



DOING BUSINESS IN BOTSWANA

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INVESTMENT TRADE CENTRE

Botswana at a glance

Population

2.3 mn

GDP per capita
(Current Prices 2021)

\$6,997

Inflation 2022

(December) 12.4%
Objective Range 3 - 6%

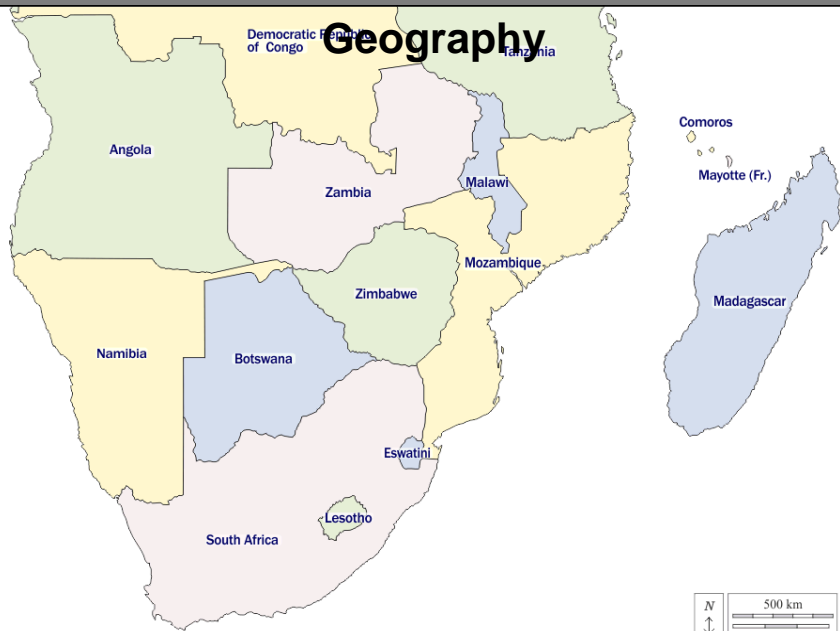
Monetary Policy Rate

2.65%

