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Where the Money Went Before and Where It Goes Now

A Plain Guide to Budget Discipline

By The Banker's Conversation



This was not a story of dramatic theft, but of systems that slowly broke down, allowing money to leak through inefficiency and weak controls



For years, many Batswana asked a quiet but persistent question: where did the money go? Not as an accusation, but as a lived reality. Projects cost more than expected. Supplies arrived late. Government spending felt heavy, yet services remained stretched. The 2026 Budget confronts that question directly, not with slogans or grand promises, but with an unusually frank explanation of how public finances drifted off course and how discipline is now being restored.

In his budget address, the Minister of Finance, Vice President Ndaba Gaolathe described a public purse that had

entered what he called a period of financial haemorrhaging. It was not a story of dramatic theft, but of systems that slowly broke down, allowing money to leak through inefficiency, weak controls, and habits that went unchallenged for too long.

Before: When Spending Was Big, but Control Was Thin

Previously, government spending was fragmented across ministries, departments, and agencies, each operating as its own buyer. On paper, this decentralisation looked flexible. In practice, it proved expensive. When hundreds of offices negotiated separately, government lost its bargaining power. The same goods were purchased at wildly different prices, often above market rates, simply because government was the client. Oversight struggled to keep up. Tracking who bought what, from whom, and under what terms became increasingly difficult. As systems weakened, inefficiencies multiplied quietly. Payments to suppliers were delayed, sometimes for months. Small businesses suffered cash-flow strain, raised their prices to

compensate, or avoided government contracts altogether. What emerged was not always corruption, but a culture where waste became normalised.

One of the clearest examples lay in the explosive growth of Government Purchase Orders (GPOs). In the months leading up to July 2025, spending through GPOs averaged more than P1.14 billion every single month. Ministries also relied heavily on so-called commitment letters, creating obligations without

confirmed funding. These unfunded promises accumulated silently, placing pressure on future budgets before Parliament ever approved additional spending.

Supplementary budgets, once intended as an emergency tool, became routine. Instead of forcing prioritisation, they allowed overspending to be corrected after the fact. At the same time, large infrastructure projects were increasingly managed through the Development Manager model. A

subsequent review revealed

how costly this approach had become. Building a principal hospital under this system cost more than half a billion pula extra compared to traditional methods.

Primary schools and roads followed similar patterns, delivering higher bills without proportionate improvements in quality.

The 2026 Budget marks a clear turning point. The emphasis is no longer on expanding spending, but on repairing the machinery that moves money through government.

Since July 2025, the Ministry of Finance has temporarily centralised the issuance of GPOs. This single intervention cut monthly GPO spending by nearly half, reducing it to about P584 million. For two consecutive financial years, no supplementary budgets have been approved. Ministries that want to do more are now required to reprioritise within their existing allocations. The Development Manager model has been paused, with over a hundred conceptual-stage projects suspended to prevent further losses. Travel and overtime have been tightly controlled, removing costs that added little value to service delivery.

These measures may sound technical, but their impact is practical. They restore predictability, rebuild discipline, and begin to change behaviour across the system.

With the major leaks addressed, the budget shows a deliberate shift in where money now flows. Instead of chasing new projects while old assets decay, government has allocated P1.85 billion specifically for the maintenance of schools, hospitals, and roads. Importantly, this funding has been ring-fenced to prevent it from being diverted elsewhere. The message is clear:

maintain what exists before building what is new.

Investment is being channelled toward

strategic projects with long-term economic value, including water security initiatives, rail infrastructure, and the national digital identity programme. Education continues to receive significant support, accounting for over seven percent of GDP, but with a sharper focus on technical and vocational training to ensure skills translate into jobs. Work is also underway to establish a sovereign wealth fund, designed to cushion the country during economic shocks and preserve wealth for future generations. What stands out in this budget is not just the numbers, but the shift in mindset. The state is repositioning itself away from being the financier of everything, toward becoming a disciplined architect of an enabling environment. The aim is not to shrink government, but to make it smarter, more predictable, and more accountable.

For ordinary citizens, the benefits of this discipline will not arrive overnight. They will show up gradually, in clinics that receive medicines on time, in schools repaired instead of replaced, in roads that last longer, and in businesses paid without delay. These are not headline-grabbing victories, but they compound over time.

The real test of this budget will not be how much is saved this year, but whether these rules become permanent habits. In public finance, discipline is not an event. It is a practice. And Botswana, quietly but deliberately, appears to be relearning it.

Article facts at a Glance

P1.14 billion P/M

Government Purchase Orders (GPOs) once averaged over P1.14 billion per month, driven by fragmented procurement across ministries and weak central oversight.

P1.8 billion

The 2026 Budget allocates P1.85 billion specifically for maintenance of existing schools, hospitals, and roads, with the funds ring-fenced to prevent diversion.

P584 million

Since July 2025, centralising GPO issuance has reduced monthly spending to about P584 million, nearly halving expenditure through a single control measure.



Not Out of Moves Yet

Botswana's Economy Plays the Long Game

By The Banker's Conversation



Botswana faces its most acute fiscal pressure in decades, with government cash buffers at historically low levels. Photo Credit Maisa Huru

Botswana is operating closer to the edge of fiscal stress than at any time in its post-independence history. Government cash buffers, once the envy of the region, have thinned to precarious levels.

By December 2024, balances in the Government Investment Account (GIA) fell to just P251 million, down from P8.6 billion a year earlier. By October 2025, cash balances stood at P2.14 billion, a level the Ministry of Finance itself describes as unsustainable, warning that the account could be fully depleted by March 2026 if current deficits persist.

Yet within this difficult fiscal picture, the 2026/27 Budget Strategy Paper released by Minister of Finance Ndaba Gaolatlhe this month, quietly signals two important shifts that could reshape

Botswana's economic trajectory if executed decisively.

Export Competitiveness: A Rare Tailwind

One of the clearest "good news" signals is emerging from the exchange rate and external competitiveness data. In August 2025, Botswana's real effective exchange rate (REER) depreciated by 3.9 percent, reflecting both nominal currency adjustments and a narrowing inflation differential with trading partners. In plain terms, Botswana's goods and services became cheaper relative to competitors.

For an economy long criticised for being uncompetitive outside diamonds, this matters. The depreciation strengthens



Botswana's challenge is one of timing: stabilising public finances while rewiring its growth model. Photo Credit Botswana Insurance Holdings Limited

incentives for exporters, supports import substitution, and improves the viability of manufacturing, tourism, agriculture, and tradable services. Importantly, the adjustment was not accidental. The Bank of Botswana deliberately widened trading margins and accelerated the rate of crawl to enhance competitiveness while maintaining inflation within target.



A depreciated exchange rate is improving Botswana's export competitiveness, supporting manufacturing, tourism, and tradable services.

This technical adjustment aligns with a deeper policy reorientation articulated in the Budget Strategy Paper: government stepping back as the dominant economic actor. The state-led growth model that delivered stability in earlier decades is now explicitly acknowledged as unsustainable under constrained revenues and declining mineral inflows. Through the Botswana Economic Transformation Programme (BETP), the government is repositioning itself as regulator and enabler, with the private sector expected to drive exports, employment, and innovation.

Trade frameworks such as AfCFTA, SADC, and SACU are no longer rhetorical commitments but central pillars of the growth strategy. The ambition is clear: Botswana aims to evolve from a mineral exporter into a regional production and export hub, leveraging competitiveness gains to anchor new value chains. If sustained, this shift could reduce the economy's vulnerability to diamond cycles and restore resilience over the medium term.

Digital Transformation: Inclusion Under Pressure

The second positive narrative emerges from digital reform, an area that has been protected even as fiscal space narrows. Rather than retreating, government is accelerating digitisation as a cost-saving and inclusion tool.

The Village Connectivity Programme stands out. By extending high-speed internet to rural and remote communities, the programme is not merely improving access; it is redefining how citizens interact with the state and markets. Digital inclusion becomes an economic policy lever, not a social add-on.

This transformation is systemic. The rollout of SmartBots, expansion of STEM education, and integration of digital tools into schools are intended to realign human capital with a technology-driven economy. On the governance side, the move toward e-procurement by 2026/27 is designed to reduce corruption risks, enhance price transparency, and improve value for money, an especially critical objective in an era of depleted buffers. Flagship platforms such as the Smart ID and the National Retail Payment Switch



The Village Connectivity Programme is extending high-speed internet to rural areas, positioning digital access as a growth and inclusion tool. Photo Credit Sunday Standard

System are laying the foundation for a secure digital ecosystem that supports financial inclusion, efficient service delivery, and private sector innovation. In a context where cash constraints limit traditional stimulus, digital infrastructure offers Botswana a way to leapfrog inefficiencies rather than simply manage decline.



Trade frameworks such as AfCFTA, SADC, and SACU are central to Botswana's strategy to become a regional production hub. Photo Credit Truck Hire Botswana

A Narrow Window

None of this diminishes the urgency of the fiscal challenge. The Budget Strategy Paper is explicit: without decisive fiscal consolidation and buffer replenishment, risks of arrears, liquidity disruptions, and credit rating pressure will intensify. Export competitiveness and digital reform are enablers, not substitutes, for hard fiscal choices.

The significance of the moment lies in sequencing. Botswana is attempting to stabilise its finances while rewiring its growth model. The success or failure of this balancing act will determine whether the current stress becomes a temporary adjustment or a prolonged constraint on development.

Money With Strings Attached

Inside Botswana's New Budget Order

By The Banker's Conversation

By midmorning, Gaborone was already buzzing with a single question whispered in offices, taxis, cafés, and WhatsApp groups: “So... what do you think Ndaba’s budget will look like?”

The anticipation sat thick in the air, almost tangible, as if the city itself was holding its breath. The skies were pale and generous, the wind gentle but insistent, sweeping through the streets with the kind of calm that only comes before something consequential. By 13:45, the waiting ended. The lift doors opened quietly at the Office of the Vice

President, and Ndaba Gaolathe stepped out, security detail falling neatly into formation.

A slim briefcase rested in his hand, unremarkable in appearance, heavy in consequence. Inside it were the new money rules for a country in reset mode. Then, unexpectedly, he changed course.

Instead of turning toward the black armoured SUV idling outside, Baledzi’s son chose the pavement. He walked. Through the Government Enclave, past familiar corridors of power, pacing with calm assurance and a measured agility, neither rushed nor performative. Heads turned. The wind brushed against his suit. Parliament waited ahead. And with every

Gaborone buzzed with anticipation as citizens wondered what the 2026 budget would reveal. Photo Credit BW Government



Photo Credit Africa PressNet.



Photo Credit BW Presidency

P1.85 billion has been ring fenced for maintaining schools, hospitals, and roads shifting focus from expansion to preservation.

step toward the chambers, it became clear: this was not a budget being rushed to deliver numbers, but one being carried with intent.

Botswana's proposed P103.58 billion national budget for the 2026/2027 financial year marks a decisive alignment between fiscal policy and the country's long-term development framework under National Development Plan 12 (NDP12), the Botswana Economic Transformation Programme (BETP), and the policy direction set out in the State of the Nation Address (SONA).

Presenting the budget, the Minister of Finance Gaolathe described the allocation framework as a “statement of truth”, reflecting constrained fiscal space and the need to move from system diagnosis to execution. The budget

signals a strategic shift away from state-led spending as the primary growth driver toward an economy anchored in private sector activity.

Total expenditure and net lending is projected at P103.58 billion, comprising P67.78 billion in ministerial recurrent expenditure and P23.38 billion in development spending. The remaining balance includes statutory and debt-related obligations.

Recurrent expenditure continues to account for the largest share, reflecting the cost of running government, including wages, service delivery, and operational expenses. Development expenditure is targeted at infrastructure and catalytic investments intended to support economic diversification and long-term growth under NDP 12.

“

Botswana is moving from being the financier of everything to the architect of an enabling environment.

”

Security, Social Services, and Local Governance Dominate Recurrent Spending

Within recurrent spending, the Ministry for State President, Defence and Security receives the largest allocation of P13.05 billion, underscoring government’s emphasis on national security, border management, and institutional stability.

The Ministry of Local Government and Traditional Affairs follows closely with P12.99 billion, reflecting continued prioritisation of social welfare programmes, local service delivery, and community development, consistent with SONA commitments on social protection and inclusive growth.

These allocations reinforce government's



Development expenditure targets energy security, transport networks, and water projects to support economic diversification. Photo Credit Ministry of Transport and Infrastructure

Article facts at a Glance

P103 billion

Total Budget: Botswana's proposed 2026/2027 national budget is P103.58 billion.

Development Priorities:

- Minerals & Energy: P5.23B for energy security and electricity supply
- Transport & Infrastructure: P3.86B for roads, rail, logistics
- Water & Human Settlement: P3.62B for water transfer, sanitation, and settlements

49%

Government Purchase Order (GPO) reforms reduced average monthly procurement spending by 49%, from P1.14 billion to P584 million.

7.1% of GDP

Education spending is 7.1% of GDP, with increased emphasis on Technical and Vocational Education (TVET) to produce job-ready skills.

position that stability, governance, and social cohesion remain prerequisites for economic transformation.

Infrastructure and Energy Anchor Development Spending

The development budget is firmly aligned with BETP's focus on infrastructure, energy security, and economic enablers. The Ministry of Minerals and Energy receives P5.23 billion, largely directed toward stabilising electricity supply, meeting power purchase obligations, and supporting energy infrastructure. Energy security has been identified under BETP as a binding constraint to growth, particularly for manufacturing and export-oriented sectors.

The Ministry of Transport and Infrastructure is allocated P3.86 billion to support road, rail, and logistics networks, reinforcing Botswana's ambition under NDP 12 to position itself as a regional transport and trade hub. Meanwhile, Water and Human Settlement receives P3.62 billion, with priority given to completing major water transfer, sanitation, and settlement projects. Water security remains a cross-cutting risk identified in both NDP 12 and SONA, particularly in the context of climate variability.

Shift Toward Maintenance and Asset Protection

A notable policy shift in the 2026 budget is the emphasis on maintaining existing public assets rather than launching new, poorly funded projects. Government has ring-fenced P1.85 billion specifically for the rehabilitation and maintenance of schools, hospitals, roads, and other infrastructure.

Crucially, the budget prohibits the transfer of funds away from



Stabilising electricity supply remains central to Botswana's growth strategy, particularly for manufacturing and exports. Photo Credit Brimco

maintenance votes, addressing a long-standing problem where upkeep budgets were routinely reallocated, leading to asset deterioration and higher long-term costs. This approach aligns with BETP's emphasis on value for money and system efficiency.

Human Capital and Skills for Transformation

Education continues to receive significant support, with spending equivalent to 7.1 percent of GDP, among the highest in the region. However, the budget reflects a recalibration toward Technical and Vocational Education and Training (TVET), consistent with SONA's call for job-ready skills and BETP's focus on productivity-led growth. The shift aims to better align education outcomes with labour market demand, particularly in priority sectors such as construction, energy, manufacturing, and digital services.

Fiscal Discipline and System Repair

The budget reinforces the government's

commitment to fiscal discipline through continued denial of supplementary budget requests, marking the second consecutive year in which no additional mid-year funding has been approved. This discipline has been supported by reforms to procurement systems, including the centralisation of Government Purchase Orders (GPOs), which reduced average monthly procurement spending by 49 percent, from P1.14 billion to P584 million. The reforms are positioned as foundational to restoring credibility in public finance management and are consistent with

BETP's focus on system repair before expansion.

Supporting MSMEs and Private Sector-Led Growth

In line with NDP 12's objective of private sector-driven development, the budget proposes P1.31 billion across programmes aimed at micro, small, and medium enterprises (MSMEs). The approach reflects a shift from fragmented, loan-heavy interventions toward a more structured National Fund of Funds model designed to crowd in private capital and reduce dependency on state financing.

Anchoring the National True North

Taken together, the 2026/2027 budget allocations reflect a clear policy alignment with Botswana's long-term development agenda. Under NDP 12, BETP, and the commitments outlined in SONA, government is repositioning itself from being the primary financier of growth to the architect of an enabling environment.

The budget signals tighter controls, sharper prioritisation, and a focus on execution, as Botswana navigates constrained resources while pursuing its “National True North” of a high-income, diversified, and resilient economy.



Kasane-Kazungula Villages Sanitation Project | Botswana. Water and sanitation investments address long-term resilience amid climate variability and urban growth. Photo Credit Water Utilities

Balancing the books before building the future

By The Banker's Conversation



Finance Minister Ndaba Gaolathe moments before tabling the 2026/27 national budget carrying a fiscal reset defined by restraint, reform and private-sector primacy.

Photo Credit BW Government

Botswana's 2026/27 national budget is not a spending spree. It is a recalibration. After years of thinning fiscal buffers, rising debt ratios and costly execution failures, Finance Minister Ndaba Gaolathe has presented a budget defined less by expansion and more by restraint. The language is disciplined. The arithmetic is sober. The direction is deliberate. Growth, the Minister signals, will no longer be purchased through public expenditure alone.

Revenue and grants are projected at P77.22 billion against expenditure of just over P103 billion, leaving a deficit of P26.35 billion, roughly 7 percent of GDP. Public debt will continue rising in the near term, pressing against statutory ceilings. Officials argue the trajectory remains sustainable, but the fiscal margin for error is clearly narrower than in the past decade.

In that environment, projected growth of 3.1 percent for 2026/27 reads not as ambition, but as measured realism.

Sequencing Before Scale

What distinguishes this budget is not its size, but its sequencing. Government is consciously repositioning itself from being the dominant economic actor to becoming an enabler of private-sector activity. That shift is embedded in the Twelfth National Development Plan and the Botswana Economic Transformation Programme, both of which emphasise diversification, value-chain development and reduced reliance on diamonds and state procurement.

Recurrent expenditure rises modestly to P67.78 billion, a restrained 2.8 percent increase. Education and child welfare absorb the largest share, reflecting long-term human capital priorities and political sensitivity. The Ministry of State President receives a significant allocation driven by security and administrative commitments. Health spending appears lower in nominal terms, though much of that reflects the technical transfer of primary healthcare functions to local

government rather than a withdrawal from the sector.

The development budget, at P23.38 billion, is slightly reduced compared to the previous year. This is not retrenchment. It is recognition that capital spending has too often delivered poor returns due to weak project appraisal and fragmented oversight. The focus shifts toward completing existing infrastructure and stabilising critical systems rather than announcing new megaprojects.

Energy and minerals dominate development allocations. Stabilising electricity supply, rehabilitating Morupule B and strengthening transmission capacity are treated as economic imperatives. Transport, water and housing follow, with emphasis on finishing what has already been started. The underlying message is clear: fix the foundations before expanding the structure.

A Tougher Tax Climate

Tax reform forms one of the most consequential planks of the budget. Corporate tax rises from 22 percent to 24.5 percent. The top marginal personal income tax rate increases to 27.5 percent. New withholding taxes on non-resident profits, insurance premiums and natural-resource payments alter the investment equation. VAT on remote and digital services aligns Botswana with evolving global tax norms. These measures will strengthen revenue

If tax reform defines the revenue side, governance reform defines the credibility side.

Gaolathe was explicit in Parliament. Centralised Government Purchase Orders, the rollout of a national e-procurement system and the review of the Public Finance Management Act are intended to seal fiscal leakages and restore institutional trust.

The ring-fencing of P1.85 billion for infrastructure maintenance is perhaps



Tourism remains central to diversification, but operators stress that regulatory certainty, not incentives, will determine investment decisions. *Photo Credit Botswana Travel*

mobilisation over time. In the short term, however, they introduce friction. Higher effective rates may temper investment appetite, particularly in capital-intensive sectors.

Tax specialist Tumelo Rannau of Rans and Associate, speaking at the FNBB budget seminar following the Minister's address, framed the reforms as structural rather than punitive. "Tax evolution creates a sustainable foundation for economic transformation," Rannau said, adding that legislative reform must be matched by operational improvements at Botswana Unified Revenue Services. His caution underscores the broader risk. Policy changes alone will not restore confidence. Implementation capacity must keep pace. Governance as Economic Policy

the most symbolic intervention. For years, deferred maintenance has quietly eroded public assets. The allocation acknowledges that neglect, not merely underfunding, has been one of the state's costliest errors.

The budget's deeper ambition is cultural. It seeks to normalise discipline rather than celebrate stimulus.

