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# e-budget news

## Botswana Budget 2014

*“Building productive economy to  
achieve sustained growth”*

03 February 2014

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# Development and economic growth



Development expenditure of  
**P 12.24 billion** proposed for 2014-15

- **P 3.55 billion** towards development of infrastructure in minerals, energy and water resources
- **P 1.875 billion** towards transport and communication, air transport infrastructure and information, communication and technology facilities
- **P 1.271 billion** towards rural development, village infrastructure and primary schools

Recurrent expenditure of  
**P 33.32 billion** proposed for 2014-15

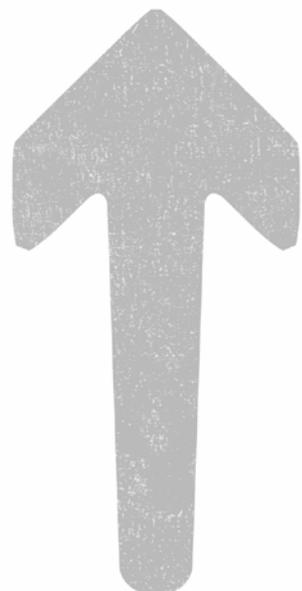
- **P 9.26 billion** towards education and skills development
- **P 5.22 billion** towards health
- **P 4.90 billion** towards local authority and tribal administration
- **P 4.18 billion** towards defence and security
- **P 1.95 billion** towards transport and communication



**Key thematic areas for 2014-15**

- **Growing the economy** and employment creation
- **Improving productivity** and sustaining sovereign rating
- Investing in **Infrastructure development** to support economic growth
- Investing in **Human resources** to support sustainable growth
- **Enhancing people's welfare and livelihoods**
- **Strengthening judicial system** and combating crime
- **Strengthening local governance**

# Growth highlights in line with themes



High performance in non-mining sectors especially construction and finance

Domestic growth by 4.2% compared to the world economic growth of 3.1%

16.5 months of import cover of goods and services

Real GDP to grow by 5.1%

Decline in Inflation from 7.4% to 4.1% in December 2013. Prospects for lower inflation levels remain positive

Improved position in Doing business Index from 65<sup>th</sup> place to 56<sup>th</sup> place

Privatization master plan being prepared

PPADB vested with powers to monitor private contractors and project managers

Botswana Bond Market Association registered to promote domestic bond market

Substantial construction component in the development budget

Development of leather industry park proposed

Efforts to broaden tourism base such as Cultural tourism

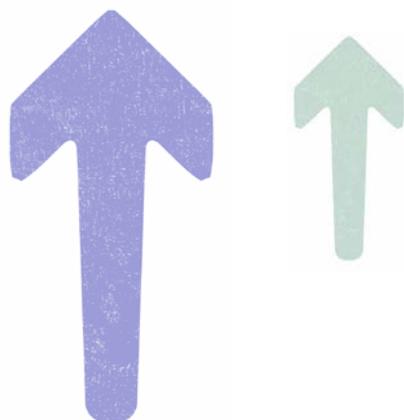
Increased focus on construction activities.

- Development of energy projects and infrastructure

- Policy to optimise the use of serviced lands through public private participation

- Development of water infrastructure and integrated water resource management plan

**Botswana Oil Limited** formed to ensure security of supply of petroleum products



# Highlights in Setswana

## Ketapele

Seemo sa itsholelo ya mafatshefatshe se lebege se santse se thobaetsa thata mme seo se tla ama ka fa itsholelo ya Botswana le yone e tla tokafalang ka teng. Pego ya kabo madi ya 2013/2014 e remeletse thata mo go tsosoloseng itsholelo ya rona mo kwelong tlase e e amileng lefatshe ka kakaretso.

## Tsa Mebereko

**Go leka go tokafatsa itsholelo le go godisa mebereko puso e simolotse mananeo a a tsepameng a a tla itebaganya le:**

Tokafatso le kgodiso ya maranyane a dituelo mo dibankeng a a tla beng a okangwe ke Banka ya Sechaba.

Go gagamatsa melawana e e amanang Baagi go diragatsa maikaelelo ka mananeo a PPADB.

Lephata la Botswana Bond Market Association le tla simolola tiro ya lone le berikisanya le lekalana la Botswana Stock Exchange mono ngwaga.

## Motlakase le Metsi

Go tokafatsa seemo sa motlakase puso e tsere tshwetso ya go abela BPC madi a a seng kana ka sepe gore e tle e kgone tlhabololo ya Morupule B Power Station. Puso e tswelotse gape ka lenaneo la go tswelotse kago ya phaephe ya metse go tswa letamong la Dikgathong go isa metse kwa Palapye, le go tswa mo Palapye go isa metse kwa Gaborone.

Mme gape go tla tswelotsewa go golaganya phaephe ya metse e e tswang Bokone go ise kwa metseng ya Kanye le Molepolole

## Twantsho Borukuthi

Puso e ikaelela go thatafatsa mananeo a lephata la kgotladitsekelo go fokotsa seemo sa borukuthi.

## Lekgetho la Dithotho (VAT)

Monongwaga puso e ikaelela go tsaya tshwetso ya go fedisa lekgetho mo di dirisiwa tsa temothuo le mo dijong tsa bothokwa jaaka phaletshe, bupi jwa mabele, merogo, rice, le mashi jalo.

