Foreign Direct Investment – The Case of Botswana

Patricia Lindelwa Makoni[1]

Abstract: This article sets out to analyse the occurrence of foreign direct investment (FDI) in Botswana. Diamonds contribute more than 50% of Botswana's gross domestic product (GDP), hence economic growth and development focus has been on the mining sector. The country's other sectors of tourism, agriculture, financial services and manufacturing have not received as much support from the Government, private sector and even international investors. This article briefly examines FDI inflow trends and the country's national economic-building policies which the Government has put in place to diversify its economy from the current export-oriented, diamond mining economy. A country-specific case study approach was adopted. The results yielded show that Botswana is overly dependent on export earnings from diamonds. This leaves the country vulnerable to external global economic shocks. Given that diamonds are a natural resource with a limited lifespan, the Government of Botswana needs to draw up investor-friendly policies to attract FDI inflows to expand its economic base. International capital inflows would complement domestic savings and further boost employment and trade opportunities in the country.

Keywords: trends; diversification; FDI; Botswana; Africa

JEL Classification: F21; O10; O55

1. Introduction

Botswana is a small, landlocked country located in Sub-Saharan Africa, with a population of just over two million. It gained its Independence from British rule in 1966, and was at that time considered one of the poorest nations, with a per capita gross domestic product (GDP) of only US$70 (World Bank, 2014). At that time, the country's economy was agro-based, with this sector contributing approximately 43% of the country's GDP, mainly from its cattle rearing and beef production (Malema, 2013). A few years later, diamonds were discovered, thereby also altering the economic structure of the country. Botswana went from being a low income nation to an upper-middle income country, as a result of its record-breaking high economic growth. Between 1994 and 2011, real GDP increased at an average annual rate of 4.6%, according to the World Bank (2014). Mining, specifically diamond mining, became the dominant sector in terms of GDP contribution. Agriculture shrunk from

[1] Lecturer, Department of Finance, Risk Management and Banking, University of South Africa, South Africa, Address: P. O. Box 392, Unisarand, 0003, Pretoria, South Africa, Tel.: +27767538234, Corresponding author: makonpl@unisa.ac.za or patricia.makoni@gmail.com.

AUDŒ, Vol. 11, no. 4, pp. 160-173

39% of the economy in 1966 to 2% of total output by 2003; whereas mining went from 0% to a peak of 47%, before declining to 35% during the same period (Siphambe, 2006). Botswana's total exports rose by 36% in 2013. Contributing to this rise in exports were mainly diamonds, whose exports rose by 46% between 2012 and 2013.

The country's susceptibility to external economic shocks was experienced during the global financial crisis of 2008, whereby the low global demand for minerals resulted in a sharp decline in commodity prices and volumes traded. This then translated into temporary closures of diamond mines, and job losses in some instances. As a lesson learnt, as well as the common knowledge that natural resources do eventually become depleted, the Government of Botswana (GoB) has started putting measures in place to diversify its economy by offering incentives to attract private sector investment as well as international capital flows. The country can no longer depend on diamond exports to sustain the economy.

In order to understand the Botswana case study, this article will seek to examine inflows of FDI to the country in the context of volumes, targeted recipient sectors and sources. The remainder of this article is set out as follows: the first section gives a general overview of determinants of FDI, followed by a trend analysis of FDI in Africa. A case study format has been adopted in which various aspects of Botswana will be dwelt on, ranging from a detailed analysis of the country's economic structure, FDI inflow trends, FDI and economic diversification policies as well as the challenges faced in harnessing FDI to the country. The paper winds down with policy recommendations and a concluding summary to the study.

2. Determinants of FDI

Foreign Direct Investment (FDI) is regarded to be any international investment made by one economy's resident entity, in the business operations of an entity resident in a different economy, with the intention of establishing a lasting interest (International Monetary Fund (IMF), 1993). The World Trade Organisation (1996) adds that FDI occurs when an investor based in one country (the home country) acquires an asset in another country (the host country), with the intent to manage that asset. Alternatively, FDI can be viewed as the ownership of 10 percent or more of the ordinary shares or voting stock of an enterprise which is usually considered to indicate 'significant influence' by an investor (IMF, 2000). This however differs from country to country and can even be determined by their policies, some of which restrict the levels of shareholdings of foreigners in local firms.

Several theories have been put forth to explain patterns and motives of FDI globally, from both macroeconomic and microeconomic perspectives. Lipsey (2004) argued that the macroeconomic view sees FDI as a flow of (foreign) capital across national

borders, from home to host countries, measured in balance-of-payments statistics. He further then identified macro (country)-level determinants that impact on a host country's ability to attract FDI as being market size, economic growth rate, GDP, infrastructure, natural resources, and institutional factors such as the political stability of the country, amongst others.

