

COUNTRY PROFILE



Botswana

GLOBAL RANK: 45th= of 104



At 45th overall, Botswana is one of the highest-ranked African nations. Botswana's 54th ranking for Economic Competitiveness is eclipsed by its 38th ranking for Comparative Liveability. However, the Economic Competitiveness score is diminished by weaknesses in mass education.

● BACKGROUND

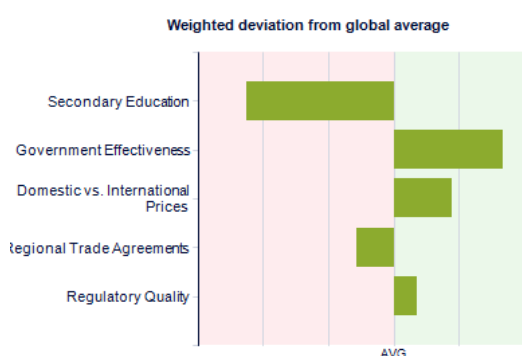
Botswana is one of Africa's recent economic success stories, in part because of its tradition of effective and accountable governance. It boasts the longest continuous multi-party democracy on the continent. Since independence in 1966 Botswana has maintained high growth rates and a healthy budget surplus. During this period, however, life expectancy has declined dramatically to just 35 years due to one of the world's highest rates of HIV infection. Unemployment levels remain stubbornly high, rural areas are frequently afflicted by droughts, and inflationary pressures are building. Diamond mining remains the cornerstone of Botswana's export-driven economy, despite attempts to diversify into tourism, financial services, and manufacturing.

FAST FACTS

Population:	1.84 million (2008 est.)	FDI (net inflow):	1.07% (2006 est.)
Life Today	4.7 (2006 est.)	Exports	43.27% (2006 est.)
GDP (PPP)	\$25.68 billion (2007 est.)	Imports	29.63% (2006 est.)
GDP (Growth)	5.4% (2007 est.)	Unemployment:	7.5% (2007 est.)
GDP (per Capita)	\$16,400 (2007 est.)	Life Expectancy	50.16 years (2008 est.)
Political System:	Parliamentary Republic		
Foreign Aid:	0.56% (2006 est.)		

● KEY SCORE DRIVERS

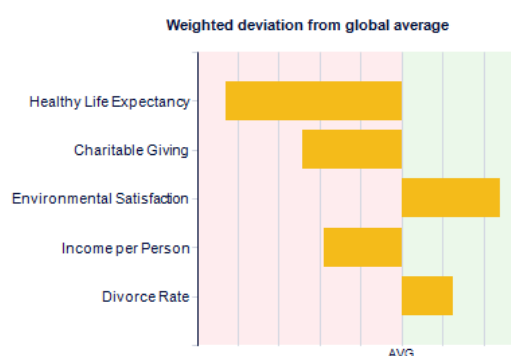
ECONOMIC COMPETITIVENESS



Botswana's economic achievements rest on a solid political foundation that earns the country excellent scores across all governance indicators, particularly government effectiveness. With a stable democratic regime, a balanced budget and the lowest level of corruption on the continent, Botswana benefits from an environment conducive to economic growth.

With an average annual growth rate since independence close to 10%, Botswana's economic performance is equally impressive. Most of this upsurge is due to the continuing boom in the diamond mining sector, which accounts for up to 80% of the country's foreign exchange earnings, reflecting considerable natural resource

COMPARATIVE LIVEABILITY



Botswana's vast landscapes and the quality of its environmental preservation programmes have not only made the country a popular tourist destination, but also earn it excellent scores across the environment indicators.

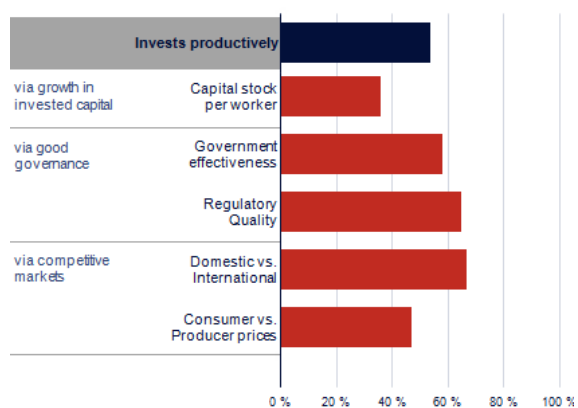
Life satisfaction levels are improved by the low levels of divorce. Furthermore, 82%⁹ of Botwanans reported that they are satisfied with their freedom of choice to determine the course of their lives, according the Gallup World Poll. Stable politics and an excellent economic performance help produce a Comparative Liveability ranking in which Botswana not only outperforms all of its African neighbours, but also many other middle-income countries.

dependence. Nonetheless, recent investments in diamond processing have increased the capital investment score, and movements in price levels suggest that Botswana's markets are relatively exposed to the discipline of foreign competition, helping ensure that this capital is invested efficiently.

