



BOTSWANA HANDBOOK



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LIST OF ACRONYMS

| | |
|----------------|---|
| AEC | African Economic Community |
| AGOA | African Growth and Opportunity Act |
| ASYCUDA | Automated System for Customs Data |
| BITC | Botswana Investment and Trade Centre |
| BMC | Botswana Meat Commission |
| BURS | Botswana Unified Revenue Service |
| BWP | Botswana Pula |
| C-BRTA | Cross-Border Road Transport Agency |
| COMESA | Common Market for Eastern and Southern Africa |
| EFTA | European Free Trade Association |
| FTA | Free Trade Agreement |
| GCI | Global Competitiveness Index |
| GDP | Gross Domestic Product |
| GOB | Government of Botswana |
| GSP | Generalised System of Preferences |
| PTA | Preferential Trade Agreement |
| SACU | Southern African Customs Union |
| SADC | Southern African Development Community |
| SPS | Sanitary and Phytosanitary |
| TBT | Technical Barriers to Trade |
| TIN | Trader Information Number |
| US | United States |

1. OVERVIEW

Botswana is a small, landlocked country in Southern Africa, bordered by South Africa to the south and southeast, Namibia to the west and north, and Zimbabwe to the northeast. At 581,730 km² (224,607 sq mi) Botswana is the world's 48th-largest country and one of the most sparsely populated nations in the world. Botswana has a population of 2,351,054 based on the latest United Nations estimates; it is equivalent to 0.03% of the total world population. The population density in Botswana is 4 per Km² (11 people per mi²). 51.8 % of the population is urban (1,213,790 people in 2017). Botswana has nine districts which are: Southern District, South-East District, Kweneng District, Kgatleng District, Central District, North-East District, North-West District, Ghanzi District and Kgalagadi District.

The district with the highest population is the central district at 638 604 and Ghanzi has the least population of 43 370 people. The official languages of Botswana are Setswana and English. The currency of Botswana is the Pula (BWP).

Botswana has had one of the fastest growth rates in per capita income in the world and maintained one of the world's highest economic growth rates until the global recession. Botswana is praised for the prudent management of its resource wealth, which has facilitated the transformation of the country from one of the poorest countries in the world to a middle-income country status in 1992. It has the fourth highest gross national income at purchasing power parity in Africa, giving it a standard of living around that of Mexico and Turkey.

2. TRANSPORT SYSTEM

Roads in Botswana are managed and maintained under two authorities, that is, the Local Authorities and the Central Government. Total road network in 2015 measured 30,275.64 km of which 18,507 km (61.1 percent) was under the care of Central Government while 11,768.64 km (38.9 percent) was maintained by local authorities.

Roads maintained by Central Government remained constant at 18,507 km from 2013 to 2015. Out of this 18,507 km, 6,925 km (37.4 percent) is bitumen, 7,560 km (40.8 percent) gravel and 4,022 km (21.7 percent) is sand. Total road network maintained by Local Authorities in 2015 remained the same as in 2014; at 11,768.64 km. Local Authorities are in charge of access roads which are less than 10 km and all the internal roads. The Central District had more tertiary roads than other districts; it had 24.7 percent of total tertiary roads. The Kweneng District followed with 13.6 percent. The Southern and Kgatleng Districts were

next with 10.8 percent and 8.8 percent respectively. Most of the roads in these districts were mostly earth. Earth roads in the Central District constituted 49.1 percent of the total roads in the area while in Kweneng and Southern districts they constituted 58.1 percent and 68.9 percent respectively.

2.1 Border posts

Botswana has several border posts that allow the country to link up with South Africa, Namibia, Zambia and Zimbabwe

The operating hours of the border posts are outlined in Table 1 below. Rates for crossing the borders are BWP50 for a single entry and BWP90 for a return trip;

- BWP20 for road fund tax (disc must be displayed, valid for one year); and
- BWP20 per trailer and BWP50 for third-party insurance.

Table 1: Botswana Border Posts and operating times

| Countries | Border Post | Operating Times | Contact Number |
|-----------------------|--------------------------------|-----------------|-----------------|
| Namibia - Botswana | Mamuno/Buitepos | 07:00 – 24:00 | 6592013/6592064 |
| | Muhembo/Shakawe | 06:00 – 18:00 | 6875505 |
| | Ngoma Bridge | 07:00 – 18:00 | 6236002/6250736 |
| | Impalila Island | 07:00 – 18:00 | 71303418 |
| | | | |
| Zambia-Botswana | Kazungula Ferry | 06:00 – 18:00 | 2150420/651717 |
| | | | |
| Zimbabwe-Botswana | Kazungula Road | 06:00 – 18:00 | 2150320 |
| | Pandamatenga | 08:00 – 16:00 | 6232029 |
| | Ramokgwebana - Plum Tree | 07:00 – 20:00 | 2489266 |
| | Matsiloje - Mphoengs | 06:00 – 18:00 | 2483205 |
| | Maitengwe | 06:00 – 18:00 | 2986272 |
| | | | |
| South Africa-Botswana | S Pont Drift - Mashatu | 08:00 – 16:00 | 015-575 1056 |
| | Platjan | 08:00 – 16:00 | 015-575 1040 |
| | Zanzibar | 08:00 – 16:00 | 014-767 1024 |
| | Grobblersbrug / Martin's Drift | 06:00 – 22:00 | 014-767 1019 |
| | Parr's Halt – Stockpoort B | 08:00 – 18:00 | 014-763 4586 |

