THE
BUSINESS WEEKLY
& REVIEW
A REFINED READ

STOP GENDER BASED VIOLENCE

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SCANDAL ERUPTS

IN THE MULTI-BILLION PULA LOTTO TENDER

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TEAM

EDITOR-IN-CHIEF
Keabetswe Newel
newelbw@gmail.com

BUSINESS EDITOR
Kitso Dickson
kitsodickson@gmail.com

SUB EDITOR
Douglas Motheo
douglasmotheo@gmail.com

HEAD OF GRAPHICS
Taelo Maphorisa
taelobw@gmail.com

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

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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

THE CHURCH CALLS MINES A CURSE ON THE POOR

Not for the first time, the Botswana Council of Churches has waded into the dramatic irony of the abject poverty of Batswana when their country is rich in mineral resources and leads the world in production of diamonds. Staff Writer **KABO RAMASIA** reports.

Speaking at the Media Alternative Mining Indaba/Forum Focus - Faith Leaders For Social Justice at Cresta Marakanelo early this week (L) General Secretary of Botswana Council of Churches, Rev. Gabriel Tsuaneng and Ms Tinah Molatlhegi Alternative Mining Initiative Coordinator *(Pic: Mosadi McKenzie)*

The Botswana Council of Churches (BCC) has raised concern over the social injustices that communities around mines and mining towns in Botswana endure.

Significantly, the Church is worried that despite Botswana being a country notable for mining, people in mining areas live in dire poverty and are socially disadvantaged due to the negative impact of mining activities on their habitat.

Speaking at a mining pitso themed "Our Natural Resources, Our Pride - Towards Fighting Inequality" in Gaborone this week, the General Secretary of BCC, Rev. Gabriel Tsuaneng, said the Church takes interest in such issues because being faith leaders for social justice, they ought to protect the poor and marginalised in society. "The BCC cares about the development of Botswana and its people," Rev. Tsuaneng noted.

He said the Church has played a vital role in preserving Botswana's democracy since the country attained independence in 1966, hence its interest in the mining sector which has driven the economy since the 1970s.

Over time Botswana transitioned from an agriculture-based economy to a mineral-led economy after diamonds were first discovered and mining began in the 1970s. Since then, Botswana has been the world's leading diamond producer. "It is actually imperative that the Church has to be seen to be stepping forward in issues of mining," said the reverend. "It is not a political role; mining, in any given economy, plays an economic role."

Social injustices raised by the BCC as impacting communities around mines include abandoned burrow pits and air pollution. According to BCC, companies that set up for production after surveying is done usually ignore the risks and health consequences that befall the marginalised communities around mines.

Medie Mine in Kweneng was used as a case in point. According to BCC, destruction of dwelling houses there resulted from tremours at the underground coal mine. People are now living in cracked houses that may collapse at any time. BCC pointed out that the harm caused by negative environmental impact of mining operations affects human beings and animals within the ecosystem alike.

Rev. Tsuaneng said some of the issues are related to mining agreements. "You cannot allow people to come and do mining and leave a community hosting mining impoverished," he said. He disclosed that BCC intended to engage policymakers on these issues because the Church considers it as a part of its mission to assist the poor. "We are called to associate with the poor and marginalised," said the BCC Genaral Sectary.

Botswana is richly endowed in mineral resources. However, the country has been slammed for its failure to develop the socio-economic wellbeing of its citizens, especially those who live around mines and mining towns. The people of Boteti remain poor and marginalised inspite of the sub-district being home to Orapa Mine, Botswana's first source of rough stones that are sought after worldwide. The same abjection is typical of conditions of life in communities, mainly squatter camps, around Jwaneng Mine where De Beers has its "princess of mines" in the south of the country.

The abject poverty persists for most Batswana inspite of their country being ranked as an upper middle income economy by the World Bank. As a matter of fact, Botswana is classified as the fourth most unequal country in the world in terms of Gini index ratings.

A research paper titled "The Social Consequences of Diamonds in Botswana" by former UB scholar Professor Kenneth Good corroborated this in 2008 and exposed these injustices. "Botswana in the 21st century enjoyed the definite but limited fruits of a diamonds-based undiversified, high-growth economy," Good wrote. "Based upon what was a highly centralised state system and an elitist and authoritarian form of liberal democracy, revenues from diamonds had been successfully directed into national and infrastructural development. But the over-concentration on diamonds led simultaneously to non-diversification of the economy, the worsening of poverty and inequalities, and the continuance of ethnic discrimination and other forms of social injustice."

According to the scholar, "Botswana is a relatively rich country with the resources to deal with these problems, but its centralised governmental system, and its elitist, restrictive democracy, facilitates their continuance. In forty years of free, open but largely unfair or unequal elections in the narrowly based socio-economy, no change of government occurred. Wealth, stability and apparent success promoted complacency among the centralised elite, and social rigidity resulted. Change could only come slowly, and from the bottom up."

The hard hitting academic was jettisoned out of Botswana by Festus Mogae as president, who declared Professor Good a persona non grata and a prohibited immigrant in 2005.

SCANDAL ERUPTS

IN THE MULTI-BILLION PULA LOTTO TENDER

The Gambling Authority may have itself gambled on not being found out when it allegedly awarded Botswana's first national lottery tender to a less qualified bidder in total disregard of the law. Staff Writer KEABETSWE NEWEL reports

On 4 June 2020, the Gambling Authority, under the captaincy of Chief Executive Officer (CEO) Thulisizwe Johnson, announced a winner, its preferred bidder for the 10 -year licence of the national lottery it had floated in what is a lucrative multi-billion pula industry. At that time, Grow Mine Africa (Propriety) Limited was announced as the preferred bidder by the Gambling Authority. Grow Mine Africa is made up of a large consortium of citizen shareholders.

According to records available on the Companies and Intellectual Property Authority (CIPA), Botswana's second largest retailer by footprint, Sefalana Holdings Company Limited, is the largest shareholder in Grow Mine Africa at 40 percent. The second largest shareholder, at 23.5 percent, is a company called Colmar Enterprises (Pty) Ltd whose shareholders are Chief Investment Officer at Botswana Development Corporation (BDC) Moatlhodi Lekaukau, Frederick Selolwane, former president Ian Khama's nephews Dale Seretse TerHaar and Marcus Patrick-Khama TerHaar, Botswana Football Association (BFA) president Maclean Letshwiti, Puma Energy Botswana Managing Director Mahube Mpugwa, Itumeleng Ramsden, Bing Liu, as well as a company called Homec Investments Propriety Limited which is owned by Boitumelo Paya, Larona Makgoeng and Percy Raditladi.

The third largest shareholder is Grow Mine, at 13 percent, is a company named Citizen Money Makers Propriety Limited owned by Boipuso Molatlhegi, Cinderella Molome, Boatametse Mpofu, Thato Raletsatsi and Kebobonye Pabalinga. Managing Partner at Collins Newsman & Co, Parks Tafa, owns 10 percent in Grow Mine through his company Idlehill Propriety Limited. Carthage Ringo Matlhaga, through his company Carthlee Inventions Propriety Limited, owns 10.5 percent in Grow Mine, while Mokgethi Frederick Magapa owns 3 percent.

The company boasts the largest citizen consortium ever. When the Gambling Authority announced Grow Mine Africa as their preferred bidder in the national lottery tender, Ithuba Solutions (Propriety) Limited was then selected as the reserve bidder. Directors of Ithuba Solutions are Todd Mangadi, Benson Madisa, Lawrence Maika and their South African partners Louis Almero Du Pisanie, Mogonediwa Andrew Mafojane and Charmaine Mabuza. Ithuba RSA owns 75 percent shares while 25 percent is owned by citizen shareholders through Flameback Botswana (Pty) Ltd.

Pictured dehydrating, Gambling Authority Chief Executive Officer Thulisizwe Johnson *(Pic: Taelo Maphorisa)*

Sources close to the lucrative gambling deal have told The Business Weekly & Review that Ithuba Solutions contested Gambling Authority's decision, especially the allegedly opaque and dishonest events preceding the award of the tender. According to sources, Ithuba raised its grievances at a de-briefing. It has emerged that the Gambling Authority allegedly paid no attention to Ithuba's grievances. After the de-briefing, Ithuba was furnished with an outcome letter that was supposed to show how Ithuba had fared in its scores. However, according to sources, it emerged that the outcome letter did not align with the Request for Application (RFA).

As it turns out, the RFA had a scoring table which stipulated and specified how the bids would be evaluated, as well as the areas that carried scores. It emerged then that the RFA scoring table was not in alliance with the outcome letter. Ithuba then wrote to the Public Procurement and Asset Disposal Board (PPADB) to check whether all processes were vetted by the Board since all parastatals are compelled to comply with PPADB provisions, unless a waiver had been provided by the minister and published in the Government Gazette.

According to those in the know, the response of PPADB was that it had never vetted any process of the Gambling Authority in the specific tender. Further, PPADB reportedly stated that the Gambling Authority was compelled to have followed all processes stipulated by the PPADB Act and Regulations unless there was a waiver provided by the minister for the Act not to be complied with. Since the Gambling Authority decided not to engage Ithuba Solutions on its grievances, the company communicated through their attorneys, Desai Law Group. Ithuba Solutions then decided to launch a review application, which is simply a mechanism through which Ithuba was challenging the Gambling Authority's administrative decision of selecting Grow Mine as the preferred bidders amidst allegations of grave irregularities and lack of transparency.

VIOLATION OF THE GAMBLING ACT

Among Ithuba Solutions' grounds in the review application is that the Gambling Authority disregarded the Gambling Act provisions in floating the tender, its evaluation as well as its adjudication. In the review application, Ithuba Solutions, through its attorneys Desai Law Group, states that provisions relating to the publication of applicants in the Government Gazette were allegedly completely violated.

In terms of Section 34(2) of the Gambling Act, read with Gambling Regulation 67, all applicants had to publish their applications in two consecutive issues of the Government Gazette or a stipulated newspaper, affording the public 30 days from the last publication to object. The public would then notify the Gambling Authority of any objection within this 30-day period. In the event there were objections, they be dealt with at hearings under Regulation 68.

As per the Gambling Regulations 9, the Gambling Authority was required to conduct a thorough investigation into the applicants' background and determine their sustainability. According to the Act, the process also empowers the Gambling Authority to conduct direct enquiries of applicants and even summon them to answer questions. After this investigation, the Act and Regulations allow for 60 days to pass before the Gambling Authority convenes hearings in respect of every application, under the Gambling Regulations 68. At the hearings, any member of the public with objections would be heard.

According to court documents, the Gambling Authority did not conduct or abide with any of those processes, which proves that they did not and could not have ever meaningfully investigated the applicants.

The Gambling Act calls for the public hearing for all applicants so they may be scrutinised openly and checked thoroughly regarding whether they are fit and proper to operate a national lottery, which is gambling. This is more so because gambling in its nature is considered a risky and addictive social ill. According to the filing notice, public scrutiny was never conducted; neither did the Gambling Authority conduct a thorough investigation of the applicants to check whether they were fit and proper, which was a violation of the Gambling Act.

Contacted about these issues, the CEO of the Gambling Authority, Thuli Johnson, said because the matter was before court, the extent to which he could respond was limited. However, Johnson confirmed that Ithuba is contesting the Gambling Authority's decision and wants it reviewed.

PPADB ACT ALSO VIOLATED

According to court documents, the Public Procurement and Asset Disposal Act (PPADA) and provisions of its Regulations were violated by the Gambling Authority. While the PPADA evaluation processes state explicitly that the party/bidder with the highest score has to win, the Gambling Authority allegedly stated that it had the discretion to disregard the score. It then happened that the preferred bidder won only on account of being a 100 percent citizen consortium, which was not provided for in the RFA in which it is said that the highest scores are in the technical proposal and contribution to the National Lottery Development Fund.

Ithuba attorneys contest in court documents that discrimination based on citizenship is permitted only where a reservation scheme has been created by the minister and that that may only occur in certain circumstances. It emerged that no such reservation scheme governs this tender and that Ithuba was discriminated against on this impermissible basis.

Further, the PPADA and Regulations require the Board to examine tender instructions (contained on in an RFA such as this) and the conditions of contract contained in each bidding package prior to the issuing of a tender notice. According to court papers, this did not occur. Moreover, the PPADA and Regulations provide for a specific procedure regarding the opening of the bids, which it is said have been violated. Further, the Act and Regulations provide for a specific evaluation methodology to be applied in relation to this tender. It is said that such a methodology was never applied in the evaluation process.

Through Desai Law Group, Ithuba wrote to the PPADB on 24 August 2020 asking if the Gambling Authority was supposed to have followed the PPADB provisions and whether such was followed.

On 7 September2020, the PPADB responded confirming that indeed the Gambling Authority is subject to the PPADB Act and Regulations, and that they were never followed, because the PPADB never vetted the Authority in this lottery tender.

Reached for comment, Charles Keikotlhae, Communications Manager at the PPADB said he is constrained to comment on the matter.

