



**Ministry of Transport and
Communications (MTC)**



Unlocking Botswana's Coal Potential

IHS MARKIT SA COAL EXPORT CONFERENCE 2019

Presented by:

Hon. Dorcas K. Makgato
Minister of Transport and Communications (Botswana)

31st January 2019

Outline

1. Botswana Overview

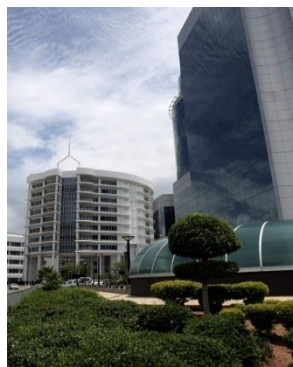
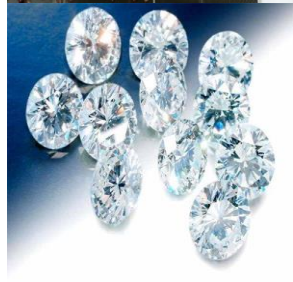
- ✦ Country Profile and Location

2. Botswana - Coal Assets

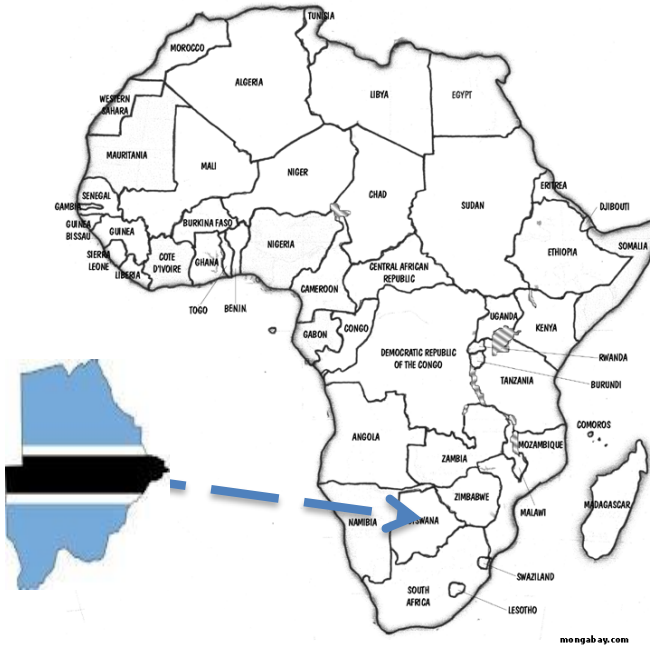
- ✦ Botswana Coal Fields
- ✦ Coal Qualities and Market
- ✦ Infrastructure Development
- ✦ Logistics – Botswana Railways

3. Value Proposition for Investors

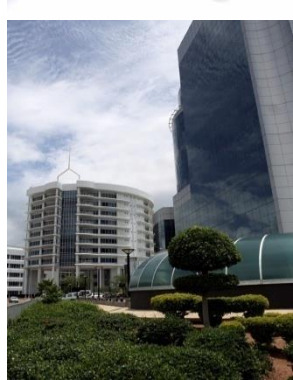
- Regional economic stimulation and facilitate trade.
- Botswana economic development (transport, telecommunications and ICT).
- Creation of opportunities for return on investment.



