

ANNUAL REPORT

2021



BANK OF BOTSWANA

STRATEGIC INTENT STATEMENTS

VISION

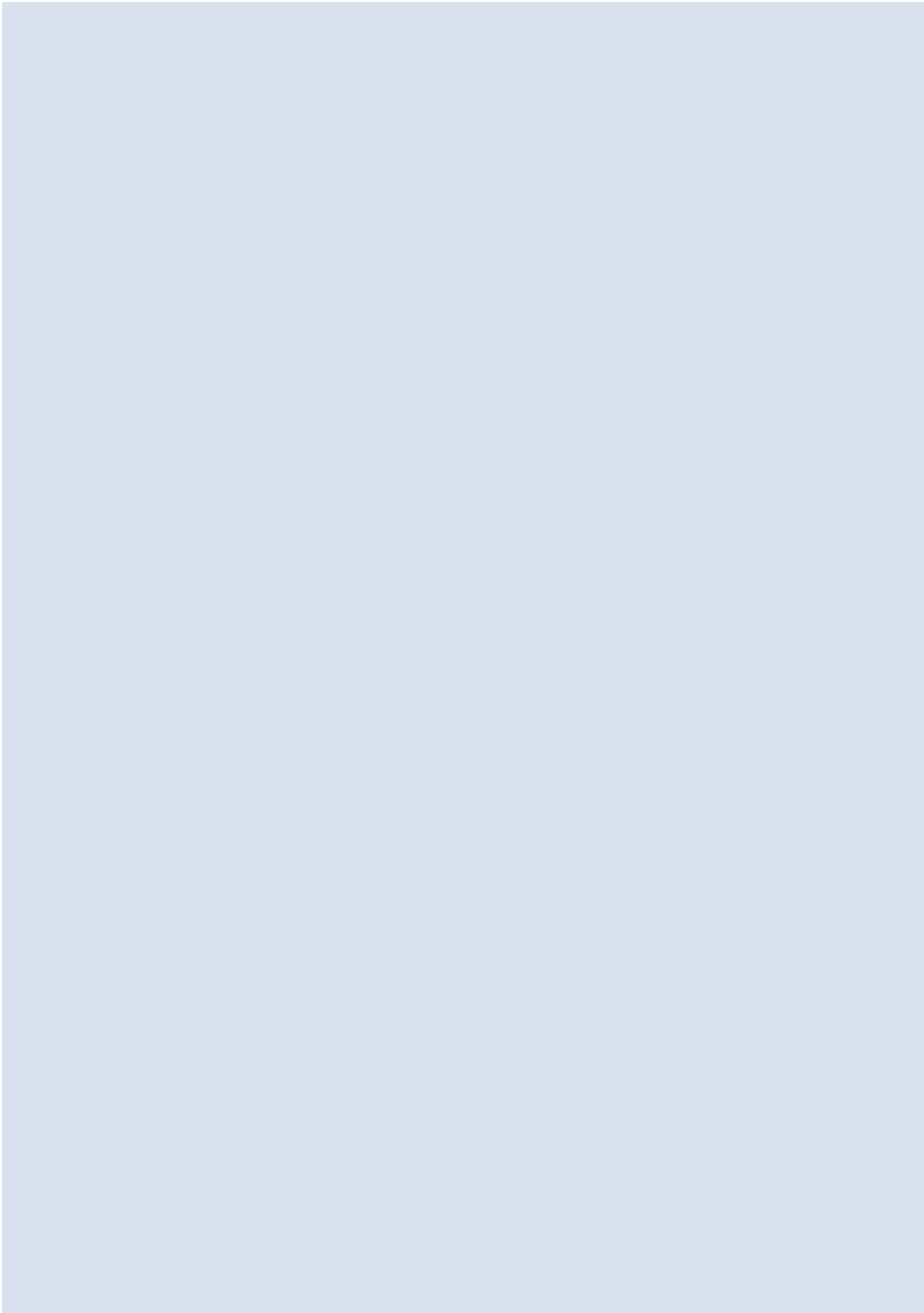
The Bank aspires to be a world-class central bank with the highest standards of corporate governance and professional excellence.

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
2021





BOARD MEMBERS

(as at year-end 2021)



Moses D Pelaelo
Governor
(Chairman)



Dr Wilfred Mandlebe*



Dr Malebogo Bakwena



Bernard M Ditlhabi



Daphne K Briscoe



Kenneth Molosi



Lisenda Lisenda



Lipalesa G Makepe

* Permanent Secretary, Ministry of Finance and Economic Development

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

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ABBREVIATIONS USED IN THE REPORT

1IR	-	First Industrial Revolution
2IR	-	Second Industrial Revolution
3IR	-	Third Industrial Revolution
4IR	-	Fourth Industrial Revolution
AACB	-	Association of African Central Banks
ABCH	-	African Banking Corporation Holdings Limited
ADI	-	Affordability Driver's Index
AfCTA	-	African Continental Free Trade Area
AI	-	Artificial Intelligence
AML	-	Anti-Money Laundering
APIs	-	Application Program Interfaces
AR	-	Augmented Reality
ARC	-	Audit and Risk Committee
ATM	-	Automated Teller Machine
BAITS	-	Botswana Animal Information and Traceability System
BACH	-	Botswana Automated Clearing House
BBS	-	Botswana Building Society
BoBCs	-	Bank of Botswana Certificates
BIDPA	-	Botswana Institute for Development Policy Analysis
BOCRA	-	Botswana Communications Regulatory Authority
BDC	-	Botswana Development Corporation
BDIH	-	Botswana Digital and Innovation Hub
BES	-	Business Expectations Survey
BFS	-	Botswana Financial Statistics
BISS	-	Botswana Interbank Settlement System
BITRI	-	Botswana Institute for Technology Research and Innovation
BIUST	-	Botswana International University of Science and Technology
BNPC	-	Botswana National Productivity Centre
BoFiNet	-	Botswana Fibre Networks
BSE	-	Botswana Stock Exchange
CAPI	-	Computer Assisted Personal Interview
CAR	-	Capital Adequacy Ratio
CBDCs	-	Central Bank Digital Currencies
CCBG	-	Committee of Central Bank Governors
CEDA	-	Citizen Entrepreneurial Development Agency
CFT	-	Combating the Financing of Terrorism
CSD	-	Central Securities Depository
CPI	-	Consumer Price Index
DBGSS	-	De Beers Global Sightholder Sales
DCI	-	Domestic Companies Index
EASSy	-	East African Submarine Cable System
EFT	-	Electronic Funds Transfer
EPS	-	Electronic Payment Services

ERTP	-	Economic Recovery and Transformation Plan
ESAAMLG	-	East and Southern Africa Anti-money Laundering Group
FATF	-	Financial Action Task Force
FIA	-	Financial Intelligence Agency
FSC	-	Financial Stability Council
GDP	-	Gross Domestic Product
GEC	-	Governance and Ethics Committee
GFC	-	Global Financial Crisis
GFCF	-	Gross Fixed Capital Formation
GIS	-	Geographic Information System
HRC	-	Human Resources Committee
IADI	-	International Association of Deposit Insurers
ICAO	-	International Civil Aviation Organisation
ICRG	-	International Cooperation Review Group
ICT	-	Information and Communications Technology
IEA	-	International Energy Agency
IFRS	-	International Financial Reporting Standards
IIP	-	International Investment Position
IMF	-	International Monetary Fund
IoT	-	Internet of Things
IRENA	-	International Renewable Energy Agency
KBE	-	Knowledge-Based Economy
IPCC	-	Intergovernmental Panel on Climate Change
LAR	-	Liquid Asset Ratio
MER	-	Mutual Evaluation Report
MoTE	-	Ministry of Tertiary Education, Research, Science and Technology
MPC	-	Monetary Policy Committee
MPR	-	Monetary Policy Report
MPS	-	Monetary Policy Statement
MFED	-	Ministry of Finance and Economic Development
MoU	-	Memorandum of Understanding
NBFIRA	-	Non-Bank Financial Institutions Regulatory Authority
NDB	-	National Development Bank
NDP	-	National Development Plan
NEER	-	Nominal Effective Exchange Rate
NIS	-	National Identification System
NPLs	-	Non-Performing Loans
NPS	-	National Payments System
NRPS	-	National Retail Payments Switch
ODC	-	Okavango Diamond Company
OMO	-	Open Market Operations
OPEC	-	Organisation of Petroleum Exporting Countries
PDSF	-	Public Debt Service Fund
PKD	-	Public Key Directory
PRRA	-	Primary Reserve Requirement Averaging
REER	-	Real Effective Exchange Rate

RegTech	-	Regulatory Technology
REMCO	-	Remuneration Committee
RTGS	-	Real Time Gross Settlement
SACU	-	Southern African Customs Union
SADC	-	Southern African Development Community
SAiS	-	Southern African Innovation Support
SDR	-	Special Drawing Rights
SGCI	-	Science Granting Council Initiative
SIPS	-	Systemically Important Payment Systems
SOEs	-	State Owned Enterprises
SSA	-	Sub-Saharan Africa
STEM	-	Science, Technology, Engineering and Mathematics
SupTech	-	Supervisory Technology
SWIFT	-	Society for Worldwide Interbank Financial Telecommunication
TBT	-	Transaction Balance Tranche
TED	-	Technology Entrepreneurship Development
TFP	-	Total Factor Productivity
UK	-	United Kingdom
USA	-	United States of America
USD	-	United States Dollar
VAT	-	Value Added Tax
VR	-	Virtual Reality
VSAT	-	Very Small Aperture Terminal
WACS	-	West Africa Cable System
WHO	-	World Health Organization

PART A

STATUTORY REPORT ON THE OPERATIONS AND FINANCIAL STATEMENTS OF THE BANK - 2021

BANK OF BOTSWANA

SENIOR MANAGEMENT AS AT DECEMBER 31, 2021

DEPUTY GOVERNORS



Dr Kealeboga S Masalila



Dr Tshokologo A Kganetsano



Ewetse T Rakhudu
GENERAL COUNSEL



Richard H Nlebesi
CHIEF OPERATING OFFICER

HEADS OF DEPARTMENT



Ralesedi E Somolekae
Human Resources



Julius Ghanie
*Information & Communications
Technology*



Daniel N Loeto
Finance



Dr Lesedi S Senatla
Research & Financial Stability



Godfrey Ngidi
Banking Supervision



Marshal Kgogothwane
Protective Services



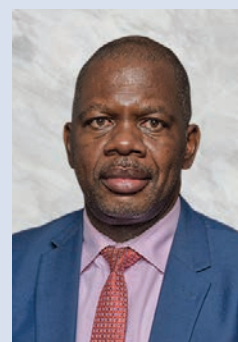
Patricia C Tumedi
Payments & Settlement



Sheila M Sealetsa
Banking & Currency



Keletso M Mothusi
Internal Audit Services



Caster Moseki
Financial Markets

GOVERNOR'S FOREWORD

The 2021 *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, 2021.

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; implementation of the exchange rate policy; maintenance of financial stability; currency design and management; regulation and supervision of banks; oversight of the payments systems; foreign exchange reserves management; provision of banking and settlement services to Government, commercial banks and selected public institutions; economic research; policy advice to Government; and production and publication of macroeconomic statistics including balance of payments, financial and monetary statistics.



The 2021 *Annual Report* contains a theme chapter titled '*Harnessing Technology for Economic Transformation and Inclusive Growth – Towards High-Income Status*'. This theme chapter explores, in detail, one of the four priority areas (industrialisation, harnessing of information and communication technologies, resource mobilisation, and funding domestic industrialisation) to drive the economic transformation agenda and propel Botswana to a high-income status by 2036 that were identified in the 2020 Annual Report theme chapter. In particular, this theme chapter discusses harnessing information and communications technology (ICT) as a singular growth sector and driver for economic activity and seeks to provide continuity and give policy and advocacy traction to what is considered a critical facet of the economic transformation agenda and related positive influence on growth that is inclusive and of sufficient pace to propel the transition to a high-income status. Specifically, the theme chapter covers the historical global evolution and impact of technology on economic development – from the first to the fourth industrial revolution; the recent impactful information and communications technology (ICT) developments; ICT factor requirements and preparedness (performance indicators) in the country; sectoral growth analysis and adaptation initiatives; issues for the Bank of Botswana and the financial sector; and lastly, identifies factor and performance gaps and suggests remedial approaches.

Regarding the financial condition and performance, total assets of the Bank increased by 5 percent from P54.5 billion in December 2020 to P57.2 billion in December 2021, of which P56 billion was foreign exchange reserves. In foreign currency terms, the foreign exchange reserves decreased from USD4.9 billion to USD4.8 billion while the SDR amount remained unchanged at SDR3.4 billion over the same period. At this level, the foreign exchange reserves were equivalent to 9.1 months of import cover of goods and services. The change in the value of the foreign exchange reserves in 2021 was influenced by a combination of factors, including recovery of the diamond markets, positive investment returns, receipts of funds from IMF SDR allocation of SDR189 million, and proceeds of the World Bank loan (Botswana Economic Resilience and Green Recovery Development Policy Loan), lower net outflows in 2021 compared to 2020 and depreciation of the Pula against some of the major currencies in which the reserves are invested.

Monetary policy was conducted in the context of projected high inflation in the near term, associated with increase in taxes/levies and administered prices and elevated foreign inflation, as well as modest recovery in domestic demand resulting from the easing of COVID-19 related containment measures. Consequently, for the first time in eight years, inflation in Botswana breached the upper-bound of the desired inflation objective. Inflation was above the Bank's 3 – 6 percent medium-term objective range in 2021 (May – December), averaging 6.7 percent in 2021. Notwithstanding, real monetary and financial conditions and the medium-term outlook for inflation provided scope for an accommodative monetary policy stance in support of stronger output growth. Hence, the Bank Rate was maintained at 3.75 percent in 2021 following a cumulative 100

basis points reduction in 2020 to support economic activity that was adversely affected by the COVID-19 containment measures. Consequently, the prime lending rate of commercial banks was unchanged at 5.25 percent. However, deposit interest rates generally increased, mainly because of competition for the corporate deposits that are volatile and 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 1.36 percent in December 2020 to 1.48 percent in December 2021.

The Bank introduced a 12-month Treasury Bill (T-Bill) effective January 2021. The 12-month T-Bill forms part of the Government T-Bill issuance programme and should help support the development and building up of the T-Bill programme. Outstanding bonds of various maturities and Treasury Bills increased from P17.7 billion at the end of 2020 to P22.4 billion in December 2021. Primary Dealers and their customers held 46.5 percent and 53.5 percent of the government securities, respectively, at the end of 2021. Liquidity in the Government bonds market was at generally low levels, while secondary market activity continued to be subdued.

During 2021, the exchange rate policy continued its established focus on the maintenance of a stable and competitive real effective exchange rate of the Pula to support international competitiveness of the domestic industry. The Pula basket weights were maintained at 45 percent for the South African rand and 55 percent for the SDR. Furthermore, the current crawling band exchange rate framework provided scope for adjustment by an average 2.87 percent downward rate of crawl to enhance domestic industry competitiveness in response to the adverse impact of the COVID-19 pandemic on the economy. Meanwhile, the REER appreciated by 0.2 percent in 2021, because of a higher positive inflation differential between Botswana and trading partner countries than the downward rate of crawl, suggesting a minimal loss of competitiveness of domestic firms in international markets. Overall, real monetary conditions, deriving from the combination of the real interest rate and real effective exchange rate gaps were deemed conducive and supportive of economic growth objectives, contained in the Economic Recovery and Transformation Plan (ERTP).

The Financial Stability Council (FSC) met twice in 2021 to deliberate on recent developments and vulnerabilities in the financial sector, as well as address regulatory and public interest issues relating to the stability, performance and prospects for the domestic financial sector. Notwithstanding the challenges engendered by the onset of COVID-19 pandemic, the FSC assessed the domestic financial system to be resilient, characterised by strong capital and liquidity buffers, as well as continued profitability and buoyed by accommodative monetary conditions. An assessment of the stability of the domestic financial system is comprehensively covered in the published May and October 2021 Financial Stability Reports.

A notable development in 2021 was the removal of Botswana from the Financial Action Task Force (FATF) grey list (enhanced monitoring). The FATF-Africa Middle East International Cooperation Review Group (ICRG) conducted an on-site visit to Botswana on August 18 – 20, 2021, and determined that the country had satisfactorily addressed the technical and effectiveness deficiencies in its FATF action (remedial) plan. Following the on-site visit, the FATF plenary in October 2021 recognised that the country had strengthened its AML/CFT regime and had also addressed related technical deficiencies. Consequently, the FATF removed the country from the list of countries subject to FATF enhanced monitoring process. The EU followed the FATF removal of the country from grey listing by likewise removing Botswana from the list of high risk third countries (blacklist).

During the year, Access Bank Botswana Limited was issued with a banking licence, taking over the operations of African Banking Corporation of Botswana Limited (BancABC), following the purchase, by Access Bank Plc (Access Bank), of the shares held by African Banking Corporation Holdings Limited (ABCH) in BancABC. Furthermore, BBSL (formerly Botswana Building Society) was granted a conditional approval to undertake commercial banking business in Botswana.

A proposal to establish a Deposit Protection Fund (DPF) (or a deposit insurance scheme) for Botswana was endorsed by the Minister of Finance and Economic Development, following approval by the Board of the Bank

on recommendation by the FSC. Subsequently, consultations with stakeholders were conducted and, overall, the proposal received positive feedback. The Bank is formulating the legal, institutional and operational frameworks for effective implementation of the DPF.

The Bank embraced improvements in the payment and settlement landscape driven by developments in competition and customer requirements, while maintaining the requisite oversight to safeguard system integrity. The Bank also implemented related security and risk mitigation measures to avert any possible cyber-attacks, fraud and misuse of the payments system. In recognition of the widening use of more efficient and inclusive payments platforms, relative to waning use and risks associated with cheques, the country will discontinue the use of cheques as a payment instrument effective January 1, 2024; a decision that is aligned to the National Payment System Vision and Strategy and conforms to the National Digitalisation Strategy encapsulated within the E RTP.

The Bank continued to execute its mandate of providing efficient banking services for domestic payments to Government, Botswana Unified Revenue Service, commercial banks and other selected local and foreign financial institutions. On currency management, in replenishing stocks, the Bank issued into circulation, the third emission of the P10 (polymer substrate) and second emission of the P50 banknote denominations.

In 2021, the rating agency, S&P Global Ratings (S&P), affirmed Botswana's sovereign credit rating for long-term foreign and domestic currency bonds at "BBB+", and "A-2" for short-term foreign and domestic currency bonds. S&P indicated that the affirmation of the ratings was underpinned by the country's strong, stable and predictable institutional frameworks and sound macroeconomic stability. The economic outlook was revised from negative to stable, on account of anticipated rebound in Botswana's economic growth, partially led by the recovery in diamond mining. Meanwhile, Moody's Investors Service downgraded Botswana's sovereign credit rating for long-term bonds, denominated in both domestic and foreign currency, from 'A2' to 'A3' but changed the economic outlook from negative to stable. The downgrade was attributable to the reduction in the capacity of government to absorb future shocks as a result of the erosion of fiscal buffers, occasioned by the COVID-19 pandemic, and relatively weaker economic resilience, owing to challenges in diversifying the economy.

In fulfilment of its statutory obligations, the Bank's Annual Report and Banking Supervision Annual Report for 2020 were submitted to the Minister of Finance and Economic Development on March 31, 2021 and June 30, 2021, respectively. The Bank also continued to produce a variety of publications which dealt with monetary policy, financial stability, prudential regulation and supervision, economic, financial and other macroeconomic statistics. The key publications, in this regard, included Botswana Financial Statistics, Monetary Policy Statement (MPS), Monetary Policy Reports (MPR), Financial Stability Reports (FSR), the special Research Bulletin and the Business Expectations Surveys (BES) and Tsa Tuelano – payments newsletter. The Bank's publications serve to meet the public's expectation of a transparent and accountable central bank in fulfilling the monetary and financial stability policy mandate set out in the Bank of Botswana Act.

The focus on skills development, through appropriate short- and long-term training programmes, and staff welfare improvement was maintained, with a view to sustaining the Bank's operational productivity, durable capacity and leadership capability. During 2021, short-term training, including external consultations and technical assistance were largely conducted through virtual platforms, due to COVID-19 related restrictions on travel and social distancing.

External stakeholder relations were maintained during the year, mostly through virtual platforms. The Bank participated in meetings and conferences organised by the Bank for International Settlements, the IMF and the World Bank. At a regional level, the Bank participated in meetings organised by the Southern Africa 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).

The Bank continued to fully implement COVID-19 containment protocols, such as arranging for staff COVID-19 vaccinations and accommodated changes in the work arrangements, exemplified by practicing remote working. Indeed, while the Bank recorded COVID-19 infections, sadly resulting in seven staff fatalities, and periodic disruptions to work, it maintained the provision of essential services and effectively discharged its responsibilities.

Overall, the Bank was successful in discharging its mandate. In that regard, the management and staff of the Bank owe a debt of gratitude to the Board for the guidance and support in implementing the 2021 work programme. I hope that stakeholders will find the 2021 *Annual Report* informative.



Moses D Pelaelo
GOVERNOR

STATUTORY REPORT ON THE OPERATIONS AND FINANCIAL STATEMENTS OF THE BANK – 2021

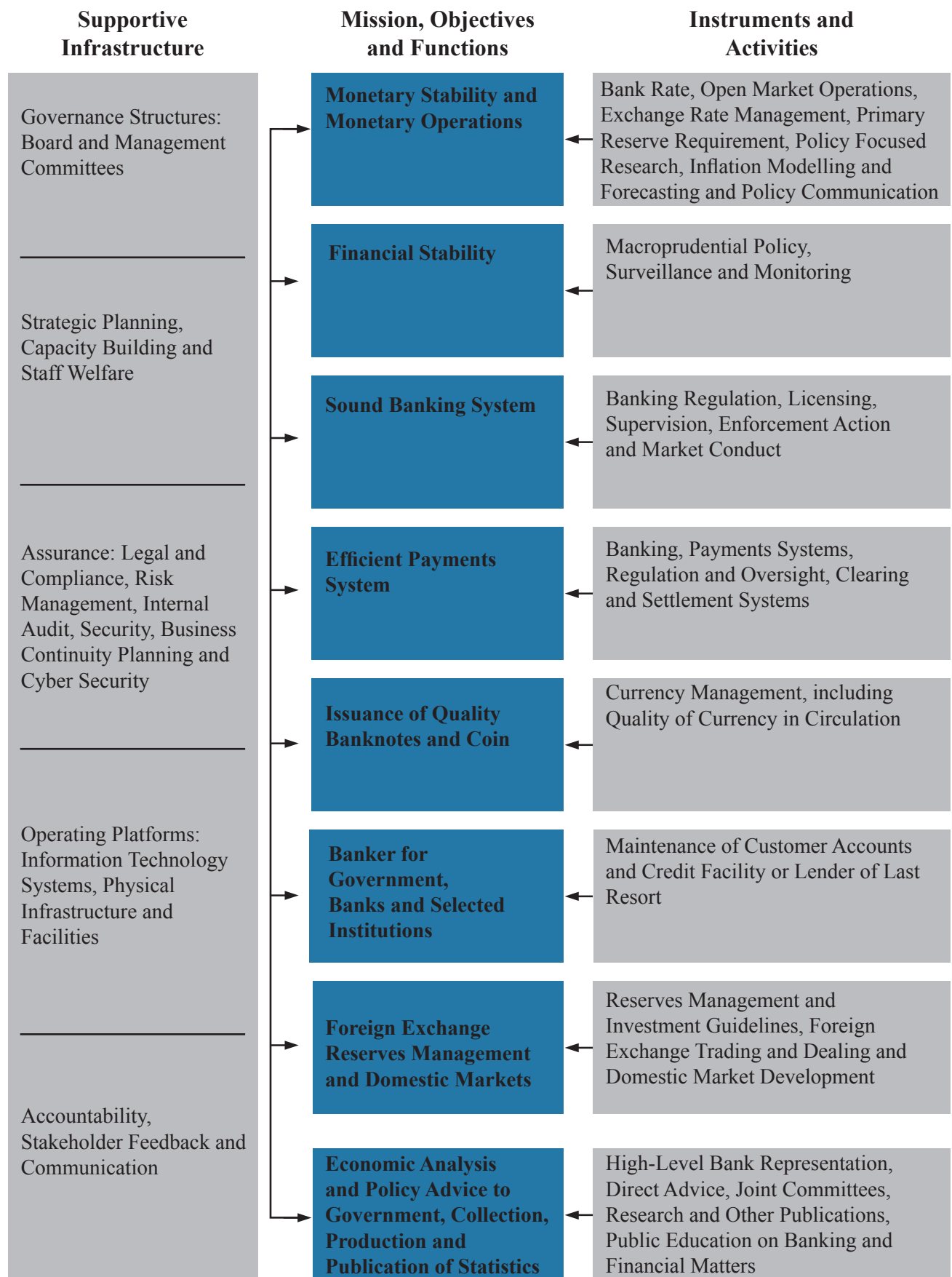
THE BANK'S MISSION AND OBJECTIVES

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 seeks 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 BoBCs. It also engages in repo and reverse repo transactions and extends overnight credit facility to banks. These operations enable the Bank to influence real monetary conditions and ensure that 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 – the Bank's policymaking considers the crucial interrelationships between macroeconomic policy and financial sector developments. Accordingly, vulnerability assessments and performance monitoring of the financial sector are conducted with the view to informing 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, convenient payment methods and economic activity. This entails adherence to stringent standards in design and production to avert possible counterfeiting and loss of confidence in the national currency, Pula and Thebe. In this regard, the Bank withdraws from circulation and destroying soiled and damaged money, and replacing it with banknotes and coin of acceptable, high standard.
- (f) Central banking services - the Bank provides banking services to the Government, commercial banks, selected public institutions and international organisations. This includes membership of Botswana Automated Clearing House (BACH) operated by the Bankers Association of Botswana. In this regard, the Bank serves as the banker, economic and financial advisor, and fiscal agent of the Government.

- (g) Payment infrastructure and settlement - facilitation and maintenance of the integrity and reliability of payments systems enables the flow of payments and efficient payment settlement. Moreover, oversight and regulation 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 and payments in foreign currency. The Reserves Management Policies and Investment Guidelines ensure that the foreign exchange reserves are managed prudently to guarantee safety, liquidity and, also generate return within acceptable risk parameters. These are implemented judiciously to benefit from greater diversification of global markets, while strengthening institutional governance including risk management and compliance requirements.
- (i) Economic analysis and policy advice - the Bank provides advice to Government on macroeconomic and financial policy matters. Furthermore, the Bank collects and disseminates macroeconomic statistics, especially those relating to monetary, financial and international transactions. The research and economic analysis are directed at the production of research and statistical reports that form the basis for policy review and, where appropriate, decisions.

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

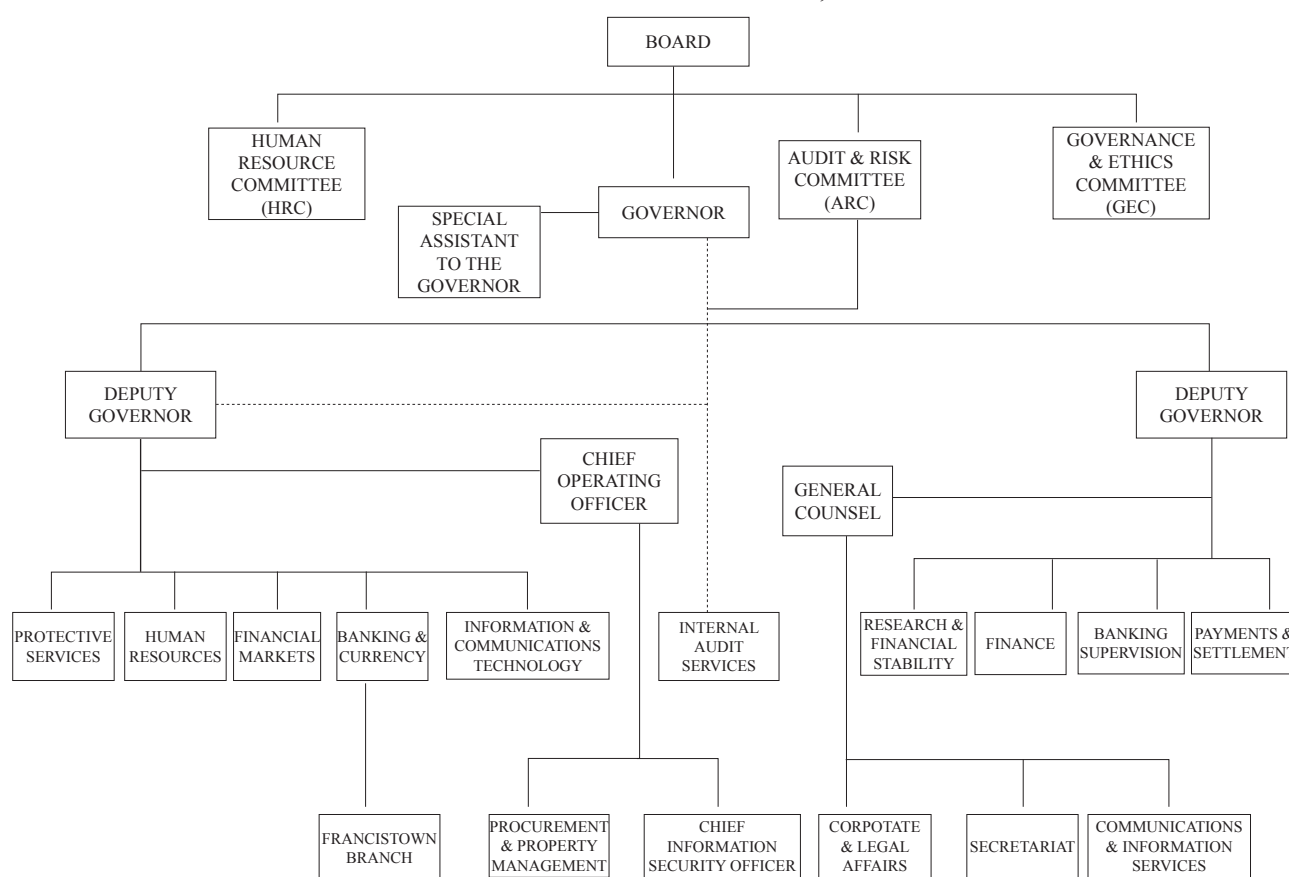
FIGURE 1: MISSION, OBJECTIVES, STRATEGIES AND SUPPORTIVE STRUCTURES


GOVERNANCE, MANAGEMENT AND ORGANISATIONAL STRUCTURE OF THE BANK

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

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

FIGURE 2: ORGANISATION STRUCTURE AS AT DECEMBER 31, 2021



Source: Bank of Botswana

Board Functions, Membership and Appointments

The principal role of the Board is to ensure that the Bank is well managed or governed. Thus, 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, being the Governor and Permanent Secretary of the Ministry of Finance and Economic Development (MFED). The other seven members are appointed in their individual capacity by the Minister of Finance and Economic Development; two of whom may be public officers. During the year, the Minister appointed Ms Lipalesa Makepe as a Board member for a four-year term, which resulted in the attainment of a full complement of the nine-member Board. However, the four-year term of four Board Members, namely Ms Daphne Briscoe, Dr Joel Sentsho, Ms Victoria Tebele and Mr Bernard Ditlhabi expired during the year, creating four vacancies in the Board. The Honourable Minister filled three of the four vacancies with the reappointment of Ms Briscoe and Mr Ditlhabi for another four-year term; and a new Board member, Mr Kenneth Molosi also for a term of four years. The net result of these movements and appointments resulted with a complement of eight, with one vacancy in the Board.

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

The Board is required to meet at least once a quarter, although in practice it typically meets six times in a year. In 2021, there were seven Board meetings held (six regular and one special meeting as shown in Table 1).

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

The ARC is a statutory committee of the Board assigned responsibility to review accounting policies, financial regulations and internal controls, as well as appointment of external auditors. In this regard, it plays a key role in assisting the Board in the oversight of the Bank's management of strategic, market, credit, liquidity, and other financial, operational, information and cyber security risks. It also assists 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 Management in the day-to-day management and operations of the Bank. During the period under review the Committee approved several key policy matters including the Bank's audited financial statements for the year ended December 31, 2021, appointment of external auditors for the ensuing financial year and recommended to the Board, approval of the 2022 Operating Expenditure Budget. In general, the ARC has overall oversight for financial reporting and integrity of financial statements of the Bank.

The HRC's primary responsibility is to determine appropriate remuneration policy, staff retention strategies, general conditions of employment and approve senior staff appointments (other than Deputy Governors and the Governor). Among key activities, the HRC catalysed the development of a Human Resources Strategy. The GEC is responsible for overseeing Management's efforts to foster a culture of high ethical standards and good governance within the Bank and advise the Board accordingly. The Committee has initiated work on the review of the Bank's Bye-Laws to update and align them with the draft Bank of Botswana (Amendment) Act, expected to be promulgated in 2022. 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 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. During the year, His Excellency the President appointed the former Director of Research and Financial Stability Department, Dr Tshokologo A Kganetsano as Deputy Governor (for a five-year term), on retirement of former Deputy Governor, Mr Andrew M Motsomi, on February 4, 2021. Furthermore, His Excellency the President re-appointed Dr Kealeboga S Masalila as Deputy Governor and Mr Moses D Pelaelo as Governor for another five and two years, respectively.

TABLE 1: BOARD MEETINGS AND ATTENDANCE IN 2021

MEETINGS	BB 1/21 (Feb 12)	BB 2/21 (Mar 25)	BB 3/21 (June 18)	BB 4/21 (Aug 20)	BB 5/21 (Oct 22)	SB 1/21 (Nov 22)	BB 6/21 (Dec 10)
M D Pelaelo (Chairman Board)	✓	✓	✓	✓	✓	✓	✓
W J Mandlebe (Ex-officio)	✓	✓	✓	✓	✓	✓	✓
M Bakwena (Chairperson HRC)	✓	✓	✓	✓	✓	✓	✓
D K Briscoe	✓	✓	✓	✓	✓	✓	✓
B M Ditlhabi (Chairman, GEC)	✓	✓	✓	✓	✓	✓	✓
L Lisenda	✓	✓	✓	✓	✓	✓	✓
J Sentsho	✓	✓	✓	✓	NM	NM	NM
V T Tebele (Chairperson ARC)	✓	✓	✓	×	NM	NM	NM
L Makepe	..	..	✓	✓	✓	✓	✓
K Molosi	..	..	..	..	×	✓	✓

Key:

- P Attended
- × Did not attended
- .. Not appointed yet
- NM No longer member
- BB Regular Board Meeting
- SB Specail Board Meeting

Source: Bank of Botswana

Governor

The Governor serves as the chief executive officer of the Bank responsible to the Board for the prompt execution of Board decisions and Bank policies, as well as general direction and control of the business of the Bank. On accountability to the key stakeholders, the Governor submits the *Annual Report* on the operations and financial performance, including the audited financial statements of the Bank, to the Minister of Finance 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. The Governor also cause to be published in the Government Gazette the monthly statement of financial position of the Bank and submit a copy of the same to the Minister of Finance and Economic Development.

The Governor chairs the Monetary Policy Committee (MPC) and the Financial Stability Council (FSC). The MPC is the highest decision-making body for monetary policy, responsible for fostering high-level and

comprehensive policy analysis, accountability and transparency in formulating, guiding and implementing monetary policy within the framework and objectives of the Bank. The FSC comprises the leadership of MFED, the Bank, Non-Bank Financial Institutions Regulatory Authority (NBFIRA), and Financial Intelligence Agency (FIA), as well as the Botswana Stock Exchange as an observer; in effect these are institutions that are involved in developing legislation and regulations, policymaking and supervision with respect to the whole or facets of the financial sector. The Governor also chairs a number of management committees including the Executive, Investment, Budget and Finance, Training, Currency Design, Regulatory Policy Committees, as well as the Planning Forum and Board of Trustees of the Bank of Botswana Defined Contribution Staff Pension Fund.

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

Executive Committee

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

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, and four divisions (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 macroeconomic and financial stability. Furthermore, 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*; *Financial Stability Report (FSR)*; *monthly Botswana Financial Statistics (BFS)*; *Research Bulletin*; *Monetary Policy Statement (MPS)*; *Monetary Policy Report (MPR)*; *Business Expectations Survey (BES)* and the *Household Indebtedness Survey*.

The Banking Supervision Department licenses, regulates and supervises commercial banks and other financial institutions that fall under the Bank's regulatory and supervisory purview; 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 the word 'bank' and its derivatives, 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, as well as foreign exchange trading with banks.

The management of currency (Pula banknotes and thebe coins) 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 systems and settlement transactions is undertaken by the Payments and Settlement Department. The latter is also responsible for operating the Real Time Gross Settlement (RTGS) system, known as the Botswana Interbank Settlement System (BISS), and overseeing the Botswana Automated Clearing House (BACH) owned and operated by commercial banks.

The Finance Department is responsible for accounting and reporting on the Bank's financial activities, including production of monthly and annual financial statements of the Bank, as stipulated in the Bank of Botswana Act in accordance with International Financial Reporting Standards (IFRS). The Department also coordinates strategic planning, risk management, and the business continuity management programme. Related to the management of the pension fund, the Chief Finance Officer is the principal officer of the Bank

of Botswana Defined Contribution Staff Pension Fund. The Human Resources Department is responsible for human resources planning, staff recruitment, training, performance management, remuneration and general staff welfare such as administering health and wellness programmes, disciplinary code and staff loans schemes. 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 is responsible for managing risks arising from cyber and information technology related crimes. The Protective Services Department has the responsibility for ensuring the safety and security of Bank staff, information and property, including the safety, health and environmental function.

The 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 (information services), printing of publications, as well as public education and external relations. The Legal Affairs Division manages the Bank's legal, compliance and reputational risk and is, therefore, 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, website and records management, and coordinates the printing and dissemination of Bank publications.

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 2021

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 repurchase 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 anchoring monetary stability.

Monetary policy was conducted in the context of projected high inflation in the near term, associated with increases in taxes/levies and administered prices, a modest recovery in domestic demand resulting from the easing of the pandemic containment measures due to deployment of effective COVID19 vaccines, and projected increase in foreign prices. Overall, the economic conditions provided scope for an accommodative monetary policy stance in support of stronger output growth. Hence, the Bank Rate was maintained at 3.75 percent in 2021 following a cumulative 100 basis points reduction in 2020, intended to support economic activity that was adversely affected by the COVID19 containment measures. Consequently, the prime lending rate of commercial banks was constant at 5.25 percent, while deposit interest rates generally increased, despite the high levels of market liquidity, mainly because of competition for corporate deposits, amongst banks. The nominal 3-month (88-day) deposit interest rate of commercial banks increased from 1.36 percent in December 2020 to 1.48 percent in December 2021. Meanwhile, inflation, as measured by the consumer price index, was above the Bank's 3 – 6 percent medium-term objective range for most of 2021 (May – December), averaging 6.7 percent in 2021.

The Bank held six MPC meetings in 2021, followed by media briefings to facilitate dialogue between the Bank and the media, thus enhancing the Bank's transparency, accountability, policy credibility and prospects for influencing inflation expectations. The Bank published the Monetary Policy Statement (MPS) in February 2021 and three Monetary Policy Reports (MPR) in April, August and December 2021. These publications are the main media through which the Bank informs the public about the formulation and implementation of monetary policy and, therefore, serve to meet the public's expectation of a transparent and accountable central bank in pursuit of the monetary policy objective. The MPS and MPR provide a comprehensive assessment of economic and financial developments that are likely to influence the inflation path in the medium term and, in turn, the Bank's policy choices predicated on a forward-looking monetary policy framework. The Bank increasingly uses communication tool to clarify its mandate, policy performance and guidance. In this respect, the publications promote an understanding of the conduct of monetary policy and help anchor public expectations of a low, predictable and sustainable level of inflation.

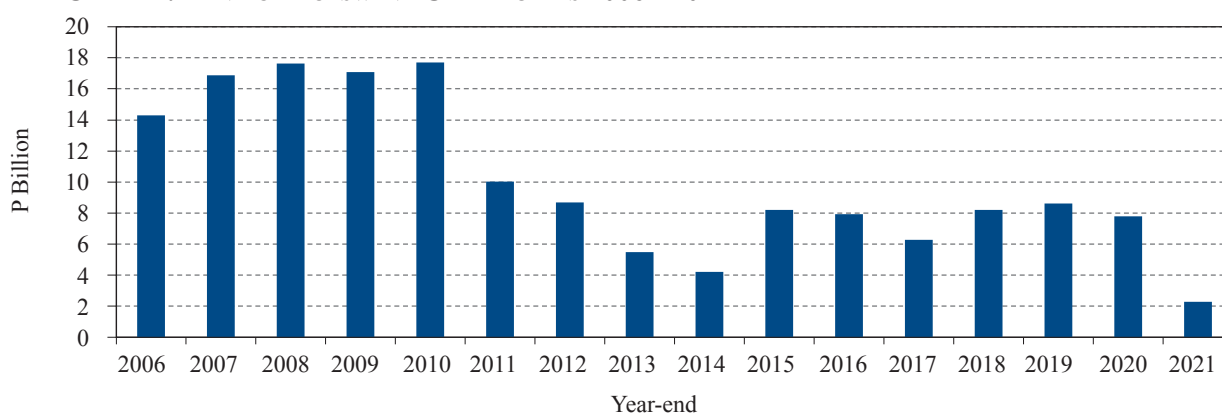
Money and Capital Markets

Monetary policy implementation entailed the use of BoBCs to mop-up excess liquidity¹ in order to maintain interest rates that are consistent with the monetary policy stance. Repos and reverse repos were used during the year to manage liquidity between auctions. Monetary operations were conducted in an environment of reduced market liquidity because of sustained foreign exchange outflows and the switch to holding government securities, under a larger P30 billion Government Bond Issuance Programme. However, the measures introduced by the Bank in April 2020 to help alleviate any adverse impact of the COVID-19 pandemic on the economy and financial markets remained in place in 2021. These measures, which were meant to enhance access to liquidity by commercial banks, were as follows:

- the cost of accessing overnight lending to licensed banks through the Bank of Botswana Credit Facility was provided at the prevailing Bank Rate, without a penalty.
- repo facilities are offered against eligible securities (collateral) with maturity of up to 92 days;
- the collateral pool for borrowing by licensed commercial banks from the Bank of Botswana has been expanded to include all corporate bonds listed and traded on the Botswana Stock Exchange; and
- the minimum regulatory capital adequacy ratio was reduced from 15 percent to 12.5 percent of risk-weighted assets, thus providing additional capacity for banks to support economic activity.

Meanwhile, since the introduction of the Primary Reserve Requirement Averaging (PRRA) in 2019, most commercial banks continued to actively use it as a tool for effective management of liquidity. As a result, the introduction of PRRA has contributed to reduced demand for excess reserves held by commercial banks for precautionary purposes, thus helping to free up additional resources for productive lending. In the circumstances, outstanding BoBCs amounted to P2.3 billion in December 2021, a significant decrease from P7.8 billion in December 2020 (Chart 1), reflecting a decline in liquidity resulting mainly from settlement of government securities and foreign exchange sales. At the end of 2021, P1.5 billion worth of reverse repos were outstanding, compared to P1.4 billion in December 2020. There were no outstanding repos as at end of 2021 (Table 2).

CHART 1: BANK OF BOTSWANA CERTIFICATES 2006 - 2021



¹ 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 2020-2021

	End-2020			End-2021		
	Outstanding balances ² (P billion)	Interest rate (Percent) ¹		Outstanding balances ² (P billion)	Interest rate (Percent) ¹	
		Nominal	Real		Nominal	Real
3-month Treasury Bills ^{1,3}	1.615	1.03	-1.14	2.679	1.39	-6.64
6-month Treasury Bills	1.115	1.20	-0.98	1.419	1.49	-6.55
12-month Treasury Bills	-	-	-	0.655	3.05	-5.34
7-day ¹	7.78	1.03	-1.14	2.3	1.10	-6.91
Reverse repos	1.42	0.25	-1.91	1.48	0.25	-7.69
Repos	0	3.75	1.52	0	3.75	-4.47
88-day deposits	1.37	1.36	-0.82	1.24	1.48	-6.56
Prime rate		5.25	2.98		5.25	-3.08

1. Stop-out yield is used for Treasury Bills, while weighted average yield is used for the 7-day BoBC yields.

2. Book value

3. Original date to maturity

Source: Bank of Botswana

The 7-day BoBC weighted average yield increased slightly from 1.03 percent in December 2020 to 1.10 percent in December 2021. There were two trades of BoBCs worth P30 million traded in the secondary market during 2021.

The Bank introduced a 12-month Treasury Bill (T-Bill) effective January 2021. This followed the decision, as authorised by Parliament, to increase the ceiling of the Government Bond issuance programme from P15 billion to P30 billion. The 12-month T-Bill forms part of the Government T-Bill issuance programme and helps support the development and building up of the T-Bill programme. The 12-month T-Bill is issued quarterly and the issuance size is determined on a need basis by the Joint Bank of Botswana/Ministry of Finance and Economic Development Bond Auction Technical Committee. Since its introduction, the 12-month T-Bill has performed relatively well with a cumulative total allocation of P2.09 billion out of the P2.14 billion issued during the year. Outstanding bonds of various maturities and Treasury Bills increased from P17.7 billion at the end of 2020 to P22.4 billion in December 2021 as Government made additional issuances on the existing securities (Table 3). Primary Dealers and their customers held P10.4 billion (46.5 percent) and P12 billion (53.5 percent), respectively, of the government securities at the end of 2021. Liquidity in the Government bonds market remained at generally low levels. Secondary market activity continued to be subdued.

TABLE 3: GOVERNMENT BONDS AND TREASURY BILLS 2020-2021

Bond Code		End 2020			End 2021	
	Outstanding (P million) ^{1,2}	Market Yields ³ (Percent)		Outstanding (P million) ^{1,2}	Market Yields ³ (Percent)	
		Yield	Real		Yield	Real
3-month Treasury Bills	1 615	1.03	-1.14	2 679	1.39	-6.64
6-month Treasury Bills	1 115	1.20	-0.98	1 419	1.49	-6.55
12-month Treasury Bills	-	-	-	655	3.05	-5.34
BOTSGB0623	2 342	3.89	1.65	3 006	4.15	-4.10
BOTSGB0325	3 313	5.03	2.77	3 394	5.79	-2.59
BOTSGB0527	-	-	-	582	6.64	-1.80
BOTSGB0929	3 716	5.36	3.09	3 716	7.52	-0.99
BOTSGB0931	2 603	5.75	3.47	3 524	8.33	-0.49
BOTSGB0640	2 154	5.84	3.56	2 229	8.36	-0.22
BOTSGB0943	829	5.91	3.63	1 234	8.43	-0.16
	17 687			22 438		

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.

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, 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. In 2021, the Pula basket weights were maintained at 45 percent and 55 percent for the South African rand (ZAR) and the IMF's Special Drawing Rights (SDR), respectively, reflecting Botswana's trade pattern and financial relationships with the external world. The Bank implemented an annual downward rate of crawl of 2.87 percent with a view to enhance domestic industry competitiveness in response to the adverse impact of the COVID-19 pandemic on the economy.

In the twelve months to December 2021, the trade-weighted nominal effective exchange rate (NEER) of the Pula depreciated in line with the rate of crawl of the Pula exchange rate. Meanwhile, the real effective exchange rate (REER) appreciated by 0.2 percent in the twelve months to December 2021, because of a higher positive inflation differential between Botswana and trading partner countries than the downward rate of crawl, suggesting minimal loss in international competitiveness of domestic firms. Beyond the exchange rate, durable competitiveness of domestic producers is also achieved through a sustained improvement in productivity, which also contributes to lower inflation. Importantly, 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), launched in 2019, continued to foster and promote financial stability in the domestic financial system by implementing appropriate monitoring, surveillance and risk mitigation frameworks; encouraging collaboration and information sharing; and promoting coordinated policy development, responses and implementation. On this account, the FSC met twice in 2021 to deliberate on recent developments and vulnerabilities in the financial sector, as well as address regulatory and public interest issues relating to the stability, performance and prospects for the domestic financial sector. Notwithstanding the challenges engendered by the onset of COVID-19 pandemic, the FSC assessed the domestic financial system to be resilient, characterised by strong capital and liquidity buffers, as well as continued profitability and buoyed by accommodative monetary conditions. An assessment of the stability of the domestic financial system is comprehensively covered in the published bi-annual May and October 2021 Financial Stability Reports.

A notable development in 2021 was the removal of Botswana from the Financial Action Task Force (FATF) list of countries subject to enhanced monitoring (grey listing). FATF-Africa/Middle East International Cooperation Review Group (ICRG) conducted an on-site visit to Botswana on August 18–20, 2021, and determined that Botswana had satisfactorily implemented its FATF action plan, predicated on addressing technical deficiencies and strengthening AML/CFT regime. As a result, the FATF Plenary meeting held in October 2021, resolved to remove Botswana from the grey list (enhanced monitoring).

During the year, the proposal to establish a Deposit Protection Fund (DPF) for Botswana was endorsed by the Minister of Finance and Economic Development, following approval by the Board of the Bank on recommendation by the FSC. Subsequently, consultations with stakeholders were conducted and, overall, the proposal received positive feedback. The Bank is formulating the legal, institutional and operational frameworks for effective implementation of the DPF project plan. In September 2021, Botswana became an associate member of the International Association of Deposit Insurers (IADI). IADI is an international organisation formed in 2002 to enhance the effectiveness of deposit insurance systems by promoting international cooperation. Associate members of the IADI are entities that do not yet have a legal deposit insurance system but are considering its establishment. Meanwhile, industry consultations on the framework for the designation of Domestic Systemically Important Banks (D-SIBs) were undertaken during the year. There is wide acceptance of the D-SIBs framework by commercial banks, and the framework is expected to have positive effects on the safety and soundness of the banking sector. The D-SIBs Guidelines are planned to be implemented in 2022.

The Credit Information Bill, published in June 2021; drafting of the Secured Transaction on Movable Property Bill; and ongoing reviews of the Bank of Botswana Act, Banking Act, Non-Bank Financial Institutions

Regulatory Authority Act as well as the Financial Intelligence Act augur well for financial stability. During the year, Botswana became a member of the Egmont Group of Financial Intelligence Units, which provides Financial Intelligence Units around the world with a platform to exchange information on the best way to address money laundering, the financing of terrorism and other financial crimes.

Supervision and Regulation of Banks and Bureaux de Change

During 2021, the Bank continued to monitor the performance of banks through established processes, such as off-site and on-site examinations for adherence to prudential, business conduct and AML/CFT/CPF requirements. The Bank held bilateral and trilateral meetings as well as engagements with external auditors for their input and perspectives. The Bank also convened the biannual meeting 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 monitored business conduct to promote fairness, professionalism and transparency in the banking system. In this context, the Bank requires each supervised entity to have a clear customer-complaint handling and management procedure. The Bank also investigated violations of the Banking Act, especially activities such as unauthorised deposit-taking, pyramid schemes and use of restricted words in any business activity.

The banking industry was profitable, with net after-tax profit increasing by 24.4 percent from P1.5 billion to P1.8 billion for 2021, largely reflecting improved business activity. Banks maintained good quality assets in 2021, with a decline in credit default rates. The ratio of NPLs to gross loans and advances declined from 4.3 percent in December 2020 to 4.2 percent in December 2021. Nevertheless, there continues to be a risk to asset quality associated with the high proportion of the relatively more expensive unsecured lending (at 72.5 percent of household credit in December 2021) in commercial bank credit. The average capital adequacy ratio (CAR) and liquid asset ratio (LAR) for the banking industry were 18.6 percent and 16.6 percent, respectively, in December 2021, both higher than the minimum prudential and statutory thresholds of 12.5 percent and 10 percent, respectively, indicating that the banking industry was adequately capitalised and liquid. Table 4 shows the banking industry financial soundness indicators, while Table 5 presents mutual evaluation ratings for Botswana.

Overall, the statement of financial position for the banking sector grew, with total assets increasing by 4.6 percent from P103.6 billion in December 2020 to P108.4 billion in December 2021. Loans and advances, which constituted 63.6 percent of assets, rose by 5.1 percent to P68.9 billion in December 2021 compared with P65.6 billion in December 2020. With regard to liabilities, customer deposits increased by 3.6 percent, from P81.2 billion to P84.1 billion in the same period.

TABLE 4: FINANCIAL SOUNDNESS INDICATORS AND RANGE OF STATUTORY AND PRUDENTIAL REQUIREMENTS FOR LICENSED BANKS (2018 - 2021)

Financial Soundness Indicators	Statutory Requirement (Percent)	Prudential Benchmark (Percent)	Range of Indicators for Local Banks (Percent)			
			2018	2019	2020	2021
Capital adequacy ratio	≥ 12.5		13.3 – 43.2	15.7 – 45.6	16.6 – 69.9	15.2 – 26.9
Liquid asset ratio	≥ 10		12.3 – 41.0	16.2 – 37.8	13.8 – 51.7	14.0 – 20.9
Profitability (return on assets)		Positive	(1.3) – 2.9	0.7 – 4.1	(0.1) – 2.2	0.4 – 3.0
Profitability (return on equity)		Positive	(5.2) – 31.0	3.2 – 29.2	(1.8) – 23.2	3.3 – 36.7
Asset quality (NPL/total loans)		≤ 2.5	1.3 – 10.3	0.2 – 8.8	1.1 – 6.4	0.7 – 6.2
Intermediation ratio (advances/deposits)		50 – 80	62.8 – 166.8	62.7 – 96.6	70.2 – 110.6	62.9 – 106.6

Notes:

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

Source: Bank of Botswana

The overall performance of the banking industry was satisfactory in 2021. Banks complied with the prescribed statutory and prudential minimum thresholds for capital and liquidity and were therefore, assessed to be operating in a safe and sound manner.

The Bank continued to administer abandoned funds in accordance with Section 39 of the Banking Act. As at December 31, 2021, the total abandoned funds balance was P17 689 359. For the year, claims amounted to P189 890, while P1 991 964 was transferred to the Guardian's Fund.

In 2021, the Bank processed an application by African Banking Corporation Holdings Limited (ABCH) to sell its entire shareholding in African Banking Corporation of Botswana Limited (BancABC) to, and acquisition by, Access Bank Plc (Access Bank). On March 26, 2021, ABCH was granted a conditional approval to sell its shares to Access Bank. Consequently, on November 8, 2021, the Bank issued Access Bank Botswana Limited with a banking licence after ABCH and Access Bank fulfilled all the conditions of approval. As such, the bank formerly known as BancABC has been renamed and rebranded as Access Bank Botswana Limited.

The Bank also processed an application for a banking licence from BBS Limited (BBSL) to establish a commercial bank under the trade name BBS Bank Limited. On October 22, 2021, BBSL was granted a conditional approval to operate banking business in Botswana. As at December 31, 2021, BBSL had not yet fulfilled the conditions of approval to be issued with a banking licence.

Meanwhile, Jose de Will Holdings Limited, whose application for a banking licence was rejected on account of material deficiencies, decided to take legal action against the Attorney General of Botswana for and on behalf of the Minister of Finance and Economic Development and the Bank of Botswana. It is expected the matter will be adjudicated by the Courts in 2022.

In 2021, the Bank received six applications for a bureaux de change licence. Two bureaux de change were licensed, while four were pending as at December 31, 2021. Meanwhile, seven bureaux de change had their licences revoked for a variety of reasons, during the year. Owing to the adverse effects of the COVID-19 pandemic, seven bureaux de change voluntarily closed business. Therefore, the resultant number of operating bureaux de change decreased from 58 on December 31, 2020, to 53, as at December 31, 2021.

Foreign Exchange Reserves Management

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

The Bank maintained the Strategic Asset Allocation (SAA) of 45:50:5 for equities, bonds and high yield asset classes, respectively, prescribed by the Reserves Management and Investment Guidelines approved by the Board in 2019. The split between the internally managed and externally managed funds was 33/67 as at the end of November 2021. The allocation significantly deviated from the policy prescribed target of 50/50 mainly due to drawdowns from the Transaction Balances Tranche (TBT) to fund Government obligations and economy-wide foreign currency demand by, or undertaken/processed through, commercial banks and institutional investors. Global financial markets continued to be volatile in 2021 due to heightened uncertainty emanating from the COVID-19 pandemic. Rising COVID-19 infections and emergence of new and highly transmissible variants threatened global activity as some countries reintroduced restrictive measures to curb infections. Inflation continued to rise due to supply-chain bottlenecks and high energy prices. Bond markets returned negative 4.7 percent according to the Bloomberg Global Aggregate Index, while equities returned 20 percent according to the Morgan Stanley Composite Index (MSCI).

The Investment Committee maintained its incremental approach of investing in smaller markets, adding only one market during the year. Of the 22 eligible markets, investments were made in 13 markets. In addition, the Board approved a recommendation by the Investment Committee to allow investment in assets denominated in Chinese Renminbi.

Bond yields rose in 2021 due to elevated global inflation resulting from high energy prices and supply chain disruptions caused by the COVID-19 pandemic. High global inflation prompted some central banks to tighten monetary policy. The Bank of England hiked interest rates while the US Federal Reserve Bank (the Fed) announced tapering of asset purchases and signalled interest rates hikes in 2022. Overall, the portfolio remained well diversified and, in 2021, the stronger equity returns offset the negative returns from bonds, which lost value as yields rose due to heightened inflation expectations. Most assets remained well within the investment grade category, while any additional risk which may be associated with the specific assets and markets was substantially offset by the portfolio level through more effective diversification and monitoring of relevant risk parameters (Table 5).

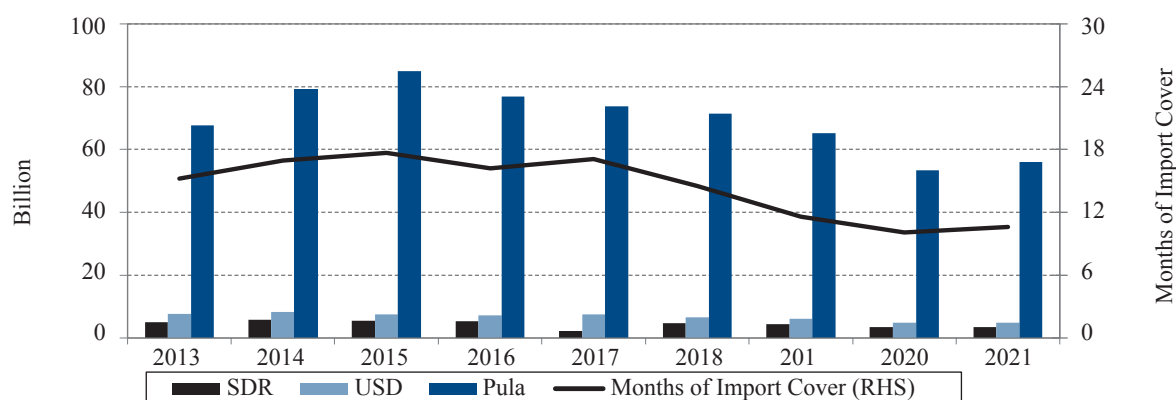
TABLE 5: INVESTED AND NON-INVESTED MARKETS FOR THE INTERNALLY MANAGED PORTFOLIOS

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

Source: Bank of Botswana

At the end of December 2021, foreign exchange reserves amounted to P56 billion, an increase of 4.6 percent from P53.4 billion in December 2020 (Chart 2). The reserves were equivalent to 9.1 months of import cover of goods and services. In US dollar terms, the level of foreign exchange reserves fell by 2 percent from USD4.9 billion to USD4.8 billion and remained unchanged in SDR terms at SDR3.4 billion over the same period. The increase in foreign exchange reserves was due to a number of factors including the recovery in diamond markets, good performance of externally managed funds, especially the equities mandates and receipts of funds from IMF SDR allocation of USD189 million and World Bank loan, which offset the elevated withdrawals from the TBT.

CHART 2: LEVEL OF FOREIGN EXCHANGE RESERVES

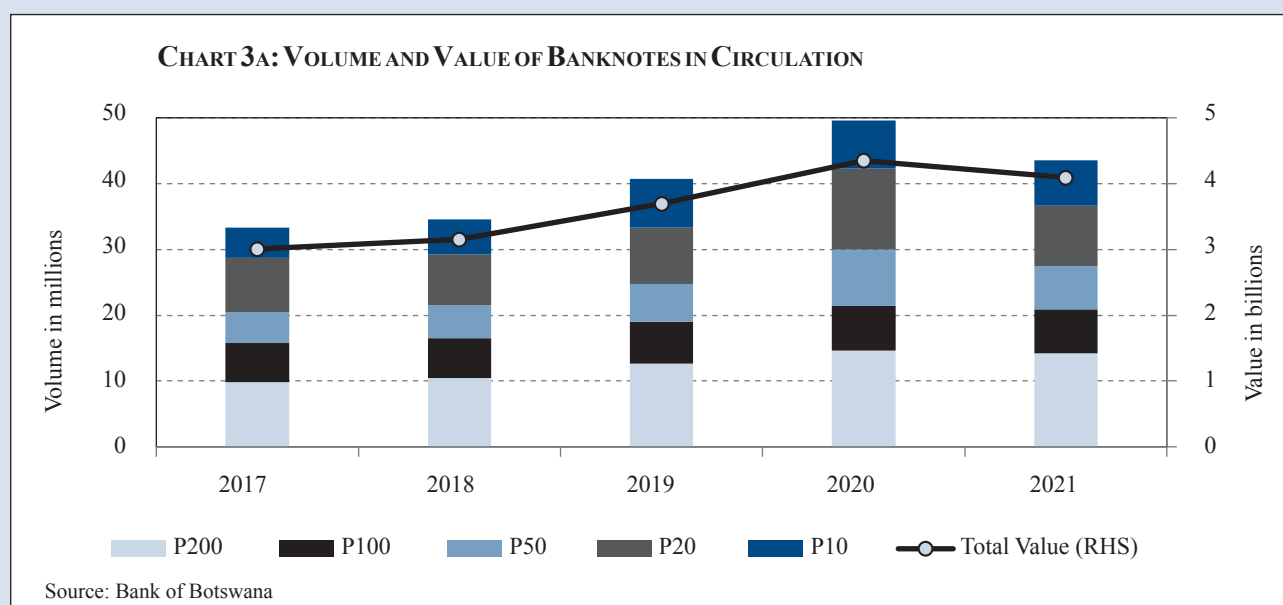


Source: Bank of Botswana

Currency Operations

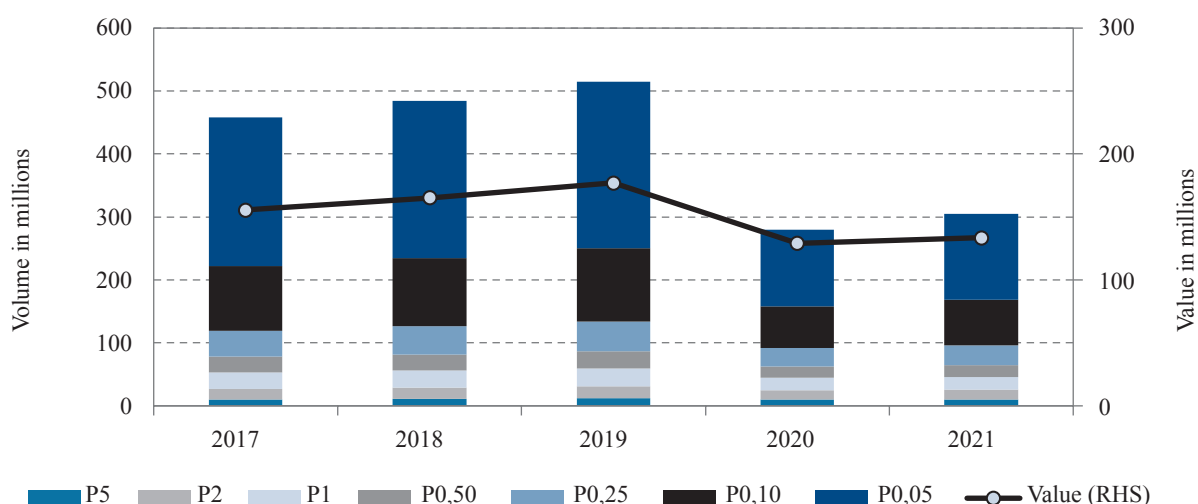
The Bank continued to manage the supply of banknotes and coin to ensure availability of high-quality currency in circulation. Furthermore, in line with the Clean Banknote Policy, the Bank took a decision to issue into circulation only new banknotes and coin, save for denominations with low stock cover. Moreover, the Bank started receiving soiled, discoloured and damaged coin deposits from commercial banks on November 2, 2021 in a bid to maintain clean coin in circulation.

The number of banknotes in circulation decreased significantly by 12.3 percent from 49.6 million in 2020 to 43.5 million in 2021, reversing the upward trajectory recorded in the past years. Consequently, the total value of banknotes in circulation decreased from P4.35 billion to P4.09 billion during the same period. The net issuance of the P200, P100, P50 and P20 banknote denominations decreased by 2.8 percent, 1.9 percent, 23.1 percent and 25.5 percent in 2021 from an increase of 15.5 percent, 8.5 percent, 47.3 percent, and 43.7 percent, respectively, in 2020. Meanwhile, the net issuance of the P10 denomination declined further by 6.4 percent in 2021 compared to a decline of 1.4 percent in 2020. The significant decrease in net issuance of P50, P20 and P10 denomination was largely attributable to reduced demand of currency during the review period and, to some extent, signifies a decline in transactional use of cash by the public, given the increase in electronic and mobile money funds transfer and payments platforms. During 2021, the P200 denomination had the highest share of total issuance at 32.6 percent, followed by the P20 denomination at 21.1 percent, and the P10 denomination at 15.7 percent (Chart 3a).



The net issuance of all coin denominations increased by 9.1 percent from 279.7 million in 2020 to 305 million in 2021. Subsequently, the value of coin in circulation increased by 3.6 percent to P133.6 million in 2021. The 5 thebe and 10 thebe denominations had the highest share of total coin net issuance at 44.8 percent and 23.7 percent, respectively (Chart 3b).

CHART 3B: VOLUME AND VALUE OF COIN IN CIRCULATION 2017 - 2021



Source: Bank of Botswana

Banking Operations, Payments and Settlement

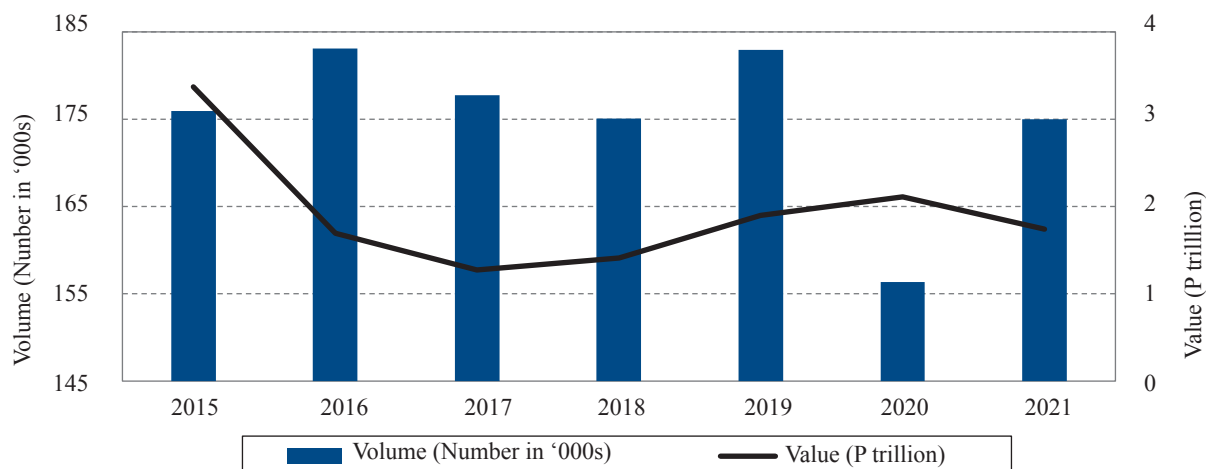
The Bank recorded progress in the implementation of the National Payment System (NPS) Vision and Strategy 2020 – 2024, a five-year blueprint that centres on ten pillars intended to achieve the broader objectives of access, safety and efficiency in the NPS, including enhanced payment and settlement infrastructures, efficient government and other retail payments platforms as well as appropriate and sustainable legal and regulatory/oversight frameworks. Progress update continued to be provided to the National Payments Task Force as necessary. Some ongoing projects outlined in the strategy, that will run into 2022 include: establishment of a Single Central Securities Depository infrastructure, a platform that will facilitate settlement of securities in central bank money; drafting of a national payments law that supports the evolving retail payments sector and other payment innovations; preliminary discussions that should lead to facilitation of a private national payment switch; and working with regional stakeholders to build structures that support and encourage participation in the Southern African Development Community (SADC) cross-border payments initiatives.

Furthermore, the Bank provided an efficient, secure and effective functioning payments and settlement systems and delivered on its mandate of overseeing and monitoring the NPS operators, participants and electronic money service providers to ensure safety and efficiency of the NPS. Settlement services for the reserves management function and other foreign exchange dealings including those undertaken on behalf of Government were also provided within prescribed timelines despite challenges posed by the COVID-19 pandemic.

The key financial market infrastructures of the NPS, namely, the Botswana Interbank Settlement System (BISS) and the Botswana Automated Clearing House (BACH) continued to provide secure and reliable settlement and clearing platforms respectively, for time critical domestic payments. The volume of transactions settled in the BISS increased by 14.5 percent, from 156 300 in 2020 to 175 100 in 2021, while there was a decrease in value, by 9.3 percent, from P2.11 trillion to P1.74 trillion (Chart 4). Consistent with past trends, cheque transactions cleared in the BACH system, continued to decline in volume and value. Cheques processed decreased by 27.2 percent from 495 000 in 2020 to 361 000 in 2021; the value of transactions decreased by 23.7 percent from P11 billion in 2020 to P9 billion in 2021 (Chart 5). The decrease in cheque usage was due to the increase in the use of alternative electronic payments channels such as debit/credit cards, internet banking, mobile banking and inter-bank electronic funds transfers (EFT). On the other hand, EFT transactions processed through the BACH system increased by 18.4 percent in volume, from 9.77 million in 2020 to 10.46 million transactions in 2021 and 22.9 percent in value, from P211 billion in 2020 to P232 billion in 2021 (Chart 6). Eight additional electronic payment services providers were licensed during 2021 taking the total number of licenced electronic payment services providers to twenty-two.

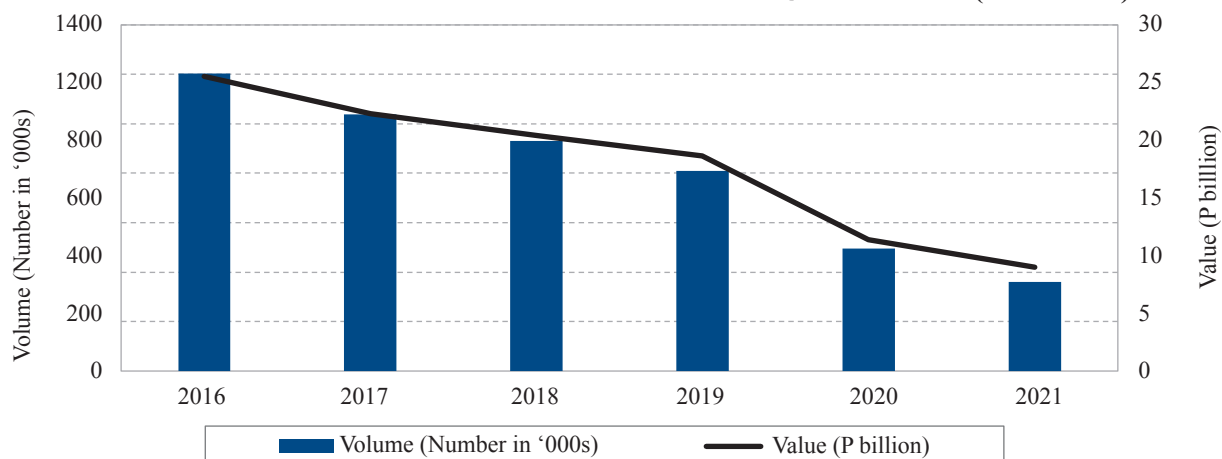
The Board approved the proposal to discontinue the use of cheques as a payment instrument in Botswana effective January 1, 2024; a decision that is aligned to the NPS Vision and Strategy and conforms to the National Digitalisation Strategy encapsulated within the Economic Recovery and Transformation Plan.

CHART 4: BOTSWANA INTERBANK SETTLEMENT SYSTEM (BISS) TRANSACTIONS: (2015 - 2021)



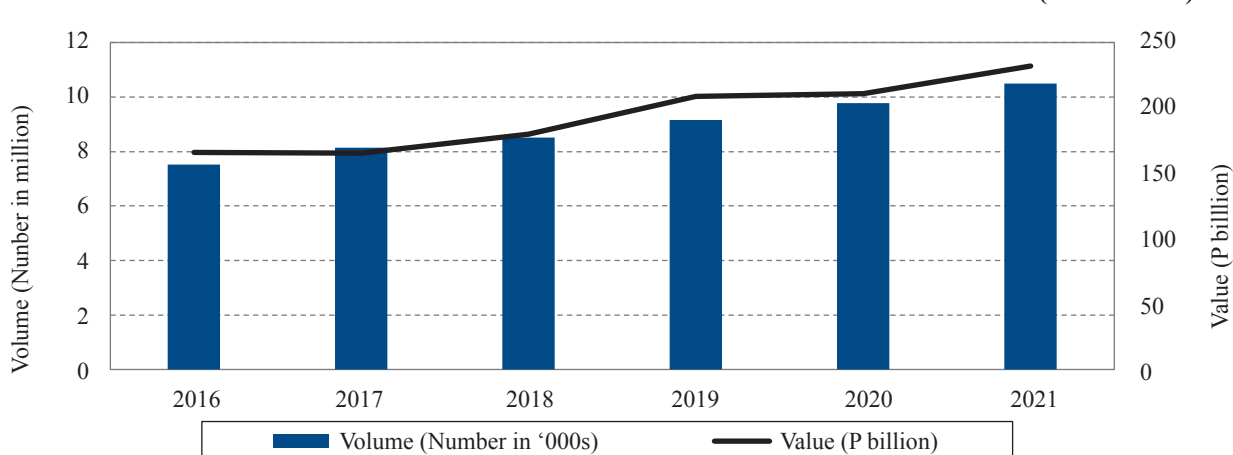
Source: Bank of Botswana

CHART 5: BOTSWANA AUTOMATED CLEARING HOUSE - CHEQUE PROCESSING (2016 - 2021)



Source: Bank of Botswana

CHART 6: BOTSWANA AUTOMATED CLEARING HOUSE - ELECTRONIC FUNDS TRANSFERS (2016 - 2021)



Source: Bank of Botswana

Information Technology

Information security and data protection cybersecurity domain continued to be a key priority in 2021, amidst cyber threat challenges brought by the COVID-19 pandemic. Mission-critical systems upgrades were undertaken and geared towards safeguarding data against unauthorised access, while staff were equally empowered to be vigilant on security through cyber awareness training sessions and vulnerability management tools deployed to secure systems and devices. Security measures aimed at tightening access controls were introduced through second factor authentication integration into virtual private network, for remote connectivity and Endpoint Detection and Response solution, for enhanced visibility into security for protection of computers from advanced forms of malware. The Bank, therefore, allocates requisite resources towards upgrading information and communications technology systems to safeguard and retain the integrity and functionality of mission-critical systems, achieve operational efficiency, as well as to guard against cyber-crime. The most discernible upgrade came through the Headquarters Redevelopment (PulaThebe) Project Phase 1 migration, which saw an overhaul of the Bank's network infrastructure and convergence of data and voice networks through active switching technologies.

Human Resources, Staff Welfare and Staff Pension Fund

Human Resources and Staff Welfare

As at December 31, 2021 the Bank's Staff Establishment was 613, slightly higher than the 606 in December 31, 2020. The vacancy rate was 3.9 percent compared to 4.1 percent as at December 2020. A total of 37 new staff joined the Bank while 29 terminated employment during the period under review. Of the 23 vacancies, 70 percent were in the professional cadre, while the remaining were at clerical levels and below. The Bank continued to place emphasis on staff development, and, in this regard, a number of staff members benefited from both short- and long-term training. As at the end of 2021, 16 staff members were on long-term post-graduate training (Masters and Doctorate) in various disciplines relevant for the Bank's operations. Taking advantage of online programmes and workshops, the attendance of short courses rose from 241 in 2020 to 386 in 2021. Several staff committees and clubs coordinate staff welfare activities, including health and wellness and sports. The Wellness Programme, which is instrumental in disseminating information on various health topics and providing screening tests to staff on the various health matters, was fully implemented. However, owing to the shift work arrangement, some activities could not be implemented. Staff on antiretroviral (ARV) treatment continued to be fully supported through laboratory monitoring and provision of pharmaceuticals. The compliance for 2021 was at 95 percent, an acceptable scoring by the Ministry of Health and Wellness standards.

The year 2021, like most of 2020, was extraordinary and challenging in many respects, with COVID-19 pandemic continuing to pose a major threat to human life and livelihoods on an unprecedented scale. The Bank's COVID-19 strategy continued to be adhered to and used as an important tool in the fight against the pandemic and monitoring of staff who tested positive as well as dissemination of COVID-19-related information. Notwithstanding these efforts, sadly, seven staff members succumbed to the disease. Table 6 shows the COVID-19 statistics in the Bank as at December 31, 2021.

TABLE 6: COVID-19 STATISTICS IN THE BANK AS AT DECEMBER 31, 2021

Cumulative case	Recovered	Active	Deaths
251	206	38	7

As at December 31, 2021, 432 staff members were fully vaccinated while 58 were awaiting their second jab, making a cumulative total of 490 vaccinated out of 590. A total of about 100 staff members were unvaccinated for various reasons.

Staff Pension Fund

The Bank of Botswana Defined Contribution Staff Pension Fund declared final investment returns for the financial year ended September 30, 2021 as shown in Table 7 based on its new investment Strategy (glide path) which was implemented on October 1, 2020. The glide path has three age-based portfolios. The rates of return were much higher than the average inflation of 6.7 percent in Botswana in 2021.

TABLE 7: DECLARED INTEREST RATES FOR THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2021

Age group	Active Members (Percentage)	Deferred Members (Percentage)
Less than 55 years	16.9	16.3
55 to 60 years	12.7	12.1
61 to 65 years	8.7	8.1

Legislation, Governance and Accountability

The Bank of Botswana Act has been reviewed with a view to modernise the law, including clarity of mandate, entrenching a statutory MPC and other institutional arrangements designed to improve governance. The draft Act is at an advanced stage of the review process. The Bank further received the draft Banking Act from the Ministry of Finance and Economic Development for comments, following drafting of the proposed re-enactment of the Banking Bill by the Attorney General's Chambers. In December 2021, the Bank obtained a Court Order for dissolution of Kingdom Bank Africa Limited, bringing the liquidation to effective conclusion. The Bank also played a critical role in the drafting of the Credit Information Regulations, to be used in the implementation of the Credit Information Act.

Governance and Accountability

Through the public outreach programme, the Bank conducted economic briefings on the backdrop of the publication of the 2020 *Annual Report*. Among key stakeholders briefed were His Excellency the President, Dr Mokgweetsi Eric Keabetswe Masisi and members of Cabinet, and the media. The Bank also held virtual media briefings and released Press Statements announcing the decision of the MPC following each of the six meetings held in 2021.

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 2021. The Bank used various methods of interaction, including media briefings, Press Releases, website and regular Bank publications to provide information to the public and also manage reputational risks. The Bank also handled several media and public enquiries, including providing information for responses to Parliamentary questions on a variety of subjects relevant to the Bank's mandates and operations.

External Relations

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

Botswana continued to maintain favourable sovereign credit rating as underpinned by stable and predictable institutional frameworks, positive impact of the monetary policy framework, adherence to the rule of law and

prudent policymaking, all of which contribute to macroeconomic stability. The annual Credit Analysis Update Report, released in September 2021 by S&P Global Ratings (S&P), affirmed Botswana's sovereign credit rating for long-term foreign and domestic currency bonds at "BBB+" and "A-2" for short-term foreign and domestic currency bonds. S&P indicated that the affirmation of the ratings was underpinned by the country's strong, stable and predictable institutional frameworks; modest net general government debt levels; relatively strong net external position; and the positive impact of the monetary policy framework, all of which contribute to sound macroeconomic stability. However, the economic outlook was revised from negative to stable, on account of anticipated rebound in Botswana's economic growth, partially led by the recovery in diamond mining.

Meanwhile, in April 2021, Moody's Investors Service downgraded Botswana's sovereign credit rating for long-term bonds, denominated in both domestic and foreign currency, from 'A2' to 'A3' but changed the economic outlook from negative to stable. The downgrade was attributable to the reduction in the capacity of government to absorb future shocks as a result of the erosion of fiscal buffers, occasioned by the COVID-19 pandemic, and relatively weaker economic resilience, reflecting lack of economic diversification. The revision of the outlook reflected Moody's expectations of continued prudential macroeconomic policies in Botswana, which would help to navigate the challenges stemming from the country's heavy reliance on diamond industry and a larger public sector.

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

Publications, Communications and Public Education

The Bank submitted the 2020 *Annual Report* on the Bank's operations and financial statements and the 2020 *Banking Supervision Annual Report*, in accordance with statutory requirements, to the Minister of Finance and Economic Development on March 31, 2021 and June 30, 2021, respectively. The 2021 *Monetary Policy Statement*, *Monetary Policy Reports*, *Financial Stability Reports*, monthly *Botswana Financial Statistics*, the quarterly *Business Expectations Survey*, the special *Research Bulletin* were also published, while the Bank's website provided timely access to data, publications, press releases and policies of the Bank, including the *Monthly and Annual Financial Statements*, *Household Indebtedness Survey Report*, *Directory of Financial Institutions Operating in Botswana*, and the 2021 edition of *Tsa Tuelano Newsletter*.

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



ANNUAL FINANCIAL STATEMENTS

2021

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, 2021, Statement of Profit or Loss and Other Comprehensive Income, Statement of Distribution, Statement of Cash Flows and Statement of Changes in Shareholder’s Funds for the year then ended.

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

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

The Board members have made an assessment of the ability of the Bank to continue as a going concern and have no reason to believe that the Bank will not be a going concern in the year ahead. An impact assessment of the Coronavirus

COVID-19 pandemic is provided in Note 36 of these financial statements.

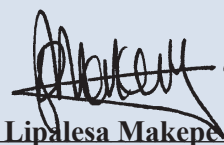
The independent external auditor is responsible for reporting on whether the annual financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Approval of the Annual Financial Statements

The annual financial statements of the Bank, as identified in the first paragraph, were approved by the Board on March 25, 2022 and signed on behalf of the Board by:



Moses D Pelaelo
Governor



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

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

Opinion

We have audited the financial statements of Bank of Botswana ("the Bank") set out on pages 9 to 49, which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in shareholder's funds and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Bank of Botswana as at December 31, 2021, and of its financial performance and of its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Other Matter

The financial statements of Bank of Botswana for the year ended December 31, 2020, were audited by another auditor who expressed an unmodified opinion on those financial statements on March 30, 2021.

Key Audit Matters

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

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



Key Audit Matter	How the matter was addressed in the audit
Valuation of Financial Assets As this was our first year auditing the Bank, significant time was spent in discussion with management to understand the processes and the accounting policies in order to design our audit strategy and related procedures. The majority of our initial understanding was related to the foreign financial assets of the Bank as they represent 98% of the Bank's total assets as well as the fact that there is subjectivity in the valuations of some of the financial assets. The bank has foreign financial assets stated at P56 billion as of December 31, 2021. Significant auditor attention was given to the Level 1 and Level 2 classification of the financial assets measured at fair value as well as the recognition of the expected credit losses for assets measured through amortised cost. <u>Level 1 Financial Assets</u> Level 1 financial assets total P47,6 billion. Significant auditor attention was given to the valuation of Level 1 financial assets due to the large volume of the instruments as well as the sourcing of observable inputs which required the assistance of the EY specialists in the evaluation of market consistent methodologies and assumptions relative to IFRS 13 requirements, and the quantification of deviations between external market prices and the Bank's prices. <u>Level 2 Financial Assets</u> Level 2 financial assets total P8,6 billion. Additional auditor attention was given to the valuation of Level 2 financial assets, with the assistance of the EY specialist, due to the complexity of obtaining the data points for which to value the instruments as it is indirectly observable market data.	The following audit procedures, amongst others, were executed: <u>Level 1 and Level 2 Financial Assets:</u> - We obtained an understanding, evaluated the design, implementation and tested the operating effectiveness of the key internal controls over financial asset transactions. - We obtained an understanding of management's processes for assessing the IFRS 9 classification of the financial assets and the valuation techniques and processes for the Level 1 and Level 2 fair value assets in line with IFRS 13 - Fair Value Measurement. - We assessed the competence and objectivity of Management's specialists involved in determining assumptions and inputs in the valuation of level 2 financial assets with reference to their professional capabilities. - We assessed the reasonability of the exchange rates used in translating into the Bank's reporting currency. - We compared the pricing inputs used by management to external data sources and assessed the inputs into the reported fund positions. This was performed with the assistance of the EY specialist. - We evaluated the appropriateness of the valuation approaches and methodologies used by Management's specialists against IFRS requirements and industry norms (price quotation convention) to confirm that methodologies were appropriate under the circumstances. - We assessed the appropriateness of the indirectly observable market data input into the valuation models and tested it back to source systems and client data

Amortised cost Financial Assets

Financial assets recognised at amortised cost amounts to 15% of the total foreign financial asset balance. Significant auditor attention was given to the expected credit losses disclosed for financial assets measured at Amortised cost with specific reference to whether management had incorporated the effect of COVID recoveries for each of the relevant geographies into their models when compared with the prior year evaluation.

The disclosures associated with respect to the financial assets are the following:

- Significant Accounting Policies - Financial Instruments
- Note 1.1 - Liquidity Portfolio
- Note 1.2 - Pula Fund
- Note 2 - International Monetary Fund (IMF)
- Note 12 - Categories of Financial Instruments
- Note 30 - Risk Management in Respect of Financial Instruments
- Note 31 - Fair Value of Financial Instruments

and assessed that the valuations were performed at the correct and appropriate date. This was performed with the assistance of the EY specialist.

Amortised cost Financial Assets:

- We assessed management's approach to allow for the impact of the COVID-19 pandemic and the related COVID-19 overlays included in the assumptions applied in the expected credit loss model.
- We recalculated the expected credit losses using independent observable inputs and compared them to management's calculations with specific reference to the COVID-19 overlays that were processed.

Level 1, 2 and Amortised Cost Financial Assets:

- We assessed whether the recognition and measurement criteria used in the accounting records were consistent with the requirements of IFRS 9 - Financial instruments, IFRS 13 - Fair value measurement and IFRS 7 - Financial instruments disclosures.
- We assessed the adequacy and completeness of the disclosures regarding the financial assets in the financial statements to determine they were in accordance with IFRS 9 - Financial instruments and IFRS 13 - Fair value measurement and IFRS 7 - Financial instruments disclosures.



Other Information

Other information comprises the information included in the 49-page document titled "Bank of Botswana Annual Financial Statements for the year ended December 31, 2021" which includes the Statement of Responsibility of the Board and Approval of the Annual Financial Statements and the Statement of Distribution, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The Board members are responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Board members for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

***Report on other Legal and Regulatory Requirements***

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

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

Ernst & Young
Practicing Member: Thomas Chitambo
Partner
Certified Auditor
Membership number: 20030022
Gaborone

March 25, 2022

STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	Notes	2021 P'000	2020 P'000
ASSETS			
Foreign Assets			
Liquidity Portfolio	1.1	2 396 983	6 618 505
Pula Fund	1.2	48 677 418	45 049 350
International Monetary Fund (IMF)			
Reserve Tranche	2.1	820 855	745 359
Holdings of Special Drawing Rights (SDR)	2.2	4 097 651	926 805
General Subsidy Account	2.3	25 089	23 736
Total Foreign Assets		56 017 996	53 363 755
Domestic Assets			
Receivables and Other Assets	3	237 536	424 413
Property and Equipment	4	931 997	712 993
Total Domestic Assets		1 169 533	1 137 406
TOTAL ASSETS		57 187 529	54 501 161
LIABILITIES AND SHAREHOLDER'S FUNDS			
Foreign Liabilities			
Allocation of IMF Special Drawing Rights	5	4 064 893	896 203
Liabilities to Government (IMF Reserve Tranche)	6	321 808	246 311
Total Foreign Liabilities		4 386 701	1 142 514
Domestic Liabilities			
Notes and Coin in Circulation	7	4 198 386	4 457 909
Deposits	8	4 324 680	4 728 931
Bank of Botswana Certificates	9	2 299 844	7 779 448
Reverse Repurchase Agreements	9.1	1 478 950	1 417 938
Dividend to Government	10	3 175 135	2 300 992
Payables and Other Liabilities	11	161 511	315 115
Total Domestic Liabilities		15 638 506	21 000 333
Total Liabilities		20 025 207	22 142 847
Shareholder's Funds			
Paid-up Capital	13	25 000	25 000
Government Investment Account			
Pula Fund and Liquidity Portfolio		6 107 752	3 347 697
Currency Revaluation Reserve		25 032 555	22 975 235
Fair Value Revaluation Reserve		4 397 015	4 410 382
General Reserve	14	1 600 000	1 600 000
Total Shareholder's Funds		37 162 322	32 358 314
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS		57 187 529	54 501 161
FOREIGN ASSETS IN US DOLLARS (000) ¹		4 806 344	4 941 484
FOREIGN ASSETS IN SDR (000) ²		3 445 107	3 420 617

1 United States dollar/Pula – 0.0858 (2020: 0.0926)

2 SDR/Pula – 0.0615 (2020: 0.0641)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2021

	Notes	2021 P'000	2020 P'000
INCOME			
Interest – foreign exchange reserves	15	578 405	862 130
Dividends – foreign exchange reserves	16	413 780	414 008
Net realised fair value gains on disposal of securities	17	3 087 780	2 313 151
Net realised currency gains	18	1 075 012	2 082 863
Net unrealised currency gains	19	1 222 064	803 945
Net unrealised fair value (losses)/gains	20	(72 211)	2 903 086
Reversal of impairment loss on financial assets	30	2 554	6 560
Profit on foreign exchange deals		29 824	178 462
Net sundry income		3 541	14 171
		6 340 749	9 578 376
EXPENSES			
Interest expense	21	63 557	111 282
Interest (lease liability)		320	505
Administration costs		712 187	621 797
Depreciation expense	4	30 597	28 934
		806 661	762 518
NET INCOME		5 534 088	8 815 858
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		5 534 088	8 815 858

STATEMENT OF DISTRIBUTION

For the year ended December 31, 2021

	Note	2021 P'000	2020 P'000
TOTAL COMPREHENSIVE INCOME		5 534 088	8 815 858
Transfer of net currency gains to currency revaluation reserve			
Transfer of unrealised fair value losses/(gains) to fair value revaluation reserve	22	(2 057 320)	(2 960 957)
	23	13 367	(2 923 909)
NET INCOME TO GOVERNMENT		3 490 135	2 930 992
Dividend		(420 000)	(840 000)
Residual Net Income	10	(3 070 135)	(2 090 992)

STATEMENT OF CASH FLOWS
For the year ended December 31, 2021

	Notes	2021 P'000	Restated Note 34 2020 P'000
OPERATING ACTIVITIES			
Cash used in operations before movements relating to currency in circulation	26	(3 127 851)	(518 325)
Movement in currency in circulation		(259 523)	675 878
Cash (used in)/generated from operations		(3 387 374)	157 553
Interest: foreign exchange reserves		524 958	793 636
Dividends foreign exchange reserves		412 059	409 978
Interest expense		(63 507)	(111 243)
Cash (used)/generated from operating activities		(2 513 864)	1 249 924
INVESTING ACTIVITIES			
Net withdrawals from foreign exchange reserves		2 636 458	17 973 601
Proceeds from disposal of property and equipment		579	656
Purchase of property and equipment	4	(262 433)	(221 706)
NET CASH GENERATED FROM INVESTING ACTIVITIES		2 374 604	17 752 551
FINANCING ACTIVITIES			
Dividend to Government	10	(2 615 992)	(4 036 425)
Government investments/(withdrawals)	10.1	2 760 055	(14 961 822)
Interest on lease liability		(320)	(505)
Lease Liability – right of use	4.2	(4 483)	(3 724)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES		139 260	(19 002 476)
CASH AND CASH EQUIVALENTS AT YEAR END		-	-

STATEMENT OF CHANGES IN SHAREHOLDER'S FUNDS

For the year ended December 31, 2021

	Paid-up Capital	Currency Revaluation Reserve	Fair Value Revaluation Reserve	General Reserve	Government Investment Account	Accumulated Profit/(Loss)	Total
	P'000	P'000	P'000	P'000	P'000	P'000	P'000
BALANCE AT JANUARY 1, 2020	25 000	20 014 278	1 486 473	1 600 000	18 309 519	-	41 435 270
Total profit	-	-	-	-	-	8 815 858	8 815 858
Government withdrawals	-	-	-	-	(14 961 822)	-	(14 961 822)
Transfer of gains to Currency Revaluation Reserve	-	2 960 957	-	-	-	(2 960 957)	-
Transfer of gains to Fair Value Revaluation Reserve	-	-	2 923 909	-	-	(2 923 909)	-
Dividend to Government	-	-	-	-	-	(840 000)	(840 000)
Residual net income	-	-	-	-	-	(2 090 992)	(2 090 992)
BALANCE AT DECEMBER 31, 2020	25 000	22 975 235	4 410 382	1 600 000	3 347 697	-	32 358 314
Total profit	-	-	-	-	-	5 534 088	5 534 088
Government investments	-	-	-	-	2 760 055	-	2 760 055
Transfer of gains to Currency Revaluation Reserve	-	2 057 320	-	-	-	(2 057 320)	-
Transfer of gains to Fair Value Revaluation Reserve	-	-	(13 367)	-	-	13 367	-
Dividend to Government	-	-	-	-	-	(420 000)	(420 000)
Residual net income	-	-	-	-	-	(3 070 135)	(3 070 135)
BALANCE AT DECEMBER 31, 2021	25 000	25 032 555	4 397 015	1 600 000	6 107 752	-	37 162 322

SIGNIFICANT ACCOUNTING POLICIES

For the year ended December 31, 2021

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, 2021 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 25, 2022.

Basis of Preparation

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

Functional and Presentation Currency

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

ADOPTION OF REVISED STANDARDS AND INTERPRETATION

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

STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED

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

Standard	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2018-2020 Fees in the “10 percent” test for de-recognition of financial liabilities (Amendment IFRS 9 – Financial Instruments) The amendment clarifies the fees that an entity includes when assessing whether the terms of a new modified financial liability are sustainably different from the term of the original financial liability. These fees include only those paid or received between the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity applies for the amendment. The amendment is not expected to have a material impact on the financial statements of the Bank.	January 1, 2022

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2021

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

Standard	Effective for annual periods beginning on or after
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) The amendments improve on the application of materiality to disclosure of accounting policies. Key amendments to IAS 1 include: requiring entities to disclose their material accounting policies rather than their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to an entity's financial statements. The IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material: "accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements". The amendments are not expected to have any material impact on the financial statements of the Bank.	January 1, 2023 May be applied earlier
Definition of Accounting Estimate (Amendments to IAS 8) The amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both: • selecting a measurement technique (estimation or valuation technique) – for example an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 <i>Financial Instruments</i>; and • choosing the inputs to be used when applying the chosen measurement technique – for example the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>. The amendments are not expected to have any material impact on the financial statements of the Bank.	January 1, 2023 May be applied earlier

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2021

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 (prepayments and other).

Fair Value Measurement

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

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

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.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2021

FINANCIAL INSTRUMENTS (Cont'd)

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.

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

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

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

Short-term Investments (Liquidity Portfolio)

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

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

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

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

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

Long-term Investments (Pula Fund)

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

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2021

FINANCIAL INSTRUMENTS (Cont'd)

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

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

Short-term Deposits

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

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

Receivables Other Assets

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

Derivative Instruments

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

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

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/haircut is applied to mitigate risk. The Bank has the right to call for additional collateral, should the value of the security decline during the tenure of the facility. Interest earned on the advances is credited to profit or loss, while advances outstanding as at the Statement of Financial Position date are recorded under "receivables and other assets".

Impairment of Financial Assets

The Bank applies the IFRS 9 expected credit loss model under the general approach for recognition and measurement of impairment losses on financial assets measured at amortised cost. The impairment model is forward looking and recognises expected credit losses (ECL) on financial assets at the end of each reporting date. The standard states that if there has been significant increase in the credit risk of the financial asset after initial recognition, a lifetime expected credit loss should be recognised. However, the Bank only invests in high quality investment grade financial instruments

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2021

FINANCIAL INSTRUMENTS (Cont'd)

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 there has been a significant increase in credit risk since initial recognition.

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

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

Staff advances are categorised as low risk assets, with controls on issue of loans and their recovery in place. An annual assessment of materiality of any ECL is undertaken. In the case of ex-staff debts, where there are no terminal benefits to recover the outstanding debt, the remaining debt is wholly impaired. However, determined effort is undertaken to recover the debt. Advances to Bank's are collateralised against Bank of Botswana Certificates, therefore there is no risk of default.

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

Financial Liabilities

The Bank's financial liabilities comprise the following:

(a) Foreign liabilities

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

(b) Domestic liabilities

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

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.

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. These are measured at amortised cost using the effective interest method, with interest expense recognised on the effective yield basis.

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

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2021

FINANCIAL INSTRUMENTS (Cont'd)

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

The Bank records income from lending securities as it accrues.

REPURCHASE AND REVERSE REPURCHASE AGREEMENTS

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

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

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

OFFSETTING FINANCIAL INSTRUMENTS

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

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

FOREIGN CURRENCIES

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

RECOGNITION OF PROVISIONS

Contingent Liabilities

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

Provisions

The Bank recognises provisions when:

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

Measurement of Provisions

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

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2021

INCOME AND EXPENSE RECOGNITION (Cont'd)

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;
- (b) interest on fair value through profit or loss investment securities calculated on an effective interest rate basis; and
- (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.

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 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 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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2021

PROPERTY AND EQUIPMENT (Cont'd)

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 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 and equipment. The depreciation rates are as follows:

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

Impairment

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

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

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that these losses have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment was recognised.

EMPLOYEE BENEFITS

Retirement benefits

Pension benefits are provided for employees through the Bank of Botswana Defined Contribution Staff Pension Fund, in accordance with the Retirement Funds Act (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 the Fund. Obligations for contributions to the pension fund are recognised in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2021

EMPLOYEE BENEFITS (Cont'd)

Other benefits

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

LEASES

The Bank 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. 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 remeasured by increasing the carrying amount to reflect interest on the lease and by reducing the carrying amount to reflect the lease payments. It is re-measured when there is a change in future lease payments arising from a change in the rate, or in cases of extension or termination option or if there is a revised in-substance fixed lease payment

The 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.

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

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2021

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

If the market for a financial asset is not active, the Bank establishes fair value by using valuation techniques (level 2). These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. The total value of these instruments was P9 billion (2020: P6 billion) at the reporting date (refer to Note 31).

Determination of fair values of expected credit losses

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

Right-of-use rate for IFRS 16 lease

The Bank assesses whether a contract is, or contains a lease, at the time of inception (refer to significant accounting policies - Leases).

Useful life and residual value of assets

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended December 31, 2021

	2021 P'000	2020 P'000
1. FOREIGN EXCHANGE RESERVES		
1.1 Liquidity Portfolio		
Bonds: FVTPL	-	2 655 185
Amounts due from Pula Fund: amortised cost	571 568	969 406
Short-term deposits: amortised cost	1 828 627	3 000 097
Less: impairment loss (Note 30)	(3 212)	(6 183)
	<u>2 396 983</u>	<u>6 618 505</u>
1.2 Pula Fund		
Equities: FVTPL	25 284 820	21 576 406
Bonds: FVTPL	22 271 493	23 231 251
Derivative instruments: assets (Note 12.3)	48 334	18 115
Amounts due to Liquidity Portfolio: amortised cost	(571 568)	(969 406)
Derivative instruments: liabilities (Note 12.3)	(23 425)	20 753
Short-term deposits: amortised cost	1 669 185	1 173 239
Less: impairment loss (Note 30)	(1 421)	(1 008)
	<u>48 677 418</u>	<u>45 049 350</u>
(a) Statement of Financial Position		
<i>Capital Employed</i>		
Government	5 607 752	2 847 697
Bank of Botswana	43 069 666	42 201 653
	<u>48 677 418</u>	<u>45 049 350</u>
<i>Employment of Capital</i>		
Investments	48 677 418	45 049 350
Investments expressed in US dollars ('000) ³	4 176 552	4 171 570
Investments expressed in SDR ('000) ⁴	2 993 661	2 887 663
(b) Statement of Profit or Loss and other comprehensive income		
<i>Income</i>		
Interest and dividends	904 144	1 017 802
Realised currency revaluation gains	760 660	1 717 769
Unrealised currency revaluation gains	1 299 318	620 181
Realised fair value gains	3 071 216	2 105 279
Unrealised fair value (losses)/gains	(13 367)	2 923 909
Impairment (loss)/loss reduction on financial assets	(414)	1 038
	<u>6 021 557</u>	<u>8 385 978</u>
<i>Expenses</i>		
Administration costs	(216 543)	(185 928)
	<u>(216 543)</u>	<u>(185 928)</u>
Net income	<u>5 805 014</u>	<u>8 200 050</u>
<i>Other comprehensive income</i>	-	-
Total comprehensive income	<u>5 805 014</u>	<u>8 200 050</u>

3 United States dollar/Pula – 0.0858 (2020: 0.0926)

4 SDR/Pula – 0.0615 (2020: 0.0641)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

	2021 P'000	2020 P'000
2. INTERNATIONAL MONETARY FUND (IMF)		
2.1 Reserve Tranche		
This asset represents the difference between Botswana's Quota in the IMF and IMF Holdings of Pula. Botswana's Quota is the membership subscription, of which at least 25 percent was paid for in foreign currencies and the balance in Pula. The holding of Pula by the IMF, which initially was equal to 75 percent of the quota, has changed from time to time as a result of the use of the Pula by the IMF in lending to member countries. The IMF has created an international reserve asset called the Special Drawing Right (SDR). All rights in, and commitments to the IMF are denominated in SDRs. The value of the SDR is calculated on the basis of a currency basket comprising the US dollar, Euro, Chinese renminbi, Japanese yen and pound sterling. The currency weights are adjusted each year in accordance with changes in bilateral foreign exchange rates.		
Quota SDR 197 200 000 (2020: SDR 197 200 000)	3 252 713	3 077 221
Less: IMF Holdings of Pula	(2 431 858)	(2 331 862)
Reserve Position in IMF	820 855	745 359
The IMF Holdings of Pula are represented by the Non-Interest Bearing Note of P1 477 900 684 (2020: P1 477 900 684) issued by the Government of Botswana in favour of the IMF, maintenance of value currency adjustments and the amount in the current account held at the Bank (included in other deposits in Note 8).		
2.2 Holdings of Special Drawing Rights		
Balance at the beginning of the year	926 805	867 934
Allocation of SDR	3 033 826	-
Net Interest & Remuneration	441	2 937
Currency revaluation	136 579	55 934
	4 097 651	926 805
The balance on the account represents the value of Special Drawing Rights (SDR) allocated and purchased less utilisation to date. A general allocation of SDR amount equivalent to P3 033 826 000 was made to Botswana on August 23, 2021 in proportion to its quota share in IMF. The SDR allocation was to provide additional liquidity – supplementing member countries foreign exchange reserves during the COVID-19 pandemic.		
2.3 General Subsidy Account		
Face value (SDR 1 520 000)	25 072	23 719
Interest	17	17
	25 089	23 736
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.		
3. RECEIVABLES AND OTHER ASSETS		
Staff loans and advances	177 046	161 776
Prepayments	4 125	5 737
Donor funds – Government projects	33 108	191 028
Advance payment – main contractor for PulaThebe project	19 061	61 627
Other	4 196	4 245
	237 536	424 413

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2021

4. PROPERTY AND EQUIPMENT

	Freehold Land	Leasehold Land	Buildings	Capital Works in Progress (Buildings)	Capital Works in Progress (Other Assets)⁵	Rights of Use Assets	Other⁶ Assets	Total
	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000
Cost - December 31, 2021								
Balance at the beginning of the year	2 065	4 932	411 862	344 522	3 312	15 830	236 344	1 018 867
Additions	-	-	-	227 723	17 662	569	16 479	262 433
Disposals	-	-	(37 720)	-	-	-	(3 010)	(40 730)
Transfers from WIP	-	-	320 643	(386 386)	(1 125)	-	66 868	-
Balance at year-end	2 065	4 932	694 785	185 859	19 849	16 399	316 681	1 240 570
Accumulated Depreciation								
Balance at the beginning of the year	-	-	140 505	-	-	9 211	156 158	305 874
Charge for the year	-	-	11 797	-	-	3 979	14 821	30 597
Disposals	-	-	(25 541)	-	-	-	(2 357)	(27 898)
Balance at year-end	-	-	126 761	-	-	13 190	168 622	308 573
Net book value at December 31, 2021	2 065	4 932	568 024	185 859	19 849	3 209	148 059	931 997
Cost - December 31, 2020								
Balance at the beginning of the year	2 065	4 932	411 032	147 725	-	15 830	225 412	806 996
Additions	-	-	-	197 627	3 312	-	20 767	221 706
Disposals	-	-	-	-	-	-	(9 835)	(9 835)
Transfers from WIP	-	-	830	(830)	-	-	-	-
Balance at year-end	2 065	4 932	411 862	344 522	3 312	15 830	236 344	1 018 867
Accumulated Depreciation								
Balance at the beginning of the year	-	-	129 299	-	-	5 249	151 538	286 086
Charge for the year	-	-	11 206	-	-	3 962	13 766	28 934
Disposals	-	-	-	-	-	-	(9 146)	(9 146)
Balance at year-end	-	-	140 505	-	-	9 211	156 158	305 874
Net book Value at December 31, 2020	2 065	4 932	271 357	344 522	3 312	6 619	80 186	712 993

⁵ Other assets comprise of furniture, fixtures and fittings, computer hardware, computer software and motor vehicles.

⁶ Capital works (other assets) comprises work in progress relating to computer hardware and software projects.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

PROPERTY AND EQUIPMENT (Cont'd)

4.1 Breakdown of the Right of Use Assets

	Land P'000	Buildings P'000	Total P'000
Balance at January 1, 2021	606	15 224	15 830
Additions	-	569	569
	606	15 793	16 399
Accumulated Depreciation	(485)	(12 705)	(13 190)
Net book value at December 31, 2021	121	3 088	3 209
Balance at January 1, 2020	606	15 224	15 830
Additions	-	-	-
	606	15 224	15 830
Depreciation	(460)	(8 751)	(9 211)
Net Book Value at December 31, 2020	146	6 473	6 619

4.2 Lease liability – right of use

	2021 P'000	2020 P'000
Balance at the beginning of the year	7 705	11 429
Lease liability – right of use	(4 483)	(3 724)
Additions	569	-
Balance at the end of the year	3 791	7 705

Valuation of Properties

Freehold and leasehold land and buildings were valued by an independent professional property valuer in November 2020 at an open market value of P798 280 000. In terms of the Bank's internal policy, the valuation by an independent valuer is conducted every three years and is intended to provide an indicator of the value of the land and buildings. 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 willing seller;
- 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;
- 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.
- that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- that both parties to the transaction had acted knowledgeably, prudently, and without compulsion.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

Open Market Valuation for Property (Cont'd)

The impact of the COVID-19 pandemic on the Headquarters Re-Development (PulaThebe) project, reported under Capital Works in Progress, includes about 7 months delay to the initial project completion date on account of the lockdowns during the last two years, which impacted on the project supply chain and resource availability. As at the current estimates, the costs of the delay are expected to be covered within the project contingency budget.

	2021 P'000	2020 P'000
5. ALLOCATION OF IMF SPECIAL DRAWING RIGHTS (SDR)		
Balance at the beginning of the year	896 203	841 951
Allocation of SDR	3 033 826	-
Currency revaluation gains	134 864	54 252
Balance at the end of the year	4 064 893	896 203

This is the liability of the Bank to the IMF in respect of the allocation of SDRs to Botswana. A general allocation of SDR amount equivalent to P3 033 826 000 was made to Botswana on August 23, 2021 in proportion to its quota share in IMF to provide additional liquidity – supplementing member countries foreign exchange reserves during the COVID-19 pandemic.

