



BUSINESSBOTSWANA

ANNUAL REPORT

2022



ABOUT BUSINESS BOTSWANA

Why Join?

We advocate for a conducive business environment that encourages sustainable job growth. With representation in over 40 strategic committees, we can connect you to an expanding coalition of businesses both at national, regional, and international levels.

Our number 1 job!

Is to advocate for an environment that makes it easy for businesses to start and operate. We, therefore, regularly meet with the government to articulate the benefits of simplified procedures and regulations to have a thriving free market system.

Membership Overview

Represents over 2500 businesses across all sectors of the economy. We are the vanguard and main voice of the private sector.

SERVICES

Chamber of Commerce

- Policy Advocacy
- Capacity Building
- Linkage to domestic and international markets
- Stakeholder engagement(s)
- Networking activities

Employer Organisation

- Policy Advocacy
- Promote sound labour & industrial relations
- Capacity Building
- Stakeholder engagement(s)
- Networking activities

Business Representative Body

Offer all the mentioned services to member associations. Also, encourage the spirit of associations

VISION

To be the foremost business organisation driving sustainable economic development and social transformation of Botswana

MISSION

To serve as the unified voice of business striving to enhance business environment, the vitality and competitiveness of private sector in Botswana

CORE VALUES (BB)

Professionalism & Integrity
Excellence & Result oriented
Good Governance & Accountability
Continuous learning & Innovation
Collaborative & Consultative

TABLE OF CONTENTS

1 - 10

OVERVIEW

Message from the President
CEO's Report
Representation
Board Members
Structure
High Level Consultative Council



GOVERNANCE

Finance & Audit Committee
HR Committee



11 - 12

13 - 24

DEPARTMENTAL REPORTS

Membership management
Policy Advocacy
Public Affairs Marketing & Communications
Business Development Services
Finance & Administration
Regional Office



REGIONAL PARTICIPATION

25 - 26

27 - 34

SECTOR REPORTS

Creative Arts & Media
Education
Engineering
Manufacturing
Professional Services
ICT



HLCC REPORTS

Ministry of foreign Affairs
Ministry of Trade & Industry



35 - 39

40 - 61

AUDITED FINANCIAL STATEMENTS



PRESIDENT'S REPORT



GOBUSAMANG KEEBINE

President

Business Botswana remained committed to representing and protecting members' interests, and this was achieved with the guidance and dedication of the board, secretariat, and other stakeholders all striving to better serve the private sector.

Despite the uncertain global economy, Botswana has implemented recovery programmes geared towards economic revitalisation. The GDP growth was estimated at 4.2%, and projected to be 4.1% in 2023. Botswana has not been spared from inflation adversities, due to amongst others high energy and commodity prices.

Corporate governance

On issues of corporate governance, we believe in adopting best practices and this is achieved through the board charter and private sector code of conduct. These policies seek to focus on the private sector's efforts in the fight against corruption. In that regard, I implore members to sign the private sector code of conduct and adhere to the protocols outlined.

Engagement with the Government

Business Botswana continues to dialogue with the government and advocate for ease of doing business policies and regulations as these are important for Botswana. Although fundamental engagement structures including the High-Level Consultative Council (HLCC) meetings have not taken place since May 2019, Business Botswana remains hopeful and continues to engage to resuscitate these forums as proven vital in the past as structures to engage the government at the highest level.

Business Botswana continues to work on a revamped, effective, and result-based HLCC which will be robust in influencing laws and regulatory reforms; facilitating public-private dialogue; ensuring effective platforms for business engagements; influencing the development of adequate and relevant national human capital development, and encouraging adherence to good governance.

In this regard, Business Botswana has adopted Environment, Social, and Governance (ESG) as a basis for engaging the government.

Since I assumed the Presidency, 7 years ago, we have been lobbying the government to stop the policy of allowing civil servants from participating in private business as it breeds corruption; Business Botswana continues to advocate for the position as it would in most cases ensure a less conflicted civil service.

Competitiveness

As the Apex voice of Business in Botswana, we are convinced that friendly Government policies and regulations are key to the economic growth of any economy. It is therefore befitting for me to recognize that through our engagement with the Government, a sound environment has been created to ensure that businesses operate successfully both at national, regional, and international levels, despite this, Botswana's World Bank rating in competitiveness continues to decline.

There is a lot that needs to be done to improve Botswana's productivity and increase the level of economic prosperity. Among recent strategies adopted by the government, "Mind Set Change" poses a great potential to turn around the fortunes of the country as far as productivity is concerned.

With the signing and subsequent ratification of the African Continental Free Trade Agreement (AfCTFA), Botswana will have access to a market of over 1.3 billion people on the continent. We urge and encourage members and the entire private sector to take advantage of the opportunity.

Ease of Doing Business

Doing business continues to remain a challenge, attributed to the high costs of fuel, electricity, water, land, and other non-tariff barriers imposed from time to time. Businesses need to migrate to e-services platforms and Business Botswana continues to urge the government to ensure these are expedited to cut on the cost of doing business. The digital economy is the future of any business and the need to expedite connectivity is very critical. Given this, businesses remain constrained to sustain and or even expand their establishments which will ultimately impact the growth of the private sector as well as the competitiveness. Creating a thriving and competitive private sector remains essential for economic growth.

Privatisation

For the private sector to remain competitive, acceleration of the privatization policy must be of high priority and we remain committed to engaging the Government on exiting the private sector space. We, however, appreciate efforts made by the Government to rationalize state-owned enterprises (SoEs), but we still believe that some areas/businesses would do better if privatised.

Small, Medium, and Micro Enterprises (SMMEs) development

Business Botswana remains concerned with the very minute growth and performance of the SMMEs and start-ups and on the lack of policy shifts to focus on growing these sectors of the economy as it has been proved worldwide that the economy of most countries depended on these sectors to provide most jobs and contribute significantly to the GDP.

Business Botswana continues to advocate for deliberate policy biased toward the growth of this sector.

Business Botswana hence would want to see purposeful and focused policies from the newly established Ministry of Entrepreneurship in coming up with such policies targeting this sector. Policies about growing the SMME sector must be adopted quickly and the sector be effectively capacitated and contribute meaningfully to the economy.

Conclusion

Business Botswana has over the years focused on the importance of growing the private sector, specifically SMME and SME, however together with the government need to design policies that are focused on implementing robust and actionable sectoral roadmaps, which will propel Business Botswana's mandate.

Business Botswana continues to appeal not only to its members but to all companies doing business in Botswana to submit issues that affect their sector for discussion and finding lasting solutions to ensure that businesses thrive. We do so by engaging all sectors of the economy in all corners of the country and in all forms of businesses to encourage and advise on doing business, in some instances, this includes non-members of the organization.

Business Botswana continues to evaluate business trends and influences worldwide hence recently we have among others:

- a.** Opened an office in China to assist both our members and non-members as they venture to do business in China. Business Botswana strongly believes this office will be handy to assist in transacting business with Chinese enterprises.
- b.** Signed MOA with Turkey, Rwanda, South Korea, etc., and hope that Botswana businesses engage business with these countries

CHIEF EXECUTIVE OFFICER'S REPORT



NORMAN MOLEELE
Chief Executive Officer

I am delighted to present to you the Business Botswana annual report for the period ending December 2022. The report provides an overview of the organization's achievements and challenges experienced during the year under review.

The current strategic plan will come to an end in December 2023, and it is anchored on four strategic thrusts, these being;

Making business happen through policy advocacy and lobbying,

b) Building the vitality and competitiveness of the

private sector,

c) Engaging the private sector in promoting

economic development,

d) Making Business Botswana a more efficient

and effective organization.

Secretariat as the implementing agency aims to; review and enhance services offered to members, and their tangible benefits, including its advocacy role for private sector growth. I must admit that implementation has had its challenges but despite this, we have achieved progress on some activities and these include:

Launched and implemented a robust membership plan to ensure multi-sectoral, multi-disciplinary and regionally diversified active members

ii) The Customer Service Charter has been approved by the Board including the Vision, Mission and Core values

iii) A Board Charter has been approved by the BB Board and is expected to be implemented.

I, must however, indicate the need to review both the strategic plan and current organisational structure with a view to improving communications and services to our various stakeholders and redefine Business Botswana's role as a key player in driving the economy from public to private-led. The transformation has required a serious paradigm shift, not only by the board and secretariat but also members.

The process is ongoing and we anticipate the exercise to be completed before the end of the 2023 financial year.

Overall performance:

It is worth noting that the organisation continued to experience financial challenges and significantly relies on subscriptions for sustainability. Given this, subscriptions continued to increase during the current year, as a result of increased marketing efforts, increased publicity and the level of support and service we continued to provide our members. Having increased our membership structure in April 2022, to reflect rising costs. I wish to indicate that membership fees have not been revised since 2018.

Business Facilitation:

Business Botswana remains committed to harnessing its advocacy with a view to building a vibrant, and competitive private sector, that can contribute to the socio-economy of Botswana and ultimately create the much-needed jobs. In 2022, our policy and advocacy agenda focused on delivering support for employers facing labour market challenges, advancing sustainability goals and projects for members, and representing members' interests.

Our advocacy efforts are reflective of the priorities of our membership, and developed through professional expertise of members on the various committees, and boards working on business facilitation aimed at simplifying the processes and procedures for ease of doing business as well as other trade barriers. Together, the input and priorities of these groups shaped the implementation of the secretariat in their day-to-day engagement with the government, and other stakeholders.

We, therefore, urge members to support our policy and advocacy efforts through participation in specialized reports, surveys, and roundtables with stakeholders including the government.

Economic revitalisation:

Private Sector Recovery Plan

The Private Sector Recovery Plan (PSRP) was developed on the backdrop of the effects of COVID-19 on businesses, as with other countries, Botswana has been hit hard by the pandemic. The UNDP supported Business Botswana to develop the PSRP. The plan is informed by one overall guiding objective: for the private sector to act as its driving force. This is meant to see the private sector embarking on a new way of doing business in Botswana, developing away from what was in place before the global economic crisis and forging a new path.

The plan foresees several transformations in the private sector to help us achieve that goal. These include

A more inclusive private sector, with particular emphasis on the participation of youth and women,

b) An economy with technology, in particular digital technologies, as its backbone,

c) A diversified economy, with strengthening local value and supply chains

d) A greener economy, capitalising on opportunities to recycle and utilise renewable energy,

e) A commercially independent agriculture sector capable of self-reliance.

The rollout of the plan has seen the following activities take place, and involvement in the following:

- Manufacturing sector restructuring & recovery strategy plan
- Energy sector activities which will enable the private sector more involved in renewable energy initiatives, as well as capacity building.
- Trade Agreements & Cross-Border processes seminar (manufacturing & agriculture sector)
- The TVET Mentorship programme launched
- MOU signed with BDIH to promote the digital solution and encourage innovation

- Planned Youth-based activities to promote entrepreneurship in youth.
- Business-to-business forum to facilitate matchmaking.

SMME development:

Business Botswana assures businesses, especially SMMEs that with the assistance of other stakeholders we are committed to continually supporting all efforts for private sector development, economic diversification and growth as well as employment creation.

a) Capacity building:

Entrepreneurial development remained pivotal in capacitating members on pertinent subject matters including but not limited to labour relations, business etiquette, and trade, and over 450 members. We will, however, continue to expand our programmes to ensure that they align to the current market needs.

b) Trade Forward Southern Africa (TFSA):

TFSA supports the SACU+M business community to grow regional and international export trade. In that regard, Business Botswana has partnered with TFSA to capacitate businesses on tools available for businesses to start and boost their exports. I am happy to report that the reception has been very positive and anticipate seeing more businesses partake in this very important campaign.

TFSA continues to showcase the Hub and has supported Botswana's private sector since 2019 and continues plans for inward investment towards economic development through partnerships over the next five years.

c) MANSA platform:

The African Export-Import Bank (AfreximBank) successfully launched the MANSA Repository Platform in July 2018. The main purpose of developing the MANSA digital platform is to provide a single primary source of Know-Your-Customer (KYC) data required to conduct customer due diligence checks on counterparties in Africa with a special focus on African financial institutions, Corporations and SMEs. Further, the platform supports African financial institutions and other corporate entities to comply with increasing international Customer Due Diligence (CDD) regulatory requirements and provides financial crime compliance professionals with a centralized source of due diligence information. Business Botswana partnered with MANSA to onboard members for free, meaning you do not have to pay to maintain your profile. By onboarding on this platform, will increase your company's creditworthiness and sufficient collateral in turn decreasing the chances of rejection for trade finance applications both in Botswana and African countries. Other benefits include:

- i) Access to key information to facilitate CDD checks on African counterparties that will increase trade growth and intra-African trade
- ii) Increased visibility and attract potential investors.

I must emphasise that the MANSA Platform is Africa's centralized customer due diligence digital repository platform to promote trade in Africa and urge members to get in touch with the secretariat to benefit from this platform.

Partnerships:

Business Botswana continues to identify strategic partners at local, regional and international levels. These partnerships complement BB's mandate for the private sector to truly become the engine of growth. BB has strategic partnerships with counterparts both in national, regional, and international environments and has developed a matrix of all MOUs and technical committees to oversee implementation progress. Relationships have improved with these organisations as a result of the MoUs.

Stakeholder relations:

International Labour Conference

Business Botswana as a representative of the private sector in Botswana attended the 111th International Labour Conference (ILC), held in Geneva, Switzerland. The ILC is an annual meeting for governments, workers and employers of the ILO member States. The objective of the Conference is to discuss a favourable and stable Labour relations climate in the member states. It also offers private sector employers the to influence and shape current and future Labour laws.

The tripartite structure's role at the conference was to primarily ensure compliance with the International Labour Standard and discuss important issues of concern. The private sector's role at the conference is imperative as it can influence government and employers' policies such as; the drafting of Conventions, and the monitoring of their implementation in member states. And also:

- It is a chance to hold governments to account for labour issues in their countries.
- It gives cases of labour rights abuses an international platform.

It can help to resolve violations by making recommendations for action to governments and through sanctioning technical assistance to member states

Regional participation:

Business Botswana is a member of the SADC Private Sector Forum (SPSF), a regional body of employer organisations. It also serves as the secretariat for the organisation. Business Botswana had several meetings including the attended the SADC meeting of Ministers of Labour and Social Partners (ELS) where SPSF was to update the Honourable Ministers on the developments taking place within the SPSF. It is worth noting that the SADC Secretariat recognizes the SPSF as a unified voice of business in the Region. And we continuously engaged on issues about the ease of doing business in the region.

