1	16.6	
2008		...	790.9	30.6	
2009		...	876.0	26.4	
2010		...	943.8	32.3	
2011		...	981.2	47.2	
2012		...	992.6	53.0	
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	Mar	-	2 023.1	325.3	
	Jun	-	2 041.3	323.0	
	Sep	-	2 057.5	322.4	
	Dec	-	1 959.4	335.3	

Source: Citizen Entrepreneurial Development Agency (CEDA)

Other assets	Fixed assets	Total Assets		End of
15.7	11.8	844.8		2004
24.3	13.6	924.8		2005
23.4	11.5	835.9		2006
22.7	11.2	782.7		2007
44.5	15.3	821.5		2008
58.2	11.1	902.4		2009
70.1	9.4	976.1		2010
80.1	15.8	1 028.4		2011
93.9	16.4	1 045.6		2012
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
371.4	42.0	2 348.4	Mar	2019
387.4	41.5	2 364.3	Jun	
395.5	43.4	2 380.0	Sep	
406.6	43.1	2 294.7	Dec	

Total Liabilities		End of
844.8		2004
924.8		2005
835.9		2006
782.7		2007
821.5		2008
902.4		2009
976.1		2010
1 028.4		2011
1 045.6		2012
1 071.1		2013
1 198.0		2014
1 510.5		2015
1 798.5		2016
2 014.1		2017
2 106.4		2018
2 348.4	Mar	2019
2 364.3	Jun	
2 380.0	Sep	
2 294.7	Dec	

TABLE 6.1: BALANCE OF PAYMENTS : DETAILED ACCOUNTS
(P Million)

	2010	2011	2012	2013	2014
A. Current Account	-5 055	- 902	-6 271	5 431	15 379
Merchandise	-6 710	-5 408	-15 522	-1 633	6 467
Exports	31 885	43 897	44 251	66 404	76 261
Imports	38 595	49 305	59 773	68 037	69 795
Services	-2 126	-1 561	-2 766	-1 992	-2 206
Transportation	- 344	- 799	-2 485	-2 317	-2 380
Credit	241	215	282	677	425
Debit	585	1 013	2 767	2 995	2 805
Travel	951	1 024	1 247	1 844	2 263
Credit	2 973	3 182	3 510	4 044	4 737
Debit	2 022	2 158	2 263	2 200	2 474
Other Services	-2 733	-1 785	-1 529	-1 518	-2 089
Credit	1 133	2 285	1 420	2 449	3 674
Debit	3 866	4 071	2 949	3 967	5 763
Income	-4 343	-2 297	-1 646	-5 464	-4 234
Compensation of Employees	- 212	- 247	- 230	- 77	- 193
Credit	132	116	121	261	377
Debit	344	363	351	339	571
Investment Income	-4 132	-2 050	-1 416	-5 387	-4 040
Credit	2 308	1 626	1 519	1 833	1 868
Debit	6 440	3 676	2 935	7 220	5 909
Current Transfers	8 125	8 363	13 662	14 519	15 351
Private	- 158	871	878	1 205	287
Credit	259	1 807	1 639	1 937	1 003
Debit	417	936	760	732	716
Government	8 283	7 492	12 784	13 314	15 064
Credit	8 542	8 010	13 174	13 677	15 464
Debit	259	518	390	364	400
B. Capital Account	23	3	-	1	-
Private	23	3	-	1	-
Credit	25	3	-	1	-
Debit	2	-	-	-	-
Total Group A plus Group B	-5 032	- 899	-6 271	5 431	15 379
C. Financial Account	-1 366	- 104	1 085	-12 938	-10 108
Direct Investment	1 478	2 071	1 055	- 147	3 625
Equity	1 514	2 280	2 508	1 911	3 454
Abroad	5	- 9	- 11	- 679	- 277
In Botswana	1 509	2 289	2 519	2 590	3 732
Other capital	- 36	- 209	-1 453	-2 057	170
Abroad	- 11	75	- 50	- 32	- 722
In Botswana	- 25	- 284	-1 403	-2 026	893
Portfolio Investment	-2 222	-1 760	-1 223	-10 983	-5 375
Equity Securities	-2 166	359	-1 954	-10 397	-2 699
Assets	-1 728	750	-1 920	-9 871	-2 103
Liabilities	-438	- 391	- 35	- 527	- 596
Debt Securities	- 57	-2 118	731	- 586	-2 676
Assets	- 55	-2 099	731	- 587	-2 675
Liabilities	- 1	- 19	-	1	- 1
Other Investment	- 622	- 415	1 253	-1 808	-8 358
General Government	- 842	3 532	- 262	- 282	- 294
Assets	- 570	-	-	-	-
Liabilities	- 272	3 532	- 262	- 282	- 294
Banks	- 540	-6 414	-1 406	278	111
Assets	-2 088	-4 392	-1 997	318	-1 045
Liabilities	1 548	-2 023	592	- 40	1 156
Other Sectors	760	2 467	2 920	-1 805	-8 175
Assets	- 78	- 38	1 663	-1 853	-8 959
Liabilities	839	2 505	1 257	49	785
Total Group A+B+C	-6 399	-1 003	-5 186	-7 507	5 271
D. Net Errors and Omissions	- 3	2 056	-1 119	5 429	975
Overall Balance (total Group A through D)	-6 402	1 053	-6 305	-2 078	6 246
E. Reconciliation/Financing	6 402	-1 053	6 305	2 078	-6 246
Change in the level of reserves	6 402	-1 053	6 305	2 078	-6 246
Foreign exchange holdings	6 424	- 973	6 314	2 119	-6 246
Special Drawing Rights	-	-	-	-	-
Reserve position at IMF	- 22	- 80	- 9	- 41	-
Valuation Adjustments	- 660	8 371	5 351	10 533	5 094

1. Provisional figures.

Source: Bank of Botswana

2015	2016	2017	2018	2019 ¹	
3 051	13 109	9 593	1 191	-14 989	A. Current Account
-7 115	16 088	8 411	4 961	-11 652	Merchandise
63 525	80 371	61 708	67 223	56 318	Exports
70 640	64 282	53 296	62 262	67 969	Imports
-2 093	-1 829	-1 679	-2 739	-2 030	Services
-2 461	-2 465	-1 696	-1 951	-2 227	Transportation
458	361	530	612	571	Credit
2 919	2 827	2 227	2 563	2 798	Debit
2 804	2 891	3 276	3 588	3 660	Travel
5 398	5 480	5 608	5 938	6 146	Credit
2 594	2 588	2 332	2 349	2 486	Debit
-2 436	-2 255	-3 258	-4 376	-3 463	Other Services
3 383	3 439	3 601	3 016	3 223	Credit
5 819	5 694	6 859	7 392	6 686	Debit
-4 598	-14 068	-14 141	-16 138	-14 988	Income
-361	-317	-122	196	187	Compensation of Employees
274	222	344	387	515	Credit
635	539	466	191	329	Debit
-4 237	-13 751	-14 019	-16 334	-15 175	Investment Income
2 230	2 204	2 385	2 102	2 381	Credit
6 467	15 955	16 403	18 436	17 556	Debit
16 856	12 918	17 001	15 107	13 681	Current Transfers
1 223	846	870	98	484	Private
1 770	1 270	1 325	774	1 049	Credit
547	423	455	676	565	Debit
15 633	12 072	16 131	15 009	13 197	Government
16 153	12 536	16 613	15 839	14 088	Credit
520	464	482	830	891	Debit
2	-	23	23	53	B. Capital Account
-	-	23	23	53	Private
-	-	36	44	70	Credit
-	-	13	21	17	Debit
3 053	13 109	9 616	1 214	-14 936	Total Group A plus Group B
-12 723	-10 541	-12 940	3 098	-4 481	C. Financial Account
1 978	-296	2 705	2 080	2 339	Direct Investment
2 631	465	2 550	1 764	2 104	Equity
-516	-275	33	95	11	Abroad
3 147	740	2 516	1 669	2 093	In Botswana
-653	-761	156	315	236	Other capital
-1 340	-1 575	-24	-932	-478	Abroad
687	814	180	1 247	714	In Botswana
-11 070	-1 810	-7 666	6 405	-10 842	Portfolio Investment
-11 126	-1 418	-3 571	2 904	-6 714	Equity Securities
-10 076	-80	-3 089	3 384	-6 233	Assets
-1 050	-1 338	-482	-480	-481	Liabilities
56	-392	-4 096	3 501	-4 128	Debt Securities
56	-391	-3 993	3 599	-4 039	Assets
-	-1	-103	-97	-89	Liabilities
-3 632	-8 434	-7 979	-5 387	4 022	Other Investment
-665	-1 380	-1 160	-1 155	-1 366	General Government
-	-	-	-	-	Assets
-665	-1 380	-1 160	-1 155	-1 366	Liabilities
-1 966	1 129	-1 857	-1 466	-67	Banks
-2 036	384	-1 991	-1 783	231	Assets
70	745	134	316	-297	Liabilities
-1 001	-8 184	-4 962	-2 765	5 455	Other Sectors
-1 772	-7 232	-4 811	-4 384	4 777	Assets
772	-952	-1 150	1 619	678	Liabilities
-9 671	2 568	-3 324	4 313	-19 416	Total Group A+B+C
5 522	-5 848	-954	-8 517	7 394	D. Net Errors and Omissions
-4 148	-3 280	-4 278	-4 204	-12 022	Overall Balance (total Group A through D)
4 148	3 280	4 278	4 204	12 022	E. Reconciliation/Financing
4 148	3 280	4 278	4 204	12 022	Change in the level of reserves
4 148	3 077	4 203	4 197	12 095	Foreign exchange holdings
-	-	-	-	-	Special Drawing Rights
-	204	75	6	-73	Reserve position at IMF
9 918	-4 796	1 167	1 938	5 825	Valuation Adjustments

TABLE 6.2: QUARTERLY BALANCE OF PAYMENTS
(P Million)

	2015				2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A. Current Account	4 629	3 543	-1 920	-3 201	13 555	-1 839	11 811	-10 419	5 089	3 808	640	56
Balance on goods	1 830	690	-5 610	-4 025	4 101	8 868	3 545	-426	5 642	2 831	153	-214
Exports	19 497	19 808	11 843	12 378	19 895	25 397	18 919	16 160	17 992	14 941	13 219	15 556
Imports	17 667	19 117	17 453	16 403	15 793	16 529	15 374	16 586	12 350	12 110	13 065	15 771
Balance on services	- 930	- 428	- 60	- 676	304	-2 562	- 78	507	- 22	- 572	- 706	- 379
Exports of services	1 931	2 396	2 512	2 399	2 521	2 203	1 830	2 727	2 170	2 452	2 700	2 417
Imports of services	2 860	2 824	2 572	3 075	2 217	4 765	1 907	2 220	2 192	3 024	3 406	2 796
Balance on income	- 262	-1 922	- 161	-2 253	5 720	-11 055	5 519	-14 251	-3 605	-2 795	-3 504	-4 237
Compensation of Employees	- 147	- 104	- 43	- 66	- 106	- 92	- 57	- 62	- 68	- 64	31	- 21
Income earned by Botswana residents abroad	56	50	92	75	66	64	19	73	54	49	134	106
Income earned by non-residents in Botswana	203	155	135	141	172	156	76	135	122	113	103	128
Investment Income	- 115	-1 817	- 118	-2 187	5 826	-10 963	5 576	-14 190	-3 536	-2 731	-3 535	-4 216
Botswana investment abroad	525	588	575	542	569	597	534	504	499	666	622	598
Foreign investment in Botswana	640	2 405	693	2 728	-5 257	11 561	-5 043	14 693	4 035	3 397	4 157	4 814
Balance on current transfers	3 990	5 203	3 911	3 753	3 431	2 911	2 825	3 752	3 074	4 343	4 697	4 887
Inflow of current transfers	4 280	5 386	4 282	3 974	3 858	2 996	2 976	3 975	3 247	4 655	4 931	5 105
Outflow of current transfers	290	184	372	221	427	85	152	223	173	312	234	218
B. Capital Account	-	-	2	-	-	-	-	-	- 3	5	8	14
Capital account inflows	-	-	-	-	-	-	-	-	4	10	8	14
Capital account outflows	-	-	-	-	-	-	-	-	7	5	-	-
C. Financial Account	4 658	-12 832	-7 598	3 049	-2 746	-8 616	-3 770	4 592	-11 148	2 063	-1 893	-1 962
Direct investment abroad	- 46	- 801	- 69	- 939	- 62	- 786	- 84	- 919	2	3	2	3
Direct investment in Botswana	- 719	2 313	- 627	2 867	-1 418	1 846	-1 318	2 443	794	577	788	538
Portfolio investment abroad	254	-8 027	-1 565	- 681	383	-1 083	119	111	-3 125	-1 265	-2 029	- 663
Portfolio investment in Botswana	- 262	- 263	- 264	- 261	- 424	- 420	- 68	- 428	- 47	- 96	- 414	- 28
Other investment abroad	5 482	-5 972	-4 941	1 623	- 432	-7 974	-1 591	3 149	-7 658	2 973	- 241	-1 876
Other investment in Botswana	- 51	- 81	- 132	441	- 794	- 199	- 829	235	-1 114	- 129	1	65
Total A+B+C	9 286	-9 288	-9 517	- 152	10 809	-10 455	8 041	-5 827	-6 063	5 876	-1 245	-1 892
D. Net Errors and Omissions	-5 597	9 372	8 331	-6 584	-12 434	8 742	-6 772	4 616	2 827	-5 563	1 171	611
Overall Balance (Total Group A through D)	3 689	84	-1 186	-6 736	-1 625	-1 713	1 269	-1 211	-3 236	313	- 74	-1 281
Reconciliation/Financing	-3 689	- 84	1 186	6 736	1 625	1 713	-1 269	1 211	3 236	- 313	74	1 281
Change in the level of reserves	-3 689	- 84	1 186	6 736	1 625	1 713	-1 269	1 211	3 236	- 313	74	1 281
Vauation Adjustments	2 393	- 742	2 840	5 427	-1 364	105	-1 561	-1 976	388	465	2 102	-1 789

