

DOING BUSINESS WITH BOTSWANA

Malebogo Morakaladi
Dairy Webinar

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OVERVIEW OF THE PRESENTATION

- General Functions
- Botswana at a Glance
- Investing in Botswana
- Botswana's Special Economic Zones
- Botswana One Stop Service Centre

GENERAL FUNCTIONS OF BITC

- Promote Foreign Direct Investment and Domestic Investment
- Export Promotion and Development
- Brand Botswana
- Global Expo Botswana

BOTSWANA AT A GLANCE

GDP Performance

GDP: US\$15.78 Billion (WB, 2020)

Per capita GDP: USD\$6,319 (WB, 2020).



Inflation

(8.8 % 'August 2021),
BoB Target is 3% - 6%



Interest Rates

Bank rate 3.75%:
Prime Rate 5.75%



Key Exports (2020)

(Total merchandise exports = US\$3.75 million) declines by 24.16 Diamonds, copper, nickel, Ignition wiring sets and other wiring sets for vehicles, boneless beef, soda ash, and copper ores and concentrates



Land Mass

582,000 SQ .KM



Borders

South Africa, Namibia,
Zambia, Zimbabwe.



Population

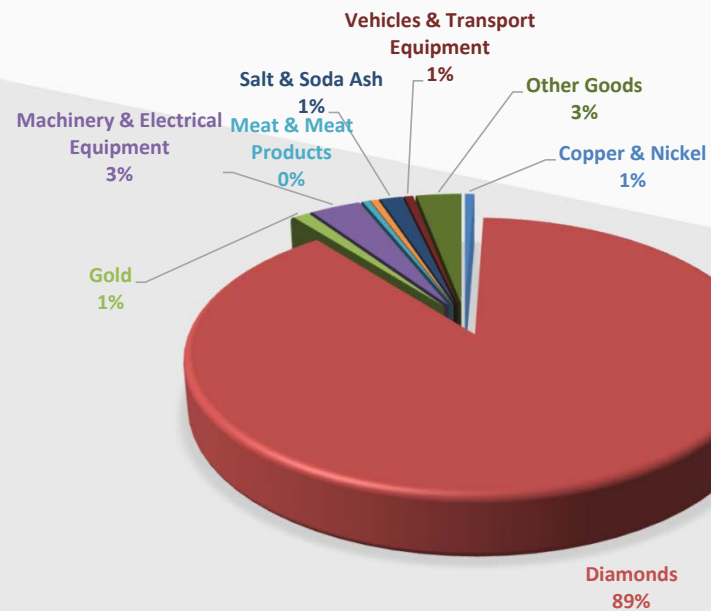
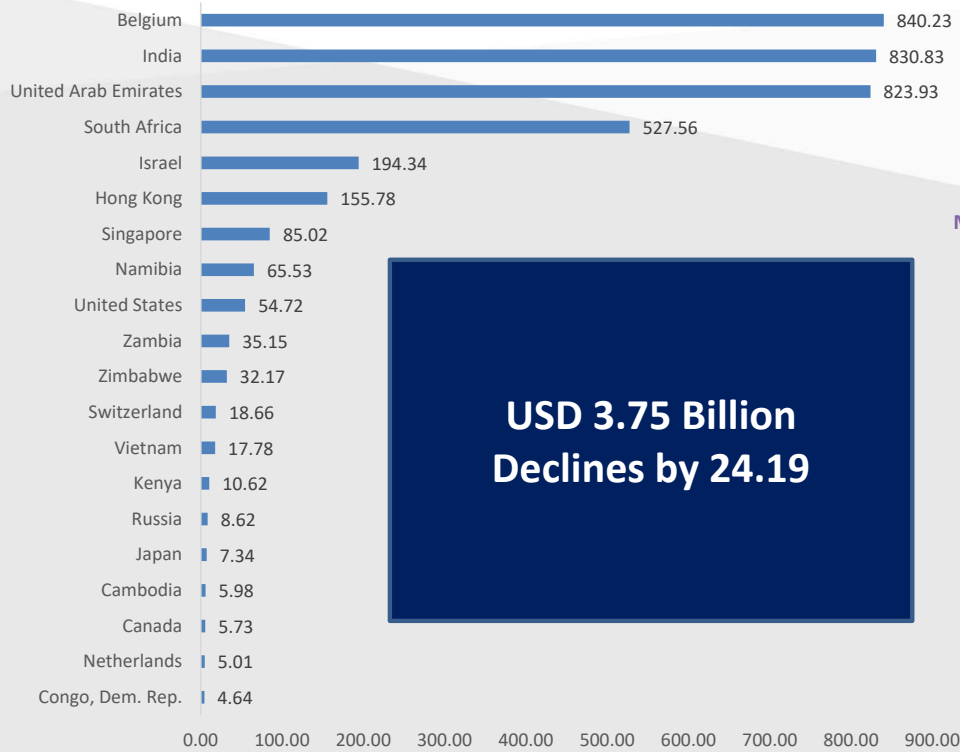
2.3 million

