



## THE SACU INVESTMENT ROUNDTABLE

“POSITIONING SACU AS AN  
INDUSTRIAL, INVESTMENT,  
MANUFACTURING AND INNOVATION  
HUB FOR THE AFRICAN CONTINENT  
AND BEYOND”



**12-13 APRIL 2022**

GABORONE, BOTSWANA

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# 1. FOREWORD BY THE EXECUTIVE SECRETARY



**Ms. Paulina Mbala Elago**  
Executive Secretary of SACU

- 1.1 The Southern African Customs Union (SACU) convened its first-ever Regional Investment Roundtable, on 12<sup>th</sup> - 13<sup>th</sup> April 2022. The Investment Roundtable was held under the theme “*Positioning SACU as an industrial, investment, manufacturing and innovation hub for the African continent and beyond*”. Due to the COVID-19 Pandemic, the Roundtable was held in a hybrid format. The physical segment of the event was held in Gaborone, Botswana, with a limited number of participants and the majority of the participants, joined the event virtually.
- 1.2 The SACU Investment Roundtable is part of the key strategic deliverables under the broader SACU Industrialisation, Export and Investment Promotion and, Trade Facilitation and Logistics Programmes. SACU’s main objective, as outlined in the SACU Agreement, 2002, is to enhance the economic development, diversification, industrialisation and competitiveness of the five SACU Member States. Article 38(1) of the SACU Agreement specifically states that “Member States recognise the importance of balanced industrial development of the Common Customs Area as an important objective for economic development”. In line with this mandate, the SACU Member States have adopted regional industrial development as an overarching objective that would underpin the region’s development and integration agenda.
- 1.3 As of October 2020, SACU undertook to promote industrial development through the development of regional value chains (RVCs), export promotion, and investment. The main goal being contribution towards an integrated regional market that would enhance Member States’ international competitiveness. The SACU Work Programme also seeks to improve the region’s industrial base, create employment opportunities, promote sectoral complementarities in production, as well as backward and forward linkages that would promote diversification across the region. Furthermore, the SACU region, through this Programme, will pursue a systematic approach and practical steps to deepening industrialization

whilst simultaneously positioning the region to take full advantage of the opportunities presented by the African Continental Free Trade Area (AfCFTA).

- 1.4 In this regard SACU Member States have selected a number of priority sectors that would be targeted for the development of Regional Value Chains (RVC). These are Agro-processing (Leather and Leather products, Fruits and Vegetables, Meat and Meat products), Textiles and Clothing and Cosmetics and Essential Oils. These sectors offer extensive opportunities for the development of RVCs across SACU. To advance this work, a series of Sectoral Roundtables focusing on the priority sectors were held between March and July 2021. The Roundtables afforded key sector stakeholders, including the industry players and policy makers from across the SACU region, an opportunity to engage on key interventions and modalities required to spur the development of RVCs in each of the agreed priority sectors. The Sectoral Roundtables further identified the development and investment potentials in the priority sectors, along with the policy constraints and challenges faced by the industry within the SACU Region. They also served as a precursor to the SACU Investment Roundtable.
- 1.5 The SACU Investment Roundtable also provided an opportunity for National Investment Promotion Agencies to showcase investment opportunities in the selected priority sectors across the SACU region. A total of 36 projects were presented at the Roundtable. The Roundtable also featured panel discussions with SACU Trade Ministers, leading experts on financing for industrialisation and competitiveness of the trading environment. Additionally, there were opportunities for Business-to-Business meetings featuring promoters of investment projects.
- 1.6 Through this publication we wish to provide a synopsis of the main proceedings of the SACU Investment Roundtable. It covers the Opening Session as officiated by H.E. Dr. Mokgweetsi Eric Masisi, the President of the Republic of Botswana and Chairperson of SACU Summit at the time. It also summarises the discussions and outcomes of the various sessions and high-level panel discussions, on the key thematic topics covered during the proceedings amongst which sought to unpack how best we can position SACU as an Industrial and Manufacturing Hub through the development of RVCs, and the investment and export opportunities in the priority sectors; Financing as a Catalyst to Unlock the Region's Industrial Development Capacity as well as a discussion on Enhancing Competitiveness of the Trading Environment in SACU. The perspectives of the SACU Ministers of Trade and Industry on SACU's Industrialisation Agenda are also highlighted.
- 1.7 We trust the information contained in this report will help readers appreciate the vision and ambition of SACU Member States towards regional industrialization, available investment opportunities in the region, and positioning herself to take advantage of the market opportunities being offered under the AfCFTA. It also highlights some of the key recommendations from leading experts and delegates that will require attention for us to achieve our goals of developing RVCs and attract investment in the priority sectors so as to enhance the region's competitiveness. Being the first of its kind, the SACU investment Roundtable was a resounding success and has provided us great insights and key pointers that would require further consideration and reflection as we advance the regional industrialization agenda. We look forward to holding similar events in the future and hopefully in person.

## 2. INTRODUCTION

- 2.1 The SACU Secretariat convened its first ever Investment Roundtable on 12<sup>th</sup> -13<sup>th</sup> April 2022, at the Gaborone International Convention Centre (GICC), in Gaborone Botswana. The Investment Roundtable was graced by H.E. Dr. Mokgweetsi Eric Masisi, the President of the Republic of Botswana. It attracted high-level dignitaries and delegates from the SACU region and beyond including the SACU Ministers of Trade, Industry, Investment and Finance; Senior Government officials, Industry Experts; Private Sector representatives from SACU and beyond; Development Finance Institutions; International, Continental and Regional Organisations; Investment Promotion Agencies; Development Partners, amongst others. Overall, 991 participants registered for the Roundtable.
- 2.2 The event was held under the theme; ***“Positioning SACU as an industrial, investment, manufacturing and innovation hub for the African continent and beyond.”***
- 2.3 The Roundtable showcased investment opportunities in the selected priority sectors across the SACU region, targeting: Agro-processing specifically Leather and Leather Products, Meat and Meat Products, and Fruits and Vegetables, Textiles and Clothing, as well as Pharmaceuticals, Cosmetics and Essential Oils. These sectors offer extensive opportunities for the development of regional value chains across SACU. The Roundtable also featured panel discussions with leading experts on financing for industrialisation, enhancing competitiveness of the business and trading environment as well as Business-to-Business sessions featuring meetings with promoters of investment projects in the listed priority sectors.



### 3. REMARKS BY HONOURABLE MMUSI KGAFELA, MINISTER OF INVESTMENT, TRADE AND INDUSTRY OF BOTSWANA

- 3.1 Let me take this opportunity to welcome you all to this premier Investment Roundtable, the first of its kind for the SACU region with Gaborone, Botswana as the host.
- 3.2 I am entrusted with an easy but yet a daunting task of introducing and welcoming His Excellency, Dr. Mokgweetsi Eric Keabetswe Masisi. I wish to highlight to you your Excellency, that since 2019, the SACU Council has continued to advance the implementation of its Work Programme. Following the 4<sup>th</sup> Ministerial Retreat held in September 2020, the Council agreed on a refocused Work Programme on Industrialisation. This would be achieved through the development of regional value chains, investment attraction and export promotion, trade facilitation and logistics as well as the implementation of the African Continental Free Trade Area (AfCFTA).
- 3.3 Your Excellency, the current focus on industrialisation is in line with the SACU Agreement, 2002, whose main objective is to enhance the economic development, diversification, industrialisation and competitiveness of the five SACU Member States. Regional industrialisation is seen as the main vehicle through which the SACU region can transform its economies and generate sustainable growth, employment and reduce poverty.
- 3.4 To advance the work on Industrialisation, the SACU Member States have successfully convened a series of five (5) Sectoral Roundtables in 2021 covering Leather and Leather products, Meat and Meat products, Fruits and Vegetables, Textiles and Clothing, and Cosmetics and Essential Oils. The Sectoral Roundtables were a precursor to this Ministerial Investment Roundtable.
- 3.5 I am also grateful that His Excellency, our President has accepted our invitation to grace this Investment Roundtable.
- 3.6 Allow me to introduce to you, His Excellency, the President of the Republic of Botswana, Dr. Mokgweetsi Eric Keabetswe Masisi, the current Chairperson of the SACU Summit of Heads of State or Government, who will be delivering the Keynote Address and Official Opening, for the INVESTMENT ROUNDTABLE.