6. LIABILITIES TO GOVERNMENT (IMF RESERVE TRANCHE)

Balance at the beginning of the year	246 311	83 911
Purchase of SDR	30 730	132 462
Revaluation currency gains	44 767	29 938
Balance at the end of the year	321 808	246 311

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	4 064 836	4 328 868
Coin	133 550	129 041
	4 198 386	4 457 909

Notes and coin in circulation held by the Bank at the end of the financial year have been netted off against the liability for notes and coin in circulation to reflect the net liability to the public. Notes and coin are a cost to the Bank which becomes a liability on distribution to the public. Notes and coin in circulation are payable on demand.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued) For the year ended December 31, 2021

	2021 P'000	2020 P'000
8. DEPOSITS		
Government	1 167 845	1 084 274
Bankers -current accounts	197 602	272 859
-statutory reserve accounts	1 619 555	1 825 963
-IMF No 1 & 2 accounts	813 840	978 428
-Other	525 838	567 407
	<u>4 324 680</u>	<u>4 728 931</u>
These deposits are various current accounts of Government, commercial banks, parastatal bodies and others, which are repayable on demand and are interest free, except for the statutory reserve requirement, which is also interest free, but not repayable on demand.		
9. BANK OF BOTSWANA CERTIFICATES		
Face value	2 300 000	7 780 000
Unmatured discount	(156)	(552)
Carrying amount	<u>2 299 844</u>	<u>7 779 448</u>
Bank of Botswana Certificates are issued at various short-term maturity dates (Note 30) and discount rates.		
9.1 REVERSE REPURCHASE AGREEMENTS		
Amortised cost	<u>1 478 950</u>	<u>1 417 938</u>
The reverse repurchase agreements matured on January 05, 2022 (2020: January 4, 2021).		
10. DIVIDEND TO GOVERNMENT		
Balance due at the beginning of the year	2 300 992	3 406 425
Dividend to Government from Pula Fund	420 000	840 000
Paid during the year	(2 615 992)	(4 036 425)
Residual net income	3 070 135	2 090 992
Balance due at the end of the year	<u>3 175 135</u>	<u>2 300 992</u>
The final instalment of the pre-set dividend of P105 000 000 and the residual net income of P3 070 134 985 unpaid as at December 31, 2021 has been provided for in accordance with Section 6 of the Bank of Botswana Act (CAP 55:01); which requires that all net profits of the Bank be distributed to the shareholder, the Government.		
10.1 GOVERNMENT INVESTMENTS/ (WITHDRAWALS) – PULA FUND		
Balance at the beginning of the year	2 847 697	17 809 519
Investments	12 312 425	5 157 806
Withdrawals	(9 552 370)	(20 119 628)
Balance at the end of the year	<u>5 607 752</u>	<u>2 847 697</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2021

	2021	2020
	P'000	P'000
11. PAYABLES AND OTHER LIABILITIES		
Accounts payable	24 792	19 499
Donor funds – Government projects	33 108	191 028
Lease liability	3 792	7 705
Provisions, accruals and other payables	99 819	96 883
	<u>161 511</u>	<u>315 115</u>
12. CATEGORIES OF FINANCIAL INSTRUMENTS		
12.1 Financial Assets		
Measured at FVTPL		
Equities	25 284 820	21 576 407
Bonds	22 271 493	25 886 436
Derivatives	48 334	18 115
	<u>47 604 647</u>	<u>47 480 958</u>
Measured at amortised cost		
IMF Reserves	4 943 595	1 695 900
Staff loans and advances	177 046	161 776
Short-term deposits	3 497 812	4 173 336
Less: impairment loss	(4 633)	(7 192)
	<u>8 613 820</u>	<u>6 023 820</u>
Total Financial Assets	<u>56 218 467</u>	<u>53 504 778</u>
The above is disclosed in the Statement of Financial Position as follows:		
Total Foreign Assets	56 017 996	53 363 755
Add: Derivative instruments (liabilities) (Note 1.2)	23 425	(20 753)
Receivable and Other Assets - staff loans and advances (Note 3)	177 046	161 776
	<u>56 218 467</u>	<u>53 504 778</u>
12.2 Financial Liabilities		
Measured at FVTPL		
Derivative instruments (Note 1.2)	23 425	(20 753)
Measured at amortised cost		
Bank of Botswana Certificates	2 299 844	7 779 448
Reverse Repurchase Agreements	1 478 950	1 417 938
Allocation of SDR (IMF)	4 064 893	896 203
Liabilities to Government (IMF)	321 808	246 311
Deposits	4 324 680	4 728 931
Dividend to Government	3 175 135	2 300 992
Payables and other liabilities	161 511	315 115
	<u>15 850 246</u>	<u>17 664 185</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

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.

		Asset	Liabilities	Notional Amount	Assets	Liabilities	Notional Amount
		2021	2021	2021	2020	2020	2020
		(P'000)	(P'000)	(P'000)	(P'000)	(P'000)	(P'000)
Futures	-Buy	14 517	-	2 426 199	(43 517)	-	2 965 354
	-Sell	-	(12 086)	(1 953 885)	-	37 138	(2 355 100)
Swaps	-Buy	33 817	-	49 960	61 632	-	45 982
	-Sell	-	(11 339)	(2 993)	-	(16 385)	(3 196)
		48 334	(23 425)	519 281	18 115	20 753	653 040

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, 2021

	2021 P'000	2020 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	26 448	99 606
Short-term deposits: amortised cost	61 153	156 579
IMF Reserves: amortised cost	440	2 151
Pula Fund		
Short-term deposits: amortised cost	11 941	24 354
Bonds: FVTPL	478 423	579 440
	578 405	862 130
The interest on foreign exchange reserves relates to interest income.		
16. DIVIDENDS – FOREIGN EXCHANGE RESERVES		
Pula Fund		
Equities: FVTPL	413 780	414 008
17. NET REALISED FAIR VALUE GAINS/(LOSSES) ON DISPOSAL OF SECURITIES		
Liquidity Portfolio		
Bonds FVTPL	16 564	207 873
Pula Fund		
Bonds: FVTPL	332 537	895 912
Derivative instrument: FVTPL	(24 466)	(957)
Equities: FVTPL	2 763 145	1 210 323
	3 087 780	2 313 151

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued) For the year ended December 31, 2021

	2021 P'000	2020 P'000
18. NET REALISED CURRENCY GAINS/(LOSSES)		
Liquidity Portfolio		
Short-term deposits: amortised cost	249 247	(202 447)
Bonds: FVTPL	65 105	567 541
Pula Fund		
Derivative instruments: FVTPL	29 348	1 031
Short-term deposits: amortised cost	(591 617)	26 855
Bonds: FVTPL	951 191	967 569
Equities: FVTPL	371 738	722 314
	<u>1 075 012</u>	<u>2 082 863</u>
19. NET UNREALISED CURRENCY GAINS/(LOSSES)		
Liquidity Portfolio		
Short-term deposits: amortised cost	(9 002)	111 947
Bonds: FVTPL	(71 322)	68 675
IMF reserves: amortised cost	3 069	3 141
Pula Fund		
Short-term deposits: amortised cost bonds: FVTPL	17 717	2 774
Bonds: FVTPL	805 959	321 857
Equities: FVTPL	474 050	283 550
Derivative instruments: FVTPL	1 593	12 001
	<u>1 222 064</u>	<u>803 945</u>
20. NET UNREALISED FAIR VALUE (LOSSES)/GAINS		
Liquidity Portfolio		
Bonds: FVTPL	(58 844)	(20 823)
Pula Fund		
Derivative instruments: FVTPL	20 885	38 917
Bonds: FVTPL	(1 409 483)	541 719
Equities: FVTPL	1 375 231	2 343 273
	<u>(72 211)</u>	<u>2 903 086</u>
21. INTEREST EXPENSE		
Bank of Botswana Certificates (BoBCs)	60 530	102 933
Reverse Repurchase Agreements	3 027	8 349
	<u>63 557</u>	<u>111 282</u>
22. NET CURRENCY REVALUATION GAINS/(LOSSES) RETAINED IN PROFIT OR LOSS		
Total net realised (Note 18)	1 075 012	2 082 863
Total net unrealised gains (Note 19)	1 222 064	803 945
Total net currency revaluation gains	<u>2 297 076</u>	<u>2 886 808</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2021

	2021 P'000	2020 P'000
Appropriated to Currency Revaluation Reserve:		
Net realised currency gains reinvested in foreign assets	(835 256)	(2 157 012)
Net unrealised currency gains (Note 19)	(1 222 064)	(803 945)
Transfer of net currency gains to Currency Revaluation Reserve	(2 057 320)	(2 960 957)
Net currency revaluation losses/(gains) retained in profit or loss	239 756	(74 149)
23. NET FAIR VALUE GAINS/(LOSSES) APPROPRIATED TO FAIR VALUE REVALUATION RESERVE		
Total net realised gains (Note 17)	3 087 780	2 313 151
Total net unrealised gains (Note 20)	(72 211)	2 903 086
Total net fair value gains	3 015 569	5 216 237
Appropriated to Fair Value Revaluation Reserve:		
Transfer of unrealised fair value losses/gains to fair value revaluation reserve	13 367	(2 923 909)
Net fair value gains retained in profit or loss	3 028 936	2 292 328
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, 2021 was P45 048 584 (2020: P44 788 574).		
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.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued) For the year ended December 31, 2021

	2021 P'000	2020 P'000
26. CASH GENERATED FROM OPERATIONS		
Net income for the year adjusted for:	5 534 088	8 815 858
Net realised and unrealised exchange gains	(2 057 320)	(2 960 957)
Unrealised fair value losses/(gains)	13 367	(2 923 909)
Depreciation expense	30 597	28 934
Other impairment	16 793	-
Provisions	98 081	95 546
Accrued interest income: foreign exchange reserves	55 168	72 524
Interest on lease liability	320	505
Impairment loss reduction on financial assets	(2 554)	(6 560)
Loss on disposal of property and equipment	12 254	32
Interest: foreign exchange reserves	(578 405)	(862 130)
Dividends: foreign exchange reserves	(413 780)	(414 008)
Interest expense	63 507	111 243
	<u>2 772 116</u>	<u>1 957 078</u>
Adjustments for movements in:		
Deposits: banks and other	(487 822)	(915 582)
Deposits: Government	83 571	(231 182)
Bank of Botswana Certificates	(5 479 604)	(830 120)
Reverse Repurchase Agreements	61 012	(413 264)
Receivables and other assets	170 079	(185 026)
Payables and other liabilities	(247 203)	99 771
Cash used in operations before movements relating to currency in circulation	<u>(3 127 851)</u>	<u>(518 325)</u>
27. CAPITAL COMMITMENTS		
Approved and contracted for	359 690	277 230
Approved, but not contracted for	149 433	109 850
	<u>509 123</u>	<u>387 080</u>

These capital commitments will be funded from internal resources.

28. COLLATERAL

(a) Credit Facility

There were no open positions as at December 31, 2021 (2020: 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 P8.3 billion (2020: P8.7 billion). The Bank has accepted collateral with fair value of P8.7 billion (2020: P9.1 billion) consisting of government bonds (P4.4 billion), cash (P2.5. billion) and equities (P1.8 billion).

29. 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. During the year the official names of Government bonds and treasury bills were changed to align to international best practice and new names are as presented below. An analysis of the bonds and treasury bills issued during the financial year ended December 31, 2021 is provided below:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

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

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

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

- (a) Net proceeds realised from the issue of the bonds of P13 692 250 000 (2020: P8 804 107 000) were invested in the Government Investment Account. The nominal value of holdings of total outstanding Government bonds and treasury bills as at December 31, 2021, was P22 438 000 000 (2020: P17 207 000 000). The nominal value of redemptions during the year to December 31, 2021 was P8 628 000 000 (2020: P4 147 000 000).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

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

- (a) Interest is payable on all interest earning bonds on a semi-annual basis in arrears. During the year to December 31, 2021, total interest payments of P1 040 163 480 were made (2020: P879 327 500) and were funded from the Government's current account maintained with the Bank.
- (b) Government bonds and treasury bills are liabilities of Government; and are, therefore, not accounted for in the Statement of Financial Position of the Bank.

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS

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

Risk Management Governance Structure

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

(a) Board

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

(b) Investment Committee

The Investment Committee, which is chaired by the Governor and comprises representatives from relevant areas of the Bank, reviews and approves the Investment Guidelines for the foreign exchange reserves. It meets regularly to review developments in the international financial and capital markets. Where necessary, the Investment Committee makes strategic 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

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

Tranching of Foreign Exchange Reserves – Liquidity Portfolio and Pula Fund

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

Pula Fund

Investments of the Pula Fund comprise long-term assets, such as long-dated bonds and equities actively traded in 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.

Liquidity Portfolio

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

The LIT is invested in government bonds, government guaranteed bonds, supranational bonds of eligible investment grade currencies and eligible money market instruments. During the financial year 2021, LIT was liquidated to fund the TBT as a result of drawdowns from the TBT to provide foreign currency to the economy and government for payments of goods and services.

Types of Risk Exposure

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

(a) Currency Risk

Currency risk or exchange rate risk arises when exchange rates move against the reporting currency. The reserves are invested in diverse currencies to mitigate the impact of exchange rate movements. The Bank's policy is to invest only in currencies with investment grade ratings assigned by Moody's Investors Services, Standard and Poor's and Fitch Ratings. Through a diversified currency allocation, the Bank ensures that the purchasing power of the foreign exchange reserves is preserved. In terms of the investment guidelines, a maximum deviation from the neutral level is 10 percent for currencies rated AAA to AA-, 6 percent for currencies rated between A+ and A-, 5 percent for BBB+. At the end of 2021, the Bank's total exposure to major investment currencies was P50.3 billion (2020: P50.1 billion). The Bank is also exposed to SDR currency risk on net IMF balances amounting to P0.56 billion (2020: P1 billion). The Bank's risk management strategy with regard to currency risk has not changed due to the COVID-19 pandemic.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

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

Exposure to Currency Risk

The Table below shows the investment currencies to which the Bank had exposure as at December 31, 2021

Major Investment Currencies	2021 (P'000)	2020 (P'000)
AUD	803 051	1 159 610
CAD	1 282 474	1 386 058
EURO	6 892 980	7 838 505
GBP	2 225 657	2 521 403
JPY	4 473 234	4 842 110
USD	26 789 860	24 841 273
Other ⁷	7 867 726	7 538 919
Impairment loss on financial assets	(4 633)	(7 191)
	50 330 349	50 120 687

(b) Interest Rate Risk

Interest rate risk is the possible loss in the value of a fixed income asset resulting from an adverse movement in interest rates and a consequent change in price. Interest rate risk is measured by modified duration, which measures the sensitivity of the price of a bond to changes in interest rates expressed in years. The Bank benchmarks the interest rate risk for the Pula Fund (fixed income assets) to reflect the long-term nature of the portfolio, with emphasis on higher return. The higher interest rate risks generally compensated by higher returns expected from longer maturity bonds. The modified duration benchmark will vary over time, as changing market conditions and index weights impact the global modified duration of the index. At the end of 2021, the average modified duration of the fixed income portion of the Pula Fund was 7.2 years (2020: 7.8 years). The Pula Fund's total exposure to interest rate risk was P22.3 billion (2020: P23.3 billion). The Liquidity Portfolio gives priority to liquidity over return and given the constant need to provide foreign exchange to finance international transaction payments, the portfolio is exposed to minimum interest rate risk. At the end of 2021, the Liquidity Portfolio value of P1.8 billion (2020: P3.7 billion) comprised of cash and cash equivalents, therefore, total exposure to interest rate risk was nil (2020: 4.1 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 2021, the equity portion of the Pula Fund was P25.3 billion (2020: P21.6 billion).

⁷ Includes emerging markets currencies

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

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

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.

December 31, 2021

Risk Variable	Adverse market change			Beneficial market change	
		Scenario	Effect on Statement of Profit or Loss and Other Comprehensive Income ⁸	Scenario	Effect on Statement of Profit or Loss and Other Comprehensive Income
			(P'000)		(P '000)
Interest Rate Risk		Increase in yields by 200 basis points	(3 195 232)	Decrease in yields by 200 basis points	3 195 232
Currency Risk	Investment currencies	Strengthening of the Pula by 1 percent	(552 739)	Weakening of the Pula by 1 percent	552 739
	South African rand	Strengthening of the Pula by 1 percent	(7 441)	Weakening of the pula by 1 percent	7 441
Equity Risk	Global Equities	Decline in global equity prices by 14 percent	(3 539 875)	Increase in global equity prices by 14 percent	3 539 875

December 31, 2020

Interest Rate Risk		Increase in yields by 100 basis points	(1 910 822)	Decrease in yields by 50 basis points	1 910 822
Currency Risk	Investment currencies	Strengthening of the Pula by 1 percent	(518 166)	Weakening of the Pula by 1 percent	518 166
	South African rand	Strengthening of the Pula by 1 percent	(15 472)	Weakening of the pula by 1 percent	15 472
Equity Risk	Global Equities	Decline in global equity prices by 10 percent	(2 157 641)	Increase in global equity prices by 5 percent	2 157 641

⁸ 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, 2021

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

The market risk estimates as presented in the Tables above are based on sensitivities to the individual risk factors. The correlation between the risk variables is not reflected in the effect on the Statement of Profit or Loss and Other Comprehensive Income. In response to the volatility brought by COVID-19 pandemic uncertainties, the Bank increased the market risk estimates on both interest rate risk and equity risk variables from 100 basis points to 200 basis points and 10 percent to 14 percent, respectively to reflect the 2 year average bond yield movements and the average movement of the MSCI World Index in global equity prices. The current year market risk estimates for interest rate risk have been computed on total exposure on bonds less cash and cash equivalents to increase accuracy. The comparative information for the 2020 financial year has been revised to align to the improved presentation.

(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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

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

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	2021 P'000	2020 P'000
Financial Assets			
Liquidity Portfolio			
Bonds: FVTPL	1.1	-	2 655 185
Short-term deposits: amortised cost		2 396 983	3 963 320
Pula Fund			
Bonds: FVTPL		22 271 493	23 231 251
Derivative instruments: FVTPL		48 334	18 115
Short-term deposits: amortised cost	1.2	1 096 196	202 825
International Monetary Fund- amortised cost			745 359
Reserve Tranche	2.1	820 855	926 805
Holdings of Special Drawing Rights	2.2	4 097 651	23 736
General Subsidy Account	2.3	25 089	
Receivables and Other Assets- staff loans and advances: amortised cost	3	177 046	161 776
Total		30 933 647	31 928 372
Analysis of Credit Exposure by class:			
Measured at fair value			
Bonds		22 271 493	25 886 436
Derivatives		48 334	18 115
Measured at amortised cost			
IMF Reserves		4 943 595	1 695 900
Staff advances		177 046	161 776
Short-term deposits		3 493 179	4 166 145
Total		30 933 647	31 928 372

The carrying value of short-term deposits figure is net of impairment loss amount to enhance presentation, the comparative amount for 2020 has been revised to align to the improved presentation.

While some financial instruments are recorded at fair value, the amounts shown above represent the current credit risk exposure, but not the maximum risk exposure that could arise in future as a result of changes in values. Under staff advances, the amount of P122 122 231 (2020: P106 255 353) was for owner-occupied residential mortgage loans. The Bank is the first holder of the mortgage loan bonds. As at year-end, the total value of this collateral was a fair value of P195 280 499 (2020: P154 170 000).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

30. 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, 2021.

Credit Exposure on Bonds

			2021	2020
Moodys/S&P Rating	Government	Corporate	Total	Total
	(P'000)	(P'000)	(P'000)	(P'000)
AAA	8 341 645	454 312	8 795 957	10 872 666
AA+	828 264	84 259	912 523	1 433 181
AA	2 058 606	166 351	2 224 957	2 558 499
AA-	793 070	173 584	966 654	1 099 505
A+	1 739 055	658 064	2 397 119	2 230 909
A	600 216	847 999	1 448 215	1 979 452
Other ⁹	1 377 232	4 148 836	5 526 068	5 712 224
	15 738 088	6 533 405	22 271 493	25 886 436

Credit Exposure to Banks (Short-term deposits)

	2021	2020
Fitch Rating	(P'000)	(P'000)
AAA ¹⁰	1 197 370	1 231 953
AA+	50 212	33 457
AA	127 482	377 688
AA-	1 095 523	940 890
A	45 542	85 883
A+	2 335	14 177
A-	235 295	-
BB+	744 053	1 489 288
	3 497 812	4 173 336

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 credit rating agencies. If an issuer is rated by one rating agency its exposure limit will be downgraded by one notch.

⁹ Other includes investments rated below A-, but still remain within the acceptable investment grade (BBB-) as per the investment guidelines

¹⁰ 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, 2021

30. 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

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

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

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

	2021		2020
	12-Month ECL Staging		
Credit Grade	Staff Loans P'000	Short-term Deposits P'000	Total P'000
Normal – investment grade	177	2 753 759	2 753 936
Concerned – standard monitoring		744 053	744 053
Gross carrying amount	177	3 497 812	3 497 989
Loss allowance	(5)	(4 633)	(4 638)
Carrying amount	172	3 493 179	3 493 351

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

Inputs, Assumptions and Techniques used for Estimating Impairment

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

Amounts arising from ECL

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

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

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

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.

Model Inputs: 1-Year Default Risk

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

- (i) Expenditure (as a percentage of GDP);
- (ii) Revenues (as a percentage of GDP);
- (iii) Debt due in twelve months (as a percentage of GDP);
- (iv) Long-term debt (as a percentage of GDP);
- (v) Refinancing ability;
- (vi) Budget surplus/deficit (as a percentage of GDP);
- (vii) Non-performing loans (as a percentage of total loans);
- (viii) GDP growth; and
- (ix) Political risk score.

Loss allowance

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued) For the year ended December 31, 2021

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

	2021 12-month ECL P'000	2020 12-month ECL P'000
Short-term Deposits at Amortised Cost		
Opening balance	7 192	13 752
Transfer to 12-month ECL	-	-
Net remeasurement of loss allowance	(2 554)	(6 560)
	4 638	7 192

Financial and Lease Liabilities at Undiscounted Cash Flows

The table below summarises the maturity profile of the Bank's financial and lease liabilities as at December 31, 2021, based on contractual undiscounted repayment obligations.

December 31, 2021	Less than 3 months (P'000)	3-12 months (P'000)	1-5 years (P'000)	Over 5 years (P'000)	Total (P'000)
Financial Liabilities					
Derivatives					
Bank of Botswana Certificates	12 086	396	3 347	7 596	23 425
	2 300 000	-	-	-	2 300 000
Reverse Repurchase Agreements	1 478 950	-	-	-	1 478 950
Deposits	4 324 680	-	-	-	4 324 680
Allocation of SDR - IMF	-	-	-	4 064 893	4 064 893
Liabilities to Government - IMF	-	-	-	321 808	321 808
Dividend to Government	3 175 135	-	-	-	3 175 135
Payables and Other Liabilities	161 511	-	-	-	161 511
	11 452 362	396	3 347	4 394 297	15 850 402
December 31, 2021	Less than 3 months (P'000)	3-12 months (P'000)	1-5 years (P'000)	Over 5 years (P'000)	Total (P'000)
Lease Liability	1 147	2 443	202	-	3 792
December 31, 2020	Less than 3 months (P'000)	3-12 months (P'000)	1-5 years (P'000)	Over 5 years (P'000)	Total (P'000)
Derivatives	36 981	(20)	(12 506)	(3 702)	20 753
Bank of Botswana Certificates	7 780 000	-	-	-	7 780 000
Reverse Repurchase Agreements	1 417 938	-	-	-	1 417 938
Deposits	4 728 931	-	-	-	4 728 931
Allocation of SDR - IMF	-	-	-	896 203	896 203
Liabilities to Government - IMF	-	-	-	246 311	246 311
Dividend to Government	2 300 992	-	-	-	2 300 992
Payables and Other Liabilities	307 410	-	-	-	307 410
	16 572 252	(20)	(12 506)	1 138 812	17 698 538
December 31, 2020	Less than 3 months (P'000)	3-12 months (P'000)	1-5 years (P'000)	Over 5 years (P'000)	Total (P'000)
Lease Liability	1 077	3 173	3 414	41	7 705

As per IFRS 16.58 – Maturity analysis for current year lease liability has been presented separately from financial liabilities with no impact on the numbers presented. The comparative information for the 2020 financial year has been revised to align to the improved presentation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

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

Interest Rate Benchmark Reform

Interbank Offered Rates (IBORs) benchmark rates have been used for decades to set interest rates on financial products, including derivatives, loans, bonds and structured products. However, several central banks and international financial authorities maintain that interest rate benchmarks represented a potential systemic risk and therefore require a reform. Consequently, a fundamental reform of major rates benchmark is being undertaken globally, replacing IBORs with the alternative Risk-Free-Rates (RFR).

As at December 31, 2021, the Bank did not have a significant exposure to IBORs on its financial instruments as only 4.4 percent (P1.6 billion) of the externally managed portfolio was indexed to IBORs and the internally managed portfolios had nil exposure to IBORs. The IBORs reform in respect of currencies to which the Bank has exposure has been largely completed. However, positions were predominantly on financial contracts indexed to USD LIBOR, which is expected to cease operation after June 30, 2023, therefore, will transit later.

For conversions made during the year, there were no significant changes in contractual cashflows due to the transition mechanisms used to close out positions. Furthermore, no additional risk management policies were introduced. However, necessary measures like system enhancements and fallback protocols were put in place to ensure a smooth transition.

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

IBOR Transition Status as at December 31,2021

Currency	Market Value (P'000)	Benchmark before reform	Benchmark after reform	2021
AUD	11 048	BBSW	Fixed	Completed
CHF	81	LIBOR	Fixed	Completed
EUR	262 982	EURIBOR	EURIBOR	Compliant
GBP	77 649	SONIA	SONIA	Completed
GBP	38 863	UK Govt Bonds 5 Year Note	Fixed	Completed
ILS	3 542	TELBOR	Fixed	Completed
JPY	47 441	LIBOR	Fixed	Completed
KRW	46 106	KRW CD 91 DAYS	Fixed	Completed
MXN	669	MEXICO INTERBANK	Fixed	Completed
MYR	762	KLIBPR	Fixed	Completed
NOK	273	NIBOR	Fixed	Completed
SEK	529	STIBOR	Fixed	Completed
THB	327	THB Fixing 6 months	Fixed	Completed
USD	322 415	SOFR	SOFR	Completed
USD	592 839	LIBOR	SOFR	In progress
USD	194 919	US Treasury Yield Curve Rate	Fixed	Completed
USD	2 663	Fed Funds Rate	Fixed	Completed
Total	1 603 108			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

31. 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.

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

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

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

Fair 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

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

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.

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

The following Table provides an analysis of the fair value of financial instruments, including their levels in the fair value hierarchy. The fair value of financial instruments measured at amortised cost is based on the carrying amounts recognised in the statement of financial position which approximate their fair value.

December 31, 2021	Level 1 P'000	Level 2 P'000	Total P'000
Financial Assets			
Investments measured at FVTPL			
Bonds	22 271 493	-	22 271 493
Derivative Instruments	-	48 334	48 334
Equities	25 284 820	-	25 284 820
Investments Measured at Amortised Cost	-	8 613 820	8 613 820
	<u>47 556 313</u>	<u>8 662 154</u>	<u>56 218 467</u>
Financial Liabilities			
Derivative Instruments	-	23 425	23 425
Bank of Botswana Certificates	-	2 299 844	2 299 844
Foreign Liabilities	-	4 386 701	4 386 701
Reserve Repurchase Agreements	-	1 478 950	1 478 950
Deposits	-	4 324 680	4 324 680
Dividend to Government	-	3 175 135	3 175 135
Payables and Other Liabilities	-	161 511	161 511
	<u>-</u>	<u>15 850 246</u>	<u>15 850 246</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued) For the year ended December 31, 2021

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

December 31, 2020	Level 1 P'000	Level 2 P'000	Total P'000
Financial Assets			
Investments measured at FVTPL			
Bonds	25 886 436	-	25 886 436
Derivative Instruments	-	18 115	18 115
Equities	21 576 407	-	21 576 407
Investments Measured at Amortised Cost	-	6 023 820	6 023 820
	47 462 843	6 041 935	53 504 778
Financial Liabilities			
Derivative Instruments	-	(20 753)	(20 753)
Bank of Botswana Certificates	-	7 779 448	7 779 448
Foreign Liabilities	-	1 142 514	1 142 514
Reserve Repurchase Agreements	-	1 417 938	1 417 938
Deposits	-	4 728 931	4 728 931
Dividend to Government	-	2 300 992	2 300 992
Payables and Other Liabilities	-	315 115	315 115
	-	17 664 185	17 664 185

There were no transfers between levels during the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2021

32. CLASSIFICATION OF ASSETS AND LIABILITIES (Cont'd)

	Current	Non-Current	Total
As at December 31, 2021	P'000	P'000	P'000
ASSETS			
Liquidity Portfolio	2 396 983	-	2 396 983
Pula Fund	1 121 105	47 556 313	48 677 418
International Monetary Fund (IMF)			
Reserve Tranche	-	820 855	820 855
Holdings of Special Drawing Rights (SDR)	-	4 097 651	4 097 651
General Subsidy Account	-	25 089	25 089
Receivables and Other Assets	42 488	195 048	237 536
Property and Equipment	-	931 997	931 997
TOTAL ASSETS	3 560 576	53 626 953	57 187 529
LIABILITIES			
Allocation of IMF Special Drawing Rights	-	4 064 893	4 064 893
Liabilities to Government (IMF Reserve Tranche)	-	321 808	321 808
Notes and Coin in Circulation	4 198 386	-	4 198 386
Bank of Botswana Certificates	2 299 844	-	2 299 844
	1 478 950	-	1 478 950
Reverse Repurchase Agreements			
Deposits	4 324 680	-	4 324 680
Dividend to Government	3 175 135	-	3 175 135
Payables and Other Liabilities	161 511	-	161 511
Total Liabilities	15 638 506	4 386 701	20 025 207
	Current	Non-Current	Total
As at December 31, 2020	P'000	P'000	P'000
ASSETS			
Liquidity Portfolio	3 963 320	2 655 185	6 618 505
Pula Fund	241 693	44 807 657	45 049 350
International Monetary Fund (IMF)			
Reserve Tranche	-	745 359	745 359
Holdings of Special Drawing Rights (SDR)	-	926 805	926 805
General Subsidy Account	-	23 736	23 736
Receivables and Other Assets	42 628	381 785	424 413
Property and Equipment	-	712 993	712 993
TOTAL ASSETS	4 247 641	50 253 520	54 501 161
LIABILITIES			
Allocation of IMF Special Drawing Rights	-	896 203	896 203
Liabilities to Government (IMF Reserve Tranche)	-	246 311	246 311
Notes and Coin in Circulation	4 457 909	-	4 457 909
Bank of Botswana Certificates	7 779 448	-	7 779 448
Reverse Repurchase Agreements	1 417 938	-	1 417 938
Deposits	4 728 931	-	4 728 931
Dividend to Government	2 300 992	-	2 300 992
Payables and Other Liabilities	315 115	-	315 115
Total Liabilities	21 000 333	1 142 514	22 142 847

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

33. RELATED PARTY BALANCES AND TRANSACTIONS

Balances and Transactions with the Government

The Bank provides several services to its shareholder, the Government. The main services during the year to December 31, 2021 were:

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

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

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

Other Related Party Balances and Transactions

- (a) Amounts due to related parties.

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

	2021 P'000	2020 P'000
Botswana Savings Bank	8 342	3 705
Botswana Unified Revenue Service	10 228	59 109
Total	18 570	62 814

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

- (b) Remuneration of Key Management Personnel

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

Gross emoluments of the key management personnel are:

	2021 P'000	2020 P'000
Non-Executive Board members	182	159
Executive Management		
Salaries, allowances and other short-term benefits	25 634	25 249
Post-employment benefits	6 799	6 795
	32 615	32 203

Of the Staff loans and advances per Note 3, P4 279 620 (2020: P3 404 655) are attributable to Executive Management.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

34. RESTATEMENT OF THE STATEMENT OF CASHFLOWS

- A: During the year, management corrected the statement of cashflows to include currency in circulation as part of operating activities rather than as part of cash and cash equivalents held by the Bank. The definition of cash in IAS 7 (statement of cash flows) is not wholly appropriate to the Bank. Due to its role in the creation and withdrawal of currency, the Bank has no cash balances on its Statement of Financial Position.
- B: In addition to the above, as per IAS 1 and IFRS 9 – the Bank has corrected the amounts of interest and dividends received/paid to remove the impact of interest and dividend accruals. The comparative information for the 2020 financial year has been restated to align.
- C: The Bank has restated the statement of cash flows to correctly reflect lease payments relating to the lease liability in financing activities, whereas in the past they were classified as operating activities.

As a result, the comparative information has been restated.

The impact of the restatement on the Bank's statement of cashflows is detailed below:

	December 31, 2020		
	Restated P'000	Restatements P'000	As previously reported P'000
OPERATING ACTIVITIES			
Cash used in operations	(518 325)	76 209	(594 534)
Increase in currency in circulation (A)	675 878	675 878	-
Interest: foreign exchange reserves (B)	793 636	(68 494)	862 130
Dividends: foreign exchange reserves (B)	409 978	(4 030)	414 008
Interest expense (B)	(111 243)	39	(111 282)
Cash (used)/ generated from operating activities	1 249 924	679 602	570 322
FINANCING ACTIVITIES			
Dividend to Government	(4 036 425)	-	(4 036 425)
Government withdrawals	(14 961 822)	-	(14 961 822)
Interests on lease liability	(505)	-	(505)
Lease Liability – right of use (C)	(3 724)	(3 724)	-
NET CASH USED IN FINANCING ACTIVITIES	(19 002 476)	(3 724)	(18 998 752)
Net increase in currency in circulation	-	675 878	(675 878)
Currency in circulation at beginning of the year	-	3 782 031	(3 782 031)
Currency in circulation at year end	-	4 457 909	(4 457 909)

The restatement had no impact to the investing activities within the statement of cashflows.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

For the year ended December 31, 2021

35. 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 the financial statements.

However, on February 24, 2022, Russia invaded Ukraine and in response to Russia's invasion, the United States of America (USA), European Union (EU), United Kingdom (UK) and other major economies retaliated by imposing sanctions on Russia. The penalties imposed on Russia's central bank and major Russian banks include freezing of foreign assets, exclusion from the international clearing system including removal from the Society for Worldwide Interbank Financial Telecommunication (SWIFT) financial network. In addition, the tensions are likely to worsen the ongoing inflationary pressures and complicate the path for monetary policy across the world. The geopolitical tensions continue to escalate, posing significant challenges for the world economy and triggering additional uncertainties to economic growth.

The Bank had exposure to equities and bonds in Russia. As at year-end, the fair values of these bonds and equities were P9.1 million and P147.6 million, respectively, included under credit exposure at Note 30. On March 2, 2022, the bonds were liquidated resulting in market losses of P4.2 million and there is potential loss on positions in equities amounting to a fair value of P130 million due to closure of the Russian stock market. The Bank continues to monitor the conflict and possible consequences with the intention to curb the financial risk on its investments.

36. GOING CONCERN AND IMPACT OF COVID-19 PANDEMIC

The COVID-19 outbreak which was declared a pandemic on March 11, 2020 remained a concern during 2021. The pandemic continued to pose a major threat to human life and livelihoods at unprecedented scale. The World Health Organisation and other health experts, became increasingly worried as waves of the disease presented new challenges, with hospitalisation and deaths continuing in 2021. On a positive note, while it started slowly (due to supply-chain challenges) the Global COVID-19 vaccination programme progressed relatively well towards the end of the year 2021 with the booster roll-out plans in many countries. Available vaccines have proven to be effective against known COVID-19 variants.

During 2021, the economy continued to operate below its potential into the medium term, with recovery supported by the prevailing accommodative monetary conditions, improvements in the diamond industry and water and electricity supply, reforms to further improve the business environment and government interventions against the pandemic, including vaccine rollout, the implementation of the Economic Recovery and Transformation Plan, among others.

Financial risks emanating from the COVID-19 pandemic subsided in 2021 as many countries effectively rolled out vaccines and achieved some level of herd immunity, which eased containment measures. In the face of ongoing adverse economic conditions, the level of foreign exchange reserves slightly increased compared to the previous year, due to a general SDR allocation by IMF to supplement existing reserve assets to help meet long-term global needs. However, drawdowns to fund Government operations continued in 2021, in this regard, the Bank rebalanced the portfolio by making withdrawals from the Pula Fund to augment the Transaction Balances Tranche (TBT). The Bank continues to search for opportunities to maximise returns while mitigating any potential risks.

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 pandemic 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.

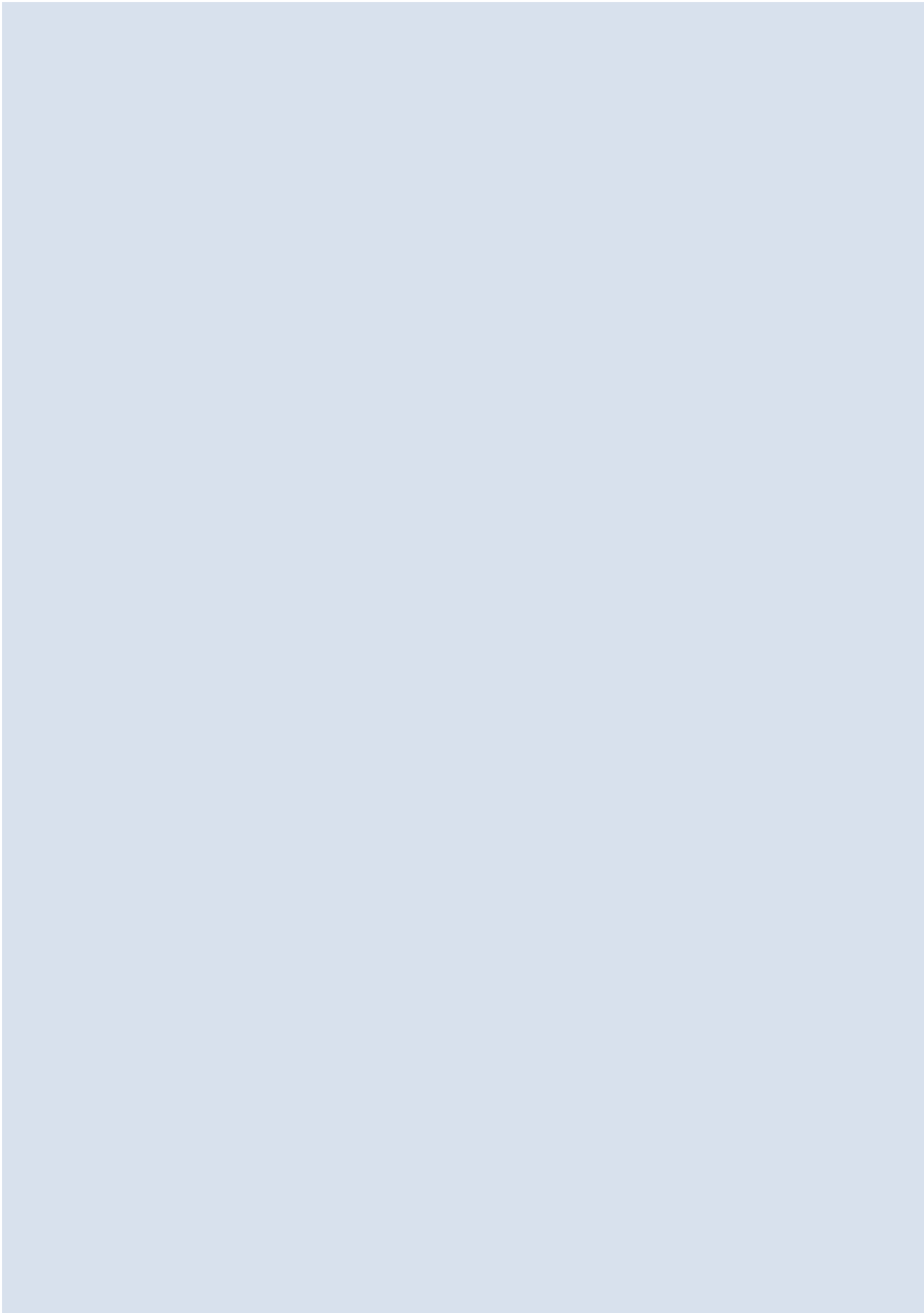
PART B

**THE BOTSWANA ECONOMY
IN 2021**

THEME CHAPTER:

**HARNESSING TECHNOLOGY FOR
ECONOMIC TRANSFORMATION
AND INCLUSIVE GROWTH –
TOWARDS HIGH-INCOME
STATUS**

BANK OF BOTSWANA



CHAPTER 1

THE BOTSWANA ECONOMY IN 2021

1. OUTPUT, EMPLOYMENT AND PRICES

(a) National Income Accounts

Overview

- 1.1 Real GDP grew by 8.6 percent in the twelve months to September 2021, compared to a contraction of 7.3 percent in the year to September 2020. The increase in output is attributable to the expansion in production of both the *mining* and *non-mining* sectors. *Mining* output increased by 15.6 percent in the year to September 2021, compared to a contraction of 22.2 percent recorded in the year to September 2020. The substantial expansion in the *mining* sector reflected both statistical effects (from deep contraction in 2020 and the increase in most sub-sectors, led by *mining* of diamonds).
- 1.2 *Non-Mining* GDP grew by 6.9 percent in the twelve-month period to September 2021, compared to a decrease of 2.8 percent in the corresponding period in 2020. The increase in *Non-Mining* GDP was mainly due to expansion in output of most sectors including, *Construction; Water and Electricity; Manufacturing; Diamond Traders; Transport and Storage; Wholesale and Retail; Real Estate Activities; Professional, Scientific and Technical Activities; Information and Communication Technology; Finance, Insurance and Pension*

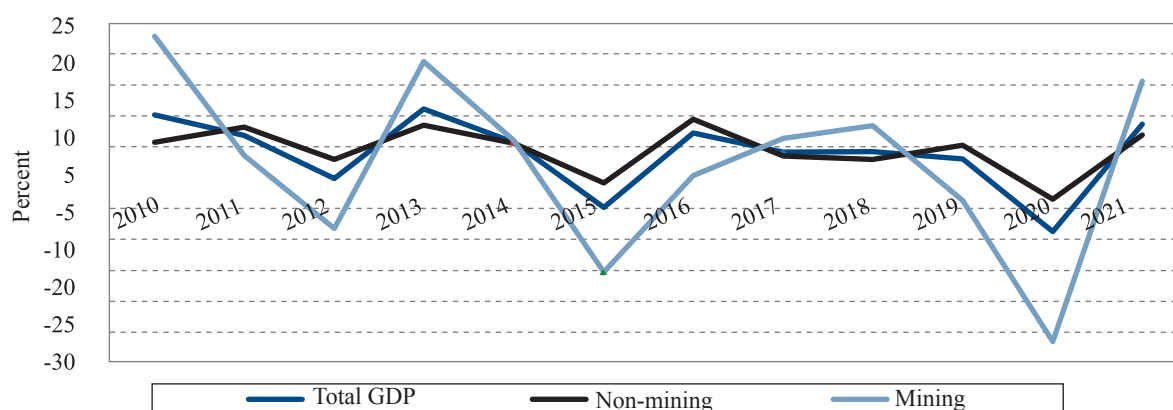
Funding; Public Administration and Defence; Human Health and Social Work; and Other Services sectors.

- 1.3 As can be observed from Chart 1.1 above, the annual rates of economic growth, over the ten-year period, have been generally low and gradually declining. This is reflected in both the *mining* (highly volatile) and *non-mining* GDP. Similarly, and consistent with the decline in GDP growth, the rate of growth in per capita income decelerated from a peak, in the last twelve years (to 2020), of 8.9 percent in 2013 to -10.7 percent in 2020. While the rate of growth had slowed, there was a general improvement in per capita income from P60 000 in 2009 to nearly P80 000 in 2019, dropping to P70 000 in 2020 as a result of a sharp contraction in GDP, being a COVID-19 pandemic induced shock (Chart 1.2).

Sectoral Performance

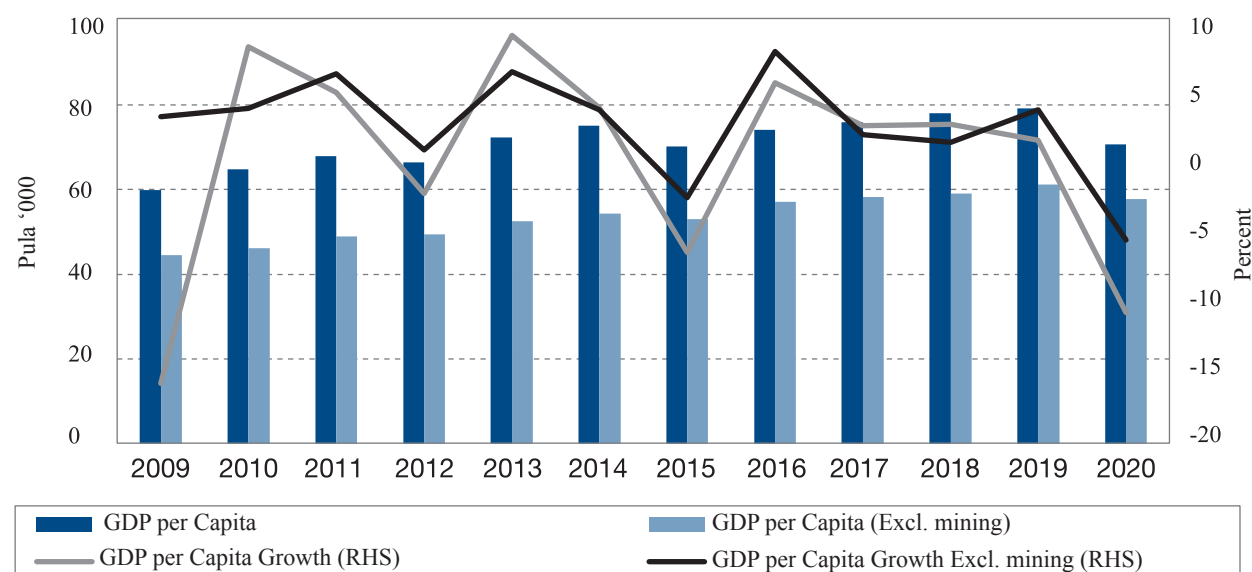
- 1.4 Chart 1.3 compares sectoral output growth rates for the year to September 2021 with those for the twelve months to September 2020. Over the period under review, output for all economic sectors increased, except *Agriculture, Forestry and Fishing* and *Accommodation and Food Services*, hence contributing positively to real GDP growth (Chart 1.4).

CHART 1.1: REAL GDP GROWTH 2010 - 2021 (PERCENT)



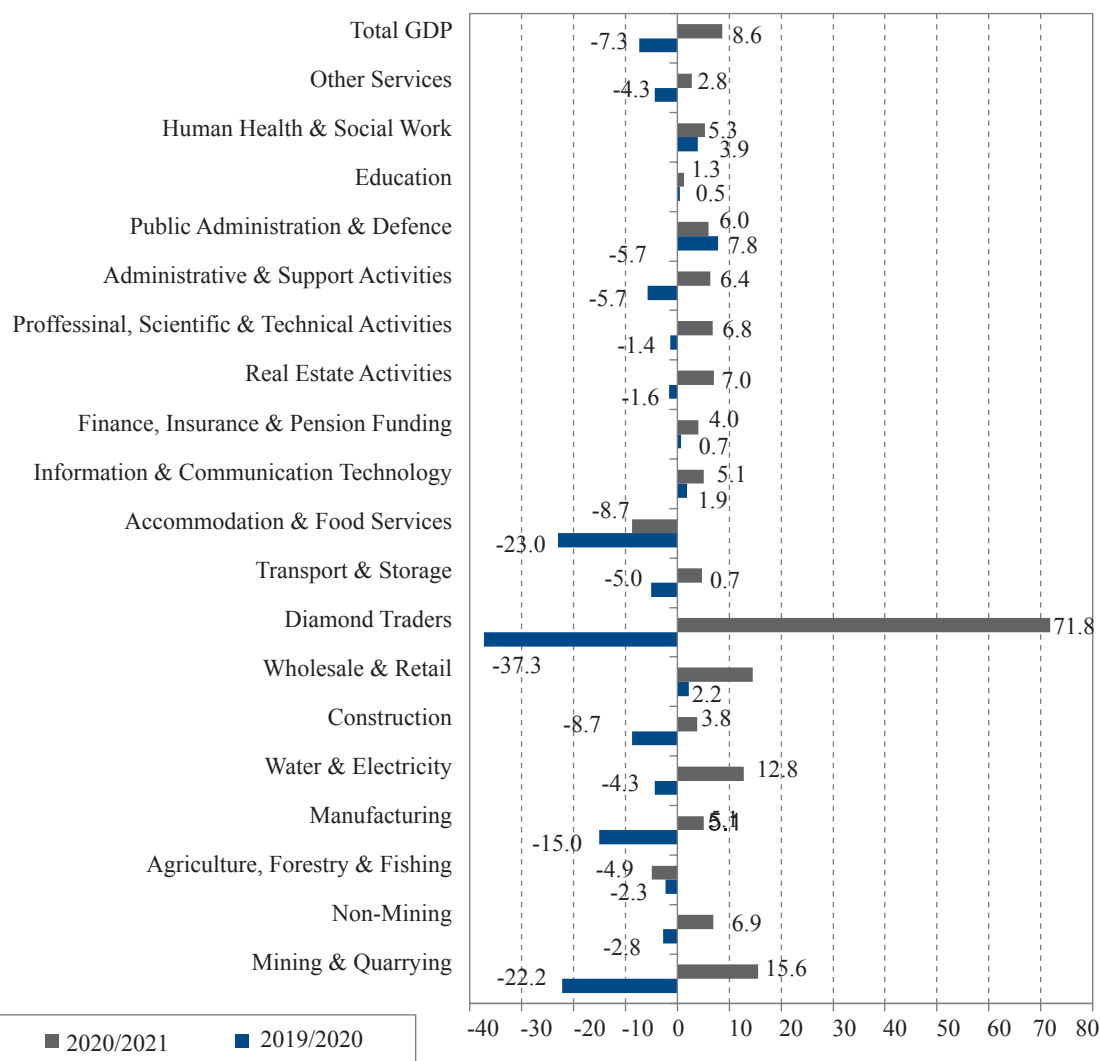
1. Data for 2020/21 are for the 12-month period to September 2021.
Source: Statistics Botswana

CHART 1.2: REAL GDP PER CAPITA TRENDS (2009 - 2020)



Source: Statistics Botswana

CHART 1.3: REAL GDP GROWTH BY SECTOR (PERCENT)



1. Data are for the 12-month period ending September 2020 and September 2021.

Source: Statistics Botswana

- 1.5 Growth in mining output accelerated mainly due to rapid expansion of the diamond industry. *Mining* output increased by 15.6 percent in the year ending September 2021, compared to a contraction of 22.2 percent in the year to September 2020. The expansion in the mining sector resulted from an increase in output of most sub-sectors, led by *Mining of Diamonds* which grew by 16.3 percent in the year to September 2021, compared to a contraction of 22.6 percent in the previous year. Post relaxation of most COVID-19 travel restrictions, rough diamond demand gained traction. The good performance of the mining industry was mainly attributable to Debswana's increased production, which included 6.4 million carats produced in the third quarter of 2021, being 32.6 percent more than the 4.8 million carats produced in the corresponding period in 2020. Lucara Diamond Corporation (Karowe Mine) also increased production by 9.6 percent to 97 412 carats in the third quarter of 2021, from 88 909 carats in the corresponding period in 2020. The larger output was in response to overall robust global demand for rough diamonds in the third quarter of 2021, with positive midstream sentiment reflecting a strong demand for diamond jewellery, particularly in the key markets of the United States of America and China. *Soda ash* output also increased, by 14.8 percent in the year ending September 2021, compared to a contraction of 19.6 percent in the corresponding period in 2020, attributable to the increase in demand for sodium chloride (salt) from neighbouring countries such as Zambia, Zimbabwe and South Africa. *Coal* output also increased by 1.5 percent from a contraction of 11.5 percent. *Mining Support Service Activities* and *Other Mining and Quarrying* also recorded increases of 4.9 percent and 1.7 percent from contractions of 18.2 percent and 7.7 percent, respectively. *Mining of Gold and Other Metal Ores* recorded a lower contraction of 10.1 percent from a larger contraction of 19.5 percent.
- 1.6 *Water and Electricity* output increased significantly by 12.8 percent in the year to September 2021, compared to a decrease of 4.3 percent recorded in the previous 12-month period. The expansion was due to the 13 percent growth in output of the *Electricity Supply* sub-sector from a contraction of 9 percent in the previous year, owing to an increase in local production of electricity and an acceleration in water collection, treatment and supply output from 1 percent to 13 percent in the review period following completion of the pipeline from Masama boreholes.
- 1.7 *Diamond Traders* sector output increased by 71.8 percent in the year to September 2021, compared to a contraction of 37.3 percent in the corresponding period ending September 2020. Recovery in performance was mainly due to improved demand for diamonds in the global markets.
- 1.8 Output of the *Transport and Storage* sector increased by 4.7 percent in the twelve months ending September 2021, compared to a 5 percent contraction in the corresponding period ending September 2020, led by growth in *Road Transport* (7.6 percent), *Postal and Courier Services* (1.2 percent) and *Storage and Transport Services* (0.6 percent). Output in the rest of the sub-sectors such as *Air Transport and Railway*, contracted. Activity in *Rail Transport and Air Transport* declined due to reduced freight requirements, as well as restricted general movement of people including international travel.
- 1.9 *Information and Communication Technology* output increased by 5.1 percent in the period under review from a slower growth of 1.9 percent in the corresponding prior period. The increase in the sector's output resulted from an expansion of output from all sub-sectors, except *Publishing Including Motion Pictures and Printed Matter*, due to increased demand for electronic communication services and internet connectivity in all sectors of the economy.
- 1.10 *Accommodation and Food Services* sector output declined by 8.7 percent in the year to September 2021 from a larger contraction of 23 percent in the corresponding period ending September 2020. This is driven by a decrease of 14.4 percent in the *Accommodation* sub-sector, which was, however, an improvement following a larger contraction of 26 percent in the corresponding period in 2020. The generally unfavourable performance of the sector was mainly due to the low hotel occupancy rates arising from the COVID-19 movement restrictions. Meanwhile, output of the *Food Services* sub-sector increased by 5 percent in the year ending September 2021, compared to a contraction of 14.9 percent in the corresponding period last year, against the backdrop of less stringent COVID-19 containment measures in 2021.
- 1.11 *Wholesale and Retail* output increased by 14.5 percent and 2.2 percent in the years ending September 2021 and September 2020, respectively. Since the industry deals with sale of fast-moving consumer goods, which are mostly basic needs, the COVID-19 restriction measures did not significantly affect the industry.

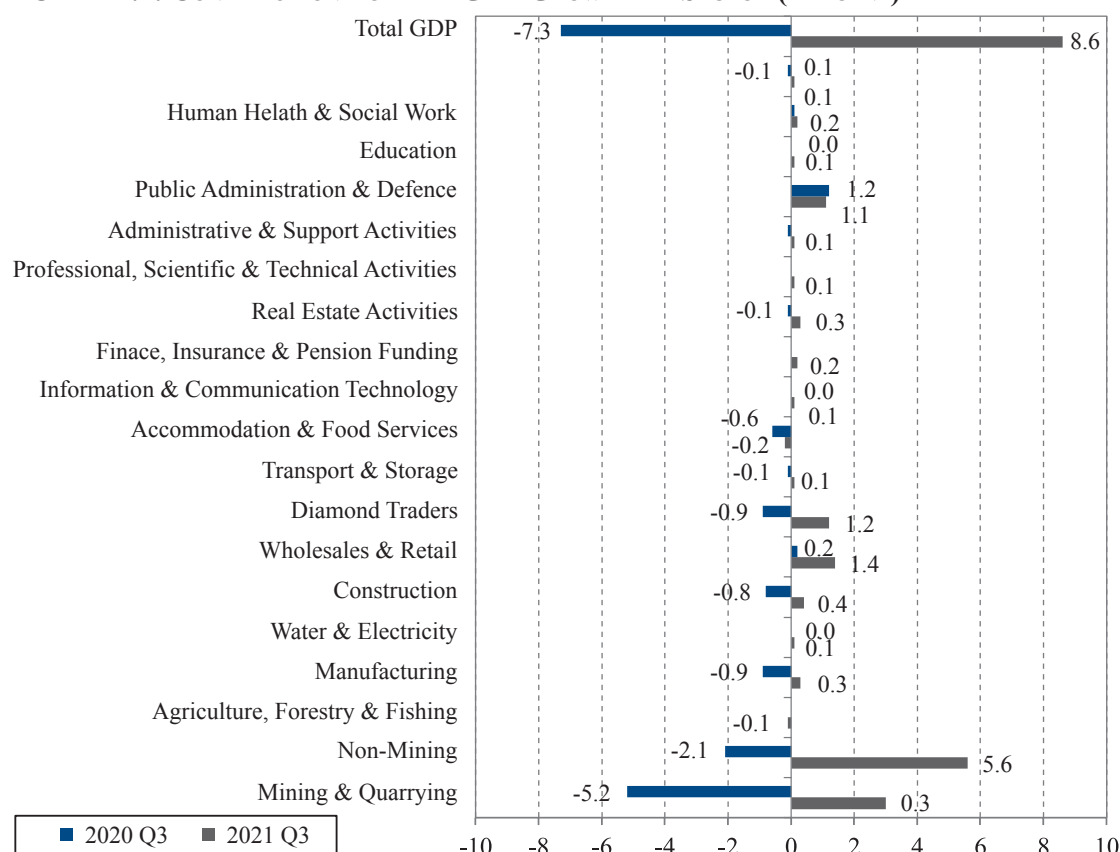
1.12 *Finance, Insurance and Pension Funding* output grew by 4.0 percent in the 12-month period to September 2021, compared to 0.7 percent in the year ending September 2020. Growth in this sector was led by *Central Banking* (8.6 percent), *Monetary Intermediation and Financial Services* (6.8 percent), and *Financial and Insurance and Auxiliary Services* (0.3 percent).

1.13 *Construction* expanded by 3.8 percent in the 12-month period to September 2021, compared to a contraction of 8.7 percent in the corresponding period ending in September 2020. The increase was partly due to the commencement of some major construction projects, such as offices and shopping centres²

2020 (2.3 percent). The decrease in *Agriculture* production resulted from decline of output from all sub-sectors, mainly due to the COVID-19 movement restrictions in the period under review. In effect, the decline in agriculture output demonstrates deep seated structural impediments to agricultural production that require addressing.

1.15 *Manufacturing* output increased by 5.1 percent in the year ending September 2021, following a contraction of 15 percent in the corresponding period ending in 2020, buoyed by expansion in all sub-sectors, except *Manufacturing of Other Food products*, which contracted by 2.3 percent, and *Manufacturing of Beverages and Tobacco*, which contracted by 30.8 percent,

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



1. Percentage contribution to growth is measured by multiplying the current sector growth by the sector's share of GDP in the previous year.
2. Data for the two periods are for the 12-month period ending September 2021 and 2020.

Source: Statistics Botswana

across the country, as constraints on construction work and COVID-19 containment measures eased during the period under review.

1.14 *Agriculture* output declined in the years to September 2021 (4.9 percent) and September

mainly to due to restrictions on the sale of alcoholic beverages.

1.16 *Public Administration and Defence* output increased by 6 percent in the year ending September 2021 compared to a faster expansion of 7.8 percent in the corresponding period ending September 2020.

² For example, ongoing construction of a major shopping centre (The Fields Mall) in the Gaborone Central Business District.

1.17 Output of *Real Estate Activities* rose by 7 percent in the 12-month period ending September 2021, compared to a contraction of 1.6 percent in the corresponding period ending in September 2020. Expansion in this sector was led by *Real Estate* (8.4 percent) and *Owner-Occupied Dwellings* (2.6 percent).

1.18 *Professional, Scientific and Technical Activities* grew by 6.8 percent in the year to September 2021, compared to a decline of 1.4 percent in the corresponding period ending in September 2020.

1.19 *Administrative and Support Activities* accelerated by 6.4 percent in the 12-month period ending September 2021, from a contraction of 5.7 percent in the corresponding period ending September 2020. The expansion was attributable to an increase in growth in *Travel Agencies and Tour Operators* (7.3 percent) and *Other Administrative and Support Services* (5.6 percent).

1.20 *Education* output grew marginally by 1.3 percent in the 12-month period ending September 2021, compared to a lower increase of 0.5 percent in the corresponding period the previous year.

1.21 *Other Services* output increased by 2.8 percent in the year to September 2021, compared to a contraction of 4.3 percent recorded in the corresponding period in 2020. The expansion was attributable to an increase in growth in *Activities of Membership Organisations* (4.2 percent) and *Other Services* (8.2 percent) sub-sectors. Conversely, activity in the *Art, Entertainment, and Recreation* sub-sector contracted by 50.5 percent, from a lower

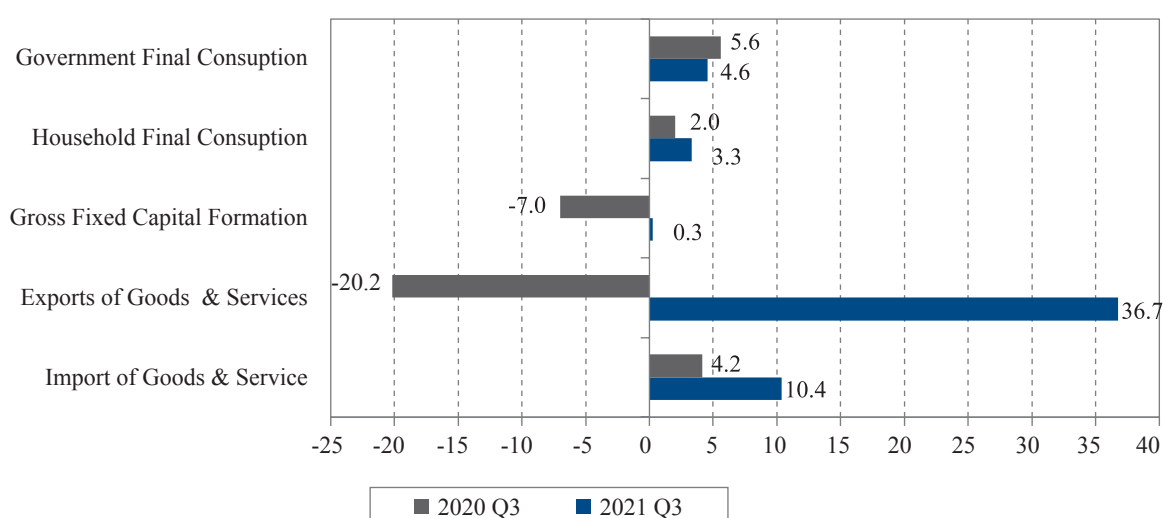
contraction of 12.8 percent in the period ending September 2020, due to suspension of entertainment and recreation activities from the second quarter of 2020 up to the end of September 2021 as a COVID-19 containment measure.

GDP by Type of Expenditure

1.22 Growth in *Government Final Consumption* increased to 4.6 percent in the twelve-month period to September 2021, from a higher growth of 5.6 percent in the corresponding period in 2020 (Chart 1.5). On the other hand, *Household Final Consumption* expanded by 3.3 percent in the 12-month period ending September 2021, compared to 2 percent recorded in the corresponding period ending September 2020. The expansion in *Household Final Consumption* was mainly due to an increase in both *Household Consumption and Expenditure* and *Non-profit Institutions Serving Households (NPISH)*, which increased by 3.3 percent from 2 percent and 4.7 percent from a contraction of 1.5 percent, respectively.

1.23 *Gross Fixed Capital Formation (GFCF)* grew marginally by 0.3 percent in the year ending September 2021, compared to a decline of 7 percent in the corresponding period in the previous year. The increase in GFCF was due to the expansion in investment in *Buildings and Structures* (2.4 percent from a contraction of 9.6 percent). All other sub-sectors: *Transport Equipment, Plant, Machinery and other Equipment* and *Mineral Prospecting* recorded a contraction of 2.6 percent, 5.7 percent and 1.1 percent, respectively.

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



Source: Statistics Botswana

(b) Economic Growth Prospects

1.24 The global economic outlook for 2022 remains broadly restrained, with moderation in global activity, and uneven across regions and countries. Global economic growth is projected at 4.4 percent in 2022, lower than the estimated expansion of 5.9 percent in 2021 (Table 1.1). The slowdown in output growth is also consistent with challenging prospects for advanced economies, in part due to pandemic related supply disruptions associated with low production hours in the labour-intensive sectors. Growth in advanced economies is projected to moderate to 3.9 percent in 2022, from an estimate of 5 percent in 2021, mostly reflecting macroeconomic effects of a sharp tightening of global financial conditions, as well as weaker consumer and business confidence and the expected unwinding of fiscal support.

1.25 The pace of recovery in emerging market and developing economies is expected to be subdued and uneven, with annual output expansion slowing down from 6.5 percent in 2021 to 4.8 percent in 2022, mainly weighed down by moderation of GDP growth in few large economies, particularly China. China's growth was downgraded owing to disruption in the housing sector, as well as deteriorating prospects for construction sector employment and the negative effects of containment measures to control the spread of COVID-19. Overall, risks to the global economic outlook are assessed to be on the downside. These include possible emergence of more virulent COVID-19 variants and the fallout from

the Russia-Ukraine war, which could slow down global economic activity. In South Africa, prospects for the economy continue to be restrained, with growth projected to slow down to 1.9 percent in 2022 from an estimate of 4.6 percent in 2021. The lower growth projection mainly considers the continuing negative impact of the COVID-19 pandemic containment measures, withdrawal of monetary and fiscal support and possible stabilisation of commodity prices.

1.26 Domestically, real GDP is projected to expand by 4.3 percent in 2022, driven mainly by the expected continued recovery of mining activity and anticipated improvement in global demand. It is also anticipated that the performance of the non-mining sectors will improve, underpinned by, among others, the accommodative monetary conditions, improvements in electricity and water supply, as well as finance, insurance and pension funds sectors. Furthermore, government interventions to mitigate the impact of COVID-19, as well as implementation of the Economic Recovery and Transformation Plan (ERTP), are anticipated to restore economic activity and improve incomes, facilitate expansion of productive capacity, accelerate economic transformation and build economic resilience. However, given the downside risks to global economic activity, including possible outbreak of new COVID-19 variants, weaker global demand and adverse impact of the Russia-Ukraine war, the growth trajectory remains uncertain. For Botswana, the pandemic waves and escalation of geopolitical tensions, affecting global economic activity, pose

Table 1.1: Global Growth Estimates and Forecasts 2020 - 2022 (Percent)

	2020	2021	2022 (Projection)
Global	-3.1	5.9	4.4
Advanced economies, of which,	-4.5	5.0	3.9
USA	-3.4	5.6	4.0
Euro area	-6.4	5.2	3.9
Japan	-4.5	1.6	3.3
Emerging markets, of which,	-2.0	6.5	4.8
Sub-Saharan Africa	-1.7	4.0	3.7
China	2.3	8.1	4.8
India	-7.3	9.0	9.0
South Africa	-6.4	4.6	1.9
Botswana	-8.7	9.7	4.3

Source: International Monetary Fund, *World Economic Outlook*, January 2022 Update and Ministry of Finance and Economic Development for Botswana.

added uncertainty and challenges given the country's high vulnerability to external shocks, notably, diamond production and demand, tourism, and possible disruption of imports. However, successful vaccination rollout with approximately 50 percent (February 2022) of the total population being fully vaccinated could mitigate the risk of having another wave having a debilitating impact on domestic economic activity. Nonetheless, the Bank's December 2021 Business Expectations Survey indicates an improvement in the level of confidence among businesses in 2022.

(c) Employment

1.27 Formal sector employment³ as at the fourth quarter of 2021 was estimated at 494 457 persons compared to 477 716 for the fourth quarter of 2020 (Table 1.2a). With respect to total employment (formal and informal

sector), 717 418 were hired in 2021, compared to 733 875 in the same quarter of 2020. Government continues to be the single largest employer, with employment in public administration constituting 15.8 percent of the total in the fourth quarter of 2021 (Table 1.2b). In this regard, personal emoluments constitute the largest share (above 40 percent) of the government recurrent budget, and about 10 percent of GDP in the past 10 years. The quarterly survey also indicates an unemployment rate of 26 percent for the fourth quarter of 2021 (youth unemployment, at 34.4 percent). Meanwhile, formal sector average earnings per month in the fourth quarter of 2021 were estimated at P6 219 for citizens, P9 275 for non-citizens and P6 299 for all employees.

TABLE 1.2A: FORMAL EMPLOYMENT BY INDUSTRY AND GENDER AS AT FOURTH QUARTER 2021

Industry/ Economic Activity	Male	Female	Total 2021	Share of Employment (Percent) 2021	Total 2020	Share of Employment (Percent) 2020
Agriculture, Forestry & Fishing	8 524	4 988	13 412	2.7	11 097	2.3
Mining & Quarrying	9 146	2 411	11 558	2.3	7 832	1.6
Manufacturing	23 951	15 192	39 144	7.9	31 189	6.5
Electricity, Gas & Air Conditioning Supply	1 677	750	2 427	0.5	1 409	0.3
Water Supply, Sewage, Waste Management & Remediation Activities	3 179	2 964	6 143	1.2	8 168	1.7
Construction	17 423	3 225	20 648	4.2	20 453	4.3
Wholesale Trade, except Motor Vehicles & Motorcycles	34 745	33 641	68 386	13.8	67 418	14.1
Transport & Storage	9 369	4 317	13 685	2.8	11 503	2.4
Accommodation & Food Service Activities	19 130	9 910	19 039	3.9	19 039	4.0
Information & Communication	4 009	1 188	5 197	1.1	4 592	1.0
Finance & Insurance Activities	3 163	8 002	11 165	2.3	9 089	1.9
Real Estate Activities	2 777	428	3 205	0.6	794	0.2
Professional, Scientific & Technical Activities	3 861	5 559	9 419	1.9	8 502	1.8
Administrative & Support Service Activities	27 743	18 317	46 061	9.3	42 626	8.9
Public Administration	41 864	71 332	113 196	22.9	132 118	27.7
Education	19 540	55 123	74 663	15.1	71 755	15.0
Human Health & Social Work Activities	8 355	20 476	28 831	5.8	21 954	4.6
Arts, Entertainment & Recreation	2 366	769	3 135	0.6	2 829	0.6
Other Service Activities	1 184	3 012	4 197	0.8	3 955	0.8
Activities of Extraterritorial organisations	487	458	945	0.2	1 347	0.3
Total	232 394	262 063	494 457	100.0	477 716	100.0

Source: Statistics Botswana

3 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.

TABLE 1.2B: EMPLOYMENT BY INDUSTRY AND GENDER AS AT FOURTH QUARTER 2021

Industry/ Economic Activity	Male	Female	Total 2021	Share of Employment (Percent) 2021	Total 2020	Share of Employment (Percent) 2020
Agriculture, Forestry & Fishing	42 419	11 411	53 830	7.5	60 149	8.2
Mining & Quarrying	9 384	2 653	12 037	1.7	8 156	1.1
Manufacturing	31 516	25 286	56 802	7.9	48 974	6.7
Electricity, Gas, & Air Conditioning Supply	1 677	750	2 427	0.3	1 622	0.2
Water Supply, Sewage, Waste Management & Remediation Activities	4 284	3 452	7 736	1.1	8 169	1.1
Construction	46 223	3 225	49 449	6.9	53 158	7.2
Wholesale Trade, except Motor Vehicles & Motorcycles	55 657	78 779	134 436	18.7	147 412	20.1
Transport & Storage	23 031	5 294	28 325	3.9	26 237	3.6
Accommodation & Food Service Activities	11 751	14 335	26 086	3.6	26 519	3.6
Information & Communication	4 108	1 399	5 506	0.8	5 241	0.7
Finance & Insurance Activities	3 203	8 189	11 392	1.6	10 199	1.4
Real Estate Activities	3 035	1 958	4 993	0.7	1 302	0.2
Professional, Scientific & Technical Activities	4 908	5 942	10 850	1.5	10 518	1.4
Administrative & Support Service Activities	30 420	20 584	51 003	7.1	47 994	6.5
Public Administration	41 948	71 570	113 518	15.8	133 071	18.1
Education	20 171	55 954	76 125	10.6	73 347	10.0
Human Health & Social Work Activities	9 730	21 409	31 139	4.3	23 795	3.2
Arts, Entertainment & Recreation	2 830	769	3 599	0.5	3 688	0.5
Other Service Activities	3 693	6 772	10 465	1.5	15 459	2.1
Households as Employers	5 296	21 456	26 753	3.7	27 518	3.7
Activities of Extraterritorial Organisations	487	459	946	0.1	1 347	0.2
Total	355 771	361 647	717 418	100.0	733 875	100.0

Source: Statistics Botswana

(d) Inflation

- 1.28 Global inflation is estimated to have increased from 3.2 percent in 2020 to 4.3 percent in 2021. The increase in global inflation was partly due to improving global economic demand, while supply was constrained, and the rise in commodity prices, particularly oil, as most economies eased movement restrictions and deployed effective COVID-19 vaccines. The price of the OPEC reference crude oil basket and Brent crude increased by 67.2 percent and 65.5 percent to an average of USD69.3 per barrel and USD70 in 2021, from an average of USD41.4 per barrel and USD42.3 per barrel, respectively, in 2020. Similarly, international food prices increased substantially by 28.1 percent in 2021 compared to an increase of 3.2 percent in 2020, driven by a significant rise in prices of vegetable oils, sugar and cereals⁴.

⁴ The increase in the price of vegetable oil was mainly due to higher prices for palm, soy, rape seed and sunflower oils, supported by subdued production by major producers such as Malaysia, resulting from migrant labour shortages as well as recovery in global imports demand. Prices of cereals also rose because of reduced harvest

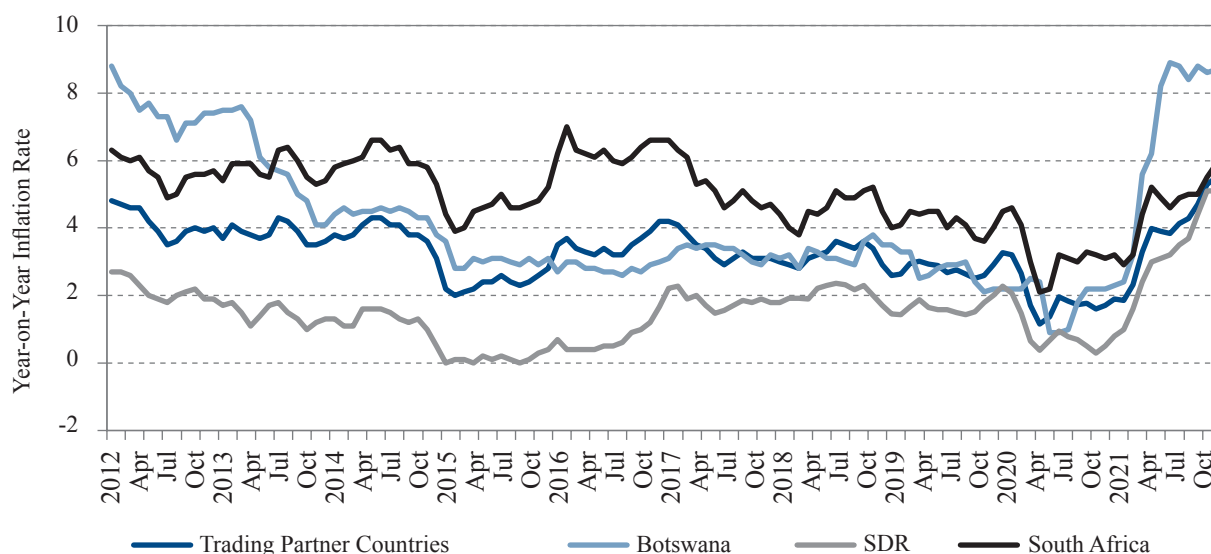
Overall, developments in international oil and food prices, as well as domestic resource mobilisation (upward adjustment of taxes and administered prices) exerted upward pressure on domestic inflation in 2021.

- 1.29 Inflation for the Special Drawing Rights (SDR) countries (USA, UK, Japan, Eurozone and China), increased significantly from 0.5 percent in December 2020 to 5.1 percent in December 2021. Similarly, headline inflation in South Africa increased from 3.1 percent in December 2020 to 5.9 percent in December 2021 but remained within the country's target range of 3-6 percent. Consequently, the trade-weighted average inflation⁵ for Botswana's trading partner countries increased from 1.7 percent in December 2020 to 5.5 percent in December 2021 (Chart 1.6).

prospects in Argentina and some parts of the US, owing to dry conditions and tighter supplies of quality wheat.

⁵ 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.

CHART 1.6: BOTSWANA AND TRADING PARTNER COUNTRIES' INFLATION (JANUARY 2012 - DECEMBER 2021)

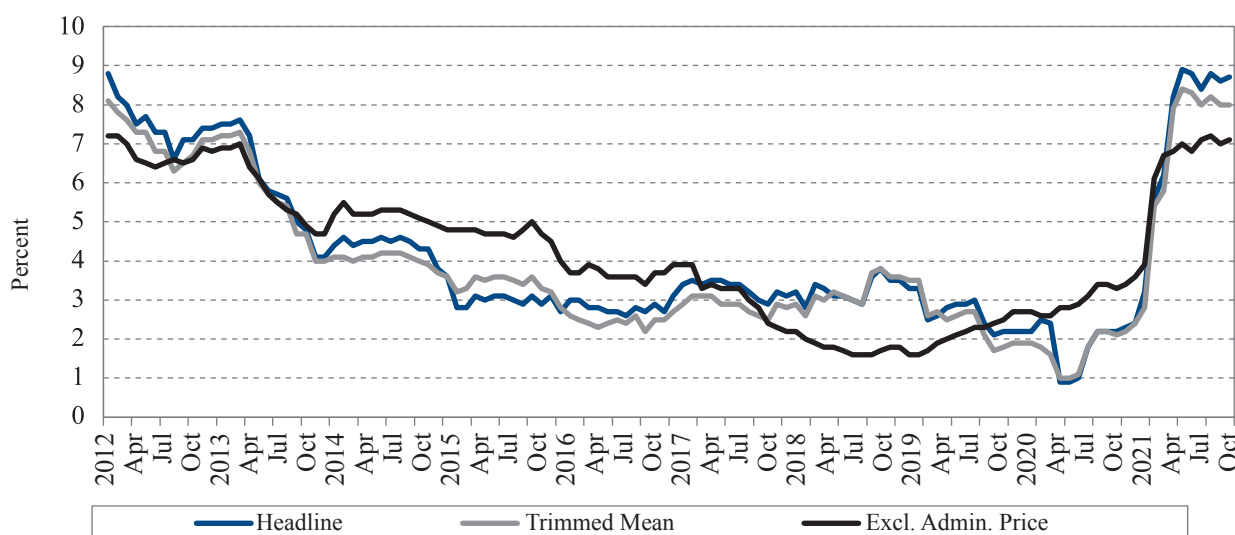


Source: Statistics Botswana, Bank of Botswana and Bloomberg

1.30 Domestic inflation increased significantly from an average of 1.9 percent in 2020 to an average of 6.7 percent in 2021. The 2021 average inflation of 6.7 percent is also higher than the 10-year (2012 - 2021) average of 4.2 percent. Inflation rose above the Bank's 3 – 6 percent objective range in May 2021, for the first time since June 2013 (Chart 1.7). The increase in inflation in 2021 was mainly due to the increase in levies/taxes and administered prices, which altogether added 5.9 percentage points⁶ to inflation during the year. Inflation

rose from 2.2 percent in December 2020 to 8.7 percent in December 2021. Meanwhile, food price inflation increased, from 3.6 percent in December 2020 to 7.2 percent in December 2021, in the context of significant price increases for oils, fish and meat. Regarding core inflation measures, the 16 percent trimmed mean inflation increased from 2.1 percent in December 2020 to 8 percent in December 2021, while inflation excluding administered prices increased from 3.3 percent to 7.1 percent in the same period.

CHART 1.7: BOTSWANA HEADLINE AND CORE INFLATION (2012 - 2021)



Source: Statistics Botswana

⁶ Specifically, the increase in value added tax (VAT) from 12 percent to 14 percent, an additional P1 per litre fuel levy, upward adjustment in electricity and water tariffs, increase in domestic fuel prices, sugar tax introduced at 2 thebe above 4g per 100ml as well as the increase in

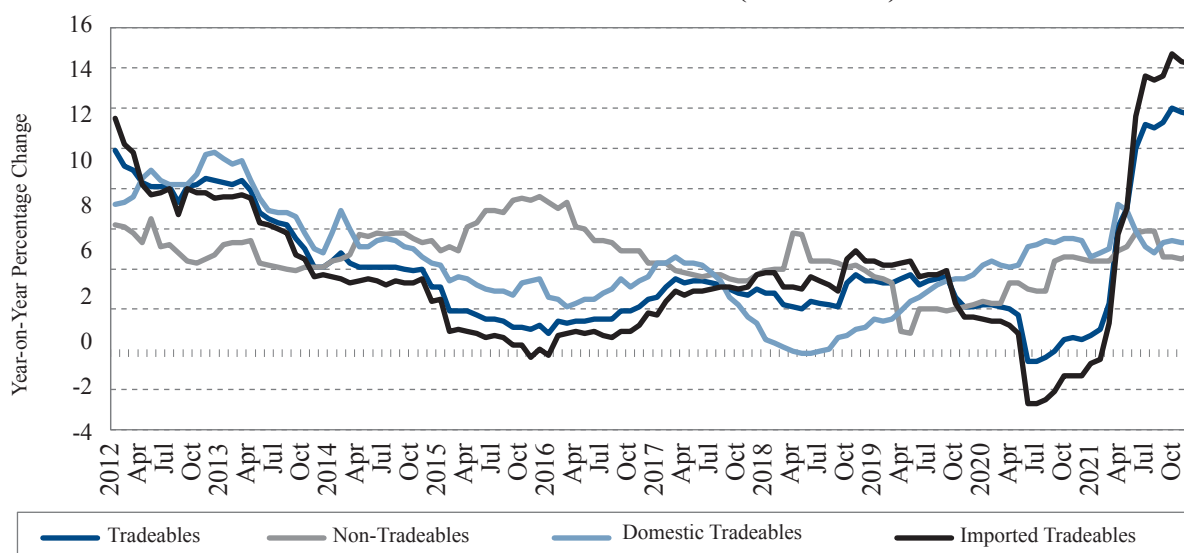
Botswana Housing Corporation (BHC) rentals. These are estimated to have added 2.14 percentage points, 1.15 percentage points, 0.42 percentage points, 1.94 percentage points, 0.02 percentage points and 0.20 percentage points, respectively.

1.31 Inflation for domestic tradeables decreased marginally from 5.4 percent in December 2020 to 5.3 percent in December 2021 due, in part, to the general decrease in the rate of growth of private school fees and travel fares, consistent with the movement restrictions to contain the spread of the COVID-19 virus. Conversely, imported tradeables inflation rose significantly from -1.3 percent to 14.2 percent in the same period because of the increase in fuel prices in 2021. As a result, all tradeables inflation rose from 0.5 percent in December 2020 to 11.7 percent in December 2021. Meanwhile, non-tradeables inflation increased from 4.5 percent to 4.7 percent in the same period, reflecting, in part, higher Botswana Housing Corporation and the private low-cost house rentals (Chart 1.8).

to increase from 5.7 percent to 5.9 percent in the same period. In this environment, it is anticipated that monetary policy will likely tighten in most economies to control inflationary pressures resulting from pandemic-induced supply and demand mismatches that could persist for some time. However, due to the impact of the Russia-Ukraine war, the speed and magnitude of policy tightening could be moderated.

1.33 In Botswana, headline inflation is forecast to remain above the Bank's 3 - 6 percent objective range in the short term. However, inflation is expected to revert to within the objective range in the third quarter of 2022. This outlook is subject to significant upside risks, including the continuing adverse impact

CHART 1.8: INFLATION FOR TRADEABLES AND NON-TRADEABLES (2012 - 2021)



Source: Statistics Botswana

(e) Inflation Outlook

1.32 It is expected that global inflationary pressures will remain elevated in 2022, against the background of prolonged supply chain disruptions and high energy prices and other input costs. The anticipated inflationary pressures also stem from improved global demand conditions as most economies progressively deploy effective COVID-19 vaccines and reopen. Escalation of geopolitical tensions (notably Russia – Ukraine conflict) and subsequent sanctions imposed by some major countries on Russia also add to the inflation threat and uncertainty. Thus, inflation for advanced economies is forecast to increase from 3.1 percent in 2021 to 3.9 percent in 2022, while for emerging market economies it is forecast

of the COVID-19 pandemic, constrained supply relative to demand and, domestically, regular annual price adjustments, notably, of administered prices. These risks are, however, moderated by the possibility of weak domestic and global economic activity and restrained commodity prices. The 2022 Monetary Policy Statement provides a detailed analysis of the medium-term outlook for inflation and guidance on the policy posture.

2. PUBLIC FINANCE AND THE 2022/23 BUDGET

2.1 The 2022/23 Budget Speech presented to Parliament on February 7, 2022, marked the end of implementation of National Development Plan (NDP) 11, and largely sustained the

theme of economic transformation as informed by the emerging strategic issues from the Mid-Term Review of NDP 11 and the ERTF. The budget proposals contained programmes and allocation of spending to fulfil the NDP 11 and ERTF goals and objectives and, in turn, the building blocks towards the achievement of Vision 2036, while dealing with COVID-19. These have been complemented by the Reset Agenda Priorities⁷ as pronounced by His Excellency, the President of Botswana, which reflects the need to adjust some priorities in light of new and unexpected challenges. Therefore, national priorities have shifted towards saving the population from the impact of COVID-19, while sustaining focus on the existing priorities. In addition, some of the actions that will be taken to expedite key strategic priorities in the next financial include infrastructure development, increasing and strengthening social programmes, as well as improving service delivery reforms.

- 2.2 The budget was, for the second consecutive year, presented against the backdrop of extraordinary circumstances, amidst a challenging environment brought about by the COVID-19 pandemic and the continued uncertainty over the recovery of the global and domestic economies. Accordingly, the public revenue prospects for the domestic economy are uncertain due to the vulnerability of the

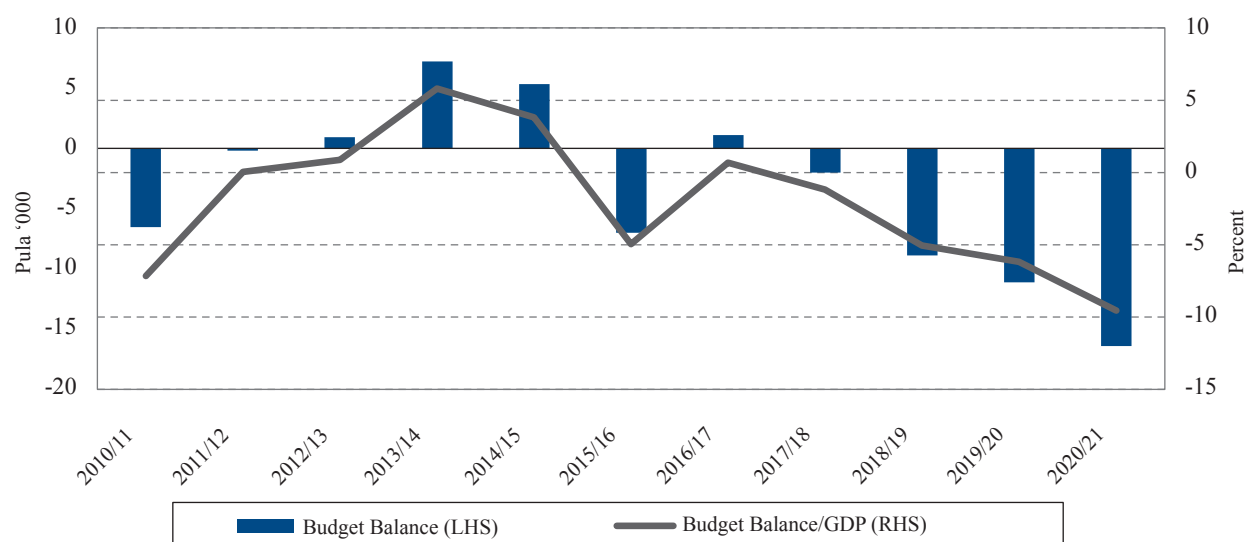
mineral and trade taxes to adverse global events, including adverse changes to the COVID-19 profile and escalation of geopolitical tensions affecting global economic activity, demand and commodity prices (including for rough diamonds).

(a) Budget Performance: 2020/21 and 2021/22⁸

2020/21 Budget Outturn

- 2.3 The budget outturn for the 2020/21 financial year was a deficit of P16.4 billion (9.5 percent of GDP), which was smaller than the deficit of P21 billion envisaged in the revised budget, but larger than the deficit of P5.2 billion in the original budget (Table 1.3). Overall, revenue increased by P1 billion (2.2 percent) to P49.4 billion in 2020/21. The P16.4 billion deficit is the largest 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.
- 2.4 Total expenditure and net lending increased from P65.4 billion in 2019/20 to P65.8 billion in 2020/21 but was below the revised budget estimate of P69.4 billion, due to underspending of the development budget. Of the total spending, recurrent expenditure

CHART 1.9: BUDGET BALANCE AT LEVELS AND AS A PERCENTAGE OF GDP (2010/11 - 2020/21)



Source: Ministry of Finance and Economic Development

⁷ The Reset Agenda are new priorities as pronounced by His Excellency, the President of Botswana in May 2021, which reflects the need to adjust some priorities in light of new and unexpected challenges, finding new and smarter ways of implementing programmes and projects in a timely manner and within approved budgets.

⁸ 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.

amounted to P55.6 billion, compared to P57.2 billion in the revised budget estimates, representing a decrease of 2.8 percent, indicating the effectiveness of the cash saving and cost containment measures put in place by Government towards the end of 2020. Development spending was P10.2 billion, representing a 16.4 percent underperformance compared to the revised budget estimate of P12.2 billion. The underspending of the development budget was due to project implementation challenges, such as late commencement of projects, procurement inefficiencies and delays in processing payments.

2021/22 Revised Budget Estimates

- 2.5 The revised budget estimates for 2021/22 show a deficit of P10.2 billion (5.1 percent of GDP), compared to the original budget deficit of P6 billion (Table 1.3). The revised deficit resulted from a combination of a supplementary recurrent budget that was channelled towards the fight and containment of COVID-19 and a decline in revenue (than projected in the original budget). The decline of the revenue was mainly due to underperformance of the mineral revenue. The mineral revenues were lower than the initial budget estimates due to the adverse impact of COVID-19 pandemic and the consequent movement restrictions that throttled global economic activity resulting in lower sales of rough diamonds than originally envisaged. Overall, the revenue estimates were revised downwards by 1.8 percent to P63.4 billion from P64.6 billion in the original budget.

- 2.6 The projection for expenditure and net lending was revised upward, from P70.6 billion to P73.6 billion, which is equivalent to 36.9 percent of GDP (thus above the fiscal rule limiting total expenditure to 30 percent of GDP). The P3 billion upward revision in the estimate for expenditure was mainly due to financial resources that were directed towards the fight and containment of COVID-19. However, the development budget was slightly revised downwards, from P14.8 billion to P14.7 billion, considering implementation capacity challenges faced by both the public and private sectors in executing projects.

(b) The 2022/23 Budget Proposals

- 2.7 The proposed budget allocation for 2022/23, in the main, outlined the imperatives of economic recovery and transformation, while at the same time seeking to support and sustain livelihoods. It refocuses spending on national priorities and needs, such as maintenance of public infrastructure. The proposed allocations have also been formulated to provide a response to several challenges including structural and productivity constraints that have seen the economy struggle to grow at rates required to make necessary transition from an upper middle income to a high-income country. The shares of total spending allocated to the digital transition, infrastructure and saving Batswana from COVID-19 were increased, compared to the previous year. Additionally, the Government will also restore budget sustainability by putting in place additional measures to rebuild fiscal buffers; including mobilisation of domestic revenue sources by improving efficiency of tax collection, as

TABLE 1.3: GOVERNMENT BUDGET 2020/21 – 2022/23 (P MILLION)

	2020/21			2021/22		2022/23
	Budget	Revised	Final	Budget	Revised	Budget
Revenue	62 394	48 328	49 375	64 578	63 402	67 867
Mineral Revenue	20 025	6 561	9 573	23 199	20 261	24 081
Non-Mineral Revenue	42 369	41 767	39 802	41 379	43 241	43 786
Expenditure	67 615	69 356	65 789	70 610	73 566	74 844
Recurrent Expenditure	55 664	57 204	55 627	56 046	58 995	58 510
Personal Emoluments	26 669	26 909	28 700	28 768	28 768	28 304
Grants & Subventions	16 429	17 725	15 967	14 959	17 814	17 174
Public Debt Interest	1 427	1 427	1 188	1 579	1 579	1 856
Other Charges	11 142	11 142	9 773	10 740	10 833	11 175
Development Expenditure	12 028	12 228	10 228	14 753	14 666	16 430
Net Lending	-76	-76	-66	-189	-95.3	-95.5
Balance	-5 222	-21 028	-16 415	-6 032	-10 164	-6 977

Source: Ministry of Finance and Economic Development

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

Revenue

- 2.8 Revenue for 2022/23, including grants, is projected at P67.9 billion, which is 7 percent higher than the revised budget for 2021/22 (Table 1.4). This is largely due to the projected 18.9 percent increase in mineral revenue, from P20.3 billion in 2021/22 to P24.1 billion in 2022/23. Mineral exports and royalties remain the largest source of revenue, representing 35.5 percent of the total, followed by non-mineral income tax at 21 percent, Southern African Customs Union (SACU) at 20.5 percent, and value added tax (VAT) at 17.6 percent. Most revenue sources are projected to generate higher revenues in 2022/23 than in the current fiscal year. Meanwhile, SACU receipts are forecast to decrease by 2.8 percent, from P14.3 billion in 2021/22 to P13.9 billion in 2022/23, due to expected adjustments to SACU receipts, following previous over-payments.

Expenditure

- 2.9 Total expenditure and net lending for 2022/23

is budgeted at P74.8 billion (34.4 percent of forecast GDP), a slight increase of 1.7 percent from the P73.6 billion in the revised estimates for 2021/22 (Table 1.4). Recurrent expenditure is projected to decrease by 0.8 percent, from the revised budget projection of P59 billion in 2021/22 to P58.5 billion in 2022/23, accounting for 78.2 percent of total spending and breaching the expenditure allocation rule of 70 percent to recurrent expenditure and 30 percent to development spending.⁹ The development spending budget (22 percent of total spending) is projected to increase by 12 percent from the revised P14.7 billion in 2021/22 to P16.4 billion in 2022/23. A budget deficit of P7 billion or 3.2 percent of GDP is forecast for 2022/23 fiscal year. To restore fiscal sustainability in the medium to long term, Government will consider several measures to increase revenue and contain expenditure in order to rebuild fiscal buffers.

- 2.10 Personal emoluments, which include wages and salaries, pensions and gratuities, constitutes 48.4 percent (P28.3 billion) of recurrent spending in the 2022/23 fiscal year. The balance (51.6 percent) is allocated to grants and subventions to parastatals and local authorities (P17.2 billion or 29.4 percent), "other charges" (P11.2 billion or 19.1 percent), and interest on public debt (P1.9 billion or 3.2 percent). Recurrent spending on Health and Wellness leads the ministerial allocations with a share of 18.8 percent (Chart 1.10).

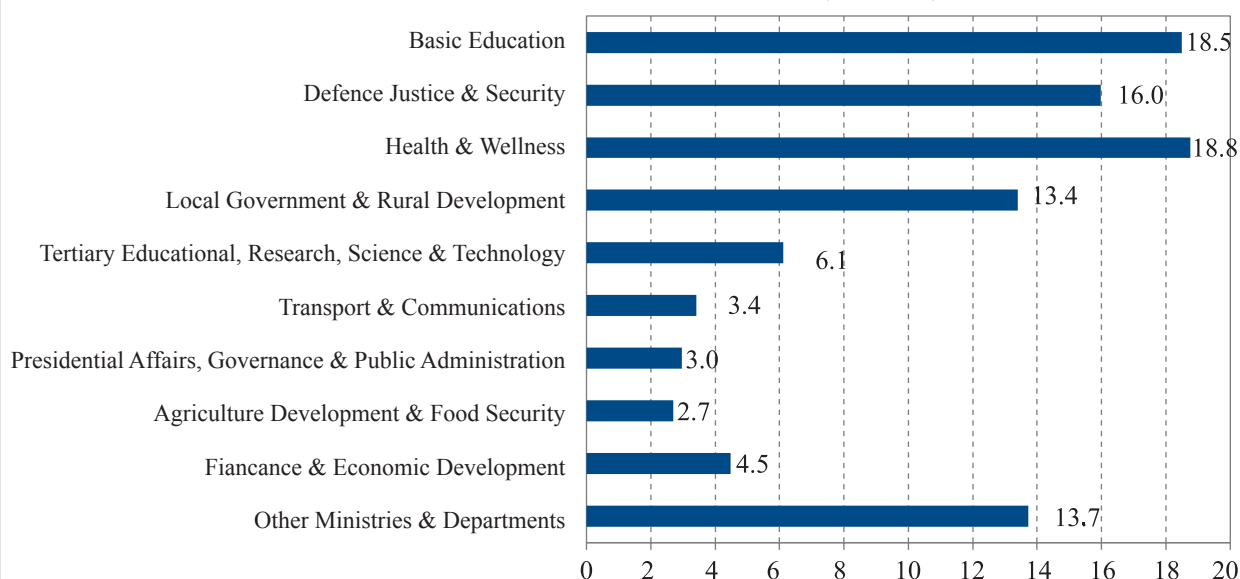
TABLE 1.4: GOVERNMENT BUDGET 2017/18 – 2022/23

Fiscal Year (FY)	2017/18	2018/19	2019/20	2020/21	2021/22*	2022/23*
GDP, current prices (P million)	167 971	176 530	180 941	171 905	199 539	217 723
Growth rate GDP, current prices (percent)	0.7	5.1	2.5	-5.0	16.1	9.1
Budget (P million)					Revised Budget	Budget
Revenue & Grants	56 411	53 470	54 300	49 375	63 402	67 867
Recurrent Expenditure	43 562	47 278	51 813	55 627	58 995	58 510
Development Expenditure	14 746	15 454	13 644	10 228	14 666	16 430
Net Lending	85	-382	-57	-66	-95.3	-95.5
Expenditure & Net Lending	58 393	62 351	65 400	65 789	73 566	74 844
Balance	-1 982	-8 881	-11 144	-16 415	-10 164	-6 977
Share of GDP (percent):						
Revenues & Grants	33.6	30.3	30	28.7	31.8	31.2
Recurrent Expenditure	25.9	26.8	28.6	32.4	29.6	26.9
Development Expenditure	8.8	8.8	7.5	5.9	7.3	7.5
Expenditure & Net Lending	34.8	35.3	36.1	38.3	36.9	34.4
Balance	-1.2	-5	-6.2	-9.5	-5.1	-3.2

Note: * shows projections

Source: Ministry of Finance and Economic Development and Statistics Botswana

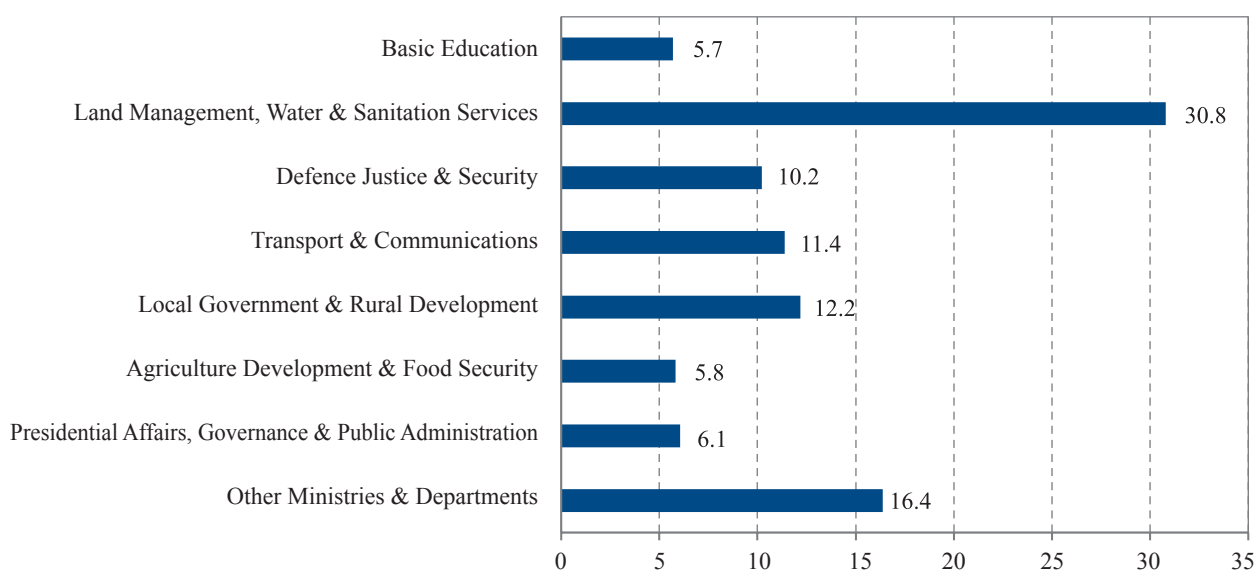
9 The bulk of the recurrent budget will cater for personal emoluments.

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

Source: Ministry of Finance and Economic Development

2.11 Regarding the development spending, the largest share of P5.1 billion or 30.8 percent (Chart 1.11) 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 Local Government and Rural Development received the second largest proportion (12.3 percent), mostly for continued implementation of social protection programmes, procurement of tablets for primary schools, construction and maintenance of primary schools, primary schools facilities backlog eradication project and village infrastructure projects. In order to align with

the implementation of the ERTIP initiatives, the Ministry of Transport and Communications was allocated 11.4 percent of the development budget, followed by the Ministry of Defence, Justice and Security at 10.2 percent, mainly for provision of infrastructure, vehicles and defence and communication equipment for Botswana Defence Force, Botswana Police Service and the Department of Prisons and Rehabilitation Services. Furthermore, the Ministry of Presidential Affairs, Governance and Public Administration was allocated 6.1 percent of the development budget for provision of infrastructure required for among others, the Orapa House Technology Park and

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

Source: Ministry of Finance and Economic Development

ICT projects. The Ministry of Agriculture Development and Food Security received 5.8 percent of the development budget to cater for the revamped Integrated Support Programme for Arable Agriculture Development (ISPAAD) which has been re-designed to be a more efficient and sustainable programme, while the Ministry of Basic Education was allocated 5.7 percent of the development expenditure to cater for school digitalisation initiatives.

Debt Management

- 2.12 Government and government-guaranteed debt as at the end of March 2022 is projected at P49.8 billion,¹⁰ of which P42 billion is Government's own debt, while the balance is government-guaranteed debt (Table 1.5). Total external debt amounts to P22.6 billion or 11.3 percent of GDP, while domestic debt (P27.2 billion), accounts for 13.6 percent of GDP. Overall, total projected Government debt as at March 31, 2022, is equivalent to 25 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 category¹¹.

competitiveness of domestic industries in international and domestic markets, by maintaining a stable real effective exchange rate (REER)¹² of the Pula against a basket of currencies of major trading partner countries. In 2021, the weights of the Pula basket currencies were maintained at 45 percent and 55 percent for the South African rand and the SDR, respectively.

- 3.2 Consistent with the policy objective of maintaining a stable REER of the Pula, a downward rate of crawl of 2.87 percent for the nominal effective exchange rate (NEER) was implemented in 2021. Consequently, the NEER of the Pula depreciated accordingly (Table 1.6). The nominal Pula depreciated against both components of the basket currencies in 2021; 5 percent against the SDR and 0.1 percent against the South African rand. The Pula depreciated by 10.1 percent against the Chinese renminbi, 8.1 percent against the US dollar, 7.2 percent against the British pound and 0.2 percent against the euro, while it appreciated by 2.6 percent against the Japanese yen. The movement of the

TABLE 1.5: GOVERNMENT DEBT AND GUARANTEES 2018/19 – 2022/23 (P MILLION)

Financial Year	Actual			Projection	
	2018/19	2019/20	2020/21	2021/22	2022/23
External					
External Debt	15 152	15 479	13 282	16 550	20 581
External Guarantees	6 902	6 935	6 032	6 032	6 032
Total External Debt	22 054	22 414	19 314	22 582	26 613
Internal					
Internal Debt	10 873	13 754	20 424	25 410	28 393
Internal Guarantees	1 484	2 006	1 820	1 820	1 820
Total Internal Debt	12 357	15 760	22 244	27 229	30 213
Grand Total	34 411	38 175	41 558	49 812	56 825
GDP for FY	176 530	180 941	171 905	199 539	217 723
Percent of GDP					
External Debt & Guarantees	12.5	12.4	11.2	11.3	12.2
Internal Debt & Guarantees	7.0	8.7	12.9	13.6	13.9
Total Debt & Guarantees	19.5	21.1	24.2	25.0	26.1

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

Pula against the SDR constituent currencies largely reflects the performance of the South African rand against the SDR constituent currencies. The South African rand ended the year weaker as investors turned to safe-haven assets after the discovery of a new and highly transmissible Omicron COVID-19 variant, in South Africa. However, the South African rand

¹⁰ An increase of 19.9 percent compared to the balance outstanding at the end of 2020/21 fiscal year.

¹¹ Figures were sourced from the 2022/23 Budget in Brief.

¹² 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.

was already under pressure due to expected faster monetary policy tightening by most major advanced economies, thus reducing the interest rate differential between advanced and emerging market economies. Meanwhile, persistent electricity shortage in South Africa and prolonged load shedding continued to undermine the country's economic output.

3.3 In real terms, the Pula exchange rate (using headline inflation) appreciated by 2.6 percent against the South African rand and depreciated by 1.8 percent against the SDR, in the twelve months to December 2021. The REER appreciated by 0.2 percent in the review period, due to higher inflation in Botswana (8.7 percent) than in trading partner countries (5.5 percent); thus, the differential was larger than the downward rate of crawl implemented during 2021. The slight appreciation of the REER suggested a loss of competitiveness of domestic firms in international markets. However, it should be noted that the exchange

rate alone is not sufficient to ensure sustainable competitiveness of local producers. Durable competitiveness of domestic producers is mainly achieved through a sustained improvement in productivity, which also contributes to lower inflation.

(b) Balance of Payments

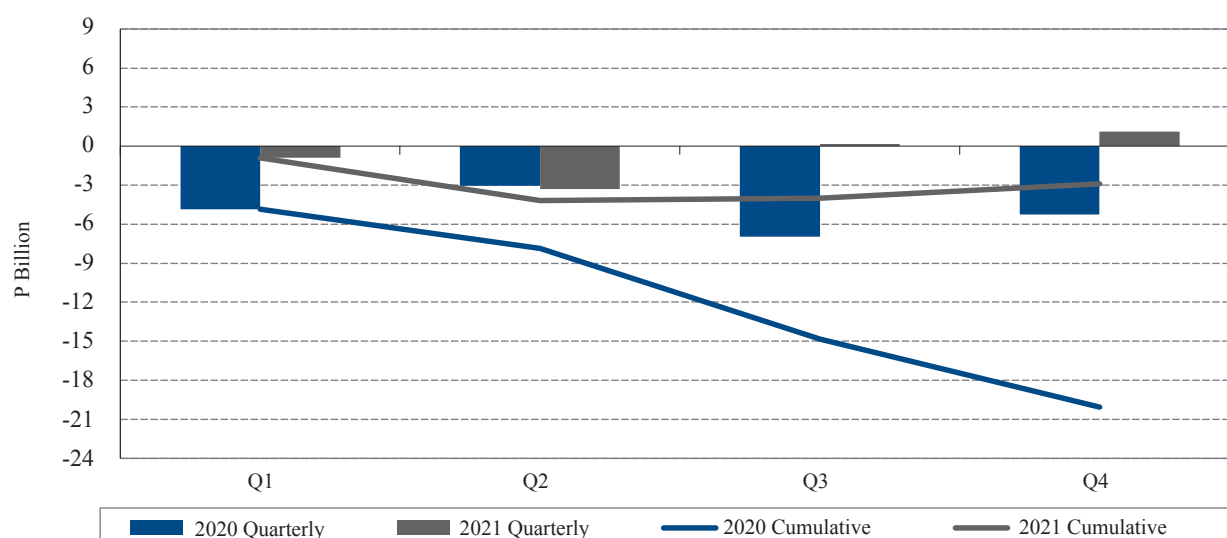
3.4 Provisional balance of payments figures for 2021 indicate an overall deficit of P2.9 billion, compared to a deficit of P20.1 billion in 2020 (Chart 1.12). The deficit was attributable to, among others, the increase in government financial obligations, including loan repayments and payments for imports, resulting in drawdowns of reserves amounting to P6.8 billion. However, the deficit was partially offset by the increase in export receipts and SDR inflows amounting to nearly P3 billion paid to the Government by the IMF, coupled with interest and dividend incomes.

