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‘SEE HER EMPOWERED’

At the recent US-Africa Summit, emphasis was on empowering African businesses to explore global value chains. Absa Bank Botswana Managing Director Keabetswe Pheko-Moshagane stresses that the new SHE Account at Absa can help women spread their wings.



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EDITORS NOTE

It brings me great pleasure to issue to you the second quarter (q2) edition of the Financial Journal, a premium glossy, and first of its kind financial magazine published by The Business Weekly & Review (independently) each quarter of the year.

Conception of the Financial Journal was driven by several factors. Chief among such factors was to fill the wide gap of the unavailability of financial reporting in the media. Through our financial journalism, we also play a patriotic role of offering financial literacy. We do so by engaging the corporate and financial sector and publish topical issues that may not only raise awareness about latest trends in the financial sector, but also discuss policies that shape development of the financial sector

in general. We unpack available investment products in the financial sector (banks and capital markets) to help advance financial inclusion.

The Financial Journal q2 focuses on two areas, being the US Africa Summit as well as celebrate Botswana women in leadership positions in the corporate and financial Sector.

At the recent US-Africa Summit, emphasis was on empowering African businesses to explore global value chains. One of the topical issues at the US-Africa Summit was lack of access to finance, especially for SMEs and women entrepreneurs. While that is the case, this edition features some of the ways through which the financial sector in Botswana can assist Botswana businesses to benefit

from global value chains through tailor made financial services, capital markets as well as technical and non-financial support.

While at it, this edition also celebrates impactful women in the financial sector. These are the female leaders captaining large portfolios in blue chip corporates that drive Botswana's economy. Globally, women empowerment issues are topical. Moreover, participation of women in leadership positions is also a widely discussed issue. In Botswana though, we have of recent seen several women being ascended to positions of power, in leading banks and other key financial institutions and corporates generally. The same continues to happen even at government level and in political positions. This is worth celebrating, and well-done Batswana!





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'SEE HER EMPOWERED'

At the recent US-Africa Summit, emphasis was on empowering African businesses to explore global value chains. Absa Bank Botswana Managing Director Keabetswe Pheko-Moshagane stresses that the new SHE Account at Absa can help women spread their wings.



KEABETSWA NEWEL
Managing Editor -
The Business Weekly & Review

Botswana recently hosted the US-Africa Summit which focused on Enhancing Africa Value in Global Value Chains.

One of the topical issues at the US-Africa Summit was lack of access to finance, especially for SMEs and

women entrepreneurs. The Absa Botswana MD was adrenalised by the fact that Absa Botswana recently launched what they call the SHE business account. She says the "See Her Empowered" Account - "SHE" Account, for short - is a key product

dedicated to women. "The SHE Account is more than just a banking service; it is a symbol of Absa's dedication to supporting women-owned businesses and advancing gender equality," Pheko-Moshagane explains. "Our research has shown that women entrepreneurs face a

complex blend of challenges in Botswana, with limited access to finance being the greatest challenge despite the availability of multiple sources of finance from banks and government agencies."

Moreover, there is a growing focus on improving women's access to financial



products and services to help them transform their lives, but financial inclusion, in a broad sense, is about ensuring equitable access to and use of affordable, appropriate financial products and services that meet people's needs.

Empowering and enabling women-led enterprises,

says Pheko-Moshagane, has far-reaching ripple effects on communities and economies. "As the saying goes, 'Mosadi thari ya sechaba,' " she asserts.

"This is not the first time we take a lead in addressing the needs in our communities. We have the Motshelo

Account, which encapsulates the way groups save together to achieve their individual and collective ambitions."

Explaining the SHE Account further, Pheko-Moshagane says it aims to provide increased financial support to women and equip them with technical and non-

financial support. This will be done by providing business information and access to funding at preferential rates, mentorship and coaching, and access to markets through linkages and networking on Absa marketplace platforms.

"Furthermore, women will have access to free

business development training and free access to the bank's Enterprise Development Centre, which has workstations, a boardroom, Wi-Fi, and printing facilities," she explains.

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AFCFTA

At the recent US-Africa Summit, emphasis was on exploring global value chains. Pheko-Moshagane stresses that the new SHE Account can help women spread their wings to do so. “We strongly believe that being a pan-African bank means a lot when such conversations are being held,” she says. “We are eager to ensure that our local home-grown businesses can take centre stage in the global arena. The opportunities presented during the summit have the potential to benefit a lot of SMMEs.”

A subject close to her heart is the African Continental Free Trade Area (AfCFTA) and the opportunities it brings.

“We recently partnered with the Botswana Government in hosting one of the engagements on AfCFTA,” she discloses.

“Absa is an enabler of smooth trade between the member states. We are more than ready as a pan-African bank to partner with businesses that want to expand across the continent as opportunities are endless. We already have an expansive footprint across the continent.”

While helping local businesses spread their wings to benefit from AfCFTA and tap into global value chains, Absa wants to evolve into a digitally-powered business with end-to-end experiences for its users.

The Absa Bank Botswana Managing Director says Absa is positioned to assist its customers tap into the global value chains and believes the theme resonates well with the Absa strategy and the way the bank does business.

She believes that Absa will continue to play a critical role in the implementation of the African Continental Free Trade Area (AfCFTA) through provision of long-term financing of large-scale infrastructure projects and much-needed liquidity to support trade. This, she adds, will be achieved by working closely with the development banks and multi-lateral development banks, as well as partnering with fintechs and

other key players in the ecosystem.

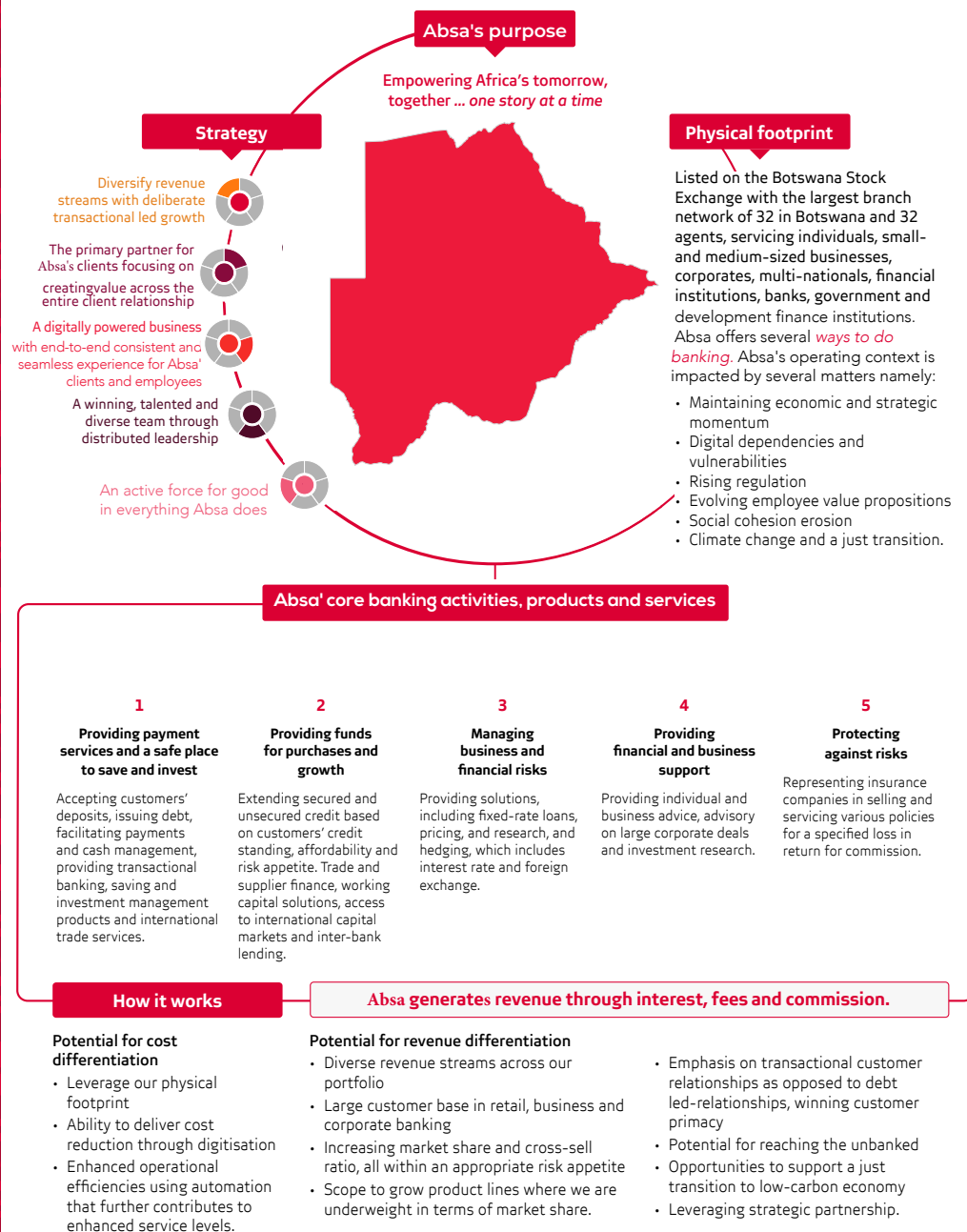
“Provision of financing to the public sector, which is the engine of Africa’s regional integration, remains an area of focus,” Pheko-Moshagane notes. “Absa also provides access to trade finance across the continent to support trade, which is a key enabler to economic recovery and growth.”

She points out that Absa’s experience of doing business in Africa and its comprehensive solutions are strengthened by the bank’s partnerships with various development banks, which means they are well-positioned to support clients and their businesses.

“We can only encourage the business community to take advantage of these opportunities to partner with overseas companies and explore new horizons,” she says.



‘SEE HER EMPOWERED’



Source: Absa Financial results

“Absa will continue to play a critical role in the implementation of the African Continental Free Trade Area (AfCFTA) through provision of long-term financing of large-scale infrastructure projects and much-needed liquidity to support trade.”



CUTTING-EDGE BANKING APPLICATIONS

The MD of Absa Bank Botswana says her bank is progressing “very well” in this regard, as evidenced by its ambition to continuously innovate and bring in up-to-date and new solutions that improve customer experience. The bank is backed by a robust technological infrastructure that continues to support its innovative ideas that it offers as solutions to clients and customers. Technology, says Pheko-Moshagane, continues to be at the pinnacle of how Absa does its business. “We believe that we can provide for the unbanked using digital and technological solutions, thus driving inclusive financing,” she says.

As a matter of fact, it has been hazarded that the technology, innovation and the bank’s digitally-oriented strategy may be the reason why Absa Botswana is led by Pheko-Moshagane. Although she leads the second-largest bank in Botswana by value, she did not come from a finance background. What marks this woman out is her belief that she is an example of how dedication and hard work break barriers. She holds a Bachelor of Administration in Information Technology

specialising in IT Management and Business Applications from Tshwane University of Technology and a Master’s in Business Administration from the Management College of South Africa (Mancosa). “I recently completed a programme in Positive Leadership and Transformation with IE University, Spain and have attended several leadership trainings, such as the Absa Leadership Academy Programme that is conducted in conjunction with IMD Business School in Switzerland,” she reveals.