The Tourism Factor

The shift toward private-sector primacy is particularly visible in tourism. Long celebrated as a diversification pillar, tourism has often been constrained by administrative delays, uncertain lease tenure and regulatory bottlenecks. This budget places emphasis not on subsidies, but on predictability.

The Hospitality and Tourism Association of Botswana has welcomed the recognition of tourism as a strategic growth engine and the explicit commitment to allow the private sector to lead. But its endorsement is measured.

Investor confidence in tourism, an industry that sustains over 50,000 direct jobs and earns vital foreign exchange, depends less on incentives than on regulatory certainty. Lease renewals and concession approvals remain critical pressure points.

Security of tenure is not procedural detail. It is collateral for borrowing, expansion and employment. Without predictable timelines and streamlined processes, private-sector-led growth risks stalling at the administrative gate. The tension between policy intent and bureaucratic execution runs through the entire budget.

Conditional Optimism

This is not a populist budget. It is a corrective one.

It accepts that buffers have thinned. It recognises that debt has limits. It admits that systems have underperformed. And it places faith in private initiative rather than public largesse as the next growth engine.

Whether that faith is rewarded will depend less on speeches and more on delivery.

Botswana is not expanding aggressively. It is stabilising deliberately. Balancing the books, before attempting to build the future.

The pivot has begun. The question now is execution.

Why BURS Matters

by The Banker's Conversation



The Botswana Unified Revenue Service (BURS) headquarters is located in Gaborone, Botswana, in the Central Business District (CBD). Photo Credit Botswana Unified Revenue Service (BURS)

At a time when Botswana's economic choices are becoming more constrained, one institution sits quietly at the centre of the national equation - Botswana Unified Revenue Service. As mineral revenues soften and fiscal space tightens, the ability of Government to fund development, maintain services and sustain economic confidence depends increasingly on how effectively BURS performs its mandate. For every pula Government needs to deliver programmes and public services, about 70 thebe is mobilised by BURS.

It is a responsibility that has shaped the institution's current posture. BURS has embarked on a focused Revenue Mobilisation Sprint to 31 March 2026 programme, designed to help Government close an estimated P20 billion funding requirement by the end of

the financial year. The initiative comes against the backdrop of revenue performance that is about P2.213 billion below target, a variance that becomes increasingly significant as the financial year draws to a close.

"This is not about ticking boxes or producing reports," said the Acting Commissioner General of BURS, Mr. Phodiso Valashia, in an interview. "It is about cash in the fiscus now, because that cash determines whether Government can deliver what it has promised to citizens."

At this stage of the fiscal cycle, even relatively small deviations translate into real economic effects. Cash flow pressures can delay projects, affect service delivery and weaken confidence

Article facts at a Glance

70%

BURS now mobilises approximately 70% of government revenue, making it central to funding public services as mineral revenues decline.

P2.2 billion

Revenue performance is P2.213 billion below target, increasing cash-flow pressure late in the fiscal cycle.

KPIs

KPI for success: Actual cash collected



Acting Commissioner General of BURS, Mr. Phodiso Valashia. Photo Credit Botswana Unified Revenue Service (BURS)

across the economy. According to Mr. Valashia, BURS' response had to be deliberately execution focused. Rather than proposing new taxes or policy shifts, the Revenue Mobilisation Sprint to 31 March 2026 programme is aimed at unlocking revenue that already exists within the economy.

Emphasis is on recoverable debt, large taxpayers, reconciliation of tax accounts, refund containment and targeted compliance interventions capable of yielding results within weeks. "This is not about creating new burdens," Mr. Valashia said. "It is about collecting what is lawfully due, based on verified accounts, reconciled data and clear legal authority."

Within BURS, success during the Sprint to 31 March 2026 programme is being measured using a single yardstick. "We are measuring one thing only, cash collected," he said. "Not activities, not meetings, not letters." To support this focus, the institution has tightened internal coordination, shortened decision cycles and aligned operational teams around a single execution priority for the duration of the Sprint programme.

At the same time, Mr. Valashia stressed that urgency would not override legality. "Every enforcement action is grounded in reconciled accounts," he said. "Speed without legality creates disputes, reversals and long-term damage. That is not what we want." In a small economy like Botswana, revenue collected today begins circulating almost immediately. It supports liquidity, sustains businesses and jobs and reinforces confidence. This, he said, is why execution discipline matters.

The current moment for BURS is not defined by revenue targets alone. Alongside the Sprint to 31 March 2026 programme, the institution is undertaking a deliberate internal recalibration, aimed at restoring clarity



large-scale X-ray scanning equipment acquired by the Botswana Unified Revenue Service (BURS) for border posts to detect contraband like drugs, weapons, or smuggled goods. Photo Credit Botswana Unified Revenue Service (BURS)

around its mandate and role within the democratic state. For years, BURS has carried perceptions that it sometimes operated beyond its legal remit, or that its significant enforcement powers were exercised without sufficient restraint. Mr. Valashia said firm internal changes are now under way to dismantle institutional arrangements that allowed such perceptions to arise.

"We are deliberately re-anchoring BURS

to the law and principles of justice," he said. "Our mandate is clear, to collect revenue fairly, professionally and without fear or favour. Nothing more, nothing less." He emphasised that enforcement will remain firm, but will also be principled, proportionate and consistent. "Strong institutions are not those that intimidate," Mr. Valashia said. "They are those that act lawfully and predictably."

As to whether the March 2026 targets are fully achieved, will ultimately be determined by execution. At this point, BURS is cautious about making claims too early. "These are tough months ahead," Mr. Valashia said. "But doing nothing is not an option." What is clear is that the institution has chosen to confront the fiscal moment directly, with

focus, discipline and a renewed sense of institutional purpose.

As Botswana navigates a demanding economic phase, BURS is repositioning itself not as a distant authority, but as a central pillar of national stability. The task ahead is simple in definition, though demanding in practice. Execution, and delivery, will speak for themselves.



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Wealth Horizons



By Thabiso Nkile, General Manager Affluent, SME Banking and Wealth Solutions, Standard Chartered Botswana, and **Abhymanyu Watts**, Director of Client Acquisition, Standard Chartered Jersey

Building Wealth Beyond Borders

The Power of International Banking



At Standard Chartered, 2025 is defined as the Year of Action for wealth preservation. In practical terms, this means taking deliberate steps today to ensure that tomorrow and the years beyond are secure, resilient, and abundant. Wealth building is most effective when anchored to clearly defined objectives that guide investment decisions across different stages of life.

These stages can be understood simply. Today reflects current circumstances and the actions required to maintain one's lifestyle. Tomorrow focuses on the future, ensuring that wealth continues to support personal aspirations and evolving goals. Forever speaks to legacy, the intentional structuring of

wealth so that it endures, grows, and benefits future generations. Increasingly, Africa's economic story is being shaped by clients who are making disciplined decisions across all three horizons.

Africa's Emerging Wealth Story

The global narrative around Africa's rising wealth remains underrepresented relative to other regions. Yet the data tells a compelling story. The Africa Wealth Report 2025, published by Henley and Partners in collaboration with New World Wealth, projects that the continent's millionaire population will grow by 65 percent over the next decade. This expansion brings with it a growing need for access to global

investment opportunities that not only generate returns, but also preserve capital across generations.

In Botswana and across the continent, the growth of high net worth individuals and families has accelerated interest in opportunities beyond domestic borders. Clients are increasingly seeking international exposure to diversify portfolios, manage risk, and enhance returns on surplus liquidity. In an interconnected global economy, wealth is no longer confined by geography or local currency. For many affluent Africans, international banking has become a central pillar of a holistic wealth strategy.

Understanding International Banking

International banking refers to the provision of financial services across national boundaries. These services include accepting deposits, facilitating payments, issuing loans, and offering a broad range of investment solutions to clients globally. While historically associated with expatriates, international banking has evolved to meet the needs of local populations who seek global access without relocating.

A defining strength of international banking is accessibility. Clients in Botswana can open and manage offshore accounts remotely, supported by their local relationship managers. Through Standard Chartered, clients can access four leading global financial centres: Jersey, the United Arab Emirates, Singapore, and Hong Kong. Backed by more than 170 years of global experience, Standard Chartered has built a robust international network connecting clients to some of the world's most established and well regulated financial markets. This platform provides exposure to diverse financial ecosystems aligned to individual wealth objectives.

Jersey as a Gateway for African Investors

Among these centres, Jersey has emerged as a preferred destination for many African clients. Located between the United Kingdom and France, Jersey operates independently while remaining closely linked to the UK banking system. It is recognised as one of the world's most reputable and well regulated financial jurisdictions, with offshore assets exceeding GBP 451 billion and deposits of more than GBP 160 billion across 19 financial institutions. Standard Chartered has operated in Jersey for

over 45 years and is regulated by the Jersey Financial Services Commission.

Jersey's tax neutral environment is particularly attractive for wealth preservation and cross border investment, especially for clients seeking to protect and grow assets in hard currencies. Many African investors are motivated by the desire to preserve value amid currency volatility and broader economic uncertainty.

The impact of currency depreciation illustrates this clearly. A Botswana resident planning to fund a child's education in the United Kingdom would have needed approximately P1.49 million to purchase GBP 100,000 not long ago. Today, the same amount of sterling requires closer to P1.8 million. International banking helps mitigate such risks by enabling clients to hold and invest wealth in globally stable currencies.

Depth of Investment Choice

A key advantage of Standard Chartered's international banking platform, particularly through Standard Chartered Bank Jersey, is the breadth of investment opportunities available. Compared to many African markets where options are relatively narrow, clients gain access to a comprehensive range of global instruments. These include equities, bonds, and mutual funds, as well as actively managed discretionary portfolios, structured deposits and notes, and derivative solutions such as options. Clients can also access wealth lending facilities, allowing them to borrow against offshore assets to finance investments or opportunities in Botswana, whether for property acquisition, business expansion, or personal objectives.

Standard Chartered Jersey offers a more accessible private banking proposition, with a minimum investment threshold of US\$200,000. This is significantly lower than the entry requirements of many global private banking platforms, which often exceed US\$2 million. Clients can transact in 25 currencies, invest across 15 currencies, and access 32 global stock exchanges, including London and New York.

Inclusive Global Solutions

Recognising the diversity of client needs across Botswana and the continent, Standard Chartered also provides Islamic banking solutions structured in accordance with Shariah principles. These solutions are designed to avoid interest-based transactions and include Islamic deposits, Sukuks, Shariah-compliant discretionary services, mutual funds, and structured deposits. This ensures that clients seeking faith-aligned solutions can participate fully in global wealth creation.

A Long-Term Perspective

In a rapidly evolving financial environment, preserving wealth requires foresight, diversification, and disciplined execution. International banking offers investors, entrepreneurs, and families a credible pathway to secure capital, manage local economic risks, and participate in global opportunities.

With its deep roots, extensive global reach, and strong local presence, Standard Chartered enables clients in Botswana to take their wealth beyond borders with confidence. The objective is not simply financial growth, but the creation of enduring value and a legacy that withstands time. The opportunity is to act today in order to secure tomorrow and safeguard forever.

Stanbic Bank Group Reinforces Governance Leadership in Gaborone

By The Banker's Conversation



Stanbic Bank Botswana staff and leadership teams outside the Gaborone offices, reflecting a shared commitment to accountability, collaboration and values-driven leadership. Photo Credit Monirul Stanbic Bank Botswana

Gaborone — As regulatory expectations sharpen and stakeholder scrutiny deepens across global markets, Standard Bank Group, through Stanbic Bank Botswana, has reaffirmed its commitment to governance as a strategic driver of trust, accountability and long-term value.

Governance professionals, regulators, legal experts and senior executives from across the Group recently convened in Gaborone for a full-day engagement focused on strengthening board effectiveness, regulatory alignment and institutional accountability across African markets. The session underscored the Group's view that governance is not merely a compliance exercise, but a core pillar of resilient and sustainable institutions.

The engagement explored emerging

governance priorities, Botswana's evolving regulatory landscape, subsidiary governance frameworks, succession planning and the growing role of digital tools and artificial intelligence in board processes. Discussions also highlighted the expanding mandate of company secretaries and legal functions in safeguarding organisational integrity across jurisdictions.

Speaking at the event, Stanbic Bank Botswana Chief Executive Chose Modise emphasised that governance ultimately comes down to leadership behaviour and values. "Governance is often described as policies and frameworks, but at its core, it is about how we choose to show up in our decisions, the risks we take and the values we uphold," he said, noting that strong governance remains a strategic advantage in an increasingly complex operating environment.

Echoing this perspective, Standard Bank Group Company Secretary Kobus Froneman highlighted the importance of consistency and accountability across borders. "Strong governance is not measured by the number of policies we produce, but by the quality and consistency of the decisions we are prepared to stand behind," he said, pointing to the shift from compliance-led oversight to value-driven leadership.

The conference concluded with a shared commitment to advancing governance as a living discipline that supports transparency, resilience and long-term organisational effectiveness, reinforcing the Group's continued investment in equipping leaders and professionals to navigate an increasingly demanding business landscape.

Risk Surgery

How Botswana Is Trying to Save Its Economy

Can Ndaba Fix Botswana's Economy in Time?



Article facts at a Glance

P514 billion

Total value of the Botswana Economic Transformation Programme (BETP) investment pipeline over the next decade.

6,900+

Submissions reviewed

Initial ideas submitted by citizens, entrepreneurs, and global experts before being filtered, stress-tested, and refined.

60%

Botswana has identified 186 transformative projects worth P514 billion, refined from nearly 6,900 submissions. Crucially, 60% of these projects will be led and financed by the private sector, marking a fundamental move away from state-led execution toward catalytic facilitation.

by The Banker's Conversation

In the sterile quiet of a hospital's intensive care unit, a seasoned surgeon leans over a patient fighting for breath. Monitors beep softly. Every decision is measured. There's no room for error. That patient, in this case, is Botswana's economy, a once-stable force brought to its knees by a weakening pulse in diamond revenues, chronic policy anemia, and a decades-old overreliance on a single commodity. But the hands holding the scalpel belong to a different kind of surgeon: Honourable Ndaba Nkosingithi Gaolathe, the Vice President and Minister of Finance, now charged with reviving a system that has stalled too many times on the operating table of reform.

The Botswana Economic Transformation Programme (BETP) is no cosmetic procedure. It is open-heart surgery on a national scale, ambitious, invasive, and necessary. For years, Botswana had all the diagnostic reports it needed. Strong policies, sound analysis, and volumes of consultant recommendations were stacked high in government cabinets. Yet the condition worsened because the execution was weak. Plans were drawn, but veins remained blocked: decisions were delayed, permits choked in bureaucracy, and project delivery lost in translation between ministries. Money flowed, but results did not.

Now the patient has a new team. And the scalpel is cutting deeper.

At the core of the transformation is something Botswana has rarely lacked: vision. The BETP's True North is unambiguous, create a digitally enabled, export-led, diversified high-income economy where every Motswana is employed, empowered, and fulfilled. It sounds like a campaign slogan, until you follow the pulse of what's happening underneath. The fiscal chest has been opened, the numbers examined, the waste cauterized. Foreign reserves are being rebuilt from dangerous lows, and

Botswana is restoring the credibility of its economic organs, one decision, one blocked artery at a time.

But let us not mistake optimism for recovery. The damage is real. The country's past overdependence on diamonds, once a source of pride and prosperity, became a liability.

Diamond revenues have been erratic, markets uncertain, and the global shift toward synthetic stones has exposed structural weaknesses no one can ignore anymore. Fiscal buffers were drained quietly, then suddenly. What should have been a \$10 billion cushion was, for a time, half that. The symptoms were clear: widening deficits, stalled capital projects, and rising unemployment, particularly among young people.

Gaolathe's plan begins where any economic revival must: discipline. Fiscal consolidation is no longer theoretical. Budgets are being appraised not on ideology, but on return. Austerity has been reframed not as punishment, but as recovery. Every Pula is now expected to produce value. On the revenue side, the system is undergoing digitization, with electronic VAT invoicing and real-time tax systems aimed at increasing collection by at least 40%. For a country once praised for financial prudence, this is a return to form, but with modern instruments.

Then comes the muscle of the operation: projects. Botswana has identified 186 transformative investments, drawn from over 6,900 submissions from citizens, entrepreneurs, and global experts during the BETP Labs.

This process was not just a technocratic exercise, it was a deliberate attempt to crowdsource the country's best ideas, unlock bottlenecks, and design

a coordinated investment pipeline. The result is a BWP 514 billion portfolio that spans sectors such as energy, tourism, agriculture, manufacturing, mining, financial services, infrastructure, healthcare, education, and social protection, with a projected job creation potential of over 512,000 by 2036.

The BETP Labs turned these into a structured pipeline worth P514 billion over the next decade, each one chosen for its ability to create jobs, generate exports, and lift the nation's gross

national income per capita to over USD 15,000 by 2036. In real terms, that means over 512,000 jobs. That means Gaborone neighborhoods buzzing with new SMEs. That means young graduates building apps instead of waiting for government posts. It means factories in Palapye, exports from Maun, and high-speed connectivity in villages once forgotten.



1. Mmadinare 120 Megawatt Solar plant's purpose is to provide clean, renewable energy for Botswana, reducing reliance on coal and imports, enhancing energy security, supporting Vision 2036 goals for renewable energy *Photo Credit Bashi Kikia* **2. Selebi Phikwe Citrus Botswana - SPC purpose is to be Botswana's flagship horticultural project, focusing on large-scale citrus farming to create jobs, diversify the economy (especially post-mining), boost agricultural growth, and provide high-quality fruit for local and international markets, positioning Botswana as a citrus exporter** *Photo Credit Selibe Phikwe Citrus Botswana*

capacity, and strengthening systems.

Education

Education features 27 projects focused on skills development, digital learning infrastructure, and human capital preparation for a diversified economy.



Vice President and Minister of Finance Ndaba Nkosinathi Gaolathe addressed the gathering. He explained that BETP aligns with the National Development Plan 12, which sets Botswana's development goals. BETP provides the roadmap for achieving these objectives. *Photo Credit Africa Press*

Botswana Economic Transformation Project (BETP) 186 Project Breakdown by Sector

Manufacturing

Approximately 22 projects focus on expanding industrial capacity and boosting value-added production within Botswana, helping the country move beyond raw commodity exports.

Agriculture

About 26 projects aim to modernize farming, promote agro-industry, improve food security, and develop export value chains.

Energy

The energy sector, a strategic priority given Botswana's push toward energy security and renewable growth, includes 31 projects focused on production capacity, infrastructure, and diversified energy sources.

Tourism

With strong potential for jobs and foreign exchange, 21 projects sit under tourism, aimed at expanding high-impact tourism offerings and linking them into regional and global markets.

Infrastructure

Infrastructure accounts for 26 projects, covering national logistics networks, transport corridors, and critical public works that underpin economic activity across sectors.

Financial Services

Financial services and digitalization, key to enabling trade, investment, and business growth, are represented by 6 projects that support sector reforms and new market opportunities.

Healthcare

Healthcare, as part of the social priority pillars, includes 18 projects geared toward expanding access, increasing

What This Means for Botswana's Transformation

These 186 projects represent a P514 billion investment pipeline over the next decade, designed to pivot Botswana from diamond dependency toward a diversified, export-led, high-income economy. They were refined through a rigorous process, beginning from nearly 6,900 submissions from Batswana and global contributors, then stress-tested for feasibility, scalability, and impact before selection.

Rather than concentrating solely on public financing, the BETP pipeline spans economic and social dimensions, ensuring that growth is both inclusive and durable. Projects range from infrastructure upgrades and energy expansion to human capital development in education and healthcare, signaling a holistic approach to transformation

rather than isolated intervention.

This is not being left to chance. The BETP delivery unit inside the Ministry of Finance operates like a surgical command center, tracking weekly reports, removing bureaucratic clots, and escalating failures straight to the top. "This isn't theory. It is the state behaving like a business with a patient in critical care," the VP said in the BETP Plan.

But a plan is only as strong as the blockages it removes. For decades, even the most viable projects were stalled by land issues, zoning paralysis, or inter-ministerial confusion. The new model flips the formula. Instead of government doing the heavy lifting, the private sector will lead sixty percent of the projects, funding them, running them, scaling them. Government's job is now to enable, not control. In this, the economy shifts from central planning to catalytic facilitation.

