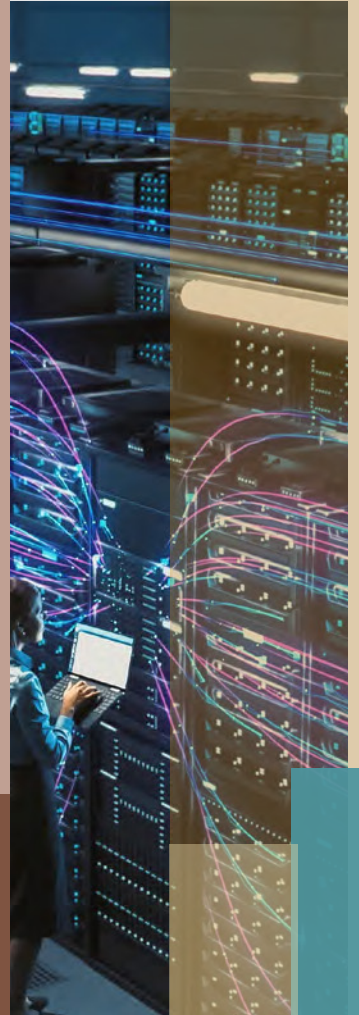
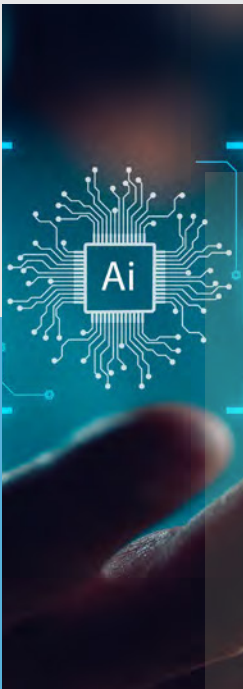




BOTSWANA
INVESTMENT
& TRADE CENTRE

INFORMATION & COMMUNICATION TECHNOLOGY



OVERVIEW OF BOTSWANA

Botswana holds a strategic position within the Southern African Development Community (SADC), a region encompassing over 293 million individuals. With a strong foundation of good governance and an unwavering commitment to combating corruption, Botswana stands out as one of Africa's most stable and attractive economies for investors. While its economy has historically relied on abundant natural resources, particularly diamonds, the country has earned widespread acclaim as a success story in terms of its developmental progress on the continent.

Botswana has fostered a conducive environment for capital and business growth, aligning with its strategic objective of diversifying the economy into value-adding sectors that cater to the rapidly emerging regional market. Consequently, the country ranks as the fourth most competitive economy in Africa and is recognized as one of the continent's easiest destinations for conducting business.

Botswana: Quick Facts

Indicator	
Population	2.3 million
Area	581,730 km ²
Capital	Gaborone
Business language	English
GDP/capita	US\$ 6,581 (2022)
Nominal GDP	US\$28.42 (2022)
GDP growth	5.8% (2022) 4.0% (2023) 5.1% (2024)
Change in inflation Rate	12.2% (2022)

Source: Statistics Botswana, 2023, Transparency International, 2023 & BITC



OVERVIEW OF THE BOTSWANA ICT SECTOR

Botswana's ICT sector is primarily met by imports, with an import gap of around USD42 million in 2014. The sector contributes between 2% and 5% of GDP, with most supplies and services coming from South Africa, Europe, and the USA. From 2012 to 2014, ICT imports of computer hardware, laptops, accessories, and storages were valued over USD30 million. Currently, Botswana has little or no ICT exports. Investors can benefit from Botswana's membership in SADC and SACU, allowing for preferential targeting of diverse export markets. Tripartite cooperation countries, including COMESA, EAC, and SADC, account for half of the AU's membership, with a combined GDP of US\$1.3 trillion and a population of 565 million.

Opportunity 1: Mobile Money (mMoney) and Banking the unbanked-a financial inclusion imperative

Globally, 2.5 billion adults worldwide lack bank accounts, with most in developing countries. Africa has the highest remittance market, valued at nearly \$40 billion by 2016. With a 50% market share, there is an opportunity for a holistic product that uses mobile phones as account numbers, enabling transactions across networks and remittances across borders. Additionally, a \$2 billion market in Southern Africa presents a potential market for remittances.