STEEPED IN IT

Pheko-Moshagane has always been inspired by the career opportunities in the IT sector and the possibilities they present. She believes that each and every economic sector or business needs innovation and technology, hence Absa’s digitally-focused strategy. As an IT professional, she has spent the better part of her career so far creating strategic innovative solutions for blue chip corporations across Southern Africa.

She started her career as a consultant for Falcorp Technologies in South Africa after completing her first degree.

“During my time at Falcorp,” she recalls, “I had the opportunity to work on various projects for large entities like Telkom South Africa, Absa Bank Botswana, and Absa Group.” She joined the Absa Bank Botswana as Head of Core Banking Applications in October 2010, a role that was responsible for creating technology-based, convenient transacting applications. She also had the privilege to serve as the Chief Operating Officer (COO) for the bank and drove key projects in the IT space prior to Pheko-Moshagane being appointed Managing Director of Absa Botswana in April 2019.

“We strive to be at the forefront of adopting technology and innovation,” she states. “We are a digitally-powered bank that continuously engages other stakeholders in developing and harnessing the benefits brought about by technology. We continuously bring new and improved solutions to our clients.” True to form, at the beginning of this year, Absa launched a digital onboarding solution that enables clients to open savings and current accounts without the need to visit a branch. “We recently introduced The Absa Mobi Tap, an innovation that is first to market for Botswana and is testament to the bank’s ambition to enhance our merchant and customer experience by facilitating for ease of payments on both sides of the value chain,” she says. The Absa Mobi Tap offering is a soft POS solution that allows merchants and SMMEs to use their phones in place of traditional Point-of-Sale devices to process contactless card transactions.

The MD of Absa Botswana says this solution essentially transforms smartphones and

tablets into secure contactless payment terminals that require no additional hardware, plug-ins, card-readers, or dongles to accept PIN protected card payments, which also means lower costs. She adds that they continue to collaborate with fintechs and other progressive partners for solutions that see Absa develop tailor-made products for clients and customers.

TOP EMPLOYER AWARD

Over the years, Absa has won several awards and scored many key milestones. For example, for the second year running this year, Absa Bank Botswana has won the prestigious Top Employer awarded by the Top Employers Institute. “This is a huge deal for us at Absa,” says the MD. “As we continue to shape our institution to be the best place to work, our people remain at the pinnacle of everything that we do.

This is a woman who is proud of her career at Absa. “My key task when I took over as MD was to lead the team with the Brand Name Change and the transition to the Absa brand,” she notes. “The entire journey has been profound, and I am thankful for all the support from the people around me, for I would not have made it without it. I want to believe that assuming the role of Managing Director and leading people during the pandemic has been one of those moments I will continue to be proud of. Our transition from Barclays to Absa, which we did flawlessly within budget and timeline, is one that I will never forget because it was the largest transition of that scale to ever occur on our African continent.”

STEREOTYPES OVERCOME

Her passion has always been about helping people. From a young age, Pheko-Moshagane always desired to have an impact on the lives of others.

“The ambition to lead has therefore been informed by the need to serve society,” she says of herself. “I knew that some day I would attain a higher role, and when I was given the responsibility to lead an organisation as big as Absa, it was a humbling moment as it afforded me the opportunity to play a critical role in the lives of many Batswana and the broader economy of our country.”

She was aware that when one gets into senior leadership positions, stereotypes may hinder acceptance and progress, but she overcame whatever prejudices might have been there.

“It has been a long-held view that certain leadership positions are the domain of males or a few alpha females,” she says. “My ascendance to my current role is a testament that it is possible to attain the highest position in any organisation if one puts one’s mind to it.” Pheko-Moshagane is keenly aware that some people believe that only those with strong accounting and finance background are in pole position to lead a financial institution.

“But here I am leading a big bank with an IT background,” she says. She sits on the Boards of Absa Bank Botswana and Absa Life Botswana, having previously chaired the Board of the Bankers Association of Botswana.



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METROPOLITAN

**KITSO DICKSON**Business Editor -
The Business Weekly & Review

Tshepiso Mokgethi-Magapa speaks so fondly about her rise to the position of Treasurer at the country's largest bank, First National Bank Botswana (FNBB). As she thinks about it, she considers how she was fortunate to have had the opportunity to have been exposed to all of the bank's operations prior to joining treasury.

"This shaped the holistic banker in me which has empowered me in the Treasurer role," she says in an interview with The Financial Journal, noting that she can appreciate the requirements and challenges in other functions and is thus able to solve and address their pain points.

She says her passion to continuously challenge herself and learn makes her adaptable and helps her to keep up with the ever-changing treasury landscape. "The role requires decisiveness, emotional intelligence, and ability to deal with complexity, to mention just a few," she notes.

She feels she was also fortunate to have a husband who has performed various leadership roles across different

industries and is heavily invested in her growth, and most importantly, who believes in her abilities. "He therefore is able to provide the necessary support and mentorship and continuously challenges me to become better in order to reach my full potential."

DFIS

Tshepie was appointed FNBB Treasurer effective 10 July 2023 from Bank Gaborone where she had held the position of Treasurer for the last seven years, having been with the bank for 15 years in different

treasury management roles.

Tshepie brings her extensive experience in providing strategic leadership and direction to the Treasury Division at FNB and managing the bank's treasury activities to ensure sustainability through appropriate capital, funding, and liquidity management. Treasury is a bank within a bank and oversees most mechanisms that drive financial returns. These include asset and liability management, funds transfer pricing, portfolio management, prudent funding and liquidity management,

capital optimisation and overall management of the bank's financial resources. Tshepie's portfolio consists of asset and liability management, balance sheet management, financial resource management, as well as risk and governance.

STRATEGIC DIRECTION

As FNBB Treasurer, she provides strategic direction for the bank's treasury function and manages the activities that ensure sound financial management and sustainability. Clients and stakeholder (internal and

external) relationships and collaboration are also integral to her role. In general, she says for one to be a good fit in treasury, one needs to be predisposed to quantitative and qualitative analysis, have interest in the global economy and research, pay great attention to detail and have the ability to work in a high pressure environment because quality and speed are required to the same degree.

A key issue that she ponders in her field is the much-reported liquidity cycles, which banks experienced in

THE GOOD FIT IN TREASURY

Tshepiso Mokgethi-Magapa's passion to continuously challenge herself and learn makes her adaptable and helps her to keep up with the ever-changing treasury landscape



Tshepiso Mokgethi-Magapa
Treasurer - First National
Bank Botswana

“

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the past years. Liquidity has recently been a topical issue in Botswana, with the banks competing for deposits. Although COVID-19 is no longer a global health emergency, Tshepie says it certainly had an impact on both global and local activity. “Since 2021, there have been several activities that have contributed to a decline in market liquidity,” she says and explains that these include heightened FX flows as economic activity ticked up, as well the lifting of FATF grey listing.

She observes that funding rates have increased gradually over the past year, owing to inflationary pressures that persisted locally and globally. This has also had an impact on the risk-free curve which shifted upwards during the period. “Increased frequency and quantum of government bond auctions have also

impacted pricing from a demand/supply perspective,” she says, noting that inflation has now reverted to the Bank of Botswana’s objective range in a shift in trajectory that could also imply that rates could gradually moderate.

REPATRIATED FUNDS

Tshepie turns her mind to the revised pension fund Act that will see an increase in domestic pension fund allocation, rising from 30 percent to 50 percent by 2027. Her view is that the repatriated funds are likely to be invested in short term/

money market instruments while awaiting re-investment in more lucrative assets with a longer duration. “This also presents an opportunity for the market to enhance their product offering to absorb the funds, which we are well-positioned for.” Long-term funding is raised as part of the overall balance sheet strategy, she says. “This is to ensure that the balance sheet remains resilient and diversified. The bank currently offers products to cater for various customer needs, given prevailing market conditions.”

Regarding the changes to the monetary policy by the Bank of Botswana, Tshepie observes that the revision has since led to improved signaling in the policy rate and additions such as the establishment of the Standing Deposit Facility and Standing Credit Facility. She describes this as “beneficial” because it has provided a more stable interest rate corridor that encourages interbank activity.

“The 1-month BoBC has enhanced liquidity planning for banks, as well as price discovery on the shorter end of the yield curve,” she notes.

Tshepie is experienced and knowledgeable in non-interest income growth through trade activities, sound risk management, and stakeholder relations. She has consistently pursued professional development opportunities to keep abreast of financial market trends through training in Asset and Liability Management, Fixed Income, Capital Management and a few other areas acquired from different institutions. She holds a Bachelor of Business Management from the University of Botswana, an Associate Diploma in Banking from the Institute of Bankers Botswana, an ACI Dealing Certificate, Senior Management Development Programme.

OF MAKGABENYANA'S RISE, SMEs AND TRADE OPPORTUNITIES

Her role is to provide strategic direction to identify business growth opportunities, be it from existing clients, new to Bank clients, product penetration, delivery of new product to market, maximising portfolio cross sell opportunities and strengthen client relationships and deliver unmatched client experience through continuous improvement in usage of e-channels to ensure the most effective way of banking FNBB clients, while increasing profitability.



KITSO DICKSON
Business Editor -
The Business Weekly & Review

Jennifer Makgabenya's educational background includes attending primary and secondary schools in Government schools in Botswana. She then completed a Diploma in Accounting and Business studies in Zimbabwe. Jen started professional

Banking qualifications with Institute of Bankers in South Africa and later transferred to Institute of Bankers Botswana where she completed Associate Diploma in Banking. She also holds a Masters in Business Administration. She tells us that she has attended several training courses in management and leadership including Relationship Management, Advanced Commercial lending, Credit Skills Development program with IFS School of Finance, London, Leadership Development Program with University of Stellenbosch.

LEADERSHIP

Jen joined FNBB in 2010 and has had the opportunity to lead teams at FNB Commercial as Head of Sales and Service. This was the beginning

of her leadership journey. She later joined RMB Botswana in 2013 as Senior Relationship manager, the position she held for 2 years until another opportunity to be Head - Coverage in Mozambique was presented in 2015. Later in 2018 she came back to Botswana as Head Coverage RMB Botswana until 2021 when she left for another leadership opportunity to Head Corporate and Investment Banking FNB Ghana.

Throughout these roles, she was exposed to leadership and personal development training through both RMB and FNB, including the prestigious RMB Lead program, FNB Lotus Women in Leadership. Currently she is pursuing a qualification and accreditation in Coaching for development with University of Cape

Town, a skill which she says she will use to coach others in their pursuit for personal development, building new skills and competences.

PORTFOLIO

As Director – Commercial Segment, Jen says she is responsible for the strategic management of all areas across the Commercial Segment, its people and other resources, to ensure sustainable growth of FNBB's consolidated Balance Sheet and Income Statement. Her role, she says, is to provide strategic direction to identify business growth opportunities, be it from existing clients, new to Bank clients, product penetration, delivery of new product to

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OF MAKGABENYA NA'S RISE, SMES AND TRADE OPPORTUNITIES

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market, maximising portfolio cross sell opportunities and strengthen client relationships and deliver unmatched client experience through continuous improvement in usage of e-channels to ensure the most effective way of banking FNBB clients, while increasing profitability.

