



BUSINESSBOTSWANA

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PRESS STATEMENT

TO: All media houses

FROM: Business Botswana Chief Executive Officer, Norman Moleele

DATE: 04th February 2020

SUBJECT: BUSINESS BOTSWANA STATEMENT ON THE 2020/2021 BUDGET SPEECH

FOR IMMEDIATE RELEASE

Business Botswana statement on the 2020/21 Budget speech

1. A private sector driven economy

Business Botswana supports the key tenet of Honourable Thapelo Matsheka's 2020/21 budget speech which, when all has been said and done, is about the economic transformation of Botswana to high income. We also affirm that the economic model which has served us well since the founding of the nation in 1966, needs to change to a private sector driven approach.

2. Priority areas

It is in that view that we appreciate that the budget seeks to address the economic challenges facing the country during the course of NDP 11 such as macro-economic stability, greater socio economic inclusion and improved quality of public services. These challenges are in turn , to be tackled via four priority areas namely : *Promotion of export led growth , ensuring more efficient government spending and financing , Building Human capital and provision of appropriate infrastructure*

3. Return to Project Appraisals

With respect to infrastructure and efficient government spending, we endorse the Budget Speech's principle of placing a strong emphasis on projects with high returns to promote value for money. This therefore requires a careful selection of high impact projects accompanied by the need to minimise waste, cost overruns and delays. We urge the Minister to establish a major projects unit and also draw on expertise and experience from the private sector. There are numerous major private to private infrastructure projects which have been delivered on time and within budget.

4. Restoration of fiscal balance and buffers

BB welcomes the Minister's determination to reign in successive deficits and restore budget balances. After all, it is imperative to not only balance the budget but build up deep

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G. Keebine (President), O. Merafhe (Vice President- South.), H. Nawa (Vice President- North), B.D.Phirie (Treasurer), N. Moleele (CEO)

financial buffers to absorb future economic shocks.

5. Review of state owned enterprises

The minister also rightfully referred to state owned enterprises and the need for a root and branch review of their operations. BB fully supports this review because the historical reasons for which some of these state enterprises were established, no longer apply. In cases where the review points to restructuring, those brought in to do so, must be allowed to execute the task without any undue interference

6. Value for money

BB supports the notion of curbing waste of tax payer funds and promoting value for money instead, as espoused by Minister Matsheka. To achieve these, there will be a need for urgent reforms of government functions and delivery systems especially in education and health to enjoy better results. Such a task would be achieved by improving and managing infrastructure, recruitment of good school heads and instilling accountability for results. We therefore support the Minister on the need to engage teacher unions for buy-in and collaboration.

7. Business environment

BB welcomes legislative reforms aimed at making it easy for investors to start and operate business and create wealth and employment. The anticipated move to streamline trade licensing and issue licences over the counter would greatly improve the investment climate

BB also looks forward to collaboration with the Government to expand market access for our exports under the auspices of the Africa Continental Free Trade agreement.

8. Performance of institutions and social welfare

The Budget also leans on Government's internal reforms to support transformation and for this to be achieved, it is necessary to collect data and information to monitor and evaluate performance. Such information would help re-design welfare programs to ensure that they benefit only the poor and vulnerable.

9. Improve the efficiency of tax collection.

In view of the fiscal pressures facing the economy and the fact that tax increase would render us uncompetitive, we support efforts to improve the efficiency of revenue collection by expediting tax assessments as well as boosting access to information on all taxable transactions.

10. Citizen economic empowerment

BB welcomes the proposal to allow "for more participation of citizens in the economy" through a citizen economic empowerment law. As always, BB looks forward to extensive consultations with the government on the proposed coding of citizen economic empowerment.

11. Review of levies

We also note the proposed increase in charges, fees and levies to reflect costs. However we look forward to consultations on these adjustments prior to implementation.

12. Effective implementation

It is very important to act in a timely manner and ensure effective implementation of all reforms that the Minister proposes in the 2020/21 Budget. Therefore productivity has to improve so that our reputation does not only end in planning but execution too. .. BB stands to collaborate with the Government to implement reforms. We cannot indeed, afford a “business as usual” approach.

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