

BOTSWANA AND MOZAMBIQUE ELECTION RESULTS – POLICY OUTLOOK

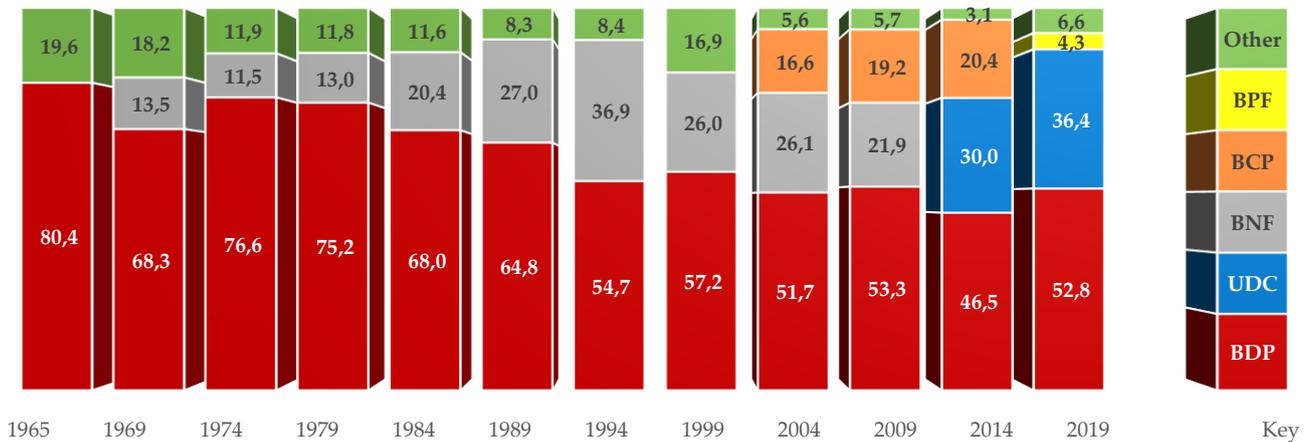


Botswana

Election Results

Botswana held its elections this month and the results indicate that the ruling Botswana Democratic Party (BDP) will remain in control of the legislature. The BDP obtained a comfortable majority of 38 parliamentary seats out of the 57 elected seats of the National Assembly, while the main opposition alliance, the Umbrella for Democratic Change (UDC), won only 15.

Figure 1: Share of The Popular Vote by Selected Party (%)



Source: MHMK; IEC

Since Botswana’s independence, the BDP has dominated. However, it lost many of its strongholds in the country’s Central District to both the newly-formed Botswana Patriotic Front (BPF) – a splinter group from the BDP and the UDC. The ruling party made inroads in the urban constituencies of the capital Gaborone and other southern constituencies previously dominated by the opposition alliance. The party was able to use the advantages of incumbency effectively in the run-up to the poll. With the Botswanan President being the winning party’s official candidate, the BDP’s victory effectively hands the presidency to incumbent Mokgweetsi Masisi.

Policy Forecast

Re-election of the BDP is good for policy continuity which is expected to be maintained. The BDP’s strong mandate will allow the government to pass legislation smoothly through parliament. The BDP will enjoy a comfortable majority consisting of the 38 seats obtained in the election and an additional six seats (the President, the Speaker of the House and four special appointed members), representing 69.8% of total seats in parliament. This gives the BDP with a virtual monopoly over the policy-making process, ensuring swift policy formation. President Masisi will likely move ahead with his business-friendly policy agenda, including efforts to tackle corruption and reforms to improve the country’s business environment in the broader drive towards economic diversification. More efforts are expected to be directed towards tackling unemployment and high-income inequality. Botswana is the world’s 10th most unequal country according to the World Bank and unemployment is at 17.9%.

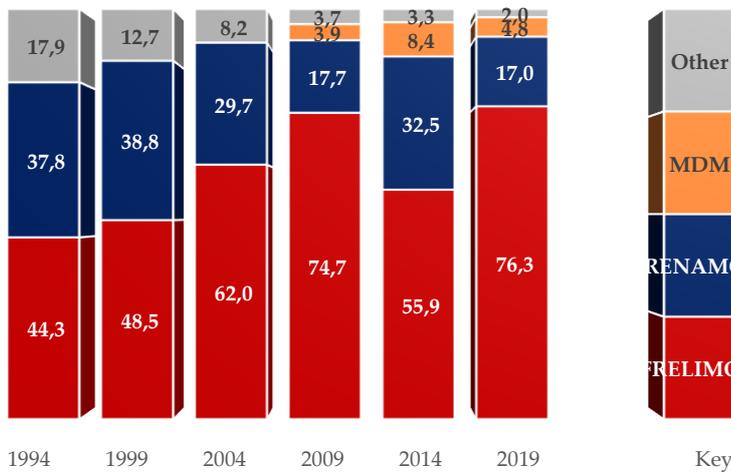


Mozambique

Election Results

Incumbent President Filipe Nyusi has been re-elected to a second five-year term following the October 15 general elections, with the long-ruling ruling Frente de Libertação de Moçambique (Frelimo) party remaining politically dominant. Nyusi won 73% of the presidential vote, with his main rival Ossufo Momade – leader of the opposition party and former rebel group Resistência Nacional Moçambicana (Renamo) - trailing behind with only 21.88% and the remainder split among candidates including Daviz Simango of the Movimento Democrático de Moçambique (MDM).

Figure 2: Share of The Popular Vote by Selected Party (%)



Source: MHMK: NEC

Frelimo also increased its share of parliamentary seats to 184 out of 250, up from 144 previously and above the two thirds threshold required for constitutional amendments. The ruling party also won majorities across all 10 of Mozambique’s provinces, giving it control over both national and regional policy. Momade and other senior members of Renamo, alongside MDM leader Daviz Simango have rejected the result and called for fresh elections.

With these demands, tensions between the government and the opposition are likely to remain elevated.

Policy Forecast

With incumbent President Filipe Nyusi and the ruling Frelimo party remaining securely in power, the government is expected to continue dialogue with key bondholders that had been progressing prior to the vote. However, risks to political stability will remain elevated but a return to major conflict between the two main parties is highly unlikely. Risks to their recently signed peace deal will persist. Renamo’s number of parliamentary seats fell from 89 to 60 in 2019 while Frelimo won control over every province. Renamo’s dashed hopes for short-term gains from the peace process and perceptions of vote rigging could prompt it to abandon the deal leading to political uncertainty and high risk. Even if the official stance of the opposition is to uphold the peace deal, the possibility of dissident Renamo members resuming sporadic guerrilla attacks in protest at Frelimo’s dominance cannot be entirely ruled out. Should this occur, it would risk further straining security forces that have been struggling since 2017 to suppress a militant insurgency in Mozambique’s gas-rich north, with disruption to projects in the area potentially weighing significantly on Mozambique’s long-term growth prospects. The country relies much on foreign direct investment and aid which hinges more on political stability. Upholding of the peace deal is essential for a continued positive investment climate.

January 2020

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