



The information contained in this sheet has been compiled by [Jaume Portell](#), a journalist specialized in economics and international relations, in an activity 85% co-financed by ERDF funds in the framework of the [AfricanTech](#) project (1/MAC/1/1.3/0088) within the INTERREG VI D MAC 2021-2027 initiative.

BOTSWANA

Macroeconomic overview:

After growing by more than 5% in 2022, Botswana's economy grew at a slower pace in 2023 (2.7%) due to drought and falling demand for diamonds on the world market. The 2024 African Economic Outlook pointed to the recovery in the diamond market as the main driver of growth in 2024 and 2025, when it reached 4.3% annually. The report highlights Botswana's institutional stability and its democratic institutions, including the Pula Sovereign Wealth Fund, which aims to manage diamond revenues for future generations in the country. According to the IMF, at the end of 2023, this sovereign wealth fund controlled assets worth 20% of Botswana's GDP.

Fifty-six per cent of employment was in the service sector, and the mining sector's contribution to employment fell from 6% to 1.4% in a decade. Youth unemployment exceeds 30%, which is why the same report recommends a structural transformation of the economy into value-added sectors with the capacity to create jobs. Botswana's GDP in 2023 was \$19.4 billion.

Debt and currency:

Botswana has an external debt of \$2.079 billion. In 2012, the country allocated \$54 million to debt servicing. Now, in 2025, this figure has increased to \$255 million, almost fivefold. Virtually all of Botswana's

debt is held by multilateral creditors (98%). The two dominant players are the African Development Bank (57%) and the World Bank (37%). The rest of the debt is held by bilateral creditors (2%) such as Japan and Kuwait.

Over the last decade, Botswana's currency, the pula, has been depreciating: it has gone from 10 pula per US dollar in 2015 to 13.5 pula per dollar in the spring of 2025.

Imports and exports:

Much of Botswana's trade balance revolves around a single product: diamonds. The country is one of the world's leading producers, and its top export in 2023 was diamonds, which accounted for over 80% of the total value of exports. Botswana exported goods worth 6.59 billion dollars in 2023. Beyond diamonds, Botswana sold copper (8%), insulated cable (2.4%) and beef (0.76%). The main destinations for the country's exports were the United Arab Emirates (27.5%), India (17.5%) and Belgium (16.4%). In Africa, its main trading partner was neighbouring South Africa (8.33%). The United States (6.96%) and China (6.64%) are other destinations for Botswana's goods.

Imports of goods in 2023 amounted to \$6.61 billion. Energy imports reflect the state of the economy: petrol accounts for more than 17% of total imports. The country also imports rough diamonds (16% of imports) to process and export them alongside its own production. Mining machinery, cars, maize, wheat and medicines are other important items in the country's imports. One major trading partner overshadows all others: South Africa, the source of 65% of imported goods. The rest of its partners are spread across the rest of southern Africa (Namibia, Zambia, Mozambique), Asia (China and India) and the Americas (Canada and the United States).

Electricity:

Botswana has increased its electricity generation fivefold between 2010 and 2023, with a mix that is almost exclusively dependent on coal. In 2010, it accounted for 100% of production (0.53 TWh). In 2023,

generation was 2.59 TWh, with an almost identical mix: 95.75% for gas and the rest for other fossil fuels (3.86%) and solar (0.39%).

Defence:

Botswana's annual expenditure on defence equipment was \$511 million in 2023, according to SIPRI, a Swedish institute specialising in the trade of such products. In total, defence accounts for around 8% of government spending. The country's main supplier since 2000 has been Switzerland.

Demographics:

Botswana has experienced significant population growth and rapid urbanisation. In 1990, the country had 1.3 million inhabitants, with 58.1% living in rural areas. By 2023, the population had reached 2.5 million, with 72.9% residing in urban areas. Life expectancy has increased from 61 years in 1990 to 66 years in 2022. Half of the population is under the age of 28.

Technological innovation:

Botswana has made a leap in connectivity, going from 6% of its inhabitants having internet access in 2010 to more than 77% in 2022 in just over a decade. This percentage far exceeds the continental average (around 34%) and is one of the highest in Africa. According to the 2023 ICT Development Index, 90% of Botswanans own a mobile phone.