On the other end of the spectrum is the microeconomic perspective of FDI. Lipsey (2004) contends that the microeconomic view examines FDI motivations from the investor's perspective, which would be similar to taking a firm-level or industry-level perspective in making the investment decision. In this instance, the most appropriate explanatory FDI theory would be Dunning's 1977 Eclectic Paradigm in which he states that FDI occurs under different scenarios of ownership, locational and internalization advantages (OLI). Ownership advantages are firm-specific and exclusive to that firm, in the form of both tangible and intangible assets such as trademarks, patents, information and technology, which would result in production cost reductions for the firm, enabling it to therefore compete with firms in a foreign country. Additionally, it must be more profitable for the firm possessing these ownership advantages to use them for itself (internalisation), rather than to sell or lease them to foreign firms through licensing or management contracts (externalisation). This would then lead to the location-specific aspect of Dunning's eclectic paradigm. Although FDI location is influenced by firm behaviour in terms of whether it is resource-seeking, market-seeking, efficiency-seeking or strategic asset seeking; the bottom-line remains that the investment decision is taken on the basis of economic geography, which has a macroeconomic influence as it takes cognisance of country-level characteristics (Popovici & Calin, 2014). According to them, the theory explained the success of FDI among countries based on the national wealth of a country, such as its natural resources endowment, availability of skilled and/ or cheap labour, local market size, infrastructure and Government policy regarding these national resources.

Perceived benefits of FDI to recipient countries are that the international capital flow serves many needs. In 1999, the UNCTAD argued that FDI is a reliable source of stable funding as it gives recipient countries the confidence to adopt long-term views towards their economic growth plans. Also, FDI plays the role of plugging gaps in funding where there is a mismatch between domestic savings and investment needs (Ndoricimpa, 2009). In the African context, Asiedu (2003) explained why FDI is important to a country, and what influences its attraction to the continent. According to her, countries with a high unemployment rate may place more value on the employment creation aspect of FDI. Since economies in Africa are characterized by high unemployment rates, FDI in search of minerals and access to the abundant, low cost labour, will have to ensure job creation. This scenario is the status quo in Botswana, where the bulk of FDI reaching the country is concentrated in the diamond mining sector of the economy. However, despite this – the investments

have not translated to job creation as the sector only contributes 5% to employment; whereas unemployment remains high at 20%.

3. FDI in Africa

Globally, FDI inflows dropped by 8%, to approximately US$1.26 trillion in 2014. This was attributed to economic fragility, policy uncertainty and political risk. According to the UNCTAD (2014), foreign direct investment inflows to Africa increased by 4% to US$57 billion, on the back of international and regional market-seeking and infrastructure investments (in line with already-discussed motives of FDI). Decomposing the rise in FDI by sub-region, credit is given to the Eastern and Southern African bloc. In Southern Africa, flows doubled from US$6.7 billion in 2012 to $13.2 billion in 2013 as a result of record-high flows to South Africa and Mozambique. In both countries, infrastructure was the main attraction, with investments in the gas sector in Mozambique also making a significant contribution. FDI in East Africa increased by 15% to US$6.2 billion due to rising inflows to Ethiopia and Kenya. Kenya has become a preferred business hub, not only for oil and gas exploration but also for manufacturing and transport. Kenya has also become a global leader in mobile phone banking payments, and is hence attracting technology firms to invest in innovation. On the other hand, Ethiopia's industrial strategy attracts Asian capital to its manufacturing sector. FDI flows to North Africa however decreased by 7% to US$15.5 billion. Although Egypt's FDI dropped by 19% to US$5.6 billion, foreign investors did not abandon the economy as it has a large population which translates into big market size, and availability of cheap labour. Central and West Africa saw inflows decline to $8 billion and $14 billion, respectively, due to political and security uncertainties in most countries in the region.

Intra-African foreign direct investments are increasing, led by South African (e.g. Bidvest, AngloGold, MTN, Shoprite, PicknPay, Aspen and Naspers), Kenyan, and Nigerian corporations involved in agriculture, manufacturing, financial services, distribution, transport and construction. Between 2009 and 2013, the share of cross-border greenfield investment projects originating from within Africa increased to 18%, from less than 10% in the preceding period. For many smaller, landlocked or non-oil-exporting countries in Africa, intraregional FDI is a significant source of foreign capital (UNCTAD, 2014).

