



Botswana Investors' Handbook



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's people have created a world-class business environment. A functioning democracy, a sound legal system and high credit rating makes Botswana one of the world's most attractive sites 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, Economic Freedom and has a Steady and Dramatic Growth Rate

- We are ranked as the world's second most attractive investment location by New York University's Altman's Baseline Profitability Index (BPI);
- We have the highest sovereign credit rating, and were named the 2nd Freest Economy in Africa;
- 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 230 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.

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.

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 centre for innovation and R&D via the Botswana Innovation Hub.

We take pride in the strength of our well-regulated, transparent and investor-friendly business environment. We are focused on building capacity and driving prosperity for generations to come.

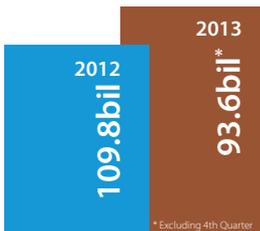


Botswana; your investment partner.

We offer a profitable, stable, secure and sustainable investment environment.



TOTAL GROSS DOMESTIC PRODUCT (GDP)



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We conduct our business with skill, respect, confidence and integrity. We share a common ideal of professionalism that places our nation at the leading edge of global investment and trade.

This is propelled by:

- General and sector specific investment incentives (IFSC and economic hubs, Agriculture, Innovation, Diamonds, Education)
- No foreign exchange controls.
- Corporate tax is only 15 % for manufacturing companies and IFSC companies.
- Botswana is ranked as the least corrupt country in Africa, according to Transparency International.
- Our country has an official policy of zero tolerance for corruption.



Highlights

Inflation (July 2013)

5.7%

down from 5.8%

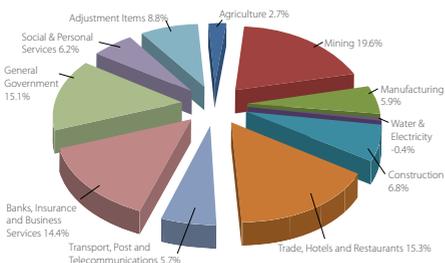
Consumer Price Index (CPI) (July 2013)

169.4

Increase of 0.2% from 169.1

GDP BY ECONOMIC ACTIVITY

(Current Prices) – 2012



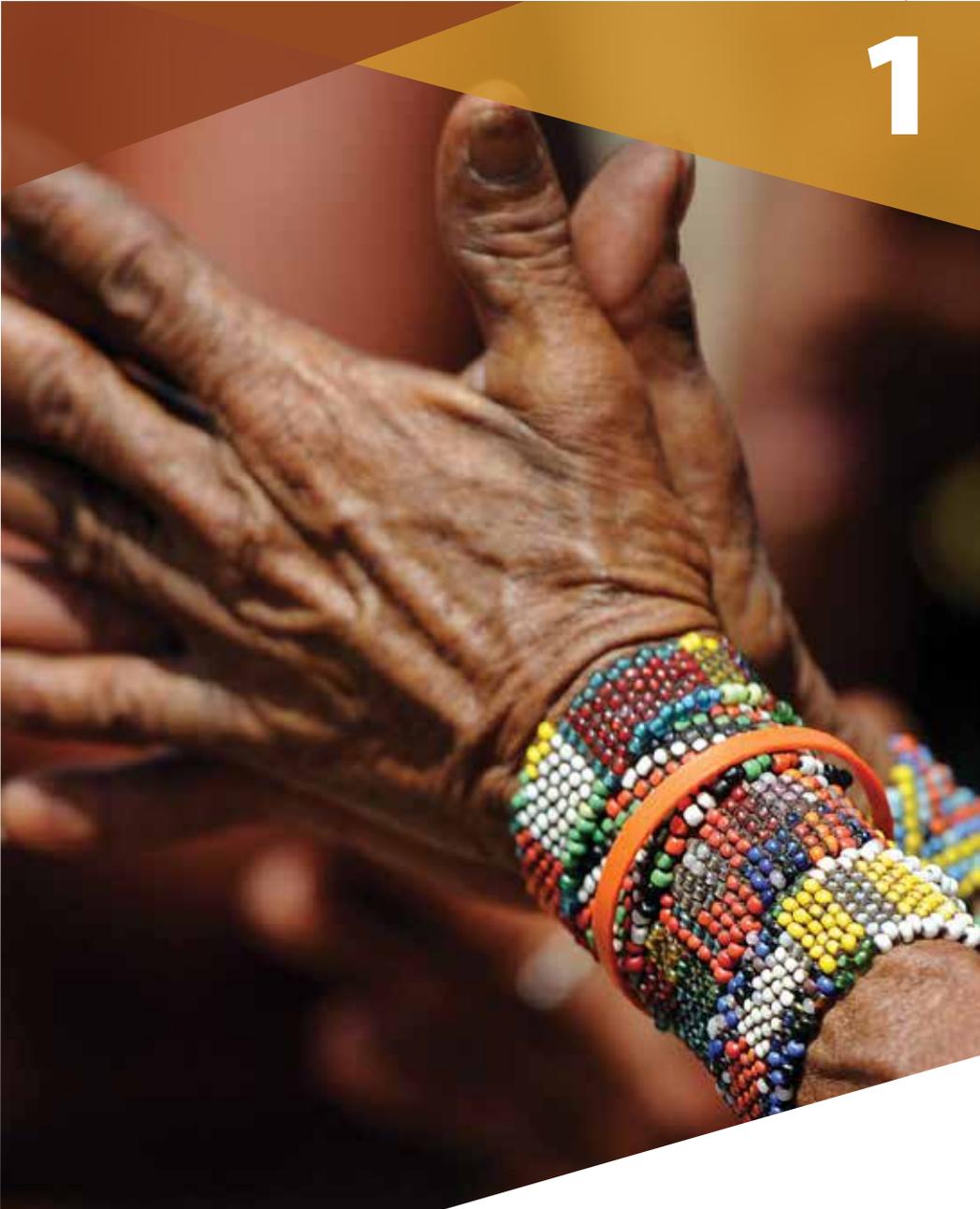
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Abbreviations

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	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
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
ROCIP	Registrar of Companies and Intellectual Property
SACU	Southern African Customs Union
SADC	Southern African Development Corporation
SEZ	Special Economic Zone
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	Valued Added Tax
WUC	Water Utilities Corporation
WTO	World Trade Organisation



Botswana Welcomes You

Minister of Trade and Industry



Botswana Welcomes You

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 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 and Moody's, which give Botswana the highest investment grade 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 "Vision 2016: Towards Prosperity for All", which articulates national aspirations for Botswana 50 years after independence. The vision clearly illustrates the Government's commitment to stimulate and support business by facilitating and fostering stronger private sector participation in the economy.

Our Government policy is orientated toward 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 >

“The main thrust of Government policy is sustainable growth and diversification through coordinated efforts and contributions from various sectors of the economy, including mining, agriculture, services, energy and tourism.”

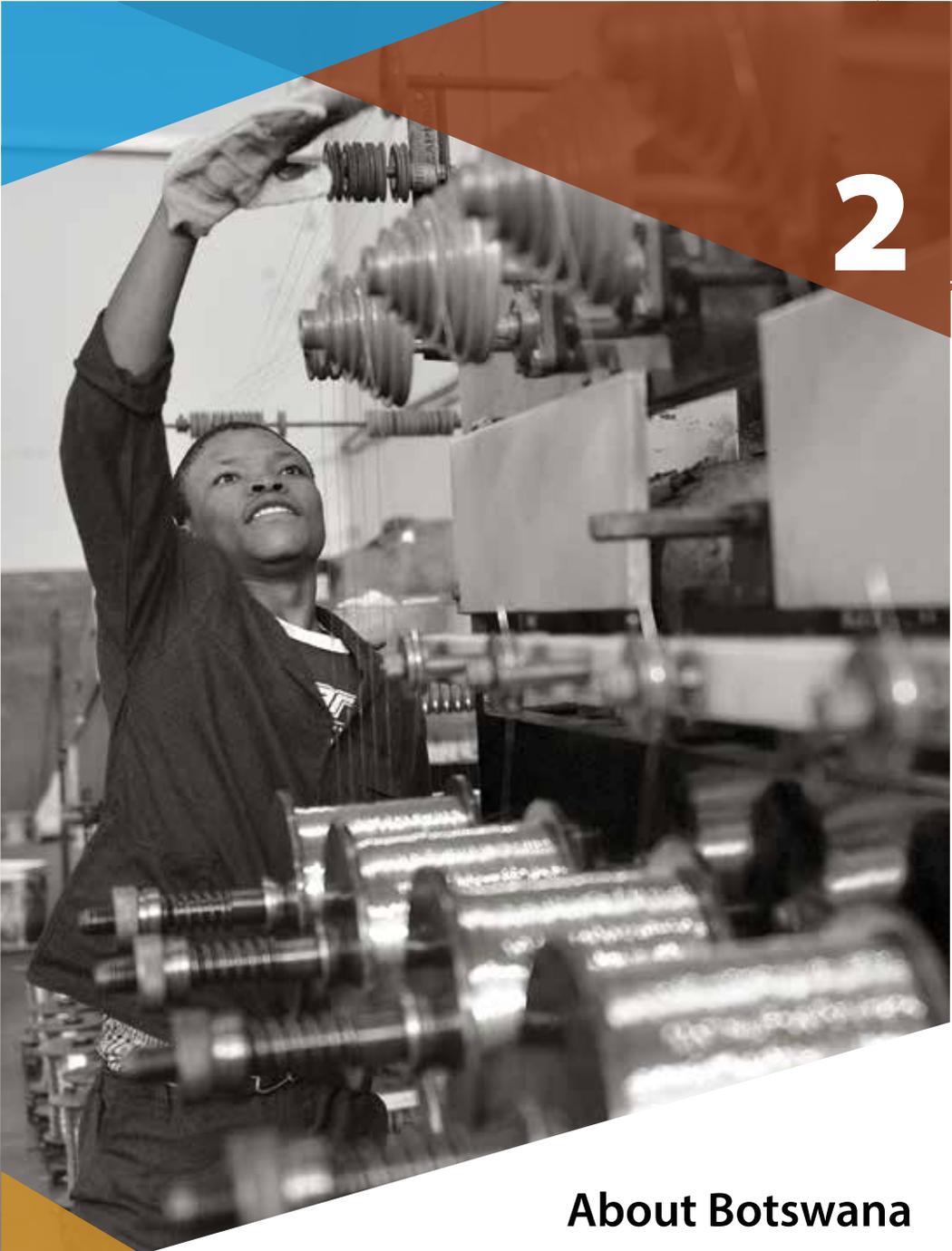
- > (SADC), trade protocol which gives access to a market of some 250 million people. The African Growth and Opportunities Act (AGOA) offers Botswana access to the USA market. The market access opportunities make it attractive for investors to use Botswana as a base for doing business, and target both regional and international markets at preferential rates.

