



LOCAL MANUFACTURING SUMMIT 2024

 (+267) 391 4685
 summit@bcm.org.bw

 LOCAL SUMMIT 2024
MANUFACTURING
6th - 7th AUGUST 2024 AT THE GICC

 Botswana
Chamber
of Mines

*Dumelang
Bagaetsho!*



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GLOSSARY

OF TERMS

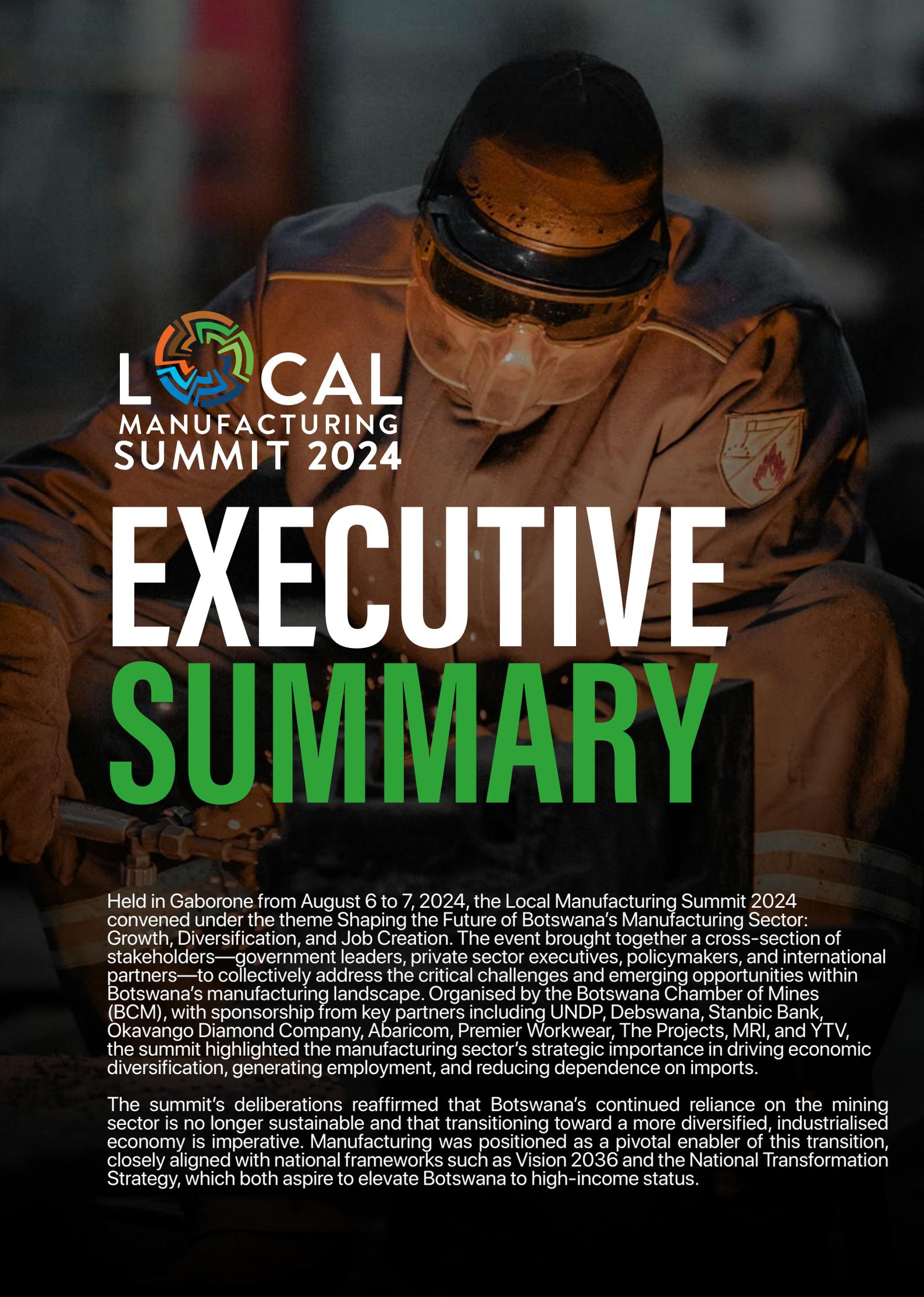
- AGOA African Growth and Opportunity Act
- AfCFTA African Continental Free Trade Area
- BCM Botswana Chamber of Mines
- BITC Botswana Investment and Trade Centre
- BMC Botswana Meat Commission
- BOBS Botswana Bureau of Standards
- BNPC Botswana National Productivity Centre
- BQA Botswana Qualifications Authority
- BPC Botswana Power Corporation
- BURS Botswana Unified Revenue Service
- CEEP Citizen Economic Empowerment Program
- COM BDF Chamber of Mines Business Development Forum
- DRC Democratic Republic of Congo
- DSM Decision Support Model
- EIA Environmental Impact Assessment
- EU European Union
- FMD Foot-and-Mouth Disease
- FSC Forest Stewardship Council
- GNI Gross National Income
- HRDC Human Resource Development Council
- IP Intellectual Property
- IoT Internet of Things
- MADF Ministry of Agricultural Development and Food Security
- MTI Ministry of Trade and Industry
- NARDI National Agricultural Research and Development Institute
- NDP National Development Plan
- NPC National Planning Commission
- NTS National Transformation Strategy
- OEM Original Equipment Manufacturer
- ODC Okavango Diamond Company
- PPP Public-Private Partnership
- R&D Research and Development
- SACU Southern African Customs Union
- SADC Southern African Development Community
- SDGs Sustainable Development Goals
- SHE Safety, Health, and Environment
- SME Small and Medium-sized Enterprise
- SPV Special Purpose Vehicle
- TVET Technical and Vocational Education and Training
- UNDP United Nations Development Programme
- WBCG Walvis Bay Corridor Group



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LOCAL
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SUMMIT 2024

EXECUTIVE SUMMARY

Held in Gaborone from August 6 to 7, 2024, the Local Manufacturing Summit 2024 convened under the theme *Shaping the Future of Botswana's Manufacturing Sector: Growth, Diversification, and Job Creation*. The event brought together a cross-section of stakeholders—government leaders, private sector executives, policymakers, and international partners—to collectively address the critical challenges and emerging opportunities within Botswana's manufacturing landscape. Organised by the Botswana Chamber of Mines (BCM), with sponsorship from key partners including UNDP, Debswana, Stanbic Bank, Okavango Diamond Company, Abaricom, Premier Workwear, The Projects, MRI, and YTV, the summit highlighted the manufacturing sector's strategic importance in driving economic diversification, generating employment, and reducing dependence on imports.

The summit's deliberations reaffirmed that Botswana's continued reliance on the mining sector is no longer sustainable and that transitioning toward a more diversified, industrialised economy is imperative. Manufacturing was positioned as a pivotal enabler of this transition, closely aligned with national frameworks such as Vision 2036 and the National Transformation Strategy, which both aspire to elevate Botswana to high-income status.

Several key themes emerged from the discussions. Economic diversification remains a central policy imperative, and manufacturing was recognised as a viable engine for long-term growth. Collaboration between the public and private sectors was repeatedly emphasised to build a supportive manufacturing ecosystem with investor-friendly regulations, market access mechanisms, and coordinated supply chains. Innovation, particularly through integrating innovative technologies such as artificial intelligence, the Internet of Things, and 5G, was identified as a game-changer for productivity and sustainability. Skills development also featured prominently, with participants calling for urgent reforms in technical education and immigration policy to address the sector’s talent gaps. Infrastructure development—especially in energy, logistics, and digital services—was highlighted as a foundational requirement for enabling regional value-chain participation. Lastly, value addition or beneficiation in key sectors such as diamonds, soda ash, and beef was underscored as a pathway to job creation and greater economic returns.

The summit concluded with 20 actionable recommendations designed to transform the sector. These recommendations were structured according to their implementation timelines, beginning with immediate priorities and moving on to longer-term goals. In the short term (2024–2025), the summit called for the establishment of a centralised manufacturing data portal, the development of agro-industrial parks in Pitsane, Pandamatenga, and Masunga, and the fast-tracking of public-private partnerships to advance the Trans-Kalahari Railway. Other high-priority actions included immigration reform to attract critical skills, the rollout of mandatory six-month industry placements for TVET graduates, and the formation of a Botswana–Namibia beef export consortium. A pilot for innovative manufacturing technologies, a national “Buy Botswana” campaign, the launch of an export development fund for SMEs, and the designation of pre-approved industrial zones rounded out the near-term priorities.

Medium-term initiatives (2025–2027) focused on expanding circular economy projects, establishing a regional air cargo alliance with Ethiopian Airlines, and investing in local glass manufacturing using soda ash from Sua Pan. Further measures included the formation of a mining procurement consortium, the digitisation of export procedures, and the operationalisation of a remanufacturing hub serving the mining sector.

Longer-term goals (2027–2030) involved Botswana’s continued advocacy for the retention of favourable trade provisions under the U.S. African Growth and Opportunity Act (AGOA) and upgrading the Trans-Kalahari Railway to support bulk exports. Expanding the Okavango Diamond Company’s citizen-led trading program and aligning TVET curricula with industry needs also featured among the forward-looking objectives.

The summit concluded with a call to action: the proposed establishment of an Economic Development Board, to be chaired by His Excellency President Dr. Mokgweetsi Masisi, would serve as a central coordinating body, tasked with monitoring the implementation of recommendations and reporting progress every quarter.

“ Botswana’s continued reliance on the mining sector is no longer sustainable



The Local Manufacturing Summit 2024 Proceedings Report presents a clear and practical roadmap for industrial transformation. Through strategic investment, inclusive policy reform, and cross-sector collaboration, Botswana can unlock the full potential of its manufacturing sector and lay the foundation for a resilient, competitive, and high-value economy. This report serves as a vital resource for policymakers, investors, entrepreneurs, and development stakeholders committed to shaping the next chapter of Botswana’s economic evolution.





Introduction

Shaping the Future of Botswana's Manufacturing Sector: Growth, Diversification, and Job Creation.



Historically anchored by its mining sector, Botswana's economy now faces the imperative of diversification as finite mineral resources mature



Botswana Chamber of Mines

Botswana's Manufacturing
Diversification, and Job C



The Local Manufacturing Summit 2024, held in Gaborone from August 6th –7th, under the theme Shaping the Future of Botswana’s Manufacturing Sector: Growth, Diversification, and Job Creation, captured a wealth of critical discussions, actionable insights, and forward-looking strategies.

Hosted by the Botswana Chamber of Mines (BCM) in partnership with sponsors such as Debswana, UNDP, and Stanbic Bank, the summit convened a broad spectrum of stakeholders—including government officials, industry leaders, policymakers, and international partners—to confront the challenges and explore the opportunities in Botswana’s evolving manufacturing landscape.

Historically anchored by its mining sector, Botswana’s economy now faces the imperative of diversification as finite mineral resources mature. The summit positioned manufacturing as a vital engine for sustainable economic transformation, with the potential to drive job creation, reduce reliance on imports, and elevate Botswana’s standing in regional and global markets. These priorities align with national ambitions outlined in Vision 2036 and the National Transformation Strategy (NTS), which champion industrialisation and private-sector-led growth as pathways to high-income status.

This report offers a comprehensive overview of the summit’s proceedings, beginning with an executive summary and followed by detailed accounts of the two-day sessions.

- Day One explored the local and regional manufacturing context, competitive strategy development, and the enabling roles of infrastructure and skills development.
- Day Two focused on market access—local and export—value addition through resource beneficiation and the legal and regulatory frameworks necessary for industrial expansion.

Several key themes emerged throughout the summit:

- **Collaboration:** Strengthening synergies among the government, the private sector, and development partners to create a supportive manufacturing ecosystem.
- **Innovation:** Embracing emerging technologies — AI, IoT, and 5G—to enhance productivity and competitiveness.
- **Skills Development:** Bridging the talent gap through reforms in vocational training and revisiting immigration policies to attract scarce, high-demand skills.
- **Infrastructure:** Prioritising logistics, energy, and digital infrastructure investment to facilitate manufacturing growth and integration into regional value chains.
- **Beneficiation:** Advancing value addition in sectors such as diamonds and soda ash to capture greater economic returns and drive job creation.

The report also makes actionable recommendations, including establishing a centralised manufacturing data portal, developing agro-industrial parks, and accelerating key infrastructure projects such as the Trans-Kalahari Railway. To ensure coordinated implementation and accountability, the proposed Economic Development Board, chaired by His Excellency, President Dr. Mokgweetsi Masisi, will oversee these initiatives.

Botswana must harness manufacturing as a foundation for inclusive, sustainable growth at a pivotal economic trajectory. The Local Manufacturing Summit 2024 Proceedings Report is both a roadmap and a rallying call. It captures a collective commitment to transforming systemic challenges into strategic opportunities, laying the groundwork for a diversified, resilient, high-income economy.

This report is vital for policymakers, investors, entrepreneurs, and development actors determined to drive Botswana’s industrial revolution and secure a prosperous future for future generations.



Day 1 Synopsis



Day One of the summit commenced with an official opening ceremony officiated by His Excellency, President Dr. Mokgweetsi Masisi. Following the opening, the summit sessions began earnestly, focusing on two key subthemes: the local and regional manufacturing landscape and strategies for enhancing Botswana's manufacturing competitiveness. The day included presentations and panel discussions to draw insights and practical ideas from diverse experts and stakeholders. Below are the key actionable recommendations from the Day One deliberations. For monitoring, the proposed Economic Development Board, chaired by the President, will track progress quarterly.

Key Actionable Recommendations

- Establish a Centralised Manufacturing Data Portal by Q2 2025. The Botswana Chamber of Mines (BCM), in partnership with the Botswana Investment and Trade Centre (BITC), should develop a digital platform providing real-time product specifications, consumption data, and funding opportunities to assist manufacturers in securing full project financing.
- Launch Agro-Industrial Parks in Pitsane, Pandamatenga, and Masunga by Q3 2025. The Ministry of Agriculture, with support from UNDP and private investors, should create integrated agro-processing hubs featuring cold storage, logistics, and Rural Transformation Centres to aggregate smallholder produce.
- Fast-Track the Trans-Kalahari Railway via Public-Private Partnerships by Q4 2024. The Botswana Railways and Namibia's Walvis Bay Corridor Group should finalise agreements with shortlisted bidders to enhance regional trade routes and reduce logistics costs for bulk exports.
- Reform Immigration Policies for Critical Skills by Q1 2025 – The Ministry of Labour and Home Affairs should introduce a digitised, fast-tracked quota system for foreign skilled workers in priority sectors (e.g., engineering, automation).
- Mandate 6-month Industry Placements for TVET Graduates from the 2025 Academic Year. The Human Resource Development Council (HRDC) and Technical Colleges should legislate work-integrated learning (similar to Germany's dual-education model) to bridge the skills gap in manufacturing.
- Create a Botswana-Namibia Beef Export Consortium by Q2 2025. The Botswana Meat Commission (BMC) and Namibia's Meatco should collaborate to target EU markets by harmonising health standards and leveraging Namibia's FMD-free status.
- Adopt Smart Manufacturing Technologies (Pilot by Q1 2025). The Ministry of Trade should partner with the private sector (e.g., Debswana) to invest in 5G, AI, and IoT for remote mining operations and predictive maintenance, starting with high-impact sectors.
- Scale Circular Economy Models by Q4 2025. Champs Botswana and the Ministry of Environment should expand waste-to-energy plants (e.g., tyre pyrolysis) and advocate for OEM approval of recycled industrial oils.
- Launch a National "Buy Botswana" Campaign by Q1 2025. Business Botswana and the Ministry of Trade should encourage the procurement of locally made goods through tax incentives and public-sector mandates.
- Develop a SADC Air Cargo Alliance with Ethiopian Airlines by Q4 2025. The Botswana Investment and Trade Centre (BITC) should establish a Gaborone-Walvis Bay cargo route to reduce reliance on Johannesburg and boost perishable exports.





Welcome Remarks



▲ **Mr Neo Nwako**
President
Business Botswana

Mr Nwako welcomed the attendees, including His Excellency the President of Botswana, Dr. Mokgweetsi Eric Masisi, the Minister of Mineral Resources and Energy, the Minister of Trade, other government officials, ambassadors, the Chairman and CEO of the Botswana Chamber of Mines, industry leaders, and distinguished guests. He acknowledged their presence at the second Local Manufacturing Summit, recalling the President's promise to return if the event proved successful.

He emphasised the significant role of manufacturing in Botswana's economy, noting that some infant industries highlighted at the previous summit had become sustainable in the short to medium term due to manufacturers' dedication and accountability. However, he recognised ongoing challenges that required attention for long-term sustainability. He stressed that manufacturing was a long-term project needing time and support to achieve its goals.

