

U.S. Country Commercial Guides



Botswana
Year 2020

Table of Contents

<i>Doing Business in Botswana</i>	4
Market Overview	4
Market Challenges	6
Market Opportunities	7
Market Entry Strategy	8
<i>Leading Sectors for U.S. Exports and Investment</i>	9
Energy	9
Agricultural Sector	11
Mining & Minerals	13
Telecommunications	15
Travel and Tourism	17
Medical Equipment and Pharmaceuticals	19
<i>Customs, Regulations, and Standards</i>	21
Trade Barriers	21
Import Tariffs	21
Import Requirements and Documentation	21
Labeling and Marking Requirements	21
U.S. Export Controls	22
Temporary Entry	23
Prohibited and Restricted Imports	23
Customs Regulations	23
Standards for Trade	23
Trade Agreements	25
Licensing Requirements for Professional Services	26
<i>Selling US Products and Services</i>	28
Distribution & Sales Channels	28
eCommerce	29
Selling Factors & Techniques	30
Trade Financing	30
Protecting Intellectual Property	30
Selling to the Public Sector	32
<i>Business Travel</i>	34
<i>Investment Climate Statement (ICS)</i>	38

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Doing Business in Botswana

Market Overview

- Botswana offers a stable political, fiscal, and macroeconomic environment. Botswana's GDP per capita of \$8,259 (BWP 97,279.46) makes it an Upper Middle-Income Country according to World Bank standards. GDP for 2017 was measured at approximately \$17.48 billion (BWP 189 billion) by the World Bank. The Bank of Botswana reports 2018 GDP at \$18.6 billion (BWP 219.08 billion).
- Botswana has historically enjoyed one of the highest economic growth rates in the world, but that rate has slowed in recent years. The economy is expected to contract in 2020 due to COVID-19 related economic headwinds. Botswana is a small market with a population of 2.2 million; however, it has the potential to leverage its position in the region to serve as a gateway to the southern African market.
- Botswana's export-driven economy is highly correlated with global economic trends. The COVID-19 pandemic has already affected Botswana's economy and is projected to fall by 13.1% against an initial projected growth of 4.4%. The projected economic decline is due to an impacted performance across all sectors with the economically-critical diamond sector leading the contraction at -33.6% followed by travel and tourism at -32.2%.
- Botswana maintains a conservative fiscal policy and low levels of foreign debt, though it has indicated it will seek to plug COVID-19 related fiscal gaps with domestic, multilateral, and bilateral financing, in that order. Botswana's 2020 deficit is projected to be 6.4% of GDP, more than doubling the 2019 deficit of 2.4% of GDP. For the last three years inflation has remained at the bottom end of the central bank's 3 – 6% target range. According to the Bank of Botswana, inflation in Botswana stood at 2.5% in April 2019 and still maintained the same rate of 2.5% in April 2020. The Bank of Botswana projects inflation to remain within its target range during 2020. Moody's rate Botswana's sovereign debt as A2 while S&P's has downgraded Botswana's rating from A- to BBB+ with a stable outlook. Inflation in Botswana is affected by fuel prices, which the government subsidizes via a National Petroleum Fund fuel tax.
- For its currency, the Botswana Pula (BWP), the GOB maintains a basket of weights of 45% South African Rand (ZAR) and 55% IMF's Special Drawing Rights (SDR is a basket of currencies comprised of the U.S. Dollar, British Pound, Euro, the Japanese Yen, and the Chinese Renminbi). The central bank implemented a downward rate of crawl as of January 2018 for the nominal exchange rate which resulted in a 0.3% depreciation for the year. The downward rate of crawl has however been increased as a means to assist businesses during the COVID-19 pandemic from 1.5% to 2.87%, meaning the movement in USD/ZAR will have a slower effect on the BWP/ZAR rate, favoring imports. The bank rate was also cut by 50 basis points from 4.75% to 4.25%, lowering the cost of borrowing.
- Botswana's trade balance is largely tied to the global demand for diamonds, which represents approximately 80% of the country's export revenues. Customs revenue from the Southern African Customs Union (SACU) and diamond revenue each contribute about one-third of total Government of

Botswana (GoB) revenue. As a result, two-thirds of the GoB's income is largely outside of the GoB's control, placing pressure on policy makers to plan conservatively.

- Despite Botswana's upper middle-income status, it has one of the highest rates of income inequality in the world, and suffers high rates of poverty and unemployment.
- Government spending has traditionally played a large role in Botswana's economy. GoB expenditures account for one-third of GDP. The government employs about 40% of workers and employees of quasi-public "parastatal" firms (SOEs) make up another 5%.
- The GoB has invested revenues into a historically solid infrastructure, including roads, telecommunication systems, hospitals, hotels, and schools. However, poor planning and workmanship have caused several infrastructure problems, particularly in the power and water sectors. The GoB is currently working on improving the power and water sectors by drilling more boreholes (Masama wells), building new pipelines, and soliciting solar power projects with a 100MW tender in the pipeline.
- The manufacturing sector is small, accounting for about 5.2% of GDP according to the GoB. Agriculture accounted for approximately 1.9% of GDP in 2019. Finance and business services represented approximately 14.5% of GDP. The GoB estimates trade, hotels, and restaurants accounted for approximately 19.7% of GDP (outside business analysts estimate tourism to be 4% – 7% of GDP).
- U.S. government trade statistics show total U.S. exports to Botswana of \$104.5 million in 2019, up from \$81.9 million in 2018. Top exports consisted of low value shipments (\$14.90 million), tanks, artillery, missiles, rockets, guns (\$3.61 million), aircraft (\$8.69 million), precious metal and stones (diamonds) (\$67.73 million), and computer and computer accessories (\$1.79 million). As many U.S. products enter Botswana as re-exports from South Africa, the export figure does not represent the total consumption of U.S. goods in the country. Similarly, the U.S. import figure does not include most diamonds, which generally enter the U.S. as re-exports from elsewhere.
- The major U.S. export opportunities for Botswana continue to be in the area of mining equipment, hospital/medical equipment and supplies, aircraft equipment, pharmaceuticals, telecommunications equipment and services, computer hardware and software, energy equipment, and financial and consulting services. Other future opportunities could be in manufacturing and agricultural equipment, with recent revised guidelines for the Citizen Entrepreneurial Development Agency (CEDA).
- Botswana is a member of the Southern African Development Community (SADC), a regional intergovernmental organization of 16 African states. The SADC Trade Protocol provides each member state most favored nation treatment on import and export duties. SADC members have not yet implemented a Free Trade Agreement (FTA) eliminating regional tariffs, although one is in place. Botswana was also the 51st country to sign the African Continental Free Trade Agreement (AfCFTA) in February 2019. FTA negotiations between the United States and the region were suspended in 2006.

- Botswana is also a member of SACU, which consists of Botswana, Lesotho, Namibia, eSwatini, and South Africa. Customs and excise duties in SACU are pooled and distributed according to a revenue sharing formula. South Africa pays the most and has grown frustrated with its role, which it sees as subsidizing the smaller SACU economies. Should member states revise the revenue sharing formula, this source of revenue could decline.
- The Botswana Democratic Party (BDP) has ruled the country since independence in 1966. Democratic institutions have had a successful history making Botswana one of the best functioning democracies in all of Africa. The last national elections were held successfully in October 2019. In April 2018, Vice President Mokgweetsi Masisi assumed the presidency and re-affirmed his position when his party won general elections in October 2019.
- Botswana and the United States enjoy strong bilateral relations.

Market Challenges

- Due to the country's small population and low supply of skilled workers, Botswana does not have enough experienced managers and technical experts to help run many of the companies that would otherwise invest in the country.
- Foreign and local business managers noted continued difficulty obtaining work permits for foreign skilled workers and managers in 2017. This has caused many skilled workers to leave Botswana, and has discouraged foreign direct investment for many prospective businesses. In recognition of this concern, Botswana amended (May 2017) the immigration law to open up work visas and residence permits for foreigners. This situation has improved tremendously since President Masisi assumed presidency.
- A free trade agreement between the 15 SADC member states and the simplification of laws, regulations, and procedures would reposition Botswana as a transportation and logistics hub, the center of a 277 million person free trade zone. However, the slow pace of negotiations within the SADC region has delayed trade liberalization.
- Market challenges include regulatory constraints in certain sectors that have little or no relationship to the protection of the public, excessive red tape relating to licenses and permits, limited access to finance, the high cost of internet, poor customer service, and low worker productivity. The government's increasing number of SOEs and market holdings crowd out the private sector. The GoB has implemented new programs to address each of these areas in line with IMF recommendations, but results have not yet materialized. Privatization plans for several SOEs have stalled.
- Local preferences for public procurement arise from numerous sources and are increasing. Botswana law restricts 35 service sectors to Botswana citizens. The trade ministry has historically granted exceptions for large foreign-owned chain stores, but since 2016 it has only granted approval in cases where a localization agreement was reached with the applicant company. Botswana is currently in the process of implementing a Citizens Economic Empowerment (CEE) Law, which will require foreign companies to outsource at least 50% of their services/projects to citizen-owned companies.

