




MARKET BRIEF: BOTSWANA

1.0 BASIC FACTS

<p>Location</p> <p>Botswana is located south west of Zambia and shares borders with Southern Province of Zambia</p>	<p>Size</p>	<p>Total 581,730 km² (224,610 sq mi)[7] (47th)</p> <ul style="list-style-type: none"> • Zambia is 29% larger than Botswana
	<p>Population (World Bank, 2021)</p>	<p>Total – 2.397</p> <p>Major Towns</p> <ul style="list-style-type: none"> ○ Gaborone - 244,107 ○ Francistown – 102,444 ○ Molepolole – 88,098 ○ Maun- 85,293 ○ Mogoditshane-74,719
		<p>Provinces Bordering Zambia</p> <ul style="list-style-type: none"> ○ Kazungula - 964.42 ○
	<p>Annual Population growth</p>	<p>3.219% (World Bank, 2020)</p>
	<p>Official Language(s)</p>	<p>English and Setswana</p>

2.0 ECONOMY

<p>GDP (current US\$)</p>	<p>17.76 billion (<i>World Bank, 2021</i>)</p>
<p>GDP Growth (annual)</p>	<p>11.4 (<i>World Bank, 2021</i>)</p>
<p>GDP per Capita (current US\$)</p>	<p>7,347.6 (<i>World Bank, 2021</i>)</p>
<p>GDP Composition by Sector (<i>World Bank, 2020</i>)</p>	<p>Industry – 27.8 %</p> <p>Services – 65.8%</p> <p>Agriculture – 2.1%</p>
<p>Annual inflation rate (<i>National Bank of Botswana, 2021</i>)</p>	<p>13,1%</p>
<p>Currency:</p>	<p>Pula (KZR) (100 Lwei)</p>
<p>Exchange Rate</p>	<p>Average: 0.007/1USD</p>

3.0 TRADE

3.1 Botswana Trade with the World

3.1.1 Main Export Markets and Source Markets

The Table below highlights the main source market supplying for products for products imported by Botswana and the main market for products exported by Botswana in 2021. Zambia Ranked 12th, both as source and export market.

Importers	EXPORT MARKET		Exporters	Source Markets	
	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)		Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)
United Arab Emirates	1900142	1500599	South Africa	4611745	-3935338
Belgium	1740383	541419	Belgium	1198964	541419
India	1278294	879481	United Arab Emirates	399543	1500599
South Africa	676407	-3935338	Namibia	399289	-256343
Israel	448015	408106	India	398813	879481
Singapore	426778	417840	Canada	218214	-209353
Hong Kong, China	363205	330873	China	195607	-99067
Namibia	142946	-256343	Russian Federation	171987	-171978
United States of America	115797	54016	Switzerland	85556	-52822
China	96540	-99067	France	78634	-78460
Zimbabwe	44906	7018	Japan	73830	-51696
Zambia	35595	-26869	Zambia	62464	-26869

3.1.2 Main Export and Import Products

The table below highlights Botswana's top fifteen (15) import products from the world and top fifteen (15) export products to the world based on 2021 trade statistics. The table also highlight the trade balance for each of the products listed.

	Product label	Market Imported Products From The World	
		Value imported in 2021	Trade balance 2021
1	Non-industrial diamonds unworked or simply sawn, cleaved or bruted (excluding industrial diamonds)	2309995	3510956
2	"Light oils and preparations, of petroleum or bituminous minerals which >= 90% by volume ""incl. ...	814621	-813361

	Product label	Main Exported Products From The World	
		Value exported in 2021	Trade balance 2021
1	Non-industrial diamonds unworked or simply sawn, cleaved or bruted (excluding industrial diamonds)	5820951	3510956
2	Diamonds, worked, but not mounted or set (excluding industrial diamonds)	847438	407520