The speaker reported that the Chamber of Mines and its members had supported numerous manufacturing projects, including a local initiative to produce earth-moving vehicles. Though this involved value addition rather than starting from scratch, it was commendable. He highlighted partnerships with institutions like the Botswana Investment and Trade Centre and development banks to grow the sector, including capacity building, financial access, and market support for local manufacturers.

While mining remained Botswana's economic backbone, he stressed the need for diversification, with manufacturing as a key catalyst for job creation. The Chamber had established the Business Development Forum (COM BDF) to leverage the purchasing power of the mining sector to attract investment and develop competitive local enterprises. However, he noted that many citizen enterprises under this program acted as

distributors for foreign manufacturers, which was unsustainable in the long run. Thus, the Chamber and its members were committed to strengthening local manufacturing through business planning, market engagement, and product certification.

The speaker underscored the importance of collaboration between the government, the private sector, and policymakers to create a conducive ecosystem for manufacturing. He highlighted the need for investor incentives, off-take agreements, and alignment between the public and private sectors to support locally made goods. He warned that the industry would stagnate without market access, risking collapse and missed employment opportunities. Off-take agreements, he explained, were crucial for start-ups, providing clarity on product specifications, demand, and quality requirements.

In conclusion, he expressed his honour in welcoming the President and guests, urging fruitful discussions that would lead to actionable steps for economic transformation in Botswana. He thanked everyone for their participation.



Key Messages

1. Manufacturing is Vital for Economic Diversification – The speaker emphasised that while mining remains Botswana's economic backbone, manufacturing is crucial for long-term growth, job creation, and reducing reliance on finite mineral resources.
2. Progress in Local Manufacturing, but Challenges Remain – Some nascent manufacturing industries have achieved short-to-medium-term sustainability due to dedicated efforts, but ongoing challenges necessitate strategic interventions to ensure long-term viability.
3. Collaboration is Essential for Sector Growth—Strong partnerships between government, the private sector, financial institutions, and policymakers are required to create a supportive ecosystem that includes investor incentives, off-take agreements, and market access for locally produced goods.
4. The Chamber of Mines is Actively Supporting Local Industry – Through initiatives like the Business Development Forum (COM BDF), the Chamber leverages mining sector demand to enhance local manufacturing, while recognising the need to progress beyond distribution roles to full-scale production for true sustainability.
5. Off-take Agreements and Market Access are Critical – Secured demand (through off-take agreements) is vital for manufacturing start-ups, as it provides stability, clarifies product specifications, and encourages investment in appropriate technologies—key factors for success in the sector.



Progress Update on Action Items from LMS23

Mr Charles Siwawa
Chief Executive Officer ►
Botswana Chamber of Mines

Mr. Siwawa outlined key outcomes from the 2023 Local Manufacturing Summit, focusing on progress and ongoing challenges. The following are key action points he discussed:

1. Funding and Project Viability - The summit proposed creating a centralised portal for product specifications and consumption data to help manufacturers secure full funding. The Botswana Chamber of Mines (BCM) was tasked with this initiative, and some progress had been made. The speaker stressed that underfunding manufacturing projects leads to failure, as partial funding creates gaps that start-ups cannot fill.

2. Quality Standards in Manufacturing - Quality assurance was highlighted as critical for market acceptance. The Botswana Bureau of Standards (BOBS) has been developing and verifying manufacturing standards. The speaker emphasised that substandard products would not survive in competitive markets.

3. Export Market Access — Due to Botswana's small domestic market, manufacturers must target regional and international markets, particularly under the African Continental Free Trade Agreement (AfCFTA). Discussions were ongoing to improve transport infrastructure, including rail and air freight, to facilitate exports beyond road-dependent logistics.

4. Resetting the Manufacturing Agenda — The focus should shift from import substitution to export-oriented manufacturing. Both public and private sectors need to prioritise the procurement of locally made goods, following the mining industry's example. The speaker noted that some Botswana-made products already exceeded international quality standards but needed broader market acceptance.

5. Value Creation and Job Growth—Manufacturing should retain capital within Botswana and generate employment. Since the last summit, 1,500 jobs have been created, with a target of 12,000 more in the next two years.

Additional Remarks:



A UNDP-Chamber of Mines partnership is developing a regional supply chain blueprint, starting with Zambia, to expand market access. A consultant has been commissioned to assess quality management and intellectual property (IP) protection, addressing concerns that local SMEs lacked proper trademark and copyright safeguards.





Local Manufacturing Summit: Partnership Outlook

Dr Balázs Horváth
Resident Representative
UNDP Botswana

Dr Horvath emphasised that the UNDP strongly supported job creation in Botswana. He said they firmly believed that a thriving private sector was essential for dynamic economic growth and sustainable employment, especially crucial given Botswana's high youth unemployment rate and the growing number of young people entering the workforce. The speaker outlined UNDP's initiatives, notably its Supplier Development Program, which spanned eight key sectors: mining, agro-processing, infrastructure, auto manufacturing, textiles, leather, health, and energy. The program targeted youth entrepreneurs through Youth Connect, ensuring that business owners benefited from sector-specific support.

Additionally, UNDP collaborated with Botswana's ministries of entrepreneurship and agriculture to develop two strategic plans: a five-year National Agro-Processing Strategy and a three-year National Leather Strategy. Both were set for launch in the third quarter of 2024. The speaker also highlighted the program's expansion into Zambia, where high-level exchanges between the two countries had strengthened cross-border supply chains. This initiative aligned with UNDP's global private sector strategy, prioritising value addition and value chain development as key drivers of a manufacturing-led economy. UNDP actively supported trade facilitation efforts, including the African Continental Free Trade Area (AfCFTA).

The organisation conducted awareness workshops in partnership with Botswana's Ministry of Trade and Investment to help local businesses leverage these trade agreements.

The speaker praised the long-standing partnership between UNDP and the Botswana Chamber of Mines (BCM), crediting BCM for its instrumental role in the Sustainable Private Sector Development

Project. Together, they had co-sponsored both the inaugural and second Local Manufacturing Summits. Looking ahead, UNDP and BCM were co-creating a collaborative action plan with other stakeholders to boost exports, enhance private sector competitiveness, and support government policy reforms for a more business-friendly trade and investment climate. In closing, the speaker thanked His Excellency and the Office of the President for their continued support of the summit. They emphasised the event's unique value in bringing together private sector leaders, bankers, government officials, and parastatals for candid discussions on economic diversification. These conversations, they noted, were vital for identifying solutions to strengthen Botswana's manufacturing sector, increase net exports, and create sustainable, well-paying jobs for the nation's future.



Key Messages



- 1. Private Sector Development as Key to Economic Growth** —The UNDP strongly believes Botswana's economic growth and job creation depend on a thriving private sector that addresses youth unemployment and integrates new workforce entrants.
- 2. Multi-Sector Support Through Development Programs** - UNDP's Supplier Development Program actively supports eight critical sectors (including mining, agro-processing and manufacturing) while targeting youth entrepreneurs through Youth Connect initiatives.
- 3. Strategic Policy Development and Regional Expansion** - UNDP is collaborating with Botswana's government to implement sector-specific strategies (Agro-Processing and Leather Strategies) while expanding programs regionally, notably through cross-border supply chain development with Zambia.
- 4. Trade Facilitation and Global Integration** - The organisation actively promotes Botswana's participation in continental trade agreements (particularly AfCFTA) through awareness workshops to strengthen the country's export capabilities and manufacturing competitiveness.
- 5. Public-Private Partnerships for Sustainable Development** —UNDP highlights its successful partnership with the Botswana Chamber of Mines as a model for collaborative action. The partnership combines policy advocacy, summit platforms, and joint projects to create a more conducive business environment for manufacturing-led growth.



The president, Dr Masisi, formally acknowledged all distinguished guests, including government ministers, foreign ambassadors, industry leaders, and representatives from key organisations like the UNDP and Botswana Chamber of Mines (BCM). He sincerely thanked BCM for their two decades of service to Botswana's mining sector and thanked them for the invitation to open the second Local Manufacturing Summit.

Reflecting on Botswana's economic journey, the speaker highlighted how mineral discoveries and sound fiscal management had transformed the nation from one of the world's poorest countries in 1966 to an upper-middle-income economy by 2007. However, he cautioned against complacency, noting recent economic slowdowns and persistent challenges, including poverty, inequality, unemployment, and an over-concentrated economic base, particularly affecting rural areas and youth populations. He stressed that addressing these issues required collective action from the government, private sector, civil society, and international partners through knowledge-driven diversification.

The speaker strongly endorsed the summit's theme – Shaping the Future of Botswana's Manufacturing Sector: Growth, Diversification and Job Creation – perfectly aligned with government objectives. He emphasised manufacturing's proven global economic growth engine, citing the Asian Tiger economies as models Botswana should emulate. By developing domestic manufacturing capabilities to serve both local markets (reducing import dependence) and export markets, he asserted Botswana could accelerate GDP growth, create quality jobs, and achieve its Vision 2036 goal of high-income status, contingent on sustaining 6% annual GDP growth. The central theme of the address was the critical need for productivity gains across all sectors. The speaker challenged every citizen, from industrialists to cleaners to diplomats, to maximise output, noting that Botswana's workforce must compensate those unable to contribute economically. He particularly urged manufacturing firms supported by BCM to adopt world-class productivity and quality standards to achieve global competitiveness, mirroring the Asian Tigers' success.

Reaffirming government policy positioning the private sector as Botswana's economic engine, the speaker outlined concrete support measures: Implementation of a National Transformation Strategy prioritising competitive manufacturing; Mineral beneficiation policies to develop local value chains; Establishment of a high-level Economic Development Board (chaired by the President) to eliminate bureaucratic barriers; and Streamlined permitting and licensing processes and preferential procurement of locally manufactured goods.

 **His Excellency Dr Mokgweetsi E. K. Masisi**
President of the Republic of Botswana





OPENING LOCAL MANUFACTURING SUMMIT 2024

He concluded by commending summit sponsors and urging participants to engage in productive deliberations that would advance Botswana's manufacturing ambitions, reinforcing the government's commitment to creating an enabling environment for private sector-led industrial growth.

Key Messages

1. Manufacturing as Botswana's Economic Catalyst - The President positioned manufacturing as the key driver for achieving Botswana's Vision 2036 goals, emphasising its dual role in reducing import dependence through local production while expanding export capabilities to accelerate GDP growth and create quality jobs.

2. Urgent Need for Productivity Revolution - Dr. Masisi issued a national productivity challenge across all sectors and societal levels, stressing that Botswana must achieve world-class efficiency standards (mirroring Asian Tiger economies) to compensate for economic non-participants and reach the required 6% annual growth for high-income status.

3. Multi-Stakeholder Approach to Economic Transformation - The address highlighted the necessity of collaborative action between government, the private sector, civil society, and international partners to address structural challenges like youth unemployment, rural inequality, and economic concentration through knowledge-based diversification strategies.

4. Concrete Government Support Measures The administration committed to specific policy interventions, including: a President-chaired Economic Development Board to remove bureaucratic obstacles; mineral beneficiation policies to build domestic value chains; streamlined business processes and preferential procurement for local manufacturers; and a National Transformation Strategy prioritising industrial competitiveness.

5. Private Sector as Growth Engine — The speech reinforced Botswana's fundamental economic policy, positioning the private sector as the primary growth driver. The government is enabling business climate reforms and strategic partnerships like those with BCM to support manufacturing development.





 **Hon. Lefoko Moagi**
Minister of Minerals and Energy

Vote of thanks

Hon. Moagi expressed profound gratitude for the honour of delivering the vote of thanks at this year's Local Manufacturing Summit. He particularly thanked President Masisi for personally opening the summit for the second consecutive year, emphasising how this demonstrated the government's strong support for the mining sector's diversification efforts.

The speaker commended the Botswana Chamber of Mines and its partners for organising such a significant event. He noted with satisfaction that the exhibition had attracted nearly 50 exhibitors showcasing local products. He urged the commercial sector to support Botswana-made goods and take active pride in them.

Highlighting his ministry's commitments, the speaker reaffirmed their dedication to leveraging the mining sector's collective purchasing power to boost local manufacturing, particularly through the Citizen Economic Empowerment Program. He stressed the urgency of developing Botswana's manufacturing sector, pointing out that the country's finite mineral resources were being depleted, with mine reserves now measurable in years rather than decades.

The speaker emphasised that manufacturing represented a crucial growth area that needed targeted development, supported by strategic policy frameworks like the African Continental Free Trade Agreement and access to global markets such as AGOA. He concluded by thanking all sponsors and participants for contributing to the summit's success, leaving attendees with the memorable phrase: "If you can grow it, then

you can mine it," encapsulating the need to transition from resource extraction to manufacturing-led growth.

The address maintained a tone of appreciation while underscoring the strategic importance of manufacturing development for Botswana's economic future. It effectively balanced gratitude with a call to action for all stakeholders to support the sector's growth.





Session 1

Local and Regional Manufacturing Perspective: Setting the Scene

Gaborone International Conference Center

[2024/08/06]



Shaping the Future of Botswana's Manufacturing Sector: Growth, Diversification, and Job Creation.



Presentation: 2023 -2030 National Sector-Based Strategies: Tipping Points for Local

By Mr David Sefawe, Assistant Commissioner General National Planning Commission (NPC)

Mr. Sefawe opened the session with a high-level presentation outlining national strategies to enable local manufacturing and broader economic transformation. He began by explaining the mandate of the National Planning Commission (NPC), which is responsible for formulating and overseeing the implementation of national development plans. He also referenced President Masisi's establishment of a public-private task force in 2019 to spearhead the development of Botswana's National Transformation Strategy (NTS)—a roadmap designed to guide the country's transition from middle-income to high-income status by 2036.

Highlighting the urgency of structural reform, Mr. Sefawe pointed to troubling economic trends, notably the decline in GDP growth from 5.5.1% in the early 2000s to just 2.1% by 2018, significantly below the 6% annual growth required to meet Vision 2036 targets. While acknowledging commendable progress in poverty reduction (from 41.8% in 1985 to 15.4% in 2020), he noted persistent challenges, including high unemployment (at 25%), entrenched inequality (evident in the Gini coefficient), and the depletion of mineral reserves, all of which underline the need for economic diversification.

He introduced the strategy's overarching "One BW, One Gov" approach, which promotes nationwide collaboration across all sectors to achieve shared prosperity.

The NTS aligns with the four pillars of Vision 2036, emphasising

Pillar 1: Sustainable Economic Development as the primary growth engine. This is supported by:

Pillar 2: Human and Social Development, focusing on skills development and social investment;

Pillar 3: Sustainable Environment, targeting ecological protection; and

Pillar 4: Governance, Peace, and Security, aimed at strengthening institutions and maintaining stability.



Mr. Sefawe identified eight priority sectors chosen for their potential to drive transformation, generate employment, and boost exports—critical factors for Botswana’s small domestic market. These sectors are:

- Mining
- Tourism
- Agriculture
- Manufacturing
- Transport and Logistics
- Trade
- Sports and Creative Industries
- Financial and Real Estate Services

The strategy envisions a shift from a government-led to a private sector-driven export economy, anchored in improved global competitiveness, productivity enhancements across all industries, infrastructure development, and business climate reforms. Specific targets include increasing GDP growth to 6% by 2030 (from 4% to 4.2% in 2022), raising Gross National Income (GNI) per capita to USD 10,000, and establishing specialised economic zones to attract investment and foster innovation.

Mr. Sefawe underscored the critical need for coordinated, cross-sectoral implementation if Botswana is to realise its ambitious Vision 2036 goals and secure long-term economic prosperity.

Mr David Sefawe
Assistant Commissioner General ▼
National Planning Commission



Key Ideas



1. National Transformation Strategy (NTS) as a Roadmap to High -Income Status - The NTS, developed by a public-private task force under President Masisi’s direction, is designed to guide Botswana’s transition from a middle-income to a high-income economy by 2036.

2. Structural Economic Challenges Necessitate Urgent Reform - Mr. Sefawe highlighted declining GDP growth, high unemployment, inequality, and depleting mineral reserves as major concerns, underscoring the need for economic diversification.

3. “One BW, One Gov” Approach for Inclusive Development — The strategy promotes cross-sector collaboration and aligns with Vision 2036’s four pillars. Sustainable economic development (Pillar 1) is the central engine, supported by human development, environmental sustainability, and strong governance.

4. Eight Priority Sectors Identified for Economic Transformation - Sectors such as mining, manufacturing, tourism, and agriculture were selected based on their job creation and export growth potential, which are key for a small domestic market like Botswana.

5. Shift toward a private-sector-led, Export-Driven Economy — The strategy targets GDP growth of 6% by 2030, increased GNI per capita, and the establishment of specialised economic zones. Meeting Vision 2036 objectives requires coordinated, cross-sectoral implementation.





