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## Forum Discusses Final Plans to Establish Pan African Commodities Exchange in Botswana



PACDEX DELEGATES

**THE Africa Union, United Nations Conference on Trade and Development, Pan African Commodities Platform and Botswana International Financial Services Centre with the support from the Ministry of Finance and Development Planning, have concluded discussions on the formation of an African-owned commodities exchange to stimulate the economies of African countries.**

In a move to establish a Pan African commodities and derivatives exchange (PACDEX Africa), Botswana was chosen as the venue for a groundbreaking forum initiated by the African Union, Pan African Commodities Platform and United Nations Conference on Trade and Development. The forum was hosted by Botswana International Financial Services Centre (IFSC) in association with the African Union (AU), Pan African Commodities Platform (PACP),

a private sector company and the United Nations Conference on Trade and Development (UNCTAD). It took place in Gaborone from 8<sup>th</sup> to 10<sup>th</sup> May.

In his opening speech, Mr Anthony Aderndoff, CEO of PACP, stressed the economic and development factors that influence the decision of establishing PACDEX in Botswana. "We plan to locate the proposed PACDEX Africa in Gaborone because of its positive credit rating as the only country in Africa with a current AAA rating with forecasted GDP growth rates 2005-2009(F) 5.2%. The location will also provide our employees as well as our customers with the necessary security in terms of safety and technology as well as absence of foreign exchange controls that are debilitating for industry and trading. There will be representative offices in all the African countries of operation."

The forum was a result of commitments from the Arusha Declaration and Plan of Action on African Commodities, signed by the ministers of trade of member states of the African Union at an extraordinary AU session in Tanzania in November 2005, approved by the summit of Heads of State, held in Sudan in January 2006. The declaration affirms the African Union's commitment to urgent development of the commodities sector, on which most African nations rely heavily. About half the countries on the African continent depend heavily on

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## Budget adds tax benefits and widens operating scope of IFSC companies



Mr Terry Brick *Deloitte*

**CHANGES proposed by the Minister of Finance and Development Planning, Honourable Gaolathe Baledzi, in his Budget presentation to Parliament in February add to taxation benefits already in place for companies operating within Botswana IFSC.**

Until the announcement was made, there had not been specific legislation which allowed for business process outsourcing (BPO) and call centre operations, mutual funds, and holding and administration companies in sectors other than financial services. The new changes are expected to come into effect from 1st July 2006. "The proposed exemption from capital gains

tax on disposal gains arising out of the sale of shares in IFSC registered companies is a significant development to improve the competitiveness of Botswana IFSC," comments Mr Terry Brick of Deloitte. "This initiative will considerably enhance Botswana's competitiveness and its appeal to potential international investors.

"The extension of allowable activities within the IFSC jurisdiction to include holding and administrative companies is also most significant. It strengthens Botswana's position as a favourable base from which to springboard the growth into Africa of service and other

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## COVER STORY

## Forum Discusses Final Plans to Establish Pan African Commodities Exchange in Botswana

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their merchandise export income from commodities, and as a result are highly vulnerable to price variations on international markets. In many African countries three or four commodities represent the main source of export earnings, government revenue and employment.

HE Madame Elisabeth Tankeu, AU Commissioner Trade and Industry, said: "The issue of commodities has always been a source of great concern to the African leaders, since commodities are the core of the African economies. The pricing mechanism of the African products has shown a relative declining tendency as compared to the prices of manufactured products of developed countries, detrimental to the development process of the continent."

"Therefore the future existence of the African Commodity Exchange should be able to respond to the objective needs of the Africans to contribute to the regulation of commodity prices and to lay the foundation of the development of the continent. The exchange will offer the following: trade services for intra African trade as well as the international marketplace; an economic answer to the need for growing the demand for African commodities and exports; and ownership of the commodity exchange through a franchise or shareholder business model." She added that this will also lead to an increase in the "African supply in semi-finished and finished products."

Mr Paulo Gomes, an Executive Director at the World Bank expressed appreciation for the initiative because it allows Africa to fill the investment gap to achieve the Millennium Development Goals. He said this will improve the climate to attract foreign direct investment. He commended the AU for playing a leading role in the implementation of this project.

The AU Arusha Declaration urges full discussion on commodity exchange initiatives, and in particular to enable private sector parties to take part in the deliberations, with a view to establishing Africa's own commodities exchanges.