- U.S. companies report difficulties navigating procurement requirements without a partner or presence in Botswana. GoB procurement tenders are at times designed based on the goods and services available in the market, which disadvantages competitors that are not located in Botswana. High-value tenders are also frequently broken up into smaller tenders, rendering it cost prohibitive at times for companies based outside of the country to compete. Common usage of hard copy tender announcements and short deadlines for bid submissions also present advantages to locally-based companies.
- At the GoB's urging, some private companies in Botswana also use local preferences in procurement.
- Business decisions are generally slow in Botswana, sometimes taking months or even years, and risk tolerance is low.

Market Opportunities

- Botswana offers low tax rates and has no foreign exchange controls. Labor strife is minimal. It has the potential to leverage its position in the region to serve as a gateway to the southern African market as a member of SADC and SACU. The recent construction (98% complete) of the Kazungula bridge in the northern part of the country makes this potential a reality.
- The Botswana Investment and Trade Centre (BITC), the GoB's trade and investment promotion agency, was designed to serve as a one-stop shop to assist investors to set up a business and find a location for operation. BITC's ability to streamline procedures varies based on GoB entity and bureaucratic requirements. Some U.S. companies have resolved work permit challenges with BITC assistance. BITC's criteria for support for investment projects is whether the project will diversify the economy away from dependence on diamond mining and whether it will create jobs for, and transfer skills to, Botswana citizens.
- The GoB has set up a Special Economic Zone (SEZ) authority to implement the 2015 SEZ law, which is export-oriented and thus aligning with the country's national priority of promotion of export-led growth. This initiative is geared to streamline investment in sector-targeted geographic areas in the country, including two Gaborone area SEZs (multi-use, diamond processing, and financial services); two Selibe-Phikwe SEZs (mineral processing and horticulture); and additional SEZs in Lobatse (beef, leather, biogas); Palapye (energy); Pandamatenga (agriculture); and Francistown (mining and logistics).
- In 2017, Parliament approved a special incentive packet for Selibe-Phikwe geared to promote economic growth and diversification. Some of the incentives include reduced corporate tax of 5% for the first five years and 10% thereafter (versus the 22% national tax rate), zero customs duty on imported raw materials, rebates for customs duty and value added tax for any exports outside SACU, and a minimum of 50 years on land leases (instead of the standard lease of 25 years). In addition, the GoB has committed to a 30% offtake for any business set up in the area.
- Botswana's mining sector dominates the economy and is correlated with global market trends. De Beers dominates Botswana's diamond industry. Its mining operation, Debswana, is jointly owned by the GoB and De Beers, and produces between 20-22 million carats per year, including some of the finest large diamonds in the world. In 2012, the GoB launched the state-owned Okavango Diamond Company, which receives 15% of Debswana's mined rough diamonds for its own sale.
- To address power generation shortages in southern Africa, the GoB is now seeking to become a net exporter of electricity and is considering introducing solar power and coalbed methane to its energy mix. The GoB awarded contracts for the country's first independent power projects in recent years and is working to develop a policy and regulatory framework for private power producers. In March 2020 the U.S. Trade and Development Agency (USTDA) gave a grant to a local company for the feasibility study of a coalbed methane power plant.

- Botswana’s political stability and record of prudent fiscal management signal potential to become a center for certain niche financial services. The country’s recent greylisting by the EU may cause challenges in achieving this, however the government is working hard to normalize the situation and is already addressing the Financial Action Task Force (FATF) concerns.
- Botswana’s tourist market has been characterized by a “high value (cost), low volume” philosophy. High-end tour operators and hotels tend to dominate the market. The GoB is interested in expanding tourism services throughout the country with mid-range offerings, especially by citizen-owned tourism companies.

Market Entry Strategy

- Local partnerships are generally required for GoB tenders. Local preferences in favor of Botswana citizen-owned or locally-based companies are also increasing in government and the private sector. To gain access to most GoB loans and grants, having a local partner is generally mandatory.
- It is difficult and often cost ineffective to compete for GoB contracts without a local partner even in cases in which the tender announcement does not limit participation to local companies. Tenders are at times designed based on goods and services in the market. Many announcements are made in hard copy with short deadlines, and bureaucratic requirements can pose a challenge without the presence of local representatives.
- In Botswana, personal relationships established telephonically, or preferably in person, are essential to establishing effective business relationships. Meeting partners face-to-face is important. Formality and respect for protocol are valued in Botswana and facilitate good relationships.
- Government officials and business managers often do not take business proposals seriously if they are not provided by an individual or company physically located in Botswana.
- BITC can facilitate market entry if the investor’s project will create jobs, transfers skills, and diversify Botswana’s economy (www.bitc.co.bw). IT-related companies may want to consider a relationship with the Botswana Innovation Hub in order to facilitate market entry (www.bih.co.bw).
- It is most effective to tie one’s project to declared GoB goals of diversifying the national economy away from dependence on diamond revenues, creating employment, and developing skills and capacity in discussions with any GoB official.
- The U.S. Embassy’s Economic/Commercial Section can assist American investors by providing general advice on economic conditions and, in some cases, specific market intelligence. The section offers Gold Key Matchmaking Services and International Partner Searches, for a fee. To get started, visit our website at bw.usembassy.gov.

Leading Sectors for U.S. Exports and Investment

Energy

Overview

The Southern African Power Pool faces potential electricity shortages when South Africa's economy recovers, and Botswana has export potential given its central geographic location in the region. The GoB is investing in national and regional grid infrastructure in order to facilitate this. With 212 billion tons of coal, coal-fired plants remain the foundation of the GoB's energy framework and current peak demand of approximately 550 MW. Two power plants near Palapye, about 200 km north of Gaborone, supply the vast majority of the country's electricity. Morupule B's current capacity is 600 MW, but it has faced technical challenges and at times has been closed for repairs or operated at partial capacity. In addition, the GoB is also rehabilitating the Morupule A power station that will add 132 MW of power to the national supply upon completion. Botswana imports power from South African utility Eskom to make up for any production shortfalls.

The country is planning to add renewable energy and natural gas power generation to its portfolio through independent power producer (IPP) projects. Previous IPP projects have not succeeded due to regulatory framework challenges; however, production in Botswana for export by an IPP is permitted by the 2007 Amendment to the Electricity Supply Act. IPP and Energy Feed-in Tariffs (EFT) guidelines are expected before the end of 2020. To create a more enabling environment, the GoB set up an energy regulator, Botswana Energy Regulatory Authority (BERA), which began operation in September 2017.

Botswana has tremendous potential for solar energy utilization, with an annual Direct Normal Irradiation equivalent of 3,000 kWh/m²/a in most parts of the country, with an average insolation on a horizontal surface of 21MJ/M². In September 2016, the GoB renamed its energy organ the Ministry of Mineral Resources, Green Technology, and Energy Security to signal new commitment to introducing renewable energy into its mix. A medium-scale (1.3 MW) project was developed outside of Gaborone, but solar applications in Botswana are primarily used for solar water heating and small-scale electricity generation using PV technology, the latter mainly for rural applications. Recently, Tesla (a U.S. company) set up a PV plant with battery storage in the Delta for a tourism operation and has so far set up six other projects with more projects coming up in the tourism sector.

The energy sector has been allocated a significant amount of the 2020/2021 budget for investment in power generation, ongoing transmission and distribution project, Morupule B remedial works and transmission back bone for greater Gaborone. This will support the government-owned Botswana Power Corporation (BPC) in extending the provision of electricity to rural villages. As of 2016, 76% of villages were connected to the grid and the GoB was on track to connect an additional 4%. In 2017, BPC signed a contract for a BWP 4.6 billion North West Transmission Grid project to connect the North Western villages of the country with electricity. The project, which is to be implemented in two phases, began in January 2018 and is expected to be completed in 2020. The GoB plans to provide electricity to the remaining 20% through renewable energy projects, and at the moment BPC is assessing tenders for a 100 MW solar power plant and potential off-grid installations.

Power Africa

Launched in 2013, Power Africa is a market-driven, U.S. government-led public-private partnership to double access to electricity in sub-Saharan Africa. It also serves as a one-stop shop for private sector entities seeking tools and resources to facilitate doing business in Africa's power sector. In 2016, the Electrify Africa Act unanimously passed both houses of Congress and was signed into law, institutionalizing Power Africa and establishing two goals; to add 20,000 MW of generation capacity and expand electricity access to 50 million people in sub-Saharan Africa by 2020. In bringing together more than 140 of the world's top companies, development institutions, and financial entities, Power Africa employs a transaction-centered approach to directly address key constraints to project development and investment in the power sector. These interventions aim to de-risk investments and accelerate financial close from facilitating project bankability with financing and risk mitigation, to providing technical and

transaction support, to engaging with host-government counterparts. Learn more about the full Power Africa toolbox at www.usaid.gov/powerafrica/toolbox or other opportunities offered by Power Africa at www.usaid.gov/powerafrica.

Power Africa is currently working with BPC and Botswana's Department of Energy, and on implementation of BERA.

Sub-Sector Best Prospects

Energy equipment, solar heating systems, solar photovoltaic equipment, and engineering services are the best sub-sector prospects.

