

e-budget news

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Issue 01

“Transforming Our Economy After the Crisis: 2010 and Beyond”

Highlights of budget proposals for the year 2010 - 2011 presented by Honourable Minister of Finance and Development Planning, Mr. O K Matambo.

“This theme challenges us to find strategies to resume rapid economic growth, while broadening the sources of growth” – extract from budget speech

Contents of this publication also include **HIGHLIGHTS IN SETSWANA**



Spot light – points to note

Fiscal Legislation

- Value Added Tax (VAT) to increase from 10 percent to 12 percent w.e.f 01 April 2010.
- Threshold for VAT registration increased from P250 000 to P500 000.
- Two tier corporate tax system abolished effective 01 July 2010.
- Final company tax rate of 25%. Manufacturing and IFSC registered companies continue to be taxed at 15%.
- Final withholding tax on dividends paid to residents and non-residents reduced from 15% to 7.5%.
- Payments of 25% of profits by parastatal to Government to be strictly enforced.
- Long awaited simplification of tax system to be presented soon.

Other spot lights

- Government keen to transform Botswana from resource based to a knowledge based economy.
- Private sector scores by becoming the largest employer as well as the largest revenue contributor.

- Projected GDP growth for 2010-2011 estimated at 5% as against 0% in 2009-2010.
- GDP in current prices as of September 2009 amounted to P 86.2 billion.
- Forex reserves at end of 2009 at P60.9 billion representing 20.7 months import cover.
- Forecast Budget deficit of P12.118 billion for 2010-2011. Revised Budget deficit for 2009-2010 at P13.39 billion.
- Average year on year annual inflation was 8.2% in 2009 compared to 12.6% in 2008.
- Rationalisation of parastatal and public entities to bring in economies of scale.
- Merger of Botswana Post and Botswana Savings Bank approved.



Spot light – points to note ... continued

- Proposed introduction of Exchange Traded Funds (ETF) expected to provide attractive investment vehicle.
- Several fees and levies to be increased to fund associated costs.
- 5 thebe levy per Kilowatt hour proposed on monthly electricity consumption from 01 April 2010.
- Government to establish water and electricity regulator to review tariff and issue licences to private sector.
- BDC property portfolio to be consolidated into a property fund for eventual listing.
- Ministry of Education gets an allotment of 30.4% of the recurrent expenditure budget.
- BDC mandated to facilitate physical development of Botswana Innovation Hub.
- Development budget of P 12.18 billion proposed with five major development projects.
- Cost of living adjustment on public sector not recommended. However changes may be considered if economy improves.



KABO YA MADI A SETSHABA MO NGWAGENG WA 2010/2011

Tona ya tsa madi le ditlhabololo, Rre Kenneth Mathambo, o simolotse pego ya gagwe ka go akgola Tona ya pele ya tsa madi le ditlhabololo Rre Baledzi Gaolatlhe go mo lebogela ditiro tse dintle tse a di diretseng lefatshe leno. Rre Mathambo o tswelotse ka go bega janna ka kabo ya madi mo setshabeng mo ngwageng tsa 2010/2011

Ketapele

Pego ya kabo ya madi a setshaba ya 2010/2011 e remeletse thata mo go tsosololang itsholelo ya rona mo kwelong tlase e e amileng lefatshe le go diragatsa maikaelelo a **NDP 10**.

Tsa Mebereko

Dipusanyo di tswelotse go batla bomaitseanape go re thusa go simolola lekalana le le tla bong le itebagantse le dithothomiso le dipatlisiso tsa khiro. Mmuso o tswere dipuisanyo tse le ba European Commission.

Mo thulaganyong ya Ipelegeng, Mmuso o ikaeletse go dirisa madi a a kanang ka didikadike di ka nna 1.4 mo lenaneong le, ka tshenyegelo ya madi a a kanang ka makgolo a mabedi a di million ka ngwaga.

Tlhabololo ya magae le phokotso ya lehuma

Mo lenaneong la phokotso lehuma le tlhabololo magae Mmuso o ikaelela go dira molao o o tla itebaganyang le twantsho lehuma. Molao o solofetswe go bewa pele parlamente e e tla tseneng mono ngwaga.

Ditirelo tsa setshaba

Mo maikaelelong a go tlokoletsa ditirelo Mmuso o tla fudusa lephatla la CEDA go tswa ko lephateng la tsa madi go ya ko lephateng la tsa madirelo. Mo go tla raya gore maphata a CEDA le LEA a a tlhomilweng go thusa bagwebi a tla bo a le tlase ga lephatla le le legwe.

Temothuo

Mmuso o solofetse go bula matlhabelo a Maun mono ngwaga ka kgwedi ya Phukwi. Se se tla tokafatsa dipalo tsa dikgomo tse di tla tlhabiwang mo matlhabelong a Lobatse le Maun go nna 250 000.

Meepo

Go solofelwa fa dithwathwa tsa mmaraka wa diteemane di tla tokafala mo dingwageng tsa 2012/2013. Se se raya gore setshaba se tshwanetse go seka seka metlhala e mengwe ya itsholelo ko ntle ga diteemane

Motlakase

Mmuso o ikaelela go tlhoma letlole le le tla itebaganyang le go gokelela motlakase mo magaeng. Gore lenaneo leo le kgonagale, Mmuso o tla lopa 5 thebe mo tirisong ya motlakase go simolola kgwedi ya Moranang e rogwa mono ngwaga.

Botsogo

Lephata le le potlana la tsa botsogo, le le ntseng le okametswe ke lephata la selegae le tla fudusetswa kwa lephateng la tsa botsogo. Se ele go tokafatsa le go lomaganya ditiro tsa lephata la botsogo sentle.

