

BITC-FARMER'S WEEKLY WEBINAR

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Director International-RSA
31st March 2022



BOTSWANA AT A GLANCE

GDP Performance

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

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



Inflation

(8.7 % 'December 2021),
BoB Target is 3% - 6%



Interest Rates

Bank rate 3.75%:
Prime Rate 5.75%



Key Exports (2020)

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



Land Mass

582,000 SQ .KM



Borders

South Africa, Namibia,
Zambia, Zimbabwe.



Population

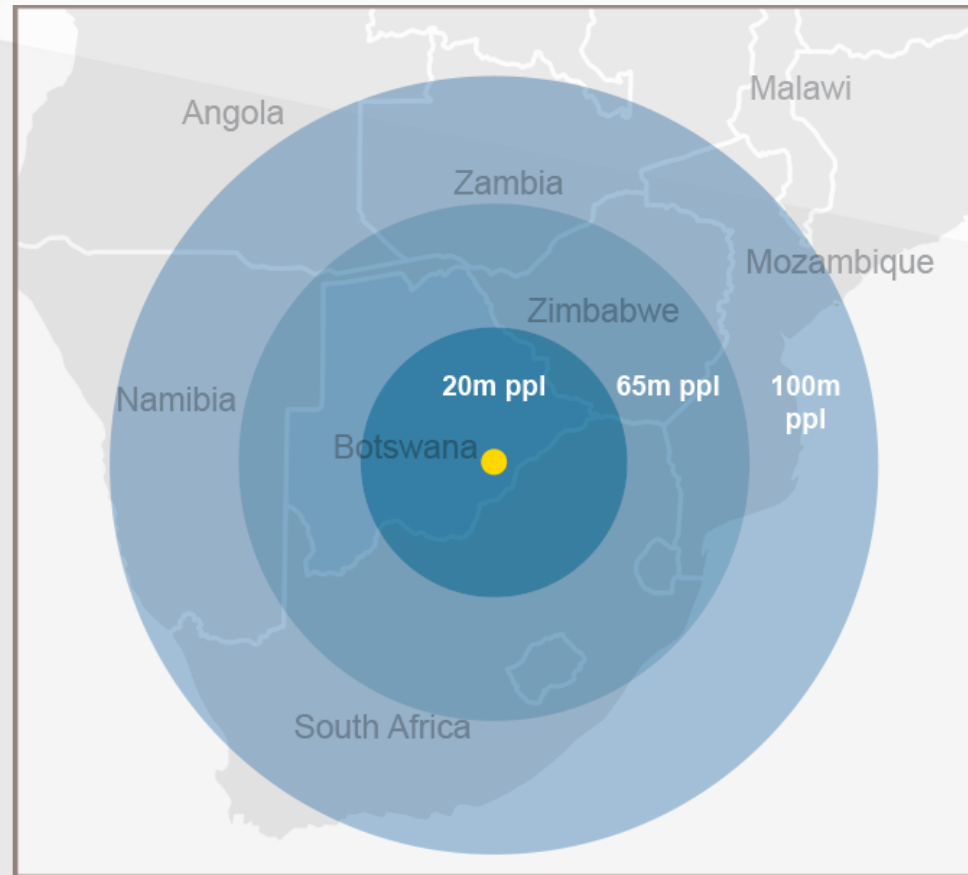
2.3 million

Key Imports (2020)

