

AFRICA RISK CONSULTING

Botswana Monthly Briefing April 2017

Botswana Summary 16 April 2017

International researchers criticise Botswana's military spending, claiming it is unusual for a country that is not at war or anticipating armed conflict. Global human rights group Amnesty International and the British government express concerns about the state of human rights in Botswana and its continued use of the death penalty. National utility Botswana Power Corp (BPC) signs a three-year power supply agreement with South Africa state-owned power utility Eskom, which will alleviate Botswana's power shortages and provide a cushion as it upgrades its domestic power supply. South Africa's "junk" status rating may have a negative impact on Botswana's economy.

Botswana military spending sparks fears of regional arms race

The government's decision to buy **Gripen** fighter jets from **Sweden**-based arms manufacturer **Saab** has resulted in intense criticism from international peace researchers, according to media reports on 3 April.¹ Botswana's military spending is high for a country that is neither at war nor expecting military combat.² The government allocated the largest share of the 2016/17 budget (24%) to defence spending.³ A group of researchers from **Uppsala University** (Sweden), **Johan Brosche**, **Kristine Høglund**, and **Sebastian van Baalen**, have launched a campaign against Botswana's military spending, claiming that it will trigger an arms race within the **Southern African** region.⁴ Opposition leader **Duma Boko** accused the government of using the military deals for self-enrichment, since president **Ian Khama's** (2008-present) brothers, **Anthony** and **Tshekedi Khama** are involved in the international arms trade.⁵

Defence, justice and security minister **Shaw Khathi** defended the military spending, saying that the **Botswana Defence Force (BDF)** is upgrading its hardware in response to developments in the global security sphere.⁶

"With the evolving security landscape, security threats have increased. These threats include, among others, border security, cybercrime, internal and transnational organised crime, poaching, and terrorism. Collaborative effort among relevant stakeholders has been considered paramount and essential to address them ... It is against this background that the need for a well-resourced and well trained defence force, with a high state of readiness to defend the nation, remains a priority."⁷

¹ Southern Times, 3 Apr 2017.

² Southern Times, 3 Apr 2017.

³ The Patriot, 8 Feb 2017.

⁴ Southern Times, 3 Apr 2017.

⁵ The Patriot, 8 Feb 2017.

⁶ Southern Times, 3 Apr 2017.

⁷ Defence minister Shaw Khathi, quoted in Southern Times, 3 Apr 2017.

The Uppsala researchers disagree with Khathi's reasons. They claim the sophisticated weaponry does not match the risks he highlighted. Opposition members of parliament have also recently questioned the current rate of military spending. Retired BDF major general, and now opposition member of parliament (MP) **Pius Mokgware** noted in January that the army's procurement of advanced military hardware began when Khama began overseeing military procurement during his tenure as deputy army commander.⁸ He also stated that **Seleka Springs**, the company that president Khama's twin brothers own, has benefited substantially from most of the army's procurement deals.⁹

Botswana's military spending is largely unjustifiable, since the country is not facing security threats that are proportional to the advanced equipment it has procured. President Khama has extensive connections in the military, especially his brothers, Anthony and Tshekedi Khama. This increases the risk that Khama dictates the rate of military spending for personal financial gain. Khama has reportedly considered returning to his old post as the BDF commander after leaving office. This may explain the continued influence that he continues to have over the army and security sector in general.

Botswana's human rights record concerns Amnesty International, UK government

International human rights watchdog **Amnesty International** and the **United Kingdom (UK)** government have both expressed concern about the state of human rights in Botswana, according to media reports on 11 April.¹⁰ This latest development is part of growing criticism of Khama's autocratic style of governance.¹¹ In Amnesty International's **International Global Report: Death Sentences and Executions in 2016**, regional director for Southern Africa **Deprose Muchena** said that Botswana was the only country in the region to carry out an execution in 2016, which was the first in the country since 2013.¹² Botswana executed 65-year-old **Patrick Gabaakanye** in May 2016 for a murder that he committed in 2010.¹³

*"Botswana is one of the countries in **sub-Saharan Africa** that still hangs on to the use of the death penalty. Although they do not carry out as many executions as some other countries like **Somalia**, they still hold steadfastly to the death penalty. It is unclear why they have resumed executions; they carried out one last year. [The] country consistently uses the death penalty and has refused to stay away from this cruel and inhuman degrading punishment."¹⁴*

The UK has also expressed concern about the state of human rights in Botswana, especially its continued use of capital punishment. The British High Commissioner in Botswana, **Kate Ransome**, questioned the effectiveness of the death penalty as a deterrent, but said the UK respects each country's decision regarding the death penalty:

"We did not feel that it actually served us any real purpose anymore, and it did not act as a deterrent or necessarily fulfil the justice in it, so we abolished it in the UK...each country has to make a decision in line with its justice system, but obviously we do

⁸ Weekend Post, 19 Jan 2017.

⁹ Weekend Post, 19 Jan 2017.

¹⁰ Mmegi, 11 Apr 2017.

¹¹ Mmegi, 11 Apr 2017.

¹² Mmegi, 11 Apr 2017.

¹³ ABC News, 11 Apr 2017.

¹⁴ Oluwatosin Popoola, Amnesty International's adviser on the death penalty, quoted in Deutsche Welle, 11 Apr 2017.

encourage countries to question if they need the death penalty anymore, and to look into having more moratoriums when carrying out executions.”¹⁵

The government’s use of the death penalty contradicts Botswana’s long-standing democratic credentials. However, several instances of human rights violations during Khama’s presidency have resulted in a gradual erosion of this reputation. The government has not signaled its intention to review its laws pertaining to the death penalty, and is unlikely to do so in the short to medium term. Although the frequent instances of human rights abuses undermine the country’s status as a politically stable investment destination, the country is yet to experience any notable effects in this regard.

