

Republic of Botswana





European Union

## WORKSHOP REPORT

## Training on the EU - SADC Economic Partnership Agreement and other International Trade Opportunities

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May 2016

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#### ACRONYMS

ACP	African Caribbean and Pacific
BB	Business Botswana
BITC	Botswana Investment and Trade Centre
BMC	Botswana Meat Commission
BTV	Botswana Television
BURS	Botswana Unified Revenue Services
CEDA	Citizen Entrepreneurial Development Agency
DVS	Department of Veterinary Services
EPA	Economic Partnership Agreement
EU	European Union
LEA	Local Enterprise Authority
MITI	Ministry of Investment, Trade and Industry
PSDP	Private Sector Development Programme
RoO	Rules of Origin
SADC	Southern African Development Community
SMEs	Small and Medium Enterprises
SPS	Sanitary and Phytosanitary
ТВТ	Technical Barriers to Trade
TDCA	Trade and Development Cooperation Agreement
USA	Unites States of America
WTO	World Trade Organisation

#### 1. INTRODUCTION

Business Botswana, in partnership with the European Union and the Ministry of Investment, Trade and Industry, organised workshops to educate the private sector on the European Union (EU) - Southern African Development Community (SADC) Economic Partnership Agreement (EPA) and other trade opportunities during the month of May 2016. The workshop were held in Francistown, Maun and Gaborone.

The European Union has always played a major role in the development of African States. Trade relations between the SADC countries and the EU countries date back to the Lome Conventions, which provided preferential markets access for products from the African, Caribbean and Pacific (ACP) countries into the European Economic Community (EEC). Subsequent to the Lome Convention, EU trade relations with the ACP countries was strengthened through the Cotonou agreement. The achievements of the Cotonou Agreement and the Trade and Development Cooperation Agreement (TDCA), a trade agreement between South Africa and the EU, amongst other previous agreements, formed the basis for building the EU-SADC EPA. Negotiations on the EU – SADC EPA started in 1994 and they were concluded in 2014. The Agreement will be signed on the 10<sup>th</sup> June 2016 in Kasane, Botswana. The main objectives of the EU-SADC EPA are to<sup>1</sup>:

- a. contribute to the reduction and eradication of poverty through the establishment of a trade partnership consistent with the objective of sustainable development, the MDGs and the Cotonou Agreement;
- b. promote regional integration, economic cooperation and good governance to establish and implement an effective, predictable and transparent regional regulatory framework for trade and investment between the Parties and among the SADC EPA States;
- c. promote the gradual integration of the SADC EPA States into the world economy in conformity with their political choices and development priorities;
- d. improve the SADC EPA States' capacity in trade policy and trade-related issues;
- e. support the conditions for increasing investment and private sector initiatives and enhance supply capacity, competitiveness and economic growth in the SADC EPA States; and
- f. strengthen the existing relations between the Parties on the basis of solidarity and mutual interest. The Agreement shall enhance commercial and economic relations, consolidate the implementation of the Protocol on Trade in the SADC region.

This report provides an overview of the training that was undertaken, documents the discussions that were held amongst the stakeholders and provides recommendations emanating from these discussions.

<sup>&</sup>lt;sup>1</sup> European Union website (Economic Partnership Agreement between the European Union and its member states, of the one part, and the SADC EPA States, of the other part.

#### 2. TRAINING

#### 2.1. Overview

The training was conducted on the following dates. The content of the training was the same in all the three areas.

Francistown	-	09 <sup>th</sup> May 2016
Maun	-	17 <sup>th</sup> May 2016
Gaborone	-	24 <sup>th</sup> May 2016

#### 2.2. Logistics

Logistics in all the three areas involved identifying suitable premises for the workshops, finalizing the programme and speakers, inviting relevant participants to the workshops, designing and printing folders and name tags, and ensuring all promotional and branding material are on time for the workshops. There was a registration desk at each workshop were participants were required to register their participation. A number of databases were used to invite participants: Business Botswana, PSDP, Botswana Investment and Trade Centre, business associations, company database in the telephone directory, Local Enterprise Authority, Citizen Entrepreneurial Development Agency, National Development Bank and commercial banks. The target invitations for Gaborone was 200 and for Francistown and Maun was 150 each hence the wide use of databases.

#### 2.3. Challenges

They were a number of challenges, particularly those tied to logistical issues:

- The majority of companies (at least 90%) did not respond to email invitations. This meant that most of the companies had to be contacted by telephone, which took up a lot of time and effort through continuous follow-up;
- Some companies that had confirmed their participation did not turn up for the workshop. To guard against low participation, in Gaborone (where target participation was 80), we had allowed confirmations to go up to 100;
- The allocated budget was not sufficient to cover all costs;
- Not all participants who attended the workshops registered for the workshop, particularly in Francistown and Gaborone. In Francistown, 60 seats were reserved. As the last people came into the room, there were clearly only very few seats remaining in the room. However, the registration only indicated that 43 people registered. In Gaborone, we were able to identify a number of people we knew had participated in the workshop but had not registered;
- The Maun workshop presented additional challenges as the Ministry of Investment Trade and Industry were not able to travel to Maun on time and Botswana Investment and Trade Centre had to leave earlier than their allocated presentation time. This led to a substantial amendment to the programme on the day of the workshop. Despite this, efforts were made to cushion the impact of the substantial changes to the programme. Furthermore, the other presenters agreed to changes to their presentation slots, which substantially assisted in negating the effects of the changes to the programme.

#### 2.4. Participants

Participation in all the three areas was from Government Ministries, private sector organisations/associations, non-governmental organisations as well as the private sector. A list of participants is included in Annex 4-6.

#### 2.5. Objectives

The main objectives of the workshops were to:

- Present the current status of the EU-SADC EPA, including the Rules of Origin (RoO), Technical Barriers to Trade, Sanitary and Phytosanitary measures;
- Capacitate NSAs and SMEs on Export helpdesk, export promotion and usage of the Botswana Trade Portal;
- Facilitate dialogue between the public and private sector entities involved in the export promotion and trade facilitation; and
- Outline a list of tasks to be taken for signing the EU-SADC EPA on 10 June 2016.

#### 2.6. Program

The workshop program consisted of four main sessions: the official opening of the workshops; the overview, structure and benefits of the EPA; rules of origin and EU helpdesk; and trade in services and export facilitation. Presentations are attached as part of this report. The programmes for three areas are also contained in the Annexure.

#### 2.6.1. Official Opening Session

The welcome remarks were conducted by Business Botswana while the official opening was done by the Ministry of Investment, Trade and Industry and the keynote remarks provided by the European Delegation to Botswana. Copies of their speeches are provided as part of the workshop presentations.

