

Post-Independence Industrial Development of Botswana as Illustrated through Meter Marks: Large Companies

by Gordon Smith

Introductionⁱ

Following independence in 1966, Botswana underwent a transformation from one of the poorest countries in the world with a per capita income equal to US\$95 a year, to a middle-income economy with a per capita income of US\$1,565.ⁱⁱ By the mid-1990's, it became one of the wealthiest countries in Sub-Saharan Africa. This successful transformation was based on the careful management of its diamond resources. All diamond mining in Botswana is controlled by Debswana, a joint venture owned in equal parts by De Beers Diamond Company and the government of Botswana.



Figure 1. Summary map of Botswana with locations mentioned in the text

The map above (Figure 1) illustrates the locations where the companies described in this article were located. While the map shows the current major road network, it should be noted that there was only 3 km of paved road in the country at independence. The rest of the communities were connected by sand tracks and gravel roads of varying quality. At independence the communities of Lobatse, Francistown, Maun and Ghanzi existed. The other communities, Orapa, Selbi Phikwe, and Lobatse were established to support local mines and have developed into some of the major cities and towns in the country. It is interesting to think that given the way mines in more remote locations are currently established as fly-in camps that these communities would probably not be developed today and would not have become the economic engines and contributors to development and modernization that they have been and are. It is also in-

teresting to note how these communities are all located in the eastern portion of the country. The western side of the country remained quite remote and relatively undeveloped until the mid-1990's, when the first paved road was constructed through the area.

Mines

Kimberlite, the tell-tale diamond-bearing ore, was discovered by De Beers prospectors in northern Botswana in 1966. In 1969, De Beers joined with the government of the Republic of Botswana to establish the De Beers Botswana Mining Company (Figure 2). The Government held 15 % of the company at its founding, increasing its shareholding to 50 % in 1975. The name of the company became the Debswana Diamond Company (Pty) Ltd in 1992.



Figure 2. De Beers Holding Botswana (Pty) Ltd., Gaborone, Licence R224. This mark is associated with the head office of the company, located in the capital city

De Beers is a subsidiary of Anglo American Corporation that focuses on diamond mining, while the Anglo American Corporation is a larger holding company (Figure 3) with interests in a wide spectrum of mining activities.



Figure 3. Anglo American Corporation Botswana (Services) Limited Gaborone, Licence R71

In 1967, the second largest kimberlite pipe in the world, covering 262 acres at the surface, was discovered by De Beers at Orapa. The De Beers Botswana Mining Company began production at the Orapa Mine in northern Botswana in 1971 (Figure 4).



Debswana's Jwaneng Mine.ⁱⁱⁱ As a private environmental consultant in Botswana from 1994 to 2002, the author did a number of projects related to the operations of this mine.



Figure 4. DeBeers Botswana Mining Company, Orapa, Licence R93

In 1972, De Beers geologists discovered the Jwaneng kimberlite pipe, and the Jwaneng mine was opened in 1982 (Figure 5). Jwaneng has since become the world's richest diamond mine by value, producing an average of 11 million carats per year.



Figure 6. A member of Botswana's Cabinet holds a nearly 1,100-carat diamond that could be the third-largest mined diamond in the world. (Monirul Bhuiyan / AFP/Getty Images)^{iv}



Figure 5. Debswana Diamond Company (Pty) Ltd., Jwaneng, Licence R51

In 2000, the company's diamond production totalled 24.6 million carats (4,920 kg), approximately 31% of the world's annual production.^v There have been a number of recent finds on very large diamonds in the country including a 1,098.3-carat high-quality gemstone found at Jwaneng Mine in June 2021 (see Figure 6). Other recent finds of large gems include a 1,758-carat stone found at Karowe mine in central Botswana in 2019 and an 1,101-carat diamond found at the same mine in 2015. The high value per weight of diamonds mined by Debswana has made the company the leading producer of diamonds by value in the world.

The Botswana Government has used the large revenues from the diamond mining industry to develop the social and physical aspects of the country. While the biggest economic contributor by far was the diamond industry, other mining activities including copper-nickel and soda ash also contributed significantly.

