



BIDPA

Briefing

sponsored by
bifm[®]

January 2003

COST OF BANKING IN BOTSWANA: 2001-2002

1. Introduction

The escalation in bank charges has rendered banking in Botswana a very expensive exercise. Monthly bank charges are dictated by, amongst other things, the manner in which transactions are executed (via banking halls, ATM, telephone or internet banking), the number of transactions (withdrawals, deposits and stop orders) and the type of account held. Individuals are charged differently depending on how they manage their accounts on a monthly basis. This report examines a basic current (cheque) account and the charges imposed by the five commercial banks in Botswana (Barclays Bank, Bank of Baroda First National Bank, Stanbic Bank and Standard Chartered Bank). The bank charges are then compared with those charged by the three major commercial banks in South Africa (ABSA, Standard Chartered and First National Bank). Given the importance of savings in the country, and the negative impact high bank charges may have on national savings, the report also examines the charges imposed on savings accounts.

2. Bank Charges

Commercial banks' justification for the high bank charges is that such charges enable the banks to cover their high operational costs. These are costs associated with the purchase and maintenance of continuously changing new technology. According to the banks, all their equipment is imported at very high cost, which is then factored into the overall bank cost structure, and subsequently into the bank fees. For example, the purchase and installation of an ATM

costs half the amount of purchasing and installing a machine for sorting bulk bank notes. To encourage customers to use the ATM network instead of the banking halls, bank customers pay more for the same transaction over the counter than at the ATM. To keep customers from transferring money to other banks, stop orders to accounts in other banks are charged more than stop orders to accounts within the same bank. To dissuade customers from using other banks' ATM networks, charges that arise from using another bank's ATM are higher than those for using your own banks' ATM. In addition to all these charges, customers are also charged for depositing money into their own accounts.

2.1 Withdrawals and Deposits

Table 1 shows that in most banks withdrawing cash over the counter is significantly more expensive than using an ATM. Stanbic Bank charges P2.75 for withdrawals at their ATM, Barclays Bank P1.76, First National Bank P1.75 and Standard Chartered Bank P1.65. For the same transaction over-the-counter (OTC), Barclays Bank charges more than 10 times the amount charged at its ATM (P22.00 for amounts less than P2,000),

Standard Chartered Bank charges 10 times the amount (P16.50) and Stanbic charges twice the amount (P5.50). First National Bank comes out to be the cheapest with a fee of P4.00, which is roughly twice the amount charged at its ATM. The cost of a 40 - page cheque book to carry out withdrawals is as high as P27.50 at Stanbic Bank. Bank of Baroda charges P16.50 and First National Bank P15.00. Barclays Bank and Standard Chartered bank offer the cheque book at no cost.

First National Bank previously used a sliding scale fee for ATM withdrawals: P0.85 was charged for the first P100 withdrawn, and P0.55 more for higher amounts, in 2001. In 2002 the charges went up to P1.75 per withdrawal (regardless of amount). For amounts of up to P100 (previously charged P0.85), the charge has been increased substantially by more than 100 percent. The second highest increase of ATM withdrawal fees in 2002 was implemented by Standard Chartered Bank, which increased its charge by 65 percent (from P1.00 in 2001 to P1.65 in 2002). Standard Chartered Bank also increased its over-the-counter withdrawal fees by 65 percent over the same period (from P10.00 to P16.50). Barclays Bank

Table 1: Bank Charges: Withdrawals and Deposits (Pula), 2002

	FNB	BARCLAYS	STANDARD CHARTERED	STANBIC	BANK OF BARODA
Cheque Book	15.00	Free	Free	27.50	16.50
Withdrawals:					
Own ATM, 2002	1.75	1.76	1.65	2.75	-
2001	0.85/P100 ¹	1.50	1.00	-	-
OTC, 2002	4.00	22.00 ²	16.50	5.50	0.83 / P100
2001	4.00	14.00	10.00	4.00	0.55 / P100
Deposits:					
ATM, 2002	Free	-	-	-	-
OTC, 2002	0.25 / P100	8.25	7.70	0.35% of dep	0.39 / P100
2001	0.25 / P100	7.00	6.00	0.35%	0.20 / P100

OTC - Over The Counter

1. There is an additional charge of P0.55 for amounts in excess of P100.

2. Applicable for P2,000 or less, with no charge for amounts in excess of P2,000.

increased its charges for over the counter withdrawals by 57 percent from P14.00 to P22.00.

