

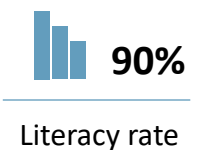
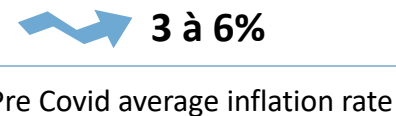
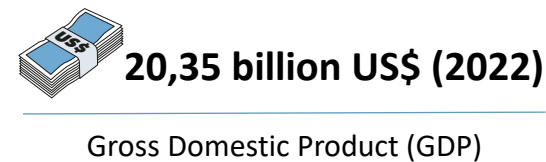
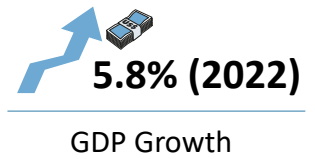
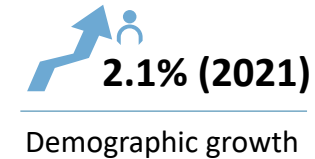
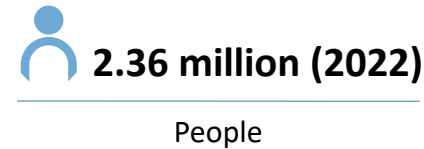
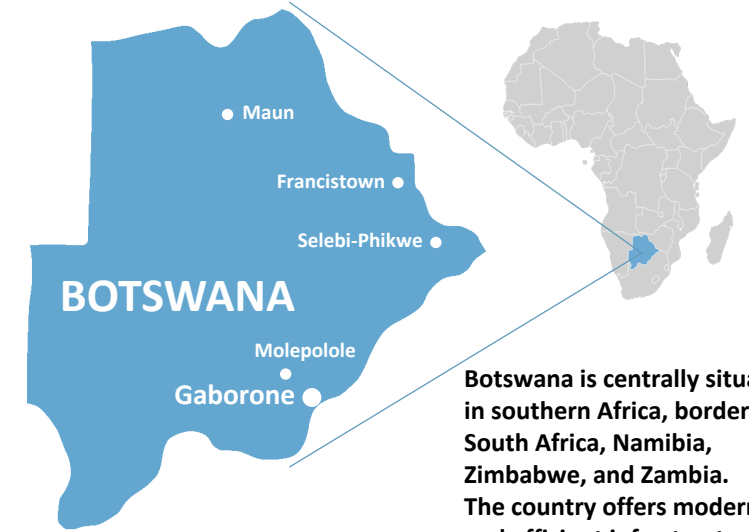


## Life Sciences, Health & Pharmaceutical Sector fact sheet on investment opportunities



## Botswana at a Glance

- Area: 600,370 km<sup>2</sup>
- 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





## Why invest in Botswana?

### ● Botswana opens the door to a massive market

- We provide investors with preferential access to the Southern African Development Community's (SADC) entire marketplace of around 380 million people;
- Botswana provides duty free access to South Africa, Namibia, Lesotho and Eswatini;
- Botswana provides duty-free and quota-free access to the European Union (EU) market; and
- Africa Continental Free Trade Agreement with over 1.3 billion people.

### ● Botswana has an established track record of prudent macro-economic management

- Ranked 1st globally in Macroeconomic Stability (Global Competitiveness Report WEF 2019); and
- Highest sovereign rating in Africa:

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.

### ● Conductive business environment

- 3<sup>rd</sup> freest economy in Sub Saharan Africa out of 47 countries, with regulatory environment encourages growth, and openness to foreign investment and trade promotes competitiveness and resilience (Heritage Foundation, 2023); and
- Prudent fiscal and monetary policies that boost business confidence and guarantee high fiscal strength (Bank of Botswana, 2023).

### ● Botswana offers attractive incentives for investors

- No restrictions on business ownership;
- 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;
- Deductible training rebate of 200%; and
- Provide up to 100% duty rebate for customs duties on imported raw materials for manufacturing under schedule 3 of the Customs Act

## Why Doing Business in Botswana?

### ● 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.

Corruption perceptions index **60/100**

(2<sup>nd</sup> ex aequo in the Sub-Saharan Africa, average regional score for sub-Saharan Africa 32/100)

### ● Sustainable, Inclusive High-Growth National 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.

### ● Sound institutional and regulatory reforms

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.



