



REPUBLIC OF BOTSWANA

MINISTRY OF FINANCE

KEY FEATURES OF THE 2024/2025 BUDGET

Ministry of Finance

Website: www.finance.gov.bw

5th February 2024

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I. INTRODUCTION

VISION 2036



The 2024/2025 Budget was developed under these economic conditions:

- Geo-political tensions

- Slow and uneven recovery of the economy due to COVID-19 pandemic

- Global inflation

- Climate change effects

- High unemployment

II. KEY INITIATIVES AND REFORMS

01

Game - Changing Programmes
and High - Value Strategic
Investments

02

Meetings, Incentives,
Conferences and
Exhibitions (MICE)

03

Chema Chema Fund

04

Intellectual Property (IP)
Motshelo Scheme and IP
Ideas Incubation Centre

III. NATIONAL PRIORITIES



Infrastructure Development and Spatial Planning

Proposed development budget of **P17.0 billion**



Sustaining Livelihoods

Proposed development budget of **P6.09 billion.**



Agriculture Development

Proposed development budget of **P2.82 billion.**



Supporting the Private Sector through Business Environment Reforms and Value-Chain Development

Proposed development budget of **P2.11 billion.**



Innovation and Digital Transformation

Proposed development budget of **P1.83 billion.**



Education and Human Capital Development

Proposed development budget of **P1.71 billion**



Green Transition

Proposed development budget of **P1.37 billion**



Research and Development

Proposed development budget of **P1.02 billion.**

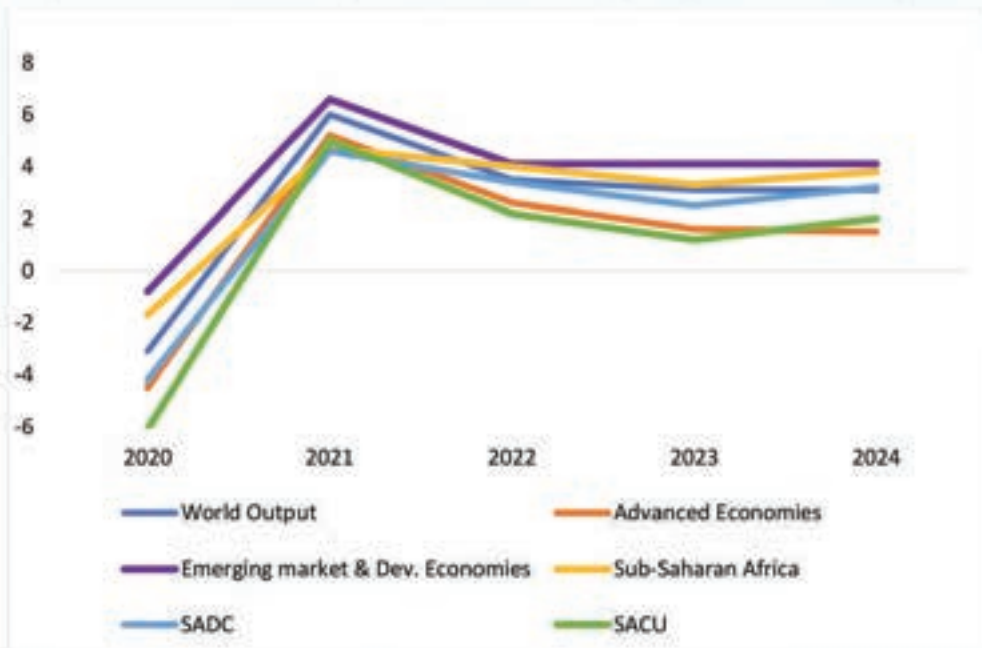


Tourism Development

Proposed development budget of **P0.12 billion**

IV. MACROECONOMIC PERFORMANCE AND OUTLOOK

Figure 1: Economic growth trends by region (% change)



Global growth is projected to slowdown from 3.5% in 2022 to 3.1% in both 2023 and 2024.