Table 1. Average FDI net inflows (current US$) to selected African economies (1975-2013)

Country Name	1975-1984	1985-1994	1995-2004	2010	2011	2012	2013
Algeria	95,482,472	9,563,671	599,644,444	2,300,041,859	2,571,230,052	1,500,402,453	1,689,286,299
Angola	41,833,333	205,205,600	1,430,019,260	(3,227,211,182)	(3,023,770,966)	(6,897,954,559)	(7,120,017,424)
Botswana	46,091,261	10,471,751	261,155,307	136,063,065	1,092,802,291	147,058,313	188,606,246
DRC	45,891,000	1,218,000	112,420,589	2,728,800,000	1,596,024,304	2,891,607,809	1,697,585,831
Egypt	556,600,111	897,789,610	814,835,000	6,385,600,000	(482,700,000)	2,797,700,000	5,553,000,000
Ghana	13,128,645	44,990,000	130,957,100	2,527,350,000	3,222,240,000	3,294,520,000	3,227,000,000
Kenya	37,911,442	39,890,055	56,318,849	178,064,607	335,249,880	258,607,630	514,387,425
Mauritius	2,557,841	19,994,770	51,871,982	429,958,031	433,358,880	589,018,303	258,587,556
Mozambique	518,889	13,993,000	209,990,388	1,258,161,877	3,645,044,842	5,635,092,659	6,697,422,432
Nigeria	255,783,429	905,375,122	1,435,265,431	6,048,560,266	8,841,952,775	7,101,031,884	5,609,000,000
South Africa	36,546,542	(17,009,976)	1,913,256,821	3,693,271,715	4,139,289,123	4,626,029,122	8,118,153,643
Tanzania	5,668,000	9,879,830	295,633,182	1,840,053,812	1,229,403,285	1,799,646,137	1,872,392,115
Uganda	2,134,286	17,478,750	176,185,328	543,872,727	894,293,858	1,205,388,488	1,194,398,346
SSA (region)	**963,165,741**	**1,865,455,414**	**9,303,424,098**	**32,452,303,109**	**42,681,668,494**	**40,012,430,931**	**40,594,183,204**
World	**41,554,368,565**	**156,084,549,140**	**674,866,122,850**	**1,772,544,647,353**	**1,895,617,485,540**	**1,580,856,255,852**	**1,747,346,340,304**

Source: Author's own calculations using 2014 World Bank Data

Table 1 above indicates 10-year averages of net FDI inflows to various African countries, from 1975 to 2013. The general pattern of FDI inflows has been encouraging with a notable upward trend in going to most countries. Small economies such as Mozambique and Egypt have emerged and taken over traditional recipients of foreign direct investment such as Nigeria. The oil-producing countries of Angola and Nigeria have been losing foreign investment in recent years up to 2013, mainly due to fluctuating global oil prices, as well as their own political instability, which has shaken investor confidence. The DRC has also been a victim of its own poor institutional framework. Regionally, Sub-Saharan African FDI has been increasing. There was a US$10 billion increase in net inflows between 2010 and 2011. This was a positive sign that the effects of the recent financial crisis had passed and investors were willing to diversify their portfolios again to include investments in Africa. Since then, FDI has stabilized around US$40 billion per annum. However, despite efforts and interventions put in place by African governments to attract FDI inflows to their economies, a very small proportion of the world's total FDI reaches Africa. For instance, of the US$1.7 trillion FDI inflows in the world in 2013, only US$40.6 billion of this was destined for Sub-Saharan Africa, loosely translating to only 2.3% of the global total. This is a clear indication that despite the several FDI theories advocating for the ease with which locational advantages (for example, the presence of natural resources and an abundance of skilled and cheap labour), foreign investors actually demand more in terms of security of, and returns on their investments. A high return on investments yields nothing, if the country does not practice good governance nor adhere to investor protection principles.

4. Botswana: A Case Study

4.1. General Structure of the Economy of Botswana

The name Botswana is synonymous with diamonds. The country has been involved in the mining and trade of diamonds since the early 1970s, in partnership with De Beers of South Africa. At Independence in 1966, Botswana's economy leaned towards agriculture, namely cattle rearing and beef production. However, the situation quickly changed when the valuable minerals were discovered. Since then, diamonds have been the prime GDP contributor. According to Mahembe & Odhiambo (2013), diamond revenue accounts for at least 55% of Government income. Although the mining sector as a whole is dominant in the economy in terms of output and exports, this does not translate to much as far as employment is concerned because the sector only contributed employment of 5% (Siphambe, 2006).

Table 2 below depicts the changes which have occurred every ten years in the economy from 1966 (year of independence from British rule) until 2014. Siphambe (2006) argued that as a result of Government's participation and growth in the economy, private sector investment has been crowded out, resulting in minimal economic contribution from non-mining sectors.

