

DOING BUSINESS WITH BOTSWANA

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Chief Executive Officer

4th August 2020



PRESENTATION OUTLINE

- KEY FIGURES & FACTS
- BOTSWANA'S COMPETITIVENESS
- TRADE BETWEEN BOTSWANA & POLAND
- KEY SECTOR OPPORTUNITIES
- INVESTMENT INCENTIVES
- ABOUT BITC



KEY FIGURES

& FACTS



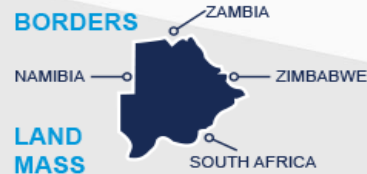
BOTSWANA: KEY FACTS & FIGURES



POPULATION

2.333 MILLION

BORDERS



LAND MASS

582 000 km²

GDP

USD 18.347 Bn (WB, 2019)

GDP PER CAPITA

USD 7,961(WB, 2019)



INFLATION

(0.9 % June 2020),
BoB Target is 3% - 6%



INTEREST RATES

Bank rate 4.25%:
Prime Rate 5.75%

KEY EXPORT PRODUCTS 2019

(Total merchandize exports
= US\$5.23 million)

Diamonds, copper, nickel, Ignition wiring sets and other wiring sets for vehicles, boneless beef, soda ash, and copper ores and concentrates



KEY IMPORT PRODUCTS 2019

(Total merchandize imports
US\$6.56 million)

Non-industrial diamonds, petroleum products, Industrial diamonds



BOTSWANA LOCATION IN AFRICA



CHALLENGES THAT COVID-19 HAS BROUGHT TO BOTSWANA

GDP to contract by -13.1 % in 2020 and rebound by 3.9 % 2021

Trade, hotels and restaurants to contract by -32.2%. It contribute 19% of GDP

Transport and Communications to contract by -4.2%. It contributes 6% of GDP

Mining sector to contract by -33 percent. It is the largest source of revenue, 91% of export earnings, 15% of GDP in 2019

