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Botswana—Statistical Annex

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INTERNATIONAL MONETARY FUND

BOTSWANA

Statistical Annex

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Approved by the African Department

February 18, 1997

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BOTSWANA – Basic Data

Area, population, and GDP per capita

Area	581,730 square kilometers
Population: Total (1995 estimate)	1.46 million
Growth rate (1986–95 average)	3.0 percent
GDP per capita (1994/95 estimate)	US\$ 3,033

IMF data (January 31, 1997)

Date of membership	July 24, 1968
Quota	SDR 36.6 million
Status	Article VIII
Principal intervention currency	U.S. dollar
Exchange rate as of December 31, 1996	US\$ 1 = P 3.6443

	1991	1992	1993	1994	1995	Proj. 1996
(In units indicated)						
National accounts 1/						
GDP (in millions of pula at current prices)	8,372.5	9,126.0	11,115.0	12,530.3	14,876.6	17,479.8
Mining	3,125.9	3,042.3	3,932.3	4,086.3	5,084.8	6,207.6
Nonmining	5,246.6	6,083.7	7,182.7	8,444.0	9,791.8	11,272.1
Real growth rate (in percent)	6.3	-0.1	4.1	3.1	6.3	5.6
Share in GDP (in percent, current prices)						
Gross domestic investment	29.4	27.9	24.6	24.4	24.3	26.1
Prices (change in percent)						
CPI (period average)	11.4	11.8	16.2	14.3	10.5	10.5
CPI (end of period)	12.6	16.5	12.7	9.8	10.8	9.3
GDP deflator 1/	5.3	9.1	17.0	9.3	11.7	11.3
(In millions of pula, except otherwise indicated)						
Public finance 2/						
Total revenue and grants	4,069.4	4,652.2	5,359.5	4,472.5	5,464.3	6,959
Total revenue	3,999.6	4,552.1	5,172.9	4,396.8	5,427.2	6,890
Grants	69.8	100.1	186.6	75.7	37	69
Expenditure and net lending	3,372.2	3,771.0	4,481.2	4,276.8	5,195.5	6,507
Overall surplus or deficit (-)						
In percent of GDP	8.6	9.9	8.3	1.6	1.9	2.7
Primary balance (deficit -)						
In percent of GDP	9.3	10.6	9.0	2.3	2.5	3.4
Money and credit (end of period)						
Broad money (M2)	1,628.5	1,862.0	2,037.9	2,128.5	2,372.0	2,800.4
Credit to private sector	1,041.0	1,398.9	1,563.0	1,844.7	1,779.0	1,782.9
Private sector deposits 3/ 4/	1,461.3	1,619.6	1,791.4	2,028.6	2,196.2	2,737.4
(In millions of U.S. dollars)						
Balance of payments						
Exports, f.o.b.	1,875.0	1,725.2	1,725.1	1,879.5	2,164.8	2,331.3
Imports, f.o.b.	-1,607.3	-1,539.9	-1,457.9	-1,350.7	-1,579.0	-1,644.0
Trade balance	267.7	185.3	267.2	528.7	585.8	687.3
Net services	-173.0	-169.0	-134.5	-135.9	-183.9	-244.5
Net income	63.0	111.2	294.1	-224.5	-32.4	-156.9
Net current transfers	179.9	114.2	77.3	74.9	-27.3	-17.1
Current account balance, including current transfers	337.6	241.7	504.2	243.3	342.2	268.8
(In percent of GDP)	(8.6)	(5.9)	(12.1)	(5.5)	(6.9)	(5.6)

Sources: Central Statistics Office; Ministry of Finance and Development Planning; Bank of Botswana; and Fund staff estimates.

1/ National accounts year beginning July 1.

2/ Fiscal year beginning April 1.

3/ With commercial banks, includes deposits of parastatals.

4/ The 1996 data are as of end-November 1996.

Table 1. Botswana: GDP by Type of Economic Activity at Current Prices, 1991/92–1995/96

	1991/92	1992/93	Prel. 1993/94	Prel. 1994/95	Est. 1995/96
(In millions of pula)					
Agriculture	366.2	443.9	495.2	520.6	546.2
Mining	3,125.9	3,042.3	3,932.3	4,086.3	5,084.8
Manufacturing	411.5	448.6	499.5	593.9	686.2
Water and electricity	169.0	206.6	239.4	269.5	312.5
Construction	645.4	609.5	694.5	757.1	877.9
Trade and hotels	1,286.6	1,441.0	1,706.7	2,093.7	2,474.0
Transport	255.1	319.8	363.1	437.4	507.2
Banking, insurance, and business services 1/	462.3	638.5	858.3	1,061.9	1,231.3
General government	1,307.6	1,565.3	1,846.7	2,159.0	2,517.7
Social and personal services	342.9	410.5	479.3	550.9	638.8
GDP at current prices	8,372.5	9,126.0	11,115.0	12,530.3	14,876.6
(In percent of GDP)					
Gross domestic product	100.0	100.0	100.0	100.0	100.0
Agriculture	4.4	4.9	4.5	4.2	3.7
Mining	37.3	33.3	35.4	32.6	34.2
Manufacturing	4.9	4.9	4.5	4.7	4.6
Water and electricity	2.0	2.3	2.2	2.2	2.1
Construction	7.7	6.7	6.2	6.0	5.9
Trade and hotels	15.4	15.8	15.4	16.7	16.6
Transport	3.0	3.5	3.3	3.5	3.4
Banking, insurance, and business services 1/	5.5	7.0	7.7	8.5	8.3
General government	15.6	17.2	16.6	17.2	16.9
Social and personal services	4.1	4.5	4.3	4.4	4.3

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

Note: National accounting year beginning July 1.

1/ Net of imputed service charge for the free services of the banking and insurance subsectors.

Table 2. Botswana: GDP by Type of Economic Activity at Constant 1985/86 Prices, 1991/92–1995/96

	1991/92	1992/93	Prel. 1993/94	Prel. 1994/95	Est. 1995/96
(In millions of pula)					
Agriculture	202.6	200.7	198.5	189.4	179.9
Mining	1,577.1	1,503.9	1,579.1	1,555.4	1,693.4
Manufacturing	287.7	284.8	281.1	293.2	306.8
Water and electricity	91.1	105.8	115.3	122.4	128.5
Construction	296.1	251.7	254.2	258.3	271.2
Trade and hotels	698.6	698.6	733.3	790.5	845.8
Transport	177.6	193.6	190.7	203.5	213.7
Banking, insurance, and business services 1/	263.0	316.4	345.7	375.0	393.8
General government	727.7	753.2	787.9	836.0	882.8
Social and personal services	200.3	207.4	214.6	223.8	235.0
GDP at constant 1985/86 prices	4,521.8	4,516.1	4,700.4	4,847.5	5,150.9
(Annual percentage change)					
Agriculture	2.0	-0.9	-1.1	-4.6	-5.0
Mining	1.9	-4.6	5.0	-1.5	8.9
Manufacturing	6.4	-1.0	-1.3	4.3	4.6
Water and electricity	5.7	16.1	9.0	6.2	5.0
Construction	4.6	-15.0	1.0	1.6	5.0
Trade and hotels	15.1	0.0	5.0	7.8	7.0
Transport	10.1	9.0	-1.5	6.7	5.0
Banking, insurance, and business services 1/	4.2	20.3	9.3	8.5	5.0
General government	11.0	3.5	4.6	6.1	5.6
Social and personal services	5.4	3.5	3.5	4.3	5.0
Total GDP	6.3	-0.1	4.1	3.1	6.3
Nonmining GDP	8.9	2.3	3.6	5.5	5.0

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

Note: National accounting year beginning July 1.

1/ Net of imputed service charge for the free services of the banking and insurance subsectors.

**Table 3. Botswana: Botswana Meat Commission--Sales of Beef
by Category and Markets, 1991/92-1995/96**

	1991/92	1992/93	1993/94	1994/95	1995/96
Beef sales by category					
	(In thousands of tons)				
Gross sales 1/	25.1	18.9	23.1	19.7	18.9
Boneless beef	25.1	18.9	23.1	19.7	18.9
Beef carcasses	0.0	0.0	0.0	0.0	0.0
	(In millions of pula)				
Gross sales 1/	216.9	176.6	215.4	239.9	208.0
Boneless beef	216.9	176.6	215.4	239.9	208.0
Beef carcasses	0.0	0.0	0.0	0.0	0.0
Beef sales by country					
	(In thousands of tons)				
Boneless beef, gross sales	25.1	18.9	23.1	19.7	18.9
United Kingdom	7.1	5.1	5.9	5.9	5.1
South Africa	5.9	3.2	6.3	5.8	3.9
Other	12.1	10.6	10.9	8.0	9.9
	(In millions of pula)				
Boneless beef, gross sales	216.9	176.6	215.4	239.9	208.0
United Kingdom	76.1	60.3	71.8	84.9	77.6
South Africa	30.1	16.3	39.3	35.7	33.7
Other	110.7	100.0	104.3	119.3	96.7
Memorandum items:					
Total cattle throughput					
(Number of cattle in thousands)	213.6	181.2	158.6	166.5	145.5

Source: The Botswana Meat Commission.

Note: Financial year beginning October 1.

1/ Boneless beef and beef carcasses.

Table 4. Botswana: Mineral Production and Value, 1991–95

(In units indicated)

	1991	1992	1993	1994	1995
Diamonds					
Value (in millions of pula) 1/	2,652	2,671	2,642	3,348	3,547
Volume (in millions of carats)	17	16	15	16	17
Unit value (pula/carat)	161	168	179	215	213
Copper–nickel matte					
Value (in millions of pula) 1/	393	359	338	444	558
Volume (in thousands of metric tons)	48	48	51	51	50
Unit value (pula/ton)	8,133	7,472	6,646	8,627	11,183
Coal					
Value (in millions of pula) 1/	19	24	25	26	16
Volume (in thousands of metric tons)	784	901	890	900	817
Unit value (pula/ton)	24	26	28	28	19
Soda ash					
Value (in millions of pula) 1/	18	37	40	81	24
Volume (in millions of metric tons)	62	124	126	174	202
Unit value (pula/ton)	294	300	319	464	121

Source: Central Statistics Office.

1/ Estimated value of production.

Table 5. Botswana: Agricultural Producer Prices, 1992/93–1996/97

(Pula per metric ton)

	1992/93	1993/94	1994/95	1995/96	1996/97
Sorghum	376	330	341	380	319
Maize	310	344	366	464	437
Pulses	594	624	645	695	737
Sunflower seeds	395	507	594	620	310
Groundnuts	996	1,401	1,093	1,361	1,116

Source: Ministry of Agriculture.

