BICA INTERNATIONAL CONFERENCE 2026

Keynote Address

Beyond Disruption: Building Resilience, Stability and Confidence in a Volatile Global Economy:

Monetary Stability in Uncertain Times: Inflation, Liquidity and Confidence in Botswana's Financial System

by

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Thank you, Director of Ceremonies.

Protocol

Accountant General, Ms Tebogo Tomango;

Auditor General, Ms Keneilwe Senyarelo;

President of the Botswana Institute of Chartered Accountants, Ms Onneile Nelly Maripe;

President of the Zambia Institute of Chartered Accountants, Mr Anthony Bwembya;

Chief Executive Officer of BICA, Mr Oaitse Gabadirwe;

Vice President of the Zambia Institute of Chartered Accountants, Ms Rebecca Hichilo Silozeya;

Members of the BICA Council;

Distinguished speakers and panellists; captains of industry;

Members of the accountancy and financial professions;

Development partners;

Members of the media fraternity;

Honourable guests;

Ladies and gentlemen. Good morning.

It is an honour and a privilege to join you at the 14th BICA International Conference and to address this important gathering. Allow me, at the outset, to congratulate the Botswana Institute of Chartered Accountants for once again convening a conference that brings together policymakers, business leaders, regulators, professionals and other stakeholders to engage on issues that are central to economic and welfare prospects.

This year's theme, **"Beyond Disruption: Thriving in a Volatile Global Economy,"** could hardly be timelier. It captures with remarkable clarity the environment in which governments, businesses, financial institutions and households now operate. I have also been asked to address, as a sub-theme, **Monetary Stability in Uncertain Times: Inflation, Liquidity and Confidence in Botswana's Financial System",** equally relevant for economic performance and welfare prospects.

The starting point is to observe that disruption, and associated uncertainty, has evolved from being an occasional event into a defining feature of the economic landscape; and to navigate this requires adaptive leadership, policy frameworks and operational processes, in a word resilience.

Indeed, I would like to begin by challenging the way we traditionally think about disruption. We often speak of disruption as though it were a temporary event: something happens, the system is disturbed, we respond, and eventually normality returns. Yet experience suggests that this may not be an adequate way of thinking about it; as it could be limiting in terms of responses. Volatility is increasingly not an interruption to the operating environment; it is becoming part of the operating environment itself.

Over the past few years, governments, businesses and households have had to navigate pandemics, geopolitical conflict, energy shocks, trade tensions, disrupted and increasingly fragmented supply chains, rapidly changing interest-rate cycles, climate-related events, technological acceleration, and profound shifts in consumer behaviour. More recently, advances in artificial intelligence and digital technologies are simultaneously transforming production, financial services, employment and the way organisations make decisions.

The important question before us, therefore, is no longer simply, “When will the disruption end?” A more useful question is: “How do we build institutions, businesses and economies capable of performing effectively even when uncertainty does not end?” For policymakers and business leaders alike, that requires a different kind of leadership, leadership that is forward-looking, adaptive, disciplined and anchored in strong institutions and governance.

Ladies and gentlemen, an economic shock may arrive under a different name. It may be called an oil shock, a currency shock, a cyberattack, a drought, changes in tariffs, a commodity downturn, a technological disruption or a geopolitical crisis. Yet sooner or later, almost every economic shock arrives at the same destination: the balance sheet; for government, businesses and households. It changes revenues, input costs, cash flows, asset values, financing conditions and the cost of capital. Ultimately, it affects decisions about investment, employment, consumption and expansion. In the circumstances, the learned experience is that for shocks to not be pervasive and to not have long-lasting adverse impact, resilience should be in-built in the economy and its parts, that is government, business and households; and policy and regulatory frameworks should encompass resilience – often meaning, being adaptive.

For Botswana, this conversation is especially significant. Our country has, over many years, earned a reputation for prudent macroeconomic management, sound institutions and credible policy frameworks. The transformation of mineral wealth into economic and social development has supported significant progress. These strengths have enabled Botswana to navigate successive global shocks and have provided an important foundation for stability.

Here, narrowing down on sub-theme, **Monetary Stability in Uncertain Times: Inflation, Liquidity and Confidence in Botswana's Financial System**, I allude to the central banks' (Bank of Botswana's) mandate of maintenance of price stability. In this instance, record and emphasise that price stability should not be viewed as a narrow technical concern of central bankers or simply as the achievement of a particular statistical outcome. Price stability is economic infrastructure and a public good. When inflation is low, stable and predictable, households can plan, businesses can price long-term contracts, lenders can assess risk more effectively, investors can calculate future returns and entrepreneurs can make decisions about hiring and expansion with greater confidence.