"The opportunity exists for the creation of a Pan-African Exchange which will bring to reality one of the core ideals of African integration," said Ms Leonela Santana-Boado, Coordinator Exchange in Commodity Branch of UNCTAD.

"Properly regulated commodity exchanges can contribute greatly to the achievement of government economic and developmental goals. Commodity exchanges can fill the institutional gap left over by hasty liberalization and provide three basic functions: price transparency, price discovery and reduced transaction costs. The Pan-African Exchange will be majority African, majority private-sector owned, with ownership spread over many African countries. UNCTAD considers it a pleasure to have been invited to this conference as well as being part of this project."

Recent years have seen the rapid creation and growth of new commodity exchanges in developing countries.

In his opening remarks, the Botswana Minister of Finance and Development Planning, Honourable Minister Baledzi Gaolathe, said: "Botswana is indeed pleased to play a facilitation role in a pan African commodities initiative that already has the endorsement of the African Union. The African commodities market offers growth opportunities and advantages to a large cross section of the stakeholders. The establishment of a commodity exchange should therefore enhance Africa's individual economies. Trade is vital to realizing Africa's growth potential, reducing poverty and achieving the Millennium Development Goals."

"We are pleased that Pan African Commodities Platform and their strategic partners have selected Botswana as the country to locate the Headquarters of the envisaged group of commodity exchanges through out Africa. This decision demonstrates the confidence Pan African Commodities Platform has in the enabling economic framework that the Government of Botswana has put in place to enable the establishment of a pan African commodities exchange, namely the Botswana

International Financial Services Centre, (BIFSC).

"We are honoured to be part of this bold initiative," said IFSC Chief Executive Officer, Mr Alan Boshwaen. "The conference could pave the way for the establishment of a proposed Pan African Commodities and Derivatives Exchange (PACDEX Africa) based in Botswana. That would be a significant development of our financial services sector and a huge step towards Africa's economic consolidation."

The underlying economic purpose of a commodities and derivatives exchange is to enable commodity producers to sell their produce in advance to protect them against possible price falls, and to allow consumers and traders to buy in advance to protect against possible price increases.

It is envisaged that the creation of such an exchange, or exchanges, would provide the producers and traders of African commodities with a much-needed vehicle to achieve volume and liquidity, market expansion, accessible information, technology and knowledge, and sustainable international development and competitiveness.

"The inefficiencies in the African marketplace, international competition, loss of revenue for the African countries, and the opportunity within the current commodity bull run are some of the reasons this exchange could exist. Exchanges normally help to define better quality standards, speed up the process of product standardisation, improve the discipline in the market place, and remedy the weaknesses of the market place. In addition, exchanges create incentives for market participants to produce commodities that meet exchange specifications, and behave according to exchange rules," explained Mr Anthony Adendorff.

PACDEX Africa, owned by the African states, is the continental organization that will provide technology and capacity for the roll-out of national exchanges on a franchise basis. The objective is for PACDEX Africa to facilitate the roll-out of national exchanges in all 53 African countries over time.

## Budget adds tax benefits and widens operating scope of IFSC companies

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companies, as well as financial institutions.”

Mr Vijay Kalyanaraman of Grant Thornton Acumen commented that the Budget reinforces Government recognition of IFSC as a good opportunity for promoting economic growth and diversification.

“The tax benefits are highly commendable. Disposal gains arising out of sale of shares in an IFSC company will be exempt from capital gains tax, and interest received by IFSC companies will continue to be exempt.”

He said bringing holding and administration companies within the purview of the IFSC will encourage international investors to see Botswana as an attractive regional hub for carrying out their business in Africa and elsewhere.

“Extending the benefits of IFSC accreditation to companies engaged in business process outsourcing and call centre activities will also be a stimulus to attracting them to Botswana. There is considerable scope for growth in this sector, which holds the promise of significant employment and income opportunities for the country.” He added that the inclusion of mutual funds in the IFSC domain could encourage increased volume of trading on the Botswana Stock Exchange.

### Regulatory environment

Botswana IFSC welcomes the proposed Bill to regulate and supervise non-banking financial institutions, which play a growing role in the economic development of the country. The Bill would also boost investor confidence by reinforcing Botswana’s reputation for business transparency.

“Such a Bill would be in line with IFSC’s commitment to integrity, professionalism and best practice,” noted Mr Kalyanaraman.

