AFRICA RISK CONSULTING

Botswana Monthly Briefing November 2026

Botswana Summary 10 November 2026

Minerals and energy minister Bogolo Kenewendo confirms that Botswana is diversifying its fuel import sources as it aims to reduce its dependence on traditional supply routes and protect its economy from disruptions in global oil markets. The Bank of Botswana (central bank) maintains its monetary policy rate at 5.5%, citing concern over inflationary pressures from higher fuel prices and the potential effects of El Niño. Botswana is moving closer to an agreement with the Global Diamond Consortium (GDC) that could increase its ownership of the United Kingdom (UK)-headquartered De Beers from 15% to approximately 25%.

Botswana looks to diversify oil supply through Nigeria and other markets

Minerals and energy minister **Bogolo Kenewendo** confirmed on 28 October that Botswana has secured a supply agreement with **Oman**'s **OQ Trading**, with the first shipment arriving in October, as the country seeks to diversify its fuel import sources and reduce its dependence on traditional supply routes and protect its economy from disruptions in global oil markets. The landlocked country has traditionally relied on **South Africa** for much of its fuel supply but is increasingly exploring alternative suppliers and routes.

The government has also held discussions with **Nigeria**, **Angola** and **Côte d'Ivoire**, including engagement with Nigerian billionaire and Africa's richest person, **Aliko Dangote**, whose Nigeria-headquartered **Dangote Refinery** in **Lagos** (Nigeria) has become an important part of Africa's growing oil industry. Kenewendo further said that another option under consideration to expand Botswana's alternatives beyond South Africa is to access fuel via a planned pipeline that Dangote plans to build in **Namibia**, running from a terminal at the country's **Walvis Bay** port. In addition to Namibia, Botswana has strengthened its supply routes through **Mozambique**, although this will require investment in coastal storage facilities to ensure fuel can be received and distributed efficiently.

Botswana's engagement with Dangote also extends beyond fuel procurement. In October, the country was selected to host the trading of shares in Dangote Refinery for **Southern African** investors as part of the refinery's $2.1 billion initial public offering (IPO). The fundraising is intended to support an ambitious $14.3 billion expansion programme that would double the refinery's current processing capacity of 700,000 barrels per day by 2030.

These developments highlight Botswana's efforts to strengthen its energy security while building broader commercial relationships across the continent. For a landlocked country that remains dependent on external suppliers, diversifying both its fuel sources and the routes used to import oil is increasingly important. The strategy could also create opportunities for deeper regional cooperation on energy infrastructure and trade. Botswana's involvement in Dangote's IPO is particularly important, as it gives the country's relatively small stock market a prominent role in Africa's largest IPO to date.

Botswana maintains interest rate at 5.5% amid inflationary pressures

The **Bank of Botswana** (central bank) announced on 29 October that it maintained its monetary policy rate at 5.5%, as it remains concerned about inflationary pressures from higher

fuel prices and the potential effects of **El Niño**. The decision comes as inflation remains above the bank's medium-term objective range of 3% to 6%. According to the BoB, inflation fell from 9.3% in August to 7.8% in September. However, the central bank expects inflation to average 8.1% in 2026, before moderating to 5.4% in 2027. The bank's decision to hold rates follows an earlier 200-basis-point increase in April, which helped stabilise the foreign exchange market.

The **International Monetary Fund (IMF)** has also raised concerns about inflation and its impact on the cost of living. In its **World Economic Outlook**, published in October, the IMF projected that Botswana's inflation will average 7.2% in 2026, up from its April projection of 5.1% and below the BoB's 8.1% forecast. The IMF's 2027 forecast has also risen from 5.7% to 7.4%, suggesting that inflationary pressures could persist longer than previously expected.

A major concern in the BoB's inflation outlook is the potential impact of El Niño. The weather phenomenon is associated with below-normal rainfall, droughts and heatwaves, which could affect agricultural production. Crop failures and livestock deaths could reduce food supplies and push food prices higher. This poses an additional risk for Botswana, particularly if the effects of El Niño extend into the agricultural season. BoB governor **Lesego Moseki** said on 29 October that other factors are also expected to put upward pressure on prices, including higher international oil and gas prices and fertiliser and industrial input costs, which are partly linked to the ongoing conflict in the **Middle East**. Higher fuel and electricity costs could also feed into the prices of other goods and services.

Despite these challenges, the IMF expects Botswana's economy to grow by 4.4% in 2026, recovering from a 0.7% contraction in the previous year. Although Botswana's economy has shown signs of recovery, economic conditions remain challenging as the prolonged downturn in the global diamond market continues to weigh on economic performance. Therefore, the BoB faces the challenge of containing inflation while supporting economic recovery. The coming months will be crucial in determining whether inflationary pressures, particularly those arising from El Niño, ease or intensify.

