



# e-budget news

01 February 2012

## "Balancing priorities under uncertain times"

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# Highlights

of budget proposals for the year 2012-13 presented by Honourable Minister of Finance and Development Planning, Mr. O K Matambo on 1 February 2012

Surplus of Pula 1.15 Billion anticipated in 2012/13 budget

2011/12 tax reform changes expected to enhance compliance and create positive impact on fiscal revenue. No fiscal changes proposed for 2012/13

2010/11 Budget outturn reflects reduced deficit of P 6.51 Billion as against P 10.22 billion

Revised 2011/12 budget estimates a reduced deficit of P 3.76 Billion as against P 6.93 Billion.

Improved sovereign rating by Moody's from 'negative' to 'stable' reflects improved confidence

Forex reserves registered a 20.4% growth from P 50.8 Billion to P 61.7 Billion (USD 8.3 Billion), representing 18 months of import cover

Increased economic growth projected for Sub-Saharan Africa from 5.2% in 2011 to 5.8% in 2012. Botswana expected to grow by 4.4% in 2012



Priorities for 2012 /13 budget continues to focus on service delivery, maintenance of existing infrastructure and completing ongoing projects

Private sector investment and growth expected to get more space due to gradual reduction in Government expenditure

Domestic borrowing and guarantees expected to play more important role

Increased development budget proposed towards major infrastructure projects including Morupule "B" power station and emergency power, rural electrification, water planning and development and water supply to major villages

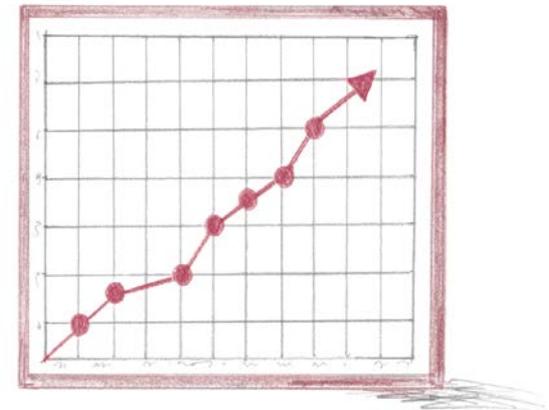
Improved internet speed expected through a P 50 Million investment to upgrade local internet bandwidth

P 1.84 Billion set aside to cater for maintenance, repairs and refurbishments of Government assets

Inflation stood at 9.2% in December 2011

Priorities have been set in providing more employment oriented education courses, poverty eradication programme and Economic Diversification Drive (EDD)

HRDC commencement expected to enhance skills development and improved education and training system



National Economic Diversification Council to give strategic guidance and direction to diversification thrust (EDD)

New master plan for privatization to be submitted for cabinet approval

Improved efficiencies expected to compliment the deliberate decision to reduce each ministries wage bill by 5% each year for the next 3 years

Review and amendments to key related legislation to further facilitate the functions of NBFIRA and increase level of protection to customers

Tax and banking laws being reviewed to be in line with international standards on transparency and exchange of information for tax purposes



# Pego Ya Kabo Ya Madi 2012/2013

## Ketapele

Go sa ikatle ga itsholelo ya lefatshe ka bophara go tswetse. Ditlamorago tsa se, ke gore itsholelo ya mafatshe a a fatlhogang le a a santseng a tlabologa jaaka la Botswana, a a ikaegileng thata ka go rekisa dithoto tsa one ko mafatsheng a a tlabologileng, a tla amiwa ke kwelo tlase ya itsholelo e. Le fa go ntse jalo, itsholelo ya Botswana e dirile sentle e bona kgolo ya 7.8% mo setlhaeng sa boraro sa 2011.

