

Botswana



KEY FACTS

Official name: Republic of Botswana

Head of State: President Seretse Ian Khama (since 2008; elected 16 Oct 2009)

Head of government: President Seretse Ian Khama (since 2008; elected 16 Oct 2009)

Ruling party: Botswana Democratic Party (BDP) (since 1965; re-elected 16 Oct 2009)

Area: 582,000 square km

Population: 1.88 million (2012)* (2,038,228; 2011; census figure)

Capital: Gaborone

Official language: English (official); Setswana (national).

Currency: Pula (P) = 100 thebe

Exchange rate: P8.50 per US\$ (Jul 2013)

GDP per capita: US\$9,398 (2012)*

GDP real growth: 3.82% (2012)*

GDP: US\$17.62 billion (2012)*

Inflation: 7.53% (2012)*

Balance of trade: -US\$1.91 billion (2012)*

* estimated figure

Botswana today claims its pride of place as the world's leading diamond producer. The sector continues to be the mainstay of the economy, accounting for about one-third of GDP, more than 45 per cent of government revenue, and about 70 per cent of export earnings. In 2011, Botswana produced 28 per cent of the global value in diamonds, with sales at US\$3.9 billion. The expansion in diamond output, currently at capacity, combined with the exploitation of copper-nickel deposits, has enabled Botswana to amass foreign-exchange reserves equal to more than two years of import cover.

Avoiding diseases and curses

Many analysts agree that in the case of Botswana, the discovery of diamonds turned out to be a lucky phenomenon, and that the country has so far avoided the 'resource curse' (where one, often finite, resource is so successful that all others are neglected) mainly because other key ingredients in the recipe for success were already present, including good governance and sound economic management.

It is pointed out that on the social front, Botswana has a relatively homogeneous population making ethnic polarisation virtually absent. The reality of good

governance cannot be ignored, however, and the country's leadership deserves credit for designing and fostering conditions of governance that have ensured stability, and social and economic progress.

The government established respect for property rights and the rule of law. It maintained a high degree of transparency, which was reinforced by perpetuating the Tswana tribal tradition of consultation. These consultative institutions, known as *kgotla*, inculcated and created a degree of trust in the government by the population such that the authorities were seen as serving the people and promoting development and not as the instruments of one group or individuals for the purpose of amassing wealth. The Tswana tradition also respected private property, and it has been argued that the fact that many of the tribal leaders who helped usher in modern government were also large cattle owners may have reinforced this aspect.

Another outstanding feature that explains the country's success emanates from prudent economic management that has made it possible to avoid the 'Dutch disease', which describes a situation where the exploitation of natural resources is associated with a decline in the manufacturing sector. Revenues from diamonds were invested in public goods and infrastructure, and the government also took measures to help boost productivity by limiting parastatals and avoiding import-substitution policies. The government also pursued policies that avoided the 'volatility curse' by disassociating public expenditure from revenue. Instead, the government established savings funds, thus avoiding typical

pro-cyclical behaviour and real exchange-rate volatility.

The government has also put in place appropriate policies to prepare for the depletion of its mineral base, such as accumulating funds for the future, building infrastructure, and investing in health and education. Such policies have left the government in a relatively strong position to facilitate a soft landing once the diamond reserves are depleted, possibly by 2029. In line with this approach, for most years, domestic saving has been above 40 per cent and investment about 35 per cent of GDP. In addition, the government has been undertaking efforts to promote economic diversification dating back to 1968, with the enactment of the Industrial Development Act. Since then, the authorities have put in place diverse policies, strategies and incentive schemes to promote economic diversification over the years. The most recent strategy, which stands out as the most comprehensive, is the Economic Diversification Drive (EDD) initiative. The short-term strategy of the EDD initiative is to use administrative interventions to use local procurement and government-preference margins to promote the development of local companies, while the long-term strategy is to develop a vibrant and globally competitive private sector, independent of government support and protection.

Per capita GDP at current prices more than doubled at current prices from US\$3,204 in 2000 to US\$6,877 in 2008, before the recession-induced decline to US\$5,822 in 2009 as demand for diamonds and other minerals slumped. In 2010 and 2011, per capita GDP at current prices was

US\$7,427 and US\$8,680, respectively. Per capita income grew at an average annual rate of 7 per cent during the 1980s, decelerating to around 3 per cent in the 1990s, still higher than its comparators in Africa. That this could be achieved without incurring the 'resource curse; often associated with mineral-led economic growth emphasises that the critical factors to harness natural resources for sustainable human development are political stability, good governance, prudent macroeconomic policies, government expenditure geared towards promoting investment in infrastructure, education and health, and avoidance of an overvalued and excessively volatile exchange rate.

The economy

Botswana's economy grew by 8 per cent in 2011, continuing the recovery that had begun in 2010 after the global economic downturn of 2009 and had been aided by improved global demand for diamonds, the country's major export commodity. Estimates for 2012, however, indicate that the recovery has been difficult to sustain, with the growth rate declining to 4.6 per cent. Deceleration in real gross domestic product (GDP) was due mainly to the mining sector, which declined by 8.0 per cent while the non-mining sectors grew by 9.7 per cent. Projections in the medium term indicate moderate economic growth of around 6 per cent per annum through to 2014, predicated on gloomy global prospects and the associated slow recovery of the mining sector.