He also commended the Government’s intention to repeal the Botswana Stock Exchange Act and replace it with a Securities Act. “This will increase investor confidence, transparency and defined practices of trade. It will attract more and more international investors into Botswana and IFSC is seen as an attractive vehicle to carry out their regional operations,” to African economies.”

### World Bank study

The central role of tax incentives in the operations of Botswana IFSC is highlighted in a 2004 World Bank study on the country’s financial sector. It noted that the main driver of the IFSC initiative in outsourcing the back-office functions of financial institutions and large corporations is the attractive tax benefit to IFSC registered companies.



**Mr Vijay Kalyanaraman**  
Grant Thornton Acumen

The report says: “This particular business segment is growing fast globally, and the sector can generate additional employment and income with an appropriate incentive framework and effective handling of issues regarding the broader legal environment (data security, protection of privacy and intellectual property rights), reliability and productivity of business process outsourcing operations.”

It adds that there seems a significant potential to create an international capital market to allow foreign firms to raise capital in the country. “If successful, Botswana can become a significant player in capital flows.

## Botswana tipped for growth in offshore outsourcing services



**Mr Peter Ryan** Datamonitor

**BOTSWANA has been identified as a location of choice for overseas companies looking to outsource parts of their business.**

An authoritative international analyst firm, Datamonitor, says Botswana has a number of

key advantages that make it an attractive option for the provision of offshore outsourcing services. The report analyses Botswana’s long-term viability as a Business Process Outsourcing (BPO) and Call Centre location for western companies to outsource customer services. It also provides strategic recommendations for those who would want to use Botswana.

In addition, the report reinforces Botswana IFSC’s conviction that the emerging call-centre and business process outsourcing industry has the potential to contribute significantly to the diversification of the country’s economy.

“Botswana is a stable country with a relatively strong economy,” says Peter Ryan, Head Analyst for Customer Relationship Management at Datamonitor. “Despite certain challenges it provides Western investors with a solid business proposition for outsourcing services over the long term.”

He says the Botswana Government is “very

proactive in regard to attracting contact centre business” and he urges investors to actively engage public officials in order to take advantage of generous incentives in the form of subsidies and tax breaks.

“Potential investors are recommended to contact the Botswana IFSC which is the main conduit for foreign investment.”

“Botswana is making excellent strides in the domain of communications and information technology, mainly because this area has been prioritised by the Government. Not only are both fixed and mobile telephone lines growing rapidly, but Botswana is also wired for ADSL (broadband) and VOIP (voice over Internet protocol) connectivity. This is crucial in ensuring contact centre sophistication in regard to communication interface familiarity. In addition, multiple redundancy international fibre optic links are also available, ensuring that global connections are secure.”

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## Botswana tipped for growth in offshore outsourcing services

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Recently the Permanent Secretary at the Ministry of Communications, Science and Technology noted that the Ministry is working on the liberalisation of the telecommunications industry, privatisation of Botswana Telecommunications Corporation and the development of a Botswana Innovation Hub. She said: "My Ministry has set as one of its targets to make Botswana an ICT Hub for Sub-Saharan Africa. This can only happen if we attract FDI of the right type and quantity. The starting point is to create the right environment for investment. In this regard, my Minister reported at Parliament that we working on three approaches, namely the liberalisation of the telecommunications industry, the privatisation of BTC, while we are also working on a business plan for a Botswana Innovation Hub.

"With regard to the liberalization, we are now ready to propose a timetable for various restrictions to be lifted. All the necessary consultations have been concluded and we will be submitting our proposal to Government shortly for approval before making it public. This initiative is a pre-requisite for foreign direct investment and a must for the International Financial Services Centre, as well as the proposed Innovation Hub. The

expected outcome of this initiative should be lower prices for telecommunications, for voice as well as data."

The Datamonitor analysis lists Botswana's strengths as its inherent stability and democratic tradition, relatively strong economy, business transparency, educated labour force, language skills, business friendly labour relations, and sophisticated technology.

### 'One-Stop' destination

The Datamonitor report sees opportunities for enhanced outbound and inbound call centre activities in key vertical markets such as financial services, travel and tourism, as well as business process outsourcing operations. It says investors can leverage Western vertical knowledge in order to develop strong front-office applications, as well as form strategic alliances with established BPO players, in order to develop a Botswana 'one-stop' for shared services, similar to initiatives in India and South Africa.

