

STATISTICS BOTSWANA

GROSS DOMESTIC PRODUCT

FIRST QUARTER OF 2020

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1. Preface

The statistical release contains the first quarter of 2020 Gross Domestic Product estimates by economic activity and components of final demand at current and constant prices.

Botswana's National Accounts are compiled according to the 1993 System of National Accounts (1993 SNA). The accounts presented in this publication adhere to the enhanced General Data Dissemination System (e-GDDS) of the International Monetary Fund (IMF), which sets out standards on coverage, periodicity and timeliness of data.

The estimates are provisional and subject to change. First estimates are normally based on limited data and hence cannot be precise and absolute. The figures are revised after receiving finalized or audited data from companies in which some differences and inconsistencies in the previously published data may be observed.

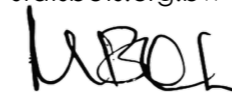
These estimates are not seasonally adjusted hence the variations may differ depending on the quarters.

The nominal Gross Domestic Product (GDP) for the first quarter of 2020 was P50, 726.8 million compared to P49, 488.5 million registered during the previous quarter. This represents a quarterly increase of 2.5 percent in nominal terms between the two periods. During the quarter under review, Trade, Hotels & Restaurants remained the major contributor to GDP by 19.5 percent, followed by Mining & Quarrying, General Government and Finance & Business services at 15.5, 14.9 and 14.8 percent respectively. The contribution of other sectors was below 7.0 percent with Water & Electricity being the lowest at 0.8 percent.

Real Gross Domestic Product for the first quarter of 2020 increased by 2.6 percent. The increase was attributed to the significant growth in real value added of Water & Electricity, Finance & Business Services and Trade, Hotels & Restaurants industries by 13.4, 6.2 and 4.4 percent respectively.

Statistics Botswana acknowledges and appreciates the contribution of all stakeholders in the production of this report.

For more information and further enquiries, contact the Directorate of Stakeholder Relations at 3671300 or info@statsbots.org.bw. All Statistics Botswana outputs/publications are available on the website at www.statsbots.org.bw and at the Statistics Botswana Information Resource Center (Head-Office, Gaborone).



Malebogo Kerekang
Acting Statistician General
July 2020

2. Gross Domestic Product

2.1 Revisions in this release

There are no revisions made to figures published in March 2020.

Table A2: Key figures

	Real Gross Domestic Product		Total Final Consumption		Gross Fixed Capital Formation	
	Percentage Change					
	Quarter-on - Quarter	Year-on-Year	Quarter-on-Quarter	Year-on-Year	Quarter-on - Quarter	Year-on-Year
First quarter 2015	-2.4	2.8	2.3	2.1	-6.1	0.5
Second quarter 2015	0.2	-0.3	-3.1	3.6	7.8	10.4
Third quarter 2015	-3.9	-5.4	1.9	6.1	4.0	22.4
Fourth quarter 2015	2.6	-3.6	1.6	2.6	-2.0	3.2
First quarter 2016	3.5	2.2	2.3	2.6	-5.8	3.5
Second quarter 2016	1.8	3.9	-4.9	0.7	11.0	6.6
Third quarter 2016	-1.1	6.9	3.8	2.6	-1.4	1.1
Fourth quarter 2016	0.1	4.3	1.9	3.0	0.3	3.5
First quarter 2017	0.1	1.0	1.3	1.9	-12.6	-3.9
Second quarter 2017	1.8	0.9	-0.7	6.4	-4.2	-17.1
Third quarter 2017	1.4	3.4	3.8	6.4	8.7	-8.6
Fourth quarter 2017	3.0	6.4	1.1	5.6	4.2	-5.1
First quarter 2018	-1.8	4.3	1.2	5.5	-1.2	7.2
Second quarter 2018	2.7	5.3	-0.8	5.4	1.5	13.6
Third quarter 2018	0.2	4.1	1.6	3.1	1.9	6.5
Fourth quarter 2018	3.1	4.2	0.1	2.0	3.4	5.6
First quarter 2019	-1.8	4.2	0.6	1.5	-1.2	5.6
Second quarter 2019	1.5	3.0	2.1	4.5	4.2	8.3
Third quarter 2019	0.3	3.1	1.0	3.8	1.1	7.4
Fourth quarter 2019	1.7	1.6	0.2	3.9	0.6	4.6
First quarter 2020	-0.9	2.6	0.3	3.5	0.2	6.1

2.2. First Quarter GDP

2.2.1 Production Account

The estimated GDP at current prices for the first quarter of 2020 was P50, 726.8 million compared to P49, 488.5 million registered in the fourth quarter of 2019 (See table 1).

