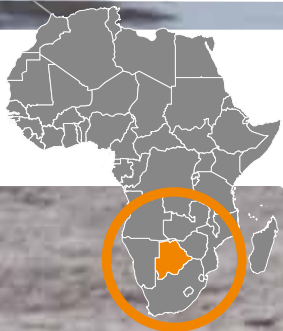


IOA | 2019 | ACBR

AFRICA COUNTRY BENCHMARK REPORT



Botswana Profile



One third of Africa's elephants live in Botswana. The country's wide open spaces offer the thriving tourism industry safaris into untouched areas where animals are seen in natural surroundings.



BOTSWANA

Image courtesy of Rad Dougall

#5

BOTSWANA

OVERVIEW ANALYSIS

The peaceful transfer of power that occurred during 2018 has become routine in Botswana, Africa's longest continuous democratic government. However, this occurrence in a largely undemocratic African continent underscored Botswana's special stability to which investors are attracted. Already good road and rail links are being expanded to counter Botswana's geographical disadvantage as a landlocked country, and Namibia has partnered with Botswana to bring exports expeditiously to their Port of Walvis Bay. Botswana retains their position as the fifth-highest ranking African country, which was also achieved in ACBR 2017. The overall score achieved is 56.20 for 2019 versus 55.93 in 2017. Botswana continued to solidify their democratic institutions and performed well in all quadrants.

KEY OPPORTUNITIES

- An extensive transportation infrastructure ensures economic sectors are well served
- Confidence in government remains high, and corruption is limited
- Industrial parks are government's incentives to diversify the economy

KEY CONCERNS

- Energy and water security are perennial issues in the desert country
- Botswana imports nearly all their goods from neighbouring South Africa
- Wildlife poaching pressures are constant

COUNTRY HIGHLIGHTS

PREDOMINANT
RELIGION



Christianity

PREDOMINANT
LANGUAGE



Setswana

POPULATION
WITHOUT
ELECTRICITY



39.3%
(#18) ▲²

LITERACY
RATE



88.5%
(#6) ▬

PRIMARY
ELECTRICITY
SOURCE



Coal

IMPORT/
EXPORT



Petroleum/
Diamonds

EXTERNAL
DEBT



US\$ 2.461
billion
(#35) ▼¹

ACTIVE
CONFLICT



No

LAND
SIZE



581,730 km²
(#22)

INTERNET
PENETRATION



39.4%
(#10) ▲²

1.7%



AGRICULTURE

29.2%



INDUSTRY

69.1%



SERVICES

32%



0-14

18.9%



15-24

38.5%



22-54

10.7%



55+



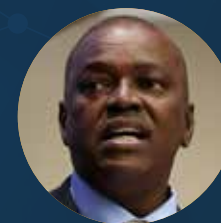
Term:
01/04/2018 - present
5 years (2 term limit)



Political Party:
Botswana Democratic Party



Recent Electoral Information:
24/10/2014
320 647 Votes
46.5%
Voter turnout: 83.66%