Panel Discussion

A Snippet of the National Agro-Processing Strategy

Moderator: Ms Nancy N. Chengeta - Permanent Secretary (Ministry of Agriculture)

- **Mr Dennis Maswabi**
Consultant, Agro-Processing Specialist

- **Mr Mbakiso G. Morapedi**
Deputy Permanent Secretary, Ministry of Entrepreneurship

- **Prof. Julius Atlhopheng**
Chief Executive Officer, National Agricultural Research and Development Institute (NARDI)

- **Mr Gotsileone Mangole**
Situational Analysis on Botswana's Horticultural Sector, (NARDI)





Ms Nancy N. Chengeta
Permanent Secretary
Min. of Agriculture

Mr Gotsileone Mangole
Situational Analyst
NARDI

Mr Dennis Maswabi
Consultant
Agro-Processing Specialist

Prof. Julius Athlopheng
Chief Executive Officer
NARDI

Mr Mbakiso G. Morapedi
Dep. Permanent Secretary
Min. of Entrepreneurship

Two presentations preceded the discussion. Mr. Dennis Maswabi oriented the audience to Botswana's National Agro-Processing Strategy, while Mr. Gotsileone Mangole presented a situational analysis of Botswana's horticultural sector.

Mr. Maswabi highlighted that Botswana had reached a critical turning point, triggered by the COVID-19 pandemic. The pandemic exposed the country's food insecurity and overreliance on imports, leading to a renewed national focus on building domestic agricultural capacity. He praised government policies such as vegetable import restrictions for stimulating local production and noted positive developments from field assessments, including the rise of grassroots actors like the "Seedling King."

He underscored agriculture and agro-processing as key economic diversification and manufacturing growth drivers. He stressed the benefits of a robust agro-processing sector: improved food safety, job creation, and greater food security. He warned that the dominance of imported processed foods raised concerns about traceability and health standards. Maswabi outlined a dual national strategy: (1) a comprehensive agro-processing blueprint, and (2) a turnaround plan to upgrade pilot plants like Pitsane. This approach aligns with regional goals like the Malabo Declaration, advocating food sovereignty.

He noted that processed agricultural goods, such as tomato products, continued to significantly burden the national import bill, over BWP 6.8 million in 2019, making local value chain development urgent. He called for coordinated, multisectoral implementation rather than siloed strategies. A significant proposal includes establishing three agro-industrial parks in Pitsane, Pandamatenga, and Masunga, supported by Rural Transformation Centres to aggregate and

process smallholder produce. He also proposed strengthening farm-to-fork supply chains and building cold storage and logistics infrastructure for better product quality and market access.

Maswabi stressed the need for certification, green waste management, and integration of circular economy practices to ensure product competitiveness. He called for continued R&D to improve systems and open access to regional markets. He emphasised education and training, urging cultural shifts in food production awareness starting in homes. He cited an example from Pitsane where a teacher corrected improper fruit handling to stress the importance of technical discipline. He called for continuous farmer training and knowledge transfer to build a resilient agro-processing sector.

Mr. Mangole shared findings from a NARDI study on the horticulture value chain. The study assessed stakeholder needs—producers and consumers—to guide strategy and policy. He emphasised horticulture's potential for job creation and diversification, supported by government initiatives like the Horticulture Impact Accelerator Subsidy, import restrictions, and the Home Grown School Feeding Program.

The study questioned whether local production could meet demand, identified key constraints, and assessed profitability and policy impacts. Most farmers were educated, but youth involvement was low due to limited access to land and capital. The sector was male-dominated and filled with new, inexperienced entrants.

Production was concentrated on tomatoes, onions, beetroot, cabbage, and carrots. Farmers faced infrastructure gaps, including a lack of shade nets and irrigation systems. Many lacked technical support from extension officers. Despite these challenges, horticulture proved profitable: small-scale farmers (up to 5 hectares) earned around P69,000 per





season, while large-scale farmers (average 18 hectares) earned up to P1.5 million. However, barriers remained to high input costs, poor infrastructure for perishables, pest outbreaks, post-harvest losses, and weak quality controls.

Mangole outlined growth opportunities, including advanced technology, better market strategies, export development, and stronger public-private partnerships. He noted inefficiencies in current distribution systems and pointed out that Napro remains the only central processing plant.

He concluded with policy recommendations: farmer training, improved infrastructure, financial and market access, research and innovation, and rural innovation hubs to engage youth and women. He emphasised inclusive, gender-sensitive policies to empower marginalised groups.

Discussion

The discussion began with a call for insights from the Deputy Permanent Secretary in the Ministry of Entrepreneurship. The moderator invited him to reflect on the national agro-processing strategy from a policy standpoint, particularly how it could benefit farmers and investors. She also urged him to address inclusiveness, particularly youth involvement in manufacturing sub-sectors.

In response, the Deputy Permanent Secretary acknowledged the presenters' in-depth strategy exploration and highlighted Botswana's broader transformation agenda. He emphasised that the country must grow its economy by 6% annually to meet its vision priorities, and this would require all key sectors, including agriculture, to contribute meaningfully. However, he noted that agriculture's contribution remained minimal, with a low level of value addition and a staggering import bill of P14.3 billion in 2023, mainly

due to processed commodities. He argued that agro-processing offered a significant opportunity to stimulate growth and job creation. He further stressed the need for modern production methods, the use of technology, and the involvement of all stakeholders, especially the private sector and youth. While acknowledging existing government incentives and capacity-building programs, he called for commercial banks to support transformative efforts by embracing risk. He thanked UNDP for collaborating with the Ministry to develop the agro-processing strategy and expressed optimism that it would significantly boost the sector.

Following his remarks, the moderator turned to Mr. Maswabi, a private sector representative, asking whether businesses were taking advantage of such initiatives. Mr. Maswabi confirmed that the private sector was ready and willing to engage but needed real opportunities. He cited past frustrations, such as a 10-year-old call from the managing director of Choppies Enterprises urging local producers to utilise available packaging facilities—yet nothing had materialised. He emphasised the private sector's willingness to procure from local producers, particularly for mining industries with deep procurement budgets.

Mr. Maswabi highlighted the creativity and adaptability of Botswana's youth, describing them as an underutilised resource. He advocated for giving young people opportunities in packaging, marketing, and international trade, saying they would excel if exposed to the right environments.

The discussion then shifted to the persistent funding issue, with the moderator posing whether the real challenge lay in accessing finance or how available funds were used. Addressing this, Mr Mangole argued that mindset was a more pressing issue. He noted that many still viewed agriculture as a retirement pursuit, discouraging youth participation. He urged rebranding horticulture as a profitable business and emphasised the importance of incentivising producers and establishing seamless market linkages to sustain motivation.

Mr Maswabi supported this view, linking low productivity levels to mindset challenges. He argued that Botswana needed a mindset shift to embrace productivity, openness to foreign skills and investment, and greater individual responsibility. He warned against excessive reliance on government and called for a more proactive citizenry to help achieve high-income status.

The conversation then turned to the role of research in agro-processing, with Prof. Atlhopheng from NARDI invited to elaborate. He referenced the President's call for leveraging research and innovation to ensure inclusive economic growth. Prof. Atlhopheng highlighted existing strategic partnerships with various institutions, including UNDP, foreign embassies, and local universities, emphasising that research should be closely aligned with national priorities like the agro-processing strategy.

He discussed the importance of collaboration among ministries and institutions through platforms like the inter-ministerial technical committee. According to him, Botswana's success depended on coordinated policies, stakeholder engagement, and contributions from research institutions like NARDI, which focuses on value chains such as beef, horticulture, and grains. He called for these research outputs to feed into practical strategies under the National Development Plan 12 (NDP 12). He further underscored the importance of food safety standards and called for investment in laboratories to ensure traceability and meet international standards. He pointed out that relying on foreign testing facilities was unsustainable and contributed to unemployment among local scientists.

In conclusion, when asked about the role of indigenous knowledge in research, Prof. Atlhopheng said NARDI had begun documenting traditional knowledge systems and exploring ways to commercialise them. He emphasised integrating this knowledge into modern,



circular economic models to preserve cultural practices while generating wealth. The session underscored the need for inclusive, cross-sectoral collaboration and the central role of mindset, research, youth, and private sector engagement in driving Botswana's agro-processing ambitions.

Key Recommendations 

1. Rebrand Agriculture to Attract Youth and Shift Mindsets — Launch a national campaign to reposition agriculture, especially agro-processing and horticulture, as a viable and profitable business, not just a subsistence or retirement option. This includes integrating entrepreneurship education and showcasing the success stories of youth in agribusiness.

2. Create Real, Accessible Opportunities for Private Sector Participation - Operationalise existing packaging and processing facilities and establish procurement frameworks that allow local producers to supply large industries, such as mining and retail chains. This will require reducing bureaucratic delays and aligning policies to ensure predictable demand.

3. Strengthen Financing Mechanisms with Risk -Tolerant Support - Encourage commercial banks to participate more actively by de-risking agro-processing investments through guarantees, blended finance models, or public-private co-investment schemes, especially for youth-led enterprises.

4. Align Research with Practical Implementation and National Priorities - Invest in agricultural research that supports key value chains (e.g., beef, grains, horticulture) and ensure findings are implemented through coordinated inter-ministerial platforms. Establish local labs to handle food safety testing and certification to reduce dependence on foreign services.

5. Integrate Indigenous Knowledge into Circular Agro-Economy Models - Develop frameworks for documenting, protecting, and commercialising traditional knowledge in agriculture. Support community-driven innovations that align with modern sustainability practices and promote wealth generation while preserving cultural heritage.

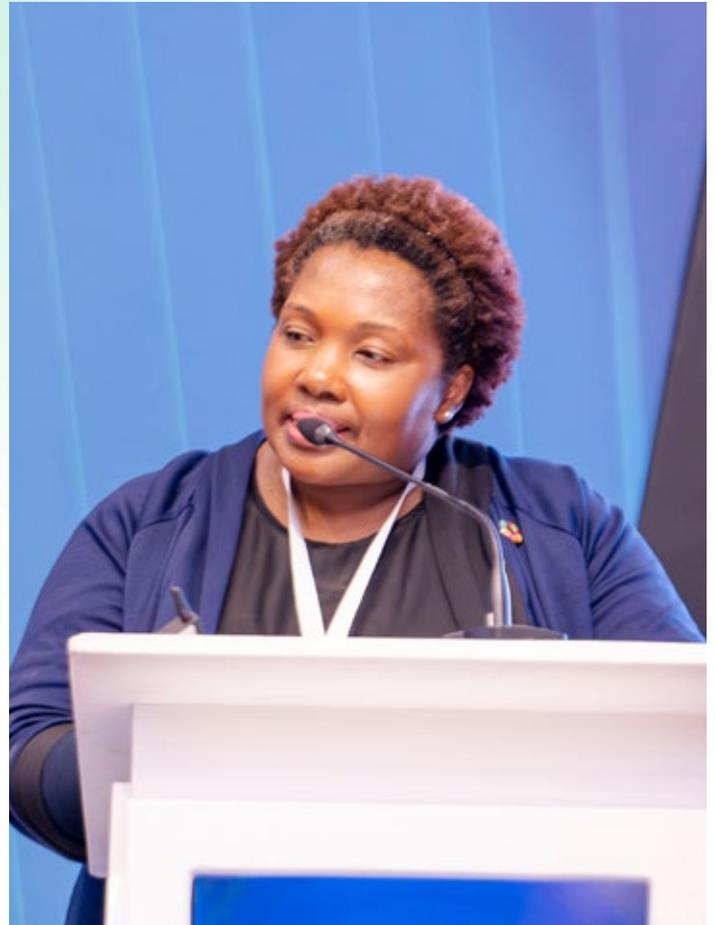




Presentation: Regional Value Chain Development through Supplier Development Programme

Ms. Mbaakanyi discussed the UNDP's Local Supply Development Program and its expansion into a Regional Value Chain Program. She explained that the program aims to transform Botswana into a private-sector-driven economy by supporting local SMEs through a three-pillar methodology involving buyers, suppliers, and consultants. The program began as a pilot in 2019, where 60 Botswana consultants were trained and certified, and 45 were certified while partnering with 11 buyers across diverse sectors. The presenter emphasised the program's focus on citizen-owned businesses and fostering regional partnerships to address skills gaps. She also highlighted efforts to link SMEs with financiers and investors, including preferential lending rates negotiated with banks.

The presentation outlined the program's impact, including job creation, increased turnover for SMEs, and improved supply chain efficiency for buyers. Speaker 2 also introduced the Regional Value Chain Program, which Botswana is leading. This initiative aims to facilitate cross-border trade and partnerships, with pilot sectors including mining, agriculture, and manufacturing. An agri-app is being developed to connect SMEs with buyers, financiers, and investors across Africa.



Ms Boitumelo Mbaakanyi
Programme Manager – Sustainable Private Sector
Development, UNDP

During the Q&A session, a participant raised concerns about bureaucratic hurdles at borders that hinder cross-border trade. He urged the program to collaborate with trade authorities to streamline processes. Ms. Mbaakanyi acknowledged the issue and confirmed plans to address these challenges with stakeholders like trade commissions.

Another participant questioned the linkage between the programs and the Botswana National Productivity Centre (BNPC), emphasising the need to align productivity initiatives. Other panellists, including representatives from the Ministry of Entrepreneurship and the agriculture sectors, highlighted ongoing efforts to integrate productivity strategies, such as cluster development models and farmer training workshops.

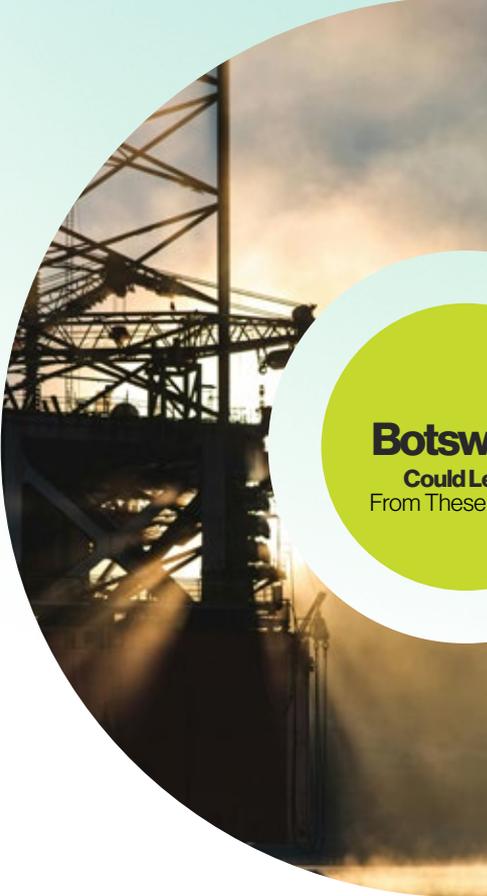


Session 2



Developing Botswana's Manufacturing Competitiveness

Gaborone International Conference Center
[2024/08/06]



Botswana
Could Learn
From These Models

Germany
Leads in
High-Tech Production

China
Leads in Cost
Competitiveness

■ **Skilled Workforce**
Vocational & Technical
Training

■ **Public-Private Partnerships**
Collaborate on policies, R&D
Funding, Export Incentives

Presentation: Global Competitiveness: Key Ingredients and Indicators

By Mr Joseph Ramotshabi, Senior Projects Manager
Botswana Chamber of Mines

Mr Ramotshabi emphasised the need for enterprises and the government to take decisive steps to strengthen the manufacturing sector. The speaker argued that Botswana must prioritise manufacturing competitiveness from the outset. He acknowledged that the country lacked a strong manufacturing background, with most entrepreneurs historically engaged in trading—importing goods from China, Egypt, and other nations to fulfil local tenders. However, he stressed that Botswana needed to shift toward producing goods domestically to supply local and export markets. He warned that foreign products would continue to dominate the market without competitiveness.

He dismissed import substitution as an insufficient strategy, pointing out that not all imported goods could be

manufactured locally. Instead, he insisted that Botswana's products must rival—or surpass—the quality and cost of those from manufacturing powerhouses like China, the U.S., and Germany. The speaker highlighted manufacturing's critical role in job creation, economic growth, and technological advancement, citing studies that showed the sector's global complexity and rapid evolution.

To assess competitiveness, the speaker advocated for a Deloitte-developed model used by the World Economic Forum. This model evaluated 12 key drivers: talent, cost competitiveness, workforce productivity, supplier networks, legal and regulatory systems, education infrastructure, physical infrastructure, economic trade and tax systems, innovation policy, energy policy, local market attractiveness, and healthcare





Mr Joseph Ramotshabi

Projects Manager
Botswana Chamber of Mines

The speaker elaborated on each driver, applying it to Botswana's context. He emphasised the need for skilled labour, cost efficiency, and high productivity. He criticised the local tendency for suppliers to compete rather than collaborate, urging stronger industrial clusters. He also called for better infrastructure, favourable tax policies, and robust investments.