In 2002, over-the-counter deposit fees experienced a substantial increase at Bank of Baroda, from P0.20 per P100 deposited in 2001, to P0.39 per P100 deposited in 2002 (a 95 percent increase). Standard Chartered Bank increased its fees for the same transaction by 28 percent, (from P6.00 to P7.70) and Barclays Bank by 18 percent, from P7.00 to P8.25. First National Bank maintained its charges at P0.25 per P100 deposited.

2.2 Bank Statements

First National Bank is the only bank that charges its customers for obtaining a statement via the ATM. The highest percentage increase experienced by any particular transaction in the survey was First National Banks' ATM statement charge. The charges for this service were increased from P0.50 in 2001, to P1.65 in 2002 (an increase of more than 200 percent). Despite this increase by FNB, it is not the most expensive bank to transact with on a monthly basis.

Table 2: Bank Statement Charges, 2001-2002 (Pula)

	FNB	Barclays	Standard Chartered	Stanbic	Bank of Baroda
ATM, 2002	1.65	Free	Free	Free	-
2001	0.50	Free	Free	Free	-
OTC, 2002	5.00	13.20	16.50	33.00	3.30
2001	5.00	12.00	10.00	15.00	2.00

Obtaining a statement over-the-counter is most expensive at Stanbic Bank, at P33.00 per request (up from P15.00 in 2001, a 120 percent increase). Standard Chartered Bank charges for the same service increased from P10.00 to P16.50 (a 65 percent increase). Barclays Bank now charges P13.20 for a statement up from P12.00 the previous year (a 10 percent increase). Bank of Baroda increased its charges from P2.00 in 2001 to P3.30 in 2002 (a 65 percent increase, though from a relatively low base. First National Bank maintained its charge of P5.00 for a statement over the two years.

2.3 Other Transactions

As noted earlier, bank charges are often dictated by the manner in which customers manage their accounts. The frequent signing of cheques, several stop orders and withdrawing from other banks' ATM networks are some of the several activities that result in high charges. The charge imposed on stop orders depends on whether the order is to an account within the same bank or an account at another bank. Stop orders within Stanbic Bank and Bank of Baroda are at no cost, whilst Standard Chartered Bank charges P22.00 for this service. Barclays Bank offered this service free in 2001, but introduced a charge of P8.25 in 2002.

Maintenance fees are charged whether or not you make transactions during the month and are therefore independent of the value of transactions made. Stanbic Bank charges the highest maintenance fee of P49.50. This is followed by Bank of Baroda with a maintenance fee of P38.50 (an increase of 54 percent from the previous year). Barclays Bank and Standard Chartered Bank charge P7.70 per month (an increase of 28 percent over the previous year). These fees are in most cases treated separately to the activity or transaction fees, to the extent that cash withdrawals, deposits, statement requests and other activities attract their own fees in addition to the monthly maintenance fee. Bank of Baroda is the only bank that uses the

Table 3: Other Transactions, 2001-2002 (Pula)

	FNB	Barclays	Standard Chartered	Stanbic	Bank of Baroda
Stop-orders:					
Own, 2002	10.00	8.25	22.00	Free	free
2001	10.00	free	20.00	Free	free
Other Bank, 2002	35.00	55.00	55.00	27.50 ¹ (+7.70 monthly)	27.50
2001	35.00	50.00	20.00	20.00 (+6.00 monthly)	20.00
Maintenance, 2002	-	7.70	7.70	49.50	38.50
2001	-	6.00	6.00	40.00	25.00
Special Clearance, 2002	85.00	82.50	82.50	110.00	82.50
2001	70.00	60.00	60.00	70.00	50.00

1. Establishment fee of P27.50

maintenance fee to cover the charges for these other activities. In other words, if the charges for your monthly transactions fall below the maintenance fee, the maximum charge will be the maintenance fee.