1. Provisional figures.

Source: Bank of Botswana

2018				2019 ¹				
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
- 852	3 081	- 553	- 485	-1 690	- 219	-6 499	-6 581	A. Current Account
- 443	4 233	473	698	-1 459	459	-5 465	-5 187	Balance on goods
13 808	18 883	14 850	19 682	14 685	17 511	10 837	13 285	Exports
14 251	14 650	14 377	18 984	16 143	17 052	16 302	18 472	Imports
- 691	- 875	- 628	- 545	155	- 289	- 893	-1 004	Balance on services
1 965	2 421	2 919	2 261	2 673	3 073	2 047	2 147	Exports of services
2 656	3 296	3 547	2 806	2 518	3 362	2 940	3 151	Imports of services
-4 212	-3 995	-3 952	-3 980	-3 708	-3 712	-3 802	-3 766	Balance on income
11	20	123	42	247	24	- 5	- 79	Compensation of Employees
59	66	194	68	274	69	77	95	Income earned by Botswana residents abroad
48	46	71	26	28	45	81	174	Income earned by non-residents in Botswana
-4 223	-4 015	-4 075	-4 022	-3 955	-3 736	-3 798	-3 687	Investment Income
416	582	581	523	495	582	623	682	Botswana investment abroad
4 638	4 597	4 656	4 544	4 450	4 318	4 420	4 369	Foreign investment in Botswana
4 493	3 718	3 554	3 342	3 322	3 323	3 661	3 375	Balance on current transfers
4 820	4 116	3 877	3 800	3 800	3 711	3 963	3 663	Inflow of current transfers
327	398	323	458	478	389	302	288	Outflow of current transfers
3	19	2	- 1	17	10	14	12	B. Capital Account
4	20	11	9	18	16	18	18	Capital account inflows
1	2	8	10	1	7	4	6	Capital account outflows
7 032	-3 463	-2 327	1 856	-5 226	- 488	1 287	- 54	C. Financial Account
- 166	- 248	- 159	- 265	- 102	- 142	- 107	- 116	Direct investment abroad
568	871	545	933	786	888	455	678	Direct investment in Botswana
5 941	-2 022	-1 911	4 975	-6 581	-1 361	- 652	-1 678	Portfolio investment abroad
65	- 182	- 38	- 422	- 170	- 141	- 131	- 128	Portfolio investment in Botswana
1 023	-3 119	- 433	-3 637	1 702	434	1 594	1 277	Other investment abroad
- 398	1 237	- 330	271	- 860	- 167	128	- 86	Other investment in Botswana
6 184	- 363	-2 877	1 369	-6 898	- 698	-5 197	-6 623	Total A+B+C
-7 654	- 609	2 695	-2 949	5 991	-1 986	3 032	356	D. Net Errors and Omissions
-1 470	- 972	- 182	-1 579	- 907	-2 684	-2 165	-6 267	Overall Balance (Total Group A through D)
1 470	972	182	1 579	907	2 684	2 165	6 267	Reconciliation/Financing
1 470	972	182	1 579	907	2 684	2 165	6 267	Change in the level of reserves
-1 640	4 686	1 666	-2 775	2 985	993	2 359	- 512	Valuation Adjustments

TABLE 6.3: DIAMOND TRADE
(Million)

		Exports							
		Rough ¹				Polished		Grand Total ²	
		Botswana Sales		Exports					
		US\$	Pula	US\$	Pula	US\$	Pula		
2010		2 782.9	18 846.0	2 636.5	17 825.6	457.0	3 100.1	3 093.5	20 925.7
2011		4 285.9	28 851.1	3 762.0	25 390.8	706.0	4 856.9	4 468.0	30 247.7
2012		3 065.0	23 237.4	4 020.8	30 754.4	706.6	5 388.6	4 727.4	36 143.0
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	Q1	985.5	9 483.3	1 569.8	15 284.7	122.7	1 192.4	1 692.5	16 477.1
	Q2	845.5	8 361.1	1 556.4	15 360.0	127.5	1 258.4	1 683.8	16 618.4
	Q3	660.4	6 766.5	830.5	8 486.5	109.8	1 122.4	940.3	9 608.9
	Q4	114.1	1 198.4	854.6	9 154.8	81.4	871.1	936.0	10 025.9
2016	Q1	828.7	9 255.7	1 449.1	16 432.0	50.7	571.1	1 499.8	17 003.1
	Q2	979.7	10 698.4	1 975.9	21 646.1	100.1	1 094.4	2 076.0	22 740.5
	Q3	1 214.7	12 967.2	1 431.1	15 215.2	128.5	1 365.4	1 559.6	16 580.6
	Q4	1 000.1	10 725.3	1 225.3	13 092.6	127.6	1 363.9	1 353.0	14 456.5
2017	Jan	243.1	2 586.6	548.1	5 802.4	11.5	121.9	559.6	5 924.3
	Feb	254.2	2 672.9	576.8	6 024.6	31.0	323.9	607.9	6 348.5
	Mar	415.3	4 303.7	355.7	3 682.2	55.5	574.4	411.2	4 256.6
	Apr	277.5	2 923.2	300.8	3 160.3	37.7	395.8	338.5	3 556.1
	May	420.7	4 349.0	433.7	4 506.3	44.2	459.4	477.9	4 965.7
	Jun	105.9	1 084.3	469.4	4 791.9	36.1	368.9	505.6	5 160.8
	Jul	327.0	3 338.5	348.3	3 570.1	66.4	681.0	414.7	4 251.1
	Aug	318.7	3 249.5	269.2	2 750.3	48.5	496.0	317.8	3 246.3
	Sep	315.7	3 197.2	367.9	3 732.1	48.5	492.1	416.4	4 224.2
	Oct	352.7	3 614.1	302.0	3 132.8	45.8	474.7	347.8	3 607.5
	Nov	378.5	4 009.8	488.8	5 135.9	58.2	611.2	546.9	5 747.1
	Dec	69.9	707.1	395.5	4 026.3	57.9	589.5	453.5	4 615.8
2018	Jan	339.7	3 325.9	488.3	4 754.8	21.0	204.9	509.3	4 959.7
	Feb	229.0	2 192.2	256.0	2 445.8	57.3	547.4	313.3	2 993.2
	Mar	346.8	3 317.2	393.6	3 762.2	65.9	629.6	459.5	4 391.8
	Apr	314.8	3 025.1	460.3	4 447.0	48.6	469.1	508.8	4 916.1
	May	346.1	3 435.9	516.0	5 120.6	94.6	939.1	610.6	6 059.7
	Jun	97.3	1 001.0	535.0	5 470.3	78.9	807.2	614.0	6 277.5
	Jul	307.8	3 199.9	355.0	3 658.1	75.6	779.3	430.6	4 437.4
	Aug	320.2	3 379.5	221.7	2 343.0	86.4	913.0	308.1	3 256.0
	Sep	494.3	5 336.9	430.2	4 646.6	60.3	651.3	490.5	5 297.9
	Oct	432.1	4 624.0	430.1	4 624.2	79.4	853.6	509.4	5 477.8
	Nov	341.0	3 618.6	423.6	4 505.9	102.5	1 090.7	526.1	5 596.6
	Dec	55.5	593.3	556.5	5 942.0	75.4	805.4	632.0	6 747.4
2019	Jan	326.8	3 502.5	377.9	3 971.9	42.1	442.9	420.0	4 414.8
	Feb	220.9	2 291.8	210.7	2 213.2	79.9	839.3	290.6	3 052.5
	Mar	370.2	3 961.1	480.4	5 138.5	85.4	913.5	565.7	6 052.0
	Apr	362.5	3 832.3	430.3	4 580.8	75.9	807.7	506.2	5 388.5
	May	370.0	3 980.2	441.3	4 745.1	75.3	809.1	516.6	5 554.2
	Jun	74.0	795.1	378.5	4 084.3	98.3	1 060.9	476.8	5 145.2
	Jul	612.7	6 528.2	139.9	1 485.9	72.2	767.3	212.1	2 253.2
	Aug	0.7	8.1	258.3	2 845.6	52.1	574.4	310.4	3 420.0
	Sep	249.9	2 761.8	230.9	2 525.3	111.0	1 214.2	341.9	3 739.5
	Oct	246.5	2 715.3	173.8	1 905.0	35.8	392.7	209.7	2 297.7
	Nov	186.2	2 023.8	339.1	3 693.9	55.0	599.2	394.1	4 293.1
	Dec	28.6	308.9	450.0	4 838.6	52.1	560.2	502.1	5 398.8

