



Island View to build a US\$80 million complex in Tanzania



Botswana IFSC CEO, Alan Boshwaen (middle) presenting a tax certificate to Mr Gulaam Abdoola (left). Looking on is IFSC Marketing Executive, Letsebe Sejoie (right).

A MAJOR property development in the Tanzanian port city of Dar es Salaam – comprising a shopping complex, residential apartments, office park, hotel and conference centre – is under construction and will be financed through a Botswana IFSC registered company headed by a well known local businessman.

Island View (Pty) Limited,

established by Gulaam Abdoola, Executive Chairman and Managing Director of GH Group, is the financing and investment holding company of the Tanzania project, called Mlimani City Development.

GH Group, which has operated in Botswana for more than 20 years, holds various retail outlets, including MegaSave and SupaSave supermarkets, and is a leading property developer in the country. Mr Abdoola is the developer and the current MD of Turnstar Holdings Ltd, the owners of Game City Shopping Centre in Gaborone.

Island View will raise the required

capital of US\$80 million for the Mlimani City complex, which will comprise a regional shopping centre anchored by Game Discounters, 50 residential apartments, an office park and a three-star hotel and thousand-seat conference centre. The first phase of building is due for completion in October 2006.

Island View will also be the holding company for the Group's other business operations in South Africa and Tanzania.

Island View will not form part of the existing GH Group, but instead will take advantage of the IFSC offering to develop businesses outside Botswana, with transactions being made in foreign currencies.

In addition to raising capital for the development of Mlimani City, Island View will provide treasury and accounting and financial

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New Certification Committee Order

THE COMPOSITION of the committee responsible for considering applications for Botswana IFSC accreditation has been amended with the gazetting of the International Financial Services Centre Certification Committee Order 2005. It replaces the original Order of 2002.

The IFSC Certification Committee will be made up of the following 12 members appointed by the Minister of Finance and Development Planning:

- the Deputy Secretary for Financial Affairs in the Ministry, who will chair the Committee;
- the Commissioner General

- of the Botswana Unified Revenue Service, or his or her authorised representative;
- the Director of the Department of Banking Supervision, Bank of Botswana;
- the General Manager, Business Development, Botswana Development Corporation;
- an officer appointed by the Commissioner General, Botswana Unified Revenue Service;
- the Director, Telecommunications and Postal Services, Ministry of Communications, Science and Technology;
- the Director, Pensions and Insurance, Ministry of Finance and Development Planning;

- the Principal Bank Examiner, Bank of Botswana;
- the Chief Executive Officer, Botswana IFSC;
- the Chief Executive Officer, Botswana Export Development and Investment Authority;
- the Director of Tax Policy, Ministry of Finance and Development Planning; and
- a representative of the Money and Banking Unit, Ministry of Finance and Development Planning.

The changes have been made to achieve a more effective balance in the membership. Provision is also made for alternate members.

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Confidently Speaking

YEAR 3 – BUILDING ON THE BASE

BOTSWANA International Financial Services Centre enters its third year of operations as an independent company well placed to build on foundations that have been well laid.

The IFSC Annual Report 2005 outlines the successes that the organisation has achieved and the challenges that it faces in order to fulfill its mandate of spurring economic growth and cross-border financial services.

“Botswana IFSC has succeeded in attracting new companies, expanding the sectors under the programme and broadening its outreach,” reports Chief Executive Officer Alan Boshwaen.

“The increasing number and diversity of companies participating in the IFSC is testimony to the potential of this new industry to become a more significant contributor to economic diversification. The IFSC is also positioning Botswana to become a key player in cross border services in an increasingly integrated African economy.”

He notes that the early rationale for Botswana to become a cross border financial services centre based on the country’s comparative advantages remains valid. “These advantages include exemplary fiscal and monetary discipline and careful stewardship of the economy, along with the stable socio-political environment. By leveraging these attributes the IFSC continues to position itself to be an engine of sustainable economic growth as well as a catalyst for the transfer of cutting edge skills and technology into Botswana.”

The medium-term strategy includes attracting quality ‘anchor tenants’ to operate cross- border services from Botswana. “To this end the IFSC has worked to create a broad and robust programme that meets international best practice. However, we also realise that there is no universal template for success, and that continued growth will increasingly rest on our innovation and adaptability.”

Looking ahead, he says the IFSC will continue to play a leading role in

laying the groundwork for cementing Botswana’s role as a niche centre with a viable offering to companies in all sectors of business seeking to invest or grow their operations in the SADC region and farther afield in Africa.