Key Imports (2020)

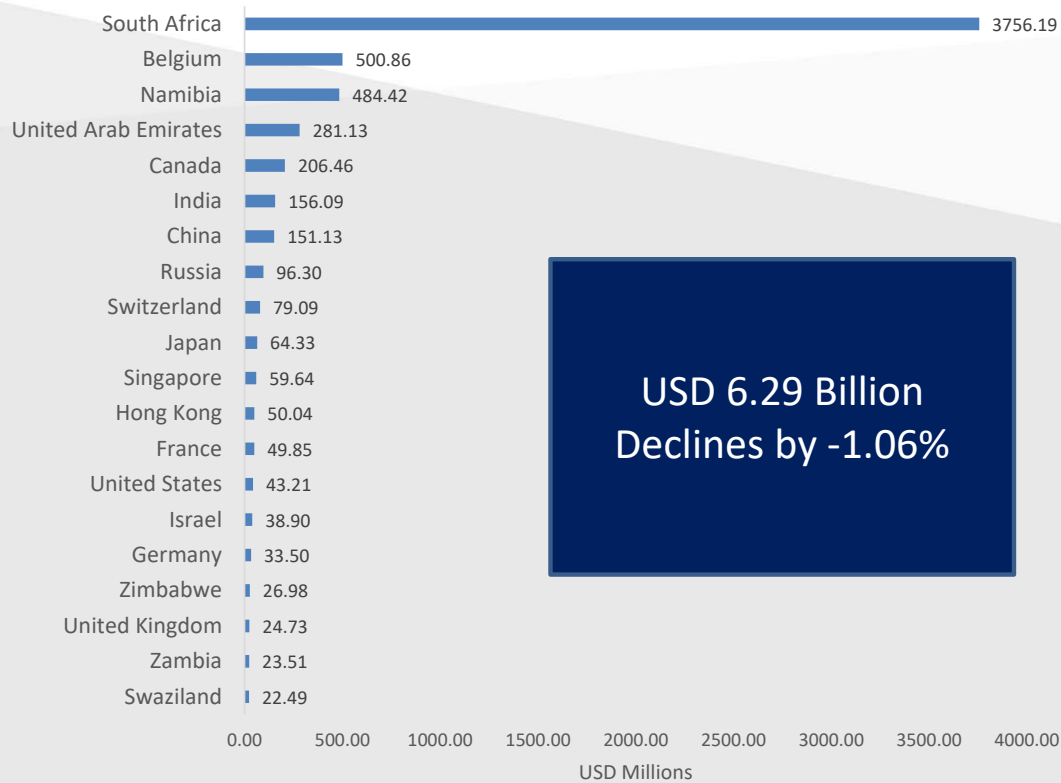
(Total merchandise imports US\$6.29 million)
Decline by -1.06% Non-industrial diamonds, petroleum products, Industrial diamonds



