

Key highlights of Botswana Budget 2025/26

Presented by Vice President Hon. Ndaba N Gaolathe, MP and Minister of Finance



SMART SPENDING | RESTORING STABILITY

#UnderTheNewUmbrella

INFLATION AS AT
DEC 2024



IMPORT COVER (MONTHS)

FOREX RESERVE AS AT
NOV 2024 (BWP)



2025/26 BUDGETED REVENUE
AND GRANTS (BWP)

2025/26 DEVELOPMENT
BUDGET (BWP)



2025/26 RECURRENT
BUDGET (BWP)

2025/26 BUDGET
DEFICIT (BWP)



2025/26 GDP GROWTH RATE



Social development

Tandabala monthly allowance increased to P1,400. Monthly allowance of P300 for newborns for the first year

Free sanitary pads for female students

Expansion of digital connectivity, 500 schools to be connected to the internet

Reforming education to align with industry needs by boosting Technical and Vocational Education and Training (TVET)

Health service optimisation by restructuring Central Medical Stores (CMS)

Universal health coverage through mandatory national health insurance scheme

Infrastructure, innovation and digital transformation

Turnkey mega projects introduced, including Chobe-Zambezi Water Transfer Scheme and a new railway corridor

National policy on agriculture development to be aligned with new strategic focus

Public-Private Partnership (PPP) policy to be finalised

Implementation of Village Connectivity Programme (1,000 public facilities)

Digitisation of Government revenue collection by Bank of Botswana is at an advanced stage

Digitisation of work and residence permit system to go-live in current year

Fiscal legislation and oversight

Corporate Income Tax rate increased by 1.5% to 23.5%. Personal income tax rate in the top-bracket increased by 1.5% to 26.5%

Proposal to introduce VAT on digital trade, develop an electronic VAT invoicing system, and develop a track-and-trace system to enhance compliance with excise regulations

Automation of advance rulings of duty rates

Tax Administration Act to harmonise VAT and Income Tax Act

Creation of Sovereign Wealth Fund to preserve national wealth for future generations

National Fund of Funds to improve access to funding in priority sectors

Strengthening oversight institutions to combat corruption and operational inefficiency

Feasibility study on the establishment of commercial dispute resolution framework completed, and commercial courts to be established

Public procurement data portal expected to provide real-time data accessible to all stakeholders

High-impact project prioritisation process to optimise resources and enhance alignment with strategic objectives



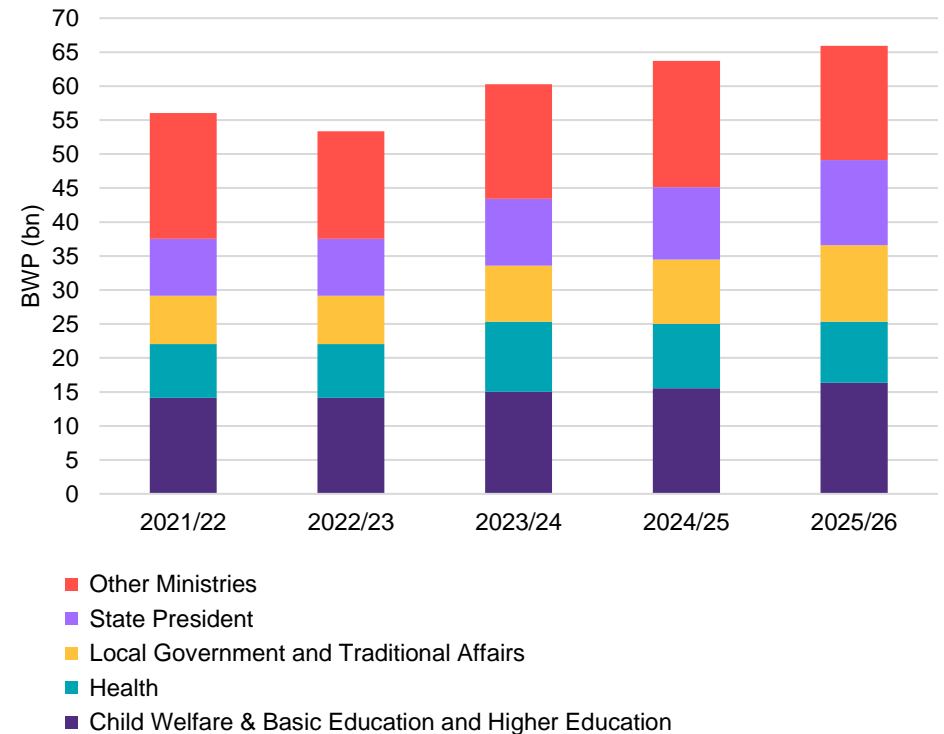
Kalyanaraman Vijay
Managing Partner
Grant Thornton Botswana