Mohama o o tlisitseng kgolo mo setlheng se sa 2011 ke wa dikago o o godileng ka 24.3%, le wa go dira dithoto o o godileng ka 13.8%. Mohama wa temo thuo o o neng wa amiwa thata ke go tlagoga ga bolwetsi jwa thako le molomo mo setlheng sa ntlha sa ngwaga wa 2011, o godile ka 10.1%.

Mmuso o tsere tshwetso ya go fetsa ditiro tsa ditlhabololo tse di tswetse, le go baakanya dikago le ditsela tse di teng, le go tlabolola phetlho motlakase, go epa matamo, go aga ditsela, go nyeletsa lehuma le go fokotsa letlhoko la ditiro.

Mmuso o tshwentswe ke tiriso ya madi mo maphateng a mangwe a yone. Go itebaganya le se, puso e ntshitse taelo ya gore maphata otlhe a puso a ithole ditiro tse e seng tsa konokono ya puso, le go seegela ko thoko diphatlha tsa ditiro tseo, gore di dirwe ke maphata a ikemetseng ka nosi.

## Tsa mebereko

Mmuso o tshwentswe ke kwelo tlase ya tsa mebereko ye e wetseng tlase ka 17%. Se se tshwentseng mmuso thata thata ke gore letlhoko le la ditiro le bonwa thata mo bananeng (dingwaga tsa 15-24). Mmuso o leka go tswelala go rotloetsa banana mo dikgwebong ka mananeo a a tshwanang le Youth Development Fund, CITF, Young Farmers Fund

Lekalana la HRDC le tla tlhongwa monongwaga go thusa go fa banana bokgoni jwa go thama dikgwebo.

## Tlhabologo ya magae le phokotso lehuma

P163m ke madi a a beetsweng go tsweladisa mananeo a phediso lehuma jaaka LIMID, ISPAAD, Ipelegeng.

Palo ya batho ba ba tshelelang mo lehumeng le le feteletseng wetse tlase go tsweng 30.6% ya batho ka ngwaga was 2002/03 go ya 20.7% ka ngwaga wa 2009/10 ka jalo go na le tokafalo.

## Ditirelo tsa sechaba

Madi a kanang ka P50m a tla dirisiwa go tokafatsa mogala o o golaganyang lefatshe la Botswana le mafatshe a ko botlhaba jwa Afrika.

Mmuso o seegetse madi kwa thoko go diragatsa ditlhabololo tse di latelang:

- Kago ya Morupule (B) power station le go baakanyetsa motlakase o o tla dirisiwang ka nako ya tshoganetso
- Motlakase wa marang a letsatsi le dingwe ditsa tlhologo tse di sa kgotleletseng tikologo
- Go rulaganya le go tlabolola metse go akaretsang kago ya matamo a mararo a Thume, Lotsane, Dikgathong ga mmogo le go dira diphaephe tsa bobedi tse di gogang metsi go tswa bokone go ya borwa

- Go gokela metse e metona e leng Kanye le Molepolole mo diphaepheng tse di gogang metsi go tswa Letsibogo le Dikgatlong a tla ko borwa
- Lebala la difofane la Kasane
- Tsela tsa Charleshill le Ncojane, Tonota le Francistown
- Go tla agiwa marogo a a kgabaganyang dinoka tsa Shashe, Tholodi le Tati
- Marogo a masha a Kazungula le Thamalakane
- Lenaneo la puso la go isa ditirelo ko bathong ka boranyane ja segompieno jo bo akaretsang dikhomputara, megala ya letheke jalo jalo.

### **Temo-thuo**

Mananeo a mmuso a amanang le temo-thuo a tla tseweledisiwa mo ngwageng was 2012/13 le go itebaganya le twantsho ya bolwetsi jwa thako le molomo.

### **Ditirelo tsa madi**

Thatogo ya dithoto e oketsegile ka 9.2% ka Sedimonthole 2011. Madi a a bolokilweng ko mafatsheng a sele a tokafetse go tswa ko go P50.8bn mo bofelong jwa kgwedi ya Sedimonthole 2010 go ya ko go P62.1bn ka bofelo jwa kgwedi ya Phalane 2011.