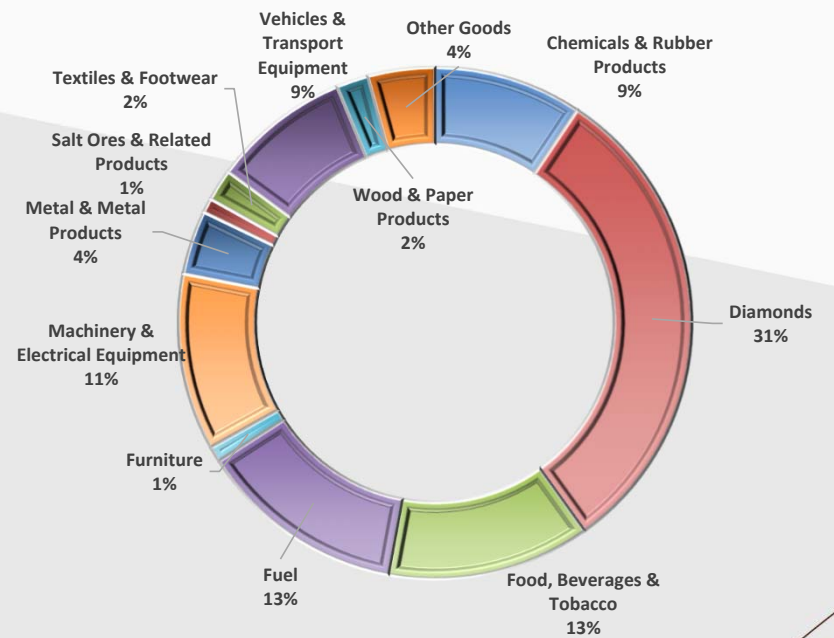
BOTSWANA'S EXPORT STATISTICS IN 2020



BOTSWANA'S IMPORT STATISTICS IN 2020



USD 6.29 Billion
Declines by -1.06%



Botswana Exports to RSA

Product	Description	2020
Total	Total	527,559,912
71	Natural Or Cultured Pearls, Precious Or Semiprecious Stones, Precious Metals; Precious Metal Clad Metals, Articles Thereof; Imitation Jewelry; Coin	202,713,252
85	Electrical Machinery And Equipment And Parts Thereof; Sound Recorders And Reproducers, Television Recorders And Reproducers, Parts And Accessories	79,461,742
28	Inorganic Chemicals; Organic Or Inorganic Compounds Of Precious Metals, Of Rare-Earth Metals, Of Radioactive Elements Or Of Isotopes	51,887,302
01	Live Animals	38,903,962
26	Ores, Slag And Ash	25,821,750
84	Nuclear Reactors, Boilers, Machinery And Mechanical Appliances; Parts Thereof	22,531,373
39	Plastics And Articles Thereof	16,949,759
27	Mineral Fuels, Mineral Oils And Products Of Their Distillation; Bituminous Substances; Mineral Waxes	13,113,148
63	Made-Up Textile Articles Nesoi; Needlecraft Sets; Worn Clothing And Worn Textile Articles; Rags	8,785,159
02	Meat And Edible Meat Offal	7,724,132
87	Vehicles, Other Than Railway Or Tramway Rolling Stock, And Parts And Accessories Thereof	7,301,771
72	Iron And Steel	6,640,441
25	Salt; Sulfur; Earths And Stone; Plastering Materials, Lime And Cement	5,491,692