Commercial Banking is a segment of FNBB that provides a full range of financial services, including vehicle and asset finance, trade finance and related foreign exchange, letters of credit, purchase order finance and overdrafts. Commercial Banking serves the upper commercial, lower commercial, SMEs and Public Sector. The segment also provides Agriculture and Tourism, Commercial Property Finance, Structured Trade Finance and Islamic Banking services and Asset Based Finance.

Jen has noted that commercial banking market in Botswana is highly competitive and homogenous. Key differentiation she highlights come from the value proposition on different products and the service experience model. She reckons that potential for growth and development on this market is predetermined and influenced by the national transformation agenda particularly post COVID-19 pandemic.

"Future growth and development in this market will come from Commercial and Business Banking, enabling and growing entrepreneurship to address the national transformation agenda."

As a key participant in the Botswana Banking Sector, FNBB Commercial Segment provides innovative lending solutions across multiple economic sectors. Makgabenyana explains that participation per sector is influenced by economic outlook, alignment to key government initiatives (including citizen economic empowerment) and the Bank's appetite aligned to its explore, maintain and grow sector strategy. Some of the key focus sectors include agriculture, tourism, transport

& logistics, energy, construction, mining services & supplies, and trade.

SMES

At FNBB, she says they understand and value SME clientele. Which is why they have a designated department within the Commercial segment that looks after the SMEs. She tells us that they continue to come up with innovative and tailor-made solutions for clients, realising that there was a need to come up with a lending solution for SME clients. This credit lending platform was geared at simplifying the credit application process.

"Affordability is derived from the account conduct, it is a behavioral tool, i.e. tracking of the account turnover, there should not be failed debit orders nor returned cheques, and instant qualifying amount is shared with the client on the spot," she states. "There is no need for Financials which has turned out to be a major barrier for SMEs." She explains that this facility is unsecured which speaks to the SMEs who mostly do not have the necessary collateral. FNBB offers Asset Based Finance – Innovative solutions for businesses' vehicles and equipment which is critical to the daily operations, development, and growth of the business and commercial property finance: Finance for commercial, industrial, retail and residential development.

Purchase Order Financing solution

Purchase Order Financing solution is an end-to-end Structured finance solution specially designed to suit Small Medium Enterprise clients' financing requirements to deliver their purchase orders. Jen says the bank uses the purchase order awarded to a company as a security for a short-term facility for the SME to supply the goods. "The Supplier of the goods would require payment upfront or a letter of credit/guarantee. The Bank would assume this risk of issuing the letter of credit



or guarantee on behalf of our SME client."

TECHNOLOGY AND CONVENIENCE

Provision and expansion of different banking channels that are self-service i.e., 24/7 Online Banking and FNB App to meet the needs of a diverse and constantly evolving client base in the SME commercial sector is one of the ways of the bank is moving away from the traditional ways of banking that she mentions.

The convenience of the digital banking platforms allows businesses to bank from anywhere, anytime. Jen acknowledges that SMEs are generally mobile people and need solutions that could speak to their day-to-day in their businesses. As FNBB, she says they lean more towards digital drive for clients to provide efficiency and productivity in their businesses. "We have the different platforms that are tailor made for our SMEs to do their banking on the go," she tells us saying "our online banking solution enable the SME to make payments to suppliers, receive payments and pay salaries to mention a few".

The FNB App allows the customer to

do banking on the move as they transact from their mobile device. FNBB has zero-rated the app across all networks thus allowing customers to have access to digital platforms without worrying about data. "Our Forex- online enable our clients to make transactions across the border without coming into our branches thus offering convenience," she says adding that the bank also has CashPlus agents that enable clients to do banking beyond the normal banking hours. This is also a partnership between the bank and its clients to generate some revenue by becoming a CashPlus agent in the different parts of the country, especially where it does not have footprint. "We have recently launched the business reserve account which allows start-ups to have an account for pre-trading requirements, for tender purposes and for any other licensing requirements."

CEEP

The Citizen Economic Empowerment program and value chain financing forms an integral part of FNBB's shared value stream, and a commitment towards nurturing development and growth of a vibrant SME sector in the country. Through



the scored credit system (a seamless automated credit assessment), and tailored Asset Based Finance (ABF) and working capital solutions, the Commercial Director says the bank made it easy for SMEs seeking value chain finance to access the funding.

“The bank has pledged P500K under each partnership to support Citizen companies which are given contracts by these partners,” she says adding that their commitment towards Botswana Oil will guarantee appropriate funding for Citizen Companies which have been appointed under the Botswana Oil/ Debswana Contract. “As a bank we are committed towards Citizen Economic participation and value chain financing.”

FNBB’s SME’s Enterprise Supply Chain and Development programme’s role in developing small enterprises in Botswana is of an Advisory and Financier. The bank positions itself as a support to small enterprises that require leveraging mechanism and solutions resulting in the growth of the entity. FNB offers SME advisory solutions as well as funding aimed at assisting the business to either meet demand or increase their footprint.

“Affordability is derived from the account conduct, it is a behavioral tool, i.e. tracking of the account turnover, there should not be failed debit orders nor returned cheques, and instant qualifying amount is shared with the client on the spot”

TRADE

As the African continent opens up for trade, and as more local businesses look at expanding businesses across the continent. Jen says FNB through its holistic banking solutions across the Lend, Transact, Invest and Insure pillars ensures that companies considering expansion across the region are digitally enabled, get access to funding and appropriate tailor made

solutions to help businesses gain more financial flexibility, capital to inject into businesses’ growth, expansion, and acquire assets or additional business opportunities.

Through its broader Africa presence, extensive knowledge of the African markets, seamless franchise experience, she says FNB offers critical insights and advisory to businesses looking beyond Botswana borders and those flowing to Botswana to invest. “We are deeply invested in creating regional brands by sharing our local, regional and continental experience with our existing and prospective client for growth and wealth creation.”

Jen says the African economies have wealth in terms of resources, yet access to finance impedes efforts to unlock that wealth. FNBB observed the challenge or this gap and designed a product or solution for SMEs in Botswana to expand their businesses.

AFRICAN CONTINENTAL FREE TRADE AREA (ACFTA)

At FNB Botswana, the bank believes the establishment of the African Continental Free Trade Area (ACFTA) presents several opportunities for both the bank and the Small and Medium

Enterprises (SME) sector in the country. As a bank, Makgabenyana says they certainly are adept at proactively identifying potential opportunities that the ACFTA brings and how the bank can readily partner with Botswana businesses to help them take advantage of this free trade area. From its perspective as FNB, she shared are some of the key potential opportunities with us.

- **Increased Market Access:** The ACFTA creates a single market of over 1.3 billion people for goods and services across African countries, providing Botswana SMEs with access to a larger customer base. As FNB we intend to support SMEs in expanding their reach by providing financial solutions that support market entry into other African countries, facilitating cross-border transactions, and offering trade financing to mitigate risks associated with cross-border trade.
- **Diversification of Business:** The free trade area opens up opportunities for Botswana businesses to diversify their product and service offerings. As a bank we will do well to provide bespoke advisory services and financial support to SMEs seeking to explore new markets and develop products that cater to the needs of customers in other African countries.
- **Supply Chain Optimisation:** With reduced trade barriers, SMEs in Botswana can optimize their supply chains by sourcing inputs and raw materials from different African countries. As a bank we are well positioned to offer trade finance solutions such as letters of credit and supply chain financing to support businesses in managing their cross-border procurement activities, such as sourcing raw materials from different member countries.
- **Digitalisation solutions:** To operate effectively in the ACFTA, businesses may need to adopt digital solutions and technologies to streamline processes, reduce costs, and enhance efficiency. The bank can offer digital banking solutions and advisory services to help SMEs embrace digital transformation and stay competitive in the regional market.
- **Risk Management and Compliance:** Entering new markets comes with various risks, including currency fluctuations, political instability, and compliance challenges. The bank can play a crucial role in providing risk management solutions and advisory support to SMEs, ensuring they are well-prepared and compliant with regulations in their target markets.

MONKGOGI MOGOROSI

Introducing the human behind the title

Her “can do” attitude and drive to be a better version of herself today than she was yesterday propels her to keep challenging her limits



KITSO DICKSON

Business Editor -

The Business Weekly & Review

Monkgogi Mogorosi commonly known as Mo is the Director - Retail Banking at FNBB. A seasoned retail banker with over 18 years' experience in retail banking, her experience spans across various portfolios. She has covered product development and full product lifecycle management (deposits and lending), management of the retail banking portfolios through customer segmentation and profitability

management, management of high performing teams in branches and high value segments and management of customer experience through relationship managers and customer contact centres.

The holder of a Finance Degree from Virginia Commonwealth University in Richmond, Virginia, USA and a Master's in Strategic Management from the University of Derby, Mo has done digital product management, mapping of customer journeys on digital platforms to enable access to end-to-end offering of retail products through digital platforms. Mo also holds a Digital Business Strategy certification from Massachusetts Institute of Technology, MA USA and a Management Development Programme certificate from the University of Stellenbosch, Stellenbosch in South Africa.

She has led teams in building and deploying of digital banking solutions using agile methodologies across multiple African markets.

Her relationship building acumen and unique ability to adapt quickly to new and challenging environments has positioned her well to work in foreign markets and to thrive in challenging situations. She tells this publication that her “can do” attitude and drive to be a better version of herself today than she was yesterday propels her to keep challenging her limits.

INTERNATIONAL EXPOSURE

“My willingness to go beyond my call of duty, roll up my sleeves and find solutions, has accorded me the opportunity to have voices speaking on my behalf in rooms I have never been

in,” she says of herself. “And I don't take that for granted.”

To this day, Mo considers her work experience in Zambia an exciting highlight in her career. Quite surprisingly, she says it was even more exciting than living and working in Dubai. She believes this is where her leadership capabilities and people management skills were challenged and refined. “Having to adapt to a new work and social culture, learn a new economy, and consumer market and deliver banking solutions that were relevant was a worthwhile challenge,” she recounts.

Mo credits one of her mentors for great leadership which kept her on her toes because she had to make sure that she quickly blended in and started delivering results. Mo says that her mentor taught her to take interest “in the human behind the

title”. To this day, she finds this a powerful tool in creating humane connections in the workplace.

Mo has worked in various international markets including Dubai and Zambia which has given her exposure in delivering digital banking solutions as well as working in fast paced environments.

This broadened her horizon even more as she got to pick best practices in work ethics from different cultures and got exposed to the regulatory environments of other markets and understand how regulations in some markets enable digital adoption by consumers.

FROM INFANTS TO SENIOR CITIZENS

As Retail Director at FNBB, she looks after the Retail Banking Segment of the bank, which provides financial solutions for FNBB's

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individual clients throughout their life cycle. Mo points out that FNBB's value proposition covers people as clients from infants to senior citizens. In practical terms, this means a bank that has relevant solutions for individuals at every stage of their lives.