DPP FORTIFIES ITS ARSENAL AGAINST KGOSI

An array of state witnesses have deposed statements that challenge the authority of the former head of DISS to divert money from NPF to another project and the validity of Isaac Kgosi's purported contract with an Israel-based arms manufacturer. Staff Writer **KABO RAMASIA** reports

The role of former head of the Directorate of Intelligence and Security Service (DISS), Isaac Kgosi, in the alleged siphoning of the P250 million from the National Petroleum Fund (NPF) has been exposed as the Directorate of Public Prosecutions (DPP) moves to thwart all of Kgosi's manoeuvre to escape prosecution in the alleged crime, The Business Weekly & Review can reveal.

The prosecution has obtained formidable tools in the form of sworn statements by witnesses from the Ministry of Mineral Resources, Green Technology and Energy Security, PPADB and DISS, hence the decision by DPP to indict the erstwhile Director General of DISS.

Kgosi stands accused of abuse of office and corruption by a public officer.

The Business Weekly & Review is in possession of DPP's heads of argument in a case where Kgosi wants charges against him dropped. The prosecution believes Kgosi masterminded the crime and that the charges laid against him are reasonable.

Points in limine (legal points) advanced by DPP are that Kgosi abused his office when he requested for P250 million from the Department of Energy Affairs and flaunted the PPADB process by bypassing all government procurement procedures when entering into an allegedly forged contract with Israel-based company, Dignia Systems.

Around July 2017, as Director General of DISS, Kgosi allegedly wrote a confidential savingram to another co-accused, Kenneth Kerekang then Director at Department of Energy Affairs, requesting the sum of P250 million which was to be used for construction of fuel storage facilities. "The objective of constructing and maintaining the facilities is to ensure that there is continuous supply of petroleum products for the essential services of the government," reads the savingram.

The DPP argues that in writing to Kerekang, Kgosi was allegedly acting in common purpose with Kerekang to raid the NPF. "This savingram, it is submitted, validates the conclusion and knowledge of the instructions, jointly and with common purpose, only by the applicant and his co-accused, with Khulaco (Pty) Ltd as the benefactor, of the valuable consideration mentioned in counts as preferred by the 1st respondent," reads the DPP affidavit.

According to the DPP, Kgosi and Kerekang had no legal authority to authorise payment to Khulaco.

Keen to nail Kgosi for his role in the alleged swindling of the oil funds, the DPP views the acts of Botswana's former top spy as a prima facie case to institute criminal proceedings against him. The DPP alleges that Kgosi entered into a forged contract with Israel-based Dignia Systems when he procured military hardware. This was subsequent to the disbursement of the P250 million which he is accused of diverting to Israel.

But Kgosi says he only asked for a "variation" from the minerals ministry to purchase anti-poaching equipment as cases of poaching were on the rise and threatening Botswana's tourism sector. Not so, says the state which is convinced that it has abundant evidence against Kgosi.

"The funds P250 000 000 and P42 000 000, referred to in the two counts in the alternative for which the applicants stands charged, were transferred and/disbursed to Khulaco (Pty) Ltd is the property of the Government of Botswana held under a special fund called the National Petroleum Fund, held under the National Petroleum Fund Order established under the Finance and Audit Act, Cap 54:01 of the Laws of Botswana," reads an affidavit of a prosecution witness.

During the time when the NPF was allegedly ransacked, the government had appointed Basis Point (Pty) Ltd as a consultant to manage the fund. The NPF was under the custodian of the minerals ministry and administered by its accounting officer, the Permanent Secretary.

Statements deposed by former Deputy PS at minerals, Ontlametse Mokopakgosi, and Chief Civil Engineer at Department of Energy, Baruti Regoeng, say the fund was already committed and that there could never have been another government organ appointed to execute the same mandate.

Kgosi's alleged shortfalls are pointed out the by Procurement Manager at DISS, Sehunelo Khunou, who has deposed that "DISS follows the provisions of PPADB in all its procurement". Khunou has submitted that Kgosi abused his office, hence the criminal charges he stands accused of.

In his affidavit, The Deputy Director General of DISS, Modiri Kooagile, describes the contract of Dignia Systems and Kgosi/DISS as having discrepancies. "It does not meet PPADB standards," he states.

Kgosi is at the centre of the embezzlement case in which the DPP alleges that he abused his office "to squander or deprive government rights in its fund, being National Petroleum Fund (NPF) of P250 000 000 and P42 000 000."

A statement by Kelebogile Mochotlhi, who is Assistant Manager (Finance and Audit) at minerals, states that Kgosi's co-accused, Kenneth Kerekang, had no mandate to act for the NPF Management Committee. Similarly, the prosecution maintains that Kgosi had no authority to request funding and abused office when he wrote to Kerekang.

"The applicant (Kgosi), it is submitted, did not have the authority to issue an instruction to his co-accused to make payment to Khulaco (Pty) Ltd or he, himself, did not have authority to sign a contract with Dignia Systems," DPP says.

DCEC is said to have found a link between Kgosi and the crimes alleged to have been committed. Investigations allegedly show that the Dignia Systems contract with DISS has no effective date and no defect liability period, which is unusual of government contracts. "The contract is a forgery, it states it was signed in Gaborone while Mr Khunou, who was present at the meeting, states it was signed in Israel when he and the former Director General went there. This was corroborated by Motiy Barashi at the same meeting, for all intents and purposes the contract was not signed in Botswana but it purports otherwise," reads the affidavit.

Kgosi is further implicated by a statement deposed by Elijah Motshedi, Acting Executive Chair, PPADB, who denies knowledge of the DISS contract. "No ITT was received or draft contract and there was no vetting or approved contract by the Committee, referring to the contract signed by the applicant and Dignia Systems," reads Motshedi's statement.

Further, the Legal Advisor of DISS has flatly denied existence of any such procurement process. The detailed affidavits for the DPP say Moepedi Nkoane, Director of Finance at DISS, was not aware of money paid to Dignia Systems. "I don't know of any arrangement made in this transaction relating to a company called Khulaco (Pty) Ltd," she says. "I am not aware of money received by the DISS from the NPF or Department of Energy Affairs."

Statements by state witnesses say Khulaco does not manage any DISS assets and it is therefore "submitted that there is no lawful contract entered into between the applicant as the Director General of the DISS with Khulaco ..."

But Kgosi has always maintained that his indictment is irrational and amounts to an act of bad faith.

TO PAGE 06 & 07

GOVT LOSES REVENUE AS MINING EXPERIENCES WORST DECLINE IN 11 YEARS

COVID-19 protocols slowed down mining activities and market demand to the worst levels since the global recession of 2009, leading to declined royalties for the government and a massive sovereign budget deficit as spending surpasses revenue. Staff Writer **TSHEPISO GABOTLHOMOLWE** reports

The Index of Mining Production (IMP) stood at 30.0 during the second quarter of 2020, showing a year-on-year decrease of 65.1 percent from the index of 85.9 recorded during the second quarter of 2019.

Speaking to The Business Weekly & Review this week, Sethuya Sejoe of E-consult said these losses are very detrimental to the economy because most government revenues come from mining, with diamonds contributing the most. Sejoe noted that these losses should continue to influence decisions of sourcing funds from different sources, including capital markets. However, in the near-term some scheduled projects will have to be halted in order for the money to be injected into areas of critical need.

The current decline in mining activity and market demand is reported to be the biggest since the decline of 91.6 percent recorded in the first quarter of 2009 when diamond registered zero production due to the global recession of the time. According to Statistics Botswana, the COVID-19 pandemic and its concomitant lockdowns are to blame for the current decline.

Comparison on a quarter-on-quarter basis shows a decrease of 64.6 percent from the index of 84.6 realised during the first quarter of 2020 to 30.0 registered during the second quarter of 2020. The report further shows the contribution of each mineral and mineral group to the year-on-year percentage change in the volume of mining production, hence a reflection of the trend in the local mining sector.

The main contributor to the 65.1 decline in the Index of Mining Production was diamonds, contributing negative 64.8 percent, while soda ash and salt were the only positive contributors. The quarter-on-quarter analysis shows a decrease of 64.6 percent, from the index of 84.6 during the first quarter of 2020 to 30.0 observed during the reference period.

Diamond production declined by 67 percent during the second quarter of 2020 compared to the same quarter of the previous year. Similarly, the quarter-on-quarter analysis shows that production registered a negative growth rate of 66.4 percent during the second quarter of 2020 compared to the preceding quarter.

The substantial decline resulted mainly from a planned strategy to reduce bulky production in order to align production with trading conditions. The COVID-19 pandemic contributed to the weak demand for diamonds as it forced countries to impose travel restrictions, thereby resulting in sightholders being unable to purchase and sell the commodity. Gold production decreased by 34.5 percent during the second quarter of 2020, compared to the same quarter of the previous year. At the same time, quarter-on-quarter analysis reflects a decrease of 16.5 percent during the second quarter of 2020 compared to the preceding quarter.

According to Statistic Botswana, soda ash production increased by 32.7 percent during the second quarter of 2020, compared to the same quarter of the previous year. The quarter-on-quarter analysis shows that production increased by 5.5 percent during the period under review compared to the first quarter of 2020. Statistician General, Dr Burton Mguni, says the increase resulted from a strategy to defer halting operations for care and maintenance in response to the COVID-19 pandemic.

In turn, the mine was compelled to increase production so as to meet the demand and stockpile for future use. Despite the lockdown, trade in soda ash with the southern Africa region continued due to its use in the manufacturing of essential products such as soap and detergents.

Coal production recorded a decline of 40.7 percent during the second quarter of 2020, compared to the corresponding quarter of 2019. The quarter-on-quarter comparison shows that production declined by 36.6 percent compared to the preceding quarter. The decline reflects adherence to COVID-19 protocols imposed by the government as public safety measures. Dr Mguni says Morupule B Power station's remedial works on boilers are still on-going and that only one boiler is operating there.

Any shortfalls that may have been experienced during the lockdown period were offset by stockpiling undertaken in the previous quarters. Copper-nickel-cobalt matte, copper in concentrates and silver recorded zero production during the period under review. Dr Mguni says the instability and uncertainty of commodity prices affected production at the associated mines, leading to provisional liquidation as mining operations could not be sustained at the current prices.

THIS WEEK'S BUSINESS WITH... LEBEILWE SEMADI - BOTSWANA LIFE INSURANCE LIMITED EXECUTIVE HEAD - ACTUARY

This week, Executive Head – Actuary at Botswana Life Insurance Limited, Lebeilwe Semadi, breaks down the economic impact of the COVID-19 pandemic on the insurance industry.

Q: What has been the economic impact of COVID-19 on life insurance companies in Botswana?

A: The economic impact of COVID-19 is wide ranging with its disruption of both supply and demand of goods and services. Reduced economic activity will cause the economy to contract and go into a recession in 2020 with the International Monetary Fund (IMF) forecasting a 5.4 percent (the Ministry of Finance and Economic Development forecasts 13 percent) contraction in the local economy. Household incomes will reduce and unemployment will rise. The economy is expected to rebound in 2021 with the IMF forecasting a 6.8 percent growth.

BW: What are the resulting implications for the life insurance industry?

LS: Low premium income as the supply of insurance products may be interrupted in the short term due to lockdowns and inability for insurers to sell remotely. Demand for insurance products is expected to be weak in the short to medium-term. As businesses struggle with reduced incomes and liquidity, some businesses will become insolvent and those that survive will continue to tightly control their salary bills. This will reduce demand for employee benefits such as Group Life and Group Funeral. Increased uncertainty and weak household and business income will likely result in low demand for bank credit, hence low Group Credit Life income for insurers.

Q: What is to be expected on the retail side?

A: Increased uncertainty, reduced household income and unemployment will reduce new business sales and increase lapses of existing policies, thus reducing premium income for the insurer. These are reduced incomes for sales intermediaries and low new business sales resulting from the lockdowns. Increased credit risk is also to be expected as the economic contraction will have a negative impact on business cash flows. This will result in increased credit risk on assets receivables and debt instruments issued by insurers. Where products have commission claw-back, low new business commission received by sales agents due to low new business volumes will increase the risk of insurers not being able to claw back commission on lapses or surrenders. Low business cash inflows as a result of low new business sales may put insurers at the risk of not being able to meet their immediate cash flow needs. Even in cases where a sale has been made, business and individual clients may struggle to make payments or ask for flexible payment plans.

Lebeilwe Semadi - Botswana Life Insurance Limited Executive Head - Actuary

Expenses have shot up due to new costs that have resulted from businesses' efforts to reduce the risk of transmission of the virus among employees, clients and suppliers.

Q: What has been the impact on the short-term and long-term financial outlook for insurers?

A: On the short-term, there have been low sales volumes due to social distancing and companies downsizing, liquidity risk due to low sales volumes and hence companies not being able to meet their daily cash needs for business operation, as well as an increase in lapses and surrenders.

In the long-term, there will be need for innovation of remote access technologies that allow customers to receive services without coming to the office, as well as increased operational efficiency from use of technology.

Q: How has this affected valuation of insurance companies' investments and liabilities?

A: Bond prices increased (yields went down) as investors adjusted their investment portfolios and invest in safer government bonds. The value of the equity portfolios, especially those investing offshore, dropped significantly in February and March. However, there has been a market rebound in April. This has resulted in volatile equity markets. Where market consistent valuation of assets and liabilities is done, the valuation rate/curve will have reduced leading increase in liabilities. Where assets and liabilities are mismatched, losses may result from unequal move in the value of assets and liabilities when valuation rates move.