1) Botswana Overview - Country Profile

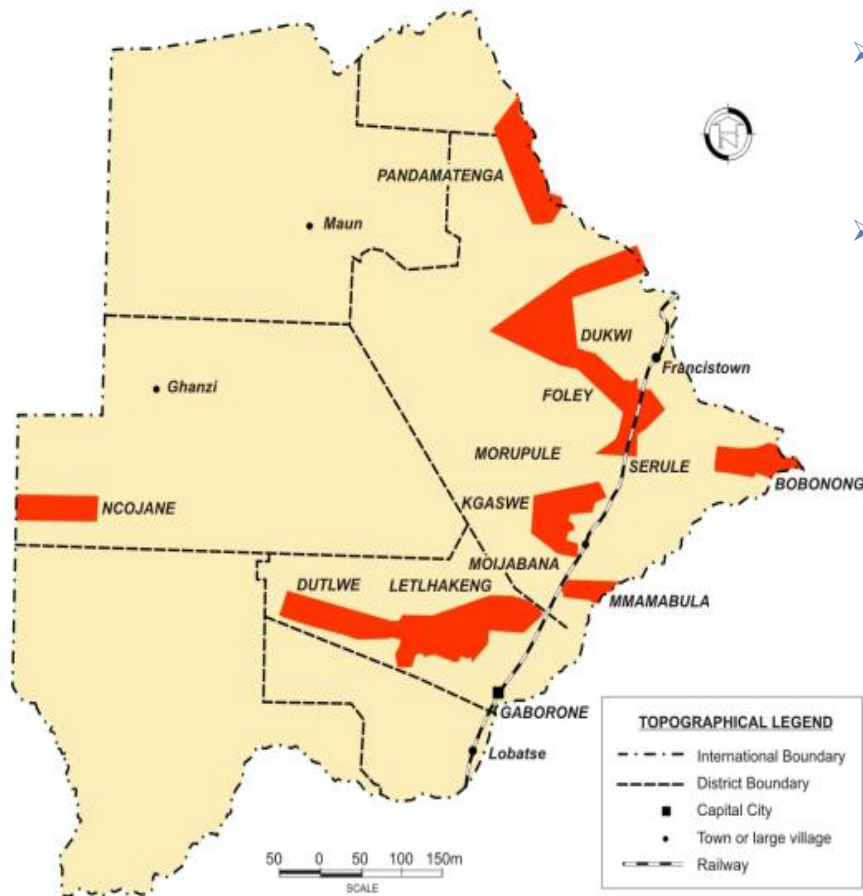


- **Politically stable**
- **Liberalized & free market economy.**
- Security of tenure.
- Most transparent country in Africa
- Zero tolerance for corruption
- **Trainable workforce and high adult literacy rate (82%)**
- **Good industrial relations**
- **GDP Per Capita USD7,704.00.**
- At the centre of Southern Africa
- Headquarters of SADC.
- **Land linked country,**
- 600, 370km², Approximately the size of France.
- Population slightly above 2 million.
- Public administration through 10 districts
- Mainly English & Tswana speaking.
- Currency, BWP (Botswana Pula) US\$1=approx. BWP9.50



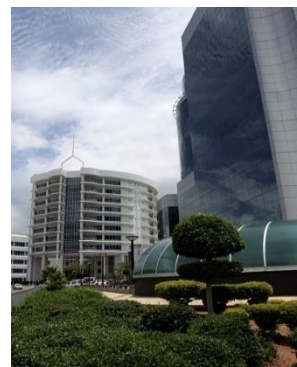
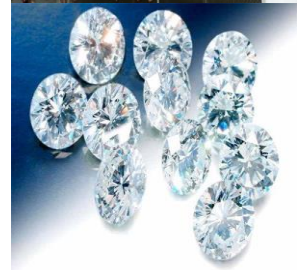
BOTSWANA COAL FIELDS

- The Karoo Super Group which covers ~70% of the country.
- But after 1900 little attention appears to have been paid to coal development although its potential importance was referred to from time to time.



