

PRIVATE AND CONFIDENTIAL



# Botswana Budget 2024-25

Excerpts from Budget Speech and  
Standard Tax Reference Material  
6 February 2024

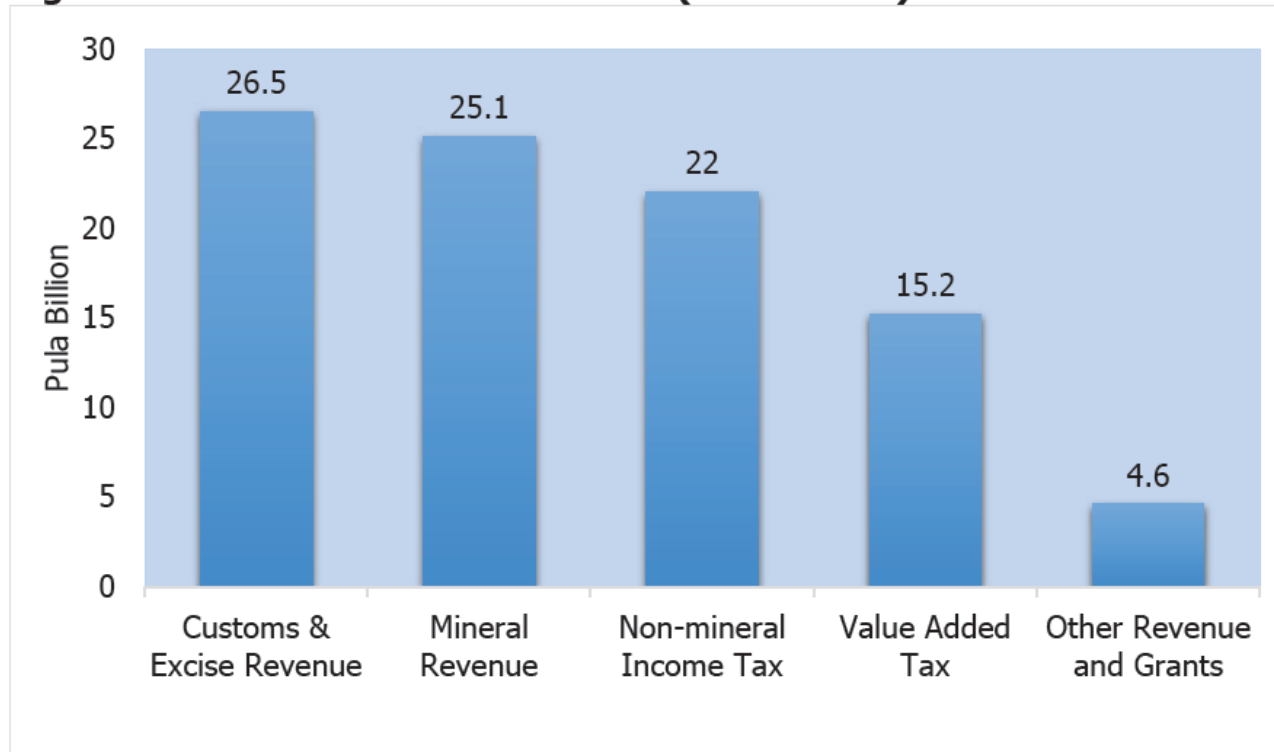


## VI. 2024/2025 FINANCIAL YEAR BUDGET PROPOSALS

### *Total Revenues and Grants*

43. The projected total revenues and grants for the 2024/2025 financial year amount to **P93.58 billion**. Of this amount, the largest contributor is the

