



Republic of Botswana

Surface Area: 600,370sq km (incl. water 15,000sq km); Botswana is roughly the size of France.

Population: 1.83m (2005 est.); population growth rate: 3.5% per annum. 44% of the population is under 15 years of age. Over 50% live in urban areas.

Government system: Multi-party parliamentary republic with Executive President as Head of State holding office for a period of five years.

Head of State: President Festus G Mogae.

Capital: Gaborone
Other main towns: Francistown, Lobatse, Selebi-Phikwe, Mahalapye, Maun and Kasane.

Currency: The pula (linked to a basket of currencies including the South African rand).

Climate: Subtropical with summer (October to March) temperatures reaching over 40 degrees in December/January; winter temperatures fall to five degrees in July. The rainy season is between November and April.

Main agricultural products: Livestock, sorghum, maize, millet, beans, sunflowers, groundnuts.

Main manufactured products: Diamonds, copper, nickel, salt, soda ash, potash, livestock processing, textiles.

GDP: \$8.7 bn
agriculture: 4%
industry: 44% (including 36% mining)
services: 52%

GNI per capita: \$4,340

Real GDP growth: 4.6%

Botswana Building on success

Year after year, Botswana continues to produce shining performances in terms of competitiveness, transparency and growth. It is now redoubling its efforts to diversify its economy and build on the sound foundations afforded to it by the mining industry. This Special Report was written by **Barry Baxter** from Gaborone.

Play as a team – Mogae

President Festus Mogae spoke straight from the shoulder in November when he told the nation that accelerated diversification was crucial to tackle unemployment and called for the country to work as a team.

“Botswana has been described as a low-income country with a high-income lifestyle. That should remind us to live within our means”

Addressing parliament in November, President Festus Mogae put the future of his country on the line. There must be accelerated diversification of the economy to arrest seemingly intractable unemployment, improved financial management, more tolerance of divergent political views and a more efficient public service. “We must compete as a team,” he told the nation.

“Botswana was recently described as a low income country with a high income lifestyle,” he said. “That should remind us to live within our means. We are not a rich country. By any reasonable measure of our actual income and assets – human and material, as well as financial – we are still very much a developing society, located within a marginalised continent.”

An issue of serious concern was a lack of financial management and discipline. “Cases of poor corporate governance have been reported on the part of some insurance companies and pension funds,” he said, and announced that a Bill for a new regulatory authority would soon be before parliament.

Mogae faces a situation that has arisen as the result of tightening world economic conditions; and the tardy implementation of policies to diversify his country’s economy to the extent that it is becoming more, not less, reliant on diamond mining. He acknowledged improvements in the service delivery of some ministries, but that was not enough.

“I am well aware that government has still not arrived at the level of service delivery to which we aspire. I am particularly concerned about the continued project delays and associated cost escalations,” he said.

“I expect ministries to continue to find ways of improving their performance. Besides internally generated reforms they will be expected to begin partnering more with the private sector for the delivery of goods and services.”

His first appeal was for Botswana to back the representatives they had elected. “I do not confine my words to the members of my government, or the Honourable Members sitting on both sides of the aisle before me,” he said. “We are part of something that transcends individual political careers and rival manifestos. Our differences in political perspective will continue to be a reflection of our strength in



“We are part of something that transcends individual political careers” – President Mogae.

diversity.” While government was prepared to play a leading role in meeting the challenges Botswana faced, it would require combined efforts and collective sacrifice. “We the people need to ensure that all segments of society play their parts,” he said.

“The need to maintain and enhance our nation’s traditional commitment to tolerance of each other at both the individual and group level should encompass all aspects of our society. This will require compromise.”

Acceptance of foreign residents was also important. “Let us strive to avoid utterances or behaviour that suggest hostility to outsiders. In an era of globalisation, xenophobia, like internally directed negativism, is ultimately self-destructive to the perpetrator. Both at home and abroad our modest nation of 1.7m should remain friendly disposed to all who are well

disposed to us,” Mogae said. The tightening economic situation, he said, was the result of the lack of growth in the non-mining sector – target of the nation’s economic diversification policies.

“In 2003, we specifically identified the need to realise greater economic diversification, in order to create additional employment opportunities and further reduce poverty, as a key priority. We also recognised that would require continued macroeconomic stability and financial discipline, as well as public sector and policy reforms,” he said.

