

Botswana

Financial Outlook

In a country report on Botswana in August 2013, the IMF welcomed the country's "growth-friendly" fiscal consolidation strategy, as set out in the 2013/14 budget, which was approved in March 2013. The country's banking system is profitable and well capitalized, with a reasonably low level of nonperforming loans, though the sector is highly exposed to household debt, which could be an issue if the economy softens. The country continues to grapple with a bloated public sector and chronically high unemployment in the private sector, which has stood at around 20% for the past few decades. The size of the state sector is an issue, crowding out the private sector and preventing it from playing a larger role in driving growth. Botswana's major export is diamonds, global demand for which softened through 2012 and into 2013. Nevertheless, the economy appears to be on track to achieve GDP growth in 2013 of around 3%. Botswana ran a balanced budget in the 2012/13 fiscal year.

More Info

Websites:

- Botswana Export Development and Investment Authority (BEDIA): www.bedia.bw
- Botswana government: www.gov.bw

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