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## **Botswana: Selected Issues and Statistical Appendix**

This Selected Issues and Statistical Appendix report on Botswana was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with this member country. As such, the views expressed in this document are those of the staff team and do not necessarily reflect the views of the Government of Botswana or the Executive Board of the IMF.

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INTERNATIONAL MONETARY FUND

BOTSWANA

**Selected Issues and Statistical Appendix**

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Approved by the African Department

February 27, 1998

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BOTSWANA: Basic Data

I. Social and Demographic Indicators

Land area (square kilometers)	581,730	Health (1994)	
Population (1997 estimate)		Physician per 10,000 population	2.3
Total (million)	1.53	Nurses per 10,000 population	22.6
Growth rate (percent a year, 1986-95 average)	3.0	Access to safe water (1993/94) 1/	
Density (per sq. km.)	2.6	Percentage of households	
GDP per capita (1995/96 estimate) 1/	US\$ 3,217	Total	83.2
Population characteristics (1995)		Urban	100.0
Life expectancy at birth (years)	68.0	Rural	76.1
Infant mortality (per thousand live births)	56.0	Education (1994)	
Labor force (1995 estimate, million)	0.64	School enrollment (in percent, net)	
Female (in percent of total)	47.5	Primary education	96.0
Access to electricity (1993/94) 1/		Adult literacy rate (in percent)	
Percentage of households		Total	69.8
Total	11.5	Female	59.9
Urban	27.4	Income distribution (1993/94) 1/	
Rural	4.7	Gini coefficient	
		Cash income	0.64
		Total income	0.54

II. IMF data (as of January 31, 1998)

Date of membership	July 24, 1968
Quota	SDR 36.6 million
Status	Article VIII
Principal intervention currency	U.S. dollar
Exchange rate as of January 31, 1998	US\$1 = P 3.8521

III. Selected Economic Indicators

	1992	1993	1994	1995	Prel. 1996	Proj. 1997
	(In units indicated)					
National accounts 1/						
GDP (in millions of pula at current prices)	9,126.0	11,115.0	12,530.3	14,631.0	17,529.4	19,759.4
Mining	3,042.3	3,932.3	4,086.3	4,859.0	6,086.6	6,821.8
Nonmining	6,083.7	7,182.7	8,444.0	9,772.0	11,442.8	12,937.6
Real growth rate (in percent)	-0.1	4.1	3.1	7.0	6.8	4.2
Gross domestic investment (in percent of GDP)	27.9	24.6	24.4	24.1	24.9	27.0
Prices (change in percent)						
Consumer price index (CPI) (period average)	11.8	16.2	14.3	10.5	10.5	8.8
CPI (end of period)	16.5	12.7	9.8	10.8	9.3	7.8
GDP deflator 1/	9.1	17.0	9.3	9.2	12.2	8.2
	(In millions of pula, unless otherwise indicated)					
Public finance 2/						
Total revenue and grants	4,652.2	5,359.5	4,472.5	5,464.4	7,394.7	8,658.5
Total revenue	4,552.1	5,172.9	4,396.8	5,427.3	7,311.7	8,468.9
Grants	100.1	186.6	75.7	37.1	83.0	189.7
Expenditure and net lending	3,771.0	4,481.2	4,276.8	5,195.5	6,092.4	7,389.0
Overall surplus or deficit (-)						
In percent of GDP	9.9	8.3	1.6	1.9	7.6	6.6
Primary balance (deficit -)						
In percent of GDP	10.6	9.0	2.3	2.6	8.1	7.1
Money and credit (end of period)						
Broad money (M2)	1,856.2	2,053.2	2,195.9	2,124.1	2,475.3	2,870.0
Credit to private sector	1,398.9	1,563.0	1,844.7	1,779.1	1,798.5	2,175.2
Private sector deposits 3/ 4/	1,619.5	1,791.4	2,028.5	2,196.3	2,713.9	3,479.1
	(In millions of U.S. dollars)					
Balance of payments						
Exports, f.o.b.	1,725.2	1,725.1	1,875.4	2,160.7	2,232.8	3,035.2
Imports, f.o.b.	-1,539.9	-1,457.9	-1,350.7	-1,579.1	-1,436.1	-1,939.2
Trade balance	185.3	267.2	524.6	581.5	796.7	1,096.1
Net services	-169.0	-134.5	-135.9	-183.9	-182.4	-227.3
Net income	111.2	294.1	-224.5	-32.4	-41.2	-185.4
Net current transfers	114.2	77.3	74.9	-27.3	89.6	136.1
Current account balance, including current transfers	241.7	504.2	239.2	337.9	662.7	819.5
In percent of GDP	5.9	12.1	5.4	6.9	13.1	16.0

Sources: Botswana authorities; World Bank, *World Development Indicators*; and Fund staff estimates.

1/ National accounts year beginning July 1.

2/ Fiscal year beginning April 1.

3/ With commercial banks, includes deposits of parastatals.

4/ The 1997 data are as of end-September 1997.

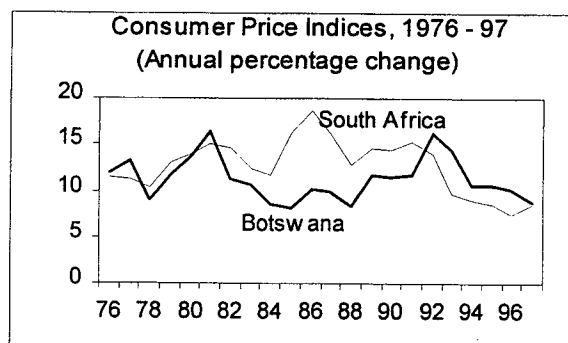
## Botswana's Exchange Rate Regime and Developments in Trade and Competitiveness, 1976-97

### I. INTRODUCTION

1. This note describes the evolution of Botswana's exchange rate regime against the background of the country's main economic developments and trade relations. Over the years, Botswana's exchange rate policy has accorded a high priority to preserving competitiveness with a view to promoting diversification of economic activities and employment in nontraditional industries. At the same time, due attention has been given to the impact of exchange rate developments on inflation. An important consideration in the choice of the exchange rate arrangement has been Botswana's trade relations and its membership in the Southern African Customs Union (SACU).<sup>1</sup> After reviewing the main changes that have taken place in Botswana's exchange rate arrangement, the paper discusses the development of the country's external trade. Subsequently, indicators of competitiveness are presented, and some conclusions are drawn about the appropriateness of Botswana's exchange rate regime and its role in economic diversification.

### II. EVOLUTION OF EXCHANGE RATE ARRANGEMENT<sup>2</sup>

2. Against the background of rising diamond production, in August 1976 Botswana withdrew from participation in the Rand Monetary Area (RMA)<sup>3</sup> and introduced its own currency, the Botswana pula. Initially, the pula was pegged to the U.S. dollar; since the South African rand was also pegged to the U.S. dollar, this arrangement provided a stable relationship between the pula and the two currencies in which the majority of the country's trade was conducted. Following an



18-month period from January 1979 when the rand floated against the U.S. dollar—which entailed a significant appreciation of the rand and thus a depreciation of the pula against the

<sup>1</sup> SACU's membership comprises Botswana, Lesotho, Namibia, South Africa, and Swaziland.

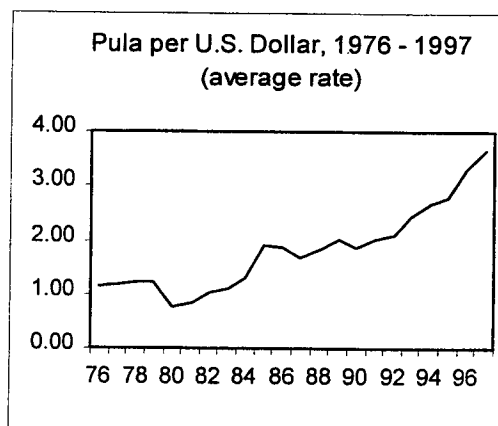
<sup>2</sup> This section draws upon the Bank of Botswana's *Annual Report*, 1994 (Chapter III) and the Bank of Botswana's *Economic Review*, 1996 (Chapter V, Section 2).

<sup>3</sup> The RMA was established in 1974 and comprised originally Botswana, Lesotho, South Africa, and Swaziland.

rand—the Botswana authorities decided in June 1980 to switch from a peg to the U.S. dollar to a currency basket with weights of 50 percent for both the SDR and the rand. An important reason for this switch was the inflationary impact of the depreciation of the pula vis-a-vis the rand. By mid-1980, Botswana's inflation had risen to about 12 percent from about 8 percent in early 1979, and it peaked at over 18 percent in May 1981. In comparison, between early 1979 and mid-1981, inflation in South Africa accelerated from 11 percent to 14.5 percent.

3. Botswana's decision to peg its currency to a basket of currencies, rather than to float the pula, was taken for three reasons: (i) the thinness of the market for pula; (ii) the possibility that, given the size of diamond receipts, a float could lead to an appreciation that would run counter to the economic development and diversification objectives; and (iii) the need to provide a nominal anchor for price stability. Since 1980, Botswana has continued to avail itself of an exchange rate arrangement based on a currency basket, but the authorities have occasionally changed the composition of the basket and have made discrete adjustments to the peg when circumstances required.

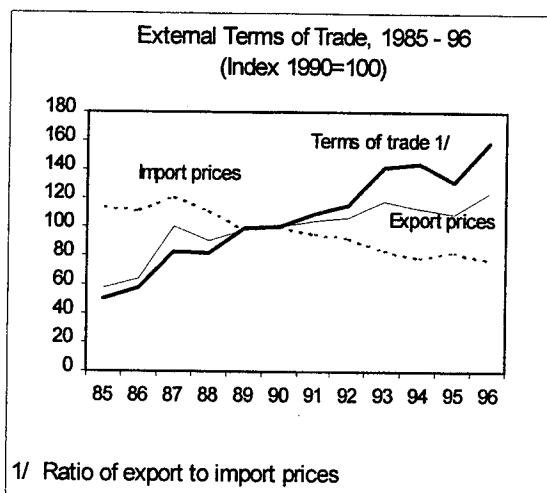
4. Since the introduction of the currency basket, Botswana has been faced with a series of external shocks linked to developments in the South African economy and to international mineral markets. This was particularly evident in the early 1980s. In 1981, owing to a recession in the major industrial countries, demand for diamonds fell sharply. As a consequence, Botswana's external current account deteriorated markedly, and, by December 1981, its foreign exchange reserves had fallen from a peak of US\$357 million at end-October 1980 to US\$250 million, equivalent to four months of



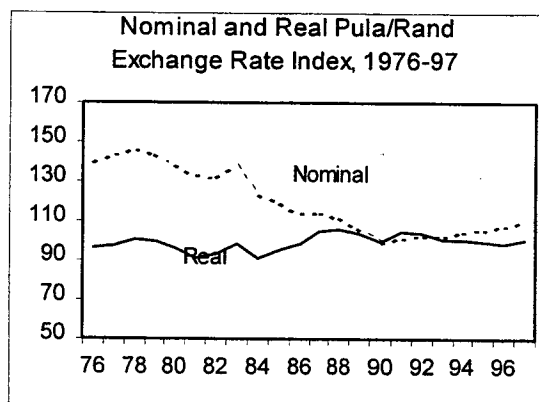
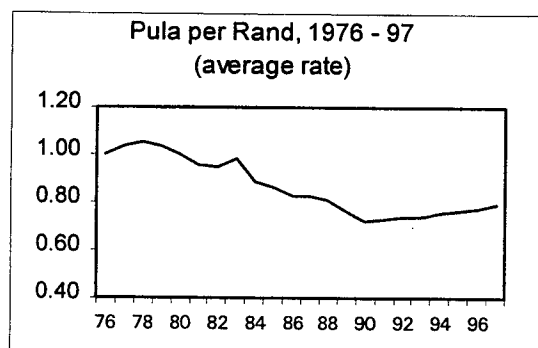
import cover. This development prompted the authorities, in May 1982, to devalue the pula by 10 percent against the basket as part of a package of adjustment measures. While the diamond market recovered and Botswana's external current account position improved (since 1981, the current account has been in continuous surplus), in the early 1980s the Botswana authorities continued to face problems caused by the instability of the rand against the U.S. dollar. In order to protect the competitiveness of Botswana's economy, the authorities devalued the pula against the basket in both 1984 and 1985, by 5 percent and 15 percent, respectively. As a consequence, during the 1980-85 period, the pula depreciated by more than 60 percent against the U.S. dollar (Table 1).

5. In 1986, as the rand appreciated rapidly against the U.S. dollar, the authorities introduced a new basket of currencies, with undisclosed weights, and, in 1987, implemented a policy to maintain a broadly stable real exchange rate against the rand, requiring discretionary adjustments in the rate of the pula relative to the currency basket. Since 1987, the real pula-rand exchange rate has remained virtually unchanged, but there have been

periods in which the pula has appreciated in real effective terms against the currency of its major trading partner. In the late 1980s, the authorities allowed a significant real appreciation of the pula to reduce imported inflation and absorb some of the rising demand pressures through increased imports. The real appreciation had a negative impact on the competitiveness of the nontraditional sectors. Accordingly, the pula was devalued by 5 percent against the basket in both 1990 and 1991, but rising inflation, which peaked at 17.7 percent in June 1992, eroded any gains in competitiveness.



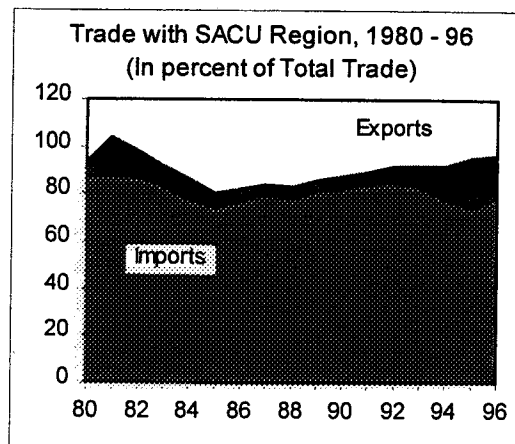
6. In the recent period, the pula has closely followed the rand, with the authorities making discretionary adjustments in the rate of the pula against the basket. When in 1996 the rand depreciated by 22 percent against the U.S. dollar, Botswana allowed the pula to follow a similar path. As the majority of nondiamond trade is transacted in rand, while diamonds are priced in U.S. dollars, movements in the U.S. dollar-rand rate can have a significant impact on Botswana's terms of trade (Table 2). For instance, significant depreciations in the rand-U.S. dollar rate, as have occurred in the 1990s, have had a considerable, positive impact on the current account position and on government revenue, which is sourced primarily from external sector activity. The favorable effect of the depreciation was reflected in a further strengthening of the external current account surplus and a sizable increase in official reserves. In addition, the government's diamond-related revenue and its earnings on foreign currency assets surged in 1996/97 (April/March), and the fiscal surplus increased to 7.6 percent of GDP. Overall, since the beginning of the 1990s, the pula rate has depreciated by about 50 percent against the U.S. dollar. Over the period, inflation averaged 11.7 percent annually, marginally higher than in the 1980s, although by end-1997 the annual inflation rate was at its lowest level for almost a decade. By comparison, inflation in South Africa since the beginning of the 1990s has averaged 9.7 percent annually.



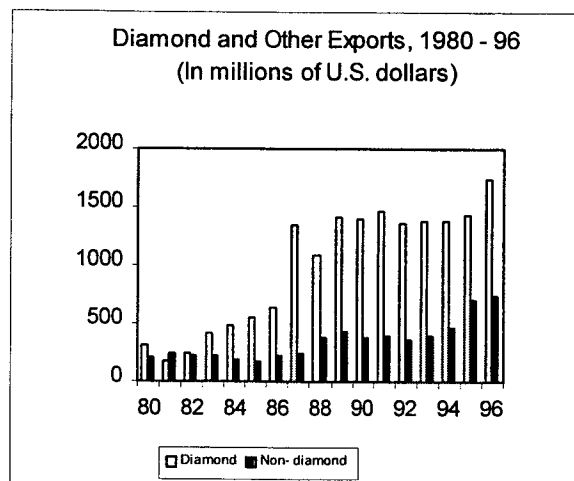


### III. TRADE DEVELOPMENTS

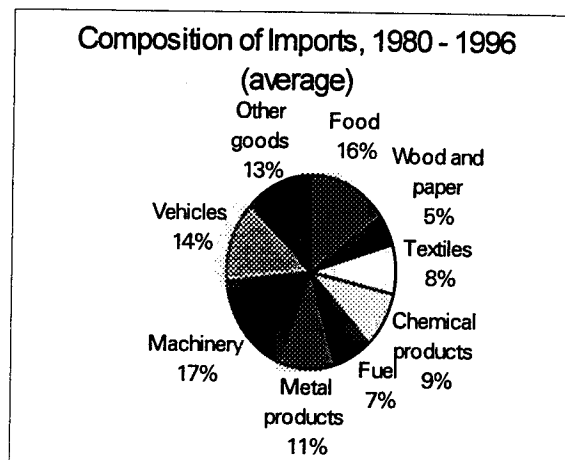
7. Botswana has characteristics that are common to many developing countries: (i) reliance on primary commodity production and exports; (ii) limited substitutability of domestically produced goods for imports; and (iii) dependence on the external sector for essential imports, particularly intermediate goods and capital equipment. Apart from diamond exports—and, to some extent, beef, copper nickel, and textile exports—Botswana's trade is concentrated in the SACU region. Close to three-fourths of Botswana's imports and about 60 percent of nondiamond exports are traded within the SACU region, principally South Africa. There are also close commercial links between South Africa and Botswana in the form of inward direct investment. In addition, because of its geographic proximity and the size of its market, South Africa is Botswana's natural export market. This tendency is reinforced by the tariff policy of SACU members which, in essence, provides a tariff-free market for companies located within it. Overall, Botswana runs a large trade deficit with the SACU region—about P 3 billion in 1996 (20 percent of GDP)—which is more than offset by a large trade surplus with non-SACU countries, owing to diamond exports. In these circumstances, Botswana has recorded a considerable surplus on its overall external current account, and official reserves have risen to the equivalent of about 32 months of imports of goods and services.



