

# e-budgetnews

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Grant Thornton Acumen 

**Build up for the achievement of Vision 2016 through effective implementation**  
Read our budget highlights to find out more...



We highlight the budget proposals for the year 2008 - 09 presented by the Honourable Minister of Finance and Development Planning, Mr. Baledzi Gaolathe. Presently, the budget is only a draft and will have to be approved by the National Assembly.

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## Highlights in English

### Budget Theme- Accelerating Achievement of Vision 2016 through NDP 10

#### Highlights

- Designed to achieve the goals of Vision 2016, including trebling of Botswana's real per capita income between 1996 to 2016.
- Free Trade Area among SADC countries to be launched in August 2008 to allow free movement of goods and services produced within the region.
- Short, medium and long term power supply strategies are being implemented to ensure that Botswana has sufficient power.
- Sovereign Credit rating "A" being maintained at the same level for 7 continuous years.
- Investment trust fund to be created as a vehicle for citizen empowerment.
- Botswana's export of beef to the EU will have no duty or quota for another year.
- Government to lease all its camp sites in protected areas to citizen entrepreneurs only.
- Beneficiation projects are well on course – diamond cutting, refining etc.
- Government continues to support the development of capital market with regular bond issuance program.
- Financial Reporting Bill is expected to be tabled in the Parliament during July 2008.
- Motor Vehicle Fund to cover all victims.
- Export development plan to be developed by BEDIA. LEA to train more than 1000 entrepreneurs during current year.
- Significant allocations to the Botswana Police Force, BDF etc to improve national security.
- Broadband expansion project to be completed in 2008.
- Information and Communication Technology innovation hub construction to commence in 2008.
- Comprehensive review of tax regime will be undertaken in the next financial year.
- Revision in public sector salaries to be announced later.
- Reduction of HIV prevalence among pregnant women.

#### Statistical highlights

- GDP forecasts for the 2008/2009 financial year is P83.25 billion in current prices.
- Forex reserves of P59.8 billion as at November 2007 representing 28 months cover of imports.
- Inflation has reduced from 11.6% during 2006 to 7.1% during 2007.
- Budget surplus in the last two years.
- Estimated balanced budget for 2008/2009.

## **DINTHA TSA KABO YA MADI A SETSHABA MO NGWAGENG WA 2008/2009**

### **KABO YA MADI A SETSHABA MO NGWAGENG WA 2008/2009**

Tona ya tsa madi, dotlhabololo le ditogamaano, Rre Baledzi Gaolathe, o simolotse pego ya gagwe ka go akgola Tau Tona Rre Festus Gontebane Mogae le go mo lebogela ditiro tse dintle tse a di diretseng lefatshe leno. Rre Gaolathe o tswelsetse ka go bega janna ka kabo ya madi mo setshabeng mo ngwageng tsa 2008/2009:

#### **Ketapele**

Pego ya kabo ya madi a setshaba ya 2008/2009 e remeletse thata mo go diragatseng maitlamo a rona a Tebelopele ya 2016 e ikaegile ka ditshekatsheko tsa NDP 10.

#### **Tsa Mebereko**

Dipatlisiso tsa khiri di supile kgolelo godimo ya 2.2 percent mo ngwageng wa 2007. Go solofetswe gore mananeo a Mmamabula, phaephe ya go tsaya metsi kwa Bokone go a isa Borwa, Morupule, Kgolagano ya metsi a Zambezi, le tlhabololo ya bojanala, di tla oketsa seemo sa khiri. Godimo ga moo, Puso e ikemeseditse go thusa banana ka mananeo a le mmalwa go fokotsa lethoko la ditiro.

#### **Tlhabololo ya magae le phokotso ya lehuma**

Puso e ikaelela go disisa lenaneo la tshhekatsheko ya phokotso ya lehuma le go lebaganya tshhekatsheko ena le maikaelelo a NDP 10.

Puso e ikaelela go isa motlakase ko metseng ya magae e le 130. Go tla simololwa ka metse e le 20, mme morago go bo ka fediswa e le 60. Lenaneo le lengwe ke la go tokafatsa go anama go seromamowa le Televishini mo dikgaolong tsotlhe tsa lefatshe leno.

#### **Ditirelo tsa setshaba**

Makalana a ditirelo tsa setshaba ka bontsi a na le dipolelo tse di kgotsofatsang mo ngwageng wa 2007.

