Botswana

key figures

• Land area, thousands of km^2	582
• Population, thousands (2005)	1 765
• GDP per capita, $ PPP valuation (2005/06)	10 755
• Life expectancy (2000-2005)	36.6
• Illiteracy rate (2005)	18.6

All tables and graphs in this section are available in Excel format at:
http://dx.doi.org/10.1787/535357406726

Botswana

Botswana

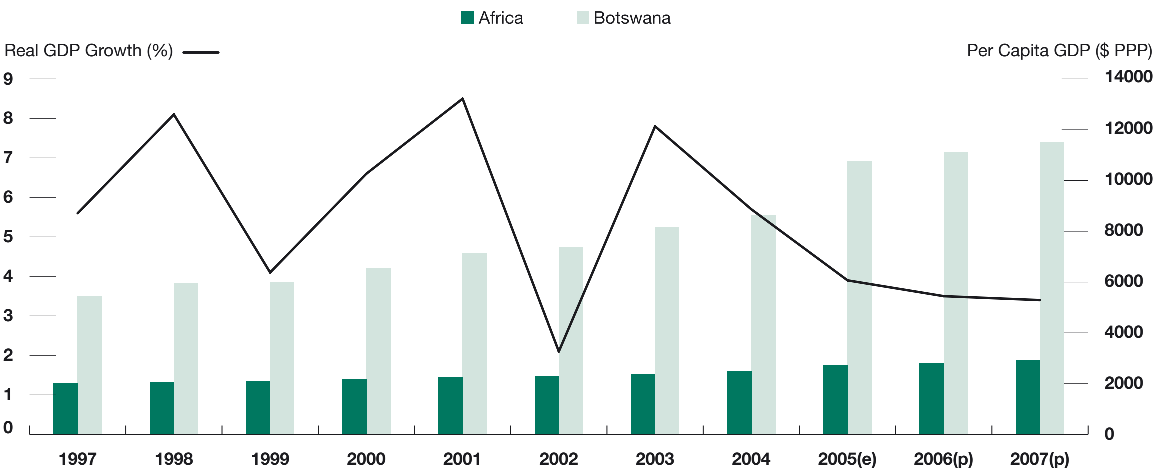
SOUND MACROECONOMIC POLICIES and prudent use of diamond revenues have made Botswana one of the fastest-growing countries in the world over the last 25 years, and it has now achieved middle-income status. Despite the government's efforts, however, the economy remains highly dependent on diamond exports, and the country continues to suffer from one of the highest HIV/AIDS infection rates in the world.

Botswana has an enviable record of political stability and economic achievement. Economic growth has slowed recently to about 4-5 per cent but remains satisfactory. In order to raise the growth rate to 7-8 per cent, as envisaged in the country's Vision 2016 plan, the government of Botswana is continuing with reforms aimed at diversifying production and exports away from diamonds. The 12 per cent devaluation of the pula at the end of May 2005 was controversial, but could give a boost to non-traditional exports. For the fifth consecutive year, the country has been rated as the least corrupt country in Africa and has the highest sovereign credit rating on the continent. To date, however, exports remain overwhelmingly dependent on diamonds and a few other minerals. Moreover, some structural reforms are lagging behind, notably with regard to privatisation and the labour market, and the World Bank recently rated the business climate in Mauritius, Namibia and South Africa as more favourable than that in Botswana[1]. The devaluation has also entailed a temporary surge in inflation.

Serious long-term development challenges remain despite current satisfactory growth.

Botswana faces serious long-term development challenges, notably its high rates of HIV/AIDS infection, poverty and unemployment. Although the HIV/AIDS prevalence rate has started to level off, thanks to sustained efforts by the government, the proportion of infected persons remains very high. Unemployment currently stands at 24 per cent, and about one-third of the population lives on less than $1 a day. Poverty reduction

Figure 1 - Real GDP Growth and Per Capita GDP
($ PPP at current prices)



Source: Bank of Botswana and IMF data; estimates (e) and projections (p) based on authors' calculations.

1. Economist Intelligence Unit, Country Report on Botswana, December 2005.

and employment growth are contingent on further progress in diversification into more labour-intensive activities, as well as in combating HIV/AIDS.