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



LOCATION ADVANTAGE



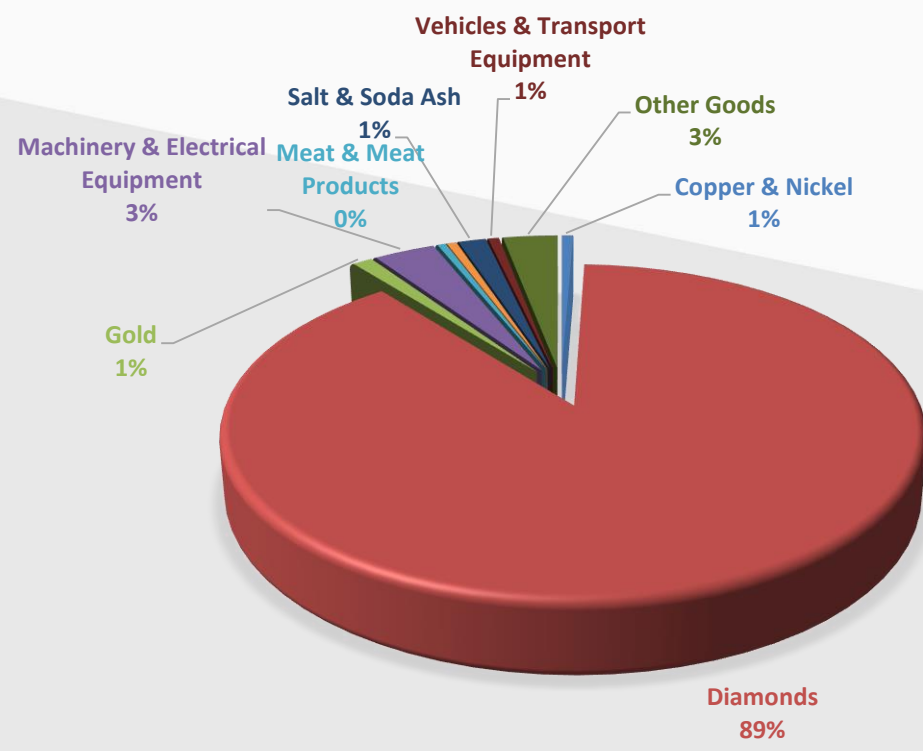
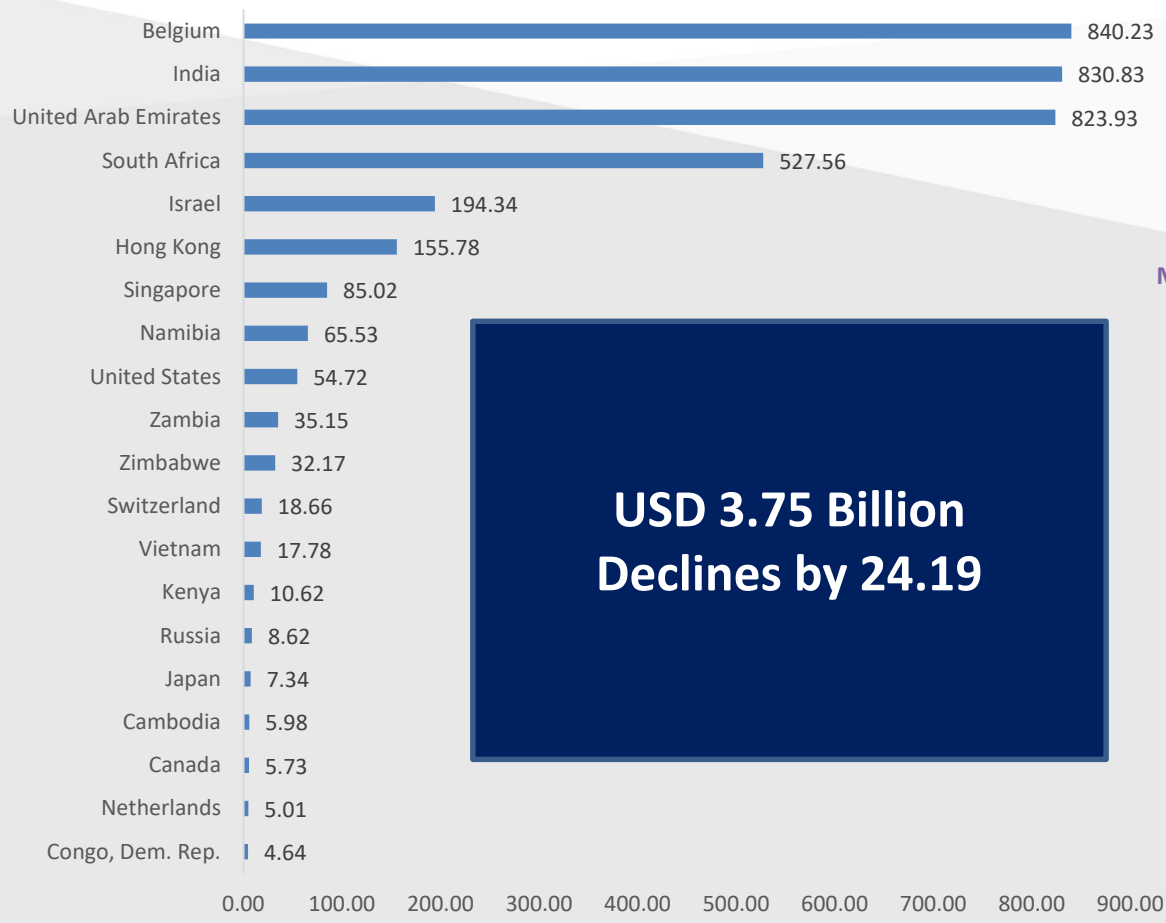
- Botswana has devised **national strategies** to effectively **link its priority sectors with regional value chains**.