Inflation, when elevated or unpredictable, erodes purchasing power, distorts investment and consumption decisions, disproportionately affects vulnerable households and, perhaps most importantly, weakens confidence.

Closely linked to price stability is liquidity, you may say cash flow. Liquidity is often discussed primarily within the context of financial markets, yet its importance extends throughout the economy. An efficient financial system requires adequate liquidity to facilitate lending, support productive investment and enable businesses and households to meet their financial obligations. At the same time, liquidity must be carefully managed. Excessive liquidity can contribute to inflationary pressures, while insufficient liquidity can constrain credit, weaken investment and reduce economic activity.

Related to liquidity is stability and resilience of the financial sector. A resilient financial system performs its core functions even during periods of stress. It continues to mobilise savings, allocate capital, process payments, support credit intermediation and manage risk when economic conditions become challenging. In other words, the true measure of resilience is not how the financial system performs during favourable conditions, but how effectively it continues to function when those conditions deteriorate.

Increasingly, resilience must also extend beyond traditional financial risks. Cybersecurity has become a financial stability issue. Climate-related events have become financial stability issues. Technology concentration risks and third-party service dependencies have become financial stability issues. The modern financial institution must therefore develop the capacity to identify and manage risks that extend well beyond the boundaries of conventional banking and finance.

Another important dimension of resilience is financial inclusion. A financial system is strongest when it serves a broad base of households and businesses. Small and medium-sized enterprises, entrepreneurs, women-owned businesses and young innovators require access to appropriate financial products and services. A resilient financial sector is therefore not only safe and stable, but also inclusive and supportive of productive economic activity. Financial inclusion and financial stability should be seen as mutually reinforcing objectives rather than competing priorities. Incidentally, enhanced financial inclusion also enables policy transmission and impact.

Furthermore, as Botswana pursues economic diversification, the financial sector must play a more transformative role. Beyond safeguarding stability, financial institutions must support innovation, facilitate investment and provide the financing required for emerging sectors to grow. The financial system should not only absorb shocks; it should also help create opportunities. This requires deeper capital markets, broader financing options and a financial ecosystem capable of supporting businesses throughout their growth journey.

Ultimately, financial sector resilience is a public good. When banks remain sound, payment systems remain operational, credit continues to flow and confidence is preserved, businesses can continue investing, households can continue planning and the broader economy can continue functioning even during periods of uncertainty. In this sense, a resilient financial sector becomes one of the most important foundations of national economic resilience and long-term prosperity.

You would appreciate as economists and finance professionals that financial stability does not mean eliminating every risk or preventing every institution from experiencing difficulty. A dynamic economy requires risk. Investment requires risk. Innovation requires risk. Entrepreneurship certainly requires risk. The objective is to ensure that risks are understood, appropriately priced, prudently managed and capable of being absorbed without destabilising the broader system.

You will also appreciate that, underlying both price and financial stability is something even more fundamental: sustaining confidence and trust, and this something that cannot be legislated into existence. It must be earned and continuously reinforced through strong governance, sound regulation, transparent communication, prudent risk management, institutional credibility and an unwavering commitment to integrity. Without confidence, markets hesitate, investment slows, lending contracts and households and businesses become reluctant to make long-term decisions.

This brings me back to the accountancy profession. Accountants occupy a unique position within the architecture of economic trust. They strengthen corporate governance, enhance transparency, improve decision-making and reinforce public confidence in institutions. A company with reliable financial statements can access capital differently from one whose numbers cannot be trusted. A market characterised by strong institutions attracts investment differently from one in which rules are uncertain and financial information is unreliable.

Integrity, therefore, is not merely a moral virtue; it is also an economic asset. Transparency is an economic asset. Predictable policy frameworks are economic assets. Strong institutions are economic assets. When an accountant insists on accurate reporting, challenges a questionable transaction or ensures that a board understands the risks embedded in its balance sheet, that accountant is contributing to the credibility of the wider economic system. When an economist consistently makes projections that ultimately manifest, that is transparency and predictability that engenders confidence in policy making.

So, what does thriving beyond disruption require? I would suggest several interconnected disciplines all relating to resilience and dealing with inevitable disruptions, instability and uncertainty.

The first is that we must build buffers before we need them. Resilience is rarely built during a crisis; it is rather tested during a crisis. For governments, buffers may include fiscal space and adequate foreign exchange reserves. For financial institutions, they include capital, liquidity, prudent provisioning and sound risk management. For businesses, they include liquidity reserves, diversified financing, manageable leverage and robust contingency plans. For households, they include savings and sustainable levels of indebtedness.