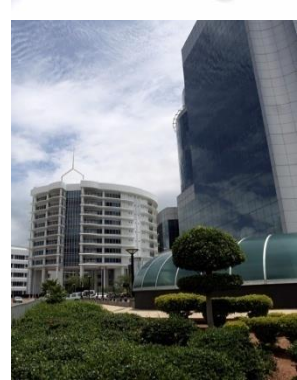
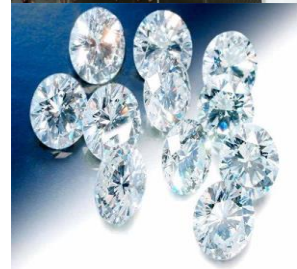
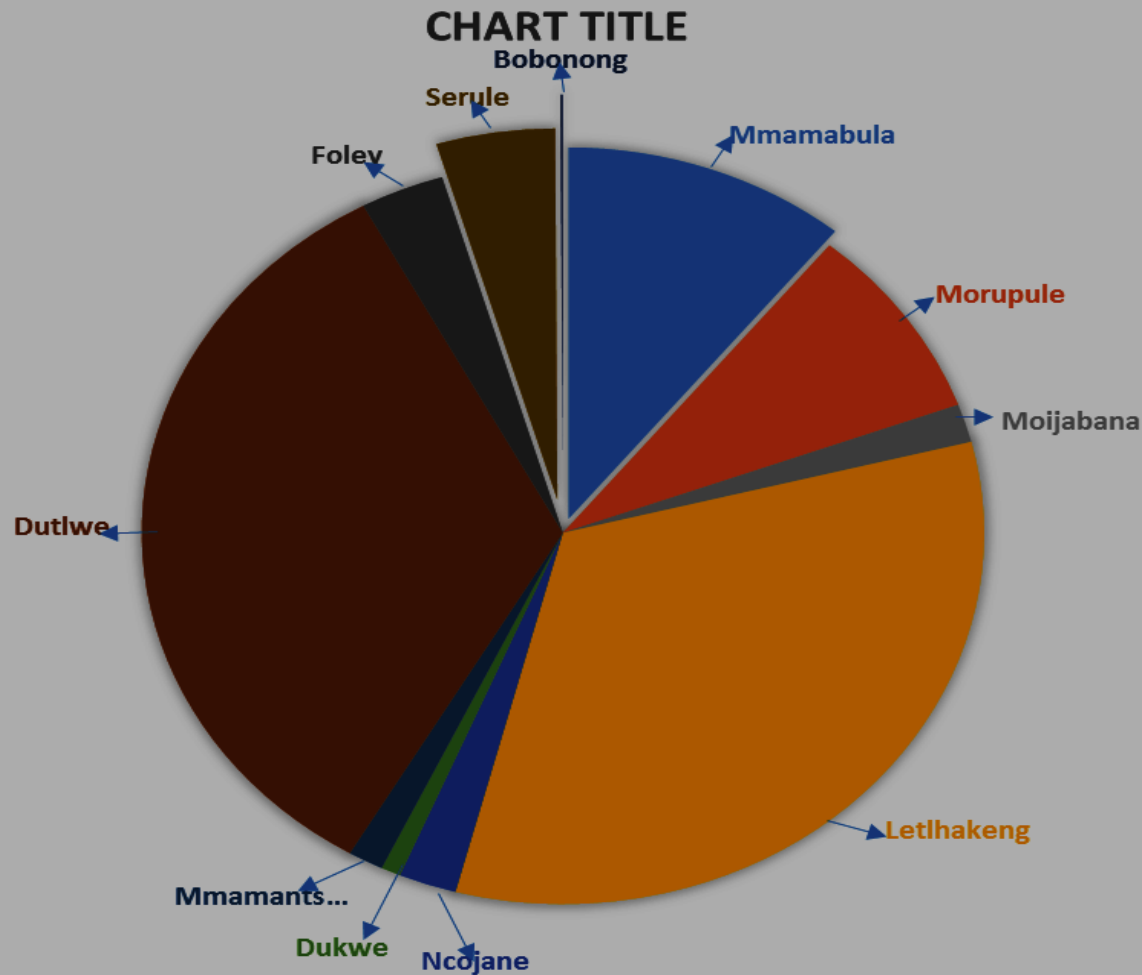
Legend

