

# Simplification of Trade Agreements for the Private Sector

## Guide to Exporting to the EU under the EU-SADC Economic Partnership Agreement



January 2021

Prepared by:

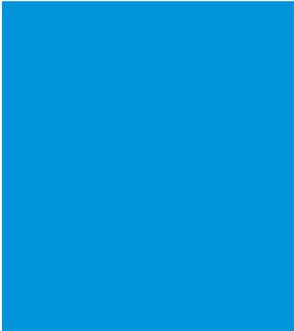
**International Economics**  
Strategic Analysis For Growth & Development

<b>Project:</b>	Simplification of Botswana's Trade Preferences for the Private Sector
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<b>Reporting Structure:</b>	Reference Committee on the Simplification of Botswana's Existing Trade Agreements
<b>Date:</b>	20 January 2021

### Disclaimer

The views and opinions expressed in this report are those of the authors and do not necessarily reflect the official policy or position of the UNDP or MITI. All errors are the sole responsibility of the authors.

## Foreword



The Economic partnership agreements (EPAs) are trade and development arrangements between the European Union (EU) and the African, Caribbean and Pacific (ACP) countries designed to facilitate the ACPs' integration into the world economy through gradual trade liberalisation and improved trade-related cooperation. The EU and the Southern African Development Community (SADC) concluded an Economic Partnership Agreement (EPA) to facilitate trade between both blocks in 2016.

All 28 EU member states are part of this EPA and it also includes the SADC EPA Group, which consists of seven SADC Members States. Botswana is the coordinator of the SADC EPA Group at Ministerial level.

The EPA opens up vast opportunities for promoting bilateral trade between Botswana, and its SADC partners, in a market of 450 million consumers with a combined Gross Domestic Product (GDP) of Euros 14.9 trillion. The EU is one of the largest and most dynamic trading regions in the world.

In order to benefit from the EPA, the private sector needs a better understanding of the agreement's scope and how it works. This guide responds to this need, by simplifying the thousands of pages of the agreement into a digestible format for exporters. It provides a step-by-step guide of the processes exporters need to meet in order to export to the EU, providing examples and clarification on different provisions in the chapter, as well as providing useful links for finding additional information.

The Ministry commissioned the guide to accompany the support already provided to exporters through various institutions and parastatals that drive trade and industry development, including the Botswana Investment and Trade Centre (BITC), which is the Investment and Trade Promotion Authority.

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Minister of Investment, Trade and Industry

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## LIST OF ACRONYMS AND ABBREVIATIONS

AfCFTA	Africa Continental Free Trade Area
BB	Business Botswana
BEMA	Botswana Exporters and Manufacturing Association
BITC	Botswana Investment and Trade Centre
BOBS	Botswana Bureau of Standards
BOCONGO	Botswana Council of Non-Government Organisations
BTCA	Botswana Textile and Clothing Association
BURS	Botswana Unified Revenue Service
BWP	Botswana Pula
DG	Directorate General
DIT	Department of International Trade
EDTC	Economic Diversification and Trade Council
EPA	Economic Partnership Agreement
EU	European Union
ITC	International Trade Centre
MITI	Ministry of Investment, Trade and Industry
MOA	Ministry of Agricultural Development and Food Security
MOU	Memorandum of Understanding
MRA	Mutual Recognition Agreement
NCTPN	National Committee for Trade Policy Negotiations
PPADB	Public Procurement and Asset Disposal Board
RoO	Rules of Origin
SACU	Southern African Customs Union
SADC	Southern African Development Community
SNC	SADC National Committee
SPS	Sanitary and phytosanitary
STP	SADC Trade Protocol
ToR	Terms of Reference
TRALAC	Trade Law Centre
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa

## Introduction

The Ministry of Investment, Trade and Industry (MITI) of Botswana through its Department of International Trade (DIT) is responsible for trade policy formulation and its implementation, import control, trade negotiations as well as coordinating implementation of international trade agreements. The Ministry works with various institutions and parastatals that drive trade and industry development and this includes the Botswana Investment and Trade Centre (BITC), which is the Investment and Trade Promotion Authority with an encompassing mandate of investment promotion and attraction, export promotion, and development, including management of Brand Botswana on behalf of the Government of Botswana and oversight from MITI.

Preferential market access obtained through trade agreements with the European Union (EU), the United States (US) and the Southern African Development Community (SADC) is aimed to spur national priorities, such as economic and trade diversification and the country's competitiveness. Botswana has developed various policies aimed at broadening the industrial base, such as the revised National Trade Policy (2019-2024), the revised National Export Strategy (2019-2024), the National Industrial Policy, and the short and medium- to long-term Economic Diversification Drive Strategy. However, a notable change in the country's export basket has yet to be observed.

The Economic Diversification and Trade Council (EDTC) is currently the highest decision-making national body on trade policy dialogue on negotiations and position building, following the rationalisation of the National Committee for Trade Policy Negotiations (NCTPN). The EDTC brings together all national stakeholders, including ministries, customs authorities, non-governmental organisations, and business representatives such as the Botswana Unified Revenue Service (BURS), Business Botswana (BB),

Botswana Exporters and Manufacturing Association (BEMA) and Botswana Council of Non-Governmental Organisations (BOCONGO). Other bodies that influence trade policy and trade include the Botswana Bureau of Standards (BOBS), Public Procurement and Asset Disposal Board (PPADB) and BITC. The Ministry of Agricultural Development and Food Security (MOA) also plays a critical role in the enforcement of Sanitary and phytosanitary (SPS) measures and the protection of local horticultural producers through permit allocations and/or temporary bans. At the domestic level, MOA controls the movement of livestock as a disease control measure. Additionally, the DIT continues to disseminate information about Trade Agreements to the business community. This initiative is targeted towards trade promotion in the various regions and is undertaken in collaboration with stakeholders such as BITC, Business Botswana and BEMA.

Trade Agreements are technically complex and challenging to understand by the public and the business community, who are their key target users. It should ordinarily follow that if the business community easily understands the Trade Agreements, their utilisation of such agreements will increase, and the benefits thereof will be realised. As such, a simplification of Trade Agreements and tailoring the explanation of those agreements to the needs of the private sector is an important step towards better usage in a drive to yield the maximum benefits.

The work to produce this simplified trade agreement guide was commissioned by the Ministry of Investment, Trade and Industry and led and coordinated by the Department of International Trade with the support of the United Nations Development Programme. The guide was prepared to add momentum towards the trade promotion initiatives of the country by enhancing the business community's understanding of trade opportunities through the EU-SADC EPA.

# 1. The European Union: An Overview

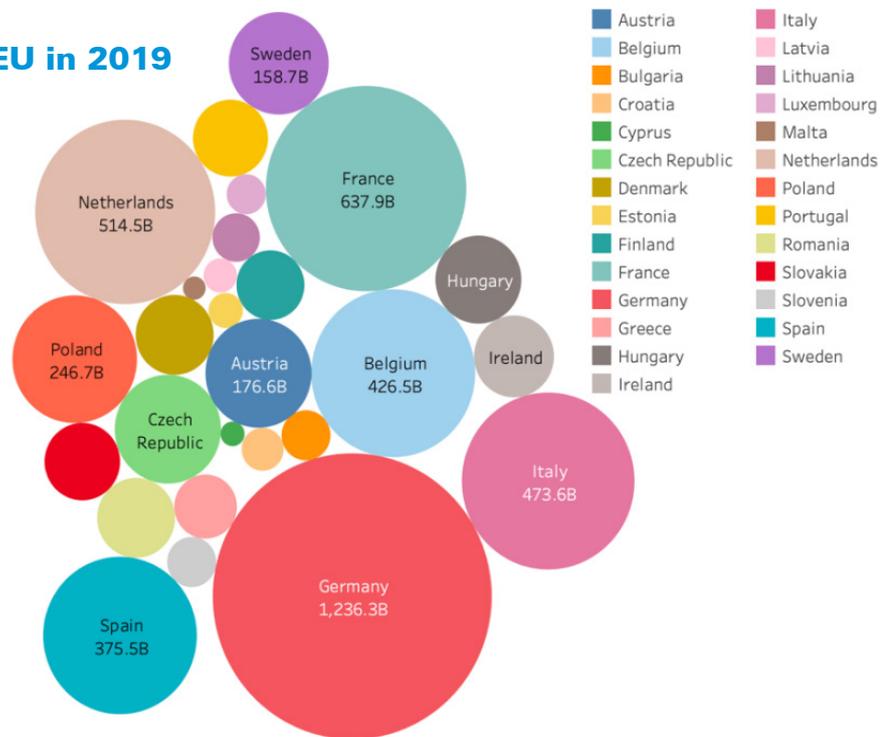
The European Union (EU) is a group of 27 countries that form of a single, unified market that allows for the free movement of people, goods, services and money within the region.

The EU is one of the largest markets in the world, with nearly 450 million inhabitants - around 7% of the world's population, and a total Gross Domestic Product (GDP) of USD 18.3 trillion. It is the third largest economy in the world, after the United States and China (expressed in Purchasing Power Standards, PPS).

The EU, along with the US and China, is one of the largest traders in the world. This makes the EU a very attractive market, especially in raw materials, intermediary goods and components needed for production.

Within the EU, the largest markets are Germany, France, the Netherlands, Italy and Belgium. These markets had the highest import volumes in the EU in 2019. Germany's imports were valued at around USD 1.2 trillion, which was the highest in the Union, followed by France whose imports were worth USD 637 billion in 2019 (See Figure 1)

**Figure 1**  
**Top importers in the EU in 2019**



Source: ITC Trademap

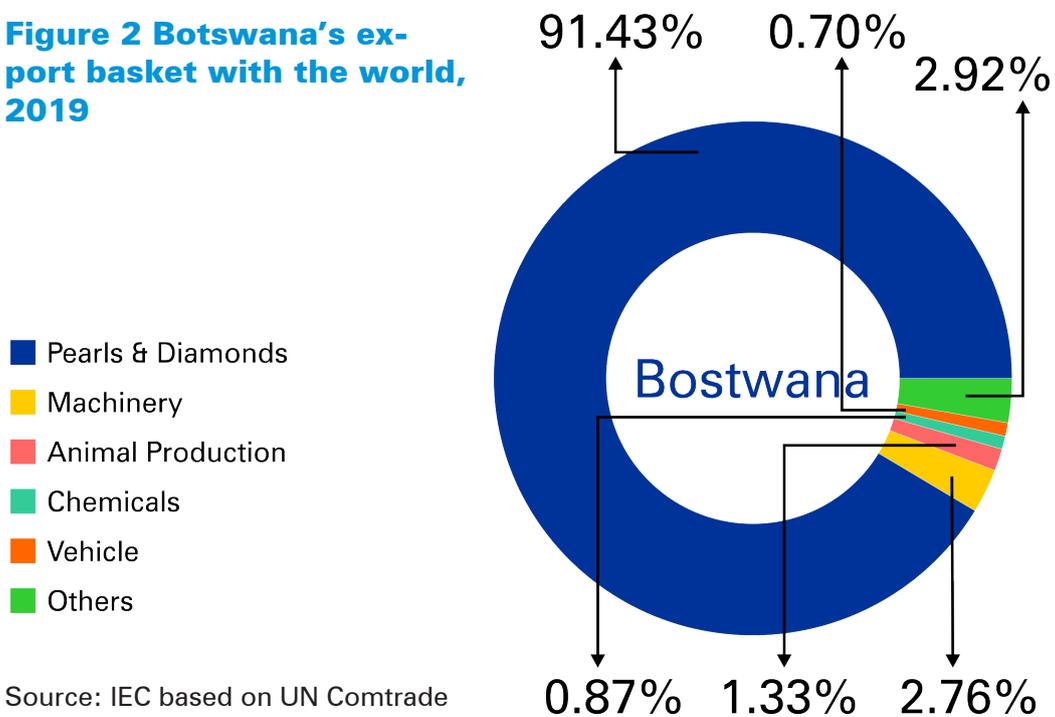
<sup>1</sup> Eurostat (2020). The 2017 results of the International Comparison Program. News release. May 2020. Available at: <https://ec.europa.eu/eurostat/documents/2995521/10868691/2-19052020-BP-EN.pdf/bb14f7f9-fc26-8aa1-60d4-7c2b509dda8e>

## 2. Botswana and the EU: Existing trade and opportunities

**Around 91% of Botswana's exports are precious stones or diamonds.** Botswana's total exports to the world in 2019 reached USD 5.2 billion, of which USD 4.7 billion were precious stones/diamonds. The country also exports meat, with a value of

USD 32.4 million, and electrical machinery, valued USD 1.1 million (see Figure 2). This overdependence on diamonds is one of the reasons driving Botswana's efforts to diversify the economy, and its exports in particular.