It is working. Projects that sat dormant for a decade, like the A1 Highway upgrade, Milk Valley Farm, or Botswana's long-overdue National Digital ID, are finally moving. And reforms aren't just cosmetic. In the energy sector, for instance, laws are being rewritten to allow industries to buy power directly from independent producers.

Bureaucracy around environmental approvals is being stripped down for low-risk projects. Botswana plans to expand

its power capacity tenfold by 2036 and become a net electricity exporter. The same ambition applies in agriculture, with hemp cultivation, chillies, and dairy exports already drawing in private investment and promising thousands of new jobs.

The financial sector is also under reconstruction. A national reinsurer is being established to keep premiums inside the country and build sovereign financial muscle. The non-bank regulatory landscape is being redrawn to better protect consumers and attract capital. And in mining, the country is mapping its untapped minerals, manganese, copper, iron, and building value chains to reduce dependency on raw exports.

No less urgent are the social sectors. Education targets are back in focus, with national exam pass rates set to climb by 2030. Healthcare infrastructure is being modernized, and the introduction of a National Health Insurance scheme could transform access and financing across the board.

What separates this plan from the rest isn't its scope, but its insistence on delivery. Botswana's economy has always had potential. What it now has is a structure. A mandate. A finish line. And the discipline to get there.

Because this isn't just about Pula and percentages. It's about national pride. It's about proving that a small, landlocked country can reinvent itself, mid-surgery, and walk again.

And when it does, the world won't see Botswana the same way. It will see a country that once lived off the ground, but finally built something from it.

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Gambling at the Crossroads

Growth, Risk, and the Price of Getting It Wrong

Moruntshi Kemorwale, Acting Chief Executive Officer of the Gambling Authority, says Botswana's gambling sector stands at a critical crossroads where growth must be matched by firm, future-focused regulation. Photo Credit Botswana Gambling Authority

by The Banker's Conversation

Botswana's gambling industry has reached a moment few anticipated a decade ago. What was once a marginal, loosely structured sector is now racing toward P1 billion in annual gross gambling revenue, a more than fourfold expansion from the P230 million levels of recent years. Growth of this scale brings opportunity, but it also brings danger.

"We are at the crossroads as an industry," says Moruntshi Kemorwale, Acting Chief Executive Officer of the Gambling Authority. "It is either we swim or sink. We need to re-double our efforts in ensuring safety for all."

That warning sits at the heart of Botswana's current regulatory challenge: how to harness gambling's economic contribution without allowing it to become a silent social and financial crisis.

The creation of the Gambling Authority was neither cosmetic nor accidental. Established under the Gambling Act of 2012 and operational from April 2016, the Authority was designed to replace a fragmented system that had left both consumers and the State exposed.

"The core purpose was threefold," Kemorwale explains. "To regulate gambling fairly and transparently, to protect the public particularly vulnerable persons, and to ensure gambling contributes responsibly to national development rather than undermining it."

In regulatory terms, this marked a shift from passive supervision to active oversight. Licensing frameworks were introduced, national responsible gambling programmes rolled out, and data collection and integrated reporting strengthened. One measurable outcome

has been the reduction of problem gambling prevalence from 5 percent in 2020 to 3.4 percent in 2025, a rare data-backed success in a rapidly expanding industry.

Growth Faster Than Regulation

Yet growth has outpaced expectations, and in some areas, capacity.

"This industry is evolving as the sun rises. You snooze, you lose," Kemorwale admits candidly. "The licensees are always a step ahead of us."

Digital betting platforms, cross-border operators, mobile payments, artificial intelligence, and blockchain technologies are reshaping gambling faster than traditional regulatory models were built to respond. Botswana, like many jurisdictions, is regulating not only licensed operators but also a shadow

ecosystem of illegal and offshore players, some of whom operate beyond national borders.

This asymmetry creates a dangerous imbalance. Regulators face rising compliance demands, heightened enforcement risks, and increasing personal threats to staff, while operators deploy capital, technology, and global expertise at speed.

When Gambling Becomes a Systemic Risk

The Authority is explicit about what failure would look like.

“Gambling can be a dangerous monster,” Kemorwale warns. “If its growth is not properly controlled, it has the potential to destroy families, communities, and ultimately nations.”

This is not hyperbole. Unregulated gambling erodes household finances, productivity, and mental health. In macroeconomic terms, it can quietly amplify poverty, reduce labour participation, and increase future fiscal burdens through social welfare systems. Kemorwale goes further, describing the risk as a “silent catastrophe” one that does not announce itself loudly but accumulates damage over generations.

In a country already navigating economic

adjustment, diamond revenue decline, and household debt pressures, this risk carries national weight.

Regulation as an Economic Strategy

Botswana’s response has been to strengthen, not dilute, regulation. Planned amendments to the Gambling Act focus on anti-money laundering, counter-financing of terrorism, digital oversight, and age regulation, aligning gambling supervision with broader financial system integrity.

Technology, too, is viewed as a double-edged sword. Blockchain and advanced analytics can enhance transparency, detect harmful play patterns early, and improve auditability. But without capacity and systems, the same tools can accelerate addiction, anonymity, and regulatory evasion.

“This is why responsible gambling is not an optional add-on,” Kemorwale states. “It is a central pillar of regulation.”

The Economic Trade-Off

Perhaps the most critical insight for policymakers and financiers is this: growth without control is not neutral. Every Pula generated by gambling carries an implicit choice between short-term revenue and long-term social cost.

Botswana’s regulatory posture increasingly reflects this reality. The Authority positions itself as a facilitative regulator, not an adversarial one firm in enforcement, but collaborative in building a compliant, globally credible industry.

“Our objective is not to pull the handbrake on the industry,” Kemorwale says, “but to ensure it becomes the best in the world in terms of fairness, safety, and value-add to government.”

In many ways, gambling has become a stress test for Botswana’s broader governance capacity. It touches revenue, technology, social protection, law enforcement, and financial stability all at once. Getting it right strengthens institutions. Getting it wrong compounds national risk.

As the industry approaches the P1 billion revenue threshold, the question is no longer whether gambling matters to the economy. It is whether Botswana can regulate growth without sacrificing social cohesion and financial resilience.

At this crossroads, regulation is not merely about rules. It is about safeguarding the future while the money is still flowing.

On the Betting Stage



by Moruntshi Remorwale
Acting Chief Executive Officer of the Gambling Authority

Beyond Profit

Why Botswana Should Own Its Gambling Future



Globally, gambling has evolved into a multibillion-dollar industry influencing employment, technology, and public revenues. In Africa, however, much of the value generated by gambling remains fragmented, poorly aligned to public priorities, and vulnerable to social harm. Botswana, projected to generate close to BWP 1 billion in annual gambling revenue, now stands at a strategic crossroads. The issue is no longer whether gambling will grow, but who should own and control the licences that govern it.

Botswana’s gambling ecosystem includes sports betting, online gaming, casinos, lotteries, and limited payout machines. Rather than dispersing these licences across private operators, there is a strong case for full government

ownership, supported by minority private partners where necessary. Anchored in Environmental, Social and Governance (ESG) principles, this model could align gambling with national development rather than short-term profit.

At its core, gambling is a social activity with economic consequences. It generates jobs and revenue, but also exposes households to addiction, debt, and financial distress. State ownership would allow Botswana to prioritise public interest outcomes by embedding responsible gambling standards, transparent revenue management, and visible social returns. Gambling would shift from a purely commercial activity to a regulated public utility that balances opportunity with protection.

From an environmental perspective, modern gambling, particularly digital platforms, relies on energy-intensive infrastructure. A publicly owned system could mandate renewable energy use, green data centres, and sustainable procurement as standard practice, not optional corporate pledges. This would align the sector with Botswana’s broader climate commitments and long-term sustainability goals.

The strongest case lies in the social dimension. A unified national gambling platform would ensure consistent consumer protection across all games and channels. This includes affordability checks, self-exclusion mechanisms, and ring-fenced funding for education, treatment, and rehabilitation. Revenues could be deliberately channelled into

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Government ownership does not have to mean inefficiency. It can mean purpose. It can ensure that gambling revenues build schools, support creative industries, fund rehabilitation, and create digital jobs.



can ensure that gambling revenues build schools, support creative industries, fund rehabilitation, and create digital jobs. Botswana has the institutional capacity, governance maturity, and digital readiness to lead this shift.

Gambling is no longer a peripheral activity. It is a significant fiscal and social force. By placing citizens before profits and sustainability before speculation, Botswana can redefine responsible gaming for the 21st century—and offer Africa a model worth following.

By Moruntshi Kemorwale

Moruntshi Kemorwale writes in his personal and scholarly capacity. He serves as the Acting Chief Executive Officer of the Gambling Authority and is currently pursuing a Doctorate in Business Leadership with UNISA, focusing his research on the integration of ESG principles within Botswana's gambling industry.

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youth development, sports, arts, and community programmes, ensuring gambling visibly contributes to social upliftment rather than quiet harm.

Governance is another decisive advantage. Fragmented private operators make oversight complex and opaque. A single, state-owned system could enable real-time revenue tracking, stronger anti-money-laundering controls, and open data reporting. With clear separation between regulator and operator, supported by independent oversight, Botswana could set a new benchmark for transparency and accountability in the sector.

Critics often argue that public ownership

undermines innovation. That risk only materialises if the State attempts to operate in isolation. A modern public enterprise can remain agile by partnering with private firms for technology, product design, and innovation through transparent public-private partnerships. The State would retain licence ownership and strategic control, while private expertise drives competitiveness and creativity.

Beyond Botswana, this model holds continental relevance. African gambling markets are expanding rapidly, yet revenues frequently leak offshore while consumer protections remain weak. A state-led, ESG-aligned system pioneered by Botswana could offer a credible African alternative—one that combines profitability with public accountability. Government ownership does not have to mean inefficiency. It can mean purpose. It

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Ambition Meets Execution

Stress-Testing Botswana's Reform Agenda

By Phillip Lekanyang



The true test of Botswana's reform agenda is not vision, but the ability to deliver at scale under real-world conditions.



Botswana's latest reform agenda presents one of the most ambitious transformation blueprints in the country's recent history. Anchored in governance reform, fiscal discipline, and large-scale project delivery through initiatives such as the Botswana Economic Transformation Programme, the Botswana International Financial Services Centre, and the National Housing Programme, the plan signals a decisive break from incrementalism. The vision is bold, comprehensive, and deliberately reformist. The critical question, however, is not whether the agenda is compelling, but whether it is achievable under real world conditions.

A central opportunity lies in strengthening independent oversight while preserving flexibility in implementation. The report already outlines a structured governance framework, yet experience suggests that complex reforms benefit from additional external scrutiny. Establishing independent audit panels with international expertise, alongside autonomous review boards, could help ensure targets remain realistic as macroeconomic conditions evolve. Such mechanisms would allow government to recalibrate initiatives swiftly in response to external shocks or internal bottlenecks, without undermining credibility.



Botswana's 6th President Advocate Duma Gideon Boko. Photo Credit Fantastic Moments

Equally important is the sequencing of large-scale projects. The report spans healthcare infrastructure, renewable energy, digital platforms, and investment facilitation. While the breadth is impressive, a phased and contingency driven approach may reduce execution risk. Piloting select initiatives before national rollout would enable adaptive learning, improve operational design, and prevent systemic delays. Testing models such as digital citizenship platforms or special economic zone integration at smaller scale could strengthen outcomes before expansion.

Stakeholder engagement is another area where resilience can be reinforced. The report highlights inclusive tools such as the Mmualebe Listening Tour and citizen feedback platforms. These efforts could be deepened through continuous local level monitoring, clearer escalation protocols, and public performance dashboards. Community assemblies and regular independent reviews would ensure that accountability is not only centralised, but embedded at the point of service delivery. Distributed accountability often proves more durable during periods of implementation stress.

Risk management must also be elevated as a core pillar of execution. The reform agenda acknowledges fiscal and liquidity vulnerabilities, particularly in the context of diamond market volatility and global economic uncertainty. Embedding contingency funding buffers, flexible budget allocation mechanisms such as zero based budgeting, and systematic stress testing of flagship projects would strengthen confidence among investors and citizens alike. Preparedness, rather than prediction, is the most effective hedge against uncertainty.

The role of the private sector remains decisive. While the plan outlines strategic partnerships across investment hubs and public private initiatives, stronger market based incentives could unlock additional innovation.

Performance linked funding tranches, matched private capital arrangements, and competitive benchmarks tied to delivery outcomes would align public ambition with private sector efficiency. In areas such as healthcare financing and BETP implementation, market discipline can complement public purpose. Finally, alignment between regulatory reform and operational timelines will be critical. The agenda includes significant legislative shifts, including institutional independence reforms, digitisation initiatives, and anti corruption measures. These changes must progress in tandem with project execution to avoid unintended delays. Clear milestones, transparent communication, and realistic sequencing will help manage expectations while maintaining momentum.

Is the Plan Achievable?

The reform agenda is undeniably ambitious and potentially transformative. Its success will hinge on several

interrelated factors. Sustained political and institutional will is essential, not only at launch, but throughout implementation cycles. Operational capacity must continuously evolve to match the scale and sophistication of the reforms being introduced. Resilience to external shocks will require adaptive governance rather than rigid adherence to initial assumptions. Finally, private sector and international participation must remain active and incentivised to convert policy intent into measurable outcomes.

In sum, the plan is achievable if execution remains adaptive, transparent, and inclusive. The alternative recommendations outlined here do not dilute the ambition of the reform agenda. Rather, they introduce additional layers of oversight, risk management, and market alignment that can help translate vision into durable, sustainable results. In an era of heightened uncertainty, ambition must be matched by execution discipline. Botswana's challenge, and opportunity, lies in achieving both.

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How Boko's Govt. Plugged the Leak

Inside the GPO Reforms That Are Saving Millions

By The Banker's Conversation

P556 million

The government saved approximately P556 million per month after intervening in the Government Purchase Order (GPO) system.

When the Minister of Finance Ndaba Gaolatlhe rose to deliver the 2026 Budget Speech, he did something rare in modern politics. He told the truth plainly.

According to Vice President Gaolatlhe, Botswana's public finances, were fragile. Not because the country had suddenly become reckless, but because systems that once worked had quietly broken down. Money was no longer leaking in dramatic scandals. It was bleeding slowly, invisibly, through weak controls, fragmented procurement, and habits that had gone unchallenged for years.

At the centre of that haemorrhaging was a tool most citizens rarely think about but which quietly moves billions

of pula every year: the Government Purchase Order, or GPO.

A Billion-Pula Blind Spot

In the months leading up to July 2025, government spending through GPOs had reached alarming levels. Between April and June alone, ministries committed an average of P1.14 billion every single month. In just three months, commitments totalled P3.41 billion.

This was not driven by one-off emergencies. It had become routine.

Ministries issued GPOs independently, often without confirmed cash backing. Commitment letters were used to

initiate purchases before funds were secured, effectively writing cheques the state had not yet earned. When the bills eventually arrived, government turned to supplementary budgets to plug the gap. What was meant to be an emergency instrument became a habit.

The result was predictable. Overspending became normalised. Cash flow tightened. Suppliers waited longer to be paid and raised prices to compensate. Government, increasingly seen as a risky client, was charged more simply because it was government. This was not always corruption. It was something more dangerous. It was systemic drift.

“

What stopped the bleeding was not rhetoric, but systems.

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The Moment of Intervention

By mid-2025, fiscal buffers had thinned dramatically. The Government Investment Account stood at just under P3 billion. Net financial assets, once comfortably positive, had swung deep into negative territory. The luxury of gradual reform had vanished. The response was swift and blunt. In July 2025, the Ministry of Finance temporarily centralised the issuance of all Government Purchase Orders. For the first time in years, ministries could no longer commit public funds independently. Every GPO had to pass through a single filter. Every purchase had to be backed by verified funding. Commitment letters were discontinued entirely.

What Changed Overnight

The effect was immediate.

Average monthly GPO spending fell from P1.14 billion to about P584 million. In simple terms, government cut its monthly procurement commitments almost in half without shutting down services or freezing the economy.

The savings were not the result of new revenue or austerity theatre. They came from restraint. From asking a basic question before spending: is this essential, is it funded, and does it deliver value?

Central oversight forced ministries to prioritise. Non-essential procurement slowed. Pricing discipline improved. The quiet leak was plugged.

From Diagnosis to Delivery

This reform did not stand alone. It unlocked a wider shift in fiscal behaviour. With spending brought under control, government was able to enforce a strict no supplementary budget policy for two consecutive financial years. Ministries that once relied on mid-year bailouts were compelled to live within their approved allocations. Planning replaced improvisation.

At the same time, a deeper review exposed another costly habit: the Development Manager model. Intended to speed up infrastructure delivery, it had become a silent drain. Schools built under this system cost more than a third above traditional methods. Roads were more expensive. One principal hospital project alone recorded a cost variance of over P600 million.

Those projects were halted. One hundred and thirty-two conceptual-stage initiatives were suspended before they could absorb more public money.

This was not about stopping development. It was about stopping waste.

Where the Money Goes Now

With controls restored, the budget reveals a clearer pattern of intent. Instead of endlessly launching new projects while old ones decay, government has ring-fenced P1.85 billion for the maintenance of existing schools, hospitals, and roads. For the first time, these funds cannot be shifted elsewhere. Maintenance is no longer optional.

Strategic infrastructure projects are being filtered through cost-benefit analysis rather than political urgency. Education spending remains high, but with sharper emphasis on technical and vocational skills that translate into jobs. Digital procurement reforms are being rolled out to lock in transparency and traceability.

Behind the scenes, legislative reforms are aligning procurement, financial reporting, and public finance management with international standards. Accrual accounting will soon allow government to produce a full balance sheet for the first time. A national e-procurement system is scheduled to be fully operational by the end of the next financial cycle.

Why This Matters

Public finance does not collapse in one dramatic moment. It erodes quietly. And it is repaired the same way. The GPO reforms show what discipline looks like when it is serious. Not speeches. Not slogans. Systems. By slowing the outflow of money, government has bought itself time.

Time to rebuild buffers. Time to restore trust with suppliers. Time to shift from being the financier of everything to the architect of an enabling environment. The lesson is simple. When spending is disciplined, priorities become visible. When systems are tight, policy has meaning.

Botswana's fiscal recovery will not be measured by applause or press releases. It will be measured by whether these controls become permanent habits. For now, the leak has been plugged. The harder work is making sure it never reopens.

Botswana Moves To Claim More Value From Its Minerals

Minister Kenewendo Charts New Industrial Ambition at Value Chain Development Workshop

by The Banker's Conversation



Article facts at a Glance

2024 amendment to the Mining Act

The 2024 amendment to the Mining Act legally mandates mineral beneficiation in Botswana, increases the state's equity option in mining projects from 15% to 24%, and strengthens preferential procurement for citizen-owned businesses.

Vision 2036

The value chain agenda is positioned as critical to job creation, economic diversification, and achieving Vision 2036, particularly by reducing import dependence and exposure to volatile global commodity prices.

Botswana is entering a new phase in its mineral story. After more than five decades of global recognition for responsible diamond mining, the country is now positioning itself to capture more of the economic value that has historically flowed beyond its borders. This shift was sharply articulated by the Minister of Minerals and Energy, Hon. Bogolo Kenewendo, during a high level Value Chain Development Workshop convened together with Debswana Diamond Company in Gaborone.

The workshop comes at a time when Botswana is recalibrating its development model. Mining remains the engine of the economy, yet the Minister made it clear that extraction alone will no longer be enough to sustain long term growth. The modern global landscape has become more competitive,

more innovative and more demanding of industrial sophistication. Nations that once relied solely on raw minerals are now investing heavily in manufacturing, repair, technology and downstream beneficiation. Botswana intends to join them.

In her keynote address, Minister Kenewendo described the gathering as a national moment of clarity. According to her, Botswana must begin to focus not only on the value beneath the soil but on the value that can be created above it. She argued that value chain development is the strategic route through which the country can convert its minerals into high value products, build local industrial capacity and create new opportunities for skilled employment.

Her message was direct. Botswana must evolve from a supply driven mining state into a demand driven industrial state. The transformation will require new thinking, deeper collaboration and a clearer commitment to capturing the full economic potential of minerals.

