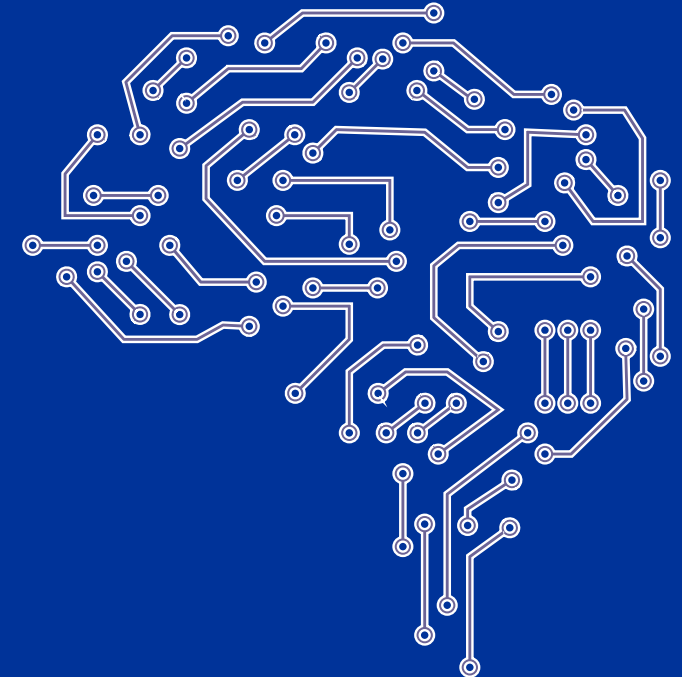


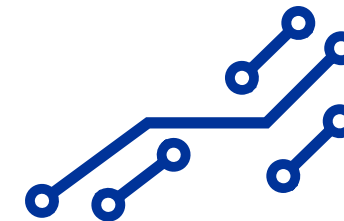
BOTSWANA DATA CENTER MARKET BRIEFING

A strategic overview of the data center
investment opportunity in Botswana

A Xalam Analytics Country Report

July 2025



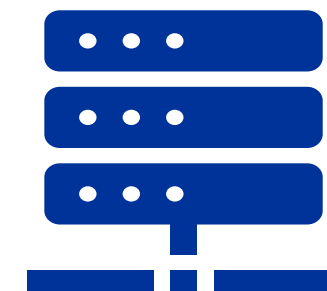


This report is part of a series of market briefs developed by Xalam Analytics at the behest of Digital Investment Facility (DIF) under the Data Governance in Africa Initiative, on the data center market opportunity in sub-Saharan Africa (“SSA”). This analysis aims to provide key insights into market demand and supply patterns for data center markets, business landscape, regulatory impact and investment returns. The research aims to provide potential investors and stakeholders with the latest information on the data center market in the SSA region.

This country review is based on our assessment of information and data as available to our research. It is further underpinned by our understanding of the marketplace along with market data and insights collected through continuous research. The numbers and estimates in this report are derived from a mix of sources, including estimates from Xalam Analytics’ economic models, data providers, regulator data and other sources as may be indicated.

This report is prepared with funds from the [Data Governance in Africa Initiative](#), a project financed by the European Union, Germany, Belgium, Estonia, Finland and France under the [Digital for Development \(D4D\) Hub](#). Its contents are the sole responsibility of Xalam Analytics and do not necessarily reflect the views of the funders.

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The Botswana data center investment case

A push to transform one of Africa's most stable markets into a knowledge-based economy



THE OPPORTUNITY

- **An upper-middle income country** with plans to become an upper income country by 2036 **by transforming its economy into a knowledge-based one.**
- Among the **most politically and economically stable countries in SSA.**
- **Digital Transformation Strategy (SmartBots)** established to enhance connectivity, build a knowledge workforce, improve digital skills and digitalize public services.
- Positive investment climate aided by **low corporate tax rates, free repatriation of profits and no foreign exchange controls.**
- One of the **most connected markets** in sub-Saharan Africa.