 Coal fields



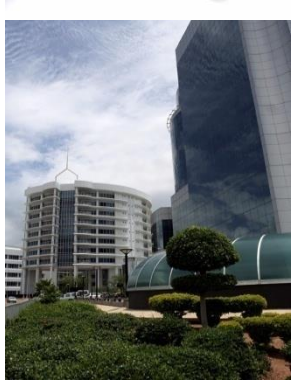
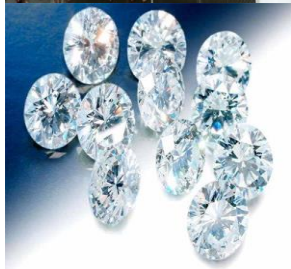
Botswana Coal Resources

Coal Distribution of Botswana
Total (All categories) 213 Billion ton *(2/3 of whole coal of Africa)*

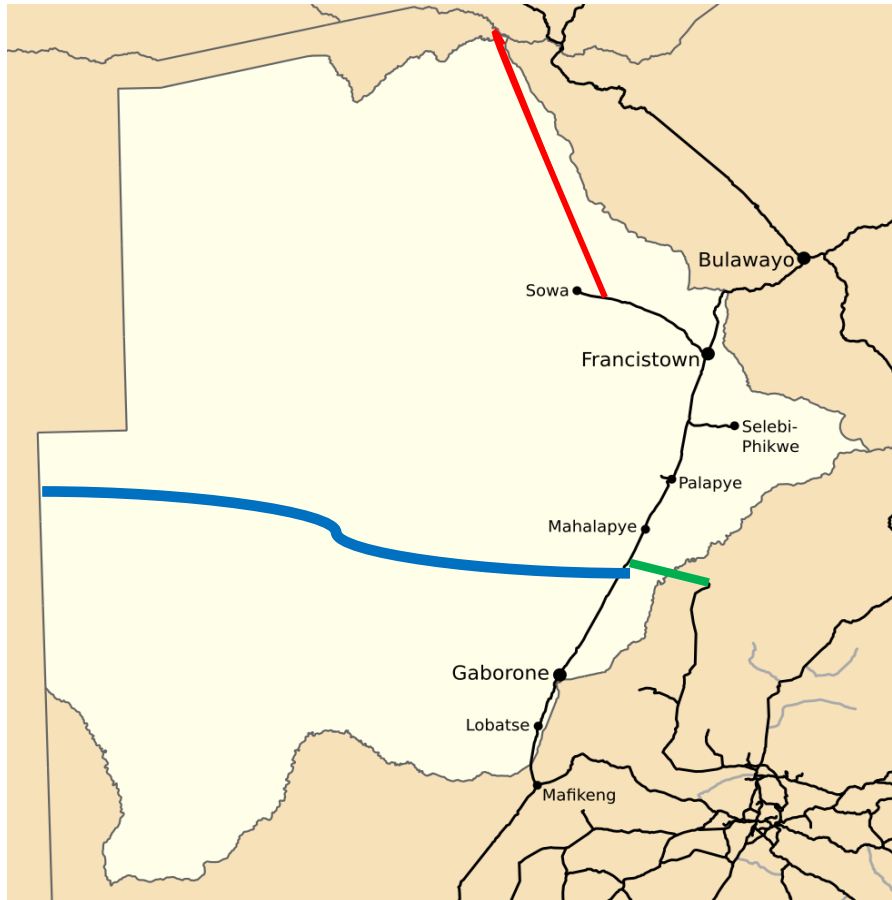


Infrastructure Gaps to be closed – proposed new rail links

- The General development of transport infrastructure is key to the enhancement of regional integration and trade facilitation.
- **The proposed Mmamabula (Botswana) – Lephalale (South Africa) link would stimulate the economies of Botswana and South Africa**
- **Mmamabula – Lephalale link will create an alternative corridor for export commodities.**
- **The line would ultimately be part of a new heavy haul railway linking Botswana and South Africa's Waterberg coalfield.**
- Collaboration and partnerships between governments and the private sector is critical.