Building on the Supplier Development Foundation

The Minister reflected on the work she led during her tenure at the Ministry of Investment, Trade and Industry where the Supplier Development Programme was designed as an incubator and



At the Gaborone Value Chain Workshop, Minister Bogolo Kenewendo emphasized moving beyond diamond extraction to local manufacturing, skills development, and import reduction, highlighting Citizen Economic Empowerment, local procurement by mining houses, and signing an MOU for collaboration on creating local supply chains for mining needs, fostering industrial growth for economic diversification. Photo Credit Africa.UNWomen.org

accelerator for local enterprises. Through that programme banks came to the table, industry aligned behind localisation and citizen owned firms were given a path to participate in supply

chains that had previously excluded them. She expressed satisfaction that this foundation has matured and can now be scaled across the mining ecosystem.

The workshop therefore served as a strategic platform to harmonise industry efforts. Participants were invited to identify gaps in the value chain, explore localisation of manufacturing and repairs, share knowledge, strengthen technology transfer and ultimately sign a Memorandum of Understanding that will guide the rollout of industry wide commitments.

According to the Minister, the MoU is not a ceremonial gesture. It is a binding framework through which mining houses, government agencies and local enterprises will coordinate their efforts to expand procurement opportunities, develop new industrial capabilities and ensure that citizens gain a direct stake in the mineral economy.

Why Value Chains Matter Now

Botswana's push for value chains is grounded in a number of realities. Firstly, the volatility of global commodity prices has made export dependent economies vulnerable. Secondly, the aspiration to become a high income country by 2036 requires structural change that goes far beyond selling raw minerals. Thirdly, the economy needs more complex jobs that can absorb a growing youthful population. The Minister stressed that deepening value chains will reduce reliance on imports, stimulate local manufacturing, retain more value within the domestic economy and position Botswana as a competitive industrial hub within the region. She framed this as a national imperative rather than an optional reform.

“

Botswana must begin to focus not only on the value beneath the soil, but on the value that can be created above it.

”

Her message resonated strongly with the mining houses present. Debswana and other operators have already demonstrated leadership in citizen empowerment through preferential procurement and enterprise development. The new value chain focus builds on those gains by inviting all operators to act in a unified manner for the benefit of the national economy.

A New Legislative Environment

The workshop also carried an important legislative backdrop. Botswana's amended mining law, passed in 2024, introduced significant provisions that align directly with the value chain agenda. The amendment empowered the Ministry to develop a Mineral Value Chain and Beneficiation Strategy, giving policy force to the intention of moving non diamond minerals into more advanced processing and manufacturing. The legal requirement for beneficiation obliges mineral concession holders to process their minerals in Botswana as far as is feasible. This statutory obligation closes the gap that previously



Panelists at various value chain development workshops in Botswana have consistently emphasized the need for economic diversification, increased local beneficiation, and strong public-private sector collaboration to create an inclusive and sustainable industrial ecosystem. Photo Credit Africa.UNWomen.org

allowed companies to export raw ore with minimal value addition. It sends a signal to the market that Botswana intends to become a manufacturing and processing destination.

Another consequential provision is the increase in the state's option to acquire equity in mining projects from fifteen percent to twenty four percent. If government does not take up the shares, the law compels companies to offer that equity to citizens or citizen owned companies. This encourages the development of local industrial champions who can participate in both extraction and downstream activities.

Preferential procurement is now formally anchored in law. Concession holders must give preference to service agencies located in Botswana or owned by Batswana when procuring services. This clause alone has the potential to radically expand the supply chain footprint of citizen enterprises.

The amendment also introduced rehabilitation funds and financial guarantees to strengthen environmental stewardship, along with stronger penalties for non compliance across the sector. Taken together, these reforms create a more disciplined, more transparent and more opportunity driven mining environment.

A Pivotal Moment for Botswana

Minister Kenewendo concluded her address with a clear call to action. Participants were urged to propose bold solutions, commit to reforms that serve national priorities and place citizens at the centre of economic growth. She reminded the audience that Botswana's mineral wealth cannot uplift the nation unless it is harnessed through innovation, local enterprise development and competitive industrial capability.

The Value Chain Development Workshop marks a defining moment in Botswana's

journey toward a resilient and diversified economy. It signals a shift from reliance on raw mineral exports to a deliberate strategy of building industries that can sustain the country for generations. It also reflects an increasingly confident national posture that recognises minerals not only as extractive resources but as engines of innovation, manufacturing and long term prosperity.

In the unfolding chapter of Botswana's economic story, the conversation has clearly moved beyond the mine pit. The real competition now lies in who can create the most value and who can build the most inclusive pathways into that value. Minister Kenewendo's message was unmistakable. Botswana is ready to do both.

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Inside Access Bank's Vision for Botswana's Working Class

"We have tried to understand what the market needs and positioned ourselves to be a solution-oriented bank for the ordinary Motswana," he explains. "Our job is to respond to the needs and aspirations of an ordinary customer."

by **MacMillan Teku**, Head of Products and Segments in the retail business, Access Bank Botswana

Sit down with MacMillan Teku, Head of Products and Segments in the retail business at Access Bank Botswana, and that stereotype doesn't last five minutes.

Soft-spoken but precise, he spends less time talking about margins and market share and more about ordinary people: teachers, civil servants, street traders, small business owners, and families who are one shock away from financial distress. For him, balance sheets are important, but balance in households is urgent.

"We have tried to understand what the market needs and positioned ourselves to be a solution-oriented bank for the ordinary Motswana," he explains. "Our job is to respond to the needs and aspirations of an ordinary customer." This is the philosophy now shaping Access Bank Botswana's product architecture, digital partnerships, and



Access Bank's entry into Botswana (following the BancABC acquisition) under MD Shepherd Aisam has seen significant achievements, including rapid digital adoption with nano-loans, a vast agent network (Access Closa), new service centers, major awards for digital/innovation, and strategic partnerships. Photo Credit Access Bank Botswana

its growing reputation as a bank that wants to lead a savings and prudence conversation in an economy under strain.

From "Just Another Entrant" to a Bank for the People

Access Bank's entry into Botswana, via the acquisition of BancABC, could easily have been a simple brand swap. Instead, the institution has chosen a distinctly inclusion-first posture.

McMillan's portfolio covers the full lifecycle of retail products: listening to customer needs, designing and testing solutions, navigating regulatory approvals, launching them into the market, and then constantly monitoring whether they are truly serving people.

"We take customer feedback. We assess what customers are desiring and needing. From there, we design solutions,

test functionality and viability, and only then deploy. After that, we keep asking: Is this product still serving its purpose? If not, we improve it, or we discontinue it.”

This responsiveness has become part of how Access defines itself: a dynamic bank, agile enough to adapt product design as conditions and customer pressures change. The partnership with Orange Money is a case in point. Access Bank helps power certain Orange Money salary and wallet products and has now gone a step further by enabling Orange Money customers to deposit into and cash out of their wallets via Access ATMs—a first in the market.

“Traditional banking rules used to exclude people,” MacMillan notes. “Mobile wallets succeeded because they were flexible. Our job is to bridge that gap, either through partnerships or our own inclusive products.” In other words, the bank is deliberately moving into spaces where conventional banks historically failed to reach.

How a “Union’s Bank” Became a National Player

One of the enduring legacies Access inherited is its reputation as a “union’s bank”, deeply embedded among civil servants, teachers and other salary-based workers.

The origin story goes back to the aftermath of the 2011 public sector strike. Trade unions, looking for tailored financial solutions for their members, approached the then BancABC. No other bank had thought deeply about union-specific products at that time.

“They came to us asking: Can we develop solutions that are tailor-made for our members? We responded. We co-created



Bridging mobile money and traditional banking Access Bank becomes the first to enable Orange Money cash-in and cash-out at ATMs.



Beyond banking staff-led community initiatives position Access Bank as a partner, not just a lender. Access Bank Selebi Phikwe reinforces its “More Than Banking” commitment by donating waste bins and signage to the Selebi Phikwe Town Council, supporting cleaner public spaces and community-led environmental responsibility at Sam Sono Stadium and Recreation Centre. *Photo Credit Access Bank Botswana*



National Footprint & Presence

If there are people, there should be access Access Bank’s footprint extends where others cannot play.

those products with them. That model was then replicated in other institutions. In that space, we were pioneers.”

What began as a niche union offering has since grown into a broader mass retail engine. Today, Access Bank runs branches and service centres “across the country, even where other banks are not able to play,” as McMillan puts it. The intent is clear: if there are people, there should be access.

But alongside this working-class base, the bank also serves SMEs, commercial

clients and large corporates, diversifying its risk profile while keeping its roots in the salary-earning populace that anchors Botswana’s consumption and tax base.

Banking in a Cost-of-Living Squeeze

Botswana’s working class is under pressure. Salaries are not keeping pace with rising prices, yet obligations, from rentals to school fees, remain unforgiving. Banks have a front-row view of this strain.

“You see it in the transaction patterns,” MacMillan explains. “Where a client used to make 20 transactions a month, now they make 16, or essentially the same basket of goods, just at higher prices.”

Savings behaviour has also shifted. Accounts that once held idle balances for long periods are now being tapped more actively.

Access Bank has had to respond on multiple fronts: pricing, product flexibility and risk analytics. The bank uses predictive models and macroeconomic indicators to gauge stress in its portfolio and to ensure that credit risk remains within control, even as it “extends a helping hand” where possible. Yet for MacMillan, the deeper issue is cultural: Botswana has long been a consuming nation with relatively easy access to debt compared to many African peers. That era, he believes, is ending. “We used to describe ourselves as economically stable because you could predict your finances three to six months ahead. Today, you can’t even predict tomorrow. In such uncertainty, savings can no longer be a by-the-way. They must be a top priority.”

Leading a Savings Culture in Uncertain Times

If there is one theme that pulls McMillan’s thinking together, it is savings. Access Bank has introduced low-fee accounts, where a customer can pay less than P10 per month to maintain access to formal banking, precisely to draw in those who were pushed out by legacy fee structures and documentation requirements. It has designed savings products like Fresh Save, linked to salary and wallet solutions, aimed squarely at customers who might otherwise sit outside the traditional system.

On top of that, the bank has invested in public education, radio shows, TV appearances, community talks and client sessions, focused purely on the mindset of saving.

“Botswana is often described as pension-rich but cash-poor,” he says. “Pension deductions are statutory, they happen whether you choose or not. But we’re now seeing improving household savings balances in banks as well. It’s slow, but the culture is shifting.” He is careful not to oversell the progress: household savings still lag far behind total household borrowing, and the national habit of using easy debt to fund consumption runs deep. But the monthly data on savings balances, he insists, show steady, if modest, improvement.

For him, the goal is clear: a future in which the country’s savings base is robust enough that what we owe and what we have saved are roughly in balance, allowing households and small businesses to withstand shocks without spiralling into crisis.

Christmas as a Litmus Test

The festive season is where this savings message meets reality.

December has always been Botswana’s high-spend, low-planning month. Bonuses and year-end payouts collide with social expectations and lifestyle pressures. Every January, the country wakes up to what McMillan calls “the month of depression”, this time in an economy where even the state is admitting fiscal strain.

Access Bank’s current Christmas campaign is therefore not just about festive cheer; it is a behavioural

experiment.

On radio and other platforms, McMillan has been urging customers to ring-fence their festive budgets, separate spending money from essential obligations, and think of December and January as a single financial unit rather than two emotional seasons.

“This December is my litmus paper,” he says. “People have been responding to the call, saving with us. The real question is: Will they wipe out those savings in two weeks or will they keep a buffer for January to March? That will tell us if the message has truly landed.” For a bank that wants to be judged not just on product uptake but on financial resilience outcomes, this kind of test matters.

From Passive Lenders to Active Partners in Recovery

Beyond households, Botswana’s macroeconomic story looms large. With the vice president and finance minister wrestling with fiscal consolidation and recovery, McMillan is clear: banks cannot stay on the sidelines.

“Banks are an essential part of the financial system,” he notes. “We fund project development. We fund personal growth, like a person who needs a loan to pursue a master’s degree. We support SMEs that employ people and provide local services. In times like these, our responsibility is to keep livelihoods afloat.”

That responsibility runs from fee rationalisation and flexible lending structures to full participation in public-private partnerships and infrastructure finance, within prudent risk limits. Access Bank also leans on staff-driven CSR, with each employee encouraged



1. Access Bank Botswana launches custody services and advanced custody platform
2. Botswana Life launching the Estate Liquidity Life Cover in collaboration with Access Bank Botswana, to ensure the seamless distribution of estates upon the death of a client.
Photo Credit Access Bank Botswana

to identify and support a community initiative, from school facilities to local courts and recreational spaces. While these projects are not balance-sheet heavy, they reinforce the bank's presence as a partner in communities, not just a silent ledger in the background.

SMEs, Informal Markets and the Discipline Gap

If households reveal the emotional side of money, SMEs expose the structural side. For Access Bank, SMEs are a strategic growth area, not a corporate afterthought. But McMillan is frank: many small businesses don't fail first at funding; they fail at discipline and structure.

"Funding is at the tail end," he says. "What SMEs need from the beginning

is support in day-to-day management, financial reporting, people management, marketing, brand positioning. Many run the business account as if it were their personal wallet." From the bank's perspective, this complicates credit decisions. When cash flows, stock management and records are messy, it becomes almost impossible to justify lending, even when the underlying idea is strong.

McMillan believes commercial banks must do more coaching: educating entrepreneurs on separating personal and business finances, maintaining records, managing stock, and building a track record that can "speak for them" when they approach lenders or equity partners.

"The question is: how many good ideas, how many potential millionaires, die in that ignorance?" he asks.

Bridging that knowledge gap, in his view, is as crucial as any new SME product.

A Bank Defined by Solutions, Not Just Size

Ask McMillan what Access Bank Botswana should look like in five years and he doesn't reach for the usual metrics of asset size or branch counts.

"We want to be a dominant player not by position, but by solution offering," he says. "A bank whose products resonate with people's needs."

The ambition rests on three pillars:

Innovation: continuing to launch first-to-market solutions like the Orange Money – ATM integration and inclusive savings products.

Regional backbone: drawing on Access Bank's growing southern African footprint, from Namibia and South Africa to Zambia, Tanzania, Mozambique and Angola, to support trade, investment and client growth.

Positive impact: living up to the group mission "to create a positive impact in Africa," not as a slogan but as a filter for product design, risk appetite and community presence.

And if he could push one systemic reform across the entire financial sector?

He doesn't hesitate. "Savings culture," he says. "It's very close to my heart. Savings create sustainability, equity for SMEs, a foundation for children's education, buffers for households. If we fix that, we start piecing together the small details of the economy in a way that makes the whole system more resilient."

Holding The Line

How Botswana's Central Bank Stepped In to Prevent a Liquidity Crunch

By The Banker's Conversation



Bank of Botswana Headquarters *Photo Credit Brimco.io*

Article facts at a Glance

+ 160 Basis Points Hike
Monetary Policy Rate increased to 3.5%

1.8 Billion Released
Primary Reserve Requirement cut to 0%

- Immediate liquidity injection into the banking system
- One of the most aggressive tools available to a central bank

15.9%
Banks' liquidity ratio stood at 15.9% in August 2025, comfortably above regulatory thresholds.

In most economies, liquidity is invisible until it disappears. It flows quietly through government spending, salaries, supplier payments, and bank deposits, sustaining confidence without drawing attention to itself. In Botswana, that flow has slowed sharply. And in 2025, the Bank of Botswana was forced to step in decisively to keep the financial system moving.

The Financial Stability Report issued in October 2025 says the central bank's recent interventions were not routine fine-tuning. They were emergency measures aimed at stabilising a banking system under pressure from a broader economic slowdown, itself rooted in weak diamond revenues and constrained government spending. When the state tightens its belt, liquidity drains from the system. Banks feel it first.

Botswana's liquidity challenge is structural rather than cyclical. For decades, government spending funded by diamond revenues has been a major source of systemic liquidity. As diamond markets weakened, public revenues fell and spending slowed. The effect rippled through the economy.

While average daily market liquidity rose modestly to P1.557 billion in the second quarter of 2025, supported briefly by SACU receipts and external borrowing, this improvement proved temporary. Liquidity levels remain well below historical norms, leaving banks competing for funding and pushing up costs.

In simple terms, money is circulating more slowly, and there is less of it to go around.

Central Bank Moves to Stabilise the System

Faced with a persistent squeeze, the Bank of Botswana deployed a series of aggressive and targeted interventions designed to release liquidity, reduce uncertainty, and preserve financial stability.

The most immediate step was the reduction of the primary reserve requirement to zero. By removing the obligation for banks to hold reserves at the central bank, approximately P1.8 billion was released directly into the financial system. The goal was clear: free up funds to support lending and ease funding pressure.

The Bank also extended the maturity of its repurchase agreements. Traditionally conducted overnight, repos were first extended to seven days and later to thirty days. This shift gave banks greater predictability over their liquidity positions, allowing them to manage funding risks over a longer horizon instead of scrambling day to day.

Foreign exchange management was also adjusted. The threshold for banks trading foreign currency with the central bank was raised from USD1 million to USD5 million, while trading margins were widened to plus or minus 7.5 percent. These changes were designed to protect foreign exchange reserves, encourage interbank currency trading, and allow greater flexibility in the pula exchange rate.

In a more unconventional move, the Monetary Policy Committee raised the Monetary Policy Rate by 160 basis points to 3.5 percent, while simultaneously instructing banks not to increase their prime lending rates. This dual action aimed to improve monetary

“

Liquidity can be managed, but growth cannot be manufactured.

”

policy transmission, manage liquidity distribution, and stabilise the foreign exchange position without tightening credit conditions for borrowers.

The immediate effects have been stabilising. Banks have increased their use of longer term repos. Interbank activity has improved. Prime lending rates have remained unchanged. As of August 2025, banks maintained an average liquidity ratio of 15.9 percent, comfortably above regulatory requirements. Yet the Bank of Botswana has been clear that these measures address symptoms, not causes.

Botswana's banking sector faces a deeper structural vulnerability: a highly concentrated deposit base. As of September 2025, the top twenty deposits accounted for 40 percent of total banking deposits. This concentration increases fragility. When a few large depositors move funds, liquidity conditions can deteriorate rapidly.

Compounding the risk is the heavy reliance on Non Bank Financial Institutions, particularly pension and insurance funds, as wholesale depositors. While these institutions provide large pools of capital, their funds are often price sensitive and mobile. A shock in asset markets affecting NBFIs could

quickly translate into funding stress for banks.

Recognising this, the Bank of Botswana has signalled that additional capital requirements may be imposed on banks with high deposit concentration, aligning with the gradual adoption of Basel III standards.

Looking ahead, the central bank has acknowledged the need for a permanent backstop. The establishment of a formal Emergency Liquidity Assistance facility is now seen as critical. Such a facility would provide last resort funding to solvent institutions during periods of stress, reinforcing confidence in the system.

The message from the central bank is measured but firm. Liquidity support cannot substitute for economic growth. As long as fiscal revenues remain constrained and diversification efforts take time to mature, liquidity pressures will persist.

The Bank of Botswana's actions reflect both competence and urgency. They demonstrate that the country's financial institutions remain resilient and that policymakers are willing to act decisively. But they also expose the limits of monetary intervention in the face of structural economic weakness.

Liquidity can be managed. Confidence can be stabilised. But lasting relief will only come when the broader economy generates new sources of income, spending, and investment beyond diamonds.

For now, the central bank is holding the line. The next chapter will depend on whether the economy can find its footing fast enough to ease the pressure beneath the surface.



Capital Markets

For decades, Botswana's system of local governance has depended almost entirely on one source of funding: the central government. Councils planned projects, delivered services, and expanded infrastructure largely within the limits of national budgets. That model worked in times of fiscal abundance. In today's constrained environment, it is being rethought. On 12 August 2025, a quiet but consequential step signalled a shift in how Botswana may finance local development. The Botswana Stock Exchange Limited and the Gaborone City Council signed a Memorandum of Understanding to explore the issuance of municipal bonds, an instrument that allows local authorities to raise capital directly from the market.

It marked more than a partnership. It marked a change in philosophy.