| | | |
|----------------------------|---------------|------------------|
| Sikwane - Derdepoort B | 06:00 – 19:00 | 014-778 0725 |
| Tlokweng Gate - Kopfontein | 06:00 – 24:00 | 018-365 9055 |
| Ramotswa - Swartkoppie | 06:00 – 22:00 | 018-365 9010 |
| Pioneer Gate - Skilpadshek | 06:00 – 24:00 | 018-366 0011 |
| Ramatlabama | 06:00 – 22:00 | 018-390 2533 |
| Phitshane Molopo | 07:00 – 16:00 | 067-548 7204 |
| Bray | 07:00 – 16:00 | 053-937 0026 |
| Makopong | 08:00 – 16:00 | 053-922 Ext 2011 |
| McCarthy's Rust | 06:00 – 18:00 | 053-781 0285 |
| Middleputs | 07:30 – 16:00 | 053-781 0212 |

3. ROAD TRANSPORT LEGISLATION

Relevant stakeholders are working together to enforce the traffic laws of Botswana, facilitating the free and orderly flow of traffic, and assisting in education of road users. The general speed limit is 120km per hour which drops to 80km/hour and 60km/hour within semi urban and urban or built up areas, respectively. The country is still using the Botswana Traffic Act progressing on harmonising with the Southern African Development Community (SADC) requirements.

Botswana is a landlocked country in the centre of SADC Region; therefore its road infrastructure is put under strenuous condition having to act as the central nerve of transit traffic between her neighbours. Since independence there has been a deliberate policy by the government through Roads Department under the Ministry of Works and Transport to provide road network to link all population centres, cities, towns and neighbouring countries.

There is a National Legislation regarding overloading of vehicles imposed in order to protect the roads from the excessive damage caused by heavy loads. Due to the generally light pavement construction consisting of natural gravel base courses covered with a bituminous surface treatment, Botswana is concerned over the potentially deleterious effects overloaded vehicles can have on the overall condition of the network. In order to enforce axle weight limits, permanent weigh bridges have been set up on all the major border crossings. Portable, weigh in motion equipment's are also being used by the department to control the overloading within the country.

The axle load regulations compares favourably with the other Southern African Customs Union (SACU) member states. Tables 2 and 3 below give an indication of the Axle, Gross Combination Mass and Dimensional limits for most cross-border partners:

Table 2: Load Limits**LEGAL LOAD LIMITS ON GOODS VEHICLES**

| COUNTRY | STEERING AXLE | SINGLE AXLE | TANDEM AXLE | TRIDEM AXLE | COMBINATION AXLE |
|---------------------|---------------|-------------|-------------|-------------|------------------|
| Botswana | 7 700 kg | 8 200 kg | 16 000 kg | 24 600 kg | 50 200 kg |
| Lesotho | | 8 200 kg | 16 400 kg | 21 000 kg | 49 000 kg |
| Namibia | 7 700 kg | 8 200 kg | 16 400 kg | 21 000 kg | 48 400 kg |
| South Africa | 7 700 kg | 8 000 kg | 16 000 kg | 24 000 kg | 56 000 kg |
| | | (2 wheels) | (2 wheels) | | |
| South Africa | | 9 000 kg | 18 000 kg | | |
| | | (4 wheels) | (4 wheels) | | |
| Swaziland | 7 700 kg | 8 200 kg | 16 400 kg | 21 000 kg | 50 200 kg |

The single axle for all the countries except for South Africa is harmonised. The tandem and tridem axle of three of the countries namely Lesotho, Namibia and Swaziland is also harmonised.

Table 3: Dimensional Limits**LEGAL DIMENSIONAL LIMITS ON GOODS VEHICLES**

| COUNTRY | OVERALL WIDTH | OVERALL HEIGHT | LENGTH OF RIGID | LENGTH OF ARTICULATED | LENGTH OF COMBINATION |
|---------------------|---------------|----------------|-----------------|-----------------------|-----------------------|
| Botswana | 2,5 m | 4,1 m | 12,5 m | 17,0 m | 22,0 m |
| Lesotho | 2,6 m | 4,1 m | 12,5 m | 17,0 m | 22,0 m |
| Namibia | 2,5 m | 4,1 m | 12,5 m | 17,0 m | 22,0 m |
| South Africa | 2,5 m | 4,3 m | 12,5 m | 18,5 m | 22,0 m |
| | (medium) | | | | |
| South Africa | 2,6 m | | | | |
| | (heavy) | | | | |
| Swaziland | 2,5 m | 4,1 m | 12,5 m | 17,0 m | 20,0 m |

The dimensional limits in SACU are harmonised, with exception to South Africa on the overall height and length of articulated.