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

Table 6. Botswana: National Cost of Living Indices
by Commodity, 1991–September 1996

	Food, beverages, and tobacco	Clothing and footwear	Household effects and fuel	Other goods	All items
(Index: November 1991 = 100)					
Weights	39.4	5.6	27.3	27.7	100.0
1991					
November	100.0	100.0	100.0	100.0	100.0
December	101.4	101.7	100.8	100.2	101.0
1992					
December	119.7	125.1	116.2	113.8	117.7
1993					
December	130.3	143.1	127.9	137.1	132.6
1994					
December	143.4	160.7	140.5	150.7	145.6
1995					
January	144.7	161.2	142.4	154.4	147.6
February	145.5	161.9	144.4	155.3	148.9
March	148.0	162.7	147.3	155.1	150.5
April	149.6	163.2	147.9	157.2	152.0
May	150.7	164.6	148.9	157.8	152.8
June	152.7	166.7	150.3	159.3	154.6
July	153.8	168.9	151.8	160.5	155.8
August	155.2	170.0	152.6	162.7	157.4
September	155.9	172.6	154.6	163.0	158.5
October	157.3	173.3	154.9	163.2	159.2
November	158.4	174.7	155.8	163.6	160.0
December	159.9	176.5	156.7	164.3	161.3
1996					
January	161.5	177.0	157.7	167.7	163.1
February	162.7	178.2	159.6	167.7	164.2
March	165.3	180.1	161.3	168.5	165.9
April	167.5	181.5	162.1	169.0	167.3
May	169.4	183.3	163.0	170.0	168.6
June	171.5	186.4	165.3	172.0	170.7
July	172.8	188.0	166.4	173.5	172.0
August	174.9	188.8	167.3	173.3	173.0
September	175.6	189.9	168.2	174.1	173.9

Source: Central Statistics Office.

Note: End of period data.

Table 7. Botswana: Cost of Living Indices for Tradable and Nontradable Goods, 1993–September 1996

(Twelve-month percentage change)

	All items	Non-tradables	Domestic tradables	Imported tradables	All tradables
Weights	100.0	24.7	29.8	45.5	75.3
1993					
January	17.2	18.3	17.7	15.8	16.5
February	16.5	17.9	17.3	15.0	15.9
March	15.4	15.6	16.4	14.3	11.9
April	14.9	15.0	15.2	13.9	14.5
May	14.3	15.8	13.5	12.8	13.1
June	13.6	17.4	12.5	11.9	12.2
July	14.3	25.8	11.7	11.2	11.4
August	13.9	26.4	10.9	10.6	10.7
September	13.4	26.0	10.5	10.5	10.5
October	13.4	24.6	10.3	11.0	10.7
November	13.1	25.2	9.7	10.9	10.4
December	12.7	24.7	9.0	10.6	10.0
1994					
January	11.4	18.7	8.2	10.2	9.4
February	11.5	19.2	8.1	10.3	9.5
March	11.1	18.4	8.6	9.6	9.2
April	10.5	18.1	8.3	8.8	8.6
May	11.3	18.9	10.1	9.7	9.8
June	11.2	19.5	10.1	9.3	9.6
July	10.2	11.9	9.6	10.2	9.9
August	10.2	11.6	9.7	10.2	10.0
September	10.2	11.4	9.1	10.4	9.9
October	9.7	11.6	8.5	10.0	9.4
November	9.8	10.7	8.7	10.1	9.7
December	9.8	9.8	9.2	10.3	9.9
1995					
January	10.4	11.6	9.9	11.2	10.6
February	10.5	10.8	10.1	11.5	11.0
March	11.1	11.2	10.5	12.5	11.8
April	10.8	10.8	9.7	12.7	11.6
May	9.8	8.8	8.2	12.3	10.8
June	10.2	7.4	8.5	13.2	11.5
July	10.1	7.2	8.9	12.9	11.5
August	10.5	8.0	9.1	13.6	11.9
September	10.8	7.5	9.5	13.7	12.2
October	10.8	7.2	10.2	13.5	12.3
November	10.4	7.4	10.0	12.7	11.7
December	10.8	7.9	10.4	12.7	11.9
1996					
January	10.5	7.6	10.8	11.9	11.5
February	10.3	7.6	10.8	11.7	11.4
March	10.2	7.5	10.9	11.4	11.2
April	10.1	6.5	11.5	11.0	11.2
May	10.3	6.8	12.2	11.2	11.6
June	10.4	7.0	12.2	11.2	11.5
July	10.4	7.4	12.5	10.7	11.3
August	9.9	7.4	12.8	9.4	10.6
September	9.7	7.9	12.6	9.0	10.3

Source: Central Statistics Office.

Table 8. Botswana: Statutory Minimum Wage Rates, 1992–96

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

Source: Central Statistics Office.

Note: Data are for May of each year.

Table 9. Botswana: Average Cash Earnings by Sector, 1991-95

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

Source: Central Statistics Office.

Note: Data are for September of each year, except for 1994 (March).

Table 10. Botswana: Formal Employment by Sector, 1992-95

(In thousands)

	1992		1993		1994		1995	
	Mar.	Sep.	Mar.	Sep.	Mar.	Sep.	Mar.	Sep.
Private and parastatal	155.3	147.9	145.5	147.6	149.5	147.7	146.0	147.2
Of which								
Private	141.5	134.5	131.8	133.8	136.2	134.8	136.5	134.0
Parastatal	13.8	13.4	13.7	13.8	13.3	12.9	9.5	13.2
Agriculture	6.1	5.9	5.9	4.7	5.3	4.6	4.7	4.6
Mining and quarrying	7.6	8.3	8.4	8.4	7.9	8.3	8.4	8.1
Manufacturing	25.5	22.0	22.1	20.8	21.7	22.1	23.4	24.2
Electricity and water	2.6	2.6	2.6	2.6	2.6	2.5	2.6	2.5
Construction	33.8	30.6	28.3	28.6	26.7	25.3	22.6	22.4
Commerce and catering	40.9	40.0	40.7	41.8	45.9	45.2	47.1	45.5
Transport and communications	10.2	9.9	9.8	9.2	9.0	9.0	9.3	8.7
Finance and business services	17.6	18.0	16.8	18.2	17.6	17.0	18.3	17.7
Community services	8.5	8.3	8.2	10.1	9.6	10.2	10.0	9.8
Education 1/	2.5	2.3	2.6	3.0	3.1	3.5	3.1	3.8
General government	72.2	76.9	80.8	80.2	81.8	82.9	85.0	86.2
Central government 2/	58.4	62.1	65.9	65.7	66.4	66.9	69.4	70.1
Local government	13.8	14.8	14.9	14.5	15.4	16.0	15.6	16.1
Total 2/ 3/	227.5	224.8	226.3	227.8	231.3	230.6	231.0	233.4
Employment in South African mines	14.3	13.8	13.7	12.8	12.4	11.9	11.9	13.1
Memorandum item:								
Average monthly earnings of formal sector citizen employees (in Pula) 4/	(545.0)	(601.0)	...	(729.0)	(722.0)	...	(719.0)	...

Source: Central Statistics Office.

1/ Excludes public school employees.

2/ Excludes Botswana Defence Force.

3/ Includes expatriate workers.

4/ Excludes central government.

Table 11. Botswana: Central Government Operations, 1991/92 – 1996/97 1/

	1991/92	1992/93	1993/94	1994/95	Prel. 1995/96	Budget 2/ 1996/97
(In millions of pula)						
Total revenue and grants	4,069.4	4,652.2	5,359.5	4,472.5	5,464.3	5,421.3
Total revenue	3,999.6	4,552.1	5,172.9	4,396.8	5,427.2	5,352.7
Tax revenue	3,091.7	3,374.4	3,677.2	3,632.7	4,016.1	4,017.6
Mineral revenue	1,888.0	1,866.1	2,278.7	2,349.4	2,591.4	2,568.9
Customs union receipts	761.6	998.4	822.3	711.8	829.4	897.3
General sales tax	71.6	125.4	137.2	169.2	219.1	192.9
Other	370.4	384.5	439.0	402.3	376.2	358.5
Nontax revenue	907.9	1,177.8	1,495.6	764.1	1,411.1	1,335.1
Interest	66.3	243.8	204.0	200.5	231.6	248.2
Property income	770.3	839.0	1,116.5	452.5	1,063.5	965.0
Other	71.3	94.9	175.1	111.1	116.0	122.0
Grants	69.8	100.1	186.6	75.7	37.1	68.6
Total expenditure and lending	3,372.2	3,771.0	4,481.2	4,276.8	5,195.5	6,057.0
Current expenditure	1,815.8	2,215.4	2,733.6	3,011.3	3,509.6	4,179.7
Wages and salaries	676.2	835.0	1,028.6	1,102.0	1,226.9	1,468.5
Interest	60.7	68.0	78.7	84.5	91.6	112.2
Other	1,078.9	1,312.3	1,626.3	1,824.8	2,191.1	2,599.0
Capital expenditure	1,098.0	1,207.0	1,558.3	1,377.8	1,672.0	1,847.6
Net lending	458.5	348.6	189.3	-112.2	13.9	29.7
Overall surplus or deficit	697.2	881.3	878.3	195.7	268.8	-635.7
Financing	-697.2	-881.3	-878.3	-195.7	-268.8	635.7
Foreign (net)	35.4	91.5	51.2	-21.7	-46.0	-68.5
Drawing	107.0	167.2	142.5	101.0	67.1	77.6
Amortization	-71.5	-75.7	-91.3	-122.7	-113.1	-146.0
Domestic	-732.7	-972.8	-929.5	-174.0	-222.8	704.2
Bank	-910.6	-780.1	-907.0	-278.9	-472.5	692.5
Nonbank	189.9	-153.7	39.7	91.1	136.7	12.0
Other	-12.0	-38.9	-62.2	13.8	112.9	0.0
(In percent of GDP)						
Total revenue and grants	49.9	52.1	50.5	36.7	38.2	32.2
Tax revenue	37.9	37.8	34.6	29.8	28.1	23.9
Mineral revenue	23.2	20.9	21.5	19.3	18.1	15.3
Customs revenue	9.3	11.2	7.7	5.8	5.8	5.3
Sales tax	0.9	1.4	1.3	1.4	1.5	1.1
Other revenue	4.5	4.3	4.1	3.3	2.6	2.1
Nontax revenue	11.1	13.2	14.1	6.3	9.9	7.9
Property income	9.5	9.4	10.5	3.7	7.4	5.7
Grants	0.9	1.1	1.8	0.6	0.3	0.4
Total expenditure and net lending	41.4	42.2	42.2	35.1	36.4	36.0
Current expenditure	22.3	24.8	25.7	24.7	24.6	24.8
Wages and salaries	8.3	9.3	9.7	9.0	8.6	8.7
Interest	0.7	0.8	0.7	0.7	0.6	0.7
Other	13.2	14.7	15.3	15.0	15.3	15.4
Capital expenditure	13.5	13.5	14.7	11.3	11.7	11.0
Net lending	5.6	3.9	1.8	-0.9	0.1	0.2
Overall surplus or deficit (-)	8.6	9.9	8.3	1.6	1.9	-3.8

Source: Ministry of Finance and Development Planning.

1/ Fiscal year beginning April 1.

2/ Budget presented to Parliament on February 12, 1996.