Tona ya tsa madi, ditlhabololo le ditogamaano, Rre Matambo, o tlhalositse gape gore go tla emisiwa go kgethisa bagwebi ba ba kwa tlase ga P1,000,000 ka ngwaga.

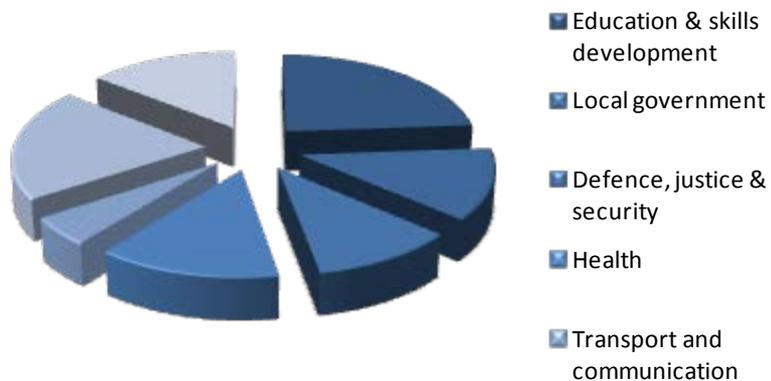
## Dituelo tsa Badirela Puso

Ba lephata la NEMIC ba eleng bagakolodi ba mmuso mo mananeong a tsa Khiro ba gakolotse go re go se nne le koketso ya dituelo ka jalo mmuso ga ona lenaneo lepe la koketso ya dituelo tsa Badiredi ba Puso mo bogompionong, mme e rotloetsa badirela puso go ela thoko seemo sa itsholelo mo dipuisanyong mabapi le dituelo.



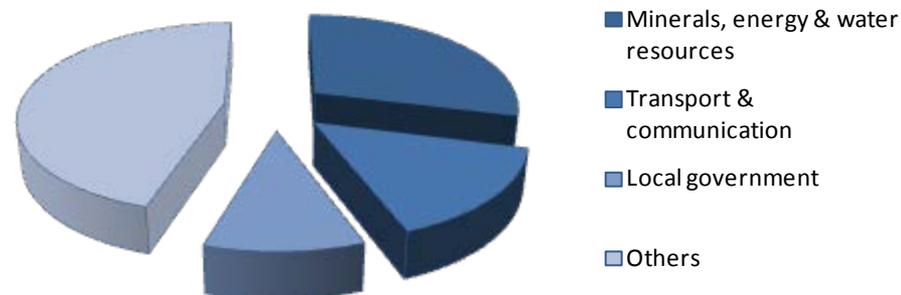
# Budget allocations

## Recurrent Expenditure



	BWP bn
Education & skills development	9.26
Local government	4.90
Defence, justice & security	4.18
Health	5.22
Transport and communication	1.95
Other ministerial	7.81
Statutory expenditure	5.54
<b>Total</b>	<b>38.86</b>

## Development Expenditure



	BWP bn
Minerals, energy & water resources	3.55
Transport & communication	1.88
Local government	1.27
Others	5.54
<b>Total</b>	<b>12.24</b>



# Tax amendments

## Proposed amendments

- Increase in registration threshold from **P 500 000 to P 1 million.**
- Basic farming equipment and food items to move from **zero rated to exempt supplies.**
- Basic food items to include vegetables, rice and milk amongst others.
- Amendments to Transfer Duty Act proposed which are meant to **encourage home ownership.**

## Amendments and procedures effected during 2013

- Exemption of VAT on import of personal goods increased from ZAR 500 to ZAR 1200 per person.
- Harmonisation of interest charged on late payments made at 1.5% per month compounded.
- E filing of VAT returns effected on selective tax payers.
- E services solution implemented and will be availed to all tax users.



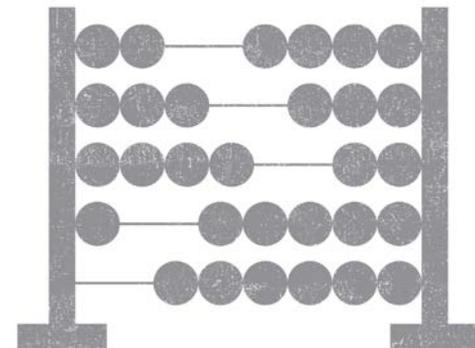
# Tax tables

## Resident individuals tax summary

Annual taxable income (in Pula)	Rate of tax %
Up to 36 000	0%
36 001 – 72 000	0 + 5% of excess over 36 000
72 001 – 108 000	1 800 + 12.5% of excess over 72 000
108 001 – 144 000	6 300 + 18.75% of excess over 108 000
144 001 and above	13 050+ 25% of excess over 144 000

## Capital gains tax rates

Taxable income (in Pula)	Rate of tax %
0 – 18 000	0
18 001 – 72 000	0 + 5% of excess over 18 000
72 001 - 108 000	2 700 + 12.5% of excess over 72 000
108 001 – 144 000	7 200 + 18.75% of excess over 108 000
Over 144 001	13 950 + 25% of excess over 144 000



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