TABLE 1.6: PULA EXCHANGE RATES AGAINST SELECTED CURRENCIES

Nominal Exchange Rates (Foreign Currency per Pula)			
Currency	December 2020	December 2021	Change (Percent)
SA rand	1.3561	1.3548	-0.1
SDR	0.0641	0.0609	-5.0
US dollar	0.0927	0.0852	-8.1
British pound	0.0680	0.0631	-7.2
Japanese yen	9.56	9.80	2.6
Euro	0.0754	0.0753	-0.2
Chinese yuan	0.6039	0.5427	-10.1
NEER (Dec. 2018 = 100)	97.9	95.2	-2.82
Real Pula Exchange Rate Indices ¹ (December 2018 = 100)			
Currency	December 2020	December 2021	Change (Percent)
SA rand	98.2	100.7	2.6
SDR	97.3	95.6	-1.8
US dollar	100.1	93.4	-6.6
British pound	94.8	90.8	-4.3
Japanese yen	97.4	107.7	10.6
Euro	95.6	98.8	3.4
Chinese yuan	93.9	90.4	-3.8
REER	97.7	97.9	0.2

1. All real indices calculated using headline inflation.
Source: Bank of Botswana

CHART 1.12: QUARTERLY BALANCE OF PAYMENTS 2020 AND 2021



Source: Bank of Botswana

TABLE 1.7: BALANCE OF PAYMENTS 2017 - 2021 (P MILLION)

	2017	2018	2019	2020*	2021#
Current Account	9 309	683	-12 422	-14 805	-999
<i>Of which:</i>					
Goods	8 411	4 959	-11 464	-22 564	-6 897
Services	-1 963	-3 225	-4 316	-7 264	-7 668
Primary Income	-14 141	-16 158	-9 423	224	-318
Secondary Income	17 001	15 107	12 780	14 799	13 884
Financial Account	12 940	-3 098	4 690	7 491	5 479
Net Errors and Omissions ¹³	-646	-7 985	5 090	2 236	3 606
Overall Balance	-4 278	-4 204	-12 022	-20 059	-2 871

* Revised

Provisional

Source: Bank of Botswana

Current Account¹⁴

- 3.5 The current account deficit is estimated at P999 million in 2021, compared to a revised deficit of P14.8 billion in the previous year. The goods account balance is estimated at a deficit of P6.9 billion in 2021, with exports and imports amounting to P81.4 billion and P88.3 billion, respectively, compared to a deficit of P22.6 billion; exports amounted to P49.2 billion, and imports amounted to P71.7 billion in 2020. The services account is estimated to have recorded a deficit of P7.7 billion in 2021 compared to a deficit of P7.3 billion in the previous year. In the primary income account, dividends paid to foreign direct investors, mainly by the mining sector, were estimated at

P2.5 billion, compared to P2.3 billion in 2020. SACU receipts, which are a credit entry in the secondary income account, were valued at P15 billion in 2021, compared to P15.7 billion in 2020.

Goods

- 3.6 Trade in goods continues to be driven by diamond transactions, predominantly undertaken by De Beers Global Sightholder Sales (DBGSS), which include a substantial import and re-export trade of rough diamonds¹⁵ (Table 1.8). The De Beers' aggregation process involves a larger share of rough diamonds from Botswana, approximately 59.5 percent in 2021, compared to rough diamonds from other countries (namely, Canada, Namibia and South

13 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.

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

15 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.

Africa). Diamonds constituted about 90.1 percent of exports and 36.1 percent of imports in 2021 in Botswana's total international trade. 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 major export destination switching from the UK to Belgium, followed by India, United Arab Emirates, South Africa and Namibia. These five countries collectively account for an annual average of 72.5 percent of Botswana's total diamond exports for the period 2016 - 2021 (Table 1.9)¹⁶

mostly due to a 69.5 percent increase in diamond sales abroad from P43.3 billion in 2020 to P73.4 billion. The increase in diamond exports mainly stemmed from recovery in demand by major rough diamond markets, such as the USA and China, due to easing of both global travel restrictions and movement of goods across borders, which had been implemented in 2020 to contain the spread of the COVID-19 pandemic. Exports of other commodities also increased, including copper and nickel (306.3 percent), vehicles and transport equipment (51.5 percent), textiles (30.6 percent) and Soda Ash (10.8 percent). Copper and nickel registered a significant increase as a result of commencement of copper sales by the USA

3.7 The increase in exports in 2021 (Table 1.8) was

TABLE 1.8: DIAMOND TRADE 2019 - 2021 (P MILLION)

Period	Exports				Imports	Re-Exports
	Rough		Polished Exports	Total (Rough and Polished)		
	Domestic Sales (1)	Total Exports (2)				
			(3)	(4) = (2)+(3)	(5)	(6) = (2)-(1)
2019	32 709	42 045	9 044	51 088	20 050	9 336
2020	23 735	36 931	6 374	43 305	23 038	13 195
2021						
Q1	8 217	21 118	1 459	22 577	9 126	12 901
Q2	10 208	12 923	2 328	15 251	7 656	2 715
Q3	9 928	15 891	3 018	18 909	7 360	5 963
Q4	9 781	14 125	2 551	16 675	7 786	4 344
Total	38 135	64 057	9 356	73 413	31 928	25 922

Source: Bank of Botswana

- Domestic Sales** refer to the value of rough diamonds sold by Debswana to DBGSS and Okavango Diamond Company (ODC). These are local sales.
- Exports** represent the value of exported rough diamonds mined in Botswana and 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 may not be fully comparable, especially over short periods.

TABLE 1.9: TOTAL EXPORTS BY DESTINATION 2016 - 2021 (PERCENT)

Country	2016	2017	2018	2019	2020	2021	Average
United Kingdom	1.3	0.7	0.8	0.4	-	-	0.5
Belgium	18.9	22.5	23.6	19.9	22.8	23.8	21.9
India	15.1	18.5	16.9	21.7	22.4	17.5	18.7
United Arab Emirates	9.7	16.2	12.0	18.5	21.3	25.8	17.2
South Africa	13.5	9.7	8.9	9.3	14.3	8.9	10.8
Israel	6.1	7.4	6.7	7.1	5.2	5.6	6.3
Hong Kong	2.5	4.3	5.1	5.7	3.7	4.6	4.3
Namibia	11.6	3.4	2.9	3.1	1.8	0.7	3.9
United States of America	2.3	2.1	2.0	1.4	1.4	1.3	1.8
Canada	5.0	0.8	0.6	0.3	0.1	0.3	1.2
Others	14.1	14.4	20.5	12.7	7.1	11.5	13.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Bank of Botswana

¹⁶ This is based on the average of exports by destination from 2016 to 2021.

private equity company Cupric Canyon, which started production at Khoemacau copper mine in 2021. Gold, and meat and meat products exports declined by 32.3 percent and 28.3 percent, respectively.

and tobacco (12.5 percent). The demand for both metal and machinery-related products was mainly driven by the commencement of construction projects that were halted in 2020, due to COVID-19 related challenges, including

TABLE 1.10: EXPORTS 2020 – 2021 (P MILLION)

	2020	2021	Percent Share		Percentage Change
			2020	2021	
Total Exports	49 173	81 438			65.6
<i>of which:</i>					
Diamonds	43 305	73 413	88.1	90.1	69.5
Copper-Nickel	299	1 214	0.6	1.5	306.3
Meat and Meat products	223	160	0.5	0.2	-28.3
Salt and Soda Ash	729	808	1.5	1.0	10.8
Gold	572	388	1.2	0.5	-32.3
Textile	162	212	0.3	0.3	30.6
Vehicles and Transport Equipment	294	446	0.6	0.5	51.5
Other Goods ¹⁷	3 589	4 799	7.3	5.9	33.7

Source: Bank of Botswana

- 3.8 Imports of goods increased by 23.1 percent to P88.3 billion in 2021. Diamond imports, which accounted for 36.1 percent of total imports, increased from P23.1 billion in 2020 to P31.9 billion in 2021. The increase in diamond imports is associated with diamond aggregation activities, including the importation and re-exportation of diamonds. Other imports that grew were metals and metal products (45.1 percent); textile and footwear (32.1 percent); chemicals and rubber products (25.4 percent); machinery and electrical equipment (22.4 percent); fuel (15 percent) and food, beverages

restrictions on movement of goods and people.

Services

- 3.9 The services account registered a deficit of P7.7 billion in 2021, a slight increase from P7.3 billion in the previous year (Chart 1.13). Exports of transportation services¹⁸ decreased by 32 percent, from P588 million in 2020 to P400 million in 2021, mainly driven by freight, which declined from P500 million to P263 million during the same period. Imports of transportation services increased from P3.1

TABLE 1.11: IMPORTS 2020 – 2021 (P MILLION)

	2020	2021	Percent Share		Percentage Change
			2020	2021	
Total Imports	71 738	88 335			23.1
<i>of which:</i>					
Diamonds	23 071	31 928	32.2	36.1	38.4
Fuel	9 669	11 118	13.5	12.6	15.0
Food	9 519	10 710	13.3	12.1	12.5
Machinery & Electrical Equipment	8 301	10 161	11.6	11.5	22.4
Chemicals & Rubber Products	6 999	8 773	9.8	9.9	25.4
Metals & Metal Products	3 001	4 353	4.2	4.9	45.1
Textile & Footwear	1 495	1 976	2.1	2.2	32.1
Vehicles & Transport Equipment	6 453	6 369	9.0	7.2	-1.3
Other	3 231	2 947	4.5	3.3	-8.8

Source: Bank of Botswana

¹⁷ These include hides and skin, iron and steel products, live cattle, machinery and electrical equipment, plastic and plastic products.

¹⁸ Transportation services include passenger fares; freight (road, sea, air, rail and clearing charges) and 'other' services (landing fee, aircraft hire and air charter).

billion to P3.9 billion during the same period, almost entirely driven by freight of imported goods. The increase in imports of transportation services resulted in an overall deficit of P3.6 billion in the transportation account. Exports of travel services increased by 10.3 percent, from P2.9 billion to P3.2 billion, primarily due to the increase in personal travel, dominated by tourism expenditure. In 2020, the Botswana tourism industry showed signs of recovery from the negative effects of the pandemic in 2020. Imports of travel services registered a slight decline from P1 billion to P853 million, consequently, the travel account recorded a surplus of P2.3 billion in 2021 in comparison to P1.9 billion in the previous period. Exports of all 'other' services decreased by 12.5 percent from P2.4 billion to P2.1 billion, while imports of the same decreased by 5.5 percent from P9.1 billion to P8.6 billion over the same review period. The 'other' services account, which is dominated by telecommunications, computer and information services; government and other business services¹⁹, registered a deficit of P6.5 billion in 2021 compared to a deficit of P6.6 billion in 2020.

Primary Income Account

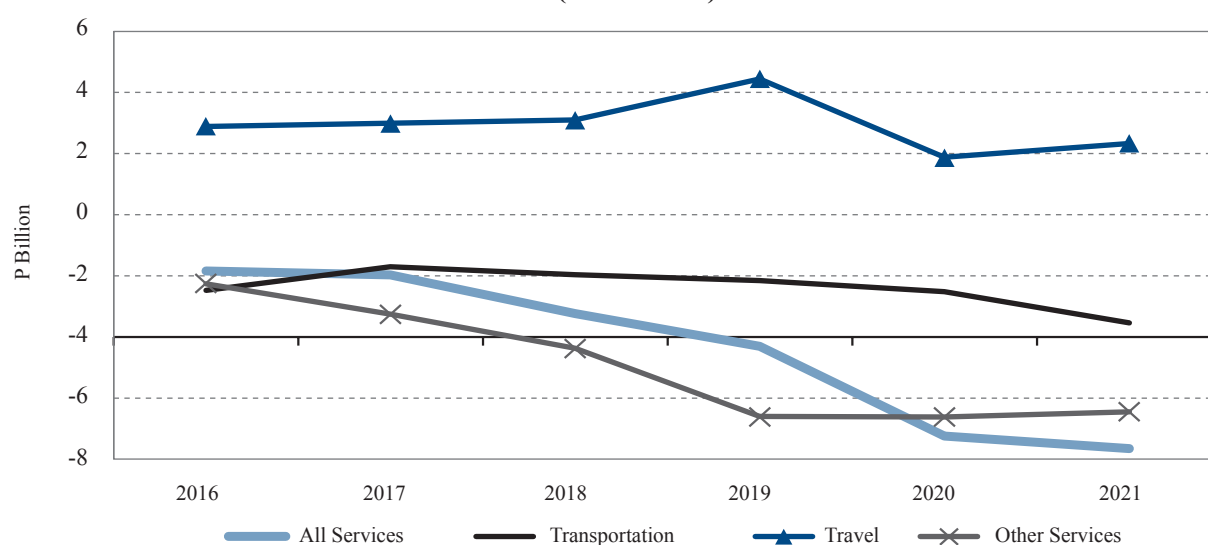
- 3.10 The primary income account, which records wages, salaries and investment income payments between residents and non-residents registered an estimated deficit of P318 million in 2021, compared to the previous year's revised surplus of P224 million. The deficit in

this account was primarily a result of dividend payments. The credit side of the primary income account is dominated by foreign exchange reserves earnings and in 2021, income earned from foreign exchange reserves investments was P992.2 million, compared to P1.3 billion in 2020. Dividends and retained earnings²⁰ are the major drivers of investment income outflows from Botswana and these are estimated to have increased from P73.2 million in 2020 to P375.4 million in 2021, owing to the recovery of economic activity, particularly in mining. A larger proportion of this component in 2021 was dividends paid by Debswana to De Beers.

Secondary Income Account

- 3.11 Secondary income consists of government and private transfers, with the former constituting the largest share. In 2021, net transfers are estimated to have decreased by 6.1 percent from P14.8 billion in 2020 to P13.9 billion, mainly because of lower SACU receipts, which fell from P15.7 billion in 2020 to P15 billion in 2021. Thus, net government transfers decreased from a surplus of P15.1 billion to P14.4 billion, while net private transfers, dominated by Non-Governmental Organisations, registered surpluses of P369 million and P515 million in 2020 and 2021, respectively.

CHART 1.13: BALANCE OF TRADE IN SERVICES (2016 - 2021)



Source: Bank of Botswana

¹⁹ These include mining, architectural and engineering, advertising, marketing and legal fees

²⁰ Retained earnings by foreign-owned businesses are an imputed outflow in the income account, matched by an offsetting inflow of foreign direct investment.

Financial Account

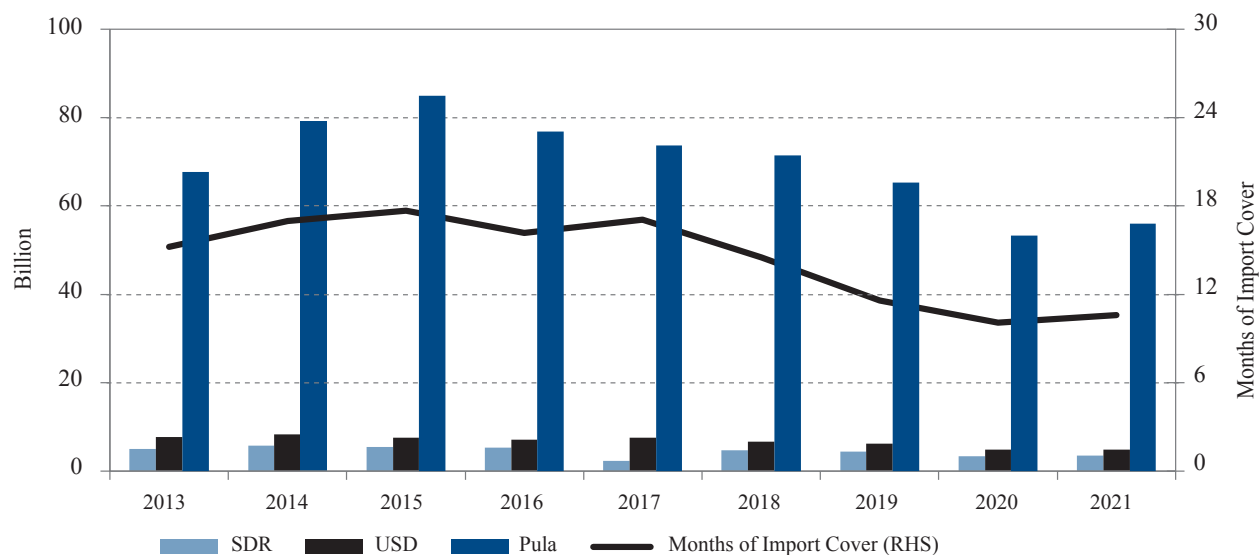
- 3.12 The financial account, comprising direct, portfolio, financial derivatives and other²¹ investments, is estimated to have registered net capital outflows of P5.5 billion in 2021²² compared to revised net capital outflows of P7.5 billion in 2020. The outflows were due to an increase in offshore investments, particularly in equity and debt instruments, by the local pension funds. With respect to direct investment, net acquisition of financial assets abroad is estimated to have decreased by P589 million in 2021, compared to a revised decrease of P782 million in 2020. On the other hand, it is estimated that net incurrence of liabilities (investments by non-residents in Botswana) increased by P612 million in 2021, compared to an increase of P364 million in 2020. The increase in liabilities was mainly inter-company loans extended to locally based subsidiaries to finance budget shortfalls and daily operations.
- 3.13 The portfolio assets, mainly offshore investments in equity and debt instruments by pension funds are estimated to have increased by P11.6 billion in 2021, compared to a growth of P11.1 billion in 2020. The portfolio

liabilities increased by P804 million in 2021 following a decrease of P221 million in 2020. Comparatively, the financial derivatives transactions are insignificant, recording a decline in assets of P8 million and P9 million in 2020 and 2021, respectively, compared to increases in liabilities of P7 million and P8 million over the same period. 'Other' investments are estimated to have registered net capital inflows of P4.1 billion in 2021 compared to an inflow of P2.7 billion in the previous period, mainly reflecting an increase in SDR inflows amounting to nearly P3 billion paid to the Government by the IMF.

Foreign Exchange Reserves

- 3.14 The level of foreign exchange reserves amounted to P56 billion in December 2021, an increase of 4.6 percent from P53.4 billion in December 2020 (Chart 1.14). In foreign currency terms, the level of foreign exchange reserves decreased by 2 percent from USD4.9 billion in December 2020 to USD4.8 billion in December 2021, while remaining unchanged at SDR3.4 billion over the same period. The level of foreign exchange reserves in December 2021 was approximately 9.1 months of import cover of goods and services.

CHART 1.14: LEVEL OF FOREIGN EXCHANGE RESERVES



Source: Bank of Botswana

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

22 The 2021 balances are based on preliminary estimates.

(c) Balance of Payments Outlook

The balance of payments performance is expected to improve in 2022, underpinned by the expected continued recovery in the mining sector, resulting from the projected increase in global demand for diamonds. The positive outlook is further supported by the anticipated good performance of the non-mining sectors,

partly in response to government interventions, policies and strategies aimed at diversifying the economy. Further, the easing of COVID-19 related travel restrictions, and therefore, the expected recovery in tourism receipts, would likely support the current account balance. With this anticipated positive outlook, Botswana projects a growth of 9.7 percent in 2021, a substantial recovery from a contraction of 8.7 percent in 2020. However, on the downside, the narrow export base, continues to make the domestic economy susceptible to external shocks, especially in the diamond markets, which could undermine outcomes in the external sector in 2022. In particular, the risks associated with the ongoing COVID-19 pandemic and possible outbreak of new variants present challenges to the recovery path into 2022 and going forward.

International Investment Position (IIP) and Foreign Investment

(i) International Investment Position

- 3.15 Preliminary estimates for 2021 indicate that Botswana's net international investment position increased by 13.6 percent (P73.7 billion) from the revised amount of P64.9 billion in 2020. The increase is due to a 10.8 percent growth in foreign assets from a revised amount of P152.4 billion in 2020 to P168.8 billion, against a lower growth of 8.7 percent in foreign liabilities, which increased from a revised position of P87.5 billion to P95.1 billion during the same period. Foreign exchange reserves, increased by 4.6 percent between 2020 and 2021, contributing to the rise in foreign assets against the backdrop of reduced net withdrawals associated with Government payments as the country continued to recover from the COVID-19 pandemic. The country's stock of 'direct investment' abroad is estimated to have declined by 5 percent from P12 billion in 2020 to P11.4 billion in 2021. The decline was due to loan repayments by foreign based companies to entities owned by Botswana residents. 'Portfolio investment stock' increased by 17.4 percent from P66.8 billion to P78.4 billion mainly reflecting an increase in foreign holdings of both equity and debt securities by residents, predominantly Pension Funds. 'Other investment' position improved by 13.4 percent due to the increase in currency and deposits held abroad by deposit taking corporations, while the stock of financial derivatives increased exponentially to P86.8 million from P9 million in the previous year. On the liabilities side, the stock of 'direct investment' is estimated to have decreased by 3.2 percent from the revised amount of P61.9

billion to P59.9 billion in 2021. The reduction was due to loan repayments by local companies to fellow enterprises²³ abroad. The 'Portfolio Investment' position slightly improved from a revised amount of P1.4 billion to P1.5 billion. "Other Investment" stock of liabilities also increased from a revised position of P24.3 billion to P33.3 billion in 2021, reflecting an increase in loans advanced to both general government and the private sector.

(ii) Investment in Botswana by Industry and Country Classification in 2020

- 3.16 Tables 1.12 and 1.13 show the stock of Botswana's foreign liabilities as at the end of 2020, classified by industry and country. Direct investment amounted to P61.9 billion, surpassing the P57.9 billion recorded in the previous year, despite the global economic challenges presented by the COVID-19 pandemic during the year. Investments in the mining, wholesale and retail, and finance sectors continued to constitute the largest shares of foreign direct investment at 37.7 percent, 30.7 percent and 20.5 percent, respectively. Europe remained the major source of foreign direct investment in mining, accounting for 53.5 percent, of which 47.7 percent was from the UK. Africa was also a major source of foreign direct investment at 34.9 percent, with South Africa accounting for 26.7 percent, mostly concentrated in the finance and retail sectors.
- 3.17 Other investment, which constitute portfolio investment, financial derivatives and other investment categories, amounted to P25.7 billion in 2020, representing a large fall from the 2019 revised position of P36.3 billion. The decline was a result of the negative impact of COVID-19 health crisis. Public administration sector accounted for 58 percent of the stock of P14.9 billion and was dominated by government external debt sourced from various countries and international financiers, including the African Development Bank. "Other" sector accounted for 19 percent of the stock of other investment. The sector constituted among others, SDR allocations by the IMF, as well as loans and deposits by non-residents.
- 3.18 The finance sector, which is dominated by commercial banks followed at 18.2 percent of 'other investment' stock. Electricity, gas and water accounted for 1.7 percent of the

²³ Fellow enterprises are enterprises that have no direct investment influence upon one another (that is the 10 percent voting power criterion is not met) but are owned by the same enterprise.

stock, being mainly government guaranteed loans sourced from China for the financing of Botswana Power Corporation projects. The manufacturing and hospitality sectors accounted for less than 1 percent each, indicative of the adverse impact of the

COVID-19 pandemic on the industries. The manufacturing sector is dominated by mining related activities such as diamond cutting and polishing while the hospitality sector comprises travel and accommodation.

TABLE 1.12: LEVEL OF INVESTMENT IN BOTSWANA BY INDUSTRY 2020 (P MILLION)

Sector	Foreign Direct Investment	Other Investment	Total
Mining	23 342	188	23 530
Manufacturing	2 799	20	2 820
<i>Of which</i>			
Mining Related	1 308	5	
Finance	12 700	4 683	17 383
<i>Of which</i>			
Commercial Banks	9 951	4 683	
Wholesale and Retail	19 018	359	19 376
<i>Of which</i>			
Wholesale	16 381	246	
Electricity, gas and Water	0	445	445
Real estate and business services	419	26	444
Transport, storage and communication	1 662	114	1 776
Construction	562	10	572
Hospitality	1 099	58	1 157
Public administration	0	14 892	14 892
Other	259	4879	5 138
Total	61 860	25 674	87 534

Source: Bank of Botswana

TABLE 1.13: LEVEL OF INVESTMENT IN BOTSWANA BY REGION AND SELECTED COUNTRIES 2020 (P MILLION)

Country	Foreign Direct Investment	Other Investment	Total
America	5 221	648	5 870
<i>Of which</i>			
United States	124	647	771
Canada	335	2	-
Europe	33 087	859	33 946
<i>Of which</i>			
United Kingdom	29 512	42	29 554
France	459	123	582
Netherlands	650	-	650
Luxembourg	5	-	6
Other Europe	2 461	694	3 154
Asia	1 287	28	1 314
<i>Of which</i>			
India	608	6	613
China, Hong Kong	555	22	576
China, Mainland	80	-	80
Africa	21 564	4 266	25 831
<i>Of which</i>			
South Africa	16 532	2 815	19 347
Mauritius	3 484	84	3 567
Middle East	443	14	457
Other	257	19 859	20 116
Total	61 860	25 674	87 534

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 considering 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 gap²⁴ 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 the MPC to allow for engagement with the media and dissemination of the Bank's policy stance.

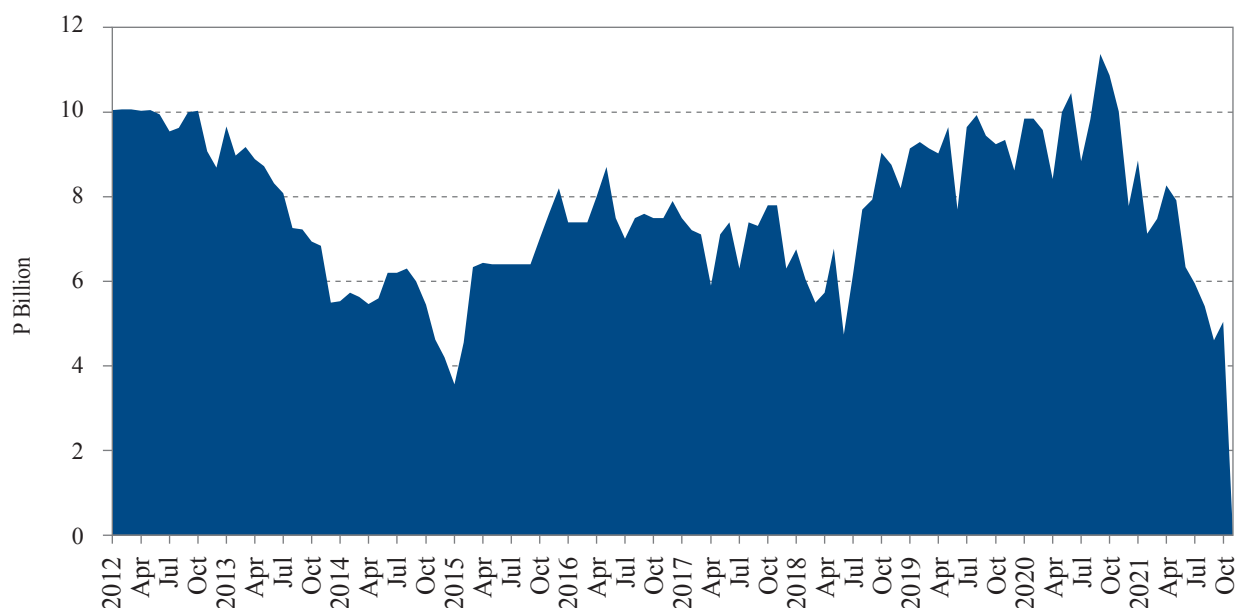
²⁴ The output gap refers to the difference between actual output and long-term trend output (as an indicator of the productive capacity of the economy). A negative output gap means the actual level of output for a given period is below the trend level for that period, thus indicating that the economy is operating below its estimated potential.

(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 liquidity²⁵ 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 the weekly BoBCs auctions. The Bank implemented monetary policy in an environment of high inflation in the context of transitory supply shocks and low interest rates. Despite the challenges posed by the outbreak of COVID-19, Open Market Operations in 2021 were conducted in an environment of healthy excess liquidity supported mainly by government spending and the implementation of the monetary policy and regulatory response measures, mainly to curb the effects of COVID-19 pandemic on the economy.
- 4.4 The Bank evaluates monetary policy implementation framework on a regular basis for effectiveness and introduces refinements where necessary. In that regard, the Bank reviewed and accepted the recommendations contained in the International Monetary Fund Technical Assistance (IMF TA) final report of October 2021 on "Monetary Policy Implementation and Operations". Accordingly, during 2022, the Bank will implement the accepted recommendations and consequent changes to the monetary operations. These reforms are intended to more effectively influence short-term market interest rates, to be aligned and more responsive to changes in the policy-signalling rate, as set by the Monetary Policy Committee of the Bank.
- 4.5 Since the introduction of the Primary Reserve Requirement Averaging (PRRA), most commercial banks continue to actively use it as a tool for effective management of liquidity. Outstanding BoBCs amounted to P2.3 billion in December 2021, a decrease from P7.8 billion in December 2020 (Chart 1.15), reflecting a decline in excess liquidity resulting mainly from settlement of government securities and net capital outflow in 2021. Furthermore, P1.5 billion worth of reverse repos were outstanding at the end of December 2021, compared to P1.4 billion December 2020. However, there were no outstanding repos as at the end of 2021.

²⁵ 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.

CHART 1.15: OUTSTANDING BANK OF BOTSWANA CERTIFICATES



Source: Bank of Botswana

2013 2014 2015 2016 2017 2018 2019 2020 2021

4.6 During 2021, monetary policy in Botswana was conducted in the context of projected high inflation in the near term, associated with upward adjustment of taxes/levies and administered prices, a modest recovery in domestic demand resulting from the easing of containment measures due to deployment of effective COVID-19 vaccines and projected increase in foreign prices. Notwithstanding, real monetary and financial conditions provided scope for an accommodative monetary policy in support of stronger output growth. Hence, the Bank Rate was maintained at 3.75 percent in 2021, following a cumulative 100 basis points reduction in 2020 to support economic activity that was adversely affected by the COVID-19 containment measures. Consequently, the prime lending rate of commercial banks was constant at 5.25 percent between December 2020 and December 2021. However, deposit interest rates generally increased, mainly because of competition for the corporate deposits that are volatile and form an important component of the deposit base for many of the commercial banks. The stop-out yield for the 7-day BoBC also increased, from 1.03 percent in December 2020 to 1.10 percent in December 2021. Nevertheless, due to the larger increase in the inflation rate compared to the nominal interest rates between December 2020 and December 2021, the real rate of interest for the 7-day BoBC decreased from -1.14 percent to -6.99 percent.

4.7 Chart 1.16 shows Government bonds and BoBC yields as at the end of December 2021

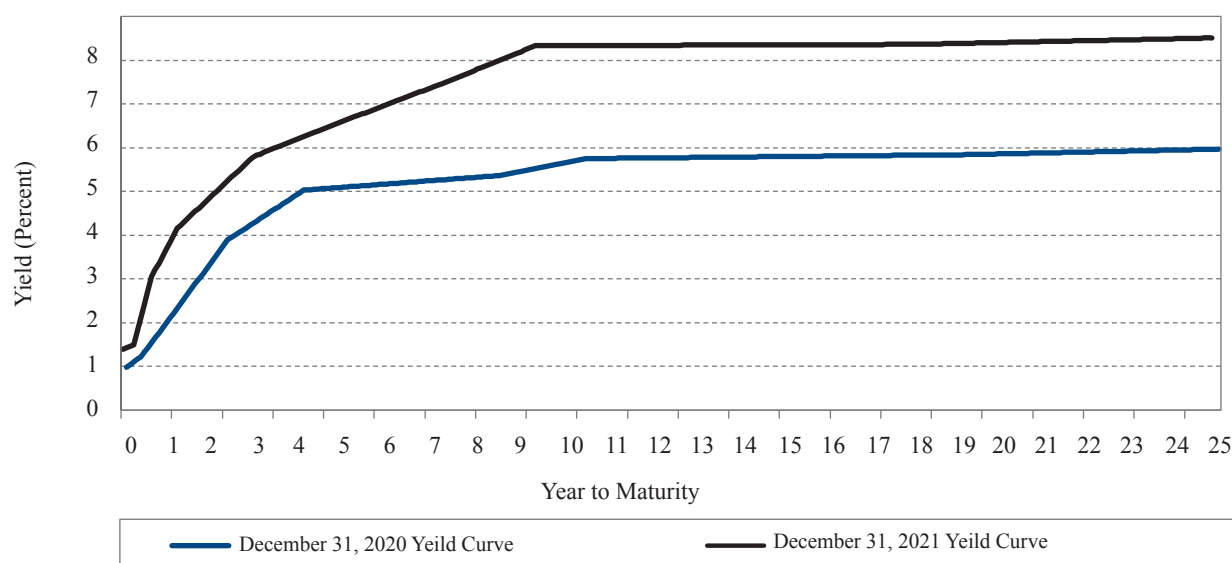
compared to December 2020. Over the review period, yields were generally increasing across the maturity spectrum, with the normal upward sloping yield curve maintained.

(c) Banking System

Domestic Credit

4.8 Annual growth in commercial bank credit accelerated to 5.1 percent in 2021 from 4.5 percent in 2020 (Chart 1.17). The faster growth in commercial bank credit was, in part, indicative of the increase in loan uptake by both businesses and households, as well as the recovery from the low base engendered by the COVID-19 pandemic in 2020. Business sector credit grew by 2.7 percent in 2021, following a 0.5 percent contraction in 2020. Meanwhile, credit to businesses excluding parastatals increased by 4.1 percent, in 2021, compared to an expansion of 0.4 percent in 2020. The improvement in credit to businesses was in the form of utilisation of overdraft facilities and loans extended to parastatals as well as to some companies in the finance, business services and real estate industries, as economic activity opened following the end of the State of Public Emergency in September 2021. This improvement was partly offset by decreased utilisation of credit facilities by some companies in the electricity and water, mining as well as transport and communications industries. Meanwhile, households annual credit growth decelerated from 7.3 percent in

CHART 1.16: YIELD CURVES (DECEMBER 2020 AND DECEMBER 2021)

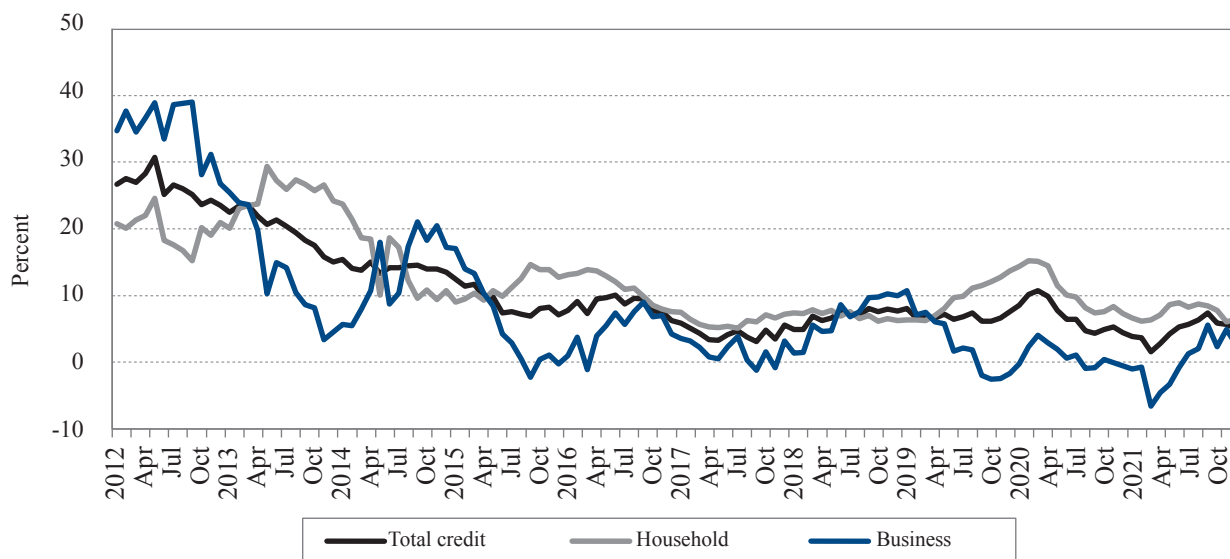


Source: Bank of Botswana

2020 to 6.4 percent in 2021. Although lower, this remains consistent with the opening of economic activity on account of the easing of COVID-19 containment measures. The rate of increase in the unsecured component was 7.9 percent from 9.4 percent in the same period. The share of mortgages in total bank credit to households decreased slightly from 23.6 percent in 2020 to 23.1 percent in 2021. Household credit accounted for a larger proportion of credit, at 66.2 percent of total bank credit in 2021. Mortgage loans as a proportion of GDP was only 5.6 percent as at September 2021 compared to 5.9 percent in the corresponding period ending September 2020.

4.9 Banks maintained good quality assets in 2021. The ratio of non-performing loans (NPLs) to total bank credit was 4.2 percent in December 2021, and was marginally lower than the 4.3 percent in December 2020; the NPL ratio for individual banks ranged from 0.7 percent to 6.2 percent in December 2021. By sector, the ratio of NPLs to total loans for households also declined from 3.4 percent in December 2020 to 3.2 percent in December 2021, while for businesses, it increased slightly from 6.1 percent to 6.2 percent in the same period, reflecting the negative impact of COVID-19.

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



Source: Bank of Botswana

- 4.10 Household debt as a proportion of household formal employment income is estimated at 37.5 percent in the third quarter of 2021, a decrease from the 47 percent in the same period in 2020. The level of household indebtedness is considered low by international standards. However, it is observed that household credit is highly concentrated in unsecured lending (72.5 percent in December 2021), hence could potentially cause financial distress in the sector, given the inherently expensive nature of such credit, especially in the event of monetary policy tightening. Nevertheless, 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.

Monetary Aggregates

- 4.11 Broad money supply (M2) grew by 5 percent in the year to December 2021, compared to 5.9 percent in the corresponding period in 2020. The decelerated growth of money supply was partly a result of the increase in government deposits at the Bank of Botswana and decrease in growth of credit to the private and parastatals sectors. By component, current account (transferable) deposits increased by 4.1 percent (compared to 16.3 percent in 2020), while interest-bearing deposits increased by 5.5 percent in the year to 2021, from 2.3 percent in 2020. Deposits in foreign currency accounts increased by 13.7 percent in the same period and accounted for 18.4 percent of total deposits at commercial banks in 2021. The ratio of money supply to GDP (financial deepening) decreased to 48.7 percent in the year to September 2021, compared to 52.5 percent in the corresponding period in 2020 signalling reduced (or slower growth of) liquidity in the economy (in the advent of COVID19).

Bank of Botswana

- 4.12 Total assets and liabilities of the Bank of Botswana increased by 5 percent from P54.5 billion in 2020 to P57.2 billion in 2021. The growth in the balance sheet was mainly due to the 5 percent increase in foreign exchange reserves which includes the 8.1 percent increase in the Pula Fund and 191.5 percent rise in assets at the IMF, following the SDRs

allocation to the country in 2021. However, the increase is partly offset by the contraction in the Liquidity Investment Tranche and Transactions Balance Tranche, of 84.6 percent and 37.4 percent, respectively. Fixed assets increased by 30.7 percent. The shareholder's total funds, which largely comprise the Currency Revaluation Reserve, increased by 14.8 percent, from P32.4 billion in December 2020 to P37.2 billion in 2021. Commercial bank deposits at the Bank of Botswana (including primary reserve requirement (PRR) balances) decreased from P2.1 billion in December 2020 to P1.8 billion in 2021, on account of accessibility of primary reserves by banks following the implementation of PRR averaging in 2019.

Other Depository Corporations

- 4.13 The statement of financial position of commercial banks grew by 5.2 percent from P103.3 billion in December 2020 to P108.6 billion in December 2021. On the assets side, gross loans and advances increased by 5.1 percent from P65.6 billion in December 2020 to P68.9 billion in December 2021, while the balances due from foreign banks increased by 22.1 percent. Holdings of Bank of Botswana certificates decreased by 74.4 percent in 2021, while holding of Government T-bills increased from P1.02 billion to P4.96 billion over the same period, indicating substitution between the two assets. With respect to liabilities, deposits at commercial banks and balances due to other banks rose by 4.7 percent and 30.7 percent, respectively, while capital and reserves declined by 2.6 percent, in 2021. Wholesale business deposits continue to be the main source of funding for commercial banks (74.2 percent of total deposits in December 2021). The ratio of commercial bank credit to GDP was 36.1 percent in September 2021, a slight decrease from 37.5 percent in September 2020.
- 4.14 Total assets and liabilities of the BBS Limited decreased by 6.6 percent from P4.1 billion in December 2020 to P3.8 billion in December 2021. Mortgages, which take-up the bulk of BBS's loan book (90.1 percent in 2021) decreased by 8.7 percent from an increase of 0.3 percent in 2020. On the liabilities side, the level of capital and reserves decreased by 6.8 percent from P543 million in December 2020 to P506 million in December 2021, while public deposits increased by 1.5 percent accounted for by growth in time and term deposits of corporate customers during the year.
- 4.15 For Botswana Savings Bank, total assets

and liabilities increased by 16.4 percent in December 2021 from a decline of 9.2 percent in 2020. Loans and advances increased by 27.3 percent while cash and deposits at banks declined by 28.8 percent. On the liabilities side, savings deposits increased by 11.4 percent in December 2021, from P2.3 billion to P2.6 billion, compared to a contraction of 9.5 percent in December 2020. Capital and reserves increased by 29.1 percent from a contraction of 12.3 percent during the review period.

(d) Other Financial Corporations

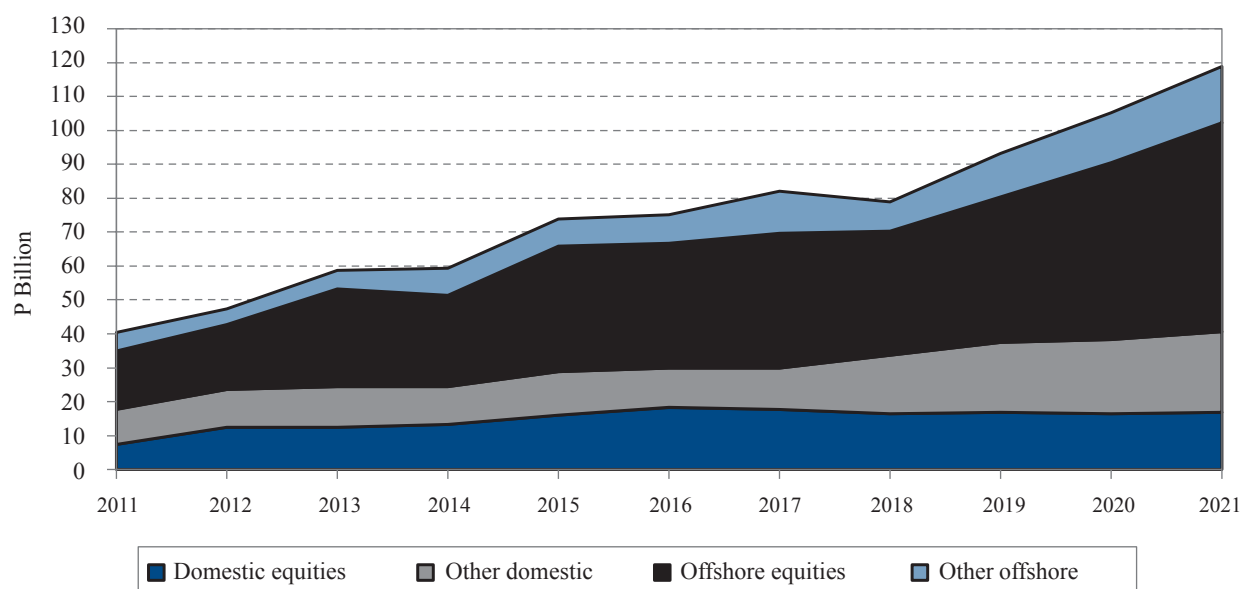
- 4.16 The statement of financial position of the National Development Bank (NDB) decreased by 0.9 percent, from P1.23 billion in December 2020 to P1.22 billion in December 2021, compared to an increase of 17.2 percent in 2020. The contraction of the statement of financial position of NDB was attributable to reduced loan liabilities (borrowings to fund own operations), which declined by 8.9 percent, while capital and reserves increased by 3.3 percent in the same period. On the assets side, there was an improvement in intermediation (utilisation of resources) with substitution between cash and deposits at banks (liquid assets) which fell by 56.5 percent decrease and loans and advances, which increased by 44.2 percent.
- 4.17 The statement of financial position of Citizen Entrepreneurial Development Agency (CEDA) decreased by 12.2 percent to P1.6 billion in December 2021, from P1.8 billion in December 2020. The decline of the statement of financial position was due to a decrease in loans and advances, and cash balances by 8.2 percent and 59.5 percent, respectively in 2021. On the liability side, capital and reserves decreased by 15.8 percent in the same period.
- 4.18 Total assets and liabilities of Botswana Development Corporation (BDC) grew by 19.2 percent from P4.2 billion in 2020 to P5 billion in 2021. This performance was largely attributable to an increase of 57.1 percent in borrowings which translated into increased loans, advances and leasing by 37.4 percent, 77.8 percent increase in deposit holdings at commercial banks as well as 1.4 percent increase in investments in related companies. Fixed assets decreased from P124.9 million to P118.2 million in the same period.

- 4.19 The Domestic Companies Index (DCI) of the Botswana Stock Exchange (BSE) increased by 1.9 percent to 7 009.6 in December 2021, following a decline of 8.2 percent in 2020. The increase was due to the listing of Access Bank²⁶ following its 78.15 percent acquisition of BancABC Botswana during the year. The market capitalisation of domestic companies rose by 2.5 percent, from P35.6 billion in 2020 to P36.4 billion in 2021, due to the increase in shareprices of most listed companies. In terms of price per share movements, several companies recorded increases, namely: Stanchart (35.2 percent), Letshego (94.4 percent) and Seedco (45.9 percent). The Foreign Companies Index increased by 0.2 percent to 1 549.7 in 2021, following a decrease of 1.0 percent in 2020, with share price changes of Tlou and Lucara recording increases of 56.3 percent and 27.5 percent, respectively. There were 997 million shares worth P1.8 billion traded in 2021 compared to 430 million shares valued at P698 million traded in 2020. The number of listed domestic companies decreased from 34 in 2020 to 32 in 2021, following the voluntary delisting of A-Cap Resources in February 2021 and Afinitas in April 2021.

- 4.20 Assets of pension funds increased by 14.2 percent from P105.2 billion in December 2020 to P120.1 billion in December 2021 (Chart 1.18), reflecting the increase in member contributions and fair value gains. By asset class, investment in domestic equities increased by 20.3 percent to P19.9 billion in the twelve months ending December 2021, while holdings of offshore equities increased by 17 percent to P60.9 billion due to the rise in prices and favourable exchange rates. Meanwhile, the value of domestic bonds held by pension funds increased by 5.7 percent to P10.2 billion, while offshore bonds decreased by 1.6 percent to P6.3 billion in December 2021. Investment in local property also increased, from P3.2 billion to P4.2 billion in the same period. The proportion of assets invested offshore by pension funds increased from 63.5 percent in December 2020 to 65.3 percent in December 2021. The ratio of assets of pension funds to nominal GDP was 60.2 percent in the third quarter of 2021 compared to 58.6 percent in the corresponding period in 2020.

- 4.21 The P30 billion Government Bond Programme remains in place, which is increasingly playing an important role as an alternative source of government funding, although overall effectiveness (in mobilising sufficient cost-effective funding) is constrained by the modest state of market development and maturity.

²⁶ Access Bank's significant contribution to total equity turnover results from a record-breaking trade worth P1.071 billion following their 78.15 percent acquisition of BancABC Botswana on 11th October 2021.

CHART 1.18: BOTSWANA PENSION FUND ASSETS (2011 - 2021)

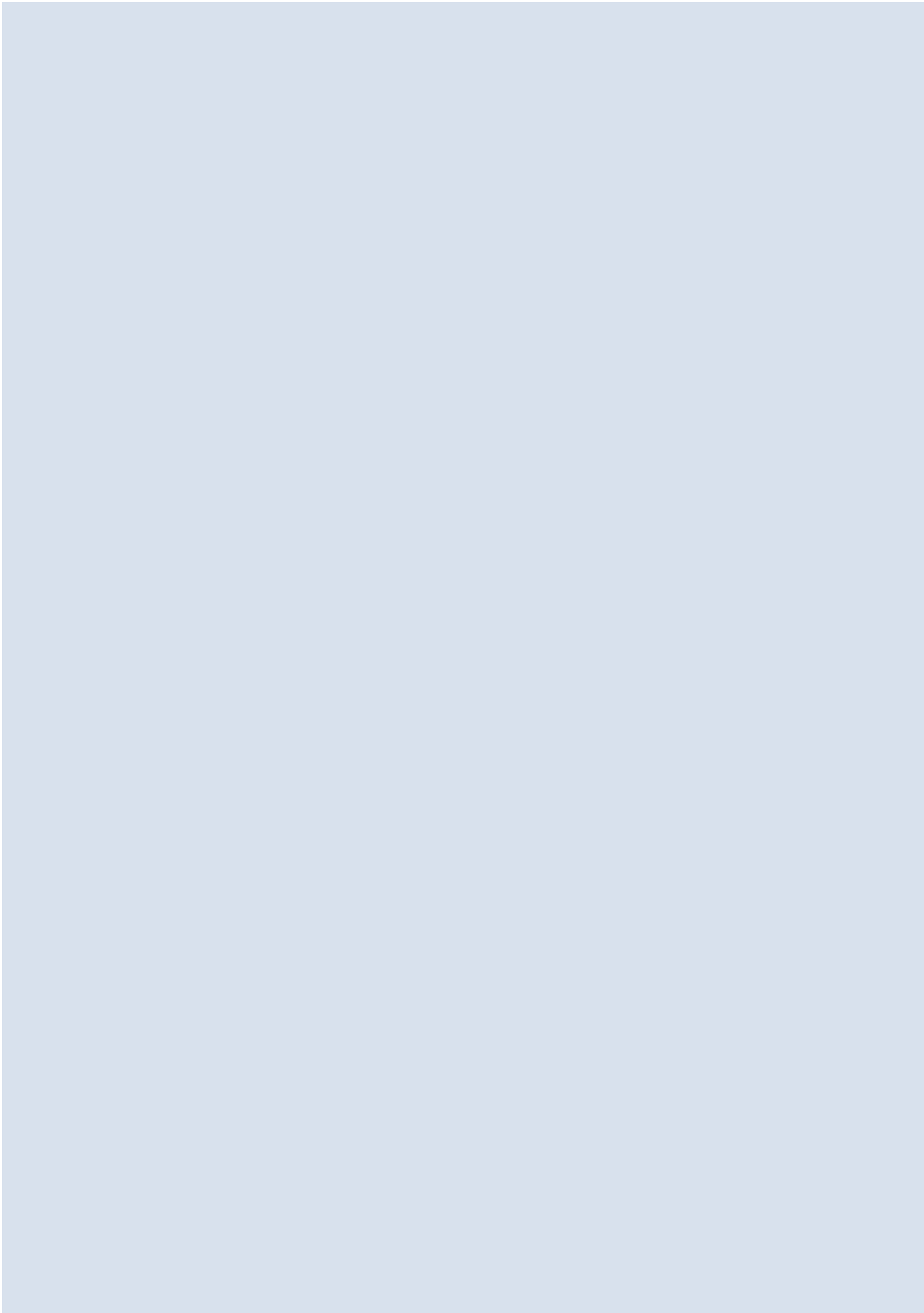
Source: NBFIRA

Outstanding bonds of various maturities and Treasury Bills increased from P17.7 billion in December 2020 to P22.4 billion in December 2021. The number of Government bonds was unchanged at 7 in 2021, with BOTSG0920 maturing in September 2020 and a new 5-year benchmark bond (BOTSG0527) issued in April 2021. Primary Dealers and their customers held P10.4 billion (46.5 percent) and P12 billion (53.5 percent), respectively, of the government securities at the end of 2021.

(e) Sovereign Credit Rating

- 4.22 The annual Credit Analysis Update Report, released in September 2021 by S&P Global Ratings (S&P), affirmed Botswana's sovereign credit rating for long-term foreign and domestic currency bonds at "BBB+", and "A-2" for short-term foreign and domestic currency bonds. S&P indicated that the affirmation of the ratings was underpinned by the country's strong, stable and predictable institutional frameworks; modest net general government debt levels; relatively strong net external position; and the positive impact of the monetary policy framework, all of which contribute to sound macroeconomic stability. However, the economic outlook was revised from negative to stable, on account of anticipated rebound in Botswana's economic growth, partially led by the recovery in diamond mining.
- 4.23 Meanwhile, in April 2021, Moody's Investors Service downgraded Botswana's sovereign credit rating for long-term bonds, denominated

in both domestic and foreign currency, from 'A2' to 'A3' but changed the economic outlook from negative to stable. The downgrade was attributable to the reduction in the capacity of government to absorb future shocks as a result of the erosion of fiscal buffers, occasioned by the COVID 19 pandemic, and relatively weaker economic resilience, reflecting the less diversified economy. The revision of the outlook reflected Moody's expectations of continued prudent macroeconomic policies in Botswana, which would help to navigate the challenges stemming from the country's heavy reliance on diamond industry and a larger public sector.



CHAPTER 2

HARNESSING TECHNOLOGY FOR ECONOMIC TRANSFORMATION AND INCLUSIVE GROWTH – TOWARDS HIGH-INCOME STATUS

1. INTRODUCTION

- 1.1 The 2020 Annual Report theme topic identified four priority areas to drive the economic transformation agenda and propel Botswana to a high-income status by 2036. Among these, is harnessing information and communications technology (ICT) as a singular growth sector and driver for economic activity. It was observed that this should partly involve provision of the requisite infrastructure; facilitative policies and regulation; and enabling of accessibility through facilitation of connectivity and skills development in the relevant areas. It is considered germane to explore these pertinent issues in more detail in the 2021 Annual Report for continuity and to give policy and advocacy traction to what is considered a critical facet of the economic transformation agenda development and related positive influence on growth that is inclusive and of sufficient pace to propel the transition of the country to a high-income status or, “escape the middle-income trap”.
- 1.2 The background is that Botswana’s past growth model appears to have run its course. Early on after independence, 55 years ago, Botswana’s economic trajectory and performance featured strong growth in the early years, propelled by well-managed natural resources, notably diamond mining. Underpinned by prudent macroeconomic policies and sound governance, the government used these natural resources for the development of public infrastructure including investment in health, education and other public investments while providing employment opportunities and social safety nets. This was followed by, on average, moderate growth rates as the economy matured. However, the modest growth rates for this period were still sufficient to transition the economy to the upper middle-income status by 2005. Lately, there has been evident structural transition to low rates of economic growth which, unless there is drastic transformation in the remaining 14 years, would not be sufficient to meet the national aspirations of graduating to a high-income status by 2036. At the same time the challenges of high unemployment (especially of the educated youth), narrow economic base, undeveloped

financial markets, persistent problems of high levels of income inequality and incidence of poverty would similarly be difficult to surmount under the current growth trajectory and in the absence of a radical change in the growth model. This is likely to be further constrained by the persistent reduction in both fiscal and external buffers which, hitherto, anchored the country’s economic resilience and allowed for an expansionary fiscal policy. Government has, therefore, rightly identified knowledge and digital economy, characterised by sustained focus on innovation and adoption of technology, especially digitalisation and advancing e-Government agenda, as key for reigniting productivity, increasing efficiency and boosting export competitiveness as well as better integration into global and regional production and service value chains.

- 1.3 Broadly, the transition to low growth trajectory could be attributed to the documented decline in total factor productivity, a phenomenon, that is often misunderstood to refer, singularly, to labour or poor work ethic. While labour productivity (skills and work ethic) is, admittedly, integral and a significant influence, a broad diagnosis and, therefore, proper perspectives on remedies, need to cover at least four essential elements. First, adequacy, functionality and reliability of infrastructure, utilities and services. Related thereto is the extent of utilisation and optimisation of the concomitant benefits. Second, the effectiveness of policy adaptation and implementation, as well as efficiency of administration and provision of services. Here, it is noted the discord between, on the one hand, the plethora of progressive policies, programmes and initiatives intended to improve economic performance and business activity and, on the other hand, persistently low ratings on global competitiveness and ease of doing business environment.
- 1.4 Third is, besides the low level of financial sector development, there is the evident dissonance in the mapping or matching of domestic financing to productive economic activity or designated growth areas/drivers. In this instance, two dynamics are apparent. One is that the resources availed to the development

finance institutions for this purpose are either inadequate, not sufficiently productive or leak. The other is that a mapping and evaluation of financial flows and performance in the financial sector suggests that the assessed risk and return profile for additive economic activity needed for faster and inclusive growth do not match the appetite of private sources of finance such as commercial banks and institutional investors. Fourth, the quantum and pace of innovation, research and development effort lags the necessary relatives and integration to the industrialisation effort. This is evident from hitherto low rates of provision of advanced modern information and communication technology infrastructure and its adaptation for production and productivity in the economy. Indeed, the history of economic thought, from the first industrial revolution to the current fourth industrial revolution (digital economy), is definitively instructive on the fact that “innovation is the engine of economic growth” as adoption of new technologies transform the way work is organised and performed; and raise productivity and make nations wealthier.

1.5 All the four factors highlighted above were broadly alluded to in the 2020 Annual Report, hence the transition to further evaluate the prospects for harnessing information and communications technology. Furthermore, while the theme topic will address harnessing of ICT, the other three factors, infrastructure, policy development and implementation and financing are integral to ICT adaptation. Overall, it is considered that ICT has the potential to both enhance productivity and contribute to the needed high rates of environmentally sustainable economic growth, and with an impact on inclusivity. This is premised on the understanding that, as evident from the history of economic development, episodes of great leaps in technology were, on those occasions, responsible for profound and transformational advances in productivity and the global growth profile/trajectory. Indeed, Schumpeterian economics and the idea of “creative destruction” provides valuable insights on how technology, innovation and entrepreneurship have positive effects on economic growth and development. It is also proven that the factors of production - land, capital, entrepreneurship and labour - cannot generate a sustained increase in the quantity and quality of output without an infusion of new ways of doing things, technically called the *Solow* residual.

1.6 Thus, globally, the leaps in growth have always been engendered by new technology of the time. For example, the use of water and steam

power enabled mechanised production and was the impetus for the first industrial revolution. The second industrial revolution involved harnessing of electric power to afford mass production, while electronics and information technology enabled automated production during the third industrial revolution. The contemporary fourth industrial revolution - the digital revolution - is characterised by inherent/internal unbounded exponential growth of ICT and its infusion and integration in almost all economic and social activity, including new industries and growth areas. It is, therefore, opportune to recognise and harness this potential to support the nation’s growth aspirations.

1.7 Notably, recent developments show that there are instances where developing countries were quicker to harness and benefit from ICT (for example, in the Fintech area) as it enables overcoming the constraints of low coverage and capacity of the traditional infrastructure and services. At the same time, there is need for a deliberate and focused framework that recognises and responds adequately to the opportunities, risks and resource requirements; essentially, infrastructure and related services, policy and regulatory posture, accelerator platforms (innovation, research and development, procurement) and public awareness/readiness. These represent adaptation potential and related prospective impact on inclusive high economic growth rates.

1.8 Specifically, therefore, the Economic Recovery and Transformation Plan represents a platform for projecting and promoting provision and entrenchment of these necessary factors for ICT adaptation for enhanced productivity and production potential of the economy. At the same time, there are several policies, laws, regulations and facilitating forums across the public and private sectors that need to be appropriately mapped and, where necessary, integrated to rationalise and ensure congruent attention to the promotion and adaptation of information and communications technology for enhanced benefit to the economy.

1.9 The Bank’s responsibilities also include mandates, functions and operations that are impacted and will continue to be influenced by technological developments, as alluded to in the 2019 Annual Report. Therefore, there is a significant role for the Bank in contributing to the harnessing of information and communications technology to promote the country’s growth prospects in a stable macroeconomic and financial environment;

hence specific attention to areas such as policy transmission, financial system and payments integrity, financial inclusion, currency design and management, as well as regulatory approaches and data management.

- 1.10 Therefore, in addressing the issues highlighted above, the theme topic discussion is structured and involve coverage as follows: Section 2 covers the historical evolution and impact of technology on economic development – from first to fourth industrialisation revolution (1IR – 4IR). Section 3 discusses the recent impactful information and communications technology developments. Section 4 assesses information and communications technology factor requirements and preparedness (performance indicators) in Botswana. Section 5 highlights sectoral growth analysis and adaptation initiatives. Section 6 discusses digital issues for the Bank of Botswana and the financial sector. Section 7 focuses on identification of factor and performance gaps and remedial approaches and Section 8 concludes the theme chapter.

2. THE HISTORICAL EVOLUTION AND IMPACT OF TECHNOLOGY ON ECONOMIC DEVELOPMENT - FROM FIRST TO FOURTH INDUSTRIALISATION REVOLUTION (1IR – 4IR)

- 2.1 In tracing the path of significant technological impact on global economic activity and societal arrangements four epochs are discernible. These are briefly narrated below as background to, first, illuminate the transformational effects of leaps in technology and, therefore, second, to recognise that in the current environment, adaptation and harnessing of the economic and social opportunities, while managing the risks is a crucial element of economic development strategy.
- 2.2 The *First Industrial Revolution* (1IR) started in the 18th century, from around the 1760s, characterised by the transition from muscle power to mechanical power. It involved a transition from a primarily agrarian economy to a manufacturing economy where products were no longer made solely by hand but by machines. This revolution led to improved methods of transportation, increased production and efficiency, lower prices, more goods, improved wages, and migration from rural areas to urban areas. The use of steam engines to power industrial production and the steam-powered locomotive was, at the time, the greatest breakthrough for increasing

human productivity and mechanisation of production. The technological changes included the invention of new machines, such as the spinning jenny and the power loom (an apparatus for making fabric by weaving thread) that raised the production potential, with lesser human effort, of textile manufactures, and a new organisation of work, the factory system, which entailed increased division of labour and specialisation of functions. These technological changes transformed economies that were based on agriculture and handicrafts into economies based on large-scale industry and mechanised manufacturing involving the factory system.

- 2.3 Countries that pioneered these new technologies included Britain, America, France and Germany. These developments in production arrangements, energy substitution, markets, as well as military power, not only created a modern global economy but also resulted in centralisation of global power, higher rates of growth and improvements in living standards in the pioneer countries and division of the world into core (notably Britain, America, France and Germany) and periphery (mainly Africa and Asia) economies. The developments also involved increasing migration, trade and transfer of technology although much slower, with an estimate of 120 years for the first industrial revolution to spread outside of Europe.
- 2.4 *The Second Industrial Revolution* (2IR) began in the late 19th century, propelled by the discovery of electricity and led by American inventors, industrialists and scientists (followed by Britain and Germany, and the rest of Europe decades later). It involved transformation of factories to incorporate assembly lines for secondary processing of agricultural produce, production of durable household goods, transportation equipment and clothing. Notably, the harnessing of electricity significantly improved the production speed and lowered the unit cost of production. During the 2IR, inventions and innovations centred on harnessing of the utility of iron, steel and chemicals²⁷ for fabrication of equipment, machine tools, household goods and transportation including railroads, ships and automobiles, which heralded significant advances in human

27 Atkeson, A., and Kehoe, P. J. (2001). The Transition to a New Economy after the Second Industrial Revolution. Working Paper No. 606. Federal Reserve Bank of Minneapolis, Research Department.

28 The Second Industrial Revolution Has Brought Modern Social and Economic Developments: https://www.researchgate.net/publication/338670501_The_Second_Industrial_Revolution_has_Brought_Modern_Social_and_Economic_Developments

civilisation, including mobility, employment opportunities, convenience engendered by household durables and an enhanced range of leisure pursuits. Subsequently, the world wars were the catalyst for defence industry research that resulted in the harnessing of nuclear energy, computing, enhanced communication technology and remote control/activation, which fed into industrialisation and more societal conveniences; generally, advances in engineering, chemical and medical technology, transportation, and communications fields.²⁸

second industrialisation revolution continue to constrain development prospects in some countries. For example, 11 percent of the world as nearly 759 million people still lack access to electricity in 2020³².

2.6 *The Third Industrial Revolution* (3IR) began in the latter part of the 20th century (the 1960s to be precise), catalysed by electronic engineering and memory-programmable controls and involved the development of semiconductors, mainframe

TABLE 1: WORLD OUTPUT AND TRADE GROWTH, 1700-2020

Period	World Real GDP (in USD millions, 1990 prices) ^{1 and 2}	World Economic Growth Rate (Annual average, percent)	Period	World Trade Growth (Average, percent) ^{3 and 4}	Narration
1700	370,260	...	...	...	Agricultural revolution
1750	476,750	...	...	...	Agricultural revolution
1800	650,110	...	1800 – 1817	8.7	First industrial revolution
1850	945,600	0.4	1818 – 1865	598.6	Peak of IR1
1875	5,379,210	0.6	1866 – 1913	310.1	Second industrial revolution
1900	2,052,380	0.6	1919 – 1929	71.0	World War I (1914 – 1918)
1925	3,293,030	1.4	1930 – 1938	-7.2	The Great depression
1950	5,379,210	3.0	1939 – 1949	...	World War II (1939 – 1945)
1975	16,801,400	3.8	1950 – 1973	831.7	Third industrial revolution
1990	27,539,570	3.1	1974 – 1980	141.3	Vietnam war and oil shock ²⁹
2000	38,281,970	3.6	1981 – 2007	580	Internet and automation
2010	66,036,387	4.5	2007 – 2008	-13.5	Global Financial Crisis
2020	84,971,650	-3.1	2009 – 2020	39.6	Covid-19 shock

Source: 1. Estimates for World GDP 1700-1980 by Maddison Project Database³⁰, and Bradford J. DeLong³¹

2. Data for 1980-2020 from IMF WEO

3. For 1800-1949 from "Economics and World History: Myths and Paradoxes" by Paul Bairoch

4. For 1950-2020 from World Trade Organisation

... no data

2.5 The changes in production arrangements, productivity and supply-demand driven quantum and range of output, in this era resulted in rapid global economic growth (Chart 1), improved living standards and higher per capita income (Figure 2). For example, US real GDP at the end of 2IR was seven times what it was in the 1IR, and per capita GDP growth rates averaged 1.8 percent per year. It was also characterised by a huge shift in sectoral contributions to economic growth, with the role of primary activities (agriculture and mineral extraction) being eclipsed by secondary manufacturing activity and expansion of the range of services. While quicker to spread globally than the first, weaknesses in accessing aspects of the

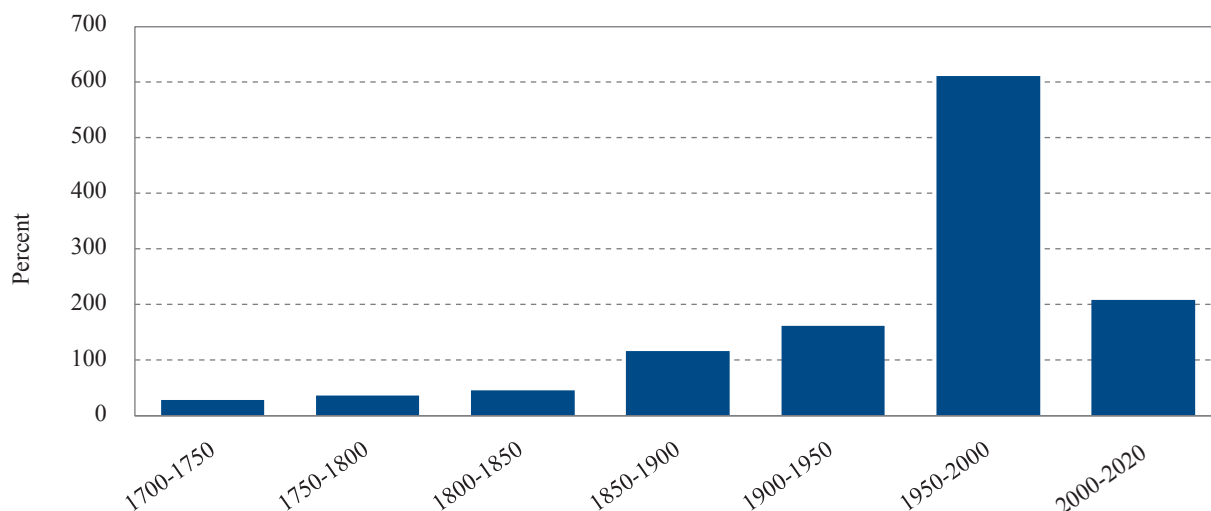
computing (1960s), personal computing (1970s-80s) and the internet (1990s). These technologies enabled automation of entire production and service processes, therefore, potentially enhancing productivity. Important transformations included greater speed of processing and information transfer; infusion of electronic capabilities as an input and aid to production (for example, robotics), increase in range of communication/information sharing channels; infusion into household durables, transportation equipment and vehicles, therefore improving utility, convenience and comfort, as well as an increase in the range of products, including those relating to entertainment and leisure activities and services. At the same time, the improvements in transportation, communication/information transfer and storage capacity, as well as skills mobility enabled industries to do offshore

29 OPEC announced an embargo against US, Canada, Japan, UK and Netherlands, which led to an economic shock as oil prices surged and countries faced energy emergencies.

30 www.OurWorldInData.org

31 Bradford J. DeLong (1998). "Estimating World GDP, One Million B.C.-Present."

32 "Tracking SDG 7: The Energy Progress Report" released on June 7, 2021, by the International Energy Agency (IEA) the International Renewable Energy Agency (IRENA), the UN Department of Economic and Social Affairs (UN DESA), the World Bank, and the World Health Organization (WHO).

CHART 1: WORLD GDP GROWTH IN 50-YEAR INTERVALS


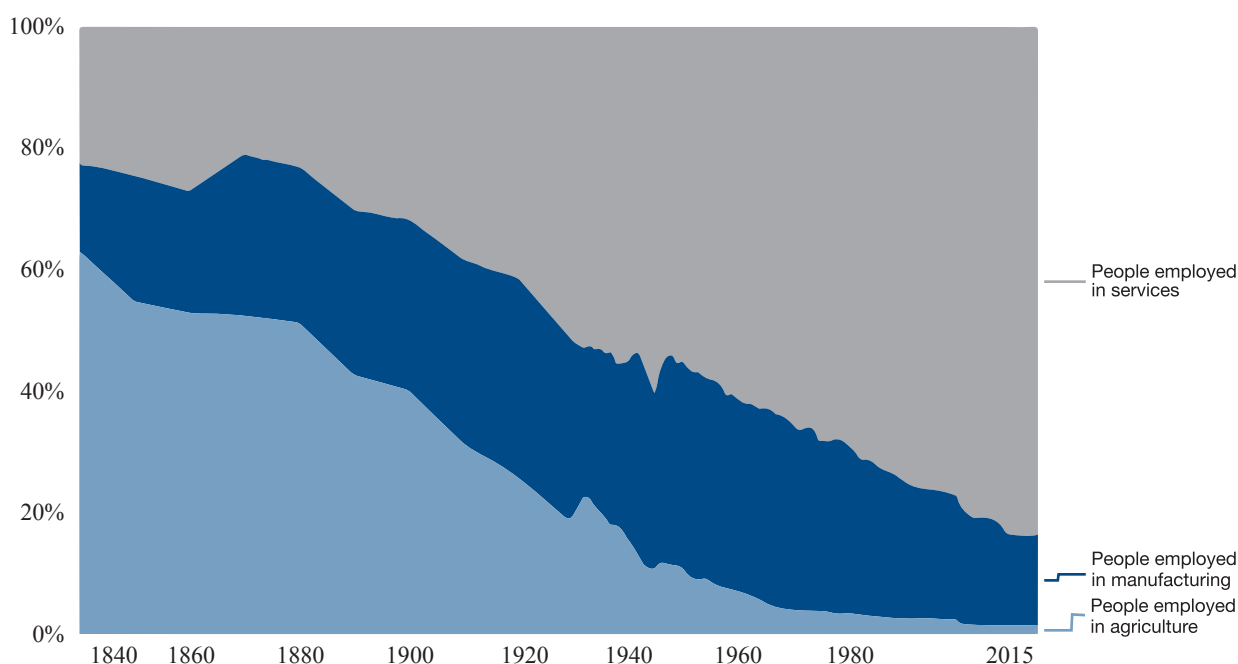
Source: “The World Economy in The Twentieth Century”, Chapter V of the IMF WEO, May 2000

Domestic equities

Other domestic

Offshore equities

Other offshore

FIGURE 1: US EMPLOYMENT BY SECTOR, 1840-2015


Source: www.OurWorldInData.org

production to low-cost economies, contributing to increase in trade and globalisation; as the multinational enterprises played a significant part in world trade and production, as a conduit of technology transfer.

- 2.7 The two most striking characteristics of the second half of the 20th century (1950-2000) economic growth are the overwhelming size and acceleration as shown in Chart 1, when compared with developments in previous

centuries, and the uneven income distribution among different countries and regions of the world (Figure 2). Growth rates for real GDP per person averaged 5 percent per year in Asian countries (particularly, China, Japan, Korea, Hong Kong), 4 percent per year in most western countries and about 2 percent in Africa and Latin America.³³ World trade

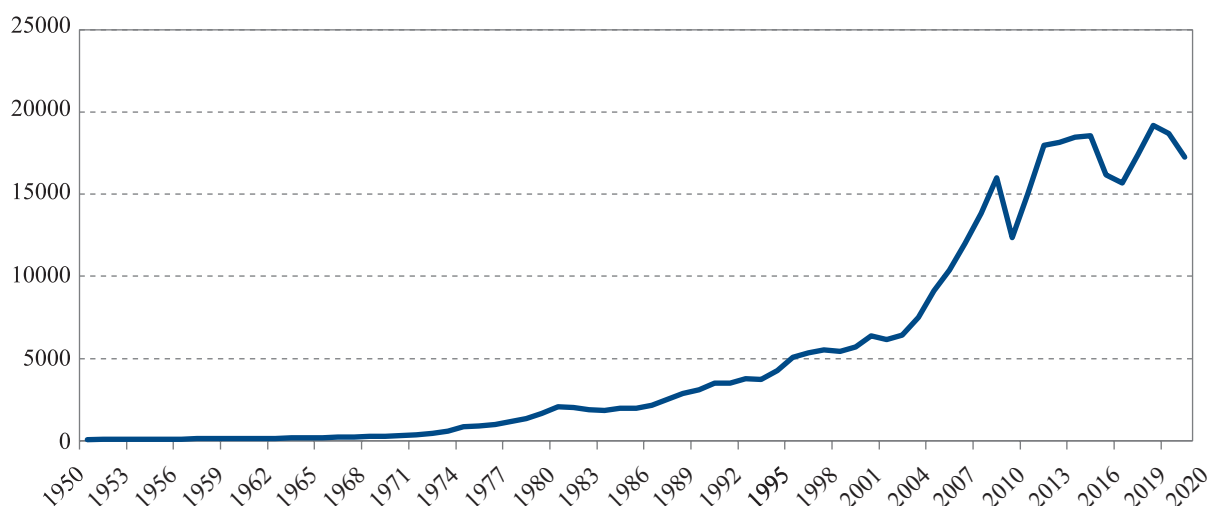
33 Nicholas Crafts, (2000). “Globalisation and Growth in the Twentieth Century”. IMF working paper

volumes increased 300 times from the 1950 levels (Chart 2) and has since shifted away from commodity to service sector production. Of particular significance during this era, is the composition of world merchandise trade based on the relative decline of primary products and increase of manufactured goods, as well as the rise of the developing economies' share of manufactured exports which was very low (around 4 percent) before 1960 to about 30

percent at the end of the 20th century.

2.8 The world is currently (21st century) in the *Fourth Industrial Revolution* (4IR), characterised by the application of information and communication technologies in industries and social activity.³⁵ The 4IR builds on the developments of the 3IR where computerised production systems expanded through network connections, thus revolutionising the

CHART 2: EVOLUTION OF WORLD TRADE, 1950-2020 (BILLION USD)

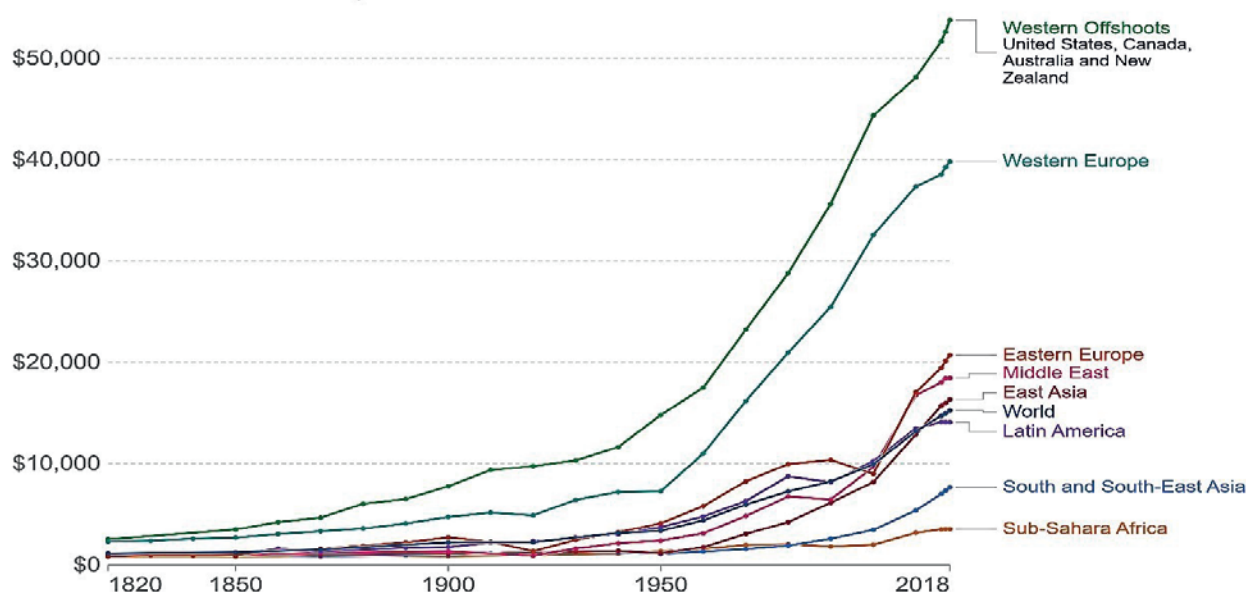


Source: World Trade Organisation

Trade is calculated as average of exports and imports.

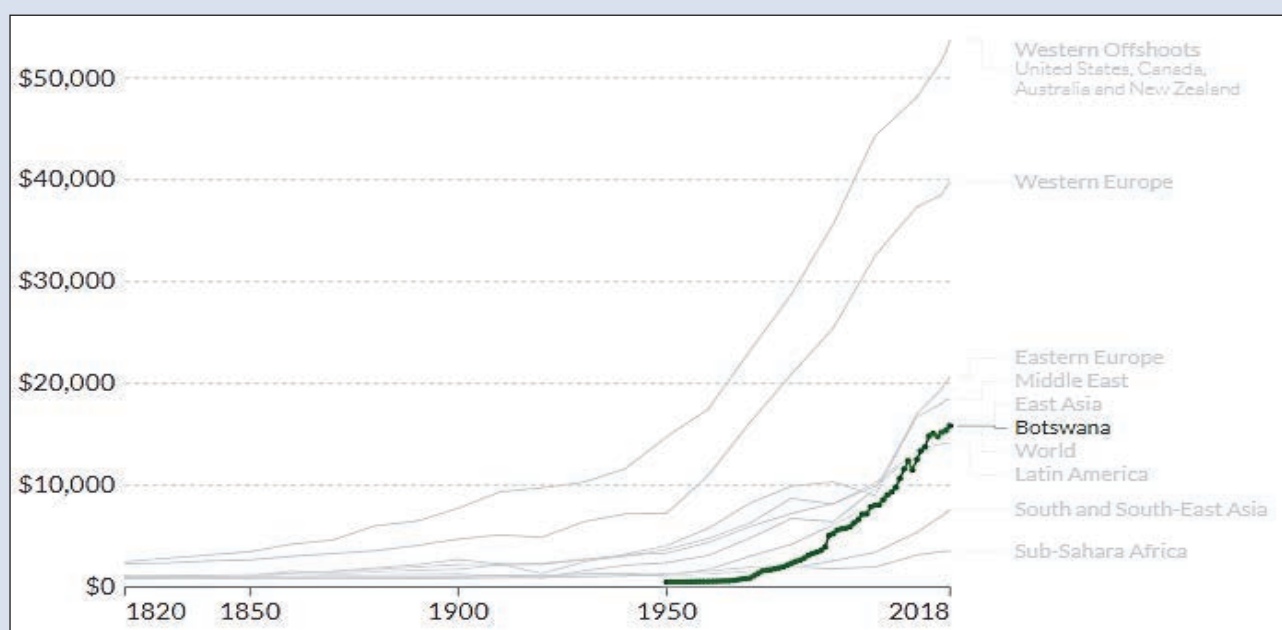
FIGURE 2: PER CAPITA GDP, 1820 - 2018³⁴

GDP per capita adjusted for price changes over time (inflation) and price differences between countries measured in international-\$ in 2011 prices.



34 www.OurWorldInData.org

35 Klaus Schwab (2017). The Fourth Industrial Revolution. World Economic Forum. Penguin Books Limited.



organisation of global value chains. These allow communication with other facilities and the output of information about themselves, which is the next step in production automation. The networking of all systems leads to cyber-physical production systems and therefore smart factories, in which production systems, components and people communicate via a network and production is nearly autonomous.

- 2.9 The 4IR has given rise to advances such as artificial intelligence (AI), machine learning, robotics, genome editing, augmented reality, and 3-D printing. Indeed, the digitalisation of manufacturing processes has changed the way goods are made and distributed, and how products are serviced and refined. Emerging technology breakthroughs cover wide-ranging fields such as the internet of things (IoT), autonomous vehicles, nanotechnology, biotechnology, and quantum computing. Effectively, the virtual and physical systems of manufacturing fuse together, enabling the customisation of products and the creation of new operating models. In essence, the 4IR is transforming production and service delivery production processes, that involve not only immediate utility but are potentially expansive and scalable to fuse with other products and services for additional utility or new products and services.³⁶
- 2.10 As with previous technology revolutions, the digital revolution potentially impacts quality and amount of investment, consumption and employment growth and, ultimately, economic

output because of inherent improvements in productivity. This includes a reduction in the marginal cost of production across the value chain. At the same time, the use of modern technology and innovation and infusion into a wide range of products, results in lower relative prices leading to enhancement of economic welfare. While the world is yet to experience the productivity explosion created by the wave of new technologies being produced by 4IR, the potential impact of 4IR on growth is projected to double global GDP every 15 years, from current average levels of 3.5 percent growth a year.³⁷

- 2.11 The immediate short-term downside, particularly for individuals, is that research shows that about 40 percent of current employment is at risk of automation. However, there is potential for employment to grow in high-income cognitive and creative jobs as well as low-income manual jobs, while much of the reduction will be on middle-income routine and repetitive jobs (Figure 3). Technological innovation has always involved short-term loss of and changes in skills requirements. For example, in the 18th century 90 percent of the labour workforce was in the agricultural sector, but due to interceding technology revolutions, today only about 2 percent of the global workforce is in agriculture (with more agricultural output and food production); the transition happened with minimal social disruption and long-term unemployment challenges. In essence, technological advancements entail a new job ecosystem. The

36 World Economic Forum (2015). Collaborative Innovation—Transforming Business, Driving Growth. http://www3.weforum.org/docs/WEF_Collaborative_Innovation_report_2015.pdf

37 Klaus Schwab (2017). The Fourth Industrial Revolution. World Economic Forum. Penguin Books limited

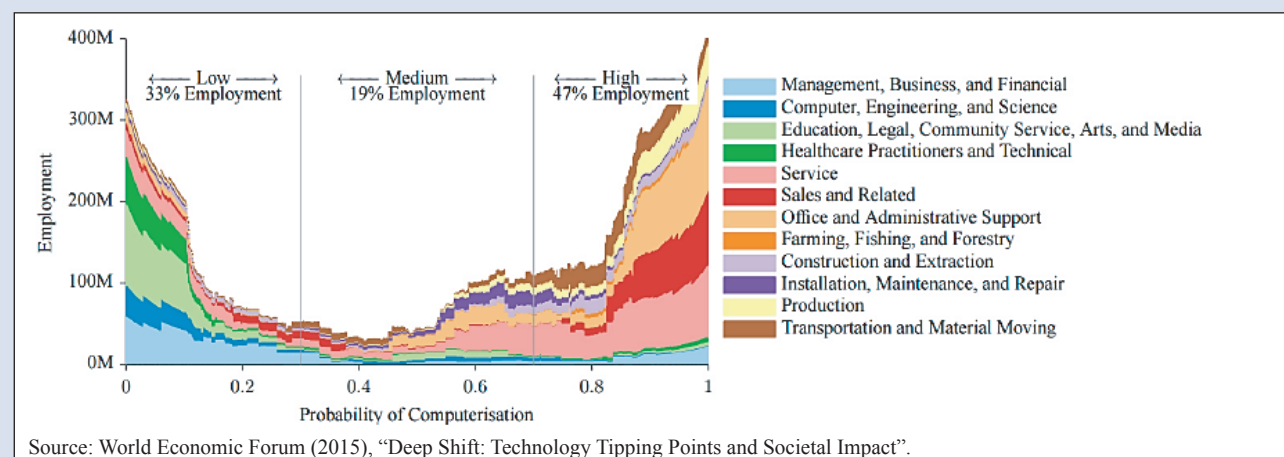
World Economic Forum estimates that about one-third of core skills required to perform existing jobs will be transformed by technology by 2030. Therefore, there is a need for a global workforce reskilling revolution to meet the demands of the 4IR, which is an important consideration in formulating economic transformation policies and strategies. Essentially, the extent to which technological innovation is embraced is a major determinant of economic and societal progress. This means that the potential of the 4IR to contribute meaningfully to bettering lives is dependent on all-stakeholder adoption (government and the private sector) for enhanced service delivery.

- 2.12 A unique feature of 4IR is the speed of global reach and adaptation across income/wealth levels at both jurisdictional and entity/individual level compared to earlier technological revolutions. Where it took decades and years for technological transfer and impact with respect to the earlier technological revolutions, the reach and impact of 4IR is immediate and ubiquitous. Indeed, some aspects of 4IR are more quickly adapted in less developed economies (and weakly governed economies) and poorer cohorts of society, as they help surmount the traditional constraints such as physical infrastructure.

for personal interests the promoters of capital and innovation (entrepreneurs and businesses) unintentionally contribute to the economic wellbeing of society. Because human mind ingenuity is stimulated by the incentives accruing from economic benefits of technological advancements, there is over time incremental improvements in technology that engender productivity gains and advances in the production process. As highlighted in Section 2, key episodes of technical evolution are often rapid, concentrated, and transformative in certain short periods, hence the recognition and characterisation of first to fourth industrial revolutions. Typically, transformation entails novelty and newness with respect to economic sectors/activity and linkages, products and services, communication, information/data processing, perspectives on distance and migration, as well as knowledge/skills/language.

- 3.2 More recently, disruptive ICTs are continually and rapidly penetrating and becoming embedded in all spheres of economic and social activity and interaction, causing fundamental structural changes in virtually all production and service provision. In this context, modern information and communications technology is increasingly integrated in elements of business

FIGURE 3: DISTRIBUTION OF US OCCUPATIONAL EMPLOYMENT OVER THE PROBABILITY OF COMPUTERISATION



Source: World Economic Forum (2015), "Deep Shift: Technology Tipping Points and Societal Impact".

3. RECENT IMPACTFUL INFORMATION AND COMMUNICATIONS TECHNOLOGY DEVELOPMENTS

- 3.1 Technological innovation and improvements are an evolution and development phenomenon associated with the solution to societal challenges, survival and convenience needs as they interact with intellect curiosity and business profit needs. Thus, as observed by Adam Smith³⁸, in the process of providing

and social activity and incorporates important features as follows:

- higher efficiency and competitive edge (speed of processing and instant linkages)
- convenience – accessible anywhere any time (remote access)
- inherent input to production and service provision, as well as market information (big data); and
- scope for additive and complementary economic opportunities (scalability).

38 An inquiry into the Nature and Causes of the Wealth of Nations

3.3 In this regard, while disruptive in some respects, new information and communications technology accentuates the range of economic opportunities and manner of social interaction. Critically, in the advent of the COVID-19 pandemic, and related movement restrictions and closures of businesses and workplaces, the harnessing of information and communications technology became essential and its adoption inevitable for business continuity; thus ensuring, to the extent possible, sustenance of economic, business and social activity. It is observed that the benefits of ICTs and the accelerated pace of their adoption during the pandemic, has generated further innovation, and unleashed emerging technology-driven business opportunities which were critical in assuaging the adverse impact of the pandemic on human lives. A survey of company executives, by McKinsey, indicated that digitalisation of internal operations, including customer and supply-chain interactions, accelerated by three to four years, while the share of digitally enabled portfolios accelerated even faster, by three to seven years in the three months between March and June 2020³⁹.

3.4 It is, nevertheless, recognised that the use and adaptation of information and communications technology entails inherent operational, strategic and information security risks, in the following categories:

- (a) fraud, information security and denial of service risks;
- (b) operational inefficiencies engendered by suboptimal use/adaptation, duplication with manual processes, weak infrastructural backbone and support services, which could render adaptation to new information and communications technology cumbersome and burdensome;
- (c) inequitable access and use across society, sectors and businesses; thus, isolated pockets of progress alongside maintenance of backward approaches, hence distracting from scale and integration benefits; and
- (d) dominance of external and remote service providers (Big Techs) that, except for exploitation of the domestic market, have limited linkages and economic transfer benefits with the rest of the economy.

3.5 Therefore, while passive adaptation is inevitable, the advent of ICT also requires a strategic consideration to dovetail into national development and economic growth aspirations. This requires an appreciation

and recognition of the areas of significant impact of ICT and, therefore, the appropriate responses to harnessing these for development and, also, mitigation of risks. In this regard, the contemporary ICT related developments and impact areas are outlined below to provide the backdrop for evaluation of modernisation and development opportunities for Botswana.

(i) Infrastructure and Processing Capacity

3.6 Information Technology (IT) infrastructure consist of a broad range of IT apparatuses that form the basis for provision of IT services; thus, providing requisite environment or ecosystem for the production, processing, presentation, transmission, accessibility and deployment of information and modern technology-infused goods and services. The evolution of information and communications technology infrastructure, processing and applications dates back to the use of pictograms carved in rocks, followed by symbols depicting ideas, objects, and animals, transition to the modern-day alphabet, numbering systems and the use of paper/scrolls for recording, projecting and storing information. Subsequently, the mechanical and electronic eras were progenitors of the first personal computer in the 1970s. In the modern day, the infrastructure typically includes physical and connectivity components such as wireless and fibre cable networks, devices or hardware (computers, networking facilities, phones,); various software; protocols; and procedures which are employed in the fields of telecommunications and information services to foster interaction amongst different stakeholders, and machinery. These combinations continue to transform rapidly and exponentially, helping to enhance human and capital productivity⁴⁰.

3.7 Most notable and impactful is advances in the development of the memory chip, which has facilitated enhancement of processing power, speed, information storage and retrieval, hence process elasticity and scalability for various uses and applications. The faster the memory speed, the faster the data can be stored and retrieved, and the larger the available memory, the higher the number of programmes the system can handle. Among key benefits of on-chip memory is its ability to handle extreme high bandwidth, a feature that is becoming more important in the Internet of Things (IoT) environment.

39 McKinsey Global Survey of Executives, July 7 – 31, 2020.

40 Lionne, (2017) "Evolution of ICTs"

(ii) Internet of Things (IoT)

- 3.8 The COVID-19 pandemic has accelerated the demand and use of ICT innovation. The innovations help overcome the challenges posed by movement restrictions and other social distancing measures occasioned by COVID-19 protocols. In this context, the Internet of Things (IoT) facilitates virtual interaction, enabling the conduct of economic and social activity. The IoT ecosystem is well packaged in the Fifth Generation Networks (5G), one of the latest significant developments in ICTs, and a technological advancement that enable working from home; ordering and delivery of goods and services in the private and public sectors; support the provision of social services including education and health; the running of industrial production lines; and pursuit of entertainment and leisure. In addition, the 5G technologies can run other new ICT technologies that include Virtual and Augmented Reality and Robotic Process Automation; and applications such as telemedicine. However, for the IoT to function seamlessly, there should be adequate broad bandwidth and widespread connectivity, as well as availability and reliability of background infrastructure such as electricity and skills to service the ICT environment. Therefore, such functionality requirements are critical for ICT adaptation strategies.

(iii) Satellites, Global Positioning Systems and Big Data

- 3.9 Satellite technology is an electronic communications system that involves the placement of machines placed in space orbit for purposes of collecting information or enabling communication. Application of the technology is varied, and prevalent in navigation; television broadcasting; earth observation; intelligence gathering; remote monitoring and data collection; and global mobile communication. Most importantly, the technology is pivotal in the IoT environment, due to its facilitation of universal communication, especially in cases where terrestrial networks are unavailable, or their construction is impracticable. Integration of satellite communication with terrestrial network provides complementarity that ensures ubiquitous coverage and reliable communication systems. Overall, as an important element of ICT, it helps its functionality and capability to infuse into economic and social activity.
- 3.10 A specific component is the Global Positioning System (GPS) that contributes information on location, velocity/speed, and time synchronisation. Therefore, the major uses

include location specification/determination, navigation (directions from one location to another), tracking movements of persons and objects, mapping of terrains and places (determination of addresses) and timing (precision in timing to the world). This functionality facilitates various uses, including in production, marketing and provision of services, entertainment, social media and data mining (real time accumulation of big data). Big data, in particular has the potential as input to business decisions, national policy planning, strategies and programmes.

(iv) Data Processing and Product/Service Enabling Applications

- 3.11 ICT has enabled efficient data processing and emergence of innovative products that enhance the quality of good and services, and the manner in which they are delivered to customers. Among these technologies is blockchain, defined as a decentralised record of digital transactions/ledger that provides a secure; immutable; transparent; and real-time records management systems, and safeguards data confidentiality and credibility. Blockchain technology was first adopted in the financial sector in the trade of bitcoin, a form of crypto asset (digital stores of value/virtual currencies), which provides an alternative worldwide investment worldwide. In recent years, in keeping with fintech and the general evolution in the financial sector, a few central banks have introduced Central Bank Digital Currencies, while more are increasingly considering issuance of digital currencies that are facilitated by blockchain and distributed ledger technologies.

(v) Consumer Applications

- 3.12 ICT has revolutionised means of communication and maintenance of social networks through new ways of communicating, entrenched in popular social media applications, such as Facebook, Twitter, LinkedIn, YouTube and WhatsApp, including electronic messages and conferencing. These media are accelerating, thus facilitating communication, while allowing for relationship building; collaboration, peer learning, information sharing and dissemination and, in general, beneficial exchange of views. For consumers, social media and applications are powerful service delivery tools that:
- (a) allows direct and relatively quicker communication with services and goods providers, contributing to improved customer service;

- (b) access to financial services, and conduct of transactions;
 - (c) facilitates purchasing through e-commerce, which helps to overcome among others, challenges, associated with distance between buyer and seller, thus eliminating travel costs, while providing convenience of locating the required products in a short space of time, and
 - (d) empowers consumers in purchases decision making through a variety of easily accessible information that enable comparison of quality and prices of goods from different sellers.
- 3.13 The use of ICT has also transformed the entertainment landscape, by offering higher quality of gaming and other leisure activities due to improved graphics, including the use of mobile applications, which allow players and/or participants to play games and access activities at their convenience, whenever and from wherever they want on their mobile devices.
- (vi) Industry Use, Adaptation and Growth Trajectory*
- 3.14 ICT and IoT has permeated homes and businesses, and at industry level, it is used for purposes of data collection and analysis, which is vital for improved productivity and efficiency of business operations and processes. For instance, in the agricultural sector, IoT facilitates precision farming by allowing real-time crop and livestock monitoring; application of automated irrigation and spraying of fertilisers and pesticides; and smart greenhouse management. In the health sector, computerised devices in the form of wearable bands and portable devices, for example, oximeters and glucometers, give patients access to personalised attention, while allowing healthcare providers to remotely monitor patients' progress. IoT in the education sector, means a more connected and collaborative learning environment, and has enabled a wider adoption of latest trends in Education Technology (EdTech), facilitating distance learning, and increasing accessibility and reduced costs of acquiring education.
- 3.15 Augmented Reality (AR) and Virtual Reality (VR) are emerging technologies that are generally used to provide enhanced visuals of the real-world environment (AR) or create a virtual environment that simulates the real physical world (VR), using appropriate computer software. The use of both AR and VR in the health sector, facilitates doctor training and performance of complex surgical procedures, using patients' scans and Magnetic Resonance Images (MRI). AR and VR technologies are also used in therapeutic diagnostics to ease pain or anxiety. Uptake of AR and VR technologies in the mining sector is gaining momentum, mainly to improve productivity, efficiency and worker-safety. The technologies are in the main, used in training of mine workers, mine surveillance, detection of looming dangerous situations, and execution of risky operations through the use of autonomous vehicles and drill rigs, thus keeping workers off harm's way, while raising productivity and efficiency gains, as machines are capable of operating for longer and faster, with short downtimes. Further, AR is used to enable remote expert advice, whereby site operators/miners provide guidance on tackling challenges and solving problems from professionals outside the mine.
- 3.16 In addition to, predominant use in crypto assets distribution, the immutable nature of distributed ledger technology, enhanced transparency of transactions, and facilitation of smart contracts is popularising the use of blockchain technology across all business sectors of the economy. In the health sector blockchain is leveraged in the management of medical records and medicine supply chain. The secure and interoperable nature of data in the blockchain ledger provides a safe transfer of patients' medical records. The retail sector is also benefiting from blockchain, particularly with respect to the use of peer-to-peer payments. The blockchain technology is also favoured in digital asset trade such as in the trade of crypto assets, which is progressively gaining momentum.
- 3.17 As indicated above, the combination of Global Positioning System (GPS) and Geographic Information System (GIS) is applied in various industries and operations, among others, in the agriculture and farming to identify, track and map the evolution of weather and precipitation, soil nutrients and potential yield. The technology is also utilised in some aspects of mining activity including, exploration, development, and production phases to provide mineral mapping, hence facilitating precision mining.
- 3.18 In general, the key benefits of IoT and application of ICT in industries include ability to produce substantial amount of output and information in a short space of time, potentially reducing unit costs and contributing to increased efficiency and productivity. Further, ICTs are helping extend information, products and services to a wide range of consumers,

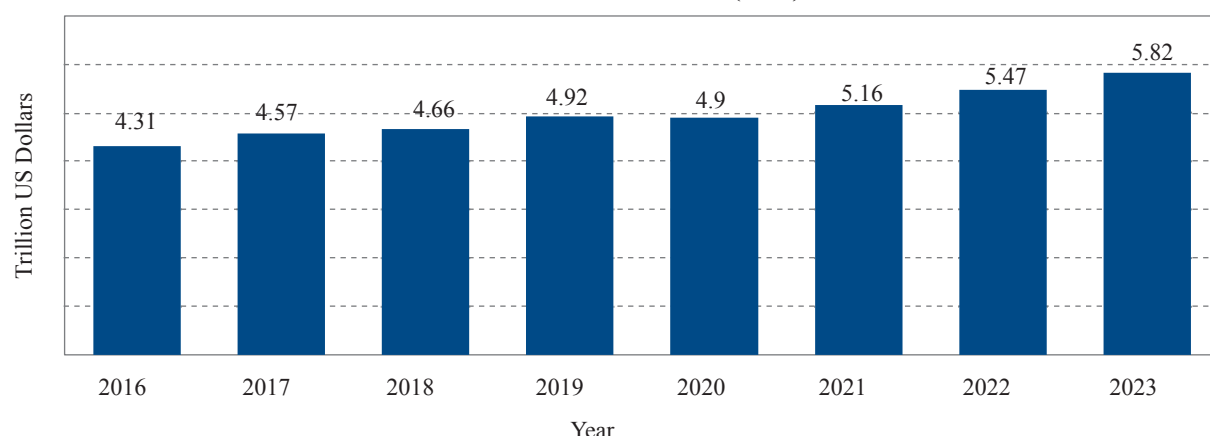
regardless of their locality and increasingly neutral to income distribution.

3.19 Overall, any enhanced productivity at firm and industry level that involve higher quantity and quality of output, and greater participation in beneficial modern economic activity by the wider population is generally positive for inclusive and higher levels of sustainable economic growth. The US's competitive edge, is, according to the World Economic Forum's 2018 Global Competitive Index, due to among others, the vibrant innovation ecosystem supported by evolving advancements in ICT infrastructure and economic prosperity. In contrast, Africa's ICT deficit is assessed to be a major impediment on its development prospects. Africa lags behind the rest of the world in the reach and quality of its ICT penetration⁴¹. Global expenditure on ICT, has been rising through the years (Chart 3), as countries continue to harness new technologies to support economic activity and growth.

prevalent attacks are:

- (a) Ransomware - a form of malware (malicious software) specifically designed to hold a victim's information at ransom;
- (b) Phishing - the fraudulent practice of sending deceptive email messages to individuals or companies for purposes of obtaining personal or confidential information such as passwords, which can then be used to defraud;
- (c) Data leakage - the unlawful electronic or physical release of sensitive, confidential or protected data to an unauthorised recipient or environment;
- (d) Hacking - unauthorised access to data into a system or computer; and
- (e) Insider threat - the threat arising when an insider with authorised access uses it, knowingly or unintentionally, to do harm to the organisation's facilities, information, equipment, networks, or

CHART 3: TOTAL INFORMATION COMMUNICATION TECHNOLOGY (ICT) MARKET SPENDING WORLDWIDE



Source: Digital Trends Report, Statista 2021

*(vii) Cyber Security and Risk Control/
Mitigation Measures*

3.20 In addition to the overwhelmingly positive benefits of modern ICT, it also entails significant risks deriving of pervasive interconnectedness, use of programme and data rich devices and platforms (such as, smart phones; industrial equipment; security apparatus and home appliances) across many applications for both businesses and households. It is, therefore, susceptible to cybercrime, information security risk and perpetuation of fraud which entails speed of execution, wider spread of impact and the potential for larger resources and/or impairments to functionality. Among the most

systems.

3.21 Maintenance of high cyber security is, therefore, important for the protection of sensitive and confidential data from theft and damage by unauthorised users, and also for protection of systems against viruses. Even, rapid evolution of ICT makes it difficult to sustain the protection of data and systems against every attack, as cybercrime evolves with the changing ICT landscape and requires high levels of vigilance and devotion of infrastructure, systems, skills and legal deterrents and sanctions for this purpose. However, many cyber security measures exist, including the following⁴²:

- (a) use of strong passwords and having

41 Africa's ICT infrastructure: Its present and prospects (2020). The South African Institute of International Affairs.

42 Adapted from the list by The National Cyber Security Centre.

- different passwords for different websites, accounts, and services;
- (b) updating programmes and systems regularly to ensure use of latest software that is less vulnerable to bugs;
- (c) monitoring for intrusion provides warning against breaches, viruses, and malware, while facilitating responses to mitigate or prevent system attacks;
- (d) raising awareness among users about cyber risks and attacks to prevent falling victim, emphasising avoidance of clicking links received from unknown websites and email addresses to avoid phishing and ransomware;
- (e) encrypting sensitive information and use encrypted email for sending confidential data, such as passwords;
- (f) having in place a contingency and recovery plans to smoothen the response process in the event a cyber-attack materialises; and
- (g) legislation and policies, as well as strong penalties.

(viii) *Societal Concerns: Inclusivity and Environment*

- 3.22 The natural environment and ecosystem is sensitive to climate change, whereby changes to weather patterns causes disruption in the balance of nature. There is a strong supposition; previous technologies and exploitation of resources to promote industrialisation and economic growth have contributed to the disruption of weather patterns and increasingly frequent adverse weather conditions/outcomes. Among the effects are devastation of localities and societies, resource (water) scarcity, rising sea levels and (presumably) extinction of some animal and plant species necessary for livelihoods and proper functioning of the ecosystem. A report by the United Nations Intergovernmental Panel on Climate Change (IPCC) projects that the world temperatures are likely to rise by between 1.1 and 6.4 degrees Celsius in the 21st century. There is, therefore, mounting concern about global warming around the world, where coordinated and concerted efforts are being made to reduce greenhouse gas emissions.
- 3.23 Regarding the role of modern technology, it is posited that ICT has the potential to cut 20 percent of Global Greenhouse Gas (GHG) emissions by 2030, through its role in promoting intelligent use and energy saving by both producers and consumers⁴³.

ICT can also play a mitigating role against climate change, using more energy efficient transmission equipment and ensuring that ICT devices are also energy efficient; adaptation of equipment to climate change by widening their levels of tolerance; and monitoring of the impact of climate change. In addition, ICTs can be used by other sectors as an agent for reducing carbon emissions, contributing to the reduction in global warming. Indeed, many ICT firms are increasingly making use of renewable energy, in the form of wind and solar⁴⁴. In contributing to mitigation of carbon emissions, ICTs are promoting cleaner means of production, delivery, and consumption. It is, therefore, important that related development strategies have to be sensitive to environmental and climate change issues, both locally and international protocols as this might impact global investment, trade and financial relationships.

- 3.24 An important development aspect is that, given its wider reach, ICT addresses the economic exclusion challenges, notably the key inputs to human welfare and empowerment, that is, information, education, health and financial services. For example, mobile applications and electronic messaging allows small and remote area farmers access to latest information of when, what and how to farm, weather alerts and market conditions. Thus, ICTs are also instrumental in expanding the reach and effectiveness of vital information and socio-economic and development programmes, allowing meaningful participation by a wider range of the society in economic activity, thus supporting economic inclusion.
- 3.25 In general, even as it entails risks, the benefits of ICT applications to consumers and industry are multifaceted, including:
- (a) enhanced communication;
 - (b) cheaper and more reliable, timely, secure, accessible and real time data;
 - (c) elimination of distance barriers through remote communications in doing business;
 - (d) provision of means of interacting and communicating such as satellite cable network, video and teleconferencing, telephony;
 - (e) increasing efficiency, productivity, and business growth;
 - (f) employment creation; and
 - (g) opportunities to address climate change and economic inclusion concerns.

43 ICT Solutions for 21st Century Challenges (2016). Global e-Sustainability Initiative.

44 Roles of ICTs in Tackling Climate Change. The Information Technology Union.

4. BOTSWANA: ICT FACTOR REQUIREMENTS AND PREPAREDNESS (PERFORMANCE INDICATORS)

(a) Policy Overview and Requirements

- 4.1 The transformational ICT developments highlighted in the previous section have, over time, supported economic growth and development globally, but with uneven harnessing of opportunities and, therefore, differing developmental impact across countries. Invention, innovation, and genesis of ideas continue to be dominated by the advanced economies propelled by both industry-led research and development and government procurement. Concomitantly, China, India and other East Asian economies have made significant progress in the development and use of ICT applications, contributing to the modernisation and growth trajectory of these economies. Comparatively, many African countries are largely passive recipients and users of ICT and applications, even as these benefit economic and social activity in many respects.
- 4.2 For Botswana, it is considered important to move beyond passive adaptation of modern ICT to deliberate strategic attention to promoting innovation aligned to local conditions and needs; integration into global value chains; speed and maintenance of pace with ongoing advances; and export orientation to benefit from larger markets and productivity incentives. These aspects are critical as part of the transformative agenda towards high-income status for Botswana, as envisioned in the country's long-term strategy "Vision 2036 – Achieving Prosperity for All". Among others, there is recognition of ICT as being integral to attaining sustainable and inclusive economic development towards high-income status. The vision recognises the country's narrow export base and seeks to harness science, technology, and innovation to enhance the economic base, productivity and efficiency and thus support durable socio-economic development⁴⁵.
- 4.3 The supporting role of technology in the achievement of national development goals is also underscored in the ERTF, which presents a road map for building economic competencies as well as developing and enhancing domestic productive capacity by, among others, accelerating digital transition. In essence, ICT is recognised as a key factor in driving private

sector growth, transforming service delivery by government in the process underpinning Botswana's economic diversification and, generally efforts towards sustainable and inclusive growth⁴⁶. The June 2021 statement by His Excellency, the President: Post-Retreat, which put forward the Reset Agenda also included digitisation as one of the top priority focus areas. The statement emphasised that digitisation has immense potential to unlock and enable productivity and was quintessential to delivery of service.