“Our (overall) economy has been growing at a respectable average rate of 4.7%, but this is below our target of 5.5%. To a great extent the shortfall is due to lower than desired growth in the non-mining sector.”

A much criticised 12% devaluation of the pula in May would improve non-mining growth, but not to forecast levels. “The constraints to more balanced growth could, in part, be attributed to the real exchange rate appreciation of the pula,” he said.

The forecast for future growth in the non-mining sector was now 5.4% per annum, but still short of the targeted 7.7%. Botswana remained ‘stubbornly reliant’ on the mining sector, where production had reached optimal levels.

“Given the unequal, as well as highly competitive, nature of global trade and investment flows, we have all along known that

the path to greater economic diversification would be difficult. There are no quick fixes to our dependency,” he said.

Diamond mining provides a direct 50% of government revenues and 35% of gross domestic product – indirectly much more. It accounts for a minimum 80% of export earnings, but it employs less than 2% of the 600,000 workforce. Unemployment is officially 20%, unofficially close to 40%. A significant number of the unemployed are well-educated first-time job seekers.

“When it comes to the challenge of unemployment, we are especially mindful of the particular distress that the current scarcity of vocational opportunities causes,” Mogae said.

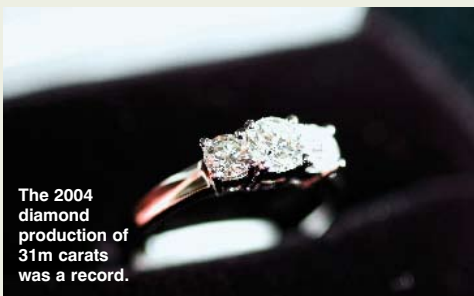
Botswana would continue to pursue foreign investment. To improve investment flows, administrative and regulatory bottlenecks identified by a recent World Bank study would be removed. A foreign direct investment strategy was to be completed by March 2006.

Competition in business would be encouraged. This would stimulate the efficient use of resources, promote investment, broaden choices and stabilise prices.

The Industrial Development Act was being reviewed to simplify licensing procedures for manufacturing industries and the Companies Act had been reviewed to simplify the registration of companies. ■

“We specifically identified the need to realise greater economic diversification, in order to create additional employment opportunities and further reduce poverty, as a key priority”

Botswana is still a mining economy



The 2004 diamond production of 31m carats was a record.

During 2004, diamond production was 31m carats, a record. Other achievements in the diamond sub-sector include increased exploration activity with a number of new kimberlite pipes being discovered. A feasibility study is being carried out on one of them.

The Tati Nickel Mining Company has successfully piloted the Activox technology, which eliminates the need for smelting. With this technology, the production of both nickel and copper metal can be done on-site. Commercial development of the technology will contribute towards economic diversification efforts and increase value addition within Botswana.

A new gold mine, Mupane, was commissioned at the

end of 2004. African Copper, a company listed on both the Botswana and London Stock Exchanges, is about to complete a feasibility study on a copper mine near Dukwi. The prospects look good.

Other developments in the mineral sector include the completion of a Coal Beneficiation Study. As a result of its findings, Morupule Colliery plans to construct a plant with an estimated capacity of 30,000 tonnes per month. This will in turn increase domestic power generation capacity.

Botswana imports more than 70% of its electricity from the Southern African Power Pool and it is projected that by 2010, surplus generation capacity in the region will run out. The Botswana Power Corporation has completed a generation expansion study for Morupule Power Station which could lead to the establishment of an export power station to take advantage of the region’s expected power shortage.

A government funded Coal Bed Methane gas study has now been completed and indicates that the coal beds of Botswana contain estimated in-situ gas of 60 trillion cubic feet with prospects for commercial viability for 15% to 20% of the deposits.

A Botswana company is investigating the possibilities of exploiting coal bed methane. The gas could be used for cooking and heating as well as alternative power generation.

Focus is on value addition

Despite strenuous efforts to diversify its economy, diamonds and other minerals still form the bedrock of Botswana's economy. But the focus now is on adding value locally, thus generating more revenues and providing the all important jobs.

