



## International Insurance Act, 2005, extends range of services under IFSC



Honourable Baledzi Gaolathe,  
Minister of Finance and  
Development Planning

**BOTSWANA IFSC and the insurance industry warmly welcome the introduction of the International Insurance Act, which was passed in May 2005.**

The Act aims to create the fiscal and regulatory environment necessary to make Botswana an attractive location from which international insurance services, such as reinsurance, captive insurance and related activities, can be provided to non-citizens and in currencies other than the Pula.

Botswana IFSC has identified international insurance as a strategic growth sector and the Act will enable it to be included in the broad range of activities currently permissible under the IFSC framework.

The Act will confer legal status and create a regulatory framework for the carrying on of international insurance activities from the Botswana IFSC. The

legislation will also allow Botswana authorities to address the prudential concerns related to reinsurance operations and protect the integrity of the insurance businesses and the host jurisdiction, namely Botswana.

International insurance is a globally traded business and the sector's requirements for growth and success fit in well with Botswana's fundamental strengths. Botswana has no exchange controls, which allows the flexibility of free movement of capital. The country is a lower cost environment compared to traditional European and Caribbean offshore jurisdictions. Further, the Botswana IFSC framework provides for full transparency, applies a complete information exchange

**"This paves the way for, among other things, reinsurance companies and captive insurance companies to start operations here," says Pat Honnet of AON.**

programme through a double taxation treaty network and requires the establishment of genuine and substantive economic activity in the country.

Tabling it in the National Assembly in April, when it was still a Bill, the Minister of Finance and Development Planning, Honourable Baledzi Gaolathe, explained that companies operating under the IFSC are restricted to conducting non-

domestic business in non-Pula currencies only. Although they are registered under the Companies Act and can locate their offices in Botswana, they are not allowed to carry on their business transactions with residents or resident companies. Therefore to be licensed to do business under the IFSC, insurance companies cannot be regulated and supervised under the Insurance Industry Act of 1987, because it is concerned solely with insurance companies serving only the local or domestic market.

The Minister said the Act provides for the "maintenance of orderly conduct of international insurance business and related services" through the appointment of a regulatory authority with specific responsibilities and powers. A rigorous process of authorisation and supervision is aimed at screening out potential problem firms and ensuring that a strict regulatory regime is implemented on an ongoing basis and in the best economic interests of Botswana.

The International Insurance Act is a major development, said Pat Honnet, managing director of AON Risk Management Services, an IFSC registered company.

He said: "This is a significant step forward for the financial services industry. It will create an ideal environment for international insurance companies to provide services to non-citizens, in various currencies. This paves the way for, among other things, reinsurance companies and captive insurance companies to start operations here.

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## Virtual Wave brings latest vehicle tracking and call centre services



Virtual Wave Directors at the new company's Call Centre. From left: Dave Santsoma (Motswana), Diane Blacker (Canadian) and Harry Blacker (Canadian).

A NEW COMPANY that is introducing the latest vehicle satellite tracking (global positioning systems - GPS) and related call centre services to Botswana and the region has received IFSC accreditation.

Virtual Wave Botswana, a joint venture between the Virtual Wave Group of Canada, a subsidiary of NASDAQ listed Grayling Wireless USA, and a local citizen company, Security Installations & Maintenance, has opened a P3.8 million facility at Gaborone International Commerce Park from where it will provide full GPS location and call centre support services to sub Saharan Africa.

"We are delighted to have achieved IFSC accreditation," says regional director Dave Santsoma. "It is centrally important to our operations in the coming years, for which we have big plans."

The company sees a growing demand here and in neighbouring countries for location-based mobile solutions – sophisticated cellular phones and tracking units that closely monitor vehicle movements. The hand-held devices from the Finnish manufacturer, Benefon, are integrated with Virtual Wave distribution and call centre systems, which operate round the clock and can call in a range of emergency services (roadside assistance, fire, ambulance, police) and other support services for the client.

"This highly effective system is particularly valuable for fleet owners and individuals wanting the security of total vehicle protection," says Dave Santsoma. "The equipment is supplied and installed free of charge, and the client pays a monthly rental for the service."