Table 12. Botswana: Components of Central Government Revenue, 1991/92 – 1996/97 1/

(In millions of pula)

	1991/92	1992/93	1993/94	1994/95	<u>Prel.</u> 1995/96	<u>Budget 2/</u> 1996/97
Tax revenue	3,091.7	3,374.4	3,677.2	3,632.7	4,016.1	4,017.6
Mineral revenue	1,888.0	1,866.1	2,278.7	2,349.4	2,591.4	2,568.9
Customs union receipts	761.6	998.4	822.3	711.8	829.4	897.3
General sales tax	71.6	125.4	137.2	169.2	219.1	192.9
Nonmineral income tax	357.3	369.9	420.5	386.9	356.9	330.0
Export duties	0.5	0.5	0.5	0.4	0.5	0.5
Taxes on property	3.9	5.4	6.3	4.1	4.1	6.0
Motor vehicles	3.9	4.0	4.2	6.6	13.5	7.7
Business and professional licenses	4.9	4.7	7.4	4.2	1.2	12.1
Nontax revenue	907.9	1,177.8	1,495.6	764.1	1,411.1	1,335.1
Interest	66.3	243.8	204.0	200.5	231.6	248.2
Property income	770.3	839.0	1,116.5	452.5	1,063.5	965.0
Fees, charges, and reimbursement	59.8	81.2	127.7	92.7	102.7	103.7
Sale of fixed assets and land	11.5	13.7	47.5	18.4	13.2	18.3
Grants	69.8	100.1	186.6	75.7	37.1	68.6
Recurrent	1.2	1.8	1.2	40.3	5.1	0.2
Development	68.7	98.3	185.4	35.3	32.0	68.4
Total revenue and grants	4,069.4	4,652.2	5,359.5	4,472.5	5,464.3	5,421.3

Source: Ministry of Finance and Development Planning.

1/ Fiscal year beginning April 1.

2/ Budget presented to Parliament on February 12, 1996.

Table 13. Botswana: Economic Classification of Central Government Expenditure, 1990/91 – 1994/95 1/

	1990/91	1991/92	1992/93	1993/94	1994/95
(In millions of pula)					
Total expenditure and net lending	2,921.0	3,295.0	3,696.4	4,416.5	4,212.5
Current expenditure	1,859.3	2,211.2	2,618.3	3,254.1	3,273.9
Expenditure on goods and services	1,196.1	1,392.1	1,664.1	2,110.6	2,086.1
Wages and salaries	534.6	784.6	889.1	1,111.5	1,054.3
Other purchases of goods and services	661.5	607.5	775.0	999.1	1,031.8
Interest payments	52.3	60.7	68.1	78.7	84.5
Subventions and transfers	610.9	758.4	886.1	1,064.8	1,103.3
Pensions	12.5	17.0	19.4	22.2	28.6
Other	598.4	741.4	866.7	1,042.7	1,074.7
Capital expenditure and net lending	1,061.7	1,083.8	1,078.1	1,162.4	938.6
Acquisition of assets	486.7	484.2	541.3	635.5	692.9
Transfers and subventions	22.4	12.4	49.8	34.9	51.0
Net lending	552.6	587.2	487.0	492.0	194.7
(In percent of total expenditure and net lending)					
Total expenditure and net lending	100.0	100.0	100.0	100.0	100.0
Current expenditure	63.7	67.1	70.8	73.7	77.7
Expenditure on goods and services	40.9	42.2	45.0	47.8	49.5
Wages and salaries	18.3	23.8	24.1	25.2	25.0
Other purchases of goods and services	22.6	18.4	21.0	22.6	24.5
Interest	1.8	1.8	1.8	1.8	2.0
Subventions and transfers	20.9	23.0	24.0	24.1	26.2
Pensions	0.4	0.5	0.5	0.5	0.7
Other	20.5	22.5	23.4	23.6	25.5
Capital expenditure and net lending	36.3	32.9	29.2	26.3	22.3
Acquisition of assets	16.7	14.7	14.6	14.4	16.4
Transfers and subventions	0.8	0.4	1.3	0.8	1.2
Net lending	18.9	17.8	13.2	11.1	4.6

Source: Ministry of Finance and Development Planning.

1/ Fiscal year beginning April 1.

Table 14. Botswana: Disaggregated Recurrent Expenditure, 1990/91 – 1995/96

(In percent of GDP)

	1991/92	1992/93	1993/94	<u>Prov.</u> 1994/95	<u>Budget</u> 1995/96
Personal emoluments	8.7	9.9	10.2	9.6	8.7
Traveling and transport (internal)	0.8	0.8	1.0	1.0	1.3
Traveling and transport (external)	0.3	0.3	0.3	0.3	0.3
General expenses	1.8	1.5	1.4	0.9	1.0
Department services	0.6	0.8	0.8	1.4	1.5
Maintenance and running expenses (equipment)	0.7	0.7	0.7	0.7	0.8
Maintenance and running expenses (other)	0.5	0.6	0.5	0.5	0.6
Institutional expenses	0.9	1.1	1.2	1.2	1.2
Government hospitality	0.0	0.0	0.0	0.1	0.0
Training	0.3	0.3	0.4	0.4	0.5
Councils, conferences, and exhibitions	0.0	0.1	0.1	0.1	0.1
Materials and requisites for sale	0.2	0.1	0.1	0.1	0.1
Grants, subventions, and other payments	5.3	6.1	6.3	6.2	6.1
Wildlife conservation education	0.0	0.0	0.0	0.0	0.0
Major village water supply	0.2	0.2	0.2	0.2	0.2
Oil storage depots operations	0.0	0.0	0.0	0.0	0.0
Centralized power supplies system	0.0	0.0	0.0	0.0	0.0
Special expenditure	0.7	0.9	1.2	1.0	1.0
Overseas addition	0.0	0.0	0.0	0.0	0.0
Miscellaneous and statutory commitments	0.3	0.4	0.4	0.2	0.2

Source: Ministry of Finance and Development Planning.

Table 15. Botswana: Operations of Nonfinancial Public Enterprises, 1990/91 – 1994/95 1/

(In millions of pula)

	1990/91	1991/92	1992/93	1993/94	1994/95
Operating revenues	661.5	863.1	912.3	974.4	1,026.1
Sales of goods and services	653.0	860.1	911.7	973.1	1,024.3
Subsidy from government	8.5	3.0	0.6	1.3	1.8
Operating expenses	528.1	691.7	754.0	726.0	774.5
Wages and salaries	133.2	156.2	180.5	206.5	218.2
Purchases of goods and services	305.9	432.4	468.3	395.2	388.7
Consumption of fixed capital	86.4	107.7	130.6	140.3	155.2
Taxes due in course of production	0.0	0.0	0.0	0.0	14.9
Less: change in inventories	-2.6	4.6	25.4	16.0	2.5
Operating surplus or deficit	133.4	171.4	158.3	248.4	251.6
Nonoperating revenues	43.1	28.1	35.7	57.5	57.5
Nonoperating expenses	71.2	147.7	99.5	166.1	213.6
Income before tax	105.6	51.8	94.5	139.8	95.5
Direct taxes due	19.2	12.1	9.5	11.4	8.8
Income after tax	84.1	36.1	85.0	128.4	86.7
Distribution of income to government	4.7	4.7	9.2	24.1	2.5
Prior year depreciation adjustment	4.0	-1.0	0.5	0.9	2.1
Retained earnings	80.2	39.8	75.3	103.4	82.1
Memorandum items:					
Operating balance (In percent of GDP)	1.6	1.9	1.5	2.0	1.8

Sources: Bank of Botswana; and enterprises listed in footnote 1/.

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

Table 16. Botswana: Selected Financial Ratios and Aggregates, 1991–96

(End of period)

	1991	1992	1993	1994	1995	Mar.	Jun.	Aug.
						1996		
(Ratios)								
Commercial banks								
Ratio of credit to deposit liabilities	0.66	0.80	0.78	0.83	0.72	0.65	0.65	0.64
Ratio of actual to required reserves	1.97	1.85	1.72	2.33	2.18	2.14	0.94	1.51
Banking system								
Ratio of actual to required liquid assets	2.15	1.93	2.04	1.81	2.23	2.30	2.39	2.47
(In millions of pula)								
Commercial banks								
Required liquid assets 1/	326.1	367.1	388.6	435.3	500.0	496.9	524.0	527.0
Actual liquid assets	641.2	677.5	794.0	786.6	1,113.5	1,144.6	1,253.6	1,303.1
Excess liquid assets	315.1	310.4	405.4	351.2	613.5	647.7	729.6	776.1
Bank of Botswana								
Private deposits 2/	59.4	32.6	35.8	45.9	47.8	49.2	53.2	50.3
Banking system								
Excess liquid assets	374.5	343.0	441.2	397.1	661.3	696.9	782.8	826.4

Sources: Data data provided by the Bank of Botswana.

1/ The formula for calculating required reserves was changed in 1994 and figures were re-adjusted retrospectively.

2/ Counted as part of excess liquidity.

Table 17. Botswana: Monetary Survey, 1991-96

	1991	1992	1993	1994	1995	Est. 1996
(In millions of pula; end of period)						
Net foreign assets	7,814.6	8,662.6	10,526.2	12,026.8	13,346.3	17,993.7
Bank of Botswana	7,707.1	8,561.2	10,508.7	11,960.5	13,249.1	17,686.9
Commercial banks	107.5	101.4	17.5	66.3	97.2	306.8
Net domestic credit	-3,237.1	-3,689.5	-4,066.3	-4,875.9	-4,700.8	-5,193.8
Claims on the government (net)	-4,278.1	-5,088.4	-5,629.3	-6,720.6	-6,479.8	-6,976.7
Bank of Botswana	-4,264.1	-5,079.6	-5,598.0	-6,704.5	-6,460.4	...
Commercial banks	-14.0	-8.8	-31.3	-16.1	-19.4	...
Claims on the private sector 1/	1,041.0	1,398.9	1,563.0	1,844.7	1,779.0	1,782.9
Other items (net)	-2,949.0	-3,111.1	-4,422.0	-5,022.4	-6,273.5	-9,999.6
Of which						
Valuation adjustment counterpart 2/	-708.9	7.2	-967.1	-1,061.6	-697.7	-3,589.5
Bank of Botswana certificates	-431.7	-571.9	-502.2	-522.4	-1,147.2	-1,552.8
Money plus quasi-money	1,628.5	1,862.0	2,037.9	2,128.5	2,372.0	2,800.4
Money	544.7	595.0	651.8	557.7	561.9	...
Currency	158.1	163.0	180.0	194.9	240.5	...
Current deposits 3/	386.6	432.0	471.8	362.8	321.4	...
Quasi-money 4/	1,083.8	1,267.0	1,386.1	1,570.8	1,810.1	...
Memorandum items:						
Broad money (M3)	2,060.20	2,433.90	2,540.10	2,650.90	3,519.20	4,353.12
Of which						
Bank of Botswana certificates	431.70	571.90	502.20	522.40	1,147.20	1,552.75
(Annual change as a percent of beginning of 12-month period money stock)						
Net foreign assets 5/	79.2	96.1	47.8	69.0	79.1	74.0
Net domestic credit	-1.5	-27.8	-20.2	-39.7	8.2	-20.8
Claims on the Government (net)	-20.3	-49.8	-29.0	-53.6	11.3	-20.9
Claims on the private sector	18.8	22.0	8.8	13.8	-3.1	0.2
Money plus quasi-money	7.9	14.3	9.4	4.4	11.4	18.1
Other items (net) 5/	-69.8	-53.9	-18.1	-24.8	-75.9	-35.2

Sources: Data provided by the Bank of Botswana; and Fund staff estimates.