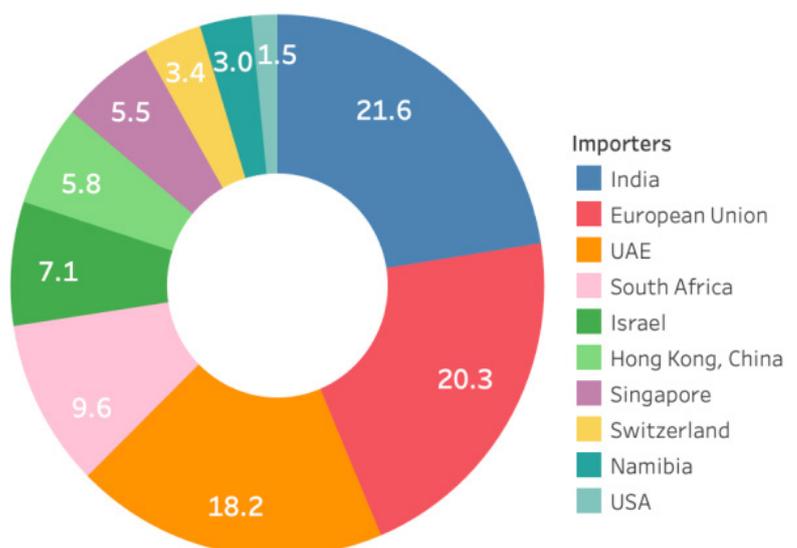
**Figure 2 Botswana's export basket with the world, 2019**



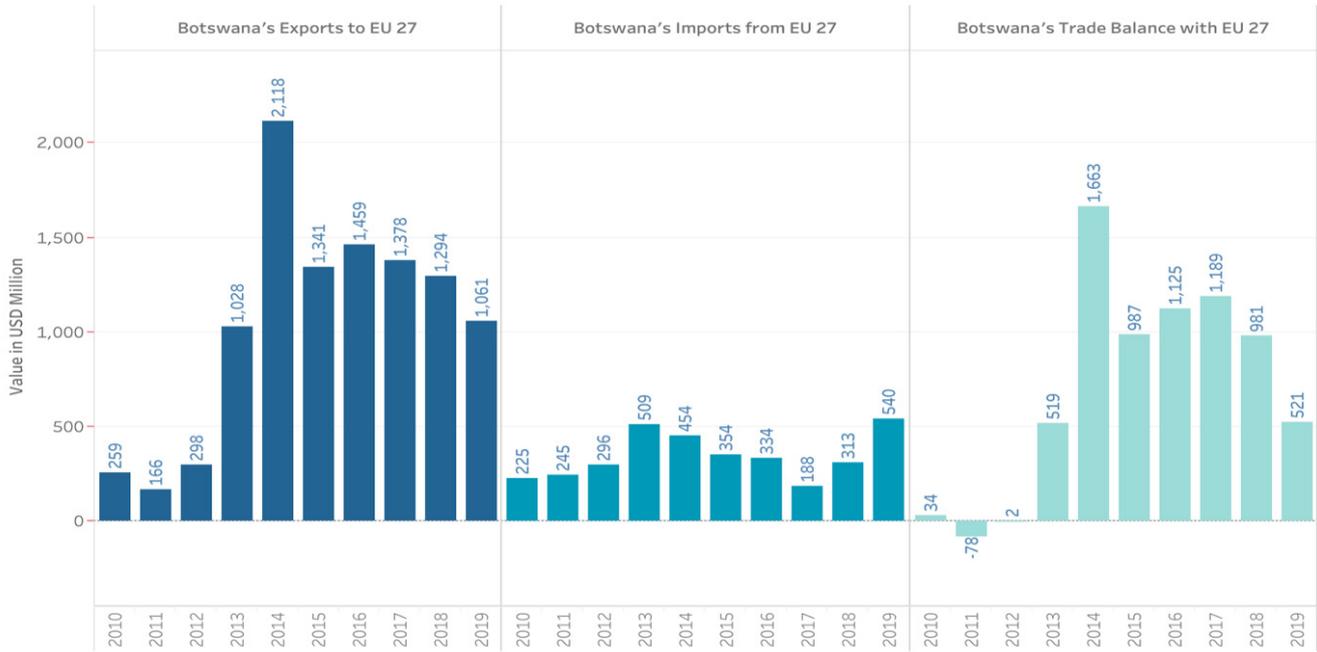
### Botswana is a party to the EU-SADC Economic Partnership Agreement, signed in 2016.

The EU is Botswana's second-largest export market, after India, with exports amounting to USD 1.1 billion in 2019 – one fifth of Botswana's total exports (see Figure 3). By comparison, Botswana imported USD 540 million from the EU, giving the country a trade surplus of over USD 500 million (see figure 4). Botswana's trade surplus with the EU is mostly driven by the huge diamond exports from the country to the EU, which experienced a 17% annual growth between 2010 and 2019.

**Figure 3 Top Export destinations for Botswana's exports (share in percentage), 2019**



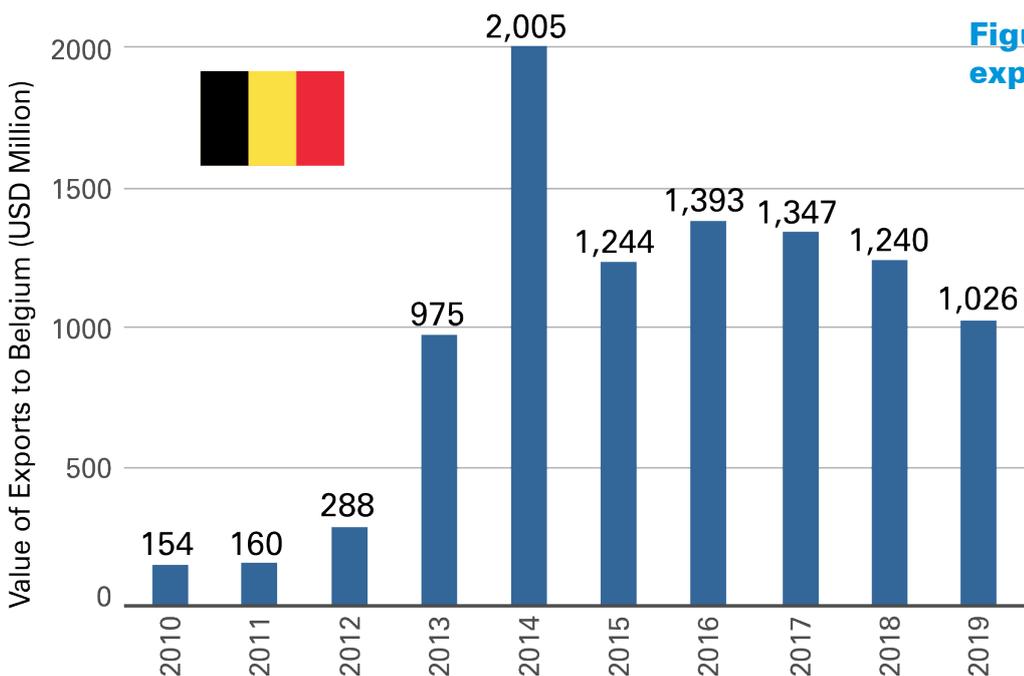
**Figure 4 Botswana's trade with the EU, 2010-2019**



Source: ITC Trademap. Note: EU 27 calculations do not include the UK.

**Within the EU, Belgium was the largest market for Botswana's products,** absorbing 97 percent of all the exports to the EU – over USD 1 billion (see Figure 5), followed by the Netherlands, whoes imports from Botswana were worth USD 30 million in 2019. The main reason for Botswana's trade being concentrated in Belgium is that

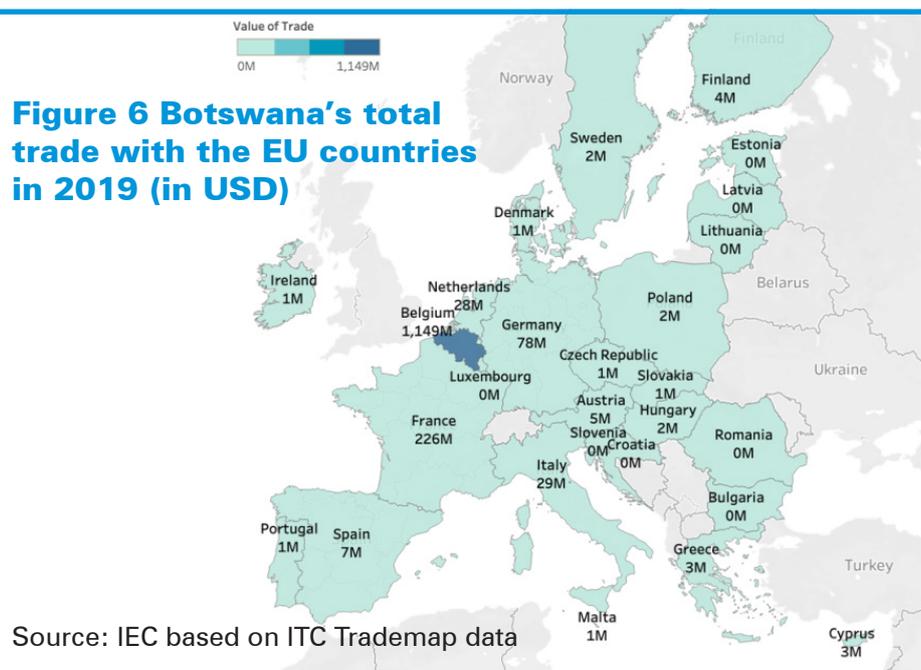
the country is an important trans-shipment point for the rest of the EU market. Goods are transported through sea and air to Belgium, the Netherlands or France, which are then further destined towards other EU countries or Switzerland, therefore the value of goods are reported only at the point of entry in the EU.



**Figure 5 Botswana's export to Belgium**

Source: ITC Trademap. Note: calculations for the EU do not include the UK.

**Botswana's exports to the EU have been dominated by trade in diamonds**, which account for 97 percent of the exports to the EU – USD 1 billion. The second most exported product is meat, both fresh and frozen, which exports to the EU in 2019 amounted to USD 32 million (Source: ITC Trademap, 2020), which are mainly exported to France, Germany and Greece (see Figure 6).



**Despite the fact that Botswana's exports to the EU are currently limited to two or three products, the EU holds a significant potential for export ready companies in Botswana.** As shown in

Table 1, the product groups most exported by Botswana are also the product groups most imported by the EU. This indicates the potential for opportunities for Botswana's products in the EU market.

**Table 1 EU's top imports against Botswana's top exports**

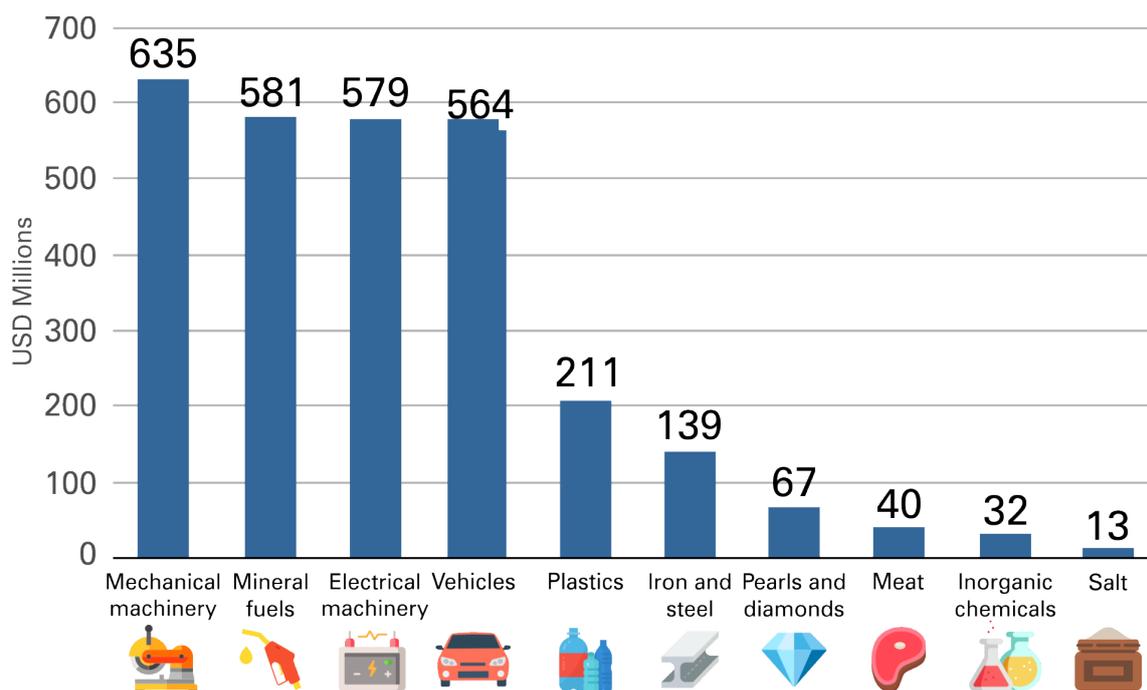
Product rank in exports	EU's top 10 imports from the World in 2019		Botswana's top 10 exports to the World in 2019	
	HS Code	Product Label	HS Code	Product Label
1	'84	Machinery, mechanical	'71	Precious Stones
2	'27	Mineral fuels & oils	'85	Electrical machinery
3	'85	Electrical machinery	'02	Meat
4	'87	Vehicles	'84	Machinery, mechanical
5	'30	Pharmaceutical products	'28	Inorganic chemicals
6	'39	Plastics	'87	Vehicles
7	'90	Medical Equipment	'25	Salt
8	'29	Organic chemicals	'39	Plastics
9	'72	Iron and steel	'27	Mineral fuels, mineral oils
10	'73	Articles of iron or steel	'72	Iron and steel

Source: ITC Trademap. Note: the cells highlighted in green indicate a match.

Specifically, and as highlighted in Figure 7, the EU imports USD 635 million worth of mechanical machinery and USD 579 million worth of electrical machinery, products that

are also exported by Botswana. Other products include plastics, iron and steel, meat, inorganic chemicals, and salt.

**Figure 7 EU's imports of Botswana's top products**



Source: ITC Trademap

**Botswana's National Export Strategy of 2019-2024 recognises arts and crafts, garments and textiles; jewellery and semi-precious stones, leather and leather products, meat and meat products, light manufacturing and indigenous products as the priority export sectors.** The EU holds immense potential in terms of exports from these sectors:

**Light Manufacturing:** Light manufacturing refers to a less capital-intensive industry, mainly to do with processing, assemble, fabricating etc. In terms of mechanical machinery and parts, Botswana has an untapped potential of USD 75 million to the EU. Machinery was the EU's top import product, with imports worth more than USD 600 bil-

lion in 2019.

**Garments and textiles:** The EU has a strong, continuously growing apparel market. It is home to some of the world's biggest apparel companies. In 2019, the EU imported around USD 200 billion worth apparel and textiles, growing by 5% yearly from 2015 to 2019. The biggest markets within the EU for apparel and textile are Germany, France, Spain, the Netherlands and Italy. These countries represent nearly three fourths of all EU apparel imports. Knitwear constitutes the biggest product segment in Europe, whilst the fastest-growing product categories currently include fashion and active sportswear. Botswana has more than USD 3 million as untapped potential in ex-

<sup>2</sup> Commonwealth Secretariat & Ministry of Investment, Trade and Industry (2019). "Botswana National Export Strategy (2019–2024) Expanding the Frontiers of Botswana's National Economy". Commonwealth Secretariat: London.

<sup>3</sup> Untapped export potential obtained from International Trade Centre's Export Potential Map. Available from: <http://exportpotential.intracen.org/en/>

<sup>4</sup> ITC (2020). Export Potential Map for Botswana. Available at: <https://exportpotential.intracen.org/en/products/tree-map?fromMarker=i&exporter=72&toMarker=r&market=4&whatMarker=k>

port of garments and textiles to the EU.

**Meat and meat products:** The market for meat and meat products in the EU is huge. In 2019, the EU imported over USD 30 bil-

lion worth of meat and meat products. According to ITC's export potential map, there exists an untapped export potential of more than USD 50 million from Botswana to EU.

