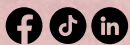


THE Banker's

Botswana's
Premium
Banking &
Ideas
Magazine

CONVERSATION



Volume 1 Edition 02
www.thebanker.co.bw

The Price of Blind Love

Why **Nicholas Zakhem** continues Investing
in Botswana Football When the Numbers
Say Otherwise

From the Gulf to Gabs

How the Strait of
Hormuz paralysed
Botswana's
economic engine

South Africa is Fighting the Wrong War

What Anti-Immigrant
Protests Reveal About
a Nation Still Haunted
by Its Past

Why Stanbic Bank bet on Botswana

How a Global Sporting
Moment Became
an Investment in a
Nation's Future

60 Years of Diamond Encrusted Burden

Part 1, 2, 3

Chose Modise
**New Age of Invisible
Banking is Here!**

Table of Contents

The Diamond Pipeline Paradox

How a Distant War Paralyzed Botswana's Economic Engine

36

Why Stanbic Bank bet on Botswana

How a Global Sporting Moment Became an Investment in a Nation's Future

6

Building Botswana's Next Economy

The 2026 BURS Tax Pitso showed that taxation is no longer simply about revenue collection it is about financing Botswana's future.

12

The Trillion-Pula Ledger

Can a Stock Market Save the Botswana Dream?

18

Diamond to Digital: Botswana's 30-Year Banking Revolution

Foundations of Change (1975-1985)

26

Botswana Economic Update

Seizing the Moment: How Botswana Can Turn Crisis into Opportunity

28

60 Year of Diamond Encrusted Burden

56



The "Dangerous Dreamer"

Inside the Intellectual Architecture of Duma Boko's Oratory

"I AM A DREAMER. BUT A DANGEROUS ONE. I DREAM WITH MY EYES OPEN."

32

Editorial Team

Editor: Bankers Conversation Team

Editor Email editor@thebanker.co.bw

Marketing Marketing +267 77 304 050

Marketing Email marketing@thebanker.co.bw

Creative Designer: Tshepo Leonard Mokaedi

Contributing Writers:

Lebogang George, Reatile Balopi, Freyja Inanna, Devin Workman, Bokani Wangu Nleya, Wenyan Yang, Taimur Khilji, Onkabetse Gwamulumba.

Why This Publication Matters

This magazine emerges at a time when Botswana's economic compass is spinning in unpredictable winds, when fiscal restraint, consumer anxiety, and global trade shifts test the very pillars that once made our nation exceptional. The Banker is not merely a business publication; it is a collective national brain trust. It congregates those who think deeply, act decisively, and believe that knowledge, when shared, becomes currency. For our contributors, this is more than a byline. It is an act of national service, a chance to shape public discourse, sharpen corporate thinking, and mentor a new generation of financially literate citizens. For the nation, it is a mirror and a map: reflecting who we are economically, and guiding us toward who we must become. In uniting CEOs, policymakers, scholars, and dreamers around one intellectual table, The Banker transforms journalism into nationcraft, building not just stories, but the very confidence of a people determined to navigate their way through turbulence with courage, precision, and purpose. www.thebanker.co.bw

EDITORS NOTE



The Art of Reading Against Time

Within the pages of forgotten manuscripts lie ideas that every generation eventually rediscovers. Long after kingdoms have fallen, currencies have changed, and certainty has given way to uncertainty, thoughtful words endure. They wait patiently for readers willing to slow down enough to listen.

That may be the greatest irony of our age.

We have never had more information, yet we spend less time with ideas. We skim more than we study, scroll more than we reflect, and often mistake speed for understanding. Reading has become another task to complete rather than an opportunity to think.

The Banker's Conversation was created in quiet opposition to that culture.

This is not a magazine designed to compete for your attention. It is an invitation to engage with ideas that shape economies, institutions and leadership. We believe the most valuable insights reveal themselves over time, rewarding readers who return to them with fresh perspective. Finance measures almost everything—revenue, inflation, interest rates, GDP and shareholder returns. Yet behind every balance sheet is a founder who embraced uncertainty, a leader who made difficult choices, and an institution built on trust. Behind every economic

transformation is a profoundly human story.

Those are the stories we seek.

Markets move because people do. Businesses succeed because people imagine, build and persevere. Nations prosper because generations choose to think beyond immediate challenges and invest in a better future.

Our aspiration is simple: to create a publication that remains valuable long after the headlines have faded. One that readers revisit before an important meeting, during a quiet journey, or while reflecting on the decisions that shape their organisations and communities.

The healthiest relationship between a magazine and its readers is not agreement—it is engagement. We hope these pages encourage curiosity, thoughtful debate and a willingness to question established assumptions.

Within this edition you will encounter entrepreneurs creating opportunity where others saw obstacles, executives leading through uncertainty, policymakers navigating complex trade-offs and economists searching for meaning beneath the numbers. Some stories may inspire, others may challenge. The most valuable ones will leave

you asking better questions.

Because the purpose of a great magazine is not simply to report what happened. It is to reveal what matters, connect ideas that appear unrelated, and provide context that endures beyond today's news cycle.

Investors understand the power of compound interest. Readers understand the power of compound insight. One conversation can reshape a perspective. One perspective can influence a decision. One decision can strengthen an institution. And strong institutions build stronger nations.

If, long after you finish this edition, one idea from these pages influences a decision you make or a conversation you lead, then this magazine will have achieved its purpose.

Because the greatest return on investment has never been measured in money alone.

It has always been measured in the quality of thought.

Welcome to The Banker's Conversation.

Read slowly. Some ideas are too valuable to skim.

Editor

Leadership Isn't Having All the Answers



By The Banker's Conversation



MARKETS SPEAK. CUSTOMERS SPEAK. EMPLOYEES
SPEAK. DATA SPEAKS. GREAT LEADERS ARE THOSE
WHO KNOW HOW TO LISTEN.

In an economy learning to reinvent itself, the leaders who will matter most are those who have mastered the discipline of listening.

There is a particular kind of leadership that economies inherit from periods of certainty.

It is decisive, hierarchical and confident. It thrives when the rules are stable, markets are predictable and yesterday's solutions still work tomorrow. In those moments, leaders are rewarded for knowing. They are expected to provide answers before questions have fully formed. Certainty becomes synonymous with competence.

Botswana spent much of its modern history benefiting from that kind of stability. Diamonds provided an economic centre of gravity. Institutions matured within a relatively predictable environment. Growth followed a familiar rhythm. Leadership, in many respects, became the art of managing success. That era is giving way to something more demanding.

Today, uncertainty has become permanent. Technology evolves faster than organisations. Artificial intelligence is reshaping industries before regulation can catch up. Global capital moves with unprecedented speed. Commodity markets fluctuate with increasing intensity. Customers no longer compare banks only against other banks; they compare every experience against the best digital interaction they have had anywhere.

The challenge before Botswana is therefore not simply economic. It is intellectual. How do institutions remain relevant when the future refuses to stand still?

For me, that question has fundamentally changed what leadership means. Early in my career, I believed leadership required having the right answers. I thought credibility was built through certainty and authority came from expertise. Like many young executives, I assumed my responsibility was to solve every problem that entered the room. Experience has steadily dismantled that assumption.

The longer I have led, the more convinced I have become that leadership is not about possessing all the answers. It is about creating an organisation capable of discovering better ones.

That begins with listening. Listening is often mistaken for hesitation. In reality, it is one of leadership's most strategic disciplines. Markets speak. Customers speak. Employees speak. Communities speak. Data speaks. **Institutions that fail rarely do so because no one recognised the warning signs. They fail because leadership stopped listening long before the crisis arrived. Financial institutions are particularly vulnerable to this trap.**

Banks operate through systems, models, forecasts and measurable indicators. Those tools are indispensable. Yet numbers always tell us what has happened. People usually



Stanbic Bank Botswana CEO Chose Modise argues that the country's next phase of growth will depend less on leaders having all the answers and more on building institutions that learn, adapt and innovate continuously.

tell us what is about to happen.

The entrepreneur walking into a branch with a business idea often reveals emerging sectors before economic reports do. The customer struggling with a digital process highlights weaknesses before operational dashboards identify them. Young graduates entering the workforce frequently understand technological shifts that executives have only begun discussing.

Leadership's responsibility is not merely to hear these voices. It is to build organisations where they meaningfully influence decisions.

That conviction shaped how we approached Stanbic Bank Botswana's Kgolo Strategy. It would have been entirely possible for a small group of executives to design the strategy behind closed doors before asking the rest of the organisation to execute it. Instead, we chose a more demanding path.

We asked our people what they had learned from Letsema. What should remain? What should disappear? What would the next decade require of us?

Those conversations did more than improve the strategy and ownership. People commit more deeply to futures they help create than to visions they are simply instructed to deliver. That lesson extends far beyond banking.

Botswana itself is entering a period where national transformation will depend less on central instruction and more on collective intelligence. Government alone cannot diversify the economy. Banks cannot create entrepreneurship without entrepreneurs. Businesses cannot innovate in isolation from universities, regulators and communities.

The economy that emerges over the next decade will increasingly reward collaboration over hierarchy. Listening therefore becomes an economic capability.

It allows institutions to recognise opportunities earlier. It enables innovation before disruption becomes unavoidable. It creates resilience because ideas originate

from many places rather than one office.

This may be the defining leadership challenge of our time. Artificial intelligence, for example, is often presented as a technological revolution. I believe it is equally a leadership revolution.

The organisations that succeed will not necessarily be those deploying the most advanced algorithms. They will be those asking the better questions. How does technology remove friction from a customers' life and improve it?

The same principle applies to organisational culture.

Leadership is not measured by how dependent people become on the chief executive. It is measured by how confidently they make decisions when the chief executive is absent.

One of the greatest satisfactions in my own career has been watching talented colleagues grow into leaders who no longer require permission to think boldly. They understand the purpose, values and the direction. From there, leadership becomes distributed rather than concentrated. That is how institutions outlive individuals. Perhaps this matters even more today because Botswana is navigating an important national conversation about growth.

Economic transformation is often discussed through policy frameworks, fiscal reforms, infrastructure projects and investment strategies. Those are necessary foundations. But transformation also depends upon leadership culture.

Countries become more competitive when their institutions become more curious. They become more innovative when leaders create space for disagreement rather than merely rewarding agreement.

They become more resilient when learning becomes continuous rather than episodic. In that sense, listening is not soft leadership but strategic leadership.

Looking back, I no longer believe the defining question for any leader is, Do I have the answer?

A more useful question is this: Have I created an environment where the best answer can emerge?

Because leadership, ultimately, is not the art of demonstrating intelligence, but the discipline of unlocking it in others. In Botswana's next economic chapter, that may prove to be the most valuable investment any institution can make.

Chose Modise.

Why Stanbic Bank bet on Botswana

How a Global Sporting Moment Became an Investment in a Nation's Future: World Athletic Relays



By The Banker's Conversation



THE NEXT CHAPTER OF BOTSWANA'S GROWTH WILL BE WRITTEN BY THE PEOPLE, INDUSTRIES AND IDEAS THAT INSPIRE CONFIDENCE AT HOME AND ABROAD.

The morning sun catches the glass façade of Stanbic Bank Botswana's headquarters in Fairgrounds, throwing reflections across a city quietly reinventing itself. Beyond the boardrooms and balance sheets, Gaborone is alive with ambitious young entrepreneurs and the steady rhythm of a country searching for its next economic chapter.

To most, it is simply another growing African capital. To Chief Executive Chose Modise, it is something else entirely. It is a nation in the middle of what Vice President and Minister of Finance Ndaba Gaolatlhe described in the previous edition as a profound "risk surgery" painfully shedding old certainties in order to build new possibilities.

Few leaders have navigated that transition quite like Modise. He has led Stanbic Bank Botswana through one of the country's most economically uncertain periods, bringing the successful Letsema Strategy to its conclusion while the diamond industry, the very foundation upon which Botswana



The World Athletics Relays transformed Gaborone into a global stage, showcasing Botswana's ability to host world-class events while generating economic activity across tourism, hospitality and small businesses.

Photo Credit World Athletics

built one of Africa's greatest development stories, faced its most significant structural slowdown in decades. Yet amid global uncertainty, Stanbic continued to strengthen its balance sheet, maintained robust profitability and accelerated a remarkable digital transformation, with customer adoption of digital banking rising from 42 percent to 89 percent. Those figures tell a story of institutional resilience, but Modise believes the more important story lies elsewhere.

"Growth becomes meaningful when people experience it in their own lives," he says.

It is a deceptively simple statement that has come to define Stanbic's next chapter. As the bank embarks on its new Kgolo Strategy, appropriately named after the Setswana word for "growth", its purpose extends beyond financing businesses or issuing mortgages. The ambition is larger: to help shape Botswana's future by investing in the people, industries and moments capable of changing how the country is seen, both by its own citizens and by the world.

No moment captured that ambition more vividly than the May 2026 World Athletics Relays, hosted in Gaborone.

For three extraordinary days, Botswana became the centre of the global athletics universe.

From every corner of the world they came. Olympic champions, world champions, continental record holders and the fastest relay teams on the planet converged on the National Stadium, transforming Gaborone into a stage watched by millions. South Africa's sprint powerhouse, Kenya's middle-distance royalty, Jamaica's sprint tradition, Great Britain's relay specialists, the United States, Canada, Nigeria, Germany, Japan and dozens more marched beneath their national colours.

Alongside them stood Botswana's own generation of track sporting heroes, Olympic champions Letsile Tebogo, Bayapo Ndori, Busang Kebinatshipi, Collen Kebinatshipi and the national relay squads that have rewritten the country's athletics history and inspired a new generation to believe that global excellence can emerge from a nation of barely 2.5 million people.

For Botswana, the event was never simply about medals, it was about image and crafting a new heritage of confidence.

Every drone shot over the city, every television broadcast into millions of homes, every journalist filing stories from Gaborone became part of something much larger than sport. Countries spend billions trying to persuade investors, tourists and international businesses that they are stable, capable and ready for opportunity. Botswana was suddenly able to demonstrate those qualities organically. The world witnessed modern infrastructure, efficient organisation, welcoming hospitality and a confident nation capable of delivering one of athletics' premier global competitions.

That kind of exposure cannot easily be

purchased, it must be earned. Modise and his team at Stanbic understood this long before the opening ceremony.

Its decision to stand alongside government, World Athletics, Debswana and other strategic partners was not simply another corporate sponsorship. It was an investment in national confidence. It recognised that major sporting events are increasingly forms of economic diplomacy, vehicles through which countries export not minerals or manufactured goods, but reputation itself.

Every international visitor checking into a local hotel, every taxi transporting athletes between venues, every restaurant serving visiting delegations, every craft market visited by supporters and every small business benefiting from increased foot traffic became part of an economic ecosystem extending well beyond the finish line.

This is what Modise means when he says growth must be experienced.

For the hotel receptionist welcoming guests from Tokyo, and the photographer documenting history. For the food vendor whose busiest weekend of the year came because thousands of visitors arrived in the capital. For young volunteers who suddenly found themselves interacting with Olympic champions they had previously only watched on television. Their participation formed part of Botswana's export story just as much as any investment conference or diplomatic mission.

Stanbic's support of Botswana's sporting ambitions is hardly new. For years the bank has consistently invested in platforms that develop talent, unite communities and strengthen national identity. Its partnership with the Stanbic Bank Gaborone Golf Club has introduced young people to opportunities that extend far beyond sport, using golf as a pathway for discipline, mentorship and international exposure. Through the Stanbic Music and Lifestyle Festival, it has championed Botswana's creative economy, recognising culture as an equally important contributor to national development. Entrepreneurial incubators, youth empowerment initiatives and financial literacy programmes have followed the same philosophy: invest early in potential, and society benefits later.

The World Relays therefore represented not a departure from Stanbic's strategy, but its natural evolution.

The bank was not simply sponsoring athletes, it was investing in Botswana's story.

It was backing the belief that when Letsile Tebogo explodes from the final bend ahead of the world's fastest sprinters, when Collen Kebinatshipi anchors another memorable relay and a 400m dash, when thousands of international visitors leave Botswana surprised by what they discovered, the country's brand appreciates in value. Confidence and curiosity grows, and that's when investment conversations begin.

The economic return of sport is rarely confined to ticket sales or hotel occupancy. Its greatest dividend lies in perception. Countries compete not only for capital but for attention. Those capable of projecting competence, stability, excellence and ambition often find themselves attracting opportunities long after the closing ceremony has ended. Botswana's successful hosting of the World Athletics Relays demonstrated exactly that. For Stanbic, this is where banking meets nation-building.

The bank's purpose, "Botswana is our home, we drive her growth" finds its fullest expression not inside a branch, but in moments where national confidence expands. Financing entrepreneurs, supporting SMEs, investing in digital innovation and standing behind global sporting events all become connected chapters of the same story.

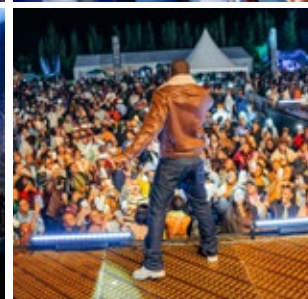
Because ultimately, nations grow in much the same way people do, someone must believe in them before the rest of the world does.



From its headquarters in Fairgrounds, Stanbic Bank has positioned itself as a strategic partner in Botswana's economic transformation, supporting businesses, entrepreneurs and national development initiatives.



Every major international event creates a ripple effect across the local economy. From accommodation providers and transport operators to restaurants, retailers, photographers, event suppliers and food vendors, thousands of small businesses benefit from the increased flow of visitors and spending. The economic impact extends well beyond the stadium, generating income, creating temporary employment and introducing local enterprises to new markets and customers.



Stanbic's investments in sport, music and youth development reflect a broader philosophy that sustainable economic growth begins with people. By nurturing talent, supporting creativity and expanding opportunities for young Botswana, the bank is helping strengthen the social capital, leadership capacity and entrepreneurial spirit that underpin long-term national prosperity.



Stanbic Bank
Private

LIVE A WEALTHIER LIFE

YOU DEFINE WHAT
LIVING WEALTHY MEANS.
WE ARE **COMMITTED** TO
HELPING YOU ACHIEVE IT.
THAT IS OUR **PROMISE.**

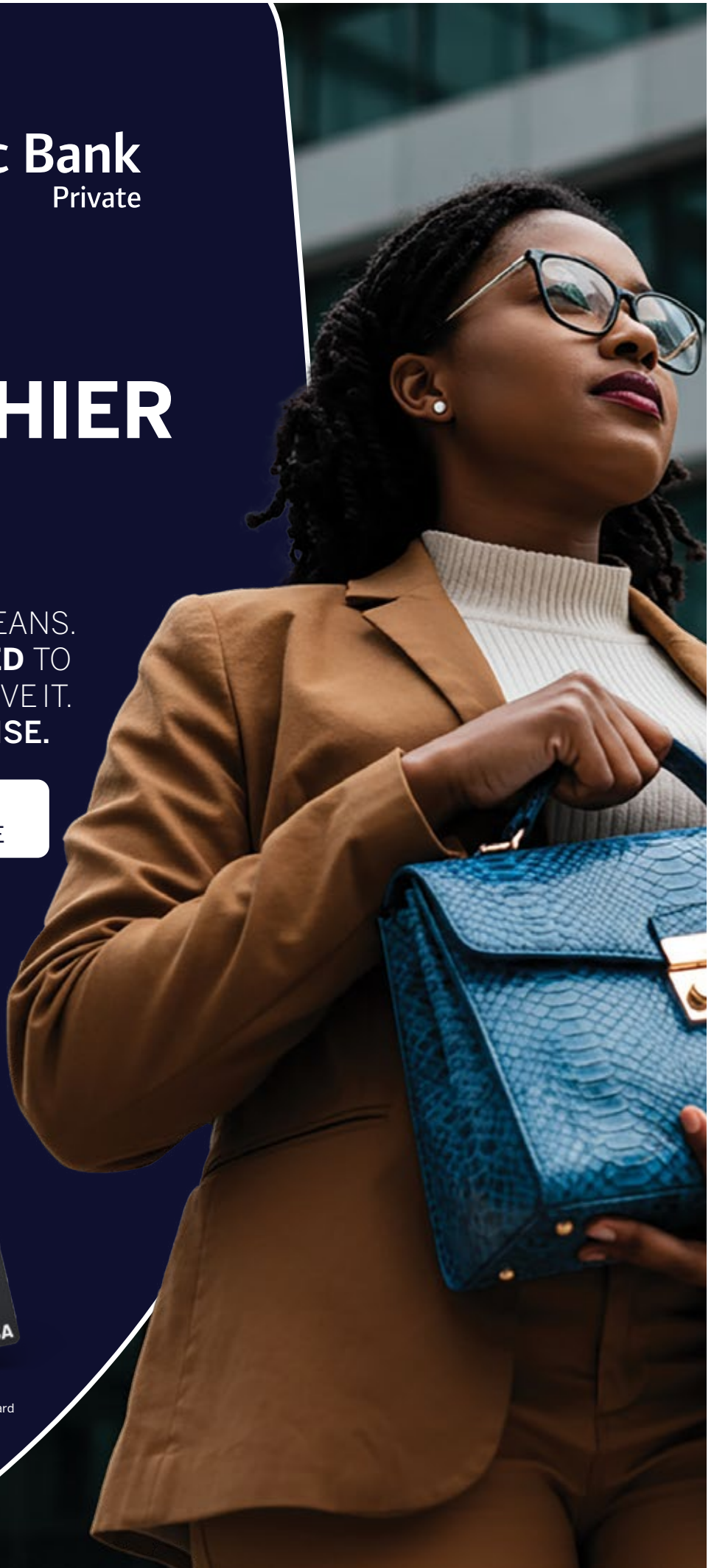
LIVE WEALTHIER WITH
STANBIC BANK PRIVATE



SCAN TO
LEARN MORE



Stanbic Bank Botswana is a member of The Standard Bank Group, an authorised financial services and registered credit provider. Member of the Deposit Insurance Scheme of Botswana.

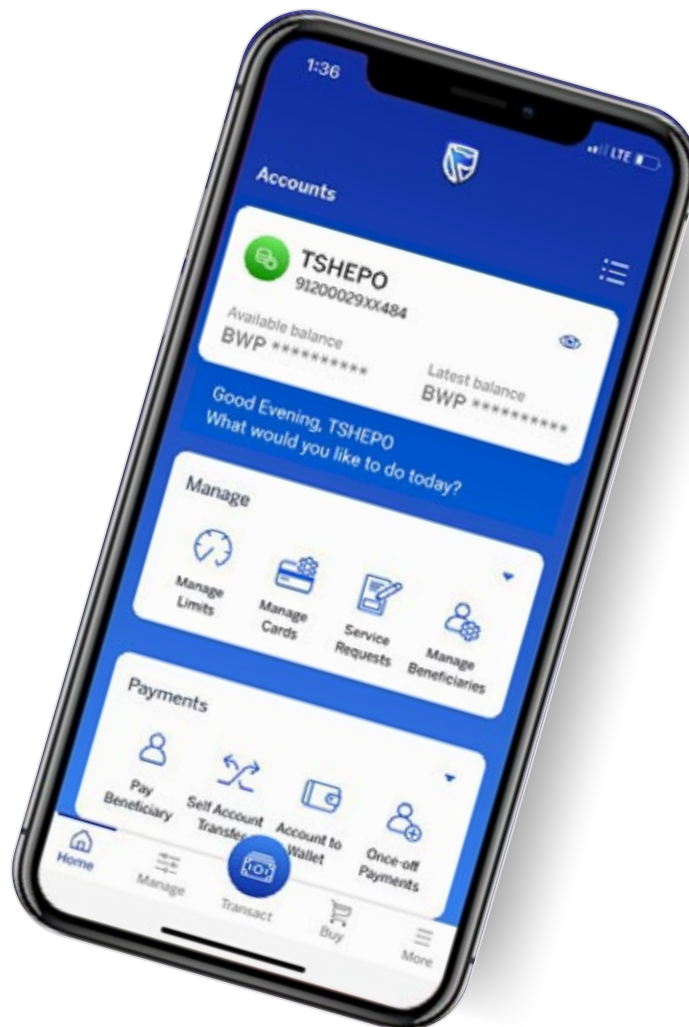


The Age of Invisible Banking Has Arrived

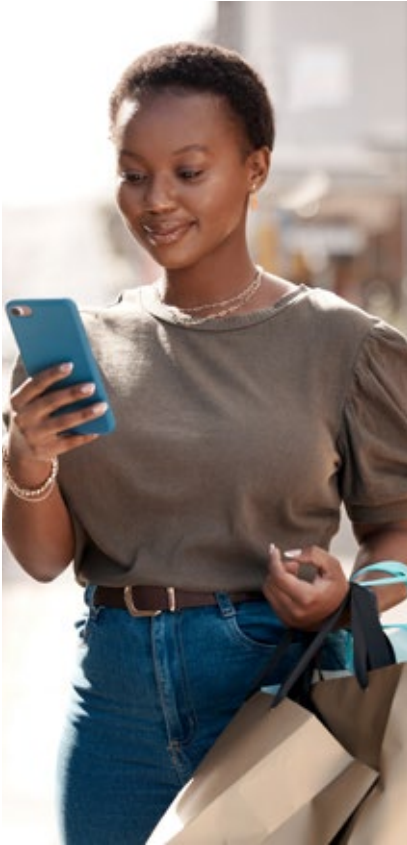
How Stanbic Bank Botswana is Making Banking Disappear, so Customers Can Focus on Living



By The Banker's Conversation



THE GREATEST INNOVATION MAY NOT BE
ARTIFICIAL INTELLIGENCE AT ALL. IT MAY SIMPLY
BE MAKING BANKING FEEL EFFORTLESS WHILE
REMAINING DEEPLY HUMAN.



