



---

**BOTSWANA**  
**INVESTORS HANDBOOK**  
**2017**



# Table Of Contents

<b>Abbreviations</b>	<b>4</b>	SACU/MERCOSUR PTA	82
<b>1. Botswana welcomes you</b>	<b>5</b>	Importing and exporting	82
		Tariff and Tax Exemptions	82
		Importing	82
<b>2. About Botswana</b>	<b>11</b>	Other Duties And Taxes	83
<i>Botswana Governance</i>	13	Exporting	83
		Licenses and Quotas	84
		Duty-Free Zones	84
<b>3. Indices And Botswana's international rankings</b>	<b>14</b>	<b>8. Business Facilitation</b>	<b>85</b>
<b>4. The Economy: Performance and Outlook</b>	<b>19</b>	Part 1: Company and Business Name registration	86
<i>Trade investment and related policies</i>	21	1.1 Reservation of company or business name	86
<i>International trade: an overview</i>	22	1.2 Requirements for company registration	87
<i>Inflation</i>	26	1.3 Company registration process maps	88
<i>New project developments and structural highlights</i>	29	Part 2: opening a business bank account	88
		2.1 general information required by all banks	88
<b>5. Investment climate</b>	<b>39</b>	2.2 Additional requirements by particular Banks	88
<i>Corporate tax rates- resident company</i>	40	First national Bank	88
<i>Double tax avoidance Agreements</i>	40	Barclays	88
<i>Other benefits</i>	41	BancABC	88
<i>Bilateral investment treaties</i>	41	2.3 Account opening for regulated credit and financial institutions	88
		Part 3: Licensing	89
<b>6. Key Investment Opportunities</b>	<b>42</b>	3.1 Trading license	89
<i>Mining Sector</i>	44	3.2 Manufacturing license	91
• <i>Diamond Beneficiation</i>	44	3.3 Liquor License	92
• <i>Coal</i>	46	3.4 Financial Services Licensing	93
• <i>Soda Ash</i>	52	3.5 Banking License	93
<i>Cargo, Freight &amp; Logistics Sector</i>	55	3.6 Bureau De Change License	94
<i>Leather And Leather Goods Sector</i>	60	3.7 Micro-Lending License	95
<i>Automotive Sector</i>	64	3.8 requirements for Registration of insurance company	95
<i>Agriculture Sector</i>	67	3.9 Tourism License	96
<i>Financial And Business Services Sector</i>	69	3.10 Mining License	98
<i>ICT Sector</i>	71	Part 4 : Tax Registration	99
<i>Health Sector</i>	74	4.1 Company Tax and Vat	99
<i>Education Sector</i>	75	4.2 Individual Tax Registration	99
		Part 5: Work and Residence Permits	100
<b>7. Trade Agreements</b>	<b>76</b>	5.1 Checklists for work and residence permit applications	100
<i>Preferential Market Access Agreements</i>	78	5.2 Categories and Criteria for Assessment of the Point-Based System	102
<i>Current Trade Negotiations</i>	78	5.3 Standard criteria for assessment of work & Residence Permit renewal Applications	105
<i>Non-Reciprocal Agreements</i>	78	5.4 Cost of Applying for permits	106
<i>Cooperative Frameworks</i>	78	Part 6: Utilities	107
<i>World Trade Organization (WTO)</i>	78	6.1 Water Connections	107
<i>Southern African Customs Union (SACU)</i>	78	6.2 Power Connections	107
<i>SADC trade Protocol</i>	79	6.3 Telephone Connections	108
<i>Bilateral Agreements</i>	79	Part 7: Incentives for investors	109
<i>Botswana/Malawi Bilateral Agreement</i>	80	7.1 incentives for investors	109
<i>SACU and European Free Trade Association (EFTA) FTA</i>	80	7.2 IFSC Company Certification	109
<i>Generalized System of Preference (GSP)</i>	80	7.3 Development Approval order	110
<i>African Growth and Opportunity Act (AGOA)</i>	80	Part 8: Process road map for investors	110
<i>Interim Economic Partnership Agreements</i>	81		
<i>SACU/US Trade, Investment And Development Cooperation Agreement (TIDCA)</i>	81	<b>9. Botswana Investment And Trade Centre</b>	<b>111</b>
		<i>Brund Botswana</i>	114

## Abbreviations

*The stunning beauty of  
the Okavango Delta,  
the unimaginable vast  
Abbreviations*

AGOA	African Growth Opportunity Act
ASYCUDA	Automated System for Customs Data
BITC	Botswana Investment and Trade Centre
BNLS	Botswana, Namibia, Lesotho and Swaziland
BOB	Bank of Botswana
BOBS	Botswana Bureau of Standards
BOCRA	Botswana Communications Regulatory Authority
BPC	Botswana Power Corporation
BPO	Business Process Outsourcing
BTO	Botswana Tourism Organisation
BURS	Botswana Unified Revenue Services
CIPA	Companies Intellectual Property Authority
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CIU	Collective Investment Undertaking
CV	Curriculum Vitae
DAO	Development Approval Order
DTA Treaty	Double Taxation Avoidance Treaty
EFTA	European Free Trade Association
EIA	Environmental Impact Assessment
EPA	Economic Partnership Agreement
FTA	Free Trade Agreement
FDI	Foreign Direct Investment
IFSC	International Financial Services Centre
ILA	Industrial Licensing Authority
IPP	Independent Power Producer
ISP	Internet Service Provider
MIGA	Multilateral Investment Guarantee Agency
NBFIRA	Non-Bank Financial Institutions Regulatory Authority
OECD	Organisation for Economic Cooperation and Development
PAYE	Pay As You Earn
PTA	Preferential Trade Agreement
SACU	Southern African Customs Union
SADC	Southern African Development Corporation
SEZ	Special Economic Zones
SLA	Service Level Agreement
TIDCA	Trade, Investment and Development Corporation Agreement
TIN	Tax Identification Number
UNCTAD	United Nations Conference on Trade and Development
USTR	Office of the United States Trade Representative
VAT	Value Added Tax
WUC	Water Utilities Corporation
WTO	World Trade Organisation

One

**Botswana**

Welcomes You







Honorable Minister Of Investment, Trade and Industry  
**VINCENT T. SERETSE**

*“Botswana has achieved impressive economic performance over the past four decades due to a number of factors. These include prudent macroeconomic management, consistent economic policies, political stability and good governance. The country has maintained a high economic growth rate, resulting in accumulation of substantial foreign reserves and substantial investment in the development of our human resources.”*

## Botswana Welcomes You

Botswana is highly rated by international organisations on a number of economic indicators, based on its impressive performance. Botswana has also been consistently rated by Transparency International as the least corrupt country in Africa, and is ranked amongst the least corrupt countries in the world. This clearly shows that our Government institutions are efficient, effective and transparent. Thus creating a conducive environment for the seamless operation of the private sector. Highly significant too are the rankings of Standard and Poor's and Moody's, which gives Botswana the highest sovereign credit rating in Africa and among the highest in the world consistently for a period spanning a decade.

Botswana acknowledges the important role that foreign direct investment plays in economic development, and encourages international firms to choose the country as a destination for their investment. With no exchange controls, free movement of capital is permitted and companies are able to bring in key expatriate personnel who are needed to establish operations in Botswana.

Our Government policy is orientated towards sustainable growth and diversification through coordinated efforts and contributions from various sectors of the economy, including mining, agriculture, services, energy and tourism.

Attracting foreign investment and encouraging joint venture enterprises between local and foreign investors are some of the key issues that will assist in the transfer of skills and ensure that the private sector plays a pivotal role in the development process. To this end, continuous review of the investment climate has remained an important priority in ensuring that Botswana fully exploits its potential as an investment location of choice.

Botswana has opportunities to access international markets through bilateral and multilateral agreements. These include the Southern African Customs Union (SACU), which gives market access to South Africa, Namibia, Lesotho and Swaziland, and the Southern African Development Community (SADC), trade protocol which gives access to a market of some 250 million people. The African Growth and Opportunities Act (AGOA) offers Botswana access to the USA market. The EU-SADC EPA agreement provides duty free, quota free market access for products coming from Botswana, and other ACP countries.

In this regard Botswana has unlimited access which provides an opportunity for Botswana to send her products into 28 EU countries without duty, quota or any encumbrance. The market access opportunities make it attractive for investors to use Botswana as a base for doing business, and target both regional and international markets at preferential rates.

The "Botswana Investor Handbook" contains information on the country's policies, as well as up-to-date information on economic indicators, the investment climate and the opportunities that the country presents. The Government of Botswana has created an attractive and enabling environment that encourages private sector participation in the development agenda. I invite potential investors to use the Handbook and to explore the significant investment opportunities that our country offers. Through the Botswana Investment and Trade Centre (BITC) website ([www.gobotswana.co.bw](http://www.gobotswana.co.bw)), BITC regional offices in South Africa, the United Kingdom and India, the Head Office in Botswana, the personnel and all necessary resources are at your service.

*...Botswana has opportunities to access international markets through bilateral and multilateral agreements...*

Honorable Minister Of Investment, Trade and Industry  
**VINCENT SERETSE**



## Our Pride, Your Destination

Africa's jewel for  
foreign direct  
**investment.**

### *Botswana is a Land of Stunning Beauty*

The stunning beauty of the Okavango Delta, the unimaginable vastness of the Central Kalahari Game Reserve, the isolation and other-worldliness of the Makgadikgadi, the astoundingly prolific wildlife of the Chobe National Park make Botswana a very unique destination.

### *It is Rich in Natural Resources*

Minerals, energy, protected environmental areas, agriculture, pastureland and non-timber forest products give Botswana natural capital that amounts to one-third of its total wealth.

### *Botswana's Beauty and Wealth are Manifested in its Very Special People*

There is a unique wisdom in Botswana that translates into practical reality in numerous ways. Botswana have created a world-class business environment., a functioning democracy, a sound legal system and high credit rating making Botswana one of the world's most attractive destinations for investment.

## Why Botswana

### *Botswana is Stable, Peaceful and Transparent*

- We have been at peace since our birth as an independent, sovereign nation in 1966;
- We have zero tolerance for corruption, and we boast a sound legal system and adherence to the rule of law;
- We have been consistently rated as the least corrupt country in Africa by Transparency International.



### *Botswana is Committed to Sound Fiscal Policy and Economic Freedom*

- We are ranked as the world's Second most Attractive Investment Location by New York University's Altman's Baseline Profitability Index (BPI), (2015);
- We have the Highest Sovereign Credit Rating, and were named the 2<sup>nd</sup> freest economy in Africa (2017);
- We have one of the fastest growth rates in per capita income in the world.

### *Botswana Opens the Door to a Massive Market*

- We provide investors with preferential access to the Southern African Development Community's (SADC) entire marketplace – over 290 million people;
- We open up duty-free access to South Africa, Namibia, Lesotho and Swaziland;
- We provide duty-free and quota-free access to the European Union (EU) market.
- We continue to negotiate additional trade agreements with various countries and are committed to continental free trade in Africa.

### *The Quality of Botswana's Workforce is Second to None in Africa*

- The workforce is well educated – 82% are literate – and most speak English;
- There are no labour tensions;
- Our people are peaceful and responsible, and the different communities maintain harmonious relations.

82%  
are literate.

Taxes  
are very low

### *The Government of Botswana Wants to Make Your Investment Work for You*

- We have no foreign exchange controls or restrictions on business ownership;
- Taxes are very low – 15% for corporations and 25% for individuals;
- We allow remittance and full repatriation of profits and dividends;
- We offer duty-free import of machinery and equipment for manufacturing purposes.

### *Botswana is Committed to Continued Growth*

- We are consistently investing in new and improved core infrastructure such as power plants, fibre-optic networks, roads, railways and international banking institutions;
- We are establishing ourselves as a centre for innovation and R&D via the Botswana Innovation Hub.



two

# About Botswana



## About Botswana



### Location Within Africa

Botswana is centrally located in the heart of Southern Africa. It shares borders with Zambia in the north, Namibia in the north and north-west, Zimbabwe in the north-east and South Africa in the south and south-east. Its central location in the Southern Africa region makes Botswana the perfect gateway for reaching the whole of the Southern African Development Community (SADC) region. Botswana is a perfect investment and trade hub.

### Area

Botswana has a surface area of 581,730 km<sup>2</sup> of which 84% is the Kgalagadi Desert.

### Cities

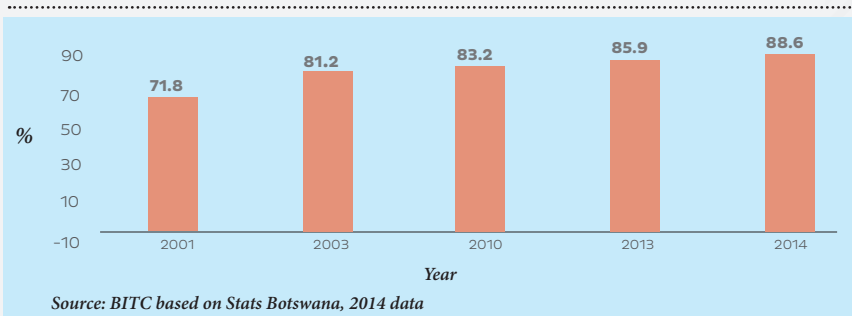
Gaborone is the capital and largest city with a population of 231,626 (Population and Housing census 2011), which is approximately 10% of the total national population. With an area of 169 km<sup>2</sup>, the city's wider agglomeration is home to 421,907 inhabitants. Francistown is the second city located in the North Eastern part of the country.

### Population

2,024,904 (Population and Housing Census 2011).

### Adult Literacy Rate

Botswana prides herself in rising literacy rates shown below, which are amongst the highest literacy rates in Africa.



### Languages

English is the only official language. Setswana is the most widely spoken language in Botswana, and is considered the national language. As of 2011, about 80% of the population spoke Setswana.

### Currency

The Pula is the currency of Botswana. ISO 4217 code is BWP, and there are 100 thebes to one Pula. Pula is the Setswana word for "rain".

### Electricity Supply

Botswana's energy is mainly from coal-fired plants. Small diesel generators are used to power rural areas. The bulk of domestic electricity production is generated by the Morupule coal-fired station.

Ministry of Mineral Resources, Green Technology and Energy Security has overall responsibility for power. The Botswana Power Corporation (BPC), a parastatal under this Ministry, generates, transmits and distributes electricity in

Botswana. BPC imports electricity to meet the domestic demand of 13 % from Eskom, from the Zimbabwe Electricity Supply Authority and, since 1991, from Zambia.

Consumption per capita is estimated at 874 kWh. Almost all of Botswana's power comes from the coal-powered Morupule Power Station. The country is undertaking a rural electrification programme and a 15-year planning programme is being developed to cater for the expected increase in supply of electricity across the Botswana grid. ABB Transmission and Distribution, a South African company, has undertaken numerous projects in Botswana, building power lines. Almost all villages have been electrified through

the rural electrification programme that Government embarked on in the past 5 years.

Although Botswana is ideally suited for being powered through solar energy since she enjoys over 300 days of sunshine per year, the contribution of solar energy to the national energy balance is insignificant. Solar energy is currently used for home lighting, water heating, electricity production for telecommunications equipment in rural areas where access to conventional electricity is difficult. Significant business opportunities exist in the production of solar energy and the manufacturing or assembly of solar energy equipment.

## Botswana Governance

### Head of State

Lieutenant General Seretse Khama Ian Khama is the 4th President of Botswana. After serving as a commander of the Botswana Defence Force (BDF), he entered politics and served as Vice President of Botswana from 1998 to 2008, then succeeded the former President Mr. Festus Mogae as President on 1 April 2008.

### Parliament

Botswana has an active parliament, a National Assembly, which comprises 57 directly elected MPs plus a further six specially nominated members by the President and subject to parliamentary approval.

Elections take place every five years, and the ruling Botswana Democratic Party (BDP) has won successive elections since independence in 1966, with three other parties currently represented in parliament. The President is the Head of the Executive arm of government but is not directly elected in his/her own right, but is rather the leader of the party with a majority of directly elected MPs. The President is also constitutionally limited to two five-year terms of office.

### House of Chiefs

The House of Chiefs, to which the

eight Setswana paramount chiefs have automatic membership, advises the government on matters of custom and tradition, including review of draft bills before their consideration by Parliament. Botswana conducts a unique form of communication and consultation with its citizens through the medium of the kgotla, traditional communal assembly at which government policies can be discussed.

### Constitution

Botswana's constitution provides for the protection of fundamental rights and individual freedom (including freedom of speech, association and the press), an independent judiciary, and equal rights for all citizens.

Political parties and trade unions have the right to demonstrate, but such demonstrations tend to be generally peaceful, and large-scale political disturbances are virtually unknown.

The government's policies include strategies that maximize productivity, add value throughout the economy, increase flows of foreign direct investment (FDI) through an attractive and transparent fiscal and operating environment and, intensify marketing Botswana's products through coordinated export promotion.

*Botswana has an active parliament, a National Assembly, which comprises 57 directly elected MPs plus a further four specially*  
....



*three*

## **Indices And International Rankings**







## Indices And International Ratings

<p><b>Corruption Perception Index</b></p> <p>Transparency International assembles composite measures of corruption perception in around 176 countries in the world. The Corruption Perceptions Index (CPI) relates to perception of the degree of corruption as seen by businessmen and country analysts; it ranges between 100 (very clean) and 0 (highly corrupt). The 2016 (CPI) ranks Botswana at position 35 in the world, an improvement of 3 places up from the year 2014. Even though Botswana continues to be the least corrupt country in Africa, there is need for a close check as the percentage score still remains at 63 having dropped by 1 percent in 2013.</p>	<p><b>Economic Stability (Credit Ratings)</b></p> <p>Botswana is one of the fastest growing economies in the world. The country has a stable macro-economic environment and steady economic growth. Standard &amp; Poor's (S&amp;P) sovereign credit ratings 2016 reaffirms the ratings of "A-" for Long term bonds and "A-2" for short term bonds in domestic and foreign currency denominated borrowing. The prudent fiscal management and robust institutional framework continue to reinforce the ratings.</p>	<p><b>Global Competitiveness Index</b></p> <p>This is a highly comprehensive index for measuring national competitiveness, it takes into account the microeconomic and macroeconomic foundations of national competitiveness. The 2016/2017 Global Competitiveness Report analyzed competitiveness indicators for 138 countries. It highlights that, Botswana's competitiveness rose up for the second consecutive year to position 64th from 71st in the year 2015/16, which makes it the fourth competitive economy in Sub-Saharan Africa.</p>	<p><b>Global Enabling Trade</b></p> <p>From inception the report has highlighted the particular importance of trade facilitation in delivering concrete reforms to producers and consumers around the world, most notably in developing countries. The 2016 report has thrown itself wholeheartedly behind the cause of trade facilitation, providing additional focus to implementation work around the globe on 136 countries. Botswana is ranked in the 65th position in 2016, which is a major improvement from the 88th position in the year 2014. This impressive performance owes to top performance in the border administration pillar, and the launch of the National Trade Portal, providing a streamlined online platform for access to all necessary information on import and export procedures.</p>
<p><b>Ease of Doing Business</b></p> <p>The Doing Business Project investigates how easy or difficult it is for a local entrepreneur to comply with relevant regulations in opening and running a small to medium-size business. It measures and tracks changes in regulations affecting 10 areas in the life cycle of a business; starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. The World Bank's 2017 Ease of Doing Business Report profiled 189 countries, and Botswana ranks at position 71 and is the third country in the ease of doing business in Africa. This slight improvement is a result of having made dealing with construction permits easier by eliminating the requirement to submit a rates clearance certificate to obtain a building permit.</p>	<p><b>Operational Risk Index</b></p> <p>Botswana ranks in the top three key SADC FDI destinations for low operational risk. Operational Risk Index provides a country-comparative evaluation of the labour, logistics, trade and investment and crime and security risks to business operations. With a score of 49.2, Botswana surpasses the emerging markets average of 46.8. Botswana is a regional outperformer in the Operational Risks Index due to its low level of crime and security risk, its favourable and stable trade and investment environment, and its highly literate workforce. The country has fewer labour market unrests and lower security risks than competitor FDI destinations in SSA.</p>	<p><b>Global Entrepreneurship Index (GEI),</b></p> <p>A breakthrough advance in measuring the quality and dynamics of entrepreneurship ecosystems at a national and regional level. The GEI comprises of three sub-indices known as the 3As: entrepreneurial attitudes, entrepreneurial abilities, and entrepreneurial aspirations of 137 economies. Botswana ranks in position 52 in the world, whereas in the Sub-Saharan region it's in 1st position. Further, insights reveal that "Improving the conditions for entrepreneurship by 10% could add \$ 7 billion to the economy" of Botswana.</p>	<p><b>Democracy Index</b></p> <p>The Economist Intelligence Unit's Democracy Index provides a snapshot of the state of democracy Worldwide for 165 independent states and two territories. The Democracy Index is based on five categories: electoral process and pluralism; civil liberties; the functioning of government; political participation; and political culture. Botswana is the 3rd Democratic country in the sub-Saharan Africa, and in the world it's the 27th ahead of advanced economies such as India, South Africa, Brazil and Singapore 2016.</p>

## Botswana's Unique Selling Points

Third most Profitable Country Globally & Most Profitable in Sub Saharan Africa (Baseline Profitability Index 2015)

At the Heart of the SADC Consumer Market (292 million)

Highest investment grade sovereign credit rating in Africa long term "A-" & short term "A-2" (2017)

Second Freest Economy in Sub Saharan Africa (2017)

Africa's best Investment destination (2017)

Competitive Corporate Tax Rates, & Robust Incentives

Africa's Best Mining Destination (2016)

Least corrupt country in Africa (2016)

Africa's third Democratic Country (2016)





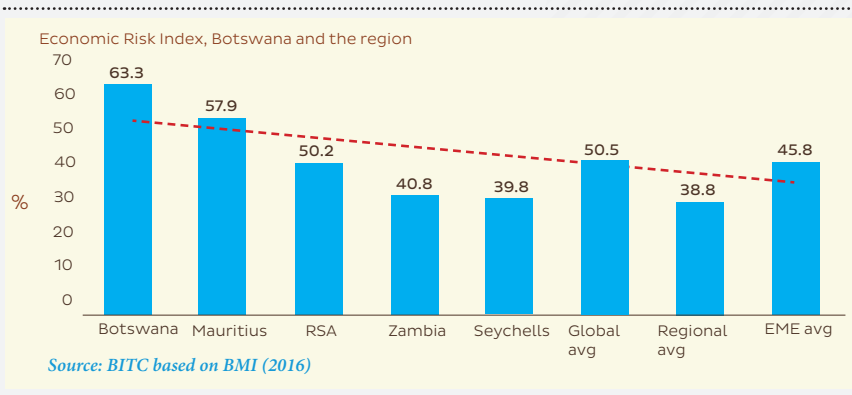
*four*

## **The Economy:** Performance And Outlook

## The Economy: Performance And Outlook

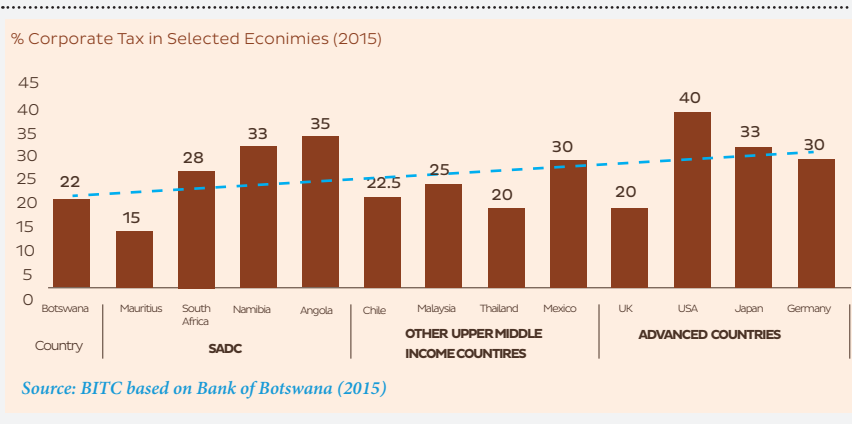
### Macroeconomic Policy Highlights

The country's sterling economic performance has been the hallmark of its success owing to prudential monetary and fiscal policy mix. The BMI (2016) economic risk rating puts Botswana amongst the top performers in SADC with respect to both short and long-term scores as outlined below in the figure.



Monetary policy has always highlighted the importance of price stability in the form of low and predictable levels of inflation and an accompanying financial environment that fosters savings, investment, international competitiveness and ultimately the drive for a wider economic base. In this way the central bank has largely managed to keep inflation within the 3-6 percent medium term objective thereby successfully managing inflation and

private sector expectations. Similarly, fiscal policy, especially taxation has been relevant for investment, resource allocation and pricing decisions to boost the country's competitiveness. To illustrate; resident companies pay 22% company tax rates and a general withholding tax of 7.5% while manufacturing companies pay a lower 15% operating in the Innovation Hub and International Financial Services Centre (IFSC).