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

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

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

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

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

6/ M2 is money plus quasi-money less Bank of Botswana Certificates.

Table 18. Botswana: Summary Accounts of the Bank of Botswana, 1991–96

(In millions of pula; end of period)

	1991	1992	1993	1994	1995	Mar. 1996	Jun. 1996	Jul.
Foreign assets	7,707.1	8,561.2	10,508.7	11,960.5	13,249.1	14,248.4	15,922.4	16,548.8
Balances at foreign banks 1/	2,654.3	2,747.6	2,596.4	...	...	...	...	...
Treasury bills and securities 1/	4,942.6	5,698.0	7,766.8	...	...	...	...	...
Pula Fund	...	...	...	2,810.4	4,247.9	4,467.5	4,909.5	5,099.3
Liquidity portfolio	...	...	...	7,701.5	7,539.8	8,341.3	9,601.7	10,000.4
Matched assets/liability portfolio	...	...	...	1,282.6	1,258.0	1,236.2	1,206.0	1,243.9
Fund accounts	110.2	115.6	145.5	166.0	203.4	203.4	205.2	205.2
Holding of SDRs	(70.8)	(69.7)	(86.1)	(...)	(...)	(118.9)	(120.7)	(120.7)
Reserve position	(39.5)	(45.9)	(59.4)	(...)	(...)	(84.5)	(84.5)	(84.5)
Loans and advances to financial institutions	...	50.0	...	...	...	...	...	...
Fixed assets	16.1	35.0	50.5	83.8	96.7	98.2	99.6	100.0
Other assets	20.1	50.4	15.4	18.1	23.6	27.5	61.6	21.0
Assets = Liabilities	7,743.3	8,696.6	10,574.6	12,062.4	13,369.4	14,374.1	16,083.6	16,669.8
Reserve money	378.8	312.1	395.1	391.5	405.3	408.0	414.6	440.2
Currency in circulation	222.2	232.2	274.8	302.5	318.5	304.3	318.8	346.2
Currency outside banks	(158.1)	(163.0)	(180.0)	(194.9)	(240.5)	(251.1)	(276.6)	(270.7)
Pula currency in banks	(64.1)	(69.2)	(94.8)	(107.6)	(78.0)	(53.2)	(42.2)	(75.5)
Bankers' deposits	156.6	79.9	120.3	89.0	86.8	103.7	95.8	94.0
Private sector time deposits	59.4	32.6	35.8	45.9	47.8	49.2	48.5	50.3
BOBCs outstanding	771.9	1,026.0	1,203.1	1,451.0	1,963.8	1,977.8	2,403.4	2,385.6
Bankers	(340.2)	(454.1)	(700.9)	(942.3)	(1,459.7)	(1,504.8)	(1,693.3)	(1,765.6)
Others	(431.7)	(571.9)	(502.2)	(508.7)	(504.1)	(473.0)	(710.1)	(620.0)
Government deposits	4,264.1	5,079.6	5,598.0	6,704.5	6,460.4	7,557.4	7,435.6	7,540.3
Capital and reserves	1,451.2	1,351.1	2,151.6	2,922.8	3,319.7	3,319.7	3,319.7	3,319.7
Paid-up capital	(3.6)	(3.6)	(3.6)	(3.6)	(3.6)	(3.6)	(3.6)	(3.6)
General reserve	(142.0)	(179.0)	(226.0)	(234.0)	(271.5)	(271.5)	(271.5)	(271.5)
Revaluation reserve	(1,305.6)	(1,168.5)	(1,922.0)	(2,685.2)	(3,044.6)	(3,044.6)	(3,044.6)	(3,044.6)
Other liabilities	817.8	895.2	1,191.1	546.8	1,172.3	1,062.1	2,461.9	2,933.8

Source: Bank of Botswana.

1/ Effective January 1994, balances with banks and treasury bills and securities have been broken down into pula fund, liquidity portfolio, and matched assets/liability portfolio.

Table 19. Botswana: Summary Accounts of the Commercial Banks, 1991–96

(In millions of pula; end of period)

	1991	1992	1993	1994	1995	Mar. 1996	Jun. 1996	Aug.
Commercial bank reserves	225.7	130.1	204.3	166.4	173.4	184.1	83.2	134.1
Cash	(69.4)	(76.5)	(105.3)	(113.6)	(103.1)	(58.7)	(51.0)	(71.0)
Balances at Bank of Botswana	(156.3)	(53.6)	(99.0)	(52.8)	(70.3)	(125.4)	(32.2)	(63.1)
Foreign assets 1/	148.5	139.0	146.3	166.0	188.8	434.9	406.8	419.9
Credit to domestic economy	1,041.0	1,398.9	1,563.0	1,846.8	1,778.9	1,743.9	1,769.9	1,783.3
Claims on local governments	1.9	1.7	2.9	1.7	2.6	1.9	1.5	1.4
Claims on parastatals	59.8	75.9	93.7	148.4	94.7	57.7	77.3	75.6
Claims on private sector	979.3	1,321.3	1,466.4	1,696.7	1,681.6	1,684.3	1,691.1	1,706.3
<i>Of which</i>								
Claims on households	(328.9)	(491.1)	(603.5)	(646.6)	(781.8)	(770.6)	(779.6)	(792.2)
Other assets	498.6	612.0	703.3	1,171.5	1,582.3	1,664.8	1,941.8	1,961.3
Assets = Liabilities	1,913.8	2,280.0	2,616.9	3,350.7	3,723.4	4,027.7	4,201.7	4,298.6
Demand deposits of the public 3/	1,103.4	1,043.9	1,186.0	1,407.9	1,666.7	1,811.6	1,895.0	1,859.7
Time and savings deposits	457.0	697.9	788.5	793.6	779.2	834.4	814.3	879.4
Savings	(233.7)	(271.3)	(337.3)	(348.9)	(343.9)	(354.0)	(365.0)	(368.9)
Notice and time	(223.3)	(426.6)	(451.2)	(444.7)	(435.3)	(480.4)	(449.3)	(510.5)
Liabilities to other banks	33.7	17.0	68.2	79.2	75.8	114.1	106.2	110.0
Bank of Botswana	0.0	50.0	0.0	0.0	0.0	0.0	23.0	3.4
Government deposits	14.0	8.8	31.3	16.1	19.4	21.5	29.7	49.1
Capital and reserves	160.1	220.7	244.4	308.0	337.3	350.3	373.1	386.2
Other liabilities	145.6	241.7	298.5	745.9	845.0	895.8	960.4	1,010.8

Sources: Bank of Botswana.

1/ Comprised of balances due from foreign banks.

2/ Comprised of other investments—balances due from domestic banks, bills purchased and discounted, BOBCs, and other unclassified assets.

3/ Includes call deposits.

Table 20. Botswana: Selected Interest rates, 1991–96

(In percent; end of period)

	1991	1992	1993	1994	1995	<u>Aug.</u> 1996
Bank of Botswana						
Lending rate (bank rate)	12.00	14.25	14.25	13.50	13.00	13.00
Public Debt Service Fund 1/						
Financial parastatals	8.00	9.50	12.10	12.10	12.10	12.00
Nonfinancial parastatals	9.50	12.00	14.60	14.60	14.60	14.60
Commercial banks						
Deposit rates						
Savings accounts	11.00	12.00	12.25	9.50	5.75	7.69
Call deposits	11.00	12.25	12.50	10.50	9.25	9.13
31 days' notice	10.63	12.00	12.50	12.40	9.50	8.75
Fixed deposits up to P 250,000						
6 months	11.50	13.50	13.50	11.80	10.53	10.02
12 months	11.50	14.00	14.00	12.00	10.50	10.28
Prime lending rate	12.50	14.50	15.00	14.50	14.50	14.50
Botswana Building Society						
Deposit rates						
Indefinite period paid—up shares	8.00	10.00	11.50	11.50	10.50	10.50
Subscription shares	7.00	9.50	11.00	11.00	10.00	10.00
Fixed time deposits						
Ordinary savings accounts	2.00	2.00	2.00	2.00	2.00	2.50
Special savings accounts	7.00	9.50	11.00	11.00	8.00	8.00
Lending rate						
Mortgage loans 2/	13.50	13.50	15.00	15.00	15.00	15.00
Short-term loans 3/	15.00	15.00	16.50	16.50	17.50	17.50
Botswana Savings Bank 4/						
Ordinary savings accounts	3.25	5.00	5.00	3.50	3.50	3.50
Special savings accounts	6.00	9.00	9.00	6.50	6.50	6.00

Source: Data provided by the Bank of Botswana.

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

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

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

4/ The former Post Office Savings Bank.

Table 21. Botswana: Distribution of Commercial Bank Credit by Economic Activity, 1991–96

(End of period)

	1991	1992	1993	1994	1995	Mar. 1996	Jun. 1996	Aug.
(In millions of pula)								
Agriculture	28.8	47.3	37.7	32.6	24.9	16.9	27.3	31.4
Mining	78.4	78.5	68.2	77.4	54.5	43.6	57.7	51.4
Manufacturing 1/	104.7	134.0	146.1	165.4	145.2	125.5	128.4	120.2
Construction	71.6	97.9	92.2	107.1	89.5	61.2	59.0	71.5
Electricity and water	9.6	4.6	8.6	5.9	10.7	15.0	15.2	12.4
Transport and communications	31.9	28.5	33.9	37.0	59.8	52.2	77.8	82.3
Trade	161.3	192.9	201.0	194.8	163.0	189.2	199.2	192.6
Business services	113.0	190.2	195.8	359.8	276.6	271.0	279.6	288.9
Finance	26.8	36.6	35.7	9.0	26.3	34.9	10.5	15.3
Other business	24.1	19.8	43.6	58.9	49.3	102.1	56.7	47.7
Financial parastatals	59.8	75.9	93.7	148.4	94.7	57.7	77.3	75.6
Local government	1.9	1.7	2.9	3.9	2.6	4.0	1.5	1.8
Households	328.9	491.1	603.5	646.6	781.8	770.6	779.6	792.2
Total	1,040.8	1,399.0	1,562.9	1,846.8	1,778.9	1,743.9	1,769.8	1,783.3
(Percentage shares)								
Agriculture	2.8	3.4	2.4	1.8	1.4	1.0	1.5	1.8
Mining	7.5	5.6	4.4	4.2	3.1	2.5	3.3	2.9
Manufacturing 1/	10.1	9.6	9.3	9.0	8.2	7.2	7.3	6.7
Construction	6.9	7.0	5.9	5.8	5.0	3.5	3.3	4.0
Electricity and water	0.9	0.3	0.6	0.3	0.6	0.9	0.9	0.7
Transport and communications	3.1	2.0	2.2	2.0	3.4	3.0	4.4	4.6
Trade	15.5	13.8	12.9	10.5	9.2	10.8	11.3	10.8
Business services	10.9	13.6	12.5	19.5	15.5	15.5	15.8	16.2
Finance	2.6	2.6	2.3	0.5	1.5	2.0	0.6	0.9
Other business	2.3	1.4	2.8	3.2	2.8	5.9	3.2	2.7
Financial parastatals	5.7	5.4	6.0	8.0	5.3	3.3	4.4	4.2
Local government	0.2	0.1	0.2	0.2	0.1	0.2	0.1	0.1
Households	31.6	35.1	38.6	35.0	43.9	44.2	44.1	44.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Bank of Botswana.