It adds that while cost continues to be a major consideration for many companies in North America and Western Europe, an emphasis on quality is emerging. "This is due to the increasingly mature mindset that many firms

have placed on customer retention, which focuses on contact centre agent skill, as opposed to cost. Emerging locations such as Botswana have a unique opportunity to compete in this new paradigm, as opposed to more traditional venues that have emphasised their low-cost environment."

However, the upbeat Datamonitor analysis also sounds a strong warning about telecommunications costs. It notes that call rates per minute from Botswana to Western destinations are high, and "evidence suggests that this is a huge roadblock for offshore contact centre investors".

It warns: "Should the Botswana authorities fail to reduce telecommunications charges, the prospect for developing a robust offshore contact centre industry is minimal."

Datamonitor is a renowned international business information company which specializes in industry analysis. The company produced the White Paper on the Botswana Contact Centre Industry at the end of last year. A number of international trade media reported on the white Paper.

## Imara shares take OTC route to market



Mr Philip Gray *Imara Holdings*

**IMARA Holdings Limited, the regional financial services group registered with Botswana IFSC, is now listed on the Botswana Over the Counter Market. There are 4.73 million shares in issue. The introduction is sponsored by Stockbrokers Botswana.**

The benefit of the OTC market is the same for shareholders in a public company that has been listed or would like to be listed in the future as it provides liquidity to their investment.

Until now, Imara Holdings Limited shares have been held by management, staff and selected

partners. As Stockbrokers Botswana has highlighted, "Imara has as many as 60 shareholders, is a public company with most of the internal structures of a publicly listed company; and they intend to list on the Botswana Stock Exchange in the medium term."

The listing on the OTC is not a capital raising exercise, it is a mechanism that will ensure greater liquidity of their shares and greater transparency in their pricing. It would enable the company to get more shareholders and get ready for a BSE listing. Stockbrokers noted that the OTC listing will "raise the profile of Imara in the region and broaden their shareholder base by allowing investors in the region and internationally the opportunity to participate in the equity of the company."

Imara Holdings chairman, Philip Gray, said the OTC introduction is part of a phased strategy that will lead to a formal listing on the Botswana Stock Exchange.

"A listing has been precluded because of our tightly held equity and relatively short track record. Now, the OTC channel facilitates the

creation of a market in Imara Holdings shares that will allow existing and potential shareholders to trade at market-determined prices."

Imara Holdings CEO Mark Tunmer, said: "The Company is performing well and strong earnings growth is expected in the medium term, as the underlying businesses are well placed to benefit from sound regional macro policies and strong commodity prices."

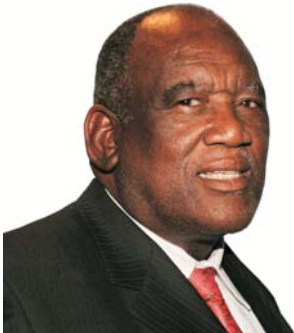
In addition to these initiatives, the group subsidiary, Imara Asset Management Botswana, has recently concluded a transaction which has seen the acquisition of 49% by Botswana-based citizen investment companies, Pinnacle Africa Group and Isago Holdings.

Isago board chairman, Colza Kopi, commented: "As a broad-based citizen investment consortium, we are delighted by Imara's OTC introduction and the strategic intention to seek a listing. It is important that Botswana enjoy increasing opportunities to share in private sector growth opportunities." In the past, Imara consultants played a central role in the establishment of the Botswana Stock Exchange.

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## Taking the Letshego micro-lending model to Africa through Botswana IFSC

**MICRO Provident Botswana Limited has been converted into a Botswana IFSC accredited company in order to enable it to expand its business enterprise to other African countries. The accredited holding company under the Botswana IFSC will roll out the Micro Provident Botswana business model in other parts of Africa.**



**MR C. M LEKAUKAU** *Letshego*

Micro Provident, whose trading name is Letshego, provides short-term finance to low and middle-income people working in the formal employment sector in Botswana. The company is establishing retail financial services companies, as subsidiaries, that will offer a range of financial services products to employees of government, parastatals and the private sector in a number of African countries.

Formed in 1998, Micro Provident has been very successful, growing its loan book from P20.9 million in October 1999 to about P326 million (about 38 000 loans) in the 2005 financial year – an increase of 53 per cent over the previous year. The company was listed on the Botswana Stock Exchange in September 2002. As reported in its 2005 Annual Report, the company did well last year and posted impressive results, with earnings per share of 63.5 thebe, which is a 50.3% increase; dividends per share of 16.0 thebe, a 52.4% increase; and net revenue of P140.7 million, a 32.8% increase.