**Figure 1: Total Revenue and Grants (Pula Billion)**



*Source: Ministry of Finance, 2024*

Budget Inflow  
P 93.58b

**Table 1: Summary of 2024/2025 Budget Allocations**

<p><b>Ministerial Recurrent Budget Allocation = P63.74 billion</b></p> <ul style="list-style-type: none"> <li>Ministry of Education and Skills Development = P15.54 billion</li> <li>Ministry of Defence and Security = P10.65 billion.</li> <li>Ministry of Local Government and Rural Development = P9.48 billion</li> <li>Ministry of Health = P9.46 billion</li> <li>Ministry of Finance = P2.94 billion</li> <li>Ministry of State President = P2.74 billion</li> <li>Ministry of Transport and Public Works = P2.09 billion</li> <li>Ministry of Agriculture = P1.56 billion</li> <li>Ministry of Youth, Gender, Sport and Culture = P1.06 billion</li> <li>Ministry of Lands and Water Affairs = P1.02 billion</li> <li>Other Ministries and Departments = P6.78 billion</li> </ul> <p><b>Statutory Expenditure = P24.39 billion</b></p> <p><b>Development Budget Allocation = P29.77 billion</b></p> <ul style="list-style-type: none"> <li>Ministry of Lands and Water Affairs = P8.01 billion</li> <li>Ministry of Transport and Public Works = P3.95 billion</li> <li>Ministry of Local Government and Rural Development = P2.89 billion</li> <li>Ministry of Defence and Security = P2.78 billion</li> <li>Ministry of Minerals and Energy = P2.39 billion</li> <li>Ministry of Agriculture = P2.02 billion</li> <li>Ministry of Communications, Knowledge and Technology = P1.73 billion</li> <li>Ministry of State President = P1.52 billion</li> <li>Other Ministries and Departments = P4.48 billion</li> </ul> <p><b>Total Revenues and Grants = P93.58 billion</b></p> <p><b>Total Expenditure and Net Lending = P102.28 billion</b></p> <p><b>Overall Balance = Deficit of P8.69 billion</b></p>
---

Source: Ministry of Finance, 2024  
 For more information about Ministry of Finance...

Budget Outflow

Recurring P 63.74b

Statutory P 24.39b

Development P 29.77b

Total Outflow P 102.28

Budget Deficit P 8.69b

# Fiscal Strategies

## V. FISCAL STRATEGY

38. **Public Expenditure Reforms**     **Zero-based budgeting for public expenditure**

### **Tax Reforms**

39. The review of tax laws remains a priority and will consolidate, simplify and modernise the existing Income Tax Act to deal with the evolving nature of the business environment in the global economy. It will further rationalise

**VAT and TAX administration will be consolidated.**

### **Sustained Revenue Maximisation**

40. The Government is enhancing its revenue maximisation efforts through policy and administrative measures, including diversifying the revenue base and improving operational efficiencies. BURS is implementing a solution to digitally mark and track excisable goods, with the digital solution expected to be fully implemented by July 2024. To enhance trade facilitation through adoption of a One-Stop Border model, the Kazungula One-Stop Border Post has been fully operationalised.

**Digital tax collection**

### **Debt Management**

41. The Public debt levels remain within the statutory debt ceiling of 40 percent of GDP, with external debt to GDP at 9.5 percent and domestic debt at 10.7 percent. This makes total exposure 20.2 percent of GDP. Debt sustainability measures by Government include the unveiling of a Borrowing Strategy and Issuance Calendar for 2023/2024 which provides a secure basis for investment decisions. In addition, a new three-year Medium-Term Debt Management Strategy, which will align the future borrowing choices with Government's preferred cost and risk levels is planned for implementation during the 2024/2025 financial year.

**Debt to GDP is 20%. Norm is 40%.**

# National Priorities

## Infrastructure Development and Spatial Planning

18. A significant development budget of **P17.0 billion** is proposed to address a wide range of infrastructure gaps. As part of accelerating the implementation

## Agriculture Development

23. A development budget of **P2.82 billion** is proposed to drive agriculture development initiatives geared towards food security and self-sufficiency.

## Supporting the Private Sector through Business Environment Reforms and Value Chain Development

24. A development budget of **P2.11 billion** is proposed under this priority to support the private sector through business environment reform as well as existing opportunities in domestic value chains such as mineral beneficiation, tourism, food processing, agribusiness, cattle, small stock, and indigenous products.

## Research and Development

26. A development budget of **P1.02 billion** is being proposed for Research and Development programmes which will drive research across strategic intervention categories such as Mining, Minerals Beneficiation, Human Health and Social Sciences, Food and Agriculture, Livestock and Veterinary Research, Water, Environment and Climate Change.

## Innovation and Digital Transformation

27. A development budget of **P1.83 billion** that will be implemented through the Digital Transformation Strategy for Botswana, is being proposed to accelerate innovation and digital transformation initiatives. In addition,

- Innovation
- Research
- Agriculture
- Business Reforms
- Climate Change
- Education
- Human Capital Development

## Green Transition

28. To augment the existing donor funds, enhance economic resilience and protect livelihoods, a development budget of **P1.37 billion** is proposed with a view to address the effects of climate change. The 2024/2025 budget will

## Education and Human Capital Development

29. To ensure that the Education Sector produces the necessary skills for the economy, the development of an economy-wide integrated digital Labour Market Information System (LMIS) is expected to be completed by September 2024. A combined budget of **P28.60 billion** is proposed for this priority in the 2024/2025 financial year. The LMIS will facilitate, among others, the development of effective policies and programmes that address unemployment, productivity and skills mismatch.