The *African Economic Outlook 2013* (AEO), published jointly by the African Development Bank and the Organisation for Economic Co-operation and Development, notes that in addition to these slack prospects, the country continues to face challenges related to its over-dependence on the mining sector. Amongst other major challenges confronting the government are the national unemployment rate of 17.5 per cent and a poverty rate higher than 20 per cent, combined with high income inequality. As part of the country's National Development Plan (NDP-10) (2007–16), the government is addressing these challenges through a number of initiatives including the adoption of a new National Economic Diversification Strategy, which focuses on private-sector-led economic diversification.

Botswana's prudent management of its vast diamond resources stands out in Africa as an exemplary case of harnessing natural resources effectively and efficiently for human development, a case that can be emulated in other countries. At independence, Botswana was one of the

KEY INDICATORS

Botswana

	Unit	2008	2009	2010	2011	2012
Population	m	*1.79	*1.81	*1.82	2.04	*1.88
Gross domestic product (GDP)	US\$bn	13.50	11.60	14.90	17.60	*17.62
GDP per capita	US\$	7,554	6,407	8,117	9,481	*9,398
GDP real growth	%	2.9	-6.0	7.2	4.6	*3.8
Inflation	%	12.6	8.1	7.0	8.5	*7.5
Exports (fob) (goods)	US\$m	4,706.9	3,337.3	4,632.7	–	6,011.0
Imports (fob) (goods)	US\$m	4,488.4	4,091.1	4,837.3	–	7,918.0
Balance of trade	US\$m	218.5	-753.7	-204.7	–	-1,907.0
Current account	US\$m	932.0	-606.0	147.0	3,910.0	*866.0
Total reserves minus gold	US\$m	9,118.6	8,704.0	7,885.2	–	7,628.0
Foreign exchange	US\$m	9,044.7	8,540.6	7,721.2	–	7,453.0
Exchange rate	per US\$	6.82	7.16	6.79	6.59	7.89

* estimated figure

poorest countries in the continent, ranking amongst the least developed countries of the world, with a per capita GDP of about US\$70. Within about four decades, the country transformed itself into an upper-middle-income country, thanks in part to its mineral (diamond) discoveries and an effective use of the revenues from them. It has avoided the ‘resource curse’ that tends to characterise other countries endowed with natural resources and has had one of the fastest growing economies in the world, with, in the first three decades of independence from 1966 to 1999, an average annual growth rate of about 9 per cent. More importantly, it is commendable that the government has recognised that its diamond resources cannot last forever, and has thus, since 1968, endeavoured to put in place appropriate policies to prepare for the depletion of its mineral base. To this end, main actions have involved accumulating funds for the future, building infrastructure, and investing in health and education. These policies have left the government in a relatively strong position to facilitate a soft landing once the diamond reserves are depleted, possibly by 2029.

Botswana has a small but vibrant financial sector comprising three broad categories: depository corporations (commercial banks and other deposit-taking institutions), other financial corporations, and the offshore banking sector, with commercial banks and pension funds being the two most important segments by asset size. The sector has contributed significantly to economic growth and the diversification drive, and it exhibited remarkable resilience during the global economic and financial crisis of 2009. The robustness of the financial sector is demonstrated by a number of prudential indicators pertaining to asset composition and portfolio quality. Although the number of commercial banks remained the same in 2010 and 2011, the number of exchange bureaus increased to 68 from 58 in 2010, and new products have also been introduced.

Elections in 2014

Botswana boasts a mature democracy and the political scene is remarkably stable. Free and fair elections are held regularly and the constitution provides for fundamental rights and freedoms. The Botswana Democratic Party (BDP) has been in power since the first elections were held in 1965. In the last general elections held in October 2009, the BDP again emerged victorious, winning 45 of the 57 parliamentary seats. The focus of politics is

currently centred on elections that are due to be held in 2014. To this end, three opposition parties comprising the Botswana People’s Party, the Botswana National Front and the Botswana Movement for Democracy launched a new coalition opposition party, the Umbrella for Democratic Change in November 2012.

Risk assessment

Politics	Fair
Economy	Good
Regional stability	Fair

COUNTRY PROFILE

Historical profile

1885 Britain declared the country a protectorate and called it Bechuanaland, defining its modern borders.
 1966 Independence for Botswana came a year after the territory’s first election, which was won by Seretse Khama and his Botswana Democratic Party (BDP).
 1980 On his death, Khama was succeeded by his vice president, Quett Ketumile Masire.
 1984 and 1989 The ruling BDP easily won elections but was tainted by allegations of corruption.
 1994 In the elections, the opposition party, Botswana National Front (BNF), took 13 seats and unseated three ministers.
 1998 President Sir Quett Ketumile Masire retired from the presidency.
 1999 The legislative elections were won by the BDP. The National Assembly chose Festus Mogae as president.
 2001–02 The government’s policy towards the San people (formerly called the Bushmen or Basarwa) in the Central Kalahari Game Reserve has been criticised internationally for its refusal to recognise the ownership rights of the Bushmen over the land they have lived on for at least 20,000 years. The Reserve was originally created in 1961 to constitute a refuge for the marginalised San people. However, the potential for tourism and diamonds increased the value of these marginal lands, leading the government to relocate the original inhabitants.
 2003 A partnership between the government, a pharmaceutical giant and the Bill and Melinda Gates Foundation began providing free anti-retroviral drugs to the country’s HIV-infected population.
 2004 Festus Mogae won a landslide victory when he was elected for a second (and final) five-year term.
 2006 The San people won a judicial ruling that the rights to their ancestral lands in the Kalahari Desert were enduring and their eviction by the government in 2005 was illegal.

