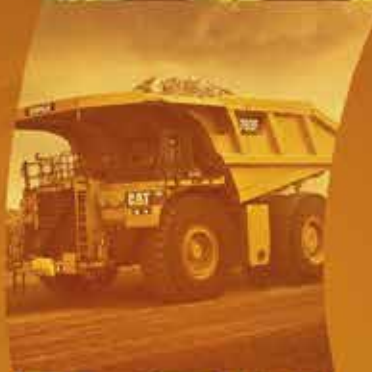




BOTSWANA
INVESTMENT
& TRADE CENTRE



**grow
manage
invest.**

2020

Annual Report

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INTRODUCTION TO BITC

Botswana Investment and Trade Centre (BITC) is an organisation established by an Act of Parliament, to become an integrated Investment and Trade Promotion Authority (ITPA) with an encompassing mandate of investment promotion and attraction, export promotion, and development, including management of the Nation Brand. Through our critical role within Botswana's economy, BITC further encourages domestic investment and expansion, promotes locally manufactured goods to regional and international markets, contributes towards improvement of the investment climate through policy advocacy, increases citizen participation in the economy and creates sustainable job opportunities.

OUR MISSION

We innovatively attract investment and facilitate export for Botswana's economic diversification and job creation by promoting Botswana as a place to visit, live and invest.

OUR VISION

BITC will be a leading (apex) Investment and Trade Promotion Agency (ITPA) for the transformation of Botswana into a globally recognised trade and investment destination

OUR VALUES

Humility



Is not self-denigration, but a genuine pride in what one knows and the skills one has. However, it is an acute awareness of what one does not know and the skills one does not have. The humble leadership and staff of the BITC will be open to the ideas of others, and actively solicit others' opinions and ideas to add to their own. It is a gentle way of asking instead of telling.

Agility



Is to be "change-fit", open to new ways of working, as and when they are required. It is also openness to new ideas which are integrated into practice because they are an improvement.

Curiosity



Is not merely an openness to new ideas, but an active way of seeking new ideas, information and insights. It is an insatiable desire to know more about more and more.

Boldness



Is the drive to innovate and make changes in their sphere of influence. It's the total resolve to challenge the status quo at an individual and organisational level for the good of all.

KEY FUNCTIONS

Focused, Selective and Targeted Investment Promotion

In our efforts to become a leading and high-performance Investment Promotion Agency, our focus on investment promotion is leveraged on undertaking research to identify and profile growth sectors, and avails strategic go-to market value propositions that will attract investors to the country. We have put great emphasis on pre-existing strategic national priorities that are focused on delivering economic growth, development and diversification.

These include but are not limited to:

- i. Mining & Energy - Beneficiation
- ii. Agriculture
- iii. Education
- iv. Transport and Logistics
- v. Financial & Business Services
- vi. Tourism
- vii. Manufacturing
- viii. Information & Communication Technology

Effective Stakeholder Engagement, Involvement and Alignment

Proactive and continuous collaboration with key stakeholders is at the forefront of BITC's strategy. This includes partnership with Botswana Foreign Missions that have a greater footprint within the international market and provide a platform through which foreign direct investment can thrive by identifying business partnerships, beneficial industry associations, and providing a point of information exchange for both international and domestic investors. Local stakeholders are equally key to enabling BITC's domestic investment efforts and have continuously supported the organization.

Effective Investor Facilitation and Aftercare

The organisation provides an in-house One Stop Service Centre that provides the following services to local and international investors;

- Company and business registration
- Trade and business license applications
- Entry VISAs, work and residence permits
- Work Permit Exemptions
- Connection of utilities e.g. power, telecommunications, and water
- Income Tax and Value Added Tax (VAT) registration
- Access to industrial and commercial land
- Allocation of BITC factory space (subject to availability)
- Environmental Impact Assessment (EIA) Compliance
- Provision of information on the Botswana business climate, regulatory regime and investment opportunities
- Opening a Bank Account

Building a Competitive and Attractive Business Environment

BITC significantly contributes to improvements in the investment climate through policy advocacy aimed at facilitation of a competitive business and investment climate to foster greater economic activity. This includes making recommendations for competitive changes to legislation and the national investment framework.

Sustainable Export Development and Promotion

Botswana has the potential to increase and diversify its exports to various regions. To realise this potential, the current focus is on intensifying the Botswana Export Development Programme to support local manufacturers to satisfy the external markets in terms of improved product quality, packaging and increased levels of production. BITC engages in intensive export promotion to facilitate participation by local manufacturers in regional and international expos, with the aim of showcasing their products to export markets and thereby increasing their export potential.

National Image Building and Global Awareness Creation

As BITC, we are privileged to have at our disposal the Nation Brand, which seeks to position Botswana to domestic, regional and the international audiences as an attractive place to visit, work and invest. The Nation Brand highlights our national assets - our people, culture, tourist attractions, business potential and reputation for good governance.





GOVERNANCE



Governance

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THE BOARD AND GOVERNANCE

The Board of Directors is a governing body appointed by the Honourable Minister of Investment, Trade and Industry (MITI). The Board of Directors is charged with governance, risk management and financial reporting responsibilities.

The Board, drawn from diverse backgrounds with a wide range of experience and professional skills, oversees and guides the strategic direction of BITC. It determines the policies and courses of action for

giving effect to the objectives and purposes of the Centre as per the BITC Act CAP 42:12 and the BITC Board Charter adopted in 2013.

In the year under review the BITC Board comprised of nine members; eight independent non-Executive Directors, who are the majority, and one Executive Director as stated below;

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BOARD OF DIRECTORS

Non-Executive Directors

- Mr. Victor Senye - *Board Chairperson (Lapsed 31st January 2020)*
- Mr. Terence Dambe - *Chairperson (Appointed 1st February 2020)*
- Ms. Palesa Audrey Semele
- Ms. Ellen Richard-Madisa
- Ms. Macie Keneilwe Molebatsi
- Ms. Peggy O. Serame
- Ms. Gomolemo Enele Madikgetla
- Mr. Bakang Palai
- Mr Tebo Motswagae (*Appointed 25th February 2020*)
- Mr Lesang Magang (*Appointed 01 February 2020*)

EXECUTIVE DIRECTOR

- Mr. Keletsositse Olebile - *Chief Executive Officer*

KEY BOARD CHANGES AND TERMS OF TENURE

During the year, there were a number of movements in the Board. The table below captures those changes and highlights the terms of tenure for the Board.

BOARD MEMBER	DATE OF APPOINTMENT	EXPIRY OF APPOINTMENT
Mr. Victor Senye	27 th January 2012	26 th January 2016
	1 st February 2016	31 st January 2020
Mr. Terence Dambe	3 rd February 2012	2 nd February 2016
	1 st February 2016	31 st January 2020
	1 st February 2020	31 st January 2022
Ms. Macie Keneilwe Molebatsi	1 st November 2015	31 st October 2019
	1 st November 2019	31 st January 2020
	1 st February 2020	31 st January 2024
Ms. Belinda Mosweu	1 st February 2016	31 st January 2019
Ms. Ellen Richard Madisa	3 rd February 2012	When her position as Deputy Secretary for Financial Policy at the Ministry of Finance and Development Planning ceases
Ms. Palesa Audrey Semele	1 st February 2016	31 st January 2019
	1 st June 2019	31 st May 2023
Ms. Peggy Serame	January 2015	04 th November 2019
Mr. Bakang Palai	1 st June 2019	31 st May 2023
Ms. Gomolemo Lolo Madikgetla	1 st June 2019	31 st May 2023
Mr. Tebo Motswagae	25 th February 2020	Tied to the tenure of his position as the Deputy Director, Doing Business and Investment Unit, MITI
Mr. Lesang Magang	1 st February 2020	31 st January 2024

BOARD CHARTER AND BOARD SUB-COMMITTEES TERMS OF REFERENCE

The Board derives its duties, responsibilities, and powers from the BITC Act, Board Charter, and the Shareholder's Compact, amongst others. The Board sub-Committees are governed by their own Terms of Reference and Charters which define their scope of authority and composition, among other things. The Board Charter and sub-Committee Terms of Reference and Charters are reviewed annually and approved by the Board.

There were no significant changes made in the year under review.

BOARD MEETINGS

During the year under review, the Board of Directors, in compliance to its statutory obligation, held meetings to provide strategic direction and leadership, and discuss matters relating to, inter-alia, strategy and performance, financial objectives, plans and expenditure, governance and sustainability, risk management, performance

and effectiveness of controls, as well as organizational structure, staffing and welfare.

Dates of meetings are scheduled annually in advance. Additional meetings are convened as and when material issues arise, which require timely decisions by the Board.

BOARD SECRETARY

The Board Secretary, a legal practitioner, is responsible for ensuring compliance with Board and sub-Committee Charters, Terms of Reference and provision of guidance and advice to the Board on matters of ethics, good governance and legislative changes.

The role is compliant to the requirements of the King Code of Corporate Governance Principle **2.21**.

BBOARD MEMBERS	BOARD	EXTERNAL TENDER COMMITTEE	HUMAN RESOURCES COMMITTEE	AUDIT COMMITTEE
Mr. Victor Jakopo Senye	2/4 NLM for 1	N/A	N/A	N/A
Mr. Terence Dambe	2/5	3/3	N/A	N/A
Mr. Bakang Palai	4/4 NYM for 1	3/3	N/A	N/A
Ms. Macie Keneilwe Molebatsi	4/5	N/A	3/3	N/A
Ms. Ellen Richard-Madisa	4/5	N/A	N/A	3/3
Ms. Palesa Audrey Semele	4/5	N/A	3/3	3/3
Ms. Gomolemo Lolo Madikgetla	¾ NYM for 1	N/A	2/3	2/3
Ms. Peggy O. Serame	2/3 NLM for 2	0/3	N/A	N/A
Mr. Lesang Magang	1/1 NYM for 4	NYM	NYM	NYM
Mr. Tebo Motswagae	1/1 NYM for 4	NYM	NYM	NYM

Key · NYM – Not Yet Member, NLM No Longer Member, N/A – Not Applicable

REMUNERATION OF NON-EXECUTIVE DIRECTORS

BOARD MEMBER	TOTAL SITTING FEES PAID (PULA)
Mr. Victor Senye	12, 285
Mr. Bakang Palai	13, 860
Ms. Ellen Richard-Madisa	16,065
Ms. Gomolemo Lolo Madikgetla	17,640
Mr. Lesang Magang	1,260
Ms. Macie Keneilwe Molebatsi	17,325
Ms. Palesa Semele	18,270
Ms. Peggy Serame	2,520
Mr. Terrance Dambe	7,560

BOARD EVALUATION

In compliance to the Board Charter section 20.1, an independent Board performance evaluation was carried out in the reporting period. The purpose of the evaluation was to determine whether the Board and its Sub-Committees has adequately discharged its responsibilities, assess its operations and decision-making processes as well as its overall effectiveness. Provision of training plans for the Board on areas identified as gaps continues to be carried out, along with any further specified training where necessary.

BOARD SUB-COMMITTEES

The Board has the power to establish sub-committees as it considers necessary to assist it in the performance of its duties. These sub-committees work on key issues in greater detail and provide feedback to the Board.

AUDIT COMMITTEE

The purpose of the Committee is to assist the Board of Directors fulfill its responsibilities for the financial reporting process, risk management, system of internal controls, the audit process, and the Centre's compliance with laws and regulations. The Audit Committee derives its mandate from the Audit Committee Charter.

MEMBERS: Ms. E. Richard-Madisa (Chair), Ms. P.A. Semele (Member), Ms Gomolemo Lolo Madikgetla (Member)

HUMAN RESOURCES COMMITTEE

The mandate of the Human Resources Committee is to support and advise the Board on Human Resource policies and practices and framework for appropriate and equitable compensation of BITC employees.

MEMBERS: Ms. M.K. Molebatsi (Chair), Ms. Gomolemo Lolo Madikgetla (Member), Ms. Palesa A. Semele (Member).

EXTERNAL TENDER COMMITTEE

The External Tender Committee is charged with the responsibility to ensure that there are adequate guidelines, controls, measures and standards to regulate fair and transparent procurement of goods and services.

MEMBERS: Mr. T. Dambe (Chair), Ms. P. O. Serame (Membership lapsed), Mr. Bakang Palai (Member).

CONFLICTS OF INTEREST

In order to ensure that any interest of a Board Member in a particular matter to be considered by the Board is brought to its attention, Declaration of Interest procedures have been put in place. These declarations are submitted by Directors at the beginning of each meeting and available for review any time.

Further, registers of individual Board Member's interests in and outside the Centre are maintained and regularly updated.

INDEPENDENT EXTERNAL ADVICE

Board members are entitled to seek independent professional advice on any matter connected with the discharge of their responsibilities, in accordance with the procedures set out in the BITC Board Charter.

INTERNAL AUDIT FUNCTION

The Internal Audit function provides independent and objective assurance to the Audit Committee and Executive Management on the appropriateness and effectiveness of the Centre's Governance processes, Risk Management and Internal Control Environment, as well as identifying corrective actions and suggesting enhancements to these controls and processes.

Risk Based Audit Plans are approved by the Audit Committee and implemented, ensuring relevance and alignment of the internal audit activity, consistent with organisational goals.

WHISTLE BLOWING AND ETHICS

BITC is committed to eradicate fraud, corruption, unethical behavior and misappropriation of public funds, by promoting highest standards of integrity. The Centre desires to be a model of public probity by affording maximum protection to public funds it administers.

In that regard, the Whistle-Blowing policy was developed to promote ethical behavior. Through this policy, an anonymous toll-free ethics hotline was established for reporting of any acts of corruption, malpractice or unethical behavior, in the strictest confidentiality and anonymity. This line serves as a deterrent and detection mechanism for any undesirable act perpetuating fraud and corruption. Anti-fraud and anti-corruption training continues to be undertaken periodically to ensure continued awareness by staff.

RISK AND COMPLIANCE MANAGEMENT FUNCTION

Risk management continues to evolve at an increasing rate, however, with a positive risk culture and clear ownership of risk management within the organisation, its stakeholders and shareholders will derive comfort from knowing that a robust risk and compliance framework exists to address any risk that may hinder its operations as well as assess the environment for possible future risks.

The Board of Directors and Management of the Botswana Investment and Trade Centre is responsible for the governance of the Enterprise Risk Management (ERM) The Board sets the direction for how these should be executed in the organisation while Management is responsible for establishing and operating the risk and compliance management framework on behalf of the Board.

In setting its strategic direction, the organisation assesses the opportunities and risks within its external and internal operating environment. BITC proactively manages risk and compliance through a robust framework, to ensure that all risks are identified, assessed and mitigated to tolerable levels that are aligned with our risk appetite. Continuous monitoring and reviews of the same are undertaken.

BITC's approach to risk management comprises of three lines of defence as illustrated below:

RESPONSIBILITIES OF THE THREE LINES OF DEFENCE	
FIRST LINE OF DEFENCE	The Management of BITC are responsible for the management of risk and compliance and the implementation of the strategy.
SECOND LINE OF DEFENCE	The Risk and Compliance Management function is responsible for the establishment of a robust risk and compliance framework which is undertaken by creating policies across the organisation and conducting monitoring to ensure that the implementation of risk principles comply with regulatory and legislative requirements. As well as providing advisory services to Senior Management and the Board.
THIRD LINE OF DEFENCE	Internal Audit, The Board and External Audit provide additional assurance on the effectiveness of risk management in the organisation. This ensures that risk competencies are integrated into all management functions and business areas.

BOARD OF DIRECTORS

/03

The Board of Directors is a governing body appointed by the Honorable Minister of Investment, Trade and Industry (MITI). As the governing body of the organization, it is charged with governance, risk management and financial reporting responsibilities.



Mr. Victor Jakopo Senye
Board Chairperson



Mr. Terence Dambe
Vice Chairperson



Ms. Palesa Audrey Semele
Board Member



Ms. Ellen Richard-Madisa
Board Member



**Ms. Macie Keneilwe
Molebatsi**
Board Member



Ms. Peggy O. Serame
Board Member



**Ms. Gomolemo Lolo
Madikgetla**
Board Member



Mr. Bakang Palai
Board Member



“

Notwithstanding the tough International environment, which saw market conditions deteriorate due to the knock-on effects of the COVID-19 virus, I believe there are great domestic opportunities for growth. While the mining sector continues to exhibit a downward trend, the agriculture space offers a niche with untapped opportunities. Agribusiness offers an opportunity for local producers to strengthen national food security, which currently remains a significant risk for the country. It is not prudent for a nation to be overly dependent on other countries for almost everything as is the case with Botswana

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**Victor Jakopo
Senye.**

CHAIRMAN'S STATEMENT

/04

I am pleased and honoured, on behalf of the Botswana Investment and Trade Centre (BITC) Board of Directors, to present to you the Annual Report for the financial year 2019/2020. The period under review is the second year under the 5-year Strategic Plan approved by the Board of Directors.

KEY HIGHLIGHTS

I am happy to report that the Centre is still on a fine trajectory to successfully deliver on its mandate, even in the face of challenges as witnessed during the period under review. During the 2019/2020 financial year, BITC continued to drive Botswana's economic growth through attraction and promotion of Foreign Direct Investment (FDI) into the country. Foreign Direct Investment was sluggish for the first two (2) quarters at P126 million and P426.96 million respectively and then took an upward trajectory in quarter 3 and 4 at P1396 million and P1456 million respectively. The year closed with a reduced performance at 73% for Quarter 4. Export earnings opened the year at 83% (P671m) before dropping to 81% (P1299.55m).

Quarter 3 experienced a slight rise in performance to 82% (P1978.42m), before a drop in performance to close Quarter 4 at 74.9% (P2403.91).

The Centre continues to promote local investors by facilitating for local entrepreneurs to produce and find markets for their products both locally and internationally. The trend for Domestic Investment/Expansions indicated a continual upward performance surge from Quarter 1 through Quarter 4. In percentage points, performance results reflected an opening of 93% performance followed by a dip in performance to 82% Quarter 2, and then an increase to 100% in Quarter 3 and closing performance of 84.2% in Quarter 4.

GROWTH OPPORTUNITIES

Notwithstanding the tough International environment, which saw market conditions deteriorate due to the knock-on effects of the COVID-19 virus, I believe there are great domestic opportunities for growth. While the mining sector continues to exhibit a downward trend, the agriculture space offers a niche with untapped opportunities. Agribusiness offers an opportunity for local producers to strengthen national food

security, which currently remains a significant risk for the country. It is not prudent for a nation to be overly dependent on other countries for almost everything as is the case with Botswana.

BITC has intensified engagement with local and international investors to promote investment in the agricultural sector. The BITC has visited a number of local farmers to discover ways of assisting them grow their businesses and find new markets for their products. This is consistent with government policy aimed at a paradigm shift from a mineral led economy, to a diversified market in which the agricultural sector plays a key role. To this end, government established the Lubu Small Stock Project which is intended to be a centre of excellence for breeding of high-quality goats and sheep to be sold to Botswana in order to improve their livestock. Our initiatives are aimed at aligning with a market for goat meat that has been found in the Middle East.

There is also a need to intensify food production. Farmers in Ghanzi have debunked the myth that the desert is a barren land only good for pastoral farming. Some farmers are actively producing potatoes and carrots which are already in the local chain stores. All these are just examples to show that there is light at the end of the tunnel to diversify and catapult our economy forward. As an Investment and Trade Promotion agency BITC stands ready to lead this effort.

FUTURE OUTLOOK

The year under review started with a semblance of normalcy. All plans and initiatives were adversely affected by the advent of the COVID-19 pandemic. Local and international trade came to a screeching halt as governments the world over restricted travel to and from their countries. Countries initiated

measures to contain the virus which included aggressive movement restriction initiatives, or “lock downs”, which literally shut down business.

A recent forecast by the World Trade Organisation (WTO), indicates a 9.2% decline in the volume of world merchandise trade for 2020, projected to rise by 7.2% in 2021. These estimates are subject to an unusually high degree of uncertainty since they were determined as the situation of the pandemic was evolving, as was the response of governments. Notably, this decline is less than the 12.9% drop foreseen in the optimistic scenario from the April 2020 trade forecast. Further, world trade is expected to experience robust rebound in the year 2021 to 7.2%, though it is below the pre-crisis growth rate.

Moreover, IMF forecasts that the global economy will experience sluggish growth of 3.5% in 2020, before experiencing robust recovery of 5.5% in 2021. Domestically, the Ministry of Finance and Economic Development (MFED) predicts that the economy will contract by 8.9% in 2020, a revision of 4.2% from the previous forecast of 13.1%. For the year 2021, the economy is forecast to achieve robust growth rate of 8.8% which is above the Mid-Term Review of NDP11 target of 6%.

Cognisant of the turbulent times ahead, the BITC Board will review the BITC strategy with a view to refining the objectives and aims in light of the changed circumstances. The focus will be on exploring ways in which local investment and trade can be accelerated. The COVID-19 pandemic exposed the vulnerabilities of our economy which is wholly dependent on imports. There is a need to rally the local entrepreneurs to take advantage of gaps in the economy.

As it is said, there is a silver lining behind every dark cloud. The pandemic has provided local entrepreneurs with ample opportunities provided they are willing to rise to the occasion.

CONCLUSION

In conclusion, I would like to congratulate the BITC Board of Directors, Management and Staff for the tireless and selfless work they put in over the past year. Notwithstanding the difficult internal and external challenges compounded by an “act of God” which the COVID-19 Pandemic certainly qualifies as. My last word of gratitude goes to the Ministry of Investment, Trade and Industry (MITI) and the Government of Botswana for the unflinching



Victor Jakopo Senye
(Board Chairman)

support rendered to the Centre in executing its mandate of attracting Foreign Direct Investment and promoting local investment to grow the economy of Botswana. Quoting the Word of God, “weeping may endure for a night, but joy cometh in the morning”. This storm of the COVID-19 virus, too shall pass.

I remain optimistic that the challenges ahead are surmountable and will be overcome. BITC stands ready to lead the way.



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Looking into 2020/21 we have adopted a new strategic focus, a shift to domestic investment promotion and creation of active value chains. The development of the Domestic Investment Strategy will encompass a robust business retention and expansion plan. In the next financial year, we are also looking into digitising our key business processes and shift to hold more of our investment and export promotion missions virtually. We have already started on this approach as the COVID-19 pandemic was already being felt in the African continent and the region at the close of the year under review

”

**Mr. Keletsositse
Olebile.**

CHIEF EXECUTIVE'S STATEMENT

/05

INTRODUCTION

I am delighted to present the annual business performance for the year ended 31st March 2020, which was another great year for BITC as we surpassed our set target. Financial year 2019/20, ended on a difficult note marked by the global outbreak of the COVID-19 pandemic and its resultant border closures, travel restrictions and lockdowns. Our overall performance for the financial year 2019/20 stands at 88.1% against an excellence performance target of 80%. Whilst performance has slightly dropped compared to last year's results, we are happy to have attained this score in the second year of our 2018-2023 Strategic Plan, especially in the prevailing economic climate impacting attraction of foreign direct investment as well as declining government subvention. This performance signals that we are on track to achieve the objectives of our five-year Strategic Plan.

PERFORMANCE HIGHLIGHTS

The year under review was characterised by slow growth across most world economies which affected investor confidence. During the year, BITC facilitated Foreign Direct Investment (FDI) to the tune of P1.456 billion while Domestic Investment (DI) stood at a cumulative P1.608 billion. This performance is commendable although below the set investment targets. I am pleased to report that, BITC assisted companies have created 4288 jobs against a target of 3380 jobs. Most of these jobs were created from the services, agriculture and agro-processing and the manufacturing sectors. I must reiterate that BITC remains committed in creating permanent and sustainable employment for Botswana. Whilst we work tirelessly to attract FDI into the country, we also support existing investment companies in Botswana by facilitating their expansions. In the reporting period a total investment of P732.6 million was

realised from business expansions with a corresponding total of 933 new jobs recorded in the economy. This is an increase of 41% from the previous financial year, where we recorded P517.42 million.

I am pleased to report that in pursuing our investment promotion mandate, we undertook four (4) inward missions and twelve (12) outward missions. It is worth noting that most of the outward missions were State Visits. These State Visits yielded positive results in investment leads and raising Brand Botswana's profile to an international audience. Furthermore, BITC hosted several exploratory visits by potential investors in the agriculture, mining, energy, healthcare, tourism and business services sectors. These visits enable investors to gather the vital information they need to make investment decisions. In this regard, BITC has a healthy investment pipeline of 48 companies with cumulated investment amounting to BWP 12.8 billion and 29216 job opportunities.

Worth noting in the year, is some of the "hot lead" projects that once operational will impact the lives of ordinary Botswana. One of these is a small stock project by foreign investors with a locally registered company, seeking to export a minimum of 300,000 halaal compliant small stock carcasses (Chevon) annually from Botswana to the Gulf countries of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates. This project is gaining traction with several visits already made into the country by investors from the Gulf States.

During the reporting period, BITC participated at the World Economic Forum,

Davos in Switzerland. As part of the Presidential delegation we played a leading role in profiling targeted investors that met with His Excellency the President. Amongst other meeting, His Excellency and his delegation met the investors who operate a chain of luxury hotels in Switzerland and France. The hospitality investors ultimately made a commitment to undertake a scoping mission to Botswana and firmed up their interest to expand their first African operation in Botswana.

As our investment mandate extends to export development and promotion, we continue to carry out several initiatives targeted towards expanding the Botswana export base in line with the country's desire to be an export led economy. In this regard, we continue to implement a robust export promotion programme, in line with the new National Export Strategy. The year under review saw a total of P2.403 billion realised as export earnings, against a target of P3.211 billion, recorded from BITC facilitated companies. I must admit that the export sector in Botswana is faced with challenges which have greatly influenced our export performance results. As a country we have a small manufacturing sector, which is the sector that traditionally contributes the most to export earnings in economies around the world. Local exporters decry the lack of export incentives to compensate for high production and transportation costs.

Nonetheless, we continue to develop innovative ways to support local exporters with a view to continuously reduce the import bill. In the year under review, BITC collaborated with the Local Enterprise Authority (LEA) in undertaking four (4) capacity building workshops around the country, in Palapye, Selebi-Phikwe, Kasane, Hukuntsi, Letlhakane, and Maun, to sensitise both potential and existing exporters about the importance and practical aspects of the export trade. A total of 122 companies participated on these workshops. We also collaborated with the Botswana Bureau of Standards (BOBS) to conduct an awareness workshop on BOBS ISO 9001:2015, to give companies an overview of the Standard quality management system requirements. Nineteen (19) manufactures participated in the workshop and it is our expectation that these capacity building efforts will yield results. The year under review saw yet another successful delivery of the

Global Expo Botswana, popularly known as GEB. The Exposition is the biggest trade and investment platform in the country enabling businesses, both local and international to interact and exchange in matchmaking. The 2019/20 Expo attracted 242 exhibitors, an increase of 15 from the previous year. Of these 147 were local and 95 were international businesses, hailing from twelve (12) countries. Due to constraints caused by COVID-19, this was our first virtual GEB and a successful indicator of BITC's ability to innovate rapidly to meet dynamic conditions.

INVESTOR FACILITATION

We continue to deliver improved investor facilitation services to both local and foreign investors through our Botswana One Stop Service Centre (BOSSC). BOSSC houses relevant government departments under one roof to provide prompt, efficient and transparent services to investors. I am happy to mention that the services offered by BOSSC have grown from slightly above 130 applications for government authorisations in 2013 to 752 in the year under review. This reflects an increase of 25% (602) from the previous year, which is partly attributable to the establishment of the BITC Francistown office. It is also worth noting that the turnaround times of our services has been reduced further which aids the smooth process of BITC investor facilitation.

BITC continues to monitor Botswana's performance in global competitiveness indicators such as the World Bank's Ease of Doing Business Index. In an endeavour to improve the investor facilitation mechanism in the country, we have motivated for the drafting of a Business Facilitation Law, which will expedite the setting up and operations of businesses in Botswana. Additionally, government has affirmed its commitment to establish the Botswana Board of Investment (BBI) which will be chaired by His Excellency the President. The primary objective of the BBI will be to ensure greater coherence and effectiveness in implementation of investment and export promotion strategies, and to guide the economic path that Botswana can adopt to accelerate to a high-income

status. I am happy to report that our parent ministry, The Ministry of Investment, Trade and Industry has already issued instructions to the Attorney General for drafting the Business Facilitation Bill. The Bill, once passed by Parliament, will give the Board of Investment the necessary legislative support to control and facilitate the investment facilitation processes and enablers in Botswana.