BILATERAL AND MULTILATERAL TRADE AGREEMENTS TO SUPPORT EXPORT OF VEHICLES

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

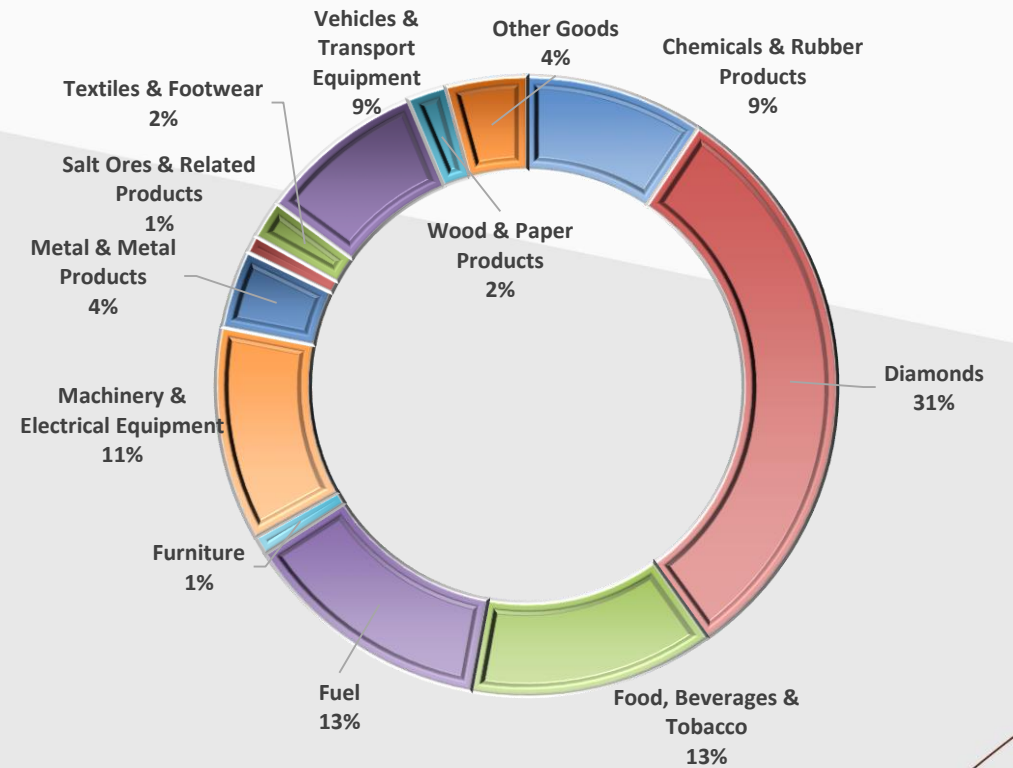
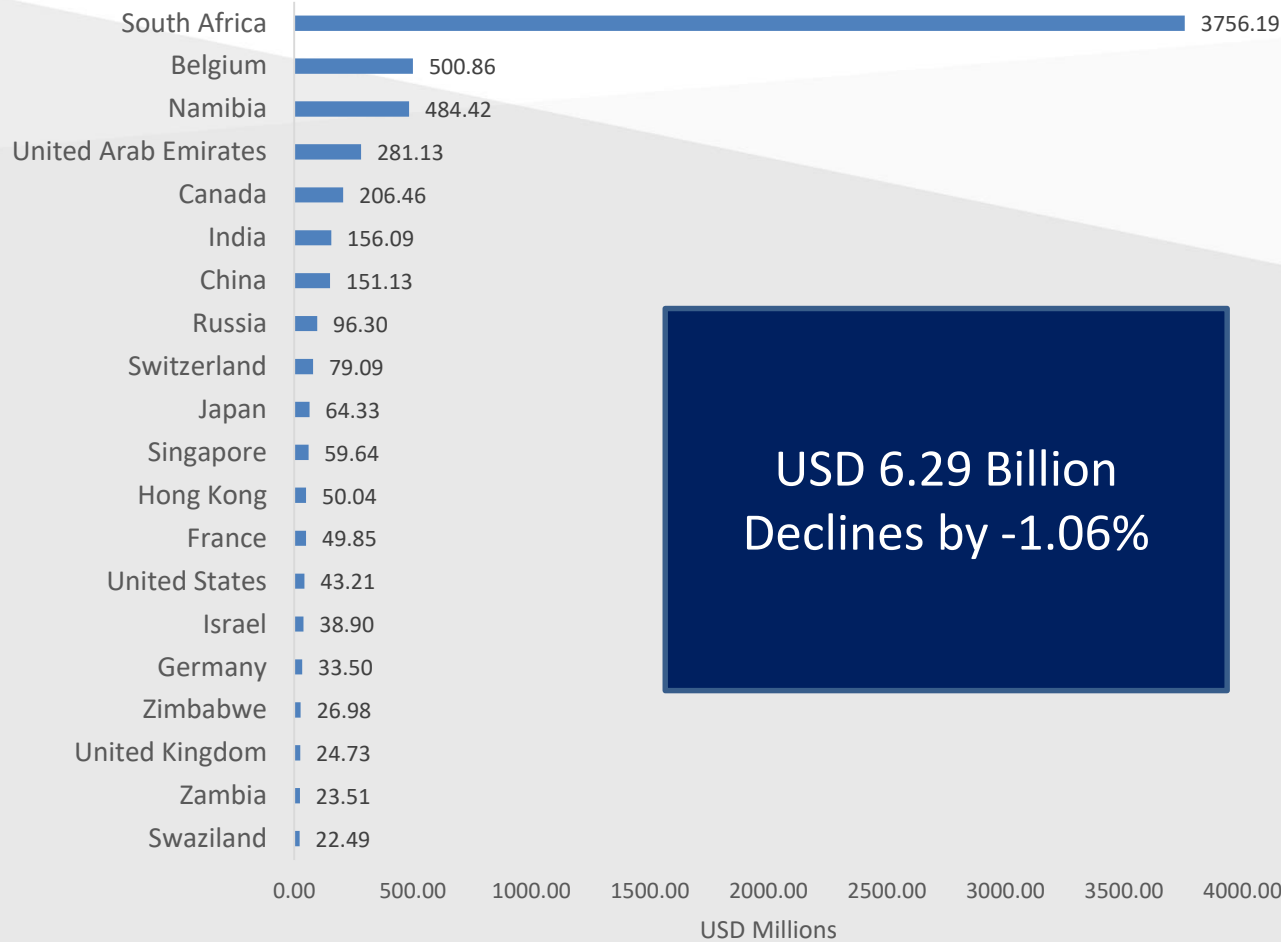
Source: www.botswanatradeportal.org.bw
www.agoa.info

