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# Johansein Rutaihwa

## Senior Programme Officer- Industrialisation and Competitiveness



# Outline

☐ About SADC

☐ SADC Industrialization Strategy and Roadmap 2015-2063 & Costed Action Plan 2015-2030

☐ Priority Sectors

- *Agro processing*
- *Mining*
- *Pharmaceuticals*
- Consumer Goods
- Capital Goods
- Services

☐ Instruments Guiding Industrialization in SADC

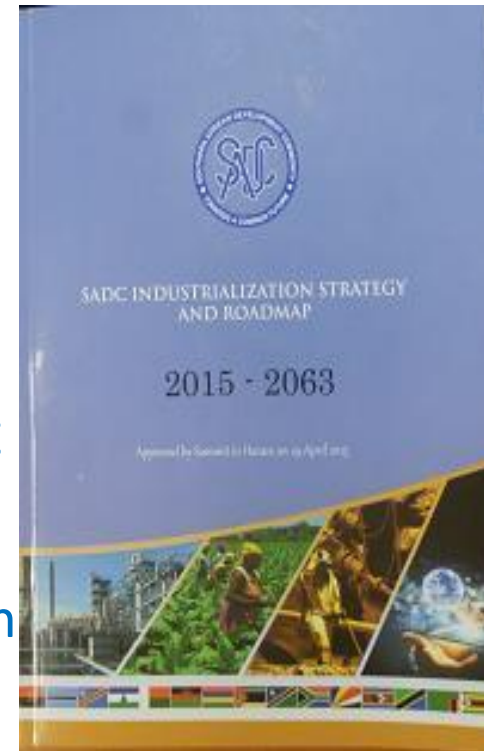
☐ Status of Value Chains Implementations

☐ Existing Policy Framework for Industrialization

☐ Achievements

☐ Mutually dependent relationships

☐ Conclusion



# About the Southern African Development Community (SADC)



- **Member States** - Angola, Botswana, Comoro, Eswatini, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe
- **Objectives** - To achieve economic development, peace and security, and growth, alleviate poverty, enhance the standard and quality of life of the peoples of Southern Africa, and support the socially disadvantaged through Regional Integration (Ref Article 5 of the SADC Treaty)
- **Vision** - Build a region in which there will be a high degree of harmonisation and rationalisation, to enable the pooling of resources to achieve collective self-reliance in order to improve the living standards of the people of the region.



# Cont.

**Mission** - To promote **sustainable and equitable economic growth and socio-economic development** through efficient, productive systems, deeper co-operation and integration, good governance, and durable peace and security; so that the region emerges as a competitive and effective player in international relations and the world economy

## SADC Milestones

Regional Indicative Strategic Development Plan





# SADC Industrialization Strategy and Roadmap (2015 - 2063)



- ❑ SADC Industrialization Strategy and Roadmap 2015-2063 and Action Plan Approved April 2015 and March 2017 respectively, an agreement was to **act collectively**, as a region, to implement effective strategies that:

- boost the *productive capacity* of industries,
- develop *infrastructure* that leverages industrialization and
- promotes *technological advancement*

- ❑ Linkage with Agenda 2063; and SDG 2030

- ❑ Market Size 324M; TFTA-**700 million people**



# SADC Region Growth Phases by 2063

## Phase II (2020 – 2050)

- **diversification** and **enhancement of productivity and competitiveness**
- Per capita income growth about 8% annually, US\$ 9000

## Phase I (2015 – 2020)

- **frontloading of the Industrial Development and Market Integration & infrastructure** and services support to industrialization
- Per capita income growth about 6% annually, US\$ 2000

## Phase III (2050 – 2063)

- **innovation-driven stage**, characterized by advanced technologies and increased business sophistication
- Per capita income growth about 5% annually, US\$ 17000

### Growth Paths

Enhanced and upgraded participation in RVC and GVC

### Focus

1. Agro-processing
2. Minerals beneficiation
3. Pharmaceuticals

Factor-driven

Investment-  
Driven

Efficiency-  
driven

Innovation-  
driven



# Pillars and Goals/Priorities



## Industrialisation

1. Increasing share of Manufacturing Value Added (MVA) in GDP to 20% by 2020 and 30% by 2030
2. Enhancing competitiveness through industrial policy
3. Increase participation in global value chains
4. Agro-processing, Minerals Beneficiation and downstream Processing and Value-Chain Development
5. SADC Regional Advocacy and Communication Strategy for Industrialization
6. To... and ex... technology
7. Enhance competition of SMEs to Industrial Development
8. Develop and expand industrial clusters
9. Closer public-private cooperation industrial development
10. Ensuring greater environmental sustainability (green and blue economy)