Your Excellency, you may now take the podium and deliver your Keynote Address. I thank you all for your attention.



*Honourable Mmusi Kgafela  
Minister of Investment, Trade and Industry of Botswana*

## 4. STATEMENT OF HIS EXCELLENCY DR. MOKGWEETSI E.K. MASISI, PRESIDENT OF THE REPUBLIC OF BOTSWANA AND CHAIRPERSON OF THE SACU SUMMIT

- 4.1 It gives me great pleasure to welcome you all to the Republic of Botswana and to this Investment Roundtable. I also wish to convey my deepest appreciation for your participation both virtually and in person in this event, the first of its kind within the Southern African Union Customs (SACU). I trust that you have all travelled well and believe that the facilities put at your disposal and the arrangements made are satisfactory despite the COVID-19 challenges that are still in our midst. Allow me also to convey my appreciation to Your Excellency, Mr. Wamkele Mene for your insightful remarks on the work done by the African Continental Free Trade Area (AfCFTA) and how this work relates to the work of the SACU Region.
- 4.2 This Roundtable is taking place in the aftermath of the successful completion of the Dubai 2020 Expo where all the SACU Member States participated. Our countries showcased their investment opportunities and developmental potential. In this regard, the hosting of this Investment Roundtable is a good way to transition into the Region's focused approach in support of our collective investment promotion drive.



*His Excellency Dr. Mokgweetsi E.K. Masisi  
President of the Republic of Botswana and Chairperson of the SACU Summit*

- 4.3 Your Excellencies, and Distinguished Ladies and Gentlemen, this event is also taking place at a time when we continue to face the social and economic impacts of COVID-19 which resulted in the overall weighted growth contraction of 6.3 percent in 2020 for the Region compared to a positive growth of 0.3 percent in 2019. In the language of the non-economist, our citizens will grasp that the “contraction of our economies growth” means that the volume of goods and services produced was diminished; livelihoods were ravaged as economic activities were disrupted or came to a standstill.
- 4.4 Life was filled with harrowing experiences, such as the closure of many businesses, resulting in loss of jobs and incomes for workers, and also reduced corporate tax revenues for governments. Those who make a living in the informal sectors, and usually referred to as street hawkers, were the hardest hit in our communities. Our people would, furthermore, understand that there was massive loss of lives of loved ones; massive incidences of morbidity (or ill-health), absenteeism and low productivity in the surviving businesses, whilst investment opportunities were also curtailed by disruptions in the supply chain of raw materials due to mandatory restrictions on movement and transportation of goods, as well as total lockdowns of countries, in some instances.
- 4.5 However, the challenges arising from the pandemic also present an opportunity for the region to create and develop production capacity that will fill the commodity gaps and allow for increased production in the affected sectors, particularly on pharmaceuticals and agricultural products. Here lies the practical wisdom of the English adage that: “Behind dark clouds there is a silver lining”. Therefore, it is of critical importance for SACU to work together to advance regional integration objectives and find solutions to these global problems and challenges facing us. The main objective of the SACU Agreement, 2002, is to enhance the economic development, diversification, industrialisation and competitiveness of the five SACU Member States. In particular, Article 38(1) of the SACU Agreement specifically states that “Member States recognize the importance of balanced industrial development of the Common Customs Area as an important objective for economic development”.
- 4.6 In line with this mandate, the SACU Member States have adopted regional industrial development as an overarching objective that would underpin the region’s development and integration agenda. It is with that in mind that SACU has a common vision to advance work on industrialisation to take advantage of the opportunities that have been created by the AfCFTA. This will be achieved through a coordinated approach that will ensure that all the SACU Member States benefit from the industrialisation initiatives undertaken by the region.
- 4.7 I am highly optimistic that the priority sectors of Agro-processing, Textiles and Clothing as well as Pharmaceuticals and Cosmetics and Essential Oils identified in the SACU Work Programme will propel SACU to be an industrial and innovation hub for the African Region. The identified priority sectors offer immense and credible opportunities for the development of regional value chains across the SACU Region, as observed from the trade and production figures.
- 4.8 In 2020, for example, the trade deficit for the textiles and clothing sectors between SACU and the world measured about US\$8.0 billion and US\$3.3 billion, respectively. In the cosmetics and essential oils sector, SACU’s exports to the world amounted to

R17.66 billion and R6.2 billion, respectively. The Region has comparative advantage in the production of essential oils as demonstrated by the existing capabilities and capacities to cultivate, harvest and produce oils like, eucalyptus, rosehip and morula, amongst others.

- 4.9 Agro-processing also provides a unique opportunity for the region given its abundant resources and raw materials, especially for fruits and vegetables; and meat and meat products. For the latter, SACU produces about 3.6 million tons, representing 1.1 percent of the world's total meat production, whilst on leather and leather products, in 2018, SACU's imports amounted to R25.9 billion with exports totalled R11.9 billion. This resulted in a trade deficit of R13.9 billion.
- 4.10 Distinguished Ladies and Gentlemen, this Roundtable also provides an opportunity for focused policy dialogue especially with SACU Trade Ministers and Policy Makers on the critical policy interventions and measures required to develop the priority sectors in SACU. Furthermore, the Roundtable provides opportunity for enhancing the competitiveness of the trading environment; a synopsis of the key investment opportunities as well as opportunity for Business-to-Business sessions featuring investment projects and promoters.
- 4.11 As we all know, Governments alone cannot achieve the ambition of transforming the SACU region. It is important to have such engagements to collaboratively partner with the private sector, development finance institutions and other regional organisations. We have learnt over the years that collaboration and partnerships result in the generation of sustainable growth, employment creation and poverty reduction. This is more critical today, more than ever before, considering the adverse impact the COVID-19 pandemic has had on our economies. We should, therefore, continue to strengthen our collaboration with a view to achieving mutual benefit and collective prosperity for all our Member States.
- 4.12 For our part as Governments, we will continue to ensure that an enabling environment is in place for investments and trade in general to realise our ambition of industrial transformation. Furthermore, the discussions today are intended to inform the development of a focused regional Investment Plan and strategies to guide the practical implementation of the SACU Industrialisation Work Programme. Industrialisation has proven to be a catalyst for development for many economies. This is because investment allows for generation of employment opportunities; provides educational opportunities; encourages advancement and innovation, and better utilisation of the existing resources. Given the factor endowments in the SACU Member States, we should ensure that this industrialisation programme bears immediate fruitful results for both the public and private sector.
- 4.13 Your Excellencies, and Distinguished Guests, this Roundtable has, indeed, come at an opportune time when the African Continent is implementing one of the world's largest Free Trade Agreements as well as the time when the world needs to undertake extraordinary measures to revive and prepare their economies for the transition post-COVID-19 pandemic.