Shifting to enterprises, the speaker advised businesses to adopt the same drivers: developing talent, optimising costs, fostering innovation, and forming strategic partnerships. He cited global rankings, noting that China led in cost competitiveness while Germany excelled in high-tech production. He said Botswana could learn from these models by targeting specific drivers rather than trying to master all at once.

In closing, the speaker reiterated the importance of talent development, advanced technology, and public-private partnerships. He encouraged businesses to join industry associations and collaborate for collective growth. The presentation concluded with a call to action: Botswana must adopt this competitive framework to thrive in the global manufacturing landscape.

Key Recommendations



1. Develop a Skilled Workforce for Manufacturing.

- Botswana must invest in vocational and technical training to build a talent pool supporting advanced manufacturing.
- Partnerships between educational institutions and industries should be strengthened to ensure skills align with market needs.

2. Enhance Cost Competitiveness to Rival Global Markets.

- Enterprises must optimise production costs (labour, energy, and logistics) to compete with manufacturing giants like China and Germany.
- The government should review tax policies, reduce bureaucratic hurdles, and incentivise local production to lower operational expenses.

3. Foster Collaboration over Competition among Suppliers.

- Businesses should form industrial clusters and supplier networks to share resources, reduce costs, and improve efficiency.
- Industry associations (e.g., Business Botswana, BEMA) must facilitate partnerships between local manufacturers.

4. Adopt the Deloitte/World Economic Forum Competitiveness Model

- The government and the private sector should use the 12-driver framework (talent, infrastructure, innovation, etc.) to benchmark Botswana's manufacturing progress.
- Focus on key drivers like workforce productivity, innovation, and energy policy rather than trying to excel in all areas simultaneously.

5. Strengthen Public-Private Partnerships (PPPs) for Sector Growth

- Government and businesses must collaborate on policies that support local manufacturing, including R&D funding and export incentives.
- Encourage joint ventures between local and foreign firms to transfer technology and improve production capabilities.

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Key Drivers

World Economic Forum





Panel Discussion

Skill Crisis and Immigration Policy: Talent Tipping Points for Manufacturing

Moderator: Mr Morulaganyi Masalila (Business Development Executive, BCM)

- **Prof. Alinah K. Segobye**
Chief Executive Officer, Human Resource Development Council (HRDC)
- **Mr Alex Kimani**
Chief Executive Officer, Kalahari Floor Tiles
- **Mr Jimmy Opelo**
Permanent Secretary (Ministry of Labour and Home Affairs)





Mr Morulaganyi Masalila

Business Development Executive
Botswana Chamber of Mines

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Mr Alex Kimani

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The moderator framed the discussion as a follow-up to an earlier presentation on Botswana’s manufacturing challenges, emphasising the need to turn obstacles into regional and global competitiveness opportunities. The moderator highlighted conflicting views on Botswana’s talent shortage. While the country boasts high literacy rates and significant education spending, industry leaders argued that literacy alone does not equate to manufacturing-ready skills. Mr. Ramotshabi’s earlier presentation had stressed that true talent combines theoretical knowledge with hands-on expertise—a gap evident in sectors like engineering, where graduates often lack practical experience. The moderator referenced a 2023 World Bank report, which identified fragmented vocational training systems and poor coordination as key hurdles. The report urged Botswana to strengthen skills programs, integrate business and emotional competencies, and reduce wage inequality—a critical issue given Botswana’s high global inequality ranking.

Prof. Segobye acknowledged Botswana’s education system is misalignment with industry needs. While basic education had expanded, technical and vocational training (TVET) lagged, leaving manufacturing without enough skilled workers. Rapid technological advancements further widened the gap, as curricula failed to keep pace with automation and Fourth Industrial Revolution demands. She noted that youth unemployment (over 35%) stemmed partly from early school dropouts and a mismatch between graduate skills and workplace requirements. She emphasized apprenticeships and work-integrated learning to address this, urging closer industry-academia collaboration. The upcoming TVET Policy (set for 2024) and revisions to the National Human Development Strategy aim to align education with labour market needs within the next five years.

Mr Opelo defended Botswana’s immigration policies, stressing that labour migration was permitted where local skills were lacking. However, he criticised industries for poorly articulating their needs, leading to delays in securing foreign expertise. He advocated for structured skills-transfer programs, citing how other African nations (Malawi and Zimbabwe) had historically benefited from migrant labour in South African mines. He cited challenges: aging workforce clinging to outdated skills; low productivity among local graduates; stigma around technical careers, deterring youth from vocational paths; and technological stagnation due to reliance on legacy workers. He urged industries to mentor graduates and adopt succession planning, ensuring reforms were underway to streamline labour migration.

Mr. Kimani shared stark examples of how skills shortages crippled operations. A routine machinery repair, which once took 2–3 days, now requires 8 days due to a lack of skilled technicians, costing production time. Other pain points included:

- Recruitment delays for roles like mechanical engineers, who higher-paying mining firms poached.
- Graduates lacking hands-on experience, resulting in costly in-house training.
- Zero skills-sharing culture among professionals, isolating companies.
- Bureaucratic hurdles in hiring foreign talent, despite policies like the quota system.

He recounted a local manufacturing couple—an engineer and an accountant—who were forced to handle operations and maintenance themselves due to their inability to hire skilled staff, stifling business growth.





- The UNDP Resident Representative argued that foreign talent creates jobs rather than stealing them, urging a mindset shift.
- The Premier Clothing Group's CEO blamed implementation failures, noting that existing systems (like the quota and points-based) were sound but inconsistently applied.
- A participant from Debswana questioned whether skills were truly scarce or concentrated in mining, calling for a cross-sector collaboration.
- An educator proposed making diplomas mandatory before degrees to ensure technical proficiency.
- A manufacturing veteran warned of fraudulent "skilled" migrants, urging stricter verification.



The panellists pledged accountability, with HRDC and the Ministry of Labour committing to measurable progress by the next summit. The session ended on a note of cautious optimism, with consensus that Botswana's manufacturing potential hinged on translating dialogue into action.

Key Recommendations



- 1. Reform and Streamline Immigration Policies for Critical Skills** - Implement a transparent, fast-tracked quota system for foreign skilled workers in priority sectors (e.g., engineering, automation) because industry reports delays in securing work permits, even where local skills are unavailable. A predictable, digitised points-based system (like Canada's) would reduce bureaucracy. The Ministry of Labour should publish annual quotas per sector and track processing times.
- 2. Enforce Mandatory Apprenticeships and Work-Integrated Learning** - Legislate minimum 6-month industry placements for all tertiary technical programs (diplomas/degrees) because graduates lack hands-on experience, forcing costly in-house training. Germany's dual-education model (60% practical training) proves its effectiveness. The HRDC and universities should report placement compliance rates annually.
- 3. Overhaul TVET Curriculum with Industry Input** - Establish sector-specific committees (mining, textiles, etc.) to co-design automation, AI, and advanced manufacturing curricula because current TVET programs lag behind technological shifts (e.g., 4IR skills). The 2024 TVET Policy must align training with employer needs.
- 4. Launch a National Skills-Sharing Platform** - Create a digital hub where professionals (e.g., engineers) share expertise via mentorship, troubleshooting forums, and certified training. Mr. Kimani highlighted a culture of skills hoarding; collaborative ecosystems (like Singapore's Skills Future) boost productivity. Business Botswana and HRDC could pilot this within 12 months.
- 5. Destigmatise Technical Careers through Public Campaigns** - Partner with media and influencers to promote vocational paths, showcasing success stories (e.g., local manufacturers earning above-mining wages). Persistent stigma deters youth from TVET; changing perceptions is key to filling skills gaps. The Ministry of Education should measure youth enrolment shifts post-campaign.



Presentation: Walvis Bay Corridor Group: Facilitation of Flow of Trade to and from the SADC Region

Mr Tjivikua shared Namibia's recent logistical successes with Botswana, including facilitating copper/gold exports from Khoemacau and Sandfire mines through Walvis Bay port, coal exports before price crashes, and even imports like grey vehicles that get reimported to Namibia due to affordability. He stressed that reliable transport/logistics were make-or-break for manufacturers - missed deadlines could destroy reputations and revenues.

He introduced his organisation, the Walvis Bay Corridor Group (WBCG), as Africa's top corridor management institution. As a public-private partnership, WBCG united ports, railways, chambers of commerce, and tax authorities across Namibia to streamline trade. With regional offices in Zambia, South Africa, the DRC, and Brazil, they managed four key trade corridors, two linking directly to Botswana. Their data showed containers cleared Walvis Bay within 1-2 days, with transit to Botswana taking just 2 days (vs. 20+ day delays at some African borders). The speaker contrasted Namibia's stability (seamless presidential transition after President Hage Geingob's death) with regional risks like armed escorts for copper shipments in South Africa/DRC. He highlighted Namibia's dry port facility for Botswana at Walvis Bay, 24-hour border operations, and passport-free travel between the two nations as proof of deepening integration.

With visuals, he showcased Namibia's \$250M new container terminal (reclaimed from the ocean) and stressed that Botswana's manufacturing ambitions needed regional logistics partnerships. He cited Singapore and Dubai as models - small nations that became global hubs without natural resources. Now, with Namibia's oil/gas/hydrogen discoveries and Botswana's manufacturing drive, he urged synergies: *"If value can't be added in Namibia, why not Botswana?"*

Among the key infrastructure demands, the speaker highlighted rail links like the Trans-Kalahari line to Botswana, private-sector-run ports/roads (governments should enable, not operate), warehouses/cold storage for perishables, and driver welfare (free mobile clinics for cross-border truckers).

He closed by championing African Continental Free Trade Area (AfCFTA) opportunities, citing Selibe-Phikwe's industrial gas plant whose first client was Namibia's SWAPO party. His message was clear: *"Botswana can't industrialise alone. Let's marry your manufacturing to our logistics."*

Key Recommendations

1. Establish a Dedicated Botswana - Namibia Trade Corridor Task Force - Create a joint public-private task force to optimise the Walvis Bay corridor for Botswana's manufacturers. The current two-day clearance/transit times beat regional competitors, but systematic coordination could further reduce costs

2. Accelerate Trans-Kalahari Railway Development - Fast-track feasibility studies and private investment for the Botswana-Namibia rail link. This would complement road transport and reduce logistics costs for bulk commodities



Mr Hippy Tjivikua
Chief Executive Officer
Walvis Bay Corridor Group

3. Create Cross-Border Manufacturing Logistics Hubs - Develop bonded warehouses/cold storage facilities at key border points to support perishable goods trade and just-in-time manufacturing.

4. Implement Regional Driver Welfare Program - Roll out mobile clinics for cross-border truckers at major transit routes. Namibia's model improves efficiency by reducing health-related delays

5. Develop AfCFTA-Focused Export Manufacturing Zones - Designate special economic zones with Namibia-focused production lines. Selibe-Phikwe gas plant shows potential for regional supply chains. The Botswana government could offer tax incentives for manufacturers supplying Namibian oil/gas/hydrogen projects





Panel Discussion

Infrastructure for Manufacturing; Where Does Botswana Stand?

Moderator: Mr Resego Keipidile – Supply Chain Manager (Morupule Coal Mine)

- **Mr Thabo Gabanamotse**
Director - Projects, Botswana Railways

- **Mr Hippy Tjivikua**
Chief Executive Officer, Walvis Bay Corridor Group

- **Mr Kabelo Magola**
Business Development Manager, SeaRail





Mr Resego Keipidile
Supply Chain Manager
Morupule Coal Mine

Mr Hippy Tjivikua
Chief Executive Officer
Walvis Bay Corridor Group

Mr Thabo Gabanamotse
Director Projects
Botswana Railways

Mr Kabelo Magola
Business Development Manager
SeaRail

The moderator opened the session by emphasising the infrastructure’s pivotal role in driving manufacturing growth, framing Africa’s lagging industrial development with the metaphor of “still manufacturing earth-moving equipment”—a nod to the continent’s ongoing but incomplete industrialisation journey.

Mr. Magola, representing SeaRail—a Botswana Railways subsidiary—detailed the management of Botswana’s 34,000-square-meter dry port at Walvis Bay, Namibia. He highlighted SeaRail’s global connectivity through the Universal Trade Organisation, a network spanning over 100 countries, which positions Botswana as a strategic logistics gateway to Europe and the Americas. In response to how SeaRail supports local manufacturers, Mr. Magola pointed to just-in-time import solutions such as bulk sugar deliveries, export facilitation via global freight partners, and new corridor opportunities like mobile clinics operating along Trans-Kalahari routes.

When pressed on barriers, Mr. Magola cited:

- Limited understanding of international trade terms among Botswana traders leaves them vulnerable in negotiations.
- Infrastructure deficits, notably delays in rail electrification compared to regional peers;
- Persistent border inefficiencies, despite a national policy for 24/7 border operations.

Mr. Gabanamotse from Botswana Railways acknowledged that the current single-line rail system, designed for 4 million tonnes, suffers from severe limitations, including a mere 40% availability of rolling stock and zero redundancy, where a single breakdown can damage the entire network. He noted progress on the Trans-Kalahari rail link, with 15 bidders shortlisted, but stressed that substantial private-sector investment is vital for delivering capital-intensive infrastructure upgrades.

Namibian representative Mr. Tjivikua contrasted their high SADC road quality ranking and effective 24/7 border practices with Botswana’s operational constraints. He called for:

- Joint beef export initiatives between Namibia and Botswana to achieve scale.
- A regional air connectivity model inspired by Ethiopian Airlines to reduce over-reliance on South African hubs;
- Strong political leadership to fast-track logistics reforms, using East Africa’s progress as a benchmark.

Audience Contributions:

- A logistics expert proposed scaling SeaRail’s DRC-to-Nigeria gas shipment model to other products under the AfCFTA framework.
- A beef cluster developer sought Namibia’s strategy for managing and overcoming foot-and-mouth disease trade restrictions.
- A rail sector advocate urged Botswana Railways to prioritise developing redundant lines, warning that colonial-era infrastructure is ill-suited for modern manufacturing demands.





1. Fast-Track Trans-Kalahari Rail Development via Private Sector Investment - Accelerate the finalisation of Public-Private Partnership (PPP) agreements with the 15 shortlisted bidders within the next six months. Manufacturing supply chains are severely constrained, with only 40% rolling stock availability. Establish a Special Purpose Vehicle (SPV) in collaboration with Namibia to jointly fund and prioritise the construction of high-impact sections.

2. Launch a National Trade Competency Programme - Develop and roll out Incoterms certification courses through the Botswana Investment and Trade Centre (BITC) and Business Botswana. This will equip local businesses with the knowledge to negotiate fairer international trade agreements and avoid exploitative supplier terms.

3. Establish a Botswana – Namibia Beef Export Consortium - Create a joint venture between Botswana Meat Commission (BMC) and Meatco to pursue export opportunities in the EU market, leveraging Botswana's beef quality and Namibia's Foot-and-Mouth Disease (FMD)-free status. Explore shared feedlots along border regions and adopt harmonised health and traceability standards to meet compliance requirements.

4. Form a SADC Air Cargo Alliance — Partner with Ethiopian Airlines to launch a dedicated Gaborone–Walvis Bay cargo route, reducing reliance on Johannesburg and cutting current 48-hour transit delays. To incentivise investment, offer tax holidays for operators establishing cold storage and logistics hubs at strategic airports.

5. Deploy Real-Time Corridor Performance Dashboards — Introduce digital dashboards to monitor border clearance times and truck turnaround rates across key trade corridors. Despite a 24/7 border policy, actual throughput remains inconsistent. This initiative will help identify and resolve bottlenecks in real time.



Presentation: Digitalisation and the 5G Wave Acceleration: Framework for Smart Manufacturing through Smart Factories, Artificial Intelligence, and Robotics

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The presentation opened with a bold and hopeful vision: Smart manufacturing—a new era powered by AI, robotics, and the Internet of Things (IoT)—is not just about transforming machines but changing lives. Mr Nwako emphasised that for Botswana, this technological shift is less about automation for its own sake and more about creating safer, more intelligent, and more dignified work.

To illustrate this, the speaker anchored the conversation in a familiar sector: mining—a cornerstone of Botswana's economy, yet one of its most dangerous industries.

The presentation's heart was a family's story, a composite portrait of many Batswana families.

- The husband, a mine truck operator, spends long hours in sweltering open-pit mines, exposed to fatigue, machinery failures, and the risk of deadly collisions.
- The Safety, Health, and Environment (SHE) officer's wife inspects conveyor belts and shafts where dust, fumes, and electricity pose constant threats.
- Their 12-year-old daughter waits at home each evening, fearing her parents might not return.





This story represents the lived reality of countless mining households facing:

- Life-threatening work conditions in deep, unstable, and toxic environments.
- Rising operational costs as resources become harder to access.
- Economic volatility, with livelihoods tied to unpredictable global diamond markets.

In response, the speaker introduced a compelling alternative: smart manufacturing, underpinned by Fourth Industrial Revolution (4IR) technologies. These innovations promise efficiency and a total rethinking of work, centring safety, skills, and sovereignty.