Recent Economic Developments

Real GDP growth decelerated to 3.9 per cent in 2005/06, below the 5.7 per cent recorded in the preceding fiscal year. These overall growth outcomes reflected divergent trends in the mining and non-mining sectors. In 2004/05, the mining sector grew by nearly 7 per cent, this impressive growth rate being largely due to efficiency gains from the new Damtsha diamond mine near Orapa, as well as the Phoenix nickel and Mupane gold mines, while the non-mining sector grew by 5.1 per cent, held back by the appreciation of the real exchange rate and slow implementation of important policy reforms. In 2004/05, however, the growth in the mining sector is estimated to have slowed to around 2 per cent, while non-mining growth surged to 5.7 per cent. Real GDP growth is forecast to decrease slightly to a rate of about 3.5 per cent in 2006/07, owing to slow growth in mining activities. It is expected, however, that the recent devaluation of the pula and the introduction of a crawling peg exchange-rate system will restore the international competitiveness of the economy, setting the stage for the diversification efforts to bear fruit.

Mining accounts for about one-third of GDP, 90 per cent of export earnings and over 45 per cent of government revenue. Diamonds, in turn, are by far the most important mining sub-sector, generating 90 per cent of mining exports and 80 per cent of total exports.

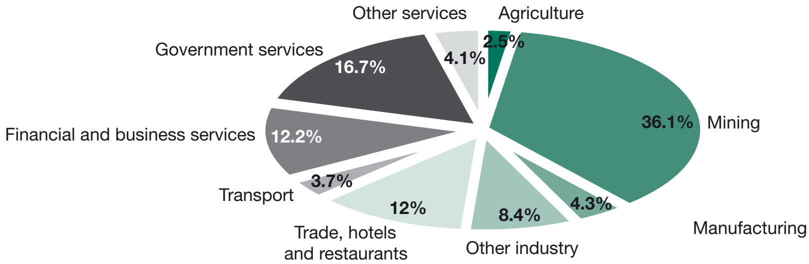
The share of mining has been declining, however, from over half of GDP in the late 1980s, with services filling the gap. Services accounted for 45 per cent of GDP in 2003/04, led by general government services at over 16 per cent of GDP, trade and hotels at 12 per cent and financial services at 12 per cent.

Tourism, although it contributes only 4 per cent to GDP, is Botswana's second-largest source of export earnings after diamonds, and a promising source of growth and employment, especially in rural areas. In 2004, the government initiated a new tourism policy, seeking to attract a more diverse range of tourists and to direct more of the benefits to rural communities. The listing of two tourism firms, AfriTourism Limited and Chobe Holdings, on the Botswana Stock Exchange is indicative of the emergence of Botswana's tourism industry. Another firm, Okavango Wilderness Safari, has been admitted to Botswana's International Financial Services Centre. The telecommunications sub-sector also expanded strongly in 2003/04, with mobile telephone services growing by over 15 per cent.

Agriculture, which was the largest sector when Botswana gained independence, now contributes only 2 per cent of GDP. Agricultural production was adversely affected in 2005 by drought, which hampered production of food crops.

