

INTRODUCTION

The ninth National Development Plan covers the period from 1st April 2003 to 31st March 2009. A Mid-Term Review of NDP 9 will be conducted during the Plan period to review progress and, where necessary, make adjustments to reflect more recent circumstances and new data relating to household incomes and expenditure, gross domestic product, employment, trade and balance of payments, as well as progress on the implementation of development policies, programmes and projects. As it was the case with the previous eight Plans, the NDP 9 preparation was guided by the nation's principles of *rapid economic growth, social justice, economic independence and sustained development*. For this Plan, in pursuant of Vision 2016, the concept of *Botho*, which is engrained in the Botswana culture, was adopted as an additional principle. This principle refers to a state of being human, courteous and highly disciplined.

The theme “*Towards Realisation of Vision 2016: Sustainable and Diversified Development through Competitiveness in Global Markets*” has been adopted for NDP 9. The choice of this theme was guided by the fact that NDP 9 provides the first opportunity to integrate Vision 2016 goals and objectives into the national development planning process. By achieving sustainable development through economic diversification, NDP 9 will build on the pillars of Vision 2016. Given the small size of the Botswana market, global competitiveness and trade remain important for achieving sustainable and diversified development.

The overall performance of the economy during NDP 8 was significantly better than was projected in the Plan itself. Real GDP grew at an annual average growth rate of 6.4%, compared to the original forecast of 5.2% at the beginning of the Plan, while formal sector employment grew by 4.0%. The unemployment rate fell from 21.5% in 1996 to 19.5% in 2001, mainly due to an increase in jobs in the private and parastatal sector. Government expenditure was 35% above the original NDP 8 forecast, while total revenues were above the original forecast by 22%. The overall budget was balanced over the entire NDP 8 period as surpluses in some years compensated for deficits in other years. The balance of payments recorded overall surpluses in all the years of NDP 8, although the cumulative total was below the level projected in the Plan, mainly due to below forecast balance in the capital account. The level of foreign exchange reserves in Pula terms turned out to be higher than the original Plan projections due to the more than expected depreciation of the Pula against major international currencies. Another achievement made during NDP 8 is the favourable sovereign credit ratings in the “A” grades for two consecutive years by the Moody's and Standard and Poor's rating agencies.

During NDP 9, real GDP is projected to grow at an average growth rate of 5.5% per annum, while formal sector employment also grows at an average growth rate of 5.5% per annum. The Government budget and balance of payments will be in moderate surpluses throughout the Plan period. This will be achieved through vigorous

implementation of policies aimed at sustainable and diversified growth through competitiveness in global markets. The policy thrusts of NDP 9, therefore, include *economic diversification, employment creation and poverty alleviation; continued maintenance of macroeconomic stability and financial discipline; public sector reforms; environmental protection; rural development; human resource development, including the fight against HIV/AIDS; science and technology development; and disaster management.* In order to implement these policy objectives and strategies, a total budget of P129.8 billion has been allocated for the six years of NDP 9, of which P35.7

billion is the total estimated cost (TEC) of the development programme and P94.1 billion is for recurrent expenditure. The total manpower establishment in the public service, including Local Authorities will increase by 11 464 posts for the entire NDP 9 period.

I would like to implore all citizens of Botswana to redouble their efforts and ensure that the NDP 9 objective of *“towards realisation of Vision 2016”* and achieving *“sustainable and diversified development through competitiveness in global markets”* becomes a reality.

Baledzi Gaolathe
Minister of Finance and Development Planning