“But the diamond market is fickle. Gaolathe has repeatedly stressed how uncertain diamond receipts can be. Diamonds have no intrinsic value. They are sold subject to the whims and pressures of the international market for luxury goods”



Finance Minister Gaolathe has secured a lucrative new agreement with De Beers.

In the February 2005 budget, Baledzi Gaolathe, the finance minister, made no bones about the failure so far of efforts to diversify the economy away from an overwhelming reliance on diamonds.

Attempts to bolster Botswana's economy through foreign direct investment in manufacturing, financial and service industries face stiff international and regional competition. The industrial and financial heartland of South Africa is only a four hour drive from Gaborone.

The government has stated that Botswana's mining industry remains the short to longer term hope for the future. Although the country is experiencing boom times in exploration for other minerals, diamonds will continue to play the lead role.

Over the last 12 months, President Festus Mogae, an Oxford-trained economist, and his most able and tough finance minister, Baledzi Gaolathe, have secured a new agreement with De Beers which will raise diamond revenues and balance the books for some time.

At the same time the De Beers-supported development of a cutting and polishing industry will add to revenues and – as importantly – create jobs. De Beers' Diamond Trading Company (DTC) site holders are being encouraged to set up the factories and there are already four.

In the February 2005 budget, Gaolathe announced the formation of a second De Beers-Botswana partnership, a Botswana DTC. Although details remain sketchy, this it seems will not only provide rough gems to the cutting

and polishing factories, but will take over some of the role of the London-based DTC in the international marketing of Botswana's diamonds and also those from other southern Africa producers. Speaking in the South African parliament during a state visit to that country in October, Mogae said South Africa should send its diamonds to Botswana for aggregation.

But the diamond market is fickle. Gaolathe has repeatedly stressed how uncertain diamond receipts can be. Diamonds have no intrinsic value; they are a luxury item, artificially priced and sold subject to the whims and pressures of the international market for luxury goods.

There are other minerals under the Kalahari sand. There is a successful gold mine, the potential for further coal mining to fuel an export power station, and what its promoters say could be a copper industry to rival the Zambia Copperbelt. There are proposals to build an alternative power station over large deposits of coal bed methane.

More than half of Botswana is being explored for minerals, 45,000sq km of it for base and precious metals. But modern mining is capital intensive, it is not the answer to job creation on the scale Botswana needs. It has to be looked at as boosting revenue. It gives a developing nation the time and capital resources to build the other sectors of its economy. Will that be time enough?

Yet, in spite of these challenges to its growth, Botswana's balance sheet remains strong. There are very significant foreign reserves, there is money in the bank, there is no foreign debt worth speaking of, credit ratings are the best in Africa – and some parts of Europe. Budgeting and accounting is conservative. The country is open and transparent about the impact of its Aids epidemic and about the political situation. As Mogae says: “Botswana is open for business.” ■



Watershed years for tourism

The visitors' list includes presidents and royalty. Britain's Princesses Margaret and Alexandra, former United States President Bill Clinton and his wife Hilary have visited. The British Royal princes are regular visitors. Botswana's tourist hotspots shine as brightly as any of its diamonds.

Tourism has been identified as the major driver of Botswana's efforts to diversify its economy and create jobs. The government is funding primary development, but has thrown the industry wide open to investors to develop lodges, hotels and diversify Botswana's tourism product.

Delays in implementation have been due to the restructuring of the responsible ministry, but a new minister has now taken over, the Tourism Board has been established and a chief executive officer identified.

"Now we can get moving," says deputy director of tourism Wazha Tema. "The CEO will be confirmed by the government before the end of the year and join us soon after. I see next year taken up with strategic planning, marketing and promotion campaigns will be formulated and released in 2007."

The resulting effort, believes Tema, will see tourism's share of Botswana's gross domestic product up from seven to 20% over the next 10 years. Much of the effort he expects to be directed at South Africa. Visitors from Botswana's southern neighbour make up a very



A magnificent leopard makes its presence known in the Okavango.

welcome and reliable low-end to middle-market backbone to the country's tourist industry. The idea is to keep them coming – and spend more.

Mostly white South Africans dominate in the visitor tables by their numbers, there are fewer visitors from the US, Japan and Europe but they top the charts when it comes to spending, Tema believes. Industry players support his views, but the real figures are surprisingly hard to pin down. Official statistics, accurate and up-to-date for every other sector of the economy, do not clearly report tourism receipts and arrivals, but that is to soon change.