President
Mokgweetsi Masisi

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

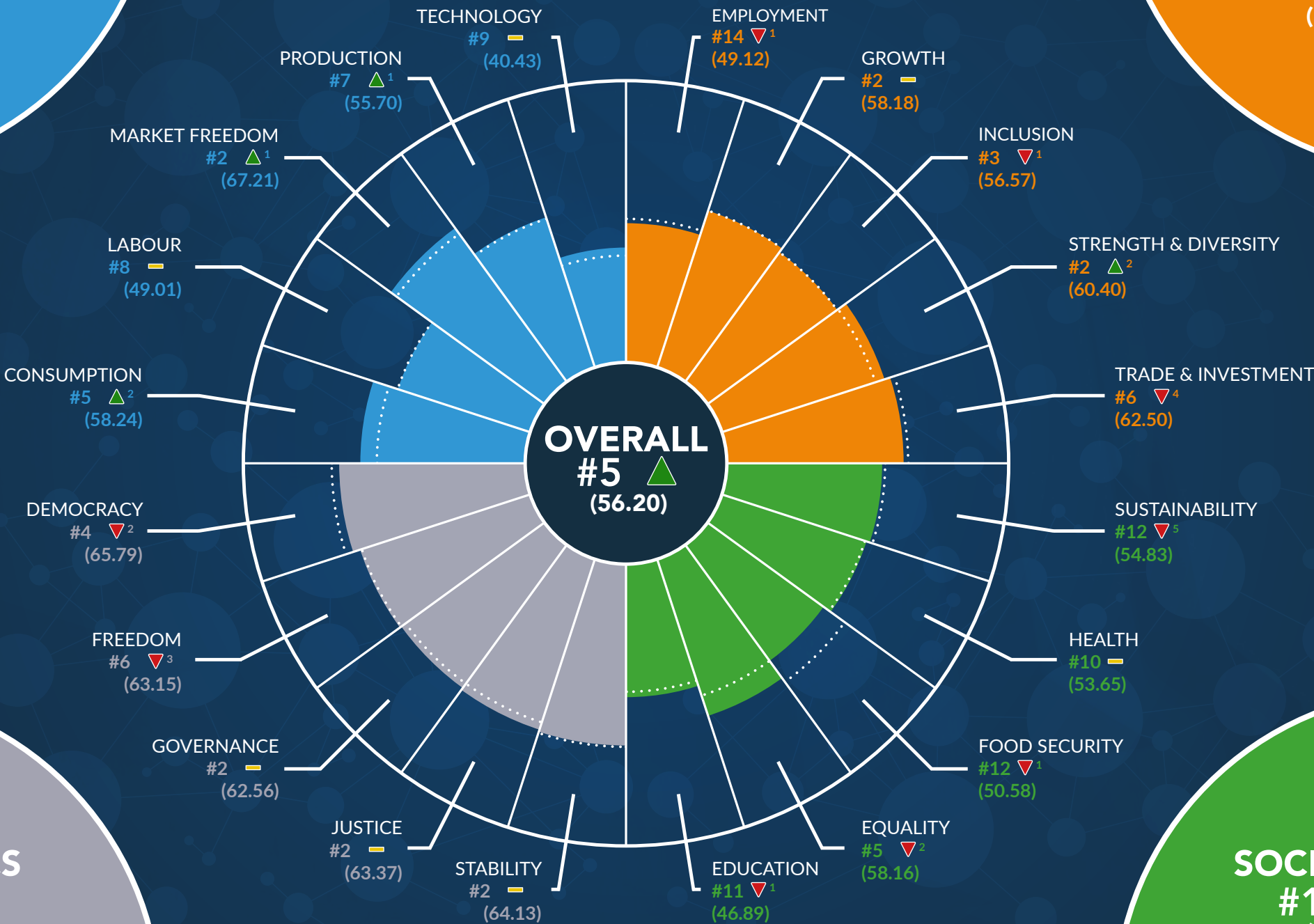
BUSINESS

#5
(54.12)

BOTSWANA PERFORMANCE OVERVIEW

ECONOMICS

#4
(56.27)



POLITICS

#2
(63.80)

SOCIETY

#13
(50.62)

