



# SOE EXTENSION: A THREAT TO THE ECONOMY

BUSINESSES ARE LOSING MILLIONS, WHILE OTHERS ARE SHUTTING DOWN. SOME ARE UNDERGOING LIQUIDATION TO AVOID THE EXTENDED DEBT THE SOE PLACES ON THESE COMPANIES. MOST EMPLOYEES ARE NOT RETRENCHED, BUT ARE HOME WITHOUT PAY. THE FURTHER EXTENSION OF THE SOE WILL CERTAINLY LAND A FINAL BLOW TO MOST BUSINESSES.

STORY ON PAGE 03



Vice President  
Slumber  
Tsogwane

President  
Mokgweetsi  
Eric. Masisi

## INSIDE BOTSWANA'S FINANCIAL STABILITY AT RISK

The COVID-19 pandemic and the necessary disease containment measures will continue to have an adverse effect on economic performance in...**PAGE 02**

## BOTSWANA RECORDS A DECLINE IN EXPORTS

Botswana's total exports in June 2020 decreased by 70.3 percent, an equivalent of P2.2 billion driven by cross-border trade restrictions enforced because of COVID-19...**PAGE 04**

## COVID-19 CLAIMS P95MILLION FROM CRESTA

Leading hospitality outfit, the Cresta Marakanelo Group announced that its revenue declined by P94.5 million (50 percent) in the first half of 2020 compared to prior...**PAGE 09**

Standard Chartered Business

> Have a valid Purchase Order that needs financing? No Problem.

## Standard Chartered PO Financing offers your business:

- Financing up to 6 months
- No financial submission - only 6 months bank statements required
- Cession of Payment used as collateral

It's simple. We take care of the details to power your business ambition.

For more information talk to your Branch, Relationship Manager or email [BusinessBanking.BW@sc.com](mailto:BusinessBanking.BW@sc.com)

Download the SC Mobile Botswana App today.



## THE BUSINESS WEEKLY & REVIEW

A REFINED READ

### INSIDE

News	2-9
Tax & your Pocket	10
Companies & Markets	11

### TEAM

#### SUB EDITOR

Douglas Motheo  
douglassmotheo@gmail.com

#### SALES & MARKETING

Mosetsanagape Chifana  
mosschifana@gmail.com

#### THE GRAPHICS GUY

Taelo Maphorisa  
taelobw@gmail.com

#### CONTRIBUTORS

Jonathan Hore

### DISCLAIMER

Commentaries, letters and columns present are the views of the authors and not necessarily those of The Business Weekly & Review

### PUBLISHED BY

#### THE BUSINESS WEEKLY & REVIEW

Post: Post Net Kgale View 449 ADD,  
Gaborone, Botswana  
TEL: (+267) 3170 615  
Unit 16, Gaborone International  
Finance Park, Gaborone, Botswana

info@businessweekly.co.bw  
www.businessweekly.co.bw

#### CONNECT WITH US

Follow: @TheBWRBotswana  
facebook.com/businessweeklyBW  
instagram.com/businessweekly\_BW

### WEATHER

#### GABORONE TODAY (FRI)

22°  
Lo 2°C  
PLENTY OF SUNSHINE

#### 3 DAY FORECAST

#### SATURDAY

23°  
Lo 2°C  
PLENTY OF SUNSHINE

#### SUNDAY

21°  
Lo 1°C  
PLENTY OF SUNSHINE

#### MONDAY

23°  
Lo 1°C  
CHILLY

Source: www.accuweather.com

# BOTSWANA'S FINANCIAL STABILITY AT RISK

STAFF WRITER



The COVID-19 pandemic and the necessary disease containment measures will continue to have an adverse effect on economic performance in the short term and could, if protracted, further elevate risks to financial stability; in particular potential increase in default of bank loans and insurance premiums payments or contributions to pension funds, as well as, early pension withdrawals emanating from loss of employment and, the Financial Stability Council (FSC) said.

The Financial Stability Council (FSC) met on August 25, 2020 to deliberate on recent developments in the financial sector, as well as to address regulatory and public interest issues relating to the stability, performance and prospects for the domestic financial sector.

The FSC was officially launched in February 2019, and comprises senior officials of the Ministry of Finance and Economic Development (MFED), the Bank of Botswana (the Bank), Non-Bank Financial Institutions Regulatory Authority (NBFIRA), and Financial Intelligence Agency (FIA). These authorities have signed a memorandum of understanding (MoU) for the purpose of information sharing, cooperation and communication in the implementation of a macro-prudential policy framework for Botswana.

According to the FSC, overall, notwithstanding the challenges engendered by the onset of the COVID-19 pandemic, the domestic financial system continues to be resilient, characterised by strong capital buffers, liquidity position and profitability. The enduring stability of the financial system according to FSC is supported by a sound macroeconomic environment, efficient market infrastructure and effective legal and supervisory frameworks.

"Therefore, these favourable conditions enable the financial sector to perform its role and support economic activity in different economic cycles. Notwithstanding this positive macro-prudential assessment, the FSC noted emerging vulnerabilities and elevated risks requiring close monitoring. These risks are associated with the structure and performance of the economy, as well as the impact of the COVID-19 pandemic, notably: the dependence on the external sector and, in particular, reliance on a single commodity for export earnings and related vulnerability to exogenous shocks," the FSC noted.

Further, the Council observed the importance of government spending on the economy and associated vulnerability to the fiscal position and any constraints to implementation of recovery and transformation plans;

strong sectoral interlinkages that involve a relatively large exposure of banks to non-bank financial institutions (NBFIs) in terms of significant sources of funding; and bank lending that is dominated by credit to the retail and household sectors, including a significant proportion of unsecured personal loans.

Further, the household sector is vulnerable to sudden and sharp increase in borrowing costs. In considering prospects for financial stability going forward, the Council observed that: the COVID-19 pandemic and the necessary disease containment measures will continue to have an adverse effect on economic performance in the short term and could, if protracted, further elevate risks to financial stability; in particular potential increase in default of bank loans and insurance premiums payments or contributions to pension funds, as well as, early pension withdrawals emanating from loss of employment and, constrained liquidity for some institutions which were not able to underwrite

new business during lockdowns, as well as, lower profits and investment returns.

While economic performance is severely constrained by the impact of the COVID19 pandemic, proactive policy actions, including prevailing accommodative real monetary conditions, injection of additional liquidity into the banking system, other measures instituted by non-bank financial institutions to mitigate the negative impact of COVID-19 and expansionary fiscal policy support measures, continue to anchor soundness of the financial sector, according to the Council.

"Moreover, the economic recovery and transformation plan bode well for support of economic activity for the recovery phase. Credit growth remains moderate and in line with nominal GDP growth rates and trends in personal incomes, thus posing minimal risk to financial stability. Credit risk is adequately managed as manifested by the relatively low non-performing loans ratio for the banking industry (4.5

percent of total loans in June 2020)," the Council said.

Further, it added that concerns around corporate governance and accountability issues in some segments of the pension and investments management industry are being addressed in an orderly manner. Regarding the update on Anti Money Laundering/Counter Terrorism Financing (AML/CFT) compliance issues, the FSC noted that the COVID-19 pandemic has delayed the consideration of Botswana's progress report by the Financial Action Task Force – International Cooperation Review Group (FATF – ICRG). It is expected that the report will be tabled for consideration at the October 2020 FATF meeting. The last assessment, made in January 2020, had concluded that further progress towards rectifying the remaining deficiencies was needed, and that the country would remain under monitoring until December 2020. Meanwhile, the European Union has decided to include Botswana in the list of high-risk third countries effective October 1, 2020 on account of having strategic deficiencies in its AML/CFT regime. The implication of this is that EU banks and non-bank financial institutions are required to carry out enhanced customer due diligence, that is, require more information on financial transactions originating from Botswana clients, for as long as Botswana remains grey-listed by FATF. The FSC said this has the potential to delay the processing of international payments, including for imports and offshore placements by local entities. It however said concerted efforts are ongoing to implement the FATF required action plan to address the identified deficiencies. The FSC also noted the conclusion of the framework for the identification and designation of domestic systemically important banks (D-SIBs) by the Bank of Botswana (the Bank), and that a similar framework for identifying domestic systemically important financial institutions (D-SIFIs), by the Non-Bank Financial Institutions Regulatory Authority (NBFIRA), was at an advanced stage. D-SIBs and DSIFIs are financial institutions the failure of which, could have a disruptive effect on the domestic economy and are subject to enhanced supervisory attention. Furthermore, the FSC noted the generally positive feedback, by various stakeholders, on the consultative paper proposing the establishment of a limited bank deposit insurance scheme for Botswana, thus allowing for further processing in 2020 -2021. NBFIRA will also explore establishment of other "bail-out" funds to protect clients in the non-bank financial sector.



# STATE OF EMERGENCY

## A Danger to the Economy



Businesses are losing millions daily, while others are shutting down. Some are undergoing liquidations to avoid the extended debt the SoE places on these companies. Most employees are not retrenched, but are home without pay. The further extension of the SoE will certainly land a final blow to most businesses.