3.1 Traffic Fines

Botswana's traffic flows on the left side on the road and the minimum driving age is 18 years.

To rent a car, a driver must be at least 18 years old and have held his driving permit for 1 year. Drivers under 22 years of age may incur a young driver surcharge. It is mandatory to use seat belts at all times while driving. Using cell phones while driving is prohibited; the exception is cell phones with hands-free systems.

The International driving permit can be used for driving by foreign drivers for six months after arriving. Residents of Botswana are not allowed to use foreign registered vehicles in Botswana for more than fourteen days after importation. Foreign visitors coming from a country outside the Southern African Common Customs Area are normally required to produce carnets or bill of entry in respect of their cars.

Fines are payable on the spot for foreigners' cars. The offenses and official road traffic fines for Botswana are outlined in Table 4 below.

Table 4: Traffic Violations

| TRAFFIC VIOLATION | AMOUNT (BWP) |
|---|---|
| Driving under the influence | Min 3000 – Max 5000 Possible imprisonment 18 – 24 months |
| Refusing to give blood/breath sample | Min 5000 – Max 10 000 Possible imprisonment 18 – 24 months |
| Exceeding speed limit | Min 120 plus P20 for every kilometre per hour exceeded but not more than P5 000 |
| Defects in the car (hooter, tyre, worn out brakes) | Min 100 –Max 1000 Possible imprisonment 1 – 12 months |
| Failure to obey traffic signs and signals | Min 1000 –Max 5000 Possible imprisonment 15 – 60 months |
| Failure to obey traffic officer | Min 1000 –Max 5000 |

| | |
|---|--|
| | Possible imprisonment 12 – 60 months |
| Obstructing other road users | Min 1000, Max 2000 Possible imprisonment 12 - 24 months |
| Driving without license | Min 500, Max 3000 Possible imprisonment 6 - 18 months |
| Reckless driving | Min 2000, Max 10 000 Possible imprisonment 15 – 24 months |
| Causing death by dangerous driving | Min 10 000, Max 30 000 Possible imprisonment 5 – 10 years |

4. DEVELOPMENTS

Botswana's optimistic outlook is based on the anticipated slight improvement in the mining sector and positive growth prospects for the non-mining sectors. The continued recovery depends on a continued rebound in the global diamond market, the expansion in construction activities in the context of the government's Economic Stimulus Programme (ESP), and improved reliability in electricity and water supply.

The favourable outlook is also underpinned by reforms to further improve the business environment, currently being pursued by the government in the context of the National Doing Business Committee, which are expected to have positive spin-offs for manufacturing and industrialisation with factors such as technological readiness, innovation, business sophistication and poor work ethic fingered as the country's challenges.

Services provided in the business facilitation services centre will be delivered to deserving and qualifying investors when the implementation of e-legislation, which is intended to address bottlenecks in the ease of doing business which will enable electronic filing of tax returns and e-payment, on-line registration of companies and on-line application of visas. The Botswana Investment and Trade Centre (BITC) will also become a one stop shop where foreign investors will apply for all their permits and licences through the Centre.

5. ECONOMIC OUTLOOK

Since independence, Botswana has had one of the fastest growth rates in per capita income in the world and maintained one of the world's highest economic growth rates until the global recession. Botswana is praised for the prudent management of its resource wealth, which has facilitated the transformation of the country from one of the poorest countries in the world to a middle-income country status in 1992. It has the fourth highest gross national income at purchasing power parity in Africa, giving it a standard of living around that of Mexico and Turkey. The primary sector is dominated by agriculture with limited forestry, hunting and fishing activities in the arid country. Farming is focussed on livestock (cattle) rearing. The agriculture industry accounted for 30% of Gross Domestic Product (GDP) in the 1970s to 10.7% in 1980 to 2.4% in 2015 due to significant growth in mining production.

However, despite agriculture only making a marginal contribution to GDP, it remains an important feature of the economy, given that more than half of the population lives in rural areas and is dependent on subsistence crop and livestock farming and also in terms of agriculture's contribution to export earnings.

Industry represents a third of GDP with mining activity accounting for around 20% of national economic activity. Botswana was the world's third-largest diamond producer in the world (after the US and Australia) during 2016 and global leader De Beers moved its diamond sorting and auctioning to Gaborone in 2012. Within the industrial sector, the manufacturing sector made an estimated contribution of around 6.4% to GDP in 2015, with activities in this sector predominantly focused on textiles and apparel.

The tertiary sector has grown significantly over the past few decades, rising from less than 30% of GDP in the late 1980s to more than 50% of GDP since 2007. It remains the largest contributor to GDP, with an estimated contribution of 64.5% in 2015. The most important sub-sectors within the services industry were the retail & hospitality sub-sector, government services, and financial services contributing 18%, 17.1%, and 16.3% of GDP in 2015 respectively.