In the Sub-Saharan region, growth is estimated at 3.3% in 2023 from 4.0% in 2022. The region is projected to grow by 3.8% in 2024.

For SADC and SACU regions, for 2023, growth is expected to slow down to 2.5% and 1.2%, respectively, from 3.4% and 2.2% registered in 2022. Both regions are expected to pick up to 3.2% and 2.0% in 2024.

Source: IMF, World Economic Outlook update, January 2024

Table 1: Real GDP Growth Rates (%) by Sector, (2022-2025)

	2021	2022	2023	2024	2025
	Actuals		Estimate	Projections	
Agriculture, Forestry & Fishing	-1.0	1.2	1.7	3.9	4.3
Mining & Quarrying	29.8	7.6	2.5	2.5	5.8
Manufacturing	8.1	8.2	2.4	3.4	7.5
Water & Electricity	9.6	48.9	10.3	42.9	13.1
Construction	6.5	3.2	3.5	8.5	4.9
Wholesale & Retail	14.3	5.8	4.6	7.1	6.9
Diamond Traders	88.3	15.0	-19.2	-0.4	22.0
Transport & Storage	5.9	4.1	4.5	4.8	5.0
Accommodation & Food Services	-1.5	4.3	5.1	6.6	5.6
Information & Communication Technology	4.4	5.6	4.6	5.1	6.5
Finance, Insurance & Pension Funding	0.6	1.9	4.5	5.2	4.9
Real Estate Activities	7.9	3.6	4.8	5.2	5.4
Professional, Scientific & Technical Activities	6.8	3.0	4.1	4.9	4.5
Administrative & Support Activities	8.9	3.7	4.0	3.8	3.5
Public Administration & Defence	4.5	4.5	5.1	5.3	1.5
Education	1.9	4.6	4.5	4.6	4.6
Human Health & Social Work	6.2	4.0	3.3	4.8	5.1
Other Services	4.6	2.4	3.7	3.5	3.2
Total Value Added, Gross	12.0	5.8	3.2	4.2	5.4
Adjustments items (Taxes less subsidies)	9.2	3.4	3.1	4.1	5.2
Total GDP	11.9	5.5	3.2	4.2	5.4
GDP excluding Mining Value added	7.9	4.9	3.4	6.0	5.3

Source: Ministry of Finance, February 2024

V. FISCAL STRATEGY

Public Expenditure Reforms



- Public Investment Management Assessment of 2022 demonstrated that there has been an improvement in the efficiency gap from 37 percent to 31 percent.
- Development Manager model to address efficiency in spending.
- Three Stage Appraisal Process to ensure projects screening before inclusion in both the NDP 12 and the budget.
- Enhancement of Zero-Based Budgeting and the Budget Options processes to improve the costing of budgetary requirements for MDAs.

Tax Reforms



- Review of tax laws to consolidate, simplify and modernise the existing Income Tax legislation.

Sustained Revenue Maximisation



- Tax administration reforms are ongoing including introduction of digital sales of products and services.
- Implementation of Electronic Invoicing (E-Billing) for efficient VAT collection.
- Digital marking and tracking of excisable goods to be implemented in July 2024.
- Kazungula One-Stop Border Post (OSBP) is fully operational while Mamuno OSBP operations are scheduled for May 2024. Construction of facilities for Pioneer Gate (Lobatse) will be completed in June 2024.

