

**Botswana: Report on the Observance of Standards and Codes—
Data Module—Update**

This update to the Report on the Observance of Standards and Codes—Data Module for Botswana was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on consultations with the authorities and other information available at the time it was completed on **February 24, 2004**.

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INTERNATIONAL MONETARY FUND

REPUBLIC OF BOTSWANA

Update on the Report on the Observance of Standards and Codes, 2002—Data Module

Prepared by the African Department¹

February 24, 2004

This factual update of developments since the October 2001 Report on the Observance of Standards and Codes (ROSC)—Data Module was prepared by a staff team of the International Monetary Fund on the basis of discussions with and information provided by the Botswana authorities in November/December 2003 as background documentation for the periodic consultation with Botswana. For a full description of institutions and practices relating to the exercise, it should be read in conjunction with the original report.² The recommendations in the original report remain relevant except where noted below.

The high priority recommendations from the Data ROSC mission of October 2001 covered both general and sector specific issues relating to the national accounts, consumer and producer price indexes, government finance statistics, monetary statistics, and balance of payments statistics. This report highlights progress made in each area.

General Recommendations

Some progress has been made in implementing the recommendation on data sharing and coordination among agencies. A high level *Statistics Producers Committee* (SPC) comprising one of the deputy governors at the Bank of Botswana (BoB), the head of the Central Statistics Office (CSO), and the Director of Budget Administration at the Ministry of Finance and Development Planning, supported by a technical group has been established. However, progress on the reconciliation of data sets with different accounting years has been slow.³ There is agreement at the technical level to adopt July/June as the accounting period because it matches the tax year and may facilitate business surveys, but a decision is yet to be adopted.

¹ This update was prepared by the 2003 Article IV Consultations Mission to Botswana, which was in Gaborone during November 19–December 3, 2003.

² The original report was issued as *IMF Country Report No. 02/83* of April 2002 and is available on the IMF Web site at <http://www.imf.org/external/pubs/ft/scr/2002/cr0283.pdf>.

³ The fiscal year is April/March, data on the national accounts is compiled for July/June, while the balance of payments are compiled on a calendar year basis.

National Accounts

Progress on quarterly national accounts data has been much slower because of poor response rates to the surveys. In addition, CSO's ability to follow up has been limited by available resources.

The implementation of the *System of National Accounts 1993 (1993 SNA)* was completed for the *International Standard Classification of all Economic Activities Revision 3 (ISIC 3)* starting from the 1996/97 national accounts, while technical assistance is being sought to fully implement the *1993 SNA*. The authorities report that *Centre Européen pour la Statistique et le Développement (CESD) Communautaire*, a nongovernmental organization (NGO) based in Luxembourg, is providing technical support on the use of *ERETES* software. The production of producer price index (PPI) was suspended until the consumer price index (CPI) is rebased to 2002/03. The national household survey, which is to feed the PPI, has been contracted to a consultant.

Consumer Price Index and Producer Price Index

The review of the PPI is tentatively planned for the first quarter of 2004. The authorities hope to use the opportunity of the IMF technical assistance being planned for the General Data Dissemination System (GDDS) project to obtain further technical inputs necessary for the finalization of the PPI.

Government Finance Statistics

Monthly budgetary government statistics are currently being disseminated to users immediately after compilation, and there is currently a two-month lag in the production of central government accounts. Though debt data are still produced on an annual basis and published in the annual statement of accounts, it has been agreed that after reconciling debt figures from the Public Debt Service Unit and the Commonwealth Secretariat Debt Recording Management System, the debt data should be made available on a quarterly basis generated from the system.

Monetary Statistics

The implementation of the recommendation for the electronic transmission of the Bank of Botswana's monthly balance sheet to the Monetary Statistics Section as soon as it is processed rather than awaiting audit commenced in October 2001, but could not be sustained for the whole of 2002 because of system breakdown. Electronic submissions started again in March 2003.

The recommendation on residency of accounts holders has not been implemented because the issues raised by representatives of commercial banks could not be fully addressed. Assistance is being sought from the Fund on how to address the banks' concerns.

Balance of Payments

The balance of payments is conducting pilot quarterly balance of payments surveys, but the generation of the quarterly balance of payments is being hampered by the lack of up-to-date trade data for imports. The authorities have encountered teething problems with generating trade data through the automated system for customs data (ASYCUDA) and have decided to maintain the manual processing of trade statistics until the ASYCUDA-related problems are resolved. During this transition period, the lags in compiling trade data are considerable and the authorities have requested Fund technical assistance to address some of the unresolved issues. The survey on the other data in the balance of payments has been concluded.