Botswana remains a largely open economy with exports and imports each amounting to approximately 40 percent of GDP. However, trade remains heavily skewed in both product and direction. Largely unprocessed minerals dominate exports to a few markets in Europe and Asia, while imports of capital and consumer goods, including food mostly come from South Africa. Increasingly, however, there has been some progress in improving downstream activity in the mining sector. On the other hand, domestic economic growth has

resulted in increased imports of capital goods for infrastructure development and processing industries while consumption goods have dominated overall imports. The other notable changes in trade patterns are the increase in services trade (tourism in particular) and the importance of trade with emerging market countries in Asia, including India and China. At the same time however, the potential with respect to the cattle and textile industries appears to be uncertain, despite the existence of favourable trade arrangements and substantial government support.

The country's openness to trade and capital flows is supported by several policies and institutional arrangements. The foreign direct investment component of capital flows is critical as a source of new investment capital, promoting technology and skills transfer, enhancing market access and as a result, serving as a catalyst for the process of economic diversification and promotion of inclusive growth.

Botswana continues to promote trade by pursuing free trade agreements with its neighbours as well as other developed and developing countries. The main Trade Agreements are outlined in Table 5 below:

Table 5: Botswana's main trade agreement

| Type of Agreement | Countries | Main objectives | Products |
|--|---|--|---------------|
| CUSTOMS UNION | | | |
| Custom Union (SACU) | Botswana, Lesotho, Namibia, South Africa and Swaziland | Duty free movement of goods with a common external tariff on goods entering any of the countries from outside the SACU | All products |
| FREE TRADE AGREEMENTS (FTA's) | | | |
| Free Trade Agreement (SADC FTA) | Between 12 SADC Member States Angola, Democratic Republic of the Congo (DRC) and Seychelles not members | Tariffs and non-tariff barriers will be eliminated on substantially all trade between the members. 85% of trade in goods produced in the region moves across borders free of customs duties. | Most products |

| | | | |
|---|--|---|---|
| EFTA-SACU Free Trade Agreement (FTA) | SACU and the European Free Trade Association (EFTA) Iceland, Liechtenstein, Norway and Switzerland | Tariff reduction on selected goods | Industrial goods (including fish and other marine products) and processed agricultural products. |
| PREFERENTIAL TRADE AGREEMENTS (PTA's) | | | |
| SACU-Southern Common Market (Mercosur) PTA | SACU and Argentina, Brazil, Paraguay and Uruguay | The agreement creates the legal framework for improved trade relations between SACU and Mercosur as well as serving as a first step toward the creation of a free trade area between the two regions. | About 1,000 product lines on each side of the border |
| NON RECIPROCAL TRADE AGREEMENTS | | | |
| (Generalised System of Preferences (GSP)) | Offered to Botswana by the EU, Norway, United States, Turkey, Japan, Switzerland, Russia, Canada | Products from developing countries qualify for preferential market access | Specified industrial and agricultural products |
| Unilateral assistance measure (AGOA) | Granted by the US to 39 Sub-Saharan African (SSA) countries | Preferential access to the United States market through lower tariffs or no tariffs on some products. Extended to 2025 under the Trade Preferences Enhancement Act of 2015 | Duty free access to the United States market under the combined African Growth and Opportunity Act (AGOA) / Generalised System of Preferences (GSP) programme stands at approximately 7,000 product tariff lines. |
| OTHER AGREEMENTS | | | |
| Cooperative | SACU and US | Makes provision for the parties to | None |