8. Botswana's geographical trade pattern has remained remarkably stable over the years (Table 3). The share of SACU countries, primarily South Africa, in Botswana's trade has remained at about 45 percent of total trade for the past decade. Its major export commodity, diamonds, is sold outside the SACU region. While the data indicate that Europe is the main market for diamonds, the final destinations of diamonds are more widely dispersed than suggested by these statistics. For instance, it is estimated that one-third of global diamond sales in recent years have been to Asia.



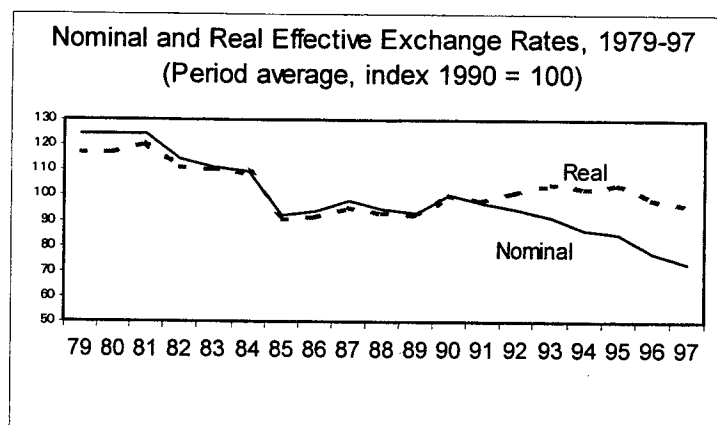
9. The composition of Botswana's exports and imports since 1980 is set out in Tables 4 and 5. The share of diamonds within total exports has remained broadly at the 70–75 percent range since the mid-1980s, having risen from about 50 percent in the years of depressed demand in the early 1980s.<sup>4</sup> Other traditional exports, such as meat and copper nickel, have decreased in importance, while the share of textile exports has remained small, at less than 5 percent. In recent years, vehicle exports have become significant, accounting for just over 10 percent in the 1995–97 period.



With respect to imports, the composition has been generally stable since the early 1980s, with a strong emphasis on essential items, including food, intermediate goods, and capital equipment. More recently, imports of vehicle and transport equipment have increased their share significantly, associated with the establishment of the motor vehicle assembly plant.

#### IV. COMPETITIVENESS

10. Developments in effective exchange rates since 1980 have been characterized by pronounced nominal and real depreciations during the first half of the 1980s, followed by a period of relative stability in both the nominal and real effective exchange rates.<sup>5</sup> However, since the beginning of the 1990s, the nominal effective exchange rate has depreciated steadily by a cumulative 26 percent; meanwhile, the real effective exchange rate



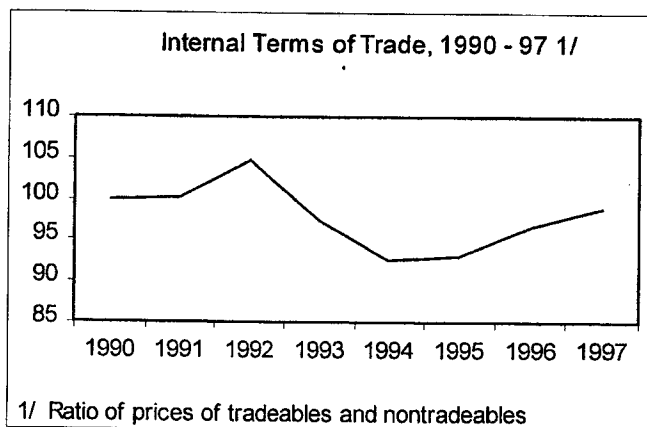
appreciated through 1995, as inflation in Botswana exceeded that of its trading partners. Over

<sup>4</sup> In contrast, within real GDP, the share of mineral output, primarily diamonds, has declined over the same period from about 50 percent of real GDP to just above 30 percent. The sectors whose relative output have grown are primarily the domestic service industries and government.

<sup>5</sup> The effective exchange rate series are based on weights reflecting the direction and currency denomination of trade.

the last few years, the real effective exchange rate depreciated, largely on account of declining inflation in Botswana. While the real pula-rand rate has been broadly stable over the past decade, from early 1982 to mid-1992 the inflation rate of Botswana was always lower than that of South Africa. In contrast, since mid-1992, the reverse has been true: the inflation rate in Botswana has been above that of South Africa. Over the last year, however, the inflation rates in both countries have fallen and converged.

11. Apart from effective exchange rate calculations, Botswana's competitiveness can be assessed on the basis of developments in the traded and nontraded sectors of the economy and the internal terms of trade. Table 6 presents data on formal employment, labor productivity, and real unit labor costs in Botswana by sector, both in level and percentage change terms. Because of data limitations, these data should be regarded as only broadly indicative of



trends.<sup>6</sup> Focusing on the manufacturing sector—the main nontraditional exporting industry—its labor productivity performance has tended to be weaker than the rest of the private sector, while its unit labor costs have been lower.<sup>7</sup> In recent years, wage increases in this sector seem to have been held close to productivity gains. In 1995, the average cash earnings in the manufacturing sector were 80 percent of the average for the whole economy. The internal terms of trade remained broadly unchanged between 1990 and 1997, as a worsening during the 1992-94 period was reversed during the 1994-97 period (Table 7).

12. In terms of employment growth, the performance of the traded-goods sectors—agriculture, mining, and manufacturing—has not been noticeably better than that of the nontraded sectors, although, in the period between 1985 and 1991, manufacturing was among the sectors with stronger employment growth rates. Subsequently, private sector employment growth has fallen, with the government sector accounting for the modest growth in overall employment in the economy.

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<sup>6</sup>Labor productivity data are calculated by dividing real sectoral GDP by the number of employees.

<sup>7</sup> There are indications that during the 1990s the trend in nominal unit labor costs in Botswana's and South Africa's manufacturing sectors has been broadly similar.

## V. CONCLUDING REMARKS

13. Given the size and openness of Botswana's economy, the substantial level of foreign reserves, and the strong external position in the last decade, it appears that the pegged exchange rate regime has served Botswana well. The policy of maintaining a stable pula-rand rate in real terms has protected the viability of the nontraditional export sector and import-substitution activities. This achievement has been important in safeguarding employment and attaining a measure of diversification. Nonetheless, economic diversification in the face of a dominant diamond sector will remain a continual challenge. This process is unlikely to be driven substantially by exchange rate management, but more by structural policies aimed at raising skill levels in the labor force and developing the infrastructure.

Table 1. Botswana: Exchange Rates and Consumer Prices and Exchange Rate Indices, 1976-97  
(Period average)

Year	Exchange Rate		Consumer Price Indices (1990=100)				Exchange Rate Indices (1990=100)			
	Botswana pula per U.S. dollar	Botswana pula per South African rand	Botswana		South Africa		Botswana pula per South African rand		Effective exchange rate index 1/	
			Index	Percent change	Index	Percent change	Nominal	Real	Nominal	Real
1976	0.8696	1.0000	23.4	11.9	16.2	11.4	139.0	96.1	...	...
1977	0.8420	0.9683	26.5	13.2	18.0	11.2	134.6	91.4	...	...
1978	0.8282	0.9524	28.9	9.0	19.8	10.3	132.4	90.8	125.4	...
1979	0.8150	0.9679	32.2	11.7	22.4	13.1	134.6	93.4	124.5	117.2
1980	0.7772	0.9986	36.6	13.6	25.5	13.9	138.8	96.6	124.4	117.1
1981	0.8367	0.9561	42.7	16.4	29.3	15.1	132.9	91.4	124.3	120.7
1982	1.0297	0.9470	47.4	11.1	33.7	14.7	131.7	93.4	114.0	111.2
1983	1.0969	0.9854	52.4	10.5	37.8	12.4	137.0	98.9	110.8	110.2
1984	1.2984	0.8880	56.9	8.6	42.2	11.6	123.5	91.5	109.1	108.7
1985	1.9026	0.8598	61.5	8.1	49.0	16.2	119.5	95.3	91.9	90.1
1986	1.8791	0.8236	67.6	10.0	58.2	18.7	114.5	98.5	93.4	91.3
1987	1.6789	0.8246	74.3	9.8	67.6	16.1	114.6	104.3	97.9	95.7
1988	1.8286	0.8045	80.5	8.4	76.2	12.8	111.9	106.0	94.6	92.5
1989	2.0149	0.7694	89.8	11.6	87.4	14.7	107.0	104.1	93.0	92.2
1990	1.8605	0.7193	100.0	11.4	100.0	14.4	100.0	100.0	100.0	100.0
1991	2.0216	0.7322	111.8	11.8	115.3	15.3	101.8	105.0	96.7	98.0
1992	2.1097	0.7397	129.8	16.2	131.3	13.9	102.8	104.1	94.7	101.5
1993	2.4231	0.7414	148.4	14.3	144.0	9.7	103.1	100.0	91.1	104.2
1994	2.6846	0.7561	164.1	10.5	157.0	9.0	105.1	100.6	86.5	102.7
1995	2.7722	0.7643	181.3	10.5	170.5	8.6	106.3	99.9	84.6	104.3
1996	3.3241	0.7732	199.6	10.1	183.0	7.4	107.5	98.6	77.3	99.0
1997	3.6499	0.7923	217.3	8.9	198.7	8.6	110.2	100.7	72.9	95.8

Sources: Botswana authorities; and Fund staff calculations.

1/ Weighted by trade and currency denominations (average 1990-95): South Africa (47 percent); United Kingdom (9 percent); United States (39 percent); and Zimbabwe (5 percent).

Table 2. Botswana: External Trade Indices (in U.S. Dollar Terms), 1985-96

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
	(Index, 1990=100)											
Export value index	41.1	48.6	89.0	82.7	104.2	100.0	103.8	96.6	99.9	103.7	120.1	138.2
Export volume index	72.2	75.7	89.3	91.4	107.0	100.0	99.9	90.8	85.0	92.5	110.6	111.5
Export price index	56.9	64.2	99.7	90.4	97.4	100.0	104.0	106.4	117.5	112.1	108.6	123.9
Import value index	29.8	36.6	48.2	61.5	77.1	100.0	100.1	95.7	90.7	84.4	98.4	103.9
Import volume index	26.3	33.0	39.6	55.1	77.9	100.0	105.3	103.3	108.8	107.8	119.1	133.1
Import price index	113.5	111.1	121.7	111.6	99.0	100.0	95.1	92.6	83.4	78.3	82.6	78.1
Terms of trade	50.1	57.7	81.9	81.0	98.4	100.0	109.4	114.9	140.9	143.2	131.5	158.7
	(Annual percentage change)											
Export value index	...	18.3	83.2	-7.1	26.1	-4.0	3.8	-7.0	3.4	3.8	15.8	15.0
Export volume index	...	4.8	17.9	2.4	17.0	-6.5	-0.1	-9.1	-6.3	8.8	19.6	0.8
Export price index	...	12.8	55.4	-9.3	7.7	2.7	4.0	2.3	10.4	-4.6	-3.1	14.1
Import value index	...	22.9	31.5	27.6	25.4	29.7	0.1	-4.4	-5.2	-6.9	16.6	5.6
Import volume index	...	25.6	20.0	39.1	41.5	28.4	5.3	-1.8	5.3	-0.9	10.5	11.7
Import price index	...	-2.2	9.5	-8.3	-11.3	1.0	-4.9	-2.6	-9.9	-6.1	5.5	-5.5
Terms of trade	...	15.3	41.9	-1.1	21.5	1.6	9.4	5.1	22.6	1.6	-8.2	20.7

Source: Botswana authorities; and Fund staff estimates.

Table 3. Botswana: Direction of Trade, 1980-96

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
(In millions of Botswana pula)																	
Exports, f.o.b.	390.4	332.3	467.5	696.7	857.1	1,384.3	1,619.3	2,664.7	2,678.3	3,742.6	3,319.1	3,738.0	3,675.0	4,312.1	4,965.0	5,941.5	8,141.8
Southern African Customs Union (SACU)	25.9	55.1	53.0	57.7	75.6	77.6	90.9	110.6	144.6	184.1	157.3	186.5	255.3	379.5	691.4	1,276.9	1,489.6
Zimbabwe	12.0	19.6	45.9	50.9	31.9	40.9	84.5	102.8	185.0	253.9	226.0	255.6	166.5	135.2	134.1	181.6	250.5
Other Africa	20.9	15.5	15.8	13.1	2.2	13.7	12.4	25.4	30.3	49.7	53.2	56.1	55.1	57.4	49.1	49.3	50.5
United Kingdom	8.2	22.1	53.9	30.5	17.8	53.1	59.5	30.5	35.2	40.9	54.0	57.3	639.4	1,245.4	2,223.0	4,424.1	
Other Europe	239.5	138.3	239.7	489.6	649.1	1,120.0	1,359.8	2,382.7	2,272.2	3,198.7	2,832.3	3,173.9	3,128.7	3,082.9	2,800.6	2,147.3	1,827.2
United States	81.8	80.6	55.8	51.9	69.9	73.3	3.7	4.4	7.1	9.5	4.2	9.9	9.3	14.3	34.8	52.4	77.9
All other	2.0	1.1	3.6	3.0	10.6	5.6	8.4	8.3	8.5	11.4	5.3	1.9	2.8	3.5	9.6	11.0	22.0
Imports, c.i.f. (inclusive of duty)	537.8	663.9	703.9	805.9	895.3	1,095.2	1,331.4	1,572.5	2,172.2	3,019.6	3,619.5	3,927.7	3,970.1	4,285.0	4,407.3	5,307.1	5,728.8
SACU	467.8	581.3	608.8	669.9	698.1	814.3	1,021.5	1,251.0	1,689.0	2,444.6	2,979.7	3,291.9	3,373.9	3,541.0	3,437.4	3,925.0	4,474.2
Zimbabwe	35.3	40.4	42.9	56.1	76.8	78.8	98.5	117.7	139.3	172.3	183.5	207.5	193.2	196.2	258.9	293.0	329.3
Other Africa	0.9	1.7	1.9	3.2	1.4	3.0	2.7	4.0	7.3	22.2	23.2	23.2	11.3	16.2	17.2	23.0	17.8
United Kingdom	7.3	7.5	16.0	10.1	27.6	53.1	32.8	36.2	124.8	93.6	90.2	143.1	103.7	112.1	109.9	134.7	147.0
Other Europe	5.8	11.4	12.3	42.0	58.5	82.0	82.1	106.2	109.9	187.3	223.0	151.7	177.6	192.3	259.9	319.3	234.9
Korea, Republic of	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	91.7	377.5	250.1
United States	16.3	14.8	11.6	8.5	16.5	30.6	37.8	29.7	45.6	36.3	41.3	48.8	38.9	140.8	82.9	107.4	73.8
All other	4.3	6.8	10.4	16.0	16.2	33.5	55.9	27.7	56.3	63.3	78.6	73.2	66.5	85.4	143.6	132.4	196.2
Total trade	928.2	996.2	1,171.4	1,502.7	1,752.3	2,479.5	2,950.7	4,237.1	4,850.4	6,762.2	6,938.6	7,665.7	7,645.1	8,597.1	9,372.3	11,248.6	13,870.6
SACU	493.7	636.4	661.8	727.6	773.8	891.9	1,112.5	1,361.5	1,833.6	2,628.7	3,136.9	3,478.5	3,629.2	3,920.4	4,128.8	5,201.9	5,963.8
Zimbabwe	47.3	59.9	88.8	107.0	108.7	119.7	183.0	220.5	324.3	426.2	409.5	463.2	359.7	331.4	393.0	474.6	579.8
Other Africa	21.8	17.2	17.7	16.3	3.5	16.6	15.1	29.4	37.6	71.9	76.4	67.4	71.3	74.5	72.1	67.1	73.8
United Kingdom	15.6	29.7	69.9	40.7	45.5	106.3	92.4	66.8	155.3	128.8	131.0	197.1	161.0	751.5	1,355.3	2,357.7	4,571.1
Other Europe	245.3	149.7	251.9	531.6	707.6	1,201.9	1,441.9	2,488.8	2,382.1	3,386.1	3,055.4	3,325.7	3,306.3	3,275.2	3,060.5	2,466.6	2,062.1
Korea, Republic of	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	91.7	377.5	250.1
United States	98.1	95.5	67.3	60.4	86.4	103.9	41.5	34.1	52.8	45.8	45.5	58.8	48.2	155.1	117.7	159.8	151.7
All other	6.4	7.9	14.0	19.1	26.8	39.1	64.3	36.0	64.8	74.7	83.9	75.1	69.3	88.9	153.2	143.4	218.2
(in percent of total)																	
Exports, f.o.b.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
SACU	6.6	16.6	11.3	8.3	8.8	5.6	5.6	4.1	5.4	4.9	4.7	5.0	6.9	8.8	13.9	21.5	18.3
Zimbabwe	3.1	5.9	9.8	7.3	3.7	3.0	5.2	3.9	6.9	6.8	6.8	6.8	4.5	3.1	2.7	3.1	3.1
Other Africa	5.4	4.7	3.4	1.9	0.3	1.0	0.8	1.0	1.1	1.3	1.6	1.5	1.5	1.3	1.0	0.8	0.6
United Kingdom	2.1	6.7	11.5	4.4	2.1	3.8	3.7	1.1	1.1	0.9	1.2	1.4	1.6	14.8	25.1	37.4	54.3
Other Europe	61.3	41.6	51.3	70.3	75.7	80.9	84.0	89.4	84.8	85.5	85.3	84.9	85.1	71.5	56.4	36.1	22.4
United States	21.0	24.3	11.9	7.4	8.2	5.3	0.2	0.2	0.3	0.3	0.1	0.3	0.3	0.3	0.7	0.9	1.0
All other	0.5	0.3	0.8	0.4	1.2	0.4	0.5	0.3	0.3	0.3	0.2	0.2	0.1	0.1	0.2	0.2	0.3
Imports, c.i.f. (inclusive of duty)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
SACU	87.0	87.6	86.5	83.1	78.0	74.4	76.7	79.6	77.8	81.0	82.3	83.8	85.0	82.6	78.0	74.0	78.1
Zimbabwe	6.6	6.1	6.1	7.0	8.6	7.2	7.4	7.5	6.4	5.7	5.1	5.3	4.9	4.6	5.9	5.5	5.7
Other Africa	0.2	0.3	0.3	0.4	0.2	0.3	0.2	0.3	0.3	0.7	0.6	0.3	0.4	0.4	0.5	0.3	0.4
United Kingdom	1.4	1.1	2.3	1.3	3.1	4.9	2.5	2.3	5.7	3.1	2.5	3.6	2.6	2.6	2.5	2.5	2.6
Other Europe	1.1	1.7	1.7	5.2	6.5	7.5	6.2	6.8	5.1	6.2	6.2	3.9	4.5	4.5	5.9	6.0	4.1
Korea, Republic of	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.1	7.1	4.4
United States	3.0	2.2	1.6	1.1	1.8	2.8	2.8	1.9	2.1	1.2	1.1	1.2	1.0	3.3	1.9	2.0	1.3
All other	0.8	1.0	1.5	2.0	1.8	3.1	4.2	1.8	2.6	2.1	2.2	1.9	1.7	2.0	3.3	2.5	3.4
Total trade	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
SACU	53.2	63.9	56.5	48.4	44.2	36.0	37.7	32.1	37.8	38.9	45.2	45.4	47.5	45.6	44.1	46.2	43.0
Zimbabwe	5.1	6.0	7.6	7.1	6.2	4.8	6.2	5.2	6.7	6.3	5.9	6.0	4.7	3.9	4.2	4.2	4.2
Other Africa	2.3	1.7	1.5	1.1	0.2	0.7	0.5	0.7	0.8	1.1	1.1	0.9	0.9	0.8	0.6	0.5	0.5
United Kingdom	1.7	3.0	6.0	2.7	2.6	4.3	3.1	1.6	3.2	1.9	1.9	2.6	2.1	8.7	14.5	21.0	33.0
Other Europe	26.4	15.0	21.5	35.4	40.4	48.5	48.9	58.7	49.1	50.1	44.0	43.4	43.2	38.1	32.7	21.9	14.9
Korea, Republic of	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	3.4	1.8
United States	10.6	9.6	5.7	4.0	4.9	4.2	1.4	0.8	1.1	0.7	0.7	0.8	0.6	1.8	1.3	1.4	1.1
All other	0.7	0.8	1.2	1.3	1.5	1.6	2.2	0.9	1.3	1.1	1.2	1.0	0.9	1.0	1.6	1.3	1.6

Source: Botswana authorities.