NOTABLE MILESTONES

During the year under review, BITC in partnership with the United Nations Development Programme (UNDP) under took a revision of the Botswana Exporter Development Programme (BEDP), with a view to develop a diversified, export-based economy. Pursuant to this vision the Programme focuses mostly on capacitating companies to reach export readiness status. It is our belief that this will assist companies to comply with export procedures and foreign market requirements. Since consultations with stakeholders during the review of the BEDP revealed that exporters face a range of practical problems in developing, sustaining and increasing exports, the Programme will support dialogue to allow the government to create the enabling environment for the private sector to play a lead role in the economy. We are committed to a successful implementation which is expected to significantly assist Botswana achieve the desired export-led economic growth. The Programme will run from 2020 – 2024.

The #PushaBW initiative launched in 2018 continues to evolve with development of more sub-campaigns; Visit Local, Listen Local, Eat Local and an impending service excellence campaign to encourage efficient service delivery by all. The essence of the campaign is to influence procurement in the public and private sectors as well as individual consumers, to actively prioritise buying locally made products, supporting local initiatives and using local services.

Partnerships and collaborations remain a key priority for us in promoting the Nation Brand as we recognise that we cannot do it alone. During the reporting period, we partnered with Trans Africa Cash and Carry for the inaugural Trans Africa SMME Expo where twenty-five (25) Pride Mark registered companies

were supported to participate. Through this participation thirteen (13) companies were identified for listing in Trans Africa Cash and Carry stores and use of reception spaces at Room 52 Hotel and Table 52 Restaurant for display of their products. This is a breakthrough for us, and we believe that it will encourage more retailers to join the initiative.

Following the publishing of a research report that revealed that Botswana is the origin of humankind, BITC through Brand Botswana ran an international promotional campaign to commemorate the findings and further raise Botswana's profile internationally. In support of another milestone achievement, we partnered with Botswana Tourism Organisation (BTO) for placement of Botswana promotional advertisements on the Qatar Airways in-flight magazine. The initiative was timed to coincide with the inaugural Qatar Airways flight to Gaborone, Botswana.

I am pleased to report that we remain focused in leading Botswana to participate at the world's biggest exposition, Expo Dubai 2020, now postponed to October 2021 due to the outbreak of the COVID-19 pandemic. BITC will lead a Botswana delegation to the exposition as charged with country participation coordination. The event will avail a platform to sell the Botswana value proposition, as well as position the country as a gateway into Africa for investment in greenfield projects among other attractive ventures.

FUTURE OUTLOOK

Looking into 2020/21 we have adopted a new strategic focus, a shift to domestic investment promotion and creation of active value chains. The development of the Domestic Investment Strategy will encompass a robust business retention and expansion plan. In the next financial year, we are also looking into digitising our key business processes and shift to hold more of our investment and export promotion missions virtually. We have already started on this approach as the COVID-19 pandemic was already being felt in the African continent and the region at the close of the year under review.

With regards human capital we are in a transformation period to become a

High Performance Organisation (HPO). We intend to empower the BITC team with the relevant support and development that will lead to the attainment of an HPO status. This calls for an alignment within the organisation, right from the leadership to the management and the rest of the team.

We are cognisant of the fact that we cannot make it alone in the investment journey, hence we are looking into entering into more strategic partnerships with the right stakeholders in the coming year.

APPRECIATION

I would like to close my statement by extending my sincere appreciation to all stakeholders that made it possible for us to be where we are.

To our Board of Directors, I say thank you for strategic guidance and support to the management team throughout the year. We would not have achieved our strategic deliverables without your unwavering support.

The tireless efforts by the management and team cannot go unnoticed. Thank you, colleagues for your devotion and commitment to ensure we surpass the set overall performance target. Your dedication to our work has been clearly visible.

Last but not least, I appreciate all our stakeholders for journeying with us in 2019/20. We are grateful for your support and we commit to continuing the journey with you in the coming year as we look forward to even better results.



Keletsositse Olebile
(Chief Executive Officer)



EXECUTIVE MANAGEMENT

/06



Mr. Reginald Selelo
Chief Operations Officer



Ms. Botho Bayendi
*Executive Director,
Business Intelligence*



Ms. Emeldah Phokoletso
*Executive Director,
Shared Services*



Ms. Malebogo Morakaladi
*Executive Director,
Investment Promotion*



Mr. Anthony Sefako
*Executive Director,
Business Facilitation*



Ms. Trunklinah Gabonthone
*Executive Director, Export
Development and Promotion*



Ms. Bame Moremong
*Executive Director,
Brand Management*

OPERATIONAL AND FINANCIAL REVIEW

Botswana Investment and Trade Centre is committed to service excellence by ensuring that all processes and operations undertaken are clearly defined and efficiently designed to align people, systems and policies. The Centre also works hard to maximise productivity, improve efficiency and achieve higher quality and value. We endeavour to optimise business processes in order to maximise value to the Centre's employees and clients and realise cost efficiency opportunities.

We adhere to our values by promoting efficiency in business practices, demonstrating agility and adapting quickly to changing needs while providing direction

and value in all applicable areas. We recognise talent, strengths and contributions of our people as well as our partners. BITC continues to innovate in the products and services it provides while staying abreast of market trends and products that may present opportunities and leads for us. The organisation also promotes efficiency in business practices;

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FINANCIAL MANAGEMENT

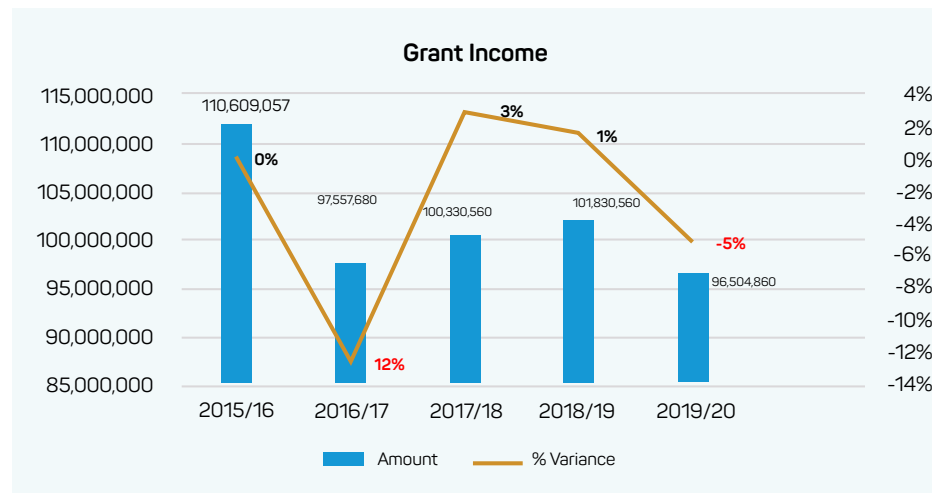
The Finance Department which falls under the Shared Services Unit provides financial management, enterprise planning and stewardship to support the achievement of BITC's strategic goals and objectives.

Financial Performance

For the 2019/2020 financial year, the Centre posted solid financial results with a surplus of P 872,968, representing a decline from previous year's surplus of P13,991,337. The Centre started on track from the beginning of the financial year with successful execution of activities planned for the year. However, following the subsequent onset of COVID-19 in the last quarter of the financial year, a few of the activities were negatively affected resulting from restricted cross border transfers. The impact is expected to be severe in the following financial year, especially on our Financial Statements, clearly reflecting the negative impact of COVID-19.

Revenue Sources

BITC is funded by Government through a subvention for financing of its operations. Government grant constitutes close to 75% of our total budget released on quarterly basis. The rest of BITC's revenue (25%) is generated from internal revenue streams. Some of the major revenue streams which augment Government's declining subvention include rental of factory shells, Global Expo and interest generated from financial market investments. In the financial year ended March 2020, BITC received a total subvention of P 96,504,860 which represents a 5% decrease from the previous year's subvention of P101,830,560. The Grant subvention received for the past 5 years has not been constant due to the financial constraints that the Government has experienced over the years which prompted for alignment of financial resources to cover the Centre's strategic imperatives.



Significant Achievement

Budget Utilization

Budget utilisation was optimised at 99%, an increase of 9% from last financial year (2019: 90%). Once again, the more integrated approach to financing marketing and promotional activities contributed to the improvement in operational efficiencies. The Centre has during the year built capacity through collaborations with other stakeholders as part of devised initiatives aimed at cutting costs.

Economic Diversification Drive (EDD)

BITC continues to respond to Government's call to stimulate direct investment and growth of local companies by procuring goods and services from locally based manufactures and service providers. The message to promote locals to actively grow the national economy has been driven through campaigns such as **'PushaBW'** which utilised an integrated Marketing Communications (IMC) approach. As at March 2020, local purchases constituted 84% (2019 :85%) of the total procurement with foreign purchases at 16% (2019 : 15%).

Implementation of the 24 Hours Supplier Payments

BITC has heeded to the national directive to reduce supplier payments turn-around time by committing to pay within 24 hours. Late payments are under-identified scourge of the supply chain which causes more disruption to supplier's cash flow. The Centre is more committed in meeting supplier obligations.

Tax Compliance Review in Regional Offices

The Republic of South Africa (RSA) office was registered as a Non-Profit Company (NPC) on the 12th June 2000 and is fully funded by the Botswana office through Government grant subvention. The office is mainly responsible for promoting investment by South African entities into Botswana, promoting products manufactured in Botswana for export and to disseminate information to potential South Africans who may want to invest in Botswana. The office continues to be exposed to regional tax requirements as a Non-Profit Company.

In October 2019, additional assessments for tax years 2003 to 2014 were raised by South African Revenue Services (SARS) by taxing the grant income received from the Government of Botswana, and applied interest on underpayment of provisional tax. There is an ongoing tax dispute relating to income tax liability approximating P10Mn which the Centre is contesting with SARS in respect of the assessment raised relating from 2001 - 2018 tax years. In order to deal with the tax liability raised with additional assessments by SARS, the Centre through assistance of Ernst and Young Advisory Services in RSA, applied for a reduced assessment as per section 93(1)(d)(ii) of Tax Administration Act 28 of 2011 and the Centre is confident that they will be able to reduce the assessment.

Future Focus Beyond 2021

The Centre will continue with the momentum it has gathered over the years, executing on its strategy to create greater shared value for all its stakeholders

- Prioritisation of activities to ensure high impact projects are implemented
- Maintain a level of prudence with respect to specific sectors heavily impacted by the pandemic and continue with cost containment initiatives
- A need for a strategic shift to accommodate ambitious strategic target

adopted by the Centre during the fluid and uncertain global market caused by Covid-19 pandemic

- Leveraging on existing ICT Infrastructure to conduct business on-line such as webinars, zoom, Microsoft teams and other platforms for investment promotion, training and communication
- Set up project management teams to ensure projects are scoped right, finished on time and are of the right quality and on budget
- Risk control and efficiency

ORGANISATIONAL DEVELOPMENT

Human Capital Management

Our people are central to realising our vision and strategic ambitions. We are committed to creating a high-performance environment that attracts and retains staff with the commitment and skills required. Building human capital is an essential foundation for long term developmental progress. Our staff members are the most valuable resource and we are committed to attracting, developing, retaining and rewarding the best people through the continued establishment of a stimulating and exciting environment, which encourages development and growth. Within the BITC workforce, we have distinctive skills for the provision of innovative investor facilitation services and enhanced project execution. Our leadership and management are a critical enabler in achieving our strategic objectives.

Transformation to a High-Performance Organisation

As we transform into a high-performance Organisation, we are enabled, empowered and inspired to deliver consistent quality, effective and efficient results for which we are accountable and rewarded for. We challenge ourselves continuously to improve what we do, how we do it and how well we work together. We deliver responsive and quality service that speaks to the needs of our clients and continuously build relationships that result in win-win outcomes.

Recruitment and Retention

During the year under review, the focus was on applying the best practices to attract, engage and retain talent that can succeed and grow in a diverse and inclusive environment. We maintained a pipeline of diverse, expert talent that utilises internal training and development plan to address the long-term workforce development needs (e.g., mentoring programs, leadership development programs).

Training and Development

BITC is responsible for providing reliable and accurate information, upholding policies, maintaining systems, and managing relationships with vendors, sponsors, and governing agencies. We continuously support growth and development of human capital. In the past year, the Centre facilitated a total of sixty (60) training interventions through partnerships with various training providers to address specific training needs that were identified. One of the major capacity building offered was the Development of the leadership bench strength which continues to be of major importance, as reinforced by the completion of an online Management Development Program (MDP) with Gordons Institute of Business Science(GIBS), by eight staff members in management positions.

To assist our people in achieving their career goals, BITC provides a roadmap for career development, which includes expected competencies, professional development plans, and an overall architecture. To identify what type of professional and/or personal development is needed, we allow for personnel assessment in an atmosphere of trust and respect. To ensure that our people are active participants in strategic projects and decision-making processes, we need to continuously plan for short and long-term initiatives to determine what will be necessary. At the same time, these opportunities for individual growth and career development need to be balanced against the essential division areas.

Capacity Building

A total of sixty (60) training interventions were conducted during the year, facilitated through partnerships with various training providers to address specific training needs that were identified. There were 34 male employees capacitated during the financial year while females were 33. Employees are required to complete Personal Development Plans (PDPs) at the beginning of the financial year which is discussed and agreed with their supervisors. This is used to guide the organisation on implementation capacity building.

	QUATER 1		QUATER 2		QUATER 3		QUATER 4	
DEPARTMENT	NUMBER OF TRAINING INTERVENTIONS	GENDER	NUMBER OF TRAINING INTERVENTIONS	GENDER	NUMBER OF TRAINING INTERVENTIONS	GENDER	NUMBER OF TRAINING INTERVENTIONS	GENDER
Shared Services	One (1)	M = 0 Female = 1	Six (6)	M = 2 Female = 4	Three (3)	Male = 1 Female = 2	1 (one)	Male = 3 Female = 2
Export Development & Promotion	One (1)	M = 1 Female = 0	Two (2)	M = 2 Female = 0	Two (2)	Male = 2	2 (two)	Male = 3 Female = 0
Investment Promotion					Four (4)	Male = 2 Female = 3	2 (two)	Male = 2 Female = 0
Brand Management	Three (3)	M = 1 Female = 2	Five (5)	M = 2 Female = 3	Four (4)	Male = 1 Female = 3	2 (two)	Male = 0 Female = 2
Business Intelligence			One (1)	M = 0 Female = 1	Two (2)	Male = 1 Female = 1	1 (one)	Male = 0 Female = 1
Executive Office	Three (3)	M = 1 Female = 2	Three (3)	M = 1 Female = 2	One (1)	Male = 1	1 (one)	Male = 0 Female = 1
Business Facilitation	Two (2)	M = 1 Female = 1	Six (6)	M = 4 Female = 2	nil	nil	1 (one)	Male = 2 Female = 1
South Africa					One (1)	Male = 1		
Total	10		23		17		10	

The Internship Programme

Botswana continues to experience high unemployment rates particularly amongst the youth. The problem of unemployment is exacerbated by a lack of among other

things appropriate skills and internships which are mechanisms through which this lack of skills can be addressed.

An Internship programme is not a learnership development programme, but a work-based experience programme culminating in a testimonial or certificate indicating the work areas to which the intern was exposed to.

In the past financial year, BITC had seven interns sourced from Ministry of Youth Empowerment, Sport and Culture Development.. The interns completed Performance Contracts with objectives and target and were evaluated for the success of the attachment.

Secondments

As part of the Memorandum of Understanding (MoU) signed between the BITC and the University of Botswana(UB), twelve (12) UB undergraduates were posted across the various functions of BITC as part of their industrial attachment program during the months of June to December 2019. This is an industrial attachment which gives them skills in the workplace, thus contributing to their lives and the quality of their studies. A total of 5 (five) employees from various government institutions continue to serve in the Business Facilitation Unit offering different services needed by BITC clients which are offered under the one Stop Shop.

Staff Welfare Programme

BITC recognises that problems of a personal nature can have an adverse effect on an employee's job, health and feelings of wellness. Therefore, an Employee Wellness Programme (EWP) has been established to address problems in the workplace, improve productivity, service delivery, general health and wellness of all employees.

In light of the above, inspirational hour sessions and counselling services are conducted to empower employees in different areas of their work and home lives, with expert talks and / or counselling on such topics as personal financial management, creating a healthy workplace, retirement planning, identifying your purpose and setting smarter goals. The Centre recognises the importance of overall wellness of employees, which is largely affected by the health of relationships in the home front. This has informed the Centre's decision to initiate couples and

family counselling services for staff, which has been greatly appreciated and used by staff.

Policy Development and Review

BITC reviews Human Resources Policies after every three years to ensure that they comply with current trends and changes in the country's labour laws. A team of employees with representatives nominated from across the different business units, and internal representatives of the union has been constituted to conduct the reviews. The team meets weekly to review the policies and propose changes. Once the policies have been reviewed, they are then submitted to EXCO and the union for further input.

After all key stakeholders have provided input the proposed changes are then submitted to the Board for approval. Human Resources then familiarise staff with the effected changes within our Human Resoruces Policies. All approved policies are uploaded on Share Point which is an ICT platform for ease of reference.

Future Focus Beyond 2021

- Capacity building, skills re-tooling.
- Enhancing the BITC Employee Value Proposition.
- Revamping the BITC Performance Management System to align it to High Performance Organisation (HPO) framework.
- Re focusing on Employee Wellness to create a Conducive Work Environment.
- Inculcating a Culture of High Performance by embedding the new value system.

DIGITAL TRANSFORMATION

Technology plays a key role in BITC's operations. During the 2019/20 financial year the Technology department embarked on Digital Transformation initiative to help drive the organisational strategy by leveraging on technology. implementing information-sharing forums, developing focused training sessions, and end user manuals to assist employees adapt to the use of the new systems.

We appreciate the fact that to make sound decisions, multiple stakeholders from


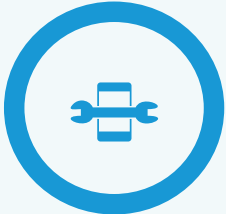

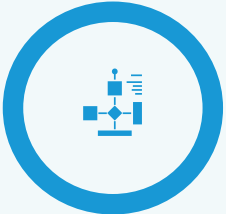


various areas of the Centre need to have reliable access to customised analysis of information .To that end we integrated advances in information and systems technology to enhance the collection, structuring, and analysis of data for decision-making and change management. During the year under review, our focus was on bringing people, data and processes together leveraging on technology. The key envisaged benefits were improved customer satisfaction, increased operation efficiency, increased agility, enhanced productivity and process optimisation and improved business decisions with better, faster insights.

Our Digital Transformation agenda

Our 2019/20 Key KPI's

Our 2019/20 Initiatives

There are several key initiatives and projects which were implemented to drive the digital transformation agenda. The following are key initiatives which were implemented during the 2019/20 financial year and their related Key Performance Indicators (KPI's.)

					
Reduce Operation Cost & Technological Enhancemnets	Secure Mobilty	Secure IT Platform	VIOP and Online Collaboration	Regional Offices Intergartion	Omni-Channel Customer Engagement

Significant Achievements;

- **Business Automation**

BITC started the digital transformation journey by automating its internal procurement and finance processes. We also automated the visitor registration process using tablets leveraging on Office 365. As a continuation of this, BITC then embarked on automating business operations by leveraging on Dynamics 365 CRM and PowerBi to streamline its business processes.

Automation for the Investment Promotion and Business Facilitation business operations has been completed whilst automation for the Export Development and Customer Service is ongoing and will be delivered in iterations. The next implementation iterations will focus on omni-channel provisioning which will enable online customer engagement.

- **Secure Mobility**

Mobility is key in enabling efficiency within any organisation in this digital age especially during these trying times of Covid-19. We continued to leverage on the solutions we implemented which enabled all our users to work securely from home.

- **Securing Our Platforms**

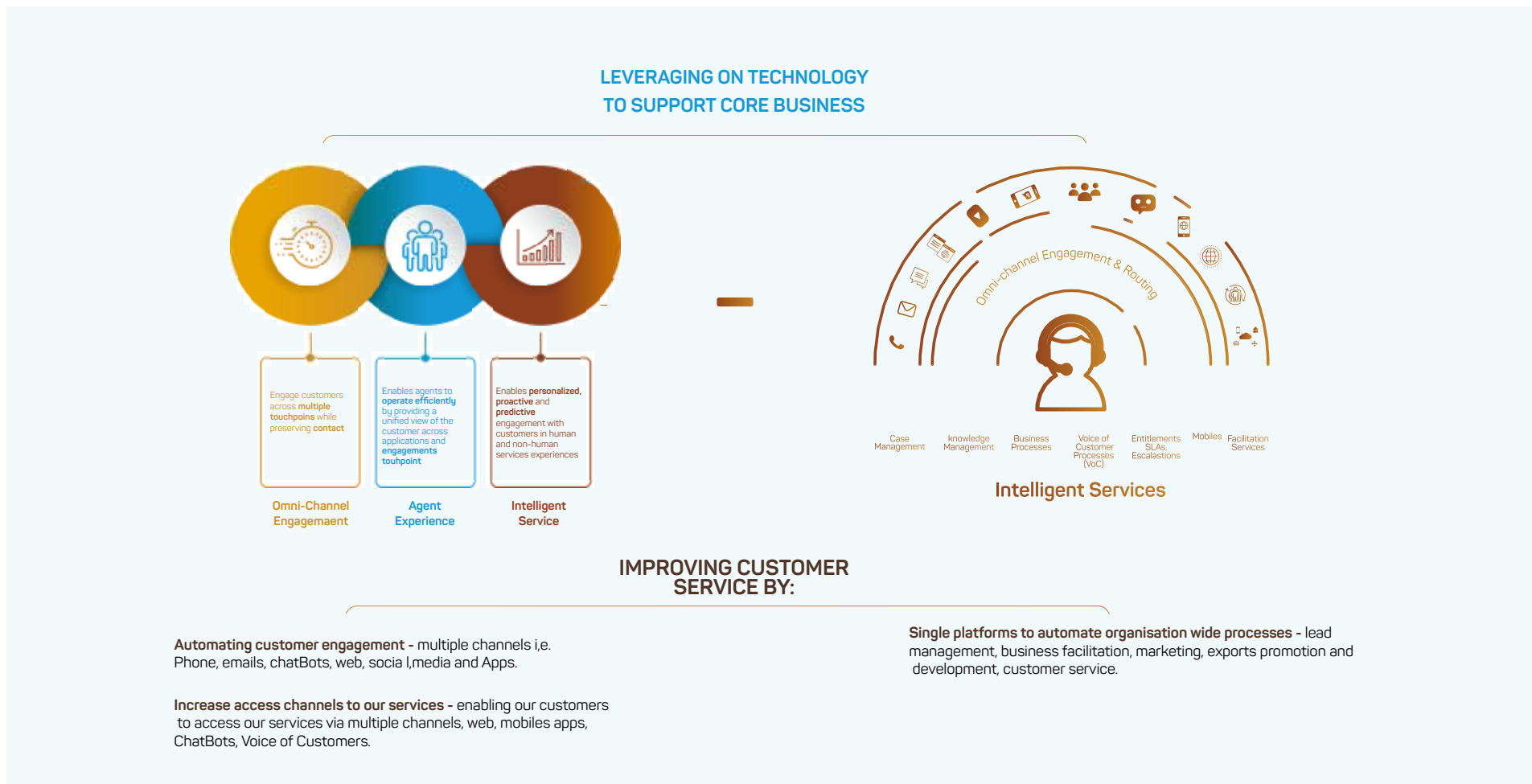
IT Security is a critical component within the BITC operations and it is of paramount importance to ensure BITC's systems are always secure.

- **VOIP and Online Collaboration**

In our journey to improve service delivery and lower telephone costs we have deployed VOIP to our Gaborone, Francistown and RSA offices. Plans are on-going to have VOIP deployed across all our offices. Online collaboration tools have been provisioned for all our users to enable online collaboration and our video conferencing facility was upgraded, this enabled successful hosting of online events like webinars and meetings.

- **Regional Offices Integration**

The migration of all our offices to Office 365 has been completed. This has ensured that we leverage on the existing licensing and resources from Head Office and we



centralise the support. We will be interlinking the India Office with Head Office as this was halted by the Covid-19 pandemic. All the other offices have been interlinked.

- **Omni-Channel Customer Engagement**

As a customer focused organisation, online provision of services is essential for BITC. We have started the deployment of our customer service portal that will enable

provision of services that have been automated to our external online. This will be deployed in iterations and will enable all BITC services to be availed online to external customers

- **Availability of Operational Platforms**

The stability and robustness of the technology environment is critical to the sustainability of BITC information systems. The current private cloud platform is scalable, stable, provides high availability and high performance. This has positively contributed to improved stability of infrastructure and thus overall improved service delivery.

Future Focus

Our focus in going into 2021 shall be on how we leverage on technology to improve on customer engagements, maintain high level of customer service and lowering on operational costs. We will be embarking on the following initiatives in the next financial year which are geared towards improving customer engagement, empowering employees and optimising business operations.;

- Omni-Channel customer engagement
- Enhancement of collaboration platforms
- Deployment of online events management platforms.

PERFORMANCE



Performance

08. BITC Strategic Focus and Orientation
09. Investment Promotion and Attraction
10. Business Facilitation and After Care
11. Export Development and Promotion
12. Brand Management
13. Stakeholder Engagement

BITC STRATEGIC FOCUS & ORIENTATION

Central to the definition of the BITC strategic focus is the continual assessment of the changing operating and business environment and the lessons from the past strategic experiences. The Strategic focus and orientation of the Centre is shaped by the carefully considered Strategic Thrusts and Value Drivers, which are used to ensure a continued balance of the Centre's short, medium to long term interest.

Strategic Thrusts

The strategy was formulated against key principles and is driven by striving to fulfil the following strategic imperatives:

Strategic Value Drivers

- Give a Good Customer Value Proposition
- Offer Attractive Package
- Have a Clear Focus
- Define Performance Drivers
- Define what BITC can do with little risk of failure despite varying scenarios

/08

Client centricity:

BITC strives to have the client as the centre of all decisions, including the form (structure) the organisation takes, its mode of working, its allocation of funds, employment criteria, reward structure and more. Every decision should be held up against the question: 'How will this course of action benefit our clients?'

Execution:

For a variety of reasons, including the reputational capital that is entrusted to every member of BITC, whatever the organisation undertakes, must be right, first time, on time, every time. As the face of the nation to investors and importers, this strategic imperative cannot be left to chance and must be constantly honed. It requires choosing right priorities and establishing a culture of accountability. It's about seeking results in every investment.

Talent curation:

As a professional services organisation, BITC is, and will always be defined by the quality of the talent it can attract and retain. BITC's competitiveness draws from the set of skills that will enable the organisation to drive investment and export in prioritised sectors with mastery and professionalism. The organisation needs to curate talent for its specialists.

Financial sustainability:

A strong culture of execution should be balanced with prudent use of resources. As BITC has developed a new plan there is a high possibility that the budget will not be increased significantly despite the stretch target that the organisation has set for itself. During this plan period, BITC seeks to sweat the assets be they financial and otherwise. The idea of budget alignment to strategy is very critical and BITC has to be more conscious of results.



STRATEGY & CORPORATE PERFORMANCE DASHBOARD

2018/19

KPI	PERFORMANCE TREND (Actual/Target)			
	Q1	Q2	Q3	Q4
FDI	338.5m/450m (75.2%)	2389.8m/900m (100%)	3110m/1350m (100%)	3168/1800m (100%)
DI/Expansions	196.4m/475m (41.3%)	531.5m/950m (55.9%)	1193m/1425m (83.7%)	2273/1900m (100%)
Total Export Value	691.5m/669m (100%)	1401m/1338m (100%)	2065m/2007m (100%)	2628/2676m (98.2%)
Jobs Created	446/788 (56.5%)	1228/1575 (77.9%)	2969/2362 (100%)	3565/3150 (100%)

Foreign Direct Investment (FDI):

The value of FDI (greenfield & brownfield) recorded from BITC accredited companies during the period under review.