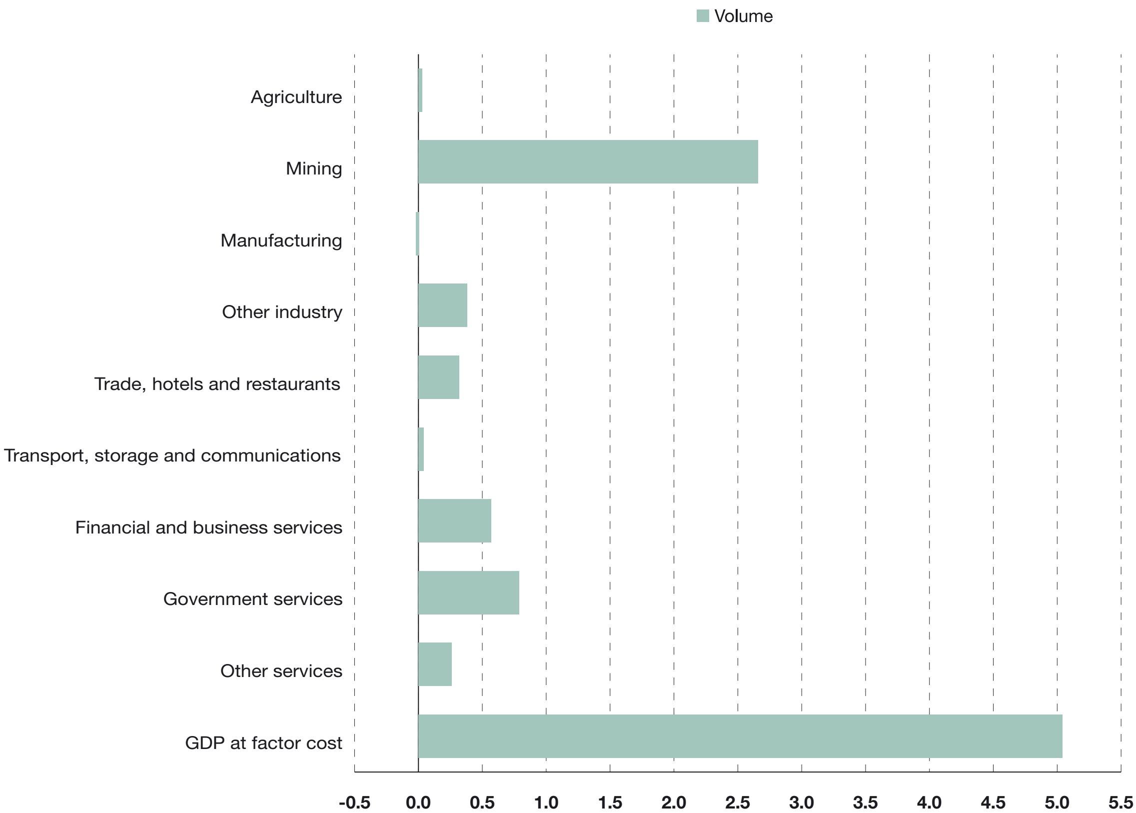
The manufacturing sector has also performed poorly, despite the efforts of the Botswana Export Development

Figure 2 - **GDP by Sector in 2004** (percentage)



Source: Authors' estimates based on Bank of Botswana data.

Figure 3 - **Sectoral Contribution to GDP Growth in 2004** (percentage)



Source: Authors' estimates based on Bank of Botswana data.

and Investment Agency (BEDIA) to spur diversification. Manufacturing currently contributes less than 4 per cent of GDP, well below its 7 per cent share during the 1970s. Manufacturing is largely limited to a narrow range of activities, such as meat products, beer, textiles and garments, tannery and leather products, glass and information technology products, the latter including electronics, cell phone assembly and related products.

Private consumption, private investment and net exports all contributed to the slowdown in economic activity in 2004/05. The unplanned increase in the

Table 1 - **Demand Composition** (percentage of GDP)

	1996/97	2001/02	2002/03	2003/04	2004/05(e)	2005/06(p)	2006/07(p)
Gross capital formation	**26.0**	**26.2**	**29.2**	**30.0**	**31.8**	**32.8**	**33.3**
Public	12.5	11.9	11.1	10.5	11.0	11.0	10.8
Private	13.5	14.3	18.2	19.5	20.8	21.9	22.5
Consumption	**56.5**	**61.9**	**60.4**	**62.5**	**62.6**	**61.8**	**61.2**
Public	26.6	33.1	33.1	34.3	35.2	35.1	34.8
Private	30.0	28.8	27.2	28.1	27.4	26.7	26.4
External sector	**17.5**	**12.0**	**10.4**	**7.5**	**5.6**	**5.3**	**5.5**
Exports	55.7	48.8	43.9	39.8	38.7	40.2	40.2
Imports	-38.2	-36.8	-33.5	-32.2	-33.1	-34.9	-34.6

Source: IMF data; estimates (e) and projections (p) based on authors' calculations.

fiscal deficit, on the other hand, exerted a stabilising influence on demand.

Total gross domestic investment increased to 31.8 per cent of GDP in 2004/05, from 30 per cent in 2003/04, as private investment slowed less than overall GDP growth. Public investment also increased marginally from 10.5 per cent to 11 per cent of GDP during the same period. Domestic consumption rose marginally from 62.5 to 62.6 per cent of GDP between 2003/04 and 2004/05, while net exports declined from 7.5 per cent of GDP in 2003/04 to 5.6 per cent in 2004/05 as import growth outpaced export growth.