1/ Includes the Botswana Meat Corporation.

Table 22. Botswana: Sources of Commercial Bank Deposits, 1991–96

(End of period)

	1991	1992	1993	1994	1995	Mar. 1996	Jun. 1996	Aug.
(In millions of pula; end of period)								
Government	113.0	131.0	214.4	189.0	268.7	221.7	232.9	266.3
Central	14.0	8.8	31.3	16.1	19.1	21.5	29.7	49.1
Local	99.0	122.2	183.1	172.9	249.6	200.2	203.2	217.2
Parastatals	199.1	265.2	217.0	250.3	323.5	315.2	284.7	297.1
Business	870.3	900.2	1,015.9	1,168.7	1,231.6	1,458.2	1,493.5	1,492.8
Households	392.0	454.1	558.5	609.5	641.2	672.3	727.9	732.0
Total	1,574.4	1,750.5	2,005.8	2,217.5	2,465.0	2,667.4	2,739.0	2,788.2
(In percent)								
Government	7.2	7.5	10.7	8.5	10.9	8.3	8.5	9.6
Central	0.9	0.5	1.6	0.7	0.8	0.8	1.1	1.8
Local	6.3	7.0	9.1	7.8	10.1	7.5	7.4	7.8
Parastatals	12.6	15.1	10.8	11.3	13.1	11.8	10.4	10.7
Business	55.3	51.4	50.6	52.7	50.0	54.7	54.5	53.5
Households	24.9	25.9	27.8	27.5	26.0	25.2	26.6	26.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Bank of Botswana.

Table 23. Botswana: Bank of Botswana Certificate Auctions, 1991-96

	In millions of pula		Stop-out price (pula)	Interest rate (%)	
	Allotted	Reserved for BoB		Simple	Effective
1991					
May	175.0	25.0	97.180	11.51	12.66
June	120.0	130.0	97.170	11.58	12.06
July	0.0	0.0	0.000	0.00	0.00
August	399.9	75.0	96.083	11.16	11.56
September	200.1	0.0	97.000	11.88	12.42
October	200.0	100.0	97.000	11.87	12.41
November	0.0	0.0	0.000	0.00	0.00
December	250.0	0.0	97.000	12.41	12.99
1992					
January	325.0	175.0	96.020	12.57	13.10
February	225.0	55.0	95.490	12.60	13.05
March	101.1	48.9	95.680	13.51	14.12
April	186.3	63.7	94.380	14.39	15.01
May	303.9	46.1	96.100	14.70	15.24
June	74.3	55.7	95.380	14.49	15.20
July	0.0	0.0	0.000	0.00	0.00
August	177.4	72.6	95.050	14.50	15.21
September	125.4	124.6	95.310	14.60	15.32
October	0.0	0.0	0.000	0.00	0.00
November	432.4	67.7	94.775	14.82	15.64
December	275.2	24.8	93.430	14.50	15.04
1993					
January	125.0	0.0	96.580	14.36	15.16
February	0.0	0.0	0.000	0.00	0.00
March	298.4	101.6	96.765	14.49	15.31
April	285.4	0.0	93.090	14.41	14.91
May	300.0	0.0	90.460	14.43	14.71
June	330.0	0.0	96.200	14.00	14.72
July	0.0	0.0	0.000	0.00	0.00
August	0.0	0.0	0.000	0.00	0.00
September	450.0	0.0	93.570	13.78	14.26
October	0.0	0.0	0.000	0.00	0.00
November	305.5	74.6	95.880	13.29	13.90
December	0.0	0.0	0.000	0.00	0.00
1994					
January	0.0	0.0	0.000	0.00	0.00
February	542.4	127.9	94.342	12.10	12.46
March	865.0	0.0	94.293	11.60	11.92
April	0.0	0.0	0.000	0.00	0.00
May	200.0	0.0	97.200	11.31	11.79
June	187.3	12.7	94.550	11.50	11.80
July	100.0	0.0	98.960	11.99	12.66
August	259.0	77.0	94.646	12.15	12.54
September	71.0	0.0	97.340	11.60	12.12
October	275.0	0.0	95.333	11.99	12.06
November	0.0	0.0	0.000	0.00	0.00
December	288.8	31.3	94.768	12.31	12.73
1995					
January	242.5	107.5	94.648	12.11	12.37
February	247.9	16.5	95.788	12.07	12.54
March	212.4	47.6	95.218	12.63	13.11
April	192.0	8.1	94.249	12.90	13.33
May	299.3	75.8	95.291	12.87	13.38
June	165.0	35.0	93.918	12.94	13.35
1996					
January	0	0	0.000	0	0
February	257.6	7.5	97.140	11.87	12.41
March	710.7	179.3	94.033	12.35	12.72
April	260.0	0.0	93.780	12.29	12.64
May	455.0	0.0	91.393	12.74	12.93
June	497.5	2.6	96.003	12.05	12.53
July	420.0	0.0	92.755	12.53	12.82
August	449.0	11.5	89.985	13.00	13.12
September	567.3	22.7	91.583	12.77	12.98

Sources: Bank of Botswana, Annual Report 1994 and Statistical Bulletin.

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

Table 24. Botswana: Value of Outstanding Bank of Botswana Certificates, 1991–96

(In millions of pula; end of period)

	Commercial banks	Other financial institutions	Other private sector	Total
<u>1991</u>				
June	205.7	2.2	82.2	290.1
September	483.8	14.0	353.5	851.3
December	340.2	14.0	419.7	773.9
<u>1992</u>				
March	393.0	14.3	332.8	740.1
June	647.6	10.3	311.8	969.7
September	486.6	5.0	615.4	1,107.0
December	454.1	17.8	554.1	1,026.0
December 1/	438.7	17.3	531.1	987.1
<u>1993</u>				
March	371.2	17.1	486.7	875.0
June	602.7	25.2	587.4	1,215.3
September	815.0	12.2	408.2	1,235.4
December	700.9	19.4	482.8	1,203.1
<u>1994</u>				
March	821.3	12.4	537.4	1,371.1
June	1,005.2	16.0	547.8	1,569.0
September	948.9	14.8	502.1	1,465.8
December	942.3	14.5	494.2	1,451.0
<u>1995</u>				
January	1,121.4	4.9	470.9	1,597.2
February	1,025.1	16.8	590.6	1,632.5
March	1,047.3	17.0	504.8	1,569.1
April	1,109.4	15.6	363.2	1,488.2
May	1,247.5	15.6	459.8	1,722.9
June	1,299.7	15.8	531.1	1,846.6
July	1,235.0	15.5	334.3	1,584.8
August	1,210.0	15.6	355.9	1,581.5
September	1,281.6	15.0	396.8	1,693.4
October	1,348.8	15.5	284.1	1,648.4
November	1,447.3	15.6	378.7	1,841.6
December	1,458.8	15.8	488.0	1,962.6
<u>1996</u>				
January	1,480.9	15.4	444.2	1,940.5
February	1,464.6	15.3	395.7	1,875.6
March	1,504.8	15.5	457.5	1,977.8
April	1,625.2	15.4	511.8	2,152.4
May	1,793.4	17.5	592.1	2,403.0
June	1,693.3	19.1	691.0	2,403.4
July	1,765.6	19.3	600.7	2,385.6
August	1,751.1	19.0	675.6	2,445.7

Sources: Bank of Botswana, Annual Report and Statistical Bulletin.

1/ Valued using the discounted value method.

Effective December 1993, the valuation of BOBCs was changed from face value to discounted value. The face value method included unearned interest (i.e., which has not yet accrued). The discounted value method values BOBCs as of the date of the statement, and thus excludes unearned interest.

Table 25. Botswana: Balance of Payments, 1990-95

(In millions of pula)

