



H O L D I N G S (P T Y) L T D

FACILITATING BUSINESS
DEVELOPMENT IN
BOTSWANA

TODAY'S PRESENTATION



- Who we are
- What we do
- Background
- Objectives
- Investment criteria and focus
- Progress to date
- Questions / comments

WHO WE ARE



- De Beers and Debswana business development initiative
- Fund of P40 million
- Established in 1997, funded its first business in 1998

WHAT WE DO



- Venture capital and private equity fund
- Also do Business development
- Directorship, Management advice and support

BACKGROUND



- Initiative set up in recognition of need to re-invest in Botswana economy
- The potential of the SME sector to contribute towards economic development
 - Economic diversification
 - Job creation
- Encouraged by government
- Private sector support required for success

BACKGROUND (continued)



- Constraints to business development in Botswana
 - Lack of skills
 - Lack of capital
 - Small Domestic Market
 - Lack of financial discipline
- Most significant constraint - skills

OBJECTIVES



- Develop commercially viable businesses
- Promote citizen involvement
- Develop an entrepreneurial culture
- Transfer skills
- Create sustainable employment
- Diversify current economic activity
- Improve competitiveness
- Generate profit to re-invest in fund

STRATEGY - FUNDAMENTAL PRINCIPLES



- No parameter for contributions by applicant for financial assistance but on average we expect contribution to be between 20-25% of total funding of the project
- Peo involved in research of business proposals and subsequent set up
- Financial controls

INVESTMENT CRITERIA



- New and expanding businesses (Venture capital)
- Mergers & Acquisitions (Private Equity)
- Commercial viability
- Applicant's ability to manage the business
- Quality of all JV partners
- Sound credit and trade references
- Applicant's contribution

INVESTMENT FOCUS



- Broad focus
- Will not assist businesses in over traded markets
- Tourism
- Information Technology
- Financial Services
- Import substitution, export businesses,
- Manufacturing
- Engineering
- Education

PROGRESS TO DATE



- Funding approved until Dec 2006 > P26.5 million for 52 businesses
- Total funds invested by businesses assisted by Peo = P22 million
- Employment provided = 1091

INTEREST IN BPO/C-CENTRES



- Potential to employ a lot of people, especially youth in the call centres
- Movement towards outsourcing – by in, off, near shoring
- Botswana has the factor conditions to make it in BPO
- Invested a lot of money so far in learning – sent our people to two BPO conferences, one in India & the other in Cape Town

QUESTIONS / COMMENTS