Opportunities

The GoB's newfound openness to IPP and solar projects as well as investment in grid infrastructure provides opportunities to develop energy projects for domestic use and export.

Substantial natural gas reserves (coalbed methane) exist in Central and Northeast Botswana. Once fully developed, the natural gas deposits could generate substantial downstream opportunities for new natural gas intensive equipment and services.

Web Resources

Ministry of Mineral Resources, Green Technology, and Energy Security: www.mmewr.gov.bw/about

Botswana Investment & Trade Centre: www.bitc.co.bw

Botswana Power Corporation (BPC): www.bpc.bw

BPC Tenders: www.bpc.bw/tenders.htm

Ministry of Investment, Trade, and Industry: www.gov.bw/en/Ministries--Authorities/Ministries/Ministry-of-Trade-and-Industry-MTI

Department of Customs and Excise: www.finance.gov.bw/customs

Agricultural Sector

Overview

While agriculture comprises only approximately 2% of GDP, it is vital to the livelihood for many citizens who operate farms for subsistence. Livestock production, especially cattle, contributes an estimated 80% to the agricultural GDP. Former President Khama directed the Ministry of Agricultural Development and Food Security to increase domestic food production, and ministry officials report they are developing an incentives package to attract investors and improve commercial viability in the sector. In addition, some agricultural projects such as Integrated Support Programme for Arable Agriculture Development (ISPAAD) and Livestock Management and Infrastructure Development (LIMID) are currently being reviewed by the GoB to enhance efficiency and effectiveness. Beef is by far Botswana's primary agricultural product for export. The cattle population is currently estimated at 2.1 million. Livestock production exceeds domestic needs and the country has exported range-fed beef to the European Union. The development of a modern cattle farming and slaughter industry (and the corresponding development of a market for U.S. feed stocks, ingredients, and technology) is limited by the government's monopoly on meat processing plants, exports, livestock prices, as well as outbreaks of Foot and Mouth Disease especially in the northeastern part of the country. The GoB is seeking new market opportunities abroad with particular interest in the Middle East market, and BITC is currently working on a strategy to export beef to the U.S market.

The crop sub-sector is dominated by the growth of cereals, but is limited by constrained productivity in the sector, unreliable water supply, and the fact that desert and poor soils cover 70% of the country. In 2017, national cereal production totaled 20,985 metric tons (MT) (this excludes commercial production). Sorghum comprises 28.4% of national cereal production, followed by maize (66.3%) and millet (5.2%). Botswana also produced 2348 MT of beans, 145 MT of groundnuts, and 78 MT of sunflowers in 2017. The government has awarded a tender for construction of silos in the Pandamatenga area as part of the facilities to be used by farmers operating within the Agricultural Economic Special Zone. The project should be completed within 16 months and will improve the efficacy and efficiency of grain management. Horticulture production is focused in the southeast, with a small annual production valued at \$14 million in 2013, primarily consisting of potatoes, tomatoes, cabbage, and oranges.

Botswana consumes about 4,000 tons of fish per year and out of this quantity only 300 tons are produced locally, and 3,700 tons are imported from neighboring countries. Efforts to augment fish production through aquaculture, such as the construction of fish hatcheries to supply fish seed to over-fished reservoirs, are being explored, and may provide a niche market for incoming investors. The sector also supplies raw materials for agro-based industries such as meat processing, tanning, milling, oil, soap, and brewing.

USDA's Foreign Agricultural Service in Pretoria prepares more than 50 reports each year on the agricultural situation by commodity sector in South Africa. Some reports highlight opportunities for U.S. farm exports. For U.S. exporters of agricultural products, it may be useful to start with the Exporter Guide for South Africa at: www.fas.usda.gov/scripts/AttacheRep/default.asp.

For other sector reports please see the Attaché report on the main FAS website: www.fas.usda.gov.

If you are an exporter of U.S. agricultural products, please feel free to contact the Foreign Agricultural Service for further information at the following address:

Foreign Agricultural Service

U.S. Embassy Pretoria, South Africa

Tel: +27-12-431 4235

Fax: +27-12-342 2264 Email: agpretoria@fas.usda.gov

Sub-Sector Best Prospects

Grains, dairy farming, pet foods, health foods, food service, food processing, innovative farming machinery, leather, and fish farming are the best sub-sector prospects.

Opportunities

The GoB is seeking to attract private sector investment to establish commercial farms, tanneries for the export of processed hides and skins, a poultry hatchery, breeder stock and poultry abattoirs, and pig feed production and breeder stock. In 2015, Parliament approved a Special Economic Zone (SEZ) law to streamline investment in sector-targeted geographic areas in the country and has since set up the Authority which is in full operation now. The GoB plans to operationalize a Selibe-Phikwe SEZ to focus on horticulture, additional SEZs in Lobatse for beef and leather, and another to target agriculture in Pandamatenga.

The Zambezi Integrated Agro-Commercial Development Project in northern Botswana will develop infrastructure and agricultural production on a large commercial scale. In addition to job creation, this project intends to encourage private investment in the agricultural industry. The Government of Zimbabwe has raised objections to the GoB's plans to divert water to irrigate this project.

There is considerable potential for the development of entrepreneurial fish farming. Currently it is not conducted on a commercial scale and is confined mainly to the Chobe River and Okavango Delta. Local food production including dairy production is highly needed as Botswana is struggling to meet the demand especially on horticultural products and fruits. Feed manufacturing is also another opportunity.

Web Resources

Ministry of Agricultural Development and Food Security: www.gov.bw/government/ministry_of_agriculture.html

U.S. Foreign Agricultural Service: www.fas.usda.gov

Ministry of Investment, Trade, and Industry: www.mti.gov.bw

Botswana Unified Revenue Service: www.burs.org.bw

Mining & Minerals

Overview

For the past four decades the mining sector accounted for roughly 85% of national foreign exchange earnings, one-third of government revenue, and a quarter of GDP. Botswana's mining industry consists mainly of diamonds, and mining currently accounts for approximately a third of government revenue. Other mined minerals include nickel-copper, coal, soda ash, gold, silver, semi-precious stones, and granite, and Botswana also has untapped uranium, lead, and zinc reserves, which companies are seeking to exploit.

In 2014, Botswana and Namibia signed an agreement to establish a jointly run company that will supervise the construction of the Trans-Kalahari Railroad. The project, which has been under consideration for years, is estimated to cost upwards of \$15 billion to build and was proposed as the export route for Botswana's coal reserves, which is estimated at 212 billion tons. The GoB is now looking at converting the project from a coal railway to a multi-commodity line in an effort to attract investors.

U.S.-based companies have captured a sizable portion of the mining equipment market. Mining equipment is supplied by distributors mainly located in South Africa and recorded as imports from the country of supply and not as imports from the country of origin, hence the understated value of imports from the United States. All heavy equipment and machinery are imported, as there is no local production or assembly. Local distributors tend to focus on light industrial, non-specialized equipment for mines, e.g., switches, pumps, and cleaning equipment rather than heavy mining equipment. Distributors report that mines in Botswana, in general, are interested in purchasing high quality, long-lasting industrial equipment with robust warranties and therefore are less price-sensitive than most industries in the country.

In 2014, the GoB and the Chamber of Mines created a committee to oversee the purchase of mining supplies with a 10% preference towards those produced locally. Compliance is not legally required, but is strongly recommended. The De Beers Group and its affiliated mines employ this practice, and it is regarded as an industry standard.

Sub-Sector Best Prospects

Mining equipment, services, mineral prospecting, and consulting are sub-sector prospects. Botswana wants to capture more of the diamond production value chain including trading, cutting, and polishing.

Opportunities

The Diamond Hub, established in 2008, aims to attract diamond technology companies and has four areas of concentration: diamond cutting and polishing, establishment of a rough and polished diamond trading facility, development of diamond jewelry manufacturing, and support industries. In 2016, the U.S. International Development Finance Corporation (DFC), previously OPIC, approved the first \$125 million loan guaranty facility of its \$250 million loan guaranty to stimulate diamond processing in Botswana in partnership with Barclays and Lazare Kaplan. The organization signed the second tranche of \$125 million loan guaranty facility with the Standard Bank Group, otherwise known as Stanbic Bank in Botswana, in September 2018. The De Beers Group relocated its diamond sorting and sales facility from the United Kingdom to Botswana. A SEZ Authority has been set up to streamline investment in sector-targeted geographic areas in the country. The two Gaborone area SEZs will be multi-use, but will focus on diamond processing and financial services, and the GoB plans to implement these SEZs first under the new policy. The GoB also plans to operationalize a Selibe-Phikwe SEZ to focus on mineral processing.

Opportunities for trade also exist with Debswana mining company as the largest mining company in the country. In March 2019, Debswana announced the commencement of two new ventures: Cut-9, to tap into a 40 million ton ore body at Jwaneng mine extending production to 2034, and Cut-3 for its Orapa mine.