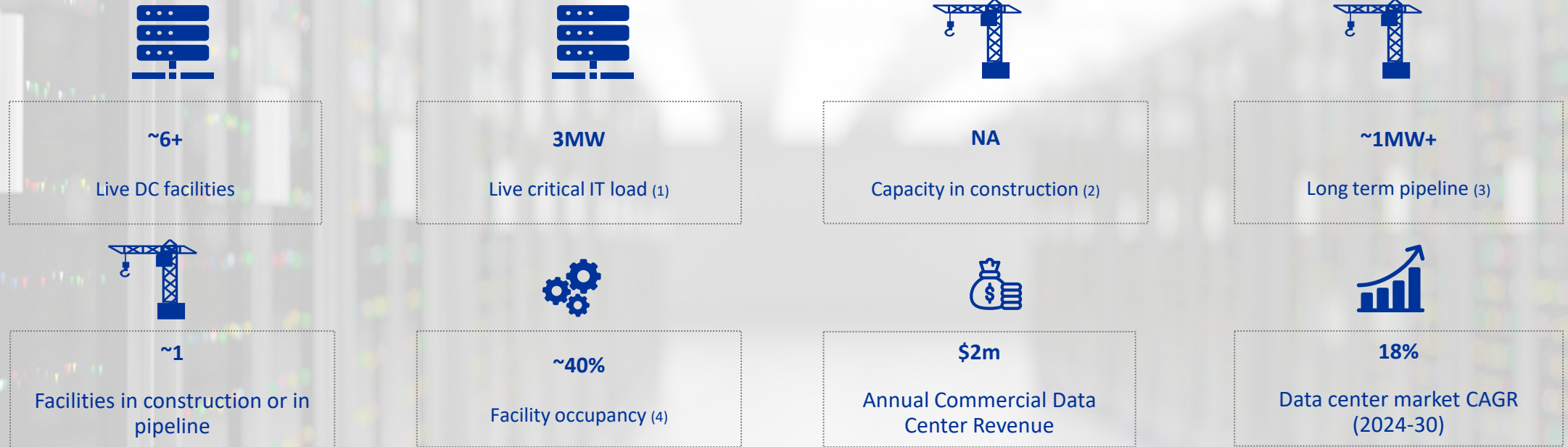


CHALLENGES & RISKS

- Pressures in diamond export market have led to **slowing economic growth over the past 2-3 years.**
- **Poverty and inequality indicators** remain higher than those of its upper-middle income country peers.
- A sparsely-populated environment, with a population density of only five people per square kilometer.
- Lack of power generation diversity heightens risk of **unreliable supply and frequent outages.**

Botswana data center market overview

Estimates as of 2024



(1) Capacity that is active, under lease or readily available for lease by third-party customers.

(2) IT load capacity from facilities currently in construction; construction has broken ground; ongoing civil works, installation and commissioning phases are in progress.

(3) Facilities explicitly announced or listed as in development. Some execution phases have been initiated (e.g. land control, energy supply commitments, etc.), but no actual civil works have been undertaken. Capacity expected to be available by the end of 2030.

(4) Percent of available capacity that is effectively being used by third party customers.

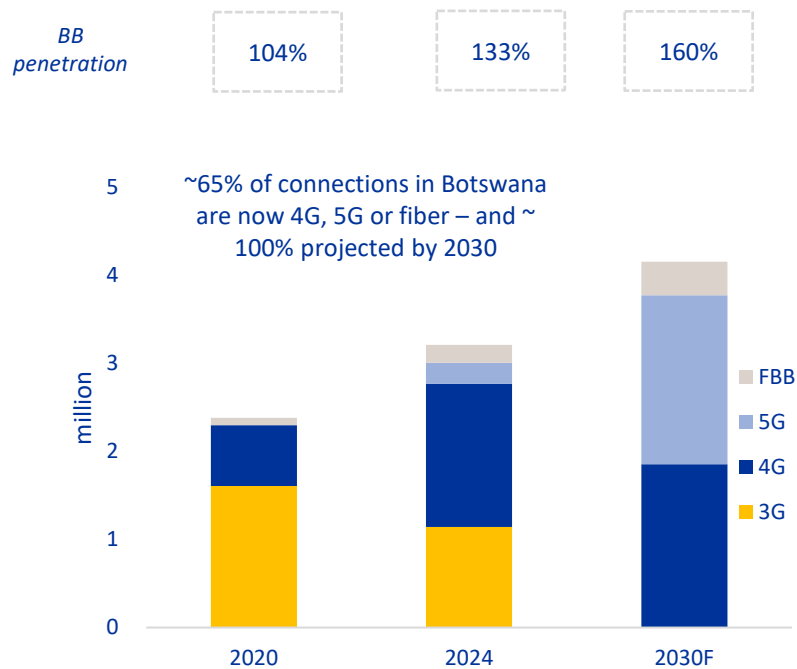
Sources: Xalam Analytics estimates, provider data