2008 Seretse Ian Khama became president, following Mogae’s retirement. Khama is the son of the independence leader and former president, Sir Seretse Khama, and paramount chief of the Bamangwato tribe of Botswana. Former president Mogae won the first Mo Ibrahim prize of US\$5 million for good governance in office, given as an example for other African heads of states to follow.
 2009 Botswana criticised Muammar al Qaddafi (of Libya) for not allowing discussion at the African Union summit, of which he was chairman, concerning the warrant issued for the arrest of Sudan’s president Omar al Bashir by the International Criminal Court (ICC). Only Botswana and Chad openly stated that President Bashir should go to the ICC and clear his name.
 2010 The African Development Bank granted Botswana’s largest ever assistance package of US\$1.5 billion, to help offset falling global diamond prices and ‘fill part of the gap of the government’s 2009–10 budget deficit...’ In parliamentary elections the BDP won with 53.3 per cent of the vote (45 seats out of 57); the BDP re-elected Seretse Ian Khama as president.
 2011 The high court ruled in January that the Basarwa Bushmen had a right to drill for water in their traditional land within the Kalahari Game Reserve. In June an eight-week strike by public workers, that closed hospitals, schools and government offices, was suspended as unions resumed talks with the government for a 16 per cent salary increase. In the end the workers settled for three per cent after the government insisted it could not afford a larger increase as the global economic crisis sapped demands for diamonds, the mainstay of the economy.
 2012 De Beers began to move its diamond sorting operation from the UK to Gaborone in early August. When completed Botswana will be a major international gem capital, with around US\$6 billion of diamonds being processed each year. On 31 August, the presidents of Botswana and South Africa signed a memorandum of understanding to promote trade and investment in each other’s country and create opportunities in their respective industrial and manufacturing sectors. In November the Botswana People’s Party (BPP), the Botswana National Front (BNF) and the Botswana Movement for Democracy launched an opposition party, the Umbrella for Democratic Change, to fight the 2014 election. Also in November the government rejected most of the electoral reforms recommended by the Independent Electoral commission. On 29 November the government announced that from January

2014 commercial hunting will be banned, due to the declining number of wildlife species.

2013 Gaborone began transforming itself from a low-rise to high-rise city as diamond-related companies began setting up factories in anticipation of the relocation of De Beers' sales business from London. In November De Beers completed the relocation of its global sales business to Botswana.

Political structure

Constitution

The constitution came into effect on 30 September 1966. It enshrines a code of human rights.

The approval of a 15-member House of Chiefs is needed for some measures, but it cannot veto legislation.

Independence date

30 September 1966

Form of state

Multi-party democratic republic

The executive

The National Assembly elects a president who has executive power for a maximum of two five-year terms. He appoints a vice president and the cabinet, over which he presides. The president is an ex-officio member of the Assembly.

National legislature

The unicameral National Assembly has 57 directly elected members in single-seat constituencies for five-year terms. Four members are co-opted and the president and attorney general are ex-officio. A growth in population, confirmed by census, will result in an expansion of directly elected members. The assembly is responsible for passing, amending and repealing laws.

Any law relating to tribal matters of property, organisation and traditional law, plus any change to the constitution, must be referred for their opinion to the House of Chiefs, a 15-member advisory council of hereditary chiefs. While the House of Chiefs has the power to summon any member of government to explain any policy or action it has no power of veto or legislation.

Legal system

Roman-Dutch law. Rural areas have customary courts.

Last elections

16 October 2009 (presidential and parliamentary)

Results: Parliamentary: the ruling Botswana Democratic Party (BDP) won with 53.3 per cent of the vote (45 seats out of 57), Botswana National Front (BNF) 21.9 per cent (6) and Botswana Congress Party (BCP) 19.2 per cent (four), Botswana Alliance Movement 2.27 per cent (one), independents 1.9 per cent (one); three

other political parties failed to win any seats. Turnout was 76.7 per cent.

Presidential: The BDP voted Seretse Khama Ian Khama into office.

Next elections

October 2015 (presidential and parliamentary)

Political parties

Ruling party

Botswana Democratic Party (BDP) (since 1965; re-elected 16 Oct 2009)

Main opposition party

Coalition of Botswana National Front (BNF), Botswana Congress Party (BCP) and Botswana Alliance Movement (BAM).

Population

1.88 million (2012)* (2,038,228; 2011; census figure)

Approximately 43 per cent of the total population is under 14 years.

Seventy-five per cent of the population live in the eastern 10 per cent of the country.

Last census: 22 August 2011: 2,038,228

Population density: Three inhabitants per square km. Urban population 61 per cent (2010 Unicef).

Annual growth rate: 1.9 per cent, 1990–2010 (Unicef).

Ethnic make-up

The Batswana, of which the largest group is the Bamangwato, comprise 79 per cent of the total population. The Kalanga 11 per cent, Basarwa (the Bushmen) 3 per cent, Kgalagadi and the rest 7 per cent.

Religions

Most of the population are Christians (about 49 per cent); other religions include various traditional beliefs, including animism, mostly in rural areas (50 per cent), and a small Muslim population.