### STAFF WRITER

The private sector advocacy group, Business Botswana, is strongly against the extension of the State of Emergency (SoE), by President Mokgweetsi Masisi and his administration.

The SoE was recently given a green light at Parliament where the Botswana Democratic Party (BDP) is in majority.

Members of the Opposition were against the extension. So is Business Botswana, a private sector Organisation functioning as a chamber of Commerce, employer Organisation and a Business representative body.

“Business Botswana would like to make its position clear that the private sector does not support the extension of the State of Emergency. Such an extension would without any doubt cause further damage to an economy that is on its knees,” said Business Botswana President, Gobusamang Keebine

Business Botswana believes that there are other tools that exist which can be used to manage the COVID 19 Pandemic without necessarily resorting to the SOE.

Keebine said the Public Health Emergency (PHE) Act is such a tool which can achieve the same objective as the SOE but without exposing the economy to very

stringent restrictions as it is the case now.

He noted that using the (PHE) tool will relieve Government of the need to spend a lot of money to mitigate losses arising from businesses having to close temporarily due to lockdowns, etc.; money that the economy and Government does not have.

“Business Botswana applauds the Government in attempting to mitigate against the pandemic and do recognise that it has done the best it could under the current circumstances, however the impact of the various relief interventions have not been felt by most enterprises,” he stated.

He added that several

instruments were put in place to support businesses but a number of these are not in place and for those that are, it is impossible to access them.

“The question therefore is what government is going to do in the next six months which is different from the previous six months?”

Keebine stated that the COVID 19 Pandemic has caused a lot of damage to the economy.

“Businesses are currently operating at bare minimum; while most have folded; others are undergoing liquidations to avoid the extended debt the SOE places on these companies. Most employees though not retrenched as it would be contrary to the

SOE are home without pay; any further disturbance to the business environment will kill enterprises and they are certainly going to find it difficult to start all over again,” he commented.

“It is best to deal with the results of lifting the SOE than to postpone these where there will be even greater negative consequences; unemployment is going to reach peak levels, crime is going to dramatically increase, social ills are going to increase when people lose their property. Government must be bold and open the economy now and rescue whatever remains and can be rescued than to extend that action by another 6 months.”

## MASISI NEEDS SOE – DR DIKOLOTI

• SoE Needed to Enforce Compliance

### KABO RAMASIA Staff Writer

The Minister of Health and Wellness, Dr Edwin Dikoloti, believes that President Mokgweetsi Masisi's administration needs the State of Emergency (SoE) to basically enforce compliance to the COVID-19 regulations.

Dr Dikoloti said this in a televised national address on Thursday (yesterday). Part of the update was for the Ministry to present its strategic plans to the nation for the next six months.

According Dr Dikoloti, “the state of emergency is coming to an end but Parliament has extended it to next year March.”

“This comes at a time when Botswana is experiencing a surge in COVID-19 cases.”

Justifying Masisi's decision to extend the SoE, he said chief of the reasons was to ‘preserve lives’ and help government mobilise resources to defeat COVID-19.

Due to the SoE, Botswana was able to record low mortality rates, according to Dr Dikoloti.

The Minister believes that in the absence of the SoE, the country could have recorded more deaths. “We did well as a

country,” he said.

Botswana is amongst a few African countries that have managed to keep the death rates low.

“Our mortality rates are very low in Africa,” he noted. “This was due to the powers from the state of emergency.”

According to Dikoloti, the SoE achieved its purpose(s). He said legislative pieces crafted ensured that the spread of the virus is curbed.

“We were able to close borders and restrict social gatherings,” he added.

The President of Botswana is empowered by the Constitution

under Section 17(1) to declare a period of SoE for 21 days. Upon elapse of the set days, the President is further empowered by Section 93(1) to convene an Extraordinary Meeting of Parliament for it to endorse extensions.

Meanwhile, Botswana's neighbour from the south has announced the opening of borders for international travel. South African authorities outlined that in order for a person to be allowed entry they will be required to produce valid COVID-19 test and will be screened at entry ports.

“Where there is a state of

emergency there are legislative controls that help us curb the virus,” said Dr Dikoloti.

For his part, the Permanent Secretary (PS) at the Ministry, Kabelo Ebineng, has expressed shock at the number of people who sought permits to travel during the independence holidays. He said the permit system was suspended to restrict movement and slow the risk of spreading COVID-19.

Ebineng maintained that they will keep addressing the nation on television to explain the measures which will be taken towards Christmas Holidays.



# BOTSWANA RECORDS A DECLINE IN EXPORTS



- Decline by P2.2 billion
- Trade Deficit Balloons to P6.3 billion
- Trade Restrictions weigh down on Exports

## STAFF WRITER

Botswana's total exports in June 2020 decreased by 70.3 percent, an equivalent of P2.2 billion driven by cross-border trade restrictions enforced because of COVID-19, data from Statistics Botswana shows.

The value of exports for the month amounted to P943.5 million compared to the revised May 2020 value of P3.1 billion.

This is provided in the Monthly International Merchandise Trade Statistics digest of June 2020 released by Statistics Botswana mid-September.

The national accounts office attributed the decline to the reduction in the exportation of Diamonds during the period. The decline in Diamonds exports contributed a negative 75.1 percentage points to the overall change in total exports.

According to the digest, 58.2 percent (P549.5 million) of the country's total export bill in June 2020 was attributed to Diamonds.

"Machinery and Electrical Equipment contributed 10.7 percent (P101.3 million), while Salt & Soda Ash made a contribution of 8.2 percent (P77.1 million) to total exports during the period under review," Statistics Botswana indicates.

Further, it shows that during the period under review, Botswana's exports were mostly absorbed by Southern African Customs Union (SACU) with a market share of 41.3 percent, South Africa topped the charts with 38.8 percent of total exports.

Meanwhile, Botswana recorded a trade deficit of P6.3 billion during the period under review.

On the contrary, Botswana's imports stood at P7.2 billion, displaying an increase of 45.4 percent from the revised May 2020 value of P4.9 billion. Diamonds worth P3.4 billion were imported into the country during the period under consideration. Diamonds imports contributed 49.2 percentage points to the overall increase in total imports in June 2020.

"The positive contribution made by Diamonds imports was however counteracted by the negative contribution made by the fall in Fuel and Vehicles & Transport Equipment imports, which contributed negatively by 9.3 and 7.2 percentage points respectively, to the overall increase in June 2020," Statistics Botswana indicated.

## OFF FOR THE HOLIDAYS



Dear clients

Our Alexander Forbes Botswana office will be closed  
from **Wednesday, 30 September 2020 to Friday, 2 October 2020.**  
We will re-open on **Monday, 5 October 2020.**



# CHINA RESCUES BOTSWANA'S AILING HEALTH SYSTEM

- Donates 9 batches of medical supplies
- Recently sent a team of 46 medical doctors

KABO RAMASIA  
Staff Writer

The Chinese government recently presented the 9th batch of medical supplies intended to aid its ‘friend’, Botswana, which is going through the hardest time in the fight against the COVID-19 pandemic amidst a looming recession.

Botswana, a landlocked sub-Saharan country is currently grappling with a virus that has collapsed the economy, and also overburdened its ailing health care system exposing the nation to a near disaster.

Meanwhile China, a place of origin for the COVID-19 virus, has stepped up in assisting the Botswana government’s efforts to combat the virus.

Other African governments have also benefited from China’s noble gesture also China’s generosity to Africa has always been filled with controversy.

To date, China has shipped over billions of dollars worth of medical supplies to over 80 African countries, Botswana included.

Since the outbreak in April, Botswana government has continuously received batches of consignments from China to help them curb the pandemic.

However, the donations have received mixed signals with observers saying they come at a cost and that the Chinese are using an occasion presented by the virus to ‘restore its image’ for its initial failure to contain the pandemic.

The latest batch of medical supplies to be received was in September 2020, when China Ambassador to Botswana, Dr Zhao Yanbo handed over 80 ventilators, 70 oxygen generators, 600 infrared thermometers, 30,000 N95 face masks and 50,000 surgical masks.

Speaking at the time, Ambassador Yanbo said “solidarity and cooperation are the most effective weapons against a pandemic.”

That was the 9th batch of medical supplies donated to Botswana by the China.

In acceding to Botswana’s call for help, China was among the first few countries to respond when it donated medical supplies through its Embassy in Gaborone. This was then followed by more donations from the Jack Ma Foundation, owned by Chinese businessman, by Jack Ma.

Despite that, China has been accused of colonising African nations and offering them ‘free

lunches’ through financial aid to advance its interests in Africa.

In the meantime, Botswana’s health care system is at its worst due to effects of the pandemic.

At the moment some suspected COVID-19 patients and contacts are told to self-isolate at homes because health facilities are fully occupied.

According to the latest update, as at Monday this week, Botswana

had 251 new cases and 16 deaths. Government has done a total of 184, 076 tests out of which 83,299 are border tests while 100,777 are local tests.

Currently Botswana is experiencing an upsurge in local transmissions cases with health authorities cautioning that the situation could escalate if the nation doesn’t comply to set COVID-19 containment

protocols.