Botswana Import from RSA

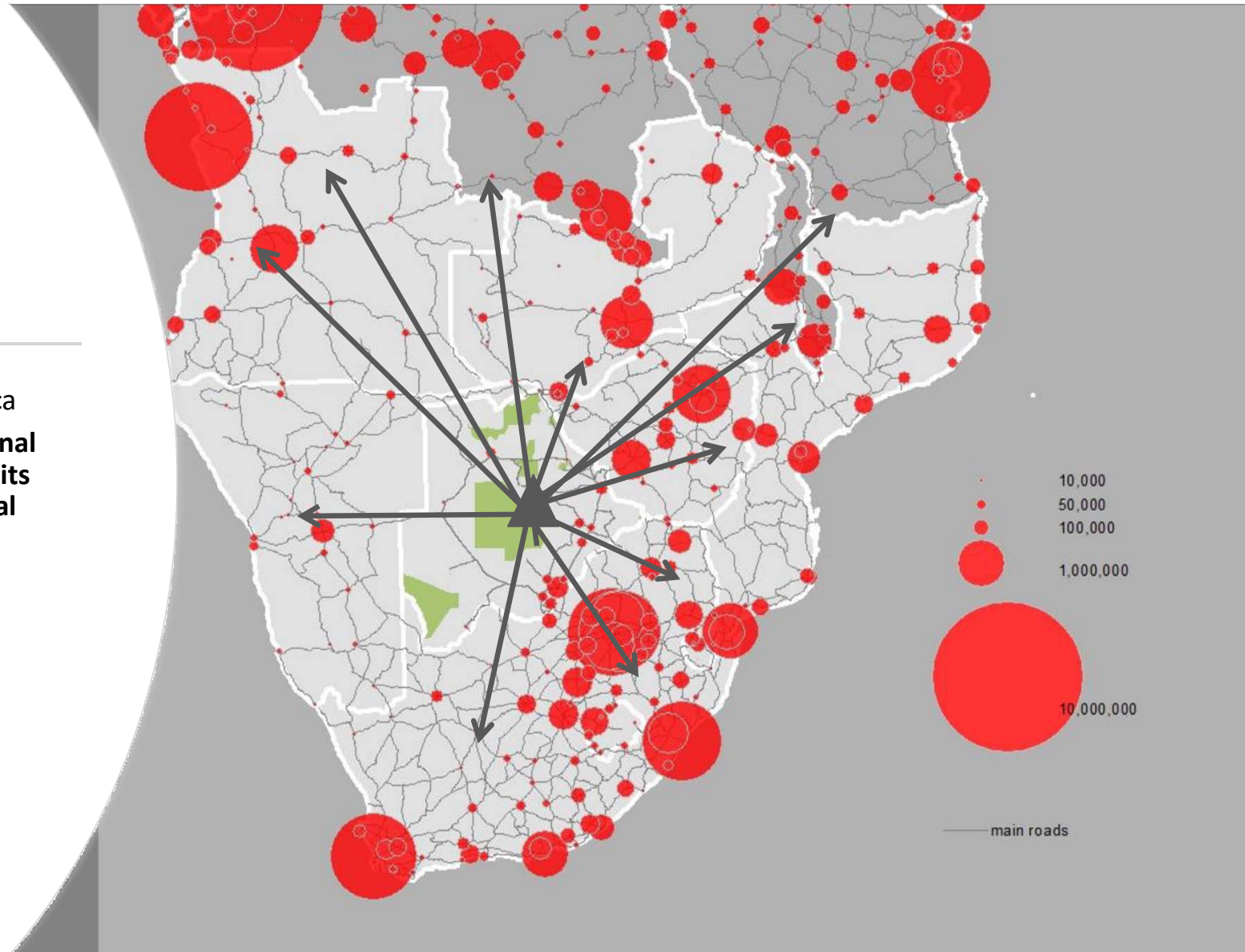
Product	Description	2020
Total	Total Imports	3,756,192,670
27	Mineral Fuels, Mineral Oils And Products Of Their Distillation; Bituminous Substances; Mineral Waxes	631,640,523
71	Natural Or Cultured Pearls, Precious Or Semiprecious Stones, Precious Metals; Precious Metal Clad Metals, Articles Thereof; Imitation Jewelry; Coin	448,392,822
87	Vehicles, Other Than Railway Or Tramway Rolling Stock, And Parts And Accessories Thereof	278,152,863
84	Nuclear Reactors, Boilers, Machinery And Mechanical Appliances; Parts Thereof	273,780,405
85	Electrical Machinery And Equipment And Parts Thereof; Sound Recorders And Reproducers, Television Recorders And Reproducers, Parts And Accessories	183,908,848
10	Cereals	138,967,142
39	Plastics And Articles Thereof	101,571,812
73	Articles Of Iron Or Steel	98,273,131
22	Beverages, Spirits And Vinegar	96,631,970
34	Soap Etc.; Lubricating Products; Waxes, Polishing Or Scouring Products; Candles Etc., Modeling Pastes; Dental Waxes And Dental Plaster Preparations	73,394,517
21	Miscellaneous Edible Preparations	64,518,378