An agreement between Tshekedi Khama, Regent of the Bangwato Tribe in the Bechuanaland Protectorate and Roan Selection Trust was signed in 1959 to form Bamangwato Concessions Limited and prospecting commenced leading to the discovery of the copper and nickel orebody in the Selebi area in 1963. In 1966, high-grade ore was discovered at Phikwe (Figure

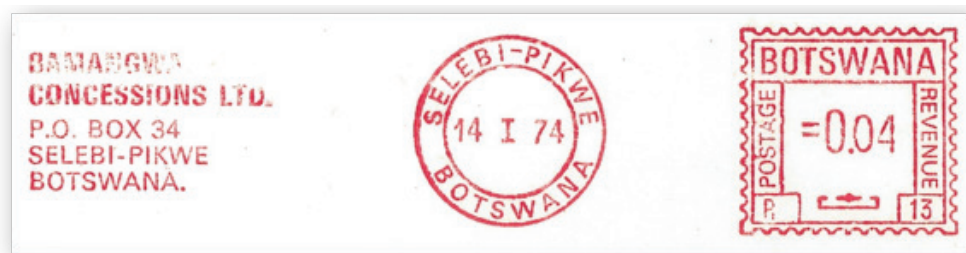


Figure 7. Bamangwato Concessions (Pty) Limited, Selebi-Phikwe, Licence R13

7). Mining began at the two sites and a smelter was commissioned in November 1973. These mines produced nickel, copper, and cobalt as well as smaller amounts of other precious and platinum group metals for further refinement. After Debswana, Bamangwato Concessions Limited was the second largest private sector employer in the country with a labour force over 4,200. Unfortunately, with the downturn in copper and nickel prices, the mine became uneconomic to operate and was closed in 2016, creating extensive unemployment in the area.

A soda ash mine commenced operations at Sowa Pan in April 1991 (Figure 8). The Sowa Pan is a large natural topographic depression within the Makgadikgadi region of Botswana and the word, Sowa, means salt in the language of the San people. The Company, which produces soda ash and salt was established at a cost of US\$318 million, with an additional

percent, and other minerals provided the remaining 28 percent. By 1993, the share of non-traditional goods had increased to 41 percent of non-diamond exports, meat exports had declined to 23 percent, and exports of copper-nickel matte and soda ash contributed 36 percent.

The first abattoir in Botswana was built in Lobatse in 1931 by the Imperial Cold Storage and Supply Company, but with the world depression, it had to close 6 years later. The abattoir was rebuilt by the Colonial Development Corporation in 1954 and Bechuanaland Abattoirs Limited was set up to manage the plant. At independence in 1966, the new government transitioned Bechuanaland Abattoirs to the Botswana Meat Commission (BMC) and the commission was made solely responsible for the slaughter and marketing of all beef exports from the country (Figures 9 and 10). The commission established

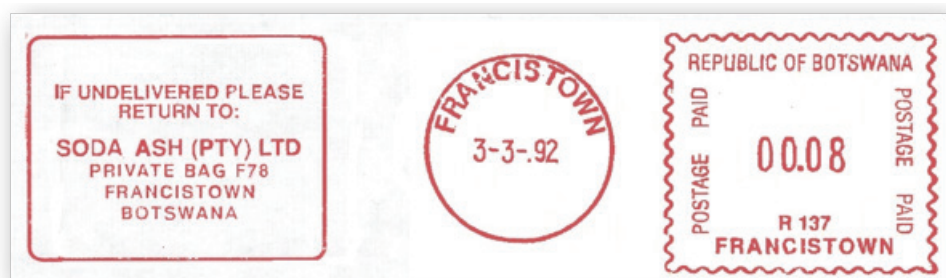


Figure 8. Soda Ash (Pty) Ltd., Francistown, License R137. While the mine is situated in Sowa, the administrative offices are located in Francistown

\$43 million investment allocated for supporting infrastructure development in Sowa township. When it was established, the company was 50% owned by the Government of Botswana and the remainder of the shares were held by a number of banks, Anglo American (owner of De Beers), De Beers Botswana, and AECL, a mining company.

