

SPOTLIGHT ON AFRICA

BOTSWANA

Botswana holds US-Africa Business Summit

President Mokgweetsi Eric Keabetswe Masisi reveals the importance of the high-level annual event and details the strong relationship between the US and Botswana

In December last year, the President of Botswana, Mokgweetsi Eric Keabetswe Masisi, joined 48 other leaders from African states in Washington, DC for the US-Africa Business Summit. The three-day event provided attendees with the opportunity to discuss trade and investment opportunities with some of America's leading figures in the world of politics and business, including US President Joe Biden.

An event of huge importance for the entire continent of Africa, the summit saw President Biden commit to investing \$55 billion over the next three years toward a multitude of projects, with one specific area of focus being the development of renewable energy sources. This struck a particular chord with President Masisi as Botswana has committed to having renewable energy make up at least 30% of its energy mix by 2030.

"It was inevitable for the US to reconsider its approach towards Africa and prioritize it and there was great excitement when we attended the summit," states Masisi. "Politically, Botswana has long been an ally of the US and we share common values and have engaged in numerous deals together. Notably, the US is the largest market globally for our most valuable export: diamonds.

"During the summit, we also focused on the concept of incorporating green practices into our economies and we highlighted the abundance of resources in Africa that could facilitate this transition. A portion of the \$55 billion investment will be allocated to address areas such as green hydrogen and battery production for electric vehicles. In Botswana, our competitive advantage lies in the solar energy sector, particularly the conversion of sunlight into energy, given our substantial potential in this regard. We are eager to deepen our engagement with the US government, tap into available resources, and collaborate with both the US government and private sector in realizing our goals."

Creating new relationships

Building on the success of the discussions in Washington, DC, Botswana was successfully chosen by the Corporate Council on Africa to host the US-Africa Business Summit earlier this year. Held in the capital of Gaborone, the four-day event brought together government and private-sector decision-makers for a series of panel discussions and round tables.



More than 1,400 officials, executives and investors attended the summit in Gaborone



Mokgweetsi Eric Keabetswe Masisi
President of Botswana

This event not only provided Botswana with the opportunity to outline its vision for the future but also showcase its unique offering, as Masisi explains: "We have a lot more to offer the US and I envision growth across various areas. We also want to be recognised for our pristine ecosystem, especially in the Okavango Delta, which is a prime destination for investment and tourism.

"Experiencing the wonders of nature and becoming one with it is truly awe-inspiring. That is why we have dedicated 40% of our land mass to conservation, an unprecedented commitment by our citizens, for the betterment of the global community. This helps us preserve the ecosystem and maintain our low-volume, high-value tourism strategy."

The summit in Gaborone also provided the government with the opportunity to showcase the incredible work being done within the mineral sector, which has been an invaluable contributor to the national economy for the past five decades.

Within this sector, diamonds have been the leading component and Botswana has enjoyed a fruitful relationship with De Beers for more than 50 years. However, a new agreement with the British corporation will see the country increase the share of rough stones it mines over the next decade to 50% in a bid to move into the midstream of the business where diamonds are cut and polished.

"I envision a brilliant future for our mineral sector," says Masisi. "We want to leverage the changes to our deal with De Beers to ensure that when a buyer purchases a diamond, they can be assured that the revenue generated from that sale will be used to build infrastructure or purchase life-saving medication in Botswana.

"We are committed to ensuring that our diamonds will always contribute to development, and this development extends beyond our borders. These resources are finite, which is why we need to transform their value swiftly and efficiently into sustainable human capital. We are prepared and ready."

An invaluable partnership

The recent US-Africa Business Summit in Botswana was deemed a roaring success

Held in the capital of Gaborone, the recent US-Africa Business Summit saw more than 1,400 private sector decision-makers and senior government officials congregate in Botswana for four days to strengthen trade, investment and business relationships between the US and Africa.

A historic moment for Botswana, it was the first time the African country had held a private sector conference since gaining independence in 1966. Speaking ahead of the event, President Mokgweetsi Eric Keabetswe Masisi, spoke of the importance of strengthening relations with the US and explained why Botswana was the perfect destination for the summit.

"We have been greatly inspired by the apparent shift in American policy and disposition towards Africa. The US now engages in conversations with us and values us as partners," says Masisi. "Regarding this positive shift, we seized the opportunity to host the 15th US-Africa Business Summit in Botswana.