Q: How has the pandemic affected the investments of policyholders, particularly those saving for retirement?

A: Policyholders who invested in moderate and high-risk portfolios would have experienced falls in their fund values when markets fell and an increase when markets rebounded. The value of their savings has also become very volatile. Those invested in less risky portfolios, perhaps as a part of lifestyle investing, would have seen less volatility in their fund values. To help mitigate the volatile markets, some insurers would have offered their clients an option to extend maturing contracts with the hope of recovering the losses experienced. This is not without risk as markets can crash further in the extended period.

Q: Can you share some of the contingencies which are in place to try and mitigate the impact that COVID-19 will have on the insurance industry and policyholders?

A: To reduce the risk of COVID-19, there needs to be screening, registration and compulsory wearing of masks.

But as volumes of new business plummet, use of technologies that allow remote selling of new business and provision of subsidies for sustenance and mobilisation are but some of the plans we have in place.

To mitigate risks, offering of premium holidays to policyholders, negotiated payment terms for arrears, increased access for policyholders to their investments, pay point management, and introduction of electronic modes where the premium collection mode is cash are also what can be done. Other measures that can be employed include:

- Credit risk: review of credit risk exposures, restructuring of credit assets and receivables, recalling of debt.
- Liquidity risk: assess liquidity risk through cash flow projections, monitor and control expenditure, arrangement of short-term bridging finance, improve receivables collection, defer dividends payment.
- Investment risk: review investment strategy, hedging strategies, offer clients option to

TO PAGE 10

LABOUR ISSUES WORSEN AT BELA BELA

- Collective Labour Agreement at stake
- Company and union trade accusation

LAME MODISE
CORRESPONDENT

It has been a month and two weeks since the company that prides itself in supplying quality stone and sand for construction of roads and buildings put in a three-month notice to pull out of a Collective Labour Agreement with the Botswana Mine Workers Union (BMWU) on 3 September this year.

This is despite ongoing wage offer negotiations that are yet to be sealed with signatures of both parties.

According to the president of BMWU, Joseph Tsimako, the union is against termination of the agreement by Bela Bela Quarries. "They have not furnished valid reasons for wanting to pull out of the agreement," he said, adding that the company has not proven the union's serious breach of contract that it accuses the union of.

Tsimako says he hopes the company's termination of the agreement will not affect progress that has been made by both parties in the wage offer negotiations.

The On 3 September 2020 document of the company cites reasons such as "... repeated breaches of the Agreement despite numerous requests from Management to correct such behavior..." The company also states that the union failed to respond to Bela Bela's "Final Wage Offer" by the agreed deadline of 2 September 2020. In the company's view, this "...further cements the Union's intentions to bargain in bad faith".

On 4 September 4, Bela Bela Quarries again wrote to the union that it would not release its employees to attend "union matters," saying the request was unreasonable and was made at short notice. The employees were to attend a meeting between the union and the Commissioner of Labour on 7 September 2020. In the same letter, the company requested written confirmation of the meeting, as well the date and time of the meeting.

FROM PAGE 04

DPP FORTIFIES ITS ARSENAL AGAINST KGOSI

He purports that he was acting on behalf of the Botswana Government. Through a review application before court, Kgosi wants the decision to charge him reviewed and set aside.

COST RELFECTIVE TARIFFS WILL BOOST CITIZEN PARTICIPATION IN ENERGY SECTOR - BERA

- But emphasises the need for BPC tariffs to be affordable
- BERA also underlines environmental protection

STAFF WRITER

Cost-reflective electricity tariffs will improve profitability and encourage Independent Power Producers (IPPs) to play a more active role in the energy sector, says the CEO of the Botswana Energy Regulatory Authority (BERA), Rose Seretse.

BERA Chief Executive Officer (CEO) Rose Seretse said in a recent interview that

She told The BW&R in an interview that BERA has a mandate to facilitate IPP and citizen participation in the electricity sector in order to ensure that Botswana becomes energy secure and a net exporter of electricity by 2036.

Her sentiments come just weeks after BERA hosted a public hearing in Gaborone at which Botswana Power Corporation (BPC) was motivating for an upwards adjustment of its tariffs by 5 percent and 4 percent in 2021/22 and 2022/23 respectively.

However, Seretse warned that BPC tariffs ought to be affordable and appropriately priced in the interests of the public. "While BERA's role of economic regulation will enable the private sector to develop assets and deliver reliable, affordable and good quality services, we must not lose sight of the need to protect citizens and the environment," said Seretse.

A recent report compiled by the Regional Energy Regulators Association (RERA) of Southern Africa shows that BPC's electricity charges are among the lowest in the region, especially for countries without hydroelectric power. The report is in line with sentiments expressed by the acting CEO of BPC, Edward Rugoyi, at the BERA public hearings that the Corporation's financial woes are partly the result of non-cost reflective tariffs and escalating costs of imported power.

"It is important for BPC to migrate towards cost-reflective tariffs because government's tariff subsidy has been gradually decreasing over the years," Rugoyi said.

According to the RERA report, Botswana charges US cents 9.436/kWh, Swaziland 13.720 cents/kWh, Mauritius 16.810 cents/kWh and Namibia 15.998 cents/kWh. However, Botswana charges slightly more than Lesotho, which has a fully amortised hydroelectric plant.

While SADC countries have committed to ensuring that their power utilities charge cost-reflective tariffs, not much has been achieved in that regard as only Eswatini, Mauritius and Namibia charge tariffs that are above cost recovery levels.

With over 492 000 customers nationwide, BPC believes cost-reflective tariffs will enable it to generate adequate finances to meet customer demands and ensure reliability of supply. This is especially so because the government's consumer tariff subsidy has been steadily decreasing over the last five years, which resulted in under-recovery of costs at BPC.

"In July 2017, DISS requested funding for the construction of its Petroleum Storage Facilities from the Ministry of Minerals and Green Technology," Kgosi wrote in his affidavit. "The request, which was for the sum of P250 million, was approved by the ministry."

According to Kgosi, the funds were ring-fenced so that DISS could successfully carry out construction of its storage facilities. This, according to his account, was advice from the fund managers. However, a "variation" saw the funds being used to procure surveillance equipment from Israel.

Kgosi avers that due to the sensitive nature of the project, only a few people knew of the project. These, he said, include Botswana's ex-president Ian Khama and former PS at minerals Dr Obakeng Obolokile.

FDI DECLINE FORCES BITC TO RE-FOCUS

FDI inflows into Botswana decreased from USD286 million (P3.3 billion) in 2018 to USD261 million (P2.9 billion) in 2019 from a total stock of USD5 billion (P57 billion) in 2019, most of to the mining sector. Staff Writer **TSHEPISO GABOTLHOMOLWE** reports

GABORONE 15 August 2018, Botswana Investment and Trade Centre Chief Executive, Keletsositse Olebile delivering his speech during media engagement session *(Pic: Tshekiso Tebalo/ Press Photo)*

Decline in Foreign Direct Investment (FDI) has compelled Botswana Investment Trade Centre (BITC) to adopt a more aggressive approach to Domestic Investment.

The CEO of BITC, Keletsositse Olebile, says Africa as a whole is challenged, prompting a need to collaborate and drive investments into the continent, especially Botswana which attracts only 1 percent of total FDI flows into Africa. BITC must therefore over-exert itself regionally and internationally in the stiff competition for FDI whose flow is skewed in favour of developed economies. He briefed the media recently in Gaborone.

Olebile notes that COVID-19 will cause a dramatic decline in global FDI as inflow is predicted to fall below US$1 trillion for the first time since 2005, a situation worse than what the world experienced during 2009 global financial crisis. Global FDI is forecast to further decline in 2021 before increasing in 2022. FDI had grown in 2019 compared to 2018, registering a 3 percent growth.

According to Olebile, FDI inflows into Botswana decreased from USD286 million in 2018 to USD261 million in 2019 from a total stock of USD5 billion in 2019, most of to the mining sector. However, he notes, UNCTAD says investments in the services industry - including insurance and banking - have been growing in recent years. Botswana's FDI comes primarily from the Southern African Customs Union (SACU), the European Free Trade Association (EFTA), Canada and Zimbabwe

But BITC is aware that Botswana has quite a fragmented structure for facilitating investments. Olebile says the organisation has been trying to exhaust local producers before importing in order to facilitate growth of local industries that can aid in attraction of investors.

He notes that before investments could recover from the BREXIT wars, COVID-19 disrupted the recovery process, causing a further decline in world trade which has already fallen between 13 and 32 percent. Although BITC is working on a business retention and expansion strategy, the trading environment is proving difficult, prompting the organisation to intensify efforts to facilitate ease of doing business in order to ensure that Botswana remains relevant even after the pandemic.

BITC attained a performance score of 88.1 percent during the year 2019/20 against a set target performance of 80 percent. According to companies accredited during financial year 2019/2020, BITC had a combined investment level of P12 billion and employment levels of 29 216.

Meanwhile, Moody's Investors Service, in its latest out-of-calendar review of credit ratings, has affirmed Botswana's rating of 'A2' for long-term bonds denominated in both domestic and foreign currency and changed the outlook from stable to negative.

This update was issued in March 2020 owing to risks posed by COVID-19 on Botswana's economy, which is heavily reliant on the diamond industry. According to Moody's, the revision of the outlook from stable to negative is based on risks of lower economic growth, increased budget deficit for 2021 and the likelihood of an increase in government borrowing.

The affirmation of the rating, at 'A2', is underpinned by the country's still strong and stable macroeconomic an supported by strong monetary policy and a track record in governance strength of political stability.

DPSM TOO BROKE TO EMPLOY BATSWANA

KABO RAMASIA
Staff Writer

The Directorate of Public Service Management (DPSM) is unable to fill around 4400 vacancies in the public service because its funds amounting to around P800 million have been diverted to the COVID-19 account.

As a result, DPSM is unable to recruit and fill those vacancies because the money (which was supposed to finance the recruitment) was transferred to the Ministry of Finance and Economic Development to help in the fight against COVID-19.

DPSM Director, Goitseone Mosalakatane admitted before the Parliament Committee on Public Service and its Management that vacancies exist within the public service, but the Directorate is financially constrained to employ.

The Committee is led by Member of Parliament (MP) for Maun East, Goretetse Kekgonegile.

Mosalakatane told Parliament that the money diverted to the Ministry of Finance and Economic Development to fight COVID-19, was initially budgeted for employment.

"We have about 4000 vacancies but under the Public Finance Act, the finance minister is mandated to draw down money and use it for the pandemic," Mosalakatane said.

The amount of money which the DPSM had budgeted for the posts is P786 million.

"Vacancies are there but there is no money," she further said.

The Director was responding to a group of MPs who demanded answers regarding the available government vacancies. The MPs also wanted to know why the DPSM was reluctant to fill the vacancies, amidst rising unemployment figures.

Even so, the DPSM has been rebuked for their slow absorption rate in the public service. The committee chairperson, MP Kekgonegile said it was displeasing that government is still hiring 2012 graduates, despite that over 20 000 graduates join the unemployment statistics annually.

In 2018, Mosalakatane told the Public Accounts Committee (PAC) that close to P1billion had been returned to the consolidated funds as DPSM failed to fill the 7000 vacancies that existed at the time.

According to Mosalakatane, most of the 2011 industrial strike workers who were dismissed are yet to be reinstated. "Most of those dismissed were health workers," she added.

She said 255 workers have applied for reinstatement.

Meanwhile, she told MPs that the ministry of health has re-hired 58 retired people to help in contact tracing as the country battles COVID-19.

Above this, MPs also cautioned DPSM to take issues of staff welfare serious in order to enhance productivity within the public service.

INSIGHTS INTO MEZZANINE CAPITAL

This could be the answer to established, cash-king businesses in Botswana

REFILWE L TSALAILE
Private Equity

The first time I heard the words "Mezzanine Capital" I was intimidated. I had sub-consciously made up my mind that this was rocket science and instantly assumed that it is just the typical "long-term capital" terminology referred to by many businesses in their quest for funds. However, after thorough research and curiosity, I gradually became amazed and puzzled about this sweet spot of financing that lies between equity and debt.

Mezzanine financing sits between high risk equity and relatively low risk senior debt. This form of financing has a higher interest rate (coupon) than senior debt. However, it is less pricey than equity, thus many experts believe it is the sweet spot with regards to capital structures. For business owners who prefer to retain ownership yet aim to achieve their long-term strategies, this may be a preferred form of financing, especially considering that it is less dilutive than ordinary equity and restrictive in its nature compared to traditional loans.

Someone may ask why would I go for expensive form of financing than the typical senior debt? The answer is patience. Mezzanine financing is patient capital. It is less concerned about tying up your business and/or personal assets and constraining business plans through financial covenants.

For business owners who prefer to retain ownership yet aim to achieve their long-term strategies, this may be a preferred form of financing, especially considering that it is less dilutive than ordinary equity and restrictive in its nature compared to traditional loans.