Whether it is a farmer making a payment without leaving the field, a small business owner managing cash flow while travelling, or a young professional opening an account from the comfort of home, the objective is the same, to remove unnecessary friction and make financial services available wherever customers are.

This philosophy is reflected in Stanbic's growing digital ecosystem.

Platforms such as Shyft and Digital Self-Onboarding are redefining accessibility. Shyft allows customers to manage foreign currency, invest offshore and transact seamlessly across multiple currencies, while Digital Self-Onboarding enables eligible customers to open accounts remotely, eliminating the need to visit a branch. The technology itself is almost secondary.

"The most successful innovations are often the ones customers barely notice," says Modise. "They simply make life easier while preserving the human connection that builds lasting trust."

That may be the defining characteristic of invisible banking. Success is measured not by how sophisticated the technology becomes, but by how naturally it fades into the background of everyday life.

Kgolo: The Next Evolution of Growth

The launch of the 2026–2028 Kgolo Strategy marks the next phase of Stanbic's transformation. Named after the Setswana word for growth, Kgolo builds on the digital foundations established under Letsema while shifting the focus towards deeper customer relationships, operational excellence and sustainable value creation.

Rather than viewing digital transformation as an end in itself, the strategy seeks to use technology more intelligently to understand customers, anticipate their needs and deliver solutions that feel personal rather than transactional.

Data, behavioural insights and smarter decision-making are increasingly helping the bank respond proactively to customer needs, creating experiences that are more relevant, intuitive and responsive.

Behind the scenes, Robotic Process Automation (RPA) is streamlining routine administrative processes, allowing employees to spend less time on repetitive tasks and more time where they add the greatest value, building relationships, solving problems and providing trusted advice.

As Modise puts it, "Technology should feel less like technology and more like progress."

Why Trust Remains the Ultimate Currency

Artificial intelligence may be changing how banks operate, but Stanbic believes one principle remains constant. Trust.

In an increasingly digital world, trust has become the most valuable asset any financial institution can possess.

While artificial intelligence and advanced analytics strengthen fraud detection, cybersecurity monitoring and operational efficiency, the bank maintains that technology must never replace accountability. Instead, AI serves as a tool to support better decisions while keeping human judgement firmly at the centre of customer outcomes.

Customers deserve to understand how their information is used, how decisions are made and how their privacy is protected. Equally important, they need to know that when life's biggest financial decisions arise, buying a home, growing a business or planning for retirement, there will always be a trusted adviser ready to guide them.

"Innovation succeeds not when it impresses people," says Modise, "but when it quietly improves their daily lives."

It is a philosophy that places responsible innovation ahead of innovation for its own sake.

Building More Than a Digital Bank

Stanbic's digital journey is ultimately about far more than technology.

By aligning its strategy with Vision 2036 and the Botswana Economic Transformation Programme (BETP), the bank is using its financial strength, digital capabilities and partnerships to contribute to Botswana's broader economic ambitions.

Whether supporting strategic infrastructure, financing sustainable development, or investing in initiatives such as the Blue Roots programme, the objective remains consistent: creating long-term value for customers, communities and the nation.

For Modise, the measure of success will never be defined solely by products, platforms or profits.

"Years from now," he reflects, "I hope people remember us less for the products we offered and more for the confidence we gave them to take that next step." That may be the defining promise of invisible banking.

Not a bank that disappears, but one that becomes so seamlessly woven into people's lives that customers spend less time thinking about banking, and more time pursuing their ambitions.

In the end, the greatest innovation may not be artificial intelligence or digital platforms at all. It may simply be making banking feel effortless while remaining deeply human.

For generations, banking was a destination. It was a place of marble floors, long queues, paper forms and counters that separated customers from the institution serving them. Banking required people to adjust their lives around the bank... that era is quietly coming to an end.

As Stanbic Bank Botswana closes the successful Letsema Strategy and embarks on its new Kgolo Strategy, the bank is embracing a new philosophy, one where banking becomes almost invisible. Financial services are no longer defined by where customers go, but by how effortlessly banking integrates into their everyday lives.

"Artificial intelligence will undoubtedly reshape banking, but I do not think customers will remember the technology itself," says Chose Modise, Chief Executive of Stanbic Bank Botswana. "They will remember how much easier it made their lives."

Under Modise's leadership, Stanbic has accelerated one of the country's most significant digital transformations, with customer digital adoption rising from 42% to 89% in just two years. While impressive, the statistic tells only part of the story. The real transformation lies in changing the relationship between customers and their bank.

Designing Banking Around People's Lives

Invisible banking begins with a simple idea: banking should fit around people's lives, not the other way around.

Building Botswana's Next Economy

The 2026 BURS Tax Pitso showed that taxation is no longer simply about revenue collection it is about financing Botswana's future.



By The Banker's Conversation



GOVERNMENT IS NO LONGER ASKING ONLY HOW MUCH TAX CAN BE COLLECTED, BUT HOW TAXATION CAN ENABLE SUSTAINABLE ECONOMIC GROWTH.



Vice President and Minister of Finance, Ndaba Nkosinathi Gaolathe (left), with the acting commissioner general of BURS Phodiso Valashia, during the 2026 BURS Tax Pitso in Gaborone. The annual forum brought together government, business leaders and tax professionals to discuss the role of taxation in driving Botswana's long-term economic transformation.

Photo Credit Botswana Government Communications and Information Services

There was a noticeable shift in tone as delegates settled into the 2026 BURS Tax Pitso. Conversations that might once have revolved around filing deadlines, tax audits and legislative amendments quickly gave way to something much broader. The room was no longer talking about tax in isolation. It was talking about Botswana's future.

From policymakers and tax practitioners to finance executives, entrepreneurs and development partners, the message was remarkably consistent: Botswana's fiscal future will depend as much on the efficiency of its tax system as it once depended on diamonds. Held under the theme "Shaping Botswana's Future Tax System: Dialogue for Fair and Sustainable Tax Reform," this year's Tax Pitso came at a defining moment. Government is pursuing economic diversification while navigating slower mineral revenues, growing public expenditure and increasing demands on public services. Against that backdrop, the annual gathering has evolved into more than a technical conference. It has become a forum where fiscal policy meets economic strategy.

Opening the proceedings, Acting President and Minister of Finance Ndaba Nkosinathi Gaolathe challenged delegates to view taxation as an instrument for national development rather than merely a mechanism for raising revenue. His remarks reflected a broader policy direction—one that seeks to build a tax system capable of supporting investment, encouraging voluntary compliance and financing Botswana's long-term ambitions.

The message resonated throughout the day's discussions.

"We have to move from collecting taxes to building a tax ecosystem that supports growth," remarked one delegate during a panel discussion, capturing the mood that would define much of the event.

The pressure to do more with less

Botswana's fiscal landscape is changing.

As revenues from the diamond sector become increasingly volatile, the pressure on domestic revenue collection continues to grow. During presentations at the Pitso, Botswana Unified Revenue Service (BURS) outlined its mandate to collect more than P66 billion during the 2026/27 financial year—a figure that reflects government's increasing reliance on efficient tax administration to fund national priorities.

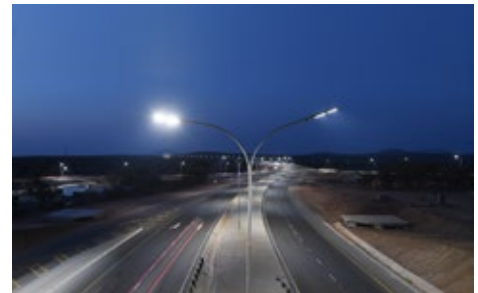
Those targets, widely reported by Mmegi following the national budget presentation, are not simply about balancing the books. They represent government's broader effort to finance infrastructure, healthcare, education and economic transformation through a more resilient and diversified revenue base.

For many participants, the discussion was less about imposing new taxes than improving the performance of those already in place.

The revenue Botswana is leaving behind

One statistic surfaced repeatedly throughout the conference corridors and formal presentations alike.

Botswana's VAT compliance gap. According to figures shared by BURS and later reported by Mmegi, nearly 40 percent



Efficient tax administration provides government with the resources needed to invest in infrastructure, healthcare, education and economic transformation. Beyond revenue collection, a well-functioning tax system strengthens national development by ensuring that public funds are mobilised effectively and directed towards projects that improve livelihoods, support businesses and build a more resilient economy.

Photo Credit Botswana Government Communications and Information Services



Delegates from government, the private sector, professional services and the wider business community engage in discussions during the 2026 BURS Tax Pitso. The annual forum has evolved beyond tax compliance into a platform for shaping Botswana's fiscal policy, economic resilience and long-term growth strategy.

of potential VAT revenue is currently lost through under-declaration, non-compliance and weaknesses within the tax system.

The figure prompted lively discussion among delegates.

For tax practitioners, it highlighted opportunities to modernise compliance through technology. For business leaders, it reinforced the importance of stronger financial governance. And for policymakers, it underscored a reality that cannot be ignored: improving tax administration may deliver greater returns than introducing additional taxes.

Closing that gap, several speakers observed, could unlock billions of pula for national development without placing further pressure on compliant taxpayers.

A tax system for a digital economy
If one subject generated sustained debate throughout the Pitso, it was the taxation of digital services.

Streaming platforms, cloud computing, online advertising and subscription-based software have fundamentally altered the way commerce takes place. Yet tax systems around the world have often struggled to keep pace.

Botswana has now joined a growing list of jurisdictions seeking to address that imbalance.

BURS officials used the forum to explain the implementation of VAT on remote digital services supplied by foreign providers to Botswana consumers. The reform, introduced earlier this year, is expected to broaden the

country's tax base while creating a more level playing field for local businesses.

Reporting by Mmegi indicates that the measure could contribute approximately P450 million annually once fully implemented.

Beyond the revenue projections, however, delegates recognised the reform as part of a much larger story.

As global commerce becomes increasingly digital, Botswana's tax administration must evolve with it.

The conversation extended beyond compliance to questions of fairness, international competitiveness and the country's readiness to participate in a rapidly changing global economy.



BURS Director, Technical Services in Domestic Taxes Division, Ms. Segametse Radibe-Michael, addresses delegates at the 2026 Tax Pitso, where discussions focused on modernising Botswana's tax administration, improving compliance and preparing the country's fiscal framework for an increasingly digital economy.

One of the more striking observations during the Pitso was how little the conversation centred on enforcement.

Instead, speaker after speaker returned to the importance of collaboration.

Digital filing systems, taxpayer education, simplified compliance processes and ongoing engagement with business were repeatedly identified as critical to improving voluntary compliance.

The approach mirrors international best practice. Recent analysis by KPMG and PwC Botswana notes that Botswana's proposed tax administration reforms place considerable emphasis on modernising tax processes, improving administrative efficiency and strengthening relationships between taxpayers and the revenue authority.

For corporate Botswana, the implications are significant.

Tax compliance is increasingly viewed not simply as a statutory obligation but as an indicator of sound governance. Investors, lenders and international partners are paying closer attention to how organisations manage tax risk, particularly as environmental, social and governance (ESG) considerations continue to influence investment decisions.

Beyond Tax Pitso

As delegates filtered out of the conference venue, many conversations continued in the corridors long after the final presentations had ended.

That, perhaps, is the clearest indication of how the Tax Pitso has evolved.

It is no longer simply an annual engagement between BURS and taxpayers. It has become one of the country's most important platforms for discussing economic resilience, fiscal sustainability and the role of taxation in national development.

Botswana's ambition to build a more diversified, knowledge-driven economy will require sustained investment in infrastructure, digital transformation, education and innovation. Financing that future will depend on a tax system that is efficient, trusted and capable of adapting to an increasingly complex global economy.

The discussions at the 2026 BURS Tax Pitso made one thing abundantly clear.

The conversation is no longer about paying tax.

It is about building the fiscal foundations of Botswana's next economy.



Value Added Tax (Amendment) Act

The public is informed that the Value Added Tax (Amendment) Act No. 16 of 2025 commenced on the **1st June 2026**

Registration of non-resident suppliers of remote services commenced on the 1st June 2026.

Charging of VAT by non-resident suppliers of remote services commences on the 1st October 2026.

Government Entities and Large Unregistered Persons (those with a total annual turnover of P1 000 000.00) will commence registration from the 1st August 2026.

Category	Tax period	Return due date
A	Aug/Sep	28th October 2026
B	Sep/Oct	28th November 2026
C	August	28th September 2026

Supplies imported before transition into the new reporting requirements will continue to be reported through Declaration of Value Added Tax due on Imported Service (**Form VAT.017.1**).

The implementation of VAT on the supply of inbound tourism products will be communicated

[#CollectingForProgress#VATonRemoteServices](#)

TOLL FREE NUMBER: 0800 900 900

 Botswana Unified Revenue Service |  @officialBURS |  Botswana Unified Revenue Service
 www.burs.org.bw |  Private Bag 0013, Gaborone, Botswana

New Deputy Governor

Dr. Agnes Khunwana's Full-Circle Return to the Bank of Botswana



By The Banker's Conversation



On June 1, 2026, Dr. Agnes Tsholofelo Khunwana walked back through the doors of the Bank of Botswana, marking a significant “homecoming” to the institution where her professional journey began over three decades ago. Appointed by President Advocate Duma Gideon Boko for a five-year term, Dr. Khunwana assumes the role of Deputy Governor at a pivotal moment for the nation's economy.

Her story is one of a “full circle” career path. Dr. Khunwana first joined the Bank in 1993, cutting her teeth in the banking supervision function where she focused on regulatory compliance and safeguarding financial stability. After leaving the Bank in 2000, she embarked on a distinguished 30-year leadership journey that saw her navigate some of the most complex sectors in the region, including aviation, energy, and mining. Her resume reads like a masterclass in executive leadership: she has served as the General Manager of Air Botswana, held senior roles at Shell/Vivo Energy Botswana, and was most recently on the Board of Stanbic Bank Botswana.

She returns to the central bank not just as a seasoned banker, but as an accomplished executive who has led major organisational turnarounds and strategic restructurings across the continent. With an Executive Doctorate in Business Administration focused on business turnarounds and long-term sustainability, she brings a unique blend of academic rigour and practical “battle-tested” experience to the Bank's leadership team.

The challenges awaiting her are substantial. According to the latest Financial Stability Report, while Botswana's financial system remains broadly stable, it is currently navigating a “fragile equilibrium”. Dr. Khunwana steps into her role as systemic risk pressures remain elevated, driven by a prolonged downturn in the diamond market, tight liquidity conditions, and “pessimistic” sentiment among domestic firms. Recent reports indicate that limited government spending and unfavorable exchange rates have created a cautious business environment, with firms expecting higher

cost pressures in the coming months.

As a member of the Bank's leadership, Dr. Khunwana will be central to the Financial Stability Council's efforts to mitigate these risks and preserve the resilience of the domestic financial system. Her extensive experience on boards such as NBFIRA, where she chaired the Finance, Risk, and Audit committees, will be invaluable as the Bank seeks to deepen its macroprudential oversight and manage the “sovereign-bank nexus” that currently weighs on the macro-financial environment.

The Bank of Botswana Board, Management, and Staff have warmly welcomed her return, expressing confidence that her international and regional experience will be a catalyst for achieving the Bank's mandate of price and financial stability. For Dr. Khunwana, this appointment is more than just a high-level promotion; it is an opportunity to use her decades of diverse expertise to serve the institution that first gave her a start in the world of finance.



The Trillion-Pula Ledger

Can a Stock Market Save the Botswana Dream?



By The Banker's Conversation

Botswana into a high-income, inclusive economy by 2030.

A Tale of Two Markets

The P1 trillion milestone is a massive number, roughly 2.5 times the nation's GDP. Yet, as with many things in finance, the headline masks a deeper complexity. The surge was driven primarily by a 42.2% price appreciation in Anglo American plc, a global resource giant that now accounts for approximately 89.1% of the BSE's total equity market cap.

This concentration highlights what analysts call a "dual market structure." On one side is the Foreign Main Board, dominated by international behemoths; on the other is the Domestic Main Board, home to the local banks, retailers, and property firms that form the backbone of the Botswana economy.

BSE Chairperson Neo Mooki sees this not

as an imbalance, but as a catalyst. In a statement accompanying the trillion-pula milestone, Mooki described the achievement as "a powerful signal of what Botswana can achieve," noting that a deeper market will "improve price discovery and mobilize capital more efficiently".

However, the domestic board has historically struggled with a "liquidity crunch". This is largely due to the dominance of institutional "captive capital" over P158 billion in pension fund assets. These funds, legally mandated to invest a portion of their wealth domestically, often adopt a "buy-and-hold" strategy, leaving retail investors with a thin "free float" of available shares.

The June 16 record of P1.45 billion in turnover suggests the dam is finally breaking.

BSE Chief Executive Officer, Aobakwe Aupa Monyatsi, hailed the record turnover as a sign of the market's evolving strength. "The

record turnover reflects the increasing maturity and strength of Botswana's capital market," Monyatsi stated, adding that "higher liquidity improves investor confidence and supports companies seeking capital for growth".

The Human Ledger: Pensioners and Small Seeds

Behind the ticker symbols and the billion-pula trades lies a human-centered purpose. The BSE is the steward of the nation's "nest egg". When the Domestic Company Total Return Index (DCTRI) appreciated by 18.4% in 2022, it wasn't just a win for the brokers; it was a win for the thousands of teachers, nurses, and civil servants whose retirement security is tied to the performance of these local counters.

The market also serves as a barometer for the nation's real-world struggles and triumphs. Consider Seed Co International



Under the leadership of Chairperson Neo Mooki, the exchange has continued to promote deeper capital markets, improved liquidity and broader participation as part of Botswana's economic transformation agenda.

Photo Credit Botswana Government Communications and Information Services



For decades, Botswana's economic success story was closely tied to the strength of its diamond industry, with revenues from mines such as Jwaneng and Orapa funding national development, infrastructure expansion and social investment. However, as global diamond markets face increasing uncertainty and the country pursues a more diversified economic model, capital markets are emerging as a critical complement to mineral wealth. Through the Botswana Stock Exchange, businesses can access long-term capital, investors can participate in wealth creation, and new sectors can secure funding to drive innovation, entrepreneurship and sustainable growth.

Photo Credit Brimco

In the gleaming corridors of the Fairscape Precinct in Gaborone, the air usually carries the hushed, professional reserve of a nation built on the steady, predictable glitter of diamonds. But in May and June of 2026, the quiet was replaced by the digital roar of a frontier economy outgrowing its old skin.

On May 11, the Botswana Stock Exchange (BSE) did something it had never done in its 37-year history: it breached the P1 trillion mark in total market capitalization. Just weeks later, on June 16, the exchange recorded a staggering P1.45 billion in a single day's turnover, the highest liquidity event the bourse has ever seen.

To the casual observer, these are merely high-altitude financial statistics. To the Republic of Botswana, they represent an existential pivot. For decades, this "Upper Middle Income" success story has been tethered to the diamond pits of Jwaneng and Orapa. But as global demand fluctuates and the nation faces a technical recession, with diamond revenues plunging by over 50% in late 2024, the stock market is being asked to do more than trade shares. It is being asked to facilitate the "10x Strategy," a transformative roadmap designed to propel

Limited, a listed member often referred to as "The African Seed Company". In a trading update issued on June 19, 2026, Seed Co projected a massive increase in basic earnings per share of 120% to 140%. This growth isn't just about corporate profit; it reflects Seed Co's expansion in regional agricultural markets, a vital component of food security in a climate-uncertain Southern Africa.

In contrast, the Botswana Telecommunications Corporation (BTC) recently issued a profit warning, projecting a 42% to 48% decline in profit before tax for the 2026 financial year. For the "man in the street" who holds BTC shares thousands of whom participated in its landmark 2016 privatization, this volatility is a reminder that the transition to a digital economy is a marathon, not a sprint.



As sustainable finance gains momentum, the Botswana Stock Exchange is supporting investment into renewable energy and infrastructure projects that align economic growth with environmental responsibility.

Photo Credit Reuters

The listing of the Vunani Global Equity Actively Managed ETF in late 2025 further expanded this horizon, offering a single local entry point into global giants like Nvidia, Microsoft, and Amazon.

A Green and Digital Horizon

The BSE is also positioning itself as a leader in the "Green Revolution." From joining the Net Zero Financial Service Providers Alliance to facilitating construction on the 100 MW Tati Solar Project, the exchange is increasingly a vehicle for sustainable utility infrastructure. This shift creates a new landscape of opportunity for a "young agile team" of professionals skilled in ESG (Environmental, Social, and Governance) reporting, fintech, and data analytics.

The exchange's modernization isn't just about solar panels; it's about the very plumbing of finance. The transition to a new Automated Trading System (ATS) and the Central Securities Depository (CSD) has allowed for electronic trading of bonds and digital onboarding for retail investors. This technological leap is designed to ensure that the "man in the street" historically crowded out by institutional giants, can finally claim a seat at the table.

The Botswana Stock Exchange has evolved from a fledgling share market in 1989 into a trillion-pula regional powerhouse. But the true measure of its success will not be the total market cap or the record-breaking turnover of a single Tuesday in June. It will be the number of Botswana businesses that scale through the Tshipidi board, the number of young families who preserve their wealth through global ETFs, and the stability of the pension funds that will support the next generation.

The BSE is no longer just a place where money changes hands; it is the engine-room of Botswana's post-diamond future. As the 10x Strategy gains momentum, the exchange stands as a testament to what a small, determined nation can achieve when it matches its abundant capital with a world-class vision for inclusion and innovation. The ledger is open, and for the first time, the opportunities are as vast as the market itself.

Democratizing the Bourse

For a stock exchange to truly transform a nation, it must be accessible to the youth, a demographic currently facing a high unemployment rate. The BSE's strategic pillar, "A Force for Good," aims at the "democratization of wealth."