BOTSWANA'S EXPORT STATISTICS IN 2020



Source: Statistics Botswana 2021

BOTSWANA'S IMPORT STATISTICS IN 2020



Botswana's products with potential to South Africa

Legend

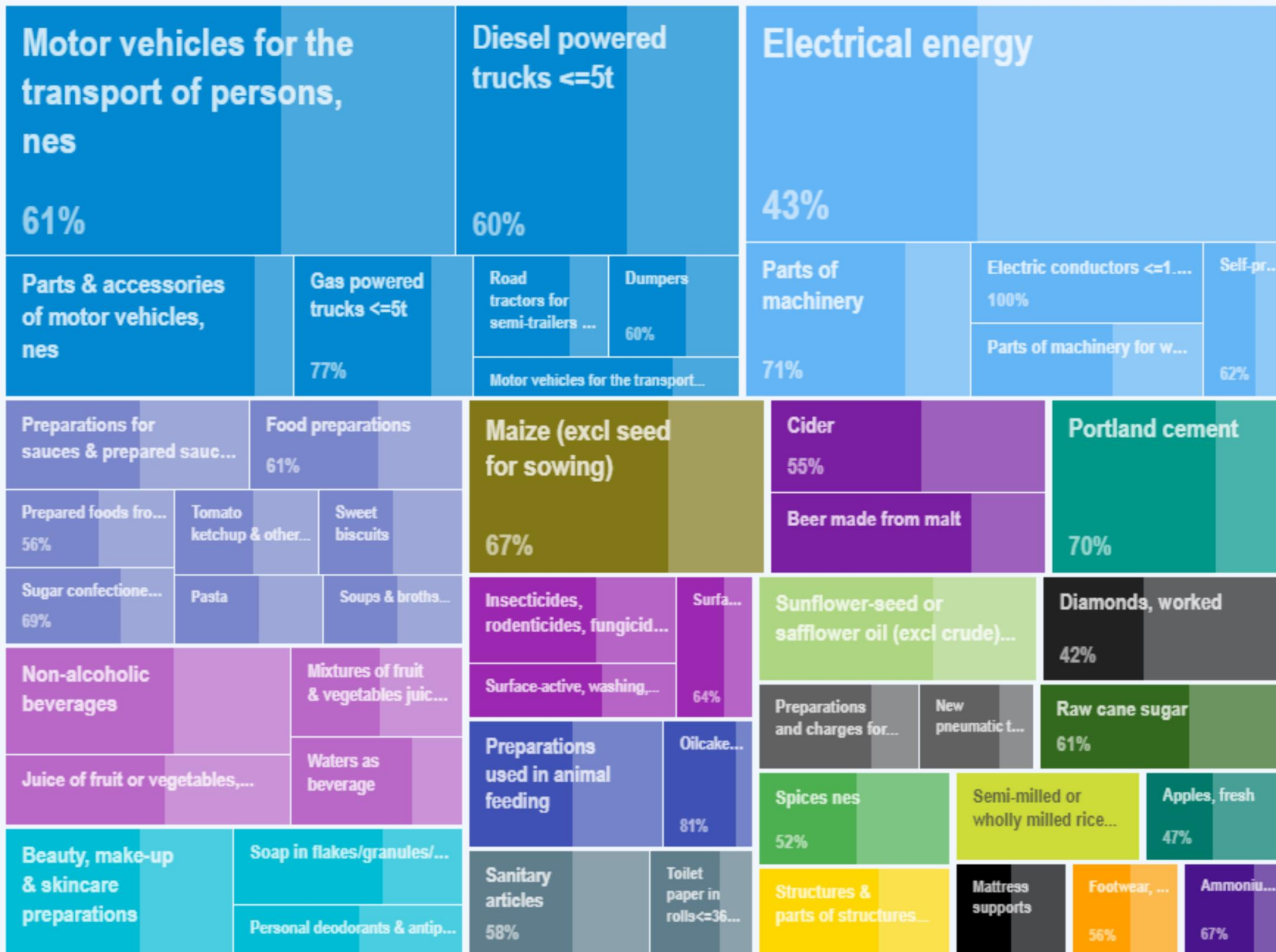
- Export potential
- Realized potential
- Machinery, electricity
- Chemicals
- Live animals (except poultry)
- Meat (except poultry)
- Jewellery & precious metal articles
- Plastics & rubber
- Mineral products
- Home textiles
- Vegetal residues & animal feed
- Textile products n.e.s.
- Motor vehicles & parts
- Pharmaceutical components
- Ferrous metals
- Pulses
- Wood products
- Metals (except ferrous & precious)
- Cereals (processed)
- Apparel
- Pearls & (semi-)precious stones
- Skins, leather & products thereof