Table 2. Changes in the structure of Botswana's economy, 1966-2014; (% of GDP)

	1966	1976	1986	1996	2006	2010	2014*
Agriculture	39	24	4	4	2	2.5	2.1
Mining	0	12	47	33	32.2	19.2	22.9
Manufacturing	8	8	6	4.8	5.3	6.4	5.5
Construction	6	7	3	6.2	4.8	5.8	6.1
Trade, hotels & restaurants	18	16	18	18	11.9	15.1	14.8
Government	13	14	13	15.4	13.2	15.4	14.1

*Source: Siphambe (2006); Bank of Botswana (2015); *projected data*

As can be deduced from Table 2 above the economy of Botswana today is vastly different from what it was just over fifty years ago. Mining has completely dominated GDP, peaking in 1986. After the 2008 financial crisis, the mining sector was hard hit, as reflected by the decline from 32.2% in 2006 to just over 19% in 2010. The sector has however shown periods of recovery, albeit at a slower pace than when diamonds were first discovered. Government's constant presence towards economic growth is somewhat concerning as it leaves very little room for private sector and foreign investment participation. Activity in manufacturing, construction and trade, hotels and restaurants has also been stagnated over the period. Due to the geographic location of Botswana with vast tracts of desert and semi-arid conditions, innovations in agriculture may be the only way to ensure that the sector grows from its current non-existent GDP value addition of only 2%. There is however an urgent need for the economy of Botswana to become more diversified.

An overview of key macroeconomic variables in Botswana confirms the dependency of the country on earnings from exports (see Table 3 below). The GoB needs to invest in alternative economic activities, and move away from export-led growth. The country has untapped income-generating sectors (e.g. manufacturing and tourism) which merely require adequate long-term financial commitments, and supporting policies.

Table 3. Key macroeconomic indicators in Botswana

Indicator	**Measure**	**1995**	**2005**	**2009**	**2010**	**2011**	**2012**	**2013**
GDP	US$ billions	4.730	9.931	10.107	13.747	15.365	14.537	14.785
GDP per capita	Current US$	2,988	5,294	5,178	6,980	7,734	7,255	7,315
GDP growth rate	%	7.03	4.56	(7.84)	8.59	6.18	4.31	5.83
Real interest rate	%	6.78	0.23	9.98	(6.28)	4.76	9.84	4.00
Exports of goods and services	% of GDP	50.84	52.92	35.35	35.84	45.32	43.48	55.12
Imports of goods and service	% of GDP	43.76	35.58	52.71	46.24	52.40	59.43	59.90
Net FDI inflows	% of GDP	1.49	2.81	1.27	0.99	7.11	1.01	1.28
Population	Millions	1.583	1.876	1.952	1.969	1.987	2.004	2.021

Source: World Bank (2014)

4.2. Analysis of FDI in Botswana

Figure 1 below depicts the trend in FDI inflows to Botswana between 1990 and 2013. FDI levels in Botswana can generally be perceived to be very low. This is so when comparing the inflows received by the economy, vis-à-vis the level of exports (see Figure 1 below), and even in comparison to other economies in Sub-Saharan Africa (see Table 1 above). At present, FDI is not considered as a stable source of long-term funding for infrastructural or other permanent future projects in Botswana. The highest level of FDI received by Botswana was 13.46% of GDP in 2002. Thereafter, the trend of FDI inflows actually declined to almost zero. When measured in actual monetary terms using current values, Botswana received its highest FDI inflows of approximately US$1.1 million in 2011, post-global financial crisis due to improved demand and prices of diamonds, resulting in further investment in mining by De Beers.

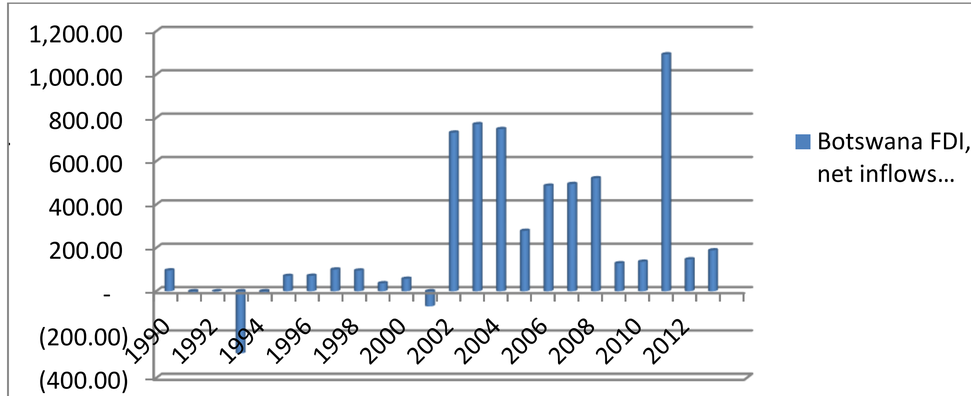


Figure 1. FDI inflows to Botswana, 1990-2013

Source: World Bank data (2014)