Tona o itsesitse setshaba gore lenaneo la Motor Vehicle Accident Fund ka le bone dipolelo tse di kgotsofatsang le tla duela botlhe ba ba boneng dikgobalo ka dikotsi tsa dikoloi go sa lejwa gore kotsi e ka be e bakilweng ke eng.

Go solofetswe go godisa madirelo a Morupule le Mmamabula, maikaelelo e le go oketsa motlakase go fokotsa ikaego ya rona mo lefatsheng la Africa wa Borwa .

Go tla agiwa madirelo a a dirang galase mo Palapye ka one ngwaga ono.

Maloko a SADC a ikaelela go phimola kgethiso ya dithotho mo kgaolong e, go simolola ka Phatwe ngwaga ono.

#### **Bojanala**

Puso e ikaeletse go rekisetsa Batswana madirelo a kgwebo ya bojanala a a ntseng a le mo atlang tsa Puso go oketsa Batswana ba ba tshwereng kgwebo e.

#### **Ditirelo tsa Madi**

Puso e tla sekaseka koketso ya madi a kadimo le go okoketsa sebaka sa go duela mo lenaneong la CEDA. Puso, gape, e ikemeseditse go seegela madi fathoko a maikaelelo a one e leng go neela marapo benggae mo itsholelong. Tona o tlositse gape gore Puso e tswelsetse ka go tlhabolola mananeo a CEDA le PPADB go tokafatsa go diragatsa maikaelelo a one.

#### **Temothuo**

Puso o ikaelela go tswelidisa lenaneo la NAMPAAADD go thusa balemi barui. Masimo a thuthuntsho ya boranyane jwa tsa temothuo a NAMPAAADD a a kwa Ramatlabama, Dikabeya, Sunnyside, le Glen Valley a tla simolola go ruta balemi barui mo ngwageng tsa 2008 le 2009. BMC e tla tswelela e rekisetsa EU nama e sa kgethisiwe.

## **Meepo**

Mo ngwageng wa 2007 go neetswe bagwebi ba le 16 teta ya go sega teemane, mme go solofelwa fa dikompone tse di tla oketsa khiro ka palo ya 3000. Madirelo a kompone Diamond Trading Company a tswelotse sentle, mme go solofetswe gore a tla simolola go dirisiwa ngwaga ono o ise o fele.

## **Metsi**

Go tokofatsa seemo sa metsi puso e tswelotse ka mananeo a go aga matamo mme go solofelwa fa metsi a letamo la Ntimbale a tla simolola go dirisiwa mo ngwageng o no. Mme gape go tla tswelotse kago ya phaephe ya metse go tswa kwa Bokone go a isa Borwa le mo metsaneng e e sa ntseng e tshwentshwe ke lethoko la metsi.

Batswana ba kopiwa go dirisa metse ka kelothoko.

## **Thuto**

Puso e tswelotse ka lenaneno la go oketsa dikago tsa Unibesithi ya Botswana mo Gaborone, kago ya Unibesithi ya boranyane le boitseanape kwa Palapye, le sekolo sa ithutelo bongaka. Ditiro tse dingwe ke tsa dikago tsa dikole tse digolwane le dikole tsa ithutelo ditiro tsa diatla (dibrigade)

## **Botsogo le HIV/AIDS**

Puso o tswelotse ka metlhale e e gateletseng pele ya go lwantsha HIV/AIDS, mme go lebelega palo tsa ba ba tswang ke mogare di fokotsega. Botswana ba kopiwa go tswelotse ka go lwantsha mogare o, ka bonatla jo be rileng

## **Dituelo tsa badirelapuso**

Tona o tlhalositse fa dituelo di tla nama di sa okediwa ka mmuso o santse o sekaseka dipatlisiso tsa bosheng tsa dituelo tsa badirelapuso mme di santse di tla bewa palamente pele go buisanngwa.