BOTSWANA BUSINESS ANALYSIS



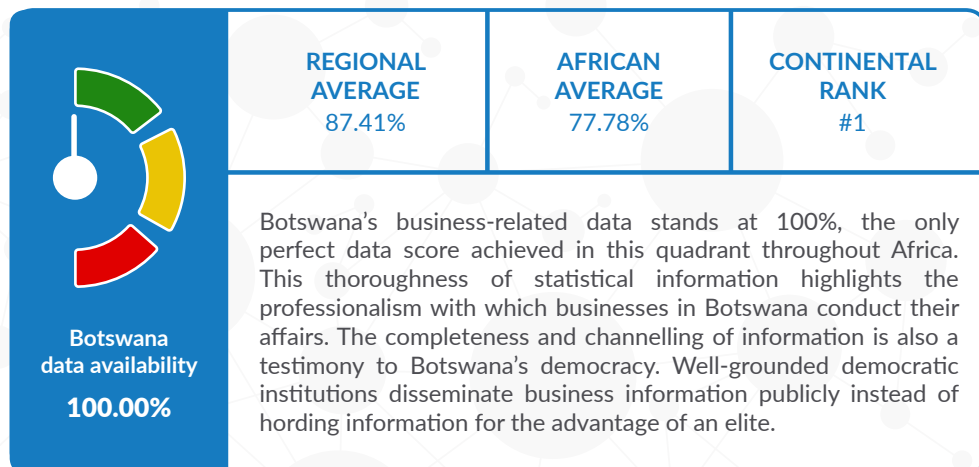
BUSINESS OVERVIEW

Botswana has been a stable, profitable business environment for decades due to good governance and a professional business culture. The country has always relied on innovation to survive in a hostile desert climate, where frequent droughts have been exacerbated by global warming. Botswana ranks 9th in Africa in terms of technology deployment and is number eight in terms of labour, reflecting a good education system's effect on the work force, which has a potential labour pool of over one million workers.

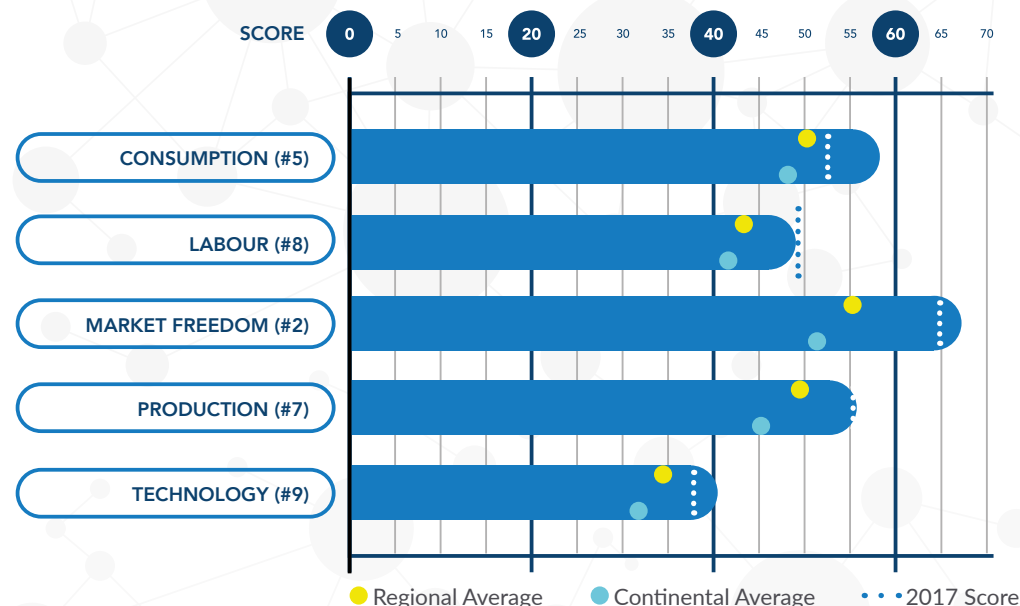
Botswana appears in the top 10 countries for all Business quadrant measurements, such as 7th for Production, giving incentive to investors in the growing manufacturing sector, and 5th in overall Consumption.

However, the country truly excels in the Market Freedom segment, scoring the second best of any African country in ACBR 2019. Market Freedom is the bedrock of Botswana's economy, which has seen and now sustains national growth. Botswana's tourism sector remains vital to the economy. A foreign-registered NGO's unsubstantiated claims of high rhino poaching deaths, which the organisation blamed on government conservation policies, were rebuffed. The incident exposed the vulnerability of African governments to disinformation that is too readily accepted by the world press. Botswana's country position of 5th in the Business quadrant, with a total score of 54.12, is an improvement from 6th place achieved in 2017 with a score of 51.92.