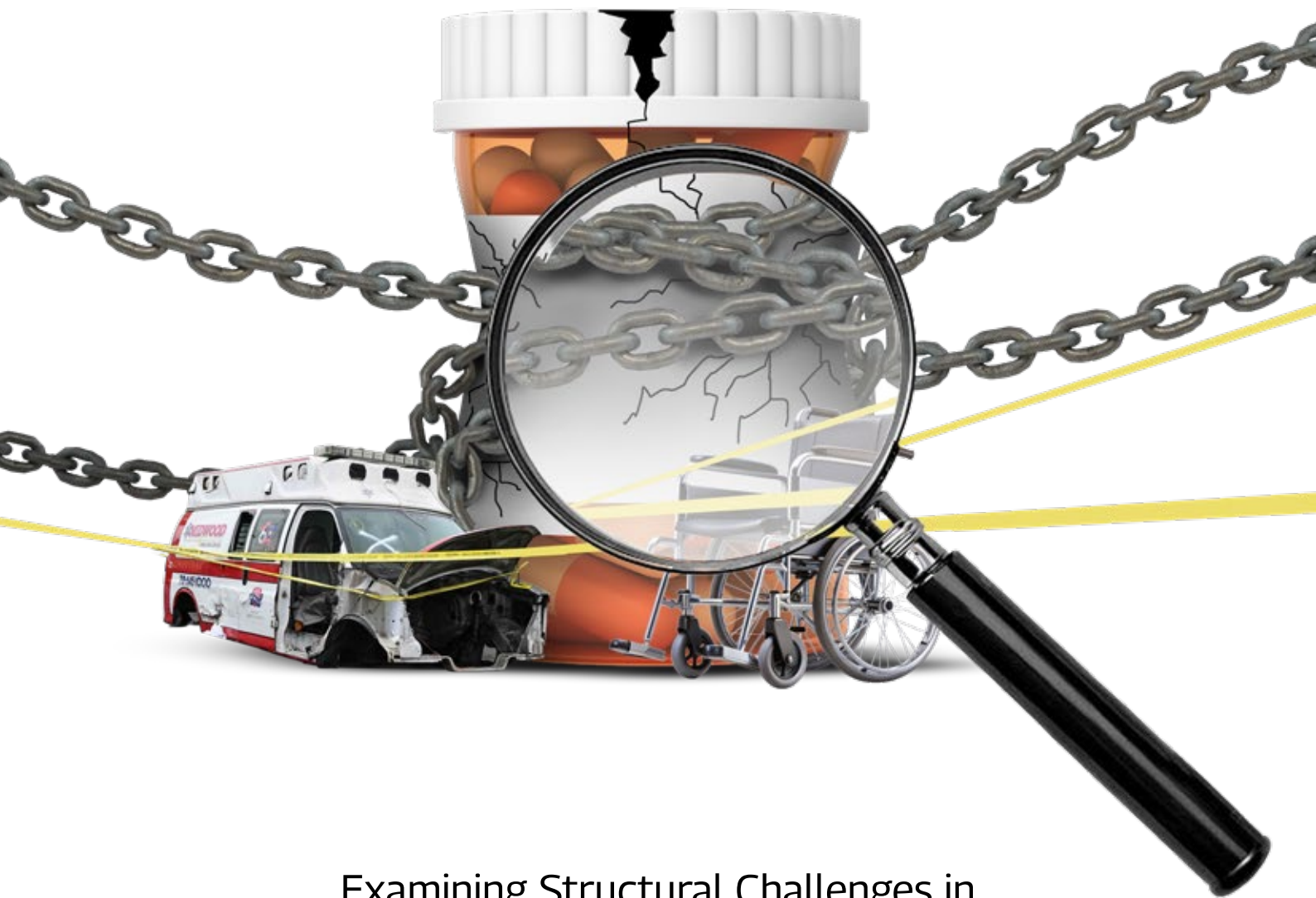
One of the most promising avenues for young Botswana is the Tshipidi SME Board. Designed specifically for small and medium enterprises, Tshipidi offers less-stringent listing requirements, allowing growth-stage companies to bypass traditional bank loans and raise equity capital directly from the public. The Tshipidi Mentorship Program and the newly launched Accelerator Programme (TAP) provide the "green light" for young entrepreneurs to prepare their businesses for the rigors of a public listing.

Furthermore, the introduction of Exchange Traded Funds (ETFs) has lowered the barrier to entry for the novice investor. Instruments like the NewGold, NewPlat, and NewPall ETFs allow Botswana to own physical precious metals as a hedge against inflation, which spiked to 10.7% in May 2026, without the need for massive capital.

The Billion-Pula Bottleneck



By The Banker's Conversation



Examining Structural Challenges in
Botswana's Health Supply Chain



Botswana's medicine shortage has evolved into a national conversation on procurement reform, pharmaceutical distribution and healthcare resilience, driven in large part by the interventions of President Duma Boko and Stephen Modise, whose calls for greater procurement efficiency, improved medicine security and long-term structural reform have placed the country's pharmaceutical supply chain under unprecedented public scrutiny.

Photo Credit Daily News

In the corridors of Botswana's public hospitals, the medicine shortage crisis did not emerge overnight. It developed gradually through a combination of procurement challenges, supply chain disruptions, administrative constraints, and market dynamics that have accumulated over several years. By August 2025, when President Duma Boko declared a State of Public Health Emergency, government officials reported that the availability of essential medicines in public health facilities had fallen to critically low levels.

For healthcare workers across the country, the shortages translated into difficult clinical decisions. Doctors and nurses were forced to find alternatives where standard treatments were unavailable, while patients experienced delays in accessing medicines for both chronic and acute conditions. At the same time, policymakers, economists, and procurement specialists began asking difficult questions about whether the structure of Botswana's pharmaceutical supply chain was sufficiently resilient to serve the public interest.

The Exclusivity Question

At the centre of the debate is Botswana's reliance on imported medicines. The country has limited domestic pharmaceutical

manufacturing capacity and therefore depends heavily on regional and international supply networks to meet healthcare needs.

Within this framework, Exclusive Distribution Agreements (EDAs) have become an increasingly discussed feature of the market. Such agreements are common throughout the global pharmaceutical industry and are not unique to Botswana. Manufacturers frequently appoint specific distributors to represent their products within defined territories, allowing them to manage regulatory compliance, logistics, and market access.

However, some procurement experts argue that these arrangements can reduce sourcing flexibility when governments face urgent supply shortages. Where exclusive rights exist, public buyers may be unable to source directly from manufacturers even when alternative procurement channels appear available.

The challenge is often compounded by regional market structures. Many pharmaceutical manufacturers treat Southern Africa as a single commercial region, appointing regional distributors headquartered outside Botswana. As a result, medicines may pass through several commercial layers before reaching public health facilities.

Government officials and supply chain analysts have argued that these arrangements can increase procurement costs and reduce the state's bargaining power, particularly during periods of supply stress.

Procurement Costs Under Scrutiny

The public debate has intensified around the cost of medicines and medical commodities purchased through the health system.

Botswana spends approximately P1.1 billion annually on medicines and medical supplies. Recent discussions within government have



During the State of Public Health Emergency, Botswana mobilised a whole-of-government response to accelerate the distribution of essential medicines. The BotswanaPost, Botswana Defence Force and other disciplined forces were enlisted to transport medicines and medical supplies across the country, strengthening logistics and helping ensure healthcare facilities received urgently needed stock more efficiently.

Photo Credit Daily News

focused on whether existing procurement arrangements deliver sufficient value for money and whether alternative sourcing models could reduce costs.

President Duma Boko and other government officials have publicly raised concerns about significant price differences between products sourced through traditional channels and those obtained through direct international procurement.

One frequently cited example emerged during emergency procurement exercises conducted during the public health crisis. According to government accounts, estimates obtained through existing procurement channels differed substantially from prices secured through direct sourcing initiatives. Officials have pointed to these differences as evidence that procurement reforms deserve closer examination.

While individual pricing variations require product-by-product verification, the comparisons have become a central reference point in discussions about procurement efficiency, market



Faced with dwindling stocks of essential medicines, hospital pharmacists were required to make difficult decisions about allocating limited supplies while ensuring continuity of care for patients across Botswana's public healthcare system. As shortages intensified, government supplemented existing procurement channels with emergency consignments, including donated medicines and medical supplies from countries such as Zambia and pharmaceuticals purchased directly from the United States, providing temporary relief as efforts to stabilise the national supply chain gathered pace.

Photo Credit Daily News



The designation of Sir Ketumile Masire Teaching Hospital as a public hospital marked a significant step in Botswana's response to the healthcare crisis. The decision expanded government capacity to deliver specialised medical services, increased access to hospital infrastructure and healthcare professionals, and strengthened the national health system's ability to respond to growing demand for essential care.

Photo Credit Ministry of Transport and Infrastructure - Botswana

concentration, and healthcare affordability.

Market Concentration and Future Competition

The structure of Botswana's pharmaceutical market is also attracting growing attention from economists and competition specialists.

In May 2026, the Competition and Consumer Authority approved a transaction allowing the healthcare group CFAO Healthcare to acquire a controlling interest in Medswana.

The Authority concluded that the transaction was unlikely to substantially lessen competition under applicable competition laws. Nevertheless, some economists and market observers have suggested that increasing vertical integration within pharmaceutical supply chains warrants continued monitoring.

Their concern is not necessarily that competition has been eliminated, but that greater integration between international suppliers and local distributors could influence future market dynamics. Such questions are likely to become increasingly important as Botswana evaluates reforms aimed at strengthening medicine security and reducing supply vulnerabilities.

The Corporate Responsibility Debate

The medicine shortages have also prompted wider discussion about the role of the private sector during national emergencies. Several companies operating within Botswana's healthcare sector contributed

equipment, supplies, and other forms of assistance during periods of acute shortage. These efforts were welcomed by health authorities and communities alike.

At the same time, civil society groups and some commentators have argued that there may be opportunities for deeper collaboration between government and the private sector to strengthen public health resilience. Suggestions have included emergency donation programmes, public-private partnerships, strategic reserve schemes, and collaborative procurement initiatives.

These proposals remain part of an ongoing policy discussion rather than established obligations on the part of private companies.

When Supply Chain Challenges Reach the Bedside

Beyond procurement policy and market structures lies the reality experienced by patients and healthcare workers.

Health experts have warned that prolonged medicine shortages can increase pressure on hospitals and clinics, disrupt treatment plans, and complicate the management of both chronic and acute illnesses. Among the concerns frequently cited by healthcare professionals are:

- Delays in treatment resulting in longer recovery periods and increased clinical complications.
- Greater reliance on alternative medicines where preferred treatments are unavailable.
- Increased operational pressure on healthcare workers required to manage shortages.
- Additional financial burdens for patients who seek medicines through private providers when public stocks are unavailable.



Behind every hospital pharmacy counter, pharmacists have played a critical role in Botswana's response to the medicine shortage. Tasked with managing dwindling stocks of essential medicines, they have balanced competing clinical demands, coordinated with healthcare teams to allocate limited supplies and helped ensure that as many patients as possible continued to receive treatment. Their efforts have been instrumental in supporting the public healthcare system as government worked to replenish medicine stocks through emergency procurement and international donations.

Experts further caution that prolonged disruptions in access to essential medicines can undermine public confidence in healthcare systems and place additional strain on vulnerable households.

Searching for Solutions

The crisis has accelerated discussion around long-term reforms intended to strengthen the resilience of Botswana's medicine supply chain.

Among the options under consideration are:

Direct International Procurement

Emergency procurement exercises demonstrated that direct sourcing can provide government with additional flexibility during periods of acute shortage. Policymakers are examining whether elements of this approach can be incorporated into long-term procurement frameworks.

Local Pharmaceutical Manufacturing

Government has expressed interest in attracting pharmaceutical manufacturers to establish operations in Botswana. Advocates argue that local production could reduce dependence on imports, improve supply security, create jobs, and strengthen industrial development.

Regional Procurement Cooperation

Some analysts have proposed expanded regional procurement arrangements that would allow countries to pool demand and negotiate more favourable prices from manufacturers while reducing supply vulnerabilities.

Supply Chain Modernisation

Others point to the need for stronger forecasting systems, inventory management,



RELIABLE ACCESS TO
ESSENTIAL MEDICINES IS
ULTIMATELY MEASURED NOT
BY PROCUREMENT STATISTICS,
BUT BY WHETHER PATIENTS
RECEIVE THE MEDICINES THEY
NEED WHEN THEY NEED THEM.

The nationwide hospital visits by President Duma Boko highlighted a hands-on approach to healthcare leadership. Touring facilities, assessing service delivery and interacting with frontline medical staff enabled the President to witness the realities of medicine shortages, infrastructure constraints and patient care, helping to inform policy decisions aimed at strengthening Botswana's public health system.

Photo Credit Ministry of Transport and Infrastructure - Botswana

logistics coordination, and digital tracking mechanisms to ensure medicines reach facilities efficiently once procured.

A System at a Turning Point

The medicine shortages have exposed vulnerabilities within Botswana's healthcare supply chain and sparked a national conversation about procurement policy, market structure, regulatory oversight, and healthcare resilience.

There remains considerable debate about the relative contribution of procurement rules, supply chain management, market concentration, funding constraints, and broader governance challenges. Different stakeholders continue to offer differing interpretations of the evidence and the most effective path forward.

What is clear, however, is that reliable access to essential medicines remains one of the most pressing public policy challenges facing Botswana's healthcare system. Whether the solution lies in direct sourcing, local manufacturing, stronger competition,

regional procurement partnerships, or a combination of reforms, the objective remains the same: ensuring that patients receive the medicines they need, when they need them, regardless of where they live or what they earn.

The real measure of success will not be found in procurement statistics or policy documents, but in whether Botswana can build a supply chain capable of consistently delivering healthcare outcomes that citizens can trust.

This article draws on public statements by government officials, regulatory decisions, procurement discussions, published reports, and expert commentary. It does not allege criminal wrongdoing by any individual company, distributor, or public official. Many of the issues discussed remain matters of public policy debate, and stakeholders may hold differing views on the causes of the challenges facing Botswana's healthcare supply chain.

THE Banker's
CONVERSATION
Botswana's
Premium
Banking &
Ideas
Magazine



www.thebanker.co.bw

**We are
officially
online**

**TO ADVERTISE
CONTACT
+267 77 304 050**



From the Gulf to Gabs

How the Strait of Hormuz paralysed Botswana's economic engine



By The Banker's Conversation

THOUSANDS OF KILOMETRES FROM THE BATTLEFIELD, BOTSWANA FOUND ITSELF FIGHTING A DIFFERENT WAR ONE AGAINST IMPORTED INFLATION, RISING BORROWING COSTS AND ECONOMIC UNCERTAINTY.



Under the leadership of Lesego Moseki, the Monetary Policy Committee raised the benchmark interest rate by 200 basis points while introducing measures designed to protect lending and maintain confidence in Botswana's financial system.

As the first missiles struck Iran in late February 2026, the central bankers in Gaborone were already preparing for an economic "aftershock" that would reach Southern Africa in the form of record-breaking fuel prices. In a historic move that caught the attention of markets across the continent, the Bank of Botswana (BoB) became the first in Africa to raise interest rates in direct response to the energy shock triggered by the Middle East war. This aggressive stance underscores the unique "stagflationary" vulnerability of Botswana's economy, where a 30% increase in global oil prices can directly lift headline inflation by a full percentage point while simultaneously depressing real growth.

The Velocity of Inflation

The speed of the inflationary surge was "extraordinary". After spending 2025 within the target band of 3–6%, headline inflation

exploded to 10.3% in April and 10.7% in May 2026. While the primary driver was the \$120+ per barrel cost of crude, the figure was worsened by a "statistical base effect" from the previous year's water tariff discounts.

Governor Lesego Moseki warned that, "price pressures are set to intensify significantly in the near term," reported BusinessDay NG. Under his leadership, the Monetary Policy Committee (MPC) implemented a massive 200-basis-point hike, pushing the benchmark rate from 3.5% to 5.5%, its highest level since 2017. This maneuver was a clear signal to markets that the BoB was prioritizing the "defense of the Pula" and the anchoring of inflation expectations over short-term growth concerns.

The Transport Cost Trap

Why was Botswana so much more reactive



The disruption of shipping through the Strait of Hormuz one of the world's most important energy corridors, through which roughly one-fifth of global oil supplies normally pass sent crude oil prices higher and increased shipping and insurance costs. For Botswana, which relies entirely on imported fuel, the resulting rise in transport and logistics costs reinforced how geopolitical events thousands of kilometres away can have immediate consequences for inflation, businesses and household finances.

Photo Credit New York Times

than its regional neighbors? The answer lies in the heavy weighting of transport costs in the national Consumer Price Index (CPI) basket. Because Botswana is a landlocked nation with no domestic refining capacity and long road-based supply lines, fuel price spikes filter through the economy with extreme velocity.

The closure of the Strait of Hormuz created a "dual-squeeze" on Botswana's fuel supply. Traditional logistics corridors from Saudi Arabia and Oman were choked off, and secondary suppliers like India and China halted exports to prioritize their own domestic needs. As a result, Botswana was forced to absorb the highest premiums for imported refined products just as its foreign exchange reserves were declining due to the diamond sector slump.

A Policy Tightrope: The Prime Lending Rate Directive

The BoB's strategy is not just about raising rates; it is about a complex "policy recalibration". To prevent a total collapse in private sector credit, which grew by a meager 3.3% in 2025, the central bank issued a strict directive to commercial banks prohibiting any increase in their Prime Lending Rates (PLR). This unprecedented



Higher transport costs ripple through supply chains, increasing the price of everyday essentials and placing additional pressure on household spending.

move aims to keep credit affordable for businesses and households while the central bank manages the broader liquidity squeeze in the interbank market.

"This adjustment was not intended to signal monetary policy tightening but, rather, it was a strategic recalibration aimed at strengthening monetary policy transmission," according to the 2026 Monetary Policy Statement. The BoB effectively tightened the screws on the banking sector's margins to protect the wider economy from a credit bubble burst, as household debt remains a lingering vulnerability, accounting for 58% of all non-performing loans.

Fiscal Prudence and the 12th NDP

The monetary battle is being fought alongside a rigorous fiscal consolidation

program led by Vice President and Minister of Finance Ndaba Gaolathe. Under the theme "A New Era of Economic Transformation and Fiscal Prudence," the 2026/27 national budget reveals a deficit of P26.35 billion—the eighth consecutive annual shortfall.

The government has responded by broadening the tax base, including a new 27.5% tax bracket for "top earners" and the introduction of VAT on remote digital services starting in April 2026. However, these revenue gains are being offset by rigid statutory commitments, including a massive P5 billion transfer to the Botswana Defence Force pension fund. With public debt rising to 40.7% of GDP, the government is operating with almost no fiscal room to maneuver, leaving the BoB as the primary responder to the Middle East crisis.

The Outlook for 2027

The MPC projects that inflation will begin to ease to 5.5% by 2027, but this recovery is contingent on the "durability of US-Iran peace arrangements" and the successful implementation of the Botswana Economic Transformation Programme (BETP). The risks remain tilted heavily to the upside, with a proposed 46% increase in domestic electricity tariffs and a foot-and-mouth disease outbreak threatening to keep food prices elevated.

As Botswana navigates this period of "permanent uncertainty," the BoB has repositioned its narrative from one of vulnerability to one of resilience. By acting as Africa's monetary "first responder," the central bank has demonstrated that while Botswana cannot control the wars of the Middle East, it can control its own macroeconomic response. The success of this battle will determine whether the nation enters its next development phase as a stable, investment-grade economy or falls victim to the stagflationary pressures of a fractured global order.



Botswana's March 2026 fuel price adjustments reflected the country's exposure to international energy markets. As crude oil prices climbed above US\$120 per barrel, petrol, diesel and paraffin prices rose sharply, increasing transport costs across the economy. Because Botswana depends heavily on road freight, higher fuel costs quickly translated into more expensive food, logistics and everyday goods, placing additional pressure on consumers and businesses already navigating a difficult economic environment.

Diamond to Digital: Botswana's 30-Year Banking Revolution

Foundations of Change (1975–1985)



**Onkabetse
Gwamulumba**

*Fintech Practitioner and
Business Consultant*



THE PSYCHOLOGICAL BREAK WAS ABSOLUTE. BOTSWANA WAS NO LONGER MANAGING ITS ECONOMY FROM SOMEONE ELSE'S SHADOW.

The Pula Takes Root: A Currency Forged in Diamond Dust

The pula was more than a coin. It was a symbol of hope. A belief system. A national heartbeat. Launched on August 23, 1976, the new currency arrived in crisp notes and gleaming thebe, backed not by gold but by diamonds and defiance. This symbolized a bold forge into the future. The 100-day exchange window turned into a national festival: Batswana queued at makeshift counters in Gaborone, Lobatse, and Francistown, trading rands for pula with the fervor of a liberation anthem. By the deadline, over 90% of circulating rand had vanished, swallowed by the BoB's vaults and replaced by Botswana's own money. A silent anthem of sovereignty, yet a thunderous decree to the world. A chest out chin up

statement saying, **"We control our wealth."**

Behind the scenes, standby credit lines from the IMF and friendly central banks acted as invisible shock absorbers, ensuring no liquidity drought marred the birth. On its maiden voyage, the pula was pegged 1:1 to the rand, but the psychological break was absolute. For the first time, interest rates, inflation targets, and reserve policy were decided not in Pretoria, but in Gaborone's modest BoB headquarters, a low-slung building that became the nerve center of a sovereign economy.

Diamond Windfalls: From Aid to Autonomy

The timing was divine. Just as the pula

debuted, Debswana the 50/50 joint venture, a portmanteau between De Beers and the Government of Botswana began full-scale production at Orapa (1971) and Jwaneng (1982), the world's richest diamond mines by value. By 1980, diamond exports accounted for 70% of export earnings and 35% of GDP, transforming Botswana from one of the poorest nations at independence (GDP per capita circa \$70) to a middle-income miracle by decade's end.

This mineral fountain filled the BoB coffers. Foreign reserves ballooned from \$50 million in 1975 to over \$1 billion by 1985, giving the central bank unprecedented firepower to defend the Pula, fund infrastructure, and crucially build a modern, resilient and trustworthy banking system.



Prior to 1976 Botswana coinage was limited to commemorative coins such as above.



Hermans shows late president, Seretse Khama, the new Pula notes at their launch on July 22, 1976. Christopher Lamb "Quill" Hermans, widely regarded as the father of the Botswana pula, presents the nation's first banknotes during their launch in 1976. As the founding Governor of the Bank of Botswana and chief architect of the country's first national currency, Hermans helped lay the foundation for Botswana's financial sovereignty.



In the early years of independence, Botswana's banking landscape was still in its infancy. Institutions such as Barclays Bank of Botswana and Standard Chartered Bank Botswana became the first pillars of formal finance, serving as the starting point for a financial system that would later expand to reach communities across the country.

The Banking Landscape: From Colonial Outposts to Local Pillars

In 1975, only two commercial banks operated, Barclays Bank of Botswana and Standard Chartered Bank Botswana. Both were locally incorporated under the 1975 Banking Act, but still foreign-owned and foreign-managed. They served a narrow urban elite which was largely comprised of civil servants, mine workers, and expatriates. Rural Botswana remained a financial desert, no branches beyond the rail line, no loans for cattle farmers, no savings culture beyond stokvels and cattle kraals.

Be that as it may, the BoB moved fast. By 1978, it introduced the Botswana Savings Bank (BSB), a state-owned institution with a mandate to penetrate the rural heartland. BSB opened post office annexed branches in villages like Maun, Kasane, and Serowe, offering



At the heart of Botswana's economic transformation stood the Bank of Botswana the institution entrusted with protecting the pula, managing the nation's reserves and turning financial independence into a foundation for growth.

passbook savings accounts and small agricultural loans. For the first time, a Kgalagadi herder, bronzed by the desert's relentless gaze, could slip his cattle-sale pula into a passbook's quiet embrace and feel it breathe, swell, grow interest like dew on dawn acacia. Indeed, a revolutionary dawn was ushered, with no more clay pots swallowing secrets and wealth, no more cash huddled beneath reed mats, no more pula wrapped in faded cloth pressed into the earth's red memory. Now, wealth rooted in ink and trust, growing in silence under the same sky that once guarded only dust.

First Steps in Regulation and Innovation

The Financial Institutions Act of 1975 gave the BoB teeth which meant (1) Licensing all banks, (2) Setting capital adequacy ratios and (3) Regulating foreign exchange dealings. In 1981, the BoB issued its first Certificates of Deposit (BoB CDs), a primitive but pivotal money market instrument that allowed banks to manage liquidity and the government to fund budget deficits without printing money. This laid the groundwork for a domestic debt market, however embryonic.

The 1980s Gales: Drought, Debt, and Discipline

The decade was not all diamond glitter. 1981-1987: The worst drought in a century devastated national cattle herd, Botswana's core rural bank and triggered mass loan defaults. The Global recession slashed diamond demand in 1982, forcing the BoB to devalue the pula by 15% against the rand. Aid dependency lingered: Despite mineral wealth, 40% of the development budget still came from donors. Yet the BoB held the line. Unfazed, a true distinguished financial guard. Steadfast and purposeful. Prudent reserve management and counter-cyclical spending from the Pula Fund (a rainy-day stabilization fund established in 1983) prevented collapse. By 1985, financial depth (M2/GDP) had risen from 12% to 25%, and bank branches per 100,000 people doubled.

A System Takes Shape

By 1985, the architecture was in place. Very well defined. Characterized by a stable, convertible currency, a central bank with growing muscle, three commercial banks and National Development Bank (NDB) joined in 1982, a savings culture sprouting in rural soil and reserves that bought breathing room. But the system was still closed, controlled, and cash based. Interest rates were capped, foreign exchange was rationed, and technology? A typewriter and a ledger, oh! And vaults. The liberalization storm was gathering. How did Botswana open its financial gates and survive the inevitable flood that tends to accompany such an occurrence?

To be continued in Edition 3: The Liberalization Leap (1985-1995).