- 4.14 In taking advantage of these prevailing opportunities, concerted efforts will be required by both the public and private sector to lay the foundation for a more resilient regional economy by investing in job-rich, highly productive priority projects and greener activities. This is in line with the priority sectors and their respective strategic projects identified for economic transformation by the SACU region.
- 4.15 I, therefore, encourage you all to participate fully in this Roundtable, brainstorm and share ideas on how to pragmatically take this work forward. Furthermore, today's deliberations require contributions on the development of measures and mechanisms that will allow the private sector participating to ensure that their engagements lead to securing investments, including development of joint ventures. The need for bilateral engagements in platforms like this Roundtable, provide the private sector with the opportunity to engage and leverage these opportunities.
- 4.16 Our engagement will also engender discussions on how to ensure financing and mobilisation of resources for industrialisation, infrastructure and technology development in SACU. This is important in unlocking the SACU region's industrial development capacity. Given the composition and expertise of the speakers gathered here today, as well as the wide spectrum of Stakeholders participating both virtually and in-person, I believe that we will be able to achieve and deliver on the expected outcomes of this Roundtable.
- 4.17 Distinguished Guests, allow me, at this stage, to commend the SACU Council of Ministers through the respective teams of the Technical Committee of Senior Officials and private sector representatives from all SACU Member States as well as the SACU Secretariat, for working tirelessly to ensure that this programme comes to fruition.
- 4.18 In conclusion, it is my greatest honour, on behalf of people of the Republic of Botswana and the entire SACU Region, to host you today in our beautiful city of Gaborone. I now declare the first ever Investment Roundtable for SACU officially open.

I wish you fruitful deliberations and a great stay in Botswana.

I thank you.

**HIS EXCELLENCY DR. MOKGWEETSI E.K. MASISI**

President of the Republic of Botswana and Chairperson of the SACU Summit

## 5. OFFICIAL OPENING SESSION



**Ms. Paulina Mbala Elago**  
Executive Secretary of SACU

- 5.1 In her welcoming remarks, the Executive Secretary of SACU, Ms. Paulina Mbala Elago, highlighted SACU's ambition to position herself to take full advantage of the African Continental Free Trade Agreement (AfCFTA) and effectively supply the African market. The African market comprises of 55 countries, with an estimated 1.3 billion consumers and a combined GDP of around US\$3.4 trillion. It is therefore incumbent upon the SACU's private sector to capitalise on these opportunities to grow their business through the development of regional value chains and cross border trade. While SACU's average share of manufacturing as percentage of Gross Domestic Product (GDP) was 13.9 percent in 2020, concerted efforts are needed to broaden its industrial base, diversify exports and attract investments.
- 5.2 The Executive Secretary recalled that the SACU Member States adopted a refocused Work Programme whose aim is to fast track the process of industrialisation process within SACU. The key pillars of this Work Programme being industrialisation through the development of regional value chains for the priority sectors, export promotion and investment. The Roundtable was therefore intended for the SACU Member States to collectively showcase the Region's investment opportunities in the Textiles and Clothing; Pharmaceuticals; Cosmetics and Essential Oils; as well as the Leather and Leather products; Meat and Meat products; and Fruits and Vegetables.

*“The launch and implementation of the AfCFTA is one of Africa’s flagship projects for achieving Africa’s aspirations to build “The Africa we want” under the Agenda 2063. The aim is to boost intra-African trade, continental integration and development. It provides an opportunity for the Continent to enhance its productive capacity and to build robust regional value chains to effectively supply the African market, comprising 55 countries, with an estimated 1.3 billion consumers and a combined GDP of around \$3.4 trillion. SACU’s industrialisation objective and ambitions are therefore rooted in this context and for this reason, SACU has placed the implementation of the AfCFTA among its top priorities”, Ms. Paulina M. Elago*

- 5.3 The Executive Secretary highlighted that the Roundtable also provided an opportunity for focused policy discussions on enhancing the competitiveness of the trading environment in SACU and Business to Business engagements.

*“With such an enormous market presented by the AfCFTA, it is incumbent upon the SACU private sector to seize and capitalise on the opportunities to grow their business through regional value chains and cross border trade. Without the participation of the business sector, all these efforts will be meaningless. In the same vein, a regional approach to industrialisation will not only broaden the industrial production capacity, but it also promotes deeper integration whilst ensuring inclusivity that will benefit all SACU Member States”, Ms. Paulina M. Elago*

- 5.4 The Executive Secretary expressed appreciation to the entire SACU in particular the SACU Council of Ministers, Ministers of Trade and Industry and the Technical Committee of Senior Officials for their leadership in driving the Industrialisation Work Programme. She also thanked the speakers and invited guests for honouring the invitation to be part of the Roundtable.

- 5.5 The Secretary-General of the AfCFTA, H.E. Wamkele Mene highlighted that the AfCFTA should not only be an aspiration, but a vehicle through which SACU can become regionally and continentally competitive. According to the study done by the AfCFTA Secretariat, investing in value chains could contribute about US\$11 billion to Africa’s GDP and about 750 000 jobs by 2035. SACU should thus invest in value chains that will result in significant benefits to the region and, in doing so, access the rest of the African market. A key question for the Roundtable should be how SACU can accelerate investments in industrial capacity and regional value chains to propel the Continent out of poverty.

- 5.6 Honourable Mmusi Kgafela, the Minister of Trade and Industry, Botswana, introduced and welcomed the keynote speaker, the President of the Republic of Botswana and Chairperson of the SACU Summit of Heads of State or Government, Dr. Mokgweetsi Eric Keabetswe Masisi. Hon. Kgafela highlighted that the SACU Council continued to advance



*His Excellency Mr. Wamkele Mene  
Secretary General of the AfCFTA Secretariat*

the implementation of the refocused Work Programme since 2020. The focus on industrialisation is in line with the SACU Agreement, 2002, on enhancing the economic development, diversification, industrialisation and competitiveness of the five SACU Member States. In this regard, Hon. Kgafela emphasised that regional industrialisation is seen as the main vehicle through which the SACU region can transform its economies and generate sustainable growth, employment and reduce poverty.

- 5.7 The Guest of Honour and Keynote Speaker His Excellency Dr. Masisi, the President of the Republic of Botswana highlighted that the Roundtable was being held at a time when the region continued to face the social and economic impacts of COVID-19, which resulted in SACU's overall contraction of the weighted growth contraction of 6.3 percent in 2020 compared to a positive growth of 0.3 percent in 2019. It was therefore imperative for SACU Member States to work together to address the challenges faced by the Region during post-COVID 19 recovery. SACU should aim for collective prosperity in pursuing industrialisation as the catalyst for economic transformation and deepening regional integration. The challenges arising from the pandemic also present opportunities for the region to create and develop production capacity that will fill the commodity gaps and allow for increased production in the affected sectors, particularly for pharmaceuticals and agricultural products.
- 5.8 His Excellency observed that the priority sectors offered immense opportunities for the development of regional value chains across the SACU region. He highlighted that the region has comparative advantage in the production of essential oils while agro processing also provides a unique opportunity for the region given its abundant resources and raw materials, especially for Fruits and Vegetables, and Meat and Meat products.
- 5.9 His Excellency further recognised that Governments cannot transform the SACU region alone. It was therefore critical to strengthen collaboration with all the stakeholders with a view to achieving mutual benefits and collective prosperity for all Member States. The Roundtable would facilitate engagements to partner with the private sector, development finance institutions and other regional organisations. In return, the SACU Governments would continue to provide an enabling environment for investment and trade in general to realise the industrial transformation ambitions. Furthermore, the Roundtable discussions would inform the development of regional Investment Plan and Strategies to guide the practical implementation of the SACU Industrialisation Work Programme.
- 5.10 His Excellency officially declared the SACU Investment Roundtable opened and wished delegates fruitful deliberations and a great stay in Botswana.