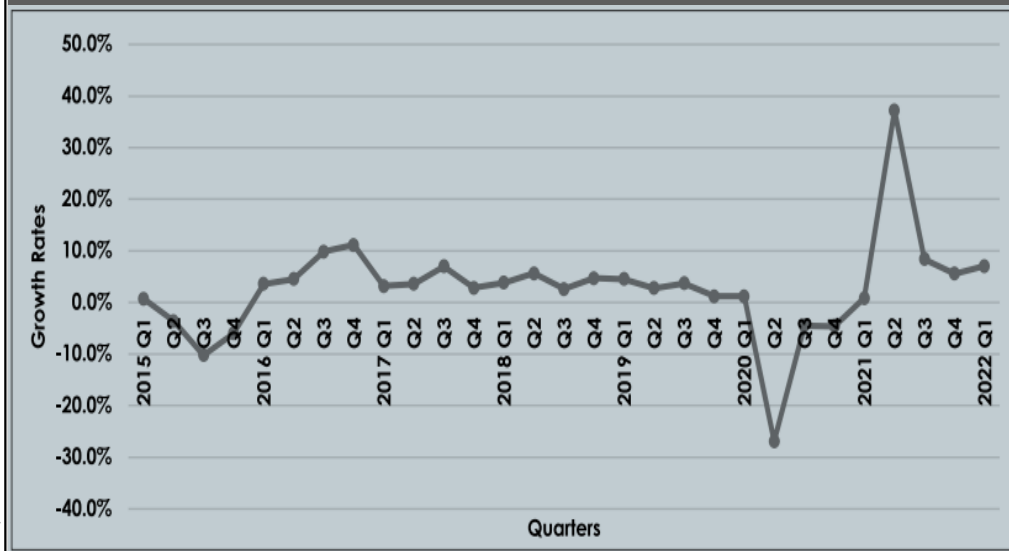
Prime Lending Rate

6.76%

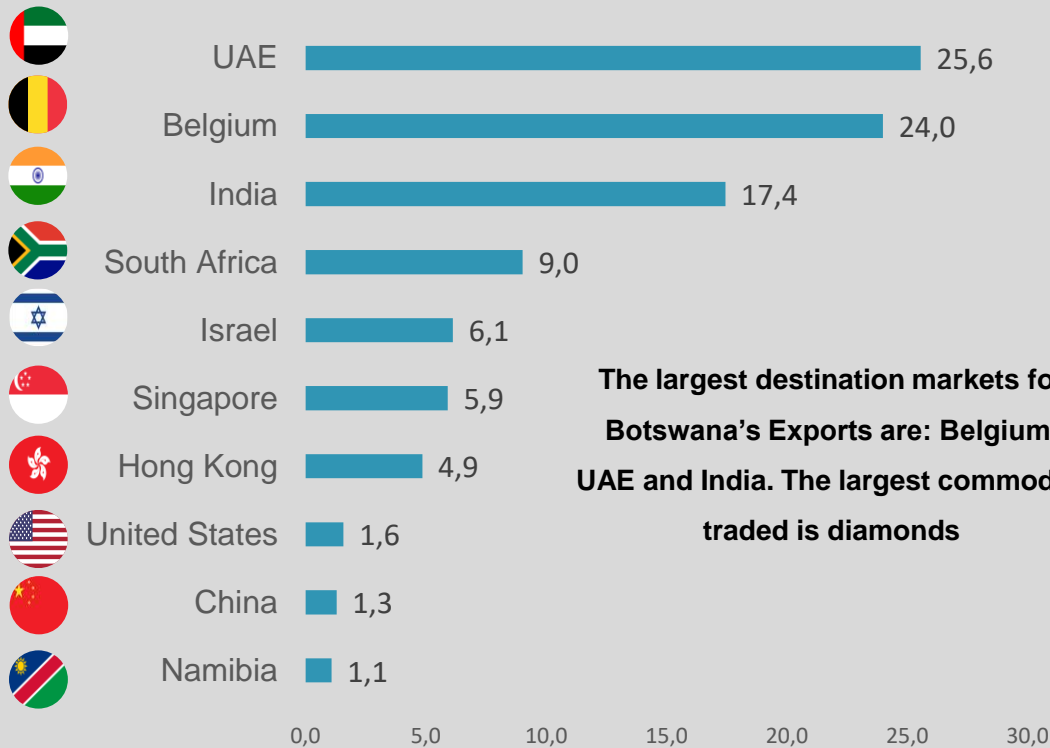
Geography



Real GDP Growth Rates



Principal Commodity Exports 2021

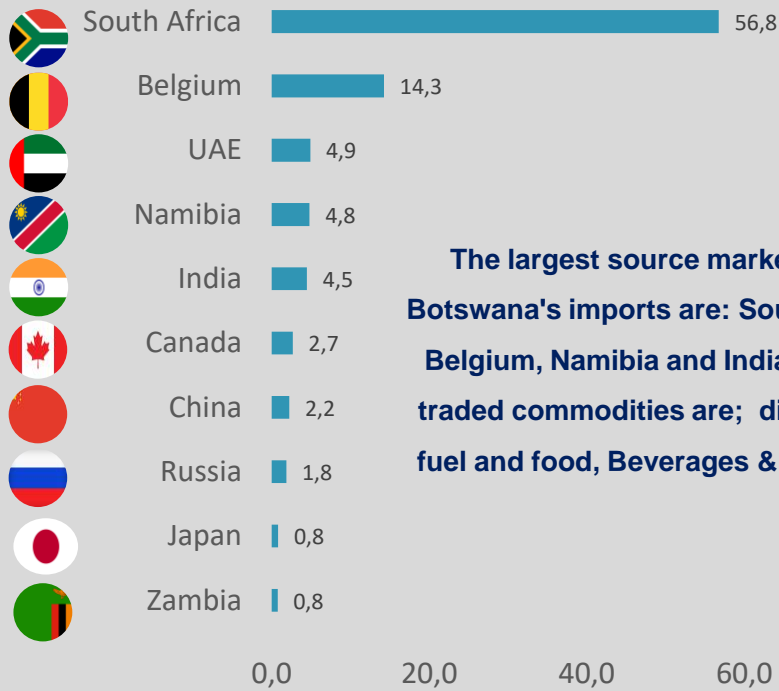


The largest destination markets for Botswana's Exports are: Belgium, UAE and India. The largest commodity traded is diamonds