Disclosure: Onkabetse Gwamulumba (MCom in Banking & Finance), a fintech practitioner, seasoned business consultant, and accountant, is the author of this article and writes in his personal capacity. The views expressed herein are his own and do not represent any organization or institution

Botswana Economic Update

Seizing the Moment: How Botswana Can Turn Crisis into Opportunity



By The Banker's Conversation



Photo World Bank Group Botswana

Botswana's economy contracted by 2.8% in 2024 and a further 0.7% in 2025, reflecting the combined impact of weaker diamond revenues, widening fiscal pressures, and limited progress in economic diversification. With public debt increasing from 22% of GDP in 2023 to nearly 40% in 2025, the country must accelerate reforms to diversify its economy and create more jobs.

These are the key findings of the first Botswana Economic Update, *Seizing the Moment: How Botswana Can Turn Crisis into Opportunity*, which emphasizes that stronger skills development, human capital investments, and private sector growth will be critical to building a more resilient and inclusive economy. The Botswana Economic Update is structured in two complementary parts. Part I assesses the state of Botswana's economy, examining recent economic developments, the outlook and risks, and outlining a reform agenda to restore growth and fiscal sustainability. Part II focuses on Skills for Jobs, analyzing the country's skills and employability system and proposing reforms to better align education

and training with labor market needs and economic diversification.

Looking ahead, Botswana faces a choice between two paths. The first is to maintain the status quo, with limited reforms and continued reliance on diamonds. While this may provide short-term stability, it risks leaving the economy vulnerable to external shocks, rising debt pressures, weak productivity, and slow job creation. The second is to accelerate economic transformation through a more diversified, private sector-led growth model, as envisioned under the Botswana Economic Transformation Programme (BETP). To support this transition, the Botswana Economic Update identifies four mutually reinforcing priorities:

1. **Restore fiscal stability through** more efficient public spending, stronger revenue mobilization, and improved SOE oversight.
2. **Promote a dynamic private** sector by improving the business environment, expanding access to finance, and

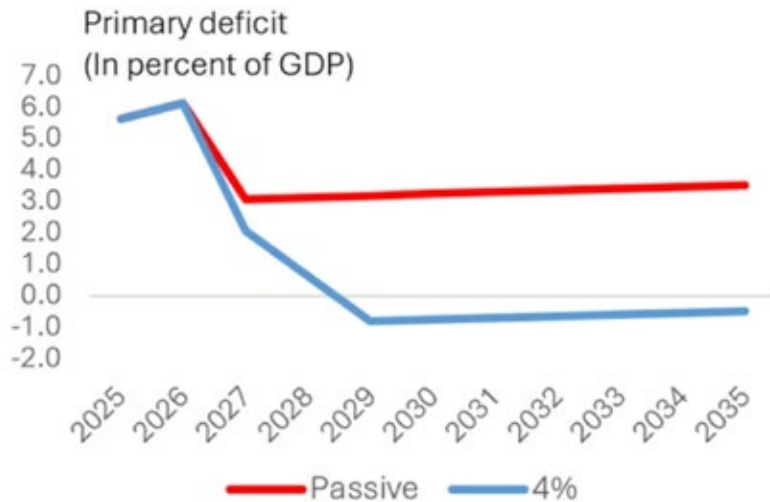
unlocking new sources of growth.

3. **Invest in people and skills** by improving outcomes in education, health, and social protection.
4. **Harness natural capital** through better water management, renewable energy expansion, and climate-smart development.

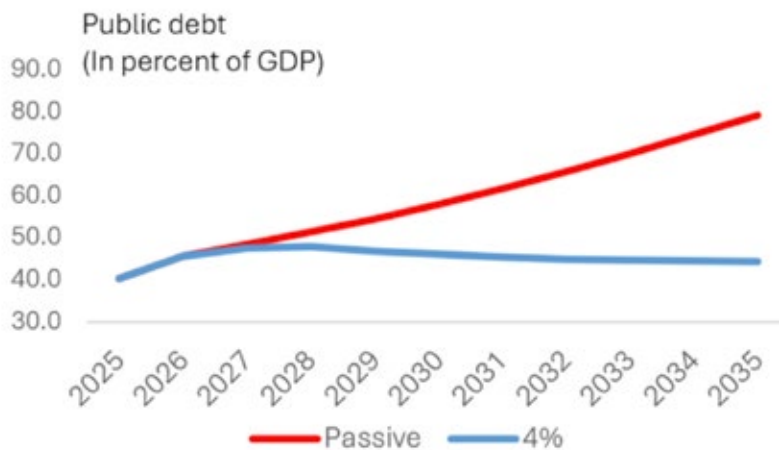
While all four pathways are essential, the report highlights skills and human capital as the foundation of long-term diversification, productivity growth, and job creation

Recognizing that economic diversification depends on the availability of the right skills, the report recommends a shift from a supply-driven education system to one that is closely aligned with labor market demand, focused on employment outcomes, and responsive to the needs of a transforming economy. To strengthen Botswana's skills system and support productivity, job creation, and inclusive growth, four priority reforms are proposed:

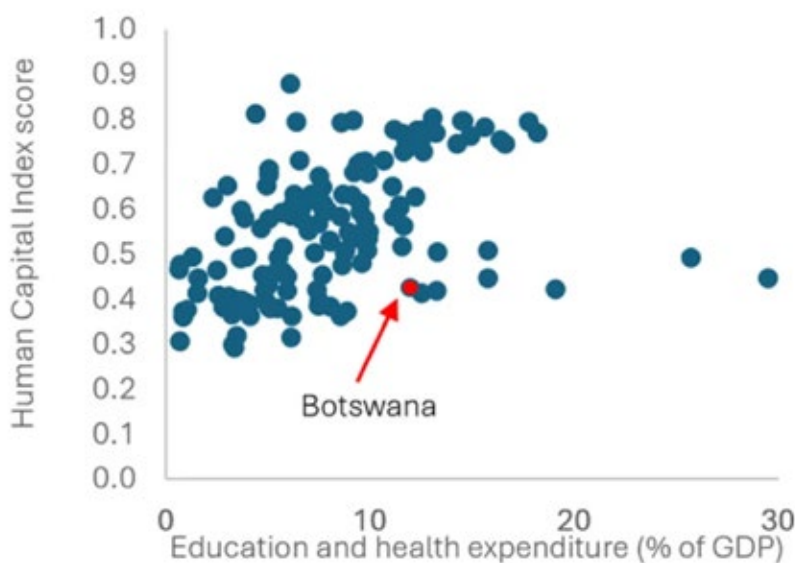
Only a sustained fiscal consolidation effort



will prevent an explosion of the public debt



Botswana's HCI is low relative to its spending on education and health



- 1. Build employer-led sector skills partnerships** in priority industries to align training with workforce needs, create clearer pathways into employment, and make TVET and other non-university routes more credible and attractive. These partnerships would bring together employers, training institutions, and government to coordinate skills development around real job opportunities.
- 2. Expand apprenticeships, internships, and workplace learning through the HRDF**, reorienting skills financing toward young people entering the labor market. This would provide practical experience, strengthen school-to-work transitions, and ensure training is linked to actual industry demand.
- 3. Strengthen the responsiveness of TVET institutions** by granting greater operational autonomy while holding them accountable for employment outcomes. This would enable institutions to adapt programs more quickly, deepen industry partnerships, and better equip graduates with relevant, job-ready skills.
- 4. Reform skills financing to be more equitable, outcomes-driven, and pro-poor**, ensuring resources are directed toward disadvantaged learners and programs that demonstrate strong employment results. Funding should increasingly reward quality, completion, and successful transitions into work while improving opportunities for underserved youth.

Together, these reforms can help Botswana build a more diversified, resilient, and inclusive economy by restoring fiscal sustainability, enabling private sector-led growth, and strengthening human capital. By placing productive jobs at the center of economic transformation, Botswana can reduce its dependence on diamonds while expanding opportunities for its people.

Jobs must be the true north of Botswana's development agenda. By advancing the four economic pathways and the skills-for-jobs agenda, Botswana can translate reform into higher productivity, stronger employment outcomes, and a more competitive, prosperous, and sustainable future.



Lawyering in the Age of AI

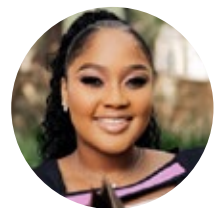
A Modern Lawyer's Predicament

Lebogang George & Reatile Balopi



Lebogang George

(Partner – Akheel Jinnabhai & Associates in Association with McKee Commercial Law)



Reatile Balopi

(Pupil Attorney – Corporate Commercial Department)

THE FUTURE BELONGS TO LAW FIRMS THAT USE AI RESPONSIBLY, NOT SIMPLY THOSE THAT USE AI FIRST.

Artificial Intelligence ("AI") is no longer a distant concept reserved for technology companies and research laboratories. It is already reshaping professional work across sectors, including healthcare, finance, education and manufacturing. The legal profession is no exception.

Across the world, lawyers are increasingly using AI-powered tools to conduct legal research, review documents, draft contracts, summarise complex materials and manage large volumes of information more efficiently. These developments create significant opportunities for legal practitioners, but they also introduce risks that require careful professional judgement, disciplined oversight and clear governance. Recent developments across several jurisdictions demonstrate

both the promise and the dangers of AI in legal practice.

When Artificial Intelligence Goes Wrong

A recent United States federal case, *Withers v City of Aberdeen*, highlighted a growing concern within the legal profession. In that matter, a Mississippi federal judge sanctioned lawyers on both sides after court filings were found to contain fictitious legal authorities generated through unverified AI-assisted research.

The court concluded that the lawyers had relied on AI-generated legal research without independently verifying whether the cited cases and authorities actually existed. The consequences were serious: lawyers were

fined, removed from the matter, and certain practitioners were barred from appearing before that court for two years.

Although the facts arose in a foreign jurisdiction, the lesson is universal: AI can be a powerful assistant, but it is not a substitute for professional judgement. South African courts have reached similar conclusions. In *Parker v Forsyth NNO and Others*, lawyers were criticised after relying on fictitious case references generated through ChatGPT in a defamation-related dispute. The court imposed a punitive costs order and emphasised that modern technology must still be accompanied by independent reading and verification. More recently, in *Mavundla v MEC: Department of Co-Operative Governance*

and Traditional Affairs KwaZulu-Natal and Others, the High Court criticised legal representatives for citing authorities that did not exist, describing the conduct as irresponsible and unprofessional and referring the matter to the Legal Practice Council. In *Northbound Processing (Pty) Ltd v South African Diamond and Precious Metals Regulator*, the Gauteng High Court again confronted fictitious AI-generated authorities and referred the legal team to the Legal Practice Council. These South African decisions are particularly relevant to Botswana because they reflect common-law courts in the region applying familiar professional duties of diligence, candour and verification to AI-assisted legal work.

Why Human Judgement Still Matters

AI can assist lawyers, but it cannot replace them. These tools can support legal research, summarisation, document review and the preparation of first drafts. However, AI systems can also produce inaccurate, incomplete or entirely fabricated information.

The danger is that incorrect information is often presented confidently and persuasively, making errors difficult to detect without careful review. For lawyers, every AI-generated output must therefore be independently verified before it is relied upon or submitted to a client, regulator or court. The central principle emerging from recent judicial decisions is that professional responsibility cannot be delegated to technology.

A lawyer who signs a pleading, opinion, contract or court filing remains accountable for its contents, whether the work was prepared personally, by a junior practitioner or with the assistance of an AI tool. This principle aligns closely with the professional obligations that already govern legal practice in Botswana. Duties of competence, diligence and integrity toward the courts do not diminish merely because technology has become part of the drafting process.

How AI is Transforming Legal Services

Notwithstanding these risks, AI presents substantial opportunities for law firms. Tasks that previously required hours of manual effort can now be completed far more efficiently, including:

- Legal research and information retrieval;
- Contract review and due diligence exercises;
- Analysis of large volumes of documents;
- Drafting of preliminary agreements, pleadings and opinions; and
- Summarisation of lengthy reports and legal materials.

The legal profession is therefore more likely to evolve than disappear. Properly governed, AI will augment lawyers rather than replace them.

Governance, Confidentiality and Data Protection

As AI adoption increases, law firms must

ensure that innovation remains balanced against professional obligation. This requires rigorous verification of AI-generated outputs, robust protection of confidential client information, appropriate data security and privacy safeguards, ongoing staff training and clear internal policies governing the use of AI tools.

For Botswana firms, these considerations intersect directly with obligations under the Data Protection Act, 2024, professional conduct requirements and duties of confidentiality owed to clients. The Act commenced on 14 January 2025 and strengthens obligations relating to lawful processing, accountability, data security, breach response, cross-border transfers and data subject rights. Clients are also becoming more informed and increasingly ask how AI is being used on their matters, and what safeguards exist to protect their information.

The Competitive Advantage of the Future

The real competitive advantage will not lie in access to AI alone. Over time, AI tools will become widely available. What will distinguish successful firms is their ability to use AI responsibly, effectively and ethically.

Firms that develop strong governance frameworks, invest in training and maintain rigorous quality-control processes are likely to gain significant advantages in efficiency, responsiveness and client service. For law firms in Botswana, the question is therefore no longer whether AI should be used, but how it should be integrated into practice responsibly.

Recent Research and Strategic Insights

Recent empirical research confirms that the risks associated with AI in legal practice are not merely theoretical. A 2025 Stanford evaluation of leading AI legal research tools found that even systems designed specifically for legal research can produce incorrect or unsupported answers, with hallucination rates reported between 17% and 33% in certain tools. Earlier research on general-purpose large language models identified even higher rates of legal error.

The practical lesson is clear: using a specialised legal AI platform may reduce risk, but it does not eliminate the lawyer's duty to verify every authority, quotation, factual assertion and legal conclusion.

At the same time, global adoption is accelerating. Recent professional-services research indicates that legal professionals increasingly view generative AI as a productivity tool, particularly for saving time, improving workflows and strengthening client service. This creates a strategic tension for law firms: moving too slowly may affect competitiveness, while moving too quickly without controls may expose the firm to professional, regulatory and reputational risk. The appropriate response is neither resistance nor blind adoption, but disciplined integration.

International and regional court

developments also show that judges are increasingly treating AI misuse as a matter of professional responsibility. Courts in the United States and South Africa have warned, sanctioned or referred lawyers where filings contained fabricated authorities or where lawyers failed to supervise AI-generated work. These developments are significant for Botswana because they demonstrate how traditional duties of competence, candour, diligence and accountability are being applied to new technology without waiting for entirely new rules.

The Botswana context makes these issues especially important. Botswana is advancing its digital transformation agenda, while international assessments note growing interest in AI, stronger mobile connectivity and increasing attention to digital governance. The Data Protection Act, 2024, which commenced on 14 January 2025, also creates a more demanding compliance environment. In practice, any use of AI involving client information must now be assessed through the lenses of lawful processing, data minimisation, confidentiality, security safeguards, cross-border transfers, breach readiness and accountability.

A particularly important insight for Botswana law firms is that AI governance should not be treated as an information-technology issue alone. It is a leadership, risk-management and client-trust issue. Firms should consider adopting internal AI policies, approved-use lists, matter-level risk assessments, verification checklists, confidentiality protocols, staff training and clear rules on when client consent or disclosure may be appropriate. These measures can help firms benefit from AI while preserving the professional standards that clients and courts expect.

Conclusion

Artificial Intelligence is poised to reshape the legal profession by improving efficiency, reducing administrative burdens and enabling lawyers to deliver services more effectively. However, AI is not a replacement for legal expertise, professional judgement or ethical responsibility.

The future belongs not to AI alone, but to lawyers who can combine technological capability with sound legal judgement, professional integrity and client trust. Human judgement therefore still wins especially when AI does the heavy lifting.

Disclaimer

This article is provided for general information purposes only and does not constitute legal advice. Readers should seek appropriate professional advice before acting on any information contained in this article.

Authors:

Lebogang George (Partner – Akheel Jinabhai & Associates in Association with McKee Commercial Law)
Reatile Balopi (Pupil Attorney – Corporate Commercial Department)



The “Dangerous Dreamer”

Inside the Intellectual Architecture of Duma Boko’s Oratory

Story by Lawrence Seretse

I AM A DREAMER. BUT A DANGEROUS ONE. I DREAM WITH MY EYES OPEN.

Every political generation produces its own archetype.

Some leaders rise through institutions. Others through wealth, military strength, party machinery, or family legacy. A rare few rise through something far less tangible but often far more powerful: the ability to tell a story that people begin to believe about themselves.

The story of Duma Boko is, in many ways, a story about the power of narrative.

It is the story of a boy from Mahalapye who learned that politics is not merely about acquiring power but about shaping meaning. It is a story about language, memory, identity, sacrifice, and ambition. Above all, it is a story about how words, when carefully chosen and authentically delivered, can become instruments of transformation.

To understand Boko’s political rise, one must begin not in Parliament or at a campaign rally, but in the village.

In Botswana’s traditional worldview, a child does not belong solely to his parents. He belongs to the community. He is nurtured, disciplined, protected, and ultimately shaped by a collective hand. It is a philosophy that places community before individual achievement.

When Boko stood before the nation during his inauguration, he did not present himself as a self-made man. Instead, he referred to himself almost as an observer, speaking of “this boy” who once walked barefoot to school.

It was a subtle but powerful rhetorical choice.

In a political age increasingly dominated by personal brands and individual heroism, Boko redirected ownership of his success back to the people. His victory was not presented as his triumph alone. It became a collective accomplishment. The village had succeeded through him.

That instinct reveals one of the central principles of his political communication. The most effective leaders do not simply ask people



For Duma Boko, political communication has often extended beyond policy promises into questions of identity, dignity and possibility inviting citizens to see themselves as participants in a shared national story.

Photo Credit Monirul Bhuiyan

to support them. They invite people to see themselves in the story being told.

This ability to transform politics into narrative became even more apparent during moments of national reflection. At the memorial service of former President Festus Mogae, Boko did not deliver the familiar catalogue of achievements that often characterizes political tributes. Instead, he reached beyond politics into literature.

Borrowing from Joseph Conrad's *Heart of Darkness*, he repeated a simple phrase: "Whatever he was, he was not common."

The phrase resonated because it accomplished several things simultaneously. It elevated Mogae beyond ordinary political assessment. It framed his life within a larger moral and historical context. It transformed a statesman into an enduring symbol.

More importantly, it demonstrated a characteristic feature of Boko's leadership style. He often seeks to interpret events rather than merely describe them.

Where many politicians communicate in policy language, Boko frequently communicates through ideas. Where others provide answers, he often provides meaning.

This distinction matters.

People rarely remember statistics. They remember stories. They remember

metaphors. They remember images.

Boko understands this instinctively. Perhaps nowhere was this clearer than during one of his most memorable parliamentary exchanges when he responded to accusations of arrogance.

Rather than defend himself directly, he offered a confession.

"I am a dreamer," he said. "But a dangerous one. I dream with my eyes open."

The phrase immediately transformed the debate.

Instead of discussing personality, the conversation shifted to purpose. Instead of responding to criticism on its own terms, he elevated the discussion to a broader question about imagination and possibility.

Drawing from T.E. Lawrence's *Seven Pillars of Wisdom*, he distinguished between those who dream while asleep and those who dream while awake and act upon those dreams.

The distinction captures much of Boko's political philosophy.

For him, leadership is not merely about diagnosing problems. It is about envisioning alternatives and creating pathways toward them.

This explains why his speeches frequently move beyond descriptions of national challenges and toward structural questions. He often asks not merely what is wrong, but why the conditions producing those problems continue to exist.

The emphasis is not on complaint but transformation.

Yet perhaps the most overlooked aspect of Boko's political thinking is his attitude toward disagreement.

Modern politics often rewards certainty. Social media rewards outrage. Political

organisations frequently reward loyalty over dissent.

Boko's public reflections suggest a different view.

In his tribute to Mogae, he celebrated not conformity but contestation. He praised a man who sought understanding rather than validation and who welcomed vigorous debate rather than surrounding himself with praise.

For Boko, democracy is not built through uniform agreement. It grows through friction.

Progress emerges from competing ideas. Better decisions emerge from disagreement honestly pursued. Truth emerges when differing perspectives collide within a framework of mutual respect.

It is a philosophy that treats public discourse not as a threat to stability but as evidence of democratic vitality.

This belief in human complexity also shapes his understanding of leadership sacrifice.

One of the most emotionally resonant moments in his eulogy for Mogae was not directed toward the former president himself. It was directed toward the family.

Boko spoke of sacrifices unseen by the public. He acknowledged the loneliness, the burdens, the tears, and the private costs that often accompany public service.

In doing so, he challenged one of politics' oldest myths: the myth of the solitary hero.

Great leaders rarely emerge alone.

Behind every public figure stand spouses, children, mentors, friends, colleagues, and communities whose contributions often go unnoticed. By recognizing those sacrifices, Boko humanized leadership and transformed public service from an individual achievement into a shared undertaking.

Yet every successful political story

Trained as a lawyer, Duma Boko has built much of his political identity around ideas, debate and interpretation often framing national challenges through broader questions of justice, democracy and transformation.



eventually encounters reality.

The transition from opposition leader to head of government demands a different language.

The poetry of campaigns must eventually give way to the pragmatism of governing.

Recent comments regarding Botswana's diamond industry reveal this evolution.

Faced with economic pressures and structural vulnerabilities, Boko's language became noticeably more direct. The literary flourishes remained, but they were increasingly accompanied by the language of economic sovereignty, value creation, and strategic control.

His argument was straightforward.

For too long, Botswana has participated primarily in extraction while others captured a disproportionate share of downstream value. The future, he argued, requires moving beyond resource ownership toward value ownership.

The shift illustrates a broader leadership lesson.

Vision inspires people to move. Strategy determines whether they arrive.

No political journey, however, is complete without risk.

History is filled with gifted leaders undone by the very qualities that initially propelled them to greatness. Vision can become arrogance. Confidence can become intolerance. Conviction can become rigidity.

The challenge facing every transformative leader is avoiding the temptation to become larger than the institutions they serve.

The irony is that Boko himself has often warned against precisely this danger. His criticisms of previous administrations



During a parliamentary exchange, Boko reframed criticism through one of his most memorable reflections: "I am a dreamer. But a dangerous one. I dream with my eyes open." The phrase captured his belief that leadership begins with imagining possibilities beyond present circumstances.

Photo Credit Botswana Parliament



In paying tribute to former President Festus Mogae, Duma Boko departed from the conventions of political eulogies. Drawing on literature, philosophy and personal reflection, he presented leadership not as a measure of power or achievement, but as a lifelong commitment defined by integrity, sacrifice and service. His remarks challenged the audience to see public leadership through a broader lens one that honours not only accomplishments, but also the unseen burdens, moral choices and quiet resilience that shape a statesman's legacy.



As president, Boko's narrative has shifted from political transformation to economic transformation arguing that Botswana must move beyond extracting resources and focus on capturing greater value from them.

Photo Credit Robb Report

frequently centred on the weakening of institutions and the concentration of power around personalities.

The ultimate test of leadership, therefore, is not simply winning power. It is exercising power without becoming captive to it.

That may ultimately determine how history judges his presidency.

In the end, the story of Duma Boko is not merely a political story.

It is a story about imagination.

It is about a leader who understands that people are moved not only by policies but by purpose, not only by plans but by possibility.

His greatest strength may not be his legal training, his political instincts, or even his intellectual depth. It may be his ability to transform ordinary political discourse into a larger conversation about identity, dignity, and national aspiration.

Whether one agrees with him or not, few would deny that he has altered the language of Botswana's politics.

And perhaps that is the defining lesson of his journey.

Leadership is not simply the management of institutions. It is the interpretation of reality. It is the ability to take the anxieties, hopes, frustrations, and dreams of ordinary people and weave them into a story compelling enough to inspire collective action.

The boy from the dusty plains understood that long before he entered the State House.

Whatever history ultimately says about Duma Boko, one thing is already clear.

Whatever he is, he is also not common, like he said about the late former President Mogae.

BS CS | **Botswana Supply Chain Summit**

**5-6 NOVEMBER 2026
GABORONE, BOTSWANA.**

THEME:
Connecting, Possibilities.
Driving Transformation.

PACKAGE 1

BWP 7,000

Includes:

- Full access to the 2day summit
- Access to the networking cocktail
- Offsite tour
- Meals

PACKAGE 2

BWP 5,000

Includes:

- Full access to the 2day summit
- Access to the networking cocktail
- Meals

PACKAGE 3

BWP 15,000

Exhibition stall

- Includes 2 access tags
- Size of stall 2x2m



Speakers



Exhibition



Delegates



Networking



Suppliers

For More information: **73 113 459** Email: **info@bscs.co.bw**



www.bscs.co.bw



**Botswana Supply
Chain Summit**

ORGANISED & MANAGED BY:



IN ASSOCIATION WITH



The Diamond Pipeline Paradox

How a Distant War Paralyzed Botswana's Economic Engine



By The Banker's Conversation

THE 2026 IRAN WAR HAS SHOWN THAT A GEOPOLITICAL CRISIS THOUSANDS OF KILOMETRES AWAY CAN REVERBERATE THROUGH EVERY LAYER OF BOTSWANA'S ECONOMY.