The clearance of a cheque, which normally has a four days waiting period, can be expedited at a fee of between P82.00 to P110.00 by the commercial banks. The special clearance fee has experienced a 65 percent rise at Bank of Baroda (from P50.00 to P82.00), followed by a 57 percent increase at Stanbic Bank (from P70.00 to P110.00), a 38 percent increase at Barclays Bank and Standard Chartered Bank (from P60.00 to P82.50) and a 21 percent increase at First National Bank (from P70.00 to P85.00).

Stop order fees are much higher when the account to be credited is held in another bank. Standard Chartered Bank and Barclays Bank both charge P55.00 for stop orders outside their respective banks. The charge reflects a 175 percent increase from the previous year at Standard Chartered Bank and a 10 percent increase at Barclays Bank. First National Bank charges P35.00 for stop orders to outside accounts, while both Bank of Baroda and Stanbic Bank charge P27.50 for the service (with a monthly fee of P7.70 at Stanbic Bank). All the banks, except FNB, charge a monthly maintenance fee.

To give an idea of the costs involved on a monthly basis across banks, we examine costs for a few selected transactions: deposits, withdrawals, stop-orders (agreement to transfer a fixed amount to a different account on a monthly basis), interim statements, as well as the maintenance fee.

3. Regional Comparison

The general feeling is that Botswana banks impose significantly higher charges than banks in other countries like South Africa, Mauritius and even the USA and UK. This is generally supported by a comparative cost

charge in South Africa than in Botswana is the average ATM withdrawal fee, together with the ATM statement charge. On average, Botswana banks charge P2.09 per ATM withdrawal, whilst the South African average comes to P2.41 per transaction.

Table 4: Monthly Cost of Standard set of Transactions, (2002)

	FNB	Barclays	Standard Chartered	Stanbic	Bank of Baroda
1x cash deposit of P2,000	5.00	8.25	7.70	7.00	7.80
4x ATM withdrawals (own)	7.00	7.04	6.60	11.00	3.32 ¹
Stop orders (own):	10.00	8.25	22.00	Free	Free
Other bank:	35.00	55.00	55.00	35.20	27.50
2 ATM interim statements	3.30	Free	Free	Free	-
Activity Fee (one transaction)	5.00	8.25	7.70	5.50	-
Monthly maintenance fee	-	7.70	7.70	49.50 min	38.50
TOTAL	65.30	94.49	106.70	108.20	77.12

Note: 1 Bank of Baroda does not have ATM's; therefore, the figure captures over-the-counter withdrawals which are currently charged P0.75 per P100; the charge goes up with the amount drawn.

The monthly cost of standard transactions reveals that for the same set of transactions, Stanbic Bank imposes the highest charges (P108.20 a month), followed by Standard Chartered Bank (P106.70 a month). Barclays Bank is third, with a monthly cost of P94.49. The bulk of the costs at Stanbic Bank, in this example, originate from the monthly maintenance fee. Stanbic Bank and Bank of Baroda charge the highest maintenance fees, P49.50 and P38.50, respectively. Stanbic Bank offers free stop-order services (within the bank), and free interim statement facilities via the ATM. However, this is more than recovered by the high maintenance charge of P49.50. A contrasting pattern can be observed for First National Bank, which is the only bank that has no monthly maintenance fee, and yet it is still the only bank that charges for obtaining a mini-statement from the ATM. Thus, in most instances, free service on one transaction is recovered by the bank's higher charge in another transaction. Based on these examples, First National Bank is the least costly bank on a monthly basis at P65.30. From a cash deposit of P2,000, bank charges account for between 3.3 percent (FNB) to 5.4 percent (Stanbic Bank) on a monthly basis.

exercise, using a basic cheque account on a few selective transactions, at the top three banks in South Africa: ABSA, First National Bank and Standard Chartered Bank.