1. Botswana sales refers to the value of rough diamonds mined by Debswana and sold to DBGSS and the Okavango Diamond Company (ODC). Exports represent the value of rough diamonds as reported in the trade statistics compiled by Statistics Botswana and they include re-exports of rough diamonds mined in other countries.
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		
631.1	4285.6	27.6	185.6	658.7	4471.3		2010
794.5	5408.5	67.6	473.7	862.1	5882.1		2011
2090.7	16114.1	52.1	398.3	2142.7	16512.4		2012
2837.5	23828.7	80.6	677.8	2918.1	24506.5		2013
2787.2	24888.1	121.6	1091.4	2908.8	25979.5		2014
654.3	6 365.9	26.1	252.7	680.4	6 618.6	Q1	2015
777.6	7 684.5	23.9	235.8	801.5	7 920.3	Q2	
563.9	5 793.8	21.6	219.1	585.6	6 012.9	Q3	
418.6	4 518.8	15.1	161.0	433.7	4 679.8	Q4	
485.7	5 476.7	14.9	168.4	500.6	5 645.1	Q1	2016
402.5	4 386.7	10.7	117.5	413.2	4 504.2	Q2	
338.5	3 604.0	4.5	48.6	343.1	3 652.6	Q3	
465.7	4 972.1	12.3	131.0	478.0	5 103.1	Q4	
63.9	676.5	2.9	30.7	66.8	707.2	Jan	2017
83.5	871.6	1.3	14.0	84.8	885.6	Feb	
165.3	1 711.5	7.6	78.4	172.9	1 789.9	Mar	
141.0	1 480.8	10.4	109.7	151.4	1 590.5	Apr	
89.3	927.6	20.4	211.7	109.6	1 139.3	May	
105.0	1 071.4	18.1	184.9	123.1	1 256.3	Jun	
82.9	849.5	14.7	150.9	97.6	1 000.4	Jul	
37.4	382.4	12.9	131.7	50.3	514.1	Aug	
137.7	1 396.8	10.2	103.4	147.9	1 500.2	Sep	
7.9	81.6	21.4	222.3	29.3	303.9	Oct	
173.3	1 821.2	16.3	171.2	189.6	1 992.4	Nov	
162.8	1 657.1	8.0	81.8	170.8	1 738.9	Dec	
68.8	670.3	11.2	108.7	80.0	779.0	Jan	2018
150.2	1 434.7	17.1	163.1	167.2	1 597.8	Feb	
188.7	1 803.6	10.5	100.4	199.2	1 904.0	Mar	
133.6	1 290.7	13.8	133.6	147.4	1 424.3	Apr	
13.0	128.7	30.0	297.5	42.9	426.2	May	
223.7	2 287.5	42.9	438.9	266.7	2 726.4	Jun	
85.2	877.8	10.6	109.0	95.8	986.8	Jul	
82.4	871.1	13.7	145.0	96.2	1 016.1	Aug	
103.7	1 119.7	23.4	253.0	127.1	1 372.7	Sep	
234.6	2 522.1	42.4	456.0	277.0	2 978.1	Oct	
226.8	2 412.1	33.3	354.0	260.0	2 766.1	Nov	
11.1	119.0	23.5	251.2	34.7	370.2	Dec	
46.8	492.3	29.3	308.0	76.1	800.3	Jan	2019
201.5	2 116.6	39.9	418.9	241.4	2 535.5	Feb	
147.5	1 577.4	41.4	442.5	188.8	2 019.9	Mar	
115.2	1 225.9	102.3	1 089.4	217.5	2 315.3	Apr	
167.8	1 804.5	51.3	551.3	219.1	2 355.8	May	
32.8	353.8	40.4	435.9	73.2	789.7	Jun	
135.2	1 436.6	22.1	235.0	157.4	1 671.6	Jul	
71.2	784.0	20.5	226.4	91.7	1 010.4	Aug	
105.4	1 152.9	10.2	112.1	115.7	1 265.0	Sep	
117.7	1 289.4	10.5	115.6	128.2	1 405.0	Oct	
144.7	1 576.4	63.3	689.5	208.0	2 265.9	Nov	
138.0	1 483.9	10.7	115.4	148.7	1 599.3	Dec	

TABLE 6.4: EXPORTS: OTHER PRINCIPAL EXPORTS

(Million)

			Copper-Nickel ¹		Meat & Meat Products		Salt & Soda Ash		Textiles		Vehicles		Gold	
			US\$	Pula	US\$	Pula	US\$	Pula	US\$	Pula	US\$	Pula	US\$	Pula
2010			617.6	4 152.8	159.4	1 085.4	91.7	623.9	166.0	1 118.5	40.8	275.3	78.6	535.1
2011			510.2	3 398.2	52.5	356.7	67.8	461.0	258.3	1 777.6	123.1	830.5	79.7	545.8
2012			489.7	3 692.4	67.1	511.0	59.2	451.6	82.3	617.4	129.9	993.1	84.9	641.8
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	Q1		138.6	1 343.7	20.9	203.5	14.0	134.9	8.8	85.9	22.4	217.5	6.4	62.0
	Q2		132.4	1 308.6	37.2	367.6	13.2	130.6	10.6	104.4	21.7	214.3	8.0	78.7
	Q3		37.3	374.8	33.3	339.3	16.6	169.1	8.5	87.0	14.2	145.0	8.4	86.2
	Q4		70.3	762.8	24.5	262.6	14.9	159.0	8.8	94.6	11.6	123.9	5.8	61.9
2016	Q1		106.5	1 208.6	23.4	263.4	15.1	144.1	5.4	60.6	10.6	120.3	13.1	147.8
	Q2		76.1	833.2	26.9	293.8	11.8	129.7	6.4	69.9	15.6	171.1	9.6	105.0
	Q3		50.4	535.7	30.5	323.7	19.5	207.4	6.0	64.2	13.5	143.5	8.4	89.5
	Q4		5.0	53.7	25.0	266.8	22.3	237.8	8.0	85.6	8.8	94.7	7.7	82.2
2017	Jan		0.1	1.1	3.0	31.8	7.5	79.5	1.2	12.5	21.3	225.5	2.8	30.1
	Feb		0.1	1.1	1.7	17.8	6.2	64.8	1.7	17.8	3.3	34.1	0.7	7.8
	Mar		-	0.2	3.3	34.3	3.5	35.9	1.2	12.3	2.4	25.2	3.3	34.1
	Apr		0.3	3.4	4.3	45.0	3.9	41.2	1.4	14.4	2.5	25.8	2.7	28.3
	May		0.6	6.5	5.9	61.1	2.9	30.0	1.3	13.1	8.4	87.6	2.8	29.6
	Jun		0.5	5.1	8.7	88.6	3.2	32.5	1.3	13.0	1.4	14.3	2.8	28.3
	Jul		0.9	9.2	10.3	105.8	6.3	64.7	1.4	14.6	2.2	22.9	4.4	45.3
	Aug		0.2	1.6	10.2	104.0	5.6	56.9	1.3	13.7	3.2	32.9	3.6	36.4
	Sep		0.3	3.5	11.9	121.1	7.8	78.8	1.7	17.7	2.1	21.0	3.9	39.1
	Oct		0.4	4.6	8.8	91.7	4.6	47.6	1.7	17.9	2.6	27.4	1.5	16.0
	Nov		0.3	3.2	12.1	127.6	4.9	52.0	1.7	18.1	2.0	21.4	3.9	41.1
	Dec		0.1	1.5	5.7	58.5	5.7	58.2	1.7	17.1	3.9	39.6	3.5	36.1
2018	Jan		0.2	1.5	5.6	54.9	6.9	67.1	1.6	15.7	3.0	29.0	1.8	17.2
	Feb		0.4	3.8	9.2	88.0	6.9	65.7	1.8	17.2	5.6	53.9	3.1	29.7
	Mar		0.1	0.8	6.4	60.8	6.0	57.4	2.2	21.5	4.0	38.1	4.0	37.9
	Apr		-	0.3	6.3	60.4	5.7	55.0	1.9	18.6	5.2	50.0	5.1	49.6
	May		0.4	4.3	7.6	75.7	6.4	63.9	2.5	24.6	4.3	43.1	4.2	42.1
	Jun		1.4	14.8	13.8	141.2	3.3	33.9	1.8	18.2	3.3	34.1	4.1	41.8
	Jul		1.2	12.0	7.3	75.1	6.1	62.5	1.6	16.1	2.5	25.3	4.1	42.4
	Aug		0.7	7.3	11.4	120.2	6.1	64.4	1.4	14.8	2.7	28.7	4.2	43.9
	Sep		1.5	16.0	7.4	79.4	22.3	240.5	1.8	19.4	3.1	33.8	2.6	28.2
	Oct		0.7	8.0	5.8	62.1	6.0	64.5	2.2	23.4	13.3	143.4	3.4	37.0
	Nov		0.1	0.8	6.2	66.4	5.5	58.5	2.4	26.0	9.3	98.7	4.1	44.0
	Dec		0.2	1.8	8.1	86.0	4.8	51.8	1.7	18.3	3.3	35.2	3.5	37.6
2019	Jan		-	0.1	3.1	32.3	5.1	53.5	1.3	13.6	2.3	24.1	3.1	32.6
	Feb		-	0.2	3.7	39.3	4.3	44.7	1.4	14.2	2.3	24.0	3.1	32.2
	Mar		-	0.3	2.0	21.4	5.1	54.5	1.2	13.1	4.1	44.0	2.7	28.5
	Apr		-	0.1	3.9	41.7	4.0	42.8	1.3	13.8	2.9	30.8	3.7	39.5
	May		-	0.1	7.0	75.5	5.2	55.8	1.1	12.2	2.3	24.8	2.7	29.2
	Jun		-	0.1	9.4	101.0	2.8	30.4	1.1	11.6	2.9	31.8	5.3	57.0
	Jul		0.1	1.0	5.6	59.1	5.3	56.4	1.0	10.2	2.2	23.5	2.1	22.8
	Aug		-	0.2	5.7	63.0	4.2	46.2	1.2	12.8	2.8	30.9	4.6	51.1
	Sep		-	0.1	8.2	89.2	5.6	61.1	1.2	12.9	3.8	41.3	4.2	45.7
	Oct		-	0.2	8.6	94.6	3.2	35.6	1.1	12.1	2.8	30.8	3.1	33.8
	Nov		-	0.2	2.2	24.0	3.1	33.5	1.5	16.4	3.8	41.5	2.7	29.1
	Dec		-	0.1	1.5	16.0	4.2	45.6	1.4	14.8	3.1	33.4	3.2	34.9

1. Effective July 2012, data on copper-nickel is as reported by Statistics Botswana. Previously this was obtained directly from major exporters.

Note: Effective January 2010, Beef, Soda Ash and Gold have been renamed and revised accordingly as reported by Statistics Botswana, previously these commodities were obtained from major exporters.

Source: Statistics Botswana

TABLE 6.5: FOREIGN EXCHANGE RESERVES: SELECTED CURRENCIES

(Million)				
End of		Pula	US dollar	SDR
2010		50 847	7 886	5 085
2011		60 271	8 082	5 250
2012		59 317	7 628	4 959
2013		67 772	7 726	5 008
2014		79 111	8 323	5 751
2015	Mar	85 194	8 571	6 211
	Jun	84 536	8 572	6 095
	Sep	86 190	8 179	5 835
	Dec	84 881	7 546	5 449
2016	Mar	81 891	7 559	5 364
	Jun	80 283	7 402	5 299
	Sep	79 990	7 631	5 455
	Dec	76 804	7 189	5 346
2017	Jan	76 653	7 305	5 358
	Feb	75 085	7 231	5 331
	Mar	73 957	7 041	5 184
	Apr	78 172	7 481	5 464
	May	78 579	7 630	5 501
	Jun	74 734	7 287	5 239
	Jul	79 463	7 787	5 523
	Aug	76 625	7 578	5 356
	Sep	76 763	7 454	5 274
	Oct	81 972	7 779	5 533
	Nov	80 138	7 765	5 465
	Dec	73 693	7 502	5 262
2018	Jan	76 010	7 966	5 465
	Feb	72 216	7 554	5 228
	Mar	70 582	7 383	5 082
	Apr	74 397	7 559	5 260
	May	73 779	7 385	5 216
	Jun	74 297	7 147	5 074
	Jul	75 145	7 364	5 245
	Aug	77 329	7 199	5 142
	Sep	75 781	7 146	5 115
	Oct	78 582	7 230	5 226
	Nov	74 547	7 052	5 106
	Dec	71 427	6 657	4 786
2019	Jan	73 003	7 096	5 066
	Feb	73 072	6 935	4 962
	Mar	73 505	6 843	4 932
	Apr	76 556	7 150	5 160
	May	75 295	6 965	5 052
	Jun	71 814	6 765	4 862
	Jul	74 584	6 981	5 072
	Aug	73 416	6 637	4 853
	Sep	72 008	6 517	4 781
	Oct	73 642	6 723	4 868
	Nov	70 646	6 514	4 740
	Dec	65 229	6 171	4 449

Source: Bank of Botswana

TABLE 6.6: INTERNATIONAL INVESTMENT POSITION
(P Million)

