

WORLD RANK: **52** | REGIONAL RANK: **3**

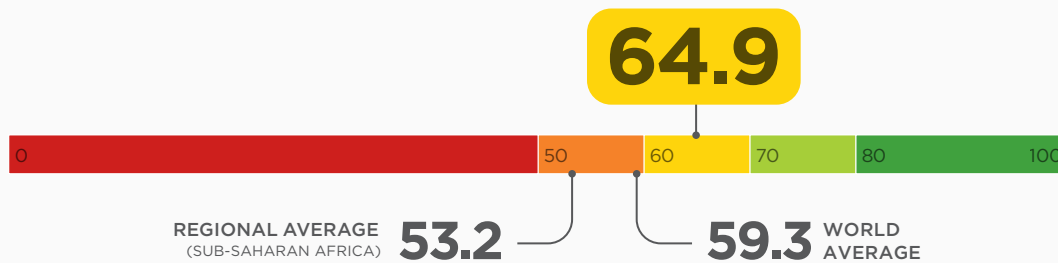
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# BOTSWANA

**B**otswana's economic freedom score is 64.9, making its economy the 52nd freest in the 2023 *Index*. Its score is essentially unchanged from last year. Botswana is ranked 3rd out of 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional and world averages.

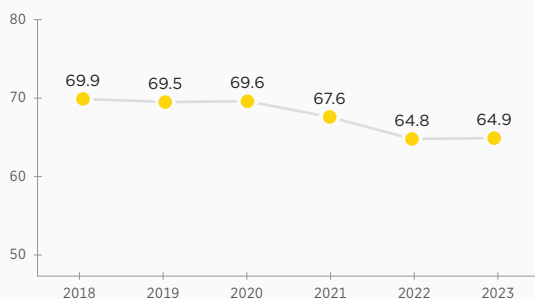
Botswana continues its transformation to a dynamic economy and performs well in many of the four pillars of economic freedom. The foundations of economic freedom are among the region's strongest and solid in comparison to others of the world's countries. The independent judiciary provides strong protection of property rights.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +8.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
2.4 million