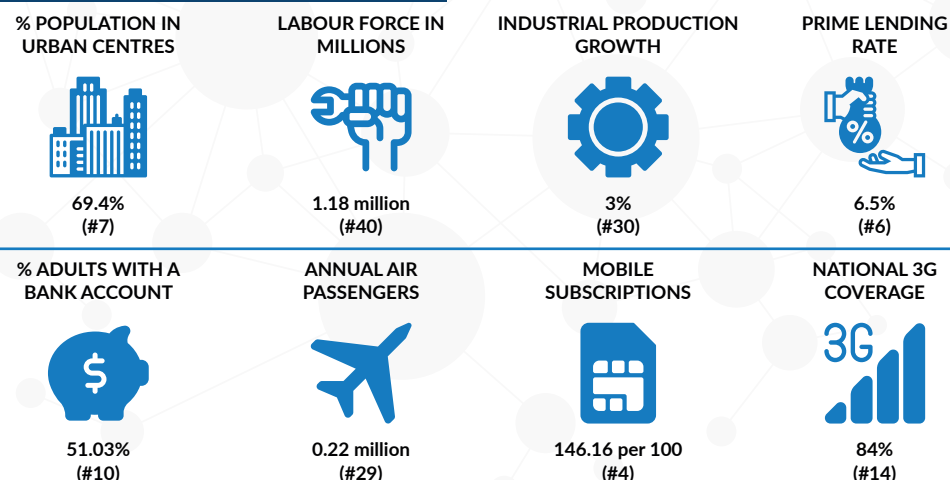
BUSINESS DATA COMMENTARY



BUSINESS SCORES & RANKINGS



BUSINESS STATISTICS



BOTSWANA ECONOMIC ANALYSIS

#4

ECONOMIC OVERVIEW

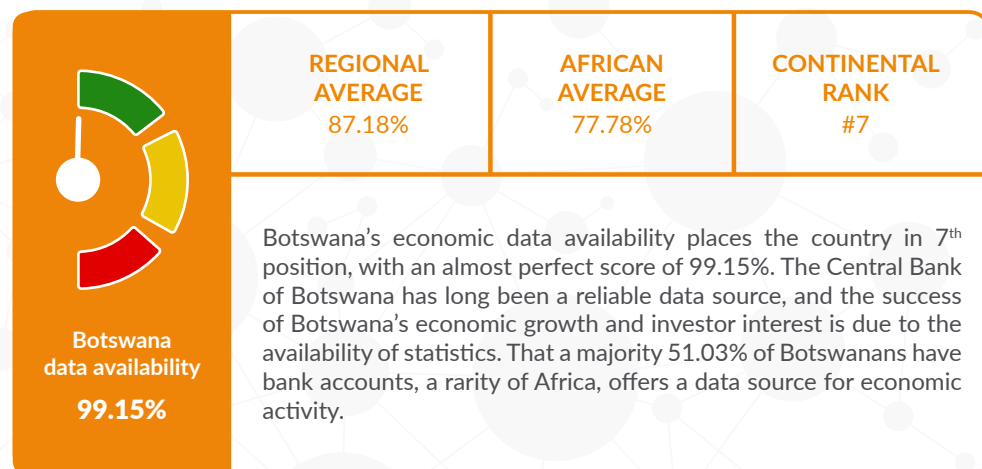
Like all of Africa, economic inequality finds Botswana struggling to overcome their rich-poor divide. Per capita GDP is US\$ 18,100 and is Africa's fifth-highest but is not equally shared. However, equality is far less a social problem than in neighbouring South Africa. A relatively low inflation rate of 3.7% assists investors and households alike.

Services dominates the economy, contributing twice the combined input of mining and industry. Agriculture languishes as less than 2% of GDP, signalling the wisdom of a reliable transportation for food inputs but also highlighting future food security problems. With irrigation, crops have proved to flourish in Botswana's desert, including sorghum, maize, millet, beans, sunflowers and groundnuts.