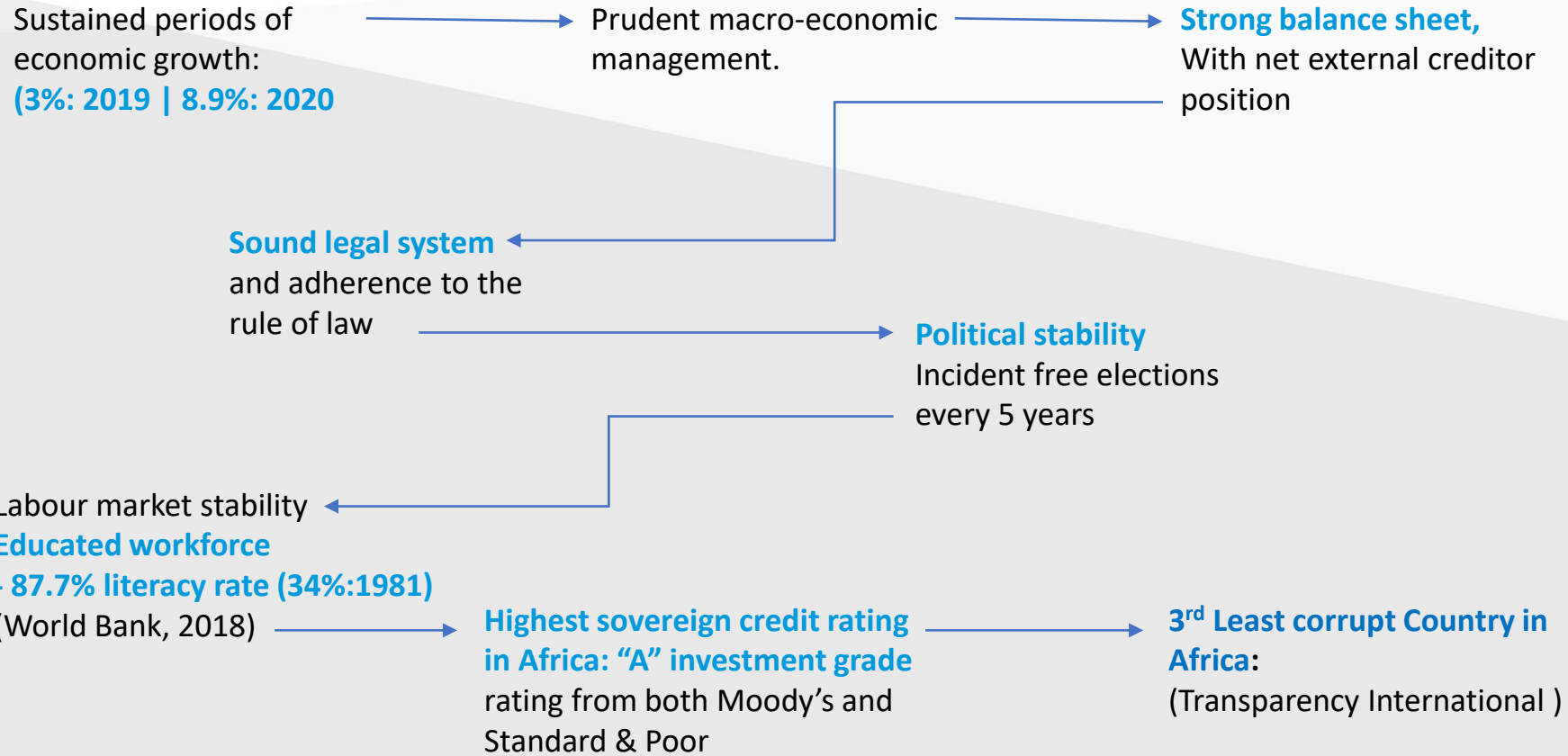
South Africa's products with potential to Botswana

Legend

- Export potential
- Realized potential
- Motor vehicles & parts
- Machinery, electricity
- Food products n.e.s. (processed or preserved)
- Beverages (not alcoholic)
- Beauty products & perfumes
- Cereals (except wheat & rice)
- Beverages (alcoholic)
- Mineral products
- Chemicals
- Vegetal residues & animal feed
- Paper products
- Vegetable oils & fats
- Jewellery & precious metal articles
- Plastics & rubber
- Sugar
- Spices
- Metal products
- Rice
- Fruits
- Miscellaneous manufactured products