#### 2.6.2. Session 1: Overview of the EU – SADC EPA

This session provided the context of the entire discussions. It provided information on what necessitated the commencement of negotiations, what the overall objectives of this EPA are and outlined all the achievements and benefits derived from the negotiations. The main benefits of the EPA as outlined in the presentation are

- Market Access duty free, quota free markets access for all agricultural and industrial products;
- Variation of the Most Favoured Nation Principle If the EU accords any other trading partner or trading block better markets access terms than that provided for in the EPA, then these terms will automatically be extended to the SADC EPA states. However, if the SADC EPA states offer better terms to any trading partner or trading block, these terms will not be automatically extended to the EU countries. Instead, the two parties shall negotiate as to whether these terms should be extended to the EU or not;
- Infant Industry Protection for a period of 8 years;
- Botswana, Lesotho, Namibia and Swaziland (BLNS) transitional safeguard this safeguard is accorded to sensitive products that were initially liberalized under the Trade and Development Cooperation Agreement (TDCA) between the EU and South Africa. This provision will be in place for a period of 12 years and applicable to 60 product lines;
- Agricultural Safeguards The SADC EPA states will be able to apply agricultural safeguards on 23 product lines for a period of 12 years without the need to prove to the EU that they have been affected by imports from the EU. Notification of the safeguards will be sufficient in such cases;
- Rules of Origin (RoO), especially on cumulation SADC EPA states will be allowed to cumulate raw materials or inputs from other ACP countries and Overseas Countries and Territories of the EU, and still qualify for duty free

quota free market access into the EU. The RoO specific to the textile and apparel sector have also been relaxed to allow for single transformation as opposed to the double transformation requirement in the previous Agreement;

- Export Taxes the SADC EPA countries will be allowed to levy export taxes on 8 raw materials over a period not exceeding 12 years. This is meant to encourage value addition to raw materials before they are exported; and
- Initially, there would be no negotiations of Trade Related Issues (competition, Government procurement, sustainable development, taxation and intellectual property rights). The EU and SADC EPA states will only cooperate on these issues. There is however a provision for future negotiations on competition and intellectual property rights.

#### 2.6.3. Session 2: Rules of Origin, EU Helpdesk, SPS TBT

- A. The RoO was a technical but interactive session. The presentation introduced a number of concepts that are critical to understanding RoO in the context of the EU – SADC EPA. The presentation defined the need for RoO, unpacked the concept of 'originating products', discussed issues around proof of origin and administrative compliance. The presentation was also very demonstrative with a lot of examples used to explain concepts to participants. Some of the major highlights of the presentation include:
- Defining the concept of 'originating products' The concept is very critical as it
  provides the basis for qualifying goods under the EU SADC EPA. 'Originating
  products' refers to goods that are either wholly obtained in the specific country,
  sufficiently processed goods or goods that are processed through cumulation.
  Wholly obtained products include agricultural products and mineral products
  that are obtained in a specific country i.e. emanating from a specific country.
  All wholly obtained products naturally qualify as originating products.

Sufficiently processed products requires some amount of processing within the exporting country. Whether or not a good has been sufficiently processed is determined in three ways: value percentage, where the value of the none originating materials must not exceed a certain percentage of the ex-works price of the finished good; change of tariff classification; and through the application of specific rules, where specific criteria to be fulfilled are indicated.

Cumulation refers to a situation where origin is obtained by using raw materials from partner countries. The presenter highlighted a number of cumulation permutations: bilateral cumulation; diagonal cumulation; extended cumulation and full cumulation.

- Proof of origin of products Exporters are required to provide proof of origin when goods are exported to the EU. As proof of origin, exporters are required to meet specified requirements including origin declaration on invoice, delivery note or other commercial document. Exporters are also required to provide a Movement certificate (EUR 1) where applicable. There are some exemptions from requiring proof of origin. These are stipulated in the Agreement.
- Administrative Cooperation in the areas of mutual assistance, verification of proof of origin and administrative cooperation (mutual assistance, verification of proof of origin, joint undertaking and capacity building).
- B. EU Helpdesk A demonstration of the EU help desk was done. The EU help desk is a portal that provides real time information on trade requirements for exporting to the EU. It is an important tool for companies as it clarifies the rules

for exporting in a very transparent manner. Some of the key questions whose answers can be derived from the helpdesk include:

- a. What import conditions does my product need to fulfill the EU market?
- b. How much would the duty for the specific product be?
- c. How to make use of originating status of the product to make use of reduced duties.
- d. Who to contact for advice.
- e. All trade flows to the EU i.e. how much of a particular product is exported to the EU.
- C. SPS and TBT

A presentation was made on the SPS and TBT requirements for exporting to the EU, particularly focusing on beef, which is one of Botswana's major exports to the EU. The major message from the presentation was that Botswana still needs to satisfy all SPS and TBT in order to protect animal, plant and public health and life. Participants were taken through international as well as EU standards required to meet SPS and TBT regulations. They were also taken through Botswana's geographic demarcation to control foot and mouth and other diseases.

#### 2.6.4. Session 3: Trade in Services and Botswana Trade Portal

- A. The presentation covered the following areas:
  - Definition of Trade in Services, including the four modes of supply: cross-border trade; consumption abroad; commercial presence and movement of natural presence;
  - Classification of Trade in Services;
  - WTO principles and obligations as regards Trade in Services (Most Favoured Nation and National Treatment principles);
  - Transparency;
  - Safeguards;
  - Economic Integration; and
  - Botswana's Trade in Services Agenda. Botswana is currently involved in a number of negotiations on Trade in Services including: the General Agreement on Trade in Services under the WTO; the SADC Protocol on Trade in Services and the EU – SADC EPA Negotiations on Services. The EU-SADC EPA negotiations are scheduled to commence after the signing of the EU-SADC EPA goods chapter in June 2016. Only four countries: Botswana, Lesotho, Swaziland and Mozambique will be party to these negotiations. The following sectors will be included in the negotiations:
    - Financial Services;
    - Tourism Services;
    - Communication Services;
    - Transport Services;
    - Energy Related Services; and
    - Construction Services.
- B. Botswana's Trade Portal

BITC's export development and export promotion programmes were presented to the participants. Through the export development programme, companies are assisted with capacity building in order to prepare their products for the export market. Companies are further assisted to market products regionally and internationally.

A demonstration of Botswana's Trade Portal was made. The Portal is an information repository that provides up-to-date information on all regulatory trade-related issues on export, import and transit of goods across the globe.

#### 3. STAKEHOLDER DISCUSSIONS

Overall, participants welcomed the new EU-SADC EPA and believed that it presents a good opportunity for Botswana products to take advantage of the huge market provided by the EU countries. The main discussions are captured below:

- i. Whether Botswana will be allowed to import from the EU in the new Agreement. Response: Importers will be allowed to import certain products covered in the Agreement from the EU, subject to stipulated rules and regulations.
- ii. Whether Botswana will be allowed to import inputs from other countries under the cumulation calculations.

Response: Botswana will be allowed to import raw materials from ACP countries and other countries that have an arrangement with the EU provided they meet the cumulation requirements for that particular product as specified in the Agreement.

iii. What the EU mechanism for technical assistance will be.

Response: The EU has been providing assistance to the private sector under the Private Sector Development Programme (PSDP). The first part of the PSDP ends in December 2016. However, discussions are on-going on another programme, the PSDP2.

- iv. A comment was raised welcoming the opportunities presented by the EPA. The Government was encouraged to benchmark with other countries on export incentives in order to capacitate the private sector to meaningfully take advantage of these opportunities.
- v. A concern was raised on what measures will be put in place to safeguard against transshipment of goods to the EU and whether there will be remedies in case producers in Botswana are not satisfied with the response from public sector officials.

Response: There are specific rules of origin that exporting companies will have to abide by. Furthermore, it is expected that each country will have a Customs Committee to oversee compliance to the RoO.

vi. Whether there will be any dispensation specific to SMEs and women entrepreneurs to assist them to benefit from this Agreement.

Response: SMMEs and women will continue to benefit through the PSDP programme. Furthermore, they are encouraged to continue to explore other capacity building initiatives offered by EU countries, e.g. funding possibilities by the French Embassy.

- vii. A comment was raised encouraging the implementation of the dairy, leather and textile national strategies as these sectors could immensely benefit from the EU market.
- viii. The possibilities of simplifying information on the Agreement and other information platforms such as the Trade Portal, including translation into Setswana for ease of dissemination to SMEs and the rural economy.

Response: Possibilities for translation into Setswana will be looked into where possible. Furthermore, the private sector was encouraged to contact MITI officials should they require information pertaining to the Agreement. A handout on the Agreement was also disseminated at the workshops. Participants were encouraged to go through the handout and contact MITI officials for any further clarifications.