An examination of export levels from Botswana and FDI inflows to the country between 1990 and 2013 (see Figure 2 below) reveal that the economy is still very export-oriented and reliant on a single commodity which contributes a significant portion to the local GDP. Unfortunately the income from diamond export activities cannot be used to invest in long-term projects of the country, as it contributes a significant amount of Government's own income. Hence, much effort needs to be diverted to harnessing FDI inflows to establish sectors such as manufacturing, tourism and the financial sector, which have the potential to grow and sustain the economy by tapping into the foreign currency earning potential of these sectors. Botswana has a small market, and its manufactured products would hence be destined for larger markets outside the country. This was previously the case even with beef exports which were destined for the European Union (EU) until outbreaks of foot and mouth disease shook the industry. The country has been trying to rebuild its national herd again so as to resuscitate these trade options with bigger, foreign markets. The local market cannot consume all the domestic produce hence taking advantage of Southern African Customs Union (SACU) and Southern African Development Community (SADC) regional agreements would benefit Botswana.

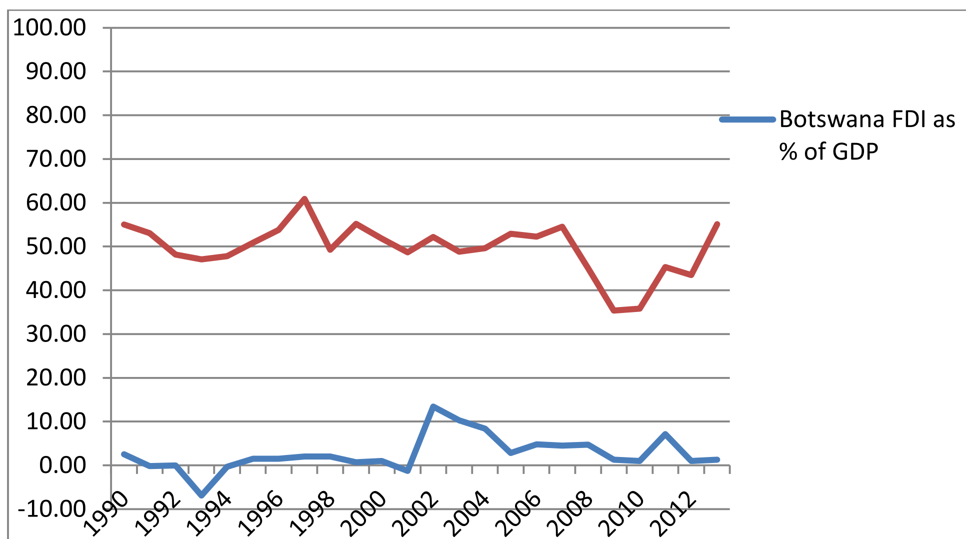


Figure 2. Botswana Exports and FDI inflows, 1990-2013

Source: Author's calculations derived from World Bank data (2014)

Most FDI in Botswana is concentrated in the capital-intensive mining sector (see Figure 3 below); the largest share being the investment by Debswana Diamond Mining Company, as a result of the 50/50 joint venture between the GoB and De Beers of South Africa (WTO, 2009). Mining FDI is closely followed by the financial services and retail sectors. This is due to the presence of foreign ownership in the top banks in Botswana. These are Barclays Bank (UK), Standard Chartered Bank (UK), FNB (South Africa), Investec (South Africa), Stanbic (UK) and Bank of Baroda (India), of which the first four have no less than 75% foreign ownership; while the latter two are 100% foreign-owned (country of domicile indicated in parentheses). The retail sector is boosted by prominent clothing, FMCG and technology chain stores from South Africa.