"There are several reasons why Botswana is the perfect place to host the summit. Firstly, we boast the longest-running seamless multi-party democracy in Africa and we have sustained exceptional stability in the region for an extended period. Furthermore, we have a deep commitment to empowering and protecting private sector rights."

The summit itself was hosted by the government of Botswana and the Corporate Council on Africa (CCA), a trade association that is solely focused on developing the economic relationship between the US and its African part-

ners across the continent. Established in 1993, it is currently led by President & CEO, Florie Liser, who deemed the event a huge success and praised Botswana for being a shining example of using its natural resources to benefit its people.

"Botswana has done an incredible job with its natural resources and is still one of the few countries that I know where university education is paid for by the government, which is truly phenomenal," states Liser. "They've also invested in infrastructure, are known for having financial stability and use their finances in responsible ways, much to the benefit of their people.

FLORIE LISER
PRESIDENT & CEO
CORPORATE COUNCIL ON AFRICA

"We're definitely looking forward to hearing more about what was achieved in Botswana."

"In regard to the summit, the board of directors were just so impressed with the delivery of the event, especially the wonderful hospitality of Botswana people. We were really pleased with the partnership we have with the government and I loved working with them."

Strengthening ties

In the past three years, the US government has closed more than 900 deals valued at \$22 bil-



Florie Liser speaking at the US-Africa Business Summit in Botswana

lion across 47 African countries in trade and investment. This remarkable figure demonstrates the success of the work being carried out by the CCA and the hope is that more good news will emerge from the summit in Botswana. Especially as it provided many attendees with the opportunity to reconnect just seven months after the US-Africa Leader Summit was held in Washington, DC.

"The fact that we were able to host the summit and bring back many of the same decision-makers to look back over the last seven months and reflect on what has been achieved and what more could be done, that was a major accomplishment," enthuses Liser.

"We're definitely looking forward to hearing more about what was achieved in Botswana, but the key was that we were able to continue the dialogue and ensure that the relationship between the US and Africa continues to grow.

"There are certain things that we can be extremely proud of. For example, there have been at least six US Cabinet officials who have traveled to Africa since last December, including Vice President Kamala Harris. President Joe Biden has also promised that he will visit the

continent later this year and we hope to host a private sector round table with him and other officials from the US and across Africa."

Liser is also hopeful that following the conclusion of the summit more African nations will be able to follow the example of Botswana by receiving greater value for its natural resources. She adds: "The theme of the summit was about enhancing Africa's value in global value chains as despite all of the tremendous resources in Africa, the continent accounts for less than 3% of world trade.

"It's really critical now that we're looking at opportunities to partner with African nations to do more of the value addition. Botswana is a great example as they have partnered with De Beers for many years and there have been many mutual benefits on both sides.

"While traditionally Botswana has exported most of its raw diamonds to other places where they are cut and polished, they now have plans to do more of the beneficiation of their diamonds which will therefore see them getting more of the benefits that would have been lost further up the value chain. This is a great example for other African nations."

TOP FIVE REASONS TO INVEST IN BOTSWANA



Gateway to the region between South Africa, Namibia, Zimbabwe and Zambia



11.8% GDP growth in 2021 — the highest in Sub-Saharan Africa



The government aims to achieve high-income status by 2036



Moody's credit rating outlook moved from negative to stable in 2021



Botswana ranked 35th on the Transparency International Corruption Perceptions Index



Botswana was the world's second-largest producer of diamonds in 2022



The mining industry has dominated the national economy

A bold new vision for the mineral sector

A strategic shift will see Botswana expand its diamond operations to capitalize on the high-end jewelry and retail sector

In the following interview, Botswana's Minister of Minerals and Energy, Lefoko Moagi, explains how the southern African nation has become an attractive mining destination for investors and why there is a growing focus on creating homegrown industries around the lucrative diamond business.

What are some of the key factors that have kept Botswana's economic growth on a solid journey and how important has the mineral sector become?

Since our independence, Botswana has enacted legislation that declares all mineral resources found in the country as the property of the state. This means that these resources are utilized for national development.

In the past, Botswana was primarily reliant on agriculture as a source of income, but the discovery of minerals, particularly diamonds, has played a crucial role in transforming our economy. Historically, we focused mainly on the upstream side of the mining business, which involves mining, processing and exporting rough materials.

