

Debt Analysis Report: Botswana vs. Mozambique

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1. Introduction

I wanted to explore how two African countries (**Botswana** and **Mozambique**) compare in terms of **debt levels** and **economic performance**. This report summarizes my findings in simple terms, focusing on:

- **External Debt Stocks** (how much money these countries owe other nations or organizations).
- **Debt-to-GDP Ratio** (how much debt they have compared to their total economic output).
- **GDP Trends** (how their economies have grown over time).

I used real world data from sources like the World Bank and cleaned it myself (which was harder than anticipated!).

2. Key Findings

A. External Debt Stocks

- **Botswana** owes around **\$946 million** to the **African Development Bank** (its largest creditor).
- **Mozambique** owes a similar amount (**\$945 million**) to the same bank.
- Both countries have many other smaller debts, but data for some years is missing.

My Thought:

At first glance, their debts look similar, but Botswana's economy is stronger. This means Mozambique might be struggling more to pay back its debt.

B. Debt-to-GDP Ratio (2015 Data)

- **Botswana: 16.98%** (low, considered manageable).
- **Mozambique: 86.02%** (very high, could be risky).

Why This Matters:

A high debt-to-GDP ratio means a country spends a lot of its income paying back loans instead of improving sectors that might be sources of income. Mozambique's ratio is five times higher than Botswana's

C. GDP Growth Over Time

- **Botswana:**
 - GDP grew from 30.4million (1960) to 30.4million (1960) to 20.3 billion (2022).
 - Steady growth, with some dips (like in 2015).
- **Mozambique:**
 - Data starts later (missing early years).
 - GDP in 2022: \$17.8 billion (but with much higher debt).

Observation:

Botswana's economy is stronger and more stable, while Mozambique's high debt could slow its growth.

3. Challenges I Faced

1. **Missing Data:** Some years had no records, making comparisons tricky.
2. **Confusing Columns:** The datasets had long, technical names (like "*External debt stocks, long-term (DOD, current US\$)*"). I had to rename them to understand better.
3. **Merging Data:** Combining debt and GDP numbers was harder than expected.

4. What This Means

- **Botswana** is in a better position; its debt is low compared to its economy.
- **Mozambique** needs to be careful; its high debt could lead to financial trouble if not managed well.

5. Personal Reflection

This project taught me that **data tells a story**. At first, I just saw numbers, but now I see real-world impacts:

- How debt affects a country's ability to grow.
- Why clean data matters (missing values can hide important trends).

Advice to Myself: Keep seeking templates that are used by real world institutions in order to present data reports that are clearer.