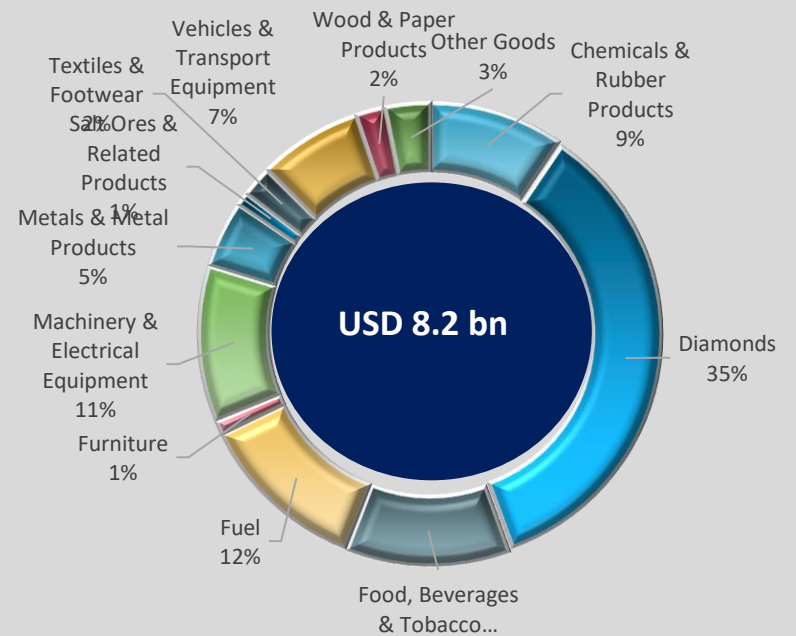


Source: Statistics Botswana 2021, Global Trade Atlas

Principal Commodity Imports 2021



The largest source markets for Botswana's imports are: South Africa, Belgium, Namibia and India. Mostly traded commodities are; diamonds, fuel and food, Beverages & Tobacco