"The South Africans are self-drive visitors, heading for a campsite and usually towing a trailer full of food and drinks," Tema says – and anyone who has lived in South Africa will know how accurate a description of a South African family going on holiday that is! It is the visitors from overseas who head for the expensive lodges and camps of the Okavango Delta and Chobe.

But Botswana is more than just grateful to the South Africans. "They are reliable. Bombs, terrorism, wars in African countries often too far away to really affect Botswana – even disturbances in our neighbouring countries – do not worry them," Tema says. "They understand Africa, they appreciate the culture – and they keep coming."

Twin-pronged strategy

Two prongs of the new tourism strategy will try to elevate Botswana's South African visitors closer to the league of the bigger spenders.

"We are going to design special packages for the drive-in families," Tema says. "We will assure them they can find everything they might want whilst

Mma Ramotswa, Botswana's No 1 ambassador

The exploits of Mma Precious Ramotswa and the 'No 1 Ladies' Detective Agency', set in Botswana and written by one-time resident of the country, Alexander McCall Smith,

have been translated into 27 different languages, millions of copies have been sold and the title is on some of the most prestigious bestseller lists in publishing.

Mma* Ramotswa has featured in a BBC biography of McCall Smith and a full length feature film is planned. Visitors to Gaborone can 'walk the beat' of Botswana's famous detective. The tour may very well serve as the basis for locations in the planned Miramax film.

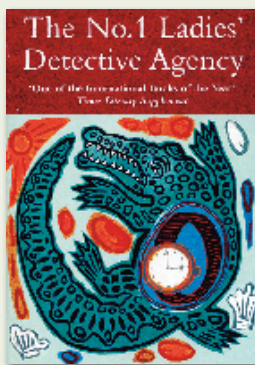
Whilst she continues to delight millions of readers worldwide and thousands of visitors to Gaborone, Mma Ramotswa has become an unofficial ambassador for Botswana. Says President Festus Mogae's press secretary

Jeff Ramsay: "Her name comes up all the time, and usually first! In India recently the president was asked how he felt being her president – only after he and his hosts had talked about Mma Ramotswa did the delegation get down to business."

Around the world, reading the books has for many been a 'virtual experience' of Botswana, its people and their attitudes. Says the film's producer Amy Moore: "The honesty, loyalty, and determination of Precious Ramotswa are attributes the world seems to need and to want to know still exist."

Adds McCall Smith: "I very much hope that the movie will be able to show people most of the very particular features

of Botswana life and, most importantly, give them an insight into the characteristics of the people of Botswana." *Mma – the respectful Setswana address for any Mswana lady regardless of rank or age.



on holiday right here and at competitive prices.”

The new economic development in South Africa has thrown up a ‘Black Elite’. “They are beginning to holiday in Botswana and they want – and can afford – the luxury of the lodges and camps,” says Tema. They will be the target of special promotions and marketing.

Community involvement in tourism is a big part of government policy, but not only must communities derive benefit from tourist visitors to their lands, they must also work actively to attract them. This policy also applies to the internationally contentious issues over the future of the Basarwa in the Central Kalahari Game Reserve (CKGR).

Tema agrees that international visitors are unlikely to visit Botswana to see a cultural village – they want the Big Five and the *mokoro* (dug-out canoes) rides in the delta. But the villages could easily attract drive-in visitors from the region and local tourists.

To directly benefit the communities themselves is not the only issue. Botswana’s most well known tourist destinations are ecologically sensitive and in some cases close to their maximum carrying capacities.

African Business spoke to Tema only a day before he was due to go to the most ecologically sensitive destination of them all – the Okavango Delta – to initiate a study to determine the real carrying capacity of the top tourist spots and ascertain if there was room for growth in them.

A study by the World Tourist Organisation has been commissioned to define ‘low cost’ and ‘high volume’ in the context of Botswana’s unique ‘Out of Africa’ experience.

“The delta and Chobe are close to their saturation points on the basis of the accommodation there at the moment, but I believe there is room for up to 5% growth,” he said. “But ultimately, the communities must be involved – cultural villages, dancing, an Africa experience. The Basarwa (Bushmen) of the CKGR would be a great drawcard – but we must wait first for the political issues to be resolved.”