Macroeconomic Policies

Fiscal Policy

Macroeconomic policy in Botswana is guided by Vision 2016, a policy paper that sets ambitious goals for economic growth and poverty reduction. These goals are reflected in a series of national development plans, with the current 9th Plan (NDP9) covering the 2003-09 period. The NDP9 continues to stress macroeconomic stability and financial discipline as necessary conditions for long-term growth and poverty reduction.

The government aims to balance the budget over the NDP9 period, but it recorded a deficit in 2004/05 for the fourth consecutive fiscal year. The fiscal deficit for the year amounted to 1.8 per cent of GDP, whereas the government had anticipated a surplus of around 2.8 per cent of GDP. Slower than expected growth in both 2003/04 and 2004/05 entailed lower than expected tax revenues, particularly from non-mineral business income taxes and value added tax. Increased government expenditure on social services, including HIV/AIDS programmes, also contributed to the budget deficit. Total expenditure is estimated to have increased by 10.2 per cent in 2004/05, up from 8.9 per cent in 2003/04. Although the authorities are concerned about the recent budget deficits, they are facing pressure for additional spending on HIV/AIDS treatment and prevention and on deferred annual pay increases to public sector workers.

Table 2 - **Public Finances** (percentage of GDP)

	1996/97	2001/02	2002/03	2003/04	2004/05(e)	2005/06(p)	2006/07(p)
Total revenue and grants[a]	**41.7**	**39.8**	**39.0**	**42.9**	**42.9**	**42.9**	**42.5**
Tax revenue	29.3	33.2	33.4	36.9	37.0	37.0	36.7
Grants	0.5	0.2	0.2	0.5	0.4	0.4	0.4
Total expenditure and net lending[a]	**33.9**	**42.8**	**42.8**	**43.6**	**44.7**	**44.7**	**45.0**
Current expenditure	22.4	31.1	31.5	34.6	35.3	35.2	35.0
Excluding interest	*21.9*	*30.8*	*31.3*	*34.3*	*35.1*	*35.0*	*34.8*
Wages and salaries	7.8	12.3	10.7	10.4	10.1	9.7	9.5
Interest	0.5	0.3	0.2	0.3	0.2	0.2	0.2
Capital expenditure	12.6	11.6	10.4	10.0	10.4	10.4	10.3
Primary balance	**8.3**	**-2.7**	**-3.6**	**-0.4**	**-1.5**	**-1.6**	**-2.4**
Overall balance	**7.7**	**-3.0**	**-3.8**	**-0.7**	**-1.8**	**-1.8**	**-2.6**

a: Only major items reported.
Source: Domestic authorities' data; estimates (e) and projections (p) based on authors' calculations.

Monetary Policy

Monetary policy in Botswana aims to achieve both low inflation and a stable real exchange rate to enhance international competitiveness. In 2005, the Bank of Botswana (BoB) lowered its target range for inflation to 3-5 per cent, from 3-6 per cent in 2004, in part because of lower inflation in Botswana's trading partners, mainly South Africa. The declining trend in inflation in early 2005 allowed the BoB to cut its rediscount rate by 25 basis points to 14 per cent in April. The continued oil price increases, however, coupled with the 12 per cent devaluation of the pula at the end of May 2005, pushed inflation up in 2005 to an average of 7 per cent, well above the BoB's target range. Core inflation stood at 7.4 per cent. Much of the increase in inflation reflected the pass-through of the devaluation, with an 8.7 per cent year-on-year increase in the cost of imported goods in mid-2005.

Following the devaluation, a crawling peg exchange-rate mechanism was instituted, under which the pula's value is linked to a basket of currencies of Botswana's main trading partners (the South African rand accounts for around 70 per cent of the basket) and allowed to adjust gradually, with the goal of avoiding large discrete changes. This policy is generally aimed at achieving a stable and competitive real exchange rate. Since mid-2000, the real effective exchange rate of the pula has appreciated relative to its long-term average level, adversely affecting competitiveness. The devaluations of February 2004 and May 2005, and the subsequent introduction of the crawling peg system, were aimed at restoring international competitiveness and stimulating non-traditional exports of goods and services such as tourism, textiles, financial services and horticulture.