This sad narrative was compounded by the finance minister, Dr Thapelo Matsheka’s recent supplementary budget request from Parliament.

Matsheka told Parliament that with all its current problems, the Ministry of Health and Wellness needed the sum of P1 billion to further fight this scourge. “Funds that have been initially mobilised

both under the Ministry and the COVID-19 Relief are almost depleted, hence the need to make additional budgetary provisions for the Ministry of Health and Wellness,” said Dr Matsheka.

Meanwhile, adding to the assistance, China recently sent a team of 46 medical doctors who will be stationed in various hospitals to offer their medical expertise.

BOTC

BOTSWANA TRADE COMMISSION

PUBLIC TENDER NOTICE

CONSULTANCY TO DEVELOP A FIVE-YEAR STRATEGIC PLAN FROM 2020 TO 2025 FOR THE BOTSWANA TRADE COMMISSION (REFENCE NUMBER: BOTC/BD/20.21/01)

Botswana Trade Commission (BOTC) hereby invites companies with substantial experience to tender for a CONSULTANCY TO DEVELOP A FIVE-YEAR STRATEGIC PLAN FROM 2020 TO 2025 FOR THE BOTSWANA TRADE COMMISSION.

Bidders must, in order to be considered for the tender, be registered with the Public Procurement and Asset Disposal Board (PPADB) in the following categories:

PPADB Code: 317 (Other Consultancy Services) Sub Code 1 (Management Consultancy Services)

The tender is reserved for 100% citizen-owned companies.

The Invitation to Tender (ITT) document may be purchased at the BOTC office by interested companies for a non-refundable fee of P250.00 (Two Hundred and Fifty Hundred) VAT inclusive, effective **29<sup>th</sup> September 2020**. Payment must be made in the form of bank transfer or deposits to the following bank details:

Account Name:	Botswana Trade Commission
Bank:	Stanbic Bank
Account Type:	Current Account
Account Number:	906 000 165 3941
Branch Name:	CBD
Branch Code:	065 167

Youth owned companies shall purchase the ITT at 50% of the purchase price as per Presidential Directive CAB 14 (B)/2015.

Tender documents shall be issued only upon provision of proof of payment for the purchase of the ITT.

Tenders and all supporting documents should be submitted not later than **12:00hrs on the 23<sup>rd</sup> October 2020** or such other later date as BOTC may advise in writing, to the following address:

**Botswana Trade Commission**  
**Plot No. 55745, Block 8,**  
**Main Airport Road**  
**Gaborone**  
**Tel: +267 3924580**

Tenders will be opened at **12:05hrs** on the **23<sup>rd</sup> October 2020** at the BOTC offices. Representatives of the bidders and the general public may attend unless otherwise advised in writing by BOTC.

BOTC Procurement Procedures shall apply to this tender.

Notwithstanding anything in the foregoing, BOTC does not bind itself to accept the lowest or any bid and reserves the right of accepting a tender either in whole or in part as regards to any one or more of the item descriptions specified.

For any further information regarding the tender, contact:

Ms. Tshwaranang Moitshoki  
Contact email: **moitshoki@botc.org.bw** or **info@botc.org.bw**



# KEEPING YOUR IDENTITY SAFE THROUGH COVID-19

## STAFF WRITER

Global information and insights company TransUnion has warned

Batswana to be on their guard against COVID-19-related scams, with criminals taking advantage of the increased number of people looking for

information about the disease to defraud them or steal their personal details.

In an interview, Kabelo Ramaselwana, Chief Executive

Officer (CEO) of TransUnion Botswana, said cybercriminals were exploiting the COVID-19 pandemic as a screen for their activities, sending emails and

text messages from seemingly legitimate organisations with information about COVID-19.

He said once people click on the links in emails or text messages, they unknowingly download software which allows cybercriminals to take control of their devices and access their personal information and financial data, which could lead to identity theft. On the websites, he said they are scammed into buying fake or non-existent products.

"Identity theft is growing in Botswana. The problem with this type of crime is that victims only find out about the theft months later – by which time fraudsters have obtained false lines of credit and racked up significant debt in their name," said Ramaselwana.

To avoid turning the already-challenging times into a long and stressful fight to reclaim stolen identity, Ramaselwana advised for the following tips to be practiced by Batswana to protect themselves against identity theft.

### **Never click on a link, or provide your sensitive information**

Phishing is a major part of identity theft and fraud, warned Ramaselwana. "You'll get an official-looking email from a bank or other organisation, offering you information or asking you to verify some aspect of your account. Don't do it. No reputable company will ever ask to verify details by clicking on a link in an email," he said.

### **Stick to legitimate sites for online shopping**

The restrictions in movement have resulted in a surge in online shopping, as people look to buy everything from groceries to books to airtime. "Check that there's an 'https' in the web address and an icon of a locked padlock on the left side of the URL. The 's' stands for secure and means the site can be trusted. Don't just click on links in mails offering you 'too-good-to-be-true' deals: check it out first," said Ramaselwana.

### **Secure your online identity now**

He advised Batswana to make sure they have strong passwords for important accounts such as their banking, online shopping and email. He advised that they change them regularly and not use the same password for all the online profiles. Where possible, he said they should use two-factor authentication to make it harder for scammers to gain access to their accounts.

### **Keep checking your transaction alerts**

According to Ramaselwana, the best way to check if your identity and credit is safe is to check your bank and card statements and credit reports.

"Fraudsters are especially active at a time of crisis, when people are distracted. Keep track of what is on your credit report for signs of suspicious activity, such as accounts that you don't recognise or credit checks from companies with which you've never done business," he said.



**NEW**

**1/2 Chicken  
+ Pap  
+ Chakalaka  
P89.90**

**Chesa  
Boipuso!**

Enjoy Independence  
with a flame grilled ½  
chicken and 2 sides

**Nando's**

\*Terms & conditions apply.



# Q2 GDP DECLINES BY 27 PERCENT

• Private Sector contribution to GDP salls

TSHEPI GABOTLHOMOLWE  
Staff Writer

As a result of the squeezed economic activity because of COVID-19, the general government contribution to GDP has for the first time in many years surpassed that of the private sector during the second quarter of 2020, Statistics Botswana data shows.

The nominal Gross Domestic Product (GDP) for the second quarter (q2) of 2020 was P36.8 billion, a massive decline from the P50.7 billion registered during the previous quarter (q1).

This represents a quarterly decrease of 27.3 percent between the two periods. According to the GDP data availed by Statistics Botswana (SB), during the quarter under review, the General Government became the major contributor to GDP for the first time in many years, by 19.7 percent, followed by Finance and Business Services, Trade, Hotels and Restaurants and Mining and Quarrying by 16.7, 16.5 and 8.1 percent respectively.

The reports states that the General Government industry increased by 2.1 percent in real value added compared to 4.2 percent during the corresponding quarter of 2019. In response to the global COVID-19 pandemic, Statistician General (SG) Burton Mguni says many governments implemented a wide range of support measures to mitigate its impact on the economy and society.

He says that the Botswana Government instigated robust fiscal policy responses in order to influence macroeconomic conditions, including aggregate demand of goods and services, employment, inflation and economic growth. These policies he says are intended to increase aggregate demand, although contributing to deficits or drawing down of budget surpluses. According to the report, employment was created in the Public Administration sector in order to adhere to COVID-19 protocols e.g. recruitment of teachers, Safety and Health Employees (SHE) and other temporary employees across Ministries.

The contribution of other sectors was below 7 percent, with water and electricity being the lowest at 1.6 percent. Real Gross Domestic Product for the second quarter of 2020 decreased by 24 percent. The deep contraction was attributed to the huge decline in real value added of mining and quarrying and trade, hotels and restaurants industries by 60.2 and 40.3 percent respectively.

In the case of foreign trade, real exports of goods and services decreased by 75.8 percent in the second quarter of 2020 compared to a decline of 8.8 percent realized in the same quarter of 2019. Diamond is a major

export commodity, Mguni said. According to SB, the year-on-year growth of diamond exports indicates a significant drop of 78.4 percent. Real Imports of goods and services decreased by 14.9 percent during the quarter under review, compared to a 13.5 percent increase realized in the same quarter of the previous year

Finance and Business Services industry registered a negative

growth of 11.9 percent due to the decline in the real value added of Business Services and Real Estate by 24.4 and 17.8 percent respectively. The resilient performance of the industry was reflected in both Banking and Insurance sub-industries that recorded positive growths of 4.4 percent and 1.9 percent in real value added respectively. The Financial sector introduced accommodative (loose) monetary

policy responses. Monetary policy involves changing the interest rate and influencing the money supply.

A decrease in the real value added of Mining by 60.2 percent which was mainly influenced by Diamond and Coal real value added. Diamond production in carats went down by 67.0 percent while Coal production in tonnes decreased by 40.7 percent.” Diamonds are luxury goods and there-

fore are bound to fluctuate due to the appetite of reliable customers as the world is highly affected by the outbreak of coronavirus pandemic,” the SG said. He further said there is a significant drop in the demand for diamonds in the global markets. With regard to coal, the remedial works on Morupule B power plant had a negative impact on its uptake and consequently the decline in production.