Web Resources

Ministry of Mineral Resources, Green Technology, and Energy Security: www.gov.bw/en/Ministries--Authorities/Ministries/Ministry-of-Minerals-Energy-and-Water-Resources-MMWER/

Debswana: www.debswana.com

Ministry of Investment, Trade and Industry: www.mti.gov.bw

Botswana Unified Revenue Services (BURS): www.burs.org.bw

Telecommunications

Overview

Botswana has a reasonably developed telecommunications system that almost covers the entire country. Slow internet and high data costs have been a big challenge for individuals and businesses. However, this has slightly improved and is expected to get better as the Botswana Fiber Network (BoFiNet), the state-owned entity that provides wholesale national and international telecommunication infrastructure and services to both the Botswana Telecommunications Corporation (BTC) and private Internet Service Providers (ISP), continues their fiber to businesses and home connections. BoFiNet also offered service providers Indefeasible Right of Use (IRU) contracts for connectivity, reducing prices in some instances to below BWP 10 (~\$0.86) per Megabits per second (Mbps). Recently Botswana Communications Regulatory Authority (BOCRA) engaged with operators and agreed to cut data prices by up to 46% making data prices competitive in the region. The semi-privatized BTC provides landline services and competes with cellular consortiums Mascom Wireless (an affiliate of South Africa's MTN which is about to sell its shares), and Orange for cellular service. The cellular market is performing well with especially strong penetration and coverage. Botswana has one of the highest cell phone penetration rates in Africa.

Internet usage is on the rise and is now used by some 65% of the population according to the Global Information Technology Report, which ranked Botswana 101 out of 139 in its Networked Readiness Index. The usage is suspected to have gone up as research shows that mobile subscriptions for the 2019 financial year end has gone up to 3.3 million subscribers, making it one of the highest penetration rates in the region at 137.7% and the recent slash in data prices will also increase internet usage. In its quest to operate an infrastructure that will drive connectivity and economic growth, BoFiNet has managed to reduce Internet Protocol Transit (IPT) prices to an annual average of 29%. In 2017, BoFiNet developed a three-year strategy with which it managed to expand the national high broadband infrastructure coverage to an excess of 9200kms.

There are no restrictions on the provision of voice over internet protocol by value-added network service providers. The Ministry of Infrastructure, Science, and Technology has the authority to issue licenses for telecom services including mobile telephones, data communications, payphones, sale of telecommunications equipment, and internet services. No restrictions apply to foreign partnerships in mobile services.

The government has invested \$38 million into the development of the West Africa Cable System (WACS), and the Eastern Africa Submarine Cable System (EASSy), undersea cables connecting southern and western African countries to the United Kingdom via Portugal, connecting Botswana to the rest of the world with capacity entitlement of 191Gbps and 206Gbps respectively. BoFiNet also continues to extend their fiber backbone to cover other areas in the country and has so far covered close to 50% of the gazette localities with the aim of covering 100% by 2023. The proposed development budget for the ministry responsible for telecommunications also includes the establishment of the Government Data Centre and Local Access Network.

Sub-Sector Best Prospects

Communications services, including internet service provision, telecommunications equipment, and software are the best sub-sector prospects.

Opportunities

U.S. exports of telecommunication equipment to Botswana have increased significantly over the last several years due to a \$20 million investment from a satellite communications provider. This figure does not reflect those U.S. products exported to South Africa and imported to Botswana by South African distributors. In 2019 MTN cancelled the plan to sell its 53% stake in Mascom Wireless.

Web Resources

Botswana Telecommunications Corporation: www.btc.bw

BTC Tenders Page: www.btc.bw/tenders.html

Botswana Telecommunications Authority: www.bta.org.bw

Ministry of Infrastructure, Science, and Technology: www.gov.bw

Ministry of Investment, Trade, and Industry: www.mti.gov.bw

Department of Customs and Excise: www.finance.gov.bw/customs

Travel and Tourism

Overview

Industry participants both in Botswana and abroad have noted the country's unique natural resources provide it with a significant advantage in the tourism sector. Tourism plays a significant role in the national economy and exhibits enormous potential for future growth. Most business analysts estimate this difficult-to-quantify sector accounts for less than 10% of GDP. The GoB is committed to growing the sector as part of its economic diversification strategy. However, the sector is one of the hardest hit by COVID-19, both globally and domestically. Nonetheless, the GoB has developed a recovery plan that would sell the country as a safer place to visit, taking advantage of low population density and therefore lower risk of COVID-19 infection. Botswana seeks to broaden the tourism base by adding more product components and increasing the geographic spread of tourism. While to date Botswana tourism has focused almost exclusively on high-end consumers, the GoB is interested in expanding into the mid-range market. Providing consistent quality service remains the main challenge.

The government encourages new investments and joint ventures in tourism and continues to play a major role in the development of tourism projects. The GoB recently announced a new tourism policy that will give citizens an exclusive opportunity to provide tourism services by reserving some licenses for citizen operators only. The government has further reserved certain new safari concessions for citizens. New hotels (including U.S. brands) and conference facilities have opened in the past few years, increasing the country's ability to host international conferences and events. The government continues to upgrade infrastructure in wildlife-protected areas (natural parks and game reserves). Government regulators continue to approve the opening of lodge sites within four of the largest national parks.

While there are now two high-quality hotel and conference facilities in Gaborone, there are occasionally shortages of hotel rooms in the capital during major conferences and summits. There is presently insufficient capacity if Botswana hopes to expand business-related travel within the capital city, although some assess the hotel market in Gaborone to be saturated based on recent hotel development projects and current visit volumes. The U.S. brand hotel Hilton opened a branch of its Garden Inn hotels in Botswana in 2019, and Marriott has agreed to manage an existing property.

The Botswana Tourism Organization (BTO) is responsible for all operational functions of the tourism sector such as marketing, investment promotion, and the grading of tourism facilities to international standards.

Sub-Sector Best Prospects

Eco-tourism, midrange tourism excursions, hotels, lodges, resorts, direct flights, and restaurants are the best sub-sector prospects.

Opportunities

Joint ventures are being sought for hotel expansions and start-ups along the Trans-Kalahari Highway, joining Botswana and Namibia, and development of lodges in the Kgalagadi Transfrontier Park, Central Kalahari Game Reserve, Makgadikgadi Pans National Park, and forest reserves surrounding Chobe National Park. A memorandum of understanding on the establishment of a trans-frontier conservation area, commonly referred to as the Limpopo/Shashe Transfrontier Conservation Area (TFCA), was signed in June 2006. This is a unique partnership between the governments of Botswana, South Africa, and Zimbabwe, the private sector, and the local communities with the objective of creating new opportunities for eco-tourism. The TFCA was later renamed to Greater Mapungubwe TFCA on June 19, 2009. The Greater Mapungubwe is a similar concept with the Kavango-Zambezi (KAZA) TFCA that seeks to connect Protected Areas in Zambia, Botswana, Namibia, Zimbabwe, and Angola. Member countries are working to simplify travel between protected areas in the five-country region through the implementation of the KAZA UniVisa for Botswana and the region.

Web Resources

- Ministry of Environment, Natural Resources Conservation, and Tourism: www.gov.bw/ministries/ministry-environment-natural-resources-conservation-and-tourism
- Hospitality and Tourism Association of Botswana: www.hatab.bw
- The Tourist (Botswana Tourism Magazine): TheTourist@botsnet.bw
- Botswana Tourism Organization: www.botswanaturism.co.bw
- Ministry of Investment, Trade, and Industry: www.mti.gov.bw

Medical Equipment and Pharmaceuticals

Overview

Botswana is facing major challenges in addressing health threats such as HIV/AIDS, malaria, and tuberculosis. The COVID-19 pandemic has now added to the list, and the government is trying to keep the pandemic under control. To improve service delivery in the health sector, the government has prioritized human resources development, technology, and supply chain capacity. The government also seeks to improve health care infrastructure and provide and upgrade medical and surgical equipment. As part of these improvements, the government has developed a Health Financing Strategy during the second quarter of 2019. The strategy, which is still undergoing an approval process, will - amongst other things - enhance efficiency by involving the private sector in the delivery of health services at full cost recovery rates to ensure financial sustainability. Currently there is no pharmaceutical production capacity in Botswana; however, companies are engaged in the importation and packaging of bulk drugs.

For the 2020/21 financial year, healthcare was scheduled to be the third ministry to have been allocated the largest recurrent budget of P7.73 billion (\$740 million), while a development budget was set for construction and upgrading of health facilities. Unfortunately, the COVID-19 pandemic has forced the ministry to revise and cut back on its budget. Over the past several years, in part due to generous financial assistance from the United States under the President's Emergency Plan for AIDS Relief (PEPFAR), Botswana has made giant strides in the response to HIV/AIDS. Health sector improvements include construction of new and rehabilitated health facilities, the introduction of data collection and storage technologies, and other innovations such as telemedicine. Botswana's Ministry of Health and Wellness is planning a series of hospital infrastructure improvements, including improvements to several district medical facilities. Due to shortages of trained healthcare professionals, the government may seek to outsource several health services. To meet this shortage, the GoB along with the University of Botswana has built a 450-bed academic teaching hospital, which is currently used to accommodate COVID-19 patients.

Sub-Sector Best Prospects

The best prospects highlight the provision of construction, medical technology and surgical equipment, the supply of drugs and commodities including COVID-19-related supplies, and supportive healthcare services for treatment of HIV/AIDS and related infections.