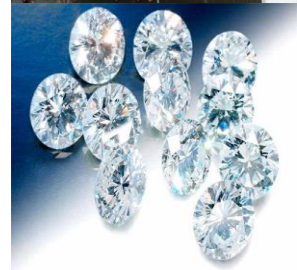


Infrastructure Gaps to be closed – Proposed new rail links



➤ In order to unlock regional growth, a corridor approach is a must.

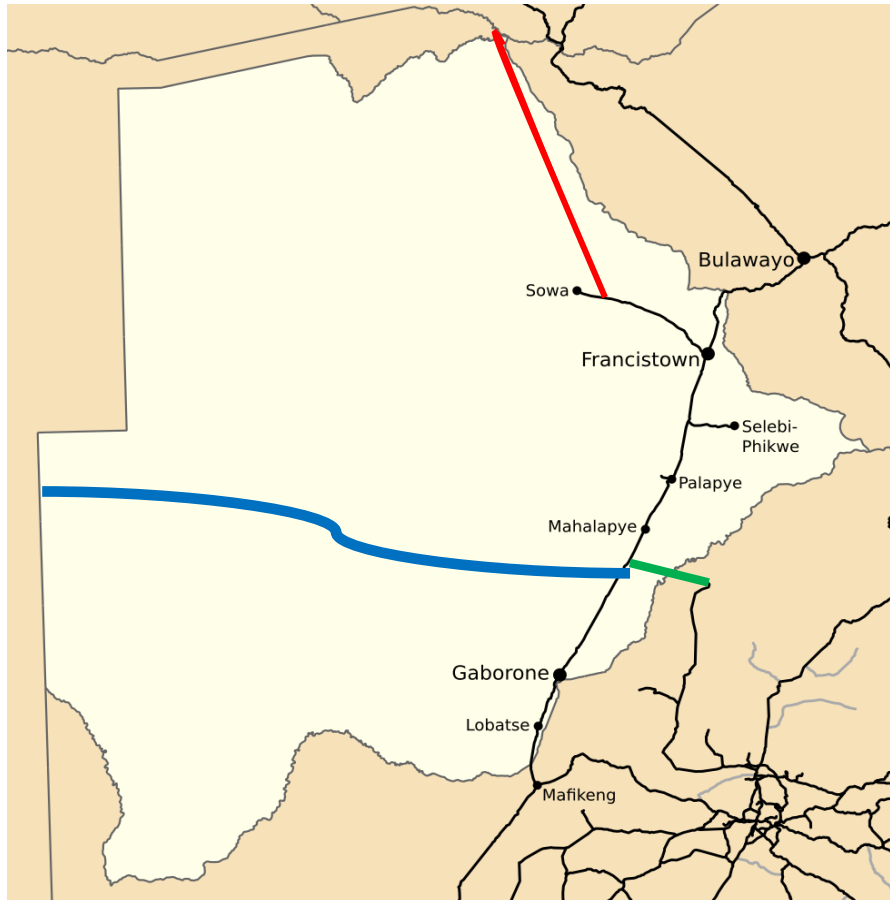
➤ The SADC Regional Indicative Development Plan (RISDP)integration.