1. Autonomous Mining Operations

- Workers like the husband could operate remote-controlled trucks from air-conditioned control rooms in Gaborone, navigating terrain through AI and 5G—no hard hats required.
- Predictive maintenance using sensor data would anticipate and prevent equipment failures, reducing accidents and downtime.

2. Augmented Reality (AR) for Inspections

- SHE officers could conduct virtual site inspections using AR glasses, staying safely above ground.
- Real-time AI hazard detection would issue instant alerts for risks like gas leaks or structural instability.

3. Botswana-Owned Data and Intellectual Property

- The speaker called for Botswana to generate its industrial data to tailor innovations to local needs better.
- Instead of outsourcing to foreign OEMs, the country must build and protect home-grown IP, ensuring Botswana innovations benefit Botswana communities.

4. Global Opportunities through Digital Skills

- With the proper training, a child in Botswana could be just as competitive as one in New York or Singapore.
- Rather than exporting raw minerals or labour, Botswana could export technical expertise, enabling remote support for global operations from local tech hubs.

The benefits of this transformation extend far beyond the factory floor:

- Safer workplaces, reducing fatalities and long-term health risks.
- Greater efficiency, as AI-driven processes cut waste and boost output.
- New value chains include the local production of sensors, wearables, and control systems.
- Improved quality of life, where professionals like the Solo Fellows could work safely and remotely, spending more time with their families.

Mr Neo Nwako
Managing Director
Abaricom

To make this future a reality, Mr Nwako urged Botswana to act decisively:

- Invest in foundational infrastructure—5G, IoT, AI systems—to power innovative industries
- Reskill the workforce, shifting focus from manual labour to data analytics, coding, and machine operations
- Protect local innovation, ensuring IP created in Botswana stays in Botswana
- Replicate innovative systems across agriculture, healthcare, and logistics to unlock nationwide impact



Presentation: Sustainable Manufacturing through the Circular Economy

Mr. Jeff Kgwarae delivered a presentation focused on redefining waste, rethinking value, and repositioning Botswana's industrial trajectory through circular manufacturing. He asserted that, while global industries have historically followed a linear model—take, make, use, and dispose—Botswana had an opportunity to adopt a more sustainable and value-driven approach. In this emerging model, waste is not a burden but a resource, and citizen-owned innovation plays a central role in driving economic growth and environmental stewardship.

Mr. Kgwarae recounted how Champs Botswana, a 100% citizen-owned enterprise founded in 2009, began by handling hazardous waste from mining operations. The company initially focused on managing used oil, chemically contaminated water, and asbestos. Although the work was challenging and unglamorous, it laid a critical foundation for more ambitious ventures

By 2016, Champs had begun to diversify its operations. The company moved into recycling rubber, plastics, and industrial materials, including conveyor belts, hydraulic hoses, and used tyres. In 2020, it achieved a significant milestone by establishing Botswana's first integrated waste management plant. The facility included a pyrolysis unit capable of converting waste tyres into usable fuel products.

Mr. Kgwarae explained that in 2023, the company took another transformative step by investing P20 million to construct a base oil refinery near Pilane. For the first time, this enabled Botswana to refine used oil domestically rather than exporting it to South Africa. The initiative shifted from environmental liability to industrial opportunity, giving the country control over a key part of the waste-to-value chain.

He outlined three foundational pillars that define Champs' circular manufacturing model:

1. **Waste to Energy:** Champs processes waste tyres through pyrolysis to produce diesel, heavy fuel oil (HFO), and carbon black.
2. **Waste to Wealth:** The company upcycles discarded industrial materials into commercially viable products, unlocking previously unrealised value.
3. **Waste Valorisation:** Even by-products are monetised and supplied to industries that previously relied on imports.

Using used oil as an example, Mr. Kgwarae noted that Botswana had historically exported this resource for refining, resulting in a loss of economic value and control. Today, Champs processes over 866,000 litres of used oil annually at an efficiency rate of 85%. The refined base oil is sold to local lubricant blenders for use in engines and generators, while by-products such as HFO and carbon black contribute additional revenue.

He highlighted the tangible impact of these initiatives:

- The company has created over 50 direct jobs, supporting a network of informal waste collectors who are now compensated for oil deliveries.
- Local industries now source base oil domestically, reducing costs and reliance on imports.
- Mining companies benefit from improved waste tracking, enhancing compliance and contributing to carbon footprint reduction.



Mr Geof Khwarae
Executive Director ▲
Champs Botswana

- Most significantly, the initiative aligns with Botswana's Citizen Economic Empowerment Policy (CEP), demonstrating how local solutions can address national challenges.

Looking ahead, Mr. Kgwarae identified three critical challenges:

- Securing OEM (Original Equipment Manufacturer) approval to allow mining companies to reuse reprocessed oils in their machinery;
- Scaling the refinery's capacity to process up to 90% of mine-generated crude, up from the current 10%;
- Advocating for a regulatory framework incentivising circular practices and discouraging continued reliance on linear production models.

During the audience engagement segment, one participant asked about Botswana's progress in adopting smart manufacturing. Mr. Kgwarae responded that there had been isolated advancements, such as remote-operated machinery in Debswana's operations and digital livestock tracking systems at Lobu Farm. However, he acknowledged that high costs and the lack of a national data governance policy continued to present significant barriers.



Another attendee inquired about the market uptake of recycled oil. Mr. Kgwarae confirmed that local lubricant manufacturers had already integrated Champs' base oil into their production lines for generators and vehicles. He added that the company's next objective was to complete the recycling loop by persuading mining firms to incorporate reprocessed oils into their fleets.

Mr. Kgwarae reiterated that circular manufacturing is not merely an environmental imperative, but an economic strategy capable of driving job creation, industrial diversification, and sustainable development in Botswana.

Key Recommendations

1. Strengthen Policy and Regulatory Support

- Develop a national regulatory framework incentivising circular manufacturing practices (e.g. tax incentives, preferential procurement).
- Discourage linear production models through policy reforms that impose higher costs or restrictions on wasteful practices.
- Implement a national data governance policy to support smart manufacturing and digital waste tracking systems.

2. Facilitate Market Adoption of Recycled Products

- Engage OEMs (Original Equipment Manufacturers) to approve reprocessed oils in mining and industrial equipment.
- To build trust and expand market uptake, create standards and certifications for recycled materials (e.g., base oil, carbon black).
- Promote local sourcing of recycled products to reduce import dependency and boost local industry competitiveness.

3. Expand Infrastructure and Operational Capacity

- Scale up refining capacity to process up to 90% of mine-generated used oil, increasing from the current 10%.
- Replicate Champs' integrated waste management model to extend reach and impact in other regions.
- Invest in smart manufacturing technologies to modernise waste conversion processes and improve efficiency.

4. Empower Informal and Community-Based Actors

- Formalise and support informal waste collectors through payment systems, safety training, and cooperatives.
- To ensure alignment with the Citizen Economic Empowerment Policy (CEEP), citizen-owned enterprises should be included in the circular value chain.
- Build public-private partnerships to strengthen local innovation ecosystems focused on waste valorisation.

5. Raise Awareness and Build Industry Buy-In

- Conduct stakeholder engagement sessions with industries, especially the mining sector, to promote circular solutions and demonstrate cost-benefit advantages.
- Organise technical tours (e.g. of the Champs facility) to showcase successful models and encourage adoption.
- Launch a national campaign highlighting circular economy success stories and their contribution to jobs, sustainability, and economic diversification.



Day 2 Synopsis



Day Two of the summit zeroed in on three critical subthemes: export market access, local market access, and the beneficiation of natural resources to drive local manufacturing. The day featured expert presentations and dynamic panel discussions designed to surface practical insights and actionable strategies from various stakeholders.

The outcomes of these deliberations have been distilled into key recommendations to guide implementation. To ensure accountability and sustained progress, the proposed Economic Development Board, chaired by His Excellency the President, will oversee and track implementation quarterly.

Key Actionable Recommendations

- Establish a National Export Development Fund by Q1 2024 – The Ministry of Trade and Industry (MTI) and BITC to create a fund offering grants and low-interest loans for SMEs pursuing export certifications (e.g., Fair Trade, Organic).
- Implement Pre-Approved Industrial Zones by Q4 2024—The Ministries of Lands and Local Government will designate zones with pre-cleared EIAs, utilities, and shared labs (e.g., near Selibe Phikwe).
- Launch a P2B Remanufacturing Hub - Debswana, Morupule, and BCL to pool demand and partner with private investors for a remanufacturing facility—feasibility study by Q3 2024 and operational by 2026.
- Digitise Trade Procedures - Botswana Unified Revenue Service (BURS) to fully implement e-certifications and pre-clearance systems for exports. Roll out by Q2 2025.
- Advocate for AGOA Third-Country Fabric Provision - MTI will lobby the U.S. Trade Representative to retain flexible sourcing rules in AGOA renewal (2025). Submit a formal proposal by Q4 2024.
- Develop Local Glass Manufacturing—Botswana Ash (Botash) and private investors will establish a glass plant using Sua Pan soda ash. Secure investors by Q1 2025; production by 2027.
- Aggregate Mining Procurement—Botswana Chamber of Mines will create a consortium for bulk purchasing locally made mining equipment (e.g., rollers, idlers). The consortium will be operational by Q2 2025.
- Upgrade Trans-Kalahari Railway—The Ministry of Transport and private partners will fast-track rail upgrades for cost-effective exports via Walvis Bay. Commence construction by 2028.
- Scale ODC's 3P3E Diamond Trading Program - Okavango Diamond Company (ODC) to expand citizen-led trading initiatives with training and access to rough diamonds. Double the participant count by 2025.
- Align TVET Curricula with Industry Needs - Ministry of Education and Botswana Qualifications Authority (BQA) to revamp mining/manufacturing skills technical programs. Updated curricula will be implemented by 2027.





Session 3 Export Market Access

Shaping the Future of Botswana's
Manufacturing Sector: Growth, Diversification,
and Job Creation.

Gaborone International Conference Center
[2024/08/07]

2024

Set to
Expire

AGOA

Trade Agreement
United States and Africa

2025

Likely
To Be Renewed

■ Published Guideline

Help SMEs and manufacturers
take advantage of AfCFTA
provisions

■ Conscious Consumer

In Europe and North
America

Presentation: Export Market Landscape: Including Bilateral Trade Agreement Opportunities

By Mr Moabi Phia, Director - Export Development & Promotion
BITC

Mr. Phia presented by framing the conversation around Botswana's export market landscape. He explained that although the initial focus had been on bilateral trade agreements, the scope had since been expanded to encompass all aspects of market access. This broader approach, he noted, would facilitate a more in-depth exploration of Botswana's efforts to transition into an export-led economy.

He then outlined the main focus areas of his presentation, beginning with export opportunities for Botswana's products abroad. A key highlight was the African Growth and Opportunity Act (AGOA)—a trade agreement between the United States and Africa—set to expire in 2024, but likely to be renewed in 2025. Mr. Phia expressed optimism about its extension, stressing its continued relevance in supporting African exporters. He also pointed

to the African Continental Free Trade Area (AfCFTA) as a significant emerging opportunity for Botswana's exporters. In this regard, he referenced a recently published guideline by the Botswana Investment and Trade Centre (BITC) aimed at helping SMEs and manufacturers take advantage of AfCFTA provisions.

Shifting to global consumer trends, Mr. Phia highlighted the growing influence of the "conscious consumer" in mature markets such as Europe and North America. These consumers, he noted, prioritise health, sustainability, and transparency. He cited certifications such as Organic, Fair Trade, and Forest Stewardship Council (FSC) as valuable tools for boosting competitiveness in these markets. To illustrate this, he shared the success story of a Namibian charcoal company that broke into European markets by meeting such certification standards. He encouraged Botswana's manufacturers to



Presentation

Mr Moabi Phia

Director Export Development & Promotion
BITC



pursue similar certifications to strengthen their international appeal.

Emphasising the value of collaboration, Mr. Phia urged exporters to share their experiences and learn from one another. He pointed to companies like Aliboat and Boresh, which had successfully entered markets in Zimbabwe, Anguilla, and West Africa, as examples of peer-driven success. He argued that these shared experiences could often be more impactful than government-led initiatives.

Mr. Phia went on to outline the support structures available to exporters through BITC and the government of Botswana. He highlighted the Botswana Exporter Development Program, which assists companies in acquiring certifications such as Fair Trade and Quality Management Systems. He also introduced BITC's suite of market intelligence tools, which help businesses identify viable export opportunities by analysing market economics, tariffs, logistics, and risk factors. In addition, he mentioned that the World Bank developed the Trade Portal, an online platform offering step-by-step guidance on import and export procedures, which was designed to simplify the trading process for businesses.

In closing, Mr. Phia reiterated BITC's threefold mandate: attracting and retaining foreign investment, promoting export development, and managing Botswana's national brand. He assured participants of BITC's continued support, which includes services such as company registration, licensing, and the allocation of commercial land.

Key Recommendations



1. Leverage AGOA and AfCFTA for Export Growth - Botswana businesses, especially SMEs and manufacturers, should actively prepare for AGOA's 2025 renewal by aligning products with U.S. market



demands. Moreover, they should use BITC's AfCFTA guidelines to explore new intra-African trade opportunities under the continental free trade agreement.

2. Obtain Sustainability and Quality Certifications - Pursue internationally recognised certifications (Organic, Fair Trade, FSC) to meet the demands of conscious consumers in Europe and North America. Study success stories (e.g., Namibian charcoal exports) and use BITC's Exporter Development Program for certification support.

3. Foster Peer Learning and Collaboration - Establish industry networks where exporters share market-entry strategies (e.g., how Aliboat and Boresh expanded into Zimbabwe and West Africa). Participate in trade forums and workshops to learn from successful exporters rather than relying solely on government initiatives.

4. Utilise Market Intelligence Tools - Access BITC's trade analytics tools to assess market demand, tariffs, logistics, and risks before entering new export markets. Explore the World Bank Trade Portal for simplified import/export procedures and regulatory guidance.

5. Engage with BITC for End-to-End Export Support - Take advantage of BITC's services, including company registration and licensing facilitation, land allocation for industrial/commercial use, and export promotion programs that connect businesses with international buyers. Furthermore, collaborate with BITC to strengthen Botswana's national brand abroad, enhancing global competitiveness.



Presentation: African Growth and Opportunity Act (AGOA) Market Access: Textile and Garments: The Case of Lesotho Development Programme

Ms. Majara offered a comprehensive overview of Lesotho's textile export industry, highlighting its achievements and ongoing challenges. She presented samples of Lesotho's textile products, including yarn and blue jeans from cotton sourced primarily from African countries. This sourcing strategy, she explained, helps avoid ethical concerns associated with cotton from China, particularly issues related to forced labour.

Ms. Majara noted that Lesotho's textile industry began to develop in the 1990s, with the formation of the Exporters Association aimed at promoting collaboration among key stakeholders—government, investors, and workers. She underscored the vital role of workers in the industry's success, noting that while foreign direct investment—primarily from Taiwan—has been a driving force, smaller investments have also come from South Africa and local manufacturers. Despite the industry's progress, she acknowledged a decline in employment from 55,000 to 35,000 workers. Encouragingly, women make up 80% of the workforce, with many occupying managerial positions.

Many of Lesotho's textile exports benefit from preferential access to the U.S. market through the African Growth and Opportunity Act (AGOA). However, Ms. Majara expressed concern about the uncertainty surrounding AGOA's renewal and the potential removal of the "third-country fabric" provision, which currently allows countries like Lesotho to source raw materials from non-African countries. She warned that the loss of this flexibility could hinder Lesotho and similar economies, including Botswana, from fully benefiting from AGOA.



Ms Boitumelo Mbaakanyi
Programme Manager – Sustainable Private Sector
Development, UNDP

She outlined several production challenges affecting the sector, including high labour and utility costs, logistical difficulties linked to Lesotho's landlocked geography, and long lead times, sometimes up to 180 days from order placement to dispatch. Ms. Majara acknowledged the work of the National Trade Facilitation Committee in tackling non-tariff barriers and improving trade efficiency.

Compliance with environmental, social, and safety standards was also highlighted as a key priority. Ms. Majara explained that regular audits are conducted to meet buyer requirements and international standards. While Lesotho has recently updated its labour and occupational safety legislation, she noted that environmental regulations are still under review. To remain competitive in global markets, many of Lesotho's textile manufacturers pursue voluntary international certifications that give them an edge. However, they come at a cost—one example she cited costs \$2,300 per year. In conclusion, Ms. Majara emphasised the importance of



understanding and preparing the necessary export documentation to dispatch finished products, reinforcing the need for exporters to stay informed and compliant in international trade processes.