“Botswana budget 2025/26 prioritises infrastructure, digital transformation, innovation, and private sector partnership for sustainable investment and growth. Stronger governance and transparency are key to ensuring that resources are effectively utilised to enhance quality of life and develop a resilient and diversified economy.”

Ministerial recurrent budget allocation 2025/26

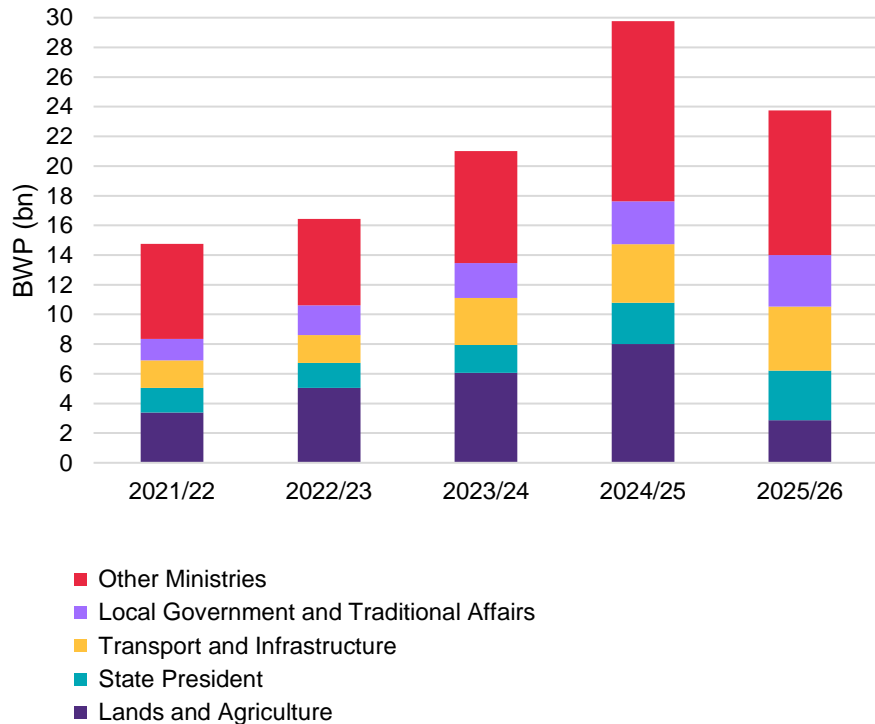
The Ministerial recurrent budget for 2025/26 is P65.95 billion, a 3.5% / P2.21 billion increase from the 2024/25 budget

- The Ministry of State President (formerly 'Ministry of Defence and Security') is allocated the largest portion of the budget at P12.55 billion, which is 19% of the budget and a 17.8% increase from P10.65 billion allocated in the prior budget period. A significant portion of the budget (78%) will go to the operational costs for Botswana Police Service (BPS), Botswana Defence Force (BDF), Drug Enforcement Agency (DEA) and the Chemical, Biological, Radiological and Nuclear Weapons Management Authority (CBRNWMA).
- The second largest individual Ministerial allocation goes to Ministry of Child Welfare and Education at P11.68 billion, which is 17.7% of the budget. The Ministry of Higher Education is allocated P4.66 billion, bringing the total Education budget allocation to P16.34 billion, a 5.1% increase from P15.54 billion allocated to the former 'Ministry of Education and Skills Development'.
- The Ministry of Local Government and Traditional Affairs (formerly 'Ministry of Local Government and Rural Development') is allocated the third largest budget at P11.27 billion, which is 17.1% of the budget, up from P9.48 billion in the prior period. The increase follows a decentralisation of certain services to improve service delivery. The major budgetary provision goes to revenue support grants to district and urban councils, which accounts for 46.5% of the Ministry's proposed recurrent budget.
- The fourth largest share of the budget at P8.98 billion has been allocated to the Ministry of Health. The proposed allocation represents a decline of 5.1% from the prior budget period, mainly due to the transfer of primary health care to the Ministry of Local Government and Traditional Affairs. The budget allocation also provides for Public Officers' Medical Aid Scheme, procurement for laboratory supplies and equipment, medical and surgical equipment, vaccines, drugs including ARVs and fees for medical specialists.