Legend

1. Mosetse – Kazungula rail line
2. Mmamabula – Lephalale rail line
3. Trans Kalahari rail line

Infrastructure Gaps to be closed – Proposed new rail links



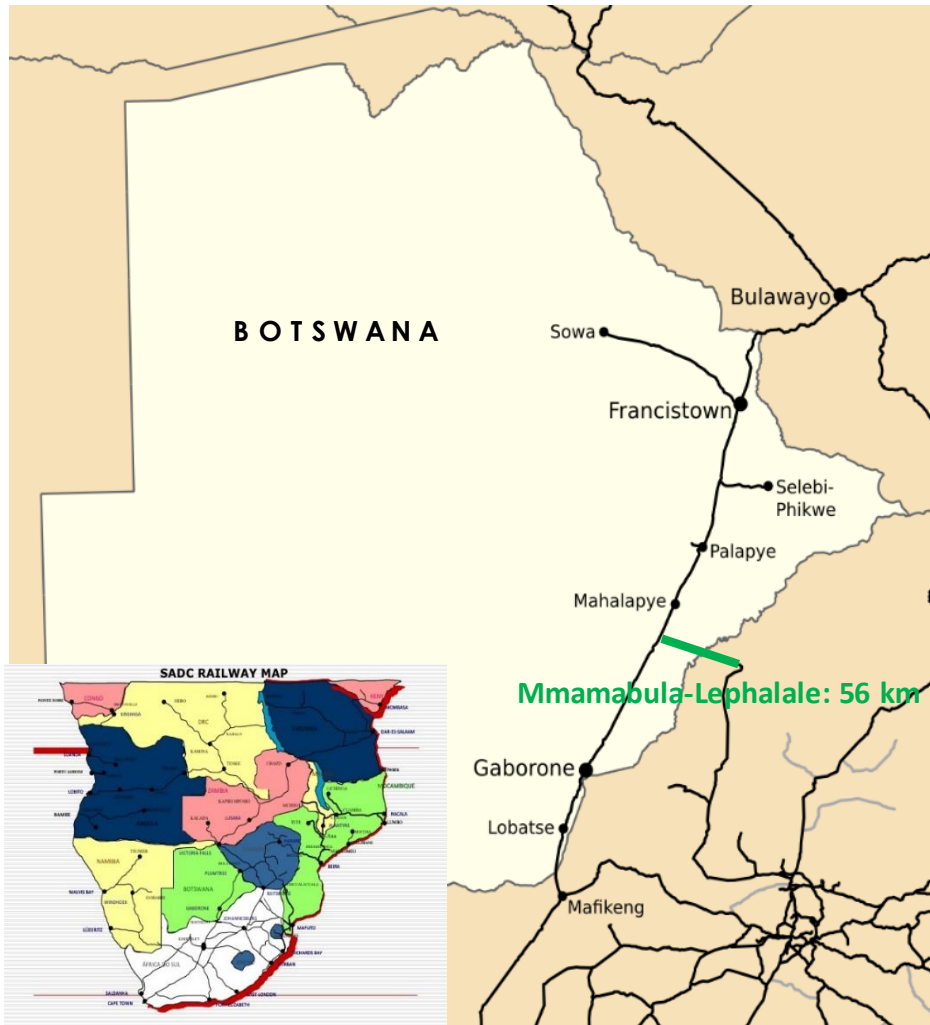
- The RISDP has prioritized infrastructure development as a facilitator of intra-regional trade and economic growth.
- The three links would be feeder links to the North South Corridor.



Legend

1. Mosetse – Kazungula rail line
2. Mmamabula – Lephalale rail line
3. Trans Kalahari rail line

PROJECT DEVELOPMENTS – Mmamabula Lephale Rail Link

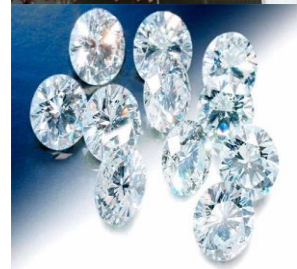


CHARACTERISTICS

- Project aims to link these coal deposits to South African heavy haul lines
- Line connects Mmamabula/Dibete in Botswana to Lephale in South Africa but there will be need to build a bridge across Limpopo River