Table 4. Botswana: Value of Principal Exports, 1980-97

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997 1/
(In millions of U.S. dollars)																		
Diamonds	303.4	163.9	241.2	418.9	479.7	555.1	643.8	1,341.8	1,089.9	1,421.3	1,405.1	1,458.1	1,359.3	1,380.8	1,385.6	1,437.3	1,733.2	982.0
Nondiamond	199.1	233.0	216.4	216.6	187.9	178.0	223.2	246.3	385.0	438.0	379.3	394.9	363.9	401.8	464.8	706.4	733.0	352.3
Meat	36.3	72.6	77.8	72.1	48.6	51.7	64.3	50.0	61.8	66.2	56.7	61.2	49.2	66.4	67.7	64.7	62.7	32.2
Copper nickel	104.0	95.7	63.1	60.0	53.2	63.5	64.8	70.5	204.4	234.4	145.8	146.9	124.6	90.9	96.4	118.5	135.3	57.8
Textiles	20.1	19.2	26.8	30.1	32.1	15.3	23.1	35.3	33.2	39.6	60.1	61.0	35.9	39.3	66.1	52.8	59.1	30.6
Soda ash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.9	20.3	20.8	13.7	7.9	21.0	13.8
Vehicles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	37.6	112.1	345.4	347.6	141.1
Other	38.8	47.5	48.7	54.4	53.9	47.6	71.0	90.5	85.6	97.8	116.7	114.9	133.8	146.8	108.8	117.2	107.3	76.9
Total (f.o.b.)	502.5	398.8	457.6	635.6	667.6	733.1	867.0	1,588.1	1,474.9	1,859.3	1,784.3	1,852.9	1,723.2	1,782.6	1,850.5	2,143.7	2,466.2	1,334.3
(In percent of total)																		
Diamonds	60.4	41.1	52.7	65.9	71.9	75.7	74.3	84.5	73.9	76.4	78.7	78.7	78.9	77.5	74.9	67.0	70.3	73.6
Nondiamond	39.6	58.9	47.3	34.1	28.1	24.3	25.7	15.5	26.1	23.6	21.3	21.3	21.1	22.5	25.1	33.0	29.7	26.4
Meat	7.2	18.2	17.0	11.3	7.3	7.0	7.4	3.1	4.2	3.6	3.2	3.3	2.9	3.7	3.7	3.0	2.5	2.4
Copper nickel	20.7	24.0	13.8	9.4	8.0	8.7	7.5	4.4	13.9	12.6	8.2	7.9	7.2	5.1	5.2	5.5	5.5	4.3
Textiles	4.0	4.8	5.9	4.7	4.8	2.1	2.7	2.2	2.3	2.1	3.4	3.3	2.1	2.2	3.6	2.5	2.4	2.3
Soda ash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	1.2	1.2	0.7	0.4	0.9	1.0
Vehicles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.1	6.1	16.1	14.1	10.6
Other	7.7	11.9	10.6	8.6	8.1	6.5	8.2	5.7	5.8	5.3	6.5	6.2	7.8	8.2	5.9	5.5	4.4	5.8
Total (f.o.b.)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Botswana authorities.

1/ The data for 1997 are for January-June.



Table 5. Botswana: Value of Principal Imports by Category, 1980-97

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997 1/	
	(In millions of U.S. dollars)																		
Food, beverages, and tobacco	108.8	113.3	113.6	140.4	128.2	101.6	118.8	156.4	171.2	149.6	226.8	264.5	347.4	315.9	288.9	305.3	293.2	132.1	
Wood and paper products	22.1	25.0	27.2	25.6	23.2	18.6	27.3	43.4	53.2	63.2	102.1	102.7	106.1	96.6	95.4	145.0	127.3	59.1	
Textile and footwear	58.2	73.4	67.1	68.5	63.3	46.8	55.9	82.1	99.5	115.8	157.7	156.7	130.8	127.7	145.7	144.2	129.3	64.8	
Chemical and rubber products	53.8	62.0	56.6	61.3	59.0	47.0	66.7	91.4	101.7	125.4	158.5	173.7	175.4	163.1	158.7	177.0	177.7	97.5	
Fuel	90.4	100.9	96.9	93.1	71.5	66.8	59.9	67.7	72.9	70.2	100.1	122.6	102.4	112.9	97.9	97.6	111.0	60.7	
Metal and metal products	75.9	91.9	64.1	72.3	63.6	53.0	65.5	88.5	110.9	208.8	278.2	215.9	200.5	179.7	153.4	166.3	153.4	102.3	
Machinery and electrical equipment	113.5	130.6	95.0	94.1	114.0	98.6	117.4	155.1	217.1	346.9	391.0	331.2	350.8	307.2	288.5	300.0	278.3	171.7	
Vehicle and transport equipment	81.8	99.0	80.7	85.0	88.8	79.7	119.1	144.8	231.1	232.3	282.7	310.7	185.4	234.9	196.9	356.8	244.4	229.2	
Other goods	87.8	100.9	87.7	94.9	85.7	67.9	82.1	107.7	138.6	187.9	248.6	268.9	262.7	227.1	217.3	222.5	220.7	120.2	
Total, c.i.f. (inclusive of duty)	692.2	797.0	688.9	735.2	697.3	580.0	712.8	937.2	1,196.2	1,500.1	1,945.8	1,946.9	1,861.6	1,765.3	1,642.6	1,914.8	1,735.3	1,037.7	
	(In percent of total)																		
Food, beverages, and tobacco	15.7	14.2	16.5	19.1	18.4	17.5	16.7	16.7	14.3	10.0	11.7	13.6	18.7	17.9	17.6	15.9	16.9	12.7	
Wood and paper products	3.2	3.1	3.9	3.5	3.3	3.2	3.8	4.6	4.4	4.2	5.2	5.3	5.7	5.5	5.8	7.6	7.3	5.7	
Textile and footwear	8.4	9.2	9.7	9.3	9.1	8.1	7.8	8.8	8.3	7.7	8.1	8.1	7.0	7.2	8.9	7.5	7.5	6.2	
Chemical and rubber products	7.8	7.8	8.2	8.3	8.5	8.1	9.4	9.8	8.5	8.4	8.1	8.9	9.4	9.2	9.7	9.2	10.2	9.4	
Fuel	13.1	12.7	14.1	12.7	10.3	11.5	8.4	7.2	6.1	4.7	5.1	6.3	5.5	6.4	6.0	5.1	6.4	5.8	
Metal and metal products	11.0	11.5	9.3	9.8	9.1	9.1	9.2	9.4	9.3	13.9	14.3	11.1	10.8	10.2	9.3	8.7	8.8	9.9	
Machinery and electrical equipment	16.4	16.4	13.8	12.8	16.3	17.0	16.5	16.5	18.1	23.1	20.1	17.0	18.8	17.4	17.6	15.7	16.0	16.5	
Vehicle and transport equipment	11.8	12.4	11.7	11.6	12.7	13.7	16.7	15.4	19.3	15.5	14.5	16.0	10.0	13.3	12.0	18.6	14.1	22.1	
Other goods	12.7	12.7	12.7	12.9	12.3	11.7	11.5	11.5	11.6	12.5	12.8	13.8	14.1	12.9	13.2	11.6	12.7	11.6	
Total, c.i.f. (inclusive of duty)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	

Source: Botswana authorities.

1/ The data for 1997 are for January-June.

Table 6. Botswana: Labor Statistics, 1983/84-1995/96 1/

	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
(In thousands)													
Formal employment 2/	...	...	123.5	140.1	160.8	176.4	198.5	222.6	227.5	226.2	231.2	231.4	235.4
Agriculture	...	...	3.5	5.1	6.6	6.6	6.5	6.7	6.1	5.9	5.3	4.5	4.6
Mining and quarrying	...	...	7.5	7.2	7.3	7.6	7.8	7.8	7.6	8.4	7.9	8.4	8.3
Manufacturing	...	...	10.6	12.9	15.3	18.1	23.3	26.0	25.5	22.1	21.7	23.4	23.9
Water and electricity	...	...	2.0	2.1	2.2	2.2	2.1	2.5	2.6	2.6	2.6	2.6	2.7
Construction	...	...	12.0	14.6	20.7	23.9	29.3	33.8	33.8	28.3	26.7	22.1	22.5
Trade and hotels	...	...	20.4	24.5	26.3	28.6	35.7	41.0	40.9	40.7	45.9	44.9	45.9
Transport	...	...	5.7	6.4	7.1	7.4	8.1	9.1	10.2	9.8	9.0	9.0	8.8
Finance and business services	...	...	7.3	8.8	10.1	11.6	13.2	16.1	17.6	16.8	17.6	17.5	17.5
Social and personal services	...	...	5.5	6.7	8.7	9.7	9.5	11.1	11.0	10.8	12.7	13.7	13.8
General government	...	...	49.0	51.8	56.5	60.7	63.0	68.5	72.2	80.8	81.8	85.3	87.4
(Index 1992/93 = 100)													
Labor productivity 3/ 4/	...	...	108.7	98.2	94.4	108.1	95.2	90.2	94.4	100.0	101.2	106.1	112.1
Agriculture	...	...	111.2	70.8	90.5	83.2	87.5	87.2	97.6	100.0	110.1	123.7	120.5
Mining and quarrying	...	...	84.4	95.1	96.4	110.2	103.9	110.8	115.9	100.0	111.6	103.4	115.0
Manufacturing	...	...	90.9	88.1	96.4	103.8	84.5	80.7	87.5	100.0	100.5	97.2	101.4
Water and electricity	...	...	70.9	74.8	81.7	86.9	93.0	84.7	86.1	100.0	109.0	115.7	110.4
Construction	...	...	89.9	85.8	71.5	113.1	101.3	94.2	98.5	100.0	107.0	131.4	132.6
Trade and hotels	...	...	91.4	81.0	87.4	100.5	91.2	86.2	99.5	100.0	93.1	102.6	107.7
Transport	...	...	59.1	52.0	73.7	89.3	87.2	89.7	88.1	100.0	107.3	114.5	124.2
Finance and business services	...	...	71.0	56.2	49.8	87.3	89.7	83.3	79.3	100.0	104.3	113.8	120.5
Social and personal services	...	...	63.2	57.7	58.0	93.5	97.3	89.1	94.8	100.0	88.0	85.1	88.3
Unit labor costs 4/ 5/	34.5	37.7	41.0	45.8	49.6	59.5	65.4	70.4	85.0	100.0	90.4	97.7	100.8
Agriculture	42.3	56.6	54.8	59.8	41.2	59.8	74.3	88.0	82.0	100.0	115.8	133.7	149.1
Mining and quarrying	24.7	24.3	30.6	33.1	35.5	38.7	47.1	54.7	55.0	100.0	65.0	69.7	72.3
Manufacturing	35.1	45.5	45.7	46.5	44.3	61.5	59.8	63.8	90.0	100.0	85.3	92.4	93.9
Water and electricity	49.5	43.3	41.5	51.9	89.2	105.9	121.1	138.2	70.2	100.0	145.9	145.8	158.0
Construction	38.6	48.1	52.0	52.4	54.4	48.4	49.6	52.9	85.6	100.0	79.0	83.5	92.7
Trade and hotels	53.9	42.1	43.8	46.5	60.1	74.2	70.4	74.9	87.4	100.0	90.3	95.3	98.9
Transport	83.8	73.7	59.7	70.4	61.0	102.5	115.7	109.4	92.1	100.0	152.9	164.4	165.3
Finance and business services	75.7	72.1	82.8	123.2	150.5	103.2	102.5	103.6	121.2	100.0	110.7	116.4	119.3
Social and personal services	62.0	67.2	71.9	75.0	51.0	46.5	46.8	48.0	93.2	100.0	58.3	61.5	65.4

Sources: Central Statistics Office; and Fund staff estimates.

1/ All numbers in the table are derived from official data. However, there is a discontinuity in the real GDP data that are used for the calculation. While the data up to 1987/88 are based on 1985/86 prices, the data after 1988/89 are based on 1992/93 prices and rebased to 1985/86 prices.

2/ Data for March.

3/ Labor productivity data are calculated by dividing real GDP by the number of employees; no adjustment is made for the effect of changes in working hours as information on working hours is not available. Also, labor productivity data are calculated by using real GDP on the national accounts year (July-June) and the number of employees as at March each year.

4/ Excludes general government

5/ Unit labor costs in the table are calculated by dividing compensation of employees by value added. Another method is to divide nominal wage rate (per hour) by labor productivity (per hour).

Table 7. Botswana: Price Index of Tradables and Nontradables, 1990-97

	All	All	Internal Terms	All	All	All	Internal Terms	
	Items	Nontradables	Tradables	of Trade 1/	Items	Nontradables	Tradeables	of Trade 1/
	(Period average, November 1996=100)				Percentage change			
1990 I	46.7	44.6	47.4	106.2	...	...	...	...
1990 II	48.1	46.8	48.7	104.1	...	...	...	...
1990 III	49.1	47.1	49.7	105.6	...	...	...	...
1990 IV	50.5	47.5	51.4	108.3	...	...	...	...
1991 I	52.1	49.6	52.6	106.0	11.6	11.2	11.0	-0.1
1991 II	53.3	52.4	53.6	102.3	10.8	12.1	10.1	-1.7
1991 III	55.1	53.9	55.3	102.7	12.2	14.4	11.3	-2.7
1991 IV	56.9	54.2	57.4	105.9	12.6	14.2	11.6	-2.2
1992 I	59.2	56.4	59.8	106.0	13.7	13.6	13.6	-0.1
1992 II	62.3	59.4	63.0	106.0	16.9	13.4	17.5	3.6
1992 III	64.5	59.9	65.6	109.5	17.2	11.1	18.6	6.7
1992 IV	66.4	61.4	67.4	109.8	16.7	13.3	17.4	3.7
1993 I	68.8	66.1	69.2	104.6	16.3	17.3	15.8	-1.3
1993 II	71.2	69.0	71.2	103.3	14.2	16.1	13.1	-2.6
1993 III	73.5	75.5	72.7	96.2	13.9	26.1	10.8	-12.1
1993 IV	75.1	76.7	74.5	97.1	13.1	24.9	10.4	-11.6
1994 I	76.6	78.6	75.7	96.4	11.3	18.8	9.4	-7.9
1994 II	79.1	81.9	77.9	95.1	11.0	18.8	9.4	-7.9
1994 III	81.0	84.3	79.9	94.9	10.2	11.6	10.0	-1.4
1994 IV	82.4	84.8	81.7	96.3	9.8	10.6	9.7	-0.8
1995 I	84.8	87.4	84.2	96.3	10.7	11.2	11.1	-0.1
1995 II	87.2	89.3	86.7	97.1	10.2	9.0	11.3	2.1
1995 III	89.5	90.6	89.5	98.7	10.5	7.5	11.9	4.1
1995 IV	91.2	91.3	91.5	100.2	10.6	7.6	12.0	4.1
1996 I	93.6	94.0	93.7	99.7	10.3	7.6	11.4	3.5
1996 II	96.1	95.3	96.6	101.4	10.3	6.8	11.4	4.4
1996 III	98.5	97.5	99.0	101.6	10.0	7.6	10.7	2.9
1996 IV	100.0	99.8	100.1	100.3	9.7	9.3	9.5	0.1
1997 I	102.2	101.3	102.6	101.3	9.3	7.8	9.5	1.6
1997 II	105.9	103.3	107.1	103.7	10.2	8.4	10.8	2.3
1997 III	106.9	103.6	108.2	104.4	8.6	6.3	9.2	2.8
1997 IV	108.2	104.1	109.8	105.5	8.1	4.3	9.6	5.1

Sources: Central Statistics Office; and Fund staff estimates.

1/ Ratio of price index of tradables to price index of nontradables.