Why the Timing Matters

The move comes against a backdrop of tightening public finances. The downturn in the diamond sector has constrained national revenues, limiting the central government's ability to fund infrastructure, social services, and urban development at the pace demanded by growing populations. Municipal bonds offer an alternative. Instead of relying solely on transfers

from the centre, councils can access capital markets to finance projects such as clinics, schools, roads, water systems, and community facilities. In effect, local authorities gain the ability to plan and invest with greater autonomy. For the national government, the appeal is equally clear. Decentralised funding reduces pressure on the central budget and allows development to continue even during periods of fiscal stress.



CEO of the Botswana Stock Exchange Mr. Aupa Munyatsi at the MoU between the Botswana Stock Exchange Limited and Gaborone City Council marks a philosophical and structural shift: local authorities may soon raise capital directly from markets rather than depend solely on the national fiscus. Photo Credit Gaborone City Council

Capital Markets Step Forward

Following the MoU with Gaborone City Council, the Botswana Stock Exchange moved quickly to broaden engagement. On 18 August 2025, the BSEL hosted a presentation for the leadership of all District, Town, and City Councils, introducing municipal bonds as a financing option and outlining the requirements for participation.

This was followed by targeted bilateral discussions with the City of Francistown Council and the North West District Council in September 2025. The intention is to pilot municipal bond issuance with these councils under close monitoring and evaluation before wider rollout. The phased approach reflects caution and realism. Municipal bonds are powerful instruments, but they demand strong governance, credible financial management, and disciplined execution.

A Necessary Legal Shift

One of the most critical elements of the initiative lies outside the market itself. Legislative amendments are being developed to de link local authority finances from the central government's balance sheet. This distinction is essential. Without it, municipal borrowing would count toward national debt figures, undermining sovereign risk metrics and

potentially triggering adverse credit consequences. Properly structured, municipal bonds should sit on local authority balance sheets, supported by their own revenue streams and governance frameworks. This legal separation is what makes municipal finance viable in many advanced and emerging economies. Botswana is now working to create the same foundation. The implications extend beyond local government.

Municipal bonds introduce new issuers, instruments, and risk profiles into Botswana's capital markets. For investors, they offer diversification. For pension funds and insurers, they provide long term assets aligned with infrastructure development. For the market as a whole, they increase depth and liquidity. This initiative aligns with other recent market reforms. In September 2025, approval was granted to centralise government bond custody, clearing, and settlement at the Central Securities Depository of Botswana, enabling retail investors to access government bonds through unitisation. Together, these developments signal a deliberate push to broaden participation and modernise market infrastructure. The promise of municipal bonds is significant, but so are the risks. Investors will demand transparency, audited financial statements, credible revenue projections, and clear repayment

mechanisms. Weak governance at the local level could quickly erode confidence. For councils, issuing bonds is not simply about raising money. It requires a shift in institutional culture. Financial discipline, risk management, and long term planning become non negotiable.

The reward for getting it right is substantial. Well governed municipal borrowing can accelerate service delivery, strengthen local accountability, and support inclusive growth without overburdening the national fiscus. Botswana's exploration of municipal bonds reflects a broader economic reality. Centralised funding alone can no longer meet development needs. Capital markets must play a larger role in financing growth, especially at the local level where services directly affect citizens' daily lives. If executed prudently, municipal bonds could become a cornerstone of a more resilient, decentralised, and market driven development model. One where town halls, not just treasuries, shape the country's infrastructure future.

The experiment has begun. Its success will depend not on ambition alone, but on governance, credibility, and discipline.

100,000 Homes, 1 Percent Buyers

Why Botswana's Home Ownership Model Is Broken and How to Fix It

By Mphoeng Mphoeng

In 2025, a conversation entered Botswana's public discourse that had long remained on the margins. With a new government push for home ownership and the ambitious commitment to build 100,000 housing units within three to five years under the Bonno Housing Initiative, questions around who actually gets to own homes in Botswana have moved to the centre of national debate.

For decades, housing discussions have focused on land allocation, infrastructure provision, and supply side constraints. Yet as with many sectors of Botswana's economy, the Financial Services, Real Estate and Business Services sectorrequires deeper structural transformation if the status quo is to change. The uncomfortable truth is that Botswana's home ownership challenge is not merely about the number of houses built. It is fundamentally a financing crisis. The data is sobering. According to the Bank of Botswana Household Indebtedness Survey 2024/25,

total household debt stands at P69 billion, of which only 21 percent or approximately P15 billion is allocated to mortgages. The Housing Finance Africa 2021 report estimates that Botswana has roughly 16,000 active mortgages, translating to an average outstanding value of about P1 million per mortgage. When placed against Botswana's labour market realities, the implications are stark. With over 400,000 people in formal employment, only 4 percent of formally employed Batswana have access to mortgage financing. Once informal sector workers and the



Home ownership belongs to everyone, not just a few.

Nearly 7 in 10 mortgages go to earners above **P15,000**, highlighting a clear affordability gap.

Inclusive home ownership, beyond credit scores



FRACFIN



“ Botswana’s home ownership crisis is not a housing problem; it is a financing failure. ”

unemployed are included, access collapses further. Barely 1 percent of the adult population in Botswana can access a mortgage. This is not a marginal shortfall. It is systemic exclusion.

While the Bonno Housing Initiative has focused commendably on unlocking land and increasing housing supply, limited access to financing threatens to undermine these efforts. Simply put, houses without buyers do not create home ownership. As long as banks and mortgage providers continue business as usual, the average Motswana will remain locked out of the housing market.



New houses rise across Botswana, but ownership remains out of reach for most citizens.. Photo Credit: Botswana Housing Corporation (BHC)

At the heart of the problem is a one size fits all credit philosophy, largely inherited from Western banking models that are poorly suited to Botswana's economic realities. Mortgage lending in Botswana is driven by rigid affordability metrics that exclude the majority by design. Income is the first barrier. The Household Indebtedness Survey shows that over 80 percent of mortgages are extended to individuals earning above P15,000 per month. Yet the average urban household earns P9,630, while rural households earn P3,251. This single metric alone excludes most Batswana before their applications are even considered.

Debt service ratios then deepen the exclusion. Banks assess how much of an applicant's salary is already committed to existing loans. This is a point in time measurement that ignores lived realities. Many Batswana enter the workforce already burdened with personal loans used for furniture, transport, and basic household establishment. As a result, mortgage eligibility is pushed later in life. Unsurprisingly, most mortgages are issued between the ages of 39 and 45.

This approach fails to recognise the

Article facts at a Glance

16,000

active mortgages

meaning:

- Only 4% of formally employed Batswana have a mortgage.
- Barely 1% of the adult population can access mortgage finance.

39s & 45s

Age-based exclusion delays home ownership. Most mortgages are issued between ages 39 and 45, largely because early-career workers carry personal loan debt that disqualifies them under current affordability rules.

P15,000 P/M

80%+ of mortgages are issued to individuals earning above P15,000 per month.

75%+

75%+ of all loans and mortgages are issued via deduction-from-source arrangements.

socioeconomic context in which many households operate. Continuous access to credit is often not a sign of irresponsibility, but a coping mechanism shaped by background, extended family obligations, and structural inequality.

Even more critically, informal income is largely invisible to the financial system. Over 50 percent of Botswana's adult population earns some form of income from informal economic activity, yet this is rarely factored into affordability assessments. A taxi operator, market trader, or cattle farmer may earn consistently, but their income does not fit neatly into formal payroll systems.



Informal income sustains households, yet remains invisible to mortgage lenders. Photo Credit: UNDP Botswana

This also affects households with mixed income profiles.

A formally employed teacher married to an informal sector worker may be disqualified because only one income stream is recognised.

The survey further reveals that over 75 percent of all loans and mortgages are issued through deduction from source arrangements, effectively locking out the informal economy entirely. The

implication is clear. No matter how many houses are built, without transforming credit assessment frameworks, the Bonno Housing Initiative risks falling short of its promise.

Developers face the same constraint. Large scale housing investment requires confidence that buyers will qualify for financing. Conditional mortgage approvals are often necessary for developers to raise construction funding. With so few people qualifying under current models, developers struggle to mobilise capital, creating a bottleneck that affects supply itself. Other barriers compound the challenge. Deposit requirements often force prospective buyers to take out personal loans, worsening their debt service ratios. Banks favour personal loans over mortgages because they offer higher interest rates and shorter capital commitments. Mortgages, by contrast, tie up capital for fifteen to twenty five years at lower margins. The incentive structure is misaligned with national housing goals.

Rigid affordability metrics exclude applicants before their circumstances are considered.

What emerges is a clear conclusion. Botswana does not suffer from a lack of

ambition. It suffers from outdated credit models. The FREBS sector must rethink how risk is assessed and managed. Western point in time metrics such as rigid debt service ratios are ill suited to economies with large informal sectors and income volatility.

Alternative models already exist. These approaches take a holistic view of a borrower's life, incorporating informal income, expenditure patterns, and the capacity for financial rehabilitation. Rather than excluding individuals in temporary financial distress, these models work with them over time to restore affordability and transition them into sustainable home ownership.

Achieving 100,000 homes requires more than bricks and land. It requires financial institutions willing to take calculated risk in service of national development. Botswana needs innovation, flexibility, and courage within its financial sector. Business as usual will not deliver inclusive home ownership.

The choice is clear. Botswana can continue applying inherited models that serve a narrow segment of society, or it can build a housing finance system grounded in its own realities. Home ownership at scale will only be achieved when credit philosophy evolves to match the country it is meant to serve.

Mphoeng Mphoeng is a Cofounder and Director of FracFin Botswana, an alternative financing platform focused on inclusive housing finance. FracFin specialises in enabling home ownership for previously excluded groups through alternative borrower assessment, flexible mortgage structures, and financial rehabilitation. Mphoeng is an investment professional with experience at the Bank of Botswana, Standard Chartered Bank and BIFM, and has served on the boards of Stanbic Financial Services, Minet Botswana and NARDI.



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Borrowing on the Edge

Why P68 Billion Household Debt Has Regulators on Alert

By The Banker's Conversation



The 2024-25 Household Indebtedness Survey shows that household debt reached P68.6 billion by December 2024, equivalent to 26 percent of GDP. This remains lower than levels seen in countries such as South Africa or Mauritius.

Financial Sector Alert

At first glance, Botswana's household debt story does not look alarming. Borrowing levels, measured against the size of the economy, remain moderate by regional standards. Banks are profitable. Non performing loans are stable. On the surface, the system appears sound. But beneath that calm exterior, regulators are watching a different story unfold.

According to the Financial Stability Report released in October 2025, authorities say household borrowing now dominates Botswana's credit system, accounting for 63.2 percent of total commercial bank lending. More concerning is the structure of that borrowing. Within household credit, unsecured personal loans make up 70 percent, and their growth continues. As of September 2025, unsecured lending

expanded by 5.4 percent year on year.

It is this concentration that has triggered heightened scrutiny.

Why Unsecured Credit Matters

Unsecured loans are not backed by physical assets such as property or equipment. They rely entirely on income streams and repayment capacity. In good economic times, they are profitable and relatively easy to manage. In periods of stress, they become fragile.

In Botswana, the dominance of unsecured borrowing is closely tied to deduction from source arrangements, particularly among public sector employees. These arrangements have historically reduced default risk, as repayments are deducted directly from salaries before income reaches borrowers. For banks, this has provided comfort and predictable cash flows. The problem is that this structure assumes uninterrupted government payroll and payment systems.

Fiscal Pressure Meets Household Credit

The current macroeconomic environment has introduced new uncertainty into that assumption. Weak diamond revenues have placed pressure on public finances. Authorities are increasingly concerned that delays in government third party payments or fiscal tightening could disrupt liquidity flows in the system.

If government payments slow, bank liquidity could tighten. If public sector income becomes less predictable, unsecured household credit becomes riskier. In such a scenario, the very mechanism that once stabilised repayment could amplify stress. This is what regulators mean when they speak of structural vulnerability.

Who Is Carrying the Debt

The 2024-25 Household Indebtedness Survey offers a deeper look at how this risk is distributed. Total household debt reached P68.6 billion in December 2024, equivalent to 26 percent of GDP. This remains lower than levels seen in countries such as South Africa or Mauritius.

However, averages can be misleading. Borrowers aged 36 to 49 hold the largest share of loans. This group typically carries heavy financial responsibilities, including housing, education, and family support. As a result, their debt to income ratios are elevated.

More critically, lower income earners exhibit even higher debt to income ratios, despite borrowing smaller absolute amounts. This signals vulnerability. A small shock to income or expenses can quickly undermine repayment capacity.

Adding to the concentration risk is the fact that government employees remain the largest borrower group. This creates a direct link between fiscal health, employment conditions, and banking sector stability.

Stress Tests Tell a Cautionary Story

The most sobering insights come from the Bank of Botswana's stress tests.

Under a moderate system wide scenario, where 10 percent of performing loans become non performing, bank capital adequacy ratios fall to 10.4 percent, breaching the required 12.5 percent prudential minimum.

In a severe scenario, where 20 percent of loans turn non performing, the

Article facts at a Glance

P68.6 billion

Household debt reached P68.6 billion by December 2024, equivalent to 26% of GDP, which is moderate by regional standards but structurally concerning.

70%

Unsecured personal loans make up 70% of household credit, with unsecured lending growing 5.4% year-on-year as of September 2025, a major source of regulatory concern.

36-49 years

Borrowers aged 36-49 carry the largest share of debt, reflecting peak financial obligations such as housing, education, and family support.

industry's capital position deteriorates dramatically to 0.8 percent.

These are hypothetical scenarios, not forecasts. But they highlight an important truth. While Botswana's banks are resilient under normal conditions, they are highly sensitive to household income shocks, especially given the dominance of unsecured credit.

The stress tests also reveal that credit shocks have a greater impact on bank stability than other risk factors such as market or liquidity shocks. Household debt is not a side issue. It sits at the core of systemic risk.

A Balancing Factor: Household Wealth

The picture is not entirely bleak. When long term contractual savings such as pensions and other assets are taken into account, Botswana's households are classified as net savers. Net household

worth stood at 55.6 percent of GDP in the second quarter of 2025, a figure that has remained broadly stable.

This suggests that households, in aggregate, possess buffers that can absorb shocks. The challenge lies in liquidity and timing. Pension assets are long term and not easily accessible during short term stress. Unsecured debt, by contrast, demands immediate servicing.

Why Monitoring Matters Now

Regulators are not signalling an imminent crisis. But they are sending a clear message. A financial system heavily exposed to unsecured household debt becomes vulnerable when economic conditions deteriorate. Concentration risk, income dependence, and fiscal pressures interact in ways that can escalate quickly if left unchecked.

Continuous monitoring, prudent credit standards, and stronger household financial resilience are essential to prevent these vulnerabilities from becoming systemic.

For Botswana, the lesson is simple but urgent. Stability today does not guarantee stability tomorrow. The structure of credit matters as much as its size.

As the economy adjusts to a post diamond reality, how households borrow and how banks lend will play a decisive role in determining whether the adjustment remains orderly or becomes painful.

For now, the warning lights are on. The task ahead is to respond before they turn red.



Botswana's Climate Reckoning and the Shift to Renewables

By The Banker's Conversation

If Botswana's economy were a movie, this would be the moment when the camera pans over a shimmering desert, the music swells, and the hero realises the old tricks will no longer save the day.

The diamonds are no longer shining like they used to. The heat is rising. The power bill is getting heavier. And somewhere in the background, the clock is ticking loudly. For decades, Botswana's economic story was shaped by geology rather than geography. Diamonds did the heavy lifting, fiscal buffers softened the blows, and climate change was politely left out of the main script. That separation has officially ended. Climate risk and public finances have now walked into the same scene, and neither plans to leave quietly.

Botswana is facing a dual reckoning. Climate change is starting to bite the economy in measurable ways, while electricity subsidies are quietly draining the national wallet. According to the

The question is no longer whether power prices must change. but how long the country can afford to delay

IMF Country Report No. 25/326, these pressures are colliding at a time when public finances are already stretched, forcing tough decisions about how power is priced, funded, and produced. Botswana is heating up faster than the regional average. Climate models show temperatures rising by 1.5 to 2.2

degrees Celsius by 2050, which sounds small until you realise what it means on the ground. More heatwaves. More drought stress. More pressure on water, farming, tourism, and productivity.

This is no longer an abstract environmental debate. Extreme heat already reduces how long people can work safely, disrupts agricultural output, and slows economic activity. In a country trying to diversify into climate-sensitive sectors, rising temperatures translate directly into economic risk. Climate change has officially left the "environment" department and moved straight into the finance ministry.

The Hidden Cost of Cheap Power

Then there is electricity. Or more precisely, cheap electricity that isn't actually cheap.

Botswana's power tariffs sit well below the true cost of supplying electricity.



Transitioning from fossil-based energy to solar will improve sustainability and fiscal resilience. Photo Credit Botswana Power Corporation

The gap is covered by the government, mainly through losses at the Botswana Power Corporation. The IMF estimates these implicit electricity subsidies at around 5 percent of GDP, a figure large enough to make any finance minister sit up straight.

For years, subsidies were defended as necessary for affordability and competitiveness. Today, they are doing the opposite. They weaken BPC's balance sheet, crowd out spending on health and education, and discourage energy efficiency. In simple terms, the state is paying people to consume power rather than building a system that can survive the future.

The good news is that Botswana knows where the sun is. Literally.

The Integrated Resource Plan sets out an ambitious target: 50 percent renewable energy by 2036, driven largely by solar power. Given Botswana's natural solar advantage, this is one of the most logical economic moves on the table. Renewables promise lower long-term costs, reduced dependence on imported fuel, and better energy

security. They also quietly solve another problem: once built, solar plants do not demand endless subsidies just to stay alive.

Of course, ambition does not pay for cables, panels, or substations.

Who Pays for the Green Dream?

The IMF's answer is blunt but familiar: reform must fund reform. Electricity tariffs need to move closer to the real cost of supply, while protecting vulnerable households with targeted support instead of blanket subsidies. This would stop bleeding cash at BPC and create room to invest in a more reliable grid.

On top of tariffs, green fiscal tools are on the table. Applying standard VAT to diesel and petrol, or introducing a gradually rising carbon tax, could raise revenue while nudging behaviour in the right direction. These measures are less about punishing consumption and more about aligning prices with reality.

In other words, if the economy is changing, the price signals must change too.

What makes this moment uncomfortable is the timing. Diamond revenues are under pressure. Fiscal space is shrinking. Subsidies that once felt manageable now look like structural liabilities.

Handled well, the renewable transition could become a new growth engine. Solar projects create jobs. Grid upgrades attract investment. Energy security supports industry. Handled badly, delays will deepen fiscal stress and leave the economy exposed to hotter temperatures and weaker buffers. Climate does not wait for budgets to improve. Heatwaves do not pause for cabinet retreats. The longer reforms are delayed, the more expensive they become.

Botswana's climate reckoning is not about choosing between affordability and sustainability. It is about recognising that the current model is no longer affordable at all.

Final Scene: A Strategic Reset

Powering Botswana's future is about more than megawatts. It is about pricing power honestly, funding it wisely, and governing it transparently. Climate adaptation and fiscal reform are no longer separate storylines. They are the same movie now.

The ending depends on the choices made today: whether Botswana enters the next decade stuck in an expensive rerun, or steps confidently into a cleaner, cheaper, and more resilient energy future.



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Rebuilding Botswana's Wealth



By Joy Buno, Chief Executive Officer - Liberty Life Botswana

A Household Savings Revolution

Botswana is entering a defining economic moment. Liquidity pressures, rising costs of living, and increasing household indebtedness are reshaping how families manage money. While these challenges place households under strain, they also present a profound opportunity: the chance to reset how we save, invest, plan, and build intergenerational wealth. Botswana's financial future will not be determined by macroeconomic reforms alone. It will be shaped by the daily decisions made in every household.

1. The New Financial Reality

Today, Batswana are navigating slower wage growth, higher inflation, and a debt culture shaped by reliance on personal loans to fund consumption. These patterns undermine long term wealth creation and household resilience. Yet amid these pressures, encouraging signs are emerging. More people are talking openly about money, seeking financial advice, embracing financial literacy, and questioning habits that have historically limited wealth building. Still, we must be honest with ourselves. As a country, we remain far behind. Financial literacy levels are low, debt dependency continues to rise, and many households lack a basic understanding

of money management. This is not a marginal issue. It is a national risk. Addressing it requires all hands on deck: regulators, financial institutions, employers, unions, churches, schools, households, and community leaders working collectively to build a financially literate nation. Financial education should not be a privilege for a few. It must be mainstreamed, accessible, and continuous.