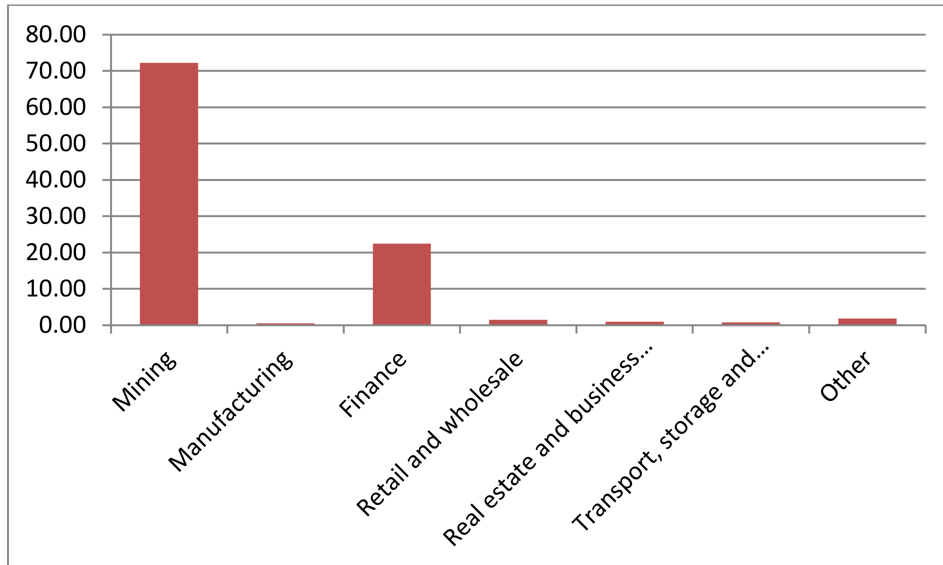
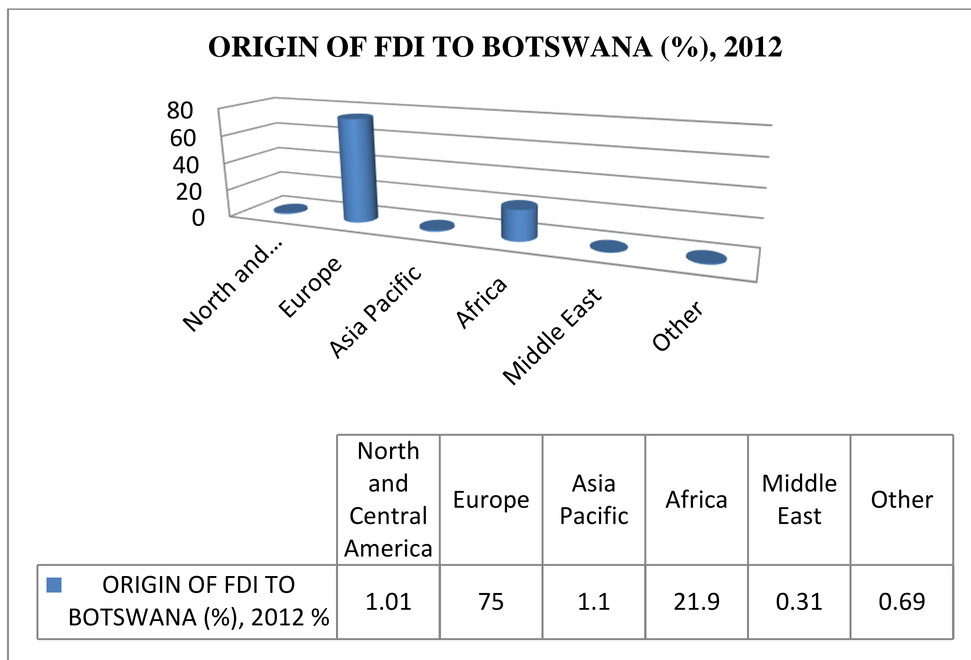


Figure 3. Sector distribution of FDI in Botswana, 2012
Source: Bank of Botswana (2013); Siphambe (2006)



	North and Central America	Europe	Asia Pacific	Africa	Middle East	Other
ORIGIN OF FDI TO BOTSWANA (%), 2012 %	1.01	75	1.1	21.9	0.31	0.69

Figure 4. Source of Botswana's FDI (%), 2012
Source: Author's own calculations from Bank of Botswana (2013) data

Error! Reference source not found. above illustrates the major home country sources of FDI inflows to Botswana in 2012. The lion's share of FDI came from Europe and Africa. Europe's 75% FDI contribution comprised of 91.6% from Luxembourg, 7.3% from the UK, 0.1% from the Netherlands and the balance of 1% from other European countries. Of Africa's net investment of 21.9%; South Africa invested 66.2% of this amount. Luxembourg alone accounted for 68.7% of the total FDI inflows, confirming the home country of the leading mining investors in Botswana.

