THE WAVERLEY SERIES

BOTSWANA

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

LORD WAVERLEY

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BOTSWANA — AT A GLANCE

Capital	Gaborone
Population	≈ 2.58 million
Real GDP growth	Contracted an estimated 0.7% in 2025 after 2.8% growth in 2024, driven by reduced diamond output; rebounded to 3.5% year-on-year in the first quarter of 2026, with full-year 2026 projections ranging from roughly 1.2% to 4.7% depending on the source
GDP per capita	≈ USD 7,250 (2023), among the highest in Sub-Saharan Africa
Inflation	Averaged 2.7% in 2025; projected to rise to a range of roughly 5.1-6.2% in 2026
Unemployment	Roughly 27-28% as of the 2024 election period, with youth unemployment significantly higher
Fiscal deficit	Sharply revised down on 22 September 2026 to an estimated 3.1% of GDP (P9.26 billion) for the year to March 2027, from an 8.9% of GDP (P26.35 billion) forecast in February 2026
Currency	Botswana pula (BWP)
Diamond dependence	Diamonds account for roughly one-third of national revenue and three-quarters of foreign exchange earnings; Botswana currently holds a 15% stake in De Beers and is preparing a bid for majority ownership
Governing framework	President Duma Boko of the Umbrella for Democratic Change, in office since November 2024 following an election that ended 58 years of continuous rule by the Botswana Democratic Party since 1966 independence; Vice President and Minister of Finance Ndaba Gaolathe; 2026 marks the 60th anniversary of independence

Botswana enters its 60th year of independence having just completed one of Africa's most consequential peaceful democratic transitions, and this very day brought two genuinely significant positive developments. Finance Minister Ndaba Gaolathe sharply revised down Botswana's budget deficit forecast, and President Duma Boko announced in New York that Botswana is preparing a bid for majority ownership of De Beers by the end of October, backed by pledged Qatari investment worth up to $12 billion. The October 2024 election that brought Boko's Umbrella for Democratic Change to power, ending 58 years of continuous rule by the Botswana Democratic Party, was praised for its peaceful transition and the resilience it demonstrated in Botswana's democratic institutions. Investors should weigh this renewed fiscal and strategic momentum against Botswana's continued heavy reliance on a diamond sector still recovering from a severe multi-year market downturn.

1. INVESTMENT & FDI

A dramatic, potentially transformative bid for majority control of De Beers headlines Botswana's investment story this month, backed by substantial pledged Qatari capital.

President Boko announced in New York on 22 September 2026 that his government was preparing to take a majority stake in De Beers by the end of October, as the conglomerate's current majority owner, Anglo American, seeks to sell its stake. Pledged Qatari investments worth up to $12 billion are expected to help plug Botswana's fiscal deficit and support the De Beers acquisition bid. Separately, Vice President and Finance Minister Ndaba Gaolathe led Botswana's economic engagements in London from 17-18 September, including leading the country's participation in Botswana Day at the London Stock Exchange, where he engaged directly with investors and financial institutions on the sidelines of discussions tied to National Development Plan 12 and the Botswana Economic Transformation Programme.

- **A potentially transformative ownership transaction:** should Botswana successfully acquire majority ownership of De Beers, building on its existing 15% stake, this would represent one of the most significant mining-sector ownership transactions in the country's history, fundamentally reshaping its relationship with its most important economic asset.
- **Substantial pledged Qatari capital:** the up to $12 billion in pledged Qatari investment, explicitly linked to both deficit financing and the De Beers bid, represents a genuinely large potential capital injection, though investors should note this remains a pledge rather than a fully disbursed commitment at the time of this briefing.
- **Direct, high-level London investor engagement:** Gaolathe's personal participation in Botswana Day at the London Stock Exchange, with explicit emphasis on economic diversification and private-sector development under NDP 12 and BETP, reflects sustained top-level government commitment to international investor outreach.
- **Continued mining-sector diversification activity:** Power Metal Resources' commencement of on-site operations at its wholly-owned Tati Gold Project, and Orano Mining's receipt of three new uranium prospecting licences adding to fifteen already held, together illustrate genuine, ongoing exploration investment beyond the diamond sector specifically.

2. TRADE & BUSINESS

A severe, multi-year diamond-market downturn continues defining Botswana's external trade position, even as first-quarter 2026 data shows genuine signs of recovery.