The solutions cater for transacting, savings, investments, borrowing, insurance needs and even Shariah compliant Islamic Banking offers. The Segment's value proposition is anchored around providing exceptional customer experience and through the bank's various touch points. "We are a digital-led organisation," Mo emphasises. "As such, we endeavour to provide easy to access financial services for FNBB clients. Our mandate covers any individual client's life cycle with banking - from onboarding to even offboarding, where required."

Since assuming her role as Retail Director, she has observed that the Botswana retail market has become quite competitive over the past couple years. She asserts that there has been a rise in the deployment of innovative financial solutions, most of which are digital lead.

"The future of retail is digital, and the market is now catching up to this reality," she says in this interview.

"This is all great as it offers consumers various options to choose from. It encourages us as service providers to up our game and ensure that



Monkgogi Mogorosi
Director - Retail First
National Bank Botswana

we provide our clients with world-class services."

NEGATIVE LISTINGS

Mo observes that the past couple of months have been characterised by immense pressure on the consumer following economic pressures caused by escalating inflation

and rising interest rates. This has led to a significant reduction in household liquidity to a point where some consumers have started exhibiting signs of financial stress. These include not sufficiently providing for monthly deductions in their accounts, including for loan

repayments.

Mo says this in turn leads to loans going into arrears and even becoming non-performing loans in some instances, which results in negative listings on credit bureaus and people's credit histories being harmed. "We have seen an increase in job

losses as well, with various employers reported to have applied for Section 25," she says, adding that some households are now left with a single income source, putting a further strain on finances as prices of basic goods have been on the rise.

EMPOWERING YOUNG AFRICANS FOR A DIGITAL FUTURE

Group Chief Executive of Letshego Group, Aupa Monyatsi, holds that finding innovative ways to empower fellow Africans with digital and entrepreneurial skills will not only build future leaders but will also support future economic growth to carry the continent's rapidly growing population. The pan-African micro-finance firm is beginning to achieve results in this arena with its LetsGo Digital Mastery Programme that it hopes to ultimately implement in all its markets, having first launched in Botswana where the programme is in alignment with the government's goal of transforming the country into a knowledge-based economy.



KEABETSWA NEWEL
Managing Editor -

The Business Weekly & Review

As a leading pan-African micro-finance firm, Letshego Group's role in the 11 regional economies that it operates in is not simply about making money. Group Chief Executive Officer, Aupa Monyatsi, says the Group responds to the need to embrace digital inclusion as a tool to enable economic growth, especially in today's digitally-led economies.

In early 2022, Loatile Nkala, aged 26, saw an advertisement that Letshego was launching a programme where people could be taught digital entrepreneurial skills. "I was interested and became eager to learn about it," she says in an interview.

Having founded a technology-driven company called Doctors E-Consult, Nkala knew that these skills would come in handy

for her. She explains that Doctors E-Consult is a company established to create convenience for people to access all medical health services in the comfort of their homes.

"I joined the LetsGo Digital Mastery Programme and got inspired because I saw this as a rare opportunity to gain knowledge in the technological and digital environment," Nkala says. The programme was especially important for her because although her speciality was not in IT, her passion was in the tech space.

DIGITAL DIY SKILLS

"I studied law for my undergraduate degree but I never practiced law because I felt it was not for me," she explains. "I loved tech, so I went the route of becoming a technology and data protection lawyer. I then supplemented my law degree with professional certification (CIPP/E) and became a certified information privacy professional. I also gained ISO 27001 certification, which is about implementing robust information security management systems."

For the past 11 months during which she has been with the Letshego Mastery Programme, Nkala has

acquired digital DIY skills. "I can build products with no code solutions," she says of her expertise. "I understand product development better - from ideation, prototyping (which I can do myself) to writing a full business case for implementation. I understand how to validate a business solution with little to no spend. We have spent time in Letshego's different value streams, so I understand how the practical side of business works. The programme is very practical."

Geomatics Engineer Lone Lottering, attests to the skills acquired by Nkala firsthand because, as he says, the programme has exposed him to invaluable skills and knowledge in digital entrepreneurship, leadership, and innovation capabilities such as Lean Innovation and Customer Engagement. This is where he actively engages customers across all markets to capture feedback as early as possible, thereby maximizing the power of data in a product's development cycle. Lottering, who is 25 years old, says a customer-centric approach helps in identifying opportunities to enhance customer experience and develop customer-focused

solutions.

He has gained skills in Design Thinking and Digital Solution Development, which he says allow him to design solutions for end users with a single problem statement in mind while collaborating with cross-functional teams to develop digital solutions and fintech products that align with market requirements. A month after graduating from the University of Botswana (UB) with a Bachelor of Geomatics degree, Lottering ventured into research at UB's Department of Civil Engineering until he joined Letshego's LetsGO Digital Mastery Programme.

AGILE METHODOLOGY

He says he has gained knowledge in the Innovation Landscape of Africa and Policy Insight, thanks to the programme. Passionate about research, especially geared at guiding policies in Africa, Lottering stresses that the programme has given him an opportunity to conduct in-depth research into regulatory frameworks, policies, and digital trends in markets where Letshego operates. This involves understanding the legal and regulatory requirements related to fintechs and digital currencies.

The programme has also helped Lone become more resilient and adaptable and increased his skills in modern, agile methodology framework.

For the third candidate, Naledi Tom, Letshego's digital programme is helping her to better leverage technology to enhance financial inclusion. The 27 year old is a decorated economics and financial expert armed





Aupa Monyatsi
Letshego Group Chief
Executive Officer

with a Bachelor of Arts, Economics and Statistics from the University of Botswana; a BA (Hons), International Finance and Banking, Sheffield Hallam University; a Certificate of Higher Education from Botswana Accountancy College; Long Term Insurance, Certificate of Proficiency, Insurance Training Institute; and Finance, Chartered Financial Analyst Institute.

What differentiates Tom from other candidates is that she is a Letshego employee, having joined Letshego Financial Services Botswana as a Digital Eagle, where she is responsible for processing digital loan applications, creating customer awareness and education, and promoting customer participation in digital platforms to grow digital sales and improve customer

satisfaction. Tom is also the Product Owner of the LetsGo Digital Squad, leading a team of 17 people in 6 countries

across the region.

Before this current role, she worked as Marketing Assistant at Blue Collar Advisory where she designed marketing proposals to support the business growth strategy by executing the sales and marketing strategies, leading to successful deals. She also regularly engaged corporate clients and managed business relationships to develop mutual benefit outcomes for the company and its customers. Being passionate about the field of finance, Tom believes the LetsGO Digital Mastery Programme has equipped her with adequate skills to develop digital solutions that can lead to a convenient access to financial services, thus accelerating financial inclusion.

UNDERPRIVILEGED COMMUNITIES

Through these skills, she plans to establish a Non-Profit Organisation (NPO) aimed at creating financial inclusion, especially for the benefit of people in far-flung and underprivileged communities. "With the skills I have acquired, I can create personalised e-commerce solutions for SMEs in our communities and empower women-led businesses to trade conveniently," says Tom.

She notes that when she speaks about financial inclusion, she is not only focused on access to capital (lending) but is also referring to e-commerce

solutions, convenient investment solutions as well as training young people in financial inclusion and e-commerce related skills. Both she and Lottering are convinced that LetsGo Digital Mastery Programme will open a lot of opportunities for them because, as she puts it, "we live in a tech-enabled world where the most critical and sought-after skills are tech-related". They believe this programme has positioned them in terms of both future employment prospects and entrepreneurship. They both say Letshego has exposed them to different aspects of business and that they are now well-positioned to effectively run their own businesses.

The programme is a first-of-its-kind initiative geared at imparting different candidates, inside and outside Letshego's employ, with the digital skills that are increasingly imperative in navigating today's digital economy. The Group officially launched the LetsGo Digital Mastery Programme on 6 June last year. The initiative instigated a comprehensive recruitment campaign for 10 candidates across Botswana - over 1,000 applicants applied for the programme, according to Kamogelo Chiusiwa, Letshego's Group Chief of People and Culture. Following a rigorous selection process of the candidates, Chiusiwa says 15 brilliant minds were announced for enrollment in the programme, comprising 10 members of the public and 5



Kamogelo Chiusiwa
Letshego Group Chief
People and Culture Officer

EMPOWERING YOUNG AFRICANS FOR A DIGITAL FUTURE

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Letshego employees from across its 11-country footprint.

"This is part of Letshego's people-first strategy that aims to build future-fit communities where digital technology is used as a strategic enabler for growth and economic development," she says, adding that qualifying applicants demonstrated foundational digital expertise and a passion for expanding their aptitude in digital financial skills and gaining hands-on regional experience within a swiftly evolving financial sector.

1000 APPLICANTS

Chiusiwa emphasised that Letshego applied a rigorous, multi-stage recruitment and evaluation process for the more than 1000 applicants, finally narrowing down to the final 15 candidates. Recruitment was managed by the Group's education and leadership training partner, Fast Forward Innovation, using a world-class approach with a series of exercises, tests and interviews. Psychometric assessments were used

to provide measurable and objective data that included multiple outputs, including suitability and scientific capabilities.

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The programme is a first-of-its-kind initiative geared at imparting different candidates, inside and outside Letshego's employ, with the digital skills that are increasingly imperative in navigating today's digital economy. The Group officially launched the LetsGo Digital Mastery Programme on 6 June last year.

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The next stage of the talent recruitment process involved practical projects where candidates were introduced to Agile Methodology and tested on their digital ideas, personal planning, and ability to deliver. Finally, the candidates were taken through a series of interviews with Letshego executives to discuss potential, verify experience, qualifications, drive and organisational fit. In the words

of Letshego Group CEO, Aupa Monyatsi, the LetsGo Digital Mastery Programme is a unique way through which they are extending the benefits of digital transformation outside of Letshego.

"Through this programme, we are supporting the Botswana Government's objective of building a knowledge-based economy and empowering individuals with entrepreneurial mindsets and skills to spur sustainable and innovative development to grow future leaders, and thus benefit our nation," he says.

He believes that by the year 2100, one in three people will be African – which means that by the end of this century, sub-Saharan Africa will be home to almost half of all young people on the planet. In Monyatsi's mind, finding innovative ways to empower fellow Africans with digital and entrepreneurial skills will not only build future leaders but will also support future economic growth to carry the enormously increased population.



KEABETSWWE NEWEL
Managing Editor -
The Business Weekly & Review

Gosego January spent 21 years working at Debswana Diamond Company where she says she rose through the ranks from Accounts Trainee to key Managerial positions. The key Managerial positions held being that of Cost Accountant, Business Services Manager, Management Accountant, and Business Strategy Programme Manager for Orapa and Letlhakane Mines reporting to the General Manager and being a member of the Executive Committee, and lastly the Personal Assistant to the Managing Director, a position responsible for providing strategic and business advice to the Managing Director.