The Botswana Investors' 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), 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.



Dorcas Makgato-Malesu

Honourable Minister of Trade and Industry

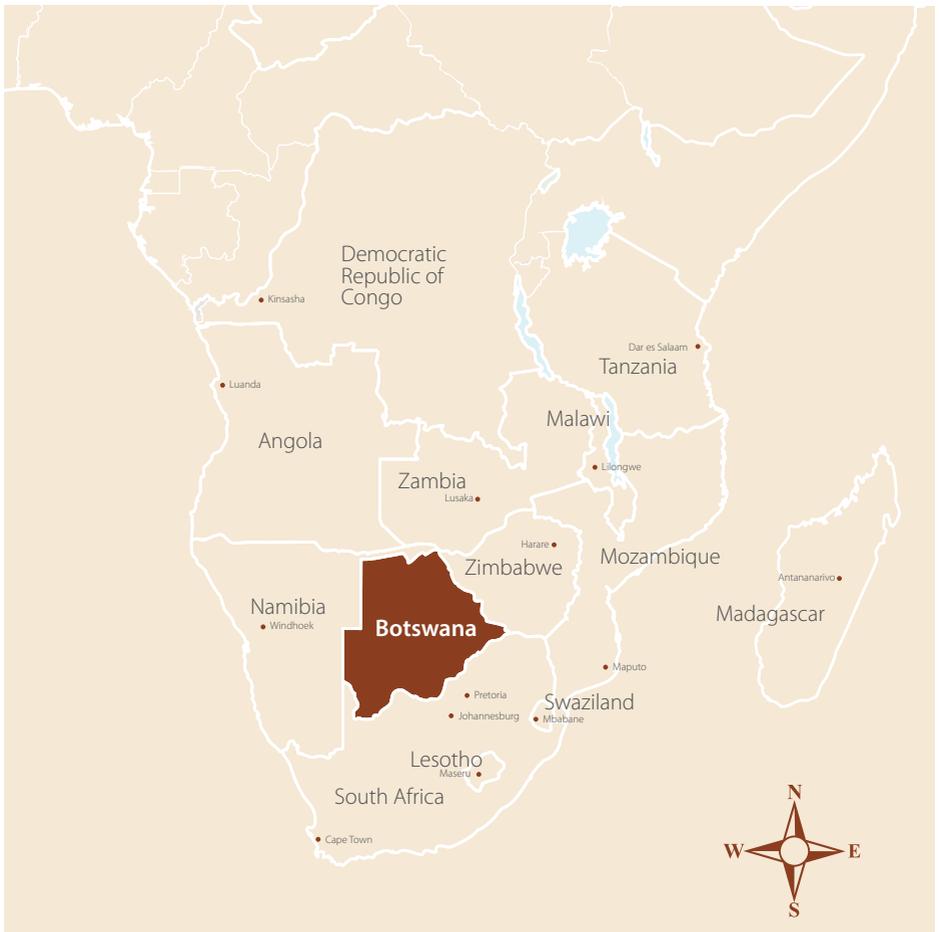


About Botswana

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 km² 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 km², 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

country's literacy rate stood at 81.5 % in 2013, which is amongst the highest literacy rates in Africa.

Languages

English is the only official language. 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 thebe to one Pula. Pula is the Setswana word for "rain".



“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.”

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.

The Ministry of Mineral Resources and Water Resources 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 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 3,200 hours 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.

Governance in Botswana

Parliament

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



Lieutenant General Seretse Khama Ian Khama is the 4th President of Botswana.

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.

Botswana's International Rankings

3

BOTSWANA
INTERNATIONAL
RANKINGS
03



Corruption Perceptions Index	<p>Transparency International assembles composite measures of corruption perception in around 180 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 2012 (CPI) ranks Botswana at position 30 in the world. Even though Botswana continues to be the least corrupt country in Africa, there is need for a close check as other countries are quickly catching up.</p>
Economic Stability (Credit Ratings)	<p>Botswana is one of the fastest growing economies in the world. The country has a stable macro-economic environment and steady economic growth. Botswana's 2013 Standard & Poor's (S&P) sovereign credit ratings are 'A-' and 'A-2' for long term and short term respectively. The 2013 ratings are supported by the strong government balance sheet, a well-managed economy and a long record of political stability.</p>
Competitiveness	<p>The World Economic Forum has been studying the competitiveness of nations for nearly three decades. Its Global Competitiveness Index (GCI), a highly comprehensive index for measuring national competitiveness, takes into account the microeconomic and macroeconomic foundations of national competitiveness. The 2012/2013 Global Competitiveness Report analyses competitiveness indicators for 144 countries, and Botswana ranks at position 79.</p>
Travel & Tourism	<p>The Travel & Tourism Competitiveness index, has been developed to measure different regulatory and business-related issues that have been identified as levers for competitiveness. The T&T sector remains a crucial one for the world economy, continuing to account for a significant share of global gross domestic product and employment, and providing an important opportunity for developing countries to move up the value chain towards production of higher value-added services. The Travel & Tourism Competitiveness Report 2013 profiled 139 countries, and Botswana ranks at position 94.</p>
Ease of Doing Business	<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 2013 Ease of Doing Business Report profiled 185 countries, and Botswana ranks at position 59.</p>



Economic Outlook

4

Economic Outlook

Fiscal year

1 April to 31 March.

Economy

Middle-income

Largest producer of gem diamonds since the early 80s.

Tourism is an increasingly important industry for Botswana, accounting for almost 9.5% of GDP. The Okavango Delta, located in Botswana, is a major tourism resource as one of the world's most unique ecosystems.

Trade

Principal trading partners besides South Africa and other SADC countries include the EU, the UK, Belgium, and Norway.

According to Trade Stats Botswana, total exports were valued at P6,199.6 million in March 2013, with 85.4 per cent (P5,292.3 million) attributed to diamond exports. The Diamond trade is for both rough and polished diamonds and Table 2.3 gives trade in diamonds at a disaggregated level from 1st quarter 2008 to March 2013. Copper/Nickel exports and Machinery & Electrical Equipment (mainly re-exports) contributed 7.1 per cent (P438.4 million) and 2.1 per cent (P130.2 million) respectively, while Meat & Meat Products contributed 1.1 per cent (P66.4 million) to total exports during the month under review. Composition of imports by principal commodities for March 2013 shows that Diamonds contributed 32.1 per cent (P1,664.6 million) to total imports (P5,188.0 million) during the month, followed by Fuel with 18.4 per cent (P956.8 million). Machinery & Electrical Equipment contributed 10.4 per cent (P540.8 million) followed by Food, Beverages & Tobacco and Chemicals & Rubber Products, with 9.3 per cent (P484.6 million) and 8.2 per cent (P427.7 million) respectively. Vehicles & Transport Equipment contributed 6.6 per cent (P339.9 million).