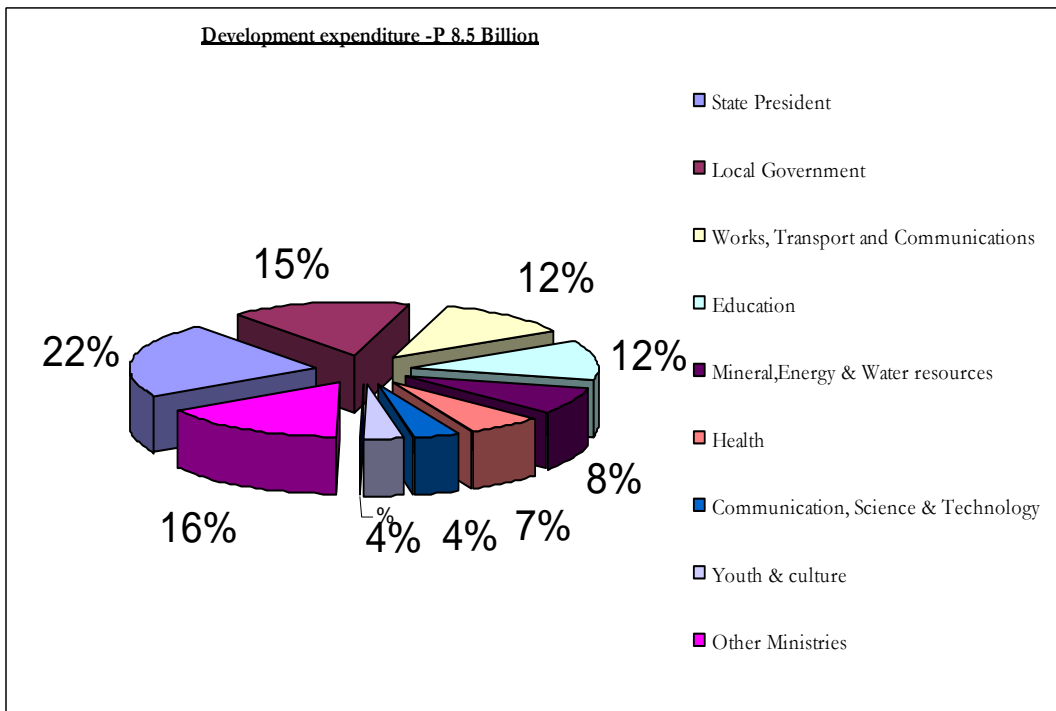
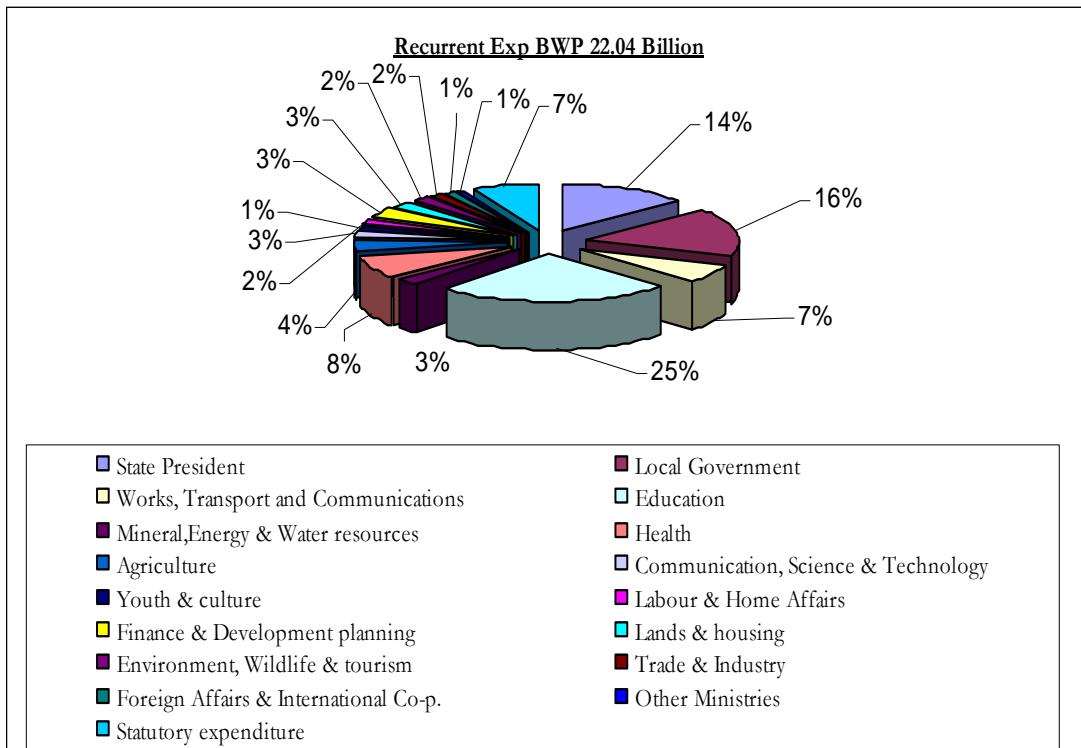
## **Ditsela**

Ka maiteko a go tswelotse ka go tokafatsa ditirelo tsa setshaba, Puso e tla tlhabolola ditsela di le mmalwa.