Conclusion:

In conclusion, Business Botswana is driven by dynamic leaders representing the country's many industries and geographic regions, elected by the general membership. Therefore, service delivery remains our core priority, and I wish to urge all members to play an active role in the delivery of the BB mandate. Although we are out of the red zone, financial boosting remains a priority, so as to invest in initiatives to improve service delivery. I, therefore, would like to thank the Board, management, staff, members, and all stakeholders for your continuous support, and trust that this report will be of great value to you all.

STRUCTURE

ANNUAL GENERAL MEETING





BOARD MEMBERS

Gobusamang Keebine
President



Odirile Merafhe
Vice President South



Humphrey Nawa
Vice President North



Butler Phirie
Treasurer



Gao Radikwata
Agriculture



Keorapetse C Tshupelo
Construction



Tondarai Tsara
Creative Arts & Media



Golekanye Setume
Education



Dr Shadrack Kobole
Engineering



Oabile Mabusa
Financial Services



Dr Tuelo J Ntwaagae
Health Care Services



Neo Nwako
ICT



Mike Joyner
Manufacturing



Charles Siwawa
Mining & Quarrying



Julius Kamodi
Motor Trade



Siva Prasad
Professional Services

BOARD MEMBERS

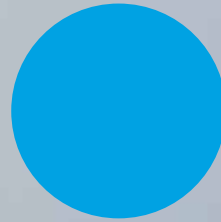
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Rolang Mpe
Petroleum



Sethebe Manake
Real Estate



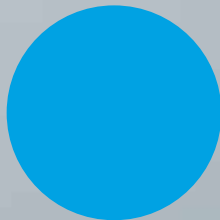
Gaolatwe Modongo
Security



Batsile Nwako
Transport



Lily Rakorong
Tourism & Hospitality



Nametso Ntsosa-Carr
WIBA



Pako Sebetlela
Youth



Faried van wyk
South Central Region



Bartholomew Seithamo
North Central Region



James Evans
Northern Region



Dennis Alexander
Specially Elected



Kabelo Binns
Specially Elected



Orefithetse Masire
Specially Elected



Tabake Kobedi
Specially Elected



Norman Moleele
Ex-Officio

STRUCTURE

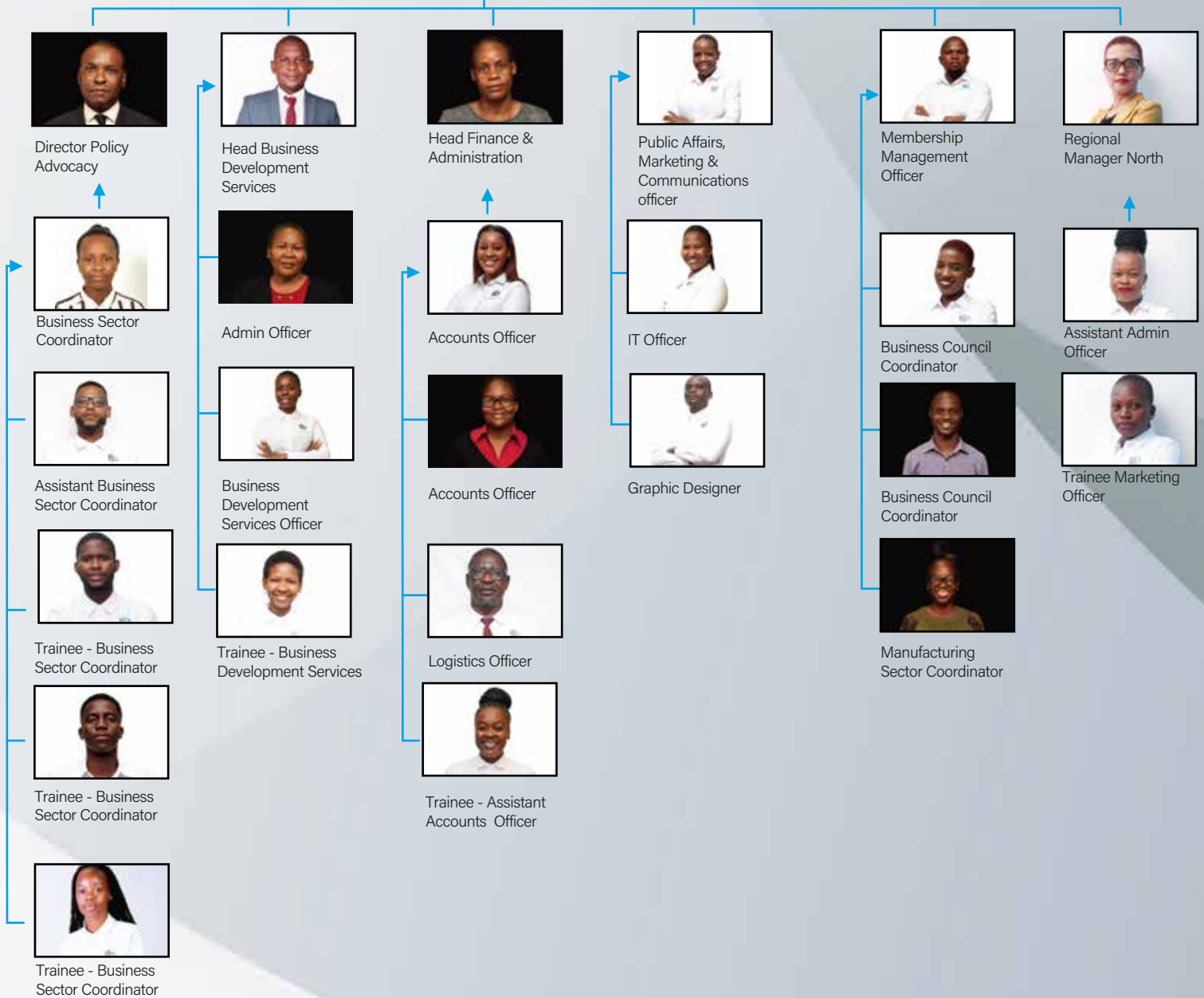
SECRETARIAT



Chief Executive Officer



Executive Assistant



**HIGH LEVEL
CONSULTATIVE
COUNCIL**
COORDINATORS



Ministry of Youth, Gender, Sports & Culture
Pako Sebetlela



Ministry of Transport & Public works
Batsile Nwako (Transport)
Keorapetse C Tshupelo (Public Works)



Ministry of Agriculture
Gao Radikwata



Ministry of Communications & Information
Neo Nwako



Ministry of Trade & Industry
Vikash Ponangi



Ministry of Defence & Security
Gaolatwe Modongo



Ministry of Minerals & Energy
Charles Siwawa



Ministry of Education
Golekanye Setume



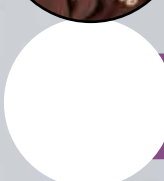
Ministry of Local Government & Rural Development
Oitlogetse Rantaung



Ministry of Environment & Tourism
Lily Rakorong



Ministry of Lands & Water Affairs
Sethebe Manake



Ministry of Finance
Oabile Mabusa



Ministry of Labour & Home Affairs
Vanish Madondo



Ministry of Foreign Affairs
Joseph Willie



Ministry of Justice
Manhar Mooney



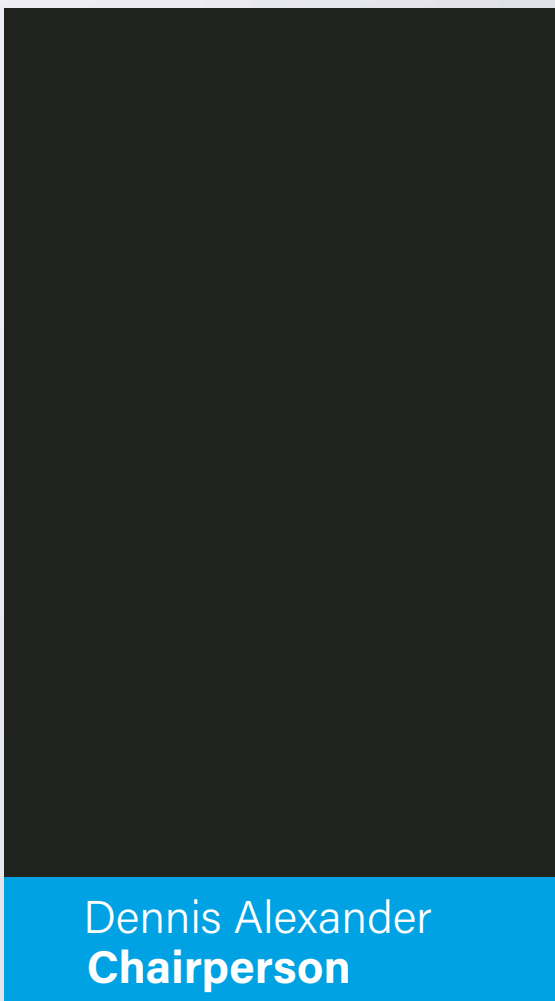
Ministry of Health
Dr Tuelo Ntwaagae

GOVERNANCE

FINANCE AUDIT COMMITTEE

The committee under the chairmanship of Mr. Denis Alexander continued its role to monitor closely the financial performance and asset management of the organisation.

The year under review saw the implementation of all activities including amongst others the Northern Trade Fair, golf event, and the National Business Conference. These activities added a boost to the organizational revenue.



Dennis Alexander
Chairperson



Siva Prasad
Member



Butler Phirie
Member

GOVERNANCE

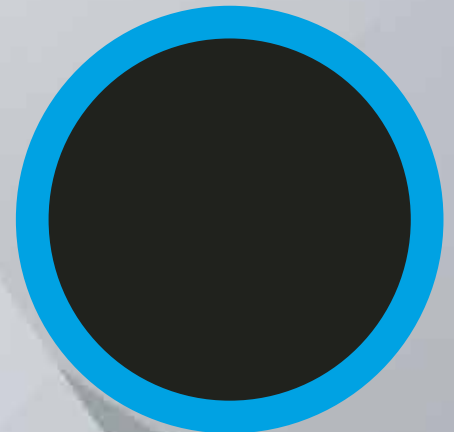
HR COMMITTEE



Orefithetse Masire
Chairperson



Charles Siwawa
Member



Richard Malikongwa
Member



Neo Nwako
Member

BB DEPARTMENTS



Membership Management

Policy Advocacy

Public Affairs, Marketing
& Communications

Business Development Services

Finance & Administration

Regional Manager

DEPARTMENTAL REPORT

MEMBERSHIP MANAGEMENT



OFENTSE RAMAKOLOI
Membership Management Officer



MOGOMOTSI TADUBANA
Business Council Co-ordinator



CHENDZIMU MBAIWA
Manufacturing Sector Coordinator



BOITUMELO LEKABA
Business Council Coordinator

Provide a link between the private sector and Business Botswana through the provision of services to members and connect members both at local and national levels through Business Council networks. Key performance areas include but were not limited to:

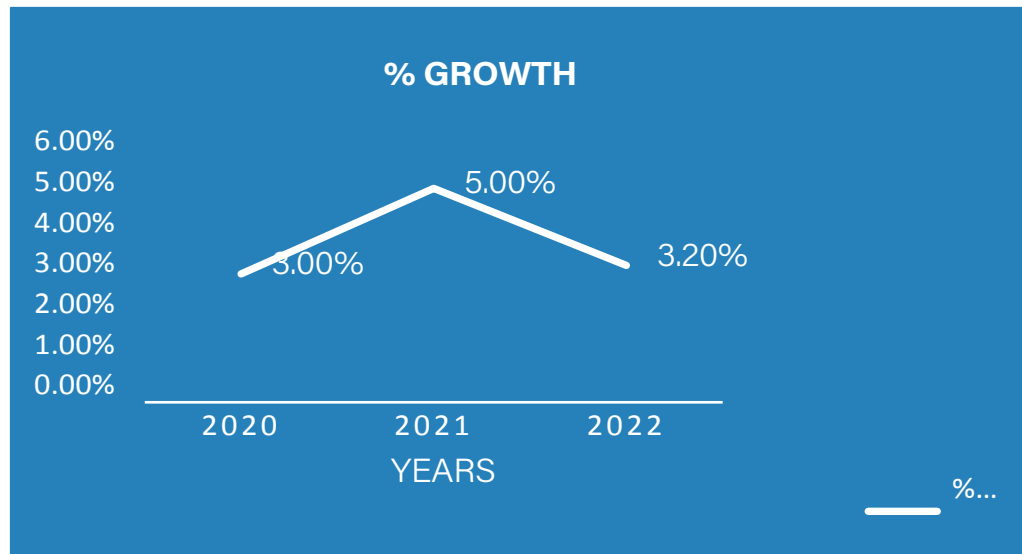
Membership growth:

Members are continuously engaged to ensure they are served better through customer service-oriented initiatives. The membership encompasses all 22 sectors of the economy, comprising over 85% of Small, Micro, and Medium Enterprises (SMMES). It has grown by approximately 3.2% in the year 2022, a slight decrease of 1.8% in comparison to 2021. This resulted in a 105 increase in subscription collections.



Membership Subscription:

Continuously meets and greets were undertaken to ensure continuous engagements with members and hear how they can serve them better. Through this and other customer services-oriented initiatives, the department managed to achieve a 10% increase in subscription collections

Membership Per Size Graph**Membership Benefit:**

The department ensured that members accessed the benefits whenever they needed them through walk-ins, telephonic enquiries, awareness campaigns, site visits (Business Council), and events.

Support to Business Councils and Sector Annual General Meetings:

Each year all the Business Councils and Sectors hold Annual General Meetings (AGM) and ratify their representatives in the Business Botswana Council. Only five sectors held the AGMs Education, Agriculture, Engineering, Wholesale, and Transport while other sectors are represented by their association namely: Hotel and Tourism, Mine & Quarrying, Security and Finance.

Information Dissemination:

The department participated in various Radio shows namely Doing Business (Gabz fm), Masa-a-sale (RB1), Sefalana sa papadi (RB1), and Tatediso ya Dikgang to share information about Business Botswana advocacy efforts, events, campaigns and networking sessions.

ACTIVITIES**Public Private Dialogue (PPD)**

In an effort to harness and improve the private sector growth, the department through the technical support of the British Council and Cooperation and Development (BMZ) under the Investment Climate Forum facility aided Business Botswana in assessing the private sector recovery plan(2022-2025) and translated it to actionable to improve the investment climate and business environment at the district and local levels.

Furthermore, the project aimed at strengthening engagement between the Business Councils and local authorities. The Business Councils (BC) play a pivotal role in advancing private sector facilitation and growth at the district levels. The chairpersons co-chair the Local Level Consultative Council (LLCC) meetings with the respective District Commissioners.