## Trade, Investment And Related Policies

*In addition to macroeconomic policies, Botswana is deeply engaged in modern international trade being party to bilateral, regional and multilateral trade agreements.*

Such arrangements by and large determine the trade and investment policies the country pursues. For example, attracting investment has been placed at the core of the developmental integration agenda of the Southern African Development Community (SADC). Member States acknowledge that creating a favourable investment climate is central to diversifying their economies, creating new labour skills, empowering women, developing infrastructure, and enhancing their participation in regional and global value chains. All Member States recognise the role investment may play in sustaining economic development states to and in alleviating poverty. In this manner, SADC is implementing the Regional Action Programme on Investment (RAPI) aimed at improving investor climate and removing barriers that hamper doing business among member states and the region. The RAPI has a combination of the following actions for member states;

- Actions that member states can choose to implement to improve the investor climate internally (examples in Botswana case being World Bank Study on Doing Business Reforms at National Strategy Office, the planned Business Facilitation Law, Special Economic Zones)
- Actions to improve the investor climate at regional level ( for example cooperation of IPAs under the Finance and Investment Protocol, FIP)
- Mutual reinforcement of national and SADC

efforts to improve the business climate

- Measures aimed at harmonizing laws, policies, and practices to improve the investment climate in the region

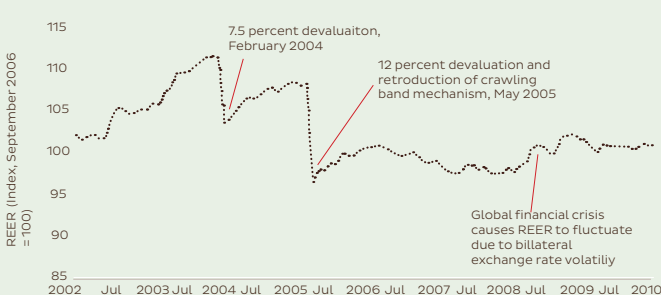
The SADC Investment Policy Framework (IPF) forms the core of the RAPI alongside other pillars like

- the SADC IPAs Peer to Peer Learning Mechanisms
- Investment Regime Database
- Model BIT Template

In this way, the pursuit for free trade and more market access has to be realized based on regional integration and multilateral trade and investment requirements. Special Economic Zones Policy of 2011 is a key example that illustrates government efforts towards industrialisation and economic diversification by attracting domestic and foreign investors to designated zones throughout the country. The SEZ policy aims to offer enhanced, competitive and investor friendly environment with fast-tracked and streamlined authorization and licensing of businesses. The SEZ model is based on the cluster development concept and agglomeration economies to create productive synergies and reinforced value-chains.

The central bank runs an exchange rate policy that bolsters competitiveness of domestic industries at home and abroad. To do this the bank maintains a stable real effective exchange rate (REER) of the BWP against major trading partner countries' basket of currencies. The REER is a trade –weighted exchange rate of the BWP against these currencies, adjusted for inflation and acts as a measure of relative competitiveness of the country's tradeable goods and services.

REER Appreciation and Subsequent Staniklisation, 2002 – 2010



Source: Bank of Botswana (2016)

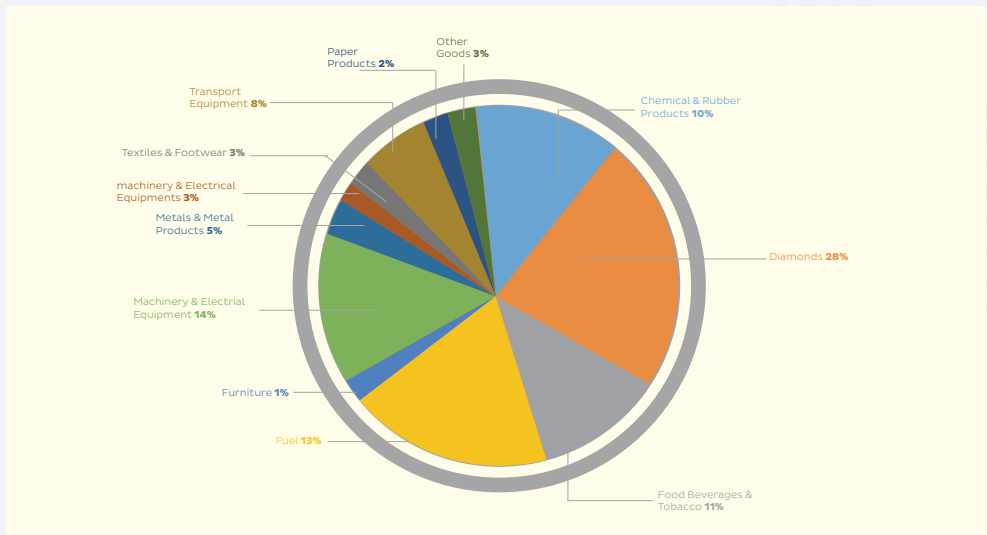
## International Trade: An Overview

### 1. Principal import commodity groups 2016 (BWP Millions)

Import Bill in 2016 reached BWP 66.84 billion. Diamonds constituted 28% of total imported products (BWP18.9bn) followed by Machinery & Electrical equipment – 14% (BWP9.2bn), Fuel– 13% (BWP8.6bn), Food beverages & tobacco – 11% (BWP7.5bn), and Chemical & Rubber products-10% (BWP 6.6bn)



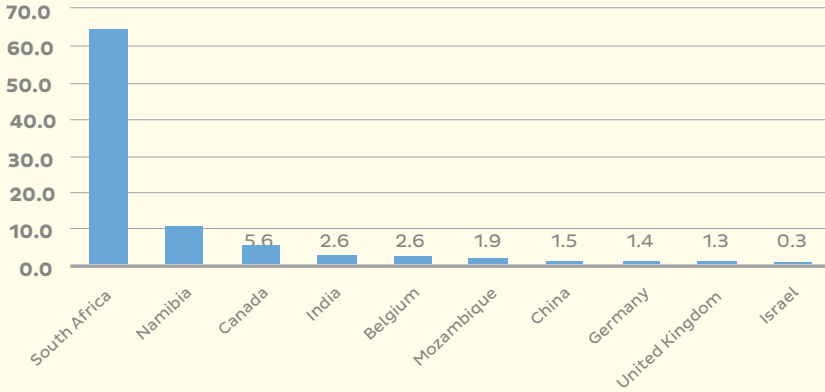
### Principal imports Composition 2016



Botswana's import growth or decline is tied to the global economic performance, with South Africa, Namibia, and Canada, makeup the country's biggest imports partners. Their

import market share are 64.6 %, 10.5, and 5.6% respectively, however it's worth noting that in the year 2016 total imports decreased by 9.5%.

## Import by Major Trading Partner (%) 2016

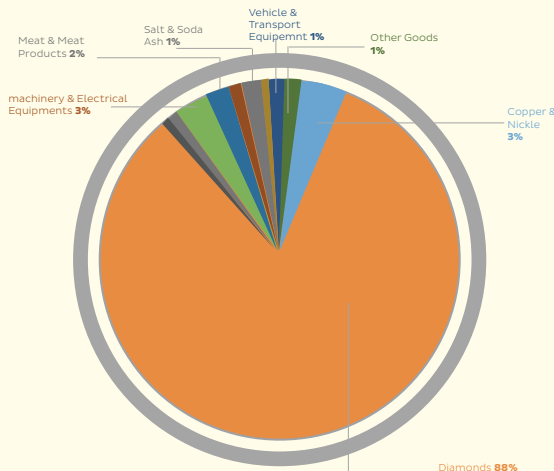


Botswana's exports are still dominated by primary commodities, mainly diamonds which are mainly destined to Belgium with 18.9 % of share of export market, India has 15.1%, South

Africa 13.6 %, Namibia 11.6% and other countries have less than 10% export market share are; UAE, Israel, Singapore, Canada, Switzerland and Hong Kong.

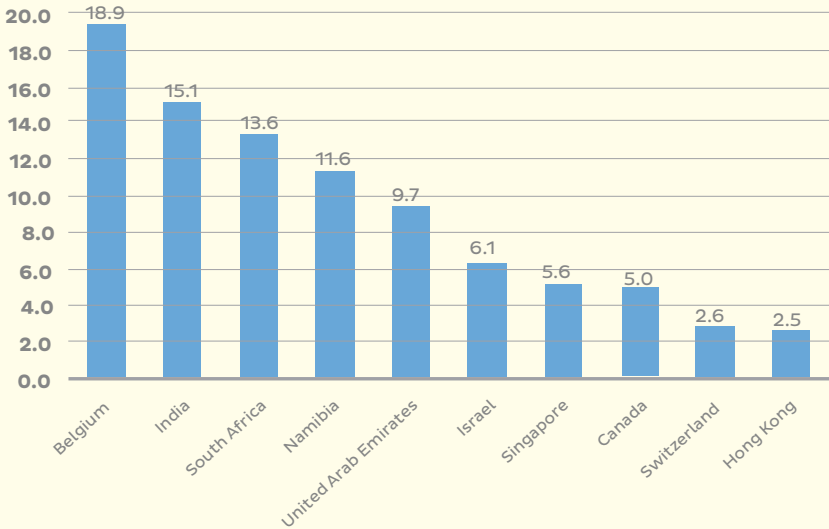
## 2. Principal export commodity groups 2016 (BWP millions)

In 2016 Botswana exported goods worth BWP 80.3bn. Botswana's export commodities were highly concentrated in the mineral sector, diamonds (88%)-BWP70.8bn, copper nickel (3%)-BWP2.6, salt & Soda Ash (1%)-BWP0.7bn. The non-mining sector contributed as follows: Machinery & Electrical Equipment 3%-BWP2.1bn, Meat and Meat products 2%-BWP1.1bn, Other goods 1%-BWP1.1bn, Others e.g. hides& Skins, iron steel products, Plastic & Plastics products, textiles, vehicles transport equipment's contribution was negligible around 2.3%.



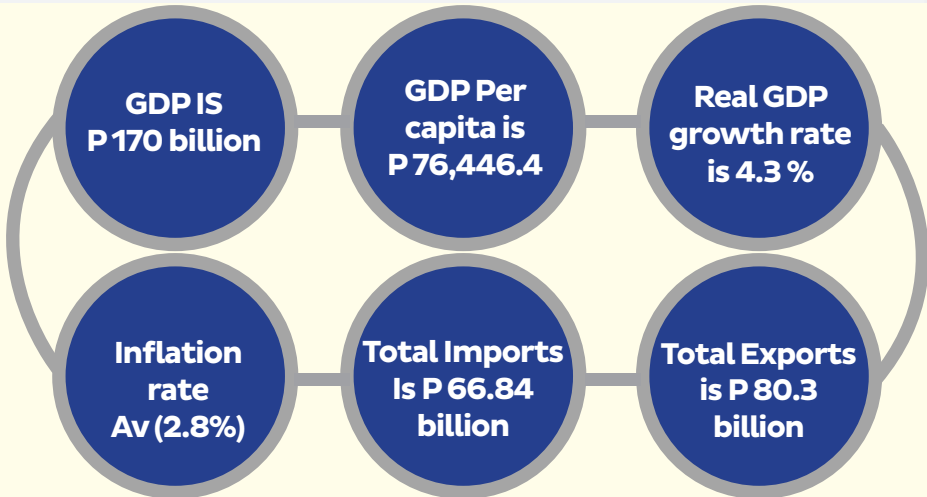
Source: Statistics Botswana, BITC Calculation

## Export by Major Trading Partner (%)



Source: BITC based on national statistics (2016)

## Annual National Accounts Summary (2016)

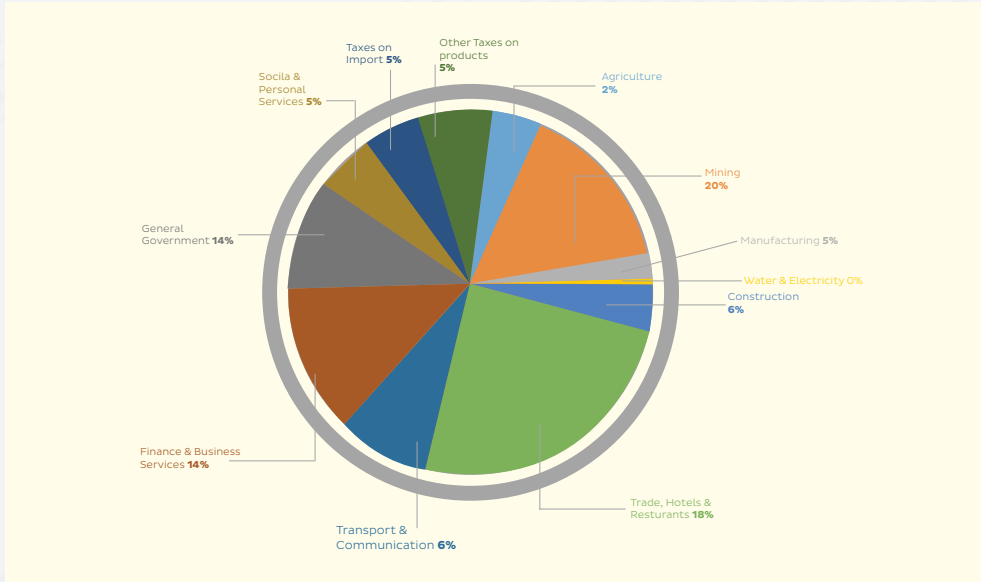


Source: BITC based on national statistics (2016)



## Contribution to GDP by Economic Activity 2016

In 2016, Mining and Trade, Hotels & Restaurants remains the major contributors to GDP, their contributions stood at 19.9 percent and 18.3 percent respectively. The graph below depicts sectorial contributions;



Source: BITC based on national statistics (2016)



## National Output (GDP at current prices; BWP million, 2012-2016)

Botswana's real GDP growth has increased by an average 4.5% in the past five years, with the mining sector still dominating in terms of added value. Business Monitor International (BMI) has

forecast that Real GDP growth will increase by an average of 4.7% for the next five years.

GDP at Current Prices (million)	2012	2013	2014	2015	2016
Agriculture	2,961.3	2,876.9	3,045.3	3,214.5	3,393.4
Mining	19,286.5	24,243.4	32,403.0	25,819.9	33,825.9
Manufacturing	6,523.2	7,285.1	7,740.3	8,441.7	8,777.0
Water and electricity	-621.2	-123.2	-581.5	-219.2	464.0
Construction	7,464.5	7,997.9	8,689.7	9,606.6	10,574.9
Trade, hotels and restaurants	16,896.7	21,211.3	26,182.3	23,711.4	31,021.2
Transport and communication	6,325.3	6,906.2	7,788.2	8,559.3	9,643.4
Finance & business service	16,467.8	17,717.0	19,284.3	21,517.5	23,154.8
General government	16,923.7	17,731.0	19,946.0	22,491.1	24,423.2
Social & personal services	6,750.2	7,344.1	8,138.4	8,653.0	9,259.3
Value Added	98,978.1	113,189.7	132,636.1	131,795.8	154,536.9
Taxes on Import	5,560.5	6,403.1	7,107.4	7,541.6	8,054.3
Other Taxes on Products	5,804.8	6,083.2	6,691.5	7,205.1	7,782.0
<b>TOTAL GDP</b>	<b>109,870.4</b>	<b>125,158.3</b>	<b>145,868.4</b>	<b>145,923.5</b>	<b>169,688.0</b>

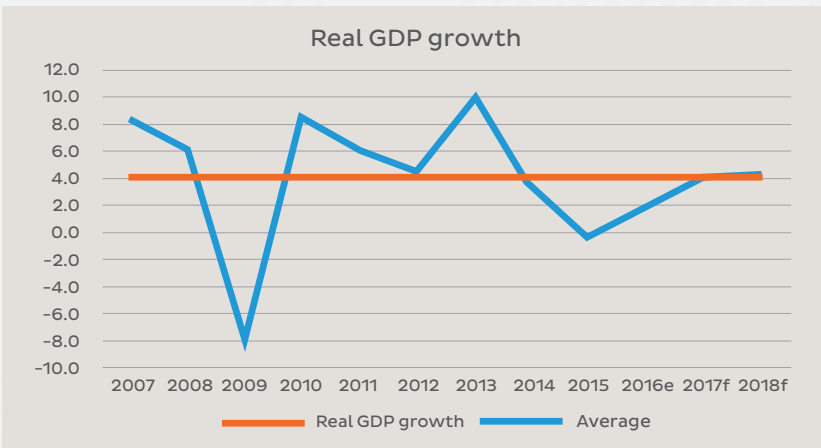


## Real GDP Growth

*Growth in Botswana will recover at a gradual pace over 2017 after a recession in 2015, where the economy contracted by 0.3%. This was due to the subdued demand for mineral exports, resulting from the low commodity prices globally.*

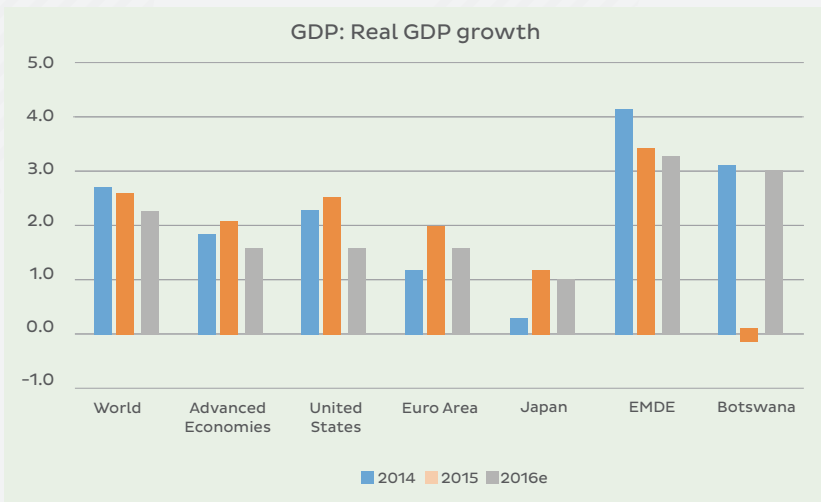
Although the country remains exposed to the external forces, the Government's Economic Stimulus Programme (ESP) will provide a modest

economic boost over 2017. The Global Economic Prospects (2017) forecast real growth of 4.0% and 4.3% in 2017 and 2018 respectively. Further, the World Output (GDP) is forecast to increase by 2.7% in 2017, compared to an estimate of 2.3% growth in 2016.



Source: World Bank

Below is an illustration of expected GDP growth of Botswana compared with the rest of the world, emerging markets and developing economies (EMDE) and middle-income economies.



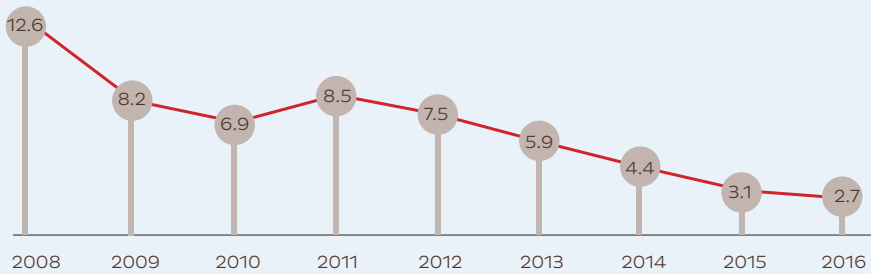
## Inflation

*World inflation was benign in 2015. Inflation fell from 3.5 to 3.3 percent in 2015 owing to weak world demand, low commodity prices and persistent excess capacity in advanced economies.*

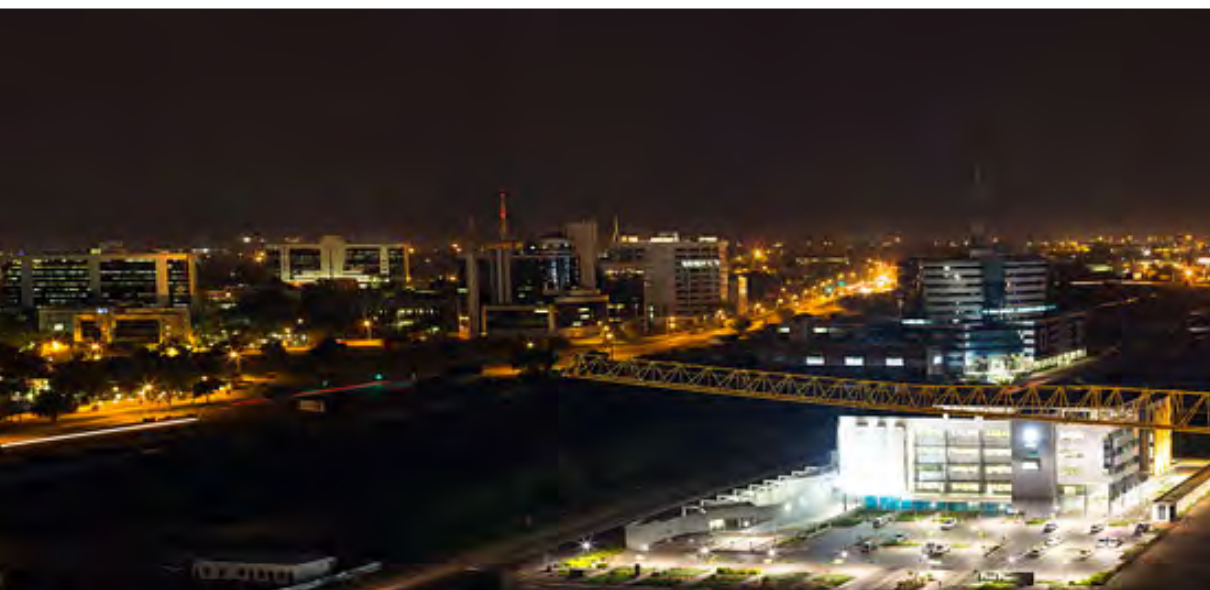
Similarly, international oil prices declined markedly in 2015 reaching an all-time low in six years against the already subdued world demand and a well-supplied market. Brent crude oil prices declined by 39 percent from USD 62.34 to USD38.01 between December 2014 and 2015. At the same time, the trade weighted inflation between Botswana and major trading partners

fell from 3.1 to 2.8 percent in 2015. Overall, inflation fell from 3.8 percent to 3.1 percent and within the country's range of 3.6 percent medium-term objective. Thus, the Botswana economy was experiencing modest demand and restrained growth in personal income, in the face of declining fuel prices (one of the largest import products) as well as other factors like low food inflation. On the external front, inflation was also declining in major trading partners. Similarly, the Pula was getting strong against the Rand (thereby reducing imported inflation).

Botswana Annual Inflation Rates



Source: BITC Research based on Stats Botswana, 2016

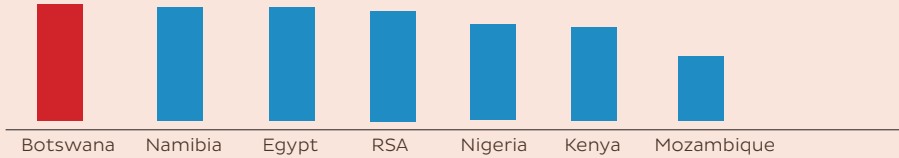


**Inflation outlook:** global inflation is forecast around 3.4 percent in 2016, a bit higher than the 3.3 percent recorded in 2015 in the face of low commodity prices, weak global demand and continuing spare capacity in advanced nations. Pressure on domestic inflation is expected to be limited and inflation is forecast to fall within the requisite 3.6 percent range.

Government's commitment to improved infrastructure is another key milestone worth noting. To illustrate this, the Ministry of Mineral Resources, Green Technology and Energy Security has

recently embarked on numerous infrastructure project such as the power and electricity through the Northwest electricity transmission grid as well as the rehabilitation of Morupule A power plant. Here, the ministry has allocated a staggering BWP 3.43bn and additional BWP 1.34bn being commitments under the 2016/17 financial year and 2015/16 supplementary budgets respectively. It is no surprise that Botswana tops the entire Sub-Saharan Africa on the infrastructure risk-reward index at 52.8/100 as shown below.

Risk-reward rankings, select SSA countries



Source: BITC based on BMI data (2016)

Thus, Botswana is the most attractive in Africa ahead of key competitors. The risk-reward index takes into account current industry size and growth prospects, the degree of openness of the market to new foreign investors together with the political and economic conditions score,

giving an overall score for return on investment. In addition, a weighted average of risks on both political and economic conditions (such as operational risk, regulatory issues, industry sophistication) and country risks and rewards give risk-reward score with 100 being the best.







# New Project Developments And Structural Highlights



*Botswana is expected to ramp up the production of coal through coal-fired plants in the near future and attain full independence with respect to generation of electricity by year 2020. The refurbishment of Morupule A and the advent of independent power producers (IPPs)-representing private investment will boost thermal power production. Similarly, Shumba Energy is in the process of finalising the power producer agreement (PPA) ahead of construction on the Sechaba Coal power plant set to commence by 2018/19.*

The Introduction of IPPs in Botswana is a significant milestone and stands to boost future generation potential. It gives the government a window of opportunity to divert scarce resources toward investment in other sectors while at the same time bringing in expertise and efficiency in the private sector.

#### **Power - Key Focus For Government**

- A joint venture between the Japanese giant Marubeni and the South Korean Pasco Energy will expand Morupule B Power plant and have secured a contract worth USD 800mn. This is expected to ramp up production from the current 600MW by additional 300MW. Once ready, the joint-venture will sell to Botswana Power Corporation electricity under the first power purchasing agreement for 30 years at

a BWP 812.56 (USD 73.21) per megawatt hour. Construction is expected to commence towards the end of 2016, supplying power to the national grid by 2020. Additional plans include a possible further expansion by 300 to 1200MW thereafter.

- Similarly, Shumba coal is in the process of developing a solar power station to generate 200MW earmarked for the Kalahari copper belt.

#### **Water - Key for Investment**

- The country is also undertaking construction of a USD 1.6bn water pipe line from Zambezi river to the south of the country. This pipe line was originally planned for the Zambezi agro-commercial project in the north-west but government had to prioritise.


#### **Transport - The required backbone**

- There is a need for robust transport infrastructure especially in the face of possible mining investment and the subsequent need to reach export markets. Being a land-linked economy, Botswana has to have clear and reliable conduits in the form of roads to nearby ports. The 1500km, US 15bn Trans-Kalahari railway is one huge project that will go a long way in harnessing such efforts linking Botswana and the Namibia port of Walvis bay.