## 6. POSITIONING SACU AS AN INDUSTRIAL AND MANUFACTURING HUB THROUGH THE DEVELOPMENT OF REGIONAL VALUE CHAINS



**Dr. Joel Sentsho**  
Trade Policy Advisor at the  
Ministry of Investment, Trade  
and Industry of Botswana

- 6.1 This Session focused on SACU's industrialisation agenda and how the region could position itself to take full advantage of the AfCFTA; the role of the private sector in the development of regional value chains; perspectives on the SACU Industrialisation Agenda by the Ministers of Trade and Industry as well as the importance of financing as a catalyst to unlock the SACU region's industrial development capacity. A key conclusion from this Session was that industrialisation is the main vehicle through which the SACU region can transform its economies and generate sustainable growth, employment and reduce poverty.

Below is the summary of discussions:

### A. An overview of the SACU Industrialisation Work Programme

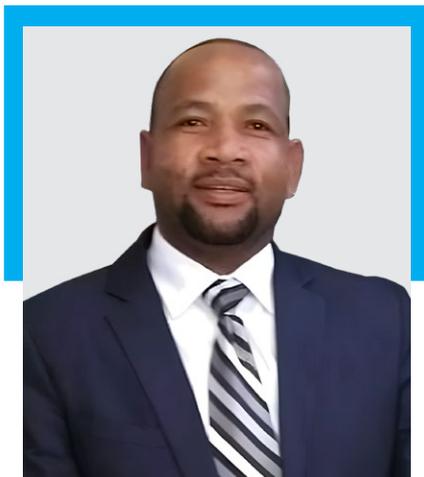
- 6.2 Dr. Joel Sentsho, Trade Policy Advisor in the Ministry of Trade and Industry, Botswana and Chairperson of the SACU Technical Committee of Senior Officials on Industrialisation, Export and Investment Promotion (SO-IEIP), provided an overview of the SACU Industrialisation Work Programme. He highlighted the adoption by SACU of industrialisation as an overarching objective to underpin the region's development and integration agenda. In this regard, the SACU Work Programme, centred on Industrialisation, Export and Investment Promotion; Trade Facilitation and Logistics; and implementation of the AfCFTA.
- 6.3 SACU Member States have also adopted a common vision on industrialization which is *"to build a diversified, competitive, sustainable and equitable industrial base that supports structural transformation and the economic integration of the SACU region"*. Through this Vision, the SACU Member States aim to fast-track work on the development of regional value chains to position the region to take advantage of the AfCFTA.
- 6.4 In addition to the priority sectors, the region has agreed on the need to develop cross border infrastructure including ICT, transport and logistics infrastructure, financial sectors as critical enabling sectors to support industrialization.
- 6.5 Some work on value chain mapping has been undertaken on the priority sector to assess the relative competitiveness of each Member State. This work culminated in the convening

of several Sectoral Roundtable's which brought together industry stakeholders with policy makers as outlined below:

- (a) Leather and Leather Products - 19<sup>th</sup> March 2021;
- (b) Fruits and Vegetables - 12<sup>th</sup> May 2021;
- (c) Meat and Meat Products - 27<sup>th</sup> May 2021;
- (d) Textiles and Clothing - 10<sup>th</sup> June 2021; and
- (e) Cosmetics and Essential Oils - 29<sup>th</sup> July 2021.

- 6.6 These comprehensive Sectoral reports will in turn inform the development of sectoral Strategies and plans for the region. In addition to the Sectoral Roundtables, a workshop was convened for the Pharmaceuticals sector in August 2021. The workshop engaged on a developmental approach and created a platform for consultations with the private sector on the development potential of this sector in the region.
- 6.7 On Export Promotion, SACU adopted the Export Scoping Engine (ESE+) Model as an interim Model for the identification of SACU's export opportunities in the priority sectors for the Sectoral Roundtables. Work on the development of the Regional Export Framework, the permanent Export Potential Model and an Export promotion Catalogue is being considered.
- 6.8 The activities under the Investment Promotion pillar focused on coordinating regional efforts to attract investment such as convening the Sectoral Roundtables for the priority sectors and preparations for the Investment Roundtable. Work also focused on agreeing on a criterion to guide the identification of investment projects that was showcased during the Roundtable. A total of 36 projects were identified and compiled into an e-Booklet as part of the promotional material for the Roundtable and can be accessed at [www.sacu.int](http://www.sacu.int).
- 6.9 SACU recognised the need to address financing and the mobilisation of resources to support SACU's industrialisation agenda. In this regard, a Sub-Committee on Financing for Industrialisation was established to consider and identify financial resource requirements and propose options for funding industrialisation, including the regional value chain projects and infrastructure development in SACU.
- 6.10 The outcome of the Investment Roundtable will inform the development of a long-term industrialisation strategy for SACU, leveraging on work done at the SADC level, as per the timelines set out in the Secretariat's Strategic Plan.

*“Subsequent to this Roundtable, work will continue to provide a strategic direction for the work on Industrialisation in SACU. This includes developing a long-term industrialisation strategy for the region. We look forward to collaborating with our cooperating partners, present today, to assist the region to develop this long-term strategy. The region will also explore development of relevant strategies to complement the on-going work”, Dr. Joel Sentsho.*



**Dr. Mokaedi Monnane**  
**Business Botswana Consultant**

## B. The Role of the Private Sector in the development of Regional Value Chains

- 6.11 Dr. Mokaedi Monnane, Consultant with the Business Botswana, delivered a presentation on the role of the Private Sector in the development of regional value chains. The presentation highlighted that value chains can take place within a country (national value chain), at regional level (involving countries within a region), and globally (involving various countries across the world).
- 6.12 Dr. Monnane noted the dominance of South Africa in the regional value chains and urged the private sector to engage in cross border supplier development programmes with leading South African firms or any lead firm including smaller firms within the region. This will ensure equitable participation in the regional value chains.
- 6.13 The presentation further highlighted that participation in global value chains will require high levels of production that are currently limited in the region (SACU and SADC), particularly outside of South Africa. South Africa is therefore expected to play an important role as a consumer of regional production and a gateway to international markets, while other countries should use their comparative advantages to increase production.