“The IFSC is committed to coordinating efforts with the business community, policy makers and other Government agencies to steer this important initiative onto a growth path that embeds the services sector as a significant contributor to the continued development of Botswana.”

IFSC Chairman Quill Hermans notes in the annual report: “That so much has been accomplished in the first two years of IFSC’s existence reflects favourably on the efforts and energy of Alan Boshwaen and his team of young professionals.”

He says the initial success in attracting outward-looking companies is evidence of the efficacy of the IFSC initiative.

“The challenge in the next few years lies in building on foundations already laid to afford the IFSC a position of prominence in the minds of investors at home, throughout Africa and abroad. If successful in this endeavour the IFSC can, in time, play a significant role in contributing to Botswana’s Vision 2016 goal of becoming a prosperous, productive and innovative nation.”

THE YEAR IN BRIEF

IFSC certified companies

The Certification Committee approved 11 companies during the financial year (April 2004 to March 2005), bringing to 31 the total number accredited to the IFSC since its inception.

Employment

High quality employment creation for Botswana emerging from tertiary institutions is a key IFSC objective. New certifications and growth of previously certified companies means projected employment of about 300 people.

Capital employed

Accredited companies employed capital of USD 16.4 million (BWP 78.4 million at 31 March 2005) in their operations in the year, a significant increase on USD 7.8 million the year before.

IFSC initiatives

During the prior year several initiatives were undertaken to enhance strategy, raise awareness of the wider community, and improve the business environment for present and future affiliate companies. These included a strategy for entering the business process outsourcing/call centre market; enabling a strong Botswana contingent to participate at a premier international conference on the BPO/call centre industry in Cape Town; and contributing to the new International Insurance Act in conjunction with the Ministry of Finance and Development Planning.

International insurance

The International Insurance Act (2005) extends the scope of IFSC sectors into international reinsurance and specialised captive insurance companies, which previously had not been possible due to the absence of enabling legislation.

Business Process Outsourcing

A major study undertaken with the consulting partnership Accenture/DCDM found that with concerted effort from all parties, Botswana could become an important player in the global offshore BPO and call centre market, with economic benefits including significant capital investment and the creation of thousands of jobs.

Career Fair and internship programme

The inaugural IFSC Career Fair in Gaborone in September 2004 attracted hundreds of young Botswana students and graduates and was a stimulating forum for IFSC operating companies to educate job seekers on their activities and



IFSC is an Africa Investor Awards finalist

BOTSWANA IFSC was one of four organisations shortlisted in the Smart Regulation category of the 2005 Africa Investor Awards.

Chief Executive Officer Alan Boshwaen attended the glittering awards function in Johannesburg on the evening of the Economist Conference Fourth Business Roundtable with the Government of South Africa on 21st November 2005.

IFSC was named with UNCTAD-Blue Books, Commission for Africa-Investment Climate Facility and the Central Bank of Nigeria in the Smart Regulation category short list. The Central Bank of Nigeria won in this category.

The panel of judges were Dr. Bamanga Tukur, CON (Tafidan Adamawa), Executive President, African Business Roundtable & Chairman, NEPAD Business Group, Chairman BHI Holdings; Dr. Ken Kwaku, Former Chief Representative MIGA and adviser to President Mkapa of Tanzania; HE Paul Boateng, British High Commissioner to South Africa; Ms Arunma Oteh, Treasurer, African Development Bank Group; Amir Dossal, Executive Director, United Nations Fund for International Partnerships and Dr. William Kalema, Chairman of the Board of the Uganda Investment Authority.

Launched last year in Dakar, Senegal, the annual Africa Investor Awards recognise companies, governments,



Alan Boshwaen, Rachel Mothibatsela and Mokwena Morulane at the award giving ceremony

NGOs and individuals who have made a significant impact on Africa's development through private sector initiatives and by attracting foreign direct investment.

The shortlisting of IFSC was in recognition of its activities and efforts in meeting the awards criteria of:

- implementing smart regulation measures in poverty reduction and economic growth policies – creation of a 'trading zone' to encourage business into and within Botswana;
- building capacity to promote and implement an improved regulatory environment – commitment to SME development through the work of Enterprise Banking, an IFSC accredited bank operating in the SME sector in several African countries;
- raising awareness of the importance of smart regulation – IFSC's ongoing promotional

activities, conferences and consultation programmes with business and Government;

- promoting private sector views in the development of policy and encouraging dialogue between government and business – ongoing consultations with the Botswana tax authorities to develop incentives for business through improved tax regimes;
- examples of how programmes have been implemented and their success – Enterprise Banking and its external activities.