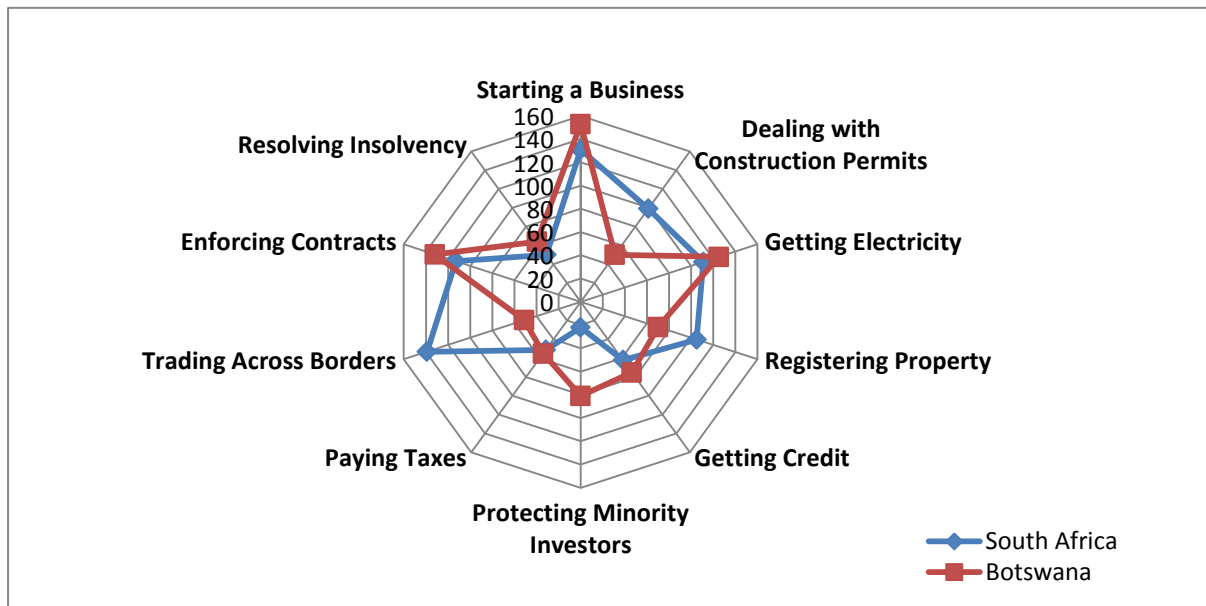
| | |
|---|--|
| framework agreement Trade, Investment, and Development Cooperation Agreement (TIDCA) | negotiate and sign agreements relating to sanitary and phyto-sanitary measures (SPS), customs cooperation and technical barriers to trade (TBT). It also establishes a forum of engagement of any matters of mutual interest, including capacity-building and trade and investment promotion. |
| CURRENT TRADE NEGOTIATIONS | |
| Preferential Trade Agreement | SACU and India Tariff reductions on selected goods SACU and India are in the process of exchanging tariff requests |
| Free Trade Agreement SADC-EAC-COMESA Tripartite FTA | 26 countries The Tripartite Framework derives its basis from the Lagos Plan of Action and the Abuja Treaty establishing the African Economic Community (AEC), which requires rationalisation of the continent's regional economic communities. The Tripartite initiative comprises three pillars that will be pursued concurrently, in order to ensure an equitable spread of the benefits of regional integration, market integration, infrastructure and industrial development. |

Source: done for the report

6. EASE OF DOING BUSINESS

According to the World Bank, Botswana was ranked at 70 in 2016 which was slightly better than the 2017 ranking of 71 for ease of doing business out of a total of 190 economies. The ease of doing business covers ten themes namely starting a business, dealing with construction permits, getting electricity, registering property, getting credit, paying taxes, trading across borders, enforcing contracts and lately resolving insolvency. The ranking between Botswana and South Africa is depicted in Figure 1 below.

Figure 1: Botswana vs. South Africa Rankings



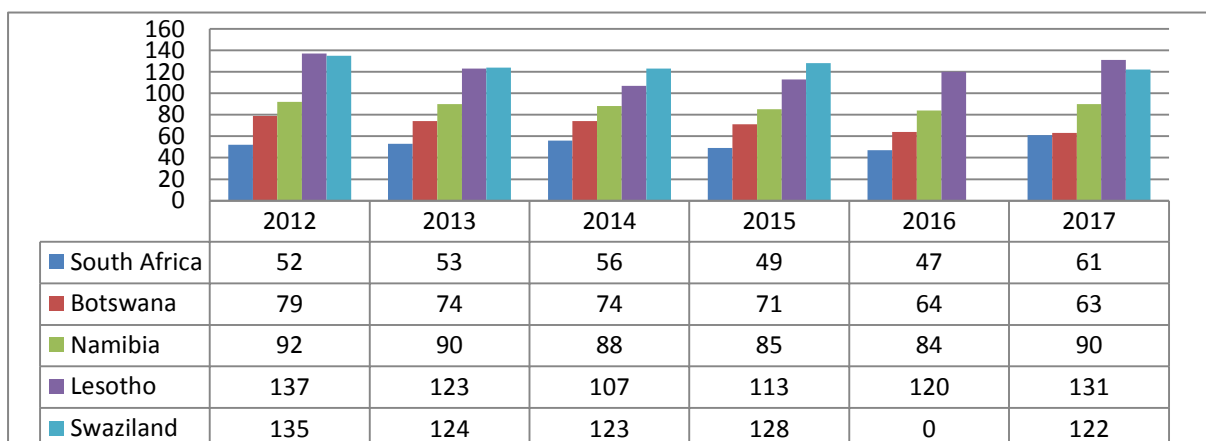
Source: World Bank, Doing Business 2017, Accessed electronically on 26/09/2017

When comparing Botswana with South Africa using the above mentioned ten themes, it shows that Botswana is performing better than South Africa in three areas namely trading across borders, dealing with construction permits and registering property.

6.1 SACU Member States Ranking

When comparing Botswana to other SACU Member states, Botswana is performing better than most of the SACU member states as shown in Figure 2 below. Botswana is the second performing country after South Africa, followed by Namibia then Lesotho and lastly Swaziland.

Figure 2: Botswana vs. SACU Member States Ranking



Source: Global Competitiveness Report, Accessed electronically on 10/10/2017

6.2 Business Environment

Botswana's business environment is based on the Global Competitiveness Index (GCI) of the World Economic Forum, the Legatum Prosperity index and the Ease of Doing Business Report by the World Bank.