Debt Management



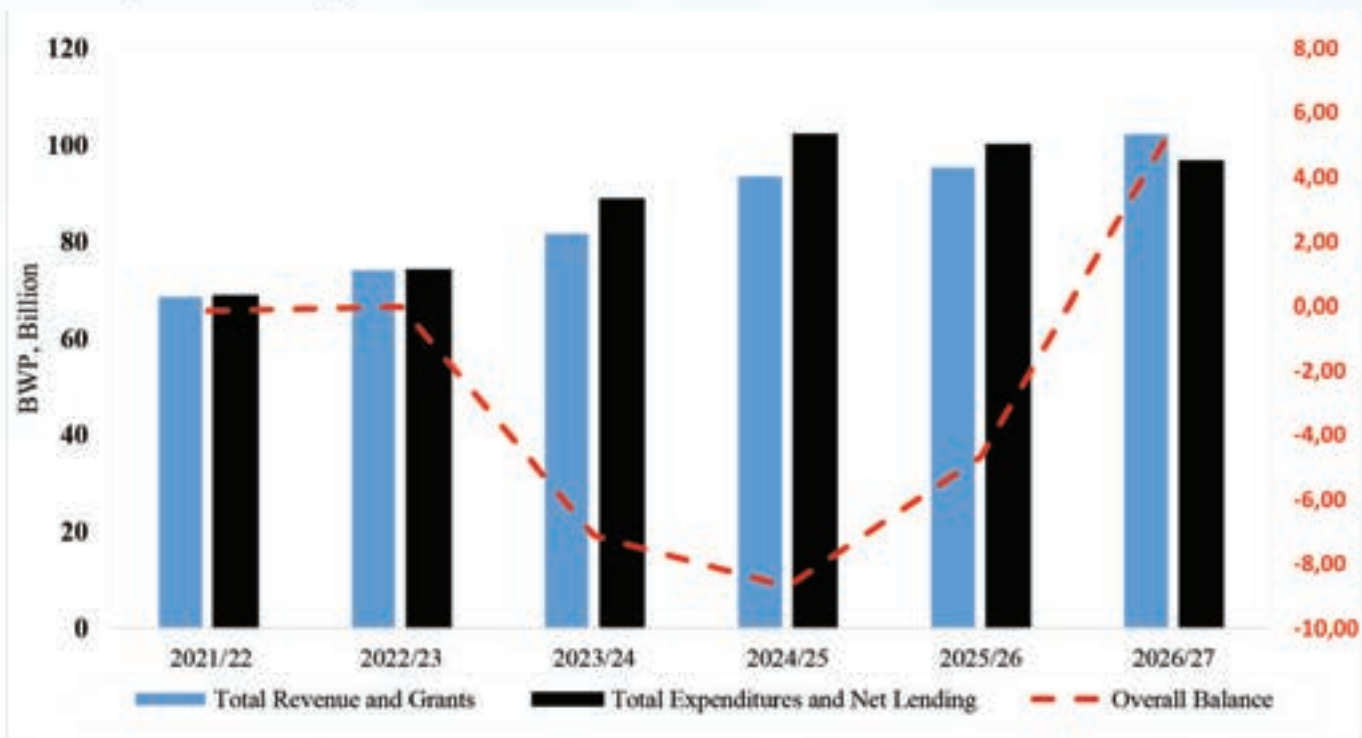
- Public Debt level stands at 20.2 percent of GDP, which is within the Statutory Debt Ceiling (40 percent of GDP).
- Implementation of a new three-year Medium-Term Debt Management Strategy.
- Implementation of the Government Borrowing Strategy and Issuance calendar.