This is the message behind the Wealth Warriors movement: start where you are, stay consistent, and embrace financial discipline as a lifestyle. Our relationship with money must evolve from survival to strategy, from reaction to intention.

2. Moving from Consumption to Wealth Building

For many years, financial success in Botswana has been measured by visible lifestyle markers such as cars, fashion, and social spending, while the quiet acts of saving and investing were undervalued. Combined with easy access to credit, this created a consumption centred culture.

Today, there is growing recognition that sustainable wealth is built through discipline, not display. The Wealth Warriors message has gained momentum because it reframes financial empowerment as a source of pride. It

reminds us that wealth is not created in dramatic leaps. It is built steadily, one month at a time, through intentional habits. Our relationship with money must shift decisively from survival to strategy.

3. Confronting Black Tax: Balancing Botho and Wealth Building

One of the least discussed yet most impactful barriers to wealth creation is black tax: the obligation many earners have to support extended family. Rooted in botho and shared responsibility, black tax reflects important cultural values. However, when unmanaged, it can erode savings, delay asset ownership, and push individuals into debt as they attempt to meet family expectations.

A successful savings reset requires a more structured approach to managing black tax. This includes encouraging honest family conversations about fair and sustainable support, promoting intergenerational planning through wills, insurance, and retirement savings, and shifting away from a single breadwinner model toward diversified household income. Black tax should not disappear. Its social value matters. But it must be balanced to avoid undermining long term financial security.

4. Insurance: The Missing Pillar of Household Wealth

Article facts at a Glance

P300 p/m

Retirement annuities: Accessible from P300 per month.

P9000 p/m

P9,000/month over 7 years can give you P1,000,000 savings portfolio

Black Tax

Unmanaged black tax can erode savings, delay asset ownership, and push households into debt.

A major threat to household savings in Botswana is vulnerability to financial shocks. Without insurance, a single unexpected event such as illness, job loss, disability, or funeral expenses can collapse an entire financial plan.

Insurance is not merely a product. It is a risk management tool essential for protecting wealth. Priority instruments include life insurance to protect dependants, medical aid to prevent catastrophic healthcare costs, funeral cover to avoid emergency borrowing, income protection and disability cover to stabilise households, and short term insurance to safeguard homes, vehicles, and business assets.

Insurance strengthens resilience. It allows households to preserve savings and maintain dignity during difficult times, reducing reliance on high interest debt or extended family support.

5. The Power of Starting Small

A persistent misconception is that wealth building requires large sums of

money. In reality, the most effective wealth creation happens through small, consistent actions rather than windfalls.

Botswana already offers accessible tools such as retirement annuities starting from as little as P300 per month, unit trusts and collective investment schemes for first time investors, employer pension schemes with matching contributions, and structured savings groups such as motshelo that enforce discipline. Consistency will always outperform perfection. Saving or investing P9,000 per month over seven years can build a portfolio of one million pula. Many people view this figure as unattainable, yet with structure, discipline, and time, it is achievable. Starting small is not a compromise. It is a strategy.

6. Women's Financial Independence as a Tool Against Gender Based Violence

Botswana cannot speak meaningfully about strong households without confronting gender based violence. While GBV has complex social roots, financial dependency is a critical factor that traps many women in unsafe environments.

Financial independence supported by skills, savings, credit access, insurance, and asset ownership gives women greater agency and protection. It increases their ability to exit abusive relationships, strengthens decision making power, improves household stability, and leads to better outcomes for children.

Women's financial empowerment is not only an economic issue. It is a safety issue. A sustainable savings reset must place women at the centre of financial empowerment. When women grow financially, society becomes safer and more equitable.

7. Financial Literacy as a National Asset

Botswana's transition from a resource led economy to a knowledge led economy requires financially empowered citizens. There is growing momentum to integrate financial literacy into school curricula from an early age. This shift is essential to building a generation that understands budgeting, saving, investing, insurance, and entrepreneurship. Financial literacy should not be optional. It is a national development tool. It strengthens households, reduces over indebtedness, and supports broader economic diversification.

8. A Collective Call to Action

Botswana's wealth will not be built by policy alone, but by household behaviour: budgeting responsibly, saving consistently, investing intentionally, managing risk, empowering women, and committing to lifelong financial learning.

The savings reset offers a bold opportunity to reshape our national financial culture. If every household commits to consistent saving, responsible risk protection, balanced family support, investment in women's financial agency, and disciplined financial education, Botswana can build durable intergenerational wealth.

One household at a time. One decision at a time. This is how financially resilient nations are built.

Joy Buno is a financial literacy advocate and founder of the Financial Literacy with Joy Buno platform. Her growing community of followers, known as Wealth Warriors, is dedicated to promoting disciplined saving, responsible investing, and long term financial empowerment across Botswana.

The Balance Principle



By **Chilipi Mogasha**, Business Consultant at Innolead Consulting

Botswana's Money Whiplash

The Art of Enjoying Today Without Sacrificing Tomorrow



We all know someone who lives at the extreme end of the financial spectrum. In my own circles, I have friends who treat payday as though they have just won a lottery.

Once the SMS from the bank arrives, the priority becomes how quickly they can reduce the balance to zero, whether that means shopping sprees, weekend outings, new gadgets or spontaneous trips. For them, the joy of money lies in the thrill of immediate gratification. The future can wait.

On the opposite end are those who approach money with uncompromising discipline. They invest relentlessly, save diligently and question every expenditure. Their sights are fixed on long term goals such as owning multiple properties, retiring early or leaving a substantial inheritance for their children. While their prudence is admirable, some postpone enjoyment indefinitely, assuming there will always be time later. Both extremes exist widely in Botswana, and both are understandable. Yet both carry costs. Kaplan and Norton's Balanced Scorecard reminds us that sustainable success rests on equilibrium. Short term choices must be aligned with long term objectives. This principle

applies to individuals just as much as it applies to businesses and corporations across our country.

In Botswana, this idea of balance becomes particularly relevant during the festive season. December is a time when many people travel to their home villages to reconnect with extended family, participate in cultural traditions and celebrate the end of the

year. For relatives regarded as more financially comfortable, this period often brings additional responsibilities. It is common for family to expect support with groceries, festivities or general household needs. These expectations are rooted in our culture of community and generosity, but they can place significant pressure on personal finances.

Others choose to spend their holidays



For some, payday feels like a lottery win until the balance hits zero and the month begins again.

in regional destinations such as Durban, Swakopmund or Victoria Falls. These trips, though uplifting, can erode savings quickly if not planned for. A more affluent group travels abroad to places like Dubai, London, Paris or New York. Peak season travel costs and foreign exchange rates can turn a festive getaway into a major financial commitment. None of these choices is wrong. Life is meant to be enjoyed and spending time with family and friends is central to who we are as Batswana. Yet January always arrives. It brings school fees, uniforms, transport, insurance and

people begin adult life from a zero base with no assets or savings to support them. Long term planning can break this pattern and provide our children with a stronger foundation.

Botswana's current economic climate makes the need for balance even more urgent. Our economy is in recession and many households are dealing with job insecurity, rising prices and the erosion of disposable income caused by currency pressures. In such an environment, extremes become riskier. Overspending can lead to debt, while severe austerity may prevent families from investing in education, skills or opportunities that would strengthen their future. A balanced and structured approach is therefore the most resilient strategy.



Discipline builds security, but postponing life entirely can come at a different cost.

the general financial reset that marks the new year. What felt like celebration in December can easily become anxiety in what many call Janu worry. Balance is therefore essential. We must enjoy December without compromising January.

Balance does not diminish the importance of meaningful experiences today. It simply requires deliberate planning for tomorrow. In the medium term, Batswana must prepare for predictable obligations such as education, mortgages, medical aid and extended family support. Looking further ahead, we must consider retirement and generational wealth. Too many young

Corporates face similar tension. Quarterly reporting pressures can overshadow long term investment and strategic transformation. Difficult economic cycles often reveal organisations that neglected digital capability, people development or operational efficiency. Botswana's corporates must manage short term

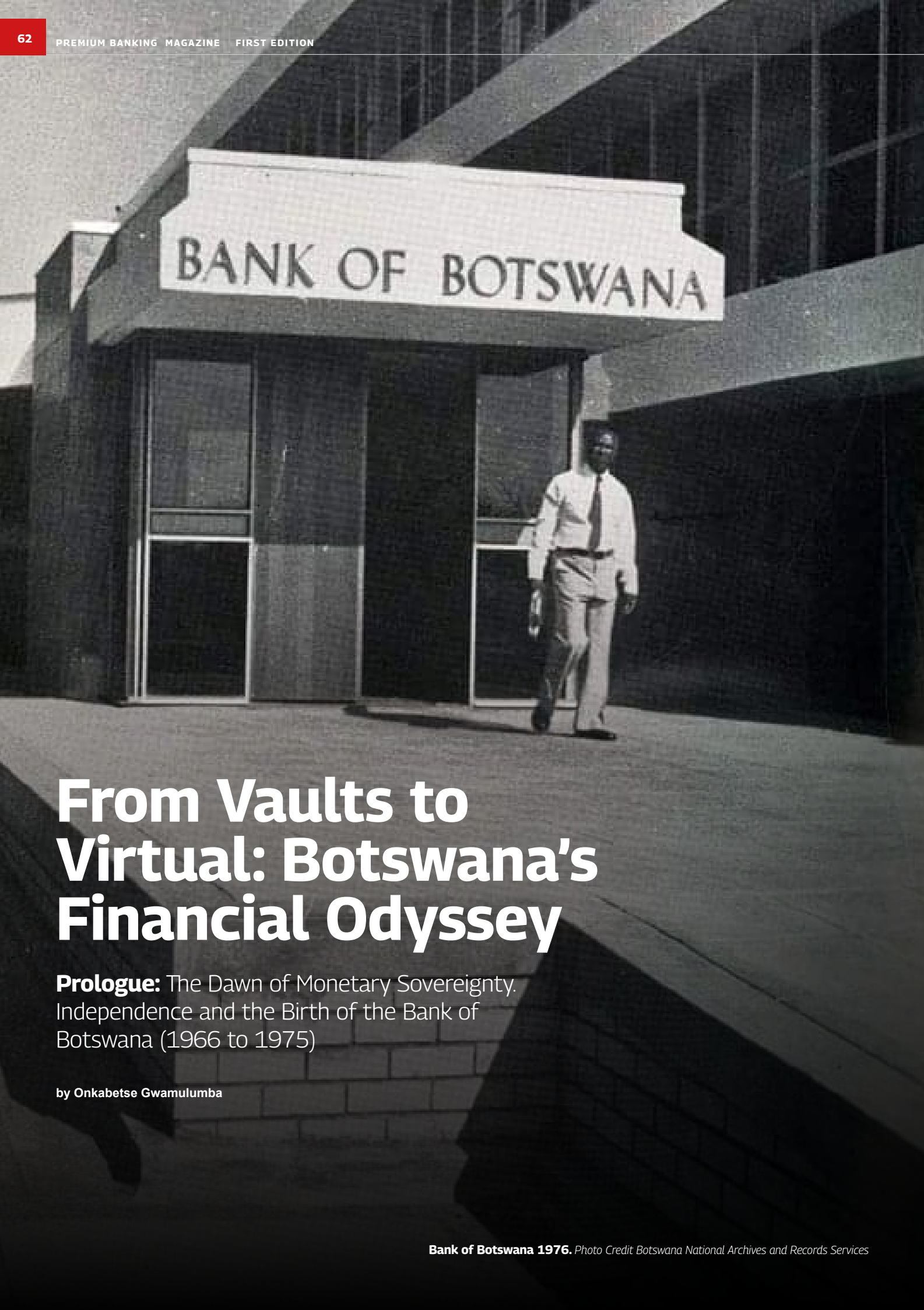
discipline while continuing to invest in the capabilities that will make them competitive and resilient in the future. As Batswana approach the festive season, whether they are travelling to home villages, exploring regional destinations or flying abroad, the principle of balance should guide every decision. December and January are part of the same story. Enjoyment and responsibility coexist. Individuals, families, SMEs and corporates must approach their finances with intentionality.

Reckless enjoyment creates future stress, while joyless austerity removes meaning from the present. The healthiest financial posture lies in the middle, where today is lived fully, tomorrow is prepared for responsibly and the future is secured with deliberate care.

This is the path to personal stability, business sustainability and ultimately a more resilient Botswana.

Reckless enjoyment creates future stress, while joyless austerity removes meaning from the present.

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From Vaults to Virtual: Botswana's Financial Odyssey

Prologue: The Dawn of Monetary Sovereignty. Independence and the Birth of the Bank of Botswana (1966 to 1975)

by Onkabetse Gwamulumba

Bank of Botswana 1976. Photo Credit Botswana National Archives and Records Services

“

The creation of the Bank of Botswana and the introduction of the pula marked the moment the country took control of its financial future.

”



Above is the front view of Gaborone Consumer Cooperative Society. The cooperative movement in Botswana was introduced in 1964, shortly before the country's independence. They are democratically controlled business enterprise owned by its customer-members to supply themselves with consumer goods and services at reasonable prices, rather than for profit maximization. They were launched in 1964, with the Swaneng Consumer Co-operative being the first registered society on August 31, 1964. Photo Credit Botswana National Archives and Records Services



1966 Botswana 10 Thebe Gold Coin

Botswana entered independence in 1966 with one of the most fragile economic foundations in the world. The country inherited a small economy valued at only thirty million United States dollars, limited infrastructure, fewer than twenty kilometres of paved road, and a population that relied largely on cattle farming and British support for

survival. The financial system reflected this vulnerability. Botswana remained tied to the South African rand within the Rand Monetary Area, a framework that gave Pretoria full control over monetary policy and interest rate decisions while Botswana operated without a central bank of its own.

Commercial banking was equally constrained. Barclays Bank International and Standard Bank were the dominant institutions, structured to serve a narrow customer base made up of colonial administrators, mining employees and traders. Most citizens functioned outside the formal system, depending instead on traditional savings groups, livestock lending arrangements and informal exchanges to manage risk and support

livelihoods. Financial inclusion existed in theory, but not in practice.

Independence created the space for a different approach. President Sir Seretse Khama placed economic stability at the centre of the country's first development plans and prioritised the creation of national institutions that would enable long term growth. Monetary sovereignty became the anchor of this vision. In 1973 the Government appointed a Monetary Preparatory Commission led by economist H. C. L. Hermans to assess Botswana's options and design a pathway out of the Rand Monetary Area. The Commission's work marked a turning point.

Negotiations with South Africa soon

revealed the limitations of remaining in a system shaped by apartheid era priorities, and in 1974 the President announced that Botswana would exit the arrangement. It was a decision that required significant technical preparation and carried real economic risk, yet it set the country on a firm course toward independence in financial policy.

The transition accelerated in 1975 when Parliament enacted the Bank of Botswana Act and the Financial Institutions Act. These instruments established the central bank, restructured commercial banks under Botswana law and introduced a regulatory framework suited to a growing, increasingly diversified economy. On the first of July 1975 the Bank of Botswana opened its doors with Hermans as the founding Governor. His mandate was clear. The central bank would secure monetary stability, supervise financial institutions and build



H. C. L. "Quill" Hermans was a prominent economist known as the "Father of the Pula" for his central role in laying the foundation of Botswana's post-independence economic success.
Photo Credit Archives and records management centre Botswana

foreign reserves as a strategic buffer for the country's development plans.

A major milestone followed in August 1976 when Botswana introduced its national currency. The pula became the symbol of the country's economic identity and its aspirations, supported by thebe as the subunit. The launch involved a coordinated currency exchange programme and created the platform for Botswana to establish its own exchange rate policy, manage its reserves and begin building the confidence required for stable investment flows. The Bank of Botswana assumed the role of banker to Government in 1977. This occurred at a moment when diamond production from Orapa and Jwaneng began strengthening national revenues. The institution's early policy decisions ensured that this mineral income translated into macroeconomic stability rather than volatility, and helped create

one of the most resilient financial systems on the continent.

This period did not simply involve administrative changes. It marked the beginning of a deliberate national project to craft an independent economic future anchored on credibility, discipline and long term planning. These foundations would soon be tested as Botswana entered the 1980s, a decade defined by external shocks and internal transformation. How did these foundations hold against the 1980s' tempests?

To be continued in Edition 1: Foundations of Change (1975–1985)

(Disclosure. Onkabetse Gwamulumba, who holds a Master of Commerce in Banking and Finance and is a fintech practitioner and business consultant, is the author of this article and writes in his personal capacity. The views expressed here do not represent any institution.)



Botswana's economic transformation was anchored in credibility, discipline, and long-term planning. The first Minister of Finance for Botswana, starting in 1965 before independence, was Benjamin C. Thema, followed by Motlatsi Segokgo, and then Quett Masire. *Photo Credit Archives and records management centre Botswana*

When the Diamonds Went Quiet

Inside Botswana's Sharpest Economic Reckoning in a Generation

By The Banker's Conversation

For decades, Botswana's economic story has been told through a single, glittering symbol. Diamonds built schools, financed infrastructure, anchored fiscal stability, and positioned the country as one of Africa's most admired development success stories. They paid for the state and cushioned households from shocks that felled many resource dependent economies. But in 2025, the diamonds went quiet.

According to the Financial Stability Report October 2025, Botswana is now navigating one of the most severe macroeconomic contractions in its post independence history. The figures are stark, but the story behind them is even more sobering. What the country is facing is not a routine economic slowdown. It is a structural reckoning with long delayed realities.

An Economy in Reverse

In the second quarter of 2025, Botswana's economy contracted by 5.3 percent, marking the sixth consecutive year on year quarterly contraction. At the centre of this collapse is the diamond sector, which shrank by a dramatic 37.8 percent. This is not a cyclical dip. It is a collapse of demand. Global appetite for natural diamonds has weakened sharply, particularly in China and the United States, Botswana's most important markets. At the same time, lab grown diamonds have moved from novelty to mainstream, offering consumers cheaper and ethically marketed alternatives. The result is a fundamental shift in the global diamond economy.

While policymakers have long spoken about diversification, the numbers reveal

how exposed the country remains. Non mining sectors grew by just 1.4 percent, far too weak to compensate for the collapse in minerals. When mining stumbles, the economy still falls with it.

Why This Matters Beyond GDP

GDP figures can feel abstract, but their consequences are deeply real. When diamond revenues fall, government income contracts. When government income contracts, spending slows. And when spending slows, liquidity drains from the entire economy. This is why the macroeconomic risk band on Botswana's financial system heatmap has moved into elevated territory. The slowdown in mining and trading activity is rippling outward, tightening cash flow across businesses, households, and financial institutions.

Article facts at a Glance

5.3%

Economy shrank by 5.3%, marking the sixth consecutive year-on-year quarterly contraction.

P47 billion Jul. 2025

From P64.9 billion (July 2024) to P47.8 billion (July 2025).

Drivers of reserve decline:

Weak export earnings.

Reduced capital inflows.

Continued high public expenditure.

Recognising the severity of the situation, the Ministry of Finance revised its 2025 GDP forecast from a hopeful 3.3 percent growth to a 0.4 percent contraction. Even this revised estimate remains below the growth rate Botswana needs to achieve its ambition of becoming a high income economy by 2036.

The Buffer Is Thinning

Botswana's traditional strength has always been its buffers. Years of fiscal prudence built foreign reserves that allowed the country to absorb shocks without panic. That cushion is now thinning.

Foreign exchange reserves fell by 26.3 percent, dropping from P64.9 billion in July 2024 to P47.8 billion in July 2025. This decline reflects weak export earnings and capital inflows at a time when public expenditure remains high.

In practical terms, shrinking reserves mean reduced room to manoeuvre. They constrain fiscal flexibility, increase financing risks, and expose the country to external pressures. For a nation that

prides itself on policy discipline, this erosion is a warning signal.

Austerity Meets Urgency

The response has been swift and politically difficult. Vice President and Minister of Finance Ndaba Gaolathe has introduced austerity measures aimed at preserving fiscal stability. These include centralised procurement, wage bill controls, and restrictions on travel and overtime. Such measures are rarely popular, but in moments like this, they are unavoidable.