Education

Primary education is free but with a high drop-out rate. In 2001, the gender gap in primary enrolment was 25 per cent, with net enrolment among girls remaining at only 50 per cent.

Secondary schooling starts from the age of 12 and lasts till the age of 18.

The National Policy on Education (1977) and the Revised National Policy on Education (1994) have provided the policy framework for the education system in Botswana.

The United Nations International Children's Emergency Fund's (Unicef) Girls' Education Programme has focussed on the prevention of HIV/Aids, particularly among children aged 6–15. Unicef in association with the government has been formulating primary school curricula and developing four 'model' community-based pre-schools.

Literacy rate: 79 per cent adult rate; 89 per cent youth rate (15–24) (Unesco 2005).

Compulsory years: 6 to 11 years.

Enrolment rate: 84 per cent, primary school enrolment; 10 per cent for girls and 24 per cent for boys gross enrolment for secondary schools.

Pupils per teacher: 28 in primary schools.

Health

An outbreak of a polio related disease in 2006 prompted an international alert and increased vigilance in Botswana's northern border region with Namibia, Zimbabwe and Angola. Acute Flaccid Paralysis (AFP) is classed as a symptom which may lead to polio and can attack adults as well as children.

HIV/Aids

UNAids reported that Botswana was the first country to begin providing antiretroviral drugs through its public health system, courtesy of a bigger health budget and drug price reductions negotiated with pharmaceutical companies. In 2009, there were an estimated 320,000 people living with HIV.

HIV prevalence: 24.8 per cent aged 15–49 in 2009 (Unicef 2012), down from 37.3 per cent aged 15–49 in 2003, which had been one of the highest in the world.

Life expectancy: 53 years, 2010 (Unicef 2012)

Fertility rate/Maternal mortality rate: 2.8 births per woman 2010 (Unicef 2012)

Child (under 5 years) mortality rate (per 1,000): 53 per 1,000 live births (WHO 2012); 17 per cent of children under aged five are malnourished (World Bank).

Welfare

Botswana provides a non-contributory social pension for about 80,000 elderly citizens of 65 years and older, a flat-rate 151 Pula each month. This income has become an important source of revenue for families and communities and has had a significant impact on poverty reduction, as it alleviates the needs of more than just the elderly. Studies have shown that multi-generational households derive a 'safety-net' against economic hardship and these pensions support families where grandparents are fostering children of HIV/Aids parents. Pensioners are economically independent and valuable family members, this contradicts any perception that they may be a financial burden on their offspring.

Main cities

Gaborone (capital, estimated population 231,598 in 2012), Francistown (101,714), Molepolole (69,083),

Mogoditshane (60,871), Maun (57,067), Selebi-Phikwe (49,777), Serowe (48,040), Kanye (45,683), Mochudi (45,162), Mahalapye (41,582).

Languages spoken

Official language/s

English (official); Setswana (national).

Media

The constitution guarantees the freedom of the press. However, since 2006 the government has been moving to enact the Mass Media Communications (MMC) bill, which journalists claim will inhibit reporting as the government-appointed press council will adjudicate complaints and recommend disciplinary sanctions where necessary.

Press

Low circulations limit newspapers to mainly urban areas.

Dailies: There are few daily newspaper, including *Daily News* (www.mcst.gov.bw/dailynews) is government-owned and the private *Mmegi* (www.mmegi.bw).

Weeklies: Most newspapers are published weekly, including the *Botswana Guardian*, *Botswana Gazette* (www.gazette.bw), *The Midweek Sun*, *Sunday Standard* (www.sundaystandard.info) and *The Voice* (www.thevoicebw.com), for news and entertainment.

Business: The government-owned *Daily Business* is an imprint of the *Daily News*.

Broadcasting

Radio: Radio is the primary medium for public news and information. In English and Setswana, the national, state-run station is Radio Botswana (www.dib.gov.bw), which also operates the commercial Botswana 2 (RB2). Commercial stations include Yaron FM (www.yaronfm.co.bw), Gabz FM (www.gabzfm.com) and Duma FM.

Television: The government-owned national, public broadcaster is Botswana TV (www.btv.gov.bw). The pay-to-view, Kenyan satellite station, Prime (www.gtv.tv) provides around a dozen channels.

National news agency: Bopa (Botswana Press Agency)

Economy

Botswana continues to live off its large diamond reserves, the world's largest by value. In February 2012, the South African-based De Beers, the world's largest diamond mining company announced that in 2011 its trading division had had its second highest ever sales, amounting to US\$6.5 billion, a rise of 27 per cent on the 2010 level, due to what it called 'exceptional consumer demand growth'. Around two-thirds of all De Beers' diamonds came from Botswana. This was a reversal of Botswana's worst ever trade

deficit of -US\$753 million in 2009 (the trade balance had been US\$1.6 billion in 2007). This was a result of the diamond trade being hit by the global economic crisis, leading to a fall in production from 33.6 million carats in 2007 to 17.7 million in 2009, and a subsequent decline in diamond revenue of 50 per cent. Mining and quarrying (mainly diamonds) constitutes around a third of GDP. However in 2010 diamond trade picked and recorded a growth in exports of 36.4 per cent (US\$2.9 billion).

