

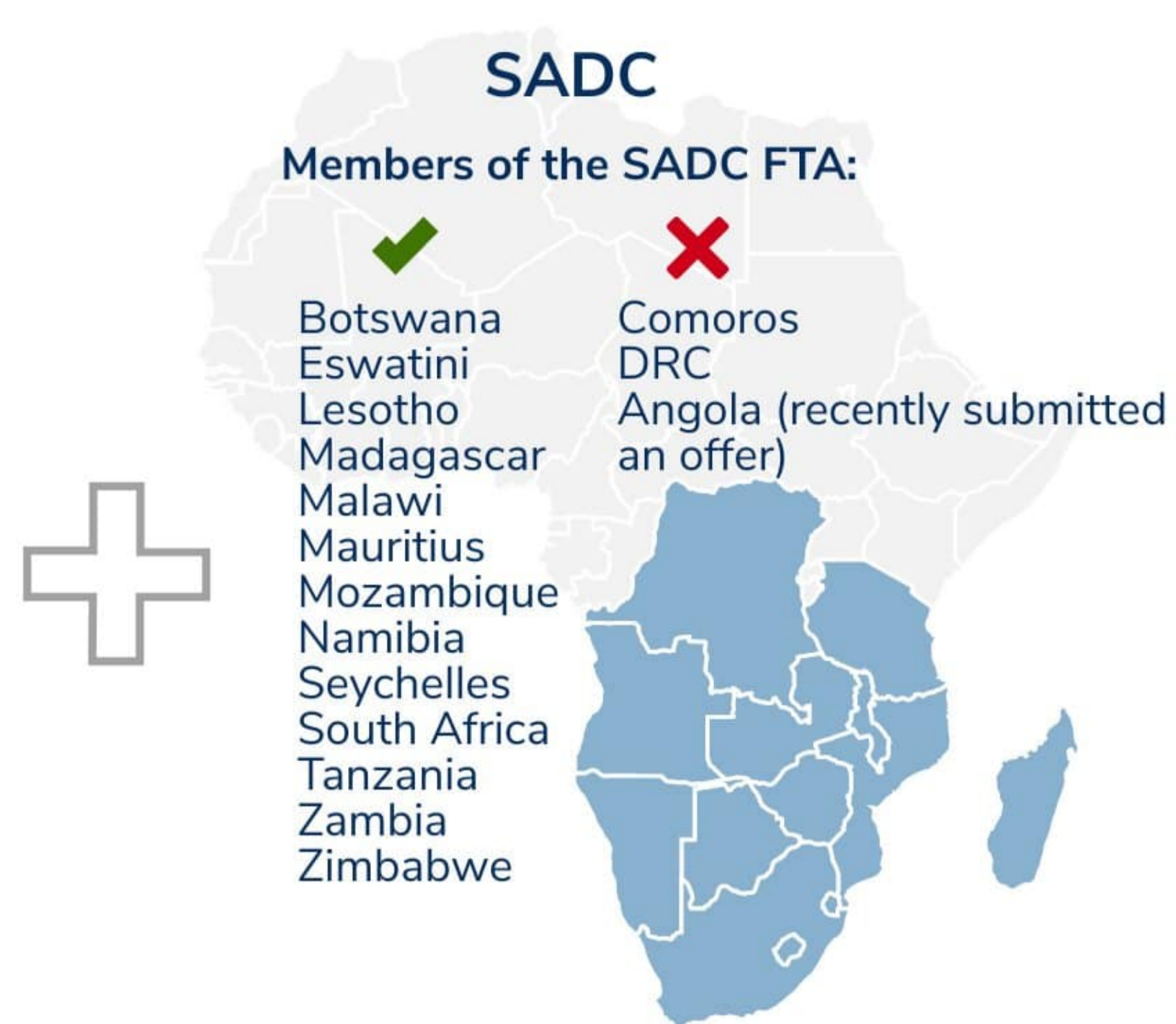
Botswana intra-Africa trade & tariff profile 2019



1. Introduction

Botswana along with Eswatini, Lesotho, Namibia and South Africa are members of both the Southern African Customs Union (SACU) and the Southern African Development Community (SADC).