	1990	1991	1992	1993	1994	Prel. 1995
Current account	78.2	681.1	515.4	1,219.6	652.8	948.4
Goods	343.1	540.1	395.2	646.4	1,418.7	1,623.6
Exports, f.o.b.	3,340.2	3,782.6	3,679.2	4,172.9	5,042.9	6,000.1
Of which						
Diamonds	(2,613.6)	(2,941.5)	(2,898.9)	(3,340.2)	(3,717.8)	(3,983.7)
Imports, f.o.b.	-2,997.1	-3,242.5	-3,284.0	-3,526.5	-3,624.2	-4,376.5
Services	-309.6	-349.0	-360.5	-325.4	-364.7	-509.7
Credit	389.8	424.3	399.2	463.6	499.7	721.8
Debit	-699.4	-773.3	-759.7	-789.0	-864.4	-1,231.5
Transportation	-327.5	-394.6	-321.7	-316.7	-446.1	-513.3
Credit	69.6	75.3	89.3	89.2	95.8	106.2
Debit	-397.1	-469.9	-411.0	-405.9	-541.9	-619.5
Travel	114.7	127.4	69.2	99.9	127.7	46.4
Credit	218.2	263.5	226.5	290.7	332.2	448.9
Debit	-103.5	-136.1	-157.3	-190.8	-204.5	-402.5
Other services	-96.8	-81.8	-108.0	-108.6	-46.3	-42.8
Credit	102	85.5	83.4	83.7	71.7	166.7
Debit	-198.8	-167.3	-191.4	-192.3	-118	-209.5
Income	-197.0	127.1	237.1	711.5	-602.3	-89.9
Credit	774.3	976.6	1,143.7	1,343.7	619.5	1,339.5
Debit	-971.3	-849.5	-906.6	-632.2	-1,221.8	-1,429.4
Compensation of employees	42.1	60.7	44.5	35.1	43.0	36.5
Credit	151.2	159.6	183.2	156.4	170.2	153.4
Debit	-109.1	-98.9	-138.7	-121.3	-127.2	-116.9
Investment income	-239.1	66.4	192.6	676.4	-645.3	-126.4
Credit	623.1	817.0	960.5	1,187.3	449.3	1,186.1
Of which						
Earnings on reserves	(553.5)	(734.6)	(880.3)	(1,110.5)	(365.5)	(997.0)
Debit	-862.2	-750.6	-767.9	-510.9	-1,094.6	-1,312.5
Of which						
Dividends, etc.	(-631.5)	(-727.6)	(-713.7)	(-827.2)	(-844.4)	(-960.3)
Reinvested earnings, etc. 1/	(58.2)	(299.6)	(331.9)	(858.0)	(184.8)	(-133.1)
Current transfers	241.7	362.9	243.6	187.1	201.1	-75.6
Credit	729.3	920.9	825.1	853.7	993.3	948.8
Of which						
SACU transfers	(117.2)	(330.4)	(580.0)	(340.0)	(359.4)	(431.2)
Debit	-487.6	-558.0	-581.5	-666.6	-792.2	-1,024.4
Capital and financial account	-417.9	-507.7	-265.5	-1,057.7	-263.7	-676.8
Capital account	6.3	7.1	14.0	20.5	16.2	8.0
Financial account	-424.2	-514.8	-279.5	-1,078.2	-279.9	-684.8
Direct investment	164.7	-33.8	-24.1	-718.3	-63.8	81.8
Abroad	-13.7	-17.2	-20.8	-23	-25.4	-113.4
In reporting country	178.4	-16.6	-3.3	-695.3	-38.4	195.2
Portfolio investment	2.4	-2.4	0.2	0.5	-0.3	-84.8
Other investment	-13.4	285.5	605.7	620.1	174.4	-90.9
Assets	-254.7	-107.1	314.2	153.7	42.4	-245.9
Liabilities	241.3	392.6	291.5	466.4	132.0	155.0
Long-term	239.0	269.8	274.2	270.4	183.8	54.2
General government loans	22.8	157.5	114.8	162.3	17.4	-34.1
Drawings	(75.0)	(223.2)	(176.9)	(219.2)	(120.7)	(76.0)
Repayments	(-32.2)	(-65.7)	(-62.1)	(-56.9)	(-103.3)	(-110.1)
Other sectors' loans	190.1	126.3	1.8	61.2	173.7	-10.6
Drawings	(243.8)	(162.6)	(23.8)	(79.9)	(206.3)	(5.0)
Repayments	(-33.7)	(-36.3)	(-22.0)	(-18.7)	(-32.6)	(-15.6)
Other long-term	26.1	-14.0	157.6	46.9	-7.3	98.9
Short-term	2.3	122.8	17.3	196.0	-51.8	100.8
Reserve assets	-577.9	-764.1	-861.3	-980.5	-390.2	-590.9
Net errors and omissions	339.7	-173.4	-249.9	-161.9	-389.1	-271.6
Of which						
Valuation adjustments	(408.6)	(708.9)	(-7.2)	(967.1)	(1,061.6)	(697.7)

Source: Bank of Botswana.

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

Table 26. Botswana: Direction of Trade, 1990-95

	1990	1991	1992	1993	1994	1995
(In millions of pula)						
Exports, f.o.b.	3,319.1	3,738.0	3,675.0	4,312.1	4,965.0	5,931.6
SACU	157.3	186.5	255.3	379.5	691.4	1,277.6
Zimbabwe	226.0	255.6	166.5	135.2	134.1	176.4
Other Africa	53.2	56.1	55.1	57.4	49.1	49.3
UK	40.9	54.0	57.3	639.4	1,245.4	2,223.0
Other Europe	2,832.3	3,173.9	3,128.7	3,082.9	2,800.6	2,143.1
USA	4.2	9.9	9.3	14.3	34.8	51.6
All other	5.3	1.9	2.8	3.5	9.6	10.6
Imports, c.i.f. (inclusive of duty)	3,619.5	3,927.7	3,970.1	4,285.0	4,407.3	5,304.8
SACU	2,979.7	3,291.9	3,373.9	3,541.0	3,437.4	3,922.7
Zimbabwe	183.5	207.5	193.2	196.2	258.9	293.0
Other Africa	23.2	11.3	16.2	17.2	23.0	17.8
UK	90.2	143.1	103.7	112.1	109.9	134.7
Other Europe	223.0	151.7	177.6	192.3	259.9	319.3
South Korea	...	...	...	...	91.7	377.5
USA	41.3	48.8	38.9	140.8	82.9	107.4
All other	78.6	73.2	66.5	85.4	143.6	132.4
(In percent of total)						
Exports, f.o.b.	100.0	100.0	100.0	100.0	100.0	100.0
SACU	4.7	5.0	6.9	8.8	13.9	21.5
Zimbabwe	6.8	6.8	4.5	3.1	2.7	3.0
Other Africa	1.6	1.5	1.5	1.3	1.0	0.8
UK	1.2	1.4	1.6	14.8	25.1	37.5
Other Europe	85.3	84.9	85.1	71.5	56.4	36.1
USA	0.1	0.3	0.3	0.3	0.7	0.9
All other	0.2	--	0.1	0.1	0.2	0.2
Imports, c.i.f. (inclusive of duty)	100.0	100.0	100.0	100.0	100.0	100.0
SACU	82.3	83.8	85.0	82.6	78.0	73.9
Zimbabwe	5.1	5.3	4.9	4.6	5.9	5.5
Other Africa	0.6	0.3	0.4	0.4	0.5	0.3
UK	2.5	3.6	2.6	2.6	2.5	2.5
Other Europe	6.2	3.9	4.5	4.5	5.9	6.0
South Korea	...	...	...	...	2.1	7.1
USA	1.1	1.2	1.0	3.3	1.9	2.0
All other	2.2	1.9	1.7	2.0	3.3	2.5

Source: Customs and Excise Department.

Table 27. Botswana: Public Sector External Debt, 1990-95

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

	1990	1991	1992	1993	1994	1995
Total external public debt 1/	559.9	592.2	597.1	613.5	619.8	619.1
Bilateral loans	139.6	137.8	136.1	136.8	161.0	167.0
United States (USAID)	28.9	28.3	27.5	26.8	26.3	25.5
United Kingdom (CDC)	43.1	38.8	27.9	24.1	21.5	18.5
China	4.6	4.4	18.3	16.1	39.6	46.7
France	0.5	1.4	1.4	1.3	1.4	1.6
Belgium	1.7	1.6	1.5	1.3	1.2	1.7
Kuwait (KF)	9.8	9.6	7.8	13.7	14.2	18.3
Germany (KfW)	1.0	0.9	0.8	0.7	0.6	0.5
Nigeria (NTF)	7.8	8.2	7.7	7.4	7.2	6.4
Japan (OECF)	32.3	34.8	35.1	39.1	43.8	42.4
Saudi Arabia (SF)	9.8	9.9	8.1	6.3	5.1	5.4
Multilateral loans	388.7	430.0	443.7	464.5	450.1	447.0
African Development Bank	107.4	132.3	158.9	164.9	165.0	150.5
African Development Fund	56.9	69.0	74.0	85.3	93.6	96.1
Arab Bank for Development in Africa (BADEA)	11.0	12.8	13.0	14.1	20.4	23.0
European Economic Community	5.2	6.4	7.5	20.6	18.3	32.9
European Investment Bank	49.1	58.0	47.7	39.3	26.2	37.2
IBRD	111.0	106.2	95.8	92.0	76.8	60.3
IDA	13.6	13.3	12.8	12.4	12.0	11.6
IFAD	1.8	2.2	1.6	2.4	2.2	2.0
Nordic Development Fund	0.0	0.0	0.0	2.3	4.3	5.2
Nordic Investment Bank	18.1	15.8	15.0	13.4	13.2	11.5
OPEC	6.9	6.4	5.8	6.8	8.3	8.5
UN Capital Development Fund	7.7	7.8	11.6	10.9	9.8	8.4
Commercial banks 2/	16.2	13.5	10.6	7.9	5.4	2.9
Export Credits 3/	15.4	10.9	6.7	4.4	3.3	2.2
Memorandum items:						
Total external public debt						
As percent of GDP	15.0	15.5	15.4	15.5	14.2	12.7
As percent of exports of goods & services	28.1	29.2	33.0	33.9	30.4	26.0
Exchange rate:						
U.S. dollars per pula (end of period)	0.5344	0.4825	0.4431	0.3899	0.3680	0.3544

Source: Ministry of Finance and Development Planning.

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

2/ Export Development Corp. (Canada), Nord Banken, and Syndicate of French Banks.

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

Table 28. Botswana: External Debt Service Payments and Disbursements, 1990-95

(In millions of U.S. dollars)

	1990	1991	1992	1993	1994	1995
Central government						
Disbursements	56.6	47.4	56.0	67.1	53.6	21.6
Principal repayments	27.9	32.6	29.1	35.3	40.2	48.4
Interest payments	25.2	26.1	27.5	26.6	27.3	33.4
Other charges	1.6	1.4	1.4	1.3	1.9	2.0
Total debt service	54.6	60.1	58.1	63.3	69.4	83.8
Public corporations						
Disbursements	11.2	14.9	6.5	0.2	2.0	1.9
Principal repayments	28.7	17.4	18.8	16.1	17.6	13.1
Interest payments	12.8	11.8	10.0	7.2	7.6	4.4
Other charges	0.1	0.0	0.0	0.0	0.0	0.0
Total debt service	41.6	29.2	28.8	23.3	25.2	17.5
Public and publicly guaranteed						
Disbursements	67.8	62.2	62.5	67.2	55.6	23.6
Principal repayments	56.6	50.0	47.9	51.4	57.8	61.5
Interest payments	37.9	37.9	37.5	33.8	34.9	37.7
Other charges	1.7	1.4	1.4	1.3	1.9	2.0
Total debt service	96.2	89.3	86.9	86.5	94.6	101.2
Memorandum items:						
Debt service ratios (in percent of exports of goods and services)						
Central government	2.7	2.9	3.0	3.3	3.4	3.5
Public corporations	2.1	1.4	1.5	1.2	1.2	0.7
Public and publicly guaranteed	4.8	4.3	4.5	4.5	4.6	4.2
Exports of goods and services	2,005	2,085	1,912	1,917	2,066	2,425
Exchange rate:						
U.S. dollars per pula (period average)	0.5376	0.4957	0.4689	0.4134	0.3727	0.3608

Source: Ministry of Finance and Development Planning.

Table 29. Botswana: Average Terms of New Public Sector External Debt Commitments, 1990–95

	1990	1991	1992	1993	1994	1995
Interest rate (in percent per annum)	6.9	1.0	4.3	2.7	2.9	3.4
Maturity (in years)	14.8	28.2	27.6	23.6	16.0	22.4
Grace period (in years)	4.3	7.7	6.4	6.2	4.1	6.4
Grant element (in percent)	17.1	63.6	38.8	31.7	16.5	21.0

Source: Ministry of Finance and Development Planning.