Review and Updating of the Private Sector Development Strategy (PSDS)

The team accompanied consultants undertaking the review and updating of the PSDS in various localities including Tsabong, Ghanzi, Mochudi, Molepolole, Kanye, Gaborone, Jwaneng, Maun, Kasane, Palapye, Mahalapye, Serowe, and Francistown. The purpose of these visits was to solicit input from members on the strategy outlook and ensure it covered district councils' investment and growth aspirations.

Fostering Trade Relations

In an effort to facilitate members to foster opportunities both at national, regional, and international levels. A member of the Molepolole Business Council was successfully assisted in partnering with Mitsubishi Agricultural Machinery of Japan to deliver a project for the Ministry of Agriculture.

DEPARTMENTAL REPORT

POLICY ADVOCACY

DICHABA MOLOBE
Director - Policy Advocacy



MOTHEO MAJE
Business Sector Co-ordinator



GOITSEMODIMO MOSANINDA
Assistant Business Sector Co-ordinator



GOFAONE OMPHILE
Business Sector Co-ordinator Trainee



AMANTLE MOTHEI
Business Development Officer Trainee



KEFENTSE DITIRWA
Business Sector Co-ordinator Trainee

The department ensures effective implementation of the business agenda of Business Botswana by influencing policies and programmes for a conducive business environment.

POLICY AND LEGISLATIVE DEVELOPMENT**1. Economic Inclusion Bill:**

Involved in the formulation of the Economic Inclusion Bill, which intended to promote the participation of targeted citizens in the economic growth and development of the economy. Business Botswana, however, cautioned the government to strike a balance between Foreign Direct Investment (FDI) and targeted citizen empowerment.

The establishment of the Empowerment Office and the appointment of the coordinator are ongoing. Furthermore, the regulations are currently being drafted and Business Botswana awaits the draft.

2. State-owned Enterprise Ownership Policy:

Business Botswana is a member of the reference group established by the Public Enterprises Evaluation and Privatisation Agency (PEEPA) to develop an Ownership policy for State Owned Enterprises. Consultations on the policy are still ongoing.

3. Private Security Services Legislative Framework (Act And Regulations)

Sat in the joint task team with the Ministry of Defence and Security to review the Act and the regulation of private security service. We are of the view that some parts of the Act are ambiguous hence not regulating nor facilitating the industry accordingly. Recommendations of the task team have been submitted to the Attorney General's Chambers for amendments.

Business Botswana was further involved in the review and amendment of the following:

- Review of the National Investment Strategy
- Review of the Liquor Amendment Act
- Review of the Industrial Development Policy
- Amendments to the Income Tax and Value Added Tax Acts

16th National Business Conference

The conference was held in Francistown on the 17th -18th October 2022 under the theme: Road Map to High Income- Accelerating Transformation, and officially opened by His Excellency the President of the Republic of Botswana. The headline speaker was Mr. Shingai Mutasa, Chief Executive Officer of Musawara Group.

The resolutions reflected the thrust of the conference deliberations and the deep recognition of the urgency for rapid private sector-led economic transformation and growth.



DEPARTMENTAL REPORT

PUBLIC AFFAIRS, MARKETING AND COMMUNICATIONS

PATIENCE LEBOTSE
Public Affairs, Marketing &
Communications Officer



THABISO SELEKE MADISAKWANE
IT Officer



BAKANG KENNEDY JONAS
Graphics & Communications Officer

Throughout the year, the comms team continued efforts to promote the activities of the BB, and members of the business community have been constantly updated on the publication and other events organized by the institution.

An integrated communication plan has been developed to further cater to the needs of the business community and will be deployed during the course of the year.

Media Strategy**Media monitoring:**

The media play an essential role in communicating Business Botswana's output and advocacy agenda. We appreciate the support we were given by both Print and Electronic media. Business Botswana received adequate coverage through media invitations at various activities, press releases, media enquiries, jingles, and advert flighting. Continuous feedback was provided on the media coverage of the activities of BB.

Social media:

These tools have been the main channels used for engaging content and targeted campaigns during the year. The platforms generated over 30,000 impressions, and these tools remain key platforms for our forthcoming campaign effectiveness.

Member Relationship Management**Member visits:**

Business Botswana has made a deliberate effort to regularly engage its members, where we got to visit the premises of manufacturers, service providers, and retail outlets. This platform gave us an understanding of the challenges businesses in general were experiencing.

This effort has helped us immensely in setting the tone for what we as the private sector need to accomplish to ensure that a conducive economic environment is in place. Members appreciated the visits; as they view it as a way of Business Botswana taking services to its members.

Events and special projects

Marketing has been key for the promotion of BB and its business units. The department has been actively involved in the coordination and production of marketing and branding materials for different projects undertaken in 2022. These include:

Annual Golf Day:

One of the biggest networking events on the chamber's calendar, the event was held on the 12th of August 2022, at the Stanbic Bank Gaborone Golf Club. Golf is certainly a game of business allowing participants to expand their circle of business affiliates, enhance their corporate professionalism, establish a point of relationship development, and conduct business with the right people in the green. At least 136 golfers and 18 exhibitors from the private sector participated in the golf challenge and it was followed by a prize-giving dinner, in which the sponsors and other participants were acknowledged.

5th Prosperity Africa Conference:

Organised by the Pan Africa Chamber of Commerce and Industry (PACCI) in collaboration with the Association of SADC Chambers of Commerce and Industry (ASCCI), and Business Botswana was officiated by the Assistant Minister OF Trade and Industry, Honourable Beauty Manake under the theme "Benefiting from AfCFTA." The conference brought together Chamber Presidents, government officials, development partners, and the private sector particularly SMMEs operating in the continent's marketplace to enhance trade and investment opportunities in Africa. The 200 delegates shared insights on issues relating to SMME capacitation and development, and entrepreneurial capacities.

BB ANNUAL GOLF DAY 2022



5th PROSPERITY AFRICA CONFERENCE



DEPARTMENTAL REPORT

BUSINESS DEVELOPMENT SERVICES

MONTY ROBERT
Head - Business Development Services



MAGGIE SEBEGO
General Administration Officer



KELEMOGILE MOLEMOGI
Business Development Services Officer



SUSAN TUMELO
Business Development Services Trainee

The mandate of the department is to develop businesses and develop entrepreneurs as well as generate income for the organisation. This entails offering short courses for members and potential members as well as public officers. The following were attained during the year:

Trade Forward Southern Africa

TFSA Business Hub has been capacitating businesses since 2019, and aims to create market readiness, especially for export in the private sector. Over 30 businesses were trained on export-ready tools to boost their regional and global trade.

Stakeholder engagements

The department focal point for Memorandum of Understanding with different organizations to capacitate the private sector and in some instances remove institutional red tape. The following organization have signed an MoU with BB. BITC, BNPC, HRDC, BECI, Old Mutual Botswana, Botswana Digital Innovation Hub, Ba Isago University, University of Botswana, and the Rwanda ICT Chamber. BDS is currently implementing the action items of the MoUs signed.

Even though BB signed MoUs with many international organizations and local players, most agreements were not easy to implement during the pandemic. Our relationship with others will be dealt with in 2023.

Mansa Platform

The African Export-Import Bank (AfreximBank) successfully launched the MANSNA Repository Platform in July 2018. The main purpose of developing the MANSNA digital platform is to provide a single primary source of Know-Your-Customer (KYC) data required to conduct customer due diligence checks on counterparties in Africa with a special focus on African financial institutions, Corporations, and SMEs. Further, the platform supports African financial institutions and other corporate entities to comply with increasing international Customer Due Diligence (CDD) regulatory requirements and provides financial crime compliance professionals with a centralized source of due diligence information.

Business Botswana has therefore partnered with MANSNA to onboard members for free, meaning you do not have to pay to maintain your profile. By onboarding on this platform, will increase your company's creditworthiness and sufficient collateral in turn decreasing the chances of rejection for trade finance applications both in Botswana and African countries. Other benefits include:

- i) Access to key information to facilitate CDD checks on African counterparties that will increase trade growth and intra-African trade .
- ii) Increased visibility and attract potential investors.

Capacity Building

Business Botswana regards training as an important feature in the range of services it offers to its members. Our training programmes are designed to assist employers and their employees in getting better knowledge of various aspects of business management. Public and in-house including Disciplinary Hearings, Grievance and Procedures, Supervisory Skills, Customer Service, and Business Communication, were organised for members and non-members, attracting at least 400 participants. These trainings were held between February to December 2022.

Office Manager's Convention

The convention aimed to equip participants with skills to manage the front desk as well as secretarial and administrative duties, and was held on the 28th – 29th September 2022, The theme, of building effective teams to achieve organizational objectives. Seventy- five participants attended the convention

labour Relations Symposium

The symposium will provide attendees with an understanding of the trends, developments, and strategies that are occurring in the Labor and Employee Relations arena. The theme for the Symposium was "Employee & Labor Relations, A Legal & Practical Perspective" which is 25th – 26th of August 2022, Fifty-five participants attended.



DEPARTMENTAL REPORT

FINANCE & ADMINISTRATION

ANNAH PHETOGO
Head - Finance &
Administration



MALEFO MAIDI
Accounts Officer



GOITSEONE RAMAKOLOI
Accounts Officer



PATRICIA KGASWANE
Executive Assistant



PATRICK MONKATSU
Logistics Officer



SARAH MPOFU
Accounts Trainee

Provided departments with shared services that include budgeting, finance, procurement, contract administration, and information technology hardware support. It also provides financial management support, including advice, and ensures prudent management of the organization's finances.

The department takes the lead in providing efficient and effective management of Business Botswana's financial accounts, which encompasses financial transactions and the maintenance and upkeep of accurate records for all monetary dealings that take place within the organization. Key focus areas also include but are not limited to planning, organizing, auditing accounting for, and controlling the organisation's finances.

A human resource service has been implemented and its intent is to assist management in planning to achieve optimum effectiveness, of human capacity as well as to ensure the constant availability of trained manpower.

Another area deemed necessary and considered a critical role in the department's function is the coordination and procurement of all goods and services. The department manages Business Botswana's daily operations, reviews outsourcing procedures, and contracts maintenance for security, cleaning, utilities, and other services rendered to the organisation.

DEPARTMENTAL REPORT

REGIONAL OFFICE

EILEEN VAN DER EST
Regional Manager



LEBOPO MALENSI
Assistant Administrative Officer



TALENT NTWAETSILE
Marketing Trainee

The Office is responsible for Business Development Services, Membership Management and Policy Advocacy issues in the Northern Region which has eight Business Councils which are Mahalapye, Palapye, Serowe, Selebi Phikwe, Francistown, Letlhakane, Maun and Kasane.

Business Council Meetings:

Most of the council meetings were not convened due to financial constraints of the Organisation. However, Business Councils continued to be represented in different Committees. The Regional Manager and the Business Council's representatives continued to sit on several committees representing private sector interests. These include *Immigrants Selection Board, State Land Advisory Allocation Committee, Liquor Control, Adjudication Committee, Physical Planning Committee, and others.*

Membership Management:

Subscriptions collected were **P 732 613** in comparison to **P697 618** in 2021. However, the number of paid membership had reduced and stood at **98** compared to **108** in 2021. Recruitment stood at **25** new members in 2022, an increase compared to **20** recruits in 2021.

Business Botswana Northern Trade Fair:

The fair was held after a 2-year hiatus due to **COVID-19** restrictions.

The 26th edition was successfully held from the *25th- 29th May 2022* under the theme *'Accelerating the Rise of A Digital Economy.'* The Guest Speaker was His Excellency Mr. Takashi HOSHI-YAMA, Ambassador of Japan to Botswana.

There were 70 organisations which exhibited translating to 111 stalls sold. A decrease compared to 151 stalls sold in 2019 from 99 organisations.

The fair was powered by the following sponsors:

Monetary:

Stanbic Bank: P50 000, **Botswana Ash:**P20 000, **Export Credit Insurance and Guarantee Company (BECI):** P20 000, **Legal Guard:** P50 000, **Debswana:**P50 000 and **Morupule Coal Mine:**P20 000.

In-kind:

Adansonia Hotel: Accommodation, **Delights Tent:** Official opening marquee, **Zila Investments:** Sanitizers, **Botswana Development Corporation (BDC):** Business Lounge, and **Above Creative** sponsored the banner.

Media partners:

The Voice, Weekend Post and The Patriot on Sunday Newspaper.

Furthermore, Debswana sponsored the inaugural golf challenge and attracted 20 players from 5 companies participated.

Another activity introduced was the Business Forum during the trade fair week. The guest speaker was Dr. Kealeboga Masalila, Bank of Botswana Deputy Governor. Panellists included Stanbic Bank, First National Bank representatives. Event sponsors BECI and Legal Guard also made presentations on their products and services.

Training

The following training programmes were conducted

Disciplinary Hearing and Grievance Procedures: At least 31 participants attended the course with virtually and physical.

hybrid Labour Law Seminar: The training attracted participants from all over the country. The key areas covered included:

- Definition and Context of Labour Relations in Botswana
- Overview of Botswana Labour Legislation
- Internal and external Dispute Resolution Mechanism
- Case Law lessons from the Industrial Court



Introduction

Business Botswana received a grant from the African Development Bank's group fund for African Private Sector Assistance to finance the support to economic diversification Technical Assistance (TA). The grant agreement was signed in 2018 but implementation started in 2020 after the recruitment of the project coordinator.

Project Objective

The development objective of the TA is to contribute to the Economic Diversification Drive agenda by strengthening institutional and human capacities of the Botswana Horticulture Council (BoHOCO), Small Stock Industries Federation, Business Botswana (BB), and other sector Associations, contributing towards a reduction of importation of horticulture and small stock products, increase production and reduce farm waste, increase the number of small stock commercial farmers, increase the small stock off-take rates and enhance the productivity of SMEs in both sectors. Furthermore, the project aims to strengthen small stock, tourism, and horticulture industries through a number of interventions aimed at improving business linkages and partnerships, strengthening the institutional capacities of associations, and strengthening the business development market.

The TA supports BB through two inter-linked components namely:

- i) Review and update the private sector development strategy and programme and
- ii) Design and implementation of a SMEs Improvement programme that will include strengthening sector associations and upgrading capabilities and capacities of SMEs in small stocks, horticulture, and tourism sectors. A consulting firm will be recruited to review and update the private sector development strategy and programme and
- iii) Design and implement a SMEs Improvement programme that will include strengthening sector associations and upgrading capabilities and capacities of SMEs in small stocks, horticulture, and tourism sectors. The firm will assign experts for the identified activities. Gender and youth considerations will be mainstreamed in the implementation of activities.