Key drivers of demand for data centers

A government push to diversify the economy away from mineral extraction is driving digital transformation in Botswana, in the face of emerging economic pressures

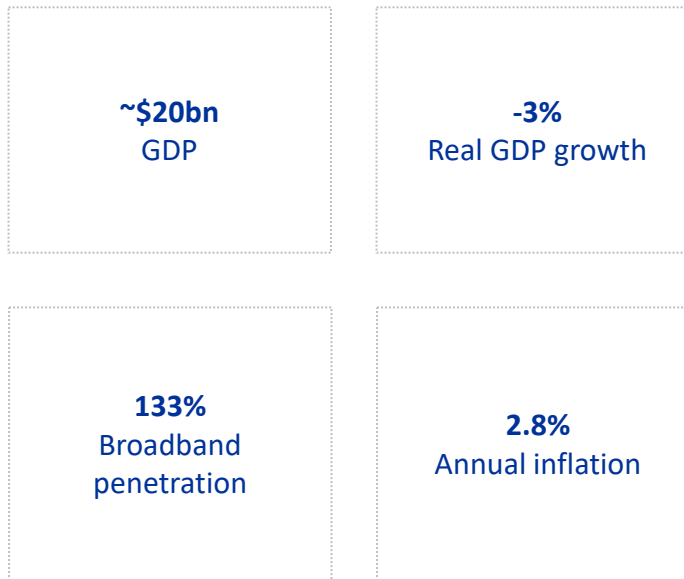
A growing digital customer base

- Botswana broadband connections by type - million



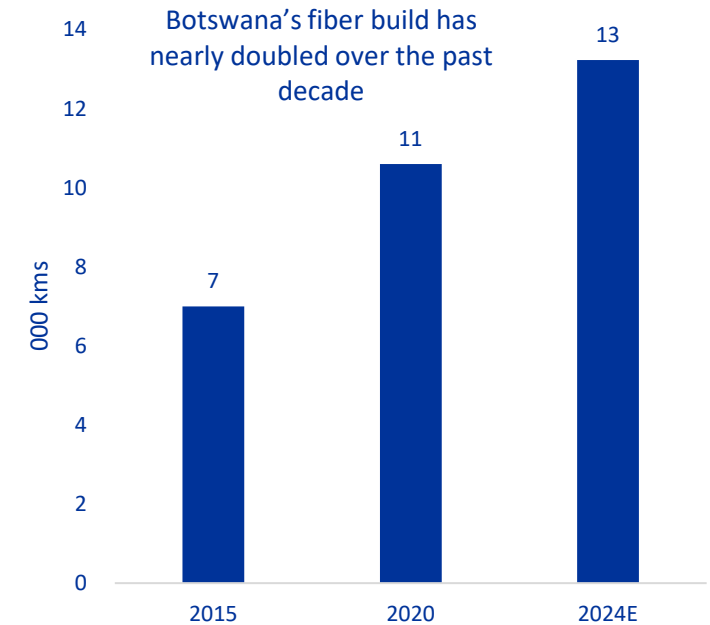
Some pressures in the economy, with moderate inflation

Sample Botswana economic indicators - 2024



Expanded digital infrastructure build

Botswana terrestrial fiber – 000 kms



Sources: Statistics Botswana, BOCRA and provider data, Xalam Analytics estimates

Data center market conditions

Botswana's data center operating environment is gradually improving

Data privacy, hosting & environmental regulations



- The National Assembly passed the Data Protection Act 2024 which went into effect in January 2025. This act replaces previous legislation on data protection.
- Data transfer outside of Botswana is prohibited unless strict conditions are met. Data transfer is allowed to 45 countries, among them Kenya and South Africa.