- 4.4 In this regard, Botswana has an overarching Digital Transformation Strategy (SmartBots) to accelerate the country's transition to a knowledge-based economy (KBE). Overall, policy reforms in this area recognise the increasing global competitiveness imperatives and rapidly changing economic and business dynamics that challenge Botswana's productivity and economic growth model and capability to integrate into global value chains. As such, digitalisation is generally embraced, and its adaptation for economic activity accelerated in the advent of the COVID-19 pandemic. However, the level of digitalisation and technology adaptation was not enough to offset the disruption to economic activity engendered by COVID-19 but, rather in some instances, demonstrated the gaps that need to be addressed or closed. This contrasts with countries that had already had greater use of ICT and were, thus, relatively resilient, notably China where broadband had more influence on economic growth during the pandemic than normal times⁴⁷.

(b) Public Infrastructure (Institutional Mechanisms and Digital Infrastructure)

- 4.5 National Development Plan 11 (NDP11) emphasised the need for ongoing investment in the underlying ICT infrastructure to ensure seamless and optimal adoption of ICT-led innovation. As such, efforts are ongoing to expand an ICT centric ecosystem to stimulate creativity, innovation, and entrepreneurial advancement. Over the past 15 years, about P7.4 billion of the development budget was spent on growth enhancing digital and connectivity infrastructure such as expansion of the government data network and data centre to facilitate e-government projects, provision of telecommunication services to rural areas

45 Botswana Government. (2016). Vision 2036: Achieving Prosperity for All. Gaborone.

46 Botswana Government. (2008). Botswana Excellence: A Strategy for Economic Diversification and Sustainable Growth. Gaborone.

47 Zhang, X. (2021). Broadband and economic growth in China: An empirical study during the COVID-19 pandemic period. *Telematics and Informatics*, 58, 101533.

(Nteletsa I and II), connection to the East African Submarine Cable System (EASSy) and West Africa Cable System (WACS), improvement of ICT connectivity in schools and fibre optic reticulation. The significant institutional developments include the establishment of the Botswana Digital and Innovation Hub (BDIH), Botswana International University of Science and Technology (BIUST) and the Botswana Institute for Technology Research and Innovation (BITRI) to support innovation, research, and technology adaptation⁴⁸. In addition, the Botswana Communications Regulatory Authority (BOCRA) exists to oversee the communications sector operations, advancement, accessibility and affordability (cost effectiveness of ICT services).

(i) *Botswana Digital and Innovation Hub (BDIH)*

4.6 The establishment of BDIH in 2010 recognised the importance of ICT in innovating for product and service enhancements, related entrepreneurial acumen, as well as adaptation to global developments to maintain international competitiveness and functional compatibility. BDIH, therefore, has the mandate to strengthen Botswana's intellectual capital in the areas of ICT, biotechnology, mining technology and clean technology as well as nurturing innovative entrepreneurship and commercialisation to support the country's drive towards a knowledge-based economy and integration into the global production and service value chains. As such, BDIH strives to increase innovation capacity through funding, specialised infrastructure and support programmes; thereby improving the contribution, infusion and pervasiveness of modern science, technology and innovation on all aspects of production and service provision, including national endowments and, therefore, on overall national output.

4.7 In terms of specific activities, BDIH has launched several flagship support programmes, among others, Technology Entrepreneurship Development (TED) programme, Microsoft Innovation Centre (MIC) programme, Southern African Innovation Support (SAiS) programme, Technology Transfer Services, Clean Technology Centre as well as the Labour and Tax Dispensation programme as it continues to deliver on its mandate. These programmes are collectively aimed at nurturing and growing technology-led innovative businesses in Botswana. The TED programme acts as a venture platform for

incubating start-ups through the First Steps Venture Centre (FSVC) programme. It provides mentoring, coaching, technical advice, market opportunities and other interventions necessary to grow start-ups. The number of start-ups incubated under the FSVC rose from 10 at inception, in 2013, to 23 in 2018. Meanwhile, the MIC programme has been instrumental in expanding the ICT network, among others, facilitating telemedicine services through TV White Space (TVWS) broadband connectivity in remote areas – coded Project Kgolagano. SAiS on the other hand enables innovation capacity through training, innovation cafes and competitions (hackathon).

4.8 The BDIH Innovation Fund (Fund), established through a Public Finance Management Act No. 93 of 2017 provides seed funding to innovative entrepreneurs. Since inception, 32 start-ups across several sectors have benefited from the Fund. The latest funding activity was commercial landing call undertaken in February 2021 to support entrepreneurs or innovators with commercially viable technology-driven solutions. The call received 62 entries, out of which 6 projects were selected for funding in the fields of labour and employment; financial inclusion; energy; agriculture; communications; and logistics and supply chain management.

(ii) *Botswana Fibre Networks (BoFiNet)*

4.9 BoFiNet, established in 2012, has the mandate to accelerate and deepen broadband penetration in the country, thus facilitating access to key infrastructure necessary for modern day economic activity, innovation and inclusion. It, therefore, provides and maintains core telecommunications infrastructure, as well as promote access to enable increasing connectivity across both businesses and households. BoFiNet has, thus, deployed fibre optic connections to various points across Botswana to improve availability, capacity, and affordability of bandwidth and broadband connectivity. Specifically, the optic fibre rollout, 'Fibre-to-the-X', project has expanded from 568 sites connected in 2015 to 8,554 sites by March 2022. This project has deployed over 10,600 km of backbone fibre technology infrastructure nationwide, connecting about 206 out of 399 localities to high-speed open access network infrastructure.

(iii) *Botswana International University of Science and Technology (BIUST)*

4.10 BIUST was established in 2005 by an Act of Parliament to advance world-class research

⁴⁸ See, Botswana Government: Budget Speeches.

and innovation in science, technology and engineering and, therefore, contribute to acceleration of industrial growth, development and economic diversification as well as transitioning of the country from a resource-based to a knowledge-based economy. Since establishment, the university has produced 1,582 graduate scientists and engineers as shown on Table 2 and had a total enrolment of 1,946 students as of the 2020/21 academic year. This, therefore, provides a base for skills that are ready for industry, involvement in research, innovation, product development and pursuit of related business ventures.

Industries Promotions Company (Botswana), to lead research on sustainable technology and innovative solutions that are in line with national priorities, fostering social transformation and economic competitiveness. BITRI has championed numerous impact solutions of which two, a wildlife tourism application (Kwibi) and the “Climate Smart Agriculture; Lessons Learnt Manual”, were developed and licensed in March 2020. Kwibi is a mobile wildlife tracking application meant to address modern conservation problems, while the latter project seeks to strengthen the resilience of small-scale arable farmers

TABLE 2: BIUST ENROLMENT AND GRADUATION STATISTICS

Academic Year	Graduating Class/Degree			Total Graduating Students	Student Enrolment
	Undergraduate	Postgraduate	PhD		
2015/16	51	7	Nil	58	1,700
2016/17	158	63	1	224	1,575
2017/18	232	31	4	267	1,881
2018/19	377	10	3	391	1,957
2019/20	347	25	2	374	1,984
2020/21	224	40	4	268	1,946

Source: BIUST Annual Reports

- 4.11 In addition, the university has been actively engaging in research collaborations of national interest. In August 2021, BIUST entered into collaboration with Morupule Coal Mine and Qcwihaba Resources to undertake metallurgical studies with respect to the potential of generating pellet feed and direct reduced iron for steel production using Tsodilo Xaudum Iron Formation magnetite and coal as a redundant. BIUST is expected to infuse intellectual knowledge into the research component, in turn, contributing to ongoing efforts to transform the country to a knowledge-based economy. Further efforts to contribute to the transition towards a knowledge-based economy include the university's leading role in the Satellite Project (Botswana Sat-1), which commenced in December 2020 to build Botswana's first satellite. The project is expected to address domestic challenges in the Agriculture and Tourism sectors, in the process, modernising the economy and positively impacting the lives of Batswana. Meanwhile, the university received funding from the European Commission to support a “Planetary and Space Science Project” that aims to build specialised human capital in planetary and space science Technology, Engineering and Mathematics (STEM) in general.

(iv) *Botswana Institute for Technology Research and Innovation (BITRI)*

- 4.12 BITRI was established in 2012, following a merger between Technology Centre and

amid the intensifying challenges from climate change. Nthusa Emergency Response Management System was licensed in 2021 as a public safety mobile app that assists time-critical services to deliver timely and effective service. Another notable project meant to accelerate technology transfer in the country is the establishment of a software development centre to develop core platforms and accompanying application programming interfaces for easier synchronisation with other developers' applications. An e-mobility was also launched in 2021 to accelerate the country's transition to environmentally friendly electric mobility solutions.

- 4.13 In the advent of COVID-19, BITRI has been actively seeking scientific and research-based solutions towards prevention and cure of the virus. By March 2020, the company had developed face masks from its nanofiber technology, of which 500 were donated to the Ministry of Health and Wellness. Efforts are ongoing to seek development partners to commercialise this project. Meanwhile, the company contributed to the sequencing of whole genomes of the COVID-19 virus; in the process providing useful knowledge on the genetic mutation of the virus that can, in turn, be used to develop efficacious vaccines, novel treatments and improve diagnostic tests. As such, BITRI continues to leverage on technology and research to provide innovative solutions to meet the needs of Batswana.

(v) *Digital Transformation Strategy (SmartBots)*

- 4.14 Smart Botswana (SmartBots) strategy⁴⁹ embodies the nation's intentions to harness technology for greater efficiency, productivity and inclusivity. The strategy seeks to expedite digitisation and, promote ICT as being integral to economic development and diversification efforts, as well as effectiveness in the provision of government services; therefore, fostering coordination and acceleration of efforts in this regard, as well as addressing infrastructure and service gaps that could be detrimental to inclusive access and efficacy. Thus, the strategy entails specific focus on ensuring inclusivity of digital connectivity, facilitating the leveraging of the range of activities on digital solutions, promotion of competitive ideas and building of a knowledge workforce. In this respect, Government has drawn minimum connectivity standards for villages to ensure that there is universal and cheaper access to digital connectivity and broadband infrastructure. Such efforts would ensure that key facilities within villages have access to high-speed bandwidth, particularly schools and government offices, to facilitate execution of the knowledge-based economy strategy. The 2022 Budget Speech indicates that the SmartBots project is on course to connect 142 villages by March 2022. An expression of interest was flighted in August 2021 seeking solutions for connecting 61 villages that have minimal or no backhaul infrastructure and electricity to high-speed broadband. Similarly, government targets to transition its services to online by 2023/24, with at least 25 services earmarked for transfer by June 2022.

(vi) *Laws, Regulations and Policies*

- 4.15 There are several policies, statutes, and regulations across the public and private sectors that need to be appropriately calibrated and, where necessary, integrated to rationalise and ensure congruence for effective promotion and adaptation of ICT for enhanced benefit to the economy, and these include National Policy on Research, Science, Technology and Innovation and National ICT Policy – “Maitlamo”. The current architecture for science, technology and innovation needs to be harmonised to accelerate absorption of ICT in the society, and where necessary, synergies with enabling systems/activities explored. Initial attempts to increase the contribution of science and technology in domestic economic growth

were captured by the Science and Technology Policy of 1998 (Policy). The Policy underlay the formation of BDIH and BIUST as well as the establishment of the Ministry of Research, Science and Technology to coordinate and develop supportive legislation and operational policies for science, technology and innovation.

- 4.16 In 2011, the Policy was revised to reflect the emerging and urgent need to accelerate adoption of ICT in order to diversify the economy and improve the country's global competitiveness and transformed to the National Policy on Research, Science, Technology and Innovation. The revised Policy redefined Botswana's commitment to improving capacity in research and innovation; setting the necessary policy posture for the achievement of the national goals of an educated, informed, prosperous and innovative nation. Several institutional structures were established to provide policy governance, among others, the creation of the National Research Council, BDIH, the Directorate of Research, Science and Technology, Ministry of Tertiary Education, Research, Science and Technology (MoTE), National Technology Transfer Office and the Human Resource Development Council.

(vii) *Accelerator Forums and Platforms*

- 4.17 An increasing commitment to expedite the transformation agenda has, overtime, been demonstrated by the outreach programmes such as BIUST ICT day, National Science Week and Science, Technology, Engineering and Mathematics festival. The Government has equally made a commitment to digitally connect villages through the SmartBots strategy to facilitate adoption, assimilation and application of technology. Moreover, social inclusion remains a top priority in Government's efforts to drive digital transformation. For example, the Botswana National Chapter of the Organisation of Women in Science and Development was established in August 2019 to support and increase the capacity of women in science and technology fields.⁵⁰
- 4.18 Beyond the local forums, Government continues to seek international collaborations to expand local innovative capacity. A case in point is the proposed research grant project under the Botswana and Zimbabwe Joint Committee on Science and Innovation, funded by the International Development Research Centre of Canada to deliver scientific and innovative solutions. Such collaborative partnerships

49 Botswana Government. (2021). Digital Connectivity Standards for Villages in Botswana.

50 See <https://owsd.net/news/news-events/new-national-chapter-owsd-established-botswana>.

are complemented by the participation of the MoTE and BDIH in regional programs such as Grand Challenges Africa and Science Granting Council Initiative (SGCI) to open up international funding opportunities for local scientists.⁵¹ These fora provide the necessary venture funding for capacity development on science, technology and innovation.

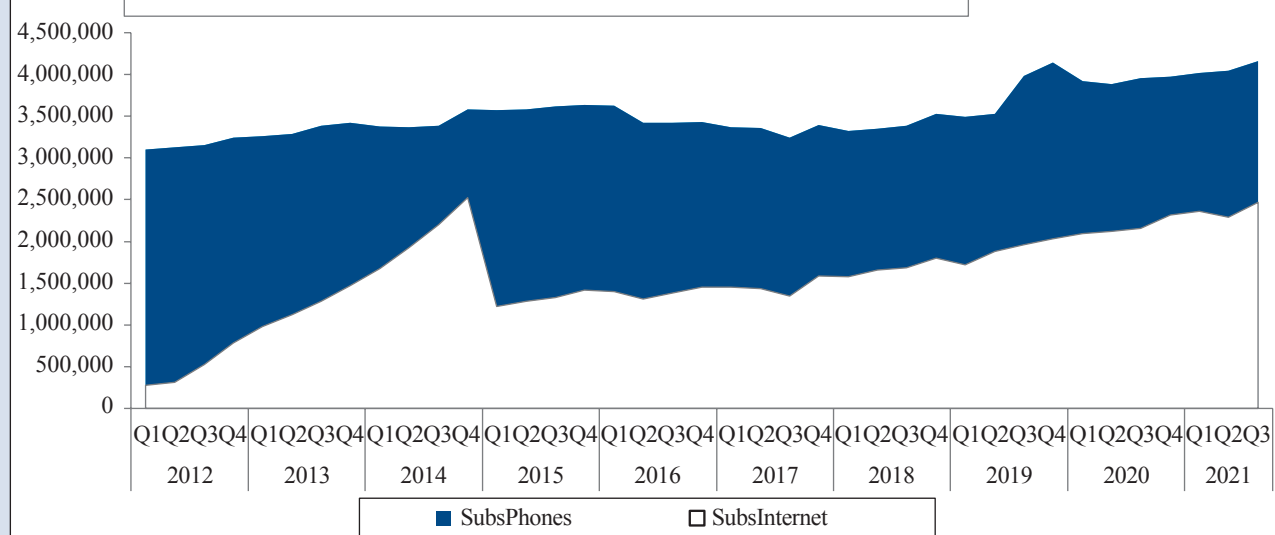
(viii) *ICT and Economic Development*

4.19 While the national priorities espoused by the Vision 2036 strategy have redirected the policy posture on ICT, disparate institutional mandates and inadequate resource mobilisation continue to hamper digital transformation efforts. Indeed, Botswana Institute for Development Policy Analysis (BIDPA) has identified significant gaps in the four pillars of a knowledge-based economy namely, education and skills development; economic incentives and institutional regime; ICT infrastructure and innovation, which continue to hamper Botswana's transition towards a knowledge-based economy⁵². The country scored the lowest KBE Index compared to economies with similar development paths. In addition, research and innovation funding has been lagging in the country⁵³, limiting national innovative capability and commercialisation

of research projects. More importantly, policy formulation and implementation are multisectoral and multidimensional and, as such, require high level of collaboration among institutions charged with developing digital and innovative capacity. For instance, the Ministry of Transport and Communications is tasked with developing ICT and related infrastructure to enable capacity building, while MoTE provides and builds knowledge and innovation through conducive pro-science policies. To that end, there is need to effectively integrate and coordinate related aspects that seek to transform the country to a knowledge-based economy.

4.20 That notwithstanding, broadband unit costs continue to decline as access to services and competition increases. For example, mobile operators reduced mobile broadband prices by 55 percent and increased volumes of data bundles by up to 200 percent in July 2020, while BTC proceeded to make further cuts of up to 40 percent on its fixed internet broadband services in June 2021. These developments bode well with ongoing global efforts to drive up digital inclusion and continue to be recognised by the Alliance for Affordable Internet (A4AI) – global coalition working towards internet affordability through policy and regulatory

FIGURE 4: TELEPHONE AND INTERNET SUBSCRIPTIONS



51 See, <https://sgciafrica.org/en-za/home>; <http://www.rcz.ac.zw/joint-call-for-research-proposals-in-mineral-technologies-botswana-and-zimbabwe/>

52 BIDPA, 2021, Preconditions for Botswana's Transition to a Knowledge Based Economy - The Study Launch (Preliminary Results).

53 In 2019, Research and Development Expenditure represented 17.9 percent of GDP (See, BIDPA, 2021, Preconditions for Botswana's Transition to a Knowledge Based Economy - The Study Launch (Preliminary Results).)

reform. The 2021 A4AI Affordability Report ranks Botswana 13th among 72 low- and middle-income countries in recognition of the country's infrastructural and policy developments deployed to spur internet usage as well as the broadband adoption rates and policy framework in place to drive equitable access. The country's Affordability Driver's Index (ADI) scores have been improving steadily since the inaugural score of 42.9 in

2013 to a high of 71.1 in 2021. Generally, high ADI scores correlate with reduced broadband costs for both providers and consumers.⁵⁴

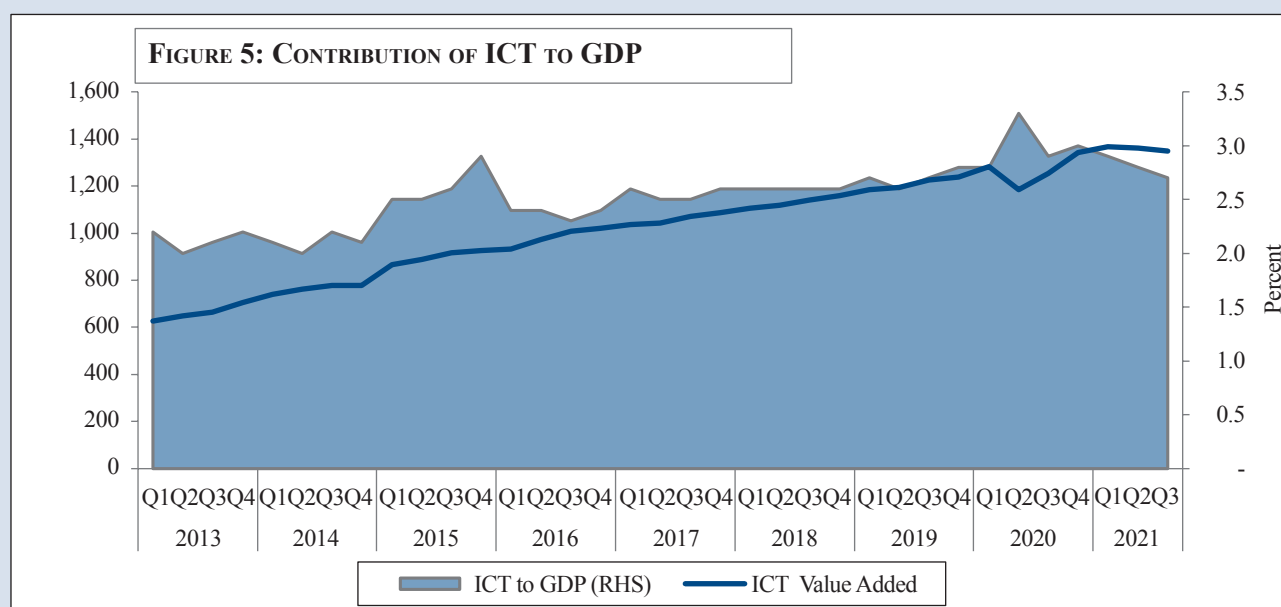
4.21 The resultant decrease in the cost of broadband to consumers thus seems to be contributing to a steady growth in data usage and adoption of ICT across the country, with internet subscriptions growing by a quarterly average of 7.4 percent over the period 2012Q1 to 2021Q3 (Figure 4). Internet usage was largely supported by an increase in telephone subscriptions, especially mobile cellular subscriptions, which grew by 36.2 percent between the first quarter of 2012 and the third quarter of 2021. As such, mobile internet subscriptions rose by a quarterly average of 7.7 percent over the decade and remain a significant source of internet connectivity.

4.22 The increasing internet usage has thus led to a rising contribution of the ICT sector to GDP. The value added by ICT increased from P626.6 million in 2013Q1 to P1.3 billion in the third quarter of 2021; contributing a quarterly average of 2.5 percent to GDP over the period (Figure 5).⁵⁵

- (a) expansion of sectoral activity;
- (b) platform for new economic activity, industries and opportunities;
- (c) enhancing productivity of capital and labour;
- (d) value addition to existing economic activity;
- (e) optimising inputs and reducing costs of production and service provision (for example, reduced travel, processing time and other resources);
- (f) economic inclusion; and
- (g) opportunities for greater market access/expansion.

5.2 Given the evolution, speed of integration and deliberate adaptation of ICT strategies by Botswana, the expectation is that there would be an impact on the several areas indicated above and, therefore, the sectoral and overall economic growth trajectory.

5.3 At a broad level, Chart 4 highlights the transition through phases of economic development (conforming to theory and historical experience), from predominant



5. BOTSWANA: SECTORAL GROWTH ANALYSIS AND ADAPTATION INITIATIVES

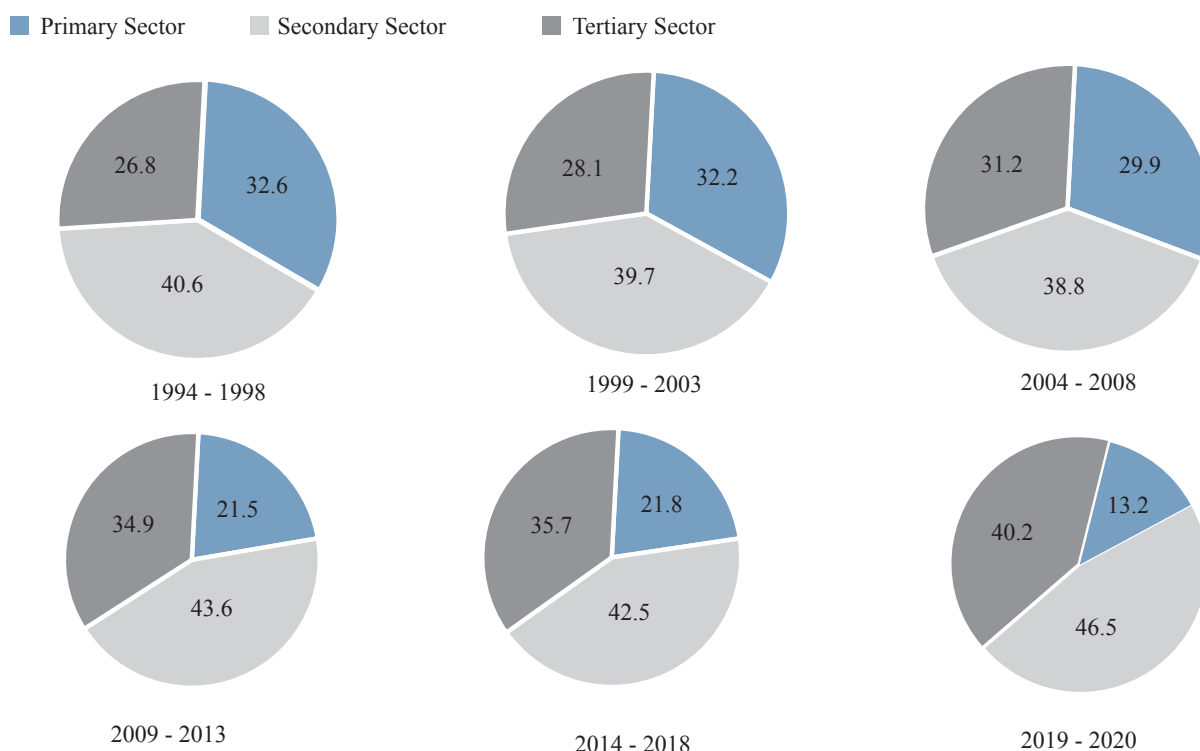
5.1 The expansion of ICT and integration into economic activity impacts economic performance and growth trajectory through several channels, including:

primary sector activity, through enhanced impact of technology on product range and multiplication (increase in secondary sector activity) and the transition to increasing share of services (tertiary sector) as incomes and government services increase and consumption patterns extend beyond basic needs. On the face of it, the transformation inherently entails economic diversification and enhanced inclusivity, as well as maintenance of international trade.

54 See, Alliance for Affordable Internet (2021). *The Affordability Report 2021*.

55 Statistics Botswana, Information & Communication Technology Stats Briefs.

CHART 4: THE TRANSFORMATIVE JOURNEY - SECTORAL DISTRIBUTION OF GDP (PERCENT)

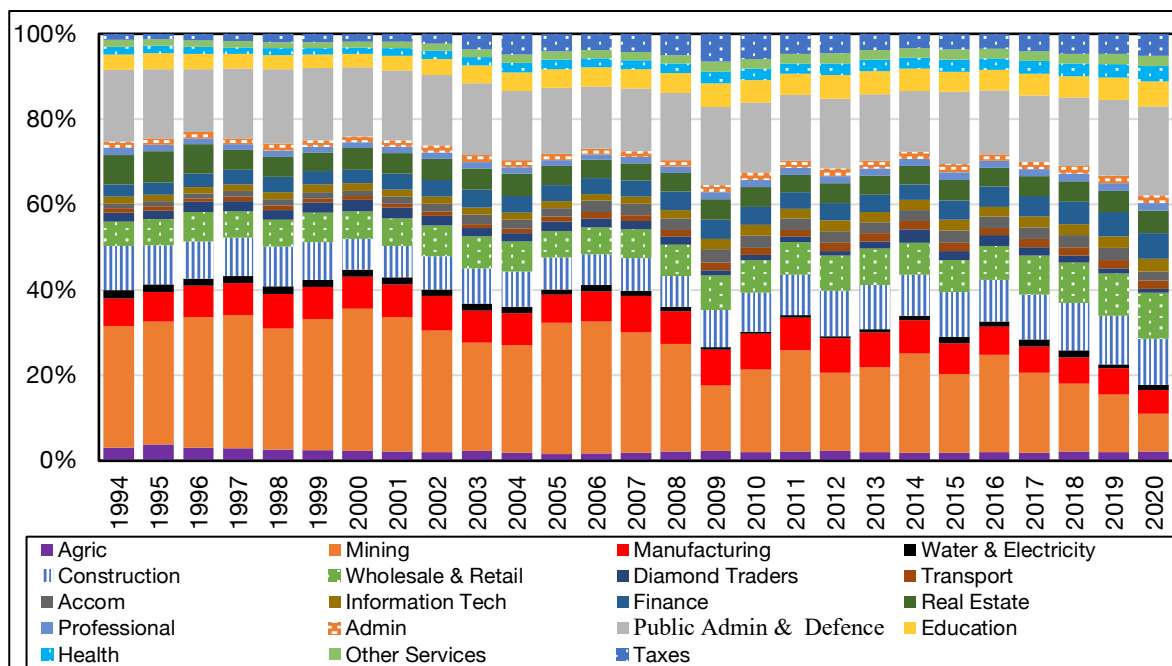


Source: Statistics Botswana

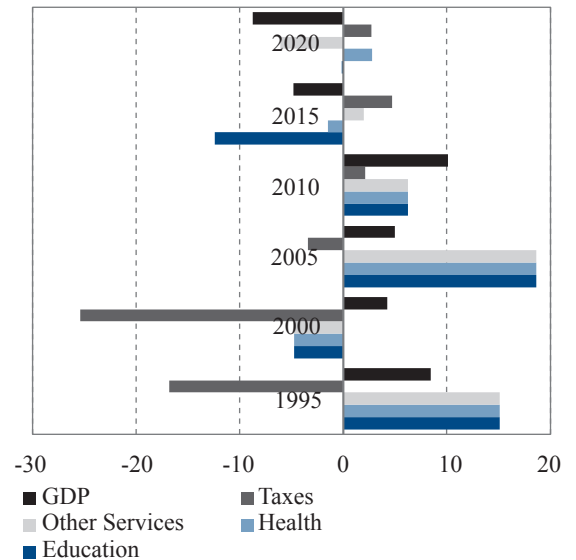
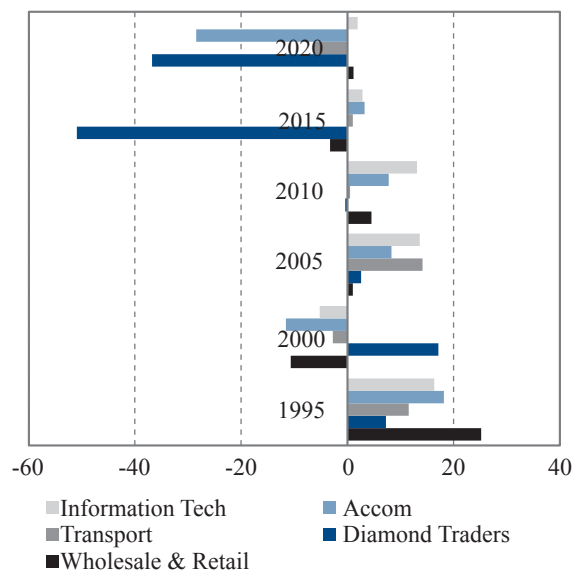
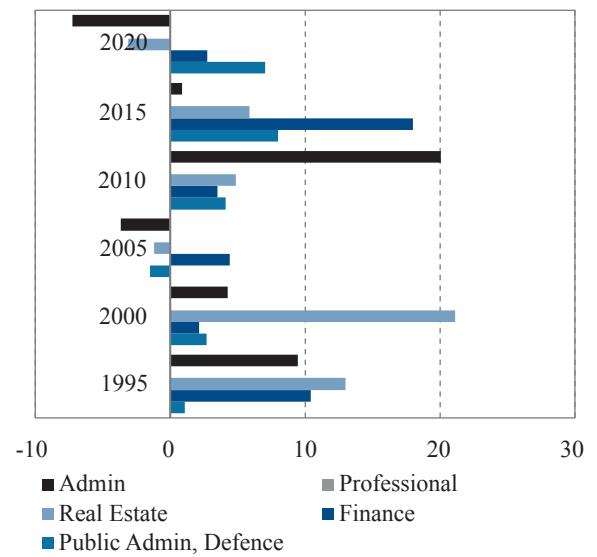
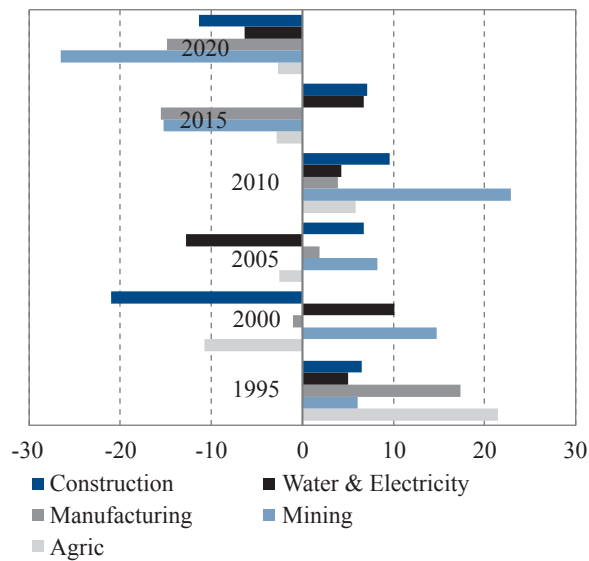
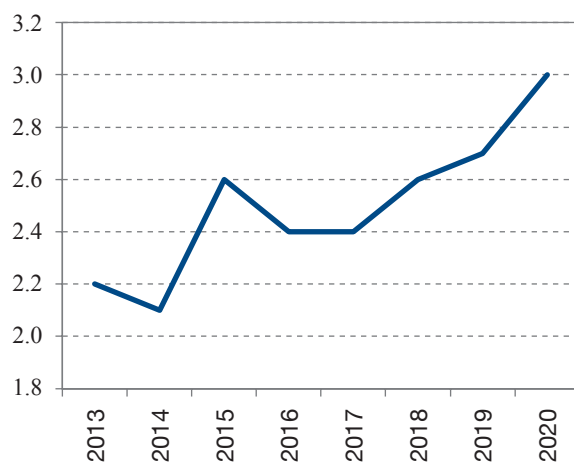
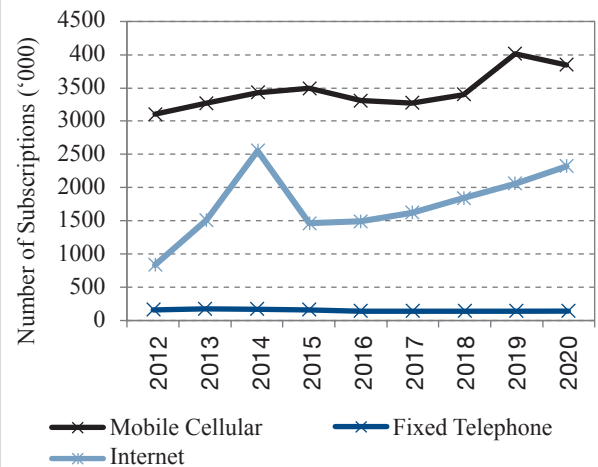
5.4 Charts 5 and 6 show the detailed sectoral distribution of GDP and growth rates over 26 years. Specific to the ICT sector, it constituted an average of 2.7 percent of GDP annually in the last six years, suggesting more room

for improvement. The main contributors are mobile cellular usage, with a coverage ratio of 93 percent of the population⁵⁶ and internet subscriptions (See Charts 6 and 9).

CHART 5: SECTORAL CONTRIBUTION TO GDP



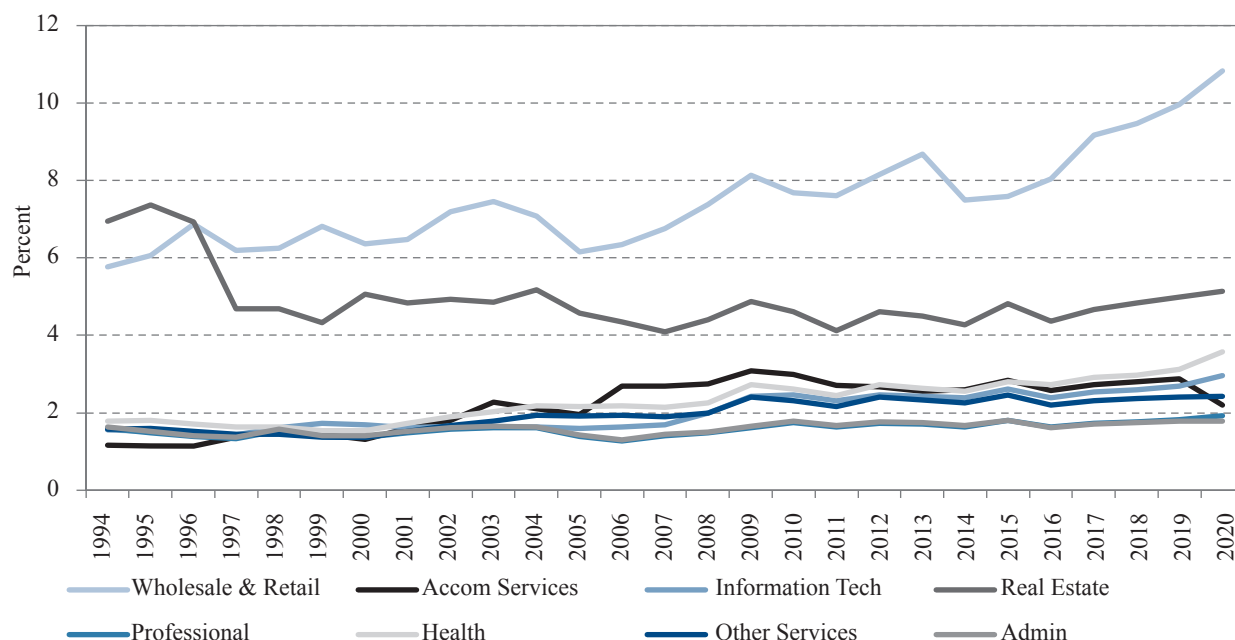
⁵⁶ Finscope Consumer Survey Report, Botswana, 2020.

CHART 6: SECTORAL GROWTH PATTERNS

CHART 7: POSTAL AND COMMUNICATION SERVICES CONTRIBUTION TO GDP (PERCENT)

CHART 8: FIXED TELEPHONE LINES, MOBILE CELLULAR AND INTERNET SUBSCRIPTIONS


5.5 The service sectors that are mostly reliant on ICT (for example business, health and ICT) registered some modest growth between 1994 and 2020 (Chart 9), even as more can be achieved.

that while these supply aspects are also a response to demand and the imperative for alignment and compatibility with the regional and international developments, thus prospects for competitiveness and integration into global

CHART 9: SERVICES SECTOR CONTRIBUTION TO GDP



Source: Statistics Botswana

5.6 The pursuit of the Digital Transformation Agenda entails specific initiatives and, therefore, anticipated short to medium-term impact on specific areas of economic activity and government and social services. Notably, the Government agenda involves harnessing technology to improve the quality and delivery of quality for various sectors and industries, thus enhance competitiveness and growth. Overall, as reported in the Mid-Term Review of the National Development Plan 11, the Government plans to invest 1.5 percent of GDP (about 22 percent of total development expenditure) in this sector during 2021 – 2023, towards growing the ICT sector. Furthermore, the Ministry of Presidential Affairs, Governance and Public Administration was allocated 6.1 percent of the Development Budget, in the 2022/23 Budget, for the provision of infrastructure required for among others, the Orapa House Technology Park and ICT projects undertaken by SmartBots⁵⁷.

value chains. According to the 2021 IMF Staff Report on Botswana, digital technologies could enhance Botswana's resilience and efficiency, expand access to global markets, improve public service delivery, boost transparency and accountability, improve learning, and foster the creation of new jobs.

5.7 Table 3 provides an extended list of some key strategies/initiatives, including e-government, e-education and e-health. It should be noted

⁵⁷ SmartBots is Botswana's new proposition to drive transformation across the economy, government and society through a number of key strategic initiatives and projects.

TABLE 3: POLICIES, STRATEGIES AND INITIATIVES TOWARDS TRANSFORMING THE ECONOMY

Strategy/Initiative	Date launched	Objective	Key Targets
Online Business Registration System (OBRS)	2019	To achieve faster, cheaper and more accurate business registration	To ease way of doing business
E-Health Strategy for 2020 – 2024	2020	To guide the provision of better healthcare by transforming health systems and business practices through the effective use of ICT	To increase quality, safety, timeliness and efficiency of the health services.
E-commerce Strategy	2020	To promote the diffusion and use of e-commerce throughout Botswana's commercial and public spheres	To enhance efficiency and further serve as a framework and guiding tool in facilitating e-commerce across all sectors of the economy
E-Learning	2021/2022 Financial Year	Development of a content platform to facilitate access to digital education	To support school connectivity and promote the use of ICT gadgets in schools
National Payments System Vision and Strategy (NPSS)	2020	Promote the use of digital payments platforms	To accelerate financial inclusion and support the growth of the digital economy
BOFINET Project	On going	Government Data Network upgrading, National Backbone networks, Government Data Centre and Local Access Network, upgrading of ICT infrastructure to optic fibre	To improve connectivity and speed
E – Minerals	2019	Access to the mineral exploration borehole information system	To facilitate the sharing of borehole data that covers water table, yield, depth and chemistry.
Internet Protocol Television (IPTV)	2019	To showcase Botswana's storytelling and entertainment, a significant contributor towards the commercialisation of the creative and arts industry	To transform and diversify the economy through Information and Communication Technologies (ICT)
Software development centre	2020	Enhance Botswana's participation in the Fourth Industrial Revolution To develop core and backbone platforms across national economic sectors and accompanying application programming interfaces	To allow seamless integration with applications from other developers
Fairgrounds Special Economic Zone – Fintech City		To focus on financial and business services and a Corporate Headquarters Village	To be internationally competitive, investor friendly and sustainable and designed to attract and accommodate public and private investments in support of the Botswana Government's strategy for diversifying and transforming its economy
National E-Commerce Strategy	2021	To promote the use of digital technology throughout Botswana's commercial and public spheres	To leverage Botswana's full potential for e-commerce, to boost economic growth and socio-economic gains, diversify the economy
SmartBots	2021	To drive transformation across the economy, government and society through a number of key strategic initiatives and projects	To accelerate digital connectivity nationwide; moving Government services online; leveraging smart technologies to address food security; and transforming the education sector
E-Agriculture - Lobu Small stock Farm Digital Transformation	2021	To digitise Lobu small-stock farm	To produce meat products, dairy and leather, as well as improved breeding stock
Orapa House Technology Park	2021	To convert Orapa House into a digital solution hub	To empower the youth

Source: State of the Nation Address, Budget Speech and Committee of Supply Speech for various years

Prospects for ICT Impact

(a) *Government Services*

- 5.8 The use of ICT has encouraged both the Government and the private sector to use innovative approaches towards addressing challenges of service delivery throughout the country. The National e-Government strategy was launched in 2012 in order to enhance innovation in the public sector application and issuance of various Government permits, licenses and certificates; provision of information on legislative/administrative notices; as well as payment services, such as tax refunds. The Government targets to bring at least 25 Government services online by June 2022, and all services online by 2023/2024. Services, such as the upgrading of the National Identification System (NIS), once operational (through the Biometric National Identity Card (Omang)), will fast-track digital transition and effectively facilitate timely service delivery and effective business facilitation.
- 5.9 In June 2019, the Government introduced the passport and border control computerisation. This was done to ensure compliance of the requirements of the Public Key Directory (PKD) with the International Civil Aviation Organisation (ICAO). Another development was the Visa on-line application platform which was introduced in May 2021. The intention of the platform is to enable online application and issuance of VISA to shorten the time of visa application.
- 5.10 In 2020, Statistics Botswana digitalised data collection process for all its surveys by using Computer Assisted Personal Interview (CAPI) systems. This was done to assist in the timely generation of statistical information for decision making. It also launched a mobile app which is used to obtain and use information on the latest statistics and indicators. Furthermore, an ICT strategy was developed to enable automation of most, if not all, of the organisation's business processes and hence promoting efficiency in the production of official statistics. It helped the institution to expand its work on accessing and using big data to produce official statistics. All these initiatives have resulted in efficiency in data collection and timely release of statistics.

(b) *Social Services – Education and Health*

- 5.11 The contribution of the human health and social work sector has increased from 2.5 percent in 2014 to 3.5 percent in 2020. The availability of the e-Health Strategy for 2020

– 2024 might be the driving force behind the growth in the sector. The strategy aims to provide benefits of digital health to patients and health care providers in terms of improved outcome, better data sharing, time saving and improved communications.

(c) *Resource Mobilisation*

- 5.12 There is need for the economy to enhance domestic resource mobilisation to improve efficiency and increase tax revenue (reduce dependency on SACU receipts, which have been affected by the COVID-19 pandemic) so that the economy can fully finance the country's developmental and transformative agenda and advance to a high-income status. The digitalisation of business and finance has the potential to improve tax revenue collection through increasing options for online filing of tax returns as well as online payments and mitigate tax avoidance and evasion. These automated information systems can also improve compliance, expand the tax base, and enable revenue authorities to identify and mitigate risks related to tax avoidance and evasion. With digitisation in place, it becomes easier for revenue authorities to share information across borders and therefore decrease tax transaction costs for governments. The increased use of digital payments also provides better means of verifying economic outcomes of taxpayers and can help formalise informal economic activities. The Botswana Unified Revenue Service introduced the online platforms to increase efficiency and coverage of taxpayers.

- 5.13 Furthermore, with the ratification of the African Continental Free Trade Area (AfCTA), there is a likely increase in the scope for increased trade in services and e-commerce as market size and dynamism increase. On the other hand, there is need to increase efforts to raise tax in order to counteract the envisaged decline in trade taxes due to the tax liberalisation.

(d) *Manufacturing*

- 5.14 Manufacturing can be the driver of economic growth through technological improvements and innovation. Hence, the development of the sector could also foster export diversification and export-led growth in Botswana. Chart 5 shows that the contribution of the manufacturing sector to GDP has been consistently below 10 percent while, the contribution of the ICT sector has been less than 4 percent. An improvement to the ICT sector, especially with targeted support to the manufacturing sector (which is characterised

by low technology and automation, fuelling in part the supply side constraints that firms face) is likely to boost the latter and ultimately economic growth.

(e) *Agriculture*

- 5.15 Although the contribution of the agriculture sector has remained constant (2.1 percent of GDP for three consecutive years) it is likely to increase given the Government's embrace of ICT to modernise the sector. The introduction of the Very Small Aperture Terminal (VSAT) technology by Botswana Telecommunications in 2020 is a step in the direction of modernising the agriculture sector. The VSAT technology enables countrywide internet coverage even in the most remote parts of the country. Furthermore, the VSAT technology enables farmers to access the Botswana Animal Information and Traceability System (BAITS), an online database system that provides a platform for farmers to provide information on their livestock. It is used for animal registration, transfer of ownership, arrival of livestock, veterinary drug treatments and removal of dead/fallen stock. Similarly, in arable farming and horticulture, modern and smart agricultural methods, based on digital platforms, for example in climate-friendly irrigation and temperature/or pest control, could be beneficial, therefore, boost agricultural output in otherwise semi-arid and hostile conditions.

(f) *Industry Services*

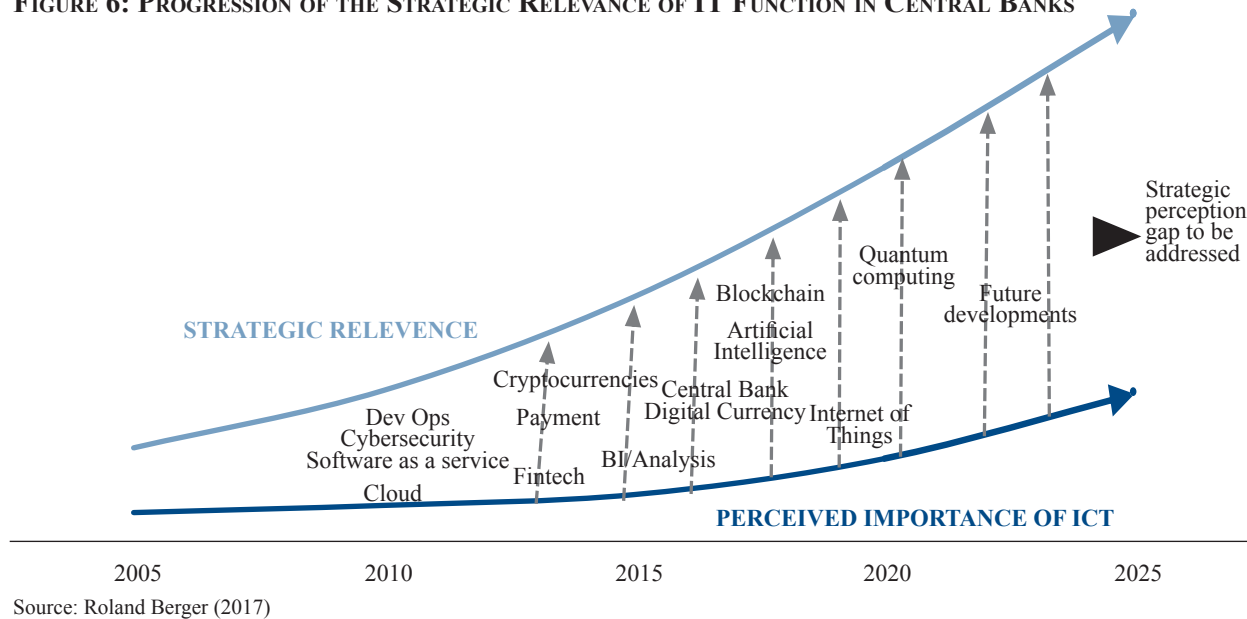
- 5.16 ICT also plays an important role in the service industry. Chart 5 shows that the contribution of the finance, insurance & pension funding sector to GDP increased from 2.8 percent in 1994 to 6 percent in 2020, led by the banking sector. This sector has been leading in the area of financial technology (fintech), mainly driven by the upscale of investment on digital infrastructure (cell phone banking, chip-based smartcards).

- 1.17 In April 2019, Botswana Post launched Poso Money, an innovative mobile phone based financial service that offers a wide range of cross-functional solutions. This is helping increase efficiency, achieve financial inclusion for the unbanked and the under-banked as well as generate an additional revenue stream for Botswana Post to sustain itself.

6. ISSUES FOR THE BANK OF BOTSWANA AND THE FINANCIAL SECTOR

- 6.1 As in other areas of economic activity and institutional governance, ICT developments and innovation have a significant impact on mandates, functions and operations of central banks, including the Bank of Botswana and are, therefore, a critical strategic consideration. Figure 6 highlights areas of strategic importance to enhancing the central banking function to align with ongoing ICT developments and also illuminates the gap in

FIGURE 6: PROGRESSION OF THE STRATEGIC RELEVANCE OF IT FUNCTION IN CENTRAL BANKS



understanding the strategic importance of ICT and related functions and processes that would be important⁵⁸.

6.2 The Bank of Botswana is generally adaptive and proactively monitors, among others, ICT developments, which are continually integrated into the Banks' operations and strategic planning, with a view to respond appropriately to maintain effective discharge of its mandates, such as price and financial stability, issuance and management of currency, banking supervision, operation and oversight of the payments system, management of foreign exchange reserves and related data management and reporting aspects. In addition, the Bank needs to be appropriately informed and responsive with respect to financial sector development, policies and regulation and those that address financial inclusion and system integrity. To this end, the Bank has a FinTech Monitoring and Strategy Group that monitors and advises on responses to pertinent developments, with a generally facilitative posture, but also addressing potential risks and information dissemination as necessary. The Bank also embraces relevant global and national agenda pronouncements, for example, the Bali FinTech Agenda, Botswana Financial Inclusion Roadmap 2015-2021, the Digital Transformation Strategy (SmartBots) and those covered in the ERTF. Selected areas of relevance for the Bank are covered below.

(a) Payments and Currency

6.3 The role of the Bank, and other stakeholders, in the development of the national payment system is engendered in the National Payments Vision and Strategy of 2020-2024 (NPVS). The NPVS is an augmentation of the Botswana 2012-2016 Financial Sector Development Strategy, following a re-evaluation of the NPS vision which resulted in the formulation of new strategies and objectives in 2016. In general, the vision and strategy aim to modernise national payment systems based on modern trends and international best practice. Fundamental principles for government payments in the NPVS include integrating government payment programmes to modernise the NPs and ensuring consistency between the vision and strategy for Botswana Modernisation 2020-2024 and the Botswana Financial Inclusion Roadmap 2017-2021. This is important given the critical role that government spending plays both in the

financial and real sector, including supporting market liquidity and financing of ongoing private company-led projects.

6.4 Guided by the vision and strategy, the Bank will continue to play its role as a catalyst, operator and overseer, to promote the establishment of a safe, efficient and convenient retail payment services needed by customers. Notable strategic areas involving the harnessing of technology include cybersecurity; fraud detection; improving the retail payments infrastructure; incentivising the distribution and use of electronic payments instruments; and encouraging and supporting PSP participation in the SADC payment systems.

6.5 Furthermore, to encourage and/or enhance interoperability between retail payment solutions, the vision and strategy recommends that payment market players should consider the introduction of a National Retail Payments Switch (NRPS) for all domestic card and electronic payments, including through ATMs and PoS and internet banking. In this regard, the Bank and other stakeholders aim to attain full interoperability through neutral and seamless working platform and to encourage use of the infrastructure for all existing and future payments. To improve access, interoperability and participation, the Bank follows certain fundamental principles including defining the criteria and regulatory requirement for new participants; maintaining safety of the NPS; encouraging and supporting use of increased number of payments across institutions; and increasing standardisation and harmonisation between payment systems and instruments. In this context, the rest of this section highlights recent developments in the retail payments space, and related initiatives of the Bank.

6.6 It is worth noting that historically, the banking sector has been the sole provider of economy-wide payment and settlement systems. In recent years, developments in IT have led to creation of new types of payment and settlement services using new technologies. Collaborations between the banking sector and central banks worldwide have been witnessed, with focus on providing new and enhanced payment and settlement systems. In pursuit of these financial market infrastructure developments, the most important issue is to understand the implications of these new payment and settlement systems on monetary policy and financial stability. These new internet or mobile-based payment solutions are known to introduce cyber risks, fraud, identity and information theft, as well customer privacy concerns.

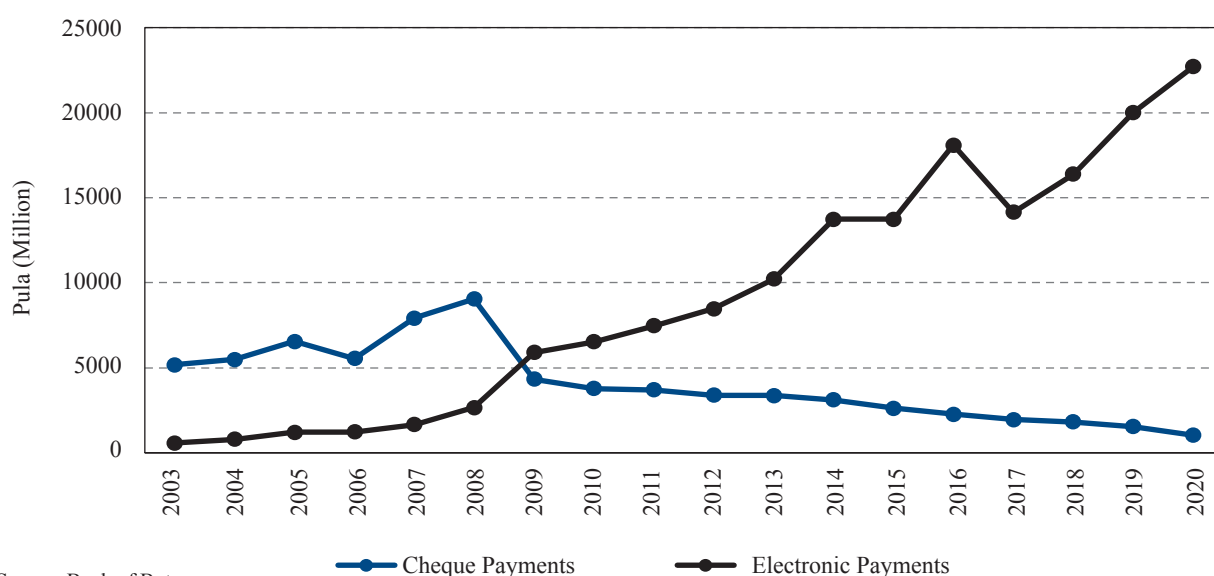
58 Roland Berger (2017). Central Banking IT of the Future. https://www.rolandberger.com/publications/publication_pdf/roland-berger_central_banking_it_of_the_future.pdf

6.7 The domestic payment and settlement landscape has led to a shift from cheque-based to electronic payment solutions in recent years, supported by the establishment of the Botswana Automated Clearing House (BACH) and the subsequent integration of the system with a new and enhanced Real Time Gross Settlement (RTGS) system, the Botswana Interbank Settlement System (BISS). During the period 2003 to 2020, transactions by customers through the banking system payment infrastructure have progressively moved from cheques to electronic payments, with 95 percent of transactions being done electronically at the end of 2020 (Chart 10). This development signals a positive development in harnessing IT for payment and settlement with regard to the banking system. Banks have also intensified the use of point-of-sale machines in retail outlets to support cash-less payments.

the hyper-active nature of mobile and digital payment platforms⁵⁹. To compound this, there is still some level of uncertainty pertaining to the regulation and surveillance of these platforms, due to the fact that Fintech innovations in this space are by companies falling within the jurisdictions of both the Bank and BOCRA.

6.9 The Bank and other stakeholders have over the years, also, adopted or participated in the use of FMI for securities market trading, as well as regional and global trading. These include the central securities depository for trading securities in the Botswana Stock Exchange, the Southern African Development Community (SADC)-RTGS to facilitate regional cross-border payments and SWIFT for regional and global transactions. There has also been evidence of FinTech-related cross-border payment solutions, such as Mukuru⁶⁰. These platforms support cash in and cash out using

CHART 10: VALUE OF TRANSACTIONS IN THE BANKING SYSTEM



6.8 There has also been a proliferation of digital and mobile wallets driven by incumbent banks and telecommunications companies. Notable developments include mobile money platforms MyZaka by Mascom Wireless, Orange Money by Orange Botswana and Smega by Botswana Telecommunications Corporation, as well as internet and mobile banking by commercial banks. These developments have been led by banks and telecommunications innovating in-house with a primary focus to reach unbanked and financially excluded members of the society. A particular challenge arising from developments in the digital and mobile wallets space is limitations by the Bank and other regulatory authorities to obtain timely transaction records for policy analysis, given

mobile agents and retail shops, in the same manner as mobile money platforms.

6.10 As a payment and settlement regulator, and also as an innovator in the payment space, the Bank has been researching and exploring digital currencies and cryptocurrencies. This is done in the context of understanding risks faced by consumers and businesses engaging in crypto-trading and assessing the feasibility and need for central bank digital currencies.

⁵⁹ BOCRA Annual reports provide annual statistics on mobile and digital transactions, and other relevant information.

⁶⁰ Mukuru was established in 2004 in the United Kingdom and is one of the leading FinTech firms when it comes to money transfers and Next Generation Financial Services Platforms offering cash transfer services, as well as funeral cover and digital wallets.

Data for Botswana shows that cash or currency in circulation is still a very prominent means of making payment in the domestic market, especially as payment for consumer goods. Research notes that, in general, currency in circulation has been increasing steadily over the last decade though it is still significantly lower than the value of payments made using electronic payments solutions⁶¹. However, the upward trajectory of cash transactions does not discount the exploration of CBDCs by the Bank, as a cheaper and safer alternative to fiat currency and current electronic payments solutions including cards and EFTs. In addition, in the context of a continually digitising banking system, building physical infrastructure is growing largely unattractive for banks, and an argument for Central Bank Digital Currencies (CBDCs) can be made. A CBDC is an innovation in both the form of money provided to the public and the payment infrastructure on which payments can be made. Unlike banknotes, CBDCs are electronic, and unlike reserves, CBDC would be available to households and businesses. CBDCs would therefore allow households and businesses to directly make payments and store value using an electronic form of central bank money. For this reason, a CBDC is sometimes thought of as equivalent to a digital banknote, although in practice it may have other features depending on its final design.

6.11 A CBDC could in principle perform many of the functions currently offered by both cash and bank deposits. However, to be practical and attractive, CBDC would need to be directly convertible into cash and deposits. CBDC would be equally safe and free of credit risk as physical cash but could be more convenient as a means of payment for both households and businesses, particularly for electronic and remote payments. Hence, there may be some shift between cash and CBDC.

6.12 On retail crypto currencies or assets offered by private players, the Bank notes that there has been growing interest from the public on issues of trading in or investing in crypto assets, especially the legality of holding such assets in Botswana. It is the view of the Bank that holding such assets constitutes taking any market-related risk associated with such an asset akin to any other financial asset. Meanwhile, the legal and regulatory framework that support the adoption of crypto assets by domestic firms and households, the Virtual Assets Act, has been recently passed.

61 Currency in circulation as a proportion of GDP increased from 1.9 percent in 2011 to 2.1 percent in 2021.

(b) Monetary Policy, Operations and Policy transmission

6.13 Broadly, it has been argued that technological advancement leads to increased productivity and this leads to shifts in equilibrium real interests. In this context, it is noted that central banks then have to adjust their policy settings to adapt to changes in the real economy. It is also argued that advancements in logistics have led to more integrated global value chains, and e-commerce has revolutionised the transparency of pricing within and across countries. Due to these technological advances, domestic inflation might react differently to shocks, and this can also affect the exchange rate pass-through into inflation and the domestic impact of global developments on inflation.

6.14 At an operational level, some central banks have adopted new digital agendas focusing on re-engineering legacy analytics, processes, innovation management and digital competency⁶². The general argument for digital transformation within central banks relates to operational efficiency, promoting information symmetry in the market and enhancing analytical capability. Monetary policy implementation is based on analytical capabilities, information resources and the actual monetary policy operations involving currency trading and absorbing excess liquidity. All these aspects are IT-based and require both the IT infrastructure including hardware and software or cloud solutions, and complementary human resources.

6.15 In this era of digital transformation, new analytical techniques and data have emerged relating to data science, machine and deep learning, and the accompanying big data. At the centre of this is the customer-centric technologies adopted by innovating incumbent financial institutions and new FinTech firms. It has been argued that personal data obtained from devices connected to the internet is the gold of the 21st century. Some data that can be obtained from digital devices include transactions data, browsing histories, geolocation and broader digital footprint which financial institutions can use to assess credit quality, price insurance policies or to market financial services and products⁶³. Although exploratory, the Bank

62 <https://www.centralbanking.com/central-banks/governance/organisation/4383801/the-deutsche-bundesbanks-digital-transformation>

63 Carstens, Agustín. Speech at the 55th SEACEN Governors' Conference and High-level Seminar on "Data and technology: embracing innovation", Singapore, 14 November 2019. <https://www.bis.org/speeches/sp191114.htm>

recently adopted machine learning techniques which apply alternative data to nowcast⁶⁴ GDP also for forecasting of market liquidity. This has enhanced in-house forecasting capability and provided useful information for monetary policy decision making and for monetary operations.

- 6.16 In the context of big data, it has been argued that the use of alternative data, by both regulators and financial institutions, can promote financial inclusion, offer customers more convenience and more tailored and personalised products. From a monetary policy point of view, Central Banking Publications big data survey notes that most central banks have been working on innovative data-based solutions for some time⁶⁵. The survey highlights that due to the COVID-19 pandemic, big data has been pushed into the centre stage; to uncover structural shifts where standard econometric techniques or tools fail. However, the survey concludes that big data is still an auxiliary input to policy making and headline statistics remain the focal point.
- 6.17 According to the Central Banking Big Data Survey (2018), more advanced developments for monetary analysis and forecasting in some jurisdictions include machine learning applications to measure market sentiments and using machine learning techniques to solve dynamic stochastic general equilibrium models with heterogeneous agents⁶⁶. Such applications appeal to the Bank as it tries to further advance its analytical and forecasting capabilities for more robust policy analysis. In this regard, the Bank has a responsibility as a policy maker and advisor to the Government of Botswana, to align itself with these technological advancements and to do the ultimate best to ensure that the domestic market advances in this direction.

(a) Financial Stability, Integration and Inclusion

- 6.18 Digitalisation of financial services is generally positive for economic growth and inclusion. However, there is need for consideration of the impact of proliferation of digital financial services and products on financial

intermediation; financial stability; and functions of central banks. It is noted that new technologies make use of wide range of digital data often connected to the internet, leading to heightened concerns about cybersecurity. It is, therefore, imperative that data protection risks are well understood, managed and mitigated. With the risks that come with the development of new financial technology services and products, we have also witnessed a proliferation of digital tools for central banks to improve their capability to manage risks.

- 6.19 Central banks worldwide have generally embraced the capabilities of new technologies for policy analysis and modelling in recent years. This has led to the rise of supervisory technology, or SupTech, which is the use of innovative technology by central banks and other supervisory authorities to support supervision. Use cases include digitising reporting and regulatory process for efficient and proactive monitoring of risk and compliance⁶⁷. Surveys conducted on popular use cases, based on figure 7, for central banks and other supervisory authorities, found that SupTech initiatives were mainly focused on misconduct analysis, reporting and data management⁶⁸. In line with this thinking, the Bank has been working on automating regulatory reporting by banks. In addition, there has been significant progress in micro and macro-prudential surveillance applications, though technologies and techniques used are still relatively rudimentary compared to the modern gold standards. These advancements are highlighted in the Bank's Monetary Policy Report and the Financial Stability Council's Financial Stability Report. That notwithstanding, the Bank is continuously enhancing its IT infrastructure and the human resource base to be able to transform into a "digital" central bank.

64 Nowcasting involves applying machine learning techniques to predict or forecast the current period and the immediate future.

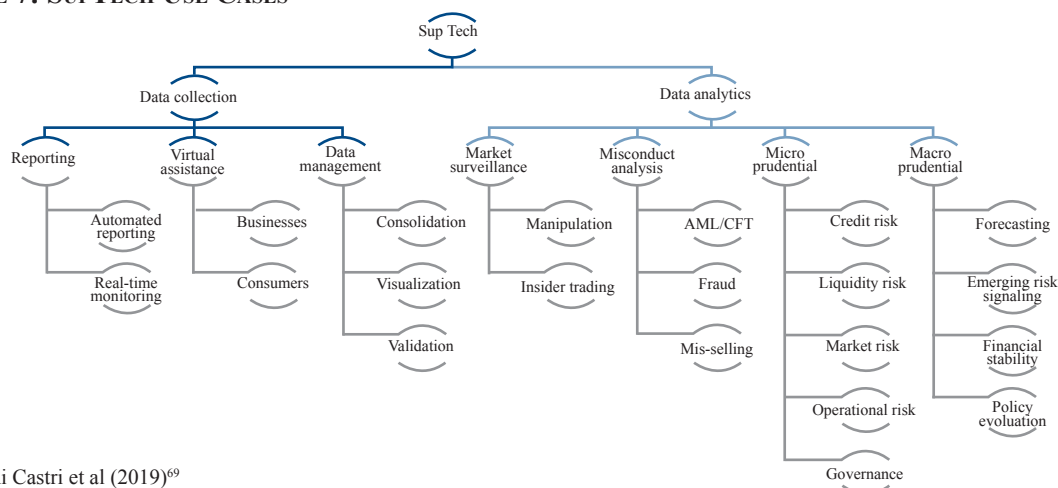
65 <https://www.centralbanking.com/central-banks/economics/data/7807051/big-data-in-central-banks-2020-21-report-shifting-to-centre-stage>

66 <https://www.centralbanking.com/central-banks/economics/data/3661931/big-data-in-central-banks-2018-survey-results>

67 Broeders and Prenio (2018). Innovative technology in financial supervision (SupTech) - the experience of early users. FSI Insights, Bank for International Settlements. <https://www.bis.org/fsi/publ/insights9.htm>

68 di Castri, S., Hohl, S., Kulenkampff, A., & Prenio, J. (2019). The SupTech generations. FSI Insights, Bank for International Settlements. <https://www.bis.org/fsi/publ/insights19.htm>

FIGURE 7: SUPTECH USE CASES



Source: di Castri et al (2019)⁶⁹

6.20 In evaluating advancements related to financial technologies, the question is whether there has been sufficient innovation in the financial systems, particularly in relation to the payments landscape and digital and mobile banking, to help the country move towards high-income status by 2036. It has been highlighted in many policy and diagnostic reports, as well as research papers, that a large population of rural communities are unbanked and have no access to financial services. This raises issues of the role of new developments, particularly in the payments space, in advancing the national financial inclusion mandate as outlined in the Botswana Financial Inclusion Roadmap 2015-2021. It remains a challenge to quantify the actual impact of new innovations on financial inclusion, but available statistics show that Botswana has a financial inclusion index of about 70 percent (against 68 percent average for SADC countries)⁷⁰, and about 25 percent⁷¹ of the population use mobile money services.

6.21 At a broader policy level, it is important that policy makers are able to obtain comprehensive information on volumes and values of transactions associated with mobile payments and banking solutions which are aimed at giving financial access to the unbanked and financially excluded segments

of the community, particularly rural dwellers. Some jurisdictions have set up innovation offices, and complementary regulatory sand boxes, specifically tasked with research and development of new financial services and products. A FinTech innovation office would provide a dedicated point of contact for firms to raise enquiries on FinTech related issues, while regulatory sandboxes would provide an environment for testing new financial products such that they are fully understood by all market players before being taken to the market. These would significantly alleviate regulatory shortcomings, including data collection and management challenges.

(d) Financial Sector Supervision, Regulation and Data Management

6.22 This section is to a larger extent an augmentation of the financial stability mandate of the Bank as discussed above. Some studies suggest generations of technologies to be followed by national authorities for digital transformation. These stages relate to data management and analysis⁷². This is closely related to the SupTech use cases discussed in the previous section. In a generalised context, central banks develop their IT infrastructure in order to support the banking system as a whole, and this is closely related to the continuous adoption of new technologies by the banking sector, termed regulatory technology or RegTech in short. RegTech helps automate and integrate regulatory reporting requirements to cut costs and streamline and increase the accuracy and timeliness of reporting, including making real-time reporting possible. In line with this

69 di Castri S., Hohl S., Kulenkampff A. and Prenio J. (2019). "The SupTech Generations". Financial Stability Institute (FSI) of the Bank for International Settlements (BIS).

70 FinMark Trust (2019). Measuring Progress: Financial Inclusion in selected SADC countries. <https://www.uncdf.org/Download/AdminFileWithFilename?id=11963&cultureId=127&filename=2020-10-20measuring-progress-sadcpdf>

71 <https://www.statista.com/statistics/1155782/mobile-money-accountsbotswana/#:~:text=As%20of%20January%202021%2C%2024.4,in%20the%20South%20African%20country>

72 di Castri, S., Hohl, S., Kulenkampff, A., & Prenio, J. (2019). The SupTech generations. FSI Insights, Bank for International Settlements. <https://www.bis.org/fsi/publ/insights19.htm>

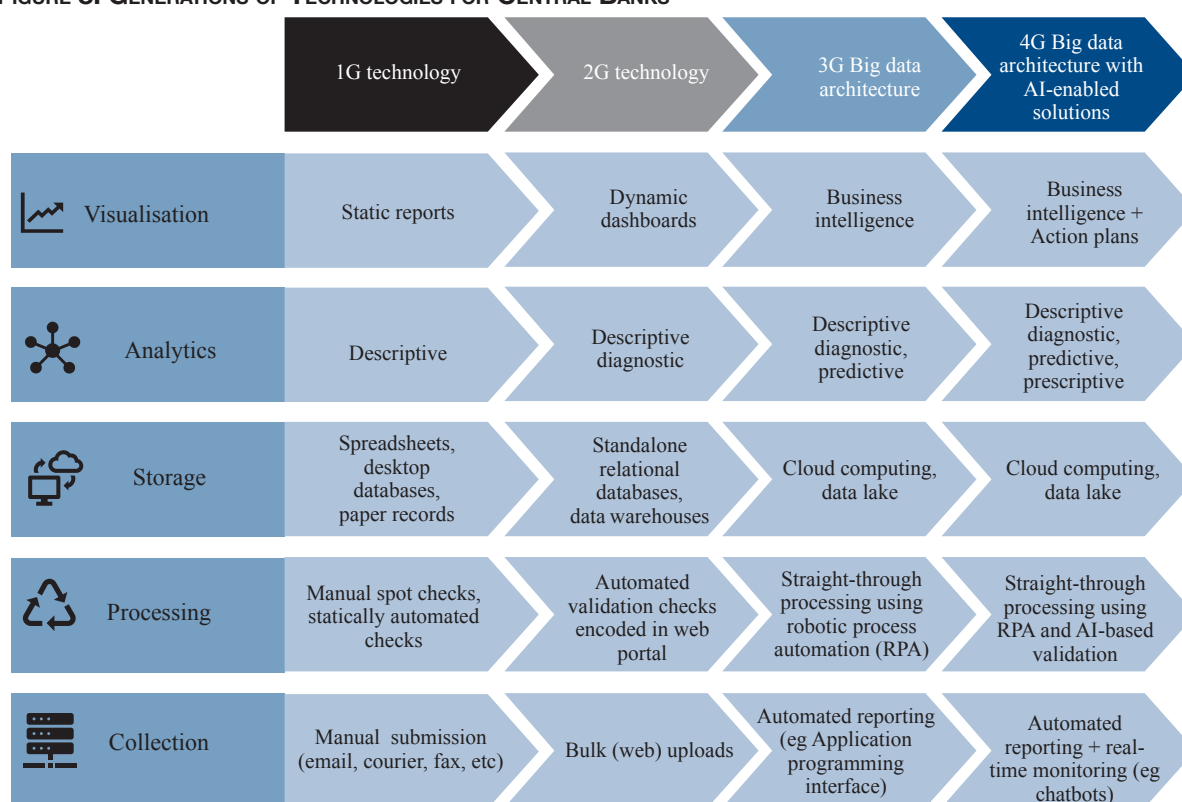
thinking, the Bank is working on an automated regulatory reporting system, with a view to integrate it with management information systems of the local banks.

- 6.23 An assessment of the Bank's overall progression on harnessing the power of IT against the suggested framework based on figure 8 shows that the Bank is still at the first generation (1G) generation. This is not particularly disconcerting given that most advances have come over the last decade. Over the last 10 years the rise to prominence of data science accompanied by advanced data analytics, machine learning and deep learning has been noted. These developments have led to advances in data management to build pipelines for both econometric modelling and machine learning techniques. Given these, the Bank is setting a tone that embraces these new technologies to drive the Bank and its stakeholders to the application of second generation (2G) architecture, as highlighted in the figure, and ultimately to fourth generation (4G) Big data architecture with AI-enabled solutions for future generations.

(e) *Big Data and Information Management*

- 6.24 Developments of both new computer technologies and new computer skills has led to a new era of data analytics and storage capacities across all sectors of the economies in the global market. For central banks, such capabilities have been evident in the, and for the, analysis of big data, as well as the enhancement of information management capabilities. The Bank notes relevant innovations by other central banks, and international stakeholders such as the BIS in the areas of big data and data management in general. One such project is the Ellipse regulatory reporting and data analytics platform⁷³. These innovations have been driven by the developments of new information and internet technologies that have led to the development of new web-based services that generate enormous quantities of data. These has led to the coining of the word big data, which essentially relates to massive volumes of data generated by increased usage of digital tools and information systems. These

FIGURE 8: GENERATIONS OF TECHNOLOGIES FOR CENTRAL BANKS



Source : di Castri et al (2019)

73 https://www.bis.org/about/bisih/topics/suptech_regtech/ellipse.htm

mostly involve real-time data, in varying formats, and a wide range of individuals or institutions.

6.25 It is widely argued that the recent financial crisis illustrated that highly disaggregated data, which forms part of big data, is necessary for understanding inter-connections within financial systems, and ultimately for policy decision making. In this context, in as much as big data has become a prominent subject for private companies dealing with large volumes of data, it has to also become an integral part of central bank's data management objectives. The Bank has hitherto embraced these technological developments, and it is in the process of implementing an advanced information management system, as alluded to before. It is imperative for the Bank that it continues to grow in this direction in order to reap the benefits accruing from big data and data management tools, as well as related computing capabilities including artificial intelligence and machine learning. It is noted that such capabilities would enable the Bank to digitally extract, query and analyse large quantities of data from diverse sources. These data could then be relevant for understanding current events in real time and to view them via dashboards, informing authorities of early supervisory actions that may need to be taken.

6.26 In relation to this, data management capabilities include the applications of cloud solutions and web-based applications for building pipelines for relevant machine learning or artificial intelligence-based models, as well as building dashboards for user-friendly web visualisations. This enables users to store information, processes, and data in servers that may be accessed through any computer with internet connection. In the commercial banking space, Amazon Web Services partnered with Singapore's DBS bank⁷⁴ to help them accelerate their digitisation, as well as the Spanish bank Bankinter⁷⁵ to run credit simulations and reduce the computing time for the simulations from 23 hours to 20 minutes. IBM Cloud is working with the Japanese bank Mizuho to offer payment services tailored to customers' needs and tastes through the development of Application Program Interfaces (APIs). In conclusion, such developments inform the Bank's progression towards being a central bank of the future and support commercial banks in the quest to digitise their operations and products.

74 <https://www.computerweekly.com/news/450301899/Singapore-DBS-Bank-signs-up-to-Amazon-cloud>

75 <https://aws.amazon.com/solutions/case-studies/bankinter/>

7. IDENTIFICATION OF FACTOR AND PERFORMANCE GAPS AND REMEDIAL APPROACHES

7.1 The production of goods and services involves the use and optimal combination of different factors of production. Therefore, efficient and effective performance of the factors of production, as well as continuous augmentation and adaptation are crucial for economic advancement. However, the performance of such factors is not always optimal, hence the need for identification of gaps and deficiencies at the firm and national policy formulation levels and, in turn to institute remedies to maximise the output that the production factors, individually and combined, produce. Related to the issue of suboptimal performance of the factors of production is the phenomenon known as diminishing returns. The law of diminishing returns (also known as the law of diminishing marginal productivity) states that in productive processes, increasing a factor of production by one unit, while holding all other production factors constant, will at some point return a lower unit of output per incremental unit of input. Thus, the need to be comprehensive in evaluating and addressing factor productivity.

7.2 The four main factors of production are: land (raw materials available from mining, fishing, agriculture, and commercial real estate); capital (machines, factories, and computers); labour (workers, skills and management); and entrepreneurship (the act of taking the initiative (innovation) and risks to set up and run a business). While these constitute operational and firm level combinations for production, a broader assessment of determinants of national production and productivity must involve assessment of the relevant policies and their implementation, availability and quality of infrastructure and government services. For the purposes of this chapter, it is also germane to consider the extent to which the combination of these capacities adaptation and integration of new ICT in production and global linkages with respect to production (value chains) opportunities and markets.

7.3 It is recognised that the state of technology and capability (or inability) to adapt has the potential to enhance or worsen the productivity of the factors of production, while it is widely acknowledged that productivity is a key determinant of economic growth⁷⁶.

76 Limam and Miller (2004). Explaining Economic Growth: Factor Accumulation, Total Factor Productivity Growth, and Production Efficiency Improvement.

In this regard, productivity enhancements incorporating ICT adaptation are recognised in the ERT as critical to sustainable and inclusive economic recovery and transformation, as well as export-led growth, involving higher levels of efficiency and competitiveness.

- 7.4 The periodic productivity and competitiveness research undertaken by the Botswana National Productivity Centre (BNPC)⁷⁷ generates evidence-based data that can be used to assess performance and productivity gaps in the various relevant areas and, therefore, inform the required responses.

(a) Botswana's Productivity Trends

(i) *Total Factor Productivity (TFP) Trends*

- 7.5 According to BNPC, there has been a broad-based stagnation and sometimes slowdown in global productivity growth for over a decade and this has been exacerbated by the outbreak of the COVID-19 pandemic in 2020. The global slowdown and stagnation in TFP growth is

real returns to skilled labour contributed to lacklustre factor performance. Meanwhile, Botswana's TFP growth over the past decade has been negative. The Botswana productivity trends are derived from productivity indicators published in the Penn World Tables (PWT) 10.0⁷⁸ (June 2021 version), covering the period 1998 to 2019. The productivity trends are also informed by BNPC's 2019 Productivity Statistics Report⁷⁹.

- 7.6 The productivity indicators include TFP, capital productivity and labour productivity. TFP captures the relationship between real output and the inputs involved in its production. Trend analysis indicates that Botswana's TFP growth has been unstable and largely negative (Table 4). During 2010 to 2019, Botswana's productivity growth performance averaged -1.11 percent (Table 4), compared to peers in the region, South Africa, Namibia, Rwanda and Mauritius with average TFP growth of -1.15 percent, -1.27 percent, 1.12 percent and 0.86 percent, respectively.

TABLE 4: ANNUAL TOTAL FACTOR PRODUCTIVITY GROWTH (PERCENT)

Period/Country	Botswana	Mauritius	Namibia	Rwanda	South Africa
1998	-7.32	2.29	0.60	7.21	-2.65
1999	1.98	-1.70	0.78	5.47	0.01
2000	-4.29	5.01	1.36	3.83	1.88
2001	-4.92	0.53	-5.15	6.31	3.42
2002	1.11	-0.15	0.76	11.71	-0.96
2003	-0.24	2.79	0.95	-2.62	3.52
2004	-0.89	1.06	8.76	1.47	1.17
2005	1.06	-0.92	-1.52	2.64	1.83
2006	3.35	0.71	1.70	3.06	-2.31
2007	0.15	1.84	-0.11	0.78	1.24
2008	-0.52	1.39	-2.84	3.81	-1.09
2009	-12.99	0.83	-5.30	0.65	-2.24
2010	1.20	0.49	-0.28	0.20	2.03
2011	-1.87	1.00	0.14	5.94	-2.18
2012	-2.47	0.19	-1.04	6.06	0.40
2013	4.67	-0.63	-3.41	-2.02	-0.84
2014	-1.13	0.94	-1.04	-0.09	-0.70
2015	-7.09	1.05	2.69	1.66	-3.64
2016	-1.38	2.09	-0.82	-0.73	-2.25
2017	-1.27	1.51	-3.01	-2.97	-0.92
2018	-0.46	1.17	-2.77	0.17	-2.00
2019	-1.32	0.78	-3.20	2.99	-1.42
2010-19 Average	-1.11	0.86	-1.27	1.12	-1.15

Source: Penn World Tables 10.0 (June 2021 version)

attributable to the fact that newer innovations are less effective in comparison to previous technological revolutions (Gordon and Sayed (2019)). In addition, Gordon and Sayed (2019) opine that skills mismatch and declining

78 PWT version 10.0 is a database with information on relative levels of income, output, input, and productivity, covering 183 countries between 1950 and 2019. Available: <https://www.rug.nl/ggdc/productivity/pwt/?lang=en>.

79 However, the productivity statistics published by BNPC in the 2019 Report were based on PWT 10.0 of 2020, which was revised on June 18, 2021. The revision entailed recalculation of the capital stocks and capital services for China and Sudan. The revisions affected the TFP estimates for the two countries and others (including Botswana), because of the multilateral productivity measure introduced in PWT 9.1. Therefore, productivity estimates reported in this theme chapter may differ with those previously published by BNPC.

77 BNPC was founded in 1993 through an Act of Parliament. The Centre became operational in 1994 with the support of a Technical Cooperation Program with the government of Singapore. It was established with an overall objective of enhancing the national levels of productivity.

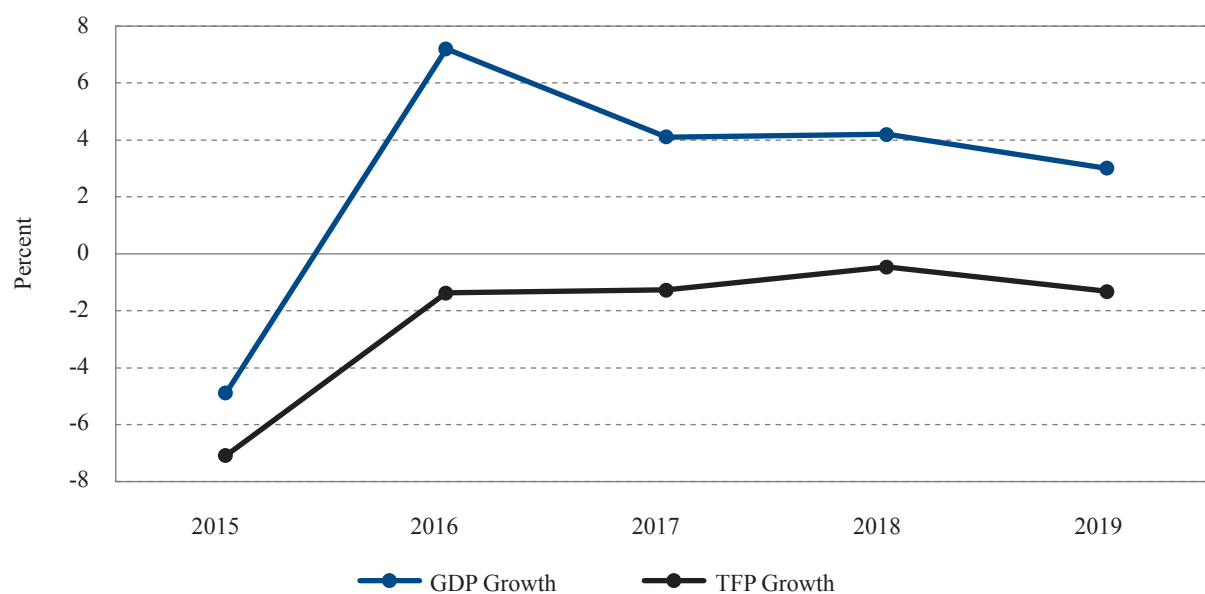
7.7 Furthermore, in line with global experience, Botswana's annual average TFP growth after a global economic shock or financial crisis (of 2008/09, for example) tends to be lower compared to the periods prior to a crisis, but has tended to improve in response to follow up economic support. According to Dieppe et. al. (2020), the coincidence of productivity growth troughs with economic recessions could be attributable to the fact that reduced economic growth tends to deprive the economy of additional resources that can be reinvested in productivity enhancing projects, such as technological advancements, human capital development and physical capital accumulation. Botswana's lowest TFP growth was recorded in 2009 (-12.99 percent), possibly due to the negative impact of the 2008/09 global economic recession. Other periods with economic recessions that were accompanied by low growth in TFP are 1998 and 2015, with -7.32 percent and -7.09 percent, respectively. Thus, in the absence of supportive response, it would be expected that factor productivity would be adversely impacted by the fallout from the COVID-19 pandemic. Notably, as demonstrated in Chart 11, TFP and economic growth trends are generally positively correlated, thus suggesting the limiting effect of low productivity on economic performance and growth.

7.8 Analysis of sectoral TFP performance is possible only for three sectors, namely water and electricity, general government, and mining. In this case, the annual average TFP growth for the government was 2.66 percent for 1998 to 2018, followed by water and electricity (0.43 percent) and mineral sector (-7.58 percent). The mineral sector had the least TFP growth, possibly due to vulnerability to global economic recessions.

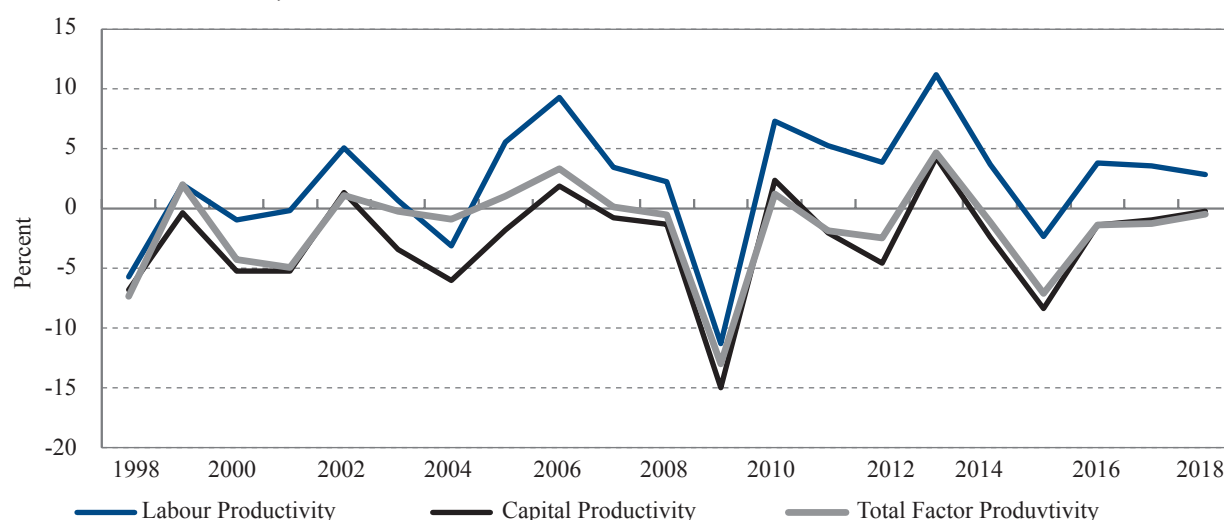
(ii) Capital and Labour Productivity Trends

7.9 Like TFP, the overall movement of Botswana's capital and labour productivity correlates with the trends in real output growth (BNPC's Productivity Insights 2021). Both capital and labour resources recorded their lowest performance in terms of productivity in 2009, reflecting the negative consequences of the Global Financial Crisis (GFC). The same pertained at a global level as indicated by Dieppe et. al. (2020), that labour productivity slumped, as did TFP, following the 2009 GFC. However, according to BNPC's Productivity Insights (2021), in Botswana, labour productivity growth, unlike TFP and capital productivity, has been mainly positive and increasing between 1998 and 2018 (Chart 12).

CHART 11: TRENDS IN GDP AND TFP GROWTH



Source: BNPC

CHART 12: LABOUR, CAPITAL AND TOTAL FACTOR PRODUCTIVITY GROWTH

Source: BNPC

7.10 The post-GFC labour productivity annual average growth rate is even higher than the pre-GFC annual average growth rate at 4.35 percent and 1.48 percent, respectively. Growth in Botswana's labour productivity is attributable to improvements in physical capital, new technology, and human capital accumulation. On the downside, the statistical outcome contrasts with BNPC's finding in the 2018 countrywide research on work ethics, which concluded that there was generally poor labour relations and work ethic, coupled with poor leadership (management systems and practices) in Botswana. In relation to this, BNPC has also undertaken further research to ascertain happiness in the workplace to guide staff engagement challenges which directly affect labour productivity.

(b) Factors Affecting Productivity

7.11 Loayza and Kim (2017) and other authors identified factors affecting productivity such as innovation, physical infrastructure, financial systems, labour markets and the quality of institutions (discussed below):

(i) Innovation

7.12 Loayza and Kim posit that innovation greatly impacts productivity. Hence, it is important to embrace innovation-friendly policies, such as strengthening intellectual property rights, Research and Development (R&D), as well as providing rebates on innovation. As Joseph Schumpeter would put it "entrepreneurial innovation is the dynamic element that drives how economies evolve through the process of creative destruction". Botswana registers low innovation scores compared to other countries

in the region. For instance, Botswana has a score of 31.4 out of 100 for innovation, while three of the peers (South Africa, Mauritius and Namibia) scored higher (Table 5). Hence, institutions such as BDIH, BITRI and tertiary institutions (in particular BIUST), are yet to deliver on driving of innovation.

(ii) Infrastructure

7.13 De la Fuente (2010) argues that infrastructure provision is a key input in the development process. Table 5 shows that Botswana's ranking on infrastructure (quantum and quality) is low relative to many of the peers. As discussed in previous Annual Report theme chapters, critical infrastructure for Botswana relates to utilities, such as power, where there is a deficit, water reticulation, bandwidth and connectivity, as well as maintenance of older infrastructure such as roads. Indeed, Botswana lacks the capacity to generate all its power supply which exposes the economy to black outs or price shocks.

TABLE 5: GLOBAL COMPETITIVENESS SCORES FOR BOTSWANA AND PEER COUNTRIES – OUT OF 100

Country/Pillar	Mauritius	South Africa	Namibia	Rwanda	Botswana
Innovation	38.1	45.2	35.6	30.9	31.4
Infrastructure	68.7	68.1	58.5	52.0	53.7
Financial System	77.2	83.2	69.1	56.3	59.7
Labour Market	59.0	60.9	63.7	63.6	60.2
Institutions	64.7	57.1	56.8	63.2	54.2
ICT	68.3	49.7	48.1	37.6	45.5
Transparency	51	43	53	56	61

Source: 2019 Global Competitiveness Report

(iii) Institutions

- 7.14 Effective institutions and transparency in operations are key to enhancing productivity. In this respect, Botswana has generally done well with respect to transparency as evidenced by Botswana's higher scores compared to peers (Table 5). Moreover, the rating agencies, S&P Global Ratings and Moody's Investors Service routinely state that Botswana's investment grade ratings are underpinned by the country's strong, stable and predictable institutional frameworks.

(iv) Financial Systems

- 7.15 According to King and Levine (1993), financial services can improve the allocation of capital (allocative efficiency) through efficient mobilisation of resources and, in turn, fund viable investment projects and, thus, enhance resource input, production levels and the productivity of firms. Further, the evaluation of prospective entrepreneurs during the financing process allows investors to diversify the risks associated with uncertain innovative activities. Sekakela (2018) carried out a study to examine the interrelationships between financial development, economic growth, capital accumulation and productivity growth in Botswana over the period 1980 - 2014. The study concluded that financial development led to higher output in Botswana by promoting the accumulation of assets and, hence, the author recommended further development of Botswana's financial markets to enhance the scale and efficiency of resource mobilisation and allocation to production, including the range of instruments.

(v) Efficient Labour Markets

- 7.16 Labour Markets are normally characterised by, among others, flexibility, stability of wage rates for similar jobs and availability of specific skills. According to BNPC, Botswana's labour market is characterised by joblessness, informality and skills mismatch, factors that have a negative impact on productivity growth. High unemployment rates among the youth, females and university graduates remain a critical challenge for the country. The unemployment rate in Botswana was 24.5 percent in 2020. In this regard, reforms to raise productivity should invariably entail integrating digital education and innovation into the curricula of all levels of education, as well as the role of vocational education and training (TVET) and developing skills based on current and future market needs, especially digital literacy, skills and entrepreneurship.

It is common knowledge that, a digitally literate and skilled population enables the development, adoption, use and scaling up of digital solution and e-services. This, in turn, requires, investment in complementary skills such as those acquired from Science, Technology, Engineering and Mathematics.

(c) Remedial Approaches for Factor Performance Gaps to Accommodate Digital Transformations

- 7.17 From the foregoing, it is apparent that even if there could be a singular focus on digital transformation, productivity and input enhancements are required across a range of areas and factors of production to achieve wider and impactful ICT adaptation. Some of the key areas for consideration are outlined below.

(i) Policies, Oversight and Regulation

- 7.18 Among the key requirements regarding policy on digital transformation and adaptation is the facilitation (or catalyst) approach; identification of areas where it can be impactful; and effective implementation strategies. As discussed above, the apex aspirations regarding national transition to high-income status already address adaptation of the key strategies, while several policies and pronouncements involve transition to digitalisation. It is equally important to address the supportive assignments (some of which are discussed below) and to sustain pursuit of wide coverage of ICT and identification of areas of impact on industrialisation, production and productivity enhancements, and ultimately effective implementation.
- 7.19 The oversight and regulatory aspects also, in the first instance, relate to facilitation, albeit orderly and disciplined market entry (exit) and operations, as well as maintenance of integrity as relevant for the various industries and services. In addition, several pieces of legislation, instruments and institutional arrangement already address relevant areas, including licensing, cyber security, data and consumer protection. Going forward, it is critical to sustain appropriate designation of institutional responsibilities and coordination/collaboration as necessary, as well as enforcement. This is key for internal operational integrity and promotion of patronage, and also relevant for adherence to international protocols; thus, enabling industry access to global markets.

(ii) Backbone Infrastructure and Utilities

- 7.20 Effective ICT adaptation and digital transformation also requires adequate provision of infrastructure, in terms of availability, functionality, geographical/community spread, as well as renewal capability. At first sight, the requisite infrastructure in this regard would be bandwidth and connectivity, for example as provided by BOFINET. However, two other important elements are required. First is electricity, to support connectivity and continuity of uptime (and reduce risk of equipment destruction and failure). Therefore, there is need to sustain efforts to increase capacity and sources of electricity. Second, is the creation of appropriate physical environment to enable seamless adaptation and connectivity for industries, education, health and community facilities. Overall, the requisite environment and infrastructure functionality facilitate integration of ICT in operations and service provision, as well as prospective innovation and business development. It is also relevant in fostering production and service objectives in relation to the priority areas for industrialisation and execution of the cluster/economic zones development strategy.

(iii) Procurement, Research and Development

- 7.21 Among the areas that Botswana lags behind in, which is critical for industrial advancement, is research and development and innovation, as measured by comparison to peer countries and in terms of proportion to national output, as well as, generally, contribution to productivity. There is, therefore, a need to improve in this regard. Progress has been made in terms of establishment and mandates of institutions such as BDIH, BITRI, and BIUST among others. It is, nevertheless, evident that the progression of research and innovation to market has been slow and there is need for acceleration. There are opportunities relating to intensive research towards harnessing of natural endowments; for example, sand, plant species and animal products to address local development and industrialisation needs and potentially access international markets.
- 7.22 Among others, three areas are considered as being potentially impactful in enhancing progression of research and innovation. First, is procurement by government and related institutions where unique requirements to address development needs and response to events can be deliberately designed to promote local research, innovation and application of knowledge. As examples, military procurement in the advanced economies has

been responsible for much of innovation that has also been adapted for common usage, while the recent responses to the COVID-19 pandemic also point to the potential in this regard. Second, is industry collaboration with research institutions and universities for product development and to fulfil specific procurements for production value chains and/or government and related institutions. Third, is specification of performance targets and resource allocation (endowment allocations) for the research institutions aligned to progression of research to market.

(iv) ICT and Digitalisation for Local Solutions

- 7.23 In line with the suggestions at (iv) above, it should be possible to identify immediate challenges and/or opportunities that can be addressed through deliberate targeted research and innovation to harness local endowments and or support improvements in production and service provision. Such an approach has the potential to greatly impact productivity and production in areas that are currently lagging behind. The following highlights some of key areas in which ICT and digitalisation solutions can be harnessed for enhanced productivity gains.
- 7.24 Agriculture where, despite potential and legacy interest among the population, its relative contribution to output remains low. In this regard, there is scope for impactful technology adaptation in relation to examples that include the management of livestock in communal grazing areas through ownership identification, animal records, and tracking linked to a digital National Identity Card and or mobile phone number (including alerts), while ensuring identity and data protection. Moreover, there are prospects for animal wellness management, disease control through the use of drones and agricultural knowledge and information systems, given the current challenges of losses associated with diseases and infections, and lack of knowledge among farmers. Furthermore, there is scope for wider adoption of precision irrigation and other water management and resourcing techniques to optimise on water usage in agriculture.
- 7.25 Health and wellness, among others, through processes that help surmount distance, remoteness, information gaps; and other resource constraints; for example, through development of applications and adaptation of devices and GPS functionality for tele-medicine, as well as mobile alerts for personal health/wellness management. There is also

scope to dedicate research towards harnessing, packaging and market local medicinal plants.

- 7.26 Expansion of coverage and sources of energy sources to both better harness and optimise beneficiation of prevalent endowments and material such sunlight for solar power and waste material for production of gas. These are long standing ideas and subjects for research that need to be accelerated to address access to energy requirements and also climate change concerns around the use of coal.

(v) Export Orientation and Production and Service Value Chains

- 7.27 As previously indicated, the aspirations for high-income status, that require attainment of threshold growth rates over the remaining time to 2036 must involve deliberate focus on promoting exports, including opportunities to integrate into global production and service value chains. In addition to the imperative of this providing leverage for the requisite levels of production and market, the other incidental benefits include opportunities for right level technological adaptation, the sharing of skills, enhanced quantum and diversity of investments, as well as enhancements of productivity and competitiveness. In this regard, a careful balance needs to be achieved between infant industry and citizen producers' protection and the imperative to sustain export-oriented industrialisation strategy. Indeed, the greater and more beneficial focus would be to direct local infant industry and citizen producers towards integration into the global value chains.

(vi) Government Services

- 7.28 Generally, government is charged with the responsibility of providing social services and facilitating economic activity and related resource mobilisation to fund its activities. The adaptation and dedicated harnessing of technology, as envisaged in the Digital Transformation Strategy could help address performance gaps, inefficiencies and challenges. Among others is the envisaged digital identity card incorporating capacity to enable access to a wide range of services, conveniently and remotely in alignment with the broader digitalisation strategy; and also enabling regulatory enforcement. Related thereto, is the development of the Single Registry of Social Services that should help streamline the management and provision of social safety nets for better impact and elimination of waste. The Government digitalisation programme need to also

necessarily entail transition of government payments and resource mobilisation efforts to digital platforms to both enhance efficiency and align with market development (including customer expectations).

- 7.29 It is observed, nevertheless, that these innovations form part of the planned initiatives. The critical determining factors for effectiveness and impact going forward are therefore, timely implementation and maintenance of functionality and utility of the digital channels and platforms. This is important given the importance of government in facilitation; which, in effect is input factor in production/productivity and the provision of services by the rest of the economy. In this regard, beyond the setting up of infrastructure and installation of systems, the human resource factors, such as culture change and adaptation to the new environment, skills to operate, manage and maintain systems for sustained functionality are similarly critical. In enabling access to services, safeguards around information security and confidentiality are also important in the use of digital platforms. The same messages, in this regard, apply for other government related institutions such as the range of utility providers, business promotion and regulatory agencies.

- 7.30 Regarding resource mobilisation, in addition to efficiencies relating to payments, there continues to be a global challenge in taxing the digital economy, both locally and trade through internet and cyber platforms. A dedicated assessment and response to this challenge is, therefore, required with reference to other country experiences. On the other hand, it is recognised that, unlike the anonymity of cash, digital transactions entail inherent recording and tracking of transactions and, therefore, reduced scope for tax evasion, illicit transfers and money laundering. The onus is, therefore, on the relevant authorities to maintain the appropriate infrastructure and systems to optimise tax collections and, in general, administrative capacity for effective fiscal management and a robust legal system for taxation of digital economy (both VAT and income tax of digital services or firms such as Amazon, Facebook, Apple, Netflix, and digital voice and data incoming traffic through mobile companies).

(vii) Financial Services and Financing

- 7.31 Overall, the country is doing well in the digitalisation of the financial services that also promotes financial inclusion. This could be further enhanced with the expansion of

availability and capacity of connectivity, alongside continuing attention to consumer awareness (including with respect to unregulated/illegal resource mobilisation), data protection and, in general, system integrity. There is, nevertheless, with the promotion of a knowledge-based economy a need to also access finance for innovation and development; for example, included in the mandates/operations of development finance institutions and the promotion of endowment/legacy funds for the purpose.

(viii) Education, Skills Development and Awareness

- 7.32 In general, any technological transition should also be reflected in the content and approach to education and the tilt of skills. The supply side, in this regard relates to the nation's capability to generate innovators, entrepreneurs and employees that are relevant for the technological era. As reflected in government policies and initiatives, this requires deliberate effort, including effective implementation. The demand side include capacity to optimise use of the new technology while ensuring self-protection. In addition to imparting use skills, promotion and public awareness campaigns are important for market expansion and patronage (for example, financial services, e-learning, tele-medicine) and risk mitigation. There is also the general need to adapt to global developments, enabling mobility, trade and integration into global production and service value chains.

(ix) Monitoring and Evaluation

- 7.33 Monitoring and evaluation are essential elements to any initiative, policy, project and programme implementation and entail collection, processing and analysis of information to track progress and, ultimately establish whether the intended goals are achieved. Weaknesses in monitoring and evaluation often result in unsatisfactory performance in public sector service delivery in general. There are benefits in integration of ICTs in the monitoring and evaluation strategies of government that include collection of real time, complete and high-quality data; faster data processing, thus increased productivity and efficiency; enhanced transparency and data visibility that facilitate auditing; and quicker attainment of feedback that enables timely decision making. This would help improve productivity towards implementation and, therefore, timely impact and traction of initiatives

8. CONCLUSION

- 8.1 This theme chapter discussed information and communications technology (ICT) as a potential growth sector and driver of economic activity in Botswana, necessary to propel the country to a high-income status by 2036 and assessed the ICT pillars that could drive the economic transformation agenda. In this case, the ICT pillars are the provision of the requisite infrastructure; facilitative policies and regulation; and enabling of accessibility through facilitation of connectivity and skills development in relevant areas.
- 8.2 The chapter argues that countries with appropriate ICT policies have harnessed the technologies for improvements in productivity, contributing to better economic performance. These technologies are continually evolving in terms of functionality, speed, and capacity, hence countries intending to benefit more from them, need to ensure that relevant policy frameworks are aligned with the changing technology. Governments can do more to exploit technology by fostering a business environment that encourages its use and diffusion, as well as to support innovation. In this case, digital technologies have the potential to enhance Botswana's economic resilience, and productivity, expand access to global markets, widen the derivation of economic value from natural and other national endowments, improve public service delivery, promote transparency and accountability, expand skills development and learning prospects, engender better health and wellness outcomes and, overall, lead to the creation of new and better prospects for sustainable and inclusive economic growth.
- 8.3 The historical global evolution and impact of technology on economic development – from the first to the fourth industrial revolution – has demonstrated that transformation entails innovation and renewal/refreshing of modes of undertaking economic activity, products and services, communication, data processing, and knowledge and skills. However, it is recognised that the use and adaptation of information and communications technology entails inherent operational, strategic and information security risks that must be addressed. In addition, there is inherent and resultant economic exclusion, therefore, the need for deliberate policies and programmes to channel the impact and benefits to wider society. Though potentially disruptive, the adaptation to new information and communications technology is inevitable, thus it needs to be infused into national development plans and aspirations.

Governments should adopt comprehensive strategies that give attention to ICT diffusion and infrastructure development, with more focus on policies that strengthen security and trust and reduce the barriers to demand and effective use of ICT.

8.4 In view of the foregoing, Botswana has embraced ICT as an effective and value adding enhancer of economic activity and as being integral to attaining sustainable and inclusive economic development towards a high-income status. Thus, ICT is acknowledged as a priority area in the structural transformation and policy reform agenda for the economy, as articulated in NDP11, ERTF, and the Reset Agenda. Further, the Digital Transformation Strategy (SmartBots), a proposition to enhance adaptation of technology, digitalisation and to enhance public service delivery, aims to accelerate the country's transition to a knowledge-based economy.

8.5 Regarding ICT factor requirements and preparedness in Botswana, efforts have been made to facilitate the adoption of ICT and enhance digital and connectivity infrastructure. These include the expansion of the government data network; e-government projects; improvement of ICT connectivity in schools; provision of telecommunication services across the country; fibre optic reticulation; and connection to the East African Submarine Cable System and the West Africa Cable System. Public institutional infrastructures, facilities and agencies established to expedite digitisation and promote ICT include the BOCRA, BDIH, BoFiNet, BIUST, and BITRI.

8.6 In addition, The Ministry of Research, Science and Technology promotes the development of supportive legislation and operational policies for science, technology and innovation, as well as coordination. Several other institutions and agencies provide policy guidance and maintenance of standards, as well as regulatory enforcement, among others, the National Research Council, the Directorate of Research, Science and Technology, the National Technology Transfer Office and the Human Resource Development Council. However, to accelerate the absorption and diffusion of technology with a view to catch up with advanced economies, there needs to be deliberate harmonisation in both current architecture for science, technology and innovation and the institutional mandates.