Achievements

- i) Contract signed with main consulting firm in August 2022 for Review and update of PSDS/PSDP and support to SMEs development. Implementation by the firm started and the inception report was approved.
- ii) Support to the tourism sector:

One of the key constraints to tourism in the country is a skills deficit in the local workforce. There are a number of training institutions offering academic programs in the tourism and hospitality industries. However, according to the value chain study recommendations, most operators needed their workforce to be up-skilled to improve service delivery and customer service. Botho University was contracted to provide in-service training for 6 weeks between July and August 2022. The regions covered were Kasane, Ghanzi, Maun, Francistown, Gaborone, and surrounding areas as well as Palapye. Training conducted included Customer service excellence, communication skills, food safety and hygiene, leadership, front office, and reception. Over 150 trainees attended with Customer service excellence and Communication Skills being the most preferred.

Location/ District	Francistown	Gaborone	Ghanzi	Maun	Palapye	Kasane
Courses	Customer Service Excellence	Leadership	Front Office and Reception	Communication skills	Food and Beverage Service	Food and Beverage Service
	Communication Skills	Communication Skills	Communication Skills	Customer Service Excellence	Customer Service Excellence	Customer Service Excellence
	Food Safety and Hygiene	Food Safety and Hygiene	Housekeeping Skills	Housekeeping Skills	Leadership	Leadership
	Leadership	Customer Service Excellence	Customer Service Excellence	Food Safety and Hygiene	Communication Skills	Communication Skills

Challenges

The absence of full-time staff under the project had an effect on project implementation. The bank procurement procedures are tedious and require full-time personnel and the absence of this resulted in delayed recruitments. Limited experience in the bank's procurement procedures also had an impact on the timely recruitment of consulting firms.

Conclusion

The signing of the contract with the main consulting firm is viewed now as the main achievement in speeding up the implementation of the project. Progress has been made so far with the Review/Update of PSDS/PSDP and data collection for SME development support. Most of the project activities will be implemented in 2023.



REGIONAL PARTICIPATION



The **SADC Private Sector Forum (SPSF)** is a grouping of Employers' Organisations from SADC Countries whose aim is to foster a single and united voice in the SADC region, both at the SADC Secretariat and the SADC structures. SPSF provides a platform for national and regional business associations, national employers' bodies as well and the private sector to:

- a) Harmonise and effectively implement their advocacy agenda in so far as private sector-friendly SADC Regional integration is concerned;
- b) speak with one voice in representing the Regional private sector; and
- c) Maintain a strong representative body for business across the Region.

Business Botswana is the secretariat for the forum and chaired by Mr Harrington Chibanda Chief Executive Officer of Zambia Federation of Employers.

Key activities and meetings attended during the year in the review include:

Strategic Plan for SPSF :

The SPSF Strategic Plan of 2017- 2022 came to an end. With the assistance of the ILO Pretoria Office, members attended the retreat which was held from 30th – 31st November 2022 to reflect on its strategic focus with a view to aligning its efforts with the changing times, revisit its vision, mission and develop a new roadmap in the context of the new and evolving environment.

SADC Labour Law guide & COVID-19 dashboard

The compendium of SADC Labour Laws was compiled and packed into a digital application in the form of a SADC Labour Law Guide (LLG) to communicate and inform the private sector and other stakeholders about the labour laws prevailing in SADC. The outbreak of COVID-19 and its impact on businesses and employment required a relook at the Laws. The LLG was launched with an add-on resource in the form of a COVID-19 Dashboard which provides updates on both in-country and regional responses and reactions to COVID-19. To maintain the credibility of the COVID-19 Dashboard, SPSF ensured that it was continuously updated with the latest information on the pandemic.

Workshop on Business perspectives on labour migration:

International Organisation of Employers (IOE) co-hosted with SPSF the workshop on Business perspectives on Labour migration which took place in Johannesburg, South Africa from 20-22 April 2022. The objective of the meeting was to build on:

- The outcome of the African Employers Consultations for the Regional Review of the Global Compact for Migration (GCM) in Africa on 27 May 2021
- The outcome of the African Employers' Side Event in the margins of the GCM Review process in Africa on 27 August 2021
- IOE position paper on migration, published in December 2018, as well as its policy paper "The key role of labour migration in the post-Covid recovery" of July 2021,
- The outcome of Africa Employers' dialogue with policymakers in Nairobi on 22-23 February, in Abidjan on 29-30 March and in Johannesburg of 21-22 April 2022.

Private Sector Dialogue on Pro-Employment Policies and Strategies in SADC:

The dialogue was held in Lilongwe, Malawi from 11-12 April 2022, attended by Ministers and Senior officials responsible for the ministries of Finance & Planning, Industry & Trade, and Employment & Labour; as well as high-level delegates from the SADC Business Council, Southern Africa Trade Union Coordinating Council (SATUCC) and youth organisations. Representatives from the International Labour Organisation (ILO) and the United Nations Economic Commission for Africa (UNECA) also participated in the Dialogue.

As mandated by the Council of Ministers, the dialogue sought to promote joint sector coordination for job creation through coherent and harmonised action on employment and productivity across monetary and fiscal policies, trade and investment policies, employment and labour market policies, employment-intensive investment programmes, as well as pro-employment budgeting.

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Capacity Building Course on Pro-Employment Macroeconomic and Sectoral strategies for member states and social partners was scheduled from 19-23 June 2023 in South Africa.

Meeting on the SADC Protocol on Employment & Labour & International Labour Standards:

SPSF participated in this meeting on 5-7 September 2022 in Johannesburg, South Africa during the validation of SADC Protocol on Employment and Labour and ILS. The planned activity responded to the decisions made by Ministers of Employment and Labour and Social Partners regarding the draft Protocol and International Labour Standards during their annual meeting of March 2022. The targeted meeting outputs were as follows:

- Validated draft SADC Protocol on Employment and Labour; and
- Country roadmaps on Member States' follow-up to ILS-related constitutional obligations.

Labour Migration:

Labour migration governance is one of the priority areas of employers in the SADC region. Labour migration is an important enabler and beneficiary of regional integration and economic development in Africa. SPSF working with its social partners in the SADC Region is clearly committed to strengthening the efficiency of the institutions of work to ensure adequate protection of all workers through promoting fair and effective labour migration governance. SPSF is part of the SADC Technical Committee and has participated in these meetings.

SAMM Labour Migration offered Scholarships to all employers' organizations in the 16 SADC countries in 2021 and SPSF members were given slots. The uptake was low at the time.

High-Level Tripartite Dialogue "Labour Migration Governance in the SADC region" SPSF members attended the high-level meeting organised by **SAMM** from the 29th-30th November 2022 in Victoria Falls, Zimbabwe. The objectives of the dialogue were to:

- Dialogue on labour migration governance progress so far, gaps and challenges as well as main opportunities to consider in the SADC region.
- Identify tripartite constituents' priority areas of collaboration, share existing and proposed good practices and recommendations and mention current roles and contributions to labour migration governance.
- Provide a platform to tripartite partners to re-organise and re-strategise labour migration governance.
- Developing a bipartite/ or tripartite statement of intent on labour migration governance in the SADC region.

Skills For Energy In Southern Africa (SESA):

SPSF is part of the steering committee a Public-Private Development Partnership Project (PPDP) in Zambia and the SADC Region. This is a three-and-a-half-year intervention with the overall development objective of increasing the uptake of renewable energy, energy efficiency and regional energy integration through skills development in Zambia and the SADC region. It is expected that the project will strengthen **KGRTC's** capacity as a Centre of Excellence for energy training in the region and significantly increase the number of power technicians, engineers and managers skilled in renewable energy, energy efficiency and regional energy integration.

SECTOR REPORTS

01
Creative Arts
and Media

02
Education

03
Engineering

04
Manufacturing

05
Professional
Services

06
ICT

SECTOR REPORT

CREATIVE ARTS & MEDIA**TONDARAI TSARA***Chairperson***NATIONAL ARTS COUNCIL ACT**

The National Arts Council Act of Botswana to establish an apex body to promote and develop the arts and culture was passed into law.

Regrettably despite Business Botswana in collaboration with other actors such as BEPA providing input to strengthen the bill via the review process none of our suggestions regards the governance, the objectives and funding provisions of the National Arts Council were taken on board. The Act of Parliament was by and large identical in form and wording to the Bill that which was put to consultation.

Nevertheless, we welcome the establishment of the Arts Council and looks forward to its operationalization.

TRANSFORMATION OF STATE OWNED / PUBLIC BROADCAST AND MEDIA SERVICES

One of the biggest players in the Creative Arts and Media industry is the government of Botswana through Botswana Television 1 & 2, the Daily News and Radio Botswana 1 and Radio Botswana 2. Although part of a government department these media platforms are all engaged in commercial activities.

Government has of late taken a keen interest in the sector. Ongoing reforms at the Department of Broadcasting Services resulted in us leading a Creative Sector Reference Team were selected by industry associations to represent the sector's positions to Botswana Government under the umbrella of Business Botswana.

The team comprised Business Botswana, Botswana Screen Society, Botswana Film Association, Botswana Musicians Union, HRDC, Writers Association of Botswana, and several Creative Industry Activists.

The deliberations produced an Industry White Paper outlining the challenges and aspirations of the television and film industry in Botswana. Among other things highlighted is that the industry is currently not regulated, leading to issues such as corrupt procurement practices and a lack of continuity in programming. There are also limited highly skilled actors, writers, and producers, and no set payment structures. In addition, the output of industry is not compatible with international online platforms, and there is limited measurement of media consumption in Botswana. The document also discussed the need for capacity building and advocacy for workers' rights in the industry.

The white paper also proposed solutions and frameworks to fix all of these challenges and create jobs and growth in the industry.

STAKEHOLDER AND MINISTRY ENGAGEMENT

The Ministry of the State President is the Ministry responsible for the Creative, Arts and Media Sector. The sector has struggled to engage with the Ministry leadership and has only had one formal engagement a short "Meet & Greet" since September 2019.

SECTOR REPORT

EDUCATION**GOLEKANYE SETUME***Chairperson*

The Sector seeks to promote and accelerate Private sector investment and development through advice and dialogue with the government at the policy level. It serves as an advocacy platform on issues that affect doing business. It covers Pre & Primary Education, Secondary Education, Tertiary and Vocational and Technical Education sub-sectors and each sub-sector is led by a Chairperson.

ACHIEVEMENTS:

- (i) The education sector has access to and engagement with key officials in the Ministry of Education
- (ii) The sector has representatives on the Board that regulate educational policies.
- (iii) Recognition of online learning has been gained.
- (iv) Annual Tertiary institution Roadshows

CHALLENGES:

- (i) Delays in processing of Permissions to Teach (PTT) and work permits/licenses.
- (ii) Mushrooming of unregulated tuition institutions.
- (iii) Delayed responses from BQA with regard to the accreditation of courses offered by private Education institutions
- (iv) Localisation of teaching personnel which compromises the quality of Education in Botswana.
- (v) Issues with unsettled government tuition fees for Top achievers.
- (vi) High-level SLCC meetings that don't take place because Ministers do not show up.
- (vii) Shrinking enrolments in the private sector despite great investments.
- (viii) Lack of transparency regarding enrolment barriers from the government.

TARGETS/GOALS:

- (i) To give exposure to international curriculums in Botswana
- (ii) To promote more engagement with labour
- (iii) To revive sectoral engagement with HRDC
- (iv) To lobby the anti-private regulatory framework
- (v) To regain the Tertiary Institution roadshows sponsorship from HRDC
- (vi) To engage industry experts in graduations, webinars, and other sectoral events

SECTOR REPORT

ENGINEERING**DR SHADRACK KOBOLE***Chairperson*

The following are the challenges or impediment which the sector would want them to be addressed:

1. Payment of VAT of unpaid invoices is the greatest challenge to many SME's especially consultancy Services Company's due to cash flow. Sector is proposing that VAT pay should be made immediately upon receipt of payment.

2. Sectors oppose what seems to be norm now that most public project is procured by Design & Build method.

This method of procurement subject consultants to contractors, does not promote transparency and accountability, possible it can be a source of breeding corruption as it becomes a matter between client and contractor without check and balance or transparency and as result, the sector suggests that these Design & Build methods should be used selectively but not on standard designs.

3. The country is experiencing rate of unemployment while the Government is paying scarce skills therefore the policy is flawed. We suggest that the Government should review salaries of all disciplines or professions that are deemed to be critical and increase salaries and discontinue scarce skills allowance because the country has abundant skills and lack of capacity development for graduates that are roaming the streets.

4. Public servants should not be allowed to trade with Government, because that is a direct conflict of interest that could easily become a platform for corruption.

5. Citizen empowerment policies should discourage or defer fronting by having penalties for the culprit. Some projects have been unbundled in order to provide opportunities for citizen empowerment and capacity building. It is a pity to note that those projects were awarded to naturalized citizens not indigenous citizens or Batswana ba sekei as per the His Excellence the President recent national address.

6. Government should expedite the establishment of contractor's registration board in order to regulate the industry and to distinguish who really is the contractor. What qualifications are required for individual to register as a contractor in terms of infrastructure development.?. the sector believes that the Contractor Registration Board will weed out those who do not belong

SECTOR REPORT

MANUFACTURING

Background

As has been the case in many countries, the Private Sector in Botswana in particular the Manufacturing Sector has experienced the full impact of the Covid 19 crisis.

As observed Covid 19 had ruthlessly exposed the vulnerabilities of our economy and society. The effects of the pandemic showed that there is a need to be bold, decisive, competent, and innovative at all levels.

2022 was therefore always going to be a critical year to transform the situation and the private sector represented by Business Botswana viewed the Covid-19 crisis as an opportunity to change the Botswana economy.

The sector welcomed the placement of Ms. Boineelo Masuku as the Private Sector Recovery Plan (PSRP) Project Coordinator engaged by the UNDP, at Business Botswana's offices in Gaborone late in 2021. Her main role is to coordinate the implementation of the PSRP with Business Botswana, its Sector Chairpersons and the UNDP assistance. Manufacturing is one of four sectors that has seen activities as part of the roll-out of the plan, the other sectors being Agriculture, Construction and Energy.

The sector has transitioned through restructuring and developed an annual work plan in line with the PSRP with a focus on several activities such as workshops on trade agreements, cross-border training to capacitate manufacturers on trading processes beyond the Botswana border, as well as to highlight the opportunities under the different trade agreements.