6.2.1 Global Competitiveness

Botswana is the 63rd most competitive nations in the world out of 137 countries ranked in the 2017-2018 edition of the Global Competitiveness Report published by the World Economic Forum which is an improvement from the previous year where the Country was ranked 64 out of 138 countries. This reflects an upwards trend for Botswana since 2012, when it was ranked 80 in the world.

Mauritius is still Africa's most competitive economy, with the top 5 ranked according to the index:

- Mauritius ranked 45th globally with a score of 4.42;
- Rwanda ranked 58th globally with a score of 4.35;
- South Africa ranked 61st globally with a score of 4.32;
- Botswana ranked 63rd globally with a score of 4.30; and
- Morocco ranked 71st globally with a score of 4.24.

7. REQUIREMENTS FOR IMPORTATION AND EXPORTATION

7.1 Importation

Importations between SACU countries are free of Customs and Excise duty with all importations to the Union being at a Common Customs external tariff. The revenue collected from those duties is pooled and shared under an agreed mechanism. With the exception of goods originating in Malawi, import permits are required for goods entering Botswana directly from outside the SACU and are obtainable from the Department of International Trade, in the Ministry of Investment, Trade and Industry. The import permits are not transferable. All imported goods are subject to Value Added Tax of 12%. Customs duty is payable on imported goods as a percentage of their declared value. The rate of duty payable on goods imported into Botswana varies according to the commodity and the country of origin.

Importers are required to be registered with Botswana Unified Revenue Service (BURS) for a Trader Information Number (TIN). The documents required for importation of goods are:

- Inland bill of lading;

- Commercial Invoice;
- Packing list;
- Customs Import Declaration; and
- Value-added tax (VAT) Deferral form.

7.2 Exportation

An export permit is required for certain goods. The goods must be declared to BURS at the point of exit. A declaration is made to BURS utilizing the services of a clearing agent who is registered with BURS and is accredited to use the Automated System for Customs Data (ASYCUDA) system. For customs clearance purposes, the exporter should submit the following documents:

- Bill of lading;
- Cargo Release Order;
- Commercial invoice;
- Packing List;
- Customs Export Declaration; and
- Transit Document.

7.3 Imports and Exports by mode of transport

The main modes of transport for Botswana international merchandise trade are road, air and rail. During July 2017, road transport accounted for more than half of the goods imported into Botswana in value terms. Imports valued at BWP 3963.2 million, representing 68.4 percent of total imports during the month under review, reached Botswana borders by road. Air and Rail transport accounted for 20.5 percent (BWP 1189.3 million) and 2.7 percent (BWP156.3 million) respectively, of total imports. Botswana exports mainly use air as means of transport when considering the value of exported commodities. The value of exports is highly influenced by the value of diamonds, which are transported by air. Air Transport accounted for 87.8 percent (BWP 4206.9 million) of total exports out of Botswana during July 2017 as seen in Table 6 below. Road transport accounted for 10.1 percent (BWP486.2 million) of total exports during the month under review.

Table 6: Mode of transport for imports and export

| Transport Type | Imports | | Exports | |
|----------------|---------|-----|---------|-----|
| | Value | % | Value | % |
| Rail | 156.3 | 2.7 | 47.4 | 1.0 |

| | | | | |
|--------|---------|-------|---------|-------|
| Road | 3,963.2 | 68.4 | 486.2 | 10.1 |
| Air | 1,189.3 | 20.5 | 4,206.9 | 87.8 |
| Other* | 489.0 | 8.4 | 51.3 | 1.1 |
| Total | 5,797.7 | 100.0 | 4,791.7 | 100.0 |

*Note: Others; Comprises Unknown, Multi modal and Water transport

Source: International Merchandise Trade Statistics: www.statsbots.org.bw Accessed electronically on 22/01/2018

Botswana exporting and importing became faster due to the introduction of a scanner by the country's customs authority and an upgrade of South Africa's customs declaration system, both at the Kopfontein–Tlokweng border post.

8. CHALLENGES AND OPPORTUNITIES

The following challenges were identified for operators:

- Road traffic congestion is growing at an alarming rate leading to more accidents;
- Poor road maintenance and upgrades;
- Due to the country's small population and low supply of skilled workers, Botswana does not have enough experienced managers and technical experts to help run many of the companies that would otherwise invest there. Foreign and local business managers noted continued difficulty obtaining work permits for foreign skilled workers and managers in 2016. This has caused many skilled workers to leave Botswana, and has chilled the appetite for foreign direct investment for many prospective businesses. In recognition of this concern, Botswana amended (May 2017) the immigration law to open up work visas and residence permits for foreigners;
- Regulatory constraints in certain sectors which have little or no relationship to the protection of the public interest, excessive red tape relating to licenses and permits, limited access to finance, the high cost of internet, poor customer service, and low worker productivity. The government's increasing number of state-owned enterprises and market holdings crowd the private sector;
- Government of Botswana procurement tenders are at times designed based on the goods and services available in the market, which disadvantages competitors that are not located in Botswana. High value tenders are also frequently broken up into smaller tenders, rendering it cost prohibitive at times for companies based outside of the country to compete.