*...first power purchasing agreement for 30 years at a BWP 812.56 (USD 73.21) per megawatt hour*






Botswana Railways	Investment opportunity overview
	<p><b>Project Description:</b></p> <ol style="list-style-type: none"> <li>1.Mosetse–Kazungula–Mmamabula–Lephalale railway lines</li> <li>2.Construction of wagon maintenance workshop (Mahalapye)</li> </ol> <p><b>Key project metrics:</b></p> <ol style="list-style-type: none"> <li>1.The Mosetse–Kazungula–starts from Mosetse on the Francistown Sua Pan Rail Line linking with Zambia Rail network at Kazungula. It covers a distance of 367km from Mosetse to Kazungula. The Mmamabula –Lephalale route starts at Dibete and continues in an easterly direction. Part of the route is situated within Botswana and the rest in South Africa: Botswana = 56 km; South Africa = 67 km</li> <li>2.The workshop will undertake repairs and refurbishment of wagons, locomotives-operations which are currently outsourced abroad</li> </ol> <p><b>Business model:</b> Government finances</p> <p><b>Investment costs:</b></p> <ol style="list-style-type: none"> <li>1. Estimated Costs for the project is US\$ 115,994,879.95 which translates to an estimated BWP11,961,359,913.80 for the construction of Mosetse/ Kanzungula and Mmamabula/Lephalale Rail Links.</li> <li>2. Workshop will cost about USD 15 million.</li> </ol> <p><b>Expected return: N/A</b></p>
<b>Government support</b>	Improved social development
<b>Key Investment rationale</b>	Commitment to infrastructure development
<b>Contact details</b>	Botswana Railways                      +267 363 3346
<b>Project Location</b>	

Botswana Railways	Investment opportunity overview
	<p><b>Project Description:</b></p> <ol style="list-style-type: none"> <li>Mosetse-Kazungula-Mmamabula-Lephalale railway lines</li> <li>Construction of wagon maintenance workshop (Mahalapye)</li> </ol> <p><b>Key project metrics:</b></p> <ol style="list-style-type: none"> <li>The Mosetse-Kazungula-starts from Mosetse on the Francistown Sua Pan Rail Line linking with Zambia Rail network at Kazungula. It covers a distance of 367km from Mosetse to Kazungula. The Mmamabula -Lephalale route starts at Dibete and continues in an easterly direction. Part of the route is situated within Botswana and the rest in South Africa: Botswana = 56 km; South Africa = 67 km</li> <li>The workshop will undertake repairs and refurbishment of wagons, locomotives-operations which are currently outsourced abroad</li> </ol> <p><b>Business model:</b> Government finances</p> <p><b>Investment costs:</b></p> <ol style="list-style-type: none"> <li>Estimated Costs for the project is US\$ 115,994,879.95 which translates to an estimated BWP11,961,359,913.80 for the construction of Mosetse/Kanzungula and Mmamabula/Lephalale Rail Links.</li> <li>Workshop will cost about USD 15 million.</li> </ol> <p><b>Expected return: N/A</b></p>
<b>Government support</b>	Improved social development
<b>Key Investment rationale</b>	Commitment to infrastructure development
<b>Contact details</b>	Botswana Railways +267 363 3346

**Project Location**



Infrastructure	Investment opportunity overview
	<p><b>Project Description: AIRPORT CITY</b></p> <p>The SSKIA Airport City desires to transform the SSKIA into a vibrant commercial centre through a series of logistical, retail, and recreational developments.</p> <p><b>Key project metrics:</b></p> <ol style="list-style-type: none"> <li><b>Airport centre</b> - which will include retail and offices including an entertainment area measuring 50 000m<sup>2</sup>. Hotel and conferencing facilities to host international events. The area zoned for this use is approximately 200 000 m<sup>2</sup>.</li> <li><b>Cargo hub</b> which will be the core of logistics for the distribution and export of goods and freight using the multi-modal transport system - (556 000m<sup>2</sup>).</li> <li><b>Free Trade Zone</b> - a zone with special incentives for the investors (500 000m<sup>2</sup>). Commercial and mixed use zones - mixture of retail and office buildings - approx. 500 000m<sup>2</sup>.</li> <li><b>Recreational area</b> - approximately 650 000m.</li> <li><b>Servicing of land</b> with all the backbone infrastructure such as water, telecommunications, power, sewer etc.</li> </ol> <p><b>Business model:</b></p> <p>Various models BOT, BOOT amongst others in the form of - private sector development, PPP, government funded etc. Investment costs: USD 61 million.</p> <p><b>Expected return: N/A</b></p>
<p><b>Government support</b></p>	<p>Improved social development</p>
<p><b>Key Investment Rationale</b></p>	<p>To transform the value of land and leverage on its development for the purpose of revenue generation from non-aeronautical activities such as amongst others leasing concessions just to highlight a few.</p>
<p><b>Contact details</b></p>	<p>Ministry of Agriculture, Botswana +267 3689000</p>
<p><b>Project Location</b></p> 	

Infrastructure	Investment opportunity overview
	<p><b>Project Description:</b> Zambezi Integrated agro-commercial project</p> <p><b>Key project metrics:</b> A feasibility study to diversify agricultural production, reduce imports &amp; ensure food security through 25,000ha for production being (15,000ha for rainfed &amp; irrigation of field crops and 10,000ha)-fruits completed. Project composition includes irrigation and rain-fed infrastructure and transmission lines. On-going, land being sought from Chobe Land Board. Clearing of 2,500ha to take place (September 2016-March 2017), subject to availability of land.</p> <p><b>Business model:</b> Government procurement</p> <p><b>Investment costs:</b> BWP 3,8 billion</p> <p><b>Expected return: N/A</b></p>
<p><b>Government support</b></p>	<p>Improved social development and self-sufficiency in food</p>
<p><b>Key Investment</b></p>	<p>To reduce food importation bill and attain food security for the country</p>
<p><b>Contact details</b></p>	<p>Ministry of Agriculture, Botswana +267 3689000</p>

**Project Location**



Infrastructure	Investment opportunity overview
	<p><b>Project Description:</b> Various infrastructure development projects: power, water and transport</p> <p><b>Key project metrics:</b></p> <ol style="list-style-type: none"> <li>1. Morupule B Power plant expansion worth USD 800mn. Construction is expected to commence towards the end of 2016, supplying power to the national grid by 2020. Additional plans include a possible further expansion by 300 to 1200MW thereafter.</li> <li>2. Developing a solar power station to generate 200MW for the earmarked for the Kalahari copper belt.</li> <li>3. Construction of a USD 1.6bn water pipe line from Zambezi River to the south of the country to stem water shortages and drive investment</li> <li>4. The 1500km, US 15bn Trans-Kalahari railway is one huge project that will go a long way in harnessing such efforts linking Botswana and the Namibia port of Walvis</li> </ol> <p><b>Business model:</b> PPP model</p> <p><b>Investment costs:</b> Totaling over USD17bn</p>
<b>Government support</b>	Improved social development
<b>Key Investment Rationale</b>	Commitment to infrastructure development
<b>Contact details</b>	BITC , Botswana +267 363 3346

**Project Location**





Infrastructure	Investment opportunity overview
	<p><b>Project Description:</b> Botswana Communications Regulatory Authority (BOCRA) reviewed its licensing framework to induce competition and reduce the monopoly powers that is held by the Mobile Network Operators.</p> <p><b>Key project metrics:</b></p> <p><b>1. Network Facilities Providers (NFP);</b> These are licensees to own, operate or provide physical infrastructure carry service, applications and content such as International Gateway Systems (Satellite or Terrestrial), Cable Transit Systems, Satellite Hub Systems, Tower Management, Broadcasting Signal Distributer, Public Land Mobile Cellular Systems, Public Fixed Systems as well as Uplink Satellite Broadcasting Stations. NFP is also divided into regional, national and international categories, to allow for bigger and smaller enterprises to find niche and invest.</p> <p><b>2. Services and Applications Providers (SAP);</b> being non-infrastructure services and applications to end users using infrastructures of the NFP. Examples are: Mobile Virtual Network Operator (MVNO) and satellite services.</p> <p><b>Investment costs:</b> P100 000 (ISP) to P 1.8 billion (Telecom operator). 1% of net turnover fees is paid to BOCRA as the cost of regulation and an additional 1% of net turnover related fees is paid to the Universal Access and Service Fund (UASF).</p> <p><b>3. Broadcasting Sector:</b> Under broadcasting sector there are also Content Services Providers (CSP). These are licensees who will provide content material in the form of speech or other sounds, text, data, images, whether still or moving solely for broadcasting (TV and Radio). The licences available under the CSP category include: Radio broadcasting, television broadcasting as well as subscription management services.</p> <p><b>Investment costs:</b> P5000.00 plus 1% of net turnover (for broadcasting service and subscription management services). An additional amount of up to 1% goes to the UASF</p> <p><b>4. Postal Sector:</b> There are also investment opportunities in this sector. These include but are not limited to; Public Postal Operators and Courier Service Operators.</p> <p><b>Investment costs:</b> P20,000.00 plus 0.05% of Net Turnover (for courier services). The Sector also pays an additional fee of up to 1% of Net Turnover fees to the UASF</p> <p><b>Business model:</b> Public tender <b>Expected return:</b> N/A</p>
<p><b>Government support</b></p>	<p>Improved access to telecommunication and ICT services</p>
<p><b>Key Investment Rationale</b></p>	<p>Commitment to Infrastructure development</p>

## Project Location



## Contact details

BOCRA, Botswana  
Tel: +267 3957755/3685500  
[www.bocra.org.bw](http://www.bocra.org.bw)





*five*

**Investment**  
Climate



## Investment Climate

Botswana offers a profitable, stable, secure and sustainable investment environment. BITC provides administrative and business support aimed at facilitating investor application relating to business registration, licensing, work and residence permits. It provides information and advice to potential and existing investors to facilitate the establishment and or expansion of their business.

- Availability of sector specific investment incentives (IFSC and economic hubs, Agriculture, Innovation, Diamond, Education)
- No foreign exchange controls.
- Corporate tax is only 15% for manufacturing companies and IFSC companies.
- Botswana is the most transparent country in Africa, according to Transparency International. (There is an official policy of zero tolerance for corruption).
- Low personal income tax, the highest bracket being only 25%.
- Zero corporate tax under Development Approval Order.
- Industrial relations are good and trade unions are not militant.

Low personal income tax, the highest bracket being only 25%.

### Corporate Tax Rates- Resident Company

Tax Definition	Basic
Manufacturing taxable income	15%
Capital gains	22%
Foreign dividends	15%
Mining taxable income (exclude diamonds)	22%-55%
Other taxable income	22%
Accredited innovation hub business taxable income	15%
IFSC company- approved services income	15%
IFSC- other taxable income	22%
Standard rate	30%

### Corporate Income Tax Rate; Non-Resident Company

Tax Definition	Basic
Standard rate	30%

### Access to an Expanding Double Taxation Avoidance Treaty Network

#### Double Tax Avoidance Agreements

Botswana has a growing network of Double Taxation Avoidance Agreements (DTAAs). At present, there are *thirteen (13) treaties in force, and a further thirty two (32)* at various stages of negotiation and ratification. Botswana will continue to grow its DTAAs treaty network with key African states, major investor nations and international financial centres.

In instances where DTAAs treaties are not already in place, legislative framework as set out in the Income Tax Act, allows accredited companies a unilateral credit of up to 15% for withholding taxes suffered in jurisdictions with which Botswana does not yet have a DTAAs. In the case of Collective Investment Undertaking (CIU), this unilateral credit may not typically apply as the CIU will have no tax liability.

## Bilateral Investment Treaties

<b>Active</b>		
South Africa	Sweden	Mauritius
France	Namibia	Seychelles
Barbados	United Kingdom	Zimbabwe
India	Russia	Mozambique
Zambia		
<b>Awaiting Ratification</b>		
China	Ireland	Swaziland
Malawi	Lesotho	Tanzania
Serbia and Montenegro	Luxembourg	Belgium
Portugal	Singapore	Malta
Czech Republic		
<b>Under Negotiations</b>		
Angola	Kenya	Qatar
Nigeria	Uganda	Democratic Republic of Congo
Germany	Netherlands	Israel
Malaysia	Japan	Korea
Canada	Libya	Turkey
Liberia	Saudi Arabia	Kuwait
Cyprus		

Source: Ministry Of Finance and Development Planning (2016)

## Other Benefits

### Currency Denomination

*A Botswana IFSC business is allowed to denominate its capital in any of the internationally recognized currencies and this measure allows the business to be cushioned from losses brought about by the exchange rate risk and exchange rate movements.*

### Bilateral Investment Treaties

Botswana's model Bilateral Investment Treaty (BIT) provides for non-discriminatory treatment of foreign investors. According to the WTO SACU Trade Policy Review, Botswana has investment promotion and protection treaties with Belgium and Luxembourg, China, Germany, Ghana,

Malaysia, Mauritius, and Switzerland. Botswana also signed a bilateral investment treaty in 1997 with the Overseas Private Investment Corporation (OPIC), which provides guarantees for U.S. private investors.

## Incentives - Spedu Region Fiscal

- **5% for first 5 years; 10% thereafter**
- **Zero customs duty on imported raw material**  
Provide rebate of Customs duties and Value - Added Tax under Schedule 4 - Rebate Item 470.03, and VAT Act Third Schedule - Item 470.03 for manufacturing done exclusively for export outside Common Customs Area (CCA)
- **Provide rebate of Customs duties and Value Added Tax for importation of raw materials under Schedule 3 of the customs tariff and VAT Act.**

six

## Key Investment Opportunities







## Mining Sector

*Opportunities for investment in the mining sector include prospecting, expansion of existing mining projects, new mining projects, beneficiation of minerals and business opportunities resulting from links with other sectors.*

### Diamonds Beneficiation

Beneficiation of diamonds is a particularly promising avenue for adding value to natural resources. The establishment of the Botswana Diamond Hub in the later stage of NDP10 was intended to develop a sustainable secondary diamond industry in Botswana. In the continuing expansion of diamond ancillary businesses, twenty eight (28) cutting and polishing companies have been licensed and are in operation. Although a significant proportion of these companies are located in and around Gaborone, there is also scope for establishing operations in other parts of the country.

#### *DTCI Relocation – Opportunities for Investment and Business*

Opportunities in the diamond sector present themselves in the following forms:

- **Direct Opportunities:** These include areas such as diamond trading, cutting and polishing.

- **Ancillary Support Services:** These encompass the provision of specifically tailored services to the diamond sector such as banking, security, insurance, certification and brokerage services.
- **Support and Outsourcing:** Provision of general services which are not unique to the diamond industry, such as general security services, information technology and support, accounting and human resources services.
- **Economic Spin-offs:** Industries that will benefit from the growth and activity in the diamond sector such as hotels, restaurants and transportation services.

The current sales agreement offers huge potential for transforming Botswana's economy more broadly as well as its specific role in the global diamond industry. Initiatives driven by the private sector are crucial if maximum benefit is to be derived, while the role of Government is to ensure that an enabling environment is maintained.





**Diamond security**

- Frequency of diamond movements will increase with different siteholders shipping at different times; security risk, but also increased opportunities for the security industry.
- Potential for money laundering and other blue collar crimes.
- Potential for local security companies to participate in diamond transport and protection of diamond premises.

**Communication**

- High-speed Internet services, ICT managed services, communication infrastructure, etc.

**Transport**

- Air travel (charter services and commercial flights linking Botswana to other diamond and business centres).
- Local transport such as transit buses, executive taxis and limousine services, car rentals, etc.

**Tourism**

- As more siteholders visit Gaborone, appropriately packaged tourism opportunities should increase.

**Health**

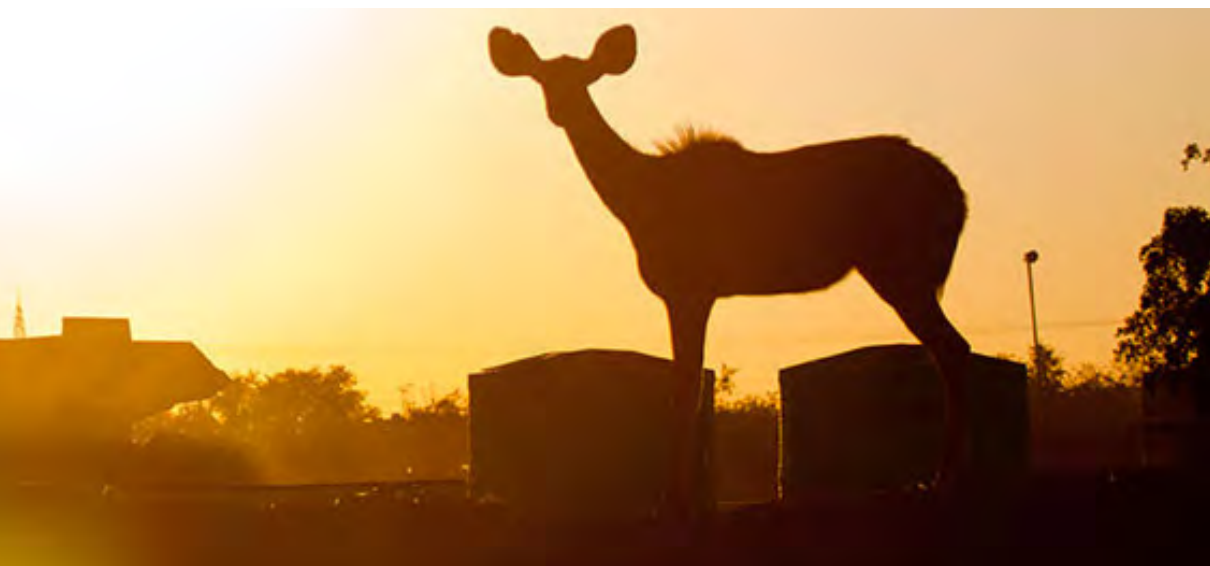
- Demand for health services is likely to increase with the increase in the diamond industry population.

**Education**

- Education needs for children of expatriates.
- Skills development.

**Banking**

- US\$3–6 billion will be transacted in Botswana every year, this will require the banking sector to be fully capitalised to participate in the transaction.
- Establishment of specialised banks (e.g., diamond banks).



## Investment Opportunities In Coal

Botswana has large untapped resources of semi-bituminous coal in various parts of the country estimated at 212 868 million tonnes of which reserves constitute 50 to 60% of this resource, making Botswana the 2nd largest producer after South Africa. Botswana coals occur within the Karoo Basin which covers an area of about 70% of the entire country. The spread of coalfields is sparse, covering, Dukwi, Foley, Serule, Bobonong, Morupule, Moiyabana, Mmamabula, Mmamantswe, Letlhakeng, Duitwe and Ncojane, with total deposits at Letlhakeng and Duitwe at over 70 000 tonnes (mt) each. Shallow coal seams distributed along the eastern side of the country, allow cost-effective open-pit mining. While the western side of the country has deep seams that have Coal Bed Methane (CBM) potential. Botswana's coal resources quality compares favorably with other coal available in the market and is suitable for export markets, with high quality resources in the East. This eastern side is well positioned with respect to: existing railway line, power, road and planned railway to ports making coal mining even more feasible. Through new mining houses, Botswana has the opportunity to raise production to between 50 and 100mt/annum especially for power generation (tapping into the SAPP) and export.

Figure 1: Coal Deposits In Botswana

Coalfield	Tonnes (Mt)	Defined/Published Resource Figures (Mt) M/Ind/Inf	Location
Dukwe	1,604	+1,969 -1,500 Exploration target	Sowa/Dukwe
Foley	6,860	3,377+860 3-6,000 Exploration target	Sese/Mabesekwa
Serule	9,685	915 -3,900 Exploration target	Lechana/Tshimoyapula
Bobonong	179	None declared	Poorly Explored
Morupule	18,072	190 7,234 2,400	MCL Kgaswe Morupule South
Moiyabana	3,539	1,460 +5,000 Exploration target	Moiyabana Kweneng
Mmamabula	23,213	2,925+442+2,512+3,144+2,493	MME/MMNC/MMS/MMW
Mmamantswe	2,898	1,300	Mmamantswe
Letlhakeng	70,353	4,230+2,654	Takatokwane remainder poorly explored
Duitwe	71,740	None declared	Poorly explored
Ncojane	4,725	None declared	Poorly explored
<b>Total</b>	<b>212,868</b>	<b>60,021(28%)</b>	

From DGS, Chatupa, 1998 (Reviewed by Barlow Jonkey)

## ***Coal Investment Opportunities***

Botswana will remain attractive to foreign investment, particularly from China, as China will continue to seek to plug its supply deficit in copper and coal. Given our expectation that mining costs in South Africa will rise considerably over the coming years, Botswana could gain a regional competitive advantage. Strong demand growth for coal in China and India will allow Botswana to export coal into the seaborne market over

the long term. In the medium term, coal will be utilized for electricity generation domestically. Coal is starting to play an increasingly important part in Botswana's energy mix, with the country positioned to become an electricity exporter by 2018. The government is exploring opportunities for coal beneficiation, which would see coal supplies converted into liquid energy products.

### ***Opportunity 1: Exploration & Mining For Export***

Botswana has extensive, and largely unexploited, coal resources which when developed can form part of the Government's effort to diversify the economy.

- The demand for coal-for-energy has increased significantly nationally, regionally and internationally
- A number of coal licenses have already been issued to some investors. Additional licenses may be granted for further exploration and mining under the new tendering dispensation
- 24 new mines are possible to open, possibly stepping production up to 100 million tonnes /yr.
- Coal washing to improve quality for export markets and residuals (middling) for power generation
- Quality of Botswana's coal is suitable for export market
  - It is in-line with Indian requirements
  - Might also be accepted in Europe market

- Compares favourably with South African exports
- The market studies concluded that the global demand for seaborne thermal coal will continue to grow strongly as domestic demand in a number of key countries outstrips supply.
- The growth in demand will be driven by the developing nations of Asia, especially China and India. Demand for seaborne thermal coal grew from 250 Mt in 1995 to 650 Mt by 2010, an annual growth rate of nearly 6.7%.
- This growth is expected to continue, with demand reaching nearly 1,100 Mt by 2025.
- Europe will continue to be a large importer of coal but only limited growth in demand is expected.

## Opportunity 2: Energy Production

### (a) Electricity Generation

The Botswana government has passed legislation allowing for the participation of independent power producers in the electricity sector. The government is focusing on developing coal fired power as its main source of electricity generation due to abundant reserves of coal, as it is a cheap source of fuel for electricity generation. The opening of the Zizabona power interconnector in the next few years will greatly increase the opportunity for cross-border trade in electricity with Zambia, Zimbabwe, Botswana and Namibia. The abundance of sunshine is conducive to the development of on-grid and off-grid solar power production. In the South-Saharan Africa, Botswana has better electrification rates; with

an overall electrification rate of 77 per cent. Quality of Electricity Supply (Value) is 2.7/7, and Quality of Electricity Supply (Rank) is 119/140.

Botswana has a major opportunity of becoming an energy hub for the region; as the region is in high demand for power. There are already ongoing projects such as refurbishment and extension of existing Morupule Power Station and coal bed-methane projects in exploration. Opportunities to build Greenfield coal fired power stations are abundant for domestic and regional power requirements in SADC, COMESA and EAC. Below is an indication of the current high demand for electricity;

No	Country	Committed Generation Capacity, MW				
		2013	2014	2015	2016	TOTAL
1	Angola	389	640	550	1,246	2,825
2	Botswana	600	-	-	300	900
3	DRC	55	-	580	-	635
4	Lesotho	-	-	35	-	35
5	Malawi	64	-	-	-	64
6	Mozambique	-	150	300	300	750
7	Namibia	-	-	120	50	170
8	RSA	923	3,105	2,543	1,322	7,893
9	Swaziland	-	-	-	-	-
10	Tanzania	60	160	500	1,100	1,830
11	Zambia	230	180	435	494	1,339
12	Zimbabwe	-	300	30	300	630
<b>TOTAL</b>		<b>2,321</b>	<b>4,535</b>	<b>5,093</b>	<b>5,122</b>	<b>17,071</b>



## Average Electricity Tariff, Usc / KWh



## Coal-fired generating technologies &amp; Investment Cost

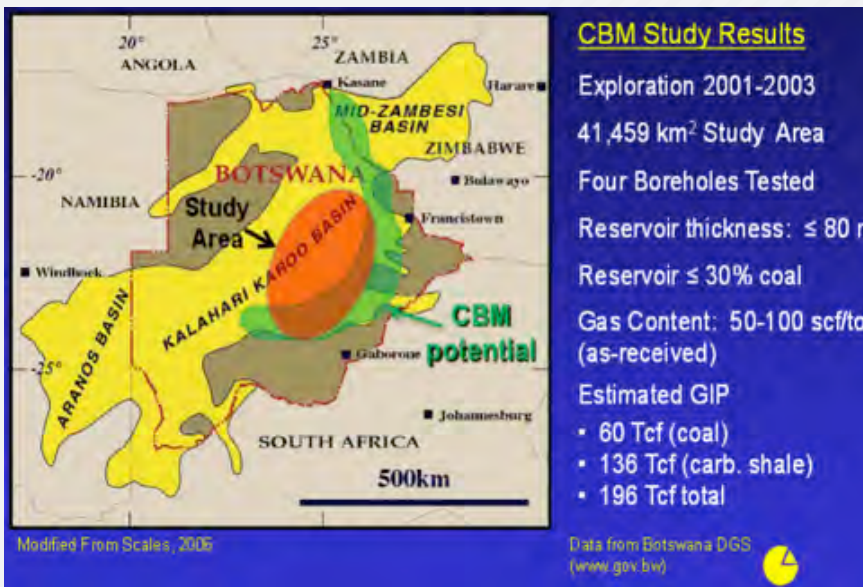
Country	Technology	Net Capacity (MWe)	Electrical Conversion Efficiency (%)	Overnight Cost (USD/kWe)	Investment Cost (USD/kWe)		
					3%	7%	10%
Belgium	Ultra-super-critical	750	46	2 307	2 448	2 648	2 807
Germany	Hard coal	700	46	1 643	1 744	1 887	1 999
	Lignite	900	43	2 054	2 180	2 358	2 499
Japan	Ultra-super-critical	704	41	2 496	2 649	2 866	3 037
Korea	Pulverised (PC 1000)	960	43	1 218	1 289	1 386	1 463
	Pulverised (PC 800)	766	41	1 252	1 317	1 407	1 477
Netherlands	Ultra-super-critical	1 070	46	1 620	1 720	1 860	1 971
	Ultra-super-critical	777	46	2 746	2 914	3 152	3 341
	Ultra-super-critical	1 554	46	2 660	2 823	3 054	3 237
Portugal	Pulverised	605	51	3 067	3 255	3 521	3 732
	Pulverised	605	46	2 533	2 689	2 909	3 083
United States	Supercritical pulverised	750	43	2 496	2 609	2 765	2 886
Non-OECD countries							
China	Ultra-super-critical	1 000	45	813	863	933	989
South Africa	Pulverised	4 693	40	2 222	2 222	3 157	3 652



## (b) Coal Bed Methane

Botswana's mining industry is heavily reliant on heavy fuel oil / diesel. Diesel cost ~ gas equivalent ranges from AUD 25/GJ to AUD 30/GJ. Strong incentive for companies to convert to gas. Coal beds within the study area contain an estimated gas-in-place resource of 60 trillion cubic feet (Tcf). The associated carbonaceous shales are estimated to contain an additional 136 trillion cubic feet resulting in combined 196 trillion cubic of gas in place. The highest development potential

is along the eastern margin of the basin, where the carbonaceous sequence can be up to 80m in thickness and contains up to 30% by volume of coal. Reservoir modelling of the results obtained indicates that a reasonably large percentage (15-20 %) of Coalbed Methane (CBM) gas in place could potentially be developed at a gas price of \$2.00/thousand cubic feet at the wellhead.



