

BANK OF BOTSWANA

Press Release

MONETARY POLICY DECISION

At the meeting held today, the Bank of Botswana Monetary Policy Committee decided to leave the Bank Rate unchanged at 14.5 percent. The last adjustment of the Bank Rate was a decrease of half a percentage point on June 18, 2007.

Inflation fell within the Bank's annual objective range in September, with several categories of goods and services recording lower annual rates of price increase. Looking ahead, additional upside risks to inflation include the possible increase in fuel and administered prices in the fourth quarter of 2007. Moreover, sustained high levels of growth in demand pressures is likely to exert upward pressure on inflation in the medium term. Against this background, the Bank considers it prudent to maintain the current monetary policy stance with the aim of sustaining the medium-term inflation path and expectations of low inflation.

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