However, President Mokgweetsi Masisi's vision has been to ensure that beneficiation becomes an integral part of our economic development. This means adding value at every stage of the mining process.

Consequently, we have expanded our operations to include midstream activities such as cutting and polishing diamonds, as well as

Lefoko Moagi
Minister of Minerals and Energy

downstream processes involving jewelry manufacturing and retail. This strategic shift is driven by the realization that the rough diamond business is worth around \$15 billion, while the downstream segment, comprising high-end jewelry and retail, reaches close to \$100 billion.

How do you aim to participate further in this lucrative market?

In order to achieve our goals, we are seeking partners that share our vision of establishing diamond cutting, polishing, jewelry making

and retail industries in Botswana. We also rely on financial institutions to provide the necessary capital for these ventures. Botswana boasts a highly skilled workforce and we have made significant progress in acquiring the required expertise for downstream processes, allowing us to establish these businesses locally.

To incentivize local processing, we have addressed the import duties imposed on our rough diamonds when exported to certain countries. By processing the diamonds in Botswana, these duties can be avoided, providing a shared win situation for all parties involved. Our mineral development plans also extend beyond diamonds to encompass coal, copper, manganese and battery minerals. We aim to process battery minerals locally to facilitate the production of electric vehicle batteries, thereby creating industries that address high unemployment rates while supporting our vision for economic growth.

Do you think that greater collaboration between the US and Botswana will lead to further endeavours in coal mining?

We have recently conducted roadshows in the US, as well as in England, China and across the Middle East. The purpose of these roadshows is to explore the potential benefits of coal utilization.

As part of our commitment to maximizing the value of our natural resources, we are considering various avenues for extracting value from coal. For instance, we are exploring the production of petroleum products from coal, which can offer significant advantages considering the current tensions affecting the supply of fertilizers.

In addition to petroleum, coal can also serve as a source for fertilizer production and other smaller-volume chains of products. Our aim is to tap into these opportunities and attract investor partners who can contribute

their expertise and resources to unlock the full potential of coal. We are open to partnerships with entities from the US, with a focus on the petroleum aspect, as well as collaboration with China in the fertilizer sector.

Alternatively, we are open to exploring partnerships that involve a combination of expertise and resources from different countries. By pursuing these avenues, we are demonstrating our commitment to maximizing the value of our coal resources and diversifying the range of products derived from them.

What are your top priorities when it comes to the mining and mineral sector?

Through the enactment of favorable legislation and incentives, we have positioned Botswana as an attractive mining destination for investors. We have successfully opened several copper and diamond mines, including transitioning to underground diamond mining from open-pit operations. Additionally, we have reopened previously closed mines such as the Selibe and Selibe North mines, through the company, Premium Nickel Resources.

We also encourage small-scale mining operations, particularly by our citizens. We believe that Botswana has acquired the necessary skills and expertise to run these mines. While we value foreign investors, we strive to maximize the involvement of Botswana's citizens to drive economic empowerment. In one instance, by transitioning to local operations, we saved over \$259 million, which facilitated further citizen empowerment initiatives.

The focus on critical minerals highlights the significance of these resources. However, it is essential to anticipate that in the future, concerns may arise regarding the environmental impact caused by their extraction. Therefore, we must approach mining responsibly, considering environmental factors, social considerations and adherence to governance protocols.



Botswana is exploring the potential of solar energy

ronmental activism that hinder mineral exploitation, Botswana remains open for investment. While we have strict laws and a rigorous impact assessment process that considers both the environment and minerals, we strive to find the right balance. If the environment takes precedence, mining operations will not proceed in that area," states Moagi.

"This approach creates opportunities for investors, not only in mining but also in the energy sector. Botswana has abundant solar radiation, making it favorable for renewable energy development. We are exploring solar and wind energy options to create a hybrid energy generation system. The availability of reliable power in specific mining areas is crucial as it reduces costs and supports mining investments.

"To illustrate, we supported a copper mining project in the northwest of the country that initially faced high costs due to diesel-powered mining. As a government, we expedited the grid connection to the mine, resolving their power issues and improving cost-effectiveness."