In June 2010, the African Development Bank (ADB) granted Botswana its largest ever assistance package of US\$1.5 billion, to help offset falling global diamond prices. The government introduced a number of fiscal measures, including increasing value added tax from 10 per cent to 12 per cent, lowering public spending and raising non-mineral taxes. GDP growth was 2.9 per cent in 2008, which dropped to -6 per cent in 2009 at the height of the global economic crisis. As world trade picked up, so did GDP growth, which grew to 7.2 per cent in 2010, before falling back to an estimated 4.6 per cent in 2011. The balance of trade was adversely affected in 2009, with a recorded deficit of -US\$753 million. Despite attempts to increase foreign involvement in non-mining sectors, through privatisation and other measures, diamonds are still the driving force of the economy, typically attracting the major share of foreign direct investment (FDI). Total FDI was US\$264.9 million in 2010 (down from a record US\$902.4 million in 2008).

Botswana is a major tourist destination with the industry accounting for over 10 per cent of GDP. Agriculture, livestock, fisheries and hunting accounted for 2.6 per cent of GDP in 2011, but has fallen in importance due in large part to natural conditions (floods and droughts) and animal diseases and a lack of basic infrastructure that limits access for farmers to markets. Government backed programmes have improved and increased the productivity of commercial crops, cattle husbandry, dairy production and poultry rearing. In recent years, the government has invested heavily in communications and water technology. The government made efforts to address the problems of not only the rise in the number of orphans of HIV/Aids victims but also those living with HIV, with the introduction of antiretroviral drugs in 2010, which has seen a decline in infection rates and longer (and more productive) lives for those in treatment. Financial aid has also been given to orphans.

In 2011, the UN Human Development Index (HDI) ranked Botswana 118 (out of

187) for national development in health, education and income. Since 2000, Botswana's progress has grown steadily and outstrips the improvements seen by other sub-Saharan African countries.

Remittances in 2008 amounted to US\$114 million, falling to US\$110 million in 2009, probably reflecting the lack of opportunity for workers overseas during the economic crisis. Remittances in 2010–11 were estimated to average US\$63 million.

External trade

As a member of the Southern African Customs Union (SACU) Botswana trades freely with the other members (Lesotho, Namibia, South Africa and Swaziland) and operates a common customs border with them; SACU presents a united negotiating entity to foreign traders and importers.

In 2009 international donors pledged US\$1 billion to upgrade transport links across eastern and southern Africa, in an initiative to carry goods to market cheaper and faster. Not only will roads and rail links be improved, but also time-consuming official procedures will be streamlined for efficiency.

Imports

Principal imports are electricity (80 per cent of the country's requirements), vehicles and machinery, electrical and transport equipment, food products and consumer goods, chemical and rubber products, textiles and tobacco.

Main sources: South Africa (62.8 per cent of total in 2012), UK (16.8 per cent), Namibia (5.7 per cent).

Exports

Principal exports are diamonds (typically 70–80 per cent of total) and copper-nickel ore, soda-ash, textiles, meat and meat products

Main destinations: UK (60.7 per cent of total in 2012), South Africa (13.1 per cent), Israel (5.4 per cent).

Agriculture

Total agricultural land is 56.7 million hectares of which 45.2 per cent is pasture and 0.4 per cent arable.

Production is divided between small, traditional farms and around 360 large-scale commercial units (including Barolong Farms, Pandamantenga and Tuli Block).

The climate and poor soil are suitable for extensive ranching, with the result that livestock produce accounts for about 80 per cent of marketed output. In the past, rearing of livestock has been hampered by frequent outbreaks of foot-and-mouth disease – now largely controlled – and more recently by drought. However, the livestock sector has predominated due to a lack of cultivatable land – only 5 per

cent of the land is suitable for arable production – in a country which is mostly arid and contributes around 80 per cent of agriculture's share of GDP. Beef is one of the country's main exports and the Botswana Meat Commission (BMC) operates three abattoirs with a combined capacity of up to 2,000 head of cattle and smaller stock every day.

Government aims for self-sufficiency in basic foodstuffs, such as maize, millet, beans and sorghum, are far from being realised. There is potential for investment in adding value to primary products through increasing processing capacity. There is also a growing market in farm machinery, irrigation and water pumps. Botswana has a small freshwater fishing industry with annual average catches amounting to 2,000 tonnes. About 25 per cent of the total land area has forest cover. Another 20 per cent of its terrain is classified as wooded land. There are several large game reserves in the west, including the Central Kalahari Game Reserve, the largest protected area in Africa. There are no large-scale forest industries in the country. Some varieties of woods are used for fuel consumption and for the manufacture of wooden handicrafts.

Industry and manufacturing

The industrial sector as a whole contributes around 5 per cent to GDP and employs 10 per cent of the workforce. The manufacturing sector is underdeveloped. There is a wide range of consumer products manufactured by a relatively small number of enterprises. There is also a large number of village industries, mainly producing handicrafts. The main industrial base depends on the livestock sector. Beverages, chemicals, paper, plastics and electrical goods are also produced. The small domestic market has hampered attempts to stimulate production. Emphasis is on expansion of the export market for traditional products, such as textiles, leather goods, processed meat and import substitution.

The government is pushing for increased value-added on the country's primary goods production. The soda ash industry has helped develop the local manufacture of detergents, potash and fertilisers. The country also produces electrical components, which utilise copper and nickel production. The government has set up the Botswana Development Corporation (BDC) in an effort to promote industrial development, particularly in sugar refining, furniture, clothing, milling, brewing, packaging and handicrafts.