Botswana Food Import from RSA

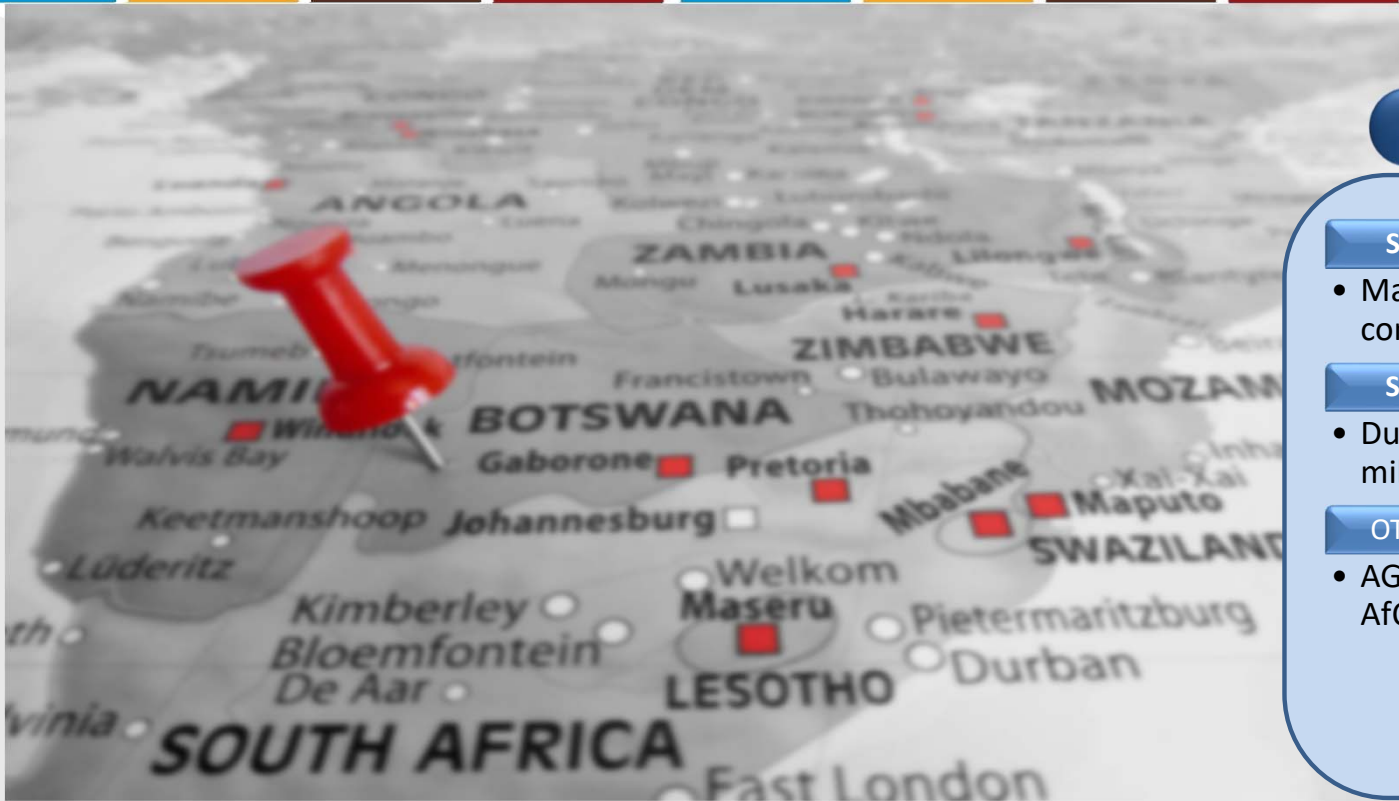
Description	United States Dollars		
	2018	2019	2020
Cereals	95,048,277	105,295,902	138,967,142
Beverages, Spirits And Vinegar	116,432,268	138,177,325	96,631,970
Preparations Of Vegetables, Fruit, Nuts, Or Other Parts Of Plants	64,018,033	62,764,212	60,468,700
Preparations Of Cereals, Flour, Starch Or Milk; Bakers' Wares	48,721,458	56,566,065	60,179,155
Dairy Produce; Birds' Eggs; Natural Honey; Edible Products Of Animal Origin, Nesoi	50,440,504	48,528,240	51,993,403
Sugars And Sugar Confectionary	50,198,212	45,084,669	43,711,052
Animal Or Vegetable Fats And Oils And Their Cleavage Products; Prepared Edible Fats; Animal Or Vegetable Waxes	36,135,286	36,426,612	42,447,591
Edible Fruit And Nuts; Peel Of Citrus Fruit Or Melons	26,818,615	28,986,870	31,886,417
Edible Vegetables And Certain Roots And Tubers	32,233,486	30,633,804	29,869,427
Coffee, Tea, Mate And Spices	27,202,639	25,802,922	26,483,920
Edible Preparations Of Meat, Fish, Crustaceans, Molluscs Or Other Aquatic Invertebrates	12,943,002	14,567,255	9,780,969
Cocoa And Cocoa Preparations	6,659,968	7,120,181	8,243,778
Meat And Edible Meat Offal	9,940,882	8,902,353	7,994,088
Oil Seeds And Oleaginous Fruits; Miscellaneous Grains, Seeds And Fruits; Industrial Or Medicinal Plants; Straw And Fodder	4,192,404	6,692,055	7,020,030
Fish And Crustaceans, Molluscs And Other Aquatic Invertebrates	2,672,489	2,764,893	2,793,908

LOCATION ADVANTAGE

- **Gate way** to the rest of Africa
- Botswana has devised **national strategies** to effectively **link its priority sectors with regional value chains**.