Diamonds account for roughly one-third of Botswana's national revenue and three-quarters of its foreign exchange earnings, a concentration that left the country acutely exposed when rough diamond sales at Debswana, the Botswana-De Beers joint venture, fell by nearly 50% in the first half of 2024. The economy has since shown genuine recovery signs, growing 3.5% year-on-year in the first quarter of 2026, though foreign reserves fell to $3.1 billion, equivalent to 4.4 months of import cover, by the end of 2025, down from $3.5 billion and 5.4 months of cover a year earlier.

- **A genuine, quantified recovery signal:** the 3.5% year-on-year first-quarter 2026 growth rate represents concrete evidence that Botswana's economy is recovering from the depth of the diamond-market downturn, though sustained full-year performance remains to be confirmed.
- **A measurable decline in reserve adequacy:** the fall in import cover from 5.4 to 4.4 months over a single year represents a real, quantified reduction in Botswana's external buffer that warrants continued monitoring alongside the anticipated diamond-export recovery.

- **Early-stage agricultural diversification:** significant growth in horticultural production represents a genuine, if still constrained by water scarcity and high costs, diversification signal beyond Botswana's traditional mining-dependent export base.

3. MAJOR ECONOMIC DEVELOPMENTS

A dramatically improved fiscal outlook and a historic, peaceful democratic transition together define Botswana's current economic and political trajectory.

On 22 September 2026, Finance Minister Gaolathe told an investment conference that the projected budget deficit for the year to March 2027 had been sharply cut to P9.26 billion, or 3.1% of GDP, from the P26.35 billion, or 8.9% of GDP, forecast in his February budget speech, reflecting an P8.1 billion upward revenue revision driven by a larger-than-expected transfer from the Bank of Botswana, alongside expenditure containment; Gaolathe cautioned that the improvement 'does not remove the structural fiscal pressures we still have to address.' This fiscal news follows Botswana's October 2024 general election, in which the Umbrella for Democratic Change coalition won 36 of 61 parliamentary seats against just four for the long-ruling Botswana Democratic Party, ending 58 years of continuous BDP rule since Botswana's 1966 independence; the BDP handed over power peacefully, an outcome independent governance assessment has directly credited with underscoring the resilience of Botswana's democratic institutions. President Boko has pledged to lead a human rights-based government, with expectations growing that the judiciary, previously criticised for executive influence, will become more independent.

- **A significant, concrete fiscal improvement:** the reduction in the projected deficit from 8.9% to 3.1% of GDP within a single fiscal year represents genuine, quantified progress, even as the finance minister himself cautioned against treating it as a resolution of Botswana's underlying structural fiscal pressures.
- **A historic, peaceful democratic transition:** the 2024 election's outcome, ending nearly six decades of single-party rule through a result BDP itself accepted peacefully, stands as a genuinely notable positive governance marker relative to the political dynamics seen in several other markets this series covers.
- **Growing institutional independence expectations:** the anticipated strengthening of judicial independence, following criticism of executive influence under the previous administration, represents a further potential governance improvement worth monitoring as Boko's administration matures.
- **A symbolically significant anniversary year:** 2026 marks 60 years since Botswana's independence, a milestone the national government and local councils are actively using to frame renewed economic and development ambitions.

4. MAJOR PROJECTS & INFRASTRUCTURE

Telecommunications modernisation and mining-sector infrastructure investment continue even as local councils drive smaller-scale regional development.

- **5G telecommunications rollout:** Botswana Telecommunications Corporation will launch 5G service in selected parts of Gaborone in October 2026, marking a significant digital-infrastructure modernisation milestone.
- **Tati Gold Project operations:** Power Metal Resources' commencement of on-site operations represents concrete, active mining-infrastructure development beyond the diamond sector.
- **Local council-level infrastructure delivery:** Tlokweng District Council's completion of a 25-kilometre internal road project, officially opened on 18 September 2026, alongside its draft Local Economic

Development Strategy 2026-2030 targeting agro-processing, green energy, real estate, manufacturing and transport, illustrates genuine sub-national infrastructure and development planning capacity.

5. CONFERENCES, FORUMS & EXHIBITIONS

Botswana Day at the London Stock Exchange and a domestic investment conference both featured this month, directly showcasing the country's investment case internationally and domestically.

- **Botswana Day, London Stock Exchange:** held 18 September 2026, this event featured Vice President Gaolathe's direct participation in the opening of trading and engagement with international investors and financial institutions specifically.
- **Domestic investment conference, Gaborone:** the venue at which Finance Minister Gaolathe delivered the revised, sharply improved budget deficit forecast described in Section 3, directly linking fiscal policy communication to investor audiences.