Good times should therefore not only be periods for expansion; they should also be periods for preparation. The purpose of a buffer is not necessarily to predict which shock will come next. It is to ensure that when something we did not predict occurs, we retain sufficient room to respond. The strongest institution is not necessarily the one that encounters no adversity; it is the one that can encounter adversity without losing its capacity to act.

Second, Botswana must move from diversification as a policy aspiration to diversification as an operating discipline. We have spoken about economic diversification for many years, but the current global environment gives the issue renewed urgency. True diversification means more than simply adding new sectors to the economy. It means reducing concentration across several dimensions, developing more sources of export earnings, more productive industries, more competitive Botswana-owned firms, more export destinations, more sophisticated services, more technology-enabled businesses, more regional value chains and more ways through which Batswana can earn incomes from the rest of the world.

Diversification must also be accompanied by productivity. We could establish many new industries and still remain economically vulnerable if those industries are unable to compete. The question is therefore not only, "What else can Botswana produce?" It must also be, "What can Botswana produce competitively, at scale and to the standards demanded by regional and global markets?" Our long-term resilience will increasingly depend upon broadening the productive base, strengthening the private sector, supporting entrepreneurship and deepening Botswana's participation in regional and international trade.

Third, we must transform savings into productive investment. One of the most important responsibilities of a financial system is effective intermediation, moving capital from those who have it to those who can deploy it most productively. This requires functioning financial markets, credible institutions, high-quality financial information and investment-ready enterprises. A promising idea is not automatically a bankable enterprise, and a growing business is not automatically investment-ready.

Here, the accountancy profession has an extraordinary role to play. It sits at the intersection of enterprise and capital. It can help a small business become investable, help family enterprises establish sound governance, assist boards to understand the distinction between accounting profit and cash flow, help entrepreneurs understand their economics, support investors in assessing risk and ensure that scarce capital is directed towards its most productive uses. In doing so, the profession contributes directly to enterprise development, deeper capital markets and ultimately to national economic transformation.

Fourth, technology must increase productivity without diminishing trust. Artificial intelligence, automation, advanced analytics and digital finance are transforming how financial information is produced, analysed and utilised. These technologies offer enormous opportunities. They can interrogate vast datasets, automate reconciliations, improve forecasting, identify unusual transactions, strengthen fraud detection and transform audit procedures. Work that previously required several days can, in some instances, now be completed in minutes.

But speed does not eliminate accountability. Technology can enhance productivity, but it cannot replace professional judgement. Automation can improve efficiency, but it cannot substitute for ethical leadership and sound governance. An algorithm cannot become an excuse for a poor decision, and technological sophistication must never be allowed to weaken the audit trail. Indeed, the more powerful technology becomes, the more important human judgement, professional ethics, cybersecurity, data integrity and institutional governance become.

For the accountancy profession, the question is therefore no longer whether artificial intelligence should be embraced. The more important questions are: How do we embrace it responsibly? Which decisions can appropriately be automated and which require professional judgement? How do we verify the quality of the underlying data? Who remains accountable when automated systems fail? How do we protect confidential financial information? And how do we audit an increasingly algorithmic organisation? These are rapidly becoming central questions of modern corporate governance. The modern accountant is, therefore, not confined to compliance.

Fifth, there is need for greater comfort with uncertainty. Professionals sometimes find it difficult to say, "We don't know." Yet uncertainty is not incompetence; pretending certainty where none exists is far more dangerous. The appropriate response to uncertainty is disciplined scenario analysis. What happens to our business if financing becomes more expensive? What if a critical supplier fails? What if our largest customer disappears? What if a cyber incident interrupts operations? What if commodity prices move sharply? How much liquidity would we need? What activities would we protect? And who has the authority to act? An organisation that has confronted these questions before a crisis is fundamentally different from one confronting them for the first time during a crisis.

Therefore, the modern professional need to accommodate a wide range of knowledge, information and analysis. They must understand strategy, technology, macroeconomics, risk, capital allocation, sustainability, geopolitics, cybersecurity, a range of international standards and corporate governance, among others. For example, in periods of extraordinary uncertainty, the accountant or economist cannot merely be the person who tells us accurately what happened last year. Increasingly, accountants and finance professionals must help organisations understand what could happen next, assess the implications of different scenarios and strengthen the quality of decisions made under uncertainty. Thus, no longer simply custodians of the historical record; but increasingly, custodians of resilience.