Other Large Industries

From the mid-1960's to the mid-1990's, the structure of the non-diamond economic sector changed significantly. In the mid-1960's, the meat industry accounted for 95 percent of manufacturing value added in the country. By the mid-1980's, the private sector had diversified sufficiently to reduce the share of the meat industry to about 30 percent. With government support, the textile, clothing, tanning and beverage industries expanded. In 1982, non-traditional exports accounted for 30 percent of non-diamond exports, while meat accounted for 42

additional abattoirs in Maun in 1983 and Francistown in 1989 (Figure 11). In the early years of Botswana's development as an independent nation before diamond revenues came on stream, the export of beef was the only foreign exchange earner.

Along with its core business, the BMC owns transport companies in Botswana. On an international scale, it also owns marketing subsidiaries in European countries including the United Kingdom, Germany and the Netherlands, and cold storage facilities in the UK and South Africa. It also owns an insurance company in the Cayman Islands.

Botswana Game Industries (BGI) was established in 1968 in Francistown, the nearest town to the northern game parks at the time (Figure 12). Peter Becker, who moved to Botswana from Kenya, started BGI as an ivory manufacturing company, hiring an English jeweller to train local people to make beads, bangles and lighters from ivory. Later BGI carved tusks. By 1979, BGI had 130 employees from rural villages around Fran-

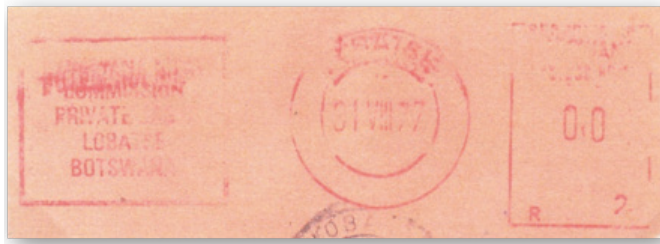


Figure 9. Botswana Meat Commission, Lobatse, Licence R2

cistown. Products shifted from ivory carving to tanning skins to produce karosses, mats, leather bags, belts and hats, stools from elephant feet and small jewellery boxes from buffalo scrotum. The company primarily exported products to South Africa, Germany and the United States. Increased demand led to BGI opening branches across the country including Kasane, Maun, and Palapye. Botswana Game Industries became Botswana's first publicly traded company.

Through initial efforts of the Botswana Producers Association (a group organizers of various craft producing centres), with assistance from the Botswana Development Corporation (see previous article in Forerunners issue 100) and several United States Peace Corps volunteers, Botswanacraft was officially established in 1970 to develop the rural based handicraft industry of the country (Figure 13). The organization's first office was a room above the Botswana Book Centre (which will be illustrated in a following article) that operated as office space, a retail shop, and storage area. While the organization



Figure 10. Botswana Meat Commission, Lobatse, Licence R77

went through some difficult times, by 1977, it was operating on a relatively stable basis. In the early 1990's, the Botswana Development Corporation pushed Botswanacraft to become financially independent, so it could be privatized, which occurred in the mid-1990's.

Sefalana Group, "Botswana's Bountiful Granary" is a large grocery retailer and wholesaler. The company was established in 1974 as a result of a takeover of Bechmalt Holdings Limited, a South African company consisting of 6 wholesale units and a maize mill (Figure 14). The Group was the first company to list on the Botswana Stock Exchange in 1979 and after more than 40 years of operation, the Group remains the only company listed without a controlling shareholder. Staff compliment has increased from 233 people in 1974 to over 3,000 people in 2017.



Figure 11.



Figure 12. Botswana Game Industries, Francistown, Licence R7



Figure 13. BotswanaCraft Marketing Company (Pty) Ltd., Gaborone, Licence R43



Figure 14. Sefalana Botswana, Gaborone, Licence R95

Kgalagadi Breweries (Pty) Limited are brewers based in Gaborone, Botswana (Figure 15). They produce lager beers, traditional beers, bottled water and soft drinks under license. The brewery started out as Prinz Brau in 1973, with two brands, Prinz Brau and Prinz Deluxe, which were sold in two packs. In 1977, South African Breweries (SAB, now SABMiller) acquired management control of Kgalagadi Breweries by acquiring a 40% stake in the company. As its sole investment, Sechaba

Breweries Holdings Limited holds the remaining 60 % shareholding. Interestingly, SABMiller owns 17 % of the shares in Sechaba and the Botswana Development Corporation (see previous article in Forerunners issue 100) holds 25.6 %.