Electricity & Fiber Markets



- Botswana generates <1GW of grid power annually, most of which comes from just two electricity plants.
- Electricity prices are moderate to high by Southern Africa standards, at \$0.12 per kWh.
- Renewables account a negligible share of the energy mix (~1%); the government is planning to raise the share of renewables to 30% by 2030.
- Botswana relies on other Southern African countries including Zambia (ZESCO), South Africa (Eskom) and Namibia (Nampower) to fill power generation gaps.

Investment Incentives



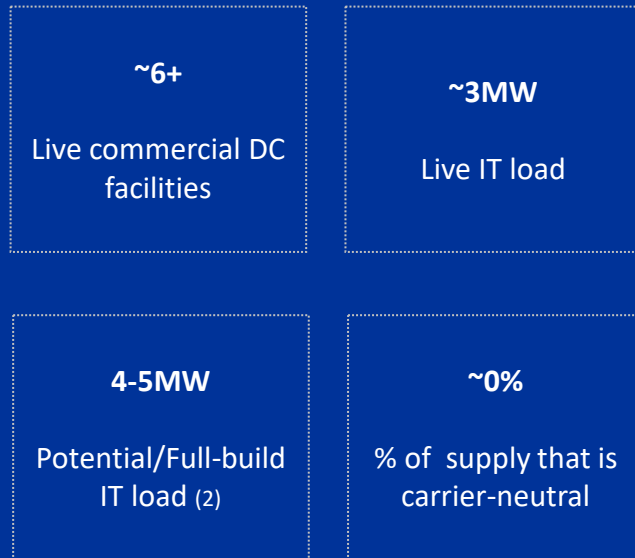
- Low corporate tax rates, free repatriation of profits, duty rebates on imported raw materials and no foreign exchange controls.
- Eight special economic zones (SEZ) offering various benefits.
- Botswana Digital Innovation Hub Science and Technology Park is a special purpose vehicle to attract technology companies and promote innovation.
- Investment in human capital has led to a highly skilled and technical workforce.

State of data center supply

Botswana's data center capacity is growing fast

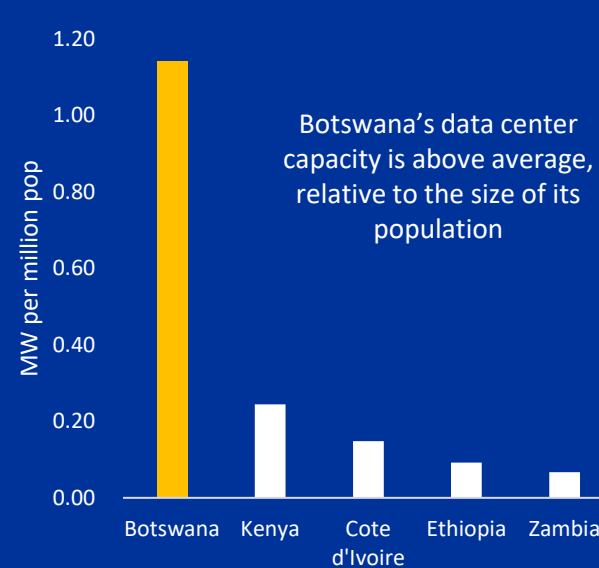
Botswana data center supply – 2024E

Sample market indicators (1)