- ix. A concern was raised regarding the complexity of the Trade Portal and Export Helpdesk and whether these are not too complicated for smaller traders and less educated business people.
- x. What plans will be put in place to further disseminate information on the EPA to other parts of the country and to solicit buy-in from major Government stakeholders such as BURS for ease of implementation.

Response: All the key Government and other stakeholders where involved or consulted throughout the negotiations. They will however continue to be involved for ease of implementation of the Agreement. Different ways and platforms for further dissemination of information on the Agreement will also be looked into.

xi. Whether consideration will be made to encourage the use of the Trade Portal in schools and tertiary institutions.

Response: BITC will continue to look into ways of encouraging the use of the Portal by the younger generation to promote research and entrepreneurship at an early stage.

xii. Whether companies will be allowed to import raw materials from other countries such as China, Pakistan and India.

Response: Raw materials from other countries will be allowed provided the rules of origin are met.

xiii. How uniformity of products (standards) will be ensured and who will be responsible for calculation of value-added on products.

Response: The individual companies will be responsible for ensuring that uniformity and standards are met. Customs officials are responsible for verification of products.

xiv. Whether SPS measures and TBTs only applied to the beef sector.

Response: SPS measures and TBTs apply to all products i.e. both animal and plant products.

xv. How other products such as donkey meat and piggery could benefit from the Agreement and what arrangements are in place to support slaughter facilities and compliance to EU regulations.

Response: The private sector was encouraged to venture into business opportunities around these sectors, including investment in abattoir facilities.

xvi. How the private sector can participate on the upcoming services negotiations.

Response: The private sector was encouraged to engage the MITI as well as their representative associations to take part in negotiations.

xvii. What is in the agreement that facilitates trade in beef from the Ngamiland region. There was concern that not much is being done by both the Government of Botswana and the EU to open up the EU market for beef from the Ngamiland area. Stakeholders felt the requirements imposed by the EU on Ngamiland beef where unnecessarily too stringent. They are of the view that other countries have been affected by foot and mouth disease but through the use of vaccines, they are allowed to export to the EU, while Ngamiland farmers are not accorded the same privilege.

Response: Botswana is a member of the World Trade Organisation (WTO). As a member, if Botswana believes they are not given equal treatment, the country is allowed to challenge the EU as this would be a violation of the Most Favoured Nation Treatment (MFN) under the WTO. Furthermore, it was explained that the EU is allowed to set their own standards on beef as they perform periodic audits in the country. This is in line with international standards.

xviii. A concern was raised on the amount of paper work required to export trophies to the EU. The policy in both the EU and the USA seems to be punishing trophy exporters from Botswana. Furthermore there are concerns about a lobby group in the EU campaigning for the EU to ban the importation of trophies. Should this lobby group succeed in the EU, then the USA may also stop the importation of trophies and thus the industry in Botswana will be heavily affected.

Response: It is very difficult for the EU to stop lobby groups from expressing their views and to determine the outcome of the lobbying. Therefore, at the moment there was not much the EU can do to stop this lobby group.

- xix. A major concern was raised regarding the conflict of livestock and wildlife in Ngamiland and that Government is not addressing this issue. Hence the difficulties faced by both investors in wildlife and livestock farming in the area.
- xx. A request was made for the Ministers of Investment, Trade and Industry; Agriculture and Local Government to jointly address the business community in Ngamiland. A similar request was extended to the EU Delegation in Botswana to visit farms in the Ngamiland region.

#### 4. **RECOMMENDATIONS**

Overall, the outcome of the EU-SADC EPA was widely welcomed as a great opportunity to enable the country to further diversify and industrialise the economy. There was acknowledgement that the agreement just presents opportunities and it is upon the business community, facilitated by Government, to address major supply side constraints impeding trade and investment in Botswana. The following recommendations were deduced from the discussions:

- 4.1. Information dissemination on the EU SADC EPA should be continued, expanding coverage to other parts of the country, SMMEs, women entrepreneurs, business associations and other stakeholder groupings.
- 4.2. The business community in the Ngamiland area should be further engaged and new markets for their beef identified. This is in recognition of their peculiarity of FMD infections.
- 4.3. The European Union to organize a visit to Ngamiland to enable the farming and wildlife communities to further engage them. The EU Delegation to Botswana has agreed to this invitation.
- 4.4. The private sector should be pro-active in developing and improving their products in order to benefit from the Agreement. Government should facilitate this by providing a conducive environment for business to efficiently operate. The main issues include access to work and residence permits, land, visa, utility costs and trade facilitation issues.
- 4.5. The Business Community, through their respective representatives should be consulted and actively involved in the upcoming negotiations on Trade in Services.
- 4.6. The Ministers of Local Government, Agriculture and Investment, Trade and Industry be formally invited to jointly address entrepreneurs in Ngamiland on market access for their beef and the dispute between wildlife and livestock as it relates to disease management.

#### 5. IMPLEMENTATION MATRIX

The implementation matrix for the key recommendations are presented below: *Table: Implementation Matrix* 

Recommendation	Activities	Timeframe	Lead	Supporting
			agency	agencies

Information dissemination on the EU – SADC EPA should be continued.	Conduct more awareness workshops across the country	Short-term	BB	MITI (Department of International Trade (DIT)), EU Other business associations
	Use the various business associations to disseminate information on the Agreement	Short-term	MITI ( (DIT)	BB and other business associations
	Use relevant institutions responsible for SME development and women entrepreneurship to disseminate information	Short-term	MITI (DIT)	LEA, CEDA, BITC, SPEDU
	<ul> <li>Where possible, translate certain information on the Agreement and general information on how to export into Setswana</li> </ul>	Medium-term	MITI DIT)	BITC
The business community in the Ngamiland area should be further engaged and new markets for their beef identified.	<ul> <li>Engage Ngamiland farmers on market prospects/opportu nities for their beef</li> </ul>	Medium-term	BITC	Ministry of Agriculture, MITI, BMC
	<ul> <li>Identify regional markets for beef from the red zone areas</li> </ul>	Medium to long-term	BMC	BITC
	<ul> <li>Fast track resolution of the BMC monopoly issue to facilitate entry of other players in the market, particularly the regional market</li> </ul>	Medium to long-term	Ministry of Agriculture	MITI, BMC, Farmers Associations
The European Union to organize a visit to Ngamiland to enable the farming and wildlife communities to further engage on market possibilities	<ul> <li>Visit to Ngamiland by the EU Delegation to Botswana.</li> </ul>	Short-term	EU Delegation to Botswana	

for beef and wildlife products in the EU				
The private sector should be pro- active in developing and improving their products in order to benefit from the Agreement.	<ul> <li>Private sector to develop new products and improve current products to qualify for duty- free entry into the EU.</li> <li>Private sector to analyse their capacity and capability to meaningfully utilize the EU- SADC EPA collectively</li> <li>Private sector to identify their competitive and comparative advantage to effectively compete in the EU.</li> </ul>	Medium to long-term	Business Associations	Private Sector
Government should provide a conducive business environment for businesses to efficiently operate. The main issues include access to work and residence permits, land, visa, utility costs and trade facilitation issues.	• Fast-track implementation of the Doing Business Investor Roadmap and other strategies, policies and legislation aimed at improving the investment climate	Medium-term	MITI	Various Government Ministries, Business Associations
The Business Community, through their respective representatives should be	<ul> <li>Involve private sector in the EU- SADC EPA Trade in Services Negotiations</li> </ul>	Short-term	MITI	Business Associations
consulted and actively involved in the upcoming negotiations on Trade in Services.	<ul> <li>Invite nominations from the private sector or appoint additional representatives into the Trade in Services Negotiations toom/Committees</li> </ul>	Short-term	Business Associations	MITI (DIT) Business
	team/Committees <ul> <li>Continually         <pre>provide feedback</pre> </li> </ul>	Continuous	MITI (DIT)	Associations

	on the status of the negotiations to members through meetings, publications, media etc.			
The Ministers of Local Government, Agriculture and Investment, Trade and Industry be formally invited to jointly address entrepreneurs in Ngamiland on market access for their beef and the dispute between wildlife and livestock as it relates to disease management.	• Facilitate a joint meeting by the three Ministers	Medium-term	BB	MITI (DIT)

NB: Short-term is defined as 1 -6 months, medium-term as 6-12 months and long-term more than 1 year.