Yet austerity alone cannot restore growth. Cutting costs may stabilise the system, but it does not create new engines of prosperity. This is where the crisis becomes a pivot point rather than an endpoint.

A Race Against Time to Diversify
On 15 July 2025, President Duma Boko launched the Botswana Economic Transformation Programme (BETP). Unlike previous development frameworks, the BETP is designed to inject speed, coordination, and accountability into execution. Its ambition is clear: to transition Botswana into a digitally enabled, export driven, and diversified economy. Priority sectors include agriculture, manufacturing, financial services, digitalisation, infrastructure, and tourism. From a financial stability perspective, diversification is no longer a policy preference. It is a systemic necessity.

An economy concentrated in a single commodity cannot remain stable in a world of volatile demand and rapid technological change. The diamond slump has simply exposed what has long been structurally true.

The Financial System Under Pressure

The downturn has also pushed Botswana

into a negative financial cycle. Liquidity is tightening. Credit standards are becoming more stringent. Uncertainty is rising. Government spending has historically been a major source of liquidity in the economy. As that spending slows, banks and businesses feel the strain. Reliance on central bank support is increasing, underscoring the fragility of the system in the absence of robust private sector growth.

Without visible progress on diversification, Botswana risks further credit rating downgrades. Such downgrades would raise borrowing costs, deepen fiscal pressure, and force the government toward more expensive domestic or external financing options.

More Than a Crisis

This moment is uncomfortable, but it is also clarifying.

Botswana is confronting the limits of a development model that served it well for decades but now demands reinvention. The diamond sector will not disappear, but it can no longer be the sole pillar of economic stability.

The choices made in the next few years will determine whether this downturn becomes a prolonged decline or a catalyst for transformation. The numbers tell a story of contraction. The policy response will decide whether the next chapter is one of resilience. In the silence left by slowing diamond sales, Botswana is being asked a difficult question: what kind of economy does it want to be when the diamonds are no longer enough?

That answer will define a generation.



Parliament, Gaborone

Quietly but decisively, Botswana has begun rewriting the rules that govern its financial system and digital economy. At a time when the country is facing liquidity pressures, fiscal strain, and rising systemic risks, Parliament has moved to strengthen the legal foundations that underpin banks, non-bank lenders, capital markets, and digital platforms.

Bills under reform: Banking Act 2023, Non-Bank Lenders Bill 2025, Digital Services Bill 2025, and the Cybersecurity Bill 2025

The Financial Stability Council assures us that this is not cosmetic reform. It is a structural reset designed to make Botswana's financial system more resilient, more transparent, and better suited to a rapidly digitising economy. At the centre of the overhaul is the Banking Act, 2023, which came into force on 15 August 2025. Backed by a comprehensive set of new regulations, the Act modernises prudential

supervision, clarifies institutional mandates, and streamlines oversight of deposit taking institutions.

The timing is deliberate. Botswana's banking sector has recently faced liquidity strains and rising funding concentration risks. Regulators have already signalled the possibility of additional capital requirements for banks with highly concentrated deposit

bases, in line with the gradual adoption of Basel III standards. The new Banking Act provides the legal muscle to enforce such measures without ambiguity. In effect, the law strengthens the regulator's hand at a moment when decisiveness matters most. Bringing the Non-Bank Sector into Focus While banks often dominate public attention, Botswana's non-bank financial institutions now hold the majority of

financial assets in the system. In 2023, NBFIs accounted for 58 percent of total financial sector assets, making them both a stabilising force and a potential source of volatility.

Recognising this, lawmakers enacted the NBFIRA Act, 2023, providing a refreshed statutory foundation for sector-wide supervision. The Act enhances oversight, improves operational resilience, and aligns supervision with the growing complexity of pension funds, insurers, asset managers, and collective investment schemes.

More critically, Parliament tabled the Non-Bank Lenders Bill, 2025, on 8 August 2025. This legislation targets credit providers operating outside the traditional banking system, including micro-lenders and fintech based lenders.

For years, this segment expanded faster than regulation, filling gaps in access to credit but also raising concerns about predatory lending, opaque pricing, and systemic spillovers. By formally integrating non-bank lenders into the regulatory perimeter, the Bill seeks to balance financial inclusion with prudential discipline, reducing regulatory arbitrage while protecting consumers.

Securing the Digital Economy

Botswana's reform agenda extends beyond finance into the digital realm. As part of the broader Botswana Economic Transformation Programme, Parliament passed both the Digital Services Bill, 2025, and the Cybersecurity Bill, 2025, also on 8 August 2025. The Digital Services Bill establishes a framework for regulating online platforms, digital intermediaries, and data driven innovation. It provides clarity for businesses operating in the digital space while giving authorities oversight tools suited to modern economic activity.



The Banking Act, 2023 strengthens regulatory authority at a time of rising liquidity and concentration risks in Botswana's banking sector.. Photo Credit Brimco.io

The Cybersecurity Bill addresses a more immediate risk. As financial institutions and payment systems digitise, exposure to cyber threats grows. Data breaches, digital fraud, and operational disruptions now represent systemic financial risks. The new law creates enforcement mechanisms to protect national digital infrastructure and safeguard critical financial systems.

Together, these laws acknowledge a simple truth. Financial stability in the modern economy depends as much on digital resilience as on capital adequacy.

Testing Innovation Without Breaking the System

Regulation has also been paired with innovation. The Botswana Stock Exchange Limited and NBFIRA have launched a regulatory Sandbox for digital assets and tokenisation. This controlled environment allows firms to test digital assets, stablecoins, and related technologies under regulatory supervision.

Rather than banning innovation or embracing it blindly, Botswana is choosing a middle path. The Sandbox enables regulators to learn, refine rules,

and identify risks before products scale. It also positions Botswana to align its markets with global digital finance trends without compromising stability.

What It All Means

Taken together, these reforms mark a shift in regulatory philosophy. Botswana is moving from fragmented oversight toward integrated, forward-looking supervision. The aim is not simply compliance, but resilience. By strengthening banking oversight, regulating non-bank lenders, securing digital systems, and creating space for controlled innovation, Botswana is reinforcing confidence in its financial architecture at a time when confidence is under pressure. These laws will not solve economic challenges on their own. But they create the conditions under which policy, investment, and innovation can work.

In an era of tightening liquidity, global uncertainty, and technological disruption, Botswana is sending a clear signal. The rules are changing, not to slow the economy down, but to ensure it can adapt, compete, and endure.



A Crisis of Confidence

The Race to Fix Botswana's Broken Financial Institutions

By The Banker's Conversation

Picture this.

The curtain rises. The lights hit full brightness. The orchestra swells. Dancers flood the stage in perfect formation, smiling confidently as the show begins. Then, halfway through the number, the music skips. The lights flicker. Someone misses their cue. The lead dancer freezes. The audience shifts uncomfortably in their seats.

That, in many ways, is Botswana's public finance story right now.

For decades, Botswana's reputation rested on one defining advantage: trust. Trust in public institutions. Trust in fiscal discipline. Trust that the state knew how to manage mineral wealth without tripping over its own feet. That trust is now under pressure, and the performance has become noticeably

shaky.

According to the IMF Country Report No. 25/326, Botswana's fiscal challenges are no longer just about declining revenues. They are increasingly about how the system itself works, or sometimes, doesn't. Weaknesses in public financial management, the behind-the-scenes choreography of government finances, have moved from backstage to centre stage.

When the Music Stopped

In August 2023, the spotlight swung sharply onto the problem. The government's Integrated Financial Management Information System, known as GABS, suffered a breakdown so severe that it forced the suspension of in-year financial reporting and delayed

annual accounts for two straight fiscal years.

For a country celebrated for transparency, this was like a theatre going dark mid-performance.

Without reliable, real-time financial data, ministries struggled to know who had spent what and when. Payments were harder to track. Oversight institutions were left guessing. Parliament, investors, and the public were watching a show with no programme notes and no clear storyline.

In simple terms, the system that tells government where the money is, and where it is going, went quiet at the worst possible moment, just as diamond revenues were weakening and fiscal pressure was rising.

The IMF's verdict is blunt: fixing these core systems is no longer a technical tune-up. It is a macroeconomic emergency.

Big Sets, Weak Scripts

Even when the lights are on, Botswana's fiscal stage has another problem: expensive productions with underwhelming reviews.

Despite decades of high public investment and impressive infrastructure, returns have often fallen short. The 2023 Public Investment Management Assessment found serious weaknesses in how projects are selected and approved. Cost-benefit analysis is inconsistent. Selection criteria are sometimes unclear. Projects enter the budget because they are urgent, visible, or politically convenient, not necessarily because they deliver the best economic value.

The result is a familiar paradox: big spending, modest impact. In an era of tightening budgets, this is no longer tolerable. Every poorly chosen project steals funding from hospitals, schools, road maintenance, and social protection. When money is scarce, mistakes become painfully expensive.

Why Confidence Is the Real Currency

Fiscal sustainability is not just about numbers. It is about confidence.



Delayed reporting and missing data weakened oversight just as fiscal pressure intensified.
Photo Credit Botswana Parliament



The failed Fengyue Glass Project. High public spending has not always translated into high economic returns.
Photo Credit Sunday Standard

Investors want to know that the books add up. Rating agencies want timely, credible data. Development partners want assurance that funds are well managed. When systems fail, confidence wobbles. When confidence wobbles, borrowing becomes more expensive and harder to secure.

In today's environment, trust is a financial asset, and Botswana cannot afford to squander it. The reform agenda outlined by the IMF is ambitious but necessary.

It starts with strengthening tax administration, not by squeezing taxpayers harder, but by using better data, closing loopholes, and targeting compliance risks more intelligently.

It includes redesigning the Chart of Accounts, the financial map that allows government to classify and track spending properly. Without it, meaningful analysis is impossible, and accountability

remains fuzzy. Perhaps most importantly, the IMF recommends creating a dedicated Macro-Fiscal Management Department within the Ministry of Finance. This would bring together forecasting, risk analysis, and medium-term planning under one roof, replacing fragmentation with coordination.

In a volatile economy, this is the difference between improvising on stage and rehearsing properly.

No Time for Dress Rehearsals

Botswana's fiscal challenges are unfolding in real time. Diamond revenues are under pressure. Demands on government are rising. The luxury of slow, cautious reform has disappeared. Fixing broken systems, tightening project discipline, and rebuilding institutional capacity are no longer optional extras. They are the conditions for staying in the show.

The crisis of confidence is real. But it is not fatal. What matters now is execution. Not new slogans. Not beautifully written policy documents. But systems that work, data that flows, and institutions that deliver transparency, discipline, and trust, consistently and at speed. Because in this performance, institutional reform is not background choreography.

It is the lead act.



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Mobile: +267 77730480
Email: Kebabonye.Morewagae@fao.org

Mobile: +26774459630
Email: boikobotubego@gmail.com



Diamonds are a fool's best friend

Several days ago a media outlet in Namibia reported that the government of Namibia had agreed to invest N\$14.8 billion in buying shares in De Beers which is being sold by its primary shareholder Anglo-American which owns 85% of De Beers. The other 15% has been held by the government of Botswana since the 1980's. Botswana profited well from both its 50% stake in Debswana (the equivalent of Namdeb) as well the 15% of De Beers that it acquired with stockpiled diamonds. But that was then!

Similar noises about acquiring a share in De Beers are also being heard from Luanda – so the 'three wise leadres' of

southerner Africa are thinking of buying the world's largest diamond company. We are all the product of defunct ideas and Mr Kenndy Hamutenya, the former CEO of Namdia, was quoted as saying that he thought that ownership of De Beers is basically a good idea and Namibia should be involved in this acquisition. If he had been speaking in the 1980's or 1970's he would have been right this might have been a good idea. But it is soon 2026 and diamonds have lost their most important quality – as a store of value. In 1970 you could buy a 1 carat diamond and know that after 20 years its value will have increased and almost certainly be a

protection inflation, Diamonds, then like gold today, is rare, but not very rare. Diamonds were even better than gold because per dollar they were physically smaller than gold and you could easily hide them. Hence, they were a preferred commodity for smuggling.

Alas, the world moves on! In the 1950's De Beers and General Electric developed ways to produce synthetic industrial diamonds which were absolutely essential in drilling and construction. For

fifteen years the technology remained in the hands of American and the US. It was usual arrogant assumptions of the time that only the US and Europe would be able to develop the technology for synthetics. In the 1960's, as Japan recovered from World War II, it developed the technology and in time East Asia became a centre for synthetic diamond production. Finally when China entered the fray it knew perfectly well that it would need extremely large volumes of diamonds for cutting as it industrialized. Today, China is by far the world's biggest producer of diamonds, much larger than the biggest mined diamond producers such as Russia and Botswana. It is estimated that in 2023 China produced over 4 billion carats of synthetic industrial diamonds. In comparison all the world's mined diamonds amounted to around 130 million carats in 2024 if one includes the large volumes of illegal diamonds coming from the DRC.

What is the problem of Angola, Namibia and Botswana buying De Beers? First one needs to ask is why is Anglo-American in such a hurry to sell its 85% share in De Beers? The

reason is that it wishes to sell its mining assets to one of several possible buyers including BHP- the Australian giant of the mining industry. The problem is that no suitor wants Anglo-American with De Beers still in tow? The reason is that China is now the world's largest producer of gem quality synthetic producing an estimated 22 million carats of synthetic gem quality diamonds. These are indistinguishable to the naked eye from mined diamonds by a 'diamantaire'. Distinguishing the diamonds requires expensive machinery and as they are near perfect substitutes the price mined diamonds have collapsed. The average cost per carat according to the Kimberly Process statistics was US\$88/per carat in 2024 from US\$132/carats in 2022, a decline of 35%. The decline in price continues as diamond is no longer the king of gems! Long live gold which cannot be produced in a laboratory! As diamond prices decline because synthetics, which are an almost perfect substitute can be produced for a fraction of the cost of mined diamonds

If no-one wants to buy De Beers the world's biggest producer of mined why would three countries that are amongst the world's largest producers of mined diamonds, which are in a steady state fall in price want to buy. The polite answer is simple foolishness. The prognosis for diamond prices are very poor. The other alternative is that Anglo-American will sell De Beers at a ridiculously low price to get it off its books so its takeover bids could proceed.

Anglo American values De Beers at US\$4.9 billion (appN\$ 85 billion). Mr Oppenheimer the previous owner of De Beers for 80 years, which saw the writing on the

wall sold its share to Anglo American for a reported US\$5.2 billion. The Oppenheimers were clever.

Sadly there is possibly a much worse, nefarious explanation for this sale. Both nationalization and privatization are wonderful ways for governments or ministers to get a bribe. Economists and other similarly nice people seem to think that these are ideological or economic issues. Often these are used as a fig leaf for bribery. When a government or a minister buys an asset at too high a price it is not uncommon for someone to get a kickback and when government sells an asset at too low a price it will also get a kickback. Corrupt ministers love both nationalization and privatization.

Currently Namibia has an outstanding public debt of N\$171 billion. Adding another \$N15 billion to buy a company whose main product is in structural decline would be an act of foolishness, at best. Namibia has more important investments to make in energy and agriculture such as actually completing the Neckertal Dam which stands full and makes no contribution to the economy because there is no water distribution network.

Disclosure

These are the views of Professor Roman Grynberg, who has written several books on diamonds, gold and other metals.

“China now produces over 4 billion carats of synthetic diamonds, dwarfing every mined diamond producer on earth.”





Ranked by
THE Times
Higher
Education

UB 2025: EXPANDING INFLUENCE, EMPOWERING COMMUNITIES

In 2025, the University of Botswana (UB) deepened its national and global footprint through strategic partnerships, rising academic recognition and community-driven impact. From international collaborations and academic appointments to youth civic engagement, inclusive education and social justice initiatives, UB demonstrated its growing influence beyond the classroom. The year reflects an institution confidently positioning itself as a catalyst for democratic resilience, social transformation and regional leadership.

UB Climbs Global Rankings, Strengthens Position in the Region

The University of Botswana (UB) has recorded a significant rise in the 2026 Times Higher Education World University Rankings (THE WUR), moving from Quartile four (4) in 2025 to Quartile three (3) in 2026. The advancement marks a major milestone in UB's growing global competitiveness and academic excellence. Out of 2,191 universities ranked worldwide, UB now falls within the 1001-1200 band, reflecting its expanding international presence and reinforcing its transformation into a mid-tier university with increasing global impact.

In Africa, UB maintained a strong Quartile two (2) position in both the continental and Sub-Saharan Africa categories, ranking 37th out of 141 universities in Africa and 16th out of 56 in Sub-Saharan Africa. Such performance places UB firmly among the top half of ranked African universities, a remarkable feat in a competitive landscape dominated by South African, Egyptian and Nigerian institutions. Within the Southern, Central and East African sub-region, UB achieved an impressive second-place ranking, placing it firmly in Quartile one (1) when South Africa is excluded. This milestone cements UB's status as a leading university in the sub-region, recognised for academic quality, resilience and growing influence.



President of Liberia University Visits to Strengthen Relations

President of Liberia University, Dr Layli Maparya, paid University of Botswana (UB) Vice chancellor, Professor David Norris, courtesy visit on the 3rd of December 2025 to strengthen existing relations and explore new partnership on areas of tourism, health sciences training and benchmarking on supply chain management curriculum development.

Speaking at the occasion, Professor Norris noted that UB, as a comprehensive institution, was currently undertaking a restructuring exercise to strengthen its new strategic focus on intensifying research and fostering innovation.

Meanwhile, the President of Liberia University, Dr Maparya expressed gratitude for the strong partnership the two institutions had enjoyed over the years in training Liberian graduate students in statistics. She further emphasised the intention to expand collaboration with the University.

Prof Richie Moalosi Appointed Adjunct Professor at Griffith University, Australia



The University of Botswana (UB) has recorded another milestone on the global academic stage following the appointment of Professor Richie Moalosi as an Adjunct Professor at Griffith University, one of Australia's leading public universities.

Professor Moalosi has formally accepted the offer which runs for a three-year period until December 2028. Reacting to the news, Professor Moalosi describes the appointment as both an honour and a significant professional milestone. He says the recognition reaffirms his long-standing academic, research and innovation contributions at national, regional and international levels.

"Professionally, the appointment recognises my expertise and sustained engagement in design, innovation and applied research. It strengthens my ability to contribute meaningfully to global scholarship, interdisciplinary collaboration, postgraduate supervision and research excellence," he adds.

Law students & Commonwealth collaborate to champion Youth Democratic resilience and participation

The University of Botswana (UB) final year law students collaborated with Commonwealth in a dialogue on the 25th November 2025, to strengthening youth participation and democratic resilience.

The Youth Engagement on Democratic Resilience and Participation dialogue was a post succession event for the Commonwealth Secretariat Governance Forum held in Gaborone with the aim of strengthening good governance and rule of law in member countries to combat democratic backsliding and reinforce oversight mechanisms.

Speaking at the occasion, Industrial Court Justice Annah Raisibe said implementation of reforms to make justice accessible to youth was crucial for strengthening democracy and promoting equality. Justice Raisibe said youth often faced barriers such as high legal costs, complex procedures and lack of awareness. She observed that reforms would ensure that youth exercised their rights without discrimination.



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UB 2025: EXPANDING INFLUENCE, EMPOWERING COMMUNITIES

UB Social Work Society Targets Mmaphashalala Village to Combat Child Rights Violation, Abuse



University of Botswana (UB) Social Work Society (UBSWS) launched a targeted community outreach initiative at Mmaphashalala Primary School on the 14th November 2025, aimed at addressing rising concerns surrounding child rights violations, truancy and various forms of abuse affecting young people in the area.

The society identified Mmaphashalala Primary School with the help of school teachers spearheading child issues that branch into truancy among students, defilement, child sexual abuse, poor parenting and cultural practices contributing to violation of children rights as well as poor academic performances.

Speaking during the launch of the outreach programme, member of the UBSWS, Ms Olebile Baile, described child abuse as child maltreatment and neglects that occur to children under 18 years of age.