### 3. The EU-SADC EPA

#### 3.1 Introduction to the EPA

On June 10, 2016, the EU and six members of the Southern African Development Community - Botswana, Lesotho, Namibia, Eswatini (formerly Swaziland), and South Africa, plus Mozambique, signed the EPA with the EU (See Figure 8). The EPA commenced its provisional operation in October 2016 for the Contracting Parties, except Mozambique. The EPA became fully operational only after Mozambique's ratification in April 2017.

The EPA grants the Contracting Parties – including Botswana – a series of benefits. These include:

- Exports from Botswana can access the EU market duty-free and quota-free. This means, if market forces permit, an exporter from Botswana can export as much as he likes without having to pay any duty or restrictions on the quantity that can be exported so long the standards and quality are met as per EU rules and requirements. This represents a significant competitive advantage to Botswana's products, as it enables the Botswanan producers to be cheaper than those companies based in countries with

Figure 8 EU-SADC EPA Member States



Source: ITC Trademap

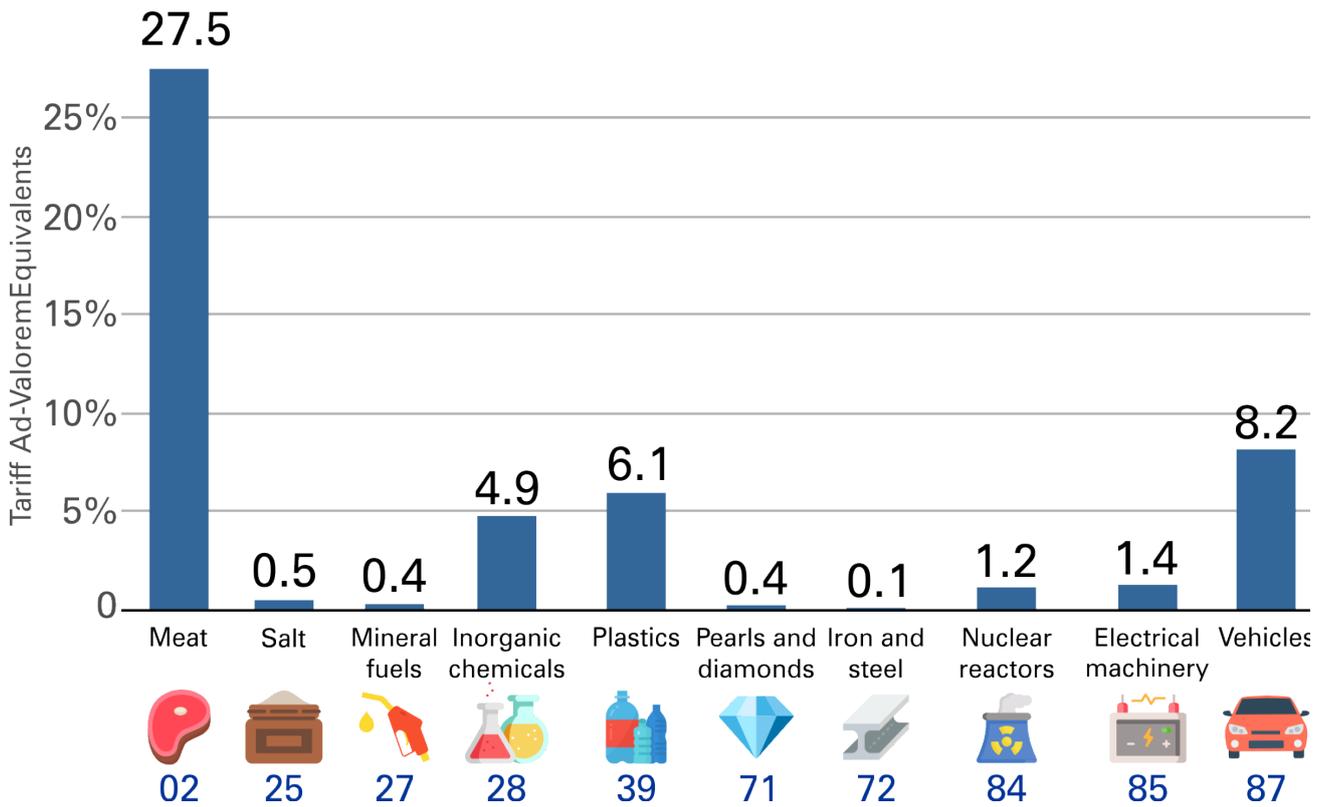
which the EU does not have a trade agreement. As shown in Figure 9, significant advantage – 27.5% - is granted to Botswana's exports of meat to the EU.

- The EPA has flexible Rules of Origin (RoO) intended to facilitate intra-regional trade and promote exports. This has been further explained in Section 4.3.2 Rules of Origin.
- The EU eliminates export subsidies on agricultural goods destined for the SACU market.

## SADC-EU EPA OUTREACH



**Figure 9 EU Most-Favoured Nation rates for Botswana's top 10 export product groups**



Source: ITC MacMap

### 3.2 Specific Rules

#### 3.2.1 Tariff Elimination

The traditional objective of Free Trade Agreements (FTAs) is the elimination of tariffs and custom duties, as well as other protectionist policies between the countries and/or regions that are signatories to them.

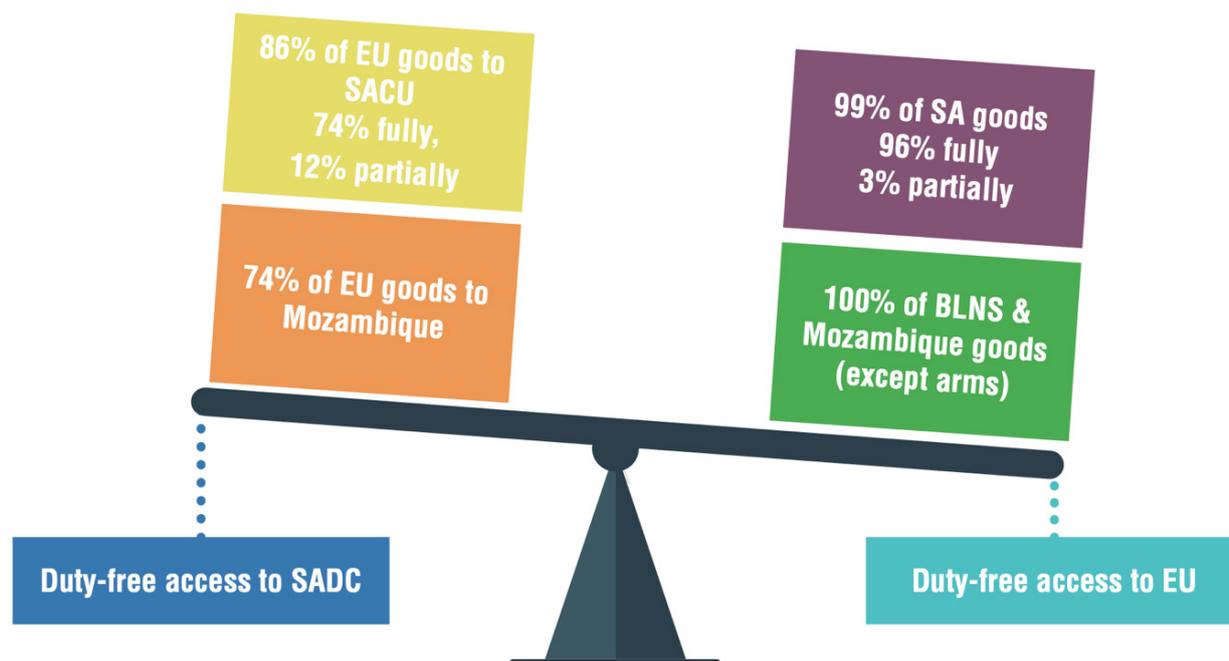
The EU-SADC EPA is a reciprocal, but asymmetrical, trade agreement, meaning that, whilst the EU provides duty- and quota-free market access to the SADC EPA countries – except South Africa - these countries in turn provide EU companies with different levels of market access. Under the Agreement, **the EU provides duty and quota-free access - a full tariff liberalisation - to goods originating from Botswana, Eswatini, Lesotho, Mozambique and Namibia.** This means the products from these countries (except arms and ammunition)

will enter the EU market without having to pay tariffs.

In the case of South Africa, the EU has offered a more limited approach. South Africa will enjoy full liberalisation of 96 percent of all tariff lines, a partial liberalisation to around 3 percent of all tariff lines and around 2 percent of tariff lines that have been excluded from liberalisation.

On the other hand, Botswana, Eswatini, Lesotho, Namibia and South Africa have offered to liberalise around 74% of all their tariff lines and partially liberalise 12% of those, while 14% of the tariffs are excluded from liberalisation. In the case of Mozambique, it has offered to remove customs duties on 74% of its tariff lines for imports from the EU, excluding 26% of the tariff lines (see Figure 10).

**Figure 10 Tariff Preferences under the SADC EU EPA**



Source: Tralac (2016). Note: BLNS refers to Botswana, Lesotho, Namibia and Eswatini (formerly, Swaziland).

### 3.2.2 Rules of Origin

Through the EPA, the signatories have agreed to eliminate or reduce the duties on substantially all products. However, not all products are eligible for such benefits. For example, if a machine comes from different parts of the world, and it is then just assembled in Botswana – does it benefit from the zero tariffs? The answer to this question is found in the EPA’s Protocol 1 on the Rules of Origin (“Protocol 1”). These rules determine the “nationality” of the products to benefit from the EPA preferential origin status. There are two main routes to obtain such nationality:

#### (a) Wholly obtained

The EPA requires that most of the agricultural products (HS chapters 1 to 24) must be entirely obtained/sourced in the SADC

EPA State or the EU to be considered orig-

inating products. The goods which can be considered as wholly obtained in the territory of a SADC EPA State or in the territory of the EU are listed in Article 7, and further explained in Annex II to Protocol 1. For example, an orange coming from any of the SADC EPA States, exported as it is, without any further processing, to the EU, is wholly obtained. However, what about a fish, raised and caught in Botswana, but grown from an imported egg from a third party (non-EPA-signatory)? Protocol 1 states that “*products of aquaculture, where the fish, crustaceans, molluscs and other aquatic invertebrates are born or raised there from eggs, larvae or fry*”, shall be considered as wholly obtained in the territory of a SADC EPA State.<sup>6</sup>

#### (b) Sufficiently worked or processed:

Products that are not wholly obtained in EPA if these are “sufficiently worked or

<sup>5</sup> Tralac (2018). Question and Answers. Economic Partnership Agreement between the European Union and Southern African Development Community Group (SADC EPA). Available at: <https://www.tralac.org/documents/resources/faqs/2049-sadc-eu-epa-faqs-july-2018/file.html>

<sup>6</sup> According to Article 7(1)(f)(ii), Protocol 1 on the Rules of Origin, SADC-EU EPA.

processed” EPA if these are “sufficiently worked or processed” in the territory of the parties to the agreement. This “sufficiently worked or processed” requirement means that a product can obtain preferential origin if it undergoes a specific working or process or a number of workings or processes during its manufacture as specified in Annex II and Annex II (A) to Protocol 1. For the same product which is listed in both Annex II and Annex II (A), economic operators can choose to fulfil either the rule of Annex II or that of Annex II (A).

Generally, there are three criteria used in determining sufficient working or processing:

**(i) Value percentage.** The EPA sets out the threshold (percentage) by which the value of the non-originating materials should not exceed in the ex-works price of the finished product.

*For example,* Botswana builds a vehicle (HS87),<sup>7</sup> using imported raw materials from a non-SADC EPA country. The value of the non-originating materials accounts for 38.5% of the ex-works price of the finished product. According to rule for Chapter 87, in case that the “manufacture in which the value of all the materials used does not exceed **40%** of the ex-works price of the product”, the product fulfils the requirement for an originating product under the EPA.

**(ii) Change in tariff classification.** Under this rule, the finished product would obtain the originating status if the non-originating materials used have a different HS tariff heading or subheading from the one of the finished good.

*For example,* a carpenter would use wood (HS 44) to manufacture a wooden table (HS

94). That change in product code reflects a transformation in the original product – from wood to a table. According to the rule for chapter 44,<sup>8</sup> “Manufacture in which all the materials used are classified within a heading other than that of the product”, the product is considered to qualify to obtain the EU’s preferential access under the EPA.

**(iii) Product-specific rules (PSR),** which indicate specific criteria to be fulfilled, or a particular process to be implemented in order for the finished product to obtain the originating status.

*For example,* The rule for product HS4001 - Laminated slabs of crepe rubber for shoes, is that this product contains “Lamination of sheets of natural rubber”.

Additionally, in many cases, a combination of the above-specified rules can be applied for products to obtain originating status.

*For example,* The rule applied for product HS2009 - Fruit juices is that of a “manufacture in which all the materials used are classified within a heading other than that of the product, and the value of any materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product”, which is a combination of the value percentage rule and change of tariff classification rule.

Economic operators should also pay attention to “**insufficient working or processing**”, which are also sometimes referred to as “minimal processing” or “minimal operations”.<sup>9</sup> Article 9 of Protocol 1 lists out certain processes which are considered as having such a minor effect on the finished product that these changes can never be regarded as conferring originating status, whether carried out individually or in a com-

<sup>7</sup> For this example, the product is under any headings in Chapter 87 other than 8709, 8710, 8711, 8712, 8715, 8716, as these headings are subject to further specific rules. See Annex II to Protocol 1 of the EPA.

<sup>8</sup> For this example, the product is under any headings in Chapter 44 other than 4403, 4407, 4408, 4409, 4410-4413, 4415, 4416, 4418, 4421, as these headings are subject to further specific rules. See Annex II to Protocol 1 of the EPA.

bination of processes. For example, if raw coffee is imported in bulk from a non-EPA country into SADC EPA Member States for dusting, roasting, grinding, sorting, and packaging would not result in originating status under the SADC EPA.

The SADC EPA RoO also provides additional flexibility to product-specific rules, including **tolerance** and **cumulation**.

**(i) Tolerance** rule under the SADC EPA allows the producer to use non-originating materials that are normally prohibited by the product-specific rule up to 15% of the product's ex-works price. However, this tolerance cannot be used to exceed any threshold of maximum non-originating materials expressed in value listed in the product-specific rules (for example, the 40% value percentage), nor be applied to textiles and clothing (chapters 50-63), which are subject to their specific rules.<sup>10</sup>

**(ii) Cumulation** allows, under certain conditions, for non-originating materials to be considered as originating when used in the manufacture of another product in a SADC Member State. For example, sugar from Eswatini would be considered as originating material when used in the manufacture of jam in Botswana. Cumulation can be divided into three types:

- **Bilateral cumulation**, which allows ma-

terials originating in a SADC EPA state to be counted as originating in the EU, and vice versa, when used in the manufacturing of a product.<sup>11</sup>

**For example**, A Botswana producer import EUR 45 of materials to produce a jacket (HS6307). The PSR for HS6308 states that the *"manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product"*. If the materials are originating in the EU, the finished jacket fulfils the origin requirement under the SADC EPA. On the contrary, if the materials are originating from a non-EPA country, say China, the finished jacket shall not qualify for SADC EPA preferential market access.