Tourism

Botswana offers visitors some of the continent's biggest and best wildlife

sanctuaries, including the Central Kalahari Game Reserve and the Okavango Delta. The cultural attractions include Tsodilo, with its ancient human rock paintings, included on the Unesco World Heritage List. Tourism is used to promote craft production and traditional foods and dance.

In an effort to diversify the economy, stimulate local commerce and create employment, in the early 2000s, tourism was identified as a major alternative industry to mining. Its role in the economy has grown from an estimated 5.5 per cent of GDP in 2001 to an estimated 6.6 per cent in 2012. However in 2005 travel and tourism accounted for a record high of 8.7 per cent of GDP, but as the global economic crisis cut visitor numbers its share of the economy fell to 6.1 per cent in 2009. The sector has been growing since then, but it will take a full recovery in the world economy to see growth as strong as the mid-2000s. Around 1.9 million people visit Botswana annually, of which around 324,000 are day visitors from neighbouring countries or visitors on holiday and based in other countries. Visitor exports increased from US\$805 million in 2009 to US\$1.05 billion in 2011. In 2009, the government recognised that Botswana was perceived as an expensive tourist destination due to the emphasis on 'low-volume, high-cost' tourism. Although it wished to defend its share of this market, while worldwide tourism was in decline it planned to market Botswana as an alternative medium-cost destination while at maintaining 'sustainable tourism'. As such, capital investment in travel and tourism has increased from US\$80 million in 2009 to an estimated US\$158 million in 2012. Tourism infrastructure is being upgraded, particularly in the Chobe and Moremi Parks.

On 29 November 2012 the government announced that from January 2014 commercial hunting will be banned, due to the declining number of wildlife species.

Mining

Exploitation of rich mineral reserves, notably diamonds, provided the key to Botswana's rapid economic growth, with the mining sector accounting for up to 50 per cent of GDP and employing 7 per cent of the workforce. Botswana's diamond reserves are expected to last until 2030 at current production rates.

Diamonds, together with copper and nickel production, are the main focus of prospecting activities and account for most of the country's export revenue. Botswana is the largest producer of diamonds, and second-largest producer of gem diamonds, in the world, after Russia.

All diamond mining is carried out by De Beers Botswana Mining Company (Debswana), a company jointly owned by the government and UK-based De Beers of South Africa. De Beers produces 60 per cent of the world's diamond output, a significant proportion of which comes from Botswana.

As global sales of diamonds fell two mines – Damtshaa and Orapa No 2 – operated by Debswana, a company jointly owned by the government and De Beers, were closed for 2009, to be re-opened when demand picks up.

Hydrocarbons

There are no known domestic oil or natural gas reserves; all refined petroleum products are from South Africa. Botswana has the largest known coal reserves in Africa – proven reserves are 17 billion tonnes, total reserves are estimated at about 50 billion tonnes, although of low quality. Coal output from the Morupule coal mine, which is mainly used in domestic power stations, is typically around one million tonnes per annum.

Energy

Total installed electricity generating capacity (all thermal) produces 979 million kilowatt-hours (kWh), while consumption is estimated at 2.57 billion kWh. Botswana relies on imported electricity of 1.95 billion kWh, chiefly from South Africa.

There is potential for hydroelectric generation and solar power. Half of total primary energy requirements are met by biomass, mainly fuelwood and charcoal.

Financial markets

In 2006 the African-owned, Pan African commodities and derivatives exchange (PACDEX Africa) was given the go-ahead by the African Union, the UN Conference on Trade and Development, the Pan African Commodities Platform and Botswana's finance ministry and services.

Stock exchange

Botswana Stock Exchange

Banking and insurance

Of the established commercial banks, the largest is Barclays Bank of Botswana, which was launched in 1950 and has approximately 42 branches and agencies. It has 19.6 per cent local equity with the rest held by the UK's Barclays Bank. Standard Chartered Bank of Botswana has been operating in the country since 1897 and has 14 branches and four agencies.

Central bank

Bank of Botswana

Main financial centre

Gaborone

Time

GMT plus two hours

Geography

Botswana is a landlocked country in southern Africa, with South Africa to the south and east, Zimbabwe to the north-east and Namibia to the west and north. A short section of the northern frontier adjoins Zambia.

Botswana is a flat, arid country, 84 per cent of which is occupied by the Kalahari *sandveld*. The desert occupies most of the northern, central and western regions. There are some shallow valleys and low hills, notably the Tsodilo Hills, rising to 410m, located in the north-west. Other parts of the landscape, mainly along the south-eastern borders and the far north-west, are dotted with outcrops of rock and low hills.

There is little surface water outside the Okavango delta and the Chobe river areas in the north. The Okavango river rises in Angola and forms a 15,000km system of water channels, swamps, lagoons and islands, the largest inland delta in the world.

The majority of the population live in the south-eastern *hardveld*, which has a slightly higher elevation than the rest of the country. The rainfall is more reliable, but the agricultural potential remains low. The highest point in Botswana, Otse Mountain, which reaches 1,491m, is near Lobatse. 38 per cent of the country is given over to wildlife areas and national parks, including two-thirds of the Okavango delta.

Hemisphere

Southern

Climate

Sub-tropical, with hot summers and dry winters. Temperatures range from about 5–23 degrees Celsius (C) in July to 18–31 degrees C in January.

Entry requirements

Passports

Required by all. Passports should be valid for at least 12 months.