GDP

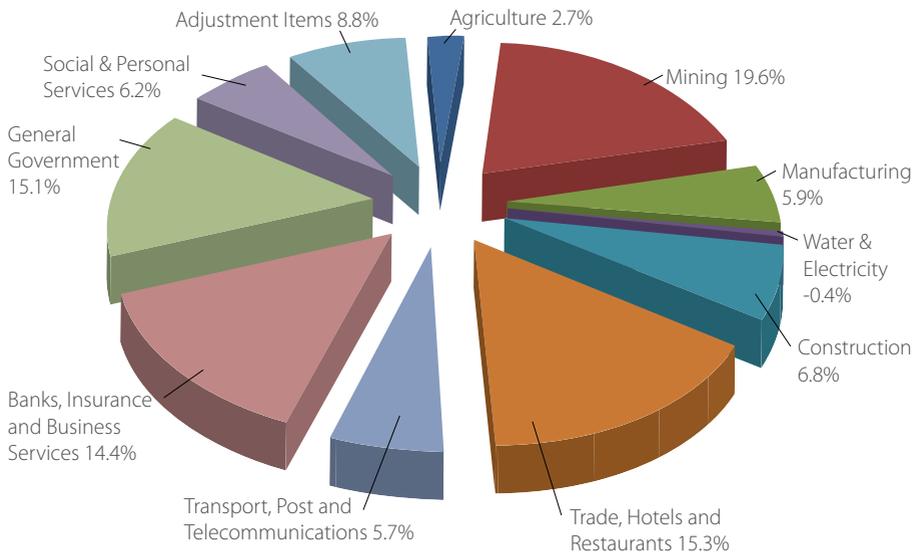
Estimated GDP at current prices for the first quarter of 2013 was P28,453.7 million compared to a revised level of P28,673.6 million registered in the fourth quarter of 2012, recording a decrease of 0.8 per cent. The estimated GDP at constant prices for the first quarter of 2013 was P18,689.4 million compared to P19,114.7 million recorded in the fourth quarter of 2012, amounting to a decrease of 2.2 per cent. Real GDP increased by 3.2 per cent in the first quarter of 2013 compared to 5.8 per cent realized in the same quarter of 2012. The slow growth is attributed to Mining, Water & Electricity, Agriculture and Manufacturing, which recorded negative growths of 3.6, 154.6, 5.0 and 9.5 per cent respectively; all other sectors recorded a positive growth of more than 2.0 per cent over the period. A decrease in real value added of the mining sector was due to a 4.9 per cent decline in diamond production. The decrease in Manufacturing was largely due to the Meat & Meat Products, Beverages and Textiles sub-sectors. The value added of Water and Electricity continues to decline. The fall is attributed to Electricity, which has been contributing negatively to the economy due to a substantial increase in intermediate consumption

Gross Domestic Product by Type of Economic Activity (Current Prices) – P(million).

	2008	2009	2010	2011	2012
Agriculture	1 887	2 071	2 717	2 646	2963
Mining	19 790	10 063	22 868	26 033	21 503
Manufacturing	4 279	4 662	5 548	6 046	6441
Water and electricity	654	353	310	-641	-493
Construction	3 727	4 495	5 056	6 247	7 471
Trade, hotels and restaurants	10 047	11 163	13 084	15 365	16 792
Transport, post and telecommunications	3 304	3 993	4 471	5 110	6 230
Banks, insurance and business services	9 317	9 695	11 610	13 498	15 852
General government	10 900	12 354	14 477	18 440	16 566
Social and personal services	3 847	4 593	5 243	5 880	6 842
Adjustment items	8 115	8 947	9 019	11 063	9 632
GDP at Current Market Prices	75 867	72 307	94 339	109 687	109 799
GDP excluding mining	56 077	62 326	71 536	83 655	88 296

These figures are subject to revision
Source: Statistics Botswana

Gross Domestic Product by Type of Economic Activity (Current Prices) – 2012



Source: Statistics Botswana

GDP Real Growth Rate

GDP Real Growth Rate Gives GDP Growth on an Annual Basis Adjusted For Inflation and Expressed as a Percentage.

	2008	2009	2010	2011	2012
Agriculture	1.6	7.2	15.6	-22.4	6.4
Mining	-8.0	-46.2	22.7	-2.2	-8.1
Manufacturing	-5.1	3.2	9.7	3.4	-1.8
Water and electricity	6.6	-6.4	-2.6	-74.5	-41.9
Construction	0.0	12.8	5.6	18.5	14.4
Trade, hotels and restaurants	17.8	3.4	9.7	13.4	5.5
Transport, post and telecommunications	10.3	14.6	4.4	8.8	9.1
Banks, insurance and business services	11.8	0.9	11.1	8.7	9.7
General government	0.2	3.7	2.6	15.2	2.1
Social and personal services	15.3	11.3	6.9	7.3	12.2
Adjustment items	12.6	3.4	-5.2	17.5	1.4
GDP at Constant Market Prices	3.7	-7.9	8.1	8	37.7
GDP excluding mining	8.3	4.9	5.6	10	5.8

These figures are subject to revision

Source: Statistics Botswana

GDP Per Capita

	2008	2009	2010	2011	2012
GDP per capita (Pula)	39,620	37,068	46,988	51,644	53,569
Excluding mining	29,285	31,910	35,482	38,882	42,881

These figures are subject to revision

Source: Bank of Botswana (BFS - October 2013)

Exchange Rate

Botswana uses the crawling peg exchange rate mechanism. The exchange rate of the Pula against a basket of international and regional currencies is adjusted gradually based on the expected inflation differential with our trading partners, consistent with the Bank of Botswana's monetary policy. Given the higher expected inflation in Botswana than in trading partner countries, the Pula has been crawling downwards to prevent a loss in competitiveness of the Pula.

To promote transparency in Botswana's exchange rate mechanism, government has taken a deliberate decision to disclose the rate of crawl of the Pula, and the weights of the currencies in the basket. The current rate of crawl is minus 0.16 per cent per annum, which is intended to minimise the impact of the

exchange rate adjustment on inflation. The weights of the currencies in the basket are 55 per cent South African Rand, and 45 per cent for the currencies that make up the International Monetary Fund's (IMF) Special Drawing Rights. The rate of crawl and the weights of the currencies in the basket will be adjusted when the underlying conditions change. Such changes are announced at the time they are made.

While exchange rate adjustment is a short-term measure, the government of Botswana emphasises that the best way for domestic producers to achieve sustainable international competitiveness is through gains in productivity. Achieving efficiency in the use of available resources is critical and the government believes it needs to be an issue of concern for both government and the private sector.

Inflation

The national annual inflation rate was 5.7 per cent in July 2013, down from 5.8 per cent during the preceding month. The annual rate in July 2013 was lower than the 7.3 per cent recorded during the same month in 2012. The major components which contributed to the decline in national annual inflation rate were Transport (3.6 percentage points), Food and Non-Alcoholic Beverages (3.3 percentage points), Housing, Electricity, Gas & Other Fuels (4.0 percentage points). Comparison of inflation rate among regions from June to July showed that urban villages went down to 5.5 from 5.8 per cent, rural villages dropped to 6.4 per cent, down from 6.6 per cent, while cities and towns remained unchanged at 5.5 per cent.

The July 2013 national consumer price index was 169.4, an increase of 0.2 per cent from 169.1 recorded in June 2013. The cities and towns index advanced from 168.1 to 168.5, recording an increase of 0.2 per cent. The urban villages index realized a rise of 0.1 per cent, from 168.1 to 168.3 month on month, while the rural villages index moved from 173.3 to 173.5 between June and July, also registering an increase of 0.1 per cent. The bank rate was cut to 8 per cent at the meeting of the Monetary Policy Committee held on 13 August 2013.

Interest Rates ¹ (Per cent per annum)									
2013									
End of	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Bank of Botswana									
Bank rate	9.50	9.50	9.50	9.00	9.00	8.50	8.50	8.00	8.00
Monthly average	4.82	4.74	4.82	4.81	4.14	4.02	3.58	3.21	3.08
overnight rate									
Repo rate	8.50	8.50	8.50	8.50	8.00	7.50	7.50	7.00	7.00
Reverse repo rate	4.50	4.50	4.50	4.50	4.00	3.50	3.50	3.00	3.00
Commercial and merchant banks									
Prime lending rate	11.00	11.00	11.00	11.00	10.56	10.19	10.00	9.75	...
Average return on	13.75	12.65	12.79	12.22	12.31	11.60	12.01	11.67	...
advances ²									
Mortgage rate	10.87	10.87	10.87	10.88	10.60	10.35	10.03	9.85	...

1. Unless indicated otherwise, rates are simple averages of reporting institutions within each class.

2. The average return on advances is calculated as interest income for the quarter as a percentage of the average of end month total advances.