- **Diagonal cumulation**, which allows materials originating in any SADC EPA state, in the other ACP EPA state or in an EU Overseas Country or Territory (OCT) to be counted as originating in a SADC EPA state or the EU when used in the manufacturing of a product provided that certain conditions are met.<sup>12</sup>

**For example**, A producer with a canning operation can process together fruits harvested in Namibia, Botswana, Spain and Curaçao, and still benefit from duty-free market access to the EU market under the EPA, as all the fruits come from countries parties to the EPA or are belong to an EU OCT.

<sup>9</sup> European Commission (2019). Guide to the Protocol on rules of origin of the Economic Partnership Agreement (EPA) between the European Union and its Member States, of the one part, and the SADC EPA States, of the other part.

<sup>10</sup> According to Articles 8(4) and 8(5), Protocol 1 on the Rules of Origin, SADC-EU EPA.

<sup>11</sup> Article 3, Protocol 1 on the Rules of Origin, SADC-EU EPA.

<sup>12</sup> Article 4, Protocol 1 on the Rules of Origin, SADC-EU EPA.

- **Full cumulation**,<sup>13</sup> which allows the working or processing carried out on non-originating materials in the EU, to be taken into account in SADC EPA states, in the other ACP state or in an OCT to help comply with the product-specific rule.

For example, Cotton fabric imported from China (EUR 45), bleached in Lesotho (value of operation = EUR 25), and printed in Botswana (value of operation = 30 EUR). The ex-works price is EUR 100, and the value of non-originating materials represents 45% of the Ex-works price. According to product-specific rule for HS5208 the finished product fulfils the origin requirements.

Additionally, the SADC EPA RoO also provides for a “global cumulation” mechanism, under which SADC EPA States can source materials from (i) countries **benefiting from preferential duty-free quota-free access to the EU** (such as GSP and EBA),<sup>15</sup> or (ii) any third countries provided that materials imported from such third countries are subject to MFN duty free treatment in the EU,<sup>16</sup> and consider them as domestic content to be absorbed into the local qualifying products, subject to certain conditions.

### 3.2.3 Other Provisions

The EPA is a comprehensive agreement with 122 articles, six annexes and four protocols, with a total length of over 2,100 pages. This section aims to provide a short overview of the key sections relevant for Botswana’s exporters: 1) Customs and trade facilitation, and sanitary phyto-Sanitary (SPS) and Technical Barriers to Trade (TBT); and (2) Trade remedies.

## Customs and trade facilitation, TBT and SPS

Customs, technical barriers to trade, as well as sanitary and phyto-sanitary measures, are one of the key impediments to trade in Africa. In this context, the EPA does not foresee any legally binding obligations, but rather a set of “soft law” measures that aim to solve, as much as possible, the issues raised by those elements by, for example, agreeing on good customs practices and by establishing early warning mechanisms when new TBT or SPS legislation is in the making. Customs cooperation, as well as meeting SPS and TBT standards, are singled out as possible avenues for development financing in the chapter on development cooperation.

As TBT and SPS requirements are product specific, the guide will go into detail on these when assessing the requirements to exports in section 5.



<sup>13</sup> Full cumulation can also be considered as a specific case of diagonal cumulation. See Articles 4(6), 4(7), and 4(8) of the Protocol 1 on the Rules of Origin, SADC-EU EPA.

<sup>14</sup> Product specific rule for 5208-5212 states that “Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling) where the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of the product”. See Annex II, Protocol 1 on the Rules of Origin, SADC-EU EPA.

<sup>15</sup> Article 6, Protocol 1 on the Rules of Origin, SADC-EU EPA.

<sup>16</sup> Article 5, Protocol 1 on the Rules of Origin, SADC-EU EPA.

## Box 1 What are TBT and SPS Measures?

TBT measures refer to those technical regulations, standards, and conformity assessment procedures that products must meet in order to be able to be sold in a given country. The purpose of these requirements may be the protection of life or health, the protection of the environment, the prevention of deceptive practices or to ensure the quality of products, and can adopt the form of labelling requirements, packaging, information, production processes, etc.<sup>17</sup>

SPS measures are those requirements put

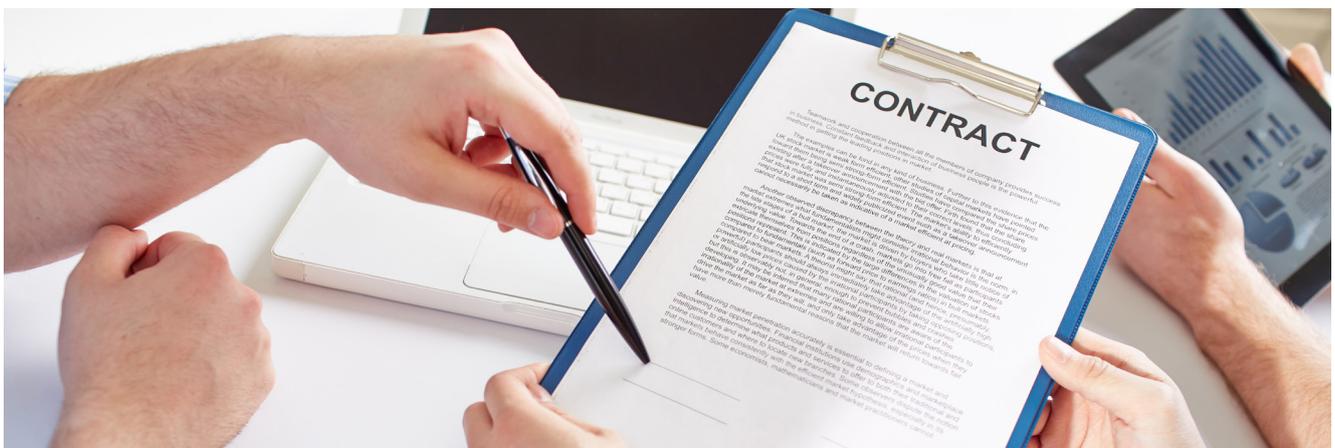
in place in governments to ensure that food is safe for consumers, and to prevent the spread of pests or diseases among animals and plants. These measures can take many forms, such as requiring products to come from a disease-free area, inspection of products, specific treatment or processing of products, setting of allowable maximum levels of pesticide residues or permitted use of only certain additives in food. SPS measures apply to domestically produced food or local animal and plant diseases, as well as to products coming from other countries.<sup>18</sup>

## Trade Remedies

Trade liberalisation does not mean that trade is left completely unattended. In some occasions, countries might resort to certain unfair trading practices to win a competitive advantage. In others, even fair trade might cause an economic situation or distress a particular industry that the countries might need to address. For those situations, the EPA foresees the application of safeguards, which provide a 'safety valve' in recognition of the fact that, if liberalisation causes severe hardship to a country's economic sector, then it should be able to temporarily reintroduce the import duty that has been reduced.

The SADC EPA foresees a set of options to resolve such situation: (a) recourse to multilateral safeguards, (b) bilateral safeguards, (c) agricultural safeguards, (d) food security safeguards, (e) a safeguard custom-made for Botswana, Lesotho, Namibia and Eswatini, and (f) safeguards to protect infant industry.

The safeguards are in place to cater for various scenarios that might arise and under which domestic industries can be negatively impacted. Table 2 provides an overview of the different safeguards and their applicability.



<sup>17</sup> For more information on TBT measures, please visit WTO – Technical Barriers to Trade: [https://www.wto.org/english/tratop\\_e/tbt\\_e/tbt\\_e.htm](https://www.wto.org/english/tratop_e/tbt_e/tbt_e.htm)

<sup>18</sup> For more information on SPS measures, please visit WTO – Sanitary and Phytosanitary Measures: [https://www.wto.org/english/tratop\\_e/sps\\_e/spsund\\_e.htm](https://www.wto.org/english/tratop_e/sps_e/spsund_e.htm)

**Table 2 Safeguard measures in the EU-SADC EPA**

	Bilateral safeguard	Agricultural safeguard	Food security safeguard	BLNS safeguard	Infant industry
Beneficiary	All parties	SACU	SADC EPA States	BLNS countries	BLMNS countries
Coverage	All products	23 agricultural tariff lines	All products	60 tariff lines	Infant industry produce
Measure	<ul style="list-style-type: none"> <li>• suspension of further reduction of the duty; or</li> <li>• increase in duty up to MFN rate; or</li> <li>• - introduction of tariff quotas</li> </ul>	A duty which shall not exceed 25% of the current WTO bound tariff or 25 percentage points, whichever is higher. Such duty shall not exceed the MFN rate	Not specified	Increase in duty up to the MFN rate or a zero duty TRQ, with duty outside the quota not exceeding the MFN rate	Suspend further reductions of the duty or increase in duty up to the MFN rate
Duration of the measure	For the EU, 2 years with possible extension of 2 years. For SADC EPA countries, 4 years, with possible extension of 4 years	For the remainder of the calendar year or 5 months, whichever is the longer	As soon as the circumstances leading to its adoption cease to exist	Four years, with possible extension of four years	Eight years
Duration of the provision	Indefinite	12 years from entry into force	Indefinite	12 years from entry into force	As long as injury is a result of a reduction of the duties

Source: Berends (2016)

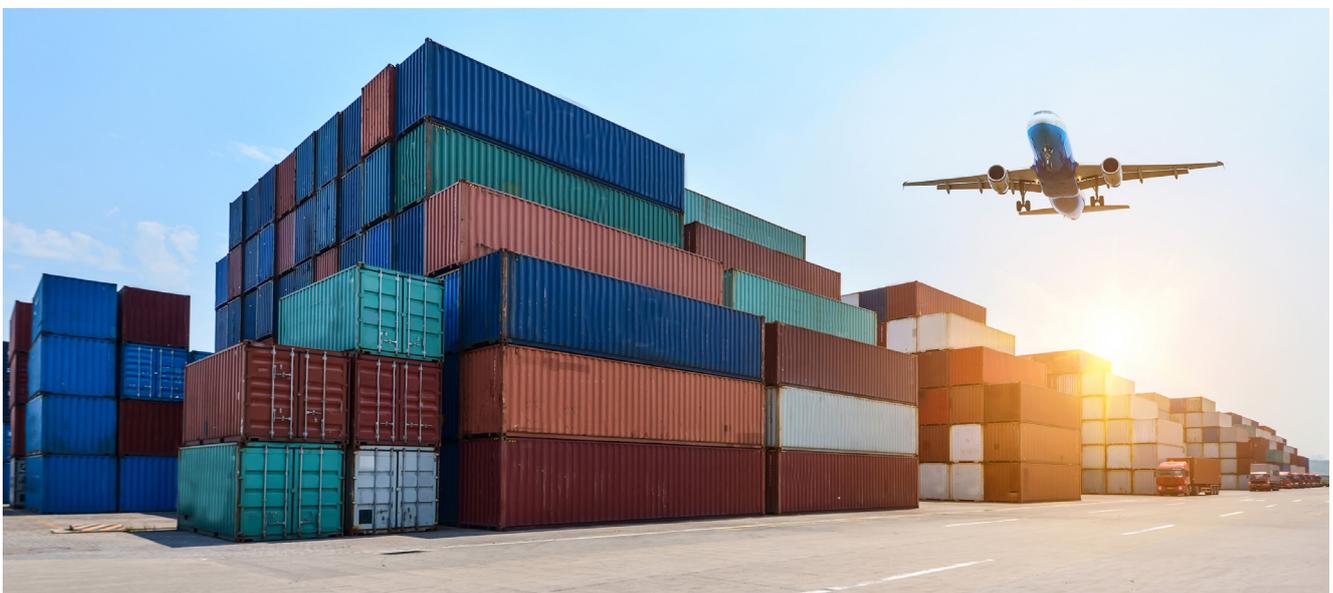
**Note:** the application of trade remedies requires certain conditions to be met, such as unforeseen

import surges, injury to domestic industries and/or unfair trade practices.

## 4. General Export Procedures

To benefit from exporting to the EU, exporters in Botswana must follow a set of procedures, including complying with (1) local laws and regulations that govern the export

process in Botswana, and (2) laws and regulations that govern the EU’s imports. These are outlined below.



## 4.1. Comply with Botswana's export requirements

### Business registration

Any trader that is considering exporting from Botswana is required to first register a company in Botswana. It is a statutory requirement that every business operating in Botswana is registered and fully incorporated. This registration is important for businesses and export-related transactions as it demonstrates the credibility and legality of the entity. The business registration process in Botswana is managed by the Registrar of Companies within the Ministry of Investment, Trade and Industry. The process is further described in Annex 1 of this Guide.

### Obtain export licenses

Certain goods require export licenses to be obtained from relevant government agencies. A list of products and required supporting documents and information is provided in Box 2. Further clarification on the product lists and procedures can be sought from the Botswana Unified Revenue Service (BURS) or on Botswana Trade Portal at <https://www.botswanatradeportal.org.bw>.

### Registration with BURS

Any trader wishing to export under trade agreements must register with BURS through Regional Offices (Customs Services Division) (BITC, n.d.).

### Box 2 Application to export under trade agreements

Information to be included in the application letter addressed to Commissioner General are:

- The trade agreement you wish to export under
- Country of importation
- Name of the exporting company
- Physical address of the exporting company
- Contact details: production manager's telephone number, fax number and email address.

- Names of directors and their nationalities
- List of products intended for export, under the agreement, including tariff codes
- List of raw materials used and their tariff codes

• State the origin criteria of your products

#### Attachments to the application letter

- Sketch Plan showing the factory layout and machinery used
- Certificate of incorporation
- A detailed step by step manufacturing process of the goods intended for export

### Prepare and obtain export documents

Documents and authorizations required for export transactions include:

#### i. Commercial Invoice

A commercial invoice is the bill for the products from seller to buyer. It is required for most exports. The buyer needs the invoice to prove ownership and arrange payment. It may also be used for the transaction of goods not intended for further sale, returned products, and goods intended only for temporary import, among others.