## **Tsa Molao le Tshireletso**

Puso e thomile mananeo a le mmalwa a a tla thusang go godisa tshireletso jaaka theko ya difofane tsa se wa godimo go dirisiwa ke ba sepodisi, kago ya tshekolo kgolo mo Gaborone, le molao o o itebagantseng le borukhutlhi jwa madi.

## Budget Allocation



## Tax tables

### Personal income tax

#### Resident individuals

Annual taxable income	Tax liability 2008-2009	Marginal rate %	Average rate %
30,000	-	0	-
35,000	250	5	0.71
40,000	500	5	1.25
45,000	750	5	1.67
50,000	1,000	5	2.00
55,000	1,250	5	2.27
<b>60,000</b>	<b>1,500</b>	<b>5</b>	<b>2.50</b>
65,000	2,125	12.5	3.27
70,000	2,750	12.5	3.93
75,000	3,375	12.5	4.50
80,000	4,000	12.5	5.00
85,000	4,625	12.5	5.44
<b>90,000</b>	<b>5,250</b>	<b>12.5</b>	<b>5.83</b>
95,000	6,188	18.75	6.51
100,000	7,125	18.75	7.13
105,000	8,063	18.75	7.68
110,000	9,000	18.75	8.18
115,000	9,938	18.75	8.64
<b>120,000</b>	<b>10,875</b>	<b>18.75</b>	<b>9.06</b>
130,000	13,375	25	10.29
140,000	15,875	25	11.34
150,000	18,375	25	12.25
160,000	20,875	25	13.05
170,000	23,375	25	13.75
180,000	25,875	25	14.38
190,000	28,375	25	14.93
200,000	30,875	25	15.44
250,000	43,375	25	17.35
300,000	55,875	25	18.63

#### 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

## Capital transfer tax

### Individuals

Annual taxable income	Rate of tax
0 to 100 000	2% of every Pula
100 001 to 300 000	2000 + 3% of excess over 100 000
300 001 to 500 000	8 000+ 4% of excess over 300 000
Over 500 000	16 000 + 5% of excess over 500 000

### Companies

12.5% of every Pula

## Withholding tax

Payments of Payments to	Dividends	Interest	Royalties	Management & technical fees	Entertainment fees	Construction contract payment
	<b>Resident</b>	15%	10%	-	-	-
<b>Barbados</b>	10% or 5 % \$	10%	10%	10%	-	-
<b>France</b>	12% or 5 % \$	10%	10%	7.5%	-	-
<b>India</b>	10% or 7.5% \$	10%	10%	10%	-	-
<b>Mauritius</b>	10% or 5 % \$	12%	12.5%	15%	-	-
<b>Namibia</b>	10%	10%	10%	15%	-	-
<b>Russia</b>	10% or 5 % \$	10%	10%	10%	-	-
<b>Seychelles</b>	10% or 5 % \$	7.5%	10%	10%	-	-
<b>South Africa</b>	15% or 10% \$	10%	10%	10%	-	-
<b>Sweden</b>	15%	15%	15%	15%	-	-
<b>United Kingdom</b>	12% or 5% \$	10%	10%	7.5%	-	-
<b>Zimbabwe</b>	10% or 5 % \$	10%	10%	10%	-	-
<b>Non-treaty</b>	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 Chat line...

### Congratulations

**Aswin Vaidyanathan** has been promoted as Partner with effect from January 2008. Aswin has been with the firm for the last 10 years. His high caliber, integrity, work ethics combined with his energetic and enthusiastic approach earned him this position. Aswin was in charge of the Northern branch offices until mid 2007, thereafter he took charge as a senior manager in the Audit division of the Gaborone office. He will be our second partner in the Audit Team.

We wish Aswin all the best in his professional career.

### New look

### Thirty two years in Botswana as...

Acumen 

from 1992

Grant Thornton Acumen 

Our business "ACUMEN" need not be said in our name, we shall work with the same Acumen as :

Grant Thornton 

The people, the passion and the values remain the same.

Releasing our new look soon...

You are always welcome to contact us...

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