Statistics Botswana's **Gross Domestic Product: Fourth Quarter of 2025** report data, presented in the table below, further illustrates the changing structure of Botswana's economy. The contribution of mining and quarrying to GDP has declined considerably, falling from 20.3% in 2022 to 16.2% in 2023, 10.1% in 2024 and just 8.9% in 2025. This decline reflects, in particular, the prolonged downturn in the global diamond market, which has weighed heavily on Botswana's mining industry (see section below). The contribution of diamond traders has also fallen, from 2.1% of GDP in 2022 to 0.8% in 2025.

Botswana: Top five contributors to GDP, 2021–2025 (%)					
Rank	**2021**	**2022**	**2023**	**2024**	**2025**
1	Public administration (18%)	Mining (20.3%)	Public administration (16.9%)	Public administration (18.1%)	Public administration (18.2%)
2	Mining (15.8%)	Public administration (16.1%)	Mining (16.2%)	Wholesale & retail (12.4%)	Wholesale & retail (12.8%)
3	Construction (10.9%)	Construction (10.5%)	Wholesale & retail (11.4%)	Construction (12%)	Construction (12%)
4	Wholesale & retail (10.7%)	Wholesale & retail (10.5%)	Construction (11.0%)	Mining (10.1%)	Mining (8.9%)
5	Manufacturing (5.2%)	Manufacturing (5.4%)	Finance & insurance (5.8%)	Finance & insurance (6.5%)	Finance & insurance (6.4%)

Source: Statistics Botswana

In contrast, other sectors have maintained or increased their share of economic output. Public administration accounted for 18.2% of GDP in 2025, making it the largest contributor, followed by wholesale and retail trade at 12.8% and construction at 12.0%. The contribution of wholesale and retail trade, in particular, increased from 10.5% in 2022 to 12.8% in 2025. These figures highlight Botswana's continued reliance on public administration and domestic economic activity, while also illustrating the challenges associated with its dependence on the diamond industry. The declining contribution of mining underscores the urgency of economic diversification, particularly given the uncertainty surrounding the recovery of the global diamond market.

Botswana moves closer to securing a bigger stake in De Beers

Botswana is moving closer to an agreement that could increase its ownership of the **United Kingdom (UK)**-headquartered diamond mining company **De Beers** from 15% to approximately 25%, as negotiations over the company's potential sale for about $1 billion to the **Global Diamond Consortium (GDC)** continue. The development could give the country a greater role in the future of one of the world's most recognised diamond producers, in which it already holds significant interests.

UK-headquartered **Anglo American** named the GDC, led by former De Beers chief executive **Gareth Penny**, as the preferred bidder for the company in July. Angol American is De Beers' current parent company, which owns 85% of the business. The GDC comprises Botswana, Namibia and Angola, alongside other private investors. Although negotiations between Botswana and the GDC are reportedly at an advanced stage, an agreement has not yet been finalised. If completed, the proposed arrangement would allow Botswana to increase its stake to about 25%. However, the three African diamond-producing countries would collectively hold less than half of the company, leaving De Beers under private investor control.

Anglo American has been seeking to sell the business following a prolonged downturn in the global diamond market. The diamond industry has faced significant challenges in recent years, driven by weaker demand in **China**, falling prices and shifting consumer preferences. The growing popularity of synthetic diamonds has also put pressure on the market. These challenges have contributed to Anglo American's decision in May 2024 to withdraw from De Beers after years of declining valuations.

The diamond slump hit Botswana particularly hard as diamonds account for about one-third of government revenue and most of its foreign currency earnings. The downturn also pushed the country into a recession from 2024 through to 2025 and placed immense pressure on public finances. It was against that background that the government sought to increase its stake in De Beers. Kenewendo said on 22 September that Botswana is seeing encouraging signs of a possible recovery in the global diamond market, with sales of natural diamonds at independent jewellers in the US rising by 8.8% in the first half of this year. Kenewendo added that the sales increase showed the potential of stronger marketing to rebuild demand for natural diamonds. The US market accounts for more than half of global annual diamond sales, making it a key market for Botswana.

The potential sale of De Beers has also attracted interest from major players in the jewellery industry. **Swiss** luxury goods group **Richemont**, which owns brands including **Cartier**, and **United States (US)** jewellery retailer **Signet Jewellers**, are in discussions about joining the GDC. Their involvement could provide additional support for natural diamonds at a time when the industry is facing growing competition from laboratory-grown alternatives.

For Botswana, the negotiations are particularly important given the country's dependence on diamonds as a major source of economic activity and export earnings. The government already holds a 50% interest in **Debswana**, its joint venture with De Beers, which produces most of Botswana's diamonds. An increased stake in De Beers would therefore give Botswana a stronger position in the diamond industry beyond its existing mining interests. However, the

company still faces considerable market challenges, and a larger ownership stake does not necessarily guarantee a recovery in diamond revenues. The outcome of the negotiations will be important not only for Botswana but also for the future direction of the global natural diamond industry.