Virtual Wave Botswana is engaging with insurance underwriters to add value to the offerings of the motor insurance industry

by installing and monitoring more than 9 000 vehicle tracking devices over the next year. The intention is to extend the operations progressively to South Africa, Namibia, Zambia, Kenya, Zimbabwe and Mozambique.

Grayling Wireless Inc. chief executive officer, Jeff Love, said: "Over the course of the next 12 to 18 months we will determine the extent to which we will be introducing new business platforms and investment opportunities into Botswana and the rest of sub-Saharan Africa, through our established base in Gaborone. We

will consider which, if any, of these opportunities might be made available for direct Botswana investment, individually and/or institutionally, including our existing operations."

Virtual Wave's primary target is the motor vehicle insurance market, but Benefon monitoring systems have very many applications, including professional security, personal safety, field and workflow management, asset tracking, and health.

The company has taken on qualified local technical and call centre staff, and is also carrying out specialised training. It is committed to providing full and ongoing support services to its client base.



One of Virtual Wave Call Centre seat held by its IT Engineer, Chris Mokone.

The overall project aims to take the lead in revolutionising the industry and promote safety and security within the SADC region and Africa.



One of the local Electrical & Electronics Technician, Stephen Motlhabane, at the Virtual Wave Installation facility.

# African Express moves up a gear in big regional drive

**AFRICAN EXPRESS International, a major new entity in regional freight transportation and logistics, is one of the latest additions to the growing list of Botswana IFSC certified companies.**

Based in Gaborone, it becomes the holding company of African Express operations in Botswana, Swaziland, Lesotho, Namibia and South Africa. It will also coordinate and drive a growth strategy into 12 other African countries over the next two years. African Express is a partnership between Nebojsa Graorac and Unitrans Limited, a large South African transport and logistics group.

“This regional capacity and global outreach, the inherent strength of Unitrans, and the accreditation by Botswana IFSC enables us to provide the very best services to our operating units and their customers,” says African Express International managing director Nebojsa Graorac. “We are very pleased to be part of the IFSC framework.”

The recent creation of African Express International is a highly significant development. From its Gaborone base the company will provide its regional courier and freight subsidiaries with support services in the areas of accounting and financial administration, exploitation of intellectual property, and development and supply of computer software. It also intends to set up call centre and insurance operations. The company will develop local expertise to conduct its international business, employing and training Batswana in the areas of finance and information technology. Botswana will also become a customer contact hub to service all the subsidiary operations.

Welcoming African Express International to the Botswana IFSC chief executive officer, Alan Boshwaen, said the company’s stature and regional linkages would create the basis for Botswana’s infrastructure to be used for regional logistics support at the same time supporting the mandate of the IFSC.

The company has its roots in the creation of African Express (Pty) Limited (formerly MDS Couriers) in 1993. It became part of the Unitrans group in 2002.

Unitrans Limited, which has a prominent listing on the Johannesburg Stock Exchange with R9 billion revenues in 2004, has operated in the transportation and logistics field in South Africa for over a century. Its diverse operations in 10 countries in the region include freight and passenger transport, warehousing, distribution, express freight and courier services, vehicle retailing, fleet management and vehicle leasing, insurance and car rental. It distributes nearly 20 vehicle brands in Africa.

African Express International is a partner of the Global Distribution Alliance, an international grouping of about 40 leading independent courier companies, giving the local company ready access to a worldwide service network of more than 12 000 offices in more than 240 countries.

## IFSC MOVES



The new IFSC Reception Area

intending to set up business in the Botswana IFSC.

We are delighted with our new address, and look forward to welcoming you.

**Postal and telephone particulars remain the same:**

**Telephone :+267 365 1406**

**Fax : +267 391 3075**

**Physical address is: Plot 50676, Fairgrounds Office Park.**

BOTSWANA IFSC has moved. Our new offices are on the second floor of the new Fairgrounds Office Park building, just around the corner from our former base in the BDC complex. Fairgrounds Office Park building is owned by Botswana Insurance Fund Management (BIFM).

The new IFSC offices are more spacious, more airy and more conducive to doing business and receiving visitors.

They include a large fully equipped boardroom and two private meeting rooms, as well as three ready-to-use offices made available as transit bases to visiting executives



Fairgrounds Office Park

# Urgent call for joint action to boost business process outsourcing and call centre industry



From left to right: Keith Marais of i-Direct, Percy Radikoro of Fones4U and Marianne Nganunu, Permanent Secretary at the Ministry of Communications, Science and Technology.