### SOME POINTERS ON HOW TO EXPORT TO THE SADC AND EU MARKET

To effectively export to SADC, EU and other markets, it is critical to ensure the following:

- 1. Research the market: Successful exporters gather a lot of information about their target markets to learn about demand, competitors and entry requirements. There are a number of regulatory, legal and product specific information that is required in order to qualify for market access provided under the different trade agreements. It is also very critical to consider demographics, economic conditions, market conditions and business culture and practices. Botswana Investment and Trade Centre has been mandated to assist companies to penetrate regional and international markets. A visit to their website www.bitc.co.bw or their offices is a good starting point for potential exporters.
- 2. Do you have a qualifying product or service that suits the market? Have you identified importers who will buy your product or service in the target market? How will your product or service stand out from competitor's products? How big is your export potential?
- 3. Develop a marketing plan: A marketing plan is very crucial in penetrating new markets. What action will you take to market your product or service to customers? What is your unique selling proposition? How will you communicate your unique selling proposition in your target export market? What marketing tools do you have? Do you have a brochure or website to showcase your products and services?
- 4. An export plan: While trade agreements can open up new markets for your product or service, trading conditions vary from country to country. Trading within the SADC region varies from trading in the EU. Trading with individual countries also differs due to differing business culture and differing taste and needs. Product exporters need to consider different labelling, product regulations, etc. for each particular country. By planning ahead, your chances of sustained success are increased, and the risk of loss is reduced.
- 5. Capability: Does your company have the right expertise and the knowledge to compete in new markets? Will you need to bring new people into the business? Will you need special licences or qualifications to operate in the new target market? What training will your people need? Do you have people with the right skills and connections to help you grow your new export business?
- 6. Capacity: Do you have the capacity to respond to increased orders? Will you need more resources or more equipment? How will you transport your goods to your target market?
- **7. Finance:** Exporting requires financial resources and the means to fund market development. How much will you need to invest? How will you maintain your cash-flow to ensure that the company has enough working capital to fund your export market-entry?

#### **STEPS TO EXPORTING:**

- Assess your export-readiness (capacity and capability to supply increased volumes). Visit BITC <u>www.bitc.co.bw</u> for assistance on this;
- Assess the export demand for your product or service in the target market;
- Conduct research to understand you target market: pricing, regulatory conditions, legal conditions, trade agreement provisions including rules of origin, sanitary and phytosanitary measures, packaging requirements etc.;
- Prepare an export plan, including distribution channels;
- If possible, plan a market visit through a trade show, trade mission or individual visit;
- Understand the risks associated with specific markets and develop a risk mitigation plan;
- Take measures to protect your intellectual property. Visit Companies and Intellectual Property Authority (CIPA) for advice, website: <u>www.cipa.co.bw</u>;
- Develop an export budget and a financing plan your export budget;
- Plan freighting and any warehousing requirements in the target market;
- If need be, appoint a distributor or agent in the target market;
- Prepare all export documentation;
- Clearly understand any contractual terms with clients. If need be, engage the services of a lawyer before signing any contracts;
- Develop a checklist of all requirements;
- Understand all the incoterms used.

#### **Useful Resources**

Ministry of Investment Trade and Industry: <u>www.gov.bw</u>

Botswana Investment and Trade Centre: <u>www.bitc.co.bw</u>

Botswana Trade Portal: www.botswanatradeportal.com

European Commission Trade Export Helpdesk: <u>www.exporthelp.europa.eu</u>

Botswana Unified Revenue Services: <u>www.burs.org.bw</u>

Company Registration and Intellectual Property Authority: <u>www.cipa.co.bw</u>

Botswana Bureau of Standards: <u>www.bobstandards.bw</u>

Business Botswana: website under construction

Botswana Exporters and Manufacturers Association: <u>www.bema.co.bw</u>

Annex 1: Programme Francistown

# DATE:European Union - Southern African Development Community<br/>Economic Partnership Agreement (EU-SADC EPA) Workshop

**DATE:** 09<sup>th</sup> May 2016

#### VENUE: Francistown: Cresta Marang Gardens

#### PROGRAMME

TIME	ACTIVITY	RESPONSIBILITY
08:00-08:30	Arrival and Registration of Delegates	PSDP Secretariat
	OPENING	
	Facilitator: Ms Montle N. Phuthego, E	cono Markets
08:30-08:45	Welcome Remarks	Mr Humphrey Nawa, Business Botswana
08:45-09:05	Official Opening of the Seminar	Ms Gemma Mbegabolawe, Ministry of Investment, Trade and Industry
09:10-09:30	Key Remarks	Mr John Taylor, European Union Delegation to Botswana
	SESSION 1	
09:30-10:00	Overview on the EU - SADC EPA - Context and overall structure - Benefits of the Agreement	Ms Gemma Mbegabolawe, Ministry of Investment, Trade and Industry
10:00-10:15	Discussions	
10:15-10:40	HEALTH BREAK	ALL
	SESSION 2	
10:40-12:40	The EU - SADC EPA (CONTD) PART 1 - Rules of Origin - The EU Export Helpdesk	Mr John Taylor, European Union Delegation to Botswana
	Part 2 - SPS - TBT	Dr C. Nkgowe, Ministry of Agriculture
12:40-13:00	Discussions	All

13:00-14:00	LUNCH	All		
	SESSION 3			
14:00-14:30	Regional context - SADC trade Protocol - Trade in services	Ms Boitumelo Sebonego, SADC Secretariat		
14:30-15:00	Discussions	All		
15:00-15:15	HEALTH BREAK	All		
	SESSION 4			
15:15-15:45	Trade portal - Export Promotion	Mr Moabi Phia, Botswana Investment and Trade Centre		
15:45-16:05	Discussions	All		
16:05-16:20	Vote of thanks	Mr Jazenga Uezesa, SPEDU		
END OF PROGRAMME				

Annex 2: Programme Maun

EVENT:	European Union - Southern African Development Community
	Economic Partnership Agreement (EU-SADC EPA) Workshop

**DATE:** 17<sup>th</sup> May 2016

VENUE: Maun: Maun Lodge

#### PROGRAMME

TIME	ACTIVITY	RESPONSIBILITY	
08:00-08:30	Arrival and Registration of Delegates	BB – PSDP Secretariat	
	OPENING		
	Facilitator: Ms Montle Phuthego, Ec	ono Markets	
08:30-08:45	Welcome Remarks	Mr James Evans, Business Botswana	
08:45-09:05	Official Opening of the Seminar	Ms Shirley Moncho, Ministry of Investment, Trade and Industry	
09:10-09:30	Key Remarks	Mr John Taylor, European Delegation to Botswana	
	SESSION 1		
09:30-10:00	Overview on the SADC-EU EPA - Context and overall structure - Benefits of the Agreement	Ms Shirley Moncho, Ministry of Investment, Trade and Industry	
10:00–10:15	Discussions		
10:15-10:40	HEALTH BREAK	ALL	
	SESSION 2		
10:40-12:40	The SADC-EU EPA (CONTD) PART 1 - Rules of Origin - The EU Export Helpdesk Part 2	Mr John Tailor, European Delegation to Botswana	
	- SPS - TBT	Dr C. Nkgowe, Ministry of Agriculture	
12:40-13:00	Discussions	All	
12:50-14:00	LUNCH	All	
	SESSION 3		