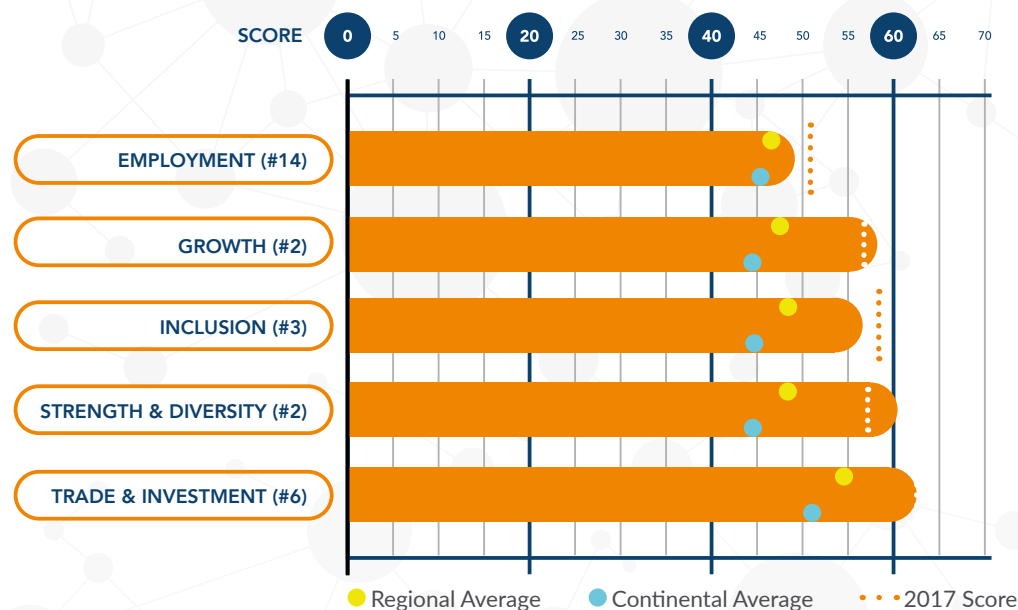
Botswana's Economic quadrant ranking of 4th place is a drop of two positions from 2nd in 2017, predicated by a score drop of 1.17 points, resulting in an overall score of 56.27. The drop is significant given competition for investors among Africa's economic leaders. Indeed, a decline in their Trade and Investment segment score is a factor in Botswana's ACBR decline as is increased unemployment.

Among the Economic segments, Botswana holds a place among the top 10 countries in four out of the five segments, falling short in only Employment in 14th place. Botswana ranks 2nd in the Growth segment and in the Strength and Diversity of their economy, 3rd in the segment of Inclusion and 6th in the Trade and Investment segment.