Ladies and gentlemen, we should also remember that volatility does not only destroy value; it can also redistribute opportunity. Every major technological transition creates new industries. Changes in supply chains create new production locations. Changes in consumer behaviour create new markets. Energy transitions create new infrastructure requirements. Inefficiencies create opportunities for those capable of solving them. We must therefore guard against becoming so focused on protecting ourselves from disruption that we fail to recognise the opportunities that disruption itself creates.

As I transition towards conclusion of my remarks let me make some observations as follows:

First, resilience must not become another word for defensiveness. The purpose of resilience is to preserve our ability to take intelligent risks. A resilient company can invest during difficult conditions. A resilient bank can continue lending responsibly. A resilient government can respond to shocks without abandoning long-term priorities. And a resilient economy can use periods of global transformation to reposition itself competitively.

Second, to observe that, as economists and accountants, we instinctively think in terms of assets and liabilities. But a nation's balance sheet is far larger than its financial accounts. Among Botswana's assets are our people, our institutions, natural resources, accumulated savings, infrastructure, businesses, intellectual capital, reputation, political and social stability, our ability to cooperate and our institutional credibility.

On the other side of that national balance sheet are our obligations: the expectations of young people, the need to create productive employment, the need to maintain infrastructure, the responsibility to finance development sustainably, the need to protect future generations and, ultimately, the obligation to leave behind an economy more capable than the one we inherited. The great economic task before us is therefore fundamentally an exercise in stewardship: how do we use today's assets to meet today's needs without diminishing tomorrow's possibilities?

Third, resilience should never be confused with immunity. Yes, there is a lot beyond our control: trends in commodity prices, geopolitical conflict, technological disruption, weather events; nor can we know precisely when the next global shock will arrive. But there remains a great deal within our control. We can determine the quality of our institutions. We can strengthen governance. We can improve productivity. We can maintain credible macroeconomic frameworks. We can continuously educate and reskill our people. We can diversify businesses and markets. We can deepen the financial system. We can build buffers and improve the quality of information upon which decisions are made.

The defining question is, therefore, not, "Will another disruption come?" It will. The more important question is, "What will that disruption find when it arrives?" Will it find an economy concentrated or diversified? Companies over-leveraged or well-capitalised? Institutions reactive or prepared? Information opaque or transparent? Organisations dependent upon yesterday's business models or investing in tomorrow's capabilities?

Will it find professionals merely recording events, or leaders helping to shape them? That, ultimately, is what it means to go beyond disruption. It is not about predicting every storm, avoiding every shock or waiting for uncertainty to disappear. It is about building an economy with the strength to absorb shocks, the flexibility to adapt to them and the imagination to identify opportunity within them.

The **fourth** observation is that building and nurturing resilience requires intentional collective effort. Government, regulators, financial institutions, businesses, professional bodies, academia and individual professionals all have a role to play. Economic and welfare prospects will depend not on individual institutional strength, but on the effectiveness with which the different parts of the economic system work together.

For Botswana the challenge, therefore, is not merely to survive the changes taking place in the global economy. It is to determine where we intend to compete in the economy that is emerging. That requires intent and confidence, but confidence supported by competence; ambition, but ambition supported by execution; capital, but capital disciplined by returns; and innovation, but innovation governed by integrity.

This is why platforms such as the BICA International Conference are important. They provide an opportunity for policymakers, business leaders, regulators and professionals to challenge assumptions, exchange ideas and identify practical solutions to common challenges. The conversations taking place over these two days should therefore extend beyond the conference hall and translate into better governance, stronger institutions, more resilient businesses and a more competitive Botswana.

I encourage every delegate to participate actively, ask difficult questions and engage openly with the opportunities and risks confronting our economy. Thriving in a volatile global environment will not depend on our ability to avoid disruption. It will depend on our collective ability to strengthen resilience, maintain stability, preserve confidence and continue creating opportunity despite uncertainty.

Botswana has demonstrated resilience before, and there is every reason to believe that we can continue to do so, provided we remain disciplined in our policies, committed to sound institutions, willing to embrace responsible innovation and determined to build an economy that is more diversified, productive, competitive and adaptable. If we can do that, Botswana will not simply endure a volatile global economy; we will position ourselves to thrive within it.

Allow me, therefore, to once again commend the Botswana Institute of Chartered Accountants for convening this important gathering. I wish you insightful deliberations and a productive and successful conference.

It is now my honour and privilege to declare the 14th BICA International Conference officially open.

I thank you.