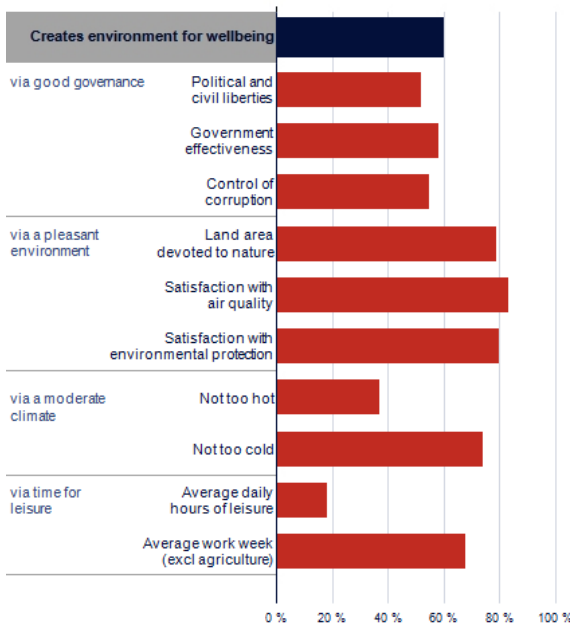
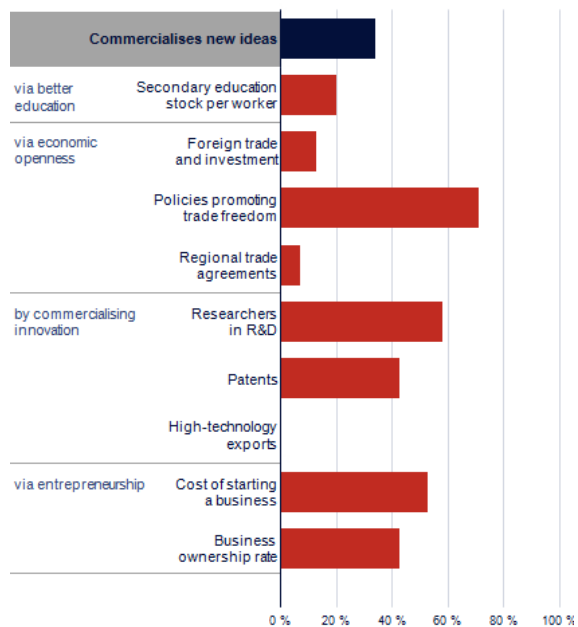
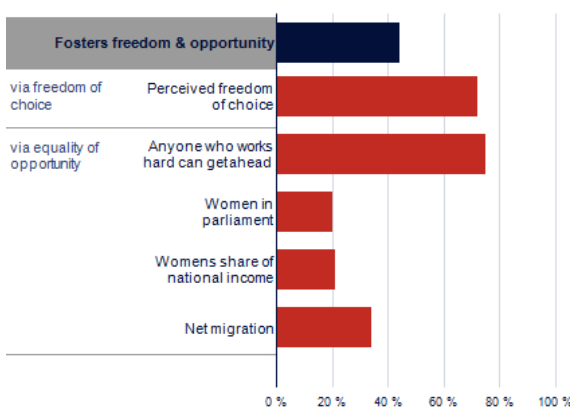
In the long run, however, Botswana's reliance on extractive industries may be unsustainable. The potential for economic diversification remains limited: with education and innovation scores barely above the African average, the country currently lacks the means to expand into higher value-added sectors. Furthermore, the absence of regional trading agreements, while doubtless reflecting the problems of the region, also calls into question the determination of the government to engage with global markets.

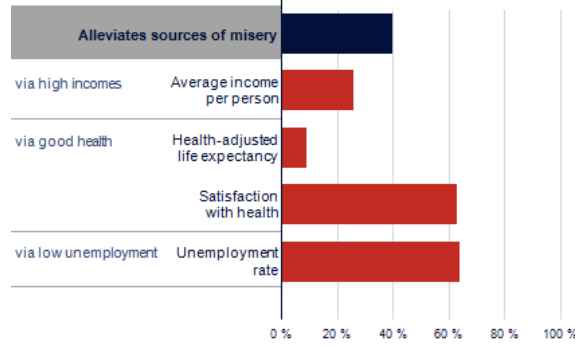
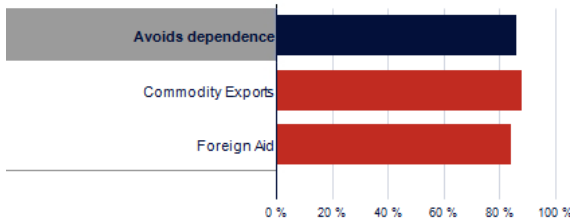
Nonetheless, these achievements are seriously threatened by health issues. Botswana has the world's second-highest HIV prevalence rate, at over 25%. This is only partly compensated for by free access to antiretroviral drugs and a relatively well-developed health service. Botswana also has poor community life scores, with very little charitable giving in particular, which is an area in which some other African countries do very well.

ECONOMIC COMPETITIVENESS: SCORECARD

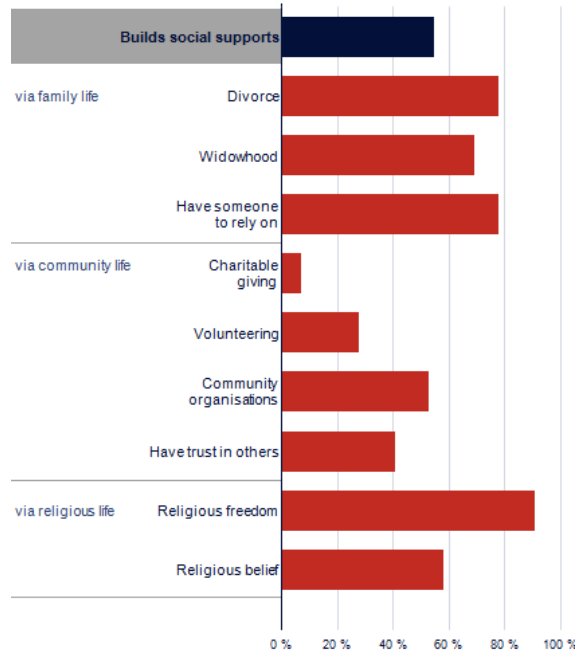


COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.