LOCATION ADVANTAGE – ‘LAND-LINKED’



Preferential Market Access

SADC 16-Member regional integration bloc

- Market Access to more than 293 million consumers

SACU 5-Member regional Customs Union

- Duty-free and Quota-free market access to 61 million consumers

OTHERS Trade Agreements to which Botswana is party to

- AGOA, EU-SADC EPA, EAC-SADC-COMESA, AfCFTA, SACU-EFTA

- Located right in the Centre of Southern Africa
- Positioned between South Africa, Namibia, Zambia, and Zimbabwe

BOTSWANA'S INVESTMENT CLIMATE AND OPPORTUNITIES



BOTSWANA'S INVESTMENT CLIMATE

Sustained periods of economic growth:
(3%: 2019 | proj. 8.8%: 2021)

Prudent macro-economic management.

Strong balance sheet,
With net external creditor position

Sound legal system
and adherence to the rule of law

Political stability
Incident free elections every 5 years

Labour market stability
Educated workforce
- 87.7% literacy rate (34%:1981)
(World Bank, 2018)

Highest sovereign credit rating in Africa: "A" investment grade
rating from both Moody's and Standard & Poor

2nd Least corrupt in mainland Africa:
(Transparency International)

INVESTMENT OPPORTUNITIES



Commercialization of the Agriculture and Agribusiness sector

Leather
Beef
Primary Production
Agro Processing
Feeds
Pork Farming
Dairy Farming
Ostrich Farming



Mining and Resource Beneficiation

Soda Ash
Coal
Diamonds
Base Metals



Manufacturing

Automotive
Components
General Manufacturing

INVESTMENT OPPORTUNITIES



Energy

Solar
Coal-bed methane
(CBM)
Biogas and Biodiesel
Coal to Liquids



Transport & Logistics

Rail Projects:
Trans Kalahari Railway
Moseitse - Kazungula
Botswana -
Mozambique
Aviation



Tourism & Hospitality

Hotels & Lodges
Tented Camps
Air Charter Services
Medical Tourism



Services

ICT
Financial & Business
BPO

INVESTMENT INCENTIVES

Botswana's Corporate Tax Rate is Highly Competitive

TAXATION	15% for Manufacturing, IFSC, Innovation Hub 5 -10% for SPEDU Region Special Economic Zones	Maximum 22% for Other Sectors	Value Added Tax at 14%	Maximum 25% Personal Income Tax	Possible tax holidays of up to 10 years under Development Approval Order
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IFSC	No Exchange Controls	Up to 15% Tax Credit for non DTA jurisdictions	Zero rated for VAT	WHT Exemption when distributing to non residents	Exemption from CGT where shareholding is > 25%
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CUSTOMS DUTY	Duty Free import for manufacturing and agricultural machinery & equipment
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TRAINING COSTS	200% Tax rebates
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TAXATION