Table 30. Botswana: Developments in the Exchange Rate of the Pula, 1980-96

(Period average: 1990=100)

	<u>Effective exchange rate</u>		Rand	U.S. dollar	SDR	Zimbabwe dollar
	Nominal	Real				
(Foreign currency per pula)						
1980	144.5	120.8	71.8	240.1	251.1	62.4
1981	152.2	132.5	75.4	222.0	255.9	62.1
1982	138.4	122.2	75.9	181.3	223.0	56.2
1983	150.0	132.5	73.1	169.6	215.9	69.9
1984	145.3	127.3	82.2	143.3	189.8	73.0
1985	110.1	97.7	84.4	97.8	130.1	63.5
1986	100.0	91.2	87.5	100.3	115.7	67.8
1987	103.4	96.7	87.3	111.9	116.5	75.2
1988	94.9	90.5	89.4	101.7	102.8	74.8
1989	93.9	92.4	93.8	92.7	98.0	79.8
1990	100.0	100.0	100.0	100.0	100.0	100.0
1991	103.2	104.9	97.8	91.6	91.0	137.9
1992	107.0	111.0	96.0	87.0	83.8	180.0
1993	110.0	118.0	97.0	76.7	74.5	202.6
1994	106.6	116.8	95.0	69.4	65.6	228.7
1995	101.7	112.7	94.1	67.2	59.9	237.0
1991 I	98.5	99.7	98.5	97.8	94.8	110.3
1991 II	101.5	102.3	99.4	91.2	92.9	114.2
1991 III	105.6	107.7	98.3	89.4	90.2	148.1
1991 IV	107.0	109.7	95.0	88.2	86.0	179.0
1992 I	107.0	110.1	95.1	86.8	85.2	178.8
1992 II	106.6	110.3	95.6	87.7	85.0	178.4
1992 III	105.2	109.5	96.1	89.9	83.2	180.1
1992 IV	109.3	114.0	97.2	83.7	81.9	182.6
1993 I	114.1	120.6	97.5	80.7	79.1	206.0
1993 II	110.0	117.8	97.5	78.5	75.1	203.2
1993 III	107.9	116.5	97.7	74.5	72.0	198.6
1993 IV	107.8	117.2	95.3	73.2	71.9	202.6
1994 I	112.5	122.4	95.9	71.8	69.8	234.3
1994 II	106.7	116.6	96.1	69.1	65.7	224.2
1994 III	102.2	112.5	94.1	67.6	63.2	223.7
1994 IV	105.0	115.6	93.8	68.8	63.7	232.6
1995 I	104.2	115.0	94.6	68.6	61.7	233.6
1995 II	100.6	111.4	94.9	67.5	58.3	232.1
1995 III	100.6	111.7	93.6	66.6	59.5	234.3
1995 IV	104.2	112.6	93.1	66.1	60.2	248.1
1996 I	100.4	111.6	93.1	63.1	58.6	242.8
1996 II	89.2	100.1	92.6	55.2	51.8	219.7
1996 III	86.1	97.8	93.1	53.2	50.0	220.6

Source: IMF, Information Notice System.

Botswana: Summary of the Tax System as of October 1996

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

Botswana: Summary of the Tax System as of October 1996

Tax	Nature of Tax	Exemptions and Deductions	Rates
1.3 <u>Capital gains</u>	A tax on realization on or after July 1, 1982 of gains on business assets; on shares in or debentures of a company; and on residential property.	Gains on the principal private residence owned by an individual; and shares and debentures of a public company. For immovable property acquired before July 1, 1982, the cost of acquisition is inflated annually by 10 percent but a resulting loss is not allowed. In the case of immovable property acquired on or after July 1, 1982, the cost of acquisition is inflated by the difference between the national cost of living index for the month in which the acquisition took place and the national cost of living index for the month in which disposal took place. Capital gains arising on transfer of properties in the course of a merger or reconstruction of companies in a group, is deferred until the property is disposed of outside the group.	For companies, chargeable gains are included in taxable income. For any other person, the net aggregate gains, i.e., gains less losses, are not aggregated with incomes from other sources but are taxed under a separate table which has a zero rate band of P 15,000 and a maximum rate of 30 percent above P 60,000.
1.4 <u>Personal income tax</u>	A tax on income from domestic sources received by residents and nonresidents. There is a PAYE withholding system on employment income and employees with no other sources of income or noncash employment benefits need not file tax returns. (See description of company income tax, above, for other withholding taxes applicable to individuals). Husband and wife are taxed as separate individuals. Where permission has been granted by the Bank of Botswana to any person to make investments or carry out business outside Botswana, the income accruing thereof will be deemed to have accrued from a source in Botswana.	Business income is computed in the same way as business profits. Losses from one source cannot be set off against other income, except that, on election, a farmer (but not a farming company) may offset farming losses against other income in the same tax year. A balance loss can be carried forward for set off against future farming profits. Individuals can carry back farming losses to the preceding 2 years. Farmers can get immediate deduction for the cost of capital works. They may also elect to average income over a three-year period. Resident individuals are entitled to an allowance for contributions to approved pension funds or to approved retirement annuity funds or schemes, not exceeding 15 percent of earned income or P 9,000, whichever is less. This is the only allowance for personal expenditure.	The tax table for resident individuals has a zero rate on income up to P 15,000 and thereafter the rates progress from 5 percent to a top rate of 30 percent on income above P 60,000. For nonresident individuals, the tax table has an initial rate of 5 percent on income up to P 30,000, rising to 30 percent on income above P 60,000.
2. <u>Social security tax</u>	There is no social security tax.		

Botswana: Summary of the Tax System as of October 1996

Tax	Nature of Tax	Exemptions and Deductions	Rates																		
3. <u>Taxes on property</u>																					
3.1 <u>Local rates</u>	A tax on the market value of unimproved and improved real property located in the major towns.	Government buildings used for nonprofit public services, buildings used for religious or cultural activities.	The tax is determined per town and is different for unimproved real property.																		
3.2 <u>Capital transfer tax</u>	A tax on the value of gifts or inheritance in any year, assessed on the donee. Tax year in July-June.	Gifts or inheritances between spouses. Gifts received in any year not exceeding P 5,000. Gifts or inheritance from a spouse not exceeding P 5,000. Household chattels of deceased not exceeding P 15,000. Livestock included in income for income tax purposes.	The tax rate rises from 2 percent on the first P 100,000 of taxable value received by an individual to a maximum of 5 percent on taxable values in excess of P 200,000. A 12.5 percent rate applies to both resident and nonresident companies.																		
3.3 <u>Transfer duty</u>	A tax on the transfer of real property, payable by the purchaser.	There is an exempt threshold of P 20,000 for citizens, including any company of which more than one half of the shares are owned by citizens.	Rate for citizens is 5 percent of the value over P 20,000. Noncitizens pay 5 percent for urban property and 10 percent for rural property.																		
4. <u>Taxes on goods and services</u>																					
4.1 <u>Sales tax</u>	Selective tax is imposed on all consumer goods (other than the items specifically exempted), motor vehicles, and office equipment.	Exempted items are plant and machinery, raw materials, building materials, food, pharmaceuticals, books, stationery, newspapers, and periodicals. Services (other than hotels, drycleaners, hair salons, laundries, restaurants, and tour operators) are exempt. A waiver for sales tax on tourist operators is in effect until March 1997.	An ad valorem rate of 10 percent applies to all items except fuel, beer, wines, and spirits: <table><tr><th>Item</th><th>Thebe per liter</th></tr><tr><td>Petrol</td><td>11.0</td></tr><tr><td>Mixed alkylenes</td><td>11.0</td></tr><tr><td>Diesel</td><td>6.0</td></tr><tr><td>Traditional beer</td><td>8.0</td></tr><tr><td>Beer malt</td><td>30.0</td></tr><tr><td>Natural Still wine</td><td>70.0</td></tr><tr><td>Fortified still wine</td><td>90.0</td></tr><tr><td>Fermented beverages</td><td>40.0</td></tr></table>	Item	Thebe per liter	Petrol	11.0	Mixed alkylenes	11.0	Diesel	6.0	Traditional beer	8.0	Beer malt	30.0	Natural Still wine	70.0	Fortified still wine	90.0	Fermented beverages	40.0
Item	Thebe per liter																				
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Fortified still wine	90.0																				
Fermented beverages	40.0																				

Botswana: Summary of the Tax System as of October 1996

Tax	Nature of Tax	Exemptions and Deductions	Rates												
			<table><tr><th>Item</th><th>Pula per liter</th></tr><tr><td>Whisky</td><td>3.80</td></tr><tr><td>Brandy</td><td>2.40</td></tr><tr><td>Liqueurs</td><td>3.60</td></tr><tr><td>Other</td><td>2.20</td></tr><tr><td>Sparkling wine</td><td>1.10</td></tr></table>	Item	Pula per liter	Whisky	3.80	Brandy	2.40	Liqueurs	3.60	Other	2.20	Sparkling wine	1.10
Item	Pula per liter														
Whisky	3.80														
Brandy	2.40														
Liqueurs	3.60														
Other	2.20														
Sparkling wine	1.10														
4.2 <u>Selective excises</u>	Specified duties are payable by the importer or manufacturer of selected items such as alcoholic and nonalcoholic beverages and tobacco.	Exported goods.	Rates are those set by SACU with proceeds pooled under the customs agreement. Rates vary and are on specific bases.												
4.3 <u>Motor vehicle taxes</u>	Specific tax rates which vary according to type and/or weight of vehicle.	Public transport vehicles pay lower annual license fees, based on passenger capacity.	(a) From P 10 - P 65 according to weight of vehicle. (b) From P 3 - P 432 according to weight of vehicle and trailer. (c) From P 710 - P 6,232 according to weight of vehicle. <u>Note:</u> (i) For SACU members, trailers are excluded. (ii) For vehicles in transit, there is a minimum charge of P 40 and a maximum charge of P 340 per single trip.												

Botswana: Summary of the Tax System as of October 1996

Tax	Nature of Tax	Exemptions and Deductions	Rates
5. <u>Taxes on goods and services</u>			Both specific and ad valorem rates are used. Ad valorem rates, charged on the normal price of the goods, predominate, and vary from 0 percent to 61 percent. South Africa collects the taxes and pays Botswana's share (BS).
5.1 <u>Customs union pool</u>	A tax on all goods imported into Botswana. A three-column tariff schedule based on the Harmonized Commodity Description and Coding System, with general and preferential rates, is used. Preferential treatment is given to goods from the EU, Canada, and the United States. The taxes are contributed to the common Customs Union pool with Lesotho, Namibia, South Africa, and Swaziland. Botswana's share is calculated according to a fixed formula.	There exist free trade agreements with Lesotho, Malawi, Namibia, South Africa, Swaziland, and Zimbabwe.	$BS = 1.42 \frac{(A + B + C)H}{DEFG}$ <p>where: $\frac{H}{DEFG}$</p> <p>is the "all duty rate"</p>
5.2 <u>Export taxes</u>	A tax on exported livestock and products thereof, and on game products.	None.	<p>A = c.i.f. value of Botswana's imports B = value of Botswana's production and consumption of excisable goods C = excise duty actually paid on B D = c.i.f. value of customs area imports E = customs duties actually paid on D F = value of excisable goods produced and consumed in the customs area G = excise duty actually paid on F H = total customs and excise duty pool</p> <p>Low specific rates.</p>

Sources: Tax, and Customs and Excise Departments.