4.3. FDI, Diversification and other Economic Policies

Since independence, Botswana has had an open policy insofar as foreign investment is concerned, and pursued market-based systems. It is for this reason that the country welcomed investment in its diamond sector by De Beers of South Africa. Upon realization of how profitable and lucrative the diamond mining business was, the GoB upped its stake in Debswana, the local joint venture between itself and De Beers to a 50/50 arrangement. Botswana has had many national development plans (NDPs) over the years; and all of them have emphasized the need for a diversified economy as the economy has to move away from being export-led and overly-dependent on diamond mining. According to Zizhou (2009), an NDP is proposed by the ruling political party, tabled in Parliament, where it is approved and signed into law. This effectively therefore makes it felonious for any public-funded project to disregard the NDP principles. Since the early 1970s, the Government has also initiated various national incentive programmes to attract investment to the country. McCaig, McMillan, Verduzco-Gallo & Jefferis (2015) mentioned the more recent Local Procurement Programme (1997), the Economic Diversification Drive (EDD) (2010), as well as the Citizen Economic Empowerment Policy (2012) as examples of the GoB's efforts to promote economic diversification and growth in other industrial sectors, as well as ensure local participation in economic growth. Other than the successful relocation of the Diamond Trading Centre from London in UK to Gaborone in Botswana, as part of beneficiation – the other investment incentive programmes have not been as successful.

4.4. Botswana's Location-Specific Factors and Attraction of FDI

Besides the already well-known profitable diamond mining deposits, there are other attractions for investors to the Botswana economy. Botswana's 2015 economic freedom score of 69.8 earned it 36th place in world rankings, and 2nd in the Sub-Saharan African (SSA) region (Heritage Foundation, 2015). The country has consistently scored highly across the ten measures of economic freedoms in the region, thereby making it an attractive investment destination. In terms of the Global

Competitiveness Index, Botswana's rankings have been improving from 80 to 74 (out of 144 economies) between the 2011/ 2012 and 2014/ 2015 periods (WEF, 2014). Considering specific indicators which may impact on FDI inflows, Botswana's 2014/ 2015 ranking out of 144 countries were as follows: Macroeconomic environment: 13; Labour market efficiency: 36; Institutions: 39; Financial market development: 57; Technological readiness: 76. In terms of conducting business in Botswana: tax regulations, Government stability, foreign currency regulations, tax rates and policy stability were considered to be favourable to investors and provided a conducive environment to engage in business in the country (WEF, 2014).

On the downside, the country does encounter investment hurdles. The Government's high contribution to total output has effectively crowded out private sector investments, hence there is essentially no room for domestic investment and even FDI, except in mining. Also, the country is surrounded by countries with very large domestic markets hence the economy struggles to compete at the same level nor can it attract market-seeking FDI. Currently, FDI reaching the country is resource-seeking FDI destined for the mining sector. Botswana's domestic financial markets have not yet been developed enough to facilitate the raising of additional investment capital from the stock and bond markets, thereby restricting inflows of foreign capital. The country has also been affected by the high scourge and prevalence of adult HIV/ AIDS, hence reducing the pool of labour.

5. Conclusion and Policy Recommendations

The primary objective of this paper was to examine the economic structure of Botswana's economy, as the foundation towards analysing FDI dynamics in the country. It was found that the Botswana economy continues to rely heavily on diamond exports. Unfortunately the economic activity of diamond extraction does not translate to job creation hence unemployment remains high at 20%; and the country still experiences the world's second highest incidence of adult HIV/ AIDS prevalence. In terms of infrastructural investment, there is not much to report as the country is relatively small, with at least 70% of its surface being desert; as such – water remains a scarce commodity in Botswana, thereby making agro and industrial processes requiring high volumes of water near-impossible, e.g. agriculture and manufacturing. The country produces a small amount of its own domestic electricity using coal sourced from the local Morupule colliery mines, although most electricity is imported from Eskom in neighbouring South Africa. FDI inflows to the country are concentrated in mining, financial services and retail trade. Various investment incentive policies and strategies have been initiated and implemented by the Government, but these are yet to yield any significant economic benefits. The GoB needs to aggressively support and market its other industrial sectors of tourism,

agriculture, manufacturing and telecommunications, as well as secure international markets and investors alike, in order to diversify the current export-oriented, diamond mining economy. Less economic participation by the Government would give room to domestic private sector investment. International capital inflows would then complement domestic savings, and further boost employment and trade opportunities. The current strategies in place are adequate but require Government commit to ensure their successful adoption.

6. References

African Economic Outlook (2014). *Botswana Country Report*. Retrieved on 8 May 2015 from http://www.africaneconomicoutlook.org/en/countries/southern-africa/botswana/.

