

# **Launch of the Government of Botswana 2023/24 Annual Borrowing Strategy and Auction Calendar**

## **Closing Remarks**

By

Kealeboga S Masalila  
Deputy Governor, Bank of Botswana

June 13, 2023

We have almost come to the end of today's event. I have the task of delivering the Closing Remarks. In doing so, I wish to appreciate the messages delivered today in highlighting the intent and prospective impact of publication of the Government's Borrowing and the Annual Auction Calendar. Key among these messages was by the Honourable Minister of Finance who provided economic context, in terms of recent developments and prospects, as well as Botswana's policy position; traversed the evolution of the Government Bond's Issuance Programme; emphasised the commitment to the programme and improvements; as well as highlighted the specific deployment to development projects.

The Governor highlighted the role of the Bank of Botswana in various facets including appropriate pricing, liquidity management, facilitating patronage, as well as payments and settlement and prospective initiatives to continue to improve the capital market, including uptake of the Government Securities Issuance Programme. We also heard from the market, represented by Mme Bakang Masibi,

who acknowledged the importance of transparency afforded by aspects of today's launch and the positive anticipation of the instruments being availed to the market and overall embracing the initiatives.

Having heard that, from our respective speakers today, I wish to distil and highlights just three aspects. First, is the recognition and acceptance that over time there has been a real need to address gaps and to make improvements. This is because without doubt there were inefficiencies and the market was less effective than would be desirable; and it evidently, required additional supportive instruments, tweaking of institutional arrangements and injection of creativity. Therefore, and this is the second point, there has been positive and remedial reaction by all concerned; that is the issuer (being Government represented by the Ministry of Finance), the fiscal agent (the Bank of Botswana) and the market (including primary dealers) to find solutions and transition towards a more viable market. Here, I also have to recognise the role and impact of others such as the Botswana Stock Exchange and the Non-Bank Financial Institutions Regulatory Authority.

Examples of the potentially impactful initiatives include, not least, this event, Launch of Government Borrowing Strategy and Auction Calendar; introduction of bond buy backs and switches; prospective introduction of inflation linked bonds; listing of bonds in the Botswana Stock Exchange; potential improvements in custodial and settlement arrangements afforded by the Single Central Securities Depository, and the engagement of technical assistance by the

International Monetary Fund, for perspectives and adapting best practice.

The third point is that, ultimately, the desire is to get to a perspective and reality that the eventual outcomes and phenomena such as budget deficit, excess or shortage of liquidity should not be causes for lamentation and panic. Rather that, given the availability of instruments, credible frameworks and institutional arrangements, there is scope to use the appropriate instruments to finance short-term funding gaps, and address liquidity management; while managing risks and focusing on ultimate economic benefit.

Regarding the conduct of today's event, I wish to appreciate the role of the Bond Auction Committee (comprising Ministry of Finance and Bank of Botswana officials) in contributing to development so of the strategy and calendar, motivating and organising the launch; of course, assisted by the Bank's Corporate Management Services Department Staff. Thanks also go the service provider for audio visuals for enabling a seamless conduct of the evident. And will also have to appreciate the food and drinks caterers for the bodily nourishment.

Lastly, the Media colleagues for the virtual coverage of the event and in anticipation of print media coverage.

Thank you, I turn over to the Director of Ceremonies