Manufacturing to contract by -10%. It contributes 5% of GDP

Social & personal services to contract by -4.8%. Contributes 6% of GDP

Source: UNDP, 2020

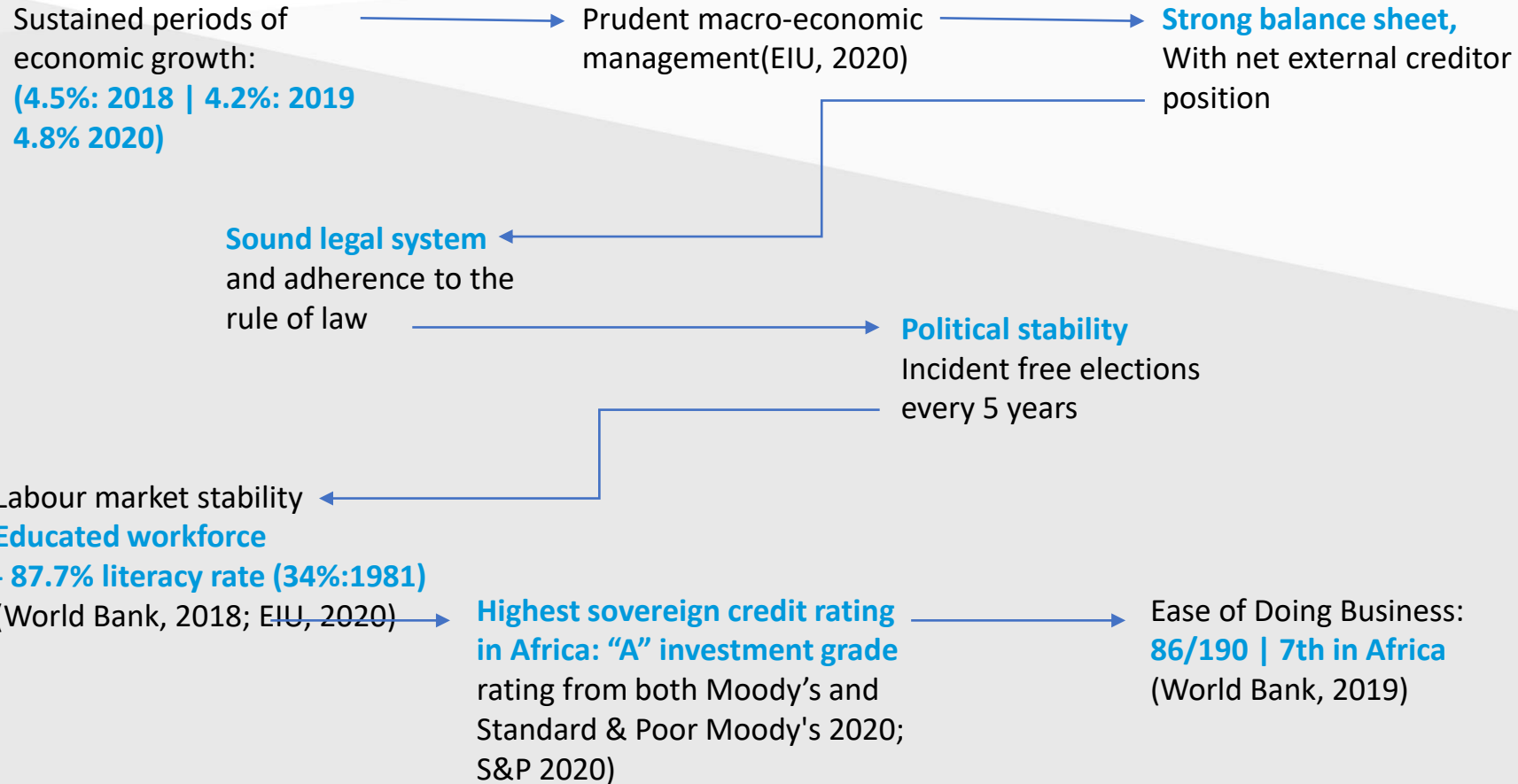


BOTSWANA
INVESTMENT
& TRADE CENTRE

BOTSWANA'S COMPETITIVENESS

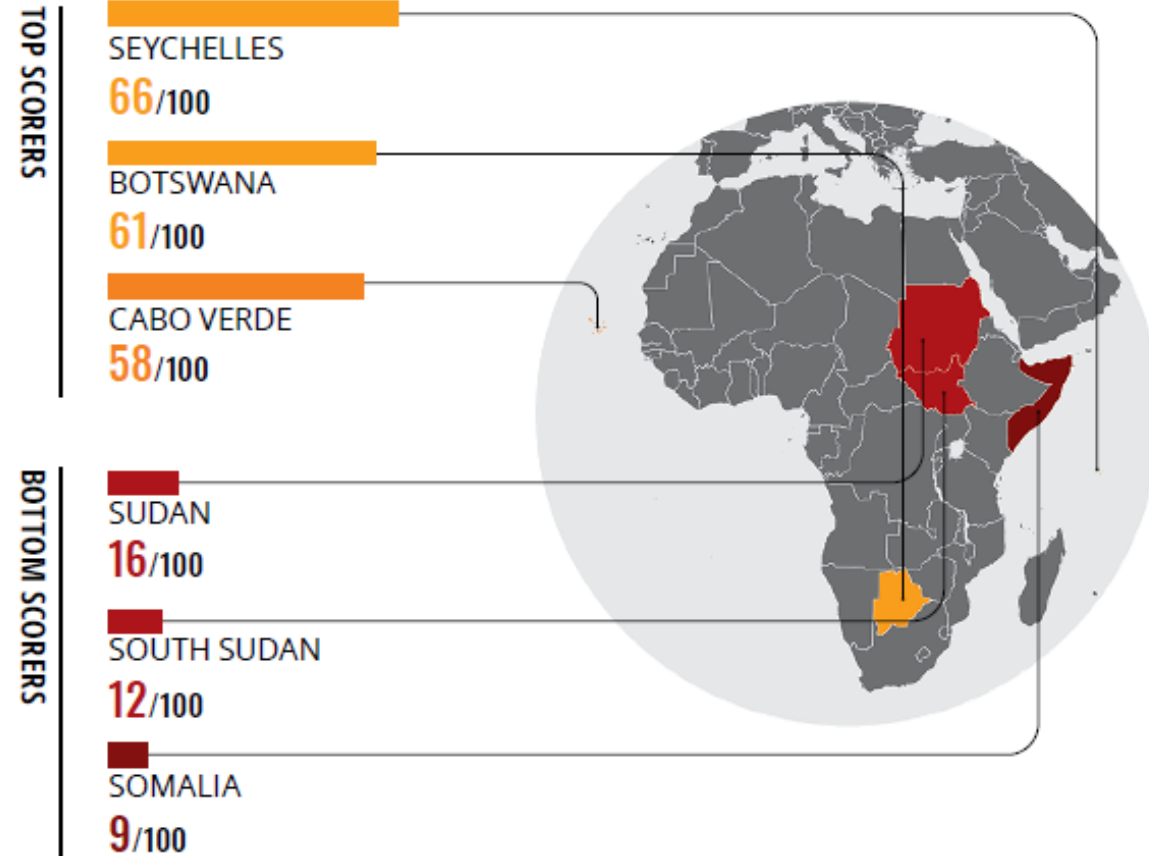


BOTSWANA'S INVESTMENT CLIMATE

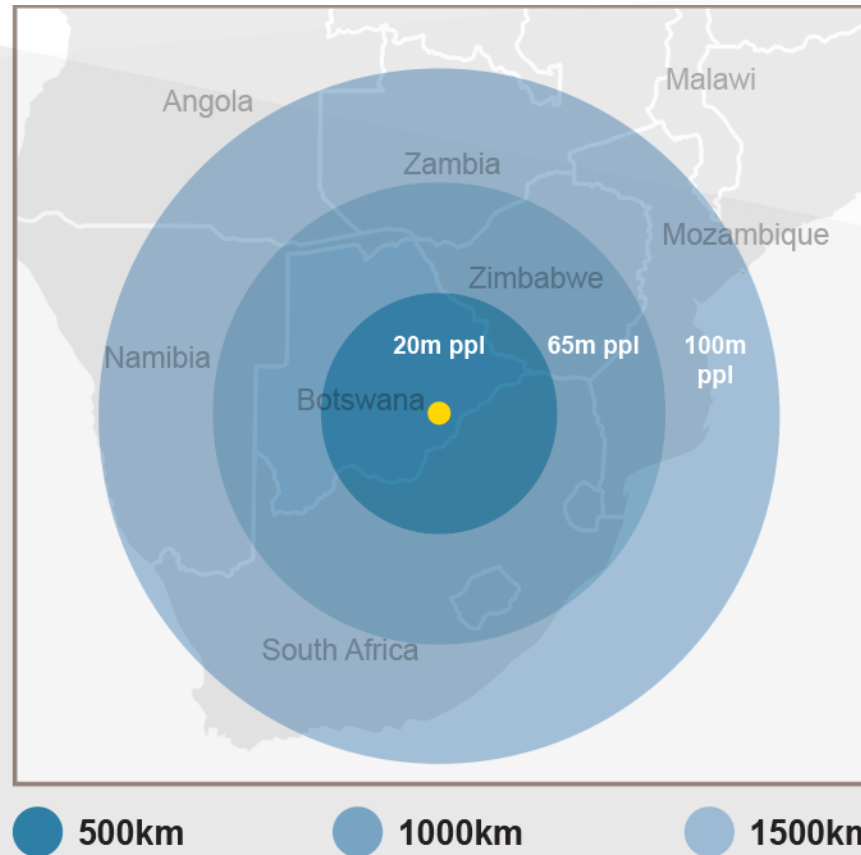


WE ARE COMMITTED TO PROGRESS WITH INTERGRITY...

Second Least corrupt country in Sub Saharan Africa.



LOCATION ADVANTAGE



- Botswana has devised **national strategies** to effectively **link its priority sectors with regional value chains**.
- **Preferential market access to SACU, SADC, EU, MERCUSOR and US markets.**