As at end of	2010	2011	2012	2013	2014	2015	2016	2017	2018 ¹	2019 ²
NET INTERNATIONAL INVESTMENT	44 778	50 128	44 975	58 635	70 897	84 432	57 809	71 428	57 810	62 619
A. FOREIGN FINANCIAL ASSETS	85 866	96 289	98 268	117 615	135 713	155 545	143 853	153 389	144 094	147 604
Direct investment abroad	6 486	6 413	6 474	7 169	8 131	10 031	10 106	11 721	9 828	10 775
Equity capital	6 161	6 163	6 174	6 837	7 078	7 636	2 642	2 696	2 845	2 771
Other capital	325	250	300	332	1 054	2 394	7 464	9 025	6 983	8 004
Portfolio investment abroad	20 321	21 670	22 858	33 316	38 094	48 114	45 158	53 860	45 847	55 351
Equity securities	16 923	16 173	18 093	27 964	30 067	40 143	36 795	41 460	37 050	42 556
Debt securities	3 398	5 497	4 765	5 352	8 027	7 971	8 362	12 400	8 797	12 795
Financial derivatives³	-	-	-	-	-	-	89	70	14	42
Other investment abroad	8 212	7 935	9 619	9 359	10 377	12 520	11 696	14 045	16 979	16 207
Trade credits	-	-	-	-	-	111	110	135	233	184
Loans	1 029	769	934	810	646	655	934	738	2 206	1 524
Currency and deposits	5 379	5 325	6 752	6 558	7 767	9 794	9 410	11 663	13 298	13 123
Other assets ⁴	1 804	1 841	1 934	1 992	1 964	1 960	1 243	1 509	1 242	1 376
Reserve Assets	50 847	60 271	59 317	67 772	79 111	84 881	76 804	73 693	71 427	65 229
Special Drawing Rights	930	999	1 042	1 178	1 200	1 359	862	953	901	891
Reserve position in the IMF	135	313	336	422	430	425	586	389	519	583
Foreign exchange	49 782	58 959	57 939	66 172	77 481	83 098	75 357	72 351	70 007	63 755
B. FOREIGN LIABILITIES	41 087	46 161	53 293	58 981	64 816	71 114	86 044	81 961	86 283	84 985
Direct investment in Botswana	21 582	23 587	27 509	32 125	36 749	40 584	53 688	51 594	55 521	53 558
Equity capital	21 014	23 303	25 823	28 412	32 144	35 291	32 246	38 017	40 558	39 288
Other capital	568	284	1 687	3 713	4 605	5 293	21 442	13 577	14 963	14 270
Portfolio investment in Botswana	2 981	2 842	2 777	2 792	2 793	2 794	962	1 716	1 694	1 700
Equity securities	747	628	563	577	579	580	939	1 057	1 133	1 102
Debt securities	2 234	2 214	2 214	2 215	2 214	2 214	23	658	561	599
Financial derivatives³	-	-	-	-	-	-	-	443	760	602
Other investment in Botswana	16 524	19 731	23 006	24 063	25 274	27 736	31 395	28 207	28 309	29 125
Trade credits	730	1 168	1 385	1 333	1 310	1 373	564	520	1 017	769
Loans	11 391	16 178	18 653	19 739	19 873	22 202	25 723	22 530	21 811	22 790
Currency and deposits	3 828	1 723	2 279	2 213	3 301	3 267	4 081	4 239	4 525	4 605
Other liabilities ⁴	575	662	689	779	790	894	1 026	917	955	961

1. The 2018 figures were revised to include results of the 2018 Balance of Payments Survey.

2. Preliminary estimates.

3. Financial derivatives were introduced in the 2017 Balance of Payments Survey. These are tradable instruments which derive their value from some underlying items (such as exchange rates, interest rate, other assets etc.).

4. Other assets and liabilities include all miscellaneous accounts receivable or payable.

Source: Bank of Botswana

TABLE 6.7: IMPORTS - MAJOR COMMODITY GROUP (c.i.f.)¹
(P Million)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Chemical and rubber products	3 756	4 220	4 578	5 443	5 823	5 871	6 386	6 562	5 681	5 727	6 341
Diamonds	2 608	4 471	5 882	16 512	24 507	25 980	25 232	18 905	14 419	18 348	20 034
Food, beverages and tobacco	4 642	4 987	5 447	6 132	6 393	6 287	7 023	7 480	6 958	7 915	9 000
Fuel	4 523	4 922	6 736	10 007	10 866	10 895	9 117	8 652	8 101	8 515	8 836
Furniture	628	572	585	594	613	661	692	716	652	769	769
Machinery and electric equipment	5 803	6 785	11 468	9 098	7 573	8 256	9 205	9 190	7 252	8 431	8 754
Metal and metal products	2 394	2 874	3 715	2 922	3 025	2 801	2 907	3 046	2 479	2 911	3 548
Salt, ores and related products	1 046	1 127	653	644	632	728	1 797	1 510	502	590	690
Textiles and footwear	1 505	1 565	1 791	1 897	1 901	2 047	2 031	1 936	1 651	1 789	1 626
Vehicles and transport equipment	4 230	3 725	4 577	5 617	5 134	5 638	5 321	5 035	4 165	5 309	6 817
Wood and paper products	1 335	1 317	1 409	1 487	1 435	1 499	1 476	1 591	1 412	1 579	1 622
Other goods	1 334	2 165	3 163	1 761	2 317	1 764	1 997	2 261	1 946	2 642	2 503
TOTAL	3 3804	38 730	50 004	62 115	70 218	72 425	73 182	66 882	55 217	64 525	70 541

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 ¹ yuan	SA rand	SDR
2009		0.1499	0.0932	13.85	0.1043	...	1.1086	0.0957
2010		0.1553	0.1004	12.64	0.1162	...	1.0265	0.1005
2011		0.1329	0.0862	10.31	0.1027	...	1.0859	0.0866
2012		0.1286	0.0796	11.07	0.0975	...	1.0901	0.0836
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	Q1	0.1004	0.0679	12.05	0.0931	...	1.2208	0.0727
	Q2	0.1009	0.0642	12.35	0.0903	...	1.2365	0.0718
	Q3	0.0940	0.0619	11.22	0.0833	...	1.3285	0.0668
	Q4	0.0890	0.0600	10.72	0.0814	...	1.3830	0.0642
2016	Q1	0.0915	0.0638	10.27	0.0808	...	1.3660	0.0651
	Q2	0.0914	0.0682	9.38	0.0824	...	1.3606	0.0655
	Q3	0.0964	0.0740	9.70	0.0860	...	1.2951	0.0689
	Q4	0.0939	0.0765	10.95	0.0891	0.6544	1.2792	0.0699
2017	Jan	0.0948	0.0758	10.76	0.0886	0.6498	1.2800	0.0699
	Feb	0.0965	0.0775	10.84	0.0910	0.6612	1.2504	0.0713
	Mar	0.0950	0.0762	10.62	0.0889	0.6542	1.2781	0.0700
	Apr	0.0959	0.0743	10.66	0.0882	0.6611	1.2776	0.0701
	May	0.0971	0.0759	10.78	0.0869	0.6588	1.2732	0.0703
	Jun	0.0979	0.0752	10.97	0.0856	0.6631	1.2741	0.0703
	Jul	0.0985	0.0750	10.89	0.0840	0.6625	1.2817	0.0700
	Aug	0.0987	0.0764	10.91	0.0831	0.6521	1.2863	0.0698
	Sep	0.0970	0.0723	10.93	0.0823	0.6459	1.3118	0.0687
	Oct	0.0952	0.0720	10.76	0.0817	0.6309	1.3357	0.0677
	Nov	0.0968	0.0719	10.86	0.0816	0.6403	1.3223	0.0683
	Dec	0.1013	0.0753	11.42	0.0848	0.6605	1.2563	0.0713
2018	Jan	0.1044	0.0736	11.35	0.0839	0.6585	1.2462	0.0717
	Feb	0.1048	0.0755	11.23	0.0858	0.6634	1.2293	0.0725
	Mar	0.1049	0.0745	11.18	0.0851	0.6590	1.2348	0.0722
	Apr	0.1023	0.0743	11.17	0.0843	0.6456	1.2588	0.0710
	May	0.1007	0.0756	10.94	0.0862	0.6437	1.2580	0.0710
	Jun	0.0962	0.0734	10.64	0.0826	0.6367	1.3171	0.0684
	Jul	0.0978	0.0745	10.88	0.0835	0.6683	1.2874	0.0696
	Aug	0.0930	0.0714	10.32	0.0796	0.6363	1.3658	0.0663
	Sep	0.0944	0.0722	10.72	0.0812	0.6500	1.3339	0.0676
	Oct	0.0923	0.0726	10.45	0.0814	0.6438	1.3514	0.0668
	Nov	0.0953	0.0745	10.81	0.0837	0.6614	1.3024	0.0688
	Dec	0.0932	0.0734	10.28	0.0815	0.6411	1.3441	0.0671
2019	Jan	0.0968	0.0738	10.53	0.0842	0.6502	1.2961	0.0691
	Feb	0.0949	0.0713	10.51	0.0834	0.6344	1.3244	0.0679
	Mar	0.0927	0.0709	10.26	0.0825	0.6241	1.3529	0.0668
	Apr	0.0932	0.0721	10.38	0.0834	0.6292	1.3391	0.0674
	May	0.0918	0.0728	10.00	0.0825	0.6363	1.3578	0.0667
	Jun	0.0942	0.0743	10.15	0.0829	0.6466	1.3310	0.0678
	Jul	0.0936	0.0770	10.16	0.0839	0.6453	1.3260	0.0680
	Aug	0.0901	0.0740	9.58	0.0816	0.6448	1.3810	0.0658
	Sep	0.0906	0.0735	9.76	0.0830	0.6462	1.3660	0.0665
	Oct	0.0913	0.0707	9.93	0.0818	0.6428	1.3725	0.0662
	Nov	0.0919	0.0712	10.07	0.0835	0.6467	1.3545	0.0670
	Dec	0.0941	0.0718	10.23	0.0840	0.6567	1.3295	0.0680