The future of the energy sector

Botswana has already begun to explore the possibility of solar power and in September of last year, the state-owned Botswana Power Corporation awarded one of Norway's leading renewable energy firms, Scatec ACA, a contract to build a 50-megawatt solar plant. The country also invited bids last year from independent power producers to build another 200-megawatt solar plant which they hope to be functional by 2027.

Botswana also introduced a rooftop solar programme in 2020 that allows citizens and companies to generate their own power and sell any excess back to the grid. Now there is a growing hope that the country could even become an exporter of clean energy throughout Africa.

"First and foremost, our priority is to ensure energy self-sufficiency in the country and even become a net exporter of energy to the region,"

states Moagi. "Energy is the lifeblood of our economy, enabling the functioning of industries, mines and businesses. Without sufficient energy, everything comes to a halt, as we have witnessed in neighboring countries.

"To achieve this, we are accelerating the implementation of various energy projects. We have invited independent power producers to participate, allowing them to quickly establish power generation facilities. We have already awarded several solar and coal projects, recognizing their significance in powering our economy.

"Fuel is another critical aspect we focus on. As a land-linked country, we heavily rely on external refineries for fuel supply. To enhance fuel security, we are advancing the coal-to-liquids project to produce fuel domestically. Moreover, we establish alliances with other countries to ensure efficient fuel delivery through pipelines and alternative routes.

"This approach not only impacts the economy but also supports other sectors such as agriculture. We recognize that farmers heavily rely on diesel, and by ensuring fuel sufficiency, we contribute to food security within the country. In addition to these key initiatives, we pursue various other projects, such as biodiesel and biogas, which reduce costs, promote sustainability and provide energy solutions for institutions, farms and remote areas. Our ministry is dedicated to advancing these initiatives to ensure Botswana's widespread access to energy, off-grid solutions, and associated benefits, ultimately improving the lives of our citizens."

Moagi and his ministry are also acutely aware of the need to consider the entire value chain when it comes to renewables, and not just the end product.

He concludes: "Furthermore, it is crucial to recognize that every energy source has dependencies and impacts throughout its lifecycle. It is not as simple as saying, 'Here is a solar panel, use it.' We must understand the processes and resources involved in reaching that point."

Botswana's diamond industry is in safe hands

Okavango Diamond Company plans to diversify its business model after a new multi-year deal with De Beers was announced

Ever since large-scale diamond production began in 1972, the mining industry in Botswana has dominated the national economy and now accounts for around 85% of the country's foreign earnings. The world's second-largest producer of diamonds in 2022, one of the key players in the thriving industry is Okavango Diamond Company (ODC).

The diamond marketing company, which is wholly owned by the government, was founded in 2013 when a landmark 10-year deal with De Beers saw aggregation and sales moving from London to Gaborone in Botswana. As part of the agreement, ODC initially had a share of 10% of the rough diamonds mined by Debswana — a mining company operated jointly by De Beers and the government, and the world's leading producer of diamonds by value.

That share has increased to 25% over the last decade as Botswana continues to transform itself from simply being a producer of rough diamonds to taking more of an active role in the broader industry. It now participates in activities such as trading, polishing and cutting, as well as support services such as transport and diamond banking.

As this transition continues to gather pace, ODC is playing a vital role, as Mmetla Masire, Managing Director of Okavango Diamond Company, explains: "Over the past 10 years we have successfully demonstrated our competence to effectively manage and sell diamonds. Sales in our initial year reached around \$94

Mmetla Masire
Managing Director, Okavango Diamond Company

million and we are now achieving annual revenue of \$1 billion. This significant growth has allowed us to now focus on how we can expand.

"While all goods were previously sold exclusively through De Beers, our presence means Botswana now has an additional avenue to sell its diamonds through. This diversification helps mitigate risks, as we can step in to purchase diamonds if De Beers decides not to buy. Consequently, the sales strength is distributed across multiple channels.

"While our focus remains within the diamond industry, we are expanding our oper-

Investing in the future of the mining sector

Minerals Development Company Botswana is conducting research into mineral resources that could provide a new revenue stream

A country rich in mineral resources, Botswana's strong economic performance in recent decades has largely been down to diamond mining. With 80% of export earnings coming from the diamond industry, it has allowed the government to invest in infrastructure and significantly improve the quality of life for its citizens.