BOTSWANA'S INVESTMENT CLIMATE



KEY SECTOR

OPPORTUNITIES



INVESTMENT OPPORTUNITIES



Commercialization of the Agriculture and Agribusiness sector

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



Mining and Resource Beneficiation

Soda Ash
Coal
Diamonds
Base Metals



Manufacturing

Automotive
Components
General Manufacturing



Services

ICT
Financial & Business
BPO

INVESTMENT OPPORTUNITIES



Energy

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



Transport & Logistics

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

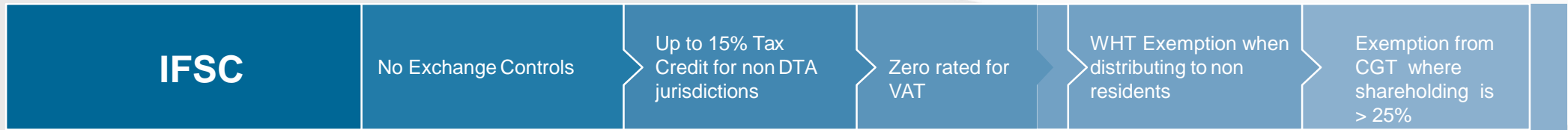
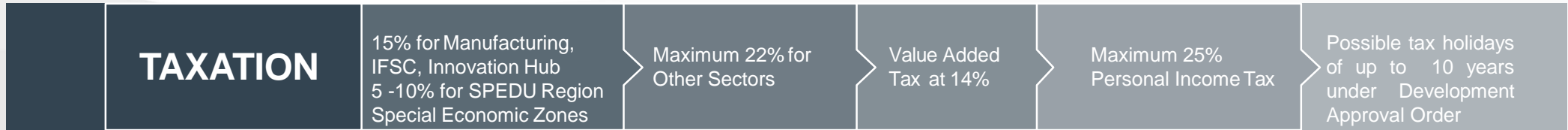


Tourism & Hospitality

Hotels & Lodges
Tented Camps
Air Charter Services
Medical Tourism

INVESTMENT INCENTIVES

Botswana's Corporate Tax Rate is Highly Competitive



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

SEZA LOCATIONS

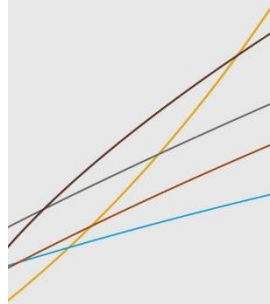
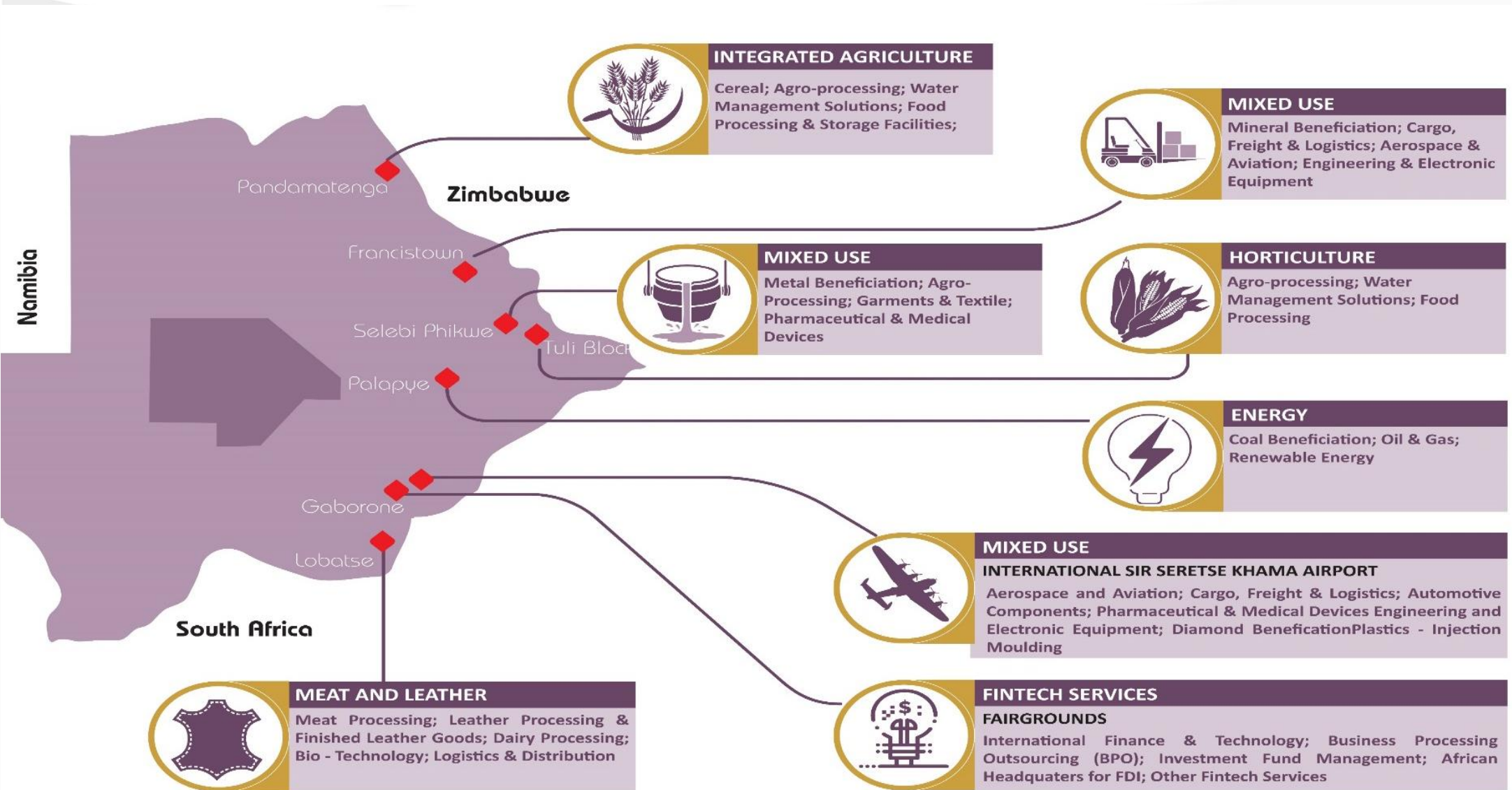