As the Chairman of Letshego, Mr C.M. Lekaukau, has said, “a strategic decision was taken to invest in resources to carefully explore and implement the group’s regional expansion plans and to simultaneously investigate its restructuring to maximize those benefits that may be available in terms of the International Financial Services Centre status.”

Now the shareholders have taken the business outside the country and gone regional. The current listed company drives the expansion programme from its base in Botswana, under the IFSC. Target markets were identified in Swaziland, Zambia, Malawi, Tanzania and Uganda, and total earnings of about US\$ 120

million are projected within the first three years of operations. Operations have already started in Swaziland, Uganda, Tanzania and the company will soon be recruiting for the Zambia office.

“Gratifying and exciting” is how Micro Provident Botswana MD Jan Claassen describes the Botswana IFSC accreditation.

“This has greatly enhanced our efforts to break into regional markets, which is good for the company and for the country. It enables us to create more job opportunities here, in line with the goals of Vision 2016, and to increase revenue flows to the Botswana Government.”

He said it was significant that Micro Provident Botswana, a Botswana-based financial institution, has achieved IFSC accreditation, and the company would be a net exporter of financial services and skills.

Botswana IFSC CEO, Mr Alan Boshwaen, said: “The Letshego model has been tried and tested in Botswana and is successful. We are happy that the company has identified the benefits offered by IFSC as appropriate to base its regional expansion programme. This is a good example to local companies that expansion using the IFSC is possible and makes business sense. Additionally, Letshego is a listed company in Botswana and has Botswana shareholders, therefore with this IFSC status it offers a great opportunity for Botswana shareholders as they will directly benefit from its regional expansion activities and bigger market footprint.”

The main shareholders of Micro Provident Botswana Limited are:

- PAIP-PCAP-FMO-Letshego Limited, which comprises Pan-African Investment Partners (PAIP), Pan-Commonwealth African Partners (PCAP) and Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV (FMO),
- the International Finance Corporation (the private sector investment arm of the World Bank),
- Botswana Life Insurance Limited (the wholly owned life assurance business of Botswana Insurance Holdings Limited) and
- Micro Provident Limited, an Isle of Man registered company established by the founder of Letshego, Shaun Cairns.

PAIP and PCAP are private equity funds managed by Kingdom Zephyr Africa Management Company (KZAMC), a private



**Mr Jan Claassen** *Letshego*

equity fund manager with offices in Johannesburg, Accra, London, New York and Washington DC. Prince Alwaleed of Saudi Arabia, one of the richest investors in the world, who visited Botswana last year, has interest in the company through KZAMC private equity funds.

The restructuring of the business to enable it to pursue cross border opportunities will not affect the tax revenue accruable to the Botswana Government. Certain operating assets of Micro Provident Botswana will be transferred to a new company which will continue to service the domestic market and pay tax at the standard rate. As a listed entity, the project will also enable the participation of citizen investors.

### Benefits to Botswana

The establishment of Micro Provident Botswana in the IFSC enables a home grown listed financial services company to extend its footprint in the region. Additionally, it will increase tax revenues – from dividends, management fees, treasury and other activities.

It will also create employment and expose citizen professionals to the complexities of developing a business across borders.

It will increase business opportunities for local banks, which are extending facilities of up to P140 million to Micro Provident Botswana.

By growing the investment profile of a listed company it will raise interest in the Botswana Stock Exchange and contribute to financial sector development.

Awareness of Botswana IFSC will widen as the company goes about raising funds in international markets.

## OUTREACH

## Digging deep to develop non-diamond mining ventures



(L to R) **Back:** Susan Matlolela-Dambe – Senior Minerals Officer (MMEWR), Letsebe Sejoe – Business Development Executive (BIFSC), Honourable Minister M.C Tibone – Minister of Mineral Energy and Water Resources (MMEWR), Dr Khaulani Fichani – ex Chief Minerals Officer (MMEWR) **Front:** Rachel Mothibatsela, Corporate Communications Executive (BIFSC), Geoffrey Bakwena, ex-Acting Chief Executive Officer (Botswana Stock Exchange), Nchidzi Mmolawa – Principal Mining Engineer (MMEWR)

**WITH its well-developed and regulated mining industry and its favourable fiscal regime, Botswana is ideally placed to attract major investment in the minerals sector, and Botswana IFSC can play a key role in this process.**

That was the strong message that Botswana IFSC and the Ministry of Minerals, Energy and Water Resources took to the 11th annual Africa Mining Indaba conference in Cape Town in February.