A mezz instrument normally has a longer tenure of up to eight years, giving allowance for businesses to go through the process of growth, simultaneously building senior debt capacity to repay the mezzanine capital eventually at exit. This instrument is usually unsecured and flexible. Deal structuring is quite complex in this regard because several wheels must be in sync from the preferred client's capital structure, management control, and projected performance and valuations. Cash is always king even with mezzanine capital because selling is the ultimate goal for the buyer at exit and thus companies need to be liquid enough to be lucrative.

Another key benefit of mezzanine capital is the non-amortising behaviour, which at face value we can both agree does improve cash flows. Traditional bank loans have structured, contractual amortisation schedules with shorter durations in some instances. Through a mezzanine instrument, companies are able to accumulate cash in their balance sheets over longer periods: invest in business strategies which can be a plethora of opportunities from product development, geographical expansions and/or product development, as well as pay down existing senior debt or other interest bearing liabilities.

Like every financing, this form of financing does have its cons, especially for certain types of businesses such as capital intensive firms, commodity-like products and services, cyclical industries, and even those with poor management. Nonetheless, this should not cage your freedom to explore mezzanine capital in your business, being wary of all benefits and drawbacks. Considering the current local culture that has numerous first generational entrepreneurs, exploiting investment firms that offer this type of financing could be the answer to established, cash-king businesses in Botswana.

FROM PAGE 06

THIS WEEK'S BUSINESS WITH LEBEILWE SEMADI

extend maturity dates.

- Fraud risk: review new process to insure they do not increase exposure to fraud.
- Claims risk: review underwriting, monitor claims experience.

Q: What should policyholders do at this time to secure their investments?

A: Maturing investment products are at high risk. However, due to policyholders' reasonable expectations, clients may not be comfortable with receiving low fund values. Thus an option to delay the maturity and or surrender value was proposed with the hope that the market will recover to normal after the pandemic. Extension of the term will depend on when experts believe the market will recover. Moreover, there is a risk that the market could crash even further and this risk should be communicated.

Q: What can we expect over the coming months post-extreme social distancing?

A: It will take a bit of time for the economy to recover. However, most economic sectors will re-open and operate at near capacity. Some sectors such as hotels and tourism will take long to recover until international travel is opened and tourists feel safe to travel. Despite this, the economy is expected to recover and the insurance industry will also recover, but that will depend on the ability of insurers to manage low new business risk, lapses, and credit and liquidity risks.

Q: What are insurers in other markets doing?

A: In South Africa, companies are waiving off waiting periods during the COVID-19 pandemic. They are also revising their claims exclusions and digitising sales processes and easing of writing a policy.

Q: How will the pandemic influence product management and pricing?

A: There will be a robust development of products suitable for digital sales, potential for shorter-term products that will give insurers more flexibility, products with investment guarantees likely becoming more expensive, as well as claims exclusions. This will be for the benefit of the company in cases where the company does not risk insolvency by paying a lot of claims within a very short period of time. This will, however, reduce the attractiveness of the insurance cover. Product features can be purposely designed that cater for any pandemics, that is, hospital plans with an allowance for pandemics. Depending on the severity of a pandemic on a specific geographical location, premium rates might need to be revised upwards to cater for the risk of higher-than-expected claims given the historical mortality experience during a pandemic on that geographical location. There will also be room for negotiating reinsurance terms with the reinsurers.

Tax Column

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

WRITE TO US AT
The Business Weekly & Review
P.O Box Post Net Kgale View 449 ADD, Gaborone
www.businessweekly.com

CAR ALLOWANCE SCHEMES ARE NOT TAX EFFICIENT

JONATHAN HORE Managing Consultant Aupracon Tax Specialists

You may need to know that any arrangement where employers pay their employees a car allowance is not tax efficient. Most employers have arrangements where employees are expected to acquire vehicles through a car allowance paid together with other remuneration such as salary. These schemes look sober on the surface but they do not utilise the tax concessions currently available, which could increase one's take home. Allow me to shed more light on this aspect in today's instalment of your weekly tax analogy. In this article, words importing the masculine shall be deemed to include the feminine.

Tax on car allowance

A car allowance is fully subject to PAYE simply because there is no particular section in the Income Tax Act which gives it preferential tax treatment. The alternative to a car allowance is a car benefit and I will discuss this in more detail below.

Car benefit is better

A car benefit arises in instances where an employer bears the cost of a vehicle, gives it to an employee, taxing the car benefit in the process. However, employers do not want to pay more to an employee simply because the employee wants a car benefit instead of an allowance, so they request the interested employee to take a reduced salary. The car benefit is derived through tax tables recommended by BURS and those tables yield less tax as compared to a car allowance. The tables prescribe that a car benefit is determined with reference to the cost of the vehicle. Take note that the cost does not change regardless of how many years the car is used; accounting depreciation is non-existent in tax.

If an employee who earns a salary of P 50 000 and a car allowance of P 6 000, PAYE on such income will be P 12 087.50. Supposing the employee purchases a car whose monthly instalment is P 6 000, his take-home will be P 37 912.50. If that employee requests the employer to purchase a vehicle costing say P 300 000 using his car allowance, his taxable remuneration will be P 52 083.33, with PAYE of P 11 108.33 and a higher take home of P 38 891.67 (P 50 000 less P 11 108.33). The car benefit translates to tax savings of P 979.17 per month or P 11 750.04 per year as compared to the one who takes a car allowance. Ok, enough of mathematics but that was just to show you that a car benefit results in higher take home for employees who opt for it.

A benefit is much better

A car benefit has numerous tax benefits that come with it, as detailed below:

- Higher take home: Since a car benefit yields less PAYE than a car allowance, the employee takes home more under such arrangement.
- Staff retention: The car benefit schemes allow an employer to give employees a new car after every 5 or 6 years and can thus attract and retain skilled employees.
- Premiums reduce tax: The premiums paid by the employer for the vehicles reduce corporate tax (where applicable), whether they take the form of the old finance lease or operating lease. Both the finance lease repayments and interest are tax deductible.

Conclusion

Let me highlight that the Court of Appeal upheld the above arrangement as a genuine business transaction 4 years ago in the case between Debswana and BURS. In that case, the mentioned taxpayer leased vehicles using sacrificed salaries and that resulted in reduced PAYE, increasing take home for the concerned employees. BURS viewed the arrangement as frivolous and won in the tax court (Board of Adjudicators) and High Court. However, the Court of Appeal ruled that such arrangement was legal and sound for business.

I can only hope that this opened your eyes and that you won't continue thinking that you are learned and yet you are getting a car allowance which is worse off than a car benefit. If that was useful, why not say this with me, 'Tada!'

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 or 71815836.

THE BWR

Companies & Markets

MARKET HIGHLIGHTS

MAJOR MARKET MOVERS (Thebe)

08/10/2020

Counter	Share price	Change (%)

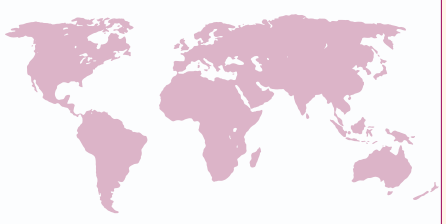
Source: BSE

DOMESTIC EXCHANGE RATES

08/10/2020

	Rate
CNH/BWP	0.05964
EURO/BWP	0.0756
GBP /BWP	0.0679
USD /BWP	0.0853
ZAR/BWP	1.4643
YEN/BWP	9.1700

Source: BOB



WORLD MARKETS

As at 08/10/2020

INDEX	VALUE	% CHANGE
AMERICAS INDEXES		
Dow Jones Industrial Average	26067.28	+0.68
S&P 500	3169.94	+0.78
NASDAQ	10492.50	+1.44
EUROPE, MIDDLE EAST & AFRICA INDEXES		
EURO STOXX 50 Price EUR	3305.92	-0.60
FTSE 100 Index	6144.24	-0.19
DAX	12637.10	+1.14
ASIA-PACIFIC INDEXES		
Nikkei	22529.29	+0.40
Hong Kong Hang Seng Index	26210.16	-0.31
TOPIX	1557.24	+0.00

Source: Bloomberg

WRITE TO US AT

P.O Box Post Net
Kgale View 449
ADD, Gaborone

TEL: (+267) 3170 615
FAX: (+267) 3170 618

Ramachandran Ottapathu

UNTYING THE KNOT OF RAM'S SHARE DIVIDEND

- His Far Property is offering shares in lieu of cash as dividends
- EPS to decline
- Share price, shareholding to be diluted
- Imara Capital recommends SELL, citing overvalue
- Ram says Far is the most undervalued in the country
- Valuations is a subjective thing - Expert

KITSO DICKSON
Staff Writer

Despite analysts saying it is overvalued, Far Property, a company co-founded by businessman Ramachandran Ottapathu has issued a script dividend option to its shareholders, The Business Weekly & Review has established.

The script dividend will enable shareholders to elect to receive shares of the company in lieu of cash.

Equity analysts say a script is laudable it if the company is undervalued. This is because when a counter is undervalued, shareholders will realise more when the actual value comes up. On the contrary, when a company is overvalued, it generally means shareholders will realise less when the actual value kicks in.

The trading price of an overvalued stock cannot be justified by its earnings outlook. Analysts often expect the share price to drop.

There is fear that Far Property has huge exposure to Choppies Enterprise and can be squeezed if the retailer performs unsatisfactorily. Far provides space for retail stores and retail support such as warehousing and distribution centres to Choppies, which is entangled in its own money troubles. But Ram when speaking to this publication said Far's cash flow has improved and offers no worry.

Imara Capital Securities, in its latest rating, has recommended a SELL for Far. A sell is given if an analyst is bearish about the stock and the rating implies a stock should be sold. Research Analyst, Kaone Kebonang previously explained to this publication that Imara assigns a SELL recommendation to counters that have significant downside potential.

By this, she said, she means counters which are overvalued and are trading at prices significantly above their intrinsic values per share: that is, the perceived or calculated value of a company, including tangible and intangible factors, derived through use of fundamental analysis.

According to the expert, Imara takes into consideration anything that can affect the counter's value, including macroeconomic factors (e.g. the economy and industry conditions), and microeconomic factors (e.g. financial conditions and company management), and derive a quantitative underlying value per share. If the company's market price per share is significantly above that of its intrinsic value, a SELL recommendation is assigned.

While Imara implies that the counter of overvalued, Ram has differed. He told this publication that Far is the most undervalued property company in Botswana given its property valuations.

According to Tshegofatso Tlhong, the Portfolio Manager at Kgori Capital Valuation is a subjective thing, "so one person may say it is overvalued while another says it is undervalued". "But no one that thinks it is overvalued should essentially own the stock," she told this publication.

Jonathan Paledi, Portfolio Manager at Inkunzi Investments, adds: "The script offer gives the shareholders flexibility in that if they deem the offer price to be high, they can choose to receive their dividends in cash instead of accepting the higher price."

According to an announcement by Far director, Ram, the board resolved to issue a script dividend option of P2.40 per

TO PAGE 13

INVESTORS LOSE P7BN IN LISTED EQUITIES

- 23 counters see red

KITSO DICKSON
Staff Writer

Twenty-three of the 32 listed counters trading on the main board of the Botswana Stock Exchange (BSE) have experienced share deprecations, The Business Weekly & Review established.

Available market data shows that the domestic main board and the foreign main board registered eighteen and five share price declines respectively, erasing investors' wealth worth billions. Only three companies experienced share price increases while six had no share price changes.

The companies that experienced share price increases this year are the retail giant, Sefalana Holdings Limited, and property companies Letlole La Rona and Far Property Company, which gained 3.7 percent, 1.8 percent and 0.8 percent respectively.

The domestic counter losers are led by Minergy Limited, which depreciated by 27.3 percent on a year-to-date. The decline has erased about P98 million of its market capitalisation. Botswana Telecommunications Corporation Limited (BTCL), the country's only listed telco, has cost investors P232 million of wealth after its share price fell 23.2 percent. The share price of First National Bank Botswana (FNBB), the country's most profitable bank, suffered a decline of P1.645 billion in market value. But FNBB still remains the most valuable counter ahead of the financial services firm, the Botswana Insurance Holdings Limited (BIHL), which is among counters that remained flat.

Banks in total shed P1.804 billion of market capitalisation, with FNBB accounting for the most destruction. BancABC, ABSA and Stanchart wiped off P15 million, P60 million and P75 million of value respectively.

Micro-finance firm, Letshego Holdings Limited, which is the only counter in the financial services sector registering a depreciation, lost P107 million. The tourism and hospitality sector declined by P148 million, with Chobe accounting for the most losses by P144 million. Cresta, the largest hotel chain operator in Botswana, trimmed only P4 million. In the agriculture sector, Seedco reported a P190 million decrease in its market value. Engen declined by P11 million, while G4S and Choppies declined by P8 million and P118 million respectively.

The property sector, which has five counters, saw a decline in the share prices of four counters. Cumulatively, the sector wiped off P441 million of its market capitalisation. NAP, PrimeTime, RDC and Turnstar lost P24 million, P37 million, P30 million and P350 million respectively. Sechaba shaved off P72 million of investor value.