Visa

Required by all except citizens of North America, Western Europe, Australasia and Japan, plus transit passengers. All other visitors should confirm requirements from consular sections of local embassy before travelling.

A proposed tourist *univisa* (a single visa to visit all 15-member states of SADC: Angola, Botswana, DRC, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Seychelles, Swaziland, Tanzania, Zambia and Zimbabwe) is expected to be in use by 2013. Visitors should check with the appropriate consulates to confirm start of *univisas* and their scope before beginning a tour of southern Africa.

Business visas should be accompanied by letters of invitation.

Currency advice/regulations

Import and export of foreign currency is unlimited, provided it is declared on arrival.

Import of local currency is unlimited but export is restricted to P50.

Customs

Member of Southern African Customs Union, therefore virtually no restrictions on movement of goods from South Africa, Namibia, Lesotho and Swaziland.

Health (for visitors)

Mandatory precautions

Yellow fever vaccination certificate required for visitors arriving from infected areas.

Advisable precautions

hepatitis A and B, tetanus, polio and typhoid immunisations are advisable.

Anti-malarial prophylaxis is recommended for visitors to northern regions. Insect repellent is a necessary precaution. A medical examination is advisable within 10 days if bitten by insects while visiting game reserves, in case of sleeping sickness.

AIDS infection rates are high throughout the country but particularly in Francistown and Gaborone.

Food, water, swimming and bathing precautions should be observed.

Medical insurance is essential.

Hotels

First-class hotels available in all main towns. Generally advisable to book in advance – essential at weekends and during public holidays.

Credit cards

American Express, Access/MasterCard, Barclaycard/Visa, Diners.

Public holidays (national)

Fixed dates

1–3 Jan (New Year), 1 Jul (Sir Seretse Khama Day), 18–19 Jul (President's Day), 30 Sep–1 Oct (Botswana Day), 25–27 Dec (Christmas Holiday).

Variable dates

Good Friday, Easter Monday, Ascension Day, President's Day (third Tue and Wed in Jul).

Working hours

Banking

Mon–Fri: 0900–1530; Sat: 0815–1045.

Business

Mon–Fri, Apr–Oct: 0800–1300, 1400–1700; Mon–Fri, Oct–Apr: 0730–1630.

Government

Mon–Fri: 0730–1230, 1345–1630.

Shops

Mon–Fri: 0830–1300, 1400–1700; Sat: 0830–1300.

Telecommunications

Telephone/fax

Land lines connect the 12 main towns by microwave links. Botswana is directly connected to South Africa, Zimbabwe, Zambia and Namibia.

Mobile/cell phones

Mascom and Vista Cellular provide CSM 900 network, though coverage is limited to main towns.

Social customs/useful tips

A lightweight or tropical suit should be worn for meetings, casual clothes are acceptable at other times.

Most people rise early in the morning and nightlife is limited.

The noun for the people of Botswana is: singular, Motswana; plural, Batswana.

Getting there

Air

National airline: Air Botswana

International airport/s: The Sir Seretse Khama international airport (GBE) is 15km from Gaborone. Facilities include left luggage, bank, bar, restaurant, post office, shops and car hire.

There are no regular bus services to and from the airport but several hotels run minibuses

Taxis are available to the city centre.

Other airport/s: Francistown (FRW), 6km from city; Maun (MUB), Kasane (BBK) and Selebi-Phikwe (PKW).

Airport tax: US\$20.

Surface

Road: Bitumised roads link Botswana with South Africa in the south, and Zambia and Zimbabwe in the north.

The Trans-Kalahari highway provides a shorter all-tarred road link between Namibia and South Africa's Gauteng province, crossing south-west Botswana, via Kanye and Ghanzi.

Botswana border posts are at Ngoma Bridge and Shakawe. The road from Namibia, via Shakawe border post, is paved all the way to Maun.

Rail: There are good connections between South Africa and Zimbabwe with Botswana. Passengers are advised to take their own refreshments as the alternatives are limited. There are three classes, and sleeping compartments are available. First-class cars have comfortable reclining seats.

Plans to extend the network include the extension of the line into Namibia, following the construction of the Limpopo line from Zimbabwe to Mozambique.

Water: A car ferry operates across the Zambezi River to Zambia.

Getting about

National transport

Air: Air travel is the best way to get around Botswana.

Regular flights operated by Air Botswana connect Gaborone, Francistown, Maun and Kasane. Air Botswana and other operators provide direct charter flights to airstrips throughout the country.

Road: There are around 20,000km of well-developed roads, of which some 5,000km are tarred, the rest being gravelled or sand tracks.

Most major towns are connected by good roads. Travellers to Okavango should note that the road to Maun is tarred, but it is impossible to travel further without use of an overland vehicle.

Buses: Bus services remain underdeveloped. Services run between Gaborone and Francistown, going on to Nata and Maun.

Rail: Botswana's railway system consists of 641 km of main line plus three branch lines – between Morupule and Palapye, Selebi-Pikwe and Serule, and between Sua Pan and Francistown.

The main Cape Town (South Africa)-Bulawayo (Zimbabwe) railway runs for over 700km through Botswana, linking several towns. This section is operated by Botswana Railways, along with freight-only lines to Selebi-Pikwe and Sua Pan.

