



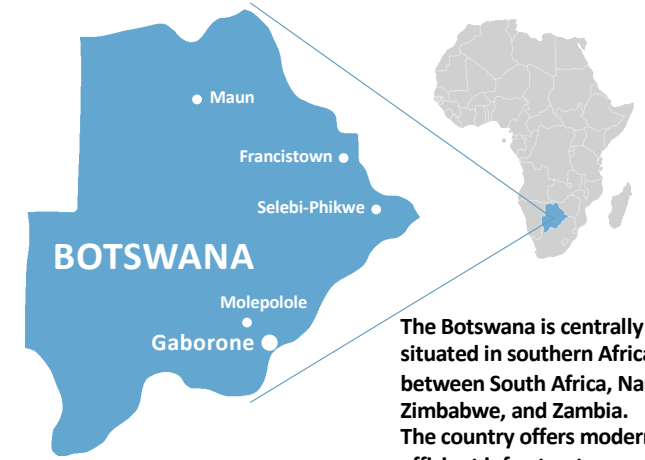
Mineral Beneficiation

Sector fact sheet on investment opportunities





Botswana at a Glance


- Area: 600,370 km²
- Capital: Gaborone (227,333 inhabitants)
- Currency: Pula (BWP) - 14 BWP/US\$
- Languages: English (official language) and Tswana (national language)
- Time Zone: GMT+2
- Climate: Subtropical



The Botswana is centrally situated in southern Africa, between South Africa, Namibia, Zimbabwe, and Zambia. The country offers modern and efficient infrastructures.


 **2,5 million (2022)**
Inhabitants


 **2,1% (2021)**
Demographic growth

 **5,8% (2022)**
GDP Growth

 **18 billion US\$ (2021)**
Gross Domestic Product (GDP)

 **7 420 US\$ (2021)**
GDP per capita
5th richest country in sub-Saharan Africa

 **3 à 6%**
Pre Covid average inflation rate

 **0,717 IDH (2020)**
Human Development Index
3rd best country in sub-Saharan Africa



Why Doing Business in Botswana?

Regional Market Opportunity

- Preferred access for investors to the entire market of **292 million people** in the Southern African Development Community (SADC), and duty-free access to South Africa, Namibia, Lesotho, and Eswatini.
- Investor access to double taxation prevention agreements with South Africa, the United Kingdom, Sweden, France, Mauritius, Namibia, Zimbabwe, and Russia.
- **??%** growth projected by 2025.
- High-quality human resources with an educated workforce, with 85% of workers being literate, most of whom speak English.

Post Covid 19 Business Strategy

Botswana is committed to a strategy of transitioning towards a diversified, sustainable, and inclusive economy by:

- Promoting productive sectors and improving the business environment.
- Investing in education to enhance skill levels and bridge the gap between labor supply and private sector demand.
- Developing infrastructure (energy, transportation, telecommunications) and strengthening related services to enhance economic competitiveness.

Political and Economic Stability

Botswana is one of the most stable, democratic, and transparent countries in Africa, with an independent judicial system and a low level of corruption compared to other regions in Africa. It is a country that demonstrates good financial capacity and has a low level of risk.

Rating (2021)

Standard & Poor's (S&P) :

BBB+/A-2 For long-term and short-term obligations in foreign currency and national currency.

Moody's :

A3 for credit rating of Botswana with a stable outlook.

Doing Business in Botswana

Botswana has committed to a program aimed at improving its business climate by:

- Implementation of the Economic and Recovery Transformation Plan (ERTP).
- Establishment of the Investment and Trade Centre (BITC) to assist foreign investors and the Special Economic Zones Authority (SEZA).
- Membership in the International Centre for Settlement of Investment Disputes (ICSID) and the 1958 New York Convention.
- Botswana's commitment to reducing greenhouse gas emissions by 15% by 2030 through ongoing renewable energy projects outlined in the Integrated Resource Plan (IRP).
- Adoption of a climate change policy in 2021, which aims to promote access to carbon markets, climate financing, and clean technologies.
- No foreign exchange controls, ensuring free repatriation of profits, dividends, and capital.