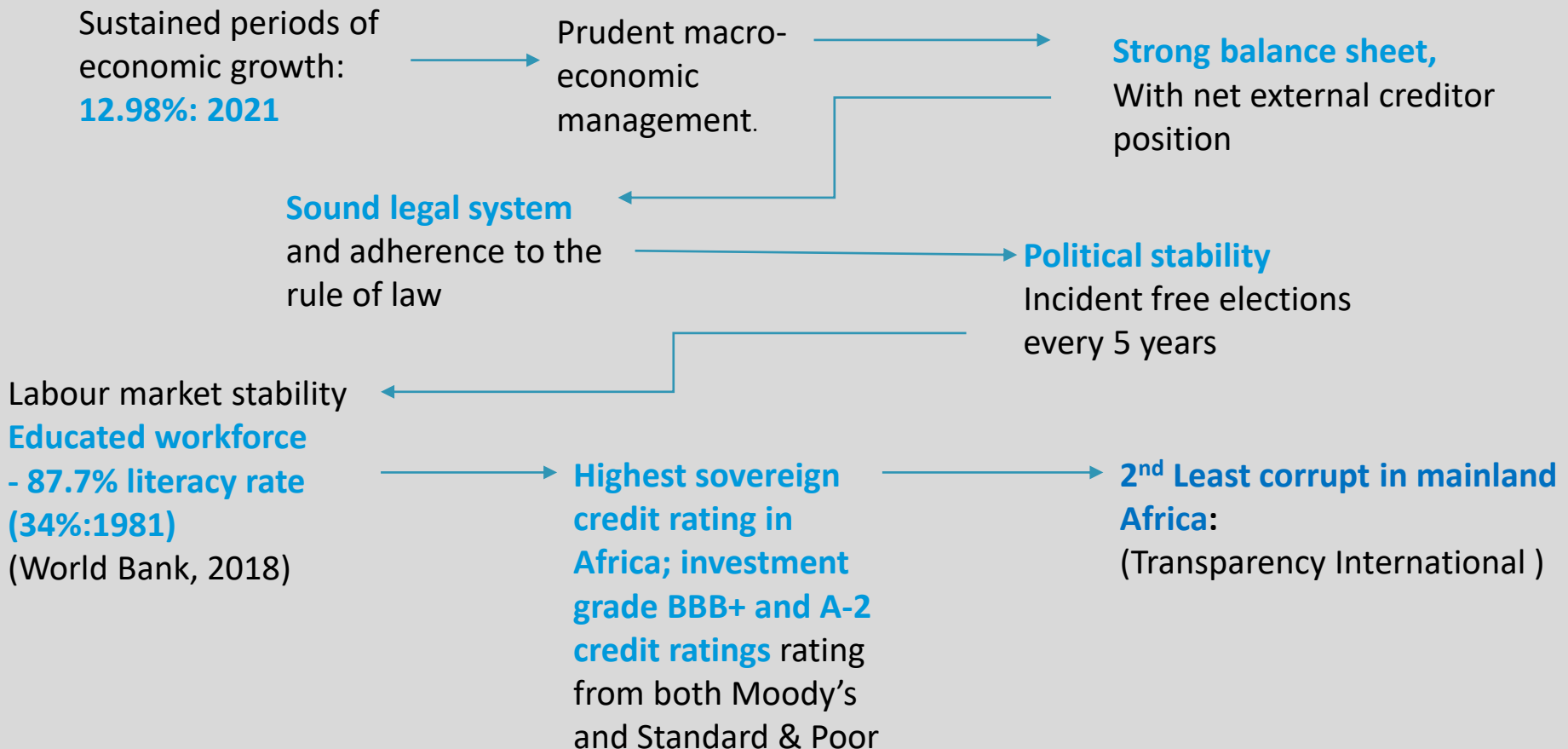


Source: BITC, Statistics Botswana 2022, Global Trade Atlas

Bilateral and Multilateral Trade Agreements

SADC	SACU	SACU - EFTA	SACU - MERCOSUR	AGOA	BOTSWANA - ZIMBABWE	EAC-SADC-COMESA	AfCFTA	EU-SADC EPA
GENERAL INFORMATION								
Preferential market access to more than 293 million consumers in the SADC region	Duty free and quota free market access - 61 million consumers (Botswana, South Africa, Namibia, Lesotho and Swaziland)	The Free Trade Agreement between the Member States of the European Free Trade Association (EFTA) - Iceland, Liechtenstein, Norway and Switzerland – and SACU	SACU signed a Preferential Trade Agreement (PTA) with South American customs union known as Mercosur, comprised of: Argentina, Brazil, Paraguay, and Uruguay.	Duty free and quota free market access to the USA	Goods originating from either of the trading partners are exempted from payment of customs duties on condition that the goods meet a minimum 25% local content	Create a single market comprising of Eastern and Southern African countries with ultimate aim of moving towards a continental African free trade area	Expand intra African trade through better harmonization and coordination of trade liberalization and facilitation regimes and instruments across RECs and across Africa in general	Duty free and quota free market access to the European Union
www.sadc.int	www.sacu.int	www.sacu.int	www.mti.gov.bw	www.agoa.info	www.mti.gov.bw	www.mti.gov.bw	www.mti.gov.bw	www.mti.gov.bw

Botswana's Investment Climate



INVESTMENT OPPORTUNITIES

Mining and resource beneficiation



(Diamonds, copper, nickel, iron ore, coal, salt & soda ash, manganese, etc.)