This analysis clearly shows that four out of the six transactions in the table experience significantly higher average charges in Botswana than in South Africa. Based on the transactions in the table, the total average bank charges in Botswana amount to P59.63 and P20.10 for South Africa, implying that Botswana banks charge 2.97 times as much as South African banks.

4. Savings Charges

For some banks, depositing money in the savings account attracts similar charges as in the current accounts.

Table 5: Comparative Cost Analysis of Bank Charges - South Africa and Botswana, 2002

Current A/C.	ABSA	FNB	Standard Chartered	South Africa AVERAGE (P)	Botswana AVERAGE (P)
Withdrawals - ATM (own)	R4.00 (P2.40)	R3.90 (P2.35)	R4.15 (P2.50)	P2.41	P2.09
OTC Withdrawals	R22.00 (P13.25)	R6.70 (P4.04)	R19.75 (P11.90)	P9.73	P14.67
OTC Deposits	R2.85 (P1.72)	R3.00 (P1.80)	-	P1.76	P8.00
Statements (ATM)	Free	R1.25 (P0.75)	R2.00 (P1.20)	P0.65	P0.55
OTC Statements	R4.00 (P2.40)	R3.50 (P2.11)	R4.50 (P2.71)	P2.41	P20.90
Stop-order (own-bank)	R4.20 (P2.50)	R5.50 (P3.31)	R6.00 (P3.61)	P3.14	P13.42

Pula - Rand Exchange Rate of R1.66 per Pula

On average, banks in Botswana charge P14.67 for over the counter withdrawals, whilst South African banks charge an average of P9.73. The average over-the-counter deposit fees (P1.76) imposed by South African banks is 22 percent of what Botswana banks charge (P8.00) for the same transaction. The average interim statement request charge obtained over-the-counter in South Africa is P2.41, whereas in Botswana the charge is P20.90 on average. With regards to average stop order charges, South African banks charge P3.14 per month as opposed to the P13.42 average fee in Botswana. The only transaction with higher average

The main fees imposed on savings accounts include: withdrawal charges (ATM and over the counter), maintenance fees and, in some cases, cash deposit fees (table 6).

Barclays Bank and Stanbic Bank offer free banking services for savings accounts, except when the balance falls below the stipulated minimum (P1,200 for Barclays Bank and P50 for Stanbic Bank). Below the minimum balance, transactions attract fees similar to the current account. Standard Chartered Bank imposes higher monthly maintenance fees, the lower the balance. For instance, a balance of P500 attracts P16.50 while

P11.00 is charged for accounts with a balance of between P501 - P1,000. There are no charges imposed on accounts with balances in excess of P1,000. Stanbic Bank and Bank of Baroda impose a charge for depositing money directly into the savings account. In the event that funds are deposited into the savings account via a stop-order transfer from a current account, all banks (except Stanbic Bank and Bank of Baroda) impose a fee, which is debited from the current account.

Table 6: Charges on Savings Accounts, 2002

	FNB	Barclays	Standard Chartered ¹	Stanbic	Bank of Baroda
O-T-C Deposit	Free	Free	Free	0.38% cash dep.	P0.39/ P100
Withdrawal fee-ATM	P10.00	P1.76	P1.65	P2.75	N/a
O-T-C	P10.00	P22.00	P16.50	P15.00	P0.83/ P100
Maintenance fee	-	P7.70	Up to P11.00	Free	P38.50
Activity fee	-	P8.25	-	-	-

1. Maintenance fees vary from P16.50 for accounts with balances of P500 and below, P11.00 for accounts between P501 - P1,000 and no maintenance fees apply for balances of P1001 and above.