**TRADE BETWEEN
BOTSWANA AND POLAND**

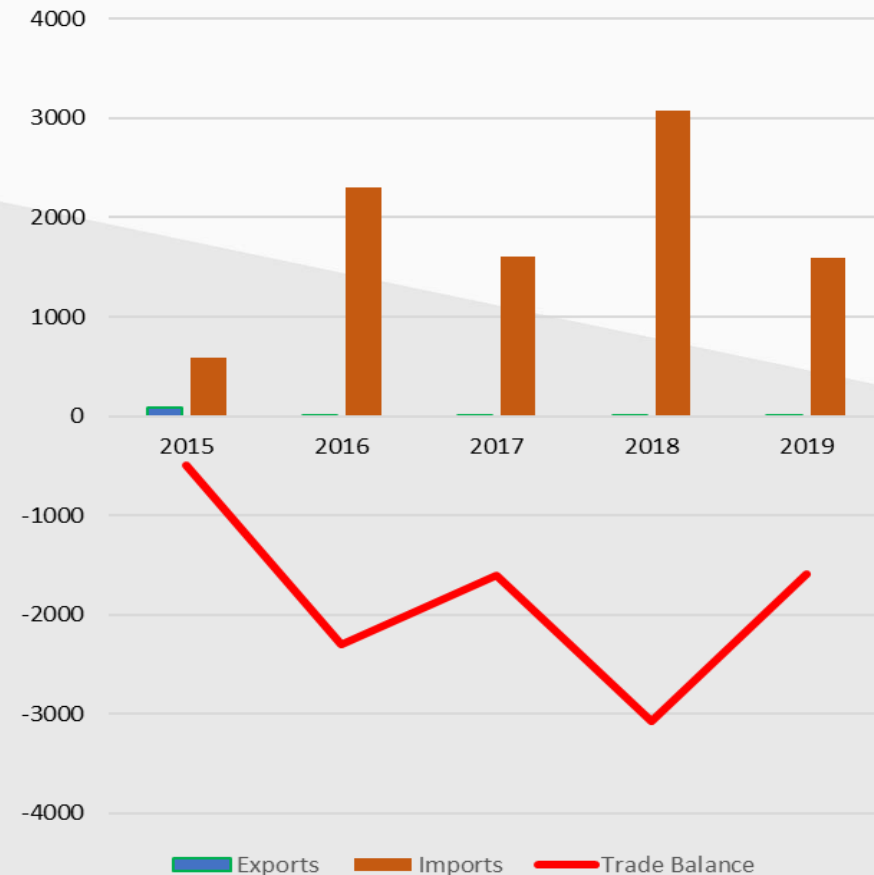


TRADE BETWEEN BOTSWANA AND POLAND

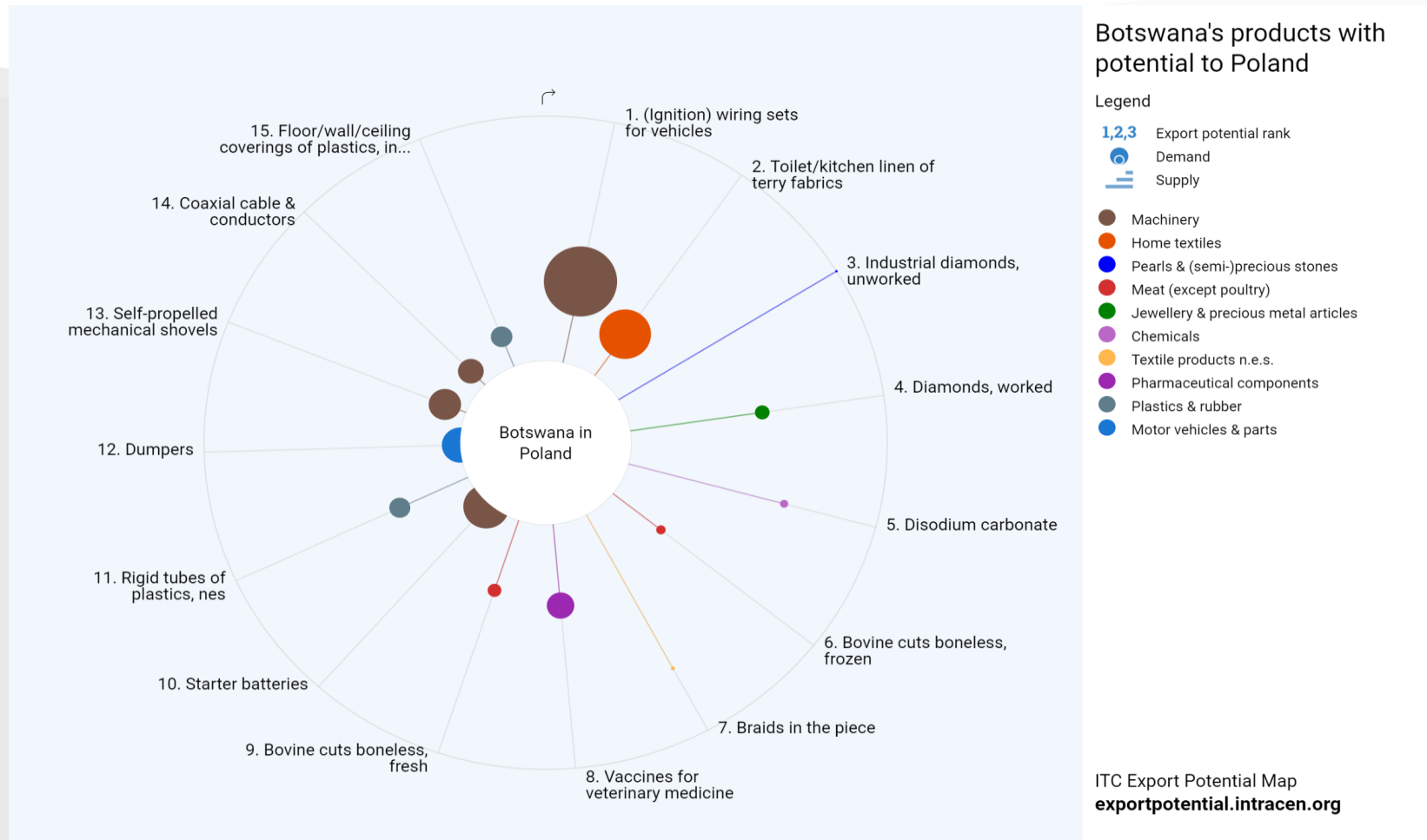
SADC	SACU	SACU - EFTA	SACU - MERCOSUR	AGOA	BOTSWANA - ZIMBABWE	EAC-SADC-COMESA	AfCFTA	EU-SADC EPA
GENERAL INFORMATION								
Preferential market access to more than 293 million consumers in the SADC region	Duty free and quota free market access - 61 million consumers (Botswana, South Africa, Namibia, 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

TRADE BETWEEN BOTSWANA AND POLAND 2014 – 2018 (US\$ 000)