Real GDP at constant 2006 prices for the first quarter of 2020 was P25, 071.0 million compared to P25, 288.1 million recorded in the fourth quarter of 2019 (See table 3).

The domestic economy increased by 2.6 percent in the first quarter of 2020 compared to a rise of 4.2 percent recorded in the same quarter of 2019. The growth was attributed to real value added of Water & Electricity, Finance & Business Services and Trade, Hotels & Restaurants which increased by 13.4, 6.2 and 4.4 percent respectively. All other industries recorded positive growths of more than 2.0 percent except Agriculture and Mining which declined by 0.6 and 6.1 percent respectively (See table 4).

Water and Electricity value added at constant 2006 prices for the first quarter of 2020 was P235.7 million compared to P 207.9 million registered in the same quarter of 2019, recording an increase of 13.4 percent. Even though the industry recorded the highest growth, its contribution to the economy still remains the lowest. In the first quarter of 2020, Electricity recorded a positive value added of P13.9 million compared to a negative value added of P19.7 million registered in the same quarter of 2019 leading to a significant growth of 170.6 percent. The water

sector recorded a positive value added of P223.8 million compared to P229.7 million registered in the same quarter of the previous year registering a decrease of 2.6 percent. Water consumption in kilolitres from all Management Centers went down by 1.1 percent during the quarter under review.

Finance and Business Services industry exhibits continuous increase overtime due to the rise in the value added of Business Services, Finance and Real Estate by 7.0, 6.5 and 6.4 percent respectively.

Trade, Hotels and Restaurants real value added went up by 4.4 percent in the first quarter of 2020 compared to an increase of 5.6 percent registered in the same quarter of the previous year. The improved growth is attributed to an increase in real value added of Wholesalers and Retail Trade sub industries by 11.5 and 5.7 percent respectively. The positive growth in the Wholesale value added is due to the favorable performance of downstream diamond industries during the quarter under review.

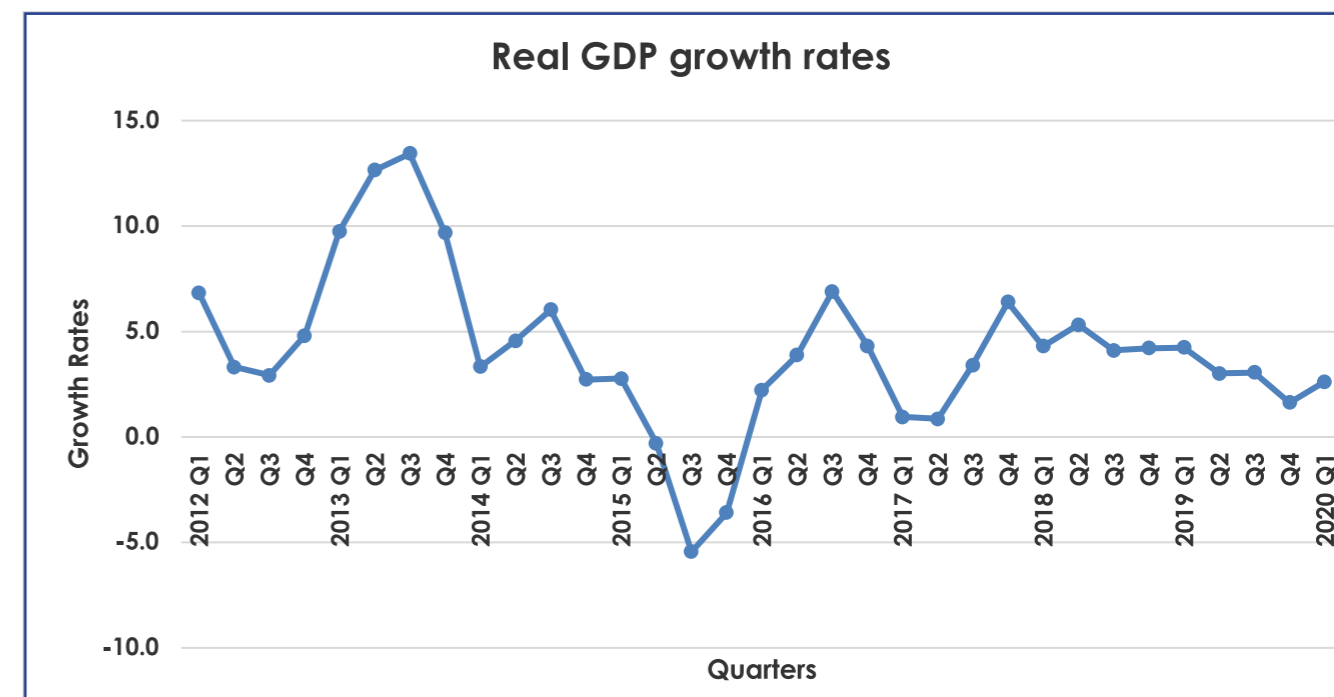
Transport and Communications value added increased by 2.6 percent in the first quarter of 2020 compared to 5.7 percent recorded in the same quarter of the previous year. The slow growth was mainly attributed to the decrease in real value added of Air Transport and Rail transport by 14.8 and 16.4 percent respectively. The Air Transport passenger carried went down by 14.8 percent. This is attributed to the suspension on air travel occasioned by Covid-19 containment measures.

