

**OFFICIAL OPENING SPEECH PRESENTED TO THE MEMBERS OF THE BUSINESS
BOTSWANA BY THE CEO OF BOTC, MR M. O. TAMASIGA, ON THE OCCASION OF
ITS 46th ANNUAL GENERAL MEETING ON
19TH SEPTEMBER 2018
Fairgrounds Holdings (The Pavillion Hall)
Gaborone**

Director of Ceremonies,

The President of Business Botswana, Mr. Gobusamang Keebine,

The Vice Presidents: South and North – Mr. Odirile Merafhe and Mr. Humprey Nawa,

Business Botswana Treasurer, Mr. Butler Phirie,

Board of Governance Members here present,

Ladies and Gentlemen,

Good Morning to you all.

It is indeed a privilege and an honour for me to address the 46th Annual General Meeting of Business Botswana. Thank you for the kind invitation.

I am especially pleased for the opportunity to share with the business community the statutory mandate of the Botswana Trade Commission (BOTC) within the context of this year's AGM theme which is **“Seizing growth and Investment Opportunities in Expanding Markets.”** Indeed, the theme recognises the private sector's pivotal role as the engine for economic growth, prosperity and job creation.

This also provides an opportunity for me to meet with you and learn about the contributions that Business Botswana makes across all the economic sectors. Certainly, it is a good opportunity to debate issues of mutual interest and guide each other accordingly.

Let me observe on the onset that indeed it is through industry and commerce that many of the positive effects of trade and investment growth are transmitted to our economies and communities. You are the job creators. And of course Business Botswana plays a very important role in supporting trade and investment in the country, and in helping to inform the government's positions in regional and international fora. This is indeed a commendable role not only in sustaining our positive economic growth trajectory but also in ensuring inclusive growth and the attainment of the United Nations Sustainable Development Goals (SDGs) to which Botswana is fully committed.

Director of Ceremonies, Business Botswana's mission is to serve as a unified voice of business, striving to enhance the business environment and build the vitality and competitiveness of the private sector in Botswana. It promotes social dialogue and economic reforms to elevate Botswana to a higher economic status in order to generate wealth and jobs. Therefore, Business Botswana continually strives to enhance the overall competitiveness of the private sector by tapping new markets. Additionally, Business Botswana continues to partner with all key stakeholders to ensure that the ease of doing business in Botswana is favourable compared to the rest of the world.

Now, turning to the mandate of the BOTC, I would like to point out that the BOTC Act of 2013 was enacted pursuant to the provisions of the SACU (Southern African Customs Union) Agreement of 2002 which requires SACU Member States to set up National Bodies to receive requests for tariff changes, carry out preliminary investigations and make recommendations to the SACU Tariff Board. The Tariff Board will then make recommendations to the SACU Council for approval.

The BOTC Act mandates the Commission to **investigate and determine the impact of tariffs in Botswana's exports and imports and provide written recommendations regarding any tariff change.** In making these assessments due

cognisance is taken of, inter-alia, the impact of the proposed changes on industry competitiveness in regional and international markets; employment creation and/or retention and Botswana's commitments under the various regional and multilateral trade agreements to which Botswana is a member. These trade agreements include the Southern African Customs Union, SADC EU Economic Partnership Agreement (SADC EU EPA) and the World Trade Organisation (WTO). In this regard, the extent to which tariff amendments provide protection to the Botswana manufacturing sector against competing imports as well as contributions to reduction in costs of production to local industry are important considerations.

Additionally, the Act mandates the Commission to **investigate allegations of dumping, subsidised exports and import surges that affect Botswana's trade performance**. This function entails carrying out investigations and making recommendations for the enforcement of trade remedies or trade defence instruments which are essentially contingent measures enacted to defend local producers against unfair trade practices by our trading partners or to provide sufficient policy space for our industry to develop in situations where our industry is adversely affected by our liberalisation commitments in trading agreements to which we have acceded to. Suffice to say, in carrying out this function BOTC will be cautious to ensure that trade differences do not escalate into larger trade conflicts. Where significant disagreements exist, we have recourse to regional and multilateral dispute resolution mechanisms such as SADC Tribunal, EPA Dispute Resolution Framework and WTO Dispute Settlement Understanding. All these mechanisms emphasise the centrality of transparency, flexibility and impartial approaches in dealing with unfair or injurious trade practices to local industry.

Let me add that all these remedial measures help to maintain stability and rule of law in our trading relationships and are indeed key ingredients to help small economies like Botswana to use trade as a tool to boost growth, development and employment creation. This is also important in ensuring an enabling environment for Botswana businesses to "seize growth and investment opportunities in expanding markets". For instance, the wider African Continental Free Trade Area.

Customs tariffs and trade remedies can indeed be important tools for supporting the growth of domestic industries and stimulating economic development. However, their limited use by most SADC countries, including Botswana, is due to the absence of national legal and institutional frameworks to enable domestic industry to file for protection. Cognisant of this limitation, the BOTC Act mandates the Commission to **formulate guidelines for the application of trade remedies and tariff amendments within Botswana**. These guidelines, once gazetted, will set out the legal process to be followed by local industry in lodging complaints and the procedures to be followed by the BOTC to competently carry out its investigations. This is work in progress and once finalised the process will be augmented by sensitisation and awareness raising activities to enable local industry to provide their input.

Another area I would like to allude to today is the BOTC mandate **to assess and determine the eligibility for infant industry protection**. This derives from the SACU Agreement which foresees time-bound support to nascent industrial sectors in Botswana, eSwatini, Lesotho and Namibia (BELN) through the levying of additional customs duties to cushion such sectors from external competition. Additionally, and more importantly, several national policy pronouncements which emphasize industrialisation, export diversification, private sector development and global competitiveness can be supported by effective operationalisation of this mandate.

From the foregoing, it is evident that when fully functional, the BOTC can indeed play a strategic supportive role in ensuring the realisation of national policy objectives towards effective and sustainable integration of the Botswana economy into the wider global trading system.

Going forward, allow me to reiterate the imperativeness of concerted efforts by all stakeholders to support the BOTC in pushing forward on all outstanding issues, which include:

- The need to develop national regulatory frameworks to give legal effect to some provisions of both the SACU Agreement and BOTC Act,

- The development of comprehensive capacity building programme involving all key stakeholders including the private sector to ensure the successful execution of the BOTC mandate, and,
- Facing our industrialisation and export diversification challenges together in a spirit of cooperation, dialogue and inclusive discussion.

We all have a role in shaping our development Agenda, sparking sustainable growth and development and job creation in Botswana.

Director of ceremonies, Ladies and gentlemen, may I take this opportunity to wish you well in your deliberations in this auspicious Annual General Meeting.

I thank you.