Table 8. Botswana: GDP by Type of Economic Activity at Current Prices, 1991/92-1996/97 1/

	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
	(In millions of Botswana pula)					
Agriculture	366.2	443.9	495.2	520.6	563.1	617.2
Mining	3,125.9	3,042.3	3,932.3	4,086.3	4,859.0	6,486.8
Manufacturing	411.5	448.6	499.5	593.9	693.2	853.3
Water and electricity	169.0	206.6	239.4	269.5	270.6	314.4
Construction	645.4	609.5	694.5	757.1	858.4	988.0
Trade and hotels	1,286.6	1,441.0	1,706.7	2,093.7	2,489.1	3,016.8
Transport	255.1	319.8	363.1	437.4	504.2	621.7
Banking, insurance, and business services	462.3	638.5	858.3	1,061.9	1,226.6	1,423.8
General government	1,307.6	1,565.3	1,846.7	2,159.0	2,544.5	2,998.0
Social and personal services	342.9	410.5	479.3	550.9	622.3	695.1
GDP at current prices	8,372.5	9,126.0	11,115.0	12,530.3	14,631.0	18,015.1
	(In percent of GDP)					
Agriculture	4.4	4.9	4.5	4.2	3.8	3.4
Mining	37.3	33.3	35.4	32.6	33.2	36.0
Manufacturing	4.9	4.9	4.5	4.7	4.7	4.7
Water and electricity	2.0	2.3	2.2	2.2	1.8	1.7
Construction	7.7	6.7	6.2	6.0	5.9	5.5
Trade and hotels	15.4	15.8	15.4	16.7	17.0	16.7
Transport	3.0	3.5	3.3	3.5	3.4	3.5
Banking, insurance, and business services	5.5	7.0	7.7	8.5	8.4	7.9
General government	15.6	17.2	16.6	17.2	17.4	16.6
Social and personal services	4.1	4.5	4.3	4.4	4.3	3.9
GDP	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Central Statistics Office, *Statistical Bulletin*; and Fund staff estimates.

1/ Year beginning July 1.

Table 9. Botswana: GDP by Type of Economic Activity at Constant 1985/86 Prices, 1991/92-1996/97 1/

	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
(In millions of Botswana pula)						
Agriculture	202.6	200.7	198.5	189.4	188.6	188.2
Mining	1,577.1	1,503.9	1,579.1	1,555.4	1,709.4	1,808.5
Manufacturing	287.7	284.8	281.1	293.2	312.3	328.5
Water and electricity	91.1	105.8	115.3	122.4	121.3	127.2
Construction	296.1	251.7	254.2	258.3	265.3	280.2
Trade and hotels	698.6	698.6	733.3	790.5	848.2	938.1
Transport	177.6	193.6	190.7	203.5	215.9	245.3
Banking, insurance, and business services	263.0	316.4	345.7	375.0	397.1	422.8
General government	727.7	753.2	787.9	836.0	892.8	959.8
Social and personal services	200.3	207.4	214.6	223.8	233.9	245.6
GDP at constant 1985/86 prices	4,521.8	4,516.1	4,700.4	4,847.5	5,184.8	5,544.2
(Annual percentage change)						
Agriculture	2.0	-0.9	-1.1	-4.6	-0.4	-0.2
Mining	1.9	-4.6	5.0	-1.5	9.9	5.8
Manufacturing	6.4	-1.0	-1.3	4.3	6.5	5.2
Water and electricity	5.7	16.1	9.0	6.2	-0.9	4.9
Construction	4.6	-15.0	1.0	1.6	2.7	5.6
Trade and hotels	15.1	0.0	5.0	7.8	7.3	10.6
Transport	10.1	9.0	-1.5	6.7	6.1	13.6
Banking, insurance, and business services	4.2	20.3	9.3	8.5	5.9	6.5
General government	11.0	3.5	4.6	6.1	6.8	7.5
Social and personal services	5.4	3.5	3.5	4.3	4.5	5.0
Total GDP	6.3	-0.1	4.1	3.1	7.0	6.9
Nonmining GDP	8.9	2.3	3.6	5.5	5.6	7.5

Sources: Central Statistics Office, *Statistical Bulletin*; and Fund staff estimates.

1/ Year beginning July 1.

Table 10. Botswana: Botswana Meat Commission--Beef Sales, 1991/92-1996/97 1/

	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
<b>Beef sales by category</b>						
	(In thousand of tons)					
Gross sales 2/	25.1	18.9	23.1	19.7	18.9	18.8
	(In millions of Botswana pula)					
Gross sales 2/	216.9	176.6	215.4	239.9	208.0	238.2
<b>Beef sales by country</b>						
	(In thousand of tons)					
Total	25.1	18.9	23.1	19.7	18.9	18.8
United Kingdom	7.1	5.1	5.9	5.9	5.1	7.8
South Africa	5.9	3.2	6.3	5.8	3.9	3.3
Other	12.1	10.6	10.9	8.0	9.9	7.7
	(In millions of Botswana pula)					
Total	216.9	176.6	215.4	239.9	208.0	238.2
United Kingdom	76.1	60.3	71.8	84.9	77.6	126.8
South Africa	30.1	16.3	39.3	35.7	33.7	27.7
Other	110.7	100.0	104.3	119.3	96.7	83.7
<b>Memorandum item:</b>						
Total cattle processed (Number of cattle in thousands)	213.6	181.2	158.6	166.5	145.5	127.2

Source: Botswana Meat Commission.

1/ Year beginning October 1.

2/ Boneless beef.

Table 11. Botswana: Mineral Production and Value, 1991-96

(In units indicated)

	1991	1992	1993	1994	1995	1996
<b>Diamonds</b>						
Value (in millions of Botswana pula) 1/	2,652.0	2,671.0	2,642.0	3,348.0	3,547.0	4,044.7
Volume (in millions of carats)	16.5	15.9	14.7	15.5	16.7	17.7
Unit value (Botswana pula/carat)	160.7	167.5	179.4.	215.4	212.7	228.5
<b>Copper-nickel matte</b>						
Value (in millions of Botswana pula) 1/	393.0	359.2	337.5	444.2	558.4	568.4
Volume (in thousands of metric tons)	48.3	48.1	50.8	51.5	49.9	46.2
Unit value (Botswana pula/ton)	8,133.4	7,472.3	6,645.9	8,627.3	11,183.4	12,303.0
<b>Coal</b>						
Value (in millions of Botswana pula) 1/	18.9	23.5	24.9	25.5	25.0	25.2
Volume (in thousands of metric tons)	783.9	901.5	890.0	900.3	816.7	764.8
Unit value (Botswana pula/ton)	24.1	26.1	28.0	28.3	30.6	32.9
<b>Soda ash</b>						
Value (in millions of Botswana pula) 1/	18.2	37.1	40.2	80.8	90.7	52.8
Volume (in millions of metric tons)	62.0	123.6	126.0	174.0	201.6	119.6
Unit value (Botswana pula/ton)	293.5	300.2	319.0	464.4	449.8	441.5

Source: Central Statistics Office.

1/ Estimated value of production.

Table 12. Botswana: Agricultural Producer Prices, 1991/92-1997/98 1/

(Botswana pula per metric ton)

	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98
Sorghum	271.4	375.7	330.0	341.4	380.0	318.6	473.4
Maize (white)	291.4	310.0	344.3	365.7	464.3	437.1	488.4
Maize (yellow)	232.9	348.6	300.7	327.9	437.1	388.6	488.4
Pulse	599.1	593.8	623.6	645.0	694.7	736.8	460.0
Sunflower seeds	438.2	287.3	491.3	592.8	620.0	310.0	783.4
Groundnuts (shelled)	1,091.4	996.4	1,401.4	1,092.9	1,361.4	1,115.7	1,308.7
Millet	264.3	290.7	290.7	341.4	315.7	222.9	440.0

Source: Ministry of Agriculture.

1/ Crop year beginning April 1. All prices are for products of grade 1 quality, except pulses, for which price is for products of fair-to-average quality.



Table 13. Botswana: National Cost of Living Indices by Commodity,  
January 1995-December 1997

(November 1996=100; end of period)

	Food, Beverages, and Tobacco	Clothing and Footwear	Household Effects and Fuel	Other Goods	All Items
Weights	39.0	5.8	23.8	31.4	100.0
1995					
January	81.8	83.9	84.5	87.4	84.0
February	82.3	84.3	85.5	87.8	84.7
March	83.7	84.7	86.9	87.5	85.7
April	84.8	85.0	87.2	89.0	86.5
May	85.3	85.7	87.9	89.3	87.0
June	86.5	86.8	88.7	90.3	88.0
July	87.1	87.9	89.5	91.1	88.7
August	87.9	88.5	89.9	92.7	89.6
September	88.3	89.8	91.0	92.9	90.2
October	89.0	90.2	91.0	93.1	90.6
November	89.6	90.9	91.4	93.4	91.1
December	90.4	91.9	91.8	93.8	91.8
1996					
January	91.3	92.1	92.4	95.4	92.8
February	91.9	92.8	93.1	95.2	93.5
March	93.4	93.8	94.1	95.5	94.4
April	94.7	94.5	94.6	95.7	95.2
May	95.8	95.4	95.0	96.2	96.0
June	97.0	97.0	96.5	97.7	97.2
July	97.7	97.9	97.2	98.8	97.9
August	98.8	98.3	97.9	98.6	98.5
September	99.2	98.9	98.5	99.2	99.0
October	99.6	99.4	99.9	99.0	99.5
November	100.0	100.0	100.0	100.0	100.0
December	100.6	101.1	100.8	100.4	100.6
1997					
January	101.4	100.9	101.2	101.5	101.3
February	102.3	102.0	102.0	102.7	102.2
March	103.5	103.1	102.5	102.9	103.2
April	105.1	104.1	103.3	103.1	104.1
May	106.4	104.8	103.6	105.8	105.3
June	107.5	105.9	104.1	106.1	105.9
July	108.2	106.9	104.5	106.2	106.6
August	108.5	107.4	104.5	106.1	106.8
September	109.4	107.5	105.3	106.5	107.4
October	110.2	109.8	105.6	106.7	107.9
November	110.2	110.0	105.8	106.8	108.2
December	110.4	109.7	106.3	106.9	108.4

Source: Central Statistics Office.

Table 14. Botswana: Cost of Living Indices for Tradable and Nontradable Goods,  
January 1995-November 1997

(Twelve-month percentage change)

	All Items	Nontradables	Domestic Tradables	Imported Tradables	All Tradables
Weights	100.0	24.7	29.8	45.5	75.3
1995					
January	10.4	11.7	9.7	11.2	10.6
February	10.4	10.8	10.2	11.5	10.9
March	11.2	11.3	10.6	12.5	11.8
April	10.8	10.7	9.8	12.7	11.7
May	9.8	8.9	8.2	12.3	10.8
June	10.1	7.4	8.5	13.1	11.4
July	10.2	7.1	8.8	12.9	11.6
August	10.6	8.0	9.0	13.6	11.9
September	10.8	7.4	9.5	13.7	12.3
October	10.8	7.3	10.3	13.5	12.4
November	10.4	7.4	10.1	12.8	11.7
December	10.7	8.0	10.5	12.7	11.9
1996					
January	10.5	7.6	10.9	11.8	11.5
February	10.4	7.6	10.7	11.6	11.4
March	10.2	7.5	10.8	11.4	11.2
April	10.1	6.5	11.5	11.1	11.2
May	10.3	6.7	12.2	11.2	11.6
June	10.5	7.0	12.2	11.2	11.5
July	10.4	7.4	12.5	10.7	11.3
August	9.9	7.3	12.8	9.4	10.6
September	9.8	8.0	12.7	9.0	10.2
October	9.8	9.1	12.0	8.4	9.6
November	9.8	9.9	11.5	8.2	9.4
December	9.6	9.0	10.9	8.6	9.4
1997					
January	9.2	7.7	10.7	8.8	9.5
February	9.3	8.3	10.8	8.8	9.4
March	9.3	7.3	10.4	9.0	9.5
April	9.3	7.1	10.0	9.8	9.9
May	9.7	8.2	9.3	10.2	9.9
June	9.0	7.6	9.1	9.6	9.5
July	8.9	6.8	8.6	9.6	9.2
August	8.4	6.2	7.5	10.0	9.2
September	8.5	5.8	7.6	10.1	9.2
October	8.4	4.7	7.7	11.2	10.0
November	8.2	4.1	7.6	11.0	9.9

Source: Central Statistics Office.

Table 15. Botswana: Statutory Minimum Wage Rates, 1992-97 1/

	1992	1993	1994	1995	1996	1997
	(In thebes per hour)					
Manufacturing, service, and repair trades	115	125	125	135	145	159
Building, construction, exploration, and quarrying	115	125	125	135	145	159
Hotel, catering, and entertainment	115	125	125	135	145	159
Garages, motor trade, and road transport	115	125	125	135	145	159
Wholesale distributive trade	109	119	119	129	139	152
Retail distributive trade	102	112	112	121	131	143
Retail and wholesale nightwatchmen	94	104	104	113	123	135
Other nightwatchmen	94	104	104	113	123	135
	(Annual percentage change)					
Manufacturing, service, and repair trades	11.7	8.7	0.0	8.0	7.4	9.7
Building, construction, exploration, and quarrying	11.7	8.7	0.0	8.0	7.4	9.7
Hotel, catering, and entertainment	11.7	8.7	0.0	8.0	7.4	9.7
Garages, motor trade, and road transport	11.7	8.7	0.0	8.0	7.4	9.7
Wholesale distributive trade	12.4	9.2	0.0	8.4	7.8	9.4
Retail distributive trade	12.1	9.8	0.0	8.0	8.3	9.2
Retail and wholesale nightwatchmen	16.0	10.6	0.0	8.7	8.8	9.8
Other nightwatchmen	16.0	10.6	0.0	8.7	8.8	9.8

Source: Central Statistics Office.

1/ Data are for May of each year.

Table 16. Botswana: Average Cash Earnings by Sector, 1991-95 1/

	1991	1992	1993	1994	1995
(Estimated monthly cash earnings, in Botswana pula)					
Private and parastatal	505	596	702	736	787
Agriculture	196	205	218	241	273
Mining and quarrying	857	919	1,201	1,154	1,377
Manufacturing	403	511	606	537	648
Electricity and water	891	1,077	1,219	1,472	1,311
Construction	396	445	534	575	593
Commerce and catering	411	466	494	562	578
Transport and communications	843	964	1,052	1,256	1,219
Finance and business services	780	938	1,154	1,221	1,230
Community services	484	525	642	682	776
Education	1,018	1,228	1,553	1,581	1,666
Central government	751	810	983	1,018	1,068
Local government	621	643	898	856	803
Total (excluding central government)	511	601	721	748	788
Total (including central government)	548	660	799	828	820
(Percentage change)					
Private and parastatal	14.3	18.0	17.8	4.8	13.2
Agriculture	32.4	4.6	6.3	10.6	17.2
Mining and quarrying	2.5	7.2	30.7	-3.9	22.8
Manufacturing	5.2	26.8	18.6	-11.4	17.6
Electricity and water	1.1	20.9	13.2	20.8	0.6
Construction	16.8	12.4	20.0	7.7	3.7
Commerce and catering	17.4	13.4	6.0	13.8	23.2
Transport and communications	31.1	14.4	9.1	19.4	10.0
Finance and business services	7.1	20.3	23.0	5.8	-1.8
Community services	12.6	8.5	22.3	6.2	21.3
Education	34.7	20.6	26.5	1.8	8.7
Central government	33.4	7.9	21.4	3.6	5.1
Local government	15.9	3.5	39.7	-4.7	-3.6
Total (excluding central government)	13.6	17.6	20.0	3.7	11.3
Total (including central government)	14.4	20.4	21.1	3.6	2.6

Source: Central Statistics Office.

1/ Data are for September of each year, except 1994 (March).

Table 17. Botswana: Formal Employment by Sector, 1992-97

(In thousands of employees)

	1992		1993		1994		1995		1996	1997
	Mar.	Sep.	Mar.	Sep.	Mar.	Sep.	Mar.	Sep.	Mar.	Mar.
Private and parastatal	155.3	147.9	145.5	147.6	149.5	147.7	146.1	147.2	148.0	149.5
Private	141.5	134.5	131.8	133.8	136.2	134.8	132.6	134.0	134.2	135.8
Parastatal	13.8	13.4	13.7	13.8	13.3	12.9	13.5	13.2	13.8	13.8
Agriculture	6.1	5.9	5.9	4.7	5.3	4.6	4.5	4.6	4.6	4.5
Mining and quarrying	7.6	8.3	8.4	8.4	7.9	8.3	8.4	8.1	8.3	8.4
Manufacturing	25.5	22.0	22.1	20.8	21.7	22.1	23.4	24.2	23.9	24.0
Electricity and water	2.6	2.6	2.6	2.6	2.6	2.5	2.6	2.5	2.7	2.8
Construction	33.8	30.6	28.3	28.6	26.7	25.3	22.1	22.4	22.5	23.2
Commerce and catering	40.9	40.0	40.7	41.8	45.9	45.2	44.9	45.5	45.9	46.1
Transport and communications	10.2	9.9	9.8	9.2	9.0	9.0	9.0	8.7	8.8	9.1
Finance and business services	17.6	18.0	16.8	18.2	17.6	17.0	17.5	17.7	17.5	17.7
Community services	8.5	8.3	8.2	10.1	9.6	10.2	10.1	9.8	9.8	9.9
Education	2.5	2.3	2.6	3.0	3.1	3.5	3.6	3.8	4.0	3.9
General government	72.2	76.9	80.8	80.2	81.8	82.9	85.3	86.2	87.4	88.0
Central government 1/	58.4	62.1	65.9	65.7	66.4	66.9	69.4	70.1	71.1	71.4
Local government	13.8	14.8	14.9	14.5	15.4	16.0	15.9	16.1	16.3	16.6
Total 1/	227.5	224.8	226.3	227.8	231.3	230.6	231.4	233.4	235.4	237.5
Employment in South African mines										
Migrant workers	14.3	13.8	13.7	12.8	12.4	11.9	11.9	13.1	13.1	12.8

Source: Central Statistics Office.

1/ Excludes Botswana Defense Force.