- SACU is a customs union with duty-free intra-SACU trade and a common external tariff (CET) applicable to all goods entering from outside the Union
- SADC is a Regional Economic Community (REC) which includes 16 member states - all the SACU countries, Zimbabwe, Zambia, Mauritius, Mozambique and Malawi. 13 SADC member states are in a Free Trade Arrangement (FTA); Comoros, Angola (has recently submitted an offer) and DRC are yet to join



2. Intra-Africa trade

For 2019, 14% of Botswana's world exports & 69% of world imports were to and from the rest of Africa. Intra-Africa exports amounted to US\$743 million (16% less than in 2018) & intra-Africa imports to US\$4.5 billion (5% increase from 2018).

Botswana mainly trades with neighbouring South Africa - 82% of Botswana's total intra-Africa. Most of Botswana's intra-Africa trade are with other SACU and/or SADC members - South Africa, Namibia, Zambia & Zimbabwe. The main product Botswana trades with is diamonds which are not mounted or set.

46% of intra-Africa exports and 16% of intra-Africa imports are diamonds. Other export products include insulated wire, beef, carbonates & coal. Apart from diamonds, Botswana also sources petroleum oil, vehicles and their parts, electrical energy & machinery parts from the rest of Africa.

Main destination markets

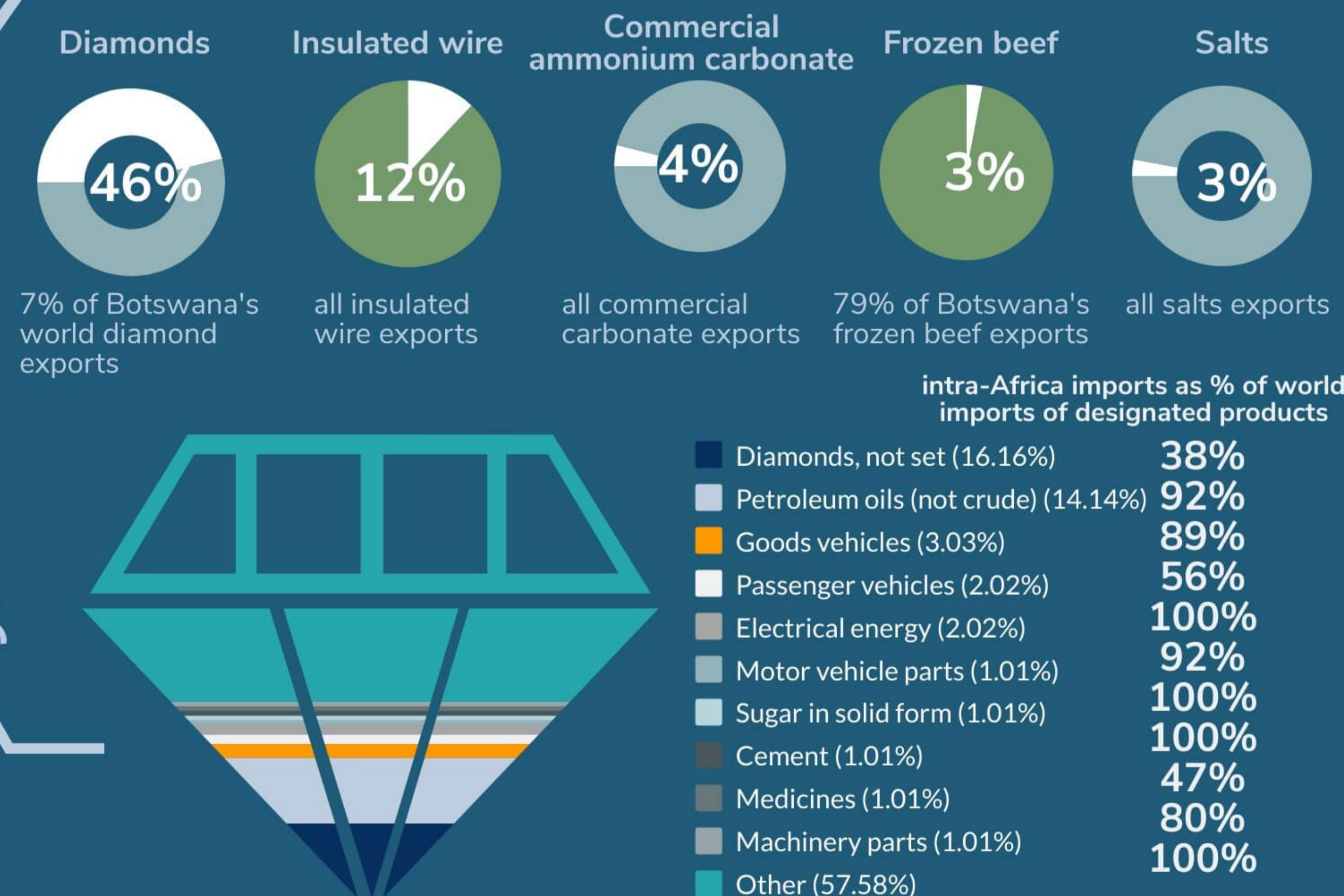
South Africa, Namibia, Zimbabwe & Zambia