The outbreak of the 2026 Iran war on February 28 fundamentally destabilized the global economic architecture, but its most paralyzing effects have been felt thousands of miles away in the diamond-rich soil of Botswana. While the joint United States and Israeli strikes on Iran targeted military infrastructure, the subsequent closure of the Strait of Hormuz on March 4 triggered a terms-of-trade shock that has simultaneously inflated Botswana's domestic costs and frozen its primary export pipeline. For a nation where natural diamond exports generate approximately 70% of total export earnings and one-third of government revenue, the conflict is not merely a geopolitical event but a direct threat to sovereign solvency.

The Dubai Bottleneck

The crisis is uniquely defined by the "Dubai Bottleneck". The United Arab Emirates (UAE) emerged in 2025 as the largest buyer of Botswana's diamonds, contributing P17.7 billion—or 32.8%—to the country's total diamond revenues. When territorial disputes near the Strait of Hormuz escalated into airstrikes against the UAE in late February 2026, the global trade hub of Dubai effectively went into paralysis.

Flight suspensions and security closures in the Gulf forced the immediate postponement of critical diamond sales tenders scheduled for early March 2026.

As the Weekend Post observed, "The recent conflict has triggered flight suspensions and delayed diamond sales tenders... raising concerns about deteriorating business confidence and trade flows in the Gulf region". This trade blockage meant that just as the world's appetite for luxury goods was softening, Botswana's ability to even reach its buyers was severed.

The 12-Million-Carat Inventory Crisis

This paralysis has exacerbated an existing structural weakness: a record-high diamond inventory. By December 2025, Botswana's stockpiles had swelled to 12 million carats, nearly double the acceptable operating threshold of 6.5 million carats. Debswana

the joint venture between De Beers and the Government of Botswana, had already preemptively cut production by 27% in 2024 to manage this glut, but the 2026 war has stalled all inventory depletion efforts.

Analysts warn that if the Iran-UAE conflict persists, the subdued sales of 2025 will extend well into 2026, forcing production to remain broadly unchanged until inventories are drawn down. Finance Minister Ndaba Gaolathe recently addressed Parliament, acknowledging that while non-diamond sectors like tourism and agriculture offer some support, “structural constraints limit their ability to compensate for the downturn in diamond mining”.

Mass Layoffs and the Human Toll

In the mining communities of Orapa and Jwaneng, the economic abstract has become a painful reality. Motshwegwa Rakhudu, an installer who lost his job after 14 years at a Debswana operation, captures the prevailing sentiment of the workforce: “The shock was too much... Being caught unprepared has been very difficult”.

For the thousands of workers remaining, uncertainty is the new normal. Mbiganyi Gaekgotswe, General Secretary of the Botswana Mineworkers Union, emphasized that “The diamond downturn is no longer just a business issue. It is a human issue affecting workers, families, contractors and entire mining communities”. Wages have stagnated even as the price of bread and fuel surges, and workers are increasingly being shifted to unstable, temporary contracts. Dominic Obusitse Mapoka, Chairperson of the Botswana Diamond Workers Union, noted that this restructuring makes it impossible for families to plan, as “they do not know whether contracts will be renewed”.

Sovereign Leverage in a Capital Freeze

Ironically, the war has provided Botswana with a unique moment of sovereign leverage. As Anglo American seeks a buyer for its 85% stake in De Beers, the war has frozen Middle Eastern capital that was backing certain bidders. The Diacore consortium, led by Nir Livnat, struggled to secure commitments after Gulf-region liquidity dried up, clearing a path for a consortium led by former De Beers CEO Gareth Penny.

President Duma Boko has seized this opening, pushing for the state to increase its share from 15% to as much as 30%. Because Botswana owns the Jwaneng mine, the world's most valuable diamond asset—the government is no longer content being a passive minority shareholder. This high-stakes negotiation is unfolding against a backdrop of negative outlooks from S&P Global Ratings and Moody's, both of which cited the prolonged diamond slump and rising energy bills as threats to Botswana's investment-grade status.

The Road Ahead

The 2026 Iran war has proven that



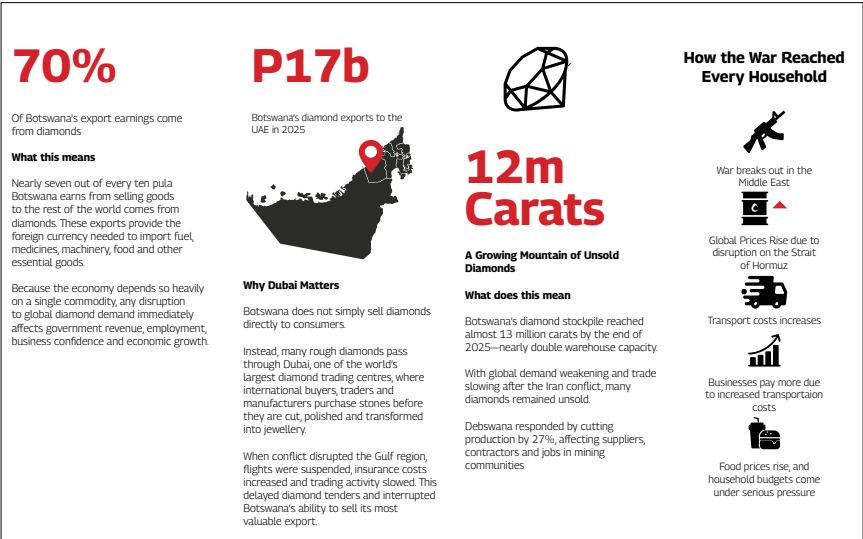
Botswana's diamond industry has long been a source of employment, opportunity and national prosperity. Today, however, the sector's slowdown is reverberating through mining communities, where employees, contractors and local businesses are navigating an increasingly uncertain future. The challenges facing the industry underscore how closely the fortunes of Botswana's economy remain intertwined with the global diamond market, and why economic diversification has become more urgent than ever.



The Strait of Hormuz carries a significant share of global energy exports, making it one of the world's most strategically important maritime corridors.

Botswana's reliance on a single commodity, and a single transit hub in the Gulf, is a systemic risk. While the Ministry of Finance remains hopeful for a 3.1% GDP rebound, the African Development Bank is more pessimistic, forecasting growth of just 1.2% due to the “severe erosion of foreign exchange reserves”.

The lesson of the 2026 crisis is clear: Botswana must move beyond its “export-concentration model”. As political scientist Levy Ndou observed, “When citizens depend heavily on one sector, a fall in global demand becomes very damaging”. The current paralysis is a catalyst for the National Development Plan 12, which seeks to transform Botswana into a logistics and services hub, finally decoupling its future from the volatility of distant battlefields.



South Africa Is Fighting the Wrong War

What Anti-Immigrant Protests Reveal About
a Nation Still Haunted by Its Past



By The Banker's Conversation



Photo Credit Expetica



Photo Credit GroundUp



Photo Credit Sunday World



Photo Credit and Beyond

Johannesburg reflects the contradictions of South Africa's economy a city of entrepreneurship and opportunity, but also unemployment and inequality. As migration dominates public debate, deeper structural economic challenges continue to shape the nation's future.

On an ordinary winter morning in Johannesburg, the streets fill with a familiar choreography of survival. Taxi operators negotiate impossible traffic with practiced precision, construction workers gather on pavements waiting for a day's labour, informal traders arrange fruit and vegetables beneath faded umbrellas, and thousands of commuters stream towards a city that continues to promise opportunity while delivering disappointment to far too many. Somewhere in that restless movement, a protest begins. Placards appear. Songs rise into the cold air. Before long, the target of the public's anger becomes unmistakable. Foreign-owned shops are identified. Zimbabwean migrants are accused of taking jobs. Somali businesses are labelled symbols of unfair competition. Once again, the frustrations of one of the world's most unequal societies find their expression in the bodies and businesses of fellow Africans who, in many cases, arrived carrying little more than the hope of escaping crises of their own.

It is impossible to dismiss the emotions driving these demonstrations. South Africa's unemployment crisis is not an abstraction discussed only in academic journals or economic forecasts; it is a lived experience that defines entire generations. Millions of young South Africans have reached adulthood without ever securing stable employment, while communities that celebrated the arrival of democracy more than three decades ago continue to wrestle with failing public services, deteriorating municipalities, persistent crime, rising

living costs and an economy that has struggled to generate enough meaningful work. Under such conditions, frustration becomes not merely understandable but inevitable. Every society enduring prolonged economic hardship eventually begins searching for an explanation that transforms an overwhelming structural crisis into something tangible, something visible and, most importantly, something that appears capable of being confronted.

The tragedy unfolding in South Africa is not that people are asking difficult questions about immigration. Every sovereign nation has both the right and the responsibility to regulate its borders, administer lawful migration and distinguish between documented migrants, refugees, asylum seekers and those who reside within its territory without legal status. Those responsibilities are fundamental

to the functioning of any modern state, and acknowledging them should not be mistaken for hostility towards migrants. The deeper problem emerges when immigration gradually evolves from being one policy challenge among many into the principal explanation for nearly every manifestation of social and economic distress. At that point, the debate ceases to be about border management and becomes instead a search for a convenient villain.

That transformation is politically seductive because immigrants are visible in ways that structural economic forces are not. A Zimbabwean carpenter renovating a suburban home is easy to identify. An Ethiopian shopkeeper operating from a township container is impossible to overlook. A Malawian gardener, a Congolese mechanic or a Mozambican construction worker all become tangible symbols onto which anxiety



Across South Africa's townships, migrant-owned businesses have become symbols of economic competition amid high unemployment and hardship. While they often attract public frustration, deeper issues including inequality, weak job creation, institutional challenges and structural exclusion remain the bigger drivers shaping economic opportunity.



The country's economic challenges extend far beyond migration. Years of infrastructure constraints, institutional decline and weak economic growth continue to affect investment, industrial expansion and job creation.



Illegally occupied buildings sit at the intersection of undocumented migration, housing insecurity and urban decline, highlighting the need for balanced immigration enforcement alongside long-term solutions to South Africa's housing and governance challenges.

Photo Credit Reuters



Public demonstrations against undocumented migration reflect genuine concerns about unemployment, strained public services, crime and economic insecurity felt by many South Africans. However, they also raise deeper questions about whether migrants have become convenient symbols of frustration for structural challenges that extend far beyond border management. The article argues that issues such as slow economic growth, persistent inequality, institutional decline and limited job creation remain the more significant drivers of hardship, requiring solutions that go well beyond immigration enforcement.

can be projected. By contrast, the forces that shape unemployment, inequality and economic exclusion operate quietly through institutions, financial systems, educational disparities, infrastructure failures, investment patterns, regulatory decisions and decades of accumulated policy choices. Structural inequality has no face to confront in the street. Capital concentration cannot be chased from a neighbourhood. The lingering effects of apartheid cannot be removed by closing a corner shop. Human psychology therefore gravitates toward explanations that are immediate and visible, even when those explanations account for only a fraction of the larger reality.

South Africa's economic difficulties cannot be understood without recognising the extraordinary resilience of historical structures that survived the democratic transition. Political apartheid ended in 1994 through one of the most remarkable negotiated settlements in modern history, but political liberation did not instantly dissolve centuries of accumulated economic inequality. Democratic institutions transferred political authority to a representative government, yet the deeper architecture of wealth, productive assets, educational advantage, access to finance and inherited opportunity proved considerably

more resistant to transformation. Considerable progress has undoubtedly been made through the emergence of a substantial Black middle class, expanded access to education, Black entrepreneurship and policies designed to broaden ownership and participation in the economy. Nevertheless, South Africa continues to rank among the world's most unequal societies because historical patterns of exclusion continue to exert enormous influence over contemporary economic outcomes.

Compounding this unfinished transformation has been the corrosive impact of corruption and institutional decline. The years associated with state capture inflicted damage extending far beyond the theft of public funds. They weakened confidence in public institutions, undermined the operational capacity of state-owned enterprises, discouraged investment, delayed infrastructure development and contributed to a prolonged period of economic stagnation. The consequences of those failures continue to shape everyday life through unreliable electricity, deteriorating public services, constrained industrial expansion and diminished opportunities for employment. These are not problems that originated in migrant communities, nor are they problems that can be resolved through

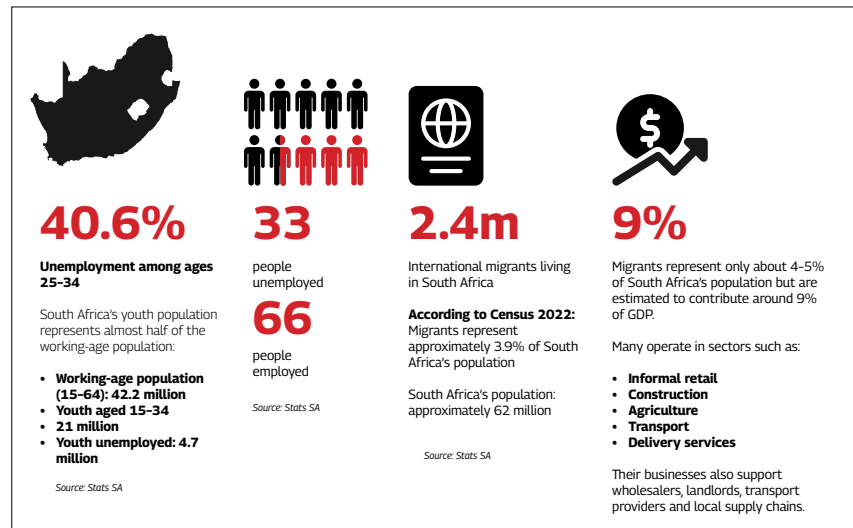
the removal of migrants.

Yet societies experiencing prolonged economic disappointment frequently search for explanations that are emotionally satisfying rather than analytically complete. Throughout history, periods of uncertainty have often produced movements that identify vulnerable outsiders as the principal source of domestic hardship. The pattern is neither uniquely South African nor uniquely African. Economic anxiety has repeatedly encouraged populations across continents to redirect legitimate frustrations toward groups possessing relatively little political or economic power. Such movements rarely emerge because the targeted communities genuinely control the structures responsible for national decline; rather, they emerge because those communities are sufficiently visible, politically vulnerable and socially accessible to serve as symbols of broader grievances.

The irony is particularly striking in the South African context because the country owes a profound historical debt to the solidarity of the African continent. During apartheid, neighbouring states opened their borders to South African exiles, hosted liberation movements, educated displaced students and accepted enormous diplomatic and economic costs in support of a struggle that transcended national boundaries. Botswana, Zambia, Tanzania, Mozambique, Zimbabwe and numerous other African countries understood that apartheid represented not merely a domestic injustice but a continental challenge to human dignity. Many of today's migrants come from nations that once provided sanctuary to South Africans fleeing persecution. Their presence therefore reflects not simply patterns of economic migration but the complicated reciprocity of African history itself.

None of this should be interpreted as an argument against effective immigration enforcement. A functioning immigration system protects citizens, legitimate migrants and refugees alike by establishing clear legal pathways while reducing opportunities for criminal exploitation and human trafficking. Governments cannot abdicate responsibility for border management, and public concerns regarding undocumented migration deserve thoughtful policy responses rather than dismissal. The difficulty arises when immigration becomes the dominant lens through which every economic challenge is interpreted. Such an approach risks confusing symptoms with causes and temporary relief with lasting solutions.

Even in the hypothetical scenario where every undocumented migrant departed South Africa tomorrow, the country would still confront the formidable tasks of expanding productive industries, improving educational outcomes, restoring municipal governance, strengthening electricity generation, rebuilding investor confidence, encouraging entrepreneurship and addressing one of the deepest inequalities in the global economy. None of those challenges disappear when a foreign-owned



shop closes its doors. None are resolved because a Zimbabwean labourer boards a bus home. They remain embedded within institutions, markets and historical patterns that require sustained political courage and long-term economic reform.

Perhaps this is the most unsettling aspect of the current moment. The contest unfolding in many South African communities increasingly pits those who possess the least power against others who possess only marginally more. Poor confronts poor. The unemployed compete against the precariously employed. Communities struggling to survive turn their attention toward neighbours who themselves escaped hardship elsewhere. Meanwhile, the larger questions concerning economic concentration, institutional renewal, educational transformation, industrial competitiveness and inclusive growth remain remarkably insulated from the intensity of public anger. It is not that these structural issues have disappeared from political debate; rather, they are significantly more difficult to mobilise around than the immediate visibility of migration.

The French Caribbean philosopher Frantz Fanon observed that societies emerging from systems of domination often carry psychological wounds that outlast the institutions responsible for creating them. When structural power appears distant, abstract or inaccessible, public anger frequently seeks expression through conflicts that occur among those sharing similar conditions of vulnerability. Fanon's insight remains compelling not because it explains every instance of social conflict, but because it reminds us that injustice often survives by redirecting the frustrations of the excluded away from enduring structures and toward one another.

South Africa therefore finds itself confronting a defining choice. It can pursue a legitimate conversation about immigration while simultaneously undertaking the far more demanding work

of economic transformation, institutional reconstruction and inclusive development. Or it can allow immigration to become a convenient narrative that obscures the more difficult questions surrounding inequality, opportunity, governance and the unfinished business of post-apartheid economic justice.

History rarely judges societies by the intensity of their anger. It judges them by whether they correctly identified the forces shaping their future. The greatest danger facing South Africa today is not simply that fellow Africans have become targets of public resentment. It is that a nation born from one of history's greatest struggles against systemic injustice risks directing its moral energy toward those who neither designed that system nor possess the power to dismantle what remains of it.

THE Banker's CONVERSATION Botswana's Premium Banking & Ideas Magazine

YOUR DESIGN HERE

TO ADVERTISE CONTACT
+267 77 304 050



Polishing the Narrative

De Beers and Govt PR Re-envision Botswana's Diamond Legacy



By The Banker's Conversation

BOTSWANA'S DIAMONDS ARE MORE THAN GEMSTONES THEY ARE SCHOOLS, HOSPITALS, ROADS AND OPPORTUNITIES.

GABORONE - In a high-stakes gathering held at the De Beers offices on Airport Road, industry leaders and government communications stakeholders convened for an intensive forum titled **"Telling Botswana's Diamond Story"**. The event, occurring as the nation approaches its Diamond Jubilee, served as both a strategic briefing and a masterclass in reclaiming the narrative of natural diamonds in an era of shifting global perceptions and technological disruption.

The forum arrived at a critical juncture for the industry. While De Beers remains a global powerhouse, the structure of its partnership is undergoing significant evolution. Currently, De Beers Group is owned 85% by Anglo-American and 15% by the Government of Botswana, though a high-profile de-merger process from Anglo-American is currently underway. Participants were briefed on how this transition might affect the future shareholding of the company as new investors look to enter the fray.

The Art of the Friction-Filled Story

Central to the day's agenda was the realization that "natural diamonds are amazing" is no longer a sufficient message for a modern audience. Presenters argued that the industry must move away from "reams and reams of intense staff" and policy-heavy language, moving instead toward authentic storytelling that embraces "tension" and "friction".

"Storytelling is theater," Rebecca Quartey-Papafio noted, explaining that humans intrinsically like a bit of friction—the contrast between luxury and the "rugged" reality of the bush. The forum introduced a new framework for the Botswana diamond narrative: Identity, Tension, and Resolution. This involves defining who the nation is (Identity), acknowledging the challenges of the changing landscape (Tension), and

presenting a sustainable future (Resolution).

This shift is a direct response to what was termed “TikTok brain,” referring to a global attention economy where consumers demand shorter, sharper, and more relatable content. “If the goal was to inspire,” a speaker remarked, “then I better not write 65 pages of boring things to tell you”.

Economic Engines and the Value Chain

Beyond the narrative, the event provided a deep dive into the complex “incestuous” but vital relationship between De Beers and Botswana. The backbone of this partnership is Debswana, a 50/50 joint venture that operates mines such as Orapa and Jwaneng. The value chain extends from exploration, now increasingly focused on Angola, to sorting and valuing, which is centralized in Gaborone.

Head of Corporate Communications Tumi Ramsden, detailed the Sightholder model, where 90% of rough diamonds are sold to global entities through ten “sight weeks” held annually in Botswana. This hospitality-heavy sales model ensures that international buyers “feel at home” while contributing to the local economy. Despite the dominance of this model, the industry faces headwinds; 2023 was described as one of the most difficult years on record due to rising inflation and the persistent pressure of Lab-Grown Diamonds (LGD).

The Sustainability Counter-Narrative

A significant portion of the forum was dedicated to debunking the environmental criticisms often leveled by the synthetic diamond industry. Wanetsha Mosinyi, addressed the common American critique that mining “digs holes,” pointing out that

diamond mining actually utilizes less than 1% of the 0.01% of the Earth’s surface used for all mining.

Instead, the “Botswana Sustainability Story” centers on nature and provenance. Mosinyi highlighted that De Beers and its partners protect approximately 500,000 species, including critical rhino repopulation efforts in Orapa. Furthermore, the company has set an ambitious goal to be carbon neutral by 2030, with facilities like the Botswana sorting building already operating on 100% solar power.

“Provenance actually now becomes number one,” Mosinyi stated, noting that new Tracer technology allows consumers to scan a diamond and see its exact journey from a mine like Jwaneng to the retail shelf. This transparency is essential to prove that Botswana’s diamonds are “natural, traceable, and ethically sourced,” distinguishing them from stones tied to geopolitical conflict. Bridging the Local Disconnect Perhaps the most candid moments of the forum involved the “disconnect” between the diamond industry and the Botswana people. Stakeholders raised concerns that while diamonds have built the nation’s infrastructure, many locals feel like outsiders to the luxury they produce. “My kids cannot enter this building, even when I work here, simply because they are under 18 years old,” Rebecca noted, referring to strict security protocols that can make the industry feel “intimidating” rather than a source of pride.

There was a collective call to “demystify” the diamond. Discussions touched on the need for a cultural shift where Botswana view diamonds not just as expensive wedding rings, but as investment assets comparable to cattle or land. “Do I see a diamond as

something I can go and take a mortgage loan and invest in?” Lawrence Seretse asked, suggesting that the local market should be encouraged to own stones as a form of “social capital”.

Ideas for local engagement included gifting diamonds for 21st birthdays or incorporating them into everyday items like medals or pins. The forum concluded with a proposal to form a diverse working group to ensure that the “social capital” of diamonds is felt on the ground, turning every citizen into an ambassador for the stone.

Looking Toward the Jubilee

As the session closed, the message was clear: the next 60 years of Botswana’s diamond story will be defined by trust and authenticity. Whether it is addressing the “self-gifting” Gen Z woman in India or the “tree-hugger” consumer in the US, the industry must lead with emotion backed by hard data.

“We have to be the change we want to see,” Boitumelo urged, noting that if the industry fails to differentiate natural diamonds from synthetics, they risk becoming as common as “cubic zirconia”. By leveraging its unique governance framework and deep-rooted environmental stewardship, Botswana aims to ensure its diamonds remain not just a luxury, but a “premium product” that continues to fund education and national development for generations to come.

The forum ended with an invitation for participants to move to the lounge for further networking, symbolizing the “hospitality” and “human connection” that De Beers hopes will define the next chapter of the Botswana story.



Communications leaders, government officials and industry stakeholders gathered at De Beers Botswana's Gaborone headquarters to rethink how the country tells the story of natural diamonds as Botswana approaches its Diamond Jubilee.