One new destination might well be a new Trans-frontier or ‘peace park’ incorporating areas of northern Botswana, Zambia, Namibia, Angola and Zimbabwe. It could, says Tema, be developed to help resolve the problems associated with Botswana’s 130,000 – and growing – elephant population which is now twice as large as the country can cope with. Culling 65,000 elephants is not an option as far as Botswana is concerned – never mind the logistics.

“Elephants are peaceful creatures,” says Tema, “but they are feeling constrained. As they seek new homes, we are finding them in areas of the country where they have never been seen before, they are damaging farms and villages. If we do establish the ‘peace park’, we could get them to migrate to such a virtual sanctuary. It would also become a very attractive tourist destination which all the countries could jointly market.” ■

“The new economic development in South Africa has thrown up a ‘Black Elite’. They are beginning to holiday in Botswana and they want – and can afford – the luxury of the lodges and camps”



The plan is to raise tourism’s share of GDP from seven to 20% - Wazha Tema.

Destination Gaborone

The backbone of Botswana’s tourist industry is the super luxurious tented camps of the Okavango Delta and Chobe National Park; then *mokoro* (dugout canoe) trips and the game drives. Most visitors to these two major Botswana destinations never see the country’s capital city Gaborone. Some might spend no more than minutes at its international airport, but most fly directly to the Delta and Chobe.

‘Destination Gaborone’ is an initiative of the city fathers and the private sector to divert some of the tourist dollars into the tills of the shopping malls in the capital. Tourist attractions in and around the city are being developed – the newest is walking with elephants just 15km from the city centre: and buildings from Botswana’s colonial past are being restored.

This and the parallel drive to attract businessmen and women to the city have led to the development of several new hotels over recent years.

Newest on the list of hotels is the Mondior Summit, (pictured) new name for the Syringa Hotel, itself only two years old. It suits tourists and business visitors, with pool, restaurant, ready access to shops, an art gallery and museum, government offices and the business district. Accommodation is arranged as studio, one bedroom and two bedroom suites; with lounge area, TV, kitchenette, fridge and microwave. There are conference and meeting facilities and a free airport shuttle.

Other city hotels include: The Grand Palm and The Gaborone Sun, both with casinos and major conference facilities; The President, Cresta Lodge, Gaborone Travel Lodge and Falcon Crest. There are also numerous bed and breakfast establishments.



Manufacturing is the key

How do you win over potential investors? Give them a cultural treat. Show them how they'll be able to enjoy life in Botswana, what the people they would live and work with are really like. The facts and figures are important, but so will be your neighbours, says Botswana's investment chief.

Expecting the usual stands and displays, visitors to a Botswana-US investment exhibition in November were treated to a taste of African culture as traditional dancers swirled and stamped the turf to the beat of African drums. The display was the brainchild of Botswana Export Development and Investment Authority (BEDIA) chief executive Mmassekgoa Masire-Mwamba.

"I wanted them to see we are a vibrant nation, we are lively, enjoy ourselves, and will welcome them as friends," she said back in Gaborone. Afterwards, exhibition visitors first talked with the dancers and other Batswana in one-to-one situations. "All of us talked about ourselves, then we got down to business," Masire-Mwamba said.

She also used the occasion to counter some impressions the visitors had about the impact of the HIV/Aids epidemic on Botswana. "I wanted them to know Batswana were very much alive and Botswana was open for business," she said. "It is good that we are very open about HIV/Aids, but I don't want anyone to think we are a dying country."

Export-led manufacturing is seen as the way to diversify Botswana's diamond dependent economy and create jobs; but while BEDIA is looking for large international and regional enterprises to locate their industry

in the country, it is attracting mostly smaller enterprises.

"We are very encouraged by the responses we are getting from our extensive campaigns on TV, the internet, and by direct contact," Masire-Mwamba says, "but we are not getting the big investors, those who could play a significant role in our diversification – and employ a large number of our citizens. Particularly as we start to push harder to diversify our economy, we need industries that are strategic to our plans."

The interest is from the small to medium scale investor; with the major success in the textile sector where upwards of 6,000 jobs have been created. Much of the production is exported under the US African Growth and Opportunity Act (Agoa) which allows Botswana manufacturers access to the US market, but some goes to Europe under Botswana's preferential access to the European Community (EU) and to the member states of the Southern African Development

Community (SADC).