Interest Rates¹ (Per cent per annum)

2013

End of	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Non-Bank Financial Corporations³									
Short term loans	15.25	15.25	15.25	15.25	15.00	15.00	15.00	14.50	...
Mortgage rate ⁴	10.29	10.29	10.29	10.29	10.04	10.04	9.59	8.84	...
Other Financial Corporations⁵									
All round lending ⁶	17.64	17.64	16.85	16.85	16.47	16.47	16.47	15.97	...
Deposit Rates									
Commercial and Merchant Banks									
Pula Denominated Deposits									
Savings account	3.14	3.14	3.14	3.14	3.23	3.05	3.08	2.44	...
Overnight call	1.93	1.93	1.93	1.93	1.69	1.54	1.53	1.35	...
Notice	4.23	4.23	4.23	4.23	3.77	3.49	3.22	3.14	...
Fixed up to 12 months	5.54	5.53	5.54	5.53	5.34	4.94	4.77	4.44	...
Fixed over 12 months	6.36	6.36	6.36	6.36	6.47	6.39	5.81	5.15	...
Foreign Currency Denominated Deposits⁷									
US Dollar	...	...	0.73	...	...	0.82	...	...	...
Euro	...	...	3.31	...	...	3.31	...	...	...
Pound sterling	...	...	2.38	...	...	2.93	...	...	...

3. Non-Bank Financial Corporations refer to bank financial corporations; deposit-taking institutions other than commercial and merchant banks.
 4. The rate is a simple average of the mortgage rate of Botswana Building Society and Botswana Savings Bank. For Botswana Building Society, the rate applied to loans of amounts over P100,000 was 0.5% higher up to April 2003 and 1% higher effective May 2003.
 5. Other financial corporations: non-deposit-taking non-bank financial institutions.
 6. The all-round lending rate is a weighted average rate provided by the National Development Bank.
 7. The reported rate is for call accounts. Notice and fixed foreign currency accounts are also available.

Interest Rates¹ (Per cent per annum)

2013

End of	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
South African Rand	...	...	3.54	...	...	3.57	...	...	...
Non-Bank Depository Corporations									
Ordinary savings account	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	...
Special savings account	3.31	3.31	3.31	3.31	3.31	3.31	3.19	2.94	...
Debt Instruments									
Bank of Botswana									
Certificates (BoBCs) ⁸	5.37	5.37	5.37	5.36	4.82	4.82	4.05	4.18	3.69
Long term									
Government bond ⁹	5.59	5.59	5.59	5.54	5.19	4.95	4.94	4.75	4.60

Prime Lending Rate (7.5%) as at December 2013.

8. Refers to the 3-month BoBC rate (a 14-day BoBC was introduced in November 2004). Effective May 1, 2004, the reported rate is the weighted average yield, while prior to that it was a simple average of the offer and bid price. Hence, the increase reported
 9. This refers to bond BW003, initially issued in April 2003 and maturing in October 2015.



5

Investment Climate

Investment Climate

BITC offers a sustainable low-tax environment for financial services companies. Financial services companies get a discounted corporate tax rate of 15% of profits and are exempted from withholding tax on interest, dividends, management fees and royalties paid to a non-resident. They are further exempted from value added tax. Capital gains tax and disposal of shares are also tax exempt for these companies. These companies also have access to Botswana's 200% tax training rebate.

- 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.

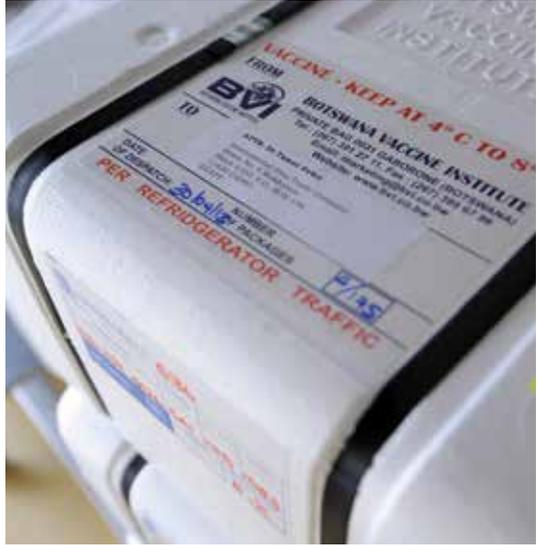
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Corporate Tax Rates- Resident Company

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%

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 twelve (12) 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 CIUs, this unilateral credit may not typically apply as the CIU will have no tax liability.

Status of Botswana Double Taxation Avoidance Agreements (DTAAs) Network

Active

Barbados	Mozambique	Sweden
France	Namibia	UK
India	Seychelles	Zimbabwe
Mauritius	South Africa	Lesotho
Swaziland		

Awaiting Ratification

Belgium	Russia	Zambia
Malawi	Tanzania	Luxembourg

Under Negotiation

Angola	China	Japan
Nigeria	Kenya	Uganda

Source: Ministry of Finance & Development Planning - Government of Botswana

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.



6

Key Priority Sectors for Investment

Key Priority Sectors for Investment



Mining Sector Investment Opportunities

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.

Beneficiation and Value-Added Production: Diamonds

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 Business¹⁰

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

- **Direct Opportunities:** These involve 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.

10. For more information contact Diamond Hub at Tel. 3915232/7 3915227 3915247 or email jthamage@gov.bw [mmasire@gov.bw](mailto:mmmasire@gov.bw) or smatolela@gov.bw

Area	Potential impact
Diamond security	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • High-speed Internet services, ICT managed services, communication infrastructure, etc.
Transport	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • As more siteholders visit Gaborone, appropriately packaged tourism opportunities should increase.
Health	<ul style="list-style-type: none"> • Demand for health services is likely to increase with the increase in the diamond industry population.
Education	<ul style="list-style-type: none"> • Schooling needs for children of expatriates. • Skills development.
Banking	<ul style="list-style-type: none"> • 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).

Beneficiation and Value-Added Production: Copper/Nickel¹¹

The view that Botswana could add value to copper/nickel by investing in a refinery is supported by the scoping study for BCL's project to establish and operate a metal refinery in Botswana. The study investigated the possibility of establishing a copper/nickel metals refinery at Selebi Phikwe. The study considered four refining options:

- Option 1: Treatment of BCL matte only
- Option 2: Treatment of BCL and Tati nickel mattes
- Option 3: Treatment of BCL and Tati nickel mattes and copper matte from other mines
- Option 4: Treatment of BCL matte and copper matte from other mines

11. For more information on the copper/nickel value addition opportunity, contact SPEDU at www.spedu.co.bw or +267 2600303.

Beneficiation and Value-Added Production: Coal

In the 30 years prior to 2012 annual Botswana coal production never exceeded 1 million tonnes. In 2013 production is expected to top 3 million tonnes and the trend is set to continue. According to a Botswana Chamber of Mines market capability study, up to 24 new mines producing over 190 million tonnes per annum of coal could potentially open.

- The Mmamabula and Morupule areas have the potential for the most mines, with a possible nine in each.
- Current resource holders have plans to produce over 115mtpa of coal for export, and this number could increase substantially.
- The coal intended for power generation (75 mtpa) could sustain a power industry producing 15 GW of power for domestic and regional consumption.

The Attractions of Investing in Botswana Coal

- **Centrally located in a region with a power shortage**
The SADC region has severe and ongoing power shortage.
- **Large, easily mined coal resources**
To produce competitively priced electricity, it is best for the power station to be close to the coal, since transport can add significantly to costs. This will render power generation from Botswana very competitive.
- **Easy distribution via SAPP from Botswana (infrastructure in place)**
The existing Southern African Power Pool enables SADC-wide export of Botswana power from its central location.
- **Domestic beneficiation of coal**
Coal value-addition opportunities exist for coal mined in Botswana.
- **Africa's best mining destination**
According to the authoritative Fraser Institute Annual Survey of Mining Companies, Botswana remains the most preferred mining and minerals investment destination in Africa.





Further Mining Investment Opportunities¹²

Mines and Exploration

At present there is an opportunity to invest in or purchase coal deposits at an all-time low level. The global financial crisis has led to a severe drop in the valuation of non-revenue-producing companies such as junior miners. The most recent three coal deposits sold were bought at a price lower than the expenditures that had been incurred on each project by the previous owners.

Provision of Services and Equipment to a Growing Coal Industry

Power stations / Power distribution infrastructure

The current and future-predicted domestic and regional power shortage presents an opportunity in this area.

Rail and Rolling Stock

With the need to supply coal to regional and international customers, Botswana export infrastructure requires investment.

Coal Off-Take

By 2016 Eskom will need an additional 60Mtpa and India an additional 200Mtpa.

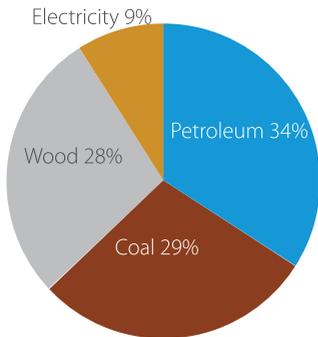
Energy Sector Investment Opportunities

Overview of the Energy Sector

Botswana currently has limited energy resources and therefore still relies on imported energy sources, especially petroleum products and electricity. According to data from Botswana National Energy Policy, in 2005 petroleum products contributed the largest share of primary energy supply (34%), followed by coal (29%), wood (28%) and electricity (9%). Renewable energy sources contributed an insignificant share to energy supply (see figure 6.1). Considering only the commercial energy sources (i.e. excluding fuel wood), the transport sector leads with 38.0% of all energy consumed, followed by mining (31.2%), government (9.5%), trade and hotels (7.3%) and manufacturing (7.0%) (Botswana Energy Master Plan, 2004).