Energy

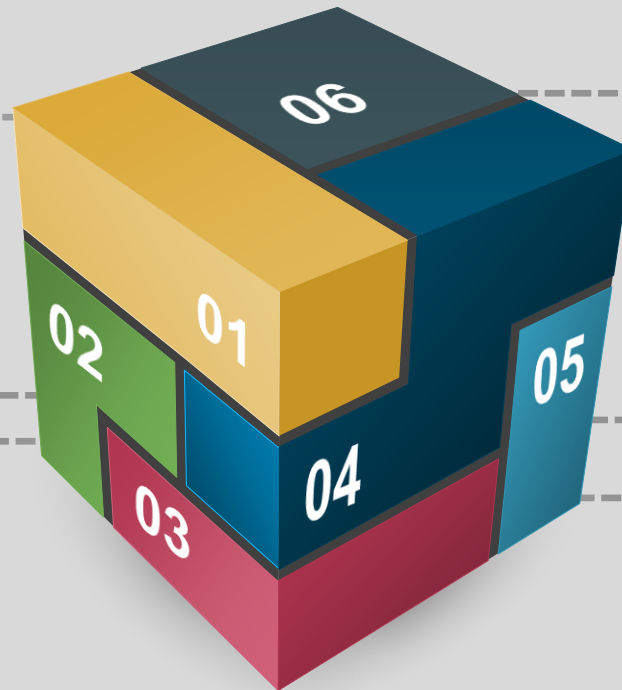


(Solar, bio-gas, biodiesel, electricity generation, coal to liquids)

Services



(IFSC, Business Services, BPO, ICT, Data, Centres, Tourism)



Manufacturing

(Pharmaceuticals, electrical & electronics, vehicles & vehicle components, etc.)



(IFSC, Business Services, BPO, ICT, Tourism)

Agribusiness



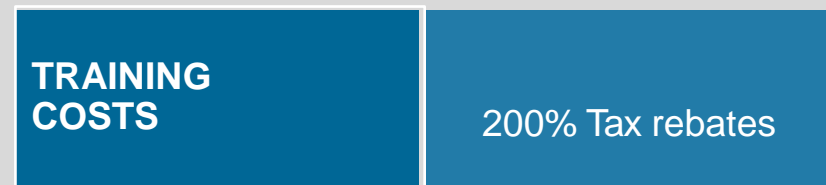
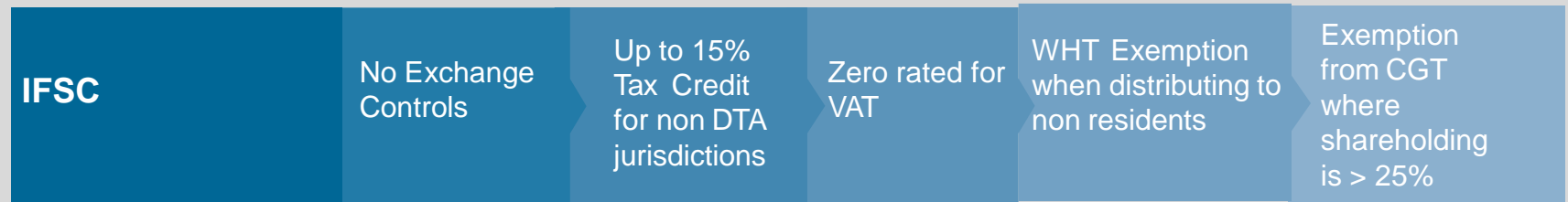
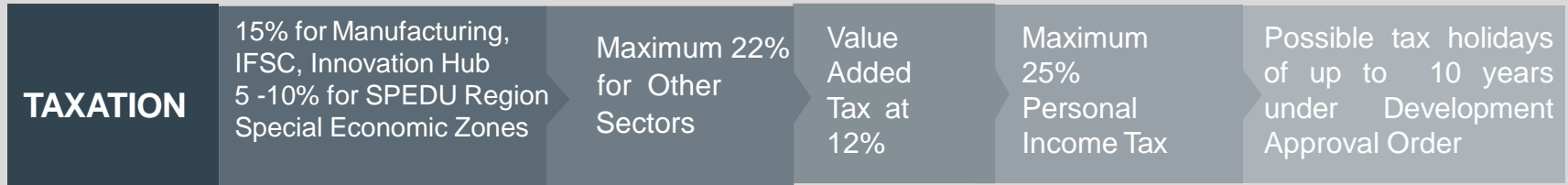
(Smallstock, beef, horticulture, aquaculture)