Why the Mineral Beneficiation sector?

- 1st most attractive country for mining investment on the African continent (Fraser Institute)
- Botswana has significant mineral resources, including diamonds, copper, nickel, coal and salt.
- The development of mineral resources through processing is part of the government's strategy for economic diversification and sustainable development in Botswana.
- Botswana has implemented various policies and initiatives to promote local value-addition, including the creation of the Mineral Development Company Botswana (MDCB) and the Diamond Trading Company Botswana (DTCB).
- The Botswana government has implemented various tax incentives and other measures to promote the beneficiation of mineral resources (reduced tax rates for companies engaged in the sector, import duty exemptions for equipment and machinery used in beneficiation processes).
- The diamond sector is experiencing a recovery, after a drop in demand in 2020 linked to the Covid-19 pandemic and should be one of the major beneficiaries of the war in Ukraine, given price levels, and could also benefit from the postponement of demand previously served by Russia, particularly from Europe and the United States, constrained by sanctions.
- Exploitation of minerals other than diamonds offers further potential for diversification and development in the mining sector

Key figures

Mining sector **18%** of GDP on average

20% of total employment

Diamonds account for **35%** of tax revenues and **90%** of exports

Africa's **1st** diamond producer - **2nd** worldwide after the Russian Federation

22.74 million carats extracted in 2021

19.11% of the world diamond market

US\$ 7.2 billion value of diamond exports (2022, source Trademap)

Local capacities

- Botswana has an ecosystem of services supporting the mining industry, such as mining equipment maintenance, engineering services, logistics, transport and supply services.
- Local companies and workers have developed technical skills in mining, quarry management and mine safety.
- The local workforce is trained and its skills are constantly upgraded in various areas of the mining industry.
- Local craftsmen have acquired high-level skills to transform rough diamonds into high-quality cut and polished stones

Regulatory framework

- Botswana has put in place a stable, foreign-investment-friendly mining policy that has already attracted numerous international mining companies to operate in the country and continues to work to improve the regulatory framework and transparency of the mining sector to encourage further investment and maximize economic benefits.
- Botswana has taken steps to regulate the mining sector and mitigate the environmental and social challenges it poses, particularly with regard to the management of mining waste, land degradation and impacts on local communities

Tailor made incentives for investors

Botswana has committed to a program aimed at improving its business climate:

- Construction of a Special Economic Zone that aims to provide a range of infrastructure and services to businesses.
- Foreign companies can benefit from tax exemptions for a period of 5 to 10 years.
- Opportunities to enjoy a reduced tax rate of 15%, exemptions from withholding tax, and capital gains tax.
- Foreign companies are exempt from tax on dividends received from foreign sources when they hold 25% or more of the capital.



Investment opportunities

Mineral Explorations & Prospecting

As the world's second-largest producer of mined rough diamonds, with substantial reserves, Botswana offers investment opportunities in the diamond industry, including participation in joint ventures with mining companies already present in the country, exploration and exploitation of new diamond mines, with investments in cutting and processing (cutting and polishing facilities) to add value, and finally the marketing of rough or cut diamonds thanks to the opportunities for skilled labor, cutting-edge technology and access to international markets offered by the sector.

Soda Ash Value Chain

- Chemicals applications (water treatment, leather tanning)
- Swimming Pool Care
- Potassium Chloride (premium fertilizer, animals feeds and human medicine)
- Detergents products

Copper Value Chain

- **Capital Good**, suppliers of machinery and equipment in exploration and mining
- **Consumables**, explosives, fuel and lubricants ; Chemicals/reagents
- **Services**; Drilling, Logistics
- Copper smelting



Coal Value Chain

- Clean Coal technologies for R&D
- Coal Bed Methane gas
- Use of Fly-ash for cement production
- Fertilizer production

Research and development

- Technology and innovation across the diamond value chain: deep diamond cleaning, beneficiation of data analysis to create added value
- exploration mining and mining/minerals related
- New frontiers in technological and innovation
- Green Clean Technologies for Coal

Training and skills development

- Mature mining and other engineering skill: proven technical mining/minerals skills for decades.
- Consultancy services of Best Practice Mining Standards