After working for more than 20 years in Debswana, January says she decided to make a career change and moved to a different environment. "I wanted the challenge that came with the position and the industry," she tells the Financial Journal adding that she also felt that she was nearing retirement and therefore wanted to be instrumental in the growth of the fund on behalf of the DPF members, including "myself".

She took over as DPF CEO effective 1st

February 2011 and discloses that at the time, Assets under Management were P 3.2 billion but today are at P 10,743 billion as of 31st July 2023. In her words, Debswana Pension Fund was a plain vanilla fund and it was only in traditional assets classes namely, Equities, Bond, and Property. At that point in time, her team and the Board of Trustees realised that the world was rapidly changing and it was becoming even more difficult to attain commensurate returns. Against this background, she says the Fund embarked to further diversify its portfolio by pursuing specialist mandates across different regions and enlisting with Asset Managers with varying investment styles that would be able to weather different investment cycles.

The CEO despairs that there are people who do not understand the value of pensions which she feels can be a crucial component in one's financial journey. In her view, there has been limited advancement in financial literacy to ensure that people fully understand the value of retirement savings and pension as a vehicle to secure a better future. "Preparing for retirement is likely to be one of the biggest lifetime investments one will make as these savings and investments will provide one with an income when they stop working," she says emphasising how it is imperative for members to get this right. "We see people who failed to save for retirement struggling with basic necessities of life and heavily relying on government old age social security."

January holds that pension provides security and if one ensures that they are actively involved in preparing for their retirement they will ensure



Loatile Nkala



Lone Lottering



Naledi Tom

THE VALUE OF RETIREMENT SAVINGS

they have a comfortable and sustainable retirement. It is against this background that she says members can be active in their retirement planning by utilising products on offer from their pension funds such as Additional Voluntary Contribution (AVC). Additional voluntary contribution allows individuals to additionally contribute above and beyond what is provided by their employers towards their Fund Credit. This amount, she explains, need not be a large sum even as little as P200 per month can go a long way in growing one's long-term investment.

NEED FOR FINANCIAL LITERACY

January call for more in the space for Pension Funds to play a role in educating the youth and the public. "The youth are interested in short-term gratification compared to the past generation," she says. Against this background, she observed more people selecting short-term investment options such as gratuity, that in their design do not yield high investment returns. This is compared to a pension fund that has a long-term investment portfolio and is more diversified across asset classes. Emphasising pension funds as a source of more attractive investment offering, she adds that this requires pension funds to do more in encouraging the youth to be savvy about saving and starting early in preparing for their retirement needs.

PENSION VS SHORT-TERM SAVINGS

The biggest benefit is the investment returns that Pension Funds can deliver for members over the long-term. January says Debswana Pension Fund has been able to

deliver double-digit returns. Secondly, at Retirement, the current Retirement Fund Act allows one to cash 50 percent lumpsum upon retirement. With the remaining amount, January says one will purchase an income annuity that will be paid to the member for the rest of their life. "This therefore gives members income for life and ultimately availing them peace of mind."

Pension funds are able to provide members with different options when it comes to their retirement's savings. As January explains, members are able to select the tenure on some of the pension products; there are different types of pension products that enable flexibility for members. Additionally, members are able to learn from their pension funds and these are learnings that the CEO feels can be used for personal investments and knowledge that can be passed on to family members and friends.

BOTSWANA SAVINGS CULTURE

Regarding the quality of life locally, she observes that mostly, the quality of life after retirement in Botswana is disappointing. She cites the over reliance on government old age security as a clear indicator of the lack of retirement planning attributed to a lot of factors. These include limited job opportunities, low salaries, restrictions in joining pension funds, and limited financial education that result in people having limited knowledge and ability to invest for their future. There are several reasons contributing to how things are, but January believes that, the time has come

for those with the know how to avail solutions to people.

"Education will be a key driver for retirement financial planning."

DPF FINANCIAL LITERACY PROGRAMMES

DPF is committed to ensuring that it delivers sustainable superior returns for its members. As such, the fund has education drives to highlight the importance of pension as well as encouraging members to actively be involved in their retirement planning by enrolling in programs such as AVC. DPF additionally has a member portal that allows for all members to view their projected retirement income and where they feel it is not sufficient, they can decide to contribute additionally towards their pension fund credit. "We also believe that there is more we can do, and it

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INTRODUCING THE HUMAN BEHIND THE TITLE

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Mo explains that aligned with FNBB's strategy, the segment has positioned itself to be helpful and walk the journey with clients by offering some relief through initiatives such as absorbing the cost for property revaluations, removal of certain fees and charges, extending PLS loan tenures, migrating clients to relevant products suitable for their needs, and rehabilitating some clients who had previously lost employment due to the COVID-19 pandemic.

COVID A TIME OF UNCERTAINTY

She says the retail segment was muted during the difficult time of COVID and points out that FNBB was one of the banks that were very cautious about lending during that period. Mo describes the time as a period that was clouded with a lot of uncertainty, compelling FNBB to assume a position of being prudent and tightening lending parameters to reduce the temptation of impulsive borrowing.

"A lot of economic and leisure activities were on hold, which mostly drive the borrowing needs for consumers in the market," she explains. However, for those with urgent needs like medical imperatives, FNBB was able to assist. "We have now relaxed our lending parameters and are back to what one would consider as business as usual still underpinned by our commitment to driving responsible lending," Mo says.

It has been said in the past, retail clients tended to borrow to augment their salaries. In other words, the funds they borrowed were for more consumption than investment. Mo says she has seen this even in the reasons advanced for borrowing, hence the bank slowed down on extending lending during a period where there was restricted movement because some would advance reasons such as building houses.

At FNBB, she says, the bank has a Money Management

programme that it offers for free to its clients. The programme delivers financial literacy, sharing with clients how best to budget their finances. It also teaches them how they can use personal loans to build wealth instead of consumption after which they may not have anything to show throughout the life of the loan.

LENDING AS A CONTRIBUTOR TO ECONOMIC GROWTH

In the retail space, the facilities that FNBB offers are for personal financing. The bank finances home loans, vehicles for personal use and personal loans for any personal needs. Thus Mo says they are already contributing to job creation and positively impacting the Botswana economy. For example, she says there are a lot of stakeholders involved in the process of property financing.

"If a client is doing an outright purchase, they engage valuers, lawyers, in some instances architects and civil engineers," she explains. "The insurance industry also participates in providing credit life insurance, homeowner's insurance and even retrenchment covers."

For construction, even more players are involved, among them geologists for soil testing, as well as project managers, quantity surveyors and local contractors. Mo points to these beneficiaries that are mostly in the country, adding that this is how such a seemingly simple retail product positively impacts the community and ensures continuous job creation. "We are already playing a part in this," she says. "However, there is always room to do more."

She discloses that there is increased focus on green financing, also known as sustainable financing or environmentally-friendly financing, at FNBB. The idea is to support Botswana with financing assets that have a positive environmental impact. According to the

bank's Retail Director, this type of financing is designed to support activities that contribute to environmental sustainability, conservation, and reduction of the impacts of climate change towards an eco-friendly future.

GREEN ECOSYSTEM

"There is an evolution of a green ecosystem that can create more job opportunities for Botswana," she emphasises, adding that alternative power solutions and alternative water sources

can help keep businesses afloat and thus keep more Botswana in employment.

"We are committed to enabling Botswana to do this at favourable interest rates," she says.

THE VALUE OF RETIREMENT SAVINGS

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of focus for us as we bring on millennials," says January.

NEW NBFIRA ACT

The new NBFIRA Act, will gradually result in the achievement of a 50/50 onshore/offshore investment split of the pension fund industry assets.

The new NBFIRA act aims to bring back more retirement assets back to Botswana with the aim of developing the country. January welcomes the notion as wonderful and with great intentions. Pension Assets play a crucial role in developing a nation, she explains. However, she warns that in the case of Botswana, it may prove to be a bit difficult due to the sheer size of funds returning to the country and the limited investable opportunities. She cautions that institutional investors will need to truly challenge themselves and be creative to find attractive investment opportunities that will ensure that investors and members attain commensurate returns.

The new law has a provision for pensioners to cash-out a significant portion of their pensions pre-retirement, to finance a number of initiatives.

January says pension funds are going to have to pay greater attention to liquidity since more members will have access to their retirement savings. "Earlier and more frequent access to retirement savings may result in a reduction in the size and

value of pension funds as more members may be eligible to encash all of their retirement savings."

PPPS FOR ECONOMIC DEVELOPMENT

On a positive note, Government preaches PPP funding model all the time, especially long-term national projects like energy, infrastructure etc. With more pension funds coming into Botswana because of the new law, January argues that these funds can play a major role in terms of PPP funding to advance economic development.

"PPPs play a crucial role in developing an economy," she says adding that PPPs will provide an opportunity for increased collaboration between institutional investors, Government, and the private sector. "Pooling assets in frameworks that espouse world-class corporate governance will further aid the country with its development initiatives."

INVESTMENT OPPORTUNITIES

Botswana is a developing nation and there are limited investment opportunities considering the large pool of retirement and institutional assets. Although this is the case, January says the local capital markets can be developed through collaboration of key stakeholders. "It is the responsibility of Institutional investors, such as Debswana Pension Fund, to aid in the development of the local capital markets by creating an enabling

environment," says the CEO. "Debswana Pension Fund can look to encourage investments in Botswana companies that are growing, attract regional companies looking for growth capital and act as a springboard into the region, and by actively participating in the domestic fixed income market for the benefit of the government and corporations."

DEVELOPING LOCAL CAPITAL MARKETS

Debswana Pension Fund has always championed developing the local capital market and this includes empowering up and coming local fund managers. The Fund has a citizen economic empowerment program built into its investment selection process and DPF consistently engages, encourages, and guides domestic managers to aid with their growth to ensure that talented citizen investments professionals are able to thrive.

Debswana Pension Fund does have an incubation policy however January says it has not been implemented yet. The Fund has a meritocratic process in terms of selecting asset managers. "So, we have a citizen economic empowerment program built into the Fund's investment selection process and as previously managed DPF consistently engages, encourages, and guides domestic managers to aid with their growth to ensure that talented citizen investments professionals can thrive."



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FINANCING GLOBAL VALUE CHAINS THROUGH CAPITAL MARKETS

Thapelo Tsheole's belief in capital markets runs deep. In a literal sense, it transcends the BSE, cuts across the African continent, and reaches far and wide around the world but never overlooking the critical matter of tackling national literacy among Batswana



KEABETSWWE NEWEL
Managing Editor -
The Business Weekly & Review

The CEO of Botswana Stock Exchange (BSE), Thapelo Tsheole, says the BSE plays a crucial role in facilitating local companies' access to capital and their integration into global value chains, thereby contributing to diversification of the national economy.

As a well-regulated and reputable stock exchange, the BSE provides a platform for local companies to raise capital through issuance of equity and debt instruments. By doing so, Tsheole says listed companies can finance their expansion, modernise operations and undertake innovative projects, enhancing their competitiveness in the global market. Furthermore, he adds, listing on the BSE enables these firms to gain visibility, credibility, and attract foreign investors looking to tap into Botswana's growth potential.