Government's Net Financial Asset Position



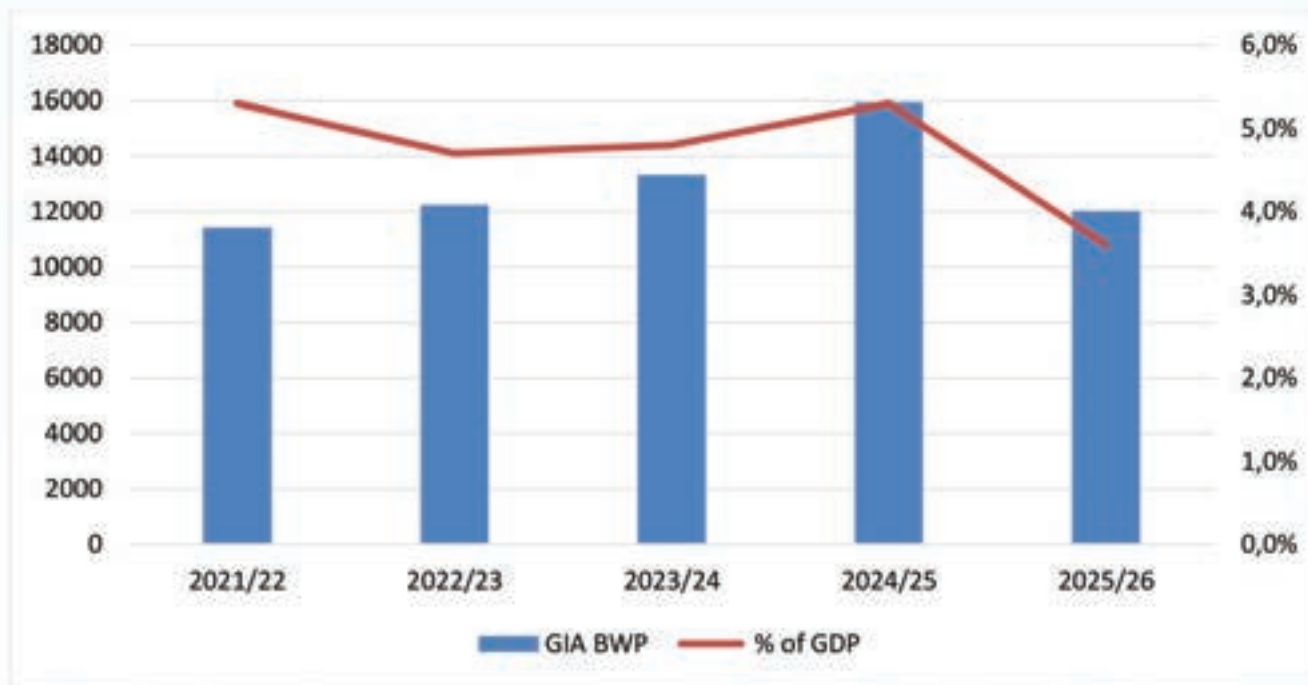
- Government Investment Account (GIA) was P11.40 billion as at November 2023 representing, a decline from P16.80 billion registered in November the previous year.
- Government will remain committed to its medium-term objective of rebuilding the financial buffers.

Figure 2: Budget Performance & Outlook



Source: Ministry of Finance, February 2024

Figure 3: Government Investment Account (GIA)



Source: Ministry of Finance, February 2024

VI. 2024/2025 BUDGET PROPOSALS

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Total Revenues and Grants: P93.58 billion.