While large-scale diamond production will continue to dominate the economy, the government has always taken a proactive stance when it comes to exploring revenue streams from the country's other mineral resources, such as coal, copper and nickel. That is why in 2015 the state-owned Minerals Development Company Botswana (MDCB) came into existence.

Charged with enhancing and expanding the government's revenue in the mining sector, with a focus on diversifying mineral revenues beyond diamonds, MDCB aims to become a globally competitive investment company that can significantly contribute to Botswana's financial security. The company currently has a 15% stake in De Beers and wholly owns Morupule Coal Mine.

"Morupule has substantially increased its revenue by expanding its production and sales capacity from 2.8 million tonnes per annum to 4.2 million through the establishment of a surface mining and coal processing plant that significantly contributes to Botswana's regional markets. As a parent company, MDCB has backed this development, which does not only support the regional industry, but diversifies Morupule's revenue streams as well

Matome Malema
CEO, Minerals Development Company Botswana

as enable the mine to contribute significantly to local communities," explains Matome Malema, CEO of MDCB.

"Furthermore, we have invested significantly in research and development to gain market intelligence on green minerals, including manganese, lithium, copper, cobalt and others. We aim to acquire the necessary information to inform our decision-making and ensure the beneficiation of these minerals within Botswana.

"As part of this effort, we are currently conducting due diligence on a key manganese project near Gaborone, which we believe has huge

potential to attract investment and create a new pathway in the development of batteries and alternative energy."

MDCB is also searching for ways to broaden its mining investments, with the company carefully analyzing the opportunities available in critical minerals, rare earth metals and other commodities.

"Botswana has been proactive in addressing climate change through its long-standing climate policy. We recognize the environmental impact of coal and other fossil fuels. However, our approach is to maximize the value we extract from our coal resources while transitioning towards green energy. This is a key strategy for MDCB, which is actively focusing on battery minerals as part of this effort," reveals Malema.

"Our current contribution to climate change is relatively small, but we acknowledge that climate change affects everyone globally. Therefore, it is essential for us to do our part and contribute responsibly."

Another major function of the MDCB is to provide the government with commercial and technical advisory services. In this capacity, it has helped to guide Botswana's move to diversify its operations in the diamond industry.

"As the largest contributor to diamond revenue worldwide, Botswana needs to adapt to the changing times. To promote value chain development, we must expand our presence in the midstream and downstream sectors," states Malema. "Our focus on these endeavors stems from our commitment to developing a sustainable Botswana for future generations.

"In all our contracts, partnerships and subsidiaries such as with Morupule Coal Mine, citizen economic empowerment is a critical aspect of how business is conducted. We firmly believe that any company we engage with must prioritize the empowerment of our citizens. This commitment is a crucial aspect of our country's development."

MUST KNOW FACTS ABOUT MINERALS DEVELOPMENT COMPANY BOTSWANA

75% of Botswana's land mass remains unexplored in terms of mineral potential

212 billion tonnes — Botswana's estimated coal reserves

30 trillion cubic feet — Botswana's estimated available coal-bed methane resources

More than **30%** of government revenue comes from mining

Mining activity encompasses around **20%** of local employment

An industry leader with exciting growth plans

Diamond Trading Company Botswana hopes to significantly expand operations by working with international mining companies

From the moment that geologists first discovered diamonds in Botswana, the country's diamond industry has become one of Africa's biggest economic success stories. And one of the companies that has a major role to play in this thriving sector is Diamond Trading Company Botswana (DTC Botswana), a 50/50 joint venture between the government and De Beers Group.

The largest and most sophisticated rough diamond sorting and valuing operation in the world, the company has the capacity to sort 45 million carats a year. It then sells them to Okavango Diamond Company and De Beers.

Currently, all of the diamonds are sourced from Debswana Diamond Company, the world's leading producer of diamonds by value, but there are plans to significantly expand operations by working with other mining companies.

"We are currently negotiating with another producer of diamonds and if all goes well, we will start working with them by the end of this year or early next year," reveals Sedireng Serumola, Managing Director, DTC Botswana.

"Ultimately, our vision is to be able to source diamonds coming from other countries in sub-Saharan Africa and the international market. Our facilities have excess capacity when it comes to diamond sorting technology and the requisite sorting and valuation skills."