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 ² yuan	SA rand	SDR
2009		0.1405	0.0897	13.12	0.1007	...	1.1763	0.0910
2010		0.1473	0.0953	12.92	0.1111	...	1.0778	0.0965
2011		0.1467	0.0914	11.71	0.1053	...	1.0597	0.0929
2012		0.1314	0.0829	10.48	0.1022	...	1.0769	0.0858
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	Q1	0.1031	0.0680	12.27	0.0915	...	1.2098	0.0733
	Q2	0.1012	0.0661	12.28	0.0917	...	1.2244	0.0725
	Q3	0.0979	0.0631	11.96	0.0880	...	1.2714	0.0698
	Q4	0.0934	0.0615	11.34	0.0853	...	1.3225	0.0671
2016	Q1	0.0883	0.0617	10.18	0.0800	...	1.3992	0.0635
	Q2	0.0913	0.0637	9.86	0.0809	...	1.3730	0.0648
	Q3	0.0940	0.0715	9.63	0.0842	...	1.3240	0.0673
	Q4	0.0936	0.0754	10.23	0.0867	...	1.3019	0.0686
2017	Jan	0.0945	0.0766	10.84	0.0888	0.6472	1.2801	0.0699
	Feb	0.0957	0.0766	10.83	0.0899	0.6557	1.2636	0.0706
	Mar	0.0966	0.0783	10.91	0.0904	0.6651	1.2500	0.0713
	Apr	0.0952	0.0753	10.50	0.0888	0.6557	1.2807	0.0699
	May	0.0962	0.0745	10.80	0.0872	0.6621	1.2787	0.0700
	Jun	0.0980	0.0765	10.86	0.0872	0.6660	1.2627	0.0708
	Jul	0.0975	0.0751	10.97	0.0847	0.6606	1.2832	0.0699
	Aug	0.0979	0.0755	10.75	0.0829	0.6537	1.2959	0.0694
	Sep	0.0986	0.0741	10.91	0.0827	0.6475	1.2953	0.0694
	Oct	0.0964	0.0730	10.89	0.0820	0.6385	1.3195	0.0684
	Nov	0.0952	0.0720	10.74	0.0811	0.6304	1.3406	0.0675
	Dec	0.0982	0.0733	11.09	0.0830	0.6481	1.2972	0.0694
2018	Jan	0.1027	0.0743	11.39	0.0842	0.6600	1.2533	0.0714
	Feb	0.1047	0.0748	11.29	0.0847	0.6610	1.2379	0.0721
	Mar	0.1046	0.0749	11.09	0.0848	0.6611	1.2386	0.0720
	Apr	0.1035	0.0735	11.15	0.0843	0.6514	1.2520	0.0713
	May	0.1008	0.0748	11.06	0.0853	0.6417	1.2634	0.0708
	Jun	0.0978	0.0736	10.76	0.0838	0.6322	1.2990	0.0692
	Jul	0.0970	0.0737	10.81	0.0830	0.6536	1.3011	0.0690
	Aug	0.0946	0.0735	10.51	0.0819	0.6485	1.3296	0.0678
	Sep	0.0926	0.0710	10.37	0.0794	0.6351	1.3702	0.0661
	Oct	0.0930	0.0714	10.48	0.0810	0.6446	1.3509	0.0669
	Nov	0.0940	0.0728	10.65	0.0827	0.6520	1.3254	0.0679
	Dec	0.0937	0.0740	10.53	0.0823	0.6450	1.3307	0.0676
2019	Jan	0.0951	0.0738	10.35	0.0833	0.6462	1.3166	0.0682
	Feb	0.0952	0.0732	10.50	0.0839	0.6425	1.3133	0.0684
	Mar	0.0935	0.0709	10.39	0.0827	0.6278	1.3434	0.0672
	Apr	0.0939	0.0720	10.48	0.0836	0.6312	1.3310	0.0677
	May	0.0930	0.0723	10.23	0.0831	0.6396	1.3415	0.0673
	Jun	0.0927	0.0731	10.01	0.0821	0.6405	1.3525	0.0669
	Jul	0.0941	0.0755	10.19	0.0839	0.6479	1.3224	0.0682
	Aug	0.0908	0.0747	9.64	0.0816	0.6425	1.3736	0.0661
	Sep	0.0914	0.0740	9.82	0.0830	0.6504	1.3567	0.0668
	Oct	0.0913	0.0725	9.86	0.0826	0.6476	1.3641	0.0665
	Nov	0.0918	0.0712	9.99	0.0830	0.6445	1.3594	0.0668
	Dec	0.0930	0.0709	10.15	0.0837	0.6525	1.3434	0.0674

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 ¹ yuan	SA rand	SDR
2009		0.6960	0.6221	92.44	...	7.3975	0.6388
2010		0.7484	0.6467	81.39	...	6.6120	0.6470
2011		0.7726	0.6486	77.59	...	8.1723	0.6516
2012		0.7581	0.6189	86.03	...	8.4754	0.6502
2013		0.7252	0.6069	105.00	...	10.4330	0.6488
2014		0.8229	0.6427	119.71	...	11.5785	0.6907
2015	Q1	0.9271	0.6765	120.10	...	12.1625	0.7241
	Q2	0.8945	0.6358	122.38	...	12.2528	0.7111
	Q3	0.8868	0.6586	119.38	...	14.1388	0.7108
	Q4	0.9149	0.6746	120.42	...	15.5378	0.7208
2016	Q1	0.8835	0.6976	112.31	...	14.9350	0.7114
	Q2	0.9012	0.7460	102.60	...	14.8878	0.7163
	Q3	0.8923	0.7682	100.60	...	13.4375	0.7149
	Q4	0.9487	0.8145	116.62	6.9687	13.6213	0.7442
2017	Jan	0.9345	0.7993	113.45	6.8522	13.4975	0.7368
	Feb	0.9435	0.8033	112.44	6.8557	12.9638	0.7388
	Mar	0.9360	0.8018	111.79	6.8850	13.4513	0.7369
	Apr	0.9199	0.7751	111.20	6.8949	13.3250	0.7308
	May	0.8952	0.7815	110.97	6.7838	13.1100	0.7238
	Jun	0.8744	0.7683	112.05	6.7726	13.0138	0.7178
	Jul	0.8525	0.7618	110.60	6.7267	13.0138	0.7103
	Aug	0.8422	0.7741	110.56	6.6065	13.0325	0.7071
	Sep	0.8487	0.7453	112.68	6.6585	13.5238	0.7083
	Oct	0.8589	0.7566	113.04	6.6297	14.0363	0.7117
	Nov	0.8431	0.7424	112.17	6.6151	13.6613	0.7058
	Dec	0.8368	0.7427	112.70	6.5183	12.3975	0.7032
2018	Jan	0.8039	0.7045	108.65	6.3059	11.9338	0.6866
	Feb	0.8180	0.7197	107.11	6.3285	11.7263	0.6913
	Mar	0.8114	0.7103	106.57	6.2804	11.7688	0.6879
	Apr	0.8242	0.7260	109.17	6.3122	12.3075	0.6943
	May	0.8559	0.7509	108.72	6.3951	12.4975	0.7056
	Jun	0.8593	0.7630	110.67	6.6217	13.6975	0.7111
	Jul	0.8538	0.7616	111.33	6.8358	13.1688	0.7122
	Aug	0.8561	0.7679	110.98	6.8442	14.6913	0.7132
	Sep	0.8597	0.7648	113.48	6.8835	14.1263	0.7156
	Oct	0.8819	0.7865	113.22	6.9750	14.6400	0.7240
	Nov	0.8779	0.7820	113.40	6.9391	13.6650	0.7223
	Dec	0.8749	0.7883	110.39	6.8809	14.4263	0.7198
2019	Jan	0.8697	0.7619	108.78	6.7155	13.3863	0.7138
	Feb	0.8792	0.7519	110.76	6.6876	13.9613	0.7162
	Mar	0.8903	0.7650	110.69	6.7320	14.5938	0.7205
	Apr	0.8945	0.7732	111.38	6.7483	14.3625	0.7227
	May	0.8983	0.7930	108.96	6.9304	14.7875	0.7260
	Jun	0.8795	0.7892	107.72	6.8637	14.1288	0.7195
	Jul	0.8962	0.8224	108.53	6.8953	14.1700	0.7269
	Aug	0.9060	0.8211	106.34	7.1593	15.3338	0.7310
	Sep	0.9163	0.8111	107.76	7.1309	15.0750	0.7334
	Oct	0.8961	0.7740	108.68	7.0378	15.0285	0.7251
	Nov	0.9083	0.7741	109.50	7.0346	14.7345	0.7285
	Dec	0.8924	0.7625	108.67	6.9747	14.1215	0.7226

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 ² yuan	SA rand	SDR
2009		0.7197	0.6414	93.51	...	8.4434	0.6491
2010		0.7549	0.6473	87.79	...	7.3246	0.6556
2011		0.7191	0.6239	79.78	...	7.2551	0.6336
2012		0.7781	0.6311	79.80	...	8.2092	0.6529
2013		0.7531	0.6398	97.60	...	9.6508	0.6581
2014		0.7534	0.6072	105.81	...	10.8497	0.6582
2015	Q1	0.8882	0.6602	119.07	...	11.7408	0.7111
	Q2	0.9056	0.6530	121.34	...	12.0957	0.7158
	Q3	0.8986	0.6449	122.19	...	12.9993	0.7133
	Q4	0.9134	0.6586	121.44	...	14.1767	0.7187
2016	Q1	0.9070	0.6985	115.32	...	15.8603	0.7192
	Q2	0.8858	0.6973	108.02	...	15.0418	0.7098
	Q3	0.8961	0.7608	102.45	...	14.0895	0.7163
	Q4	0.9263	0.8048	109.25	6.8412	13.9059	0.7327
2017	Jan	0.9399	0.8109	114.76	6.8519	13.5528	0.7396
	Feb	0.9392	0.8002	113.06	6.8486	13.1983	0.7377
	Mar	0.9357	0.8107	112.99	6.8853	12.9422	0.7380
	Apr	0.9327	0.7916	110.26	6.8887	13.4572	0.7346
	May	0.9061	0.7743	112.27	6.8798	13.2883	0.7277
	Jun	0.8902	0.7813	110.86	6.7987	12.8891	0.7226
	Jul	0.8680	0.7702	112.45	6.7719	13.1559	0.7165
	Aug	0.8467	0.7711	109.87	6.6789	13.2399	0.7085
	Sep	0.8393	0.7521	110.68	6.5693	13.1436	0.7042
	Oct	0.8505	0.7577	112.93	6.6227	13.6874	0.7094
	Nov	0.8521	0.7562	112.82	6.6240	14.0890	0.7097
	Dec	0.8451	0.7456	112.90	6.5971	13.2132	0.7067
2018	Jan	0.8200	0.7239	110.93	6.4277	12.2071	0.6952
	Feb	0.8090	0.7149	107.91	6.3150	11.8288	0.6886
	Mar	0.8105	0.7160	106.03	6.3188	11.8386	0.6883
	Apr	0.8143	0.7098	107.73	6.2936	12.0978	0.6894
	May	0.8463	0.7427	109.73	6.3688	12.5383	0.7025
	Jun	0.8565	0.7527	110.05	6.4646	13.2878	0.7073
	Jul	0.8556	0.7597	111.36	6.7350	13.4081	0.7115
	Aug	0.8660	0.7763	111.06	6.8531	14.0584	0.7166
	Sep	0.8577	0.7664	111.96	6.8593	14.8032	0.7142
	Oct	0.8708	0.7681	112.74	6.9313	14.5276	0.7190
	Nov	0.8795	0.7748	113.33	6.9352	14.1009	0.7221
	Dec	0.8790	0.7897	112.44	6.8865	14.2098	0.7221
2019	Jan	0.8754	0.7753	108.83	6.7928	13.8413	0.7172
	Feb	0.8812	0.7690	110.34	6.7492	13.7988	0.7185
	Mar	0.8843	0.7587	111.16	6.7161	14.3712	0.7186
	Apr	0.8898	0.7670	111.60	6.7195	14.1700	0.7209
	May	0.8938	0.7777	110.00	6.8768	14.4242	0.7237
	Jun	0.8857	0.7890	108.03	6.9109	14.5965	0.7218
	Jul	0.8918	0.8024	108.22	6.8827	14.0482	0.7241
	Aug	0.8989	0.8233	106.25	7.0800	15.1375	0.7284
	Sep	0.9079	0.8099	107.42	7.1142	14.8406	0.7308
	Oct	0.9055	0.7941	108.09	7.0960	14.9489	0.7292
	Nov	0.9045	0.7760	108.85	7.0204	14.8095	0.7272
	Dec	0.9000	0.7626	109.12	7.0158	14.4465	0.7252