Domestic Investment (DI) including Expansions:

The value of Domestic Investment (greenfield & brownfield) and expansions recorded from the local BITC accredited companies during the period under review.

Total Export Value:

The value of Exports recorded from BITC accredited companies (these are companies that BITC provides with export promotion missions, contact missions and Botswana Exporter Development Programme (BEDP)).

New Jobs Created:

The number of new jobs created from FDI.

2019/20

KPI	PERFORMANCE TREND (Actual/Target)			
	Q1	Q2	Q3	Q4
FDI	126m/500m (25%)	426.9m/1000m (43%)	1396m/1500m (93%)	1456m/2000m (73%)
DI/Expansions	443.8m/475.5m (93%)	779.13m/950m (82%)	1425m/1303m (100%)	1608.14/1900m (84.2%)
Export Earnings	671m/802.75m (83%)	1299.5m/1605.5m (81%)	1972.4m/2408.2m (82%)	2403.9/3211m (74.9%)
Jobs Created	717/845 (85%)	1507/1690 (89%)	3816/2535 (100%)	4288/3380 (100%)

Foreign Direct Investment (FDI):

The value of FDI (greenfield & brownfield) recorded from BITC accredited companies during the period under review.

Domestic Investment (DI) including Expansions:

The value of Domestic Investment (greenfield & brownfield) and Expansions recorded from the local BITC accredited companies during the period under review.

Total Export Value:

The value of Exports recorded from BITC accredited companies (these are companies that BITC provides with export promotion missions, contact missions and Botswana Exporter Development Programme (BEDP)).

New Jobs Created:

The number of new jobs created from FDI.

2019/20 PRIORITIES

- Raise the level of FDI to 2000m by end of year;
- Increase the level of DI/Expansions to 1900m by year end;
- Total export value and new Jobs created;
- Generate new jobs at the tune of 3380 by year end;
- Add more impetus to the implementation of strategic projects to support the achievement of strategic goals of investment promotion, export development and promotion, brand management as well as operational efficiency;
- Outcome based structural realignment;
- Financial prudence and targeted staff capacity building;
- Enhancement of the internal control environment; and
- Effective stakeholder engagement and strategic partnerships

2019/20 TOP TEN ACHIEVEMENTS

- BITC Francistown office officially opened;
- Establishment of Board of Investment;
- Received best performing parastatal for the 2nd time;
- BITC hosted thought leadership fora on dairy and small stock sub sectors;
- 10 Companies were converted;
- 25 Companies were visited as part of BITC aftercare services;
- Seven (7) companies are being capacitated for BOBS ISO 9001:2015;
- AGOA strategy implementation- supplier development program and Gumare storage facility;
- Strategic Realignment to deliver on efficiency; and
- Successfully developed and launched 2nd year of BITC 5-year strategy.

CHALLENGES

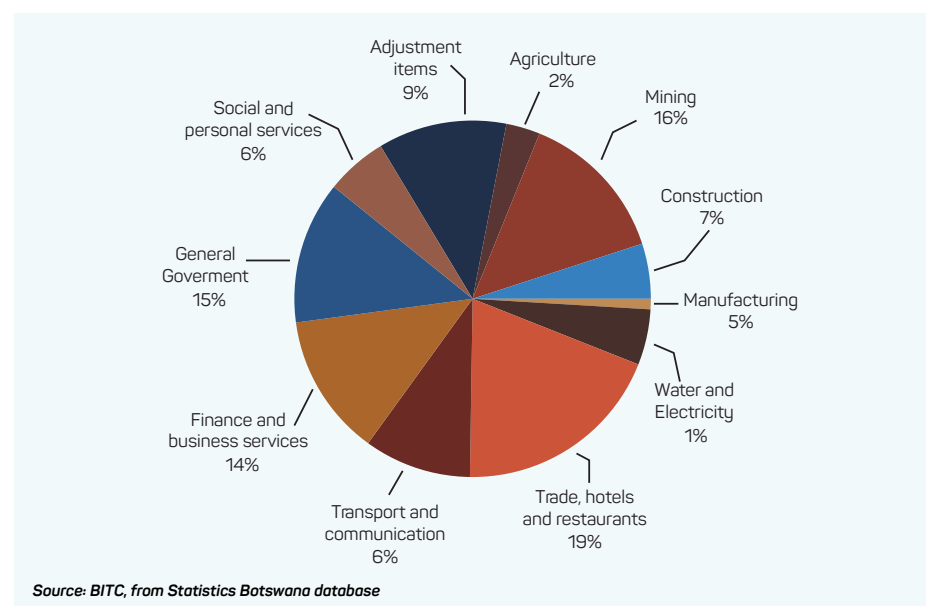
Despite the efforts made to promote and attract necessary FDI and grow exports, the country continues to experience hurdles that impede progress, and these include;

- Economic external shocks such as volatile commodity prices.

- Curtailed budget funding for planned activities
- Limited serviced industrial land and readily affordable factory space

The economy of Botswana has achieved steady growth in 2019, registering 3 percent average year-on-year growth. For the first three quarters, it achieved an impressive growth of 4.2 percent, 3 percent and 3.1 percent for Q1, Q2 and Q3 respectively. Additionally, during Q4, the economy experienced a slower growth rate of 1.6 percent mainly attributed to the effects of the Coronavirus Global pandemic. This growth was mainly anchored by the Trade, Hotels and Restaurant sectors which clearly show that, our economy is starting to show some degree of diversification and resilience from the mineral/mining sector dominance. This could be an indication that the country's robust efforts towards economic diversification and transformation are starting to bear fruits. Additionally, other sectors that contributed significantly include; general government at 15 percent, mining 15 percent and finance & business services at 14 percent graphically represented below.

CONTRIBUTION TO GDP BY ECONOMIC ACTIVITY 2019



The slowdown in economic growth negatively affected BITC mandate since all investment and trade promotion activities were cancelled for Quarter 4. This affected FDI and domestic investment and trade leading to loss of export earnings

Impact of COVID-19 on the Economy of Botswana

Ministry of Finance and Economic Development (MFED) and International Monetary Fund (IMF) indicate a growth rate of -13.1 percent and -5.4 percent respectively in 2020 and a rebound of 3.9 percent and 6.8 percent in 2021. By extension the

impact of COVID-19 will negatively affect BITC’s export performance through restricted market access, specifically the reduction in export earnings resulting from South Africa’s lockdown as it battles the pandemic. Additionally, products and market diversification efforts will be halted due to scaled down production, reduced external demand and subdued commodity prices. Below is the summary of impact on selected economic sectors:

GLOBAL ECONOMIC OUTLOOK

World Bank	International Monetary Fund (IMF)	Organisation For Economic Cooperation And Development (OECD)
<ul style="list-style-type: none"> • Latest projection indicate that the global economy will contract by 5.2 % in 2020 • The deepest global recession in eight decades, despite unprecedented policy support. • Emerging markets and developing economies are projected to grow at 2.5% in 2020 and 4.6 % in 2021. • China the second economy’s growth of 1% in 2020 and 6.9% in 2021. • Europe and Central Asia project to grow by -4.7% in 2020 and 3.6 % in 2021. • South Africa , Africa’s economic engine and Botswana’s major trading partner to grow by -7.1% in 2020 and 2.9% in 2021. <p>Source: Global Economic Prospects, June 2020</p>	<ul style="list-style-type: none"> • According to the IMF April 2020, “the global economy is projected to contract sharply by -3% in 2020”. • However , their optimistic view is that it will regain momentum in 2021 with projected growth rate of 5.8%. • The key drivers will be the adoption of effective policies such as targeted fiscal, monetary, and financial market. 	<ul style="list-style-type: none"> • The global annual GDP growth is forecast to decline to 2.4% in 2020, from earlier projection of 2.9%. • However, this negative effect could possibly increase due to the uncertainty around the COVID-19 pandemic. Which has resulted in disruption in global supply chains mainly from Europe as they are adversely affected by the virus. COVID -19 is the latest game changer globally.

IMPACT OF THE COVID-19 PANDEMIC ON GLOBAL FDI and Trade

Sovereign Credit Ratings			
	Ratings	Implications	Possible interventions
<ul style="list-style-type: none"> Standard and Poor's (S&P) Global Ratings: Long term - BBB+ Short term - A2 Outlook - Stable 	<ul style="list-style-type: none"> Weak diamond export markets; Fiscal deficit; Projected balance of payment deficit Low public debt 	<ul style="list-style-type: none"> Reduced investor confidence High import bill Budget deficit and probable deferment of development projects A probability for further downgrades in case of prolonged weaknesses in diamond export markets 	<ul style="list-style-type: none"> Maintenance of monetary policy Maintenance of low government debt Generate and maintain external buffers (foreign reserves) Export oriented programmes to broaden export base Facilitate for e-based markets for Botswana diamonds (e-auctions, a-sales and digital marketing among others).
<ul style="list-style-type: none"> Moody's: Long Term – A2 Outlook - Negative 	<ul style="list-style-type: none"> Macroeconomic Stability; Low public debt; External liquidity buffers. Lower economic growth Weak export markets for diamonds Fiscal policy pressures resultant from COVID-19 	<ul style="list-style-type: none"> Will build confidence for a good investment climate; Boost political stability ratings. Low government revenue and this may result in increased government borrowing. Deferment of development projects 	<ul style="list-style-type: none"> Maintain policies for macroeconomic stability; Export oriented programmes to broaden export base Facilitate for Export Development Programme in order to broaden and diversify export portfolio; Promote and facilitate for Public Private Partnerships

IMPACT OF THE COVID-19 PANDEMIC ON GLOBAL FDI and Trade

Policy/Regulatory Framework	Areas of Focus	BITC Reaction
NDP 11 Mid-Term Review	<ul style="list-style-type: none"> • Refocus towards Agriculture and Manufacturing; • Policy Reforms to reflect: <ol style="list-style-type: none"> i. Promotion of export-led growth ii. Ensuring more efficient government spending and financing iii. Building human capital iv. Provision of appropriate infrastructure 	<ul style="list-style-type: none"> • Capacity building for resident companies in order to build export readiness; and • Partner with CEDA for export financing.
Citizen Economic Empowerment (CEE)	<ul style="list-style-type: none"> • CEE bill to be tabled before Parliament in July 2020 with focus on the following: <ol style="list-style-type: none"> i. Encouraging citizen participation in economy; ii. Empowering previously disadvantaged populace to actively participate in all economic activities; and iii. Reducing income inequality among others. 	Refocus towards promotion of domestic investment; promotion of Joint Ventures (JVs)
Review of Development Control Code 2014 on Mixed Agriculture Land use	<ul style="list-style-type: none"> • Loosen restrictive measures on changing of land use; • Provide guidance on use of agricultural land in order to facilitate different and mixed uses including other non-agricultural activities such as tourism. 	<ul style="list-style-type: none"> • Regional opportunities mapping. This is also done as part of Domestic Investment Strategy. • BITC also coordinated and facilitated Thought Leadership Fora in Dairy and Small Stock with a view to promote value chain development in the sub sectors.
Review Trade and Industrial Development Regulatory Framework: Reserved Business Activities for 100% Citizen Owned Companies.	<ul style="list-style-type: none"> • Undertaken as part of CEE; • The list covers a wide range of light manufacturing activities and services. 	Promotion of domestic investment on the same.

BITC KEY RESEARCH OUTPUT

In the past year, BITC Research undertook market surveys on Ghana and Kenya with an aim of determining export opportunities in the two markets and extending to the neighboring countries. The market surveys covered market access issues including tariffs, taxes, standards, logistics and market penetration techniques among others.

Ghana was explored as a new market which will be accessed through African Continental Free Trade Area (AfCFTA) agreement which came into force in June 2019. The market survey for Ghana was meant to also serve as a basis for exploration and penetration of the West African region. The opportunities are highlighted below:

Export Opportunities in Ghana

No.	HS6	HS6 Description	[A] Total Realistic Export Potential to Target Market(s) (Mn) [USD]:	[B] Total Exports from BWA to Target Market(s) (Mn) [USD]:
1	HS300230	Vaccines for veterinary medicine	0.51	0.00
2	HS391729	Tubes, pipes & hoses, rigid, of plastics n.e.s. in 39.17	0.44	0.00
3	HS410120	Whole bovine (incl. buffalo)/equine hides & skins, wt. per skin not >8kg (simply dried)/10kg (dry-salted)/16kg (fresh/wet-salted/othw. presvd.)	0.19	0.00
4	HS410190	Bovine (incl. buffalo)/equine hides & skins (excl. of 4101.20 & 4101.50), incl. butts, bends & bellies (fresh/salted/dried/limed/pickled/othw. presvd.) [see complete text #39]	0.50	0.00
5	HS410390	Raw hides & skins, n.e.s. in Ch.41 (fresh/salted/dried/limed/pickled/othw. presvd. but not tanned/parchment-dressed/furth. prepd.) [see complete text #43]	0.05	0.00
6	HS470790	Recovered (waste & scrap) paper/paperboard (excl. of 4707.10-4707.30), incl. unsorted waste & scrap	0.01	0.00
7	HS480890	Paper & paperboard, corrugated..., creped/crinkled/embossed/perforated (excl. of 4808.10-4808.30), in rolls/sheets [see complete text #68]	0.11	0.00
8	HS481940	Sacks & bags (excl. those having a base of a width of 40cm/more), incl. cones	0.85	0.00
9	HS840731	Spark ignition recip. piston engines of a kind used for the propulsion of vehicles of Ch.87, of a cyl. cap. not >50cc	0.01	0.00
10	HS842619	Overhead travelling cranes (excl. those on fixed support), transporter cranes, gantry cranes, bridge cranes	1.30	0.00

Source: BITC using Decision Support Model

Kenya Export Opportunities

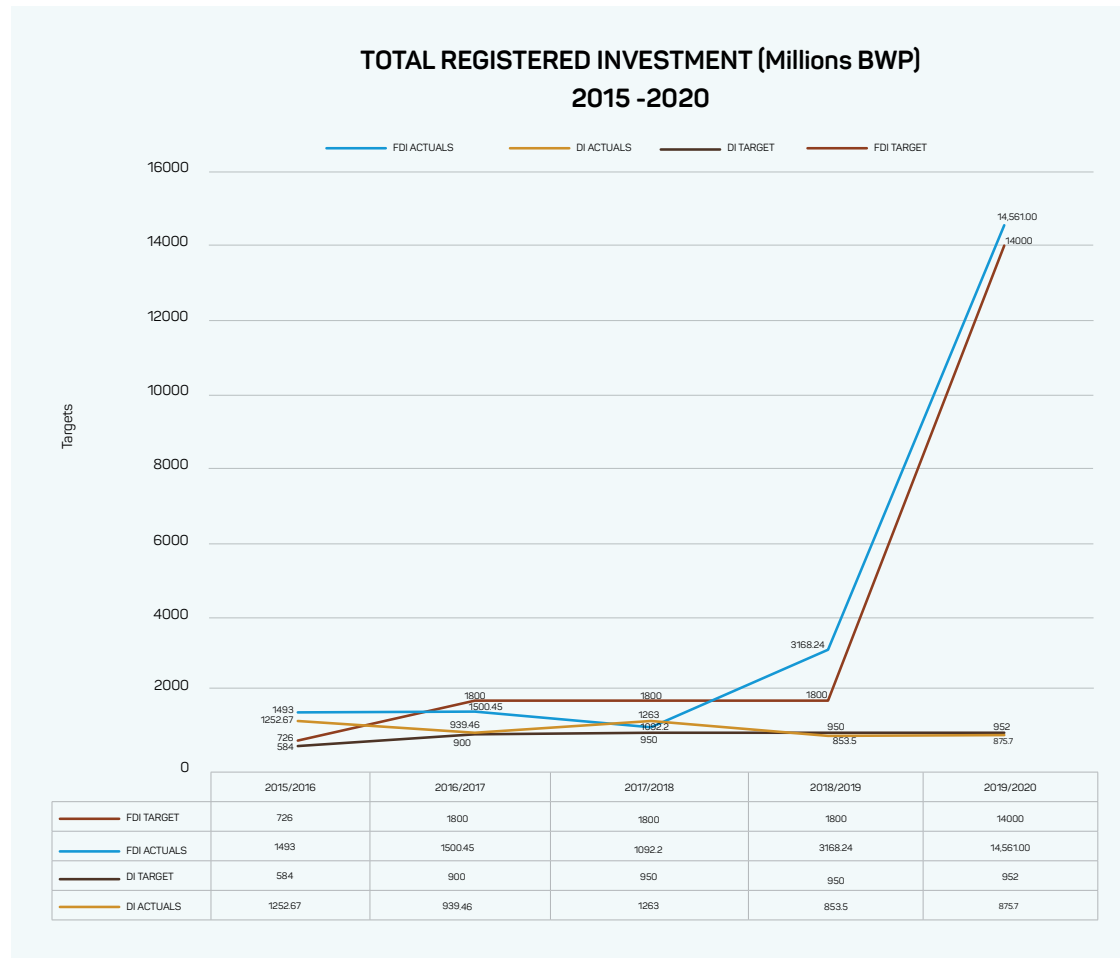
The Kenya market survey was meant to exploit opportunities identified under the Tripartite Free Trade Area (TFTA) agreement between SADC, COMESA and EAC. Kenya is the main market in EAC, and export opportunities are shown below:

Product	Tariff book product (HS 6 digit)	No.	[A] Total Realistic Export Potential to Target Market(s) (Mn) [USD]:	[E] Target Market(s) Imports from T6 (Excl BWA) (Mn) [USD]:
HS850213	Electric generating sets with C-I int. comb. piston engines (diesel/semi-diesel engines), of an output >375kVA	9	8.57	51.44
HS842619	Overhead travelling cranes (excl. those on fixed support), transporter cranes, gantry cranes, bridge cranes	3	4.10	24.63
HS481940	Sacks & bags (excl. those having a base of a width of 40cm/more), incl. cones	7	2.80	16.81
HS391739	Tubes, pipes & hoses of plastics, n.e.s. (excl. of 3917.21-3917.33)	5	2.14	12.86
HS482020	Exercise books of paper/paperboard	3	2.04	12.21
HS250100	Salt (incl. table salt & denatured salt) & pure sodium chloride, whether or not in aqueous solution/cont. added anti-caking/free-flowing agents; sea water	7	1.56	9.35
HS391723	Tubes, pipes & hoses, rigid, of polymers of vinyl chloride	6	1.37	8.24
HS300230	Vaccines for veterinary medicine	4	1.35	8.08
HS850710	Electric accumulators, incl. separators therefor, whether or not rect. (incl. square), lead-acid, of a kind used for starting piston engines	3	1.29	7.74
HS283620	Disodium carbonate	4	1.25	7.50
HS843290	Parts of the agricultural/horticultural/forestry mach. of 84.32	3	0.82	4.95
HS630260	Toilet linen & kitchen linen, of terry towelling/sim. terry fabrics, of cotton	5	0.64	3.84
HS020230	Meat of bovine animals, frozen, boneless	2	0.55	3.30
HS410510	Tanned/crust skins of sheep/lambs, without wool on, in the wet state (incl. wet-blue), whether or not split but not furth. prepd.	1	0.54	3.27
HS846694	Parts & accessories suit. for use solely/princ. with the machines of 84.62/84.63	6	0.47	2.83
HS854430	Ignition wiring sets & oth. wiring sets of a kind used in vehicles/aircraft/ships	6	0.46	2.75
HS844130	Machines for making cartons/boxes/cases/tubes/drums/sim. conts., other than by moulding	2	0.41	2.46
HS880310	Propellers & rotors & parts thereof, of gds. of 88.01/88.02	4	0.40	2.39
HS391729	Tubes, pipes & hoses, rigid, of plastics n.e.s. in 39.17	4	0.31	1.86
HS391890	Floor coverings of plastics other than polymers of vinyl chloride, whether or not self-adhesive, in rolls/in the form of tiles; wall/ceiling coverings of plastics as defined in Note 9 to Ch.39	3	0.26	1.56
HS391722	Tubes, pipes & hoses, rigid, of polymers of propylene	6	0.25	1.47
HS732599	Cast arts. of iron (excl. non-malleable cast iron)/steel, n.e.s.	2	0.24	1.44
HS480429	Sack kraft paper, uncoated, other than unbleached, in rolls/sheets (excl. of 48.02/48.03)	2	0.19	1.14
HS845929	Drilling machines other than way-type unit head machines, op. by removing metal, other than numerically controlled	5	0.15	0.92

INVESTMENT PROMOTION AND ATTRACTION

For the year under review BITC's annual FDI capital inflows realised stood at **P1.456 billion** against an annual target of **P2 billion**, which is largely attributable to more than expected performance from the Financial Services sector. The total Domestic Investment for the period was **P875.5 million** against the set stretched target of **P952 million**. The total number of jobs registered by the organisation during the year under review was **3329** (excluding expansions) against an annual target of **3340**. Most of the jobs were created through Domestic Investment, while FDI generated **1105 jobs**. The majority of the jobs were from Services, Agriculture and Agro-processing sectors followed by the Manufacturing sector. A total of **41** companies were accredited in the reporting period across various sectors including Agribusiness, Healthcare, Construction, Financial Services, Manufacturing, expected to generate investments of **P1 723.5 billion** and expected jobs of **7618**.

/09



The organisation embarked on investment promotion initiatives during the year, which were meant to improve performance which included review of its strategic focus in attracting investment. Furthermore, the organisation has reorganised its human capital/resources to promote sector specialisation and operational efficiency. The **Specialist Teams** created are for the following sectors;

- Manufacturing, Mining and Energy
- Agriculture and Agribusiness
- Finance and Business Services

INVESTMENT PIPELINE

The companies accredited during the financial year 2019/2020 had a combined investment level of P12 801 050 000.00 and employment levels of 29 216. The companies await various facilitations, mainly allocation of land and factory shells.

Source: BITC, IP Department

KEY RESULT AREA	PROJECTED INVESTMENT (BWP)	PROJECTED EMPLOYMENT
Domestic Investment	10 802 550 000.00	27066
Foreign Direct Investment	1 998 500 000.00	2150
TOTAL	12 801 050 000.00	29 216

Projected Manufacturing, Mining and Energy Investment

The table below provides a list of some of the proposed major investment projects accredited by BITC during the year under review, within the Manufacturing, Mining and Energy sectors as well as the number of jobs they are expected to create at full conversion.

Pipeline investment projects 2019/20				
Company	Type of Investment	Sector	Projected Investment Level	Jobs
Sese Power	FDI	Energy-Coal Power Plant	P 10 billion	2000
Johdee Processing	FDI	Mining; Coal Processing	P 80 million	100
Khoemacau Copper Mine	FDI	Mining Copper	P 700 million	
Mophane City International Airport	FDI	Aviation and Non-Aviation	P 1.5 billion	20000
A.S.A Enterprise	DI	Manufacturing	P 80 million	350
Hedco Furniture	FDI	Manufacturing	P 7 million	45

Projected Agriculture Sector Investment

The table below provides a list of some of the proposed major investment projects accredited by BITC during this year, within the Agriculture and Agri-Business sectors as well as the number of jobs they are expected to create at full conversion

Pipeline investment projects 2019/20

Company	Type of Investment	Sector	Projected Investment Level	Jobs
Dune Food Products	DI	Agro-processing	P 1.8 million	10
Kefalos Food	FDI	Agro-processing	P 12 million	65
Flat Intergrated Consult	DI	Agriculture	P 1.4 million	40
New Capital Holdings	DI	Agriculture	P 11.2 million	9
Veggie Land	DI	Agriculture	BWP 11 million	20
Sherwood Pomegranates	FDI	Agriculture	BWP 79 million	365
Business Surge	DI	Agriculture	BWP 32 million	90

Financial and Business Services Performance

The table below provides a list of some of the proposed major investment projects accredited by BITC within the Financial and Business Services sectors as well as the number of jobs they are expected to create at full conversion

Pipeline investment projects 2019/20

Company	Type of Investment	Sector	Projected Investment Level	Jobs
Smith Shine	DI	Distribution	P 6 million	53
Serianu	FDI	ICT	P 550 million	14
Kalcon	DI	Construction	BWP 200 million	2000
Crittall Hope Industries	DI	Construction	P 3.8 million	28
Nashua Nest	DI	ICT	P 2 million	10
Wild Africa Eco Retreat	FDI	Tourism and hospitality	P 22 million	31
Peek Vision (Pty) Ltd	FDI	Health	P 4 million	10
Maun Delta Helicopters	FDI	Services	P 4.3 million	11





Missions

In the year under review BITC in pursuing its investment promotion mandate undertook 4 inward missions and 12 outward missions. It is worth noting that the majority of the outward missions were state visits. These state visits produced positive results i.e. investment leads and entrenching Brand Botswana to the international audience. We continue to liaise with Ministry of International Affairs and Cooperation to create synergies. Furthermore, BITC hosted a number of exploratory visits by potential investors in the agriculture, mining, energy, healthcare, tourism and business services sector.

Exploratory Visits/Hot Leads

BITC continues to facilitate potential investors in their exploratory/scoping visits by developing a comprehensive itinerary for them to gather the information they need to make their investment decision. These companies have been captured as hot leads to be pursued.

Below is an illustration of some of the hot leads projects that BITC continues to facilitate that we believe will have a huge socioeconomic impact on the lives of Batswana once operational. Planned visits by these companies were curtailed by the lockdowns and travel restrictions due to the COVID-19 pandemic.

Agriculture Sector

Wilmar (Pty) Ltd is a locally registered company that seeks to export a minimum of 300,000 halaal small stock carcasses (Chevon) annually from Botswana to the Gulf countries of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates. Funding has already been pledged by The Gulf Cooperation Council (GCC) states, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates towards the Botswana operations. To date BITC has facilitated meetings with various stakeholders including Ministry of Agriculture, Departments of Agribusiness and Veterinary Services, Botswana Meat Commission and the Federation of Small Stock Industry Botswana.

Energy Sector

Sese Power intends to construct an intergrated coal mine of 300-600 Mega Watts power station, some 50km south-west of Francistown, Botswana. Sese Power is a joint venture between First Quantum Minerals Limited (FQM) and Africa Energy Resources Limited. The power project has a commercial life expected to be in excess of 30 years, creating 650 permanent jobs at full potential and 3850 temporary jobs during the construction phase. To date BITC has facilitated meetings with various stakeholders including Botswana Energy Regulatory Authority (BERA), Botswana Power Cooperation (BPC) and Botswana Railways (BR).



Tourism Sector

BITC participated at the World Economic Forum, Davos, Switzerland from the 21st – 24th January as part of the Presidential Delegation and played a leading role in profiling targeted investors that met with His Excellency the President. It was in Switzerland that His Excellency and his delegation met the Michel Reybier Group (La Reserve), who ultimately made a commitment to undertake a scoping mission to Botswana, and firmed up their interest to expand their first African operation in Botswana. The Michel Reybier Group operates a chain of luxury hotels in Switzerland and France, with real estate division comprising 40 properties as well as Medgate, the leading telemedicine provider in Switzerland.

BITC, in partnership with BTO, facilitated La Reserve to visit several sites including Gaborone, Ngamiland (Maun, Shakawe) and Kasane. A detailed itinerary was developed for the visiting team, to give them more detailed insights into the hotel and tourism hospitality. The team visited several existing hotel and lodges establishments to appreciate the current offering as well as gather intelligence on room occupancy rates, market dynamics and pricing.

A preliminary outcome of the visit is that La Reserve is interested to set up a hotel in Gaborone and at another site in Kasane.

REGIONAL OFFICES PERFORMANCE

SOUTH AFRICAN MARKET

Botswana Investment and Trade Centre (BITC) in partnership with the Ministry of Mineral Resources, Green Technology and Energy (MMEWR) participated at the 2020 Investing in Africa Mining Indaba held from 3rd to the 6th February 2020 in Cape Town. The 2020 edition as is customary attracted: junior, mid-tier and major mining companies, leading regional and global industry players, potential investors, as well as high-level speakers in the Mining sector. The Botswana delegation also comprised of private sector players who participated mainly to identify opportunities for trade, investment, technology adoption, and partnership opportunities among others. The companies were: Khoemacau Copper Mining, Debswana, Okavango Trading Company (ODC) and Morupule Coal Mine.