*“Participating in global value chains will require scale economies that are limited in the region (SACU and SADC), particularly outside of South Africa. Thus, South Africa is expected to play an important role as a consumer for regional production and gateway to international markets. But other countries will have to use their comparative advantages to ramp up production. In terms of developing the regional value chains, the Captive Model is most appropriate, however, it requires deliberate Government intervention or private sector regulatory mechanism to ensure that lead firms hand hold small suppliers”, Dr. Mokaedi Monnane*

## C. Perspectives on the SACU Industrialisation Agenda by the Ministers of Trade and Industry

- 6.14 The SACU Ministers of Trade and Industry namely: Hon. Mmusi Kgafela (Botswana), Hon. Manqoba Bheki Khumalo (Eswatini), Hon. Thabiso Molapo (Lesotho); Hon. Lucia Lipumbu (Namibia) and Hon. Ebrahim Patel (South Africa) delivered high-level remarks on how the SACU Work Programme would facilitate economic development of the SACU Member States. The Ministers highlighted the following:
- (a) the Investment Roundtable came at an opportune time as SACU Member States are refocusing their agenda to deal with economic shocks caused by the COVID-19 pandemic and the rise in food and fuel prices as a result of the Russian invasion of Ukraine;
  - (b) The 4<sup>th</sup> Industrial Revolution (4IR) and digital transformation has become a key driver and enabler for economic transformation;

- (c) the zero-sum competition between SACU countries does not offer opportunities to drive the industrialisation agenda. Hence, a shift of focus and greater emphasis to regional industrialisation since SACU possesses a range of raw materials and capital goods, human skills and can attract significant domestic and foreign investments;
- (d) collaboration between stakeholders should be encouraged to ensure complementarities and synergies. The private sector is indispensable in the economic development of the region. In this regard, the private sector as the custodian of the proposed cross border projects should take the lead in the development of regional value chains;
- (e) the implementation of the outcomes of the Investment Roundtable would be critical for greater regional integration, economic diversification and industrialisation in SACU by expanding markets in the priority sectors as well as adding value to the efforts towards implementation of the SACU Work Programme;
- (f) the successful implementation of the regional collaboration on industrialisation would propel the SACU Member States to achieve their national targets;
- (g) In addition to investment projects, the Roundtable should be used to reflect on policy innovations around industrialisation and investment. In this regard, task-trading enhancement such as weaner trade was pointed out as an area with potential to create value addition and path-node within the region;
- (h) the SACU market is not sufficiently large, hence the prioritisation of the AfCFTA. The implementation of the AfCFTA provides access to new markets, and helps advance the course of deeper industrialisation within the continent; connects the region to enormous raw materials resources within the continent and manufacturing capabilities; and
- (i) the AfCFTA is a pathway for SACU's drive towards post-pandemic recovery and building resilience, market diversification and enhancement of its industrial productive capacity.



6.15 The Ministers underscored that they remain resolute in their pursuit to achieve the objectives they have set, and ultimately reach deeper levels of integration for SACU propelled by clear Industrial and Investment Strategies. In this regard, the Ministers highlighted the following as areas requiring further intervention/reflection:

- (a) the need to put in place proper legislative and institutional frameworks to support development and, in particular, to support the envisaged regional industrialisation agenda including its timely and speedy implementation;
- (b) the need to address the impediments to free and fair trade within the region through the development of complimentary industrial policies and harmonisation of systems;
- (c) the region should industrialise in a manner that will create jobs in all Member States, considering the current challenges of youth unemployment;



**Hon. Senator Manqoba Khumalo**  
Minister of Commerce Industry  
and Trade, Kingdom of Eswatini

- (d) implementation of cross-border projects should be facilitated through a suitable, inclusive and participatory funding model;
- (e) enhanced collaboration amongst Bureaus of Standards in the region to ensure synergies in the cross-border processes;
- (f) Governments to provide a conducive environment for the private sector to support value chains; and
- (g) the trade facilitation challenges in relation to coordination and harmonisation of customs administrative procedures within the region should be addressed.

*“We align ourselves with the view that the implementation of our cross-border projects will not be possible without a suitable, inclusive and participatory funding model. We believe such a model has been identified under the Work Programme, to enable SACU to achieve our industrialization aspirations and ambitions”,  
Hon. Senator Manqoba Khumalo.*



**Hon. Dr. Thabiso Paul Molapo**  
Minister of Trade and Industry,  
Kingdom of Lesotho

*“The importance of the prioritised sectors in this roundtable by SACU cannot be overemphasised, more so that they resonate well with Lesotho’s economic and development agenda as highlighted in our National Strategic Development Plan II (NSDP II). The successful implementation of the SACU work programme will enable Lesotho to meet the targets as laid out in the NSDP II, thus emphasising the importance of the work programme for Lesotho. It therefore goes without saying how critical the success of this work programme is to Lesotho”,  
Hon. Dr. Thabiso Molapo.*



**Hon. Lucia lipumbu**  
**Minister of Industrialisation and**  
**Trade, Republic of Namibia**

*“I support that this platform deliberations should continue to indicate, from an industrial policy perspective, how we all could harness the SACU rebates and duty drawbacks to develop these identified value chains further. A key common theme around these investment and business opportunities is the cost structure that points to high tariffs on energy and in certain sectors other inputs such as - for example the cost of the feed in poultry an input tends to be a major cost component in certain value chains. A common approach to reduce these high input costs must also be investigated from a SACU regional industrial policy perspective”, Hon. Lucia lipumbu.*



**Hon. Ebrahim Patel**  
**Minister of Trade, Industry and**  
**Competition, Republic of South Africa**

*“The Roundtable provides an opportunity to identify cross-border value-chains that can be developed so that all SACU Members can benefit from the opening of markets to our north. It is also a showcase to investors of the attraction of Southern Africa as we advance manufacturing and innovation hubs of our continent”, Hon. Ebrahim Patel*



**Hon. Mmusi Kgafela**  
**Minister of Investment, Trade and**  
**Industry, Republic of Botswana**

*“The Roundtable comes at an opportune time as we are trying to make our economies to be self-reliant in food production. This is evident from the majority of the value-chains that are coming from agro-processing. As a consequence, I would like to urge the private sector in the SACU region to mobilise the resources to enable use to benefit from the availed opportunities”, Hon. Mmusi Kgafela*



**Mr. David Jarvis**  
Industrial Development  
Corporation of South Africa



**Ms. Leila Mokaddem**  
African Development Bank  
Southern Africa Regional Office



**Mr. Semethe Raleche**  
Lesotho National Development  
Corporation

## D. Financing as a Catalyst to Unlock the Region's Industrial Development Capacity

- 6.16 The Panel discussion on “*Financing as a Catalyst to Unlock the Region's Industrial Development Capacity*” comprised the following speakers: Mr. David Jarvis - Industrial Development Corporation of South Africa; Ms. Leila Mokaddem - African Development Bank - Southern Africa Regional Office; and Mr. Semethe Raleche - Lesotho National Development Corporation. The panel engaged on the state of capital markets and projects financing in the SACU region; possible solutions to finance SACU's industrialisation and development of regional value chains programme and the options of financing instruments available in the region. Furthermore, the panel reflected on the existing challenges and opportunities that should drive the region's focus on financing.
- 6.17 Project financing was highlighted as one of the key fundamentals to successfully develop and implement industrialisation programmes. It was noted that access to funding continues to be a challenge for entrepreneurs, while the packaging of investment projects, lack of regulatory harmonisation of regional payments systems; mobilising resources from the capital markets; ICT connectivity in SACU capital markets; participation by National Development Banks and DFIs in the financing of regional infrastructure projects; and Regional Financing Mechanism or Regional Development Fund; and low infrastructure connectivity within SACU were some of the additional challenges identified.
- 6.18 The following were identified as key success factors:
- (a) infrastructure development especially as enhancing rail; information and communication technology; and port connectivity to reduce trade bottlenecks within and across the region;
  - (b) the need for a focused SACU Project Preparation Facility (PPF) to develop bankable projects for industrialisation and regional value chains;
  - (c) a number of potential sources for funding were proposed such as after the use of existing PPFs; the use of multi-donor facilities; and the development of a regional Financing Mechanism to support the implementation of regional projects. Some of the instruments that could be utilised include development capital; subsidies and grants; guarantees; and blended capital to crowd-in private sector investment;

- (d) other sources of funding proposed include pension funds; sovereign welfare funds; sovereign bonds; debts swaps for environmental related projects; equity funds and venture capital, which is already existing in some Member States; using DFIs and national development banks which are in their nature already involved in high-risk projects;
- (e) combating illicit financial flows as well as recovery of revenue lost through under-invoicing and directing the collections from these initiatives to finance industrial and infrastructure projects; and
- (f) other considerations: creation of a fund for project preparedness; co-financing with the Development Partners; investment in food security; mineral beneficiation and trade enhancing financial assistance.