#### ii. Bill of Lading

The bill of lading is a contract between the owner of the products and the carrier. There are two types, namely:

1. A straight bill of lading, which is non-negotiable, and
2. The negotiable/shipper's order bill of lading, which can be bought, sold, or traded while goods are in transit and is used for letter-of-credit transactions. The buyer usually needs a copy of the bill of lading as proof of ownership to take possession of the goods. For air carriers the bill of lading is known as airway bill.

#### iii. Export-Packing List

An export-packing list specifies the material in individual packages and shows their net, legal, tare, and gross weights. The export-packing list is normally attached to the outside of the package in a clearly marked waterproof envelope. It is a useful document

for customs officials who use it to check consignments at inspection points.

#### iv. Certificate of Origin

The Certificate of Origin ensures that products originating in certain countries get the preferential treatment to which they are entitled.

#### 4.2. Comply with EU Laws and Requirements

Check if your product is eligible in the EU market, and what are the requirements?

The EU Trade Helpdesk<sup>19</sup> provides the necessary information to check (1) what's the HS code of the product at hand, (2) whether it is eligible for preferential market access, and (3) what are the requirements and internal taxes applicable to the specific product.

There are four types of legislations set for products marketed in Europe, provided by the European Commission's Regulations and Directives. Regulations vary according to the product being exported, and exporters must research to ensure that their products meet the necessary requirements for export according to the EU product eligibility. The four types of legislations to be checked are the following<sup>20</sup>:

1. **Framework legislation** setting the bases for a sector (e.g. General Food Law for food products).

2. **Legislation restricting substances, chemicals and contaminants.** The exporter should verify whether the product contains any of the restricted substances, chemicals or contaminants, or within the limit set for that substance. For instance, exporters have to provide an SPS Certificate for plants and other products. The product groups where

mandatory requirements are often applied include: chemicals, cosmetics, medicinal products, agricultural goods, foodstuffs and feeding stuffs, live animals, and animal products. SPS certificates are needed to export most fresh fruits, vegetables, other plant materials, and products composed of animal products.

3. **Legislation on CE-marking<sup>21</sup>**. The letters 'CE' appear on many products traded on the extended Single Market in the European Economic Area (EEA) and it means that they have been assessed to meet high safety, health, and environmental protection requirements, applicable to toys and electronic equipment, medical devices and a few other product groups. CE marking is mandatory for some products, such as electronics, medical devices, toys, electrical appliances, and construction products.

4. **Product-specific legislation** set for a few, specific products in addition to the requirements set in framework legislation and legislation restricting substances.

5. **Packaging and labelling requirements.** EU Member States often have detailed requirements for packaging and labelling products, which can be either mandatory or voluntary.

1. Mandatory marks and labels on consumer products and their packaging are usually related to public safety, health and/or environmental concerns.

2. Voluntary marks are for, instance, those indicating the organic production of the good of the eco-label on industrial products

Information on specific packaging and labelling requirements can be found here<sup>22</sup>.

<sup>19</sup> See EU Trade HelpDesk: <https://trade.ec.europa.eu/tradehelp/>

<sup>20</sup> See EU Trade HelpDesk: <https://trade.ec.europa.eu/tradehelp/>

<sup>21</sup> For further information on the CE Marking, visit European Commission – CE Marking: [https://ec.europa.eu/growth/single-market/ce-marking\\_en](https://ec.europa.eu/growth/single-market/ce-marking_en)

<sup>22</sup> For an overview of the different product labelling and packaging requirements, please visit: <https://eur-lex.europa.eu/summary/chapter/0905.html>

### Box 3 Example of Labelling Requirements: Footwear

- Only materials covering 80 % or more of the surface areas of the upper, the lining and the sock of the footwear, as well as 80 % or more of the volume of the outer sole, need to be labelled. Where no single material accounts for at least 80 %, a label with information on the two main materials must be provided.
- The labelling needs to provide information on the three components of the footwear:
  - the upper;
  - the lining and sock;
  - the outer sole.
- The label may either be written or in the form of a pictogram.
- The label must be visible, securely attached and accessible.
- The label should be:
  - printed or embossed on the footwear; or
  - attached to the footwear by means of, for example, an adhesive label; or
  - affixed by means of, for example, a fastener or string.
- The label must appear on at least one of the two items comprising the pair of shoes, boots, etc.

### Phase 3: Prepare and obtain export documents<sup>23</sup>

The EU is a Customs Union and its 27 member countries form a single territory for customs purposes. This means that:

- no customs duties are paid on goods moving between EU Member States
- all apply a common customs tariff for

goods imported from outside the EU

- goods that have been legally imported can circulate throughout the EU with no further customs checks

Documents and authorizations required for export transactions and customs clearance in Europe include:

#### 1. Customs Import Declaration (SAD)

All goods imported into the European Union (EU) must be declared to the customs authorities using the Single Administrative Document (SAD). The single administrative document (SAD) is a form used for customs declarations in the EU, Switzerland, Norway, Iceland, Turkey, the Republic of North Macedonia and Serbia. It is composed of a set of eight copies each with a different function. Using one single document reduces the administrative burden and increases the standardisation and harmonisation of data collected on trade. The information contained in the SAD is:

- Data of the parties involved in the operation (importer, exporter, representative, etc.)

- Custom approved treatment (release for free circulation, release for consumption, temporary importation, transit, etc.)
- Identifying data of the goods (Taric code, weight, units), location and packaging
- Information referred to the means of transport
- Data about country of origin, country of export and destination
- Commercial and financial information (Incoterms, invoice value, invoice currency, exchange rate, insurance etc.)
- List of documents associated to the SAD (Import licenses, inspection certificates, document of origin, transport document, commercial invoice etc.)
- Declaration and method of payment of import taxes (tariff duties, VAT, Excises, etc)

<sup>23</sup> Based on the EU trade portal <https://trade.ec.europa.eu/tradehelp/eu-customs-union>

Depending on the type of goods transported, the following documents shall be declared with the SAD and shall be presented together with it:

- Documentary proof of origin, normally used to apply a tariff preferential treatment
- Certificate confirming the special nature of the product
- Transport Document
- Commercial Invoice

- Customs Value Declaration
- Inspections Certificates (Health, Veterinary, Plant Health certificates)
- Import Licenses
- Community Surveillance Document
- Cites Certificate
- Documents to support a claim of a tariff quota
- Documents required for Excise purposes
- Evidence to support a claim to VAT relief

## 2. Commercial Invoice

A commercial invoice is the bill for the products from seller to buyer. It contains the basic information on the transaction, and it is always required for customs clearance. The buyer needs the invoice to prove ownership and arrange payment. It may also be used for the transaction of goods not intended for further sale, returned products, and goods intended only for temporary import, among others. The invoice must contain the following:

- Complete name and address of the buyer or importer, seller or manufacturer, and the shipper;
- Detailed description of the products with quantities, and the Harmonized System (HS) codes of the goods;
- Total value per item;
- Country of origin, with reason for export; and
- Statement certifying that the invoice is true, and a signature.

## 3. Customs Value Declaration<sup>24</sup>

The Customs Value Declaration is a document, which must be presented to the customs authorities where the value of the imported goods exceeds EUR 20,000. The Customs Value Declaration must be drawn up conforming to form DV 1, whose specimen is laid down in Annex 8 to Regulation (EU) 2016/341 (OJ L-69 15/03/2016) (CELEX 32016R0341) known as UCC Transitional Delegated Act. This form must be presented with the Single Administrative Document (SAD).

The main purpose of this requirement is to

assess the value of the transaction in order to fix the customs value (taxable value) to apply the tariff duties. The customs value corresponds to the value of the goods including all the costs incurred (e.g.: commercial price, transport, insurance) until the first point of entry in the European Union. The usual method to establish the Customs value is using the transaction value (the price paid or payable for the imported goods). It is recommended to check the EU trade portal to know more about the Customs Duties (step 3 of the infographic).

<sup>24</sup> For further information on the documents for customs clearance, please visit: <https://trade.ec.europa.eu/tradehelp/documents-customs-clearance#CustomsValueDeclaration>

#### 4. Bill of Lading or Freight Documents

The bill of lading is one of the most common freight documents, and it is a contract between the owner of the products and the carrier. They are two types, namely:

- A straight bill of lading, which is non-negotiable, and
- The negotiable/shipper's order bill of lading, which can be bought, sold, or traded while goods are in transit and is used for

letter-of-credit transactions.

The buyer usually needs a copy of the bill of lading as proof of ownership to take possession of the goods. For air carriers, the bill of lading is known as airway bill.

Other types of freight documents include: FIATA Bill of Lading; Road Waybill; Air Waybill; Rail Waybill; ATA Carnet; and TIR Carnet.

#### 5. Freight Insurance

The insurance is an agreement by which the insured is indemnified in the event of damages caused by a risk covered in the policy. Insurance is all-important in the transport of goods because of their exposure to more common risks during handling, storing, loading or transporting

cargo, but also to other rare risks, such as riots, strikes or terrorism.

The insurance invoice is required for customs clearance only when the relevant data does not appear in the commercial invoice.

#### 6. Export-Packing List

An export-packing list specifies the material in individual packages and shows their net, legal, tare, and gross weights in metric values. The export-packing list is normally attached to the outside of the package in a clearly marked waterproof envelope. It is a useful document for customs officials who use it to check consignments at inspection points.

The generally included data are:

- Information on the exporter, the importer and the transport company
- Date of issue
- Number of the freight invoice
- Type of packaging (drum, crate, carton, box, barrel, bag, etc.)
- Number of packages

- Content of each package (description of the goods and number of items per package)
- Marks and numbers
- Net weight, gross weight and measurement of the packages

No specific form is required. The packing list is to be prepared by the exporter according to standard business practice and the original along with at least one copy must be submitted. Generally, there is no need to be signed. However, in practice, the original and the copy of the packing list are often signed. The packing list may be prepared in any language. However, a translation into English is recommended.

#### 7. Certificate of Origin

The Certificate of Origin is a document indicating the country of origin for products being imported. It ensures that products originating in certain countries get the preferential treatment to which they are en-

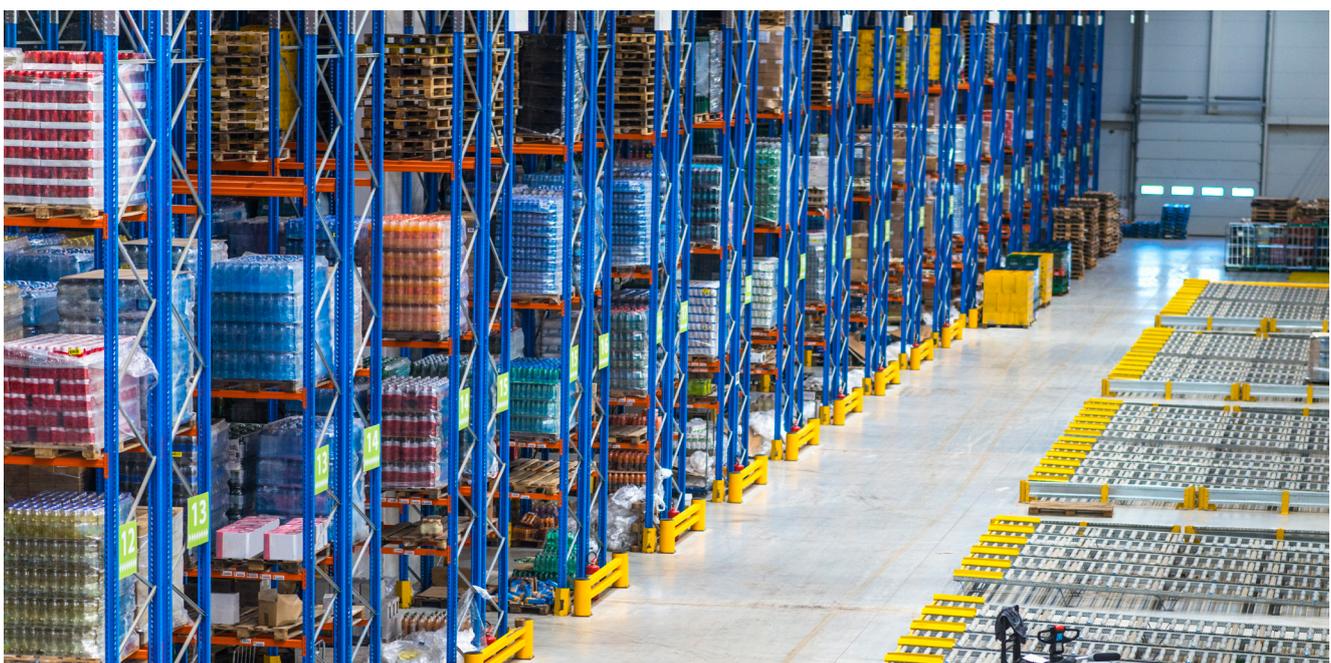
titled. The exporter has to verify that the product was sent from the "originating" country and arrives to the EU without being manipulated in another country, apart from the mere operations needed for keeping the product in good conditions.

## 5. Product-specific export requirements

The following section contains a detailed list of the different requirements necessary to export five specific products into the EU. The selection of products and markets under this section reflects criteria aimed to de-

termining the likeliest products and markets to export from Botswana to EU markets. Annex 2 provides an overview of the products selected and the methodology for selection. The five categories of products chosen are:

Product Category (HS 4)	Specific Product (HS 8)
0202 Frozen meat	0202.30.90 Meat of bovine animals, frozen, Boneless, Other, of High Quality  0202.20.90 Frozen bovine cuts, with bone in (excluding carcasses and half-carcasses): other
6302 Bed, table or toilet linen	6302.60.00 Toilet linen and kitchen linen, of terry toweling or similar terry fabrics, of cotton, knitted or crocheted.
0201 Chilled meat (beef)	0201.30.10 Fresh or chilled bovine meat, boneless: forequarters cuts (incl. thin flanks)  0201.30.90 Fresh or chilled bovine meat, boneless: other  0201.10.00 Carcasses or half-carcasses of bovine animals, fresh or chilled
1302 Vegetable saps and extracts	1302.19.70 Vegetable saps and extracts (excluding liquorice, hops and opium): other
8309 Stoppers, Caps and lids	8309.90.10 Stoppers, caps and lids, incl. screw caps and pouring stoppers, capsules for bottles, threaded bungs, bung covers, seals and other packing accessories of base metal (excluding crow corks): of iron or steel



## 5.1 Meat (Chilled and Frozen)

The details provided in this section cover those requirements for product groups HS0201 and HS0202.