## Opportunity 3: Coal To Liquids (Ctl)

*The low price of coal compared to the high price of other fuel sources, whether oil (currently trading at \$600 per ton), 'unconventional' oil, or gas, provides a degree of longer term investment certainty that has generated a significant amount of interest in CTL fuels worldwide (World Coal Institute, 2015).*

- CTL provides one of the most affordable alternatives to conventional petroleum production.
- In Sub-Saharan Africa; South Africa has been operating CTL for many years, a broadening and growth of the market will drive both existing providers and new entrants to develop more efficient and cost effective processes to gain the market advantage
- CTL capital investment costs range around \$50,000 - \$70,000 per barrel of daily capacity, compared to \$100,000 - \$145,000 per barrel of daily capacity for biomass to liquids plants (World Coal Institute 2006).
- CTL plants are one of the most cost effective of the alternative fuel, particularly when overall operating costs and the low cost of coal are considered.
- Through ongoing technological development the capital cost of CTL plants is expected to decrease.

## Market Potential

There are currently few alternatives to liquid fuels, which make CTL the best and profitable option. There is a strong growing demand in developing economies as the economies develop. As an alternative source of liquid fuel from oil liquid, coal derived fuels can play a significant role.

- In the transport sector, as consumers purchase more vehicles and oil prices and as more stiff environmental measures are to be called for.
- Health impacts and local air quality concerns, have driven for clean cooking fuels. Coal-derived dimethyl ether (DME) is one of a suite

fuel that can be produced in the CTL process. It has great promise as a domestic fuel. DME can also be used as an alternative to diesel for transport.

Top Importers of Crude oil (Value imported in 2015 USD' 000)

- China 134,341,241
- USA 132,595,566
- India 72,321,670
- Korea Republic of 55,132,262
- Japan 44,998,801
- Germany 36,441,624
- Netherlands 35,411,906

Source: ITC

## CTL Opportunity

The benefits of CTL can be beneficial and realized in countries that rely heavily on oil imports and are abundant with coal reserves. Botswana has high abundance of coal and this opportunity is very lucrative, and has to be fully exploited. There are a number of developments which have already been undertaken;

- In collaboration with Pyro Carbon Energy (PCE), BITRI has taken the opportunity to explore Botswana's coal to add value to the country's natural resource. Liquid fuels from coal provide ultra-clean transport fuels for use in the existing supply infrastructure, and cooking fuels;
- Funders of a 4.2 billion dollar coal-to-liquids plant in Botswana will start construction in 2016, which aims to tap the country's more

than 200 billion tonnes of coal resources to reduce reliance on petroleum product imports.

- The 20 000-barrels-per-day project, which will also produce fertilizer, is funded by Botswana's unlisted Coal Petroleum and South African private company Kumvest. It will run over three phases from 2016 until 2020.
- Botswana imports all its liquid fuel to meet the country's annual consumption of 1.2 billion liters. The plant will require 4.3 million tonnes per year of coal, which it will source from the country's operating coal mine, Morupule.
- The project, which is set to create more than 9 000 jobs, is expected to have a positive 830 million dollar impact on Botswana's balance of trade.

## Opportunity 4: Coal Downstream Activities

- Coal to gas: production of gas and coal combustion products like fly-ash for cement production
- Fertilizer production-of nitrogen based fertilizers complementing downstream activities in agriculture. Nitrogenous fertilizer market expected to reach US\$113,998.2 million by 2018. FAO highlights that 'Africa region is likely to remain a major exporter of phosphate, followed by nitrogen
- Provision of services and equipment to the growing Coal Industry
- Clean coal technologies – opportunities for R&D
- Development of infrastructures; mainly rail way line to reach the market. The alternative options are :
- Coal to gas: production of gas and coal combustion products like fly-ash for cement production
- Fertilizer production-of nitrogen based

fertilizers complementing downstream activities in agriculture. Nitrogenous fertilizer market expected to reach US\$113,998.2 million by 2018. FAO highlights that 'Africa region likely to remain a major exporter of phosphate, followed by Nitrogen

- Provision of Services and Equipment to growing Coal Industry
- Clean Coal technologies – opportunities for R&D
- Development of Infrastructures; mainly rail way line to reach the market. The alternative options are :
  - Through Zimbabwe to Mozambique in East (complex)
  - Trans-Kalahari through Namibia (simpler) at an estimated cost of BWP136 billion (US\$15billion)
  - Through South Africa's (Waterberg area) and use existing infrastructure (limited capacity)

## Investment Opportunities In Soda Ash

### Opportunity 1: Chromium Production

For the production of pure chromium, the iron has to be separated from the chromium in a two-step roasting and leaching process. The chromite ore is heated with a mixture of **calcium carbonate** and **sodium carbonate** in the presence

of air. The chromium is oxidized to the hexavalent form used in stainless steel, other alloys and steel plating in the car industry.

### Opportunity 2: Chemicals – Applications

#### a. Sodium dichromate uses include:

- Main ingredient of chromium chemicals,
- Water softener in laundering,
- Additive to swimming pools to raise the PH and neutralize effects of chlorine,
- Food additive (E500) acidity regulator, anti-caking agent and raising agent.
- Wetting agent, brick industry
- Tannery and fur industry for leather and fur tanning;
- Chemical industry for producing non-organic pigments, catalyzers and other chrome-containing elements;
- Textile industry for fabric pickling;
- Other industries in passive mixtures content, in antifreeze liquid for engines, acetylene cleaning and chemical reagents

#### b. Sodium Chromate uses include:

- Corrosion inhibitor in petroleum industry,
- Dyeing auxiliary in textile industry,
- Wood preservative,
- Red blood cell volume diagnostic.

#### c. Sodium Silicate uses include:

- i. Spray dried detergents
- ii. Soap manufacturing
- iii. Water treatment
- iv. Deflocculation of ceramic clays
- v. Foundry - C02 and self set Process
- vi. Soil consolidation
- vii. Tube winding adhesives
- viii. Welding electrode manufacture

### Opportunity 3: Swimming Pool Care

**Soda Ash is widely used for water treatment in swimming pools to increase swimming pool alkalinity (Increase Ph). The final product requires minimal processing and it is sold to consumers in packs of 500gr – 4kg. There is potentially an opportunity for an investor to proceed with the following:**

- Set up operations nearby Sowa Town production plant to pack soda ash in consumer ready pack sizes in order to satisfy the domestic and other markets north and west of the borders
- Set up operations nearby Botash's South Africa depot to pack soda ash in consumer-ready pack sizes in order to satisfy the South African market

There are estimated 170.000 pools in South Africa (3 per 1000 inhabitants) corresponding to 100,000 pools in rest of Southern Africa. Assuming that:

- Swimming pools open 6 months per annum
- 1kg of soda ash is required per swimming per month
- Price of consumer pack is USD 3.00 per kg

The operations could be set up in parallel with salt packing facilities to ensure maximum synergies.

## Opportunity 4: Potassium Chloride

**Potassium chloride is a naturally occurring compound made up of potassium and chlorine, and its uses include:**

- Agriculture – Fertilisers, animal feeds
- Food processing – Salt substitute
- Water softener – Sodium chloride substitute
- “Three drug cocktail” – One of the three active ingredients for lethal injections used in the USA
- Food supplement – Against a condition called “Hypokalaemia”
- Industry
  - Radiation monitoring equipment
  - Common batteries
  - To melt ice

## Potassium Chloride – Applications

### I. Agriculture:

In Agriculture, potassium fertilizers are commonly used to overcome plant deficiencies. Potassium chloride (KCl), the most commonly used source, is also frequently referred to as muriate of potash or MOP. Potassium chloride is the most widely used K fertilizer.

### II. Animal feeds:

Pets and livestock need to be fed potassium to avoid reaching low potassium levels, especially during heavy training, as it is essential to the functioning of many physiological systems, especially to neuro-muscular function that is lost in sweat. It also contributes in improving your pet's appetite

under stressful situations and aids in digestion of nutrients for maximum feed efficiency.

### III. Medicine:

Potassium is a mineral that is found in many foods and is needed for several functions of your body, especially the beating of your heart. Potassium chloride is used to prevent or to treat low blood levels of potassium (hypokalemia). The lethal effects of potassium chloride overdoses have led to its use in lethal injection, as the third of a three-drug combination.

- Who to talk to for more information:
  - Ministry of Health
  - Princess Marina Hospital
  - Private suppliers to health system



### *Opportunity 5: Detergents/Cleaning products*

Detergents production is a more value added business vs soda ash. Exports in 2015 from South Africa were valued around \$160 million. Soda Ash (Sodium Bicarbonate) is used as a base or carrier for the following applications:

- Scouring powder
- Powder detergents

### *Opportunity 6: Paper Mills and Pulp*

Soda helps increase the pH in the pulping process of fibres. The higher pH of the paper-fibres solution results to fibres smoothen and swell facilitating the grinding process of the fibres.

Additional potential uses of soda ash include **Flue Gas Desulfurization (FGD)** a technology used to remove sulphur dioxide (SO<sub>2</sub>) from the exhaust flue gases of fossil fuel power plants. For example, in a typical coal-fired power station, FGD will remove 95-99 percent of the SO<sub>2</sub> in the

flue gases. Similarly, large amounts of CO<sub>2</sub> are released into the atmosphere through power plants and industrial production processes (e.g. steel & cement production). Recent research conducted by Harvard University and the University of Illinois have proved that microcapsules made of soda ash can absorb carbon dioxide. This is future opportunity for implementing technology across Southern Africa.



## Cargo, Freight & Logistics Sector

### Botswana's Cargo, Freight & Logistics Industry Overview

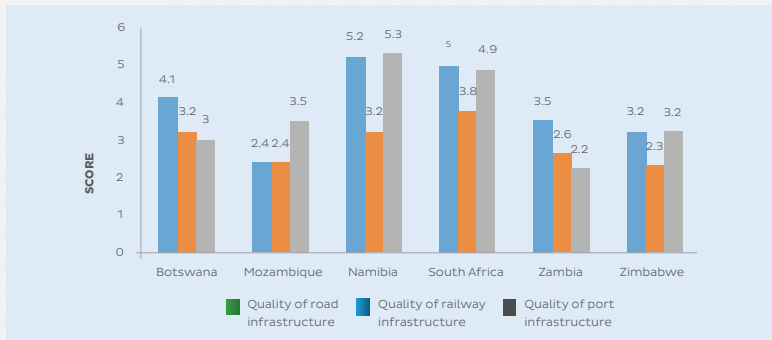
Centrally located in SADC, Botswana offers land-linked access to seven fast-growing markets and serves as the perfect location to leverage regional trade growth, with intra-regional transport volumes expected to more than double within the next two decades. According to the World Economic Forum, Botswana has the best landlocked infrastructure in Africa and the third best logistics operating environment in the region.

It provides an alternative route to SADC's other highly congested corridors, such as the route

from South Africa through Zimbabwe and further north to Zambia and the Democratic Republic of the Congo (DRC), and is able to leverage favourable port, rail and road infrastructure in neighbouring South Africa and Namibia.

Botswana has committed significant investment to develop new and revitalise existing transport corridors making use of road, rail, airports, dry ports and one-stop border posts. Worthy of note is the P1.4 billion Kazungula Bridge Project linking Botswana and Zambia and opening up possibilities of accessing SADC further up by road.

### Botswana's Relatively Competitive Infrastructure In SADC



Source: WEF Global Competitiveness Report 2016/17

Score: 1-7 (higher average score means higher degree of competitiveness)

### Opportunities in the Botswana Cargo, Freight & Logistics Industry

Despite Botswana's relatively limited market size and landlocked positioning, its central location in SADC presents multiple opportunities for investors seeking to tap the cargo, freight and logistics sector in the region. Among the key opportunities in the sector are:

#### 292 Million Consumers:

- Botswana's central location in SADC with a catchment area of 100 million potential

consumers within a 1,500km radius, and a regional market of 292 million consumers, perfectly positions the country to capture regional consumer freight flows by offering bulk breaking, cargo consolidation, dry ports and cargo warehousing facilities. According to GAIN, combined trade volumes in Southern, Central and Eastern Africa are expected to reach 4.9 trillion tonnes by 2044.

Despite Botswana's relatively limited market size and landlocked positioning, its central location in SADC presents multiple opportunities for investors seeking to tap the cargo, freight and logistics sector in the region. Among the key opportunities in the sector are:

### ***292 Million Consumers:***

- Botswana's central location in SADC with a catchment area of 100 million potential consumers within a 1,500km radius, and a regional market of 292 million consumers, perfectly positions the country to capture regional consumer freight flows by offering bulk breaking, cargo consolidation, dry ports and cargo warehousing facilities. According to GAIN, combined trade volumes in Southern, Central and Eastern Africa are expected to reach 4.9 trillion tonnes by 2044.

### ***Coal Deposits:***

- Botswana has 212 billion tonnes of coal deposits. The country expects to export between 72 million and 90 million tonnes per annum in 2024, substantially exceeding the current rail capacity of 4.2 million tonnes. To take advantage of these coal deposits, a number of opportunities exist:
  - Increasing the capacity of Botswana Railways;
  - Transporting coal to South Africa, Namibia and Mozambique for export; and
  - Transporting coal to the Morupule and Mmamabula power stations.

### ***Emerging East-West Corridors:***

- The Trans-Kalahari Corridor from Walvis Bay Port to Johannesburg via Gaborone will provide an alternative to

the highly congested Durban Port. The corridor will enable Botswana to attract cargo away from traditional entry ports in South Africa, making Botswana the ideal transshipment and consolidation hub in SADC.

- The planned Techobanine Corridor will serve as a heavy haul rail corridor between Botswana and Mozambique via Zimbabwe, supporting Botswana's future coal exports through a deep water port in the Matutuine district of Maputo province, Mozambique, unlocking further trade opportunities with Asia.

### ***Adding to the North-South Spine:***

- The Kazungula Bridge Development will provide a road and rail bridge land link between Botswana and Zambia, facilitating the export of bulk commodities from Katanga province, DRC and the transport of coal from Botswana to copper smelters and refineries in Zambia and the DRC. Following the expected completion in 2018, Kazungula will be the fastest link between the South African coast and the DRC.

### ***Courier and Express Freight:***

Botswana's air infrastructure is International Civil Aviation Organisation (ICAO) compliant, is less congested than OR Tambo International Airport and offers a more competitive fee structure. Botswana has the capacity to serve as a satellite hub complementing South Africa and to service niche sectors and underserved routes, and thus to expand its air, freight and air passenger volumes. Botswana's growing tourism market will be aligned to growing cargo and logistics capacity and opportunities within the country.

## ***Botswana's Value Proposition In The Cargo, Freight & Logistics Industry***

Botswana's innovative intra-regional corridor developments and interconnectivity of road, rail and air cargo provide a model platform to access local, regional and international markets. Three freight villages, the operational dry port in Gaborone (GABCON) and the planned dry ports in

Francistown (FRANCON) and Palapye (PALCON), provide bonded customs facilities and advanced material handling equipment and systems reducing lead times and enhancing efficiency for logistics operators.

## Services And Value Proposition Of Dry Ports In Botswana

Dry Port	Service and Value Proposition
GABCON	<ul style="list-style-type: none"> <li>• Consolidation and deconsolidation hub, with the capacity to handle 1,600 TEUs per month</li> <li>• Supports manufacturing activities in Gaborone</li> <li>• Targeting local, regional and international markets</li> <li>• Close proximity to Gaborone's airfreight hub</li> <li>• Close geographic location to South Africa</li> <li>• Complete one-stop shop service offering</li> </ul>
FRANCON	<ul style="list-style-type: none"> <li>• Consolidation and deconsolidation hub</li> <li>• Will provide ease of access to landlocked regional markets</li> <li>• Focus on beneficiation of bulk commodities sourced from mining and other agriculture initiatives in the DRC, Zambia and Zimbabwe</li> <li>• In the long term, connection directly to the Trans-Kalahari Railway (TKR) line creating a direct and functioning East-West link between Kazungula and Walvis Bay</li> </ul>
PALCON	<ul style="list-style-type: none"> <li>• Consolidation hub supporting mining activities in Botswana's coal fields</li> <li>• Strategically positioned as the sourcing hub for bulk mining commodities destined for ports at Durban, Maputo, Richards Bay and Walvis Bay</li> <li>• Focus on development of capabilities to support additional manufacturing and beneficiation SEZs with links to coal, copper and iron ore mining activities</li> </ul>

Botswana also offers the ideal sub-regional air freight and logistics satellite hub which can serve as alternative distribution base for freight forwarders and cargo owners seeking to access the SADC region. Botswana is well-positioned to

transport small volume, short lead-time cross-border cargo and freight via air rather than by road. Partnering with internationally established players will allow for access to extended networks.

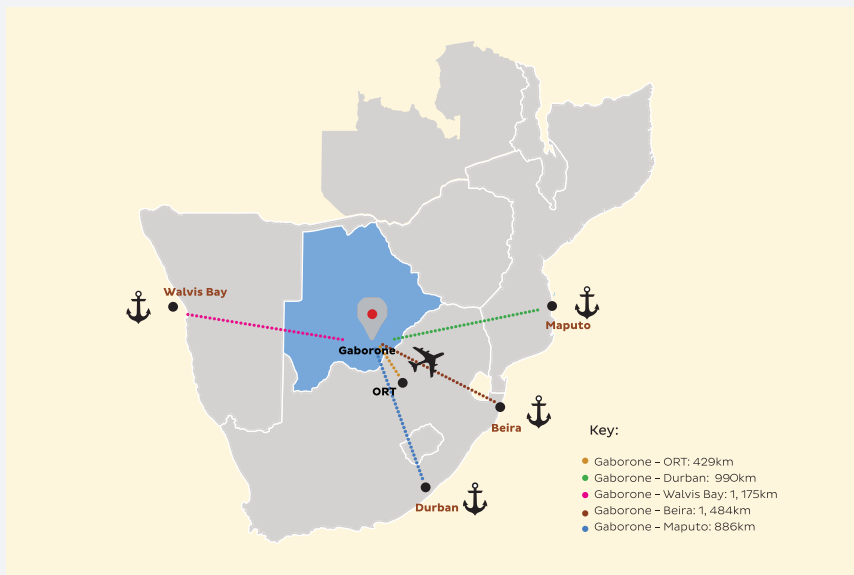


## Botswana's Enabling Infrastructure Access By 2018



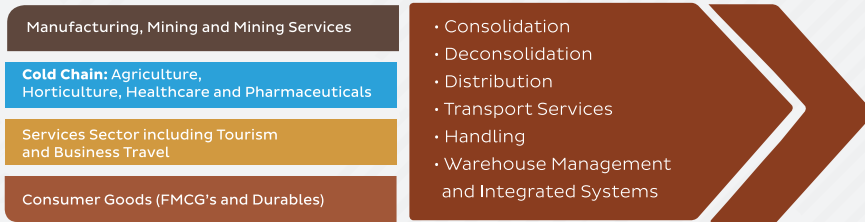
Source: *Frontier Advisory Analysis, 2015*

## Botswana's Proximity to Strategic Ports



Source: *Frontier Advisory Analysis, 2015*

## Industry Drivers of Botswana's Cargo, Freight & Logistics Sector



Industries that will drive freight flow growth in the short to medium term are export bulk commodities particularly coal but also iron ore, copper from Zambia and the DRC, and to some extent agricultural exports. The government's prioritisation of other sectors including leather, automotive and component manufacturing,

mining, and tourism will lead to the development of synergies between these sectors and the logistics industry. This may be very beneficial as input and transport costs are expected to be lowered in the short to medium term.

### Key Supporting Institutions

Supporting the development of the cargo, freight and logistics sector is the Transport Hub, which coordinates key projects, initiatives and policy interventions to encourage investment and entrepreneurship within the sector. The Transport Hub engages key stakeholders and prospective investors to understand their needs in order to create an enabling environment

conducive to doing business within the cargo, freight and logistics sector. The Transport Hub also co-ordinates engagement between investors and the Ministry of Transport and Communications, the Ministry of Minerals, Energy and Water Resources and the Civil Aviation Authority of Botswana.

### Departments and Units Governing Transport and Logistics in Botswana

Dry Port	Service and Value Proposition
Department of Road Transport and Safety	Established to promote and regulate both public transport and freight road transport. The department has implemented a number of projects in accordance with its mandate.
Central Transport Organisation	Responsible for providing and maintaining the Botswana Government fleet used by all ministries and departments.
Directorate of Accident Investigation (DAI)	The DAI is responsible for Civil Aviation accident investigation as well as the publication of reports, implementation of measures and safety recommendations.
Transport Hub	Established to identify and coordinate key projects and policy interventions required in the transport sector in order to develop Botswana as a transport hub within the SADC.
Civil Aviation Authority Of Botswana (CAAB)	Responsible for the regulation of air transport, providing air navigation services, managing airports and advising government on all aspects of civil aviation.

Source: Ministry of Transport and Communication, 2014

## Leather and Leather Goods Sector

### Botswana's Leather Industry Overview

Botswana has an abundance of raw hides and skins locally. The country has an annual national herd size of 2.5-3.3 million cattle; with an average off-take ratio of 9% estimated only through the Botswana Meat Commission (BMC) annual throughput, yielding 200,000-300,000 hides per year.

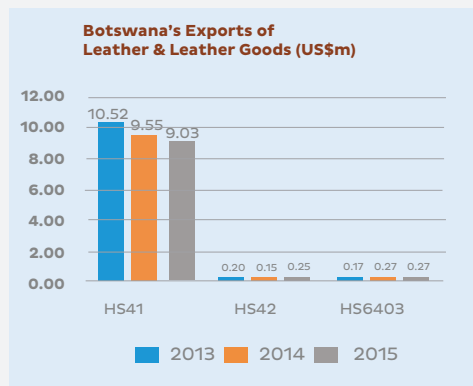
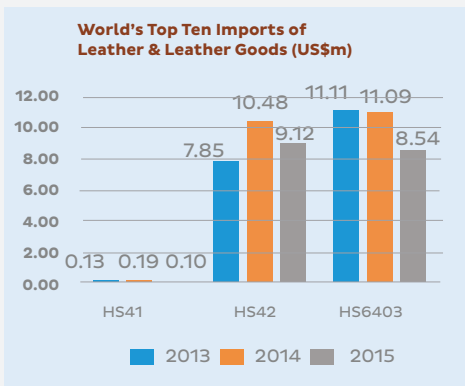
As middle income populations in emerging markets grow, so too does the global demand for leather products. With a small number of micro businesses and artisanal enterprises operating as tanneries, hide collectors and leather product manufacturers, Botswana is in the process of creating a vibrant leather cluster which will kick start with the development of a leather park in Lobatse.

### Opportunities In The Botswana Leather Sector

Despite Botswana's relatively limited market size, its central location in SADC and the availability of raw material inputs presents multiple opportunities for investors seeking to tap the leather and leather goods industry. The government's prioritisation of other sectors including automotive and component manufacturing, mining, tourism and logistics will lead to the development of synergies between

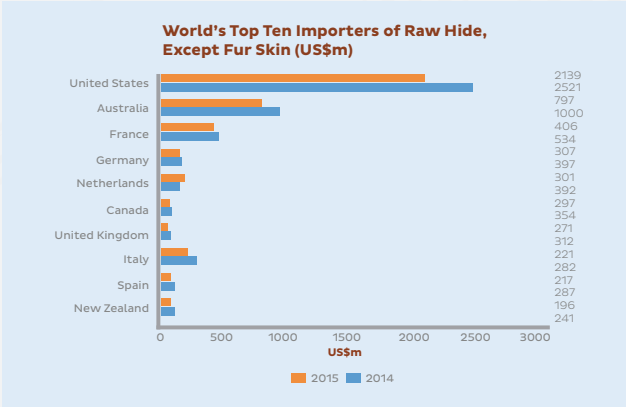
these sectors and the leather industry. This may be very beneficial as input and transport costs are expected to be lowered in the short to medium term. Botswana exports most of its raw hides whilst importing manufactured products. A noteworthy opportunity exists to manufacture locally, providing value add to Botswana and the regional and global export market.