Madi otlhe a mmuso o solofetseng go a kgobokanya ke P42.91bn, mme o tla dirisa P41.76bn. Mo go raya gore mmuso o tla sadisa P1.15bn.

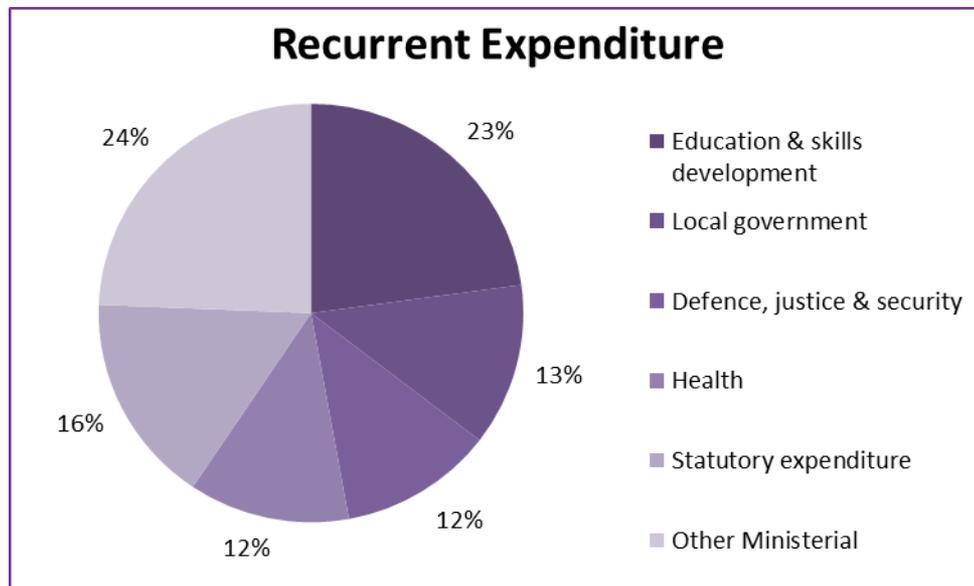
Tona o thalositse gore lephata la National Economic Diversification Council le tthamilwe ngogola go thusa lephata la Economic Diversification Drive go diragatsa mananeo a go tswakanya itsholelo.

### **Bokhutlo**

Tona o ne a rotloetsa Batswana go nna podi matseba, go ipaakanyetsa se se ka diragalang go bane lefatshe la Botswana le ikaegile thata ka go rekisa dithoto tsa lone mo mafatsheng a tthabologileng a e leng gore a ka amiwa ke madubadube a itsholelo.