Opportunities

Infrastructure improvements and equipment upgrades at several hospitals and medical facilities are planned as part of the government's infrastructure development plans. The government intends to develop local pharmaceutical production capacity. Some international companies have shown interest in expanding regional production capacity by opening facilities in Botswana. Currently there are two pharmaceutical companies that are engaged in the importation of bulk drugs for packaging and distribution in the country, with plans to manufacture here in the future. Construction of private hospitals in the northern part of the country could be another opportunity as private hospitals are concentrated in the south. Local manufacturing of PPE and other hospital consumables is another area of potential interest.

Other opportunities may include investment in the training of health personnel in the country, particularly in areas such as commodity planning and forecasting, as well as logistics and supply chain. Finally, the technology sector may find opportunity through Botswana's recently developed e-Health strategy that speaks to strengthen its health information systems to improve the collection, dissemination, and storage of data. All public referral, district and primary hospitals have been connected to the network in the bid to improve quality, safety, timelines, and efficiency of health services, and these create endless opportunities in e-health services and products.

Web Resources

Ministry of Health and Wellness: www.moh.gov.bw

Ministry of Investment, Trade, and Industry: www.mti.gov.bw

Department of Customs and Excise: www.finance.gov.bw/customs

President's Emergency Fund for AIDS Relief (PEPFAR): www.pepfar.gov

PEPFAR Botswana: www.pepfar.gov/countries/botswana

Customs, Regulations, and Standards

Trade Barriers

Apart from restrictions on licensing for some business operations, which are reserved for Botswana companies, there are few tariff-based barriers to trade with Botswana. Importers will be required to obtain an import permit from the relevant Ministry or Department. Other non-tariff barriers include import permit requirements for a variety of food products, seasonal trade bans on selected agricultural goods, a state monopoly on beef exports, and increasing local procurement preferences. In a recent development, the GoB, through parliament, approved the liberalization of the beef market. This means beef exports will no longer be monopolized by the Botswana Meat Commission and a beef regulator will be put in place to allow for more players in the market.

Import Tariffs

In general, goods imported into Botswana from outside the Southern African Customs Union - SACU (Botswana, Lesotho, Namibia, South Africa, and eSwatini) attract customs duties at rates outlined in the Customs Tariff Book. Customs duties are paid against a prescribed form (SAD 500), which is a declaration form, formally known as a bill of entry. A tariff book and goods codebook is available for sale at all regional Customs and Excise offices. It is not currently available via the internet.

The SADC is an inter-governmental organization that promotes socio-economic cooperation and integration, and political and security cooperation among the 15 member states. The SADC Free Trade Area (FTA) was launched in August 2008. The FTA is not yet in force and SADC members are reducing their tariffs at different rates. If the effect is successful, it will allow for free movement of goods and services produced within the region, but each member state will still have its own external tariff to non-member states of SADC.

BURS, with assistance from USAID's Southern African Trade Hub, developed an amendment to the Customs and Excise Duty Act with the view of streamlining procedures and lowering importing and exporting costs, and was since adopted in 2018.

Import Requirements and Documentation

With the exception of goods originating in Malawi, import permits are required for goods entering Botswana directly from outside the SACU and are obtainable from the Department of International Trade, in the Ministry of Investment, Trade, and Industry. The import permits are not transferable. Permits are usually granted upon request, and Botswana's abolition of foreign exchange controls in February 1999 means there is no difficulty in obtaining sufficient foreign currency to cover transactions.

All imported goods are subject to Value Added Tax (VAT) of 12%. Goods exported from Botswana are not subject to VAT. The SAD 500 is the only form required for external trade.

Many shippers report excessive delays in shipping times across SADC borders (particularly South Africa), with significant economic impacts. Although work has been done to improve transit procedures and simplify bonding requirements, progress is slow.

Labeling and Marking Requirements

There are specific requirements for providing information regarding preparation of goods. Law and policy prohibit the use of information that would mislead purchasers. This is applicable to pre-packaged goods that are to be delivered as such to the ultimate consumer. It also affects foods supplied to restaurants, hospitals, etc. The Botswana Bureau of Standards conducts periodic inspections to verify compliance with this compulsory standard specification.

U.S. Export Controls

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of “red flags”, or warning signs, and compiled “[Know Your Customer](#)” guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check a [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of “dual-use” U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the e-CFR (Electronic Code of Federal Regulations) and is updated as needed.

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

Temporary Entry

Equipment that is imported on a temporary basis for a given project is eligible for a general tariff rebate. All equipment warranty and non-warranty, and parts thereof imported on a temporary basis should be imported under a bond, the amount of which is equivalent to customs duties and/or the applicable VAT. The bond is valid for a limited period only, as follows: equipment that requires VAT is covered by a three (3) month bond while equipment that requires customs duties is covered by a six (6) month bond. Applicable customs duties and/or VAT become due and payable once the bond period expires. An expired bond will be called in to satisfy outstanding customs duties and/or VAT. A bond form can be collected from BURS headquarters and lodged with any recognized commercial bank or insurance company in Botswana.

Prohibited and Restricted Imports

Prohibited imports include habit-forming drugs and obscene literature (pornographic magazines and videotapes). Importation of certain agricultural products and plants requires approval from the Ministry of Agriculture before obtaining the import permit from the Department of Trade and Consumer Affairs. Imports of fresh pork and beef are banned; import permits are granted only on processed pork products. Poultry imports are permitted only in the uncommon event that there is a domestic market shortage. Imports of some vegetables, meat, and dairy products are seasonally banned.

Customs Regulations

Botswana Unified Revenue Service website: www.burs.org.bw

Acting Commissioner General Customs and Excise: Mr. Segolo Lekau Tel: +267 363 9503 Fax 1: +267 3163955 Fax 2: +267 395 1918, SLekau@burs.org.bw

Standards for Trade

Overview

The Botswana Bureau of Standards (BOBS – www.bobstandards.bw) is a parastatal organization that develops and implements national Botswana standards. Separate government ministries, parastatals, and private companies can develop standards specifically for their own institutions, however, only BOBS is recognized by the International Organization for Standardization (ISO) and has the authority to create national standards. The procedures used in the development of standards comply with the World Trade Organization's code of good practice for the development of standards.

Botswana's standards regime consists of compulsory and voluntary standards. Compulsory standards affect human health, safety, environment or export, which BOBS monitors to ensure compliance. BOBS enforces compulsory standards on seven products: petroleum gas, poultry feed, pre-packaged goods for consumers, cereals/sorghum grains for consumption, cattle feeds, garments, and drinking water. Voluntary standards are not binding or legally required, but compliance may increase product competitiveness.

Altogether, there are more than 600 Botswana standards that have been published for different sectors in Botswana. A standards catalogue is now available to the public at the BOBS Information Department. Any foreign entity or company that is accredited in its home country is allowed to certify products in Botswana.

Standards

BOBS is the sole organization that develops national standards, and it has an annual plan of standards. The National Food Control Board is the only other organization in Botswana that develops an annual plan. BOBS sends its plan annually to the ISO.

Testing, Inspection, and Certification

Conformity Assessment

BOBS provides conformity assessments in testing, certification, and inspections. The government-created National Testing System (NTS) is made up of all government, private, and parastatal laboratories. Through a Memorandum of Agreement with BOBS, these laboratories do testing for the Government whenever it is needed. Whenever BOBS receives a request for testing or calibration, the request is passed on to a relevant laboratory. However, according to the Director of Standards, BOBS has well-equipped laboratories and continues to equip others to carry out testing, though they still send some requests outside the country.

Product Certification

Any public or private body whose product satisfies all the requirements of a Botswana product standard can apply to BOBS for the product to be certified. Samples of the product are then tested to verify its conformance to the requirements of the product standard, and if the results are acceptable, the product can then obtain the BOBS certification mark.

There are benefits to product certification. The construction industry is one of the major users of standards in Botswana. The GoB has insisted that materials and products for construction must be BOBS-certified. No waivers are available for compulsory standards.

Botswana has no mutual recognition agreements (MRA's) on standards with U.S. organizations.

Accreditation

The Government has no national accreditation body. Laboratory reports are sent to the accreditation boards in South Africa, Mauritius, or the United Kingdom. SADC countries established a regional accreditation organization called the Southern African Development Committee for Accreditation Services (SADCAS).

Publication of Technical Regulations

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify the WTO of proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. (www.nist.gov/notifyus) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected countries and industry sectors of interest, and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

Changes to technical regulations within Botswana are usually circulated to members of the public and comments are allowed through business association bodies. U.S. entities are also free to comment through these organized channels.

Contact Information

Botswana Bureau of Standards:

Physical Address

Plot No. 55745

Block 8, Gaborone

Main Airport Road

Postal Address

Private Bag B048

Gaborone, Botswana

Tel: (+267) 3903200

Fax: (+267) 3903120 Email: infoc@hq.bobstandards.bw

Trade Agreements

Recognizing the problems that its small domestic market ultimately poses for investors, Botswana continues to promote trade by pursuing free trade agreements with its neighbors as well as other developed and developing countries.