KABO YA MADI A SETSHABA MO NGWAGENG WA 2010/2011

Ditirelo tsa Madi

Maphata a a tlhakanetseng kgwebo le mmuso a tla kgetha 25 % ya dipuelo tsa bone. Se se tla bo se beilwe leitlho ke mmuso go bona gore se a diragala. Lekgetho la dithotho la (VAT) le tla okediwa go tswa mo go 10 percent go ya go 12 percent go simologa kgwedi ya Moranang e rogwa mono ngwaga. Goromente o tla tsholetsa seelo sa lekgetho la dithotho (VAT) go tswa mo go P250 000 go ya go P500 000. Lekgetho la dikomponi le lentseng le kgaogantswe ga bedi le tla phimolwa kgwedi ya Phukwi e tlhola gangwe mono ngwaga. Lekgetho le le tla emisediwa ke le lekgetho le lengwe la 25 percent. Dikomponi tsa madirelo a dithotho le tse dikwadisitsweng mo lephateng la IFSC tsone di tla tswelala ka go kgethisiwa 15 percent jaaka gale.

Tuelo ya morokotso o o duelwang beng gae kgotsa batswakwa, lekgetho la yone le tla fokodiwa go tswa mo go 15 percent go ya go 7.5 percent.

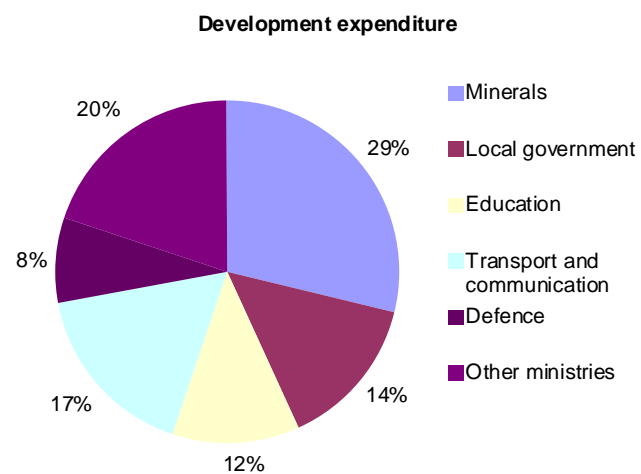
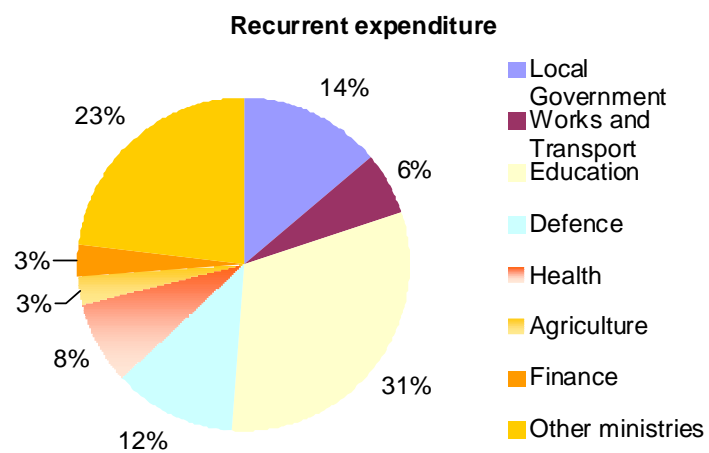
Dituele tsa Badirela Puso

Ba le phata la NEMIC ba eleng bagakolodi ba Mmuso mo mananeong a

tse Khiri ba gakolotse go re go se nne koketso ya dituelo tsa badirela puso.



Budget allocation 2010-2011



Tax tables - as at current date

Personal taxation

Resident individuals tax summary

Annual taxable income	Rate of tax
Up to 30 000	0%
30 001 to 60 000	0 + 5.00 % of excess over 30 000
60 001 to 90 000	1 500 + 12.50% of excess over 60 000
90 001 to 120 000	5 250 + 18.75% of excess over 90 000
Over 120 000	10 875 + 25.00% of excess over 120 000

Motor vehicle benefit - Scale of values

Cost of vehicle	Value of benefit	Fuel cost adjustment
Up to 50 000	2 500	1 000
50 001 – 100 000	5 000	2 000
100 001 – 150 000	7 500	3 000
150 001 – 200 000	10 000	4 000
Over 200 001	15% on excess over 200 000	5 000 maximum

Withholding tax

Payment of / Payment to	Dividend	Interest	Royalties	Management and technical fees	Entertainment fees	Construction contract
Resident	15%	10%	-	-	-	3%
Barbados	10% or 5 %	10%	10%	10%	-	-
France	12% or 5 % *	10%	10%	7.50%	-	-
India	10% or 7.5% *	10%	10%	10%	-	-
Mauritius	10% or 5 % *	12%	12.50%	15%	-	--
Namibia	10%	10%	10%	15%	-	-
Russia	10% or 5 % *	10%	10%	10%	-	-
Seychelles	10% or 5 % *	7.50%	10%	10%	-	-
South Africa	15% or 10% *	10%	10%	10%	-	-
Sweden	15%	15%	15%	15%	-	-
United Kingdom	12% or 5% *	10%	10%	7.50%	-	-
Zimbabwe	10% or 5 % *	10%	10%	10%	-	-
Non treaty	15%	15%	15%	15%	10%	15%

*Dividends are withheld at lower rate if the beneficial owner is a company holding 25% or more of shares in the resident company declaring dividend. The proposed rate change of the dividend WHT rate is not incorporated in the above table.

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