Table 18. Botswana: Central Government Operations, 1992/93-1997/98 1/

	1992/93	1993/94	1994/95	1995/96	1996/97	Estimate 1997/98
(In millions of Botswana pula)						
Total revenue and grants	4,652.2	5,359.5	4,472.5	5,464.4	7,394.7	8,658.5
Total revenue	4,552.1	5,172.9	4,396.8	5,427.3	7,311.7	8,468.9
Tax revenue	3,374.4	3,677.2	3,632.7	4,016.2	5,198.4	6,980.1
Mineral revenue	1,866.1	2,278.7	2,349.4	2,591.4	3,640.1	4,888.8
Southern African Customs Union (SACU) receipts	998.4	822.3	711.8	829.4	896.2	1,186.3
General sales tax	125.4	137.2	169.2	219.1	248.4	325.4
Other	384.5	439.0	402.3	376.3	413.7	579.6
Nontax revenue	1,177.8	1,495.6	764.1	1,411.1	2,113.3	1,488.8
Interest	243.8	204.0	200.5	231.6	235.4	235.3
Property income	839.0	1,116.5	452.5	1,063.5	1,740.3	1,113.8
Other	94.9	175.1	111.1	116.0	137.6	139.6
Grants	100.1	186.6	75.7	37.1	83.0	189.7
Total expenditure and lending	3,771.0	4,481.2	4,276.8	5,195.5	6,092.4	7,389.0
Current expenditure	2,215.4	2,733.6	3,011.3	3,509.6	4,043.9	4,873.1
Wages and salaries	835.0	1,028.6	1,102.0	1,226.9	1,376.7	1,731.9
Interest	68.0	78.7	84.5	91.6	91.4	100.3
Other	1,312.3	1,626.3	1,824.8	2,191.1	2,575.8	3,040.9
Capital expenditure	1,207.0	1,558.3	1,377.8	1,672.0	2,239.6	2,743.3
Net lending	348.6	189.3	-112.2	13.9	-191.1	-227.4
Primary balance (deficit -)	949.3	957.0	280.1	360.5	1,393.7	1,369.8
Overall balance (deficit -)	881.3	878.3	195.6	268.9	1,302.3	1,269.5
Financing	-881.3	-878.3	-195.6	-268.9	-1,302.3	-1,269.5
Foreign (net)	91.5	51.2	-21.7	-46.0	85.1	274.7
Drawing	167.2	142.5	101.0	67.1	230.1	420.2
Amortization	-75.7	-91.3	-122.7	-113.1	-145.0	-145.5
Domestic	-972.8	-929.5	-173.9	-222.9	-1,387.4	-1,544.2
Bank	-780.1	-907.0	-278.9	-472.5	6,900.8	-1,556.2
Nonbank	-153.7	39.7	91.1	136.7	-8,233.8	15.0
Other	-38.9	-62.2	13.9	112.9	-54.4	-3.0
(In percent of GDP)						
Total revenue and grants	52.1	50.5	36.7	38.7	43.1	44.8
Tax revenue	37.8	34.6	29.8	28.5	30.3	36.1
Mineral revenue	20.9	21.5	19.3	18.4	21.2	25.3
Southern African Customs Union (SACU) receipts	11.2	7.7	5.8	5.9	5.2	6.1
Sales tax	1.4	1.3	1.4	1.6	1.4	1.7
Other revenue	4.3	4.1	3.3	2.7	2.4	3.0
Nontax revenue	13.2	14.1	6.3	10.0	12.3	7.7
Property income	9.4	10.5	3.7	7.5	10.1	5.8
Grants	1.1	1.8	0.6	0.3	0.5	1.0
Total expenditure and net lending	42.2	42.2	35.1	36.8	35.5	38.2
Current expenditure	24.8	25.7	24.7	24.9	23.6	25.2
Wages and salaries	9.3	9.7	9.0	8.7	8.0	9.0
Interest	0.8	0.7	0.7	0.6	0.5	0.5
Other	14.7	15.3	15.0	15.5	15.0	15.7
Capital expenditure	13.5	14.7	11.3	11.9	13.0	14.2
Net lending	3.9	1.8	-0.9	0.1	-1.1	-1.2
Primary balance (deficit -)	10.6	9.0	2.3	2.6	8.1	7.1
Overall balance (deficit -)	9.9	8.3	1.6	1.9	7.6	6.6

Source: Ministry of Finance and Development Planning.

1/ Fiscal year beginning April 1.

Table 19. Botswana: Components of Central Government Revenue, 1992/93-1997/98 1/

(In millions of Botswana pula)

	1992/93	1993/94	1994/95	1995/96	1996/97	Estimate 1997/98
Tax revenue	3374.4	3677.2	3632.7	4016.1	5198.4	6980.1
Mineral revenue	1866.1	2278.7	2349.4	2591.4	3640.1	4888.8
Customs union receipts	998.4	822.3	711.8	829.4	896.2	1186.3
General sales tax	125.4	137.2	169.2	219.1	248.4	325.4
Nonmineral income tax	369.9	420.5	386.9	356.9	385.0	546.4
Export duties	0.5	0.5	0.4	0.5	0.4	0.4
Taxes on property	5.4	6.3	4.1	4.1	5.6	6.0
Motor vehicles	4.0	4.2	6.6	13.5	15.3	17.7
Business and professional licenses	4.7	7.4	4.2	1.2	6.4	7.0
Nontax revenue	1177.8	1495.6	764.1	1411.1	2113.3	1488.8
Interest	243.8	204.0	200.5	231.6	235.4	235.3
Property income	839.0	1116.5	452.5	1063.5	1740.3	1113.8
Fees, charges, and reimbursements	81.2	127.7	92.7	102.7	111.6	120.0
Sale of fixed assets and land	13.7	47.5	18.4	13.2	26.0	19.6
Grants	100.1	186.6	75.7	37.1	83.0	189.7
Recurrent	1.8	1.2	40.3	5.1	8.3	0.2
Development	98.3	185.4	35.3	32.0	74.7	189.5
Total revenue and grants	4652.2	5359.5	4472.5	5464.3	7394.7	8658.5

Source: Ministry of Finance and Development Planning.

1/ Fiscal year beginning April 1.

Table 20. Botswana: Economic Classification of Central Government Expenditure, 1991/92-1995/96 1/

	1991/92	1992/93	1993/94	1994/95	1995/96
	(In millions of Botswana pula)				
Total expenditure and net lending	3,295.0	3,696.4	4,416.5	4,212.5	5,315.7
Current expenditure	2,211.2	2,618.3	3,254.1	3,273.9	4,000.6
Expenditure on goods and services	1,392.1	1,664.1	2,110.6	2,086.1	2,508.5
Wages and salaries	784.6	889.1	1,111.5	1,054.3	1,236.6
Other purchases of goods and services	607.5	775.0	999.1	1,031.8	1,271.9
Interest payments	60.7	68.1	78.7	84.5	91.6
Subsidies and transfers	758.4	886.1	1,064.8	1,103.3	1,400.5
Pensions	17.0	19.4	22.2	28.6	30.3
Other	741.4	866.7	1,042.7	1,074.7	1,370.2
Capital expenditure and net lending	1,083.8	1,078.1	1,162.4	938.6	1,315.1
Acquisition of assets	484.2	541.3	635.5	692.9	842.9
Transfers and subsidies	12.4	49.8	34.9	51.0	173.7
Net lending	587.2	487.0	492.0	194.7	298.6
	(In percent of total expenditure and net lending)				
Total expenditure and net lending	100.0	100.0	100.0	100.0	100.0
Current expenditure	67.1	70.8	73.7	77.7	75.3
Expenditure on goods and services	42.2	45.0	47.8	49.5	47.2
Wages and salaries	23.8	24.1	25.2	25.0	23.3
Other purchases of goods and services	18.4	21.0	22.6	24.5	23.9
Interest	1.8	1.8	1.8	2.0	1.7
Subsidies and transfers	23.0	24.0	24.1	26.2	26.3
Pensions	0.5	0.5	0.5	0.7	0.6
Other	22.5	23.4	23.6	25.5	25.8
Capital expenditure and net lending	32.9	29.2	26.3	22.3	24.7
Acquisition of assets	14.7	14.6	14.4	16.4	15.9
Transfers and subsidies	0.4	1.3	0.8	1.2	3.3
Net lending	17.8	13.2	11.1	4.6	5.6

Source: Ministry of Finance and Development Planning.

1/ Fiscal year beginning April 1.



Table 21. Botswana: Components of Recurrent Expenditure, 1992/93-1996/97

(In percent of GDP)

	1992/93	1993/94	1994/95	1995/96	Prel. 1996/97
Personal emoluments	9.9	10.2	9.6	9.4	8.8
Operating expenses	14.0	14.6	14.2	14.3	13.7
Traveling and transport (internal)	0.8	1.0	1.0	1.0	0.9
Traveling and transport (external)	0.3	0.3	0.3	0.2	0.2
General expenses	1.5	1.4	0.9	1.0	0.9
Department services	0.8	0.8	1.4	1.5	1.2
Maintenance and operational expenses (equipment)	0.7	0.7	0.7	0.7	0.6
Maintenance and operational expenses (other)	0.6	0.5	0.5	0.5	0.5
Institutional expenses	1.1	1.2	1.2	1.3	1.1
Government hospitality	0.0	0.0	0.1	0.0	0.0
Training	0.3	0.4	0.4	0.5	0.4
Councils, conferences, and exhibitions	0.1	0.1	0.1	0.1	0.1
Materials and requisites for sale	0.1	0.1	0.1	0.1	0.1
Grants, subsidies, and other payments	6.1	6.3	6.2	6.3	6.6
Wildlife conservation education	0.0	0.0	0.0	0.0	0.0
Water supply for major villages	0.2	0.2	0.2	0.2	0.2
Operations of oil storage depots	0.0	0.0	0.0	0.0	0.0
Centralized power supply system	0.0	0.0	0.0	0.0	0.0
Special expenditure	0.9	1.2	1.0	0.9	0.9
Oversees addition	0.0	0.0	0.0	0.0	0.0
Miscellaneous and statutory commitments	0.4	0.4	0.2	0.2	0.2
Total	23.8	24.8	23.8	23.7	22.6

Source: Ministry of Finance and Development Planning.

Table 22. Botswana: Functional Classification of Central Government Total Expenditure and Net Lending  
(Recurrent and Development), 1991/92 - 1997/98 1/

	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	Estimate 1997/98
(In millions of Botswana pula)							
General services	547.4	631.4	737.6	821.0	976.6	1,164.4	1,344.4
General administration	449.3	516.4	589.9	659.2	790.9	911.1	1,038.7
Public order and safety	98.1	115.0	147.7	161.8	185.7	253.3	305.7
Defense	359.1	380.9	472.9	452.5	462.3	468.9	638.6
Social services	1,270.7	1,514.6	1,777.2	1,697.2	2,039.3	2,364.0	3,112.0
Education	565.1	653.9	815.6	937.5	1,166.5	1,517.8	1,842.0
Health	127.3	158.4	201.5	227.5	256.6	299.2	391.4
Housing and urban and regional development	517.8	553.3	534.5	416.3	406.2	385.9	745.7
Other community and social services	60.5	149.0	225.6	115.9	210.0	161.0	132.9
Economic services	891.2	893.8	1,067.9	826.2	1,147.4	1,459.5	1,815.2
Agriculture, forestry, and fishing	140.4	203.5	216.9	252.8	283.2	514.3	333.1
Mining	68.9	71.8	117.9	89.3	246.7	59.9	85.3
Roads, other transport, and communications	406.7	351.2	353.1	260.1	278.3	421.1	566.2
Electricity and water supply	101.2	109.2	264.5	124.4	252.2	303.5	631.8
Commerce, industry, and other	174.0	158.1	115.5	99.6	87.1	160.7	198.9
Unallocated	303.7	350.3	425.9	479.9	566.9	635.6	706.3
Public debt interest	60.7	68.0	78.7	84.5	91.6	91.4	100.3
Transfers to local authorities	217.0	253.9	316.0	359.2	403.3	472.2	534.0
Financial assistance policy (FAP) grants	26.0	28.4	31.2	36.2	72.0	72.0	72.0
<b>Total</b>	<b>3,372.1</b>	<b>3,771.0</b>	<b>4,481.5</b>	<b>4,276.8</b>	<b>5,192.4</b>	<b>6,092.4</b>	<b>7,616.4</b>
(In percent of total)							
General services	16.2	16.7	16.5	19.2	18.8	19.1	17.7
General administration	13.3	13.7	13.2	15.4	15.2	15.0	13.6
Public order and safety	2.9	3.0	3.3	3.8	3.6	4.2	4.0
Defense	10.6	10.1	10.6	10.6	8.9	7.7	8.4
Social services	37.7	40.2	39.7	39.7	39.3	38.8	40.9
Education	16.8	17.3	18.2	21.9	22.5	24.9	24.2
Health	3.8	4.2	4.5	5.3	4.9	4.9	5.1
Housing and urban and regional development	15.4	14.7	11.9	9.7	7.8	6.3	9.8
Other community and social services	1.8	4.0	5.0	2.7	4.0	2.6	1.7
Economic services	26.4	23.7	23.8	19.3	22.1	24.0	23.8
Agriculture, forestry, and fishing	4.2	5.4	4.8	5.9	5.5	8.4	4.4
Mining	2.0	1.9	2.6	2.1	4.8	1.0	1.1
Roads, other transport, and communications	12.1	9.3	7.9	6.1	5.4	6.9	7.4
Electricity and water supply	3.0	2.9	5.9	2.9	4.9	5.0	8.3
Commerce, industry, and other	5.2	4.2	2.6	2.3	1.7	2.6	2.6
Unallocated	9.0	9.3	9.5	11.2	10.9	10.4	9.3
Public debt interest	1.8	1.8	1.8	2.0	1.8	1.5	1.3
Transfers to local authorities	6.4	6.7	7.1	8.4	7.8	7.8	7.0
Financial assistance policy (FAP) grants	0.8	0.8	0.7	0.8	1.4	1.2	0.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Ministry of Finance and Development Planning.

1/ Fiscal year beginning April 1.

Table 23. Botswana: Consolidated Income Statement of Nonfinancial Public Enterprises,  
1991/92-1995/96 1/

(In millions of Botswana pula)

	1991/92	1992/93	1993/94	1994/95	1995/96
Operating revenues	863.1	912.3	974.4	1023.4	824.0
Sales of goods and services	860.1	911.7	973.1	1021.6	823.3
Subsidy from government	3.0	0.6	1.3	1.8	0.7
Operating expenses	691.7	754.0	726.0	784.7	594.5
Wages and salaries	156.2	180.5	206.5	218.1	203.5
Purchases of goods and services	432.4	468.3	395.2	395.3	231.4
Consumption of fixed capital	107.7	130.6	140.3	155.2	168.8
Taxes due in course of production	0.0	0.0	0.0	14.9	0.0
Less: change in inventories	4.6	25.4	16.0	-1.2	9.2
Operating surplus or deficit	171.4	158.3	248.4	238.7	229.5
Nonoperating revenues	28.1	35.7	57.5	65.4	68.0
Nonoperating expenses	147.7	99.5	166.1	217.0	192.6 <sup>1</sup>
Income before tax	51.8	94.5	139.8	93.0	83.1
Direct taxes due	12.1	9.5	11.4	8.8	0.0
Income after tax	36.1	85.0	128.4	84.2	83.1
Distribution of income to government	4.7	9.2	24.1	30.6	1.3
Prior-year depreciation adjustment	-1.0	0.5	0.9	-2.7	0.0
Retained earnings	39.8	75.3	103.4	56.3	81.8
Memorandum items:					
Operating balance (In percent of GDP)	1.9	1.5	2.0	1.7	1.3

Sources: Bank of Botswana.

1/ Includes the Botswana Agricultural Marketing Board, the Botswana Livestock Development Corporation, the Botswana Housing Corporation, the Botswana Meat Commission, the Botswana Power Corporation, the Botswana Telecommunications Corporation, and the Botswana Water Utilities Corporation. Data cover fiscal year April-March, except for the Botswana Livestock Corporation, for which data cover fiscal year January-December, and the Botswana Meat Commission, for which data cover fiscal year October-September.

Table 24. Botswana: Selected Financial Ratios and Aggregates, 1992-97

(End of period)

	1992	1993	1994	1995			1996			Sep.
				Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	
Commercial banks										
Ratio of credit to deposit liabilities	0.80	0.77	0.83	0.72	0.65	0.65	0.65	0.61	0.61	0.56
Ratio of actual reserves to required	1.85	1.69	2.31	2.18	2.14	0.94	2.14	2.14	2.14	3.03
Banking system										
Ratio of actual liquid assets to required	1.93	2.04	1.81	2.26	2.35	2.53	2.53	2.53	5.71	6.10
Commercial banks										
Required liquid assets 1/	367.1	388.6	435.3	492.6	487.7	494.9	494.9	494.9	263.4	323.7
Actual liquid assets	677.5	794.0	786.6	1,113.5	1,144.6	1,253.6	1,253.6	1,253.6	1,503.9	1,975.9
Excess liquid assets	310.4	405.4	351.2	620.9	656.9	758.7	758.7	758.7	1,240.5	1,652.2
Bank of Botswana										
Private deposits 2/	32.6	35.8	45.9	47.8	49.2	48.5	48.5	48.5	46.7	63.7
Banking system										
Excess liquid assets	343.0	441.2	397.1	668.7	706.1	807.2	807.2	807.2	1,287.2	1,715.9

Source: Bank of Botswana.

1/ The formula for calculating required reserves was changed in 1994, and figures were readjusted retrospectively.

2/ Counted as part of excess liquidity.

