MARKET ENTRY GUIDE

Doing Business in Botswana

A practical guide for European companies entering Southern Africa

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THE CASE FOR BOTSWANA

Predictability, at a time of change

For a European company weighing its first move into Southern Africa, Botswana offers something rarer than scale: predictability. A stable multiparty democracy since 1966, a common-law legal system and one of the cleanest corruption records on the continent make it a low-drama entry point.



1966

Multiparty democracy since independence, without a coup or a currency default.

2.5M

People in Botswana, a small market that works best as an export or regional-hub base.

430M+

People across the 16-country SADC bloc, whose Secretariat sits in Gaborone.

Diamond-led growth is under pressure, and diversification is now policy. European suppliers who arrive while the reforms are still being written tend to get better terms.

WHY BOTSWANA

Southern Africa’s governance premium

Institutional stability

Multiparty elections since 1966 and a consistently low corruption ranking in Sub-Saharan Africa.

The SADC Secretariat

Every SADC member gets regional tariff preferences. Only Botswana hosts the Secretariat itself.

Built for exporters

No foreign-exchange controls, about a dozen double-taxation treaties and BITC incentives for qualifying export projects.

Diversification is policy

Investment proposals are screened for how much they reduce diamond dependence.

Member of SACU

Shared external tariff and duty-free access across Botswana, South Africa, Namibia, Eswatini and Lesotho.

A skilled, English-speaking workforce

High literacy and secondary completion, with skills transfer encouraged as a condition of incentives.

STEPS 1 AND 2

Legal framework and entry routes

Registration	Through CIPA on the online OBRS portal, typically 5 to 7 working days.
Ownership	Foreign ownership allowed in most sectors. Government tenders often weight local preference.
Entity types	Private limited company (the standard vehicle), branch, partnership or sole proprietorship.
Corporate tax	24.5%, raised from 22%. Preferential 15% under the IFSC regime.
VAT	14%, administered by BURS. Mandatory above BWP 1 million annual turnover.
Withholding tax	Non-residents: 15% on interest, management fees and royalties, 10% on dividends. Treaties may reduce these.
Foreign exchange	No controls, which simplifies profit repatriation.

The tax regime changed recently. Confirm current rates with BURS or a local adviser.

Four entry routes

A. Distributor or agent

Lowest-friction route for a first transaction.

B. Procurement and sourcing

Mining, cattle and beef, copper and energy. Often the natural first step.

C. Investment or joint venture

Unlocks the full BITC incentive package and local credibility.

D. Regional hub via SADC

An administrative and light-logistics base for wider Southern Africa.

STEP 3

Key sectors for European companies

Mining and mineral services	Copper and the services layer around mining: equipment, safety compliance and logistics support.
Energy	Coal-bed methane and renewable generation open space for European technology, engineering and project finance.
Tourism and hospitality	A high-value, low-volume model around the Okavango Delta and Chobe, rewarding premium operators.
Retail and consumer goods	Urbanisation around Gaborone creates distribution room for FMCG, packaging and retail technology.
Logistics and trade facilitation	A landlocked country routed through South African ports needs local customs and inland transport partners.

Looking for partners in these sectors? Search the ProdAfrica directory.

STEPS 4 AND 5

Verify partners and know the institutions

ProdAfrica B2B Directory

Listed companies can earn Verified or Premium Verified status through the vetting pipeline. **Search the directory**.

CIPA company search

Confirm incorporation, directors and standing.

BURS Tax ID

Request the TIN and confirm active compliance, not only a stated number.

Local media

Mmegi, The Botswana Gazette and Business Weekly often surface disputes or expansions.

Key institutions

CIPA	Company and business name registration, IP registration
BURS	Tax administration, TIN issuance, VAT and customs
BITC	Investment promotion, incentives, one-stop shop for foreign investors
Bank of Botswana	Central bank, monetary policy, Pula management
Business Botswana	The main private-sector chamber and advocacy body
SADC Secretariat	Executive institution of the 16-member community, based in Gaborone

STEP 6

Country-specific red flags

Diamond dependence

About 80% of exports, a third of GDP and close to half of government revenue. Assess downstream counterparts against this.

Currency and reserve pressure

The Pula’s crawling peg was devalued twice and reserves fell. Structure payment terms and hedge exposure.

Widening fiscal deficit

Projected in the high single digits of GDP. Watch counterparts reliant on government payments.

Landlocked logistics cost

Trade routes through South African ports, so transport costs are structurally higher.

A settling tax environment

Rates and digital-services VAT rules changed. Published guidance can lag current law.

Small market, skills constraints

With about 2.5 million people, domestic-only projects rarely reach scale. Plan for export or hub use.

CHECKLIST

Due diligence checklist

Legal and identity

- CIPA registration and constitution
- Directors and owners cross-checked
- Real registered address

Operational

- Evidence of active trading
- Sector licence confirmed
- Litigation and media check

Financial

- BURS TIN and compliance status
- Audited financials or bank reference
- Licensed local bank

Currency and macro

- Pula peg exposure assessed
- Liquidity impact of diamond downturn
- Invoicing currency and terms

Digital and directory

- ProdAfrica Verified or Premium badge
- Working local phone and address
- Name searched alongside “Botswana”

Verify first, then commit.

A QUESTION TO TAKE AWAY

Which Botswana sector fits your first move, and which partner will you verify first?

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