12. For more information on the opportunities in Botswana's mining sector, contact the BITC or the Botswana Chamber of Mines at; www.bcm.org.bw or +267 3914685.

Figure 1: Primary Energy Supply Contribution in 2005



Source: Botswana National Energy Policy

At present, access to electricity remains limited to a relatively low percentage of the population. Urban households have a higher electricity connection rate at 43 per cent, compared to 18 per cent for rural households. This could be attributed to the high connection costs in the rural areas (NDP 9).

The national standard cost for connection to the national grid is P5,000. The number of villages electrified as of January 2014 was 350 out of a total number of 494 villages.

Energy resources available in Botswana include coal, solar and bio-energy (biomass and bio-fuels).

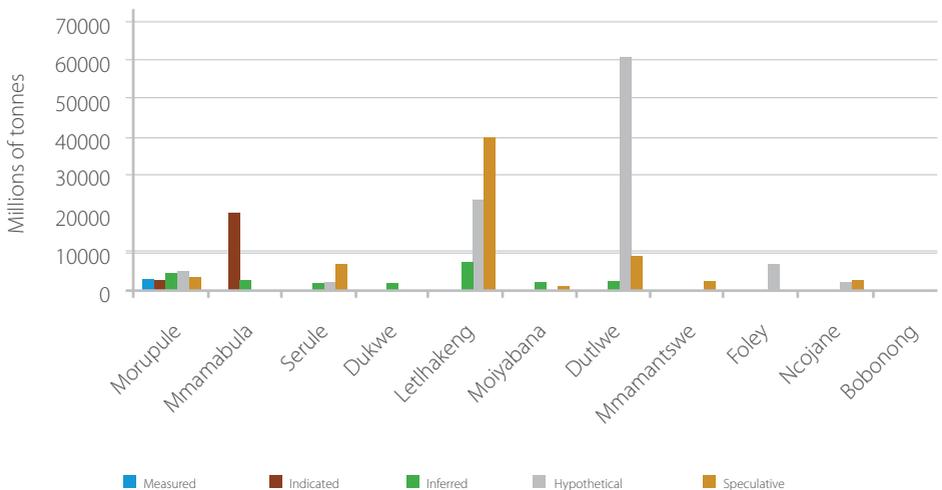
Opportunities for Investment in the Energy Sector

Botswana’s energy resources include coal, solar and prospects for coal-bed methane (CBM). These are discussed in turn below.

Coal

As outlined above, Botswana has indicated reserves of some 212 billion tonnes of coal countrywide. The Morupule deposit is the only one being mined currently to supply Morupule power station, BCL smelter and Botswana Ash. The vast majority of Botswana’s coal resources are unexploited. Figure 2 and Table 1 show the coal deposits available in Botswana.

Figure 2: 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
Dutlwe	71,740	None declared	Poorly explored
Ncojane	4,725	None declared	Poorly explored
Total	212,868	60,021 (28%)	

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

The deficit in power supply currently being experienced in southern Africa provides a good opportunity for new independent power producers (IPPs) to use coal to generate power for domestic use and export. One such project in Botswana is the Mmamabula IPP. The World Bank (2009) lists the following highlights in relation to the Mmamabula IPP:

- It is a coal-to-power project which was originally structured to produce 2,400 MW of power.
- This project and other large-scale power projects in Mozambique and Namibia were planned to supply Eskom through long-term purchase agreements (PPAs).
- Due to difficulties in arranging turnkey contracts and power sales of this size, the design capacity was reduced to 1,200 MW.
- The project was being developed by CIC Energy Corp and International Power plc.
- Current planning is that the Mmamabula IPP will sell 900 MW of its energy and capacity to Eskom and 300 MW to BPC.
- The Mmabula project includes transmission lines connecting with the Eskom system and a new sub-station at Morupule.
- Commence of operations is not expected until after 2014.

- > The Electricity Supply Act was amended in 2008 to enable IPPs in Botswana to generate and sell power. In addition to the initiatives already mentioned, Botswana has resources such as coal, solar and CBM which can be alternative sources of power and alleviate power shortages. The various cost options for electricity generation are shown in Table 2.

Table 2 Cost Options for Electricity Generation

Options	Cost USc/kWh	Availability	Remarks
Existing coal (Morupule A)	5+	90 MW net	Decommissioned by 2020
Diesel units	50+	160MW	Short term gap fill only
Concentrating solar power	20	Up to 200 MW by 2020	50 MW targeted by 2016: needs donor support
CBM	7-22	200MW by 2020;50 MW likely by 2015/6	Exploration yet to commence; costs timing and capacity based on the availability of CBM
New coal plants	5+	Up to 3000 MW as per SAPP	4-year construction feasible for small units

The table indicates that domestic coal is the least costly option and given the relatively short construction periods for small and standard-sized projects, there is potential for investment in coal-to-power projects to replace electricity imports from Eskom and ensure domestic energy power security. A World Bank Morupule project evaluation also indicated that Botswana had an opportunity to diversify its economy and contribute to regional energy security by substituting Eskom imports with other potential energy sources, including coal resources

Mookane Domestic Power Project – CIC International

The proposed Mookane Domestic Power Project (MDPP) initiative demonstrates the possibility of exploiting coal resources as an immediate alternative production option for coal-generated electricity to meet domestic energy needs. A 2010 CIC Economic Impact Assessment of the MDPP considered the possibility of constructing a coal mine at Mookane to produce electricity. The report highlighted the following points:

- With cost was estimated at P7.8 billion, MDPP would exploit Mmamabula coal, which has to date remained unexploited.
- MDPP would be the first IPP in Botswana, one of the largest private sector investments, and would attract FDI.
- The project was expected to provide 300 MW of coal-fired electricity by 2013, with a possible expansion to 450 MW if additional off-take agreements are secured.
- MDPP promoted linkages with other sectors. Linkages through local procurement to the mine and power station were estimated at P121 million. At full production capacity, the project was expected to create employment estimated at 800 jobs and was expected to support future developments such as the Trans-Kalahari Rail initiative.

The indirect economic effects of the MDPP are presented in Table 3 and include the local procurement estimates for the mine.

Table 3 Indirect Real GDP impact (P mn, Annual Average 2013-2043, Constant 2010 Prices)

Item	Est. value (Pm)
Local supplies to mine and power station	121
Spending from employee wages	60
Additional government spending	104
Total	285

Note: includes estimated multiplier effects (2x)

Source: CIC, Mookane Domestic Power Project ("MDPP"), Economic Impact Assessment, p31

Other Investment Opportunities

- Coal-bed methane (CBM)
- Uranium
- Solar energy
- Biogas and biodiesel

Agriculture Sector Investment Opportunities

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 production 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 agriculture will stimulate private sector development, create employment, create value-addition opportunities, and enhance both food security and, ultimately, exports.

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 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.

Similarly, the NAMPAADD, 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 represents 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.

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 Investment Opportunities

IFSC

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

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

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.

Business Process Outsourcing and Call Centres

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

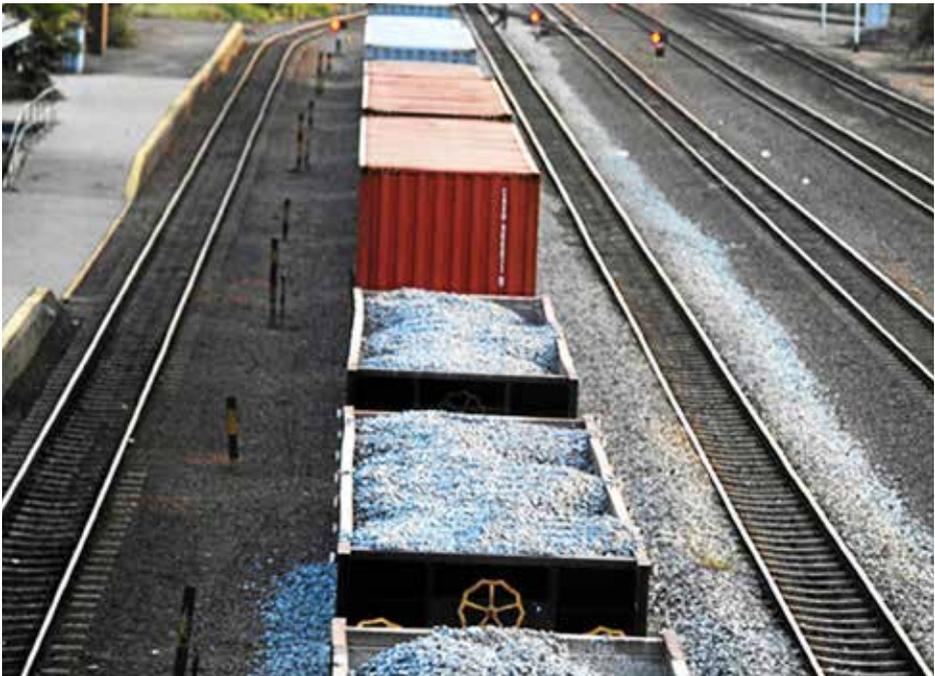
International Investment Funds

The IFSC continually seeks opportunities to secure the establishment, management and location in Botswana of additional pan-African investment funds.