Planner

9 Nov 2026 **Gaborone (Botswana)** President **Duma Gideon Boko** delivers the **State of the Nation (SONA)** address

Chronology

5 Nov 2026 **Gaborone (Botswana)** *Mmegi*. Minerals and energy minister **Bogolo Kenewendo** says natural diamond sales in the world's most important market, the **United States**, are up by as much as 6% this year, following two years of contraction;

5 Nov 2026 **Gaborone (Botswana)** *IT Web*. State-owned carrier **Air Botswana** activates its emergency incident response procedures after a suspected ransomware attack that resulted in unauthorised access to its internal systems;

5 Nov 2026 **Gaborone (Botswana)** *Mmegi*. The **Lesbians, Gays and Bisexuals of Botswana (LEGABIBO)** advocacy group challenges the use of Christianity, culture and public morality to justify the exclusion of same-sex couples from marriage;

5 Nov 2026 **Gaborone (Botswana)** *Mmegi*. The country's coal production rose to 695,315 tonnes in the second quarter, about 28% higher than in the corresponding period in 2025, helped by operational stability linked to demand from **Morupule A** and **B** power stations;

3 Nov 2026 **Gaborone (Botswana)** *Mmegi*. The **MMG Khoemacau Copper Mine (KCM)** kickstarts a three-month trial of battery-electric trucks within its operations;

31 Oct 2026 **Johannesburg (South Africa)** *IOL*. **Border Management Authority (BMA)** temporarily suspends operations at the **Kopfontein** port of entry between South Africa and **Botswana** following infrastructure problems caused by an unidentified spillage affecting a nearby residential area;

30 Oct 2026 **Gaborone (Botswana)** *CNBC Africa*. The **Bank of Botswana (BoB**) (central bank) holds its key interest rate steady at 5.5%, saying it would keep close watch on inflation risks from high fuel prices and the **El Niño** weather pattern;

28 Oct 2026 **Gaborone (Botswana)** *Bloomberg*. Minerals and energy minister **Bogolo Kenewendo** says Botswana is negotiating to buy fuel from a wide range of sources, including **Oman** and **Nigeria**, to safeguard its supply against war-related shocks and increase its options;

26 Oct 2026 **Gaborone (Botswana)** *Bloomberg*. The **International Monetary Fund (IMF)** expects Botswana's economy to rebound by 4.4% this year, slightly below its April forecast, whilst warning that inflation will remain elevated, staying above the central bank's objective range;

23 Oct 2026 **Gaborone (Botswana)** *African Development Bank*. The **African Development Bank Group (AfDB)** approves a $503.75m loan to help Botswana cushion the impact of the global energy shock and support structural reforms to promote private-sector-led economic growth and job creation, particularly for women and youth;

22 Oct 2026 **Gaborone (Botswana)** *Bloomberg*. Botswana-headquartered **Kwa Nokeng Oil Holding** increases its IPO to P1.66 billion ($118m) after investor demand exceeded the original offer by about 20%, marking Botswana's first new stock market listing in nearly eight years;

21 Oct 2026 **Gaborone (Botswana)** *Mining Weekly*. **United Kingdom (UK)**-headquartered **De Beers Group** transfers its initial P1 billion ($73m) contribution to Botswana's **Diamonds for Development Fund**, marking a significant milestone in the fund's establishment and its mission to support the country's long-term economic diversification;

19 Oct 2026 **Gaborone (Botswana)** *Africa Business Insider*. Four African countries - **Seychelles**, **Mauritius**, **Cape Verde** and Botswana - rank among the top global destinations for international relocation in the 2026 **Nomad Lifestyle Index**;

15 Oct 2026 **Gaborone (Botswana)** *Statistics Botswana.* **Statistics Botswana** reports annual inflation rate decelerated to 7.8% in September, down from 9.3% in August;

15 Oct 2026 **Gaborone (Botswana)** *Bloomberg*. **Swiss** luxury giant **Richemont** and **United States** retailer **Signet Jewelers** are in talks to join a consortium that's in prime position to buy **United Kingdom (UK)**- headquartered diamond miner **De Beers**;

14 Oct 2026 **Gaborone (Botswana)** *Binance.* Botswana has been selected as the host venue for the **Southern African** portion of the initial public offering of the **Dangote Refinery**, the continent's largest oil refinery, thereby giving the country a key role in the region's biggest listing to date;

13 Oct 2026 **Gaborone (Botswana)** *Moneyweb.* Botswana and the **Global Diamond Consortium**, a group seeking to buy **United Kingdom**-headquartered **De Beers**, are close to an agreement on their future ownership stakes in the diamond miner, with the deal likely to see Botswana increase its stake from 15% to around 25%.

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