The following are opportunities identified for investors:

8.1 Diamonds Beneficiation

Opportunities in the diamond sector are in diamond cutting and polishing, establishment of a rough and polished diamond trading facility and development of diamond jewellery manufacturing. Other opportunities present themselves in the following forms:

- 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; and
- Economic Spin-offs: Industries that will benefit from the growth and activity in the diamond sector such as hotels, restaurants and transportation services.

8.2 Coal

Botswana has large untapped resources of semi-bituminous coal in various parts of the country estimated at 212 868 million tonnes of which reserves constitute 50 to 60% of this resource, making Botswana the 2nd largest producer after South Africa. Botswana coals occur within the Karoo Basin which covers an area of about 70% of the entire country.

Botswana has extensive, and largely unexploited, coal resources which when developed can form part of the Government's effort to diversify the economy. The following opportunities exist:

- Exploration & mining for export: Botswana has issued a number of coal licenses have to some investors and is willing to grant additional licenses for further exploration and mining with the intention to open 24 new mines;
- Electricity generation: Botswana has a major opportunity of becoming an energy hub for the region; as the region is in high demand for power. Opportunity is to refurbish and extend the existing Morupule Power Station, to build Greenfield coal fired power stations; and
- Development of a rail way line to reach the market in Trans-Kalahari through Namibia at an estimated cost of BWP136 billion

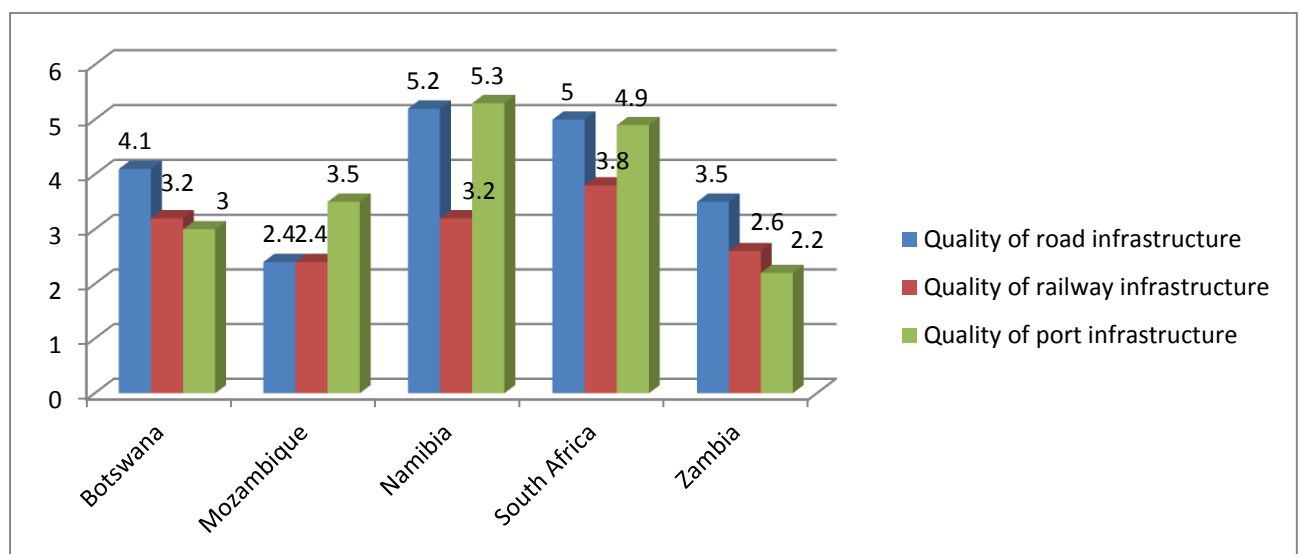
Food, Confectionary and Beverage manufacturing is a very vibrant and significant part of the manufacturing sector of Swaziland. There is huge demand for Swazi produce in overseas markets, especially pineapples. Opportunities identified are fruit, vegetable preservation and

bottling, bottling (preservation) of pickles and chutneys, bottling of jams and jellies, processing of beans and other legumes, bottling of spring-water and flavoured spring water and juice squeezing (fresh juice from oranges, grapefruits and guavas).

8.3 Cargo, Freight and Logistics sector

Botswana offers access to seven fast-growing markets and serves as the perfect location to leverage regional trade growth, with intraregional transport volumes expected to more than double within the next two decades. According to the World Economic Forum, Botswana has the best landlocked infrastructure in Africa as shown in Figure 3 and the third best logistics operating environment in the region.