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 ³ yuan	SA rand	SDR	REER ⁴
2009		121.2	93.2	100.1	92.1	...	84.6	106.2	93.8
2010		132.9	109.2	111.7	90.3	...	81.3	117.6	95.4
2011		120.6	102.6	100.5	80.6	...	88.5	107.5	96.9
2012		123.3	102.4	97.1	93.0	...	90.3	109.5	98.8
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	Q1	102.0	105.2	88.2	106.5	...	98.4	101.5	100.1
	Q2	102.8	102.9	84.4	111.7	...	98.1	100.9	99.7
	Q3	96.5	96.1	81.6	100.7	...	104.3	94.6	99.5
	Q4	92.2	94.4	79.4	96.2	...	109.2	91.5	100.1
2016	Q1	94.9	94.1	85.0	93.6	...	106.7	93.2	99.9
	Q2	94.6	96.3	91.6	87.5	...	104.2	94.1	99.2
	Q3	100.2	101.5	99.4	89.9	...	98.5	99.5	99.2
	Q4	98.1	105.3	102.5	101.0	99.1	97.5	101.0	99.4
2017	Jan	99.1	105.3	102.5	100.4	98.3	97.8	101.3	99.7
	Feb	101.4	108.4	104.4	100.8	101.4	95.1	103.7	99.7
	Mar	99.7	105.6	102.7	100.0	100.7	97.4	101.9	99.8
	Apr	101.0	105.0	100.5	102.4	102.2	96.9	102.5	99.9
	May	101.7	103.9	102.4	102.8	102.1	95.7	102.6	99.4
	Jun	103.2	102.2	101.9	105.4	103.1	96.1	103.0	99.8
	Jul	104.2	101.3	101.7	103.6	103.3	95.7	103.0	99.6
	Aug	104.2	100.1	103.2	104.1	101.9	96.1	102.5	99.6
	Sep	101.8	98.8	97.2	103.8	100.6	97.9	100.5	99.3
	Oct	100.2	97.8	96.8	100.9	96.5	99.9	98.8	99.3
	Nov	102.0	97.5	96.4	101.2	97.9	98.5	99.6	99.1
	Dec	107.1	102.0	101.1	107.6	101.4	94.3	104.3	99.7
2018	Jan	110.3	101.5	99.6	107.7	101.2	94.1	105.3	100.1
	Feb	111.2	104.2	102.1	106.1	102.0	92.8	106.8	100.2
	Mar	110.5	102.5	100.8	107.0	102.2	93.2	105.9	100.0
	Apr	108.7	102.6	101.4	110.3	101.5	94.5	105.5	100.4
	May	105.9	104.3	102.9	107.1	101.2	93.5	104.8	99.6
	Jun	101.6	99.7	100.1	104.7	100.2	97.9	101.0	99.6
	Jul	103.6	101.6	101.5	105.7	105.2	94.3	103.1	99.1
	Aug	98.4	96.7	96.6	100.0	100.1	100.1	98.0	98.9
	Sep	99.7	98.2	97.6	103.5	101.6	97.7	99.6	98.7
	Oct	98.2	98.6	98.7	100.1	99.5	99.6	98.7	99.1
	Nov	102.0	101.9	101.4	103.8	102.8	95.8	102.1	99.2
	Dec	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2019	Jan	104.1	103.9	101.5	103.2	101.6	97.4	103.5	100.7
	Feb	102.5	103.2	97.9	102.4	99.3	99.2	102.0	100.7
	Mar	99.0	101.3	97.2	100.9	97.7	100.9	99.6	100.2
	Apr	99.6	102.3	98.9	104.2	98.9	98.7	100.7	99.8
	May	97.4	101.3	99.7	99.8	100.0	99.1	99.3	99.2
	Jun	100.7	101.4	102.2	101.9	101.8	97.3	101.3	99.5
	Jul	100.2	104.0	105.7	101.0	101.6	96.1	102.0	99.3
	Aug	96.5	101.0	101.3	95.3	101.5	99.9	98.7	99.2
	Sep	96.9	102.6	100.6	97.0	101.0	99.0	99.4	99.2
	Oct	97.7	100.8	96.9	97.2	98.0	99.9	98.6	99.2
	Nov	98.4	102.7	97.4	98.2	98.2	98.1	99.6	98.9
	Dec	100.9	103.9	98.6	100.8	100.1	97.2	101.6	99.6

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	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Total Revenue and Grants	30 023.1	31 909.4	38 486.0	41 657.8	48 951.3	55 904.2
Tax revenue ²	26 773.9	29 615.7	35 533.1	38 606.3	44 306.3	51 655.1
Non-tax revenue	2 480.4	1 964.4	2 420.1	2 544.8	4 319.3	3 869.5
Grants	768.8	329.4	532.8	506.8	325.7	379.7
Total Expenditure	39 489.2	38 417.5	38 667.5	40 736.1	41 729.7	50 563.9
Recurrent expenditure	25 731.8	27 089.3	28 836.2	32 106.0	33 219.8	37 582.9
Development expenditure	13 005.7	11 371.7	9 955.7	8 279.6	8 908.7	13 072.0
Net lending	751.7	- 43.6	- 124.4	350.5	- 398.8	- 91.0
Overall Surplus(+)/Deficit(-)	-9 466.1	-6 508.0	- 181.4	921.7	7 221.6	5 340.3
Financing of Surplus/Deficit	9 466.1	6 508.0	181.4	- 921.7	-7 221.6	-5 340.3
Foreign (net) ³	6 442.3	3 620.9	87.5	-1 013.6	- 66.4	- 509.0
Domestic (net)	3 023.8	2 887.1	93.9	91.9	-7 155.2	-4 831.4
Bank ⁴	4 398.2	2 045.9	- 84.0	1 983.4	-8 722.8	-4 477.2
Other	-1 374.4	841.3	178.0	-1 891.5	1 567.6	- 354.2

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 and Economic Development 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 and Economic Development

TABLE 7.2: GOVERNMENT REVENUE
(P Million)

Period ¹	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Tax Revenue²	26 773.9	29 615.7	35 533.1	38 606.3	44 306.3	51 655.1
Customs & excise	7 931.0	6 206.6	8 424.3	14 216.1	13 169.5	15 691.0
Mineral revenue ²	9 088.4	12 059.9	15 823.1	12 076.2	18 443.3	21 532.2
Non-mineral income taxes	5 560.6	6 413.4	6 112.7	6 725.3	7 470.8	8 383.8
Other Taxes	4 193.8	4 935.9	5 173.1	5 588.7	5 222.6	6 048.2
Export duties	0.7	1.7	1.4	2.3	2.3	1.5
Taxes on property	27.3	34.8	64.8	50.5	54.5	53.6
Taxes on motor vehicles	188.8	228.7	215.2	224.5	244.0	250.5
Business & professional licenses	33.3	33.0	40.8	28.8	36.4	32.8
VAT	3 943.5	4 637.7	4 851.0	5 282.6	4 885.4	5 709.9
Airport tax	0.2	-	-	-	-	-
Non-Tax Revenue	2 480.4	1 964.4	2 420.1	2 544.8	4 319.3	3 869.5
Interest	32.1	36.7	58.6	38.6	1 266.4	282.0
Other property income	107.7	60.6	122.6	56.2	12.7	47.8
Bank of Botswana revenues	1 000.0	700.0	863.8	1 489.8	1 900.0	2 448.5
Fees, charges & reimbursements	1 237.1	1 096.5	1 269.0	893.6	1 071.0	1 030.0
Sale of fixed assets and land	103.6	70.6	106.1	66.6	69.2	61.2
Grants	768.8	329.4	532.8	506.8	325.7	379.7
Recurrent	120.9	210.5	117.8	0.8	125.2	316.4
Development	647.9	118.9	415.0	506.0	200.6	63.2
TOTAL REVENUE AND GRANTS	30 023.1	31 909.4	38 486.0	41 657.8	48 951.3	55 904.2

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 and Economic Development publications where these are shown separately under non-tax revenue.

Source: Ministry of Finance and Economic Development

				Revised Estimates	Budget Estimates	
2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Period ¹
47 420.3	57 398.4	56 411.0	53 470.1	...	...	Total Revenue and Grants
44 858.6	50 847.2	52 992.2	51 057.2	...	...	Tax revenue ²
2 416.0	6 395.0	3 047.3	2 335.0	...	...	Non-tax revenue
145.7	156.2	371.5	77.9	...	...	Grants
54 411.2	56 274.9	58 392.9	62 350.6	...	...	Total Expenditure
40 413.4	41 166.2	43 562.1	47 278.5	...	...	Recurrent expenditure
12 772.9	15 160.8	14 745.8	15 454.3	...	...	Development expenditure
1 224.9	- 52.1	85.0	- 382.2	...	...	Net lending
-6 990.8	1 123.6	-1 981.9	-8 880.5	...	...	Overall Surplus(+)/Deficit(-)
6 990.8	-1 123.6	1 981.9	8 880.5	...	...	Financing of Surplus/Deficit
-1 333.1	-1 150.8	- 675.3	-1 070.2	...	...	Foreign (net) ³
8 324.0	27.2	2 657.2	9 950.7	...	...	Domestic (net)
8 299.1	3 464.9	875.0	...	...	...	Bank ⁴
24.9	-3 437.7	1 106.9	...	...	...	Other

				Revised Estimates	Budget Estimates	
2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Period ¹
44 858.6	50 847.2	52 992.2	51 057.2	...	...	Tax Revenue²
15 817.6	11 773.3	17 864.4	14 788.5	...	...	Customs & excise
14 437.6	22 495.9	18 686.3	18 467.7	...	...	Mineral revenue ²
8 690.6	9 572.2	8 200.3	9 900.1	...	...	Non-mineral income taxes
5 912.8	7 005.8	8 241.3	7 900.8	...	...	Other Taxes
1.7	3.3	2.2	1.6	...	...	Export duties
53.1	54.5	56.8	67.8	...	...	Taxes on property
282.0	297.6	400.4	452.4	...	...	Taxes on motor vehicles
28.4	7.7	5.6	4.9	...	...	Business & professional licenses
5 547.6	6 642.7	7 776.4	7 374.1	...	...	VAT
-	-	-	-	...	...	Airport tax
2 416.0	6 395.0	3 047.3	2 335.0	...	...	Non-Tax Revenue
26.7	536.8	52.5	122.6	...	...	Interest
18.3	66.8	107.3	116.8	...	...	Other property income
1 133.0	2 842.0	1 573.2	740.0	...	...	Bank of Botswana revenues
1 185.0	2 879.1	1 236.1	1 310.7	...	...	Fees, charges & reimbursements
53.0	70.5	78.2	44.9	...	...	Sale of fixed assets and land
145.7	156.2	371.5	77.9	...	...	Grants
73.8	1.4	181.9	1.4	...	...	Recurrent
71.9	154.8	189.6	76.5	...	...	Development
47 420.3	57 398.4	56 411.0	53 470.1	...	...	TOTAL REVENUE AND GRANTS

TABLE 7.3: FUNCTIONAL CLASSIFICATION OF GOVERNMENT EXPENDITURE AND NET LENDING

(P Million)