### Botswana's Export And Import Of Leather & Leathergoods (US\$m), 2003, 2008 & 2013

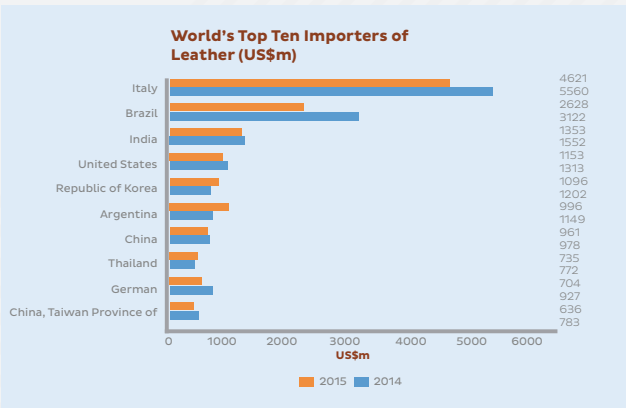


Source: UNCTADSTAT, BITC Calculations

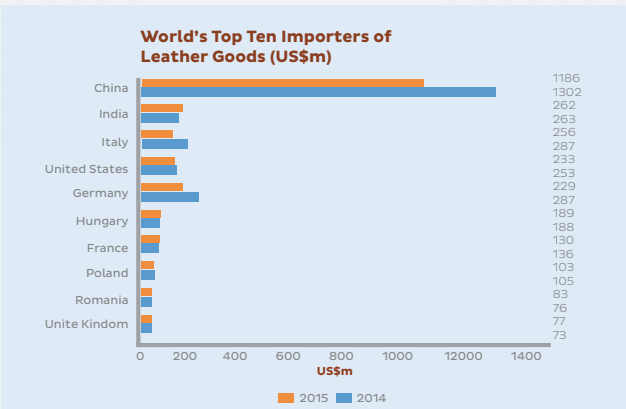
## World's Top Ten Importers Of Raw Hides And Skins, Except Fur Skins (US\$m), 2008 & 2013



Source: UNCTADSTAT, BITC Calculations



Source: UNCTADSTAT, BITC Calculations



Source: UNCTADSTAT, BITC Calculations



*Among the key opportunities in the sector are:*

- **High premium leather production:** Botswana's animal and raw hide production meets industry and environmental standards creating opportunities for producing eco-friendly leather;
- **High premium leather goods production:** production of high premium & luxury leather products ranging from OEM car seats to consumables;
- **Preferential market access through trade agreements to key growth markets for leather and leather products:** the African Growth and Opportunity Act (AGOA), European Union (EU), Mercado Común del Sur (MERCOSUR), Southern African Development Community (SADC), and the Common Market for Eastern and Southern Africa (COMESA);
- **Exporting leather and leather goods to high growth markets:** growing demand for leather and leather goods in China, the US and EU has been reflected in high compound annual growth rates (CAGR) in the last five years and these countries present significant export opportunities for Botswana's leather and leather goods;
- R&D for the leather sector: training rebates and migration laws for innovation are supported by modern facilities and a strong legal framework; and
- Investment in supporting sectors: such as waste management, training, marketing, distribution, logistics and supporting infrastructure particularly around the prospective leather cluster, the Lobatse Leather Park.

Among the leather sector's most promising opportunities is the supply of inputs to the automotive sector in neighboring South Africa, Africa's largest vehicle market and manufacturer.

Due to its close proximity to South Africa, Botswana has a delivery time advantage over major competitors in Asia, Europe and North America. South Africa's automotive manufacturers produced close to 550,000 vehicles in 2013 and are expected to increase production to 1.2 million units by 2020, providing regional suppliers with ample opportunities to supply components and parts.

Stitched leather seats and parts are among South Africa's top 10 automotive component imports.

South African Imports Of Stitched Leather Seats And Parts (ZARm), 2010-2013

Component	2010	2011	2012	2013	Share %, 2013	CAGR %, 2010-2013
Stitched leather seats & parts	1,139	1,138	1,206	1,543	3.6	10.6

Source: AIEC, 2014

**Botswana's Value Proposition In The Leather & Leather Goods Industry**

Beyond significant raw material inputs, the proximity to growth markets and the market access of Botswana's leather, the country will also be home to a leather cluster, creating an enabling environment to facilitate the sector and providing linkages between players. The Lobatse Leather Park along with the various associated benefits and enabling infrastructure will be in the form of an industrial park situated 70km from Gaborone.

The leather cluster will provide a common effluent treatment facility, a training center, and factory shells for investors in wet-blue tanneries and re-tanning and finished leather plants. The park is expected to be completed by the beginning of 2018. Thanks to Botswana's central location, the country is well positioned to produce leather goods for the growing SADC and African consumer base. One of the institutions supporting the leather park development is

the Agricultural Hub. Established in May 2008 with the aim to promote commercialisation, diversification, investment and employment creation in the broader agricultural sector, the Agricultural Hub assists in creating a conducive

policy environment that facilitates and supports the development of a sustainable and viable agricultural industry. The leather and leather goods sector receives support from this and a number of other institutions.

## Institutional Support Offered To The Leather Industry

Entity	Activity
Ministry of Agriculture, Animal Health & Production	Developing the agricultural sector on a sustainable and competitive basis by improving farm incomes, technology, employment and raw materials for agribusiness.
Ministry of Agriculture, Agricultural Hub	Promoting commercialisation, diversification, investment and employment creation in the agricultural sector by creating a conducive policy environment that supports sustainable, viable and competitive industry.
Ministry of Trade and Industry, Industrial Affairs	Creating an environment conducive for business and protecting consumer rights to meet local and global challenges.
Leather Industry Association of Botswana	Representing hides and skins traders, tanners and leather product manufacturers by collaborating with government in reviewing legislation, policy guidelines and strategies to improve the industry; and improving quality and increasing collection of hides and skins and encouraging the establishment of tanneries and leather products manufacturing plants.
Local Enterprise Authority	Provides support services and the facilitation of access to finance for small, micro and medium enterprises.

Source: ITC LeatherLine Platform, 2014

Unlike some of its peers in the region, labour-employer relations are harmonious. This is a key advantage for an industry that has the opportunity to supply to the automotive & component manufacturing industry, as it allows timely and uninterrupted supply of inputs to automotive manufacturing plants in South Africa.

An additional advantage that Botswana offers is that due to its membership in the South African Customs Union (SACU), its exporters enjoy duty-free access to the South African market, the continental hub for automotive manufacturing.



# The Automotive Sector

## Botswana's Automotive & Component Industry Overview

As one of the most affluent economies in Southern Africa with a robust growth outlook, Botswana is home to a growing automotive market. It has a vehicle ownership rate of 206 vehicles per 1,000 people which is far above the African average of 43 vehicles per 1,000 people.

Botswana's automotive market is expected to receive a boost in terms of sales growth in the short to medium term due to the development of domestic coal deposits and the unlocking of agricultural opportunities.

### Botswana's Vehicle Market Outlook, 2012-2019f

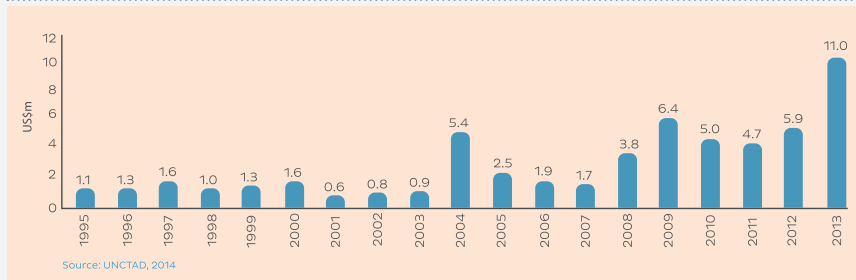
	2012	2013	2014e	2015f	2016f	2017f	2018f	2019f
<b>Vehicle sales, units</b>	40,687	38,456	35,106	36,559	41,121	46,871	51,884	56,859
<b>Vehicle sales growth, %</b>	72.7	-2.5	-8.7	4.1	12.7	14.0	10.7	9.6
<b>Vehicle trade balance units</b>	-40,687	-38,456	-35,106	-36,559	-41,121	-46,871	-51,884	-56,859
<b>Vehicle Fleet</b>	358,623	384,666	408,598	431,348	463,140	497,356	539,834	584,830
<b>Vehicles per 1,000 people</b>	179	190.3	200.4	209.8	223.2	237.6	255.6	274.4

Source: IMF, 2015, Transparency International, 2015, Bank of Botswana, 2015 & BITC

In recent years, Botswana has positioned itself as a supplier of vehicle parts and components to the region and especially to South Africa's

automotive industry, resulting in a strong increase of vehicle part exports from Botswana.

### Rapid Expansion of Vehicle Part Exports, 1995-2013



## Opportunities In The Botswana Automotive Sector

While Botswana acknowledges its relatively limited market size, future demand in the SADC region in particular presents multiple opportunities for investors seeking to tap the automotive and component sector in the region.

Among the key opportunities in the sector are:

- Supply of **parts & components** to South Africa's automotive sector
- Supply of **replacement parts** for vehicles of large-scale projects (e.g. coal, agricultural projects)
- Expansion of **existing component manufacturing industries** (e.g. batteries, ignition wiring sets)
- **R&D services** for the automotive sector (e.g. extreme weather & terrain testing)

- Diversification of **after-sales services** for private & commercial vehicles
- Development of **vehicle maintenance service** offering for cross-border/regional vehicles
- Establishment of **skills development/ training facilities** for auto mechanics and technicians

The sector's most promising opportunity is the supply of inputs to the automotive sector in neighboring South Africa, Africa's largest vehicle market and manufacturer. South Africa's automotive manufacturers produced close to 550,000 vehicles in 2013 and are expected to increase production to 1.2 million units by 2020, providing regional suppliers with ample opportunities to supply components and parts.

## South Africa's Top 10 Automotive Component Imports (ZARm), 2010-2013

Component	2010	2011	2012	2013	Share %, 2013	CAGR %, 2010-2013
Automotive tooling	1,596	2,369	2,798	4,090	9.5	36.8
Tyres	2,900	3,206	3,610	3,990	9.2	11.2
Engine Parts	2,549	2,960	3,074	3,546	8.2	11.6
Transmission Shafts/cranks	1,076	1,302	1,414	1,774	4.1	18.1
Gauges/Instrument parts	984	1,244	1,303	1,607	3.7	17.8
Stitched leather seats & parts	1,139	1,138	1,206	1,543	3.6	10.6
Engines	705	1,181	1,243	1,361	3.2	24.5
Brake parts	774	918	887	1,116	2.6	13.0
Lighting equipment/ parts	746	805	746	933	2.2	7.7
Catalytic converters	903	823	627	892	2.1	-0.4
Other	13,946	16,942	18,232	22,295	51.7	16.9
<b>Total</b>	<b>27,318</b>	<b>32,888</b>	<b>35,140</b>	<b>43,147</b>	<b>100.0</b>	<b>16.5</b>

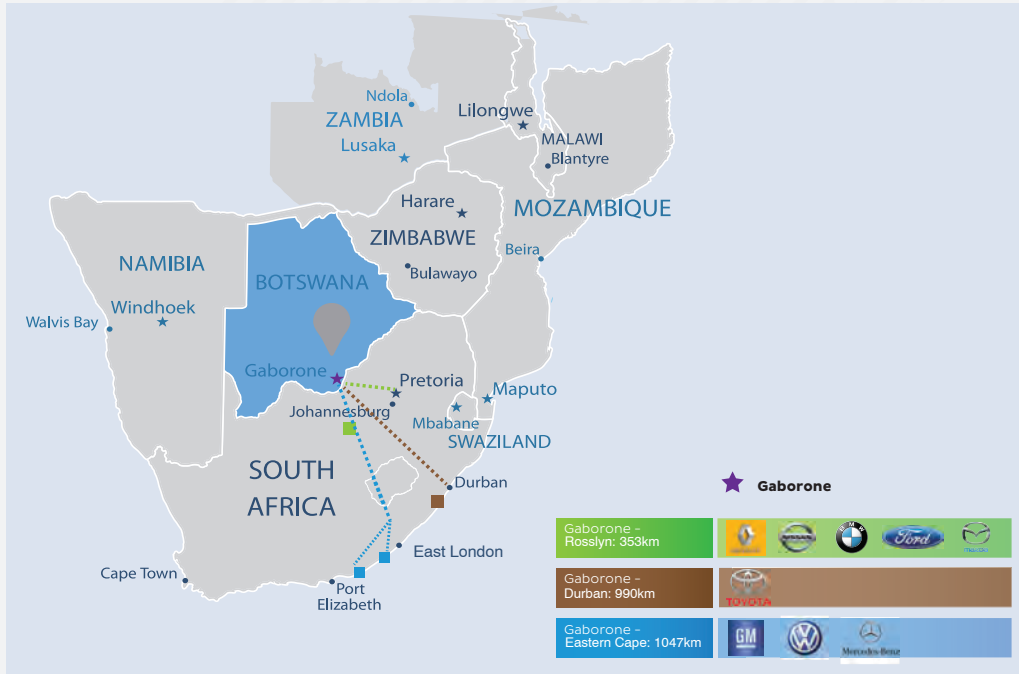
## Botswana's Value Proposition In The Automotive & Component Industry

One of Botswana's strongest value propositions is its location. It is both in close proximity of the largest automotive market in Africa, as well as the largest automotive manufacturer and exporter in Africa – both being South Africa. Botswana has a delivery time advantage over major competitors

in Asia, Europe and North America. In this regard, Botswana has a proven track record in supply to the South African components market, increasing its component exports tenfold in the past 20 years.



## Botswana's Proximity to Africa's Largest Automotive Manufacturing Hubs



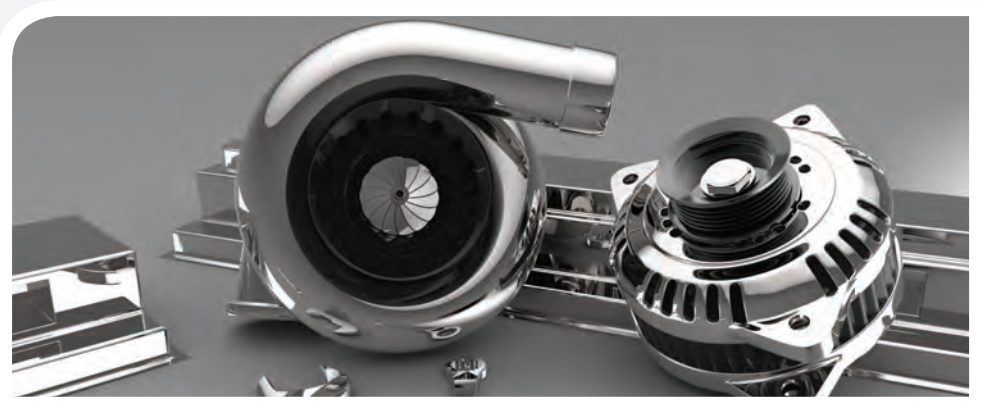
Source: Frontier Advisory Research, 2015

Furthermore, unlike some of its peers in the region, labour-employer relations are harmonious. This is a key advantage for the component manufacturing industry, as it allows timely and uninterrupted supply of parts to major automotive manufacturing plants in South Africa.

An additional advantage that Botswana offers is that due to its membership in the South African Customs Union (SACU), its exporters enjoy duty-free access to the South African market.

Investors in the manufacturing sector also enjoy one of the most competitive manufacturing tax regimes in the region.

The government's prioritisation of other sectors including leather, mining, tourism and logistics will lead to the development of synergies between these sectors and the automotive and components industry. This may be very beneficial as input and transport costs are expected to be lowered in the short to medium term.



## Agriculture Sector

*Economic diversification has been the key consideration in recent National Development Plans (NDP 9/10). Given the agricultural sector's decreasing share in GDP, there is need to diversify agricultural produc-*

*tion and promote the potential for investment that exists in agro-industrial and supply-chain development.*

### **Grain, Fruit & Vegetables Value Chain Investment Opportunities**

Botswana is a net food-importing developing country (NFIDC) with existing opportunities to boost production of basic commodities, particularly cereals (grain sorghum and maize)

and pulses. Cereal national demand stands at 200,000 tonnes per year, of which only 17 per cent is met by local production. Investments in arable

Botswana is a net food-importing developing country (NFIDC) with existing opportunities to boost production of basic commodities, particularly cereals (grain sorghum and maize) and pulses. Cereal national demand stands at 200,000 tonnes per year, of which only 17 per cent is met by local production. Investments in arable agriculture will stimulate private sector development, create employment, create value-addition opportunities, and enhance both food security and, ultimately, exports.

another investment opportunity. Tapping water for irrigation from the river will help increase output through the 20,000 hectares earmarked. In addition, fish, poultry, and oil milling present opportunities for processing.

The Pandamatenga agricultural infrastructure development project, located in an area receiving the highest rainfall, would create spin-offs in sunflower processing instead of exporting sunflower for processing. The Zambezi Agro-Commercial Development Project presents

Similarly, the NAMPAAD, 2000 report identified two possible sites for irrigation: Mmadinare-Tobane (750 ha, based on water from the Shashe Dam), and Selebi Phikwe (1,019 ha based on water from Letsibogo Dam). These two sites present other production investment opportunities which include horticulture packaging and standardisation to link farmers to high-end markets at farm gate prices. In addition, an opportunity exists for tomato paste production that makes use of surplus production and below-standard produce from the packaging plant.

### *Livestock Value Chain Investment Opportunities*

**Dairy Farming:** has been identified as a potential area of growth and investment in the agricultural sector. Total 2003 to 2010 consumption of milk in Botswana was 55.1 million litres of milk; 7.7 million litres of milk was produced locally and the rest was imports. The consumption figures suggest that there is scope for import substitution and expansion of domestic production of milk. This presents an opportunity for investment and diversification but the challenge is high feed cost which could be defrayed by domestic feed production – another area of potential investment.

**Leather:** Potential investment opportunities exist in processing raw hides and skins into finished products, particularly in establishing a wet blue leather tannery. The 2006 study on the Economic Diversification of Selebi Phikwe noted that Botswana produces around 360,000 cattle hides per year, with the majority being exported in raw form.

**Pork/Beef Products:** Botswana is a net importer of pork products. According to the 2011 LEA study on pork value chain development in Botswana, local pork production in 2008/09 stood at 441.1 tonnes while imports were 952 million tonnes. Traditional suppliers of pork meat are South Africa and to some extent Namibia. Moreover the SACU region has a net import demand for the product which is often filled by imports from Brazil. There are opportunities to invest in piggery production, slaughter facilities and grain/feed production, including transportation. Botswana has traditionally been a fresh/frozen beef exporter to the EU. Further investment opportunities exist in domestic production; fodder/feed production; transportation and processed meat for domestic and export markets.



# Financial and Business Services Sector

Botswana aims to become a world-class hub for cross-border financial and business services into Africa and globally. As one of the most affluent economies in Southern Africa with a robust growth outlook, Botswana's wealthy population presents a sizeable market for financial services such as banking and insurance, relative to most other regional economies. Botswana's International Financial Services Centre (IFSC) supporting regulatory framework provides regional and international banks, international business firms, insurance companies and investment funds an advantageous platform to penetrate new markets or consolidate their position in Sub-Saharan Africa's (SSA) fast-growing markets. In addition, Botswana has the 3rd best Network Readiness Index overall score in Southern Africa. The country thus has the third highest propensity in the region to exploit the opportunities offered by ICT. At the beginning of 2015, Botswana's total banking assets represented approximately 50% of the country's GDP. Botswana's banking sector is more

developed and has a higher degree of penetration than most other African countries. Botswana's life insurance sector is significantly larger than the non-life sector. The life insurance sector is also expected to grow faster than the non-life sector over the next five years. Botswana's life insurance sector is one of the largest and best developed life insurance markets in SSA.

One of Botswana's strongest value propositions is its location, being ideally located to provide cross-border business and financial services to holding companies, institutions and corporate clients. With a time zone of GMT+2, Botswana is an attractive location for business and financial services, especially those geared towards European, African and Middle Eastern markets. The time difference with the US allows for the timely completion and processing of data mining and cleaning as well as salary processing. Botswana is therefore strategically positioned as a BPO centre, for Africa and globally.

## IFSC specific incentives

Certified International Financial Services Companies in Botswana enjoy competitive incentives that include

- A competitive corporate tax incentive framework
- Exemption from Capital Gains Tax and Withholding Tax
- Access to an expanding Double Taxation Avoidance Treaty
- Denomination of Share Capital in any major convertible currency
- No foreign exchange controls
- Full exemption from withholding tax when paying dividends, interest, royalties or management fees to non-residents
- Full exemption from capital gains tax when disposing of assets in a subsidiary where shareholding exceeds 25%
- Zero rated for VAT
- Up to 15% tax credit for withholding taxes suffered in countries there is no Double Taxation Agreement

Tax	IFSC Company	Non-IFSC Company
Corporate Tax	15%	22.0%
Value Added Tax	Zero Rated	12.0%
Capital Gains Tax	Exempt	15.0%
<b>Withholding Tax</b>	<b>Exempt</b>	<b>7.5%</b>

## ***IFSC Target Sectors***

### ***International Insurance***

Botswana has positioned itself as an attractive location for the establishment of internationally traded insurance services such as reinsurance

and captive insurance operations that focus on the African marketplace.

### ***International Business Companies (Regional Holding Companies)***

International Business Companies (IBCs) present the most immediate potential for expansion into Africa from an IFSC platform. IBCs are companies that cut across sectors, have operations or

projects in several sub-Saharan countries and are typically structured as investment companies or regional headquarter operations.

### ***International Banking***

International banking refers to banking transactions denominated in various foreign currencies that cross national boundaries and include international lending and deposits. Among the services which banking entities

within the IFSC ambit can provide are corporate, international, investment and merchant banking, including leasing finance, asset management, stock-broking and treasury services.

### ***International Investment Funds***

Business Process Outsourcing (BPO) refers to an arrangement where an independent entity manages a business function for a client. Due to a number of unique factors such as a high

level of education among Batswana, coupled with the country's English-speaking population, Botswana is an ideal and competitive location for BPO entities and call centres in mainland Africa.

### ***Business Process Outsourcing and Call Centres***

The IFSC continually seeks opportunities to secure the establishment, management and

location in Botswana of additional pan-African investment funds.





## ICT Sector

*Botswana currently imports much of its ICT products and services and the possibility of replacing imports, as well as serving unmet and emerging needs, provides attractive opportunities for potential investments and partnerships.*

Household ICT data highlights significant access to radio, the pioneer of ICT and mobile phone

### Bank the Underbanked

- This is a new, innovative mobile money operator that could enable mobile phone number to double as credit account number, enable transactions across mobile networks within the same country, offer remittances

### eWaste

- E-Waste is all types of electrical and electronic equipment (EEE) that have been discarded by the owner as waste. It includes any item containing circuitry or electrical components with either power or battery supply.
- \$2.3-12.5 million the value of electronic waste

### TV White Space

- TVWS refers to the unused TV channels. These channels used to be placed between active TV channels to protect broadcasting interference. It has been proven that these frequencies can be used to provide broadband internet access.
- 950,000 people, 43% of the national

### TV Broadcasting

- Digital migration is happening and BTV is the only free nationwide broadcaster. Growing public interest is in Religious content, Sports

### eHealth

- eHealth and mHealth are fast growing sectors that could benefit many millions of

usage is very high at 80%. TV access has reached the remotest parts of the country, covering about 57% of households. Household computer access was 13.5% in 2013, matched by 15% internet access and mobile broadband subscriptions per 100 inhabitants grows in tandem with tablets and smart phones and is high at 74%.

across borders, starting from SACU, SADC before expanding to Sub-Saharan Africa and also to develop a low cost business model to half the cost of transferring money. mMoney is a currently a USD50 million business expected to grow to over USD170 million by 2017

in Botswana

- \$6.0-32.3 million the value of electronic waste in Botswana after 10 years assuming a modest 10% increase
- 400-500 jobs created will be required to process the current amount of eWaste in Botswana

population lives in rural areas

- For most internet access is prohibited due to high cost and lack of infrastructure
- \$15 for 800Mb of data, mobile internet is still expensive
- Cost of infrastructure is lower vs 3G, 4G and can be further subsidised by Kgolagano program
- No need for licence fee for TV white space

(South African Football, NBA and beyond) and Local content (drama/comedy series, culture). Due to the digital migration, there is an opportunity for Private Broadcasters and Content Producers (Film producers).

Africans. eHealth pilot "Kgonafalo" currently in place a partnership between University of Pennsylvania, Botswana's Ministry

### *eHealth*

- eHealth and mHealth are fast growing sectors that could benefit many millions of Africans. eHealth pilot “Kgonafalo” currently in place a partnership between University of Pennsylvania, Botswana’s Ministry of Health, and Orange mHealth. Key focus areas include women’s health, dermatology, radiology and oral medicine.
- Self-care: This involves patients ‘ use of technologies such as smartphone applications and smart medical devices to enable adherence to medication and access to disease diagnoses and treatment information.
- Health Monitoring: Involving the use of

communication technology to enable communication in case of emergencies, mobilizing communities, provide healthcare professionals with access to information at the point of care and enabling the transmission of information and communication between healthcare professionals.

- Disease Surveillance: This includes the use of mobile phones or tablets to detect and manage disease outbreaks. Health workers collect and communicate real-time disease occurrence information at a local level and share the data with centralized healthcare organisations, allowing health officials to promptly launch prevention and cure schemes, as well as analyse data.

### *BPO, Call centres*

- Policy uncertainty and labour risk from RSA is an opportunity to have call centres in Botswana. If Plug and Play facilities are developed in the Gaborone Mixed Economic Zone this will be an added benefit

- Local contact centres to expand if government and parastatals hives this off to private sector and Botswana’s private sector hubs domestically

### *eCommerce, Software and App Development*

- BITRI’s ICT related research and development is dedicated to technology solutions and next-generation products in priority areas of health( mobile technology, mobile apps, telemedicine) outlining the following areas worth of investment
- Education: provision of (interactive mobile solutions), eLearning and self-tests with standard tutorial questions, access to past examination questions, a platform for students and private tutors to interact and platforms for student interactions
- Agriculture: (mobile solutions to markets, information, best practices), and platforms/ solutions to connect farmers with markets, logistics and transportation services
- Transport systems; intelligent transportation systems like the application of road sensors, automated statistic gathering, driver assistance communications, driver/

passenger information systems, road safety and obstacle detections, etc.

- Security and forensics: new measures to help in the criminal justice systems have never been much needed. Opportunities exist for appropriate digital evidence collection and handling, signal processing to obtain key issues from recordings, authentication and validation of data/automated identification systems, training dedicated to responsible officers, and public awareness
- Tourism and culture: development of applications to provide intelligence on lodges locations and routes, attraction facilities, mobile devices interfaces to tourism portals, among others
- ICT: development of new communication methods and signal processing techniques for optimal frequency and spectrum allocations through spectrum sensing algorithms, radiation level testing for safety, cognitive networks and internet.