Botswana IFSC has been able to attract companies in the mining sector or those which provide services to mining companies. AON Risk Management Services, an international insurance company accredited to IFSC, already provides specialised risk management services from Botswana to mining companies in several countries in Africa. Aon made a presentation at the Mining Indaba in 2005 and in their presentation they highlighted the benefits of basing operations under the Botswana IFSC.

Therefore, at such mining conferences, the Botswana IFSC seeks to attract mining companies and companies which offer services to mining companies. IFSC also seeks to market its value proposition not only to the aforementioned companies but also to legal and financial advisors who serve clients in the mining sector.

It has been noted in many quarters that Africa is under-explored even though it hosts 30% of the world's mineral reserves, including 90% of the world's Platinum Group Metal reserves, 40% of gold and 60% of cobalt.

On that basis the continent is seeing an increase in exploration and mine development. Mining, financial and legal advisory and stockbroking companies from as far as Australia, Canada,

Europe, Japan and Russia, along with those from Africa attended the Mining Indaba to seek opportunities and discuss pertinent issues in mining. Africa, like other continents, needs foreign direct investment (FDI) for it to achieve significant milestones in economic growth and development.

With this abundance in minerals and metals, being under-explored, opportunities available and the interest from mining houses based all over the world, significant FDI flows can come through the mining sector. In addition there have been a number of major discoveries in Africa and major new mines are opening in many African countries proving that this is a very active sector.

"The opportunity the Botswana IFSC sees in this sector is that as mining companies and companies which offer services to mining companies set up in Africa or expand into Africa, they would benefit from basing their operations under the IFSC. It is therefore imperative that the IFSC is known to these companies, so that when they expand their footprint in Africa they do so as IFSC accredited companies. At the Mining Indaba, the Botswana IFSC team managed to make contact with various mining companies, financial and legal advisors and companies which offer services to mining houses," said Mr Alan Boshwaen, CEO of Botswana IFSC.

With a record attendance of about 3000 participants and about 150 companies this year, the three-day mining conference is one of the biggest mining conferences and exhibitions in the world. It was a premier opportunity to showcase Botswana to the international mining sector, and IFSC teamed with the Ministry and the Botswana Stock Exchange to make the most of it.

Honourable Minister Charles Tibone gave a presentation during the Ministerial panel discussions, and the Botswana exhibition stand drew many visitors, with valuable contacts being made.

"Mining is the biggest sector in Africa and investors are keenly interested in it," says Botswana IFSC Chief Executive Alan Boshwaen. "We were there to show the mining and associated companies the advantages of basing their operations in Botswana and enjoying the added benefits of IFSC accreditation."

In his presentation the Minister highlighted these benefits. He pointed out that mining companies accredited to Botswana IFSC would enjoy the absence of exchange controls, attractive taxation incentives and a complete regulatory environment.

"The continuing development of the Botswana International Financial Services Centre presents a further opportunity for investors in the mining sector operating anywhere in Africa to establish their group holding company, shared treasury, financial administration or support functions within the IFSC," said Honourable Minister Tibone.

He noted that since the new Mines and Minerals Act came into effect in 1999, Botswana's ranking in terms of the most favourable locations for exploration and mining companies to do business in rose from tenth place in 2000 to third in 2003 and to first position in 2005.

This highly attractive operating environment – and Botswana's excellent geological potential – is expected to lead to increasing non-diamond mining activity and broaden the mineral production base, and so help to diversify the overall economy of the country.

New mining projects would look to the financial services sector for venture capital, including through the Botswana Stock Exchange, where four international mining companies are already listed. Once a listing with the Botswana Stock Exchange is recognized by major Stock Exchanges as complying with requirements of such Stock Exchanges, Botswana will increasingly be seen as a place where capital can be raised. This will certainly raise our profile and potential for more company accreditations under the IFSC. Botswana's favourable investment climate prevails in the wider economy, as reflected in the fact that the country continues to receive the highest Standard & Poor's and Moody's investment grade sovereign credit ratings in Africa.