Figure 3: Botswana’s relatively competitive infrastructure



Source: WEF Global Competitiveness Report 2016/17

Despite Botswana’s relatively limited market size and landlocked positioning, its central location in SADC presents multiple opportunities for investors, which include:

- Botswana’s central location in SADC with a catchment area of 100 million potential consumers within a 1,500km radius, and a regional market of 292 million consumers, perfectly positions the country to capture regional consumer freight flows by offering bulk breaking, cargo consolidation, dry ports and cargo warehousing facilities.
- Botswana has 212 billion tonnes of coal deposits. The country expects to export between 72 million and 90 million tonnes per annum in 2024, substantially exceeding the current rail capacity of 4.2 million tonnes. To take advantage of these coal deposits, a number of opportunities exist:
 - Increasing the capacity of Botswana Railways;
 - Transporting coal to South Africa, Namibia and Mozambique for export; and

- Transporting coal to the Morupule and Mmamabula power stations.

The topmost goods that are exported from Botswana to South Africa are machinery and mechanical appliances and diamonds. The topmost goods that are imported from South Africa are fuel and machinery & electrical equipment. Transport operators should consider opportunities for the transportation of these goods for growing market share and business operations.

8.4 Leather and Leather Goods Sector

Botswana has an abundance of raw hides and skins locally. The country has an annual national herd size of 2.5-3.3 million cattle; with an average off-take ratio of 9% estimated only through the Botswana Meat Commission (BMC) annual throughput, yielding 200,000-300,000 hides per year. Opportunities for operators in this sector would include the exporting of leather garments, leather goods including bags, stitched leather seats for cars and other accessories. Also in processing raw hides and skins into finished products and establishing a wet blue leather tannery.

8.5 The Automotive sector

In recent years, Botswana has positioned itself as a supplier of vehicle parts and components to the region's automotive industry, resulting in a strong increase of vehicle part exports from Botswana.

Among the key opportunities in the sector are:

- Supply of parts & components to the automotive sector;
- Supply of replacement parts for vehicles of large-scale projects;
- Expansion of existing component manufacturing industries (e.g. batteries, ignition wiring sets); and
- Establishment of skills development/ training facilities for auto mechanics and technicians

8.6 Agriculture sector

Agriculture only comprises approximately 2.4% of GDP, but it is vital to livelihood for many citizens of Botswana who operate farms for subsistence. Livestock production, especially cattle, contributes an estimated 80% to the agricultural GDP.

The following opportunities are available:

- Investment to establish commercial farms;
- Tanneries for the export of processed hides and skins;
- Horticulture packaging; and

- Tomato paste production

8.7 Tourism sector

The country's unique natural resources provide it with a significant advantage in the tourism sector. Tourism plays a significant role in the national economy and exhibits enormous potential for future growth. The government is committed to growing the sector as part of its economic diversification strategy. Botswana seeks to broaden the tourism base by adding more product components and increasing the geographic spread of tourism. While Botswana tourism is focused on high-end tourism, the Government of Botswana (GOB) is now interested in expanding into mid-range tourism.

Joint ventures opportunities exists for hotel expansions and start-ups along the Trans-Kalahari Highway, joining Botswana and Namibia, and development of lodges in Kgalagadi Trans frontier Park, Central Kalahari Game reserve, Makgadikgadi Pans National Park, and forest reserves surrounding Chobe National Park.

8.8 Health sector

Botswana is facing major challenges in addressing health threats such as Acquired immunodeficiency syndrome/ human immunodeficiency virus (HIV/AIDS), malaria, and tuberculosis. To improve service delivery in the health sector, the government has prioritized human resources development, technology and supply chain capacity. The government also seeks to improve health care infrastructure and provide and upgrade medical and surgical equipment. Currently there is no pharmaceutical production capacity in Botswana, however companies are engaged in the importation and packaging of bulk drugs.

The following opportunities were identified:

- Infrastructure improvements and equipment upgrades at several hospitals and medical facilities
- Development of two acute care referral hospitals, 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)
- Two hospitals in Gaborone (up to 300 beds) and a smaller private hospital in Francistown
- Investment in the training of health personnel in areas such as commodity planning, forecasting, logistics and supply chain. Finally, the technology sector may find opportunity through Botswana's plans to strengthen its health information systems in order to improve the collection, dissemination and storage of data.

9. CONTACT DETAILS OF RELEVANT AUTHORITIES

Should cross-border operators or any other part conducting trade between South Africa and Botswana face challenges at border posts and or in the corridor, they should contact the following key stakeholders for speedy resolution of challenges and assistance:

Table 7: Contact Details

| | | |
|---------------------|--|---------------------|
| South Africa | Cross-border Road Transport Agency | 012 471 2000 |
| | SARS Customs | 0800 00 7277 |
| | DHA | 013 793 7311 |
| | SAPS | +27 (0) 12 393 1000 |
| | Agriculture | 012 319 6000 |
| | SANRAL | 012 844 8000 |
| Botswana | Ministry of Transport and Communications | +267 361 2000 |
| | Ministry of Road Transport and Safety | +267 492 1687 |
| | Botswana Unified Revenue Services | +267 363 8000 |
| | Botswana Investment and Trade Centre | +267 363 3300 |
| | Statistics Botswana | +(267) 367 1300 |
| | Bank of Botswana | +267 74 575 132 |