The Sector continued to engage in Business-to-Business forums to create networking and growth within the industry. Organic Fertilizer Manufacturers and Pan African Trading (Cable Manufacturing) were some of the member companies that received networking visits.

The sector continued to have much activity which aligns with the aspirations of the PSRP, of the private sector acting as its own driving force and embarking on a new way of doing business in Botswana, developing away from what was in place before the global economic crisis and forging a new path.

Highlights of the activities undertaken include:

18 March 2022 – Manufacturing Sector Workplan Draft Meeting to discuss the strengthening the structure of the sector and planned activities for 2022 in line with the Private Sector Recovery Plan developed with the assistance of the UNDP, Suggested Sub-Sectors and election of Sub Sector Chairpersons were also presented.



MIKE JOYNER
Chairperson

31 May 2022 - Endorsement of Sub-Sector Chairpersons – Gaborone Rugby Club Conference Centre. Following elected Sector Sub-chairpersons introduced themselves :

- Ms Tecla Evans- Glam Collections;
- Mr Morris Makepe - Sylke Medical Industries t/a Floritec
- Mr. Nikhil Mistry- Electro Mech Engineering;
- Mr. Felix Chavapi- Solahart (Solar Industry Association Botswana);
- Mr. Ray Morgan- Gabs Bedding;
- Mr Zayd Noble- Noble Supplies
- Mrs Bekezela Maunze- IK&N Electrical Switchboard Manufacturers;
- Mr. Khofi Gabosekwe- Clover Chemicals;
- Mr Tlhagiso Sonnyboy Sethibe- Fire Riders Botswana
- Ms Primie Moipolai- Lactalis Botswana
- Sylvia Mthimkhulu- Sylke Medical Industries t/a Floritec
- Tumi Tselaelele- Actra Supplies

22 September 2022 - Simplified Trade Agreement and Trade Processes Facilitation Workshop held at Grand Palm Convention Centre to assist manufacturing Firms in becoming export-ready.

- BITC – Export Development and Promotion
- BURS - Export Procedures and Rules of Origin
- BURS – Customs Declaration Processing
- BURS – Export Guide
- Import / Export Requirements
- Botswana Exporter Development Programme
- Department of International Trade – Trade Agreements Presentation
- Stanbic Bank Facilities to support cross-border trade

17 November 2022 - International Finance Corporation (IFC) Upstream visit – closed sessions held with private sector entities including Manufacturing. IFC focused on the private sector in emerging markets using its capital, expertise and influence to create markets and opportunities where they are needed most.

The Sector looks forward to 2023 to build on the foundation laid in 2022 and in so doing attract new members and lure existing members back, by offering value-added regular sector meetings as well as re-instating the Sector Annual General Meeting .

PROFESSIONAL SERVICES

Introduction:

The Sector participated in all activities and raises issues on behalf of its members at the ministry level. This sector has attracted quite a lot of diversified members and is playing a very active role in highlighting the challenges of members by rising up to the Sector Level Consultative Council (SLCC) and High-Level Consultative Council (HLCC) meetings.

The Covid 19 Pandemic was very challenging for everyone in the world and BB and SMEs are not an exception. Despite continued challenges, we were able to interact with concerned ministerial officials on a variety of challenges faced by the private sector virtually.

Due to the slow response from concerned Ministries very little was achieved during the year.

The following was requested by the Ministry of Finance.

1. To extend 80% Government Credit Guaranteed assistance to all eligible businesses up to 50% of turnover to meet working capital requirements administered through Export Credit Insurance and Guarantee Company Botswana (BECI) and finance from Commercial Banks, for another 2 years. Also requested to change guidelines to assist targeted enterprises.
2. Requested the ministry to give clear guidelines to the Citizen Entrepreneurial Development Agency (CEDA) for providing assistance for priority industries like agriculture and school uniform manufacturing, since importation is completely banned. This request is made since CEDA is taking quite a long period to respond after asking innumerable clarifications and finally requiring 100% security and 50 % contribution. However Government announced that security is not a requirement if the project is viable, but on the ground, this guideline is not implemented.
3. Requested Ministry of Finance (MoF) to consider carrying forward losses of affected businesses due to COVID-19 19, like hospitality. MFDP and BURS asked Business Botswana (BB) to provide statistics on the affected businesses. Due to confidentiality and lack of resources, BB is unable to provide relevant information but informed the Ministry that Botswana Unified Revenue Service (BURS) should be in a position to gather the required information to make a decision since BURS has all the tax returns, etc.
None of the above requests were attended to by the ministry since the concerns fall under different ministries or the non-availability of information.



SIVA PRASAD
Chairperson

4 Raised issues regarding Lekgetho soft wear of BURS. Now to a great extent, the new soft wear is functional but not at the desired level. There were challenges in obtaining Tax Clearance Certificates since the system was not regularly updated. A lot of fine-tuning was needed to achieve perfection.

5 In spite of several interactions and acceptance of the following proposal Ministry of Finance did not include them in the Tax Amendments presented to Parliament. These amendments have been accepted but not processed since 2015.

These recommendations include:

1. Annual Allowances, plant or machinery

Recommendation: To increase the limit to a more reasonable level say P 350,000.00 from P 175,000.00 since a decent motor vehicle is costing that much.

2. To have a meaningful definition of Commercial Vehicles

3. Input tax

Since many of the businesses are using smaller vehicles for revenue generation all vehicles that are used by businesses must be allowed to claim VAT.

These recommendations were rejected except an increment of annual allowance to P 250,000.00 as against the CPI index of P 365,000.00 in 2016, which is yet to be implemented.

Convening of sector meetings continued to be a challenge and thus impacting the contribution and representation of mitigating issues of doing business. We, however, remain committed and continue to engage all concerned parties for the betterment and growth of the private sector.

SECTOR REPORT

ICT



NEO NWAKO
Chairperson

1. Introduction

1.1 The Digital Transformation agenda is a preamble for the ICT Sector to align itself to lead, advise and guide in the transformation as it requires the right technical and relevant expertise. Indicative of the ICT innovation and growth, Botswana is ranked the 86th out of 132 countries in the Global Innovation Index¹ 2.

1.2 This development thus can enable Botswana as a landlocked country as a gateway in the Southern African region, which hosts 277 million people. The setup should allow for greater access to markets across the continent, as it also participate in the African Continental Free Trade Agreement (AfCTA).

1.3 This is supported by fact that Botswana continues to lobby for locally produced goods and services, supporting its participation in the economic Partnership Agreement enforced in January 2021. The Citizen Economic Empowerment law (CEE) has effected many companies to consider first services at home to support local development.

1.4 The Ministry of Communications, Knowledge and Technology also shows its intentions in making sure the digital transformation agenda is met with great development and implementation, by setting up the Strategy Map 2023 - 2025 towards increasing its services.

1.5 Unemployment continues to cause concern as it rises, and even more since the COVID-19 pandemic has affected many companies, especially SMME's causing them to shut down or let go of staff. This has also affected the sector development as many graduates continue to be unemployment.

1.6 ICT sector continues to be an unprotected function.

2. Current Stakeholders

2.1 Citizen Owned Businesses in Information Technology (COBIT) was established as an answer to rectifying this and ensuring that this gap is closed, and that citizen owned businesses can add value to the mainstream economy.

2.2 Business Botswana's mission is to "serve as the unified voice of business striving to enhance the business environment and build the vitality and competitiveness of private sector in Botswana". Function of BB-ICT focused on the ICT businesses, trends for local and international development and growth.

2.3 Botswana Information Technology society (BITS) is an ICT professional body established to lobby and advocate for ICT professionalism in Botswana

2.4 Other stakeholders enabled for citizen empowerment are Botswana Digital and Innovation Hub, BOTECH, Ministry of Entrepreneurship, BITRI and others.

3 Strategy Map 2023 - 2025

3.1 The strategy map 2023 - 2025 by the MCKT below is a set guiding map for the ICT sector and other sectors to drive the digital transformation for Botswana and Batswana.

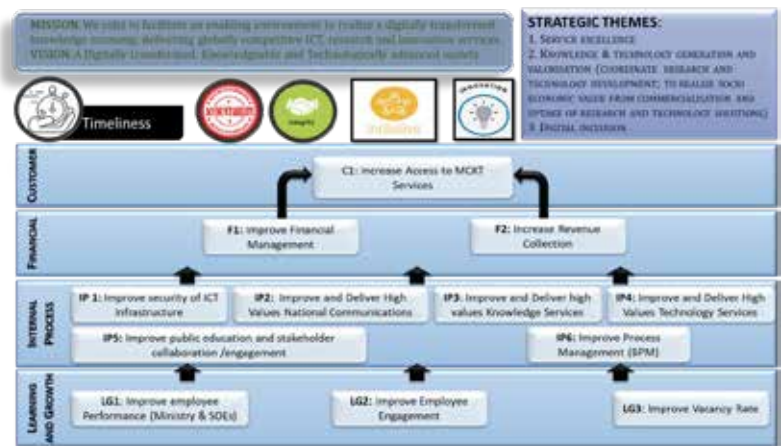


Figure 1: Strategy Map 2023 - 2025 by MCKT

4. Technology Value Chain Development

4.1 The ICT sector should be enabling its functions to control, guide, support and regulate. These include:

- 4.1.1 Telecommunications value chains
- 4.1.2 ICT Devices
- 4.1.3 Software development and management
- 4.1.4 ICT skills development
- 4.1.5 Facilitation of ICT across sectors
- 4.1.6 ICT embedding in other technologies.

4.2 The ICT sector should be equipped to manufacture infrastructure, resale of the infrastructure, configurations and managing support services, assembly, licensing and regulating the services and production for both hardware and software.

4.3 Therefore, the endorsement of a regulatory and professional bodies stands to be implemented to locally control ICT sector in Botswana

5 Matters Arising

5.1 The sector is faced by mis-functional and non-protection, therefore faces factors as loss of control on asserts driving ICT services. Some of these include:

- 5.1.1** Limited to no access in remote areas
- 5.1.2** ICT in farming and tourism
- 5.1.3** Limited Universal services obligation
- 5.1.4** Limited access to the Universal Access and Service Fund
- 5.1.5** Untapped and limited access to Big tech companies
- 5.1.6** Limited to no participation in green and renewable energies
- 5.1.7** In-access and limited Adoption of open source
- 5.1.8** Green Technologies development

6 Infrastructure Review

6.1 The review is considered looking at the infrastructure sharing review by Presidential directive CAB 14(A)/2018.

6.2 The private sector will be enabled by free competition, allowing for profit in wealth creation of local and citizen businesses.

6.3 BOFINET serves as the backbone of national and international connectivity. The review provides open debate on how the function can be accessed by private sector to manage the infrastructure for CAPEX and OPEX. **6.3.1** Albeit the sharing of the BOFINET infrastructure, it will allow for parts of the country to be divided in non-profitable and profitable divisions shared by the stakeholders.

6.4 Other infrastructure take over missions:

- 6.4.1** DBS Radio Transmission infrastructure
- 6.4.2** Botswana Power Corporation
- 6.4.3** Water Utilities Corporation

7 The Digital Transformation Portfolio

7.1 The ICT Sector also adopts the Digital transformation pillars as derived by MCKT to:

- 7.1.1** unpack existing strategies and explore and evaluates them to meet the new technology need and demand for Botswana,
- 7.1.2** educate and develop skills that harness ICT development and growth for the country,
- 7.1.3** create partnerships with current and new eco-systems to enable collaboration in new ventures and cross-functional developments,
- 7.1.4** enable strong cultural share, management, and development,
- 7.1.5** Explore new technologies across sectors to enable a stronger digital development,

7.1.6 And provide meaningful channels and experiences for customers.

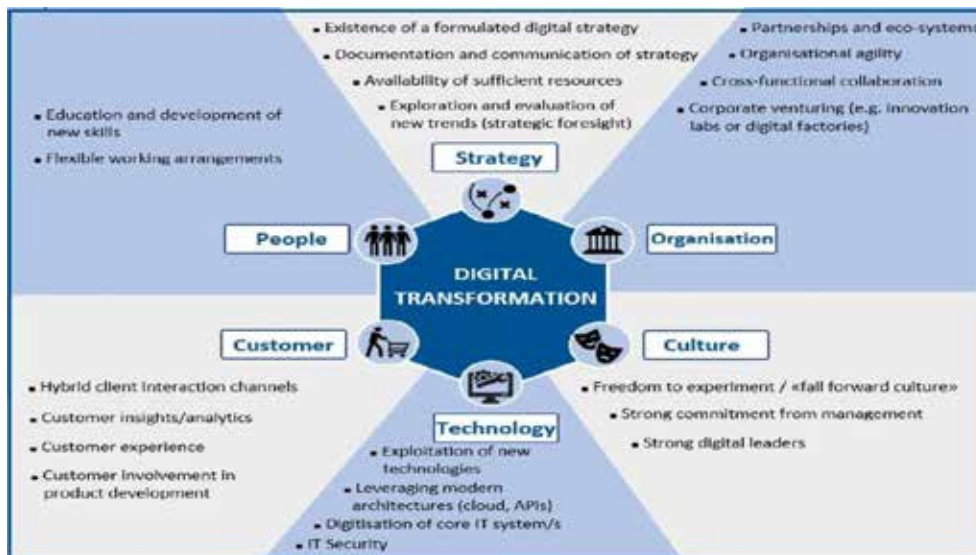


Figure 2: The transformation portfolio

8 Conclusion

8.1 A Motswana in Botswana should be empowered both domestically and corporate. The CEE amongst other policies and laws for economic development mandate the various entities to enable the technology sector to harness its resources for a governed, regulated and providing freedom of access and services for digital transformation.

8.2 The communication sector is the core to the realization of the Fourth Industrial revolution (4IR), a Knowledge Based Economy (KBE) and national security.