The foreign main board saw diamond miner Lucara taking the biggest knock. Lucara's share price depreciated by 61.5 percent when P3.2 billion of market value fell off the giant miner. Shumba, Tlou, and Botswana Diamonds shed P44 million, P191 million and P2 million respectively. The value of the cumulative decline in these equities round up to P6.7 billion, with foreign counters accounting for more than half of the value.

According to market statistics from the BSE, during the period 1 January to 30 September 2020, the Domestic Company Index (DCI) depreciated by 6.7 percent in comparison to a decline of 5.0 percent during the same period in 2019 while the DCI Total Return Index (DCTRI) depreciated by 2.5percent in comparison to a decline of 2.6 percent in the corresponding 2019 period. The Foreign Company Index (FCI) depreciated by 1.0 percent on a year-to-date basis in 2020 compared to a decline of 0.4 percent over the same period in 2019.

As at the end of September 2020, the BSE had recorded total equity turnover of P537.0 million from traded volumes of 289.7 million shares. On a quarterly basis, the first quarter of 2020 experienced the highest turnover of P185.0 million over 81.7 million traded shares, followed by the second and third quarters of 2020 with equity turnover levels of P178.7 million and P173.3 million respectively. During the corresponding period in 2019, the BSE had registered equity turnover of P1,206.9 million and a total volume of 387.5 million shares traded.

The companies that experienced share price increases this year are the retail giant, Sefalana Holdings Limited, and property companies Letlole La Rona and Far Property Company, which gained 3.7 percent, 1.8 percent and 0.8 percent respectively.

On a monthly basis, March 2020 recorded the highest equity turnover of P117.7 million and 50.9 million shares traded followed by June with P89.9 million and 33.9 million shares traded. August had the most traded number of shares at 99.4 million, generating the third highest monthly turnover of P77.9 million. The top three traded companies in terms of value accounted for 49 percent (P265.8 million) of total equity turnover. These companies were Letshego (P123.3 million), FNBB (P73.4 million) and Sechaba (P69.1 million).

As at 30 September, local companies contributed 56.9 percent to total turnover or P305.7 million in monetary terms while local individuals contributed 6.4 percent of total turnover recorded during this period or P34.3 million in monetary terms. Foreign companies contributed 32.0 percent or P171.9 million to equity turnover while foreign individuals and brokers contributed 4.5 percent (P24.1 million) and 0.2 percent (P0.8 million) to equity turnover respectively.

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LIBERTY ADDRESSES EU LISTING

Liberty Life hosted a webinar to address the blacklisting of Botswana for money laundering and terrorism financing by the Financial Action Task Force (FATF) and European Union (EU), respectively. To expound on the matter was guest speaker, Jackson Madzima, who delved into the topic of FATF and EU Listings; giving an insight in what it is, what it means and how Botswana could make its way out of the flagged list of countries.

Madzima believes there is hope for the country to be removed from the high-risk list in good time explaining that Angola is a country that has been in the same position and were able to fall-off the list within six months. "The faster our country complies, the faster we lose the tag that tarnishes our image and international profile" he said.

He further mentioned that while both technical and effectiveness compliance are critical, Botswana was grey-listed due to lack of effectiveness in implementing its Anti Money Laundering and Combating Financing of Terrorism (AML/CFT). The guest speaker urged both public authorities and industry players to 'go back to the basics' in order to focus on Document Processing, Reviewing Processes and Documenting Interfaces. He said its time Industry players intensified security and protect information which they will share with relevant authorities.

"All of this packaged, goes a long way in adding value to compliance with regulations" Madzima said. He urged organisations to remain conversant with the issue of protection and security of information.

He mentioned that this should not be left to individual institutions or the regulators or supervisory bodies as we are all affected by such matters. "It is imperative to engage with a goal to seek possible solutions which are to be shared with our public authorities for their utilisation and application where needed" he advised. Liberty confirms that the webinar met its objectives, was insightful and well appreciated by all attendees and guest speaker. There will be more talk on the topic as it has captivated many and stimulated an interest, as such, we should look out for the next step forward in driving this initiative of engagement.

RED CROSS CALLS FOR COLLABORATIONS

Botswana Red Cross Society (BRCS), a humanitarian organization established in 1968 has called out for collaboration from the public. Speaking on this, the Secretary General of Red Cross Kutlwano Mukokomani says BRCS has been contributing tremendously and significantly to issues of health, social services and disaster management. Mukokomani says that although their strategic plan has not been as timely as they expected due to the outbreak of COVID-19. This being the case, the SG says that they remain determined to ensure their strategies are realised adding that they continue to cultivate for a society that is built on trust, credibility and to attract passionate volunteers who are willing to join in this calling of serving humanity. Mukokomani says that their aim is to build and transform the BRCS to the robust prompt and capable in its all responses, a "Red cross that is always ready for any eventualities especially during this current times of the ever changing and complex global humanitarian challenges aimed at putting community challenges at the centre of its response."

FROM PAGE 11

UNTYING THE KNOT OF RAM'S SHARE DIVIDEND

linked unit (weighted average price traded over three weeks preceding 30 June 2020). Market data shows that Far's share price by close of business on Tuesday was trading at P2.48. Market watchers who spoke to this publication argue that the discount may be an incentive to "buy cheaper" than the market. "Normally a scrip div is done below market as an incentive for shareholders to take up the issuance," Tlhong supports. "So if a shareholder sees value in holding the share at the current price then they should see value in taking up the scrip dividend," she notes.

Another consideration is the internal return on assets that the company generates. That is, "can an investor earn a higher rate investing their cash outside of the company or is the company generating a high enough return to justify giving them more cash to invest internally" Tlhong quizzes.

Theoretically, a script has the potential to dilute the share price. But experts say the movement is not necessarily due to the script but rather the dividend declaration. When the shares go ex-div, in a highly liquid market the difference should reflect on the share price. In some markets, if a huge script discount is offered, some traders/investors might be willing to sell their stock at a slightly lower discount, knowing that they would benefit from receiving the script later.

Paledi says a scrip dividend will result in an increase in shares outstanding, which consequently means earnings per share will reduce. Issued linked unit will be increasing, which means the denominator of this ratio increases resulting in the EPS overall coming down, Salome Makgatlhe, Research Analyst at Motswedi Securities explains. Ram says reduction in the EPS has nothing to do with management performance as well as company profitability.

Indeed there will also be a dilution effect on shareholders who do not participate as Paledi states. This is because of the increase in shares outstanding occasioned by other shareholders who accept the script offer. At the end of the day, the pool of issued shares increases, Makgatlhe supports.

Based on book values and assuming a 100 percent uptake in the script offer, it should not result in any change in gearing because shareholders equity remains the same. Paledi says the increase in stated capital is negated by a reduction in retained earnings. "Based on market values the market capitalisation of the company should increase, which in turn should lower the gearing ratio, provided there is no significant decline in share price to counteract the increase in shares outstanding," he explains.

The script offer gives the shareholders flexibility in that if they deem the offer price to be high, they can choose to receive their dividends in cash instead of accepting the higher price.

According to Ram, the stated capital of the company is P455, 971, 406 with 426,530,831 shares and debentures in issue. Estimates by directors show that if all unitholders take up the offer, an aggregate amount of P66,000,644.33 will be raised with the addition of 27,500,269 linked units, adding that the 27,500,269 linked units subject of the script distribution offer represents 7 percent of current number of shares in issue.

According to Ram, Far will benefit from this issue in the sense that unitholders will inject further capital into the company without incurring the usual substantial dealing costs associated with a new rights issue. Further, the company will be able to utilise the amount of the unitholders' funds retained in the company to support continued growth of the current and future projects, refurbish properties and reduce exposure to loan finance. Ram also told this publication that this was done deliberately to reduce debt level of the company.

The CEO of the Botswana Stock Exchange, Thapelo Tsheole, previously advised that companies wishing to preserve cash on the balance sheet could do so by paying a dividend using shares instead of paying dividends in cash. To please its loyal shareholders, Tsheole said, a company could even pay a bonus dividend in the form of additional shares instead of cash. In his view, these corporate actions are crucial for capitalising a company so that it may resuscitate or pursue business expansion, acquisitions and/or other activities of potential value to shareholders using the preserved cash.

Ram says the issue of the linked units distributed in terms of script dividend will take place on or before Friday 20 November 2020. Accordingly, unitholders registered in the books of the company will be entitled, upon election on the record date, to receive as many fully paid units in the company at an issue price of P2.40 each as is equal in value of the net distribution due to such holder in respect of the distribution. Far disclosed that the net distribution comprises 16.80 thebe per linked unit, being 0.15 thebe dividend per share and interest of 16.65 thebe per debenture, less appropriate withholding taxes in respect of all or in part of their unit holdings.

The number of script distribution units to which a unitholder will be entitled will be calculated as net distribution amount divided by P2.40. For example, if a shareholder was to

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BOB'S TAXING QUEST TO ACCELERATE GROWTH

By reducing the bank rate, the Bank of Botswana (BoB) is trying to increase the supply of credit by making it 'supposedly' affordable for borrowers. The household sector is however highly-indebted, and may not afford credit. Further, rising costs of living are suffocating the households. Staff Writers KITSO DICKSON and KEABETSWE NEWEL argue that reducing the bank rate may just be inconsequential.

The expectation is that borrowers are more likely to take out credit, spend more and accelerate economic activity.

For those who are already indebted, this will either reduce the term of credit or monthly instalments. For those who reduce monthly instalments, they are expected to spend the extra cash if not save.

Although salaries are generally low in Botswana, the household is a key catalyst for economic growth. Household consumption as a percentage of GDP ranges between 48 percent and 52 percent, emphasising that Botswana is a consumer-led economy. In other words, businesses rely on consumer spending.

With policy, easing consumers will see lower repayments for their debts particularly those with variable debt, Naledi Madala, an economist at ABSA Limited argues.

"A reduction in interest rates has a positive effect on household consumption as it decreases their borrowing costs and improves disposable income," Madala explains adding that this tends to encourage spending and investment.

"By cutting rates the Central Bank is trying to stimulate economic activity," she notes.

"All entities and households with debt linked to the prime lending or bank rate will benefit from this rate cut," Kwabena Antwi, Investment Analyst at Kgori Capital adds. In most banks credit cards rate, personal loans, Vehicles and home loans will be affected as they are based on the level of prime rate (reference rate). Antwi says the rate cut benefits households who have taken up debt with commercial banks at rates based on the prime lending or bank rate.

The general perception is that Batswana are highly indebted. According to the Bank of Botswana household credit accounts for a larger proportion of credit, at 63.7 percent of the total banking sector credit as at December 2019. Households' annual credit growth increased from 6.2 percent in 2018 to 13.8 percent in 2019. The higher rate of increase in lending to households was mostly due to the higher uptake of personal loans through scheme loan arrangements, from growth of 7 percent in 2018 to 18.7 percent in 2019. The faster increase in personal loans is consistent with increased supply of loanable funds at banks and the demand for credit following the public service salaries hike during the year.

The rate of increase in the unsecured component accelerated from 6.8 percent to 18.3 percent in the same period. Bank of Botswana observed that household credit is concentrated in unsecured lending (70.1 percent in December 2019). The bank says the significant share of unsecured loans and advances has the potential to cause financial distress in households, given the inherently expensive nature of such credit.

While the rate cut is expected to reduce cost of borrowing, other have questioned the benefit on household debt given that rate cuts generally benefit more of the highly leveraged. Generally, rate cuts benefit businesses which borrow money running into millions. Household borrowers can benefit as little as P100. Antwi explains that the rate cut will result in lower installments being paid for the same principal debt, depending on the size of the debt, the saving can be significant.

Note that although the rate is expected to save the household some extra cash, the cost of living has been rising. Recently government increased necessity expenditures including transport fares, fuel prices and electricity. In Botswana, most of household expenditure goes towards food, housing and transport. Transport is the largest component of the inflation basket. While the household is expected to save extra cash as a result of rate cut, the money may not necessarily be freed up. Statistics show that 90 percent of the household sector does not have discretionary spending. Note also that the COVID-19 has caused job losses and salary cuts. While BoB basically wants to increase credit (loan) availability in order to encourage local businesses to borrow cheaply for their investment projects, this has generated heated debates on whether the household has enough income disposable to help businesses generate revenue.

Statistics show that lending to businesses decreased from 10 percent in 2018 to -1.7 percent in 2019. According to the Bank of Botswana, this was mostly due to loan repayments by some companies in manufacturing (some in the diamond cutting and polishing sector). By cutting the Bank Rate, Antwi says the hurdle return on investment for business has also been cut as the cost of debt is usually a determinant. However, he worries that in the current environment there may still not be opportunities that meet this lower hurdle rate of return. This is against the background of high unemployment, little to no change in salaries wage increases, high levels of income inequality and household debt.

On the other hand consumers with savings accounts will see lower returns as low interest rates hurt/discourage saving, Madala says. Antwi adds; savings rate offered by commercial banks are likely to fall in line with the Bank Rate cut.

For the last 10 years, rates have been going down in Botswana. However, efforts to stimulate the economy yielded little success. With low credit others argue that banks still can't afford to lend more in current circumstances of uncertainty. In essence, a rate cut would be just to keep the country afloat a little longer but will be not be sustainable.