### ICT in Agriculture

- Information and communication technologies (ICTs) have the potential to transform business in Africa, growing entrepreneurship, innovation and economic growth.
  - Use of modern communication tools can reduce the overall cost of transactions, access to market, improve communication and assist producers and traders in terms of market intelligence across the value chains.
  - ICT can become the enabler towards more sustainable and scalable agricultural projects exceeding previous estimates.
- Cell phones have been a prime example of how value added information, written and verbal can become easily accessible
  - There is an opportunity in
    - Traceability, distribution and supply chain management
    - Financial services (mobile payment and mobile money)
    - Farm extension services, access to sector knowledge and information
    - Commodity exchange



## Health Sector

*The Botswana health system comprises both government (public-sector) and private-sector service providers. Public-sector healthcare services are provided at minimal fees for citizens while foreign nationals pay reasonable and subsidised fees.*

Private-sector healthcare services are mostly used by patients who opt not to use public-sector health services. Healthcare delivery is decentralised, with primary healthcare being the pillar. Botswana has an extensive network of health facilities: hospitals, clinics, health posts

and mobile stops.

The opening of a 450-bed Medical Teaching Hospital in 2014/15, providing both undergraduate and postgraduate tuition in addition to healthcare and research capability, will improve personnel availability and quality of healthcare.

Partnership with international institutions and organisations will further strengthen the healthcare system and improve quality of care.

### **Public Sector Investment Opportunities**

- Two acute care referral hospitals  
Southern (+500 beds)  
Northern (435 beds)
- One referral psychiatric hospital (300 beds)
- Seven district hospitals (bed capacity of 270 – 330)

- Sixteen primary hospitals and three mine hospitals (50 to 90 beds)
- Several clinics of different sizes across the country (some with 20–30 bed capacity)

### **Private Sector Investment Opportunities**

- Two hospitals in Gaborone (up to 300 beds) and a smaller private hospital in Francistown
- Several private practices offering medical and allied health services around the country
- Outsourced services or in partnership with

government in areas of special need in the public sector (e.g. haemodialysis and cardiology services)

### **Specialised Medical Services Investment Opportunities**

#### **Diagnostic Facilities (Imaging and Laboratory)**

A significant number of samples for diagnostic and laboratory analysis are currently referred to service providers outside Botswana and the turn-around time for receiving results is an ongoing problem.

#### **Pharmaceutical Manufacturing Industries**

Botswana currently imports 100 per cent of consumed pharmaceutical products from Europe, Asia and the Americas.

#### **Manufacturing of Biomedical Equipment**

All biomedical equipment is currently imported.

#### **Medical Tourism**

The establishment of clinical centres of excellence will improve delivery of specialist health services and improve access to health care for patients seeking high-quality and low-cost care. There is need for support from cooperating partners to consolidate the delivery of these centres through provision of equipment and staff training to ensure sustainability in the provision of specialist care. Research has shown that globally medical tourism is growing at between 20 and 30 percent annually and is an industry worth about US\$100 billion.

## Education Sector

*The policy framework for the education sector is based on the National Policy on Education, the Revised National Policy on Education, the new Tertiary Education Policy, the National Vocational Training Policy, the National Credit and Qualification Framework, the Maitlamo ICT Policy, Vision 2016, and the Science and Technology Policy, together with other government policies.*

Key objectives for the education sector include the following:

- Ten years of universal basic education
- Increasing access to senior secondary education
- Expanding vocational and technical training

### **Opportunities in the Education Sector**

A number of investment opportunities exist in the education sector, and these include investment in the establishment of institutions. The following have been identified as opportunity areas:

- Photographic Safari Tourism Training Lodge
- Technical School of Mining and Energy
- Botswana Academy of Medical and Health Sciences
- Business School

- Promoting lifelong learning
- Increasing access and equity at tertiary level
- Improving access to education services by children with special needs

The country has invested significantly in education and skills development, with more than 25 percent of the total government's annual budgets being allocated to the education sector over the past two decades. These investments were made in order to, amongst others, improve the human capital development in the country; achieve sustainable improvements in the quality of education; increase the pool of skills in areas that have been identified as critical to improve the performance of the economy.

- Post-Harvest Technology and Food Quality Research Institute
- Democracy, Governance and Economic Management Institute
- Centre for Peace and Justice
- Centre for Advancing Sustainable Development
- Veterinary science specialist training courses for veterinarians





seven

**Trade**

**Agreements**



## Overview

### *Preferential Market Access Agreements*

- Southern African Customs Union (SACU)
- Southern African Development Community (SADC) Free Trade Agreement (FTA)
- SADC/EU Economic Partnership Agreement (EPA)
- SACU-European Free Trade Association (EFTA) FTA
- SACU-Southern Common Market (Mercosur) Preferential Trade Agreement (PTA)
- Bilateral agreements with Zimbabwe and Malawi

### *Current Trade Negotiations*

- SACU-India PTA
- SADC-EAC-COMESA Tripartite FTA

### *Non-Reciprocal Agreements*

- Africa Growth and Opportunity Act (AGOA)
- Botswana products qualify for preferential market access under the Generalised System of Preferences (GSP)

### *Cooperative Frameworks*

- Trade, Investment and Development Cooperation Agreement (TIDCA) with the United States

## *World Trade Organization (WTO)*

Botswana became one of the founding members of the WTO in 1995. The implication of this is that Botswana is bound by all WTO Agreements, Ministerial Decisions and Understandings, which were adopted as a Single Undertaking. The obligation on the Single Undertaking means that all members are bound and must implement all the agreements. WTO membership has also committed Botswana to participating in successive multilateral trade negotiations aimed at progressive liberalisation of trade.

The WTO agreements have extended trade policy from a focus on border control issues into the domestic policy arena, covering issues such as trade in services, intellectual property

rights, product standards, investment policy, trade defence measures and agricultural policy. In this regard, member states' policies have to be consistent with the obligations on the Agreements on Agriculture, Trade Related Investment Measures (TRIMS), Trade Related Intellectual Property Rights (TRIPS), the General Agreement on Trade in Services (GATS), the General Agreement on Tariffs and Trade (GATT) and others. Compliance with WTO rules is assessed through the Understanding on the Trade Policy Review Mechanism (TPRM). These obligations establish the parameters and framework within which Botswana will conduct and negotiate trade agreements with her trading partners.

## *Southern African Customs Union (SACU)*

The Southern African Customs Union was established in 1910 with Botswana, Lesotho, South Africa and Swaziland being the founding Member States. The Agreement was renegotiated and signed in 1969. Namibia acceded to the 1969 Agreement following its independence in 1990. The member states commenced the renegotiation of the 1969 Agreement in 1994 after RSA was democratized. The negotiations culminated in the 2002 SACU Agreement (SACUA)

which entered into force on 15 July 2004.

The Objectives of SACU are

- To facilitate the cross-border movement of goods between the territories of the member states
- To create effective, transparent and democratic institutions which will ensure equitable trade benefits to member states
- To promote conditions of fair competition in



- the Common Customs Area (CCA)
- To substantially increase investment opportunities in the CCA
- To enhance the economic development, diversification, industrialisation and competitiveness of member states
- To promote the integration of Member States into the economy through enhanced trade and investment
- To facilitate the equitable sharing of revenue arising from customs, excise and additional duties levied by member states
- To facilitate the development of common policies and strategies.

#### Benefits Include

- Duty-free quota-free access for Botswana goods;
- Revenue accruing from Common External Tariff
- 2002 SACU more democratic, with participation in the tariff administration by all member states and establishment of institutions such as National Bodies and Tariff Board
- Negotiation as a bloc

### ***SADC Trade Protocol***

As a SADC member, Botswana is currently implementing the SADC Protocol on Trade. Implementation of the SADC FTA began in 2000 following the signing of the SADC Trade Protocol (in 1996). The liberalisation of tariffs has taken place at different rates. In general, the developed countries have reduced tariffs at a faster rate. South Africa, Botswana and Namibia removed most tariffs in 2000. Middle-income countries such as Mauritius have gradually reduced their tariffs each year between 2000 and 2008. For least-developed countries such as Mozambique and Zambia, tariff reductions have generally been introduced during 2007-2008. From January 2008 onwards, when SADC attained the status of a free trade area, producers and consumers pay import tariffs on more than 85% of all trade in community goods in the initial countries implementing the SADC Trade Protocol. The remaining 15% (sensitive list) was expected to be liberalised between 2009 and 2012 in the SADC's advance towards the status of a fully-fledged FTA with almost all tariff lines traded duty free. As a signatory to the SADC Protocol on Trade and a member of the SADC FTA, Botswana is

committed to the attainment of higher regional integration in the form of Customs Union and Common Market, in line with the regional integration agenda. The ongoing negotiations on the SADC Protocol on Trade in Services and rationalization of multiple FTA memberships are also commitments which define parameters for Botswana's Trade Policy. Increasing intra-SADC trade through the creation of simple, transparent and easy-to-apply rules of origin coupled with member country implementation of tariff liberalization commitments also feature strongly in Botswana's regional trade agenda.

Efforts to facilitate movement of goods within the SADC region resulted in the establishment of an on-line non-tariff barrier reporting and monitoring mechanism. The mechanism can be accessed by the private sector at <http://www.tradebarriers.org> to report non-tariff barriers encountered within Member states. This has the potential to facilitate movement of goods and will lead to increased trade.

### ***Bilateral Agreements***

A Trade Agreement with Zimbabwe was initially signed in 1956, amended in 1988 and further amended in 2010. The agreement provides for duty-free access of goods from territories of either country that qualify for preferential treatment under the bilateral arrangement. For goods to qualify for preferential treatment under the agreement, they should either be wholly originated or meet local content requirement of 25 percent. Wholly originated goods are goods that have been grown, extracted or raised in the territory of either party to the agreement. These

include animals born and bred, crops grown or minerals extracted in a country. Those that meet the local content requirement should have been processed from the materials and labour sourced from the exporting country. The cost of such raw materials and labour should constitute 25 percent of the total cost of production of a particular product. The process of manufacture excludes simple processes like mixing of imported materials or packaging of imported goods. Manufacturers are required to produce for a period of three months before starting

to export. This procedure is meant to enable customs authorities to monitor and confirm the production process as well as the local content of the manufactured goods.

The newly amended agreement, signed on the 15th August 2010, brought in amendments in three areas: (i) A cumulative principle whereby raw materials from the territories of either contracting party would be allowed to count towards the local content of goods being

exported. It would confer originated status to goods whose production included inputs from either Botswana or Zimbabwe. (ii) Recognition for use of waste and scrap in manufacturing, whereby waste and scrap would become a recognised and acceptable raw material for production of goods to be traded under the agreement. (iii) Exemption from the three months costing requirement, which will facilitate trade of large products (e.g., buses) which become costly to keep in store for three months

### **Botswana/Malawi Bilateral Agreement**

Botswana also has a trade agreement with Malawi, dating back to 1956. It has occasionally imported sugar from Malawi under this

agreement, but much of this trade is now conducted under the SADC trade protocol.

### **SACU and European Free Trade Association (EFTA) FTA**

The negotiations with EFTA commenced prior to the 2002 SACU Agreement and the Free Trade Agreement was signed on 1st of July 2006 on trade in goods. EFTA comprises Norway, Iceland, Switzerland and Liechtenstein, which are part of Europe but outside the EU. Implementation of the agreement commenced on 1 May 2008. Elements of this agreement include information exchange, holding consultative forums within the Joint Committee on any matter concerning the interpretation or application of the agreement, reviewing the possibility of further removing obstacles of trade between the parties, and option to make recommendations to the parties on other matters. SACU Member States have

also signed Bilateral Agricultural Agreements with individual EFTA States. Bilateral Agricultural Agreements are currently undergoing review with a view to increase beef quota which will benefit Botswana and Namibia. Benefits of the agreement include duty-free and quota-free access for nearly all industrial products for SACU Member States. SACU member states have signed Bilateral Agricultural Agreements with Norway, Iceland and Switzerland. The agreement further provides for special and preferential treatment for BNLS, including the Beef Protocol with 500 tonnes quota for the benefit of Botswana and Namibia.

### **Generalised System of Preference (GSP)**

Botswana is eligible for GSP treatment from Australia, Canada, the EC, Japan, New Zealand, Norway, Switzerland, and the United States. This treatment provides preferential access to

these markets (at zero or reduced tariffs) for eligible Botswana products, subject to rules of origin. Product coverage and rules of origin vary between countries.

### **African Growth and Opportunity Act (AGOA)**

Botswana has been a beneficiary of the US African Growth and Opportunity Act (AGOA) from inception, but became eligible for enhanced access afforded to "lesser developed beneficiary Sub-Saharan African countries" from 6 August 2002. Botswana's exports under AGOA are mainly textiles, apparel, and a small amount of furniture. The government of Botswana has recognized the need to address current inability

to effectively capitalize on the preferential market access and to increase competitiveness of its products in the US market. There are a total of 6,500 products that can be exported under the AGOA programme and products are eligible if they meet the Rules of Origin requirements. The exportation of these products will be subjected to sanitary and phytosanitary requirements.



### **Economic Partnership Agreement**

Botswana is currently negotiating an Economic Partnership Agreement (EPA) with the European Communities under the SADC Group, which comprises the SACU members plus Angola and Mozambique. This would be a reciprocal agreement that would allow duty-free and quota-free access for Botswana products into the EU market. Botswana, Lesotho, Mozambique and Swaziland signed the Interim EPA in June

2009, while other members did not sign, citing some concerns on certain provisions of the agreement. The second phase of the negotiations is ongoing on Trade in Services and Investment to conclude a full EPA. Botswana enjoys duty-free quota-free access to the EU market for all its products. This arrangement has benefited beef in particular.

### **Interim Economic Partnership Agreements**

Botswana is currently negotiating an Economic Partnership Agreement (EPA) with the European Communities under the SADC Group, which comprises the SACU members plus Angola and Mozambique. This would be a reciprocal agreement that would allow duty-free and quota-free access for Botswana products into the EU market. Botswana, Lesotho, Mozambique and Swaziland signed the Interim EPA in June

2009, while other members did not sign, citing some concerns on certain provisions of the Agreement. The second phase of the negotiations is ongoing on Trade in Services and Investment to conclude a full EPA. Botswana enjoys duty-free quota-free access to the EU market for all its products. This arrangement has benefited beef in particular.

### **SACU/US Trade, Investment and Development Cooperation Agreement (TIDCA)**

The TIDCA is a cooperative framework or mechanism under which the two parties would identify specific trade and investment issues and seek to advance those issues through appropriate agreements or understandings. For the purposes of providing for further expansion of bilateral trade and investment flows, the parties will cooperate on and consider whether further agreements such as those on sanitary and phytosanitary (SPS) measures, standards, technical barriers to trade (TBT), customs cooperation and trade facilitation would be desirable, as well as cooperate in undertaking specific trade and investment promotion activities. Following several exchanges of draft texts between South Africa (on behalf of SACU) and the Office of the United States Trade Representative (USTR) on the SACU proposals a

final draft text was agreed upon. The text was submitted via Commission to Council, who adopted it for signing by member states at its meeting on 4 April 2008 in Gaborone, Botswana. The agreement was signed at the AGOA Forum held in July 2008 in Washington, USA. SACU has finalised the Matrix on Areas of Cooperation, subsequently approved by the SACU Council. Parties are working towards implementation of the Agreement. TIDCA is expected to assist Botswana and her SACU partners to achieve economic development and growth, enhance integration of developing countries into global economy, strengthen the bonds of friendship and spirit of cooperation, enhance expansion of trade, boost economic relations between the two parties, promote an attractive investment climate and enhance trade facilitation.

## SACU/MERCOSUR PTA

The Preferential Trade Agreement between SACU countries and MERCOSUR (Argentina, Brazil, Paraguay and Uruguay) was signed by MERCOSUR and SACU States in December 2008 and April 2009 respectively. The PTA establishes fixed preference margins as a first step towards the creation of a free trade area between SACU and MERCOSUR. Member states continue to work on

ratification instruments, with implementation of the agreement commencing immediately after ratification. Botswana has now ratified the agreement. The benefits include market access to the South American countries, special and differential treatment, and strengthening of economic co-operations

## Importing and Exporting

### Tariff and Tax Exemptions

Botswana provides tariff exemptions and concessions on imported inputs used for manufacturing (or exporting) goods. All schemes applied by Botswana are harmonized within SACU. Goods imported under such schemes

must be taken directly from the port of entry to a customs bonded warehouse. Commercial importers (and exporters) may apply to BURS for a licence to operate a bonded warehouse.

### Importing

Businesses that hold industrial or trading licences and desire to import may freely obtain foreign currency for payment to a foreign supplier. Import permits, where required, are obtained from the Department of International Trade, Ministry of Investment Trade and Industry. Import permits are not normally required for goods from other members of the Common Customs Area (Lesotho, South Africa, Swaziland and Namibia) or from Malawi or Zimbabwe.

of some vegetables and dairy products are seasonally banned when it is determined that domestic supplies are adequate. Milk imports, including from SACU, are subject to import quotas established on a quarterly basis by a Milk Importation Committee comprising producers and processors.

Payments may be made in any foreign currency or in local currency for the credit of a non-resident account. It is permissible to open foreign currency accounts in one of the designated currencies for the payment of imports. Balances in these accounts may not at any time exceed the customer's six-month import requirements. This foreign currency account must be kept separate from those for foreign capital and current account transactions.

Imports of firearms and ammunition require a permit for security reasons. Import licences are also required for boats (issued by the Department of Water Affairs), and for imports of second-hand goods, such as motor vehicles and clothing. The Ministry of Environment, Wildlife and Tourism licenses imports of endangered species covered by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Prior to obtaining an import permit, imports of agricultural products, plants, livestock, and soil from all sources require approval from the Ministry of Agriculture for sanitary and phytosanitary reasons. Imports of vegetables, dairy products, meat and meat products, and poultry require an import permit on food security grounds. Poultry imports are permitted only when there is a shortfall of poultry products in the domestic market. Import restrictions have also been imposed on grains from time to time to protect local producers. Imports

Import prohibitions apply to goods such as narcotic drugs, obscene material, and environmentally hazardous products, such as toxic or radioactive waste, mainly to protect health, safety, and morality.

Botswana's Customs is using UNCTAD's Automated System for Customs Data (ASYCUDA) with a risk-based inspection system. It has also introduced a post-clearance audit system as a trade facilitation measure. Internal taxes on imports and domestic goods and services consist mainly of value-added tax, fuel and alcohol levies, and a copyright levy introduced in 2009.

Under the SACU Agreement, Botswana, Lesotho, Namibia, and Swaziland apply import duties and related measures set by South Africa in consultation with BLNS countries. In practice, ordinary customs duties, excise duties, tariff exemptions and concessions, valuation methods, non-preferential rules of origin, and contingency trade remedies are, so far, the only trade policy measures harmonized throughout SACU.

Botswana does not apply pre-shipment inspection. To facilitate trade, BURS has implemented a post-clearance audit system to verify import and export declarations: 9% of total processed declarations (656,478) were audited in

2006/07. Botswana and Namibia are planning to establish a one-stop border post at the Mamuno-Trans Kalahari border post to reduce transit times.

The customs legislation (the Customs and Excise Duty Act (CAP 50:01) of 1970) was last amended in 2003, to update and align it with the South African Customs and Excise Act. Goods infringing intellectual property rights may be placed under embargo, destroyed or otherwise disposed of. Administrative decisions by Customs can be appealed in Court within three months of the decision.

### **Other Duties and Taxes**

Botswana exercises its right under the SACU Agreement to levy additional duties in specific cases to protect infant industries; temporary protection may be provided for a maximum of eight years. Since 2007, the dairy industry has received protection through additional duties imposed on imports of ultra-heat-treated (UHT) milk; Botswana imports over half of its fresh milk requirements. Since April 2008, the additional duty has been levied at a rate of 40%; the revenues are deposited in the Common Revenue Pool.

A 15% flour levy is collected on imports of bread flour from all sources with the objective of protecting the domestic milling industry from

unfair competition; Botswana does not have an institutional framework to address unfair competition. The flour levy is not shared in the SACU Common Revenue Pool.

Road-user charges and road-safety levies are imposed at the border on foreign-registered vehicles for the purpose of providing revenue for the maintenance of roads, and for road safety campaigns. Receipts from road-user charges amounted to P48.8 million in 2006/07.

Botswana has notified the WTO Committee on Agriculture that it did not apply the special agricultural safeguard in the period 1997/98 to 2007/08.

### **Exporting**

To export, a declaration form (BW 500 and BW 501 continuation sheet) must be completed in triplicate in respect of all goods. The three copies, together with other relevant documentation, must be presented to Customs at the time of export. One copy is returned to the exporter who, upon receipt of the export proceeds, submits it

to his/her bank. Payment for exports must be received in Botswana within six months from the date of exportation. Any extension requires Bank of Botswana approval. Payment may be made in any foreign currency or in Pula from a non-resident account.

### Licenses and Quotas

Botswana has applied seasonal or temporary quantitative restrictions on imports of dairy products, poultry products, grains and some vegetables, to protect domestic producers. Technical regulations and standards are based on international norms, including those of Botswana's major trading partners, especially

South Africa. Exports of cattle are taxed, and the Botswana Meat Commission has a statutory monopoly on beef exports. The textiles and automotive industries have access to import duty credit schemes that are linked to export performance; the schemes are designed to promote exports to non-SACU markets.

### Duty-Free Zones

Although no duty free zones or Special Economic Zones (SEZs) have been developed in Botswana, SEZs programme elements do operate in the country with their respective investor incentive packages. These include the Botswana Innovation Hub, the Diamond Hub and the International Financial Services Centre (IFSC), which can be referred to as service-oriented sectoral SEZs. There are also plans to establish SEZs in other parts of the country to take advantage of the various opportunities.

does not have any foreign exchange controls and is already attracting high-end services and activities such as Business Process Outsourcing (BPO), international finance services, and innovation activities.

Botswana already has the basic requirements for heightening value-added export activity through the SEZ programme: political stability, good governance, abundance of natural raw materials, international airports, and overall good basic infrastructure. At present, a SEZ Policy is in place and some work is under-going to establish Botswana Investment and Trade Centre (BITC) as an interim SEZ Authority.

The scenario above clearly demonstrates that the country has done well in terms of liberalizing fiscal incentives. For example, the country



*eight*

## **Business** Facilitation



# Part 1 Company and Business Name Registration

*Companies are registered by the Companies and Intellectual Property Authority (CIPA), at Plot 181, Kgale Mews, Gaborone, P.O. Box 102, Gaborone, Botswana. CIPA also has offices in Francistown, Serowe and Maun. There are two key stages for both company incorporation and business name registration: reservation of company name or business name, and submission of documents for the company incorporation or business name registration. The requirements are as described below:*

## 1.1 Reservation of Company or Business Name

The first step in the process is reservation of the company name with CIPA. A name reservation fee of P20.00 is payable upon submission of Form 1 for company name and Form RBN 1A for business name. The turnaround time for the process is five

days. An online database of company names in use is available at <http://www.mtinamesearch.gov.bw/search/> but a definitive search and finding must still be done by CIPA.

## 1.2 Requirements for Company Registration

Upon confirmation of availability of name, the next step is to lodge the following forms, which can be downloaded from the Ministry of Trade and Industry's website ([www.mti.gov.bw](http://www.mti.gov.bw)). The forms should be completed in block letters and in black ink. The writing should be legible without any cancellation or correction by ink. Names should be in full; no abbreviations are allowed. Information on each new page should start with the company name and reservation number.

The Information Required Includes:

- Directors' details;
- Residential address – plot number, location, ward, village or town; and
- Full postal address.
- If subscribers are not applying for registration in person, a letter authorizing an agent to present should be submitted.

The Following Documents Should Be Submitted:

- a) Form 2 and Form 3 for a company limited by shares;
- b) Form 2A and Form 3 for a close company;
- c) Form 2B and Form 3 for a company limited by guarantee;
- d) Form 3 (declaration) to be filled

- by a qualified Company Secretary recognized by the Act or a Director/ member of a company;
- e) The person presenting the application should provide his/her address, telephone or mobile numbers in spaces provided;
  - f) The person presenting the application should attach certified copies of his/her identity card or passport;
  - g) Certified copies of identity documents for the proposed directors and shareholders and a practicing certificate for the Company Secretary;
  - h) For all the documents above, two original bound sets are required;
  - i) A registration fee of P360.00 is payable upon submission and acceptance of the documents above; and
  - j) In case of a business, name registration form RBN 2 should be completed and lodged with a copy of the applicant's identity document and a registration fee of P150.00.

At the time of submitting, the applicant must ensure that 30 days have not lapsed from the date of confirmation of availability of business or company name. If 30 days have elapsed, the name must be reserved afresh.

## 1.3 Company Registration Process Maps



### 1.3.1 Business/Company Name Reservation: Process Map 1



### 1.3.2 Company or Business Name Registration: Process Map 2

# Part 2 Opening a Business Bank Account

*Botswana has eight functional commercial banks. These are BancABC, Bank Gaborone, Bank of Baroda, Barclays Bank, Capital Bank, First National Bank, Stanbic Bank and Standard Chartered Bank.*

## 2.1 General Information Required by all Banks

All the banks require the following information to be provided in addition to completing their application forms. The application forms should be counter-signed by the Company Secretary.

- a) Company forms: certificate of incorporation; allotment of shares; registered office; list of directors and memorandum and articles of association for companies registered before July 2007.
- b) Certified copies of identity documents for directors; identity cards (i.e., Omang for citizens, and passports, work and residence permits for non-citizens).
- c) Certified copies of share certificates.
- d) A resolution, bearing the company's stamp, which stating signing arrangements and is signed by all the directors and the Company Secretary.
- e) A utility bill to verify the physical address, or in its absence a letter from the Company Secretary confirming the location of a registered office.

## 2.2 Additional Requirements by Particular Banks

Some of the banks have additional requirements as follows:

### First National Bank

- Latest financial statements / cash flow projection for the next 12 months.
- Minimum deposit of P1,000.00.

### Barclays

- Copies of latest audited financial accounts, business plans, or brochures and company literature.
- Bank statements for the last 3 months if the company has an account with another bank.

### BancABC

- Blank letterhead with physical address.
- Sources of funds: financial statements for existing companies, or 6 months bank statements and cash flow projections; confirmation of expected turnover from business activities by way of letter on company letterhead for start-up companies.

## 2.3 Account Opening for Regulated Credit and Financial Institutions

If the applicant is a regulated credit and financial institution, the following are required:

- Banking licence.
- Banker's association details.
- Identification and address documents.
- Appointment of bankers/mandate.