## Competitiveness

1. Create... Increase women participation in the industrialization process
2. Upscal...
3. Improv... standards,

## Regional Integration

1. Implementation of SADC protocols in the Regional Economic Integration Priority Areas relevant for industrialization
2. Deepened Regional Integration to facilitate industrialization  
Promote Trade Liberalisation and Services Market Integration  
Enhance fair mobility  
Enhanced intellectual and legal Property
3. Increase participation of persons with disabilities in the industrialization process
4. Support and
5. Transit Facilitation Measures to support Industrialization
6. Integrate SADC with other regional markets to support industrialization preferences
9. Complete CFTA negotiations

## Cross-Cutting Issues

Increase youth participation in the industrialization process



# SADC Industrialization Strategy and Roadmap 2015-2063....

## Strategic goals

### 1. Quantitative goals

Objective	Present 2015	Target 2030	Target 2050
Double share of manufacturing value added (MVA) in GDP	Estimated value of 13%	To at least 30%	To at least 40%
Manufacturing industry's contribution to the regional real GDP	Currently at an average of 4% annually	To an average of 7% a year	
Increase the share of medium-and-high-technology production in total MVA.	less than 15 percent at present	To at least 30%	To at least 50%
Increase the share of industrial employment		To at least 40%	
To build market share in the global market for the export of intermediate products to East Asian levels			At least 60 per cent of total manufactured exports.
Increase manufactured exports	less than 20%	To at least 50%	
Diversify and broaden the industrial base and interdependences			
Enhance the productive capacity, productivity and competitiveness of SADC economies			
Provide a framework for technological and industrial catch-up, export diversification, natural resources beneficiation, enhanced value-addition and increased regional trade and employment generation			

### 2. Qualitative goals

- Achieve a major socio-economic transformation at the national and regional levels.
- Accelerate the growth momentum and enhance the comparative and competitive advantage
- Diversify and broaden the industrial base and interdependences.
- Enhance the productive capacity, productivity and competitiveness of SADC economies.
- Provide a framework for technological and industrial catch-up, export diversification, natural resources beneficiation, enhanced value-addition and increased regional trade and employment generation. ...etc