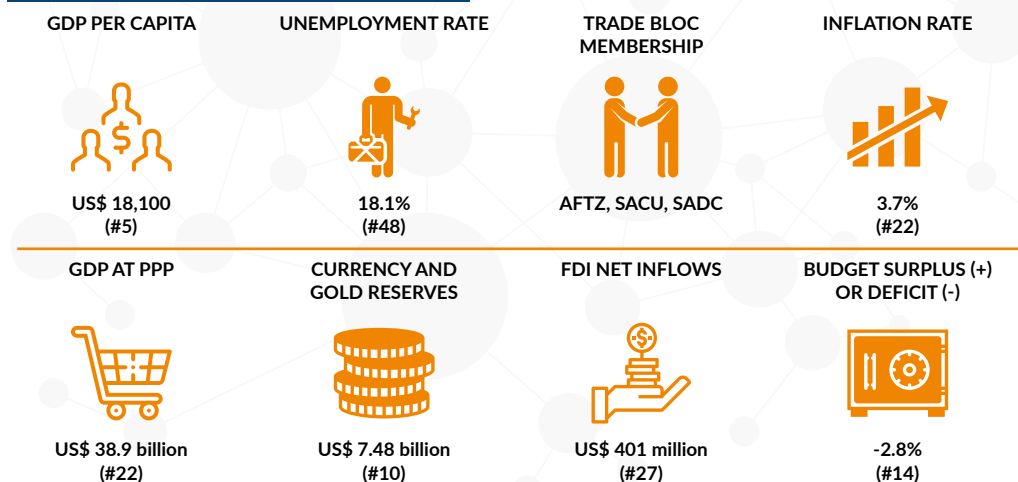
ECONOMIC DATA COMMENTARY



ECONOMIC SCORES & RANKINGS



ECONOMIC STATISTICS



BOTSWANA POLITICAL ANALYSIS

#2

POLITICAL OVERVIEW

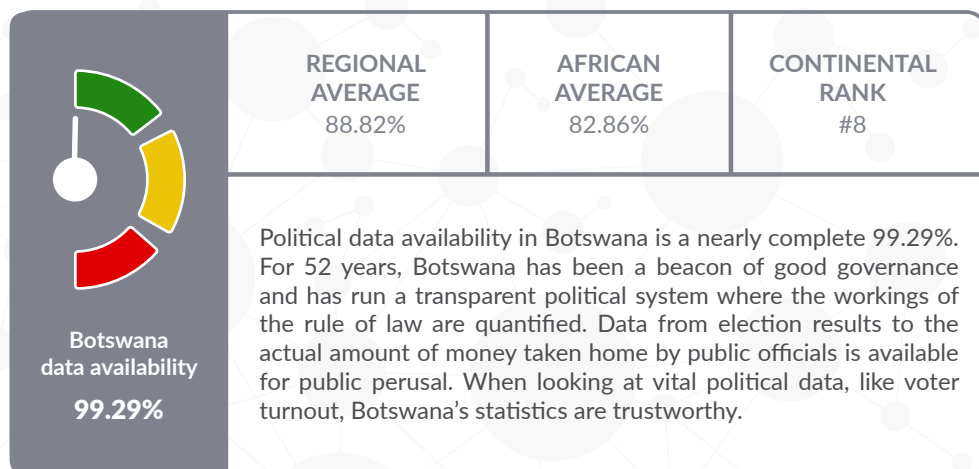
Although Botswana's political score improved from 63.01 in 2017 to the current 63.8, the country's ranking has remained unchanged from Africa's second-strongest political system. The data was confirmed by real-life evidence when President Ian Khama handed over power in 2018 to pursue the life of an elder statesman, leaving new President Mokgweetsi Masisi to pursue long-standing progressive government policies carried out for decades by the ruling Botswana Democratic Party (BDP). Although the BDP has won every national election since independence, the political space is open for opposition parties. This stability and liberalism compared to often autocratic African states has given Botswana the moral authority to

issue advice regarding political disputes elsewhere in Africa. Botswana was the one who resisted the call by African despots to boycott the International Criminal Court, which provides protection to ordinary citizens against autocratic leaders.

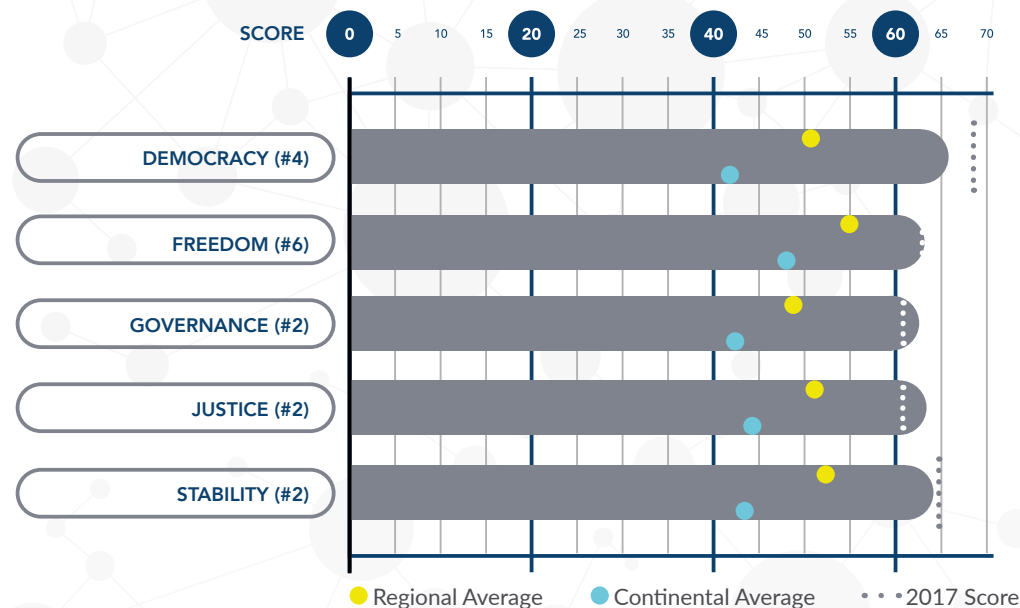
Among the five segments that comprise the Politics quadrant, Botswana ranks second-highest in Africa in the segments of Governance, Justice and Stability. The country ranks 6th on Freedom and 4th in Democracy, allowing Botswana to appear in the top 10 of countries for the Politics and the Business quadrants.

Botswana's military stays out of politics and is relatively small because of an absence of cross-border or security threats.