# Part 3 - Licensing

*To operate a business in Botswana, the law requires companies to have a sectoral licence that permits the company to operate such a business. There are currently more than 100 types of sectoral licences, which must be adhered to. For purposes of this Handbook, emphasis will be placed on the following licences:*

- Trading Licence
- Manufacturing Licence
- Liquor Licence
- Financial Services Licences
- Tourism Licence
- Mining Licences

## 3.1 Trading Licence

Trading licences are issued by local and town councils through their commercial departments. Application forms are free and are available from these offices. Applicants are required to submit completed licence application forms with an accompanying covering letter explaining how the business will operate and describing in detail an itemised list of proposed activities, goods, and services to be supplied. Trading licences vary in categorisation and licence fees charged. The trading licences are issued for an indefinite period subject to payment of annual fees set at 25 percent of the licence fees. Payment of the annual fee must be accompanied by proof of compliance with health regulations and filing of the company's annual returns. The table at the end of this sub-section shows the various categories and their respective fees.

The application must be accompanied by the following documents/reports:

- a) Physical planner's report confirming that the location is appropriately zoned for the intended use. An occupation permit or a copy of the title deed showing the land use or change of use would suffice.
  - b) Health inspector's report certifying that the premises and surroundings satisfactorily comply with issues of public and environmental health.
  - c) Drug and regulatory inspection report from the Ministry of Health if the application is for pharmaceutical products or pharmacy licences.
- d) Provisional clearance certificate for agrochemicals' licences' applications. The certificate is issued by the Plant Protection Division in the Ministry of Agriculture. The applicant has to provide proof of relevant background of agrochemicals (e.g. qualification certificates or testimonials for applicant of prospective employees).
  - e) A clearance certificate from Botswana Bureau of Standards (BOBS) for storage and handling of liquefied petroleum gas in case of fuel filling station, general dealer, and hardware licences.
  - f) Certified copies of latest form of annual returns from CIPA. Where annual returns are not due, as in the case of a newly registered company, forms showing directors allotment of shares and share certificates should be provided.
  - g) A copy of certificate of incorporation for a company or registration certificate for individuals or partnership.
  - h) Proof of availability of business premises (written undertaking lease in lieu of agreement or title deed.
  - i) Resolution of the company/ letter stating the name of the person who will be representing the application during the licensing committee meeting (including, for that representative, certified copy of identity card for citizens and or work and residence permits for non-citizens).
  - j) Certified copies of valid passport for non-citizen, work and resident permits for shareholders residing in Botswana or certified copies of valid identity card for citizens.
  - k) Copy of original licence in case of transfer of a licence.
  - l) For liquor licence applications, proof of advertisement in Botswana Government Gazette is required: usually a stamped receipt showing both first and second notice of the application published at least 21 days

before the licensing committee meeting.

reports can vary from one day to 1-3 weeks.

The licensing committees meet weekly. The time required for the physical planner and health inspectors to inspect and issue

Licences and Licence Fees Under the Trade Act

No.	Type of Licence	Licence Fee
1	Agent	P1,000.00
2	Amusement arcade	P500.00
3	Auctioneer	P1,200.00
4	Bookshop	P750.00
5	Car wash	P150.00
6	Cleaning services	P200.00
7	Commercial hardware	P1,000.00
8	Curio shop	P500.00
9	Department store	P2,000.00
10	Distributor	P1,500.00
11	Driller	P1,000.00
12	Dry cleaner	P1,500.00
13	Dry cleaning depot	P500.00
14	Florist	P250.00
15	Fresh produce dealer	P250.00
16	Funeral parlour	P1,500.00
17	Furniture shop	P1,500.00
18	General clothing	P750.00
19	General dealer	P250.00
20	General hire service	P500.00
21	Gymnasium	P1,000.00
22	Haberdashery	P750.00
23	Hair and beauty parlour	P750.00
24	Industrial hardware	P1,000.00
25	Internet cafe or copy shop	P500.00
26	Laundromat	P100.00
27	Motor dealer	P1,500.00
28	Petrol filling station	P500.00
29	Pharmacy or chemist	P750.00
30	Plant hire service	P500.00
31	Restaurant	P1,000.00
23	Supermarket	P1,500.00
24	Takeaway	P150.00
25	Wholesale	P1,500.00
26	Workshop	P1,500.00



### 3.1.1 Reserved Activities under the Trade Act

The Act reserves the following businesses for citizens of Botswana:

- a) Auctioneer
- c) Cleaning services
- d) Curio shop

- e) Fresh produce
- f) Funeral parlour
- g) General clothing
- h) General dealer
- i) Hairdresser
- j) Hire services
- k) Laundromat
- l) Petrol filling station
- m) Takeaway

### 3.2 Manufacturing Licence

*Manufacturing licences are governed by the Industrial Development Act of 2006 (as amended) and the Industrial Development Regulations of 2008. According to the Act, all manufacturing enterprises are required to have an industrial/manufacturing licence, issued by the Industrial Licensing Authority (ILA) and the Regional Licensing Committee. These licences are valid for an indefinite period subject to compliance with the conditions upon which they are issued. Application forms for manufacturing licences can be downloaded from the Ministry of Trade and Industry website: [www.mti.gov.bw](http://www.mti.gov.bw)*

#### 3.2.1 Steps in Obtaining a Manufacturing/Industrial Licence

A number of different steps are involved in an application for a manufacturing/industrial licence, some of which can be carried out simultaneously. The major steps that need to be undertaken are as follows:

- Step 1:** Preparation of an executive summary of the business
- Step 2:** Confirmation of zoning
- Step 3:** Undertaking an Environmental Impact Assessment (EIA)
- Step 4:** Payment of application fee and submission of application to the Department of Industrial Affairs or Municipality/Council
- Step 5:** Consideration of the application by the ILA or Regional Licensing Committee
- Step 6:** Communication of the decision
- Step 7:** If decision is positive, payment of licence fee
- Step 8:** Issuance of provisional licence or indefinite industrial licence

#### 3.2.2 Requirements for Obtaining a Manufacturing/Industrial Licence

The following are requirements in applying for an industrial licence:

- a) Business background or executive summary
- b) Completed application Form AIL

1, in duplicate for each company. Application forms can be obtained country from the respective municipalities/councils

- c) Copy of the certificate of incorporation for the company, to indicate that the company is registered in Botswana and share certificates
- d) Detailed description of the production process to indicate how each product will be produced, as requested on the "additional information" sheet, with answers to all the listed questions concerning environmental issues
- e) EIA
- f) Satisfactory Environmental Health Inspection and Food Control clearance reports from the municipality/council
- g) Report from the Physical Planning Officer confirming the zoning of the place of operation
- h) Lease agreement between the lessor and the lessee/letter from the landlord showing his/her intention to lease out the plot
- i) Certified true copies of valid work and residence permits for foreign investors/shareholders
- j) Certified copies of Omang for citizen shareholders and of passports for foreigners
- k) Commitment letter from the approved waste collector (approved by Department of Waste Management and Pollution Control), and in case of sale of off-cuts/by-products, commitment letter from the buyer
- l) Payment of P50.00 with the application forms, for administrative purposes
- m) Once approved and collection, payment of P200.00 licence fee

All licensing committee meetings are held on a weekly basis and applicants should file their applications well in advance for appraisal by the secretariat and inclusion on the agenda.

### 3.2.3 Payment of Annual Fees for Manufacturing/Industrial Licence

Manufacturing Licences attract an annual fee. The following requirements apply when paying the annual fee:

- a) Form AIL 1
- b) Proof of health inspection
- c) Proof of last payment
- d) Copy of indefinite industrial licence
- e) Copy of annual returns for the company
- f) Payment of P200.00 annual fee

### 3.2.4 Application for Licence to Manufacture New Products or Additional Products

#### Requirements:

- a) Completion of form AIL 2 in duplicate
- b) Proof of last payment
- c) Certified copy of indefinite industrial licence
- d) Environmental health report
- e) Payment of P50.00 with your application forms, for administrative purposes
- f) Payment of P200.00 application fee

### 3.2.5 Application to Manufacture On Additional Premises

#### Requirements:

- a) Completion of form AIL 1 in duplicate and form AIL 3
- b) Proof of last payment
- c) Certified true copy of indefinite industrial licence
- d) Environmental health report
- e) Physical Planning report confirming zoning
- f) EIA
- g) Commitment letter for waste collection as approved by Waste Manager (Department of Waste Management and Pollution Control) and in case of metal off-cuts, commitment letter from the buyer
- h) Remit the sum of P50.00 with your application forms, for administrative purposes

- i) Payment of P200.00

### 3.2.6 Application to Manufacture on New Premises

#### Requirements:

- a) Completion of form AIL 1 in duplicate and form AIL 4
- b) Proof of last payment
- c) Certified true copy of indefinite industrial licence
- d) Environmental health report
- e) Physical Planning report confirming zoning
- f) Environmental Impact Assessment Report
- g) Commitment letter for waste collection as approved by the Department of Waste Management and Pollution Control, and in the case of off-cuts/by-products, a commitment letter from the buyer
- h) Payment of P50.00 with the application forms, for administrative purposes
- i) Payment of P200.00

### 3.2.7 Application to Transfer an Indefinite Industrial Licence

#### Requirements:

- a) Completion of form AIL 1 in duplicate and AIL 5
- b) Proof of last payment
- c) Certified true copy of indefinite industrial licence
- d) Environmental health report
- e) Physical Planning report confirming zoning
- f) Environmental Impact Assessment Report
- g) Commitment letter for waste collection as approved by the Department of Waste Management and Pollution Control, and in the case of metal off-cuts, a commitment letter from the buyer
- h) Payment of P50.00 with the application forms, for administrative purposes
- i) Payment of P200.00

## 3.3 Liquor Licence

### 3.3.1 Steps Involved In Obtaining a Liquor Licence

**Step 1:** Issuance of area zoning forms and confirmation of zoning

**Step 2:** Zoning site visit/inspection.

**Step 3:** Applying for environmental health inspection and certificate.

**Step 4:** Payment of liquor licence application

**Step 5:** Public notice in Botswana Government Gazette for 21 days.

**Step 6:** Consideration of the application by the Liquor Licensing Authority.

**Step 7:** Decision by the Liquor Licensing Authority.

**Step 8:** Payment of liquor licence fee.

**Step 9:** Issuance of a liquor licence.

Processing time for completing all of these steps is currently 70 days.

### 3.3.2 Requirements for a Liquor Licence Application

The following documents must be submitted:

- Completed application form and application fee of P100.00.
- Copy of Certificate of Incorporation for a company, or registration certificate in case of individual or partnership applicants.
- Certified copies of forms 8, 13, 14 and 15, and copies of share certificates of the company directors and shareholders.
- Proof of availability of business premises (written lease undertaking in lieu of agreement or title deed).
- Proof of advertisement in Botswana Government Gazette, with a stamped copy of receipt, according to regulation 3(2) of the Liquor Act, 2003. The

Control Authority will not consider an application for a licence where the first and second notices of the application were not both published for at least 21 days in accordance with Section 13 of the Liquor Act, 2003.

- Certified copies of valid Omang for citizens, and of passports for non-citizen directors and shareholders.
- Satisfactory Physical Planner's Report for zoning of the plot.
- Satisfactory Environmental Health Report for the business premises from District Council Health Inspectors.

Liquor regulation 7 (1) requires any liquor establishment to be located at least 500 metres from a school, church, highway or major road. Application forms should be submitted at the commercial office of the municipality/council in the district where you wish to undertake the business. Applicants should also familiarise themselves with the provisions of the Liquor Act and its subsidiary legislation. All applications are considered by the Liquor Control Authority.

### 3.3.3 Renewal of Liquor Licence

Liquor licences must be renewed annually.

## 3.4 Financial Services Licensing

The licensing and regulatory framework of the financial services sector has two distinct categories, governed, respectively, in accordance with the Banking Act administered by Bank of Botswana, and the Non-Bank Financial Institutions Regulatory Authority Act

of 2006 overseen by the Non-bank Financial Institutions Regulatory Authority (NBFIRA). The Banking Act regulates bank and bank related businesses while non-bank financial services are governed by the NBFIRA Act.

## 3.5 Banking Licence

*Licensing of banks is governed by section 6 of the Banking Act and section 3 of the Banking Regulations, 1995.*

### 3.5.1 Requirements for Obtaining a Banking Licence

The Bank of Botswana has prepared a set of requirements contained in what is referred to as "Application Package for

a Banking Licence". This is available from the bank on request. Basic requirements for a banking licence application to be considered complete and acceptable for processing include the following:

- The applicant must be a company limited by share capital and incorporated in Botswana.

- b) The statutory minimum start-up capital is P5 million. The prudential capital adequacy ratio is 15 per cent. The promoters of the applicant bank must demonstrate willingness and ability to provide additional financial support as and when required.
- c) The applicant must demonstrate adequate managerial capacity; this includes the appointment of “fit and proper” persons.
- d) In the case of the promoters of an applicant being a foreign bank, the parent bank must be subject to adequate home supervision, and the consent of the parent’s home supervisor for the subsidiary to operate in Botswana must be provided.
- e) The proposed ownership and organisational structure must be acceptable to the Bank of Botswana, and the structure must be such that it allows for effective consolidated supervision.
- f) The applicant must submit a business plan that includes the strategic objectives of the bank, a set of five-year financial projections; a plan for the establishment of branches, products to be provided, and a demonstration of the ability to enhance effective competition.
- g) Payment of a non-refundable application fee of P16,500.00.

### 3.5.2 Renewal of Banking Licence

Banking licences are issued for an indefinite period subject to payment of annual fees.

### 3.5.3 Time Needed to Acquire a Banking Licence

The investor needs a minimum of 6 months to complete all the steps and procedures in acquiring a banking licence.

## 3.6 Bureau de Change Licence

***A Bureau de Change is a business licensed under the Bank of Botswana Act to carry out the business of buying and selling foreign currency. These businesses are licensed to give members of the public assurance that the businesses are operating prudentially and in accordance with sound business practices. Performance of Bureau de Change is monitored by BOB and they are required to operate according to the Bureau de Change regulations of 2004. It is therefore illegal for anybody to trade in foreign exchange without a licence. Bureaux de Change may only operate from the premises approved by the BOB, and are required to observe a daily cash transaction limit per individual of P10,000.00.***

### 3.6.1 Requirements for obtaining a Bureau de Change Licence (Companies)

- a) Application forms (completed in duplicate)
- b) Application fee (P2,240.00)
- c) Certificate of Incorporation
- d) Certificate of Registration (should include the words “bureau de change”)
- e) Personal questionnaire (to be completed by all shareholders)
- f) Curriculum vitae of Principal Officer(s)

if not a Director

- g) Written consent from the principal/ applicant for the Bank of Botswana to carry out a check on the financial propriety of the Directors, shareholders and the Principal Officer
  - h) Certified copies of official identity documents of the beneficial owners
    - i) Two passport-size photos of each beneficial owner
    - j) Financial reference from the current bankers of the applicant
    - k) Police clearance report
    - l) Minimum balance of P5,000.00 maintained in a deposit account
- ### 3.6.2 Requirements for obtaining a Bureau de Change Licence (Individuals)
- a) Application forms (completed in duplicate)
  - b) Application fee (P2,240.00)
  - c) Certificate of Registration (should include the words “bureau de change”)
  - d) Personal questionnaire
  - e) Curriculum vitae of Principal Officer(s) if not a Director
  - f) Two passport-size photos of the applicant
  - g) Certified copies of official identity documents of the applicant

- h) Financial reference from the current bank of the applicant
- i) Police clearance report for the applicant
- j) Letter of consent giving the Bank permission to carry out independent check on financial propriety of the applicant

- k) Minimum balance of P5,000.00 maintained in a deposit account

### 3.6.3 Renewal of Bureau de change Licence

Bureau de change licences are renewed annually. The annual licence fee is P4,480.00 (inclusive of VAT).

## 3.7 Micro-Lending Licence

*According to section 2 of the NBFIRA Act, any person who engages in a micro-lending business or who advances loans to persons where the loans do not exceed a specified amount is required to have a micro-lending licence. However this requirement does not apply to a person licensed in terms of the Banking Act or the Building Societies Act. Businesses that require micro-lending licences include cash loan businesses and pawn shops.*

### 3.7.1 Requirements for obtaining a Micro-Lending Licence

- a) Covering letter on business letterhead
- b) Duly completed application form, Form 1
- c) Vetting documentation (biographical/ personal questionnaire affidavit, DIS form, ID and police clearance for all controllers)

- d) Proof of financial liquidity – certified by the Accountants to be in bank
- e) Proof of payment of licence fees
- f) Statutory documentation – proof of company incorporation
- g) Detailed 3–5 year business plan
- h) Latest financial statements, (for existing businesses)
- i) Resume for Manager and/or Principal Officer
- j) Resolution of board, if a company
- k) Proof of established office or letter of intent for that purpose
- l) Standard proposed loan application form for customers
- m) Proposed dispute resolution and complaints guidance
- n) Proposed organisational structure
- o) Proof of registration with BURS

## 3.8 Requirements for Registration of Insurance Company

An insurer seeking registration shall satisfy the regulatory authority that:

- a) it is a company registered under the Companies Act of Botswana;
- b) it has a principal office in Botswana;
- c) its controller, manager, principal officer and directors who handle the day to day management of the company are all resident in Botswana; and
- d) its controller, manager and principal officer are persons with sufficient business and insurance knowledge and experience.

No insurer may employ as its manager, controller or principal officer any person who:

- a) has been adjudged as bankrupt in any country;
- b) has made an assignment to or arrangement or composition with

creditors which has not been rescinded or set aside;

- c) has been convicted by any court in any country of an offence involving dishonesty; and
- d) is in the opinion of the Registrar an unfit person to hold the office.

The application is to be made using Form 1, which requires specific information to be supplied. The current non-refundable application fee is P9,000.00.

At present, the requirement for paid-up capital is P2 million. This figure shall not include debentures, preference shares, non-voting shares or such paid-up capital subscribed, directly or indirectly in itself, by the insurer.

The business plan must show that the company will be able to meet the required solvency margin. In the case of a non-life



insurer, the solvency margin is P1 million or 20% of the net premium income, whichever is greater. For a life assurer, assets must equal liabilities.

Where the insurer owns in excess of 20% of the equity stock in any other company the company name, country of incorporation or registration, principal business activity and percentage stock holding of each such company shall be stated.

There is a limit of 5% ownership between an insurer and a broker, whether directly or indirectly held. No person is allowed to be employed by both an insurer and a broker in the capacity of manager, controller, director or principal officer.

The licence is renewable annually, using Form 11.

### 3.8.1 Requirements for New Applications by Individual Agents

- a) Certificate of Proficiency (CoP) (or its equivalent) in the relevant class of insurance (certified copy required)
- b) Certified copy of an identification document (Omag for citizens; work and resident permits, and passports for

non-citizens) and two passport-sized photos

- c) Previous licences, together with a release letter from previous employers (for agents who were previously licensed elsewhere)
- d) Application form for individual agent to be obtained from NBFIRA offices
- e) Application letter from the prospective agency which the individual wishes to represent
- f) Application fee of P100.00 (for direct agents), and P20.00 (for sub-agents)

### 3.8.2 Requirements for Individual Agent Renewals

- a) Application letter for renewal of licence
- b) Certified copies of valid national identity (Omag) for citizens; or residence and work permits plus passports for non-citizens
- c) Copies of previous (expired) licences
- d) Confirmation of validity of agency agreement from the principal insurer
- e) Renewal fee of P50.00 (for direct agents) and P20.00 (for sub-agents)

## 3.9 Tourism Licences

### 3.9.1 Tourism Licence Categories

Tourism operations are divided into ten different categories, for each of which separate licences apply:

#### A Licence:

Operations that offer accommodation facilities on a fixed site, such as hotels, moWtels, guesthouses (including corporate guesthouses), bed and breakfast, self-catering apartments, backpacker tourist accommodation, campsites outside protected areas, and cultural villages, including operations that offer such accommodation facilities on a timeshare basis.

#### B Licence:

Operations that offer accommodation facilities on a fixed site, such as photographic/hunting camps and lodges, and public camping sites or caravan sites that offer game drives

and other outdoor activities within wildlife management areas and protected areas, including operations that offer such accommodation facilities on a timeshare basis.

#### C Licence:

Operations that offer off-site facilities, such as mobile safari operators that receive and transport travellers and guests within protected areas.

#### D Licence:

Operations that make, plan or reserve travel arrangements for clients but do not offer accommodation (whether fixed or not) or other tourist services.

#### E Licence:

Operations that receive guests and transport them to tourist attractions, including road transfer activities other than within protected areas.

**F Licence:**

Operations that offer motor-boating activities other than within their leased land which is in protected areas, private reserves or wildlife management areas.

**G Licence:**

Other enterprises (excluding air charter companies and car rentals) that conduct tourism-related activities (e.g., hot-air ballooning, cycling, bungee jumping, etc.)

**H Licence:**

Operations that offer mekoro activities.

**I Licence:**

Foreign-based companies that offer tourism-related activities in Botswana. They may transfer tourists along the main roads and utilise public facilities. Licence holders are not allowed to conduct their own safaris into the game reserves or national parks, but may hand over to a Botswana licensed operator if they wish to utilise these facilities.

**J Licence:**

Houseboat operations: mobile self-contained accommodation facilities that operate in bodies of water.

Tourism licences are issued by the Ministry of Environment, Wildlife and Tourism. Application forms can be obtained from their offices or downloaded from their website at [www.mewt.gov.bw](http://www.mewt.gov.bw). The following tourist enterprises are reserved for citizens of Botswana or companies which are wholly owned by citizens of Botswana:

- a) guest houses (except corporate guest houses)
- b) mobile safaris
- c) motorboats
- d) tourist transfers
- e) camp and caravan sites
- f) mekoro

**3.9.2 Documents Required for Tourism Licence Applications**

Application should be completed three weeks before scheduled committee meetings. The following documents need to be submitted:

- a) Application forms completed in detail, together with a detailed business plan (guidelines provided).
- b) Certified copy of the Certificate of Incorporation and/or a copy of the Certificate of Registration of the business trading name, together with certified copies of share certificates.
- c) Companies Proclamation Form 2 should be submitted. If the land was acquired for a purpose other than for the project you wish to undertake you should apply for change of use or planning permission from local authorities or land board.
- d) Title deed or lease agreement/rental agreement.
- e) Certified copies of identity cards or passports of the shareholders, and for expatriate employees, copies of resident/work permits.
- f) Submission of Environmental Management Plan/Environmental Impact Analysis approved by Department of Environmental Affairs.
- g) Occupation permit.
- h) Consent from land board authorities for sub-leases and/or rental agreements or transfer of leases/title deeds.
- i) Satisfactory inspection reports for the premises.
- j) Proof of zoning for offices and approved technical/architectural plans, in the case of a building project such as a hotel, guesthouse, lodge, camp etc.
- k) Valid tax clearance certificates, inspection reports, and public and passenger liability insurance will be required when paying annual fees.

### 3.10 Mining Licences

#### 3.10.1 Documents Required for Mining Licence Applications

The application forms can be downloaded online on Ministry of Minerals, Energy and Water Resources' website [www.mmewr.gov.bw](http://www.mmewr.gov.bw). The following documents need to be submitted.

- a) Completed Application Form V. If the application is submitted on your behalf by consultant, the applicant should write a letter appointing the consultant. The applicant should include his/ her postal address, telephone and fax numbers.
- b) A certified copy of company registration certificate or certificate of incorporation.
- c) Prospecting report approved by Department of Geological Surveys or a copy of prospecting waiver together with retention or mining licence of the holder.
- d) Surveyed coordinates with sketch plan and total area being applied for, plus archaeological clearance certificate from Department of National Museum, Monuments and Art Gallery.
- e) Detailed feasibility report containing:
  - i) Details of mineral deposits, including all mineral resources and reserves (measured, indicated, inferred, probable and proven) and mining conditions.
  - ii) Technical report on mining and treatment possibilities and the applicant's intention in relation thereto.
  - iii) Proposed programme of mining operations, which should include estimated date by which applicant intends to work for profit, initial position(s) of quarry(ies), with coordinates of the surface rights, estimated recovery rates, nature of product, and envisaged marketing arrangements for sale of mineral product(s).
  - iv) Environmental impact assessment study and environmental management programme.
  - v) Forecast of capital investment and cash flow and details of anticipated financial plan.
  - vi) Outline of proposed employment level and training programme.
  - vii) Outline of proposed sources of goods and services.
  - viii) Details of expected infrastructure (e.g., access road, electricity and water supply).
  - ix) Clearance from Department of Wildlife and National Parks, if the area is within a game reserve or national park.