We know you better

## BBS LIMITED INTERST RATES SCHEDULE 01-10-20

Type of deposit account	Nominal interest rate (Lowest -Highest)	Actual interest rates (%) (Lowest-highest)	Mini num opening Balance (Lowest-Highest)
Current	Nil	Nil	Nil
Call	Nil	Nil	Nil
Ordinary savings	0.20%	0.20%	100
Special savings	0.30% - 0.65%	0.30% - 0.65%	500
Letsibogo	0.30% - 0.85%	0.30% - 0.85%	0
Tlanelo mortgage savings	1.50%	1.50%	250
Lerako savings	1.00% - 2.75%	1.00% - 2.75%	25000
Paid up deposit	1.10%	1.10%	200
Subscription deposit	1.75%	1.75%	200
Fixed term deposit	0.75%-3.85%	0.75% -3.85%	1000
12months fixed deposit	0.75%-1.05%	0.75%-1.05%	1000-200,000
24months fixed deposit	1.20%-2.80%	1.20%-2.80%	1000-200,000
Over 24months	1.70%- 3.85%	1.70%- 3.85%	1000-200,000
Prime lending rate		5.75%	



www.bbs.co.bw

“Working together  
towards a common goal”



## Comment

PROPOSED  
VAT 14 % INCREASE  
IS "WRONG TAX" AT  
THE "WRONG TIME"!

Government is seeking to among other thing increase VAT to 14% and introduce other taxes such as carbon and sugar taxes in order to boost revenues and finance the Economic Recovery and Transformation Plan (ERTP). The plan will indeed boost revenues however the same cannot be said about economic recovery and transformation. The increase in existing and introduction of new taxes will not stimulate the economy in any significant way. It might help improve GDP figures but in as far as improving the welfare of the citizens, it will achieve little to nothing. Taxes simply imply taking more from the private sector and individuals in order to finance government projects which are neither effective nor efficient in most cases. First and foremost, there is no way that an economy can be transformed within a 3-5-year period. Dubai and China took more years with more resources at their disposal than we do. Economic transformation should be a long-term plan aligned to Vision 2036 while the economic recovery should serve as part of the short to medium term plans in line with the National Development Plans (NDPs). Government needs to take cognisance of the pressure that it is imposing on individuals' incomes. Already we are being made to pay for the project mismanagement that occurred at Morupule B through the spikes in electricity tariffs. The water billing system is a disgrace to say the least. It is a clear indication of individuals being robbed by the very government that claims to serve them. Before we rush to boost government revenues, we need to look to improve efficiency within the civil service. Government departments are rushing to the posh CBD and in the process they end up paying for more office space than they really require while at the same time their leases from their previous offices are still running and somehow we are expected to foot the bill for such reckless wastage. In most instances the relocation cannot even be justified save to say that the offices in the CBD are more luxurious compared to the ones previously occupied. This is not only unfair, but it actually borders on criminality. Carbon tax is meant to address environmental issues while sugar tax is meant to discourage the consumption of sugar. These are not meant to finance the inefficiencies that we are seeing today or budget shortfalls. Our goals and our actions are misaligned and unless we realign these we are doomed as a nation. We have failed to come up with a mechanism for collecting a plastic levy over a period of 10 years while retailers have used the tax to charge consumers exorbitant amounts for plastics which were free prior to talks on the plastic levy yet we are ready to impose more taxes on helpless citizens.

## Tax Column

Commentaries, letters and columns present here are the views of the authors and not necessarily those of The Business Weekly & Review

DONATE TO THE  
UNDERPRIVILEGED  
& SAVE ON PAYE

JONATHAN HORE Managing Consultant Aupracon Tax Specialists



Very few people are aware that the Income Tax Act ('Act') allows them to make donations to the underprivileged, a move which reduces their PAYE for employees or Personal Income Tax (PIT) for those who are self-employed. This is largely because the Act previously catered for corporate donations only but as from 2017, the list of donees was expanded such that even individuals can now donate to certain specified persons, realising taxes in the process. In this article, words importing the masculine shall be deemed to include the feminine.

**Donations in general**

Donations are generally not tax deductible, which means that they cannot be used to reduce amounts subject to tax, whether corporate tax, PAYE or PIT. In other words, such donations merely become a cost to the donor and if they are already deducted at arriving at taxable profits, the amounts so deducted must be added back in determining tax. But I want to put my focus on donations made by individuals and show you that you can now be a little Mother Theresa by helping underprivileged people.

**This is it**

Fine, I can tell that you want to become a little Mother Theresa and as such, you first of all need to identify the right donee who is recognized by the Income Tax Act as someone you can donate to and still claim a tax deduction. One group of those persons include orphans under the age of 18, who must be registered under the ministry responsible for local government. Secondly, disabled or destitute persons

registered with the Office of the President also qualify under approved donees. Lastly, institutions which take care of either the destitute, disabled or orphans under 18 as approved by the responsible ministry can also be approved as donees.

Practically, you need to obtain a form from BURS, complete it and take it to the responsible ministry and then back to BURS. BURS will then respond to you via a letter stating that the person you identified has been okayed as an approved donee for income tax purposes. Once that is done, you can then go ahead and donate to such person, obtain documentary evidence of the donation and then you reduce your PAYE or PIT.

**Reducing tax**

In order to reduce PAYE, take your proof of donation to your HR division or the one who handles your PAYE and ask them to knock off your salary with the amount of the donation. If you earn P14 000 and donated P2 000, your tax falls from P 1 587.50 to P 1 087.50, saving you P 500 in PAYE. If you are self-employed, you just need to knock-off your income by the amount donated and that will also reduce your PIT in the same manner described above. This knock-off is provided for in section 51 of the Act.

**Don't forget this**

Let me draw your attention to a few things that you must not forget as you try hard to positively impact another life. The first thing is that you cannot get a tax deduction if you donate less than P 1 000 per tax year, i.e. from 1 July in one year to 30 June of the following year. Secondly, you can't donate more than 20% of your

aggregate taxable income. Further, you need to know that donations to the above-mentioned donees last for 3 years and you may need to renew then regularly. Lastly, note that there are other donees who are not underprivileged such as sports clubs or associations, educational institutions etc which I didn't mention above. Should you need further details about them, you know the number to call. If you don't, look a few sentences below and you will be good.

**Donate today**

You now have all the knowledge that you needed and this is the time to shine and change the life of another person who is not as privileged as you are. If your HR division gives you stress by refusing to reduce your salary by the donation, report them to me; I will tax-prosecute them! They shouldn't play with Yours Truly, never!

Well folks, I hope that was insightful. As Yours Truly says goodbye, remember to pay to Caesar what belongs to him. If you want to join our Tax Whatsapp group or know about our 8 Tax e-books, send me a text on the cell number below.

**Jonathan Hore is a Managing Tax Consultant at Aupracon Tax Specialists and feedback on this article can be relayed to [jhore@aupracontax.co.bw](mailto:jhore@aupracontax.co.bw) or 71815836.**

**aupracon**  
**TAX SPECIALISTS**  
Consulting . Training . Compliance









# BTC DIGITISATION ADVANCES

TSHEPI GABOTLHOMOLWE  
Staff Writer

In pursuit of digital transformation, Botswana Telecommunications Corporation Limited (BTCL) has completed the delivery of its Converged billing system. Headed by Managing Director (MD) Anthony Masunga, BTCL wrote in its 2019 Annual Report that the system has been completed. Through this initiative, BTC explained that it has delivered a converged billing environment by consolidating all its three legacy billing environments which are the fixed postpaid accounts, mobile accounts and fixed prepaid accounts into a unified billing system. In the Annual Report, the Botswana Stock Exchange (BSE) listed telco stated

that this integration initiative was a critical transformational project for the Organisation as it is now driving product innovation, service fulfillment, assurance, and billing automation, allowing BTC to be more operationally efficient. The report explains that the project started in January 2017 with a two-phased approach. Phase 1 of the project, delivered in April 2018, entailed migration of mobile customers and prepaid fixed

services. Phase 2 of the project involved the movement of fixed post-paid accounts; a process that was completed in June 2019. "The system has since been stabilised and is now fully functional with several business processes automated," the report says. During the past year, BTCL's efforts focused on monetising the significant technology investments made in previous years, including selling and delivering more exceptional services to our customers. According to the report, BTC recognises the need to increase revenues and create value, obtained through increased customer loyalty, improved customer retention,

TO PAGE 12


# LETLOLE RETHINKS EXPANSIONS

STAFF WRITER

Property Company, Letlole La Rona (LLR) says the COVID-19 pandemic has delayed the execution of the projects and acquisitions which the Company had in the pipeline. The property outfit announced that it had to re-assess its pipeline in light of the effects of the pandemic to determine which ones will be value accretive. "We remain optimistic that the local economy is on its way to recovery, especially with the assistance of the measures that Government has put in place. Despite the setbacks, we believe there are still a lot of opportunities, now more than ever, to grow our portfolio both locally and regionally, and enhance the distribution offered to unitholders," the group says adding that it endeavours to continue with its vision of transforming spaces.