THE SUV THAT CHANGED THE GAME

SA CAR OF THE YEAR 2026



SPONSORED BY



OLDMUTUAL
INSURE

JETOUR

— Drive Your Future —



Jetour Gaborone
395 6217

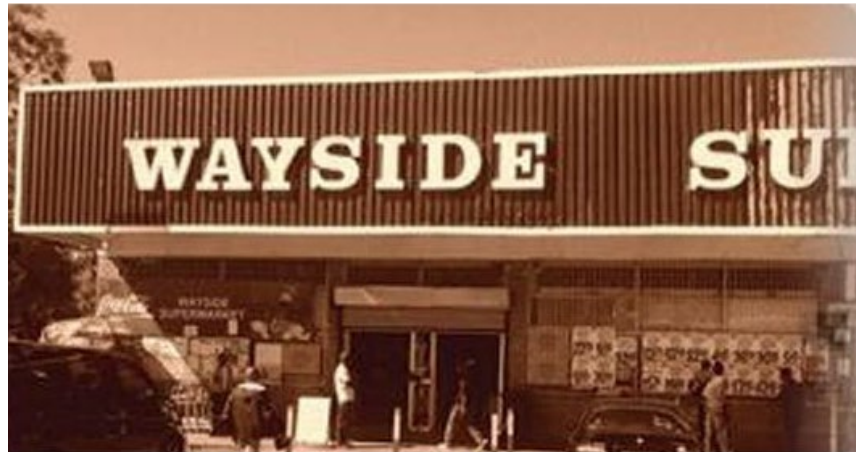
Choppies The Store That Knows Its Neighbors



By The Banker's Conversation

CHOPPIES OUTCOMPETED THE WORLD'S BIGGEST RETAILERS BY MASTERING THE VILLAGES THEY IGNORED. AFTER A NEAR-COLLAPSE, THE HOMEGROWN EMPIRE IS GAMBLING THAT LOCAL KNOWLEDGE MATTERS MORE THAN CONTINENTAL SCALE.





Every retail empire has an origin story. For Choppies, it began in 1986 in the border town of Lobatse, where entrepreneur Farouk Ismail opened a modest store known as Wayside Supermarket. What started as a single outlet serving local communities would evolve into one of Southern Africa's most influential retail groups, built on a vision of affordability, accessibility and homegrown enterprise. Today, Choppies' regional footprint stands as a testament to the entrepreneurial spirit that first took root in Lobatse four decades ago.

Photo Credit Choppies Botswana

To understand the visceral pulse of Southern African commerce, one must step away from the glass-and-steel boardrooms of Gaborone and onto the bustling tile floors of a Choppies supermarket. Here, beneath the bright fluorescent hum, a narrative of regional self-determination unfolds in the simple act of a customer reaching for a bag of "Choppies Choice" flour. This is not merely a retail chain; it is a sprawling, vertically integrated empire that serves as a mirror to the region's economic aspirations and its most daunting structural challenges. Each week, approximately 2.5 million customers pass through the doors of 302 stores across the Botswana-Namibia-Zambia (B-N-Z) corridor, seeking value in a landscape increasingly defined by macroeconomic volatility.

The story of Choppies is an unlikely origin myth, beginning in the dusty, border-town quiet of Lobatse in 1986. It was there that Farouk Ismail founded Wayside Supermarket,

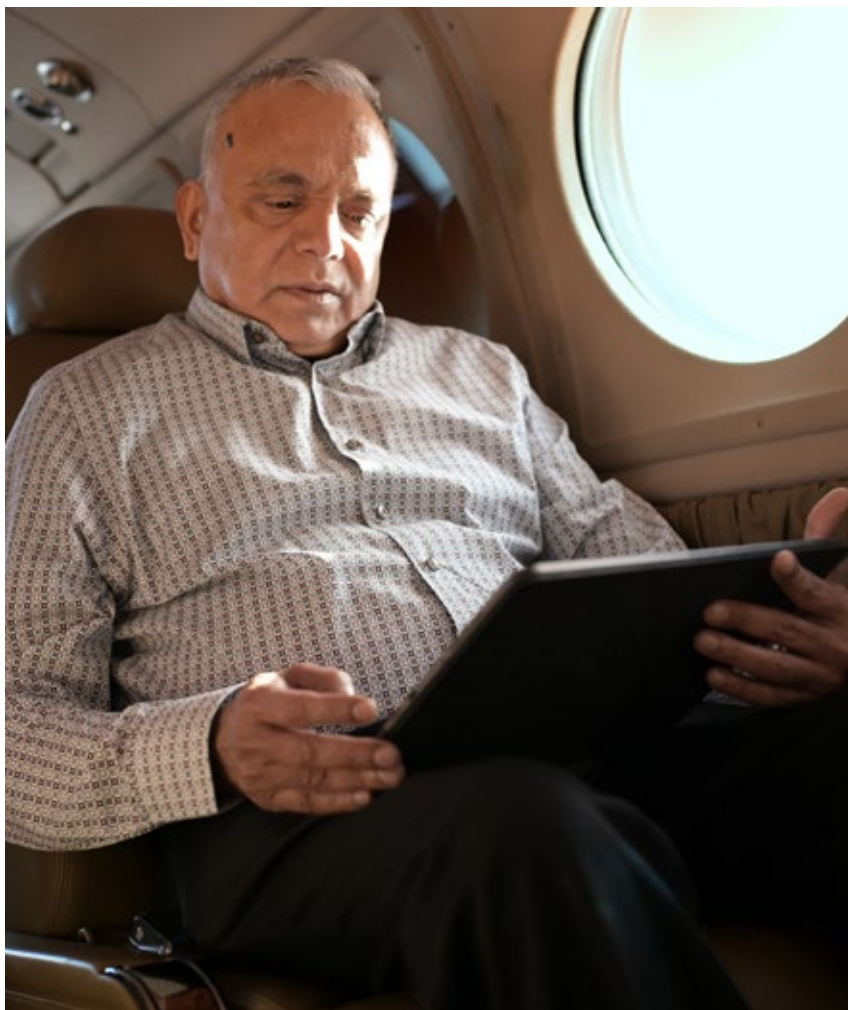
a solitary storefront struggling to survive under the heavy shadow of South African retail hegemony. In those early years, the "big five" supermarkets from the south effectively controlled the market, often colluding with mall owners to ensure no local upstart could claim a prime corner.

The metamorphosis of this modest enterprise into a regional powerhouse began in 1992, when a young accountant from Kerala, India, named Ramachandran "Ram" Ottapathu, arrived to handle the Wayside account. Driven by a childhood of scarcity in India, a "hunger for more" Ottapathu recognized a fundamental flaw in the South African model: it was profit-oriented and unwilling to venture into the rural villages where logistics were difficult but the need for affordable goods was greatest.

Choppies' strategy was born of this necessity and rooted in the Setswana concept of Botho, the idea that a person is a person through other people. When mall owners shut them out, Choppies simply bought the land and built its own shopping centers. When imported prices proved too high for the average Motswana, the company launched its own private labels and opened its shelves to local producers. Today, this "Shared Value Initiative" (SVI) is the bedrock of the brand's identity, with the company stocking up to 75% of its fresh produce from local farmers in Botswana. For small-scale producers like those at The Farmer's Creek, Choppies is not just a buyer but a vital lifeline; without their bulk orders of lettuce and spinach, many small agricultural businesses would perish under the weight of inconsistent market pricing.

As you walk deeper into the store, you encounter the fruits of the company's recent "Tactical Consolidation". Following a period of over-ambitious expansion that saw Choppies retreat from volatile markets in South Africa, Kenya, Tanzania, and Mozambique, the group has pivoted to a concentrated defensive





strategy. This shift was accelerated by the complete divestment of the Zimbabwean segment in early 2025, a necessary exit driven by hyperinflation and a 30% collapse in formal retail footfall as consumers shifted to informal cash markets. This consolidation allowed management to focus resources on stable, high-yield territories and pay down legacy debts, culminating in the full repayment of a BWP 82 million consortium debt in January 2026.

The store's inventory now reflects an aggressive move toward vertical integration, most visible through the 2023 acquisition of a 76% stake in Kamoso Africa. This transaction transformed Choppies into a vertically integrated consumer goods group, incorporating milling, manufacturing, and distribution divisions. The "Choppies Choice" brand, supported by these owned manufacturing units, now accounts for an estimated 26% of sales volume, allowing the company to capture production-level margins while offering lower prices to consumers. However, this integration has not been without growing pains; the Kamoso portfolio included ailing divisions like Builders Mart and Liquorama, which were inherited in a difficult state characterized by poor management and restricted credit lines. Chief Financial Officer Minesh Rajcoomar is currently leading a 12-to-18-month turnaround for these segments, aiming to align their pricing structures and operational

standards with the successful grocery business.

The economic landscape visible through the store windows is currently a challenging one, particularly in Botswana, which remains the group's primary engine of revenue. In 2025, the nation's traditionally stable, diamond-dependent economy faced a severe slump in the global market, leading to fiscal deficits and reduced consumer liquidity. The Botswana government introduced severe austerity measures, curbing spending and intensifying the strain on household budgets. This was compounded by an unexpected devaluation of the Pula in July 2025, which added BWP 64 million in incremental costs that the company could not pass on to its cash-strapped customers. Despite these headwinds, Choppies showed remarkable resilience, with sales in Botswana increasing by 3.0% even as like-for-like sales declined slightly.

Moving into the regional context, Namibia has emerged as a primary target for rapid expansion, with the group aiming to grow its network there to 50 stores by 2028. This expansion is specifically focused on southern Namibia, where burgeoning oil exploration and green hydrogen projects are expected to drive significant consumer demand. However, the Namibian segment remains in a ramp-up phase, reporting an operating loss of BWP 8 million by December 2025. Profitability was further pressured by the

Namibian government's decision to subsidize core commodities like maize, soya, and oil between July and November 2025, which lowered margins for the retailer.

Labor dynamics also play a central role in the Choppies narrative, often revealing the friction between corporate strategy and national mandates. In January 2025, the Namibian government implemented a National Minimum Wage (NMW) of N\$18.00 per hour. Choppies Namibia faced intense controversy and worker protests after placing many staff on "flexi-hour" contracts that effectively yielded monthly earnings below the intent of the new wage mandate. In contrast, in the mature Botswana market, the company has sustained its "living wage" policy. While this has placed short-term pressure on profitability, management believes it is essential for long-term employee retention and brand reputation.

The quiet efficiency of the store's backend is driven by a BWP 55 million investment in technology and logistics infrastructure. The group recently implemented the Slimstock demand forecasting software, which uses predictive analytics to optimize inventory levels and reduce stockouts. This is coupled with an advanced Warehouse Management System (WMS) across 10 regional distribution centers, significantly reducing shrinkage and lowering cross-border logistics costs. To combat the region's severe energy crisis and frequent load-shedding, Choppies has rolled out rooftop Solar PV systems to 45% of its standalone stores, achieving a 23% reduction in electricity consumption. In remote areas of Zambia and Namibia, solar-powered cold-chain refrigeration has reduced perishable food waste by 28%, a critical improvement for a high-volume, low-margin business.

Corporate governance has also undergone a profound transformation, as the group works to rebuild investor confidence after the "dark days" of 2018. That year, Choppies was suspended from the Botswana Stock Exchange (BSE) and the Johannesburg Stock Exchange (JSE) after failing to publish audited financials, leading to a 75% collapse in market value. The ensuing boardroom battles eventually saw Ottapathu reinstated as CEO, but the event remained a pragmatic learning curve for the corporation. Today, the board is structured to align with King IV standards, with a majority of independent non-executive directors led by Chairman Uttum Corea, a former senior partner at PwC Botswana.

The group continues to engage in a high-stakes legal battle with its former auditors, PwC Botswana. Ottapathu and Ismail are seeking over R653 million in civil damages, alleging that PwC's delay in signing off on the 2018 financials directly caused the share price collapse and subsequent trading suspension. In April 2025, the Botswana High Court delivered a major ruling against PwC, dismissing their attempt to nullify prior adverse rulings and clearing the way for the damages case to be heard on its merits. Ottapathu has remained defiant, stating that



The Choppies Big Birthday Bonanza has grown into one of Botswana's most recognisable customer engagement initiatives. By giving away houses, vehicles, cash prizes and business-support assets, the retailer reinforces its philosophy of shared value creating tangible economic opportunities while strengthening relationships with the millions of customers who drive its success each year.

Photo Credit Choppies Botswana

By reimagining convenience retail, Choppies on the Go is helping the group capture new market opportunities while reinforcing its position as one of Southern Africa's most dynamic and adaptable retail brands.

Photo Credit Choppies On The Go

the company will continue the legal battle until the end.

As you finally approach the checkout counter, you see the integration of financial services into the retail experience. Through partnerships with companies like Mascom and Botswana Post, Choppies stores act as community hubs, allowing citizens to pay bills, register SIM cards, and even receive their old-age pensions in rural areas where banks are non-existent. These services might offer thin profit margins, but they are essential for building the long-term customer loyalty that has made Choppies the second-largest employer in Botswana after the government.

Standing at the exit of a Choppies store, the complexity of the brand is inescapable. It is a homegrown entity that has survived boardroom coups, regional economic collapses, and a global pandemic. While the dual-listed stock on the JSE has experienced extreme volatility due to its small public free float, Ottapathu has signaled his confidence through aggressive on-market insider buying. Ultimately, Choppies represents a narrative of resilience, the belief that a local retailer can out-compete global giants like Walmart and Shoprite by simply knowing its

302 Stores

Across Botswana, Namibia and Zambia.

2.5 Million

People Served Every Week

75%

Local produce Sourced from Botswana farmers.

neighbors better than anyone else. It is a story of a business that is, as founder Farouk Ismail put it, "at the core of solving social issues" in a region that demands nothing less.

THE Banker's CONVERSATION Botswana's Premium Banking & Ideas Magazine



www.thebanker.co.bw



nako®

Botswana's Debt Surge

What It Is Used for Matters More Than the Trend



Wenyan Yang

UN Resident Coordinator



Taimur Khilji

*Economist, Office of the UN
Resident Coordinator*

A recent report drew on IMF data showing Botswana has recorded the largest increase in government debt as a share of GDP of any country over the past 25 years. A swing of some 167 percentage points, from a net asset position of around 122 percent of GDP in 2001 to projected gross debt of about 45 percent in 2026, is striking, and the Gazette is right to raise the alarm. But the trend the article highlights is only part of the story. Beyond eye-catching headlines, we need to assess where debt stands today, and what it is being spent on.

Debt Has Crossed the Statutory Ceiling

The statutory debt ceiling of 40 percent of GDP is Botswana's own legislated limit, set to protect the fiscal space a resource-dependent economy needs to absorb shocks. Public debt reached an estimated 40.7 percent of GDP in 2025, up from 33.1 percent in 2024, and is projected at about 45.2 percent in 2026. Botswana has not approached the ceiling. It has crossed it. The deficit ran at an estimated 9.4 percent of GDP in 2025, narrowing only slightly to 8.9 percent in 2026. Reserves fell to around 4.4 months of import cover, and inflation stood at 10.7 percent in May, well above the Bank of Botswana's 3 to 6 percent target. Rising debt, a persistent (albeit narrowing) deficit, high inflation, and thinner buffers make a difficult mix.

Recent Borrowing Was Not Unreasonable

Context matters. Diamond output fell roughly 24 percent in 2024 as global demand weakened and lab-grown alternatives ate into Botswana's market. GDP shrank 2.8 percent that year and another 0.7 percent in 2025. Running deficits while debt staying under statutory ceiling through two years of economic contraction to protect basic public services and vulnerable households was defensible as counter-cyclical fiscal policy. The diamond sector's troubles are structural. The model that depended on diamond revenue to fund Botswana's development for

decades is reaching its limit. Yet, economic diversification that benefits all Botswana, the goal of Vision 2036, NDP12, and the BETP, takes time. Some recent borrowing reflects the cost of keeping that agenda alive while revenue fell. While that was reasonable, it is not a reason to keep doing it.

What the Money Is Spent on Matters

A deficit is not automatically a problem. Borrowing to invest in infrastructure, education, health, or anything that raises future growth can pay for itself. In the 2025/2026 budget, of P97.61 billion in total spending, P23.75 billion, about 24 percent, was development investment spending. Consolidation should not fall evenly: recurrent spending should absorb most of the adjustment, while capital spending tied to NDP12 and BETP should be protected.

Social Outcomes Raise the Stakes

Botswana is upper-middle-income by GDP per capita, but social outcomes do not match that status. About 17 percent live in extreme poverty. The 2024/25 Botswana Multi-Topic Household Survey put overall unemployment at 21.0 percent, up from 17.6 percent a decade earlier, and youth unemployment (ages 15 to 35) at 28.9 percent. Statistics Botswana notes the headline overall unemployment rate understates the problem, since it excludes discouraged workers; including them puts it closer to 27 percent. The Gini coefficient, a measurement of inequality in income distribution, of 0.53 is one of the worst in the world. These numbers define what consolidation cannot afford to cut: services and supports to the most disadvantaged households the country's inclusive development agenda is meant to reach.

Botswana Is Not in a Debt Crisis, and the Case for Acting Now

At around 45 percent of GDP, Botswana is not in a debt crisis; the African median debt-to-GDP ratio is above 65 percent.

But direction matters. If deficits stay above 8 percent of GDP while servicing costs rise, the dynamics get harder to reverse: more debt, higher interest, less productive spending, weaker growth, lower revenue. The IMF's 2025 Article IV review was direct about this risk. Markets have already started pricing this in. Moody's downgraded Botswana from A3 to Baa1 in October 2025, and S&P followed in March 2026, cutting it to BBB-, both with a negative outlook. Debt servicing burden has already risen for Botswana -- Treasury bill yields climbed from around 3.4 percent in early 2025 to above 10.5 percent by March 2026. Looking ahead, Botswana needs to proactively arrest the fast growth of its national debt while optimizing the structure of its budget to prioritize investment in the human capital and physical infrastructure to support growth and diversification.

Three Things the Government Should Do

First, reinstate the 40 percent debt ceiling as a commitment, with a clear, public path back to it over three to five years. Second, protect investment as consolidation proceeds. Recurrent spending should take most of the adjustment, while capital spending tied to diversification is shielded. Government should also focus on fiscal accountability and discipline to contain spending while raising revenues through a broader tax base, fewer exemptions, and stronger compliance. Third, speed up BETP delivery. Diversification is the only lasting answer to a permanent shift in diamond revenue. Every quarter of delay means more borrowing to fill a gap that borrowing alone cannot close.

Vision 2036 commits Botswana to a future that is prosperous, inclusive, and resilient. NDP12 and BETP set out how to get there. The debt of recent years reflects real shocks and hard choices, some of them sound. The window to reverse course is still open, but narrower than before. Naming the problem clearly, and spending what is borrowed wisely, is how it stays open.

The Price of Blind Love

Why **Nicholas Zakhem** Continues Investing in Botswana Football When the Numbers Say Otherwise



By Gomolemo Evelyn Mahuma & The Banker's Conversation

For most investors, the numbers determine the decision. Nicholas Zakhem has spent more than two decades investing in Botswana football despite knowing the financial returns rarely justify the cost. Yet for the businessman, engineer and Gaborone United benefactor, football is not about profit. It is an investment in people, communities and opportunity. In this candid profile, Zakhem reflects on leadership, governance, human capital and why some of life's most valuable returns can never be measured on a balance sheet



More than supporters, Gaborone United's fans are stakeholders in a legacy that continues to inspire pride across Botswana football.

Photo Credit Gaborone United

The sun hangs heavily over Gaborone, stretching long golden shadows across a city that Nicholas Zakhem has helped shape for more than three decades, not only through concrete and steel, but through conviction, persistence and an unwavering belief in the power of institutions. On the morning we meet, he is recovering from what he describes with amusement as a battle against ants in his apartment. The extermination spray has left him feeling slightly under the weather and joking about his hearing, but the humour arrives as naturally as the honesty that has become one of his defining traits.

What begins as a casual conversation soon evolves into something far more revealing. The discussion moves effortlessly from football to construction, from leadership to governance, from financial sustainability to human development. Before long, it becomes clear that the story of Nicholas Zakhem is not really about football at all. It is about the business of building things that endure, whether they are companies, communities, institutions or people.

To understand Nicholas Zakhem, one must first understand the mindset of an engineer. Engineers are trained to think differently. They see beyond appearances and focus on structures, systems and foundations. They know that the success or failure of any project is determined long before it becomes visible to the public. Buildings do not collapse because of what people can see. They collapse because of weaknesses hidden beneath the surface. That philosophy has shaped the way Zakhem approaches almost every aspect of his life.

When he arrived in Botswana in 1990, he was a thirty-year-old civil engineer whose career had already taken him across continents. He had worked in Beirut and Kenya and arrived in Gaborone expecting to stay only a few months before moving on to another assignment. Botswana was never meant to become home. It was simply another destination on a professional journey.

Yet Botswana has a remarkable ability to anchor people who arrive with temporary intentions. Those few months became years, and those years eventually became decades.



Lebanese engineer Nicolas Zakhem transformed a chance involvement in football into a lasting legacy of infrastructure development, youth empowerment and sporting excellence.

Photo Credit Gaborone United

Today, thirty-six years later, Zakhem speaks about Botswana not as an adopted home but as his country. He became a citizen in 2020, although he admits that emotionally he had committed himself to Botswana long before the paperwork was completed.

"When I say goodbye one day, I will be buried here," he says matter-of-factly. "This is home."

That statement reveals much about his approach to leadership. He is not someone who views investments through the lens of quick returns or short-term exits. He thinks in decades rather than quarters. He believes in building for permanence rather than convenience. In many ways, that philosophy explains both his success in business and his commitment to football.

Long before he became associated with Gaborone United, Zakhem's relationship with sport began on the athletics track. During his school years, he excelled as a middle-distance runner and won a gold medal in both the 3,000 and 5,000 metres. He laughs when describing his football ability, calling himself a mediocre player at best, but his

competitive spirit found a natural home in volleyball, where his tactical awareness and defensive skills compensated for what he lacked in height.

When he settled into Botswana's business community during the 1990s, his first major sporting contribution was not in football but in volleyball. Through Z Construction, he sponsored tournaments and eventually adopted a team known as Mafuluru, which later became associated with his own name. At the same time, he remained active in social football, spending weekends playing with friends and colleagues around Gaborone.

His eventual entry into professional football came through circumstance rather than design.

In 2005, officials from Gaborone United approached him with a problem. One of Botswana's most historic clubs was struggling. The team was hovering near the bottom of the table and facing the real possibility of relegation. Salaries were difficult to pay. Resources were limited. Morale was low.

What they needed was not simply a sponsor. They needed stability.

Zakhem agreed to assist with salaries and logistics. What followed surprised even him. Once players received consistent support and basic operational challenges were addressed, performance improved dramatically. The club climbed from near the bottom of the table to finish fourth by the



Businessman and engineer Nicolas Zakhem has left a lasting mark on Botswana's skyline through landmark developments including iTowers in Gaborone's Central Business District, one of the country's most iconic mixed-use developments. His business interests have also been associated with major commercial, retail and hospitality investments that have helped shape modern urban development in Botswana.

Photo Credit Brains Bond

end of the season.

For Zakhem, the experience reinforced a lesson that would later define his leadership philosophy. People perform differently when institutions function properly.

The following years brought further progress. By the 2008-2009 season, Gaborone United had completed one of the most remarkable turnarounds in Botswana football, securing the league title in dramatic fashion against Mochudi Centre Chiefs. It was a moment of triumph for the club, but for Zakhem it was also proof that strong foundations produce strong outcomes.

His story with Gaborone United has never been straightforward. There were internal disputes, boardroom battles and periods of uncertainty, particularly between 2016 and 2018 when disagreements threatened the club's stability. Yet he remained involved, convinced that institutions are tested most severely during difficult periods. It is easy to support success. It is far more difficult to support recovery. That willingness to stay during challenging moments reveals perhaps the most important aspect of his leadership style. Zakhem does not view leadership as authority. He views it as responsibility.

For readers of *The Banker's Conversation*, one of the most fascinating elements of his story is the contrast he draws between managing billion-Pula construction projects and managing a football club.

Conventional wisdom would suggest that overseeing major infrastructure projects presents the greater challenge. After all, construction involves enormous budgets, complex logistics and large workforces. At different points in his career, Zakhem managed projects employing hundreds of people and handled contracts worth billions. Yet he insists football is infinitely more difficult.

The reason, he explains, is simple. Construction is largely governed by systems. Football is governed by people.

On a construction site, materials behave predictably. Processes can be standardized. Outcomes can be measured against clearly defined plans. Football operates according to a different set of rules.

Players arrive carrying personal challenges, family responsibilities, financial pressures and emotional burdens that never appear on spreadsheets.

"You deal with every type of person imaginable," he explains. "You deal with the educated and the uneducated, the wealthy and the poor, the confident and the struggling."

Football exposed him to realities that many business leaders never encounter directly. He speaks openly about players who have arrived at training without having eaten properly, players dealing with family



A major construction project under Zac Construction, symbolising the engineering driven mindset that has defined Zakhem's approach to both business and institutional development. Zac Construction has played a significant role in Botswana's infrastructure development, delivering major civil engineering projects, including highway developments, while maintaining a strong local presence through municipal construction and community-based projects in areas such as the Letlhakane Bus Rank.