Opportunity 2: eWaste

E-Waste by definition is all types of electrical and electronic equipment (EEE) that have been discarded by the owner as waste. Although e-waste is a general term, it can be considered to denote items such as TV appliances, computers, laptops, tablets and mobile phones. Between 2011 and 2016, global eWaste will increase by 125% from 41.5 million to 93.5 million metric tons due to the following:

- a.) the increased frequency at which they are replaced/ upgraded;
- b.) the transition from feature phones to smart-phones;
- c.) new technology and software (Windows 10, etc.); and

- d.) replacement / upgrade from desktops to laptops and tablets.

The potential for a complete eWaste management system in Botswana involves partnerships between the government, local councils, and the private sector. The introduction of an EPR (Extended Producer Responsibility) program can add value to eWaste. This could involve raising public awareness, collecting eWaste, establishing collection infrastructure, reusing programs, and developing recycle/export centers. Botswana's annual eWaste production is valued at \$2.3-12.5 million, with a potential 400-500 job creation. The opportunity also includes the reuse of ITC equipment for local communities and schools, and incentivizing collection through an "Extended Producer Responsibility" scheme.

Opportunity 3: TV White Space

TV White Space (TVWS) is unused TV channels placed between active channels to protect broadcasting interference and provide broadband internet access. With a Non-Line-of-Sight signal, TVWS offers up to 10km coverage and can penetrate trees, hills, walls, and buildings, providing excellent coverage with minimal infrastructure. Devices can support up to 16 Mbit/s and connect hundreds of devices with one base station.

In addition, the rural TVWS stations could be powered with solar panels that could also power local schools/community centres. Pilot programmes for TV White Space (TVWS) include South Africa (provide low cost internet to Limpopo communities), Ghana (first commercial TVWS broadband service), Kenya, Namibia (62km x 152km area), Philippines (dense forest area) and Botswana (Kgolagano). The benefits include the following;



- TVWS could be the catalyst for closing the digital divide
- Enable more Batswana to be connected to W/W/W
- Help more SMEs grow and connect to W/W/W
- Become the enabler to develop e-services (Education, Commerce, Health, etc.)
- Assist the roll out of local content mobile apps
- Expanding infrastructure across Botswana could be leased or sublet to investors.

Other future opportunities are Telemedicine, eEducation, eVet (cattle, small stock, domestic) and Fleet management. Currently, the following companies are investing in TVWS; Google, Microsoft through Microsoft4Afrika programme, Adaptrum (hardware) and Carlson Wireless (hardware). Opportunities that exist in Botswana are premised on the fact that 950,000 people, 43% of the national population lives in

rural areas, most internet access is prohibited due to high cost and lack of infrastructure at \$15 for 800Mb of data. Mobile internet is still expensive, the cost of infrastructure is lower vs 3G, 4G and can be further subsidised by Kgologano program.

There is currently no need for a licence fee for TV white space and indicative retail prices as per Ghana example (Spectra Wireless) with unlimited data. The nominal speeds can reach up to 16Mbits/sec.

\$7.5 per month ½x speed
 \$8.5 per week 4x speed
 \$0.75 per day 1x speed

	Rural Population Penetration	Monthly Turnover per used	Total Monthly Turnover	Annual Turnover
Scenario 1	10%	\$4.00	\$380,000	\$4,560,000
Scenario 2	20%	\$3.00	\$570,000	\$6,840,000
Scenario 3	30%	\$2.50	\$712,000	\$8,550,000

Opportunity 4: TV Broadcasting

Botswana is experiencing digital migration, with BTV being the only nationwide broadcaster and DSTV being a premium satellite broadcaster with 40-60 subscribers. The middle class is increasing their connectivity, with DSTV's subscriptions increasing annually. This growth in internet speeds leads to opportunities for TV streaming, religious content, sports, and local content. Additionally, digital migration presents opportunities for private broadcasters and content producers.

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	Household Penetration	Hosuehold Montly Turnover	Total Monthly Turnover	Annual Turnover
Scenario 1	10%	\$10.00	\$400,000	\$4,800,000
Scenario 2	20%	\$7.50	\$600,000	\$7,200,000
Scenario 3	30%	\$6.00	\$720,000	\$8,640,000

Opportunity 5: eHealth

Botswana faces challenges in specialized medical doctors, low landline penetration, and lack of computer facilities. However, the country is adopting mobile devices, and eHealth and mHealth sectors are rapidly growing. Innovative entrepreneurs can develop eHealth content to benefit millions of Africans.