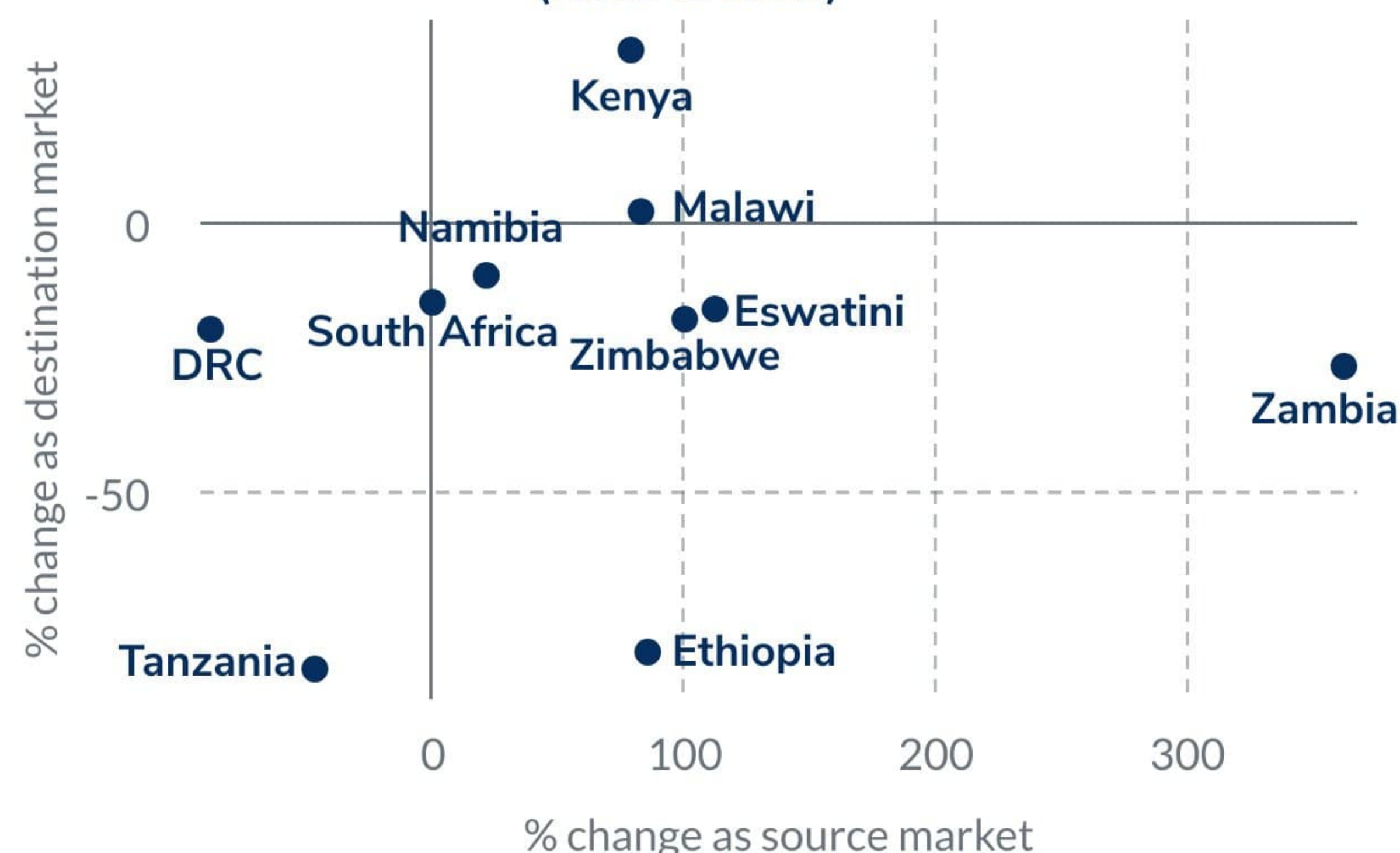
Main source markets

South Africa
Zambia
Namibia
Zimbabwe

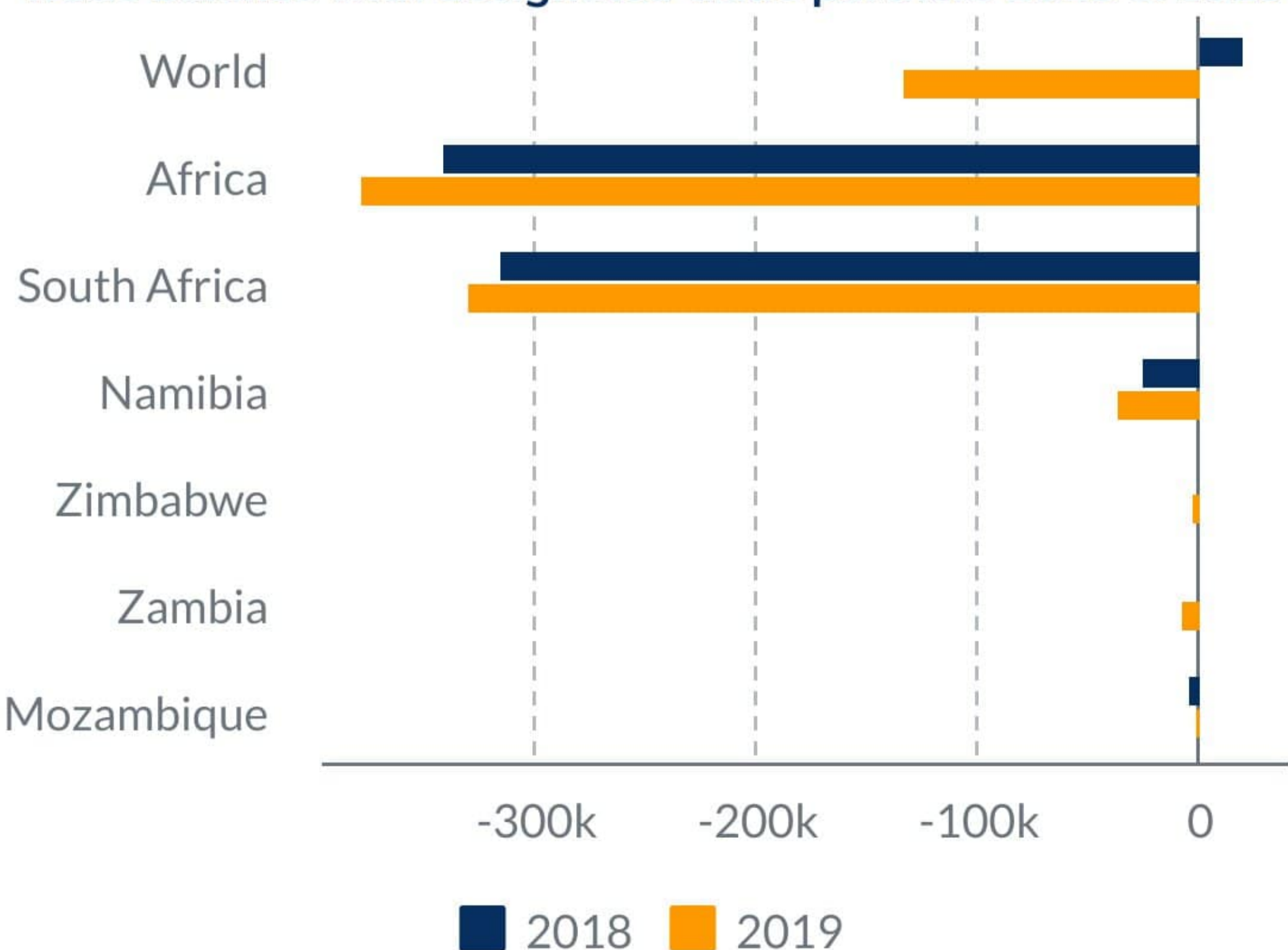
Botswana's intra-Africa trade 2019



% change in exports to & imports from main African trade partners (2018 to 2019)