External Position

As noted earlier, diamond exports continued to account for around 80 per cent of total export earnings in 2004/05. The other main export products are copper and nickel (5 per cent of total exports), textiles (3 per cent), beef (2 per cent) and soda ash (1.5 per cent). Total exports in real terms (constant 2000 prices) grew by 4 per cent to \$2.867 billion in 2004, up from \$2.756 billion in 2003. Real imports grew by the same percentage, from \$1.965 billion in 2003 to \$2.044 billion in 2004. Both exports and imports are estimated to have increased considerably during 2005, with the growth of imports outstripping that of exports due to higher import prices resulting from the February 2004 devaluation of the pula and increasing world oil prices. The current account surplus increased from \$797 million in 2003 to \$917 million in 2004 (7.7 per cent of GDP), but it is expected to narrow slightly in 2005 to around 7.5 per cent of GDP. In addition to the trade surplus, the current account surplus reflected an increase in net current transfers – largely official aid – from \$287 million in 2003 to \$491 million in 2004.

In recent years, Botswana's capital account has been nearly balanced, with a surplus of \$22 million in 2003 falling to a mere \$4 million in 2004, resulting in an overall balance-of-payments surplus (current account plus capital account plus net errors and omissions) of \$801 million in 2004, up from \$172 million the previous year. The decline in the capital account surplus was largely due to net outflows of foreign direct investment (FDI) worth \$221.7 million in 2004, leading to a negative FDI figure in the balance of payments. This was the second time in four years (the other being in 2001) that FDI outflows outweighed inflows.

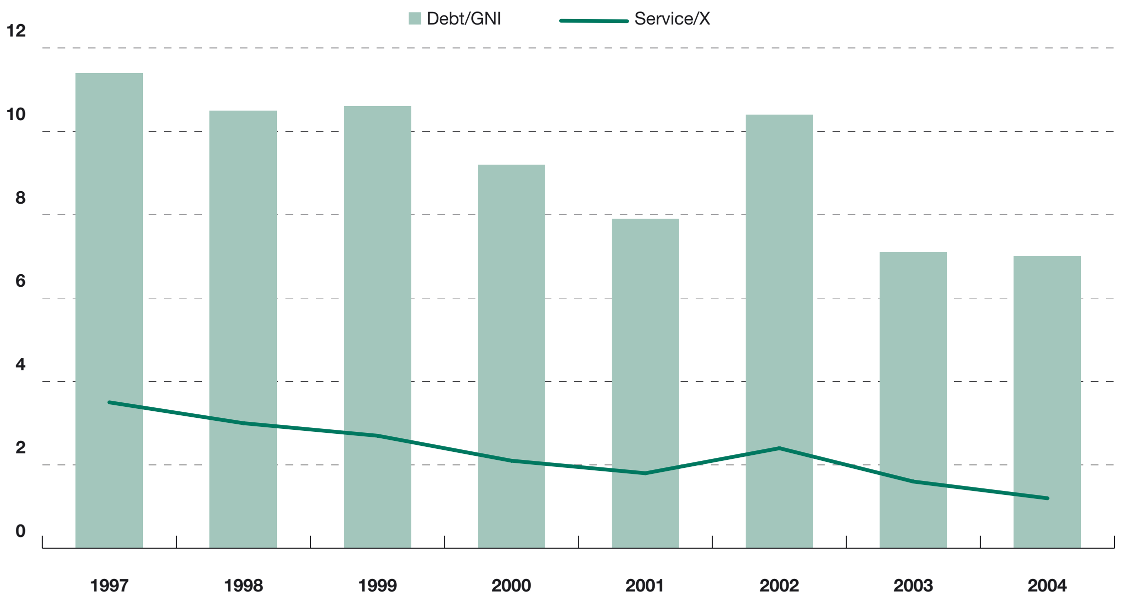
Botswana's foreign reserve holdings at end-2005 were estimated at around \$6 billion, a more than adequate level equivalent to more than two years of imports.