**HIGH LEVEL
CONSULTATIVE
COUNCIL
REPORTS**

SECTOR REPORT

MINISTRY OF FOREIGN AFFAIRS

DAKAR PLAN OF ACTION (2021-2024)

As you might be aware, China and African countries signed the Dakar Plan of Action to improve cooperation between China and Africa on the following eight (8) major initiatives and these are:

- a) **Industrial Promotion Initiative:** To promote the upgrading of China-Africa cooperation projects to realize cluster, scale, industrialize and localize development, thus levelling up the productive capacity of African countries. However, the cooperation supports the expansion of industrial chains in the mining industry and increases investment in smelt, processing, and other upstream and downstream sectors of the mining industry as well as electricity, transportation, and other supporting infrastructure.
- b) **Infrastructure Connectivity Initiative:** With regard to the infrastructure connectivity initiatives it involves the extension of concessional loans to Africa linked to integrated High-Speed Train Networks, Dam Projects, Aviation, and Cyber Security amongst others. The cooperation under civil aviation market reforms will provide assistance on the transfer of aviation technology, and capacity building that meet ICAO standards.
- c) **Trade Facilitation Initiative:** The cooperation will promote African products in China through such initiatives as China International Import Expo and Import and Export Fairs. Further, the China-Africa Cooperation agreed to establish three (3) free trade promotion centres in China dedicated to trade with Africa. While in Africa to establish at least ten (10) e-commerce hubs in Africa.
- d) **Green Development:** The cooperation established to improve an economic system for green, low-carbon, and circular development, actively participating in global environmental governance, thus tackling climate change. Therefore, China and Africa to strengthen exchanges and cooperation on ecological protection, desertification prevention and treatment, and protection of wildlife. Provide capacity-building partnerships in climate response, biodiversity conservation, pollution prevention and control, and sustainable infrastructure, etc.
- e) **Capacity Building:** To give full play to the China-Africa agricultural cooperation mechanism, to innovate cooperation methods, enrich the content of cooperation, and secure the effective implementation of agricultural cooperation in fields of shared interest. Essentially, the cooperation promotes the whole industrial chain of agro-products, covering planting, processing, and selling, so as to jointly enhance Africa's capacity for localized processing of agro-products and increase the added value of agro-products. The cooperation will improve the conditions of roads linking urban and rural areas, small water management and irrigation facilities in villages and townships, food storage and basic processing facilities, renewable energy power facilities, and small agricultural mechanization equipment in African countries.
- f) **Health Care Initiatives:** China will support African countries in building national public health institutions, and will carry out information sharing and technical cooperation on public health, and improve Africa's health situation. Further, increases cooperation on strengthening the capacities of local drug production including the development of the pharmaceuticals manufacturing industry and the improvement of medical products regulatory systems.
- g) **People-to-People Initiatives:** China welcomes African Non-Governmental Organizations (NGOs) to join the Silk Road NGO Cooperation Network and the Silk Road Community Building Initiative, step up people-to-people exchanges and livelihood cooperation, and contribute to stronger people-to-people connectivity between China and Africa under the Belt and Road Initiative. The support is on exchanges in the field of youth and will continue to promote volunteering innovation and entrepreneurship programs.
- h) **Peace and Security Initiatives:** Both China China will enhance cooperation under the framework of the UN, actively participate in UN peacekeeping missions in Africa, conduct joint exercises and field training of Chinese and African peacekeeping troops, strengthen exchanges on peacekeeping policies and skills, and support Africa's capacity building for independent peacekeeping missions.
- i) **Cooperation on Energy and Natural Resources:** China to carry out capacity building in the energy sector. China will provide professional training for personnel from competent authorities, research institutions, and key companies of relevant countries to improve African countries' capacity in developing and managing their own energy systems.

2. Business Botswana benefits from the Dakar Plan of Action

Based on the China-Africa Cooperation Component (g) dealing with Capacity Building particularly in the Agricultural Sector, Business Botswana has identified, developed, and submitted a project called: Business Botswana's Agricultural Value Chain (AVC) which is consistent with the Dakar Plan of Action.

2.1 The Project objectives are:

- a) Create employment opportunities;
- b) Improve incomes;
- c) Increase fruit and vegetable yield and quality;
- d) Increase packed and processed output;
- e) Increase targeted fruit and vegetable exports;
- f) Link producers and processors to international markets; and
- g) Strengthen relationships between educational institutions and the private sector;

Business Botswana's Agricultural Value Chain is organized into four Components, linked by cross-cutting themes, all targeted at economic actors along select fruit and vegetable value chains. Connected and flowing from the above objectives, the mandate of each component.

The Project Activity Components:

- a) Component 1: Improve the quality and volume of agricultural production;
- b) Component 2: Improve post-harvest handling and production;
- c) Component 3: Facilitate market linkages; and
- d) Component 4: Link educational institutions with private sector demand.

2.3 Geographic and Commodity Focus

As you might be aware, prior to taking a final decision on the localities, a feasibility Study will be undertaken to identify the appropriate AVC location of sites and the feasibility of the overall project. The proposed sites are: North East (including Francistown); Tutume, SPEDU, Papapye/Serowe; Mahalape/Shoshong; Chobe; Ngamiland; Ghanzi; Southern District; Lobatse/Borolong Districts; South East/Gaborone; Kgatleng District; Kweneng District; Boteti; and Tuli Block.

AVC target value chains will be determined by the proposed Feasibility Study on the Productive Use of Cold Storage Facilities for Fruit and Vegetables in Botswana, which will identify target crops based on competitiveness, development impact, and feasibility to best achieve AVC's development objectives. Target value chains include citrus fruits, pome fruits, grapes, oranges, lemons, vegetables, and gourds amongst others.

Cold Storage Market Potential in Botswana

According to official estimates by the Food and Agriculture Organization of the United Nations (FAO), global post-harvest losses (PHL) can reach up to 20% for cereals, 30% for dairy and fish, and 40% for fruit and vegetables. This level of waste is devastating, particularly in Africa where approximately 250 million people (20% of the continent's population) are undernourished. In Sub-Saharan Africa, for example, an estimated US\$4 billion worth of food, which could feed over 48 million people, is lost every year due to post-harvest losses.

Therefore, the Project attempts to reduce losses incurred by Horticulture farmers in Botswana, by providing Cold Storage Facilities in most of the identified Districts, with Financial Assistance from both the Government of Botswana and the People's Republic of China.

3.0 Economic Diplomacy

The ministry has previously been requested to consider moving away from political diplomacy which was mostly driven by the Cold War. However, after the collapse of the Soviet Union, and the coming of a new order, there are more opportunities to change gear towards Economic Diplomacy.

Economic Diplomacy means that our Foreign Missions will have to be more engaged in investment issues than political relationships.

Furthermore, the ministry was required to come up with an Economic Diplomacy Strategy. The project was given to the UNDP to coordinate, and a Consultant was identified and engaged to develop the Economic Diplomacy Strategy.

Based on the Draft of the Economic Diplomacy Strategy, the Policy Framework was in line with the implementation of the national focus areas such as:

Equip Diplomats with Economic Diplomacy Competencies through:

- a) Strategic recruitment
- b) Development of relevant Economic Diplomacy training programs
- c) Strategic internal human resources mobilization;
- d) Institutional development;
- e) Establish a Research and Development Unit in the MoFA

ii) Promote International trade through:

- a) Accelerative and diversifying exports and exports markets;
- b) Identifying Raw Materials for importation into Botswana for industrial manufacturing and development;
- c) Identifying and capitalizing on new opportunities for Botswana's goods and services;
- d) Expanding and strengthening regional and global economic cooperation and partnerships.

iii) Attract Foreign direct investment through:

- a) Promoting international awareness on the investment potentials, opportunities, and business incentives available for investors in Botswana;
- b) Facilitating visits and trade missions for potential investors both in and outside Botswana;
- c) Promote the adoption of business skills and innovative technology from advanced economies;
- d) Promoting business partnerships with Botswana and foreign entrepreneurs to develop entrepreneurial culture;
- e) Promoting public-private partnerships in Botswana;

iv) Promote tourism, sports, and culture through:

- a) Improving the quality and diversification of the tourism sector products and services in Botswana;
- b) Enhancing the appeal and attractiveness of national heritage sites, cultural and natural assets;
- c) Promoting awareness of the traditions, cultures, and gastronomy of Botswana, both nationally and internationally;
- d) Promoting exchanges and cooperation in culture and sports

Towards the end of the year, at the High Commissioners Meeting in Botswana, the Business Botswana President led his delegation to address the Botswana High Commissioners on issues of trade and investment.

4.0 Update of the List of Proposed Countries for VISA Abolition

The sector meeting with the ministry requested that Botswana should seek the abolition of visa requirements in respect of selected countries in order to facilitate tourism and investment flows for the country.

In this regard, the meeting noted the following update provided by MFA:

Brazil: Reciprocal negotiations were concluded and the agreement for non-visa requirement was at the Inter-Ministerial stage after which it will be presented to Cabinet. However, once the outcome of the Cabinet decision is known, it will be communicated to the Membership;

Canada: Botswana to negotiate for a revisit of Canada's decision to impose visa requirements on Botswana National Passport holders;

- c. Africa: Kenya and Uganda negotiations concluded; negotiations are still ongoing with Ethiopia and the Democratic Republic of Congo; and with Rwanda it was anticipated that the two countries will sign a Visa-Free Agreement in 2022;
- d. South Korea: Persons travelling for business purposes and tourism, do not require a Visa for up to 90 days; and
- e. Russia and Georgia: Batswana does not require an Entry Visa.
- f. Germany, Belgium, Netherlands, and Luxemburg: Negotiations for visa-free agreements for diplomats and Official passport holders are in advanced stages. Business Botswana underscored the need to ensure that similar arrangements should continue to be pursued for National Passport Holders.

Essentially our programme is to ensure that the following countries are considered for VISA Agreements to enhance trade relationships, which the Ministry of Foreign Affairs is slowly and surely working on the list:

China	United Arab Emirates
Qatar	United States of America
Australia	European Union Countries
India	Schengen countries
Canada	SADC Countries
Kuwait	Ethiopia
South Korea	Kenya
Brazil	Uganda
Russia	Cuba
Malaysia	Argentina
Vietnam	Chile
Japan	New Zealand
Bangladesh	Rwanda

Once the outcome of African countries for VISA abolition is realized, this will be communicated to Business Botswana.

5.0 Development of a Foreign Policy for Botswana

Business Botswana proposed to the ministry to develop a Foreign Policy for Botswana. This was openly accepted by the Ministry and proposed to engage one of their retired diplomats to assist them in its development.

Through the continued dialogue, the Foreign Policy document has been completed and awaited a validation process, without input from the private sector as it was already submitted to His Excellency, the president.

6.0 State Visits Programme

Business Botswana has requested to be availed of the annual Programme of State Visits by the President to allow us to prepare in advance for business engagements. We further requested the need to include a Business Delegation where feasible, when His Excellency the President, undertakes External Official Visits. Furthermore, we also advised on the need for coordination among stakeholders of "Team Botswana" groups that are constituted for external business engagements such as at Expos.

However, the Ministry has agreed in principle but action is not forthcoming. We are considering to present the matter at the Main HLCC.

7.0 Diplomat Investment Promotion Guide

This Investment Promotion Guide is aimed at diplomats who are new to promoting foreign direct investment (FDI). Most commonly, FDI takes place when companies set up and expand affiliates or acquire firms in foreign markets. Most governments promote and facilitate inward FDI as it can be a major source of capital, employment, skills, technology, and revenue. As part of these efforts, Business Botswana as a Chamber of Commerce and Industry also serves as an investment promotion agency (IPA) on both the national and subnational levels. In foreign markets, diplomats can lend key support to these agencies (i.e., BB, BITC, SEZA, BQA, etc.) because of their proximity to potential investors and their knowledge of economic and political conditions in the countries where they are posted.

A company's decision to invest in a specific location is normally based on examining the suitability of a range of locations against the operational requirements that will enable the company to add value to the investment. The investment promotion process runs in parallel to the company's decision-making process.

It involves (a) defining the "product" (i.e. a growth opportunity for potential investors) to be promoted; (b) identifying the target group of potential investors; and (c) devising a promotional strategy to get the message across. The intention is to generate investment leads. When leads have been generated, the task is to convert them into concrete investments.

Diplomats help to deliver marketing messages to the target group of potential investors, but above all, they are involved in managing relationships with individual companies and providing them with the data they need to make an informed investment decision in favor of the diplomat's home country. This applies equally to existing investors as part of an aftercare strategy, because such companies are a good source of new investment. Diplomats also have a role in policy advocacy, channeling the views of investors about the investment climate in their country so that their government may consider what reforms are necessary to attract more investment.

Investment promotion rests on good teamwork between the national IPA, the embassies, and other stakeholders in the host market. Poor coordination can lead to the failure to win investment projects. Drafting account plans that specify responsibilities and actions with regard to individual companies can help avoid duplication between stakeholders with an interest in the same company.

The Document will be presented on a retreat that will be held by the Ministry of Foreign Affairs as part of the Economic Diplomacy Programme. We are to discuss the modalities of holding the retreat with the Ministry.

8.0 State Visit to India/Bangladesh

During the 2019 meeting before COVID-19, it was agreed that when the President was to visit India, BB proposed to the ministry to consider combining state visits to India and Bangladesh as both countries are in the same region and specialize in clothing manufacturing, agro-business, and others which Botswana can learn from to boost its export sector. However, we proposed to undertake a trip to Bangladesh to examine the country's recent development and its appeal as an alternative production base by June/July 2023.

The worldwide pandemic has also caused Bangladesh's position in the global supply chain to shift considerably. Even with the significant changes in the manufacturing sector globally, Bangladesh still shows a lot of potential as a manufacturing hub. Competitive labour costs and large exports of ready-made garments still make Bangladesh a key player in global fashion sourcing.

The following are things to know about manufacturing in Bangladesh:

Bangladesh is taking steps towards a Greener future

The readymade garment industry has a well-known reputation for being environmentally "unfriendly." As one of the world's largest exporters of garments and textiles, Bangladesh is taking significant steps toward sustainable manufacturing practices. This movement towards a greener future has significantly improved the country's reputation around the world.

b) Bangladesh has low manufacturing wages

Despite the last raising of the minimum wage in 2018, Bangladesh still boasts a highly competitive cost of labour compared to other Asian countries. Importers looking to reduce their cost of manufacturing will surely want to consider Bangladesh as a viable sourcing option.

c) Bangladesh is diversifying its Exports

Right now, most manufacturers in Bangladesh are in the garment and textile industry. However, the country is making a push to expand its capabilities into new markets, mainly in the leather industry. Bangladesh's large supply of livestock makes sourcing more direct and less expensive, giving it a clear advantage. The country also plans to expand its manufacturing into the automotive and pharmaceutical industries, as well.

d) Bangladesh is duty-free

Bangladesh enjoys duty-free market access to the EU because it is a least developed country. This status affords the country reduced tariffs on numerous developing and developed countries. With over 52 countries around the globe offering Bangladesh duty-free market access, you can rest assured that its products are highly likely to be competitive even on a global scale.

e) Technological adoption in Bangladesh

As Bangladesh enters a fourth industrial revolution, digitization and technological innovation are becoming more common in the manufacturing sector. The country has attracted numerous global brands that boast advanced technology and top-quality compliance parameters in recent years. With the entry of such brands, the Bangladesh manufacturing industry has become more competitive globally.