In collaboration with the Australia Trade Office a 'Doing Business with Botswana' session was held during the conference with up to 40 delegates in attendance at the Australia Pavillion. In the same manner, BITC in collaboration with the Botswana High Commission to The Republic of South Africa (RSA) facilitated another forum to a multi-sectoral audience of 70 companies. During this year on the 20th June 2019, BITC in collaboration with South Africa High Commission in Botswana hosted a delegation of 6 South African companies within the Automotive and Engineering sector who explored investment opportunities in Botswana as well as identified areas of mutual interest for trade and investment with Botswana's private sector.

UK/ EU MARKET

The 2019/20 financial year saw heightened activities for investment promotion and attraction in Europe. The major highlights in the region included the withdrawal of the UK from the European Union through Brexit and the signing of the Continuity Trade Agreement between Southern African Customs Union SACU and Mozambique and the UK in September 2019 aimed at allowing UK businesses to continue to trade on preferential terms with SACU countries and Mozambique.

The other major highlight was Botswana's participation at the 10th World Economic Forum in Davos, where His Excellency Dr. Mokgweetsi Eric Keabetswe Masisi led a delegation, comprising the Minister for Investment Trade and Industry, Ambassador of Botswana Permanent Mission to the UN in Geneva, Acting Permanent Secretary to the Office of the President, Chief Executive Officer from Botswana Investment and Trade Centre and a representative from Botswana Innovation Hub (BIH)

Below are the performance highlights from the UK regional office:

- **2** companies Kamstrup from Denmark and African Wild African Echo Retreats from the UK were accredited to set up within the manufacturing and tourism sectors respectively. The two companies have a combined Capital of P54.5 million and expect to create 44 employment opportunities.
- **11** companies were facilitated scoping visits to Botswana
 - Peek Vision, a UK based company has set up in Botswana, in partnership with UPenn with a CAPEX of P4.3 million, and 10 jobs (direct).
- **13** Companies were qualified as active leads from the region
- **1** inward mission from Poland visited Botswana in July, bringing a strong delegation of 12 companies that included the Boryszew Group, one of Polish's largest industrial companies with a focus on automotive industry, processing of non-ferrous metals and on chemical sector. A MoU was signed between BITC and the Polish Chamber of Commerce to strengthen relations between the two institutions.

Still in the UK, BITC continued to explore different media platforms to market Botswana's investment opportunities in the international arena. An initiative was

undertaken to profile the country's automotive components and parts sector through the Automotive Industries, the world's oldest trade magazine covering the global automotive industry. The AI releases annual magazines promoting different jurisdictions in the sector, with a global reach of more than eight hundred thousand clients within the automotive industry. Botswana was covered under a special feature looking at AUTOMOTIVE FDI to profile key countries and regions from around that are actively targeting automotive sector investment. The AI platform enabled Botswana to generate 18000 subscription copies as well as a full-page advertisement for the automotive sector.

Switzerland

Botswana's participation at the World Economic Forum in Davos provided a major milestone in the area of investment promotion and country branding. The participation by His Excellency the President, accorded the country to increase strategic alliances (World Economic Forum and other Multilateral agencies), and establish new leads. 26 contacts were established spanning across different sectors including manufacturing, finance, ICT, and tourism; out of which; 3 Potential Leads were established (La Reserve, Wilmar International – Saudi Arabia, Vulcan Inc for expanding into other key sectors). The visit accorded His Excellency opportunity to engage 2 Swiss companies, La Reserve and the Franck Muller Company who both committed to partner with Botswana in her development efforts.



Germany

German market engagements were conducted twice in the financial year. The first market engagements were undertaken from 8 – 12 April where the former Minister of Investment Trade and Industry, Bogolo Kenewendo was officially invited alongside Namibia to engage the German industry. The mission outcomes included establishment of 43 contacts and 3 leads, including Kamstrup which has entered into a JV with a local company to set up Greensmart Solution for the manufacture of smart meters.

The second market engagement was an outward high-level Investment Promotion Drive that attracted close to 40 business leaders from Botswana in the sectors of Energy, Information Communication Technology (ICT), Innovation, Agriculture, Railways, Health, Manufacturing and Automotive amongst others. The Embassy of Botswana in Germany, partnered with German stakeholders (Afrika Verein, Schwerin Chamber of Commerce IHK, the Federal Association of German Mittelstand Enterprises (BVMW) - Mittelstand Alliance Africa (MAA) and The Mechanical Engineering Industry Association (VDMA) for the success of the mission which ran from the 23-27 September 2019, #BidDe2019. Some of the success stories include progress reports by BUAN in collaborating with Marketvest to partner on energy project; CEDA and Green Tech Capital on blended finance opportunities amongst others.

Poland

BITC participated in a business seminar held in partnership with the Polish Chamber of Commerce on the 6th of June 2019 and reached out to close to 50 participants. The seminar was part of the planned a pre-mission briefing to mobilise Polish businesses for the Botswana inward mission which was subsequently conducted in July. During the visit to Poland, the office followed up on some of the leads that included Assecco, Medinet and Polska ETC, one of the largest agriculture entities with interests on Botswana. Subsequent to this

An inward Business Forum to Botswana was delivered on 24th July 2019 followed by business to business meetings between the Polish delegation and relevant local stakeholders. The Inward Investment Mission was intended to foster trade and investment linkages as well as stimulate joint venture partnerships between Polish

and Botswana companies. The Polish delegation comprised of 6 Polish companies in Agriculture, Manufacturing, and ICT and was led by a high-level delegation from the Polish Chamber of Commerce and the Polish Embassy. A Memorandum of Understanding was signed between BITC and PCC to strengthen collaboration as well as promotion of trade and investment between the two countries.

INDIA OFFICE

The 2019/20 period saw the strengthening of the Botswana and Qatar relations. A state visit by His Excellency Dr. Mokgweetsi E.K. Masisi, the President of the Republic of Botswana was made to Qatar, is one of the big economies in the Middle East and therefore important in maintaining good relations in view of their capabilities and market.

Highlights of the year

- More than **30** companies from India participated at the Global Expo Botswana;
- Several India companies visited Botswana for scoping missions;
- **1** Company, Indus previously accredited has started operating a 59-bed hospital in Francistown; and,
- **1** Company, Orange County, finalised a transaction in the purchase of a lodge in the Central Kgalagadi Area.

Major Engagements

Qatar State Visit

BITC participated in the Qatar State Visit held on 14th and 15th April 2019. The delegation comprised of 18 institutions from the following sectors of Mining & Energy, Agriculture, Transport & Logistics, ICT, and Tourism. BITC in collaboration with the Qatar Chamber of Commerce and Industry hosted a business meeting on 10th of April 2019. BITC also organised business to business meetings and site visits for the Botswana delegates, with the Qatar companies.

Botswana and Qatar signed an agreement for Qatar Airways to start flying to Botswana, and this started in December 2019.

India

BITC India Office organised an investment seminar that targeted diamond companies mainly focusing on beneficiation on 25th – 28th June 2019 in Surat, India. The Seminar gave an overview on Botswana investment opportunities in the diamond industry to the diamond companies, followed by company visits. The company visits targeted companies which are looking into expanding their business to Africa, with a view of attracting them to Botswana.

A total of 15 companies were visited, of which 12 of them indicated that they have participated in the ODC tendering process and bought diamonds. A few of the companies indicated that their clients demand Botswana diamond because of their quality, which showed the demand of Botswana diamond in the market.

Vietnam

BITC India Office in collaboration with Vietnam Chamber of Commerce and Industry (VCCI) held a business meeting on the margins of 10 years of relations between Botswana and Vietnam celebration on the 26th August 2019. The meeting was to introduce Botswana investment opportunities to the Vietnamese as well as introduce BITC as a strategic partner in doing business with Botswana. Notable outcome from the meeting was to raise and increase Botswana brand visibility in the Vietnam market.

Japan

The Tokyo International Conference on African Development (TICAD) 7 was held in Japan on 26th to 31st August 2019. TICAD is the largest international conference held in Japan. TICAD hosts more than 4,500 participants on average each year including heads of state and government, representatives of international and regional organisations, civil societies, NGOs, and the private sector.

The focus of the planned event was to foster opportunities for joint venture partnerships between Japanese companies and Botswana companies. The planned mission included other side events including;

- a. Public-Private Business Dialogue
- b. Business Forum

c. Business EXPO.

The TICAD event and the Japan-Africa Forum & Expo were coupled with a series of bilateral meetings with Japanese companies. Former Honorable Minister, Bogolo Joy Kenewendo and the BITC team engaged with a number of Japanese companies with an interest to invest in Africa. The targeted sectors for the high-level meetings included ICT, Automotive Component Manufacturing, FinTech, Innovation, Engineering and Health Services.

Botswana was able to promote the attractiveness and potential of Botswana's competitive advantage to Japanese companies at the same time introducing excellent products and services of Botswana companies to Japanese companies. Follow up visits and engagements by potential investors continue to take place following this mission.



BUSINESS FACILITATION AND AFTER CARE

Botswana Investment & Trade Centre (BITC) continues to make strides in positioning Botswana as a preferred destination for investment, through a robust After-care programme, to cater for the varying needs of investors. BITC through the Botswana One Stop Service Centre (BOSSC) continues to deliver improved investor services. To show commitment to this initiative, there are currently thirteen (13) government departments that are represented in BOSSC out of which three (3) have their officers' permanently occupying office in BOSSC. Altogether there are six (6) officers from the Ministry of Nationality, Immigration & Gender Affairs, Ministry of Employment, Labour Productivity & Skills Development and the Ministry of Lands Management, Water & Sanitation Services.

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BOSSC continues to facilitate investors through working closely with other such as Botswana Unified Revenue Service, Water Utilities Corporation, Botswana Power Corporation and Botswana Telecommunications Corporation Limited to ensure smooth and seamless connection of services to clients. The relationship with other agencies and organs of government, has drastically improved efficiencies and shortened the turnaround times for the services offered.

Policy/regulatory reform advocacy remained one of the top priority areas for the organisation. In order to remain competitive as a country, there was need to consistently engage with other key stakeholders to ensure that impediments to ease of doing business are ironed out. It was through these stakeholder engagements that BITC established a satellite office in Francistown to extend BITC services to the northern part of the country.

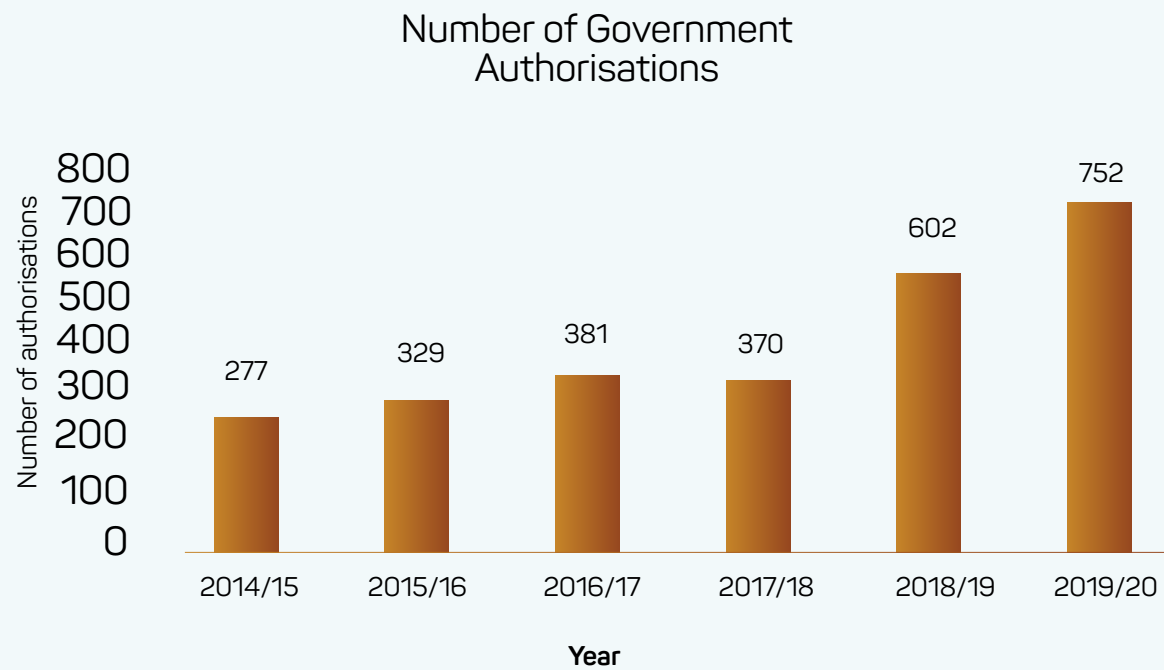
During the year under review, the Botswana One Stop Service Centre continued to register a steep increase in utilisation of its services as compared to the previous year. The 2019/2020 statistics indicate that BOSSC processed 752 government authorisations compared to the 602 in the previous financial year thus demonstrating 25% increase in the number of applications. The increase is attributable to the establishment of the Francistown Office.



Government Authorizations in 2019/2010

Type of Authorization	TURNAROUND TIME	DECISION				Total
		Granted	Rejected	(Pending-Within Turnaround time)	(Pending-Outside Turnaround time)	
Entry VISAs	7 days	160	0	9	0	169
Work and Residence Permits	30 days	177	15	34	7	233
Work and Residence Exemptions	14 days	185	0	30	0	215
Emergency Work Permits	7 days	38	0	5	11	54
Permanent Residence	3 months	9	0	32	7	48
Appeals to the Minister	30 days	8	0	3	0	11
Section 23/11 Appeal to Minister	30 days	0	0	0	0	0
Industrial License	5 days	1	0	0	0	1
Company Registration	1 day	0	0	0	0	0
Environmental Impact Assessment	9 months	0	0	0	0	0
Variation	30 days	2	0	0	0	0
VAT registration	1 Day	2	0	0	0	2
Development Approval Order	30 days	1	0	4	0	5
Citizenship	12 months	0	0	0	0	0
Cancellation	30 days	0	0	0	0	0
Appeal		5	3	0	0	8
Replacement	OVER THE COUNTER(BOSSC)	5	0	0	0	5
Extension of days beyond 90	OVER THE COUNTER(BOSSC)	1	0	0	0	1
TOTAL		594	19	117	25	752

Over the years, BITC has experienced a steady rise in number of requests for its facilitation services as demonstrated in Figure 1 below. During financial year 2014/15, BITC processed 277 investors applications for various government authorisations as compared to 752 applications processed in 2019/20. The steep increase in the number of authorisations is mainly associated to the value add that BOSSC has brought about ever since its establishment as well as the Francistown Office establishment.



Source:BITC

INVESTOR AFTERCARE

It is through a robust aftercare programme that the Centre is able to track investors' concerns and offer solutions. BITC continued to deliver on its investor aftercare programme with the aim of retaining investors, encouraging expansions as well as new businesses or diversification.

There has been a steady increase over the years in the number of company visits conducted by BITC. This follows a new strategic direction adopted by BITC management, where a few days were set aside in a month for the CEO and his team to conduct company visits. A total of 101 company visits were conducted during this financial year. Some of the companies visited include Francistown Academic Hospital, Aliboats (Pty) Ltd in Maun, B & M Garments (PTY)Ltd in Shashe/Tonota, Chloride Exide (Pty) in Gaborone, Milk Afric (Pty) Ltd in Lobatse, Vegiblock (Pty) Ltd in Talana Farms, Pandamatenga Farms and Red Cedar farm in Gantsi just to name a few. During these visits, investors raised concerns which impeded their ability to expand or start new businesses. These engagements enabled the organization to engage in a robust advocacy agenda aimed at improving the ease of doing business and resolving challenges faced by investors.



INVESTMENT EXPANSIONS

During the year under review, companies facilitated through BITC recorded a total investment expansion amounting to P732.6 million. This is a significant increase as compared to P517.42 million recorded the previous financial year. This constitutes a 41% increase. These expansions have generated 933 new jobs in the economy. This is notwithstanding the challenges that investors have expressed during the visits conducted. The following are some of the companies that have contributed to these significant expansion figures; Adansonia Hotel through their international conference centre, Kromberg & Schubert (Pty) Ltd, Sally Dairy, Senn Foods, Noka Farm (Pty)Ltd, Vegi Block (Pty)Ltd, Alligiant (Pty) Ltd just to mention a few.

STAKEHOLDER ENGAGEMENT AND ADVOCACY

BITC, with its multifaceted mandate, formed strong alliances with various stakeholders in order to get the necessary support that it needed. In order to solicit for support, the organisation developed a stakeholder engagement strategy and continued to engage extensively with all the relevant stakeholders that were identified as key to the mandate. A total of forty-nine (49) stakeholder engagements were achieved during the year under review. The main objective and emphasis of



these engagements was based on a desire to maintain effective partnerships, and to meaningfully advocate for investors as well as address investor queries/challenges, that otherwise act as obstacles on their operations. Further to this, these engagements were aimed at disseminating information about the services offered by BITC as well as create buy-in by stakeholders.

Some of the key stakeholders who were met during the year include; Francistown City leadership such as Mayor, Town Clerk, District Commissioner and Business Botswana. Further to this, other stakeholders such as land boards across the country, all the Sectoral Immigrants Selection Boards in Gaborone, Regional Immigrants Selection Boards (RISBs) in Kasane, Selebi Phikwe, Maun, District Councils, Botswana Power Corporation, Water Utilities Corporation, various ministries and departments.

PROPERTY AND LAND FACILITATION

The provision of readily available factory space and serviced land on a rented or outright sale basis is widely practised by Investment Promotion Agencies (IPAs) across the world as part of locations' offering to attract investment projects. BITC continually strives to provide qualifying investors with suitable factory warehouses and land for investment projects in various parts of the country including Gaborone, Francistown, Palapye, Selibe Phikwe, Kasane and Jwaneng.

During the year, provision of suitable factory space for investment projects in the pipeline was constrained by the unavailability of serviced industrial land and factory space within BITC's property portfolio and in the broader private market. The lack of suitable industrial warehouses caused the organisation to explore ways of expanding its industrial warehouse portfolio through partnerships with commercial and industrial property owners, to enable potential investor's access to warehouses on competitive rental, purchase and rental with option to buy terms.

BITC FRANCISTOWN OFFICE

As already alluded, in the past year, BITC extended its local footprint by opening a branch office in Francistown. The office is responsible for promoting business development and encouraging investment in the northern part of Botswana. Its effectively serves as a One Stop Business Services Centre for Francistown and adjacent regional blocks such as, Selebi Phikwe Economic Diversification Unit (SPEDU), Orapa/Lethakane, Pandamatenga/Kasane to name a few.

The BITC Francistown office was officially opened by the Minister of Investment, Trade and Industry, Honourable Ms. Peggy O. Serame on 1st of February 2020. The Minister was accompanied by the former Assistant Minister Honourable Mr. Karabo Gare and other dignitaries such as the Mayor of Francistown City, some Members of Parliament for Francistown as well as other dignitaries. The event also doubled as an open market day, where all MITI parastatals as well as Botswana Pride mark registered companies showcased their products to the public.

Upon commencement of duty in Francistown, several stakeholder engagements with key offices were made to formally introduce the office, establish working relationships and solicit support from the Francistown City Mayor, Town Clerk and District Commissioner, Sowa Town Leadership (Mayor, Town and Deputy Clerk, Botash, Selebi Phikwe Mayor, Selebi Phikwe Economic Development Unit management, Water Utilities, Department of Lands, (BURS) and Business Botswana.

EXPORT DEVELOPMENT & PROMOTION

BITC's continued efforts to establish Botswana basket of exports in becoming the key contributor to the country's major engine for economic growth, and away from the traditional mining sector, remain positive. This is evidenced by the steady growth in the value of annual export revenue realised during this financial year as well as innovative product sales to new and existing regional and international markets.

During the 2019/2020 financial year, BITC embarked on several initiatives targeted at growing exports in the country;

- Facilitation of participation of local companies in international trade platforms in order to enhance export sales of local products and services into external markets.
- Capacity development of local companies to compete in global markets and the nurturing of export awareness and culture among local manufacturers in order to enhance their skills and knowledge of export processes.
- Development and implementation of trade facilitation tools that look to improve the overall ease of doing business in Botswana .

And finally, BITC's annual flagship exhibition, Global Expo Botswana (GEB) to create opportunities for trade and strategic synergies between local and international companies.

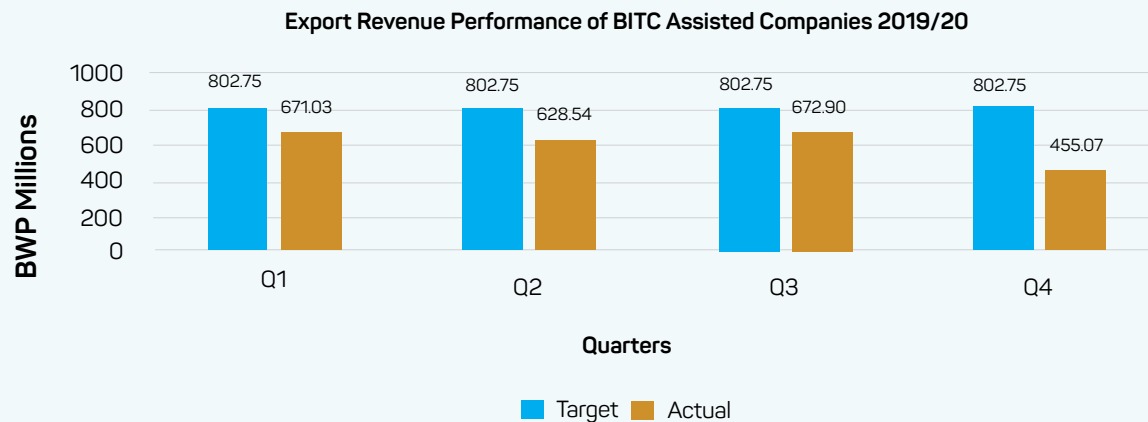
EXPORT PERFORMANCE

During the year under review the sale of locally manufactured products in foreign markets registered export revenue of P2, 427 billion against a target of P3, 211 billion.

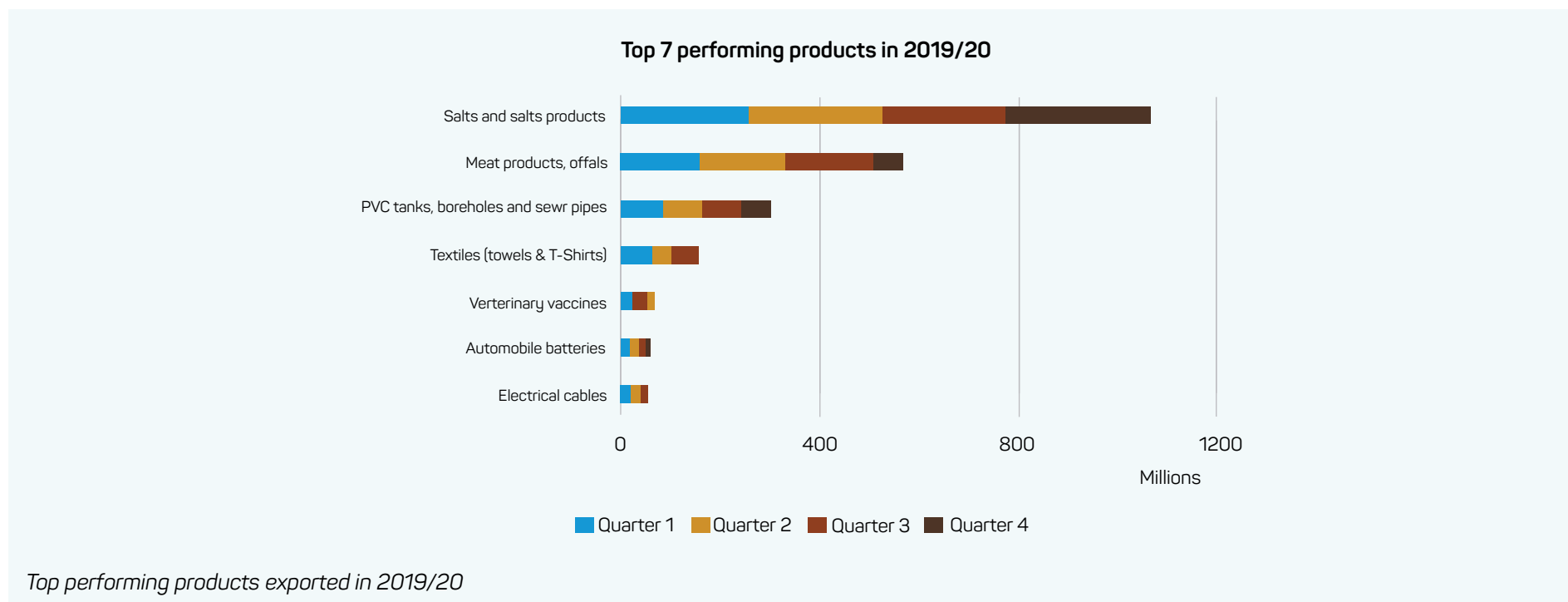
Export earnings opened a year at 83% (P671m) before dropping to 81% (P1299.56m). The third quarter experienced a slight rise in performance to 82% (P1972.46m), before a closing drop in performance to 75.6% (P2427.053m) percentile points. Overall performance for the year is 80% points.

Export Performance		
Quarter	Manufacturing (Millions)	Targets (Millions)
Q1	671 025 542.93	802 750 000.00
Q2	628 536 964.24	802 750 000.00
Q3	672 899 375.44	802 750 000.00
Q4	455 074 559.89	802 750 000.00
Total	2 427 536 442.50	3 211 000 000.00

Annual Actual Export Revenue against set Target



Export Revenue Comparison



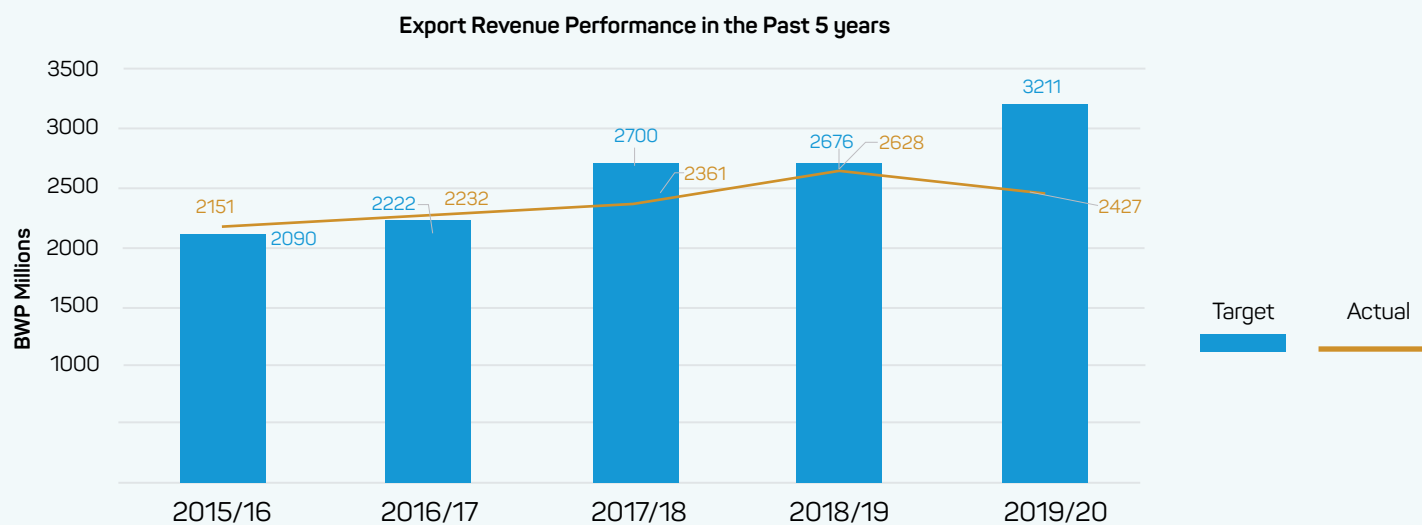
The 2019/20 period was largely dominated by sales of course, fine and dense salt, soda ash, in the Zambia, Zimbabwe, DR Congo and Malawi markets. Chemical salt also thrived in the South African market during the financial year.