IFSC Chairman, Quill Hermans and CEO of BTC, Vincent Seretse.

**BOTSWANA IFSC again demonstrated its role as a catalyst and facilitator by calling a major stakeholders' workshop in Gaborone to hammer out a future course of action to vigorously develop the country's fledging business process outsourcing (BPO) and call centre industry.**

It was attended by senior representatives of Government, parastatals and the private sector.

The urgent message emerging from the workshop was that Botswana has a lot going for it to become a major Africa hub for international BPO and call centre services – but there is a lot of work to be done before this can be achieved.

IFSC chief executive officer, Alan

Boshwaen, described the present situation as “an opportunity at the crossroads” and called for concerted joint action to boost the industry.

“The opportunities are certainly there, and we simply must not let them slip away,” he said. “There is strong growth globally in the BPO and call centre business, but it is also very competitive and Botswana will miss out unless we get our act together quickly.

“We have the basic elements in place. Now we must act jointly to plug the gaps and make it work. We cannot compete globally unless we get it right locally.”

He called for recognition at the highest level of the importance of the industry and its potential to contribute significantly to national development and the realisation of the goals of Vision 2016.

During lively debate, speakers stressed the need for a cross-sectoral team effort and said it was essential for Government to take prompt ownership and assume a central coordinating and catalysing role in the interests of developing the industry.

As Leah Gwangwa of the Botswana Call Centre Forum put it in her presentation: “The industry is orphaned at the moment – it is vital that we find a home.” She urged Government to demonstrate its support by outsourcing business to the industry. Such patronage would encourage growth and development, with possible ‘homes’ including the Ministry of Trade and Industry,

Communications, Science and Technology.

The Director of the Department of Information Technology, Alicia Ramaribana, told the workshop that these concerns were being addressed and the Ministry of Communications, Science and Technology is preparing a full briefing for Cabinet consideration, with inputs based on the study sponsored by IFSC in 2004.

### Well placed

The BPO financial services market worldwide is huge and growing steadily – from \$10.9 billion in 2002 to a projected \$16.6 billion in 2007. The projected growth rate for the five-year period is 9 per cent, which is higher than world inflation at 7.3 per cent.



Harry Blacker of Virtual Wave.



Leah Gwangwa of 1-Call

## MIT business students visit Botswana



MIT students.

**BOTSWANA IFSC welcomes all opportunities to network with visitors to the country, and responded readily to an invitation to meet a group of 30 MBA students from the Massachusetts Institute of Technology Sloan School of Management, from Cambridge, USA.**

IFSC joined hands with BEDIA (Botswana Export Development and Investment Authority) and CEDA Venture Capital, to host a briefing and networking session for the visitors. It proved to be a valuable and mutually enriching exercise.

IFSC Marketing Executive, Letsebe Sejoe, made a presentation on the role of the IFSC and opportunities available under the IFSC.

The objective of their trip, which was part of a Southern Africa tour, was to create awareness of the economic, political and social factors that are central to life and business in the region, and to build ties between communities.

The MIT participants were from many parts of the world and included students who had lived or worked in Africa or who were looking for opportunities to be involved with the region after business school.

“During our interactions the MIT Sloan School of Management also introduced the MIT Global Entrepreneurship Lab Program or Global E-Lab through which entrepreneurial companies around the world can leverage and tap into the strong industry backgrounds that MIT MBA students typically have,” explained Letsebe Sejoe.

After three busy days, during which they met leaders in the public and private sectors and the NGO community and visited a number of facilities,

the visitors left with a keener understanding of Botswana and its challenges and opportunities.

“Our experience in Botswana was extremely positive and we are back in Boston with many good things to say. We certainly hope this is just the beginning of a lasting relationship between the IFSC and MIT;” Kwame Kyiamah, MIT MBA Student who gave us feedback upon their return to USA.

“We were struck by their enthusiasm and sincerity,” says IFSC corporate communications executive Rachel Mothibatsela. “They really wanted to know all about us, and we are glad to have helped to make their visit worthwhile. They are the future leaders of big international companies and we saw it fit to build relationships with them now.”



Sametsi Ditshupo (BEDIA) and Letsebe Sejoe (IFSC).

