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BANK OF BOTSWANA 50TH ANNIVERSARY

GOVERNORS' SYMPOSIUM REPORT

Theme: “Enhancing Resilience – Building Stronger Economies to Navigate Economic Challenges for Sustainable Economic Growth”



1. Introduction

- 1.1 On 12 September 2025, the Bank of Botswana (the Bank) marked a momentous milestone by celebrating its 50th Anniversary. This occasion reflects a five-decade commitment to safeguarding monetary and financial stability, sound economic management and thus, contributing to national development. To commemorate this historic occasion, the Bank hosted a high-level Symposium under the theme: *“Enhancing Resilience: Building Stronger Economies to Navigate Economic Challenges for Sustainable Economic Growth”*. The event brought together policymakers, financial sector stakeholders and development partners to reflect on Botswana’s economic journey, assess emerging challenges, and chart forward-looking strategies for resilient and inclusive growth.
- 1.2 The objective of the symposium was to explore strategies for enhancing economic resilience through structural reforms, sound macroeconomic policies, and strong institutional frameworks. It sought to draw lessons from past economic crises to improve preparedness and response mechanisms, while also promoting proactive policy measures such as early warning systems, risk management, and adaptive policymaking. The symposium also focused on identifying pathways to sustainable and inclusive growth, with emphasis on economic diversification, innovation, and the transformative role of technology. Furthermore, the event provided an opportunity to foster collaboration and knowledge sharing among national, regional, and international stakeholders through dialogue and partnership.
- 1.3 The theme of the symposium was considered timely and relevant amid growing economic uncertainties, climate change disruptions, geopolitical tensions and rapid technological change. It highlighted the urgent need for resilient economies, particularly for small, open, and resource-dependent nations like Botswana. Resilience was framed not merely as the ability to withstand shocks but also to adapt, transform, and sustain inclusive long-term growth. The theme emphasised the importance of strong institutional frameworks and policies that can respond to emerging challenges and align with Botswana’s aspirations for high-income status and inclusive prosperity. Serving as both a reflection on past progress and a platform for strategic dialogue, the Symposium aimed to inform policy, build institutional capacity, and support economic transformation, while reinforcing the ongoing importance of knowledge sharing and capacity building for sustainable development.
- 1.4 To unpack these issues, the symposium arranged a plenary session with distinguished panelists: Mr Lesetja Kganyago (Chairman of the Southern African Development Community (SADC) Committee of Central Bank Governors (CCBG), Governor of the South African Reserve Bank), Dr Kenny Kalyalya (Governor of the Bank of Zambia), and Mr Norman Moleele (Chief Executive Officer of Business Botswana).



2. Opening Session



Governor Cornelius K. Dekop delivered the Welcome Remarks.

- 2.1 The opening session of the symposium featured the Governor's welcome remarks and a keynote address by the Director of the African Department at the International Monetary Fund (IMF), Mr Abebe Aemro Selassie. Governor Cornelius K. Dekop opened the symposium by welcoming esteemed guests, including central bank leaders, representatives from the IMF, private sector, and civil society. He reflected on Gaborone's significance as the birthplace of Botswana's democratic and economic institutions and the Bank's foundational role since 1975 in promoting economic stability and self-reliance. Governor Dekop emphasised the relevance of the symposium's theme, considering Africa's modest growth, persistent structural challenges, and the need for greater economic diversification. He highlighted the potential offered by Africa's youthful population and the transformative opportunities of the African Continental Free Trade Area (AfCFTA), while also acknowledging hurdles such as infrastructure gaps and policy inconsistencies. Stressing the importance of robust institutions, sound monetary frameworks, and regional cooperation, the Governor called on participants to engage meaningfully in shaping a resilient and prosperous Africa. He introduced the keynote speaker, Mr. Selassie, Director of the African Department at the IMF, and expressed appreciation to the panelists for accepting the invitation and for their anticipated contributions to the day's discussions.
- 2.2 In his keynote address, Mr. Selassie acknowledged Botswana's successful economic trajectory built on diamond wealth, sound governance, and macroeconomic stability, but cautioned that over-reliance on diamonds poses long-term risks amid global shifts in demand and competition from synthetic alternatives. He urged Botswana authorities to move beyond traditional strategies and instead invest in technology, value chain development, and emerging sectors to achieve true economic diversification, noting that is no longer optional but imperative. The address contextualised Botswana's challenges within a volatile global landscape marked by more frequent and systemic shocks such as pandemics, climate



Keynote Address by Mr Abebe A Selassie, Director, African Department, IMF

change, and geopolitical disruptions, underscoring the need for a more adaptive and forward-looking economic approach. Drawing from the cautionary experiences of other commodity-dependent economies such as Zambia, Nigeria, and Venezuela, the address underscored the risks of inaction. Conversely, he cited Chile, Costa Rica, and Vietnam as examples of successful diversification, achieved through macroeconomic discipline, openness to trade and investment, human capital development, and strong institutions.