Therefore based on the above, magnificent picture about the manufacturing sector, the following are opportunities for Botswana amongst others:

- > Learn how training of labour is undertaken particularly the curriculum provided in their universities and vocational training schools;
- > Form alliances with Bangladesh Chambers of Commerce and Industry, particularly with Business Botswana, BITC, SEZA, etc., and Institutions of Learning with UB and vocational Training Schools, so that Botswana can benefit in the form of sourcing skilled labour, technology, training, etc.
- > Learn that firms with higher technology levels in Bangladesh's manufacturing sector perform better; in the sewing stage in the ready-made garments industry; as 80% of firms use semi-automated technology and another 9% use fully automated methods.
- > Form partnerships or joint ventures for the establishment of manufacturing factories in Botswana, that will create employment and boost exports;
- > Expand Botswana's capabilities into new markets, mainly in the leather industry, and other sectors;
- > On the production frontiers, Bangladesh's cheap and abundant labour offers good potential for labour-intensive industries in Botswana, with such high unemployment of the youth; and ensures labour-intensive export-led growth driven by textile and garments;
- > Provide more in-depth intelligence on manufacturing operations in the country, covering both export processing zones and other industrial zones.
- > Improve policy formulation with regard to the textile and garments manufacturing sector, as Botswana has excessive administrative procedures and red tape is commonplace.

HLCC REPORT

MINISTRY OF TRADE AND INDUSTRY



VIKASH PONANGI
Coordinator

The Sector covers the majority of business activities in Botswana and is tasked with promoting private sector participation in the economy while advocating for a business-friendly regulatory environment.

Coming out of the COVID-19 restrictions period in which we had limited interaction with the ministry as a sector. Only the Sector Level Consultative Committee (SLCC) meeting was held in March 2022, despite the lack of engagement, we trust that going forward we shall be able to return to the norm of having a meeting every quarter.

The sector was involved in the following at the behest of the ministry:

- Review of the National Investment Strategy
- Review of the Investment Development Policy
- Review of the Liquor Amendment Act

The sector also participated in the following

- Botswana – South Africa Business Forum
- The Private Sector National Stakeholders Conference

Over the last year, the sector has dealt with a limited number of issues due to the limited interactions held; some of the issues raised were:

- A review of the methodology and process of import restrictions put in place by the Government
- Need for the revival of the National Doing Business Committee
- Restriction of private information in the public domain at CIPA

The need for Regulatory Impact Assessments (RIA) was once again buttressed as something that was approved by the cabinet many years ago but has still not been implemented fully despite repeated assures it would be; the sector strongly believes the implementation of RIA will strongly serve the interests of the private and public sector in ensuring appropriate regulations are introduced.

The sector will continue to work on the outstanding issues while trying to promote the reduction of red tape and bureaucracy in Botswana.

ANNUAL FINANCIAL STATEMENTS



BUSINESS BOTSWANA

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

<u>CONTENTS</u>	<u>PAGE</u>
General information	3
Council Members' approval of the annual financial statements	4
Independent auditor's report	5 - 7
Statement of comprehensive funds	8
Statement of financial position	9
Statement of changes in funds	10
Statement of cash flows	11
Significant accounting policies	12 - 17
Notes to the financial statements	18 - 22
The following schedule does not form part of the financial statements and is presented solely for information purposes:	
Detailed income and expenditure statement	23

GENERAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2022

COUNCIL MEMBERS

Mr. G Keebine - President
Mr. H Nawa - Vice President, Northern Region
Mr. O. Merafhe - Vice President, Southern Region
Mr. N Moleele - Chief Executive Officer

SECTOR CHAIRPERSONS

Mrs G. Radikwatana	Mr. N. Nwako	Mr. G. Mudongo
Mr K. Tshupelo	Mr. M. Joyner	Mr. B. Ngwako
Mr. G. Setume	Mr. T. Tsara	Mr S. Sheleni
Mr. S. Kobole	Mr. C. Siwawa	Mrs. N. Ntsosa-Carr
Mrs D. Elvis-Ncaagae	Mr. J. Kamodi	Mr P. Sebetela
Ms. L. Rakorong	Mr S. Prasad	Mrs R. Mpe
Dr. T.J. Ntwaagae	Mr. O. Merafhe	

BUSINESS COUNCIL REPRESENTATIVES

Mr. F.T. Van Wyk
Mr. B Seithamo
Mr. J. Evans

SPECIALLY ELECTED MEMBERS

Mr D. Alexander - Finance & Audit sub committee chairperson
Mr O. Masire - HR sub committee chairperson
Mr B. Phirie - Co-opted Finance & Audit committee member
Mr K. Binns
Mr T. Kobedi

CHIEF EXECUTIVE OFFICER

Mr N. Moleele

NATURE OF OPERATIONS

The organisation is an association of employers which promotes the general business interests of its members.

REGISTERED OFFICE

Business Botswana House
Plot 5196, Luthuli Road
Gaborone

AUDITORS

Grant Thornton

BANKERS

Bank of Baroda(Botswana) Limited
ABSA Bank Botswana(Pty) Limited
Vunani Fund Managers

**BUSINESS BOTSWANA
COUNCIL MEMBERS' RESPONSIBILITY AND APPROVAL OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

The Council Members are responsible for the preparation and fair presentation of the annual financial statements of the Organisation, comprising the statement of financial position at December 31, 2022, the statement of comprehensive income, the statement of changes in funds, the statement of cash flows, notes to the financial statements, and a summary of significant accounting policies, accounting estimates and other explanatory notes, for the year then ended, in accordance with International Financial Reporting Standards.

The Council Members' responsibility includes: designing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. The Council Members' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The Organisation maintains systems of internal control, which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of the Organisation's assets. Nothing has come to the attention of the council members to indicate that a significant breakdown in the functioning of these systems has occurred during the year under review. The council members recognize and acknowledges their responsibility for the Organisation's systems of internal financial controls. The Organisation's policies on business conduct, which cover ethical behaviour, compliance with legislation and sound accounting practice, underpin its internal financial control process.


The going concern basis has been adopted in preparing the annual financial statements.

In preparing the accompanying financial statements, International Financial Reporting Standards have been used and applied consistently, and reasonable and prudent judgments and estimates have been made. The Council Members approves all changes in accounting policies, and the effects thereof are fully explained in the annual financial statements. The financial statements incorporate full and responsible disclosure in line with the stated philosophy of the Organisation.


The Organisation's external auditors, Grant Thornton, have audited the financial statements and their report appears on pages 5 - 7. The Council Members believe that all representations made to the independent auditors during the audit are valid and appropriate.

Council's approval of Financial Statements

The financial statements of the Organisation, which appears on pages 8 to 22 was approved by the Council and signed on its behalf by:


.....
President

13 SEP 2023


.....
Chairperson (Finance & Audit Committee)

Chartered Accountants**Grant Thornton**

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Independent Auditor's Report

To the Members of Business Botswana

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Business Botswana set out on pages 8 to 23, which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements give a true and fair view of, the financial position of Business Botswana as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the annual financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Partners**

Kalyanaraman Vijay (Managing), Aswin Vaidyanathan*, Madhavan Venkatachary*, Anthony Quashie, Sunny K Mulakulam*,
Aparna Vijay* (*Indian)

Independent Auditor's Report

Other Information

The council members are responsible for the other information. The other information comprises the Comprehensive Fund Statement, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the council members for the Annual Financial Statements

The council members are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards, and for such internal control as the council members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial Statements, the council members are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council members either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.



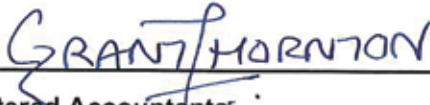
Independent Auditor's Report

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:


- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.
- Conclude on the appropriateness of the council members use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the council members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Chartered Accountants
Certified Auditor: Madhavan Venkatachary (CAP 0017 2023)



Gaborone

**STATEMENT OF COMPREHENSIVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Note</u>	<u>2022</u> <u>Pula</u>	<u>2021</u> <u>Pula</u>
Revenue	1	10,293,475	6,493,538
Direct costs		(3,494,118)	(636,218)
Salaries and related costs		(4,380,115)	(3,786,046)
Administrative expenditure		(2,195,380)	(2,037,577)
Operating surplus	2	223,862	33,697
Finance costs		(22,378)	(38,651)
Comprehensive surplus/(deficit) for the year before taxation		201,484	(4,954)
Taxation	3	-	-
Comprehensive surplus/(deficit)		201,484	(4,954)

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	Note	2022 Pula	2021 Pula
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	4	9,828,248	9,197,423
Right of use assets	5	52,640	196,671
Total non - current assets		9,880,888	9,394,094
CURRENT ASSETS			
Trade and other receivables	6	321,398	127,823
Investments	7	184,922	18,952
Cash and cash equivalents	8	492,829	609,781
Total current assets		999,149	756,556
TOTAL ASSETS		10,880,037	10,150,650
FUNDS AND LIABILITIES			
FUNDS			
General fund		6,777,321	5,610,837
Total accumulated funds		6,777,321	5,610,837
NON-CURRENT LIABILITIES			
Lease liabilities	9	45,543	65,484
Grants received	10	451,761	548,748
Total non-current liabilities		497,304	614,232
CURRENT LIABILITIES			
Trade and other payables	11	3,476,530	3,401,614
Lease Liabilities	9	20,247	132,386
Capital grant	12	-	13
Bank overdraft	8	108,635	391,568
Total current liabilities		3,605,412	3,925,581
TOTAL FUNDS AND LIABILITIES		10,880,037	10,150,650

**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General fund Pula
Balance at 1 January, 2021	6,395,213
Deficit arising on revaluation of land and buildings	(779,422)
Comprehensive deficit for the year ended 31 December, 2021	(4,954)
Balance at 31 December, 2021	5,610,837
Surplus arising on revaluation of land and buildings	965,000
Comprehensive surplus for the year ended 31 December, 2022	201,484
Balance at 31 December, 2022	6,777,321

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Note	2022 Pula	2021 Pula
OPERATING ACTIVITIES			
Surplus/(Deficit) before taxation		201,484	(4,954)
Adjustment for:			
Depreciation - Property, plant and equipment		333,742	298,526
Depreciation- Right of use assets		144,031	135,750
(Profit)/Loss on disposal of fixed assets		351	(3,184)
Finance costs on leases		6,819	14,794
Utilisation of grant from AFDB		(775,039)	(575,377)
Capital grant amortisation		(13)	(43,252)
Operating surplus/(deficit) before working capital changes		(88,625)	(177,697)
Movement in trade and other receivables		(193,575)	294,149
Movement in trade and other payables		74,916	(382,877)
Cash generated from/(utilised in) operating activities		(207,284)	(266,425)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(3,463)	(213,527)
Proceeds from sale of equipment		3,545	4,899
Net cash generated from/(utilised in) investing activities		82	(208,628)
FINANCING ACTIVITIES			
Payment on lease liabilities		(138,899)	(147,323)
Grant received from AFDB		678,052	532,025
Net cash generated from/(utilised in) financing activities		539,153	384,702
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		331,951	(90,351)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		237,165	327,516
CASH AND CASH EQUIVALENTS AT END OF YEAR		569,116	237,165
Represented by:			
Investments		184,922	18,952
Cash and cash equivalents		492,829	609,781
Bank overdraft		(108,635)	(391,568)
Cash and cash equivalents at end of year		569,116	237,165

**BUSINESS BOTSWANA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These financial statements are prepared for the year ended December 31, 2022. The annual financial statements are prepared on the going concern basis using the historical cost convention with certain financial assets and liabilities at fair value as indicated in the notes below.

The preparation of financial statements in conformity with International Financial Reporting Standard (IFRS) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from the estimates.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Pula, the currency of Botswana, which is the entity's functional and presentation currency.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB), interpretations issued by the standing Interpretation Committee of the IASB.

NEW STANDARDS AND INTERPRETATIONS ADOPTED

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/Interpretation	Effective date – Years beginning on or after:	Expected Impact
Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	01 January 2022	The impact of the amendment is not material.
Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022	The impact of the amendment is not material.
Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	01 January 2022	The impact of the amendment is not material.
Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2022	The impact of the amendment is not material.
Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	01 January 2022	The impact of the amendment is not material.
Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41	01 January 2022	The impact of the amendment is not material.

NEW STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The following new standards, amendments to standards and interpretations have been issued and are not yet effective for the year ended 31 March 2023, and have not been applied in preparing these financial statements:

Standard	Effective date – years beginning on or after:	Expected impact
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2024	Unlikely there will be a material impact.
Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	1 January 2023	Unlikely there will be a material impact.
Definition of accounting estimates: Amendments to IAS 8	1 January 2023	Unlikely there will be a material impact.
Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	1 January 2023.	Unlikely there will be a material impact.

**BUSINESS BOTSWANA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

IFRS 17 Insurance Contracts	1 January 2023	Unlikely there will be a material impact.
Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	1 January 2023	Unlikely there will be a material impact.

FOREIGN CURRENCY TRANSLATION - TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currencies using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

REVENUE RECOGNITION

Grants

Grants are recognised when there is reasonable assurance that the organisation will receive the grant and is able to comply with the conditions of the grant. Grants whose primary condition is that the organisation purchase, construct or otherwise acquire non-current assets, are recognised as deferred income in the statement of financial position and transferred to the comprehensive fund statement on a systematic basis. Grants that are received as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the organisation, with no future related costs, are recognised in the comprehensive fund statement in the period in which they fall due.

Subscription income

Subscription income is accounted for on the receipts basis. Members who have not paid their subscriptions are deemed to have ceased their membership and no account is taken of unpaid subscriptions. Subscriptions received in advance are accounted for in the year to which they relate.

Rental income

Rental income is recognised on a straight line basis over the term of the relevant lease, on the accruals basis.

Interest income

Interest income is accrued on a time basis, by reference to the balance outstanding based on applicable interest rates.

Other income

All other income, arising mainly from the hosting of special events, are recognized on the accrual basis.

EXPENDITURE RECOGNITION

Expenses are recognized in the statement comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the plant and equipment in a state of efficiency has been charged to the statement of comprehensive income.

For the purpose of presentation of the statement of comprehensive income, the function of expenses method has been adopted, on the basis that it presents fairly the elements of the entity's performance.

RECOGNITION AND DERECOGNIZING OF ASSETS AND LIABILITIES

The entity recognizes an asset when it obtains control of a resource as a result of past events, future economic benefits are expected to flow to the entity and the cost of the asset can be reliably measured. The entity derecognizes an asset when it loses control over the contractual rights that comprise the asset and consequently transfers the substantive risks and benefits associated with the asset.