The "Kgonafalo" eHealth pilot project, a partnership between the University of Pennsylvania, Botswana's Ministry of Health, and Orange mHealth, aims to pilot eHealth software and management systems for remote doctor visits. The project focuses on Women's Health, Dermatology, Radiology, and Oral Medicine. It facilitates self-care, health monitoring, disease surveillance, and disease surveillance using mobile phones or tablets. The project also enables real-time disease occurrence information collection and sharing with centralized healthcare organizations, enabling timely prevention and cure schemes.

Opportunities that exist in Botswana are premised on the following:

- Large size country. 580.000 sq. kilometres of areas, similar to France or Texas
- Public medical services not reaching remote areas
- Lack of specialised doctors and equipment
- Long delays seeking medical assistance
- Focus areas – Medical treatment:
 - Cardiac surgery (Heart)
 - Ophthalmology (Eyes)/Nephrology (Kidneys)
 - Orthopaedics (Bones)
 - Diabetes
 - Spinal cord injuries
- Focus Areas – Manufacturing and analysis:
 - Diagnostics Facilities (Imaging and laboratory)
 - Pharmaceutical manufacturing
 - Biomedical equipment manufacturing

Opportunity 6: eCommerce

ICT sector opportunities include eCommerce, which involves buying and selling information, products, and services online. Originating in Africa in the early 2000s, it targets crafts, online entertainment, and service providers.

The African landscape is evolving with increased internet users, mobile broadband, smart phones, social media, and cloud computing. Electronic commerce value in Africa is \$18.5 billion. BITRI's ICT research focuses on software and apps development in health areas, including mobile technology, apps, and telemedicine.

- **Education:** provision of (interactive mobile solutions), eLearning and self-tests with standard tutorial questions, access to past examination questions, a platform for students and private tutors to interact and platforms for student interactions
- **Agriculture:** mobile solutions to markets, information, best practices, and platforms/solutions to connect farmers with markets, logistics and transportation services
- **Transport systems;** intelligent transportation systems such as application of road sensors, automated statistic gathering, driver assistance communications, driver/ passenger information systems, road safety and obstacle detections, etc.
- **Security and forensics:** new measures to help in the criminal justice systems have never been much needed. Opportunities exist for appropriate digital evidence collection and handling, signal processing to obtain key issues from recordings, authentication and validation of data/ automated identification systems, training dedicated to responsible officers, and public awareness
- **Tourism and culture:** development of applications to provide intelligence on lodges locations and routes, attraction facilities, mobile devices interfaces to tourism portals, among others

- **ICT:** development of new communication methods and signal processing techniques for optimal frequency and spectrum allocations through spectrum sensing algorithms, radiation level testing for safety, cognitive networks and internet. Opportunities in Botswana are premised on the fact that 1.1% of GDP is the average eCommerce value in Africa at a value of \$18.5 billion. This is half of the current value in developed world. 1.4% of GDP is the value of eCommerce in South Africa, 3.3% of GDP is the value of eCommerce in Senegal the African champion, unfortunately there are no statistics for Botswana but it is expected negligible. The scenario below presents an opportunity based on a GDP of \$15.5 billion.

	Percentage of GDP	Equivalent Territory	Annual Opportunity	Value for Botswana
Scenario 1	1.1%	Africa		\$173,800,000
Scenario 2	1.4%	South Africa		\$221,200,000
Scenario 3	2.2%	Kenya		\$347,600,000
Scenario 4	3.3%	Senegal		\$512,400,000

Opportunity 8: BPO, Call Centres

Botswana offers a favorable investment climate through IFSC dispensation in BPO and call center operations. However, voice and data costs decline due to BOFINET investments. Botswana has a skilled, English-speaking labor pool for outsourcing and contact centers. It is not affected by harsh environmental factors like floods and has no foreign ownership limitations compared to South Africa.

Botswana's geographical location in Southern Africa is ideal for the establishment of regional Business Process Outsourcing entities or Contact Centres to serve the Southern African Region.

Botswana's best place to find jobs - An employment platform for Botswana and Africa designed to allow employers to post job adverts and job seekers to search for jobs. A cost effective advertising solution available on all platforms (online, mobile phones, tablets etc). The site is easy to use so that your entire HR and Recruitment team can advertise jobs and search for candidates directly. The website is accessible on www.careerpoolbotswana.com.

INVESTMENT OPPORTUNITY

The BPO industry in Botswana has been growing in recent years and is considered a key sector for economic growth and job creation. The main BPO services provided in Botswana are:



Customer support

- Call centre operations
- Customer service
- Technical support



IT services

- Software development
- IT consulting
- IT support services



Back-office operations

- Data entry
- Data processing
- Data analysis services.