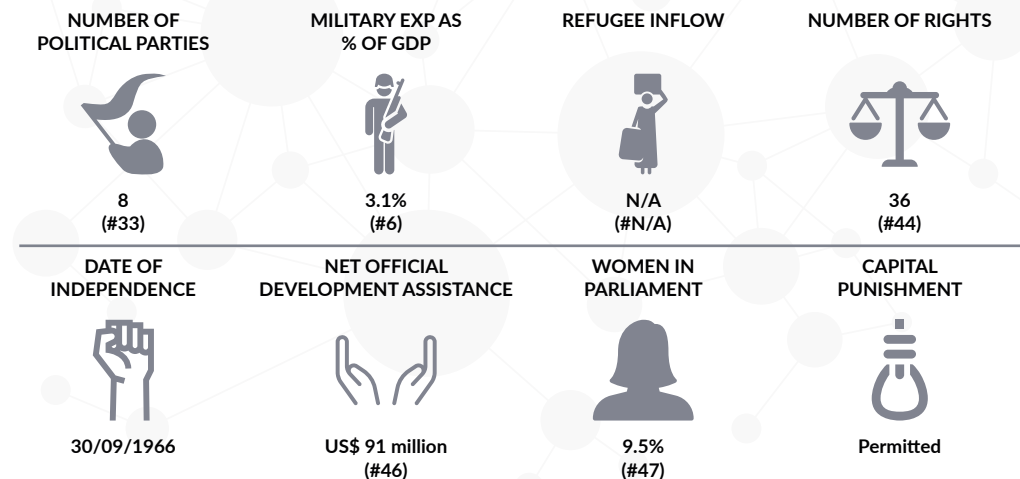
POLITICAL DATA COMMENTARY



POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS



BOTSWANA SOCIETAL ANALYSIS



SOCIETAL OVERVIEW

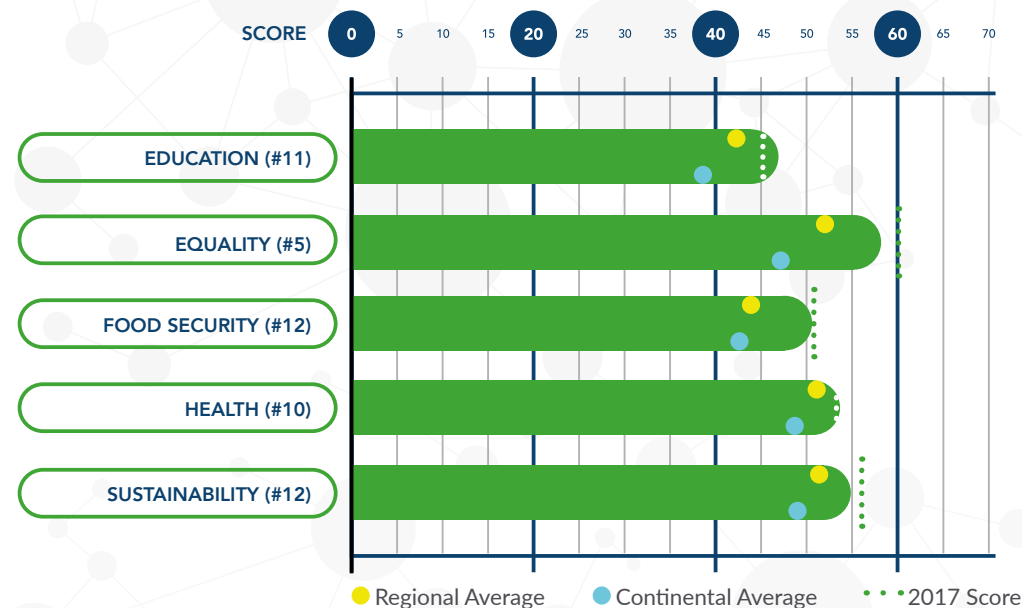
Botswana's position of 13th among African countries in the Society quadrant represents a drop of two rankings from ACBR 2017. The points scored dropped from 51.32 to the current 50.62, indicating the move was not a matter of relativity with better performing countries but an actual decline in societal issues.

