



BUSINESS BOTSWANA

45TH MEETING OF THE HIGH LEVEL CONSULTATIVE COUNCIL

VENUE: FAIRGROUNDS HOLDINGS

DATE: Thursday, 15th November 2018

**REMARKS BY: Business Botswana President, Mr Gobusamang
Keebine**

- **Your Excellency the President Rre Masisi;**
- **Your Honour the Vice President Rre Tshogwane;**
- **Honourable Ministers and deputy Ministers,**
- **Permanent Secretary to the President;**
- **The Director General of the National Strategy Office;**
- **Permanent Secretaries here present;**
- **Commander of the Botswana Defence Force;**
- **Commissioner of Police;**
- **Senior Government Officials;**
- **BB Council Members and HLCC Coordinators,**

Ladies and Gentlemen, good morning to you all!

1. As we gather here this morning to continue to seek lasting solutions to make Botswana the best place to do business and hence create opportunities for economic growth and job creation let us take cognisance that all over the world other countries are also doing the same as us hence we need to be genuine in our efforts and ensure that what we seek for our country is only but the best.
2. Your Excellency this HLCC follows the SONA where you **“recognised investment promotion as key to economic growth and job creation, as it leads to expansion of existing and establishment of new industries”**
3. A few days before the State of The Nation Address, the World Bank also released its annual flagship report on Doing Business and expressed similar views regarding investment promotion. The World Bank Group President Jim Yong Kim stated that ***“The private sector is key to creating sustainable economic growth and ending poverty around the world,”*** He added: ***“Fair, efficient, and transparent rules, which Doing Business promotes, are the bedrock of a vibrant economy and entrepreneurship***

environment. It's critical for governments to accelerate efforts to create the conditions for private enterprise to thrive and communities to prosper.”

4. We therefore intend to use the HLCC process to, in the words of the World Bank President, *“accelerate efforts to create conditions for private enterprise to thrive...”* We are excited, Your Excellency, that in the SONA, you devoted a lot of time to improving the regulatory environment for doing business. Therefore we have no doubt in our minds that the private sector has a reliable partner in promoting private enterprise as the engine for growth and job creation.
5. We also welcome plans to establish the **Economic and Investment Board** which you shall chair. Your decision to chair the new Board is an important signal of your resolve to promote investment.
6. In the same vein, Your Excellency, we wish to propose that the Doing Business agenda be coordinated by OP to help us keep pace with other countries in the region who are rated above Botswana. You may recall that we have proposed this before but were met with a lot of push back. We recognise that it is not our place to prescribe the allocation of Government duties; however our proposal is reinforced by the World Bank presentation at our last HLCC in this very room, where Mauritius and Macedonia were cited as examples of economies that owed their success to direct involvement of the heads of state in driving business reforms.

We therefore respectfully re-submit our call for coordination by the highest office in the land.

7. H.E attend NBC

Your Excellency, BB would like to extend its sincere gratitude's and thank you for having made time and spent time with private sector at the NBC in Francistown in September; we sincerely appreciated that.

According private sector the “**Conversation with the President**” time; a Q&A session and having lunch with attendees of the conference was highly appreciated.

Not to be seen as demanding too much, such type of open conversation create confidence in the private sector about the future of the country.

Consequent to the 15th NBC who's theme was “*breaking through to a high income Botswana – the role of the private sector in charting the path*”; a theme adopted from the **VISION 2036**, BB resolved that the resolutions coming out of the NBC must become a standing agenda item within HLCC until they are implemented; HLCC shall carry out a M&E role over the vision period. The greatest fear being that should these be removed from being standing agenda item the focus will with time fade away.

In this regard the NBC identified the following as paths to be followed to attain a high income status:

a) Innovation

- i) Acceleration of digitisation through e-Gov.
- ii) Develop and implement an innovation system

b) Building International Competiveness

- i) Implement special economic zones
- ii) Accelerate the implementation of the doing business reform roadmap.
- iii) Develop infrastructure plan

c) Human Capital Development

- i) Implement the revised national policy on education
- ii) Collaborate with the World Bank on the Human Capital Project.
- iii) Review social welfare programmes

d) Sustainable SMMEs

- i) Introduce supplier development programmes
- ii) Assess access to finance
- iii) Implement land use reforms

e) Governance

- i) Implement civil service reforms to promote a high performance culture.
- ii) Rationalise state owned enterprises
- iii) Develop monitoring and evaluation systems

f) Project implementation

- i) Adopt modern project management practices and establish a project management office to execute high priority projects

8. Business Botswana will continue to strive to ensure that private sector meaningfully engage in the growth of the economy; sustainable employment creation and in paying taxes among others.