The high fees experienced in keeping a savings account can undermine the willingness of people to save and creates a credit mentality, particularly amongst the low income earners. In addition to the high transaction fees, low income earners are discouraged from opening savings accounts at commercial banks due to the minimum balances required (which many savers find unaffordable) and the limited branch network, especially in rural areas. As an alternative, some customers are forced to move to the non-bank financial institutions such as the Botswana Savings Bank, which offer lower interest rates than those at commercial banks.

5. Profitability

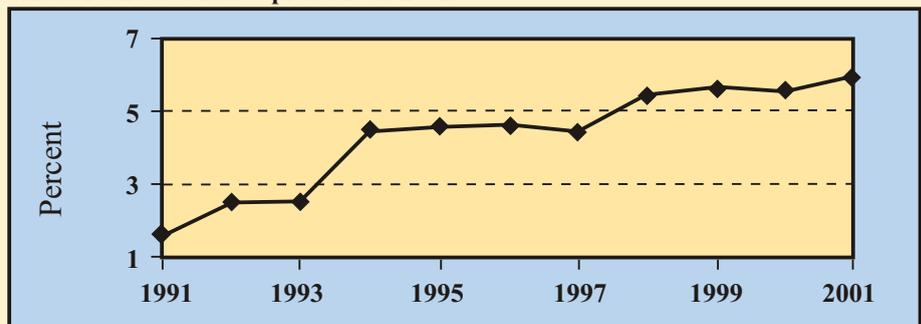
The banking sector currently consists of five commercial banks, which have dominated the market for deposits and loans since 1990. For the period 1990 - 2000, these banks accounted for an average of 89 percent of both deposits and loans of deposit taking institutions. In 2001, the top three banks, Barclays Bank, Standard

Chartered Bank and First National Bank, accounted for 85 percent of the market share in total deposits and 89 percent of the market share for loans.

In addition to the concentrated industry, the interest rate spread, which is one of the main sources of income for financial institutions, has experienced an upward trend over the years, reaching 6 percent in 2001. The interest rate spread, which is the difference between the deposit rates and the lending rates charged by banks

for financial intermediation is likely to be higher in the absence of effective competition.

Chart 1: Interest Rate Spread 1991-2001



An alternative view would be to equate these profits to efficiency in the sector and assume that the high profits are a sign of efficiency rather than limited competition. Efficiency of intermediation would imply an improvement in the delivery of banking related services. These would include time taken to process loans, adoption of new technology, such as ATMs, point of sale machines, credit and debit cards and internet banking. Notwithstanding the notable infrastructural improvements over the years, a recent survey on the quality of

banking services revealed that there was need for improvement in the quality of services offered. These specifically referred to delays in customer service at banking counters, malfunctioning ATMs, delays in processing loan applications and information enquiries and negligence in the handling of customers' accounts. The results of the survey noted a general trend for malfunctioning ATMs, particularly during monthend when the queues are long. This forces customers to use banking halls where they encounter high bank charges. The efficiency of banking operations, as measured by staff cost per employee rose steadily from P48, 000 in 1996 to P79, 000 in 2000, as a result of wage increases over the period. There was, however, a simultaneous rise in the value of assets per employee over the same period, reflecting some efficiency gains.

The ratio of non-interest income (the bulk of which comprise commissions and fees) to total income for commercial banks in Botswana stood

at around 23 percent between 1996 to 2001. However, the same ratio stood at 17.3 percent for domestic banks in Mauritius, indicating that Botswana commercial banks have a high reliance on non-interest income in comparison to Mauritius. Despite Botswana's relatively higher reliance on non-interest income vis-à-vis Mauritius, the size of non-interest income to total income has declined significantly since 1989, when it was recorded at 40 percent. This ratio could decline for a number of reasons, including, the banks ability to collude

in different areas, investment in high yielding Bank of Botswana Certificates and the existence of foreign exchange bureaus, resulting in some competition for the banks in the area of foreign exchange.