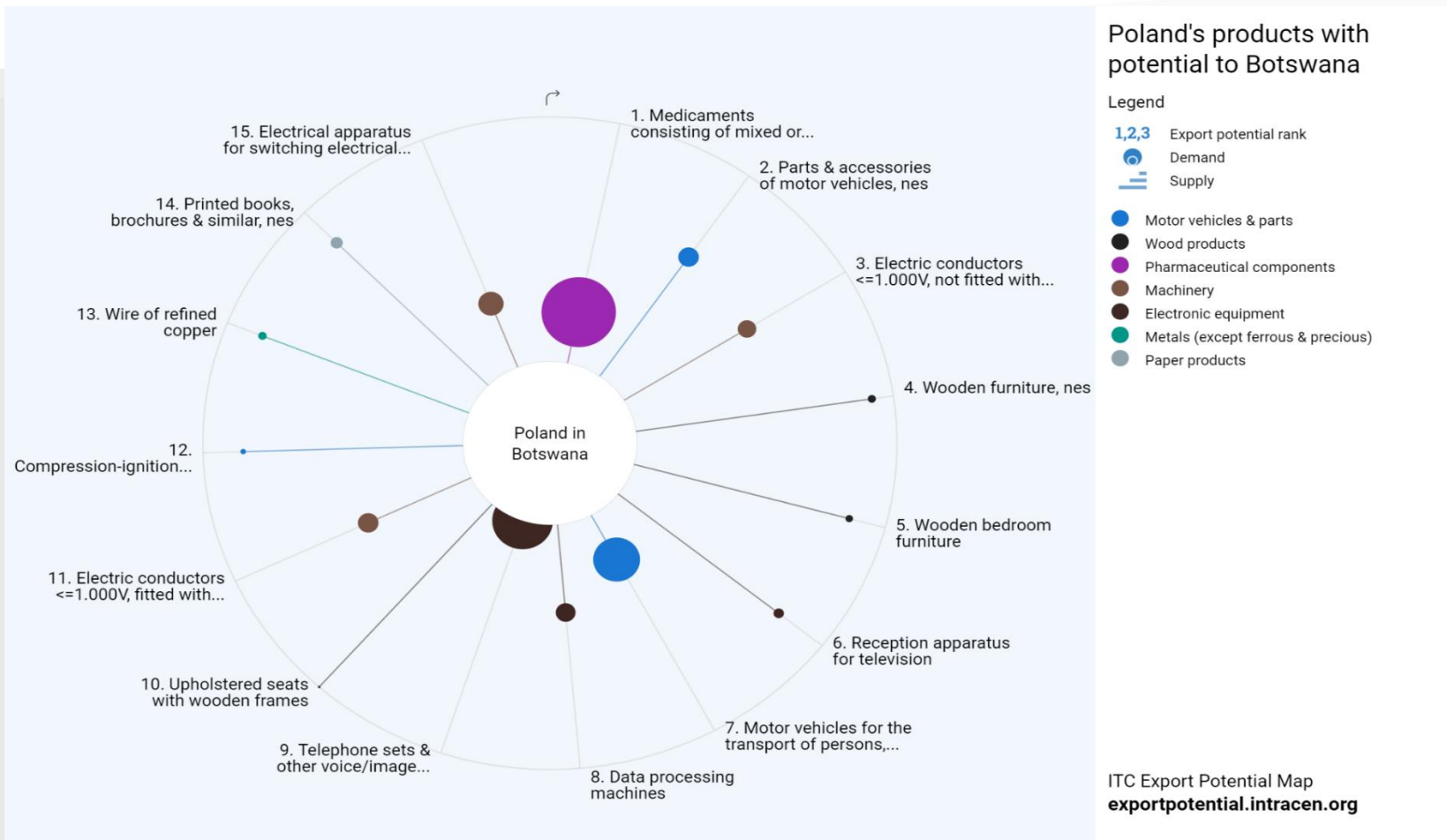
- ❑ Despite the market Access availed through the SADC EU Economic Partnership Agreements, trade between Botswana and Poland is minimal
- ❑ Trade Between Botswana and Poland is negligible and it is in favour of Poland.
- ❑ Imports from Poland grew from US\$ 583 000 in 2015 to reach US\$ 1.4m 2019; and comprises mostly of HS 8517 – Telephone sets incl. telephones for cellular networks ...; HS 843143 – Parts for boring or sinking machinery of subheading 8430.41 or 8430.49, n.e.s. amongst others