Smart Regulation was one of 15 wide-ranging categories for which the awards were made. Some of the winners are:

- Barclays Africa - Bank of the Year
- Virgin Nigeria - Privatisation Programme of the Year
- Aureos East Africa - Venture Capital Deal of the Year
- International Marketing Council of South Africa - Investment Promotion Agency of the Year
- Celtel - Infrastructure Capital Deal of the Year
- Oracle - Employer of the Year
- Bill Gates - International Business Leader
- Dr. Ndi Okereke o-niyude - Business Woman of the Year
- Lazarus Zim - African Business Leader award.

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administration services, as well as the management of intellectual property rights in respect of the different brands in South Africa and Tanzania.

Mlimani City, an integrated commercial development, is taking shape on a strategic site within what is known as the university investment corridor in Dar es Salaam. The letting climate is favourable and about 70 per cent of the 25 000 square metre lettable area of the shopping mall is already accounted for. The initial capital

outlay of US\$35 million in the complex is expected to appreciate substantially over the years.

Benefits to Botswana

A Botswana entity will be an investor in a major commercial property development in another African country.

Expertise will be developed in Botswana in various aspects of property development financing,

including capital and debt raising, linked unit financing structures and public listing.

Botswana, through the IFSC, will play a leading role in the capital intermediation process of a major intra-Africa investment that is aligned to both national and regional ambitions such as NEPAD.

Employment opportunities will be created for qualified citizens.

Prince Alwaleed visits Botswana to explore investment opportunities



Prince Alwaleed with one of his aides

His Royal Highness Prince Alwaleed Bin Talal Bin AbdulAziz Al Saud, an international investor and member of the Saudi Royal family visited Botswana in June and to explore investment opportunities particularly in the tourism and financial sectors.

Prince Alwaleed has already invested in Botswana. He has equity shareholding in Micro Provident Botswana (Letshego). Micro Provident Botswana is a micro lending company which provides credit to low and middle income earners in Botswana.

A private entrepreneur and an international investor, Prince Alwaleed acquired shareholding in Letshego in 2004 when Pan-

African Investment Partners (PAIP) and Pan-Commonwealth African Partners (PCAP), private equity funds managed by Kingdom Zephyr Africa Management Company (KZAM), along with the Netherlands Development Finance Company (FMO) and the International Finance Corporation (IFC) acquired in total a 34.9% equity holding in Micro Provident Botswana.

He is currently the World's 5th richest man and the second richest portfolio



(l to r) Michael Robin Jensen (Citigroup), President Mogae and Prince Alwaleed

investor (behind only Warren Buffet).

In Botswana, he had a meeting with His Excellency, President Festus Mogae. The meeting, which highlighted priority investment opportunities in



(l to r) Mr Freddie Modise, Honourable Minister Baledzi Gaolathe and Honourable Minister Neo Moroka

Botswana, was attended by Minister of Foreign Affairs and International Cooperation, Honourable Mompoti Merafhe, Minister of Finance and Development Planning, Honourable Baledzi Gaolathe, Minister of Trade and Industry, Honourable Neo Moroka, CEO of IFSC, Mr Alan Bohwaen, CEO of Botswana Telecommunications Authority, Mr Moses Lekakukau, CEO of Botswana Export Development and Investment Authority, Mrs Mmasekgoa Masire-Mwamba, and other dignitaries and business people.

He was quoted in the Botswana Daliy News newspaper saying: "I have realised that Botswana is well developed and ahead of many developing countries," and that Botswana presents a better opportunity for investment in view of the political and economic stability.

Prince Alwaleed Bin Talal Bin AbdulAziz Al Saud was born in Riyadh, Saudi Arabia, in March, 1955 to Prince Talal Bin AbdulAziz Al Saud, son of the founder of Saudi Arabia, King AbdulAziz Al Saud, and to Princess Mona El-Solh, daughter of Riad El-Solh, the first Prime Minister of modern day Lebanon and a leader of Lebanese independence.



(l to r) Honourable Minister Neo Moroka, Mr Alan Boshwaen (IFSC CEO), Mr Freddie Modise (Commissioner of BURS), Mrs Mmasekgoa Masire-Mwamba (BEDIA CEO) and Mr Moses Lekakukau (BTA CEO)

New Certification Committee Order...

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The Certification Committee is responsible for:

- determining the procedures to be followed in the assessment of applications for tax certificates;
- reviewing applications for tax certificates referred to it by the Botswana IFSC; and
- making recommendations to the Minister for the granting or revocation of tax certificates, including any conditions that may be attached to them.