Photo Credit Bashi Kikia

crises and players carrying responsibilities far beyond their years. Those experiences fundamentally changed his perspective on leadership.

"The more involved I became in football, the more humbled I became," he says.

It is an observation he returns to repeatedly.

Before football, he admits, he was perhaps less approachable than he is today. The discipline required in construction often leaves little room for emotional engagement. Football forced him to develop a different skill set. Success depended not only on management but on understanding.

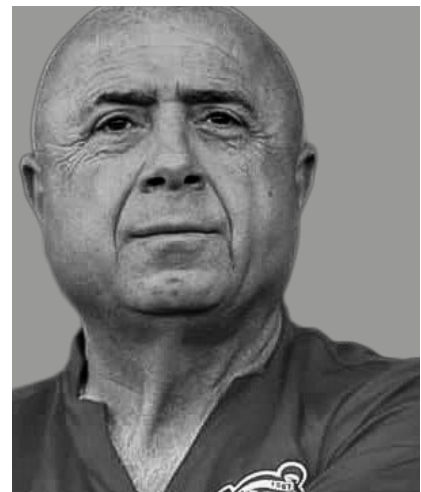
Today, he speaks about his players with the concern of a mentor rather than the distance of an executive. He wants to know what is happening in their lives. He asks about their families. He monitors their wellbeing. He understands that performance on the pitch is often connected to circumstances away from it.

This empathy, however, should not be mistaken for softness.



Gaborone United's women's team has become a symbol of progress and opportunity, demonstrating how investment in development can strengthen the game at every level.

Photo Credit Gaborone United Ladies



Having made Botswana his home for over three decades, Nicholas Zakhem's legacy extends beyond infrastructure projects to the people and institutions he has helped strengthen.

Photo Credit Gaborone United Ladies

Zakhem remains a fierce advocate for discipline and accountability. He jokes about turning from red to pink when he becomes angry, but behind the humour lies a deeply held belief that standards matter.

He has suspended some of his best players for misconduct. He has little tolerance for substance abuse, poor behaviour or actions that undermine the values of the club. For him, leadership requires consistency. Rules cannot apply only when convenient.

"I want to win," he says. "But I want to win with discipline."

That balance between empathy and accountability is perhaps one of the defining characteristics of his leadership. He believes young people need support, but they also need boundaries. He believes in understanding personal circumstances, but he refuses to use those circumstances as excuses for poor conduct.

Where Zakhem becomes most animated is when discussing governance.

As someone who spends his life working within structured environments, he struggles to understand what he sees as the institutional weaknesses affecting Botswana football. His criticisms are direct and often uncomfortable.

He speaks about Annual General Meeting reports that he considers inadequate, resolutions that are passed but never implemented and governance structures that fail to deliver meaningful change.

For an engineer, these failures are particularly frustrating because they represent a breakdown between planning and execution.

"Ideas have little value unless they are translated into action," he says. He argues that Botswana football does not suffer from a shortage of ideas. Instead, it suffers from what he calls an execution problem. Discussions take place. Committees are formed. Strategies are developed. Yet implementation often falls short.

This frustration extends to issues of transparency, accountability and institutional reform. He believes organizations should be judged not by the quality of their intentions but by the outcomes they produce. A plan only becomes valuable when it changes reality.

His perspective mirrors a lesson familiar to every successful business leader. Vision without execution is merely aspiration.

Despite these frustrations, Zakhem remains optimistic about Botswana football. His optimism, however, is rooted in practicality rather than sentimentality. He believes the challenges facing the game can be addressed if there is a genuine commitment to strengthening institutions and investing in development.

One area where he believes urgent intervention is required concerns the economic realities facing professional footballers.

For a magazine focused on business and finance, this may be one of the most important aspects of his argument. Zakhem frequently describes the economics of football careers as unforgiving. While a lawyer, doctor or engineer can continue earning an income for four decades or more, a footballer's earning window is dramatically shorter. Most professional players retire around the age of thirty-two, leaving them with a limited period in which to build financial security.

The consequences are significant. Many players spend their best years entertaining communities and representing clubs only to face uncertainty once their playing careers end. Botswana has yet to develop comprehensive systems that prepare athletes for life after football.

Zakhem believes this must change.



Nicolas Zakhem soaking in the love of the GU faithful.

Photo Credit Gaborone United

He supports the introduction of a meaningful minimum wage for professional footballers and argues that financial literacy should become a core part of player development. Football should not simply develop athletes. It should develop financially responsible individuals capable of managing their futures.

His concern stems from a belief that players are not merely athletes. They are valuable human capital.

Like any other asset, human capital requires investment, protection and long-term planning.

Yet perhaps the most fascinating aspect of Zakhem's story is the contradiction at its centre.

By his own admission, football makes very little financial sense.

The return on investment is almost non-existent. Costs continue to rise. Sponsorship remains limited. Commercial revenues are modest. From a purely financial perspective, it is difficult to justify.

And yet he continues.

When asked why, he offers an answer that no accountant could easily quantify.

"Blind love."

The phrase captures everything.

He understands the financial realities. He knows the balance sheets rarely work in his favour. He has experienced the sleepless nights, the pressures and the frustrations.

Yet he remains committed because his definition of return extends beyond money.

He measures success in opportunities created, lives changed and communities strengthened. He sees value in a young player finding a future. He sees value in a women's team making history. He sees value in giving back to a country that gave him a home.

For Zakhem, football is not merely entertainment. It is social infrastructure.

Just as roads connect communities and bridges create opportunities, football creates belonging, identity and aspiration. Its value cannot always be measured through

conventional financial metrics.

As our conversation draws to a close, the discussion returns to legacy.

Not personal legacy, but institutional legacy.

Zakhem speaks less about what people will remember about him and more about what will remain after he is gone. He wants stronger clubs, better systems, more opportunities and institutions capable of succeeding without depending on individual personalities.

It is, perhaps, the most engineer-like ambition imaginable.

After spending a lifetime constructing physical infrastructure, he has become increasingly focused on building something less visible but equally important: human infrastructure.

The lessons from his journey extend far beyond football. In an era when Botswana faces economic headwinds, tighter liquidity, increasing competition for investment and growing pressure on institutions to deliver more with less, his story offers a timely reminder that sustainable success is rarely accidental.

Whether in business, government or sport, strong outcomes are built on strong foundations. Human capital matters. Governance matters. Discipline matters. Long-term thinking matters.

In the end, Nicholas Zakhem's greatest contribution may not be measured in trophies, contracts or financial statements. It may be measured in the institutions he helped strengthen and the people he helped develop along the way.

For Botswana, that lesson carries particular significance. As the country seeks new engines of growth beyond diamonds and navigates the challenges of economic diversification, the future will depend increasingly on the quality of leadership, the strength of institutions and the ability to invest wisely in people. Those are not football lessons or engineering lessons. They are nation-building lessons. And they are lessons Nicholas Zakhem has spent more than three decades learning, one foundation at a time.

60 Years of Diamond Encrusted Burden



By The Banker's Conversation

Part I: The Country President Duma Boko Inherited

On the evening of 30 October 2024, Botswana quietly entered a new chapter of its history. There were no military convoys moving through Gaborone, no emergency broadcasts interrupting radio programming, and no uncertainty over whether constitutional order would survive the announcement of election results. Instead, there was something far more profound: the peaceful conclusion of fifty-eight years of uninterrupted rule by the Botswana Democratic Party (BDP) and the emergence of the Umbrella for Democratic Change (UDC) as the country's new governing party.

For a continent where political transitions have too often been accompanied by instability, Botswana once again reminded the world why it has long been regarded as one of Africa's strongest democracies. The transfer of power demonstrated the resilience of institutions built over six decades and reaffirmed an enduring commitment to constitutional government. It was, in many respects, another chapter in Botswana's remarkable democratic story.

Yet while the world celebrated the mechanics of democracy, another question immediately emerged inside the country.

What exactly had the new government inherited?

For President Duma Boko, the significance of electoral victory extended far beyond assuming office. He became the custodian of a Republic that had accumulated extraordinary national achievements while simultaneously carrying unresolved structural challenges that had grown steadily over generations. His administration inherited one of Africa's most respected states, but also one confronting the limits of the economic model that had sustained its success since independence.

Understanding Botswana today requires holding these two realities together. It is possible, and historically accurate, to acknowledge that Botswana achieved one of the most successful development stories in post-colonial Africa while also recognising that many of the country's most pressing economic and social problems remained unresolved when power changed hands in 2024.

That distinction matters because political transitions often encourage simplistic narratives. Governments leaving office are

portrayed as having failed completely, while those entering office are assumed capable of resolving decades of accumulated problems within a few years. Botswana's reality is considerably more complex.

The UDC inherited neither a failed state nor a finished project.

It inherited a nation whose first sixty years had been defined by remarkable state-building, but whose next sixty years would require a fundamentally different kind of leadership.

The African Miracle

Few countries have transformed themselves as dramatically as Botswana has since independence.

A Part I, II, III
Story Series



When Botswana became independent in 1966, it ranked among the poorest countries in the world. The country possessed little physical infrastructure, limited administrative capacity and a narrow economic base. Many observers questioned whether the new Republic possessed sufficient resources to sustain itself as an independent state. History would prove those predictions spectacularly wrong.

The discovery of diamonds fundamentally altered Botswana's economic trajectory. More importantly, successive governments made decisions that distinguished Botswana from many other resource-rich countries. Instead of allowing mineral wealth to fuel corruption, conflict or fiscal indiscipline, governments channelled significant portions of mining revenue into public investment, infrastructure development and sovereign savings.

Over subsequent decades Botswana built an extensive road network linking previously isolated communities. Electricity reached villages that had never before been connected to the national grid. Public education expanded dramatically, healthcare infrastructure improved steadily, and government established one of Africa's most respected civil services. Fiscal discipline became a defining characteristic of economic management, while democratic institutions matured alongside economic growth.

These accomplishments were not incidental. They reflected deliberate policy choices sustained across multiple administrations.



A partnership that transformed a nation. Signed on 23 June 1969, the agreement establishing Debswana laid the foundation for one of the world's most successful public-private partnerships. Revised in 1975 to create a 50:50 joint venture between the Government of Botswana and De Beers, the partnership has financed decades of investment in education, healthcare, infrastructure and national development. Its latest chapter began with the new Diamond Sales Agreement signed in February 2025..

Government also invested heavily in energy security, mining infrastructure, digital public services, education and rural development while maintaining macroeconomic stability that attracted international confidence. By the early twenty-first century Botswana had become an upper-middle-income country and a recognised example of how natural resources could be managed responsibly. International financial institutions frequently cited Botswana as evidence that prudent governance and sound institutions could convert mineral wealth into national development.

This legacy forms an essential part of the inheritance received by President Boko. Without these institutions, there would have been no peaceful democratic transition in 2024.

Without decades of fiscal prudence,

Botswana would not possess the credibility that continues to attract international investment.

Without sustained investment in education, healthcare and infrastructure, the country would not possess the foundations upon which future economic transformation can occur.

These are achievements that belong not to a single political generation but to the Republic itself.

The Limits of Success

Yet development is not a static destination. Economic models that successfully solve one generation's problems often prove inadequate for the next.

Botswana's original development model was designed to answer the challenges facing a newly independent country with limited resources, minimal infrastructure and widespread poverty. It succeeded beyond the expectations of almost everyone who observed the country's early years.

However, success gradually created a new set of challenges. The economy became increasingly dependent upon a single commodity whose fortunes were determined largely by international demand. Although diamonds generated substantial export earnings and government revenue, mining remained a capital-intensive industry employing relatively few people compared with its enormous contribution to national income.

As educational opportunities expanded, universities produced growing numbers of graduates whose aspirations increasingly exceeded the capacity of the economy to absorb them. Botswana had successfully educated a generation for an economy that had not diversified quickly enough to create comparable opportunities. The contradiction became increasingly visible.

National income continued to rise. Individual opportunity did not always keep pace. Economic growth remained positive for much of the period.

Yet unemployment persisted, particularly among young people entering the labour market. Public infrastructure improved substantially.

THE TRUE TEST OF POLITICAL LEADERSHIP IS NOT ASSIGNING BLAME FOR INHERITED PROBLEMS, BUT DEMONSTRATING THE ABILITY TO SOLVE THEM.



History was made in October 2024. President Mokgweetsi Masisi's electoral defeat ended the Botswana Democratic Party's 58-year hold on government, making way for the Umbrella for Democratic Change to form the country's first new administration since independence. The peaceful transition not only reaffirmed Botswana's democratic maturity but also marked the beginning of an era defined by the challenge of transforming an economy built on diamonds into one driven by innovation, private enterprise and inclusive growth.



1. Gaborone was transformed from a sleepy stopover into a new capital city with remarkable haste. 2. Dibete Veterinary Fence. Veterinary Fences were constructed in an attempt to preserve farmland and subsistence farmers from the impact of migratory animals such as wildebeest. These could travel in groups of many hundreds of thousands of animals and could cause serious disruption to local communities. The fences were a way of protecting some of the landscape from these large herds and to make migrations more predictable. 3. There were legal formalities that had to be conducted to officially transfer power from the existing colonial-era institutions to the newly independent nation. Here Princess Marina presides over this transference of power.

Photo Credit The National Archives

Yet inequality remained among the highest in the world. The country became wealthier. Many households did not feel wealthier.

These developments did not erase Botswana's achievements. They revealed the limitations of an economic model that had delivered extraordinary results during its first decades but now faced new structural realities.

Economists often describe this stage as the middle-income trap: the point at which a country's original sources of growth begin to lose momentum before new engines of productivity have fully emerged.

For Botswana, this meant that the challenge was no longer simply producing more diamonds. It became creating an

economy capable of generating innovation, productivity, entrepreneurship and employment across multiple sectors.

Beyond the Numbers

Statistics explain only part of Botswana's story. Behind every economic indicator lies a social reality.

For many young Batswana, the years preceding the 2024 election were characterised by growing uncertainty. Educational attainment had improved significantly compared with previous generations, yet the transition from university or vocational training into stable employment became increasingly difficult.

Private sector expansion struggled to match demographic growth. Public employment

could no longer absorb graduates at the rates it once had. Entrepreneurship remained constrained by limited access to capital, relatively small domestic markets and a business environment that many investors regarded as efficient by regional standards but insufficiently dynamic for rapid industrial expansion.

At the same time, inequality continued shaping everyday experience.

Botswana's overall prosperity often obscured the uneven distribution of economic opportunity. Urban centres benefited disproportionately from investment and services while many rural communities continued depending on agriculture, government transfers or low-productivity economic activities. Female-headed households experienced higher rates of poverty than the national average, while youth unemployment became an increasingly dominant political concern.

These issues were not new. They had accumulated gradually over decades.

Successive governments recognised many of them and introduced various programmes aimed at diversification, citizen economic empowerment and employment creation. Progress occurred, but often more slowly than public expectations.

By the time voters went to the polls in October 2024, the central question confronting Botswana was no longer whether the country had succeeded.

It was whether the model that produced that success remained capable of delivering prosperity for the next generation.

The Scale of the Inheritance

This was the context in which President Boko assumed office.

He inherited a state with functioning institutions rather than broken ones. He inherited a respected Constitution, an independent judiciary, a professional civil service and international credibility earned over decades of responsible governance.

At the same time, he inherited slowing economic growth, increasing fiscal pressure, persistent unemployment, mounting expectations from an increasingly educated population and an economy whose dependence on diamonds had become progressively more exposed to global market fluctuations.

That combination explains why the challenge before the UDC differs fundamentally from that faced by Botswana's founding leaders.

The first generation built a nation. The present generation must transform an economy.

Building institutions and building prosperity are not the same task. Botswana largely succeeded in the first. The second remains unfinished.

The significance of the 2024 election therefore lies not simply in the change of government, but in the change of national priorities that accompanied it. The central question is no longer whether Botswana can maintain political stability. The country's democratic record has answered that convincingly. The more difficult question is whether Botswana can convert that stability into a more diversified, innovative and inclusive economy capable of sustaining prosperity beyond diamonds.

That is the burden President Duma Boko inherited. It is also the opportunity that will ultimately define his presidency.

Part II: How Botswana Built a Successful State and Why Success Eventually Reached Its Limits

The story of Botswana's modern economy did not begin with diamonds.

Long before the first kimberlite pipe was discovered beneath the Kalahari, the country's economic foundations had already been shaped by another commodity that would profoundly influence the distribution of wealth and power for generations: cattle.

Understanding Botswana's present therefore requires stepping back almost a century to the 1930s, when the Bechuanaland Protectorate was still under British colonial administration. At the time, cattle represented the territory's greatest economic asset. Livestock was more than a source of food; it was wealth, social status, political influence and, increasingly, the gateway into the emerging monetary economy. Recognising this potential, the colonial administration encouraged the commercialisation of cattle production and expanded export opportunities into regional markets.

On paper, the policy appeared economically sound. In practice, however, its benefits were distributed unevenly. Commercial cattle production required sizeable herds capable of surviving recurring droughts, disease outbreaks and fluctuating market conditions. Families owning only a few animals could rarely afford to participate in export markets without jeopardising their livelihoods, while larger herd owners accumulated both income and productive assets at an accelerating rate.

Over time, this produced Botswana's first modern economic elite.

The significance of this development extended far beyond agriculture. Economic

influence gradually translated into political influence as wealthy cattle owners became increasingly represented within traditional leadership structures and, later, within the institutions of the emerging independent state. By the time Botswana achieved independence in 1966, many members of the country's political leadership also belonged to its wealthiest cattle-owning families. The overlap between economic and political power was neither accidental nor uniquely Botswana's experience, but it established institutional patterns that would influence policymaking long after colonial rule had ended.

This history helps explain why inequality in Botswana predates the discovery of diamonds. Mineral wealth later amplified the country's economic success, but it entered a society where disparities in productive assets had already begun to widen decades earlier.

Diamonds Changed the Scale of Development

If cattle laid the foundations of Botswana's early economy, diamonds transformed its possibilities beyond anything imagined at independence.



Before diamonds transformed Botswana, cattle built its economy. President Sir Seretse Khama's *Motho le Motho Kgomo* ("One Person, One Cow") initiative encouraged broader livestock ownership as a pathway to wealth, self-reliance and rural development. Supporting this vision was the establishment of the Botswana Meat Commission (BMC) in 1965, which opened international export markets for Botswana beef and became one of the country's first major foreign exchange earners. Together, cattle ownership and the beef industry laid the economic foundations upon which Botswana would later build its diamond-led prosperity.

Photo Credit Africa Press

The discovery of commercially viable diamond deposits fundamentally altered the Republic's fiscal outlook. Government revenues expanded dramatically, allowing Botswana to finance public investments on a scale that would otherwise have been impossible for a sparsely populated country with limited domestic taxation capacity.

Few African governments managed mineral wealth as prudently as Botswana did.

Successive administrations resisted the temptation to consume every windfall during periods of high commodity prices. Instead, significant revenues were channelled into physical infrastructure, education, healthcare, public administration and long-term savings. The Pula Fund became internationally recognised as an example of sovereign wealth management designed to preserve national assets for future generations, while fiscal discipline became a defining feature of Botswana's economic reputation.

The visible results appeared across the country.

Villages previously isolated by poor transport infrastructure became connected



At the discovery pit in 1969 that would later become Orapa Mine.

Photo Credit DeBeers Group



The mine that transformed a nation. At the opening of the Orapa Mine in 1970, Botswana's first President, Sir Seretse Khama, joined De Beers Chairman Harry Oppenheimer and De Beers Resident Director Louis Nchindo to mark the beginning of what would become one of Africa's greatest development success stories. Revenues from Orapa helped finance Botswana's investment in roads, schools, healthcare and public institutions, laying the foundation for decades of economic growth.

Photo Credit Botswana National Archives and Records

through an expanding road network. Rural electrification steadily improved living standards and created opportunities for businesses beyond major urban centres. Primary and secondary school enrolment increased substantially, while universities and technical colleges expanded opportunities for higher education. Healthcare facilities spread across districts that had once depended upon limited missionary services, and Botswana gradually built one of Africa's strongest public health systems relative to its population.

Government also invested heavily in administrative capacity, creating a professional civil service capable of implementing development programmes with a consistency rarely seen elsewhere on the continent. Independent institutions such as the judiciary, the Bank of Botswana and the Auditor General strengthened public confidence while contributing to a reputation for transparency and macroeconomic stability that attracted investors from around the world.

These achievements were genuine.

Indeed, they explain why Botswana continues to rank among Africa's strongest governance performers despite the economic challenges it faces today.

The Development-Oriented State

Yet beneath these undeniable successes, economists increasingly identified another characteristic of Botswana's economy.

Rather than evolving into a diversified industrial economy comparable to the rapidly industrialising countries of East Asia, Botswana became what some scholars describe as a development-oriented gatekeeping state.

The distinction is subtle but important.

Countries such as South Korea, Taiwan and Singapore gradually shifted from exporting raw commodities toward manufacturing, technology and high-value services that created employment across multiple sectors of the economy. Their growth increasingly depended upon productivity improvements, industrial innovation and export competitiveness.

Botswana followed a different trajectory.

Government remained highly effective at collecting revenue generated primarily from diamond exports and then redistributing that revenue through public investment. The state became the principal engine of development, financing infrastructure, education, healthcare and social programmes using mineral income rather than broad-based industrial taxation. For several decades, this model worked remarkably well.

The challenge emerged because the structure of production changed much more slowly than the structure of government

encounters its own constraints.

For Botswana, one of the most significant challenges emerged from the very sector that had financed its remarkable rise. Although diamonds transformed national income, they could not transform employment at the same pace.

Modern mining is among the most capital-intensive industries in the world. Large investments in machinery, technology and infrastructure generate extraordinary productivity, but they require relatively small workforces compared with manufacturing, agriculture or services. As Botswana's population expanded and educational attainment improved, the economy struggled to absorb growing numbers of graduates entering the labour market.

This created an increasingly uncomfortable paradox.

Botswana was producing more educated citizens than ever before while simultaneously experiencing persistent unemployment among young people. The education system itself became a victim of its own success. Universities,

technical colleges and vocational institutions fulfilled their mandate by producing skilled graduates, yet the broader economy diversified too slowly to create equivalent opportunities for them. Public sector employment, once capable of absorbing significant numbers of graduates, became increasingly constrained by fiscal realities, while private sector growth remained insufficient to bridge the gap.

For many young Botswana, obtaining a qualification no longer guaranteed entry into stable employment.

That reality gradually reshaped public expectations and political debate.

Questions that once centred on access to education increasingly shifted toward access to opportunity.

Inequality in a Prosperous Nation

Perhaps no issue better illustrates Botswana's complex development story than inequality.

By conventional economic measures, Botswana became one of Africa's wealthiest



From diamond wealth to national development. The discovery of diamonds transformed Botswana's fiscal future, financing an ambitious programme of infrastructure development that connected the nation through modern roads, expanded electricity generation and transmission, built schools and hospitals, and laid the physical foundations for one of Africa's most remarkable development stories.

expenditure.

Mining generated enormous fiscal returns while directly employing relatively few people. As long as diamond revenues remained strong, government could continue financing development despite limited diversification elsewhere in the economy. However, this also meant that the country's prosperity remained unusually dependent upon the performance of a single export

commodity whose price and demand were determined largely outside Botswana's control. The vulnerability remained manageable while global diamond markets expanded. It became increasingly visible once those markets began experiencing prolonged volatility.

The Cost of Concentration

Every successful economic model eventually

countries.

By measures of income distribution, however, it remained among the world's most unequal societies.

This apparent contradiction puzzled many observers.

How could a country celebrated internationally for good governance simultaneously experience such persistent disparities in wealth?

The answer lies partly in the structure of the economy itself.

National income generated through capital-intensive mining does not automatically translate into broadly shared household income. Government can redistribute part of that revenue through public services and infrastructure, as Botswana successfully did, but unless the productive economy also expands across labour-intensive sectors, inequality can remain stubbornly high despite impressive overall growth.

Successive governments recognised this challenge and introduced numerous citizen economic empowerment initiatives, local

The country had already solved many of the problems confronting low-income economies. It possessed political stability, functioning institutions, educated human capital and modern infrastructure. Yet moving from an upper-middle-income economy to a high-income economy required something fundamentally different: sustained productivity growth driven by innovation rather than resource extraction.

That transition is considerably more difficult than building the initial foundations of development.

It requires regulatory reform, competitive markets, technological adoption, investment in research and development, stronger links between universities and industry, efficient logistics, deeper capital markets and an entrepreneurial culture capable of creating globally competitive firms.