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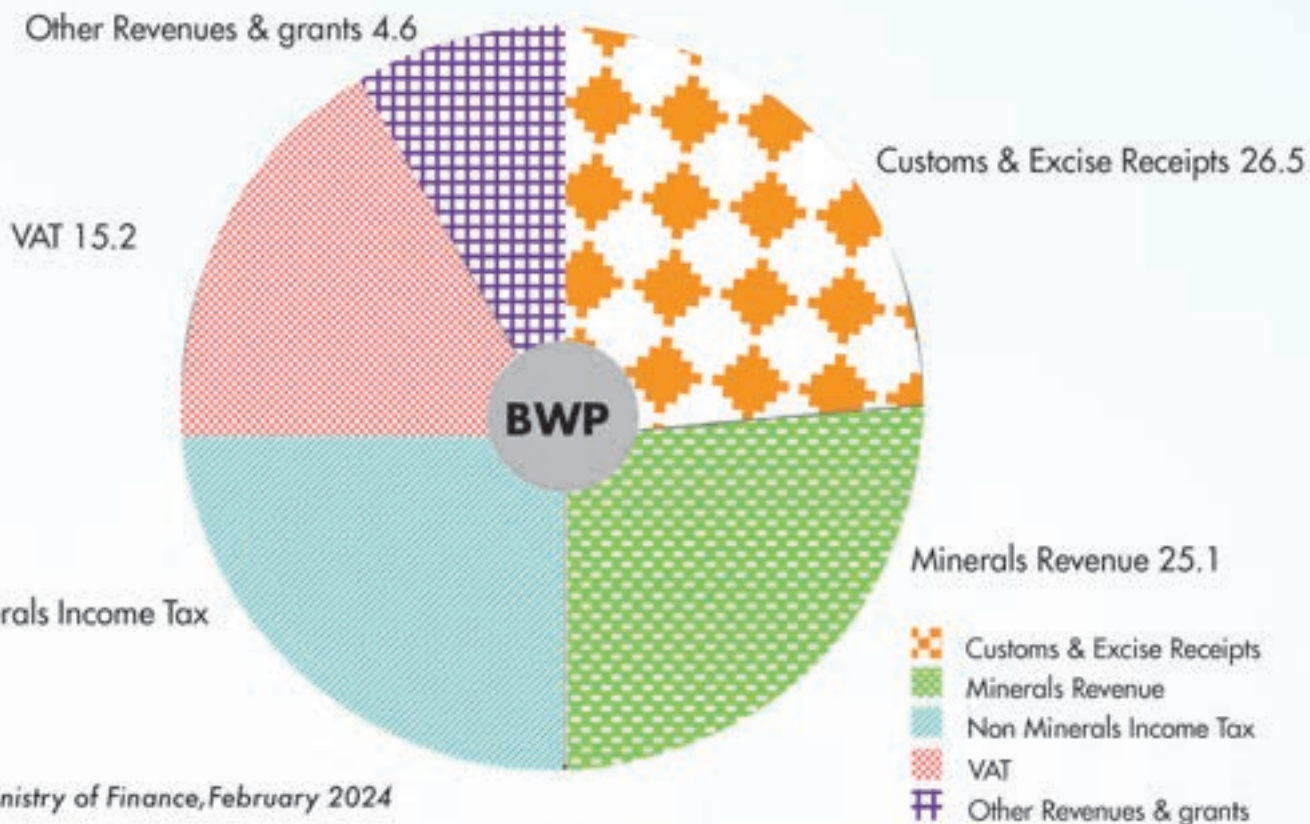
Total Expenditure and Net Lending: P102.28 billion

D

Overall Budget Deficit: P8.69 billion.

WHERE WE GET OUR REVENUE

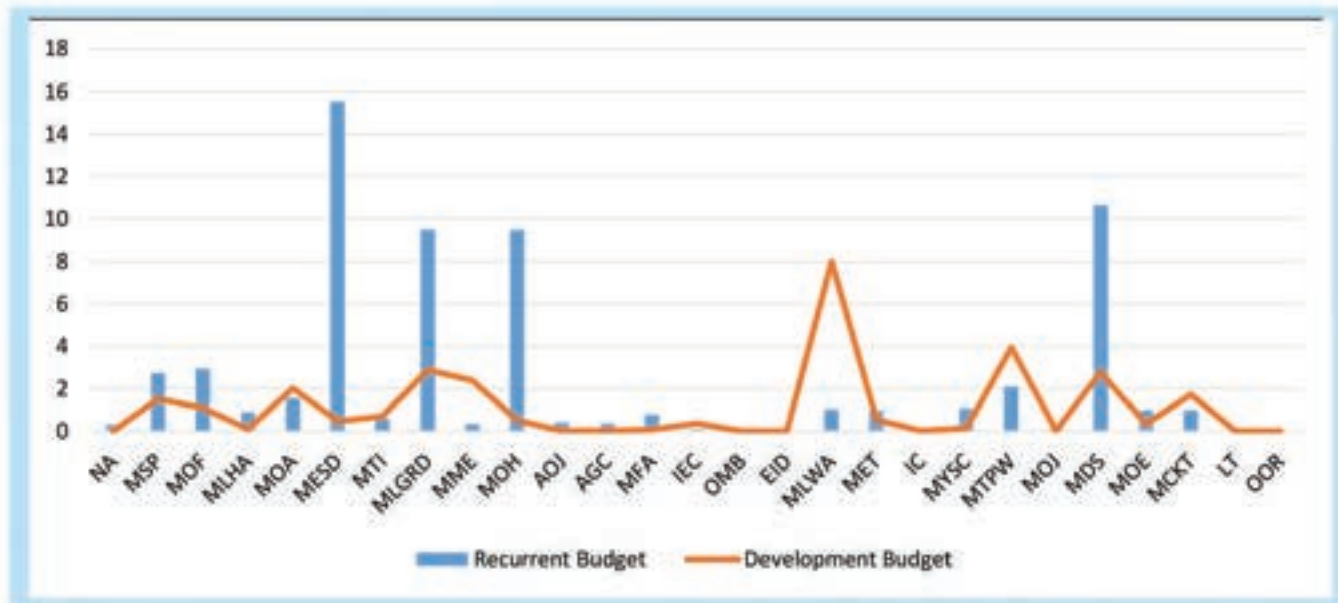
Figure 4: 2024/2025 Estimated Revenue By Source, (BWP Billions)



