

BOTSWANA: A SAFE HAVEN FOR GROWTH INVESTORS IN AFRICA

FAST FACTS

Botswana is one of the most stable, safe and investor-friendly economies in Africa

One of the top four most attractive economies for investments flowing into the African continent (Africa Investment Index 2018 by Quantum Global Research Lab)

The headquarters of SADC and often referred to as 'The Switzerland of Africa' for its non-interventionist, neutral regional political and economic policy

Preferential market access for SADC member



Good governance, a largely effective and efficient bureaucracy and a zero tolerance to corruption



Relatively small population of 2.93 million people and minimal risk of internal conflict



FISCAL INCENTIVES

EXISTING TAXES

BOTSWANA PROVIDES A LOW AND COMPETITIVE TAX ENVIRONMENT WITH:



15 % Corporate tax rate for manufacturing, financial services companies & companies registered in the Innovation Hub.

22% corporate tax for other sectors



Possible tax holidays for 5 — 10 years under the Development Approval Order (DAO)

200% Tax Allowance for Training costs

Duty-free importation of machinery and equipment for manufacturing purposes



Low personal income tax, maximum 25%

12% Value Added Tax (VAT)

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SPECIAL ECONOMIC ZONES

Shumba Energy's projects are located in several Special Economic Zones in Botswana with various incentives



Special Economic Zones (SEZs) are specifically demarcated geographical areas within Botswana, established to create an investor-friendly business environment that makes Botswana the most preferred location for both domestic and foreign investment



The SEZs conveniently create a one stop, full service business environment catering to the needs of businesses located within the SEZ and provide a hassle free business environment offering investors a competitive edge in world markets



Government adopted initiative designed to spur economic growth through domestic and foreign investment whilst offering developed infrastructure, state of the art technology and economic incentives



SEZ INCENTIVES



Corporate tax reductions or exemptions



Duty-free importation of raw materials, capital goods, and intermediate inputs



No restrictions or taxes on capital and profit repatriation



Exemption from foreign exchange controls



No charges on exports



Exemption from local and indirect taxes