## Boehringer-Ingelheim Pharmaceuticals Executives Visit IFSC



(L to R) Mr K Lemo (IFSC), Mr W Gortz (Boehringer), Mr A Potgieter (Boehringer), Mr A Boshwaen (ISFC), Mr P Stewart (Boehringer) and Mr L Sejoe (IFSC)

**SENIOR Executives from one of the top international pharmaceutical companies, Boehringer-Ingelheim Pharmaceuticals, paid us an investigative visit recently.**

**The executives, Mr Paul Stewart, CEO, Mr Anton Potgieter, Director Strategic Planning & Technical Affairs and Mr Wolfgang Götz, Business Manager Botswana met with Botswana IFSC to explore the benefits and requirements of setting up under the IFSC for Africa-wide operations.**

Boehringer-Ingelheim Pharmaceuticals is a German based pharmaceutical company which operates in 50 countries and are actively engaged in the provision of anti-retroviral drugs for HIV/AIDS patients in Botswana.

Recently the Deputy Chairman of the Board, Dr. Andreas Barner, also met the President of Botswana, HE Festus Mogae, who had this to say when he hosted H.E. President Kohler of the Federal Republic of Germany at the beginning of his four day State Visit to Botswana in April: "As I speak, Botswana has already embarked on public-private partnerships to finance infrastructure, energy and other programmes, and I am convinced that the German industry could be a valuable partner in these ventures. My view is that we should take full advantage of this opportunity to re-orient our partnership to open up more opportunities for business and

industry, by taking advantage of the positive economic climate of Botswana, and the tradition of excellence and innovation offered by Germany.

"We also acknowledge, with gratitude the role played by Boehringer-Ingelheim in not only supplying us with the drug nevarapine on concessional terms but also giving us scholarships for medical and technical training and for undertaking research in Botswana.

Germany has played a very positive role in promoting socio-economic and political development in Botswana and people to people relations between our two countries. It has done this through its various institutions, such as the parastatal KfW Kreditinstal Fur Wiederanfbau (German Development Bank), GTZ Deutsche Gezellschaft Fur Technische Zusammenarbeit (German Technical Co-operation Agency), DED Deutsche Entwicklungsdienst (German Volunteer Service).

"However well intended, our home-grown initiatives will not succeed without the active support of our development partners such as your great country. To this end, Botswana appreciates the various efforts by the United Nations, the G8, the European Union as well as our partners in the developing world who continue to support Africa in its efforts to integrate into the global economy," President Mogae said.

## Hewlett-Packard on an Exploratory Visit to IFSC



(L to R) Mr A Boshwaen (IFSC), Mr O Suinat (HP Africa), Mr. S Arnaud (HP Africa), Mr L Motlhatedi (MCST), Mr. Moduka (MCST) and Mrs M Nganunu

**BOTSWANA IFSC had the pleasure of hosting Hewlett-Packard (HP), a leading global information technology firm.**

HP is the second largest manufacturer of computing hardware, including personal computers and office servers, and has developed a substantive consulting capacity to support this hardware.

In Africa, the company's head office is located in Johannesburg. The Johannesburg office provides support in South Africa and to the rest of SADC. The company is evaluating a number of locations and is in the process of selecting a

location from which they can provide support for specifically the SADC market.

Mr. Olivier Suinat; Managing Director HP Africa Mr. S. Arnaud, Finance Director, HP Africa, and Mr. Harry Moduka, Legal counsel for English speaking Africa, met with representatives of the Ministry of Communications, Science and Technology and representatives of Botswana IFSC to discuss Botswana's offering.

The HP executives who visited the IFSC were invited to Botswana by Hi-Performance Systems (HPS), the local reseller of HP hardware.

## Imara shares take OTC route to market

(from page 3)



**Mr Colza Kopi Isago**

As a leading Gaborone-based group, it is only fitting that Imara intends to be quoted on 'the Exchange' it helped to put in place."

Established in 2002 and accredited to the IFSC in 2003, Imara Holdings engages in three principal areas of business – corporate advisory, securities trading and asset management – through a network of owned and associate operations.

The company is based in Gaborone, with offices in Johannesburg, Harare, Blantyre and London, and representation in Namibia and Zambia. Part of their work in Botswana has included being advisors to Botswana Development Corporation in 1989 for the formation of the Botswana Stock Exchange and Stockbrokers Botswana.

In addition, Imara intends to establish a presence in Kenya to be in a position to service East Africa and to expand its geographical footprint and to grow the business in Africa.

