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SADC approves \$100m action plan

THE Southern African Development Community (SADC) vision of becoming an industrialised zone is taking shape following the approval of an action plan to cost the implementation of an industrialisation strategy adopted by the region two years ago.

"In approving the Action Plan, the Summit underscored high impact activities, effective monitoring and reporting, and the role of the private sector as a key player in the implementation of the SADC Industrialisation Agenda," reads a communiqué issued at the end of the Extraordinary Summit.

The implementation of the action plan, also discussed at the recent Summit in Pretoria, is estimated to cost \$103 million at the regional level over the first 15 years of the strategy timeframe, with member states expected to come up with their own implementation cost estimates by the end of June 2017.

The SADC Industrialisation Strategy and Roadmap is anchored on three interdependent strategic pillars: industrialisation, as a champion of economic transformation; enhanced competitiveness; and deeper regional integration.

Strategic interventions proposed under the action plan for each of these pillars are listed. These include an improved policy environment for industrial development, increased volume and efficiency of public and private sector investments in the SADC economy, creation of regional value chains and participation in related global processes, as well as increased value addition for agricultural and non-agricultural products and services.

In order to improve the operating environment, there are plans to develop and operationalise a Protocol on Industry by 2020, which should lead to the development of industrialisation policies and strategies at national level.

Where member states already have such policies and strategies, these should be reviewed and aligned to the Industrialisation Strategy and Roadmap.

Member states will be required to develop national Industrial Upgrading and Modernisation Programmes (IUMPs) and implement these by 2020.

To encourage the creation of regional value chains and participation in global processes, the region has identified five priority areas in which the value chains can be established and for which regional strategies should be developed by 2020.

These are in agro-processing, minerals beneficiation, consumer goods, capital goods, and services. A detailed value chain study is proposed for specific products or services in the priority areas.

Reduction or removal of structural impediments to industrialisation is another target being pursued by SADC. In this regard, there is need to improve power generation capacity and facilitate an increase in the development and use of renewable sources of energy as well as ensure adequate water supply.

The action plan also proposes an active role for Small and Medium Enterprises (SMEs) in the SADC Industrialisation agenda. SMEs are an important variable in SADC development plans, representing 90 percent of all businesses and accounting for more than 50 percent of employment.

Interventions under the Competitiveness pillar are aimed at strengthening both the macro-economic and microeconomic environments in the region.

Initiatives proposed include the development of industrial investment programmes to support SMEs by 2018; training for skills, entrepreneurial and managerial development and centres of specialisation for priority sectors.

The Regional Integration pillar aims to widen

the economic space for development and create incentives for industry to expand, thus providing opportunities for economies of scale, clustering and economic linkages. Specific interven-

tions under this pillar include full implementation of the SADC Free Trade Area to cover all member states; a common external tariff by 2025; gradual phase-down and abolition of "rules of origin"

by 2025; liberalisation of exchange controls to allow free movement of capital within SADC by 2030; and ratification of the SADC Protocol on Trade in Services for implementation by 2020.



Towards national industrialisation, value addition and beneficiation...



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At the Ministry of Industry and Commerce, we recognise and acknowledge the need for an inclusive approach to realising the goals of the SADC Industrialisation Strategy and Roadmap, approved by Heads of State and Government in April 2015.

These goals, which dovetail neatly with our own national Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZIMASSET), broadly aim at transforming regional economies, enhance economic growth and create empowerment.

We reaffirm our commitment to working with the local private sector and other critical stakeholders, and recognise the critical importance that the private sector plays in the realisation of these goals that also seek to ensure that we leverage our resources to accelerate industrialisation through beneficiation and value addition.

Our message to the private sector is that our doors are open. Come, let us talk.

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