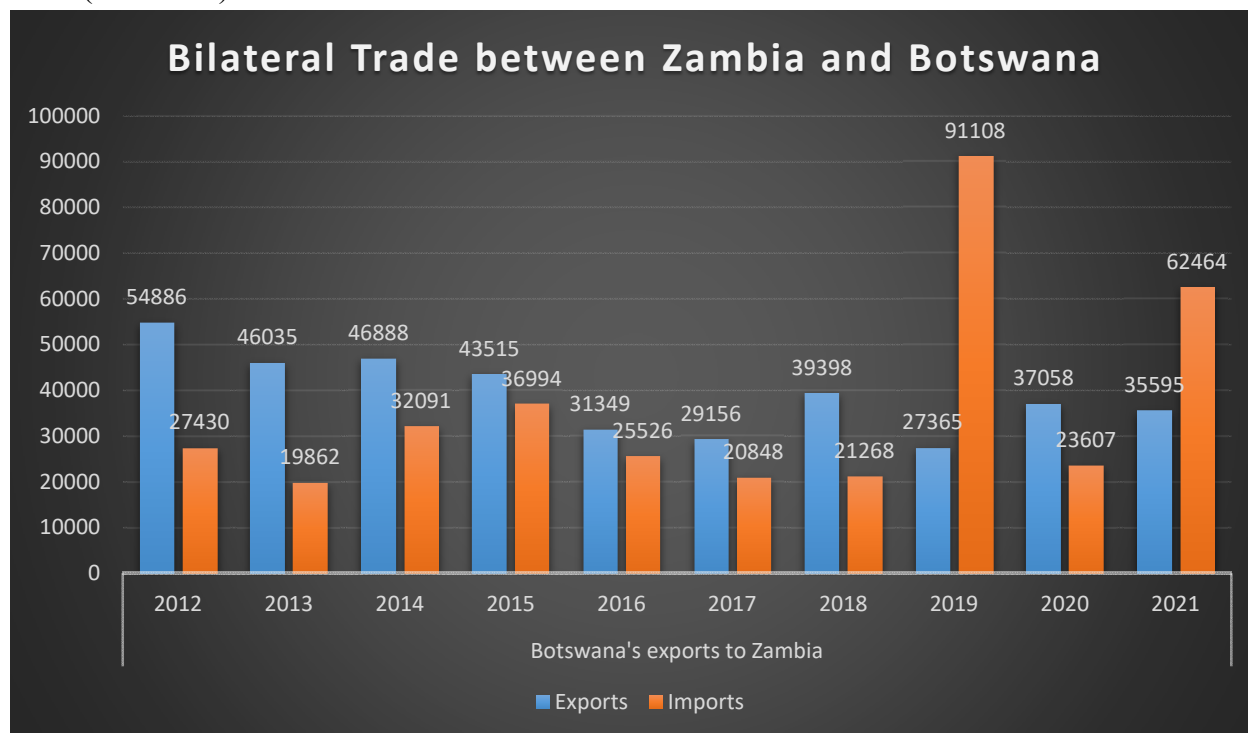
3	Diamonds, worked, but not mounted or set (excluding industrial diamonds)	439918	407520	3	Copper ores and concentrates	110356	110245
4	Diamonds, unsorted	189374	-189374	4	Ignition wiring sets and other wiring sets for vehicles, aircraft or ships	94333	91235
5	Electrical energy	142864	-142864	5	Pure-bred cattle for breeding	48561	48124
6	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons, ...	134815	-134815	6	Disodium carbonate	43420	43384
7	"Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, ...	129458	-127499	7	Gold, incl. gold plated with platinum, unwrought, for non-monetary purposes (excluding gold ...	34992	34992
8	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	127110	-122909	8	Live cattle (excluding pure-bred for breeding)	30508	30253
9	Portland cement (excluding white, whether or not artificially coloured)	71745	-71619	9	Salts, incl. table salt and denatured salt, and pure sodium chloride, whether or not in aqueous ...	29550	28844
10	Parts of machinery of heading 8426, 8429 and 8430, n.e.s.	71330	-61757	10	Industrial diamonds unworked or simply sawn, cleaved or bruted	22512	15616
11	Maize (excluding seed for sowing)	60670	-60300	11	Rigid tubes, pipes and hoses, of polymers of vinyl chloride	20502	18431
12	Parts and accessories, for tractors, motor vehicles for the transport of ten or more persons, ...	54193	-50956	12	Coal, whether or not pulverised, non-agglomerated (excluding anthracite and bituminous coal)	16974	16739
13	Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents ...	45827	-45757	13	"Motor vehicles for the transport of goods, with only compression-ignition internal combustion ...	13507	-27919
14	Electric conductors, for a voltage <= 1.000 V, insulated, not fitted with connectors, n.e.s.	41864	-41628	14	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton (excluding ...	11245	10082
15	Wheat and meslin (excluding seed for sowing, and durum wheat)	41552	-41439	15	Frozen, boneless meat of bovine animals	10427	10401