Key Recommendations



1. Strengthen AGOA Preparedness and Advocate for Third-Country Fabric Provision. Engage in diplomatic lobbying to secure AGOA renewal and retain the third-country fabric rule, allowing flexible raw material sourcing. Diversify export markets (e.g., AfCFTA, EU) to reduce overreliance on AGOA in case of policy changes.

2. Improve Supply Chain Efficiency and Reduce Lead Times - Invest in logistics partnerships (e.g., with South African ports) to reduce 180-day lead times. Moreover, explore regional cotton sourcing (e.g., Zimbabwe, Zambia) to reduce dependency on Asian imports and align with ethical trade demands.

3. Lower Production Costs Through Energy and Workforce Optimisation - Negotiate reduced utility costs with government/private sector partnerships for textile factories—Upskill workers in efficiency-driven manufacturing to offset high labour costs while maintaining quality.

4. Enhance Compliance with ESG Certifications - Secure international certifications (e.g., Fair Trade, ISO 14001) to meet buyer demands, despite the \$2,300/year cost, by pooling resources through industry associations. Also, align with updated Lesotho labour and safety laws to avoid audit failures and maintain buyer confidence.

5. Boost Local Investment and Gender - Inclusive Growth. Encourage local textile entrepreneurship through incentives, reducing reliance on foreign investors. Expand women-led managerial training to sustain the upward mobility of 80% of the female workforce.

Discussions



Following the two presentations, an engaging discussion took place. One participant requested that Mr. Phia from the Botswana Investment and Trade Centre (BITC) provide more detailed trade maps, beyond population figures, to include the types of goods being purchased within various trading blocks. He emphasised the importance of identifying products that local manufacturers could supply and proposed incorporating cultural distance analysis to assess export potential better. Furthermore, he inquired whether BITC had documented any exporter success stories that could serve as learning tools for others. He also sought information on the current export destinations of locally manufactured goods and asked whether BITC offered support on rules of origin and traceability requirements for exporters.

In response, Mr. Phia acknowledged that their presentation offered a broad overview and agreed on the need for more granular data on specific products and markets. He introduced BITC's Decision Support Model (DSM), a tool to help exporters analyse market competition, tariffs, and documentation requirements. He invited participants to an upcoming training session in Francistown to better understand the DSM. Mr. Phia also mentioned that BITC is in the process of compiling exporter success stories and encouraged local manufacturers to engage with established exporters for practical insights. Additionally, he noted that a handbook on customs procedures and rules of origin, developed by the

Botswana Unified Revenue Service (BURS), would be distributed to participants to support their export readiness.

Another participant directed a question to Ms. Majara from Lesotho, noting that most textile industry players in the country appeared to be Taiwanese. He asked what initiatives were in place to promote knowledge transfer from foreign investors to local manufacturers. He also raised concerns about the 180-day lead time for exports, questioning why the process was so lengthy given that shipping alone takes only 32 to 45 days.

Ms. Majara addressed the issue of knowledge transfer by highlighting training programs for factory workers and incubation initiatives designed to support local manufacturers. However, she noted the challenges of scaling home-based production, particularly in maintaining consistent quality standards. Regarding export lead times, she clarified that the 180-day period encompasses several stages, including sample approvals, raw material imports, production, shipping, and payment processing. She emphasised the importance of robust cash flow management in navigating these export cycles effectively.





Panel Discussion

Export Market Challenges and Opportunities

Moderator: Martin Ntongana - Chief Trade Officer
(Ministry of Trade and Industry)

- **Dr Balázs Horváth**
Resident Representative, UNDP Botswana
- **Ms Shirley G. Moncho**
Chief Executive Officer, Botswana Trade Commission (BOTC)





Mr Martin Ntongana

Chief Trade Officer
Ministry of Trade and Industry



Dr Balázs Horváth

Resident Representative
UNDP Botswana



Ms Shirley G. Moncho

Chief Executive Officer
Botswana Trade Commission (BOTC)

The moderator underscored the importance of persistence in business, particularly in navigating the competitive landscape of international trade. He encouraged participants to integrate into national, regional, and global value chains, especially under the African Continental Free Trade Area (AfCFTA) framework.

The conversation with Ms. Moncho highlighted Botswana's active participation in several trade agreements, including SADC, SACU, and AGOA. She explained that these frameworks help reduce tariffs and make Botswana's exports more competitive. For example, she noted that Botswana's beef exports to the UK are positioned advantageously by avoiding direct competition with large producers like Brazil and Argentina. These agreements also provide access to significantly larger markets, with SADC's 340 million consumers compared to Botswana's domestic market of just 2.6 million. Ms. Moncho pointed out that since 2000, Botswana's intra-SADC trade has increased from 10% to 23%, illustrating the tangible benefits of regional economic integration.

Dr. Horváth followed with a frank assessment of Botswana's exporters' obstacles. High transport costs remain a significant barrier, particularly due to the country's landlocked status. Moving a single container to the nearest port can cost over \$1,000, adding a heavy burden to exporters. He also identified non-tariff barriers, such as inconsistent border procedures and standards, as persistent challenges. Dr. Horváth stressed the urgent need to digitise trade processes and streamline regulatory compliance through harmonised standards across Africa. He argued that deepening existing trade agreements by incorporating mutual recognition of certifications, digital IDs, and easing travel restrictions is essential to enhancing regional competitiveness.

The panel also explored existing institutional support mechanisms available to exporters. The Botswana Trade Commission offers infant industry protection and duty rebates. At the same time, the Botswana Investment and Trade Centre (BITC) provides analytical tools like the Decision Support Model (DSM) to help businesses

evaluate international markets, tariffs, and competition. Dr. Horváth added that the UNDP plays a critical role in simplifying complex trade agreement language and offering policy advisory services, including regulatory impact assessments.

Shifting focus to the global climate agenda, the panel discussed how emerging policies like the EU's Carbon Border Adjustment Mechanism could impact Botswana's exports. One proposal was for Botswana to consider its carbon tax to retain revenue that might otherwise be collected externally. They also referenced the U.S. Inflation Reduction Act, which offers subsidies to green industries in developed economies, potentially disadvantaging African producers. Nevertheless, Botswana's abundant solar energy potential was cited as a comparative advantage that could be leveraged in the emerging green economy. The panel also touched on global justice issues, calling for African nations to assertively claim their share from climate-related mechanisms such as the COP27 Loss and Damage Fund, given that the continent contributes minimally to global emissions but suffers disproportionately from climate impacts.

Audience engagement further enriched the discussion. A participant raised concerns about Botswana's informal economy, now estimated to represent 30% of economic activity, and how this affects formal manufacturing growth. In response, Ms. Moncho explained that Botswana's industrial policy framework, which includes Special Economic Zones, is designed to address these concerns by promoting formalisation and industrial growth.

Another attendee questioned the strategic placement of manufacturing hubs in remote locations like Selibe Phikwe, which increases logistical costs. In response, the moderator explained that such decisions are part of a cluster-based development strategy, designed to support local production systems—for instance, by aligning grain silos with farming zones in Pandamatenga—though he acknowledged that logistics remains an area needing improvement.





As the session drew to a close, the panellists collectively urged manufacturers to engage proactively with support institutions such as BITC, the Botswana Trade Commission, and the UNDP. They emphasised adapting to evolving global trends, particularly digitalisation and sustainability, and called for greater regional collaboration to overcome shared trade barriers.

Key Recommendations



1. Leverage Trade Agreements for Market Access — Manufacturers should fully take advantage of Botswana’s participation in regional and international trade agreements such as SADC, SACU, AGOA, and AfCFTA. These frameworks offer reduced tariffs and preferential access to larger markets, which can significantly boost export competitiveness. Businesses should engage with the Botswana Investment and Trade Centre’s Decision Support Model (DSM) to tap into these opportunities effectively. This tool helps identify high-demand products in target markets, enabling manufacturers to align their production strategies with market needs.

2. Reduce Logistics Costs Through Strategic Partnerships - Addressing high transport costs remains a priority for export-driven growth. Manufacturers should explore strategic partnerships with regional logistics providers and collaborate with government agencies to optimise transportation routes. Corridors such as Namibia’s Walvis Bay and the Kazungula Bridge present viable alternatives to traditional routes. Additionally, manufacturers should advocate for public-private partnerships to improve trade infrastructure and ease border congestion, thereby reducing the time and cost of getting products to market.

3. Adopt Digital Trade Solutions — Digital solutions can significantly streamline export processes. Shifting to electronic documentation and e-certifications helps speed up customs clearance and minimises delays associated with manual procedures. Exporters are encouraged to work closely with the Botswana Unified Revenue Service (BURS) to implement digital pre-clearance systems, ensuring that goods are processed more efficiently before reaching border posts.

4. Comply with Sustainability Standards for Global Competitiveness - To remain competitive in increasingly environmentally conscious markets, Botswana’s manufacturers must align their operations with emerging sustainability standards, including the EU Carbon Border Tax and other green trade policies. One practical approach is to invest in solar energy infrastructure, leveraging Botswana’s natural advantages to reduce carbon emissions. Such efforts help avoid environmental penalties and position businesses to benefit from climate-related trade incentives and access to “green” markets.

5. Strengthen Industry Associations for Policy Influence - Stronger collective representation can help shape a more enabling trade environment. Manufacturers should consider forming or joining industry associations focused on manufacturing and exports. Through these platforms, they can lobby more effectively for trade-friendly reforms, including harmonised regional standards and streamlined regulatory procedures. Collaborating with stakeholders like the UNDP and the Botswana Trade Commission can further support efforts to advocate for regulatory improvements that facilitate export growth.



Session 4



**Shaping the Future of Botswana's
Manufacturing Sector:** Growth, Diversification,
and Job Creation.

Local Market Access

Gaborone International Conference Center
[2024/08/07]

Panel Discussion

Panel Discussion: Legal and Regulatory Environment for Local Manufacturing. Is It Conducive?

Moderator: Mr Godfrey Maswere - CEEP Manager
(Debswana Diamond Company)

- **Mr Duncan Jaramba**
Sales and Marketing Director, Flo-Tek

- **Mr Geof Khwarae**
Executive Director, Champs Botswana



Mr Godfrey Maswere
CEEP Manager
Debswana Diamond Company



Mr Duncan Jaramba
Sales and Marketing Director
Flo-Tek



Mr Geof Khwarae
Executive Director
Champs Botswana



The panel discussion provided an insightful exploration of the current legal and policy environment confronting Botswana's manufacturers. Bringing together industry leaders and government representatives, the session illuminated both the progress and the systemic hurdles that continue to impede industrial growth.

The discussion opened with remarks from Mr Jaramba, who shared his company's success in expanding across Southern Africa—specifically into Angola, Namibia, and Zimbabwe—by capitalising on regional trade agreements such as SADC and SACU. Despite these achievements, Mr Jaramba noted that local manufacturers often struggle with supply chain inefficiencies, citing the burden of repetitive bidding processes even when firms already comply with regional standards. These fragmented procurement systems, he argued, prevent companies from achieving economies of scale. Mr Jaramba called for a policy shift favouring long-term supplier contracts with local producers, allowing for more predictable and stable production volumes. He also advocated for stronger business-to-business collaboration, pointing to the automotive sector as a model where competitors often share suppliers to boost efficiency—for example, Ford and Nissan using the same tailgate suppliers.

Mr Kgwaree echoed these concerns and offered additional insights into manufacturers' regulatory bottlenecks. He described the lengthy and costly process of securing environmental compliance, particularly the delays associated with obtaining Environmental Impact Assessments (EIAs), significantly slowing his company's early operations. Mr Kgwaree also highlighted the impact of cross-border trade restrictions, recalling South Africa's 2013 ban on grease imports, which forced his team to innovate by developing pyrolysis technology. This move ultimately created 14 new jobs. However, he warned that such unexpected policy

shifts can devastate small and medium-sized manufacturers. He urged governments in the region to work towards harmonised regulatory frameworks that reduce the risk of trade disruptions.

The audience and moderators contributed further observations, emphasising that practical solutions exist if stakeholders are willing to collaborate. One suggestion was the development of pre-approved industrial zones where blanket EIAs would be conducted in advance, thereby reducing setup delays for new businesses. Attendees also raised concerns about critical infrastructure, especially the unreliability of power supply from Botswana Power Corporation (BPC), which has caused repeated disruptions to manufacturing activities. The panel strongly agreed on the need for consistent public-private dialogue to help shape policies that are well-intentioned and implementable on the ground.

In conclusion, while Botswana's regulatory landscape has shown progress in supporting industrial development, persistent challenges in procurement practices, compliance costs, and basic infrastructure continue to limit the sector's potential. The discussion clarified that these challenges can only be overcome through sustained, structured collaboration between the government and the manufacturing community.

As the moderator aptly concluded, "*Collaboration between government and manufacturers isn't optional—it's the backbone of industrial success.*"

Key Recommendations

1. Streamline Procurement Policies - There was strong consensus on moving away from short-term, transactional bidding processes. Instead, public procurement systems should prioritise long-term supply contracts that give local manufacturers the stability needed to scale.

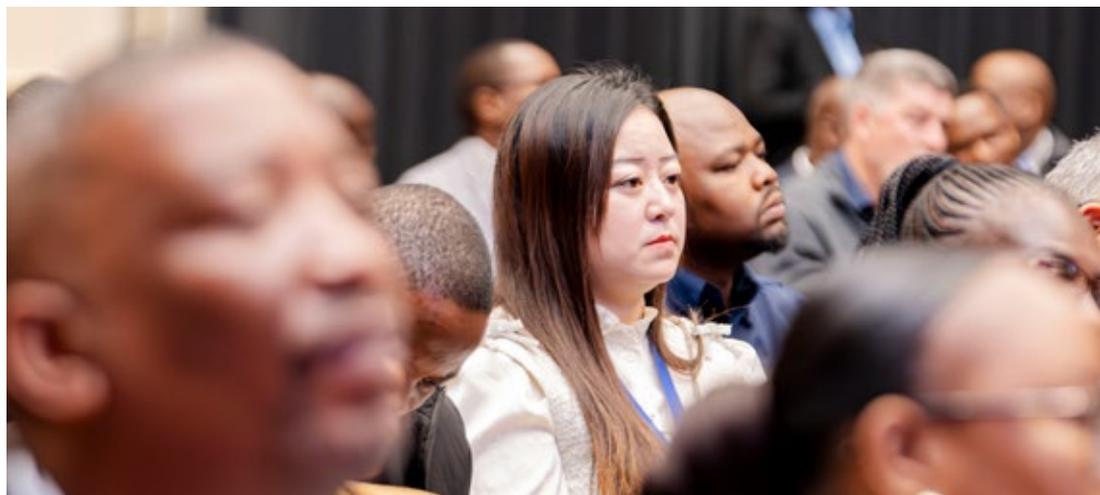


2. Pre-Approved Industrial Zones—The Government should consider establishing zones with blanket EIAs already in place. This would significantly lower barriers to entry and encourage investment in designated manufacturing hubs.

3. Enhance Cross-Border Coordination - Greater alignment of regional regulations, especially for hazardous waste under frameworks like the Basel Convention, is necessary to enable smoother trade flows and reduce compliance headaches for exporters.

4. Stabilise Critical Infrastructure—An immediate focus is needed to improve electricity reliability and enhance key logistics corridors, such as the Walvis Bay route and the Kazungula Bridge, essential to export efficiency.

5. Strengthen Industry Advocacy - The formation and strengthening of industry associations was recommended as a means for manufacturers to lobby for regulatory reforms collectively. Unified voices are more likely to influence meaningful policy change.



Presentation: Supply Value Chain Development as an Initial Source of Market for Local Manufacturers

The speaker grounded the audience in the practical realities shaping Botswana's manufacturing landscape. Debswana, the country's diamond mining powerhouse, was no longer just pledging support for local manufacturing—it was putting that commitment into action. With evident pride, the speaker spotlighted the successes of FlowTech and Champs Botswana—two local companies that now source more than 90% of their raw materials, including used oil and plastics, from Debswana's waste streams. These were not abstract case studies—they were proof of what strategic corporate support could achieve.

As the presentation progressed, a recurring theme took centre stage: collaboration over isolation. The speaker emphasised that no single player, however influential, could build a resilient manufacturing sector alone. Recognising this early on, Debswana took a strategic step in 2019 by partnering with the Botswana Chamber of Mines. Backed by an investment of over P4 million, this partnership established a structured local procurement framework, setting the stage for collaborative industry platforms such as the current manufacturing summit. It marked a critical transition from fragmented competition to coordinated cooperation.

Yet, systemic challenges remained. Chief among them was the enduring dilemma of market size versus market access. Debswana's early assessments revealed a crucial insight: Botswana's market isn't too small—it's underutilised. Many local manufacturers had entered the space with overly optimistic expectations of demand, only to face irregular purchasing patterns and prolonged dry spells. In response, Debswana recalibrated its approach, shifting from focusing on localisation (who delivers the product) to local production (where it is made). The goal is to retain and grow value within Botswana rather than channel imports through local intermediaries.