Bovine boneless chilled beef sales continued to prevail mainly EU and UK markets and some significant sales in the SADC region such as Zimbabwe, Namibia, Angola, Mozambique, DR Congo and South Africa. Worth noting also were sales to Kenya and Mauritius in the period under review.

HDPE PVC pipes and tanks as well as cotton towels dominated the South African market. There were also in Zambia, Namibia and Zimbabwe.

EXPORTING COMPANIES AND MARKETS 2019/2020

Company	Products	Markets
Ali Boats	Swamp cruiser boats	Malawi, South Africa & Zimbabwe
Sunita Cables	Electrical cables	Namibia
F & G Botswana	Tobacco flavour& Fragrance	Hong Kong
Reliance Foundries	Re-rolled Steel	South Africa
Makoro Tanks, Flotek	PVC Tanks, borehole and sewer pipes	South Africa, Zambia, Zimbabwe
Botswana Ash	Salts and salt products	Zambia, Zimbabwe, DRC, Malawi, South Africa
Makoro Bricks	Clay Bricks	Namibia, Zambia, South Africa and Zimbabwe
Nortex	Textiles (Towels & T-Shirts)	South Africa, Zimbabwe & Namibia
Botswana Meat Commission	Meat products and offal	Zimbabwe, Angola, Norway, DRC, South Africa, Mauritius, Mozambique, EU, UK, Kenya, Namibia
Agate Botswana	Semi-precious stones	South Africa, EU
Lobatse Canvas, Kalahari Canvas	Tents, canvas ponchos, bags & Shoulder straps	South Africa,
Rhino Steel Rolling Mills	Steel Forgings	South Africa
Kgalagadi Soap	Laundry Bar Soap	Namibia, Zambia and Mauritius
Reliance Foundries	Iron castings	South Africa
Chloride Exide	Automobile Batteries	Zimbabwe, Zambia, Namibia, Malawi & South Africa
Botswana Vaccine Institute	Veterinary Vaccines	Zambia, Cameroon, South Sudan, Malawi, Eritrea, Tanzania & Guinea, Zimbabwe, Mozambique, South Africa and Uganda
Mabeo Furniture	Contemporary Furniture	South Africa, USA and UK



New Markets & Products

In the period under review, a first-time export of Morula seed oils into the USA markets was realised.

Market Access

A number of export promotion activities were pursued in the region and beyond. Trade Missions, both Contact Promotion Missions and conventional exhibitions, were carried out in South Africa, Tanzania, DRC, Zimbabwe and the USA.

Regional & International Trade Activities

Trade Promotion Mission	Dates
Retail and Hospitality Week, SAITEX (South Africa)	23 – 25 June, 2019
Dar es Salaam International Trade Fair (Tanzania)	28 June – 5 July, 2019
Lubumbashi Trade Mission (DR Congo)	7 – 9 October, 2019
Harare Trade Mission (Zimbabwe)	25 – 27 September, 2019
New York InCosmetics Fair (USA)	23 – 24 October, 2019
<p><u>Products/Sectors</u> Coarse, fine and chemical salt, soda ash, bovine chilled/frozen beef, corned beef, live cattle HDPE & PVC-U sewer and borehole pipes, rotomolded tanks, electrical cables, organic fertilizers, maize meal, fortified foods, samp, milk, fragrances and flavours, mechanized boats, cooking oil and sunflower cake, indigenous ice tea & kgodu ya lerotse, (melon pulp) indigenous chocolates, synthetic hairpieces, stationery, cellphones, food flavorings, morula seed oil.</p>	



EXPORT DEVELOPMENT

Export Capacity Building Initiatives

- In 2019/20, six (6) companies were selected to initiate a process to be Organic and Fair Trade Certified. These companies are; Blue Pride Pty Ltd, Motlopi Beverages, Moringa Technology Industries Pty Ltd, Sleek Foods, Maungo Craft and Divine Morula.
- In the period under review, seven (7) companies which were enrolled in the Botswana Exporter Development Programme were capacitated with attaining BOBS ISO 9001: 2015 certification. Three (3) companies successfully attained BOBS ISO 9001:2015 certification. These were Lithoflex (Pty) Ltd, General Packaging Industries and Power Engineering. The remaining four (4) companies have completed stage 1 audit by BOBS on QMS certification. These companies were Techno Feeds, Solar Power, White Angels and Sebube.
- BITC in collaboration with Botswana Bureau of Standards (BOBS) conducted BOBS ISO 9001:2015 awareness workshop from the 12-13 October 2019. The aim of the workshop was to give the companies an overview of the BOBS ISO 9001:2015 quality management system requirements. Nineteen (19) manufacturers participated in the workshop.

Creating an Export Culture

- BITC collaborated with LEA to carry out four (4) capacity building workshops in Palapye, Selibe-Phikwe, Kasane, Hukuntsi, Letlhakane and Maun. A total of one hundred and twenty-two (122) companies participated in the workshops. The purpose of the workshops was to sensitise both potential and existing exporters about the importance and practical aspects of the export trade.
- BITC in collaboration with Ministry of Basic Education, Department of Curriculum & Evaluation developed a Business Management and Entrepreneurship Syllabus with Export Program embedded in senior secondary school syllabus. The rollout is expected in the year 2021.

Revised Botswana Exporter Development Programme (BEDP)

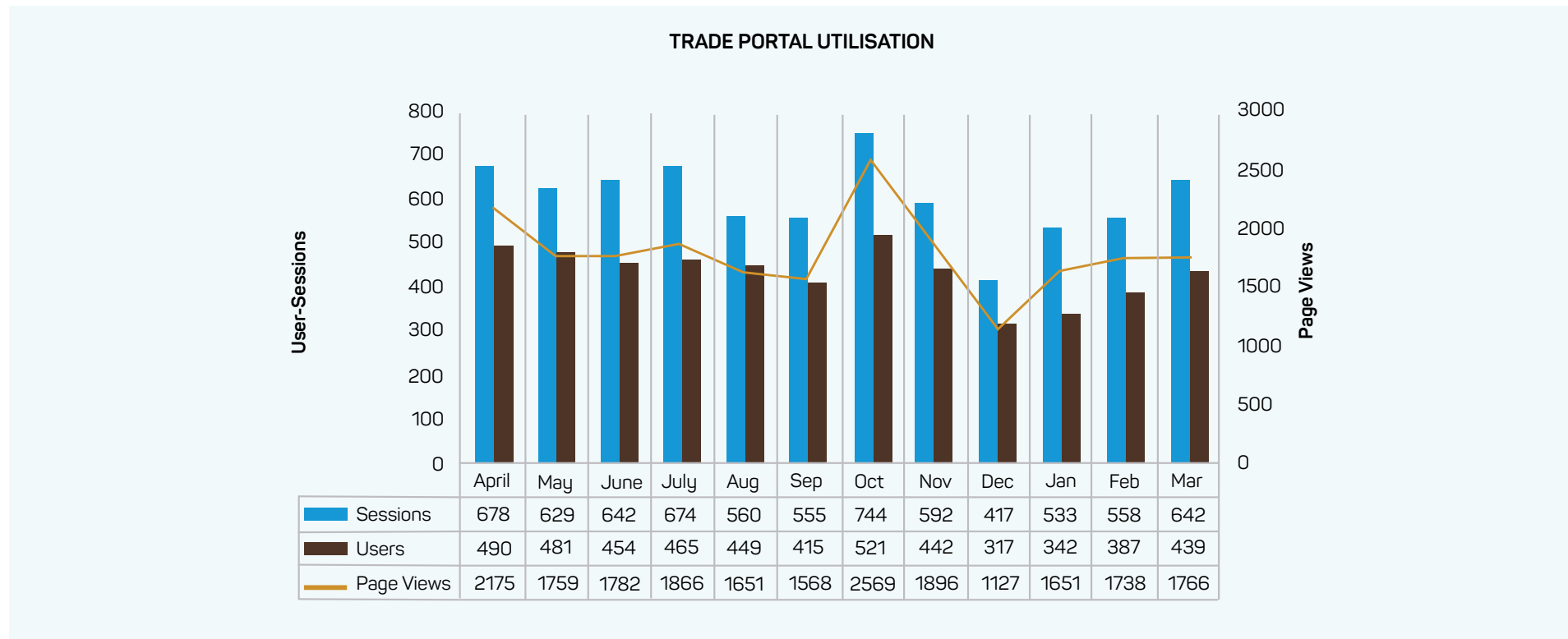
- BITC, with the support from United Nations Development Programme (UNDP) have engaged the services of Imani Development Consultancy to develop the revised BEDP. This initiative was mainly to align the revised BEDP with the recently developed National Export Strategy (NES). The revised BEDP blue print was completed end of March 2020.

Botswana Trade Portal

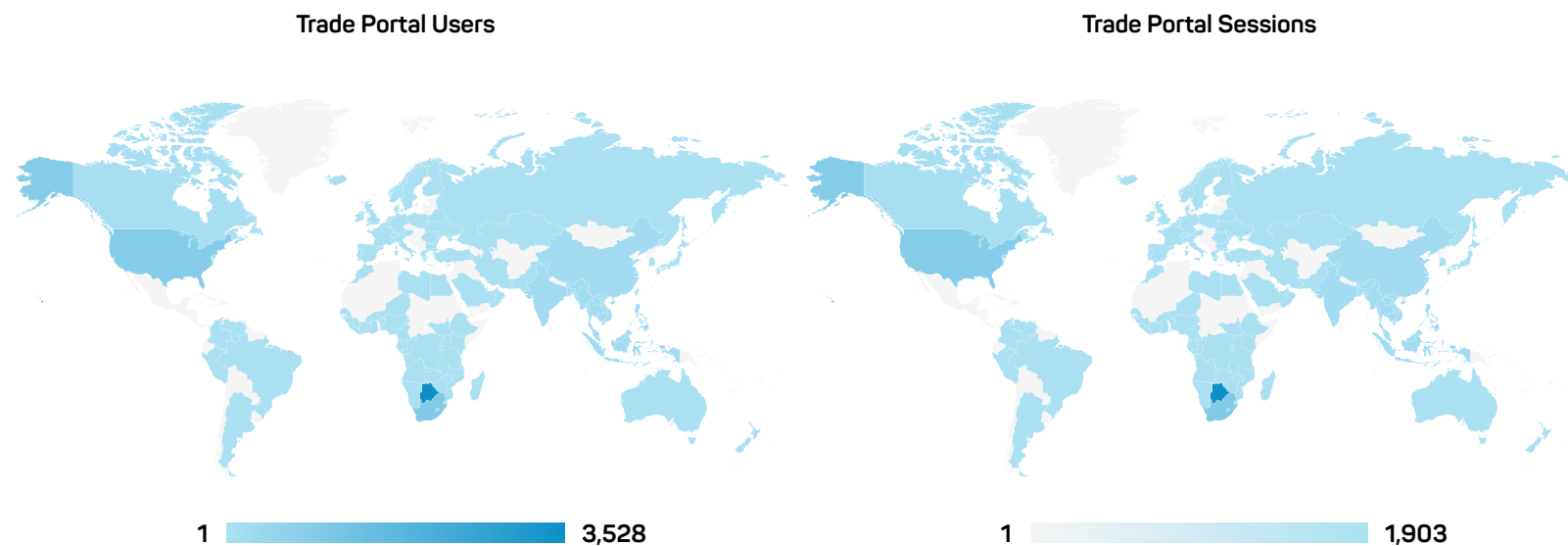
Botswana Trade Portal experienced some growth in terms of user acceptance and utilisation globally. This has been a result of the continued promotional and marketing activities which were carried out throughout the entire year. For the financial year 2019-2020, daily utilisation traffic stood at 7,224 user sessions giving us a total of 21,512-page views, and individual users at 4,900 from 115 countries.

During this reporting period, the highest number of users was recorded in October 2019 with a total of 521 while the lowest was in December 2019 at 317. The low readings usually experienced during this period (December) are mostly attributed to the Christmas Holidays as the period always experiences low business activity. A steady increase in utilisation was also realised during the first 3 months of the new year with January 2020 standing at 342 users, February 387 and lastly March with 439.

Below is a graph showing utilization for the year 2019-20



In relation to country utilisation globally, of the top 10 users Botswana ranks the number one user of the Botswana Trade Portal with 1,903 users, followed U.S.A (804), then South Africa with (567), China (184) India (118), UK (110), Japan (91), Germany (81), France (78) Zimbabwe (60), and lastly South Korea with 78.



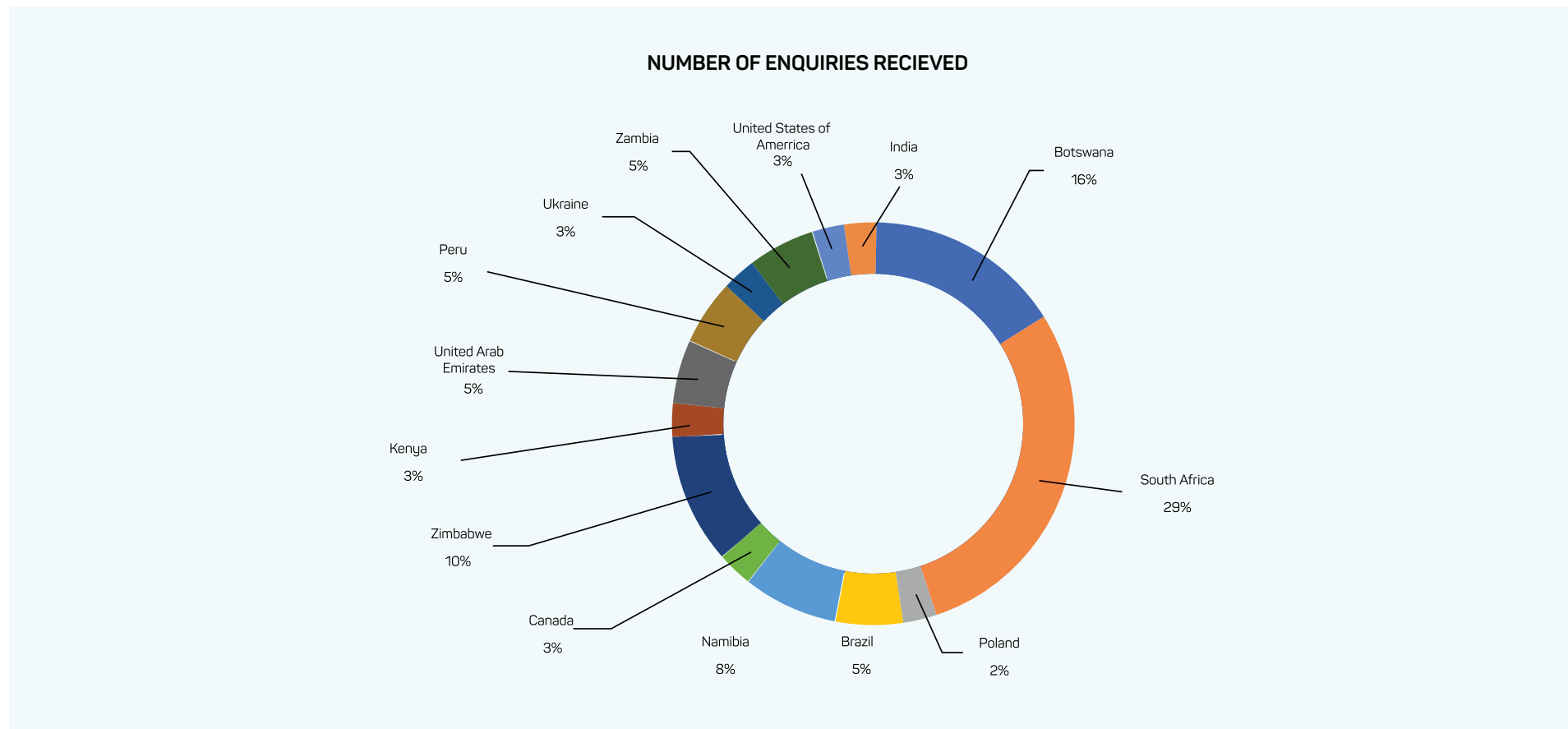
Global Usage Map of Botswana Trade Portal

NB: the darker the color, the higher the concentration of the users of the Portal

Enquiries received through Botswana Trade Portal

Botswana Trade Portal as a national enquiry point for trade facilitation received a total of sixty-nine (69) enquiries from different traders across fourteen (14) countries in the world. From the 69, forty-six (46) enquiries were questions on import / export procedures and requirements while the remaining were business leads enquiries of companies and individuals seeking to sell their products in Botswana.

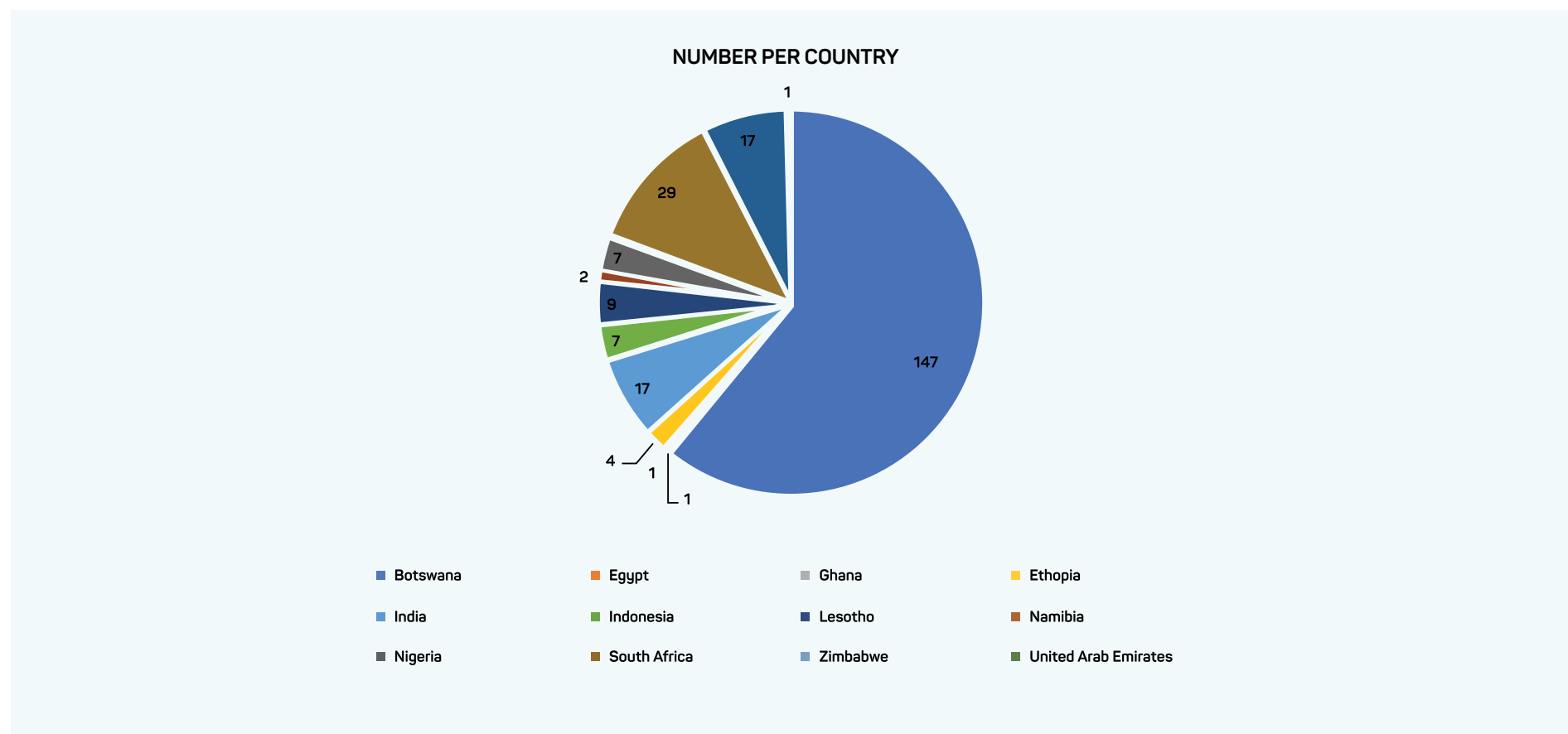
The countries from which these trade related enquiries came from are Botswana (6), South Africa (11), Zimbabwe (4), Namibia (3), Peru (2), United Arab Emirates (2), Brazil (2), Zambia (2), Poland (1), Canada (1), Kenya (1), Ukraine (1), United States of America (1) and lastly India with 1 as well.



GLOBAL EXPO BOTSWANA

The Global Expo Botswana (GEB) is a premier business to business exposition that attracts FDI, expansion of domestic investment, promotion of exports of locally produced goods and services and promotion of trade between Botswana and other countries. BITC hosted its fourteenth (14th) GEB from 6th- 9th August 2019 at the Botswana Conference and Exhibition Centre under the theme "Harnessing the Power of Emerging Markets for Economic Growth".

GEB 2019 attracted 242 exhibitors, of which 147 were local and 95 were international. A total of 12 countries participated at the GEB with majority coming from South Africa. The breakdown of exhibitors by countries is as follows;



VISITORS

A total of 4,733 attendees was recorded during the four days of the expo, which was 313 more as compared to the total recorded during Global Expo 2018.

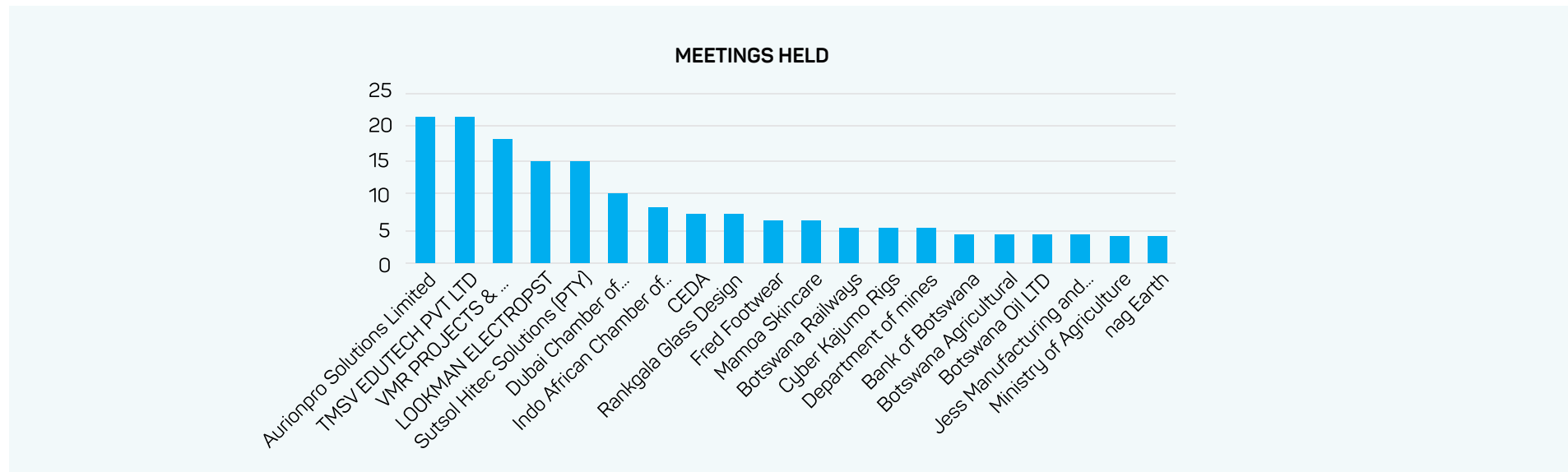
BUSINESS MATCH MAKING

GEB Business Matchmaking strives to be one of the key drivers of investment promotion in Botswana through meetings that allow for business collaboration between GEB Exhibitors and visitors and allows participating companies to find ways of aligning their objectives to achieve commercial benefits. For this year's edition, exhibitors from various sectors, including manufacturing, education, tourism, services, ICT and others made use of the B2B online system to secure meetings during the event. The 2019 edition saw an improvement in both visitor traffic and service delivery, with efficiency and collaboration enjoyed by most participating companies.

Out of the 242 exhibitors at GEB 2019, 210 exhibitors registered online for the business matchmaking. The Business Matchmaking system also recorded 320 visitors, who registered online before the event. A total of 152 meetings were scheduled between exhibitors and visitors using the system pre-GEB, and a further 53 unscheduled meetings were held during the expo.

Total meetings Held: 205 meetings in total (152 scheduled meetings Pre-GEB, plus 53 unscheduled meetings). Meetings per day: 40 – 50 per day (internal and external)

The graph below shows 20 companies with the most meetings during GEB 2019 from the opening day to the very last.



GEB INVESTMENT BATTLEFIELD

The GEB Investment Battlefield serves as a platform whereby entrepreneurs pitch their business ideas in order to secure investment finance from a panel of local and international angel investors and venture capitalists in exchange for some shares in the entrepreneurs' company. A total of 13 participants took part and got to pitch in an effort to attract the much-needed investment from the panel.

GEB HACKATHON

Hackathon is a design sprint-like event in which computer programmers and others involved in software development, including graphic designers, interface designers, project managers, and others, often including subject-matter-experts, collaborate intensively on software project to solve a given problem statement. The goal of the GEB 2019 Hackathon was to create usable software with the goal of designing a functioning product by the end of the event; which was 48 hours of non-stop hacking. There were 30 participants in total, all working in groups of 6, making it 5 groups in total.

The problem statement for the GEB 2019 Hackathon went as follows:

Public transport in the city lacks systematic routine and monitoring which results in an inconvenience to the locals as well as contributes to road dangers. What is your solution to solving this incorporating the Botswana Hotspot public Wi-Fi?

BUSINESS IMPACT – EXHIBITORS

A survey conducted by the BITC Research Department during the expo showed the following results for the exhibitors:

- Exhibitors were mainly from the manufacturing sector representing 38%, followed by services at 24% and the rest representing 22%.
- The exhibitors indicated that their main objectives for participating in GEB 2019 were to:
 - a. Establish new contacts (51.8%)
 - b. Penetrate new markets (49.3%)
 - c. Increase sales (29.7%)
 - d. Market survey for future customers (28.1%)
 - e. Company public relation campaign (25.1%)
 - f. New product publicity (24.1%)
 - g. Others (15.1%)
 - h. Response to competition (3%)

The survey further showed the following summarised results for the visitors:

BUSINESS IMPACT – VISITORS

- According to the survey results, the main reasons why visitors came to the GEB 2019 were to seek general business information (70%), exploring future participation (37.6%), identification of new products (37.1%) and suppliers (22.4%).
- Most of the visitors during the GEB 2019 were mainly interested in the following four sectors; services (53.5%), manufacturing (37.1%), SMME (29.1%) and wholesale/retail (22.2%).



BRAND MANAGEMENT

The 2019/2020 financial year was ushered in by the Buy Botswana initiative dubbed **#PushaBW**. This is a national campaign that is aimed at encouraging Batswana to actively grow the local economy by buying locally made products, supporting local initiatives and using local services. The campaign extends beyond just the marketing element and aims to drive consumer behavioral change. Throughout the year the campaign was rolled out nationally and is steadily building up momentum and awareness. **#PushaBw** was taken to Batswana and everyone residing in Botswana in the form of mall activations, exhibitions and through the use of traditional and digital media.

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PUSHA BW

Brand Botswana continues to work with various stakeholders in the market to give local companies more visibility. Brand Botswana has partnered with Botswana Tourism Organisation (BTO) for Botswana Travel and Tourism Expo where 15 local companies showcased their products to the industry players to interest them to consider buying local products that can be used in the travel and hospitality sector. Brand Botswana also partnered with Trans Africa Cash and Carry to host an SMMEs Expo where a total of 30 companies participated from which 13 were identified for their product to go onto the shelves of Trans Cash Carry and for use at Room 52 Hotel and Table 52 Restaurant.

Through all of the company promotional interventions, Brand Botswana was able to provide engagement platforms for over 175 companies.

To enhance the **#PushaBW** campaign the Pride Mark application process has been elevated to ensure that product quality is also taken into account when promoting local products and services. For manufacturing companies, proof of quality testing and assurance is a requirement when applying for the Pride Mark, which has now become the ultimate local product identifier.