# Part 4 Tax Registration

## 4.1 Company Tax and VAT

*Registration for tax payments is done by Botswana Unified Revenue Services (BURS) which is a semi-autonomous body. BURS have offices countrywide. There are five types of taxes that persons may need to register for: company tax, pay-as-you-earn (PAYE), capital transfer tax, VAT, and withholding taxes (in relation to dividends, management fees, etc).*

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>a) Copy of certificate of incorporation registration.</li> <li>b) Memorandum and articles of association / Partnership deed / Constitution (for companies formed before July 2007).</li> <li>c) Copies of forms 2, 2A, 2B, 2C, 2D, 8, 13, 14, and 15 (for companies formed on or after 1 July 2007). The application forms have all the details of company management. The requirements for constitution in b) and forms in c) are unnecessary.</li> <li>d) Copies of identity cards /passports for the public officer and directors.</li> <li>e) List of assets owned by the company.</li> </ul> | <ul style="list-style-type: none"> <li>f) The application forms have provision for bank details. Tax registration will therefore only be done once a bank account has been opened.</li> </ul> <p>If the projected annual turnover is less than P500,000 then a company applying for VAT is required to write a letter seeking to be registered voluntarily. No supporting explanation is required for this.</p> <p>Registration usually takes five days, following which the company will be issued with a Tax Identification Number (TIN).</p> |
|--|---|

## 4.2 Individual Tax Registration

The following documents and/or details are required for registration as a taxpayer. Once registered, the individual will be provided with a TIN. The threshold for personal income tax is P2,499.00 per month:

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>a) Certified copy of identity card for citizens, or certified copy of passport for non-citizens</li> </ul> | <ul style="list-style-type: none"> <li>b) Residence and work permits for non-citizens</li> <li>c) Postal address for service notice</li> <li>d) Residential or physical address</li> <li>e) Registered office address</li> <li>f) Contact numbers</li> <li>g) Source of income</li> </ul> |
|---|---|

# Part 5 Work and Residence Permits

*These permits are issued by the Ministry of Labour and Home Affairs. Labour and Immigration departments have offices in all major urban centres, where application forms can be obtained and submitted for consideration. The requirements vary depending on whether one is applying as a director or an employee, or if it is an application for renewal. These requirements are listed below. It usually takes 30 working days from submission for the application to be processed and the applicant notified of the decision. The determination of an application is objectively done using a point-based system. The various points awarded and required for each category of application are shown at the end of this section. In addition to the listed requirements, applicants must also obtain clearance from the relevant professional bodies if employment is to be in a known and regulated profession. All applications are subject to security vetting.*

## 5.1 Checklists for Work and Residence Permit Applications

(Checklists provided by the Ministry of Labour and Home Affairs)

### 5.1.1 Employees Applications

- a) Form 15
- b) Form 3
- c) Certified copy of a data page of a valid passport
- d) Copy of birth certificate certified by issuing office
- e) Copies of relevant educational certificates certified by issuing office (all certificates should be translated into English and authorised by the issuing authority)
- f) Copies of supporting documents from relevant professional and/or regulatory bodies certified by issuing office
- g) CV/Résumé
- h) Three recent passport-size (30 x 40mm) photographs clearly and correctly depicting an applicant's features (photographs to be taken at the time the application is made);
- i) Proof of advertisement (qualifications, experience, employer's address and telephone number and closing date must be clearly indicated; the advertisement should have circulated for 14 days)
- j) Appointment letter/contract letter

inclusive of physical address and contact numbers of an employer (for farm workers, herd boys/girls: proof of ownership of livestock, branding certificate and copy of Omang of employer)

- k) Letter of application for work
- l) Physical address/location of the company
- m) P1,500.00 (residence permit); P1,500.00 (work permit)

Note that applicable fees are amended from time to time. An incomplete application that does not meet the above requirements will not be accepted. Photographs should have a white background. Renewals should be made three months before the expiry of permits.

There will be a penalty charge of P500.00 + (P20.00 per day) for each expired permit.

### 5.1.2 Requirements for Renewal of Employee Permits

- a) Form 15
- b) Form 3
- c) Certified copy of a data page of a valid passport
- d) Copy of birth certificate certified by issuing office
- e) Copies of relevant educational



- certificates certified by issuing office (all certificates should be translated into English and authorised by the issuing authority)
- f) Copies of supporting documents from relevant professional and/or regulatory bodies certified by issuing office
  - g) CV/Résumé (detailed)
  - h) Three recent passport-size (30 x 40mm) photographs clearly and correctly depicting an applicant's features (photographs to be taken at the time the application is made)
  - i) Proof of advertisement (qualifications, experience, employer's address and telephone number and closing date must be clearly indicated; the advertisement should have circulated for 14 days)
  - j) Appointment letter/contract letter inclusive of physical address and contact numbers of an employer (for farm workers, herd boys/girls: proof of ownership of livestock, branding certificate and copy of Omang of employer)
  - k) Letter of application for work
  - l) Letter of renewal of contract
  - m) For variation of employment, state reasons and explain what will happen to the position which is being vacated by the permit holder (e.g., rendered redundant or localised, etc.)
  - n) Physical address/location of the company
  - o) Copy of valid residence permit certified by issuing office
  - p) P1,500.00 (residence permit); P1,500.00 (work permit); P150.00 (if variation)
- c) Certified copy of a data page of a valid passport;
  - d) Copy of birth certificate certified by issuing office;
  - e) Three recent passport-size (30 x 40mm) photographs clearly and correctly depicting an applicant's features (photographs to be taken at the time the application is made)
  - f) List of employees and their contact details. Attach certified copies of national identity documents (Omang) for citizens and certified copies of work and residence permits for non-citizens
  - g) Copies of supporting documents from professional/regulatory bodies certified by issuing office
  - h) Copy of certificate of incorporation certified by the issuing authority
  - i) Copy of share certificate for all directors certified by issuing office
  - j) Form II/Form 8, 13 and 14 for all directors
  - k) Copies of current bank statements (last three months) certified by issuing office
  - l) Copy of proof of investment certified by issuing office
  - m) Company profile
  - n) Copy of trading licence of an existing company in case of variation certified by issuing office
  - o) List of company assets valued by authorised valuers (attach certified copies of registration books for vehicles)
  - p) Certified copy of lease agreement/proof of place of operation
  - q) P1,500.00 (residence permit); P1,500.00 (work permit).

Note that applicable fees are amended from time to time. An incomplete application that does not meet the above requirements will not be accepted. Photographs should have a white background. Renewals should be made three months before the expiry of permits.

There will be a penalty charge of P500.00 + (P20.00 per day) for each expired permit.

### 5.1.3 Requirements for Director Permits

- a) Form 15;
- b) Form 3;

Note that applicable fees are amended from time to time. An incomplete application that does not meet the above requirements will not be accepted. Photographs should have a white background. Renewals should be made three months before the expiry of permits.

There will be a penalty charge of P500.00 + (P20.00 per day) for each expired permit.

### 5.1.4 Requirements for Renewal of Directors' Permits

- a) Form 15;
- b) Form 3;
- c) Certified copy of a data page of a valid passport;
- d) Copy of birth certificate certified by issuing office;
- e) Three recent passport-size (30 x 40mm) photographs clearly and correctly depicting an applicant's features (photographs to be taken at the time the application is made);
- f) List of employees and their contract details. Attach certified copies of national identity documents (Omang) for citizens and certified copies of work and residence permits for non-citizens;
- g) Copies of supporting documents from professional/regulatory bodies certified by issuing office;
- h) Copy of certificate of incorporation certified by the issuing authority;
- i) Copy of share certificate for all directors certified by issuing office;
- j) Copy of tax clearance certified by the issuing authority;
- k) Labour clearance letter;
- l) Annual returns (for non-exempted companies);
- m) Localisation progress update;
- n) Proof of Corporate Social Investment;
- o) Form 11/Form 8, 13 and 14 for all directors;
- p) Copies of current bank statements (last three months) certified by issuing office;
- q) Copy of proof of investment certified by issuing office;
- r) Company profile;
- s) Valid trading licence certified by issuing office;
- t) List of company assets valued by authorised valuers (attach certified copies of registration books for vehicles);
- u) Certified copy of lease agreement/ proof of place of operation;
- v) P1,500.00 (residence permit); P1,500.00 (work permit);

Note that fees are applicable as amended from time to time. Any application that does not meet above requirements is incomplete and will not be accepted. Photographs should have a white background. Renewals should be made three months before the expiry of permits.

There will be a penalty charge of P500.00 + (P20.00 per day) for each expired permit.

## 5.2 Categories and Criteria for Assessment of the Point-Based System

### 5.2.1 Investors Tier 1 - Sponsored

Investors whose projects are sponsored by a recognised government institution (e.g.: BITC, Government Economic Diversification Hubs, Botswana Tourism Organisation) are considered under this category. Approvals for these applicants are automatic, conditional on security vetting.

### 5.2.2 Investors Tier 2 - Production Sector

Applicable to the following sectors: Agriculture, Mining, Manufacturing, Water & Electricity, Construction

Eligibility Requirements	Scores
Business Attributes	105
Business activity	25
Priority sector	25
Non-priority sector	10
Financial investment	40
Equity investment	20
Over P5 million	20
P2 million – 5 million	15
Below P2 million	10
Total investment (including loans)	20
> P10 million	20
P5 million – 10 million	15
P2 million – 5 million	10
< P2 million	5
Number of Batswana employees	20
> 50	20
(11–50)	15
(1–10)	10
Proportion of Batswana partners/shareholders	20
>30%	20
>0% <30%	15
Nil	10
Investor/Entrepreneur Attributes	30
Effective communication mechanism	10
General business experience	10
Residence in Botswana	10
Maximum points	135
Pass Mark (60%)	81

### 5.2.3 Investors Tier 3 - Services Sector

Applicable to the following sectors: Tourism, Trade, Transport, Communications, Finance and Business Services, Social and Personal Services, Information Technology

Eligibility Requirements	Scores
Business Attributes	105
Business activity	25
Priority sector	25
Non-priority sector	10
Financial investment	40
Equity investment	20
Over P2 million	20
P500,000 – 2 million	15
Below P500,000	10
Total investment (including loans)	20
> P5 million	20
P2 million – 5 million	15
P1 million – 2 million	10
< P1 million	5
Number of Batswana Employees	20
> 15	20
(6–15)	15
(1–5)	10
Proportion of Batswana partners (effective participation)	20
>30%	20
>0% <30%	15
Nil	10
Investor/Entrepreneur Attributes	45
Effective communication mechanism	10
Educational / professional qualifications	15
Diploma or equivalent	5
Bachelors or equivalent	10
Masters, PhD or equivalent	15
General business experience	10
Residence in Botswana	10
Maximum points	150
Pass Mark (60%)	90

## 5.3 Standard Criteria for Assessment of Work & Residence Permit Renewal Applications

The pass mark for renewals is 50% and will be considered following submission of the following:

- a) Tax clearance
- b) Valid licence
- c) Labour clearance letter
- d) Up-to-date annual returns for non-exempted companies
- e) Localisation progress update

Desirable Attribute	Criteria	Points/Weight
Economic Contribution	Capital Investment	20
	> initial proposal (expansion)	20
	equivalent to initial proposal	18
	75% of initial proposal	15
	50% of initial proposal	10
	Employment creation	20
	> initial proposal (expansion)	20
	equivalent to initial proposal	18
	75% of initial proposal	15
	50% of initial proposal	10
	Compliance with Localisation Plan	20
	100% achievement	20
	75% achievement	15
	50% achievement	10
	25% achievement	5
No compliance	0	
Total for Economic Contribution		60
Social Contribution	Corporate Social Investment	20
	≥ P2 million	20
	P500,000 – 2 million	15
	P100,000 – 500,000	10
	P50,000 – 100,000	5
	Total for Social Contribution	20
Grand Total		80
Pass Mark (50%)		40



### 5.3.1 Employees: Fresh applications

Eligibility Requirements	Scores
English/Setswana language	10
Competency	10
Educational qualifications	15
Degree, professional qualification or equivalent	15
Diploma, technical qualification or equivalent	10
Employer justification	25
Employer justification	25
Scarce skill	30
In scarce skills list	30
Relevant work experience (years)	40
≤5 years	10
6-10 years	15
11-20 years	30
≥21 years	40
Maximum points	120
Pass Mark (60%)	72

### 5.3.2 Employees: Renewal

Eligibility Requirements	Scores
English/Setswana language	10
Competency	10
Educational qualifications	15
Degree, professional qualification or equivalent	15
Diploma, technical qualification or equivalent	10
Employer justification	25
Employer justification	25
Scarce skill	30
In scarce skills list	30
Relevant work experience (years)	40
≤5 years	10
6-10 years	15
11-20 years	30
≥21 years	40
Maximum points	120
Pass Mark (50%)	60

### 5.4 Cost of Applying For Permits

- P1,500.00 (Application for Work Permit).
- P1,500.00 (Renewal of Work Permit).
- P1,500.00 (Exemption Certificate/Work).
- P1,500.00 (Replacement of Work Permit).

# Part | 6 - Utilities

## 6.1 Water Connection

Water connections are done by the Water Utilities Corporation (WUC), which has offices in all major urban centres. There are different requirements for residential and commercial/industrial connections. For residential connections the size of the dwelling determines the connection fee, according to whether the dwelling is classified as low-cost, medium-cost or high-cost.

The full list of requirements is as follows:

- Copy of identity card for citizen or passport for non-citizen applicants.
- Certificate of Rights for the land. This could be a lease agreement, a title deed or a letter of allocation of land.
- Document on matrimonial status (where applicable) for residential and if the property is in the name of a woman.

- Connection fees. Residential: low-cost dwelling P50.00; medium-cost dwelling P150.00; high-cost dwelling P250.00. Commercial: P1,800.00.
- Company registration certificate.
- Completed application form and official stamp.
- For industrial plots applicant is required to purchase and have ready the water tap and pipes for the portion that is fitted inside the plot. WUC only provide parts for up to the boundary of the applicant's plot.

Connection for residential property normally takes between 1 and 3 weeks; for industrial property it can take several months.

For more information visit: [www.wuc.bw](http://www.wuc.bw)

## 6.2 Power Connection

Electricity is provided by the Botswana Power Corporation (BPC). The procedure is as follows:

- Complete an application form obtainable from any BPC office.
- Completed forms with a sketch plan or layout showing the location of the premises to be electrified must be submitted to any BPC office, regardless of the location of the premises where power is required.
- Where an application is made by letter, the customer's full details must be given, together with details of the installation being applied for and the size of supply required.
- If a tenant applies for power, the landlord's written consent should be provided.

- On receipt of your signed application, BPC will send you an acknowledgement letter with your Business Partner number.
- Within 21 days from date of receipt of your application, you will be sent a Quotation/Pro-forma Invoice which details the fees to be paid and payment terms.
- The Quotation remains valid for 30 days or 1 month from the date of issue.
- When making payment for new connections the following need to be provided.
  - A valid quotation
  - Identity card (Omang) or Passport for non-citizens
  - Title Deeds /Land Board Certificate / Lease Agreement
  - Occupational Letter (Institutional

- Houses) Title to the property to be electrified
- i) A Security Deposit is payable upfront for conventional metered supply.
  - j) On receipt of payment, BPC undertakes to provide supply: within 21 days for a direct service connection and within 90 days where an element of capital work is involved.
  - k) Wiring of the customer's installation is the customer's responsibility; however, care should be taken to liaise with BPC during the installation wiring process.
  - l) For villages still using conventional meters, provision should be made for an approved meter box. A roof entry box and a shackle are necessary where an overhead service is required.
  - m) When BPC has installed the service and the customer is ready to take supply, an appointment must be made with the BPC's Metering and Inspection Department for testing of the installation by the customer's electrician. The first test will be carried out at no charge.
  - n) The presence of the person who wired the premises is required during the test.
  - o) When the installation passes the inspection test, a certificate will be issued. If the customer has paid the security deposit, the power will be left on. When the installation fails the inspection, a re-inspection appointment should be made.
  - p) Certificates issued by the Department of Building and Engineering Services, for government projects, or by a BPC-approved consultant on behalf of the Corporation are acceptable proof of the installation having passed an inspection.

For more information visit: [www.bpc.bw](http://www.bpc.bw)

## 6.3 Telephone Connection

Both fixed and mobile lines are available to businesses and business people. Fixed lines are supplied by Botswana Telecommunications. The procedures for both kinds of telephone connections are given below.

### 6.3.1 Landline Connection – Botswana Telecommunications Corporation

Applicants must submit completed BTC forms together with the following documents:

- a) Certified copy of Certificate of Incorporation
- b) Certified copy of Form 2 or 13 and 14 (List of Directors)
- c) Certified copies of IDs (Identity card) for 2 directors
- d) Certified copy of VAT registration certificate
- e) Three months bank statement or letter of reference from the bank stating the new account number
- f) BTC application form to accompany the above
- g) Sketch map for locations in rural areas

### 6.3.2 Mobile Phone – Business Connection (Post-Paid)

Applicants must provide the service provider with the following

documentation:

- a) Copy of identity card /passport
- b) Payslip or proof of income
- c) Three most recent months bank statements
- d) Utility bill or proof of residence
- e) Work and residence permits valid for at least 2 years (for non-citizen)
- f) List of directors
- g) Certificate of Incorporation
- h) Utility bill (BTC/ WUC/ BPC)
- i) Letter requesting a credit account and stating payment responsibility

### 6.3.3 Mobile phone – Personal Connection

The following information is required.

- a) Identification (identity card for citizens and passports for non-citizens) for a pre-paid service
- b) Proof of physical address and bank details for a contract service

### 6.4 Internet Connection

Internet Service Providers (ISPs) are regulated by the Botswana Communications Regulatory Authority (BOCRA). There are over thirty ISPs registered by BOCRA. Telephone services providers (BTC, Mascom and Orange) are among the ISPs.

Applicants must provide the following information to the service provider:

- a) Certified copy of incorporation
- b) Certified copy of Form 2 or 13 and 14 (List of directors)
- c) Certified copies of IDs (Identity card) for 2 directors
- d) Certified copy of VAT registration certificate
- e) Three months bank statements or letter of reference from the bank

- f) BTC application form to accompany the above
- g) Sketch map for locations in rural areas  
Non-citizen directors should provide in addition:
- h) Work and residence permits
- i) Copy of passport

For more information visit: [www.btc.bw](http://www.btc.bw)

## Part | 7 Incentives for Investors

### 7.1 Incentives for Investors

These include:

- a) Low general tax rate: resident companies pay company tax at 22% of the taxable income and the general rate of withholding tax is 7.5% on all dividends distributed.
- b) Manufacturing companies pay tax at 15% of taxable income – subject to approval.
- c) Development Approval Order – tax holiday (zero corporate tax) can be available to investors for a period of 5 to 10 years.
- d) There are no foreign exchange controls in Botswana – hence free repatriation of profits, dividends and capital.
- e) Operational double taxation avoidance agreements with South Africa, United Kingdom, Sweden, France, Mauritius, Namibia and Zimbabwe and Russia.
- f) International Financial Services Centre (IFSC) accredited companies pay tax at 15% on profits from approved operations.
- g) Companies accredited by the Innovation Hub pay tax at 15% of profit.

### 7.2 IFSC Company Certification

The Botswana IFSC offers a range of tax incentives to approved companies. These include, but are not limited to:

- a) Flat 15% Corporate Tax rate.
- b) No withholding tax on dividends, interest, royalties, management fees.
- c) Unilateral credit for withholding tax suffered in other jurisdictions whether or not a Double Tax Avoidance Agreement exists.
- d) Specified Collective Investment Undertakings (CIUs) managed by IFSC companies are tax exempt.

registered in Botswana must make a formal application to the International Financial Services Centre Certification Committee through the BITC. Once the activities proposed to be carried out by the applicant are accepted as being suitable for certification, the Committee will make a recommendation to the Minister of Finance and Development Planning who will issue a certificate. The certificate will stipulate the approved activities and conditions of the company and shall remain in force unless revoked.

#### 7.2.2 Activities Eligible for Certification

#### 7.2.1 Requirements to Become an IFSC Company

To become an IFSC company, a company

The following are approved financial operations as broadly defined in the

Income Tax Act, provided they are carried on with non-residents or IFSC companies:

- a) Banking and finance operations transacted in foreign currency
- b) Broking and trading of securities denominated in foreign currency
- c) Investment advice
- d) Management and custodial functions related to CIUs
- e) Insurance and related activities
- f) Registrars and transfer agency services
- g) Exploitation of intellectual property
- h) Development and supply of computer software for use in provision of the aforementioned services
- i) Accounting and financial administration
- j) Holding and administration of group companies
- k) Business process outsourcing and call centres
- l) Shared financial services
- m) Mutual funds
- n) Other operations that the Minister may declare by order to be approved financial operations from time to time

### 7.3 Development Approval Order

The Minister of Finance and Development Planning has the authority to issue a Development Approval Order (DAO) for specific projects. The DAO provides special tax relief and/or education and training grants of different types and rates. Zero-rate tax holidays for between 5 and 10 years can be obtained through the DAO.

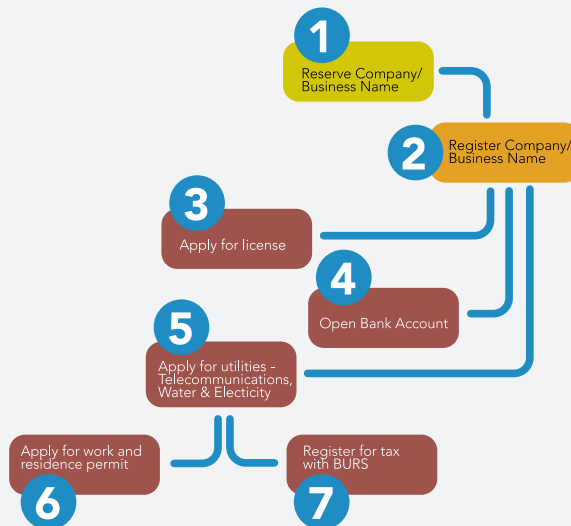
#### 7.3.1 Requirements for Development Approval Order

The Minister must be satisfied that the proposed project will be beneficial to Botswana's economy. Any firm, local or foreign, may apply to the Permanent Secretary for Finance and Development Planning for a DAO.

Applications are evaluated against the following criteria:

- a) Job creation for Botswana citizens
- b) The company's training plans for Botswana citizens
- c) The company's plans to localise non-citizen positions
- d) Botswana citizen participation in company management
- e) Amount of equity held by Botswana citizens in the company
- f) The location of the proposed investment
- g) The project's effect on stimulation of other economic activities
- h) The project's effect on reducing local consumer prices

## Part 8: Process Road map for Investors







*nine*

**Botswana**  
**Investment**  
**Trade**  
**Center**



## BOTSWANA INVESTMENT & TRADE CENTRE

***Botswana Investment and Trade Centre (BITC) is an integrated Investment and Trade Promotion Authority with an encompassing mandate of investment promotion and attraction; export promotion and development including management of the Nation Brand.***

The organization plays a critical role of driving Botswana's economic growth through attraction of FDI, domestic investment, facilitation of expansions and further spearheads the growth of exports by promoting locally manufactured goods to regional and international markets. BITC drives wealth creation for Botswana by creating platforms that will instigate and ensure increased citizen participation in the economy and create sustainable job opportunities.

Of great importance within the role of this organization is building and maintaining a positive and impressive image of our country locally and internationally.

Through this encompassing mandate BITC has committed to deliver on the following:

### ***Focused, Selective and Targeted Investment Promotion***

In our efforts to become a 3rd./next Generation Investment Promotion Agency our focus on investment promotion is leveraged on undertaking research to identify growth sectors, packaging them and availing go to market value propositions that are strategically used to lure investors into the country.

We have put forth greater impetus on pre-existing strategic national priorities that are focused on delivering economic growth, development and diversification. These include but are not limited to:

- i. Mining & Energy - Beneficiation (Diamond Hub)
- ii. Agriculture (Agriculture Hub)
- iii. Education (Education Hub)
- iv. Transport and Logistics (Transport Hub)

- v. Financial & Business Services
- vi. Tourism

### ***Effective Stakeholder Engagement, Involvement and Alignment***

Proactive and continuous synergy with key stakeholders (Economic Hubs, BTO, BDC and SPEDU) is at the forefront of BITC's strategy. This includes partnership with Botswana foreign missions that have a greater footprint within the international market and provide a platform through which foreign direct investment can thrive by identifying business partnerships, beneficial industry associations, and providing a point of information exchange for both international and domestic investors.

### ***Effective Investor Facilitation & Aftercare***

The organisation provides an in-house Business facilitation Services Centre that provides the following services to local and international investors:

- Company and Business Registration
- Trade and Business license Applications
- Entry visas, work and residence permits
- Work Permit Exemptions
- Connection of utilities e.g. Power, telecommunications and water
- Income tax and VAT registration
- Access to Industrial and commercial land
- Facilitation of construction permits
- Allocation of BITC factory space (subject to availability)
- Environmental Impact Assessment (EIA) Compliance
- Provision of information on the Botswana business climate, regulatory regime and investment opportunities
- Opening a Bank Account

BITC operates a resource and reference centre that was established through the Joint

Integrated Technical Assistance Programme (JITAPII), a jointly implemented programme by ITC, UNCTAD and WTO. The centre disseminates appropriate trade and investment promotion related information and is open to government officials, the business community, academia, students and the general public.

### *Building a Competitive and Attractive Business Environment*

BITC contributes immensely to improvement of the investment climate through policy advocacy to ensure facilitation of a competitive business and investment climate to foster greater economic activity which also includes making recommendations for competitive changes to legislation and the national investment framework.

### *Sustainable Export Development & Promotion*

Through local manufacturers, Botswana has the potential to export more products to various regions. To realize this potential, the focus now

is to intensify the BITC Export Development Programme that will assist, support and prepare manufacturers in terms of improvement of product quality, packaging and increased production, sufficient enough to meet the requirements of potential buyers.

BITC further engages in intensive export promotion to facilitate participation by local manufacturers in regional and international expos with the aim to exposing their products to export markets and thereby increasing their export potential.

### *National Image Building and Global Awareness Creation*

As BITC, we are privileged to have the Nation Brand at our disposal, one that seeks to position Botswana to international audiences as an attractive place to visit, work and invest. It highlights our national assets, including our people, our culture, tourism attractions, business potential and our reputation as a country with good governance.



Brand Botswana is Charged With the Responsibility for:

- development and management of the overall brand, marketing and promotion of the country
- coordination of branding, marketing and promotions by key national brand stakeholders
- (e.g., tourism, export, investment, government entities)
- authorised appraisal, and calling into account, of Brand Botswana stakeholder activities, behaviours and communications for compliance with the national brand strategy
- management and licensing of the Brand Botswana mark/logo





## Contact Information

### ***BITC Head Office***

Private Bag 00445,  
Gaborone, Botswana  
Plot 54351, off PG Matante  
Road  
Exponential Building  
Central Business District (CBD)  
Gaborone, Botswana  
T +267 363 3300  
F +267 317 0452

### ***United Kingdom***

6 Stratford Place  
W1C 1AY | London  
United Kingdom  
T +44 207 499 0031  
F +44 207 491 8528

### ***India***

No.43, Maker Chamber VI  
Nariman Point  
Mumbai-400 021 | India  
T +91 22 4360 2100  
F +91 22 4360 2111

### ***South Africa***

88 Sandown Mews -  
West Wing, Stella Street  
Sandton | Johannesburg  
T +27 11 884 8959  
F +27 11 883 7798

Website: [www.bitc.co.bw](http://www.bitc.co.bw)