Data Centres in Botswana

- A number of data centres with excellent links to telecommunications networks already exist in Botswana, providing services such as colocation, cloud computing, and disaster recovery.
- The data centre market in Botswana is still in its early stages of development, with room for growth and expansion.
- There is an opportunity for telecommunications operators to build data centres in Botswana to serve central Africa, offering a comprehensive portfolio of data centre services such as cloud services and software as a service for enterprise applications such as e-commerce.

Cloud Computing in Botswana

- Overall, the cloud computing sector in Botswana is still in its early stages of development, but has the potential to play a significant role in the country's digital transformation and economic growth.
- Cloud computing services have been gradually gaining traction in Botswana, with both private and public sectors adopting the technology to improve their operations.
- There are a number of local and international cloud service providers that operate in Botswana, offering a range of services including IaaS, PaaS, and SaaS.

Web Design in Botswana

As more businesses seek to reach a wider audience and compete in the digital marketplace, the demand for web design services is expected to continue growing:

- The web design services market in Botswana is still in its early stages of development, but it is growing rapidly, driven by the increasing demand for a strong online presence among businesses in the country.
- There are several companies in Botswana offering web design services, including both local firms and international providers. These companies offer a range of services, including website design, graphic design, and digital marketing.

E-Commerce Application in Botswana

- In Botswana, e-commerce application services are mainly provided by software suppliers, although local IT firms may not have the capacity to offer support for packaged software. IT firms in the country can benefit from learning from experienced service delivery companies.
- There is also a demand for USSD codes for services such as bank transactions, local authority payments, video on-demand, and music payments.
- However, e-commerce application services are still in the developing stage in Botswana. Although there has been growth in recent years, the e-commerce market is not yet as mature as in other countries.

INVESTMENT CLIMATE

Botswana has created an enabling environment for capital and business to thrive and support its strategic focus to diversify the economy into value – adding sectors. As the fourth most competitive economy in Africa and the easiest African countries to do business with. The country has a peaceful democracy with an excellent investment climate. It enjoys good governance and a stable macro-economic environment.

BOTSWANA OFFERS MANY INCENTIVES FOR INVESTORS, INCLUDING:

- ✔ No restrictions on business ownership,
- ✔ Up to 100% Duty rebates on importation of machinery,
- ✔ Liberal tax regime: 22% corporate and 25% personal tax, with 15% corporate tax for manufacturing and IFSC-registered companies (lowest taxes in the SADC region),
- ✔ Negotiable tax holiday up to 10 years maximum; and
- ✔ Deductible training rebate of 200%.
- ✔ Provide up to 100% duty rebate for customs duties on imported raw materials for manufacturing under schedule 3 of the Customs Act.

INCENTIVES FOR IFSC ACCREDITED COMPANIES

- ✔ A competitive corporate tax incentive framework; 15% corporate tax,
- ✔ Exemption from Capital Gains Tax (CGT) and Withholding Tax (WHT),
- ✔ Access to a growing network of Double Taxation Avoidance (DTA) Treaties,
- ✔ No foreign exchange controls; and
- ✔ Denomination of share capital in any major convertible currency.

SPEДУ REGION INCENTIVES

- ✔ 5% Corporate Tax for the first 5 years, 10 % thereafter,
- ✔ Duty rebates on imported raw material. Provide rebate of Customs duties and value,
- ✔ Added tax under schedule 4 – Rebate item 470.03, and VAT Act Third Schedule – Item 470.03 for manufacturing done exclusively for export outside Common Customs Area (CCA), and
- ✔ Provide rebate for customs duties and

SPECIAL ECONOMIC ZONES INCENTIVES

- ✔ 5% corporate tax for the first 10 years then 10% corporate tax thereafter
- ✔ Duty rebates on imports of specialised plant and machinery for manufacturing purposes
- ✔ Waiver on transfer duty on land and property and Property Tax Exemption for 5 years
- ✔ Zero – rated VAT on raw materials for manufacturing and export
- ✔ Fast – tracked land allocation and long-term renewable land leases