9. BB get concerned as a partner when certain activities directly impacting on business are undertaken without consultation. BB recognises that there may be gaps when it comes to enacting and/or reviewing new or existing policies, laws and regulations that affect business; a deliberate effort must be undertaken to ensure these are discussed in either this forum or at the Sector Level Consultative Councils.

a) BB still get concerned comments on the matters relating to *immigration issues*; permits, visas etc. that despite the pronouncement made by HE in April progress is slow.

b) BB is concerned that though the special economic zones have been created, private sector participation and involvement is not clearly defined hence the latter have no role to play to date, a meaningful participation by private sector sought not be an option.

c) BB is concerned that though Government recognise it as a partner in development, Government still accord unorganised private sector an ear who are not members of BB; our worry is since these “other” private sector players are not our members should they involve in acts contrary to laid law, private sector through BB is castigated. BB hence urge Government to encourage all private sector to associate and sign the Private Sector Code of Conduct which though is an initiation of BB can be extended to all private companies doing business with Government. To further encourage association, BB would also suggest that PPDAB act must include

incentives in tendering for companies that have associated; I assume we can pick a leave from the unions here.

- d) BB raised the matter of civil servants being allowed to engage in private business and raised concern with this; we would therefore reiterate our position on this and urge Government to relook at this policy as the implications on the ground are proving to be disastrous.
- e) Your Excellency, BB has in the past registered concerns about delays in the BQA registration and accreditation processes. These delays continue to cause policy uncertainty as private education providers find it difficult to make investment decisions. As your Excellency is aware, in business uncertainty is undesirable. BB has brought this matter to HLCC because there was no consensus at the sector HLCC; BB therefore call on this august body to address this situation as a matter of priority.
- f) Yet another issue that has been brought to the attention of this august gathering and deserves urgent attention; is the beef industry. This, Your Excellency, ladies and gentlemen, is a source of livelihood for the majority of Batswana especially in rural areas. Once again we are concerned that efforts to attract private investment in abattoirs as an example are hampered by the lack of clarity on beef liberalization. Once again we need to provide certainty for investors with special reference to export licences.

10. Delayed payments to service providers

Your Excellency, problems caused by delayed payments have not subsided and now indirectly affect other players in the economy. If you are not paid on time, you obviously default on your financial obligations

with your bank. Because our VAT system is based on the date the invoice is raised, business also run into problems with BURS. Your Excellency, this is a very serious problem which seem not to get the urgent attention it deserves. The issue has been in the HLCC agenda for some time now.

The delay continues to be a challenge as the BURS demand VAT payment even before the service provider has been paid.

In addressing the issue, Business Botswana had discussions with BURS, Ministry of Finance and Economic Development (MFED), and the National Strategy Office (NSO). However, the discussions are not yielding any results as BURS stated very clearly that they implement the law which states that VAT should be paid thirty days after raising an invoice.

11.Update on implementation of e-Gov

In early November Business Botswana led a trade mission to Estonia and was joined by Honourable T.S Khama.

Estonia is among the leading countries in ICT and though they got the self-rule in 1991 have been rated by the World Bank as among the leaders in implementing e-government and ICT. BB has shared a simplified e-Gov implementation process with both OP and MTC on the understanding that e-government remains a very critical ICT enabler to ensure that Botswana attains its high income status it aspires for.

As partners in the development of the country Government ought to involve private sector meaningfully in the development of the infrastructure to enable the rollout of e-gov; better still engage private

sector in the planning process to ensure that e-gov. is rolled out.

12.Estate Management Policy

This matter remains unresolved.

13.Tourism Sector

Your Excellency the following remain unresolved and have been pending for a rather too long a time.

- i.** Tourism levy – no consultation.
- ii.** Exit of RETOSA especially at a point when Botswana was elected as Chairperson – no consultation.
- iii.** Kasane Re- development Plan on tourist activities
- iv.** Uncertainty created by land concessions in the delta.
- v.** Botswana Tourism Organisation activities in competition hence crowding out the private sector.

14.Licenced citizen Diamond Dealers

HE at SONA alluded to the lack of citizen's involvement in the downstream industry of the diamond.

At the instigation of the Diamond Hub citizens licenced diamond dealers are in the final stage of registering an association named Teemane Dealers Association so as to lobby to be recognised and participate in the Debswana rough as currently locals cannot participate in the sales of Botswana diamonds but buy their diamonds from countries such as Sierra Leone to sell to diamonds dealers internationally; BB 's is citizens must actively participate in this industry to gain knowledge and experience.

15. Conclusion

Your Excellency a number of issues that have been discussed in this forum remain unresolved, in certain instances these have been referred to the line Ministries without much success. BB's understanding is that should an issue fail to be resolved at sector HLCC and be referred to HLCC, HLCC must endeavour to resolve it.

This in our view suggest the current structuring of the HLCC ought to be evaluated and retooled to be a structure to focus on resolving issues escalated to it; a structure that must engage in robust discussions to arrive at resolving issues; a structure that must focus on debating laws, policies, acts and the monitoring and evaluation of the implementing of the same.

Your Excellency, BB has concluded that due to the current structure of the HLCC many critical contributors / role players to the growth of the economy have been left out; BB is in the process of correcting this anomaly hence we have invited some of those role players today. At this juncture and until the structure of HLCC has been revamped our guests are here as observers and we hope they will give us feedback on how they see a restructured and vibrant HLCC.