In December 2019, Brand Botswana officially commenced work on the Makoro Food Market project with the objective to turn the Makoro cordon fence/bus stop into a 'Home of local foods'. The project is being executed by Elephant Projects (Pty) Ltd, a 100% local youth owned company. At completion, the project is to have eight(8) containers sheltering 50 vendors in the Makoro area. The shells will:

- Provide shelter for the enterprising Batswana allowing for continuous trade without setback from the changing weather conditions
- Provide an appealing site that will encourage travellers' en-route along the national highway to stop and purchase goods
- Provide a branded site that will highlight the significance of the local produce to not only the enterprising individuals but to the nation brand
- Encourage economic activity that will positively affect the Makoro local economy

Brand Botswana brought on board Debswana Diamond Company, Botswana

Telecommunications Corporation Limited (BTCL), Morupule Colliery and Makoro Bricks as partners in the project, each with a financial contribution to help meet the P2.6 million project budget.

'CREATING A GLOBAL FOOTPRINT'

Botswana remains largely unknown around the world. As part of the continuing efforts to profile Botswana and create awareness about Botswana; Brand Botswana continues to undertake and execute targeted marketing initiatives. These are done in collaboration with stakeholders, which include Botswana Missions abroad, Batswana in the diaspora as well as identified media platforms. During the year under review, Brand Botswana undertook the following initiatives:



Marketing promotions campaigns

Cradle of Humankind campaign – following an international report that established the Makgadikgadi area in Botswana as where modern humankind originates, Brand Botswana executed a promotional digital campaign to create awareness about Botswana on several media platforms. The report got extensive generic worldwide coverage.

Brand Botswana also partnered with Botswana Tourism Organisation for a Botswana promotional campaign on the Qatar Airways in-flight magazine. This

coincided with the inaugural Qatar Airways flights to Gaborone, Botswana. The campaign was also extended to Brand Botswana's digital platforms.

As part of systematic efforts to promote Botswana through local success stories, Brand Botswana partnered with the Africa BBC World Story Works, She Leads Africa and Africa Exchange Network platforms to tell Botswana's story through her people. Botswana in business, mostly women were profiled, and their stories published on the media platforms.

Participation in International Expos/Fairs

Brand Botswana continues to participate in identified international Expositions/Fairs. Some of these are undertaken with some key stakeholders in Government and the parastatal sector. In the year under review; Brand Botswana participated in the Annual Investment Meeting in Dubai, UAE, China-Africa Export and Trade Expo in Changsha City, China, World Chamber Congress in Sao Paulo, Brazil, Mining Indaba in Cape Town, South Africa and the Africa, Caribbean and Pacific countries Heads of States Summit in Nairobi, Kenya. In all of the Expos/Fairs, there was strong bias towards showcasing of locally made products, which is an extension of the **#PushaBW** campaign.

Future Outlook:

Driving brand ownership will continue to be a key focus area for Brand Botswana and to drive the Buy Botswana campaign with focus on increasing retailer uptake of local products. As the **#PushaBW** campaign gains momentum, there will be a deliberate effort to facilitate listing of local products in retail stores, as well as on e-commerce platforms. The main aim is to get local products in as many outlets/platforms as possible for locals to access them easily.

To ensure that the existing challenges don't hamper the success of Buy Botswana initiatives, Brand Botswana has adopted a streamlined but staggered approach to its implementation which allows for adequate resource allocation and maximum possible impact. Due to budgetary constraints, and the movement challenges brought about by the COVID 19 pandemic, Botswana marketing promotions

initiatives; local and international, will be mainly undertaken on digital/social media platforms. This will ensure that campaigns are more targeted, and that they reach a wider audience.

Enhanced stakeholder relations are a key enabler for Brand Botswana's success and there are continued efforts to create new stakeholder relationships as well as to strengthen working relations with existing stakeholders.

CUSTOMER SERVICE

BITC's business goals entail the ability to attract and offer support to prospective investors to convert their interest into actual investment and to retain existing ones to expand their investment. Competitiveness of IPAs globally is measured by their performance against best practice principles and standards which include; accessibility, level of responsiveness to investor enquiries (speed, predictability and transparency), access to current information, knowledgeable staff and professionalism in engaging with investors. This is the basis on which BITC continues to be alive to the importance of adopting a customer service-oriented approach to doing business. This is fundamental due to the competitive environment within which BITC operates as an IPA.

BITC also exists as a corporate entity at a time where customer service is a critical focal area for growing and maintaining a positive corporate image, to add value to the investment made in branding and positioning the organisation locally and globally. The growth in recognising and positioning customer service as part of the business strategy has been realised through the current BITC strategy which focuses on Client Centricity. This presents an opportunity to continuously endeavor to develop and implement different initiatives to improve various aspects of customer service such as culture, processes and systems compared to the current trends at the level of Government, IPA space and growing trends in customer service to make customer service valuable in strengthening the organization's capability and competitiveness.

Inspired by the global annual customer service commemoration, the organisation hosted a Customer Service Week aimed at engaging and empowering employees on issues of customer service. The program commenced with a message from the

Chief Executive Officer (CEO) encouraging and sensitising staff on the importance of creating memorable experiences for the customer. The CEO and Management also demonstrated 'service from the top' as they served employees to refreshments on the first day. Other key highlights include customer service refresher training, role swapping and client appreciation. The organisation continues to monitor and measure performance of key customer service performance areas through various tools to determine and close insufficiencies. During this year, the customer service scorecard remained central as a micro level service indicator meant to monitor and track performance at all service touch points along the customer journey. It provides insights which can be very useful in improving customer experience provided these insights are infused into decision making and planning. The overall performance recorded for the organisation is 85.1% against a target of 85%.

Mystery shopping remains one of the invaluable approaches to retrieving prompt and reliable feedback on the level and quality of service experience across the various customer service channels. It is an outside-in view of the organisation assessed against the organisation's service commitment and assurance espoused through its service charter and other pronouncements. This entails an anonymous evaluation of the entire customer journey with BITC through digital platforms, front desk, back office and by telephone. A mystery shopping exercise was carried out and achieved to draw attention to areas that require improvement. This has allowed the organisation to adopt recommendations made into service improvement initiatives for implementation in the next year.

National Outreach Campaign

In an effort to sensitise more Batswana on its mandate, products and services BITC continued with an extensive National Outreach Campaign across the country. The campaign aimed at:

- Taking BITC to Batswana
- Awareness about business opportunities
- Engaging Batswana on the #PushaBW initiative

The campaign featured mall activations at various locations which allowed for interactions with members of the general public, to provide them with information





sensitise consumers about local products available in retail stores and encourage them to consider purchasing locally manufactured goods under the **#PushaBW** campaign.

As part of the outreach campaign, BITC also seized the opportunity to proactively visit operating companies in each location with the view to profile them for possible on-boarding to enjoy the various BITC services which enable them to explore investing in the various business opportunities for startup or expansion. The exercise also allowed for engagement with existing BITC companies at these locations as part continuous After Care.

During the National Outreach Campaign, BITC also hosted business forums targeting businesses at the various locations where outreach initiatives were held. The business forums remain an important engagement that sensitises the business community about the various business opportunities in their respective

locations and across the economy at large. The business forum initiative also aims at driving the business community to engage and discuss ways in which they can bolster local economies and give feedback on how to improve the ease of doing business.

Various key stakeholders such as Citizen Entrepreneurial Development Agency (CEDA), Local Enterprise Authority (LEA), Water Utilities Corporation (WUC), Business Botswana and local associations were invited to partner with BITC on this initiative due to the complementary relationship that exists in creating and supporting businesses. They shared information on their products and services and how they can assist in the ease of doing business in partnership with BITC. The Business Forums were able to attract over 70 businesses at each gathering due to the collaborative effort of our partners.

The locations reached during this financial year are as follows; Ramotswa, Molepolole, Mochudi, Tlokweng, Jwaneng, Kanye, Mahalapye, Palapye, Mahalapye, Moshopa, Lethakane, Masunga, Tutume, Maun, Kasane, Ramatlabama, Mosisedi, Sandvelt, Mogoditshane, Ghanzi, Tsabong, Selebi Phikwe and Francistown etc.

The National Outreach Campaign is very critical and goes a long way into feeding into development of new immediate and long-term developments which respond



Media Engagement on BITC Milestones

During the period under review, BITC hosted a media engagement session to update media on developments and milestones achieved by the Centre in the financial year. This opportunity was used to highlight BITC's continuous commitment to its mandate with a keen focus on the expansion of local enterprises particularly those under the **#PushaBW**.



Making it in Botswana

In promoting local business and inculcating the spirit of entrepreneurship in Botswana, BITC in partnership with CEDA and LEA, implemented the second season of Making it in Botswana through Botswana Television (BTV). The show was also broadcasted on the BITC Youtube Channel and other social media

feeds.

Making it in Botswana aimed to give local manufacturers the opportunity to showcase how their products are made from concept to finished product. The companies featured on the show were primarily manufacturing companies around the country. The show also highlighted how BITC, CEDA and LEA assist and support businesses to start and grow their businesses through their different interventions as a testimony to invite more people to explore their services.

MAKING IT IN BOTSWANA

Tune into BTV every Saturday at 8 pm, to watch the latest episode of Making It In Botswana and get to see the best of what Botswana is producing.

This show is brought to you by Botswana Investment and Trade Centre (BITC), the Citizen Entrepreneurial Development Agency (CEDA) and the Local Enterprise Authority (LEA).

For more information, contact BITC at + Tel: 363 3300 / 3301.

www.gobotswana.com



STAKEHOLDER ENGAGEMENT

BITC places great emphasis on having meaningful consultation and collaboration with various stakeholders; individuals, government, business and institutions. Through meticulously executed stakeholder engagement BITC is able to gain support for implementation of critical strategic initiatives which can create impact and help achieve its mandate.

During the year the Centre engaged in several initiatives as part of the stakeholder engagement plan with the objective to;

- Formally recognise the importance of BITC's stakeholders and their contribution to the success of the BITC's corporate strategy, business objectives, organisational image and reputation.
- Promote and create strategic, meaningful, effective, mutually beneficial, sustainable stakeholder relationships and partnerships for BITC;

The below table indicates the various ways in which the Centre engages with its stakeholders.

INTERNAL ENGAGEMENT

STAKEHOLDER	ENGAGEMENT CHANNELS	KEY ISSUES ADDRESSED
Shareholder	Quarterly Reports Ministry Reports Senior Leadership Forums Workshops Website Social Media Platforms Performance Weekly EXCO Meetings	<ul style="list-style-type: none"> • To manage shareholder trust, expectations and reputational risk. • To maintain strong relationships, keep abreast of market developments and inform our shareholder targeting strategy. • To get feedback that informs our strategy, business operations and governance. • To understand our financial performance. • To gain insight into our strategy and management.
Social Club		<ul style="list-style-type: none"> • To provide a platform for staff to engage on socially responsible initiatives. • To create a social environment for staff. • The Social Club is mandated to provide an outlet for staff to engage with one another on a social atmosphere. • The Social Club equally aims to identify Social Responsibility initiatives to promote the public image of BITC.
Board of directors	Quarterly Reports Annual Report One on One Meetings with Board Chair Company Visits Website	<ul style="list-style-type: none"> • To seek guidance on delivery on mandate. • To provide direction on matters of governance. • To ensure that the Centres reputation is upheld.
EXCO	Weekly Meetings Full Monthly Meetings	<ul style="list-style-type: none"> • Strategic and Operational delivery of BITC's mandate. • They are tasked to ensure the Agency achieves its mandate and performs as a high-performance organisation.

Internal Engagement (continued)

STAKEHOLDER	ENGAGEMENT CHANNELS	KEY ISSUES ADDRESSED
Staff including Regional Offices	<ul style="list-style-type: none"> • Monthly staff addresses on operational issues • Quarterly performance updates • Staff surveys and feedback sessions One on one meetings	Staff drive the Centre's mandate; <ul style="list-style-type: none"> • Staff need to be well informed of the Centre's developments • Staff needs to be developed • Staff needs transparency and accountability from their seniors.
UNION	<ul style="list-style-type: none"> • Quarterly Meetings • Adhoc Meetings • Social Media • Website • Workshops • One on one engagements with management • JNC meetings 	<ul style="list-style-type: none"> • To represent their members on matters of mutual interest. • To represent the interest of union members and members of the bargaining unit. • To consult on salary negotiations and engage on any changes impacting staff within the bargaining unit through a consultative forum and collective bargaining forum.
Supplier/ Contracts	<ul style="list-style-type: none"> • Email • Supplier Briefings 	<ul style="list-style-type: none"> • To provide products and services to the centre's delivery of mandate. To negotiate pricing and contracts. • To promote new products and service offerings. • To respond to tenders.

EXTERNAL STAKEHOLDERS: GOVERNMENT

STAKEHOLDER	ENGAGEMENT CHANNEL	KEY ISSUES ADDRESSED
<ul style="list-style-type: none"> • MITI 	<ul style="list-style-type: none"> • Quarterly Reports • Ministry Reports • Senior Leadership Forum • Address by the Minister to the BITC staff 	<ul style="list-style-type: none"> • To manage stakeholder confidence and trust • To align national priorities of the organisational Mandate to BITC • Alignment of core issues with sister parastatals • Performance
<ul style="list-style-type: none"> • Office of the President 	<ul style="list-style-type: none"> • Highest State Office. The Centre needs to keep abreast of developments in the Office of the President to ensure its mandate it's aligned with both MITI and OP. As an investment promotion agency 	<ul style="list-style-type: none"> • Leadership on national marketing and communication • Board of Investment • Advocacy for doing business reforms • Performance- implementation of mandate • Response to national priorities
<ul style="list-style-type: none"> • Government Ministries (MEWA, Agric, Labour, Immigration and Gender Affairs, Tourism, Mineral, Transport, Ministry of Lands, • Local Govt, District Councils 	<ul style="list-style-type: none"> • Website • Workshops • Meetings • Social Media Platforms 	<ul style="list-style-type: none"> • Ensure there is an alignment of agenda in line with other Govt Ministries and Departments. • An understanding of how their roles can influence perceptions and the support networks and assist in country positioning. • Joint efforts to facilitate investment.

EXTERNAL

STAKEHOLDER	ENGAGEMENT CHANNEL	KEY ISSUES ADDRESSED
BITC Potential and Existing Customers.	<ul style="list-style-type: none"> • Website • Trade Missions • Exhibitions • Social Media • One on One visits • Company Visits • Trade Shows 	<ul style="list-style-type: none"> • Investors do not want to deal with ambiguity on the destination choice. IPA's brands are often an extension of the country's positioning and gain a lot of mileage from perceptions about the country. • To receive assistance in doing business in Botswana as per the mandate of BITC. • To grow and protect their investments and wealth through expansions. • Facilitate their conversions. • Aftercare • Enrolment on BITC programmes and services • Advocacy
Private Sector-Business Botswana other Business associations (local & foreign) <ul style="list-style-type: none"> • Small Stock Industry Botswana • Textile Association 	<ul style="list-style-type: none"> • Memorandums of Agreement/Understanding • Workshops • One on one Meetings • Website • Social Media • Business Facilitation • Botswana One Stop Service Centre 	<ul style="list-style-type: none"> • Establish collaboration and joint efforts with a view to strengthen institutional support for promoting business opportunities for both domestic and foreign investments and coordinate events together for the betterment of private sector in Botswana.

External(continued)

STAKEHOLDER	ENGAGEMENT CHANNELS	KEY ISSUES ADDRESSED
<p>MITI Parastatals and other key Parastatals:</p> <ul style="list-style-type: none"> • CEDA • SEZA • BDC • SPEDU • LEA • CIPA • BOBS • BOTC 	<ul style="list-style-type: none"> • Workshops • Leadership Forums • Trade Missions • Collaborative Marketing Efforts • Website • Social Media Initiatives • Business Forums • One on One high level engagements • Memorandums of agreement • Joint partnerships through sponsorships 	<ul style="list-style-type: none"> • Basic information knowledge on the BITC mandate and alignment of marketing efforts where synergies for cooperation exist. • MITI parastatals partnerships in achieving mandates together. • Formalize working relationship forums • Joint committees with other parastatals. • Joint initiatives and events • An understanding of how their roles can influence perceptions and the support networks and assist in marketing and outreach efforts.
<p>Parastatals</p> <ul style="list-style-type: none"> • Botswana Meat Commission, • Botswana Railways, • Botswana Power Corporation, • Botswana Energy Regulatory Authority • Botswana Tourism Organisation • Botswana Unified Revenue Service • Water Utilities Corporation • Botswana Telecommunications Corporation 	<ul style="list-style-type: none"> • Memorandums of agreements • Workshops • One on one Meetings • Joint Committees 	<ul style="list-style-type: none"> • Joint efforts to facilitate foreign direct investment and unlock investment • Energy, • Agriculture and Tourism Sector

External(continued)

STAKEHOLDER	ENGAGEMENT CHANNELS	KEY ISSUES ADDRESSED
Media Local Press Foreign Press	<ul style="list-style-type: none"> • Press Briefings • Questionnaire Responses • Media Engagement Sessions • Capacity Building Engagements • Social Media • Website • Specialist articles • Press Release 	<ul style="list-style-type: none"> • To leverage the reach and influence of media channels to share our business and corporate citizenship story with stakeholders. • To educate and inform key audiences on developments in the field of Foreign Direct Investment coupled with Local Investment and trade. • Maintain a good relationship to manage positive coverage. • To be informed about the Centres contribution to the economy and services. • To empower their audiences with appropriate information to make informed decisions. • Capacity building on investment and trade.
Local Government-District Councils	<ul style="list-style-type: none"> • District Council Address • Kgotla Meetings • Community Leader Forums • Business Leader Forums • Activations • One on One Engagement with Land Boards, Village Leadership 	<ul style="list-style-type: none"> • To engage with councils for district opportunities and cement the Centre relationships in line with the Centres mandate of promoting inward and domestic investment. • Educate on BITC mandate and services, opportunities • Share successes, challenges, new initiatives, get feedback • Relationship building

External(continued)

STAKEHOLDER	ENGAGEMENT CHANNEL	KEY ISSUES ADDRESSED
<p>Enablers and Regulators-BURS, BOB, NBFIRA, BAOA, BOCRA</p>	<ul style="list-style-type: none"> • MOU's • Collaborative Workshops • Committees • Social media • Website • Joint trade missions 	<ul style="list-style-type: none"> • Educate on mandate and how best to enable its efficient execution. • To provide a conducive trade environment for Investors. • An understanding of how their roles can influence perceptions and the support networks and assist in marketing and outreach efforts. • Need to understand that success for an ITPA is generally as much a result of a legislative strategy as it is a credibility issue. • Attracting new inward investment business and facilitating exports depends on several factors including the operating macro-economic environment.

Community

STAKEHOLDER	ENGAGEMENT CHANNEL	KEY ISSUES ADDRESSED
Non-Profit Organisations	<ul style="list-style-type: none"> • Sponsorship requests • Community Engagements • School Prize giving • Website • Social Media • Outreach Events • Community Building 	<ul style="list-style-type: none"> • Long standing relationships that build community relations in an effort to create an uplifting socio-economic impact. • Non-profit organisations aim to improve the lives of Batswana in various aspects of life.
Associations and Beneficiaries (CSR initiatives)	<ul style="list-style-type: none"> • Sponsorship Handovers • School, Prize Giving Ceremonies • Website • Adopt a School Programme • Job Shadowing • Social Media 	<ul style="list-style-type: none"> • Long term relationships with various business associations • Building and fostering long term socially responsible initiatives • To create partnerships that serve to facilitate our integrated sustainability activities. • To obtain input from environmental experts, communities and nongovernmental organisations (NGOs) regarding key focus areas. • To create awareness of our integrated sustainability commitment and initiatives. • CSR initiatives that encourage staff involvement and participation
Thought Leaders and Academics	<ul style="list-style-type: none"> • One on One Meetings • Speaking Opportunities at Through Leadership workshops • Social Media • Website • Workshops • Trade Expo's 	<ul style="list-style-type: none"> • To engage thought leaders. • Through thought leaders a great deal of opinion is formed by how they perceive the organisation and its dealings. • • Thought leaders and academics are able to form strong opinions for or against the Centre from researched information.

STAKEHOLDER	ENGAGEMENT CHANNEL	KEY ISSUES ADDRESSED
Parliament and Ntlo ya Dikgosi	<ul style="list-style-type: none"> • Response to Parliamentary Questions • Provision of Updates to Members of Parliament on Organisational Performance • Website • Social Media • One on One Ministerial Engagements. 	<ul style="list-style-type: none"> • Educate on mandate and how best to enable its efficient execution. • An understanding of how their roles can influence perceptions and the support networks and assist in marketing and outreach efforts. • To provide community leadership and buy in and to assist with the buy in of the Centres mandates.

INTERNATIONAL STAKEHOLDERS

STAKEHOLDER	ENGAGEMENT CHANNEL	KEY ISSUES ADDRESSED
United Nations Development Programme SADC Southern African Customs Union World Economic Forum World Bank International Monetary Fund (IMF) JAICA	<ul style="list-style-type: none"> • Website • Social Media • Memorandums of Agreement • Email • Workshops and Forums • One on One Engagement 	<ul style="list-style-type: none"> • Joint partnerships in driving FDI. • Agreements between BITC and other IPA's





CORPORATE SOCIAL RESPONSIBILITY

During the financial year, several CSR initiatives were delivered by the organisation. Through a partnership with a local NGO, Agora, a donation of P50 000.00 was made for eye testing and supply of spectacles to over 55 underprivileged students in the Ghanzi District. A donation of 40 mattresses to Shashe boarding school was also delivered to assist with improvement of boarding facilities for the school. Tsetsejwe and Gaborone Secondary (GSS) prize giving ceremonies were each sponsored with P10, 000. Further to the prize giving sponsorship to GSS, BITC hosted 6 students for job shadowing and career motivation.

BITC through the Adopt a School initiative continues to deliver support to Ikageng Junior Secondary School with focus on their students with disability programme. The organisation at the end of the financial year had committed over P25, 000, 000 towards purchasing teaching aids for students living with disabilities.





Consolidated Annual
**FINANCIAL
STATEMENTS**
for the year ended 31 March 2020

Financial Statements

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GENERAL INFORMATION

Domicile, legal form and principal business activity:

Botswana Investment and Trade Centre (BITC) was established under the Botswana Investment and Trade Center Act, 2011 in order to promote, attract, encourage and facilitate local and foreign investments in Botswana as well as export development and custodianship and promotion of the nation's brand.

REGISTERED ADDRESS:

Plot 54351, Exponential Building
Central Business District (CBD)
Gaborone

DIRECTORS:

Mr. Victor Senye - Chairperson (Until 31 January 2020)
Mr. Terence Dambe - Chairperson (Appointed 01 February 2020)
Ms. Palesa Semele
Ms. Peggy O Serame (Until 4 November 2019)
Ms. Ellen Richard Madisa
Mr. Bakang Palai
Ms. Enele Gomolemo Madikgetla

Mr Tebo Motswagae (Appointed 25 February 2020)
Mr Lesang Magang (Appointed 01 February 2020)
Ms. Macie Keneilwe Molebatsi
Mr. Keletsositse Olebile - Chief Executive Officer

POSTAL ADDRESS:

Private Bag 00445
Gaborone

AUDITORS:

Pricewaterhouse Coopers
Gaborone

BANKERS:

Standard Chartered Bank Botswana Limited
First National Bank of Botswana Limited
Stanbic Bank Botswana Limited
STANLIB Investment Management Services (Proprietary) Limited
First National Bank of South Africa Limited
Bank of India Limited
Barclays Bank PLC, UK
Bank Gaborone Limited
African Alliance

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS for the year ended 31 March 2020

The directors of Botswana Investment and Trade Centre are responsible for the annual consolidated financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual consolidated financial statements in accordance with International Financial Reporting Standards and in the manner required by the Botswana Investment and Trade Centre Act, 2011.

The Botswana Investment and Trade Centre ("Centre") maintains systems of internal control, which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of Centre's assets. The directors are also responsible for the design, implementation, maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of the directors to indicate that any significant breakdown in the functioning of these systems has occurred during the year under review.

The going concern basis has been adopted in preparing the annual financial statements. The directors have no reason to believe that the Centre will not be a going concern in the foreseeable future, based on the continuous support by the Government of Botswana through the Ministry of Investment, Trade and Industry.

Our external auditors conduct an examination of the consolidated financial statements in conformity with International Standards on Auditing, which include tests of transactions and selective tests of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Board of Directors.

The annual consolidated financial statements on pages 112 to 163 and supplementary information on pages 164 to 168 were authorised for issue by the Board of Directors on 28 Sep 2020 and are signed on its behalf by:



Director



Director

INDEPENDENT AUDITOR'S REPORT TO THE MINISTER OF INVESTMENT, TRADE AND INDUSTRY

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Botswana Investment and Trade Centre (the “Centre”) and its subsidiary (together the “Group”) as at 31 March 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRS”).

What we have audited

Botswana Investment and Trade Centre’s consolidated financial statements set out on pages 112 to 163 comprise:

- the consolidated statement of financial position as at 31 March 2020;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in funds for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Botswana.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

First time adoption IFRS 16 - Leases (“IFRS 16”)

The Group adopted IFRS 16 *Leases* (“IFRS 16”) for the first time during the financial year ended 31 March 2020 to recognise, measure, present and disclose leases.

In accordance with the requirements of IFRS 16 the Group re-assessed the way in which it accounts for operating leases where it is a lessee. Such leases had previously been accounted for by straight-lining all unavoidable contractual lease payments over the lease term. The application of IFRS 16 required the Group to recognise a lease liability reflecting the estimated present value of future lease payments and a right-of-use asset for the majority of such lease agreements.

In applying IFRS 16 for the first time, the Group adopted a modified retrospective approach, with the cumulative effect of IFRS 16 being recognised in equity as an adjustment to the opening balance of the consolidated general fund. The lease liability was determined based on the present value of the remaining lease payments, discounted using the Centre’s incremental borrowing rate at the date of initial application, and the right-of-use asset was calculated as the value of the lease liability adjusted by the amount of any prepaid or accrued lease payments recognised in the consolidated statement of financial position immediately before the date of initial application. Prior periods have not been restated, as permitted under the specific transition provisions in the standard.

At 01 April 2019, the Group recognised a right-of-use asset to the value of P29.11 million and a lease liability to the value of 29.49 million, and the deferred lease obligations to the value of P0.38 million, which were previously recognised in accordance with International Accounting Standard 17 *Leases*, were netted off against the right-of-use of assets.

At 31 March 2020, the right-of-use asset amounted to P23.72 million and the lease liability amounted to P24.53 million.

The impact of the IFRS 16 transition is reliant upon a number of key judgements, such as primarily determining the lease term for each lease agreement. These may include future lease periods for which the Group has extension options and which the Group is reasonably certain to exercise. Refer to accounting policy note 2.7 - *Leases* to the consolidated financial statements.

Management judgement is also required in determining the incremental borrowing rate (IBR) to discount the right-of-use asset and lease liability recognised at adoption date.

The adoption of IFRS 16 was considered to be a matter of most significance to the current year audit due to the first-time adoption of IFRS 16, the relative complexity of measurement calculations and the judgement management applied in determining the impacts of the standard.

Disclosures with respect to the application of IFRS 16 are disclosed in the following notes to the consolidated financial statements:

- Note 2.1.1 (a) “New and amended standards applicable to the current period which are relevant to the group”;
- Note 2.7 “Leases”;
- Note 4 “Critical accounting estimates and judgements – Incremental borrowing rate, leases renewal and termination options”;
- Note 13.1 “Right of use asset”;
- Note 13.2 “Lease liability”; and
- Note 28 “Changes in accounting policies”.