Table 3 - **Current Account** (percentage of GDP)

	1996/97	2001/02	2002/03	2003/04	2004/05(e)	2005/06(p)	2006/07(p)
Trade balance	18.2	10.2	7.0	5.1	3.5	3.3	3.7
Exports of goods (f.o.b.)	51.6	40.7	34.8	31.4	30.7	32.1	32.3
Imports of goods (f.o.b.)	-33.4	-30.5	-27.7	-26.2	-27.1	-28.8	-28.6
Services	-4.7	-0.4	0.5	-0.2			
Factor income	-3.0	-13.8	-3.6	-2.9			
Current transfers	4.1	4.3	4.2	5.7			
Current account balance	**14.6**	**0.3**	**8.1**	**7.7**			

Source: Domestic authorities' data; estimates (e) and projections (p) based on authors' calculations.

Figure 4 - **Stock of Total External Debt** (percentage of GNI) **and Debt Service** (percentage of exports of goods and services)



Source: IMF and World Bank.

Botswana's trade policy is largely determined by its membership in the Southern African Customs Union (SACU) and the Southern African Development Community (SADC). Under the SACU agreement, all trade negotiations or agreements between Botswana and third parties must be accepted by the SACU. The SADC Trade Protocol, which came into effect in September 2000, envisaged the creation of an SADC free trade area by 2005. The current negotiations for an Economic Partnership Agreement between SADC and the European Union, launched in 2004, will play a key role in shaping Botswana's future trade policy in terms of tariff reforms, mainstreaming of trade into the country's national development strategy, trade-related investment measures (TRIMS) and trade-related intellectual property rights (TRIPS).

Botswana has also benefited from the United States' African Growth and Opportunity Act (AGOA), which provides duty-free access to the US market for over 65 000 products from eligible African countries, notably textiles and clothing. Initially, Botswana was classified as a middle-income country and therefore excluded from the AGOA provisions on textiles. In August 2002, however, the United States amended these provisions (AGOA II), allowing Botswana's textiles and garments to gain duty-free access to the US market. Botswana has been quite successful in attracting foreign investment in textiles and clothing for export to the United States under AGOA. However, the phasing out of the Multi-Fibre Arrangement (MFA) on textiles and clothing on 31 December 2004, which eliminated quotas on Asian exporters, has diminished the benefits of the AGOA to Africa.

The government of Botswana attaches high priority to attracting FDI. In 2004, the Botswana Export Development and Investment Authority (BEDIA) was established to increase FDI inflows. To date, BEDIA has helped to bring 20 companies employing a total of 4 400 people to Botswana. During the 2004/05 financial year alone, six companies started operations in the garment, milling, and wire manufacturing industries, and five more are expected to start up in Botswana in 2005/06. BEDIA also assists local investors through technical assistance on quality control, marketing and access to foreign markets. It should be recalled, however, that the value of these FDI flows is low.

Structural Issues

Recent Developments

The main policy goal of Botswana's NDP9 is to increase diversification of the economy to reduce dependence on diamonds and to foster employment in industries that use more labour. A mid-term review of the NDP9 carried out in 2005 revealed that the results in terms of economic growth and diversification were mixed and have fallen short of the NDP9 targets. The government is re-focusing its policies and strategies with a view to achieving these targets, including in the area of infrastructure provision.

Transport Infrastructure

One of the main impediments to higher growth through diversification of production and exports is the lack of essential infrastructure, including transport infrastructure, telecommunications, finance and energy.

As a land-locked country, Botswana is heavily dependent on road connections. The total road network is estimated at around 24 455 km, of which primary and secondary roads account for 8 916 km. Of the latter, 6 116 km are paved, 1 501 km are gravelled, and the remaining 1 299 km are dirt or sand roads. Fifty per cent of the road network, mainly highways, is overseen by the central government.

Funding for maintenance has been insufficient, giving rise to a maintenance backlog of 1 792 km; as a result, the existing road network is deteriorating, with some of the deterioration reaching a critical state. The following roads require reconstruction: Sekoma-Kokotsha, Sua Junction-Sua Pan, Nata-Kazungula, Nata-Gweta, Kang-Kukuntsi and Selebi Phikwe-Martins Drift.

Access to road transport services has improved in terms of waiting time and walking distances, but there is room for further improvement, especially in urban public transport. A number of roads and bridges are currently in various stages of preparation or construction.