8.7 Therefore, in addition to infrastructure, policies and mandates for specific institutions,

there is need for a high-level as well as intensive collaboration among institutions charged with developing digital and innovative capacity. Adaptation of modern technology should also involve international collaboration and, necessarily, conform to international protocols. Such collaboration and conformity to standards and protocols help to promote skills development, accelerate technological adaptation and usage, foster effectiveness of risk management and system integrity, as well as ease integration into global value chains

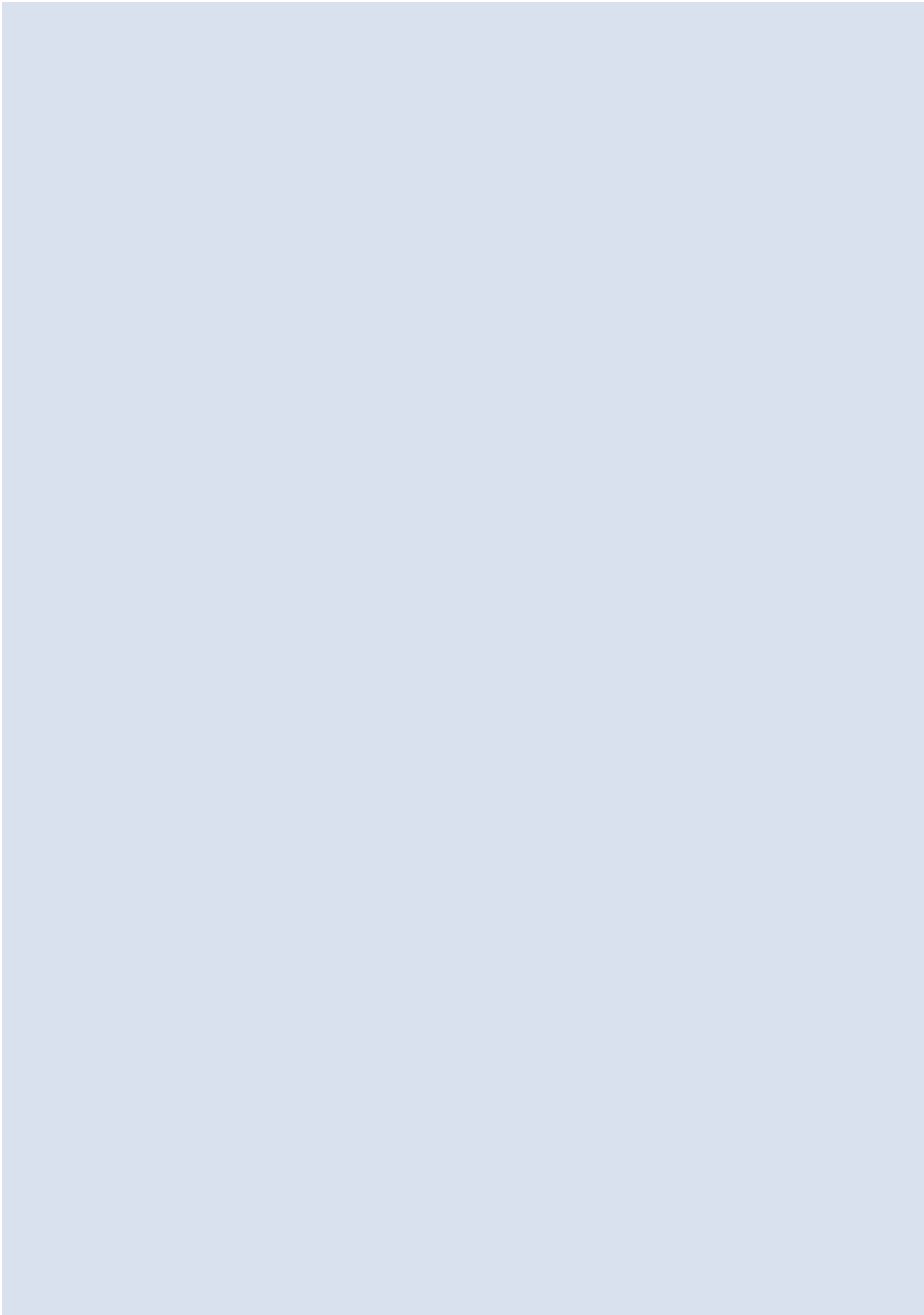
8.8 Sectoral growth analysis shows that there has been progressive growth of the ICT sector and its contribution to output. However, this remains at relatively low levels. The Chapter highlights some adaptation initiatives and strategies in various sectors of the economy towards digital transformation, however, the national coverage and populace uptake has been lacklustre due to inadequate access to internet. Tellingly, the innovation and research and development scores remain low and, therefore, the progression to impact on productivity, production, economic diversification, and resilience remains lacklustre. In general, Botswana is assessed to be lagging behind in technological readiness and innovation, compared to peer upper-middle income countries. In this regard, low ICT adoption as well as relatively weak workforce digital skills and innovation outcomes are major impediments to productivity growth. These factors, unless there is substantial increase in public and private investment, could constrain efforts to move, at the necessary and desired pace, to a knowledge-based economy or sophisticated production base.

8.9 In turn, Botswana's TFP growth over the past decade has been unstable and largely negative, hence the modest economic growth rates in the recent past. Therefore, there is need for a transformation agenda that includes acceleration of innovation and research and development efforts, as well as ICT driven productivity improvements to boost economic growth prospects. Notably, the better statistics for labour productivity growth, suggests potential for meaningful technology adaptation under the right conditions of work ethic and leadership.

8.10 Recognising the potential beneficial impact of ICT and digitisation, the preceding Section 7 identifies and highlights specific areas of focus for harnessing technology and attaining economic diversification and performance improvements. These relates to facilitative

policies and regulatory oversight that also entrench integrity; provision and maintenance of reliable infrastructure and capability to integrate ICT into operations; promotion of ICT as being integral to the export-led industrialisation and economic diversification strategy, as well as development of application and processes to meet local development and performance needs, partly achieved through deliberate procurement specifications.

- 8.11 There are also specific facets of ICT and digitisation relating to the Bank's mandates and functions where responses are necessary to retain capability for effectiveness in the discharge of mandates. In addition, the developments necessitate re-orientation of financial sector development policies, regulation and supervisory processes to harness efficiencies and catalyse the growth of financial services while safeguarding system integrity.
- 8.12 Overall, the central message is that Botswana needs to leverage on existing technology to improve productivity and foster inclusive growth, as she transitions towards a high-income status by 2036. This means a dedicated focus on improving existing ICT infrastructure, fostering innovation-friendly policies, investing in ICT driven financial systems, removing regulatory barriers to the uptake of ICT, improving the quality and quantum of supportive institutions and deliberate focus on research and development and innovation for local solutions. Invariably, therefore, this requires more contribution from the private sector, which given the size of the domestic economy, calls for better integration into global value chains and promotion of export-led industrialisation. In the circumstances, productivity would rise, benefiting from strong backward and forward linkages within the economy. A more successful transition and adaptation to the digital economy has the potential to cure the perennial economic challenges of Botswana, namely, narrow economic base, unemployment and unequal distribution of income.



PART C

STATISTICS 2021

BANK OF BOTSWANA

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Notes:

1. The following symbols have been used throughout this publication:
 - ... to indicate that data are not available, either because information was not available to the Bank of Botswana at the time of publication, or that a facility/institution/classification, etc., did not exist; and
 - to indicate that the figure is zero or insignificant.
2. Any revised data appear in bold and italics.
3. For some tables, numbers do not add up to stated totals due to rounding.
4. Tables in this publication are prepared according to relevant international standards. In particular, they follow the guidelines set out in the *System of National Accounts (SNA)* and the relevant manuals of the IMF, including the *Monetary and Financial Statistics Manual and Guide 2016*, the *6th Edition Balance of Payments Manual 2009* and the *Government Finance Statistics Manual 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 to 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.

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

Period	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Type of Expenditure										
Government final consumption	29 275	33 832	37 235	40 622	43 363	46 819	48 124	50 552	56 924	61 946
(a) Individual	6 634	7 468	8 446	9 297	8 715	10 444	11 509	11 944	12 776	14 581
(b) Collective	22 640	26 363	28 789	31 326	34 648	36 375	36 616	38 607	44 149	47 364
Household final consumption	41 871	48 873	55 820	58 752	63 041	66 916	70 062	75 514	79 612	83 503
(a) Household Consumption Expenditure	41 537	48 531	55 444	58 347	62 603	66 434	69 541	74 962	79 029	82 922
(b) NPISH ³	333	342	377	405	438	482	520	552	583	581
Changes in inventories	9 217	4 818	-3 249	- 253	1 837	-4 031	1 378	- 852	3 545	8 735
Gross fixed capital formation	31 204	33 436	33 071	35 320	37 146	40 314	40 294	45 852	51 901	47 356
(a) Building and Structures	17 636	20 797	22 307	23 982	25 855	28 780	31 545	34 641	37 799	33 391
(b) Transport Equipment	2 611	3 285	3 069	3 484	3 109	3 216	2 472	3 114	3 960	3 056
(c) Plant, machinery and other equipment	10 895	9 283	7 608	7 759	8 083	8 212	6 166	7 981	10 022	10 788
(d) Mineral prospecting	62	70	88	94	99	106	111	117	120	121
Gross Domestic Expenditure	111 566	120 958	122 877	134 441	145 386	150 018	159 858	171 065	191 983	201 539
Exports of goods	40 028	45 914	66 404	76 261	63 524	80 511	61 785	67 270	56 302	48 238
Exports of services	5 682	5 213	7 170	8 837	9 238	9 280	9 739	9 566	10 420	5 390
Total exports	45 710	51 127	73 574	85 098	72 763	89 791	71 525	76 836	66 722	53 628
Imports of goods	-49 305	-59 773	-68 037	-69 795	-70 640	-64 282	-53 296	-62 305	-68 029	-71 794
Imports of services	-7 242	-7 979	-9 161	-11 043	-11 332	-11 109	-11 702	-12 791	-14 735	-7 684
Total imports	-56 547	-67 752	-77 198	-80 837	-81 971	-75 391	-64 999	-75 096	-82 764	-79 478
Net errors and omissions	2 602	1 927	614	159	875	-	263	921	3 640	-4 648
GDP at Current Prices	103 330	106 260	119 867	138 861	137 053	164 418	166 647	173 725	179 580	171 042
Percentage of Total										
Government final consumption	28.3	31.8	31.1	29.3	31.6	28.5	28.9	29.1	31.7	36.2
(a) Central	6.4	7.0	7.0	6.7	6.4	6.4	6.9	6.9	7.1	8.5
(b) Local	21.9	24.8	24.0	22.6	25.3	22.1	22.0	22.2	24.6	27.7
Household final consumption	40.5	46.0	46.6	42.3	46.0	40.7	42.0	43.5	44.3	48.8
(a) Household Consumption Expenditure	40.2	45.7	46.3	42.0	45.7	40.4	41.7	43.1	44.0	48.5
(b) NPISH ³	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Changes in inventories	8.9	4.5	- 2.7	-0.2	1.3	-2.5	0.8	-0.5	2.0	5.1
Gross fixed capital formation	30.2	31.5	27.6	25.4	27.1	24.5	24.2	26.4	28.9	27.7
(a) Building and Structures	17.1	19.6	18.6	17.3	18.9	17.5	18.9	19.9	21.0	19.5
(b) Transport Equipment	10.5	8.7	6.3	5.6	5.9	5.0	3.7	4.6	5.6	6.3
(c) Plant, machinery and other equipment	2.5	3.1	2.6	2.5	2.3	2.0	1.5	1.8	2.2	1.8
(d) Mineral prospecting	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Gross Domestic Expenditure	108.0	113.8	102.5	96.8	106.1	91.2	95.9	98.5	106.9	117.8
Exports of goods	38.7	43.2	55.4	54.9	46.4	49.0	37.1	38.7	31.4	28.2
Exports of services	5.5	4.9	6.0	6.4	6.7	5.6	5.8	5.5	5.8	3.2
Total exports	44.2	48.1	61.4	61.3	53.1	54.6	42.9	44.2	37.2	31.4
Imports of goods	- 47.7	- 56.3	- 56.8	-50.3	-51.5	-39.1	-32.0	-35.9	-37.9	-42.0
Imports of services	- 7.0	- 7.5	- 7.6	-8.0	-8.3	-6.8	-7.0	-7.4	-8.2	-4.5
Total imports	- 54.7	- 63.8	- 64.4	-58.2	-59.8	-45.9	-39.0	-43.2	-46.1	-46.5
Net errors and omissions	2.5	1.8	0.5	0.1	0.6	-	0.2	0.5	2.0	-2.7

1. The figures for 2019-2020 are provisional.

2. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and the methodological updates, which resulted in further revision for both current and constant prices

3. Non-profit institutions serving households.

Source: Statistics Botswana

TABLE 1.2: GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE (CONSTANT 2016 PRICES)^{1,2}
(P Million)

Period	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Type of Expenditure										
Government final consumption	38 602	41 290	43 787	45 194	44 957	46 819	45 255	46 247	50 999	53 044
(a) Individual	8 714	9 265	9 962	10 449	9 085	10 444	9 915	10 537	11 346	12 041
(b) Collective	29 887	32 025	33 825	34 746	35 872	36 375	35 340	35 711	39 654	41 003
Household final consumption	52 626	57 075	61 714	62 994	65 239	66 916	67 878	71 519	73 767	75 650
(a) Household Consumption Expenditure	52 254	56 705	61 321	62 585	64 798	66 434	67 374	70 991	73 228	75 119
(b) NPISH ³	372	369	393	409	441	482	504	528	539	531
Changes in inventories	8 732	4 958	-3 492	- 292	2 538	-4 031	2 872	- 722	5 103	13 208
Gross fixed capital formation	34 600	36 619	35 564	36 345	37 674	40 314	38 458	41 774	46 024	41 784
(a) Building and Structures	20 308	23 353	24 282	24 771	26 280	28 780	30 171	31 711	33 360	28 981
(b) Transport Equipment	2 744	3 357	3 146	3 521	3 154	3 216	2 390	2 715	3 467	2 659
(c) Plant, machinery and other equipment	11 468	9 824	8 033	7 948	8 137	8 212	5 790	7 241	9 089	10 038
(d) Mineral prospecting	81	86	102	104	104	106	107	107	108	106
Gross Domestic Expenditure	134 560	139 942	137 573	144 241	150 408	150 018	154 463	158 819	175 894	183 687
Exports of goods	56 873	68 698	96 477	96 255	88 425	80 511	75 461	86 077	78 770	67 493
Exports of services	7 236	6 172	8 092	9 521	9 567	9 280	9 430	8 901	9 473	4 767
Total exports	64 109	74 870	104 570	105 777	97 991	89 791	84 891	94 978	88 243	72 261
Imports of goods	-55 322	-71 006	-81 290	-78 232	-83 798	-64 282	-54 125	-63 648	-71 209	-82 302
Imports of services	-8 433	-8 853	-9 995	-11 849	-11 539	-11 109	-11 504	-12 426	-13 949	-7 245
Total imports	-63 755	-79 859	-91 285	-90 080	-95 337	-75 391	-65 629	-76 075	-85 158	-89 548
Net errors and omissions	2 585	2 311	1 646	1 255	311	-	-2 544	631	4 783	1 326
GDP at Constant Prices	137 499	137 264	152 504	161 192	153 373	164 418	171 181	178 353	183 762	167 726
Percentage of Total										
Government final consumption	28.1	30.1	28.7	28.0	29.3	28.5	26.4	25.9	27.8	31.6
(a) Central	6.3	6.8	6.5	6.5	5.9	6.4	5.8	5.9	6.2	7.2
(b) Local	21.7	23.3	22.2	21.6	23.4	22.1	20.6	20.0	21.6	24.4
Household final consumption	38.3	41.6	40.5	39.1	42.5	40.7	39.7	40.1	40.1	45.1
(a) Household Consumption Expenditure	38.0	41.3	40.2	38.8	42.2	40.4	39.4	39.8	39.8	44.8
(b) NPISH ³	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Changes in inventories	6.4	3.6	-2.3	-0.2	1.7	-2.5	1.7	-0.4	2.8	7.9
Gross fixed capital formation	25.2	26.7	23.3	22.5	24.6	24.5	22.5	23.4	25.0	24.9
(a) Building and Structures	14.8	17.0	15.9	15.4	17.1	17.5	17.6	17.8	18.2	17.3
(b) Transport Equipment	2.0	2.4	2.1	2.2	2.1	2.0	1.4	1.5	1.9	1.6
(c) Plant, machinery and other equipment	8.3	7.2	5.3	4.9	5.3	5.0	3.4	4.1	4.9	6.0
(d) Mineral prospecting	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Gross Domestic Expenditure	97.9	102.0	90.2	89.5	98.1	91.2	90.2	89.0	95.7	109.5
Exports of goods	41.4	50.0	63.3	59.7	57.7	49.0	44.1	48.3	42.9	40.2
Exports of services	5.3	4.5	5.3	5.9	6.2	5.6	5.5	5.0	5.2	2.8
Total exports	46.6	54.5	68.6	65.6	63.9	54.6	49.6	53.3	48.0	43.1
Imports of goods	-40.2	-51.7	-53.3	-48.5	-54.6	-39.1	-31.6	-35.7	-38.8	-49.1
Imports of services	-6.1	-6.4	-6.6	-7.4	-7.5	-6.8	-6.7	-7.0	-7.6	-4.3
Total imports	-46.4	-58.2	-59.9	-55.9	-62.2	-45.9	-38.3	-42.7	-46.3	-53.4
Net errors and omissions	-	1.7	1.1	0.8	0.2	-	-1.5	0.4	2.6	0.8

1. The figures for 2019-2020 are provisional.

2. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and the methodological updates, which resulted in further revision for both current and constant prices.

3. Non-profit institutions serving households.

Source: Statistics Botswana

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

Period	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Economic Activity										
Agriculture	2 189	2 460	2 390	2 527	2 669	3 249	3 070	3 678	3 748	3 784
Mining	24 475	19 406	24 008	32 303	25 169	37 639	31 368	27 793	24 162	14 956
Manufacturing	7 989	8 579	9 581	10 899	9 925	10 693	10 288	10 680	10 960	9 699
Water and electricity	671	489	1 008	1 544	1 916	1 966	2 755	2 912	1 642	2 084
Water	...	...	...	563	673	821	919	1 089	1 006	730
Electricity	...	...	...	981	1 243	1 145	1 836	1 824	636	1 354
Construction	9 677	11 454	12 278	13 267	14 444	16 037	17 417	19 072	20 387	18 370
Wholesale & Retail	7 851	8 655	10 411	10 409	10 402	13 204	15 275	16 444	17 900	18 524
Diamond Traders	1 392	1 131	1 861	4 424	2 704	4 014	3 288	2 983	2 155	1 337
Transport & Storage	1 634	2 122	2 324	2 518	2 704	2 912	3 090	3 320	3 494	3 411
Road transport	...	...	...	1 734	1 858	2 089	2 245	2 440	2 662	2 678
Air Transport	...	...	...	118	126	144	162	173	168	59
Accommodation & Food Services	2 796	2 844	3 068	3 602	3 889	4 238	4 539	4 869	5 162	3 755
Information & Communication Technology	2 383	2 623	2 898	3 313	3 595	3 936	4 236	4 524	4 844	5 065
Finance, Insurance & Pension Funding	3 909	4 378	4 882	5 161	6 201	7 715	7 901	9 180	10 075	10 290
Real Estate Activities	4 258	4 893	5 387	5 929	6 603	7 172	7 791	8 387	8 970	8 778
Professional, Scientific & Technical Activities	1 694	1 841	2 040	2 275	2 474	2 672	2 871	3 070	3 268	3 291
Administration & Support Activities	1 732	1 882	2 085	2 321	2 474	2 656	2 849	3 032	3 205	3 049
Public Administration & Defence	15 892	17 342	18 767	19 873	23 230	24 625	25 920	27 820	31 923	35 582
Public administration, central government	...	...	...	17 999	21 322	22 615	23 703	25 488	29 141	32 502
Local government activities	...	...	...	1 874	1 908	2 011	2 216	2 332	2 782	3 080
Education	5 136	5 895	6 413	7 132	6 475	7 762	8 462	8 630	9 211	9 927
Human Health & Social Work	2 520	2 892	3 147	3 556	3 829	4 473	4 845	5 158	5 624	6 115
Other Services	2 234	2 564	2 790	3 131	3 370	3 611	3 869	4 102	4 310	4 138
Total Value Added	98 431	101 448	115 340	134 183	132 075	158 575	159 833	165 654	171 041	162 157
Adjustment items	4 899	4 812	4 527	4 677	4 978	5 844	6 814	8 071	8 539	8 885
Taxes on products	5 598	5 805	6 083	6 795	7 301	7 674	8 324	9 036	9 189	9 410
Subsidies on products	- 448	- 473	- 518	- 2 117	- 2 323	- 1 831	- 1 510	- 964	- 650	- 525
GDP at Current Prices	103 330	106 260	119 867	138 861	137 053	164 418	166 647	173 725	179 580	171 042
GDP excluding mining	78 855	86 855	95 859	106 558	111 884	126 779	135 279	145 932	155 417	156 086
GDP per Capita (Pula)	51 303	51 371	56 806	64 608	62 699	74 074	73 934	75 906	77 289	72 027
Excluding mining	39 151	41 989	45 428	49 578	51 185	57 117	60 018	63 762	66 890	65 729
Percentage of Total										
Agriculture	1.8	1.8	1.7	1.5	1.6	1.9	1.7	2.2	2.1	2.2
Mining	20.4	14.0	17.5	19.6	15.1	21.7	17.5	16.2	13.5	8.7
Manufacturing	6.7	6.2	7.0	6.6	6.0	6.2	5.7	6.2	6.1	5.7
Water and electricity	0.6	0.4	0.7	0.9	1.1	1.1	1.5	1.7	0.9	1.2
Water	...	...	...	0.3	0.4	0.4	0.5	0.5	0.6	0.4
Electricity	...	...	...	0.6	0.7	0.7	0.6	1.1	0.4	0.8
Construction	8.1	8.2	9.0	8.1	8.7	9.2	9.7	11.2	11.4	10.7
Wholesale & Retail	6.5	6.2	7.6	6.3	6.2	7.6	8.5	9.6	10.0	10.8
Diamond Traders	1.2	0.8	1.4	2.7	1.6	2.3	1.8	1.7	1.2	0.8
Transport & Storage	1.4	1.5	1.7	1.5	1.6	1.7	1.7	1.9	1.9	2.0
Road transport	...	...	...	1.1	1.1	1.2	1.2	1.4	1.5	1.6
Air Transport	...	...	...	0.1	0.1	0.1	0.1	0.1	0.1	-
Accommodation & Food Services	2.3	2.0	2.2	2.2	2.3	2.4	2.5	2.8	2.9	2.2
Information & Communication Technology	2.0	1.9	2.1	2.0	2.2	2.3	2.4	2.6	2.7	3.0
Finance, Insurance & Pension Funding	3.3	3.2	3.6	3.1	3.7	4.4	4.4	5.4	5.6	6.0
Real Estate Activities	3.6	3.5	3.9	3.6	4.0	4.1	4.3	4.9	5.0	5.1
Professional, Scientific & Technical Activities	1.4	1.3	1.5	1.4	1.5	1.5	1.6	1.8	1.8	1.9
Administration & Support Activities	1.4	1.4	1.5	1.4	1.5	1.5	1.6	1.8	1.8	1.8
Public Administration & Defence	13.3	12.5	13.7	12.1	13.9	14.2	14.4	16.3	17.8	20.8
Public administration, central government	...	...	...	10.9	12.8	13.0	13.2	14.9	16.2	19.0
Local government activities	...	...	...	1.1	1.1	1.2	1.2	1.4	1.5	1.8
Education	4.3	4.2	4.7	4.3	3.9	4.5	4.7	5.0	5.1	5.8
Human Health & Social Work	2.1	2.1	2.3	2.2	2.3	2.6	2.7	3.0	3.1	3.6
Other Services	1.9	1.8	2.0	1.9	2.0	2.1	2.2	2.4	2.4	2.4
Total Value Added	82.1	73.1	84.2	81.6	79.3	91.3	89.0	96.8	95.2	94.8
Adjustment items	4.1	3.5	3.3	2.8	3.0	3.4	3.8	4.7	4.8	5.2
Taxes on products	4.7	4.2	4.4	4.1	4.4	4.4	4.6	5.3	5.1	5.5
Subsidies on products	-0.4	-0.3	-0.4	-1.3	-1.4	-1.1	-0.8	-0.6	-0.4	-0.3
GDP excluding mining	65.8	62.5	69.9	64.8	67.1	73.0	75.3	85.3	86.5	86.9
GDP per Capita (Pula)	42.8	37.0	41.4	39.3	37.6	42.6	41.2	44.4	43.0	42.1
Excluding mining	32.7	30.2	33.1	30.2	30.7	32.9	33.4	37.3	37.2	38.4

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

Period	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Percentage Change										
Agriculture	1.3	12.3	- 2.9	5.7	5.6	21.7	- 5.5	19.8	1.9	1.0
Mining	46.9	- 20.7	23.7	34.5	- 22.1	49.5	- 16.7	- 11.4	- 13.1	-38.1
Manufacturing	44.0	7.4	11.7	13.8	- 8.9	7.7	- 3.8	3.8	2.6	-11.5
Water and electricity	62.9	- 27.1	106.2	53.1	24.1	2.6	40.1	5.7	- 43.6	26.9
Water	...	...	...	...	19.6	22.1	11.9	18.5	- 7.6	-27.4
Electricity	...	...	...	...	26.7	- 7.9	60.4	- 0.7	- 65.1	113.1
Construction	23.7	18.4	7.2	8.1	8.9	11.0	8.6	9.5	6.9	-9.9
Wholesale & Retail	19.1	10.2	20.3	-	- 0.1	26.9	15.7	7.7	8.9	3.5
Diamond Traders	45.1	- 18.7	64.6	137.7	- 38.9	48.4	- 18.1	- 9.3	- 27.8	-37.9
Transport & Storage	16.2	29.9	9.5	8.3	7.4	7.7	6.1	7.4	5.2	-2.4
Road transport	...	...	...	...	7.2	12.4	7.4	8.7	9.1	0.6
Air Transport	...	...	...	...	6.9	13.8	12.7	6.7	- 2.7	-64.8
Accommodation & Food Services	9.2	1.7	7.9	17.4	8.0	9.0	7.1	7.3	6.0	-27.3
Information & Communication Technology	12.6	10.1	10.5	14.3	8.5	9.5	7.6	6.8	7.1	4.6
Finance, Insurance & Pension Funding	8.2	12.0	11.5	5.7	20.1	24.4	2.4	16.2	9.8	2.1
Real Estate Activities	7.5	14.9	10.1	10.1	11.4	8.6	8.6	7.7	6.9	-2.1
Professional, Scientific & Technical Activities	13.1	8.7	10.8	11.5	8.7	8.0	7.4	6.9	6.5	0.7
Administration & Support Activities	13.1	8.7	10.8	11.3	6.6	7.4	7.3	6.4	5.7	-4.9
Public Administration & Defence	14.0	9.1	8.2	5.9	16.9	6.0	5.3	7.3	14.7	11.5
Public administration, central government	...	...	...	...	18.5	6.1	4.8	7.5	14.3	11.5
Local government activities	...	...	...	...	1.8	5.4	10.2	5.2	19.3	10.7
Education	12.2	14.8	8.8	11.2	- 9.2	19.9	9.0	2.0	6.7	7.8
Human Health & Social Work	12.2	14.8	8.8	13.0	7.7	16.8	8.3	6.5	9.0	8.7
Other Services	12.2	14.8	8.8	12.2	7.6	7.1	7.2	6.0	5.1	-4.0
Total Value Added	26.8	3.1	13.7	16.3	- 1.6	20.1	0.8	3.6	3.3	-5.2
Adjustment items	- 47.0	- 1.8	- 5.9	3.3	6.4	17.4	16.6	18.5	5.8	4.1
Taxes on products	6.6	3.7	4.8	11.7	7.5	5.1	8.5	8.6	1.7	2.4
Subsidies on products	- 3.6	- 5.5	- 9.5	- 309.0	- 9.7	21.2	17.6	36.1	32.6	19.2
GDP at Current Prices	19.0	2.8	12.8	15.8	- 1.3	20.0	1.4	4.2	3.4	-4.8
GDP excluding mining	12.3	10.1	10.4	11.2	5.0	13.3	6.7	7.9	6.5	0.4
GDP per Capita (Pula)	18.8	0.1	10.6	13.7	- 3.0	18.1	- 0.2	2.7	1.8	- 6.8
Excluding Mining	12.2	7.2	8.2	9.1	3.2	11.6	5.1	6.2	4.9	- 1.7

1. The figures for 2019-2020 are provisional.

2. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and methodological updates which resulted in further revision for both current and constant prices.

Source: Statistics Botswana

TABLE 1.4: GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CONSTANT 2016 PRICES)^{1,2}
(P Million)

Period	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Economic Activity										
Agriculture	3 199	2 926	2 965	2 897	2 815	3 249	2 964	3 203	3 282	3 195
Mining	38 346	35 181	41 790	44 299	37 531	37 639	40 012	43 373	41 766	30 693
Manufacturing	10 075	10 449	11 131	12 059	10 188	10 693	10 461	10 340	10 807	9 196
Water and electricity	1 632	471	1 470	1 698	1 813	1 966	2 431	2 172	1 688	1 581
Water	...	...	...	587	555	821	797	772	783	797
Electricity	...	...	...	1 111	1 258	1 145	1 634	1 400	905	784
Construction	11 180	12 845	13 359	13 703	14 682	16 037	16 658	17 458	17 993	15 944
Wholesale & Retail	9 854	10 109	11 512	11 068	10 705	13 204	14 706	15 506	16 553	16 744
Diamond Traders	1 966	1 701	2 342	5 232	2 566	4 014	4 988	4 258	4 427	2 800
Transport & Storage	2 304	2 526	2 682	2 678	2 703	2 912	3 026	3 144	3 235	3 027
Road transport	...	...	...	1 853	1 887	2 089	2 244	2 369	2 489	2 449
Air Transport	...	...	...	142	136	144	151	162	171	42
Accommodation & Food Services	3 476	3 457	3 716	3 930	4 058	4 238	4 402	4 552	4 688	3 352
Information & Communication Technology	2 890	3 111	3 367	3 667	3 770	3 936	4 100	4 157	4 363	4 448
Finance, Insurance & Pension Funding	4 763	5 037	5 536	5 678	6 699	7 715	7 662	8 393	8 669	8 905
Real Estate Activities	5 452	5 720	6 109	6 391	6 765	7 172	7 530	7 937	8 370	8 111
Professional, Scientific & Technical Activities	2 200	2 259	2 386	2 523	2 597	2 672	2 779	2 819	2 942	2 889
Administration & Support Activities	2 249	2 309	2 439	2 575	2 597	2 656	2 758	2 784	2 885	2 676
Public Administration & Defence	21 219	21 174	22 345	22 244	24 019	24 625	25 002	25 678	28 506	30 513
Public administration, central government	...	...	...	20 304	22 101	22 615	22 897	23 559	26 043	27 870
Local government activities	...	...	...	1 940	1 919	2 011	2 105	2 118	2 463	2 643
Education	6 095	6 748	7 288	7 621	6 675	7 762	7 121	7 601	8 275	8 263
Human Health & Social Work	3 262	3 611	3 900	4 079	4 018	4 473	4 572	4 736	5 066	5 207
Other Services	2 750	3 045	3 288	3 453	3 522	3 611	3 745	3 783	3 898	3 660
Total Value Added	132 913	132 677	147 626	155 794	147 721	158 575	164 917	171 893	177 413	161 206
Adjustment items	4 586	4 587	4 878	5 398	5 651	5 844	6 263	6 460	6 349	6 520
Taxes on products	...	...	...	7 239	7 539	7 674	7 958	8 168	8 097	8 248
Subsidies on products	...	...	...	-1 841	-1 888	-1 831	-1 695	-1 709	-1 749	-1 729
GDP at Constant Prices	137 499	137 264	152 504	161 192	153 373	164 418	171 181	178 353	183 762	167 726
GDP excluding mining	99 153	102 083	110 714	116 893	115 842	126 779	131 169	134 980	141 995	137 032
GDP per Capita (Pula)	67 904	66 359	72 273	74 997	70 165	74 072	75 945	77 928	79 088	70 630
Excluding mining	48 967	49 351	52 468	54 386	52 995	57 115	58 194	58 977	61 112	57 705
Percentage of Total										
Agriculture	2.3	2.1	1.9	1.8	1.8	2.0	1.7	1.8	1.8	1.9
Mining	27.9	25.6	27.4	27.5	24.5	22.9	23.4	24.3	22.7	18.3
Manufacturing	7.3	7.6	7.3	7.5	6.6	6.5	6.1	5.8	5.9	5.5
Water and electricity	1.2	0.3	1.0	1.1	1.2	1.2	1.4	1.2	0.9	0.9
Water	...	...	...	0.4	0.4	0.5	0.5	0.4	0.4	0.5
Electricity	...	...	...	0.7	0.8	0.7	1.0	0.8	0.5	0.5
Construction	8.1	9.4	8.8	8.5	9.6	9.8	9.7	9.8	9.8	9.5
Wholesale & Retail	7.2	7.4	7.5	6.9	7.0	8.0	8.6	8.7	9.0	10.0
Diamond Traders	1.4	1.2	1.5	3.2	1.7	2.4	2.9	2.4	2.4	1.7
Transport & Storage	1.7	1.8	1.8	1.7	1.8	1.8	1.8	1.8	1.8	1.8
Road transport	...	...	...	1.1	1.2	1.3	1.3	1.3	1.4	1.5
Air Transport	...	...	...	0.1	0.1	0.1	0.1	0.1	0.1	-
Accommodation & Food Services	2.5	2.5	2.4	2.4	2.6	2.6	2.6	2.6	2.6	2.0
Information & Communication Technology	2.1	2.3	2.2	2.3	2.5	2.4	2.4	2.3	2.4	2.7
Finance, Insurance & Pension Funding	3.5	3.7	3.6	3.5	4.4	4.7	4.5	4.7	4.7	5.3
Real Estate Activities	4.0	4.2	4.0	4.0	4.4	4.4	4.4	4.4	4.6	4.8
Professional, Scientific & Technical Activities	1.6	1.6	1.6	1.6	1.7	1.6	1.6	1.6	1.6	1.7
Administration & Support Activities	1.6	1.7	1.6	1.6	1.7	1.6	1.6	1.6	1.6	1.6
Public Administration & Defence	15.4	15.4	14.7	13.8	15.7	15.0	14.6	14.4	15.5	18.2
Public administration, central government	...	...	...	12.6	14.4	13.8	13.4	13.2	14.2	16.6
Local government activities	...	...	...	1.2	1.3	1.2	1.2	1.2	1.3	1.6
Education	4.4	4.9	4.8	4.7	4.4	4.7	4.2	4.3	4.5	4.9
Human Health & Social Work	2.4	2.6	2.6	2.5	2.6	2.7	2.7	2.7	2.8	3.1
Other Services	2.0	2.2	2.2	2.1	2.3	2.2	2.2	2.1	2.1	2.2
Total Value Added	96.7	96.7	96.8	96.7	96.3	96.4	96.3	96.4	96.5	96.1
Adjustment items	3.3	3.3	3.2	3.3	3.7	3.6	3.7	3.6	3.5	3.9
Taxes on products	...	...	...	4.5	4.9	4.7	4.6	4.6	4.4	4.9
Subsidies on products	...	...	...	-1.1	-1.2	-1.1	-1.0	-1.0	-1.0	-1.0
GDP excluding mining	72.1	74.4	72.6	72.5	75.5	77.1	76.6	75.7	77.3	81.7
GDP per Capita (Pula)	49.4	48.3	47.4	47.4	46.5	45.7	45.1	44.4	43.7	43.0
Excluding mining	35.6	36.0	34.4	34.4	33.7	34.6	34.7	34.0	33.1	33.3

TALE 1.4: (Continued) GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CONSTANT 2016 PRICES)^{1,2}
(P Million)

Period	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Percentage Change										
Agriculture	0.2	- 8.5	1.3	- 2.3	- 2.8	15.4	- 8.8	8.1	2.4	- 2.7
Mining	3.5	- 8.3	18.8	6.0	- 15.3	0.3	6.3	8.4	- 3.7	- 26.5
Manufacturing	11.4	3.7	6.5	8.3	- 15.5	5.0	- 2.2	- 1.2	4.5	- 14.9
Water and electricity	121.6	- 71.2	212.3	15.6	6.7	8.4	23.6	- 10.6	- 22.3	- 6.3
Water	...	...	...	...	- 5.5	48.1	- 3.0	- 3.1	1.4	1.9
Electricity	...	...	...	...	13.2	- 9.0	42.7	- 14.3	- 35.3	- 13.4
Construction	20.8	14.9	4.0	2.6	7.1	9.2	3.9	4.8	3.1	- 11.4
Wholesale & Retail	9.4	2.6	13.9	- 3.9	- 3.3	23.4	11.4	5.4	6.8	1.2
Diamond Traders	1.8	- 13.5	37.7	123.4	- 50.9	56.4	24.2	- 14.6	4.0	- 36.7
Transport & Storage	- 3.1	9.6	6.2	- 0.2	0.9	7.7	3.9	3.9	2.9	- 6.4
Road transport	...	...	...	...	1.8	10.7	7.4	5.6	5.1	- 1.6
Air Transport	...	...	...	...	- 4.2	5.5	5.2	7.0	6.0	- 75.6
Accommodation & Food Services	4.6	- 0.6	7.5	5.8	3.3	4.5	3.9	3.4	3.0	- 28.5
Information & Communication Technology	7.9	7.6	8.3	8.9	2.8	4.4	4.2	1.4	5.0	2.0
Finance, Insurance & Pension Funding	- 0.7	5.7	9.9	2.6	18.0	15.2	- 0.7	9.5	3.3	2.7
Real Estate Activities	1.1	4.9	6.8	4.6	5.9	6.0	5.0	5.4	5.5	- 3.1
Professional, Scientific & Technical Activities	5.8	2.7	5.6	5.8	2.9	2.9	4.0	1.4	4.4	- 1.8
Administration & Support Activities	5.8	2.7	5.6	5.6	0.9	2.3	3.9	0.9	3.6	- 7.3
Public Administration & Defence	9.5	- 0.2	5.5	- 0.5	8.0	2.5	1.5	2.7	11.0	7.0
Public administration, central government	...	...	...	...	8.8	2.3	1.3	2.9	10.5	7.0
Local government activities	...	...	...	...	- 1.1	4.8	4.7	0.6	16.3	7.3
Education	8.3	10.7	8.0	4.6	- 12.4	16.3	- 8.2	6.7	8.9	- 0.1
Human Health & Social Work	8.3	10.7	8.0	4.6	- 1.5	11.3	2.2	3.6	7.0	2.8
Other Services	8.3	10.7	8.0	5.0	2.0	2.5	3.7	1.0	3.0	- 6.1
Total Value Added	7.6	- 0.2	11.3	5.5	- 5.2	7.3	4.0	4.2	3.2	- 9.1
Adjustment items	- 11.2	...	6.3	10.7	4.7	3.4	7.2	3.1	- 1.7	2.7
Taxes on products	...	...	...	...	4.1	1.8	3.7	2.6	- 0.9	1.9
Subsidies on products	...	...	...	...	- 2.6	3.0	7.4	- 0.8	- 2.3	1.1
GDP at Constant Prices	6.8	- 0.2	11.1	5.7	- 4.9	7.2	4.1	4.2	3.0	- 8.7
GDP excluding mining	8.2	3.0	8.5	5.6	- 0.9	9.4	3.5	2.9	5.2	- 3.5
GDP per Capita (Pula)	4.9	- 2.3	8.9	3.8	- 6.4	5.6	2.5	2.6	1.5	- 10.7
Excluding mining	6.2	0.8	6.3	3.7	- 2.6	7.8	1.9	1.3	3.6	- 5.6

1. The figures for 2019-2020 are provisional.

2. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and methodological updates which resulted in further revision for both current and constant prices.

Source: Statistics Botswana

TABLE 1.5: GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE - QUARTERLY ESTIMATES (CURRENT PRICES)^{1,2}
(P Million)

Period		Government final consumption			Household Final Consumption			Gross fixed capital formation					Total
		Individual	Collective	Total	NPISH	Cons. Exp	Total	Build. & Structures	Plant. Mach. & Equip	Trans. Equip.	Mineral Prosp.		
2011	Q1	1 684	5 927	7 611	76	9 174	9 250	4 052	2 142	840	15	7 049	
	Q2	1 494	6 044	7 538	81	10 138	10 219	4 182	3 354	480	15	8 031	
	Q3	1 652	5 083	6 735	85	10 936	11 021	4 590	3 186	621	16	8 413	
	Q4	1 804	5 586	7 390	92	11 289	11 381	4 812	2 213	670	16	7 711	
2012	Q1	1 700	6 506	8 206	82	9 196	9 278	5 099	2 555	644	16	8 315	
	Q2	1 738	7 084	8 822	85	12 503	12 588	5 174	2 362	943	17	8 495	
	Q3	1 904	5 803	7 707	87	12 851	12 938	5 236	2 422	637	18	8 312	
	Q4	2 126	6 971	9 097	88	13 980	14 068	5 290	1 944	1 061	19	8 314	
2013	Q1	1 925	7 212	9 137	90	13 293	13 383	5 443	1 313	675	20	7 452	
	Q2	1 968	7 879	9 847	94	13 350	13 444	5 562	1 984	909	22	8 475	
	Q3	2 260	6 317	8 577	96	13 945	14 041	5 571	1 829	667	22	8 090	
	Q4	2 292	7 381	9 673	97	14 856	14 953	5 731	2 483	817	23	9 053	
2014	Q1	2 224	7 358	9 582	99	13 682	13 781	5 848	1 936	840	23	8 648	
	Q2	2 308	7 901	10 209	100	14 352	14 452	6 027	1 574	972	23	8 596	
	Q3	2 364	7 627	9 991	102	14 968	15 070	6 038	2 067	846	24	8 975	
	Q4	2 401	8 439	10 840	104	15 345	15 449	6 069	2 182	826	24	9 101	
2015	Q1	2 145	8 116	10 261	106	15 291	15 396	6 245	1 659	650	24	8 578	
	Q2	1 744	9 092	10 836	108	15 347	15 455	6 477	1 933	777	25	9 212	
	Q3	2 260	8 138	10 398	111	15 732	15 843	6 503	2 206	783	25	9 518	
	Q4	2 566	9 302	11 868	114	16 233	16 347	6 630	2 285	899	25	9 839	
2016	Q1	2 617	9 672	12 289	116	15 694	15 810	6 859	1 843	664	26	9 392	
	Q2	2 547	9 401	11 948	119	16 701	16 820	7 103	2 002	780	26	9 912	
	Q3	2 676	9 301	11 978	122	17 032	17 154	7 368	2 007	1 027	27	10 429	
	Q4	2 604	8 000	10 604	125	17 007	17 132	7 449	2 360	745	27	10 581	
2017	Q1	2 650	8 895	11 545	126	16 627	16 754	7 483	1 449	382	27	9 341	
	Q2	2 773	8 775	11 549	129	16 522	16 651	7 725	1 379	524	27	9 656	
	Q3	2 996	9 917	12 913	132	17 835	17 967	8 118	1 629	600	28	10 375	
	Q4	3 089	9 029	12 118	133	18 557	18 690	8 219	1 709	966	28	10 922	
2018	Q1	3 018	9 503	12 521	135	18 265	18 399	8 234	1 711	805	29	10 779	
	Q2	2 767	9 149	11 916	136	18 223	18 359	8 530	1 644	702	29	10 905	
	Q3	3 136	10 386	13 523	139	18 589	18 729	8 863	1 978	726	29	11 596	
	Q4	3 024	9 569	12 593	142	19 885	20 027	9 015	2 648	880	30	12 572	
2019	Q1	3 188	10 883	14 072	143	19 031	19 174	9 143	2 042	1 277	30	12 492	
	Q2	3 042	11 134	14 176	145	19 083	19 228	9 375	2 656	944	30	13 005	
	Q3	3 169	10 914	14 084	147	20 252	20 398	9 614	2 385	897	30	12 926	
	Q4	3 376	11 217	14 593	148	20 664	20 812	9 667	2 939	841	30	13 478	
2020	Q1	3 557	12 116	15 673	150	21 643	21 793	9 613	2 597	884	30	13 124	
	Q2	3 373	10 751	14 124	129	17 653	17 781	6 137	2 602	485	30	9 254	
	Q3	3 964	12 343	16 307	150	21 674	21 823	8 524	2 156	838	30	11 548	
	Q4	3 687	12 154	15 841	153	21 953	22 105	9 117	3 432	849	30	13 429	
2021	Q1	3 850	12 542	16 392	156	22 191	22 347	9 774	1 840	842	30	12 486	
	Q2	3 678	12 489	16 167	159	21 938	22 097	10 145	3 105	836	30	14 116	
	Q3	3 873	12 171	16 044	164	21 868	22 032	10 409	2 264	819	30	13 522	

1. The figures for 2019-2021 are provisional.

2. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and the methodology updates, which resulted in further revisions for both GDP in current and constant prices.

Source: Statistics Botswana

Changes in Inventories	Gross Domestic	Exports			Imports			Errors &		Period	
	Expend.	Goods	Services	Total	Goods	Services	Total	Omissions	GDP		
2 725	26 635	9 354	1 323	10 676	-12 260	-1 489	-13 749	931	24 493	Q1	2011
304	26 093	10 714	1 302	12 016	-11 721	-1 590	-13 311	365	25 163	Q2	
2 116	28 285	11 018	1 354	12 372	-12 773	-1 776	-14 549	435	26 543	Q3	
4 072	30 554	8 943	1 702	10 645	-12 551	-2 387	-14 938	870	27 132	Q4	
2 417	28 216	10 098	1 302	11 400	-12 679	-1 956	-14 636	1 072	26 052	Q1	2012
331	30 236	10 069	1 286	11 355	-12 671	-2 003	-14 674	187	27 103	Q2	
2 909	31 867	13 516	1 224	14 739	-19 065	-1 909	-20 974	813	26 445	Q3	
- 839	30 640	12 232	1 401	13 633	-15 358	-2 110	-17 468	- 144	26 660	Q4	
-3 646	26 326	16 890	1 321	18 210	-15 393	-1 833	-17 226	580	27 890	Q1	2013
1 909	33 675	14 642	1 706	16 349	-16 962	-2 210	-19 173	752	31 603	Q2	
-2 572	28 136	19 589	1 937	21 525	-16 914	-2 407	-19 321	- 757	29 583	Q3	
1 061	34 741	15 283	2 206	17 490	-18 768	-2 711	-21 479	39	30 790	Q4	
- 211	31 799	17 180	1 921	19 100	-17 523	-2 390	-19 913	1 490	32 477	Q1	2014
- 332	32 926	21 043	2 068	23 111	-17 854	-2 587	-20 441	478	36 073	Q2	
3	34 039	19 847	2 368	22 216	-17 238	-2 967	-20 205	-1 213	34 836	Q3	
286	35 677	18 191	2 480	20 671	-17 180	-3 099	-20 278	- 595	35 475	Q4	
-2 901	31 334	19 496	1 977	21 474	-17 626	-2 452	-20 078	1 837	34 565	Q1	2015
2 589	38 091	19 808	2 402	22 210	-19 074	-2 958	-22 032	-3 274	34 995	Q2	
4 099	39 857	11 843	2 488	14 331	-17 472	-3 042	-20 514	1 350	35 025	Q3	
-1 950	36 104	12 377	2 371	14 748	-16 467	-2 880	-19 346	962	32 467	Q4	
- 506	36 985	19 893	2 508	22 401	-15 759	-3 029	-18 788	-2 376	38 223	Q1	2016
-6 061	32 619	25 397	2 202	27 599	-16 522	-2 644	-19 166	16	41 068	Q2	
1 632	41 192	19 062	1 834	20 896	-15 390	-2 189	-17 580	-1 514	42 995	Q3	
905	39 222	16 160	2 736	18 895	-16 611	-3 247	-19 858	3 873	42 132	Q4	
-4 177	33 463	17 992	2 173	20 164	-12 364	-2 564	-14 928	1 878	40 577	Q1	2017
2 695	40 550	14 966	2 453	17 419	-12 067	-2 907	-14 973	-1 757	41 239	Q2	
3 483	44 738	13 249	2 699	15 948	-13 073	-3 247	-16 320	-1 729	42 637	Q3	
- 624	41 106	15 578	2 415	17 993	-15 793	-2 984	-18 777	1 872	42 194	Q4	
196	41 895	13 820	1 964	15 784	-14 263	-2 517	-16 780	1 002	41 901	Q1	2018
-2 608	38 571	18 909	2 421	21 330	-14 647	-3 199	-17 847	1 045	43 100	Q2	
3 085	46 932	14 848	2 919	17 768	-14 428	-3 955	-18 383	-1 674	44 643	Q3	
-1 525	43 666	19 692	2 261	21 953	-18 966	-3 120	-22 086	548	44 082	Q4	
2 158	47 895	14 671	2 673	17 344	16 143	3 740	19 883	- 650	44 706	Q1	2019
-2 088	44 320	17 510	3 073	20 583	17 050	4 342	21 393	1 636	45 146	Q2	
3 758	51 166	10 837	2 441	13 277	16 360	3 470	19 830	1 198	45 811	Q3	
- 281	48 602	13 285	2 233	15 517	18 475	3 183	21 659	1 456	43 917	Q4	
776	51 366	13 201	1 469	14 670	-17 000	-2 094	-19 094	- 875	46 066	Q1	2020
4 322	45 483	4 388	1 240	5 627	-13 215	-1 767	-14 983	107	36 234	Q2	
2 201	51 880	13 242	1 234	14 476	-19 277	-1 759	-21 036	-1 678	43 642	Q3	
1 435	52 811	17 407	1 448	18 855	-22 301	-2 064	-24 365	-2 200	45 100	Q4	
-1 284	49 942	24 090	1 564	25 654	-21 986	-2 229	-24 216	-4 450	46 929	Q1	2021
3 057	55 437	17 009	1 689	18 698	-21 605	-2 408	-24 012	-1 439	48 684	Q2	
1 557	53 156	21 412	1 567	22 979	-21 548	-2 234	-23 782	-3 092	49 260	Q3	

TABLE 1.6: GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE - QUARTERLY ESTIMATES (CONSTANT 2016 PRICES)^{1,2}
(P Million)

		Government final consumption			Household final consumption			Gross fixed capital formation				
		Individual	Collective	Total	NPISH	Household Cons. Exp	Total	Build. & Structures	Plant. Mach. & Equip	Trans. Equip.	Mineral Prosp.	Total
2011	Q1	2 293	8 431	10 724	89	12 007	12 097	4 835	2 281	888	20	8 024
	Q2	1 933	7 794	9 727	89	12 851	12 939	4 831	3 513	499	20	8 862
	Q3	2 182	6 560	8 742	95	13 587	13 681	5 237	3 299	647	20	9 203
	Q4	2 306	7 102	9 408	99	13 810	13 909	5 406	2 375	710	21	8 511
2012	Q1	2 187	8 787	10 974	89	11 107	11 196	5 749	2 719	663	20	9 152
	Q2	2 111	8 523	10 634	91	14 744	14 835	5 812	2 497	973	21	9 302
	Q3	2 344	6 674	9 018	94	14 921	15 014	5 873	2 545	648	22	9 088
	Q4	2 624	8 040	10 665	95	15 934	16 029	5 919	2 063	1 073	23	9 078
2013	Q1	2 353	9 435	11 788	97	14 935	15 032	5 990	1 385	687	24	8 086
	Q2	2 301	9 114	11 415	98	14 799	14 897	6 085	2 093	932	25	9 137
	Q3	2 644	7 113	9 757	99	15 357	15 456	6 074	1 932	688	26	8 720
	Q4	2 665	8 162	10 827	100	16 229	16 330	6 133	2 623	839	26	9 621
2014	Q1	2 552	8 192	10 745	101	14 930	15 030	6 131	2 039	870	26	9 066
	Q2	2 591	8 944	11 535	101	15 394	15 495	6 253	1 614	986	26	8 879
	Q3	2 638	8 441	11 080	103	15 975	16 078	6 199	2 099	846	26	9 170
	Q4	2 667	9 167	11 834	105	16 286	16 391	6 188	2 196	820	26	9 230
2015	Q1	2 332	8 623	10 955	107	16 129	16 236	6 344	1 662	645	26	8 678
	Q2	1 793	9 398	11 191	108	15 872	15 980	6 562	1 910	775	26	9 273
	Q3	2 323	8 361	10 684	111	16 171	16 282	6 611	2 224	795	26	9 657
	Q4	2 637	9 491	12 127	115	16 626	16 741	6 762	2 340	939	26	10 067
2016	Q1	2 698	9 744	12 441	117	15 963	16 080	6 942	1 920	666	26	9 555
	Q2	2 513	9 383	11 897	119	16 701	16 820	7 129	2 034	778	26	9 967
	Q3	2 650	9 264	11 913	122	16 950	17 072	7 336	1 978	1 031	26	10 371
	Q4	2 584	7 984	10 568	124	16 819	16 943	7 373	2 281	740	27	10 420
2017	Q1	2 635	8 902	11 537	124	16 278	16 401	7 297	1 366	372	27	9 062
	Q2	2 281	8 367	10 648	125	15 999	16 123	7 437	1 292	510	27	9 265
	Q3	2 471	9 468	11 939	127	17 212	17 339	7 712	1 533	579	27	9 851
	Q4	2 527	8 604	11 131	129	17 885	18 014	7 725	1 598	929	27	10 280
2018	Q1	2 481	9 008	11 489	130	17 465	17 595	7 673	1 531	699	27	9 930
	Q2	2 498	8 408	10 906	131	17 181	17 311	7 884	1 472	615	27	9 997
	Q3	2 831	9 536	12 367	134	17 591	17 724	8 067	1 814	634	27	10 541
	Q4	2 726	8 760	11 486	134	18 755	18 889	8 087	2 424	767	27	11 306
2019	Q1	2 873	9 940	12 813	134	17 833	17 967	8 167	1 851	1 114	27	11 158
	Q2	2 720	10 057	12 777	134	17 660	17 794	8 275	2 404	829	27	11 535
	Q3	2 824	9 628	12 452	135	18 696	18 831	8 432	2 168	791	27	11 419
	Q4	2 929	10 028	12 957	136	19 038	19 175	8 486	2 666	733	27	11 912
2020	Q1	3 025	10 466	13 491	137	19 739	19 876	8 446	2 429	794	27	11 695
	Q2	2 906	9 316	12 223	118	16 009	16 127	5 478	2 514	441	27	8 459
	Q3	3 119	10 510	13 629	137	19 641	19 778	7 385	2 026	729	26	10 166
	Q4	2 991	10 711	13 702	139	19 731	19 869	7 672	3 069	696	26	11 464
2021	Q1	3 093	10 841	13 934	140	19 774	19 914	7 926	1 586	676	26	10 215
	Q2	2 982	10 562	13 544	137	18 800	18 937	7 430	2 573	639	26	10 668
	Q3	3 134	10 380	13 513	139	18 596	18 734	7 495	1 856	617	26	9 995

1. The figures for 2019-2021 are provisional.

2. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and the methodology updates, which resulted in further 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	
		Goods	Services	Total	Goods	Services	Total				
2 956	33 800	13 758	1 727	15 485	-14 191	-1 728	-15 919	1 012	34 379	Q1	2011
- 504	31 025	15 195	1 670	16 865	-12 990	-1 814	-14 804	462	33 547	Q2	
2 379	34 006	16 147	1 716	17 863	-14 380	-2 051	-16 430	469	35 907	Q3	
3 901	35 729	11 773	2 123	13 896	-13 761	-2 840	-16 602	642	33 667	Q4	
1 885	33 207	15 539	1 592	17 131	-14 170	-2 199	-16 369	1 096	35 065	Q1	2012
- 66	34 705	13 560	1 520	15 080	-13 694	-2 225	-15 919	101	33 967	Q2	
4 419	37 539	18 933	1 432	20 365	-23 958	-2 099	-26 057	1 297	33 144	Q3	
-1 281	34 490	20 667	1 628	22 294	-19 184	-2 330	-21 515	-183	35 087	Q4	
-5 296	29 611	25 287	1 504	26 791	-18 607	-2 008	-20 614	1 190	36 978	Q1	2013
2 377	37 825	18 590	1 935	20 525	-18 201	-2 406	-20 607	949	38 691	Q2	
-2 777	31 157	26 750	2 187	28 937	-19 561	-2 621	-22 182	-806	37 106	Q3	
2 204	38 981	25 850	2 467	28 317	-24 921	-2 960	-27 881	313	39 729	Q4	
- 309	34 532	22 453	2 088	24 541	-20 424	-2 606	-23 031	2 763	38 805	Q1	2014
- 390	35 519	23 650	2 225	25 875	-18 962	-2 808	-21 769	1 073	40 697	Q2	
61	36 388	27 516	2 543	30 059	-20 218	-3 181	-23 400	-1 890	41 157	Q3	
346	37 801	22 637	2 665	25 302	-18 627	-3 253	-21 880	-691	40 532	Q4	
-2 745	33 124	24 451	2 087	26 538	-19 830	-2 514	-22 344	1 763	39 081	Q1	2015
2 657	39 101	25 704	2 488	28 193	-22 134	-3 014	-25 148	-2 924	39 222	Q2	
4 085	40 708	13 706	2 558	16 264	-18 254	-3 098	-21 353	1 342	36 961	Q3	
-1 460	37 475	24 564	2 433	26 997	-23 580	-2 913	-26 493	130	38 109	Q4	
- 649	37 428	23 504	2 534	26 038	-17 321	-3 049	-20 370	-2 621	40 476	Q1	2016
-6 185	32 499	24 350	2 201	26 551	-16 515	-2 670	-19 185	1 131	40 997	Q2	
1 794	41 151	15 396	1 828	17 223	-14 230	-2 191	-16 422	-1 351	40 601	Q3	
1 009	38 940	17 262	2 717	19 979	-16 216	-3 199	-19 415	2 841	42 345	Q4	
-4 439	32 561	19 790	2 131	21 921	-12 109	-2 502	-14 611	1 885	41 756	Q1	2017
3 480	39 516	18 924	2 387	21 310	-12 501	-2 849	-15 350	-3 014	42 463	Q2	
4 622	43 752	16 426	2 602	19 029	-13 112	-3 208	-16 320	-3 034	43 426	Q3	
- 791	38 633	20 321	2 310	22 631	-16 402	-2 946	-19 348	1 619	43 535	Q4	
276	39 289	17 900	1 844	19 745	-14 753	-2 481	-17 234	1 545	43 344	Q1	2018
-2 758	35 457	25 527	2 245	27 772	-15 373	-3 125	-18 498	131	44 861	Q2	
3 586	44 219	17 176	2 713	19 889	-13 800	-3 833	-17 634	-1 920	44 555	Q3	
-1 826	39 854	25 473	2 098	27 571	-19 721	-2 987	-22 708	875	45 592	Q4	
2 979	44 918	18 794	2 456	21 251	-16 450	-3 568	-20 018	-832	45 319	Q1	2019
-3 090	39 016	23 568	2 792	26 360	-17 186	-4 114	-21 300	2 035	46 111	Q2	
5 035	47 737	14 343	2 208	16 551	-16 481	-3 265	-19 746	1 652	46 194	Q3	
179	44 223	22 065	2 016	24 081	-21 092	-3 002	-24 094	1 927	46 137	Q4	
1 124	46 187	15 542	1 308	16 850	-17 001	-1 974	-18 975	1 794	45 856	Q1	2020
6 089	42 898	6 157	1 101	7 259	-14 825	-1 658	-16 483	37	33 710	Q2	
3 920	47 492	23 956	1 093	25 050	-26 037	-1 665	-27 702	-714	44 126	Q3	
2 075	47 110	21 838	1 264	23 102	-24 440	-1 948	-26 388	209	44 033	Q4	
- 496	43 566	29 749	1 359	31 108	-23 253	-2 090	-25 342	-3 018	46 314	Q1	2021
4 778	47 926	18 734	1 434	20 168	-19 925	-2 236	-22 161	349	46 282	Q2	
3 744	45 987	24 442	1 324	25 766	-20 376	-2 054	-22 430	-1 489	47 834	Q3	

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

(P Million)

							Wholesale			Accomm.	Info. &	Finance,
				Manu-	Water &	Con-	&	Diamond	Transport	Food	Communic.	Insu. &
Period	Agriculture	Mining	facturing	Electricity	struction	Retail	Traders	& Comm.	Services	Technology	Pens. Fund	
2012	Q1	605	4 936	2 106	300	2 808	2 059	267	498	678	644	1 035
	Q2	661	5 676	2 141	50	2 850	2 099	248	523	708	653	1 059
	Q3	672	4 329	2 194	6	2 884	2 203	328	548	729	660	1 118
	Q4	522	4 465	2 138	133	2 913	2 293	287	554	729	667	1 166
2013	Q1	539	4 585	2 270	79	2 995	2 490	452	560	739	687	1 200
	Q2	648	7 883	2 347	176	3 060	2 584	390	565	759	711	1 208
	Q3	585	5 975	2 453	253	3 066	2 508	579	594	776	729	1 196
	Q4	617	5 565	2 511	500	3 156	2 829	440	605	794	772	1 278
2014	Q1	599	7 277	2 347	- 115	3 225	2 588	1 092	607	873	811	1 225
	Q2	635	9 408	2 833	700	3 329	2 411	1 372	629	886	826	1 254
	Q3	649	7 308	2 956	805	3 343	2 730	1 002	638	910	837	1 325
	Q4	644	8 310	2 762	154	3 370	2 680	957	644	934	838	1 357
2015	Q1	637	7 324	2 454	230	3 480	2 428	1 028	628	948	865	1 579
	Q2	648	7 343	2 529	518	3 618	2 421	782	650	957	888	1 581
	Q3	668	6 759	2 471	457	3 637	2 663	528	698	975	917	1 605
	Q4	716	3 743	2 472	711	3 709	2 891	365	729	1 009	926	1 436
2016	Q1	792	7 796	2 386	336	3 834	3 050	882	695	1 031	933	1 975
	Q2	830	9 518	2 703	396	3 964	3 415	1 066	725	1 046	973	1 820
	Q3	839	10 722	2 856	525	4 103	3 367	1 087	740	1 062	1 009	1 939
	Q4	788	9 604	2 748	709	4 136	3 373	980	752	1 100	1 021	1 982
2017	Q1	748	8 254	2 477	295	4 140	3 690	1 034	755	1 117	1 035	1 916
	Q2	748	7 974	2 562	692	4 264	3 687	732	746	1 126	1 042	2 061
	Q3	770	8 416	2 649	939	4 477	3 590	734	792	1 135	1 072	1 876
	Q4	803	6 723	2 600	829	4 536	4 308	787	797	1 161	1 086	2 048
2018	Q1	866	6 725	2 565	651	4 554	3 921	712	821	1 199	1 106	2 069
	Q2	921	6 622	2 665	959	4 713	4 168	801	817	1 205	1 117	2 371
	Q3	953	7 761	2 663	859	4 878	4 060	737	835	1 217	1 142	2 205
	Q4	938	6 686	2 787	443	4 927	4 294	733	847	1 248	1 159	2 535
2019	Q1	928	7 078	2 718	972	4 947	4 247	584	862	1 278	1 185	2 379
	Q2	936	6 248	2 804	208	5 045	4 372	668	862	1 280	1 195	2 646
	Q3	950	6 259	2 832	292	5 172	4 528	458	875	1 292	1 224	2 572
	Q4	934	4 577	2 606	170	5 223	4 753	446	895	1 313	1 239	2 478
2020	Q1	917	5 803	2 676	320	5 244	4 771	403	902	1 262	1 282	2 504
	Q2	1 024	2 172	1 953	468	3 371	3 931	19	696	609	1 186	2 499
	Q3	1 009	3 016	2 514	678	4 707	4 758	500	874	840	1 255	2 643
	Q4	834	3 964	2 556	618	5 048	5 064	415	938	1 043	1 341	2 645
2021	Q1	844	4 456	2 602	616	5 411	5 449	861	939	836	1 367	2 785
	Q2	828	5 767	2 653	414	5 617	5 749	370	963	861	1 360	2 862
	Q3	836	5 920	2 748	672	5 763	5 496	723	1 008	869	1 349	2 878

1. The figures for 2019-2021 are provisional.

2. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and the methodology updates, which resulted in further revision for GDP both in current and constant prices.

Source: Statistics Botswana

Real Estate Activities	Prof. Sci. & Technic. Activities	Admin. & Support Activities	Public Admin. & Defence		Human Health & Soc. Work		Other Services	Total Value Added	Adjustments			Total GDP	Period
			Education						Taxes on Products	Subsidies on Products	Net taxes		
1 139	445	455	4 272	1 406	690	611	24 953	...	...	1 099	26 052	Q1	2012
1 204	455	465	4 314	1 474	723	641	25 943	...	...	1 160	27 103	Q2	
1 253	465	476	4 440	1 493	733	649	25 181	...	...	1 264	26 445	Q3	
1 296	475	486	4 317	1 522	747	662	25 372	...	...	1 289	26 660	Q4	
1 312	488	499	4 916	1 522	747	662	26 743	...	...	1 148	27 890	Q1	2013
1 331	503	514	4 764	1 601	786	697	30 526	...	...	1 077	31 603	Q2	
1 356	516	527	4 190	1 628	799	708	28 437	...	...	1 146	29 583	Q3	
1 389	533	545	4 897	1 662	816	723	29 635	...	...	1 155	30 790	Q4	
1 421	550	562	4 912	1 731	850	753	31 309	1 577	- 408	1 168	32 477	Q1	2014
1 461	563	576	4 600	1 810	880	775	34 948	1 676	- 551	1 125	36 073	Q2	
1 503	575	587	4 993	1 820	896	795	33 673	1 743	- 579	1 163	34 836	Q3	
1 543	587	595	5 368	1 772	930	807	34 254	1 799	- 578	1 221	35 475	Q4	
1 581	600	603	5 699	1 473	941	823	33 323	1 797	- 554	1 243	34 565	Q1	2015
1 627	612	613	5 893	1 520	784	835	33 819	1 792	- 616	1 176	34 995	Q2	
1 677	625	623	5 981	1 584	1 044	848	33 761	1 837	- 573	1 264	35 025	Q3	
1 717	637	634	5 657	1 898	1 060	864	31 172	1 874	- 579	1 296	32 467	Q4	
1 742	649	645	6 285	1 928	1 087	878	36 924	1 808	- 509	1 300	38 223	Q1	2016
1 773	662	659	6 110	1 936	1 107	892	39 595	1 944	- 470	1 473	41 068	Q2	
1 804	674	671	6 104	1 947	1 134	910	41 492	1 947	- 444	1 503	42 995	Q3	
1 853	687	682	6 126	1 950	1 144	930	40 564	1 976	- 408	1 568	42 132	Q4	
1 889	699	694	6 139	2 022	1 144	948	38 996	1 957	- 376	1 581	40 577	Q1	2017
1 928	712	708	6 483	2 043	1 213	960	39 684	1 963	- 408	1 555	41 239	Q2	
1 962	724	719	6 704	2 127	1 234	974	40 895	2 132	- 389	1 742	42 637	Q3	
2 011	736	728	6 593	2 270	1 254	987	40 258	2 272	- 337	1 936	42 194	Q4	
2 049	749	738	6 854	2 144	1 248	1 005	39 975	2 202	- 277	1 926	41 901	Q1	2018
2 084	761	754	6 763	2 127	1 285	1 017	41 153	2 205	- 258	1 947	43 100	Q2	
2 104	774	764	7 162	2 172	1 313	1 033	42 631	2 239	- 227	2 012	44 643	Q3	
2 149	786	776	7 042	2 187	1 312	1 046	41 895	2 389	- 202	2 187	44 082	Q4	
2 187	798	783	7 067	2 263	1 333	1 058	42 667	2 224	- 185	2 039	44 706	Q1	2019
2 226	811	797	8 205	2 308	1 401	1 071	43 084	2 226	- 164	2 063	45 146	Q2	
2 263	823	808	8 443	2 307	1 428	1 085	43 610	2 358	- 157	2 201	45 811	Q3	
2 293	836	818	8 208	2 332	1 463	1 096	41 680	2 381	- 145	2 236	43 917	Q4	
2 330	823	822	8 639	2 439	1 473	1 107	43 720	2 479	- 132	2 347	46 066	Q1	2020
1 929	739	653	8 393	2 406	1 421	898	34 366	1 992	- 124	1 867	36 234	Q2	
2 215	846	756	9 444	2 582	1 619	1 050	41 307	2 474	- 138	2 335	43 642	Q3	
2 304	883	818	9 106	2 500	1 602	1 083	42 764	2 466	- 130	2 336	45 100	Q4	
2 375	893	849	9 002	2 566	1 612	1 102	44 564	2 490	- 124	2 366	46 929	Q1	2021
2 400	904	861	9 397	2 588	1 624	1 126	46 344	2 471	- 131	2 340	48 684	Q2	
2 366	919	842	9 143	2 522	1 730	1 135	46 918	2 480	- 137	2 343	49 260	Q3	

TABLE 1.8: GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY - QUARTERLY ESTIMATES (CONSTANT 2016 PRICES)^{1,2}
(P Million)

							Wholesale			Accomm.	Info. &	Finance,
				Manu-	Water &	Con-	&	Diamond	Transport	Food	Communic.	Insu. &
Period	Agriculture	Mining		facturing	Electricity	struction	Retail	Traders	& Comm.	Services	Technology	Pens. Fund
2012	Q1	750	9 088	2 676	360	3 163	2 478	398	625	839	766	1 199
	Q2	734	9 069	2 545	- 30	3 199	2 471	381	631	850	775	1 224
	Q3	736	7 580	2 620	38	3 230	2 546	502	640	884	782	1 290
	Q4	707	9 444	2 607	104	3 253	2 614	420	630	883	788	1 323
2013	Q1	712	8 752	2 658	183	3 297	2 806	609	621	885	810	1 366
	Q2	759	11 402	2 804	314	3 344	2 871	495	638	909	837	1 366
	Q3	762	10 109	2 861	454	3 344	2 758	709	703	933	849	1 344
	Q4	733	11 527	2 808	520	3 373	3 078	529	720	988	872	1 461
2014	Q1	714	10 598	2 614	188	3 381	2 788	1 348	637	964	908	1 379
	Q2	733	11 311	3 165	533	3 454	2 572	1 665	668	968	915	1 405
	Q3	745	11 304	3 282	629	3 432	2 891	1 169	690	988	923	1 432
	Q4	705	11 085	2 997	349	3 436	2 816	1 050	683	1 010	921	1 462
2015	Q1	697	10 205	2 594	374	3 535	2 531	1 026	666	1 009	930	1 707
	Q2	695	10 630	2 606	476	3 666	2 494	733	661	1 006	932	1 706
	Q3	699	7 853	2 498	447	3 698	2 732	480	687	1 010	952	1 724
	Q4	724	8 843	2 489	516	3 783	2 947	327	689	1 033	955	1 561
2016	Q1	786	9 706	2 391	354	3 880	3 082	782	723	1 044	945	2 021
	Q2	831	9 552	2 686	382	3 978	3 421	986	709	1 050	973	1 844
	Q3	837	8 445	2 837	603	4 085	3 361	1 104	730	1 058	1 005	1 913
	Q4	794	9 936	2 777	628	4 093	3 340	1 143	751	1 087	1 014	1 937
2017	Q1	758	9 238	2 543	439	4 037	3 610	1 437	740	1 095	1 016	1 870
	Q2	739	10 310	2 623	626	4 105	3 547	1 119	742	1 095	1 016	2 001
	Q3	736	10 649	2 702	713	4 254	3 435	1 178	775	1 095	1 034	1 821
	Q4	732	9 815	2 595	652	4 263	4 114	1 255	769	1 116	1 035	1 969
2018	Q1	760	10 364	2 490	545	4 243	3 725	1 029	776	1 144	1 029	1 974
	Q2	800	11 179	2 577	666	4 356	3 928	1 082	772	1 129	1 023	2 188
	Q3	825	10 613	2 610	600	4 440	3 822	1 015	791	1 127	1 046	2 004
	Q4	818	11 217	2 663	362	4 419	4 031	1 131	805	1 152	1 060	2 226
2019	Q1	823	10 877	2 656	716	4 418	3 960	1 093	797	1 175	1 077	2 053
	Q2	839	10 287	2 804	139	4 453	4 045	1 397	798	1 166	1 076	2 237
	Q3	824	10 233	2 826	431	4 536	4 175	984	811	1 167	1 099	2 222
	Q4	795	10 368	2 521	402	4 586	4 373	953	828	1 179	1 111	2 156
2020	Q1	773	10 051	2 589	362	4 608	4 355	847	817	1 123	1 134	2 178
	Q2	835	4 037	1 828	301	3 010	3 554	40	628	538	1 046	2 174
	Q3	826	8 681	2 370	511	4 078	4 289	1 045	776	747	1 105	2 288
	Q4	760	7 925	2 410	407	4 248	4 546	868	806	944	1 163	2 265
2021	Q1	754	8 902	2 405	503	4 388	4 852	1 800	821	767	1 179	2 358
	Q2	763	10 214	2 431	389	4 114	4 931	774	775	780	1 146	2 267
	Q3	793	11 264	2 532	479	4 150	4 642	1 513	790	784	1 131	2 255

1. The figures for 2019-2021 are provisional.

2. In July 2021, Statistics Botswana published rebased estimates of GDP using 2016 prices. In addition to using new prices, rebasing provided an opportunity to incorporate new data sources and the methodology updates, which resulted in further revision for GDP both in current and constant prices.

Source: Statistics Botswana

Real Estate Activities	Prof. Sci. & Technic. Activites	Admin. & Support Activities	Public Admin. & Defence	Education	Human Health & Soc. Work	Other Services	Total Value Added	Adjustments			Total GDP	Period	
								Taxes on Products	Subsidies on Products	Net taxes			
1 388	562	574	6 033	1 616	865	729	34 108	...	...	958	35 065	Q1	2012
1 396	557	570	5 174	1 666	891	752	32 854	...	...	1 113	33 967	Q2	
1 448	566	578	5 053	1 720	920	776	31 910	...	...	1 235	33 144	Q3	
1 489	574	587	4 914	1 746	934	788	33 806	...	...	1 281	35 087	Q4	
1 494	577	590	6 787	1 793	959	809	35 708	...	...	1 270	36 978	Q1	2013
1 514	591	604	5 525	1 801	964	813	37 549	...	...	1 142	38 691	Q2	
1 535	602	616	4 681	1 825	976	823	35 884	...	...	1 222	37 106	Q3	
1 565	615	629	5 352	1 870	1 000	844	38 485	...	...	1 245	39 729	Q4	
1 561	617	631	5 484	1 865	998	841	37 515	1 732	- 442	1 290	38 805	Q1	2014
1 579	624	639	5 334	1 923	1 019	854	39 361	1 787	- 451	1 336	40 697	Q2	
1 612	635	649	5 579	1 937	1 020	873	39 791	1 836	- 470	1 366	41 157	Q3	
1 639	647	656	5 847	1 896	1 043	884	39 126	1 883	- 477	1 406	40 532	Q4	
1 620	646	650	6 050	1 555	1 002	885	37 685	1 881	- 485	1 396	39 081	Q1	2015
1 650	644	645	6 067	1 545	823	872	37 850	1 848	- 477	1 371	39 222	Q2	
1 719	649	648	6 140	1 622	1 090	877	35 525	1 888	- 451	1 436	36 961	Q3	
1 776	658	654	5 762	1 953	1 103	888	36 661	1 922	- 475	1 447	38 109	Q4	
1 753	658	653	6 324	1 968	1 135	888	39 092	1 843	- 460	1 384	40 476	Q1	2016
1 765	662	658	6 093	1 923	1 090	892	39 495	1 947	- 445	1 502	40 997	Q2	
1 801	671	668	6 081	1 934	1 118	907	39 158	1 936	- 492	1 443	40 601	Q3	
1 852	682	677	6 128	1 936	1 131	924	40 830	1 949	- 434	1 515	42 345	Q4	
1 852	686	681	6 199	1 980	1 133	932	40 246	1 908	- 397	1 511	41 756	Q1	2017
1 862	693	690	6 144	1 636	1 126	933	41 006	1 886	- 429	1 457	42 463	Q2	
1 888	698	693	6 379	1 698	1 146	938	41 832	2 028	- 433	1 595	43 426	Q3	
1 928	701	693	6 281	1 807	1 167	942	41 834	2 137	- 435	1 701	43 535	Q4	
1 955	696	686	6 518	1 689	1 165	940	41 729	2 027	- 412	1 615	43 344	Q1	2018
1 968	696	689	6 190	1 937	1 172	935	43 287	1 989	- 415	1 574	44 861	Q2	
1 991	708	699	6 545	1 980	1 199	949	42 963	2 019	- 427	1 592	44 555	Q3	
2 022	719	710	6 424	1 996	1 200	959	43 914	2 133	- 455	1 678	45 592	Q4	
2 052	725	711	6 437	2 050	1 218	965	43 803	1 975	- 460	1 515	45 319	Q1	2019
2 074	730	717	7 386	2 082	1 270	968	44 469	1 957	- 314	1 643	46 111	Q2	
2 110	739	725	7 380	2 089	1 281	978	44 611	2 072	- 488	1 583	46 194	Q3	
2 134	749	733	7 303	2 054	1 296	987	44 530	2 094	- 486	1 607	46 137	Q4	
2 160	728	727	7 340	2 062	1 305	986	44 144	2 173	- 461	1 712	45 856	Q1	2020
1 797	652	575	7 211	2 088	1 233	799	32 347	1 747	- 384	1 364	33 710	Q2	
2 040	744	665	7 925	2 053	1 329	930	42 402	2 178	- 454	1 724	44 126	Q3	
2 115	765	709	8 036	2 060	1 340	945	42 313	2 150	- 430	1 720	44 033	Q4	
2 216	770	733	7 753	2 071	1 349	956	44 578	2 151	- 415	1 736	46 314	Q1	2021
2 222	762	725	7 937	2 146	1 334	951	44 662	2 045	- 425	1 620	46 282	Q2	
2 147	770	706	7 841	2 090	1 414	953	46 254	2 033	- 453	1 580	47 834	Q3	

TABLE 1.9: MINERAL PRODUCTION

Period	Copper-Nickel Matte ¹				Copper in concentrate ² (tonnes)
	Matte (tonnes)	Copper (tonnes)	Nickel (tonnes)	Cobalt (tonnes)	
2012	35 757	17 620	17 942	195	39 974
2013	44 396	21 300	22 848	248	62 254
2014	29 782	14 628	14 958	196	32 093
2015	30 992	13 888	16 789	316	8 396
2016	30 279	13 120	16 878	281	...
2017	...	...	...	...	1 239
2018	...	...	...	...	1 462
2019	...	...	...	...	...
2012	Q1	12 216	6 183	63	7 817
	Q2	11 054	5 462	60	6 888
	Q3	2 842	1 424	14	13 440
	Q4	9 645	4 551	58	11 829
2013	Q1	9 766	4 501	62	15 541
	Q2	12 471	6 047	66	18 055
	Q3	11 961	5 894	67	13 902
	Q4	10 198	4 858	53	14 756
2014	Q1	5 193	2 447	31	6 819
	Q2	8 148	3 964	50	8 069
	Q3	5 732	2 880	42	9 573
	Q4	10 709	5 337	73	7 632
2015	Q1	9 724	4 423	132	5 230
	Q2	11 675	5 127	109	2 135
	Q3	2 203	989	21	1 031
	Q4	7 390	3 349	54	-
2016	Q1	13 208	5 777	128	-
	Q2	10 370	4 464	105	-
	Q3	6 701	2 879	48	-
	Q4	...	...	...	...
2017	Q1	...	...	...	...
	Q2	...	...	...	689
	Q3	...	...	...	340
	Q4	...	...	...	210
2018	Q1	...	...	...	135
	Q2	...	...	...	547
	Q3	...	...	...	625
	Q4	...	...	...	155
2019	Q1	...	...	...	...
	Q2	...	...	...	...
	Q3	...	...	...	...
	Q4	...	...	...	...
2020	Q1	...	...	...	...
	Q2	...	...	...	...
	Q3	...	...	...	...
	Q4	...	...	...	...
2021	Q1	...	...	...	...
	Q2	...	...	...	...
	Q3	...	...	...	7 517
	Q4	...	...	...	4 225

1. This reflects smelting operations at BCL. Figures for Q3 2016 are only up to August following cessation of operations and ultimate liquidation of the mine in October 2016.

2. Figures include production from Mowana, Thakadu, Boseto and Khoemacau mines. Boseto mine was closed in the second quarter of 2015, while Mowana and Thakadu mines were placed under liquidation in 2016. However, Mowana Mine resumed production in April 2017 and suspended operations in November 2018. Khoemacau Mine resumed production in July 2021.

Source: Department of Mines

Coal	Diamonds (000 (tonnes)	Soda Ash (tonnes)	Salt (tonnes)	Gold Kg	Silver Kg	Period
1 454 404	20 619	248 629	367 749	1 377	...	2012
1 495 653	22 693	227 913	521 306	1 206	...	2013
1 711 555	24 658	268 529	515 311	884	...	2014
2 065 778	20 824	243 369	404 295	754	...	2015
1 870 939	20 891	280 457	399 837	833	...	2016
2 215 782	22 941	226 667	369 613	920	...	2017
2 482 313	24 378	297 237	367 988	1 105	...	2018
2 110 891	23 687	264 119	383 779	863	...	2019
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
581 910	5 737	64 460	114 245	212	...	Q1 2020
368 907	1 925	67 974	100 507	177	...	Q2
543 792	4 916	35 883	91 261	241	...	Q3
429 381	4 290	70 159	112 366	150	...	Q4
628 022	5 040	71 638	69 275	174	...	Q1 2021
651 577	5 827	57 962	101 776	186	...	Q2
783 766	6 500	65 195	169 826	176	6 757	Q3
637 012	5 329	67 043	143 751	113	60 806	Q4

TABLE 2.1: CONSUMER PRICE INDICES¹
(December 2018 = 100)

	2013			2014			2015			2016			2017			2018			2019			2020			2021		
	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	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	102.6	102.2	103.2	104.9	105.3	106.7
Feb	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	102.7	102.4	103.4	105.2	105.6	107.1
Mar	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	102.8	102.5	103.5	106.0	106.2	107.5
Apr	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	103.7	102.7	103.8	109.6	109.6	110.1
May	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	103.7	103.0	104.0	110.1	110.0	110.9
Jun	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	102.4	102.7	104.4	110.8	111.0	111.6
Jul	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	102.6	102.9	104.7	111.7	113.0	112.0
Aug	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	102.8	103.1	104.9	111.8	113.1	112.1
Sep	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	103.6	104.0	105.3	112.3	113.1	112.7
Oct	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	104.1	104.4	105.6	113.3	113.7	113.2
Nov	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	104.3	104.6	105.8	113.3	113.7	113.2
Dec	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	104.4	104.7	105.9	113.5	113.9	113.4

1. i) The Consumer Price Index (CPI) gives the 'headline' rate of consumer price inflation, based on the full CPI basket of 400 items derived from the 2015/16 Botswana Core Welfare Indicators Survey (BCWIS).
ii) The 16 percent trimmed mean (CPIT) excludes 8 percent (by weight in the CPI basket) from both the top and bottom ends of the ordered series of price changes in order to remove short-term volatilities.
iii) The CPI excluding administered prices (CPIXA) excludes 51 items in the CPI basket which are only adjusted periodically and not necessarily in response to market forces.

Source: Statistics Botswana

TABLE 2.2: ANNUAL INFLATION¹
(Percent)

	2013			2014			2015			2016			2017			2018			2019			2020			2021		
	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	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	2.2	1.9	2.7	2.3	2.2	3.4
Feb	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	2.2	1.9	2.7	2.4	2.4	3.6
Mar	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	2.2	1.9	2.7	3.2	2.8	3.9
Apr	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	2.5	1.8	2.6	5.6	5.4	6.1
May	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	2.4	1.6	2.6	6.2	5.8	6.7
Jun	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	0.9	1.0	2.8	8.2	7.9	6.8
Jul	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	0.9	1.0	2.8	8.9	8.4	7.0
Aug	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	1.0	1.1	2.9	8.8	8.3	6.8
Sep	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	1.8	1.8	3.1	8.4	8.0	7.1
Oct	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	2.2	2.2	3.4	8.8	8.2	7.2
Nov	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	2.2	2.2	3.4	8.6	8.0	7.0
Dec	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	2.2	2.1	3.3	8.7	8.0	7.1
Average	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	1.9	1.7	2.9	6.7	6.3	6.1

1. See notes for Table 2.1 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
		100.00		42.29		15.46		42.26		57.71	
As at end of	Weights ³										
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	Dec	90.9	3.1	89.0	7.6	94.2	3.5	90.8	0.0	91.7	1.2
2016	Dec	93.6	3.0	92.8	4.3	97.6	3.6	92.4	1.8	94.0	2.5
2017	Mar	94.7	3.5	93.4	3.9	99.7	4.6	93.6	2.9	95.4	3.5
	Jun	95.8	3.5	95.4	3.6	100.1	4.2	94.2	2.9	96.0	3.4
	Sep	96.1	3.2	95.9	3.5	99.2	2.6	94.7	3.1	96.1	3.0
	Dec	96.6	3.2	96.3	3.7	98.9	1.3	95.8	3.7	96.8	3.0
2018	Mar	97.4	2.8	97.1	4.0	99.8	0.1	96.5	3.1	97.5	2.2
	Jun	98.8	3.1	99.7	4.4	99.9	-0.2	97.5	3.6	98.2	2.4
	Sep	98.9	2.9	100.0	4.3	99.8	0.6	97.5	2.9	98.2	2.1
	Dec	100.0	3.5	100.0	3.9	100.0	1.1	100.0	4.4	100.0	3.4
2019	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	102.2	2.2	102.2	2.2	103.7	3.7	101.6	1.6	102.1	2.1
2020	Jan	102.6	2.2	102.5	2.4	105.0	4.2	101.8	1.5	102.6	2.2
	Feb	102.7	2.2	102.6	2.3	105.4	4.4	102.0	1.4	102.8	2.2
	Mar	102.8	2.2	102.6	2.3	105.6	4.2	102.0	1.4	102.9	2.1
	Apr	103.7	2.5	104.6	3.3	106.0	4.1	102.1	1.2	103.1	2.0
	May	103.7	2.4	104.7	3.3	106.6	4.2	101.8	0.8	103.1	1.7
	Jun	102.4	0.9	104.7	3.0	107.7	5.1	98.3	-2.7	100.8	-0.6
	Jul	102.6	0.9	104.7	2.9	108.1	5.2	98.5	-2.7	101.0	-0.6
	Aug	102.8	1.0	104.7	2.9	108.5	5.4	98.7	-2.5	101.3	-0.4
	Sep	103.6	1.8	106.4	4.4	108.6	5.3	99.1	-2.1	101.6	-0.1
	Oct	104.1	2.2	106.6	4.6	108.9	5.5	100.0	-1.3	102.3	0.5
	Nov	104.3	2.2	106.7	4.6	109.1	5.5	100.2	-1.3	102.6	0.6
	Dec	104.4	2.2	106.8	4.5	109.2	5.4	100.3	-1.3	102.6	0.5
2021	Jan	104.9	2.3	107.0	4.4	109.8	4.6	101.0	-0.7	103.4	0.7
	Feb	105.2	2.4	107.1	4.4	110.5	4.8	101.5	-0.5	103.8	1.0
	Mar	106.0	3.2	107.1	4.4	110.8	5.0	103.3	1.3	105.3	2.3
	Apr	109.6	5.6	109.8	4.9	113.7	7.2	107.9	5.7	109.4	6.1
	May	110.1	6.2	110.0	5.1	114.0	6.9	108.9	7.0	110.3	7.0
	Jun	110.8	8.2	110.8	5.8	114.0	5.9	109.7	11.6	110.8	10.0
	Jul	111.7	8.9	110.9	5.9	113.6	5.1	111.9	13.6	112.3	11.2
	Aug	111.8	8.8	111.0	5.9	113.8	4.8	112.0	13.4	112.4	11.0
	Sep	112.3	8.4	111.4	4.6	114.4	5.3	112.5	13.6	113.0	11.3
	Oct	113.3	8.8	111.5	4.6	114.7	5.4	114.6	14.7	114.7	12.0
	Nov	113.3	8.6	111.5	4.5	114.8	5.3	114.6	14.3	114.6	11.8
	Dec	113.5	8.7	111.9	4.7	115.1	5.3	114.5	14.2	114.7	11.7

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		Furninshing, Household Equipment &										
		Food	Alcohol & Tobacco	Clothing & Footwear	Housing	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
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	Dec	95.3	93.2	91.6	88.4	93.1	94.5	87.6	108.8	94.8	87.9	90.6
2016	Dec	99.1	95.8	96.1	91.2	95.7	97.1	87.3	108.8	96.4	91.0	93.5
2017	Mar	100.9	97.9	97.0	92.0	96.9	97.8	87.9	108.9	97.4	94.7	94.8
	Jun	101.4	99.0	97.5	95.7	97.4	98.6	88.3	109.2	98.2	94.8	95.5
	Sep	100.9	99.3	98.3	96.4	97.9	98.8	88.6	110.3	98.3	94.8	96.4
	Dec	100.2	99.1	98.5	96.7	97.9	98.9	90.9	110.1	98.5	94.9	97.1
2018	Mar	100.9	99.3	98.9	97.2	99.0	99.2	91.4	110.3	99.4	100.0	97.9
	Jun	100.7	99.7	99.6	99.2	99.5	99.4	95.0	100.2	100.1	100.0	99.0
	Sep	99.9	100.1	99.8	99.7	100.0	99.7	95.0	100.2	100.2	100.0	99.7
	Dec	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2019	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
2020	Jan	103.7	104.5	101.7	101.6	103.0	101.0	101.3	100.4	99.8	107.9	103.7
	Feb	104.2	104.6	101.8	101.7	103.3	101.0	101.4	100.3	100.0	108.0	103.9
	Mar	104.4	104.7	102.0	101.9	103.5	101.1	101.3	100.3	100.0	108.0	104.2
	Apr	104.6	104.8	102.1	106.5	103.7	101.5	101.3	100.3	99.7	108.0	104.4
	May	105.2	104.8	102.4	106.6	103.7	101.7	100.7	100.4	99.5	108.0	104.7
	Jun	105.7	108.7	102.9	106.7	103.9	102.0	93.9	100.5	99.5	108.0	104.8
	Jul	106.1	110.3	103.2	106.9	103.7	102.0	93.9	100.6	99.6	108.0	104.8
	Aug	106.5	110.4	103.3	107.2	104.0	102.1	94.0	100.8	99.8	108.0	104.8
	Sep	106.7	110.2	103.5	107.7	104.1	102.2	97.0	100.8	100.2	108.0	105.1
	Oct	106.7	111.0	103.9	107.9	104.4	102.2	98.4	101.3	100.2	108.0	105.3
	Nov	106.9	111.0	103.9	108.2	104.5	102.3	98.6	101.3	100.5	108.0	105.5
	Dec	106.7	111.3	104.1	108.5	104.7	102.4	98.7	101.1	100.7	108.0	105.3
2021	Jan	107.2	111.3	104.4	108.7	105.1	103.2	99.6	101.1	101.1	109.9	105.2
	Feb	108.0	111.5	104.6	109.0	105.2	103.2	100.0	101.1	101.6	109.9	105.5
	Mar	108.6	112.0	104.9	109.2	105.6	103.5	102.8	101.1	101.8	109.9	106.0
	Apr	111.7	117.1	105.7	113.3	106.9	104.3	108.8	101.8	103.1	109.9	107.0
	May	112.3	118.4	106.4	113.6	107.2	104.9	109.7	102.1	103.7	109.9	107.9
	Jun	112.9	118.8	106.8	115.8	107.8	104.9	110.2	102.2	104.0	110.0	108.5
	Jul	113.0	119.3	106.9	115.9	108.2	104.8	113.5	102.3	104.0	110.0	108.2
	Aug	113.2	119.5	107.0	116.0	108.4	104.9	113.4	102.3	104.1	110.0	108.7
	Sep	113.5	120.1	107.4	116.6	109.3	105.0	114.0	102.3	104.6	111.1	109.1
	Oct	114.0	120.8	107.8	116.7	109.6	105.2	117.5	102.3	104.6	111.1	109.6
	Nov	114.1	121.3	108.1	116.9	109.5	105.3	117.1	102.3	104.7	111.1	109.9
	Dec	114.4	121.7	108.3	117.5	110.0	105.4	116.8	102.2	104.9	111.1	110.0

1. From December 2018, the CPI basket comprises 400 items classified into 12 commodity groups and 51 sections.

2. These are revised weights based on the 2015/16 Botswana Multi-Topic Household Survey results used in the calculation of the CPI from December 2018.

Source: Statistics Botswana

Misc. Goods & Services	All Items Index	Annual Inflation								Sub-groups	
		Annual Inflation	Monthly Change	Cities & Towns Index	Urban Villages Index	Rural Index	Cities & Towns %	Urban Villages %	Rural %		
										Weights ²	As at end of
9.01	100.00	%	%	0.38	0.41	0.21	%	%	%		
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
84.6	90.9	3.1	-	90.2	91.2	91.5	3.2	2.8	3.4	Dec	2015
91.3	93.6	3.0	0.1	92.7	93.9	94.7	2.8	3.0	3.5	Dec	2016
92.0	94.7	3.5	0.5	93.8	95.0	95.9	3.6	3.0	4.2	Mar	2017
93.2	95.8	3.5	0.2	94.8	96.2	96.8	3.4	3.3	3.9	Jun	
93.3	96.1	3.2	0.1	95.2	96.3	97.2	3.2	3.0	3.4	Sep	
93.9	96.6	3.2	0.4	96.0	96.6	97.6	3.6	2.9	3.1	Dec	
94.9	97.4	2.8	0.1	96.8	97.5	98.1	3.3	2.6	2.3	Mar	2018
100.2	98.8	3.1	-	98.6	98.8	99.0	4.0	2.7	2.3	Jun	
100.2	98.9	2.9	-	98.7	98.9	99.1	3.6	2.7	2.0	Sep	
100.0	100.0	3.5	0.1	100.0	100.0	100.0	4.2	3.5	2.5	Dec	
100.3	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	
105.5	102.6	2.2	0.4	102.8	102.6	102.0	2.4	2.3	1.8	Jan	2020
105.6	102.7	2.2	0.1	102.9	102.8	102.1	2.3	2.3	1.9	Feb	
105.4	102.8	2.2	0.1	102.9	102.9	102.3	2.3	2.3	2.0	Mar	
106.1	103.7	2.5	0.9	103.9	102.9	103.0	2.7	2.6	2.3	Apr	
106.2	103.7	2.4	-	103.9	103.8	103.1	2.5	2.3	2.2	May	
106.2	102.4	0.9	-1.2	102.6	102.7	101.5	1.0	1.1	0.4	Jun	
105.9	102.6	0.9	0.2	102.7	102.9	101.8	0.9	1.1	0.6	Jul	
105.8	102.8	1.0	0.2	102.8	103.1	102.0	1.0	1.1	0.7	Aug	
106.0	103.6	1.8	0.8	103.7	104.0	102.9	1.7	1.9	1.6	Sep	
106.2	104.1	2.2	0.5	104.2	104.4	103.4	2.2	2.4	2.0	Oct	
106.3	104.3	2.2	0.1	104.4	104.6	103.6	2.2	2.4	2.0	Nov	
106.4	104.4	2.2	0.1	104.4	104.7	103.7	2.1	2.4	2.0	Dec	
106.8	104.9	2.3	0.5	104.9	105.3	104.2	2.0	2.6	2.1	Jan	2021
106.9	105.2	2.4	0.3	105.1	105.6	104.5	2.1	2.7	2.3	Feb	
106.9	106.0	3.2	0.8	105.9	106.5	105.4	2.9	3.5	3.1	Mar	
112.2	109.6	5.6	3.3	109.7	110.0	108.4	5.5	5.9	5.2	Apr	
112.5	110.1	6.2	0.5	110.3	110.6	109.0	6.1	6.5	5.7	May	
112.6	110.8	8.2	0.6	111.0	111.3	109.6	8.2	8.3	7.9	Jun	
112.9	111.7	8.9	0.8	111.7	112.1	110.8	8.8	9.0	8.8	Jul	
113.2	111.8	8.8	0.1	111.8	112.3	110.9	8.7	8.9	8.8	Aug	
113.8	112.3	8.4	0.5	112.4	112.9	111.1	8.4	8.6	8.0	Sep	
114.1	113.3	8.8	0.9	113.3	113.8	112.4	8.7	9.0	8.6	Oct	
113.7	113.3	8.6	-	113.3	113.8	112.4	8.5	8.8	8.5	Nov	
114.1	113.5	8.7	0.1	113.4	113.9	112.7	8.6	8.8	8.7	Dec	

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

	2012			2013			2014			2015			2016		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Private and Parastatal	122 440	83 602	206 015	123 432	85 301	208 732	124 181	86 021	210 189	126 413	84 482	210 895	125 288	90 923	216 211
Private	112 075	76 483	188 531	112 352	77 543	189 894	113 073	78 339	191 399	114 998	76 486	191 484	114 112	82 998	197 107
Parastatal	10 365	7 119	17 484	11 080	7 758	18 838	11 108	7 682	18 790	11 415	7 996	19 411	11 176	7 925	19 101
Agriculture	3 664	2 815	6 479	3 666	2 857	6 523	3 823	2 692	6 514	3 715	2 922	6 637	3 836	2 710	6 545
Mining and quarrying	10 398	1 442	11 840	10 239	1 835	12 074	11 116	1 431	12 547	11 112	1 661	12 773	11 205	1 167	12 372
Manufacturing	20 901	15 929	36 829	22 599	14 468	37 066	22 207	14 840	37 047	23 064	14 253	37 316	22 350	15 446	37 797
Water and electricity ²	3 036	1 107	4 143	3 331	1 305	4 636	3 314	1 378	4 692	3 432	1 320	4 752	3 655	1 416	5 071
Construction	19 922	3 729	23 650	19 193	4 537	23 730	19 625	4 007	23 632	18 888	3 989	22 877	19 751	4 286	24 037
Commerce ³	33 043	31 809	64 852	32 960	33 046	66 005	33 373	33 127	66 501	33 810	32 990	66 800	32 685	36 633	69 315
Transport and communications ⁴	8 133	4 990	13 123	7 668	5 659	13 327	8 074	5 282	13 357	7 746	5 709	13 457	8 091	5 781	13 872
Finance and business services ⁵	16 681	11 162	27 816	16 803	11 134	27 937	15 643	12 658	28 290	17 558	11 041	28 598	17 194	12 079	29 272
Public Administration ⁶	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Education	4 210	5 886	10 096	4 554	5 593	10 147	4 483	5 787	10 270	4 615	5 567	10 181	4 056	6 218	10 274
Community and personal services ⁷	2 453	4 733	7 187	2 421	4 868	7 288	2 523	4 819	7 339	2 473	5 030	7 504	2 464	5 188	7 653
Central Government⁸	49 958	54 967	104 925	49 097	55 444	104 541	48 992	55 325	104 317	49 007	55 342	104 349	48 134	55 562	103 696
Local Government	27 387	51 338	78 725	54 696	31 561	86 257	57 522	32 433	89 955	32 012	56 425	88 437	31 030	58 001	89 031
of which: Ipelegeng	14 427	38 190	52 617	42 424	18 199	60 623	44 922	19 432	64 354	19 396	43 170	62 566	19 083	45 365	64 448
TOTAL ALL SECTORS	199 785	189 907	389 665	227 225	172 306	399 530	230 695	173 779	404 461	207 432	196 249	403 681	204 452	204 486	408 938
Excluding Ipelegeng	190 367	146 705	337 048	184 801	154 107	338 907	185 773	154 347	340 107	188 036	153 079	341 115	185 369	159 121	344 490

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. Also note that the employment estimates for 2019 to 2021 are not directly comparable to those of other years since the formal sector employment survey for all other years was conducted on business entities where gross earnings were reported, while that of 2019 to 2021 were conducted on households. They exclude working proprietors, unpaid family workers and small businesses with less than five employees.
2. Water and electricity includes employees from electricity, gas, and air supply; water supply and waste management sectors.
3. Commerce includes employees in the wholesale, retail and sale of motor vehicles; accommodation and food services.
4. Transport and communications includes employees in the transport and storage, information and communication sectors.
5. Finance and business services includes employees in the finance and insurance, real estate sectors.
6. Public administration also includes administrative and support services activities.
7. Community and personal services includes employees in professional, scientific and technical activities; human health and social work activities; arts, entertainment and recreation; other service activities; activities of extraterritorial organisations.
8. Central Government figures exclude the Botswana Defence Force (BDF).

Source: Statistics Botswana

2017			2018			2019			2020			2021			
Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	
121 696	91 263	212 949	125 308	90 202	215 511	...	...	...	...	...	...	...	...	...	Private and Parastatal
110 495	82 995	193 480	114 110	81 570	195 681	...	...	...	...	...	...	...	...	...	Private
11 201	8 268	19 469	11 198	8 632	19 830	...	...	...	...	...	...	...	...	...	Parastatal
3 340	3 166	6 506	3 846	2 796	6 643	5 510	4 124	9 634	5 975	5 122	11 097	8 424	4 988	13 412	Agriculture
6 884	1 135	8 019	7 005	1 238	8 243	7 378	763	8 141	6 484	1 348	7 832	9 146	2 411	11 558	Mining and quarrying
21 682	16 195	37 877	22 497	15 441	37 939	15 260	11 645	26 905	17 861	13 328	31 189	23 951	15 192	39 144	Manufacturing
3 681	1 435	5 116	3 655	1 551	5 207	7 047	1 933	8 980	6 008	3 570	9 578	4 856	3 714	8 570	Water and electricity ²
17 331	6 065	23 396	18 766	4 204	22 970	15 307	2 920	18 227	18 029	2 425	20 454	17 423	3 225	20 648	Construction
35 715	34 545	70 251	35 618	35 748	71 365	29 837	37 115	66 952	42 401	44 101	86 502	43 875	43 551	87 425	Commerce ³
8 738	5 349	14 086	8 730	5 554	14 284	11 483	5 701	17 184	13 329	2 766	16 095	13 378	5 505	18 882	Transport and communications ⁴
17 176	12 243	29 419	18 265	12 082	30 346	3 345	7 621	10 966	5 414	4 469	9 883	5 940	8 430	14 370	Finance and business services ⁵
...	...	...	...	...	...	67 774	43 089	110 863	79 153	95 590	174 743	69 607	89 649	159 257	Public Administration ⁶
4 444	5 910	10 353	4 399	6 044	10 443	14 871	37 921	52 792	21 208	50 548	71 756	19 540	55 123	74 663	Education
2 705	5 220	7 926	2 527	5 544	8 071	15 584	27 415	42 999	12 269	26 314	38 583	16 253	30 274	46 527	Community and personal services ⁷
47 929	56 133	104 062	48 694	59 414	108 108	...	...	...	...	...	...	...	...	...	Central Government ⁸
32 540	59 658	92 198	34 695	62 448	97 143	...	...	...	...	...	...	...	...	...	Local Government
20 963	46 347	67 310	23 136	48 877	72 013	...	...	...	...	...	...	...	...	...	of which: Ipelegeng
202 135	207 059	409 184	208 697	212 064	420 762	193 396	180 247	373 643	228 134	249 582	477 716	232 394	262 063	494 457	TOTAL ALL SECTORS
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	2012 Apr	2013 Jun	2014 Jun	2015 Jul	2016 Jun
Building, construction, exploration and quarrying	420	450	486	515	546
Manufacturing, service and repair trades	420	450	486	515	546
Wholesale distributive trades	420	450	486	515	546
Retail distributive trades	370	400	432	458	485
Hotel, catering and entertainment trades	420	450	486	515	546
Garage, motor trades and road transport	420	450	486	515	546
Nightwatchmen in all sectors	350	380	410	435	461
Security guards employed by security companies	420	450	486	515	546
Domestic service workers ¹	230	250	270	286	303
Agriculture sector workers (Pula per month)	445	500	550	583	620

1. From July 2019, wages for domestic service workers and Agriculture sector 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)

	2012	2013	2014	2015	2016
A. Citizens					
Private and parastatal	4 527	4 678	5 071	5 295	5 223
Agriculture	918	919	1 016	921	1 010
Mining and quarrying	8 295	10 022	10 852	10 273	11 348
Manufacturing	3 299	2 871	3 323	3 405	3 845
Water and electricity ²	11 929	10 880	10 784	11 638	11 969
Construction	2 804	2 529	2 790	2 689	3 001
Commerce ³	2 766	3 062	3 383	3 263	3 089
Transport and communications ⁴	6 987	7 300	7 191	7 547	8 475
Finance and business services ⁵	7 440	7 669	8 119	8 161	8 721
Public Administration ⁶	...	...	...	...	...
Education	8 046	7 844	8 992	9 068	6 508
Community and personal services ⁷	4 243	5 068	5 278	5 020	4 066
Local government	4 306	4 501	4 290	4 599	4 972
Including Ipelegeng Programme	1 662	1 677	1 588	1 722	1 755
Central government	6 271	7 120	7 297	7 545	8 660
Total citizens	5 071	5 442	5 716	5 944	6 270
Including Ipelegeng Programme	4 408	4 661	4 856	5 080	5 333
B. Non-citizens					
Private and parastatal	14 260	13 760	14 164	16 230	16 068
Local government	19 181	16 029	18 009	14 453	16 723
Central government	12 781	13 226	13 401	13 449	15 625
Total Non-citizens	14 182	13 733	14 130	15 869	16 039
C. ALL SECTORS	4 810	5 009	5 213	5 403	5 684

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. Also note that the employment estimates for 2019 to 2021 are not directly comparable to those of other years since the formal sector employment survey for all other years was conducted on business entities where gross earnings were reported, while that of 2019 to 2021 were conducted on households.

2. Water and electricity includes employees from electricity, gas, and air supply; water supply and waste management sectors.

3. Commerce includes employees in the wholesale, retail and sale of motor vehicles; accommodation and food services.

2017 Nov	2018 Dec	2019 Jul	2020 Dec	2021 Dec	Effective beginning of
579	579	677	677	6 606	Building, construction, exploration and quarrying
579	579	677	677	6 239	Manufacturing, service and repair trades
579	579	677	677	5 872	Wholesale distributive trades
514	514	601	601	6 239	Retail distributive trades
579	579	677	677	6 606	Hotel, catering and entertainment trades
579	579	677	677	5 534	Garage, motor trades and road transport
489	489	677	677	7 340	Nightwatchmen in all sectors
579	579	677	677	6 606	Security guards employed by security companies
321	321	1 000	1 000	1 084	Domestic service workers ¹
700	700	1 000	1 000	1 084	Agriculture sector workers (Pula per month)

2017	2018	2019	2020	2021	
					A. Citizens
5 707	6 082	...	...	...	Private and parastatal
1 388	1 784	<i>1 791</i>	<i>2 590</i>	2 411	Agriculture
14 713	16 705	17 765	<i>14 389</i>	19 188	Mining and quarrying
4 799	5 081	3 210	<i>3 429</i>	3 578	Manufacturing
11 416	11 709	<i>7 028</i>	9 186	10 154	Water and electricity ²
3 554	5 260	4 072	<i>3 658</i>	3 995	Construction
3 295	4 048	<i>2 597</i>	2 348	2 589	Commerce ³
8 945	9 725	<i>9 976</i>	9 391	8 825	Transport and communications ⁴
9 681	9 698	<i>8 680</i>	12 976	12 979	Finance and business services ⁵
...	...	3 969	5 171	5 131	Public Administration ⁶
7 027	8 612	<i>8 532</i>	<i>8 910</i>	9 309	Education
5 416	5 638	<i>7 286</i>	<i>7 364</i>	8 700	Community and personal services ⁷
5 345	5 850	...	...	...	Local government
1 853	1 932	...	...	...	Including Ipelegeng Programme
9 286	9 646	...	...	...	Central government
6 798	7 407	5 380	5 853	6 219	Total citizens
5 742	6 206	...	...	...	Including Ipelegeng Programme
					B. Non-citizens
17 485	20 720	...	...	...	Private and parastatal
16 573	17 011	...	...	...	Local government
16 325	17 300	...	...	...	Central government
17 379	20 374	8 673	13 355	9 275	Total Non-citizens
6 088	6 533	5 495	6 014	6 299	C. ALL SECTORS

4. Transport and communications includes employees in the transport and storage, information and communication sectors.

5. Finance and business services includes employees in the finance and insurance, real estate activities.

6. Public administration also includes administrative and support services.

7. Community and personal services includes employees in professional, scientific and technical; human health and social work activities; arts, entertainment and recreation; other service activities; activities of extraterritorial organisations.