Period ¹	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
GENERAL PUBLIC SERVICES, INCLUDING DEFENCE	9 139.6	9 737.0	9 685.1	9 826.3	11 623.9	11 244.5
Recurrent expenditure	7 345.4	7 606.4	8 024.0	8 429.7	10 586.1	9 710.7
Development expenditure	1 794.2	2 130.6	1 661.1	1 396.6	1 037.9	1 533.8
SOCIAL SERVICES	15 609.4	17 969.2	17 110.2	17 205.7	17 236.8	18 844.1
Education	7 748.4	9 299.9	9 294.9	8 379.9	8 519.1	9 456.0
Recurrent expenditure	6 818.3	7 474.6	7 640.6	7 921.2	8 072.2	8 763.1
Development expenditure	930.0	1 825.3	1 654.3	458.8	446.9	692.9
Net lending	-	-	-	-	-	-
Health	3 039.8	3 372.1	3 384.0	4 381.1	4 355.1	4 531.1
Recurrent expenditure	1 886.5	2 021.3	2 475.5	3 455.2	4 152.6	4 508.7
Development expenditure	1 153.3	1 350.8	842.5	926.0	202.5	22.4
Net lending	-	-	66.0	-	-	-
Food and social welfare programmes	723.8	727.1	675.1	719.1	923.9	1 660.0
Recurrent expenditure	412.4	389.2	384.3	396.3	769.0	906.8
Development expenditure	311.4	337.9	290.8	322.8	154.9	753.2
Housing, urban and regional development	3 104.5	3 480.4	2 741.1	2 861.6	2 483.0	1 989.5
Recurrent expenditure	1 425.5	1 416.5	1 435.2	1 437.8	1 155.5	1 323.2
Development expenditure	1 698.5	2 083.0	1 319.2	1 439.1	1 355.4	692.1
Net lending	- 19.6	- 19.0	- 13.3	- 15.2	- 27.9	- 25.8
Other community and social services	993.0	1 089.8	1 015.1	864.0	955.9	1 207.5
Recurrent expenditure	581.9	748.1	778.2	814.2	854.0	1 102.4
Development expenditure	411.1	341.6	236.9	49.7	101.9	105.1
Net lending	-	-	-	-	-	-
ECONOMIC SERVICES	7 438.1	8 388.5	8 330.4	8 498.3	8 212.9	7 954.8
Agriculture, forestry and fishing	1 498.9	1 185.0	1 107.1	1 289.4	1 538.4	1 749.7
Recurrent expenditure	810.5	844.0	822.0	829.5	943.4	1 074.6
Development expenditure	688.5	347.5	287.0	396.8	298.3	675.2
Net lending	- 0.1	- 6.5	- 1.9	63.1	296.8	-
Mining	179.6	768.6	619.2	729.8	283.8	- 137.1
Recurrent expenditure	144.4	151.1	601.2	683.5	176.8	207.5
Development expenditure	35.2	47.5	18.0	197.6	2.0	0.1
Net lending	-	570.0	-	- 151.3	105.0	- 344.7
Electricity and water supply	2 843.1	1 857.2	2 832.9	2 522.4	3 442.3	3 429.2
Recurrent expenditure	404.9	402.8	296.8	273.1	246.1	130.2
Development expenditure	2 456.0	1 465.2	2 565.2	2 269.1	3 219.1	3 322.4
Net lending	- 17.7	- 10.8	- 29.1	- 19.7	- 22.9	- 23.4
Transport	2 161.2	3 422.6	2 910.9	3 074.5	2 270.8	1 800.4
Recurrent expenditure	506.9	497.3	592.5	643.5	849.7	789.6
Development expenditure	1 809.5	2 985.7	2 378.4	2 431.0	1 421.0	1 010.9
Net lending	- 155.2	- 60.4	- 60.1	-	-	-
Other²	755.2	1 155.1	860.3	882.1	677.6	1 112.5
Recurrent expenditure	588.9	786.0	747.3	815.0	638.1	1 016.6
Development expenditure	170.7	90.7	118.3	68.4	39.9	100.7
Net lending	- 4.3	278.4	- 5.3	- 1.2	- 0.4	- 4.8
TRANSFERS	2 963.7	3 394.6	3 291.8	3 137.2	3 662.5	3 686.4
Deficit grants to local authorities	2 681.6	3 024.8	2 768.2	2 550.6	2 990.5	2 999.0
Recurrent expenditure	2 681.6	3 024.8	2 768.2	2 550.6	2 990.5	2 999.0
Interest on public debt	282.1	369.8	523.5	586.6	672.0	687.5
TOTAL EXPENDITURE	35 150.7	39 489.2	38 417.5	38 667.5	40 736.2	41 729.8
Recurrent expenditure	23 889.3	25 731.8	27 089.3	28 836.2	32 106.0	33 219.8
Development expenditure	11 458.0	13 005.7	11 371.7	9 955.7	8 279.6	8 908.7
Net lending	- 196.9	751.7	- 43.6	- 124.4	350.5	- 398.8

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 and Economic Development

2014/15	2015/16	2016/17	2017/18	2018/19	Period ¹
12 911.7	13 469.5	15 799.8	15 076.6	16 745.2	GENERAL PUBLIC SERVICES, INCLUDING DEFENCE
10 951.3	11 350.9	11 596.7	11 533.9	13 032.2	Recurrent expenditure
1 960.4	2 118.6	4 203.1	3 542.7	3 713.0	Development expenditure
22 378.5	24 578.5	25 343.6	26 683.5	25 343.6	SOCIAL SERVICES
11 656.8	11 972.8	12 839.8	13 174.1	13 952.9	Education
10 378.6	10 706.5	11 655.2	12 403.7	13 296.6	Recurrent expenditure
1 278.1	1 266.3	1 184.6	770.4	656.3	Development expenditure
-	-	-	-	-	Net lending
5 312.4	6 012.6	6 355.1	7 137.5	7 438.5	Health
5 275.8	5 902.7	6 096.3	6 774.6	7 052.7	Recurrent expenditure
43.9	114.0	263.3	367.7	391.0	Development expenditure
- 7.3	- 4.1	- 4.5	- 4.8	- 5.2	Net lending
1 771.2	1 868.8	1 859.1	2 551.4	2 449.3	Food and social welfare programmes
936.2	1 007.0	940.4	1 134.7	1 144.4	Recurrent expenditure
835.0	861.8	918.7	1 416.8	1 304.8	Development expenditure
2 030.0	2 868.2	2 541.8	1 939.3	2 486.4	Housing, urban and regional development
1 303.4	1 593.0	1 463.8	1 549.8	1 891.6	Recurrent expenditure
755.8	902.7	1 094.9	433.5	641.2	Development expenditure
- 29.2	372.5	- 16.9	- 44.1	- 46.4	Net lending
1 608.1	1 856.1	1 747.8	1 881.3	1 913.0	Other community and social services
1 392.3	1 565.8	1 572.7	1 636.3	1 727.7	Recurrent expenditure
215.8	290.3	175.1	245.0	185.3	Development expenditure
-	-	-	-	-	Net lending
11 141.3	11 958.5	10 804.0	11 513.9	11 946.6	ECONOMIC SERVICES
2 099.3	2 757.0	1 247.8	2 019.5	3 714.5	Agriculture, forestry and fishing
1 020.5	1 221.9	1 031.6	1 061.5	8 562.7	Recurrent expenditure
1 078.8	990.2	761.2	958.0	230.0	Development expenditure
-	545.0	- 545.0	-	560.6	Net lending
26.5	324.6	1 132.0	939.9	349.0	Mining
176.0	250.6	228.0	270.0	348.7	Recurrent expenditure
20.5	74.1	151.7	521.7	0.3	Development expenditure
- 170.0	-	752.0	148.3	-	Net lending
5 073.1	4 275.8	5 048.0	4 800.9	4 315.1	Electricity and water supply
99.5	121.3	121.1	142.3	145.1	Recurrent expenditure
4 988.3	4 193.1	4 931.1	4 660.9	4 172.3	Development expenditure
- 14.7	- 38.7	- 4.2	- 2.3	- 2.4	Net lending
2 687.9	2 795.0	2 270.0	2 658.5	3 201.3	Transport
845.5	1 146.7	1 003.9	892.3	926.4	Recurrent expenditure
1 702.5	1 648.3	1 266.1	1 767.6	2 046.3	Development expenditure
139.9	-	-	- 1.4	228.6	Net lending
1 254.5	1 806.0	1 106.3	1 095.1	1 272.9	Other²
1 071.2	1 142.3	1 129.0	1 044.2	1 108.6	Recurrent expenditure
192.9	313.6	211.1	61.6	175.0	Development expenditure
- 9.7	350.2	- 233.8	- 10.7	- 10.7	Net lending
4 132.4	4 404.7	4 327.4	5 118.9	5 418.8	TRANSFERS
3 454.7	3 578.0	3 449.6	4 129.4	4 327.9	Deficit grants to local authorities
3 454.7	3 578.0	3 449.6	4 129.4	4 327.9	Recurrent expenditure
677.7	826.8	877.8	989.5	1 090.9	Interest on public debt
50 563.9	54 411.2	56 274.8	58 392.9	62 350.6	TOTAL EXPENDITURE
37 582.9	40 413.4	41 166.2	43 562.2	47 278.5	Recurrent expenditure
13 072.0	12 772.9	15 160.8	14 745.8	15 454.3	Development expenditure
- 91.0	1 224.9	- 52.1	85.0	- 382.2	Net lending

TABLE 7.4: PUBLIC DEBT OUTSTANDING
(P Million)¹

As at end of March ²	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
A: Medium and Long Term External Government Debt						
Loans from Governments	767.1	766.8	868.7	1 106.7	936.1	798.4
United States	37.2	25.6	23.5	7.3	3.4	2.0
China	368.4	333.4	464.3	645.6	545.7	520.1
Kuwait	41.0	96.4	97.4	121.0	119.7	73.9
Belgium	2.4	2.0	1.7	1.3	2.3	1.4
Japan ³	318.1	309.5	281.9	331.5	265.0	201.1
Loans from Organisations	8 515.2	11 800.1	13 416.0	14 444.5	14 835.7	17 178.9
International Development Association	31.9	27.5	24.5	26.9	22.2	23.4
International Bank for Reconstruction and Development (World Bank)	4.0	324.8	992.1	822.9	1 011.4	1 337.2
African Development Fund/Bank	7 399.0	10 477.2	11 363.1	12 454.8	12 598.2	14 680.0
OPEC Special Fund	150.4	140.2	175.3	204.7	252.8	221.4
European Investment Bank	207.7	126.7	97.0	150.3	127.4	83.0
Arab Bank for Economic Development in Africa	91.3	133.6	161.6	172.2	165.1	202.2
Nordic Investment Bank	630.9	570.3	599.2	606.6	652.8	629.8
International Fund for Agricultural Development	...	...	3.1	6.0	5.9	2.1
Suppliers Credits and Other Loans	6.0	6.0	5.4	5.2	4.3	4.0
Total External Debt	9 288.3	12 572.9	14 290.1	15 556.4	15 776.1	17 981.3
B: Domestic Debt						
Treasury Bills	800.0	1 553.0	2 000.0	679.0	680.0	538.0
Bonds	3 687.0	4 505.0	5 329.0	5 529.0	6 194.0	6 791.0
Capital Funding	162.9	159.1	157.0	150.0	144.3	139.1
Total Domestic Debt	4 649.9	6 217.1	7 486.0	6 358.0	7 018.3	7 468.1
TOTAL GOVERNMENT DEBT	13 938.1	18 790.0	21 776.2	21 914.4	22 794.4	25 449.4
C: Government Guaranteed Debt						
Domestic	697.0	557.3	1 445.1	695.9	430.5	520.5
External	1 621.0	4 604.3	5 803.8	6 393.1	6 400.6	7 160.1
Total Government Guaranteed Debt	2 318.0	5 161.6	7 248.9	7 089.0	6 831.1	7 680.6
TOTAL GOVERNMENT AND GOVERNMENT GUARANTEED DEBT	16 256.1	23 951.7	29 025.1	29 003.4	29 625.5	33 130.0
D: Government debt as (%) of GDP⁴						
Domestic debt and domestic Guarantees as (%) of GDP	7.0	7.4	8.3	6.3	5.7	5.4
External debt and external Guarantees as (%) of GDP	14.3	18.9	18.8	19.6	16.9	17.0
Total debt as (%) of GDP	21.3	26.3	27.1	25.8	22.6	22.4

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 Economic Development and Bank of Botswana

2015/16	2016/17	2017/18	2018/19	Revised	Budget	As at end of March ²
				Estimates	Estimates	
						A: Medium and Long Term External Government Debt
726.0	562.8	547.1	...	...	...	Loans from Governments
-	-	-	...	...	...	United States
449.3	319.3	269.7	...	...	...	China
76.6	67.8	58.9	...	...	...	Kuwait
0.8	-	-	...	...	...	Belgium
199.3	175.8	218.5	...	...	...	Japan ³
17 614.9	16 093.6	13 598.3	...	...	...	Loans from Organisations
21.8	17.4	12.4	...	...	...	International Development Association
1 443.5	1 680.5	1 456.9	...	...	...	International Bank for Reconstruction and Development (World Bank)
15 057.7	13 472.1	11 369.5	...	...	...	African Development Fund/Bank
220.1	187.4	170.3	...	...	...	OPEC Special Fund
52.9	44.9	43.4	...	...	...	European Investment Bank
208.7	181.2	153.7	...	...	...	Arab Bank for Economic Development in Africa
609.3	503.2	388.1	...	...	...	Nordic Investment Bank
1.0	6.9	4.0	...	...	...	International Fund for Agricultural Development
3.9	2.9	2.3	...	...	...	Suppliers Credits and Other Loans
18 344.9	16 659.3	14 147.7	15 152.0	...	...	Total External Debt
						B: Domestic Debt
840.0	2 270.0	590.0	700.0	...	...	Treasury Bills
6 843.0	7 932.0	9 610.0	10 060.0	...	...	Bonds
128.3	121.2	124.5	...	...	...	Capital Funding
7 811.3	10 323.2	10 324.5	10 760.0	...	...	Total Domestic Debt
26 156.1	26 982.6	24 472.1	25 912.0	...	...	TOTAL GOVERNMENT DEBT
						C: Government Guaranteed Debt
549.9	2 136.2	1 790.4	1 484.0	...	...	Domestic
8 480.6	7 737.9	6 731.2	6 902.0	...	...	External
9 030.5	9 874.2	8 521.6	8 386.0	...	...	Total Government Guaranteed Debt
35 186.7	36 856.7	32 993.7	34 298.0	...	...	TOTAL GOVERNMENT AND GOVERNMENT GUARANTEED DEBT
						D: Government debt as (%) of GDP⁴
5.6	7.1	6.6	6.3	...	...	Domestic debt and domestic Guarantees as (%) of GDP
18.0	14.0	11.5	11.4	...	...	External debt and external Guarantees as (%) of GDP
23.6	21.1	18.1	17.7	...	...	Total debt as (%) of GDP