Transport & Logistics Investment Opportunities

The Transport Hub was established to identify and coordinate key projects and policy interventions in the transport sector to develop Botswana as a transport hub within the SADC region. The goal is to transform the transport and logistics industry into a major growth sector, thereby stimulating economic diversification of the country.

In 2009, a feasibility study conducted by BEDIA for the establishment of cargo and logistics facilities in Botswana identified opportunities for development of an air cargo hub at SSKIA in Gaborone which would handle and transport temperature-sensitive perishables. The hub would attract both freight and passenger airlines to provide cargo capacity to SSKIA; it would also target shippers and their transport providers from throughout the region to consolidate exports and imports through the hub and establish value-adding logistics activities in the cargo handling facility and the accompanying freight village. Activities that would take place at the hub include air cargo transport (on freight and passenger airlines), ground handling services, import and export handling and consolidation, customs, health and agricultural inspections, trucking, general and specialised storage (including cold storage), and value-added logistics. Other activities supporting the hub would include fire and rescue services, repair and maintenance of facilities and equipment, and security.



> Trans-Kgalagadi Rail Corridor

Investment opportunities exist for improvement of rail transport along the Trans-Kgalagadi Corridor. Components for investment include rail track and station facilities. The option also exists for private-public partnership schemes. Investment is estimated to total between P4 and P6 Billion.

The rail corridor is expected to be used by Botswana and SADC region countries for both freight and passenger travel. Presently the market is yet to be developed, but with time, and improvements of facilities along the corridor, the market has potential to increase. Easy access to major transport modes is a key competitive advantage, as are proximity to high-volume and low-value raw materials for transportation and use of containers for freight.

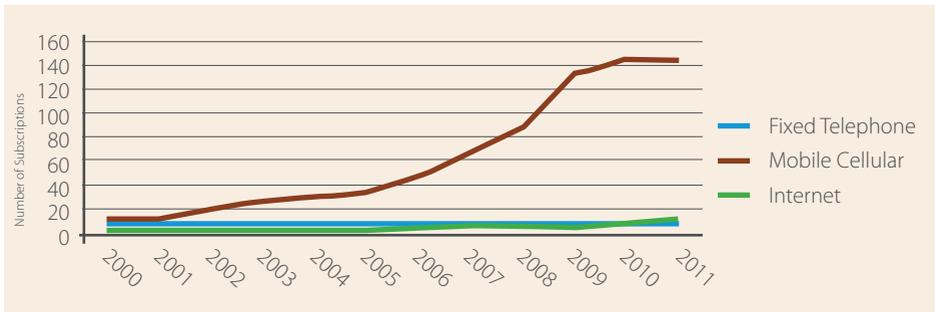
Heavy-Haul Railway Line Between Botswana and Mozambique at Techobanine

This rail line will link various coal-deposit areas in Botswana, traversing Zimbabwe along the South Africa border and connecting to a deep-water port on the Indian Ocean coast in Mozambique

ICT Sector Investment Opportunities

According to the 2011 ICT Statistics Report, the ICT industry continues to grow, and the growth of mobile cellular exceeds that of fixed telephony and internet. Cellular/Wireless networks have undergone remarkable growth going from 106,029 in subscriptions in 2000 to 2,900,263 in 2011, an increase of no less than 2,635.3 per cent. According to the report, mobidensity (the number of mobile cellular subscriptions per 100 inhabitants) has risen by 1000.0 percent, from 13 subscriptions per 100 inhabitants in 2000 to 143 per 100 in 2011 see table below. The ICT sector, as recorded by Statistics Botswana also includes postal services, print media and radio and television.

Figure 3: Fixed Telephone, Mobile Cellular And Internet Subscriptions per 100 Inhabitants, 2000–2011



Source: Statistic Botswana (2011)



In 2010, an in-depth study of the ICT sector undertaken by the Swedish Trade Council showed that Botswana has not only invested heavily in the national fibre network, but has also invested in international connectivity. One such investment by Botswana has been the East African Submarine Cable System (EASSy). This provides Botswana with an alternative connectivity route. The Botswana Government is also pursuing access to a West-African submarine cable. All these initiatives should increase competition and reduce the cost of telecommunications in the sub-region over the next 2–3 years, by which time operational communication (internet and data transmission) will be efficient, fast, reliable and affordable. Cables that have already reached, or will soon reach, southern Africa are: SAT-3/WASC/SAFE, Seacom, EASSy, ACE, MalN OnE and WACS. These go to neighbouring South Africa but connect to Botswana through a fibre cable in the south.

Investment Opportunities

- According to a recent Business Monitor International report, Botswana is about to get a massive information and communications technology cyber city as part of the grand set of projects that the Botswana Innovation Hub (BIH) will be setting up at its state-of-the-art centre. The BIH project, the first of its kind in Botswana and one of the few in the region, will house ICT companies, R&D/technology-oriented academic institutions, government institutions and research institutions.
- ICT research and development is crucial today to provide information on what technologies should be adopted. For Botswana to become the regional ICT hub, not only must it attract companies, but investors and Government alike need to make substantial commitments to R&D for enhancement of the country's globally competitiveness. >

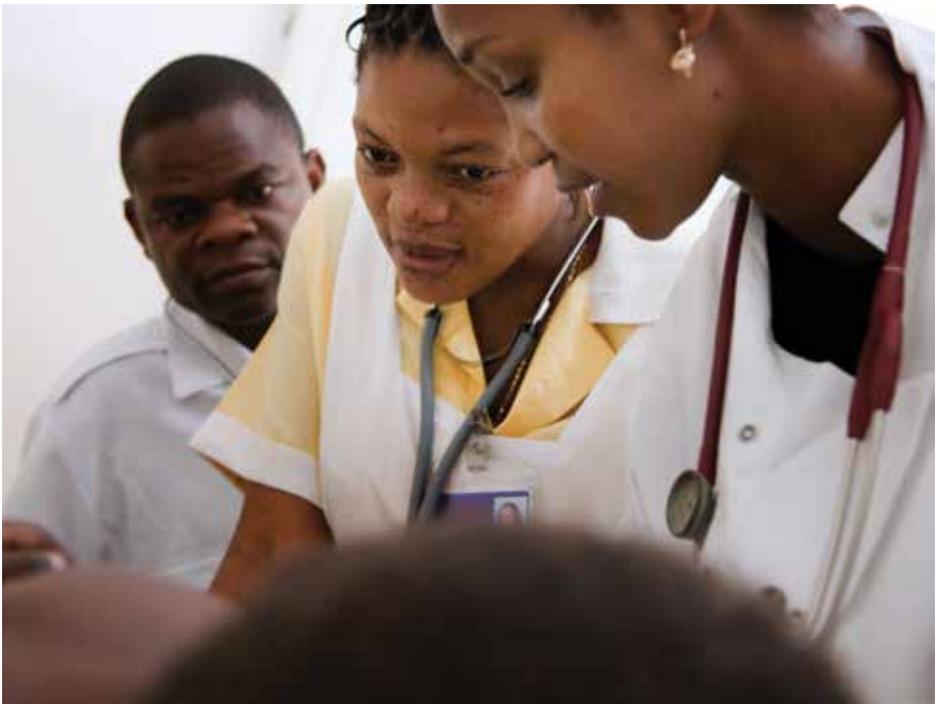
- > • One objective of the Maitlamo National ICT Policy is increased economic diversification and foreign investment, including ICT-enabled services based in Botswana.
- Infrastructure in the multi-fibre optical network.
- E-government; communications and security, applications, e-health, e-education, e-tourism.
- Mobile services provision.

Health Sector Investment Opportunities¹⁴

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 Investment Opportunities

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



- > • promoting lifelong learning
- increasing access and equity at tertiary level
- improving access to education services by children with special needs

The education sector receives the largest share of total government expenditure. Recurrent expenditure on education averaged 28 per cent of the total in the three years to 2009/10. Investment in education continues to be a priority even in the current planning period (NDP 10) for achieving the aspirations of Botswana's Vision 2016.

Over the past 10 years (2000–2010) almost 110,500 students were sponsored by government, nearly 20 percent of whom were placed in foreign institutions. The highest peak was observed during 2007 and 2008 with between 15,000 and 20,000 students placed in both local and foreign institutions. Since 2000 there has been a gradual decline in the number of placements in foreign institutions, resulting in 5 percent and 4 percent drop, respectively, for 2009 and 2010.