3.2 Botswana's Trade with Zambia

3.2.1 Bilateral Trade between Zambia and Botswana

There has been a steady growth and positive trade balance between the between the two countries with a surge in Imports in 2019 of US\$ 91.108 million

USD (Thousand)



Source: ITC

3.2.2 Top Export Products

The table below highlights Zambia's top ten export products to Botswana in 2021.

	Product label	Value in 2021, USD thousand	Annual growth in value between 2017-2021, %, p.a.	Share in Zambia's exports, %
1	Copper	20770	16	0
2	Mineral fuels, mineral oils and products	17939	48	10
3	Residues and waste from the food industries	4252	-9	4
4	Electrical machinery	2857	541	6
5	Cereals	2739	30	6
6	Live animals	1137	11	10
7	Vehicles other than railway or tramway rolling stock	671	10	2
8	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit;	645	-52	2
9	Sugars and sugar confectionery	546	11	0
10	Machinery, mechanical appliances, nuclear reactors, boilers;	409	-24	0

Source: ITC

3.2.3 Top Import Products

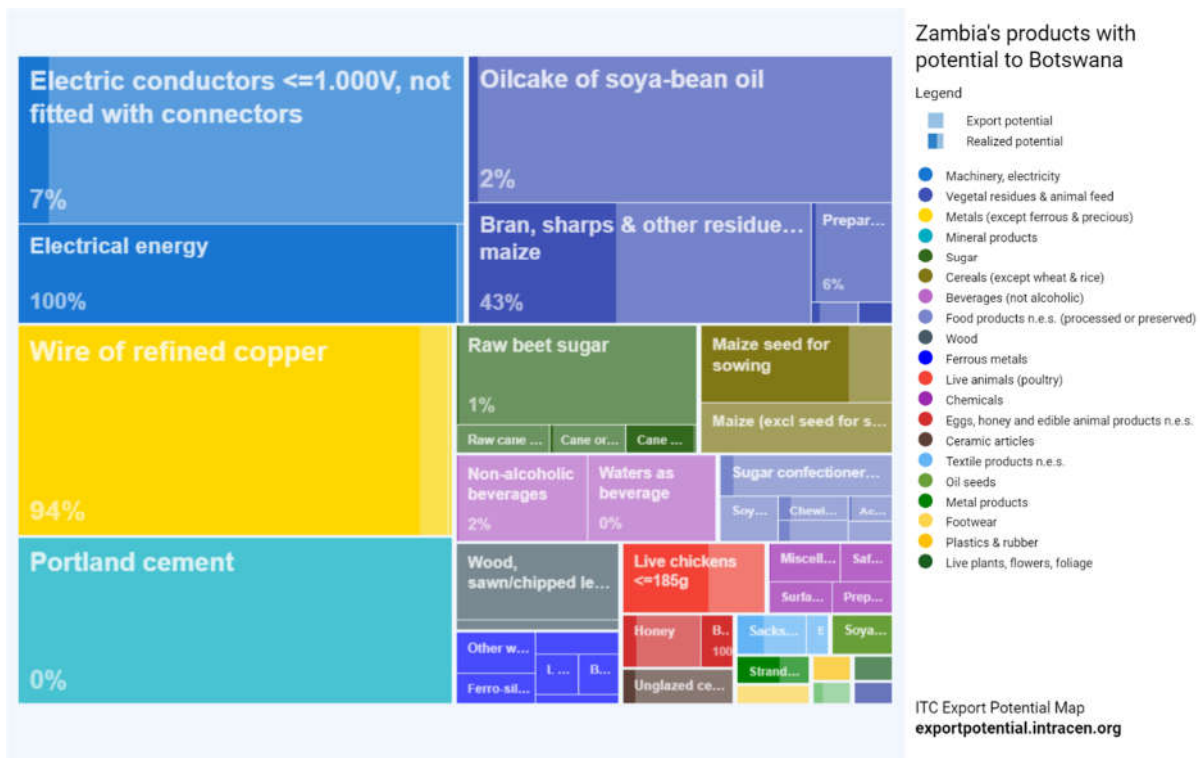
The table below highlights Zambia's top ten imported products from Botswana in 2021.

