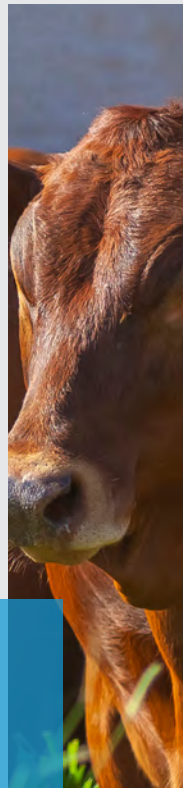




BOTSWANA
INVESTMENT
& TRADE CENTRE

Investment Opportunities In The Beef And Beef Derivatives



OVERVIEW OF BOTSWANA

Botswana holds a strategic land-linked position within the Southern African Development Community (SADC), a region with a population of over 293 million individuals. Additionally Botswana has a strong foundation of good governance and an unwavering commitment to combating corruption, making it one of Africa's most stable and attractive economies for investors. While its economy has historically relied heavily on abundant natural resources, particularly diamonds, the country has earned widespread acclaim as Africa's 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](#)



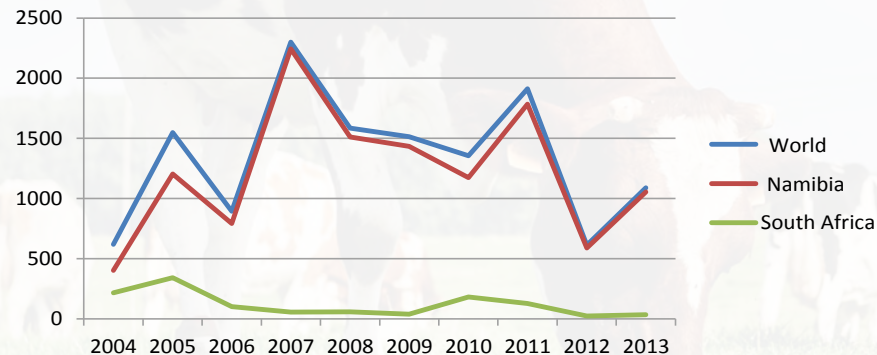
INVESTMENT OPPORTUNITIES IN THE BEEF AND BEEF DERIVATIVES

OVERVIEW OF THE BOTSWANA BEEF SECTOR

Botswana's beef production is a traditional and skilled industry, accounting for 80% of agriculture exports. With a substantial cattle population of 1,596,605, the value chain of Botswana beef is largely untapped, encompassing production, processing, services, and marketing. The unique quality and flavor of Botswana beef are attributed to cattle grazing on natural pastures. The Botswana Beef Sector offers numerous opportunities for value addition, particularly in primary production and processing. Growth prospects include import substitution and productivity gains through long-term focus on exports, considering the limited presence of local players in the industry.



Value of Imports ('000US\$): Botswana Beef Derivatives



Source: Calculation based on ITC 2013 data on HS 160250

The Botswana Government has availed specific incentives for existing investors in this sector:

- Availability of subsidized prices on production inputs, including animal feeds & licks, veterinary drugs and vaccines at Ministry of Agriculture (MoA) Livestock Advisory Centres (LACs) now through BAMB.
- Government's subsidized artificial insemination program to improve characteristics of animal breeds, production performance, etc leading to profitable beef production.
- Provision of public veterinary services extension through Department of Veterinary Services (DVS) at MoA, with good laboratory and vaccine production facilities for animal disease prevention.
- Associated farm mechanization, important in productivity gains is exempted from VAT of 12%.

INVESTMENT OPPORTUNITIES IN THE BEEF SECTOR



Opportunity 1: Primary Production, and Supply of Mixed Feed and Fodder

The total feedlot capacity currently stands at 150 000 animals per year and set to increase. At full capacity use, the feedlots need about 150 000 to 180 000 MT of completely mixed feed per year. The composition of the feed includes;

- concentrates,
- straw,
- and premix to produce summer, production and winter licks.

Nearly all of these are imported, mainly from South Africa and Zambia. This instantly creates an import substitution opportunity. For example, in 2022 Botswana imported 33,116,733kg valued about 14,495,292 USD on HS230990 - feed preparations.



Opportunity 2: Slaughtering

Privately-owned abattoirs with sanitary standards offer potential for over 300,000 herds per year, providing bone-in meat to rural regions. Specialized cuts demand further meat processing by butchers, enhancing the market.



Opportunity 3: Hides, Skins and other By-products

The manufacturing of upholstery, shoes, and leatherwear using hides and skins offers significant opportunities. Other by-products include horns, gall stones, blood, gelatin, and tallow, which can be used in various industries. These by-products provide various applications and contribute to the overall production process.





Opportunity 4: Pet Food: Canned, Dry and others

Import substitution opportunities are significant in the pet food sector, but there are few producers. Our pet food is made entirely from meat without soy additives, and RSA (Republic of South Africa) is a prominent supplier of HS 230910, valued at \$6,542,257 US\$.



Opportunity 5: Handling facilities

Opportunities to construct, rent, or lease facilities near abattoirs, slaughterhouses, holding pens, and handling facilities.