During the 12 months ended June 30 2020, Letlole La Rona's profit before tax went up by 24 percent in comparison to prior year's performance of P64.6 million. According to the company, the improved profitability is mainly as a result of the recovery from the prior year's profit which was depressed by a one-off book loss of P27 million upon the sale of the hospitality portfolio. Notwithstanding the above, the company says tenants have experienced business interruptions due to COVID-19 lockdowns which has resulted in tenants falling behind on rentals. The Government of Botswana declared a six-month state of emergency which ends on the 30th September 2020. The country has also experienced several lockdowns, with the first running for 52-days from 2nd April 2020, and this was followed by two more lockdowns, albeit only for the Greater Gaborone Covid-19 Zone. Letlole says it recognises and appreciates the cashflow challenges which businesses are going through due to the effects of the lockdowns and accorded tenants rental deferrals for a period of three months from April 2020, with the view of recovering the deferred amounts in future. "These concessions to tenants are on a case-by-case and month-by-month basis," the company notes. LLR has further grown its

balance sheet by acquiring a portfolio of six prime industrial properties at a purchase consideration of P174.4million. The acquisition was wholly funded by cash reserves from the sale of the leisure portfolio to Cresta Marakanelo Limited which was concluded at the tail end of the prior financial year. Due to the fact that transaction was concluded very late in the financial year, Letlole says the benefits of the acquisition were not materially reflected in the current financials. "Management is proactive in ensuring that vacancy levels are low, and at close of the current financial year, vacancy rate for industrial and commercial portfolio was insignificant, currently at 1.8 percent," the property company wrote. **Despite the setbacks, we believe there are still a lot of opportunities, now more than ever, to grow our portfolio both locally and regionally, and enhance the distribution offered to unitholders** It further revealed that the investment property portfolio remains resilient to the effects of the COVID-19 pandemic with the properties achieving a 32 percent capital growth from the prior year's fair value gain of P26.3 million. The investment property portfolio, with the addition of the new properties acquired during the year under review, now stands at P961 million. As a result, its earnings per share rose by 10 percent from the 23.44 thebe in June 2019 to 25.68 thebe this financial year. Despite the stock market being volatile over the past 12 months, Letlole has seen its share price rising significantly from its opening value of 185 thebe per linked unit to 233 thebe as at 30 June 2020. The company says this goes to prove that investors continue to have confidence in it. "The Company remains with relatively low debt levels which allow sufficient room for LLR to continue pursuing its strategy of securing yield accretive acquisitions."



## Bank SBI Botswana Ltd

INTEREST RATES FOR OCTOBER 2020

TYPE OF DEPOSIT ACCOUNT	NOMINAL INTEREST RATES P.A.	ACTUAL INTEREST RATES (EFFECTIVE P.A.)	MINIMUM BALANCE (BWP)
Deposits			
CURRENT	0.00%	0.00%	1,000
CALL DEPOSIT	0.50% - 1.50%	0.50% - 1.51%	1,000
SAVINGS	0% - 0.50%	0% - 0.5%	500
91 Days Fixed Deposit	2.00%	2.02%	1,000
6 Months	2.05%	2.07%	1,000
12 Months	2.15% - 2.20%	2.17% - 2.22%	1,000
24 Months	2.25%	2.27%	1,000
Over 24 Months	2.25% - 2.3%	2.27% - 2.32%	1,000

THE ABOVE INTREST RATES ARE APPLICABLE W.E.F 01 MAY 2020

Prime Rate	5.75%
------------	-------

# Deposit interest rates shown above are indicative only.  
\*\*For amounts above P1million, contact us for special rate.

For any query/ information please contact us:  
Bank SBI Botswana Ltd  
2nd Floor, Exponential, Plot No.54351, CBD  
P. O .Box 505243, Gaborone Station Post Office, Gaborone  
Tel: 3919778  
Fax: 3919858





# CREATING BOTSWANA'S NEXT VALUE FRONTIERS

TUELO BOTLHOLE PPC BOTSWANA HEAD OF BUSINESS UNIT



Many global case studies support this. Germany was resilient in the 2008 global recession because of small enterprises that are a major contributor to the economy. The recession which changed the economic perking order in Europe acknowledged Germany is a supreme economy which was almost insulated when the global economy weaned in horror.

Many economists have published detailed models about how steep a curve the movement from middle income status to high status is. The middle-income trap has left many cabinets and high-powered delegations of experts drawing economic formulas that have left nothing beyond a growing body of theory and a few actionables that have delivered the much sought-after value.

Emerging markets still remain emerging markets - a status quo long predicted to remain as such for many lifetimes. A few countries have broken away from the middle-income barriers since the establishment of the World Trade Organisation (WTO). Our republic has been having the same debate for more than a generation whilst our economic diversification debate is still on full steam.

As we confront a changing world and new realities we have to answer difficult questions about where we are and where we are going? As a predominantly import economy, how much value do we derive from this economic model versus in-country capacity building in manufacturing? How is the balance of trade between our exports and our imports? Which value frontiers remain untapped? What can give a genuine jump into a high-income economy? How do we get over the - 'we are better than most adage and complacency?' How can our natural endowments be the spring board of international

competitiveness? What happens when basic goods run dry because exporters cannot even meet their own home demand?

As a construction industry player, I dream of a belt of vast factories - strong primary industries that mushroom from our cities and towns from Ramokgwebana to Charles Hill and beyond - giving beam and life to our people. Skills are harnessed, transferred and shared with our people as we forge a winning coalition of elevating our country beyond what we are and where we are now. I remember the pride of our fathers when they came back from mines back in the yester years, the mere pride of using their own hands and skills in productivity. They understood their contribution in the value chain. In Selibe Phikwe the 'unending smoke' from the BCL Mine represented life for the town and its people. A strong sense of nostalgia and a blend of emotions drew tears for many when for the first time in two generations the smoke failed to rise to the skies. The clear skies were symbolic of the new era a new time and a new reality - all minerals are finite. They are abundant today and they are depleted tomorrow.

Nkosi Mwaba the former Botswana Export and Manufacturers Association Chairman (BEMA) and the current Chairman of Association Entrepreneurs Botswana (AEB) in a recent documentary commented on the pride of strong,

local, vibrant manufacturing sector within our shores. "The global value chain can still be fully optimised for a strong manufacturing backbone in our country. We can support existing local manufactures to compete, increase their quality models and have sufficient capacity to cater for our economy and export. I worked for Bolux, they mastered their raw materials, where they source them at competitive rates, created a strong human capital base and today they do not only supply Botswana they supply the region," says Mwaba.

Many global case studies support this. Germany was resilient in the 2008 global recession because of small enterprises that are a major contributor to the economy. The recession which changed the economic perking order in Europe acknowledged Germany is a supreme economy which was almost insulated when the global economy weaned in horror.

The rise of nationalism is a wave that is sweeping across different nation-states globally. Exacerbated by the new reality of Covid-19 our regional trade is slowly creating a 'one man for himself' atmosphere. One of the senior Executive Managers Teedzani Majaula at Botswana National Productivity Centre (BNPC) asked a question. "What happens when South Africa closes its borders to us? What happen when they switch off their power, fuel and food produce? We have to reach a burning platform

which will drive and trigger action,"

His assertions go beyond the normal free market economics argued by the 'old school' of markets and economics. The argument of raw materials, cost of production and natural endowments may be a to an extent hinderance towards stabilising critical tenets of our economy and day to day livelihoods for the long term. Israel is one of the largest exporters of produce with a climate similar to ours because of the huge numbers of scientists per capital in the country. What may have been dismissed as bear lands and desert terrains is at the centre of harvesting and exporting thousands of tonnes of produce per year.

The new economic model should look into how much of the import bill should be diverted towards the growth of local manufacturers across different industries. Where there is capacity there is no need for imports where there is a shortage there can be a balanced trade-off which includes imports to mitigate shortages. Moatthodi Sebabole argues that there has to be a balance between increasing local capacity and disturbing FDIs for the broader health of our GDP. "Any form of protectionism may trigger unwanted circumstances in attracting FDIs. There has to be a well-managed narrative in terms of how this is structured," he argues.

"Establishment of industries is built on assumptions, the access to

raw materials at reasonable costs, labour markets that can deliver value, creation the entire value chain considers the profitability and the profitability growth. Going against this grain in hope of support may trigger unwanted circumstances. However, when the quality of products is good the Government can protect those good," notes Majaule.

For PPC Botswana, the burning platform has always been how the local manufacturer which used local fly ash from Morupule B for years before the arrangement changed can continue employing Batswana.

The quarries in Kgale, Francistown and Mokolodi are part of a value chain which has strong downstream industry beneficiation. The plant at Gaborone West Industrial are a chemical process of cement production which has emboldened and empowered local applied chemistry experts, chemical engineering gurus amongst others. That entire value is lost when the emphasis is on imports at the expense of establishing a full operation. Materials used in blasting rocks, the people behind the science, the expertise and the blending process of cement drives the conversation about having globally competitive assets that can compete in any part of the globe as outlined by the vision of the National Human Resource Development Strategy. With over BWP120 million paid in taxes,





# SWIMMING AGAINST THE TIDE OF COVID-19

BOITUMELO MOGOPA FNBB Retail Director

As Covid-19 continues to disrupt and devastate countries' economies, the World Bank foretells that the global economy will contract by 5.2 percent in 2020.