Kgalagadi Plastic Industries, a manufacturer of flexible plastic packaging, opened operations in Gaborone in 1982, supplying customers in South Africa and Zimbabwe (Figure 16). In 1986, the company expanded into South Africa.



Figure 16. Kgalagadi Plastic Industries (Pty) Limited, Gaborone, Licence R121



Figure 15. Kgalagadi Breweries Limited, Gaborone, Licence R99, Various Slogans

The rapid pace of development in Botswana during the early days of independence led to many large projects that needed to be supported with construction equipment.

The Construction Equipment Supplier Company was established on 12 September 1964. In 1971, the name of the company was changed to Botswana Earthmoving Machinery Company and the existing head office in Francistown was expanded to support major mining activity at Selibi-Phikwe and Orapa (Figure 17). The company also benefited from heavy investments by

government in infrastructure and a large portion of Botswana's national road network that was constructed following independence was built by a succession of contractors using Caterpillar equipment supplied and serviced by the company. In 1981, the head office relocated to Gaborone to provide support for Debswana's newly established Jwaneng mine.

The construction associated with the mines and the development of new industries required other direct and indirect supporting companies. Scaffolding Botswana, which was estab-



Figure 17. Botswana Earthmoving Machinery Co. (Pty) Ltd., Francistown, Licence R23



Figure 18. Scaffolding Botswana (Pty) Ltd., Gaborone, Licence R118

lished on 12 June 1989, is another example of a direct supporting company (Figure 18). Indirect suppliers will be described in a future article.

These illustrations of some of the meter marks used by corporations with large mailings gives us a glimpse into the companies that were driving the early development of Botswana, as it vaulted from the third poorest country in the world at independence to a middle-income country by the late 1990's. This is a remarkable transformation which was based on careful economic development of the private sector through the intentional use of limited natural resources and prudent financial management as a democratic nation.

This article is the second in a series. The first article discussing the meter marks used by the financial sector in the early days of Botswana independence was published in issue #100 (May-August 2021) of Forerunners. Other articles discussing suppliers, parastatals, other government entities and miscellaneous organizations will follow. More information on the meter marks of Botswana can be found at <https://postalhistory.ca/botswana-meter-marks/>.

Endnotes

- i Information in this section is based on the International Monetary Fund. (23 Jan 1995). Botswana-Background Papers and Statistical Appendix. Volume 1995: Issue 001, Retrieved from https://www.elibrary.imf.org/view/IMF002/00805-9781451806304/00805-9781451806304/00805-9781451806304_A002.xml?redirect=true on 23 Dec 2021.
- ii Retrieved from <https://www.ceicdata.com/en/indicator/botswana/annual-household-income-per-capita> on 27 Dec 2021.
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- iv Motseta, Sello. (June 18, 2021). "Massive diamond found in Botswana could be world's third-largest". Los Angeles Times. Retrieved from <https://www.latimes.com/world-nation/story/2021-06-18/big-diamond-found-botswana-world-third-largest> on 6 April 2021.
- v Chang et al. (Fall 2002). "The Global Diamond Industry", Chazen Web Journal of International Business. Columbia University in the City of New York. Retrieved from https://www0.gsb.columbia.edu/mygsb/faculty/research/pubfiles/107/Global_Diamond_Industry.pdf on 28 Dec 2021.



Philatelic Federation of South Africa

The emblem of the Federation depicts a unique South African feature of early postal history: "Post Office Stones" were discovered on 7 March 1896 while excavations in Strand Street, Cape Town were in progress. The stones tell the story of early Cape history in which letters addressed to, or to be conveyed by, passing ships were placed under the rocks. The earliest inscription dated 1618. The lowermost center of the logo symbolizes the stone with letter underneath lying on the ground. See also Front Cover illustration of this issue.





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Queen Elizabeth II (1926-2022)

Highlights

Numeral Tax Marks
Print-On-Demand
Halve Penny Over One Shilling
Stamp Catalogues
Botswana Meter Marks

Cape Town International Exhibition in November