Eskom and BPC sign three-year power supply deal

South Africa state-owned power utility **Eskom** and **Botswana Power Corp (BPC)** signed a three-year power supply agreement on 31 March.¹⁶ This will alleviate Botswana’s power shortages, as the government establishes more long-term domestic power generation facilities.¹⁷ Eskom currently has approximately 4,000MW in excess power capacity, and aims to increase its exports to other Southern African countries experiencing power shortages.¹⁸ It also signed a power supply deal with **Namibia**’s national utility, **NamPower**.¹⁹

Botswana has experienced power shortages, especially following the failure of its **Morupule B** power plant. BPC chief executive officer **Stefan Schwarzfischer** said the power agreement with Eskom improves BPC’s security of supply:

“This new firm power agreement presents us with a window of opportunity to tackle some of the major challenges facing our power generation plants. We look forward to further collaboration with Eskom to further improve our energy and various technical aspects of the electricity business.”²⁰

The new agreement replaces one that expired in 2015.²¹ BPC and Eskom have a long-standing energy trading relationship, since Botswana imports a substantial portion of its electricity from South Africa. The transmission corridor between Botswana and South Africa is a crucial part of the **Southern African Power Pool (SAPP)** network, through which various power utilities in the region exchange power, depending on their level of demand.²² The BPC is currently working on refurbishing the Morupule B and **Morupule A** power plants, which it intends to complete in December 2017.²³ The national utility plans to become a net power exporter by 2020, when it completes all current projects to construct new power plants and upgrade existing ones.²⁴

The power agreement is welcome news for business and household consumers affected by power outages as the BPC fails to meet national demand. Botswana will probably meet its objective to be energy self-sufficient by 2020, since it has ongoing power generation projects, mainly coal-bed methane and coal-fired power plants. Electricity generation is also part of

¹⁵ UK High Commissioner to Botswana, quoted in Weekend Post, 10 Apr 2017.

¹⁶ The Citizen, 5 Apr 2017.

¹⁷ The Citizen, 5 Apr 2017.

¹⁸ The Citizen, 5 Apr 2017.

¹⁹ Enca, 5 Apr 2017.

²⁰ BPC chief executive, Stefan Schwarzfischer, quoted by Enca, 5 Apr 2017.

²¹ Mmegi, 6 Apr 2017.

²² ESI, 7 Apr 2017.

²³ Mmegi, 7 Apr 2017.

²⁴ Mmegi, 7 Apr 2017.

the government's objective to expand the economy, since this will meet industrial and commercial demands, especially in the mining and manufacturing sectors.

South Africa's junk status rating to affect Botswana

South Africa's credit rating downgrade to "junk status" by global rating agencies **Standard & Poor's** and **Fitch** will adversely affect Botswana's economy due to its close economic ties with South Africa, according to media reports on 7 April.²⁵ The South African rand is likely to weaken, increasing the cost of goods and services purchased from Botswana.²⁶ Botswana-based **Kgori Capital** investment analyst **Kwabena Antwi** said that the Botswana pula is 45% weighted to the rand, and the weakening of the rand following the credit rating will result in the pula weakening against global currencies, especially the dollar.²⁷ The downgrade may also increase the cost of capital for borrowers in Southern Africa who depend on South Africa for capital funds.²⁸

*"The full impact of the South African credit ratings downgrades is still uncertain, but it will be shortsighted not to expect that it will have an impact on our region and that it will most certainly be felt by our neighbours, especially in the **Southern African Development Community (SADC)**...Livestock imports are a case in point, as it is common knowledge that meat consumption is directly related to economic performance in South Africa. If we were to move into a recession, the impact on South Africa, some of them being heavily reliant on South Africa for these imports is obvious."²⁹*

Botswana is also a member of the **Southern African Customs Union (SACU)**, which provides a substantial quantity of trade-derived revenue for countries such as Botswana, **Lesotho**, Namibia and **Swaziland**, collectively referred to as "**BLNS countries**".³⁰

"In the customs union, reduced imports will also impact negatively on the customs pool – a major source of income of the BLNS countries. A depreciated rand is also, in its normal quality of supporting exports, not going to save the day for the region."³¹

Standard & Poor's downgraded South Africa's government bonds to a BB+ or "junk" ranking on 3 April, after president **Jacob Zuma** (2008-present) dismissed finance minister **Pravin Gordhan** and his deputy **Mcebisi Jonas** in a cabinet reshuffle on 30 March.³² A "junk" credit status means a sub-optimal credit rating, making it unattractive to lenders and investors. However, some Botswana-based economists have played down the impact of South Africa's credit rating on Botswana's economy. Development macro-economist **Keith Jefferis** said that the effect is likely to be marginal, since investors are aware that the credit downgrade is a result of South Africa's political conditions.³³ **Sethunya Sejo**, an economist with **Econsult Botswana**, said that Botswana may experience a muted impact on trade, since South Africa is Botswana's major trading partner, but this might not spread to the rest of the economy.³⁴

²⁵ Mmegi, 7 Apr 2017.

²⁶ Mmegi, 7 Apr 2017.

²⁷ Mmegi, 7 Apr 2017.

²⁸ Mmegi, 7 Apr 2017.

²⁹ AgriSA president, Johannes Moller quoted in The Citizen, 11 Apr 2017.

³⁰ The Citizen, 11 Apr 2017.

³¹ AgriSA president, Johannes Moller quoted in The Citizen, 11 Apr 2017.

³² Eyewitness News, 30 Mar 2017.

³³ Mmegi, 7 Apr 2017.

³⁴ Daily News, 9 Apr 2017.

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