	Product Label	Value in 2021, USD thousand	Annual growth in value between 2017-2021, %, p.a.	Share in Zambia's imports, %
1	Salt; sulphur; earths and stone; plastering materials, lime and cement	12712	9	9
2	Plastics and articles thereof	1778	52	0
3	Pharmaceutical products	1044	-37	0
4	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	709	-19	0
5	Articles of iron or steel	615	22	0
6	Preparations of cereals, flour, starch or milk; pastrycooks' products	583	16	2
7	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	580	-21	0
8	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, ...	469	24	0
9	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	362	-23	0
10	Iron and steel	295	313	0

Source : ITC

3.2.4 Trade Diversification Potential

The products with greatest export potential from Zambia to Botswana Wire of refined copper, Electric conductors $\leq 1.000V$, not fitted with connectors, and Portland cement. Portland cement shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$11 million. The figure below highlights some of the products with high export potential.



3.3 Trade Regulations and Standards Institutions

The standards for products imported into Botswana are regulated by the Botswana Bureau of Standards which is a parastatal organization that develops and implements national Botswana standards. Separate government ministries, parastatals, and private companies can develop standards specifically for their own institutions, however, only BOBS is recognized by the International Organization for Standardization (ISO) and has the authority to create national standards. The procedures used in the development of standards comply with the World Trade Organization's code of good practice for the development of standards. Botswana's standards regime consists of compulsory and voluntary standards. Compulsory standards affect human health, safety, environment or export, which BOBS monitors to ensure compliance. BOBS enforces compulsory standards on seven products: petroleum gas, poultry feed, pre-packaged goods for consumers, cereals/sorghum grains for consumption, cattle feeds, garments, and drinking water. Voluntary standards are not binding or legally required, but compliance may increase product competitiveness.

Altogether, there are more than 600 Botswana standards that have been published for different sectors in Botswana. A standards catalogue is now available to the public at the BOBS Information Department. Any foreign entity or company that is accredited in its home country is allowed to certify products in Botswana.

4.0 TRADE AGREEMENTS/MEMBERSHIP TO REGIONAL AND MULTILATERAL TRADE ARRANGEMENTS

4.1 Southern African Customs Union (SACU)

Botswana is a member of the Southern African Customs Union (SACU) along with South Africa, Lesotho, Namibia, and eSwatini. SACU is a duty free trading area with a common external tariff. With the exception of certain foodstuffs, import permits are not required for goods entering Botswana from other SACU members. Botswana's membership in SACU allows investors to take advantage of selling duty free in the far larger South African market. The SACU Secretariat based in Namibia is responsible for implementing the SACU Agreement as well as improving economic performance of the union's member states. U.S.-SACU Free Trade Agreement negotiations were suspended in April 2006, largely due to divergent views on the scope for the agreement. Instead of a free trade agreement, the United States and SACU negotiated a Trade, Investment, and Development Cooperation Agreement (TIDCA) that would establish a forum for consultative discussions on a wide range of trade and investment issues. A Consultative Group will oversee the implementation of the TIDCA and provide a framework for working on a range of interim-trade-related agreements, cooperative programs, and other trade development steps that would set the platform for future free trade agreement negotiations.