Trade balance with designated trade partners 2018 & 2019



3. Intra-Africa tariffs & non-tariff cost of trade
Imports from SACU and SADC (excl. sugar, second-hand clothes, original vehicle components parts & wheat flour) enter Botswana duty-free. Imports from countries outside SACU and SADC face MFN applied duties which is the SACU CET with numerous tariff bands, specific & combined tariffs.

MFN duty categories & % of national tariff lines in each category

Duty-free 55%
fresh & frozen fish; eggs; fresh vegetables; spices; medicines; protective clothing, ballet shoes & safety headgear; machinery & motorcycle engines

>0%-5% 3%
frozen cassava, sweet potatoes, yams & arrowroot; avocados, citrus fruits & grapes; soy sauce, ketchup & mustard; beer & ventilators for vehicles with water-cooled engines

>5%-10% 10%
dried fruits; seed & olive oils; iron bars, rods, shapes & sections; dumpers not heavier than 50 tons; off-road logging trucks & certain vehicle parts

>10%-20% 16%
sanitary products; furniture; arms & military weapons; bicycles; airbags, clutches & steering wheels; hearses; basketwork; beauty products & frozen boneless chicken breasts & thighs

>20%-30% 9%
ambulances; slippers & waterproof footwear; linen & curtains; wine & fermented fruit beverages; chicken offal; salmon & blankets & most fabrics

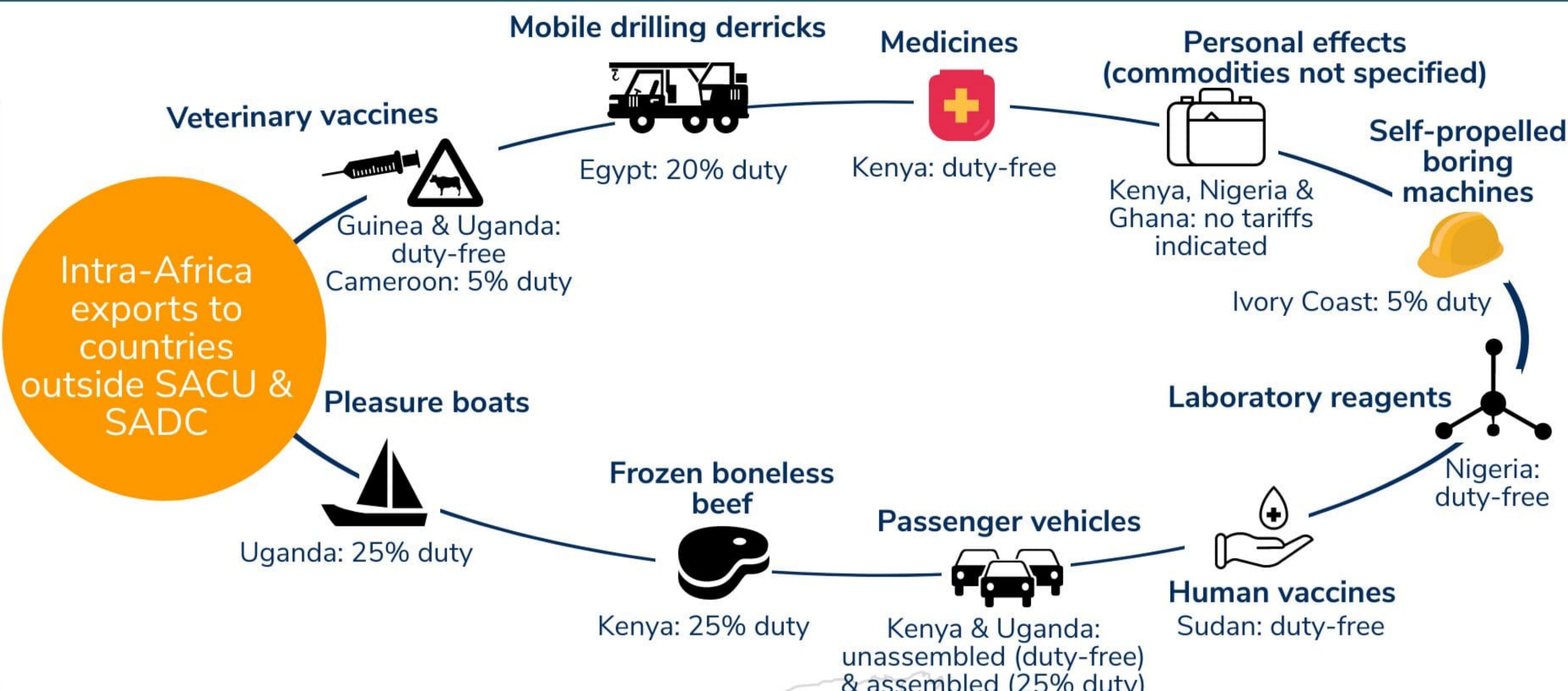
>30%-40% 1%
clothing from textile materials & man-made fibers; frozen chicken cuts; guavas & mangoes; white chocolate; preserved tomatoes & retreaded tyres for buses & lorries