- 2.3 To support economic transformation, Mr. Selassie highlighted several key pillars. These included strengthening economic resilience through robust and transparent institutions; fostering a diversified economy focused on innovation and green sectors; investing in human capital via education, digital skills, and social protection; and promoting a stable, inclusive, and innovative financial sector underpinned by strong macroprudential policies. These pillars were presented as the foundation for building an economy that is not only resilient to external shocks but also capable of thriving in an increasingly dynamic and uncertain global environment.

- 2.4 In concluding his address, Mr. Selassie emphasised the need for urgent reforms to sustain Botswana's progress. He urged the country to build on its strong governance, maintain macroeconomic stability, and adopt a more agile, entrepreneurial development approach. This, he noted, would help lay the foundation for a resilient, diversified, and inclusive economy, ensuring that the next 50 years are as transformative and impactful as the first. He also called for proactive steps, such as implementing early warning systems and embracing adaptive policymaking, challenging participants to translate the Symposium's discussions into concrete strategies that will promote long-term, inclusive prosperity and ensure resilience for future generations.



3. Plenary Session



----- Growth projection-Botswana ----- Growth projection-Zambia
Source: IMF World Economic Outlook Database

builders, and
✓ Investing in social protection and food
mitigate future shocks.

Symposium Plenary Session moderated by Mr Lesego C. Moseki - Deputy Governor, Bank of Botswana, with panellists (left to right) Mr Norman Moleele - CEO, Business Botswana, Dr Denny Kalyalya - Governor, Bank of Zambia and Mr Lesetja Kganyago - Chairman of the CCBG and Governor of the South African Reserve Bank.

3.1 The plenary session proceeded to explore strategies for enhancing economic resilience, considering emerging challenges and structural reforms necessary to deliver durable and inclusive growth. The session drew from regional experiences of two seasoned economists (Dr Kalyalya and Mr Kganyago), while Mr Moleele provided local context on the underlying structure of the economy, especially with respect to policy tradeoffs, new engines of growth, the pivotal role of the private sector in a progressive economy, technology driven opportunities and overall institutional arrangements and coordination tools for building a sustainable and resilient economy.

3.2 The plenary started with an overview of the imminent tradeoffs necessary to balance short-term stability with long-term resilience, which requires a coordinated and flexible policy framework. A cordial and collaborative relationship between the central bank and fiscal authorities was necessary to ensure that stabilisation measures, such as inflation control and interest rate adjustments, complement diversification and reform

objectives. In fact, any structural adjustments would need to be gradual and effectively communicated to minimise short-term disruptions. Specifically, effective communication was highlighted as the cornerstone of public trust, underpinning the continuous monitoring and policy adaptability required to ensure reforms remain responsive to evolving challenges. Such a transparent environment fosters the central bank's policy functions of maintaining financial and price stability, while laying the groundwork for long-term economic resilience and sustainable growth. Overall, short-term sacrifices, such as slower growth, should be framed as necessary steps toward creating a resilient, diversified economy.

3.3 The narrow structure of the economy and resultant vulnerabilities provided a compelling case for unlocking diversification beyond natural resources. Botswana's economic performance, like that of other resource-rich nations, is tied to commodity cycles that frequently constrain the fiscal position, often prompting policy adjustments such as fiscal consolidation. While robust

institutions and sound fiscal policies have served the country in previous economic stress episodes, the current macroeconomic environment underscores the need for production diversification and export strategies to widen economic base. Several key pathways exist for Botswana to diversify its economy, notably the active involvement and facilitation of the private sector as well as technological advancements.

3.4 The participation of the private sector in the economy has been limited, largely bordering on ineffective facilitation by the government and limited access to risk capital or inefficient capital formation and allocation. While government policy is a foundation for growth and essential for facilitating change, the private sector must ultimately lead the effort towards diversification and drive change. There is a need for greater adoption public private partnerships (PPP) and a shift towards active public policy facilitation, enabling private enterprises to address public-oriented developmental gaps. As such, government should commit to a robust and well-intended framework to stimulate private sector involvement in large-scale public projects. Critical elements of such a framework would include legal certainty, transparency, balanced risk allocation and project management capacity. It is necessary to standardise PPP contracts, establish predictable approval timelines, and create dedicated facilities for project preparation, evaluation and implementation. Within this facilitative policy environment, public-private sector collaboration could strengthen economic sovereignty, fiscal policy discretion, job creation and enhance industrial security.