In addition to expanding its operations, DTC Botswana aims to become an industry leader through a number of intriguing develop-

Sedireng Serumola
Managing Director, DTC Botswana

ment projects. One of the most exciting to date was the launch of the DTC Botswana Diamond Academy, a technical training establishment that also provides a holistic knowledge of the diamond industry.

"We have an important role to play in society which includes facilitating skills development and playing an active role in socio-economic development. Botswana is one of the top diamond-producing countries in the world. Critical to diamond production is value-chain growth and diamond beneficiation in Botswana is a national priority," states Serumola.

"There has been a question about where people can learn the basics of diamond sorting and valuation and the answer is at our fully-fledged academy. We have made it accessible to other industry players which will help us deliver skills development across the diamond sector."

Dedicated to creating a vibrant, sustainable and profitable downstream diamond industry in Botswana, DTC Botswana also takes an active role in helping local communities in Botswana. This has included donating ICT gadgets such as tablets, robotics kits and drones to numerous schools, as well as sponsoring grassroots football initiatives.

"Through our social impact commitment, we have undertaken several initiatives to support the community, such as sponsoring women's football in Botswana, which has traditionally struggled for backing," says Serumola. "In fact, as a result of the sponsorship, some of these women are having trials outside Botswana.

"We're also looking at education, which is hugely important for us. We have sponsored science, technology, engineering and mathematics initiatives as we want to give people the opportunity to get into these areas and further develop the country."

Sustainability is another area that has come into focus with the government assessing ways in which it can cut down its carbon footprint. This has led to DTC Botswana investigating ways it can introduce sustainable methods in-house, as Serumola explains: "We have already installed solar PV panels on the roofs of our car park, along walkways and on top of our building. This allows us to operate our business off the national grid, therefore contributing significantly to carbon neutrality.

"Our vision is to be able to extend this to the wider community, targeting rural communities and providing them with solar connectivity, thus enabling them to undertake various economic activities that can transform their lives sustainably."

MUST KNOW FACTS ABOUT OKAVANGO DIAMOND COMPANY

\$1 billion in annual sales

10 spot auctions per year for the sale of diamonds

Access to **25%** of Botswana's run-of-mine diamond production

100% of diamonds are sourced from Debswana Diamond Company

ODC was founded in **2013**

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MUST KNOW FACTS ABOUT DTC BOTSWANA

50:50 joint venture between the government and global diamond giant De Beers

Around **450** jobs directly supported by the company

DTC Botswana Diamond Academy established in February 2006 to upskill local talent

Nearly **90%** of foreign exchange earnings come from Botswana's diamond industry

World's largest rough diamond sorting and valuing facility



The stunning Okavango Delta is home to a variety of wildlife

Unveiling a new tourism strategy

Botswana aims to become a leader in the MICE industry and explore avenues such as agritourism

Ever since the 1990s when Botswana's tourism industry began to take shape, visitors have flocked to the country to explore the cinematic landscapes and marvel at the variety of wildlife. Home to vast expanses of protected spaces where animals can roam free, the African nation leads the way in low-volume but high-value safari tourism.

Central Kalahari Game Reserve, the second-largest game reserve in the world, has become hugely popular with those looking for photographic safaris. Similarly, the Okavango Delta has become a significant draw, with the UNESCO World Heritage Site presenting a shimmering maze of lagoons and islands that provide breathtaking beauty and the opportunity to see native wildlife.

While tourism continues to be a major contributor to the national economy, accounting for close to 10% of GDP, the government is committed to growing the sector further in the years ahead and believe that Botswana can excel in sustainable tourism and become a leader for the MICE industry in Africa.

"We have recently concluded a new tourism strategy, which aims to offer a diverse range of opportunities for individuals to engage in the tourism sector," reveals Philda Kereng, Minister of Environment and Tourism. "As part of our diversification efforts, we have introduced agritourism, which involves integrating wildlife within farming entities. This allows farmers to raise or keep wild animals alongside their livestock. Guests staying on farms can also participate in cultural activities, reflecting our tradi-



Philda Kereng
Minister of Environment and Tourism

tional community gathering practices.

"We are also developing a strategy for the MICE sector as we aim to position Botswana as a leading destination for business and leisure activities. This involves collaborating with companies in across a variety of sectors, thus fostering robust value chains within the MICE framework."