With the largest contributors to Botswana's GDP; Tourism and the Diamond industry having experienced a rapid nosedive; it is estimated that the Botswana economy will only recover from this deep recession in three years.

For the banking industry, it has been heart-breaking to see many of our customers' lives and income turned upside down overnight during lockdown. Both individuals and businesses are under immense financial pressure as the uncertainty continues to impact incomes.

Globally, Scientists have warned that COVID-19 is here for a long ride, so the question is, what's next? How do we stay afloat economically? How do individuals and businesses remain afloat in these turbulent times? Do we give in and hibernate, or we shed our skin?

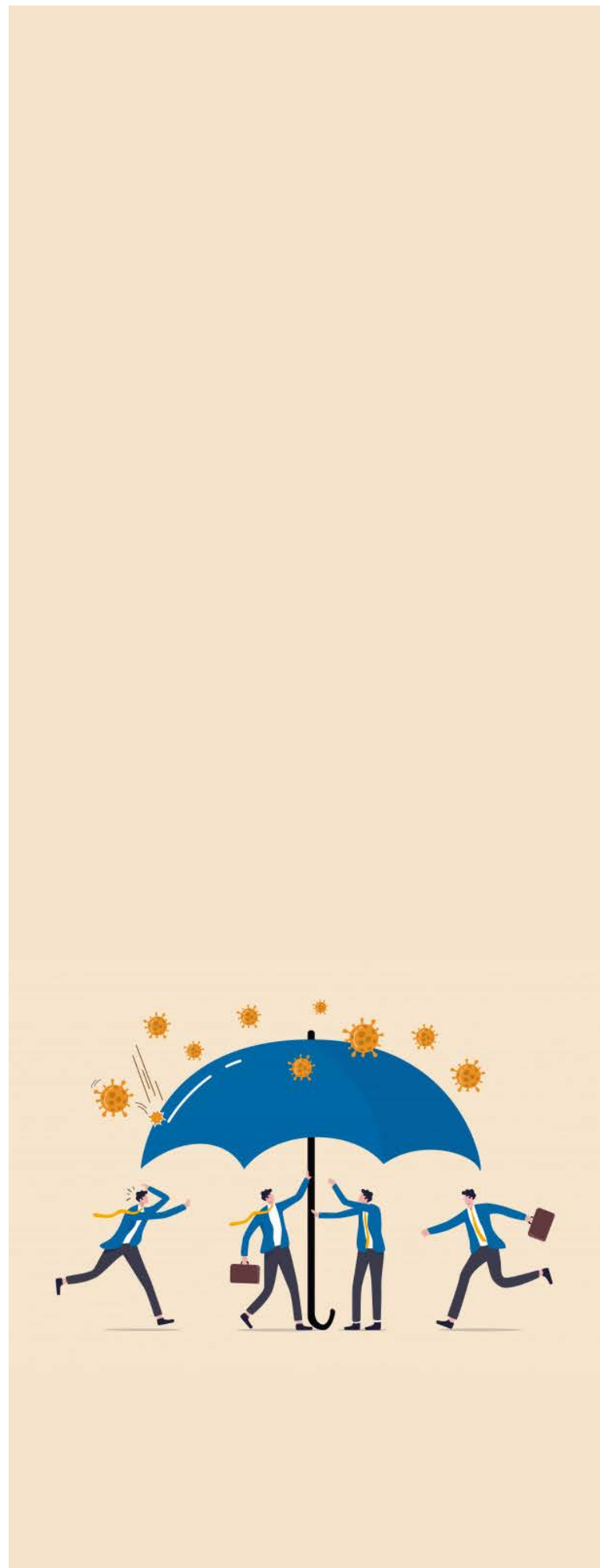
Here are a few tips on how small businesses and individuals can do more than just survive but soar and swim against the tide of all the negative effects of COVID-19.

## 1. Innovation and re-invention are inevitable for small businesses.

COVID-19 has shown us that in this new era, not having an online presence or delivery services can have damaging effects to businesses. Now more than ever, businesses need to turn to e-commerce, because with it comes convenience, improved efficiencies, and most importantly safety for both customers and businesses as personal interaction is limited. With the internet widely accessible via both computer and mobile devices, sellers and buyers interaction is just one click away. Businesses can register their services on online market places both available via the internet and USSD codes (which can be accessed through any phone) and interact with customers remotely, reaching potential buyers anywhere anytime. And with digital banking, trade becomes even smoother, making payments of goods and services offered/received hassle free.

## 2. Forging strategic partnerships and alliances.

To achieve maximum cost saving and efficiency gains, small business who are in the same line of business can form partnerships such as sharing office spaces, warehouses and transport.



Additionally, putting in place flexible working arrangements that allows employees to work from home can have a significant reduction to operational costs. Another form of strategic partnership can be achieved by signing sales agreements between producers and retailers to facilitate timely and

uninterpreted supply of goods to keep their customers satisfied and in turn, ensuring guaranteed market for producers' products, despite market turbulences.

## 3. Live below your means.

Ever heard of the statement live below your means from accomplished millionaires? Now is a good time to take a page

from these moguls. We need to adopt a culture of saving and investing because we don't know what the future holds. Businesses are retrenching, employment contracts are not being renewed, businesses are closing, even those who thought had the most secure jobs are at risk. To cushion ourselves from these effects we need to understand that gone are the days for luxury and frivolous spending, this is a time to spend on real essentials. When it comes to savings and investments, there is practically everything for everyone. It could be a flexible saving account that you can withdraw on a rainy day or a long-term investment that you can reap the benefits long-term. Whatever works for you, go for it.

**For the banking industry, it has been heart-breaking to see many of our customers' lives and income turned upside down overnight during lockdown. Both individuals and businesses are under immense financial pressure as the uncertainty continues to impact incomes.**

## 4. Side Hustle:

With every situation comes a new need to fulfil and new opportunities. Look around; there are many business opportunities that people with full or part-time jobs can do. Locally, many organisations allow their employees to have a business on the side. So, if you are lucky to have such an open-minded employer, this is your time to turn your passion in to a revenue generating hustle and make a few extra bucks to sustain yourself during and after Covid-19.

## 5. Upskilling and retooling.

As individuals, we need to be versatile and agile. It's crucial to think on your feet to better manage volatile periods such as these. Those who continue to re-tool and re-skill themselves stand a better chance of staying employed or finding new jobs. There are new emerging skills such as data science, digital marketing, business intelligence, quantitative analysis. There are ample online courses both free and affordable in this area, which young people must take advantage of.

FROM PAGE 10

## BTC DIGITISATION ADVANCES

and growth in repeat business. These goals they say can be achieved by a deep understanding of the customers' needs to provide suitable telecommunications solutions and enable a seamless customer experience.

The Group delivered a profit after tax of P106million for the year, which is 34 percent below prior year delivery of P162million. This according to the telecommunications company was driven by the decline in the revenues from contracts with customers by 4 percent to P1.3 billion and an increase of 7 percent in the cost of goods and services sold from P576million to P617million. As a result, the gross profit for the year declined by 11 percent year on year, a reduction of P92million.

Operating costs benefited from the cost containment drive resulting in reductions of P12million, P14million and P15million for selling and distribution costs, administrative expenses and other expenses respectively adding up to a total of P43million in comparison to the prior year.

Operating profit was reduced to P49million.

Interest income earned for the year was P7 million compared to P8 million in the prior year. According to the Annual Report, the decrease was largely due to reduced cash and cash equivalents during the year because of continuing capital expenditure projects aimed at modernising BTC's infrastructure and expanding network capacity as mentioned in the 10-year review section.

Profit before tax was P127million at the end of the year, compared to P197million in the prior year, a decrease of 35 percent. With the capital expenditure mentioned above, there were additional capital allowances claimed under the income tax which reduced the effective tax rate for the year to 17 percent from 18 percent in the prior year to end the year at tax expense of P21million, which was P14million lower than the prior year. The closing net profit margin for the year was 8 percent compared to 11 percent in the prior year.



# MOGARA UNPACKS BOTSWANA’S SEZ MODEL

STAFF WRITER

Botswana’s Special Economic Zones (SEZs) model was anchored on the need to transform the national economy by stimulating foreign and domestic investment, accelerating innovation, industrialisation and technology transfer while creating sustainable employment.

This was explained by Special Economic Zones Authority (SEZA) Chief Executive Officer (CEO) Lonely Mogara in an interview this week. Mogara said that SEZA has adopted a ‘jobs strategy’ that will complement existing development initiatives and anchor Botswana’s recovery plan going forward.

“We designated the first eight SEZs after conducting vigorous studies and benchmarking with the best in the world. We considered various factors, among them the dominant economic activities in the area, the comparative advantages of infrastructure and available natural resources,” he said.