>40% 2%
whole frozen chicken; preserved pineapples; cigarettes; knitted & crocheted clothing & retreaded pneumatic tyres

specific and/or combined 4%
footwear; stuffed pasta; cane sugar; smoked & preserved seafood; wheat flour; roasted malt & coffee; cheese, butter & buttermilk & beef, pork & lamb

Only 0.1% of respective world exports and world imports are sourced from African countries outside SACU & SADC. 0.4% of intra-Africa exports are destined for these African countries - 79% of which to Uganda (veterinary vaccines & passenger vehicles), Guinea (veterinary vaccines), Kenya (medicines, personal effects, passenger vehicles & frozen boneless beef) and Egypt

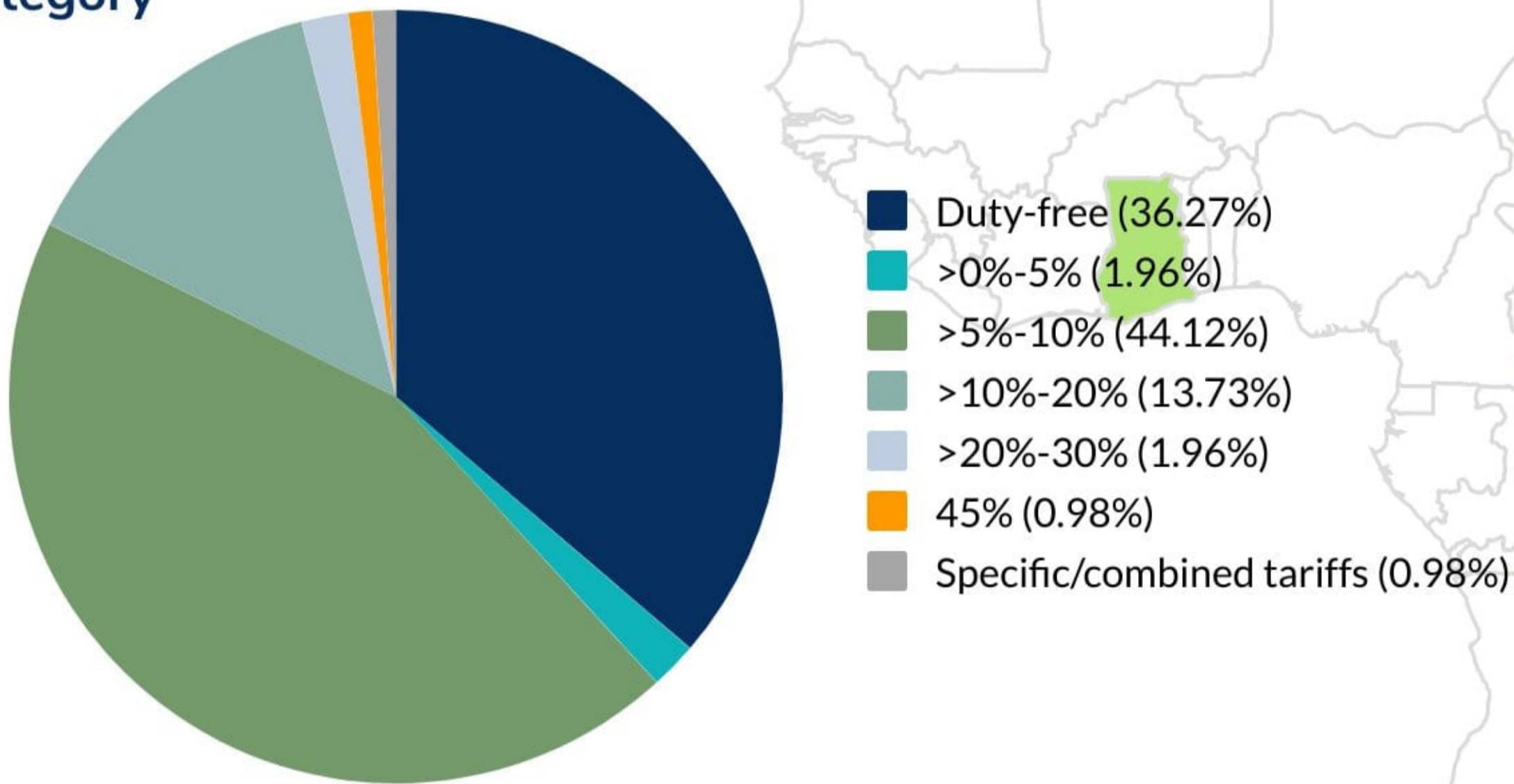
(mobile drilling derricks).
In terms of imports, 0.2% of intra-Africa imports are sourced from African countries not members of SACU & SADC. 58% is sourced from Morocco (mostly electrical equipment), 29% from Kenya (medicines, airplane parts & rope made from plastics) and 4% from Ethiopia (measuring instruments).



Botswana's intra-Africa imports from outside SACU & SADC

Botswana does not source large portions of any particular product from African countries outside SACU & SADC - only 37% of world imports of asphalt products in rolls, 30% plastic ropes imported, 27% of vulcanised rubber tubes & pipes, 13% of voltage meters and 10% of circuit breakers.

Categories of MFN duties & % of 2019 imports in each category



- Morocco (58%)**
 - Circuit breakers (5% duty)
 - Circuit breaker parts (10% duty)
 - Insulated electric conductors (15% duty)
- Kenya (29%)**