Kereng adds: "We require a sufficient number of hotel rooms of varying standards and conferencing facilities capable of accommodating over a thousand delegates. Although we currently lack such facilities, we are actively working on improving our existing infrastructure."

Choppies targets further growth

Botswana's largest supermarket chain aims to replicate its success in other countries

Having opened its first shop in 1986 in the town of Lobatse, Choppies has grown substantially to become the largest supermarket chain in Botswana and now has more than 180 stores across four countries as well as distribution centres in South Africa and Zimbabwe.

From humble beginnings, the company has become the largest retailer and private-sector employer in the country, with its operations spanning Botswana, Zimbabwe, Zambia and Namibia. Last year it registered a 10% rise in year-on-year group sales and entered into new partnerships that will continue to drive the business forward in the years ahead.

"We recently entered into a partnership with a downstream petroleum company, wherein we will oversee the management of convenience retail stores across all their outlets. This collaboration will expand our reach to an additional 40 to 80 outlets. Over the next few years, we aim to further expand this approach in Botswana, Namibia, Zimbabwe and Zambia, states Ramachandran Ottapathu, the founder of Choppies.

Another recent deal saw Choppies acquire a 76% stake in Kamoso Africa, one of South Africa's leading manufacturing, supply and distribution companies. "This partnership grants us significant market access, particularly in the commodities sector since Choppies engages in extensive commodity trading. As a result, this synergy is expected to generate increased revenue and profitability for our company," says Ottapathu. "Additionally, this collaboration enables us to better serve the farming community as both our company and Kamoso procure a substantial amount of produce directly from farmers, maintaining strong links with them throughout the country."

Utilizing the latest technology

As Choppies continues to grow, there is an increased need to create a more advanced digital structure throughout the business. In order to achieve this, Ottapathu hopes to be able to leverage the support of companies in the US who are willing to invest in Botswana.

"The US represents a market where cutting-edge technology and advanced financial systems were implemented from the outset," says Ottapathu. "To illustrate this, let's consider an example: if we were able to partner with a top-tier company that provides financial services, we could bring banking access to every citizen of our country through the Choppies outlets' till points. These are the kinds of oppor-



Ramachandran Ottapathu
Founder, Choppies

tunities that hold tremendous potential.

"We are already actively collaborating with a US company to introduce a blockchain technology app for farmers. By leveraging US technology, company processes and intellectual property, we can propel our country to the next level of growth. Certainly in the next three to five years, our goal is to become a paperless and contactless retailer. To achieve this, we recognize the importance of leveraging US technology and systems.

"We want to adopt a digital approach that will streamline our operations and facilitate access to the international finance market."

Leveling up local talent

One of the biggest success stories in Botswana, Choppies continues to be the largest employer in the country and has always strived to create a knowledgeable and talented workforce.

With more than 10,000 employees, the company has long recognized the need to provide ample training, thus ensuring that talent remains within the business. And Ottapathu stresses that this approach will continue to be a priority in the years ahead.

"We have always prioritized training our workforce and there is ample talent for middle and lower management positions," he says. "The population is generally well-educated, and with a solid foundation in basic education, individuals can be effectively trained.

"Looking ahead to the next decade, the rapid development in technologies such as AI will challenge the relevance of traditional degrees

Leading the way

Absa Bank Botswana is reaping the rewards from fully embracing the digital revolution

Part of the Absa Group Limited, one of Africa's largest financial service companies, Absa Bank Botswana has expanded rapidly within the country and now boasts more than 1,100 employees across 32 branches. The bank has also recorded impressive financial results in recent years, including a rise of 33% in annual profits before tax in 2022.

Committed to developing solutions to deal with the ever-growing needs of its customer base, the bank has fully embraced the digital revolution and introduced a host of new technologies and initiatives — including the opening of digital suites in six branches in 2022 — as it continues to increase the level of digitization.

"Our digital transformation has been particularly impressive in recent years as we have rolled out numerous customer-focused digital solutions," reveals Keabetswe Pheko-Moshagane, Managing Director, Absa Bank Botswana.

"Most recently we launched the Absa Mobi Tap solution that allows merchants to accept payments from customers by simply tapping their contactless cards on NFC-enabled android devices. We are the first bank in the country to provide such an innovative solution.

