Botswana is a landlocked country in Southern Africa that borders the countries of Namibia, South Africa, Zimbabwe, and Zambia. The geography is flat, and up to 70% of Botswana is covered by the Kalahari Desert, thus making it a sparsely populated country with little agricultural activity. The government system is a parliamentary republic; the chief of state and head of government is the president. Botswana has a mixed economic system, which includes a variety of private freedom, combined with centralized economic planning and government regulation.

Botswana is a member of the Southern African Development Community (SADC).

**Key Economic Facts**

- **Income Level (by per capita GNI):** Upper Middle Income
- **Level of Development:** Developing
- **GDP, PPP (current international $):** $48.20 billion (2022)
- **GDP growth (annual %):** 5.78% (2022)
- **GDP per capita, PPP (current international $):** $18,323.05 (2022)
- **External debt stocks, total (DOD, current US$):** $1,981,527,906.40 (2022)
- **Manufacturing, value added (% of GDP):** 5.38% (2022)
- **Current account balance (BoP, current US$):** -$0.12 billion (2021)
- **Inflation, consumer prices (annual %):** 11.67% (2022)
- **Labor force, total:** 1,151,624 (2022)
- **Unemployment, total (% of total labor force) (modeled ILO estimate):** 20.68% (2022)
- **Imports of goods and services (current US$):** $8.55 billion (2022)
- **Exports of goods and services (current US$):** $8.85 billion (2022)

**GDP Composition %**

<table>
<thead>
<tr>
<th>Agriculture</th>
<th>Services</th>
<th>Industry</th>
<th>Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>56</td>
<td>37</td>
<td>5</td>
</tr>
</tbody>
</table>

*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.

**Rankings**

<table>
<thead>
<tr>
<th>Index</th>
<th>Rank</th>
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<tbody>
<tr>
<td>Corruption Perceptions Index</td>
<td>41/178</td>
</tr>
<tr>
<td>Global Competitiveness Index</td>
<td>91/141</td>
</tr>
<tr>
<td>Global Enabling Trade Index</td>
<td>65/136</td>
</tr>
<tr>
<td>Index of Economic Freedom</td>
<td>52/176</td>
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<tr>
<td>Inward FDI Potential Index</td>
<td>78/139</td>
</tr>
<tr>
<td>KOF Index of Globalization</td>
<td>125/185</td>
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<tr>
<td>Networked Readiness Index (NRI)</td>
<td>101/139</td>
</tr>
<tr>
<td>Open Budget Index</td>
<td>77/114</td>
</tr>
</tbody>
</table>

**Risk Assessment (Provided by Coface)**

**Country rating:** A4 - A somewhat shaky political and economic outlook and a relatively volatile business environment can affect corporate payment behavior. Corporate default probability is still acceptable on average.

**Business Climate rating:** A4 - The business environment is acceptable. Corporate financial information is sometimes neither readily available nor sufficiently reliable. Debt collection is not always efficient and the institutional framework has shortcomings. Intercompany transactions may thus run into appreciable difficulties in the acceptable but occasionally unstable environments rated A4.

**Strengths**

- Abundant natural resources (notably diamonds, but also copper, silver, and nickel)
- Low public and external debt
- Large foreign exchange reserves
- Political stability and the level of governance place the country among the top performers in sub-Saharan Africa in international business environment rankings
- Member of the Southern African Customs Union (SACU)

**Weaknesses**

- Dependence on the diamond sector (over 90% of exports)
- Inadequate infrastructure (water and electricity production and distribution)
- High inequality and unemployment, poverty maintained at a relatively high level
- Lack of skilled labor, small domestic market

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