# SADC Industrialization Strategy and Roadmap 2015-2063....

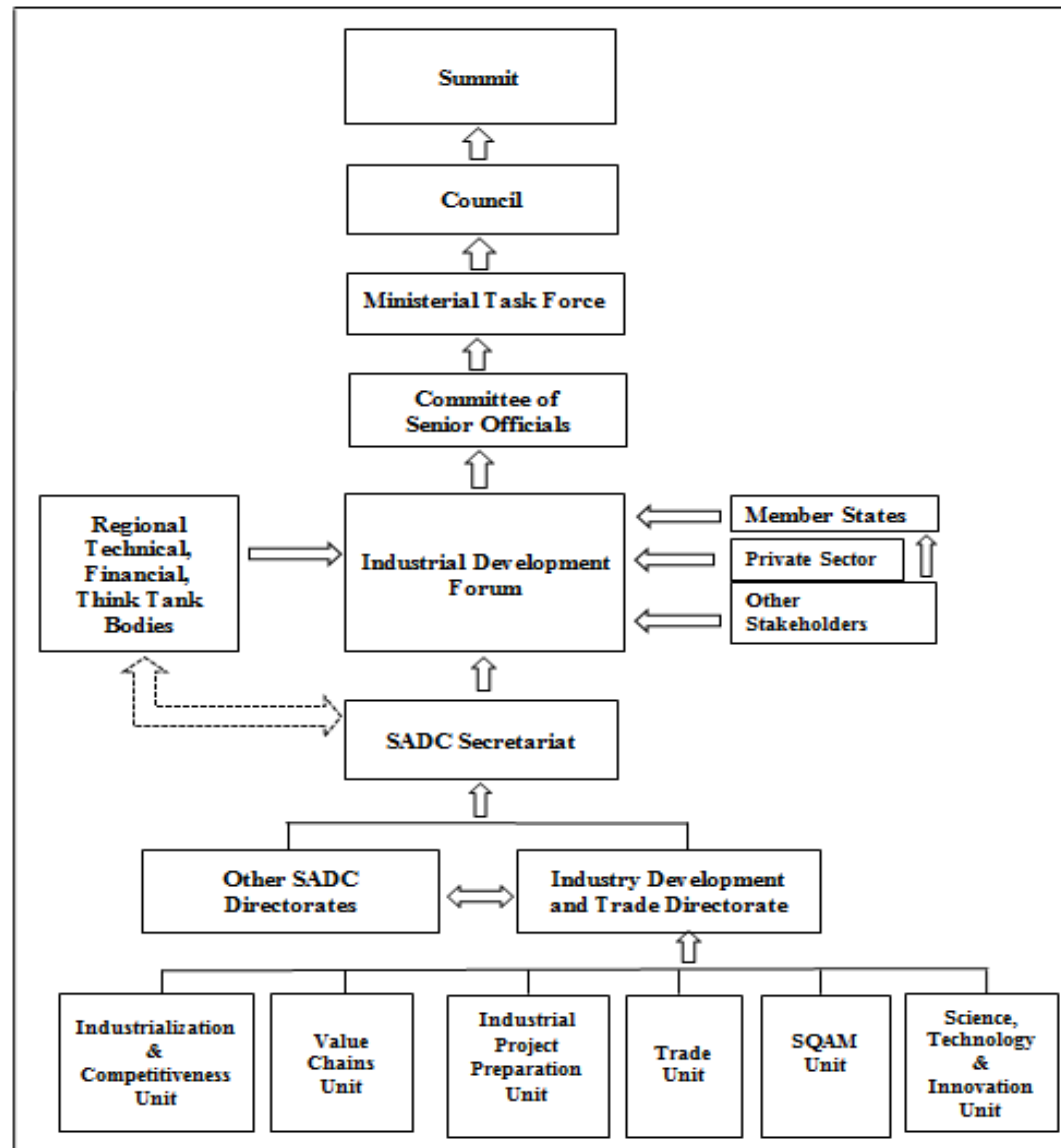


## Strategic interventions

1. Macroeconomic Framework
2. Revitalizing Regional Integration
3. Removing Binding Constraints
4. Industrial Development
5. Potential Growth Paths:
6. A Compact for Industrialization - The Role of the State and Engaging the Private Sector
7. Mainstreaming Gender and Youth Issues
8. Strengthening Small and Medium Scale Enterprises
9. Enhancing Competitiveness
10. Ensuring Environmental Sustainability (Green and Blue Economy)



# SADC Industrialization Strategy and Roadmap 2015-2063....Institutional framework



# Instruments Guiding Industrialization in SADC

## 1. The SADC Industrialization Strategy and Roadmap (2015 – 2063)

## 2. The SADC Treaty

- The need for a regional cooperation in the field of industrial development is espoused in the **SADC Treaty under Article 21**.
- Under the SADC Treaty, Member States undertook to:

*Harmonize their overall macro-economic policies and strategies, programs and projects in the areas of cooperation*

## 3. Revised Regional Indicative Strategic Development Plan (RISDP) 2015-2020.

- Prioritizes Industrial Development and Market Integration and places industrialization at the centre of the regional integration agenda



# Cont.



## 4. SADC protocols

- ☐ Protocol on Science Technology and Innovation (2008)
- ☐ Protocol on Trade (1996)
- ☐ Protocol on trade in service
- ☐ Protocol on mining etc

## 5. Continental Integration

- ☐ EAC-COMESA-SADC Tripartite Free Trade area. The Community jointly with COMESA and EAC has further initiated a process of widening integration in an effort to implement the Lagos Plan of Action
- ☐ AfCFTA





# Status of Implementation of the Value Chains

## ☐ Agro-processing:

- Profiling completed
- Additional support for preparation of bankable projects is ongoing

## ☐ Minerals beneficiation:

- Profiling of Regional Mining Value Chains completed
- Draft Regional Mining Vision being developed
- Packaging of investment opportunities along each RVC is ongoing

## ☐ Pharmaceuticals:

- Feasibility Study & Strategy for Regional Manufacturing completed and approved
- Pharmaceutical Business Plan launched (August 2017)
- Action Plan and appropriate Instruments for investment needed



# Achievements

- ☐ The new Directorate of Industrial Development and Trade has been established at the SADC Secretariat to coordinate implementation of the Industrialization Strategy;
- ☐ The Action Plan for implementation of the Industrialization Strategy has been rolled out in nine (9) Member States, and assistance in determining the nation indicative public coordination costs was provided to seven (7) Member States that had requested for such assistance;
- ☐ Development of the SADC Protocol on Industry to provide the legal framework for co-operation on industrial development within and amongst the Member States of SADC will be presented to Council this August
- ☐ Finalisation of SME templates to enable SMEs contribute in industrial implementation
- ☐ Capacity building programme to enhance policy design, formulation, implementation and monitoring
- ☐ Drafting of Blue economy strategy has started