BOTSWANA - Exchange and Trade System

(Position as of December 31, 1996)

Exchange Arrangement

The currency of Botswana is the Botswana pula. Its external value in terms of the U.S. dollar, the intervention currency, is determined with reference to a weighted basket of currencies comprising the SDR and currencies of the country's major trading partners. On December 31, 1996, the closing middle rate for the U.S. dollar was P 3.6443 per \$1; on the same date, the rate for the SDR was P 5.2411 per SDR 1. Buying and selling rates for certain other dealing currencies¹ are quoted on the basis of their rates against the U.S. dollar in international markets. For information only, middle rates are quoted for certain other currencies.² There are no taxes or subsidies on purchases or sales of foreign exchange.

External loans undertaken by parastatals before October 1, 1990 have been protected from exchange rate movements under a foreign exchange risk-sharing scheme. As of September 1995, the scheme applied to 16 outstanding loans. Under the scheme, risks associated with exchange rate fluctuations up to 4 percent are fully borne by the borrower, while the next 6 percent and the following 5 percent of fluctuations are shared between the borrower and the government on a 50:50 and 25:75 basis, respectively. Risks associated with exchange rate fluctuations in excess of 15 percent are fully borne by the government. The scheme is symmetrical in that the borrower and the government share any gains from an appreciation in the external value of the pula on the same basis. Forward exchange cover is also offered by the commercial banks. Forward cover may be given in respect of the foreign currency proceeds derived from the exportation of goods for up to six months.

Botswana accepted the obligations of Article VIII, Sections 2, 3, and 4 of the Fund Articles of Agreement on November 17, 1995.

Administration of Control

Exchange control is applicable to transactions with all countries. The Minister of Finance and Development Planning has delegated most of the administration of exchange controls to the Bank of Botswana (BOB), the central bank. The latter, in turn, has delegated considerable powers to banks appointed as authorized dealers. Since January 1, 1995, remittances for payments of imports of goods and services up to indicative limits (P 1 million and P 100,000 for companies and individuals, respectively) have been handled by the

¹ Deutsche mark, pounds sterling, and South African rand.

² Australian dollars, Canadian dollars, Danish kroner, French francs, Japanese yen, Netherlands guilders, Norwegian kroner, Swedish kronor, Danish kroner, Swiss francs, European currency units, and SDRs.

commercial banks without reference to the BOB. The limits were removed as of February 15, 1996, and since then payments for current account transactions including payments for the imports of goods, services, profits, dividends, etc. are handled by commercial banks without any reference to Bank of Botswana.

Prescription of Currency

Payments to or from residents of foreign countries must normally be made or received in a foreign currency or through a nonresident-held pula account in Botswana.

Resident and Nonresident Accounts

Companies operating in Botswana are permitted to open foreign currency accounts with their commercial banks in Deutsche mark, pound sterling, South African rand, and U.S. dollars.

Commercial banks are authorized to open foreign currency accounts for permanent and temporary residents and nonresidents. The accounts are to facilitate foreign receipts and payments for approved transactions, without having to convert foreign currency receipts into pula and vice versa, and to protect against changes in exchange rates. The restriction on specified foreign currencies was removed, and commercial banks were allowed to open foreign currency accounts in any currency at their discretion.

Imports and Import Payments

Botswana is a member of the Southern African Customs Union (SACU) with Lesotho, Namibia, South Africa, and Swaziland, and there are generally no import restrictions on goods moving among the five countries. The arrangement provides for the free movement of goods and the right of transit among members, as well as a common external tariff. Certain imported goods, including firearms, ammunition, fresh meat, and some agricultural and horticultural products, require permits regardless of the country of supply. There are no restrictions on payments for authorized imports. Goods of domestic origin may move freely between Botswana and Zimbabwe by virtue of a customs agreement of 1956, provided they meet certain local value-added requirements and are not intended for re-export. Import shipments exceeding P 10,000 require documentation before foreign exchange is released.

Applications for forward purchases of foreign currency to cover payment for imports when the contract covers a period exceeding six months must be referred to the BOB.

Exports and Export Proceeds

Certain exports are subject to licensing, mainly for revenue reasons. Proceeds from exports must be received in a foreign currency or from a nonresident pula account within six months of the date of exportation. Retention of export proceeds for up to one year to finance certain transactions may be permitted by the BOB on a case-by-case basis. The value of goods that can be given as gifts to nonresidents is limited to P 3,000 a year. A few items, such as precious and semiprecious stones, require permits before they can be exported.

Payments for and Proceeds from Invisibles

Payments to nonresidents for current transactions, although subject to control, are not restricted. Authority to approve a range of current payments is delegated to commercial banks. Once the bona fide nature of applications has been established and all other requirements have been fulfilled by the applicant, remittances are approved. On January 1, 1995 annual consolidated personal foreign payment allowances (including for travel, subscriptions, and other payments) were set at the equivalent of P 100,000 a calendar year for an adult and P 50,000 for a child under the age of 18 years. On the same date a consolidated business allowance, to cover business travel, royalties, franchises, management fees, etc., was set at P 1 million a year. Permanent residents may use credit cards in Botswana for settlement of both pula and foreign currency liabilities; airline tickets may be purchased directly from travel agents or remitted from abroad, and they are not counted as part of the annual travel allowance. The amount of unused foreign currency for travel that a resident may retain for future travel use is the equivalent of P 2,000 in currency or traveler's checks; any excess amount must be surrendered within six months of the date of return. The limits mentioned above have been removed with effect from February 15, 1996.

Since February 1996, temporary residents may remit the entire earnings, net of tax. Authorized dealers may allow the remittance of the whole or part of the proceeds from the sale and transfer of Botswana owned assets and household effects of temporary residents. Separately, travelers residing in Botswana may take out domestic banknotes and/or foreign currency in an aggregate amount of P 5,000 a trip, and may freely bring in any amount of domestic banknotes and coins. Visitors may take out any foreign currency that they brought in with them.

The BOB may authorize residents to maintain foreign currency accounts with banks abroad in cases where there is a proven commercial need for such a facility.

Capital

Registered pension and life insurance funds may invest up to 65 percent of their investment assets abroad. Businesses and individuals may invest abroad up to P 1 million and P 100,000, respectively. However, companies must be commercially active for at least two years and must be registered with the Department of Taxes. Foreign inward direct investment in new or existing businesses is generally encouraged but must be financed with funds from external sources. On disinvestment by a nonresident, the BOB allows immediate repatriation of proceeds up to a maximum of P 50 million. The excess may be required to be repatriated in installments over a period not exceeding three years. Authorized dealers may approve remittances of dividends/profits without reference to the BOB. Remittances of interim dividends are permitted only for companies listed in the Botswana Stock Exchange. Inward portfolio investment is also permitted in shares issued by companies quoted on the Botswana Stock Exchange, provided the funds for financing the acquisitions originate with a nonresident source. Nonresident-controlled companies incorporated in Botswana may make similar investments (referred to as internal portfolio investments), which need not be financed with funds from external sources. However, nonresident-controlled public companies listed on the Botswana Stock Exchange may now utilize local funds to acquire Botswana assets and invest in other local companies. In the case of both inward and internal portfolio investments, a shareholder or his nominee may not acquire an interest in excess of 5 percent of the company's paid-up stock. Total portfolio holdings by nonresidents, including nonresident-controlled companies, may not exceed 49 percent of the

"free stock" of a local company, that is, total stock issued and paid up less stock held by nonresident direct investors.

Nonresident-controlled companies may also invest with domestic currency funds in any securities issued by the BOB. Nonresident-controlled companies (including branches of foreign companies) are permitted to borrow locally from all sources up to P 500,000; authorized dealers and other financial or lending institutions are now given permission to approve applications for local financial support for nonresident-controlled companies, provided that the resulting debt-equity ratio does not exceed 4:1. Borrowed funds may be used for working capital purposes or for acquisition of new fixed assets (e.g., plant, machinery, equipment, and buildings); these funds may not be used to acquire financial assets. Equity is defined as paid-up capital, reserves, and retained earnings, undisclosed reserves, irredeemable or redeemable debentures and any other loan stock with a minimum lock-in period of five years. The 4:1 limit may be exceeded by nonresident-controlled manufacturing companies, if there is evidence that the project will provide a specialist skill to Botswana or will create significant employment. Any external borrowing by a local business must have at least a one-month grace period.

Permanent residents are now eligible to externalize their entire assets, if the assets were owned for a minimum period of 24 months prior to emigration in addition to household and personal effects. This facility is made available by commercial banks without reference to the Bank of Botswana.

Nonresident-controlled companies are allowed to invest domestically generated funds in pula as well as those from external sources in any securities issued by the BOB.

Departing temporary residents are entitled to a remittance of the whole or part of the proceeds from the sale or transfer of Botswana owned assets and household effects. Double taxation agreements exist between Botswana and South Africa, Sweden, and the United Kingdom.

Changes During 1996

February 15. Indicative limits for current account transactions were removed. Henceforth, authorized dealers are free to provide foreign currency for unlimited amounts for current account transactions without reference to the Bank of Botswana. Current account transactions include international payments and/or transfers for purposes such as external trade, travel, dividends to foreign shareholders, etc.

February 15. The limits on facilities available to emigrating residents have been relaxed. Permanent residents migrating to settle outside Botswana are now eligible to externalize their entire assets, if the assets were owned for a minimum period of 24 months prior to emigration.

February 15. Authorized dealers are now permitted to receive loan funds from nonresident sources on behalf of permanent resident customers subject to specified limits. Repayments of loans may be made not earlier than one month of receipt of the loan funds in Botswana.

February 15. Authorized dealers permitted to make foreign currency denominated loans to all categories of their customers in Botswana.

February 15. Botswana registered life assurance companies and recognized pension funds are now allowed to invest not more than 65 percent of the value of the life and pension fund assets directly held outside Botswana, subject to the investment being readily realizable.

February 15. Authorized dealers and other financial or lending institutions permitted to approve applications for local financial supports for nonresident-controlled companies, subject to a limit of debt-equity ratio of 4:1. Equity with reference to the 4:1 debt-equity ratio for local borrowing facility is defined as paid-up capital, reserves, retained earnings, preference shares and debentures with a lock-in period of 5 years.

February 15. The limit of 65 percent of gross earnings or income placed on amount that temporary residents can externalize has been changed and, temporary residents can now remit 100 percent of earnings net of tax.

April 26. All public companies listed on the Botswana Stock Exchange may now utilize local funds to acquire assets in Botswana as well as invest in other local companies. Further, funds collected through the issue of debentures may also be used in the acquisition of existing Botswana assets, provided the debentures have a minimum lock-in period of 5 years.