 - Medicines (duty-free)
 - Plastic ropes (15% duty)
 - Airplane/helicopter parts (duty-free)
- Ethiopia (4%)**
 - Measuring instruments (duty-free)
 - Voltage meters (duty-free)
- Egypt (2%)**
 - Fruit juice mixtures (20% duty)
 - Asphalt items in rolls (15% duty)
- Ghana (1%)**
 - Machinery parts (duty-free)
 - Iron pipes & profiles (10% duty)

Of the top 20 import products 9 products are imported duty-free - medicines and antibiotics, measuring instruments, airplane parts, mobile telephones, self-propelled construction vehicles, vaccines, voltage meters & diamonds. The highest ad valorem tariffs applied to imports are 20% (fruit juice mixes). 15% duties are levied on imports of circuit breakers, plastic ropes, vulcanised rubber pipes and articles of asphalt in rolls.

The non-tariff cost of bilateral trade between Namibia & designated trade partners

The ESCAP-World Bank trade cost database include the cost of transportation and the time to complete import procedures and obtain necessary information as non-tariff costs affecting bilateral trade between trade partners. The data shows that the cost of agriculture goods trade between Botswana and all trade partners are higher than the cost associated with trade in manufactured goods. The cost of agricultural goods trade with Tanzania is higher than the cost of trading agricultural goods with France & Germany. Trade in manufactured goods between Botswana & Zimbabwe, Botswana & Mozambique and Botswana & Tanzania is double, five times and seven times the respective cost of manufactured goods trade between Botswana & South Africa.