Opportunity 6: Packaging/Canning:

- Canning of beef and other related derivatives like tongues, oxtail, offal etc.
- Vacuum packaging and boxing of beef cuts for retail-shelf ready products.
- Labelling and other services.



Opportunity 7: Processed meat derivatives

- The need to debone carcasses and process them into different cuts and portions.
- Further processing of meat into sausages, polonies, salami, minced meat etc.
- Few registered meat processing plants in Botswana-mainly located in urban areas and big export opportunities especially to Sub-Saharan Africa.



Opportunity 8: Marketing and branding of Botswana Beef

- The promotion of fresh product lines for packaging.
- Building a reputation for our beef as a symbol of tradition and high quality based on our production methods.
- Accessing the main hotel chains and hyper/supermarket distribution channels.



Opportunity 9: Technology/applications

- The production of beef and beef by products is inextricably linked to ICT use.
- Investing in mobile software and applications.
- The potential of remote-controlled vehicles or drones for surveying, security, disaster relief, and livestock control, among other uses, is still unexplored.



Opportunity 10: Veterinary medicine, Health and services

The rising demand and importance of specialized extension services to private consumers (like mobile VET laboratories) has never been more required: for on-farm expertise and animal husbandry management systems. Investment in vaccines development and manufacturing including research (breed improvements etc)



Opportunity 11: Transportation

- OIE Terrestrial Code on animal welfare requires specialist services in:
- Appropriate vehicles
 - Handling
 - Loading/unloading
 - Planned routes/journeys allowing rest
 - Selection of animals to travel

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.

SPEDU 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

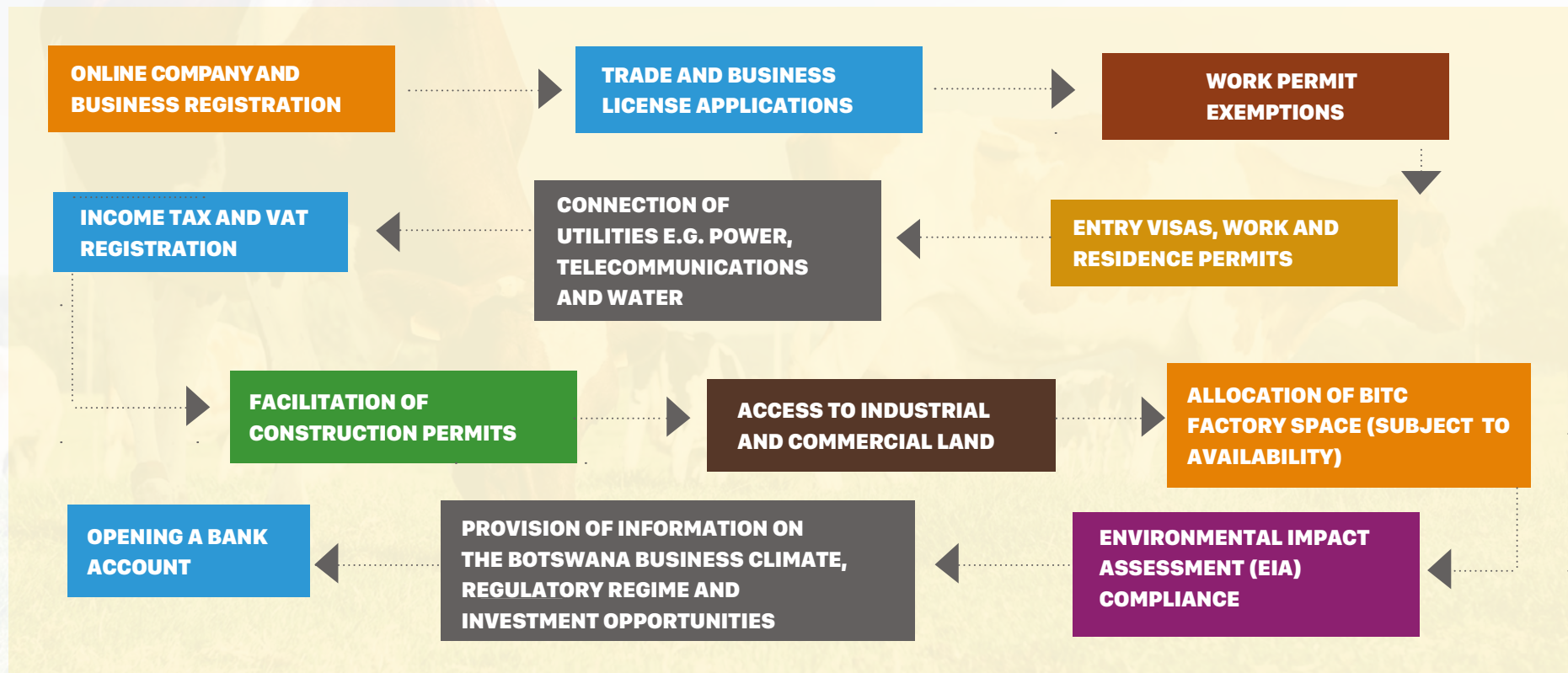
Industrial Rebates

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:



CONTACT DETAILS

BITC is ready to facilitate your investment. For further information and inquiries related to Botswana and Investment Opportunities In The Beef And Beef Derivatives Sector please contact:

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