14:00-14:30	Regional context - SADC trade Protocol - Trade in services	Ms Ogaufi Motshwane, Ministry of Investment, Trade and Industry
14:30-15:00	Trade portal - Export Promotion	Mr Moabi Phia, Botswana Investment and Trade Centre
15:00-15:15	Discussions	All
15:15-15:30	Vote of Thanks	North West District Council
15:30-16:00	AFTERNOON TEA	ALL
END OF PROGRAMME		

Annex 3: Programme Gaborone

EVENT:	European Union - Southern African Development Community
	Economic Partnership Agreement (EU-SADC EPA) Workshop

**DATE:** 24<sup>th</sup> May 2016

### VENUE: Gaborone: Phakalane Golf Resort

#### PROGRAMME

TIME	ACTIVITY	RESPONSIBILITY		
08:00-08:30	Arrival and Registration of Delegates	BB – PSDP Secretariat		
	OPENING			
	Facilitator: Ms Montle Phuthego, Ec	ono Markets		
08:30-08:45	Welcome Remarks	Mr Lekwalo Mosienyane President, Business Botswana		
08:45-09:05	Official Opening of the Seminar	Ms Peggy Serame, Permanent Secretary, Ministry of Investment, Trade and Industry		
09:10-09:30	Key Remarks	Ambassador Alexander Baum, European Union Delegation to Botswana		
	SESSION 1			
09:30-10:00	Overview on the SADC-EU EPA <ul> <li>Context and overall structure</li> <li>Benefits of the Agreement</li> </ul>	Ms Gemma Mbegabolawe, Ministry of Investment, Trade and Industry		
10:00-10:15	Discussions			
10:15-10:40	HEALTH BREAK	ALL		
	SESSION 2			
10:40-12:40	The SADC-EU EPA (CONTD) PART 1 - Rules of Origin - The EU Export Helpdesk Part 2 - SPS	Mr John Taylor, European Union Delegation to Botswana Dr C. Nkgowe, Ministry of		
	- TBT	Agriculture		
12:40-13:00	Discussions	All		
13:00-14:00	LUNCH	All		
	SESSION 3			

14:00-14:30	Regional context - SADC trade Protocol - Trade in services	Ms Boitumelo Sebonego, SADC Secretariat	
14:30-15:00	Trade portal - Export Promotion	Mr Moabi Phia, Botswana Investment and Trade Centre	
15:00-15:15	Discussions	All	
15:15-15:30	Vote of Thanks	Mr Norman Moleele, Director PSDP, Business Botswana	
15:30-16:00	AFTERNOON TEA	ALL	
END OF PROGRAMME			

Annex 4: Participants Francistown

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Annex 6: Participants Gaborone

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# Opening remarks by Mr John Taylor, EU Delegation to Botswana: Similar speech for Francistown and Maun

#### Introduction

Distinguished participants, it is an honour to be here today and to speak about the future SADC Economic Partnership Agreement (EPA). I should like to express thanks to Business Botswana and to the Ministry of Investment, Trade and Industry for organising this event.

The workshop is part of a series of events building up towards the signature of the EPA. It is a vital component in raising awareness of the new Agreement and in highlighting the opportunities for manufacturers and exporters in Botswana.

During the course of the day, we will focus on various aspects of the Agreement. In addition to presenting the overall content, there are dedicated sessions on technical issues that are integral components of classic preferential trade arrangements, though as will be demonstrated, the provisions in this agreement have been crafted in such a way as to encourage development, rather than simply providing for mutually beneficial market access.

#### <u>Context</u>

First, some context for the future Economic Partnership Agreement. Back in 2000, at the start of the EPA process, all parties agreed - that is to say the Heads of State of the African, Caribbean and Pacific (ACP) community and the EU - they all agreed that a new trade relationship was necessary and that it should be based upon the development and economic growth of the ACP partners.

Despite having access to the European market, industry was not developing sufficiently on this continent and in addition, there were also calls to bring the preferential trade arrangements between the EU and African countries such as Botswana, into line with the rules of the World Trade Organisation.

Accessing the global market place and developing export capacity is considered to be key to building sustainable industry and the economies in this region. And later on this morning, we will look more closely at the EPA rules of origin. Through the rules on cumulation, which allow the use of inputs from other partner countries in the manufacturing of originating products, the EPA fully takes into account the necessity and interest of developing value chains across the region. This will be of particular benefit to industry in Botswana, where many basic materials and components need to be sourced from elsewhere.

For countries to diversify and develop their economies, they need intermediate inputs. This is one reason why trade facilitates growth and development. But to protect markets from sudden liberalisation, a variety of safeguards are available in the future EPA, some permanent, some temporary. These safeguards can be deployed when imports are growing too quickly. They provide a measure of comfort that is additional to the right to shield sensitive products from liberalisation.

Not surprisingly, the EPA negotiations have been long and somewhat complicated. However, this stage of the journey is almost complete and we are looking forward to signing the Agreement here in Botswana, soon.

The EPA offers unprecedented opportunities. Going beyond the ambition of other trade agreements, the EPA guarantees duty-free, quota-free access to the EU market for goods from Botswana, Lesotho, Mozambique, Namibia, and Swaziland, as well as increased market access to goods from South Africa.

The EPA has been construed so as to give asymmetric access to the partners in the SADC EPA region. Botswana, Lesotho, Mozambique, Namibia, and Swaziland do not need to reciprocate the EU offer of 100% access. South Africa does not need to reciprocate the 95% access offered by the EU. Instead, they can shield sensitive products from full liberalisation.

#### **Opportunities for Botswana**

The Government of Botswana has repeatedly underlined the need for this country to move away from its dependence on diamonds and other raw materials extracted from the ground. In order to build up sustainable, successful industries here, entrepreneurs will have to look for markets beyond the borders. Such as the EU, a single market covering 28 countries, with no internal customs borders and in which the free movement of goods, persons, services and capital is ensured.

Is it necessary to recall that the EU is the world's most lucrative market, with over 500 million consumers and representing more than a quarter of the world's GDP? The EU is certainly the largest trading partner of the region. In 2014, the value of imported from the SADC EPA group into the EU, which consisted mostly of industrial products, including commodities, amounted to  $\in$ 32.5 billion. EU exports to the region represented a similar value of  $\notin$ 31.8 billion. The challenge is to see these figures grow in the future.

In so many ways the EU is Africa's biggest partner and the future SADC-EU EPA offers the ideal instrument to access that market and with the SADC region launching a new industrialisation policy, the imminent signature of the EPA is timely.

#### **Conclusion**

To conclude, it is wonderful to be here in Francistown, I trust this will be a fruitful workshop and I look forward to interacting with you during the course of the day. Thank you for your attention.

### Official Opening remarks by the Ministry of Investment Trade and

#### Industry: Similar speech for Francistown and Maun

Director of Ceremonies, European Union Delegation, Mr. John Taylor, <u>SADC Secretariat, Mrs Boitumelo Sebonego,</u> <u>Business Botswana Acting Chairman, Mr Humphrey Nawa,</u> <u>SPEDU Director responsible for Business Development, Mr Jazenga Uezesa,</u> <u>Dignitories from local Authorities here present;</u> Distinguished Guests from the Public Sector at large, Captains of Industries and Civil Society representatives, Ladies and Gentlemen,

Good morning!