# Budget allocations 2012/2013

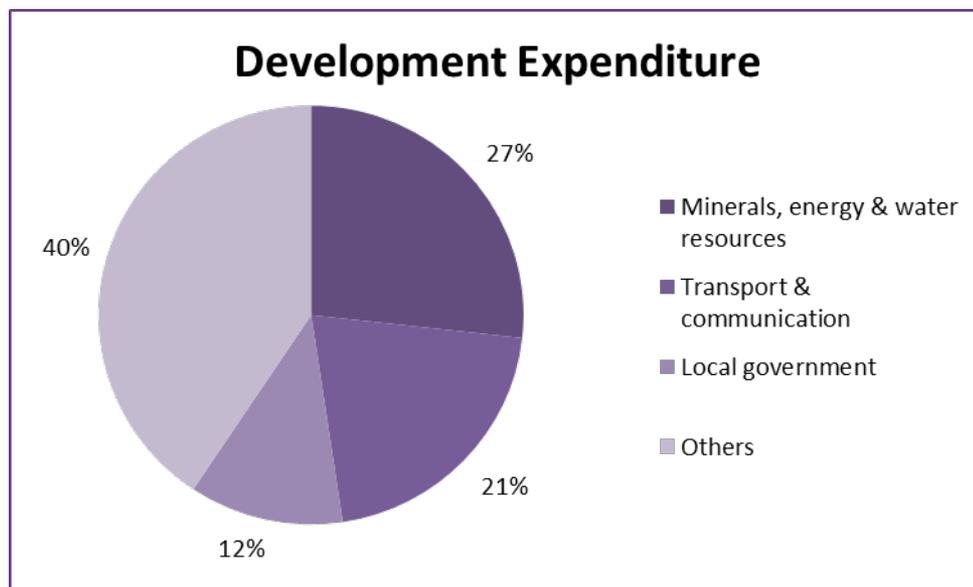


	<b>BWP bn</b>
Education & skills development	7.77
Local government	4.27
Defence, justice & security	3.99
Health	4.17
Other ministerial	8.29
Statutory expenditure	5.52
<b>Total</b>	<b><u>34.01</u></b>

### Key Notes:

- Increase in overall expenditure is explained by the transfer of HIV/AIDS activities from the development budget of NACA to the recurrent budget of the Ministries of Health and Local Government, 3% Salary adjustment effected in September 2011, and 3% annual increment for public officers.
- The budget of Statutory expenditure of P 5.52 Billion represents a 19.8% increase over the provisions of P4.61 Billion for 2011-12. The major items under this category of expenditure is public debt service at P3.77 Billion

# Budget allocation continued



	<b>BWP bn</b>
Minerals, energy & water resources	2.69
Transport & communication	2.10
Local government	1.18
Others	4.09
<b>Total</b>	<b><u>10.06</u></b>

### Key Notes:

- Minerals, Energy & Water Resources - The major projects include: BPC Finances to cover Morupule “B” Power Station and Emergency Power (P 800 Million); Renewable Energy to finance rural electrification (P 94 Million); Water Planning and Development (P1.24 Billion); and Major Villages Water Supply (P380 Million).
- Ministry of Transport & Communication - New projects include: Kasane Airport, Charleshill to Ncojane road, Tonota to Francistown road, associated bridges of Shashe, Tholodi and Tati, construction of the new Kazungula and Thamalakane bridges. In addition, an allocation of P100 Million has been made towards the e-government programme.

# Tax Tables

## Resident individuals

Annual taxable income (in Botswana Pula)	Rate of tax %
Up to 36 000	0%
36 001 to 72 000	0 + 5% of excess over P36 000
72 001 – 108 000	P 1 800 + 12.5% of excess over P72 000
108 001 – 144 000	P 6 300 + 18.75% of excess over P108 000
144 001 and above	P 13 050+ 25% of excess over P144 000

## Motor vehicle allowance

Cost of vehicle (in Pula)	Value of benefit (in Pula)	Fuel cost adjustment (in Pula)
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)

# Highlights of revised Trade Regulations

**The Trade Regulations 2011, that was released in 2011, brought in some amendments to the existing Act.**

**The following are the new classes of businesses introduced under the Act:**

- Agent (re- introduced)
- Amusement arcade
- Commercial hardware
- Driller
- Dry-clean depot
- Industrial hardware
- Florist
- General hire services
- Gymnasium
- Haberdashery
- Hair or beauty parlour
- Internet café or copy shop
- Pharmacy or chemist
- Plant hire services

**Licenses reserved for citizens**

- Agent's licence
- Auctioneer's licence
- Car wash
- Cleaning services
- Curio shop
- Dry-cleaning depot
- Florist
- Fresh produce
- Funeral parlour
- General clothing
- General dealer
- General hire services
- Hair or Beauty parlour
- Laundromat
- Petrol filling station
- Takeaway

**Note:**

Renewal of licenses issued before the new Trade Regulations, shall be exempt from the provisions of Regulation 30 (floor area requirements etc).

Renewal application will be considered only in respect of applications for the same premises, floor area and business.



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