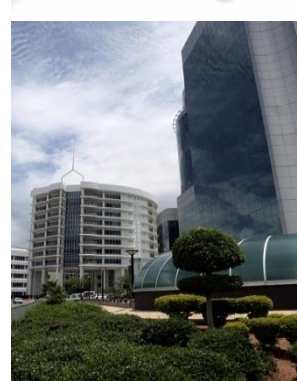
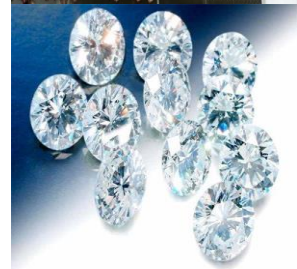
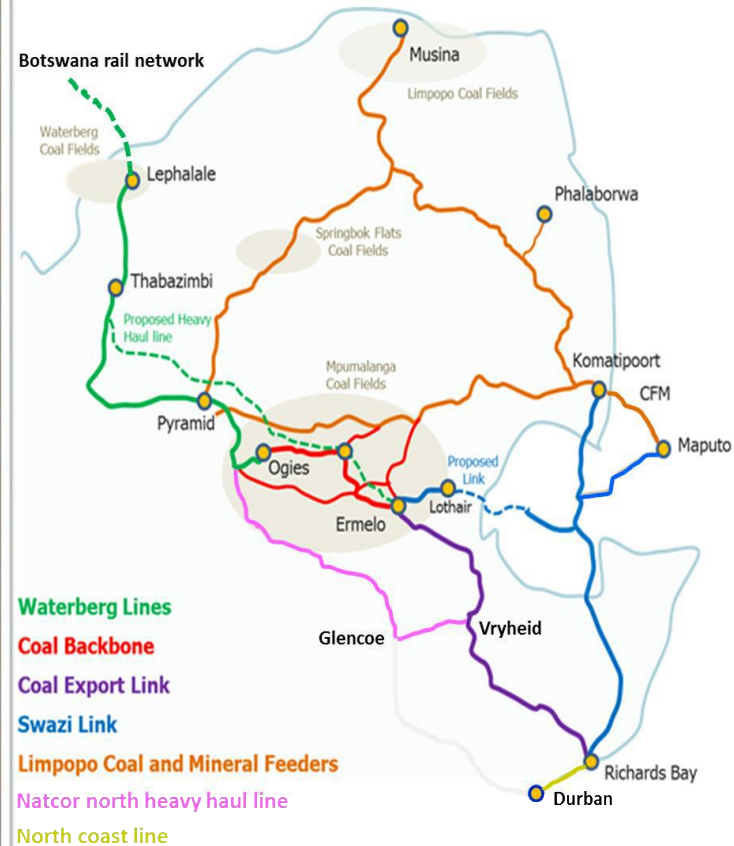
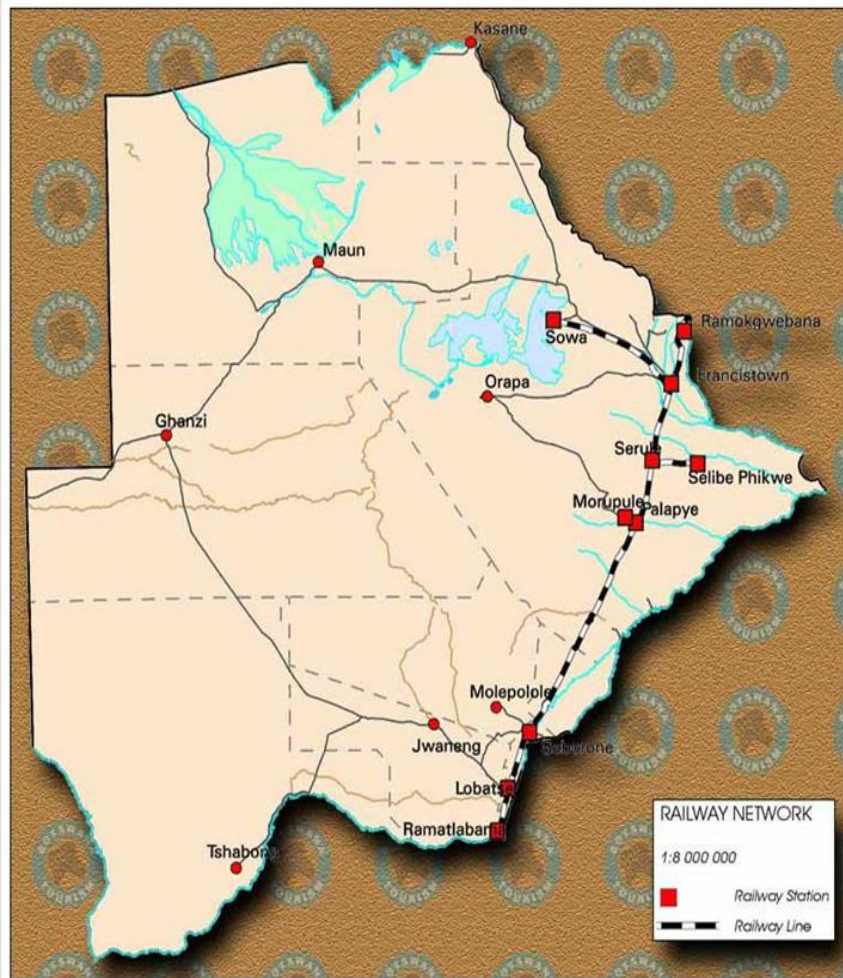
BENEFITS