6.19 The other areas proposed for funding included the pharmaceutical sector with a focus on the development of the medical cannabis sector following the experience of Lesotho as well as the knowledge-based industry, including the development of artificial intelligence and automation.

6.20 As a way forward, the Panel recommended the following:

- (a) SACU could leverage funds from existing PPF sources and establish a Regional Financing Mechanism or Regional Development Fund for industrialisation and the development of regional value chains;
- (b) consider setting aside a certain percentage of the SACU customs duties collected to support the development of various sectors such as textile and clothing;
- (c) the importance of trade enhancing financial assistance and the need to unlock these opportunities for the Member States to participate in regional and global value chains;
- (d) leverage existing funding opportunities for the SACU countries including development of bankable projects which are appealing to investors and demonstrate opportunities within priority sectors to benefit from the AfCFTA;
- (e) develop and operationalise regional Stock Exchanges and ensure their interconnectivity through ICT as well as harmonisation of their listing requirements across the SACU region while also ensuring the development regional financial instruments to support regional industrial champions and help SMMEs participate in the value chains;
- (f) collaborate with the African Development Bank on sectors such as water; energy and ICT which has a number of initiatives already taking place in SACU countries such as infrastructure development; Trade Facilitation and strengthening SADC's Macroeconomic Convergence criteria and Financial Sector Development; and
- (g) create regional champions for the SACU industrialisation and regional value chains and develop an ecosystem of SMMEs in these value chains to create employment and opportunities for the youth.

## 7. INVESTMENT AND EXPORT OPPORTUNITIES IN THE PRIORITY SECTORS

- 7.1 The attraction of investment and export promotion have been identified as supporting pillars to enable the SACU region to attain its industrialisation aspirations. This session therefore shared insights on the developmental potential, investment and export opportunities emerging across the SACU region in each of the identified priority sectors. The presentations were informed by the technical analysis including the value chain mapping and scoping exercises conducted for the respective priority sectors as well as the outcomes of Sectoral Roundtables for each of the prioritised sectors convened by the SACU region in 2021.



*Presentations on Investment and Export Opportunities in the Priority Sectors in SACU. Inset: Ms. Sinah Mosehla, Department of Trade, Industry and Competition, South Africa*

- 7.2 The presentations in this session were delivered by the Lead Sectoral Coordinators in the SACU Member States; Mr. Paul Orkese from Botswana, on Leather and Leather Products; Ms. Zamanyambose Mtetwa from Eswatini on Fruits and Vegetables; Dr. Michael Humavindu from Namibia on Meat and Meat Products; Ms. Teboho Tsekoa from Lesotho on Textiles and Clothing; and Ms. Sinah Mosehla from South Africa on Cosmetics and Essential Oils.

- 7.3 The key highlights from the presentations are provided below.

### Agro-processing

#### Leather and Leather Products

- 7.4 Global trends analysis that the leather value chain is estimated at over USD 100 billion. A comparison of this value chain with other commodities reveals that its trade is greater than the combined trade of meat, sugar, coffee and tea. This trend highlights great potential that exists in the SACU region to develop regional value chains on Leather and Leather products and expand the region's export basket. In light of this, the SACU region's vision is

to develop an integrated, sustainable and globally competitive Leather and Leather Product value chain. This vision is supported by the region's abundant resources of hides and skins which are by-products obtained from various primary upstream sectors such as red meat industry, ostrich, crocodile, animals from the wild, game and hunting industries and downstream manufacturing capacity.

- 7.5 The following were identified as key drivers to grow the regional Leather and Leather products value chains:
- (a) sufficient cattle population to produce enough hides to sustain the leather industry;
  - (b) animal husbandry practices that enable the production of high-quality hides through the reduction of man-made defects, branding and the quality of flaying;
  - (c) restriction on the exports of live animals;
  - (d) availability of slaughter facilities and the ability to attract investment in abattoirs that meet export market requirements, with adequate capacity of tanneries to process raw hides;
  - (e) skills development for leather beneficiation (leather and footwear technology education); and
  - (f) research and development across the entire Leather Value Chain.
- 7.6 Potential opportunities exist in the development of leather parks, incubators and tanneries, which should take into consideration green and environmental sustainability aspects.
- 7.7 SACU Member States should collaborate through contract tanning to take advantage of the capacity in South Africa to achieve economies of scale and control costs. There is also potential for establishing wet blue plants in Members States, which will create opportunities for crust and finished leather processing. The capacity for tanning exotic and high value skins (crocodile and seal skin) could be expanded to reduce export of unprocessed skins.
- 7.8 In order to unlock greater potential for this sector, Member States should leverage the strengths of each country across the value chain and further capacitate the sector to benefit from the opportunities presented by the AfCFTA and global markets. Integration of each stage of the supply chain from collection of hides and skins to tanning; product manufacturing and marketing is a key factor in realising growth in the leather sector for the SACU Member States. There is also a need to develop a coordinated approach on capacity building across the SACU region.





## Fruits and Vegetables

- 7.9 SACU Member States have abundant resources (fertile soil, water, diverse agro-climatic conditions) that allow diversified production of fruits and vegetables. This creates opportunities to expand production capacity to meet year-round supply across the SACU countries as well as the establishment of nurseries to supply planting materials for the Fruits and Vegetables value chain. There is also potential to link small-scale farmers and SMMEs to markets through supplier development programmes with manufacturers and retailers.
- 7.10 SACU should enhance export market development efforts in SADC, Sub-Saharan Africa and other African markets, including through partnerships in fresh and processed fruit and vegetable production. It was also highlighted that Member States need to work towards transitioning into commercial farming and to stimulate growth in agro-processing, countries must first focus on stimulating increased production in primary products.
- 7.11 The recommendations for the development of the sector included the creation of an enabling environment and unified vision; harmonisation of relevant policies, development and harmonisation of region-wide standards, cumulation and rules of origin, continuous public-private sector engagement, investment and upgrading of border posts.

## Meat and Meat Products

- 7.12 The Meat and Meat products sub-sector is very important as the sub-sector supports livelihoods and food security of almost billion people around world. Meat is one of essential products and plays a significant role in human diet due to its nutritional properties. The livestock sector is not fully exploited in and among the SACU Member States and is currently constrained by animal health status, trade barriers, high transportation cost and low utilisation of the abattoirs, amongst others. Thus, improvement in efficiencies within the sector and integration of the value chain will help improve the role the sector plays in the livelihood of people in the region as well as contribute to economic growth within the Member States.