"We are taking SADC as a very serious market. Batswana manufacturers are seeing that they need to go out of the country and cultivate business relationships and market opportunities in the region," Masire-Mwamba says.

South Africa and the UK are important targets for BEDIA, but Masire-Mwamba is also looking east.

"We have found a lot of entrepreneurs there who are looking to expand their markets. Many of them are sweating under the economic threat of China. They are keen to expand their operations and are looking for opportunities in other markets," she says. "When we were in Malaysia recently, we found a deliberate strategy on the part of some manufacturers to move out... it is part of their development curve."

South Africa, she says, is a challenge: "So many of the manufacturers who want to serve that market opt naturally to locate there. We will do better by looking at South African industries that are keen to access the markets to the north and can use Botswana as a springboard." ■



"We want investors who can create jobs" – Masire-Mwamba.

The cost of HIV/Aids

Botswana citizens infected by HIV/Aids are entitled to free anti-retroviral (ARV) drugs and as at July 2004, there were 18 clinics for their distribution: 15 more were to be established.

Of the estimated 110,000 Batswana who needed treatment, more than 28,000 were enrolled in the programme, known as 'Masa' (New Dawn). ARV drugs and diagnostics cost an average of P6,000 per person per year. Reports indicate the current overall cost of the programme, which is met by the government, is P477m or 2.6% of the national budget.

The overall fight against HIV/Aids also includes free testing, counselling, and extensive education. It is part-funded by the US government and a partnership between US drug companies and philanthropic organisations. Under a five-year, \$15bn Africa-Aids programme, the US made available to Botswana \$19m in 2003/4 and \$38m in 2004/5.

ACHAP – the African Comprehensive HIV/Aids Partnership between drug companies Merck, Bristol-Myers Squibb, and the Bill and Melinda Gates Foundation – is committed to provide \$100m to fight HIV/Aids in Botswana.

A bridge into Africa

The Botswana International Financial Services Centre is broadening its activity base and expects to become, among other things, the bridge between international companies wishing to do business with nations north of the Limpopo and the countries themselves.



"We have to give the people what they want" – Alan Boshwaen.

Botswana's International Financial Services Centre (IFSC) chief executive Alan Boshwaen wants to broaden the hitherto limited remit of the centre to include more services.

"This is the strategy I now want to follow – call-centres for companies based in other countries, companies wanting to use Botswana as a springboard into Africa – not necessarily just financial processing," he says. "Our original legislation was limiting, narrowly structured on the traditional requirements of financial services. Our new approach will match the needs of more potential investors."

The remit to attract those traditional financial services would still be the core business of the Botswana IFSC, but there has to be more flexibility. "Our basic objective remains to get regional and international operations to base in Botswana, but we have to move with the markets and give people what they want – companies on the move are more interesting to investors, so it is with countries," Boshwaen says.

His first-line target companies are in South Africa. Many are eager to expand northwards, but, says Boshwaen, have little experience of doing business without the infrastructure of Africa south of the Limpopo to rely on.

"They are realising that the perfectly adequate business plans they have in South Africa often won't work north of their border, and certainly not beyond ours. The new markets to the north have distinct characteristics which need specific solutions," he believes. "Botswana is closer to the countries in which they want to operate in terms of the way business is done and companies have to be run. We can bridge the gap."

He has recently signed up Micro-Provident Africa – a retail lending company – which intends to expand first into Uganda, where it will start operations before the end of 2005, into Tanzania during 2006 and later into more southern Africa states. The company already has a successful Botswana operation which will now be a subsidiary of the Botswana IFSC-based regional operation.

Recent research into the potential to set up international call-centres in Botswana has estimated between 10,000 and 15,000 could be created. "There is interest, it is viable. Two local call-centres are now gearing up to work

internationally," Boshwaen says. He is talking to companies not only indigenous to South Africa, but many others that are subsidiaries of international operations and who, he says, are often more aware of the problems of 'going north'.

Strong international approval

Botswana's IFSC has considerable international approval. Micro-Provident has the International Financial Corporation of the World Bank as its partner. IFSC-approved companies also benefit from Botswana's standing with international credit rating agencies Standard and Poor's and Moody's which have given the country the best ratings in Africa – and better than those enjoyed by some European countries.