How our audit addressed the key audit matter

Our audit procedures included the following:

- We compared the Group’s IFRS 16 adoption principles against the requirements of IFRS 16. We did not note any inconsistencies in this regard.
- We tested the completeness of individual lease agreements included in the IFRS 16 calculations by comparing these to:
 - transactions included in accounts the Group has historically used to record operating lease payments, and
 - leases which - based on our knowledge and experience - typically apply in the Group’s industry.
 No exceptions were noted in this regard.
- We tested observable data inputs included in the IFRS 16 calculations to underlying lease agreements and assessed whether such inputs were consistent with the underlying requirements of IFRS 16. We did not notice any material discrepancies.
- We compared the Group’s estimate of its incremental borrowing rate as included in the IFRS 16 calculations to the prevailing prime bank rate and lending rate premiums which, in our experience, are offered in the market for entities similar to the Group. Based on our work performed, we accepted the Group’s estimate.
- We tested the reasonability of factors considered by management in determining the extension of the lease period compared to contractual terms, leasehold improvements undertaken and the importance of the underlying assets to the Centre’s operations, and on the basis of these, we accepted the lease terms applied by management.
- We tested the mathematical accuracy of the IFRS 16 calculations and found no exceptions.
- We agreed outputs from the IFRS 16 calculations to the relevant balances and amounts in the consolidated financial statements without any material exception.
- We performed a sensitivity analysis on the data inputs included in the IFRS 16 calculations to assess the reasonability of final amounts, and noted no material differences.
- We evaluated the adoption disclosures against the requirements of IFRS 16.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “*Botswana Investment and Trade Centre Consolidated Annual Financial Statements for the year ended 31 March 2020*” which we obtained prior to the date of this auditor’s report and the other sections of the document titled “*Botswana Investment and Trade Centre Annual Report 2019/20*”, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

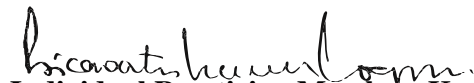
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with Section 19 (3) of the Botswana Investment and Trade Centre Act, 2011 (the "Act"), we report that:

- We have received all the information and explanation which, to the best of our knowledge and belief, were necessary for the performance of our duties as auditors;
- The accounts and related records of the Centre have been properly kept;
- The Centre has complied with all the financial provisions of the Act with which it is the duty of the Centre to comply; and
- The consolidated financial statements prepared by the Centre were prepared on a basis consistent with that of the preceding year except for the adoption of new and revised International Financial Reporting Standards as stated in Note 2.1.1 to the consolidated financial statements.



Individual Practicing Member: Kosala Wijesena
Registration number: 20000110

Gaborone
29 September 2020

	Note	2020 P	2019 P
Revenue	5	20,953,885	20,694,759
Government Subvention	6	93,280,077	97,303,155
Other income	7	2,376,158	2,055,459
Investment property fair value adjustment	12	7,698,186	10,110,947
Administrative expenses	8	(121,622,120)	(117,389,760)
Operating surplus		2,686,186	12,774,560
Net finance costs	10	(1,813,218)	1,216,777
Surplus for the year		872,968	13,991,337
Other comprehensive income		-	-
Total comprehensive surplus for the year		872,968	13,991,337

	Note	2020 P	2019 P
ASSETS			
Non-current assets			
Property, plant and equipment	11	5,775,639	5,100,671
Investment properties	12	275,735,554	268,037,368
Right of use assets	13	23,719,803	-
Deferred lease income assets	16	2,216,243	2,824,132
		307,447,239	275,962,171
Current assets			
Trade and other receivables	15	6,451,024	6,255,682
Deferred lease income assets	16	48,203	338,500
Cash and cash equivalents	17	69,911,170	81,295,596
		76,410,397	87,889,778
Assets classified as held for sale	11.1	-	2,151,081
		76,410,397	90,040,859
Total assets		383,857,636	366,003,030

Consolidated Statement Of Financial Position *(continued)*

	Note	2020 P	2019 P
FUNDS AND LIABILITIES			
Funds and reserves			
General fund		207,148,784	206,275,816
Total funds		207,148,784	206,275,816
Non-current liabilities			
Capital grants	18	138,621,586	137,332,393
Lease liabilities	13	19,096,210	-
Deferred lease liability	21	-	380,012
		157,717,796	137,712,405
Current liabilities			
Trade and other payables	19	12,310,034	17,014,809
Lease liabilities	13	5,431,022	-
Deferred income	20	1,250,000	5,000,000
		18,991,056	22,014,809
Total liabilities		176,708,852	159,727,214
Total funds and liabilities		383,857,636	366,003,030

	General fund P	Total P
Balance at 1 April 2018 (Restated)	193,324,527	193,324,527
Change in accounting policy	(1,040,048)	(1,040,048)
Restated Balance at 1 April 2018	192,284,479	192,284,479
Surplus for the year	13,991,337	13,991,337
Balance at 31 March 2019	206,275,816	206,275,816
Balance at 1 April 2019	206,275,816	206,275,816
Surplus for the year	872,968	872,968
Balance at 31 March 2020	207,148,784	207,148,784

	Note	2020 P	2019 P
Cash utilised in operations	22	(5,480,170)	8,662,279
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(3,257,486)	(4,527,405)
Proceeds from sale of property, plant and equipment		107,619	-
Proceeds from sale of non-current assets held for sale		2,151,081	-
Interest income received	10	1,678,377	2,176,112
Net cash generated from investing activities		679,591	(2,351,293)
Cash flows from financing activities			
Government capital grants received	18	3,224,782	4,527,405
Principal payment of lease liability	13	(8,537,704)	-
Net cash utilised in financing activities		(5,312,922)	4,527,405
Net change in cash and cash equivalents		(10,113,501)	10,838,391
Cash and cash equivalents at beginning of year		81,266,876	71,387,820
Exchange losses on cash and cash equivalents		(1,242,205)	(959,335)
Cash and cash equivalents at end of year	17	69,911,170	81,266,876

1 General information

The Botswana Investment and Trade Centre ("Centre") was established under the Botswana Investment and Trade Centre Act, 2011 in order to promote, attract, encourage and facilitate local and foreign investments in Botswana as well as export development and custodianship and promotion of the nation's brand. The address of its registered office is Plot 54351, Exponential Building, Central Business District, Gaborone. The Centre is domiciled and incorporated in Botswana. The Centre is wholly owned by the Government of Botswana.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Centre's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Basis of consolidation

Subsidiary is an entity over which the BITC has control. The BITC controls an entity when the BITC is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity. Subsidiary is fully consolidated from the date on which control established through its incorporation.

Subsidiary has a 31 March year end apply uniform accounting policies for like transactions.

The subsidiary was incorporated as a company not having a share capital, and therefore BITC does not carry amount reflected as investment in subsidiary.

Transaction between the subsidiary and BITC are eliminated.

2.1.1 Adoption of standards in the current financial year

(a) New and amended standards applicable to the current period

The Centre has adopted IFRS 16 Leases (IFRS 16) with effect from 1 April 2019. A number of other new standards and/or interpretations are effective from 1 January 2019, with no material effect on the Centre's financial statements.

2 Summary of significant accounting policies (continued)

The Centre had to change its accounting policies as a result of adopting IFRS 16. The Centre elected to adopt the new rules using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. Refer to changes in accounting policies (note 28) for details of the changes in accounting policies.

(a) New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Centre

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2020 reporting periods and have not been early adopted by the Centre. These standards are not expected to have a material impact on the Centre in the current or future reporting periods and on foreseeable future transactions:

IAS 1 (Effective for Annual periods beginning on or after 1 January 2020)

Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material.

These amendments to IAS 1 and IAS 8 and consequential amendments to other IFRSs:

- use a consistent definition of materiality through IFRSs and the Conceptual Framework for Financial Reporting;
- clarify the explanation of the definition of material; and
- incorporate some of the guidance in IAS 1 about immaterial information.

The amended definition is:

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

IFRS 3 (Effective for Annual periods beginning on or after 1 January 2020)

'Business combinations' Definition of a business

This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations. More acquisitions are likely to be accounted for as asset acquisitions.

To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organised workforce.

2 Summary of significant accounting policies (continued)

Other standards/amendments

The following new or amended standards are not expected to have a significant impact on the group's financial statements:

- IFRS 17, 'Insurance contracts' (IFRS 17 - effective 1 January 2021)

2.2 Foreign currency translation

2.2.1 Functional and presentation currency

Items included in the financial statements of the Centre are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Botswana Pula, which is the Centre's functional and presentation currency.

2.2.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement within 'Other (losses)/gains – net'.

2.3 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation less accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Centre and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

2 Summary of significant accounting policies (continued)

- Buildings	50 years
- Office equipment	4 years
- Furniture and fittings	5 years
- Computer equipment	3 years
- Motor vehicles	4 years
- Leasehold improvements	Remaining lease period

2.3 Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

2.4 Assets classified as held for sale (applicable to prior year)

Non-current assets (or disposal groups) are classified as non-current assets held for sale and are stated at the lower of their carrying amounts and fair value less cost to sell when their carrying amounts are to be recovered principally through sale rather than continued use and the sale is considered to be highly probable.

2.5 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Centre, is classified as investment property. Investment property comprises freehold/leasehold land and buildings. Properties under operating lease are classified as investment properties only if they meet recognition of other criteria. Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Centre uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by the directors. Investment property that is being redeveloped for continuing use as investment property for which the market has become less active continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

2 Summary of significant accounting policies (continued)

2.5 Investment properties (continued)

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Centre and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

Changes in fair values are recorded in the statement of comprehensive income.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as investment property under construction and stated at cost until construction or development is complete.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the statement of comprehensive income.

2.6 Leases – *Where Centre is Lessor*

Incomes of operating lease payments from properties are accounted for as rental income on a straightline basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required by the lessee by way of penalty is recognised as income in the period in which the termination takes place.

2.7 Leases

The main accounting positions related to the application of IFRS 16 standard as of April 1, 2019 are detailed in the relevant transition note (see Note 28).

The Centre classifies as a lease, a contract that conveys to the lessee the right to control the use of an identified asset for a given period, including a service contract if it contains a lease component.

The Centre leases a number of assets in order to support its business, including the head office building, liaison office buildings and residential properties. Leases are categorised under land and buildings.

- Land and buildings: these contracts mainly concern service activity (offices and head office) leases, as well as leases of residential accommodation buildings not owned by the Centre.

2 Summary of significant accounting policies (continued)

2.7 Leases (continued)

Leases are recognized in the consolidated statement of financial position through an asset reflecting the right to use the leased assets and a liability reflecting the related lease obligations (see Note 13). In the consolidated income statement, amortization and depreciation of the right-of-use asset (see Note 13) is presented separately from the interest expenses on the lease liability. In the consolidated statement of cash flows, cash outflows relating to interests impact operating flows, while repayments of the lease liability impact financing flows.

When the Centre proceeds with a transaction qualified as sale and leaseback according to IFRS 16, a right-of-use asset is recognized in proportion of the accounting value of the asset retained as a result of the leaseback against a lease liability. A gain (or loss) on disposal of fixed assets is recognized in the income statement in proportion of the rights transferred to the buyer-lessor. The adjustment of the gain (or loss) on disposal recognized in the income statement for the share on which the Centre retains its right to use the underlying asset corresponds to the difference between the right-of-use asset and the lease liability recognized in the balance sheet.

The Centre applies the exemption proposed by IFRS 16, concerning leases with a term of 12 months or less. Leases covered by this exemption are presented in off-balance sheet commitments and an expense is recognized in "operating expenses" in the consolidated income statement.

(a) Lease liability

The Centre recognizes a liability (i.e. a lease liability) at the date the underlying asset is made available. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Centre uses its incremental borrowing rate.

The Centre systematically determines the lease term as the period during which leases cannot be cancelled, plus periods covered by any extension options that the lessee is reasonably certain to exercise and by any termination options that the lessee is reasonably certain not to exercise.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Centre under residual value guarantees;
- the exercise price of purchase options, if the Centre is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Centre is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Leases (continued)

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 13).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 10).

(b) Lease liability

The Centre remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Centre will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Extension and termination options

The lease term is the non-cancellable period of the lease together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise the option to extend.

The Centre has aligned the threshold of reasonably certain to the business plan period. Consequently, only renewal options which have been planned to be exercised in any business planning cycle i.e. for land and buildings (within a 2 - 6 year period).

2.7 Leases (continued)

(c) Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the right-of-use assets comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Centre incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight-line over the period of the lease.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Centre expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

(Applicable to the 2018 financial year - IAS 17 Comparative amount and balances)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line over the period of the lease.

2 Summary of significant accounting policies *(continued)*

2.8 Impairment of non-financial assets

Intangible assets that have an indefinite useful life, such as goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.9 Financial assets

2.9.1 Classification

The Centre classifies its financial assets and financial liabilities into the following categories:

- Financial assets at amortised cost
- Financial liabilities at amortised cost

The classification depends on the purpose for which the financial instruments were obtained/incurred. Management determines the classification of its financial assets at initial recognition.

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Centre revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

2 Summary of significant accounting policies (continued)

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

At initial recognition, The Centre measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, The Centre recognises the difference as follows:

- (a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- (b) In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured using the simplified expected loss model. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

Business model: the business model reflects how The Centre manages the assets in order to generate cash flows. That is, whether the Centre's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by The Centre in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

For example, the liquidity portfolio of assets, which is held by The Centre as part of liquidity management and is generally classified within the hold to collect and sell business model.

Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

2 Summary of significant accounting policies (continued)

Initial recognition and measurement (continued)

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, The Centre assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, The Centre considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Centre reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Impairment of financial assets

The Centre recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost which include lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Centre always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using simplified ECL model based on the provision matrix. The ECL model takes into account Centre's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Derecognition of financial assets

The Centre derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Centre neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, The Centre recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2.10 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

2 Summary of significant accounting policies (continued)

Initial recognition and measurement (continued)

Derecognition of financial liabilities

The Centre derecognises financial liabilities when, and only when, The Centre's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.11 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of operation. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment/loss allowance

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited as other income in the statement of comprehensive income.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Employee benefits

The terminal benefits such as end of contract gratuity are accrued for employees based on their employment contracts over the period of the contract. These costs are recognised as part of the staff costs in the statement of comprehensive income.

2 Summary of significant accounting policies (continued)

Initial recognition and measurement (continued)

2.15 Revenue recognition

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration The Centre expects to receive in exchange for the services. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods/ services supplied, stated net of discounts and returns. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

a) Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term.

b) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.16 Government grants

Government grants are assistance by Government in the form of transfers of resources to the Centre in return for compliance with certain conditions relating to the operating activities of the Centre.

Government subventions relating to a particular period are recognised in the statement of comprehensive income in the respective period when there is a reasonable assurance that the subventions will be received.

Grants from the Government are initially recognised to unspent grants under current liabilities in the statement of financial position, once there is reasonable assurance that the Centre will comply with the conditions attaching to them (as applicable) and it is reasonably assured that the grant will be received.

Grants received for specific expenses are recognised in the statement of comprehensive income over the period necessary to match with the expenses they are intended to compensate. Grants received for which the related expense have not been incurred remain included in current liabilities as unspent grants received from Government.

Grants received for the acquisition of property, plant and equipment ("capital assets") are transferred from unspent grants to capital grants in the statement of financial position in the period in which the underlying asset is bought. Grants, for which the underlying asset has been bought, is subsequently recognised in the statement of comprehensive income to match the depreciation of the related assets, as other income. Grants received for which assets have not been purchased, remain included in current liabilities as unspent grants received from Government.

2.17 Related parties

A party is deemed related to the Centre if they are directors of the Centre. Related party transactions are disclosed in Note 24 to the financial statements.

3 Financial risk management

3.1 Financial risk factors

The Centre's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and other price risk), credit risk and liquidity risk. The Centre's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Centre's financial performance. Risk management is carried out under policies approved by the board of directors.

(a) Market risk

(i) Foreign currency risk

In the normal course of business, the Centre enters into transactions denominated in foreign currencies and is exposed to foreign exchange risk arising from various currency exposures, mainly with respect to South African Rand, Indian Rupee and UK Pounds. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. The Centre does not have significant investments in foreign currencies. Foreign currency bank accounts are maintained by the branches in South Africa, India and UK.

At 31 March 2020, if the currency had weakened / strengthened by 1% against the UK pound with all other variables held constant, surplus for the year would have been P6,944 (2019: P4,715) higher / lower, mainly as a result of foreign exchange gain or loss on translation of UK pound-denominated accrued expenses and bank balances.

At 31 March 2020, if the currency had weakened / strengthened by 1% against the South African Rand with all other variables held constant, surplus for the year would have been P65,245 (2019: P32,616) higher / lower, mainly as a result of foreign exchange gain or loss on translation of South African Rand-denominated accrued expenses and bank balances.

At 31 March 2020, if the currency had weakened / strengthened by 1% against the Indian Rupee with all other variables held constant, surplus for the year would have been P15,614 (2019: P13,887) higher / lower, mainly as a result of foreign exchange gain or loss on translation of Indian Rupee-denominated other receivables and bank balances.

(ii) Other price risk

The Centre is not exposed to other price risks such as equity price risk, commodity price risk, prepayment risk, and residual value risk.

Financial risk factors (continued)

(iii) Cash flow and fair value interest rate risk

Fluctuation in interest rates impact on the value of short-term cash investment and financing activities, giving rise to interest rate risk. The cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risk.

The Centre has no long-term significant interest-bearing assets. The grant is deposited in short-term deposits until it is used for the purpose for which the grant is received from the Government.

At 31 March 2020, if interest rates on short-term deposit had been 1% higher / lower with all other variables held constant, excess of expenditure over income for the year would have been P699,112 (2019: P812,884) lower/higher, mainly as a result of higher / lower interest income on floating rate deposits.

(b) Credit risk

Financial assets of the Centre, which are subject to credit risk, consist mainly of debtors and cash resources. The Centre has policies in place to ensure that the premises are rented to customers with an appropriate credit history. Cash deposits are held with high-credit-quality financial institutions. No credit limits were exceeded during the reporting period.

BITC applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all short-term receivables. To measure the expected credit losses, short-term receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance as at 31 March 2019 and 31 March 2020 are determined as follows.

31 March 2019	Current	1-30 Days past due	31-60 Days past due	61-90 Days past due	Over 91 Days past due	Total
Expected loss rate	25%	42%	67%	99%	100%	
Gross Carrying Amount - Rental Debtors (P)	703,651	317,331	187,831	149,391	1,255,579	2,613,782
Gross Carrying Amount - Global Expo Debtors (P)	-	-	-	-	10,476	10,476
Loss allowance (P)	(175,817)	(134,777)	(124,945)	(147,932)	(1,266,055)	(1,849,526)
Net receivable (P)	527,833	182,554	62,886	1,459	-	774,732

3 Financial risk management
Financial risk factors *(continued)*

31 March 2020	Current	1-30 Days past due	31-60 Days past due	61-90 Days past due	Over 91 Days past due	Total
Expected loss rate						
Simplified approach method	21%	30%	57%	85%	100%	
Individually impaired	100%	100%	100%	100%	100%	
Related party	0%	0%	0%	0%	0%	
Gross Carrying Amount						
Simplified approach method (P)	748,798	353,701	166,361	152,921	805,684	2,227,465
Individually impaired (P)	122,452	121,355	122,452	90,202	1,556,154	2,012,615
Related party (P)	22,333	22,333	22,333	22,333	32,665	121,997
Loss allowance (P)						
	(277,625)	(226,252)	(217,354)	(220,030)	(2,361,838)	(3,303,189)
Net receivable (P)	615,958	271,047	93,792	45,426	32,665	1,058,888

3 Financial risk management
Financial risk factors *(continued)*

Financial assets with the maximum exposure to credit risk at the year-end were as follows:

Description	2020 (P)	2019 (P)
Net trade and other receivables (Note 15)	6,451,024	6,255,682
Cash and Cash Equivalent: (Note 17)	69,898,977	81,288,451
First National Bank of Botswana Limited	16,216,469	7,693,077
Barclays Bank PLC - United Kingdom	687,412	489,865
Standard Chartered Bank Botswana Limited	6,253,477	14,005,161
Bank Gaborone Limited	25,105,959	30,249,721
First National Bank of South Africa Limited	6,646	205,360
Stanbic Bank Botswana Limited	283,471	283,415
STANLIB Investment Management Services (Proprietary) Limited	19,783,437	14,247,967
Bank of India	1,558,321	1,424,396
African Alliance	3,785	12,689,489
Total maximum amount exposed to credit risk	76,350,001	87,544,133

The Centre only deposit cash with major banks with high quality credit standing and limits exposure to any one counterparty. The Centre has deposits with Standard Chartered Bank Botswana Limited, Stanbic Bank Botswana Limited, Stanlib, First National Bank of Botswana Limited, Barclays Bank PLC, Bank Gaborone, African Alliance and Bank of India. There are no credit ratings available in Botswana.

3 Financial risk management Financial risk factors (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, management of the Centre aims to maintain flexibility in funding by keeping committed credit lines available.

The Centre's financial liabilities as given in the table below consist of accounts payable with a maturity period of less than 12 months from the statement of financial position date. The analyses of financial liabilities into relevant maturity groupings are based on the remaining period at the statement of financial position to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year P
At 31 March 2020	
Lease liabilities – Non-current	19,096,210
Trade and other payables	11,627,366*
Lease liabilities – Current	5,431,022
At 31 March 2019	
Trade and other payables	17,014,813*
* Excluding statutory liabilities	

3.2 Capital risk management

The Centre's objectives when managing capital are to safeguard the Centre's ability to continue as a going concern and benefits for stakeholders and to minimise the use of debt capital. In order to maintain or adjust the capital structure the Centre may adjust the assets or sell asset to reduce the debt.

The Centre is funded by the Government and does not have external debt. Consistent with this objective the Centre does not monitor capital on the basis of the gearing ratio.

3.3 Fair value estimation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Centre has classified its financial instruments into the three levels prescribed under the accounting standards - IFRS 13.

Level 1: **Quoted prices (unadjusted) in active markets for identical assets or liabilities**

Assets and liabilities are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Level 2: **Valuation technique using observable inputs - Level 2**

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: **Valuation technique using significant and unobservable inputs - Level 3**

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.

The Centre considers relevant and observable market prices in its valuations where possible.

At 31 March 2020, investment properties with a total carrying amount of P275,735,554 (2019 P268,037,368) valued using Discounted cash flow (DCF), Gross replacement cost (GRC), Sales comparison and Income capitalization was based significant Level 3 unobservable inputs. (Refer Note 12)

4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates and judgments concerning the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the Centre's accounting policies, management has made the following estimates and judgments that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within next year.

a) **Expected Credit Losses**

BITC adopted IFRS 9 Financial Instruments ("IFRS 9") to measure the Expected Credit Losses (ECLs) for the first time in the 2019 reporting period. BITC applies the simplified approach and recognises lifetime ECL for trade receivables.

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL.

(b) Property, plant and equipment

The Centre follows the guidance of IAS16 (revised) and determines the residual values and useful lives of assets at each statement of financial position date. This determination requires significant judgement. In making this judgement the management evaluates amongst other factors, the purpose for which the respective asset is acquired, market conditions at the statement of financial position date and the practice adopted by similar organisations.

The Centre performed a sensitivity analysis on the useful lives of assets. Results indicated that an increase in useful live of 1 year would result in a decrease of depreciation and an increase in net book value of property, plant and equipment (PPE) amounting to P947K and an increase in useful lives of 6 months would result in a decrease of depreciation and an increase in net book value of PPE amounting to P699K.

(c) Investment properties

The Centre follows the fair value model as per IAS 40 in recognising and measuring investment properties and determines the fair values at the statement of financial position date. This determination requires significant judgement. In making this judgement the management evaluates amongst other factors, the purpose for which the respective asset is acquired, market conditions at the reporting date and the practice adopted by similar organisations.

(d) Impairment of non-current assets held for sale (Comparative figures only)

This estimate relates to comparative figures only, non-current asset held for sale were disposed off in current year. When the carrying amount of non-current assets held for sale is lower than fair value, the difference between the carrying amount and the fair value is recognised as impairment loss, and the fair value was determined based on the best offer received from the potential buyers.

e) Treatment of grants received from Government

Taking into account its nature and substance, the Centre considers amounts that it receives from the Government to fall within the scope of IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. In reaching this conclusion, the Centre considers the terms attached to each of the grants received and the current practice adopted by other parastatals in Botswana. Accordingly, the Centre recognises the amounts received in accordance with the accounting policy as included in note 2.16.

(f) Incremental borrowing rate, leases renewal and termination options

The Centre applies judgement in determining the lease term by considering all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option and whether it is reasonably likely that options will be exercised by considering factors such as how far in the future an option occurs, the Centre's business planning cycle and past history of terminating/not renewing leases. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The average lease term for recognised leases ranges from two to six years. The Centre also applied judgement in determining the incremental borrowing of 8.98% based on prime plus 2%. Refer to note 13 for further details.

The Centre performed a sensitivity analysis on leases based on incremental rate. Results indicated that a decrease in incremental borrowing of 2% would result in a increase of Right of use asset and Lease liability being recognised at 1 April 2019 of P 1.55Mn to P 31.04Mn and a increase in incremental borrowing rate of 2% would result in a decrease in Lease liability and Right of asset recognised at day 1 of P 1.43Mn to P 28.06Mn. If the period was reduced by one year Right of use asset and Lease liability would reduce to P 23.89Mn and if period is increased by one year Right of use asset and Lease liability would increase to P 34.10Mn.

	2020 P	2019 P
5 Revenue		
Global Expo income - Point in time	2,231,003	2,016,740
Rental income	18,722,882	18,678,019
	20,953,885	20,694,759
6 Government subvention		
Subvention received for the year	96,504,859	101,830,560
Less : capital grants for the year (Note 18)	(3,224,782)	(4,527,405)
	93,280,077	97,303,155
<p>The Government grants previously presented under revenue has been reclassified to be presented as a separate item on the Statement of Comprehensive Income. The comparative figures have accordingly been reclassified.</p>		
7 Other income		
Amortisation of Government capital grant (Note 18)	1,935,589	1,829,655
Profit on disposal of property plant and equipment	79,371	-
Sundry income	361,198	225,804
	2,376,158	2,055,459

Consolidated statement of financial position (continued)

	2020 P	2019 P
8 Expenses by nature		
Aftercare expenses	29,354	57,006
Auditors' remuneration	579,174	429,968
Branding expenses	6,674,066	6,406,652
Provision/(reversal) for loss allowance	1,453,663	(794,196)
Impairment of assets	-	309,567
Staff costs (Note 9)	59,573,024	52,502,932
Export promotion expenses	3,550,515	4,541,666
Depreciation expenses	9,315,214	1,836,046
Global Expo expenses	8,002,765	8,120,026
Investment promotion expenses	3,973,509	6,916,340
Professional and legal fee	2,899,563	5,150,163
Public relations expenses	3,708,640	4,008,994
Rent expense	372,568	8,106,422
Research expenses	2,510,411	1,882,293
Seminar and conferences	1,107,274	670,194
Telecommunication and utilities	2,825,154	2,709,116
Office expenses	396,382	547,731
Property maintenance expenses	1,537,526	1,722,757
Transport, travel and subsistence	3,406,987	3,640,493
Other expenses	9,023,663	8,625,591
Tax and penalties	682,668	-
	121,622,120	117,389,760

	2020	2019
	P	P
9 Staff costs		
Salaries and allowances	52,419,035	42,552,639
Social security costs	1,610,713	1,379,049
Gratuity	3,785,518	6,499,197
Staff training and other staff related expenses	1,757,758	2,072,047
	<u>59,573,024</u>	<u>52,502,932</u>
10 Net finance income		
Finance income		
Interest income	1,678,377	2,176,112
Finance costs		
Unwinding of interest - Lease liabilities	(2,422,033)	-
Exchange losses	(1,069,562)	(959,335)
Net finance costs	<u>(1,813,218)</u>	<u>1,216,777</u>

11 Property, plant and equipment

	Land and buildings	Leasehold improvements	Office equipment	Computer equipment	Furniture and fittings	Motor vehicles	Total
	P	P	P	P	P	P	P
Year ended 31 March 2019							
Net book amount at beginning of year	5,413,333	64,708	65,759	1,032,125	638,157	404,797	7,618,878
Additions	-	-	191,814	1,866,800	154,711	2,314,080	4,527,405
Cost of disposal	-	-	-	(64,985)	-	-	(64,985)
Depreciation on disposal	-	-	-	64,985	-	-	64,985
Transferred to investment properties	(4,900,000)	-	-	-	-	-	(4,900,000)
Impairment of assets	(309,567)	-	-	-	-	-	(309,567)
Depreciation	-	(26,451)	(74,788)	(969,322)	(273,126)	(492,359)	(1,836,046)
Net book amount at end of year	203,766	38,257	182,785	1,929,603	519,742	2,226,518	5,100,671
As at 31 March 2019							
Cost	203,766	6,641,001	1,057,147	6,838,549	3,595,486	4,949,886	23,285,835
Accumulated depreciation and impairment losses	-	(6,602,744)	(874,362)	(4,908,946)	(3,075,744)	(2,723,368)	(18,185,164)
Net book amount	203,766	38,257	182,785	1,929,603	519,742	2,226,518	5,100,671
Year ended 31 March 2020							
Net book amount at beginning of year	203,766	38,257	182,785	1,929,603	519,742	2,226,518	5,100,671
Additions	-	1,041,460	601,315	590,481	287,007	737,223	3,257,486
Cost of disposal	-	-	-	(65,409)	(203,331)	(392,769)	(661,509)
Depreciation on disposal	-	-	-	39,207	201,285	392,769	633,261
Depreciation	-	(289,987)	(151,683)	(1,064,114)	(187,791)	(860,695)	(2,554,270)
Net book amount at end of year	203,766	789,730	632,417	1,429,768	616,912	2,103,046	5,775,639
As at 31 March 2020							
Cost	203,766	7,682,461	1,658,462	7,363,621	3,679,162	5,294,340	25,881,812
Accumulated depreciation and impairment losses	-	(6,892,731)	(1,026,045)	(5,933,853)	(3,062,250)	(3,191,294)	(20,106,173)
Net book amount	203,766	789,730	632,417	1,429,768	616,912	2,103,046	5,775,639

11.1 Assets classified as held for sale

	2020 (P)	2019 (P)
Residential property in South Africa	-	2,151,081
	-	2,151,081

A decision was taken by the Board of Directors to sell the residential property in South Africa in 2018 and was classified as "Assets classified as held for sale" and measured at the lower of its carrying value and fair value less cost to sell at the time of reclassification, resulted in an impairment loss of P1.65Mn as at 31 March 2018. No further impairment was recognised for the year ended 31 March 2019. Asset continued to be classified as held for sale until it was disposed off in the current year.