Source: Statistics Botswana

TABLE 3.1: CENTRAL BANK SURVEY
(P MILLION)

End of	2012	2013	2014	2015	2016	2017	2018	2019	2020			
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun	Sep	Dec
Net Foreign Assets	57 652.2	66 003.6	77 255.2	82 900.2	74 492.1	71 342.1	69 184.0	62 932.5	59 710.6	61 251.0	56 439.5	50 984.8
Claims on non-residents	59 316.7	67 771.8	79 111.3	84 881.0	76 804.3	73 692.7	71 426.6	65 229.3	62 006.6	63 649.0	58 846.0	53 363.8
Monetary Gold and SDRs	1 023.7	1 157.1	1 178.9	1 334.9	839.8	931.3	878.6	868.7	967.9	965.4	972.2	926.8
Foreign Exchange Reserves	57 864.7	66 171.9	77 481.4	83 097.9	75 357.0	72 351.3	70 006.6	63 755.3	60 365.6	61 882.1	57 066.8	51 667.9
Deposits	10 156.9	6 452.7	13 103.4	7 885.6	13 052.0	7 647.8	18 287.1	10 960.9	6 373.7	4 015.4	2 650.6	3 289.0
Debt securities	32 972.7	38 129.0	38 508.6	46 800.8	41 573.7	41 988.7	33 021.3	28 284.5	34 623.7	34 665.4	32 052.7	26 500.6
Shares and other Equity	14 735.0	21 590.2	25 869.4	28 411.5	20 731.3	22 714.8	18 698.2	24 509.9	19 368.2	23 201.3	22 363.5	21 878.2
IMF Reserve Tranche	335.8	422.3	430.0	424.5	585.7	388.9	518.7	583.0	648.4	776.7	782.1	745.4
Administered Fund - PRGF	18.2	20.5	20.9	23.7	21.8	21.3	22.7	22.3	24.8	24.7	24.9	23.7
Administered Fund - PRGF-HIPC Trust	74.4	-	-	-	-	-	-	-	-	-	-	-
Other non-residents	-	-	-	-	-	-	-	-	-	-	-	-
Less: Liabilities to non-residents	1 664.5	1 768.3	1 856.1	1 980.8	2 312.1	2 350.7	2 242.6	2 296.7	2 296.0	2 397.9	2 406.5	2 379.0
Deposits	962.0	974.7	1 059.2	1 080.5	1 480.4	1 537.5	1 380.1	1 444.8	1 346.0	1 463.7	1 462.4	1 463.9
Loans	-	-	-	-	-	-	-	-	-	-	-	-
Securities other than shares	-	-	-	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Trade creditors	13.5	14.8	7.2	6.4	6.6	8.8	5.6	10.0	13.6	0.3	3.7	18.9
SDR allocations ¹	689.0	778.8	789.7	893.9	825.1	804.3	856.9	842.0	936.4	933.9	940.4	896.2
Domestic Claims	-22 215.9	-28 176.4	-38 877.2	-37 077.6	-32 404.2	-32 818.1	-29 615.1	-22 975.6	-19 714.4	-15 022.5	-6 281.7	-6 817.5
Claims on other depository corporations	-	302.1	-	-	-	-	-	-	-	-	-	-
Repurchase agreements	-	302.1	-	-	-	-	-	-	-	-	-	-
Other claims	-	-	-	-	-	-	-	-	-	-	-	-
Net claims on central government	-22 279.1	-28 531.1	-38 926.9	-37 130.2	-32 463.5	-32 884.3	-29 722.5	-23 115.3	-19 861.4	-15 169.6	-6 432.3	-6 979.3
Claims on central government	24.0	24.9	24.1	23.7	22.9	21.7	-	-	-	-	-	-
Securities other than shares	24.0	24.9	24.1	23.7	22.9	21.7	-	-	-	-	-	-
Other claims	-	-	-	-	-	-	-	-	-	-	-	-
Less: Liabilities to central government	22 303.1	28 556.0	38 951.0	37 153.9	32 486.4	32 906.0	29 722.5	23 115.3	19 861.4	15 169.6	6 432.3	6 979.3
Deposits	22 303.1	28 556.0	38 951.0	37 153.9	32 486.4	32 906.0	29 722.5	23 115.3	19 861.4	15 169.6	6 432.3	6 979.3
Claims on other sectors	63.2	52.6	49.7	52.6	59.3	66.1	107.4	139.7	147.0	147.2	150.6	161.8
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
State and local government	-	-	-	-	-	-	-	-	-	-	-	-
Public non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Other non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Other resident sectors	63.2	52.6	49.7	52.6	59.3	66.1	107.4	139.7	147.0	147.2	150.6	161.8
Reserve Money	6 443.5	6 748.8	7 059.5	5 727.4	6 480.5	6 134.7	6 354.3	6 805.9	6 079.6	4 868.8	5 390.5	6 560.4
Currency in circulation	2 274.8	2 381.5	2 598.6	2 707.8	2 858.1	3 136.5	3 286.9	3 782.0	3 478.2	3 811.8	4 040.3	4 457.9
Deposits of other depository corporations	4 168.7	4 367.2	4 460.9	3 019.5	3 622.3	2 998.1	3 067.4	3 023.8	2 601.4	1 057.0	1 350.2	2 102.5
Reserve and free deposits	4 168.7	4 367.2	4 460.9	3 019.5	3 622.3	2 998.1	3 067.4	3 023.8	2 601.4	1 057.0	1 350.2	2 102.5
Transferable deposits included in broad money	149.6	660.5	540.4	79.1	120.0	112.7	172.8	95.1	84.3	727.8	654.1	77.7
Other financial corporations	0.3	0.3	0.3	0.4	0.5	4.7	0.3	4.7	0.8	1.9	2.8	0.9
State and local government	-	-	-	-	-	-	-	-	-	-	-	-
Public non-financial corporations	141.1	652.1	535.1	72.9	112.6	97.8	157.7	73.8	64.8	709.3	634.0	59.2
Other non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Other resident sectors	8.3	8.2	5.1	5.8	6.9	10.2	14.8	16.6	18.8	16.6	17.3	17.6
Securities excl. from base money, incl. in broad money	-	-	-	-	-	-	-	-	-	-	-	-
Bank of Botswana Certificates held by banks	8 663.5	5 490.7	4 201.4	8 189.9	7 918.4	6 277.9	8 192.7	8 609.6	9 574.7	10 444.4	11 368.2	7 779.4
Repurchase agreements with ODCs	999.0	-	304.4	1 672.8	1 302.9	54.0	1 054.9	1 831.2	-	1 320.1	1 872.0	1 417.9
Shares and other equity	19 521.2	25 244.0	26 569.3	30 504.1	26 627.1	26 309.6	24 188.5	23 125.8	24 817.3	29 436.3	31 471.8	29 010.6
Funds contributed by owners	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Current year results	-	-	-	-	-	-	-	-	548.3	504.1	1 680.4	-
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	17 896.2	23 619.0	24 944.3	28 879.1	25 002.1	24 684.6	22 563.5	21 500.8	22 644.0	27 307.2	28 166.3	27 385.6
Other items (net)	-340.6	-316.7	-296.9	-350.7	-360.8	-361.0	-394.3	-510.5	-559.8	-568.8	-598.8	-678.9
Other liabilities ²	94.7	131.1	207.9	123.1	346.0	189.0	221.8	110.1	196.8	213.1	179.1	296.7
Less: other assets	435.3	447.9	504.8	473.8	706.8	550.1	616.0	620.6	756.6	781.9	777.9	975.6
Memorandum items:												
Monetary Base	15 256.6	12 900.0	11 801.3	13 996.4	14 518.8	12 525.3	14 719.7	15 510.5	15 738.7	16 040.9	17 412.8	14 417.6
Currency in circulation	2 274.8	2 381.5	2 598.6	2 707.8	2 858.1	3 136.5	3 286.9	3 782.0	3 478.2	3 811.8	4 040.3	4 457.9
Liabilities to other depository corporations	12 832.2	9 858.0	8 662.3	11 209.5	11 540.7	9 276.1	11 260.0	11 633.4	12 176.1	11 501.4	12 718.4	9 882.0
Reserve and free deposits	4 168.7	4 367.2	4 460.9	3 019.5	3 622.3	2 998.1	3 067.4	3 023.8	2 601.4	1 057.0	1 350.2	2 102.5
Other liabilities ³	8 663.5	5 490.7	4 201.4	8 189.9	7 918.4	6 277.9	8 192.7	8 609.6	9 574.7	10 444.4	11 368.2	7 779.4
Transferable deposits included in broad money	149.6	660.5	540.4	79.1	120.0	112.7	172.8	95.1	84.3	727.8	654.1	77.7
Other financial corporations	0.3	0.3	0.3	0.4	0.5	4.7	0.3	4.7	0.8	1.9	2.8	0.9
State and local government	-	-	-	-	-	-	-	-	-	-	-	-
Public non-financial corporations	141.1	652.1	535.1	72.9	112.6	97.8	157.7	73.8	64.8	709.3	634.0	59.2
Other non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Other resident sectors	8.3	8.2	5.1	5.8	6.9	10.2	14.8	16.6	18.8	16.6	17.3	17.6
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

2021												End of
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
56,264.2	53,389.6	50,720.7	53,911.7	48,799.1	48,745.2	49,805.3	48,778.7	46,862.0	54,759.5	52,274.2	50,625.9	Net Foreign Assets
58,638.0	55,770.7	53,083.3	56,272.9	51,011.9	50,937.1	52,011.6	53,952.0	52,096.5	60,024.0	57,613.4	56,018.0	Claims on non-residents
939.6	939.9	928.4	927.9	911.4	923.9	936.9	3,902.8	3,967.2	3,995.0	4,058.1	4,097.7	Monetary Gold and SDRs
56,918.7	54,050.8	51,384.7	54,575.1	49,344.3	49,215.6	50,265.9	49,243.4	47,310.2	55,204.3	52,717.5	51,074.4	Foreign Exchange Reserves
7,980.1	5,047.9	2,276.5	4,630.1	1,341.6	2,064.1	2,011.9	1,278.3	872.0	7,875.7	5,468.1	2,589.9	Deposits
26,617.1	26,215.4	25,733.6	25,867.2	24,268.0	24,185.8	24,868.1	23,978.9	22,884.4	22,597.1	22,598.6	22,883.4	Debt securities
22,321.5	22,787.5	23,374.6	24,077.8	23,734.7	22,965.7	23,385.9	23,986.2	23,553.8	24,731.5	24,650.8	25,601.1	Shares and other Equity
755.6	755.9	746.5	746.1	732.8	774.0	784.8	781.8	794.7	800.3	812.9	820.9	IMF Reserve Tranche
24.1	24.1	23.8	23.8	23.3	23.7	24.0	23.9	24.3	24.5	24.9	25.1	Administered Fund - PRGF
-	-	-	-	-	-	-	-	-	-	-	-	Administered Fund - PRGF-HIPC Trust
-	-	-	-	-	-	-	-	-	-	-	-	Other non-residents
2,373.8	2,381.1	2,362.7	2,361.2	2,212.9	2,192.0	2,206.2	5,173.4	5,234.4	5,264.5	5,339.2	5,392.1	Less: Liabilities to non-residents
1,464.0	1,463.0	1,464.1	1,463.9	1,330.0	1,298.6	1,300.1	1,299.6	1,298.8	1,301.2	1,302.0	1,302.7	Deposits
-	-	-	-	-	-	-	-	-	-	-	-	Loans
-	-	-	-	-	-	-	-	-	-	-	-	Securities other than shares
-	-	-	-	-	-	-	-	-	-	-	-	Financial derivatives
1.2	9.3	1.0	0.2	1.7	0.2	0.4	2.0	0.1	0.2	11.4	24.5	Trade creditors
908.6	908.8	897.6	897.1	881.1	893.2	905.7	3,871.7	3,935.6	3,963.1	4,025.7	4,064.9	SDR allocations ¹
-10,928.3	-9,691.7	-8,119.8	-7,574.3	-5,828.2	-5,834.8	-5,692.6	-5,365.6	-4,742.4	-11,250.0	-9,912.5	-10,595.4	Domestic Claims
12.4	-	-	-	-	-	-	-	-	-	-	-	Claims on other depository corporations
-	-	-	-	-	-	-	-	-	-	-	-	Repurchase agreements
12.4	-	-	-	-	-	-	-	-	-	-	-	Other claims
-11,103.7	-9,856.0	-8,293.9	-7,753.6	-6,007.8	-6,019.3	-5,877.9	-5,552.9	-4,934.1	-11,443.7	-10,105.0	-10,789.2	Net claims on central government
-	-	-	-	-	-	-	-	-	-	-	-	Claims on central government
-	-	-	-	-	-	-	-	-	-	-	-	Securities other than shares
-	-	-	-	-	-	-	-	-	-	-	-	Other claims
11,103.7	9,856.0	8,293.9	7,753.6	6,007.8	6,019.3	5,877.9	5,552.9	4,934.1	11,443.7	10,105.0	10,789.2	Less: Liabilities to central government
11,103.7	9,856.0	8,293.9	7,753.6	6,007.8	6,019.3	5,877.9	5,552.9	4,934.1	11,443.7	10,105.0	10,789.2	Deposits
163.0	164.3	174.1	179.4	179.5	184.5	185.3	187.3	191.7	193.7	192.5	193.8	Claims on other sectors
-	-	-	-	-	-	-	-	-	-	-	-	Other financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	State and local government
-	-	-	-	-	-	-	-	-	-	-	-	Public non-financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	Other non-financial corporations
163.0	164.3	174.1	179.4	179.5	184.5	185.3	187.3	191.7	193.7	192.5	193.8	Other resident sectors
5,362.1	5,373.3	6,106.1	6,150.4	5,150.3	5,151.7	5,260.4	5,262.5	5,161.2	4,900.8	5,075.5	6,023.9	Reserve Money
3,831.1	3,690.8	3,989.1	3,841.6	3,824.7	3,844.0	3,843.3	3,912.0	3,999.0	3,716.9	3,845.3	4,198.4	Currency in circulation
1,531.0	1,682.5	2,117.0	2,308.8	1,325.6	1,307.7	1,417.2	1,350.5	1,162.3	1,183.9	1,230.2	1,825.5	Deposits of other depository corporations
1,531.0	1,682.5	2,117.0	2,308.8	1,325.6	1,307.7	1,417.2	1,350.5	1,162.3	1,183.9	1,230.2	1,825.5	Reserve and free deposits
502.3	547.2	29.0	910.2	173.6	440.8	447.8	228.2	446.7	221.0	192.2	27.9	Transferable deposits included in broad money
0.4	0.6	0.6	1.0	0.6	0.8	1.2	1.0	1.0	1.1	0.6	0.5	Other financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	State and local government
484.4	529.2	11.0	891.4	155.6	422.3	427.1	207.8	426.3	200.5	174.5	10.3	Public non-financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	Other non-financial corporations
17.4	17.3	17.3	17.8	17.4	17.7	19.5	19.4	19.4	19.4	17.2	17.2	Other resident sectors
-	-	-	-	-	-	-	-	-	-	-	-	Securities excl. from base money, incl. in broad money
8,849.5	7,129.6	7,479.4	8,269.5	7,919.8	6,329.4	5,949.6	5,409.9	4,609.6	5,049.7	3,999.9	2,299.8	Bank of Botswana Certificates held by banks
1,755.9	1,860.9	-	1,406.9	1,029.0	955.9	1,607.9	1,249.0	1,005.9	1,345.9	760.0	1,479.0	Repurchase agreements with ODCs
29,525.1	29,475.6	29,690.6	30,320.9	29,438.6	30,782.9	31,608.4	32,032.8	31,690.5	32,784.7	33,165.4	31,054.6	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
298.9	607.4	930.6	990.7	1,995.8	2,256.3	2,280.0	2,411.1	2,584.3	2,596.8	3,032.0	-	Current year results
1,600.0	1,600.0	1,600.0	1,600.0	1,600.0	1,600.0	1,600.0	1,600.0	1,600.0	1,600.0	1,600.0	1,600.0	General reserve
27,601.2	27,243.2	27,135.0	27,705.2	25,817.7	26,901.7	27,703.4	27,996.7	27,481.1	28,562.9	28,508.4	29,429.6	Valuation adjustment
-659.0	-688.7	-704.3	-720.5	-740.4	-750.5	-761.5	-769.3	-794.2	-792.6	-831.4	-854.7	Other items (net)
257.6	210.6	330.2	265.9	516.2	368.2	289.2	297.3	195.3	179.3	178.9	137.8	Other liabilities ²
916.6	899.3	1,034.5	986.4	1,256.6	1,118.7	1,050.7	1,066.6	989.5	971.9	1,010.3	992.5	Less: other assets
Memorandum items:												
14,713.8	13,050.1	13,614.5	15,330.1	13,243.7	11,922.0	11,657.9	10,900.6	10,217.5	10,171.5	9,267.7	8,351.7	Monetary Base
3,831.1	3,690.8	3,989.1	3,841.6	3,824.7	3,844.0	3,843.3	3,912.0	3,999.0	3,716.9	3,845.3	4,198.4	Currency in circulation
10,380.5	8,812.1	9,596.4	10,578.3	9,245.4	7,637.2	7,366.8	6,760.4	5,771.8	6,233.5	5,230.1	4,125.3	Liabilities to other depository corporations
1,531.0	1,682.5	2,117.0	2,308.8	1,325.6	1,307.7	1,417.2	1,350.5	1,162.3	1,183.9	1,230.2	1,825.5	Reserve and free deposits
8,849.5	7,129.6	7,479.4	8,269.5	7,919.8	6,329.4	5,949.6	5,409.9	4,609.6	5,049.7	3,999.9	2,299.8	Other liabilities ³
502.3	547.2	29.0	910.2	173.6	440.8	447.8	228.2	446.7	221.0	192.2	27.9	Transferable deposits included in broad money
0.4	0.6	0.6	1.0	0.6	0.8	1.2	1.0	1.0	1.1	0.6	0.5	Other financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	State and local government
484.4	529.2	11.0	891.4	155.6	422.3	427.1	207.8	426.3	200.5	174.5	10.3	Public non-financial corporations
-	-	-	-	-	-	-	-	-	-	-	-	Other non-financial corporations
17.4	17.3	17.3	17.8	17.4	17.7	19.5	19.4	19.4	19.4	17.2	17.2	Other resident sectors
-	-	-	-	-	-	-	-	-	-	-	-	Securities included in broad money

TABLE 3.2: OTHER DEPOSITORY CORPORATIONS SURVEY
(P MILLION)

End of	2012 ¹	2013	2014	2015	2016	2017	2018	2019	2020			
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun	Sep	Dec
Net Foreign Assets	5 798.6	5 624.1	5 600.9	7 692.2	6 894.2	8 790.1	10 167.3	9 933.2	11 821.3	11 202.0	11 211.8	11 015.6
Claims on non-residents	7 115.4	6 797.7	7 842.4	9 878.9	9 495.0	11 486.3	13 306.7	13 057.9	15 777.3	14 861.9	14 758.7	14 296.6
Foreign currency	86.2	151.5	462.9	531.7	363.0	381.9	605.8	172.7	208.1	202.8	209.0	173.4
Deposits	6 665.5	6 406.1	7 303.9	9 262.6	9 046.7	11 029.4	12 482.4	12 686.0	15 349.0	14 195.6	14 085.4	13 764.7
Securities other than shares	-	-	-	-	-	-	-	-	-	-	-	-
Loans	363.6	240.0	75.6	84.6	85.3	75.1	218.5	199.2	220.2	463.5	464.4	358.5
Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Less: Liabilities to non-residents	1 316.8	1 173.5	2 241.5	2 186.7	2 600.8	2 696.2	3 139.3	3 124.7	3 956.0	3 660.0	3 546.9	3 281.0
Deposits	1 316.8	1 173.5	2 241.5	2 186.7	2 600.8	2 696.2	3 139.3	3 124.7	3 956.0	3 392.3	3 248.7	3 038.4
Securities other than shares	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	267.7	298.2	242.5
Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Claims on central bank	13 503.1	10 873.0	9 737.4	13 955.8	13 908.8	10 578.9	13 749.3	15 415.7	14 140.0	14 513.7	16 215.0	14 412.6
Currency	716.6	796.9	916.4	1 020.2	1 090.4	1 244.4	1 467.0	1 899.4	1 442.3	1 493.4	1 500.8	2 048.5
Reserve and free deposits	4 130.0	4 377.5	4 421.4	2 983.0	3 599.0	2 987.0	3 033.0	3 172.3	2 978.3	1 061.9	1 512.0	2 097.1
Other claims (incl. BoBCs)	8 656.4	5 698.6	4 399.6	9 952.5	9 219.3	6 347.6	9 249.3	10 344.0	9 719.4	11 958.4	13 202.2	10 266.9
Net claims on central government	1 208.4	1 643.9	1 764.8	1 578.2	3 006.5	3 951.8	3 180.5	4 389.8	4 847.3	6 312.3	5 580.1	6 291.5
Claims on central government	1 341.9	1 818.7	1 958.7	1 889.3	3 177.9	4 254.3	3 409.8	4 563.7	5 273.0	6 691.1	5 738.6	6 434.4
Securities other than shares	1 341.9	1 817.3	1 958.7	1 889.0	3 167.6	4 249.4	3 409.8	4 563.6	5 272.7	6 690.9	5 738.6	6 434.3
Other claims	-	1.4	-	0.4	10.3	5.0	-	0.1	0.3	0.2	-	0.2
Less: Liabilities to central government	133.5	174.8	193.9	311.2	171.4	302.5	229.3	173.9	425.7	378.8	158.5	142.9
Deposits	133.5	174.8	193.9	311.2	171.4	302.5	229.3	173.9	425.7	378.8	158.5	142.9
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Claims on other sectors	37 495.3	43 026.8	49 213.6	53 632.6	56 792.3	59 578.8	63 955.1	68 789.7	70 878.6	70 466.2	70 844.5	72 786.4
Other financial corporations	1 338.0	1 726.5	2 273.9	3 090.9	2 293.2	2 365.0	2 972.5	3 368.3	3 760.6	4 075.7	3 704.1	3 907.3
State and local government	13.0	9.8	12.1	8.1	-	0.3	-	-	-	-	-	1.1
Public non-financial corporations	1 236.8	1 553.9	1 731.3	1 254.8	809.0	699.4	738.4	924.1	1 015.1	1 082.8	740.6	949.8
Other non-financial corporations	13 177.4	13 664.8	16 139.3	16 269.3	18 031.3	18 530.0	20 166.5	19 446.8	20 344.7	19 388.4	19 255.8	18 954.0
Other resident sectors	21 730.2	26 071.8	29 057.1	33 009.4	35 658.7	37 984.2	40 077.8	45 050.5	45 758.2	45 919.3	47 143.9	48 974.3
Liabilities to central bank	19.8	141.9	11.8	2.0	11.5	26.6	13.7	-	47.4	-	-	45.0
Deposits included in broad money	47 529.1	51 144.8	53 619.6	65 174.4	68 662.2	70 465.9	76 440.8	82 795.9	84 208.7	84 795.4	86 112.5	87 274.9
Transferable deposits	8 847.2	10 268.3	10 984.2	11 970.0	13 985.9	15 328.4	15 317.4	18 052.6	19 046.1	22 094.8	20 628.8	21 028.3
Other financial corporations	853.2	1 080.4	1 075.9	870.7	893.2	1 441.0	1 170.7	2 776.2	3 531.8	5 723.4	3 714.3	3 082.8
State and local government	60.1	49.4	40.6	56.2	61.8	75.5	80.8	76.7	125.8	111.9	133.4	167.5
Public non-financial corporations	503.8	127.9	257.6	335.9	560.6	712.3	722.2	464.6	717.6	571.4	621.1	541.7
Other non-financial corporations	4 789.3	5 686.6	7 030.4	7 425.9	8 811.2	9 215.8	9 678.4	10 556.5	10 292.6	11 031.4	11 223.0	12 326.8
Other resident sectors	2 640.8	3 324.0	2 579.7	3 281.3	3 659.1	3 883.9	3 665.3	4 178.8	4 378.4	4 656.7	4 937.0	4 909.4
Other deposits	38 681.9	40 876.4	42 635.4	53 204.5	54 676.3	55 137.4	61 123.4	64 740.7	65 162.6	62 700.6	65 483.7	66 246.6
Other financial corporations	7 073.7	10 247.1	7 512.3	13 382.3	16 556.2	16 272.0	23 920.3	17 609.2	18 358.4	16 178.8	16 622.9	16 990.9
State and local government	1 867.2	2 304.4	2 169.6	2 477.4	2 483.6	2 509.8	2 075.0	2 331.6	1 573.7	1 336.0	2 399.7	2 333.4
Public non-financial corporations	5 836.1	4 695.7	4 438.6	5 215.1	6 094.5	3 248.6	4 767.4	6 271.1	4 980.0	4 434.4	4 681.3	4 961.5
Other non-financial corporations	15 965.5	14 402.5	17 834.1	19 668.2	17 938.4	22 588.8	14 122.1	24 944.3	26 864.3	26 343.5	27 008.4	27 326.8
Other resident sectors	7 939.4	9 226.8	10 680.7	12 461.4	11 603.6	10 518.3	16 238.6	13 584.5	13 386.4	14 407.9	14 771.4	14 634.0
Loans, of which:	1 197.8	926.9	1 784.5	1 645.0	1 479.5	2 429.7	2 660.0	2 962.9	3 068.8	3 443.9	3 417.1	2 707.1
State and local government	-	-	-	-	-	-	-	-	-	-	-	-
Other depository corporations	-	-	-	-	-	-	-	-	-	343.6	455.0	34.5
Other financial corporations	1 197.8	926.9	1 784.5	1 645.0	1 479.5	2 429.7	2 660.0	2 962.9	3 068.8	3 100.3	2 962.1	2 672.7
Securities other than shares excl. from broad money	2 000.4	2 190.9	2 488.1	2 935.6	2 994.6	3 133.4	3 781.0	3 630.2	4 383.9	4 299.9	4 308.8	4 362.3
Financial derivatives	45.0	75.3	79.0	235.8	96.9	181.8	101.5	145.7	266.8	131.2	126.2	139.3
Shares and other equity	7 603.1	8 452.9	9 387.8	9 588.3	10 352.5	10 689.3	11 164.3	11 807.5	11 690.9	11 702.2	11 727.3	12 007.7
Other items (net)	389.9	1 764.8	1 054.1	2 722.4	2 995.4	4 026.9	3 108.9	2 811.4	1 979.4	1 878.3	1 840.4	2 030.2
Other liabilities	3 460.0	3 834.4	5 819.2	6 272.3	6 750.5	7 337.0	7 300.5	9 469.7	9 088.7	8 879.5	7 532.9	7 284.0
Less: Other assets	3 849.9	5 599.2	6 873.3	8 994.7	9 745.9	11 363.9	10 409.4	12 281.1	11 068.0	10 757.9	9 373.3	9 314.3

1. Effective December 2012, the data includes accounts of domestic Money Market Unit Trusts. For more information refer to "Notes page - note 6".

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

2021												End of
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
10 656.6	10 542.0	11 197.2	10 819.3	10 734.1	11 252.6	12 320.9	12 054.1	12 182.8	10 830.3	13 124.2	13 757.7	Net Foreign Assets
13 885.6	13 881.1	14 273.3	14 068.0	13 902.3	14 467.1	15 437.7	16 043.1	15 838.4	14 634.0	16 679.1	17 622.2	Claims on non-residents
223.7	183.5	178.5	180.9	169.1	181.3	167.8	190.9	125.8	160.0	206.5	196.9	Foreign currency
13 305.6	13 261.8	13 745.9	13 545.1	13 379.9	13 883.0	14 841.1	15 413.1	15 260.0	14 065.1	16 064.5	16 812.0	Deposits
-	-	-	-	-	-	-	-	-	-	-	-	Securities other than shares
356.3	435.8	348.9	342.0	353.3	402.8	428.8	439.0	452.6	408.8	408.2	613.2	Loans
-	-	-	-	-	-	-	-	-	-	-	-	Financial derivatives
-	-	-	-	-	-	-	-	-	-	-	-	Other
3 229.1	3 339.1	3 076.1	3 248.7	3 168.1	3 214.4	3 116.8	3 988.9	3 655.7	3 803.7	3 555.0	3 864.5	Less: Liabilities to non-residents
2 976.8	3 010.6	2 825.0	3 014.9	2 941.8	2 984.7	2 859.8	3 721.3	3 367.7	3 553.3	3 299.2	3 440.8	Deposits
-	-	-	-	-	-	-	-	-	-	-	-	Securities other than shares
252.3	328.5	251.1	233.7	226.4	229.8	257.0	267.6	288.0	250.4	255.7	423.7	Loans
-	-	-	-	-	-	-	-	-	-	-	-	Financial derivatives
-	-	-	-	-	-	-	-	-	-	-	-	Other
15 079.1	13 292.4	12 484.6	15 248.3	13 569.1	11 817.5	12 264.9	12 663.1	8 398.7	8 649.8	7 460.5	7 458.7	Claims on central bank
1 479.7	1 284.5	1 697.3	1 479.2	1 417.5	1 472.7	1 332.7	1 459.6	1 569.8	1 228.8	1 384.5	1 780.0	Currency
2 241.7	1 926.6	2 181.9	2 394.5	1 510.0	1 352.5	1 418.1	1 324.1	1 203.1	1 158.8	1 306.2	1 936.6	Reserve and free deposits
11 357.7	10 081.2	8 605.4	11 374.6	10 641.7	8 992.2	9 514.1	9 879.5	5 625.8	6 262.2	4 769.8	3 742.0	Other claims (incl. BoBCs)
7 547.3	8 749.3	8 969.8	9 639.5	9 398.8	9 149.5	9 244.4	9 008.2	11 018.8	11 381.6	11 328.5	10 679.7	Net claims on central government
7 646.8	8 849.2	9 060.6	9 802.3	9 561.1	9 281.0	9 363.0	9 150.0	11 129.5	11 509.2	11 516.0	10 844.1	Claims on central government
7 646.7	8 849.1	9 060.5	9 802.3	9 561.1	9 281.0	9 362.9	9 149.8	11 129.5	11 508.9	11 515.8	10 843.2	Securities other than shares
0.1	0.1	0.1	-	-	-	-	0.2	0.1	0.3	0.2	0.9	Other claims
99.5	99.9	90.8	162.9	162.4	131.6	118.6	141.9	110.8	127.6	187.6	164.3	Less: Liabilities to central government
99.5	99.9	90.8	162.9	162.4	131.6	118.6	141.9	110.8	127.6	187.6	164.3	Deposits
-	-	-	-	-	-	-	-	-	-	-	-	Other liabilities
73 219.1	73 369.7	72 926.6	73 477.6	73 721.5	74 515.3	75 033.3	74 919.7	75 697.0	75 769.5	76 691.0	76 373.9	Claims on other sectors
3 734.6	3 569.7	3 693.0	4 036.8	4 222.9	4 077.8	3 964.5	3 755.1	4 166.3	4 026.9	4 065.1	4 426.4	Other financial corporations
0.6	0.6	0.3	0.2	0.2	0.6	0.5	0.3	0.4	0.2	0.3	1.3	State and local government
1 314.0	1 441.5	726.1	769.7	868.5	1 234.7	1 277.2	1 322.6	1 310.9	1 081.4	1 747.2	354.1	Public non-financial corporations
18 993.6	19 032.0	18 934.3	18 893.9	18 639.1	18 878.0	19 248.4	18 951.5	19 134.0	19 237.9	19 170.4	19 353.8	Other non-financial corporations
49 176.2	49 325.8	49 572.9	49 776.9	49 990.8	50 324.2	50 542.7	50 890.2	51 085.4	51 423.1	51 708.0	52 238.4	Other resident sectors
12.4	44.1	67.1	126.6	16.5	274.2	2.9	0.5	6.0	75.7	84.7	-	Liabilities to central bank
87 822.3	87 547.9	87 119.6	90 398.2	89 706.2	88 410.0	92 003.9	90 567.3	89 654.9	89 808.9	91 426.1	91 822.1	Deposits included in broad money
19 765.8	20 802.5	21 814.3	21 894.5	21 418.9	21 784.1	22 442.8	21 698.4	22 520.5	21 484.7	21 507.1	21 953.0	Transferable deposits
2 755.2	2 945.2	3 113.0	3 305.0	3 413.3	3 857.9	4 337.1	3 260.5	3 268.4	3 274.2	2 898.2	2 961.2	Other financial corporations
177.7	155.5	130.1	226.6	198.8	205.0	180.4	241.7	268.8	276.5	267.2	242.9	State and local government
668.5	550.6	1 202.3	1 017.6	406.0	436.9	483.1	470.0	1 135.6	602.0	582.5	997.6	Public non-financial corporations
11 295.8	11 794.6	12 155.3	12 020.8	12 402.3	12 124.9	12 043.6	12 135.0	12 235.4	11 878.7	12 476.1	12 716.6	Other non-financial corporations
4 868.7	5 356.5	5 213.6	5 324.5	4 998.6	5 159.3	5 398.5	5 591.2	5 612.3	5 453.4	5 283.1	5 034.8	Other resident sectors
68 056.5	66 745.4	65 305.3	68 503.8	68 287.3	66 625.9	69 561.2	68 869.0	67 134.4	68 324.2	69 919.0	69 869.1	Other deposits
17 390.7	16 792.2	17 238.6	15 891.7	16 590.4	16 168.8	18 458.5	18 095.0	17 665.0	18 025.2	19 554.9	19 468.7	Other financial corporations
2 301.7	1 915.1	1 670.4	2 230.3	1 954.9	1 349.5	2 168.1	1 846.6	1 645.5	1 970.0	1 583.6	1 693.8	State and local government
5 118.3	7 515.1	6 490.6	6 592.1	6 832.5	6 201.9	5 880.3	6 316.5	4 290.1	4 504.9	4 610.2	4 046.4	Public non-financial corporations
28 260.6	25 852.6	25 049.7	26 872.8	28 259.8	26 709.9	25 661.4	26 036.7	27 964.0	27 802.5	27 892.9	27 471.0	Other non-financial corporations
14 985.2	14 670.4	14 856.1	16 916.8	14 649.7	16 195.8	17 392.9	16 574.2	15 569.8	16 021.6	16 277.4	17 189.2	Other resident sectors
2 808.0	2 797.4	2 853.4	2 928.0	2 740.6	2 666.6	2 723.5	2 708.6	2 719.7	2 637.7	2 504.9	2 861.0	Loans, of which:
-	-	-	-	-	-	-	-	-	-	-	-	State and local government
-	101.1	55.2	32.1	49.9	32.5	74.3	96.9	145.8	83.1	11.1	263.4	Other depository corporations
2 808.0	2 696.3	2 798.2	2 895.9	2 690.7	2 634.1	2 649.1	2 611.7	2 573.9	2 554.6	2 493.8	2 597.6	Other financial corporations
4 373.5	4 372.8	4 435.7	4 417.1	4 397.0	4 703.0	4 730.3	4 693.6	4 696.3	4 700.0	4 663.7	4 646.8	Securities other than shares excl. from broad money
118.8	110.9	114.3	110.2	107.7	103.8	123.8	61.7	127.8	124.4	168.4	141.9	Financial derivatives
12 076.5	12 211.3	12 118.8	12 121.1	12 247.6	12 221.2	12 324.6	11 193.7	11 232.6	11 518.9	11 579.3	11 729.7	Shares and other equity
709.3	1 131.1	1 130.5	916.4	1 792.1	1 644.1	3 045.6	580.4	1 140.0	2 234.4	1 822.9	2 931.5	Other items (net)
8 544.6	9 162.6	9 421.5	9 420.4	8 505.9	9 226.9	8 634.7	11 796.4	10 344.6	8 837.0	9 722.5	8 538.8	Other liabilities
9 253.9	10 293.6	10 552.0	10 336.8	10 298.0	10 871.0	11 680.3	12 376.8	11 484.7	11 071.4	11 545.4	11 470.3	Less: Other assets

**TABLE 3.3: DEPOSITORY CORPORATIONS SURVEY
(P MILLION)**

End of	2012 ²	2013	2014	2015	2016	2017	2018	2019	2020			
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun	Sep	Dec
Net Foreign Assets	63 450.8	71 627.7	82 856.2	90 592.4	81 386.4	80 132.2	79 351.3	72 865.7	71 531.9	72 453.0	67 651.3	62 000.4
Claims on non-residents	66 432.1	74 569.5	86 953.7	94 759.9	86 299.3	85 179.1	84 733.3	78 287.2	77 783.9	78 510.9	73 604.7	67 660.3
BoB	59 316.7	67 771.8	79 111.3	84 881.0	76 804.3	73 692.7	71 426.6	65 229.3	62 006.6	63 649.0	58 846.0	53 363.8
ODCs	7 115.4	6 797.7	7 842.4	9 878.9	9 495.0	11 486.3	13 306.7	13 057.9	15 777.3	14 861.9	14 758.7	14 296.6
Less: Liabilities to non-residents	2 981.3	2 941.8	4 097.5	4 167.5	4 912.9	5 046.9	5 382.0	5 421.5	6 252.1	6 057.9	5 953.4	5 660.0
BoB	1 664.5	1 768.3	1 856.1	1 980.8	2 312.1	2 350.7	2 242.6	2 296.7	2 296.0	2 397.9	2 406.5	2 379.0
ODCs	1 316.8	1 173.5	2 241.5	2 186.7	2 600.8	2 696.2	3 139.3	3 124.7	3 956.0	3 660.0	3 546.9	3 281.0
Domestic claims	16 487.8	16 192.3	12 101.2	18 133.1	27 394.6	30 712.5	37 520.5	50 203.8	56 011.5	61 756.1	70 142.9	72 260.5
Net claims on central government	-21 070.7	-26 887.2	-37 162.0	-35 552.0	-29 457.0	-28 932.5	-26 542.0	-18 725.5	-15 014.1	-8 857.3	-852.3	-687.7
Claims on central government	1 365.9	1 843.6	1 982.8	1 913.1	3 200.8	4 276.1	3 409.8	4 563.7	5 273.0	6 691.1	5 738.6	6 434.4
BoB	24.0	24.9	24.1	23.7	22.9	21.7	-	-	-	-	-	-
ODCs	1 341.9	1 818.7	1 958.7	1 889.3	3 177.9	4 254.3	3 409.8	4 563.7	5 273.0	6 691.1	5 738.6	6 434.4
Less: Liabilities to central government	22 436.6	28 730.8	39 144.9	37 465.1	32 657.8	33 208.6	29 951.8	23 289.2	20 287.1	15 548.4	6 590.9	7 122.2
BoB	22 303.1	28 556.0	38 951.0	37 153.9	32 486.4	32 906.0	29 722.5	23 115.3	19 861.4	15 169.6	6 432.3	6 979.3
ODCs	133.5	174.8	193.9	311.2	171.4	302.5	229.3	173.9	425.7	378.8	158.5	142.9
Claims on other sectors	37 558.5	43 079.4	49 263.3	53 685.1	56 851.6	59 645.0	64 062.5	68 929.4	71 025.6	70 613.4	70 995.1	72 948.2
Other financial corporations	1 338.0	1 726.5	2 273.9	3 090.9	2 293.2	2 365.0	2 972.5	3 368.3	3 760.6	4 075.7	3 704.1	3 907.3
State and local government	13.0	9.8	12.1	8.1	-	0.3	-	-	-	-	-	1.1
Public non-financial corporations	1 236.8	1 553.9	1 731.3	1 254.8	809.0	699.4	738.4	924.1	1 015.1	1 082.8	740.6	949.8
Other non-financial corporations	13 177.4	13 664.8	16 139.3	16 269.3	18 031.3	18 530.0	20 166.5	19 446.8	20 344.7	19 388.4	19 255.8	18 954.0
Other resident sectors	21 793.4	26 124.4	29 106.7	33 062.0	35 718.0	38 050.3	40 185.2	45 190.2	45 905.1	46 066.5	47 294.6	49 136.0
TOTAL ASSETS	79 938.6	87 820.0	94 957.4	108 725.5	108 781.0	110 844.7	116 871.8	123 069.6	127 543.4	134 209.1	137 794.2	134 260.8
Broad money liabilities	49 236.9	53 389.8	55 842.2	66 941.1	70 550.0	72 470.8	78 433.4	84 767.1	86 329.0	87 841.5	89 304.1	89 761.9
Currency outside depository corporations	1 558.2	1 584.6	1 682.2	1 687.6	1 767.7	1 892.2	1 819.9	1 882.7	2 035.9	2 318.4	2 539.5	2 409.4
Transferable deposits	8 996.8	10 928.8	11 524.6	12 049.1	14 105.9	15 441.2	15 490.1	18 143.7	19 130.5	22 822.5	21 280.9	21 106.0
Other financial corporations	853.5	1 080.6	1 076.2	871.1	893.7	1 445.7	1 171.0	2 776.9	3 532.6	5 725.3	3 715.1	3 083.7
State and local government	60.1	49.4	40.6	56.2	61.8	75.5	80.8	76.7	125.8	111.9	133.4	167.5
Public non-financial corporations	644.8	780.0	792.6	408.8	673.2	810.2	879.9	538.4	782.4	1 280.6	1 255.1	600.9
Other non-financial corporations	4 789.3	5 686.6	7 030.4	7 425.9	8 811.2	9 215.8	9 678.4	10 556.5	10 292.6	11 031.4	11 223.0	12 326.8
Other resident sectors	2 649.1	3 332.1	2 584.7	3 287.2	3 666.0	3 894.0	3 680.1	4 195.3	4 397.2	4 673.3	4 954.3	4 927.0
Other deposits included in broad money	38 681.9	40 876.4	42 635.4	53 204.5	54 676.3	55 137.4	61 123.4	64 740.7	65 162.6	62 700.6	65 483.7	66 246.6
Other financial corporations	7 073.7	10 247.1	7 512.3	13 382.3	16 556.2	16 272.0	18 065.9	17 609.2	18 358.4	16 178.8	16 622.9	16 990.9
State and local government	1 867.2	2 304.4	2 169.6	2 477.4	2 483.6	2 509.8	2 035.0	2 331.6	1 573.7	1 336.0	2 399.7	2 333.4
Public non-financial corporations	5 836.1	4 695.7	4 438.6	5 215.1	6 094.5	3 248.6	3 822.8	6 271.1	4 980.0	4 434.4	4 681.3	4 961.5
Other non-financial corporations	15 965.5	14 402.5	17 834.1	19 668.2	17 938.4	22 588.8	25 023.3	24 944.3	26 864.3	26 343.5	27 008.4	27 326.8
Other resident sectors	7 939.4	9 226.8	10 680.7	12 461.4	11 603.6	10 518.3	12 176.4	13 584.5	13 386.4	14 407.9	14 771.4	14 634.0
Bank of Botswana Certificates held by banks	8 663.5	5 490.7	4 201.4	8 189.9	7 918.4	6 277.9	8 192.7	8 609.6	9 574.7	10 444.4	11 368.2	7 779.4
Repurchase Agreements with ODCs	999.0	-	304.4	1 672.8	1 302.9	54.0	1 054.9	1 831.2	-	1 320.1	1 872.0	1 417.9
Loans	1 197.8	926.9	1 784.5	1 645.0	1 479.5	2 429.7	2 660.0	2 962.9	3 068.8	3 443.9	3 417.1	2 707.1
BoB	-	-	-	-	-	-	-	-	-	-	-	-
ODCs	1 197.8	926.9	1 784.5	1 645.0	1 479.5	2 429.7	2 660.0	2 962.9	3 068.8	3 443.9	3 417.1	2 707.1
Securities other than shares excl. from broad money¹	2 000.4	2 190.9	2 488.1	2 935.6	2 994.6	3 133.4	3 781.0	3 630.2	4 383.9	4 299.9	4 308.8	4 362.3
Financial derivatives	45.0	75.3	79.0	235.8	96.9	181.8	101.5	145.7	266.8	131.2	126.2	139.3
Shares and other equity	27 124.3	33 696.9	35 957.1	40 092.3	36 979.5	36 998.9	35 352.9	34 933.2	36 508.3	41 138.6	43 199.0	41 018.4
BoB	19 521.2	25 244.0	26 569.3	30 504.1	26 627.1	26 309.6	24 188.5	23 125.8	24 817.3	29 436.3	31 471.8	29 010.6
ODCs	7 603.1	8 452.9	9 387.8	9 588.3	10 352.5	10 689.3	11 164.3	11 807.5	11 690.9	11 702.2	11 727.3	12 007.7
Other items (net)	-9 328.5	-7 950.6	-5 699.3	-12 987.1	-12 540.8	-10 697.8	-12 750.9	-13 810.4	-12 588.1	-14 410.4	-15 801.2	-12 925.6
Liabilities to other depository corporations	4 168.7	4 367.2	4 460.9	3 019.5	3 622.3	2 998.1	3 067.4	3 023.8	2 601.4	1 057.0	1 350.2	2 102.5
Liabilities to central bank	19.8	141.9	11.8	2.0	11.5	26.6	13.7	-	47.4	-	-	45.0
Other liabilities	3 554.7	3 965.6	6 027.1	6 395.4	7 096.5	7 522.1	7 522.3	9 583.7	9 285.5	9 092.7	7 714.0	7 580.8
Currency	716.6	796.9	916.4	1 020.2	1 090.4	1 244.4	1 467.0	1 899.4	1 442.3	1 493.4	1 500.8	2 048.5
Less: Claims on central bank	-13 503.1	10 873.0	9 737.4	13 955.8	13 908.8	10 578.9	13 749.3	15 415.7	14 140.0	14 513.7	16 215.0	14 412.6
Less: Claims on other depository corporations	-	302.1	-	-	-	-	-	-	-	-	-	-
Less: Other assets	4 285.2	6 047.1	7 378.1	9 468.5	10 452.7	11 914.0	11 071.9	12 901.7	11 824.7	11 539.8	10 151.2	10 289.9
TOTAL LIABILITIES	79 938.6	87 820.0	94 957.4	108 725.5	108 781.0	110 844.7	116 887.2	123 069.6	127 543.4	134 209.1	137 794.2	134 260.8
Memorandum items :												
M1 (currency outside depository corporations plus transferable deposits)	10 555.0	12 513.4	13 206.8	13 736.7	15 873.6	17 333.3	17 310.0	20 026.4	21 166.4	25 140.9	23 820.4	23 515.3
M2 (M1 plus other deposits included in broad money)	49 236.9	53 389.8	55 842.2	66 941.1	70 550.0	72 470.8	78 433.4	84 767.1	86 329.0	87 841.5	89 304.1	89 761.9

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. For more information refer to "Notes page - note 6".

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

2021												End of
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
66 920.7	63 931.6	61 917.9	64 731.0	59 533.2	59 997.8	62 126.2	60 832.8	59 044.8	65 589.8	65 398.4	64 383.6	Net Foreign Assets
72 523.6	69 651.8	67 356.6	70 340.9	64 914.2	65 404.2	67 449.3	69 995.1	67 934.9	74 658.0	74 292.5	73 640.2	Claims on non-residents
58 638.0	55 770.7	53 083.3	56 272.9	51 011.9	50 937.1	52 011.6	53 952.0	52 096.5	60 024.0	57 613.4	56 018.0	BoB
13 885.6	13 881.1	14 273.3	14 068.0	13 902.3	14 467.1	15 437.7	16 043.1	15 838.4	14 634.0	16 679.1	17 622.2	ODCs
5 602.9	5 720.3	5 438.8	5 609.9	5 381.0	5 406.4	5 323.0	9 162.3	8 890.1	9 068.2	8 894.1	9 256.6	Less: Liabilities to non-residents
2 373.8	2 381.1	2 362.7	2 361.2	2 212.9	2 192.0	2 206.2	5 173.4	5 234.4	5 264.5	5 339.2	5 392.1	BoB
3 229.1	3 339.1	3 076.1	3 248.7	3 168.1	3 214.4	3 116.8	3 988.9	3 655.7	3 803.7	3 555.0	3 864.5	ODCs
69 825.8	72 427.2	73 776.7	75 542.8	77 292.0	77 830.0	78 585.1	78 562.3	81 973.4	75 901.1	78 107.0	76 460.3	Domestic claims
-3 556.4	-1 106.7	675.9	1 885.8	3 391.0	3 130.2	3 366.5	3 455.3	6 084.7	- 62.1	1 223.5	- 109.5	Net claims on central government
7 646.8	8 849.2	9 060.6	9 802.3	9 561.1	9 281.0	9 363.0	9 150.0	11 129.5	11 509.2	11 516.0	10 844.1	Claims on central government
-	-	-	-	-	-	-	-	-	-	-	-	BoB
7 646.8	8 849.2	9 060.6	9 802.3	9 561.1	9 281.0	9 363.0	9 150.0	11 129.5	11 509.2	11 516.0	10 844.1	ODCs
11 203.2	9 955.9	8 384.6	7 916.5	6 170.2	6 150.8	5 996.5	5 694.7	5 044.8	11 571.3	10 292.6	10 953.6	Less: Liabilities to central government
11 103.7	9 856.0	8 293.9	7 753.6	6 007.8	6 019.3	5 877.9	5 552.9	4 934.1	11 443.7	10 105.0	10 789.2	BoB
99.5	99.9	90.8	162.9	162.4	131.6	118.6	141.9	110.8	127.6	187.6	164.3	ODCs
73 382.2	73 533.9	73 100.7	73 657.0	73 901.0	74 699.8	75 218.6	75 107.0	75 888.7	75 963.3	76 883.5	76 569.8	Claims on other sectors
3 734.6	3 569.7	3 693.0	4 036.8	4 222.9	4 077.8	3 964.5	3 755.1	4 166.3	4 026.9	4 065.1	4 426.4	Other financial corporations
0.6	0.6	0.3	0.2	0.2	0.6	0.5	0.3	0.4	0.2	0.3	1.3	State and local government
1 314.0	1 441.5	726.1	769.7	868.5	1 234.7	1 277.2	1 322.6	1 310.9	1 081.4	1 747.2	354.1	Public non-financial corporations
18 993.6	19 032.0	18 934.3	18 893.9	18 639.1	18 878.0	19 248.4	18 951.5	19 134.0	19 237.9	19 170.4	19 353.8	Other non-financial corporations
49 339.3	49 490.1	49 747.0	49 956.3	50 170.3	50 508.6	50 728.0	51 077.5	51 277.1	51 616.9	51 900.5	52 434.2	Other resident sectors
136 746.5	136 358.8	135 694.5	140 273.8	136 825.2	137 827.7	140 711.3	139 395.1	141 018.2	141 490.9	143 505.4	140 843.9	TOTAL ASSETS
90 676.0	90 501.3	89 440.4	93 670.8	92 287.0	91 222.1	94 962.3	93 248.0	92 530.7	92 518.1	94 079.1	94 268.3	Broad money liabilities
2 351.4	2 406.2	2 291.8	2 362.4	2 407.3	2 371.3	2 510.6	2 452.4	2 429.2	2 488.1	2 460.8	2 418.3	Currency outside depository corporations
20 268.1	21 349.7	21 843.2	22 804.7	21 592.5	22 224.9	22 890.6	21 926.6	22 967.1	21 705.7	21 699.4	21 980.9	Transferable deposits
2 755.6	2 945.9	3 113.6	3 306.0	3 413.8	3 858.7	4 338.3	3 261.5	3 269.4	3 275.3	2 898.8	2 961.6	Other financial corporations
177.7	155.5	130.1	226.6	198.8	205.0	180.4	241.7	268.8	276.5	267.2	242.9	State and local government
1 152.9	1 079.8	1 213.3	1 908.9	561.7	859.2	910.2	677.8	1 561.9	802.5	757.0	1 007.9	Public non-financial corporations
11 295.8	11 794.6	12 155.3	12 020.8	12 402.3	12 124.9	12 043.6	12 135.0	12 235.4	11 878.7	12 476.1	12 716.6	Other non-financial corporations
4 886.1	5 373.8	5 231.0	5 342.4	5 016.0	5 177.0	5 418.0	5 610.6	5 631.7	5 472.8	5 300.2	5 052.0	Other resident sectors
68 056.5	66 745.4	65 305.3	68 503.8	68 287.3	66 625.9	69 561.2	68 869.0	67 134.4	68 324.2	69 919.0	69 869.1	Other deposits included in broad money
17 390.7	16 792.2	17 238.6	15 891.7	16 590.4	16 168.8	18 458.5	18 095.0	17 665.0	18 025.2	19 554.9	19 468.7	Other financial corporations
2 301.7	1 915.1	1 670.4	2 230.3	1 954.9	1 349.5	2 168.1	1 846.6	1 645.5	1 970.0	1 583.6	1 693.8	State and local government
5 118.3	7 515.1	6 490.6	6 592.1	6 832.5	6 201.9	5 880.3	6 316.5	4 290.1	4 504.9	4 610.2	4 046.4	Public non-financial corporations
28 260.6	25 852.6	25 049.7	26 872.8	28 259.8	26 709.9	25 661.4	26 036.7	27 964.0	27 802.5	27 892.9	27 471.0	Other non-financial corporations
14 985.2	14 670.4	14 856.1	16 916.8	14 649.7	16 195.8	17 392.9	16 574.2	15 569.8	16 021.6	16 277.4	17 189.2	Other resident sectors
8 849.5	7 129.6	7 479.4	8 269.5	7 919.8	6 329.4	5 949.6	5 409.9	4 609.6	5 049.7	3 999.9	2 299.8	Bank of Botswana Certificates held by banks
1 755.9	1 860.9	-	1 406.9	1 029.0	955.9	1 607.9	1 249.0	1 005.9	1 345.9	760.0	1 479.0	Repurchase Agreements with ODCs
2 808.0	2 797.4	2 853.4	2 928.0	2 740.6	2 666.6	2 723.5	2 708.6	2 719.7	2 637.7	2 504.9	2 829.3	Loans
-	-	-	-	-	-	-	-	-	-	-	-	BoB
2 808.0	2 797.4	2 853.4	2 928.0	2 740.6	2 666.6	2 723.5	2 708.6	2 719.7	2 637.7	2 504.9	2 829.3	ODCs
4 373.5	4 372.8	4 435.7	4 417.1	4 397.0	4 703.0	4 730.3	4 693.6	4 696.3	4 700.0	4 663.7	4 646.8	Securities other than shares excl. from broad money¹
118.8	110.9	114.3	110.2	107.7	103.8	123.8	61.7	127.8	124.4	168.4	141.9	Financial derivatives
41 601.6	41 686.9	41 809.4	42 442.0	41 686.1	43 004.2	43 933.0	43 226.5	42 923.0	44 303.6	44 744.7	42 530.5	Shares and other equity
29 525.1	29 475.6	29 690.6	30 320.9	29 438.6	30 782.9	31 608.4	32 032.8	31 690.5	32 784.7	33 165.4	31 054.6	BoB
12 076.5	12 211.3	12 118.8	12 121.1	12 247.6	12 221.2	12 324.6	11 193.7	11 232.6	11 518.9	11 579.3	11 476.0	ODCs
-13 436.7	-12 101.0	-10 437.9	-12 970.7	-13 342.0	-11 157.3	-13 319.2	-11 202.2	-7 594.9	-9 188.4	-7 415.3	-7 351.8	Other items (net)
1 531.0	1 682.5	2 117.0	2 308.8	1 325.6	1 307.7	1 417.2	1 350.5	1 162.3	1 183.9	1 230.2	1 825.5	Liabilities to other depository corporations
12.4	44.1	67.1	126.6	16.5	274.2	2.9	0.5	6.0	75.7	84.7	-	Liabilities to central bank
8 802.2	9 373.1	9 751.7	9 686.3	9 022.2	9 595.1	8 923.9	12 093.7	10 539.9	9 016.3	9 901.4	8 928.4	Other liabilities
1 479.7	1 284.5	1 697.3	1 479.2	1 417.5	1 472.7	1 332.7	1 459.6	1 569.8	1 228.8	1 384.5	1 780.0	Currency
15 079.1	13 292.4	12 484.6	15 248.3	13 569.1	11 817.5	12 264.9	12 663.1	8 398.7	8 649.8	7 460.5	7 458.7	Less: Claims on central bank
12.4	-	-	-	-	-	-	-	-	-	-	-	Less: Claims on other depository corporations
10 170.5	11 192.9	11 586.5	11 323.3	11 554.6	11 989.7	12 731.0	13 443.4	12 474.2	12 043.3	12 555.7	12 427.1	Less: Other assets
136 746.5	136 358.8	135 694.5	140 273.8	136 825.2	137 827.7	140 711.3	139 395.1	141 018.2	141 490.9	143 505.4	140 843.9	TOTAL LIABILITIES
Memorandum items :												
22 619.5	23 755.9	24 135.0	25 167.1	23 999.7	24 596.2	25 401.2	24 379.0	25 396.3	24 193.9	24 160.1	24 399.2	M1 (currency outside depository corporations plus transferable deposits)
90 676.0	90 501.3	89 440.4	93 670.8	92 287.0	91 222.1	94 962.3	93 248.0	92 530.7	92 518.1	94 079.1	94 268.3	M2 (M1 plus other deposits included in broad money)

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

End of		International Reserves			Total Reserves
		Pula Fund	Liquidity Portfolio	Assets at the IMF	
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		61 183.5	21 914.4	1 759.5	84 857.3
2016		54 145.5	21 211.5	1 425.5	76 782.4
2017	Mar	55 980.1	16 621.4	1 333.6	73 935.0
	Jun	56 818.3	16 559.8	1 334.5	74 712.6
	Sep	59 057.1	16 331.8	1 351.9	76 740.8
	Dec	55 998.0	16 353.3	1 320.2	73 671.4
2018	Mar	55 693.3	13 553.2	1 314.4	70 560.9
	Jun	60 069.4	12 845.9	1 359.1	74 274.4
	Sep	61 863.2	12 525.0	1 370.1	75 758.2
	Dec	47 469.6	22 537.0	1 397.3	71 403.9
2019	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
2020	Jan	48 768.6	18 598.9	1 495.6	68 863.2
	Feb	48 366.5	16 189.1	1 526.5	66 082.1
	Mar	47 756.5	12 609.1	1 616.2	61 981.8
	Apr	51 232.4	15 978.0	1 641.1	68 851.5
	May	51 842.1	12 499.8	1 745.0	66 086.8
	Jun	52 650.7	9 231.4	1 742.1	63 624.3
	Jul	54 116.0	7 775.3	1 749.6	63 640.9
	Aug	55 435.9	5 227.6	1 754.7	62 418.2
	Sep	52 554.9	4 511.8	1 754.3	58 821.1
	Oct	48 061.7	7 688.3	1 724.6	57 474.6
	Nov	45 919.5	11 057.6	1 700.7	58 677.8
	Dec	46 018.8	5 649.1	1 672.2	53 340.0
2021	Jan	46 555.1	10 363.5	1 695.2	58 613.9
	Feb	46 547.7	7 503.1	1 695.8	55 746.6
	Mar	46 812.6	4 572.0	1 674.9	53 059.6
	Apr	47 578.0	6 997.1	1 674.0	56 249.2
	May	45 706.9	3 637.4	1 644.3	50 988.6
	Jun	45 414.7	3 800.9	1 697.9	50 913.5
	Jul	46 358.9	3 907.0	1 721.7	51 987.6
	Aug	46 835.1	2 408.4	4 684.7	53 928.1
	Sep	46 524.3	785.9	4 762.0	52 072.2
	Oct	47 771.8	7 432.5	4 795.2	59 999.6
	Nov	48 141.0	4 576.5	4 871.1	57 588.5
	Dec	49 249.0	1 825.4	4 918.5	55 992.9

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
-	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
-	403.8	170.0	85 431.1		2015
-	395.8	415.1	77 593.3		2016
-	392.5	417.9	74 745.4	Mar	2017
-	391.6	351.5	75 455.7	Jun	
-	388.4	306.7	77 435.9	Sep	
-	407.8	251.4	74 330.7	Dec	
-	416.7	202.8	71 180.4	Mar	2018
-	422.8	263.1	74 960.3	Jun	
-	430.8	306.2	76 495.2	Sep	
-	449.5	296.6	72 150.0	Dec	
-	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	
-	517.8	384.1	69 765.1	Jan	2020
-	515.8	373.0	66 971.0	Feb	
-	549.5	378.9	62 910.2	Mar	
-	561.3	339.4	69 752.3	Apr	
-	559.7	393.9	67 040.4	May	
-	562.6	391.2	64 578.1	Jun	
35.4	562.3	387.3	64 625.9	Jul	
-	592.1	362.2	63 372.5	Aug	
-	602.3	351.1	59 774.5	Sep	
-	616.6	338.1	58 429.4	Oct	
2.9	644.6	325.5	59 650.8	Nov	
-	713.0	448.1	54 501.2	Dec	
12.4	710.9	392.8	59 729.9	Jan	2021
-	719.8	367.8	56 834.2	Feb	
-	746.7	485.6	54 291.9	Mar	
-	763.7	425.9	57 438.7	Apr	
-	784.6	674.9	52 448.1	May	
-	805.1	521.7	52 240.3	Jun	
-	832.5	427.5	53 247.6	Jul	
-	848.3	429.5	55 205.9	Aug	
-	873.3	332.2	53 277.7	Sep	
-	876.2	313.8	61 189.6	Oct	
-	918.0	309.6	58 816.2	Nov	
-	932.0	279.4	57 204.3	Dec	

TABLE 3.5: BANK OF BOTSWANA - LIABILITIES
(P MILLION)

End of		Deposits by			Total Deposits	BoBCs ¹ held by Banks	Reverse Repurchase Agreements
		Banks	Government	Others			
2012		4 168.0	19 998.3	1 112.3	25 278.7	8 663.5	999.0
2013		4 364.3	27 775.4	1 638.2	33 777.8	5490.7	...
2014		4 459.1	38 406.3	1 601.4	44 466.9	4 201.4	304.4
2015		3 018.4	36 752.1	1 160.8	40 931.2	8 189.9	1 672.8
2016		3 620.8	30 280.5	1 602.2	35 503.4	7 918.4	1302.9
2017	Mar	2 682.8	29 818.7	1 670.6	34 172.0	7 112.8	812.0
	Jun	2 711.9	31 846.5	1 972.5	36 530.9	7 395.2	521.0
	Sep	2 686.4	32 497.1	1 949.1	37 132.5	7 273.1	592.0
	Dec	2 946.5	31 863.8	1 698.6	36 508.9	6 277.9	54.0
2018	Mar	2 833.4	30 094.1	1 630.4	34 558.0	5 492.4	938.9
	Jun	2 785.0	30 196.5	1 969.7	34 951.1	4 736.2	2 431.9
	Sep	2 959.3	28 005.5	1 920.0	32 884.8	7 920.4	1 043.0
	Dec	3 061.7	25 436.6	1 559.0	30 057.3	8 192.7	1 054.9
2019	Jan	3 092.0	25 783.8	1 784.8	30 660.6	9 139.1	2 319.6
	Feb	3 011.6	23 426.4	2 081.4	28 519.3	9 282.8	2 186.2
	Mar	3 733.0	21 559.5	1 491.1	26 783.6	9 125.4	2 099.5
	Apr	3 158.4	28 769.7	1 612.5	33 540.5	9 023.7	2 213.0
	May	3 077.7	26 651.7	1 794.4	31 523.8	9 630.7	2 371.5
	Jun	3 207.3	23 182.9	2 604.4	28 994.5	7 680.0	2 305.9
	Jul	3 104.3	23 531.0	2 479.7	29 115.0	9 632.7	2 654.6
	Aug	3 147.7	20 451.5	2 291.2	25 890.4	9 924.1	1 584.2
	Sep	3 104.3	23 531.0	2 479.7	29 115.0	9 632.7	2 654.6
	Oct	3 352.7	20 278.1	1 852.8	25 483.6	9 229.1	2 155.0
	Nov	3 289.8	17 103.5	1 885.6	22 278.8	9 334.3	2 497.3
	Dec	3 013.6	19 708.9	1 546.7	24 269.1	8 609.6	1 831.2
2020	Jan	3 307.5	21 444.2	1 843.8	26 595.5	9 837.5	795.4
	Feb	2 912.3	18 273.1	1 732.5	22 917.9	9 835.5	1 776.7
	Mar	2 598.5	19 861.4	1 433.8	23 893.6	9 574.7	-
	Apr	2 586.5	20 458.4	2 172.3	25 217.2	8 403.3	3 458.4
	May	1 536.7	16 512.6	2 216.8	20 266.1	9 997.8	3 295.8
	Jun	1 054.0	15 169.6	2 195.0	18 418.6	10 444.4	1 320.1
	Jul	1 441.2	15 154.7	1 894.7	18 490.5	8 827.4	1 725.0
	Aug	1 284.2	12 305.8	2 049.9	15 639.9	9 818.4	1 009.0
	Sep	1 344.4	6 432.3	2 120.8	9 897.5	11 368.2	1 872.0
	Oct	1 430.7	7 802.4	1 918.9	11 152.0	10 859.1	1 428.3
	Nov	1 642.4	7 015.7	2 034.7	10 692.8	10 010.7	2 498.8
	Dec	2 098.8	4 678.3	1 545.8	8 322.9	7 779.4	1 417.9
2021	Jan	1 527.3	9 012.7	1 970.5	12 510.5	8 849.5	1 755.9
	Feb	1 678.3	7 765.0	2 015.0	11 458.2	7 129.6	1 860.9
	Mar	2 112.0	6 202.9	1 498.6	9 813.5	7 479.4	-
	Apr	2 296.9	7 753.6	2 386.6	12 437.2	8 269.5	1 406.9
	May	1 316.1	6 007.8	1 513.8	8 837.6	7 919.8	1 029.0
	Jun	1 306.3	6 019.3	1 741.5	9 067.1	6 329.4	955.9
	Jul	1 405.1	5 877.9	1 760.7	9 043.7	5 949.6	1 607.9
	Aug	1 346.4	5 552.9	1 532.6	8 431.8	5 409.9	1 249.0
	Sep	1 160.4	4 934.1	1 748.0	7 842.5	4 609.6	1 005.9
	Oct	1 181.3	11 443.7	1 525.5	14 150.5	5 049.7	1 345.9
	Nov	1 227.7	10 105.0	1 497.4	12 830.1	3 999.9	760.0
	Dec	1 817.2	7 597.4	1 339.7	10 754.2	2 299.8	1 479.0

1. Bank of Botswana own securities issued under Section 38(2)(c) of the Bank of Botswana Act [CAP 55:01] .
Source: Bank of Botswana

Currency in Circulation		Capital and Reserves				Other Liabilities	TOTAL LIABILITIES		End of
Notes	Coin	Total currency	Paid-up Capital	General Reserve	Revaluation Reserve				
2 166.1	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
2 564.7	143.2	2 707.8	25.0	1 600.0	28 879.1	1 425.2	85 431.1		2015
2 709.5	148.7	2 858.1	25.0	1 600.0	25002.1	3 383.5	77 593.3		2016
2 360.4	150.3	2 510.8	25.0	1 600.0	25 259.4	3 253.5	74 745.4	Mar	2017
2 553.3	151.8	2 705.1	25.0	1 600.0	25 253.9	1 424.7	75 455.7	Jun	
2 754.8	153.5	2 908.4	25.0	1 600.0	26 345.0	1 559.9	77 435.9	Sep	
2 980.7	155.8	3 136.5	25.0	1 600.0	24 684.6	2 043.7	74 330.7	Dec	
2 793.4	157.6	2 951.0	25.0	1 600.0	23 712.2	1 903.0	71 180.4	Mar	2018
2 717.5	158.3	2 875.8	25.0	1 600.0	26 883.3	1 457.0	74 960.3	Jun	
2 984.5	159.5	3 144.0	25.0	1 600.0	28 108.3	1 769.8	76 495.2	Sep	
3 121.5	165.4	3 286.9	25.0	1 600.0	22 563.5	5 369.7	72 150.0	Dec	
2 570.1	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	
2 958.2	116.6	3 074.8	25.0	1 600.0	23 312.3	4 524.7	69 765.1	Jan	2020
3 080.1	117.1	3 197.3	25.0	1 600.0	22 846.1	4 772.6	66 971.0	Feb	
3 359.8	118.4	3 478.2	25.0	1 600.0	22 644.0	1 694.7	62 910.2	Mar	
3 261.1	119.0	3 380.0	25.0	1 600.0	26 149.8	1 518.4	69 752.3	Apr	
3 531.5	119.7	3 651.2	25.0	1 600.0	26 636.0	1 568.5	67 040.4	May	
3 691.7	120.0	3 811.8	25.0	1 600.0	27 307.2	1 651.0	64 578.1	Jun	
3 682.9	121.2	3 804.1	25.0	1 600.0	28 586.2	1 567.6	64 625.9	Jul	
3 712.0	121.2	3 833.2	25.0	1 600.0	29 770.1	1 676.8	63 372.5	Aug	
3 918.1	122.2	4 040.3	25.0	1 600.0	28 166.3	2 805.1	59 774.5	Sep	
3 902.2	123.4	4 025.6	25.0	1 600.0	26 392.7	2 946.6	58 429.4	Oct	
3 920.4	126.1	4 046.4	25.0	1 600.0	27 705.8	3 071.3	59 650.8	Nov	
4 328.9	129.0	4 457.9	25.0	1 600.0	27 385.6	3 512.3	54 501.2	Dec	
3 702.0	129.1	3 831.1	25.0	1 600.0	27 601.2	3 556.8	59 729.9	Jan	2021
3 560.8	130.0	3 690.8	25.0	1 600.0	27 243.2	3 826.6	56 834.2	Feb	
3 858.2	130.9	3 989.1	25.0	1 600.0	27 135.0	4 249.9	54 291.9	Mar	
3 708.8	132.8	3 841.6	25.0	1 600.0	27 705.2	2 153.3	57 438.7	Apr	
3 691.7	133.0	3 824.7	25.0	1 600.0	25 817.7	3 394.2	52 448.1	May	
3 710.0	134.0	3 844.0	25.0	1 600.0	26 901.7	3 517.2	52 240.3	Jun	
3 708.9	134.3	3 843.3	25.0	1 600.0	27 703.4	3 474.6	53 247.6	Jul	
3 776.5	135.5	3 912.0	25.0	1 600.0	27 996.7	6 581.5	55 205.9	Aug	
3 862.6	136.4	3 999.0	25.0	1 600.0	27 481.1	6 714.6	53 277.7	Sep	
3 579.8	137.1	3 716.9	25.0	1 600.0	28 562.9	6 738.7	61 189.6	Oct	
3 710.1	135.2	3 845.3	25.0	1 600.0	28 508.4	7 247.4	58 816.2	Nov	
4 064.8	133.6	4 198.4	25.0	1 600.0	29 429.6	7 418.3	57 204.3	Dec	

**TABLE 3.6: NOTES IN CIRCULATION
(P MILLION)**

End of		P1 ¹	P2 ¹	P5 ¹	P10	P20	P50	P100	P200	Total
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		...	...	...	42.4	131.9	190.8	539.1	1 689.7	2 593.9
2016		...	...	...	45.2	138.5	215.9	557.1	1 785.5	2 742.2
2017	Q1	...	...	...	41.0	129.8	194.6	455.2	1 570.3	2 391.0
	Q2	...	...	...	40.2	136.5	205.0	495.4	1 699.9	2 577.1
	Q3	...	...	...	41.6	151.0	216.6	522.7	1 852.9	2 784.8
	Q4	...	...	...	45.8	164.4	235.5	593.0	1 968.3	3 006.9
2018	Q1	...	...	...	45.8	153.1	232.7	552.8	1 843.9	2 828.3
	Q2	...	...	...	49.3	149.7	219.8	498.8	1 831.9	2 749.5
	Q3	...	...	...	47.6	145.7	234.5	559.9	2 026.5	3 014.2
	Q4	...	...	...	52.4	155.2	249.1	609.4	2 085.9	3 152.1
2019	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
2020	Jan	...	...	...	68.2	146.9	239.5	494.9	2 027.1	2 976.5
	Feb	...	...	...	68.5	150.6	240.5	511.7	2 132.9	3 104.1
	Mar	...	...	...	63.7	142.5	251.3	559.6	2 364.1	3 381.2
	Apr	...	...	...	63.1	150.3	268.5	572.9	2 229.1	3 283.8
	May	...	...	...	62.5	159.4	287.7	603.5	2 441.7	3 554.8
	Jun	...	...	...	61.3	163.2	312.2	630.8	2 546.1	3 713.5
	Jul	...	...	...	63.9	170.5	316.4	608.2	2 553.5	3 712.5
	Aug	...	...	...	66.7	184.0	344.2	606.3	2 530.1	3 731.3
	Sep	...	...	...	67.4	202.6	376.3	625.2	2 670.7	3 942.2
	Oct	...	...	...	68.5	213.0	392.4	614.8	2 633.3	3 921.9
	Nov	...	...	...	69.9	220.4	382.5	603.0	2 670.1	3 945.8
	Dec	...	...	...	76.3	246.9	424.5	687.6	2 916.7	4 352.0
2021	Jan	...	...	...	73.1	223.9	345.3	587.2	2 497.1	3 726.5
	Feb	...	...	...	77.4	214.3	352.5	542.4	2 396.1	3 582.6
	Mar	...	...	...	79.6	227.2	351.0	603.0	2 619.9	3 880.6
	Apr	...	...	...	81.7	223.7	345.1	580.1	2 505.9	3 736.4
	May	...	...	...	79.3	207.3	305.1	581.3	2 533.1	3 706.1
	Jun	...	...	...	76.1	189.1	311.2	579.8	2 575.3	3 731.5
	Jul	...	...	...	75.5	198.4	309.7	586.5	2 552.1	3 722.1
	Aug	...	...	...	71.9	181.4	307.6	594.7	2 640.1	3 795.8
	Sep	...	...	...	68.6	172.8	295.5	597.5	2 741.5	3 875.9
	Oct	...	...	...	63.9	163.3	272.4	550.2	2 550.1	3 599.9
	Nov	...	...	...	63.7	165.0	283.6	578.7	2 647.1	3 738.1
	Dec	...	...	...	68.4	184.0	326.6	674.7	2 835.1	4 088.8

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		Commemorative							Total	
		5t	10t	25t	50t	P1	P2	P5		coins
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		10.5	9.0	9.5	11.7	24.3	31.2	46.8	0.2	143.0
2016		11.2	9.7	10.1	12.2	25.0	31.9	48.9	0.2	148.9
2017	Mar	11.2	9.7	10.2	12.3	25.2	32.3	49.3	0.2	150.1
	Jun	11.4	9.9	10.2	12.2	25.4	32.7	49.8	0.2	151.7
	Sep	11.6	10.1	10.3	12.3	25.5	33.1	50.4	0.2	153.4
	Dec	11.8	10.3	10.4	12.4	26.1	33.6	51.1	0.2	155.6
2018	Mar	12.0	10.4	10.6	12.6	26.3	33.8	51.8	0.2	157.5
	Jun	12.1	10.5	10.6	12.6	26.4	33.9	52.0	0.2	158.1
	Sep	12.2	10.6	10.7	12.7	26.6	34.1	52.5	0.2	159.3
	Dec	12.5	10.9	11.1	12.9	27.3	35.0	55.6	0.2	165.2
2019	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
2020	Jan	5.4	6.1	7.0	8.1	18.4	26.2	45.6	0.2	116.6
	Feb	5.5	6.1	7.0	8.1	18.4	26.7	45.6	0.2	117.1
	Mar	5.6	6.2	7.1	8.1	18.5	26.9	46.1	0.2	118.4
	Apr	5.6	6.2	7.1	8.2	18.5	26.9	46.6	0.2	119.0
	May	5.7	6.3	7.2	8.2	18.7	27.0	46.9	0.2	119.7
	Jun	5.7	6.3	7.2	8.4	18.7	27.0	46.9	0.2	120.0
	Jul	5.8	6.4	7.2	8.4	18.7	27.3	47.5	0.2	121.2
	Aug	5.8	6.4	7.2	8.4	18.7	27.3	47.5	0.2	121.2
	Sep	5.9	6.4	7.2	8.5	18.7	28.1	47.5	0.2	122.2
	Oct	5.9	6.5	7.3	8.6	18.8	28.2	48.1	0.2	123.4
	Nov	5.9	6.6	7.4	8.8	19.1	28.9	49.4	0.2	126.1
	Dec	6.1	6.7	7.5	8.8	19.3	29.8	50.9	0.2	129.0
2021	Jan	6.1	6.7	7.5	8.8	19.3	29.8	50.9	0.2	129.0
	Feb	6.1	6.7	7.5	8.8	19.4	30.0	51.4	0.2	129.9
	Mar	6.3	6.8	7.6	8.9	19.4	30.3	51.7	0.2	130.9
	Apr	6.3	6.9	7.7	9.0	19.7	30.6	52.6	0.2	132.8
	May	6.3	6.9	7.7	9.0	19.7	30.8	52.6	0.2	133.0
	Jun	6.5	6.9	7.7	9.1	19.8	31.1	53.0	0.2	134.0
	Jul	6.5	7.0	7.7	9.1	19.9	31.2	53.0	0.2	134.3
	Aug	6.5	7.0	7.8	9.2	20.2	31.4	53.5	0.2	135.6
	Sep	6.7	7.1	7.9	9.2	20.5	31.6	53.5	0.2	136.4
	Oct	6.7	7.1	7.9	9.3	20.5	31.6	54.1	0.2	137.1
	Nov	6.8	7.2	7.9	9.2	20.1	31.7	52.3	0.2	135.2
	Dec	6.8	7.2	7.9	9.3	19.7	31.9	50.7	0.2	133.6

Source: Bank of Botswana

TABLE 3.8: COMMERCIAL BANKS - ASSETS
(P MILLION)

End of	Cash	Balances at Bank of Botswana			Balances due from Domestic Banks	Bank of Botswana Certificates ²	Treasury Bills ³
		Operating Account	Reserve Requirements ¹	Reverse Repos			
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	1 544.4	384.6	2 597.0	1 672.6	1 272.2	8 188.9	816.2
2016	1 432.9	1 040.7	2 556.7	1 302.5	1 882.1	7 916.8	982.8
2017	Mar	1 135.9	105.9	2 565.9	861.9	1 935.1	7 310.3
	Jun	1 197.4	50.4	2 492.1	520.9	2 598.0	7 593.8
	Sep	1 193.8	20.6	2 624.7	592.1	1 356.7	7 271.4
	Dec	1 608.0	242.2	2 693.2	54.0	2 548.6	6 293.6
2018	Mar	1 521.2	229.8	2 659.1	838.8	1 961.8	5 492.2
	Jun	1 433.6	710.6	2 637.6	2 151.6	1 930.7	4 734.1
	Sep	1 442.6	138.4	2 804.6	1 042.5	1 562.3	7 923.3
	Dec	1 901.5	141.1	2 886.3	1 054.7	2 249.6	8 194.5
2019	Jan	1 521.8	106.5	2 964.9	1 695.1	1 667.5	9 135.0
	Feb	1 437.3	90.9	2 910.4	2 184.9	1 093.8	9 279.1
	Mar	1 564.5	815.5	2 953.0	2 098.9	740.1	9 153.0
	Apr	1 639.7	212.1	2 994.7	2 212.8	991.8	9 052.1
	May	1 687.5	183.9	2 993.5	2 370.7	1 172.8	9 625.8
	Jun	1 549.7	263.3	3 018.7	2 305.4	1 469.7	7 676.4
	Jul	1 618.9	143.3	3 038.6	2 351.1	1 625.3	9 626.8
	Aug	1 549.7	175.2	3 037.7	1 595.8	1 896.1	10 142.8
	Sep	1 360.5	158.2	3 139.8	1 935.0	1 854.1	9 634.4
	Oct	1 315.6	190.7	3 149.6	2 331.6	1 022.5	9 572.9
	Nov	1 265.2	184.9	3 117.9	2 330.9	1 931.4	9 578.4
	Dec	1 849.8	256.0	2 904.6	1 490.9	2 129.0	8 853.1
2020	Jan	1 245.8	240.1	3 224.5	794.9	2 168.6	10 130.0
	Feb	1 194.0	318.4	2 751.4	1 775.8	1 525.9	10 177.7
	Mar	1 476.8	324.9	2 648.3	...	1 931.1	9 719.4
	Apr	1 421.7	105.9	2 494.1	3 456.5	1 458.6	8 746.3
	May	1 422.3	174.2	1 368.1	3 292.9	1 708.9	10 181.6
	Jun	1 646.2	118.0	936.3	1 318.9	2 530.1	10 639.5
	Jul	1 593.5	316.5	1 310.6	1 563.6	2 006.6	9 022.7
	Aug	1 537.4	168.3	1 320.2	1 006.5	1 732.9	9 371.3
	Sep	1 689.3	344.5	1 156.3	1 644.6	1 302.9	11 557.6
	Oct	1 626.6	161.5	1 351.1	1 427.2	541.1	11 698.0
	Nov	1 602.4	110.3	1 537.7	1 938.9	1 284.6	11 199.4
	Dec	2 192.9	256.1	1 832.3	1 417.8	1 649.3	8 849.1
2021	Jan	1 683.5	643.6	1 589.4	1 425.8	789.8	9 931.9
	Feb	1 443.8	313.1	1 605.0	1 400.8	1 737.9	8 680.4
	Mar	1 856.4	589.6	1 580.6	...	2 096.4	8 605.4
	Apr	1 637.5	644.0	1 725.6	1 251.8	1 522.7	10 122.8
	May	1 556.9	279.8	1 214.9	621.0	1 320.8	10 020.7
	Jun	1 619.4	365.9	977.9	955.8	2 658.6	8 036.4
	Jul	1 462.7	132.5	1 265.3	1 417.8	2 245.9	8 096.3
	Aug	1 573.4	125.0	1 190.0	1 249.0	2 943.1	8 630.5
	Sep	1 652.5	109.4	1 085.4	1 005.8	2 468.3	4 620.0
	Oct	1 359.6	74.4	1 066.2	1 345.8	1 868.0	4 916.4
	Nov	1 557.7	218.1	1 080.3	760.0	2 065.0	4 009.8
	Dec	1 932.3	634.1	1 290.8	1 478.8	2 506.4	2 263.3

- 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.
- 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.
- These are Botswana Government treasury bills of six months duration which began to be issued on March 7, 2008.
- They include overdrafts, hire purchase and leasing. These are net of provisions and thus different from those in Table 3.18.
- Debt securities include bonds.
- Other assets comprise intra-bank balances, accounts receivables, cash in process of collection and other domestic investments.

Source: Commercial banks

Balances due from Foreign Banks	Loans & Advances ⁴	Debt Securities ⁵	Fixed Assets	Other Assets ⁶	TOTAL ASSETS		End of
6 665.5	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
9 262.6	46 997.2	1 530.0	967.5	1 487.7	76 721.1		2015
9 046.7	49 668.2	2 440.1	899.2	1 525.1	80 694.0		2016
9 692.9	49 362.7	2 223.4	882.5	1 559.4	78 687.5	Mar	2017
10 919.5	50 702.1	2 569.3	899.4	1 461.3	82 056.3	Jun	
11 341.7	51 274.7	2 883.1	904.6	1 675.2	82 117.9	Sep	
11 029.4	52 147.0	3 421.0	926.2	1 676.7	83 468.2	Dec	
9 623.0	52 656.3	3 538.2	921.5	2 132.8	82 141.7	Mar	2018
10 579.3	54 475.1	3 866.3	946.7	1 601.3	85 731.9	Jun	
11 896.2	55 248.2	2 948.1	924.3	1 615.6	88 313.2	Sep	
12 482.4	56 185.4	3 123.7	956.2	1 491.8	91 331.0	Dec	
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	
12 680.0	60 199.5	4 436.4	1 347.4	1 812.3	98 656.4	Dec	
12 413.6	60 902.4	4 341.8	1 350.9	1 599.5	99 110.4	Jan	2020
13 092.1	61 071.2	4 411.2	1 350.3	1 688.4	100 105.3	Feb	
15 349.0	61 905.8	4 997.0	1 355.1	1 612.6	102 165.8	Mar	
14 877.6	61 630.9	5 011.5	1 338.9	1 930.5	103 120.4	Apr	
14 037.5	61 235.4	5 151.9	1 321.8	2 078.7	102 822.0	May	
14 195.6	61 408.2	6 463.3	1 409.0	2 450.9	103 913.7	Jun	
14 482.4	61 592.4	5 634.9	1 444.3	2 685.1	102 451.1	Jul	
14 947.4	61 042.8	5 778.9	1 442.3	2 891.6	102 739.2	Aug	
14 085.4	61 052.5	5 470.5	1 440.9	2 819.6	103 302.3	Sep	
13 759.0	61 942.9	5 631.5	1 452.9	3 205.6	103 536.0	Oct	
13 602.0	62 862.4	5 911.9	1 429.6	3 426.6	105 994.9	Nov	
13 764.7	62 784.6	5 770.6	1 448.6	2 270.6	103 258.6	Dec	
13 305.6	63 125.9	5 789.7	1 416.0	2 617.0	104 533.8	Jan	2021
13 261.8	63 178.0	6 515.7	1 405.6	2 684.3	104 918.4	Feb	
13 745.9	62 612.5	6 158.9	1 413.2	2 458.3	104 365.6	Mar	
13 545.1	63 216.6	6 185.0	1 414.9	2 652.7	107 882.6	Apr	
13 379.9	63 700.1	6 372.0	1 401.2	2 627.9	106 030.8	May	
13 883.0	64 738.9	6 282.3	1 389.8	2 108.0	106 350.1	Jun	
14 841.1	65 188.4	6 205.9	1 371.1	2 964.2	108 683.9	Jul	
15 413.1	65 016.0	6 038.4	1 371.5	2 912.2	109 909.4	Aug	
15 260.0	65 660.0	6 102.5	1 361.3	2 775.6	107 451.7	Sep	
14 065.1	65 657.6	6 136.4	1 355.7	2 896.6	106 438.4	Oct	
16 064.5	66 478.8	6 265.4	1 338.9	2 865.7	108 363.4	Nov	
16 812.0	66 107.4	6 279.7	1 323.1	2 998.6	108 590.5	Dec	

TABLE 3.9: COMMERCIAL BANKS - LIABILITIES
(P MILLION)

As at end of		Balances due to		Government	Deposits from the public	
		Other Banks	Bank of Botswana		Current & Call	Savings
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		3 249.3	2.0	311.2	32 403.7	4 027.4
2016		3 834.8	11.5	171.4	34 622.4	4 416.8
2017	Mar	3 115.7	12.7	291.7	33 259.3	4 504.9
	Jun	3 967.2	25.4	265.1	34 469.8	4 623.8
	Sep	2 968.6	9.3	218.7	35 688.6	4 734.8
	Dec	4 241.9	26.6	302.5	35 244.4	4 728.9
2018	Mar	3 617.3	-	272.6	34 115.0	4 633.0
	Jun	4 376.7	40.3	362.2	34 826.3	4 719.4
	Sep	3 634.8	48.0	307.6	36 925.3	4 795.3
	Dec	4 709.9	13.7	229.3	37 395.4	4 808.6
2019	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	4 491.9	-	167.6	42 774.3	5 281.5
2020	Jan	4 761.1	-	235.7	43 342.1	5 082.4
	Feb	4 496.1	5.9	90.9	43 572.1	5 353.9
	Mar	5 526.1	47.4	425.7	43 701.4	5 599.1
	Apr	4 077.5	1.9	405.7	45 596.6	5 989.5
	May	3 838.5	4.3	417.5	46 289.0	6 096.6
	Jun	4 527.8	-	375.0	46 278.7	5 993.8
	Jul	4 115.8	0.2	280.7	45 048.6	6 113.8
	Aug	4 148.7	105.4	297.3	43 643.0	6 106.3
	Sep	2 932.3	-	158.3	45 630.9	6 191.5
	Oct	2 280.9	-	101.4	44 954.6	6 219.1
	Nov	2 507.3	39.8	117.0	47 428.3	6 224.8
	Dec	3 019.6	45.0	138.5	46 322.2	6 253.8
2021	Jan	2 740.1	12.4	95.4	45 836.3	6 111.3
	Feb	3 126.1	44.1	97.1	45 468.3	6 149.1
	Mar	3 805.8	67.1	88.0	46 078.7	6 283.8
	Apr	2 918.2	126.6	160.2	48 324.7	6 248.5
	May	2 698.5	16.5	146.2	45 353.9	6 275.1
	Jun	4 295.4	274.2	95.6	44 281.5	6 371.0
	Jul	3 490.7	2.9	110.6	46 188.4	6 449.1
	Aug	4 293.8	0.5	126.3	44 861.2	6 522.5
	Sep	3 987.6	6.0	110.6	44 598.4	6 490.3
	Oct	3 769.1	75.7	115.6	44 604.0	6 497.4
	Nov	3 842.6	84.7	178.2	45 079.3	6 459.4
	Dec	3 948.0	-	157.4	47 243.0	6 445.2

Source: Commercial banks

Notice & Time		Capital & Reserves	Other Liabilities	Total Liabilities	As at end of	
	Total					
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		2014
23 218.9	59 650.0	8 325.2	5 183.4	76 721.1		2015
23 227.3	62 266.5	9 049.6	5 360.3	80 694.0		2016
22 064.5	59 828.8	8 792.6	6 645.9	78 687.5	Mar	2017
23 020.9	62 114.6	9 920.5	5 763.5	82 056.3	Jun	
23 199.9	63 623.4	8 985.6	6 312.4	82 117.9	Sep	
23 305.4	63 278.7	9 383.0	6 235.4	83 468.2	Dec	
23 474.0	62 221.9	9 246.4	6 783.5	82 141.7	Mar	2018
24 930.6	64 476.3	9 635.0	6 841.4	85 731.9	Jun	
26 488.8	68 209.4	9 264.9	6 848.6	88 313.2	Sep	
26 837.5	69 041.5	10 389.7	6 946.9	91 331.0	Dec	
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	75 539.0	11 089.6	7 368.3	98 656.4	Dec	
27 354.3	75 778.7	10 609.3	7 725.7	99 110.4	Jan	2020
27 090.6	76 016.7	10 780.9	8 714.8	100 105.3	Feb	
27 530.8	76 831.3	10 980.7	8 354.6	102 165.8	Mar	
27 639.9	79 226.0	11 088.1	8 321.2	103 120.4	Apr	
26 318.2	78 703.8	10 923.8	8 934.0	102 822.0	May	
25 718.6	77 991.2	10 965.3	10 054.3	103 913.7	Jun	
26 794.9	77 957.4	11 095.5	9 001.3	102 451.1	Jul	
28 130.2	77 879.4	10 958.7	9 349.6	102 739.2	Aug	
27 768.7	79 591.1	10 968.5	9 652.0	103 302.3	Sep	
28 302.5	79 476.2	11 058.4	10 619.2	103 536.0	Oct	
28 278.0	81 931.1	11 212.3	10 187.5	105 994.9	Nov	
27 825.8	80 401.7	11 298.7	8 355.0	103 258.6	Dec	
28 682.4	80 630.1	11 315.9	9 740.0	104 533.8	Jan	2021
28 658.8	80 276.3	11 441.2	9 933.6	104 918.4	Feb	
27 425.1	79 787.6	11 394.8	9 222.2	104 365.6	Mar	
29 219.0	83 792.2	11 399.4	9 486.0	107 882.6	Apr	
30 910.6	82 539.7	11 532.0	9 097.8	106 030.8	May	
30 717.1	81 369.6	11 486.3	8 829.0	106 350.1	Jun	
31 218.7	83 856.2	11 599.4	9 624.1	108 683.9	Jul	
31 865.6	83 249.3	10 468.3	11 771.1	109 909.4	Aug	
31 000.5	82 089.2	10 495.7	10 762.6	107 451.7	Sep	
31 473.9	82 575.2	10 793.2	9 109.6	106 438.4	Oct	
32 042.6	83 581.3	10 854.5	9 822.2	108 363.4	Nov	
30 518.2	84 206.4	10 755.9	9 522.8	108 590.5	Dec	

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

		ACTUAL LIQUID ASSETS							Excess Liquidity (8-1)
		Required Liquid Assets ¹	Cash and Balances ²	Balances held abroad ³	Treasury Bills ³	Government Bonds	Other Liquid Assets	Bank of Botswana Certificates ⁴	
As at end of		1	2	3	4	5	6	7	Total (2+3+4+5+6+7) 8
2012		5 085.0	1 604.4	86.2	88.8	182.7	921.2	6 814.8	9 698.2
2013		5 130.1	1 443.6	151.5	632.0	...	1 393.7	3 885.4	7 506.3
2014		5 679.8	3 237.5	462.9	366.6	27.0	97.6	3 213.2	7 404.8
2015		6 436.3	2 668.4	531.7	498.5	...	2 052.5	6 086.4	11 837.5
2016		6 715.7	3 991.6	363.0	465.4	72.0	1 536.6	7 053.6	13 482.2
2017	Q1	6 448.8	2 765.4	410.5	534.2	17.5	1 097.4	5 964.1	10 789.0
	Q2	6 751.6	3 448.7	396.1	632.9	...	568.4	5 842.6	10 888.8
	Q3	6 782.8	2 189.2	380.8	560.1	810.1	851.4	5 510.2	10 301.9
	Q4	6 861.1	3 941.3	381.9	409.4	865.1	394.5	5 325.4	11 317.5
2018	Q1	6 740.6	3 067.9	558.9	347.9	626.1	1 040.0	4 794.0	10 434.9
	Q2	7 018.8	3 470.6	603.2	445.9	1 120.1	2 284.8	4 020.9	11 945.4
	Q3	7 318.6	2 544.4	597.7	548.0	...	1 143.7	7 339.1	12 173.0
	Q4	7 474.3	3 685.3	605.8	444.6	...	1 197.1	7 250.4	13 183.3
2019	Jan	7 444.0	2 685.3	609.5	449.9	...	2 059.3	8 176.6	13 980.7
	Feb	7 493.0	2 008.7	612.2	446.4	...	2 549.8	8 420.1	14 037.4
	Mar	7 575.3	2 494.8	624.3	511.4	...	2 264.7	8 338.6	14 233.7
	Apr	7 570.7	2 254.5	588.0	512.3	...	2 581.8	8 391.6	14 328.2
	May	7 738.7	2 411.3	632.9	318.1	...	2 590.4	9 145.9	15 098.6
	Jun	7 675.2	2 698.6	584.2	462.0	...	2 411.9	7 097.5	13 254.2
	Jul	7 944.7	3 010.7	376.8	334.0	...	2 488.5	8 708.6	14 918.6
	Aug	8 038.5	3 167.3	409.4	332.8	...	1 702.4	9 224.6	14 836.5
	Sep	8 040.8	3 053.0	275.7	248.9	72.0	2 240.8	8 979.2	14 869.6
	Oct	7 960.8	2 364.4	163.3	249.3	74.3	2 663.7	8 663.7	14 178.6
	Nov	8 103.6	3 204.1	177.5	399.7	116.5	2 539.2	8 702.7	15 139.7
	Dec	8 145.6	4 061.1	172.7	216.0	120.0	1 750.9	8 330.4	14 651.1
2020	Jan	8 223.6	3 447.1	207.5	315.4	122.3	945.5	9 630.8	14 668.5
	Feb	8 248.5	2 849.4	187.7	366.5	124.5	1 857.7	10 071.0	15 456.8
	Mar	8 385.5	3 523.4	208.1	462.8	102.1	62.9	9 196.7	13 556.1
	Apr	8 488.3	2 779.4	205.6	464.9	704.1	3 780.2	8 223.6	16 157.7
	May	8 419.8	3 112.5	191.8	465.5	1 178.2	3 617.6	9 658.9	18 224.5
	Jun	8 441.1	4 090.3	202.8	597.8	1 180.4	1 384.6	10 116.8	17 572.7
	Jul	8 375.2	3 724.0	192.6	598.5	1 186.9	1 890.5	8 458.8	16 051.4
	Aug	8 420.7	3 244.2	194.4	1 299.5	1 165.3	1 334.4	8 862.5	16 100.4
	Sep	8 448.0	3 127.8	209.0	631.2	...	1 886.3	11 368.9	17 223.2
	Oct	8 442.7	2 145.9	182.1	631.6	...	1 914.3	11 532.8	16 406.7
	Nov	8 670.9	2 820.6	175.6	982.1	...	2 427.5	11 171.2	17 577.1
	Dec	8 507.3	3 923.8	173.4	915.1	...	1 576.6	8 820.9	15 409.9
2021	Jan	8 537.8	2 892.1	223.7	2 108.5	...	1 911.5	9 903.7	17 039.5
	Feb	8 505.6	3 310.2	183.5	2 682.8	195.0	1 888.0	8 359.2	16 618.7
	Mar	8 589.2	4 362.7	178.5	2 945.5	196.1	332.4	8 577.2	16 592.4
	Apr	8 892.7	3 622.2	180.9	3 468.5	388.4	1 778.6	10 094.6	19 533.1
	May	8 711.4	2 987.3	169.1	3 142.3	393.4	1 147.7	9 992.5	17 832.3
	Jun	8 738.0	4 461.5	181.3	2 940.8	393.4	990.8	8 036.4	17 004.0
	Jul	8 938.1	3 673.3	167.8	3 099.4	393.4	1 956.5	8 096.3	17 386.6
	Aug	8 927.2	4 450.6	190.9	3 054.0	393.2	1 789.6	7 373.0	17 251.4
	Sep	8 777.6	4 104.4	125.8	3 205.5	393.2	1 292.1	4 620.0	13 741.0
	Oct	8 846.6	3 142.0	160.0	4 957.6	393.2	1 852.0	4 906.4	15 411.2
	Nov	8 934.8	3 634.3	206.5	4 607.3	102.5	1 294.9	3 999.8	13 845.4
	Dec	9 008.6	4 875.9	196.9	4 861.0	103.1	1 755.8	2 218.3	14 010.9

1. 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.
2. Cash and balances encompasses cash and (Pula) balances held with Bank of Botswana and domestic banks (balances withdrawable on demand only).
3. These are Botswana Government treasury bills of six months duration which began to be issued on March 7, 2008.
4. 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 BoB'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		
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		2 588.7	384.6	2 973.3	51 090.2	5.8	...	...
2016		2 556.7	1 040.7	3 597.4	52 676.5	6.8	...	...
2017	Q1	2 576.4	105.9	2 682.3	51 316.9	5.2	...	...
	Q2	2 649.5	50.4	2 699.9	51 798.5	5.2	...	...
	Q3	2 624.7	20.6	2 645.2	52 892.5	5.0	...	...
	Q4	2 693.2	242.2	2 935.3	54 417.0	5.4	...	...
2018	Q1	2 659.0	229.8	2 888.8	53 045.0	5.4	...	...
	Q2	2 637.6	710.6	3 348.2	55 248.8	6.1	...	...
	Q3	2 804.6	138.4	2 942.9	57 892.7	5.1	...	...
	Q4	2 905.0	141.1	3 046.1	58 208.2	5.2	...	...
2019	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
2020	Jan	3 228.7	240.1	3 468.7	65 146.1	5.3	Jan 8 - Feb 11	3 242.3
	Feb	3 240.6	318.4	3 559.0	64 857.7	5.5	Feb 12 - Mar 10	3 232.4
	Mar	3 257.3	324.9	3 582.2	64 469.1	5.6	Mar 11 - Apr 07	3 322.7
	Apr	3 242.9	105.9	3 348.8	65 863.4	5.1	Apr 08 - May 12	3 481.3
	May	1 611.7	174.2	1 786.0	66 526.0	2.7	May 13 - Jun 09	1 668.3
	Jun	1 646.6	118.0	1 764.6	65 308.6	2.7	Jun 10 - Jul 07	1 752.9
	Jul	1 663.2	316.5	1 979.6	65 380.0	3.0	Jul 08 - Aug 11	1 695.6
	Aug	1 632.7	168.3	1 801.0	65 223.1	2.8	Aug 12 - Sep 08	1 638.3
	Sep	1 634.5	344.5	1 979.0	66 317.8	3.0	Sep 09 - Oct 12	1 652.2
	Oct	1 630.6	161.5	1 792.1	68 502.6	2.6	Oct 13 - Nov 10	1 683.7
	Nov	1 657.9	110.3	1 768.2	67 590.6	2.6	Nov 11 - Dec 08	1 743.1
	Dec	1 712.6	256.1	1 968.7	67 418.6	2.9	Dec 09 - Jan 12	1 738.0
2021	Jan	1 689.8	643.6	2 333.4	67 906.6	3.4	Jan 13 - Feb 09	1 731.7
	Feb	1 685.5	313.1	1 998.6	67 026.6	3.0	Feb 10 - Mar 09	1 759.1
	Mar	1 697.7	589.6	2 287.2	66 778.7	3.4	Mar 10 - Apr 13	1 776.3
	Apr	1 675.7	644.0	2 319.6	67 541.4	3.4	Apr 14 - May 11	1 853.2
	May	1 669.5	279.8	1 949.2	69 687.7	2.8	May 12 - Jun 08	1 714.4
	Jun	1 688.5	365.9	2 054.4	68 978.7	3.0	Jun 09 - Jul 13	1 739.6
	Jul	1 742.2	132.5	1 874.7	68 691.9	2.7	Jul 14 - Aug 10	1 867.8
	Aug	1 724.5	125.0	1 849.5	69 987.2	2.6	Aug 11 - Sep 07	1 820.4
	Sep	1 717.3	109.4	1 826.7	68 565.7	2.7	Sep 08 - Oct 12	1 740.0
	Oct	1 749.7	74.4	1 824.0	68 578.6	2.7	Oct 13 - Nov 09	1 806.7
	Nov	1 714.1	218.1	1 932.2	67 837.0	2.8	Nov 10 - Dec 07	1 800.6
	Dec	1 714.5	634.1	2 348.3	69 204.4	3.4	Dec 08 - Jan 11	1 869.1

- Required reserves at the Bank of Botswana are for a period of one month and are calculated on the basis of deposits two months earlier. Foreign Currency Accounts (FCAs) in Pula terms have been netted out from the average total deposits to calculate primary reserve requirements.
- The average of commercial banks' deposits for the period. FCAs in Pula terms have been netted out from the average total deposits, so that the figure for average deposits in this table conforms with that used to calculate the primary reserve requirements.
- Effective October 9, 2019 the Bank introduced primary reserve requirement averaging and the balances are for the maintenance period given.