- 1. It is my sincere privilege and honour to address you this morning at the workshop to share information on the European Union SADC Economic Partnership Agreement. Allow me to express my sincere gratitude and appreciation for your participation, despite having other equally important work commitments.
- This workshop provides an opportunity for the Ministry of Investment, Trade and Industry (MITI) to inform the business community and stakeholders on the EU – SADC EPA which was negotiated for a period of 10 years and has finally been concluded, and will be signed on the 10<sup>th</sup> June 2016 in Botswana.
- 3. Ladies and Gentlemen, the Economic Partnership Agreement negotiations were launched in 2004, focusing on trade in goods and services. The negotiations were between the European Union and different regions of the Africa Caribbean and Pacific Group.
- 4. Botswana negotiated under the SADC EPA Configuration, comprising Angola, Lesotho, Mozambique, Namibia, South Africa and Swaziland. Negotiations were in two phases, the first phase being the goods chapter, which was concluded in July 2014, culminating in initialing of the text. Phase two negotiations will focus on conclusion of the Trade in Services Protocol and is expected after the signing of the goods chapter.
- 5. Director of Ceremonies, the scope of the Comprehensive EPA between SADC EPA Group and the EU supports the long term vision of economic growth and diversification for Botswana, as well as for the region, in particular, regional integration, which extends beyond the SADC EPA Group to cover wider SADC and tripartite agenda;
- 6. The Agreement also stands to embrace the objectives of the SADC Regional Indicative Strategic Development Plan and specifically the industrial pillar, where Member States envisages transformation of the region through value chains and value addition;
- 7. It is light of these developments that the Ministry of Invetment, Trade and Industry collaborated with the European Commission office in Botswana and Business Botswana to organise this workshop with the aim to:
  - further strengthen the consultative mechanism for the country;
  - Share information on the EU SADC EPA, its objectives what it has for us and the benefits;
  - Provide an update on the status of the EU SADC EPA negotiations; and

- To solicit support and commitment towards implementation of the Agreement.
- 8. Director of Ceremonies, it is my expectation that by the end of the workshop these objectives would have been met since we have brought together all relevant industry players, which include policy makers, legislators and operators;
- 9. Ladies and Gentlemen, the Government of Botswana has put initiatives in place to diversify the economy and sustain Botswana industries to ensure competitiveness in the international markets. These are amongst others, programmes such as the Economic Stimulus Programme (ESP), National Export Strategy (NES), Industrial Development Policy (IDP), Economic Diversification Drive (EDD) and the Private Sector Development Strategy (PSDS), of which we only need to strategise and ensure that manufacturers can capitalize in order to benefit in the EU market. The Ministry is also implementing the Cooperative Strategy to ensure continuous supply and meeting of required quantities. This will address the supply-side constraints which exporters are facing;
- 10. Distinguished guests, despite Botswana's minimal benefits in the EU market, which was mostly on the beef sector, there is still much hope for Botswana's manufacturers. All we need to do as a country is reconsider our steps and move more strategically towards diversification of our export products to the EU market. I would like to urge industries to utilise the afore-mentioned programmes to ensure utilisation of the EU market;
- 11. **Ladies and Gentlemen**, increased exports to the EU Market will enhance Botswana's economic growth through employment creation and industrial development. It will further contribute to regional integration objectives as you are aware that the Southern African Development Community (SADC) is now focusing on Industrialisation of the region;
- 12. I believe that the Economic Partnership Agreement will help to transform our economies and contribute to the development of our country and region;
- 13. This workshop, Ladies and Gentlemen is very significant and important in the sense that it is the first of a host of such workshops that will be undertaken before the signing of the EU SADC EPA. The Ministry of Investment, Trade and Industry will continue to collaborate with Business Botswana and the European Commission to hold sensitisation workshops country-wide. I, therefore, sincerely urge you all to join hands with my Ministry and make sure that we positively respond and utilise the EU Duty Free, Quota Free market access offer and increase Botswana's benefits under the agreement;
- 14. The Government of Botswana recognises and appreciates the support from the European Union, which has been an important development partner to Botswana, as a country and to the region as a whole;
- 15. The Government also extends its gratitude to the private sector, and all stakeholders who positively responded to requests when called to develop national positions during the EPA negotiations;
- 16. I thank you all for attending today and trust that you will find this workshop useful and informative.

I wish us interactive and fruitful deliberations.

#### Pula!!! Pula!!!

#### Welcome Remarks by Mr B Nawa, Business Botswana – Francistown

#### **Director of Ceremonies**

#### **Captains of Industries**

#### Media representatives here present

#### Ladies & Gentlemen

- Good Morning to you all. I would like to take this opportunity to welcome you the Private Sector Development Programme – workshop on Economic Partnership Agreements (EPA) and International Trade Opportunities. I sincerely thank the delegation here form Gaborone to workshop us on this great initiative. Let me highlight some background to this workshop.
- 2. Under the framework of the Private Sector Development Strategy (PSDS), the Ministry of Investment, Trade and Industry (MITI) and Business Botswana (BB), in partnership with the EU Delegation and the Centre for the Development of Enterprise (CDE), developed the Private Sector Development Programme (PSDP) which was launched on the 23 May 2013 in Gaborone, Botswana. The PSDP is meant to address some key areas of the (PSDS). The PSDP aims to stimulate and sustain growth through diversification of the economy while building the capacities of institutions and human resources that support the private sector. Other funding partners promoting specifically Women Entrepreneurship provide additional complementary support.
- 3. Upon this, the European Union and the Southern African Development Community (SADC) have concluded an Economic Partnership Agreement (EPA) to facilitate trade between both blocks. All 28 EU member states are part of this EPA and it also includes the SADC EPA Group which consists of seven (7) SADC Members States out of the total of fifteen (15): basically it is constituted by the five (5) Southern Africa Customs Union (SACU) members plus Angola and Mozambique.
- 4. My duty is not to say the key note address but to welcome you all to this workshop, however it is important to shed some light and state the objective of the meeting before welcoming you. Ladies and gentleman I thank the organizing committee who saw it befitting that as the Francistown city there is a need to be part and be associated with this prominent event. I am humbled to see the number of stakeholders that have come to party to deliver this workshop and the Francistown business community who are here in attendance.
- 5. From this workshop the business community would have grasped strategies and approaches to amplify their business growth. Events such as this one are particularly valuable because they allow us to draw a broad range of experiences & expertise.

- 6. I am here on behalf of the Business Botswana. Let me briefly remind you of our mandate. We are the voice of the private sector and part of our professionalism is to strive for excellence and maintain a high level of expertise in our specially area of practice, both as advocates and advisors. I would like to assure BB members here and the business community that this organisation will continue to play profound role by directing policy making in the country to ensure the ease of doing business and embrace the concept of an open economy. Let's center our discussions at this workshop on business stimulation techniques, devising of strategies for competitive advantage and potential opportunities.
- 7. Ladies and gentlemen allow me to introduce to you the National Business Conference as it will be held here in Francistown on the 12<sup>th</sup> September, this time around it will be unique and will be conducted in one and half days. This event brings together top government and business leaders to formulate new ideas for making Botswana's firms internationally competitive. Let me say the Business Botswana secretariat will contact and I believe has already contacted other local business communities to see how you can contribute and benefit from this biennial conference.
- 8. In conclusion, Let me thank the committee that worked tirelessly to put things together as well as the BB secretariat. Putting together an event of this magnitudes takes dedication and time. With these few remarks, ladies and gentlemen, please welcome.