3.5 The newly launched Botswana Economic Transformation Programme (BETP) underscores efforts to enable private sector-led growth, as well as product and export diversification, that can integrate into global value chains. On the background, the AfCFTA provides a vital opportunity for integration into regional value chains, thus supportive of any emergent export capacity generated through export-led growth initiatives. Moreover, wider market access provides alternative sourcing arrangements that would build resilience in supply chains while also challenging government to address critical issues such as storage, logistics, energy reliability, access to finance and fast-tracking acquisition of standards and inspection systems in order to fully explore these opportunities.

3.6 The rapid adoption and application of technology in manufacturing was also considered to be a crucial avenue for economic diversification. Technology can

enhance product differentiation as well as productivity in ways that can promote export diversification and, therefore, foster sustainable economic growth and resilience. It also creates opportunities for optimisation in the financial sector, which can improve financial inclusion and accessibility to services. As such, the country should consider the implementation of regulatory sandboxes to provide an innovation-friendly setup that allows for product/service testing in a stable and controlled environment.

3.7 Within a disruptive technological and economic environment, policy coordination and tradeoff is crucial to maintain overall stability. In this context, monetary and fiscal policy coordination, with clear role play, is essential to balance price and financial stability objectives with fiscal measures that seek to restore economic stability. Coordination should be guided by a structured framework that ensures policy complementarities, while maintaining institutional integrity. Moreover, effective public communication adds some transparency that anchors policy expectations while also clarifying institutional responsibilities for accountability of economic outcomes. The underlying economic environment necessitates proactive risk mitigation, involving a combination of early warning systems, effective risk management, crisis management and preparedness tools, and regular stress testing to build resilience. As such, institutionalising risk assessments and scenario planning is crucial and provides a progressive shift from reactive to predictive policymaking.



4. Closing Remarks



Closing Remarks by Dr Kealeboga S. Masalila, Deputy Governor, Bank of Botswana.

- 4.1 In closing, the Deputy Governor Masalila expressed that the theme of the Symposium was introspective, candid in diagnosis and highly beneficial in generating ideas for enhancing inclusive and resilient economic growth. The discussions were, according to the Deputy Governor, highly pertinent and timely for Botswana, particularly as the Bank celebrates its 50th anniversary and as the economy navigates two consecutive years of recession. He also indicated that the discussions were pivotal in relation to ongoing concerted efforts domestically to transform the economy, more recently through the BETP; and regionally through the SADC Regional Economic Community and prospects engendered by the AfCFTA.
- 4.2 The Deputy Governor went on to indicate that the discussions were also significant in the context of prevailing global developments. This includes disruptions to international trade, such as those occasioned by the US tariffs, whose impact extends to cross-border payment platforms and systems, with some countries already exploring alternatives outside the traditional messaging and payments platforms. With respect to economic resilience, critical areas identified by the Deputy Governor to this end include developing strategies to harness benefits of technological advancements, mitigating risks associated with climate change and also taking opportunities in transition industries and services.
- 4.3 Looking forward, key issues coming out from the symposium to focus on as a region are the following. First, economic resilience should be anchored on macroeconomic stability, underpinned by credible fiscal, monetary and exchange rate policy frameworks that deliver sustainable outcomes, in terms of budget balance, debt management, price stability and alignment of the exchange rate to economic fundamentals. Ensuring the stability of the financial sector is also critical for effective intermediation, efficient payment systems and progress towards financial inclusivity. The speakers also underscored the importance of a well-diversified economic base in enhancing resilience, reinforcing the lesson of “putting all your eggs in one basket”.



5. Conclusion



From left to right: H.E. Mr Elias M. Magosi - SADC Executive Secretary, Mr Kenneth Molosi - Bank of Botswana Board Chairman, Dr Denny Kalyalya - Governor, Bank of Zambia, Mr Norman Moleele - CEO, Business Botswana, Mr Cornelius K. Dekop - Governor, Bank of Botswana, Dr Kealeboga S. Masalila - Deputy Governor, Bank of Botswana, Mr Lesego C. Moseki - Deputy Governor, Bank of Botswana, Mr Abebe A. Selassie, Director, African Department, IMF and Mr Lesetja Kganyago - Chairman of the CCBG and Governor of the South African Reserve Bank.

5.1 In conclusion, the symposium contributed substantively in generating ideas for enhancing resilience towards building stronger economies capable of navigating challenges and structural impediments to sustainable growth. It is thus crucial for both the domestic and regional economy that the proposed ideas be intensively pursued and implemented. For Bank of Botswana, the guiding principle from the symposium is that the contribution of central banks towards economic resilience should




remain entrenched on achieving and maintaining the core mandate of price stability. This would, however, be certainly challenging for the Bank going forward, precisely if the prospects for the domestic economy do not improve. The Bank should therefore, device strategies to mitigate the risk of monetary policy failure in the event of a protracted economic recession, drawing lessons from other resource-rich economies that have successfully navigated similar challenges.

Bank of Botswana 50th Anniversary Governors' Symposium

In Pictures



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