The roads connecting Botswana to neighbouring countries are generally inadequate, but some of them are being improved. For instance, a bridge is under construction on the Kazungula road near the Zambian border. The four roads connecting Botswana and South Africa are inadequate for handling the heavy flow of traffic between the countries. Consultations are in progress on a memorandum of understanding regarding the design, construction and maintenance of roads and bridges along the border. Botswana has also signed a memorandum of understanding with Zimbabwe on construction of border bridges.

In view of the constraints on resources, the new strategy of the Ministry of Works and Transport emphasises public-private partnerships (PPPs) as a way of raising additional finance for road construction and improving efficiency. The Public Enterprise Evaluation and Privatisation Agency (PEEPA) is developing operational guidelines and procedures for use in implementing PPP projects. Currently, all of the central government's road building and regular maintenance, and 55 per cent of routine maintenance projects, are outsourced to the private sector. In addition, alternative methods for financing the construction and maintenance of roads, such as tolls, will be pursued under NDP9. A decision has been taken to set up toll gates along the A1 (Ramokgwebana-Ramatlabama) and A2 (Trans-Kalahari) highways in 2006/07. Other toll gates will be established on other roads during the rest of the NDP9 cycle.

Donors have funded much of the investment in roads in Botswana; for example, the Trans-Kalahari highway was partly funded by the African Development Bank. Historically, the share of donor funds in road investment was 90 per cent, but this has now declined dramatically to 50 per cent, with the government currently contributing the remaining 50 per cent.

Rail transport in Botswana is under-utilised because tracks and equipment are old and in poor condition. To improve rail service delivery and its public image, Botswana Railways adopted a five-year investment plan (2003-08). This entails undertaking the following new projects under NDP9: replacement of signalling and telecommunications systems; major overhaul of locomotives, wagons and coaches; rationalisation of operations and services; and drainage improvement for bridges and culverts. If completed successfully, these improvements will considerably enhance the safety, competitiveness, and quality of service and the overall financial viability of the railways.

Air transport is the only mode of transport that has experienced strong growth. The annual average growth rate of the air transport sector over the 2001-04 period was 8.5 per cent, contrasting sharply with the road transport sector, which recorded a negative annual average growth of 4.1 per cent over the same period. Despite the impressive growth of the air transport sector, airports and air traffic control in Botswana need to be improved to keep pace with increased traffic and modern standards. Some of the country's regional air traffic control systems are obsolete. The recent installation of very high frequency (VHF) equipment at two airports (Hukuntsi and Shakawe) has greatly improved communication between pilots and air traffic controllers, but other airports lack modern equipment. The equipment needed includes flight information display systems, closed-circuit television systems, baggage screening devices, anti-hijacking systems, public address systems and visual electronic signs.

The government is considering the establishment of an autonomous Civil Aviation Authority during the remainder of the NDP9 cycle. It is also liberalising air travel services in line with the SADC protocol on transport, communications and meteorology. Major airport development projects are planned, including upgrading and improvement of the Sir Seretse Khama Airport and the Maun, Kasane, Francistown and Shakawe airports, as well as the design and construction of Ghanzi airport. The government also intends to relocate some airfields, construct a National Civil Aviation Training Institute and resurface some existing airfields.

The state-owned Air Botswana has a fleet of three ATR42-500 turboprop aircraft and one BAe 146-100 aircraft. This fleet cannot meet Botswana's growing demand for air travel. No major new routes have been developed since the airline was restructured in 1994/95. Air Botswana has recently produced a five-year business plan for 2005-10, which seeks to position the airline as a strong regional carrier with an expanded network of services. The plan envisages the involvement of private operators who own small aircraft, as traffic on the domestic routes is very thin. The domestic routes already contracted to third parties include Francistown-Kasane and Francistown-Maun. At the regional level, the Maun-Victoria Falls and Johannesburg-Mashatu routes have been contracted out to third parties as well.

To reinforce its inadequate fleet, Air Botswana is planning to lease a second BAe 146 jet starting in 2005/06. This effort is required to face the challenges resulting from the liberalisation of the air transport market between Botswana and South Africa. The cargo market between the two countries is already completely open, and the passenger market is to follow by 2007. This poses a serious threat to Air Botswana, but it also provides an opportunity to penetrate the larger South African market, provided the airline acquires better aircraft.