During the same period there was a significant increase in government sponsorship of students at local private institutions. Although the global economic recession has impacted on the government's ability to maintain sponsorship volumes, the government remains committed to fully supporting the education of its citizens.

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
- 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



7

Trade Agreements

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

Botswana/Zimbabwe Bilateral Agreement

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 increased 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 tons 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.

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-operation ties.

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 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. 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. >

- > 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 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.

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).

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.

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



8

Business Facilitation

Business Facilitation

Part 1: Company and Business Name Registration

Companies are registered by the Registrar of Companies and Intellectual Property (ROCIP), at Plot 181, Kgale Mews, Gaborone, P.O. Box 102, Gaborone, Botswana. ROCIP 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 ROCIP. 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 ROCIP.

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). 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:

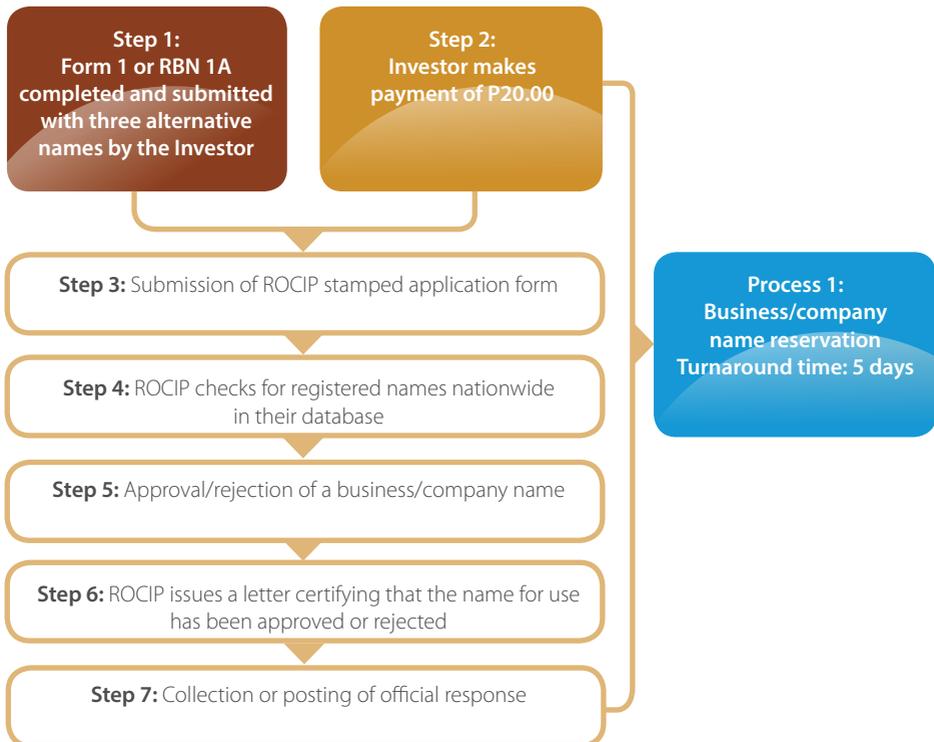
- a) Form 2 and Form 3 for a company limited by shares;
- b) Form 2A and Form 3 for a close company;
- c) Form 2B and Form 3 for a company limited by guarantee;
- d) Form 3 (declaration) to be filled by a qualified Company Secretary recognized by the Act or a Director/ member of a company;
- e) The person 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.

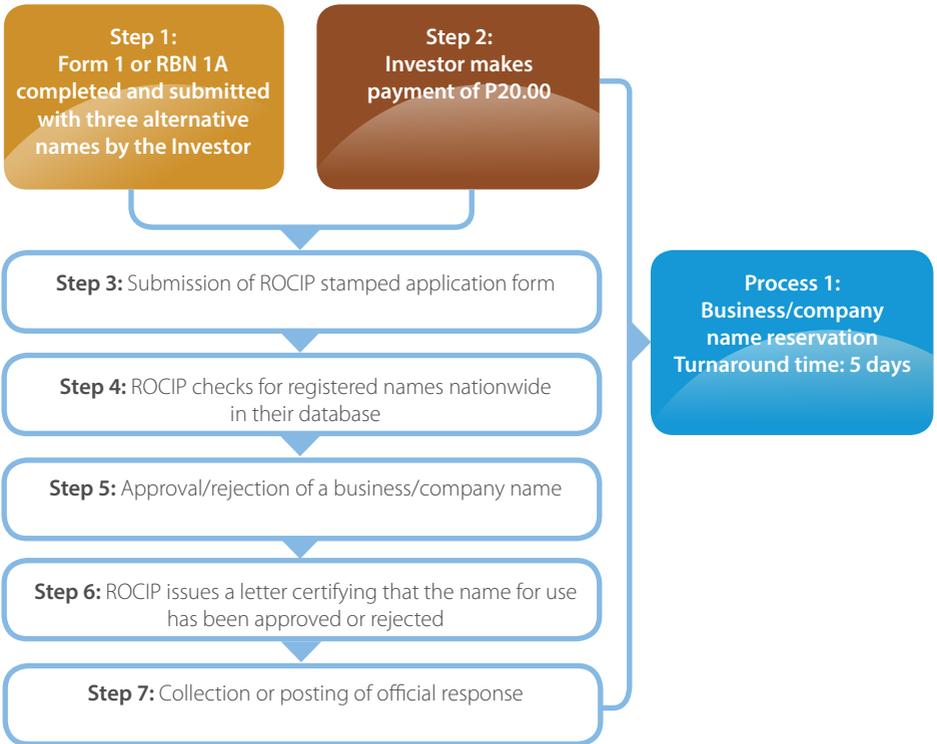
At the time of submitting, the applicant must ensure that 30 days have not lapsed from the date of confirmation of availability of business or company name. If 30 days have elapsed, the name must be reserved afresh.

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.

- Company forms: certificate of incorporation; allotment of shares; registered office; list of directors and memorandum and articles of association for companies registered before July 2007²⁰.
- Certified copies of identity documents for directors; identity cards (i.e., Omang for citizens, and passports, work and residence permits for non-citizens).
- Certified copies of share certificates.
- A resolution, bearing the company's stamp, which stating signing arrangements and is signed by all the directors and the Company Secretary.
- 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.

20. A new Companies Act Chapter 42:01 became operation on 1 July 2007. It no longer requires the memorandum and articles of association to be prepared for company registration.

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 ROCIP. 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.

The licensing committees meet weekly. The time required for the physical planner and health inspectors to inspect and issue reports can vary from one day to 1–3 weeks.



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
- b) Car wash
- 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

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:

- a) Completed application form and application fee of P100.00.
- b) Copy of Certificate of Incorporation for a company, or registration certificate in case of individual or partnership applicants.
- c) Certified copies of forms 8, 13, 14 and 15, and copies of share certificates of the company directors and shareholders.
- d) Proof of availability of business premises (written lease undertaking in lieu of agreement or title deed).
- e) 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.
- f) Certified copies of valid Omang for citizens, and of passports for non-citizen directors and shareholders.
- g) Satisfactory Physical Planner's Report for zoning of the plot.
- h) 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:

- a) 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 (Oman 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 (Omang) 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, motels, 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. 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. 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

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).

4.1 Company Tax and VAT

The same form is used to register for all the different types of tax. For corporate tax, the entity must declare whether any taxes will be withheld, in which case withholding tax registration is done simultaneously. Registration for VAT can be done once corporate tax registration has been completed. The same form is used. For VAT applications the corporate tax registration number must be shown. The application forms can be collected from any BURS office or downloaded from the BURS website, www.burs.org.bw. >

- > The following additional documents must be submitted with the registration application forms.
- a) Copy of certificate of incorporation registration.
 - b) Memorandum and articles of association / Partnership deed / Constitution (for companies formed before July 2007).
 - 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.
 - d) Copies of identity cards /passports for the public officer and directors.
 - e) List of assets owned by the company.
 - f) The application forms have provision for bank details. Tax registration will therefore only be done once a bank account has been opened.

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.

Registration usually takes five days, following which the company will be issued with a Tax Identification Number (TIN).

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:

- a) Certified copy of identity card for citizens, or certified copy of passport for non-citizens
- b) Residence and work permits for non-citizens
- c) Postal address for service notice
- d) Residential or physical address
- e) Registered office address
- f) Contact numbers
- g) Source of income

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)

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;
- 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.

5.1.4 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 (Omag) 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 II/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

Notes:
 Only applicants scoring an average of 50% and above will be considered successful
 Companies are required to score on Capital Investment and Employment

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.