The proportion of commercial banks' assets in the form of Bank of Botswana Certificates between 1996 - 2001 averaged 23 percent. This figure compares to the proportion of banks' assets in the form of treasury bills in Mauritius, which amounts to 19 percent, over the same period. Thus, Botswana banks are relatively more reliant on the risk-free, high yielding assets. This may result in banks having less of an incentive to become innovative in the provision of banking services.

Conclusion

Commercial banks in Botswana, with their relatively high levels of profitability, charge high bank fees, which continue to increase annually. The hikes in the bank charges have not, however been implemented in conjunction with improvements in the quality of services provided. Instead, any improvements in services come with a membership fee or an additional charge (such as prestige banking offered by Barclays Bank). Despite these high fees, customers

still experience malfunctioning ATMs, spend hours queuing in banking halls, and other inefficiencies, which do not justify the fees charged. The similarity in the quality of services rendered and the structure of the bank charges across banks makes it difficult for customers to move between banks in search for better services at lower charges. This results in banks retaining their client base and continuing to hike charges.

The smallness of the banking sector and the absence of direct control by the central bank to intervene (especially with regards to bank charges) have allowed banks to impose monopolistic charges for the services rendered to customers. Although the banks avoid imposing identical charges, one can observe that the absence of a transaction charge in a particular bank is normally offset by a high charge for another transaction within the same bank, leaving the customer with very limited options. The combined effect of relatively high bank charges and unsatisfactory service standards serves to erode the country's competitiveness in the region and its attractiveness as an investment destination, as well as undermine the sustainability of the International Financial Services Centre.

The essential step towards addressing these concerns is for the banking adjudicator in conjunction with the central bank to play a more active role in the determination of bank charges. The central bank should be in a position to monitor and compare these charges with those set by other banks in the region and internationally, and challenge the validity of these charges in relation to the cost of providing the service. Such an active approach would enable the regulators to determine the motivation behind the annual increments in charges and ascertain what proportion of the increase is justified as cost recovering as opposed to unwarranted increases that result in banks earning high profits at the expense of the public. A more effective customer complaints system is required to at least ensure that customers come close to getting good value for money.

Attachment 1: CURRENT ACCOUNT (Costs inclusive of VAT)

	FNB	BARCLAYS	STANDARD	STANBIC	BANK OF BARODA
CHEQUE FEES					
Cheque book (40 pages), 2002	15.00	Free	Free	27.50	16.50
Previous year, 2001	20.00	Free	Free	20.00	10.00
Percentage change	-25%			37.5%	65%
Cheque encashment, 2002	4.00 debit fee	22.00	16.50	5.50	0.83 per P100
Previous year, 2001	4.00 debit fee	14.00	10.00	4.00	0.83
Percentage change	-	57%	65%	37.5%	-
Bank Cheque (customer), 2002	40.00 per cheque	38.50	38.50	49.50	44.00
Previous year, 2001	30.00 per cheque	35.00	35.00	40.00	25.00
Percentage change	33%	10%	10%	23.8%	76%
Bank Cheque (non-customer), 2002	65.00 per cheque	-	71.50	-	-
Previous year, 2001	60.00 per cheque	60.00	-	-	35.00
Percentage change	8%				