6. BUSINESS & INVESTMENT EVENTS

Botswana's Vice President and President personally led a high-level, multi-day international investment push this month.

- **Gaolathe's London engagements:** spanning 17-18 September 2026, these engagements focused on Botswana's economic outlook, investment potential, and financing requirements tied specifically to NDP 12 and BETP.
- **Boko's New York De Beers announcement:** made directly to an international audience on 22 September 2026, this represents the clearest, most consequential recent presidential-level investment communication.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

A potentially transformative De Beers ownership restructuring and substantial pledged Qatari investment define Botswana's most consequential current international economic relationships.

- **Anglo American:** the company's decision to seek a sale of its De Beers stake has directly created the opening for Botswana's majority-ownership bid, making this relationship central to the coming weeks' developments.
- **Qatar:** the pledged investment worth up to $12 billion, tied to both fiscal support and the De Beers bid, represents Botswana's most significant recently disclosed bilateral investment relationship.
- **United Kingdom:** the London Stock Exchange Botswana Day engagement reflects continued, active UK-Botswana capital-markets and investment-promotion ties.
- **United States:** a Botswana government delegation of approximately 15 officials visited the United States between 29 August and 5 September 2026, part of broader diplomatic and economic engagement culminating in President Boko's own New York announcement.
- **Zimbabwe:** President Boko has moved to legalise undocumented Zimbabweans through temporary work and residence permits, continuing efforts begun under the previous administration to improve bilateral relations.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

A domestic revenue-mobilisation reform and local council-level economic development strategies continue building Botswana's private-sector foundation beyond the diamond sector.

Botswana announced a major domestic revenue mobilisation reform in early August 2026 intended to strengthen the country's own revenue base independent of diamond-sector volatility. At the local level, Tlokweng District Council's draft Local Economic Development Strategy 2026-2030 specifically targets agro-processing, green energy, real estate, manufacturing and transport as priority sectors, with a Business Pitso planned for 27 November 2026 to formally launch the strategy.

- **A structural revenue-diversification effort:** the domestic revenue mobilisation reform represents a genuine government effort to reduce fiscal dependence on volatile diamond-sector revenue specifically.
- **Concrete sub-national economic development planning:** Tlokweng's sector-specific strategy and planned formal launch event illustrate that economic diversification planning is occurring at the local as well as national level.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

A potential De Beers majority stake, new uranium licences, and 5G telecommunications rollout define Botswana's newest, most significant investment developments.

- **De Beers majority ownership:** described fully in Section 1, this represents the single most significant potential ownership transaction in Botswana's mining-sector history if completed as announced.
- **Uranium exploration expansion:** the three new Orano Mining prospecting licences, adding to fifteen already held, reflect a genuinely growing critical-minerals exploration footprint.
- **Gold sector development:** Power Metal Resources' Tati Gold Project offers a concrete, currently active gold-sector investment opportunity.
- **Digital infrastructure:** BTC's October 2026 5G launch in Gaborone represents a near-term telecommunications-sector development opportunity.
- **Diversification-priority sectors:** green energy, agro-processing, real estate, manufacturing and transport, specifically identified in Tlokweng's local strategy, illustrate the broader sectors Botswana is prioritising for national economic diversification.

SUMMARY ASSESSMENT

Botswana enters its 60th year of independence having just completed one of Africa's most consequential peaceful democratic transitions, and this very day brought two genuinely significant positive developments: a sharply improved fiscal outlook and President Boko's announcement of a preparing bid for majority ownership of De Beers, backed by up to $12 billion in pledged Qatari investment. The October 2024 election that ended 58 years of continuous Botswana Democratic Party rule, praised for its peaceful transition and the resilience it demonstrated in Botswana's democratic institutions, stands in genuine, positive contrast to the political dynamics in several other markets this series covers.

Set against this: Botswana's economy remains heavily exposed to diamond-market conditions that caused two consecutive years of contraction, foreign reserves have declined meaningfully over the past year, and unemployment remains elevated, particularly among youth. The finance minister's own caution that structural fiscal pressures remain unresolved, despite this month's improved deficit forecast, should temper any assumption that Botswana's fiscal challenges have been fully addressed.

For investors, the coming weeks offer a concrete signal to watch: whether Botswana's preparing bid for majority ownership of De Beers is successfully completed by the stated end-of-October timeline, and whether the pledged Qatari investment materialises at the scale announced, together representing the clearest tests of whether this month's momentum translates into lasting structural change for Botswana's most important economic sector.