BOTSWANA EXPORT PRODUCTS WITH POTENTIAL TO POLAND



POLAND EXPORTS WITH POTENTIAL TO BOTSWANA



PRIORITY INVESTMENT SECTORS: COMMERCIAL AGRICULTURE & AGRO PROCESSING



Aquaculture Production:
Consumption – 4, 000 t/yr
Production - 300 tons
Imports – 3, 700 tons

Other Agribusiness Opportunities

- **Chemical Fertilizer production** – market valued at **US\$19.1m (imports)** – **limited or no local production facilities**
- **Animal Feed.** In 2019 BW imported **US\$ 41 m** of HS23 from RSA, Zambia, Zimbabwe & as far Europe): Opportunities for import substitution.



Dairy Production
Milk production: 8.08m Litres (2019)
Imports: 38.9 m Litres (2019)
National Milk Demand: 65 m Litres
 Value Chain analysis cost the Inv
 Opportunity at **BWP 1.83 bn (PSDP, 2015)**



Zambezi Integrated Agro-commercial project:
25000ha (15000ha rainfed & irrigation of field crops; 10000 horticulture; Investment Cost: BWP3.8 bn US\$ 380mn)



Horticulture
Fresh Fruits Imports in 2019 – US\$29.5 m (RSA – 99.7%) (apples – 33%; bananas – 23% etc (ITC 2020))



Ostrich Production: Population 77,000;
Opportunity: Breeding & Hatching
EU Compliant Abattoir capacity – 20 000 birds; Anchor tenant at DOMU

BOTSWANA HEALTH SECTOR

Health system is both Government (Public) and Private Sector based

Public Sector healthcare services are almost free for citizens whilst foreigners pay a reasonable and subsidized price

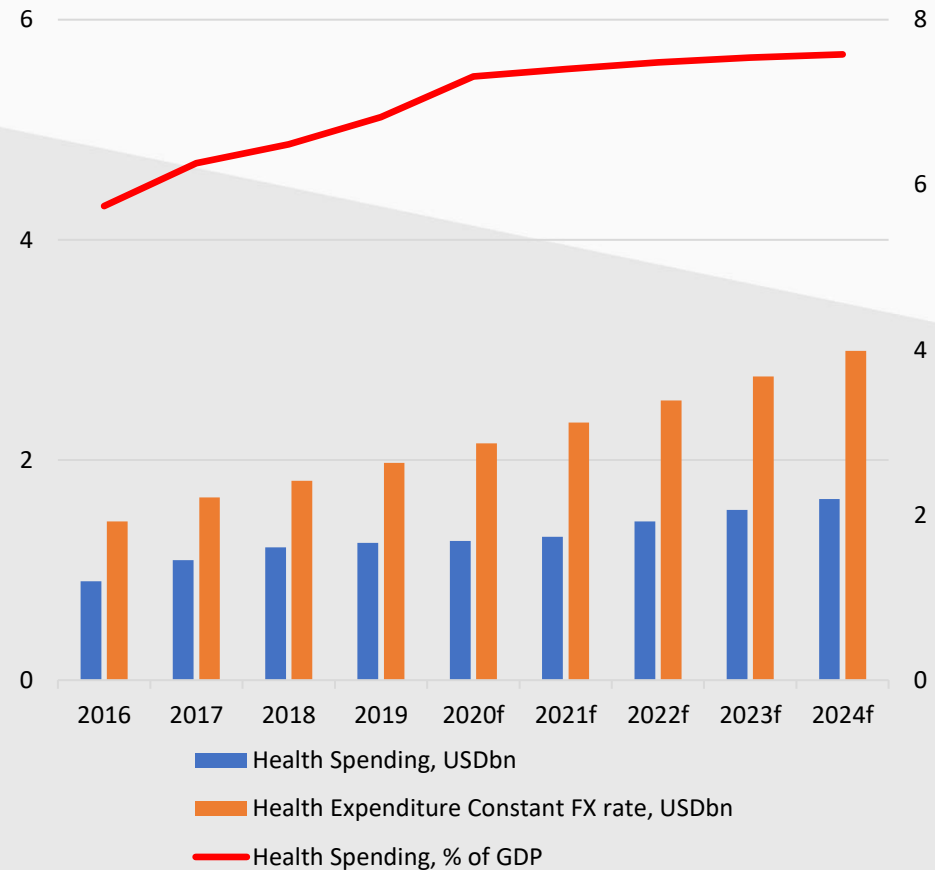
Private Sector health care services are mostly used by people who prefer not to use public sector health services