Special Education Students Drive Inclusive Learning Through Community-Based Projects

Twenty-five (25) students from the Department of Educational Foundations have demonstrated the University of Botswana's (UB) commitment to inclusive education through a series of practical projects conducted as part of their continuous assessment for the course Developmental Approaches and Behavioural Management of Students with Disabilities (EFS 250).

The initiative served as an alternative to the final examination and showcased how outcome-based learning can be effectively applied in real school environments.

The projects were carried out at Lesedi Primary School, Moselewapula Junior Secondary School, Tlokeng Junior Secondary School and at the University of Botswana, where students facilitated workshops and awareness campaigns focusing on the needs of learners with disabilities.



UB Child Development Laboratory Marks 25 Years of Nurturing Young Minds

Sixteen (16) preschoolers graduated from the University of Botswana Child Development Laboratory (UBCDL), celebrating not only their progress to "big school" but also 25 years of shaping early childhood education at the University of Botswana (UB).

For a quarter of a century, UBCDL has been more than a classroom. It has been a space where young learners take their first steps towards confidence, curiosity and compassion. Organised under the theme "Hands that can, Hearts that care," the event captured both the spirit of the children and the philosophy of the programme.

Reflecting on the programme's legacy, Head of Department and Family and Consumer Sciences, Dr Lily Fidzani, emphasised the significance of the 25-year journey and the programme's impact on early childhood education, indicating that the first cohort were now employed adults in various professions.



Mophato Dance Theater and Hi-Note Productions Formalize Partnership with UB

University of Botswana (UB) has strengthened its footprint in the creative and cultural landscape by officially welcoming Mophato Dance Theatre and Hi-Note Productions as its resident creative partners. The milestone was sealed during the signing of a Memorandum of Understanding (MoU) held on the 4th of December 2025 at UB, where the two groups presented a vibrant performance, Dancing Under the Stars.

The production reenacted the historic 1976 Motho le Motho Kgomo Pitso, paying tribute to the visionaries, including the Swaneng Five (5), whose efforts laid the foundation for the establishment of the University of Botswana.

Vice Chancellor, Professor David Norris, described the occasion as a defining moment in UB's evolution, noting that the partnership signalled the birth of the University as a central hub of creativity in the city.

"This is the official opening of the University of Botswana as a centre for creativity and entertainment in Botswana," he remarked, emphasising the institution's commitment to fostering vibrant, inclusive cultural spaces.

Narrative Is the New Diamond

What the Netflix-Paramount Battle Means for Botswana’s Economic Future



What South Africa’s MultiChoice Crisis and Hollywood’s Merger Wars Mean for Botswana

*When Netflix agreed to buy Warner Bros. Discovery’s studios and streaming division for about \$72 billion, it did not just trigger an M&A spectacle. It exposed the central truth of the modern economy: whoever owns the pipes and libraries of culture owns a form of power that behaves like infrastructure. Paramount Skydance’s hostile counter bid of roughly \$108.4 billion is not “noise”. It is a recognition that content libraries are becoming the strategic assets of the century, comparable to ports, grids, and mines, writes **Lawrence Seretse**.*

In the biggest picture, this is the streaming wars maturing into a consolidation phase. Every platform has discovered the same brutal math. Content costs rise. Subscriber growth slows. Advertising is volatile. Sports rights inflate. Piracy is persistent. The only defensible advantage is owning intellectual property that can be repackaged forever across film, series, games, licensing, merchandising, and global syndication. Warner’s vault is that advantage, which is why the contest is so heated.



Donald J. Trump, President of the United States of America. His intervention highlights how narrative infrastructure can be treated as an economic and political asset.

Why Trump is so aggressive about it

Donald Trump’s intervention is not random theatre. He has publicly signaled he would be involved in the review of the Netflix Warner deal, explicitly citing market share and the concentration of power.

That matters because these deals are not judged purely on corporate logic. They are judged on competition, national influence, and in this case, the political sensitivity around news and culture at scale. Warner’s footprint includes properties that shape public perception. When a single streaming titan could fuse distribution dominance with an unmatched studio catalogue, regulators can interpret it as a market power problem, and political actors can interpret it as a narrative power problem.

This is why the debate has already moved into lawsuits and heightened scrutiny.

There is also a strategic messaging layer. Netflix has tried to justify the deal by arguing that it is competing with YouTube for viewing time, and critics have attacked that as a false equivalence. Trump’s aggressive posture amplifies uncertainty, which can alter investor expectations, embolden rival bidders, and potentially force

Article facts at a Glance

\$72B vs 108.4B

Netflix proposed acquisition of Warner Bros. Discovery approximate value: USD 72 billion. Paramount-Skydance hostile counter bid Approximate value: USD 108.4 billion

1.2 million

MultiChoice subscriber lost approximately 1.2 million broadcast subscribers. Ending subscriber base: ~14.5 million

R 50.8 billion

MultiChoice revenue fell to approximately ZAR 50.8 billion

P200 million

Creative arts allocation announced by President Duma Boko sourced from the Alcohol Levy Fund

concessions, divestitures, or behavioural remedies. In short, his aggression is a way of asserting that narrative infrastructure is too consequential to be left to boardrooms alone.

South Africa’s landscape: MultiChoice is the local version of the same war

If you want to understand what is coming for Botswana, South Africa has



If Botswana does not manufacture and export its own narratives, it will import narratives that may not serve its interests.



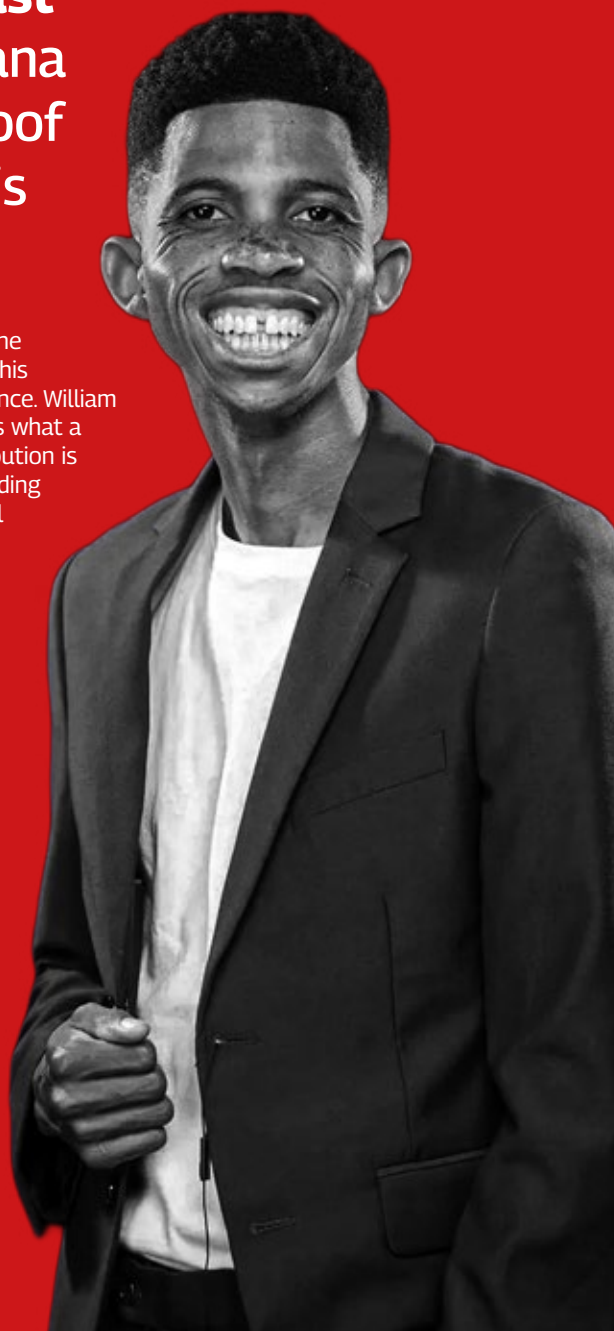
Adv. Duma Boko, President of The Republic of Botswana. Botswana's P200 million allocation signals strategic investment in local content production. Photo Credit Fantastic Moments

been living it in real time. MultiChoice's DSTv model has been squeezed by streaming competition and cost of living pressures. Reuters reported that MultiChoice swung to a full year headline loss and shed about 1.2 million broadcast subscribers, ending at around 14.5 million, while revenue fell to about ZAR 50.8 billion. The response has been

The William Last lesson: Botswana already has proof that narrative is exportable

Botswana does not need to imagine whether content can scale from this market. It already has living evidence. William Last KRM's digital footprint shows what a single creator can do when distribution is platform native and audience building is consistent. His YouTube channel sits at roughly 3.13 million subscribers with cumulative views exceeding a billion, a scale that many national broadcasters in small markets would envy. This is not simply celebrity trivia. It is macroeconomics in disguise. When one creator can generate that much attention, Botswana's challenge is not "talent". Botswana's challenge is industrialisation of talent.

If one creator can do it, then a coordinated ecosystem can do it at national scale, creating employment clusters and export income that do not depend on physical logistics. The Banker's Magazine audience should read this as a new asset class: attention assets that can be converted into sponsorship, subscriptions, licensing, tourism interest, and diaspora remittances through digital commerce.



3.1 million	4 million	15 million	8.7 million
subscribers YouTube	followers Facebook	followers TikTok	followers Instagram

strategic reinvention, not nostalgia. Showmax's relaunch, built on Comcast's Peacock technology and a sharper content slate, has driven strong streaming growth, even as linear pay TV declines. MultiChoice itself reported Showmax paying subscribers up 44%

year on year after the relaunch. This is the pivot Africa's legacy broadcasters must make. The public is not rejecting stories. The public is rejecting outdated distribution and pricing.

Then comes the ownership question.

Canal+ has pursued and secured control of MultiChoice, and Reuters has framed this as a strategic African expansion play, including a Johannesburg Stock Exchange linkage to maintain liquidity and local investor access. That acquisition underscores the lesson: content platforms are now cross border chess pieces. If South Africa's dominant pay TV ecosystem can become part of a broader global content strategy, Botswana cannot assume its own narrative space is naturally protected by geography or language.



MultiChoice lost 1.2 million continental subscribers, highlighting pressure from streaming and economic shifts. This decline resulted in a major drop in group revenue and profit, which ultimately triggered the successful takeover by Canal+ to consolidate market share, inject capital, and pivot the company toward a more competitive, digitised future led by Showmax.. Photo Credit BroadbandTV News

Botswana's policy signal: P200 million is not "arts funding", it is content procurement

President Duma Boko's announcement of a P200 million allocation from the Alcohol Levy Fund toward procuring creative arts content for young people is one of the most strategically important economic signals Botswana has made in years, even if it is being discussed as a cultural footnote. In practical terms,

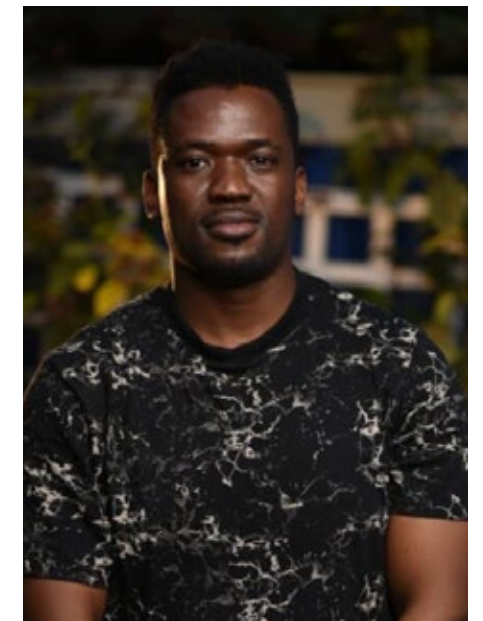


Creative work scales labor, producing self-employment, microenterprises, and formal opportunities.

that is a state backed demand injection into content production. Done properly, it turns the creative sector from an informal hustle into a production pipeline with predictable cash flow, standards, and measurable outputs. The mistake would be to treat this as a once off cheque. The opportunity is to treat it like an industrial policy lever. Botswana has historically done this well in diamonds: create institutional capability, enforce standards, and build downstream value. The same logic applies to content, with one twist. Content is not a finite mineral. It is a renewable asset that appreciates when it is archived, licensed, and distributed intelligently.

Botswana's new gold is content, because content scales labour

The most under appreciated economic fact is that art is the largest independent labour engine in many societies. Creative work produces high levels of self employment, micro enterprise formation, gig contracting, and informal to formal transitions. UNESCO has mapped Africa's film and audiovisual industries as employing millions and contributing billions in GDP across the continent. That is not because cameras are magic. It is because narrative production creates entire value chains: writers, performers, editors, sound, set design, transport, catering, wardrobe, marketing, legal, accounting, digital distribution, and



Tumelo Chaba, an acclaimed filmmaker and the founder of Freeze Frame Pictures. Content production is capital-light at distribution and labor-intensive at creation, ideal for small economies. Photo My Afrika Magazine

tourism spillovers. Nigeria's Nollywood is the continental proof of concept. The U.S. government's Nigeria commercial guide describes Nollywood producing thousands of films annually and the wider media and entertainment industry contributing materially to GDP. Nollywood's real genius is not just volume. It is speed, local language resonance, distribution hustle, and ownership culture. They built a domestic audience first, then exported the catalogue, then attracted global platforms. That is the pattern Botswana must replicate in its own scale.

What BTV and mass media should be doing, now, not later

The biggest risk for BTV is to remain a broadcaster in a world that has moved to being a platform. Mass media must become a commissioning engine, an archive, and a distribution strategist.

First, BTV should shift from filling airtime to building a catalogue. Every production must have clear rights management, metadata, and long term licensing plans. The value is not in tonight's broadcast. The value is in a library that can be resold, repackaged, and syndicated for a decade.

Second, BTV should create a national commissioning model that aligns with Boko's P200 million content procurement. The money should not scatter across events coverage and once off shows. It should seed repeatable formats: youth docu series, local drama, investigative specials, kids edutainment, and factual entertainment that can travel across SADC.

Third, BTV must build distribution partnerships. Linear broadcast remains important for national reach, but the growth frontier is digital. A Botswana streaming hub, even if initially hosted on existing platforms, should be positioned as a gateway for Botswana content with clear revenue sharing and transparent analytics.

Fourth, BTV should function like a newsroom plus a studio. It must train producers in story development, data driven commissioning, and modern post production. This is where the employment story becomes real. You do not create jobs by declaring "support creatives". You create jobs by ordering work consistently, paying on time, enforcing standards, and enabling scale.

Control of narratives is economic policy

Botswana's brand is a national economic instrument. Investors respond to perceptions of stability, governance, and future potential. Tourists respond to stories before they respond to brochures. Young people respond to narratives before they respond to labour market statistics. If Botswana does not manufacture and export its own narratives, it will import narratives that may not serve its interests.

This is the clearest connection to the Netflix Warner fight. The bidders are paying not only for content but for the ability to decide what gets amplified, what gets buried, and what becomes global common sense. That is why the state, including Trump, is treating the deal as more than business.

Lessons for Botswana's financial and policy architecture

Botswana should treat content as an export sector with three pillars.

One, financing. Create blended finance that allows creators to access working capital against confirmed commissions and distribution contracts. Content is cash flow based. Banks can lend against receivables if contracts are bankable and governance is clean.

Two, regulation and rights. Standardise contracts, copyright enforcement, and royalty collection. Nollywood's growth has repeatedly been constrained by piracy. Botswana can leapfrog by designing modern rights systems early.

Three, measurement. Every pula spent should be tied to outputs and outcomes: hours of content produced, jobs created, views, licensing revenue, educational

impact, and brand reach. This is how P200 million becomes an industry rather than a headline.

The Banker's Editor's conclusion: content is the next diversification frontier

Botswana has spent decades asking what comes after diamonds. The answer is not a single sector. It is a portfolio. But content deserves a special place because it converts human creativity into scalable economic value with low physical constraints. It is labour intensive at the creation stage and capital light at the distribution stage, which is precisely what small economies need.

South Africa's MultiChoice story shows what happens when legacy broadcasters do not pivot fast enough, and how a streaming reinvention can restart growth. Nigeria's Nollywood story shows how volume plus local resonance can build a continental export engine. Botswana's own William Last KRM shows that global scale is already possible from Gaborone.

The Netflix Paramount Warner battle shows the endgame. The world's most powerful corporate actors are fighting to own narrative infrastructure. Botswana should not watch that fight like entertainment news. Botswana should watch it like a commodity market signal. The next gold is not underground. It is in the stories we produce, the rights we own, the platforms we control, and the jobs we build around culture.

Who Owns the Story Owns the Future And Its Not Late!

Why Financial Culture May Matter More Than Money Itself in Botswana

By Mbaakanyi Lenyatso



When we talk about economic growth, we often reach for the big numbers. GDP growth. Investment inflows. Budget surpluses. Stock market performance. These figures matter, but they are only part of the story. Beneath them lies something far more influential, yet rarely discussed: a country's financial culture.

Financial culture is not about how much money a nation has. It is about how money is understood, managed, and respected. It shows up in government budgeting decisions, in how businesses plan and invest, and in the everyday choices households make about saving, borrowing, and spending. Without a strong financial culture, even the best policies struggle to deliver lasting results.

Botswana has spent decades building a stable macroeconomic foundation. Today, the challenge is different. The next phase of growth depends less on policy design and more on behaviour.

The Quiet Power of Financial Culture

A healthy financial culture builds trust and accountability. Governments use public funds more efficiently. Businesses plan better and invest for the long term. Households make decisions that protect their future, not just their present.

Across the economy, strong financial habits reduce over reliance on debt, grow domestic savings, and inspire investor confidence. Even countries blessed with natural resources quickly

discover that wealth alone does not guarantee prosperity. Culture decides whether money multiplies or disappears.

Where Botswana Stumbles

Despite its stability, Botswana still struggles with several financial habits that quietly limit progress.

Short term thinking is one of them. Public institutions sometimes rush spending at the end of the financial year. Businesses focus on surviving the next month rather than planning the next five years. Value for money is sacrificed for speed, and long term investment is postponed.

Financial literacy is another gap. While



Botswana's future will be shaped not only by policy, but by how money is handled in ministries, boardrooms, small shops, and living rooms. Photo Credit Monirul Bhuiyan/ Press Photo

Small Shifts, Big Impact

Financial culture is not about perfection. It is about consistency. Saving regularly. Borrowing responsibly. Planning ahead. Using data instead of instinct. Treating money as a tool, not a trophy.

When households adopt these habits, pressure on government reduces. When businesses plan long term, productivity improves. When institutions act with discipline, trust grows.

The Bigger Picture

Botswana's future will not be decided only by new policies or ambitious strategies. It will be shaped by how money is handled at every level of society. In ministries. In boardrooms. In small shops. In living rooms.

If leaders across sectors champion better financial habits, Botswana will not only grow wealth. It will protect it, expand it, and pass it on.

In the end, financial culture is destiny.

general education levels are high, many people still struggle with basic financial concepts. Budgeting, interest, debt management, and investment remain confusing for many households. Young people often start working life already in debt. Small businesses frequently lack basic financial records, making growth and access to finance difficult.

Governance practices also vary. Some organisations maintain strong controls and accountability. Others operate with weak oversight, limited financial skills, or blurred decision making. In small enterprises, passion often replaces structure, and good ideas collapse under poor financial discipline.

There is also a reactive mindset around money. Budgets respond to crises rather than strategy. Businesses act only when cash flow becomes a problem. Investment decisions follow trends instead of data. Opportunities in new industries are missed not because of lack of ideas, but because of lack of preparation.

Perhaps most telling is Botswana's weak savings culture. Many households save little, relying on informal methods that offer no growth. Borrowing is often used for consumption rather than productivity. Businesses reinvest inconsistently. Over time, this limits domestic capital and increases

dependence on external funding.

Why Leadership Matters

Changing financial culture does not happen by accident. It must be led. Government sets the tone through disciplined budgeting, transparency, and accountability. Financial institutions shape behaviour through the products they design and the advice they provide. Businesses influence culture through governance, planning, and how they treat money internally.

Small enterprises offer a powerful lesson. Those that track expenses, manage cash carefully, reinvest profits, and follow basic governance principles grow faster and survive shocks. Those that ignore discipline often fail, even with strong products.



Financial culture is shaped from the top. Leadership, transparency, and example determine how money is managed across the economy. Photo Credit BW Parliament

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