Year on year growth in the Agriculture industry was weak when compared to same quarter last year, with the industry registering a negative growth of 0.6 percent. The drop in the real value added of the Agriculture industry was mainly due to the decline in the Livestock sub industry by 0.2 percent.

A decrease in the real value added of Mining by 6.1 percent was mainly influenced by Diamond and Soda Ash value added. Diamond production in carats went down by 5.7 percent while Soda Ash production in tonnes decreased by 11.4 percent. Diamonds are luxury goods and therefore are bound to fluctuate due to the appetite of reliable customers as the world is highly affected by the outbreak of coronavirus pandemic. There is a significant drop in the global markets for diamonds demand.

Non-mining GDP increased by 3.6 percent in the first quarter of 2020 compared to 4.3 percent registered in the same quarter of the previous year.

Figure 1: Real GDP growth rates



2.2.2 Components of GDP by Type of Expenditure

Total final consumption expenditure recorded an increase of 3.5 percent in the first quarter of 2020 compared to 1.5 percent recorded in the same quarter of the previous year. Government and Household final consumption grew by 3.9 and 3.4 percent respectively. Gross Fixed Capital Formation rose by 6.1 percent in the quarter under review.

In the case of foreign trade, real exports of goods and services decreased by 17.3 percent in the first quarter of 2020 compared to an increase of 0.4 percent realized in the same quarter of 2019. Diamond is a major export commodity, year on year growth of diamond exports indicates a significant drop of 39.8 percent.

Real Imports of goods and services increased by 8.0 percent during the quarter under review, compared to a 12.3 percent increase realized in the same quarter of the previous year