Table 25. Botswana: Monetary Survey, 1992-97

	1992	1993	1994	1995	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.
					1996				1997		
(In millions of Botswana pula, end of period)											
Net foreign assets	8,662.6	10,526.2	12,026.8	13,346.4	14,561.4	16,223.9	17,599.1	18,623.7	19,225.3	20,178.6	21,508.3
Bank of Botswana	8,561.2	10,508.7	11,960.5	13,249.1	14,248.4	15,922.4	17,251.0	18,322.4	18,809.6	19,728.3	20,950.0
Commercial banks	101.4	17.5	66.3	97.3	313.0	301.5	348.1	301.3	415.7	450.3	558.3
Net domestic credit	-3,689.5	-4,066.3	-4,875.9	-4,700.7	-5,833.0	-5,695.4	-5,631.1	-5,445.4	-12,122.4	-12,387.0	-13,214.7
Claims on the government (net)	-5,088.4	-5,629.3	-6,720.6	-6,479.8	-7,576.8	-7,465.3	-7,422.9	-7,243.9	-13,912.5	-14,192.7	-15,108.3
Bank of Botswana	-5,079.6	-5,598.0	-6,704.5	-6,460.4	-7,557.4	-7,435.6	-7,380.5	-7,203.7	-13,888.9	-14,158.4	-15,079.8
Commercial banks	-8.8	-31.3	-16.1	-19.4	-19.4	-29.7	-42.4	-40.2	-23.6	-34.3	-28.5
Claims on the private sector 1/	1,398.9	1,563.0	1,844.7	1,779.1	1,743.8	1,769.9	1,791.9	1,798.5	1,790.1	1,805.7	1,893.6
Other items (net)	-3,116.8	-4,251.6	-4,957.1	-6,521.7	-6,348.9	-8,157.1	-9,396.3	-10,703.0	-4,432.3	-5,009.8	-5,076.9
Of which											
Valuation adjustment counterpart 2/	7.2	-967.1	-1,061.6	-697.7	0.0	0.0	0.0	-3,349.3	0.0	0.0	0.0
Bank of Botswana certificates	-571.9	-502.2	-522.4	-1,126.9	-1,137.9	-1,396.5	-1,508.3	-1,641.0	-1,786.4	-1,934.4	-1,778.4
Foreign currency accounts	0.0	0.0	0.0	-228.5	-188.1	-242.6	-236.1	-296.2	-349.8	-397.1	-413.5
Money plus quasi money	1,856.2	2,053.2	2,195.9	2,124.1	2,379.5	2,371.5	2,571.7	2,475.3	2,670.6	2,781.8	3,216.7
Money	589.2	667.0	623.2	532.0	545.7	544.3	619.1	513.6	590.6	583.1	614.5
Currency	163.0	180.0	194.9	222.7	251.1	276.6	297.3	247.1	304.8	292.8	304.3
Current deposits 3/	426.2	487.0	428.3	309.3	294.6	267.7	321.8	266.5	285.8	290.3	310.2
Quasi money 4/	1,267.0	1,386.2	1,572.7	1,592.1	1,833.8	1,827.2	1,952.6	1,961.7	2,080.0	2,198.7	2,602.2
Memorandum items:											
Broad money (M3)	2,428.1	2,555.4	2,718.3	3,251.0	3,517.4	3,768.0	4,080.0	4,116.3	4,457.0	4,716.2	4,995.1
Of which											
Bank of Botswana certificates	571.9	502.2	522.4	1,126.9	1,137.9	1,396.5	1,508.3	1,641.0	1,786.4	1,934.4	1,778.4
Broad money (M4)	0.0	0.0	0.0	3,479.5	3,705.5	4,010.6	4,316.1	4,412.5	4,806.8	5,113.3	5,408.6
Of which											
Foreign currency accounts	0.0	0.0	0.0	228.5	188.1	242.6	236.1	296.2	349.8	397.1	413.5
(Annual change as a percent of beginning-of-12-month-period money stock)											
Net foreign assets 5/	93.2	47.9	68.5	76.7	79.8	122.5	181.5	123.6	196.0	166.8	152.0
Net domestic credit	-27.0	-20.3	-39.4	8.0	-26.4	-23.8	-26.3	-35.1	-264.3	-282.2	-294.9
Claims on the government (net)	-48.3	-29.1	-53.2	11.0	-21.3	-18.8	-22.5	-36.0	-266.3	-283.7	-298.8
Claims on the private sector	21.3	8.8	13.7	-3.0	-5.1	-5.0	-3.8	0.9	1.9	1.5	4.0
Money plus quasimoney	10.6	10.6	7.0	-3.3	8.0	2.0	6.9	16.5	12.2	17.3	25.1
Other items (net) 5/	-55.6	-8.6	-29.8	-87.8	-45.4	-96.7	-148.3	-72.0	80.5	132.7	168.0

Sources: Bank of Botswana; and Fund staff estimates.

1/ Comprises advances to private businesses, parastatals, households, and local governments, and bills eligible for discount.

2/ Equivalent to the revaluation profit (loss) for the year reported on the books of the Bank of Botswana.

3/ Demand deposits are calculated as total current and call deposits less nonresident deposits and less 50 percent of interbranch balances to account for items in transit.

4/ Includes private deposits at the Bank of Botswana but excludes holdings of Bank of Botswana certificates.

5/ Excludes the annual effect of foreign asset valuation adjustments.

Table 26. Botswana: Summary Accounts of Bank of Botswana, 1992-97 1/

(In millions of Botswana pula, end of period)

	1992	1993	1994	1995	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.
					1996	1996	1996	1996	1997	1997	1997
Foreign assets	8,561.2	10,508.7	11,960.5	13,249.1	14,248.4	15,922.4	17,251.0	18,322.4	18,809.6	19,728.3	20,950.0
Balances at foreign banks 2/	2,747.6	2,596.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Treasury bills and securities 2/	5,698.0	7,766.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pula Fund	0.0	0.0	2,810.4	4,247.9	4,467.5	4,909.5	5,034.1	5,394.2	14,959.2	15,990.5	16,814.9
Liquidity portfolio	0.0	0.0	7,701.5	7,539.8	8,341.3	9,601.7	10,728.7	12,689.6	3,609.8	3,495.2	3,892.5
Matched assets/liability portfolio 3/	0.0	0.0	1,282.6	1,258.0	1,236.2	1,206.0	1,281.1	0.0	0.0	0.0	0.0
Fund accounts	115.6	145.5	166.0	203.4	203.4	205.2	207.1	238.6	240.6	242.6	242.6
Holding of SDRs	69.7	86.1	100.7	113.5	118.9	120.7	122.6	150.4	143.0	147.2	151.1
Reserve position	45.9	59.4	65.3	89.9	84.5	84.5	84.5	88.2	97.6	95.4	91.5
Loans and advances to financial institutions	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	35.0	50.5	83.8	96.7	98.2	99.6	101.0	98.5	99.2	100.9	102.6
Other assets	50.4	15.4	18.1	23.6	27.5	61.6	19.1	17.1	27.5	15.4	13.4
Assets = liabilities	8,696.6	10,574.6	12,062.4	13,369.4	14,374.1	16,083.6	17,371.0	18,438.0	18,936.3	19,844.6	21,066.0
Reserve money	312.1	395.1	391.5	405.3	408.0	414.6	489.9	453.3	458.3	471.8	639.3
Currency in circulation	232.2	274.8	302.5	318.5	304.3	318.8	351.5	355.8	357.0	370.0	390.8
Currency outside banks	163.0	180.0	194.9	222.7	251.1	276.6	297.3	247.1	304.8	292.8	304.3
Pula currency in banks	69.2	94.8	107.6	95.8	53.2	42.2	54.2	108.7	52.2	77.2	86.5
Bankers' deposits	79.9	120.3	89.0	86.8	103.7	95.8	138.5	97.5	101.3	101.8	248.5
Private-sector time deposits	32.6	35.8	45.9	47.8	49.2	48.5	50.1	46.7	57.2	52.5	63.7
Bank of Botswana certificates outstanding	1,026.0	1,203.1	1,450.9	1,963.8	1,977.8	2,403.4	2,482.0	2,815.7	3,036.3	3,371.7	3,262.9
Bankers	454.1	700.9	928.5	1,459.7	1,504.8	1,693.3	1,717.5	1,847.1	1,981.5	2,225.8	2,356.7
Others	571.9	502.2	522.4	504.1	473.0	710.1	764.6	968.6	1,054.8	1,145.9	906.2
Government deposits	5,079.6	5,598.0	6,704.5	6,460.4	7,557.4	7,435.6	7,380.5	7,203.7	13,888.9	14,158.4	15,079.8
Capital and reserves	1,331.1	2,151.6	2,922.8	3,319.7	3,319.7	3,319.7	3,319.7	6,085.6	1,302.0	1,661.4	1,888.0
Paid-up capital	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	25.0	25.0	25.0
General reserve	179.0	226.0	234.0	271.5	271.5	271.5	271.5	327.4	1,109.0	1,257.2	1,345.9
Revaluation reserve	1,168.5	1,922.0	2,685.2	3,044.6	3,044.6	3,044.6	3,044.6	5,754.6	168.0	379.2	517.1
Other liabilities	895.2	1,191.1	546.8	1,172.3	1,062.1	2,461.9	3,648.7	1,833.0	193.5	128.8	132.3

Source: Bank of Botswana.

1/ Effective January 1997, and in accordance with the new Bank of Botswana (BOB) Act (Part 6, Sections 34(2) and (3)), the BOB balance sheet and the government accounts were restructured. This change is reflected in the sharp increases in the Pula Fund and government deposits, with corresponding decreases in liquidity portfolio and revaluation reserves.

2/ Effective January 1994, balances with banks, as well as treasury bills and securities, have been broken down into Pula Fund, liquidity portfolio, and matched assets/liability portfolio.

3/ Effective December 1996, the item "Matched assets/liability portfolio" has been discontinued.

Table 27. Botswana: Summary Accounts of Commercial Banks, 1992-97

(In millions of Botswana pula; end of period)

	1992		1993		1994		1995		1996			1997	
	Mar.	Jun.	Mar.	Jun.	Mar.	Jun.	Mar.	Jun.	Mar.	Jun.	Mar.	Jun.	Sep.
Commercial bank reserves	130.1	204.3	166.4	173.4	184.1	83.2	201.7	198.0	132.0	178.7	336.2		
Cash	76.5	105.3	113.6	103.1	58.7	51.0	72.3	130.1	72.2	89.8	98.9		
Balances at Bank of Botswana	53.6	99.0	52.8	70.3	125.4	32.2	129.4	67.9	59.8	88.9	237.3		
Foreign assets 1/	139.0	146.3	166.0	188.8	434.9	406.8	440.8	431.7	528.2	654.8	674.1		
Credit to domestic economy	1,398.9	1,563.0	1,846.8	1,779.1	1,743.8	1,769.9	1,791.9	1,798.5	1,790.1	1,805.7	1,893.6		
Claims on local governments	1.7	2.9	3.9	2.6	1.9	1.5	1.8	1.5	2.7	6.5	2.5		
Claims on parastatals	75.9	93.7	148.4	94.7	57.7	77.3	71.5	70.5	50.1	66.6	62.1		
Claims on private sector	1,321.3	1,466.4	1,694.5	1,681.8	1,684.2	1,691.1	1,718.5	1,726.5	1,737.3	1,732.6	1,829.0		
<i>Of which</i>													
Claims on households	491.1	603.5	646.6	781.8	770.6	779.6	812.8	849.5	850.7	800.6	937.5		
Other assets	620.8	734.7	1,190.5	1,582.1	1,664.9	1,941.8	2,054.9	2,158.4	2,392.2	2,612.4	2,724.5		
Fixed assets	108.3	119.5	111.9	93.1	91.7	106.8	107.1	110.6	110.8	112.0	112.3		
Others 2/	512.5	615.2	1,078.6	1,489.0	1,573.2	1,835.0	1,947.8	2,047.8	2,281.4	2,500.4	2,612.2		
Assets = liabilities	2,288.8	2,648.3	3,369.7	3,723.4	4,027.7	4,201.7	4,489.3	4,586.6	4,842.5	5,251.6	5,628.4		
Demand deposits of the public 3/	1,052.3	1,211.2	1,424.0	1,666.7	1,811.6	1,895.0	2,009.8	2,064.1	2,250.4	2,473.7	2,692.4		
Time and savings deposits	698.3	794.7	793.7	779.2	834.4	814.3	889.3	867.6	894.1	938.7	1,111.8		
Savings	271.3	337.3	348.9	343.9	354.0	365.0	376.1	378.6	385.7	399.6	412.7		
Notice and time	427.0	457.4	444.8	435.3	480.4	449.3	513.2	489.0	508.4	539.1	699.1		
Liabilities to other banks	17.0	68.2	79.2	75.8	114.1	106.2	104.7	118.3	115.7	155.8	124.0		
Bank of Botswana	50.0	0.0	2.8	0.0	0.0	23.0	0.0	0.0	9.4	8.7	8.4		
Government deposits	8.8	31.3	16.1	19.4	21.5	29.7	42.6	40.4	23.7	35.1	28.5		
Capital and reserves	220.7	244.4	308.0	337.3	350.3	373.1	388.4	401.8	416.8	434.4	458.5		
Other liabilities	241.7	298.5	745.9	845.0	895.8	960.4	1,054.4	1,094.4	1,132.4	1,205.2	1,204.8		

Source: Bank of Botswana.

1/ Comprises balances due from foreign banks.

2/ Comprises other investments: balances due from domestic banks, bills purchased and discounted, Bank of Botswana certificates, and other unclassified assets.

3/ Includes call deposits.

Table 28. Botswana: Selected Interest Rates, 1992-97

(In percent, end of period)

	1992	1993	1994	1995	1996	Sep. 1997
<b>Bank of Botswana</b>						
Lending rate (bank rate)	14.25	14.25	13.50	13.00	13.00	12.50
<b>Public Debt Service Fund 1/</b>						
Financial parastatals	9.50	12.10	12.10	12.10	12.10	12.10
Nonfinancial parastatals	12.00	14.60	14.60	14.60	14.60	14.60
<b>Commercial banks</b>						
Deposit rates						
Savings accounts	12.00	12.25	9.50	5.75	7.69	7.59
Call deposits	12.25	12.50	10.50	9.25	9.13	9.21
31 days' notice	12.00	12.50	12.40	9.50	8.75	8.75
88 days' notice	12.00	12.50	12.40	9.65	9.56	9.56
Fixed deposits up to P 250,000						
6 months	13.50	13.50	11.80	10.53	10.02	9.76
12 months	14.00	14.00	12.00	10.50	10.28	9.91
Prime lending rate	14.50	15.00	14.50	14.50	14.50	14.00
<b>Botswana Building Society</b>						
Deposit rates						
Indefinite period paid-up shares	10.00	11.50	11.50	10.50	10.00	10.00
Subscription shares	9.50	11.00	11.00	10.00	9.00	9.00
Fixed time deposits						
Ordinary savings accounts	2.00	2.00	2.00	2.00	2.00	2.00
Special savings accounts	9.50	11.00	11.00	8.00	8.00	8.00
Lending rate						
Mortgage loans 2/	13.50	15.00	15.00	15.00	14.50	14.50
Short-term loans 3/	15.00	16.50	16.50	17.50	17.50	17.50
<b>Botswana Savings Bank 4/</b>						
Ordinary savings accounts	5.00	5.00	3.50	3.50	3.50	3.50
Special savings accounts	9.00	9.00	6.50	6.50	7.50	7.50

Source: Bank of Botswana.

1/ In 1991, a two-tier rate structure was introduced, with the lower rate applying to financial parastatals and the higher rate to nonfinancial parastatals.

2/ Starting in 1983, loans over P 50,000 were charged an additional percentage point.

3/ Interest rates on short-term loans vary according to the security offered by the borrower.

4/ The former Post Office Savings Bank.



Table 29. Botswana: Distribution of Commercial Bank Credit by Economic Activity, 1992-97

(End of period)

	1992			1993			1994			1995			1996			1997		
	Mar.	Jun.	Sep.	Mar.	Jun.	Sep.	Mar.	Jun.	Sep.	Mar.	Jun.	Sep.	Mar.	Jun.	Sep.	Mar.	Jun.	Sep.
	(In millions of Botswana pula)																	
Agriculture	47.3	37.7	32.6	32.6	24.9	16.9	27.3	32.0	35.0	34.3	32.4	35.1	34.3	32.4	35.1	34.3	32.4	35.1
Mining	78.5	68.2	77.4	77.4	54.5	43.6	57.7	66.0	49.9	34.4	29.6	19.8	34.4	29.6	19.8	34.4	29.6	19.8
Manufacturing	134.0	146.1	165.4	165.4	145.2	125.5	128.4	119.9	138.1	129.1	148.1	164.4	129.1	148.1	164.4	129.1	148.1	164.4
Construction	97.9	92.2	107.1	107.1	89.5	61.2	59.0	63.3	59.8	61.9	52.8	55.4	61.9	52.8	55.4	61.9	52.8	55.4
Electricity and water	4.6	8.6	5.9	5.9	10.7	15.0	15.2	13.3	6.8	12.2	19.8	4.0	12.2	19.8	4.0	12.2	19.8	4.0
Transport and communications	28.5	33.9	37.0	37.0	59.8	52.2	77.8	74.2	81.5	64.9	89.2	73.2	64.9	89.2	73.2	64.9	89.2	73.2
Trade	192.9	201.0	194.8	194.8	163.0	189.2	199.2	195.7	174.7	178.4	193.2	242.7	178.4	193.2	242.7	178.4	193.2	242.7
Business services	190.2	195.8	359.8	359.8	276.6	271.0	279.6	292.1	284.1	298.4	273.7	235.0	298.4	273.7	235.0	298.4	273.7	235.0
Finance	36.6	35.7	9.0	9.0	26.3	34.9	10.5	5.2	9.1	27.3	11.0	5.0	27.3	11.0	5.0	27.3	11.0	5.0
Other business	19.8	43.6	58.9	58.9	49.3	102.1	56.7	43.9	37.9	45.7	82.2	76.7	45.7	82.2	76.7	45.7	82.2	76.7
Financial parastatals	75.9	93.7	148.4	148.4	94.7	57.7	77.3	71.5	70.5	50.1	66.6	62.1	50.1	66.6	62.1	50.1	66.6	62.1
Local government	1.7	2.9	3.9	3.9	2.6	4.0	1.5	2.0	1.7	2.8	6.5	2.5	2.8	6.5	2.5	2.8	6.5	2.5
Households	491.1	603.5	646.6	646.6	781.8	770.6	779.6	812.8	849.5	850.7	800.6	937.5	850.7	800.6	937.5	850.7	800.6	937.5
Total	1,399.0	1,562.9	1,846.8	1,846.8	1,778.9	1,743.9	1,769.8	1,791.9	1,798.6	1,790.2	1,805.7	1,913.4	1,790.2	1,805.7	1,913.4	1,790.2	1,805.7	1,913.4
	(Percentage shares)																	
Agriculture	3.4	2.4	1.8	1.8	1.4	1.0	1.5	1.8	1.9	1.9	1.8	1.8	1.9	1.9	1.8	1.9	1.8	1.8
Mining	5.6	4.4	4.2	4.2	3.1	2.5	3.3	3.7	2.8	1.9	1.6	1.0	1.9	1.6	1.0	1.9	1.6	1.0
Manufacturing	9.6	9.3	9.0	9.0	8.2	7.2	7.3	6.7	7.7	7.2	8.2	8.6	7.2	8.2	8.6	7.2	8.2	8.6
Construction	7.0	5.9	5.8	5.8	5.0	3.5	3.3	3.5	3.3	3.5	2.9	2.9	3.5	2.9	2.9	3.5	2.9	2.9
Electricity and water	0.3	0.6	0.3	0.3	0.6	0.9	0.9	0.7	0.4	0.7	1.1	0.2	0.7	1.1	0.2	0.7	1.1	0.2
Transport and communications	2.0	2.2	2.0	2.0	3.4	3.0	4.4	4.1	4.5	3.6	4.9	3.8	3.6	4.9	3.8	3.6	4.9	3.8
Trade	13.8	12.9	10.5	10.5	9.2	10.8	11.3	10.9	9.7	10.0	10.7	12.7	10.0	10.7	12.7	10.0	10.7	12.7
Business services	13.6	12.5	19.5	19.5	15.5	15.5	15.8	16.3	15.8	16.7	15.2	12.3	16.7	15.2	12.3	16.7	15.2	12.3
Finance	2.6	2.3	0.5	0.5	1.5	2.0	0.6	0.3	0.5	1.5	0.6	0.3	1.5	0.6	0.3	1.5	0.6	0.3
Other business	1.4	2.8	3.2	3.2	2.8	5.9	3.2	2.4	2.1	2.6	4.6	4.0	2.6	4.6	4.0	2.6	4.6	4.0
Financial parastatals	5.4	6.0	8.0	8.0	5.3	3.3	4.4	4.0	3.9	2.8	3.7	3.2	2.8	3.7	3.2	2.8	3.7	3.2
Local government	0.1	0.2	0.2	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.4	0.1	0.1	0.4	0.1
Households	35.1	38.6	35.0	35.0	43.9	44.2	44.1	45.4	47.2	47.5	44.3	49.0	47.5	44.3	49.0	47.5	44.3	49.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Bank of Botswana.