A liability is derecognized when it is legally extinguished.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are included at historical cost less accumulated depreciation and any impairment losses. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use including cost of borrowings where applicable.

Depreciation is recorded by a charge to income computed on a straight-line basis to write off the cost of the assets over their

**BUSINESS BOTSWANA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

expected useful lives, taking into account residual values.

Land and buildings	50 years
Computer equipment	4 years
Furniture and office equipment	10 years

The useful lives, residual values and depreciation methods of plant and equipment are reviewed at each financial year end, and adjusted in the current period if expectations differ from the previous estimates. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses arising on the disposal or retirement of property, plant and equipment are determined by comparing sales proceeds with the carrying amount and are included in operating surplus. Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefit in excess of the originally assessed standard of performance of the existing asset will flow to the Entity. Major renovations are depreciated over the remaining useful life of the related asset. The initial estimates of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

PROVISIONS

Provisions are recognized when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

CURRENT AND DEFERRED TAXATION

The entity is exempt from taxation.

RETIREMENT BENEFITS

Retirement benefits are provided for employees who are citizens of Botswana, through a separate defined contribution pension fund, to which the employees and the entity contribute. The entity's contributions to the fund are expensed in the period in which they fall due.

LEASES

The Entity considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the Entity assesses whether the contract meets three key evaluations:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Entity;
- the Entity has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, within the defined scope of the contract;
- the Entity has the right to direct the use of the identified asset throughout the period of use including the 'how and for what purpose' the asset is used.

Measurement and recognition of leases as a lessee

Right-of-use assets

At lease commencement date, the Entity recognizes a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Entity, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received) discounted at the entity's incremental borrowing rate.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Entity by the end of the lease term or the cost of the right-of-use asset reflects that the Entity will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease liabilities

At the commencement date, the Entity measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Entity's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

The Entity determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or comprehensive income if the right-of-use asset is already reduced to zero.

FINANCIAL INSTRUMENTS

Financial instruments carried in the statement of financial position consist of trade and other receivables, cash and bank balances, and trade and other payables and other financial liabilities (lease and other borrowings) resulting from normal business transactions. Financial assets and financial liabilities are recognized in the balance sheet when the Entity has become a party to the contractual provisions of the instrument.

Financial instruments are initially measured at cost and measured at subsequent reporting dates as set out below:

Trade and other receivables

Trade and other receivables are carried at original invoice amounts less expected credit losses. Expected credit losses are calculated based on the payment profiles of sales over a period of 24 months before financial year end and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Cash and cash equivalents

Cash and cash equivalents are carried in statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and, deposits held on call with banks, and investments in money market instruments.

Trade and other payables

Liabilities for trade and other amounts payable which are normally settled on 30 to 60 days terms are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Entity.

Financial liabilities

Non-derivative financial liabilities are recognized at amortized costs, comprising original debts less principal payments and amortization.

Gains and losses on subsequent measurements

Gains and losses from a change in fair value of financial instruments that, are not part of a hedging relationship, are included in net surpluses or deficits, in the period in which the change arises.

RELATED PARTY TRANSACTIONS

Related parties comprise members of the key management personnel, who have significant influence or control over the entity's operations.

STATEMENT OF CASH FLOWS

The statement of cash flows has been prepared using the indirect method.

SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires the use of judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities

at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources; actual results ultimately may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are:

- evaluation of depreciation rates, economic useful lives and the residual values applied to property, plant and equipment items;
- Estimation of expected losses on trade and other receivables;
- Estimation of fair values;
- Impairment of property, plant and equipment and inventory
- Provisions and contingent liabilities estimation
- Impairment of investments and other financial assets.

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgment includes:

Fair value estimation

The carrying value less impairment provisions of trade and other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is determined by applying a pre-tax discount rate to the estimated future contractual cash flows, based on the market interest rate that are currently available to the Entity for similar financial instruments. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Impairment testing for assets:

Calculation of expected credit losses on trade and other receivables

The Entity applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Entity estimates the expected loss rates are based on the payment profiles of sales over a period of 24 months before financial year end and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Entity has identified the Gross National Product (GDP) of the countries in which it sells its goods and services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Impairment testing for other financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of the financial asset measured at amortised cost is calculated as the difference between carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the statement of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. The reversal of an impairment loss is recognized in the statement of comprehensive income.

Impairment of property, plant and equipment

Non-financial assets including property, plant and equipment and other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists then the asset's recoverable amount is estimated and, an impairment loss is recognised for the amount by which the carrying amount of the assets or its cash-generating unit exceeds its recoverable amount, which is the higher of the asset's net selling price (after adjusting for cost to sell) and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

For the purpose of assessing impairment, a cash-generating unit is considered as the smallest identifiable asset group that generates cash inflow that are largely independent of the cash inflows from other assets or assets group and the assets are grouped at the lowest level for which there are separately identifiable cash flows.

Impairment losses recognized in prior periods are assessed at each reporting date for any indication that these losses have decreased or no longer exist. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if impairment had been recognized.

Provisions

At each reporting date, management assess the carrying value of provisions based on the circumstances relating to the financial obligation at that date and the time value of money.

Contingent liabilities

Management applies its judgment to facts and advice it receives from its attorneys, other advisors in assessing if an obligation is probable, more likely than not, or remote. This judgment application is used to determine if the obligation is recognized as a liability or disclosed as a contingent liability.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
	Pula	Pula
1. REVENUE		
By major product line/services		
Subscriptions received	4,454,470	4,621,241
Seminars, workshops and conferences	1,238,810	797,289
National Business Conference	2,363,345	-
Trade Fair	1,431,016	58,149
Golf Day	350,673	306,482
Career Expo	17,544	-
Flea Market	14,719	174,295
Dinners	-	(1,786)
Interest income	6,314	9,788
Rental income	293,465	341,334
Capital grant amortization	13	43,252
Consultancy income	-	10,000
Donations	-	129,860
Publications	16,689	-
Sundries	106,417	450
Profit on sale of fixed assets	-	3,184
Total revenue	10,293,475	6,493,538
By timing of recognition		
Products transferred at a point in time	5,839,005	1,872,297
Products and services recognised over a period of time	4,454,470	4,621,241
Total revenue	10,293,475	6,493,538

2. OPERATING SURPLUS

Operating surplus is stated after:

Auditors' remuneration	140,000	140,000
Allowance for credit losses	327,158	60,724
Depreciation - Property, plant and equipment	333,742	298,526
Depreciation - Right of use assets	144,031	135,750
Salaries and staff costs	4,380,115	3,786,046

3. TAXATION

The organisation is exempt from taxation in terms of the Second Schedule Part 1 (ix) of the Botswana Income Tax Act (Chapter 52:01)

4. PROPERTY PLANT AND EQUIPMENT

	Northern Trade Fair Grounds Pula	Freehold land and buildings Pula	Computer equipment Pula	Furniture and equipment Pula	Total Pula
Year ended December 31, 2021					
Cost/Valuation	1,746,229	8,585,000	921,316	907,421	12,159,966
Accumulated depreciation	(565,422)	(891,071)	(735,851)	(770,199)	(2,962,543)
Closing net book value	1,180,807	7,693,929	185,465	137,222	9,197,423
Year ended December 31, 2022					
Cost/Valuation	1,746,229	9,550,000	920,883	907,421	13,124,533
Accumulated depreciation	(600,347)	(1,078,359)	(798,121)	(819,458)	(3,296,285)
Closing net book value	1,145,882	8,471,641	122,762	87,963	9,828,248
Reconciled as follows					
Opening net book value	1,180,807	7,693,929	185,465	137,222	9,197,423
Additions/Revaluation	-	965,000	3,463	-	968,463
Disposals	-	-	(3,896)	-	(3,896)
Depreciation and impairment	(34,925)	(187,288)	(62,270)	(49,259)	(333,742)
Accumulated depreciation on disposals	-	-	-	-	-
Closing net book value	1,145,882	8,471,641	122,762	87,963	9,828,248

The property at Plot 5196, Gaborone has been mortgaged to ABSA Bank Botswana, as security for the overdraft facilities (See note 8)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

5. RIGHT OF USE ASSETS	2022	2021
	Pula	Pula
Opening balance	196,671	266,218
Lease modification	-	66,203
Depreciation charge	(144,031)	(135,750)
Closing balance	52,640	196,671

6. TRADE AND OTHER RECEIVABLES

Trade receivables	1,197,053	658,638
Less: Impairment loss allowance	(944,949)	(619,970)
Net trade receivables	252,104	38,668
Staff advances	2,330	-
Prepayments and other receivables	66,964	89,155
Total trade and other receivables	321,398	127,823

The average credit period for trade receivables is 60 days (2021 : 60 days). No interest is charged on the overdue trade receivables.

Movement in the allowance for impaired

Balance at the beginning of year	619,970	611,717
Provision for impairment	324,979	8,253
Balance at the end of the year	944,949	619,970

Exposure to credit risk

Trade receivables inherently expose the organisation to credit risk, being the risk that the organisation will incur financial losses if the customers fail to make payments as they fall due. In order to mitigate this loss, the organisation only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are obtained when appropriate. Each customer is analysed individually for credit worthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data, when available. Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the credit worthiness of the customers are continually monitored.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition, trade receivables are written off, when there is no reasonable expectation of recovery, for example when a debtor has been placed under liquidation. Trade receivables written off are not subject to enforcement activities. The organisation measures the loss allowance for trade receivables using the simplified approach prescribed in IFRS9. Under this approach, the loss allowance is determined as the lifetime expected credit losses on trade receivables, using a provision matrix, developed by using past default experience, forward looking information and the general economic conditions of the industry at the reporting date. The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses are therefore based on past due status without further disaggregation.

Provision matrix:

	Total	Current	1-30 days past due date	31-60 days past due date	61-90 days past due date	+91 days past due date
Gross carrying amount	1,191,387	14,280	59,262	66,902	243,610	807,333
Expected credit loss rate	79%	2%	2%	36%	46%	100%
Lifetime expected loss	944,949	286	1,185	24,085	112,060	807,333

7. INVESTMENTS

Vunani Fund Managers	184,922	18,952
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This investment matures monthly, and has been measured at amortised cost, using the effective interest rate method. The interest rate at the end of the 2022 financial period was 6.76% (2021 - 4.8%)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
	Pula	Pula
8. CASH AND CASH EQUIVALENTS		
Cash on hand	4,622	5,227
Bank balances	488,207	604,554
Bank overdraft	(108,635)	(391,568)
Total cash and cash equivalents	384,194	218,213
Reflected under current assets	492,829	609,781
Reflected under current liabilities	(108,635)	(391,568)
	384,194	218,213

The organisation has a P700,000 bank overdraft facility with ABSA Bank of Botswana, which is secured by the property situated at Plot 5196, Gaborone. The overdraft facility is subject to interest at 1.75% above base rate.

9. LEASE LIABILITIES

Opening balance	197,870	264,196
Lease modification	-	66,203
Lease payments (rent)	(138,899)	(147,323)
Add: Interest	6,819	14,794
Closing balance	65,790	197,870
Maturity analysis		
Less than 1 year	65,790	132,386
2-5 years	-	55,643
Over 5 years	-	9,841
Total lease liabilities	65,790	197,870
Current	20,247	132,386
Non-current	45,543	65,484
Total lease liabilities	65,790	197,870

10. GRANTS RECEIVED

Balance at the beginning of the year	548,748	592,100
Grants received during the year	678,052	532,025
Grant utilised during the year	(775,039)	(575,377)
Balance at the end of the year	451,761	548,748

11. TRADE AND OTHER PAYABLES

Trade payables	1,474,144	1,512,472
Subscriptions received in advance	923,725	853,142
Sundry creditors and accruals	129,337	361,576
Leave and severance pay provision	354,120	128,433
Value Added Tax payable	122,537	105,581
PAYE payable	56,241	-
Other sundry payables	416,426	440,410
Total trade and other payables	3,476,530	3,401,614

The average credit period for trade payables is 30 days (2021 : 30 days). No interest is paid on the overdue trade payables.

12. CAPITAL GRANT

Balance at the beginning of the year	13	43,265
Amortisation	(13)	(43,252)
Balance at the end of the year	-	13
Current portion of grant	-	13
Non-current portion of grant	-	-
Balance at the end of the year	-	13

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
	Pula	Pula
13. COMMITMENTS AND CONTINGENT LIABILITIES		
Bank guarantees to third parties		
Botswana Power Corporation	25,000	25,000
	25,000	25,000

14. RELATED PARTY TRANSACTIONS

The remuneration of key management personnel during the year was as follows

Short term benefits	2,282,224	2,266,579
Post-employment benefits	278,357	222,187
	2,560,581	2,488,766

15. FINANCIAL RISK MANAGEMENT

Overview

Transactions in financial instruments result in the assuming financial risks. These include market risk, credit risk and liquidity risk. Each of these risks are described below, together with a summary of how the Organisation manages these risks.

Market risk

The Organisation has no interest bearing borrowings. It is exposed to interest rate risk through its investments in banking institutions and the money market and overdraft facilities with banking institutions.

Credit Risk

The Organisation has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts when due. Key areas where the is exposed to credit risk are:

- amounts due from trade and other receivables, and
- investments in cash and cash equivalents.

The Organisation establishes an allowance for impairment which represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individual exposures, identified as balances exceeding agreed payment terms and conditions.

Reputable financial institutions are used for investing and cash handling purposes. All money market instruments and cash equivalents are placed with financial institutions registered in Botswana.

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is summarised as follows:

	2022	2021
Trade receivables	252,104	38,668
Other receivables	2,330	-
Cash and cash equivalents	492,829	609,781
	747,263	648,449

All exposures summarised above are denominated in Pula and located in Botswana.

Liquidity risk

Liquidity risk is the risk that the Organisation may not be able to meet its financial obligations as they fall due. The Organisation's approach to managing its liquidity is to ensure, as far as possible, that it has sufficient liquidity available to meet its liabilities when due, both under normal and adverse economic conditions, without incurring unacceptable losses or risking damage to its reputation.

Typically the Organisation ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The maturity profile of the Organisation's non-derivative financial liabilities is analysed as follows:

	Carrying Amount	Due within 6 months
2022		
Trade payables	1,474,144	1,474,144
Other payables	2,002,386	2,002,386
	3,476,530	3,476,530
2021		
Trade payables	1,512,472	1,512,472
Other payables	1,889,142	1,889,142
	3,401,614	3,401,614



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