Source: Commercial banks and Bank of Botswana

**TABLE 3.12: COMMERCIAL BANKS - DEPOSITS BY HOLDER
(P MILLION)**

		Government		Resident Business		Non-resident	Total
As at end of		Central	Local	Parastatals	Private	Business	
2012		133.5	1 898.4	6 125.8	29 159.1	203.5	47 215.7
2013		174.8	2 230.7	5 254.7	29 078.1	457.1	48 512.2
2014		193.9	2 129.1	4 443.0	32 078.9	289.0	51 491.8
2015		311.2	2 436.0	5 238.7	37 372.5	164.1	59 961.2
2016		171.4	2 504.1	6 133.6	39 411.1	302.5	62 437.8
2017	Q1	291.7	1 551.9	4 909.1	39 338.2	547.4	60 120.5
	Q2	265.1	3 306.6	5 076.2	40 732.3	467.0	62 379.6
	Q3	218.7	1 859.3	4 673.8	43 542.6	601.3	63 842.1
	Q4	302.5	2 351.6	3 219.7	44 512.7	448.5	63 581.2
2018	Q1	272.6	2 185.6	4 205.3	41 652.0	366.0	62 494.5
	Q2	362.2	2 662.1	4 642.3	43 355.5	707.7	64 838.5
	Q3	307.6	2 302.3	4 600.4	46 539.1	844.1	68 517.0
	Q4	229.3	2 044.6	4 262.6	48 462.2	428.3	69 270.9
2019	Jan	108.5	2 632.4	5 142.4	48 352.4	385.7	70 328.8
	Feb	132.9	2 455.9	4 266.9	49 290.1	376.7	70 631.4
	Mar	224.8	2 433.5	4 506.2	49 789.0	342.5	71 640.2
	Apr	191.6	2 572.2	4 717.5	48 884.1	308.6	71 081.5
	May	157.0	2 251.3	5 374.1	49 821.2	295.8	72 696.3
	Jun	259.9	1 832.2	4 960.6	48 450.0	951.9	71 483.9
	Jul	345.5	2 673.1	4 576.1	50 387.2	1 176.0	74 357.1
	Aug	154.9	2 181.9	4 999.9	50 907.4	1 321.9	74 854.8
	Sep	235.1	2 807.6	4 722.5	50 255.8	1 282.1	75 357.2
	Oct	107.8	2 366.3	4 922.1	51 906.8	595.6	75 432.4
	Nov	159.8	1 870.6	4 650.5	52 489.6	585.7	75 448.3
	Dec	167.6	2 333.9	5 482.9	51 833.5	507.0	75 709.2
2020	Jan	235.7	2 759.7	4 516.5	51 684.2	816.5	76 014.4
	Feb	90.9	1 956.0	4 323.9	53 090.6	470.7	76 107.6
	Mar	425.7	1 685.6	4 487.0	54 767.6	632.6	77 257.0
	Apr	405.7	2 351.0	5 423.4	54 411.7	744.8	79 631.6
	May	417.5	2 003.0	4 595.4	55 031.1	703.2	79 121.3
	Jun	375.0	1 430.0	3 997.0	55 044.7	850.1	78 366.2
	Jul	280.7	2 376.0	4 176.4	53 684.5	883.4	78 238.2
	Aug	297.3	1 779.3	4 271.4	53 855.5	1 090.2	78 176.8
	Sep	158.3	2 486.5	4 540.0	54 179.7	1 232.9	79 749.5
	Oct	101.4	2 063.1	5 081.7	54 684.5	1 203.6	79 577.6
	Nov	117.0	2 860.8	4 612.9	55 621.4	1 198.2	82 048.1
	Dec	138.5	2 414.0	4 955.7	54 823.1	1 212.9	80 540.2
2021	Jan	95.4	2 402.2	5 048.2	54 736.3	1 059.3	80 725.4
	Feb	97.1	2 024.3	7 222.7	52 456.4	1 023.3	80 373.4
	Mar	88.0	1 784.7	6 698.8	52 544.0	1 189.4	79 875.6
	Apr	160.2	2 419.1	6 295.4	54 114.4	1 195.1	83 952.4
	May	146.2	2 113.7	5 957.5	55 958.1	1 336.3	82 685.9
	Jun	95.6	1 539.7	5 416.0	54 220.7	1 302.0	81 465.2
	Jul	110.6	2 299.6	5 470.4	55 300.4	658.0	83 966.8
	Aug	126.3	2 053.3	5 051.3	55 023.4	1 501.8	83 375.6
	Sep	110.6	1 876.0	3 814.2	56 396.1	1 345.7	82 199.8
	Oct	115.6	2 187.0	3 694.4	56 338.6	1 384.2	82 690.8
	Nov	178.2	1 776.0	5 105.0	56 260.3	1 391.5	83 759.4
	Dec	157.4	1 894.9	4 897.9	56 355.2	1 379.3	84 363.8

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
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		12 138.8	20 519.9	4 027.4	865.4	9 453.0	7 271.7	4 210.0	1 475.1	59 961.2
2016		14 096.0	20 635.1	4 416.8	1 735.2	2 057.1	12 190.5	5 411.9	1 895.3	62 437.8
2017	Q1	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
	Q2	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
	Q3	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
	Q4	15 582.6	19 912.2	4 729.2	993.0	2 954.6	13 236.8	4 554.3	1 618.5	63 581.2
2018	Q1	14 157.8	20 203.9	4 633.2	1 161.8	1 749.9	13 713.3	4 876.7	1 997.9	62 494.5
	Q2	14 286.8	20 898.5	4 719.7	1 093.6	2 023.4	14 527.8	5 461.0	1 827.6	64 838.5
	Q3	15 592.9	21 613.2	4 795.6	2 201.2	3 389.4	14 500.3	4 423.2	2 001.3	68 517.0
	Q4	15 542.1	22 066.7	4 809.1	2 113.0	3 488.4	15 025.1	4 213.5	2 012.9	69 270.9
2019	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
2020	Jan	20 173.0	23 329.1	5 157.6	69.5	3 287.2	15 249.0	6 528.7	2 220.3	76 014.4
	Feb	19 342.2	24 320.1	5 354.2	2 444.8	1 093.2	15 009.9	6 697.0	1 846.3	76 107.6
	Mar	19 325.8	24 633.4	5 599.2	1 862.0	1 081.5	16 934.9	6 090.9	1 729.3	77 257.0
	Apr	19 836.8	25 996.9	5 989.5	26.0	3 342.1	15 235.3	7 227.1	1 978.0	79 631.6
	May	20 773.0	25 757.3	6 096.6	292.1	1 222.3	15 808.9	7 201.0	1 970.2	79 121.3
	Jun	22 339.5	24 137.2	5 993.8	125.5	2 278.7	14 174.1	7 460.2	1 857.3	78 366.2
	Jul	21 184.6	23 967.0	6 113.8	704.6	1 240.9	14 619.6	8 322.5	2 085.2	78 238.2
	Aug	19 617.3	24 144.5	6 106.3	16.9	3 232.0	14 382.3	8 625.6	2 051.9	78 176.8
	Sep	21 163.5	24 618.5	6 191.5	1 796.6	1 243.3	14 302.3	8 277.4	2 156.4	79 749.5
	Oct	20 608.3	24 440.5	6 219.1	1 110.4	1 286.6	15 122.6	8 286.7	2 503.4	79 577.6
	Nov	21 465.4	26 069.1	6 224.8	50.9	2 268.0	15 015.9	8 576.7	2 377.3	82 048.1
	Dec	21 491.7	24 958.0	6 253.9	1 599.8	1 294.0	14 944.1	7 587.4	2 411.3	80 540.2
2021	Jan	20 276.0	25 651.4	6 111.3	1 110.7	1 313.3	16 174.7	6 974.0	3 114.0	80 725.4
	Feb	21 149.3	24 415.2	6 149.1	15.4	2 351.4	16 879.3	6 908.1	2 505.5	80 373.4
	Mar	22 257.0	23 908.7	6 283.8	1 476.5	1 318.1	15 607.6	7 314.0	1 709.9	79 875.6
	Apr	22 530.9	25 948.9	6 248.8	16.3	3 147.7	18 219.2	5 868.6	1 972.0	83 952.4
	May	21 685.7	23 813.2	6 275.4	14.0	3 089.2	18 475.1	7 143.7	2 189.6	82 685.9
	Jun	22 207.4	22 168.4	6 371.4	13.7	2 926.2	18 167.5	7 356.4	2 254.2	81 465.2
	Jul	22 797.3	23 500.6	6 449.3	1 016.9	1 229.2	18 838.0	7 858.1	2 277.4	83 966.8
	Aug	22 415.8	22 570.5	6 522.7	14.0	2 602.0	18 456.4	8 415.9	2 378.3	83 375.6
	Sep	22 669.1	22 038.9	6 490.3	130.7	1 267.0	19 388.5	7 681.7	2 533.7	82 199.8
	Oct	21 752.7	22 965.9	6 497.4	14.5	1 239.1	19 230.3	8 216.4	2 774.6	82 690.8
	Nov	22 040.2	23 216.3	6 459.4	39.9	1 222.7	19 368.2	8 783.2	2 629.5	83 759.4
	Dec	23 093.1	24 306.2	6 445.2	13.9	1 240.1	18 187.5	8 488.0	2 589.7	84 363.8

Source: Commercial banks

**TABLE 3.14: COMMERCIAL BANKS - DEPOSITS BY HOLDER
(PERCENTAGE DISTRIBUTION)**

End of		Government		Resident Business		Non-resident	
		Central	Local	Parastatals	Private	Business	Households
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		0.5	4.1	8.7	62.3	0.3	24.1
2016		0.3	4.0	9.8	63.1	0.5	22.3
2017	Q1	0.5	2.6	8.2	65.4	0.9	22.4
	Q2	0.4	5.3	8.1	65.3	0.7	20.1
	Q3	0.3	2.9	7.3	68.2	0.9	20.3
	Q4	0.5	3.7	5.1	70.0	0.7	20.0
2018	Q1	0.4	3.5	6.7	66.6	0.6	22.1
	Q2	0.6	4.1	7.2	66.9	1.1	20.2
	Q3	0.4	3.4	6.7	67.9	1.2	20.3
	Q4	0.3	3.0	6.2	70.0	0.6	20.0
2019	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
2020	Jan	0.3	3.6	5.9	68.0	1.1	21.1
	Feb	0.1	2.6	5.7	69.8	0.6	21.3
	Mar	0.6	2.2	5.8	70.9	0.8	19.8
	Apr	0.5	3.0	6.8	68.3	0.9	20.5
	May	0.5	2.5	5.8	69.6	0.9	20.7
	Jun	0.5	1.8	5.1	70.2	1.1	21.3
	Jul	0.4	3.0	5.3	68.6	1.1	21.5
	Aug	0.4	2.3	5.5	68.9	1.4	21.6
	Sep	0.2	3.1	5.7	67.9	1.5	21.5
	Oct	0.1	2.6	6.4	68.7	1.5	20.7
	Nov	0.1	3.5	5.6	67.8	1.5	21.5
	Dec	0.2	3.0	6.2	68.1	1.5	21.1
2021	Jan	0.1	3.0	6.3	67.8	1.3	21.5
	Feb	0.1	2.5	9.0	65.3	1.3	21.8
	Mar	0.1	2.2	8.4	65.8	1.5	22.0
	Apr	0.2	2.9	7.5	64.5	1.4	23.5
	May	0.2	2.6	7.2	67.7	1.6	20.8
	Jun	0.1	1.9	6.6	66.6	1.6	23.2
	Jul	0.1	2.7	6.5	65.9	0.8	24.0
	Aug	0.2	2.5	6.1	66.0	1.8	23.5
	Sep	0.1	2.3	4.6	68.6	1.6	22.7
	Oct	0.1	2.6	4.5	68.1	1.7	22.9
	Nov	0.2	2.1	6.1	67.2	1.7	22.7
	Dec	0.2	2.2	5.8	66.8	1.6	23.3

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
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		20.2	34.2	6.7	1.4	15.8	12.1	7.0	2.5
2016		22.6	33.0	7.1	2.8	3.3	19.5	8.7	3.0
2017	Q1	22.1	33.5	7.5	2.8	5.0	16.8	9.2	3.0
	Q2	22.4	33.0	7.4	2.4	4.8	18.2	8.8	3.0
	Q3	23.6	32.6	7.4	2.1	5.1	19.6	6.5	3.0
	Q4	24.5	31.3	7.4	1.6	4.6	20.8	7.2	2.5
2018	Q1	22.7	32.3	7.4	1.9	2.8	21.9	7.8	3.2
	Q2	22.0	32.2	7.3	1.7	3.1	22.4	8.4	2.8
	Q3	22.8	31.5	7.0	3.2	4.9	21.2	6.5	2.9
	Q4	22.4	31.9	6.9	3.1	5.0	21.7	6.1	2.9
2019	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
2020	Jan	26.5	30.7	6.8	0.1	4.3	20.1	8.6	2.9
	Feb	25.4	32.0	7.0	3.2	1.4	19.7	8.8	2.4
	Mar	25.0	31.9	7.2	2.4	1.4	21.9	7.9	2.2
	Apr	24.9	32.6	7.5	0.0	4.2	19.1	9.1	2.5
	May	26.3	32.6	7.7	0.4	1.5	20.0	9.1	2.5
	Jun	28.5	30.8	7.6	0.2	2.9	18.1	9.5	2.4
	Jul	27.1	30.6	7.8	0.9	1.6	18.7	10.6	2.7
	Aug	25.1	30.9	7.8	-	4.1	18.4	11.0	2.6
	Sep	26.5	30.9	7.8	2.3	1.6	17.9	10.4	2.7
	Oct	25.9	30.7	7.8	1.4	1.6	19.0	10.4	3.1
	Nov	26.2	31.8	7.6	0.1	2.8	18.3	10.5	2.9
	Dec	26.7	31.0	7.8	2.0	1.6	18.6	9.4	3.0
2021	Jan	25.1	31.8	7.6	1.4	1.6	20.0	8.6	3.9
	Feb	26.3	30.4	7.7	-	2.9	21.0	8.6	3.1
	Mar	27.9	29.9	7.9	1.8	1.7	19.5	9.2	2.1
	Apr	26.8	30.9	7.4	-	3.7	21.7	7.0	2.3
	May	26.2	28.8	7.6	-	3.7	22.3	8.6	2.6
	Jun	27.3	27.2	7.8	-	3.6	22.3	9.0	2.8
	Jul	27.2	28.0	7.7	1.2	1.5	22.4	9.4	2.7
	Aug	26.9	27.1	7.8	-	3.1	22.1	10.1	2.9
	Sep	27.6	26.8	7.9	0.2	1.5	23.6	9.3	3.1
	Oct	26.3	27.8	7.9	-	1.5	23.3	9.9	3.4
	Nov	26.3	27.7	7.7	-	1.5	23.1	10.5	3.1
	Dec	27.4	28.8	7.6	-	1.5	21.6	10.1	3.1

Source: Commercial banks

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

End of		US dollar		British pound		SA rand	
		Foreign currency	Pula equivalent	Foreign currency	Pula equivalent	Foreign currency	Pula equivalent
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		653.3	7 340.6	25.0	416.4	1 172.1	847.5
2016		817.8	8 709.8	34.3	448.0	1 037.9	811.4
2017	Mar	789.6	8 311.7	35.9	471.4	1 037.2	811.5
	Jun	847.4	8 655.3	38.0	504.6	1 193.8	937.0
	Sep	843.1	8 691.6	35.9	497.2	1 257.0	958.3
	Dec	842.1	8 312.5	41.8	555.9	827.0	658.3
2018	Mar	797.9	7 606.3	43.4	582.0	981.4	794.8
	Jun	725.0	7 536.0	43.5	592.5	1 135.4	862.0
	Sep	801.9	8 495.2	43.0	595.2	1 407.4	1 055.1
	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
2020	Jan	852.1	9 282.4	37.6	537.2	1 750.7	1 288.3
	Feb	843.2	9 442.2	38.4	554.4	1 858.6	1 331.2
	Mar	894.1	10 694.6	38.8	573.5	2 203.5	1 465.9
	Apr	881.7	10 609.9	39.3	588.8	2 400.9	1 594.0
	May	864.5	10 243.0	40.2	588.3	2 317.8	1 691.0
	Jun	879.6	10 372.8	36.3	526.1	2 338.5	1 592.6
	Jul	999.7	11 478.1	47.3	712.8	2 261.6	1 546.9
	Aug	956.6	10 944.9	47.5	723.7	2 174.1	1 496.9
	Sep	919.1	10 724.2	42.0	631.0	2 039.8	1 392.0
	Oct	946.2	10 851.2	42.7	631.9	1 749.3	1 221.4
	Nov	985.1	10 872.9	42.1	620.5	2 010.3	1 454.7
	Dec	1 030.5	11 116.7	42.2	620.9	1 650.5	1 217.1
2021	Jan	1 004.4	11 098.1	41.9	634.7	1 888.1	1 368.5
	Feb	1 056.1	11 605.1	42.3	648.5	1 655.2	1 210.2
	Mar	1 051.5	11 644.7	148.3	2 257.4	1 575.2	1 169.9
	Apr	1 000.0	10 823.0	53.6	809.0	1 725.2	1 303.9
	May	1 039.7	11 060.5	47.6	717.7	1 686.4	1 301.5
	Jun	1 002.7	10 946.6	47.6	719.4	1 791.6	1 367.6
	Jul	1 088.6	12 015.4	47.4	730.6	1 682.7	1 271.5
	Aug	1 060.4	11 755.6	47.7	729.3	1 890.9	1 434.1
	Sep	1 087.3	12 286.0	69.8	1 068.2	1 700.8	1 277.3
	Oct	1 001.1	11 362.8	42.2	661.2	1 635.0	1 224.8
	Nov	1 109.2	13 095.7	36.3	570.9	1 895.9	1 382.2
	Dec	1 089.2	12 784.6	35.1	556.9	1 911.7	1 411.1

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						
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
54.5	669.7	35.5	9 309.8	59 961.2	15.5		2015
49.1	550.8	26.4	10 546.3	62 437.8	16.9		2016
43.2	486.4	6.7	10 087.7	60 120.5	16.8	Mar	2017
43.7	510.3	5.5	10 612.7	62 379.6	17.0	Jun	
56.0	680.5	7.0	10 834.6	63 842.1	17.0	Sep	
53.3	629.1	8.2	10 164.0	63 581.2	16.0	Dec	
36.7	430.8	9.9	9 423.8	62 494.5	15.1	Mar	2018
50.9	616.1	13.5	9 620.3	64 838.5	14.8	Jun	
45.7	563.3	17.9	10 726.8	68 517.0	15.7	Sep	
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	
41.3	496.4	6.0	11 610.4	76 014.4	15.3	Jan	2020
39.0	479.7	65.8	11 873.3	76 107.6	15.6	Feb	
37.5	494.0	10.2	13 238.1	77 257.0	17.1	Mar	
39.2	512.8	12.2	13 317.7	79 631.6	16.7	Apr	
37.2	488.5	12.8	13 023.6	79 121.3	16.5	May	
73.0	965.9	28.6	13 486.1	78 366.2	17.2	Jun	
40.9	558.2	11.3	14 307.3	78 238.2	18.3	Jul	
43.2	588.2	18.4	13 772.2	78 176.8	17.6	Aug	
54.6	743.7	20.6	13 511.5	79 749.5	16.9	Sep	
52.6	704.1	74.9	13 483.6	79 577.6	16.9	Oct	
50.1	663.0	10.8	13 621.9	82 048.1	16.6	Nov	
52.2	691.9	11.5	13 658.0	80 540.2	17.0	Dec	
53.6	716.8	10.3	13 828.4	80 725.4	17.1	Jan	2021
50.7	677.8	20.8	14 162.3	80 373.4	17.6	Feb	
50.1	650.7	25.0	15 747.8	79 875.6	19.7	Mar	
52.5	688.7	34.5	13 659.1	83 952.4	16.3	Apr	
51.9	673.0	15.5	13 768.2	82 685.9	16.7	May	
54.5	708.4	20.5	13 762.5	81 465.2	16.9	Jun	
60.5	793.4	12.4	14 823.3	83 966.8	17.7	Jul	
59.4	778.9	3.6	14 701.6	83 375.6	17.6	Aug	
102.0	1 345.4	24.4	16 001.2	82 199.8	19.5	Sep	
53.5	708.7	26.4	13 983.8	82 690.8	16.9	Oct	
58.7	783.2	19.3	15 851.4	83 759.4	18.9	Nov	
56.5	749.8	24.3	15 526.7	84 363.8	18.4	Dec	

**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
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		2 994.9	5 152.3	6.5	1.5	-
2016		3 360.4	5 521.7	32.9	54.9	15.5
2017	Mar	3 334.9	5 029.9	38.1	63.9	60.7
	Jun	3 532.1	5 118.1	59.3	43.0	246.2
	Sep	4 081.4	5 496.3	27.4	35.8	29.9
	Dec	3 922.8	5 366.1	27.2	43.6	20.5
2018	Mar	3 334.0	5 036.9	24.0	143.4	23.6
	Jun	3 881.1	4 593.7	22.4	89.7	26.6
	Sep	3 560.2	4 917.7	21.4	9.7	574.8
	Dec	3 142.1	6 078.9	8.9	29.6	83.8
2019	Jan	3 335.1	5 652.6	14.1	-	167.8
	Feb	3 430.9	5 693.8	8.3	-	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
2020	Jan	3 572.3	5 127.9	20.1	61.9	399.4
	Feb	3 691.4	5 576.9	13.6	11.9	390.8
	Mar	4 421.4	7 255.2	13.4	0.6	113.1
	Apr	3 955.8	7 264.3	13.8	16.3	109.7
	May	3 868.3	6 720.1	11.7	67.4	62.3
	Jun	4 203.3	6 277.9	10.4	108.4	15.6
	Jul	4 545.7	6 650.8	11.1	100.4	51.0
	Aug	4 022.2	6 956.7	12.3	2.7	148.9
	Sep	4 326.2	6 847.2	11.5	6.1	27.9
	Oct	4 358.9	6 673.6	10.2	50.6	82.7
	Nov	4 871.0	6 447.4	9.6	6.5	46.7
	Dec	4 527.9	6 919.3	8.8	6.6	25.2
2021	Jan	4 525.8	7 135.4	6.6	40.2	31.8
	Feb	4 864.4	7 197.6	4.9	4.7	64.8
	Mar	5 409.3	8 873.8	3.0	-	4.2
	Apr	5 520.5	6 834.4	7.7	2.1	35.3
	May	4 618.0	6 553.3	1.9	-	27.6
	Jun	4 797.9	6 565.7	1.4	-	36.7
	Jul	5 051.3	7 364.4	2.0	3.8	13.8
	Aug	5 612.9	6 922.7	2.0	-	84.2
	Sep	5 943.2	7 547.7	2.0	116.2	37.1
	Oct	4 793.7	6 992.8	1.8	-	-
	Nov	5 318.2	8 633.8	3.0	25.2	3.6
	Dec	6 045.4	8 433.8	2.9	-	3.8

Source: Commercial banks

Fixed up to			Fixed over			
6 months	12 months	18 months	18 months	Total		End of
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
843.0	203.4	27.3	81.0	9 309.8		2015
1 200.2	257.9	11.3	91.5	10 546.3		2016
1 149.9	298.5	14.7	97.0	10 087.7	Mar	2017
1 330.0	191.2	1.7	91.1	10 612.7	Jun	
880.7	183.6	11.0	88.6	10 834.6	Sep	
475.7	202.9	17.5	87.6	10 164.0	Dec	
571.6	212.7	3.3	74.4	9 423.8	Mar	2018
618.0	301.9	5.1	81.9	9 620.3	Jun	
1 168.4	364.0	25.9	84.8	10 726.8	Sep	
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	
1 327.4	956.0	19.6	125.9	11 610.4	Jan	2020
1 029.6	998.9	18.5	141.6	11 873.3	Feb	
834.5	522.7	51.3	26.0	13 238.1	Mar	
709.0	1 075.6	20.8	152.3	13 317.7	Apr	
1 007.0	1 094.7	42.8	149.5	13 023.6	May	
1 662.9	1 053.6	23.2	130.1	13 485.4	Jun	
1 719.9	1 076.4	22.6	129.4	14 307.3	Jul	
1 309.0	1 068.0	43.3	209.0	13 772.2	Aug	
1 022.7	1 069.5	70.1	130.2	13 511.5	Sep	
1 096.1	501.7	581.7	128.0	13 483.6	Oct	
1 065.1	502.9	548.2	124.4	13 621.9	Nov	
1 056.1	450.3	538.0	125.7	13 658.0	Dec	
907.1	505.3	540.3	135.9	13 828.4	Jan	2021
834.4	518.2	548.1	125.2	14 162.3	Feb	
800.8	522.4	12.4	122.1	15 747.8	Mar	
681.2	449.4	12.2	116.4	13 659.1	Apr	
1 391.5	1 032.3	19.1	124.4	13 768.2	May	
1 259.6	932.6	34.4	134.3	13 762.6	Jun	
1 292.7	1 010.8	19.9	64.6	14 823.3	Jul	
1 010.7	993.8	11.4	63.8	14 701.6	Aug	
1 544.2	663.8	11.8	135.2	16 001.2	Sep	
1 602.7	435.9	17.0	139.9	13 983.8	Oct	
1 224.1	479.8	121.8	41.9	15 851.4	Nov	
593.5	486.0	1.8	44.7	15 611.9	Dec	

**TABLE 3.18: COMMERCIAL BANKS - LOANS AND ADVANCES OUTSTANDING BY SECTOR
(P MILLION)**

				Agri- cul- ture			Manu- factur- ing	Electri- city & Water	Con- struc- tion	Trade, Restaurant & Bars¹	
		Government		Para- stats	House- holds						
End of		Central	Local			Mining					
2012³		-	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		-	12.1	2 431.5	25 426.3	801.0	385.6	2 908.2	124.0	815.0	5 982.6
2015		0.4	8.1	1 824.8	28 671.3	1 044.0	765.8	2 434.4	100.0	806.4	6 084.9
2016		10.3	-	1 339.8	30 849.0	1 142.0	306.2	3 288.6	72.1	891.3	4 345.3
2017	Mar	0.3	-	776.2	30 908.0	1 166.8	194.2	3 528.2	68.9	911.3	4 527.9
	Jun	8.5	-	999.1	31 441.7	1 117.0	297.0	3 281.6	84.0	930.2	4 847.1
	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
	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	Mar	0.2	-	967.5	33 326.7	1 031.8	268.1	3 283.6	85.1	1 122.6	4 617.5
	Jun	-	-	790.7	33 604.9	1 105.1	209.8	3 683.8	87.3	1 207.4	5 399.1
	Sep	6.5	-	983.5	34 508.7	1 198.8	243.7	3 638.5	82.4	1 241.9	5 239.7
	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
2020	Jan	0.1	-	1 819.1	40 311.0	1 456.9	549.6	2 475.2	95.4	1 084.3	4 596.0
	Feb	0.4	-	1 763.1	40 591.3	1 485.5	579.7	2 428.0	91.5	1 086.5	4 462.2
	Mar	0.3	-	2 220.7	40 745.0	1 474.4	643.3	2 495.9	91.2	987.5	4 837.9
	Apr	-	-	2 210.5	40 662.6	1 424.8	653.7	2 206.6	78.4	1 010.7	4 787.1
	May	-	-	2 286.3	40 356.1	1 429.5	649.1	1 931.2	82.9	1 063.9	4 749.6
	Jun	0.2	-	2 285.2	40 584.8	1 352.3	641.1	1 424.1	86.5	1 063.9	5 060.5
	Jul	-	-	2 202.9	40 934.5	1 360.0	611.0	1 476.2	80.5	1 085.0	5 039.8
	Aug	0.8	0.3	1 966.8	41 045.6	1 245.8	624.2	1 490.5	83.3	1 053.7	4 852.3
	Sep	-	-	1 534.6	41 340.1	1 390.5	637.4	1 669.9	97.5	1 029.2	4 626.3
	Oct	-	0.3	1 832.2	41 802.9	1 326.4	553.0	1 667.9	84.3	1 008.5	4 561.5
	Nov	-	0.5	1 975.6	42 721.6	1 290.1	535.3	1 693.6	81.6	947.3	4 489.4
	Dec	0.2	1.1	1 654.3	42 865.5	1 325.0	508.7	1 580.6	80.4	935.6	4 862.6
2021	Jan	0.1	0.6	2 018.2	42 997.0	1 337.3	538.4	1 606.8	80.2	913.1	4 794.5
	Feb	0.1	0.6	2 081.4	43 069.2	1 341.0	431.7	1 487.1	69.1	990.4	4 949.7
	Mar	0.1	0.3	1 362.4	43 330.2	1 323.8	375.0	1 527.3	73.8	897.5	4 984.5
	Apr	-	0.2	1 405.6	43 558.4	1 360.2	407.4	1 508.6	77.6	949.3	4 642.4
	May	-	0.2	1 503.9	43 835.2	1 276.2	377.7	1 516.9	71.2	900.7	4 465.3
	Jun	-	0.6	1 869.2	44 186.7	1 272.4	521.0	1 505.4	74.0	926.3	4 552.5
	Jul	-	0.5	1 910.3	44 299.3	1 210.8	526.5	1 665.8	73.5	914.7	4 741.3
	Aug	0.2	0.3	1 956.5	44 637.1	1 231.8	522.7	1 707.8	73.4	905.0	4 395.9
	Sep	0.1	0.4	1 931.7	44 834.6	1 262.8	503.8	1 666.6	68.3	908.6	4 741.3
	Oct	0.3	0.2	1 739.6	45 065.2	1 286.5	493.1	1 794.1	65.1	967.6	4 598.6
	Nov	0.2	0.3	2 405.3	45 302.5	1 294.0	404.7	1 751.9	68.0	856.4	4 601.7
	Dec	0.9	1.3	1 395.6	45 616.4	1 300.1	297.3	1 554.2	57.3	902.3	4 803.8

1. Trade, restaurants and bars¹ include other community, 'social and personal services.

2. 'Resident Business Total' includes all sectors, except Central and Local Government and Households.

3. From 2012 to 2015, the new reporting forms which were used by commercial banks inadvertently omitted business services, hence, effective January 2016, with the implementation of Basel II/III returns, business services is reported separately. Comparisons for January 2016 onwards with earlier periods must therefore be interpreted with caution, as the amounts now included under business services were previously allocated to other sectors (including, in particular "trade" and "Other").

Source: Commercial banks

Transport & Communi - cation	Finance	Business Services	Real Estate	Other	Resident Business Total ²	Non-Resident Business	Total	End of	
794.8	1 115.2	...	2 938.6	810.6	15 695.4	363.6	34 554.8	2012 ³	
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	2014	
693.6	1 806.0	...	3 551.8	431.0	19 542.7	84.6	48 307.1	2015	
646.0	1 321.0	2 617.4	3 831.1	570.5	20 371.2	85.3	51 315.8	2016	
615.6	1 417.3	2 500.0	3 786.4	659.3	20 152.1	80.7	51 141.1	Mar	2017
581.8	1 830.7	2 463.2	3 785.9	829.7	21 047.4	57.3	52 554.9	Jun	
583.1	1 888.3	2 452.7	3 773.3	1 011.3	20 960.7	70.4	53 290.0	Sep	
692.9	1 782.1	2 622.4	3 686.8	851.3	21 028.2	75.1	54 181.1	Dec	
655.6	1 901.6	2 679.2	3 792.6	871.6	21 277.0	82.9	54 695.2	Mar	2018
670.7	2 139.9	2 829.5	3 867.4	845.1	22 835.7	90.4	56 531.0	Jun	
669.6	1 925.2	2 886.7	3 963.6	857.6	22 931.1	135.8	57 582.1	Sep	
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	
620.5	1 569.4	3 017.9	4 485.8	1 239.6	23 009.9	177.6	63 498.6	Jan	2020
612.9	1 535.5	3 216.2	4 427.5	1 225.2	22 913.8	209.4	63 714.9	Feb	
593.8	1 433.9	3 269.1	4 418.9	1 196.9	23 663.6	220.2	64 629.1	Mar	
590.7	1 783.1	2 965.2	4 588.6	1 194.6	23 493.8	221.2	64 377.6	Apr	
574.9	1 839.3	2 945.3	4 485.6	1 211.4	23 249.0	200.5	63 805.6	May	
586.5	1 916.3	3 147.1	4 479.1	1 221.6	23 264.2	197.4	64 046.5	Jun	
579.8	1 935.9	3 030.3	4 551.2	1 209.6	23 162.2	167.0	64 263.7	Jul	
575.0	1 843.8	3 036.1	4 561.4	1 201.7	22 534.6	170.5	63 751.9	Aug	
580.3	1 863.3	2 973.8	4 648.9	1 218.7	22 270.6	162.9	63 773.6	Sep	
576.0	2 305.4	3 053.0	4 574.8	1 210.6	22 753.5	168.2	64 724.9	Oct	
570.2	2 450.4	3 011.7	4 496.1	1 197.7	22 739.0	131.1	65 592.2	Nov	
577.2	2 374.3	3 013.5	4 483.5	1 182.3	22 577.8	109.9	65 554.5	Dec	
594.2	2 241.5	3 058.7	4 469.9	1 196.9	22 849.8	98.9	65 946.3	Jan	2021
534.3	2 144.2	3 190.9	4 437.4	1 200.4	22 857.6	99.6	66 027.1	Feb	
538.3	2 306.0	3 246.8	4 369.5	1 205.7	22 210.6	100.6	65 641.7	Mar	
512.2	2 642.2	3 488.3	4 349.7	1 205.7	22 549.2	97.9	66 205.8	Apr	
489.6	2 816.0	3 622.4	4 326.0	1 200.2	22 566.2	114.2	66 515.8	May	
474.4	2 747.9	3 560.3	4 394.2	1 205.3	23 103.0	157.4	67 447.7	Jun	
472.0	2 654.8	3 698.0	4 391.1	1 225.0	23 483.8	153.9	67 937.5	Jul	
477.2	2 426.7	3 722.7	4 386.2	1 221.4	23 027.3	152.1	67 816.9	Aug	
505.3	2 830.6	3 465.9	4 400.5	1 233.7	23 519.1	154.9	68 508.9	Sep	
497.1	2 738.8	3 499.7	4 389.7	1 224.3	23 294.2	150.2	68 510.1	Oct	
483.1	2 645.2	3 545.3	4 542.8	1 238.1	23 836.5	151.5	69 290.9	Nov	
448.9	2 666.5	3 605.4	4 846.9	1 234.7	23 113.0	188.9	68 920.4	Dec	

TABLE 3.19: COMMERCIAL BANKS - OUTSTANDING LOANS AND ADVANCES TO HOUSEHOLDS
(P MILLION)

As at end of		Property	Motor vehicle	Credit cards	Other ¹	Total
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		8 243.9	1 610.1	723.9	18 093.3	28 671.3
2016		8 765.3	1 697.7	716.5	19 669.5	30 849.0
2017	Mar	8 794.5	1 683.8	713.7	19 716.0	30 908.0
	Jun	8 999.2	1 678.4	719.0	20 045.2	31 441.7
	Sep	9 033.5	1 676.2	708.3	20 839.6	32 257.7
	Dec	9 189.6	1 703.6	709.1	21 470.2	33 072.5
2018	Mar	9 325.3	1 707.4	709.4	21 584.6	33 326.7
	Jun	9 393.0	1 701.2	718.8	21 791.9	33 604.9
	Sep	9 564.1	1 751.4	711.6	22 481.6	34 508.7
	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	735.1	27 267.2	39 949.3
2020	Jan	9 953.6	2 035.0	758.7	27 563.7	40 311.0
	Feb	9 977.7	2 052.1	755.4	27 806.0	40 591.3
	Mar	9 984.5	2 057.5	746.2	27 956.8	40 745.0
	Apr	9 985.7	2 029.0	713.7	27 934.2	40 662.6
	May	9 959.2	1 998.8	705.9	27 692.1	40 356.1
	Jun	9 941.8	2 003.4	747.4	27 892.1	40 584.8
	Jul	9 992.3	2 018.5	711.1	28 212.6	40 934.5
	Aug	9 708.7	2 114.9	702.7	28 519.2	41 045.6
	Sep	10 030.9	2 024.3	701.0	28 583.9	41 340.1
	Oct	10 021.5	2 042.5	703.9	29 035.0	41 802.9
	Nov	10 052.2	2 055.0	709.0	29 905.4	42 721.6
	Dec	10 134.6	2 084.5	708.5	29 937.8	42 865.5
2021	Jan	10 100.5	2 081.2	710.8	30 104.5	42 997.0
	Feb	10 095.6	2 080.5	709.2	30 183.9	43 069.2
	Mar	10 117.4	2 087.6	705.2	30 420.0	43 330.2
	Apr	10 130.5	2 074.7	704.9	30 648.3	43 558.4
	May	10 162.2	2 040.0	713.1	30 919.8	43 835.2
	Jun	10 170.6	2 023.2	710.8	31 282.1	44 186.7
	Jul	10 209.2	2 012.3	707.5	31 370.2	44 299.3
	Aug	10 257.8	2 176.0	707.0	31 496.2	44 637.1
	Sep	10 282.4	2 034.1	714.7	31 803.5	44 834.6
	Oct	10 378.7	2 030.5	715.9	31 940.1	45 065.2
	Nov	10 602.6	1 902.9	726.7	32 070.2	45 302.5
	Dec	10 520.8	2 022.5	726.7	32 346.4	45 616.4

1. 'Other' includes all personal advances, except for motor vehicle, property purposes and credit cards.

Source: Commercial banks

TABLE 3.20: COMMERCIAL BANKS - ADVANCES AND LIQUID ASSET RATIOS
(P MILLION)

As at end of		Total deposits 1	Total advances 2	Percent (2/1) 3	Liquid assets 4	Percent (4/1) 5
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		59 961.2	48 307.1	80.6	11 837.5	19.7
2016		62 437.8	51 315.8	82.2	13 482.2	21.6
2017	Mar	60 120.5	51 141.1	85.1	10 789.0	17.9
	Jun	62 379.6	52 554.9	84.3	10 888.8	17.5
	Sep	63 842.1	53 290.0	83.5	10 301.9	16.1
	Dec	63 581.2	54 181.1	85.2	11 317.5	17.8
2018	Mar	62 494.5	54 695.2	87.5	10 434.9	16.7
	Jun	64 838.5	56 531.0	87.2	11 945.4	18.4
	Sep	68 517.0	57 582.1	84.0	12 173.0	17.8
	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	75 706.6	62 755.1	82.9	14 651.1	19.4
2020	Jan	76 014.4	63 498.6	83.5	14 668.5	19.3
	Feb	76 107.6	63 714.9	83.7	15 456.8	20.3
	Mar	77 257.0	64 629.1	83.7	13 556.1	17.5
	Apr	79 631.6	64 377.6	80.8	16 157.7	20.3
	May	79 121.3	63 805.6	80.6	18 224.5	23.0
	Jun	78 366.2	64 046.5	81.7	17 572.7	22.4
	Jul	78 238.2	64 263.7	82.1	16 051.4	20.5
	Aug	78 176.8	63 751.9	81.5	16 100.4	20.6
	Sep	79 749.5	63 773.6	80.0	17 223.2	21.6
	Oct	79 577.6	64 724.9	81.3	16 406.7	20.6
	Nov	82 048.1	65 592.2	79.9	17 577.1	21.4
	Dec	80 540.2	65 554.5	81.4	15 409.9	19.1
2021	Jan	80 725.4	65 946.3	81.7	17 039.5	21.1
	Feb	80 373.4	66 027.1	82.2	16 618.7	20.7
	Mar	79 875.6	65 641.7	82.2	16 592.4	20.8
	Apr	83 952.4	66 205.8	78.9	19 533.1	23.3
	May	82 685.9	66 515.8	80.4	17 832.3	21.6
	Jun	81 465.2	67 447.7	82.8	17 004.0	20.9
	Jul	83 966.8	67 937.5	80.9	17 386.6	20.7
	Aug	83 375.6	67 816.9	81.3	17 251.4	20.7
	Sep	82 199.8	68 508.9	83.3	13 741.0	16.7
	Oct	82 690.8	68 510.1	82.9	15 411.2	18.6
	Nov	83 759.4	69 290.9	82.7	13 845.4	16.5
	Dec	84 363.8	68 920.4	81.7	14 010.9	16.6

Source: Commercial banks

**TABLE 3.21: COMMERCIAL BANKS - LOANS AND ADVANCES BY MATURITY
BY VALUE (P MILLION)**

Maturity/End of	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Credit cards	596.7	616.6	678.4	743.2	736.8	729.0	729.0	761.6	727.1	746.2
Overdrafts	4 019.0	4 056.6	4 693.0	2 863.3	4 037.4	4 225.6	5 036.3	3 461.7	4 141.2	5 360.1
1 to 6 months	1 512.3	1 774.7	2 458.8	3 550.1	2 618.9	3 815.4	3 444.1	4 676.5	3 736.7	2 859.2
Over 6 to 12 months	594.8	1 245.9	739.1	1 550.5	1 646.4	1 478.3	1 112.2	1 181.8	1 080.9	985.5
Over 1 to 2 years	1 308.7	1 166.4	1 230.1	1 687.5	2 259.3	3 101.2	2 244.0	2 807.3	2 897.4	2 688.3
Over 2 to 3 years	1 869.8	2 789.7	1 871.3	3 415.9	4 689.7	3 536.2	3 829.6	3 625.0	5 120.8	5 221.8
Over 3 to 5 years	8 436.0	9 501.4	9 524.6	12 147.3	12 408.9	10 667.4	12 780.4	13 760.5	14 758.2	13 043.9
Over 5 to 7 years	7 491.2	7 649.7	10 723.3	9 290.4	9 611.5	12 657.7	12 869.3	16 214.8	16 880.6	18 750.2
Over 7 to 10 years	2 569.8	3 079.5	3 506.4	3 802.5	3 456.1	2 960.0	3 157.2	4 422.7	4 147.3	6 613.9
Over 10 years	6 156.6	7 883.0	9 691.4	9 256.4	9 850.8	11 010.3	13 130.0	11 857.8	12 064.1	12 651.3
TOTAL	34 554.8	39 763.4	45 116.5	48 307.1	51 315.8	54 181.1	58 332.0	62 769.7	65 554.5	68,920.4

PERCENTAGE DISTRIBUTION

Maturity/End of	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Credit cards	1.7	1.6	1.5	1.5	1.4	1.3	1.2	1.2	1.1	1.1
Overdrafts	11.6	10.2	10.4	5.9	7.9	7.8	8.6	5.5	6.3	7.8
1 to 6 months	4.4	4.5	5.4	7.3	5.1	7.0	5.9	7.5	5.7	4.1
Over 6 to 12 months	1.7	3.1	1.6	3.2	3.2	2.7	1.9	1.9	1.6	1.4
Over 1 to 2 years	3.8	2.9	2.7	3.5	4.4	5.7	3.8	4.5	4.4	3.9
Over 2 to 3 years	5.4	7.0	4.1	7.1	9.1	6.5	6.6	5.8	7.8	7.6
Over 3 to 5 years	24.4	23.9	21.1	25.1	24.2	19.7	21.9	21.9	22.5	18.9
Over 5 to 7 years	21.7	19.2	23.8	19.2	18.7	23.4	22.1	25.8	25.8	27.2
Over 7 to 10 years	7.4	7.7	7.8	7.9	6.7	5.5	5.4	7.0	6.3	9.6
Over 10 years	17.8	19.8	21.5	19.2	19.2	20.3	22.5	18.9	18.4	18.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Commercial banks

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

End of	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Prime - (minus)	12.0	11.8	5.1	5.7	9.3	12.5	16.1	29.7	14.9	15.5
Prime Rate	3.6	3.4	6.7	5.9	2.4	5.6	4.0	2.4	2.2	2.0
Prime + (<2)	3.5	5.8	6.6	8.5	7.9	10.4	7.2	6.3	4.7	3.4
Prime + (2 < 4)	4.3	8.1	9.8	3.6	4.6	8.5	11.2	16.5	11.8	14.8
Prime + (4 < 10)	28.3	41.5	41.2	50.0	55.4	31.1	26.9	20.0	28.0	18.5
Prime + (≥10)	48.2	29.3	30.7	26.3	20.5	32.0	34.6	25.2	38.4	45.8
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

BY VALUE

End of	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Prime - (minus)	26.6	34.8	28.8	24.3	33.7	29.5	26.1	24.8	21.3	24.1
Prime Rate	19.8	16.9	20.0	18.8	8.4	10.1	9.2	5.2	4.8	4.8
Prime + (<2)	11.7	17.4	20.7	20.5	19.5	19.0	19.7	21.5	17.0	20.5
Prime + (2 < 4)	8.9	8.2	12.6	7.7	11.3	13.7	19.0	23.3	15.4	23.0
Prime + (4 < 10)	19.7	8.1	4.6	18.9	16.3	16.7	14.4	14.6	30.2	18.7
Prime + (≥10)	13.3	14.5	13.3	9.9	10.8	11.1	11.5	10.6	11.3	8.9
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Commercial banks

TABLE 3.23: COMMERCIAL BANKS - INCOME AND EXPENSES
(P MILLION)

Period		Interest income	Interest expenses	Net interest income	Provision for bad and doubtful debts	Non-Interest		Taxation	Net income
						income	expenses		
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	1 307.5	399.3	908.2	143.2	570.2	872.5	106.3	356.3
	Jun	1 330.7	365.8	965.0	183.2	620.3	936.8	126.1	339.2
	Sep	1 314.1	337.8	976.3	156.9	608.5	900.0	110.9	417.0
	Dec	1 347.8	339.5	1 008.3	367.2	650.6	918.9	101.6	271.3
2017	Mar	1 308.2	331.4	976.7	278.4	599.0	917.8	79.1	300.4
	Jun	1 354.3	350.1	1 004.2	294.5	589.1	972.6	101.9	224.3
	Sep	1 385.6	380.4	1 005.2	270.5	639.3	974.9	85.9	313.3
	Dec	1 409.8	405.1	1 004.6	159.5	696.3	1 012.7	116.2	412.5
2018	Mar	1 355.9	389.3	966.6	155.0	633.7	926.0	122.3	397.0
	Jun	1 397.5	444.1	953.4	124.6	685.7	950.3	100.8	463.4
	Sep	1 449.6	486.2	963.4	124.8	729.6	988.3	108.9	471.1
	Dec	1 522.8	488.4	1 034.4	84.1	823.0	947.5	133.8	692.1
2019	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
2020	Jan	545.1	151.0	394.1	29.3	234.4	358.6	49.3	191.2
	Feb	516.0	140.4	375.6	59.7	230.3	371.0	42.5	132.7
	Mar	550.8	163.0	387.8	40.1	264.6	363.7	55.1	193.6
	Apr	535.5	150.4	385.1	107.3	195.5	364.8	28.1	80.3
	May	512.8	149.8	363.0	80.7	163.5	356.9	25.6	63.4
	Jun	526.9	142.8	384.1	167.6	227.8	368.4	38.8	37.2
	Jul	503.3	139.5	363.8	35.3	232.0	348.1	44.4	168.0
	Aug	510.9	147.8	363.1	95.0	212.9	343.6	25.8	111.6
	Sep	488.6	149.9	338.6	23.4	242.4	341.6	-1.0	217.0
	Oct	485.9	147.9	338.0	93.8	255.7	356.1	39.4	104.4
	Nov	474.0	143.5	330.4	23.8	245.3	358.9	35.3	157.8
	Dec	504.6	146.3	358.3	79.7	278.2	421.0	23.6	112.1
2021	Jan	501.5	148.3	353.1	70.6	228.0	341.3	34.4	134.7
	Feb	458.9	129.4	329.5	19.2	225.6	347.6	40.1	148.1
	Mar	505.1	152.3	352.7	29.6	263.6	354.2	63.0	169.6
	Apr	510.7	146.0	364.8	-14.8	237.8	368.6	35.8	213.0
	May	530.9	153.3	377.6	38.9	250.1	376.7	48.3	163.7
	Jun	515.1	153.5	361.6	27.9	189.2	344.8	62.6	115.4
	Jul	521.2	161.8	359.5	55.8	238.3	358.1	53.2	130.8
	Aug	541.2	164.1	377.0	52.0	241.3	382.2	34.3	149.8
	Sep	513.0	162.8	350.3	80.5	261.5	396.6	49.3	85.3
	Oct	549.3	172.4	376.8	-100.2	267.9	455.7	68.7	220.5
	Nov	524.6	161.7	362.8	175.3	257.5	261.8	36.9	146.3
	Dec	616.8	205.5	411.3	34.9	315.8	419.4	67.8	205.0

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
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	Mar	4 209.3	1 113.9	2 107.9
	Jun	4 317.3	1 057.9	2 368.4
	Sep	4 490.0	1 051.1	2 306.9
	Dec	6 278.6	828.8	2 961.2
2018	Mar	4 437.7	554.2	3 273.8
	Jun	5 882.7	578.2	3 136.6
	Sep	5 396.7	623.7	3 597.2
	Dec	5 372.9	566.2	3 858.7
2019	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
2020	Jan	5 497.9	281.6	4 261.2
	Feb	5 407.6	257.2	4 227.0
	Mar	6 118.8	295.7	3 213.6
	Apr	5 336.1	270.0	3 027.5
	May	5 137.2	280.0	2 887.5
	Jun	5 969.9	354.6	2 771.7
	Jul	5 391.2	275.7	2 775.7
	Aug	5 501.9	296.5	2 767.9
	Sep	6 013.7	274.2	2 749.1
	Oct	5 812.8	276.9	2 803.8
	Nov	4 991.3	270.4	2 923.4
	Dec	5 123.3	239.7	3 012.9
2021	Jan	4 798.6	234.0	2 980.0
	Feb	5 093.6	245.9	3 038.1
	Mar	6 609.8	250.6	3 168.3
	Apr	4 682.2	282.6	3 111.2
	May	4 633.3	278.9	3 204.8
	Jun	6 548.6	349.2	3 259.1
	Jul	5 405.5	388.5	3 327.5
	Aug	6 180.4	444.2	3 365.4
	Sep	5 857.5	399.7	3 320.6
	Oct	5 667.2	415.1	3 393.3
	Nov	6 144.4	447.4	3 221.4
	Dec	6 625.0	433.1	3 189.8

1. Includes commitments of under 1 year and over that can be cancelled, as well as formal commitments (which entails credit lines, bills endorsed and promisory notes of original maturity of over 1 year).

2. Includes standby and commercial letters of credit.

3. Foreign exchange contracts are now given by maturity as opposed to purchases and sales.

Source: Commercial banks

Foreign exchange contracts ³	Other off-			
Over 7 days and under 1 year	balance sheet exposures	Total	End of Period	
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	
410.6	-	7 841.6	Mar	2017
434.8	-	8 178.3	Jun	
352.6	-	8 200.6	Sep	
78.2	-	10 146.9	Dec	
337.0	-	8 602.7	Mar	2018
363.0	420.0	10 380.4	Jun	
314.5	20.0	9 952.1	Sep	
348.2	20.5	10 166.5	Dec	
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	
676.9	-	10 717.6	Jan	2020
922.0	-	10 813.8	Feb	
751.4	-	10 379.5	Mar	
625.7	-	9 259.3	Apr	
734.1	-	9 038.9	May	
2 717.6	-	11 814.0	Jun	
843.0	-	9 285.7	Jul	
829.2	-	9 395.5	Aug	
855.3	-	9 892.2	Sep	
385.5	-	9 278.9	Oct	
352.3	-	8 537.4	Nov	
380.3	-	8 756.2	Dec	
528.6	-	8 541.2	Jan	2021
432.9	-	8 810.5	Feb	
593.2	-	10 621.8	Mar	
559.9	-	8 636.0	Apr	
628.0	-	8 744.9	May	
648.0	-	10 804.8	Jun	
933.8	-	10 055.2	Jul	
807.4	-	10 797.4	Aug	
696.8	-	10 274.6	Sep	
477.8	-	9 953.4	Oct	
486.1	-	10 299.2	Nov	
539.8	-	10 787.8	Dec	

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

End of		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	
2012	Mar	-	-	-	131.9	53.9	40.0	
	Jun	-	-	-	131.7	44.2	63.2	
	Sep	-	-	-	127.8	76.8	68.9	
	Dec	-	-	-	147.0	28.4	49.5	
2013	Mar	-	-	-	193.5	98.5	94.2	
	Jun	-	-	-	206.6	76.9	77.3	
	Sep	-	-	-	188.0	119.8	110.5	
	Dec	2.3	-	0.6	286.1	157.1	120.9	
2014	Mar	-	-	0.6	547.8	133.2	280.0	
	Jun	1.7	-	0.6	385.5	179.1	379.4	
	Sep	-	-	0.6	491.3	243.2	287.1	
	Dec	-	-	0.6	589.0	162.6	345.8	
2015	Mar	-	-	-	501.6	103.4	441.3	
	Jun	99.0	-	-	413.9	122.4	369.7	
	Sep	-	-	-	391.3	117.7	466.1	
	Dec	-	-	-	310.1	185.7	483.9	

		Govt. & parastatals				Business & non-bank financial institutions			
		>30-90 days	>90-180 days	Over 180 days	Specific provisions	>30-90 days	>90-180 days	Over 180 days	Specific provisions
2016	Mar ¹	-	-	-	-	481.8	202.7	556.1	103.0
	Jun	0.5	-	1.4	1.6	472.9	219.4	587.7	238.3
	Sep	-	-	1.4	1.6	497.6	280.5	651.2	314.0
	Dec	0.3	-	33.7	-	501.5	163.2	760.4	339.2
2017	Mar	-	35.8	33.0	20.0	743.2	189.2	856.2	390.2
	Jun	-	-	32.3	-	619.1	256.4	848.2	451.0
	Sep	124.8	-	32.4	32.4	739.5	286.2	862.8	721.4
	Dec	82.7	21.7	30.9	30.9	525.3	405.5	899.1	712.0
2018	Mar	3.3	3.6	52.2	41.3	391.1	311.1	977.3	488.4
	Jun	50.9	-	0.1	35.4	610.8	248.2	1 093.1	520.4
	Sep	0.2	-	90.8	-	495.4	215.2	1 225.4	627.5
	Dec	-	-	63.9	-	386.3	275.4	1 342.3	659.8
2019	Mar	-	-	103.7	1.7	462.5	186.5	1 283.6	599.6
	Jun	-	-	27.7	1.7	357.6	121.0	1 120.9	622.4
	Sep	-	-	2.1	1.9	500.2	448.2	1 297.6	782.1
	Dec	-	-	2.1	1.9	535.0	413.3	1 174.7	856.9
2020	Jan	-	-	2.1	1.9	454.6	383.8	1 242.5	900.5
	Feb	-	-	2.1	1.9	427.6	301.3	1 338.8	882.0
	Mar	-	-	2.1	1.9	445.1	400.6	1 026.2	859.1
	Apr	-	-	-	-	499.4	205.0	1 239.7	881.2
	May	-	-	35.7	-	470.0	176.7	1 035.1	633.4
	Jun	-	-	27.7	1.7	399.9	171.1	1 105.0	681.8
	Jul	-	-	-	-	338.1	241.5	1 063.2	668.9
	Aug	-	-	-	-	506.7	214.1	1 070.5	708.8
	Sep	-	-	-	-	396.8	211.6	1 076.4	717.4
	Oct	-	-	-	-	505.0	129.8	1 119.1	748.4
	Nov	-	-	-	-	409.8	189.5	1 117.0	681.2
	Dec	-	-	-	-	488.5	195.7	1 071.3	659.5
2021	Jan	-	-	-	-	449.4	176.7	1 104.1	664.7
	Feb	-	-	-	-	454.0	219.0	1 096.8	678.2
	Mar	-	-	-	-	554.0	180.7	1 064.5	704.6
	Apr	-	-	-	-	496.1	177.3	1 099.8	675.1
	May	-	-	-	-	419.4	219.2	985.4	571.8
	Jun	-	-	-	-	386.3	544.4	652.8	589.5
	Jul	-	-	-	-	524.7	269.8	976.6	600.4
	Aug	-	-	-	-	634.9	244.6	1 008.6	650.1
	Sep	-	-	-	-	491.3	317.1	1 053.7	687.4
	Oct	-	-	-	-	481.7	350.5	1 051.2	696.0
	Nov	-	-	-	-	314.5	322.3	947.5	634.8
	Dec	-	-	-	-	391.8	318.4	1 029.1	588.7

1. Effective March 2016, data for commercial bank loans arrears include "specific provisions".

Source: Commercial banks

Households				Total				End of	
>30-90 days	>90-180 days	Over 180 days		>30-90 days	>90-180 days	Over 180 days			
211.4	407.3	90.6		343.3	461.2	130.6	Mar	2012	
303.4	398.2	88.6		435.1	442.4	151.8	Jun		
214.1	495.7	157.3		341.9	572.5	226.2	Sep		
198.7	613.3	81.0		345.7	641.7	130.5	Dec		
294.8	530.8	104.7		488.3	629.2	198.9	Mar	2013	
244.1	723.3	88.7		450.7	800.2	166.0	Jun		
304.9	587.3	239.0		492.9	707.1	349.5	Sep		
299.7	660.5	266.9		588.1	817.6	388.4	Dec		
581.9	465.7	123.5		1 129.7	598.9	404.1	Mar	2014	
345.7	525.5	233.4		732.8	704.6	613.3	Jun		
242.7	544.4	236.6		734.0	787.6	524.3	Sep		
1 405.8	513.1	282.9		1 994.8	675.7	629.3	Dec		
435.4	452.0	362.9		937.0	555.3	804.2	Mar	2015	
441.3	511.0	334.5		954.3	633.4	704.2	Jun		
405.5	505.5	379.6		796.8	623.2	845.8	Sep		
460.7	511.5	408.0		770.8	697.1	891.9	Dec		
Households				Total				End of	
>30-90 days	>90-180 days	Over 180 days	Specific provisions	>30-90 days	>90-180 days	Over 180 days	Specific provisions		
675.0	683.1	519.1	646.2	1 156.8	885.8	1 075.2	749.2	Mar ¹	2016
664.3	693.6	521.7	674.2	1 137.8	913.0	1 110.7	914.1	Jun	
553.0	730.4	615.6	791.7	1 050.6	1 010.9	1 268.1	1 107.3	Sep	
695.9	662.7	548.9	811.2	1 197.7	825.8	1 343.0	1 150.4	Dec	
906.6	740.6	730.5	920.3	1 649.9	965.6	1 619.7	1 330.5	Mar	2017
728.6	785.0	636.7	874.9	1 347.8	1 041.4	1 517.1	1 325.9	Jun	
641.0	836.7	624.9	806.3	1 505.2	1 122.9	1 520.0	1 560.2	Sep	
520.7	1 005.4	483.9	806.0	1 128.7	1 432.6	1 413.9	1 548.9	Dec	
548.6	858.1	679.7	780.6	943.1	1 172.8	1 709.2	1 310.3	Mar	2018
519.1	731.9	643.9	726.0	1 180.9	980.1	1 737.1	1 281.9	Jun	
398.3	725.5	762.0	804.0	894.0	940.7	2 078.2	1 431.5	Sep	
485.4	694.0	768.2	745.2	871.7	969.4	2 174.4	1 405.0	Dec	
510.9	580.5	650.7	843.3	973.4	767.0	2 037.9	1 444.6	Mar	2019
514.9	583.4	582.2	836.8	872.6	704.4	1 730.7	1 460.9	Jun	
512.0	533.8	633.1	862.7	1 012.2	982.0	1 932.8	1 646.8	Sep	
546.7	556.7	637.6	890.1	1 081.7	969.9	1 814.4	1 748.9	Dec	
648.2	575.5	660.2	896.4	1 102.8	959.3	1 904.9	1 798.8	Jan	2020
629.0	555.0	687.4	927.5	1 056.7	856.4	2 028.3	1 811.4	Feb	
571.4	533.0	850.8	944.1	1 016.6	933.7	1 879.1	1 805.0	Mar	
643.0	540.5	869.2	964.9	1 142.4	745.5	2 108.9	1 846.2	Apr	
696.4	576.2	1 033.5	1 084.0	1 166.5	752.9	2 104.3	1 717.4	May	
685.7	569.9	784.0	1 002.1	1 085.6	741.0	1 916.7	1 685.6	Jun	
707.4	615.2	771.1	1 002.8	1 045.5	856.7	1 834.3	1 671.7	Jul	
696.1	613.2	738.9	971.1	1 202.7	827.4	1 809.4	1 679.9	Aug	
643.9	533.5	694.7	901.1	1 040.7	745.1	1 771.1	1 618.5	Sep	
651.5	584.6	762.5	1 014.8	1 156.4	714.4	1 881.6	1 763.2	Oct	
614.4	585.4	804.6	1 015.6	1 024.2	774.8	1 921.6	1 696.8	Nov	
771.3	597.3	764.4	998.4	1 259.9	792.9	1 835.7	1 657.9	Dec	
679.2	585.1	770.3	1 010.3	1 128.6	761.8	1 874.4	1 675.0	Jan	2021
679.8	582.7	772.6	1 059.5	1 133.9	801.7	1 869.5	1 737.8	Feb	
638.9	624.0	766.7	1 027.7	1 192.9	804.8	1 831.2	1 732.3	Mar	
548.8	610.8	761.6	1 001.0	1 044.9	788.1	1 861.5	1 676.2	Apr	
553.5	619.9	742.2	1 001.8	972.9	839.1	1 727.6	1 573.5	May	
542.3	623.0	715.0	970.1	928.6	1 167.4	1 367.8	1 559.6	Jun	
578.7	644.5	718.3	958.9	1 103.4	914.2	1 694.9	1 559.3	Jul	
570.4	665.6	729.2	985.8	1 205.3	910.1	1 737.8	1 635.9	Aug	
582.6	651.5	666.4	998.0	1 073.9	968.7	1 720.0	1 685.4	Sep	
577.1	632.9	674.3	1 022.8	1 058.8	983.4	1 725.5	1 718.8	Oct	
501.9	650.8	698.6	1 060.5	816.5	973.1	1 646.2	1 695.4	Nov	
532.7	652.4	660.6	1 055.8	924.5	970.9	1 689.7	1 644.5	Dec	

TABLE 3.26: COMMERCIAL BANKS - ARREARS BY SECTOR
(P MILLION)

		Agriculture			Manufacturing				Construction				
		>30-90 days	>90-180 days	Over 180 days	>30-90 days	>90-180 days	Over 180 days	>30-90 days	>90-180 days	Over 180 days			
End of													
2012	Mar	2.9	-	2.3	9.6	0.5	1.1	8.1	16.0	2.5			
	Jun	4.1	0.1	1.4	9.7	0.4	3.6	17.8	5.7	11.8			
	Sep	4.7	0.9	0.4	11.1	0.3	3.8	11.8	15.1	10.5			
	Dec	7.2	3.5	1.3	13.0	0.3	3.8	13.4	1.8	2.1			
2013	Mar	5.1	0.9	1.0	9.3	10.4	5.2	3.5	24.8	11.8			
	Jun	8.8	0.4	1.2	5.4	2.7	5.7	20.8	7.8	4.5			
	Sep	5.4	0.5	2.0	7.2	1.5	6.9	9.2	17.3	10.3			
	Dec	13.2	5.6	1.2	10.3	69.6	6.9	6.4	3.3	11.4			
2014	Mar	34.5	6.5	9.8	85.3	6.0	38.9	9.2	6.2	80.6			
	Jun	21.8	11.4	35.0	25.6	12.2	25.2	11.3	14.9	24.3			
	Sep	22.4	13.4	3.6	27.9	2.4	24.2	31.7	15.5	30.9			
	Dec	19.1	5.9	12.5	80.3	14.2	35.2	52.6	11.9	40.4			
2015	Mar	13.7	9.9	32.1	39.4	5.6	32.6	19.2	6.8	32.3			
	Jun	21.5	11.4	23.6	17.1	4.3	33.7	19.7	12.8	30.7			
	Sep	32.0	11.3	73.9	28.3	5.2	35.1	21.3	10.7	36.5			
	Dec	7.2	14.9	72.9	22.4	20.2	35.8	14.2	24.6	38.9			
		Agriculture				Manufacturing				Construction			
		>30-90	>90-180	Over 180	Specific	>30-90	>90-180	Over 180	Specific	>30-90	>90-180	Over 180	Specific
		days	days	days	provisions	days	days	days	provisions	days	days	days	provisions
2016	Mar ¹	21.1	24.1	93.5	8.2	12.9	1.8	33.2	6.9	18.6	10.6	48.0	10.4
	Jun	28.2	22.8	95.7	44.8	9.8	24.2	38.0	11.2	26.6	12.0	29.3	9.1
	Sep	25.2	27.2	92.8	44.6	19.2	23.6	53.7	30.7	32.0	5.5	36.8	17.7
	Dec	26.9	14.9	83.4	52.5	30.6	11.9	79.5	34.9	37.5	11.9	38.4	19.1
2017	Mar	91.8	25.2	81.8	55.2	32.1	2.7	117.7	61.0	79.3	14.0	33.0	20.5
	Jun	95.2	6.3	88.3	49.7	28.2	63.6	129.1	117.1	34.7	17.9	45.5	18.0
	Sep	11.4	4.8	104.5	51.9	284.3	65.7	147.0	381.5	56.6	6.9	61.3	24.4
	Dec	31.5	52.6	51.1	46.5	33.5	61.2	341.7	412.0	29.9	31.4	59.2	22.2
2018	Mar	13.1	13.3	101.7	45.0	82.2	19.6	149.8	130.3	23.5	37.8	84.2	30.2
	Jun	18.6	21.1	111.7	44.2	255.4	21.2	157.4	141.8	54.7	23.5	112.7	55.4
	Sep	19.5	19.8	121.1	53.9	70.7	30.3	386.1	191.2	26.8	30.1	121.2	99.8
	Dec	38.9	15.1	131.6	62.3	58.6	38.7	441.4	194.3	33.1	36.3	121.3	107.0
2019	Mar	21.1	26.6	135.2	69.6	53.0	40.8	397.6	176.3	36.0	21.8	136.0	71.2
	Jun	9.8	10.2	144.9	55.6	22.7	10.3	252.2	201.4	28.1	16.9	141.5	85.5
	Sep	10.0	8.8	135.1	56.1	139.9	294.0	275.6	348.0	41.8	10.3	147.1	87.8
	Dec	70.4	15.4	107.3	53.5	3.1	262.3	199.6	415.5	30.9	19.4	146.2	96.4
2020	Jan	19.1	15.3	101.2	50.3	3.7	216.5	262.7	426.0	28.7	16.6	140.3	122.0
	Feb	23.4	10.0	97.2	54.3	8.5	133.9	346.8	410.3	19.5	16.8	136.0	94.6
	Mar	36.9	13.9	94.7	50.3	22.8	269.3	187.3	393.0	17.3	7.1	146.3	98.4
	Apr	25.0	6.5	83.7	41.2	14.2	52.3	408.5	409.1	15.1	10.0	147.4	99.6
	May	39.9	23.2	83.7	41.1	17.3	9.1	248.8	189.4	26.5	14.1	140.4	76.8
	Jun	20.0	7.9	74.2	44.7	14.2	6.1	226.5	189.4	32.1	12.1	159.9	86.7
	Jul	19.5	22.9	76.4	45.5	12.1	6.5	225.6	177.4	14.9	15.3	153.4	86.8
	Aug	8.6	24.9	75.9	46.8	11.5	6.4	221.6	173.8	10.6	11.2	155.2	109.6
	Sep	18.5	11.5	79.7	47.9	10.4	5.8	214.9	168.4	30.4	16.3	157.1	113.2
	Oct	29.9	4.3	76.1	51.7	3.2	4.2	211.1	177.2	30.4	11.8	155.2	98.7
	Nov	13.5	16.8	78.5	53.1	6.3	3.2	141.8	95.7	27.3	32.7	170.3	98.1
	Dec	16.0	17.0	78.1	52.3	7.4	12.3	179.4	101.2	29.8	23.7	150.2	96.6
2021	Jan	34.1	17.7	78.4	53.0	8.9	14.0	180.0	101.4	14.9	15.0	157.2	95.2
	Feb	14.0	8.2	88.9	53.0	3.8	13.2	182.7	105.2	22.3	11.4	150.4	94.1
	Mar	93.8	8.4	87.5	55.4	5.4	8.9	185.0	106.2	20.6	9.0	158.5	117.5
	Apr	42.9	15.7	106.3	71.4	5.8	4.5	154.8	91.6	11.6	17.4	163.4	97.7
	May	24.2	34.0	87.3	56.8	3.7	13.6	148.5	84.6	13.8	17.0	141.2	80.5
	Jun	14.0	89.0	32.2	45.6	2.9	82.5	72.5	84.5	14.8	22.1	119.5	70.1
	Jul	10.8	32.1	71.2	45.2	1.3	8.8	145.8	85.3	24.0	19.4	126.2	70.6
	Aug	16.8	23.4	83.0	44.8	5.4	9.5	143.8	122.5	35.4	9.2	130.3	92.5
	Sep	87.2	19.2	89.8	43.5	3.9	12.8	143.3	119.0	27.1	17.1	133.8	73.1
	Oct	109.7	23.9	98.7	43.2	5.3	9.7	143.3	119.3	14.7	20.1	128.1	74.8
	Nov	76.8	23.8	78.8	42.3	2.3	11.2	129.3	109.0	8.5	18.4	96.1	51.4
	Dec	86.0	23.2	78.6	41.1	9.0	12.6	125.8	48.3	29.5	17.7	94.3	44.0

1. Effective March 2016, data for commercial bank loans arrears include 'Specific provisions'.

Source: Commercial banks

Trade				Real Estate				End of	
>30-90 days	>90-180 days	Over 180 days		>30-90 days	>90-180 days	Over 180 days			
63.3	18.3	20.4		16.2	4.5	3.9		Mar	2012
63.8	15.6	20.4		17.9	0.4	4.1		Jun	
56.4	3.8	17.5		18.7	16.6	20.3		Sep	
55.1	6.1	21.1		17.6	0.4	4.3		Dec	
104.8	20.4	36.9		20.7	20.2	12.1		Mar	2013
109.7	42.4	53.0		38.7	0.3	1.8		Jun	
128.2	41.4	60.6		28.7	5.7	5.7		Sep	
208.7	42.7	79.4		35.7	3.0	5.7		Dec	
296.5	65.3	88.7		46.7	31.9	20.5		Mar	2014
191.2	56.4	167.8		103.5	20.0	31.4		Jun	
259.6	110.9	158.9		62.7	63.6	7.4		Sep	
260.0	57.5	152.2		74.7	34.2	44.5		Dec	
206.9	23.8	161.4		176.6	28.1	55.2		Mar	2015
208.8	15.7	176.8		102.9	34.4	54.5		Jun	
172.3	40.1	166.0		42.7	11.3	73.1		Sep	
99.8	46.5	191.8		56.8	3.4	81.0		Dec	
Trade				Real Estate				End of	
>30-90 days	>90-180 days	Over 180 days	Specific provisions	>30-90 days	>90-180 days	Over 180 days	Specific provisions		
69.5	19.5	88.3	29.2	42.7	6.2	2.9	1.3	Mar ¹	2016
127.9	19.5	151.6	41.0	81.2	48.0	5.1	21.8	Jun	
142.2	47.4	173.4	50.6	70.1	55.9	35.3	32.7	Sep	
142.4	56.0	213.3	80.3	58.9	22.0	83.7	30.5	Dec	
139.7	48.1	235.4	84.0	58.4	16.0	112.8	33.5	Mar	2017
120.0	60.7	150.7	81.7	90.7	39.2	101.5	49.7	Jun	
99.0	68.8	141.6	102.3	72.1	76.5	100.7	33.4	Sep	
105.3	101.6	121.4	95.4	98.3	83.9	100.1	59.6	Dec	
129.1	47.5	169.4	84.3	65.1	95.0	116.5	76.9	Mar	2018
99.7	50.6	319.3	90.4	72.5	77.5	110.5	82.9	Jun	
219.9	45.7	185.6	88.3	68.3	33.0	97.6	60.4	Sep	
119.9	76.5	203.7	96.9	66.7	30.6	108.6	57.7	Dec	
134.3	24.6	230.7	92.3	110.4	20.6	97.2	52.9	Mar	2019
109.8	36.7	213.0	97.7	93.9	14.1	70.3	43.5	Jun	
87.8	60.6	317.7	90.8	86.6	18.5	87.6	46.3	Sep	
120.2	28.1	352.7	106.7	105.4	19.1	80.9	47.4	Dec	
126.7	22.8	359.5	104.2	125.9	20.5	69.7	40.9	Jan	2020
121.5	28.6	359.2	105.0	99.6	25.8	67.8	52.7	Feb	
57.2	27.7	194.3	98.3	119.9	28.9	95.9	74.3	Mar	
70.3	25.7	200.9	106.7	177.8	29.6	94.1	74.7	Apr	
67.1	26.6	172.5	93.3	106.8	24.4	102.1	74.2	May	
99.4	29.0	231.7	122.4	105.9	27.2	101.8	80.4	Jun	
86.6	40.2	218.0	113.1	107.4	46.3	87.5	78.9	Jul	
207.9	38.8	225.0	119.4	117.1	31.3	85.6	80.9	Aug	
69.0	43.7	224.7	123.7	120.6	35.0	81.3	78.4	Sep	
74.1	38.4	221.0	129.8	199.9	8.7	104.2	92.1	Oct	
87.6	22.6	225.4	135.1	132.8	16.6	109.8	94.0	Nov	
56.2	34.7	198.1	128.6	148.2	8.5	103.6	91.8	Dec	
93.7	27.8	226.2	129.9	113.5	42.7	105.1	92.9	Jan	2021
66.5	24.6	196.2	129.1	132.1	55.6	94.1	91.5	Feb	
101.7	39.4	233.8	147.9	176.7	25.9	48.8	62.6	Mar	
77.6	20.4	222.0	133.9	137.4	12.4	49.5	63.3	Apr	
63.3	29.0	207.6	122.3	92.8	24.8	39.9	42.0	May	
44.1	79.5	152.1	119.6	88.2	51.0	31.7	54.7	Jun	
63.0	32.1	192.7	116.1	83.5	61.3	32.7	57.1	Jul	
78.0	34.9	183.2	115.1	157.2	57.8	48.8	56.8	Aug	
48.6	45.4	184.7	125.2	128.7	63.0	57.3	49.5	Sep	
50.3	39.6	181.2	114.1	63.9	79.2	60.6	49.9	Oct	
38.6	28.5	169.5	103.4	47.6	68.6	62.6	49.5	Nov	
43.3	19.4	179.0	99.5	69.5	74.4	68.1	57.3	Dec	

TABLE 3.27: ELECTRONIC CLEARING HOUSE (ECH)¹ - CHEQUE CLEARANCE, ELECTRONIC FUNDS TRANSFERS (EFTs)¹ AND BOTSWANA INTER-BANK SETTLEMENT SYSTEM (BISS) TRANSACTIONS

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)
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		1 657.2	32 723.5	19.7	6 040.4	124 783.1	20.6	158 911	2 198
2015		1 382.3	28 329.8	20.5	6 659.7	142 914.1	21.5	194 554	3 675
2016		1 204.2	25 546.5	15.9	7 507.2	166 006.4	16.6	183 055	1 690
2017	Mar	250.4	5 527.4	16.6	1 940.4	35 922.9	13.8	46 250	289
	Jun	260.2	5 384.0	15.5	1 971.2	40 142.8	15.3	40 538	314
	Sep	262.9	5 598.2	16.0	2 100.5	45 019.1	16.0	46 058	328
	Dec	264.6	5 794.3	16.4	2 122.8	44 303.0	15.7	44 879	342
2018	Mar	228.9	5 007.2	21.9	2 036.7	42 136.2	20.6	41 875	296
	Jun	231.7	5 013.7	21.6	1 997.2	43 067.6	21.6	42 412	310
	Sep	230.8	5 092.1	22.1	2 225.3	46 251.7	20.8	44 764	396
	Dec	237.9	5 324.8	22.4	2 253.7	48 440.8	21.5	46 029	412
2019	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	139
	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
2020	Jan	48.6	1 132.1	23.3	740.5	15 003.3	20.3	13 544	169
	Feb	52.8	1 165.5	22.1	746.2	16 066.7	21.5	13 390	134
	Mar	61.2	1 353.4	22.1	916.9	21 253.6	23.2	14 316	135
	Apr	21.8	492.7	22.6	689.8	15 062.6	21.8	9 767	180
	May	23.6	548.2	23.2	680.6	12 305.7	18.1	9 402	208
	Jun	45.0	959.5	21.3	871.9	16 494.3	18.9	13 452	171
	Jul	44.0	1 034.3	23.5	851.5	18 199.3	21.4	13 911	176
	Aug	35.4	818.2	23.1	801.0	15 865.5	19.8	12 595	158
	Sep	40.5	917.0	22.6	822.2	20 959.6	25.5	13 740	225
	Oct	41.4	946.4	22.8	872.0	17 954.9	20.6	13 524	184
	Nov	40.6	983.6	24.2	845.2	19 193.0	22.7	13 510	174
	Dec	40.6	1 027.6	25.3	932.3	22 701.3	24.3	15 203	196
2021	Jan	29.5	699.9	23.7	737.9	15 018.5	20.4	11 510	163
	Feb	30.1	729.3	24.3	797.8	15 837.4	19.9	12 775	140
	Mar	36.2	898.0	24.8	1 002.2	20 301.7	20.3	15 750	169
	Apr	30.7	751.6	24.5	807.1	21 640.1	26.8	13 294	149
	May	30.5	771.6	25.3	845.7	18 302.7	21.6	13 684	157
	Jun	32.3	767.4	23.8	879.9	18 985.9	21.6	15 084	166
	Jul	27.5	648.4	23.6	858.8	18 847.5	21.9	15 084	130
	Aug	29.3	713.0	24.4	912.3	19 616.7	21.5	14 498	142
	Sep	28.5	670.5	23.5	873.4	19 420.7	22.2	15 993	157
	Oct	27.6	639.3	23.2	858.6	20 303.4	23.6	14 590	123
	Nov	29.7	695.7	23.5	942.9	20 015.4	21.2	15 831	126
	Dec	29.1	709.6	24.4	947.4	23 277.8	24.6	17 000	116

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)
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
2020	Mar	4 995	15 423	5 124	482	15 241	17 125
	Jun	5 002	12 281	4 872	482	14 723	16 423
	Sep	5 008	10 119	3 175	482	15 544	14 232
	Dec	5 016	13 425	4 752	482	16 785	17 352
2021	Mar	5 017	14 232	5 326	484	17 124	18 754
	Jun	5 033	16 354	6 143	484	18 326	20 137
	Sep	5 042	18 241	6 632	484	20 247	21 754
	Dec	5 845	19 744	7 215	484	20 657	22 775

1. The data for EFTPOS include both the domestic and international transactions.

2. Refers to number of machines in Botswana.

Source: Commercial banks

**TABLE 3.29: BOTSWANA BUILDING SOCIETY - ASSETS AND LIABILITIES
(P MILLION)**

		ASSETS				
		Liquid Assets				
		Cash &	Total	Loans &	Fixed	Other
As at end of		deposits	liquid assets	advances	assets	assets
						Total Assets
2012		370.9	370.9	2 272.8	106.7	20.0
2013		355.0	355.0	2 558.0	106.4	25.6
2014		371.0	371.0	2 921.3	95.8	34.0
2015		981.6	981.6	3 132.4	98.7	51.0
2016		405.9	405.9	3 203.2	114.9	41.0
2017		888.3	888.3	3 198.3	121.2	53.7
2018		544.3	544.3	3 295.4	116.9	60.2
2019		988.3	988.3	3 464.5	107.3	80.8
2020	Q1	918.0	918.0	3 492.5	106.7	70.9
	Q2	374.5	374.5	3 506.8	106.5	69.3
	Q3	542.0	542.0	3 532.3	105.2	90.8
	Q4	431.6	431.6	3 481.3	105.8	89.9
2021	Jan	389.7	389.7	3 464.0	104.8	87.6
	Feb	418.8	418.8	3 437.8	104.7	86.0
	Mar	341.7	341.7	3 379.3	100.3	95.5
	Apr	343.5	343.5	3 347.7	99.8	99.3
	May	354.9	354.9	3 320.4	104.5	92.4
	Jun	337.5	337.5	3 324.0	102.6	87.9
	Jul	353.1	353.1	3 283.8	102.8	83.5
	Aug	430.1	430.1	3 254.7	106.5	91.7
	Sep	414.6	414.6	3 236.1	106.9	93.5
	Oct	407.7	407.7	3 214.1	126.6	77.7
	Nov	496.2	496.2	3 203.1	131.5	74.1
	Dec	444.9	444.9	3 189.5	130.3	74.5
LIABILITIES						
		Deposits from the public		Total	Capital	
			Notice &	deposits	&	Other
As at end of		Savings	time	from public	reserves	liabilities
						Total Liabilities
2012		442.6	56.1	498.7	1 274.8	996.9
2013		515.7	150.2	665.8	1 409.8	969.5
2014		580.2	409.0	989.2	1 506.6	926.4
2015		1 067.0	907.2	1 974.2	1 091.5	1 198.0
2016		896.8	775.4	1 672.2	1 123.9	968.9
2017		903.8	997.8	1 901.6	1 137.6	1 222.2
2018		1 283.5	834.5	2 117.9	594.7	1 304.2
2019		1 340.1	1 546.5	2 886.6	529.0	1 225.4
2020	Q1	1 353.3	1 537.9	2 891.2	505.6	1 191.4
	Q2	1 373.1	1 002.2	2 375.3	515.6	1 166.2
	Q3	1 398.2	1 165.8	2 564.1	531.3	1 174.9
	Q4	1 384.3	1 047.9	2 432.2	543.4	1 133.1
2021	Jan	1 373.6	993.7	2 367.3	542.2	1 136.7
	Feb	1 344.9	1 019.3	2 364.1	543.1	1 140.1
	Mar	1 356.8	964.5	2 321.3	518.5	1 077.0
	Apr	1 350.1	957.0	2 307.1	509.8	1 073.3
	May	1 347.5	954.5	2 302.1	506.9	1 063.2
	Jun	1 345.7	983.1	2 328.8	532.1	991.1
	Jul	1 345.2	1 029.3	2 374.5	514.8	933.9
	Aug	1 387.3	1 032.3	2 419.6	514.7	948.6
	Sep	1 398.9	1 070.6	2 469.5	522.7	858.9
	Oct	1 390.2	1 061.2	2 451.4	513.0	861.8
	Nov	1 381.9	1 144.1	2 526.0	512.1	866.8
	Dec	1 373.6	1 094.4	2 468.0	506.2	864.9

Source: Botswana Building Society Limited

TABLE 3.30: BOTSWANA SAVINGS BANK - ASSETS AND LIABILITIES
(P MILLION)

		ASSETS					
		Liquid Assets					
As at end of		Cash & deposits	Total liquid assets	Loans & advances	Fixed assets	Other assets	Total Assets
2012		468.4	468.4	613.5	19.0	22.7	1 123.7
2013		519.4	519.4	714.5	22.8	31.2	1 287.9
2014		491.5	491.5	859.5	25.5	35.8	1 412.3
2015		587.1	587.1	1 108.0	31.3	40.4	1 766.9
2016		629.5	629.5	1 519.2	35.9	32.6	2 217.2
2017		936.9	936.9	1 500.3	30.8	47.2	2 515.2
2018		989.3	989.3	1 452.5	28.7	56.2	2 526.8
2019		1 603.8	1 603.8	1 404.9	33.2	91.4	3 133.3
2020	Mar	1 326.5	1 326.5	1 439.7	38.3	104.6	2 909.1
	Jun	803.5	803.5	1 522.5	39.3	119.1	2 484.4
	Sep	469.0	469.0	1 853.3	73.8	92.8	2 489.0
	Dec	470.4	470.4	2 169.1	90.4	116.4	2 846.3
2021	Jan	636.6	636.6	2 261.2	110.5	116.6	3 125.0
	Feb	523.7	523.7	2 413.0	80.5	121.4	3 138.7
	Mar	496.9	496.9	2 403.2	80.5	129.6	3 110.2
	Apr	512.7	512.7	2 403.8	88.2	116.6	3 121.3
	May	572.6	572.6	2 406.3	101.3	138.6	3 218.8
	Jun	595.9	595.9	2 404.8	106.7	94.6	3 201.9
	Jul	572.3	572.3	2 397.3	117.5	108.9	3 196.0
	Aug	604.4	604.4	2 503.9	118.0	102.6	3 328.8
	Sep	543.0	543.0	2 546.8	118.5	106.3	3 314.5
	Oct	491.6	491.6	2 615.7	121.4	112.3	3 341.0
	Nov	383.7	383.7	2 712.7	124.5	112.4	3 333.3
	Dec	334.9	334.9	2 761.4	125.6	91.8	3 313.7
LIABILITIES							
As at end of		Savings deposits ¹	Capital & reserves	Other liabilities	Total Liabilities		
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		2 126.0	180.0	220.8	2 526.8		
2019		2 575.2	188.9	369.3	3 133.3		
2020	Mar	2 343.3	204.7	361.1	2 909.1		
	Jun	1 908.4	221.3	354.6	2 484.4		
	Sep	1 890.3	227.4	371.2	2 489.0		
	Dec	2 329.6	165.6	351.0	2 846.3		
2021	Jan	2 532.1	218.4	374.5	3 125.0		
	Feb	2 561.7	227.1	349.9	3 138.7		
	Mar	2 569.9	205.5	334.8	3 110.2		
	Apr	2 561.3	211.8	348.2	3 121.3		
	May	2 562.3	208.6	447.9	3 218.8		
	Jun	2 537.8	202.9	461.3	3 201.9		
	Jul	2 512.2	210.4	473.5	3 196.0		
	Aug	2 625.9	210.7	492.3	3 328.8		
	Sep	2 615.7	214.1	484.8	3 314.5		
	Oct	2 637.4	212.7	490.9	3 341.0		
	Nov	2 625.8	212.6	494.9	3 333.3		
	Dec	2 594.3	213.8	505.6	3 313.7		

1. Includes National Savings Certificates.

Source: Botswana Savings Bank

TABLE 4.1: INTEREST RATES¹
(PERCENT PER ANNUM)

End of	2012	2013	2014	2015	2016	2017	2018	2019			
								Q1	Q2	Q3	Q4
LENDING RATES											
Bank of Botswana											
Bank Rate	9.50	7.50	7.50	6.00	5.50	5.00	5.00	5.00	5.00	4.75	4.75
Repo Rate	8.50	7.00	7.00	5.50	5.00	4.50	4.50	4.50	4.50	4.25	4.25
Reverse Repo Rate	4.50	3.00	3.00	1.50	1.00	1.00	1.00	1.00	1.00	0.75	0.75
Commercial and Merchant Banks											
Monthly Average Overnight Rate	4.84	3.18	3.46	1.60	1.06	1.14	1.41	1.10	1.71	1.09	1.20
Prime Lending Rate	11.00	9.33	9.00	7.50	7.00	6.50	6.50	6.50	6.50	6.25	6.25
Average Return on Advances	15.59	11.39	10.93	10.34	10.88	10.76	11.19	11.15	11.62	10.59	10.85
Mortgage Rate	10.87	9.56	9.01	8.15	8.81	8.65	8.30	8.29	8.31	8.13	8.11
Non-Bank Financial Corporations ²											
Short-term Loans	15.25	14.50	14.00	12.50	13.25	12.75	12.75	12.75	12.75	12.50	12.50
Mortgage Rate ³	10.29	8.84	8.96	8.13	7.88	7.38	6.13	6.13	6.13	6.13	6.13
Other Financial Corporations ⁴											
All Round Lending ⁵	17.64	15.97	15.97	14.50	14.00	13.50	13.50	13.50	13.50	13.25	13.25
DEPOSIT RATES											
Commercial and Merchant Banks											
Pula Denominated Deposits											
Savings Account	3.14	2.36	2.73	2.29	1.90	1.88	2.01	2.09	1.99	1.96	1.97
Overnight Call	1.93	1.35	1.62	1.10	0.88	1.02	0.94	0.97	1.05	1.01	0.99
Notice	4.14	2.84	2.47	2.09	1.53	0.84	1.09	1.10	1.10	3.06	3.10
Fixed up to 12 months	5.54	4.33	5.02	3.50	2.56	2.16	2.20	2.24	2.19	2.11	2.09
Fixed over 12 months	6.36	5.24	5.48	4.26	3.55	3.07	3.02	3.03	3.07	3.14	3.05
Foreign Currency Denominated Deposits ⁶											
US dollar	0.78	1.13	1.13	1.13	0.27	0.37	1.70	0.29	0.33	0.70	0.70
Euro	3.31	1.46	1.46	1.46	0.28	0.28	0.15	0.15	0.35	0.35	0.13
Pound sterling	2.38	1.43	1.82	1.42	0.43	0.35	0.35	0.35	0.35	0.35	0.38
South African rand	3.54	2.38	2.78	2.83	2.10	2.09	2.41	2.39	2.55	3.06	3.08
Non-Bank Depository Corporations											
Ordinary Savings Account	1.13	1.13	1.13	1.13	1.13	1.13	0.25	0.25	0.25	0.25	0.25
Special Savings Account	3.31	2.94	2.56	2.19	1.88	1.71	0.68	0.68	0.68	0.55	0.55
DEBT INSTRUMENTS											
Bank of Botswana Certificates (BoBCs) ⁷	5.36	3.58	3.19	1.17	1.01	1.41	1.54	1.60	1.67	1.70	1.49
Long-term Government bond ⁸	5.60	4.31	4.07	5.96	5.54	5.30	5.25	5.25	5.33	5.24	5.33

1. Unless indicated otherwise, rates are simple averages of reporting institutions within each class.

2. Non-Bank Financial Corporations refer to deposit taking institutions other than commercial and merchant banks.

3. The rate is a simple average of the mortgage rate of BBS Limited and Botswana Savings Bank.

4. Other Financial Corporations refer to non-deposit taking non-bank financial institutions.

5. The 'all round lending' rate is a weighted average rate provided by the National Development Bank.

6. The reported rate is for call accounts.

2020				2021				End of
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
LENDING RATES								
Bank of Botswana								
4.75	4.25	4.25	3.75	3.75	3.75	3.75	3.75	Bank Rate
4.25	4.25	3.75	3.75	3.75	3.75	3.75	3.75	Repo Rate
0.75	0.25	0.25	0.25	0.25	0.25	0.25	0.25	Reverse Repo Rate
Commercial and Merchant Banks								
1.26	1.15	1.03	1.03	1.19	1.06	1.13	1.24	Monthly Average Overnight Rate
6.25	5.75	5.75	5.25	5.25	5.25	5.25	5.25	Prime Lending Rate
10.68	10.30	9.60	9.64	9.68	9.55	9.38	11.20	Average Return on Advances
8.11	7.90	7.87	7.05	7.03	7.08	7.12	7.09	Mortgage Rate
Non-Bank Financial Corporations ²								
12.50	12.13	12.13	11.88	11.88	11.88	11.88	11.88	Short-term Loans
6.13	5.63	5.63	5.13	5.13	5.13	5.13	5.13	Mortgage Rate ³
Other Financial Corporations ⁴								
13.25	12.75	12.75	12.25	12.25	12.25	12.25	12.25	All Round Lending ⁵
DEPOSIT RATES								
Commercial and Merchant Banks								
Pula Denominated Deposits								
1.97	1.85	1.77	1.50	1.50	1.63	1.63	1.72	Savings Account
0.99	0.99	0.96	0.85	0.85	0.83	0.83	0.83	Overnight Call
3.16	0.85	0.85	0.97	0.97	1.07	1.07	1.07	Notice
2.06	1.76	1.68	1.54	1.54	1.56	1.56	1.51	Fixed up to 12 months
2.91	2.76	2.75	2.60	2.55	2.67	2.67	2.73	Fixed over 12 months
Foreign Currency Denominated Deposits ⁶								
0.70	1.49	1.49	1.49	1.49	1.49	1.49	1.49	US dollar
0.35	0.52	0.19	0.19	0.19	0.19	0.52	0.52	Euro
0.38	0.33	0.33	0.33	0.40	0.40	0.40	1.45	Pound sterling
3.09	3.09	3.09	2.38	2.38	2.38	2.38	2.84	South African rand
Non-Bank Depository Corporations								
0.25	0.20	0.20	0.15	0.15	0.15	0.15	0.15	Ordinary Savings Account
0.55	0.48	0.48	0.33	0.33	0.33	0.33	0.33	Special Savings Account
DEBT INSTRUMENTS								
1.49	1.00	1.04	1.13	1.32	1.35	1.44	1.49	Bank of Botswana Certificates (BoBCs) ⁷
5.20	5.13	5.08	5.926	6.43	6.84	8.44	8.45	Long-term Government bond ⁸

7. Refers to the 3-month BoBC rate. This is a weighted average yield, with the weights derived from the relative volumes of bids at yields accepted at the relevant auction. Effective October 2020, the 3-month BOBC was discontinued and was replaced with the re-introduction of the Government 3 months T-Bill in November 2020.

8. This refers to bond BW003, initially issued in April 2003 and maturing in October 2015. Following the maturity of bond BW003, the rate refers to a 25 year Government bond BW012, initially issued in June 2015 and maturing in June 2040.

Sources: Bank of Botswana, other depository corporations and other financial corporations

TABLE 4.2: INTEREST RATES - NOMINAL AND REAL¹
(Percent per annum)

End of		Nominal Interest Rates			Rate of inflation ⁴	3-months annualised inflation ⁵
		Prime ²	32-88 day deposit ²	3-month BoBC rate ³		
2012	Dec	11.00	3.52	5.36	7.4	7.3
2013	Dec	9.33	2.58	3.58	4.1	3.4
2014	Dec	9.00	2.67	3.19	3.8	0.6
2015	Dec	7.50	2.50	1.17	3.1	1.2
2016	Mar	7.50	2.59	1.36	3.0	2.7
	Jun	7.50	2.16	1.09	2.7	5.0
	Sep	7.00	1.77	1.03	2.8	2.3
	Dec	7.00	2.03	1.01	3.0	2.1
2017	Mar	7.00	1.68	1.18	3.5	4.8
	Jun	7.00	1.36	1.31	3.5	4.7
	Sep	7.00	1.69	1.40	3.2	1.2
	Dec	6.50	1.10	1.41	3.2	2.2
2018	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
2020	Jan	6.25	1.64	1.50	2.2	2.8
	Feb	6.25	1.64	1.49	2.2	2.8
	Mar	6.25	1.77	1.49	2.2	2.4
	Apr	5.75	1.79	1.50	2.5	4.4
	May	5.75	1.55	1.00	2.4	4.0
	Jun	5.75	1.55	1.00	0.9	-1.5
	Jul	5.75	1.55	1.02	0.9	-4.2
	Aug	5.75	1.55	1.02	1.0	-3.4
	Sep	5.75	1.55	1.04	1.8	4.8
	Oct	5.25	1.36	...	2.2	6.0
	Nov	5.25	1.36	...	2.2	6.0
	Dec	5.25	1.36	...	2.2	3.1
2021	Jan	5.25	1.36	...	2.3	3.1
	Feb	5.25	1.36	...	2.4	3.5
	Mar	5.25	1.36	...	3.2	6.3
	Apr	5.25	1.36	...	5.6	19.2
	May	5.25	1.36	...	6.2	20.0
	Jun	5.25	1.48	...	8.2	19.4
	Jul	5.25	1.48	...	8.9	7.9
	Aug	5.25	1.48	...	8.8	6.3
	Sep	5.25	1.48	...	8.4	5.5
	Oct	5.25	1.48	...	8.8	5.9
	Nov	5.25	1.48	...	8.6	5.5
	Dec	5.25	1.48	...	8.7	4.3

1. Real rates were calculated from the nominal rates according to the following formula: $i = \{[(1+r)/(1+p)] - 1\} \times 100$, where i = real interest rate, r = nominal interest rate and p = annual inflation.

2. These are monthly averages from commercial banks.

3. The 3-month BoBC rate is a weighted average yield, with the weights derived from the relative volumes of bids at yields accepted at the relevant auction. The issuance of the 3-month BoBC was discontinued in October 2020.

Real Interest Rates				
Prime	32-88 day deposit	3-month BoBC		End of
3.35	-3.61	-1.90	Dec	2012
5.02	-1.46	-0.50	Dec	2013
5.01	-1.09	-0.59	Dec	2014
4.27	-0.58	-1.87	Dec	2015
4.37	-0.40	-1.59	Mar	2016
4.67	-0.53	-1.57	Jun	
4.09	-1.00	-1.72	Sep	
3.88	-0.94	-1.93	Dec	
3.38	-1.76	-2.24	Mar	2017
3.38	-2.07	-2.12	Jun	
3.68	-1.46	-1.74	Sep	
3.20	-2.03	-1.73	Dec	
3.30	-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	Dec	
3.96	-0.55	-0.68	Jan	2020
3.96	-0.55	-0.69	Feb	
3.96	-0.42	-0.69	Mar	
3.17	-0.69	-0.98	Apr	
3.27	-0.83	-1.37	May	
4.81	0.64	0.10	Jun	
4.81	0.64	0.12	Jul	
4.70	0.54	0.02	Aug	
3.88	-0.25	-0.75	Sep	
2.98	-0.82	...	Oct	
2.98	-0.82	...	Nov	
2.98	-0.82	...	Dec	
2.88	-0.92	...	Jan	2021
2.78	-1.02	...	Feb	
1.99	-1.78	...	Mar	
-0.33	-4.02	...	Apr	
-0.89	-4.56	...	May	
-2.73	-6.21	...	Jun	
-3.35	-6.81	...	Jul	
-3.26	-6.73	...	Aug	
-2.91	-6.38	...	Sep	
-3.26	-6.73	...	Oct	
-3.08	-6.56	...	Nov	
-3.17	-6.64	...	Dec	

4. Percentage change, year-on-year, in cost of living index.

5. The 3-months annualised inflation rate; $i = \{[(CPI_t / CPI_{t-3})^4 - 1] * 100\}$, where CPI_t = current CPI, CPI_{t-3} = CPI 3 months ago.

6. For the months when the 3-month BoBC is not issued, the interest rate is carried over from the previous month.

Sources: Bank of Botswana and commercial banks

TABLE 4.3: BANK OF BOTSWANA CERTIFICATES: AUCTIONS SUMMARY

	Auction Month	Maturity range (Days) ¹	Interest rate (% Effective yield) ²		Stop-out price (Pula) ¹	
			14-day	91-day ⁵	14-day	91-day ⁵
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
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

Amount (P million) ³					
Allotted		Retained at BoB			
14-day	91-day ⁵	14-day	91-day ⁵		
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	
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	

TABLE 4.3: BANK OF BOTSWANA CERTIFICATES: AUCTIONS SUMMARY (CONTINUES)

	Auction Month	Maturity range (Days) ¹	Interest rate (% Effective yield) ²		Stop-out price (Pula) ¹	
			14-day	91-day ⁵	14-day	91-day ⁵
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
2020	Jan	7 - 91	1.44	1.51	99.9725 - 99.9729	99.6274
	Feb	7 - 91	1.45	1.52	99.9724 - 99.9725	99.6255
	Mar	7	1.46	...	99.9722 - 99.9724	...
	Apr	7 - 92	1.46	1.51	99.9722	99.6246 - 99.6270
	May	7 - 91	1.01	1.06	99.9808	99.7379
	Jun	7	1.01	...	99.9780 - 99.9808	...
	Jul	6 - 91	1.02	1.04	99.9806 - 99.9835	99.7425 - 99.7458
	Aug	7 - 91	1.02	1.04	99.9804 - 99.9806	99.7425
	Sep	6 - 92	1.03	1.04	99.9776 - 99.9832	99.7397
	Oct	7	1.03	...	99.9803	...
	Nov	7	1.03	...	99.9804 - 99.9805	...
	Dec	7	1.03	...	99.9800 - 99.9803	...
2021	Jan	7	1.04	...	99.9802	...
	Feb	7	1.04	...	99.9802	...
	Mar	7	1.04	...	99.9802	...
	Apr	7	1.06	...	99.9795 - 99.9799	...
	May	7	1.06	...	99.9797	...
	Jun	7	1.06	...	99.9797	...
	Jul	7	1.06	...	99.9797	...
	Aug	7	1.09	...	99.9793 - 99.9797	...
	Sep	7	1.10	...	99.9791 - 99.9793	...
	Oct	7	1.10	...	99.9791	...
	Nov	7	1.10	...	99.9790 - 99.9791	...
	Dec	7	1.10	...	99.9790	...

1. Price and maturity ranges indicate the results from a single auction and/or from multiple auctions within a month.

2. The interest rate is as at the end of the month. For the months when the 91-day BoBC is not issued, the interest rate and stop-out price are carried over from the previous month.

3. Amounts are totals from all auctions during the month.

4. Effective May 2019, the 14-day BoBC rate series reflects the 7-day BoBC rate, which was introduced on April 30, 2019.

5. The issuance of the 91-day BoBC was discontinued in October 2020.

Source: Bank of Botswana.

Amount (P million) ³					
Allotted		Retained at BoB			
14-day	91-day ⁵	14-day	91-day ⁵		
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	
21 115.00	2 400.00	2 385.00	600.00	Jan	2020
19 235.00	1 799.00	2 765.00	701.00	Feb	
16 550.00	...	4 450.00	...	Mar	
15 450.00	2 261.00	9 050.00	1 739.00	Apr	
19 345.00	1 135.00	9 655.00	1 865.00	May	
25 460.00	...	5 540.00	...	Jun	
25 160.00	1 985.00	8 640.00	1 415.00	Jul	
23 700.00	235.00	5 800.00	1 165.00	Aug	
39 300.00	250.00	8 000.00	750.00	Sep	
35 125.00	...	4 075.00	...	Oct	
33 991.00	...	4 209.00	...	Nov	
44 280.00	...	11 720.00	...	Dec	
34 220.00	...	12 480.00	...	Jan	2021
28 840.00	...	13 360.00	...	Feb	
35 120.00	...	15 680.00	...	Mar	
26 265.00	...	13 235.00	...	Apr	
31 005.00	...	13 395.00	...	May	
33 950.00	...	16 050.00	...	Jun	
21 970.00	...	12 630.00	...	Jul	
22 100.00	...	11 000.00	...	Aug	
24 100.00	...	15 400.00	...	Sep	
16 955.00	...	10 345.00	...	Oct	
15 170.00	...	11 630.00	...	Nov	
13 775.00	...	13 825.00	...	Dec	

**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
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		8 189.9	2.7	8 192.6	1 672.8	0.1	1 673.0
2016		7 918.4	1.5	7 919.9	1 302.8	0.2	1 303.0
2017	Mar	7 112.8	2.7	7 115.5	812.0	-	812.0
	Jun	7 395.2	3.4	7 398.6	521.0	-0.1	520.9
	Sep	7 273.1	3.9	7 277.0	592.0	-0.1	591.9
	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	-	2 213.0
	May	9 630.7	10.3	9 641.0	2 371.5	1.0	2 372.5
	Jun	7 680.0	6.0	7 686.0	2 305.9	0.6	2 306.5
	Jul	9 632.7	10.8	9 643.5	2 654.6	1.4	2 656.0
	Aug	9 924.1	9.4	9 933.5	1 584.2	0.3	1 584.5
	Sep	9 440.7	5.8	9 446.5	2 382.1	1.4	2 383.5
	Oct	9 229.1	7.9	9 237.0	2 155.0	2.5	2 157.5
	Nov	9 334.3	7.7	9 342.0	2 497.3	2.2	2 499.5
	Dec	8 609.6	5.4	8 615.0	1 831.2	2.8	1 834.0
2020	Jan	9 837.5	7.5	9 845.0	795.4	0.4	795.8
	Feb	9 835.5	8.5	9 844.0	1 776.7	0.8	1 777.5
	Mar	9 574.7	4.3	9 579.0	-	-	-
	Apr	8 403.3	6.7	8 410.0	3 458.4	2.7	3 461.1
	May	9 997.8	3.2	10 001.0	3 295.8	2.2	3 298.0
	Jun	10 444.4	1.6	10 446.0	1 320.1	0.9	1 321.0
	Jul	8 827.4	2.6	8 830.0	1 725.0	1.0	1 726.0
	Aug	9 818.4	1.6	9 820.0	1 009.0	1.0	1 010.0
	Sep	11 368.2	1.8	11 370.0	1 872.0	1.0	1 873.0
	Oct	10 859.1	0.9	10 860.0	1 428.3	0.6	1 428.9
	Nov	10 010.7	0.3	10 011.0	2 498.8	0.2	2 499.0
	Dec	7 779.4	0.6	7 780.0	1 417.9	0.1	1 418.0
2021	Jan	8 849.5	0.5	8 850.0	1 755.9	0.1	1 756.0
	Feb	7 129.6	0.4	7 130.0	1 860.9	0.1	1 861.0
	Mar	7 479.4	0.6	7 480.0	-	-	-
	Apr	8 269.5	0.5	8 270.0	1 406.9	0.1	1 407.0
	May	7 919.8	0.2	7 920.0	1 029.0	-	1 029.0
	Jun	6 329.4	0.6	6 330.0	955.9	0.1	956.0
	Jul	5 949.6	0.4	5 950.0	1 607.9	0.1	1 608.0
	Aug	5 409.9	0.1	5 410.0	1 249.0	-	1 249.0
	Sep	4 609.6	0.4	4 610.0	1 005.9	0.1	1 006.0
	Oct	5 049.7	0.3	5 050.0	1 345.9	0.1	1 346.0
	Nov	3 999.9	0.1	4 000.0	760.0	-	760.0
	Dec	2 299.8	0.2	2 300.0	1 479.0	-	1 479.0

1. 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.

2. Reverse Repos are a means to absorb additional liquidity over and above sales of BoBCs. A negative figure indicates a net injection of liquidity through Repurchase Agreement (Repos).

Source: Bank of Botswana

TABLE 4.5: BOTSWANA STOCK EXCHANGE

End of Period	Shares traded ¹			Market Capitalisation (P million)	Dividend Yield ²	Domestic Companies Index (June 1989 = 100)	Foreign Companies Index	Bonds ³		
	Number of transactions	Volume (million)	Value (P million)					Bond Index	Government Index	Corporate Index
2012	7 075	410.1	896.1	35 566	4.8	7 510.2	1 599.6	129.7	127.7	131.7
2013	12 029	709.8	2 314.8	43 254	3.6	9 024.1	1 582.5	142.7	141.3	144.0
2014	11 598	602.0	2 179.5	46 223	4.1	9 509.4	1 578.2	149.1	147.5	150.7
2015	12 705	834.1	3 034.1	49 993	3.9	10 602.3	1 572.4	160.9	159.8	162.0
2016	13 574	783.7	2 573.4	46 304	4.6	9 400.7	1 585.8	170.1	169.6	170.6
2017	Mar	4 548	173.9	532.8	45 621	4.6	9 225.2	1 583.1	172.3	171.4
	Jun	3 499	117.5	371.1	46 256	4.6	9 244.5	1 581.9	173.7	172.8
	Sep	3 862	364.2	1 240.5	44 693	4.7	8 930.4	1 577.6	175.8	174.6
	Dec	3 079	119.4	332.3	44 408	4.8	8 860.1	1 574.9	179.4	178.1
2018	Mar	2 324	100.7	236.2	43 058	5.5	8 589.6	1 574.2	180.0	180.0
	Jun	2 777	310.9	848.5	42 096	5.5	8 402.7	1 571.1	181.8	181.4
	Sep	2 168	59.1	671.9	39 266	5.8	7 837.3	1 572.0	183.1	182.7
	Dec	1 919	111.8	631.0	42 406	5.4	7 853.5	1 570.3	185.1	184.4
2019	Jan	747	118.6	123.3	42 545	5.4	7 874.9	1 570.3	185.7	184.9
	Feb	674	21.1	88.1	42 158	5.4	7 875.4	1 566.6	186.4	185.5
	Mar	690	16.5	108.6	42 212	5.0	7 885.6	1 566.3	187.0	185.9
	Apr	842	23.1	154.3	42 095	5.1	7 863.7	1 565.1	187.5	186.3
	May	625	17.6	68.7	41 364	5.2	7 727.1	1 564.6	188.2	186.9
	Jun	696	60.5	324.0	40 804	5.3	7 622.5	1 564.6	188.7	187.0
	Jul	703	15.2	53.4	39 087	5.3	7 590.8	1 564.6	189.2	187.5
	Aug	607	105.5	253.5	38 156	5.5	7 397.8	1 564.6	190.0	188.3
	Sep	517	9.3	31.5	38 485	5.5	7 461.0	1 564.5	190.4	188.4
	Oct	687	76.6	198.2	38 872	5.5	7 526.9	1 564.5	191.1	189.2
	Nov	608	118.2	247.2	38 753	5.5	7 503.0	1 562.4	192.1	190.0
	Dec	410	45.5	158.7	38 709	5.4	7 494.6	1 562.4	193.5	191.1
2020	Jan	576	17.1	37.2	38 972	5.4	7 545.5	1 551.4	194.2	191.7
	Feb	587	13.7	30.2	39 290	5.4	7 598.7	1 551.4	195.0	192.4
	Mar	600	50.9	117.7	38 716	5.7	7 487.6	1 551.4	196.7	194.3
	Apr	248	17.6	54.1	38 402	5.8	7 425.8	1 551.4	197.9	195.4
	May	269	20.1	34.5	37 874	5.6	7 323.8	1 551.2	198.9	196.8
	Jun	458	33.9	89.9	37 113	5.9	7 176.6	1 551.2	199.7	197.4
	Jul	327	21.4	41.5	36 698	5.7	7 096.3	1 550.1	200.6	198.2
	Aug	402	99.4	77.9	36 479	5.7	7 054.0	1 550.1	201.1	198.7
	Sep	445	15.4	53.7	36 224	5.2	7 004.8	1 547.3	201.6	199.2
	Oct	485	61.6	65.9	35 634	5.3	6 890.4	1 547.3	203.5	201.1
	Nov	526	22.2	53.2	35 573	5.4	6 864.9	1 547.3	201.7	199.2
	Dec	357	56.8	42.6	35 648	5.3	6 879.4	1 547.3	195.9	192.9
2021	Jan	364	27.4	32.6	35 539	5.1	6 861.7	1 548.2	196.8	193.9
	Feb	407	28.1	35.5	34 554	5.5	6 670.1	1 550.9	197.1	193.6
	Mar	449	32.0	45.7	33 803	5.4	6 525.1	1 550.9	193.8	189.9
	Apr	494	113.7	64.2	33 988	5.5	6 567.4	1 550.9	192.5	188.4
	May	401	15.3	31.6	34 092	5.5	6 585.0	1 550.9	193.7	188.9
	Jun	482	24.2	83.1	34 281	5.5	6 624.4	1 551.3	192.4	187.4
	Jul	299	26.3	78.1	34 695	5.7	6 703.9	1 551.2	183.8	177.3
	Aug	457	13.5	34.4	34 859	5.7	6 735.6	1 548.8	184.1	177.5
	Sep	611	20.0	58.7	35 938	8.4	6 900.7	1 548.8	184.1	177.3
	Oct	597	599.4	1 155.4	36 144	8.0	6 940.2	1 548.8	185.3	178.4
	Nov	688	66.1	144.3	36 447	8.0	6 992.5	1 549.7	186.8	179.8
	Dec	339	31.3	54.0	37 209	8.0	7 009.6	1 549.7	188.0	180.9

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)**

End of	EQUITIES					CASH/NEAR CASH									
	Botswana				Government					Other Locally ¹	Botswana	Offshore ²	Total Offshore	Percentage ³ Offshore	TOTAL
	Primary	Dual	Offshore												
	Listed	Listed	Unlisted	Equities	Bonds	Offshore	Pula	Offshore	Listed Securities	Property	Investment	Investment	Investment		
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	Mar	13 649.6	1 700.2	2 082.4	39 707.8	8 205.4	7 652.1	2 949.7	773.6	419.1	374.1	...	48 133.4	62.1	77 514.0
	Jun	14 188.9	1 670.0	2 070.2	40 882.7	7 688.0	7 624.0	3 534.6	742.6	406.6	382.9	40.2	49 289.5	62.2	79 230.8
	Sep	14 093.6	1 642.6	2 070.2	42 467.9	7 793.5	7 576.1	3 515.2	1 085.0	419.6	375.6	408.1	51 537.1	63.3	81 447.4
	Dec	14 189.2	1 526.9	2 070.2	39 834.9	8 021.1	9 933.4	3 595.7	1 874.1	410.7	-	547.7	52 190.1	63.6	82 003.9
2018	Mar	13 668.9	1 761.5	2 097.3	36 949.6	8 273.0	5 880.9	5 089.6	1 813.2	442.2	1 679.6	1 646.5	46 290.1	58.4	79 302.2
	Jun	13 373.5	1 760.0	2 097.3	40 069.2	8 012.2	5 670.6	5 728.0	658.1	600.3	1 662.7	1 847.5	48 245.5	59.2	81 479.5
	Sep	12 880.5	1 462.8	2 097.3	41 797.9	7 863.9	5 827.6	6 781.6	748.6	613.9	1 420.8	1 822.8	50 197.0	60.2	83 318.0
	Dec	13 033.7	1 333.0	2 113.8	36 610.0	8 431.9	5 845.8	6 619.1	1 137.2	580.1	1 493.9	1 773.4	45 366.3	57.4	78 971.9
2019	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
2020	Jan	13 256.1	1 301.2	2 344.1	43 859.3	9 064.3	6 158.0	8 859.8	1 073.0	761.6	1 857.8	5 775.2	56 865.6	60.3	94 310.5
	Feb	13 277.0	1 243.2	2 345.4	41 305.5	9 078.7	6 303.2	8 309.1	1 120.5	836.1	1 915.6	5 938.2	54 667.4	59.6	91 672.4
	Mar	13 245.6	814.7	2 293.9	37 813.8	9 084.0	6 005.7	8 412.6	1 496.5	905.0	1 933.8	5 900.7	51 216.6	58.3	87 906.2
	Apr	10 772.8	899.2	2 299.9	38 849.3	11 520.9	6 083.6	8 493.3	1 454.7	890.8	1 930.3	5 928.7	52 316.2	58.7	89 123.5
	May	13 064.9	696.0	2 304.3	43 823.2	7 647.3	6 460.3	8 069.2	1 349.6	955.8	1 976.7	5 579.0	57 212.1	62.2	91 926.4
	Jun	12 915.2	773.6	2 304.4	44 905.7	7 639.6	6 462.5	8 043.2	1 223.9	954.9	2 009.2	5 666.1	58 258.2	62.7	92 898.2
	Jul	12 991.0	753.9	2 156.4	47 438.6	7 718.3	6 216.3	7 427.1	2 038.0	1 012.2	2 018.8	5 640.9	61 333.7	64.3	95 411.3
	Aug	12 820.1	918.6	2 159.5	49 018.8	7 588.2	6 196.3	7 316.7	1 900.3	1 008.1	2 015.8	6 674.0	63 789.4	65.3	97 616.4
	Sep	12 867.5	1 038.5	2 194.9	48 489.7	9 499.0	6 289.4	7 572.6	1 254.7	1 001.9	2 028.3	7 340.0	63 373.8	63.6	99 576.5
	Oct	12 744.5	1 044.6	2 252.2	46 707.2	9 824.0	6 242.5	7 608.1	1 231.6	1 035.1	2 032.9	7 284.0	61 465.3	62.7	98 006.8
	Nov	12 795.3	1 319.8	2 347.1	49 894.7	10 103.0	6 165.5	7 724.5	1 081.9	1 032.0	2 758.5	7 256.9	64 398.9	62.8	102 479.2
	Dec	12 813.8	1 360.8	2 349.2	52 041.0	9 673.5	6 398.5	7 992.6	1 058.6	1 001.5	3 160.3	7 324.9	66 823.0	63.5	105 174.6
2021	Jan	12 676.9	1 390.7	2 352.5	52 752.3	9 853.4	6 283.9	7 805.0	1 055.2	1 127.0	3 155.7	7 510.4	67 601.7	63.8	105 962.9
	Feb	11 944.1	1 560.3	2 351.7	53 645.9	9 778.2	6 350.4	7 955.5	868.6	1 095.4	3 094.1	7 468.8	68 333.8	64.4	106 113.2
	Mar	12 170.1	1 436.0	2 318.8	55 468.5	9 739.3	6 621.6	8 258.5	828.0	1 042.0	3 091.7	7 520.6	70 438.7	64.9	108 495.3
	Apr	12 004.7	1 558.1	2 371.4	56 514.0	10 297.9	6 504.2	7 896.1	848.7	1 028.6	3 159.2	7 690.8	71 557.7	65.1	109 873.7
	May	12 023.7	1 575.2	2 404.6	56 206.7	10 339.0	6 551.7	8 514.8	729.3	1 066.6	3 139.8	7 781.0	71 268.7	64.6	110 332.3
	Jun	11 962.9	1 467.1	2 475.4	58 410.6	10 628.1	6 462.3	9 233.0	676.8	954.2	3 326.8	8 121.4	73 671.2	64.8	113 718.6
	Jul	11 653.0	1 555.5	2 389.6	57 330.6	9 839.5	6 285.1	8 870.9	599.6	1 053.2	2 736.1	9 237.8	73 453.1	65.8	111 550.9
	Aug	12 267.1	1 595.2	2 476.1	60 420.9	10 320.7	6 517.5	8 380.8	871.7	904.9	3 371.9	8 131.4	75 941.5	65.9	115 258.1
	Sep	12 813.2	1 143.6	2 472.6	58 958.4	10 567.3	6 642.2	8 785.2	623.3	742.4	3 386.3	8 135.1	74 359.1	65.1	114 269.7
	Oct	12 791.3	1 223.7	2 476.8	61 759.8	10 886.4	6 610.7	8 675.5	655.1	752.7	3 388.8	8 328.3	77 353.9	65.8	117 549.0
	Nov	13 030.5	1 326.0	2 486.0	61 630.4	10 999.3	6 754.0	8 612.3	1 238.4	785.1	3 407.2	8 608.2	78 231.0	65.8	118 877.3
	Dec	15 894.3	1 454.0	2 534.6	60 871.9	10 221.4	6 293.5	6 579.3	1 018.9	811.2	4 223.5	10 239.5	78 423.8	65.3	120 142.2

1. Exchange Traded Funds listed on the Botswana Stock Exchange.

2. These include financial and non-financial assets such as real estate, commodities, private equities, hedge funds, venture capital and financial derivatives.