Table 30. Botswana: Sources of Commercial Bank Deposits, 1992-97

(End of period)

	(In millions of Botswana pula)											
	1992	1993	1994	1995	1996			1997			Sep.	
					Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Sep.
Government	131.0	214.4	189.0	269.0	221.7	232.9	324.2	258.3	265.5	290.3	353.7	
Central	8.8	31.3	16.1	19.4	21.5	29.7	42.6	40.4	23.7	35.1	28.5	
Local	122.2	183.1	172.9	249.6	200.2	203.2	281.6	217.9	241.8	255.2	325.2	
Parastatals	265.2	217.0	250.3	323.5	315.2	284.7	264.6	306.6	364.1	351.7	411.7	
Private enterprises	900.2	1,015.9	1,168.7	1,231.6	1,458.2	1,493.5	1,585.7	1,637.2	1,737.0	2,000.5	2,208.6	
Households	454.1	558.5	609.5	641.2	672.3	727.9	767.2	770.1	801.6	804.9	858.7	
Total	1,750.5	2,005.8	2,217.5	2,465.3	2,667.4	2,739.0	2,941.7	2,972.2	3,168.2	3,447.4	3,832.7	
	(In percent of total)											
Government	7.5	10.7	8.5	10.9	8.3	8.5	11.0	8.7	8.4	8.4	9.2	
Central	0.5	1.6	0.7	0.8	0.8	1.1	1.4	1.4	0.7	1.0	0.7	
Local	7.0	9.1	7.8	10.1	7.5	7.4	9.6	7.3	7.6	7.4	8.5	
Parastatals	15.1	10.8	11.3	13.1	11.8	10.4	9.0	10.3	11.5	10.2	10.7	
Private enterprises	51.4	50.6	52.7	50.0	54.7	54.5	53.9	55.1	54.8	58.0	57.6	
Households	25.9	27.8	27.5	26.0	25.2	26.6	26.1	25.9	25.3	23.3	22.4	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

Source: Bank of Botswana.

Table 31. Botswana: Auctions of Bank of Botswana Certificates, January 1994-October 1997 1/

	Reserved for Bank of Botswana		Stop-Out Price (In pula)	Interest Rate (in percent)	
	Allotted (In millions of Botswana pula)			Simple	Effective
1994					
January	0.0	0.0	0.00	0.00	0.00
February	542.4	127.9	94.34	12.10	12.46
March	865.0	0.0	94.29	11.60	11.92
April	0.0	0.0	0.00	0.00	0.00
May	200.0	0.0	97.20	11.31	11.79
June	187.3	12.7	94.55	11.50	11.80
July	100.0	0.0	98.96	11.99	12.66
August	259.0	77.0	94.65	12.15	12.54
September	71.0	0.0	97.34	11.60	12.12
October	275.0	0.0	95.33	11.99	12.06
November	0.0	0.0	0.00	0.00	0.00
December	288.8	31.3	94.77	12.31	12.73
1995					
January	242.5	107.5	94.65	12.11	12.37
February	247.9	16.5	95.79	12.07	12.54
March	212.4	47.6	95.22	12.63	13.11
April	192.0	8.1	94.25	12.90	13.33
May	299.3	75.8	95.29	12.87	13.38
June	165.0	35.0	93.92	12.94	13.35
July	0.0	0.0	0.00	0.00	0.00
August	33.6	0.0	96.21	12.50	13.05
September	667.8	10.2	95.57	12.26	12.73
October	391.4	0.0	92.93	12.48	12.84
November	0.0	0.0	0.00	0.00	0.00
December	603.8	61.3	94.44	12.32	12.71
1996					
January	0.0	0.0	0.00	0.0	0.0
February	257.6	7.5	97.14	11.87	12.41
March	710.7	179.3	94.03	12.35	12.72
April	260.0	0.0	93.78	12.29	12.64
May	455.0	0.0	91.39	12.74	12.93
June	497.5	2.6	96.00	12.05	12.53
July	420.0	0.0	92.76	12.53	12.82
August	449.0	11.5	89.99	13.00	13.12
September	567.3	22.7	91.58	12.77	12.98
October	843.0	0.0	90.44	12.95	13.10
November	0.0	0.0	0.00	0.00	0.00
December	636.1	0.0	90.55	12.95	13.10
1997					
January	300.0	0.0	88.30	13.25	13.25
February	0.0	0.0	0.00	0.00	0.00
March	490.7	49.4	92.90	12.27	12.54
April	125.0	0.0	93.38	12.22	12.53
May	429.0	111.0	94.07	12.15	12.49
June	794.0	124.3	94.53	12.11	12.48
July	366.6	15.5	93.88	12.27	12.62
August	144.7	15.3	91.48	12.45	12.64
September	724.3	36.7	93.09	12.17	12.44
October	529.9	196.1	92.89	12.18	12.43

Sources: Bank of Botswana.

1/ In any month with more than one auction, the stop-out price and interest rates are arithmetic averages.

Table 32. Botswana: Value of Outstanding Bank of Botswana Certificates, January 1994-October 1997 1/

(In millions of Botswana pula; end of period)

	Commercial Banks	Other Financial Institutions	Other Private Sector	Total
<b>1994</b>				
January	853.2	19.5	394.4	1,267.1
February	799.1	9.4	420.4	1,228.9
March	821.3	12.4	537.4	1,371.1
April	906.4	12.5	378.6	1,297.5
May	985.2	15.9	463.3	1,464.4
June	1,005.2	16.0	547.8	1,569.0
July	970.4	14.1	406.8	1,391.3
August	944.0	12.7	477.0	1,433.7
September	948.9	14.8	502.1	1,465.8
October	968.1	14.9	349.0	1,332.0
November	975.9	24.0	432.1	1,432.0
December	942.3	14.5	494.2	1,451.0
<b>1995</b>				
January	1,121.4	4.9	470.9	1,597.2
February	1,025.1	16.8	590.6	1,632.5
March	1,047.3	17.0	504.8	1,569.1
April	1,109.4	15.6	363.2	1,488.2
May	1,247.5	15.6	459.8	1,722.9
June	1,299.7	15.8	531.1	1,846.6
July	1,235.0	15.5	334.3	1,584.8
August	1,210.0	15.6	355.9	1,581.5
September	1,281.6	15.0	396.8	1,693.4
October	1,348.8	15.5	284.1	1,648.4
November	1,447.3	15.6	378.7	1,841.6
December	1,458.8	15.8	488.0	1,962.6
<b>1996</b>				
January	1,480.9	15.4	444.2	1,940.5
February	1,464.6	15.3	395.7	1,875.6
March	1,504.8	15.5	457.5	1,977.8
April	1,625.2	15.4	511.8	2,152.4
May	1,793.4	17.5	592.1	2,403.0
June	1,693.3	19.1	691.0	2,403.4
July	1,765.6	19.3	600.7	2,385.6
August	1,751.1	19.0	675.6	2,445.7
September	1,717.5	21.8	742.8	2,482.1
October	1,857.4	22.3	808.6	2,688.3
November	1,888.8	24.9	772.9	2,686.6
December	1,847.1	27.8	940.8	2,815.7
<b>1997</b>				
January	1,998.5	28.5	849.4	2,876.4
February	2,032.6	30.1	893.4	2,956.1
March	1,981.5	30.4	1,024.4	3,036.3
April	2,151.3	31.7	951.8	3,134.8
May	2,271.1	31.3	1,012.2	3,314.6
June	2,225.7	31.1	1,114.8	3,371.6
July	2,273.0	34.2	699.7	3,006.9
August	2,185.9	34.3	774.7	2,994.9
September	2,356.7	34.9	871.3	3,262.9
October	2,489.4	37.6	735.3	3,262.3

Sources: Bank of Botswana, *Annual Report and Financial Statistics*.

1/ Effective December 1993, the method of valuation of Bank of Botswana certificates is based on the discounted value.

Table 33. Botswana: Balance of Payments, 1991-96

(In millions of U.S. dollars)

	1991	1992	1993	1994	1995	1996
Current account	337.6	241.7	504.2	239.2	337.9	662.7
Goods	267.7	185.3	267.2	524.6	581.5	796.7
Exports, f.o.b.	1,875.0	1,725.2	1,725.1	1,875.4	2,160.7	2,232.8
<i>Of which</i>						
Diamonds	1,458.1	1,359.3	1,380.8	1,385.6	1,437.3	1,733.2
Imports, f.o.b.	-1,607.3	-1,539.9	-1,457.9	-1,350.7	-1,579.1	-1,436.1
Services	-173.0	-169.0	-134.5	-135.9	-183.9	-182.4
Credit	210.3	187.2	191.7	186.2	260.4	163.8
Debit	-383.3	-356.2	-326.2	-322.2	-444.3	-346.3
Transportation	-195.6	-150.8	-130.9	-129.0	-149.1	-141.4
Credit	37.3	41.9	36.9	35.7	38.3	40.1
Debit	-232.9	-192.7	-167.8	-164.7	-187.4	-181.5
Travel	63.2	32.4	41.3	47.6	16.7	15.7
Credit	130.6	106.2	120.2	123.8	162.0	94.0
Debit	-67.5	-73.8	-78.9	-76.2	-145.2	-78.2
Other services	-40.5	-50.6	-44.9	-54.5	-51.5	-56.8
Credit	42.4	39.1	34.6	26.7	60.1	29.7
Debit	-82.9	-89.7	-79.5	-81.2	-111.7	-86.5
Income	63.0	111.2	294.1	-224.5	-32.4	-41.2
Credit	484.1	536.3	555.5	230.9	483.3	505.1
Debit	-421.1	-425.1	-261.4	-455.4	-515.7	-546.4
Compensation of employees	30.1	20.9	14.5	16.0	13.2	-14.0
Credit	79.1	85.9	64.7	63.4	55.3	35.2
Debit	-49.0	-65.0	-50.1	-47.4	-42.2	-49.2
Investment income	32.9	90.3	279.6	-240.5	-45.6	-51.4
Credit	405.0	450.4	490.8	167.5	427.9	470.0
<i>Of which</i>						
Earnings on reserves	375.1	418.9	465.1	142.3	370.0	449.4
Debit	-372.1	-360.1	-211.2	-408.0	-473.6	-497.2
<i>Of which</i>						
Dividends	-360.7	-334.7	-342.0	-314.7	-346.5	...
Reinvested earnings <sup>1/</sup>	148.5	155.6	354.7	68.9	-48.0	...
Current transfers	179.9	114.2	77.3	74.9	-27.3	89.6
Credit	456.5	386.9	352.9	370.2	342.3	310.3
<i>Of which</i>						
Southern African Customs Union (SACU) transfers	163.8	272.0	140.5	131.0	152.7	139.7
Debit	-276.6	-272.7	-275.6	-295.3	-369.6	-220.7
Capital and financial account	-251.7	-124.5	-437.3	-94.0	-244.2	-515.9
Capital account	3.5	6.6	8.5	6.0	2.9	-5.0
Capital account	7.1	14.0	20.5	16.2	8.0	-16.6
Financial account	-255.2	-131.1	-445.7	-100.1	-247.1	-510.9
Direct investment	-16.8	-11.3	-296.9	-23.6	29.5	89.1
Abroad	-8.5	-9.8	-9.5	-9.5	-40.9	-1.1
In reporting country	-8.2	-1.5	-287.4	-14.2	70.4	90.1
Portfolio investment	-1.2	0.1	0.2	-0.1	-30.6	-4.5
Other investment	141.5	284.0	256.3	65.0	-32.8	-47.0
Assets	-53.1	147.3	63.5	15.8	-88.7	-112.8
Liabilities	194.6	136.7	192.8	49.2	55.9	65.9
Long term	133.7	128.6	111.8	68.5	19.6	65.9
General government loans	78.1	53.8	67.1	6.5	-12.3	-6.2
Drawings	110.6	82.9	90.6	45.0	27.4	35.8
Repayments	-32.6	-29.1	-23.5	-38.5	-39.7	-42.0
Other sectors' loans	62.6	0.8	25.3	64.7	-3.8	...
Drawings	80.6	11.2	33.0	76.9	1.8	...
Repayments	-18.0	-10.3	-7.7	-12.2	-5.6	...
Other long term	-6.9	73.9	19.4	-2.7	35.7	72.1
Short term	60.9	8.1	81.0	-19.3	36.4	0.0
Reserve assets	-378.8	-403.9	-405.3	-141.3	-213.2	-548.4
Net errors and omissions	-86.0	-117.2	-66.9	-145.2	-93.7	-146.8

Source: Bank of Botswana.

<sup>1/</sup> Positive data reflect the losses of foreign-owned corporations, offset by a negative flow under direct investment.

Table 34. Botswana: Direction of Trade, 1991-97

	1991	1992	1993	1994	1995	1996	1997 1/
(In millions of Botswana pula)							
Exports, f.o.b.	3,738.0	3,675.0	4,312.1	4,965.0	5,941.5	8,141.8	4,772.5
Southern African Customs Union (SACU)	186.5	255.3	379.5	691.4	1,276.9	1,489.6	671.6
Zimbabwe	255.6	166.5	135.2	134.1	181.6	250.5	217.6
Other Africa	56.1	55.1	57.4	49.1	49.3	50.5	28.5
United Kingdom	54.0	57.3	639.4	1,245.4	2,223.0	4,424.1	3,216.6
Other Europe	3,173.9	3,128.7	3,082.9	2,800.6	2,147.3	1,827.2	585.3
United States	9.9	9.3	14.3	34.8	52.4	77.9	43.6
All other	1.9	2.8	3.5	9.6	11.0	22.0	9.3
Imports, c.i.f. (inclusive of duty)	3,927.7	3,970.1	4,285.0	4,407.3	5,307.1	5,728.8	3,711.4
SACU	3,291.9	3,373.9	3,541.0	3,437.4	3,925.0	4,474.2	2,628.9
Zimbabwe	207.5	193.2	196.2	258.9	293.0	329.3	163.3
Other Africa	11.3	16.2	17.2	23.0	17.8	23.3	11.2
United Kingdom	143.1	103.7	112.1	109.9	134.7	147.0	86.4
Other Europe	151.7	177.6	192.3	259.9	319.3	234.9	179.3
Korea, Republic of	0.0	0.0	0.0	91.7	377.5	250.1	480.8
United States	48.8	38.9	140.8	82.9	107.4	73.8	51.6
All other	73.2	66.5	85.4	143.6	132.4	196.2	109.9
(In percent of total)							
Exports, f.o.b.	100.0	100.0	100.0	100.0	100.0	100.0	100.0
SACU	5.0	6.9	8.8	13.9	21.5	18.3	14.1
Zimbabwe	6.8	4.5	3.1	2.7	3.1	3.1	4.6
Other Africa	1.5	1.5	1.3	1.0	0.8	0.6	0.6
United Kingdom	1.4	1.6	14.8	25.1	37.4	54.3	67.4
Other Europe	84.9	85.1	71.5	56.4	36.1	22.4	12.3
United States	0.3	0.3	0.3	0.7	0.9	1.0	0.9
All other	0.0	0.1	0.1	0.2	0.2	0.3	0.2
Imports, c.i.f. (inclusive of duty)	100.0	100.0	100.0	100.0	100.0	100.0	100.0
SACU	83.8	85.0	82.6	78.0	74.0	78.1	70.8
Zimbabwe	5.3	4.9	4.6	5.9	5.5	5.7	4.4
Other Africa	0.3	0.4	0.4	0.5	0.3	0.4	0.3
United Kingdom	3.6	2.6	2.6	2.5	2.5	2.6	2.3
Other Europe	3.9	4.5	4.5	5.9	6.0	4.1	4.8
Korea, Republic of	0.0	0.0	0.0	2.1	7.1	4.4	13.0
United States	1.2	1.0	3.3	1.9	2.0	1.3	1.4
All other	1.9	1.7	2.0	3.3	2.5	3.4	3.0

Source: Customs and Excise Department.

