



20th February 2026

Business Botswana congratulates His Honour, the Vice President and Minister of Finance, Ndaba Gaolathe, on the delivery of the 2026/2027 National Budget Speech, which is appropriately anchored on national priorities as outlined in the Budget Strategy Paper and enriched through diverse stakeholders' consultations, which were held during the Budget Pitsos.

As a strategic partner to the Government of Botswana on national development, Business Botswana welcomes the Minister's candid assessment of prevailing economic realities. We reaffirm our strong support for a budget that seeks to accelerate economic transformation, restore fiscal sustainability, and unlock private-sector-led growth. In this regard, we align with the shift from expenditure volume to purpose-driven expenditure that prioritises productivity, competitiveness, and value for money.

Growth, Employment, and MSMEs Development

Business Botswana acknowledges the positive emphasis placed on growth and employment creation through the removal of impediments to doing business and the financing of job creation. The focus on supporting local manufacturers and suppliers, particularly MSMEs and informal businesses, to scale up through value chain development interventions is most welcome. We support the proposed establishment of the National MSMEs Fund of Funds, which should fill the existing gap that has been a major challenge for private sector development. Therefore, the Fund, coupled with effective execution, will ultimately determine its success.

Prioritised Sectors to Drive Economy Transformation

Business Botswana is aligned with the target industries highlighted in the Budget Speech and believes effective collaboration between the Government and Private Sector on building a local pipeline will not only lead to our regional and global trade integration aspirations but will also contribute towards Botswana being a self-sustaining economy. Agriculture, Agro Processing, Tourism, Manufacturing, Health, Mining and Energy, Digital/Innovation, Financial Services, Transport/Logistics sectors, and many others should indeed deliver the anticipated positive outcomes for our economy in the foreseeable future.

Structural Reforms and Economic Transformation

We recognise and support the Government's commitment to placing structural reforms at the centre of economic development through the Botswana Economic Transformation Programme (BETP), signalling a shift from analysis to implementation. Notable interventions include: the ring-fenced maintenance budget, repositioning of Technical and Vocational Education and Training (TVET), improvements in Government systems, especially around making public procurement more effective towards more strengthened governance and oversight. Increasing revenue through new streams, closing on leakages (digitising tax collection), and moving the economy towards cashless monitoring and evaluation frameworks will not only ensure efficiencies but will also enhance private sector participation. Sustaining the growth momentum, however, will depend largely on the pace, consistency and depth of reforms implementation.

State-Owned Enterprises and Private Sector Space

Business Botswana acknowledges progress reported in improving efficiencies within selected State-Owned Enterprises (SOEs). However, our concern remains –that of persistently underperforming SOEs, which continue to not only crowd out private-sector participation but also deprive the nation at large, who are the consumers, of competitively priced and delivered services. We propose that maybe emphasis should be on opening up and creating a hybrid model for SOEs' assets that belong to the government to be privatised, to enable efficiencies. In addition, Government infrastructure could be availed to be run by the private sector on open access principles to enable the government to focus on levies and tax efficiencies. Accelerated reforms and clear accountability mechanisms in this area remain critical.

Government as an Enabler and Fiscal Consolidation

We welcome the Honourable Minister's emphasis on the government assuming its rightful role as an enabler of economic activity, thereby expanding space for private-sector participation. This approach is essential for macroeconomic stability and supports the necessary fiscal consolidation agenda. The Botswana private sector is ready to hit the ground running.

Development Expenditure and Projects Prioritisation

Despite the tight fiscal environment, Business Botswana acknowledges the continued prioritisation of development projects, particularly those targeted at export growth. However, our concern remains regarding the high ratio of recurrent to development expenditure, which limits returns on investment. The prioritisation of short-term, high-impact projects is encouraged through bolder and more decisive project appraisals, prioritisation, and increased use of Public-Private Partnerships (PPPs).

Fiscal Pressures, Debt, and Regulatory Uncertainty

As the Budget remains in deficit, Business Botswana agrees that optimising Government efficiencies and embracing more private-sector participation, rather than increasing fees and charges, is critical to preserving export

competitiveness and supporting a production-led recovery. For instance, the planned increase in personal taxes and BPC tariffs as well as the recent announcement on insourcing of certain services, by Government, like facilities management (security, cleaning), in an era where domestic debts are already high and businesses are struggling to stay afloat due to reduced public procurement and the general status of the economy, is not a prudent move and could work against the jobs creation objective of having robust employers in the private sector. These require extended Public-Private consultations. Fiscal tightening also raises concerns regarding delayed Government payments to suppliers.

While recalibrating the public debt limit may be considered, such a move should be supported by robust Regulatory Impact Assessments (RIAs) and effective and inclusive consultations with the private sector to ensure balance, predictability, and confidence.

Outstanding Reform Priorities

Business Botswana reiterates the importance of priority reforms highlighted in previous budget cycles but not explicitly addressed this year, including:

- i) Institutionalizing Regulatory Impact Assessments (RIAs) for all major policy, legislative, and regulatory changes; and
- ii) Introducing a Budget Implementation Act to strengthen the execution and legislative alignment of structural reforms.

In conclusion, Business Botswana believes that effective public-private collaboration will be central to achieving the objectives of the 2026/2027 Budget. As deliberations continue through the Committee of Supply, Business Botswana remains committed to constructive engagement with the Government through established governance mechanisms, including the High-Level Consultative Forum, Sector High-Level Consultative Councils, and the National Doing Business Committees.