Finance minister Baledzi Gaolathe also believes that the further development of Botswana's economy is closely linked to regional investment and cooperation.

Centrally placed in the Southern African Customs Union (SACU) and the Southern African Development Community (SADC), markets for its goods and services will develop in the member states of those regional groupings and farther north.

"I am optimistic," he says. "There is the determination in those countries to flourish. They will need goods and services – the more they need, the more we will be able to supply to them."

Botswana's drive to attract foreign direct investment (FDI) had been constrained by its small (1.7m) national market; but the SADC region alone has a market of 200m people. Within SACU there is free movement of goods as there will be within SADC by 2008.

Companies accredited to the Botswana IFSC enjoy a guaranteed corporate tax rate of 15% until June 2020 – the usual rate is 25%. They have access to Botswana's expanding double taxation treaty network (at present South Africa, UK, Mauritius, Sweden, France, Zimbabwe, Namibia, India and Russia). Where there is no double taxation agreement yet in place, there are credits for withholding taxes levied in other jurisdictions; tax exemption for Collective Investment Undertakings and access to Botswana's 200% tax rebate on training costs. ■

Taking the e-Road to the future

Botswana is unrolling an ambitious ICT programme that will, in slightly over a decade, place most of the government's functions, including the provision of healthcare, online. The economic impact is expected to be spectacular.

The rollout of Botswana's 'Maitlamo' – a one billion pula policy to put all government services online over the next seven years – will unleash significant potential to foster economic diversification through a more intensive application of information and communications technology (ICT)

A recent study has estimated that ICT supported Business Process Outsourcing (BPO) alone could create between 15,000 and 17,000 jobs; there would be measurable growth in agriculture and tourism. There could be 30 export-ready small manufacturing enterprises operating online and the non-mining sector would be able to contribute at least 80% of GDP by 2009 – more than the current contribution of the diamond mines.

There will be a special focus on micro, small and medium business enterprises, job creation and business development outside of Gaborone. The aim is *measurable* increases in employment and wealth generation.

e-Commerce could be the key to moving manufacturing in Botswana from a locally focused industry to a sector capable of competing on a global level.

Maitlamo builds upon Vision 2016, the roadmap produced during the presidency of Sir Ketumile Masire, which shows the way to the goals of development the citizens of Botswana want to see achieved over the next 11 years.

The policy aims to create an ICT industry in Botswana which will provide all citizens and residents with access to national and international information 'superhighways'. The initial target is that through computers in their homes, workplaces, or Community Access Centres, all communities with 2,000 or more inhabitants will be connected by 2016. The government is committed to making all its services available 'online' over the next four years.

Three pilot centres are online. The available services are limited, but as Maitlamo rolls out, the full range will gradually become available and include: domestic and international news,

jobs and employment opportunities, healthcare, childcare, education, tax filing, financial planning, adoption, benefits and allowances for citizens and businesses, starting a business, importing and exporting, agricultural and livestock management, e-commerce laws and consumer protection. All will be in English, Setswana and other appropriate local languages.

Botswana will be trained to install and maintain these services. Schools will expand their ICT curricula. The Botswana Technology Centre will offer more advanced training. Private companies will offer experience and on the job training.

e-Learning and e-Jobs

An important element of Maitlamo is e-education. 'ThutoNet' ('TeacherNet') will reach into every school, university and vocational training institution. A learning task force has defined specific targets.

By the end of 2010, a good number of public schools and libraries are to have computers and internet connectivity, all teachers should have received appropriate ICT training, and there will be ICT content and curriculum development at all levels of the education system. It is anticipated that this will assist in reducing the computer to student ratio, the target being 1:7 by 2012.

The proposed 'JobNet' will develop a network of online services to help employers and job seekers match their needs.

Here's to good e-Health!

Whilst e-health is still in its early stages in Botswana, there is good awareness of the importance of its increased adoption within the system.

Maitlamo has identified that ICT can support healthcare workers to perform remote consultations and diagnoses and access medical information to increase the knowledge and qualifications of health professionals.

Specific targets are to have all appropriate health facilities online by the end of 2008. ■



Getting ready to roll-out the billion pula Maitlamo project.

“e-Commerce could be the key to moving manufacturing in Botswana from a locally focused industry to a sector capable of competing on a global level”