The EU is by far the biggest importer of food worldwide. In 2019, the EU imported just under one third (32%) of the World's imports of processed foods and agro-based products. The EU accounts for **43% (USD 10 billion) of world imports of chilled beef (HS0201) and just 8% (USD 2 billion) of world imports of frozen beef (HS0202)** in 2019.

Import rules for meat and meat products are fully harmonised across all Member States of the EU, meaning that the same rules apply to the whole EU territory. Imports of fresh meat and meat products into the EU are subject to veterinary certification

- which is based on the recognition of the competent authority of the non-EU country by the Directorate-General for Health and Food Safety.<sup>25</sup> This formal recognition of the reliability of the competent authority is a pre-requisite for the country to be eligible and authorised to export such products to the EU.<sup>26</sup> Botswana currently has two recognised establishments by the European

### Labelling and Nutrition

European regulations on labelling are clear. In general, the following information needs to be labelled on meat products, with pre-packed products having some additional information needs that products which have not been pre-packed do not need to include:

Commission, which can certify meat:

- Botswana Meat Commission, Selected facilities, valid from 10/2012<sup>27</sup>
- Senn Foods Abattoir, Valid from 04/2019<sup>28</sup>

The food hygiene conditions for food imports are laid down in several parts of EU law.<sup>29</sup> Apart from Regulations (EC) Nos 852/2004, 853/2004, 178/2002 and 882/2002, consideration should be given to:

- Regulation (EC) No 854/2004 of the European Parliament and of the Council of 29 April 2004 laying down specific rules for the organisation of official controls on products of animal origin intended for human consumption.
- Council Directive 97/78/EC of 18 December 1997 laying down the principles governing the organisation of veterinary checks on products entering the Community from third countries.

The main specific requirements as they relate to beef imports, are highlighted in the table below.<sup>30</sup> A helpful on-line guide to the requirements on food safety for exporting to the EU can be found [here](#).

- Name of the food;
- List of ingredients;
- Any ingredient or processing aid used in the manufacture or preparation of a food that could cause allergies or intolerances;
- Quantity of certain ingredients or categories of ingredients;

<sup>25</sup> To know more on EU import conditions for fresh meat and meat products, see [https://ec.europa.eu/food/sites/food/files/safety/international\\_affairs/trade/docs/im\\_cond\\_meat\\_en.pdf](https://ec.europa.eu/food/sites/food/files/safety/international_affairs/trade/docs/im_cond_meat_en.pdf)

<sup>26</sup> Legally legitimate and adequately empowered authorities in the exporting country must ensure credible inspection and controls throughout the production chain, which cover all relevant aspects of hygiene, animal health and public.

<sup>27</sup> For more information on the Botswana Meat Commission visit [https://webgate.ec.europa.eu/sanco/traces/output/BW/RM\\_BW\\_en.pdf](https://webgate.ec.europa.eu/sanco/traces/output/BW/RM_BW_en.pdf)

<sup>28</sup> For more information on the Senn Foods Abattoir visit [https://webgate.ec.europa.eu/sanco/traces/output/BW/ABP-FSB\\_BW\\_en.pdf](https://webgate.ec.europa.eu/sanco/traces/output/BW/ABP-FSB_BW_en.pdf)

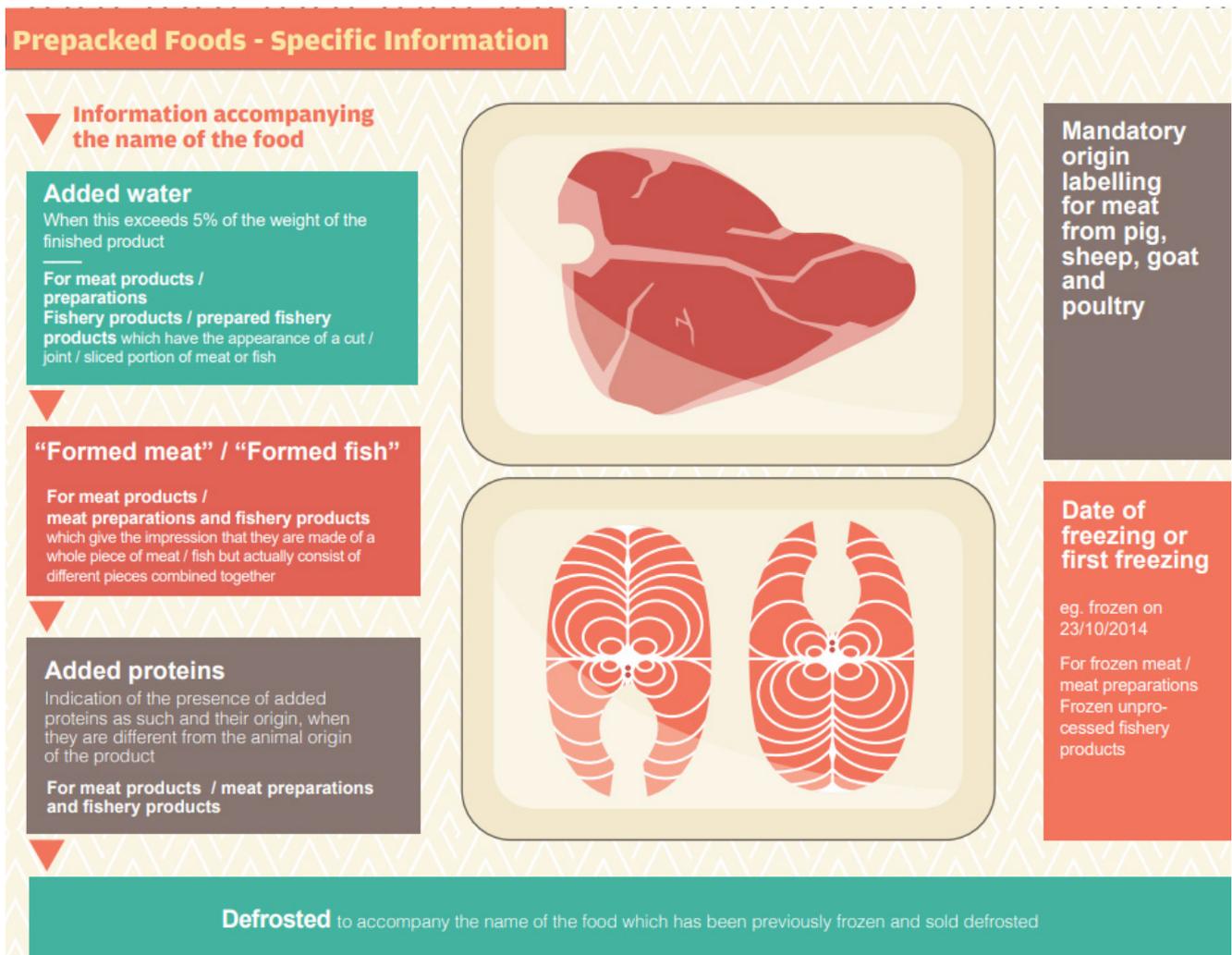
<sup>29</sup> To know more on the EU law on food information to consumers see [https://ec.europa.eu/food/safety/labelling\\_nutrition/labelling\\_legislation\\_en](https://ec.europa.eu/food/safety/labelling_nutrition/labelling_legislation_en)

<sup>30</sup> To see the guidance document on "Key questions related to import requirements and the new rules on food hygiene and official food controls" visit [https://ec.europa.eu/food/sites/food/files/safety/docs/biosafety\\_fh\\_legis\\_guidance\\_interpretation\\_imports.pdf](https://ec.europa.eu/food/sites/food/files/safety/docs/biosafety_fh_legis_guidance_interpretation_imports.pdf)

- Net quantity of the food;
- Date of minimum durability ('best before' date) or the 'use by' date;
- Any special storage conditions and/or conditions of use;
- Name or business name and address of the food business operator;
- Country of origin or place of provenance;
- Instructions for use where it would be difficult to make appropriate use of the food in the absence of such instructions;
- Nutrition declaration.

Figure 11 provides a summary of the labelling information required for meat.<sup>31</sup>

**Figure 11 Summary of labelling information for meat**



Source: European Commission

<sup>31</sup> Regulation (EU) No 1169/2011 on the provision of food information to consumers entered into application on 13 December 2014. The obligation to provide nutrition information applies since 13 December 2016 .

For the labeling of prepacked foods, the Regulation sets out a list of mandatory particulars that are required to be provided to the final consumer (Article 9, par. 1):  
Additional mandatory particulars for specific types or categories of foods laid down in Annex III of Regulation (EU) No 1169/2011 (Article 10, par. 1).

## Biological Safety

The EU applies a [single, transparent hygiene policy](#) applicable to the importation of all food and all food operators right through the food chain (“from farm to fork”), together with effective instruments to manage food safety and any future food crises throughout the food chain<sup>32</sup>.

The principles of food hygiene are:

- [Primary responsibility](#) for food safety borne [by the food business](#) operator
- [Food safety ensured throughout the food chain](#), starting with primary production
- General implementation of procedures based on the [Hazard Analysis and Critical Control Points principles](#) (HACCP)
- Application of [basic common hygiene requirements](#), possibly further specified for certain categories of food
- [Registration or approval](#) for certain EU establishments
- Development of [guides to good practice for hygiene](#) or for the application of HACCP principles as a valuable instrument to aid food business operators at all levels of the food chain to comply with the new rules.

## Chemicals Safety & Hormones

Animals may be treated with veterinary medicines to prevent or cure disease, which may leave residues in the food from treated animals. Food may also contain residues of pesticides and contaminants to which animals have been exposed to. In all cases, [the levels of residues in food should not harm the consumer](#)<sup>33</sup>. Botswana must implement a residue monitoring plan that guarantees an equivalent level of food safety. Sampling of requirements for bovine meat should be submitted for 0.4% of the animals slaughtered in the previous year. The guidelines

for establishing a residue monitoring plan can be found [here](#)<sup>34</sup>.

Specifically, [the EU prohibits the use of substances having a hormonal action for growth promotion in farm animals](#). Examples for these kind of growth promoters are oestradiol 17 $\beta$ , testosterone, progesterone, zeranol, trenbolone acetate and melengestrol acetate (MGA). This prohibition applies to Member States and imports from third countries alike.<sup>35</sup>

## Traceability

“Traceability” means the ability to track any food, feed, food-producing animal or substance that will be used for consumption, through all stages of production, processing and distribution.<sup>36</sup> Specific traceability requirements in the context of the General Food Law Regulation for animal origin products include:

- Special traceability rules for genetically modified organisms (GMOs), which ensure that the GM content of a product can be traced and require accurate labelling so that consumers can make an informed choice.
- Producers must now “tag” every animal with details of their origin and, when animals are taken for slaughter, stamp them with the traceability code of the abattoir. The tools used (ear tags, passports, bar codes) may vary from one country to another but must carry the same information.

To enable the traceability of animals across borders, in April 2004, the EU introduced the TRAdE Control and Expert System (TRACES). This provides a central database for tracking the movement of animals both within the EU and from third countries. In the event of a disease outbreak, TRACES

<sup>32</sup> To know more on EU’s food hygiene policy see [https://ec.europa.eu/food/safety/biosafety/food\\_hygiene\\_en](https://ec.europa.eu/food/safety/biosafety/food_hygiene_en)

<sup>33</sup> Specific legislation pertaining to this is found in Directive 96/23/EC.

<sup>34</sup> The guidelines for establishing a residue monitoring plan can be found here [https://ec.europa.eu/food/sites/food/files/safety/docs/cs\\_vet-med-residues\\_cons\\_2004-2726rev4\\_en.pdf](https://ec.europa.eu/food/sites/food/files/safety/docs/cs_vet-med-residues_cons_2004-2726rev4_en.pdf)

<sup>35</sup> See Directive 81/602/EEC, Directive 96/22/EC and Directive 2003/74/EC.

<sup>36</sup> To view the food traceability factsheet visit [https://ec.europa.eu/food/sites/food/files/safety/docs/gfl\\_req\\_factsheet\\_traceability\\_2007\\_en.pdf](https://ec.europa.eu/food/sites/food/files/safety/docs/gfl_req_factsheet_traceability_2007_en.pdf)

ensures that all potentially affected animals can be quickly identified and that authorities can take appropriate measures.<sup>37</sup>

### Logistics

Imports of meat or meat products must enter the EU via an approved Border Inspection Post of the EU under the authority of an official veterinarian in the EU Member State in question. Each consignment is subject to a systematic documentary check, identity check and, as appropriate, a physical check. The frequency of physical checks depends on the risk profile of the product and also on the results of previous checks. Consignments which are found not to be compliant with EU legislation shall either be destroyed or, under certain conditions, re-dispatched within 60 days.

### 5.2 Textiles

In 2019, EU imports of textile products<sup>38</sup> reached USD 6.2 billion, representing around one third of world imports. 71% of all EU imports came from outside of the EU, with Pakistan, China, Turkey and India being the top suppliers to the EU, accounting for 82% of non-EU imports.

The details provided in this section cover those requirements for product group HS6302. Textile products face three main import requirements into the EU.

### Labelling of Textiles

Similar to the meat requirements, textile products can only be sold on the EU market provided that they are labelled, marked or accompanied with commercial documents. The main purpose of the labelling requirements is to ensure that consumers, when purchasing textile products, are given an accurate indication of their fibre composition. The general information that must be contained in the labels is:

1. The information in the label must be accurate, not misleading and easily understandable.
2. The label or mark shall be durable, easily legible, visible, accessible and, in the case of a label, securely attached.
3. It shall appear in the official language or languages of the Member State where the product is offered to the consumer.
4. The information should not contain abbreviations.



<sup>37</sup> To access the Trade Control and Expert System, visit <https://webgate.ec.europa.eu/sanco/traces/security/login.do>

<sup>38</sup> HS 6302

<sup>39</sup> See Regulation (EU) No 1007/2011 of the European Parliament and of the Council of 27 September 2011 on textile fibre names and related labelling and marking of the fibre composition of textile products and repealing Council Directive 73/44/EEC and Directives 96/73/EC and 2008/121/EC of the European Parliament and of the Council (OJ L-272 18/10/2011) (CELEX 32011R1007)

#### Box 4 Specific labelling requirements for textile products

In addition to the general requirements, textile producers ready to export to the EU must comply with a set of specific requirements:

- Only textile products exclusively composed of the same fibre may be labelled or marked as '100 %', 'pure' or 'all'.
- Multi-fibre textile products shall be labelled with the name and percentage by weight of all constituent fibres in descending order. Fibres not yet listed in Annex I to the Regulation or fibres accounting for less than 5% of the total weight, may be designated as Other fibres, immediately preceded or followed by their total percentage by weight.
- Textile product containing two or more textile components which have different textile fibre contents shall bear a label or

marking stating the textile fibre content of each component.