Annual credit growth has been decelerating year-on-year. Commercial bank credit decelerated from 7.7 percent in 2018 to 7.6 percent in 2019. Macro-economic theory dictates that economic interest rate cuts should increase the amount of credit extended to productive units within the economy. Producers who were barred by high interest rates from sourcing debt see opportunities to ramp up capacity and production at new interest levels, and in turn stimulating Gross Domestic Product growth. By reducing rates, this is what the bank of Botswana is trying to achieve.

Previously the bank explained to this publication that the performance of credit depends on the level of which people are already leveraged. "We relate this to our main area which is inflation. If slow credit is associated with stability of the banking system and low inflation there is then scope to reduce interest rates," Deputy Governor Kealeboga Masalila said responding to a question from The Business Weekly & Review back then. Antwi however argues that the reduction in bank rate alone will not be the catalyst for rapid credit growth.

BoB also increased the bond program ceiling which saw the National Assembly recently endorse the doubling up of domestic borrowing from P15 billion to P30 billion. Experts say this is another fundamental move to fund the national budget as the development would cultivate more activity in the local capital market, which in turn would reduce the risks of drawing down from reserves and cut the risk of borrowing externally at excessive interest and foreign exchange rates. According to finance experts, borrowing more from local capital markets will offer the government a viable avenue for cost-effective domestic resource mobilisation for long-term investments and funding of government projects.

As observed by economists, central banks are turning dovish on their outlook against the background of excepted economic slowdown. COVID-19 pandemic and consequent containment measures have severely throttled economic activity globally and domestically as production, supply chains, project implementation and provision of goods and services are constrained.

The general perception is that Batswana are highly indebted. According to the Bank of Botswana household credit accounts for a larger proportion of credit, at 63.7 percent of the total banking sector credit as at December 2019. Households' annual credit growth increased from 6.2 percent in 2018 to 13.8 percent in 2019. The higher rate of increase in lending to households was mostly due to the higher uptake of personal loans through scheme loan arrangements, from growth of 7 percent in 2018 to 18.7 percent in 2019.

Governor Moses Pelaelo said last week that consumption and spending are disrupted, hence domestic demand pressures and foreign prices remain subdued. "Consequently, overall risks to the inflation outlook are skewed to the downside," he said adding that inflation may rise above current forecasts if international commodity prices increase beyond current projections and in the event of upward price pressures occasioned by supply constraints due to travel restrictions and lockdowns.

When rates are kept low for an indefinite time, inflation tends to rise. Inflation hit 0.9 percent in June mostly due to a fall in transport costs, which was driven by weak demand and low international oil prices. It rose to 1 percent in August 2020 and remained below the lower bound of the Bank's objective range of 3 – 6 percent. In the latest Monetary Policy Report, the Central Bank similarly forecast that inflation will remain below the lower bound of the Bank's 3 – 6 percent objective range for the remainder of 2020 and the first two quarters of 2021.

Madala cautions that going forward, base effects will probably cause inflation to pick up over the coming months, but "we believe that price growth will only reach 2 percent y/y by December and we forecast an average inflation of 1.8 percent for the year". "We expect that inflation will pick up in 2021 as the economy returns to growth and energy prices rise," Madala notes to this publication. Inflation is forecast by the central bank to revert to a range within the BoB bracket in the third quarter of 2021.

Given the current environment the bias is towards further monetary policy easing, Madala says the favourable inflation trajectory also makes it possible for further easing. However other economists argue that rate cuts are outdated in modern economics. The Bank of Botswana's decision to reduce the Bank Rate by 50 basis points from 4.25 percent to 3.75 percent came after the recent release of the second quarter GDP data showing severe damage from pandemic led disruptions to the local economy. The bank noted that the current state of the economy and the outlook for both domestic and external economic activity provide scope for further easing monetary policy to support domestic economic activity.

Botswana was thrown into a technical recession after registering two consecutive quarters of negative GDP growth. According to Statistics Botswana, the steepest contraction was reported in the second quarter reflecting a 24 percent decline. Nominal GDP was down P140 million from Q1. This reflects a 27.3 drop. For the first time in many years, General Government was the first major contributor to GDP.

Contractions were registered across almost all sectors with the large contraction of 60.2 percent in the mining sector attributed to diamonds and coal. Diamond production in carats fell by 67 percent as demand for diamonds globally struggled. Coal production in tonnes decreased by 40.7 percent attributable to the on-going remedial works on Morupule B power plant as explained by Statistics Botswana. Hotels & restaurants fell 40.3 in light of suspension of air travel which consequently hurt the local industry.

Estimates by the finance experts at the Ministry of Finance and Economic Development and the International Monetary Fund (IMF) forecast a deterioration in economic growth for Botswana in 2020. The Ministry estimates that the economy will decline by 8.9 percent in 2020, from an earlier forecast of a 13.1 percent contraction, before rebounding to growth of 7.7 percent in 2021. The IMF forecasts the domestic economy to contract by 9.6 percent in 2020 compared to 5.4 percent in the April 2020 World Economic Outlook, before rebounding to a growth of 8.6 percent in 2021.

The BoB earlier in the year utilised other tools it has at its disposal in order to support credit growth. It reduced the reserve requirement, the portion of a commercial bank's deposits which must be held with the BoB, by 250bps to 2.5 percent. The BoB also reduced the capital adequacy requirement, the portion of risk-weighted assets of a commercial bank which must be backed by qualifying capital and reserves, by 250bps to 14.5 percent and finally the BoB gave leniency on provisions relating to COVID-19 impacted restructured loans.

CRAFTING A HIGH PERFORMING SALES TEAM CULTURE

BAKANG KAUNDA CA Sales and Distribution.

The coronavirus pandemic has brought a huge performance challenge in B2B sales organisations and many teams are feeling the pain but are oblivious to the root cause, which goes far and beyond the coronavirus.

Every business dreams of having a top selling, efficient and high performing sales team, all the way from the sales director to the sales representatives. Imagine every month having a team that does not only achieve its quota but operates with meticulous synergy and execution in every task, from the smallest to the biggest! It is very difficult to create such a high performance culture in a business, and although every business desires to have one, only a few have managed to actually achieve it mainly because many businesses do not know what a high-performance sales culture looks like.

If you find yourself and your business in this situation, don't stress. The initial step towards accomplishing a dominating sales culture is recognising what traits to emphasise on, implement and monitor as part of your sales management strategy. Here are a few characteristics to adopt that will ensure that your sales team achieves high performance.

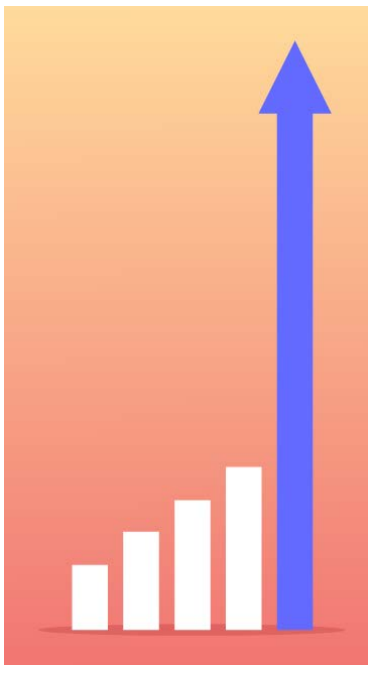
DEFINED SALES PROCESS

So many sales organisations have a poorly designed sales process and some even some leave the sales process up to the individual reps, letting their top selling reps and poor performers do their own thing, which leads to inconsistent sales results.The hard question most sales leaders ask themselves is how to measure to ensure that they can optimise around the best sales process for their sales team.

The key is that they need to define their sales process at each hierarchy while looking at the entire team structure holistically, then mapping out each individuals step and measuring the efficiency between each of them. Many companies have a rough understanding of the process they would like to follow, but with lack of training the output is inconsistent at best. A clearly defined process through hierarchies and aiming for synergies is what they need.

SALES STAFF COLLABORATION

Sales professionals are highly competitive and goal-driven by nature. It is what makes them stand out from each other and grow in their career. Unfortunately, these traits don't go hand-in-hand with assisting others, collaborating, and working for the greater good of the business.



Imagine every month having a team that does not only achieve its quota but operates with meticulous synergy and execution in every task, from the smallest to the biggest!

It is important for top management to focus on creating a collaborative culture in the business between the sales staff and to cultivate a culture where people are not only fired up to achieve their own goals but also see the benefit of working with others to achieve even more. Each person has their own unique strengths that make them great at selling, but those individuals need to collaborate with their team to really build a positive sales culture and unlock greater possibilities and results.

DATA-DRIVEN DECISION MAKING AND MINDSET

We live in times of great technological advancement where data is considered the biggest currency in the world. Therefore, it is the basic principle that the best way to manage sales today is by the numbers. This simply means that the top management should track the right sales performance metrics in order to keep up-to-date with the sales team and sales operations. Over and beyond monitoring the sales metrics, the top management will be able to derive actionable insights from this data. Looking at sales pipeline metrics, sales funnel stage conversion rates and lead trajectories are all helpful, as long as the top management finds specific areas of improvement as revealed by the data analysis.

TRANSPARENCY THROUGH ALL LAYERS

One trait that I have learned from high performing sales organisations is that they are very transparent. From the sales director to the sales representative, they have nothing to hide. They are very proud of their accomplishments at all hierarchy levels across all departments and will publicly and transparently display their inner workings even if the performance is less-than-stellar. Afterall, neither sales reps nor anyone else in the company should have unrealistic 'happy ears.' Using a sales leader board that displays the monthly sales of all your reps is a good start toward creating this type of transparency. Publicly displayed sales leader boards will cultivate accountability traits with the sales team as each individual will pursue greater results and aim to be on top of the board.

CONTINOUS SALES COACHING AND TRAINING

Great teams are a result of continuous learning and coaching throughout the year. Sales team leaders need to study sales performance metrics to identify specific areas of weakness in the sales process of their entire team or an individual rep, then use that information to shore up these weak areas and constantly improve on the previous period's sales numbers. The coronavirus pandemic has also made it very apparent that we operate in times of uncertainty where the markets can change at any time and the old way of doing things cannot be viewed as sustainable for growth. Frequent sales team coaching and training on new trends and techniques is essential to ensuring that the sales team performs exceptionally well with new insights and information.

ALWAYS TRACK YOUR KEY PERFORMANCE INDICATORS

Observe your entire sales operations in detail. Look at various key players in your team. Look at their sales process closely. See what they are doing that continuously works and brings good results. Write it all down. Find the best way to tailor it in a way that you can implement it across the entire sales team and always ensure that you frequently measure the team against these new standards to see if the team is following these performance guiders. Importantly, see if they are truly bringing in the desired results.

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receive P12 as dividend, they would instead get 5 additional shares. In that way, the company gets to keep the P12 for future use. Far says where the number of linked units derived from the formula is not a round number and there exists a fraction, the number of linked units will be rounded down to eliminate the fraction. The fraction, expressed as a percentage of P2.40, will be paid in cash.

As explained before by the company, the benefit of a script dividend to a shareholder is that there is no cost associated with trading, which they would normally incur by using brokers as commissioners. But a key disadvantage pointed out by experts is that a shareholder might not be able to raise cash to pay taxes on dividends. This is becuase script dividends can be taxed in the same way that cash dividends are.

Ram has revealed that Vidya Sanooj, who holds 0.06 percent of the issued linked units, and the founders of the company, Ottapathu and Farouk Ismail, each holding 28.08 percent and 29.01 percent respectively, Platinum Compass, which holds 21.57 percent and controlling the right to distribution in respect of linked units representing 23.30 percent of the issued linked units in the company, have committed to elect to receive the script distribution units in lieu of the cash distribution.

While the holders and controllers of 78.73 percent of the issued linked units in the company have committed to elect to receive the script distribution, this may hamper the company's race to meet the Botswana Stock Exchange's (BSE) 30 percent free floating listing requirement. In other words, 30 percent of the shares in use should be in the hands of the public.

According to the board, if as a result of the election the "public," as defined in the BSE Listings Requirements, hold less than the minimum percentage of issued linked units as determined by the BSE in terms of the BSE Listings Requirements and the exemption granted to the company, then the founders, Ottapathu and Ismail, will reduce the quantum of their election and receive part of the distribution in cash. The directors say this is to ensure that the requirement of the BSE, in respect of the free float of issued linked units in the company is maintained.

Through a cautionary statement last week, Far announced that Ram and Farouk had each sold 6,053,928 (2,938,806 each) shares worth P14,676, 477.76. Ram has confirmed to this publication that the sale of the shares was done to satisfy the 30 percent free float requirement. According to Far, the company currently enjoys an exemption from the BSE of the requirement for the "public" as defined in the BSE Listings Requirements to hold 30 percent of the linked units in issue.

Tsheole said, a company could even pay a bonus dividend in the form of additional shares instead of cash. In his view, these corporate actions are crucial for capitalising a company so that it may resuscitate or pursue business expansion, acquisitions and/or other activities of potential value to shareholders using the preserved cash.