- 7.13 It was noted that the greatest benefits are in the beef industry, but untapped potential remains in other products like crocodile and venison meat processing for the AfCFTA and global markets. Feed and fodder production schemes are critical for the rearing of weaners and the need to incorporate research and development in the production of meat and meat products as well as collaboration between beef export abattoirs are some of the opportunities in the sub-sector.
- 7.14 There is however a need for collaboration on disease management and for synchronising actions for disease control between Member States to limit the negative effects on intra-SACU trade as well as trading activity in continental and global markets. There was also a call for harmonisation of cross-border procedures and documents in the region to allow for seamless flow of goods.

## Textiles and Clothing

- 7.15 The Textile and Clothing sector is a key strategic sector for the SACU region as it plays a significant role in economies of SACU Member States. The sector has substantial forward and backward linkages and huge employment creation capacity as it directly employs thousands of workers within the region.
- 7.16 The sector offers opportunities to upgrade fiber production in the region and to upgrade the capacity of local firms, including adopting new production techniques and technology to scale-up production. Production, offcuts and water recycling, distribution and marketing have also been identified for cross-border value chains in the sector. This could enhance the economic development, diversification, industrialisation and competitiveness of SACU Member States.





- 7.17 To fully harness the benefits from this sector, it was recommended that the SACU region should take full advantage of the trade agreements for the Textiles and Clothing industry; ensure reliable and cost-effective energy and water supply and distribution; increase the ability to process primary products via regional value chains by leveraging individual country strengths; enhance trade corridors and facilitate linkages and communication between value chains; promote partnerships with relevant institutions to build skills and capacity across private sector and State-Owned Companies.

## Cosmetics and Essential Oils

- 7.18 SACU has more than 3000 plant species where essential oils can be extracted. These oils are used in a wide range of industries like the pharmaceuticals, food and beverages, cosmetics. The Cosmetics and Essential Oils sector therefore presents enormous opportunities for the SACU region mainly based on the abundant resources of land and both indigenous natural plants (Marula, Kalahari seeds, Baobab and many more) and organically cultivated plants. This ensures readily available inputs for production in the cosmetics, food and health sectors. Cross-border value chains in this sector can enhance inclusive economic development and diversification, particularly due to its linkages to small, women and youth owned businesses.
- 7.19 The discussions highlighted the importance of focusing on cosmetic production separately from essential oils in order to ensure specialisation. There is need to explore the production and beneficiation of Rosehip, Eucalyptus, Marula, Baobab as inputs into pharmaceutical, cosmetic and food industries. There is also an opportunity to scale-up production of soaps, lotions, perfumes, fragrances, haircare and lip care lines within the SACU region as well as adopt new production technologies and increased usage of natural ingredients/essential oils in cosmetics products.
- 7.20 Harmonisation of regulatory standards, product specification and labelling, improved access to finance for SMME's across SACU, ICT and the use of e-commerce, skills development and capacity building, reduction of non-tariff barriers and coordinated approach and research and development were proposed as some recommendations for the development of the sector.

## 8. TAKING THE SACU EXPORT PRODUCTS BEYOND BORDERS - TAPPING INTO THE AfCFTA MARKET AND BEYOND

- 8.1 In his presentation, Mr. Willem Van Der Spuy from the Department of Trade, Industry and Competition, South Africa highlights on SACU products which can tap into AfCFTA market and beyond. The presentation was informed by an export scoping exercise undertaken by the SACU Member States to assess potential export opportunities in the priority sectors. The following were the key takeaways:
- (a) leather products (including bags, cases and wallets) and leather footwear offer the best opportunities in the Leather and Leather products value chain at present, but there should also be a focus on improving regional competitiveness and capacity in this area;
  - (b) while there are general opportunities in the Fruit and Vegetables value chain, grapes, citrus, apples, cranberries and pears offer opportunities at present while the region can leverage on existing strengths to move into value-added products such as fruit juice and fruit preserves. In addition, support to emerging products should focus on commodities like cranberries and macadamia nuts;
  - (c) beef and prepared meat products offer the best opportunities for SACU in the AfCFTA, while pork products are an emerging area of interest specifically for the rest of the world;
  - (d) a mix of clothing products (outerwear, shirts and trousers) as well as technical textiles (for tarpaulin, sails and packaging) present opportunities in the Textiles and Clothing value chain; and
  - (e) essential oil mixtures of odoriferous substances (used for soaps and beverages), as well as soaps, beauty and make-up preparations, personal deodorants and antiperspirants feature as products with the highest export potential in the Cosmetics and Essential Oils value chain.



**Mr. Willem Van Der Spuy**  
**Chief Director:**  
**Export Development**  
**Promotion and Outward**  
**Investment (EDP&OI)/**  
**Operations, Department**  
**of Trade, Industry and**  
**Competition, South**  
**Africa**

## 9. SYNOPSIS OF KEY INVESTMENT PROJECTS IN THE SACU REGION

- 9.1 During this session, Chief Executive Officers and Heads of Investment Promotion Agencies in SACU Member States presented their respective investment projects. The presentations were delivered by Mr. Obert Yuyi, Botswana; Dr. Khanyisile Dlamini, Eswatini; Mrs. Puseletso Makhakhe, Lesotho; Ms. Nangula Uaandja, Namibia; and Mr. Jardine Omar and Mr. Yunus Hoosen, South Africa.
- 9.2 A total of 36 projects were showcased, including opportunity for regional collaboration in the development and/or expansion of these projects. The projects were at various stages of development, some at infancy/development phase while others have progressed to advanced stages. A summary of the projects is provided in Table 1, below.

**Table 1: List of Investable Projects**

<b>BOTSWANA</b>	
PROJECT 1	Leather Industry Park
PROJECT 2	Zambezi Integrated Agro-Commercial Development
<b>ESWATINI</b>	
PROJECT 1	Cottonseed Oil Extraction Machine/Cotton Seed Oil Mill Machinery
PROJECT 2	Essential Oils Manufacturing
PROJECT 3	Leather Products Manufacturing
PROJECT 4	Shiselweni Poultry Processors
PROJECT 5	Value Addition in Pork Processing
PROJECT 6	Vegetable Production and Processing
PROJECT 7	Sunrise Academy Agri-Business Skills Development Concept
<b>LESOTHO</b>	
PROJECT 1	Deciduous Fruit Production and Processing
PROJECT 2	Footwear Manufacturing
PROJECT 3	Herbs, Spices and Aromatic Products
PROJECT 4	Knit/Woven Fabric Mill
PROJECT 5	Medicinal Cannabis
<b>NAMIBIA</b>	
PROJECT 1	Beef Value Chain Forum (BVCF)
PROJECT 2	Agri-Tech Horticulture and Agri-Processing Methods
PROJECT 3	Establishment Of a National Storage Facility for Fruits and Vegetables
PROJECT 4	KGD Shamambungu Organic Farm
PROJECT 5	Neckartal Green Scheme Irrigation Farm
PROJECT 6	Zone Green Scheme Irrigation Farm
PROJECT 7	Tandjieskoppe Green Scheme Irrigation Farm
<b>SOUTH AFRICA</b>	
PROJECT 1	Maluti-A-Phofung Economic Zone (Free State) - Fruits & Vegetables; Meat & Meat Products
PROJECT 2	Musina-Makhado Economic Zone (Limpopo) - Fruits & Vegetables; Meat & Meat Products
PROJECT 3	Dube Trade Port - Agrizone (Kwazulu Natal) - Fruits & Vegetables; Meat & Meat Products
PROJECT 4	Nkomazi Special Economic Zone (Mpumalanga) - Fruits & Vegetables; Meat & Meat Products
PROJECT 5	Sarah & Ivan Farming Enterprise (Gauteng)
PROJECT 6	Prime Product Manufacturing (Gauteng)
PROJECT 7	SDK Cosmetics (Gauteng)
PROJECT 8	AMKA Products (Gauteng)