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#### Welcome Remarks by Mr James Evans, Business Botswana - Maun

#### **Director of Ceremonies**

#### **Captains of Industries**

#### Media representatives here present

#### Ladies & Gentlemen

- Good Morning to you all. I would like to take this opportunity to welcome you the Private Sector Development Programme – workshop on Economic Partnership Agreements (EPA) and International Trade Opportunities. I sincerely thank the delegation here form Gaborone to workshop us on this great initiative. Let me highlight some background to this workshop.
- 10. Under the framework of the Private Sector Development Strategy (PSDS), the Ministry of Investment, Trade and Industry (MITI) and Business Botswana (BB), in partnership with the EU Delegation and the Centre for the Development of Enterprise (CDE), developed the Private Sector Development Programme (PSDP) which was launched on the 23 May 2013 in Gaborone, Botswana. The PSDP is meant to address some key areas of the (PSDS). The PSDP aims to stimulate and sustain growth through diversification of the economy while building the capacities of institutions and human resources that support the private sector. Other funding partners promoting specifically Women Entrepreneurship provide additional complementary support.
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- 12. My duty is not to say the key note address but to welcome you all to this workshop, however it is important to shed some light and state the objective of the meeting before welcoming you. Ladies and gentleman I thank the organizing committee who saw it befitting that here in Maun far from the developments of Gaborone found that there is need for us to be part and be associated with this prominent event. I am humbled to see the number of stakeholders that have come to party to deliver this workshop and the Maun business community who are here in attendance.
- 13. From this workshop the business community would have grasped strategies and approaches to amplify their business growth. Events such as this one are particularly valuable because they allow us to draw a broad range of experiences & expertise.
- 14. I am here on behalf of the Business Botswana, I represent BB in as the Maun Business Council Chairperson.Let me briefly remind you of our mandate. We are the voice of

the private sector and part of our professionalism is to strive for excellence and maintain a high level of expertise in our specially area of practice, both as advocates and advisors. I would like to assure BB members here and the business community that this organisation will continue to play profound role by directing policy making in the country to ensure the ease of doing business and embrace the concept of an open economy. Let's center our discussions at this workshop on business stimulation techniques, devising of strategies for competitive advantage and potential opportunities.

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## Welcome Remarks by Mr Leta Mosienyane, Business Botswana -Gaborone

Permanent Secretary in the Ministry of Investments Trade and Industry- Ms Peggy Serame

EU Delegation to Botswana, Ambassador Alexander Baum

**EU Delegation John Taylor** 

**Director of Ceremonies** 

**Captains of Industries** 

#### Media representatives here present

#### Ladies & Gentlemen

- 16. Good Morning to you all. I would like to take this opportunity to welcome you the Private Sector Development Programme – workshop on Economic Partnership Agreements (EPA) and International Trade Opportunities. I sincerely thank the team that has put together this workshop on this great initiative.
- 17. Ladies and gentlemen allow me to highlight some background to this workshop. Under the framework of the Private Sector Development Strategy (PSDS), the Ministry of Investment, Trade and Industry (MITI) and Business Botswana (BB), in partnership with the EU Delegation and the Centre for the Development of Enterprise (CDE), developed the Private Sector Development Programme (PSDP) which was launched on the 23 May 2013 in Gaborone, Botswana. The PSDP is meant to address some key areas of the (PSDS). The PSDP aims to stimulate and sustain growth through diversification of the economy while building the capacities of institutions and human resources that support the private sector. Other funding partners promoting specifically Women Entrepreneurship provide additional complementary support.
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- 19. My duty is not to say the key note address but to welcome you all to this workshop, however it is important to shed some light and state the objective of the meeting before welcoming you to this prominent event. I am humbled to see the number of stakeholders

that have come to party to deliver this workshop and the Gaborone and surrounding business community who are here in attendance.

- 20. From this workshop the business community would have grasped strategies and approaches to amplify their business growth. Events such as this one are particularly valuable because they allow us to draw a broad range of experiences & expertise.
- 21. I am here on behalf of the Business Botswana, I represent BB as the President. Let me briefly remind you of our mandate. We are the voice of the private sector and part of our professionalism is to strive for excellence and maintain a high level of expertise in our specially area of practice, both as advocates and advisors. I would like to assure BB members here and the business community that this organisation will continue to play profound role by directing policy making in the country to ensure the ease of doing business and embrace the concept of an open economy. Let's center our discussions at this workshop on business stimulation techniques, devising of strategies for competitive advantage and potential opportunities.
- 22. In conclusion, let me thank the committee that worked tirelessly to put things together as well as the BB secretariat. Putting together an event of this magnitudes takes dedication and time. With these few remarks, ladies and gentlemen, please welcome.

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## Official Opening by Ms Peggy Serame, Permanent Secretary, Ministry of Investment Trade and Industry – Gaborone

Director of Ceremonies,

European Delegation to Botswana H.E Ambassador,

Mr Alexander Baum,

Business Botswana President, Mr Lekwalo Mosienyane,

Business Botswana Chief Executive Officer, Dr Racious Moatshe,

Dignitaries here present,

Distinguished Guests from the Public Sector at large,

Captains of Industries and Civil Society representatives,

Members of the press,

Ladies and Gentlemen,

#### Good morning!

- I wish to start by expressing my appreciation to you for being with us this morning. My sincere gratitude and appreciation for your participation, despite having other important work commitments. Indeed, it shows how you consider the information to be shared here important to your business. The objectives of today's workshop is to:
  - Share information on the European Union SADC Economic Partnership Agreement (EU-SADC EPA), its objectives and benefits;
  - Provide an update on the status of the EU SADC EPA negotiations before the signing of the Agreement; and
  - To solicit support and commitment towards implementation of the Agreement.
- 2. Ladies and Gentlemen, Botswana as part of the Southern African Development Community Economic Partnership Agreement (SADC EPA) Group has been negotiating the Economic Partnership Agreement (EPA) with European Union (EU). The negotiations were launched in 2004, and were concluded in July 2014, after 10 years of negotiations, thus making the EU-SADC EPA the longest ever agreement negotiated with the EU. The EU-SADC EPA will be signed on the 10<sup>th</sup> June 2016 in Kasane, Botswana. It will be a historical event, marking a great achievement and milestone for the SADC region. We are looking forward to this historic moment as a country.

- 3. The EPA which offers Botswana goods and services Duty Free Quota Free access into the EU market, replaced the Trade Chapter of the Cotonou Agreement, under which Botswana has been enjoying preferential treatment for exportation of beef into the EU market. The Cotonou Agreement was an arrangement between the European Union and Africa Caribbean and Pacific (ACP) Group. The arrangement was not compliant with the rules and principles the World Trade Organisation (WTO). This led to EPA negotiations between the European Union and different regions of ACP Group. Botswana negotiated under the SADC EPA Configuration, comprising Angola, Lesotho, Mozambique, Namibia, South Africa and Swaziland. The negotiations were in two phases, Phase 1 focused on trade in goods, while Phase 2 of the negotiations, which is expected to continue after the Signing Ceremony will focus on conclusion of the Trade in Services Protocol.
- 4. Director of Ceremonies, the scope of the Comprehensive EPA between SADC EPA Group and the EU supports the long term vision of economic growth and diversification for Botswana, as well as for the SADC region, in particular, regional integration. This is reflected in the objectives of the EPA which includes, among others, to;
  - (a) Contribute to the reduction and eradication of poverty through the establishment of a trade partnership. This, Ladies and Gentlemen is consistent with the objectives of sustainable development;
  - (b) Promotes regional integration, economic cooperation and good governance to establish and implement an effective, predictable and transparent regional regulatory framework;
  - (c) Promote the gradual integration of the SADC EPA States into the world economy in conformity with their political choices and development priorities; and,
  - (d) Strengthen the existing relations between the EU and SADC EPA Group on the basis of solidarity and mutual interest.
- 5. The Agreement also stands to embrace the objectives of the SADC Regional Indicative Strategic Development Plan and specifically the industrial pillar, where Member States envisage transformation of the region through value chains and value addition.
- 6. Ladies and Gentlemen, one of the benefits of the EU SADC EPA is that Botswana exports will be able to access the EU market Duty Free Quota Free (DFQF) that is

export as much of both industrial and agricultural goods.

