

Botswana independence day

Shining model of economic success

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AMBASSADOR OF THE REPUBLIC
OF BOTSWANA

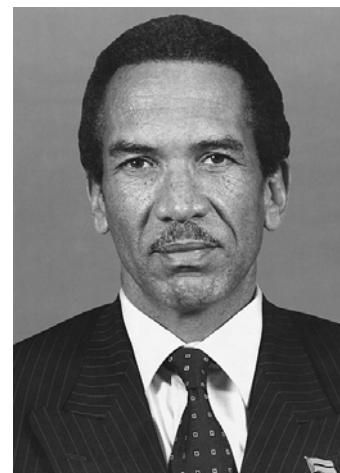
On this auspicious occasion of the 43rd anniversary of Botswana's independence, I wish to convey our warmest greetings to Their Imperial Majesties Emperor Akihito and Empress Michiko, and to the government and people of Japan.



ing the period when many in Africa were grappling with problems of political intolerance, Botswana has succeeded in upholding a broadly liberal democratic tradition underpinned by respect for human rights, the rule of law, basic freedoms and government accountability to the citizenry. We can proudly say that democracy is the backbone of our culture. We believe this is why Botswana has distinguished itself as a shining model of economic success in Africa.

Our country has, once again, this year been placed among the top performers in the 15th annual Index of Economic Freedom published this past week by the Heritage Foundation and The Wall Street Journal.

The index measured the level of economic freedom in 183 countries and territories focusing on 10 specific categories: labor freedom, business freedom, trade freedom, fiscal freedom, government size,



Lt. Gen. Seretse Khama Ian Khama, president of the Republic of Botswana

courages private enterprise," which despite its significant natural resources, has "avoided the perils of corruption and violence that often accompany such endowments."

Botswana's judicial independence, protection of property rights and world-class financial sector are also praised.

Reproduced below are the scores and summaries of Botswana's performance in each of the 10 economic freedom categories.

1. Business freedom 71.2: The overall freedom to start, operate and close a business is relatively well protected under Botswana's regulatory environment. Obtaining a business license takes less than the world average of 225 days. The government has established a one-stop shop for investors, and the process for closing a business is easy and straightforward.

2. Trade freedom 69.0: There are very few nontariff barriers.

3. Fiscal freedom 75.1: Botswana's tax rates are among the lowest in Southern Africa. The top income tax rate and the top corporate tax rate are 25 percent.

4. Government size 70.6: Total government expenditures, including consumption and transfer payments, are moderate.

5. Monetary freedom 71.8: Inflation has averaged 8.3 percent in recent years. Most prices are set by the market.

6. Investment freedom 70.0: Increased foreign investment plays a significant role in pri-



Traditional transport: The "mokoro" dugout canoe has been used by the people of the Okavango Delta since the 18th century. BOTSWANA EMBASSY

vatization of state-owned enterprises. Investment regulations are transparent, and bureaucratic procedures are streamlined and open. Investment returns such as profits and dividends, debt service, capital gains, returns on intellectual property, royalties, franchise fees and service fees can be repatriated without limits. Foreign exchange is not difficult and there are no restrictions on foreign exchange accounts or international transfers. The constitution prohibits the nationalization of private property.

7. Financial freedom 70.0: Botswana's competitive banking system is one of Africa's most advanced. Generally adhering to global standards in transparency of financial policies and banking supervision, the financial sector provides ample access to credit for entrepreneurs. In 2007, there were seven commercial banks, mostly foreign owned.

8. Property rights 75.0: The constitution provides for an independent judiciary and the government respects this in practice. The legal system is sufficient to conduct secure commercial dealings. The protection of intellectual property rights has improved significantly.

9. Freedom from corruption 54.0: Transparency Interna-

tional's Corruption Perception Index rates Botswana as Africa's least corrupt country. It is ahead of many European and Asian countries, and has a proven record of honest economic governance.

10. Labor freedom 70.0: Botswana's employment regulations are relatively flexible.

The nonsalary cost of employing a worker is very low and dismissing a redundant employee can be almost costless.

It is our sincere hope that nonstate actors in Japan, especially the private sector, will take advantage of the enabling environment that has been created in Botswana to enter into meaningful busi-

ness partnerships with Botswana.

Let me say in conclusion that while we have received many accolades for economic progress and good governance, we are very much a developing country and as such face many challenges. We have continued to benefit from the support of friends internationally, including Japan, in addressing these challenges, and we are extremely grateful for this support. On our part, we know we cannot rest on our laurels and bask in the lime-light of our past successes. We vow to continue to challenge ourselves to achieve sustainable economic development.



Handicrafts: Botswana baskets are widely regarded as among the finest in Africa and are exported around the world.

Congratulations
on the 43rd Anniversary of
the Independence Day of
the Republic of Botswana

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to the People of
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on the 43rd Anniversary of
Their Independence Day



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