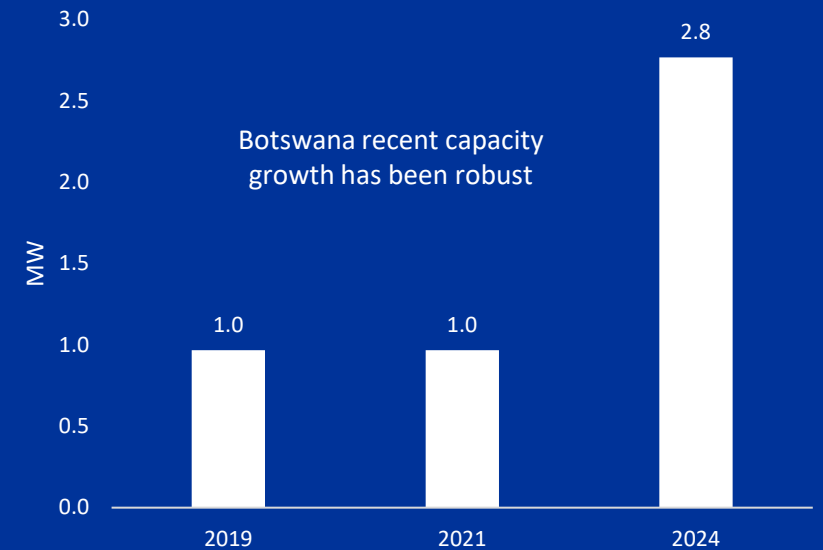
Botswana vs. Sub-Saharan Africa peers

Critical IT load – MW per million population



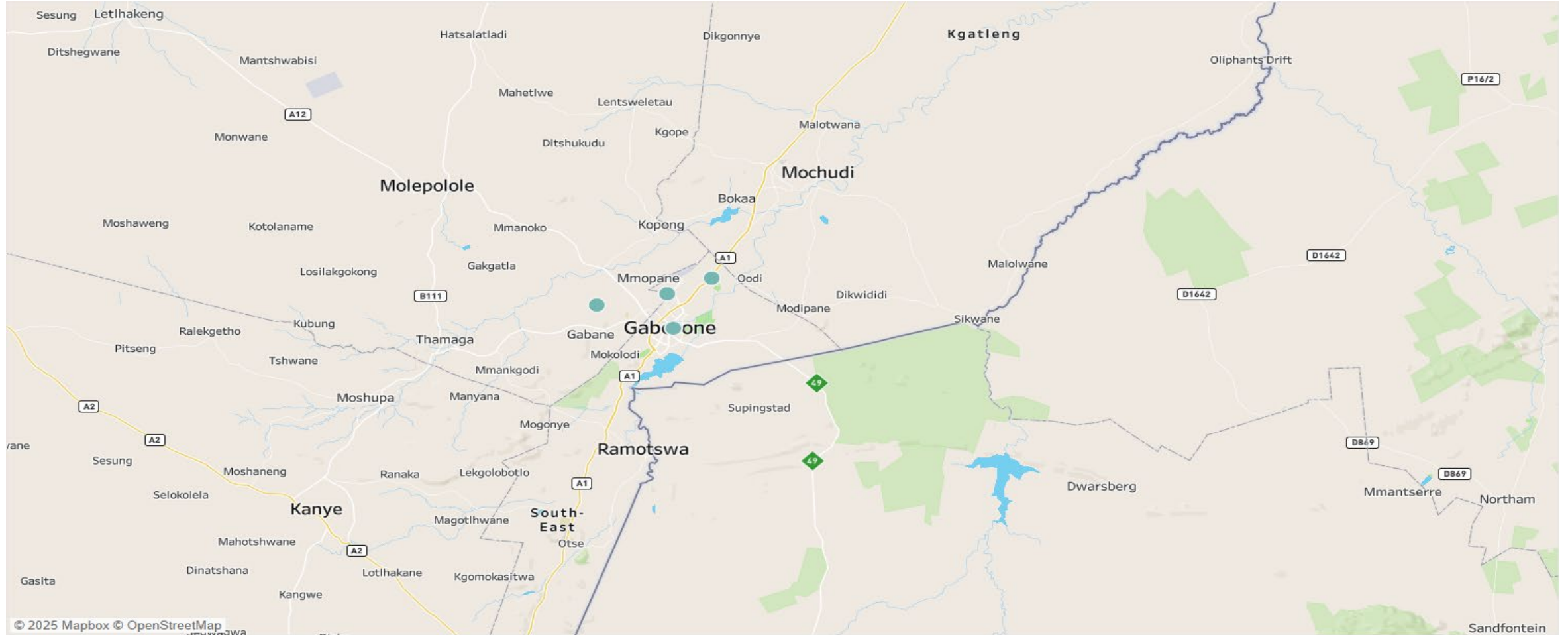
Botswana data center market – evolution of live supply

Critical IT load - in MW



(1)Numbers are rounded up (2) Potential/Full-build load is facility capacity assuming that all phases of development have been completed. Additional CapEx would be needed to make the residual capacity operational. Sources: Xalam Analytics estimates, provider data

Botswana facility mapping – Gaborone metro



Key data center market players

A telco and infraco-dominated data center market

Telcos & Fiber Infracos



Focused on mobility and fiber - colocation is an adjacent opportunity.