This strategic shift also came with a recognition of limits. Botswana cannot manufacture everything, but it can excel in key areas. Debswana identified several high-volume, high-impact product categories where local production is both feasible and economically innovative:

- Textiles: While spinning yarn remains a future goal, pilot initiatives are already underway to assemble garments locally.
- Mining components: A P5 million procurement pilot is testing the domestic manufacture of rollers and idlers.
- Coolants and lubricants: Locally blended products are in trial phases for use across Debswana's mining fleet.
- Remanufacturing: A P2 billion facility is under consideration for reclaiming industrial parts refurbished in South Africa. This initiative could serve Botswana and regional markets like Zambia and Angola.




Mr Wanatsha Moakofi
Head of CEEP
Debswana Diamond Company

An expanding ecosystem of policy and financial enablers further reinforces Debswana's efforts. The Mines and Minerals Act will formalise a mandate for mining companies to prioritise locally produced goods, embedding local procurement into national legislation. Meanwhile, strategic partnerships with financial institutions such as Stanbic Bank are unlocking short-term financing to help manufacturers navigate the cash flow gaps between securing orders and delivering goods. Another forthcoming mechanism—the introduction of Reservation Lists—aims to protect domestic producers by earmarking specific products exclusively for local manufacture.

These interventions are already bearing fruit. FlowTech and Champs Botswana are early successes, but Debswana's vision is broader. The company engages other mining operations, such as Morupule Coal Mine and BCL, through industry roadshows to aggregate demand and ensure the scale needed to sustain local production. In tandem, new Expressions of Interest (EOIS) have been issued for products



such as safety boots, flocculants, and ferroalloys, signalling a continued effort to widen the net of domestic suppliers. As the session drew to a close, the speaker delivered a firm and energising message: Botswana's market is not limited by size but by fragmentation. Unlocking its full potential depends on consolidating demand across sectors like mining, utilities, and transportation, and focusing national efforts on a core set of scalable, strategic products.

In a call to action that resonated deeply with the audience, the speaker concluded:

"Local manufacturing isn't just about procurement—it's about jobs, diversification, and national resilience. Let's stop talking and start consolidating."

Key Recommendations



1. Establish Industry-Wide Demand Aggregation - Mining companies and large industrial players should collaborate, not compete, on procurement. By consolidating purchasing requirements through coordinated platforms like the Botswana Chamber of Mines, these entities can generate predictable, scaled demand that local manufacturers can rely on. This kind of demand aggregation directly addresses the market access challenge, ensuring order volumes are sufficient to justify production investment and reduce the risk of idle capacity.

2. Implement Strategic Product Prioritisation - Identify and protect high-impact, high-volume product categories. By developing and publishing Reservation Lists—covering items like mining components, personal protective equipment (PPE), and coolants—the government and private sector can align on product categories where local production will be prioritised or mandated. This approach enables Botswana to focus on winnable sectors where competitive scale is achievable, avoiding dilution of effort across too many fronts.

3. Launch a Remanufacturing Industrial Hub - Fast-track the P2 billion remanufacturing facility. Proposed as a public-private partnership, the facility would reclaim value from industrial components currently sent to South Africa for refurbishment. By pooling demand from Debswana, Morupule, BCL, and regional neighbours like Zambia and Angola, this hub would retain economic value and establish Botswana as a regional centre for remanufacturing excellence.

4. Create a Manufacturing Bridge Financing Facility - Financing challenges were identified as a recurring barrier for

local manufacturers, especially when fulfilling large or urgent orders. Expand partnerships with banks to create a dedicated bridge financing mechanism to bridge this gap. This facility would provide:

- Pre-production financing against confirmed purchase orders, and
- Working capital for procuring raw materials.

Such a mechanism would directly tackle the cash flow constraints often preventing small manufacturers from scaling up.

5. Develop Sector-Specific Industrial Parks - Lower the barriers to industrial entry. By establishing specialised manufacturing zones—for example, in textiles or mining supplies—the government could provide shared infrastructure such as:

- Pre-approved environmental permits
- Centralised testing laboratories
- Bulk utilities infrastructure

This cluster-based approach would streamline startup processes and reduce operational costs, making it easier for new manufacturers to establish themselves and compete.

A Cross-Cutting Policy Anchor - Underlying all five recommendations was a call for strong legislative support. The speaker urged the expedited passage of the Mines and Minerals Act amendment, which would legally mandate local procurement quotas across the mining sector. This policy anchor would encourage and enforce local sourcing, turning good intentions into binding obligations.





Panel Discussion

Manufacturing Opportunities in the Mining Sector

Moderator: Mr Thatayaone Molefhi - CEEP Coordinator (Ministry of Entrepreneurship)

- **Mr Lere Matebesi**
CEEP Manager (Debswana Diamond Company)
- **Mr Resego Keipidile**
Supply Chain Manager (Morupule Coal Mine)





Mr Thatayaone Molefhi
CEEP Coordinator
Ministry of Entrepreneurship



Mr Lere Matebesi
CEEP Manager
Debswana Diamond Company



Mr Geof Khwarae
Supply Chain Manager
Morupule Coal Mine

The first speaker emphasised Botswana’s reliance on mining for sustainable development, tracing its historical significance from the Stone Age to modern industrialisation. Despite global shifts toward reducing metal dependency, advancements in alloying technology have reinforced the importance of mining. The speaker noted that even in the fight against climate change, “green metals” remain essential. Additionally, agricultural minerals like nitrates and phosphates are crucial for food security. The Botswana government’s Economic Inclusion Act of 2021 was highlighted as a legislative effort to boost local manufacturing by leveraging procurement power from both the public and private sectors. The speaker stressed that collaboration with the mining industry is vital, as it drives economic activity through procurement spending.

A representative from Morupule Coal Mine shared their progress in citizen economic empowerment, reporting an increase in local procurement from 29% in 2022 to 62% by mid-2023. Their strategy focused on reserving certain services for citizens and encouraging local manufacturing. The speaker advocated for demand aggregation among mines to make manufacturing investments feasible and highlighted the need for skills development and longer-term contracts to support local suppliers.

Another Debswana panellist discussed technology’s impact on mining and supply chains. They emphasised that modern manufacturing is more data-driven, creating opportunities for tech-savvy youth. Partnerships with educational institutions were cited as crucial for aligning curricula with industry needs, particularly in research and development (R&D) and intellectual property (IP) creation.

A key challenge raised was the high capital requirements for local manufacturers, leading to debt burdens. Mining companies expressed willingness to support manufacturers through bank payment guarantees and offtake agreements.

The importance of proper equipment selection was also stressed, with examples of failed investments due to inadequate technology choices. Government institutions like the Botswana Development Corporation (BDC) and the Ministry of Agricultural Development and Food Security (MADI) were urged to provide guidance.

Audience members contributed additional insights, emphasising the need for R&D investment to prevent wasteful spending and improve efficiency. Stakeholder engagement, including youth involvement in technical fields, was encouraged to sustain long-term growth. Another participant highlighted that economic empowerment should not be conflated with entrepreneurial development, as not all citizens are suited for business ownership. Collaboration with foreign investors was also essential, as market aggregation made local manufacturing viable.

The session concluded with an invitation for stakeholders to participate in upcoming consultations on the Economic Inclusion Regulations, ensuring their input shapes Botswana’s legislative framework for economic growth. The moderator thanked the audience and reinforced the importance of partnerships in driving sustainable development.

Key Recommendations

- 1. Aggregate Mining Industry Demand to Boost Local Manufacturing.**
 - Mines should collaborate to consolidate procurement needs, creating economies of scale for local manufacturers.
 - Establish consortium purchasing agreements to ensure stable demand, making investments in production facilities more viable.
- 2. Strengthen Partnerships Between Industry and Education.**





- Align university and technical college curricula with mining and manufacturing sector needs, focusing on data literacy, R&D, and IP development.
- Facilitate internships and training programs with mining companies to build a skilled workforce, particularly in technology-driven manufacturing.

3. Enhance Financial Support for Local Manufacturers.

- Mining firms should provide off-take agreements and payment guarantees to help manufacturers secure financing from banks.
- Develop bespoke funding products with financial institutions to reduce high gearing ratios and debt burdens for local suppliers.

4. Improve Technology and Equipment Selection Support.

- Government agencies (e.g., BDC, MADI) should provide technical guidance to manufacturers to avoid costly mistakes in machinery selection.
- Mining companies should share expertise in quality specifications and best practices to ensure locally produced goods meet industry standards.

5. Increase Investment in Research & Development (R&D).

- Allocate funding for R&D to optimise manufacturing processes, reduce waste, and develop competitive local products.
- Encourage collaboration between mines, universities, and start-ups to innovate in green metals, agricultural minerals, and advanced manufacturing techniques.





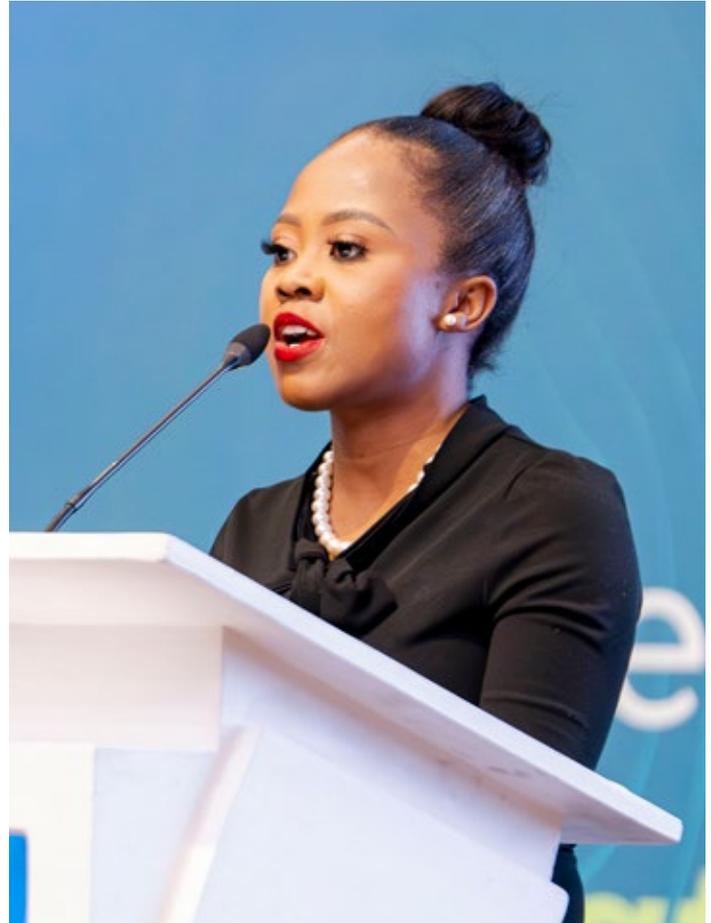
Presentation: Botswana Chamber of Mines/ Stanbic Bank CEEP Start-up Support Programme

Ms Chilisa's presentation resonated with the national focus on enhancing manufacturing and job creation, exemplified by collaborative efforts from entities like Morupule Coal Mine and Debswana.

The speaker outlined several key partnerships and financial commitments to foster economic empowerment. One of the most notable initiatives was the Memorandum of Understanding (MOU) signed with Debswana, which pledged P1 billion over five years for citizen economic empowerment (CEE) funding. In addition, Stanbic launched a non-repayable grant program worth P10 million designed to support small and medium-sized enterprises (SMEs) in the manufacturing sector, particularly those still in their early stages and may not qualify for traditional funding options. Another crucial partnership was with Tokafala, a joint initiative involving De Beers, Anglo American, and the Botswana government. This collaboration aimed to provide P1 million in grants to 12 youth-owned businesses nationwide, reinforcing the bank's commitment to youth empowerment.

In collaboration with the Botswana Chamber of Mines, Stanbic committed P250,000 to fund the Local Manufacturing Summit and offer additional grants for youth and disabled entrepreneurs. This alliance would also establish a manufacturing development program that provides mentorship, prototyping support, and funding for viable projects.

The presentation also highlighted Stanbic's innovative trade and financial solutions. The Stanbic Trade Club, a global B2B platform, connects businesses in Botswana with over 20,000 vetted entities across 35 countries, creating numerous import and export opportunities. Leveraging a partnership with ICBC Bank from China, Stanbic introduced an Africa-China Trade Solution, which aids local manufacturers in sourcing machinery, negotiating deals, and managing logistics without incurring significant travel costs. Furthermore, they offer contract financing, allowing businesses to access secured lending against procurement contracts, even if they face challenges like weak balance sheets or poor credit histories. Stanbic has established the Stanbic Accelerator Incubator, a free co-working space in Fairgrounds Mall, to support entrepreneurial ventures further. This facility provides workspaces, Wi-Fi, event hosting, and startup mentorship opportunities. Additionally, a partnership with Stanford SEED allows high-level entrepreneurial training to be delivered through free monthly sessions featuring successful entrepreneurs, usually valued at P90,000.



Ms Kushatha Chilisa

Head of Citizen Economic Empowerment Programme
Stanbic Bank Botswana

Addressing challenges in SME lending, the speaker pointed out that traditional banking requirements such as strong financials, collateral, and clean credit records frequently exclude many potential SMEs from funding opportunities. However, Stanbic is taking steps to relax these criteria for CEE beneficiaries. They focus on contract viability and the potential for rehabilitating credit records, which involves assessing the root causes of past debts. They shift their mindset to support smaller businesses with high potential instead of only established corporations.

In closing, the speaker reinforced Stanbic's commitment to Botswana's growth through funding, partnerships, and capacity building. They urged all stakeholders to leverage these opportunities, leaving the audience inspired and ready for action.



Session 5



Shaping the Future of Botswana's
Manufacturing Sector: Growth, Diversification,
and Job Creation.

Beneficiation of Natural Resources towards Local Manufacturing

Gaborone International Conference Center
[2024/08/07]

Sodium Metabisulfite



Plant To Produce
Batteries

P50 M

Invested In R&D
Over The Past Four Years

ChemWest

Local Company
Using Soda Ash & Salt
to Produce High-Quality
Detergents

■ Increasing from P300 million

The transition from bulk salt exports to packaged consumer products.

■ 3rd largest Soda ash Reserve in the World

BotAsh, Sua Pan

Presentation: Beneficiation of Salt and Soda Ash towards Local Manufacturing

By Mr Kangangwani Phatshwane, Managing Director - Botswana Ash

Mr Phatshwane introduced Botash as a prominent soda ash and salt mining company in Sua Pan, northeastern Botswana. The company's roots trace back to its development by British Petroleum Chemicals in the 1980s. Still, it transitioned to Soda Ash Botswana, a consortium involving Anglo American, ACI, and the Botswana government. By 1996, ownership evolved into a 50-50 joint venture between CH Holdings and the Botswana government.

Botash operates with several ISO certifications for safety, environmental management, and quality, and it prides itself on adhering to sustainable mining practices. The company has established a significant export footprint across Southern Africa, extending its reach to countries like South Africa, Namibia, Angola, the DRC, Zimbabwe, Zambia, Malawi, and Tanzania.

In discussing its market position, the speaker noted that Botash holds over 40% market share in most of its markets, demonstrating dominance of over 80% in specific regions. The Sua Pan deposit is particularly noteworthy, being the third-largest soda ash reserve in the world, following those in Wyoming (USA) and Turkey. The speaker emphasised that Botash aims to "touch the lives of people across Southern Africa every day" through its diverse range of products.

The presentation explored the key value chains and manufacturing opportunities associated with Botash's products. Several industries rely on the company's offerings, opening avenues for local manufacturing. In the soda ash value chain, the speaker highlighted its use in glass manufacturing for construction materials like flat glass used in buildings and automotive applications and container glass for beverages and medicines. A significant



opportunity exists for Botswana to develop local glass production plants rather than relying on the export of raw soda ash. Moreover, the mineral processing sector relies on Botash's products to refine essential metals like chromium, vanadium, cobalt, manganese, platinum, and uranium. The speaker also cited applications in producing paper, detergents, and speciality chemicals, including uses in paints and food stabilisers.

Turning to the salt value chain, the speaker pointed out that Sua Pan produces high-purity food-grade salt, serving both the food industry and animal feed markets. The processing of salt into chlorine for water purification and PVC pipes was also mentioned, flagging an opportunity for Botswana to manufacture solid chlorine-based water treatment products, which are much safer than gas transport options. Furthermore, Sua Pan's high-purity salt is ideal for cosmetic and pharmaceutical uses, presenting additional markets.

The speaker outlined existing and potential local manufacturing projects, including developing a Sodium Metabisulfite plant through a joint venture with cobalt miners in the DRC. This project aims to produce chemicals for battery manufacturing and has secured offtake agreements to mitigate market risks. Additionally, ChemWest, a local company, uses Botash's soda ash and salt to produce high-quality detergents. The transition from bulk salt exports to packaged consumer products was noted as a significant opportunity for growth, with potential revenue increasing from P300 million to an even higher figure.