Southern African Customs Union (SACU)

Botswana is a member of SACU along with South Africa, Lesotho, Namibia, and eSwatini. SACU is a duty free trading area with a common external tariff. With the exception of certain foodstuffs, import permits are not required for goods entering Botswana from other SACU members. Botswana's membership in SACU allows investors to take advantage of selling duty free in the far larger South African market. The SACU Secretariat based in Namibia is responsible for implementing the SACU Agreement as well as improving economic performance of the union's member states. U.S.-SACU Free Trade Agreement negotiations were suspended in April 2006, largely due to divergent views on the scope for the agreement. Instead of a free trade agreement, the United States and SACU negotiated a Trade, Investment, and Development Cooperative Agreement (TIDCA) that would establish a forum for consultative discussions on a wide range of trade and investment issues. A Consultative Group will oversee the implementation of the TIDCA and provide a framework for working on a range of interim-trade-related agreements, cooperative programs, and other trade development steps that would set the platform for future free trade agreement negotiations.

Southern African Development Community (SADC) Free Trade Protocol

SADC's objective is to pursue a common integration plan based on economic, political, and trade interests (members: Botswana, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, South Africa, eSwatini, Tanzania, Zambia, Zimbabwe, Angola, Democratic Republic of Congo, Seychelles, and Malawi). The SADC Free Trade Area (FTA), though in place, is not yet implemented. In August 2008, Botswana was one of the 12 SADC members to sign the FTA. Angola and the Democratic Republic of Congo are yet to sign. Under the SADC FTA, tariffs and non-tariff barriers will be eliminated on substantially all trade between the members. The implementation of the FTA started in 2000 following the signing of the SADC Trade Protocol. Through the FTA, 85% of trade in goods produced in the region will move across borders free of customs duties. Trade liberalization has taken place at different rates. The more developed member states (South Africa, Namibia, Botswana, eSwatini and Lesotho) have reduced tariffs at a faster rate.

World Trade Organization

Following its accession to the General Agreement on Tariffs and Trade (GATT), Botswana became a member of the WTO in 1995.

SADC – EU Economic Partnership Agreement

Botswana has signed an interim Economic Partnership Agreement (EPA) with the European Union (EU). The EPA provides duty and quota-free access on goods to the EU markets. Negotiations need to be completed on the treatment of services and new generation issues.

China and India

Botswana, as part of SACU, launched free trade negotiations with both China and India. The negotiating parties have exchanged lists of goods that would benefit from lower tariffs.

Mercosur

SACU signed a Preferential Trade Agreement (PTA) on December 16, 2004 with the South American customs union known as Mercosur, comprised of: Argentina, Brazil, Paraguay, and Uruguay. The agreement creates the legal framework for improved trade relations between SACU and Mercosur as well as serving as a first step toward the creation of a free trade area between the two regions.

African Growth and Opportunity Act

Botswana is a beneficiary of the U.S. African Growth and Opportunity Act (AGOA), which has been extended to 2025 under the Trade Preferences Enhancement Act of 2015. The amendment also extended the duty free treatment under the Generalized System of Preferences. Under AGOA, more than 6,500 product categories of goods are granted duty and quota-free access to the U.S. market. More information about AGOA is available on the Internet at www.agoa.info and from the USAID Southern Africa Trade and Investment Hub, located in Pretoria and covering Southern Africa including Botswana, on its website at www.satradehub.org.

African Continental Free Trade Agreement (AfCFTA)

Botswana became the 51st country to sign the AfCFTA in February 2019. The agreement looks to create a single continental market for goods and services, with free movement of business persons and investments, paving the way for accelerating the establishment of the Continental Customs Union and the African customs union.

Licensing Requirements for Professional Services

Botswana's 2003 Trade Act reserves licenses for 35 sectors for citizens, including butcheries, general trading establishments, gas stations, liquor stores, supermarkets (excludes chain stores), bars (other than those associated with hotels), certain types of restaurants, boutiques, auctioneers, car washes, domestic cleaning services, curio shops, fresh produce vendors, funeral homes, hairdressers, various types of rental/hire services, laundromats, specific types of government construction projects under a certain dollar amount, certain activities related to road and railway construction and maintenance, and certain types of manufacturing activities including the production of furniture for schools, welding, and bricklaying. The law allows foreigners to participate in these sectors as minority joint venture partners in medium sized businesses. Foreigners can hold the majority share if they obtain written approval from the trade minister.

The Ministry of Investment, Trade, and Industry, which administers the citizen participation initiative, has taken an expansive interpretation of the term chain stores, so that it encompasses any store with more than one outlet so that they are applying the citizen participation requirements to any business with more than one store. This broad interpretation has resulted in the need to apply for exemptions for certain supermarkets, simple specialty operations, and general trading stores. These exemptions have generally been granted in the past and many large general merchandise markets, restaurants, and grocery networks are owned by foreigners as a result. However, the GoB now requires applicant companies to negotiate localization agreements as a requirement for exemptions.

Web Resources

Ministry of Investment, Trade, and Industry: www.mti.gov.bw

African Growth and Opportunity Act (AGOA): www.agoa.gov

Southern Africa Trade and Investment Hub: www.satradehub.org

Botswana Investment and Trade Centre: www.bitc.co.bw

Botswana Bureau of Standards: www.bobstandards.bw

Southern African Development Community: www.sadc.int

World Trade Organization: www.wto.org

Botswana Unified Revenue Service: www.burs.org.bw

U.S. Export Controls: www.export.gov/exportcontrols.html

Selling US Products and Services

Distribution & Sales Channels

Botswana is a landlocked country at the center of the Trans-Kalahari Corridor which connects Johannesburg through Botswana to the port of Walvis Bay in Namibia. Botswana is also part of the North-South Corridor which connects the port of Durban through Botswana to Zambia and Tanzania. The major transport corridor is the North-South railway to and from the port of Durban. The GoB is working to develop Namibia's Walvis Bay as an alternative port due to delays in Durban, although this is not currently a well-developed route. In its bid to also improve regional integration and the ease of doing business, the GoB, in partnership with the Government of Zambia, is constructing the Kazungula Bridge across the Zambezi River. The multi-million dollar bridge will be a gateway to other SADC countries and together with the one-stop shop that will be implemented at the border post, it is expected to eliminate congestion and improve efficiency. The bridge is 98% complete and is anticipated to be in full operation by December 2020.

Most goods enter Botswana through Gaborone, the capital city. However, other points of commerce include Lobatse, Francistown, Maun, and Kasane/Kazungula. Roads are typically good, although driving at night can be dangerous due to livestock or wildlife sometimes wandering onto the roads and should be avoided.

The vast majority of U.S. products sold in Botswana enter as re-exports from South Africa. Many U.S. companies maintain regional distributorships in South Africa, which supply the rest of the SADC region.

Using an Agent or Distributor

U.S. companies looking for assistance in finding a Botswana agent or distributor are advised to contact Business Botswana, formerly known as Botswana Confederation of Commerce, Industry, and Manpower (BOCCIM), and the American Business Council in Botswana (ABC). Business Botswana has more than 2,000 member companies and is the largest private sector association in the country. Its membership directory is not available online, but the Economic/Commercial Section of the U.S. Embassy can provide a hard copy (CommercialGabs@state.gov). The American Business Council has about 50 members and represents private companies and individuals who are interested in doing business with the U.S.

The U.S. Commercial Service's International Partner Search program also provides partner search services, for a fee. Partner search services for Botswana are available through the U.S. Commercial Service in Johannesburg (www.buyusa.gov/southafrica/en).

Establishing a Local Office

Companies interested in investing in Botswana should contact the Botswana Investment and Trade Centre (BITC), the GoB agency charged with assisting foreign investors in setting up operations:

Botswana Investment and Trade Centre:

Tel: +267 363 3300 / +267 71319250 Email: enquiries@bitc.co.bw Web: www.bitc.co.bw

Company formation and registration in Botswana is relatively straightforward and can be done online through Companies and Intellectual Property Authority (CIPA)'s Online Business Registration System (OBRS) at www.cipa.co.bw.

All companies doing business in the country must register with the Registrar of Companies. Registration typically takes 24 hours; commonly an investor will engage a local attorney to assist. A list of local attorneys who practice in this area can be obtained from the U.S. Embassy's Consular Section (www.bw.usembassy.gov).

Franchising

Although most franchises in Botswana are from South Africa, a few U.S. franchises operate in Botswana including Federal Express, Coca-Cola, Kentucky Fried Chicken, Pizza Hut, Hilton, Marriott, Avis, RE/MAX realtors, and others.

Registering a franchise requires the same procedures as registering a company and must be done with the Registrar of Companies. Depending on the type of business, the government may also require a license issued either by the city council or the Ministry of Investment, Trade, and Industry.

Direct Marketing

Direct Marketing is common and widely used by local companies. It is considered to be the most effective form of marketing. The most common forms of direct marketing in Botswana are text messaging, pamphlets and brochures (delivered by hand or mail), internet (through email and social media), radio and television promotions, and salesperson visits.

Joint Ventures/Licensing

Joint ventures between local and foreign partners are common and are encouraged, especially where the foreign partner brings production or design expertise and marketing ties. Investors looking for partners can contact the U.S. Embassy (bw.usembassy.gov) or BITC (www.bitc.co.bw).