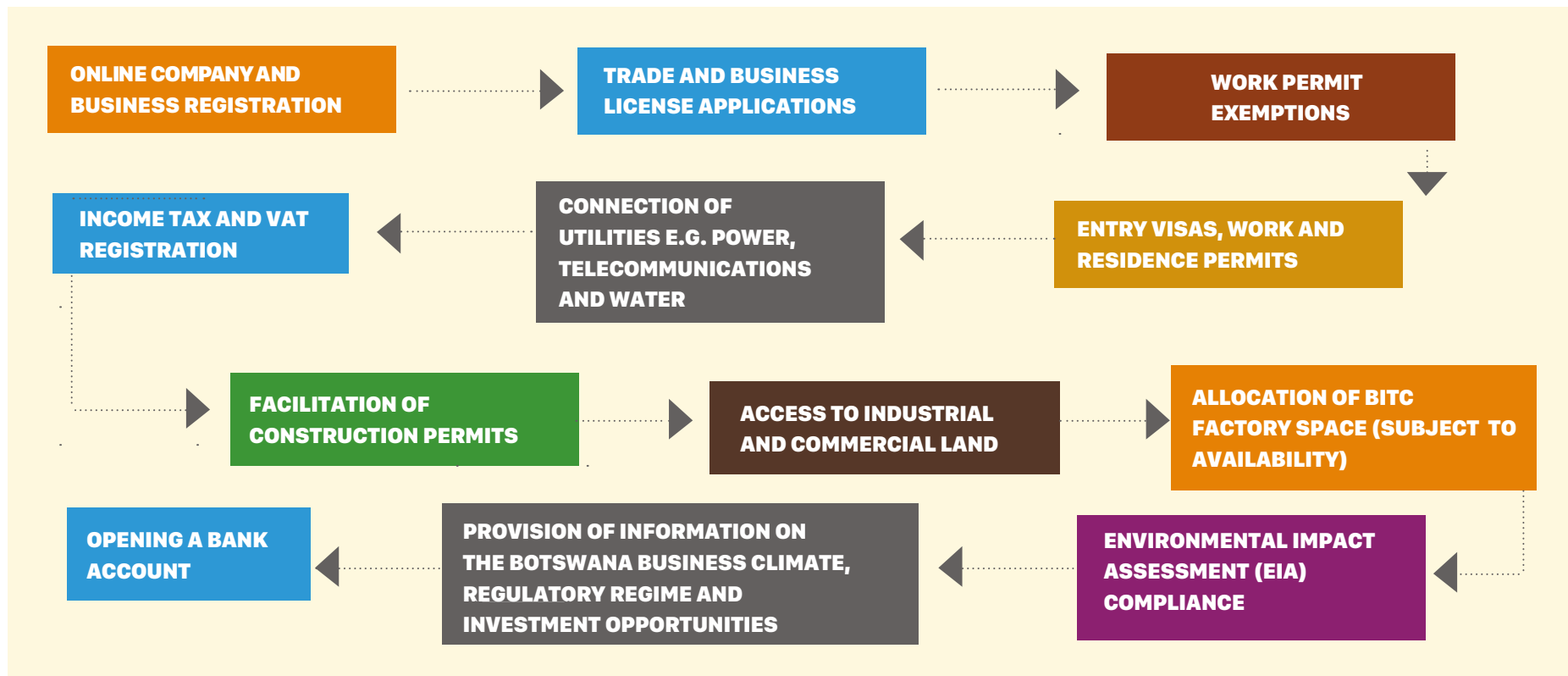
Industrial Rebates

Industrial Rebates are specified under Schedule 3 of the Customs and Excise Tariff Schedule, and are granted to manufacturers who import raw materials from outside the SACU market for production of goods for domestic consumption. The Industrial Rebates offer a full or partial exemption of customs duty on the imported raw materials and are generally accessible to a wide range of industries such as Textiles, food, machinery etc. The customs duty liability on the raw materials ceases as soon as manufacture has been completed. In exceptional cases where goods manufactured under Industrial Rebate are disposed of within Botswana, VAT becomes due and payable: Botswana Unified Revenue Services

BOTSWANA INVESTMENT AND TRADE CENTRE

The organization plays a critical role of driving Botswana's economic growth through attraction of Foreign Direct Investment (FDI), domestic investment, facilitation of expansions and further spearheads the growth of exports by promoting locally manufactured goods to regional and international markets. BITC drives wealth creation for Botswana by creating platforms that will ensure increased citizen participation in the economy and create sustainable job opportunities.

Of great importance within the role of this organization is building and maintaining a positive and impressive image of our country locally and internationally. Through this encompassing mandate, BITC has committed to deliver on the following services, through the Botswana One Stop Service Centre housed at its head office in Gaborone to ensure the ease of doing business for all investors:



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BITC is ready to facilitate your investment. For further information and inquiries related to Information & Communication Technology Sector please contact:

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