The offer, which was announced this week, comes in the wake of the COVID-19 pandemic which triggered much uncertainty and market volatility across the globe. As observed on stock exchanges, company revenues are declining. This has prompted stringent measures to cut costs, including trimming employee salaries, to preserve as much as cash possible becuase the world faces a situation that is likened to the Great Depression of the early 1930s that started in the US. While some choose to suspend dividends, others opt to tweak policies.

Makgatlhe observed that the COVID-19 pandemic has forced a number of listed companies on the BSEL to reassess their financial projections amid the rapid decline in revenue and growth prospects. She opines that issuing scrip plays to preserve the company's cash reserves, and in such uncertain economic times, is prudent stance.

RESOURCES SHINE DURING COVID-19

SHIRLEY WEBBER Coverage Head of the Natural Resources Group at Absa

Resources, especially gold, have been a stable constant during the COVID-19 pandemic

Pic: furtherafrica.com

If you were looking for a silver lining during the COVID-19 pandemic and the havoc it has wrecked worldwide, resources and commodities would be it. In fact, resources have performed well during the economic turmoil due to the impact of COVID-19 with gold, for instance, being seen as a safe haven amid the dollar depreciating against most major currencies. Base metals, especially copper, which is often considered a good indicator of the health of the industrial or "real" economy, is trading higher than it was a year ago.

The strength we see in the resources sector comes despite mines in many countries being closed this year for a brief period before being reopened.

Those who follow the oil price will know that its value has more than doubled after its unprecedented sell-off in March 2020. However, whether it will go up or down in the future will depend on several factors, including fuel demand, US crude inventory levels, the weakening dollar, and hurricane season within the oil-producing parts of the United States.

The diamond market was expected to recover during the first quarter, as the midstream sector reduced its stock holding, activity retrieved in the first two months of the year, and prices gained compared with 2019 levels. However, the recovery was short-lived as the spread of COVID-19 and the potential decline in global retail growth led to a significant decline in producer sales. As a result, the industry effectively came to a halt, and with the retail market slowly opening in the US and China, recovery is expected by mid-2021.

With the exception of diamonds, the resources sector can help pull Africa out of the COVID-19-induced slump as the entire ecosystem will reap the rewards of increased economic activity. In addition, greenfield mining projects are a major catalyst for surrounding communities in job creation and supporting small businesses.

A combination of slowly improving oil prices, recent discoveries, and the push towards use of gas as an environmentally friendly energy source contributes to the renewed investor interest in the oil and gas sector on the continent. Africa is one of the leading regions in terms of oil and gas discoveries, including the considerable gas reserves found in Mozambique, Mauritania, and Senegal, all of which will significantly meet the growing demand for gas globally.

The resources sector has experienced an increase in negative investor sentiment over the past few years because of rising production costs, infrastructural challenges, electricity supply constraints, increasing environmental, social, and governance standards, and political and economic instability in certain regions. Despite this, interest in the resources sector across Africa is picking up once again.

This renewed interest is potentially great news for the African continent, which holds over 30% of the world's remaining mineral reserves and increasing finds of reserves of oil and gas. All these factors place business leaders under unyielding pressure to deliver superior returns to stakeholders.

A combination of slowly improving oil prices, recent discoveries, and the push towards use of gas as an environmentally friendly energy source contributes to the renewed investor interest in the oil and gas sector on the continent.

Front-of-mind for all investors is a stable political and regulatory environment. One of the positives Absa noted at the Mining Indaba earlier this year was Africa's positive strides in this regard.

Issues such as climate change are no longer "soft" issues that can be tucked away in a sustainability report somewhere. Shareholders and other stakeholders are demanding that the banking sector adopt a responsible approach to funding new projects, which is driving a change in behaviour for all sector participants. The question will remain whether the industry is doing enough regarding carbon emissions to meet the goals of the Paris Agreement on climate change and its deliverables.

Developing an indigenous resources service sector can be challenging because it is capital intensive. To address some of these challenges, there is a need for international companies to partner with local companies to raise the required capital and in-country capacity building and training. The fiscal framework must also be fair and transparent.

In addition, although mining operations across the continent are becoming more sensitive to the role they play in ensuring economic growth and sustainability, Absa as funding partners help in ensuring sustainability too. We do this through site audits and visits because we believe that sustainability should not be dismissed as a "nice-to-have" but is instead a critical part of the funding journey. We are already seeing shareholder activists pushing back against projects that don't consider environmental and sustainability-related issues.

Ultimately, all the resources sector participants will need to recognise that the sector can no longer be open to exploitation. As a funding partner, Absa is committed to working with organisations who share our values and are prepared to invest responsibly throughout the value chain. As Absa, we see ourselves as a natural partner to clients active across Africa's natural resources and energy value chain.

STANDARD BANK CALLS FOR COMMERCIALISATION OF AGRICULTURE

At a time when the rest of the world is re-thinking its approach to commercial agriculture, Africa has a clear opportunity to refresh its approach to the sector and become an emerging force. Big shifts are already happening in food production, land and water use, and the integration of agri-tech and product tracing. If African firms take an early lead during this transition, they will be well placed to compete globally by building enduring assets and commercial advantages beyond primary production. The financing of new investments in agriculture has always relied on a healthy financial eco-system: active banks, sound insurers and lively futures markets. The next set of gains will come from new platforms that allow small and large firms to connect to each other and to their shared stakeholders. Reciprocal exchange of market data will make smaller, efficient players more visible to large buyers. Linda Manda, Sector Head Agribusiness, Corporate and Investment Banking at Standard Bank said without continued advances in agricultural productivity, the whole project of African advancement is at risk. "The stakes are high for all of us", says Manda.

This she explains is because communities in Africa rely on the agriculture industry for much more than food: employment, investment and infrastructure development are all part of the deal." Manda says at least 52 percent of all people in Sub-Saharan Africa were employed in agriculture in 2019. Three recent development milestones suggest that African firms are ready to move beyond low-margin primary production while remaining active in agriculture.

According to Sola David-Borha, Chief Executive of Africa regions at Standard Bank, "'higher-value economic activity is even more likely if finance, technology and trade move deeper into African agriculture. Larger and more open markets, strong supplier networks and technology investments will drive Africa's growth." Trade data and Standard Bank's own long experience of trade finance, shows that Africa has been a net importer of food for almost two decades although the trade deficit has narrowed recently. Despite impressive export growth of certain key products, other food imports continue to rise.

The COVID-19 induced disruptions to imports are a reminder that regional resilience in food supply is a practical imperative, not an intangible aspiration. First, Standard Bank says the African Continental Free Trade Area (AfCFTA) should create a much larger internal market that gives producers access to a larger and more open market. The bank says local production can better compete with the current import-and-distribute model. Large-scale production will arise when the returns are not stifled by trade

TURNSTAR TRADES SHAREHOLDER VALUE FOR DIVIDEND PAY

- **Turnstar resumes dividend pay**
- **Move to restore investor confidence and protect share price**
- **Share price plummeted 21 percent**
- **Over P300m value lost by shareholders**

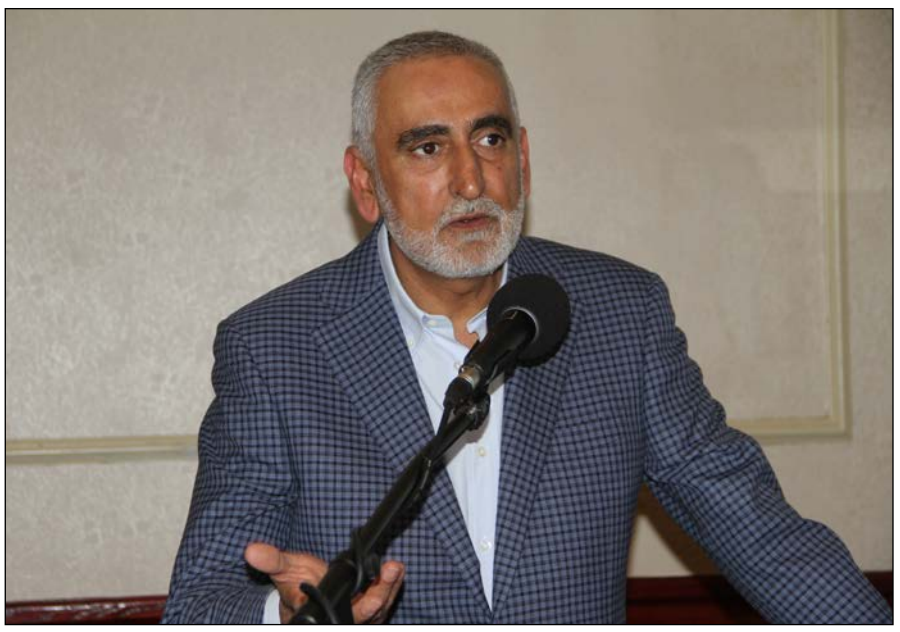
KITSO DICKSON
Staff Writer

Despite a decline its core business profit, Turnstar Holdings management has decided to resume dividend pay, a move aimed at restoring investor confidence and protecting shareholder value, The Business Weekly & Review can reveal

Turnstar suffered a bout of depreciation after it suspended dividend pay for the year ended 31 January 2020. According to management, the decision to suspend dividend pay was taken prudently to retain cash within the company during difficult times when trading conditions were almost impossible to forecast against the background of COVID-19.

Traditionally, Turnstar has ensured that it paid an interim and final dividend since the inception of the company. After it suspended dividend pay, the share price depreciated by 21.7 percent on a year-to-date basis, destroying over P350 million in market capitalisation, according to market data available.

Turnstar is currently valued at P1.258 billion in market capitalisation from over P1.6 billion in January. However, the property company still maintains the second most valued property counter on the Botswana Stock Exchange behind New African Property (NAP), which is valued at P1.9 billion. In the past two years, Tursta was valued at par with NAP. Infact, at one point it was the most valuable property company before large trades by its competitor smacked down the counter. Turnstar's share price currently trades at P2.20.



Gulaam Husain Abdoola, founding member and Managing Director of Turnstar Holdings Limited *(Pic: Taelo Maphorisa)*

Market analysts point out the destruction in value could be attributed to a halt in dividend pay in the last full year results. In the 6 months ending 31 July 2020, Turnstar profit from core business came down to P41.8 million. Generally, dividend is paid from profit of the period. Whatever is left of the profits is saved as retained earnings. Dividend can also be funded by retained earnings in extreme cases, or even borrowings. Turnstar's retained earnings sit at P323 million as at 31 July 2020.

Calculations by market gurus show that Turnstar will spend around P57 million, given that it has 572,153,603 issued quantity on the domestic bourse. Dividend yield approved is 10t per linked unit which comprises debenture interest of 7.3976t and dividend of 2.6024t per linked unit to all registered unit holders as at the close of business on 27 November 2020.

Despite profits coming down, the company's directors say it is financially strong. "The current as well as forecasted cash flows indicate that the company can comfortably resume the payment of dividends, as had previously been the case traditionally," Turnstar announces in its results.

Turnstar Group profit before tax for the half year ended 31 July 2020 was lower by approximately 38 percent (P26.5 million) from P 69,660 million for the half-year ended 31 July 2019 to approx. P 43,167 for the half-year ended 31 July 2020. Of this, Turnstar revealed that P 12.27 million pertains to the rental rebates granted during the COVID-19 lockdowns whilst P 13 million relates to the unrealised forex exchange loss.

The Government of Botswana implemented two lockdowns to combat the spread of the COVID-19 pandemic. The first lockdown lasted six weeks from the beginning of April to mid-May 2020 while the second lockdown - which was localised for Gaborone and Greater Gaborone - was for the first two weeks of August 2020. There were similar disruptions of trade in Tanzania and Dubai.

Turnstar says it considers its tenants as partners in its business and their existence and continuity are paramount in the success of the company. "As such, a strategic decision was made to grant substantial rental concessions to our commercial tenants who could not operate during the first lockdown," the company says, adding that the rental revenues of the group reduced by approx. P 12.27m (9.15 percent) during the half-year to 31 July 2020, compared to the corresponding half year ended 31 July 2019.

Further, Turnstar has revealed that the developments at Mlimani in Tanzania are financed by a US$ loan obtained by Turnstar. These funds are passed on from Turnstar to Mlimani in the form of inter-company loans. A part of this loan was converted into share capital in Mlimani at the commencement of the period under review.

The US$ appreciated against the Botswana Pula during the half-year ended 31 July 2020. As such, the Group says it had a net forex loss of P 4m, on the US$ loan for the half year 31 July 2020 compared to the net forex gain of P 8.9m in the corresponding previous half-year 31 July 2019 when Turnstar had a corresponding US$ inter-company loan in Mlimani. "Stakeholders are reminded that the foreign exchange translation gains are unrealised, and dependant on the US$/BWP exchange rate at half-year end."

It is to be noted that the exchange difference on translating foreign operations has substantially increased from P 20.1m for the half-year ended 31 July 2019 to P 44.2 m for the half-year ended 31 July 2020. As such, the profit after tax - total comprehensive income for the half-year ended 31 July 2020 is largely on par with that of the previous half-year ended 31 July 2019.