3. Pension funds are limited by law to investing not more than 70 percent of their total assets offshore.

Source: Non-Bank Financial Institutions Regulatory Authority

TABLE 5.2: MOTOR VEHICLE ACCIDENT FUND¹ - ASSETS AND LIABILITIES
(P MILLION)

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
2020	11.2	33.7	4 257.9	15.2	4 318.0

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
2020	74.5	2 420.5	133.3	1 689.7	4 318.0

1. The Motor Vehicle Accident Fund (formally Motor Vehicle Insurance Fund) is a statutory body formed in 1987 and is governed by the MVA Fund Act No. 15 of 2007.

2. 'Levy Due' includes debtors and prepayments on fuel levy.

3. Investment is the sum of investment in marketable securities, properties and other assets.

4. The value of the MVA Fund building was reclassified from fixed assets to investment in accordance with the prescribed accounting standards.

Source: Motor Vehicle Accident Fund.

TABLE 5.3: NATIONAL DEVELOPMENT BANK - ASSETS AND LIABILITIES
(P MILLION)

		ASSETS				
As at end of		Cash & deposits ¹	Loans & advances	Fixed assets	Other assets	Total Assets
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		118.1	693.8	110.9	15.9	938.7
2019		275.0	653.1	109.1	13.8	1 051.0
2020	Mar	547.1	591.9	111.3	16.1	1 266.4
	Jun	541.5	582.1	110.4	25.4	1 259.5
	Sep	575.9	545.8	113.5	26.2	1 261.4
	Dec	508.1	581.7	114.5	27.9	1 232.2
2021	Jan	499.0	593.7	114.2	30.0	1 236.9
	Feb	494.7	604.1	114.0	32.1	1 244.8
	Mar	438.1	627.4	114.3	26.4	1 206.3
	Apr	431.9	637.8	114.0	27.6	1 211.4
	May	375.3	656.1	114.1	29.4	1 174.9
	Jun	378.7	762.1	113.5	31.1	1 285.4
	Jul	364.9	767.3	113.3	33.7	1 279.1
	Aug	317.9	784.7	112.9	32.3	1 247.9
	Sep	355.2	753.8	112.6	40.0	1 261.6
	Oct	335.6	755.0	112.4	44.2	1 247.2
	Nov	224.0	851.1	112.6	45.3	1 233.0
	Dec	221.0	838.8	112.9	48.1	1 220.8
		LIABILITIES				
As at end of		Loans	Capital & reserves	Other liabilities	Total Liabilities	
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		552.0	320.9	65.8	938.7	
2019		447.8	539.7	63.5	1 051.0	
2020	Mar	662.4	567.1	36.9	1 266.4	
	Jun	617.0	615.2	27.2	1 259.5	
	Sep	622.0	601.8	37.6	1 261.4	
	Dec	619.8	575.5	36.9	1 232.2	
2021	Jan	622.4	576.1	38.4	1 236.9	
	Feb	630.1	572.9	41.8	1 244.8	
	Mar	613.9	547.2	45.2	1 206.3	
	Apr	619.4	550.4	41.6	1 211.4	
	May	582.2	545.1	47.5	1 174.9	
	Jun	616.8	620.4	48.3	1 285.4	
	Jul	610.0	617.1	52.0	1 279.1	
	Aug	559.6	632.0	56.2	1 247.9	
	Sep	575.5	635.0	51.2	1 261.6	
	Oct	561.8	631.1	54.4	1 247.2	
	Nov	544.2	630.1	58.7	1 233.0	
	Dec	564.9	594.4	61.5	1 220.8	

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					Total Assets
		Deposits ¹	Loans, advances & leasing	Investments in related companies	Fixed assets	Other assets	
2012		1.5	428.5	1 844.1	2.4	- 22.0	2 254.5
2013		4.1	227.3	1 715.0	1.4	32.4	1 980.3
2014		-29.9	211.7	1 838.0	3.8	36.7	2 060.3
2015		-	195.0	2 042.0	4.6	39.8	2 281.3
2016		282.8	282.4	1 962.2	7.9	15.1	2 550.4
2017		405.3	285.5	1 549.1	6.5	95.3	2 341.7
2018	Mar	381.9	304.6	1 553.8	5.9	113.0	2 359.1
	Jun	287.1	441.6	1 573.8	8.6	115.2	2 426.4
	Sep	278.3	631.3	1 570.4	8.1	90.8	2 578.9
	Dec	237.6	759.4	1 543.3	181.1	90.7	2 812.1
2019	Mar	213.2	774.6	1 604.7	176.5	119.2	2 888.1
	Jun	155.1	1 024.9	1 946.3	172.4	114.7	3 413.4
	Sep	214.0	1 078.1	1 943.5	167.6	87.1	3 490.3
	Dec	153.2	1 165.2	2 030.8	163.0	90.5	3 602.7
2020	Mar	138.5	1 287.3	2 252.5	130.5	142.0	3 950.8
	Jun	556.9	1 223.7	2 266.6	126.1	124.9	4 298.2
	Sep	363.6	1 323.6	2 249.2	124.9	114.5	4 175.8
	Dec	390.1	1 361.4	2 230.6	122.1	120.4	4 224.5
2021	Mar	379.8	1 436.0	2 142.7	119.6	152.4	4 230.5
	Jun	186.8	1 694.6	2 176.7	121.9	108.1	4 288.0
	Sep	492.7	1 741.5	2 174.7	118.2	102.2	4 629.3
	Dec	693.6	1 871.2	2 261.1	114.6	96.4	5 036.9

As at end of		LIABILITIES				Total Liabilities
		Borrowing	Share capital	Reserves	Other liabilities	
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		360.6	888.3	1105.4	196.2	2 550.4
2017		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
2020	Mar	1 277.4	888.3	1 413.9	371.2	3 950.8
	Jun	1 755.0	888.3	1 347.5	307.5	4 298.2
	Sep	1 580.6	888.3	1 334.8	372.1	4 175.8
	Dec	1 656.1	888.3	1 295.2	385.0	4 224.5
2021	Mar	1 781.3	888.3	1 206.7	354.2	4 230.5
	Jun	1 848.8	888.3	1 252.5	298.4	4 288.0
	Sep	2 222.4	888.3	1 241.7	277.0	4 629.3
	Dec	2 601.6	888.3	1 266.0	281.0	5 036.9

1. Deposits at commercial banks.

Source: Botswana Development Corporation

TABLE 5.5: CITIZEN ENTREPRENEURIAL DEVELOPMENT AGENCY - ASSETS AND LIABILITIES
(P million)

		ASSETS			
		Cash and	Loans &	Investments	
End of		Cash equivalent	Advances	in related companies	Financial assets
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	-
2020	Mar	367.3	1 209.5	113.2	-
	Jun	356.0	1 473.8	91.9	-
	Sep	290.6	1 427.8	126.7	-
	Dec	368.1	1 054.5	123.7	-
2021	Mar	321.1	1 049.3	123.7	-
	Jun	227.4	1 105.2	117.8	-
	Sep	207.5	1 044.0	122.0	-
	Dec	149.0	968.1	117.2	-
		LIABILITIES			
End of		Borrowing	Capital & Reserves	Other liabilities	
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	
2020	Mar	-	1 807.1	536.5	
	Jun	-	2 081.9	517.9	
	Sep	-	2 021.5	67.4	
	Dec	-	1 622.9	185.2	
2021	Mar	-	1 569.6	237.7	
	Jun	-	1 564.5	230.7	
	Sep	-	1 512.0	226.5	
	Dec	-	1 366.2	220.5	

Source: Citizen Entrepreneurial Development Agency (CEDA)

Other assets	Fixed assets	Total Assets		End of
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	
610.0	43.6	2 343.6	Mar	2020
631.4	46.7	2 599.8	Jun	
197.5	46.3	2 088.9	Sep	
217.3	44.5	1 808.1	Dec	
215.4	97.9	1 807.3	Mar	2021
248.2	96.6	1 795.2	Jun	
269.0	96.1	1 738.5	Sep	
257.2	95.2	1 586.7	Dec	

Total Liabilities		End of
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	
2 343.6	Mar	2020
2 599.8	Jun	
2 088.9	Sep	
1 808.1	Dec	
1 807.3	Mar	2021
1 795.2	Jun	
1 738.5	Sep	
1 586.7	Dec	

TABLE 6.1: BALANCE OF PAYMENTS: DETAILED ACCOUNTS
(P Million)

	2012	2013	2014	2015	2016
A. Current account	-6 271	5 431	15 379	3 051	13 109
Credit	65 916	91 283	103 811	93 190	105 882
Debit	72 187	85 852	88 432	90 139	92 773
Balance on Good and Services	-18 288	-3 624	4 261	-9 208	14 259
Credit	49 464	73 574	85 098	72 764	89 650
Debit	67 752	77 198	80 837	81 971	75 391
Balance on Goods	-15 522	-1 633	6 467	-7 115	16 088
Goods exports (fob)	44 251	66 404	76 261	63 525	80 371
<i>of which diamonds</i>	34 435	55 367	65 328	52 730	70 781
Goods imports (fob)	59 773	68 037	69 795	70 640	64 282
<i>of which diamonds</i>	16 512	24 507	25 980	25 232	18 905
Balance on Services	-2 766	-1 992	-2 206	-2 093	-1 829
Credit	5 213	7 170	8 837	9 238	9 280
Debit	7 979	9 161	11 043	11 332	11 109
Transportation	-2 485	-2 317	-2 380	-2 461	-2 465
Credit	282	677	425	458	361
Debit	2 767	2 995	2 805	2 919	2 827
Travel	1 247	1 844	2 263	2 804	2 891
Credit	3 510	4 044	4 737	5 398	5 480
Debit	2 263	2 200	2 474	2 594	2 588
Business	- 257	- 20	- 21	211	- 18
Credit	7	9	13	284	58
Debit	264	29	34	73	76
Personal	1 504	1 864	2 284	2 593	2 910
Credit	3 504	4 035	4 724	5 114	5 422
Debit	2 000	2 170	2 440	2 521	2 512
Health-related	- 70	- 27	- 27	- 20	- 17
Credit	-	10	4	7	2
Debit	71	37	31	27	19
Education-related	- 156	- 118	- 182	- 223	- 131
Credit	8	36	30	29	24
Debit	163	154	212	253	155
Other	1 730	2 009	2 493	2 837	3 058
Credit	3 496	3 988	4 690	5 078	5 396
<i>of which tourism</i>	3 496	3 988	4 690	5 078	5 396
Debit	1 766	1 979	2 197	2 241	2 338
Other Services²	-1 529	-1 518	-2 089	-2 436	-2 255
Credit	1 420	2 449	3 674	3 383	3 439
Debit	2 949	3 967	5 763	5 819	5 694
<i>of which Telecommunications, computer and information services</i>	- 189	- 235	- 215	- 407	- 231
Credit	55	153	237	116	129
Debit	243	387	452	523	361
<i>of which other business services</i>	- 740	- 590	- 706	-1 169	- 672
Credit	780	1 523	2 162	1 853	1 979
Debit	1 521	2 113	2 868	3 022	2 651
<i>of which Government goods and services n.i.e.</i>	- 247	- 304	212	- 15	- 161
Credit	538	639	958	745	587
Debit	785	943	747	760	749
Balance Primary income	-1 646	-5 464	-4 234	-4 598	-14 068
Credit	1 640	2 094	2 246	2 504	2 426
Debit	3 286	7 558	6 479	7 101	16 494
Compensation of employees	- 230	- 77	- 193	- 361	- 317
Credit	121	261	377	274	222
Debit	351	339	571	635	539
Investment income	-1 416	-5 387	-4 040	-4 237	-13 751
Credit	1 519	1 833	1 868	2 230	2 204
<i>of which foreign reserves</i>	1 495	1 468	1 620	1 834	1 711
Debit	2 935	7 220	5 909	6 467	15 955
Other Primary income	-	-	-	-	-
Credit	-	-	-	-	-
Debit	-	-	-	-	-
Balance Secondary income	13 662	14 519	15 351	16 856	12 918
Credit	14 812	15 614	16 467	17 923	13 806
Debit	1 150	1 095	1 115	1 067	888
Government Income	12 784	13 314	15 064	15 633	12 072
Credit	13 174	13 677	15 464	16 153	12 536
Debit	390	364	400	520	464
Other Sectors Income	2 337	2 850	913	2 741	1 984
Credit	3 260	3 833	1 969	3 510	2 493
Debit	923	983	1 056	769	509

2017	2018	2019	2020 ¹	2021 ²	
9 309	683	-12 422	-14 805	- 999	A. Current account
92 113	95 912	85 094	74 507	106 017	Credit
82 805	95 230	97 516	89 312	107 016	Debit
6 448	1 733	-15 780	-29 828	-14 565	Balance on Good and Services
71 447	76 830	66 995	55 099	87 170	Credit
64 999	75 096	82 775	84 927	101 735	Debit
8 411	4 959	-11 464	-22 564	-6 897	Balance on Goods
61 708	67 264	56 575	49 173	81 438	Goods exports (fob)
55 904	60 411	51 091	43 304	73 413	of which diamonds
53 296	62 305	68 039	71 738	88 335	Goods imports (fob)
14 419	18 348	20 050	23 071	31 928	of which diamonds
-1 963	-3 225	-4 316	-7 264	-7 668	Balance on Services
9 739	9 566	10 420	5 926	5 732	Credit
11 702	12 791	14 736	13 190	13 399	Debit
-1 696	-1 951	-2 151	-2 509	-3 548	Transportation
530	612	689	588	400	Credit
2 227	2 563	2 840	3 097	3 948	Debit
2 992	3 101	4 451	1 874	2 335	Travel
5 608	5 938	7 582	2 891	3 188	Credit
2 617	2 836	3 130	1 017	853	Debit
- 18	2	- 31	- 64	- 53	Business
20	53	104	35	32	Credit
38	51	135	99	84	Debit
3 010	3 099	4 482	1 937	2 387	Personal
5 588	5 884	7 478	2 856	3 156	Credit
2 578	2 785	2 995	919	769	Debit
- 24	- 11	- 35	- 124	- 87	Health-related
7	17	8	12	27	Credit
31	28	42	136	115	Debit
- 86	- 150	- 275	- 342	- 239	Education-related
56	93	89	154	179	Credit
142	243	364	497	417	Debit
3 120	3 261	4 792	2 403	2 714	Other
5 525	5 774	7 381	2 690	2 950	Credit
5 525	5 774	7 381	2 690	2 950	of which tourism
2 405	2 514	2 589	286	237	Debit
-3 258	-4 376	-6 616	-6 628	-6 454	Other Services²
3 601	3 016	2 150	2 447	2 144	Credit
6 859	7 392	8 765	9 075	8 598	Debit
- 701	- 527	-1 286	-2 570	-1 820	of which Telecommunications, computer and information services
195	250	191	198	159	Credit
895	776	1 477	2 768	1 979	Debit
-1 418	-1 649	-2 636	-3 169	-2 432	of which other business services
2 007	1 445	978	1 640	1 849	Credit
3 425	3 094	3 614	4 810	4 282	Debit
175	- 825	- 579	- 62	- 289	of which Government goods and services n.i.e.
757	142	57	12	29	Credit
582	967	636	74	319	Debit
-14 141	-16 158	-9 423	224	- 318	Balance Primary income
2 728	2 469	3 151	1 455	1 544	Credit
16 869	18 627	12 574	1 231	1 862	Debit
- 122	196	266	- 515	- 516	Compensation of employees
344	387	545	224	406	Credit
466	191	279	739	923	Debit
-14 019	-16 354	-9 689	739	198	Investment income
2 385	2 082	2 606	1 231	1 137	Credit
1 618	1 658	1 776	1 276	992	of which foreign reserves
16 403	18 436	12 295	492	939	Debit
-	-	-	-	-	Other Primary income
-	-	-	-	-	Credit
-	-	-	-	-	Debit
17 001	15 107	12 780	14 799	13 884	Balance Secondary income
17 938	16 613	14 948	17 952	17 304	Credit
937	1 506	2 168	3 154	3 420	Debit
16 131	15 009	13 453	15 090	14 361	Government Income
16 613	15 839	14 088	15 669	15 039	Credit
482	830	635	579	678	Debit
2 055	587	- 650	369	515	Other Sectors Income
2 590	1 483	1 625	4 382	4 298	Credit
535	896	2 275	4 013	3 782	Debit

TABLE 6.1 (Continued)
BALANCE OF PAYMENTS: DETAILED ACCOUNTS¹
(P Million)

	2012	2013	2014	2015	2016
B. Financial account	-1 085	12 938	10 108	12 723	10 541
Direct investment	-1 055	147	-3 625	-1 978	296
Net acquisition of financial assets	61	711	1 000	1 856	1 850
Equity and investment fund shares	11	679	277	516	275
<i>of which Reinvestment of earnings</i>	5	20	57	14	- 56
Debt instruments	50	32	722	1 340	1 575
Net incurrence of liabilities	1 116	564	4 624	3 834	1 554
Equity and investment fund shares	2 519	2 590	3 732	3 147	740
<i>of which Reinvestment of earnings</i>	624	1 863	1 531	1 675	707
Debt instruments	-1 403	-2 026	893	687	814
Portfolio investment	1 223	10 983	5 375	11 070	1 810
Net acquisition of financial assets	1 188	10 458	4 778	10 020	471
Equity and investment fund shares	1 920	9 871	2 103	10 076	80
Debt securities	- 731	587	2 675	- 56	391
Net incurrence of liabilities	- 35	- 526	- 597	-1 050	-1 339
Equity and investment fund shares	- 35	- 527	- 596	-1 050	-1 338
Debt securities	-	1	- 1	-	- 1
Financial derivatives (other than reserves) and employee stock options	-	-	-	-	89
Net acquisition of financial assets	-	-	-	-	89
Net incurrence of liabilities	-	-	-	-	-
Other Investment	-1 253	1 808	8 358	3 632	8 345
Currency and deposits	- 806	1 358	8 154	3 261	5 688
Net acquisition of financial assets	77	1 601	10 196	3 915	6 742
Deposit-taking corporations, except the central bank	1 832	- 194	1 209	2 027	- 385
Other sectors	-1 756	1 796	8 987	1 887	7 126
Net incurrence of liabilities	882	243	2 042	654	1 054
Deposit-taking corporations, except the central bank	592	- 39	1 156	70	745
Other sectors	290	283	886	584	308
Loans	- 322	339	208	550	2 577
Net acquisition of financial assets	165	- 124	- 164	9	- 43
Deposit-taking corporations, except the central bank	165	- 124	- 164	9	1
General government	-	-	-	-	-
Other sectors	-	-	-	-	- 44
Net incurrence of liabilities	487	- 463	- 373	- 541	-2 620
Deposit-taking corporations, except the central bank	-	-	-	-	-
General government	- 262	- 282	- 294	- 665	-1 380
Other sectors	749	- 181	- 78	124	-1 240
Trade credit and advances	- 217	53	23	- 174	57
Net acquisition of financial assets	-	-	-	- 111	16
Other sectors	-	-	-	- 111	16
Net incurrence of liabilities	217	- 53	- 23	64	- 41
Other sectors	217	- 53	- 23	64	- 41
Other accounts receivable/payable	93	58	- 27	- 4	23
Net acquisition of financial assets	93	58	- 27	- 4	44
Other sectors	93	58	- 27	- 4	44
Net incurrence of liabilities	-	-	-	-	21
Other sectors	-	-	-	-	21
Total Group A+B	-5 186	-7 508	5 271	-9 672	2 568
C. Net Errors and Omissions	-1 119	5 430	975	5 524	-5 849
Overall Balance (total Group A through C)	-6 305	-2 078	6 246	-4 148	-3 280
D. Change in the level of reserves	-6 305	-2 078	6 246	-4 148	-3 280
Special drawing rights	-	-	-	-	-
Reserve position in the IMF	9	41	-	-	- 204
Other reserve assets	-6 314	-2 119	6 246	-4 148	-3 077
Currency and deposits	-7 540	-3 440	4 901	-5 817	-4 497
Securities	1 225	1 321	1 345	1 669	1 420
Debt securities	717	808	778	972	736
Equity and investment fund shares	508	514	567	697	684

1. The 2020 figures were revised to include results of the 2020 Balance of Payments Survey.

2. Provisional figures

Source: Bank of Botswana

2017	2018	2019	2020 ¹	2021 ²	
12 940	-3 098	4 690	7 491	5 479	B. Financial account
-2 705	-2 080	-1 220	-1 146	-1 201	Direct investment
- 9	837	- 213	- 782	- 589	Net acquisition of financial assets
- 33	- 95	201	- 314	- 76	Equity and investment fund shares
- 43	- 427	- 10	- 281	- 308	<i>of which Reinvestment of earnings</i>
24	932	- 414	- 468	- 513	Debt instruments
2 696	2 917	1 007	364	612	Net incurrence of liabilities
2 516	1 669	-1 851	-2 044	-2 030	Equity and investment fund shares
2 264	1 662	-1 918	-2 187	-2 104	<i>of which Reinvestment of earnings</i>
180	1 247	2 857	2 408	2 642	Debt instruments
7 666	-6 405	9 971	11 307	10 794	Portfolio investment
7 081	-6 983	10 351	11 086	11 597	Net acquisition of financial assets
3 089	-3 384	6 312	9 099	8 828	Equity and investment fund shares
3 993	-3 599	4 039	1 987	2 770	Debt securities
- 585	- 577	380	- 221	804	Net incurrence of liabilities
- 482	- 480	379	- 221	803	Equity and investment fund shares
- 103	- 97	1	-	-	Debt securities
5	- 354	- 30	- 15	- 17	Financial derivatives (other than reserves) and employee stock options
6	- 37	149	- 8	- 9	Net acquisition of financial assets
1	316	179	7	8	Net incurrence of liabilities
7 974	5 740	-4 032	-2 655	-4 098	Other Investment
5 835	5 635	-5 475	-3 966	-3 064	Currency and deposits
6 626	6 422	-4 881	-3 223	-1 611	Net acquisition of financial assets
2 002	1 677	- 196	1 045	3 071	Deposit-taking corporations, except the central bank
4 625	4 746	-4 685	-4 268	-4 682	Other sectors
791	787	594	744	1 453	Net incurrence of liabilities
134	335	39	238	563	Deposit-taking corporations, except the central bank
657	452	554	505	890	Other sectors
1 912	184	1 140	1 257	1 978	Loans
- 28	- 93	- 245	310	1 212	Net acquisition of financial assets
- 10	143	- 19	159	255	Deposit-taking corporations, except the central bank
-	-	-	-	-	General government
- 18	- 237	- 226	151	957	Other sectors
-1 940	- 277	-1 386	- 947	- 766	Net incurrence of liabilities
-	-	-	-	-	Deposit-taking corporations, except the central bank
-1 160	-1 155	-1 366	-1 397	-1 260	General government
- 780	878	- 20	450	494	Other sectors
78	53	32	48	15	Trade credit and advances
48	22	- 65	8	- 29	Net acquisition of financial assets
48	22	- 65	8	- 29	Other sectors
- 30	- 32	- 97	- 40	- 44	Net incurrence of liabilities
- 30	- 32	- 97	- 40	- 44	Other sectors
149	- 132	271	6	-3 027	Other accounts receivable/payable
151	- 147	267	12	13	Net acquisition of financial assets
151	- 147	267	12	13	Other sectors
2	- 14	- 3	6	3 040	Net incurrence of liabilities
2	- 14	- 3	6	3 040	Other sectors
-3 632	3 781	-17 112	-22 296	-6 477	Total Group A+B
- 646	-7 985	5 090	2 236	3 606	C. Net Errors and Omissions
-4 278	-4 204	-12 022	-20 059	-2 871	Overall Balance (total Group A through C)
-4 278	-4 204	-12 022	-20 059	-2 871	D. Change in the level of reserves
-	-	-	-	3 034	Special drawing rights
- 75	- 6	73	132	-	Reserve position in the IMF
-4 203	-4 198	-12 095	-20 192	-5 905	Other reserve assets
-5 643	-5 673	-2 056	-1 288	- 300	Currency and deposits
1 440	1 476	-10 039	-18 904	-5 605	Securities
858	929	-6 773	-12 913	-4 176	Debt securities
582	547	-3 266	-5 991	-1 430	Equity and investment fund shares

TABLE 6.2: QUARTERLY BALANCE OF PAYMENTS
(P Million)

	2017				2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A. Current Account	5 026	3 735	566	- 19	-1 007	2 958	- 669	- 599	- 433	1 098	-6 783	-6 304
Balance on Goods	5 642	2 831	153	- 214	- 471	4 235	483	712	-1 428	501	-5 414	-5 122
Exports	17 992	14 941	13 219	15 556	13 808	18 888	14 867	19 700	14 722	17 558	10 889	13 407
Imports	12 350	12 110	13 065	15 771	14 279	14 653	14 384	18 989	16 150	17 057	16 303	18 528
Balance on Services	- 84	- 645	- 780	- 454	- 812	- 996	- 749	- 668	- 20	- 464	-1 639	-2 193
Exports of services	2 169	2 453	2 701	2 416	1 965	2 421	2 919	2 261	2 673	3 073	2 441	2 233
Imports of services	2 254	3 098	3 481	2 870	2 778	3 417	3 668	2 929	2 693	3 537	4 080	4 426
Balance Primary Income	-3 605	-2 794	-3 504	-4 237	-4 217	-4 000	-3 957	-3 985	-2 342	-2 194	-2 818	-2 070
Compensation of Employees	- 68	- 64	31	- 21	11	20	123	42	247	24	3	- 8
Income earned by Botswana residents abroad	54	49	134	106	59	66	194	68	274	69	104	97
Income earned by non-residents in Botswana	122	113	103	128	48	46	71	26	28	45	101	105
Investment Income	-3 536	-2 731	-3 535	-4 216	-4 228	-4 020	-4 080	-4 027	-2 589	-2 217	-2 821	-2 062
Botswana investment abroad	499	666	622	598	411	577	577	518	537	624	679	766
Foreign investment in Botswana	4 035	3 397	4 157	4 814	4 638	4 597	4 656	4 544	3 126	2 842	3 500	2 828
Balance Secondary Income	3 074	4 343	4 697	4 887	4 493	3 718	3 554	3 342	3 357	3 256	3 088	3 079
Credit	3 247	4 655	4 931	5 105	4 820	4 116	3 877	3 800	3 771	3 682	3 764	3 731
Debit	173	312	234	218	327	398	323	458	414	427	675	652
B. Financial Account	11 148	-2 064	1 893	1 962	-7 014	3 446	2 348	-1 879	5 787	-1 151	259	- 205
Direct investment abroad	- 2	- 3	- 2	- 3	165	247	159	266	- 42	- 63	- 40	- 68
Direct investment in Botswana	794	577	788	538	568	871	545	933	199	297	191	320
Portfolio investment abroad	3 125	1 265	2 029	663	-5 941	2 022	1 911	-4 975	6 594	1 378	685	1 695
Portfolio investment in Botswana	- 47	- 96	- 414	- 28	65	- 182	- 38	- 422	- 94	196	194	84
Financial derivatives and employee stock options abroad	-	2	-	3	- 7	- 11	- 7	- 12	29	44	28	47
Financial derivatives and employee stock options in Botswana	-	-	-	-	63	94	60	100	35	53	34	57
Other investment abroad	7 658	-2 976	241	1 874	-1 013	3 129	443	3 645	-1 507	-1 077	- 673	-1 667
Other investment in Botswana	-1 114	- 129	1	64	- 477	1 158	- 409	192	- 853	887	- 678	- 248
A+(-B)	-6 122	5 799	-1 327	-1 981	6 007	- 489	-3 016	1 279	-6 220	2 250	-7 042	-6 100
C. Net Errors and Omissions	2 886	-5 486	1 253	700	-7 477	- 483	2 834	-2 859	5 313	-4 933	4 876	- 167
Overall Balance (A-B-C)	-3 236	313	- 74	-1 281	-1 470	- 972	- 182	-1 579	- 907	-2 684	-2 165	-6 267
Reconciliation/Financing	-3 236	313	- 74	-1 281	-1 470	- 972	- 182	-1 579	- 907	-2 684	-2 165	-6 267
Change in the level of reserves	-3 236	313	- 74	-1 281	-1 470	- 972	- 182	-1 579	- 907	-2 684	-2 165	-6 267
Valuation Adjustments	388	465	2 102	-1 789	-1 640	4 686	1 666	-2 775	2 985	993	2 359	- 512

1. The 2020 figures were revised to include results of the 2020 Balance of Payments Survey.

2. Provisional figures.

Source: Bank of Botswana

2020 ¹				2021 ²				
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
-2 625	-5 989	-2 978	-3 214	4 126	-3 040	1 482	-3 567	A. Current Account
-3 224	-8 737	-5 788	-4 815	1 742	-4 527	- 27	-4 085	Balance on Goods
13 717	4 458	13 484	17 515	24 109	17 031	21 453	18 846	Exports
16 941	13 195	19 271	22 330	22 367	21 558	21 480	22 931	Imports
-2 870	-1 080	-1 052	-2 261	-1 794	-1 525	-2 015	-2 333	Balance on Services
1 516	1 287	1 281	1 842	1 245	1 408	1 557	1 522	Exports of services
4 386	2 367	2 333	4 103	3 039	2 933	3 572	3 855	Imports of services
192	124	- 72	- 20	- 72	- 77	182	- 350	Balance Primary Income
- 107	- 93	- 215	- 100	- 110	- 59	- 56	- 291	Compensation of Employees
62	57	45	60	67	81	116	142	Income earned by Botswana residents abroad
169	151	260	160	178	140	171	433	Income earned by non-residents in Botswana
299	217	143	80	38	- 18	237	- 59	Investment Income
396	362	236	237	223	260	415	239	Botswana investment abroad
97	145	93	156	185	277	178	298	Foreign investment in Botswana
3 277	3 705	3 934	3 882	4 250	3 089	3 343	3 202	Balance Secondary Income
4 188	4 382	4 704	4 678	4 892	3 991	4 229	4 192	Credit
911	677	769	796	642	902	886	990	Debit
-3 519	4 963	4 282	1 764	2 653	1 635	-2 078	3 268	B. Financial Account
- 154	- 231	- 148	- 249	- 116	- 174	- 112	- 187	Direct investment abroad
72	108	69	116	121	181	116	194	Direct investment in Botswana
-4 518	7 041	5 115	3 448	3 615	3 232	687	4 064	Portfolio investment abroad
- 98	- 50	- 33	- 40	86	116	106	497	Portfolio investment in Botswana
- 2	- 2	- 2	- 3	- 2	- 3	- 2	- 3	Financial derivatives and employee stock options abroad
1	2	1	2	2	2	2	3	Financial derivatives and employee stock options in Botswana
1 661	-2 206	-1 163	-1 185	-1 116	- 979	779	901	Other investment abroad
530	- 421	- 517	171	- 480	142	3 207	813	Other investment in Botswana
894	-10 952	-7 261	-4 977	1 473	-4 676	3 560	-6 834	A+(-B)
-5 744	7 929	311	- 259	-2 377	1 396	-3 384	7 971	C. Net Errors and Omissions
-4 850	-3 023	-6 949	-5 237	- 904	-3 280	176	1 137	Overall Balance (A-B-C)
-4 850	-3 023	-6 949	-5 237	- 904	-3 280	176	1 137	Reconciliation/Financing
-4 850	-3 023	-6 949	-5 237	- 904	-3 280	176	1 137	Change in the level of reserves
1 627	4 666	2 146	- 245	624	1 133	984	1 239	Valuation Adjustments

TABLE 6.3 DIAMOND TRADE
(P Million)

		Exports							
		Rough ¹				Polished		Grand Total ²	
		Botswana Sales		Exports					
		US\$	Pula	US\$	Pula	US\$	Pula	US\$	Pula
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		2 605.5	25 809.3	4 811.3	48 286.0	441.4	4 444.3	5 252.7	52 730.3
2016		4 023.1	43 646.5	6 081.5	66 385.8	406.9	4 394.9	6 488.4	70 780.7
2017	Q1	912.6	9 563.2	1 480.7	15 509.2	98.0	1 020.2	1 578.7	16 529.4
	Q2	804.1	8 356.5	1 204.0	12 458.5	118.0	1 224.1	1 322.0	13 682.6
	Q3	961.3	9 785.2	985.3	10 052.5	163.5	1 669.1	1 148.8	11 721.6
	Q4	801.1	8 331.0	1 186.4	12 295.0	161.8	1 675.4	1 348.2	13 970.4
2018	Q1	915.5	8 835.3	1 137.9	10 962.9	144.2	1 381.9	1 282.1	12 344.8
	Q2	758.1	7 462.0	1 511.3	15 037.9	222.1	2 215.4	1 733.4	17 253.3
	Q3	1 122.3	11 916.3	1 007.0	10 647.7	222.3	2 343.6	1 229.3	12 991.3
	Q4	828.6	8 835.8	1 410.2	15 072.1	257.4	2 749.7	1 667.6	17 821.8
2019	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	58.4	636.4	397.5	4 330.3
	Dec	28.6	308.9	451.5	4 855.0	54.4	585.4	506.0	5 440.4
2020	Jan	408.1	4 309.5	443.9	4 768.8	43.8	470.9	487.7	5 239.7
	Feb	149.4	1 636.6	192.0	2 112.4	72.9	802.3	264.9	2 914.7
	Mar	359.3	4 033.6	269.0	3 097.0	59.2	681.3	328.1	3 778.3
	Apr	273.1	3 262.5	-	-	-	-	-	-
	May	-	-	203.4	2 454.6	39.5	477.0	242.9	2 931.6
	Jun	20.7	244.4	22.7	265.6	32.3	377.7	55.0	643.3
	Jul	15.3	179.0	115.9	1 339.6	56.1	648.8	172.0	1 988.4
	Aug	133.7	1 540.8	185.7	2 162.4	38.0	442.1	223.6	2 604.5
	Sep	138.7	1 588.0	557.6	6 422.7	76.0	874.9	633.6	7 297.6
	Oct	51.0	585.4	432.6	4 953.7	40.5	463.6	473.0	5 417.3
	Nov	527.4	5 874.4	388.3	4 334.8	59.8	667.5	448.1	5 002.3
	Dec	43.9	481.0	460.1	5 018.9	42.9	468.0	503.0	5 486.9
2021	Jan	452.9	4 893.8	725.5	7 965.2	21.9	240.3	747.3	8 205.5
	Feb	111.7	1 226.0	480.4	5 235.1	62.5	680.6	542.9	5 915.7
	Mar	190.5	2 097.2	716.2	7 917.3	48.7	538.3	764.9	8 455.6
	Apr	409.8	4 452.5	327.5	3 561.8	77.1	838.6	404.6	4 400.4
	May	54.5	587.0	329.6	3 537.0	69.2	743.0	398.9	4 280.0
	Jun	483.5	5 169.0	542.8	5 824.4	69.6	746.6	612.4	6 571.0
	Jul	98.7	1 090.6	575.1	6 338.3	70.2	774.1	645.3	7 112.4
	Aug	389.8	4 317.8	443.1	4 936.5	112.4	1 252.0	555.5	6 188.5
	Sep	411.4	4 519.6	416.6	4 616.2	89.5	992.2	506.2	5 608.4
	Oct	535.0	5 999.2	320.1	3 602.4	65.9	741.2	385.9	4 343.6
	Nov	271.5	3 113.3	432.7	4 996.7	69.5	802.4	502.2	5 799.1
	Dec	57.1	668.5	471.1	5 525.6	85.9	1 007.1	557.0	6 532.7

1. Botswana sales refers to the value of rough diamonds mined by Debswana and sold to DBGSS and the Okavango Diamond Company (ODC). The rough exports represent the total value exported as reported by Statistics Botswana.
2. This is the total value of Botswana exports, rough and polished, including re-exports.

Sources: Bank of Botswana and Statistics Botswana

Imports							
Rough		Polished					
US\$	Pula	US\$	Pula	Total			
				US\$	Pula		
2 090.7	16 114.1	52.1	398.3	2 142.7	16 512.4	2012	
2 837.5	23 828.7	80.6	677.8	2 918.1	24 506.5	2013	
2 787.2	24 888.1	121.6	1 091.4	2 908.8	25 979.5	2014	
2 414.5	24 363.0	86.7	868.6	2 501.2	25 231.6	2015	
1 692.4	18 439.5	42.4	465.5	1 734.8	18 905.0	2016	
312.7	3 259.6	11.8	123.1	324.5	3 382.7	Q1	2017
335.2	3 479.8	48.9	506.3	384.1	3 986.1	Q2	
258.0	2 628.7	37.8	386.0	295.8	3 014.7	Q3	
344.0	3 559.9	45.8	475.3	389.7	4 035.2	Q4	
407.7	3 908.6	38.7	372.2	446.4	4 280.8	Q1	2018
370.3	3 706.9	86.7	870.0	457.0	4 576.9	Q2	
271.3	2 868.6	47.7	507.0	319.0	3 375.6	Q3	
472.5	5 053.2	99.2	1 061.2	571.7	6 114.4	Q4	
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	1 289.5	12.0	131.3	129.7	1 420.8	Oct	
144.7	1 576.4	63.4	690.3	208.1	2 266.7	Nov	
138.0	1 483.9	10.7	115.4	148.7	1 599.3	Dec	
35.1	376.7	34.9	374.7	69.9	751.4	Jan	2020
64.5	709.8	39.5	435.0	104.0	1 144.8	Feb	
122.4	1 409.7	22.8	262.7	145.2	1 672.4	Mar	
-	-	-	-	-	-	Apr	
74.6	900.2	6.1	73.9	80.7	974.1	May	
256.3	3 000.1	36.4	426.6	292.7	3 426.7	Jun	
54.0	624.1	27.5	318.3	81.5	942.4	Jul	
138.7	1 615.5	10.2	118.9	148.9	1 734.4	Aug	
318.4	3 667.1	15.7	181.4	334.1	3 848.5	Sep	
295.2	3 381.1	14.3	164.0	309.6	3 545.1	Oct	
174.5	1 948.3	27.5	306.7	202.0	2 255.0	Nov	
246.3	2 687.0	8.1	88.8	254.5	2 775.8	Dec	
276.0	3 029.9	29.0	318.1	304.9	3 348.0	Jan	2021
155.6	1 695.9	35.8	390.5	191.5	2 086.4	Feb	
272.5	3 012.1	61.5	679.5	334.0	3 691.6	Mar	
133.3	1 449.4	43.8	476.1	177.1	1 925.5	Apr	
228.2	2 448.8	40.5	434.9	268.8	2 883.7	May	
203.0	2 178.5	62.2	667.8	265.3	2 846.3	Jun	
165.0	1 818.4	32.9	362.8	197.9	2 181.2	Jul	
298.3	3 323.0	21.5	240.0	319.8	3 563.0	Aug	
124.0	1 373.8	21.9	242.4	145.9	1 616.2	Sep	
278.3	3 132.7	24.4	274.7	302.7	3 407.4	Oct	
242.8	2 803.5	16.5	190.9	259.3	2 994.4	Nov	
107.9	1 265.8	10.1	118.7	118.0	1 384.5	Dec	

TABLE 6.4 EXPORTS: OTHER PRINCIPAL EXPORTS
(P 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
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		378.5	3 789.9	115.9	1 173.0	58.6	593.7	36.7	371.9	69.8	700.7	28.6	288.8
2016		238.0	2 631.1	105.7	1 147.8	68.7	719.0	25.8	280.3	48.5	529.6	38.8	424.4
2017	Q1	0.2	2.4	8.0	84.0	17.2	180.2	4.1	42.6	27.0	284.8	6.9	72.0
	Q2	1.4	15.0	18.9	194.8	10.0	103.7	3.9	40.5	12.3	127.7	8.3	86.1
	Q3	1.4	14.3	32.4	330.9	19.6	200.4	4.5	46.0	7.5	76.8	11.8	120.8
	Q4	0.9	9.3	26.7	277.8	15.3	157.8	5.1	53.1	8.6	88.4	9.0	93.2
2018	Q1	0.6	6.1	21.2	203.7	19.8	190.1	5.7	54.4	12.6	121.0	8.8	84.8
	Q2	1.9	19.4	27.7	277.4	15.4	152.7	6.2	61.9	12.9	128.5	13.5	133.5
	Q3	3.3	35.6	26.0	274.7	34.4	367.4	4.8	50.9	8.3	90.2	10.9	114.4
	Q4	1.0	10.6	20.2	215.4	16.3	174.8	6.3	68.4	25.9	279.4	11.1	118.6
2019	Jan	-	0.1	3.1	32.3	5.1	53.7	1.4	14.2	2.3	24.1	3.1	32.6
	Feb	-	0.2	3.8	39.4	4.3	44.8	1.4	14.4	5.2	54.3	3.1	32.2
	Mar	-	0.3	2.0	21.4	5.1	54.6	1.2	13.1	4.1	44.0	2.7	28.5
	Apr	-	0.1	4.1	43.6	4.0	42.9	1.3	13.8	3.9	41.7	3.7	39.5
	May	-	0.1	7.1	75.8	5.2	56.0	1.2	13.3	2.5	26.8	2.7	29.2
	Jun	-	0.1	9.5	102.1	2.8	30.5	1.1	11.8	3.3	35.7	5.3	57.0
	Jul	0.1	1.0	5.6	59.1	5.3	56.4	1.0	10.8	2.3	24.7	2.1	22.8
	Aug	-	0.2	5.9	64.8	4.2	46.2	1.2	13.3	2.9	31.6	4.6	51.1
	Sep	-	0.1	8.2	89.8	5.6	61.1	1.2	12.9	3.8	41.9	4.2	45.7
	Oct	-	0.2	8.6	94.6	3.2	35.6	1.1	12.1	2.8	31.0	3.1	33.8
	Nov	-	0.2	2.2	24.0	3.1	33.5	1.6	17.1	3.9	42.3	2.7	29.1
	Dec	-	0.1	1.5	16.5	4.3	45.9	1.4	14.8	4.4	47.4	3.2	34.9
2020	Jan	-	0.2	1.2	12.5	6.0	64.1	1.5	15.6	2.6	28.1	1.9	20.5
	Feb	-	1.7	1.3	14.8	6.0	65.8	1.4	14.9	2.8	30.9	4.2	46.7
	Mar	24.3	280.3	0.7	8.3	4.7	53.9	1.1	12.9	2.9	33.9	2.0	22.6
	Apr	0.3	3.7	1.1	12.9	3.4	41.4	-	-	-	-	6.3	76.7
	May	0.3	3.5	1.5	18.3	3.9	46.5	0.6	7.2	0.3	3.6	3.9	46.5
	Jun	0.2	2.1	1.6	19.1	6.7	77.9	0.9	11.1	2.3	27.0	2.0	23.9
	Jul	0.2	2.2	2.8	32.9	4.5	52.5	1.1	12.7	2.9	33.0	6.1	70.2
	Aug	0.3	3.3	3.0	34.7	4.9	56.5	1.1	12.8	3.1	36.5	4.1	48.1
	Sep	0.1	0.7	1.9	22.1	4.9	56.4	1.4	15.7	2.4	28.1	4.9	56.5
	Oct	0.1	0.8	3.0	34.2	6.3	72.4	1.7	19.4	2.2	24.9	2.9	33.6
	Nov	-	0.2	0.6	7.1	7.2	80.6	2.4	26.9	1.5	16.2	4.6	51.6
	Dec	-	-	0.5	5.8	5.6	61.1	1.2	13.1	2.9	32.1	6.9	75.4
2021	Jan	-	0.2	0.1	0.6	6.0	65.6	1.4	14.9	2.0	22.1	4.0	44.0
	Feb	-	-	0.2	2.1	4.7	51.5	1.1	12.1	1.9	20.7	1.5	16.8
	Mar	0.1	0.9	0.8	9.2	4.9	54.7	1.6	18.0	4.4	48.5	4.7	51.5
	Apr	-	0.1	0.8	9.0	5.0	54.8	1.3	14.3	2.7	29.8	-	-
	May	-	0.3	1.7	17.9	5.1	54.8	1.4	15.0	1.6	17.5	5.8	62.1
	Jun	-	0.3	3.2	34.6	6.9	73.8	1.3	14.4	1.9	20.2	3.3	35.8
	Jul	7.9	86.8	1.2	12.7	9.5	104.5	1.3	14.6	2.2	24.2	-	-
	Aug	35.6	396.7	1.6	17.8	4.6	51.3	1.7	18.5	3.2	35.7	6.4	71.7
	Sep	22.3	247.2	1.2	13.3	5.7	62.7	1.7	18.4	2.3	26.0	2.3	25.3
	Oct	14.0	157.7	0.9	9.7	6.2	69.4	2.3	25.6	1.6	17.9	2.8	31.3
	Nov	14.7	170.0	1.6	17.9	7.9	91.4	2.2	25.4	14.5	167.9	2.6	30.4
	Dec	13.1	153.4	1.3	15.0	6.2	72.9	1.8	20.9	1.3	15.5	1.6	18.8

1. Effective July 2012, data on copper-nickel is as reported by Statistics Botswana. Previously this was obtained directly from major exporters.

Source: Statistics Botswana

TABLE 6.5: FOREIGN EXCHANGE RESERVES: SELECTED CURRENCIES
(P Million)

End of		Pula	US dollar	SDR
2012		59 317	7 628	4 959
2013		67 772	7 726	5 008
2014		79 111	8 323	5 751
2015		84 881	7 546	5 449
2016		76 804	7 189	5 346
2017	Mar	73 957	7 041	5 184
	Jun	74 734	7 287	5 239
	Sep	76 763	7 454	5 274
	Dec	73 693	7 502	5 262
2018	Mar	70 582	7 383	5 082
	Jun	74 297	7 147	5 074
	Sep	75 781	7 146	5 115
	Dec	71 427	6 657	4 786
2019	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
2020	Jan	68 886	6 296	4 560
	Feb	66 106	5 897	4 290
	Mar	62 007	5 202	3 801
	Apr	68 877	5 703	4 160
	May	66 112	5 567	4 059
	Jun	63 649	5 391	3 914
	Jul	63 666	5 501	3 896
	Aug	62 443	5 420	3 815
	Sep	58 846	5 067	3 595
	Oct	57 499	5 037	3 571
	Nov	58 702	5 283	3 698
	Dec	53 364	4 941	3 421
2021	Jan	58 638	5 348	3 706
	Feb	55 771	5 081	3 525
	Mar	53 083	4 820	3 397
	Apr	56 273	5 166	3 601
	May	51 012	4 810	3 326
	June	50 937	4 666	3 275
	July	52 012	4 707	3 298
	Aug	53 952	4 888	3 437
	Sep	52 096	4 605	3 261
	Oct	60 024	5 270	3 733
	Nov	57 613	4 926	3 526
	Dec	56 018	4 806	3 445

Source: Bank of Botswana

TABLE 6.6: INTERNATIONAL INVESTMENT POSITION
(P Million)

As at end of	2012	2013	2014	2015	2016	2017	2018	2019	2020 ¹	2021 ²
NET INTERNATIONAL INVESTMENT	44 975	58 635	70 897	84 432	57 809	71 428	55 931	55 370	64 863	73 717
ASSETS	98 268	117 615	135 713	155 545	143 853	153 389	144 094	149 571	152 397	168 847
Direct investment	6 474	7 169	8 131	10 031	10 106	11 721	9 828	10 753	12 026	11 389
Equity and investment fund shares	6 174	6 837	7 078	7 636	2 642	2 696	2 845	4 489	2 973	3 731
Direct investor in direct investment enterprises	6 174	6 837	7 078	7 636	2 642	2 696	2 845	4 489	2 973	3 731
Debt instruments	300	332	1 054	2 394	7 464	9 025	6 983	6 264	9 053	7 658
Direct investor in direct investment enterprises	300	332	1 054	2 394	7 464	9 025	6 983	6 264	9 053	7 658
Portfolio investment	22 858	33 316	38 094	48 114	45 158	53 860	45 847	55 763	66 823	78 424
Equity and investment fund shares	18 093	27 964	30 067	40 143	36 795	41 460	37 050	42 968	52 041	60 872
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	18 093	27 964	30 067	40 143	36 795	41 460	37 050	42 968	52 041	60 872
Debt instruments	4 765	5 352	8 027	7 971	8 362	12 400	8 797	12 795	14 782	17 552
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	4 765	5 352	8 027	7 971	8 362	12 400	8 797	12 795	14 782	17 552
Financial derivatives (other than reserves) and employee stock options	-	-	-	-	89	70	14	162	9	86
Deposit-taking corporations, except central bank	-	-	-	-	89	70	14	162	9	86
Other sectors	-	-	-	-	-	-	-	-	-	-
Other investment	9 619	9 359	10 377	12 520	11 696	14 045	16 979	17 664	20 175	22 929
Other Equity	-	-	-	-	-	-	-	-	-	-
Currency and deposits	6 752	6 558	7 767	9 794	9 410	11 663	13 298	14 126	15 159	18 236
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	6 752	6 558	7 767	9 794	9 410	11 411	13 088	12 893	13 938	17 009
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	-	-	-	-	-	252	210	1 234	1 221	1 227
Loans	934	810	646	655	934	738	2 206	1 831	4 803	3 733
Deposit-taking corporations, except central bank	364	240	76	85	85	75	219	199	359	613
Short-term	273	180	57	63	64	56	164	149	269	460
Long-term	91	60	19	21	21	19	55	50	90	153
General government	570	570	570	570	570	570	570	570	570	652
Short-term	570	570	570	570	570	570	570	570	570	652
Long-term	-	-	-	-	-	-	-	-	-	-
Other sectors	-	-	-	-	279	93	1 417	1 062	3 874	2 468
Short-term	-	-	-	-	178	-	-	-	640	320
Long-term	-	-	-	-	101	93	1 417	1 062	3 235	2 148
Trade credit and advances	-	-	-	111	110	135	233	168	168	168
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	-	-	-	111	110	135	233	168	168	168
Other accounts receivable	1 934	1 992	1 964	1 960	1 243	1 509	1 242	1 538	45	791
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	1 934	1 992	1 964	1 960	1 243	1 509	1 242	1 538	45	791
Short-term	1 450	1 494	1 473	1 469	2	120	-	33	45	39
Long-term	483	498	491	491	1 241	1 389	1 242	1 505	-	753
Reserve assets	59 317	67 772	79 111	84 881	76 804	73 693	71 427	65 229	53 364	56 018
Monetary gold	-	-	-	-	-	-	-	-	-	-
Special drawing rights	1 042	1 178	1 200	1 359	862	953	901	891	951	4 123
Reserve position in the IMF	336	422	430	425	586	389	519	583	745	821
Other reserve assets	57 939	66 172	77 481	83 098	75 357	72 351	70 007	63 755	51 668	51 074
Currency and deposits	10 231	6 453	13 103	7 886	13 052	7 648	18 287	10 975	3 296	2 595
Claims on monetary authorities	74	-	-	-	-	-	-	-	-	-
Claims on other entities	10 157	6 453	13 103	7 886	13 052	7 648	18 287	10 975	3 296	2 595
Securities	47 708	59 719	64 378	75 212	62 305	64 704	51 719	52 781	48 372	48 480
Debt securities	28 141	36 519	37 487	43 792	32 199	38 646	35 733	35 456	33 040	36 113
Short-term	-	-	-	-	-	-	-	-14	-7	-5
Long-term	28 141	36 519	37 487	43 792	32 199	38 646	35 733	35 470	33 047	36 118
Equity and investment fund shares	19 567	23 201	26 891	31 420	30 106	26 058	15 987	17 325	15 332	12 367
Financial derivatives	-	-	-	-	-	-	-	-	-	-
Other claims	-	-	-	-	-	-	-	-	-	-

TABLE 6.6 (Continued)
INTERNATIONAL INVESTMENT POSITION
(P Million)

As at end of	2012	2013	2014	2015	2016	2017	2018	2019	2020 ¹	2021 ²
LIABILITIES	53 293	58 981	64 816	71 114	86 044	81 961	88 163	94 201	87 534	95 130
Direct investment	27 509	32 125	36 749	40 584	53 688	51 594	55 521	57 928	61 860	59 894
Equity and investment fund shares	25 823	28 412	32 144	35 291	32 246	38 017	40 558	38 476	38 107	38 292
Direct investor in direct investment enterprises	25 823	28 412	32 144	35 291	32 246	38 017	40 558	38 476	38 107	38 292
Debt instruments	1 687	3 713	4 605	5 293	21 442	13 577	14 963	19 453	23 753	21 603
Direct investor in direct investment enterprises	1 687	3 713	4 605	5 293	21 442	13 577	14 963	19 453	23 753	21 603
Portfolio investment	2 777	2 792	2 793	2 794	962	1 716	1 694	1 592	1 386	1 489
Equity and investment fund shares	563	577	579	580	939	1 057	1 133	1 030	824	927
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	563	577	579	580	939	1 057	1 133	1 030	824	927
Debt securities	2 214	2 215	2 214	2 214	23	658	561	562	562	562
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	2 214	2 215	2 214	2 214	23	22	-	-	-	-
Other sectors	-	-	-	-	-	637	561	562	562	562
Financial derivatives (other than reserves) and employee stock options	-	-	-	-	-	443	760	939	29	484
Other Investment	23 006	24 063	25 274	27 736	31 395	28 207	30 189	33 742	24 259	33 263
Currency and deposits	2 279	2 213	3 301	3 267	4 081	4 239	4 525	5 663	5 137	5 378
Central Bank	962	975	1 059	1 080	1 480	1 538	1 380	1 445	1 464	1 303
Deposit-taking corporations, except central bank	1 317	1 238	2 241	2 187	2 601	2 696	3 139	3 154	3 038	3 441
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	-	-	-	-	-	6	6	1 064	635	635
Loans	18 653	19 739	19 873	22 202	25 723	22 530	23 691	26 228	17 285	22 846
Central Bank	13	15	7	6	7	9	6	10	19	24
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	14 290	15 556	15 776	17 981	18 345	16 659	16 028	14 488	14 892	15 769
Other sectors	4 350	4 168	4 090	4 214	7 372	5 862	7 657	11 730	2 374	7 052
Short-term	1 660	1 537	1 484	1 484	31	-	-	-	562	281
Long-term	2 690	2 631	2 606	2 730	7 341	5 862	7 657	11 730	1 812	6 771
Trade credit and advances	1 385	1 333	1 310	1 373	564	520	1 017	846	832	839
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	1 385	1 333	1 310	1 373	564	520	1 017	846	832	839
Short-term	1 385	1 333	1 310	1 373	564	520	1 017	846	832	839
Long-term	-	-	-	-	-	-	-	-	-	-
Other accounts payable	-	-	-	-	201	113	99	162	109	136
Central Bank	-	-	-	-	-	-	-	-	-	-
Deposit-taking corporations, except central bank	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-
Other sectors	-	-	-	-	201	113	99	162	109	136
Allocation of SDRs (Net incurrence of liabilities)	689	779	790	894	825	804	857	842	896	4 065

1. The 2020 figures were revised to include results of the 2020 Balance of Payments Survey.

2. Preliminary estimates.

Source: Bank of Botswana

TABLE 6.7: IMPORTS - MAJOR COMMODITY GROUP (c.i.f.)¹
(P million)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Chemical and rubber products	5 443	5 823	5 871	6 386	6 562	5 681	5 728	6 344	6 999	8 773
Diamonds	16 512	24 507	25 980	25 232	18 905	14 419	18 348	20 050	23 071	31 928
Food, beverages and tobacco	6 132	6 393	6 287	7 023	7 480	6 958	7 919	9 003	9 519	10 710
Fuel	10 007	10 866	10 895	9 117	8 652	8 101	8 515	8 864	9 669	11 118
Furniture	594	613	661	692	716	652	769	769	737	849
Machinery and electric equipment	9 098	7 573	8 256	9 205	9 190	7 252	8 434	8 775	8 301	10 161
Metal and metal products	2 922	3 025	2 801	2 907	3 046	2 479	2 912	3 550	3 001	4 353
Salt, ores and related products	644	632	728	1 797	1 510	502	590	690	681	856
Textiles and footwear	1 897	1 901	2 047	2 031	1 936	1 651	1 789	1 629	1 495	1 976
Vehicles and transport equipment	5 617	5 134	5 638	5 321	5 035	4 165	5 309	6 820	6 453	6 369
Wood and paper products	1 487	1 435	1 499	1 476	1 591	1 412	1 579	1 615	1 505	1 917
Other goods	1 761	2 317	1 764	1 997	2 261	1 946	2 677	2 504	3 124	2 904
TOTAL	62 115	70 218	72 425	73 182	66 882	55 217	64 570	70 612	74 554	91 914

1. The breakdown of merchandise imports by commodity does not match the total shown in the Balance of Payments Table 6.1, which reports import data adjusted for freight and insurance.

Source: Statistics Botswana

TABLE 6.8: EXCHANGE RATES - FOREIGN CURRENCY PER PULA

End of Period		US dollar	Pound sterling	Japanese yen	Euro	Chinese yuan ¹	SA rand	SDR
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		0.0890	0.0600	10.72	0.0814	...	1.3830	0.0642
2016		0.0939	0.0765	10.95	0.0891	0.6544	1.2792	0.0699
2017	Q1	0.0950	0.0762	10.62	0.0889	0.6542	1.2781	0.0700
	Q2	0.0979	0.0752	10.97	0.0856	0.6631	1.2741	0.0703
	Q3	0.0970	0.0723	10.93	0.0823	0.6459	1.3118	0.0687
	Q4	0.1013	0.0753	11.42	0.0848	0.6605	1.2563	0.0713
2018	Q1	0.1049	0.0745	11.18	0.0851	0.6590	1.2348	0.0722
	Q2	0.0962	0.0734	10.64	0.0826	0.6367	1.3171	0.0684
	Q3	0.0944	0.0722	10.72	0.0812	0.6500	1.3339	0.0676
	Q4	0.0932	0.0734	10.28	0.0815	0.6411	1.3441	0.0671
2019	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
2020	Jan	0.0918	0.0701	10.00	0.0832	0.6408	1.3589	0.0667
	Feb	0.0893	0.0693	9.73	0.0812	0.6265	1.3962	0.0651
	Mar	0.0836	0.0677	9.05	0.0759	0.5937	1.5032	0.0611
	Apr	0.0831	0.0667	8.85	0.0765	0.5866	1.5062	0.0609
	May	0.0844	0.0684	9.05	0.0761	0.6050	1.4778	0.0616
	Jun	0.0848	0.0691	9.14	0.0756	0.5996	1.4683	0.0616
	Jul	0.0871	0.0663	9.09	0.0733	0.6092	1.4620	0.0616
	Aug	0.0874	0.0656	9.24	0.0735	0.5995	1.4524	0.0616
	Sep	0.0857	0.0666	9.05	0.0734	0.5848	1.4654	0.0609
	Oct	0.0872	0.0676	9.10	0.0747	0.5841	1.4322	0.0618
	Nov	0.0906	0.0679	9.41	0.0756	0.5959	1.3819	0.0634
	Dec	0.0927	0.0680	9.56	0.0754	0.6039	1.3561	0.0641
2021	Jan	0.0905	0.0661	9.46	0.0748	0.5863	1.3797	0.0629
	Feb	0.0910	0.0652	9.66	0.0748	0.5893	1.3677	0.0631
	Mar	0.0902	0.0656	9.98	0.0770	0.5924	1.3447	0.0637
	Apr	0.0924	0.0663	10.05	0.0762	0.5975	1.3231	0.0643
	May	0.0940	0.0663	10.32	0.0771	0.5986	1.2958	0.0651
	Jun	0.0916	0.0662	10.13	0.0770	0.5921	1.3100	0.0642
	Jul	0.0906	0.0649	9.93	0.0762	0.5858	1.3234	0.0634
	Aug	0.0902	0.0654	9.91	0.0763	0.5827	1.3185	0.0633
	Sep	0.0885	0.0653	9.86	0.0758	0.5725	1.3316	0.0626
	Oct	0.0881	0.0639	10.00	0.0755	0.5624	1.3350	0.0622
	Nov	0.0847	0.0636	9.58	0.0749	0.5399	1.3717	0.0605
	Dec	0.0852	0.0631	9.80	0.0753	0.5427	1.3548	0.0609

1. The Chinese yuan (CNH) was introduced in October 2016.

Source: Bank of Botswana

TABLE 6.9: EXCHANGE RATES - FOREIGN CURRENCY PER PULA - AVERAGES¹

Period		US dollar	Pound sterling	Japanese yen	Euro	Chinese yuan ²	SA rand	SDR
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		0.0989	0.0647	11.96	0.0891	...	1.2570	0.0707
2016		0.0918	0.0681	9.97	0.0830	0.6406	1.3495	0.0661
2017	Q1	0.0956	0.0772	10.86	0.0897	0.6560	1.2646	0.0706
	Q2	0.0965	0.0755	10.72	0.0877	0.6613	1.2740	0.0702
	Q3	0.0980	0.0749	10.88	0.0834	0.6539	1.2914	0.0695
	Q4	0.0966	0.0728	10.91	0.0820	0.6390	1.3191	0.0685
2018	Q1	0.1040	0.0747	11.26	0.0846	0.6607	1.2433	0.0718
	Q2	0.1007	0.0740	10.99	0.0844	0.6418	1.2715	0.0704
	Q3	0.0948	0.0727	10.56	0.0815	0.6458	1.3336	0.0677
	Q4	0.0936	0.0727	10.56	0.0820	0.6472	1.3357	0.0675
2019	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
2020	Jan	0.0931	0.0712	10.18	0.0839	0.6450	1.3412	0.0675
	Feb	0.0909	0.0701	10.00	0.0833	0.6365	1.3644	0.0664
	Mar	0.0868	0.0701	9.32	0.0784	0.6100	1.4443	0.0632
	Apr	0.0821	0.0662	8.85	0.0756	0.5820	1.5275	0.0602
	May	0.0829	0.0674	8.88	0.0761	0.5906	1.5051	0.0608
	Jun	0.0854	0.0682	9.19	0.0759	0.6052	1.4639	0.0619
	Jul	0.0865	0.0682	9.23	0.0754	0.6064	1.4491	0.0622
	Aug	0.0859	0.0654	9.10	0.0726	0.5948	1.4805	0.0608
	Sep	0.0868	0.0669	9.17	0.0736	0.5916	1.4532	0.0615
	Oct	0.0873	0.0673	9.19	0.0742	0.5857	1.4377	0.0617
	Nov	0.0896	0.0679	9.35	0.0757	0.5912	1.3950	0.0630
	Dec	0.0917	0.0683	9.52	0.0754	0.5985	1.3689	0.0637
2021	Jan	0.0911	0.0668	9.45	0.0748	0.5890	1.3772	0.0631
	Feb	0.0918	0.0662	9.66	0.0758	0.5918	1.3548	0.0637
	Mar	0.0905	0.0653	9.83	0.0760	0.5891	1.3568	0.0634
	Apr	0.0920	0.0664	10.02	0.0768	0.5994	1.3248	0.0643
	May	0.0932	0.0661	10.17	0.0767	0.5989	1.3092	0.0647
	Jun	0.0932	0.0664	10.26	0.0773	0.5990	1.2961	0.0649
	Jul	0.0907	0.0657	10.01	0.0767	0.5876	1.3190	0.0637
	Aug	0.0898	0.0650	9.86	0.0763	0.5815	1.3274	0.0631
	Sep	0.0903	0.0656	9.94	0.0766	0.5827	1.3118	0.0635
	Oct	0.0888	0.0649	10.06	0.0766	0.5704	1.3192	0.0629
	Nov	0.0866	0.0643	9.88	0.0759	0.5533	1.3432	0.0617
	Dec	0.0853	0.0641	9.71	0.0754	0.5431	1.3553	0.0610

1. The monthly averages are calculated from the daily exchange rates. The quarterly and annual averages are calculated from the relevant monthly averages.

2. The Chinese yuan (CNH) was introduced in October 2016.

Source: Bank of Botswana

TABLE 6.10: EXCHANGE RATES - SELECTED FOREIGN CURRENCIES PER US DOLLAR

End of Period		Euro	Pound sterling	Japanese yen	Chinese yuan ¹	SA rand	SDR
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		0.9149	0.6746	120.42	...	15.5378	0.7208
2016		0.9487	0.8145	116.62	6.9687	13.6213	0.7442
2017	Q1	0.9360	0.8018	111.79	6.8850	13.4513	0.7369
	Q2	0.8744	0.7683	112.05	6.7726	13.0138	0.7178
	Q3	0.8487	0.7453	112.68	6.6585	13.5238	0.7083
	Q4	0.8368	0.7427	112.70	6.5183	12.3975	0.7032
2018	Q1	0.8114	0.7103	106.57	6.2804	11.7688	0.6879
	Q2	0.8593	0.7630	110.67	6.6217	13.6975	0.7111
	Q3	0.8597	0.7648	113.48	6.8835	14.1263	0.7156
	Q4	0.8749	0.7883	110.39	6.8809	14.4263	0.7198
2019	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
2020	Jan	0.9072	0.7635	109.04	6.9838	14.8105	0.7267
	Feb	0.9088	0.7762	108.86	7.0118	15.6275	0.7282
	Mar	0.9083	0.8103	108.32	7.1059	17.9910	0.7313
	Apr	0.9206	0.8021	106.49	7.0571	18.1190	0.7322
	May	0.9011	0.8102	107.22	7.1675	17.5070	0.7296
	Jun	0.8916	0.8144	107.74	7.0706	17.3150	0.7267
	Jul	0.8413	0.7617	104.38	6.9942	16.7850	0.7070
	Aug	0.8405	0.7505	105.68	6.8580	16.6150	0.7052
	Sep	0.8568	0.7775	105.64	6.8266	17.1050	0.7112
	Oct	0.8559	0.7748	104.27	6.6960	16.4188	0.7086
	Nov	0.8350	0.7493	103.90	6.5781	15.2563	0.6995
	Dec	0.8136	0.7334	103.13	6.5162	14.6313	0.6913
2021	Jan	0.8263	0.7295	104.50	6.4747	15.2375	0.6948
	Feb	0.8226	0.7169	106.17	6.4783	15.0367	0.6936
	Mar	0.8536	0.7277	110.74	6.5706	14.9153	0.7062
	Apr	0.8255	0.7176	108.81	6.4692	14.3257	0.6957
	May	0.8201	0.7049	109.74	6.3668	13.7830	0.6924
	Jun	0.8404	0.7221	110.50	6.4607	14.2949	0.7008
	Jul	0.8419	0.7171	109.61	6.4680	14.6131	0.7005
	Aug	0.8454	0.7247	109.83	6.4587	14.6139	0.7020
	Sep	0.8559	0.7378	111.40	6.4673	15.0433	0.7067
	Oct	0.8570	0.7253	113.54	6.3873	15.1613	0.7060
	Nov	0.8840	0.7508	113.18	6.3754	16.1980	0.7147
	Dec	0.8841	0.7410	115.12	6.3728	15.9090	0.7148

1. The Chinese yuan (CNH) was introduced in October 2016.

Source: Bank of Botswana

TABLE 6.11: EXCHANGE RATES - SELECTED FOREIGN CURRENCIES PER US DOLLAR - AVERAGES¹

Period		Euro	Pound sterling	Japanese yen	Chinese yuan ²	SA rand	SDR
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		0.9014	0.6542	121.01	...	12.7531	0.7147
2016		0.9038	0.7403	108.76	6.8412	14.7244	0.7195
2017	Q1	0.9383	0.8072	113.61	6.8619	13.2311	0.7909
	Q2	0.9097	0.7824	111.13	6.8557	13.2115	0.7850
	Q3	0.8513	0.7645	111.00	6.6734	13.1798	0.7743
	Q4	0.8492	0.7532	112.88	6.6146	13.6632	0.7582
2018	Q1	0.8132	0.7183	108.29	6.3538	11.9582	0.6907
	Q2	0.8391	0.7350	109.17	6.3757	12.6413	0.6997
	Q3	0.8598	0.7675	111.46	6.8158	14.0899	0.7141
	Q4	0.8764	0.7775	112.84	6.9177	14.2794	0.7211
2019	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
2020	Jan	0.9010	0.7653	109.33	6.9290	14.4095	0.7248
	Feb	0.9168	0.7710	110.04	7.0029	15.0131	0.7303
	Mar	0.9028	0.8083	107.39	7.0263	16.6560	0.7283
	Apr	0.9205	0.8060	107.72	7.0858	18.6012	0.7335
	May	0.9182	0.8131	107.16	7.1269	18.1687	0.7336
	Jun	0.8883	0.7981	107.60	7.0845	17.1374	0.7248
	Jul	0.8722	0.7890	106.69	7.0108	16.7548	0.7186
	Aug	0.8453	0.7614	106.01	6.9271	17.2438	0.7082
	Sep	0.8478	0.7709	105.59	6.8147	16.7400	0.7081
	Oct	0.8495	0.7704	105.19	6.7073	16.4650	0.7071
	Nov	0.8455	0.7578	104.38	6.6001	15.5754	0.7035
	Dec	0.8219	0.7445	103.82	6.5280	14.9336	0.6950
2021	Jan	0.8213	0.7332	103.71	6.4666	15.1223	0.6932
	Feb	0.8265	0.7215	105.31	6.4488	14.7651	0.6943
	Mar	0.8398	0.7216	108.67	6.5124	14.9985	0.7003
	Apr	0.8353	0.7225	108.95	6.5194	14.4088	0.6994
	May	0.8231	0.7098	109.13	6.4277	14.0512	0.6941
	Jun	0.8297	0.7127	110.09	6.4248	13.9055	0.6965
	Jul	0.8457	0.7237	110.28	6.4769	14.5397	0.7025
	Aug	0.8496	0.7246	109.84	6.4779	14.7910	0.7034
	Sep	0.8488	0.7271	110.09	6.4566	14.5374	0.7032
	Oct	0.8619	0.7303	113.18	6.4200	14.8493	0.7079
	Nov	0.8762	0.7426	114.05	6.3892	15.5154	0.7126
	Dec	0.8848	0.7521	113.86	6.3704	15.8975	0.7153

1. The monthly averages are calculated from the daily exchange rates. The quarterly and annual averages are calculated from the relevant monthly averages.

2. The Chinese yuan (CNH) was introduced in October 2016.

Source: Bank of Botswana

TABLE 6.12: REAL EXCHANGE RATES INDICES - FOREIGN CURRENCY PER PULA¹
(December 2018 = 100)²

End of		US dollar	Euro	Pound sterling	Japanese yen	Chinese yuan ³	SA rand	SDR	REER ⁴
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		92.2	94.4	79.4	96.2	...	109.2	91.5	100.1
2016		98.1	105.3	102.5	101.0	99.1	97.5	101.0	99.4
2017	Q1	99.7	105.6	102.7	100.0	100.7	97.4	101.9	99.8
	Q2	103.2	102.2	101.9	105.4	103.1	96.1	103.0	99.8
	Q3	101.8	98.8	97.2	103.8	100.6	97.9	100.5	99.3
	Q4	107.1	102.0	101.1	107.6	101.4	94.3	104.3	99.7
2018	Q1	110.5	102.5	100.8	107.0	102.2	93.2	105.9	100.0
	Q2	101.6	99.7	100.1	104.7	100.2	97.9	101.0	99.6
	Q3	99.7	98.2	97.6	103.5	101.6	97.7	99.6	98.7
	Q4	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
2020	Jan	98.4	103.6	96.8	99.6	97.2	99.9	99.8	99.9
	Feb	96.4	101.5	95.7	96.5	95.3	102.2	97.8	99.8
	Mar	89.8	94.5	93.5	90.6	91.1	110.1	91.8	99.6
	Apr	90.8	96.0	93.0	91.0	91.5	110.5	92.7	100.3
	May	91.6	95.5	95.4	92.3	95.0	108.2	93.5	99.9
	Jun	90.9	93.1	95.2	92.5	92.9	106.0	92.3	98.2
	Jul	93.2	91.3	91.0	90.9	94.3	103.6	92.3	97.2
	Aug	93.4	92.1	90.6	92.6	93.1	102.9	92.6	97.1
	Sep	92.0	92.6	92.3	91.3	91.5	104.9	92.1	97.7
	Oct	94.3	94.3	94.1	91.4	90.6	103.2	93.6	97.8
	Nov	98.0	95.4	94.7	94.7	93.0	99.2	96.1	97.5
	Dec	100.1	95.6	94.8	97.4	93.9	98.2	97.3	97.7
2021	Jan	97.9	94.4	92.7	98.3	91.2	100.5	95.6	97.8
	Feb	98.9	94.9	91.8	100.6	92.0	99.7	96.4	97.8
	Mar	97.5	97.6	92.8	104.8	93.4	98.5	97.2	97.8
	Apr	102.3	99.4	96.2	109.7	97.6	98.2	100.9	99.7
	May	103.1	100.8	96.1	112.4	98.6	95.7	101.9	99.1
	Jun	100.9	100.7	96.3	110.7	98.2	97.5	100.8	99.3
	Jul	100.1	101.2	95.1	109.0	97.7	97.6	100.4	99.1
	Aug	99.6	101.0	95.2	108.7	97.7	96.9	100.1	98.7
	Sep	97.7	100.2	95.1	107.7	96.4	98.4	98.9	98.7
	Oct	97.5	99.6	92.8	110.1	93.5	99.7	98.2	98.9
	Nov	93.2	97.8	91.7	105.4	89.4	101.4	95.0	97.8
	Dec	93.4	98.8	90.8	107.7	90.4	100.7	95.6	97.9

1. Calculated using headline inflation.

2. The indices have been revised due to the rebasing of CPI to December 2018.

3. The Chinese yuan (CNH) was introduced in October 2016.

4. The REER (real effective exchange rate) is the trade-weighted exchange rate of the Pula against a fixed basket of currencies, after allowing for relative inflation.

Source: Bank of Botswana

TABLE 7.1: CENTRAL GOVERNMENT BUDGET SUMMARY
(P Million)

Period ¹	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total Revenue and Grants	38 486.0	41 657.8	48 951.3	55 904.2	47 420.3	57 398.4
Tax revenue ²	35 533.1	38 606.3	44 306.3	51 655.1	44 858.6	50 847.2
Non-tax revenue	2 420.1	2 544.8	4 319.3	3 869.5	2 416.0	6 395.0
Grants	532.8	506.8	325.7	379.7	145.7	156.2
Total Expenditure	38 667.5	40 736.1	41 729.7	50 563.9	54 411.2	56 274.9
Recurrent expenditure	28 836.2	32 106.0	33 219.8	37 582.9	40 413.4	41 166.2
Development expenditure	9 955.7	8 279.6	8 908.7	13 072.0	12 772.9	15 160.8
Net lending	- 124.4	350.5	- 398.8	- 91.0	1 224.9	- 52.1
Overall Surplus(+)/Deficit(-)	- 181.4	921.7	7 221.6	5 340.3	-6 990.8	1 123.6
Financing of Surplus/Deficit	181.4	- 921.7	-7 221.6	-5 340.3	6 990.8	-1 123.6
Foreign (net) ³	87.5	-1 013.6	- 66.4	- 509.0	-1 333.1	-1 150.8
Domestic (net)	93.9	91.9	-7 155.2	-4 831.4	8 324.0	27.2
Bank ⁴	- 84.0	1 983.4	-8 722.8	-4 477.2	8 299.1	3 464.9
Other	178.0	-1 891.5	1 567.6	- 354.2	24.9	-3 437.7

1. Fiscal year runs from April 1 to March 31.

2. Mineral royalties and dividends are included under mineral tax, hence forms part of tax revenue. This differs from Ministry of Finance 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	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Tax Revenue²	35 533.1	38 606.3	44 306.3	51 655.1	44 858.6	50 847.2
Customs & excise	8 424.3	14 216.1	13 169.5	15 691.0	15 817.6	11 773.3
Mineral revenue ²	15 823.1	12 076.2	18 443.3	21 532.2	14 437.6	22 495.9
Non-mineral income taxes	6 112.7	6 725.3	7 470.8	8 383.8	8 690.6	9 572.2
Other Taxes	5 173.1	5 588.7	5 222.6	6 048.2	5 912.8	7 005.8
Export duties	1.4	2.3	2.3	1.5	1.7	3.3
Taxes on property	64.8	50.5	54.5	53.6	53.1	54.5
Taxes on motor vehicles	215.2	224.5	244.0	250.5	282.0	297.6
Business & professional licenses	40.8	28.8	36.4	32.8	28.4	7.7
VAT	4 851.0	5 282.6	4 885.4	5 709.9	5 547.6	6 642.7
Airport tax	-	-	-	-	-	-
Non-Tax Revenue	2 420.1	2 544.8	4 319.3	3 869.5	2 416.0	6 395.0
Interest	58.6	38.6	1 266.4	282.0	26.7	536.8
Other property income	122.6	56.2	12.7	47.8	18.3	66.8
Bank of Botswana revenues	863.8	1 489.8	1 900.0	2 448.5	1 133.0	2 842.0
Fees, charges & reimbursements	1 269.0	893.6	1 071.0	1 030.0	1 185.0	2 879.1
Sale of fixed assets and land	106.1	66.6	69.2	61.2	53.0	70.5
Grants	532.8	506.8	325.7	379.7	145.7	156.2
Recurrent	117.8	0.8	125.2	316.4	73.8	1.4
Development	415.0	506.0	200.6	63.2	71.9	154.8
TOTAL REVENUE AND GRANTS	38 486.0	41 657.8	48 951.3	55 904.2	47 420.3	57 398.4

1. Fiscal year runs from April 1 to March 31.

2. Mineral royalties and dividends are included under mineral tax, hence forms part of tax revenue. This differs from Ministry of Finance and Economic Development publications where these are shown separately under non-tax revenue.

Source: Ministry of Finance and Economic Development

				Revised Estimates	Budget Estimates	
2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Period ¹
56 411.0	53 470.1	54 300.0	49 374.7	...	...	Total Revenue and Grants
52 992.2	51 057.2	47 967.2	44 434.3	...	...	Tax revenue ²
3 047.3	2 335.0	6 285.4	4 902.3	...	...	Non-tax revenue
371.5	77.9	47.3	38.2	...	...	Grants
58 392.9	62 350.6	65 444.2	65 840.4	...	...	Total Expenditure
43 562.1	47 278.5	51 812.6	55 626.8	...	...	Recurrent expenditure
14 745.8	15 454.3	13 644.3	10 216.2	...	...	Development expenditure
85.0	- 382.2	- 12.8	- 2.7	...	...	Net lending
-1 981.9	-8 880.5	-11 144.2	-16 465.7	...	...	Overall Surplus(+)/Deficit(-)
1 981.9	8 880.5	11 144.2	16 465.7	...	...	Financing of Surplus/Deficit
- 675.3	-1 070.2	-1 605.2	-1 610.6	...	...	Foreign (net) ³
2 657.2	9 950.7	12 749.4	18 076.3	...	...	Domestic (net)
875.0	13 420.9	10 389.5	13 875.2	...	...	Bank ⁴
1 782.2	-3 470.2	2 360.0	4 201.0	...	...	Other

				Revised Estimates	Budget Estimates	
2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Period ¹
52 992.2	51 057.2	47 967.2	44 434.3	...	...	Tax Revenue²
17 864.4	14 788.5	13 975.7	16 459.0	...	...	Customs & excise
18 686.3	18 467.7	14 555.0	9 573.2	...	...	Mineral revenue ²
8 200.3	9 900.1	10 800.2	10 107.9	...	...	Non-mineral income taxes
8 241.3	7 900.8	8 636.3	8 294.2	...	...	Other Taxes
2.2	1.6	2.6	1.0	...	...	Export duties
56.8	67.8	68.1	57.6	...	...	Taxes on property
400.4	452.4	489.1	337.2	...	...	Taxes on motor vehicles
5.6	4.9	7.3	94.4	...	...	Business & professional licenses
7 776.4	7 374.1	8 069.3	7 804.1	...	...	VAT
-	-	-	-	...	...	Airport tax
3 047.3	2 335.0	6 285.4	4 902.3	...	...	Non-Tax Revenue
52.5	122.6	50.9	19.6	...	...	Interest
107.3	116.8	10.4	21.0	...	...	Other property income
1 573.2	740.0	5 048.9	4 009.4	...	...	Bank of Botswana revenues
1 236.1	1 310.7	1 125.1	816.8	...	...	Fees, charges & reimbursements
78.2	44.9	50.1	35.5	...	...	Sale of fixed assets and land
371.5	77.9	47.3	38.2	...	...	Grants
181.9	1.4	23.7	27.9	...	...	Recurrent
189.6	76.5	23.6	10.3	...	...	Development
56 411.0	53 470.1	54 300.0	49 374.7	...	...	TOTAL REVENUE AND GRANTS

TABLE 7.3: FUNCTIONAL CLASSIFICATION OF GOVERNMENT EXPENDITURE AND NET LENDING

(P Million)

Period ¹	2011/12	2012/13	2013/14	2014/15	2015/16
GENERAL PUBLIC SERVICES, INCLUDING DEFENCE	9 826.3	11 623.9	11 244.5	12 911.7	13 469.5
Recurrent expenditure	8 429.7	10 586.1	9 710.7	10 951.3	11 350.9
Development expenditure	1 396.6	1 037.9	1 533.8	1 960.4	2 118.6
SOCIAL SERVICES	17 205.7	17 236.8	18 844.1	22 378.5	24 578.5
Education	8 379.9	8 519.1	9 456.0	11 656.8	11 972.8
Recurrent expenditure	7 921.2	8 072.2	8 763.1	10 378.6	10 706.5
Development expenditure	458.8	446.9	692.9	1 278.1	1 266.3
Net lending	-	-	-	-	-
Health	4 381.1	4 355.1	4 531.1	5 312.4	6 012.6
Recurrent expenditure	3 455.2	4 152.6	4 508.7	5 275.8	5 902.7
Development expenditure	926.0	202.5	22.4	43.9	114.0
Net lending	-	-	-	- 7.3	- 4.1
Food and social welfare programmes	719.1	923.9	1 660.0	1 771.2	1 868.8
Recurrent expenditure	396.3	769.0	906.8	936.2	1 007.0
Development expenditure	322.8	154.9	753.2	835.0	861.8
Housing, urban and regional development	2 861.6	2 483.0	1 989.5	2 030.0	2 868.2
Recurrent expenditure	1 437.8	1 155.5	1 323.2	1 303.4	1 593.0
Development expenditure	1 439.1	1 355.4	692.1	755.8	902.7
Net lending	- 15.2	- 27.9	- 25.8	- 29.2	372.5
Other community and social services	864.0	955.9	1 207.5	1 608.1	1 856.1
Recurrent expenditure	814.2	854.0	1 102.4	1 392.3	1 565.8
Development expenditure	49.7	101.9	105.1	215.8	290.3
Net lending	-	-	-	-	-
ECONOMIC SERVICES	8 498.3	8 212.9	7 954.8	11 141.3	11 958.5
Agriculture, forestry and fishing	1 289.4	1 538.4	1 749.7	2 099.3	2 757.0
Recurrent expenditure	829.5	943.4	1 074.6	1 020.5	1 221.9
Development expenditure	396.8	298.3	675.2	1 078.8	990.2
Net lending	63.1	296.8	-	-	545.0
Mining	729.8	283.8	- 137.1	26.5	324.6
Recurrent expenditure	683.5	176.8	207.5	176.0	250.6
Development expenditure	197.6	2.0	0.1	20.5	74.1
Net lending	- 151.3	105.0	- 344.7	- 170.0	-
Electricity and water supply	2 522.4	3 442.3	3 429.2	5 073.1	4 275.8
Recurrent expenditure	273.1	246.1	130.2	99.5	121.3
Development expenditure	2 269.1	3 219.1	3 322.4	4 988.3	4 193.1
Net lending	- 19.7	- 22.9	- 23.4	- 14.7	- 38.7
Transport	3 074.5	2 270.8	1 800.4	2 687.9	2 795.0
Recurrent expenditure	643.5	849.7	789.6	845.5	1 146.7
Development expenditure	2 431.0	1 421.0	1 010.9	1 702.5	1 648.3
Net lending	-	-	-	139.9	-
Other²	882.1	677.6	1 112.5	1 254.5	1 806.0
Recurrent expenditure	815.0	638.1	1 016.6	1 071.2	1 142.3
Development expenditure	68.4	39.9	100.7	192.9	313.6
Net lending	- 1.2	- 0.4	- 4.8	- 9.7	350.2
TRANSFERS	3 137.2	3 662.5	3 686.4	4 132.4	4 404.7
Deficit grants to local authorities	2 550.6	2 990.5	2 999.0	3 454.7	3 578.0
Recurrent expenditure	2 550.6	2 990.5	2 999.0	3 454.7	3 578.0
Interest on public debt	586.6	672.0	687.5	677.7	826.8
TOTAL EXPENDITURE	38 667.5	40 736.2	41 729.8	50 563.9	54 411.2
Recurrent expenditure	28 836.2	32 106.0	33 219.8	37 582.9	40 413.4
Development expenditure	9 955.7	8 279.6	8 908.7	13 072.0	12 772.9
Net lending	- 124.4	350.5	- 398.8	- 91.0	1 224.9

1. Fiscal year runs from April 1 to March 31.

2. Other refers to General Administration, Regulation and Technical Services and Promotion of Commerce and Industry.

Source: Ministry of Finance and Economic Development

2016/17	2017/18	2018/19	2019/20	2020/21	Period ¹
15 799.8	15 076.6	16 745.2	12 762.4	...	GENERAL PUBLIC SERVICES, INCLUDING DEFENCE
11 596.7	11 533.9	13 032.2	10 830.9	...	Recurrent expenditure
4 203.1	3 542.7	3 713.0	1 931.5	...	Development expenditure
25 343.6	26 683.5	25 343.6	29 607.6	...	SOCIAL SERVICES
12 839.8	13 174.1	13 952.9	14 361.8	...	Education
11 655.2	12 403.7	13 296.6	13 616.0	...	Recurrent expenditure
1 184.6	770.4	656.3	745.8	...	Development expenditure
-	-	-	-	...	Net lending
6 355.1	7 137.5	7 438.5	8 090.8	...	Health
6 096.3	6 774.6	7 052.7	7 803.1	...	Recurrent expenditure
263.3	367.7	391.0	293.3	...	Development expenditure
- 4.5	- 4.8	- 5.2	- 5.6	...	Net lending
1 859.1	2 551.4	2 449.3	2 804.4	...	Food and social welfare programmes
940.4	1 134.7	1 144.4	1 378.4	...	Recurrent expenditure
918.7	1 416.8	1 304.8	1 425.9	...	Development expenditure
2 541.8	1 939.3	2 486.4	2 429.7	...	Housing, urban and regional development
1 463.8	1 549.8	1 891.6	1 949.0	...	Recurrent expenditure
1 094.9	433.5	641.2	518.7	...	Development expenditure
- 16.9	- 44.1	- 46.4	- 38.1	...	Net lending
1 747.8	1 881.3	1 913.0	1 920.9	...	Other community and social services
1 572.7	1 636.3	1 727.7	1 788.7	...	Recurrent expenditure
175.1	245.0	185.3	132.2	...	Development expenditure
-	-	-	-	...	Net lending
10 804.0	11 513.9	11 946.6	11 120.9	...	ECONOMIC SERVICES
1 247.8	2 019.5	3 714.5	2 393.4	...	Agriculture, forestry and fishing
1 031.6	1 061.5	8 562.7	1 380.0	...	Recurrent expenditure
761.2	958.0	230.0	1 013.5	...	Development expenditure
- 545.0	-	560.6	-	...	Net lending
1 132.0	939.9	349.0	694.5	...	Mining
228.0	270.0	348.7	673.1	...	Recurrent expenditure
151.7	521.7	0.3	21.4	...	Development expenditure
752.0	148.3	-	-	...	Net lending
5 048.0	4 800.9	4 315.1	3 459.5	...	Electricity and water supply
121.1	142.3	145.1	141.5	...	Recurrent expenditure
4 931.1	4 660.9	4 172.3	3 320.4	...	Development expenditure
- 4.2	- 2.3	- 2.4	- 2.4	...	Net lending
2 270.0	2 658.5	3 201.3	2 755.5	...	Transport
1 003.9	892.3	926.4	946.1	...	Recurrent expenditure
1 266.1	1 767.6	2 046.3	1 809.3	...	Development expenditure
-	- 1.4	228.6	-	...	Net lending
1 106.3	1 095.1	1 272.9	1 818.1	...	Other²
1 129.0	1 044.2	1 108.6	1 182.9	...	Recurrent expenditure
211.1	61.6	175.0	645.9	...	Development expenditure
- 233.8	- 10.7	- 10.7	- 10.7	...	Net lending
4 327.4	5 118.9	5 418.8	5 652.6	...	TRANSFERS
3 449.6	4 129.4	4 327.9	4 448.5	...	Deficit grants to local authorities
3 449.6	4 129.4	4 327.9	4 448.5	...	Recurrent expenditure
877.8	989.5	1 090.9	1 204.2	...	Interest on public debt
56 274.8	58 392.9	62 350.6	65 168.7	...	TOTAL EXPENDITURE
41 166.2	43 562.2	47 278.5	51 581.1	...	Recurrent expenditure
15 160.8	14 745.8	15 454.3	13 644.3	...	Development expenditure
- 52.1	85.0	- 382.2	- 56.8	...	Net lending

TABLE 7.4: PUBLIC DEBT OUTSTANDING
(P Million)¹

As at end of March ²	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
A: Medium and Long Term External Government Debt						
Loans from Governments	766.8	868.7	1 106.7	936.1	798.4	726.0
United States	25.6	23.5	7.3	3.4	2.0	-
China	333.4	464.3	645.6	545.7	520.1	449.3
Kuwait	96.4	97.4	121.0	119.7	73.9	76.6
Belgium	2.0	1.7	1.3	2.3	1.4	0.8
Japan ³	309.5	281.9	331.5	265.0	201.1	199.3
Loans from Organisations	11 800.1	13 416.0	14 444.5	14 835.7	17 178.9	17 614.9
International Development Association	27.5	24.5	26.9	22.2	23.4	21.8
International Bank for Reconstruction and Development (World Bank)	324.8	992.1	822.9	1 011.4	1 337.2	1 443.5
African Development Fund/Bank	10 477.2	11 363.1	12 454.8	12 598.2	14 680.0	15 057.7
OPEC Special Fund	140.2	175.3	204.7	252.8	221.4	220.1
European Investment Bank	126.7	97.0	150.3	127.4	83.0	52.9
Arab Bank for Economic Development in Africa	133.6	161.6	172.2	165.1	202.2	208.7
Nordic Investment Bank	570.3	599.2	606.6	652.8	629.8	609.3
International Fund for Agricultural Development	...	3.1	6.0	5.9	2.1	1.0
Suppliers Credits and Other Loans	6.0	5.4	5.2	4.3	4.0	3.9
Total External Debt	12 572.9	14 290.1	15 556.4	15 776.1	17 981.3	18 344.9
B: Domestic Debt						
Treasury Bills	1 553.0	2 000.0	679.0	680.0	538.0	840.0
Bonds	4 505.0	5 329.0	5 529.0	6 194.0	6 791.0	6 843.0
Capital Funding	159.1	157.0	150.0	144.3	139.1	128.3
Total Domestic Debt	6 217.1	7 486.0	6 358.0	7 018.3	7 468.1	7 811.3
TOTAL GOVERNMENT DEBT	18 790.0	21 776.2	21 914.4	22 794.4	25 449.4	26 156.1
C: Government Guaranteed Debt						
Domestic	557.3	1 445.1	695.9	430.5	520.5	549.9
External	4 604.3	5 803.8	6 393.1	6 400.6	7 160.1	8 480.6
Total Government Guaranteed Debt	5 161.6	7 248.9	7 089.0	6 831.1	7 680.6	9 030.5
TOTAL GOVERNMENT AND GOVERNMENT GUARANTEED DEBT	23 951.7	29 025.1	29 003.4	29 625.5	33 130.0	35 186.7
D: Government debt as (%) of GDP⁴						
Domestic debt and domestic Guarantees as (%) of GDP	7.4	8.3	6.3	5.7	5.4	5.6
External debt and external Guarantees as (%) of GDP	18.9	18.8	19.6	16.9	17.0	18.0
Total debt as (%) of GDP	26.3	27.1	25.8	22.6	22.4	23.6

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

				Revised Estimates	Budget Estimates	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	As at end of March ²
						A: Medium and Long Term External Government Debt
562.8	547.1	607.0	587.1	...	...	Loans from Governments
-	-	-	-	...	...	United States
319.3	269.7	211.6	153.2	...	...	China
67.8	58.9	61.3	57.8	...	...	Kuwait
-	-	-	-	...	...	Belgium
175.8	218.5	334.1	376.1	...	...	Japan ³
16 093.6	13 598.3	14 543.6	14 890.9	...	...	Loans from Organisations
17.4	12.4	10.3	7.6	...	...	International Development Association
1 680.5	1 456.9	1 930.5	2 203.2	...	...	International Bank for Reconstruction and Development (World Bank)
13 472.1	11 369.5	11 761.0	11 871.0	...	...	African Development Fund/Bank
187.4	170.3	230.6	248.3	...	...	OPEC Special Fund
44.9	43.4	41.3	41.0	...	...	European Investment Bank
181.2	153.7	216.3	221.1	...	...	Arab Bank for Economic Development in Africa
503.2	388.1	351.8	297.1	...	...	Nordic Investment Bank
6.9	4.0	1.8	1.6	...	...	International Fund for Agricultural Development
2.9	2.3	1.7	1.1	...	...	Suppliers Credits and Other Loans
16 659.3	14 147.7	15 152.3	15 479.1	...	...	Total External Debt
						B: Domestic Debt
2 270.0	590.0	700.0	1 000.0	...	...	Treasury Bills
7 932.0	9 610.0	10 060.0	12 654.0	...	...	Bonds
121.2	124.5	113.0	95.6	...	...	Capital Funding
10 323.2	10 324.5	10 873.0	13 749.6	...	...	Total Domestic Debt
26 982.6	24 472.1	26 025.2	29 228.7	...	...	TOTAL GOVERNMENT DEBT
						C: Government Guaranteed Debt
2 136.2	1 790.4	1 484.0	2 006.1	...	...	Domestic
7 737.9	6 731.2	6 902.0	6 935.3	...	...	External
9 874.2	8 521.6	8 386.0	8 941.4	...	...	Total Government Guaranteed Debt
36 856.7	32 993.7	34 411.0	38 170.1	...	...	TOTAL GOVERNMENT AND GOVERNMENT GUARANTEED DEBT
						D: Government debt as (%) of GDP⁴
7.5	7.2	7.0	8.7	...	...	Domestic debt and domestic Guarantees as (%) of GDP
14.6	12.4	12.5	12.4	...	...	External debt and external Guarantees as (%) of GDP
22.1	19.6	19.5	21.1	...	...	Total debt as (%) of GDP

TABLE 7.5: GOVERNMENT LENDING - OUTSTANDING LOANS (PDSF, RSF and DF)¹
(P Million)

As at end of March	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Borrowers										
Air Botswana	...	...	...	...	...	...	...	230.0	230.0	...
Bamangwato Concessions Limited (BCL)	...	...	...	...	...	752.3	900.6	900.6	900.6	...
Botswana Cooperative Bank	...	...	...	...	...	...	...	...	...	...
Botswana Development Corporation	366.1	365.7	360.9	351.3	346.7	62.9	58.0	53.2	48.4	...
Botswana Federation of Trade Unions	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	...
Botswana Housing Corporation	101.6	82.7	66.5	50.4	436.1	425.5	385.1	344.0	307.7	...
Botswana Meat Commission	253.6	546.0	546.0	546.0	546.0	546.0	546.0	...	248.0	...
Botswana Postal Services	0.1	0.1	0.1	140.0	140.0	140.0	138.6	138.6	138.6	...
Botswana Power Corporation	46.8	46.4	49.0	40.3	41.6	33.9	33.1	31.7	31.8	...
Botswana Public Officers Medical Aid Scheme	66.0	76.6	76.6	69.3	65.1	60.7	55.8	50.6	45.0	...
Botswana Savings Bank	...	...	...	...	105.0	105.0	99.2	93.3	87.5	...
Francistown City Council	15.4	12.9	11.3	8.7	6.5	4.8	3.3	2.4	1.8	...
Gaborone City Council	8.0	6.2	4.5	3.2	...	...	...	...	...	...
Lobatse Town Council	24.2	21.1	16.9	10.1	4.6	2.6	1.7	...	...	...
National Development Bank	...	...	...	...	...	300.0	300.0	300.0	300.0	...
Okavango Diamond Trading Company	...	96.0	170.0	...	...	...	...	...	...	...
Public Enterprises Evaluation and Privatisation Agency	...	...	...	...	250.0	...	...	...	...	...
Selebi-Phikwe Town Council	14.5	12.4	10.6	8.8	6.9	5.1	4.1	2.2	1.5	...
Sowa Township Authority	4.9	4.7	4.2	3.7	3.1	2.5	2.0	1.2	0.8	...
Water Utilities Corporation	84.0	65.4	45.3	34.6	...	...	...	...	...	...
De Beers	418.7	418.7	...	...	...	...	...	...	...	...
TOTAL	1 406.9	1 758.0	1 364.8	1 269.2	1 954.7	2 444.2	2 530.6	2 150.8	2 344.6	...

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	2012	2013	2014	2015	2016	2017	2018	2019	2020
Equity Participation in:									
Air Botswana (AB)	502.5	502.5	545.5	875.5	789.4	995.1	...	1 081.4	1 081.4
Bank of Botswana	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Banyana Farms	...	7.7	9.9	9.9	9.9	9.9	9.9	1.5	2.3
Botswana Accountancy College (BAC)	...	...	...	...	...	23.4	...	73.9	73.9
Botswana Accountancy Oversight Authority (BAOA)	...	...	...	...	...	...	4.6	4.9	5.2
Bamangwato Concession Limited	81.4	219.7	219.7	2 667.5	2 677.5	...	...	...	...
Botswana Agricultural Marketing Board (BAMB)	27.5	28.5	28.5	27.5	27.5	26.5	27.5	27.5	27.5
Botswana Ash	65.8	65.8	65.8	...	...	65.8	65.7	65.8	65.8
Botswana Bureau of Standards (BOBS)	...	...	...	...	...	144.4	...	253.8	249.8
Botswana University of Agriculture and Natural Resources (BUAN)	...	...	...	...	...	- 18.5	...	...	36.9
Botswana College of Distance and Open Learning (BOCODOL)	...	...	...	...	...	- 22.5	...	- 24.4	- 24.4
Botswana Communications Regulatory Authority (BOCRA)	...	...	...	...	...	304.0	...	539.5	539.5
Botswana Development Corporation (BDC)	241.0	241.0	864.2	864.2	864.2	888.3	888.3	888.3	888.3
Botswana Examinations Council (BEC)	...	...	...	...	...	- 37.0	...	- 33.2	- 26.6
Botswana Fibre Networks (BoFiNet)	...	...	...	...	...	747.2	...	747.2	747.2
Botswana Geoscience Institute (BGI)	...	...	...	...	...	253.8	...	254.7	249.8
Botswana Housing Corporation (BHC)	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0
Botswana Innovation Hub (BIH)	...	...	...	...	...	1 131.4	...	1 260.7	1 308.8
Botswana Institute for Development Policy Analysis (BIDPA)	...	...	...	...	...	33.7	...	32.1	32.1
Botswana Institute of Chartered Accountants (BICA)	...	...	...	...	...	...	15.5	18.7	20.5
Botswana Institute of Technology, Research and Innovation (BITRI)	...	...	...	...	...	3.1	...	6.7	6.3
Botswana International University of Science and Technology (BIUST)	...	...	...	...	...	1 227.9	...	1 503.4	1 518.7
Botswana Investment and Trade Centre (BITC)	...	...	...	...	...	163.8	...	179.6	206.3
Botswana Meat Commission (BMC)	0.2	0.2	0.2	0.2	600.2	600.2	0.2	641.2	641.2
Botswana Motor Vehicle Accident Fund (MVAf)	...	...	...	...	...	2 709.7	...	2 340.5	2 446.1
Botswana National Productivity Centre (BNPC)	...	...	...	...	...	8.9	...	15.0	26.3
Botswana National Sports Commission (BNSC)	...	...	...	...	...	396.3	...	377.5	251.1
Botswana Oil Limited	...	...	...	...	...	- 18.2	...	192.2	113.1
Botswana Postal Services (BPS)	38.4	38.4	38.4	38.4	85.5	38.4	38.4	38.4	68.6
Botswana Power Corporation (BPC)	3 200.7	3 706.0	4 061.7	4 124.7	4 708.3	6 368.5	7 853.8	8 621.1	8 621.1
Botswana Privatisation Asset Holdings (BPAH)	...	119.9	165.5	171.6	177.5	118.0	...	599.9	599.9
Botswana Qualifications Authority (BQA)	...	...	...	...	...	41.8	...	25.9	25.9
Botswana Railways (BR)	0.9	791.8	1 091.0	1 241.8	1 241.8	1 241.8	791.0	791.8	791.8
Botswana Savings Bank (BSB)	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7
Botswana Stock Exchange (BSE)	...	...	...	...	...	57.3	...	84.2	35.6
Botswana Telecommunications Corporation (BTCL)	21.0	21.8	228.9	228.9	800.0	685.4	693.9	...	...
Botswana Tourism Organisation (BTO)	...	...	...	...	...	- 43.3	...	- 43.3	34.7
Botswana Trade Commission (BOTC)	...	...	...	...	...	0.3	...	1.3	2.7
Botswana Unified Revenue Service (BURS)	...	...	...	...	...	203.6	...	203.6	219.1
Botswana Vaccine Institute (BVI)	8.3	8.3	8.3	33.3	278.3	278.3	278.3	567.4	278.3
Citizen Entrepreneurial Development Agency (CEDA)	...	...	...	...	...	1 400.2	...	1 987.6	1 984.3
Civil Aviation Authority of Botswana (CAAB)	...	...	...	...	...	31.2	...	74.3	21.0
Companies and Intellectual Property Authority (CIPA)	...	...	...	...	...	6.0	...	2.5	4.5
Competition Authority	...	...	...	...	...	2.4	...	1.9	3.2
Construction Industry Trust Fund (CITF)	...	...	...	...	...	15.0	...	15.0	16.2
Debswana Diamond Company	1 859.8	1 113.9	2 108.9	2 324.7	2 324.7	2 324.7	79.2	2 324.7	2 324.7
Fairground Holdings	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	...
Gambling Authority	...	...	...	...	...	0.4	...	4.9	1.3
Human Resources Development Advisory Council (HRDAC)	...	...	...	...	...	31.8	...	33.9	9.4
Local Enterprises Authority (LEA)	...	...	...	...	...	1.1	...	2.7	- 77.2
Mineral Development Company Botswana (MDCB)	...	...	...	...	...	6 745.6	6 745.5	6 745.5	6 745.5
National Development Bank (NDB)	77.7	77.7	77.7	77.7	77.7	177.7	177.7	177.7	207.7
National Food Technology Research Centre (NFTRC)	...	...	...	...	...	- 1.1	...	- 8.8	19.6
Non-Bank Financial Institutions Regulatory Authority (NBFIRA)	...	...	...	...	...	7.4	...	3.4	9.8
Okavango Diamond Company (ODC)	...	...	...	...	...	...	85.0	917.0	1 051.7
Public Enterprises Evaluation and Privatisation Agency (PEEPA)	...	...	...	...	...	2.5	...	2.5	- 3.3
Public Procurement and Asset Disposal Board (PPADB)	...	...	...	...	...	12.8	...	8.5	18.2
Selebi Phikwe Economic Diversification Unit (SPEDU)	...	...	...	...	...	- 0.3	...	- 3.7	0.2
Shelter Afrique	...	...	...	...	...	...	8.0	9.1	10.0
Statistics Botswana	...	...	...	...	...	- 9.1	...	- 28.3	- 31.5
University of Botswana (UB)	...	...	...	...	...	- 126.5	...	- 126.5	- 141.7
Water Utilities Corporation	752.7	752.7	752.7	752.7	752.7	752.7	752.7	752.7	752.7
TOTAL	7 181.0	7 999.0	10 570.0	13 741.7	15 718.3	30 304.9	18 818.2	34 538.4	34 370.8
Government's share of profits in:									
Bank of Botswana	863.8	1 489.8	1 900.0	2 078.8	1 133.0	2 842.0	1 573.2	740.0	5 048.9
Botswana Agricultural Marketing Board	2.2	...	...	...	...	0.8	...	...	...
Botswana Building Society	6.5	...	...	...	...	...	...	...	...
Botswana Development Corporation	28.7	...	...	...	...	25.0	20.0	25.0	...
Botswana Housing Corporation	...	...	...	4.1	12.6	26.4	9.3	18.7	9.3
Botswana Postal Services	...	...	...	...	...	...	...	...	...
Botswana Savings Bank	...	5.7	4.8	...	5.8	3.7	...	...	...
Botswana Telecommunications Authority	5.9	...	7.9	28.7	...	10.9	...	...	...
Botswana Telecommunications Corporation	48.5	50.5	...	2.6	...	...	78.0	69.6	1.1
Debswana ²	10 687.1	8 814.5	12 253.3	14 033.8	9 981.7	15 283.4	13 107.8	13 288.4	...
National Development Bank	...	...	...	12.4	...	...	...	...	...
Water Utilities Corporation	30.9	...	...	...	...	...	...	...	...
TOTAL	11 673.4	10 360.4	14 166.1	16 160.3	11 133.1	18 192.1	14 788.4	14 141.7	5 059.3

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

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across its entire width, providing a guide for handwriting or typing. The background is a clean, solid white color.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

