



## **Botswana Investment Facts**

### **Background:**

- Botswana enjoyed one of the fastest growth rates in per capita income in the world from independence in 1966 until 2006 and maintained a positive growth rate during the financial crisis
- World Bank Doing Business 2014 ranking is 3<sup>rd</sup> in Africa and 56<sup>th</sup> of 189 countries globally
- Economy is the 30<sup>th</sup> freest in the 2013 Index of Economic Freedom
- Ranked number 1 in Africa by Transparency International

### **Business Climate:**

- A fiscally responsible and financially prudent government
- Respect for the rule of law and the ability to use the courts to enforce contracts
- Adequate inflation control and no evidence of significant food or fuel price shocks on the horizon
- A culture of intolerance for corruption and a commitment to ethical practices by major businesses
- Botswana Investment and Trade Centre assists foreign investors and export oriented businesses
- Reliable transportation and communications infrastructure built from the sensible use of diamond revenue
- Stable, profitable and adequately regulated banking sector

### **No Foreign Exchange Controls:**

- Full repatriation of profits, investments, and capital gains
- Free of withholding taxes

### **Tax Incentives:**

- Low corporate tax of 22%
- Corporate tax of 15% for manufacturing and financial services sectors until 2020
- Tax holidays, industrial rebate concession, duty free importation of raw materials, machinery, and equipment
- Exemption from withholding taxes; credits for withholding taxes in other jurisdictions
- Access to double taxation treaties
- Tax exemptions for collective investment undertakings
- Negotiable tax scheme under Development Approval Orders

### **Market Access Opportunities:**

- Southern African Customs Union, (*SACU*):
  - Botswana goods and services have duty and quota free access to markets in South Africa, Namibia, Swaziland, and Lesotho, a combined population of about 48 million people.
- Southern African Development Community, (*SADC*):
  - Consists of 14 countries of about 277 million people.
  - Membership offers further market access opportunities through the SADC Protocol on Trade
  - Eliminates trade barriers among member states.
- Interim Economic Partnership Agreement and the African Growth Opportunities Act (*AGOA*):
  - Select Botswana exports are admitted free of import duties to the EU and US countries

### **Flexible Financing Options:**

- One of the most developed financial sectors in Africa
- A range of private and government-backed financial institutions that can provide overdraft facilities, equity capital, and loans to both foreign and domestic investors
- Local financial institutions such as the Botswana Development Corporation, the Venture Capital Fund, and the National Development Bank support industry development and can finance viable business proposals

### **A Readily Trainable, English-speaking, and Educated Labor Force:**



## **Botswana Investment Facts**

- Employment regulations are moderately flexible
- The non-salary cost of hiring a worker is relatively low

### **Current Industries:**

- Mining (mostly diamonds, also gold, coal and copper-nickel)
- Tourism (high-end eco-tourism)
- Cattle/Beef

### **Prospective Industries:**

- Coal Mining (estimated reserves of 200 billion tons)
- Uranium Mining (estimated 280 million tons of Triuranium Octoxide)
- Solar Power (more than 300 sunny days/year)
- Financial Services
- Mineral beneficiation

### **Electricity Prices:**

- Small firms: \$0.06/kWh (expected to increase 15%)
- Medium and Large Firms: \$0.03/kWh (expected to increase 30%)

### **Other Relevant Statistics:**

*Time to enforce contracts: 625 days*

*Registering Property: 15 days*

*Getting Electricity: 121 Days*

*Cost to Import: \$3,610*

*Starting a Business: 60 days*

*Dealing with Construction Permits: 111 days*

*Cost to Export: \$3,045*

*Resolving Insolvency: 1.7 years*