The BSE also serves as a gateway for international investors to access the Botswana market. By offering them opportunities to invest in local companies and government securities, the BSE fosters

foreign direct investment and injects vital external capital into the economy. Moreover, says Tsheole, this influx of foreign investment contributes to economic diversification by attracting global players with specialised expertise, technology, and best practices, thus enhancing the competitiveness and efficiency of Botswana's industries. The participation of international investors also encourages the transfer of knowledge and skills, fostering a more dynamic and resilient economic landscape.

PIVOTAL FINANCIAL INSTITUTION

The head of the BSE says in its role as a pivotal financial institution, the bourse plays an active role in promoting transparency, investor protection and market integrity. By adhering to international standards and regulations, he notes, the exchange ensures that local companies attract global investors with confidence, while simultaneously safeguarding the interests of domestic investors. This trust, Tsheole says, fosters a conducive investment environment that encourages long-term partnerships and fosters sustainable economic growth. As Botswana continues to open to global markets, the BSE stands as a robust and reliable platform, stimulating the inflow of investments

and propelling the nation's economic diversification efforts.

The BSE is part of the global capital market network through its affiliation with recognised international bodies. Tsheole says being associated with these bodies benefits the BSE through participation in international conferences, workshops, annual meetings, research, capital market statistics and studies that provide useful support to the BSE's development.

"These partnerships also promote the dissemination of BSE information and market statistics through a vast network across the world," he explains. "Therefore, the BSE can benefit from knowledge transfer and expertise sharing in virtually every aspect of the capital market: the technical, the commercial, the legal and the economic aspects."

The BSE is currently a Full Member of the World Federation of Exchanges (WFE), a Partner Exchange of the UN's Sustainable Stock Exchange (SSE) initiative, a Member of the African Securities Exchanges Association (ASEA) of which Tsheole is President, a member and the secretariat of the Committee of SADC Stock Exchanges (CoSSE) of which Tsheole is Chairman, and a Recognised Stock Exchange under the UK's Her Majesty Revenue and Customs (HMRC). Tsheole

says belonging to such memberships is an affirmation that the BSE conforms to international principles and benchmarks as expected.

INTERNATION- ALISATION STRATEGY

At the core of Tsheole's strategic plan is his internationalisation strategy by which he seeks to promote the BSE in the international securities market. In part, that speaks to the BSE's international affiliations and its active participation in them as they affirm that the BSE is a world-class securities exchange. "As part of this strategy, we undertook an Investment Roadshow in the USA in 2022, the primary objective of which was to market Botswana to the most developed economy in the world and to the international investor community, issuers, and market participants," says Tsheole. "We also wanted to apprise investors and custodians about the developments in our market and forge working relationships with well-developed stock exchanges, such as Nasdaq."



Thapelo Tsheole,
Chief Executive
Officer of Botswana
Stock Exchange

POTENTIAL OF THE AFRICAN CONTINENTAL FREE TRADE AREA



THAPELE TSHEOLE
Chief Executive Officer
Botswana Stock Exchange

DCI
MARKET CAP
P 3.3
BILLION

BSE
MARKET CAP
P 593
BILLION

**100
000+**
**INVESTORS
ON THE BSE**

The ratification of the African Continental Free Trade Area (ACFTA) by several African governments, including Botswana, holds significant potential for both Botswana and the entire continent. ACFTA aims to create a single market of over 1.3 billion people with a combined GDP of over \$3.4 trillion (World Bank 2022 ACFTA Report), making it the world's largest free trade area. For Botswana, this agreement opens up new horizons for economic growth and diversification.

The ACFTA will lead to increased intra-African trade, allowing Botswana to access larger markets for its goods and services. This expanded market access can boost the country's exports, particularly in sectors like mining, manufacturing, and agriculture, contributing to economic expansion and job creation. Moreover, as trade barriers are gradually reduced, Botswana can expect to attract more foreign direct investment, further stimulating economic development.

Moreover, the ACFTA will foster regional integration and cooperation, promoting the sharing of knowledge, skills and technology among African countries. Botswana, with its relatively stable and well-managed economy, can play a pivotal role in driving regional collaboration, attracting investments, and becoming a gateway for other African nations to access the broader Southern African market.

ACFTA is also expected to promote industrialisation and value addition within Africa. Currently, many African countries export raw materials without adding significant value. With the implementation of ACFTA, there will be incentives to process and manufacture goods within the continent, thus creating more sophisticated supply chains and boosting industrial growth. For Botswana, this presents an opportunity to move up the value chain and diversify its economy away from over-reliance on natural resources.

Moreover, the ACFTA is likely to stimulate innovation

and entrepreneurship across the continent. As African businesses face a larger and more competitive market, there will be a drive to improve products and services, innovate new solutions, and adopt best practices. Botswana's entrepreneurial spirit and innovative potential can be harnessed to thrive in this new environment, contributing to a vibrant and dynamic African economy.

ACFTA holds the promise of fostering political and social stability in Africa. By promoting economic interdependence and cooperation, it can reduce the likelihood of conflicts and strengthen diplomatic ties among nations. A more stable and integrated Africa would be better positioned to address regional challenges collectively, including issues related to security, infrastructure development, and sustainable development.

The ratification of the African Continental Free Trade Area is expected to be highly beneficial for Botswana and Africa as a whole. It

opens up new opportunities for trade, investment, and industrialisation, fostering economic growth and development. By promoting regional integration and collaboration, ACFTA can lead to a more stable and prosperous Africa, ultimately enhancing the continent's position in the global economy.

STRATEGIC POSITIONING

In order for African businesses to benefit from developed economies like the USA, Europe, and China, strategic positioning is crucial. Firstly, African businesses need to focus on enhancing their competitiveness through quality products and services, adhering to international standards, and embracing innovative technologies. This will enable them to gain a foothold in the global market and be recognised as reliable partners.

Secondly, fostering strong networks and partnerships is vital. Collaborating with established businesses in developed economies can

offer access to new markets, knowledge transfer, and resources. Such alliances can also provide credibility and trustworthiness, which are valuable assets when dealing with international clients and investors.

Thirdly, African businesses should prioritise talent development and training to build a skilled workforce capable of meeting global demands. This can be achieved through partnerships with educational institutions, training programmes, and initiatives to upskill employees. A skilled workforce is a significant asset that can attract foreign investment and create opportunities for international expansion.

Fourthly, overcoming infrastructure challenges is essential. Improving transportation, logistics, and communication networks will enhance the efficiency and reliability of African businesses' operations, making them more competitive in the global arena.

Additionally, understanding the regulatory and cultural differences in each target market is vital. Adapting to local regulations and consumer preferences can strengthen business relationships and ensure sustainable growth.

Lastly, proactive engagement with governments and international trade organisations is crucial. Advocating for policies that promote fair trade, market



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The cost of the X-News Service subscription packages can be accessed on the BSE website under **Market Data Products Price List**.

To subscribe to the X-News Service, kindly contact the Product Development Department via e-mail on **productdev@bse.co.bw**.



- THE - ECONOMY THROUGH THE LENS OF SENNANYANA

She says robust public spending through the government's fiscal stimulus measures is likely to limit downside risk to growth, citing global diamond outlook as a clear factor to consider, given the economy's dependence on the diamond sector.



KITSO DICKSON
Business Editor -
The Business Weekly & Review

Despite the strong start to the year with Q1 GDP rising 5.4 percent year on year, Galeboi Sennanyana, the Head of Treasury Markets at Standard Chartered Bank has cautioned that Botswana's diamond driven growth is likely to be tested in the second half of the year due to potential risks to global diamond demand.

Sennanyana, a treasury expert with over 15 years' experience in the banking sector gained across various banks locally, observes that diamond sales recently declined on weaker demand, reflecting the uncertainty over China's recovery and softening consumer demand in North America.

In the course of her work, the expert has covered several treasury functions, including balance sheet management,

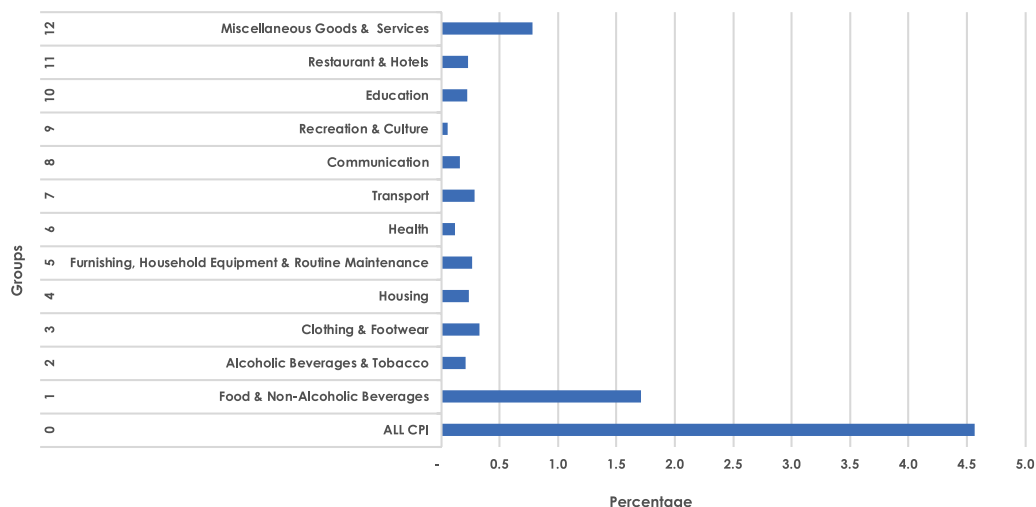
liquidity, funding, investment and capital management.

STIMULUS

She says robust public spending through the government's fiscal stimulus measures is likely to limit downside risk to growth, citing global diamond outlook as a clear factor to consider, given the economy's dependence on the diamond sector. At Standard Chartered, it is expected that growth will

tightening of global financial conditions," she said in this interview. But while diamond demand may soften, she does not expect a significant contraction, particularly given ongoing sanctions on Russian diamonds. In her outlook, she also factors the impact of fiscal stimulus measures, although she thinks the government is likely to underspend on its ambitious development budget, given its track record. A key takeaway

Chart 5: Contribution to Annual Inflation rate June 2023



moderate to 3.9 percent this year after two years of a strong recovery following the 2020 COVID-induced contraction.

"We are seeing some economic resilience in key demand markets, particularly in the US, despite significant

that she mentions is that easing inflationary pressures should also limit the erosion of households' real disposable incomes and support domestic demand against the backdrop of relatively accommodative monetary policy.

INFLATION

Headline inflation decelerated to 1.5 percent y/y in July, the lowest since April 2020, after peaking at 14.6 percent in August 2022. While the Bank had expected significant disinflation in

2023, "we assumed a more pronounced increase in administered prices in April than was delivered". As such, the Bank expects the inflation to average 4.9 percent this year, within the objective range.



is at peak policy rate for this tightening cycle and sees it cutting its policy rate by 50bps in 2024.

"We think the Bank of Botswana (BoB) has also come to the end of its hiking cycle against a backdrop of easing inflationary pressures," says Sennanyana, emphasising that relatively accommodative monetary policy stance should also support domestic demand.