HOW TO APPLY

A company applying for accreditation prepares its application in conjunction with Botswana IFSC. The application must be supported by a three to five-year business plan, including:

- general information on the company, outlining its activities, size, background, performance and principal shareholders, as well as its profit and loss accounts and balance sheets for the past three years;

- detailed particulars of the activity in respect of which the tax certificate is sought; and
- a summary of the plans to market and promote the proposed service, together with an assessment of the potential for employment creation in Botswana.

When it is satisfied that the application is in order the IFSC will refer it to the Certification Committee with an assessment.

Our revamped website-www.ifsc.co.bw



between major industrial economies and Africa, as well as intra-African trade.

A menu leads the visitor to comprehensive information about the IFSC and the incentives and benefits of using its professional services. The application process for obtaining IFSC certification is outlined, and the many companies that have achieved this status and are benefiting from it are profiled.

A news section updates the user on financial developments in Botswana, and invites interest in the IFSC's own publications, including this periodic IFSC Bulletin.

A popular section of the site, and a valuable service to corporate employers and prospective employees, is the CV database that will help open up career paths in the financial services and information technology sectors for Botswana graduates and young professionals.

A question-and-answer section about Botswana IFSC and a links guide to Botswana foreign missions completes the picture of a website that we have tried to carefully construct – but find out for yourself at www.ifsc.co.bw.

BOTSWANA IFSC presents a professional face to the world in many ways – including its website.

We revamped our website this year in an endeavor to keep it informative, inviting, lively, inspiring and to mobilize foreign investors.

We invite you to go to www.ifsc.co.bw to find out more about Botswana IFSC.

The site opens a wide window on the

IFSC and the country that it serves – and the 'hit' rate by visitors in many countries shows that it is being well and widely used.

The home page introduces IFSC and its mission – "to establish and develop Botswana as a world-class hub to facilitate the delivery of a wide range of cross-border financial services to clients in other countries". It notes that IFSC is well positioned to facilitate business resulting from increasing financial flows

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to recruit individuals. Associated with it is an internship programme that places young people with IFSC companies to give them work experience.

CV database

IFSC established an electronic database that now holds more than a thousand CVs, most of them posted by Botswana who include students and professionals in many parts of the world. The database is an effective way of linking companies with prospective employees.

Simplified tax incentives and accreditation framework

Botswana IFSC continues to monitor the efficacy of the Income Tax Amendment Act (1999) that created the IFSC

platform of incentives and accreditation framework. A joint seminar with Botswana Unified Revenue Service has led to engagement with various stakeholders with a view to making representations to the Ministry of Finance and Development Planning for implementation in 2006-07.

MATTER OF FACT

On page 4 of our 2005 Annual Report, we wrote that Rachel Mothibatsela, Botswana IFSC Corporate Communications Executive, has a PGDE –Marketing (CIM). She is still pursuing this qualification. We apologise for the error.

Career Fa



Honourable Minister of Education, Mr Jacob Nkate, officially opening the Career Fair 2005



David Santsoma (Virtual Wave), explaining their operations to Ndaba Mpofo (Venture Partners Botswana), Quill Hermans (Chairman, IFSC Board of Directors) and Minister Nkate



Mike Lesolle (Executive Director Botswana Accountancy College) making a follow up comment on a question that had been asked

FOR A YOUNG Motswana graduate with ambition and an eye on a future in the financial services or information and communications technology field, Gaborone International Convention Centre was the place to be on Saturday September 24.

It was a weekend to remember for hundreds of enthusiastic young visitors to the second Botswana IFSC Career Fair. It was also an opportunity to meet and interact freely with executives of several companies, and it was a forum for the companies to get to know talented prospective employees.

The IFSC Career Fair was launched last year in response to the difficulties reported by companies in the financial services and ICT fields in recruiting staff of the right calibre. It effectively exposes young graduates and professionals to career opportunities.

The 2005 Career Fair – with the theme Building a Bridge between Business and Our Skills Readiness – was larger and more widely representative, bringing in several companies from outside the IFSC ‘family’ of accredited organisations.

The objectives the of Career Fair were -

- to provide the opportunity for private sector companies to interface with Batswana students, graduates and professionals;
- to encourage awareness of the growing role of financial services and ICT in the national economic diversification programme;
- to create a platform for citizen companies in those fields to showcase themselves;
- to develop the Botswana IFSC internship programme, which was started last year;
- to provide guidance to young graduates and professionals who want to pursue careers in the financial services and ICT sectors;
- to promote awareness of the Botswana IFSC CV database, and encourage companies and individuals to use it;
- to foster partnership between the private sector and local institutions providing training in financial services and ICT.