Recurrent budget	BWP (bn)	%
Child Welfare & Basic Education and Higher Education	16.34	25%
State President	12.55	19%
Local Government and Traditional Affairs	11.27	17%
Health	8.98	14%
Other Ministries	16.81	25%
Total	65.95	100%

Development budget allocation 2025/26



Development budget	BWP (bn)	%
Transport and Infrastructure	4.31	18.1%
Local Government and Traditional Affairs	3.48	14.7%
State President	3.33	14.0%
Lands and Agriculture	2.88	12.1%
Other Ministries	9.75	41.1%
Total	23.75	100%

The Development budget for 2025/26 is P23.75 billion, a 20.2% decrease from P29.77 billion allocated in the 2024/25 budget

- The distribution of the national development budget across priority areas comprises: P11.54 billion for modernising and transforming infrastructure; P9.81 billion for improving quality of life; P1.47 billion for innovation and digital transformation; and P0.93 billion for supporting private sector led growth.
- The budget places a significant emphasis on infrastructure development, with the Ministry of Transport and Infrastructure allocated the largest portion of the budget at P4.31 billion, which is 18.1% of the development budget, 9.1% higher than the prior year. The allocation will fund the construction of road networks and cater for aviation and rail projects.
- The second largest allocation is to the Ministry of Local Government and Traditional Affairs at P3.48 billion which is 14.7% of the budget, and a 20.4% increase from prior year. The allocation will cater for different programmes including social welfare, local Government infrastructure and services, development of primary education services and tribal administration infrastructure development.
- The third largest allocation is to the Ministry of State President at P3.33 billion, which is 14.0% of the development budget and a 19.8% increase, year on year. The larger portion of the budget will be used to strengthen security departments. The budget will also be used to fund projects that will facilitate village connectivity to accelerate access to the digital space. In addition, the budget will facilitate development of the creative industry and contribute to employment creation, especially for the youth.
- Ministry of Lands and Agriculture is allocated P2.88 billion, which is 12.1% of the development budget. The allocation is a notable 61% decrease from the P8.01 billion allocation in the prior budget year.

Data Protection Act 2024: a must-know for businesses in Botswana

Data Protection Act 2024 (DPA) is designed to protect everyone, not just businesses. It gives individuals the right to control their personal data - empowering them to make informed decisions about how their data is used.

DPA marks a significant step towards ensuring that individuals' personal data is handled responsibly and securely across Botswana. In an increasingly digital world, where data is constantly being shared, stored, and transferred, it is crucial that personal data is protected to prevent misuse, identity theft, and unauthorised access. By complying with the Data Protection Act 2024, your business not only ensures that it is legally compliant but also demonstrates its commitment to privacy rights and ethical data handling.

7 principles of DPA

Lawfulness and fairness: Personal data must be processed fairly and lawfully.

Purpose limitation: Personal data must be obtained for specified, explicit, and legitimate purposes.

Data minimisation: Personal data must be adequate, relevant, and not excessive for the purposes for which it is processed.

Accuracy: Personal data must be accurate and kept up to date.

Storage limitation: Personal data must not be kept for longer than necessary.

Integrity and confidentiality: Personal data must be processed in a manner that ensures its security.

Accountability: The data controller must be able to demonstrate compliance with the DPA.

Key definitions

Data subject: The individual whose personal data is collected, stored, or used by a business.

Personal data: Any information that relates to an identified or identifiable individual, such as names, contact details, or online identifiers.

Processing: Any action performed on personal data, including collection, storage, modification, retrieval, or deletion.

Data controller: The business or entity that determines the purposes and means of processing personal data.

Data processor: The entity that processes personal data on behalf of the data controller.

Consent: The explicit, informed, and freely given permission from the data subject for their personal data to be processed.