Figure 2: Components of Gross Domestic Expenditure at 2006 prices

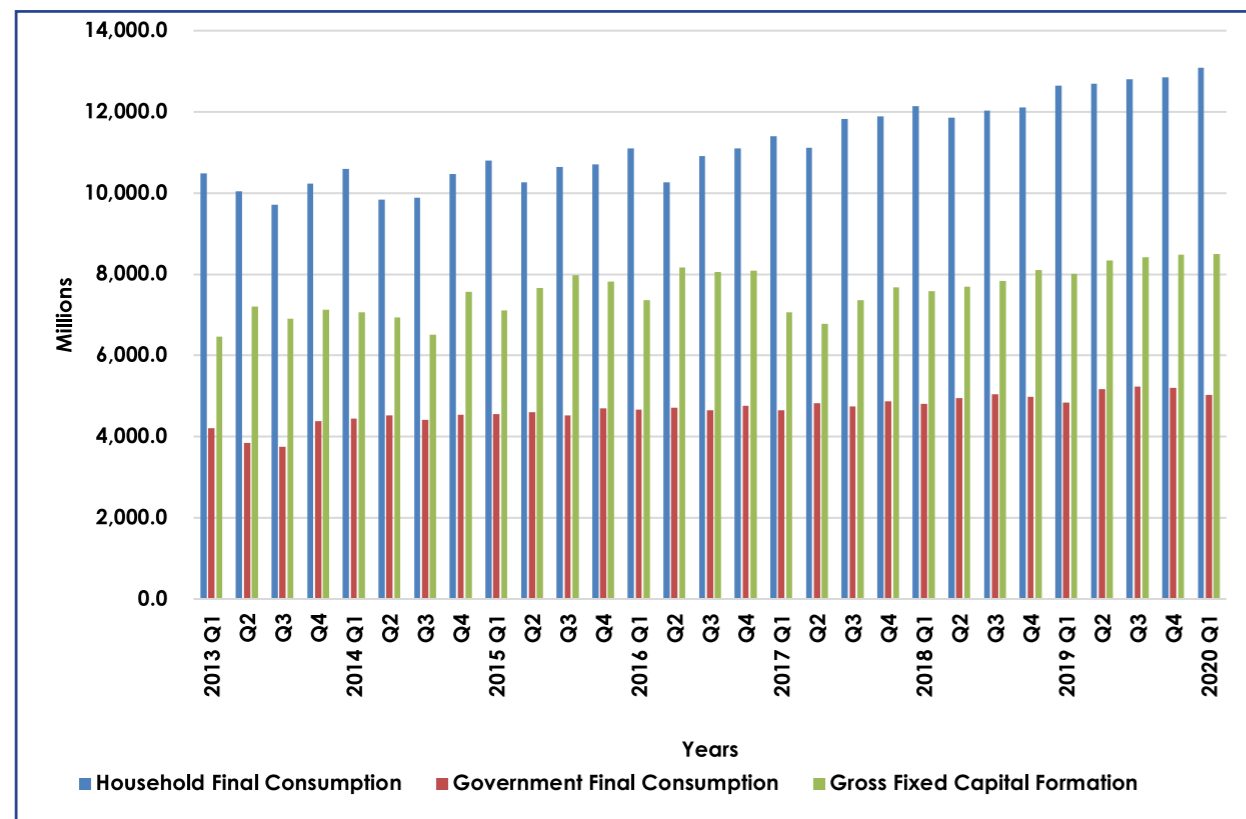
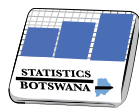
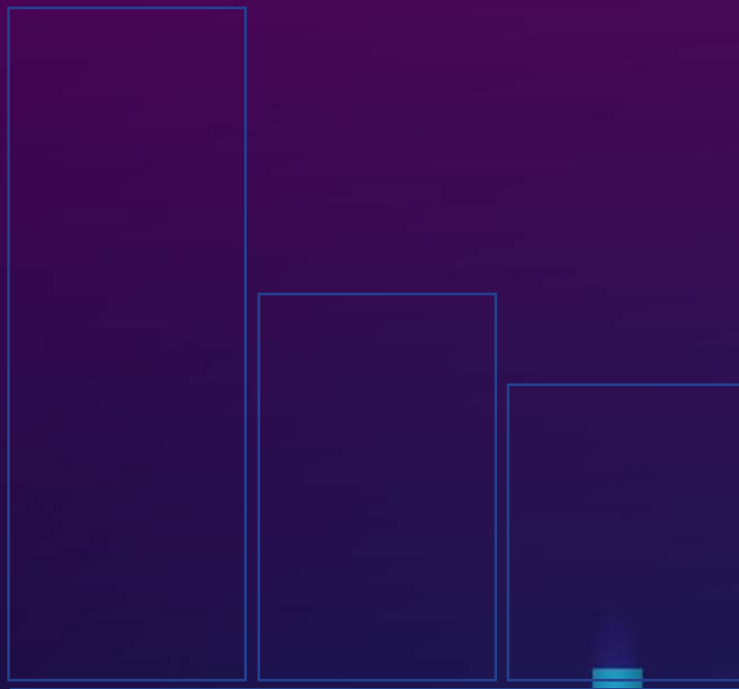


Table A6: GDP per capita (Pula)

Year	Nominal GDP per capita	Real GDP per capita
1994	7,869.2	22,793.4
1995	8,800.8	23,789.8
1996	10,550.8	24,562.5
1997	11,707.1	25,958.7
1998	12,615.7	25,437.9
1999	15,627.3	27,583.6
2000	17,991.2	27,814.8
2001	19,077.2	27,229.8
2002	20,097.5	28,349.6
2003	21,311.8	29,113.9
2004	23,650.1	29,350.0
2005	28,026.8	30,121.2
2006	32,038.3	32,038.3
2007	35,727.9	34,050.1
2008	39,021.1	35,509.2
2009	37,656.1	32,186.9
2010	43,705.9	34,298.6
2011	51,844.3	35,702.1
2012	53,116.0	36,507.0
2013	59,313.9	39,846.8
2014	67,867.9	40,743.3
2015	66,822.0	39,380.8
2016	76,840.9	40,450.2
2017	79,903.6	40,992.9
2018	83,176.2	42,178.1
2019	84,901.5	42,778.7



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