Government

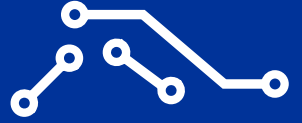


State agency offering a range of IT services, including colocation

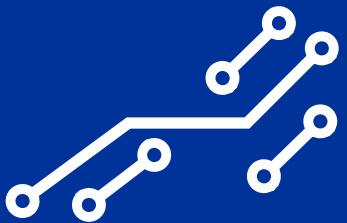
Hybrid facilities are the norm



- Telcos and InfraCos dominate Botswana's data center market, offering colocation services to third parties via hybrid facilities that also serve internal purposes.
- Botswana has yet to see the arrival of a pan-regional pure-play data center provider (like ADC, Paix, Raxio, etc.), likely the result of its small size and proximity to South Africa.
- Most of the growth in the coming years will likely come from the expansion of existing facilities, particularly the Digital Delta facility which can expand to include up to 400 racks.



GLOSSARY & KEY DEFINITIONS



Key definitions

Data center	While there are a variety of definitions for data centers, this market review is focused on commercial facilities , that is, facilities that lease colocation white space and power capacity to third-party customers on open, commercial terms, and in exchange for a fee. Captive facilities (bank data centers, telco switch sites and similar) are excluded from this assessment. Estimates focus on facilities at Tier II standard and above, unless otherwise indicated. Where applicable, these estimates include cloud hyperscaler self-built facilities.
Live critical IT load	Capacity that is active, under lease or readily available for lease.
Full build capacity	Data center facilities are typically built in phases; the full-build capacity is capacity assuming all potential phases of build have been completed and are live.
Capacity in construction	Facilities that have broken ground; ongoing civil works, installation and commissioning phases.
Pipeline	Facilities explicitly announced or listed as in development. Some execution phases have been initiated (e.g. land acquisition, power supply commitments, etc.), but no actual civil works have been undertaken.
Carrier-neutral	Facilities not specifically affiliated to a connectivity or cloud vendor, with capacity available to all third-party customers, on equal commercial terms, without explicit or implicit constraints or favoritism. This market review uses a loose definition for carrier-neutral, referring to facilities that are purely carrier-neutral, recognized by the market or effectively managed as such.

Glossary

Below are some of the key abbreviations used in this report

AI	Artificial Intelligence
ASN	Autonomous System Number
bn	billion
CAGR	Compound Annual Growth Rate
CapEx	Capital Expenditures
CDN	Content Delivery Network
Colo	Colocation
DC	Data Center
DIF	Digital Investment Facility
EAC	East African Community
EU	European Union
F	Forecast
FBB	Fixed Broadband
FDI	Foreign Direct Investment
FX	Foreign Exchange
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
ICT	Information, Communications and Technology
ISP	Internet Service Provider
IPP	Independent Power Producer
IT	Information Technology

kW	Kilowatt
kWh	Kilowatt Hour
LLM	Large Language Models
m	million
MNC	Multinational Corporation
MNO	Mobile Network Operator
MRR	Monthly Recurring Revenue
MSP	Managed Service Provider
MW	Megawatts
NDC	National Data Center
OEM	Original Equipment Manufacturer
POP	Point of Presence
PUE	Power Usage Effectiveness
RFS	Ready For Service
SEZ	Special Economic Zone
SSA	Sub-Saharan Africa
USD	US dollar
PUE	Power Usage Effectiveness
RFS	Ready For Service
SSA	Sub-Saharan Africa
YE	Year end



Learn more:

<https://d4dhub.eu/initiatives/data-governance-in-africa>