It was then that Lobatse, Palapye, Selebi Phikwe, Tuli Block, Francistown, Pandamatenga as well as Sir Seretse Khama International Airport (SSKIA) and Fairgrounds in Gaborone were designated SEZs. Mogara further explained that Botswana’s SEZ model encompasses Free Trade Zones, Export Processing Zones, Freeports, Single Factory Zones and Specialized Zones. Free Trade Zones (FTZs) - the oldest and most common form of SEZs – are typically fenced-in, duty-free areas that offer warehousing, storage and distribution facilities for trade, trans-shipment and re-export operations.

**We designated the first eight SEZs after conducting vigorous studies and benchmarking with the best in the world. We considered various factors, among them the dominant economic activities in the area**

“Light processing operations such as packaging, labelling, quality control and sorting are also ideal for FTZs,” said Mogara.

Export Processing Zones (EPZs) on the other hand are significantly larger in size and primarily targeted at promoting industries that produce for export markets.

“SEZA will boost large scale foreign investment in EPZs by offering industrial facilities, duty free imports and simplified administrative procedures for manufacturing and related activities. EPZs have great potential to generate export revenue, facilitate technology and skills transfer, drive innovations and create employment,”

explained Mogara.

Other models include Enterprise Zones - which are intended to revitalize the economies of distressed urban or rural areas; and Single Factory Zones – which refer to cases where individual enterprises are awarded SEZ status even though they may not be located within the designated zones.

Freeports are the largest type of SEZ, typically encompassing much larger economic areas and able to accommodate all types of activities like transport, tourism and retail, with One Stop Services Centres.

“We also have specialized zones like the Science & Technology Park, petrochemical zones, logistics parks and airport-based zones,” said Mogara.

He added: “The planning and development of SEZs was aligned and integrated with the national planning framework, right from Vision 2036, through the District and Urban Development Plans to the National Development Plan.”

In that regard, said Mogara, SEZA will continue to align its strategies to these national policy documents so as to minimize duplication of resources and fast track the rollout of SEZs.

## SECURITY REQUIREMENTS!

### REVISED GUIDELINES

With the Revised CEDA Guidelines, customers will now have Micro/Small Scale Loans available with no security needed.

Security will only be required for Medium Scale Projects & Large Scale Projects for loans over P5, 000, 000 & P10, 000, 000.

#### MICRO/SMALL SCALE PROJECTS

P500 - P1 000 000

Security/Collateral Requirements:

- Personal surety
- Security over assets financed

#### MEDIUM SCALE PROJECTS

P1 000 001 - P10 000 000

Security/Collateral Requirements:

- Personal surety
- Security over assets finance
- Security will be mandatory for loans over **P5, 000, 000** except special sectors

#### LARGE SCALE PROJECTS

P10 000 001 - P50 000 000

Security/Collateral Requirements:

- Personal surety
- Security over assets financed
- Security will be mandatory for loans over **P5, 000, 000** -except special sectors
- Additional security requirements may be discounted based on:
  - a) Job creation
  - b) Economic diversification

#BuildingBatswanaForBotswana

www.ceda.co.bw



CE  
FINANCE • DEVELOP • SUSTAIN



# BOTSWANA LIFE NAMED BEST LIFE INSURER 2020



Botswana Life Chief Executive Officer, Mr. Ronald Samuels,

## STAFF WRITER

Leading insurance company, Botswana Life Insurance Limited (Botswana Life) has received the award for Best Life Insurer Botswana 2020, from

Capital Finance International (CFI.co). The award serves as recognition of the legacy company’s exemplary practices on social responsibility by caring for people and supporting several educational programmes that

promote financial literacy. CFI.co seeks out individuals and organisations that make a meaningful impact to the socio-economic prosperity of their respective Nations and truly add value for all stakeholders. The

organisation recognises that best practice can be found throughout the world and the Awards Programme aims to identify and reward excellence in the hope to inspire others to further improve their own performance.

Said Botswana Life Chief Executive Officer, Mr. Ronald Samuels, “We are truly excited to receive this incredible accolade and recognition from CFI.co. We recognise the immense role that they play in bringing to the fore organisations across the globe, dedicated to making a positive impact in their communities. As a home-grown brand, we have invested greatly in driving socio-economic prosperity for our people, our customers and our community. Our investment in Botswana’s economy over the last 45 years is proportionate to our size and success, and a true demonstration of our commitment to support Batswana through Life and More.”

Botswana Life is Botswana’s longest serving home-grown insurer. Throughout 45 years of serving clients, the business has played a pivotal role in driving economic prosperity within the Nation. The prestigious award follows the Brand Africa 100 recognition for Botswana Life fairing First in the Life Insurance space and overall fourth with Financial Services (banks) for the Most Admired Brand award which the leading insurer received in June 2020.

Concluded Samuels, “Through hard work, dedication and a future-forward outlook, we have continued to delight our clients by serving them with distinction. We are able to do so by driving and delivering new values and new ways through collaboration and co-creation to offer life insurance, investment, and advisory services that contribute towards wealth creation. This award certainly encourages us to continue to work towards creating exceptional client experiences that distinguish us as a true partner, dedicated to helping our clients secure their futures through sound Financial Advice.”

## FROM PAGE 11

# CREATING BOTSWANA’S NEXT VALUE FRONTIERS

imagine how big an impact the cement industry can be if all players had set up shop in-country.

A lot of good quality players have not seen enough of sunlight in many manufacturing industries, not because they cannot compete but because the products and services which were tailored for the market were overlooked for goods and services from far away. When FDIs come into Botswana they should have different strategic options of setting up not just greenfield where they start from scratch, they should have options of licensing, joint ventures and buying out local players. This will give a huge return to local players and their shareholders. Indonesia has introduced industry protection for the same reasons. The Motor industry in South Africa is protected against grey imports. In Zimbabwe the cost of importing attracts 100% duty for specific goods which are available in-country.

Our philosophy of supporting local enterprise development, community building and CSI projects for SMMEs is our step of demonstrating that true value should include how players impact and influence SMMEs. We have been part of the community growth and development with our signature rising buildings across the country, a testament to our quality management process. For close to half a century our buildings still stand. Matsiloje, PPC and other local manufacturers have good products, the only thing left is for us to answer the question -what do we want to be. An import economy or a vibrant force of nature that is self-sustaining no matter what?

We are at a crossroads, if sings of Covid are anything to go by, the future of our manufacturing sector is buying local and enhancing capacity of our home-brewed brands. The avenues for new value frontiers are available. The question is -are we bold enough to take the vital steps to make it happen?

# BUSINESS FOR SALE

FULLY OPERATIONAL BUSINESS RUNNING SUCCEFULLY FOR MORE THAN 10 YEARS.

- Supply of medical Equipment and Consumables
- Asking price: 15 Million
- Broad range of clinetele
- Government and Parastatals

## Existing Contracts

1. 25 Million @ 3 Years
2. 15 Million @ 1 Year
3. 28 Million @ 4 Years

Serious buyers may contact  
Mr Kutlo M. Marman 75214440



TRADING DECELERATES AT THE BSE IN 2020

STAFF WRITER

Trading activity during the 1ST January to 31ST August period was lower in 2020 in comparison to the corresponding 2019 period, partly because of volatilities brought by the COVID-19 according to the Botswana Stock Exchange (BSE) Chief Executive Officer (CEO) Thapelo Tsheole.

According to the BSE market performance report for period under review, as at the end of August 2020, the BSE had recorded total equity turnover of P483.3 Million from traded volumes of 274.3 Million shares.

On a monthly basis, the report shows that the month of March experienced the highest turnover of P117.7 Million over 50.9 Million traded shares followed by June with turnover of P89.9 Million over 33.9 Million traded shares. The month of August had the most traded number of shares at 99.4 Million generating the

third highest monthly turnover of P77.9 Million.

During the corresponding eight-month period in 2019, the BSE had registered a turnover of P1.2 billion and a total volume of 378.2 Million shares traded.

“Therefore, the 2020 turnover amounts to a 59 percent decline over the same period in 2019,” the performance report shows.

According to Tsheole, majority of investors held onto their shares during the COVID-19 pandemic, which reduced trading activities.

“We also lost some time as a result of lockdowns, which affected trading activity as well,” Tsheole said.

During the period under review, the top 3 traded companies in terms of value were the colossal micro-finance company, Letshego Holdings Limited which traded shares valued at P122.7 Million. The beer brewing firm, Sechaba Breweries Holdings sold shares worth P69.1 Million while the blue chip commercial bank, First National Bank Botswana (FNBB) traded shares valued at P59.2 Million during the periods under

review.

Total turnover from these three companies (P251 Million) accounted for 52 percent of total equity turnover, with the leading counter (Letshego) accounting for 25 percent of total equity turnover. In comparison to the same period (Year-to-August 2019) the top 3 traded companies accounted for 54 percent of total equity turnover with the leading counter accounting for 24 percent of total turnover.

Of the 32 listed companies, 21 experienced share price declines, 3 companies experienced share price increases while 8 had no share price changes. The top three companies that have had share price increases were fast moving consumer goods retailer, Sefalana Group, property firm Letlole la Rona and Cresta Marakanelo Group, the hospitality outfit which gained 3.7 percent, 1.8 percent and 0.7 percent respectively.

