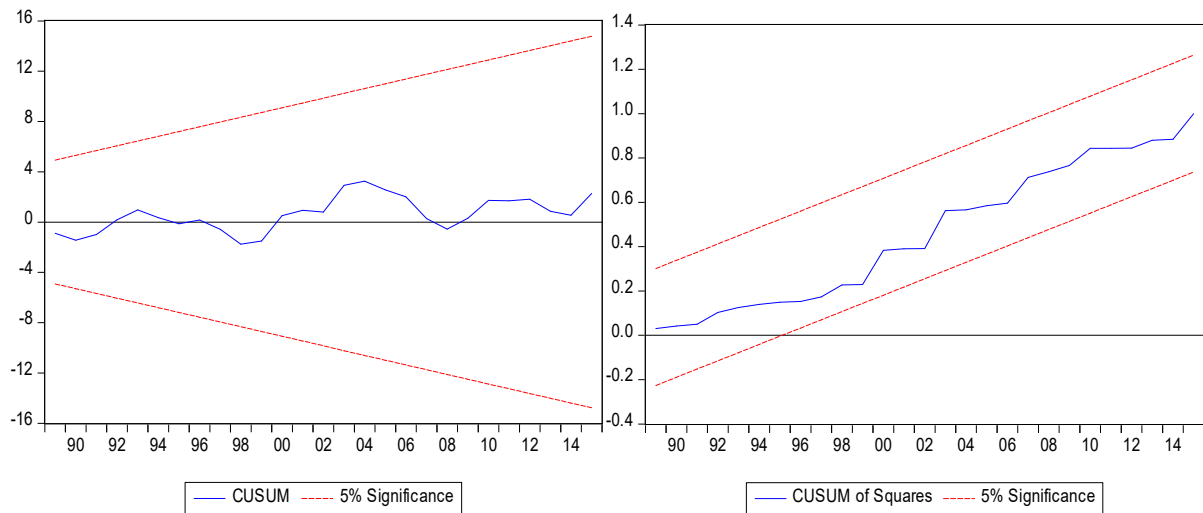
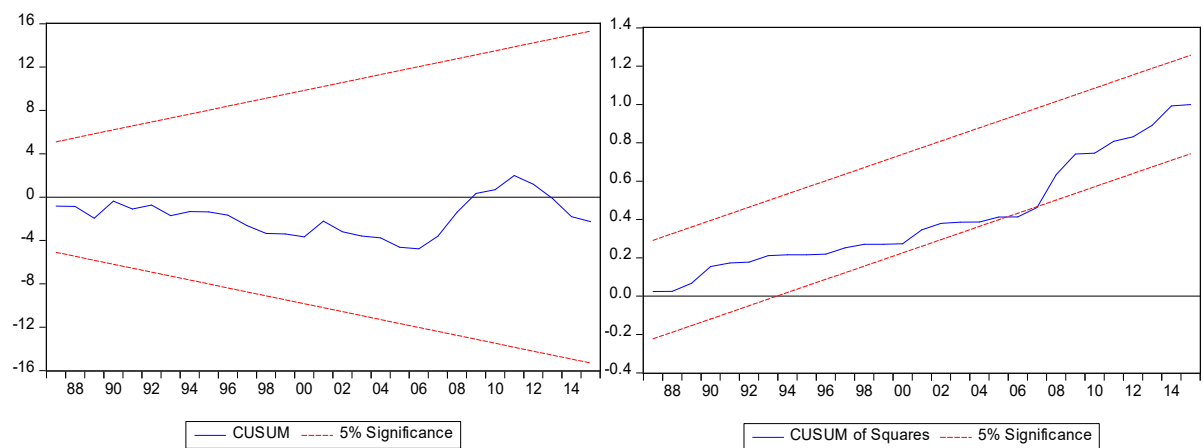