Political and Social Context

Botswana has an impressive track record of peaceful succession through free and fair elections held every five years. The latest elections took place in October 2004, returning President Festus Mogae and his party, the Botswana Democratic Party (BDP), to power. Botswana is a multi-party democracy with a parliamentary system of government. In the last election, the ruling BDP won 44 out of the 57 parliamentary seats, with the remainder going to the opposition parties. The opposition parties are weak, fragmented and unable to co-operate, and as a result many voters have lost confidence in them. The ruling BDP is also now divided into two rival factions as the party searches for a successor to President Mogae in 2008. Female participation in politics is very limited despite the high level of gender equality in Botswana. At present, there are four women members of parliament, a mere 7 per cent of the total. This figure is far below the 30 per cent target established by the SADC protocol. In other branches of government, female representation averages 20 per cent.

Despite its excellent economic performance, Botswana faces the serious development challenges of high levels of poverty, high rates of unemployment and the HIV/AIDS pandemic. The recent status report on progress towards the Millennium Development Goals (MDGs) shows that the country has made much progress in achieving many of these goals, including those relating to poverty reduction. Nonetheless, the incidence of absolute poverty is still high. According to Botswana's Household Income and Expenditure Survey of 2003, the proportion of people living below the poverty line fell from 47 per cent in the early 1990s to around 30 per cent in 2003. Poverty is worse in rural areas, particularly among traditional hunting tribes. Poverty is also high among households headed by women, as traditional customs discriminate against them in areas such as inheritance. Traditionally, wealth in the form of cattle is passed from father to sons, not daughters, which makes it difficult for women to accumulate wealth. The government has instituted several social safety nets, however, including pensions, orphanages, war veteran allowances and relief funds for periods of drought.

Unemployment, estimated at 24 per cent of the labour force, is closely connected to poverty. While the unemployment rate in Botswana is high, it is much lower than in most countries in southern Africa, except for Mauritius. The problem is most prevalent among youth, notably secondary school dropouts. The unemployment rate among junior secondary school dropouts in the 15-19 age group is 75 per cent, and that for senior secondary school dropouts in the 20-24 age group, 60.4 per cent. Unemployment is also gradually increasing among university graduates with no work experience or job-specific skills. This also suggests, however, that the labour market in Botswana is not adjusting quickly enough to the rapidly changing demographic situation. The government is committed to introducing educational programmes that will impart skills and training to prepare students for employment in the private sector, which has become increasingly skill-intensive.

The other major development challenge facing Botswana is the HIV/AIDS pandemic. The pandemic is imposing high budgetary expenditures for treatment as well as disabling a sizeable part of the workforce, thus reducing employment and output. The government has developed a comprehensive national strategic framework (NSF) for HIV/AIDS, with the objective of an HIV-free generation by 2016. The three-pronged strategy of prevention, care and treatment has started to show positive results, but additional efforts are necessary if the NSF goals are to be reached. The proportion of the sexually active 15-49 age group living with AIDS appears to have stabilised at a very high rate of 35 per cent. While the increased government expenditure on the NSF is important, reducing the incidence of HIV infection also requires behavioural change. In this regard, the government's efforts are being complemented by non-governmental organisations, notably the US-based Global Fund, which recently allocated $18.5 million to be used over a two-year period for prevention, care and social support for those who are at risk of being or are already infected with HIV/AIDS. This initiative will also support alternative approaches such as hospice care, day-care centres and community-based counselling centres. Additional support is also being provided by national, bilateral and multilateral donors.

Despite these challenges, Botswana has made significant progress towards achieving some of the MDGs, including universal education and gender equality. According to national sources, the country has already achieved the 100 per cent target for primary school enrolment and a 100 per cent transition rate from primary education to junior secondary education. Secondary school enrolment is currently above 90 per cent, and the immediate focus is on raising it to 100 per cent within the next few years. The government is also striving to improve the quality of education at all levels, with strong emphasis on technical, management and vocational education. With respect to gender equality, Botswana has already surpassed its targets in primary and secondary education, with a net enrolment ratio for girls greater than that for boys. The female literacy rate also exceeds the male rate. Despite these impressive statistics, women remain relatively disadvantaged in terms of access to social services and economic opportunities, and they are also disproportionately afflicted with HIV/AIDS.