One of the participants asking a question



Some of the 2004/5 interns who shared their experiences with participants (l to r) Pulafela Isaacs, Nikki Chigodora, Refilwe Sebeago and Thuto Budulala



BDC representatives



BIFM representatives



African Banking Corporation representative

ir 2005



Bashi Gaetsaloe (CEO Accenture) presenting on Preparing for the Working World



Kitso Lemo (IFSC), Nthisana Phillips (Allan Gray) and Richard Malikongwa (Botswana Life Insurance)

Career Fair 2005 was opened by Minister of Education Jacob Nkate, who commended IFSC for the initiative and underlined its value to participating companies and the young attendees.

An introduction by IFSC Chief Executive Officer Alan Boshwaen was followed by presentations by some of the beneficiaries of last year's IFSC internship programme, which places graduates in companies to gain temporary work experience. In some cases the interns are later taken onto the permanent staff of the companies concerned.

Significantly, the success of the internship programme has led to it being extended to non-IFSC companies this year.

Interns who shared their experiences with visitors at the Career Fair included Refilwe Sebego (IMARA), Thuto Budulala (RPC Data), Pulafela Isaacs (Botswana IFSC) and Nikki Chigodora (Cyberplex).

In breakaway sessions, executives and professionals in the financial services and ICT sectors took time to brief the young visitors and answer their many questions. Anthony Siwawa (CEO Venture Partners) and Nthisana Phillips (CEO Allan Gray) discussed personal branding and career management with the professionals, and Lena Kalake (Deputy Director of Recoveries, Ministry of Education) and Bashi Gaetsaloe (CEO Accenture International) spoke to students and unemployed graduates on the Government's position on internships abroad, and preparing for the working world.

And, to put the final touch to the occasion, visitors were treated to live music by Kopi, the founder of Gaborone Choral Choir, which comprises of young unemployed Batswana graduates.



Alan Boshwaen and Minister Nkate



Master of Ceremonies, Michael 'Dignash' Morapedi



CEDA representative



Orange representatives



Deloitte representatives

When Miss Botswana came calling



left to right: Kitso Lemo, Tshegofatso Robi (Miss Botswana elect), Mmamidi George and Rachel Mothibatsela.

IFSC is always happy to receive visitors, and was particularly so when Miss Botswana Elect, Tshegofatso Robi, called to ask if she could come in.

Tall and radiant Tshegofatso (20) wanted to know more about the

important role that IFSC plays in the vital task of diversifying Botswana's economy. She toured the IFSC offices in Gaborone and was briefed by Corporate Communications Executive, Rachel Mothibatsela, and Strategy and Research Executive, Kitso Lemo.

Soon afterwards she left to represent Botswana at the Miss World pageant in China.

She was accompanied on the IFSC visit by Mrs Mmamidi George, a member of the committee that prepared her for the competition.

Confidently speaking...



Pulafela Isaacs

PULAFELA ISAACS barely hesitates when asked how he has benefited most from his three-month internship at Botswana IFSC.

"Confidence," he says emphatically. "Working with the IFSC team gave me the confidence to relate to people on a business level. It was a great experience, and a very special time for me."

A fourth-year finance student at

the University of Botswana, Pulafela (22) was among more than 350 young Botswana who took part in the inaugural IFSC Career Fair in Gaborone last year. Like many other hopefuls he put his name forward for consideration for internship training with an IFSC operating company – and, as he puts it, hit the jackpot by being selected for IFSC itself.

"That was a real bonus. I had no idea what the organisation did, but I quickly came to realise what an important role it has in economic development and diversification in Botswana."

Pulafela was given an insight into every aspect of the IFSC operations before settling into some serious work under the tutelage of Strategy and Research Executive Kitso Lemo.

He emerged from his three-month internship, which was part of the Industrial Attachment module for his final year, a wiser and more assured young man, eager for the final run-up

to his university degree, after which he is aiming at a career in stock broking.

"I am very grateful to IFSC for the Career Fair initiative and for giving me a chance. I learnt a lot, and I hope that more companies will consider offering places under the IFSC internship scheme. It's an important career start for those of us who are lucky enough to be selected."

Pulafela was one of 11 young interns serving in the IFSC family of companies, an arrangement that led to some of them being taken on as full time members of staff.

He showed his appreciation to IFSC, and his enthusiasm for the internship programme, by talking about his experiences to young attendees at this year's Career Fair.

FIRST CLASS

Pulafela has attained a first class grade in the Industrial Attachment module.