



Bank of Botswana

27 April 2026

PRESS RELEASE

GOVERNOR PARTICIPATED IN THE 2026 SPRING MEETINGS OF THE INTERNATIONAL MONETARY FUND AND WORLD BANK GROUP

The Governor of the Bank of Botswana, Mr Lesego C. Moseki, accompanied by a delegation of senior Bank staff, participated in the 2026 Spring meetings of the International Monetary Fund (IMF) and World Bank Group (WBG), held in Washington DC, United States of America, from 13 to 18 April 2026. Governor Moseki represents Botswana on the IMF Board of Governors and currently serves as Chairperson of the IMF's Africa Group 1 Constituency which comprises 14 countries (Angola, Botswana, Comoros, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Tanzania, Zambia and Zimbabwe).

In addition to chairing meetings of the Africa Group 1 Constituency, Governor Moseki participated in key high-level engagements, including the International Monetary and Financial Committee (IMFC) and the Africa Consultative Group meeting with the Managing Director of the IMF, Ms Kristalina Georgieva. During these engagements, he contributed to discussions under the sub-theme on **“Deepening Domestic Capital Markets to Unlock Africa’s Investment Potential”**. The Governor and his delegation also met the Deputy Managing Director (DMD) of the IMF, Mr Bo Li, where discussions focused on Botswana’s relationship with the Fund, with emphasis on areas for further improvement. During this meeting, the Governor underscored the need for the IMF to

consider the specific circumstances of Small Upper Middle-Income Countries such as Botswana, which remain vulnerable to external shocks and often face challenges similar to those of Least Developed Countries (LDCs), despite their classification. The Governor also took the opportunity to invite the DMD for a working visit to Botswana, which could be anchored around a high-level policy dialogue. In addition, he held bilateral meetings with relevant Departments of the IMF and representatives of other institutions to discuss matters of mutual interest.

The 2026 Spring meetings were held against a backdrop of heightened global uncertainty and evolving economic policy dynamics, particularly in relation to international trade, financial conditions and shifting geopolitical developments, as well as the impact of the conflict in the Middle East. Discussions focused on the changing global economic landscape, risks to financial stability and increasing pressures on fiscal sustainability, with particular attention to the challenges facing sub-Saharan Africa. Participants underscored the importance of coordinated and well-calibrated policy responses to safeguard global growth and stability in an increasingly fragmented global environment. The global outlook remains subject to significant downside risks arising from policy uncertainty, evolving trade dynamics, tighter global financial conditions and elevated debt vulnerabilities, alongside geopolitical tensions which, while not the sole driver, continue to interact with and amplify existing macroeconomic pressures.

According to the IMF's April 2026 World Economic Outlook (WEO), titled "Global Economy in the Shadow of War," the global economy is facing a complex interplay of headwinds and tailwinds. Over the past year, headwinds from higher trade barriers and elevated uncertainty have been partly offset by tailwinds from technology-related investment, accommodative financial conditions, and policy support. However, recent geopolitical developments, including the conflict in the Middle East, have introduced an important counterforce through their impact on commodity markets, inflation expectations, and financial conditions, reinforcing an already fragile outlook.

The report highlights that disruptions to key energy transit routes, including the Strait of Hormuz and damage to critical infrastructure, have driven a sharp increase in global energy prices, with spillovers to fuel, fertilisers and industrial inputs. These developments have increased production costs, intensified inflationary pressures and weakened purchasing power, particularly in vulnerable economies, while also posing risks to global supply chains and food security.

In this context, the WEO presents a reference forecast, reflecting the high degree of uncertainty surrounding the global environment. Under this reference scenario, global growth is projected to be 3.1 percent in 2026 and 3.2 percent in 2027, representing a moderation from recent growth rates of about 3.4 percent in 2024–25. Global inflation is expected to increase to 4.4 percent in 2026 before easing to 3.7 percent in 2027, highlighting the continued influence of supply-side pressures and evolving global conditions. Under an adverse scenario, with larger and more persistent increases in energy prices, global growth would slow further to 2.5 percent in 2026, and inflation would reach 5.4 percent. Under a more severe scenario in which there is more damage to energy infrastructure in the conflict region, the impact would be even larger, global growth could decline further to 2 percent in 2026, with inflation exceeding 6 percent by 2027.

The report emphasises that, absent recent geopolitical disruptions, global growth prospects would have been stronger, underscoring the extent to which current developments weigh on the outlook. At the same time, there is significant cross-country divergence, with emerging market and developing economies, particularly commodity-importing countries with pre-existing vulnerabilities, facing more pronounced challenges relative to advanced economies.

Downside risks continue to dominate. These include further escalation of geopolitical tensions, renewed trade disputes, tighter financial conditions, rising fiscal pressures, and potential corrections in financial markets, as well as uncertainty surrounding technological investment cycles and global supply chain dynamics. At the same time, upside potential remains, particularly if technology-driven investment translates into sustained productivity gains, structural reforms gain momentum, and trade tensions ease.

In this environment, the IMF emphasised the importance of policy frameworks that are robust to alternative scenarios, requiring a careful balance between supporting growth, maintaining price and financial stability, and preserving fiscal sustainability. Central banks were encouraged to remain vigilant and ready to act decisively, keeping monetary policy data-dependent while also maintaining clear communication and strong credibility to anchor inflation expectations.

On the fiscal front, elevated public debt levels continue to constrain policy space, necessitating targeted, timely and temporary interventions, particularly to protect vulnerable groups. At the same time, countries were encouraged to rebuild fiscal buffers through improved domestic revenue mobilisation, expenditure reprioritisation, and enhanced efficiency, while safeguarding growth-enhancing spending.

Structural reforms were highlighted as critical to strengthening long-term growth, including enhancing productivity, supporting economic diversification, improving resilience to external shocks and leveraging technological advancements such as artificial intelligence. Greater international cooperation was also emphasised as essential for restoring stability in global economic relations and supporting a more predictable and transparent trade environment.

On IMF governance matters, the IMFC reaffirmed the Fund's central role in global economic surveillance, lending and capacity development. Members emphasised the importance of strengthening international cooperation, advancing quota and governance reforms, and ensuring that the IMF remains adequately resourced and responsive to the needs of its membership. The Committee also welcomed the resumption of engagement with Venezuela as an important institutional development.

Bilateral discussions between the Bank, the IMF's senior management and relevant functional departments focused on Botswana's economic and policy developments, including ongoing cooperation and capacity-building initiatives. These engagements also covered technical assistance in areas such as financial innovation, payments and settlement systems, banking regulation and legal reforms in the financial sector.

Overall, the meetings were productive and continue to serve as an important platform for policy dialogue, knowledge exchange and international cooperation. The engagements support the Bank's ongoing efforts to strengthen policy frameworks,

enhance resilience, and respond effectively to evolving global and domestic challenges. The next IMF meetings are scheduled to take place in October 2026.

For further information, please contact Dr Seamogano Mosanako. Head of Communications and Information Services, at mosanakos@bob.bw, +267 360 6083, 360 6382 and 360 6315 or visit the Bank website at www.bankofbotswana.bw