Healthcare delivery is decentralised with primary healthcare being the pillar

Extensive network of health facilities: hospitals, clinics, health posts and mobile stops.

HEALTHCARE EXPENDITURE TRENDS, HISTORICAL DATA AND FORECAST 2015-2024

- Healthcare forecast to increase from BWP13.42bn (USD1.25bn) in 2019 to BWP14.6bn (USD1.27 bn) in 2020, increasing by 8.9% in local currency terms (1.4% in USD terms)
- Market forecast to grow at a 5-year compound annual growth rate (CAGR) of 8.7% in local currency terms (5.7% in US dollar terms to reach BWP20.31bn (USD1.64bn) in 2024
- Government accounted for 83.8% of Healthcare spending, contributing BWP11.24bn (USD1.05bn) in 2019




Source: Fitch Solutions

INVESTMENT OPPORTUNITIES – PUBLIC HEALTH SECTOR


Number of Public Health Facilities										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Hospitals	17	17	18	18	18	18	19	18	18	18
Primary Hospitals	17	17	17	17	17	17	17	17	17	17
Clinic with Beds	101	106	111	114	108	108	104	105	104	104
Clinics without Beds	171	173	175	175	180	182	195	206	214	214
Health Posts	338	351	343	357	347	349	350	351	347	347
Mobile Stops	844	876	1,052	894	898	900	906	931	973	973
Number of Beds										
General Hospitals	2,718	2,806	3,080	3,532	3,823	3,768	3,982	4,009	4,090	4,090
Primary Hospitals	737	737	746	748	738	750	808	808	901	901
Clinics	700	696	735	733	733	758	760	760	760	760
Total Beds	4,155	4,239	4,561	5,013	5,294	5,276	5,550	5,577	5,751	5,751
Healthcare Professionals										
Doctors	709	716	819	819*	819*	819*	n/a	n/a	n/a	830
Dentists	32	18	55	55*	55*	55*	n/a	n/a	n/a	91
Nurses	5,765	5,616	5,816	5,816*	5,816*	5,816*	n/a	n/a	n/a	7,427
Family Welfare Educators	476	450	166	166*	166*	166*	n/a	n/a	n/a	n/a

SELECTED PRIVATE HEALTH SECTOR FACILITIES

**Total
588 Beds**

**54
beds**



**59
beds**



**110
beds**



**235
beds**

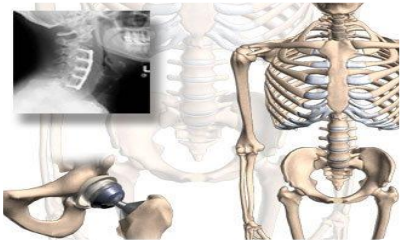


**132
beds**

INVESTMENT OPPORTUNITIES – PUBLIC HEALTH SECTOR



NEPHROLOGY –KIDNEY. The Centre is established at Princess Marina Hospital (PMH) to provide both haemodialysis (HD) and peritoneal dialysis (PD) services to improve the overall care of renal patients. Staff training is undertaken by a local private nephrologist who is engaged to provide dialysis to patients at PMH



ORTHOPEDICS (-BONES) Two Centres are operational at PMH and Mahalapye District Hospital. The two Centres provide specialist orthopaedics services, these mainly include hip and knee replacements, hand surgery, bone tumour, spine surgery and corrective surgery.



The Ministry of Health has established others in the areas of diabetes and spinal cord injuries. The centres provide comprehensive diabetic care; education; management and screening for general public. In the area of spinal injuries, this provide an improvement service to quality of life for spinal cord injured people and rehabilitate them back to their respective communities. The Centre is run in partnership with technical partner from Sweden.

INVESTMENT OPPORTUNITIES – SPECIALISED MEDICAL SERVICES

CARDIAC SURGERY-HEART



Centre established at PMH to perform cardiac surgeries and reconstitution or recanalization of blood vessels. Technical Partner: Mauritian Cardiac Team has scheduled quarterly visits. Training of personnel is continuing through continuous medical education with support from the technical partner. The plan is to relocate the cardiac services to the UB Teaching Hospital upon its completion.