- Decorative fibres and fibres with antistatic effect not exceeding 7% and 2% respectively of the weight of the product are excluded from the indication of fibre content.
- The presence of non-textile parts of animal origin is required to be marked as Contains non-textile parts of animal origin on the labelling or marking.
- For textile products whose fibre composition is difficult to determine, the terms mixed fibres or unspecified textile composition may be used.
- Annex IV to the Regulation sets out special provisions for the labelling and marking of certain textile products (corsetry products, embroidered textiles, etc.).

#### Restriction on the use of certain chemical substances in textile and leather products

This regulation restricts the use of a large selection of chemicals in textiles and leather. The use of these chemicals in apparel is either restricted by limits in weight, usually measured in mg or kg, or prohibited altogether (see Box 5).

Some EU countries have additional national regulation on specific chemicals. Austria, Finland, Germany, Norway and the Netherlands have specific regulations for formaldehyde in textiles; whilst Austria, Denmark, Germany and the Netherlands also have specific regulations for pentachlorophenol, while Germany also has regulations for disperse dyes in textiles.

#### Box 5 Specific chemical restrictions for textile products

The following chemicals and substances are not allowed in textile articles:

- Tris (2,3 dibromopropyl) phosphate in textile articles intended to come into contact with the skin.

- Tris (aziridiny) phosphin oxide in textile articles intended to come into contact with the skin.
- Polybrominated biphenyls (PBB) in textile articles intended to come into contact

<sup>40</sup> See Regulation [\(EC\) No 1907/2006](#) of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending [Directive 1999/45/EC](#) and repealing Council Regulation [\(EEC\) No 793/93](#) and Commission Regulation (EC) No 1488/94 as well as Council [Directive 76/769/EEC](#) and Commission [Directives 91/155/EEC](#), [93/67/EEC](#), [93/105/EC](#) and [2000/21/EC](#) (OJ L-396 30/12/2006)(CELEX 32006R1907). [Regulation \(EU\) 2019/1021](#) of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants (OJ L-169 25/06/2019) (CELEX 32019R1021). [Regulation \(EU\) No 528/2012](#) of the European Parliament and of the Council of 22 May 2012 concerning the making available on the market and use of biocidal products (OJ L-167 27/06/2012) (CELEX 32012R0528)

with the skin.

- Mercury compounds in the impregnation of heavy-duty industrial textiles and yarn intended for their manufacture.
- Dioctyltin (DOT) compounds in textile articles, footwear or part of footwear intended to come into contact with the skin.
- Nickel in articles intended to come into direct and prolonged contact with the skin, such as rivets buttons, tighteners, rivets, zippers and metal marks, when these are used in garments.
- Azodyes which may release one or more of the aromatic amines listed in Appendix 8, in textile and leather articles which may come into direct and prolonged contact with the skin or oral cavity.
- Nonylphenol and nonylphenol ethoxylates in textile and leather processing.
- Chromium VI compounds in leather articles intended to come into contact with the skin.

- Polycyclic aromatic hydrocarbons compounds (PAH) in clothing, footwear, gloves and sportswear if any of their rubber or plastic components come into direct as well as prolonged or short-term repetitive contact with the skin or the oral cavity.
- Perfluorooctanoic acid ('PFOA'), its salts and PFOA related substances in textiles for protection of workers and membranes intended for use in medical textiles.
- The substances listed in column 1 of the Table in Appendix 12 in clothing or relating accessories, footwear and other textiles intended to come into contact with human skin in a concentration, measured in homogeneous material, equal to or greater than that specified for that substance in Appendix 12.
- Additionally, no persistent organic pollutants nor biocidal products are allowed in textile articles.

### Voluntary Standards: the EU's Ecolabel

Ecolabel is a label of environmental excellence that is awarded to products and services meeting high environmental standards throughout their life-cycle: from raw material extraction, to production, distribution and disposal. The EU Ecolabel promotes the circular economy by encouraging producers to generate less waste and CO<sub>2</sub> during the manufacturing process.<sup>41</sup> The EU Ecolabel criteria also encourages companies to develop products that are durable, easy to repair and recycle.

### 5.3 Vegetable saps and extracts

In 2019, the EU imported USD 2.1 billion worth vegetable saps and extracts. Germany (USD 527 million), France (USD 286 million) and Spain (USD 217 million) were the

largest import markets within the EU. The product's demand in the EU is increasing, with a growth rate of around 6% in the last 5 years (2015-2019). The main specific requirements as they relate to vegetable saps and extracts, are highlighted in the table below.

### Labelling

The labelling requirements applicable to these products is the same as those applicable to meat. See Section 5.1.

### Control of contaminants in foodstuffs

The EU has strong requirements with regards to contaminants in foodstuffs. Its legislation aims to ensure that food placed on the market is safe to eat and does not contain contaminants at levels which could threaten human health.<sup>42</sup> Pesticide resi-

<sup>41</sup> See EU Eco-label: <https://ec.europa.eu/environment/ecolabel/>

<sup>42</sup> Regulation (EU) 2017/625 (the Official Controls Regulation - OCR) lays down the new general legal framework in order to guarantee this high level of consumer protection. Contaminants may be present in food (including fruits and vegetables, meat, fish, cereals, spices, dairy products, etc.) as a result of the various stages of its production, packaging, transport or holding, or also might result from environmental contamination.

dues are one of the crucial issues for fruit and vegetable suppliers. To avoid damaging consumer health and the environment, the European Union has set maximum residue levels (MRLs) for pesticides in and on food products. Saps and extracts containing more pesticides than allowed will be withdrawn from the market.

### Biological Safety

Food business operators carrying out primary production have to comply with the general hygiene provisions laid down in Regulation 853/2004 of the European parliament and of the council of 29 April 2004. Food business operators producing or harvesting plant products are to take adequate measures:

- a)** to keep clean and, where necessary after cleaning, to disinfect, in an appropriate manner, facilities, equipment, containers, crates, vehicles and vessels;
- b)** to ensure, where necessary, hygienic production, transport and storage conditions for, and the cleanliness of, plant products;
- c)** to use potable water, or clean water, whenever necessary to prevent contamination;
- d)** to ensure that staff handling foodstuffs are in good health and undergo training on health risks;
- e)** as far as possible to prevent animals and pests from causing contamination;
- f)** to store and handle wastes and hazardous substances so as to prevent contamination;
- g)** to take account of the results of any relevant analyses carried out on samples taken from plants or other samples that have importance to human health; and
- h)** to use plant protection products and biocides correctly, as required by the relevant legislation

### Traceability, compliance and responsibility in food and feed

Food and feed business operators need to comply with the specific obligations<sup>43</sup> covering all stages of food/feed production and distribution including:

**Compliance with Food Law:** Imported food/ foodstuff must comply with the relevant requirements of food law or conditions recognized by the EU and a competent authority of the exporting country – Botswana – has to offer guarantees on the same.

**Traceability:** as mentioned above, traceability facilitates withdrawal of faulty food/feed from the market, provides consumers with targeted and accurate information on specific products, covers all food and feed, all food and feed business operators, without prejudice to existing legislation on specific sectors, affects importers who are required to be able to identify from whom the product was exported in the country of origin, and obliges businesses to be able to identify at least the immediate supplier of the product in question and the immediate subsequent recipient, with the exemption of retailers to final consumers - one step back-one step forward (unless specific provisions for further traceability exist).

Traceability is always required for any substance intended or expected to be, incorporated into food or feed. Specific legislation by product is given [here](#).

Food and feed operators are also required to have systems and procedures in place that allow for the supplier information to be made available to the Competent Authorities upon request

Food, which is placed or is likely to be placed on the market in the EU, shall also be adequately labelled or identified to facilitate

<sup>43</sup> Regulation (EC) No 178/2002 of the European Parliament and of the Council (OJ L-31 01/02/2002) (CELEX 32002R0178)

its traceability, through relevant documentation or information on the product particulars.

**Responsibilities:** Food business operators at all stages of production, processing and distribution within the businesses need to ensure that the foods satisfy the requirements of food law which are relevant to their activities and shall verify that such requirements are met.

#### 5.4 Article of base metals

In 2019, the EU imported a total of USD 2.8 billion worth stoppers, caps and lids, HS8309. France was the largest importer in the EU with imports amounting to USD 529 million in 2019, followed by Germany, USD 350 million.

The details provided below cover those requirements for product group HS8309, Stoppers, caps and lids (including crown corks, screw caps and pouring stoppers), capsules for bottles, threaded bungs, bung covers, seals and other packing accessories, of base metal.<sup>44</sup>

The specific regulations for articles of base metals refer mostly to the packaging in

which the products are contained. From a general requirement, packages have to ensure:

- Waste reduction by minimising the weight and/or volume of packaging;
- Minimising the presence of substances considered to be noxious or hazardous;
- Nature and conditions for packaging to be reused;
- Recovery of packaging by material recycling and/or composting and/or energy recovery.

In addition to these requirements, imports into the EU of packaging made of wood and other plant products may be subject to phytosanitary measures.<sup>45</sup> For packaging involving heavy metal substances, such as cadmium, mercury, lead and hexavalent chromium, the total level of these metals in packaging must not exceed 100 parts per million (ppm).

Additionally, the packaging must bear the appropriate marking on the packaging itself or on a label. Information on the nature of the packaging materials used must be indicated.<sup>46</sup> The labelling for the pre-packed package must specify the weight of the products.<sup>47</sup>



<sup>44</sup> <https://trade.ec.europa.eu/tradehelp/myexport#?product=8309901000&partner=BW&reporter=BE>

<sup>45</sup> See [Directive 2000/29/EC](#).

<sup>46</sup> See [Decision 97/129/EC](#), which establishes a Packaging Material Identification System to facilitate identification and classification of packaging materials.

<sup>47</sup> It is worth noting that Directive [2007/45/EC](#) establishes the range of nominal quantities for prepacked products. Articles of base metal have to comply to these quantities in order to be exported to the EU.

### **Box 6 Special rules for materials and articles intended to come into contact with foodstuffs**

These rules are intended towards all materials and articles (of base metal) that might come into contact with foodstuffs, which mainly include packaging materials, containers and caps. The purpose of this is to ensure that packaging is manufactured in a way they do not transfer their constituents to food, that could be harmful to human health or change the composition of the food or change the taste and odour of foodstuffs.

A list of materials and articles which may be subject to specific measures is given in [Annex I](#) of Regulation (EC) [1935/2004](#).

Further, Regulation (EC) [2023/2006](#) lays down the rules on good manufacturing practice (GMP) for the groups of materials and articles intended to come into contact with food listed in [Annex I](#) (1935/2004) above.

## Annex 1. Business Registration process in Botswana

The business registration process in Botswana is managed by the Registrar of Companies within the Ministry of Trade and Industry. The process is further described below.

No.	Procedure	Time to complete	Associated costs
1.	<p><b>Reserve a unique company name</b>  <b>Agency: Registrar of Companies</b></p> <p>The entrepreneur can search the online database to check whether the desired company name is available for registration. This database is available on the website of the Ministry of Trade and Industry (<a href="http://www.mti.gov.bw">www.mti.gov.bw</a>). The entrepreneur then submits the Name Reservation Form (Form 1) to the Registrar of Companies and receives a notification within 3 days. Once approved by the Registrar, the company name is reserved for a period of 30 days.</p>	3 days	BWP 20
2.	<p><b>Sign the declaration of compliance of statutory requirements for incorporation before a commissioner for oaths</b>  <b>Agency: Registrar of Companies</b></p> <p>The entrepreneur or company representative must submit the following documents:</p> <ul style="list-style-type: none"> <li>Limited Liability Company Registration Form (Form 2). This form must be accompanied by the consent to act as shareholders, directors, auditors, company secretary and registered officers, along with copies of their national IDs or passports.</li> <li>Declaration of Compliance of Statutory Requirements (Form 3). This form must be accompanied by the particulars of the company secretary and his/her valid practicing license. Only registered professionals (lawyers or accountants) can serve as company secretaries. According to the Company Act of 2004, Section 21, Sub-section (3) and (4), Form 3 must be signed by a legal practitioner, member of Institute of Accountant or member of Southern Africa Institute of Chartered Secretaries.</li> </ul>	1 days	BWP 75
3.	<p><b>Register the company</b>  <b>Agency: Registrar of Companies</b></p> <p>To register the company, the entrepreneur must submit a completed application form, along with the name reservation certificate and the declaration of compliance of statutory requirements for company registration.</p>	18 days on average	BWP 300 for the application to register a company and BWP 60 for the certificate of incorporation
4.	<p><b>Advertise the intention of applying for a license in the official gazette</b>  <b>Agency: Official Gazette</b></p> <p>The new company must advertise, in two consecutive issues of the Official Gazette, its intent to apply for a license.</p>	3 weeks	BWP 80
5.	<p><b>Receive inspection of company premises *</b>  <b>Agency: Industrial Affairs Department, Ministry of Trade and Industry</b></p> <p>The company premises will be inspected by the Health Department, Environment Department and Town Planning Department of Gaborone City Council to ensure compliance with minimum standards. No charges are involved as this procedure is done by the municipal authorities as part of the application for a trade or an industrial license.</p>	2 days	No charge

No.	Procedure	Time to complete	Associated costs
6.	<p><b>Obtain an industrial license or a trade license *</b></p> <p><b>Agency: Industrial Affairs Department, Ministry of Trade and Industry</b></p> <p>Business founders can either obtain an industrial license from the Industrial Affairs Department, Ministry of Trade and Industry or obtain a trade license from the Gaborone City Council.</p>	3 weeks	<p>Industrial license: BWP 50 if applied by self; BWP 1,500 by agent</p> <p>Trade license: BWP 100 if applied by self, BWP 2,000 by an agent</p>
7.	<p><b>Open a bank account*</b></p> <p><b>Agency: Bank</b></p> <p>All new businesses must open a company account with a bank.</p>	1 day	No charge
8.	<p><b>Obtain Tax Identification Number (TIN)</b></p> <p><b>Agency: Botswana United Revenue Services (BURS)</b></p> <p>The company applies for a Tax Identification Number (TIN) number, usually obtained within 5 days. The company then completes a taxpayer registration form to enroll in the employee withholding Pay-As-You-Earn tax (PAYE), which takes 2 days.</p>	7 days	No charge by self, BWP 1,500 by agent
9.	<p><b>Register for VAT online</b></p> <p><b>Agency: BURS</b></p> <p>Mandatory VAT for companies with an annual turnover of 1 million BWP and above.</p> <p>Voluntary registration is for companies with a minimum turnover of 500,000 BWP</p>	7 days	No charge
10.	<p><b>Register employees for workplace injury insurance</b></p> <p><b>Agency: Insurance company</b></p> <p>Under the Workers Compensation Act, companies must provide their employees with workplace injury insurance. Companies may choose to pay a security deposit to the Commissioner for any associated claims; however, most of them often purchase their own insurance.</p>	2 days	No charge

Source: (Botswana Trade Portal, n.d.). \*Simultaneous with previous procedure

## Annex 2. Product Specific Prioritisation for the EU Market

### 1. Introduction

In order to map out product specific requirements for Botswana’s companies to export to the EU, a list of potential products have been ranked according to their potential on the EU market, based on a set of criteria. Products have been ranked according to attractiveness.