# Why the pharmaceutical sector?

- Improving the healthcare sector, and in particular developing local pharmaceutical production capacity, is a major concern and a strategic public health issue for Botswana in the face of the HIV/AIDS epidemic, tuberculosis, malaria and recently the COVID-19 pandemic, which has highlighted the need to develop local generic drug production capacity to reduce costs and dependence on imported drugs and vaccines.
- Botswana has growth potential in the pharmaceutical industry to become a player in pharmaceutical manufacturing and play a greater role in the African pharmaceutical landscape by leveraging young, educated human resources, and focusing on innovation, infrastructure, and regulatory frameworks.
- In the north-east of Botswana, there is a large salt deposit (Sowa basin), one of the purest in the world, exploited by the semi-public company BotAsh, producer of soda ash, which can be exploited for the specific purpose of producing pharmaceutical-grade salts (sodium chloride, potassium chloride and sodium bicarbonate) used in drug formulations.
- International companies have already expressed interest in expanding their activities in Botswana.

## Key figures (Source ITC Trademap)

**US\$ 4.3 billion** - Value of vaccine imports (human and veterinary) in Africa (2021) of which 22.8% for SADC and US\$306 million for the ZAZIBONA sub-region (collaborative platform for drug regulation involving 9 SADC countries)

**US\$ 190 million** - Value of pharmaceutical imports from Botswana (2021)

**US\$ 570 to 1035 million / year** - Global market for pharmaceutical-grade salts (2022)

**13 billion units of tablets / estimated value US\$ 400 million** - Demand forecast for Botswana, Zambia and Zimbabwe (2023)

## Local capacities

- Three pharmaceutical companies (Portfolio Pharmaceuticals, Pyramid Pharma and Africure) concentrate and repackage medicines for human use, and a veterinary vaccine manufacturer supplies the local and regional market.
- The Vaccine Institute (BVI), a parastatal company, has been manufacturing 6 veterinary vaccines since 1978, including the foot-and-mouth vaccine, and exports to a value of around US\$ 7.5 million.

## Regulatory framework

- Botswana has set up the Botswana Medical Products Regulatory Authority (BOMRA) to regulate the pharmaceutical sector and ensure the safety, efficacy and quality of medicines marketed in the country.





# Investment opportunities

## ***Biopharmaceutical product***

Botswana is battling several infections, which requires a continuous supply of vaccines and immunization-related products. The expansion of veterinary vaccine production and the manufacturing of human vaccines by presents a significant opportunity in Botswana's biopharmaceutical industry. Investing in a strategic partnership with The Botswana Vaccine Institute can enable this company to focus on vaccines using familiar techniques and considering regional needs for diseases like cholera, malaria, and yellow fever, and enable it to make strategic progress in the development of human vaccines and further expand on veterinary vaccines.



## ***Raw materials from mining origin***

To diversify their production, BotAsh is considering expanding their product range. One potential opportunity is the production of pharmaceutical-grade salt and sodium bicarbonate, which are used as in pharmaceutical formulations. By leveraging its existing mining infrastructure and expertise, Botswana has the potential to become a key player in the production of these pharmaceutical-grade raw materials, Investments in the production of these raw materials would have significant socioeconomic impacts, including job creation, export opportunities, and the expansion of Botswana's industrial capabilities in the pharmaceutical sector



## ***Conventional medicines***

The development of the conventional medicines industry in Botswana presents an opportunity for specific product categories as antiretrovirals, analgesics, cardiovascular medicines, and anti-infectives. Botswana is looking to develop its local generic drug production capacity to reduce import costs and promote self-sufficiency in essential medicines. Investments to support existing pharmaceutical companies to expand their repackaging capacity for a wider range of medicines throughout the year, rather than solely focusing on antiretrovirals, or create new drug manufacturing facilities would enable the country to meet growing domestic market demand and eventually export to other countries in the region. Another way to expand and invest in this sector is to develop contract manufacturing of conventional medicines, which allows manufacturing industries to gain experience in Good Manufacturing Practices (GMP)



## ***Herbal medicines and raw plant materials***

Herbal medicines are widely used in Africa. They offer advantages such as accessibility, affordability, and cultural acceptance among the local population. The global herbal medicine market is experiencing remarkable growth. In Botswana 47 plant species belonging to 45 genera and 29 families are used to treat various diseases and health conditions.

Investing in the development of the herbal medicine, herbal products, and raw plant materials industry promotes the preservation and utilization of indigenous knowledge, supports local communities involved in the harvesting and processing of raw materials, and provides access to alternative healthcare options for the population.



## ***Others investment opportunities***

Botswana offers investors promising opportunities to contribute to the development of its pharmaceutical industry and the healthcare sector in general, such as: in research and development playing a crucial role in the discovery of new drugs and more effective treatments; in the import and distribution of medical equipment and devices; in the logistics, transport and distribution of pharmaceutical products; in technology platforms enabling teleconsultation, electronic medical record management and remote monitoring; and in large-scale healthcare projects, such as the construction of hospitals or specialized medical centers in public-private partnership.