The speaker emphasised several key enablers for manufacturing growth, identifying crucial factors for success. Research and Development (R&D) plays a vital role, as Botash has invested P50 million over the past four years, leading to the development of three new products. The company is also eager to partner with local innovators. Reliable infrastructure, particularly cost-effective energy and efficient transport, is essential for sustainable growth. Lastly, the need for skills development, including the training of local labour while possibly importing short-term foreign expertise, was highlighted.

In conclusion, the speaker made a compelling case for Botswana to elevate its position in the value chain from being a raw mineral exporter to becoming a hub for high-value manufacturing. Mr Phatshwane invited investors and entrepreneurs to explore partnerships in several key sectors, including glass production, chlorine-based water treatment, speciality chemicals and detergents, and packaged salt products.

Key Recommendations



1. Develop Local Glass Manufacturing Capacity — Establish glass production plants in Botswana to process soda ash into finished glass products (construction materials, automotive glass, beverage containers) rather than exporting raw materials. Botswana currently exports raw soda ash despite having the third-largest global reserves. Local glass manufacturing would capture more value (e.g., for construction and solar panels) and reduce import dependence.

2. Scale Chlorine-Based Water Treatment Production — Invest in facilities to convert Sua Pan's high-purity salt into solid chlorine products (e.g., hypochlorite) for water purification, targeting regional markets with unsafe water (e.g., DRC, Angola). This avoids the risks of transporting chlorine gas and addresses Africa's water treatment



Mr Kangangwani Phatshwane
Managing Director
Botswana Ash

needs. Botash already supplies salt, but Botswana could manufacture the final products.

3. Expand Value-Added Salt Products — Transition from bulk salt exports to packaged consumer goods (food-grade, cosmetic, and pharmaceutical salts), potentially increasing revenue. Sua Pan's salt is exceptionally pure, ideal for high-margin applications (e.g., cosmetics and iodised salt).

4. Strengthen R&D and Skills Development — Expand Botash's P50M R&D program to support local innovators in developing downstream products (e.g., detergents, and speciality chemicals). Botash has already developed three new products through R&D; replicating this for SMEs can spur manufacturing.

5. Improve Infrastructure for Export Competitiveness - Upgrade energy and transport networks (e.g., rail links to Walvis Bay) to reduce costs for manufacturers relying on Botash's inputs. The speaker flagged costly logistics as a barrier. Reliable energy and transport are critical for industries like glass and chlorine production. At the policy level, fast-track the Trans-Kalahari Railway and incentivise private-sector investment in industrial parks near Sua Pan.





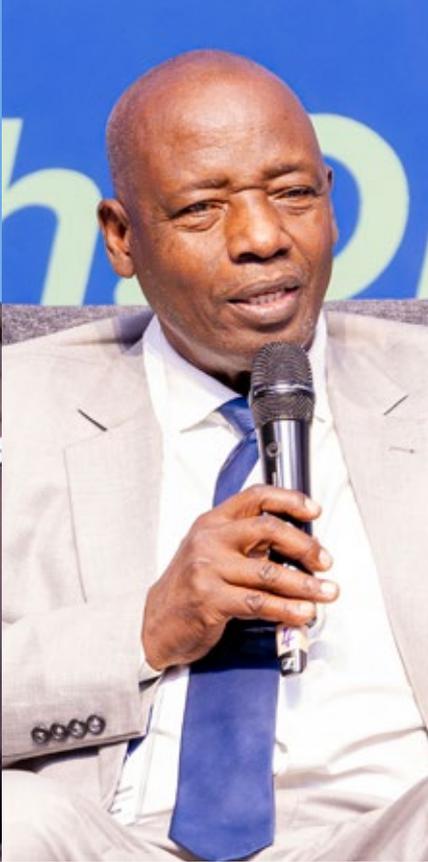
Panel Discussion

Beneficiation of Botswana's Minerals towards Local Manufacturing

Moderator: Mr Thatayaone Molefi, CEEP Coordinator
Ministry of Entrepreneurship

- **Mr Charles Siwawa**
Chief Executive Officer, Botswana Chamber of Mines
- **Mr Mmetla Masire**
Managing Director, Okavango Diamond Company
- **Mr Kangangwani Phatshwane**
Managing Director, Botswana Ash





Mr Thatayaone Molefi
CEEP Coordinator
Ministry of Entrepreneurship

Mr Charles Siwawa
Chief Executive Officer
Botswana Chamber of Mines

Mr Mmetla Masire
Managing Director
Okavango Diamond Company

Mr Kangangwani Phatshwane
Managing Director
Botswana Ash

The panel discussion discussed the importance of mineral beneficiation as Botswana seeks to transition from a resource-dependent economy to a high-income, industrialised nation. The discussants illuminated the opportunities and challenges for local value addition in the mining sector.

One of the central themes of the discussion was Botswana’s economic imperative for beneficiation. Currently, the nation’s GDP per capita stands at \$7,800, significantly shy of the \$13,800 threshold for high-income status, as defined by the IMF. This reality underscores the need for the country to move beyond simply exporting raw minerals, which translates to exporting jobs and capital. The panellists emphasised that beneficiation is crucial for retaining value within the country, creating employment opportunities, and attracting foreign currency. They also recognised the potential for regional collaboration, particularly with neighbouring countries like Zambia and the Democratic Republic of Congo, to optimise infrastructure and leverage economies of scale in copper refining.

The conversation shifted to the diamond value chain, where the global industry generates staggering figures. Rough diamond sales reach about \$15 billion annually, with Botswana contributing approximately \$5 billion. Once the diamonds are cut and polished, their value doubles to around \$20 billion, with jewellery manufacturing pushing it to an impressive \$45 billion and retail sales peaking at \$75 billion. Panellist insights revealed the potential for growth in Botswana, where around 40 cutting and polishing factories currently employ about 3,000 individuals, starkly contrasting with the over a million employed in India. There is significant untapped potential with industrial diamonds representing a \$2 billion market alone in North America. However, the panellists also highlighted a looming threat from lab-grown diamonds, which have seen their prices plummet, creating challenges for natural diamond

demand. To combat this, they discussed strategies like re-education campaigns and partnerships, such as ODC’s collaboration with the Natural Diamond Council, to emphasise the long-term value of natural diamonds.

Botash’s role in downstream manufacturing was another key point of discussion. The panel identified soda ash and salt value chains as auspicious sectors, particularly in glass production across the construction, automotive, and solar panel industries. Chlorine-based water treatment and consumer goods—specifically branded packaged salt—were highlighted areas where Botash could significantly increase revenues, potentially tripling to P900 million per year. Botash has invested P50 million over four years in research and development to innovate and welcome new partnerships.

The dialogue also explored synergies across various minerals. For instance, the Kanye manganese project is projected to supply 25% of global demand, paving the way for opportunities in battery manufacturing. Similarly, collaboration with regional partners for copper refinement could allow Botswana to localise the production of cables, pipes, and electronics. Additionally, discussions surrounding iron and chromium emphasised the need for local manufacturing of essential mining equipment like grinding balls, nuts and bolts to reduce imports.

In addressing enablers for success, the panel focused on several key areas: skills development, financial access, and infrastructure. Emphasising tackling labour shortages, they proposed partnerships with technical and vocational education and training (TVET) institutions and sought short-term foreign expertise. The ODC’s innovative 3P3E program was noted as a game-changer, allowing citizen-led diamond trading without relying on banks. Lastly, the discussion underlined the need for stable energy sources and improvements to the Trans-Kalahari Railway to cut logistics costs.



A palpable sense of optimism filled the room as the panel discussion drew to a close. Panellists urged attendees to “dream big” and leverage Botswana’s mineral wealth to build a resilient, high-value economy. Entrepreneurs were encouraged to develop bankable proposals and engage with mines for off-take agreements, while the government was called upon to accelerate policy reforms to incentivise local

procurement. The academia was also urged to align R&D efforts with industry needs, enhancing the partnership between education and practice for a prosperous future.



Key Recommendations



1. Expand Local Diamond Beneficiation & Combat Lab - Grown Diamond Competition - Increase investment in cutting, polishing, and jewellery manufacturing to capture more value from Botswana’s \$5B rough diamond exports. Also, launch consumer education campaigns (e.g., partnerships with the Natural Diamond Council) to promote natural diamonds over lab-grown alternatives.

2. Develop Downstream Industries for Key Minerals (Soda Ash, Manganese, Copper, etc.) - Support Botash in expanding into glass manufacturing (for solar panels, automotive, and construction) and branded packaged salt to triple revenues. Moreover, invest in local battery production using Kanye manganese and regional copper refinement for cables, electronics, and pipes.

3. Strengthen Regional Collaboration for Infrastructure & Economies of Scale - Partner with Zambia and DRC to optimise copper refining and shared logistics (e.g., upgrading the Trans-Kalahari Railway to cut transport costs). Further, foster joint ventures to enhance mineral processing capacity and attract foreign investment.

4. Enhance Skills Development & Access to Finance - Partner with TVET institutions to address labour shortages in mining and manufacturing. Also, scale up initiatives like ODC’s 3P3E program to enable citizen-led diamond trading without heavy reliance on banks.

5. Accelerate Policy Reforms & Industry-Academia Collaboration — The Government should incentivise local procurement and fast-track reforms to support mineral beneficiation. Universities and R&D institutions should align research with industry needs (e.g., mining equipment manufacturing, like grinding balls to reduce imports).





 **Hon. Mmusi Kgafela**
Minister of Trade and Industry

Closing Remarks

Hon. Kgafela expressed his honour at the summit's second edition and commended the BCM team and sponsors for their commitment to advancing Botswana's industrial development through manufacturing. Reflecting on the event, he noted its strong attendance by policymakers, industry experts, and exhibitors showcasing viable business models.

The speaker highlighted the timing of the summit, which followed the SADC Industrial Week in Zimbabwe, as both events emphasised the importance of industrialisation for sustainable development. He referenced UN Secretary-General António Guterres' call for more substantial government commitments to achieving the Sustainable Development Goals (SDGs). He assured the audience that his ministry was fully aligned with Botswana's industrialisation strategies.

He reiterated President Mokgweetsi Masisi's pledge to create a supportive regulatory environment for manufacturers, enabling them to produce high-quality goods, expand into export markets, and create jobs. In closing, he urged everyone to unite in energy, trust, and resolve to build a competitive and sustainable manufacturing sector for Botswana's future.





Summit Key and Actionable Resolutions/Recommendations



1. Establish a Centralised Manufacturing Data Portal (by Q2 2025)

The Botswana Chamber of Mines (BCM), in collaboration with the Botswana Investment and Trade Centre (BITC), should develop a real-time digital platform offering product specifications, consumption analytics, and financing opportunities to assist manufacturers in accessing comprehensive project funding.



2. Launch Agro-Industrial Parks in Pitsane, Pandamatenga, and Masunga (by Q3 2025)

The Ministry of Agriculture, supported by UNDP and private investors, should operationalise agro-processing hubs equipped with cold storage, logistics infrastructure, and Rural Transformation Centres to aggregate and process smallholder outputs.



3. Fast-Track the Trans-Kalahari Railway through PPPs (by Q4 2024)

Botswana Railways and Namibia's Walvis Bay Corridor Group should finalise agreements with selected private-sector bidders to accelerate the development of regional trade routes and reduce export logistics costs.



4. Reform Immigration Policies for Critical Skills (by Q1 2025)

The Ministry of Labour and Home Affairs should introduce a digital, expedited quota system to attract foreign talent in priority sectors such as engineering, automation, and industrial technology.



5. Mandate 6-Month Industry Placements for TVET Graduates (from the 2025 Academic Year)

The Human Resource Development Council (HRDC) and Technical Colleges should institutionalise work-integrated learning, modelled on Germany's dual education system, to bridge the manufacturing sector's skills gap.



6. Create a Botswana–Namibia Beef Export Consortium (by Q2 2025)

The Botswana Meat Commission (BMC) and Namibia's Meatco should harmonise sanitary standards and jointly access EU markets, leveraging Namibia's FMD-free status for expanded beef exports.



7. Adopt Smart Manufacturing Technologies (Pilot by Q1 2025)

The Ministry of Trade, in partnership with private-sector leaders such as Debswana, should pilot deploying AI, IoT, and 5G technologies in high-impact sectors, enabling predictive maintenance and remote operations.



8. Scale Circular Economy Models (by Q4 2025)

Champs Botswana and the Ministry of Environment should expand industrial recycling initiatives such as tyre pyrolysis and advocate for OEM recognition of recycled oils to enhance sustainable industrial practices.



9. Launch a National “Buy Botswana” Campaign (by Q1 2025)

Business Botswana and the Ministry of Trade should incentivise the procurement of locally produced goods through targeted tax breaks and mandatory public-sector sourcing policies.



10. Develop a SADC Air Cargo Alliance with Ethiopian Airlines (by Q4 2025)

The BITC should establish a regional air cargo corridor linking Gaborone to Walvis Bay to diversify export routes for perishables and reduce reliance on Johannesburg.



Summit Key and Actionable Resolutions/Recommendations



11. Establish a National Export Development Fund (by Q1 2024)

The Ministry of Trade and Industry (MTI) and BITC should create a dedicated fund offering grants and concessional loans to SMEs pursuing export certifications such as Fair Trade and Organic.



16. Develop Local Glass Manufacturing (Investors by Q1 2025; Production by 2027)

In partnership with private investors, Botswana Ash (Botash) should establish a domestic glass manufacturing facility utilising soda ash from Sua Pan, enhancing industrial value addition.



12. Implement Pre-Approved Industrial Zones (by Q4 2024)

The Ministries of Lands and Local Government should designate industrial zones with pre-cleared Environmental Impact Assessments (EIAs), essential utilities, and shared facilities to streamline manufacturing setup.



17. Aggregate Mining Procurement (Consortium Operational by Q2 2025)

The Botswana Chamber of Mines should form a procurement consortium to drive economies of scale in the local sourcing of mining inputs such as rollers and idlers.



13. Launch a P2B Remanufacturing Hub (Feasibility by Q3 2024; operational by 2026)

Debswana, Morupule, and BCL should pool procurement demand and co-invest with the private sector in a remanufacturing facility targeting mining equipment and components.



18. Upgrade the Trans-Kalahari Railway (Construction Commencement by 2028)

The Ministry of Transport, in collaboration with private-sector partners, should expedite infrastructure upgrades to enable cost-effective exports through Walvis Bay.



14. Digitise Trade Procedures (by Q2 2025)

Botswana Unified Revenue Service (BURS) should fully implement electronic certification and pre-clearance systems to simplify and expedite export procedures.



19. Scale ODC's 3P3E Diamond Trading Program (Double Participants by 2025)

Okavango Diamond Company (ODC) should expand its citizen-led diamond trading initiative, increasing access to rough diamonds and providing technical training to new entrants.



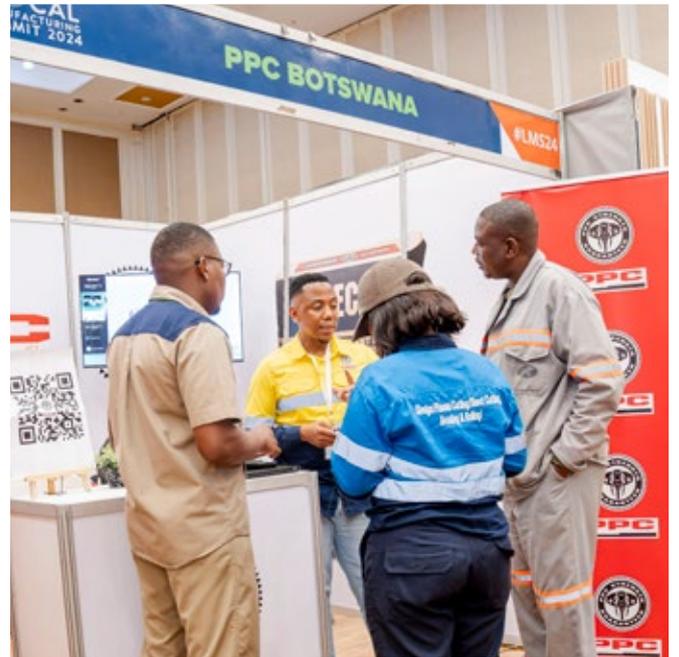
15. Advocate for AGOA Third-Country Fabric Provision (Proposal by Q4 2024)

The MTI should lobby the U.S. Trade Representative to retain flexible sourcing rules in the upcoming renewal of the African Growth and Opportunity Act (AGOA), safeguarding access for Botswana's textile exporters.



20. Align TVET Curricula with Industry Needs (Curricula Implementation by 2027)

The Ministry of Education and Botswana Qualifications Authority (BQA) should reform technical education curricula to align with current and projected workforce requirements in the mining and manufacturing sectors.





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