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REPUBLIC OF BOTSWANA

MINISTRY OF FINANCE
PRIVATE BAG 008
GABORONE

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PRESS RELEASE

PULA EXCHANGE RATE

1. The Ministry of Finance in conjunction with the Bank of Botswana, regularly reviews the relevance of the prevailing Pula basket of currencies, and their weights, with a view to maintaining a stable and competitive real effective exchange rate of the Pula. The Pula basket of currencies comprises the South African rand and the International Monetary Fund's Special Drawing Rights (SDR) – a non-trading unit – consisting of the US dollar, Japanese Yen, Chinese Renminbi, Euro, and British Pound.
2. In 2021 and 2022, the weights or share of the basket were maintained at 45 percent South African rand and 55 percent SDR, reflecting, in the main, external trading patterns of Botswana with its major trading partner countries. A downward rate of crawl, or gradual depreciation, of 2.87 percent per annum, was also maintained during 2022, as in 2021, based on the projected differential between Botswana's inflation rate and that of its trading partner countries.
3. Following the latest review of the Pula basket of currencies undertaken in December, 2022, and in accordance with Section 21 of the Bank of Botswana Act, His Excellency the President of the Republic of Botswana, Dr. Mokgweetsi E.K. Masisi approved the recommendations by the Minister of Finance, Hon. Peggy O. Serame to maintain the Pula basket weights at 45 percent South African rand and 55 percent SDR for 2023, and adopt a downward rate of crawl of 1.51 percent per annum, in view of the projected favourable inflation differentials, for Botswana, and also with a view to promoting Botswana-produced goods' competitiveness, domestically and internationally. These changes are effective 1st January, 2023.

Olesitse H. Masimega

PERMANENT SECRETARY