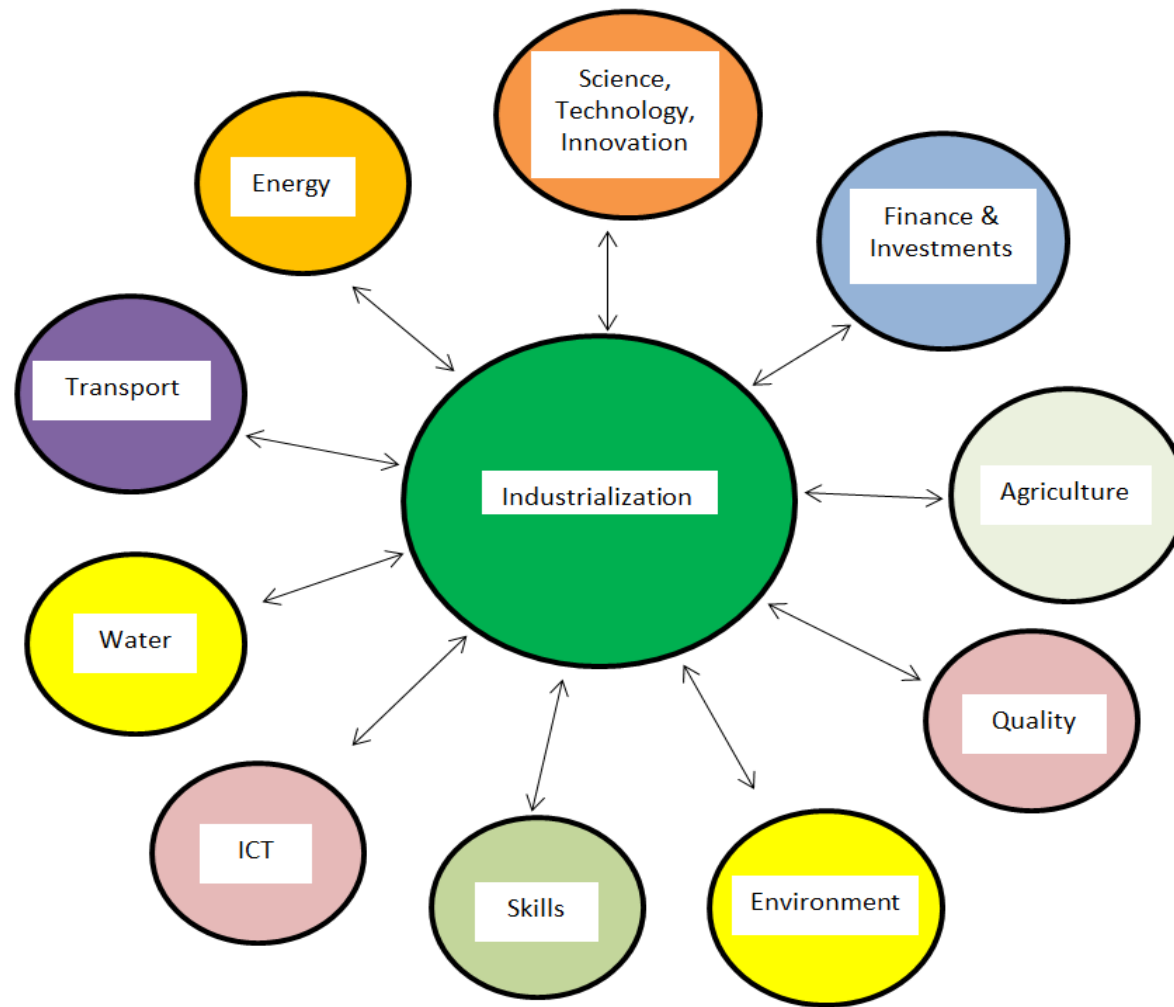


## Cont.

- ☐ Operationalization of the SADC Pooled Procurement Strategy (SPPS) has begun by setting up the SADC Data Base on Essential medicines, and the Republic of Tanzania has been nominated to host the SADC Pharmaceutical Procurement Services (SPPS).
- ☐ An online M&E System has been developed to facilitate both Compliance and Results monitoring of Protocols. The System was approved in March 2017 and is being rolled out to Member States.
- ☐ Establishment of SADC Business Council to provide the basis for public-private dialogue and for development of a Regional Public-Private Sector Engagement Strategy;
- ☐ Draft Framework and Guidelines for the establishment of Centres of Excellence and Centres of Specialisation has been approved



# Mutually Dependent relationships





# Conclusion

- Specific sectors and the SADC countries that can potentially participate in each value chain have been identified by Member States.
- The central question however **is not the focusing on the product or sector per se, but rather understanding the full value-chain** and what is required to take advantage of opportunities to add value and migrate to new activities along the value chain.





**THANK YOU**

**MERCI**

**OBRIGADO**

**jrutaihwa@sadc.int**

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