**GDP (PPP):**  
\$42.6 billion  
12.5% growth in 2021  
5-year compound annual growth 3.0%  
\$17,761 per capita

**UNEMPLOYMENT:**  
24.9%

**INFLATION (CPI):**  
6.7%

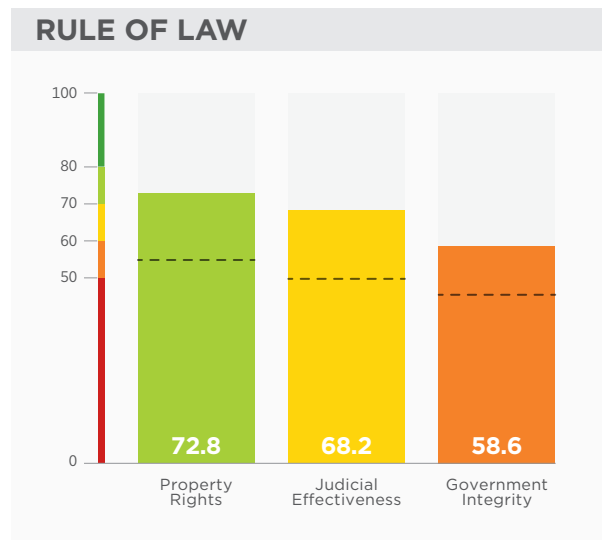
**FDI INFLOW:**  
\$55.2 million

**PUBLIC DEBT:**  
19.5% of GDP

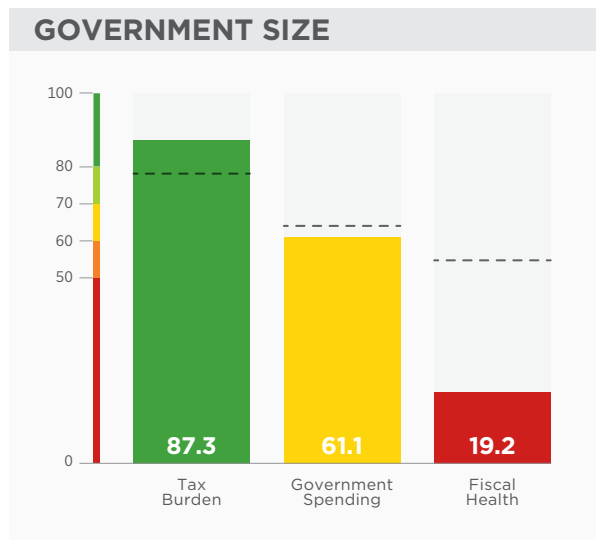
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Sparsely populated Botswana's land area is larger than Spain and dominated by the vast Kalahari Desert. The Botswana Democratic Party (BDP) has governed this multiparty democracy since independence from the United Kingdom in 1966. Despite a challenge from former President Ian Khama's party and other opposition groups, the BDP managed to secure President Mokgweetsi Masisi's continued tenure in the 2019 elections. Risks to political stability remain low. Botswana has abundant diamonds and other natural resources, a market-oriented economy, and one of Africa's highest sovereign credit ratings. Ecotourism in its extensive nature preserves is helping to diversify the economy.

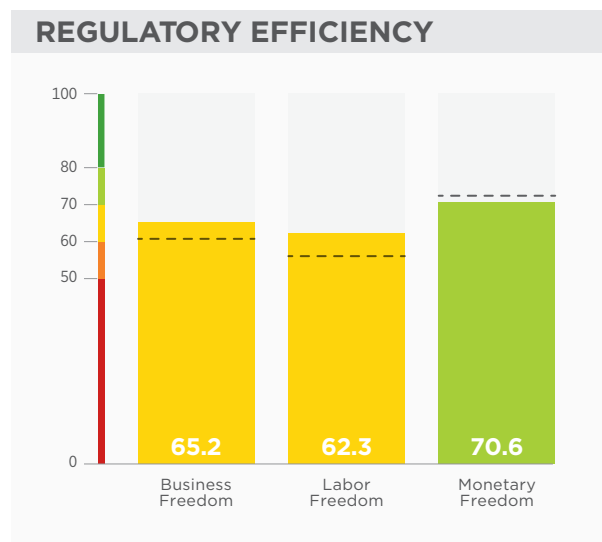
## 12 ECONOMIC FREEDOMS | BOTSWANA



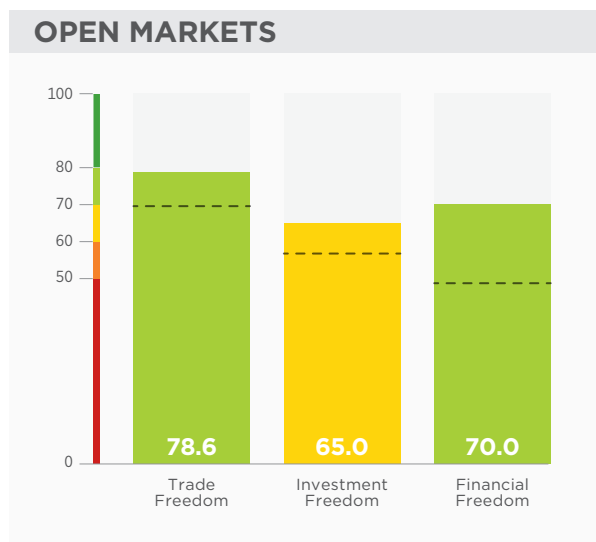
The overall rule of law is relatively well respected in Botswana. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 25 percent and 22 percent. The tax burden equals 12.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 36.0 percent and -7.4 percent of GDP. Public debt equals 19.5 percent of GDP.



The government has implemented numerous measures that are designed to enhance business freedom and opportunities in the private sector, but progress has been uneven. Low labor productivity contributes to high unemployment. The most recent available inflation rate is 6.7 percent.



The trade-weighted average tariff rate is 5.7 percent, and nontariff measures are in force. Foreign investment in some sectors is restricted. Generally adhering to global standards in the transparency of banking supervision, the financial sector provides considerable access to credit.