



For Immediate Release

Gaborone, 6th February 2026 - Business Botswana cautions that the proposed 46% electricity tariff increase for the 2026/27 financial year by Botswana Power Corporation (BPC) poses a significant risk to private-sector growth, the primary driver of investment, employment, and economic activity, and could undermine sustainable national economic recovery.

Business Botswana underscores that a vibrant, competitive and enabling business environment is critical to economic transformation, job creation and fiscal sustainability. Affordable, reliable and predictable electricity pricing remains a key enabler for businesses to invest, expand operations and contribute meaningfully to development priorities.

Furthermore, the proposed tariff increase follows a 24% adjustment implemented in July 2025 and would significantly raise operating costs for businesses and households across all sectors. Such increases would constrain productivity, discourage investment, and put jobs at risk, particularly among small, medium, and informal enterprises, which form the backbone of employment and economic activity.

While acknowledging the importance of ensuring the long-term financial sustainability of the national power utility, Business Botswana maintains that tariff increases should not be used to offset inefficiencies within the electricity supply industry. Therefore, transferring such costs to businesses and consumers would weaken competitiveness and undermine the economy's productive capacity.

To maintain economic stability while ensuring a sustainable energy sector, Business Botswana recommends:

- i)* A balanced and phased approach to electricity tariff adjustments, supported by a predictable, multi-year pricing framework;
- ii)* Linking tariff decisions to demonstrable improvements in efficiency, governance and cost containment within the power utility;
- iii)* Introducing differentiated and targeted tariff structures to protect productive and vulnerable sectors, including manufacturing, agriculture, healthcare, tourism, and micro and informal enterprises;

- iv) Prioritising alternative and cost-efficient energy solutions, including renewable energy and increased private sector participation; and
- v) Accelerating broader energy sector reforms to improve reliability, affordability and long-term competitiveness.

Business Botswana reaffirms its commitment to partnering with the government, regulators, and all stakeholders to build a sustainable and resilient energy sector, anchored in policies that protect growth, support investment, and safeguard jobs, while ensuring that electricity pricing decisions advance inclusive growth, industrial development, and long-term economic resilience.

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