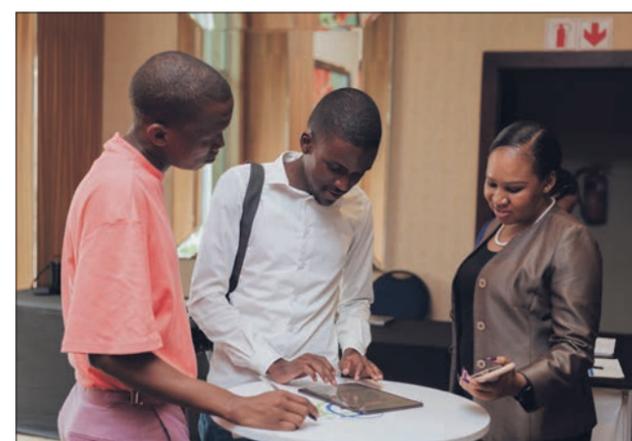


Botswana Oil embraces citizenship economic empowerment



BOTSWANA OIL
Your Fuel. Your Future



Botswana Oil Limited (BOL), is a company which is 100% owned by the Botswana Government through the Ministry of Minerals and Energy (MME), set up as private company under the Companies Act with a mandate to ensure security and efficiency of supply and primary distribution of petroleum products in Botswana, manage state-owned strategic reserve facilities, strategic stocks as well as bulk storage and distribution facilities and support the facilitation of meaningful participation of citizens in the petroleum business.

As a landlocked country, Botswana is currently importing all its petroleum products and funding associated infrastructure developments. Botswana imports all its petroleum requirements, and annual consumption for the country is approximately 1.3 billion litres (21,000 barrels) per day.

The establishment of the National Oil Company was intended to address the following macro-economic challenges.

1. Security of supply concerns,
2. Lack of Government oversight, control, and assurance on ensuring security of supply;
3. Diversification of the economy away from dependence on diamond revenue;
4. The need to accelerate the coal-based industrialisation drive to ensure future economic growth;
5. The limited active participation

“BOL operates as a fuel importer and supplier to wholesale distributors such as the International Oil Companies (IOCs) and Citizen Owned Oil Companies (COOC’s). Fuel is primarily sourced from or through South Africa and minimal volumes from Mozambique and Namibia,” said Meshack Tshekedi, Chief Executive Officer (CEO) of Botswana Oil.

which compromise economic growth in Botswana with a historical over-reliance on a single source and route of supply;

by citizens in the local petroleum industry.

Fuel usage has been growing steadily over the past 20 years, reflecting the growth in general increase in economic activity and GDP. Consumption of fuel is 45% Petrol and 55% Diesel which is the biggest driver of Industry (Mining, Manufacturing, Power Production). Diesel consumption is expected to pick up with the increase in mining activity in the country,” said Onkutule Masima, General Manager Supply of Botswana Oil.

He said, “Petrol usage is anticipated to grow at 2 - 3% going forward. Diversity led Strategy 1 + 3 Routes 60% RSA, 40% others due to current regulation 4 to 5 Suppliers per Route Over 25 Transporters.”

Until recently, South Africa where Botswana imported most of its fuel was basically self-sufficient in the production of petroleum products, with small amounts being imported. However, following the reduction in refining capacity, RSA is now a Net Importer, importing over 70% of its own demand.

The Botswana Oil Citizen Economic Empowerment Program (CEEP) is aimed at accelerating citizen inclusion in the Oil and Gas Value Chain, through facilitation initiatives aimed at ensuring meaningful participation to facilitate growth, development, and sustainability of citizen entities in the economy of Botswana.

The programme is enabled by Economic Inclusion Act, 2021, Botswana’s Citizen Economic Empowerment (CEE) Policy,

Public Procurement Act, 2021 and Botswana Energy Regulatory Authority (Petroleum Products) Amendment Act, 2022.

A total of 43% of the strategic infrastructure value, amounting to BWP 451.2 million out of BWP 1.047 billion, has been committed to Citizen Contractors. Fuel infrastructure projects have supported 517 jobs, with over 90% of them held by citizens as part of capacity-building in fuel engineering projects.

Officials estimates indicate non- citizens account of 9% and citizens 91% of total employees.

Revenues generated by Botswana Oil contribute to infrastructure development through declaration of dividends to the Government (first dividend October 2024).

Botswana Oil is a source of additional revenue for the Government with potential to diversify economy, grow the value chain, create new industries and help create more jobs.