

# **Botswana Innovation Hub**

**- a secure business location in the centre of the Sub-Saharan market**

**Speech by HE Mr Roy Blackbeard, Botswana High Commissioner to the United Kingdom, at the Commonwealth Business Council Africa Outsourcing Summit 2009**

Botswana is a fast growing economy. The recent announcement of the World Economic Forum Competitive Index recorded that Botswana had moved from position 76 to position 56 within a year, being the country recording the greatest improvement in the world. Botswana takes position number 3 in terms of that index in Africa.

Botswana started from very humble beginnings in 1966 at its independence. Since that time Botswana's development has been exceptional and the country is now classified as an upper middle income country. This has largely been attributed to the discovery of diamonds, combined with far-sighted government policies, including liberalization policies, and concerted efforts to diversify the economy. The country enjoys high global rankings in a number of areas such as democracy, stability and low business risks, ease to start and operate a business, transparency, disciplined fiscal and monetary policies, and the independence of its judiciary.

Botswana is a cosmopolitan and peaceful democracy, boasting a stable macro-economic environment conducive to growth, diversification and foreign investment. The country has a thriving domestic financial sector, which includes banks, insurance companies and a growing stock market as well as a well regulated commercial banking system. There are no foreign exchange

controls and investors are free to repatriate all their profits.

Government is also actively developing the power sector with its vast coal resources for internal and regional energy consumption as well as exploring other more sustainable sources of energy.

It also now aims to position Botswana to compete effectively in global markets by adjusting its strategies to take advantage of opportunities offered by globalisation. Thus, various programmes and policies on financial services, information and communication technologies, and tourism have been developed and are being implemented to drive the diversification of the economy.

It is in this context that the Botswana Innovation Hub is being established.

The Botswana Innovation Hub is envisioned to become the leading African destination for innovative businesses. The country intends to position Botswana Innovation Hub as an attractive location for technology-driven and knowledge-intensive businesses, to develop and compete in the global market. The focus area is ICT-enabled services, including Call Centres and Business Process Outsourcing, but also supporting Knowledge Intensive Business Services.

When fully developed, the Botswana Innovation Hub will consist of world class facilities including state-of-the-art telecommunications infrastructure with high capacity international connectivity, high standards of security and data connections, and secured power.

The concept also includes professional business services and business development services. The business services will allow companies to concentrate on their core business and outsource the rest. The development programmes, together with the support for research and development and the promotion of innovation and entrepreneurship, will make the Innovation Hub an ideal place for business development. The concept has been developed based on best practices from science and technology parks from all over the world, and in particular, from Finland, the leading European country in innovation support.

The Botswana Innovation Hub will be established in Gaborone, the capital city of Botswana and centre of the country's business activity. The location is strategically placed adjacent to the international airport and close to the highway that connects Botswana to South-Africa, Namibia, Zimbabwe and Zambia. About 57 hectares of land, neighbouring the Diamond Hub has been secured for the first phase of the project.

The premises under development will be oriented to high-tech customers, with flexibility, access to shared facilities and use of environmentally-friendly technologies. Conference facilities, meeting rooms, recreational facilities and restaurants will offer opportunity for networking.

The infrastructure works have just begun with the master planning and infrastructure design. An international architectural contest for the buildings has also been launched and the first buildings are planned to be completed and ready for use by first quarter of 2011. Plots will be available for lease towards the end of 2009. The infrastructure developments include the provision of uninterrupted power for the tenants.

Foreign and local companies interested in bringing their business to the Botswana Innovation Hub need not wait for the completion of buildings. You may register now, operate from temporary premises and enjoy the incentives that government is providing.

In addition to ICT-enabled services, the Botswana Innovation Hub also welcomes businesses and research institutes involved with mining technologies, sustainable energy and biotechnology. Botswana is a country rich in minerals and sunshine, offering opportunities for research and technology development, especially within the mining and energy sectors. Our greatest resource is the sun and it presents an opportunity that could be leveraged for a cleaner energy alternative.

Botswana offers access to an educated and English speaking workforce trainable in all forms of employment, as the country has invested and continues to invest heavily in education and training. For example, all secondary schools are equipped with computer equipment and the government is now finalising internet connections to these schools. At the same time the existing university and the technical colleges are being expanded, a new university for science and technology is being constructed, and private universities of repute are being attracted from all over the world.

The country also enjoys good labour relations, including a good relationship with the trade unions, and can offer a labour force at competitive wage rates.

Botswana has invested large sums into fibre networks and high capacity telecommunications systems. The national state-of-the-art high capacity fibre

optic network directly connects to South Africa, Namibia, Zambia and Zimbabwe. The same countries are also connected by tarred roads. The air service industry in Botswana is undergoing a liberalisation phase, which will result in improved frequency and quality of service and reduced cost of travel within the sub-region in the next two years.

The country has also invested in international connectivity through shareholdings in undersea cables, which should increase competition and further reduce the cost of telecommunications in the sub-region over the next 2-3 years. At the same time an open skies policy is expected to result in direct flights from Europe and elsewhere to Gaborone.

Botswana Innovation Hub offers a range of incentives. These are designed to enhance our regional competitiveness.

We have very well qualified and skilled people, but the quantity could be a challenge for an investor. To address this challenge, investors are free to import expertise from outside Botswana. Management and professional employees in the Innovation Hub do not require work and residence permits. At the same time, a generous training grant is offered to all companies that train local staff.

While waiting for telecommunications costs to come down in 2010/2011, government will facilitate a special package for Botswana Innovation Hub companies. Thus, a regionally competitive telecommunications package is on offer, which will be especially attractive to companies wishing to export their services. Furthermore, an Innovation Fund will offer government co-financing to companies wishing to pursue research and technology development.

The Botswana Innovation Hub also works in close collaboration with the Botswana International Financial Services Centre (IFSC). The role of IFSC is to establish and develop Botswana as a world-class destination to facilitate the delivery of a wide range of cross-border financial services. The Botswana IFSC currently has operational entities in the following sectors; Banking, Investment Funds Management, International Business Companies, BPO and Call Centres. The International Financial Services Centre also offers attractive financial incentives to its accredited companies, which can be explored on its website. Companies can register for both the Botswana Innovation Hub and for the International Financial Services Centre and they can benefit from the incentive schemes of both organizations.

I invite you to explore our brochures and website, and to contact the Coordinator of the Botswana Innovation Hub, who is here with us, for more information. I thank you.