The bottom three companies that experienced share price declines were Lucara, Minergy and FNBB which declined by 49.7

percent, 22.7 percent, and 17.5 percent respectively.

Local companies contributed 57.3 percent to total turnover or P277.1 Million in monetary terms while local individuals contributed 6.6 percent of total turnover recorded during this period or P32 Million in monetary terms. Foreign companies contributed 31.1 percent or P150.1 Million to equity turnover while foreign individuals and brokers contributed 4.8 percent (P23.3 Million) and 0.2 percent (P0.8 Million) to equity turnover respectively.

Activity in Exchange Traded Funds (ETFs) continued to rise in the period under review relative to the 2019 corresponding period. ETF turnover thus far in 2020 amounted to P98.8 Million, a 21 percent increase from the P81.4 Million generated during the same period in 2019. The number of units traded increased from 0.70 Million units in 2019 to 0.73 Million units in 2020. As for price returns, the NewGold ETF price gained 42.9 percent while NewPlat and NewFunds

ETF prices declined 7.5 percent and 10.7 percent respectively.

The value of bonds traded during the year-to-August 2020 period was P834.19 Million compared to P666.84 Million traded during the same period in 2019. On the back of Government bonds’ re-openings and corporate issuances, the market capitalisation of listed bonds increased to P19.3 Billion during the period.

Of the 32 listed companies, 21 experienced share price declines, 3 companies experienced share price increases while 8 had no share price changes. The top three companies that have had share price increases were fast moving consumer goods retailer

IN THE HIGH COURT OF THE REPUBLIC OF BOTSWANA  
HELD AT LOBATSE

KETLOGETSWE J.

CASE NO. CVHGB 003366-19

In the matter between:  
BARCLAYS BANK OF BOTSWANA LIMITED  
and  
SAMSON MOYO GUMA

PLAINTIFF  
  
DEFENDANT

NOTICE OF SALE IN EXECUTION

BE PLEASED TO TAKE NOTICE that pursuant to the judgment of the above Honourable Court, the immovable property of the above named Defendant shall be publicly sold in execution by the Deputy Sheriff as follows

DATE OF SALE : 09<sup>TH</sup> October 2020  
PLACE : Lot 19711, Gaborone West Extension12  
TIME : 10:00 Hrs


PROPERTY TO BE SOLD: developed piece of land being Lot 19711 situate in Gaborone, having house with a dining room, Sitting Room, Kitchen, 2 bed room, master bedroom, bath room with toilet, AND house with two bedroom, bathing room with toilet and screen wall measuring 450m (Four hundred and fifty square meters.);

WHICH PROPERTY: is held under Deed of transfer No. MA 966/2000 dated the 17<sup>th</sup> day of May 2000 made in favour of SAMSON MOYO GUMA;

CONDITIONS OF SALE: Details and conditions of sale may be inspected at the Plaintiff's Attorneys offices.

DATED AT GABORONE THIS 15<sup>nd</sup> DAY OF SEPTEMBER 2020.

DEPUTY SHERIFF URGENT CHILISA: Cell: 71594008/71263198  
C/O BOGOPA, MANEWE, TOBEDZA & CO  
Plaintiff's Attorneys  
Plot 54368 New CBD  
Unit 16 CD, 16th Floor  
iTowers North  
GABORONE  
Tel: 3905466  
Fax: 3905451

  
Bogopa, Manewe, Tobedza & Co.  
Attorneys, Notaries, & Conveyancers

IN THE HIGH COURT OF THE REPUBLIC OF BOTSWANA  
HELD AT GABORONE

CASE NO. CVHGB – 002779-19

In the matter between:  
BARCLAYS BANK OF BOTSWANA LIMITED  
and  
CLEAR BACKBONE (PROPRIETARY) LTD  
MOTSHWARI MOGAPI

PLAINTIFF  
  
1<sup>st</sup> DEFENDANT  
2<sup>nd</sup> DEFENDANT

NOTICE OF SALE IN EXECUTION

BE PLEASED TO TAKE NOTICE that pursuant to the judgment of the above Honourable Court, the immovable property of the above named 1<sup>st</sup> Defendant shall be publicly sold in execution by the Deputy Sheriff as follows:

DATE OF SALE : 31<sup>st</sup> October 2020  
PLACE : Lease Area 22-MK, Ghanzi  
TIME : 10:00 Hrs


PROPERTY TO BE SOLD: attached developed piece of land being Lease Area 22-MK situate in the Ghanzi, being with a four bedroomed house, Sitting Room, Kitchen, Three Bathroom with Toilet, Boreholes, Reservoir, Two Timber house, Jojo tank and Storeroom. Measuring 5086.8607 ha (Five Zero Eight Six Point Eight Six Zero Seven Hectares);

WHICH PROPERTY: is held under Notarial Deed of Cession and Delegation No. MA 347/2016 dated the 3rd day of June 2016 made in favour of CLEAR BACKBONE (PROPRIETARY) LIMITED;

CONDITIONS OF SALE: Details and conditions of sale may be inspected at the Plaintiff's Attorneys offices.

DATED AT GABORONE THIS 22<sup>nd</sup> DAY OF SEPTEMBER 2020.

DEPUTY SHERIFF URGENT CHILISA: Cell: 71594008/71263198  
C/O BOGOPA, MANEWE, TOBEDZA & CO  
Plaintiff's Attorneys  
Plot 54368 New CBD  
Unit 16 CD, 16th Floor  
iTowers North  
GABORONE  
Tel: 3905466  
Fax: 3905451

  
Bogopa, Manewe, Tobedza & Co.  
Attorneys, Notaries, & Conveyancers

IN THE HIGH COURT OF THE REPUBLIC OF BOTSWANA  
HELD AT GABORONE

MOTSWAGOLE J.

CASE NO. CVHGB: 000604-16

In the matter between:  
STANBIC BANK BOTSWANA LIMITED  
and  
THE CALLY BUTCHERY & FRESH PRODUCE (PTY) LIMITED

PLAINTIFF  
  
DEFENDANT

NOTICE OF SALE IN EXECUTION

BE PLEASED TO TAKE NOTICE that pursuant to the judgment of the above Honourable court, the movable property of the above named Defendant shall be publicly sold in execution by the Deputy Sheriff of the Court as follows:


DATE OF SALE : 15<sup>th</sup> October 2020  
PLACE : Molepolole Police Station - Molepolole  
TIME : 10:30 a.m

PROPERTY TO BE SOLD: Cold room, 1x band saw, 1x Fridge, 1x dis play meat slicer/cutter saw.

CONDITIONS OF SALE: Cash or bank guaranteed cheques.

DATED AT GABORONE THIS 15<sup>nd</sup> DAY OF SEPTEMBER 2020.

DEPUTY SHERIFF URGENT CHILISA: Cell: 71594008/71263198  
C/O BOGOPA, MANEWE, TOBEDZA & CO  
Plaintiff's Attorneys  
Plot 54368 New CBD  
Unit 16 CD, 16th Floor  
iTowers North  
GABORONE  
(Ref: IKM/km/005620)  
Tel: 3905466  
Fax: 3905451

  
Bogopa, Manewe, Tobedza & Co.  
Attorneys, Notaries, & Conveyancers

IN THE HIGH COURT OF THE REPUBLIC OF BOTSWANA  
HELD AT GABORONE

RADIJENG J.

CASE NO. CVHGB-003304-18

In the matter between:  
MOTOR VEHICLE ACCIDENT FUND  
and  
ABEDNEGO ONYISI OILOLO

PLAINTIFF  
  
DEFENDANT

NOTICE OF SALE IN EXECUTION

BE PLEASED TO TAKE NOTICE that pursuant to the judgment of the above Honourable Court, the movable property of the above named Defendant shall be publicly sold in execution by the Deputy Sheriff as follows:


DATE OF SALE : 23<sup>rd</sup> October 2020  
PLACE : Broadhurst Police Station, Gaborone  
TIME : 10:30 a.m

PROPERTY TO BE SOLD: 1x mirror, 1x LG Printer,1x bed, 1x office,1x chair, 1 x 2 office table, 1x book shelf ,1 x wall unit, 1x LG Fridge, 1X Bedroom,suit with bed

CONDITIONS OF SALE: Details and conditions of sale may be inspected at the Plaintiff's Attorneys offices.

DATED AT GABORONE THIS 28<sup>th</sup> DAY OF SEPTEMBER 2020.

DEPUTY SHERIFF URGENT CHILISA: Cell: 71594008/71263198  
C/O BOGOPA, MANEWE, TOBEDZA & CO  
Plaintiff's Attorneys  
Plot 54368 New CBD  
Unit 16 CD, 16th Floor  
iTowers North  
GABORONE  
Tel: 3905466  
Fax: 3905451

  
Bogopa, Manewe, Tobedza & Co.  
Attorneys, Notaries, & Conveyancers

LEGAL NOTICE





Thato, wear it for me.  
***everywhere you go***



Spread the message, not the virus.  
Visit **WearItFor.Me**  
**#WearItForMe**