DIAMOND PRICES

While softer diamond demand could impact mining growth, she finds comfort in that increasing copper output would likely limit downside to mining growth. "While softer demand could impact diamond sales, diamond prices remain relatively elevated, which should help limit downside risks to diamond sales value," she says. As a result, she argues that the current account balance will remain in surplus in 2023, following its return to a surplus last year. This should support a continued replenishing of FX reserves.

“

Robust public spending through the government's fiscal stimulus measures is likely to limit downside risk to growth, citing global diamond outlook as a clear factor to consider, given the economy's dependence on the diamond sector.

”

OTHER SOURCES OF REVENUE

Softer diamond demand poses downside risk to government revenue, given that diamond receipts are the largest revenue item. However, Sennanyana notes that SACU receipts are expected to be robust, likely reflecting adjustments for previous years'

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access, and investment opportunities will create a conducive environment for African businesses to thrive in developed economies.

African businesses can position themselves to benefit from developed economies by focusing on competitiveness, forming strategic partnerships, investing in talent development, improving infrastructure, and engaging with governments and international trade entities. By embracing these strategies, African businesses can unlock their full potential and contribute significantly to the global economy.

BSE POSITIONED TO ATTRACT LISTINGS FROM SMES

The BSE has been taking proactive steps to attract Small and Medium-sized Enterprises (SMEs) to list on the exchange. Recognising the importance of SMEs in driving economic growth and fostering entrepreneurship, the BSE has implemented various initiatives to make the listing process more accessible and appealing to these companies.

One of the key strategies is the introduction of the Tshipidi SME Board in 2019 specifically designed for SME listings. This listing board has less stringent listing requirements and reduced costs compared to the Main Board and Venture Capital Board. The Tshipidi SME Board allows SMEs to access capital markets and raise funds from a broader pool of investors, enabling them to expand their businesses and achieve long-term sustainability. Additionally, the BSE has been conducting targeted awareness campaigns and educational programmes to inform SMEs about the benefits of going public and listing on the exchange such as the Tshipidi Mentorship Programme.

The TMP was introduced primarily to sensitise and

educate the private sector on the listings value proposition and process. In addition, this Programme was established to address the lack of corporatisation from SMEs with aspirations of accessing equity or debt finance from the market. It therefore serves as a way of grooming companies that could potentially raise capital, improve governance and leverage from the BSE as a springboard for growth.

The objective of the Programme is to provide practical training through a comprehensive and interactive programme that covers the key themes necessary to prepare and position a company to list on the BSE. This training is offered by industry experts (advisors in the listings ecosystem) with regards to key elements of corporatisation, capital structure, financial reporting, commercial law, listing requirements and corporate governance. In terms of facilitation, the TMP is conducted over a three-month period, with each month allocated a single day of facilitation.

Since the establishment of the Programme, the BSE has hosted a total of 47 companies - 17 companies in 2019, 11 companies in 2021 and 20 companies in 2022. These companies represent a host of sectors that have included energy, financial services, property, mining, manufacturing, agriculture, education, ICT, and retail, among a few.

By creating an environment that is conducive to SME participation, the BSE aims to encourage more local businesses to consider the stock market as a viable avenue for growth and development, ultimately contributing to the overall economic development of Botswana.

CORPORATISATION OF SMES

The primary objective of

the Tshipidi Mentorship Programme is to sensitise and educate the private sector about the listings value proposition and process. In addition to financial constraints stifling the growth of SMES, one of the key challenges facing SMEs in Botswana today is the lack of 'corporatisation' on various levels.

As a corporation, SMEs can have greater access to various sources of capital, such as equity financing, bank loans, venture capital, and even public investment through stock offerings. Investors are often more willing to invest in a corporation than in an unincorporated business due to the legal protections and transparency associated with a corporate structure. Without adopting best business practice, SMEs in Botswana are at a risk of failing or never growing beyond SME status due to business processes inefficiencies, lack of transparency which may prohibit investor participation, limited execution of company strategy due to lack of oversight from governance structures, and so forth. As such, it is important to note how the Tshipidi Mentorship Programme is able to assist SMEs with corporatisation.

The corporatisation of SMEs is of paramount importance when considering their listing on stock exchanges like the BSE. This transition brings several key benefits that make SMEs more attractive for listing. Firstly, corporatisation enhances transparency and accountability. By adopting formal corporate governance practices, SMEs can provide potential investors with clear financial information and operational transparency, thereby instilling confidence and reducing information asymmetry.

Corporatisation allows SMEs to access external

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POLICY RATE

Sennanyana, who holds a Bachelor of Business Science (majoring in Economics and Finance) and a Commonwealth Executive Master's Degree in Business Administration, thinks BoB

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CAPITAL MARKET

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He is contented that it was a “very successful” roadshow that gave the BSE an opportunity to pitch to the likes of the United Nations Joint Staff Pension Fund – with USD 84.4 billion assets under management – so that they begin to include BSE-listed securities in their asset selection and allocation processes. “We apprised JP Morgan – which manages USD2.5 trillion of assets – of the developments in our market that compel them to continue to invest in the BSE,” he says. “We met the Standard Chartered Bank custody business, impact investment managers and several others. These are a few of the key international market participants who represent an array of institutional investors, high-net worth individuals, and sovereigns across the world.”

Similarly, Tsheole believes that other international roadshows, such as those in Dubai and London, and the BES’ participation in international conferences, have been critical in cultivating the interest of international companies to raise capital and list in Botswana. “Of course, these discussions take time to convert into actual listings,” he notes, adding that they aim to undertake the same show to other parts of the world, including in Africa, to attract dual listings, new listings, foreign investors, and global market participants.

BSE'S INTERNATIONAL PRESENCE

Twelve of the BSE-listed domestic companies have a continental and international presence, having raised capital in Botswana and expanded worldwide. Tsheole is proud to say these are companies born and bred in Botswana. “On the foreign venture board, you would find international companies that have raised capital here to deploy in their local ventures in Botswana, as well to fund their projects elsewhere, such as in Canada and Australia, as it is often the case with

mining and exploration companies,” he points out.

During the last decade that ended in 2020, 13 companies across different sectors listed equity securities on various BSE boards and managed to raise more than P2.1 billion worth of capital, says the chief executive of the BSE. In the same 10-year period, the bond market has grown exponentially, with market capitalisation of debt securities recording a significant increase of more than 200 percent, from P6.7 billion to P20.3 billion. “That reflects the quantum of capital raised in the local market to fund business expansion and economic development,” Tsheole notes as he extols the BSE and its achievements.

AFRICA'S TOP 5 EXCHANGES

An analysis of current year performance, as at 31 July 2023, shows that the market capitalisation of domestic companies has increased by 8.1 percent to just over P3.3 billion.

Clearly, Tsheole says there has been consistent growth over time, particularly post-COVID.

“We haven’t witnessed as much expansion with respect to the foreign companies, of which Anglo American PLC is a dominant component at 92.8 percent,” he explains. “But the breaking news on the 1st of August was a trade in Anglo shares on the BSE that resultantly expanded the foreign companies market capitalisation by 50 percent. This takes the size of the BSE now to more than P593 billion in just 7 months. This means we have added close to P200 billion to the overall size of the BSE. That’s phenomenal growth and represents more than three times the size of the Botswana economy! This pitches the BSE among the top 5 largest stock exchange in Africa.”

DIGITAL TRANSFORMATION

Tsheole says the BSE has done phenomenal work in terms ensuring

that the share registries of dual-listed companies are also present in Botswana in the Central Securities Depository (CSD), makes it possible to transact in shares of the likes of Anglo and Investec on the BSE. “It facilitates price discovery in dual-listed shares as they are traded here and moved across from here between sellers and buyers with ease,” he explains. “Infact, it is the primary reason Anglo has begun to trade on the BSE as for many years its share registry was never in Botswana. At this point, we are managing the share registries of more than 80 percent of our listed companies, a service which was historically conducted by nominated transfer secretaries, mainly locally, and a few offshore.”

He reveals that the BSE assesses the structural impediments and formulates the necessary incentives and adjustments to support listings and trading. These include the reduction in brokerage commission to support more trading activity and the reduction in listing fees. “As an example,” says Tsheole, the BSE provides a 25 percent discount when it comes to listing sustainable bonds (green bonds, social bonds, sustainability bonds and sustainability-linked bonds), which is an important financial instrument currently in the context of responsible investing. As part of our strategy, we are considering introducing Internet-based trading and view this as an important initiative that can significantly increase financial inclusion and stock market activity because everyone of us uses the Internet and smartphones in our day-to-day lives.”

In another milestone initiative, The BSE is introducing a landmark stock market simulator. Tsheole explains this as a technology platform that will enable anyone to acclimatise to the concept and practice of investing and investment management. “You will

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underpayment. “Recovering domestic demand should also support non-diamond tax revenue collection,” she says. “Fiscal stimulus measures outlined by the government in the budget should be growth supportive.”

NON-DIAMOND EXPORTS

Other categories of the exports (non-diamond) have been performing well. According to Statistics Botswana, stabilisation in production at the Khoemacau copper mine has contributed to growth in copper concentrate exports, which rose by 121.3 percent y/y in 1Q23. Coal exports were also growing exponentially.

Sennanyana expects that increasing non-diamond exports should help offset softer diamond exports and support trade balance, allowing the current account deficit to remain in surplus. “Diversifying the export base should also help the economy better absorb future diamond shocks,” she observes.

While copper prices have eased from their 2022 highs, they remain elevated and well above the pre-pandemic levels. Sennanyana argues that copper will play an important role in the clean energy transition. “The water and electricity sectors have also been a significant contributor to growth recently, and this is likely to continue going forward,” she says. “A global tourism recovery could also support a continued recovery in the hospitality sector.”

Sennanyana also holds that the focus on agriculture is good and believes the initiatives to convert the current production to commercial will yield the desired results. “The focus on tourism, manufacturing and the creative industry as highlighted under the ERTF should also help if the necessary structural reforms are fully implemented,” she says. In addition, “there are ongoing deliberations concerning the repatriation of pension funds but our understanding is that this will be done over a period. We think that we are likely to see creation of asset classes that will channel the funds towards the betterment of the economy.”



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funding sources more effectively. Listing on stock exchanges opens up opportunities to raise capital through equity offerings, enabling them to finance expansion plans, invest in technology, or explore new markets. Moreover, having publicly traded shares enhances the company's credibility, making it easier to attract partnerships, customers, and larger

institutional investors.

Furthermore, listing SMEs can also benefit from increased visibility and recognition. Being listed on a stock exchange gives the company exposure to a broader investor base, media coverage, and the attention of analysts and financial institutions. This heightened visibility can attract potential customers, talented employees, and

business opportunities.

Overall, the corporatisation of SMEs is a strategic move that not only enhances their organisational structure and governance but also opens up a world of opportunities for growth and development. By gaining access to diverse funding sources, improving transparency, increasing liquidity, and gaining greater recognition, SMEs can

elevate their status in the market and position themselves for sustained success in the long run.