- Gate way to South African ports for the coal market
- Stimulate economic growth in Botswana and Limpopo province (South Africa)
- Link Botswana mines to Transnet Freight Rail (TFR) network



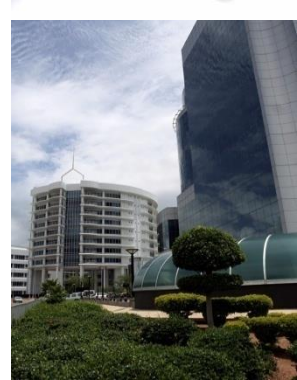
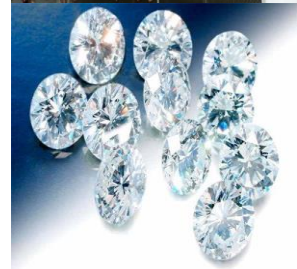
Logistics – Botswana Railways

Botswana Rail Network Linking with South African network



Logistics – Botswana Railways in partnership or collaboration with others

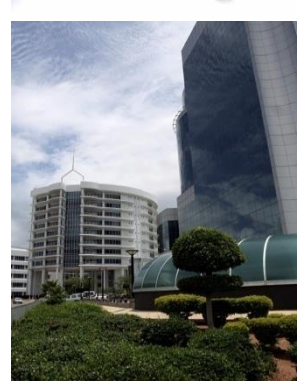
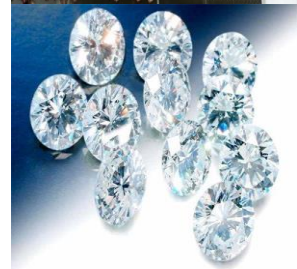
- **Strong government-led focus to diversify the economy from mining while retaining existing gains, and expanding alternative routes to markets.**
- Need to invest and focus on infrastructure and equipment that can move coal to the market.
- On going discussions with potential partners to expand existing carrying and longer haul capacities.
- Botswana has investment incentives for role players to negate logistical disadvantages to coal ports.



3. Investor's Value Proposition

LOW TAX RATE

22% Corporate Tax	Non Incentivized rate
15% Corporate Tax	Manufacturing, IFSC, BIH
25% Maximum Income Tax	Personal Income
12 % VAT	National Rate
Tax Holiday	5 – 10 years tax break
200% Tax Rebate	Training costs
No Foreign Exchange Controls	
Duty exemption: importation plant & machinery	
No Foreign Ownership Restrictions	
Expanding Double Taxation Treaty Network	
Facilitation of Access to land	



Thank You



**Ministry of Transport and
Communications (MTC)**

www.gov.bw

- Tel. +267 361 2000
- Fax. +267 390 7236