These are precisely the structural questions confronting Botswana today.

They are also the questions inherited by President Duma Boko's administration.

The challenge facing the new government is therefore not simply to manage the economy more effectively than its predecessor.

It is to guide Botswana through the most difficult phase of national development—the transition from a successful resource-based economy into a diversified knowledge economy capable of sustaining prosperity long after diamonds cease to dominate the country's fortunes.

That transformation is neither ideological nor partisan.

It is becoming an economic necessity.

By the time Botswana voted in October 2024, many citizens understood this instinctively. Their concerns extended beyond who occupied the Office of the President. They reflected a growing desire for an economy capable of matching the aspirations of a younger, better educated and increasingly globally connected society.

The election therefore represented more than political change.



Photo Credit Sunday Standard



Photo Credit Botswana Power Corporation



Photo Credit Sunday Standard



Photo Credit Business Weekly

enterprise development programmes and diversification strategies. Some achieved measurable success. Others produced more modest results than policymakers had hoped.

Progress occurred, but not at the pace required to fundamentally alter the country's economic structure.

By the second decade of the twenty-first

century, Botswana had reached an important historical turning point. The institutions that had successfully guided the country through its first phase of development remained strong, but the economy increasingly required a different set of capabilities centred on innovation, entrepreneurship, technology, manufacturing and globally competitive private enterprise.

The Middle-Income Question

Economists often refer to this stage as the middle-income trap.

The concept does not imply failure. Rather, it describes the point at which a country's original sources of growth begin losing momentum before new engines of productivity have fully emerged.

Botswana exemplifies many characteristics associated with this transition.

It reflected the beginning of a national conversation about what Botswana's next development model should look like.

Part III: From Inheritance to Transformation

This last chapter examines how the UDC government has begun responding to that challenge, the reforms already underway, and the formidable obstacles that still stand between Botswana and its ambition of becoming a diversified, high-income economy by 2036.

Every new government inherits two things.

The first is a set of institutions built by those who came before it. The second is a set of problems that previous administrations were either unable or unwilling to solve. The true test of political leadership lies not in claiming credit for the first or assigning blame for the second, but in demonstrating the capacity to move the country forward despite both.

DIAMONDS REMAIN CENTRAL TO BOTSWANA'S ECONOMY, BUT THE OBJECTIVE IS INCREASINGLY TO USE DIAMOND WEALTH AS A CATALYST FOR DIVERSIFICATION RATHER THAN THE DESTINATION OF DEVELOPMENT.

This is the position in which the Umbrella for Democratic Change found itself after assuming office.

President Duma Boko inherited a country with institutions that continued to function, but an economy under growing strain. Diamond revenues had declined sharply as global demand weakened, government finances were tightening, unemployment remained stubbornly high, and public expectations had reached levels not experienced since independence. The administration's challenge was therefore not simply to govern differently, but to convince citizens and investors alike that Botswana could successfully navigate the transition from a resource-dependent economy into one driven by productivity, innovation and private enterprise.

Soon after assuming office, President Boko offered perhaps the bluntest public assessment of Botswana's economic position

by any head of state since independence. Addressing public officials, investors and citizens alike, he argued that the country could no longer rely on comforting narratives about past success while ignoring the changing realities confronting the economy. His message was neither that Botswana had failed nor that its institutions were collapsing. Rather, he argued that the economic model which had sustained the Republic for decades required urgent renewal if future generations were to enjoy the same opportunities that earlier generations had experienced.

It was a significant departure in tone.

For many years Botswana's political discourse had understandably celebrated the country's impressive development record. The new administration instead began speaking about productivity, competitiveness, efficiency and transformation with an urgency that reflected changing economic conditions rather than political symbolism.

Moving Beyond Diamonds

No issue better illustrates Botswana's changing economic realities than diamonds.

For more than half a century, diamonds

financed the country's development. Schools, hospitals, roads, electricity networks and public services were all built, directly or indirectly, upon revenues generated by Debswana and Botswana's partnership with De Beers. The relationship became one of the most successful public-private partnerships in modern African history and transformed Botswana into one of the world's leading diamond producers.

Yet by the early 2020s, the international diamond industry itself had begun changing.

Demand weakened following global economic uncertainty, consumer preferences evolved, laboratory-grown diamonds entered international markets, and geopolitical disruptions affected luxury spending across major economies. Botswana found itself confronting a reality it could not control: the health of its economy remained heavily influenced by developments taking place

thousands of kilometres beyond its borders.

Rather than abandoning the diamond sector, the new administration sought to strengthen Botswana's position within it.

The renegotiated Diamond Sales Agreement with De Beers represented one of the earliest and most significant policy achievements of the new government. The agreement progressively increases Botswana's share of rough diamond sales from 30 per cent during the first five years to 40 per cent and eventually 50 per cent, while simultaneously extending mining licences and establishing a Diamonds for Development Fund intended to support long-term economic diversification. The agreement also includes programmes aimed at developing Botswana expertise throughout the diamond value chain through scholarships, graduate development initiatives and international placements.

The significance of this agreement extends beyond percentages.

It reflects a broader philosophy that Botswana should capture greater value from its natural resources rather than relying primarily on extraction. Beneficiation, local processing, skills development and downstream industries have become increasingly central to the country's economic strategy because they offer the possibility of creating higher-value employment while reducing vulnerability to fluctuations in raw commodity markets. This represents evolution rather than abandonment.

Diamonds remain central to Botswana's economy, but the objective is increasingly to use diamond wealth as a catalyst for diversification rather than as the destination of development itself.

A Different Kind of State

Economic transformation also requires institutional transformation.

One of the recurring criticisms of Botswana's economy has been that government often became the country's largest employer, largest investor and largest purchaser of goods and services. While this approach played an important role during the country's formative decades, it also created an economy in which private sector dynamism sometimes struggled to keep pace with the scale of public expenditure.

The current administration has repeatedly argued that the role of the state must gradually evolve.

Rather than attempting to drive every aspect of economic activity, government increasingly presents itself as an enabler whose responsibility is to create conditions under which businesses, entrepreneurs, researchers and investors can expand economic opportunity. This thinking underpins the National Transformation Strategy, which identifies manufacturing, agriculture, tourism, financial services,

logistics, creative industries and technology as priority sectors capable of generating future growth beyond mining.

Such transformation cannot occur through policy statements alone.

It requires regulatory reform, improved ease of doing business, efficient procurement systems, faster investment approvals, modern digital infrastructure and public institutions capable of responding quickly to changing economic conditions.

Recognising this, government has increasingly emphasised digitalisation, institutional reform and improvements in the efficiency of public administration alongside broader economic initiatives.

Rebuilding Investor Confidence

Economic diversification ultimately depends upon investment.

Domestic savings alone cannot finance the scale of industrial expansion required to transform Botswana into a high-income economy. Foreign direct investment therefore remains essential, particularly in sectors requiring advanced technology, international supply chains and substantial capital.

President Boko's international engagements during his first year in office have therefore carried significance beyond traditional diplomacy.

His administration has consistently sought to present Botswana as a stable democracy committed to transparency, policy certainty and the rule of law while simultaneously acknowledging that administrative bottlenecks, lengthy approval processes and bureaucratic inefficiencies have sometimes discouraged investors.

This willingness to acknowledge institutional weaknesses publicly represents an important aspect of the administration's communication strategy.

Rather than presenting Botswana as a country without problems, the government has increasingly presented it as a country committed to solving them.

International competitiveness has also received measurable support through policy initiatives in the mining sector. Botswana climbed significantly in the Fraser Institute's global rankings of mining jurisdictions while establishing the Exploration Investment Company Botswana to stimulate mineral exploration and attract new investment into emerging resource opportunities.

These developments matter because investment decisions are influenced as much by institutional confidence as by geological potential.

Energy, Infrastructure and Future Growth

No modern economy can diversify without

reliable energy.

Recognising this, the administration has accelerated efforts to expand renewable energy while improving long-term energy security. The National Energy Compact commits Botswana to universal electricity access, significant expansion of renewable energy generation and increased household access to clean energy solutions by 2030. At the same time, partnerships with international investors and completion of major solar projects such as the Mmadinare Solar Cluster are intended to reduce dependence on imported electricity while positioning Botswana as a regional energy producer.

Infrastructure, however, extends beyond electricity.

Roads, telecommunications, logistics systems, digital connectivity and efficient public services increasingly determine whether businesses choose to invest and expand. Botswana enters this new phase with considerable advantages built over decades of public investment, but maintaining competitiveness will require continuous improvement rather than reliance on past achievements.

The Human Dimension

Ultimately, economic transformation is not an abstract exercise.

Its success will be judged in households rather than government reports.

Citizens will evaluate reform according to whether young graduates find meaningful employment, whether entrepreneurs can build successful businesses, whether public services improve, whether wages grow alongside productivity and whether opportunities become more widely shared across society.

This is perhaps the greatest challenge confronting the current administration.

Economic restructuring rarely produces immediate political rewards. Diversification takes years. Educational reforms require a generation before their full effects become visible. Infrastructure investments often outlive the governments that initiate them. Institutional reform is similarly incremental, requiring persistence rather than dramatic announcements.

The pressure on the UDC government therefore comes not only from the scale of inherited challenges but also from the impatience naturally accompanying political change.

Many voters understandably expected rapid improvements following the historic election. History suggests that structural economic transformation rarely follows electoral timetables.

The Next Chapter

Botswana's story has never been one of dramatic revolutions.

Its progress has generally been characterised by gradual institution-building, cautious economic management and long-term planning rather than abrupt policy shifts.

The country's next chapter is likely to follow the same pattern.

President Duma Boko's administration has inherited a nation that already succeeded in building one of Africa's strongest constitutional democracies. The challenge now is to build an economy capable of matching those institutional achievements.

Whether history ultimately judges this administration favourably will depend less on the symbolism of 2024 than on measurable outcomes over the coming decade. Can Botswana create sufficient employment for its growing youth population? Can it reduce dependence on diamonds while strengthening new industries? Can productivity rise quickly enough to sustain higher incomes? Can inequality narrow without undermining fiscal stability? Can public institutions become more agile while preserving the integrity that made them respected in the first place?

These are the questions that will define Botswana's second sixty years of independence.

The first sixty years demonstrated that prudent leadership, strong institutions and responsible management of natural resources could transform one of the world's poorest countries into one of Africa's most stable democracies.

The next sixty years will determine whether that stability can become the foundation for something even more ambitious: an economy where prosperity is measured not only by national income or international rankings, but by the opportunities available to every Motswana willing to contribute to the country's future.

If the first chapter of Botswana's history was about discovering diamonds beneath its soil, the next chapter may well be about discovering the full potential of the people above it. That is the inheritance President Duma Boko received, and it is the standard against which his government will ultimately be judged, not by the enormity of the challenges it inherited, but by the extent to which it transforms them into opportunities for generations yet to come.



TREEHAUS
The Meeting Place

Where we
meet, eat &
get inspired.

Designed for collaboration, our versatile spaces host meetings, events, training, wining and dining, all with a focus on fostering relationships. We provide an exceptional environment for networking.



Flexible Room Configurations | Dining Experiences | Exclusive Private Event Spaces
State-of-the-Art Meeting Rooms | Networking and Collaboration Zones

Mobile: +267 71 495 774 / 78 201 312

Landline: +267 397 8277

Email: info@treehaus.co.bw

website: www.treehaus.co.bw

Plot 40264 Block 5, Gaborone, Botswana

@ in f





Bokani Wangu Nleya
Governance Risk and
Compliance Advisor

Resilience of Botswana's

Financial Future Against Evolving Risks

ECONOMIC DIVERSIFICATION CANNOT SUCCEED WITHOUT TRUST. EVERY DIGITAL TRANSACTION, EVERY INVESTMENT AND EVERY NEW FINANCIAL RELATIONSHIP DEPENDS ON INSTITUTIONS THAT ARE SECURE, TRANSPARENT AND RESILIENT.

Botswana's financial institutions are operating in one of the country's most challenging economic environments in decades. Softer diamond revenues, tighter government spending and constrained liquidity are reshaping the business landscape, even as the country pursues an ambitious agenda of economic diversification.

While much of the national conversation has focused on trade, digital inclusion and investment, there is another challenge that deserves equal attention: economic stress changes behaviour. When businesses and households come under financial pressure, the incentive to circumvent rules, conceal financial realities or exploit system weaknesses increases. Fraud, cybercrime and financial misconduct are not isolated risks—they are often by-products of economic uncertainty.

For Botswana's financial sector, this means security and governance can no longer be viewed as compliance exercises. They have become strategic enablers of economic resilience.

The country's transition beyond a diamond-dependent economy depends heavily on expanding digital financial services. Mobile banking, electronic payments and digital platforms are bringing more Botswana into the formal financial system and creating new opportunities for entrepreneurship and financial inclusion.

However, every new digital customer, payment channel and connected service also expands the attack surface for cybercriminals. Social engineering, phishing

attacks, account takeovers and third-party vulnerabilities are becoming increasingly sophisticated, particularly during periods of economic stress when individuals are more susceptible to deception.

Financial institutions must therefore move beyond traditional perimeter security and embrace Zero-Trust Architecture, continuous monitoring and stronger cyber resilience. Sustainable digital inclusion is impossible without digital trust.

The same principle applies to Botswana's investment ambitions. As the country accelerates infrastructure development, renewable energy projects, logistics corridors and industrial expansion, banks face increasing pressure to process new clients while maintaining robust governance standards.

Traditional Know Your Customer (KYC) processes are no longer sufficient in a rapidly changing business environment. Financial institutions should adopt Perpetual KYC and Enhanced Due Diligence, supported by real-time monitoring of corporate ownership structures, beneficial ownership and transactional behaviour. These capabilities help ensure that development capital supports legitimate enterprises rather than shell companies or fraudulent networks.

Agriculture presents another area where stronger controls are essential. As Botswana invests in climate-resilient farming, livestock production and food security, insurers and lenders are playing a critical role in supporting producers against drought and market volatility. Yet these financial

safety nets can also become targets for opportunistic and organised fraud.

By deploying predictive analytics, artificial intelligence and behavioural monitoring, insurers can identify suspicious claims before payouts occur, protecting capital for genuine farmers and preserving confidence in agricultural finance.

Ultimately, Botswana's next phase of economic growth will not be determined solely by how successfully it diversifies beyond diamonds, but by how securely it does so.

Every investment attracted, every digital customer onboarded and every infrastructure project financed depends on trust in the financial system. Cybersecurity, fraud prevention and enhanced due diligence are therefore no longer technical functions confined to IT departments—they are strategic assets that safeguard capital, strengthen institutions and reinforce investor confidence.

Economic cycles are inevitable. Markets shift, commodity prices fluctuate and liquidity tightens. The institutions that emerge strongest will be those that recognise that resilience is built long before a crisis arrives. By embedding security, governance and continuous risk intelligence into the core of their operations, Botswana's financial institutions can ensure they are not only protecting today's assets, but enabling tomorrow's growth.



Devin Workman
*Growth and Performance
Strategist*

The Cost of Dependence

Why Botswana Must Build an Economy That Can Feed Itself

For more than five decades, Botswana has stood as one of Africa's greatest economic success stories. Diamond revenues transformed the country, funding roads, schools, hospitals and public institutions while creating decades of stability and growth.

But every successful economic model is eventually tested.

As global diamond demand weakens, government revenues have come under pressure. Public spending is tightening, infrastructure projects are slowing, procurement cycles are lengthening, and businesses that once relied on consistent government expenditure are feeling the effects.

For decades, government served as Botswana's primary economic engine. Businesses supplied ministries, serviced public projects and depended on government contracts as a reliable source of income. That model created prosperity—but it also concentrated economic risk.

Today, many companies are discovering the consequences of relying too heavily on

a single customer. Reduced government spending has exposed vulnerabilities that remained hidden during years of abundance. Businesses built around public procurement are being forced to adapt, diversify or scale back operations.

The same lesson applies across the broader economy. For generations, many Botswana associated opportunity with government employment or industries closely tied to the public sector. While that expectation reflected the realities of Botswana's growth model, today's economic environment demands a different approach.

Yet this is not a story of economic decline. It is a story of transition.

Across the country, entrepreneurs continue to launch businesses, private investment continues to grow, and companies serving consumer and regional markets are finding new opportunities. Their resilience comes from diversified revenue streams, broader client bases and business models that extend beyond government spending.

That principle is equally important at a national level.

Botswana's long-term competitiveness will depend on strengthening industries beyond diamonds, including financial services, tourism, agriculture, manufacturing, technology and logistics. Diversification is no longer simply a policy objective; it is an economic imperative.

Commodity cycles are inevitable. Markets shift, industries evolve and government priorities change. The economies that remain resilient are those supported by multiple engines of growth rather than a single source of prosperity.

Diamonds built modern Botswana, and their contribution remains extraordinary. But the next chapter of the country's development will be defined not by how much wealth its natural resources generate, but by how effectively it transforms that wealth into a dynamic, diversified and self-sustaining economy.

That is the true measure of long-term economic resilience.



Health Is The New Wealth

Why Prevention Delivers the Best Return on Investment



By The Banker's Conversation



This piece is dedicated to the late Kelebogile Boitumelo Mathware, who was the director of the company. May her soul rest in peace.

WHAT IS THE POINT OF SPENDING YOUR LIFE BUILDING WEALTH IF YOU LOSE YOUR HEALTH IN THE PROCESS? - KELLY ASKED

In business, success is often measured by assets accumulated, investments secured and wealth created. Yet according to the founder of Health Generation, one of Botswana's leading wellness brands, there is a form of wealth that underpins them all. "Without your health, it becomes very difficult to enjoy any of the wealth you have worked so hard to build," he says.

It is a philosophy that has shaped Health Generation's evolution over the past decade—from a healthy juice and smoothie business into what is now becoming Botswana's first integrated wellness ecosystem.

At the heart of this transformation is a simple but powerful belief: prevention is one of the highest-return investments a person can make.

Investing Before the Crisis

For many people, healthcare remains reactive. Action is often taken only after illness appears. Health Generation believes this approach is both costly and unsustainable.

The company advocates for a preventative model built around healthy nutrition, regular physical activity, mental wellbeing and routine health screenings.

"Every healthy decision compounds over time, just like a wise financial investment," says the founder. "The earlier you start investing in your health, the greater the return."

This philosophy has become increasingly relevant as Botswana, like many countries, faces growing rates of lifestyle-related diseases, stress, anxiety and burnout. The impact extends beyond individuals, affecting workplace productivity, healthcare costs and economic growth.

Health Generation's response has been to create an integrated approach built on three pillars: Nutritional Wellness, Physical Wellness and Mental Wellness. Together, these pillars are designed to help individuals live longer, healthier and more productive lives while reducing the long-term costs associated with preventable illness. Wellness Beyond the Juice Bar While Health Generation became known for its fresh juices, smoothies and detox programmes, the company sees nutrition as only one component of overall wellbeing.

The business is expanding into corporate wellness programmes, preventative health initiatives, community fitness platforms and

wellness education, recognising that lasting health requires a holistic approach.

"Nutritional wellness alone is not enough," the founder explains. "Likewise, health screenings without healthy habits are not enough. Real prevention happens when nutrition, movement, mental wellbeing and preventative healthcare work together."

This integrated model reflects a growing global trend where organisations increasingly view employee wellbeing as a strategic investment rather than a discretionary benefit.

For businesses, healthier employees often mean lower absenteeism, higher productivity and improved engagement. For individuals, the rewards include increased energy, improved resilience and enhanced quality of life.

The Business Case for Better Nutrition

Nutrition remains central to Health Generation's offering.

Fresh juices provide rapid hydration and concentrated vitamins, minerals and antioxidants, while smoothies offer a more complete nutritional solution through fibre, healthy fats, proteins and complex carbohydrates.



In an era where financial success is often measured by assets, investments and returns, Health Generation is championing a different form of wealth: the health that makes every other achievement possible. Built on the belief that prevention offers one of life's greatest returns, the company is expanding from a nutrition brand into Botswana's first integrated wellness ecosystem..

The company designs products with specific wellness outcomes in mind. Ingredients rich in Vitamins A and C—including carrots, berries, oranges, pineapple and cucumber—are commonly recommended for healthy skin, while spinach, oats, bananas, chia seeds and quality proteins support sustained energy levels throughout the day. However, Health Generation is careful not to promote miracle solutions.

"There is no one-size-fits-all approach to health," says the founder. "Wellness is built one healthy decision at a time. The body rewards consistency far more than it rewards perfection."

That philosophy has been shaped by more than ten years of serving customers and observing the diverse health challenges faced by Botswana.

Separating Wellness Facts from Fiction

The wellness industry is often criticised for exaggerated claims, particularly around detoxes and immunity-boosting products. Health Generation takes a more measured position.

The company acknowledges that the body's natural detoxification systems—primarily the liver, kidneys and digestive tract—already perform this function effectively. Rather than promising overnight transformations, Health Generation's detox programmes are designed to support these natural processes through improved hydration, fibre intake, antioxidants and nutrient-rich foods.

"Our programmes are not about starvation or unrealistic promises," explains the founder. "They are about nourishment, supporting the body's natural systems and helping people establish healthier long-term habits."

The same principle applies to products marketed for immunity and glowing skin.

According to Health Generation, sustained health outcomes are not driven by a single ingredient but by a combination of quality nutrition, physical activity, adequate sleep and effective stress management.

Building a Culture of Movement

One of the most significant trends Health Generation has observed in recent years is the growth of Botswana's active lifestyle community.

Running clubs, cycling groups, padel enthusiasts, gym communities and endurance athletes are becoming increasingly visible across the country.

Through its Motion Society initiative, Health Generation is helping build a broader culture of movement and physical activity. The organisation's ambition extends beyond traditional fitness communities. It seeks to create an inclusive platform that encourages participation in activities ranging from running and cycling to squash, hiking, swimming and functional fitness.

"Exercise is one of the most powerful forms of preventative medicine available," says the founder.

For active individuals, the company recommends natural carbohydrates such as bananas, oats and fruit-based smoothies before exercise, followed by protein-rich recovery options, hydration and anti-inflammatory ingredients after training.

However, the message is not aimed solely at athletes.

The broader objective is to encourage more Botswana to move regularly, recognising that physical activity remains one of the most accessible and effective tools for improving long-term health outcomes.

A Personal Transformation

The inspiration behind Health Generation did not begin in a boardroom.

It began with the founder's own health journey.

A former competitive squash player, he recalls a period during his professional career when demanding work schedules, travel and unhealthy habits gradually eroded his wellbeing.

As his health deteriorated and weight

increased, he experienced a series of warning signs that forced him to reassess his priorities.

Returning to Botswana became a turning point.

"What is the point of spending your life building wealth if you lose your health in the process?" he asked himself.

That question became the foundation upon which Health Generation was built.

Through consistent exercise, improved nutrition and a renewed commitment to wellness, he transformed his health, regained energy and rediscovered the benefits of an active lifestyle.

The experience reinforced a conviction that would later define the business: meaningful transformation is possible for anyone willing to take the first step.

The P100 Wellness Portfolio

When asked how someone should invest just P100 per week in their health, the founder's answer is surprisingly simple.

Rather than expensive supplements or trendy health products, he recommends focusing on fundamentals: wholesome foods, adequate hydration, home-prepared meals, regular movement and quality sleep.

"Some of the greatest investments in your health cost very little," he says. "They simply require consistency."

It is a message that resonates strongly with financial planning principles.

Just as long-term wealth is built through disciplined investing, long-term wellness is built through small daily decisions repeated consistently over time.

Wellness as a National Asset

Health Generation's vision ultimately extends beyond individual health outcomes. The company believes healthier citizens contribute to stronger families, more productive businesses and a more resilient economy.

"Healthier people build stronger families. Stronger families build stronger businesses. Stronger businesses build a stronger economy. And stronger economies build a stronger nation."

For a publication focused on leadership, business and economic development, the message is particularly relevant.

The future of wealth creation may depend not only on financial capital but also on human capital—and protecting that capital begins with investing in health.

In that sense, prevention may well be the smartest investment strategy of all.

Refined. Intelligent. Iconic.

The E-Class.
Every detail drives what's ahead.



The E-Class brings together elegant design, advanced technology, and effortless comfort.
Engineered to adapt. Built to inspire.

THIS IS FOR YOU, WORLD.



140 YEARS OF
INNOVATION

Mercedes-Benz
The best or nothing.

Naledi Motors
Tlokweng Road, Gaborone - +267 3956217
A1 Highway, Francistown - +267 2413602





DRIVING PLEASURE. THE ALL-NEW X2.



+267 395 1913 | 1279 LUTHULI ROAD