1/ The data are for January-June.

Table 35. Botswana: Public Sector External Debt, 1991-96

(In millions of U.S. dollars; end of period)

	1991	1992	1993	1994	1995	1996
Total external public debt 1/	592.2	597.1	613.5	619.8	619.1	548.3
Bilateral loans	137.8	136.1	136.8	161.0	167.0	143.4
United States	28.3	27.5	26.8	26.3	25.5	23.5
United Kingdom	38.8	27.9	24.1	21.5	18.5	17.4
China	4.4	18.3	16.1	39.6	46.7	36.2
France	1.4	1.4	1.3	1.4	1.6	1.4
Belgium	1.6	1.5	1.3	1.2	1.7	1.2
Kuwait	9.6	7.8	13.7	14.2	18.3	13.9
Germany	0.9	0.8	0.7	0.6	0.5	0.3
Nigeria	8.2	7.7	7.4	7.2	6.4	7.2
Japan	34.8	35.1	39.1	43.8	42.4	38.3
Saudi Arabia	9.9	8.1	6.3	5.1	5.4	3.8
Multilateral loans	430.0	443.7	464.5	450.1	447.0	401.6
African Development Bank	132.3	158.9	164.9	165.0	150.5	134.3
African Development Fund	69.0	74.0	85.3	93.6	96.1	88.6
Arab Bank for Development in Africa (BADEA)	12.8	13.0	14.1	20.4	23.0	20.7
European Economic Community	6.4	7.5	20.6	18.3	32.9	31.5
European Investment Bank	58.0	47.7	39.3	26.2	37.2	34.9
International Bank for Reconstruction and Development	106.2	95.8	92.0	76.8	60.3	49.5
International Development Association	13.3	12.8	12.4	12.0	11.6	10.6
International Fund for Agriculture Development	2.2	1.6	2.4	2.2	2.0	1.7
Nordic Development Fund	0.0	0.0	2.3	4.3	5.2	4.9
Nordic Investment Bank	15.8	15.0	13.4	13.2	11.5	10.5
Organization of Petroleum Exporting Countries	6.4	5.8	6.8	8.3	8.5	7.7
UN Capital Development Fund	7.8	11.6	10.9	9.8	8.4	6.8
Commercial banks 2/	13.5	10.6	7.9	5.4	2.9	1.6
Export credits 3/	10.9	6.7	4.4	3.3	2.2	1.7
Memorandum items:						
Total external public debt						
As percent of GDP	15.5	15.4	15.5	14.2	12.9	12.4
As percent of exports of goods and services	29.2	33.0	33.9	30.4	26.0	25.3

Source: Ministry of Finance and Development Planning.

1/ Government and government-guaranteed debt, with original maturity of one year and more, disbursed and outstanding.

2/ Export Development Corp. (Canada), Nord Banken, and syndicate of French banks.

3/ Cable and Wireless, Export Finance and Insurance Corp., A/S Eksportfinans, Federal Financing Bank, Morgan Grenfell, and Skandinaviska Eurskilder Banken.

Table 36. Botswana: External Debt Service Payments and Disbursements, 1991-96

(In millions of U.S. dollars, unless otherwise indicated)

	1991	1992	1993	1994	1995	1996
<b>Central government</b>						
Disbursements	47.4	56.0	67.1	53.6	21.6	7.9
Principal repayments	32.6	29.1	35.3	40.2	48.4	20.8
Interest payments	26.1	27.5	26.6	27.3	33.4	12.2
Other charges	1.4	1.4	1.3	1.9	2.0	0.7
Total debt service	60.1	58.1	63.3	69.4	83.8	33.6
<b>Public corporations</b>						
Disbursements	14.9	6.5	0.2	2.0	1.9	1.1
Principal repayments	17.4	18.8	16.1	17.6	13.1	...
Interest payments	11.8	10.0	7.2	7.6	4.4	...
Other charges	0.0	0.0	0.0	0.0	0.0	...
Total debt service	29.2	28.8	23.3	25.2	17.5	...
<b>Public and publicly guaranteed</b>						
Disbursements	62.2	62.5	67.2	55.6	23.6	8.9
Principal repayments	50.0	47.9	51.4	57.8	61.5	20.8
Interest payments	37.9	37.5	33.8	34.9	37.7	12.2
Other charges	1.4	1.4	1.3	1.9	2.0	0.7
Total debt service	89.3	86.9	86.5	94.6	101.2	33.6
<b>Memorandum items:</b>						
Debt-service ratios (in percent of exports of goods and services)	4.3	4.5	4.5	4.6	4.2	1.4
Central government	2.9	3.0	3.3	3.4	3.5	1.4
Public corporations	1.4	1.5	1.2	1.2	0.7	0.0
Exports of goods and services	2,085	1,912	1,917	2,062	2,421	2,397

Source: Ministry of Finance and Development Planning.



Table 37. Botswana: Average Terms of New Public Sector External Borrowing, 1991-96

	1991	1992	1993	1994	1995	1996
Interest rate (in percent a year)	1.0	4.3	2.7	2.9	3.4	2.1
Maturity (in years)	28.2	27.6	23.6	16	22.4	14.1
Grace period (in years)	7.7	6.4	6.2	4.1	6.4	4.7
Grant element (in percent)	63.6	38.8	31.7	16.5	21	38.4

Source: Ministry of Finance and Development Planning.

Table 38. Botswana: Developments in the Exchange Rate of the Pula, 1980-97

(Index: 1990=100; period average)

	Effective Exchange Rate		Bilateral Exchange Rate			
	Nominal	Real	South African	U.S. dollar	SDR	Zimbabwe
			rand			dollar
1980	124.4	117.1	71.8	240.1	251.1	62.4
1981	124.3	120.7	75.4	222.0	255.9	62.1
1982	114.0	111.2	75.9	181.3	223.0	56.2
1983	110.8	110.2	73.1	169.6	215.9	69.9
1984	109.1	108.7	82.2	143.3	189.8	73.0
1985	91.9	90.1	84.4	97.8	130.1	63.5
1986	93.4	91.3	87.5	100.3	115.7	67.8
1987	97.9	95.7	87.3	111.9	116.5	75.2
1988	94.6	92.5	89.4	101.7	102.8	74.8
1989	93.0	92.2	93.8	92.7	98.0	79.8
1990	100.0	100.0	100.0	100.0	100.0	100.0
1991	96.7	98.0	97.8	91.6	91.0	137.9
1992	94.7	101.5	96.0	87.0	83.8	180.0
1993	91.1	104.2	97.0	76.7	74.5	202.6
1994	86.5	102.7	95.0	69.4	65.6	228.7
1995	84.6	104.3	94.1	67.2	59.9	237.0
1996	77.3	99.0	92.8	55.8	52.2	226.5
1997	72.9	95.8	92.7	54.6	51.3	224.7
1993 I	93.8	105.4	97.5	80.7	79.1	206.0
1993 II	91.9	104.0	97.5	78.5	75.1	203.2
1993 III	90.0	103.8	97.7	74.5	72.0	198.6
1993 IV	88.8	103.6	95.3	73.2	71.9	202.6
1994 I	88.4	103.7	95.9	71.8	69.8	234.3
1994 II	87.2	103.6	96.1	69.1	65.7	224.2
1994 III	85.0	101.2	94.1	67.6	63.2	223.7
1994 IV	85.4	102.3	93.8	68.8	63.7	232.6
1995 I	85.6	103.8	94.6	68.6	61.7	233.6
1995 II	85.0	103.8	94.9	67.5	58.3	232.1
1995 III	84.1	104.3	93.6	66.6	59.5	234.3
1995 IV	83.9	105.4	93.1	66.1	60.2	248.1
1996 I	82.6	104.8	93.1	63.1	58.6	242.8
1996 II	77.2	98.8	92.6	55.2	51.8	219.7
1996 III	75.6	97.5	93.1	53.6	50.0	220.6
1996 IV	73.7	95.2	92.3	51.3	48.3	222.7
1997 I	73.1	94.9	90.2	52.1	50.9	234.1
1997 II	73.3	96.3	90.2	52.1	51.2	239.1
1997 III	72.5	95.7	90.7	50.5	50.3	246.3
1997 IV	72.5	96.5	92.0	49.2	48.9	311.1

Source: IMF, *International Financial Statistics*.

Botswana: Summary of the Tax System, December 1997

Tax	Nature of Tax	Exemptions and Deductions	Rates
1. Taxes on income and profits			
1.1 Company income tax	<p>A tax on company profits earned in Botswana during the tax year (July 1-June 30). Profits of the Botswana Meat Commission are determined according to a special formula equivalent to a turnover tax. There is a withholding tax on dividends. Since the introduction of a two-tier system of company tax in tax year 1990/91, distributions to resident and nonresident shareholders are treated alike—the net dividend being tax exempt in the hands of the shareholders. To avoid multiple deduction of tax on dividends, dividends paid to an associated company are not subject to withholding tax. Where permission has been granted by the Bank of Botswana to any person to make investments or carry out business outside Botswana, the income accruing thereof will be deemed to have accrued from a source in Botswana.</p>	<p>Except for farming, mining, and prospecting, losses are deductible from profits of five subsequent tax years only. The cost of machinery and buildings is written off on an equal basis, while an initial allowance of 25 percent is granted in the case of new industrial buildings and improvements other than repairs. Accelerated capital allowances are available to farming and mining trades.</p>	<p>Since tax year 1990/91, a two-tier system operates in respect of resident companies, consisting of a base tax and an additional company tax (ACT) against which withholding tax (WHT) on dividends is set off. The WHT is 15 percent of the gross dividend. Where ACT chargeable for a tax year is in excess of the WHT, the excess is payable in that tax year and carried forward to the next year as a setoff against the WHT. The rate of tax on nonresident companies is 25 percent. The rate of withholding tax for nonresident contractors is 20 percent of cost, net of costs of materials used. There are special tax and royalty arrangements with mining companies. Manufacturing companies are liable to a company tax of 5 percent and an additional tax of 10 percent. Nonmanufacturing firms are liable to a company tax of 15 percent and an additional tax of 10 percent.</p>
1.2 Withholding tax on certain income of nonresident individuals and companies	<p>Interest, royalties, management and consultancy fees, entertainers' fees, and amounts due on construction contracts paid to nonresident contractors are also subject to withholding tax.</p>	<p>Exemption or lower rate is available under double-taxation agreement with some countries.</p>	<p>Rates: The rate of withholding tax is currently 15 percent on the gross payment for cases other than construction contracts and entertainment. This is the final tax.</p> <p>The entertainment fee rate is 10 percent.</p>

Tax	Nature of Tax	Exemptions and Deductions	Rates
1.3 Capital gains	A tax on realization on or after July 1, 1982 of gains on business assets; on shares in, or debentures of, a company; and on residential property.	Gains on the principal private residence owned by an individual; and shares and debentures of a public company. For immovable property acquired before July 1, 1982, the cost of acquisition is inflated annually by 10 percent, but a resulting loss is not allowed. In the case of immovable property acquired on or after July 1, 1982, the cost of acquisition is inflated by the difference between the national cost of living index for the month in which the acquisition took place and the national cost of living index for the month in which disposal took place. Capital gains arising on transfer of properties in the course of a merger or reconstruction of companies in a group is deferred until the property is disposed of outside the group.	For companies, chargeable gains are included in taxable income. For any other person, the net aggregate gains, i.e., gains less losses, are not aggregated with incomes from other sources but are taxed under a separate table, which has a zero-rate band of P 10,000 and a maximum rate of 25 percent above P 80,000.
1.4 Personal income tax	A tax on income from domestic sources received by residents and nonresidents. There is a pay-as-you-earn PAYE withholding system on employment income, and employees with no other sources of income or noncash employment benefits need not file tax returns. (See description of company income tax, above, for other withholding taxes applicable to individuals). Husband and wife are taxed as separate individuals. Where permission has been granted by the Bank of Botswana to any person to make investments or carry out business outside Botswana, the income accruing thereof will be deemed to have accrued from a source in Botswana.	Business income is computed in the same way as business profits. Losses from one source cannot be setoff against other income, except that, on election, a farmer (but not a farming company) may offset farming losses against other income in the same tax year. A balance loss can be carried forward for set off against future farming profits. Individuals can carry back farming losses to the preceding two years. Farmers can get immediate deduction for the cost of capital works. They may also elect to average income over a three-year period. Resident individuals are entitled to an allowance for contributions to approved pension funds or to approved retirement annuity funds or schemes, not exceeding 15 percent of earned income or P 9,000, whichever is less. This is the only allowance for personal expenditure.	The tax table for resident individuals has a zero rate on income up to P 20,000; thereafter, the rates progress from 5 percent to a top rate of 25 percent on income above P 80,000. For nonresident individuals, the tax table has an initial rate of 5 percent on income up to P 35,000, rising to a maximum of 25 percent on income above P 80,000. This also applies to trusts and deceased estates.
2. Social security tax	There is no social security tax.		

Botswana: Summary of the Tax System, December 1997

Tax	Nature of Tax	Exemptions and Deductions	Rates
3. Taxes on property			
3.1 Local rates	A tax on the market value of unimproved real property located in the major towns.	Government buildings used for nonprofit public services, and buildings used for religious or cultural activities.	The tax is determined per town and is different for unimproved real property.
3.2 Capital transfer tax	A tax on the value of gifts or inheritance in any year, assessed on the donee. Tax year is July-June.	Gifts or inheritances between spouses; gifts received in any year not exceeding P 5,000; gifts or inheritance from a spouse not exceeding P 5,000; household chattels of deceased not exceeding P 15,000; and livestock included in income for income tax purposes.	The tax rate rises from 2 percent on the first P 100,000 of taxable value received by an individual to a maximum of 5 percent on taxable values in excess of P 200,000. A 12.5 percent rate applies to both resident and nonresident companies.
3.3 Transfer duty	A tax on the transfer of real property, payable by the purchaser.	There is an exempt threshold of P 20,000 for citizens, including any company of which more than one-half of the shares are owned by citizens.	Rate for citizens is 5 percent of the value over P 20,000. Noncitizens pay 5 percent for urban property and 10 percent for rural property.
4. Taxes on goods and services			
4.1 Sales tax	Tax is levied at the importer/manufacturers level on most consumer goods, including motor vehicles and office equipment. Selective services have also been brought under the tax.	Exempted items are plant and machinery, raw materials, books, stationery, staple foods, and medicines. Services (other than professional services, such as accounting and auditing, architecture, car rental, garage services, legal services, management and consultancy, professional engineering, and real estate including hotels, dry cleaners, and hair salons) are exempt. Exports are also exempt.	An ad valorem rate of 10 percent applies in respect of goods and services, except for tobacco products (at 15 percent). Varying specific rates are applied only on fuel and alcoholic and nonalcoholic beverages:
		Item	Thebe per liter
		Petrol	11.0
		Mixed alkylenes	11.0
		Diesel	6.0
		Traditional beer	8.0
		Beer malt	30.0
		Natural Still wine	70.0
		Fortified still wine	90.0
		Fermented beverages	40.0

Botswana: Summary of the Tax System, December 1997

Tax	Nature of Tax	Exemptions and Deductions	Rates
			<u>Pula per liter</u>
			Whiskey 3.80
			Brandy 2.40
			Liqueurs 3.60
			Other 2.20
			Sparkling wine 1.10
			Nonalcoholic beverages 15.00
4.2	Selective excises	Specified duties are payable by the importer or manufacturer of selected items, such as alcoholic and nonalcoholic beverages and tobacco.	Rates are those set by SACU, with proceeds pooled under the customs agreement. Rates vary and are on specific bases.
4.3	Motor vehicle taxes	Public transport vehicles pay lower annual license fees, based on passenger capacity.	These rates apply: <ul style="list-style-type: none"> <li>• from P 10 to P 65, according to weight of vehicle;</li> <li>• from P 3 to P 432, according to weight of vehicle and trailer, and</li> <li>• from P 710 to P 6,232, according to weight of vehicle.</li> </ul> Notes: For SACU members, trailers are excluded, and for vehicles in transit, there is a minimum charge of P 40 and a maximum charge of P 340 per single trip.

Tax	Nature of Tax	Exemptions and Deductions	Rates
5. Taxes on goods and services			
5.1 Customs union pool	<p>A tax on all goods imported into Botswana. A three-column tariff schedule based on the Harmonized Commodity Description and Coding System, with general and preferential rates, is used. Preferential treatment is given to goods from the European Union, Canada, and the United States. The taxes are contributed to the common customs union pool with Lesotho, Namibia, South Africa, and Swaziland. Botswana's share is calculated according to a fixed formula.</p>	<p>There exist free trade agreements with Lesotho, Malawi, Namibia, South Africa, Swaziland, and Zimbabwe.</p>	<p>Both specific and ad valorem rates are used. Ad valorem rates, charged on the normal price of the goods, predominate, and vary from 0 percent to 57.5 percent. South Africa collects the taxes and pays Botswana's share (<math>BS</math>), calculated as</p> $BS = 1.42 \frac{(A + B + C)H}{DEFG}$ <p>where <math>\frac{H}{DEFG}</math> = the "all duty rate";</p>
5.2 Export taxes	<p>A tax on exported livestock and products thereof, and on game products.</p>	None.	<p><math>A</math> = c.i.f. value of Botswana's imports;  <math>B</math> = value of Botswana's production and consumption of excisable goods;  <math>C</math> = excise duty actually paid on <math>B</math>;  <math>D</math> = c.i.f. value of customs area imports;  <math>E</math> = customs duties actually paid on <math>D</math>;  <math>F</math> = value of excisable goods produced and consumed in the customs area;  <math>G</math> = excise duty actually paid on <math>F</math>; and  <math>H</math> = total customs and excise duty pool.</p> <p>Low specific rates.</p>

Sources: Tax, and Customs and Excise Departments.