Tourism



(MICE, Lodges, agro-tourism, Medical Tourism)

Investment Incentives and Tax Regime



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

INCENTIVES – SPEDU REGION

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



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





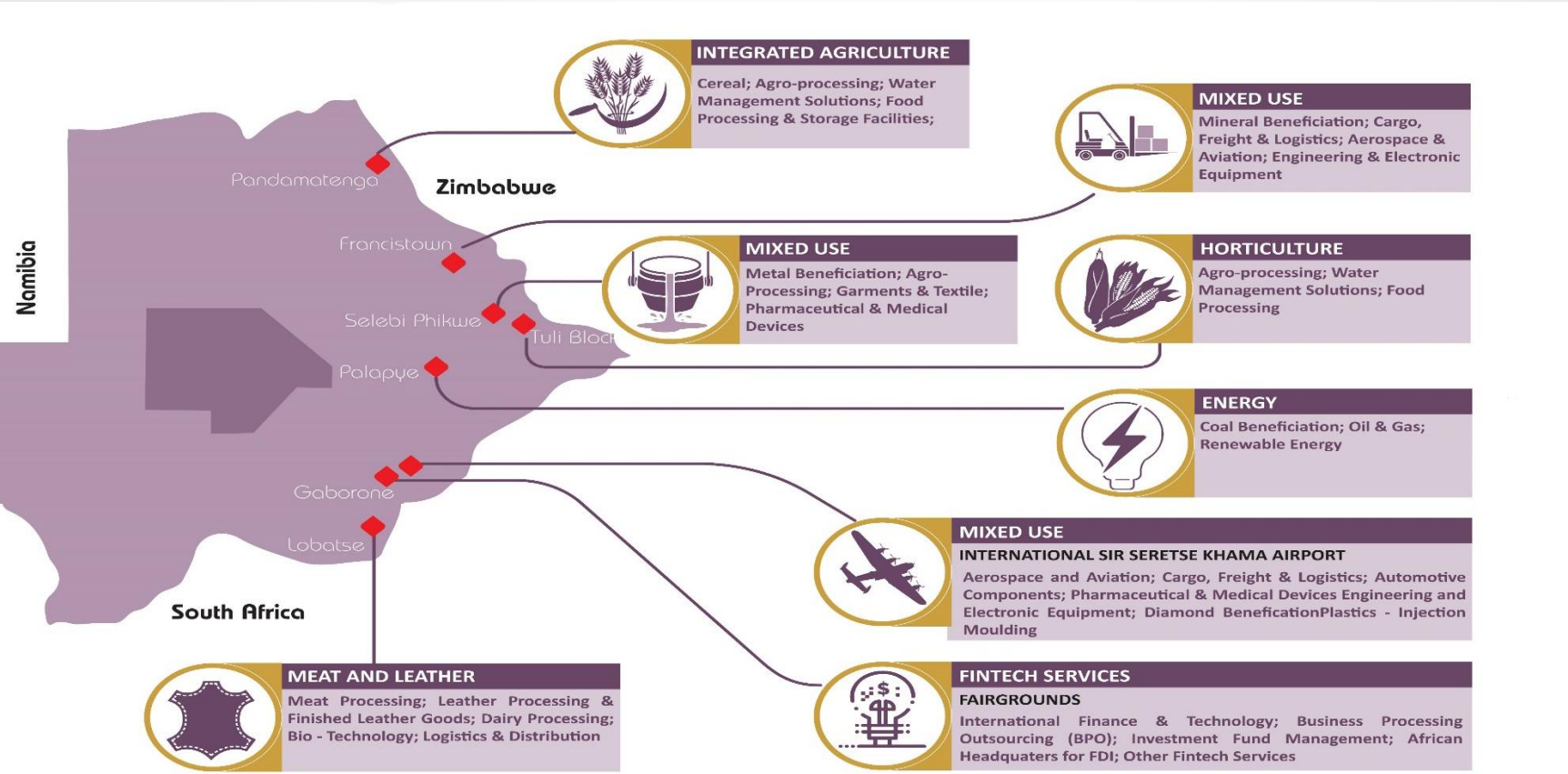
Table 1: Incentives for SPEDU Region

To be governed by the following principles:

- › Incentives should address specific industry bottlenecks and competitiveness requirements;
- › Incentives should be outcome-based aimed at stimulating private sector investment, technology development, market access and activities that create jobs;
- › Incentives should mainly be in-kind; and
- › Incentives should not create businesses that are dependent on Government.

CATEGORY OF INCENTIVES		APPROVED INVESTMENT INCENTIVES FOR SPEDU
(a)	Fiscal incentives <i>Fiscal Incentives (provided in line with SACU provisions)</i>	<ul style="list-style-type: none"> • 5% corporate tax for the first five years; 10% corporate tax thereafter; • Zero customs duty on imported raw material; • Provide rebate of Customs duties and Value Added Tax under Schedule 4 - Rebate Item 470.03, and VAT Act Third Schedule - Item 470.03 for manufacturing done exclusively for export outside Common Customs Area (CCA); • Provide rebate of Customs duties and Value Added Tax for importation of raw materials under Schedule 3 of the customs tariff and VAT act.
(b)	Government off-take	<ul style="list-style-type: none"> • Direct Government off-take on procurement of at least 30% (First preference in Government procurement provided the quantity, quality and price requirements are met), in line with Economic Diversification Drive (EDD).