4.2 Southern African Development Community (SADC) Free Trade Protocol

SADC's objective is to pursue a common integration plan based on economic, political, and trade interests (members: Botswana, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, South Africa, eSwatini, Tanzania, Zambia, Zimbabwe, Angola, Democratic Republic of Congo, Seychelles, and Malawi). The SADC Free Trade Area (FTA), though in place, is not yet implemented. In August 2008, Botswana was one of the 12 SADC members to sign the FTA. Angola and the Democratic Republic of Congo are yet to sign. Under the SADC FTA, tariffs and non-tariff barriers will be eliminated on substantially all trade between the members. The implementation of the FTA started in 2000 following the signing of the SADC Trade Protocol. Through the FTA, 85% of trade in goods produced in the region will move across borders free of customs duties. Trade liberalization has taken place at different rates. The more developed member states (South Africa, Namibia, Botswana, eSwatini and Lesotho) have reduced tariffs at a faster rate.

4.3 World Trade Organization

Following its accession to the General Agreement on Tariffs and Trade (GATT), Botswana became a member of the WTO in 1995.

4.4 SADC – EU Economic Partnership Agreement

Botswana has signed an interim Economic Partnership Agreement (EPA) with the European Union (EU). The EPA provides duty and quota-free access on goods to the EU markets. Negotiations need to be completed on the treatment of services and new generation issues.

4.5 China and India

Botswana, as part of SACU, launched free trade negotiations with both China and India. The negotiating parties have exchanged lists of goods that would benefit from lower tariffs.

4.6 Mercosur

SACU signed a Preferential Trade Agreement (PTA) on December 16, 2004, with the South American customs union known as Mercosur, comprised of: Argentina, Brazil, Paraguay, and Uruguay. The agreement creates the legal framework for improved trade relations between SACU and Mercosur as well as serving as a first step toward the creation of a free trade area between the two regions.

4.7 African Growth and Opportunity Act

Botswana is a beneficiary of the U.S. African Growth and Opportunity Act (AGOA), which is set to expire in 2025. Under AGOA, more than 6,500 product categories of goods are granted duty and quota-free access to the U.S. market. More information about AGOA is available at www.agoa.info and from the USAID Southern Africa Trade and Investment Hub, located in Pretoria and covering Southern Africa including Botswana, on its website at www.satradehub.org.

4.8 African Continental Free Trade Agreement (AfCFTA)

Botswana became the 51st country to sign the AfCFTA in February 2019. The agreement looks to create a single continental market for goods and services, with free movement of businesspersons and investments, paving the way for accelerating the establishment of the Continental Customs Union and the African customs union.

4.9 SACUM – UK EPA

SACU member states and Mozambique signed an Economic Partnership Agreement in January 2021 with the UK to cooperate on trade and sustainable development matters and to cooperate on several areas with the support of UK (i.e., development, trade-in-goods, trade-in-services, supply side competitiveness, business enhancing infrastructure, protection of intellectual property rights, public procurement, competition, and tax governance).

4.10 SADC EPA States

The Southern African Development Community Economic Partnership Agreement (SADC EPA States) was signed in March 2022 to further strengthen trade links, deepen and encourage economic and trade relations between the parties.

SACU – EFTA FTA

SACU member states entered into an Economic Free Trade Agreement with European Free Trade Association (EFTA) member states in 2006 and the agreement entered into force in 2008.

5.0 USEFUL CONTACTS

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