- d) Connection fees. Residential: low-cost dwelling P50.00; medium-cost dwelling P150.00; high-cost dwelling P250.00. Commercial: P1,800.00.
- e) Company registration certificate.
- f) Completed application form and official stamp.
- g) 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

6.2 Power Connection

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

- a) Complete an application form obtainable from any BPC office.
- b) 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.
- c) 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.
- d) If a tenant applies for power, the landlord's written consent should be provided.
- e) On receipt of your signed application, BPC will send you an acknowledgement letter with your Business Partner number.
- f) 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.
- g) The Quotation remains valid for 30 days or 1 month from the date of issue.
- h) When making payment for new connections the following need to be provided.
 - A valid quotation
 - Identity card (Oman) 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

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

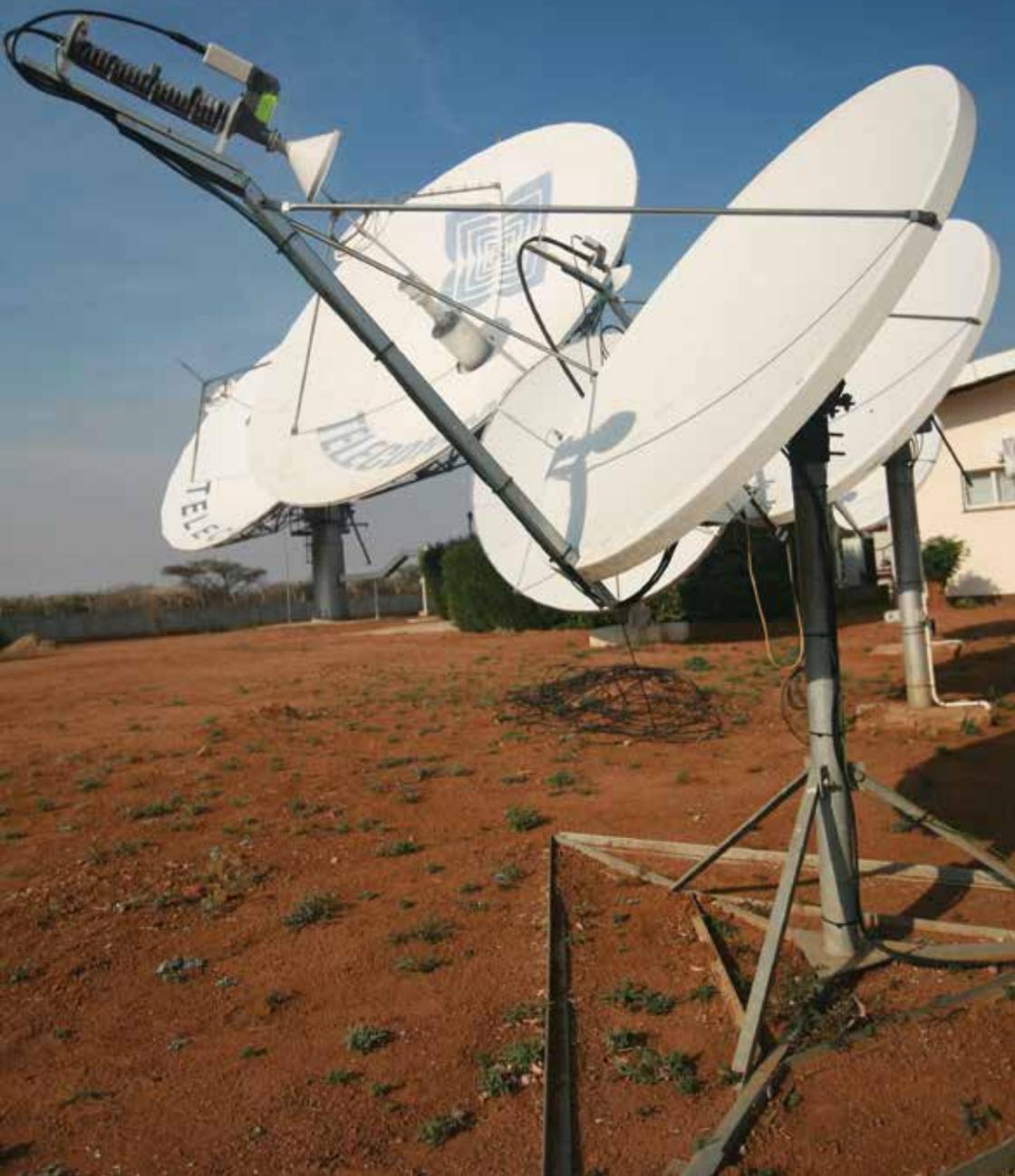
6.3.3 Mobile phone – Personal Connection

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 stating the new account number
 - 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

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.

7.2.1 Requirements to Become an IFSC Company

To become an IFSC company, a company 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

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.

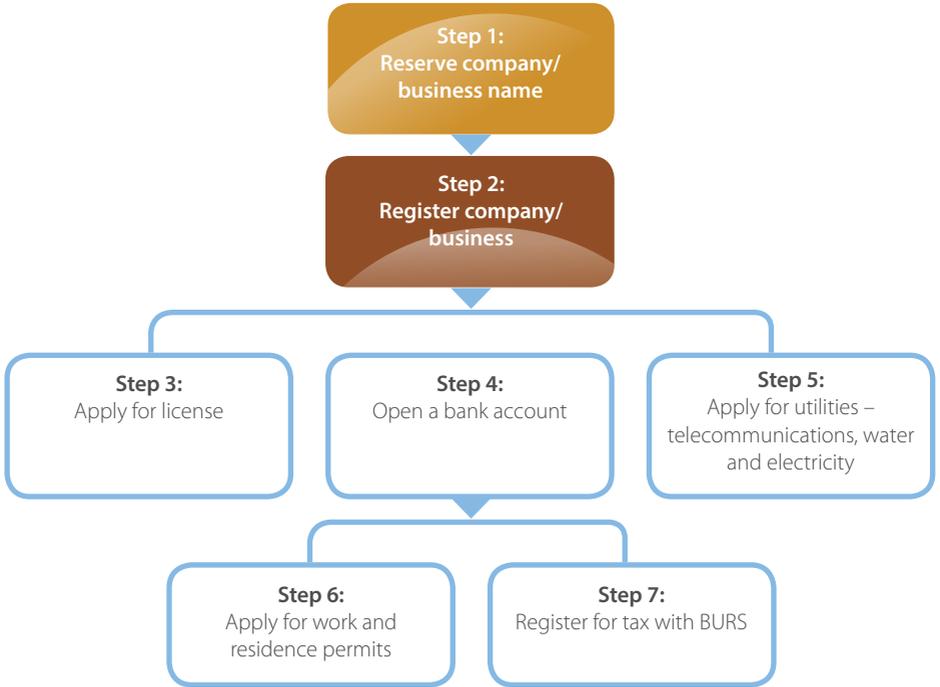
7.3.1 Requirements for Development Approval Order

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 Investors²²



22. Steps 3,4 and 5 can be undertaken concurrently



9

Botswana Investment and Trade Centre



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:





We are here to serve you

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.

National Roll out of Successful, Positive Impact SEZs

The government of Botswana adopted the Special Economic Zones (SEZ) policy which is designed to attract world class domestic and foreign investors on the basis of world class infrastructure, state of the art technology, beneficial inter-sectoral linkages and agglomeration economies of scale, specially trained manpower with relevant modern industry skills and targeted economic incentives.

BITC has been mandated with implementation of the SEZ programme, which will function as an authority within BITC. The generic functions of a SEZA, among others are to:

- Coordinate, promote and facilitate SEZ investments
- Identify locations for the purpose of establishing SEZs
- Ensure that basic infrastructure and utilities for the purpose of operations in the SEZs are in place
- Prepare national and international programmes for appropriate promotion of SEZs
- License SEZ investors

Objectives

At a broader level the SEZ is intended to achieve the following;

- Diversify the economic and export base of Botswana into sectors that will continue to grow long after diamonds mining
- Provide a hassle free business environment that offers investors a competitive edge in world markets
- Establish one stop full service business environment that caters for the needs of all businesses inside the SEZs areas
- Create business development opportunities for small, medium and micro-enterprise suppliers that will meet the expanding needs of SEZ enterprises
- Develop a portfolio of public sector, private sector and public-private partnership (PPP) SEZ as dictated by the market
- Develop SEZ that are integrated into domestic, regional and international markets
- Cluster business enterprises according to their trade with a view to achieving mutually beneficial inter-sectoral linkages and economies of agglomeration within SEZs
- Provide SEZ incentive packages that are consistent with Botswana's domestic and international trade obligations
- Develop SEZ labour laws that are consistent with the International Labour Organization labour standards; and
- Create employment through the development of suitable country wide SEZ.



Brand Botswana

As custodian of the national brand, BITC is accountable for the development, implementation and monitoring of national brand strategies and plans. National brand objectives are that the brand should;

- galvanise Botswana around a single identity to stimulate stronger communities, culture and heritage, and instil a greater sense of pride and community engagement in our country
- position Botswana to international audiences as an attractive place to visit, work and invest. The brand highlights our national assets, including our people, and our culture, our tourism attractions, our 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

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