(c)	Provision of Land	<ul style="list-style-type: none"> • Minimum 50 years land leases;
(d)	Input Costs	<ul style="list-style-type: none"> • SPEDU Region will provide internet connectivity with bandwidth that promotes business competitiveness; • Preferential ICT rates (telecommunications, data and voice rates) as already provided for IFSC companies;
(e)	SPEDU Region Labour Laws	SPEDU Region Employer - Employee Relations (To provide work environment which promotes productivity and harmonious employer/employee relations).
(f)	One Stop Service Centre	<ul style="list-style-type: none"> • Dedicated and empowered One Stop Service Centre for the SPEDU Region; • Delegate all authority and responsibility to the SPEDU Company to issue licenses and permits; • Streamlined processes for issuance of Work and Residence Permits under the One Stop Service Centre; and • SPEDU Company to conduct Strategic Impact Analysis (SIA) and issue all-inclusive Environmental Impact Assessment (EIA) permit for all investors.

SEZA LOCATIONS



Incentives Package For Investors: Fiscal Incentives (SEZA)



5% Corporate Tax for the first 10 years
10% Corporate Tax thereafter



- Fast tracked land allocation
- Long term renewable land leases



Zero-rated VAT on Raw Materials for Manufacturing for Export



Duty-free Imports of Specialist Plant and Machinery for Manufacturing Purposes



Waiver on Transfer Duty on Land and Property
Property Tax Exemption for 5 years



- No Exchange Controls
- Full Repatriation of Profits and Capital



- Support in fast tracking the issuance of visas, work and residence permits;
- Support in fast tracking business or sector based licences, permits



- Develop cluster networks aimed at improving productivity and competitiveness;
- Link Investors to national policy and influencing networks.