OPHTHALMOLOGY-EYES

The Centre is located at Sekgoma Memorial Hospital to meet the demands of increasing burden of eye diseases and conditions. MoH continuous to get support from cooperating partners such as China and UK for specialist training to address skills shortage.

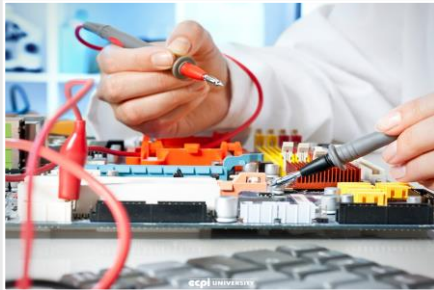


A significant number of samples for diagnostic & laboratory analysis are referred to South Africa and the turnaround time to receive results is a challenge.

INVESTMENT OPPORTUNITIES – MANUFACTURING INDUSTRIES



The government imports almost 100%. In 2019 Botswana imported USD 127.84 million worth of pharmaceutical products (ITC, 2020)



Similarly, imports of bio-medical equipment were USD 72.49 million for the same period, representing almost 100% of imported products (ITC, 2020)



Research has shown that globally, medical tourism is growing at between 20 and 30% annually and is an industry worth about US\$100 billion (KPMG).

OTHER PRIORITY INVESTMENT SECTORS



Manufacturing

[Automotive Components](#)

General Manufacturing



Services

ICT

Financial & Business

BPO



Mining/Resource Beneficiation

Soda Ash

Coal

Diamonds

Base Metals



Transport & Logistics

Rail Projects:

Mamabula – Lephale (57km)

Mosetse - Kazungula (356km)

Botswana - Mozambique

Aviation



Energy

Solar

Coal-bed methane (CBM)

Biogas and Biodiesel

Coal to Liquids



Tourism & Hospitality

[Hotels & Lodges](#)

Tented CAMps

Air Charter Services

Medical Tourism

INVESTMENT

**INSTRUMENTS AND
INCENTIVES**



Double Taxation Avoidance Agreement (DTAA)

Active

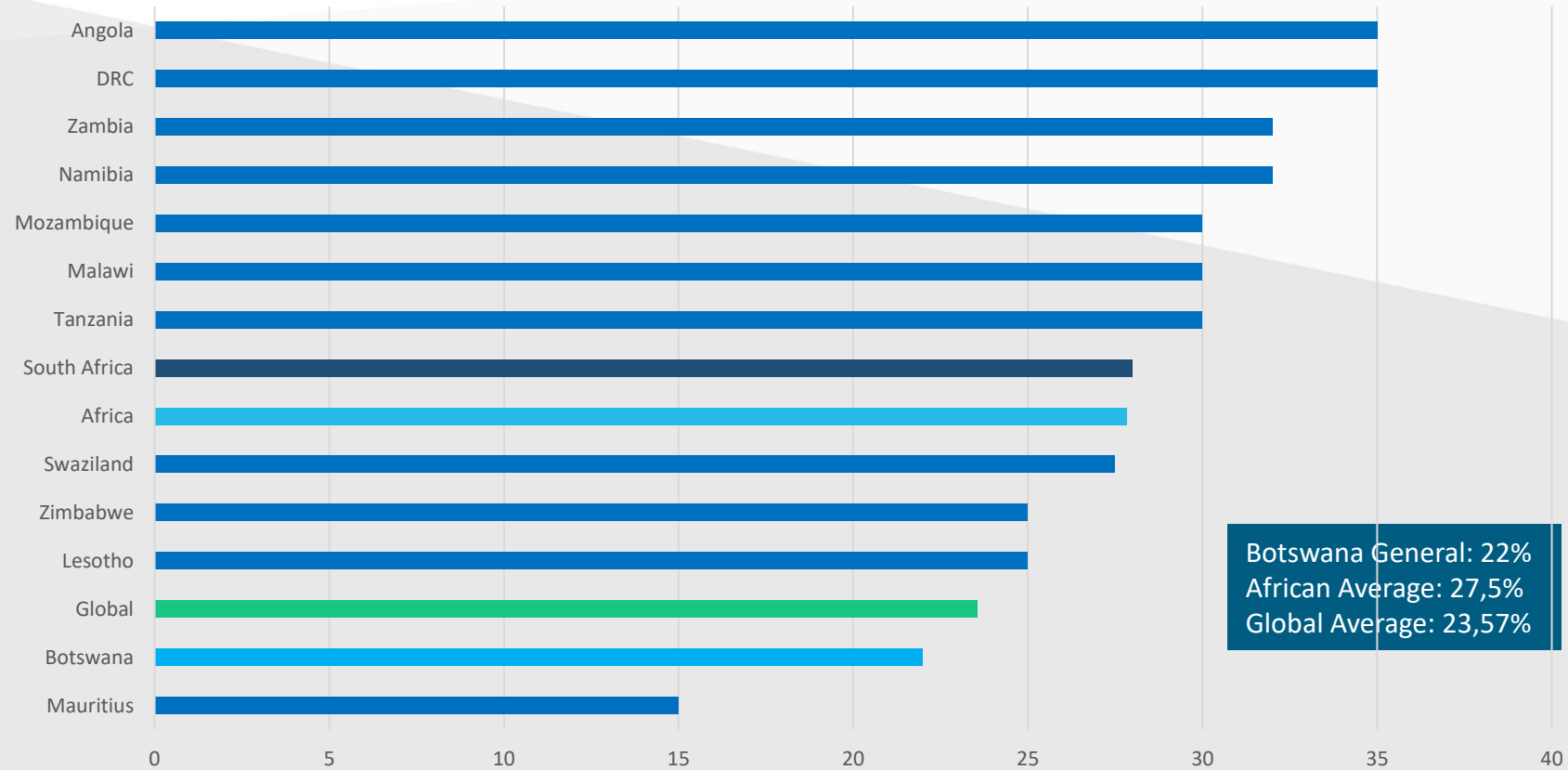
Barbados	Mozambique	Sweden
France	Namibia	UK
India	Seychelles	Zimbabwe
Mauritius	South Africa	Zambia
Kingdom of Eswatini	Russia	Ireland
Lesotho	China	Malta