Express Delivery

Express delivery of products is available and reliable throughout the country, delivering within 24 hours. Most of the express companies operate internationally so it is easy to do business and interact with international companies. Some of the express delivery companies operating are DHL, FedEx, Botswana Couriers & Logistics, Express Mail Service (Operated by Botswana Post), and Sprint Couriers.

Due Diligence

It is advisable for foreign companies to perform due diligence on their business partners or agents. The U.S. Embassy provides partial International Company Profile (ICP) services.

eCommerce

Internet usage is on the rise and, according to the Botswana Communication Regulatory Authority 2018 annual report, is now used by some 50,514 fixed broadband subscription and 1,523,545 mobile broadband penetration of the population. The Global Information Technology Report for 2018, ranked Botswana 101 out of 139 in its Networked Readiness Index. The GoB has sought to lower the cost of internet usage by offering substantial discounts to internet providers to lease government-owned fiber-optic cables. Mobile broadband service using cellular technology is available, and coverage is generally good, but it is slow. DSL service through fixed lines and a relatively good national fiber backbone is somewhat reliable, but it is expensive relative to U.S. internet costs. The country, however, recently slashed data costs by 46%, making data costs competitive in the region. Although the connection to the Seacom (Africa East Coast) has been completed and Botswana has access to the ACE (Africa West Coast) undersea cable, internet speeds continue to be slow. The GoB has partially privatized the state-owned Botswana Telecommunications Corporation.

Much of Botswana uses copper telephone wire infrastructure to access the internet, which limits connections to 2 Mbps, however connections can rise to over 1,000 Mbps. BoFiNet, the SOE that controls the country's fiber optic network, is providing the infrastructure connection upgrades to diplomatic missions and businesses, and has started connecting fiber to homes and expect to have completed the project by the end of 2020.

Point of sales for credit card transactions are numerous and widely available with reliable connections to processing centers.

The GoB passed the Electronic Communications and Transactions Act in April 2014. The law enables the facilitation and regulation of electronic communications and transactions, streamlining commercial and bureaucratic procedures. The GoB earmarked \$15 million for the law's implementation in its 2014/2015 budget. Subsequently, parliament enacted an Electronic (Evidence) Records Act in 2014.

Selling Factors & Techniques

English is the official language, but Setswana is the traditional language and remains predominant in social and business interactions. Depending on the scale or target consumer, marketing materials may need to be translated into Setswana.

Trade Financing

The Botswana Development Corporation (BDC), Rand Merchant Bank (RMB), and National Development Bank (NDB) provide local project financing. In addition CEDA operates a Venture Capital Fund to provide equity capital to citizens as well as ventures between citizens and foreign companies.

There are no multilateral development banks in Botswana.

DFC's finance and insurance programs are available for Botswana. U.S. Export-Import Bank resources are also available for both trade financing and project financing in Botswana.

Methods of Payment

The most common method of payment for imports from the United States is through Letters of Credit, bank drafts, or bank transfers. TransUnion offers credit check services on the retail side and the Credit Reference Bureau (CRB) performs credit checks on the banking side.

For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at <https://www.trade.gov/trade-finance-guide-quick-reference-us-exporters>

Protecting Intellectual Property

Several general principles are important for effective management of intellectual property (IP) rights in Botswana. First, it is important to have an overall strategy to protect your IP. Second, IP may be protected differently in Botswana than in the United States. Third, rights must be registered and enforced in Botswana under local laws. For example, your U.S. trademark and patent registrations will not protect you in Botswana. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends on the national laws of that country. However, most countries do offer copyright protection to foreign works in accordance with international agreements. The local IP authority in Botswana is the Companies and Intellectual Property Authority (www.facebook.com/cipabw/), commonly referred to as CIPA, an organization that works closely with the U.S. government and the World Intellectual Property Organization (WIPO).

Granting patents registrations are generally based on a first-to-file. Similarly, registering trademarks is based on a first-to-file, so you should consider how to obtain patent and trademark protection before introducing your products or services to the Botswana market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in Botswana. It is the responsibility of the rightsholders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Botswana law. A list of local lawyers is available at bw.usembassy.gov/attorney-firms-and-lawyer-information.html. While the U.S. government stands ready to assist, there is little it can do if the rights holders have

not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rightsholders who delay enforcing their rights on a mistaken belief that the U.S. government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. government advice be seen as a substitute for the responsibility of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Botswana require constant attention. Work with legal counsel familiar with Botswana laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies (SMEs) understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Botswana and U.S.-based. These include:

- The U.S. Chamber of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- Coalition Against Counterfeiting and Piracy (CACP)
- International AntiCounterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Innovation Organization (BIO)

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For additional information, visit [Stopfakes.gov website](http://Stopfakes.gov) or contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov.

IP Resources

A wealth of information on protecting IP is freely available to U.S. rightsholders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the U.S and other countries -- call the STOP! Hotline: 1-866-999-HALT, or visit www.STOPfakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO): 1-800-786-9199, or visit www.uspto.gov.
- For more information about registering for copyright protection in the United States, contact the U.S. Copyright Office: 1-202-707-5959, or visit www.copyright.gov.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the "Resources" section of the STOPfakes website at www.stopfakes.gov/resources.

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.stopfakes.gov/businesss-tools/country-ipr-toolkits. The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.
- For additional information, visit [Stopfakes.gov website](http://Stopfakes.gov) or [contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov](mailto:Stevan.Mitchell@trade.gov).

The U.S. Department of Commerce has positioned IP attachés in key markets around the world. You can obtain contact information below for the IP attaché who covers the following countries and regions:

South Africa/Southern Africa

Sifiso Twala

1 Sandton Drive Sandhurst, 2196 Johannesburg

+27 11 290 3061 Sifiso.twala@trade.gov

Selling to the Public Sector

Public procurement in Botswana is centralized. The Public Procurement and Asset Disposal Board (PPADB - www.ppadb.co.bw) awards government tenders valued within a range of \$5 million, but primarily above \$10 million depending on the approved level of devolvement for each ministry and going into the billions. The tender process generally follows relevant regulations and procedures. The PPADB's Complaints Review Committee reviews PPADB decisions challenged by stakeholders. The PPADB publishes decisions concerning awarded tenders, prequalification lists, and newly registered contractors on its web site and in the Government Gazette. Although lobbying the PPADB directly is prohibited, foreign businesses may contact the individual government departments which request the creation of PPADB tender offers to discuss the products and services they offer.

The government is the largest consumer of goods and services in the country. In the 2018/2019 fiscal year the GoB spent more than \$1 billion in public procurements, excluding micro procurement by Ministries. Generally there has been a reduction in tenders adjudicated by PPADB as it has increased the financial threshold of the ministerial tender committees and district administrative tender committees in building towards the objective of devolving its authority to tender committees over time and focusing on oversight. Ministerial Tender Committees and District Administration Committees collectively handled close to 5,636 adjudications, worth \$681.9 million during the 2018/2019 fiscal year. The National Development Plan, Version 11 (www.finance.gov.bw/index.php?option=com_content&view), outlines key government projects through 2023 valued at 101.4 billion Pula. The largest include defense equipment procurements to modernize the Botswana Defense Force, water transportation and treatment infrastructure, power grid investments, land servicing, and transportation infrastructure.

The U.S. Embassy can assist in making initial business contacts with government officials through paid commercial services. Investors should be aware that increasing government procurement requirements contain preference schemes for Botswana citizen-owned businesses and locally-based businesses. Consult the investment climate chapter for further details. Note that unless otherwise specified, many bids are required to be registered with the PPADB, this however does not apply to foreign companies unless the company has registered to operate as a local company. The U.S. Embassy offers a service whereby U.S. companies interested in bidding on projects in Botswana can have tender documents delivered to them. More information is available on our website (bw.usembassy.gov).

U.S. companies bidding on government tenders may also qualify for U.S. government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms, but often involves the U.S. Embassy or other U.S. government agencies expressing support for the U.S. bidders directly to the foreign government. Consult [Advocacy for Foreign Government Contracts](#) for additional information.

Financing of Projects

Most big infrastructure projects in the country are financed through budget allocations, and some are jointly financed through government funds and borrowing from big corporations such as the World Bank, African Banking Corporation, Japanese International Corporation Agency (JICA), Chinese soft loans, etc. A good example of such projects is the Kazungula bridge, which was built with a contribution of funds from the government of Botswana, government of Zambia, and the African Bank.