Therefore, we ultimately hope to bear the fruits of today's labour in the not-so-distant future as the BSE aims to develop a strong pipeline of prospective issuers to assist SMEs with financing through the stock market.



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REINVENTING FISCAL MAN- AGEMENT

With Botswana finding itself in a precarious fiscal position due to low growth rates, fiscal deficits, and rising public debt, the Bank of Botswana has devised ways of building economic resilience and how to exploit and gain from opportunities brought about by climate change.

Dr Leonard Setshegetso
Deputy Director of
Research & Financial
Stability at BoB



KABELO ADAMSON
Senior Reporter -
Business Weekly & Review

In light of the fiscal challenges that Botswana faces, such as a narrow tax base and rising public debt, an official at the Bank of Botswana (BoB) says it is imperative to recognise and acknowledge a different era in the fiscal landscape and the need to reinvent fiscal management in ways that address fiscal sustainability.

According to the Deputy Director of Research & Financial Stability at BoB, Dr Leonard Setshegetso, first in addressing these challenges

is developing a credible debt strategy.

“We note that as an effort to enhance public debt management, the Honourable Minister of Finance launched the 2023/2024 government borrowing strategy in June 2023,” Setshegetso noted at a recent economic media briefing.

PRUDENT DEBT MANAGEMENT

“The strategy seeks to optimise public financing needs and payment obligations, thus ensuring sustainable and prudent debt management.”

At the same time, the strategy seeks to develop domestic capital markets and the financial system at large.

In Dr Setshegetso’s toolbox, the second device for reinventing fiscal management is to develop a broader tax base.

“The imminent resource gap relative to the spending needs require a broader and

diverse tax base for ongoing fiscal management and stabilisation,” he said.

“Lastly, it is important to pursue concrete policies geared towards reducing government deficit and accumulation of debt in order to attain and restore fiscal sustainability, which is fiscal consolidation.”

COST CONTAINMENT

Dr Setshegetso said this will entail, among others, measures to enhance resource allocation and quality of expenditure with the aim of ultimately eliminating wastage and leakages and cost containment to attain and restore fiscal sustainability.

In its 2022 theme titled “Building Economic Resilience: Fiscal, External Sector Sustainability and Climate Change Resilience,” the central bank considered the socio-economic and environmental implications of climate change, mitigation measures and the resultant

opportunities for Botswana.

At the recent press briefing, Dr Setshegetso observed that the worsening climatic conditions due to climate change are causing uncertainty and degradation of livelihoods.

“About USD300 billion losses were attributable to climate change in 2022,” he said. “As such, climate change has implications for macroeconomic stability and in turn, economic resilience, but also challenges food security in our region.”

USD2.4TN FOR CLIMATE-RELATED PROJECTS

To respond appropriately, he asserted, Botswana must adapt to a sustainable economic development model that anchors on greening the economy and complementing an export-led growth strategy by harnessing opportunities in climate change.

“To give a perspective, until 2030, about USD2.4 trillion

needs to be spent on climate-related projects, and this presents huge opportunities for the whole world, as well as for Botswana,” he said.

Dr Setshegetso emphasised that the agenda to green the financial system is immediate. “Private finance for climate-related and environmental projects can be scaled up through the development of the local green markets,” he said.

“

It is important to pursue concrete policies geared towards reducing government deficit and accumulation of debt in order to attain and restore fiscal sustainability, which is fiscal consolidation

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2023/24 GOVERNMENT SECURITIES AUCTION CALENDAR

MARCH 2023

31

TREASURY BILLS

3 6 12 Months

SHORT-DATED BONDS

—

LONG-DATED BONDS

—

APRIL 2023

28

TREASURY BILLS

3 6 Months

SHORT-DATED BONDS

—

LONG-DATED BONDS

BOTSGB0931; BOTSGB0640

MAY 2023

26

TREASURY BILLS

3 6 Months

SHORT-DATED BONDS

BOTSGB0527

LONG-DATED BONDS

BOTSGB0635; BOTSGB0943

JUNE 2023

30

TREASURY BILLS

3 6 Months

SHORT-DATED BONDS

BOTSGB0527

LONG-DATED BONDS

BOTSGB0635; BOTSGB0943

JULY 2023

28

TREASURY BILLS

3 6 12 Months

SHORT-DATED BONDS

—

LONG-DATED BONDS

—

AUGUST 2023

25

TREASURY BILLS

3 6 Months

SHORT-DATED BONDS

BOTSGB0527

LONG-DATED BONDS

BOTSGB0931; BOTSGB0640

SEPTEMBER 2023

29

TREASURY BILLS

3 6 Months

SHORT-DATED BONDS

BOTSGB0527

LONG-DATED BONDS

BOTSGB0635; BOTSGB0943

OCTOBER 2023

27

TREASURY BILLS

3 6 12 Months

SHORT-DATED BONDS

BOTSGB0929

LONG-DATED BONDS

BOTSGB0635; BOTSGB0943

NOVEMBER 2023

24

TREASURY BILLS

3 6 Months

SHORT-DATED BONDS

BOTSGB0929

LONG-DATED BONDS

BOTSGB0931; BOTSGB0640

DECEMBER 2023

29

TREASURY BILLS

3 6 Months

SHORT-DATED BONDS

—

LONG-DATED BONDS

—

JANUARY 2024

26

TREASURY BILLS

3 6 12 Months

SHORT-DATED BONDS

BOTSGB0929

LONG-DATED BONDS

BOTSGB0635; BOTSGB0943

FEBRUARY 2024

23

TREASURY BILLS

3 6 Months

SHORT-DATED BONDS

BOTSGB0929

LONG-DATED BONDS

BOTSGB0635; BOTSGB0943

MARCH 2024

22

TREASURY BILLS

—

SHORT-DATED BONDS

—

LONG-DATED BONDS

BOTSGB0931

MARCH 2024

29

TREASURY BILLS

3 6 12 Months

SHORT-DATED BONDS

—

LONG-DATED BONDS

—

Note:

- Bonds offered at the auction will be published.
- The Ministry of Finance reserves the right to amend the issuance plan.
- Actual Bonds and amounts to be auctioned will be published on announcement dates.
- ILBs and Bond Switches and Buybacks will also be accommodated through the auction programme.

For further information; please contact, Mr Nenguba Chakalisa, Manager, Open Market Operations, Financial Markets Department, at chakalisaN@bob.bw, +267 360 6277 and 318 1323 or visit the Bank website at www.bankofbotswana.bw

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be buying shares the same way it happens, receiving data and research to analyse and make investment decisions,” he says. “But all this will be simulated. It is a very important financial literacy initiative and will serve to educate the larger demographic about the benefits of investing in listed securities and subsequently address issues of national financial literacy.

100 000+ INVESTORS

The BSE is also working on introducing electronic trading of bonds on the bourse, using the new and enhanced capabilities of the new Automated Trading System (ATS). According to Tsheole, this will help to ensure that the BSE’s more-than-100 000 investors have seamless access to the bond market and in a manner that is transparent. In addition, the BSE will be launching the Retail Investor Module (RIM) to give investors remote access to their CSD accounts, enabling them to view their holdings at any time. “The RIM replaces the physical CSD statement we used to post to investors monthly,” Tsheole explains.

During his captaincy at the BSE, Tsheole’s most important achievement is turning the BSE into a profitable entity in his early years. He says the 2017-2021 corporate strategy “really” catapulted the BSE into its vision of becoming a world-class securities exchange. “A lot was achieved, the main one being corporatisation of the BSE through the process of demutualization, which was completed in 2018,” he says. “This process transformed the BSE from a member-owned entity to a company limited by shares in accordance with the Companies Act. It transformed the BSE’s governance structure and introduced an Employee Share

Ownership Plan that is integral to our rewards and retention policy.”

Further, the BSE is now a commercially-oriented company with various shareholders, including government, and the short

an all-time high single-day turnover of P1.0 billion. These are a few of the highlights of that strategy period, and it is not surprising that upon independent assessment of our strategic performance, we attained an overall score of 91

best practice, thus enhancing the BSE’s competitiveness in the global securities market. The BSE has been admitted as a Full Member of the World Federation of Exchanges (WFE), an achievement that puts it on the same pedestal

the Deputy President. In 2022, I was elected the President of ASEA and I am leading milestone and transformational projects in African stock exchanges, such as the African Exchanges Linkage Project (AELP) - a project that gives investors access to more than 1,500 listed companies worth over USD 1.5 trillion and across 9 securities exchanges.”

THE LEGACY

Tsheole’s belief in capital markets runs deep. In a literal sense, it tran-

scends Botswana and the BSE, cuts across the African continent, and reaches far and wide around the world. Progressing through his career, he has been a part of multiple initiatives that have propelled capital market development in Botswana, the SADC region and Africa. He stresses the importance of continuing to competitively position the BSE and to benefit from its strategic alliances and partnerships with organisations like WFE, ASEA and CoSSE far beyond his time at the bourse and for the Republic of Botswana to benefit from the foreign direct investment that comes with that.

“I have facilitated implementation of the SADC Green Bond Programme through CoSSE in partnership with PSD Africa,” he says. “This is a very crucial project that will mobilise funding to address some of the top risks facing the world today, such as climate change which has become a climate crisis, as well as social issues. I look forward to the self-listing of Botswana Stock Exchange Limited (BSE Limited), the company, on the BSE Domestic Main Board in 2024. The financial viability of the BSE is of the utmost importance to me, in addition to the sustainable and financial independence of the BSE and revenue optimisation for all shareholders.”

As a well-regulated and reputable stock exchange, the BSE provides a platform for local companies to raise capital through issuance of equity and debt instruments. By doing so, Tsheole says listed companies can finance their expansion, modernise operations and undertake innovative projects, enhancing their competitiveness in the global market. Furthermore, he adds, listing on the BSE enables these firms to gain visibility, credibility, and attract foreign investors looking to tap into Botswana’s growth potential.



term objective is to complete this process by listing the company on the BSE platform, a milestone they have started working on. “It is profitable and has paid dividends twice to its shareholders,” says Tsheole. “This is the period in which we surpassed our goal of having 100,000 investor accounts. We implemented The Tshipidi SME Programmes, revised our listings requirements to support a conducive environment for listings and member participations, won the Best Exchange Education Initiative award, recorded

percent!”

SWIFT NETWORK

In 2022, when the BSE went live with a new CSD system and a new ATS, it also went live with connectivity to Society for Worldwide Interbank Financial Telecommunication (SWIFT) network. This was a transformational project for Botswana’s capital market which helped to modernise the BSE’s technology infrastructure to improve the resilience of the market, network security and operational efficiencies in alignment with international

as the biggest exchanges in the world.

“At a personal level, the past eight years have been very fulfilling,” says Tsheole. “I ascended to the chairmanship of COSSE in 2018 and moved the Secretariat to the BSE. We have been able to deliver a lot of development projects for the SADC region, such as the funding by the African Development Bank to support financial market integration and macroeconomic convergence in the SADC region, under my stewardship. In 2018, I joined the Executive Committee of ASEA and in 2020 I was elected



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