ILLUSTRATION OF SEZ LAYOUT “WORK, LIVE & PLAY”

SSKIA Development Precinct

RESIDENTIAL



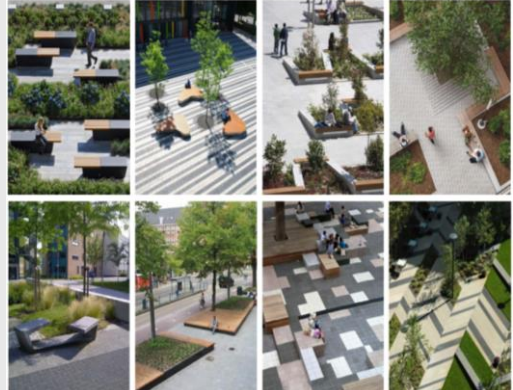
INDUSTRIAL



OFFICES



PUBLIC SQUARE



PROPOSED INCENTIVE PACKAGES FOR INVESTORS

5% Corporate Tax for the first 10 years and 10% after

- Fast tracked land allocation
- Long term renewable land leases of 99-years
- Reduction in cost of land leases for 10 years
- 25% Waiver on cost of State Land

Zero-rated VAT on Raw Materials for use in manufacturing

Duty-free Imports of Specialist Plant and Machinery

Favourable Transfer Duty on Land and Property

Full Repatriation of Profits and Capital

APPROVED INTEGRATED ENERGY RESOURCE PLAN PROJECTS

Generation Capacity	Technology	Commercial Date	Operation	Status
100MW	Solar PV	2022		Under Procurement
35MW	Solar 1 PV	2022		Under Procurement
10 to 100MW	CBM	2025		Under Procurement
200MW	CSP	2026		Procurement to start during 2021
300MW	Coal	2026		Procurement to start in 2021
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



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)

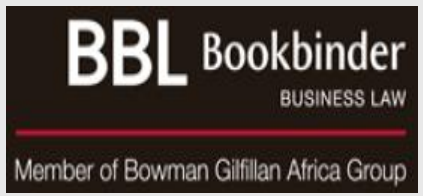


Aftercare Services – renewals, expansions etc.



Environmental Impact Assessment Compliance

SOME OF THE AFFILIATED PARTNERS IN PROMOTION



SOME OF THE BITC ACCREDITED COMPANIES



The African Seed Company



IMARA
INVESTING
IN AFRICA



THANK YOU

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