## IFSC Career Fair - opening young minds and doors of opportunity

**WITH the Botswana IFSC ‘family’ of accredited companies growing steadily, this year’s Careers Fair will be a big step up from 2004, when it was launched.**

The event will be held on Saturday September 17 at Gaborone International Convention Centre.

An IFSC initiative, the Career Fair is a stimulating forum that exposes young Botswana graduates and students to work opportunities by bringing them face-to-face with prospective employers. It also enables company executives to meet and

assess promising potential recruits.

Participating companies are mainly those accredited by the IFSC, but others have also chosen to be there.

Each company agrees in advance to take on an intern after the Career Fair. The internships, which are for varying periods, give the young men and women work experience and some pocket money and help them to feel their feet in the working world.

At this year’s Fair the first crop of interns will be on hand to talk about their experiences and to give this

year’s hopefuls some insights and advice. Also there will be human resources professionals, to advise the young people on such practical things as how to prepare job applications and how to conduct themselves during interviews.

“We feel a personal bond with the interns,” says IFSC marketing executive Tebatso Lekalake. “We are particularly pleased when things click between an intern and a company, and especially when the relationship develops into permanent employment.”

# Urgent call for joint action to boost business process outsourcing and call centre industry

FROM PAGE 4



Thuli Ntsatsi of BTC and Naledi Dikgomo-Goulden of BITS.

Studies have shown that with its favourable business environment Botswana is well placed to become a major supplier of BPO and call centre services on the continent and even overseas.

Such operations have the potential to create sustainable employment for many Batswana. The country has the necessary English language capabilities, and an educated and trainable workforce.

Botswana's legal framework and economic environment is favourable for attracting foreign direct investment. The business-friendly local environment is enhanced by the IFSC's package of investment incentives, which is widely recognised and highly regarded.

Reliable technology, cost effective



Mabua Mabua of MCST and Cecilia Mamelodi of BTC.

services and local competencies are fundamental requisites for communications-based operations. Botswana's telecommunications infrastructure is rated as good, but service delivery and cost competitiveness need to be improved. Global connectivity constraints are being addressed, and a development programme in this regard is ongoing.

It is considered that existing B P O operations in the country, such as call centres, fund administration (back office functions), data entry and salary processing, can be developed rapidly, giving short-term low value benefits. In the longer term, by building up a highly skilled workforce over the next five years, Botswana could earn a reputation as a favourable destination for higher value services such as transaction processing, advanced accounting, insurance processing and credit underwriting.

The workshop included a presentation by Harry Blacker of Virtual Wave Group of Canada, whose company, in joint venture with Batswana partners, has set up a P3.8 million vehicle tracking and call centre facility in Gaborone.

"We are honoured to be viewed as an agent for positive change in the economic fabric of the country," he

said. "We expect to be valued, contributing members of Botswana society for the foreseeable future and we want to ensure that the social and business environment is conducive to sustainable, responsible economic development."

He outlined the challenges and difficulties that had been encountered in establishing and equipping the new



David Kapaletswe of Cobit, Dominic Motsu of BEDIA, and Joshua Setipa of TSG.



BITS Patron, MP Ronald Ridge, Kenneth Molosi of ATOS and Arindam Bose of MCST.

enterprise. He was sharply critical of the service received in the telecommunications field. Noting that telecommunications was the backbone of any business, and was particularly so for a call centre, he said this was "the area that caused us most concern".

## Our Interns get Employment!

**WHEN Thuto Budulala learnt that his status at RPC Data software developers in Gaborone had changed from intern to employee, he couldn't contain himself.**

"Great news!" was the resounding opening of his ecstatic email telling IFSC of his good fortune. After four months of internship, arranged through IFSC, he got the nod from RPC Data to join the company's software development team as a trainee.

"It's just great," enthused the Botswana Accountancy College graduate (BSc. Computer Science) who was accepted by RPC Data as an IFSC intern after his four-year degree

course. "I like the work and I like the people. It's a real challenge and I'm learning a lot."

Thanking IFSC and RPC Data for "this wonderful opportunity", he added that he looked forward to sharing his experiences with the next crop of interns who will be selected and placed with participating companies after the IFSC Careers Fair in September.