# Tax Information Reference

# Tax Rates

Details	Rates
Resident company	22%
Approved resident manufacturing company	15%
Non-resident company (external company)	30%
Selibe-Phikwe Economic Zone companies – First 5 years	5%
Selibe-Phikwe Economic Zone companies –After 5 years	10%
Capital Gains Tax for resident companies	22%
Capital Gains Tax for non-resident companies	30%
Approved International Financial Services Centre Companies	15%
Dividends outside Botswana	10%
Resident Individual for 4 bands of P 36,000 beyond P 48,000	5%, 12.5% 18.75% and 25%
Non-resident individuals or trusts or estates of deceased persons for the first band of P 84,000 and then the three subsequent bands of P 36,000 each.	5%, 12.5%, 18.75% and 25%
Capital gains for individuals - resident or non-resident – Same as for residents but the minimum threshold is P 36,000 (not P 48,000)	5%, 12.5%, 18.75% and 25%

# Valuation of Benefits

<b>Housing benefit</b>	<b>10% of rateable value or P 250 x 8% x square metres (a certain percentage of salary, if lower)</b>
Vehicle Benefit	Increments of P 2,500 starting from P 2,500 for vehicle costs to P 50K, 100K 150K, and 200K and 15% of excess over P 200K. Fuel adjustment in increments of P 1,000 starting from P 1,000 to the above bands with a maximum of P 5000 for vehicles costing over P 200K.
Medical	Not taxed
Others	Cash Value

## VAT – 14%

<b>No registration</b>	<b>Turnover less than P 500K</b>
Voluntary	P 500K – P 1m
Compulsory	Above P 1m

## Transfer Duty

<b>Botswana citizens – First P 1.5m</b>	<b>0%</b>
Botswana citizens – Excess of P1.5m	5%
Non-Citizen – Price or Value up to P 2m	10%
Non-Citizen – more than P 2m	15%
Neither a natural person or company	5%



# Capital Transfer Tax

<b>Resident or non-resident company</b>	<b>12.5%</b>
Individual - First P100K, Next P 200K, Next P 200K and Balance	2%, 3%, 4% and 5% respectively

# Withholding Tax Rates

Payment	Resident	Non-Resident	Advance Tax	Final Tax
Interest	10%	15%	Residents	Non-Residents
Dividends	10%	10%	NA	Yes
Royalties, Management / Consulting fees	Zero	15%	NA	Non-residents
Entertainment Fees	Zero	10%	NA	Non-residents
Director Fees	10%	15%	Residents	Non-residents
Construction / Rent / Brokerage	3%/5%/10%	3%/5%/10%	Yes	NA

Note: For Barbados, China, Czech Republic, Eswatini, France, India, Ireland, Lesotho, Luxembourg, Mauritius, Malta, Mozambique, Namibia, Russia, Seychelles, South Africa, Sweden, UK, UAE, Zambia, and Zimbabwe there are specially agreed rates under Double Tax Avoidance Agreements.

# Power of Being Understood

**We give you confidence**

**focusing on**

**Long-term association**

**providing**

**Data-driven advice and  
End-to-end customized solutions**

**Our Passionate Solution Areas:**

- Assurance
- Tax Compliance and Consulting
- Company Secretarial
- Board Secretary Services
- Licences, Permits and semi-legal
- Internal Audit
- CFO Services
- Valuations
- Risk Consulting
- Corporate Governance

**THE POWER OF BEING UNDERSTOOD**  
ASSURANCE | TAX | CONSULTING



**RSM (Botswana) Consulting Proprietary Limited**

RSM House  
Plot 39, Commerce Park  
Box 1816  
Gaborone  
Botswana  
T +267 3912805 and 267 7231 0333  
rsm.co.bw

RSM (Botswana) Consulting (Pty) Ltd. offering non-audit services is an independent member of the RSM network. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, each of which practises in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London, EC4N 6JJ. The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

© RSM International Association, 2024