Botswana Railways has lost a great deal of freight business to road transporters. It has established the Gaborone Container Terminal (Gabcon), a dry port facility acting as a container terminal, specifically for locally based importers and exporters.

City transport

Taxis: Taxis are available in the capital. Tips are not common; if offered, 10 per cent would be acceptable.

Car hire

National driving licence (in English) or international driving licence, valid for six months, is required. Speed limits: 120kph on main roads, 60kph in built-up areas. Seat-belts must be worn. Facilities are available to hire Avis car in South Africa and deposit it in Botswana, or vice versa. Hire cars are only available for driving from Botswana to Zimbabwe or Zambia by special prior arrangement.

BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

Telephone area codes

The international direct dialling (IDD) code for Botswana is +267, followed by subscriber's number:

Francistown: 24

Gaborone: 31, 35, 36, 39

Jwaneng: 58

Kasane: 62

Lobatse: 53

Maun: 68

Selebe-Pikwe: 26

Chambers of Commerce

Botswana Chamber of Commerce and Industry, PO Box 00290, Gaborone (tel: 359-292; fax: 372-467).

Botswana Confederation of Commerce, Industry and Manpower, Boccim House, Old Lobatse Road, PO Box 432, Gaborone (tel: 353-459; fax: 373-142; e-mail: boccim@info.bw).

Francistown Chamber of Commerce and Industry, PO Box 196, Francistown (tel: 241-2149; fax: 241-2175; e-mail: boccim@info.bw).

Banking

Barclays Bank of Botswana, PO Box 478, Barclays House, Plot 8842 Khama Crescent, Gaborone (tel: 352-041; fax: 313-672).

National Development Bank, PO Box 225, Development House, Plot 1123, The Mall, Gaborone (tel: 352-801; fax: 374-446).

Standard Chartered Bank Botswana Ltd, PO Box 496, 5th Floor, Standard House, The Mall, Gaborone (tel: 360-1500, 353-111; fax: 372-933, 353-446).

Central bank

Bank of Botswana, Private Bag 154, Khama Crescent, Gaborone (tel: 360-6000; fax: 391-6000; e-mail: webmaster@bob.bw).

Stock exchange

Botswana Stock Exchange, www.bse.co.bw

Travel information

Air Botswana, Sir Seretse Khama Airport, PO Box 92, Gaborone (tel: 395-2812; fax: 397-4802; commercial@airbotswana.co.bw).

Ministry of tourism

Department of Tourism, Ministry of Environment, Wildlife and Tourism, Private Bag 0047, Gaborone (tel: 395-3024; fax: 390-8675; e-mail: botswanaturism@gov.bw).

Ministries

Ministry of Agriculture, Private Bag 003, Gaborone (tel: 350-500; fax: 356-027).

Ministry of Commerce and Industry, Private Bag 004, Gaborone (tel: 360-1200; fax: 371-539).

Ministry of External Affairs, Private Bag 00368, Gaborone (tel: 360-0700; fax: 313-366).

Ministry of Finance and Development Planning, Private Bag 008, Gaborone (tel: 350-100, 355-272; fax: 356-086).

Ministry of Mineral Resources and Water Affairs, Private Bag 0018, Gaborone (tel: 352-452; fax: 372-733).

Ministry of Works, Transport and Communications, Private Bag 007, Gaborone (tel: 358-500, 355-563, 355-303; fax: 358-500, 313-303).

Office of the President, Private Bag 001, Gaborone (tel: 350-800).

Other useful addresses

Botswana Development Corporation Ltd, Private Bag 160, Gaborone (tel: 351-790; fax: 305-375).

Botswana Diamond Company (Pty) Ltd, Debswana House, The Mall, Gaborone (tel: 351-131; fax: 356-110).

Botswana Enterprise Development Unit (promotes industrial & rural development), PO Box 0014, Gaborone.

Botswana Meat Commission, Private Bag 4, Lobatse (tel: 330-321; fax: 330-530).

Botswana Power Corporation, Motlakase House, Macheng Way, PO Box 48, Gaborone (tel: 360-300; fax: 373-563).

Botswana Telecommunications Corporation, PO Box 700, Gaborone (tel: 358-000).

Botswanan Embassy (USA), Suite 7M, 3400 International Drive, NW, Washington DC 20008 (tel: 202-244-4990; fax: 202-244-4164)

Debswana Diamond Company, Gaborone (tel: 351-131; fax: 356-110).

Department of Geological Survey, Private Bag 14, Lobatse (tel: 330-0327; fax: 332-013).

Department of Information and Broadcasting, Private Bag 0060, Gaborone (tel: 365-8000, 365-3081; fax: 357-138, 301-675; e-mail: ib.publicity@info.bw).

Department of Mines, Private Bag 0049, Gaborone (tel: 352-641; fax: 352-141).

Department of Trade and Investment Promotion (TIPA), Private Bag 004, Gaborone (tel: 351-790; fax: 305-375).

Stockbrokers Botswana Ltd, Ground Floor, Barclays House, Khama Crescent, Post Bag 00417, Gaborone (tel: 357-900; fax: 357-901).

Water Utilities Corporation, Private Bag 00276, Gaborone (tel: 352-521).

National news agency: Bopa (Botswana Press Agency), (email: dailynews@gov.bw; internet: www.gov.bw/cgi-bin/news).

Internet sites

AllAfrica.com: www.allafrica.com

African Development Bank: www.afdb.org

Africa Online: www.africaonline.com