"We were happy to offer Thuto a job," said Bryan Mackenzie of RPC Data. "We liked his attitude and we recognised his potential during his internship. Now, as a member of staff, he has every opportunity to develop in the company – how he progresses is up to him."

## ...and the chance of a lifetime!

**Another IFSC intern has struck gold. Tumelo Malale, who graduated BA Economics at the University of Botswana, was the right young woman in the right place at the right time when she served her three-month internship at African Banking Corporation.**

She impressed her seniors in the Treasury division, and found herself among the candidates short-listed from hundreds of applicants for graduate training. Her panel interviews went well, and she was soon packing for Harare

where she is undergoing induction in preparation for joining the bank's 12-month graduate development programme back in Gaborone.

"We got a very favourable impression of Tumelo during her internship," said Puna Giddie of ABC's human resources division. "But she would have been successful even if she had applied from outside, because she has both the qualifications and the qualities that we look for in young people."

## A soft spot, with good reason, for JCI



From left to right: Tebatso Lekalake (IFSC), Mokwena Morulane (IFSC), Janet Moyo (JCI Botswana), Lebogang Kemoeng (JCI Botswana), Alan Boshwaen (IFSC), Bonolo Selelo (JCI Botswana) and Landry Ahlonsou (JCI Vice President).

YOUNG ENTREPRENEURSHIP is vital for national development – which gives Botswana IFSC a special interest in the activities of the local chapter of Junior Chamber International. Notably, in 2004 JCI Botswana selected Alan Boshwaen, IFSC chief executive officer, to be their First Patron.

Formed in the United States in 1915, JCI is a worldwide federation of young leaders and entrepreneurs. Its mission: "To contribute towards the

advancement of the global community by providing young people with the opportunities to develop their leadership skills, social responsibility, entrepreneurship and fellowship necessary to create positive change".

When the current JCI Vice President, Landry Ahlonsou, visited Botswana from France he made a courtesy call on Alan Boshwaen in the company of JCI Botswana executive director Janet Moyo, executive vice president Bonolo

Selelo, and vice president, Lebogang Kemoeng.

They thanked IFSC for its support to JCI Botswana, and explored ongoing collaboration in the interests of encouraging the JCI ethic among young Batswana.

Mr Ahlonsou spent four days in the country, training and motivating the JCI leadership and meeting members of the business community.

STAFF PROFILES

**‘A good reason for wanting to get to work in the morning!’**



Mokwena Morulane, Corporate Affairs Executive.



Kitso Lemo, Research and Strategy Executive

TWO YOUNG MEN drawn to the professional ranks of Botswana IFSC by its significant role in the affairs of the nation are Mokwena Morulane and Kitso Lemo, who have taken up their appointments as Corporate Affairs Executive and Strategy and Research Executive respectively.

Mokwena Morulane is responsible for finance, administration, human resources, information technology, compliance and public affairs. He is also secretary to the Botswana IFSC Board and Ministerially appointed IFSC Certification Committee.

Kitso Lemo's responsibilities include strategy development and performance monitoring. He keeps a sharp eye on market and policy issues to ensure that the IFSC is proactive and responsive in the dynamic environment in which it operates. Mokwena gained a Bamangwato

Concession Limited (BCL) scholarship to the University of Luton in England, where he graduated BA (Hons.) Accounting. He went on to University of Wales College in Newport, securing his ACCA (Association of Chartered Certified Accountancy) qualification.

He came home, completed his articles at Deloitte and Touche and spent three years at BCL Mine, Selebi-Phikwe, becoming Chief Accountant. He then moved to Associated Fund Administrators Botswana, the country's largest medical fund administrator, as Finance and Administration Manager, before joining IFSC.

Kitso went on scholarship from Maruapula to Deerfield Academy in Massachusetts, USA, for a year, continuing to Harvard University where he graduated BA Economics with a minor in French. While at Harvard he did project work at the

Centre for International Development under the noted economist Jeffrey Sachs.

On his return to Botswana he spent two years at the citizen consulting firm, Delele, before moving to IFSC. He has a particular interest in development issues and strategies.

Both men have something in common – an excitement about being part of the IFSC team, making their contribution to the national effort to make Botswana a financial services hub, to diversify the economy, attract foreign investment, create jobs and better the lives of a great many people.

As Kitso put it: "That's a good reason for wanting to get to work in the morning!"