Source: Ministry of Finance, February 2024

WHERE THE MONEY GOES

Figure 5: Proposed Total Budget by Ministry (BWP Billions)



Source: Ministry of Finance, February 2024

Recurrent
BWP 63.74 billion

Development
BWP 29.77 billion

Statutory
BWP 24.39 billion

Ministry of Education and Skills Development



BWP 16.01 billion

- **Recurrent** (BWP 15.54 billion), **Development** (BWP 472 million).
- Teachers' salaries and allowances.
- Tuition fees and allowances for tertiary education students.
- Food and books for learners in public schools.
- Operational costs for the Institute of Health Sciences, Brigades.
- Invigilation and Course-work costs under the Botswana Examinations Council.
- Medical examination for students.
- Maintenance of fire-fighting equipment at schools and provision for temporary teachers.

Ministry of Defence and Security



BWP 13.44 billion

- **Recurrent** (BWP 10.65 billion), **Development** (BWP 2.78 billion).
- Operational costs for Botswana Defence Force, Botswana Police Service as well as Botswana Prisons and Rehabilitation Services.
- Newly established Drug Enforcement Agency
- Procurement of the branded uniform for Botswana Prisons, uniform and protective clothing for prisoners
- Operations by the Botswana contingent under SADC Mission in Mozambique.
- Infrastructure, defence and communication equipment

Ministry of Local Government and Rural Development



BWP 12.37 billion

- **Recurrent** (BWP 9.48 billion), **Development** (BWP2.89 billion).
- Local Government Infrastructure.
- Remote Area Development and Destitute Programme.
- Councillors' termination benefits.
- Operational expenses of upgrading Sub-Districts into fully-fledged Districts.
- Projected growth in the number of Council Members and Council Wards.
- Increased allowance for Village Development Committees.
- Grants to District and Urban Councils.

Ministry of Health



BWP 9.97 billion

- **Recurrent** (BWP 9.47 billion), **Development** (BWP 504 million).
- Provide sustainable preventative, curative and rehabilitative health services to the nation.
- Public Officers' Medical Aid Scheme.
- Medical specialists' fees.
- Continue with the operationalisation of Sir Ketumile Masire Teaching Hospital to full capacity.
- Restructuring of District Health Management Teams (DHMTs)

Ministry of Lands and Water Affairs



- **Recurrent** (BWP 1.02 billion), **Development** (BWP 8.01 billion).
- Subventions to Land Boards
- Water supply and Sanitation projects

BWP 9.03 billion

Ministry of Transport and Public Works



BWP 6.04 billion

- **Recurrent** (BWP 2.09 billion), **Development** (BWP 3.95 billion).
- Road infrastructure projects.
- Traffic Signal Modernisation.
- Centralised Traffic Control.
- Air, rail and bridge infrastructure projects.
- Improvement of surveillance of Botswana airspace.
- Upgrading of air navigation services infrastructure.
- Installation and improvement of airports security systems mandatory engines replacement.