Botswana's scores and rankings in the Society quadrant are relatively strong but also reflect a difficult year coping with a less robust economy and one of the world's highest HIV-prevalence rates. Nearly a quarter of the population is infected with HIV/AIDS. In the Society quadrant, Botswana's largest drop was by five places from 7th in 2017 to 12th currently in Sustainability. Botswana dropped two

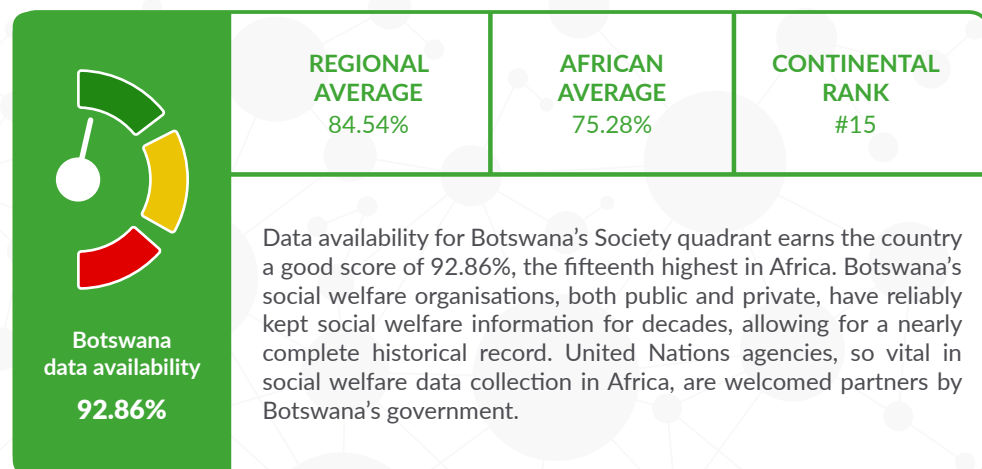
places from 3rd to 5th in Equality as income inequality and minority rights issues persist. Furthermore, the country dropped from having Africa's tenth-best education system to the 11th and from Africa's eleventh-most food secure country to the 12th.

Nevertheless, these drops are not precipitous, and Botswana's Society quadrant scores remain enviably good. Nor is there evidence that the reversals are not transitory or a sign of a long-term trend. In the Health segment, Botswana's score improved from 52.08 to 53.65, and the national ranking is unchanged to reflect Africa's tenth-best healthcare system.

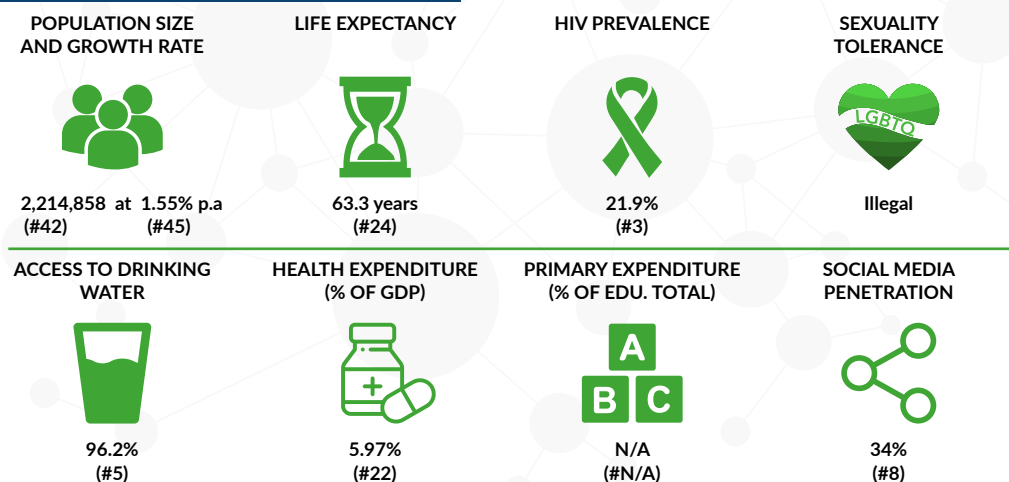
SOCIETAL SCORES & RANKINGS



SOCIETAL DATA COMMENTARY



SOCIETAL STATISTICS



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