12 Investment properties

	Land and buildings P	Total P
Year ended 31 March 2019		
Balance at beginning of year (Restated)	253,026,421	253,026,421
Transfer from property, plant and equipment (Note 11)	4,900,000	4,900,000
Fair value gain	10,500,000	10,500,000
Rental straight-line adjustment	(389,053)	(389,053)
Balance at end of year	268,037,368	268,037,368
Balance at end of year		
At fair value	271,200,000	271,200,000
Rental straight-line adjustment	(3,162,632)	(3,162,632)
	268,037,368	268,037,368
Year ended 31 March 2019		
Fair value gain	10,500,000	10,500,000
Rental straight-line adjustment	(389,053)	(389,053)
	10,110,947	10,110,947
Year ended 31 March 2020		
Balance at beginning of year	268,037,368	268,037,368
Fair value gain	6,800,000	6,800,000
Rental straight-line adjustment	898,186	898,186
Balance at end of year	275,735,554	275,735,554
Balance at end of year		
At fair value	278,000,000	278,000,000
Rental straight-line adjustment	(2,264,446)	(2,264,446)
	275,735,554	275,735,554
Year ended 31 March 2020		
Fair value gain	6,800,000	6,800,000
Rental straight-line adjustment	898,186	898,186
	7,698,186	7,698,186

The Centre's investment properties were revalued on 31 March 2020 by an independent professionally qualified valuer with recent experience in property valuation in Gaborone, CRIBS (Pty) Ltd trading as Apex Properties. Valuations were based on current market prices in an active market.

Income, direct and indirect expenses recognised in the consolidated statement of comprehensive income for the year are as follows:

	2020	2019
	P	P
Rental income	18,722,882	18,678,019
Direct costs		
Rates	340,143	375,646
Property maintenance	2,960,303	1,345,872
	<u>3,300,446</u>	<u>1,721,518</u>
Indirect costs		
Insurance	98,201	130,440
	<u>98,201</u>	<u>130,440</u>

All investment properties generated rental income. Hence, there are no direct/indirect costs relating to investment properties which did not generate rental income.

12 INVESTMENT PROPERTIES *(continued)*

Non-financial assets carried at fair value, as is the case for investment property held by the Centre, are required to be analysed by level depending on the valuation method adopted.

Valuation techniques underlying management's estimation of fair value

For investment properties with a total carrying amount of P275,735,554 (2019: P268,037,368), the valuation was determined using discounted cash flow (DCF), Gross replacement cost (GRC), Sales comparison and Income capitalisation based on significant Level 3 unobservable inputs.

Unobservable inputs		Estimate
Capitalisation rates	based on the data relating to recently transacted properties duly adjusted to reflect the subject asset's uniqueness;	Capitalisation rate
Direct comparable sales	based on actual location, size and quality of the properties and taking into account market data at the valuation date;	Market value per sqm
Build rate	the current market cost of reproduction or replacement of an asset specific to the nature of the property, components and structure of the property;	Build rate per sqm
Discounted cash flows	reflecting current market assessments of the uncertainty in the amount and timing of cash flows;and	Discount rate
Future rental cash inflows	based on the actual location, type and quality of the properties and external evidence such as current market rents for similar properties;	Rent escalation rate

12 INVESTMENT PROPERTIES (continued)

Valuation technique	Input	Estimate	Sensitivity on estimates (in BWP Million)			
			2020 Impact lower	2020 Impact higher	2019 Impact lower	2019 Impact higher
Sales comparison	Sales price of per square metre of the property	Market value per sqm +/- 10%	(13.70)	13.80	(14.70)	15.15
Depreciated replacement cost	Construction cost per square metre	Build rate per sqm +/- 10%	(0.40)	0.40	(2.35)	2.30
Income capitalisation	Capitalisation rate	Capitalisation rate +/- 1%	8.20	(6.50)	5.05	(4.00)
Discounted cash flow	Discount rate	Discount rate +/- 1%	5.25	(4.70)	2.28	(2.25)
	Rent escalation rate	Rent escalation rate +/- 1%	(3.90)	4.20	(1.88)	2.68
Estimate			Level 3 – Range of unobservable inputs			
			2020		2019	
			P4,500 - P8,500		P4,454 - P11,000	
			P2,478		P1,982	
			9% - 10%		9% - 10%	
			9% - 10%		9% - 10%	
			10%		10%	
Valuation technique					2020 (P)	2019 (P)
Average of income and DCF					24,500,000	23,300,000
Average of income, DCF, DRC and sales comparable					116,800,000	111,500,000
Average of income, DCF and sales comparable					27,500,000	27,400,000
Sales comparable					109,200,000	109,000,000
Total					278,000,000	271,200,000
Rental straight-line adjustment					(2,264,446)	(3,162,632)
Balance at end of year					275,735,554	268,037,368

13 Leases

Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

13.1 Right of use asset

	Land and Buildings P	Total P
Cost		
At 01 April 2019	29,113,010	29,113,010
Additions	4,791,789	4,791,789
Lease modifications*	(4,047,903)	(4,047,903)
At 31 March 2020	29,856,896	29,856,896
Accumulated depreciation		
At 01 April 2019	-	-
Depreciation for the year	(6,760,945)	(6,760,945)
Lease modifications*	623,852	623,852
At 31 March 2020	(6,137,093)	(6,137,093)
Carrying amount	23,719,803	23,719,803

13.2 Lease liability

	2020
	P
Lease liability - recognition of Day 1 balance	29,493,022
Additions	4,791,789
Recognition of interest expense	2,422,033
Settlement through payments	(8,537,704)
Lease modifications*	(3,469,265)
Foreign exchange differences	(172,643)
Lease liability at the year end	<u>24,527,232</u>
Current	5,431,022
Non-current	19,096,210
Lease liability at the year end	<u>24,527,232</u>
Maturity analysis of lease liability	
Not later than one year	7,348,324
Later than one year and no later than five years	23,176,924
	<u>30,525,248</u>
Less: finance charge component	(5,998,016)
	<u>24,527,232</u>

*Lease modifications relate to changes in lease contract terms and conditions adopted in current year.

		2020
		P
13.2	Lease liability (continued)	
	Amounts recognised in the income statement	
	The income statement shows the following amounts relating to leases:	
	Depreciation of right-of-use assets	6,760,945
	Foreign currency exchange differences	(172,643)
	Interest expense (included in finance costs)	2,422,033
	Expense relating to short term leases (included in other operating expenses)	372,568
	Amounts recognised in the statement of cash flows	
	The statement of cash flows shows the following amounts relating to leases:	
	Cash outflow - payment of lease liability	(8,537,704)
	Operating lease commitments	
	At 31 March 2019, the Centre had outstanding commitments under non-cancellable operating leases which fall due as follows:	
		2019
		P
	Not later than one year	6,682,239
	Later than one year and no later than five years	3,435,939
	Future aggregate minimum lease payments under non-cancellable operating lease arrangements	10,118,178

14 Investment in subsidiaries

Comprising;

% holding

31/03/20

Botswana Export Development and Investment Authority

100%

31/03/19

Botswana Export Development and Investment Authority

100%

Nature of the company

The subsidiary based in South Africa, was incorporated in 2000, as a company not having share capital under the Companies Act of 1973 of South Africa. Core business of the entity is to promote investment into Botswana, promotion of products manufactured in the country for export and assist potential investors who want to invest in Botswana. The activities are 100% funded by the BITC Botswana.

	2020 P	2019 P
15 Trade and other receivables		
Trade receivables	4,362,077	2,624,258
Less: Loss allowance	(3,303,189)	(1,849,526)
	1,058,888	774,732
Prepayments and security deposits	4,713,279	5,034,405
Interest receivable	162,958	236,652
Other debtors	515,899	4,094,240
Provision for TDS - India	-	(3,884,347)
	5,392,136	5,480,950
	6,451,024	6,255,682
The movement in provision for loss allowance is analysed as follows:		
Balance at beginning of year	1,849,526	1,969,775
Day 1 adjustment	-	1,040,048
Provision/(reversal) during the year	1,453,663	(794,196)
Write off during the year	-	(366,101)
Balance at end of year	3,303,189	1,849,526

	2020	2019
	P	P
15 Trade and other receivables (continued)		
Trade receivable settlement profile		
Current	893,583	703,650
1-30 Days past due	497,388	317,331
31-60 Days past due	311,146	187,831
61-90 Days past due	265,456	149,391
Over 91 Days past due	2,394,504	1,266,055
Total gross trade receivables	4,362,077	2,624,258
Loss allowance for trade receivables		
- Lifetime ECL - performing and underperforming	(484,890)	(583,471)
- Lifetime ECL - Non performing	(2,818,299)	(1,266,055)
Total net trade receivables	1,058,888	774,732

The fair value of above financial assets equals their carrying amounts, as the impact of discounting is not significant. The Centre does not hold any collateral as security.

Included in other receivables are amounts receivable from Staff debtors and Sundry debtors to which the Centre has applied the general impairment model. The Centre has considered the capacity of the borrowers to meet their contractual cash flow in the near term, the adverse changes in economic and business conditions in the longer and concluded that the credit risk relating to these receivables is limited and consequently the probability of default relating to these balances is low.

Application of the ECL model had an immaterial impact on all financial assets except for trade receivables.

	2020	2019
	P	P
16 Deferred lease income assets		
Balance at beginning of year	3,162,632	2,773,579
Movement during the year	(898,186)	389,053
Balance at end of year	2,264,446	3,162,632
Current portion	(48,203)	(338,500)
Non current portion	2,216,243	2,824,132
17 Cash and cash equivalents		
Short-term deposits	56,554,270	74,192,253
Cash at bank	13,344,707	7,096,159
Cash on hand	12,193	7,184
	69,911,170	81,295,596

Cash and cash equivalent includes P1,568,770 (2019: P4,767,460) attributable to countries where exchange controls or other legal restrictions apply (India and South Africa). Nevertheless, if the centre complies with relevant requirements, such liquid funds are at its disposal within a reasonable period of time.

As at 31 March 2020, cash and bank balances included an amount of P Nil (2019: 28,721 relating to Botswana Special Economic Zones Authority ('SEZA') held by BITC on behalf of SEZA. This comprises of cash deposited at Standard Chartered Bank Botswana Limited. This balance has been excluded from Cash and Cash Equivalent for the purpose of Statement of Cash flows. The corresponding liability has been raised in note 19.2

17 CASH AND CASH EQUIVALENTS *(continued)*

	2020	2019
	P	P
17 Cash and cash equivalents (continued)		
For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the following:		
Bank balances	69,898,977	81,259,691
Cash on hand	12,193	7,184
	69,911,170	81,266,875
Cash and cash equivalents denominated in foreign currencies are as follows:		
UK Pounds	694,444	495,449
South African Rands	7,328	3,342,240
Indian Rupees	1,561,442	1,425,220
	2,263,214	5,262,909
18 Government capital grants		
Balance at beginning of year	137,332,393	134,634,643
Grant received during the year (Note 6)	3,224,782	4,527,405
Amortisation during the year (Note 7)	(1,935,589)	(1,829,655)
Balance at end of year	138,621,586	137,332,393

The Centre receives capital grants from Government for financing its capital expenditure.

	2020	2019
	P	P
19 Trade and other payables		
Staff accruals	5,371,043	6,307,192
Trade payables	456,993	3,163,284
Accrued expenses	2,938,684	2,269,287
Other payables	2,860,646	5,246,325
RSA taxes payable	682,668	-
Payable to Special Economic Zone Authority	-	28,721
	12,310,034	17,014,809
19.1 Payable to Special Economic Zone Authority		
Balance at beginning	28,721	8,519,179
Payments made during the year	(28,721)	(419,596)
Amounts paid to SEZA	-	(8,070,862)
Balance at end of the year	-	28,721

	2020 P	2019 P
20 Deferred income	1,250,000	5,000,000
The deferred income relates to corporate responsibility sponsorship received during the year but not utilised as at 31 March 2020.		
21 Deferred lease liability		
Balance at beginning of year	380,012	596,356
Movement during the year	-	(216,344)
Effects of IFRS 16 adoption (note 28)	(380,012)	-
Balance at end of year	-	380,012

		2020	2019
		P	P
22	Cash flow from operation activities		
	Operating surplus for the year	2,686,186	12,774,560
	Adjustments for:		
	Depreciation	11 9,315,214	1,836,046
	Investment property fair value adjustment	12 (7,698,186)	(10,110,947)
	Rental straight lining adjustment	12 898,186	(389,053)
	Deferred lease liability adjustment during the year	-	(216,344)
	Profit on disposal of plant and equipment	7 (79,371)	-
	Amortisation of capital grant	18 (1,935,589)	(1,829,655)
	Impairment of assets	11 -	309,567
	Gain on modification of lease liability	(45,214)	-
	Changes in working capital		
	Movement in trade and other receivables	(195,342)	(1,835,323)
	Movement in trade and other payables	(4,676,054)	3,123,428
	Movement in deferred income	(3,750,000)	5,000,000
	Net cash utilised in operations	(5,480,170)	8,662,279

	2020 P	2019 P
23 Commitments		
Capital commitments		
Approved by directors - contracted	19,580	-

The Centre entered into a contract with for the partitioning of the Francistown offices. The contract amounted to P 718,630. The project commenced in August 2019 and is expected to be completed by April 2020. Significant portion of this project had been completed by year end and remaining was due to retention for completion certificate to be issued

	2020 P	2019 P
24 Related party transactions		
<p>Botswana Investment and Trade Centre (BITC) was established under the Botswana Investment and Trade Centre Act, 2011 in order to promote, attract, encourage and facilitate local and foreign investments in Botswana as well as export development and custodianship and promotion of the nation's brand.</p>		
Related Party		
Government of Botswana		
BITC South Africa		
Nature of relationship		
Ultimate parent entity		
A 100% Botswana Investment and Trade Centre owned subsidiary		
(a) Transactions with the Ministry of Investment, Trade and Industry:		
Grant income received for the year	96,504,859	101,830,560
Less : capital grants for the year (Note 18)	(3,224,782)	(4,527,405)
	93,280,077	97,303,155
(b) Transaction with government owned entities		
Net expense incurred - Special Economic Zones Authority	28,721	419,596
(c) Payable to government owned entities		
Special Economic Zones Authority	-	28,721
(d) Key management compensation		
<p>Key management includes Board of Directors and members of the executive committee. The compensation paid or payable to key management for employee services together with payments made to the directors are shown below;</p>		
Key management - basic salary	5,444,930	5,292,883
Key management - allowances	4,516,840	3,264,505
Key management - gratuity and leave pay	2,553,018	2,741,354
Management - total	12,514,787	11,298,742
Payments made to directors	106,785	183,330
	12,621,572	11,482,072

25 Financial instruments - accounting classifications

The following tables shows the carrying amounts and fair values of financial assets and financial liabilities of the Centre.

In (P)	Fair value through profit or loss	Fair value through OCI	Amortised cost	Non - financial instruments	Total carrying amount
As at 31 March 2020					
Financial assets					
Trade and other receivables	-	-	1,737,745	4,713,279	6,451,024
Cash and cash equivalent	-	-	69,911,170	-	69,911,170
	-	-	71,648,915	4,713,279	76,362,194
Financial liabilities					
Trade and other payables	-	-	11,627,366	682,668	12,310,034
	-	-	11,627,366	682,668	12,310,034
As at 31 March 2019					
Financial assets					
Trade and other receivables	-	-	1,221,277	5,034,405	6,255,682
Cash and cash equivalent	-	-	81,295,596	-	81,295,596
	-	-	82,516,873	5,034,405	87,551,278
Financial liabilities					
Non-current					
Lease liabilities	-	-	19,096,210	-	19,096,210
Current					
Trade and other payables	-	-	17,014,813	-	17,014,813
Lease liabilities	-	-	5,431,022	-	5,431,022
	-	-	41,542,045	-	41,542,045

26 Contingent liabilities

Uncertain tax exposures

The Centre operates in numerous tax jurisdictions and the Centre's interpretation and application of the various tax rules applied in direct and indirect tax filings may result in disputes between the Centre and the relevant tax authorities. At 31 March 2020, there is an ongoing tax dispute relating to income tax liability approximating P10Mn which the Centre is contesting with the South African Revenue Service (SARS) in respect of an assessment that SARS has raised relating to 2001 to 2018 tax years. Based on internal and external legal and technical advice obtained, the Centre remains confident that it has a robust legal case to contest the exposure.

27 Contingent assets

At year end, the Centre had a receivable amounting to P 4,719,657 (2019: P3,884,347) under discussion. The amount receivable is based on TDS India PAYE payments made for employees currently employed in India. BITC is in discussion with Botswana Unified Revenue Service ("BURS") and Indian Revenue Service ("IRS") on the recoverability of the amount paid as the Centre is being double taxed. The employees earnings are taxed both in India and Botswana and the Centre is of the opinion that the earnings should be taxed only by one tax authority as there is an existing double taxation agreement between India and Botswana. The Centre has engaged both parties with the intention of recovering these amounts.

The contingent asset (amount receivable) relating to the TDS India PAYE has not been recognised as a receivable at 31 March 2020 as refund of the amount is dependent on the outcome of the negotiations with BURS and IRS.

28 Changes in accounting policies

The Centre has adopted IFRS 16 Leases (IFRS 16) with effect from 1 April 2019.

Adoption of IFRS 16

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Centre, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. After the adoption of IFRS 16, the centre recognised a depreciation expense on the right-of-use assets and an interest expense accruing on the lease liabilities and no longer recognised an operating lease expense for these leases. Cash generated from operations increased as lease costs are no longer included in this category. Interest paid increased, as it includes the interest portion of the lease liability payments and the capital portion of lease liability repayments is included in cash used in financing activities. Lessor accounting remains similar to previous accounting policies.

The Centre has adopted IFRS 16 retrospectively from 1 April 2019, but has not restated comparatives for the 2019 reporting year, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the adoption of IFRS 16 are therefore recognised in the opening statement of financial position on 1 April 2019.

28 Changes in accounting policies (continued)

Transition

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Centre's incremental borrowing rate, for the remaining lease terms, as at 1 April 2019. Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Centre used the following practical expedients as permitted by the standard, when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Accounted for leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.
- Relied on previous assessments on whether leases are onerous contracts as opposed to performing an impairment review on 1 April 2019."

The Centre has also elected not to reassess whether a contract is, or contains a lease, at the date of initial application. Instead, for contracts entered into before the transition date the centre relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement Contains a Lease (IFRIC 4).

28 Changes in accounting policies (continued)

Impacts on financial statements

Statement of financial position

On transition to IFRS 16, the Centre recognised right-of-use assets and lease liabilities. The impact on transition is summarised below:

	1 April 2019 P
Right-of-use of assets - Land and buildings	29,113,010
Total assets	29,113,010
<i>Reconciled as (increase/decrease) in</i>	
Lease liabilities – non-current	(22,538,727)
Lease liabilities – current	(6,954,295)
Deferred lease liabilities	380,012
Total liabilities	(29,113,010)

28 Changes in accounting policies (continued)

Impacts on transition

When measuring lease liabilities for leases that were classified as operating leases, the centre discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied is 8,98%. A reconciliation of the operating lease commitments disclosed as at 31 March 2019 discounted using the incremental borrowing rate at 1 April 2019 to the lease liability recognised on 1 April 2019 is disclosed below:

	1 April 2019
	P
Operating lease commitments disclosed at 31 March 2019	10,118,177
Discounted using the incremental borrowing rate at 1 April 2019	9,459,199
Add: Extension and termination options reasonably certain to be exercised	10,102,206
Less: Transition exemption for leases ending within 12 months of date of initial application	(186,560)
	29,493,022

Impacts for the year

Refer to note 13 for the impact of IFRS 16 on the profit or loss for the year ended 31 March 2020 and on the statement of financial position as at 31 March 2020

29 Post balance sheet events

In late March 2020 Botswana confirmed domestic cases of COVID-19, a new strain of the coronavirus. Prior to this, the public health response to the COVID-19 pandemic in other countries led to business interruptions, economic turmoil and severe stock market losses.

To aid in combatting the spread of the virus in Botswana, on the 31 March 2020, His Excellency President Mokgweetsi Masisi announced a six-month national State of Emergency and a national lockdown, including “stay-at-home” orders and significant restrictions on business activity and movements, which commenced on the 3rd April 2020. The first national lockdown was lifted on 21 May 2020, However Botswana has put its capital, Gaborone, back into a two-week lockdown starting Friday 31 July 2020, closing schools and restricting movements, after confirmed local COVID-19 transmissions doubled. The country will remain under a State of Emergency for the next six months. The consequences of these actions on the Botswana economy, combined with similar turmoil in other regional and global economies impacting on the Centre’s supply chain are expected to impact the Centre’s future results.

The Centre assessed the potential impact on future income from the Government and investment properties, working capital, credit risk and liquidity based on information available at the time of approving these annual financial statements. Based on this, the Centre determined the impact that this could have on its cash flows, and particularly whether the Centre will have sufficient liquidity to continue to meet its obligations as these falls due. The Centre currently expects that income from the rentals is likely to decrease, which are in the diamond sector, which has been severely disrupted by low uptake on the diamond sales. The Centre however has already received its first quarter subvention from the Government and a confirmation that the subvention for financial year 2020-21 has been cut by 5%. The Government subvention

contributes more than 80% of the Centre’s income hence it is confident the subvention will be sufficient to sustain the Centre’s operations.

Management evaluated impairment of assets however, no impairment indicators were identified by management requiring further assessment.

The receipt of subvention from the Government will shield the Centre from the negative impacts of the lock down period. Taking into account various plausible impact scenarios and information available at the time of approving the annual financial statements, the Centre assessed that it has sufficient cash and liquid assets available to meet its obligations as these fall due and to remain a going concern for the ensuing twelve months.

The situation remains highly dynamic and new impacts on the business may emerge or the anticipated impact of those identified may materially change, especially if the pandemic spreads widely and then goes on lock down again / business interruption continues for an extended period. Consequently, the Centre will continue to monitor the impact of the developing situation on its business and make appropriate adjustments to its operations as may be required.

	Schedule	2020 P	2019 P
INCOME			
Government subventions		93,280,077	97,303,155
Global Expo income		2,231,003	2,016,740
Rental income		18,722,882	18,678,019
Total income		114,233,962	117,997,914
EXPENDITURE			
Investment promotion expenses	1	3,973,509	6,916,340
Export promotion expenses	2	3,550,515	4,541,666
Aftercare expenses		29,354	57,006
Public relations expenses	3	3,708,640	4,008,994
Branding expenses		6,674,066	6,406,652
Research expenses	4	2,510,411	1,882,293
Staff costs	5	59,573,024	52,502,932
Global Expo expenses		8,002,765	8,120,026
Administrative expenses	6	24,284,622	31,117,805
Depreciation		9,315,214	1,836,046
Total expenditure		121,622,120	117,389,760
Other income		2,376,158	2,055,459
Investment property fair value adjustment		7,698,186	10,110,947
Operating surplus for the year		2,686,186	12,774,560

This notes to the detailed income statement does not form part of the financial statements covered by the audit opinion on pages 106 to 111

	2020 P	2019 P
1 Investment promotion expenses		
Inward promotion mission	378,756	363,514
External missions	3,594,753	6,552,826
	3,973,509	6,916,340
2 Export promotion expenses		
Export development	2,983,149	2,376,094
Export promotion	567,366	2,165,572
	3,550,515	4,541,666
3 Public relation expenses		
Gifts and donations	64,433	307,726
Corporate social responsibility	232,730	182,626
Promotional material	446,307	264,969
Exhibitions	564,362	362,904
Branding	864,600	472,047
Advertising	860,437	1,726,924
Publications	675,771	691,798
	3,708,640	4,008,994
4 Research expenses		
Market intelligence	1,497,067	870,921
Strategic planning	1,013,344	1,011,372
	2,510,411	1,882,293

This notes to the detailed income statement does not form part of the financial statements covered by the audit opinion on pages 106 to 111.

	2020	2019
	P	P
5 Staff costs		
Car allowance	2,870,047	2,221,722
Cell phone allowance	443,044	362,092
Entertainment allowance	345,074	287,208
Foreign service allowance	1,752,656	1,805,528
Gratuity	3,785,518	6,499,197
Leave pay	2,276,307	851,234
Medical aid	1,610,713	1,379,049
Overtime allowance	89,033	81,599
Pension costs	2,677,276	-
Recreational expenses	125,789	81,703
Staff welfare and recreation	822,549	1,225,331
Salaries and wages	36,506,866	32,703,655
Utility allowance	503,639	349,694
Housing allowance	2,940,458	2,094,154
Education allowance	553,183	486,551
Training	1,506,692	1,247,569
Staff movements	513,114	2,168
Recruitment expenses	101,196	421,708
SDL/UIF Contribution	149,870	402,770
	59,573,024	52,502,932

This notes to the detailed income statement does not form part of the financial statements covered by the audit opinion on pages 106 to 111

	2020	2019
	P	P
6 Administrative expenses		
Auditors' remuneration	579,174	429,968
Provision/(reversal) for bad debts - trade debtors	1,453,663	(794,196)
TDS taxation	835,958	1,140,196
Impairment of assets	-	309,567
Bank charges	144,304	124,470
Board activities	265,624	365,199
Computer expenses	3,808,154	3,521,555
Directors' fees	106,785	183,330
Entertainment	157,856	187,875
Insurance	1,002,531	510,037
Motor vehicle running expenses	303,833	186,920
Office equipment lease	495,494	445,990
Office expenses	396,382	547,731
Stationery	210,556	194,195
Professional, consultancy and legal fees	2,899,563	5,150,163
Tax and penalties	682,668	-
Property maintenance	1,537,526	1,722,757
Rates	377,229	673,717
Rent	372,568	8,106,422
Security expenses	1,067,003	1,053,559

Seminars and conferences	1,107,274	670,194
Subscriptions	248,336	38,547
Transport, travel and subsistence	3,406,987	3,640,493
Telecommunications	1,385,982	1,210,599
Utilities	1,439,172	1,498,517
	24,284,622	31,117,805

This notes to the detailed income statement does not form part of the financial statements covered by the audit opinion on pages 106 to 111.

NOTES



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