WITHDRAWALS					
Own ATM, 2002	1.75 per transaction	1.76 per transaction	1.65 per transaction	2.75	-
Previous year, 2001	P0.85 per P100, P0.55 subsequently (max P5)	1.50 per transaction	1.00 per transaction		
<i>Percentage change</i>	106%	17%	65%		
Over-The-Counter, 2002	4.00 debit fee	22.00 for 2000 or less	16.50	5.50 per transaction	0.83 per P100
Previous year, 2001	4.00 debit fee	14.00 for 2000 or less	10.00	4.00 per transaction	0.55 per P100
<i>Percentage change</i>	-	57%	65%	37.5%	51%
DEPOSITS (cash)					
Deposit Book, 2002	12.00	Free	11.00	14.30	Free
Previous year, 2001	10.00	free	free	13.00	Free
<i>Percentage change</i>	20%			10%	
ATM, 2002	Free	n/a	n/a	n/a	n/a
Previous year, 2001	Free				
<i>Percentage change</i>					
Over-the-counter, 2002	P0.25 per P100	8.25 per entry	7.70 per entry	0.35% of cash dep.	0.39 per P100
Previous year, 2001	P0.25 per P100	7.00 per entry	6.00 per entry	0.35% of cash in excess of P2000 per day	0.20 per P100
<i>Percentage change</i>	-	18%	28%		95%
STATEMENTS (interim)					
ATM, 2002	1.65 per statement	Free	Free	Free	-
Previous year, 2001	0.50 per statement	Free	Free	Free	
<i>Percentage change</i>	230%				
Over-the-counter, 2002	5.00 per sheet	13.20	16.50	33.00	3.30
Previous year, 2001	5.00 per sheet	12.00	10.00	15.00	2.00
<i>Percentage change</i>	-	10%	65%	120%	65%
OTHER TRANSACTIONS AND CHARGES					
Activity Fee, 2002	5.00 Service charge	8.25 per entry	7.70 per entry	5.50 per debit	
Previous year, 2001	5.00 Service charge	7.00 per entry	6.00 per entry	4.00 per debit	
<i>Percentage change</i>	-	18%	28%	37.5%	
Stop order (own-bank), 2002	10.00 per transaction	8.25	22.00	free	Free
Previous year, 2001	10.00 per transaction	free	20.00	free	Free
<i>Percentage change</i>	-		10%	-	
Stop order (other-bank), 2002	35.00 per transaction	55.00	55.00	27.50 est. fee plus 7.70 monthly fee	27.50
Previous year, 2001	35.00 per transaction	50.00	20.00	20.00 est. fee plus 6.00 monthly fee	20.00
<i>Percentage change</i>	-	10%	175%	35.4%	38%
Maintenance Fee, 2002	-	7.70 per month	7.70 per month	49.50 per month	38.50 per month
Previous year, 2001		6.00 per month	6.00 per month	40.00 per month	25.00 per month
<i>Percentage change</i>		28%	28%	23.8%	54%
Special Clearance, 2002	85.00 per clearance	82.50 per clearance	82.50	110.00	82.50
Previous year, 2001	70.00 per clearance	60.00 per clearance	60.00	70.00	50.00
<i>Percentage change</i>	21%	37.5%	37.5%	57.1%	65%

This edition of BIDPA Briefing was written by Magdeline Gabaraane (e-mail: gabaraane@bidpa.bw).

Published by BIDPA, Private Bag Br29, Gaborone, Botswana

Tel: (+267) 3971750 Fax: (+267)3971748. Website: <http://www.bidpa.bw>
While every attempt is taken to ensure the accuracy of the information contained in this document, no responsibility can be assumed for any action based thereon. The Botswana Institute for Development Policy Analysis (BIDPA) is an independent, non government research institute with two main areas of interest: development policy analysis, and capacity building. BIDPA's functions include carrying out research and consultancy in the fields of economic and social policy, as well as monitoring the performance of the economy and the management of public policy. BIDPA's clients include government international organisations, NGO's and companies.

BIDPA's Briefing is sponsored by bifm, Botswana's largest manager of pension and insurance fund assets with over P1 billion under management. Bifm encourages greater public understanding and awareness of Botswana business and economic issues and is therefore delighted to support BIDPA's Briefing, providing independent analysis and economic forecasts to business and policy makers throughout Botswana. The views expressed in this edition of BIDPA's Briefing are those of BIDPA and are not necessarily those of bifm.