Data breach: A security incident where personal data is accessed, disclosed, or lost without authorization.

Navigating the **Data Protection Act 2024** can be complex, but you do not have to do it alone. Our team of experts can guide you through every step of the compliance process, ensuring your business meets legal requirements while minimizing risk.

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Dintlha kgolo tsa kabo ya madi a setshaba mo ngwageng wa 2025/26

Tona ya tsa madi gape e le Mothusa Tautona, Rre Ndaba N. Gaolathe, o simolotse pego ya gagwe ka go akgola botautona ba pele, ebong Rre Masire le Rre Mogae (ba le bone e kileng ya nna matona a tsa madi mo nakong e e fetileng), le Rre Baledzi Gaolathe, ba a amuleng botsipa mo go bone.

Puso e itlamilile go diragatsa tse di latelang e le bontlha bongwe jwa go tokafatsa matshelo a Batswana:

- Go tswelala ka go lwantsha tshenyetso-sechaba ka go tlisa le go ntshafatsa lenaneo la National Anti-Corruption Policy.
- Go sireletsa diletsa-phala tsa tshenyetso-sechaba (ma-loma-tsebe).
- Go rotloetsa Lephata la Public Procurement Regulatory Authority (PPRA) go direla mananeo a lone mo pontsheng.

Ditlhabololo

- Go tokafatsa temo-thuo ka go ntshafatsa maphata BAMB le BMC, gore a kgone go phadisanya le bagwebi ba lefatshe ka bophara.
- Ka tirisano mmogo le BSB, Batswana ba ba nang le dikatso tse di kwa tlase ba tla kgona go adima madi motlhofo go ba thusa go ikagela matlo.
- Puso e tla sekaseka ditlamelo tse di ka tsholetsang maemo a badiragatsi le go ba thusa go reka le go rekisa ka maranyane.
- Puso e tlaa nonotsha dipatlisiso tsa kgotlhelesega ya tikologo.
- Puso e tla rotloetsa temo ka go dira mananeo a a thusang balemi ka tsa madi.
- Puso e tlaa tlhabolola ditlamelo di tshwana le ditsela, metsi, motlakase, le kgopo-ya-metsi-a-leswe mo metseng ya Kanye, Molepolole le Sowa Town.
- Puso e tla aga dipatela tsa malao a le masome a mathano kwa Tonota, Tsabong, le Shoshong, le go tokafatsa mafelo a kalafi, paakanyo ya dikolo, le ditsela kwa Molepolole, Palapye, Mabutsane, Maun, le Serowe.
- Le fa Puso e na le kgwetlho ya letseno, bagodi ba okeleditswe madi go ya ko go dipula tse di sekete le makgolo a mane (P1,400.00).
- Masea a a kwa tlase ga ngwaga a tla thusiwa ka dipula tse di makgolo a mararo (P300) ka kgwedi.
- Puso e tlaa abela bana ba basetsana ba dikolo mesangwana ya bomme.
- Go tla nna le koketsego ya lekgetho la dikompone le bakgethi ba ba leng mo karolong e e kwa godimo ya makgetho ka 1.5%.

Companies (Amendment) Bill 2024



“In view of the increasing emphasis on adherence to good corporate governance, the Companies (Amendment) Bill 2024 undertakes changes to enhance corporate conduct, including nominee disclosures, disclosure of beneficial ownership, administrative penalties for non-compliance, and the licensing of Company Secretaries”.

Read our publication for further details, and contact us today to assess how these amendments impact your business.

Aparna Vijay

Partner and Head of Corporate Services

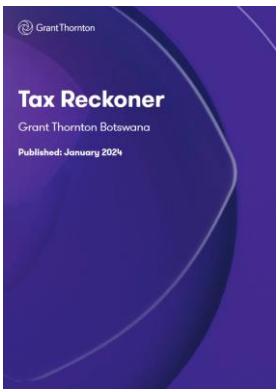
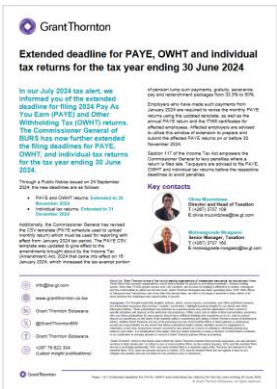
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