"We have also enhanced our offering with credit cards by introducing buy now, pay later functionality which allows customers to better manage their payments. We take great pride in the fact that we have a wide range of technologies, from digital payment methods to mobile

**KEABETSWE PHEKO-MOSHAGANE
MANAGING DIRECTOR
ABSA BANK BOTSWANA**

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The bank has also taken measures to address a challenge that affects the entire financial services industry in Botswana, which is the relatively small talent pool available within the country. In order to develop the next generation of talent within the banking industry, Absa Bank Botswana has partnered with the Ministry of Entrepreneurship and has launched a ReadytoWork program.

"While certain skills still remain scarce in the market, we are looking at options to fill these gaps. We have a number of training programs, including ReadytoWork, which has provided skills development to around 10,000 young people throughout the country. The FG Modar Scholarship Fund has also enabled 76 students to pursue a master's degree," explains Pheko-Moshagane.

"Education and skills development contin-



Keabetswe Pheko-Moshagane
Managing Director, Absa Bank Botswana

ues to be a priority and a lot of effort is put into developing human capital. As a sector, we have a member-owned organization called the Botswana Institute of Banking and Finance whose sole mandate is to train and develop skills within the banking sector. We also have a number of universities and colleges that offer courses and degree programs that are relevant to the banking industry."

Another area that has come into sharp focus for the bank is the country's ambitious and important green goals. Botswana aims to cut its carbon emissions by 15% by 2030 (from 2010 levels), which involves industry-wide participation. To help achieve this, Absa Bank Botswana has partnered with the Botswana Academy of Scientists and the Botswana Institute for Technology, Research and Innovation — two organizations with a focus on environmental issues.

The company also collaborated with strategic partners to plant more than 2,000 trees in 2022 and is actively seeking to join forces with businesses that are pushing green initiatives.

Pheko-Moshagane adds: "We have already started to offer solutions and financial support to companies that recognize the challenges before us. As an example, we have partnered with some clients who are involved in the installation of solar streetlights in an effort to drive the use of renewable energy. Furthermore, we have made significant steps in managing electricity and water usage in offices across the country."

Driving the company forward for the betterment of the country is hugely important for Pheko-Moshagane, which is why Absa Bank Botswana has outlined an inclusive banking agenda. However, she believes more can be done by the entire financial sector. She concludes: "We need to provide access to all Botswana who require banking services, especially the youth, women and disadvantaged people in society."



There are more than 180 Choppies stores in southern Africa

and post-graduate qualifications.

"Instead, the focus should be on equipping individuals with the skills required for specific job roles. Thus, it becomes essential to prepare people for the workforce rather than solely emphasizing the accumulation of numerous degrees and doctorates.

"Considering this perspective, the country possesses a population with a solid base of basic education, good-quality education, and a high rate of graduation. The key lies in identifying

**RAMACHANDRAN OTTAPATHU
FOUNDER, CHOPPIES**

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and nurturing these graduates, and providing them with the necessary training to meet industry demands. In this regard, the country can be regarded as having the best resources in the region.

"We take pride in having a significant number of skilled individuals within our organization, making us a major contributor to the country's skilled workforce. We are committed to their ongoing development across all sectors in which Choppies operates."

Vision for the future

Choppies has already come a long way since the first store was opened some 37 years ago. There has been remarkable growth in the past two decades in particular, especially in Botswana's most densely populated districts.

Far from resting on their laurels and being content with what they have achieved, Ottapathu and his fellow board of directors are determined to forge ahead. In addition to opening new stores, there are plans to explore the possibility of becoming a fintech supermarket.

"Our primary goal is to transform our company into a technology-driven enterprise. We envision becoming a retail tech company or even a fintech company. This transformation journey is our utmost priority and ambition," outlines Ottapathu. "In terms of technology in retail, we envision a significant transformation. Our aim is to operate as a paperless and contactless retail establishment.

"We have also achieved remarkable success in adding value to Botswana's society. Now, our objective is to replicate this success in the other countries where we operate. There is a huge opportunity in Zambia and Namibia as we are expanding at a very high rate in both of those countries. In the next two or three years, once we develop those markets to full capacity, we will look at other countries in the region as well.

"Finally, it is crucial for us to introduce the concept of a living wage measurement within our sector before my retirement. This initiative will help to ensure fair compensation for our employees."