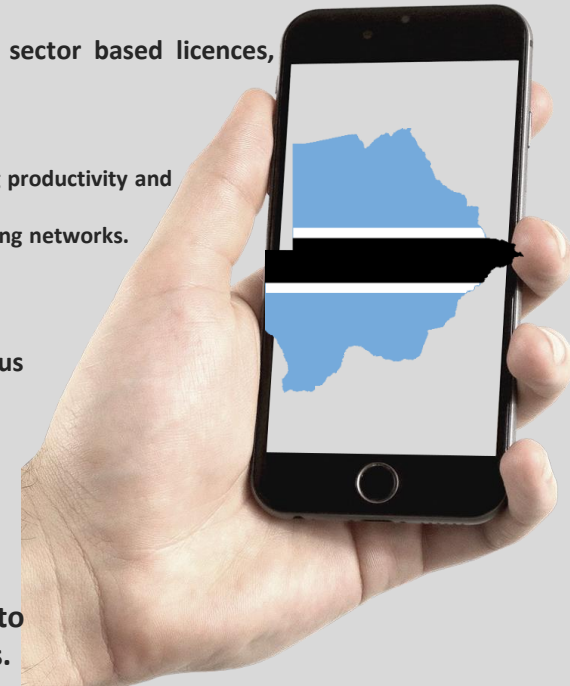
- Efficient Customs Facilitation
- Registration of Bonded warehouse status
- Registration for preferred trader status



- Environmental application facilitation;
- Online business registration;
 - 24-hour business support services.



- Facilitation of building permits.
- Identify and introduce investors to local suppliers of goods and services.



APPROVED INTEGRATED ENERGY RESOURCE PLAN PROJECTS

Generation Capacity	Technology	Commercial Operation Date	Status
100MW	Solar PV	2022	Under Procurement (The project is divided into 2x 50MW Project sites, with the Selebi- Phikwe awarded, and Jwaneng site having been re-rendered)
35MW	Solar 1 PV	2022	7 of the 12 Grid Tied Solar PV Projects (totalling the 35MW) have been re-rendered, with the rest having been awarded and at different stages, some working towards attaining FC.
10 to 100MW	CBM	2025	Tlou Energy has been awarded 10MW Pilot Project, and development of the Transmission Line has started; negotiations with Sekaname (Pty) Ltd are on- going
200MW	CSP	2026	Under procurement (at pre- qualification stage)
300MW	Coal	2026	Under procurement (At Tender evaluation stage)
50MW	Wind	2027	Procurement to start in 2024 after wind resource mapping is complete
100MW	Solar 2 PV	2027	Procurement to start in 2025
18MW	Battery Storage	2032	Procurement to start in 2029

ABOUT BITC



BITC Mandate and Global Coverage



- **Head office:** Plot 54351, CBD, Gaborone
- **London Office:** 6 Stratford Place, London W1C 1AY, United Kingdom
- **RSA Office:** 1 Sandton Drive, Alice Lane, Johannesburg, South Africa.
- **India Office:** Vasant Vihar, New Delhi 110057, India.
- **Network of Botswana Embassies** around the world,
- **Professional advisory firms,**
- **National and Regional Chambers of Commerce**
- **Other collaborating partners** (Corporates and ITPOs) around the world

Investment facilitation services through Botswana One Stop Service Centre offering



Company & Business Registration



Opening of Bank Accounts



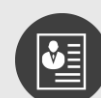
Income Tax & VAT Registration



Trade & Business License Applications



Opening of Bank Accounts



Entry Visas, Work & Residence Permits & Exemptions



Industrial & Commercial Land / Factory Shells



Incentives; IFSC, Manufacturing, Tax Holidays (DAO)



Aftercare Services – renewals, expansions etc.



Environmental Impact Assessment Compliance



Utility Connections

THANK YOU

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