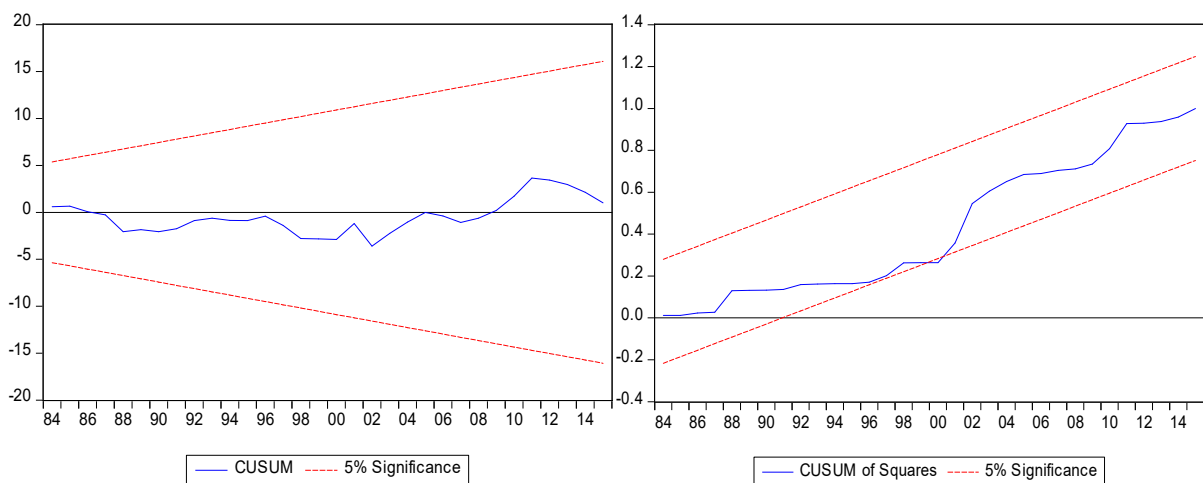
## **SUPPLEMENTARY FILE**



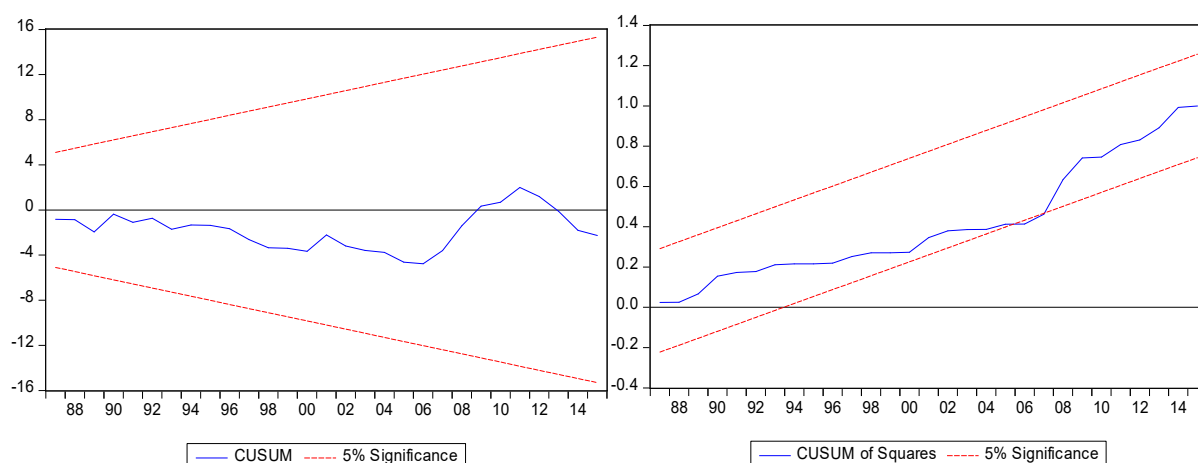
**Figure S1.** Plots of CUSUM and CUSUM of SQUARES (LNREER and fundamentals).



**Figure S2.** Plots of CUSUM and CUSUM of squares (KF, LNOPENNESS, RESERVES).



**Figure S3.** Plots of CUSUM and CUSUM of squares (KF, OVER, LNOPENNESS, RESERVES).



**Figure S4.** Plots of CUSUM and CUSUM of squares (KF, UNDER, LNOPENNESS, RESERVES).

**Table S1.** List of variables and data sources.

Variables	Description	Sources
Dependent Variables		
LNREER	Real effective exchange rate index	WDI, IFS
KF	Volume of Botswana's outward capital flight (% of GDP)	WDI
Independent Variables		
LNTOT	Terms of trade index	WDI
LNGOV	Government final consumption expenditure (% of GDP)	WDI
GDP	Annual percentage growth rate of GDP	WDI
FDI	Foreign direct investment net inflows	WDI
AID	Net official aid received (% of GNI)	WDI
LNOPENNESS	Trade (sum of imports and exports; % of GDP)	WDI
LNDEBT	Total external debt stocks (% of GDP)	WDI
LNCAPITAL	Gross capital formation (% of GDP)	WDI
RESERVES	Reserves and related items (% of GDP)	WDI
INF	Inflation as measured by the consumer price index	WDI
IRD	Difference between Botswana & South Africa's real interest rates	WDI
Variables for Determining the Type of Misalignment		
LNCAC	Cyclical component of Botswana's current account	WDI
LNDEBTC	Cyclical component of Botswana's stock of external debt	WDI
LNRGDPC	Cyclical component of Botswana's real GDP	IMF
LNi <sup>US</sup>	Annual yield on the US government medium-term bond	FRED
EMS	Excess broad money supply	WDI
Variables for Measuring Capital Flight (not scaled to GDP)		
VKF	Volume of outward capital flight for Botswana	Author
ED	Total external debt stocks	WDI
FI	Foreign direct investment net inflows	WDI
CAD	Current account deficit	WDI
FR	Reserves and related items	WDI

Notes:

1.  $VKF_t = \Delta ED_t + FI_t - CAD_t - \Delta FR_t$ .
2. KF was calculated as  $\left(\frac{VKF_t}{GDP_t}\right)\%$  where VKF is the volume of capital flight measured using the residual method and GDP is Botswana's total GDP.