Multilateral Development Banks

The World Bank has an office and a Resident Director in Botswana. They are reachable at: Tel : +267-310-5465

Other MDBs without representation in Botswana are as follows: African Development Bank (AfDB) – www.afdb.org

Asian Development Bank – www.adb.org

European Bank for Reconstruction and Development – www.ebrd.com

Financing Web Resources

Export-Import Bank of the United States: www.exim.gov

Country Limitation Schedule: www.exim.gov/tools/country/country_limits.html

International Development Financing Corporation (DFC): www.dfc.gov

United States Trade and Development Agency: www.ustda.gov

SBA's Office of International Trade: www.sba.gov/oit

USDA Commodity Credit Corporation: www.fsa.usda.gov/cc/default.htm

U.S. Agency for International Development: www.usaid.gov/

Business Travel

Business Customs

Botswana business and GoB counterparts tend to be more reserved and formal than in the U.S. business world. Some are distrustful of outsiders and the former president fomented anti-foreigner sentiment throughout the country. Formality and respect for protocol are valued in Botswana and facilitate good relationships. Respect for elders is important in Botswana culture. The use of first names generally takes longer, and it is a good idea to wait until your contact from Botswana initiates the practice. It is best to re-confirm business meetings 24 hours in advance directly with the person you are to meet. Even carefully arranged meetings may sometimes start late, be cancelled without notice, or be delegated to another person. Business meetings may be interrupted by telephone conversations. Although odd for a U.S. businessperson, these occurrences are not indications of a lack of respect or interest in your business proposal. Business decisions take months or even years in Botswana. In addition, government and businesses often do not take business proposals seriously if they are not provided by an individual or company physically located in Botswana.

Travel Advisory

Due to COVID-19, Botswana has restricted travel from high risk countries. Visitors should check the Department of State website for updates when planning to travel. Botswana Travel Information: <https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/Botswana.html>

Visa Requirements

A valid U.S. passport is required for entry into Botswana. No visa is required for U.S. citizens staying in Botswana up to 90 days. The GoB maintains some entry restrictions for periods up to a month related to travelers arriving from Ebola affected countries, although these restrictions are not always published.

A work permit is required to work in Botswana, and the previously frustrating process has since improved during President Masisi's tenure. A company can request a three to five-year exemption for the following top executives of their companies, with support from the Botswana Investment and Trade Center (BITC):

1. Chief Executive Officer
2. Production Manager
3. Technical Manager
4. Operations Manager
5. Sales and Marketing Manager
6. Financial Manager

Approved International Financial Services Centre companies are also permitted to use this process for the following:

1. Chief Executive Officer
2. Head of Treasury
3. Head of Accounting Department
4. Head of Risk Management

U.S. companies that require travel of foreign business persons to the United States should be advised that the issuance of a visa to the United States is not guaranteed and eligibility for a visa under U.S. law is determined by the Consular Officer. Visa applicants should go to the following link:

U.S. Embassy Gaborone Consular Section: bw.usembassy.gov/visas/nonimmigrant-visas-tourism-visit

Currency

The Botswana Pula (BWP) is the commonly accepted currency. However, there are a few outlets like gas stations and supermarkets (i.e., Spar, Choppies) that accept the South African Rand and some hotels do take U.S dollars. Credit and debit cards are accepted in all the major stores, hotels, gas stations, and food outlets. ATMs are also spread across the country in major cities, towns, big villages, hotels, and at the airports, and accept Visa, Maestro, and MasterCard. American Express, Discover, and Diners Club cards are not frequently accepted.

One can easily exchange foreign currency for local currency through the local banks or currency-exchange agencies.

Telecommunications/Electronics

The Botswana Telecommunications Corporation maintains a de facto monopoly on most voice services, and maintains the country's fixed-line services exclusively. Internet prices have since gone down as the telecommunications authority, BOCRA, recently slashed data costs by 46%. Internet speed is also improving with the intervention of BoFiNet's connection of fiber to homes and fiber to businesses. BoFiNet has also set up free internet 'Hot Spots' in various public places like malls and airports. DSL service is available. Power runs on 230V, 50 Hz using type D, G, and M plugs.

Transportation

Although major roads are generally in good condition, the combination of long, tedious stretches of two-lane highways, high speed limits, and the occasional presence of large animals on the roads make for dangerous driving conditions overall. Driving at night on rural highways should be avoided. Taxis are available in towns but are infrequent and are often not present at the airport. Gaborone has several 24-hour door-to-door taxi services, but these can be unreliable. Major hotels provide periodic shuttle bus service to the downtown area, but arranging transfers between business appointments is often difficult. Renting a car is recommended for busy appointment schedules in Gaborone. Rental agencies will provide a driver for an additional charge, an option some may wish to consider as traffic moves on the left in Botswana.

Language

English is the official language of government and business in Botswana. Setswana is the predominant national language and the first language of most Batswana.

Health

Inoculations are not required for visitors to Botswana. Malaria prophylaxis is necessary for those traveling north of Mahalapye, especially in the Central Kalahari, Chobe, Tuli Block, Ngamiland, and northern game parks and reserves, and the Bobirwa area in the east. Tap water in the major towns is generally safe to drink, although it is always safer to drink bottled water. Medical facilities in Gaborone and Francistown are adequate, though in some cases there has been a need to transfer patients to neighboring South Africa. In the rest of the country, they are limited. Health providers often expect immediate cash payment for health services. U.S. medical insurance is not always valid outside the country. Some hospitals in Botswana accept British United Provident Association (BUPA) medical aid cards. Although BUPA is originally a UK based company, it operates in over 190 countries including the United States.

Local Time, Business Hours, and Holidays

Businesses will be closed in Botswana in 2020 on January 1 (New Year's Day), April 10 (Good Friday), April 13 (Easter Monday), May 1 (Labor Day), May 21 (Ascension Day), July 1 (Sir Seretse Khama Day), July 20 (President's Day), July 21 (Public Holiday), September 30 (Botswana Day), December 25 (Christmas Day), and December 26 (Boxing Day).

Local government/business hours are commonly from 07:30-12:45 and 13:45-16:30, and GoB offices often close on Fridays after lunch. (Check the Embassy website for updates: bw.usembassy.gov).

Many businesses and GoB offices close or operate with minimal staffing in December and January, the week of Easter, and mid-July.

Local time is seven (7) hours ahead of Eastern Time from November-April, and six (6) hours ahead from May-October. Botswana does not observe daylight savings.

Temporary Entry of Materials or Personal Belongings

All persons arriving in Botswana are expected to declare all recently purchased goods in their possession to a customs official on a baggage declaration form (Form J). Baggage searches may be conducted to check for illicit goods. Visitors should check for updated guidance at www.gov.bw/Visitors/topics/Entry-Requirements/Entry-Requirement/.

What You Must Declare:

- All recently purchased goods acquired outside Botswana in one's possession, including items received as gifts, such as wedding or birthday presents.
- Repairs or alterations to any items or vehicle one took abroad and then brought back, even if the repairs/alterations were performed free of charge.
- Items one bought in any duty-free shop including such items bought duty-free on aircraft or ship.
- Items one is bringing home for someone else.
- Items one intends to sell or use in one's business.

To Avoid Delays with Baggage Declarations:

- Produce all receipts and sales slips for goods purchased outside Botswana.
- If one is unsure of the goods and values, the GoB instructions are to declare and ask for assistance from the customs officer.

Customs duties are not charged on the following goods imported as accompanied or un-accompanied passengers' baggage:

- Personal effects, sporting and recreational effects, new or used – imported by non-residents of Botswana for their own use; imported by persons making a bona-fide change of residence to Botswana; exported by residents of Botswana for their own use while abroad and subsequently re-imported by such residents. The goods must be identifiable as those exported from Botswana.
- The following articles and consumables (excluding any goods the importation of which is prohibited), declared at the place where the traveler enters Botswana, and not imported on behalf of other persons or by way of trade, may be admitted free of duty and, where applicable, Value Added Tax (VAT). Wine - 2 litres, Spirits and other alcoholic beverages - 1 litre, Cigarettes - 200, Cigars - 20, Cigarette or pipe tobacco - 250 gms, Perfume - 50 ml, Eau de Toilet - 250 ml. Other new or used goods of a total value not exceeding (from outside SACU) - 3000 UA*. Other new or used goods of a total value not exceeding (from SACU) - 500 UA*. (*UA is equivalent to One South African Rand.) Additional goods imported from outside SACU, new or used of a total value not exceeding 12,000 UA* per person, excluding the consumable items detailed above, are admissible at a flat rate of 20%, if the owner so elects.

Notes:

- Duty will be payable at the applicable rates where travelers import goods exceeding the above allowances. Travelers importing goods for business or commercial purposes will not qualify for the above allowances.

- The concession for new and used goods specified above do not apply to such goods imported by residents of Botswana returning after an absence of less than 48 hours.
- With the exception of those relating to tobacco and alcoholic products, the concessions may be claimed by children under the age of 18 years, whether or not their parents or guardians accompany them, provided the goods are for use by the children themselves.

Travel Related Web Resources:

Government of Botswana homepage: www.gov.bw

U.S. Embassy, Gaborone, Consular Section: bw.usembassy.gov/botswana/consular.html

U.S. Department of State Travel Advisory for Botswana: travel.state.gov/travel/cis_pa_tw/cis/cis_1071.html

Hospitality and Tourism Association of Botswana: www.hatab.bw/

Botswana Investment and Trade Centre: www.bitc.co.bw

Investment Climate Statement (ICS)

The U.S. Department of State's Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State's [Investment Climate Statement](#) website.

Political Environment

For background information on the political and economic environment of the country, please click on the link to the U.S. Department of State [Countries & Areas](#) website.

For more information on the political and economic environment of Botswana, please click on the link below to the CIA World factbook:

<https://www.cia.gov/library/publications/the-world-factbook/geos/bc.html>