Stockbrokers Botswana says Over the Counter is a common term used in securities markets worldwide. Under this system of transaction the security trades between buyers and sellers without going through a formal market such as the BSE.

## Giving them a head start at work and in life through the internship programme



### INTERNS

**BOTSWANA IFSC Internship Programme continues to open doors of opportunity for Botswana graduates. A dozen young graduates have been given a head start in their careers thanks to the internship programme initiative.**

The internship programme encourages companies in the private sector to take on interns identified by IFSC and to give them valuable work experience for a few months. This arrangement often leads to full-time employment.

The programme, which has been running for two years, grew out of the annual Botswana IFSC Career Fair, attended by hundreds of young job seekers, where IFSC member companies and non-member organisations got an opportunity to know aspiring recruits personally and gave them an insight into their businesses.

This year BIFSC short-listed the prospective interns, based on the host companies' requirements, and the companies then interviewed them independently and made their selections.

The internship programme is assisted also by the increasingly popular IFSC CV database on which local and external young Botswana graduates can register and post their particulars. The database is a unique comprehensive on-line listing of CVs posted by qualified Botswana with an interest in financial services, ICT and other related support functions. The CVs on the CV Database are posted by Botswana based in Botswana and various parts of the world. The Database is increasingly being used by companies

to support their on-going recruitment needs.

"These initiatives reflect our and the participating companies' sense of responsibility to help promising young Botswana graduates get started on a professional career path," says Botswana IFSC Chief Executive Officer, Alan Boshwaen.

"There are a lot of qualified, capable and enthusiastic young people out there, and they deserve to be given a chance."

He urged more companies to support the learnership programme by agreeing to take on interns. "We would like companies to contribute directly to growing the experience and exposure of young Botswana. We are starting to contact companies to take on more interns this year, and we hope more graduates will be given a chance this year. We want to grow this programme and want many qualifying Botswana be given a chance to develop their skills. In the past year, most of the interns got full time jobs with the companies and the Botswana IFSC team was very pleased to see this happening. We are also encouraged by the positive feedback we get from the interns, host companies and members of the public."

At an IFSC workshop in Gaborone this week the current crop of interns were briefed about the programme and what is expected of them. They were also coached on interview skills (Naeem Bhamjee, HRMC), assertiveness and office etiquette (Sethunya Makepe, People Connections) and the benefits of joining professional organisations (Janet Moyo, JCI Botswana).

The participating companies and their interns are:

#### Deloitte

Annah Lesenda (auditing),  
David Gaolefufa (accounting).

#### Guru Group

Kabo Maforaga (accounting),  
Desmond Manyake (audit).

#### Virtual Wave

Keletso Morapedi (IT/call centre).  
Keletso is currently attending a course in South Africa and will go back to Virtual Wave.

#### BDC

Lekgaba Seeletso (communications).

#### Orange

Bame Lekoko (human resources).

#### Standard Chartered Bank

Wendy Munyadzwe (operations),  
Masego Dithabi (operations).

#### Capital Securities

Sarah Dube (asset management).

#### Botswana IFSC

Nametsegang Pule (communications), Lebohang Polinyane (strategy and research).

### New Staff Member: Moraki Mokgosana



Moraki Mokgosana

**THERE has been another valuable addition to the IFSC team, Moraki Mokgosana joined the IFSC on 10th April 2006.**

He joins the team as Business Development Executive responsible for Business Process Outsourcing (BPO) and Call Centres.

Moraki was Project Accountant at Kgalagadi Breweries (KBL) before he joined the IFSC, but prior to that he was employed with Orange Botswana for 5 years where the last position he held was that of Management Accountant.

He graduated from University of Botswana with a Bachelor of Commerce Degree and is currently doing the final year of a 3 year Master of Business Leadership Degree with the University of South Africa (UNISA).

As the newest addition to the BIFSC team, Moraki believes that there is evidence of a positive impact that the IFSC is having in Botswana. He says, "I feel pleased to be part of a vibrant team at BIFSC and look forward to promoting Botswana as an investment destination."

Botswana International Financial Services (Botswana IFSC) is a government agency dedicated to developing Botswana as a world-class hub to facilitate the delivery of a wide range of cross-border financial and ICT enabled services to clients in other countries. Accredited companies can set up the following types of operations:

- Administration and Holding companies for all industry sectors
- Banks
- International Insurance
- Business Process Outsourcing and Call Centres
- Investment Funds Management