The comprehensive profit was P86 million. It is important to note that the gain, which is nearly half of the P86 million, is just paper profit and indicates the exposure that Turnstar has of 50 percent assets in Tanzania and 50 percent in Botswana. Translation is about assets and liabilities being converted to the reporting currency, which is the Botswana Pula. The group consists of Turnstar Holdings Limited (Botswana), Island View (Proprietary) Limited (Botswana), Mlimani Holdings Limited (Tanzania), Turnstar Investments Limited (UAE) and Palazzo Venezia Holdings Limited (UAE).

//REVV-UP

2020 BENTLEY FLYING SPUR VANTAGE COUPE

A Master Class in Poshness

ibsvr.net

DANIEL PUND
CAR & DRIVER

Even in the inner sanctum of the Church of Wealth and Privilege that is Casino Square in Monte Carlo, the 2020 Bentley Flying Spur gets its due adoration.

Sure, Bentley stacked the deck by holding its press launch there and clogging the streets with the new sedan. Still, that's no small feat considering the nonstop procession of idols from Ferrari, Lamborghini, and Rolls-Royce in the square, vying for worship.

Palatial Presence

It's clear that the stately Flying Spur has passed its first trial on the trail to deification: It looks like money. This third iteration of the lesser Bentley sedan appears more imposing than earlier versions. Its massive upright grille telegraphs grand English luxury in a way the earlier examples did not. Look at the original Continental Flying Spur from 2005 and marvel at how its little grille looks almost apologetic compared to the lock-jawed arrogance of the new model. The nose now gets that other archaic signifier of old-world class, a gleaming hood ornament. The nose candy reflects Bentley's redesigned "Flying B" logo, which looks a bit like the flying skull logo of the Hells Angels. We're guessing that resemblance is strictly coincidental.

HIGHS: Now appropriately imposing, unexpectedly fun to drive, attracts attention.

Rolls-Royce has, of course, made a business out of blunt, bugger-off front ends. But the Flying Spur's face looks much more like that of Bentley's own massive Mulsanne sedan. And the rest of the Flying Spur continues this traditional styling bent. You would be hard-pressed to tell that the Spur is based on the same basic platform as the Porsche Panamera, another member of the vast Volkswagen Group. The Flying Spur is upright and blockish, where the Panamera is swoopy and taut. The Spur is a handsome top hat of a vehicle. And the new version rides on a 125.7-inch wheelbase, roughly five inches longer than the outgoing model. Most of that extra space has been given over to what Bentley calls the "prestige mass." That would be the area between the leading edge of the front doors and front wheel wells, which pretty much everyone else in the industry would call "dash to axle." Point is, this longer prestige mass combined with a shorter front overhang makes the Spur look more like a traditional rear-drive sedan, although all Flying Spurs power all four wheels.

Royal Performance

All previous Flying Spurs were all-wheel-drive cars, too, splitting nominal torque delivery nearly evenly between front and rear axles. The new car is effectively rear-wheel drive in most circumstances, with the front wheels receiving torque when rear slip is predicted or detected. The amount of juice sent forward is dependent on which drive mode the driver has chosen. The aim is to give the new Spur a more sporting demeanor with crisper turn-in. And on the narrow mountain paths outside of Monaco, the Spur, while comically large for this venue, does indeed feel surprisingly willing to pivot and play.

LOWS: Attracts attention, occasional stumbled gear changes, still looks stodgy.

It's not just the all-wheel-drive system, though. Two other standard systems aid in the Spur's improved handiness. The 48-volt adaptive anti-roll bars keep body roll in check. And rear-wheel steering makes this massive ingot of leather-bedecked aluminum surprisingly maneuverable at low speeds and nimble and stable at higher velocities. Air springs and adaptive dampers deliver the hushed, unperturbed ride quality you should expect of a Bentley sedan, even while riding on the big 21- and 22-inch wheel options. The Spur glides.

Like its Continental GT coupe sibling, the Flying Spur is fitted with an eight-speed dual-clutch automatic transmission. If ever there was a car suited to a conventional automatic transmission, the Spur would be it. But the dual clutch does a surprisingly good job of playing the unobtrusive gear-swapper. Particularly impressive is its behavior pulling away from a stop. It is silky smooth and consistent, which isn't always the case with dual-clutch units. This choice of transmission was an unnecessary challenge for the Bentley engineers–a ZF eight-speed auto would have been an easy, smart choice–but it's a challenge they've accepted and surmounted. The transmission only stumbles during quick on/off throttle applications, such as during aggressive passing maneuvers. Otherwise, it's a gem.

Bentley

Perhaps predictably, Bentley's signature twin-turbo W-12 engine is the only available power source, although the 542-hp twin-turbo 4.0-liter V-8 will be offered sometime in the future. The W-12 now incorporates a cylinder-deactivation system to improve efficiency by a claimed 15 percent. We don't know yet what that will translate to in EPA fuel-economy testing. In fact, there is much we don't know for sure since the Spur is not yet certified for sale in the United States. Neither is the W-12 version of the Continental GT. For now, we're told to expect that the new W-12, with both direct and port injection, will make 626 horsepower and 664 lb-ft of torque. Whether those numbers change slightly by the time the car goes on sale here early next year won't much matter, since the Continental will remain a very powerful machine. The sprint to 60 mph should be about 0.3-second slower than the lighter GT, or 3.6 seconds, thanks, in part, to the dual-clutch transmission and a launch-control program. The Spur will power on to a top speed of 207 mph, Bentley says, at which point the multi-ton Spur will have roughly the momentum of the Earth.

Grand Trappings

The interior is predictably roomy for front and rear occupants. The Spur is, of course, available with a champagne fridge, a wide color range of leather hides (somehow "hides" sounds less morbid in an English accent), and various wood veneers. The Spur's infotainment features, including full control from the rear seats, is fully up to date. And Bentley has gone to some lengths to make sure its necessary digital elements are incorporated into the old-world-style cabin as unobtrusively as possible. As in the Continental GT, the Spur's infotainment screen is mounted to a rotating chunk of dash that can, at the push of a button, conceal the screen in favor of three conventional, although largely superfluous small gauges. Recall the old episodes of Wheel of Fortune in which Vanna White physically turned the letters on the big board and you pretty much have an idea of how this $6365 rotating display works.

We don't have final pricing on the vehicle since Bentley doesn't yet know what the destination charge will be or if the car will be subject to a gas-guzzler tax. Without those add-ons, the Flying Spur carries a base price of $214,600. The one we drove, however, rang in at a not-insubstantial $261,550. Adoration does not come cheap.

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

CASE NO. CVHGB - 003576 - 18

In the matter between
STANDARD CHARTERED BANK BOTSWANA LIMITED **PLAINTIFF**
and
PEGGY TSIANE **DEFENDANT**

NOTICE OF SALE IN EXECUTION

BE PLEASED TO TAKE NOTICE THAT pursuant to a Judgment granted by the above Honourable Court on the 19th May 2020 the following immovable property of the abovementioned Defendants will be sold by means of public auction to the highest bidder by Deputy Sheriff Urgent J. Chilisa as follows:

DATE OF SALE : Monday 09 November 2020
VENUE : Lot 13169, Gaborone Extension 41, Gaborone
TIME OF SALE : 1030 hours

TERMS OF SALE : Only cash or bank guaranteed cheques will be accepted. The detailed conditions of sale are available for inspection at the undersigned Attorneys' offices.

PROPERTY TO BE SOLD : The Defendant's rights, title and interest in a certain piece of land being Lot 13169, Gaborone, situate in the Gaborone Extension 41, measuring 2 416m2 (Two Thousand Four Hundred and Sixteen Square Metres) which property is held under Deed of Transfer No. 1868/2007 dated the 5th September 2007 and all the improvements thereon being a 4 bedroomed house with a TV room, open plan sitting room, dining room, kitchen, bathroom, guest bathroom, bathroom, house with 2 rooms and bathroom, swimming pool, guest cottage and bathroom, double garage with show room, toilet and screenwall.

DATED AT GABORONE ON THIS 24TH DAY OF SEPTEMBER 2020.

COLLINSCHILISA CONSULTANTS

COLLINS CHILISA CONSULTANTS
Plaintiff's Attorneys
Plot 4858, Off Marakanelo Way
Extension 11
P O Box 45136
GABORONE
Deputy Sheriff U. J. Chilisa
[Cell No. 71594008]

NOTICE TO DEBTORS AND CREDITORS

MASTER'S REFERENCE: ESHGB 000255-19

IN THE ESTATE of the Late **LAWRENCE DIPHETOGO LEKALAKE** who died at Plot No. 2529, Extension 9, Gaborone, Republic of Botswana on the **22nd day of October 2019**.

NOTICE IS HEREBY GIVEN that Debtors and Creditors in the above Estate are hereby required to pay their debts and file their claims of whatever nature with the undersigned within 30 days after the publication hereof.

DATED AT GABORONE THIS 9TH DAY OF OCTOBER 2020.

Moribame Matthews
Attorneys Notaries Conveyancers

THE EXECUTRIX DATIVE
KENEILWE PATRICIA MERE
Unit 6, Mowana Mews, Plot 74769,
Western Commercial Road, CBD
P O Box 46271
GABORONE
(Ref:KPM.004620)
Tel: 3916620 Fax:3916628

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

LEKORWE J.

CASE NO. CVHGB – 001608-2019

In the matter between
STANBIC BANK BOTSWANA LIMITED **Plaintiff**
and
KENNETH MOSEKI **Defendant**

NOTICE OF SALE IN EXECUTION

BE PLEASED TO TAKE NOTICE THAT pursuant to a judgement of the above Honourable Court, the following property will be sold by public auction by Deputy Sheriff Gabobakwe to the highest bidder as follows:

DATE OF SALE : **13th NOVEMBER 2020;**
TIME : **10:00am**
VENUE : **Broadhurst Police Station**

PROPERTY TO BE SOLD : 1 X MOTOR VEHICLE CHEVROLET CRUZE LT REGISTRATION NO. B 375 ASI (WHITE) MANUFACTURE YEAR 2012.

CONDITIONS OF SALE : **CASH OR BANK GUARANTEED CHEQUE.** Conditions of sale may be examined at the office of the Deputy Sheriff.

DATED AT GABORONE THIS DAY OF 2020

DEPUTY SHERIFF GABOBAKWE
C/O RANTAO ATTORNEYS
PLOT 54374, SECOND FLOOR, UNIT 5B
GRAND UNION BUILDING
CENTRAL BUSINESS DISTRICT (CBD)
P. O. BOX 82299
GABORONE
73900288/72901534

RANTAO ATTORNEYS

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

CASE NO: IC EX-205-20

In the matter between
GAPE QUEEN SEBI & 13 OTHERS **APPLICANTS**
and
LONG LIFE COATING BOTSWANA (PTY) LTD t/a MOTORGLOW MOTORGLASS **RESPONDENT**

NOTICE OF SALE IN EXECUTION

BE PLEASED TO TAKE NOTICE THAT pursuant to a Judgment of the above Honourable Court the following movable property of the Defendant will be sold by public auction by **DEPUTY SHERIFF, ERNEST C. BECHANG RAMODISA** to the highest bidder as follows:

DATE OF SALE : **Friday 23RD October 2020**
TIME OF : **10:30 am**
VENUE : **Broadhurst Police Station**

PROPERTY TO BE SOLD : WHITE MERCEDES BENZ E300 REGISTRATION B 444 APM.

TERMS OF SALE : Cash, EFT or Bank Guaranteed Cheque.

DATED AT GABORONE THIS 09TH DAY OF OCTOBER 2020

DEPUTY SHERIFF ERNEST C. BECHANG RAMODISA
C/o GAPE QUEEN SEBI & 13 OTHERS
PLOT NO: 19410, PHASE 2
NEAR MASA PRIMARY SCHOOL
P. O. BOX 70697, UB
GABORONE
CONTACTS: 72296140/73818663

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

MOTSWAGOLE J.

CASE NO. CVHGB-004004/19

In the matter between:
TRANS AFRICA (PTY) LTD **Plaintiff**
and
TSHIMOLOGO KGOMOTSO **1st Defendant**
BUYA COMFORT KGOMOTSO **2nd Defendant**

NOTICE OF SALE IN EXECUTION

BE PLEASED TO TAKE NOTICE THAT pursuant to a Writ of Execution of this Honourable Court, the following movable property of the 1st Defendant will be sold by public auction to the highest bidder by Deputy Sheriff Omphemetse Kaisara as follows:

DATE OF SALE : **28th October 2020;**
VENUE : **Broadhurst Police Station;**
TIME OF SALE : **10:30 hours**

PROPERTY TO BE SOLD: KIC deep freezer,4 plastic chairs, 2 pieces sofas, floor mat, Samsung plasma TV, TV stand, DSTV recorder ,Open view recorder ,Defy microwave, Gas Cylinder, KIC fridge, Queen Size Bed.

TERMS OF SALE: CASH AND BANK GUARANTEED CHEQUE. Conditions of sale may be examined at the office of the Plaintiff's Attorneys.

DATED AT GABORONE THIS 12th OCTOBER 2020.

DEPUTY SHERIFF OMPHEMETSE KAISARA
Tell: 71222244/3190188
c/o Kewagamang Legal
Plaintiff's Attorneys
P.O. Box 26160
GABORONE

KEWAGAMANG Legal

LEGAL NOTICE

2020 problems

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