- 9.3 **Botswana:** presented two (2) projects that fall within the leather sector and agro-processing. The presentation also included the existing investment opportunities in agri-business, mining, manufacturing, services, energy, transport and logistics and tourism. Incentives available for the investors were also highlighted including the trade agreements that Botswana is party to, with an aim to support/increase exports. Botswana also provided an overview of their existing Special Economic Zones and their functions. The presentation concluded by providing the key critical success factors and how they have benefited the private sector at large.
- 9.4 **Eswatini:** presented seven (7) projects that fall within the cosmetics and essential oils, meat and meat products, leather and leather products and fruits and vegetables sub-sectors. The presentation provided a comprehensive outline of the projects, the investment values and the likely benefits to the country.
- 9.5 **Lesotho:** presented an overview of five (5) projects in the leather and leather products, fruits and vegetables, pharmaceuticals, cosmetics and essential oils and textiles and clothing sectors. The presentation provided a comprehensive outline of the projects and their stages of development.
- 9.6 **Namibia:** eight (8) projects were presented that fall within agro-processing sector particularly fruits and vegetables and meat and meat products. The presentation provided a comprehensive outline of the projects and investment values.
- 9.7 **South Africa:** ten (10) projects were submitted coming from the Special Economic Processing Zones. Projects identified fall within the agro-processing (fruits and vegetables; meat and meat products) and cosmetics and essential oils sub-sectors. The presentation provided a comprehensive outline of the projects and the stages of development.



*Mr. Obert Yuyi  
Acting Executive Director, Botswana  
Investment Promotion Agency,  
Investment Promotion*



*Mrs. Puseletso Makhakhe  
Acting General Manager, Lesotho National  
Development Corporation, Investment &  
Trade Promotion*



*Dr. Khanyisile Dlamini  
Senior Executive Manager,  
Eswatini Investment  
Promotion Agency,  
Investment Promotion*



*Ms. Nangula Uaandja  
Chief Executive Officer, Namibia Investment  
Promotion and Development Board*



*Mr. Yunus Hoosen  
Acting Deputy Director General and  
Head of Investment, InvestSA*

## 10. BUSINESS AND TRADE ENVIRONMENT IN SACU

### Enhancing Competitiveness of the Business and Trading Environment in SACU



*Panel Discussion on Enhancing Competitiveness of the Trading Environment in SACU. Inset: Mr. Edward Andrew Beukes - Senior Transport Specialist, The WorldBank Group - Southern Africa Regional Office*

- 10.1 Panel on **“Enhancing Competitiveness of the Trading Environment in SACU”** comprised the following speakers: Mr. Gavin Kelly - Road Freight Association; Mr. Edward Beukes - World Bank Group, Southern Africa Regional Office; Mr. Mbahapu Tjivikua - Walvis Bay Corridor Group; Mr. Leslie Mpfu - Trans Kalahari Corridor Secretariat; and Mr. Thabo Khasipe - Lesotho Revenue Authority.
- 10.2 The Panel discussion sought to identify policy options for enhancing competitiveness of the business and trading environment in SACU and highlighted the following key points:
- (a) the need for stakeholders operating in the supply chain to start sharing information to better facilitate the movement of cargo across borders;
  - (b) the region needs to start prioritising the adoption of streamlined and automated processes and procedures that are geared towards supporting the movement cargo across the supply chain to reduce shipping and container costs;
  - (c) the need for the region to focus on transforming transport corridors into economic development corridors through the establishment of value addition facilities along regional corridors;
  - (d) the region needs to harmonise cross border regulations with a view to reduce transactional costs associated with moving goods across borders. In addition, region should also focus on establishing regional corridor management committees that will provide ongoing corridor monitoring on the application of cross border regulations;
  - (e) in terms of enhancing regional competitiveness, the region needs to prioritise safe movement of cargo along corridors. In addition, improve the efficiency levels at ports of entry by deploying interventions that are geared towards reducing the time cargo spends at harbours; and
  - (f) there is also a need for the region to address the current corridor impediments (both soft and hard infrastructure) that undermine efficiency and increase the cost of doing business.

## 11. PRIVATE SECTOR ENGAGEMENTS



11.1 Twenty-seven (27) connections were registered on the Business-to-Business (B2B) platform. The aim of the B2B platform was to create a platform through which potential investors and other interested parties could network and obtain further information on the projects from the project promoters. Participants were encouraged to use the platform to continue engagements beyond the Roundtable. Albeit the platform, it takes time for such networking to manifest in actual gains and Secretariat will continue working with the Investment Promotion Agencies to promote the projects.



## 12. CONCLUSION AND OVERALL OUTCOMES OF THE ROUNDTABLE

- 12.1 The SACU Ministers of Trade and Industry emphasised that time was of the essence to deliver tangible results to the people of the SACU region. The need for urgency to deliver on the industrialisation agenda through the regional value chain model was particularly underscored by the Ministers and participants, especially considering the impact of the COVID-19 pandemic on the SACU economies. SACU therefore needs to take advantage of the available opportunities to industrialise, and the Roundtable was a building block for SACU's industrialisation agenda.
- 12.2 The Ministers called for the selection of one project that can be piloted, marketed, promoted and financing mobilised, and the project would be showcased as a success for the region in the near future. The Ministers also directed that the following sectors/initiatives should be considered as value added to the current SACU Work Programme:
- (a) undertaking scoping and mapping exercises for the Automotive and Mineral Beneficiation sectors;
  - (b) outlining the various industrial and agricultural rebates and duty drawbacks available in SACU;
  - (c) development of an Export Promotion Framework, export promotion model/tool and export promotion e-catalogue;
  - (d) development of a regional Investment Promotion Framework;
  - (e) establishment of One-Stop Border Posts;
  - (f) development of a financing and resource mobilisation framework;
  - (g) develop a project and funding preparation strategy;
  - (h) development of a strategy to ensure that Trade Facilitation and Logistics matters are supported through viable development of value chains;
  - (i) development of framework on enablers of the value chains and mainstream the use of technology; and
  - (j) development of a private sector facilitation framework on how the private sector will participate in the industrialisation agenda.
- 12.3 The Ministers underscored that the success of SACU is a collective responsibility of all stakeholders, not just Governments. The Ministers noted that the journey has only started and there is significant work ahead to advance the recommendations from the Roundtable. The Industrialisation Agenda will enable SACU to strategically position itself to harness opportunities to boost its own productive capacity and exploit the AfCFTA market through industrialisation.

# OFFICIAL OPENING





# GENERAL



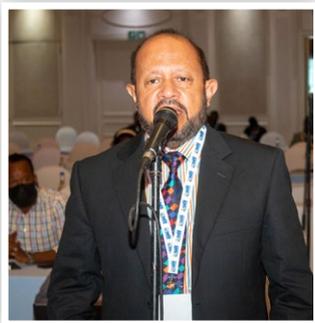
# INVESTMENT ROUNDTABLE SESSIONS



# INVESTMENT ROUNDTABLE SESSIONS



# INVESTMENT ROUNDTABLE SESSIONS



# INVESTMENT ROUNDTABLE SESSIONS



# INVESTMENT ROUNDTABLE SESSIONS





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