Asiedu, E. (2003). *Foreign Direct Investment to Africa: The Role of Government Policy, Governance and Political Instability*. Retrieved on 13 May 2015, from http://website1.wider.unu.edu/conference/conference-2003-3/conference-2003-3-papers/Asiedu-0708.pdf.

Asiedu, E. (2002). On the determinants of FDI in developing countries. Is Africa Different? *World Development Vol 30;* 107-119.

Bank of Botswana (2015). *Botswana Financial Statistics March 2015*. Retrieved on 13 May 2015 from http://www.bankofbotswana.bw/index.php/content/2009110615035-botswana-financial-statistics

Bank of Botswana (2013). Annual Report 2013, retrieved on 9 May 2015 from http://www.bankofbotswana.bw/content/2014060414057-bank-of-botswana-releases-2013-annual-report.

Botswana Investment Trade Centre (2015). Investment Climate: Ease of Doing Business. Available from http://www.bitc.co.bw/investment-climate-ease-doing-business.

Heritage Foundation (2015). *2015 Index of Economic Freedom.* Retrieved on 8 May 2015 from http://www.heritage.org/index/country/botswana.

IMF (2000). International Financial Statistics Yearbook. *International Monetary Fund*, available at http://www.imf.org/external/data.htm.

Lipsey, R.E. (2004). Home-and host-country effects of foreign direct investment. *Challenges to globalization: Analyzing the economics.* University of Chicago Press, pp. 333-382.

Mahembe, E. & Odhiambo, N. M. (2013). The dynamics of foreign direct investment in SADC countries: Experiences from five middle-income economies. *Problems and Perspectives in Management, 11*(4), pp. 35-45.

Malema, B. W. (2013). Botswana's formal economic structure as a possible source of poverty: Are there policies out of this economic impasse? *Pula: Botswana Journal of African Studies, 26*(1), pp. 51-70.

McCaig, B., McMillan, M.S., Verduzco-Gallo, I. & Jefferis K. (2015). Stuck in the Middle? Structural Change and Productivity Growth in Botswana. *NBER Working Paper Series*, Working Paper 201029, retrieved on 13 May 2015 from http://www.nber.org/papers/w21029, March 2015.

Ndoricimpa, A. (2009). Foreign Direct Investments, Exports And Economic Growth In COMESA Countries: A Heterogenous Panel Causality Approach. *Unpublished Master's Dissertation*, Department of Economics, Makerere University.

Popovici, O.C. & Călin, A.C. (2014). FDI theories: A location-based approach. *Romanian Economic Journal,* vol. 17, no. 53, pp. 3-24.

Siphambe, H. K. (2006). Foreign direct investment in Africa: Botswana case study. *Foreign Direct Investment in Sub-Saharan Africa: Origins, Targets, Impact and Potential*. Edited by: S. Ibi Ajayi, Published by African Economic Research Consortium, pp. 57-74.

World Bank (2014). *World Bank Country: Botswana Overview*, retrieved on 8 May 2015 from http://www.worldbank.org/en/country/botswana/overview.print.

World Bank (2014). *World Development Indicators 2014*, retrieved on 16 December 2014 from http://data.worldbank.org/country/botswana.

UNCTAD (2015). *Global investment trends monitor No.18*, retrieved on 13 May 2015 from http://www.unctad.org/en/PublicationsLibrary/webdiaeia2015d1_en.pdf.

UNCTAD (2014). *World Investment Report 2014*, retrieved on 13 May 2015 from http://www.unctad.org/en/PublicationsLibrary/webdiaeia2015d1_en.pdf.

UNCTAD (2014). *Handbook of Statistics 2014*, retrieved on 13 May 2015 from http://unctad.org/en/PublicationsLibrary/tdstat39_en.pdf

UNCTAD (1999). *World Investment Report: Foreign direct investment and the challenge of development.* United Nations, Geneva, Switzerland.

WEF (2014). The Global Competitiveness Report 2014 -2015. *World Economic Forum,* Geneva, Switzerland, retrieved on 13 May 2015 from http://www.weforum.org/reports/global-competitiveness-report-2014-2015.

WTO (2014). *Botswana Country Profile*, retrieved from World Trade Organisation http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Country=BW.

WTO (2009). *Trade Policy Review*. 2009 SACU Annex 1: Botswana, WT/TPR/5/222/BWA.

WTO (1996). *Trade and Foreign Direct Investment*, New Report by World Trade Organisation, available from www.wto.org/English/news_e/pres96_e/pr057_e.htm.

Zizhou, F. (2009). Linkages between Trade and Industrial Policies in Botswana. *Industrial Policy Thematic Working Group, Trade and Industrial Policy Strategies.* South Africa: Pretoria.