- 7. Director of Ceremonies, our country is favoured with such a young, vibrant and relatively more educated population, and therefore, this comparative advantage must be turned into meaningful opportunities towards diversifying our economy, sustain Botswana industries as well as address the supply-side constraints which are prevalent. We can do this by capitalising and utilising Government programmes that are geared towards capacity building of enterprises such as the Industrial Development Policy (IDP), National Export Strategy (NES) and Economic Diversification Drive (EDD). We can further utilize enterprise competitive programmes such as the Private Sector Development Programme (PSDP), Export Development Programme (EDP) and the Cooperative Transformation Strategy. Ladies and Gentlemen, let us therefore, re-consider our steps and move more strategically towards diversification of our export products to the EU market.
- 8. Ladies and Gentlemen, today's programme include overview on the EPAs, the coverage and benefits; Rules of Origin, EU Sanitory and Phytosanitory issues; Trade in Services as well as the EU Help desk and the BITC Trade Portal.
- 9. Director of Ceremonies, all relevant industry players, policy makers, legislators and operators as well as negotiators of the agreement are here today, which makes me believe and trust that after sharing all the above mentioned topics, the objectives of the workshop would have been met by the end of the day.
- 10. The Ministry of Investment, Trade and Industry will continue to work with all stakeholders in transforming Botswana's economy through increased exports to the EU Market. I, therefore, sincerely urge you all to join hands with my Ministry and the Government, to make sure that we positively respond and utilise the EU Duty Free, Quota Free market access offer and increase Botswana's benefits under the agreement;
- 11. The Government of Botswana and the SADC countries have since received a lot of support from the European Union, through the European Development Fund, for which we are grateful. This has contributed to the development of our country as well as the SADC region, which demonstrates what an important development partner the EU is to Botswana the SADC region as a whole. Gratitude is also extended to the private

sector, who are the people doing business.

- 12. Ladies and Gentlemen, trade is not only a matter of the Ministry of Investment, Trade and Industry, but a matter for all stakeholders, either as facilitators or direct contributors. I therefore, would like to appreciate all stakeholders, from other Ministries, Parastatals, Civil Society and Non-Governmental Organisations who facilitate the Private Sector in doing business. My appreciation also goes to all those who responded positively to the requests for inputs at the time when national positions were developed during the EPA negotiations.
- 13. Going forward, the Ministry will work with all relevant institutions to develop products as well as sectoral value chains that have a comparative advantage in the EU market. The Ministry is also working towards reviewing the National Export Strategy whose life span was up to 2016.
- 14. I thank you all for attending today and trust that you will find the workshop useful and informative.

I wish you interactive and fruitful deliberations.

#### Pula!!! Pula!!!

## Welcome Remarks by Ambassador Alexander Baum, EU Delegation to Botswana - Gaborone

#### Introduction

Permanent Secretary in the Ministry of Investment, Trade and Industry, Ms Peggy Serame, Chairman of Business Botswana, Mr Lekwalo Mosienyane, Chief Executive Officer of Business Botswana, Dr Racious Moatshe, distinguished participants, it is an honour to be here today and to speak about the future SADC Economic Partnership Agreement (EPA).

Let me start by expressing thanks to Business Botswana and to the Ministry of Investment, Trade and Industry for organising this event. The workshop is part of a series of events building up towards the signature of the EPA and is a vital component in raising awareness of the new Agreement. This is so important; already today Botswana can export goods to the EU, but it is limited and Botswana's drive to diversify and establish a broader industrial base requires an outlet for the goods that it will produce. Today, we will highlight some of the opportunities for manufacturers and exporters in Botswana.

During the course of the workshop, we will focus on various aspects of the Agreement. In addition to presenting the overall content, there are dedicated sessions on technical issues that are integral components of classic preferential trade arrangements, though as will be demonstrated, the provisions in this agreement have been crafted in such a way as to encourage development, rather than simply providing for mutually beneficial market access.

#### <u>Context</u>

To better understand this Agreement, it is worth recalling how the EPA process came about. Despite having access to the European market, industry was not developing sufficiently. This was not just a problem for Botswana, but a structural issue across the whole continent. In addition, it should also be noted that even if the market access offered by the EU to African countries at that time had little impact, several trading partners around the world considered it to be unfair towards their own exporters. The calls to bring the preferential trade arrangements between the EU and African countries such as Botswana, into line with the rules of the World Trade Organisation were getting stronger and stronger.

In 2000, at the start of the process, all parties - that is to say the Heads of State of the African, Caribbean and Pacific (ACP) community and the EU - they all agreed that a new trade relationship was necessary and that it should be based upon the development and economic growth of the ACP partners

Accessing the global market place and developing export capacity is considered to be key to building sustainable industry and the economies in this region. And later on this morning, we will look more closely at the EPA rules of origin. Through the rules on cumulation, which allow the use of inputs from other partner countries in the manufacturing of originating products, the EPA fully takes into account the necessity and interest of developing value chains across the region. This will be of particular benefit to industry in Botswana, where many basic materials and components need to be sourced from elsewhere.

For countries to diversify and develop their economies, they need intermediate inputs. This is one reason why trade facilitates growth and development. But to protect markets from sudden liberalisation, a variety of safeguards are available in the future EPA, some permanent, some temporary. These safeguards can be deployed when imports are growing too quickly. They provide a measure of comfort that is additional to the right to shield sensitive products from liberalisation.

Not surprisingly, the EPA negotiations have been long and somewhat complicated. However, this stage of the journey is almost complete and we are looking forward to signing the Agreement here in Botswana, soon.

The EPA offers unprecedented opportunities. Going beyond the ambition of other trade agreements, the EPA guarantees duty-free, quota-free access to the EU market for goods from Botswana, Lesotho, Mozambique, Namibia, and Swaziland, as well as increased market access to goods from South Africa.

The EPA has been construed so as to give asymmetric access to the partners in the SADC EPA region. Botswana, Lesotho, Mozambique, Namibia, and Swaziland do not need to reciprocate the EU offer of 100% access. South Africa does not need to reciprocate the 95% access offered by the EU. Instead, they can shield sensitive products from full liberalisation.

#### **Opportunities for Botswana**

The Government of Botswana has repeatedly underlined the need for this country to move away from its dependence on diamonds and other raw materials extracted from the ground. In order to build up sustainable, successful industries here, entrepreneurs will have to look for markets beyond the borders. Such as the EU, a single market covering 28 countries, with no internal customs borders and in which the free movement of goods, persons, services and capital is ensured.

The EU is the world's most lucrative market, with over 500 million consumers and representing more than a quarter of the world's GDP. The EU is certainly the largest trading partner of the region. In 2014, the value of imported from the SADC EPA group into the EU, which consisted mostly of industrial products, including commodities, amounted to €32.5 billion. EU exports to the region represented a similar value of €31.8 billion. The challenge is to see these figures grow in the future.

In so many ways the EU is Africa's biggest partner and the future SADC-EU EPA offers the ideal instrument to access that market and with the SADC region launching a new industrialisation policy, the imminent signature of the EPA is timely.

#### **Conclusion**

To conclude, it is wonderful to be with you this morning, knowing that the long process of negotiations is complete and that we are on the verge of signing a new dynamic agreement. It will open the door to much deeper cooperation between our two parties and I look forward to engaging constructively with your Government, to ensure we all maximise the benefits of the SADC-EU Economic Partnership Agreement. I trust this will be a fruitful workshop and I thank you for your attention.