On the basis of this ranking, the guide will have a section which includes specific product requirements for those selected products to export to the EU.

### 2. Methodology

The products were analysed at the HS4 lev-

el for potential product clusters. Products at an HS 4 level with a trade balance greater than USD 1.5 million have been selected. The trade balance was used as in many instances for Botswana, exports include re-exports. If a country’s export data includes re-exports, it would present an inaccurate representation of the country’s main export commodities, thus constraining the analysis. Moreover, re-exports are not eligible to benefit from preferences under a free trade agreement as insufficient transformation would occur in Botswana.

The universe of products which meet this criterion for Botswana are listed in Table 1.

**Table 3 Products with a net export value above USD 1.5 million**

HS 4 Code	Product label
'0201	Meat of bovine animals, fresh or chilled
'0202	Meat of bovine animals, frozen
'0713	Dried leguminous vegetables, shelled, whether or not skinned or split
'1302	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other
'2501	Salts, incl. table salt and denatured salt, and pure sodium chloride, whether or not in aqueous
'2836	Carbonates; peroxocarbonates “percarbonates”; commercial ammonium carbonate containing ammonium
'5808	Braids of textile materials, in the piece; ornamental trimmings of textile materials
'6302	Bedlinen, table linen, toilet linen and kitchen linen of all types of textile materials
'8309	Stoppers, caps and lids, incl. crown corks, screw caps and pouring stoppers, capsules for bottles
'8544	Insulated “incl. enamelled or anodised” wire, cable “incl. coaxial cable” and other insulated

Source: Author calculations based on ITC TradeMap

The list of products is further analysed, based on a set of criteria. Each criterion is scored between 0 and 100, as follows.

**1. Priority Product.** Products belonging to the priority sectors of Botswana’s National Export Strategy of 2019-2024. Indicator 1: NES Priority Sector. If the product is a NES priority sector, it is assigned a score of 100.

Otherwise it is assigned a score of 0.

**2. Botswana’s Supply Dynamics.** Growth of Botswana’s trade balance of the products, to determine if the country is an exporter of the products and not just a re-exporter. Indicator 2: Average annual compound growth of Botswana’s Trade Balance (2015-19) in percentage

**3. EU Demand Dynamics.** The growth of EU imports for the last five years. Indicator 3: Average annual compound growth rate of EU imports (2015-19) in percentage. The scores in Table 2 have been assigned for growth rates.

**4. EU vs World Growth in Imports.** The growth of import demand from the EU in comparison to the import demand in the world. Indicator 3: Growth rate of EU imports/ Growth rate of World imports (2015-2019). If the value of the indicator is greater than 1, demand for product grew faster in the EU than the world and a score of 100 is given. If the value is less than 1, demand for

the product grew slower in the EU than the world, so a score of 0 is given.

**5. Margin of Tariff Preferences.** The tariff advantage on the products originating from the SADC region, allowed under the EU-SADC EPA tariff arrangements are lower than those rates faced by countries that do not have a trade agreement with the EU, or that are not eligible to its preferential schemes. Indicator 4: EU applied MFN Ad Valorem Equivalent Tariff in 2019. An index for each parameter has been devised to determine a score/rank out of 100. The scores in Table 2 have been assigned for the MFN tariffs.

**Table 4 Score ranges for growth and tariff preferences**

Import Growth Rate		MFN Tariffs	
Range of Growth rate	Score	Range of Tariff	Score
(-25 to -20)	0	0 to 5	0
(-20 to -15)	10	5 to 10	10
(-15 to -10)	20	10 to 15	20
(-10 to -5)	30	15 to 20	30
(-5 to 0)	40	20 to 25	40
(0 to 5)	50	25 to 30	50
(5 to 10)	60	30 to 35	60
(10 to 15)	70	35 to 40	70
(15 to 20)	80	40 to 45	80
(20 to 25)	90	45 to 50	90
(25 to 30)	100	50 to 55	100

The scores can be interpreted on the following scale:

- 0-25: Very low performance/advantage
- 26-50: Low performance/advantage
- 51-75: Good performance/advantage

- 76-100: High performance/advantage

These criteria used have been assigned weights for the final index calculation out of 100. The weights are provided in Table 3.

**Table 5 Weights assigned to criteria**

Parameter	Weights
1. NES priority Sector	2
2. Growth of Botswana's Trade Balance (15-19) p.a. %	2
3. Growth rate of EU's imports (2015-19) p.a. %	1
4. Growth rate of EU's imports/ Growth rate of World's imports (2015-2019)	1
5. EU MFN AVE 2019	2

### 3. Results

**Table 6: Botswana-EU trade overview**

HS 4 Code	Botswana's exports to the EU27 in 2019 (USD Million)	Value of imports by EU27 in 2019 (USD Million)	Growth rate of EU's imports (2015-19) p.a. %	Growth rate of EU's imports/ Growth rate of World's imports (2015-2019)	Untapped export potential to individual countries in the EU and West Europe (USD Million)	Share in imports in 2019 in the EU	EU MFN AVE 2019
'0201	25	10,303.0	1.5%	0.5	13.0	0.19%	38.6%
'0202	6	2,104.7	3.5%	0.5	6.5	0.04%	55.3%
'0713	0	1,280.6	3.4%	-0.6	0.1	0.02%	0.3%
'1302	0	2,198.0	5.9%	1.6	N/A	0.04%	2.5%
'2501	0	1,140.7	7.7%	2.6	N/A	0.02%	0.9%
'2836	0	2,086.9	5.3%	0.8	4.8	0.04%	5.3%
'5808	0	108.9	2.2%	-0.2	0.4	0%	5.2%
'6302	0	6,282.9	2.6%	1.3	4.3	0.11%	11.7%
'8309	0	2,812.3	4.6%	1.4	N/A	0.05%	3.0%
'8544	0	41,991.3	6.6%	1.9	13.4	0.76%	3.2%

Source: Author calculations based on ITC TradeMap, ITC Export Potential Map & ITC Macmap

**Table 7: Product selection calculations for the EU market**

HS 4 Code	NES Sector		Growth of Botswana's Trade Balance (15-19) p.a. %		Growth rate of EU's imports (2015-19) p.a. %		Growth rate of EU's imports/ Growth rate of World's imports (2015-2019)		EU MFN AVE 2019		Index Value (out of 100) 0: Very Low – 100: very High
	Sector	Score	Value	Score	Value	Score	Value	Score	Value	Score	
'0201	Meat & Meat Products	100	-17.2%	10	1.5%	50	0.5	0	38.6%	70	51.3
'0202	Meat & Meat Products	100	-12.3%	20	3.5%	50	0.5	0	55.3%	100	61.3
'0713	No	0			3.4%	50	-0.6	0	0.3%	0	6.3
'1302	No	0	27.7%	100	5.9%	60	1.6	100	2.5%	0	45.0
'2501	No	0	-4.6%	40	7.7%	60	2.6	100	0.9%	0	30.0
'2836	No	0	-2.8%	40	5.3%	60	0.8	0	5.3%	10	20.0
'5808	Artisanal Products	100	-27.5%	0	2.2%	50	-0.2	0	5.2%	10	33.8
'6302	Garments & Textiles	100	-3.2%	40	2.6%	50	1.3	100	11.7%	20	58.8
'8309	Light Manufacturing	100			4.6%	50	1.4	100	3.0%	0	43.8
'8544	No	0	-20.7%	0	6.6%	60	1.9	100	3.2%	0	20.0

Source: Author calculations based on ITC TradeMap & ITC Macmap

#### 4. Selected Products

Top 5 products with the highest potential to the EU market are:

**Table 8 Priority Products**

HS 4 Code	Product label	NES Sector	Growth of Botswana's Trade Balance (15-19) p.a. %	Growth rate of EU's imports (2015-19) p.a. %	EU's import GR/ World's imports GR (2015-2019)	EU MFN AVE 2019	Index Value (out of 100) 0: Very Low – 100: very High
'0202	Meat of bovine animals, frozen	Meat & Meat Products	-12.3%	3.5%	0.5	55.3%	61.3
'6302	Bedlinen, table linen, toilet linen	Garments & Textiles	-3.2%	2.6%	1.3	11.7%	58.8
'0201	Meat of bovine animals, fresh or chilled	Meat & Meat Products	-17.2%	1.5%	0.5	38.6%	51.3
'1302	Vegetable saps and extracts	No	27.7%	5.9%	1.6	2.5%	45.0
'8309	Stoppers, caps and lids	Light Manufacturing	N/A	4.6%	1.4	3.0%	43.8

Source: Author calculations based on ITC TradeMap & ITC Macmap

## 5. Top 3 Markets in the EU by product

**Table 9: Untapped potential and top markets in the EU**

HS Code	Product	Untapped Export Potential Top 3 Markets in the EU	Untapped Export Potential from Botswana (USD Mn)	Top 3 importers in EU in 2019	Value of imports from the world in 2019 (USD Mn)	Value of imports from BWA in 2019 (USD Mn)
'0201	Meat of bovine animals, fresh or chilled	Netherlands	7.3	Italy	1,877.3	0.3
		Greece	3.9	Netherlands	1,865.8	19
		Belgium	0.2	Germany	1,832.9	2.4
'0202	Meat of bovine animals, frozen	Netherlands	1.4	Netherlands	336.8	2.3
		Italy	2.5	France	317.9	0
		France	0.1	Germany	284.0	0
'0713	Dried leguminous vegetables	N/A	N/A	Italy	251.1	0
				Spain	214.1	0
				Germany	130.9	0
'1302	Vegetable saps and extracts;	N/A	N/A	Germany	527.4	0
				France	286.0	0
				Spain	217.8	0
'2501	Salts	N/A	N/A	Germany	187.8	0
				Belgium	161.1	0
				France	102.9	0
'2836	Carbonates	Netherlands	1	Germany	319.5	0
		Belgium	0.6	Netherlands	308.2	0
		Italy	0.3	Belgium	268.2	0
'5808	Braids of textile materials	N/A	N/A	France	18.8	0
				Germany	15.1	0
				Romania	13.0	0
6302	Bedlinen, table linen, toilet linen	Greece	0.5	Germany	1,494.1	0
		Netherlands	0.3	France	1,010.8	0
		Austria	0.2	Netherlands	585.2	0
'8309	Stoppers, caps and lids	N/A	N/A	France	529.4	0
				Germany	350.4	0
				Netherlands	295.5	0
'8544	Insulated cable	Germany	0.8	Germany	10,624.3	0.1
		Czechia	0.6	France	4,851.8	0
		Netherlands	0.5	Spain	3,206.1	0

Source: ITC Export Potential Map; ITC TradeMap

### Annex 3. Useful Links

To view Botswana's Trade Performance visit <https://www.tradeeconomics.com/trade-insights/trade-performance-dashboards/> and filter by Botswana.

To view Botswana's Investment Performance visit <https://www.tradeeconomics.com/trade-insights/investment-dashboards/> and filter by Botswana

To view Botswana's Sectorial Performance visit <https://www.tradeeconomics.com/trade-insights/sector-dashboards/> and filter by Botswana

To access the EU's trade helpdesk visit <https://trade.ec.europa.eu/tradehelp/>

To know about the EU-SADC EPA visit <https://ec.europa.eu/trade/policy/countries-and-regions/regions/sadc/>

To see top importers in the EU in 2019, visit [https://www.trademap.org/Country\\_SelProduct\\_TS.aspx?nvpm=1%7c%7c42%7c%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c1%7c2%7c1%7c3%7c1%7c%7c1](https://www.trademap.org/Country_SelProduct_TS.aspx?nvpm=1%7c%7c42%7c%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c1%7c2%7c1%7c3%7c1%7c%7c1)

To see Botswana's export basket, visit <https://www.tradeeconomics.com/trade-insights/trade-performance-dashboards/>

To see Botswana's export destinations, visit [https://www.trademap.org/Country\\_SelProductCountry\\_TS.aspx?nvpm=1%7c072%7c%7c%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c2%7c2%7c1%7c2%7c1%7c1%7c1%7c1](https://www.trademap.org/Country_SelProductCountry_TS.aspx?nvpm=1%7c072%7c%7c%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c2%7c2%7c1%7c2%7c1%7c1%7c1%7c1)

For Botswana's trade with the EU see [https://www.trademap.org/Country\\_SelProductCountry\\_TS.aspx?nvpm=1%7c072%7c%7c%7c42%7cTOTAL%7c%7c%7c2%7c1%7c1%7c1%7c2%7c1%7c2%7c1%7c1%7c1](https://www.trademap.org/Country_SelProductCountry_TS.aspx?nvpm=1%7c072%7c%7c%7c42%7cTOTAL%7c%7c%7c2%7c1%7c1%7c1%7c2%7c1%7c2%7c1%7c1%7c1)

To see EU's imports of Botswana's top export products, visit [https://www.trademap.org/Product\\_SelCountry\\_TS.aspx?nvpm=1%7c%7c42%7c%7c%7c%7c175320%7c%7c2%7c1%7c1%7c1%7c2%7c1%7c1%7c1%7c1%7c1](https://www.trademap.org/Product_SelCountry_TS.aspx?nvpm=1%7c%7c42%7c%7c%7c%7c175320%7c%7c2%7c1%7c1%7c1%7c2%7c1%7c1%7c1%7c1%7c1)

For European Union's MFN tariff rates visit <https://macmap.org/en/query/customs-duties?reporter=056&year=2020&partner=072&product=020120&level=6>

To see Botswana's Untapped export potential and exports to the EU according to sector visit <https://exportpotential.intracen.org/en/products/tree-map?fromMarker=i&exporter=72&toMarker=r&market=4&whatMarker=k>