Ministry for State President



BWP 4.26 billion

- **Recurrent** (BWP 2.74 billion), **Development** (BWP 1.52 billion).
- Organising and coordinating Government business.
- Safeguarding and promoting good governance.
- Copyright and author fees, an expected rise in the number of freelancers and broadcasting services following the introduction of more television channels.
- Conducting special external investigations by DCEC.
- National AIDS and Health Promotion Agency (NAHPA) operations.

Ministry of Finance



BWP 4.03 billion

- **Recurrent** (BWP 2.94 billion), **Development** (BWP 1.09 billion).
- Tertiary Education Tuition Fees.
- Transfers to SOEs under the Ministry.
- Continuation of Eastern & Southern Africa Anti-Money Laundering Group (ESAAMLG) activities.
- Establishment of a centre for combatting illicit financial flows to maintain the country's good standing.
- Weather Based Crop Insurance (WBCI) premiums to support Temo-Letlotlo programme.
- Operationalising the Public Procurement Tribunal to full capacity.

Ministry of Agriculture



- **Recurrent** (BWP 1.56 billion), **Development** (BWP 2.02 billion).
- Temo Letlotlo and Thuo Letlotlo Programme.
- Subventions to the National Agricultural Research and Development Institute (NARDI).
- Operationalise the recently formed Department of Aquaculture and Apiculture to promote fish and bee production.

BWP 3.58 billion

Ministry of Minerals and Energy



- **Recurrent** (BWP 340 million), **Development** (BWP 2.39 billion).
- Power importation by BPC.
- Northwest Electricity Grid phase 2.
- Rural Electrification and Network Extension.
- Construction of Oil Depot.
- Rehabilitation of old mines.

BWP 2.73 billion

Ministry of Communications, Knowledge and Technology



BWP 2.71 billion

- **Recurrent** (BWP 980 million), **Development** (BWP 1.73 billion).
- Online Services Implementation.
- Government Data Network Expansion.
- Local Access Network (LAN).
- Service Management Robotics and Analytics.
- Establishment of the Intellectual Property (IP) Motshelo Scheme and IP Ideas Incubation Centre.

Ministry of Youth, Gender, Sport and Culture



- **Recurrent** (BWP 1.06 billion), **Development** (BWP 147 million).
- Arts, sports, youth, gender and cultural activities.
- Grants to oversight bodies such as Botswana National Youth Council, National Women's Exposition.

BWP 1.21 billion

OTHERS MINISTRIES

Construction and expansion of schools.

Recapitalization of National Development Bank and Botswana Development Corporation.

Establishment of livestock marketing concentration centres.

Market Shelters for the Informal Sector along A1 highway.

To Cover the wage bill and operational costs.

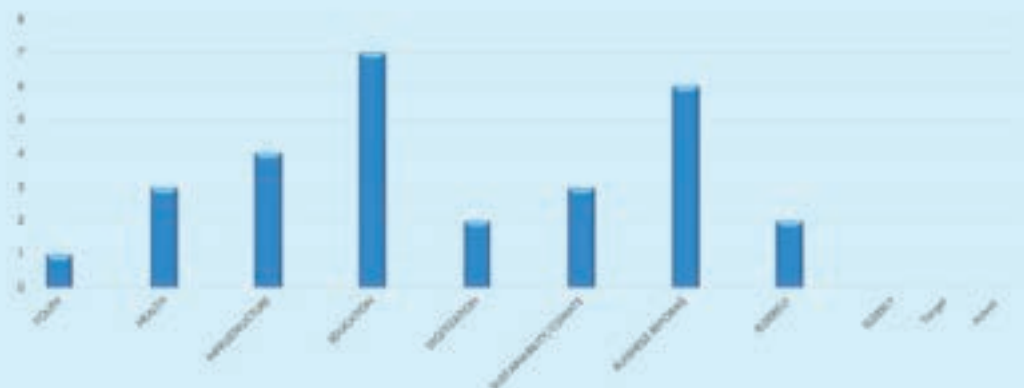
BWP 23.85 billion

VII. BUDGET CYCLE



VIII. BUDGET PARTICIPATION

COMMENTS BY SECTOR/PRIORITY



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