TABLE 7.5: GOVERNMENT LENDING - OUTSTANDING LOANS (PDSE, RSF and DF)¹
(P Million)

As at end of March	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Borrowers											
Bamangwato Concessions Limited (BCL)	522.1	141.3	...	...	...	...	...	...	752.3	900.6	...
Botswana Cooperative Bank	1.0	1.0	1.0	...	...	...	...	...	...	...	...
Botswana Development Corporation	88.3	367.3	366.5	366.1	365.7	360.9	351.3	346.7	62.9	58.0	...
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	76.7	66.5	120.4	101.6	82.7	66.5	50.4	436.1	425.5	385.1	...
Botswana Meat Commission	240.5	192.4	192.3	253.6	546.0	546.0	546.0	546.0	546.0	546.0	...
Botswana Postal Services	0.6	0.2	0.2	0.1	0.1	0.1	140.0	140.0	140.0	138.6	...
Botswana Power Corporation	59.5	49.2	44.5	46.8	46.4	49.0	40.3	41.6	33.9	33.1	...
Botswana Public Officers Medical Aid Scheme	...	...	66.0	66.0	76.6	76.6	69.3	65.1	60.7	55.8	...
Botswana Railways	...	...	...	...	...	...	...	...	...	...	...
Botswana Savings Bank	...	...	...	...	...	...	...	105.0	105.0	99.2	...
Botswana Telecomms. Corporation	120.0	60.0	...	...	...	...	...	...	...	...	...
Francistown City Council	23.0	20.6	17.8	15.4	12.9	11.3	8.7	6.5	4.8	3.3	...
Gaborone City Council	15.5	13.7	9.9	8.0	6.2	4.5	3.2	...	...	...	...
Lobatse Town Council	32.5	29.9	29.1	24.2	21.1	16.9	10.1	4.6	2.6	1.7	...
National Development Bank	0.7	0.4	...	...	...	...	...	...	300.0	300.0	...
Okavango Diamond Trading Company	...	...	...	...	96.0	170.0	...	...	...	...	...
Public Enterprises Evaluation and Privatisation Agency	...	...	...	...	...	...	...	250.0	...	...	...
Selebi-Phikwe Town Council	19.7	17.7	16.0	14.5	12.4	10.6	8.8	6.9	5.1	4.1	...
Sowa Township Authority	5.7	5.5	5.2	4.9	4.7	4.2	3.7	3.1	2.5	2.0	...
Water Utilities Corporation	133.7	125.9	101.2	84.0	65.4	45.3	34.6	...	...	...	...
De Beers	...	570.0	570.0	418.7	418.7	...	...	...	...	...	...
TOTAL	1 342.6	1 664.6	1 542.9	1 406.9	1 758.0	1 364.8	1 269.2	1 954.7	2 444.2	2 530.6	...

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 and Economic Development

TABLE 7.6: GOVERNMENT PARTICIPATION IN PARASTATALS AND COMMERCIAL UNDERTAKINGS

(P Million)

As at end of March	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Equity Participation in:¹											
Air Botswana (AB)	235.0	502.5	502.5	502.5	502.5	545.5	875.5	789.4	995.1	...	...
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	...
Botswana Accountancy College (BAC)	...	...	...	...	...	...	...	...	23.4	...	...
Botswana Accountancy Oversight Authority (BAOA)	...	...	...	...	...	...	...	...	...	4.6	...
Bamangwato Concession Limited	46.7	43.9	81.4	81.4	219.7	219.7	2 667.5	2 677.5	...	...	...
Botswana Agricultural Marketing Board (BAMB)	27.5	1.0	27.5	27.5	28.5	28.5	27.5	27.5	26.5	27.5	...
Botswana Ash	65.8	65.8	65.8	65.8	65.8	65.8	...	...	65.8	65.7	...
Botswana Bureau of Standards (BOBS)	...	...	...	...	...	...	...	...	144.4	...	...
Botswana College of Agriculture (BCA)	...	...	...	...	...	...	...	...	- 18.5	...	...
Botswana College of Distance and Open Learning (BOCODOL)	...	...	...	...	...	...	...	...	- 22.5	...	...
Botswana Communications Regulatory Authority (BOCRA)	...	...	...	...	...	...	...	...	304.0	...	...
Botswana Development Corporation (BDC)	535.2	241.0	241.0	241.0	241.0	864.2	864.2	864.2	888.3	888.3	...
Botswana Examinations Council (BEC)	...	...	...	...	...	...	...	...	- 37.0	...	...
Botswana Fibre Networks (BoFiNet)	...	...	...	...	...	...	...	...	747.2	...	...
Botswana Geoscience Institute (BGI)	...	...	...	...	...	...	...	...	253.8	...	...
Botswana Housing Corporation (BHC)	250.2	250.2	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	...
Botswana Innovation Hub (BIH)	...	...	...	...	...	...	...	...	1 131.4	...	...
Botswana Institute for Development Policy Analysis (BIDPA)	...	...	...	...	...	...	...	...	33.7	...	...
Botswana Institute of Chartered Accountants (BICA)	...	...	...	...	...	...	...	...	...	15.5	...
Botswana Institute of Technology, Research and Innovation (BITRI)	...	...	...	...	...	...	...	...	3.1	...	...
Botswana International University of Science and Technology (BIUST)	...	...	...	...	...	...	...	...	1 227.9	...	...
Botswana Investment and Trade Centre (BITC)	...	...	...	...	...	...	...	...	163.8	...	...
Botswana Meat Commission (BMC)	0.2	0.2	58.7	0.2	0.2	0.2	0.2	600.2	600.2	0.2	...
Botswana Motor Vehicle Accident Fund (MVAf)	...	...	...	...	...	...	...	...	2 709.7	...	...
Botswana National Productivity Centre (BNPC)	...	...	...	...	...	...	...	...	8.9	...	...
Botswana National Sports Commission (BNSC)	...	...	...	...	...	...	...	...	396.3	...	...
Botswana Oil Company (BOC)	...	...	...	...	...	...	...	...	- 18.2	...	...
Botswana Postal Services (BPS)	38.4	38.4	38.4	38.4	38.4	38.4	38.4	85.5	38.4	38.4	...
Botswana Power Corporation (BPC)	1 645.6	1 645.6	2.3	3 200.7	3 706.0	4 061.7	4 124.7	4 708.3	6 368.5	7 853.8	...
Botswana Privatisation Asset Holdings (BPAH)	...	...	...	...	119.9	165.5	171.6	177.5	118.0	...	...
Botswana Qualifications Authority (BQA)	...	...	...	...	...	...	...	...	41.8	...	...
Botswana Railways (BR)	696.5	791.8	791.8	0.9	791.8	1 091.0	1 241.8	1 241.8	1 241.8	791.0	...
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	...	...
Botswana Telecommunications Corporation (BTCL)	23.3	21.0	23.3	21.0	21.8	228.9	228.9	800.0	685.4	693.9	...
Botswana Tourism Organisation (BTO)	...	...	...	...	...	...	...	...	- 43.3	...	...
Botswana Trade Commission (BOTC)	...	...	...	...	...	...	...	...	0.3	...	...
Botswana Unified Revenue Service (BURS)	...	...	...	...	...	...	...	...	203.6	...	...
Botswana Vaccine Institute (BVI)	8.3	8.3	8.3	8.3	8.3	8.3	33.3	278.3	278.3	278.3	...
Citizen Entrepreneurial Development Agency (CEDA)	...	...	...	...	...	...	...	...	1 400.2	...	...
Civil Aviation Authority of Botswana (CAAB)	...	...	...	...	...	...	...	...	31.2	...	...
Companies and Intellectual Property Authority (CIPA)	...	...	...	...	...	...	...	...	6.0	...	...
Competition Commission of Botswana	...	...	...	...	...	...	...	...	2.4	...	...
Construction Industry Trust Fund (CITF)	...	...	...	...	...	...	...	...	15.0	...	...
Debswana Diamond Company	5.2	5.2	5 163.3	1 859.8	1 113.9	2 108.9	2 324.7	2 324.7	2 324.7	79.2	...
Fairground Holdings	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	...
Gambling Authority	...	...	...	...	...	...	...	...	0.4	...	...
Human Resources Development Advisory Council (HRDAC)	...	...	...	...	...	...	...	...	31.8	...	...
Local Enterprises Authority (LEA)	...	...	...	...	...	...	...	...	1.1	...	...
Mineral Development Company Botswana (MDCB)	...	...	...	...	...	...	...	...	6 745.6	6 745.5	...
National Development Bank (NDB)	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	177.7	177.7	...
National Food Technology Research Centre (NFTRC)	...	...	...	...	...	...	...	...	- 1.1	...	...
Non-Bank Financial Institutions Regulatory Authority (NBFIRA)	...	...	...	...	...	...	...	...	7.4	...	...
Okavango Diamond Company (ODC)	...	...	...	...	...	...	...	...	...	85.0	...
Public Enterprises Evaluation and Privatisation Agency (PEEPA)	...	...	...	...	...	...	...	...	2.5	...	...
Public Procurement and Asset Disposal Board (PPADB)	...	...	...	...	...	...	...	...	12.8	...	...
Selebi Phikwe Economic Diversification Unit (SPEDU)	...	...	...	...	...	...	...	...	- 0.3	...	...
Shelter Afrique	...	...	...	...	...	...	...	...	...	8.0	...
Statistics Botswana	...	...	...	...	...	...	...	...	- 9.1	...	...
University of Botswana (UB)	...	...	...	...	...	...	...	...	- 126.5	...	...
Water Utilities Corporation	752.7	752.7	752.7	752.7	752.7	752.7	752.7	752.7	752.7	752.7	...
TOTAL	4 461.3	4 498.3	8 137.8	7 181.0	7 999.0	10 570.0	13 741.7	15 718.3	30 304.9	18 818.2	...
Government's share of profits in:											
Bank of Botswana	1 302.0	1 000.0	700.0	863.8	1 489.8	1 900.0	2 078.8	1 133.0	2 842.0	1 573.2	...
Botswana Agricultural Marketing Board	...	...	...	2.2	...	...	...	...	0.8	...	...
Botswana Building Society	13.0	6.5	6.5	6.5	...	...	...	...	...	...	...
Botswana Development Corporation	31.4	10.4	...	28.7	...	...	...	...	25.0	20.0	...
Botswana Housing Corporation	24.4	...	...	...	...	...	4.1	12.6	26.4	9.3	...
Botswana Postal Services	1.1	...	...	...	...	...	...	...	...	...	...
Botswana Savings Bank	1.5	...	3.2	...	5.7	4.8	...	5.8	3.7	...	...
Botswana Telecommunications Authority	3.0	...	...	5.9	...	7.9	28.7	...	10.9	...	...
Botswana Telecommunications Corporation	12.6	25.4	38.6	48.5	50.5	...	2.6	...	...	78.0	...
Debswana ²	6 730.5	6 728.9	9 111.2	10 687.1	8 814.5	12 253.3	14 033.8	9 981.7	15 283.4	13 107.8	...
National Development Bank	5.6	17.9	12.3	...	...	...	12.4	...	...	...	...
Water Utilities Corporation	44.2	33.6	...	30.9	...	...	...	...	...	...	...
TOTAL	8 169.3	7 822.7	9 871.7	11 673.4	10 360.4	14 166.1	16 160.3	11 133.1	18 192.1	14 788.4	...

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 and Economic Development

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