Botswana General:	22%
African Average:	27,5%
Global Average:	23,57%

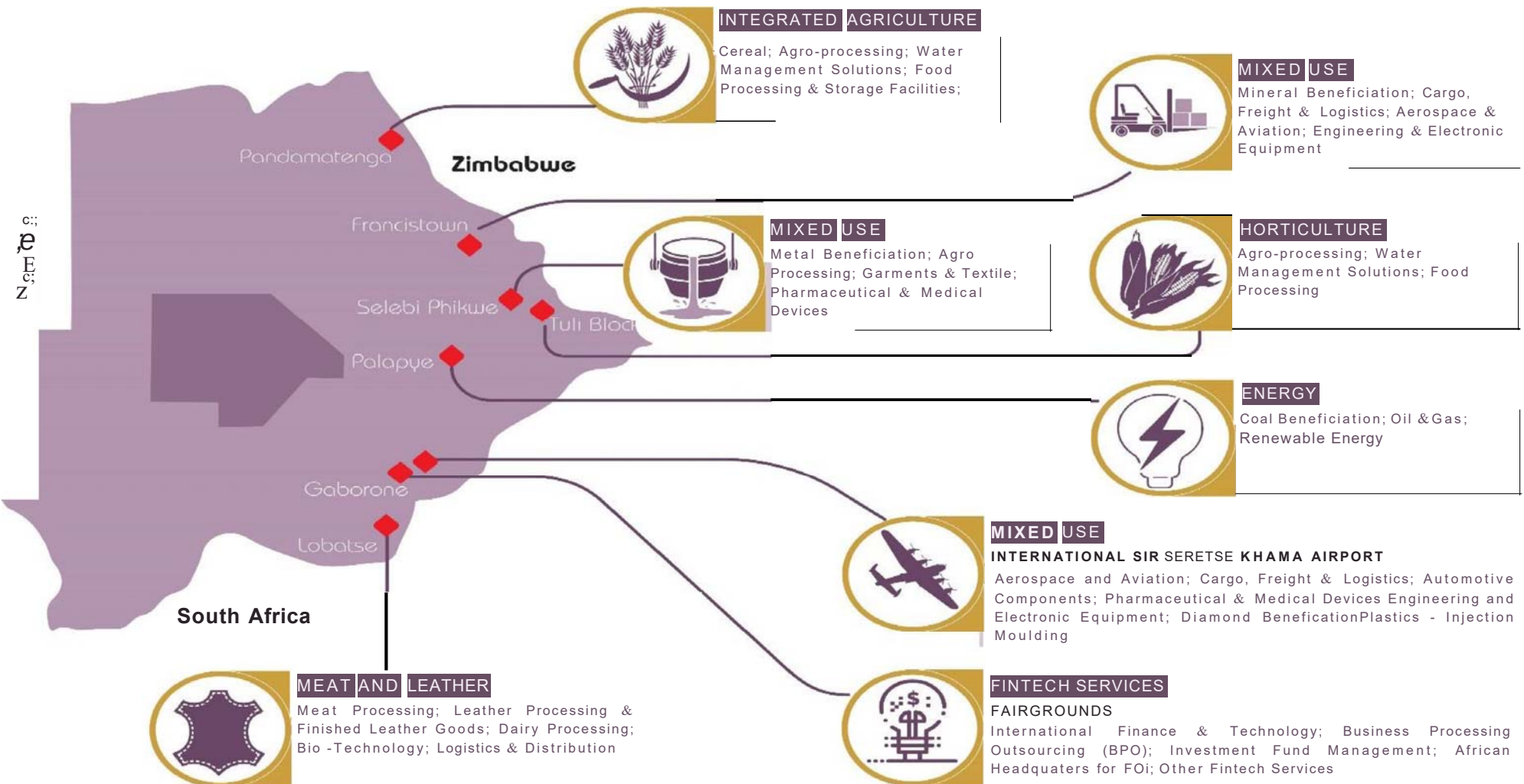
Incentives – SPEDU Region

- 5% corporate tax 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.



- SPEDU Region has a population of 203 000
- SPEDU hub, Selebi Phikwe Town est. in the 70s following discovery and mining and smelting of copper
- Government adopted initiatives to stimulate economic activity in Agriculture, Tourism and Manufacturing

SEZ'S LOCATION AND FUNCTIONS



BOTSWANA ONE STOP SERVICE CENTRE



INVESTOR VALUE ADDED SERVICES

Investment facilitation services through Botswana One Stop Service Centre offering:



Company & Business
Registration



Opening of Bank
Accounts



Entry Visas, Work &
Residence Permits &
Exemptions



Trade & Business
License Applications



Utility
Connections



Income Tax &
VAT Registration



Industrial & Commercial
Land / Factory Shells



Incentives; IFSC,
Manufacturing, Tax
Holidays (DAO)



Aftercare Services –
renewals, expansions etc.



Environmental Impact
Assessment Compliance

THANK YOU

For further enquiries contact;
Mr. Bobo Senosi
Director, International Business - RSA
P O Box 781371
Sandton, Johannesburg, 2146.
1 Sandton Drive, The Place, Ground Floor,
Sandton, Johannesburg, 2196
D (+27) 118848959; M (+27) 0835953735 ; F +27
(11) 883 7798
senosib@bitc.co.za;

Twitter: @Go_Botswana |
Facebook & LinkedIn: Botswana Investment and Trade Centre

www.gobotswana.com