Not Yet In Force

Belgium	Zambia	Luxembourg
Malawi	Tanzania	Serbia and Montenegro
Kenya	UAE	Singapore
Portugal	Czech Republic	Malawi
Qatar	Germany	Estonia
Nigeria	Turkey	

TAX COMPETITIVENESS

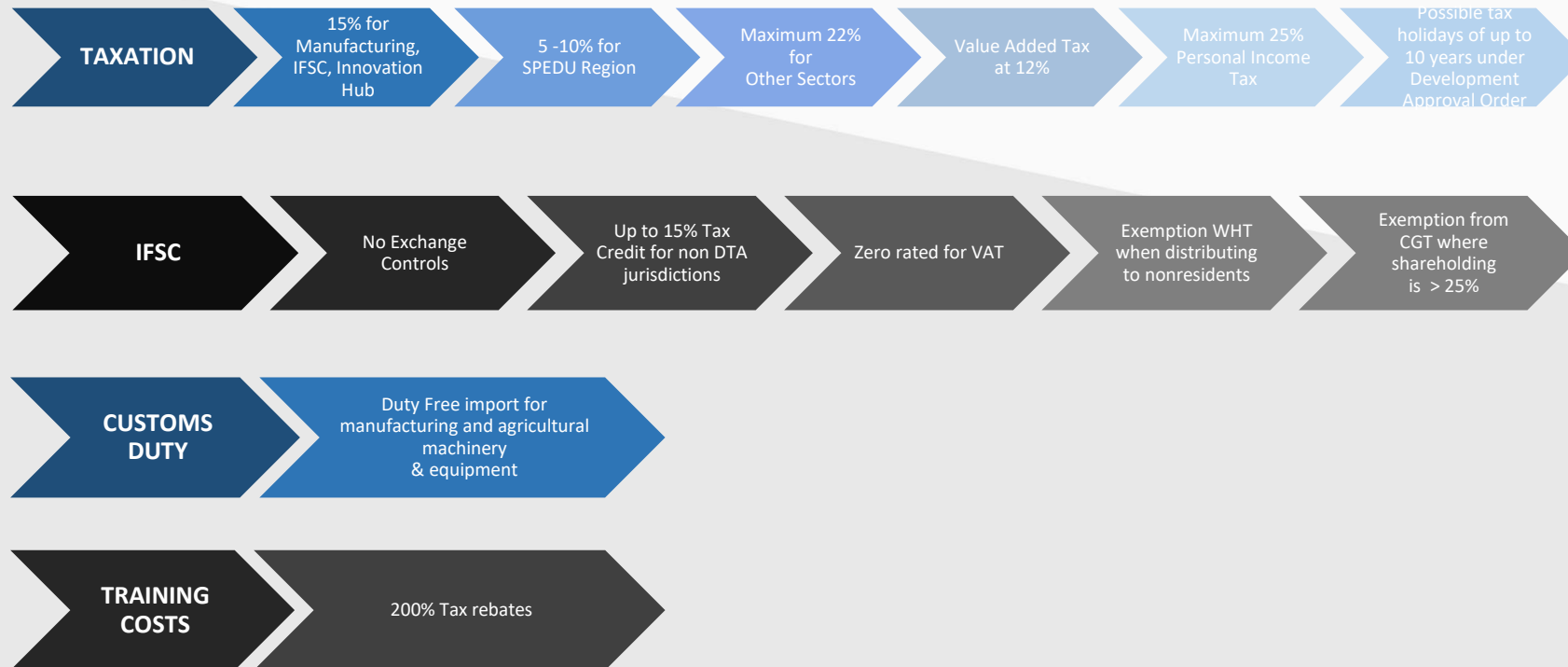
Botswana's Corporate Tax Rate is Highly Competitive



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

INVESTMENT INCENTIVES

Botswana's Corporate Tax Rate is Highly Competitive





BOTSWANA
INVESTMENT
& TRADE CENTRE

ABOUT

BITC



INVESTOR VALUE ADDED SERVICES

Investment facilitation services through Botswana One Stop Service Centre offering:



Company & Business Registration



Opening of Bank Accounts



Entry Visas, Work & Residence Permits & Exemptions



Trade & Business License Applications



Utility Connections



Income Tax & VAT Registration



Industrial & Commercial Land / Factory Shells



Incentives; IFSC, Manufacturing, Tax Holidays (DAO)



Aftercare Services – renewals, expansions etc.



Environmental Impact Assessment Compliance

THANK YOU

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